

# The RDC

## Competing Globally for Industry Investment

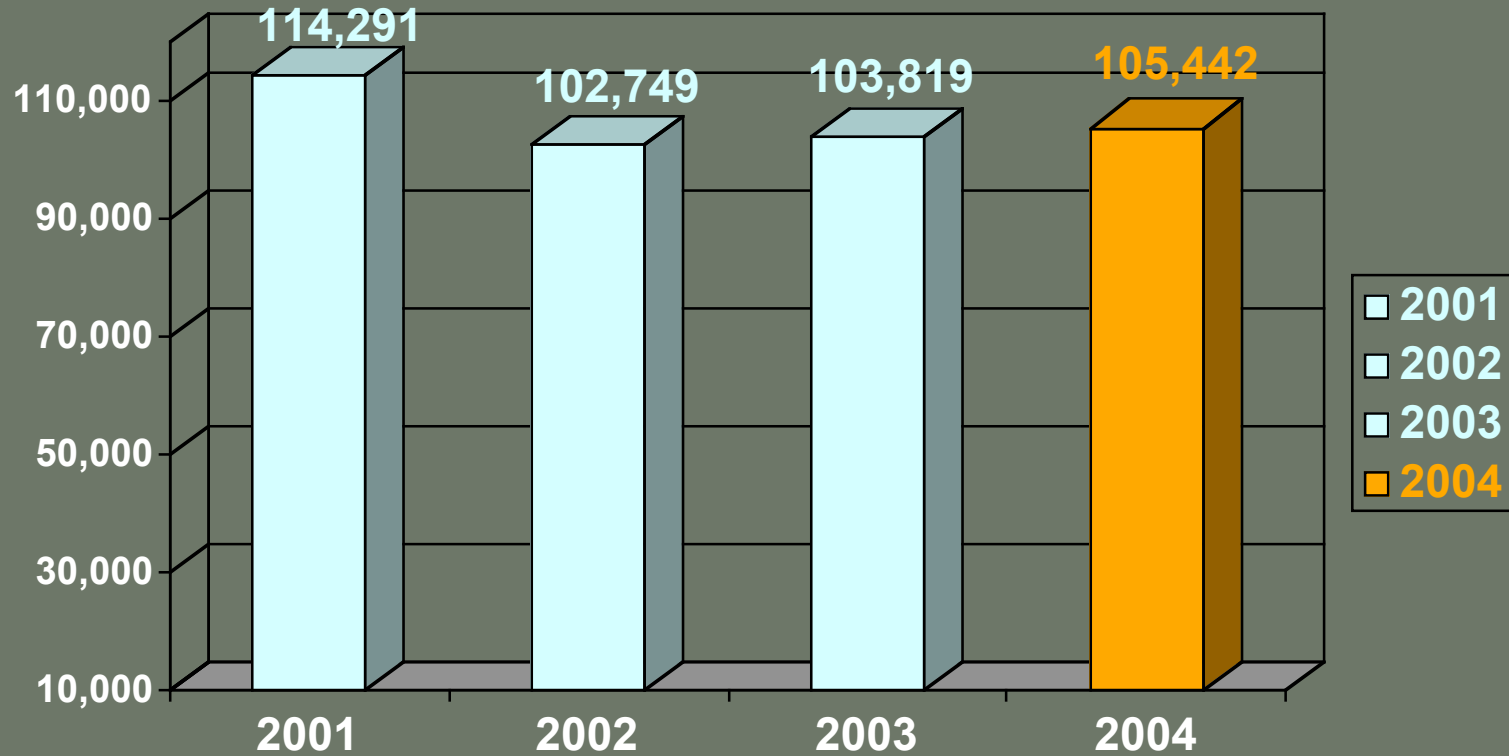


November 19, 2005

# Alaska's Travel Industry an Overview

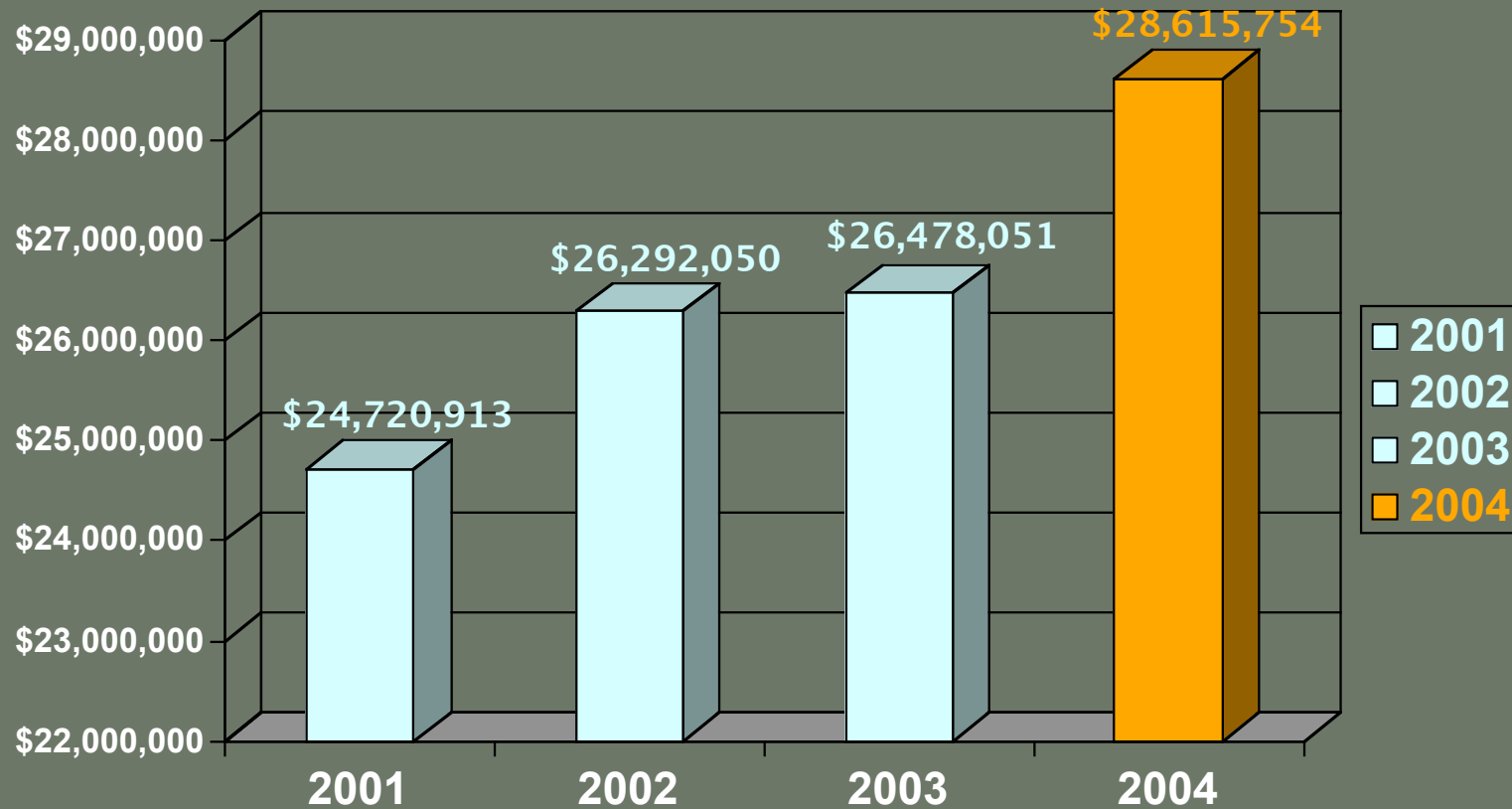


# Summer Border Crossings

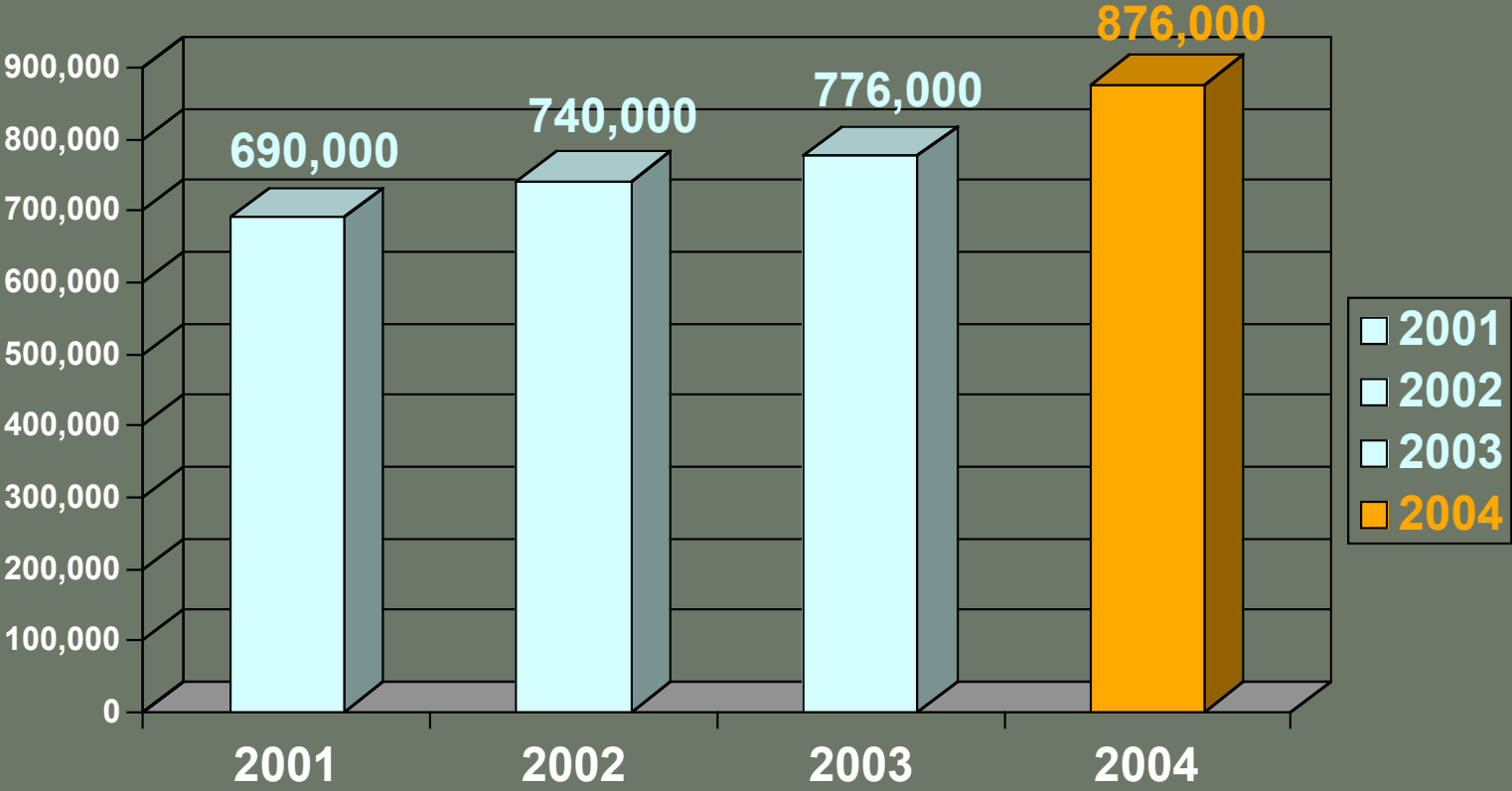


\* 2004 numbers include September estimates

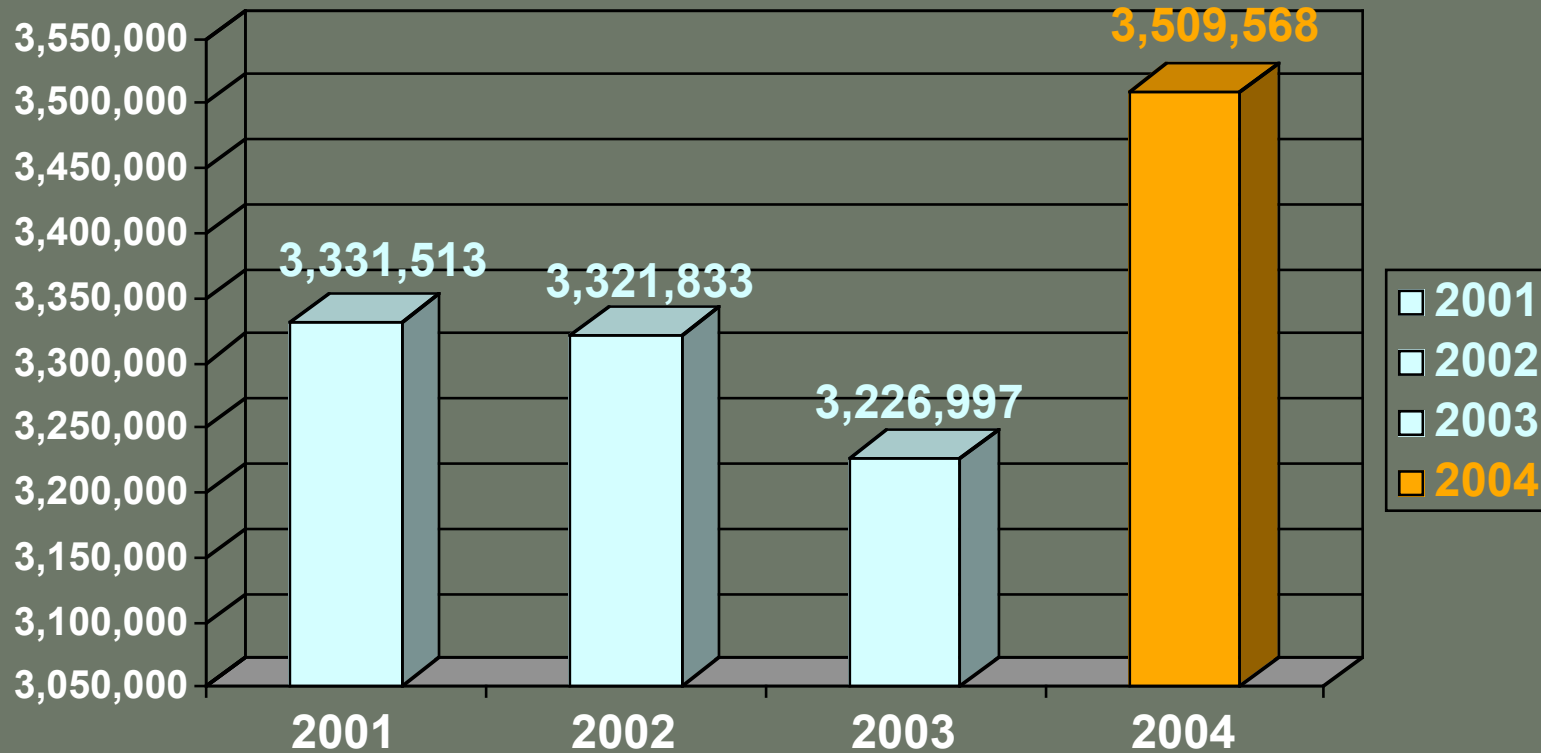
# Anchorage Summer Rental Car Revenues



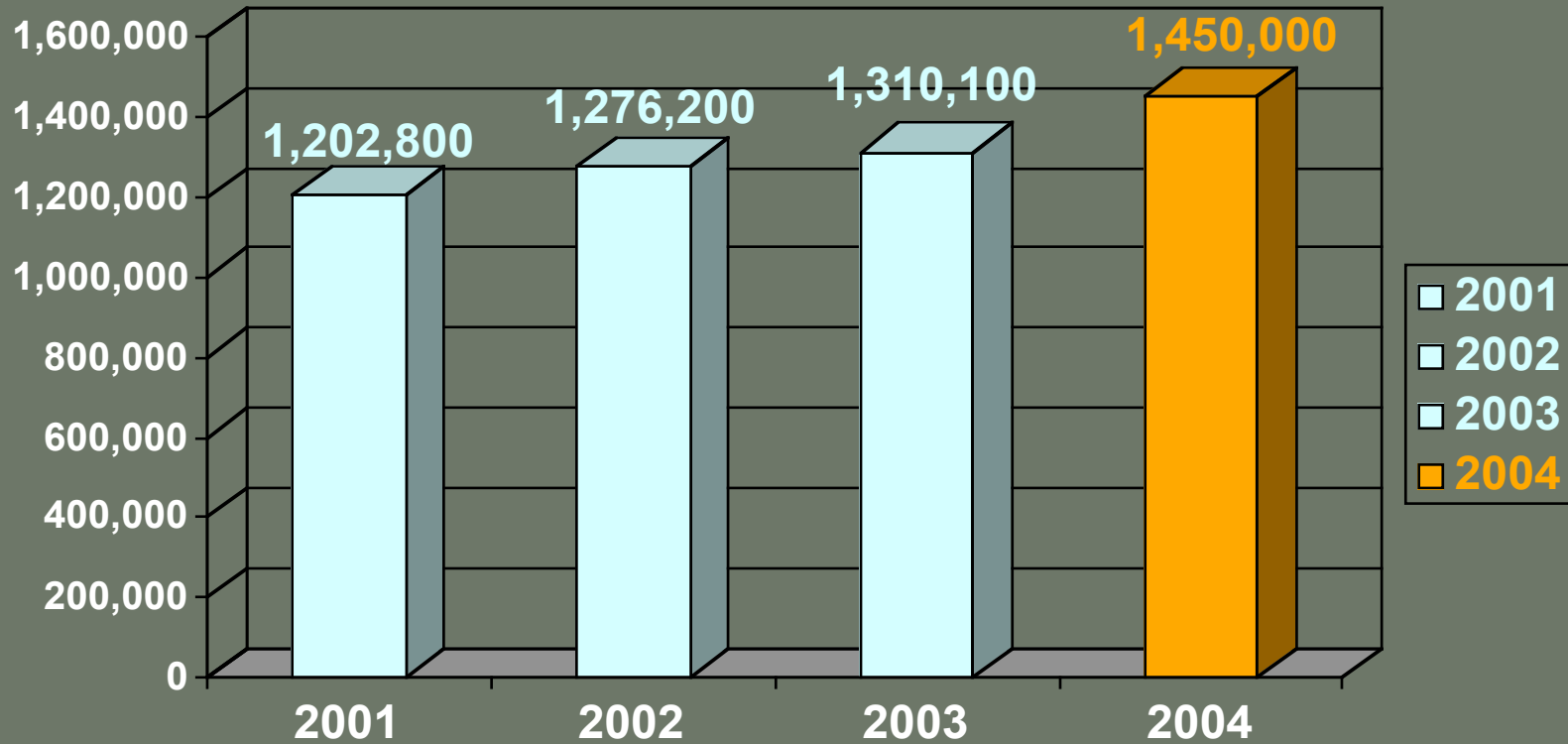
# Cruise Ship Passengers



# Summer Airport Arrivals and Departures



# Total Visitor Arrivals - Summer



\* 2004 numbers include September estimates



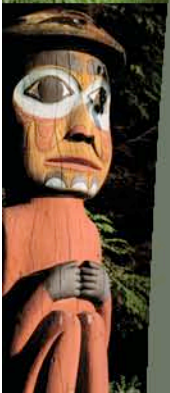
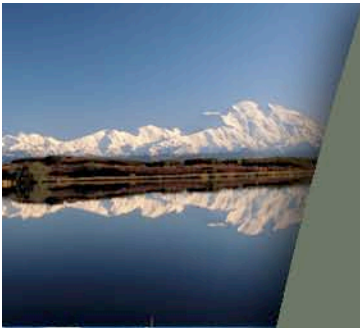
# Tourism Challenges and Obstacles

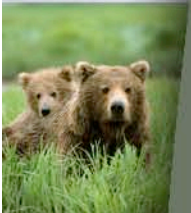
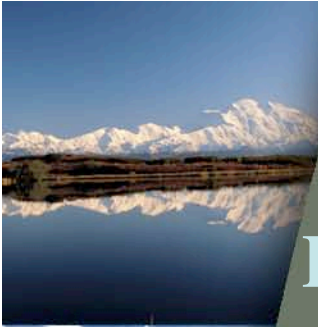
- Public land access issues
- Infrastructure Quality
- Alcan Road Decline
- Opposition to Targeted Taxes
  - Unfair
  - Divisive
  - Inefficient
  - Costly to Administer



## Opposition to Targeted Taxes

- Wildlife Conservation Pass/Stamp
- Cruise Ship Head Tax Initiative
- 5% Hotel Tax, \$5 Head Cruise Tax
- Shore excursion tour tax
- Cruise gaming tax





## Lack of Public Awareness about Tourism

- Tourism is an engine of growth for the economy
- Tourism's core industry is the third largest private-sector employer in the state
- Important to the local and state tax base
- **Bottom Line:** We're essential to diversifying Alaska's economy





## Alaska's Economic Tourism Contribution

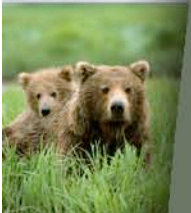
- Over **\$168 million** in state & local taxes & fees each year
- Tourism's economic contribution to the state is over **\$1.5 billion**
- Total visitor arrivals fall 2003 - summer 2004 estimated **1.7 million**



# Tourism's Economic Contribution

- Leading industry in Southcentral, Southeast and the Interior
- Direct, full-time, annual jobs: 26,000
- Directly & indirectly employs 37,650 Alaskans
- 14 of Alaska's top 100 Employers are directly involved in the travel industry





## Cruise Visitors are Important to Alaska

- Cruise Industry contributes **\$633 million** through direct purchases
- Cruise visitors are land tour visitors (estimated 180,000)
- 27% of Alaska's repeat, independent travelers previously came as a cruiser
- **Do the math!**  
220,000 repeat visitors from this year's cruisers





## Takeaway

- Aware of barriers and obstacles for growth
  - New era of competition
  - Product needs to be fresh and vibrant
  - Opposition to Targeted Taxes
  - Time, Distance, Cost Challenges
  - Maintain good stewardship of Alaska's environment
  - Work hard to change public's perception of tourism with other stakeholders such as VBAC

## Takeaway

- Tourism is the number two private sector industry in the state
  - Tourism is a renewable resource
- Need RDC support in promoting economic and public policies that will enhance Alaska and Alaska as a travel destination

