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North Carolina in the International Marketplace: A Guide to Transnational Business Activity

Michael A. Almond

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NORTH CAROLINA IN THE INTERNATIONAL MARKETPLACE:

A Guide to Transnational Business Activity

by Michael A. Almond*

World events in the past few years have demonstrated with startling abruptness that the American businessman can no longer function within the narrow confines of traditional national markets. Worldwide competition for natural resources, raw materials, technology, and finished products has produced a level of international economic integration and interdependence among nations never before seen. Even small businessmen and manufacturers are finding that they must plan their affairs on an international scale. The economic stability of all Western nations depends increasingly upon the latest world trade statistics.

This greater economic interdependence among nations can be expected to be a positive force for world peace as nations become more reluctant to disrupt international markets and supply sources. On the other hand, dislocations in the political or economic equilibrium in some remote corner of the globe can now explode swiftly into problems of worldwide significance. The current economic recession, for example, is a direct manifestation of this interdependence. Control of one essential commodity, oil, is being used to reshape and redefine political relationships involving only a tiny fraction of the world's population and territory, yet the economic consequences are global.

This movement toward internationalism in the business community should signal a corresponding shift in the nature of the legal relationships of the parties involved. Business and commercial lawyers must ultimately realize that as their clients become more involved internationally, they too must be able to function on a worldwide scale. This is particularly true in a state such as North Carolina which in recent years has dramatically increased its commodity and agricultural exports, has developed two major seaports, and has emerged as a prime location for foreign investment and industrialization.

North Carolina's expansion into international markets also benefits the average citizen of the State, since increased exports create new skilled job opportunities for North Carolina's workers. It is estimated that for each additional \$100 million in exports, over 6,500 new jobs are created. Foreign companies have also created employment opportunities for North Carolinians by locating plants and other facilities in the state. At the present time, there are well over one hundred thirty foreign companies established in North Carolina.

* Member, North Carolina Bar; Associate: Fleming, Robinson & Bradshaw, Charlotte, North Carolina; B.A. 1971, University of North Carolina at Chapel Hill; J.D. 1975, University of North Carolina School of Law; Law Clerk 1975-76, Hon. J. Braxton Craven, Jr., United States Court of Appeals, Fourth Circuit.

Hopefully, this article will prove a useful introduction to the various facilities and resources available in North Carolina for businesses or attorneys with clients engaged in international business transactions. These facilities and resources consist of federal and state governmental agencies, private banks and other commercial services, and purely personal contacts. All can be of great assistance in resolving problems in international commerce. While the sources discussed in this article may not in all cases be capable of providing ultimate solutions, they should be regarded as focal points of preliminary inquiry. At the end of this issue there is a bibliography aimed primarily at the legal profession. A number of recent articles appearing in various periodicals are listed which can help solve some of the more involved problems of international business transactions.

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I. Services at the Federal Level

A. United States Department of Commerce

It is a national policy objective to encourage exports to foreign markets. Primary responsibility for boosting United States exports is borne by the Bureau of International Commerce of the United States Department of Commerce. While information and assistance are available from the Washington headquarters, direct communication at this level is often costly, inconvenient, and subject to inevitable bureaucratic delays. The services provided by the forty-two district offices located throughout the nation are far more useful to the average businessman.

The district office for North Carolina, located in Greensboro, is most willing to assist potential exporters in developing new markets overseas. It can be said without overstatement that the district office is the one indispensable source of information and guidance in putting an international commercial transaction together. Trade specialists provide up-to-date statistics on all aspects of foreign trade and are thoroughly knowledgeable in the mechanics of exporting to other countries. The staff offers the following specialized services:

1. *Individual Business Counseling*— This is the area where the district office can be perhaps most helpful. For example, the staff will assist a firm in obtaining any of the other services discussed below. In addition, the office has available for distribution certain pamphlets and trade documents (listed in the bibliography) which explain the “hows and whys” of exporting. The office also has a library with reference materials and other information on the customs, laws, and business practices of foreign countries. Included are manuals on export licensing requirements and on special tax advantages for certain types of exports. Most importantly, the office is a prime source of business contacts, and can put a firm in touch with other private parties essential to exporting, such as freight forwarders, banks, freight and export insurance agents,

and port authorities. Finally, the office can assist in developing promotions and exhibitions in target countries.

2. *Foreign Traders Index*— This is a computerized file of more than 140,000 foreign importing organizations. The Index is constantly revised and updated, and is the source of much of the additional information available at the district office.

3. *Export Mailing Lists*— For a charge of fifteen dollars, a North Carolina firm can obtain a list of three hundred names (sometimes fewer) of foreign organizations which could be potential export prospects. These names can be requested by product or industry group categories, or by geographical area.

4. *Trade List Service*— This service provides names and addresses of foreign distributors, agents, purchasers, and other firms which are classified by the products they handle and services they offer. Such lists are broken down by country, and the information is available for a nominal charge. State Trading Organization lists are particularly useful for firms doing business with Eastern European/Communist-bloc nations which operate through state trading monopolies.

5. *Agent/Distributor Service*— For \$25.00 the Department will assist firms in locating agents or distributors in foreign markets. An evaluation is made of the agent/distributor services available in the particular market specified. The factors which might discourage business contacts are pointed out.

6. *Trade Opportunities Program (TOPS)*— This subscription service provides latest trade information and direct sales leads in foreign markets. The subscriber specifies countries to which he is interested in exporting; Department computers match this information with trade leads which develop in the designated countries. Potential trade opportunities are then mailed to the subscriber, who is responsible for any follow up. The TOPS program has been an important source of export customers for North Carolina firms. The low cost makes it possible for almost any business to explore the export demand for its products. For a firm which has not previously engaged in exporting and which wishes to expand into foreign markets, the TOPS service is a natural and effective source of initial customer contacts overseas.

7. *World Traders Data Report Service*— This service will provide, upon request, background and profile data on particular overseas firms. The United States Foreign Service will prepare detailed commercial information on a specified firm, including financial references, type of organization, number of employees, sales area, names of officers, and the firm's general business reputation.

5 N.C. J. INT'L L. & COMM. REG.

For further information, contact:

| | |
|----------------------|------------------|
| Joel B. New, | Director |
| Frederick C. Farmer, | Trade Specialist |
| Norwood J. Cheek, | Trade Specialist |
| Johnny E. Brown, | Trade Specialist |
| Linda F. Jones, | Trade Specialist |
| Samuel P. Troy, | Trade Specialist |

The address of the Greensboro District Office is:

324 West Market Street
Greensboro, North Carolina 27402

TELEPHONE:

(919) 275-5345, -5645, or
(919) 273-8234

B. United States Customs Service

The Customs Service provides advice and information to companies engaged in or contemplating foreign trade, primarily importation of foreign-made goods. This information includes quotations of import duty rates, lists of customs house brokers and freight forwarders, interpretation of rules and regulations governing international trade, and other items. For additional information, contact:

William J. O'Shea
District Director of Customs
2094 Polk Street
Wilmington, North Carolina 28401
TELEPHONE: (919) 763-9971 Ext. 419

or

Marcus K. Innis
P.O. Box 754
North Carolina Maritime Building
Morehead City, North Carolina 28557
TELEPHONE: (919) 726-5845

C. Export-Import Bank (EXIMBANK)

The Export-Import Bank is an independent agency of the United States which works directly with American suppliers and financial institutions to provide financing for export sales. Its export finance programs include: direct loans and guarantees, bank discount facilities, leasing guarantees, special programs for overseas design and engineering studies, construction, licensing, agricultural export financing, and other short, medium, and long-term financing. EXIMBANK also works cooperation with the Foreign Credit Insurance Association (FCIA) to provide export credit insurance.

As a general rule, all transactions which qualify for EXIMBANK

support must include a ten percent cash payment by the overseas buyer and must offer reasonable assurance of repayment. The bank is prohibited from financing sales of military items to economically disadvantaged countries, sales of items to a country which is engaged in armed conflict with the United States, or sales to Communist countries not exempted by statute. For additional information, contact:

The Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
TELEX: 89-461

D. The Overseas Private Investment Corporation (OPIC)

OPIC is a United States government corporation which provides qualified United States investors with political risk insurance and financial assistance to support their investments in foreign countries. The political risk insurance offers protection against inconvertibility of earnings, expropriation, war, revolution, and insurrection. coverage is available for terms of up to twenty years. Today nearly two-thirds of United States non-petroleum private foreign investment in less-developed countries is protected by OPIC. However, OPIC's political risk insurance program is currently being phased out.

OPIC also maintains several financial assistance programs which locate and promote attractive investment opportunities in foreign countries. For further information on all OPIC programs, write:

Information Officer
OPIC
1129 20th Street, N.W.
Washington, D.C. 20528
TELEPHONE: (202) 632-1854

E. Export Credit Insurance (FCIA)

For those "arms-length" foreign investments or exports which do not qualify for OPIC protection, export credit insurance is available through the Foreign Credit Insurance Association (FCIA). FCIA insures United States exporters against nonpayment due to commercial and political risks. Thus the exporter can offer more competitive credit terms to foreign buyers and can facilitate financing of foreign receivables.

FCIA is an association of over fifty insurance companies working in cooperation with EXIMBANK. Commercial credit risks are covered by the private underwriters, political risks by EXIMBANK. The combined coverage enables United States exporters to penetrate high risk foreign markets.

FCIA insurance is written in all but a few Eastern-bloc countries. Coverage is granted on the basis of the credit-worthiness of the exporter and foreign buyer. Naturally, FCIA maintains credit information on

many foreign importers. Through its Prequalification Program, United States exporters can learn the credit standing of over 50,000 foreign buyers.

Information concerning FCIA can be obtained through the seller's own insurance agent or broker, or through an FCIA regional office. The Southeast Regional Office is located in Atlanta. Contact:

John R. Van Laeys, Manager

OR

Colin Weir, Regional Vice President

FCIA

1250 South Omni International

Atlanta, Georgia 30303

TELEPHONE: (404) 522-2780

II. Services at the Regional Level

A. Consuls General - Foreign Trade Officers

There is in Atlanta, Georgia a community of foreign government representatives who can provide invaluable information to international businessmen. While the consuls general and foreign trade officers have their headquarters in Atlanta, the entire Southeast is their responsibility. Unfortunately, they are a resource much underutilized by North Carolina businessmen. Each consulate emphasizes trade between its home country and the Southeast, with the primary purpose being increased exports to the United States. Trade specialists or commercial officers can put American buyers in contact with sellers overseas. Consulates can also provide limited information for American exporters on tariffs, immigration, and tourism, as well as general background information on the economy and culture of the countries they represent.

Foreign trade officers perform much the same function as the trade and commercial departments of the consulates. Their top priority is promotion of exports from the home country to the United States. Accordingly, foreign trade offices are very helpful in cultivating business opportunities abroad.

CONSULATES

BELGIUM

Frans L. Craeninckx, Consul General

Suite 1109

225 Peachtree Street, N.E.

Atlanta, Georgia 30303

TELEPHONE: (404) 577-8096 or -8097

CANADA

Harry James Horne, Consul General

Doug Branion, Senior Trade Commissioner

Gordan Keer, Consul
 A. L. Graham, Vice Consul
 Georgia Maclean, Director of Tourism
 Jack P. Ratcliffe, Pro-consul
 Jesse Merrell, Commercial Officer
 Doris McConnell, Commercial Officer
 900 Coastal States Building
 260 Peachtree Street, N.E.
 Atlanta, Georgia 30303
 TELEPHONE: (404) 577-6810

REPUBLIC OF CHINA

Stephen S. F. Chen, Consul General
 Georgia J. Y. Hsieh, Consul
 Andrew P. C. Li, Vice-consul
 Samuel C. C. Lin, Vice-consul
 Hung-How Sun, Vice-consul
 Suite 1616
 Peachtree Center South Tower
 225 Peachtree Street, N.E.
 Atlanta, Georgia 30303
 TELEPHONE: (404) 522-0182

FEDERAL REPUBLIC OF GERMANY

Dr. Ernst Ingendaay, Consul General
 Dr. Wolf-Dietrich Mueller, Consul and Deputy Head of Post
 Klaus J. Meskendahl, Vice-consul
 Juergen G. Friesel, Consular Attache
 Klaus D. Galler, Commercial Attache
 Suite 1000
 229 Peachtree Street, N.E.
 Atlanta, Georgia 30303
 TELEPHONE: (404) 659-4760

ISRAEL

Shlomo Levy, Consul General
 Meir Romem, Consul
 Levy Elad, Consul for Economic Affairs
 Jacob Goren, Director of Tourism
 Suite 656
 805 Peachtree Street, N.E.
 Atlanta, Georgia 30308
 TELEPHONE: (404) 875-7851

JAPAN

Kazuo Chiba, Consul General
 Yuji Ooka, Consul

M. Fukuda, Vice-Consul

Suite 1501

400 Colony Square

1201 Peachtree Street, N.E.

Atlanta, Georgia 30361

TELEPHONE: (404) 892-7845 or -7853 or -7818

UNITED KINGDOM

Francis Kennedy, M.B.E., Her Britannic Majesty's Consul-General

Allan V. E. Gray, H.B.M. Consul

Norman J. Kelley, Vice-consul

Denis H. Payne, M.B.E., British Vice-consul (commercial)

John R. W. Greenwood, British Vice-consul (commercial)

Suite 912

225 Peachtree Street, N.E.

Atlanta, Georgia 30303

TELEPHONE: (404) 524-5856

TRADE OFFICES

COLOMBIA

Alvaro E. Cardoso, Colombia Trade Development Bureau

PRO EXPO

230 Peachtree Street, N.W.

Suite 1800

Atlanta, Georgia 30303

TELEPHONE: (404) 523-4942

DENMARK

Ingvar Jensen

Danish Trade Officer

Suite 1415

Peachtree Center Building

Atlanta, Georgia 30303

TELEPHONE: (404) 525-4438

JAMAICA

Peter Davidson

District Sales Manager, Jamaica Tourist Board

Foreign Government Representative

Suite 2311

Peachtree Center-Cain Tower

Atlanta, Georgia 30303

TELEPHONE: (404) 659-6048

MEXICO

Dr. Jose Carlos Serrato, Jr.

Trade Commissioner and Delegate-Mexican National Tourist Council

711 Center Street
Columbus, Georgia 31901
TELEPHONE: (404) 322-1968

FRANCE

Michel Cornier
French Trade Commissioner
Suite 2411, Equitable Building
100 Peachtree Street, N.W.
Atlanta, Georgia 30303
TELEPHONE: (404) 522-4843

HAITI

Jean-Claude Bordes
Director, Haiti Government Bureau-Atlanta
1800 Peachtree Center
230 Peachtree Street, N.W.
Atlanta, Georgia 30303
TELEPHONE: (404) 688-2546

ISRAEL

Levy Elad
Consul for Economic Affairs
Israel Investment Authority
Suite 656
805 Peachtree Street, N.E.
Atlanta, Georgia 30308
TELEPHONE: (404) 875-6947

PUERTO RICO

Huberto Barnes
Regional Manager
Commonwealth of Puerto Rico, Economic Development Administration
235 Peachtree Street, N.E.
Suite 912
Atlanta, Georgia 30303
TELEPHONE: (404) 577-7345

B. Marketing Research - Europe

The firm of Mossburg Associates International provides market research, market action planning, and project planning services to businessmen in the Southeast who want to sell and/or manufacture in Western Europe. Identical services are provided to businessmen in Western Europe desiring to expand into the Southeast. The firm is organized to work with the American or European businessman on researching markets, identifying sales agents or representatives, isolating manufacturing opportunities in a foreign country, analyzing aspects of attractive

location sites, and assisting project plans involved in manufacturing or assembly operations. Write:

Richard H. Mossburg
3224 Peachtree Road, N.E.
Atlanta, Georgia 30305
TELEX: 54-2864
TELEPHONE: (404) 448-5120

III. Services at the State Level

A. International Section of the Division of Economic Development of the Department of Natural and Economic Resources

North Carolina has established its own programs for promoting the State as an attractive location for foreign investment and for developing export markets for North Carolina farmers and manufacturers. In 1959 North Carolina became the first state to establish such a trade and promotional office in state government. The agency is now known as the International Section of the Division of Economic Development of the Department of Natural and Economic Resources.

An important part of the Section's work is the organizing of foreign trade missions. These missions travel to countries regarded as likely trading partners for the state, and are usually composed of North Carolina manufacturers and industrialists, bankers, state government officials, and transportation and agricultural representatives. At times the emphasis is upon reverse investment. This generally means negotiations regarding plant sites, licensing, and joint ventures in North Carolina. In recent years a greater effort has been made to locate and cultivate foreign markets for North Carolina exports.

Another service of the International Section is the dissemination of trade information designed to put North Carolina exporters in contact with foreign buyers. In this field the Section works closely with the United States Department of Commerce district office in Greensboro. Efforts are constantly being made to provide new export markets for firms which have never exported before. Such efforts often include visits to plants in the state to explain the "hows and whys" of exporting.

When foreign firms establish themselves in the state, the International Section and other staff personnel in the Department maintain close follow-up contact with the new arrival, often serving as a liaison between local governments and company officials. In many cases, the choice of plant site is made following consultations with appropriate officials who point out the desirability of locating the plant in one particular community.

North Carolina's self-promotion in foreign markets has been given a boost in recent years by the establishment of two foreign offices—one in Toronto, Canada and one in Düsseldorf, West Germany.

The major function of the Toronto office is to assist the Tourist Development Section. In fulfilling that function, the office promotes tourism, coordinates package tours, and handles all inquiries concerning travel and recreation in North Carolina. Although the Toronto office has in the past focused almost exclusively upon tourism, services have recently been expanded to include a full range of economic promotional activity for the state. For further information, contact:

Mr. John Fisher
North Carolina Canadian Office
Suite 706
185 Bay Street
Toronto, Canada M5J1K6

The activities of the international trade office in Düsseldorf, West Germany are more significant. The decision to locate the state's European Trade Office in Germany was based upon statistics which show that ninety-eight percent of all North Carolina foreign trade originates there.

The Düsseldorf office serves a number of important functions. The director of this office, Steve B. Stevenson, has been successful in locating potential customers for North Carolina industries. He also arranges appointments with prospective buyers for businessmen from the state. Stevenson cultivates trade leads and commercial opportunities which supplement those provided by the Department of Commerce's TOPS program. At present, the Düsseldorf office generates more than one hundred trade leads per week. In addition, the office is responsible for accumulating and making available valuable trade data including market surveys; trade trend reports; lists of importers, distributors, and agents; lists of European companies with an interest in licensing arrangements or joint ventures; and compilations of export regulations and procedures. In the near future, representatives of the State Ports Authority and the State Department of Agriculture will join Stevenson in Europe as part of an expansion of the trade promotional facilities in Europe. For further information, contact:

Steve B. Stevenson
North Carolina European Office
Linde Haus, Nr. 35
4 Düsseldorf
56 Berliner Allee
West Germany

The staff of the International Section points out that even in these recessionary times, North Carolina exporters face a bright future in Middle Eastern markets. Currently the Düsseldorf office is being used as a springboard into the dollar-rich markets of oil producing nations in the

Persian Gulf area. The market for North Carolina products there has been described as virtually unlimited. Almost all commodities produced in the state are in demand in Arab countries.

For further information on the operations of the International Section, write:

Hunter Poole, Chief; or,
Ray Denny
International Development Section
P.O. Box 27687
Raleigh, North Carolina 27611
TELEPHONE: (919) 829-4151
TELEX: 579480

B. The North Carolina State Ports Authority

North Carolina is fortunate to have an industrial base productive of commodities in great demand on world markets. In addition, much of the success of the state's export promotion program can be traced to the development of modern port facilities at Morehead City and Wilmington. As they have grown and expanded, more North Carolina products have cleared through our own ports.

Although North Carolina has maintained ports since colonial times, it is only in the last generation that the state has seriously attempted to develop its ports to meet the needs of local industry. The North Carolina Ports Authority was established in 1945, and during the first year of operation in 1952, Morehead City and Wilmington handled less than 100,000 tons of general cargo combined. Dun and Bradstreet now describes them as the two fastest growing ports in the country.

The facilities at both ports are constantly being expanded and modernized. Both ports are now capable of handling any type of cargo. North Carolina ports are now the nation's chief outlet for exports of leaf tobacco. Although traffic at both ports has been affected by the general economic slump, efforts are being made to improve the ports' ability to handle fast-moving container shipments which are revolutionizing the shipping industry. Funding has been approved and an order placed for a new bull-bridge container crane which will vastly reduce the time required to process container shipments.

The port of Morehead City is located on the Intercoastal Waterway three and one-half miles from the sea buoy. Pilotage for both Wilmington and Morehead City is compulsory. Vessels are boarded by qualified pilots at the sea buoy. The channel and basin at Morehead City are maintained at a controlled depth of thirty-five feet mean low water. Precise figures on wharf space, loading dock and crane facilities, warehouse and storage space, rail facilities, and port security are available upon request from the Ports Authority. The development of Morehead City as a major east coast port has been accelerated by the discovery of vast deposits of

phosphate nearby. This phosphate rock is an essential ingredient in certain fertilizers. In recent years the world market for this mineral has improved due to the worldwide food crisis. To assist in the commercial development of this natural resource, an \$11.5 million facility was built at Morehead City to handle phosphate exports. While phosphate shipments have been somewhat disappointing, port officials have utilized the phosphate equipment in handling exports of wood chips and other wood products. Ports Authority officials now estimate that this combination of factors will enable the phosphate handling facility to pay for itself soon.

The State Port Terminal at Wilmington is located on the east bank of the Cape Fear River approximately twenty-six miles from the sea buoy at the river's mouth. Like Morehead City, Wilmington is an all-purpose, all-weather port with a maintained channel depth of thirty-eight feet mean low water. When current expansion is completed, Wilmington will offer 6,683 feet of continuous marginal wharf. A United States Customs office is located on terminal property. Wilmington also has a present advantage over Morehead City in that it is better equipped to handle container shipments. This has resulted in the loss of some tobacco export tonnage from Morehead City to Wilmington in recent years as more tobacco is transported by the container services of the Seatrain Lines. There continues to exist, however, a pressing need for both Morehead City and Wilmington to expand their container handling services in order to remain competitive with other nearby Atlantic ports.

A most serious problem impeding the development of the ports is the lack of modern, controlled-access highways leading from the ports to the industrialized Piedmont. North Carolina manufacturers who ship by truck often find that they can transport their goods faster and cheaper by shipping to Charleston, Savannah, or Norfolk. This problem has, in turn, contributed to the lack of regularly-scheduled freight calls at both ports.

Another factor inhibiting the growth of North Carolina ports is the lack of industry in the eastern part of the state. Economic development there has chronically lagged behind the Piedmont. As a result, the two state ports have little tributary export output to rely upon in direct proximity to the ports. This problem calls for the careful attention of the International Section of the Department of Natural and Economic Resources. While reverse investment may now be a secondary priority for the state as a whole, location of foreign industrial plants in the East would contribute not only to that area's overall economic health, but to the development of the state's ports as well. For further information regarding the operation of North Carolina's ports, write:

Lee L. Lively; or,
H. C. Jackson

15 N.C. J. INT'L L. & COMM. REG.

North Carolina State Ports Authority
2202 Burnett Boulevard
Wilmington, N. C. 28401
TELEPHONE: (919) 763-1621

PORTS REPRESENTATIVES

Herbert R. Cheely
4219 Briarhill Drive
Charlotte, North Carolina 28215
TELEPHONE: (704) 333-7209

S. Wallace Clark
26 Broadway
Suite 873
New York, New York 10004
TELEPHONE: (212) 269-1843

William C. Wells, Jr.
512-E Jamestown Village
Jamestown, North Carolina 27282

STEAMSHIP COMPANIES

Morehead City

EAST CAROLINA SHIP AGENCIES, INC.
North Carolina Maritime Building
Morehead City, North Carolina 28557
TELEPHONE: (919) 726-6151
TWX No. 510-924-2905
Cable: Eastship

HEIDE CO.
Div. of Luckenbach Steamship Co., Inc.
North Carolina Maritime Building
P.O. Drawer E.
Morehead City, North Carolina 28557
TELEPHONE: (919) 726-2511
TWX No. 510-924-2970
Cable: Heide Morehead

INTERNATIONAL SHIPPING CO.
See Wilmington listing.

MOREHEAD CITY SHIPPING CO.
North Carolina Maritime Building
Morehead City, North Carolina 28557
TELEPHONE: (919) 726-6151
TWX No. 510-924-2905
Cable: Morshipco

SAVAGE-HARRINGTON, INC.

P.O. Box 718

Morehead City, North Carolina 28557

TELEPHONE: (919) 726-2131

Cable: Savage Morehead

WATERS SHIPPING CO.

See Wilmington listing.

Wilmington

ALMONT SHIPPING CO.

P.O. Box 1726

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-3641

TWX No. 801-219

Cable: Almont-Wilmington

EAST CAROLINA SHIP AGENCIES, INC.

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-7333

TWX No. 520-937-0311

TELEX No. 801221

Cable: Eastship Wilmington

EAST COAST AGENCIES

P.O. Box 308

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-0345

TWX No. 510-937-0336

Cable: Eastco

HARRINGTON & CO., INC.

P.O. Box 308

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-0345

TWX No. 510-937-0336

Cable: Harico

HEIDE CO.

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8271

TWX No. 510-937-0306

Cable: Heide-Wilmington

INTERNATIONAL SHIPPING CO.

122 South Front Street

Wilmington, North Carolina 28401

17 N.C. J. INT'L L. & COMM. REG.

TELEPHONE: (919) 762-1877

TWX No. 510-937-0308

Cable: Intership-Wilmington

PALMETTO SHIPPING CO. OF NORTH CAROLINA

P.O. Box 1537

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-2629

TWX No. 510-937-0334

Cable: Palmetto

WATERS SHIPPING CO.

P.O. Box 118

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8491

TWX No. 510-937-0312

Cable: Waters

WILMINGTON SHIPPING CO.

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-7333

TWX No. 510-937-0311

TELEX No. 801221

Cable: Wilshipco

STEVEDORES

Morehead City

HEIDE CO.

P.O. Box E.

North Carolina Maritime Building

Morehead City, North Carolina 28557

TELEPHONE: (919) 726-2511

MOREHEAD CITY SHIPPING CO.

P.O. Box 869

North Carolina Maritime Building

Morehead City, North Carolina 28557

TELEPHONE: (919) 726-6151

Wilmington

ALMONT SHIPPING CO.

P.O. Box 1726

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-3641

ATLANTIC STEVEDORING CO., INC.

P.O. Box 308

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-0345

TWX No. 510-937-0336

Cable: Harico

HEIDE CO.

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8271

INTERNATIONAL SHIPPING CO.

122 South Front Street

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8281

PALMETTO SHIPPING CO. OF NORTH CAROLINA

P.O. Box 1537

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-2629

WILMINGTON SHIPPING CO.

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE (919) 763-7333

C. International Banking

As William B. Glenn, president of the Carolina Leaf Tobacco Co., has noted, "Back in the 1930's, we used to ship a load of our tobacco samples overseas in a steamer trunk, then go abroad and ride around on the train trying to sell some. It's not that way anymore."¹ Indeed, it is not. North Carolina's annual crop of bright-leaf, flue-cured tobacco is among the world's most sought-after commodities. In order to increase capacity to meet this demand, North Carolina tobacco exporters have been compelled to consolidate their operations. As Glenn points out, "This consolidation has meant we have had to obtain tremendous sums of working capital for investment in plants, equipment and inventory. That wouldn't have been possible without adequate financing resources."²

This financing has come from banks. In the last two decades, the center of international tobacco financing has shifted, first from New York to Richmond, then finally to North Carolina's own banks. In an attempt to stimulate traffic through state ports, the State Ports Authority in 1956 asked the North Carolina banks to consider establishing international departments to handle complex international transactions in the tobacco trade. While the demand for tobacco originally inspired the development of international banking in the state, at present four banks have international departments capable of handling almost any problem involving international finance.

¹ *Wachovia's International Leaf Business Booms*, TOBACCO/INTERNATIONAL (Jan. 7, 1973).

² *Id.*

At the same time that the need for expansion and consolidation capital was growing in the domestic tobacco industry, there was also developing a strong credit market overseas. North Carolina's bankers have moved aggressively and effectively in breaking into this market. Today the international departments of the state's banks play a crucial role in North Carolina's international business transactions.

International banks in North Carolina perform four basic services: (1) they provide financing for domestic industries which need capital to produce goods for export; (2) they extend credit to North Carolina firms who import goods from overseas; (3) they provide financing to foreign customers who need it to pay for goods imported from North Carolina or elsewhere; and (4) they make loans directly to businesses overseas which may have a connection with North Carolina firms.

As noted above, there are at present four North Carolina banks engaged in international banking. These are: Wachovia Bank and Trust Company, North Carolina National Bank, First Union National Bank, and The Northwestern Bank. The staffs of all four banks take a well-deserved pride in the important role their banks play in North Carolina's foreign trade. Most importantly, they have all been successful in what they do. For further information on the services offered by each bank, write:

L. M. Baker, Jr.
Vice President, International Department
Wachovia Bank & Trust Company, N.A.
P.O. Box 3099
Winston-Salem, North Carolina 27102
TELEPHONE: (919) 748-5417
TELEX: 806426

James B. Sommers
Senior Vice President and Division Executive
NCNB International Division
P.O. Box 120
Charlotte, North Carolina 28255
TELEPHONE: (704) 374-5000

David H. Dorminey
Vice President and Department Head
International Department
First Union National Bank
Charlotte, North Carolina 28288
TELEPHONE: (704) 374-6274
TELEX: 57-2422

Jim F. Redman
Vice President

International Department
The Northwestern Bank
North Wilkesboro, North Carolina 28674

D. North Carolina World Trade Association

Membership in the NCWTA includes North Carolina manufacturers, distributors, bankers, service organizations, governmental agencies, and others who have an interest in foreign trade. The Association draws upon its membership for ideas and programs for boosting the state's world trade. Members of the Association participate in legislative lobbying efforts, world trade missions, and market information gathering services. For additional information, write:

North Carolina World Trade Association
P.O. Box 10387
Raleigh, North Carolina 27605
TELEPHONE: (919) 833-9219

E. North Carolina Agribusiness Council

The Agribusiness Council encourages the development and expansion of foreign market opportunities for North Carolina farmers. The Council can provide valuable information to those who have agricultural commodities in demand on world markets. For additional information, write:

North Carolina Agribusiness Council, Inc.
Room 211 Allegheny Building
Koger Executive Center
Raleigh, North Carolina 27612

F. Export Management Companies

EMC's are firms which specialize in exporting. They provide their services to domestic companies who want to expand into foreign markets but feel that they do not have the necessary contacts or expertise to do so. In essence, the EMC will sell a company's products to overseas buyers, charging a fee or commission for placing the sale. The typical EMC will provide the following services: foreign market research, product distribution overseas, exhibition of products at international trade shows, handling details of shipping and customs documentation, preparation of advertising and sales promotions, language translation facilities, and advice regarding overseas patent and trademark protection.

Some EMC's operate on a buy-and-sell arrangement, whereby the EMC pays the manufacturer directly for the goods before the export order leaves the United States. The EMC then sells the product abroad and invoices the foreign buyer directly. In completing the sale abroad, the EMC will either use its own name or present itself as being the "export department" of the original manufacturer. Other EMC's operate on a simple fee or commission basis.

EMC's usually specialize in exports of certain product lines. The following list gives the names and addresses of North Carolina EMC's and the products they handle.

Agricultural Commodities

A. B. BRANNOCK, LTD.

Mr. A. B. Brannock, Pres.

5107 Falls of Neuse Road

Suite 26

P.O. Box 10694

Raleigh, North Carolina 27605

TELEPHONE: (919) 876-3133

Industrial/manufacturing products

Industrial management consultant

INDUSTRIAL EXPORT, LTD.

Dr. Clifford H. Baker

Suite 105

4509 Creedmoor Road

Raleigh, North Carolina 27612

TELEPHONE: (919) 787-3353

Industrial/manufacturing products

KARUMIT ASSOCIATES

Mr. Hans R. Mittemeijer, Pres.

P.O. Box 3016

Winston-Salem, North Carolina 27102

TELEPHONE: (919) 725-8291

Cable: KARUMIT

Industrial/manufacturing products

MID-SOUTH INTERNATIONAL, LTD.

Mr. Herbert Briggs

P.O. Box 386

Gastonia, North Carolina 28052

TELEPHONE: (704) 865-7190

Industrial/manufacturing products

MR. E. R. SYKES & CO.

3rd Street

Wendell, North Carolina 27591

TELEPHONE: (919) 365-6301

Industrial/manufacturing products

TRADE MANAGERS INTERNATIONAL, INC.

Mr. Armand W. Estes, Pres.

Suite 409, W. 1st Street

First Center Building

Winston-Salem, North Carolina 27104

TELEPHONE: (919) 724-5975

TELEX No. 80-6464

Cable: TRAMAIN

Industrial/manufacturing products

MR. ANTHONY WINKLER-PRINS

887 Westmont Drive

Asheboro, North Carolina 27203

TELEPHONE: (919) 629-9442

G. Foreign Freight Forwarders

Freight forwarders are employed to simplify the problems of shipping goods abroad. The forwarder acts as an agent of the exporter, making all shipping arrangements from the loading dock of the exporter's warehouse to the foreign destination. The foreign freight forwarder will take care of all necessary paperwork and scheduling. North Carolina freight forwarders are:

AIRBORNE FREIGHT CORP.

3313 Piper Lane

P.O. Box 27116

Charlotte, North Carolina 28208

TELEPHONE: (704) 523-9335

AIRBORNE FREIGHT CORP.

Raleigh-Durham Airport

Raleigh, North Carolina 27602

TELEPHONE: (919) 787-4866

EMERY AIR FREIGHT CORP.

P.O. Box 27026

Douglas Municipal Airport

Charlotte, North Carolina 28219

TELEPHONE: (704) 394-6161

EMERY AIR FREIGHT CORP.

P.O. Box 11413

Greensboro, North Carolina 27409

TELEPHONE: (919) 299-9363

EMERY AIR FREIGHT CORP.

Raleigh-Durham Airport

Raleigh, North Carolina 27600

TELEPHONE: (919) 782-8345

HEIDE CO.

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8271

TWX No. 510-937-0306

Cable: Heide Wilmington

HIPAGE CO., INC.

P.O. Box 1624

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-5853

SHULMAN AIR FREIGHT

P.O. Box 27114

Douglas Municipal Airport

Charlotte, North Carolina 28219

TELEPHONE: (704) 394-1355

W. O. SMITH & CO.

P.O. Box 23

Morehead City, North Carolina 28557

TELEPHONE: (919) 726-5300

Cable: Lowbell Morehead

SOUTHERN OVERSEAS CORP.

P.O. Box 3745

North Carolina Maritime Building

Wilmington, North Carolina 28401

Export Department

TELEPHONE: (919) 762-9651

Import Department

TELEPHONE: (919) 762-9566

TWX No. 510-937-0311

TELEX No. 801221

Cable: Southover

WATERS SHIPPING CO.

P.O. Box 118

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8491

TWX No. 510-937-0312

Cable: Waters

H. Custom House Brokers

These agents are used primarily by importers. The broker clears the incoming cargo through customs, pays the duty, and routes the goods directly to any address specified by the importer. Like the freight forwarder, the custom house broker handles all paperwork. His services are invaluable to the importer who may not be in the port area when his goods arrive. The following is a list of North Carolina custom house brokers:

Morehead City

SOUTHERN OVERSEAS CORP.

Box 39

North Carolina Maritime Building

Morehead City, North Carolina 28557

TELEPHONE: (919) 726-6825

Cable: Southover

Wilmington

HIPAGE CO., INC.

P.O. Box 1624

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-5833

DOROTHY LINDSEY

Customhouse Broker

P.O. Box 3312

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-9602

SOUTHERN OVERSEAS CORP.

P.O. Box 3745

North Carolina Maritime Building

Wilmington, North Carolina 28401

TELEPHONE: (919) 762-8655

TWX No. 510-937-0311

TELEX No. 801221

Cable: Southover

SOUTHERN OVERSEAS CORP.

P.O. Box 27086

Charlotte, North Carolina 28208

TELEPHONE: (704) 392-8161

SOUTHERN OVERSEAS CORP.

P.O. Box 8387

Greensboro, North Carolina 27410

TELEPHONE: (919) 294-2015

WATERFRONT SERVICES, INC.

2307 Burnett Boulevard

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8494

Cable: Waters

WATERFRONT SERVICES, INC.

3331 E. Cessna Road

Charlotte, North Carolina 28208

TELEPHONE: (704) 525-7564

WATERS SHIPPING CO.

P.O. Box 118

Wilmington, North Carolina 28401

TELEPHONE: (919) 763-8491

Cable: Waters

I. Legal Services

In spite of North Carolina's increasing participation in international trade, there has not emerged a truly international commercial bar in the state. At the present time, international legal work is done within the framework of general corporate practice. The usual pattern is for a foreign concern doing business here to retain a business-oriented law firm to handle its local legal affairs. While this may meet the needs of foreign firms located in the state, the practicing bar has shown little interest in developing expertise in legal problems involving export sales, letters of credit, export financing, international commodity contracts, trade definitions, and so forth. When the need for such specialized legal counsel arises, the North Carolina client must resort to New York or Washington attorneys.

This is particularly unfortunate given the rapid development of other export-related services in the state. At the present time, industrial manufactures are made in the state for export, agricultural products for export are grown here, export/import financing is available from local banks, and international trade moves increasingly through the state's own ports. It is somewhat anomalous that while the entire export chain can be completed within the state, if anything goes wrong with the transaction, the injured party will likely be required to seek out-of-state legal counsel.

One legal service which is readily available in North Carolina is the American Arbitration Association regional office in Charlotte. Many times a local client may wish to include in his export sales contract a clause requiring compulsory arbitration of all disputes. The Charlotte office of the AAA, which is the only office in the Southeast, can be of assistance here. For further information, write:

John A. Ramsey
American Arbitration Association
1300 Baxter Street
Charlotte, North Carolina 28204
TELEPHONE: (704) 333-0882

In addition, the International Chamber of Commerce offers arbitration services for international business transactions. Contact:

U.S. Council of the ICC
1212 Avenue of the Americas
New York, New York 10036
TELEPHONE: (212) 582-4850