



Exporters in North Carolina have excellent access to international markets via transportation and logistics assets such as two deep-water ports located along major Atlantic shipping lines including the Port of Wilmington (pictured here) and the Port of Morehead City.

INTERNATIONAL TRADE: NC GLOBAL REACH

INCREASING EXPORTS

The Economic Development Partnership of North Carolina is ready to assist N.C. businesses in restoring or growing international sales.

North Carolina businesses exported a record \$34.35 billion in merchandise in 2019 but started this year facing the economic impact of an unprecedented global pandemic.

Since then, trade specialists at the Economic Development Partnership of

North Carolina have stressed one message to the hundreds of businesses they serve across the state: The EDPNC can help them begin, restore or grow international sales as an important piece of their recovery.

“What worries me is that over the next year, many businesses in North Carolina may feel the need to shut the door on international opportunities because ‘that’s where COVID-19 came from,’” says John Loyack, EDPNC vice president of global business services. “But now is the time to stay engaged internationally.

The businesses that will come out of this situation in the strongest position will have used this time as an opportunity to strengthen their international sales relationships. This is also an opportunity to rethink and strengthen your supply chain. We have the resources to help.”

The EDPNC trade team supports more than 600 businesses a year on the state’s behalf, with varied services that are generally free. Its clients, both novice and veteran exporters, are primarily small manufacturers or service providers with 500 or fewer

employees that lack the international sales staff of big corporations. They turn to the EDPNC for export education and preparation, as well as ways to connect to international distributors and buyers.

A POWERFUL ALLY

The EDPNC international team includes five Raleigh-based managers, each specializing in specific industry sectors ranging from aerospace to pharmaceuticals, and six internationally located trade offices in Canada, Mexico, Europe, Japan, Hong Kong and the United Arab Emirates.

"Our global offices can match businesses with prospective international distributors, resellers and buyers," says Mike Hubbard, EDPNC director of international trade. "They can also be very helpful in terms of

vetting new overseas suppliers for a company."

The EDPNC is eager to help manufacturers seek alternative domestic or international sources for product components if their supply chain has been broken by COVID-19 plant closures.

"We're also strongly encouraging businesses to search for a North Carolina-based supplier listed on the Manufactured in North Carolina website or find other domestic suppliers through industry-specific resources such as the Americas Apparel Producers' Network and its Source Center," Hubbard adds.

In 2018, the EDPNC opened the state's first international trade office focused on helping North Carolina businesses sell in the Middle East: an office in the UAE city of Dubai. "This has quickly become one of our

most sought-after resources," Loyack says.

"The UAE is a gateway to a number of international markets, not just the Middle East," Loyack says. "You'll see Americans, Asians, Europeans and Indians at trade events there." There has been strong demand in Saudi Arabia and the UAE for products found in North Carolina's diverse industry portfolio, Loyack says, including military and defense, aerospace, pharmaceuticals, lumber, furniture, IT and clean technologies.

One year ago, the EDPNC introduced the state's first Singapore-based representative to help North Carolina businesses sell in the Southeast Asia market including Singapore, Indonesia, Malaysia, Vietnam, the Philippines and Thailand. "It's a grant-funded position, but we're hoping to make it a permanent office," Hubbard says.



"The EDPNC has been an invaluable resource for establishing our brand around the globe," says Kelvin Boyette, founder of Latitude Aero, a 5-year-old aircraft-seat cleaning and repair company in Greensboro. His business caters to smaller international carriers and regional airlines around the world that outsource their seat maintenance.

INTERNATIONAL TRADE: NC GLOBAL REACH



Mars Hill's Advanced Superabrasives, which manufactures customized industrial grinding wheels, is participating in an EDPNC program that will help optimize and translate its website in Canada and Mexico to increase international sales.

TRADE SHOW AND WEB SUPPORT

In 2019, 212 North Carolina companies participated in 34 international trade shows and missions with the EDPNC. But in 2020, COVID-19 slashed international business travel and canceled trade events around the world.

So the EDPNC's trade specialists have pivoted toward helping businesses build their export sales pipeline through search-engine optimizing of their websites in international markets, online export education and virtual consultations with EDPNC global trade offices.

When international business travel and events safely resume, the EDPNC will again lead groups of North Carolina small businesses to trade shows. And it

will help many businesses afford the costs of participating.

State Trade Expansion Program grants, funded through the U.S. Small Business Administration and administered locally by the EDPNC, help qualified companies exhibit jointly with the EDPNC or individually at select trade shows. STEP can also reimburse costs of travel, lodging and foreign-language translation of marketing materials.

In addition, STEP supports the EDPNC's new North Carolina Online Global Program, which helps small businesses pay for search-engine optimization and translation of their websites in two target countries.

As a response to COVID-19's blow to trade show travel, STEP recently doubled the grant amount available to

small businesses that want to globalize their websites. Contact the EDPNC to apply for the \$6,000 grant and connect to a company qualified to do the website work.

"Localized websites are always key to raising brand awareness and generating sales leads overseas, but more so now when COVID-19 has forced companies to stop international travel and trade shows to cancel," Loyack says. "When your sales team can't be there in person, an easily found and understood website in your target market is even more crucial."

OTHER CRITICAL TRADE SUPPORT

Directly or through referral to one of its partners, the EDPNC can provide new and experienced exporters other support including:

- Workshops that teach employees how to comply with U.S. export control laws and understand the latest in trade topics.
- Connections to financial risk-mitigation programs of the Export-Import Bank of the U.S., the SBA and other trade-financing organizations.
- Navigation of government restrictions and complex trade regulations, policies and standards.
- Information about product standards for entering specific foreign markets and existing competitors there.
- Recommendations on potential markets for specific products or services and setting competitive pricing there.
- Market-entry strategies and intelligence on export-destination countries, including economic, social and political data.



ECONOMIC DEVELOPMENT PARTNERSHIP of
NORTH CAROLINA

Businesses interested in learning more about how the EDPNC can help them grow their global presence should contact Mike Hubbard, EDPNC international trade director, at mike.hubbard@edpnc.com or call 919-447-7757.

FAST FACTS: NORTH CAROLINA'S 2019 EXPORTS

- North Carolina exported a record **\$34.35 billion** in merchandise to international markets in 2019, reflecting a nearly **5% increase** over the high-water mark of **\$32.76 billion** reached in 2018.*

- In 2019, the state's international sales grew even as export sales nationally fell by **1.25%**.

- North Carolina had the **ninth-fastest** annual growth rate in exported goods in the U.S. and the **second highest** among Southeast states.

- North Carolina ranked **15th** nationally in overall value of exported goods.

- **Canada** represented North Carolina's largest export partner, accounting for **19.3%** of sales, followed by **Mexico (11%)**, **China (9.5%)**, **France (7.6%)** and **Saudi Arabia (5.6%)**.

- North Carolina saw the value of goods exported to France, China, and Saudi Arabia increase by **more than a third** for each over 2018 levels.

- From 2018-2019, the state's exports to **China** grew 40% to **\$3.25 billion**, even as other states saw declines that fueled an 11% drop nationally in merchandise exports to China. Pharmaceutical sales, specifically immunological products, drove North Carolina's increase in exports to China.

- **Saudi Arabia** joined North Carolina's top five global markets in 2019. Exports to Saudi Arabia from the state increased by nearly **38%** over 2018 to an all-time high of **\$1.93 billion**.

- North Carolina is the **second-largest** exporter to Saudi Arabia among the U.S. states, behind only Texas.

The fastest-growing export categories in North Carolina as of 2019 were:

Pharmaceutical products:
Up **113%** over five years

Aircraft and aircraft parts:
Up **75%** over five years

Miscellaneous chemical products:
Up **68%** over five years

The fastest-growing markets for goods leaving North Carolina as of 2019 were:

France: Up **132%** over five years

Netherlands: Up **49%** over five years

China: Up **49%** over five years

Saudi Arabia: Up **35%** over five years

In 2019, North Carolina's top merchandise export categories included:

Industrial machinery, \$5.3 billion

Pharmaceutical products, \$5.1 billion

Aircraft/spacecraft products and parts, \$3.1 billion

Electrical machinery, \$2.8 billion

Plastics, \$1.4 billion

sources: WISERTrade, EDPNC

*International sales totals do not include the value of exported services.