

Mideast Receives 5 Percent Of N. C. Exports

North Carolina exports to 17 Middle East countries totaled \$202 million in the first half of 1990, according to figures compiled as part of the First Wachovia North Carolina World Trade Index. These exports amounted to 5.1 percent of North Carolina's exports during the period.

Exports to the region were down 7.8 percent from the first half of 1989, when the Middle East received 6.8 percent of North Carolina exports.

The largest Middle East purchasers of North Carolina products in the first half of 1990 were Saudi Arabia, \$74.9 million, the United Arab Emirates, \$66.6 million, and Turkey, \$36.3 million. Purchases by Kuwait totaled \$6.8 million and by Iraq, \$2.5 million.

Most North Carolina industries experienced a decline in exports to the Middle East during the period, which preceded the current confrontation in the Persian Gulf. Manufactured tobacco product exports, however, increased 31.1 percent to \$93.9 million.

Other industries showed significant declines in exports to the Middle East. Electronic and electrical equipment exports were down 39.6 percent to \$16.7 million. Exports of industrial machinery and equipment, including computers, were down 56.3 percent to \$14.3 million. North Carolina exports of chemi-



cals and allied products were down 66.9 percent to \$9 million.

Professor Edward W. Erickson, director of the Center for Economic and Business Studies at North Carolina State University, said: "A likely explanation for the drop in exports is the softening of petroleum prices in the second quarter. Revenues to Saudi Arabia and other oil exporters were down, resulting in a decline in imports by these countries."

The countries included in the trade study were Saudi Arabia, Turkey, the United Arab Emirates, Kuwait, Egypt, Qatar, Oman, Lebanon, Iraq, Jordan, Bahrain, Syria, the two Yemens, Iran, Israel and Libya. International trade activity in North Carolina rose 32.1 percent in the second quarter of 1990 compared to the same period a year ago, according to First Wachovia North Carolina World Trade Index. Second quarter trade totaled \$3.9 billion. For the first half of the year trade totaled \$7.6 billion, up 30.5 percent from the first half of 1989.

Second Quarter Trade Rises

North Carolina exports were \$2.01 billion in the second quarter, up 31 percent from a year ago. Manufactured exports totaled \$1.78 billion; non-manufactured exports were \$237 million. Manufactured exports rose 24.7 percent; non-manufactured exports more than doubled.

Imports in the quarter were estimated at \$1.85 billion, compared with \$1.39 billion in the 1989 period. The state had an estimated trade surplus of \$167 million for the quarter and \$206 million for the first two quarters.

The value of the dollar in the second quarter was 0.8 percent lower than in the previous quarter and 2.9 percent lower than a year ago, according to an index based on North Carolina export trade. The decline was less than that of a Federal Reserve Board index of the dollar's value based on all trade of major industrialized countries, that index was down 1.6 percent from the first quarter and 8.1 percent from a year ago.

"North Carolina continues to have robust trade activity that goes far beyond the boost the state's exports are getting from the declining value of the dollar," said Janice H. Faulkner, president of the North Carolina World Trade Association. "Industries in the

state are producing the right products at the right time and are finding the right export markets for them."

Highlights of North Carolina trade in the second quarter compared to the same period a year ago follow:

- Exports of industrial machinery and equipment, including computers, increased 17.2 percent.
- Manufactured tobacco exports rose 42.2 percent.
- Agricultural crop exports were up 82.6 percent.
- Textile mill product exports increased 37.1 percent.
- Exports to Eastern Europe were up 6.8 percent to \$5.3 million. Yugoslavia and Romania bought more from North Carolina, while exports to Czechoslovakia, Bulgaria and Poland declined.

The First Wachovia North Carolina World Trade Index is based on U.S. Commerce Department data and estimates by the Center for Economic and Business Studies at N.C. State University. First Wachovia publishes the index quarterly in association with the university and the N.C. World Trade Association.

YEAR=1987				
QTR	INDEX	EXPORTS	IMPORTS	BALANCE
1	100.0	997.7	1067.3	-69.6
2	107.8	1096.2	1130.1	-33.9
3	106.8	1031.9	1173.2	-141.3
4	117.9	1340.1	1093.9	246.2
YEAR		4465.9	4464.5	1.4

YEAR=1988				
QTR	INDEX	EXPORTS	IMPORTS	BALANCE
1	115.1	1276.8	1100.5	176.3
2	123.3	1254.8	1290.5	-35.7
3	128.9	1338.0	1323.4	14.6
4	138.0	1503.3	1345.8	157.5
YEAR		5372.9	5060.2	312.7

YEAR=1989				
QTR	INDEX	EXPORTS	IMPORTS	BALANCE
1	140.4	1610.4	1289.7	320.7
2	141.4	1535.7	1385.1	150.6
3	143.2	1586.0	1370.9	215.1
4	163.4	1839.1	1535.4	303.7
YEAR		6571.2	5581.1	990.1

YEAR=1990				
QTR	INDEX	EXPORTS	IMPORTS	BALANCE
1	181.0	1888.3	1849.7	38.6
2	186.8	2012.4	1845.4	167.0
YEAR TO DATE		3900.6	3695.1	205.5

IMPORTS AND BALANCE ESTIMATED AFTER 1988

EXCHANGE RATE CHANGES FOR SELECTED CATEGORIES OF TRADE (EXCH RATE = VALUE OF THE DOLLAR)					
	US TOTAL (FRB WTS)	NC EXP TOTAL	NC EXP APPAREL	NC EXP TEXT.	NC EXP MFG TOBAC
1985	91.3	96.6	98.0	96.7	96.9
1986	71.7	85.5	92.4	89.3	81.9
1987	62.8	79.4	93.0	86.1	75.7
1988	61.0	75.3	91.4	81.0	72.5
1989	65.4	77.5	88.4	82.4	76.7
1990Q1	62.2	76.8	89.0	81.5	78.1
1990Q2	61.2	76.2	88.4	81.1	79.1

* EXCH RATE INDEX WITH BASE=100 IN QTR 1, 1985

BusinessMonthly

Published Every Fourth Thursday of Each Month
By The Charlotte Post Publishing Company

For More Information Call
376-0496

Gerald O. Johnson
Publisher/Editor

Calvin Ferguson
Chief Photographer

Monty Ramseur, Jr.
Art Director

Fran Farrer-Bradley
Special Marketing

USPS No. 965500 Second Class Postage Paid
By The Charlotte Post Publishing Company
Charlotte, N. C. 28203

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Send address changes to:
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