



Executive Martin Moffat is dwarfed by a hydraulic press, one of Cyril Bath's products. Cyril makes machines that make parts for aircraft and rail cars.

Charlotte Observer Photo by David T. Foster

With weak dollar, exports skyrocket

Foreign spending boosts N.C. companies' revenue

Jefferson George, The Charlotte Observer [Comment on this story](#)

Cyril Bath Co. in Union County represents an export boom.

The weak dollar has helped drive oil prices to historic highs and curbed overseas vacations, but it also has boosted exports, with almost \$40 billion in goods heading from North Carolina and South Carolina to other countries last year, U.S. Department of Commerce data show. That's an increase of almost 64 percent in the past five years.

In a football-field-size building, Cyril Bath makes machines that make parts for aircraft fuselages and frames. The 80-year-old company has a sister company in France, but more European customers are placing orders in the United States, where they get a discount by spending euros to buy products priced in dollars, said the president, Michael Zimmer.

As a result, Zimmer said, annual sales are at \$70 million, up from \$40 million five years ago. Cyril Bath's biggest contracts are with Airbus and Boeing, he said, which both use machines and parts in foreign plants to build the newest wide-body jets.

"That alone," he said, "has the potential to increase our exports by 100 percent."

Products made in the Carolinas go to more than 200 countries, from nearly \$9 billion in goods to Canada last year to less than \$3,000 to the Solomon Islands.

Exporters range from operations with a few employees -- such as Caromex International of Fort Mill, which makes waxes and chemicals for use in candles, crayons and other products -- to Fortune 500 corporations such as steelmaker Nucor of Charlotte.

In the Triangle, Cree of Durham makes millions of tiny chips that illuminate cell phones, laptops and other products. General Electric builds aircraft engines at a factory nearby. In Zebulon, Nomacorc makes synthetic wine stoppers and GlaxoSmithKline produces asthma medicine.

And the state is attracting more: Merck announced last week that it will expand its Durham plant, investing \$300 million and adding as many as 180 jobs as it makes vaccines for sale worldwide. Spirit Aerosystems, a Kansas company that makes aircraft parts, in May announced plans to add 1,031 jobs at a manufacturing facility at the Global TransPark in Kinston.

Courting trade abroad

North Carolina officials also are chasing business from other countries, said Alan Shao, a marketing and global business professor at UNC-Charlotte and past president of the N.C. World Trade Association.

Trade missions sometimes draw criticism because they use taxpayer money, but Shao said "promotion eventually pays off."

North Carolina and South Carolina companies also are more interested in foreign markets.

Les Hudson, a business strategy professor at Queens University of Charlotte, said that's a contrast to when he led a textile company in the 1980s, and exports were an afterthought. "We would always try to ship something that we couldn't sell here," he said.

North Carolina and South Carolina exports rose nearly 15 percent last year, outpacing the national rate of 12 percent. Meanwhile, the value of the dollar against the euro has continued to plunge. As recently as late 2003, a dollar was almost equal to a euro; now the dollar is worth less than 0.65 euro.

Some industries have missed the exports wave; apparel and textile mill products have seen a decline in value this decade. But many others are seeing annual increases in goods shipped abroad.

Marc Noel, chairman of the Noel Group in Wake Forest, said exports for the synthetic wine cork company increased nearly 20 percent in the past year.

"The exchange rate is very favorable," Noel said. Nomacorc produces about 2 billion wine corks a year at its Zebulon plant, where 250 people are employed.

More than 30 percent of that production is exported globally. Some corks are shipped to its packaging and labeling plant in China. Others are transported to Europe and countries including South Africa, Australia and New Zealand.

Noel said that a small number of the corks are shipped from Wilmington. The bulk are shipped from other ports, including Norfolk, Va. and Savannah, Ga.

Exporting to China

While Canada remains the top destination for Carolinas exports, China -- the world's largest country by population -- is climbing the list fast.

Last year, the value of North Carolina exports to China was eight times more than in 1999. China is now the No. 3 market for North Carolina exports -- up from No. 21 in 1999.

How long that traffic will stay strong is unclear, especially if more companies decide to build new plants in China. That construction already is happening, Shao said, and it could curtail some shipping from the U.S.

But many Chinese households have a lot of disposable income, Shao said, and place a premium on U.S. goods. "There's plenty of money to go around," he said, "and they want quality products."

In Union County near Charlotte, Zimmer said Cyril Bath sees only export growth on the horizon; orders are coming from Europe, China, India and Japan.

Once only 25 percent of Cyril Bath's sales, exports are now about 50 percent and likely will be 75 percent within a few years, Zimmer said. Cyril Bath has 150 employees now, he said, but "we can see that doubling."

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