



Global Commerce

Tennessee and the International Economy

Get Paid Quickly. Try Forfaiting or Factoring.

by Bob Pawlick,
London Forfaiting Americas Inc.,
and the U.S. Department of Commerce

Selling your export accounts receivable can enhance your global competitiveness and can help you better manage your cash flow. This can be accomplished through the use of forfaiting houses and factoring houses. Whether you use a forfaiting house (forfaiter) or a factoring house (factor), you will end up with a stronger balance sheet as outstanding receivables are reduced and cash is accelerated. Forfaiters and factors also remove some or all of the risk associated with collection. At the same time, each enables you to offer your foreign customer terms that are longer in duration than those you could normally afford to offer.

In a typical forfaiting transaction, you would contact a forfaiting house while developing the export selling price and terms in a quote. Forfaiters prefer to work with bank-guaranteed bills of exchange or promissory notes, which are unconditional and easily transferable debt instruments. They prefer to assist you with bank selection and other variables associated with developing your quote. Once the forfaiter commits to the deal and sets the discount rate, you can incorporate the discount into the selling price to your customer. You get your cash from the forfaiter usually within a couple of days of shipment. The forfaiter then either becomes the collector or it sells the debt instruments (your export receivables) on the secondary market to another forfaiter. Since the forfaiter buys your export receivables outright, you are no longer responsible or involved in the collection process (non-recourse).

Export factoring is the discounting of your export accounts receivable that do not involve a bill of exchange (draft). Factoring allows you to ship on "open account," by which goods are shipped without guarantee of payment (that is, a letter of credit). The factoring house assumes financial

ability of the customer to pay and handles collections on the receivables. Because of this, you wouldn't necessarily involve a factoring house until after you've quoted your customer a price. However, when developing your quote, keep in mind that the factoring house will discount at least 2-7% off of the face value of your export receivables. The discount could be higher than that if you select a non-recourse transaction. So when quoting your customers, incorporate this factoring discount into your price. As a condition of using a factoring house, you will be expected to sell *all* or a majority of your export receivables at a discount to the factoring house in exchange for cash.

What forfaiting and factoring do for you:

- You are paid cash at shipment and, in most cases, won't be involved in the collection process.
- They free up your working capital.
- Your credit lines aren't tied up.
- Both are extremely competitive international-marketing tools.
- You gain flexibility. In most cases, a forfaiting house can offer a very quick response to an exporter's request, often issuing a commitment within an hour or two of receiving an inquiry from an exporter. Forfaiting offers 100% cover, regardless of the percentage of foreign content. Sometimes the goods have too much "foreign content," or perhaps a commercial opportunity presents itself suddenly. The most common

continued on page 2

Whether you use a forfaiter or a factor, you will end up with a stronger balance sheet as outstanding receivables are reduced and cash is accelerated.

Editor's Introduction

This month's *Global Commerce* focuses on trade tools for exporters. The TEO's Bob Pawlick introduces the use of forfaiting and factoring, and Dan Walker of Dunavant, Dickey, Paessler, and Shaul discusses how exporters can use a Foreign Sales Corporation. The Tennessee Export unveils its new GTMS software for assisting exporters, and we conclude by rehighlighting that encyclopedia of trade assistance, the NTDB.

INSIDE...

- Small Foreign Sales Corporation 3
- Global Trade Survey 5
- Tennessee International Trade Report 7

Forfaiting or Factoring

continued from page 1

export credit programs can be too bureaucratic to provide you with a fast commitment.

- By selling your export receivables to a forfaiting house or a factoring house, you can remove most risks associated with export transactions. Credit risk, interest-rate risk, currency risk, country risk, transfer risk, and the collection process become the concerns of the forfaiter or factor.

What forfaiting or factoring does for your customers:

- Allows you to offer extended repayment terms to your customers. Naturally, you would prefer to have all of your customers pay in advance on a cash basis. Most of your customers will want as long as possible to repay you for their purchase. Forfaiting and factoring resolve this common dilemma by providing a solution that suits both your needs and those of your customer. When using a forfaiter, commodities can be financed for a period as short as 180 days to as long as 18 months. Capital goods, such as medical equipment, can be financed from 1 to 4 years. Heavy industrial equipment can be financed from 4 to 10 years. You would use a factoring house,

in most cases, for consumer goods that are financed up to 180 days.

- Deferred payment may create larger orders.
- Agents and distributors build inventory while deferring payment.
- Customers in high-risk countries can buy your products or services. High-risk countries are typically avoided when using more "traditional" financing methods.

The three primary differences between export factoring and forfaiting are:

- Factors usually want access to a large percentage of an exporter's business, while most forfaiters will work on a one-shot basis
- Forfaiters generally work with medium and long-term receivables (180 days to 10 years), while factors work with short-term receivables (up to 180 days). Payment terms usually reflect the type of product involved: Forfaiters usually work with capital goods, commodities, and large projects; factors work mostly with consumer goods.
- Most factors do not have strong capabilities in developing regions of the world where legal and financial frameworks are inadequate and credit information is not readily available through affiliate factors. However, since forfaiters usually require a bank guarantee, most factoring houses are willing to work with receivables from these higher-risk, emerging markets. ■

Here is a partial list of the firms that offer factoring or forfaiting services. This list should be regarded as a guide only and is not comprehensive. Inclusion on this list does not constitute an endorsement by the State of Tennessee, Middle Tennessee State University, or its agents or agencies.

Factors

Memphis Area:

AFC
5865 Ridgeway Center Pkwy
Memphis, TN 38120
901-767-4208

Contact: Mr. Jim Belieu
Capital Express
5968 Knight Arnold Road
Extension
Memphis, TN 38115
901-797-9751

Chase Cavett Service Inc.
668 Colonial Road
Memphis, TN 38117
901-684-1121

Delta Business Credit
Corporation
1069 West Rex Road
Memphis, TN 38119
901-684-1533

Fidelity Group Inc.
3930 Vantech Drive
Memphis, TN 38115
phone: 901-367-0820
fax: 901-794-5471

MIC Financial
1152 Greenview Road
Collierville, TN 38017
901-854-5085

Premier Funding Company
2319 Barwyn Place South
Cordova, TN 38018
901-937-8416

Small Business Financial
Specs
1331 Union Avenue
Memphis, TN 38104
901-725-4478

Nashville Area:

American Factors
214 Overlook Circle #257
Brentwood, TN 37027
615-791-8474

Kapital Factoring International
3100 West End Avenue
Nashville, TN 37203
615-385-7204

Contact: Merv White-Spinner
Vice President
International Banking Group/
Export Edge Program
NationsBank
1 NationsBank Plaza
Nashville, TN 37239-1697
phone: 615-749-3009
fax: 615-749-4640

Presidential Financial
222 2nd Avenue North #360M
Nashville, TN 37201
phone: 615-726-1457
fax: 615-244-7004

William Bates Financial
Corporation
5123 Paddock Village Court
#C21
Brentwood, TN 37027
615-377-1388

Knoxville Area:

Carriage Hill Insurance
9724 Kingston Pike #406
Knoxville, TN 37922
phone: 423-531-3018
fax: 423-531-3023

Cash Flow Funding Inc.
4040 Talluna Avenue
Knoxville, TN 37919
423-637-8719

Forfaiters

Contact: Graham Martin
Vice President
International Banking Services
AmSouth Bank
51 West Bay Street
Jacksonville, FL 32202
phone: 205-320-7256
fax: 904-281-7646
Provides forfaiting services, but not a forfaiter

Contact: Paul Carookian Sr.
Vice President
A.I. Credit
160 Water Street
New York, NY 10038
212-428-5400

Contact: Charles Ryan
or Bonnee Brown
Banco Mercantil de Sao Paulo
S.A.
450 Park Avenue, 14th Floor
New York, NY 10022
phone: 212-888-0030
fax: 212-888-4631
Market: Brazil

Contact: John F. Moran
or Robert Pennell
British American Forfaiting
Company
1110 World Trade Center,
Suite 1109
121 South Meramec
P.O. Box 16782
St. Louis, MO 63105
phone: 314-647-8700
fax: 314-647-7943
e-mail: Forfaiter@aol.com

Contact: David McCrary
or David Landau
InterTrade Finance Corporation
3140 Clybourn Avenue
Burbank, CA 91505-1050
phone: 818-569-3554
fax: 818-569-5735
e-mail:
info@intertradefinance.com
website:
<http://www.intertradefinance.com>

Contact: Chantal Wittman
or Peter Bradley
London Forfaiting Americas Inc.
Chicago Midwest Office
875 North Michigan Avenue,
Suite 2150
Chicago, IL 60611
phone: 312-255-9220
fax: 312-255-9221

Contact: Jeremy McGahan
USA Representative
London Forfaiting Company PLC
450 Park Avenue, 24th Floor
New York, NY 10022
phone: 212-759-1919
fax: 212-759-0118
Markets: Mexico, Asia, South
America, Middle East

Contact: Tony Wallace
President
MIG Financial
P.O. Box 336
10655 N.E. 4th, Suite 400
Bellevue, WA 98009
phone: 206-451-8071
fax: 206-451-2650

Contact: James Parsons
Assistant Director
Morgan Grenfell Trade Finance
Limited
1290 Avenue of the Americas,
Floor 12M
New York, NY 10104-0101
phone: 212-469-5656
fax: 212-469-5826

The Small Foreign Sales Corporation: A Tax Incentive For U.S. Exporters

by *Dan Walker*

Director, International Tax Services

Dunavant, Dickey, Paessler, & Shaul PLC

Memphis

A commonly overlooked trade incentive offered by the federal government is the Foreign Sales Corporation (FSC). Congress primarily enacted the FSC legislation in 1984 as an inducement for U.S. companies to export more domestic products and services. Because of export incentives offered by U.S. trading partners to their local exporters, the FSC was envisioned as a vehicle to help U.S. companies to remain competitive in the global marketplace.

What is an FSC?

An FSC is a corporation organized outside the U.S., typically in a tax haven (i.e., U.S. Virgin Islands, Barbados, etc.), that meets certain minimum requirements of foreign economic substance and certain ownership requirements defined by tax law.

A special type of FSC, the Small FSC, is geared towards the small exporter who cannot afford to meet the foreign economic substance requirements of the regular FSC. The Small FSC is identical to the FSC, except that it is exempt from many of the foreign economic substance requirements of the FSC, and only export receipts up to \$5 million may qualify for benefit.

How does it earn income?

The FSC derives income principally from the sale or lease of U.S. produced goods and certain services in the overseas export market. Typically, the FSC operates as a commission agent to the "related supplier" (e.g., a related person or company that supplies the goods or services for export). Generally, the buyer of the goods does not even realize that the FSC is involved in the sale. Nevertheless, the related supplier pays the FSC a commission for the "services" provided as part of the sales process. This commission is determined under one of two methods: the arms-length pricing method or the administrative pricing rules.

The arms-length pricing method represents the price at which two unrelated parties would do business. In other words, if the FSC was not a related corporation, how much would the company

pay for its services? Since the FSC is basically a paper corporation, this pricing method typically would result in very little commission (if any) being paid to the FSC. As a result, this method is very rarely used.

Unlike the arms-length pricing method, the administrative pricing rules afford exporters more flexibility. These rules allow the related supplier to calculate the FSC's commission under one of two methods: the Combined Taxable Income (CTI) method or Gross Receipts method. The CTI method is generally computed as 23 percent of the combined export net profits of the related supplier and FSC. The Gross Receipts method is 1.83 percent of the gross export sales limited to two times the CTI method.

What is the tax benefit?

The commission paid by the related supplier to the FSC is a deductible expense for federal tax purposes. Approximately 65 percent of the commission earned by the FSC is exempt from tax, while the remaining 35 percent of the income is subject to tax at the FSC's applicable corporate income tax rate. Both pieces of income, the tax exempt and taxable portion, may be distributed tax-free to the FSC's corporate shareholder.

As a rule of thumb, if a U.S. company forms an FSC, approximately 15 percent of its net export profit will be exempt from federal tax. In terms of cash flow, the company can generally save about 5 percent in taxes.

Conclusion

In general, an FSC will provide a relatively easy and cost-efficient way for a qualified exporter to obtain federal tax benefits. These benefits can help an exporter fund future expansion of the business or make the company's export products more price competitive. For more information about this little known incentive and how it might benefit your company, contact your tax advisor. ■

Daniel W. Walker CPA
Dunavant, Dickey, Paessler, & Shaul PLC
6077 Primacy Parkway, Suite 250
Memphis, TN 38119
phone: 901-767-9024
fax: 901-767-5857
firm's e-mail: ddps@mem.net
Dan's e-mail: DWalker968@aol.com

Director of the international tax practice of Dunavant, Dickey, Paessler, & Shaul PLC, a tax and business consulting firm in Memphis, Daniel Walker has extensive experience in assisting companies with the maximization of foreign sales corporation and interest charge-domestic international sales corporation benefits.

An FSC will provide a relatively easy and cost-efficient way for a qualified exporter to obtain federal tax benefits.

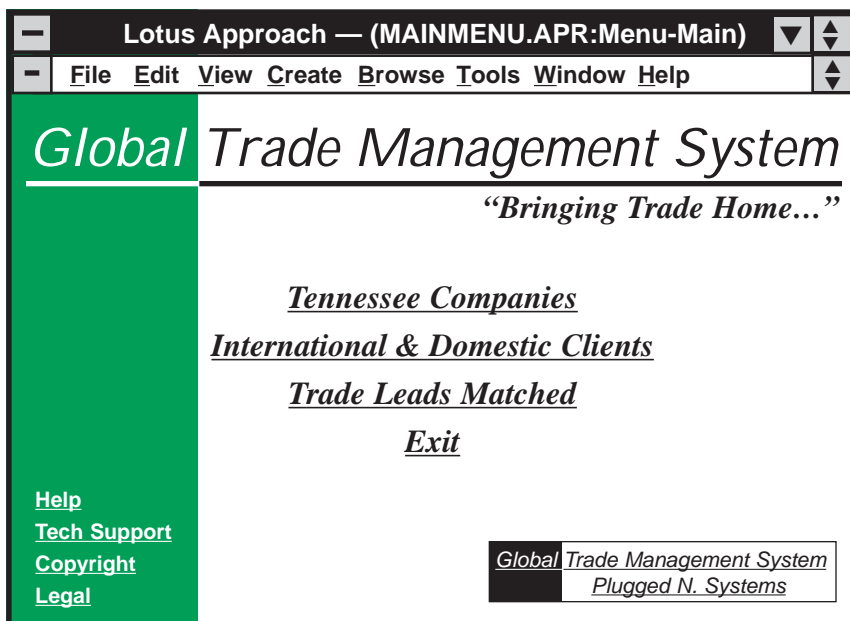
Bringing You Trade Opportunities with the Global Trade Management System

To receive trade leads and information to assist you in expanding your business, fill out the Global Trade Survey on the next two pages and return it to the TEO.

You could soon be receiving trade leads and information about upcoming trade events, shows, and other export opportunities from the State of Tennessee Export Office (TEO). The TEO has recently received a license for the Global Trade Management System (GTMS) that it will use to assist you in penetrating new markets and to help you expand your business in existing markets.

In order to take advantage of this FREE cutting-edge export

opportunity, you need to register your company with the TEO. To register, please fill out the **Global Trade Survey** on the next two pages and return it to the TEO. It's that simple. Once we have your completed Global Trade Survey, your company information will be entered into the GTMS software and then matched to potential customers, trade events, and other service providers that can help you expand your business.



GlobalCommerce

Global Commerce: Tennessee and the International Economy is published quarterly by the Business and Economic Research Center in cooperation with the Tennessee Export Office as part of Project International, an MTSU partnership with BellSouth Telecommunications and the World Trade Council of Middle Tennessee Inc. Publication is supported by a grant from the U.S. Department of Education. *Global Commerce* is available free of charge to interested individuals and institutions.

Editor: Steven G. Livingston
Publications Editor, College of Business:
 Sally Ham Govan
Phone: 615-898-2610

Tennessee Department of Economic and Community Development

Tennessee Export Office
 320 Sixth Avenue North, 7th Floor
 Nashville, Tennessee 37243-0405
Governor: Don Sundquist
Commissioner: William A. Dunavant, Jr.
Export Director: Andy Pelych
Associate Editor: Bob Pawlick.



A Tennessee Board of Regents Institution
 MTSU is an equal opportunity, non-racially identifiable educational institution that does not discriminate against individuals with disabilities.

1997 Introductory Exporting Seminar Series hosted by the International Trade Center

(Dates are subject to change.)

Knoxville Series

November 20 Introduction to Importing

Nashville Series

October 30 Export Operations

For more information, please contact:

Phil Johnson, Director
 International Trade Center
 University of Memphis
 Tel: 901-678-4174
 Fax: 901-678-4072

Dick Vogler
 International Trade Center
 301 E. Church Street
 Memphis, TN 38152
 Knoxville, TN 37915
 Tel: 423-637-4283
 Fax: 423-523-2071

Global Trade Survey

We want your input so we can provide you with relevant, high-quality export services. Please complete this survey and mail or fax it to the **Tennessee Export Office**. ■ Fax: 615-532-8715 ■ Phone: 615-741-5870 ■ Tennessee Export Office-ECD, State of Tennessee, RJ Bldg., 7th Floor, 320 6th Ave. N., Nashville, TN 37243-0405 ■ Thank you in advance for your response. (EC-0476)

Company: _____

CEO/President: _____ Export Contact: _____

Address: _____ Address: _____

City: _____ State _____ Zip _____ City: _____ State _____ Zip _____

phone #: _____ fax #: _____ phone #: _____ fax #: _____

e-mail: _____ e-mail: _____

Internet address: _____

Describe the products/services your company manufactures and/or sells.
Please provide the 4-digit or higher Standard Industrial Classification Code or Harmonized Code.

| Products / Services | SIC Code or HS Code | May we include the information in this box in an upcoming directory? |
|---------------------|---------------------|--|
| _____ | _____ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| _____ | _____ | |
| _____ | _____ | |
| _____ | _____ | |

Type of Business: Manufacturing Trading Marketing Consultant Service
 Wholesale/Retail Other: _____

Do you currently export? Yes No Interested

If you do not currently export, why not?

- We do not export directly, but our product is exported by domestic customers.
- Uncertain which markets abroad have most potential for my product/service
- Have tried exporting a few times; results were unsatisfactory.
- Consider administrative costs or foreign risk too great
- Lack of export procedure information
- Lack of company commitment to export strategy
- Lack of financing and or banking services for export activities
- Other: (please specify) _____

Year established: _____ Year began exporting: _____

Number of employees: _____ Number of employees involved in exporting: _____

Annual Sales: \$ _____ Total Export Sales: \$ _____

What percentage of your total annual sales are due to exports?

- Less than 10% 10% 20% 30% 40% 50%
 60% 70% 80% 90% 100%

Is your company ISO 9000 Certified? Yes No Interested

Is your company CE Mark Approved? Yes No Interested

Please list other certifications your company maintains: _____

How is your business typically conducted in foreign markets?

- Direct Sales to end-users Distributor Dealer
 Assembler Licensee Other: _____
 Agent/Sales Representative Joint Venture

Please list any associations (Chamber of Commerce, Trade Clubs, Business Associations, etc.): _____

Export Markets — For the following list of countries, please indicate your activities and interest.

C= Currently Exporting

I= Interested in Exporting

AMERICAS

- Argentina _____
- Belize _____
- Bolivia _____
- Brazil _____
- Canada _____
- Caribbean Isles _____
- Chile _____
- Colombia _____
- Guatemala _____
- Honduras _____
- Mexico _____
- Nicaragua _____
- Panama _____
- Paraguay _____
- Uruguay _____
- Venezuela _____

EUROPE

- Austria _____
- Belgium _____
- Bulgaria _____
- CIS (Soviet) _____
- Czech Republic _____
- Denmark _____
- Estonia _____
- Finland _____

Europe cont'd.

- France _____
- Germany _____
- Greece _____
- Hungary _____
- Ireland _____
- Italy _____
- Latvia _____
- Lithuania _____
- Luxembourg _____
- Netherlands _____
- Norway _____
- Poland _____
- Portugal _____
- Romania _____
- Spain _____
- Sweden _____
- Switzerland _____
- Turkey _____
- United Kingdom _____

MIDDLE EAST

- Egypt _____
- Israel _____
- Kuwait _____
- Saudi Arabia _____
- UAE _____

AFRICA

- Kenya _____
- Liberia _____
- Morocco _____
- Nigeria _____
- South Africa _____
- Zimbabwe _____

ASIA

- China _____
- India _____
- Indonesia _____
- Japan _____
- Korea _____
- Malaysia _____
- Pakistan _____
- Philippines _____
- Singapore _____
- Taiwan _____
- Thailand _____
- Vietnam _____

OCEANIA

- Australia _____
- New Zealand _____

Other countries: _____

Would you like to be contacted by a member of the Export Office? Yes No

Has your company used the Tennessee Export Office's services in the past? Yes No

If so, how would you rate your experience? Excellent Good Fair Poor

Would your company be interested in any of the following of our services?

- Export Seminars/Workshops Export Assistance Trade Leads
- Overseas Trade Shows/Missions Catalog Shows Global Commerce newsletter
- Export Finance Programs JETRO/Japan Program Other: _____

What services would you like to see included or changed in the Export Office's trade-promotion efforts?

Other suggestions/comments: _____

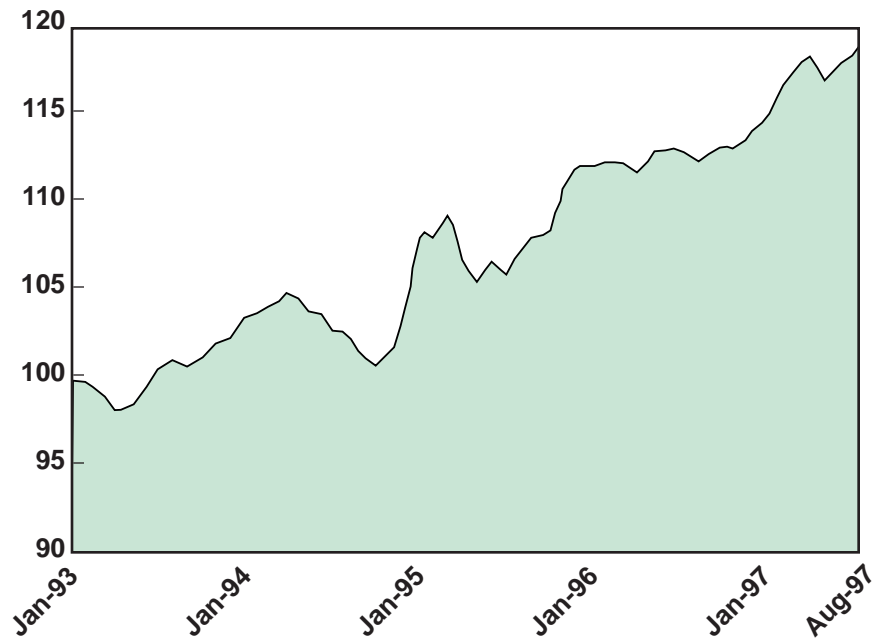
Please fax or mail this completed survey to:

Tennessee Export Office-ECD, RJ Bldg., 7th Floor, 320 6th Ave. N., Nashville, TN 37243-0405

Phone: 615-741-5870 Fax: 615-532-8715

Tennessee Trade- Weighted Dollar Index

It has been death by a thousand cuts for Tennessee exporters this year. While the second quarter saw no wide swings in exchange rates, almost everywhere in the world the dollar was slowly rising. For most of the quarter this was disguised by a temporary strengthening of the yen; its seven percent gain against the dollar was actually the largest change among the currencies of any of the twenty-two countries composing the index. Thus the index rose only very slightly over the quarter, from 117.59 in March to 117.76 in June. Meanwhile currencies throughout Europe (excepting the British pound), Latin America, and Asia were continuing their year-long fall. Of these, the only significant individual decline was the Australian dollar, which was down about five percent against the dollar. The Canadian dollar and Mexican peso remained fairly stable. As the summer progressed, the fall of European currencies accelerated, the yen reversed its rise, and Southeast Asian currencies tumbled hard in the wake of Thailand's financial crisis. As a result, by August the trade index rose to



119.83, its highest level in the last five years. The high dollar is undoubtedly a drag on the state's exports, and the end does not yet appear in sight. The only good news is the continuing firmness of the dollar exchange rates with Canada and Mexico, the state's two biggest markets. ■

Tennessee International Trade Report

Have the boom times returned for Tennessee exporters? While a celebration may be a bit premature, the 2nd quarter did see the dramatic reversal of a year and a half of sluggish growth. State exports grew a robust 13.91%, well ahead of the national rate. For the first time in the state's history, Tennessee's quarterly exports topped the \$2.5 billion mark (\$2.564 billion), and this was done in the face of a very strong dollar. Export gains were broadly distributed. Almost all industrial sectors reported healthy 2nd quarter figures, and many posted foreign sales increases of a third or more over 1996. Among the large export sectors, the chemical industry repeated its powerful 1st quarter performance, this time increasing its exports by \$73 million. Just as remarkable was the scientific, medical, and technical instrument sector, which racked up foreign sales gains of nearly 40 percent. Textile (up 53.7%) and apparel (34%) exports again showed the state's continuing global competitiveness in these industries, in spite of dire predictions. Tennessee's printing and publishing industry and the rubber sector were the quarter's other best performers. Even agricultural crop sales ended their recent steep decline, growing some 15 percent. The only major exceptions to this rosy story were the food processing industry, which continued its lackluster performance with sales down nearly ten percent, and the paper products industry, which

lost some fifteen percent of its sales from 1996, a sharp turnabout from its recent gains.

Exports grew almost across the globe. The most outstanding gains may have been made in Mexico, where state exports rose \$81 million, an astonishing 58%, over 1996. The state's largest market, Canada, again performed well. Tennessee sold over \$860 million in goods to our northern neighbor, a gain of nearly 13% over last year. Europe was also a strong market last quarter; total state exports to the European Union were up \$92 million. Exporters overcame a fall in Brazilian sales to record the best Latin American numbers in some time. With the Argentine (up 130%), Colombian (91%), and Chilean (20.3%) markets leading the way, sales grew over \$38 million. As noted in the last issue, Central America continues as a secret success story. These small countries more than doubled their purchases of Tennessee products from last year. Asia, on the other hand, was more of a mixed bag. An incredible performance in Singapore, where state exports grew \$22 million — over 75 percent — outweighed weak figures elsewhere in Southeast Asia. But a double whammy of large losses in both China and Japan, where sales were down 35.7% and 14%, respectively, made East Asia the one region of the world where state exports actually fell this past quarter. How long the China market will continue to decline is anybody's guess, but the numbers posted in Japan may be more alarming: the state lost one seventh of its exports to Japan.

The 3rd quarter is off at the same blistering pace. July exports were up 21.5%, again well outstripping the national growth rate (14.5%). This is the state's best monthly performance since May, 1995. ■

2nd Quarter 1997

For the first time in the state's history, Tennessee's quarterly exports topped the \$2.5 billion mark.



Tennessee's Largest Export Sectors: 2nd Quarter 1997

The 3rd quarter is off at the same blistering pace.

| | Exports | Change from Last Year |
|------------------------------------|---------------|-----------------------|
| Transportation Equipment | \$545,876,787 | 11.0% |
| Chemicals | \$458,164,206 | 18.7% |
| Industrial Machinery | \$344,413,941 | 4.7% |
| Electronics & Electrical Equipment | \$199,433,748 | 17.6% |
| Instruments & Related Products | \$147,507,048 | 39.1% |
| Food and Food Products | \$111,077,425 | -9.6% |

Greatest Growth and Decline in Exports by Industry: 2nd Quarter 1997 (among sectors exporting more than \$1m per quarter)

| | Value of Exports | Growth% | Decline% |
|--------------------------------------|------------------|---------|----------|
| Sectors With Greatest Growth | | | |
| Metal Mining | \$8,116,720 | 250.1% | |
| Textiles | \$52,067,842 | 53.7% | |
| Printing & Publishing | \$39,234,820 | 51.7% | |
| Technical & Scientific Instruments | \$147,507,048 | 39.1% | |
| Rubber Industry | \$103,505,610 | 34.0% | |
| Sectors With Greatest Decline | | | |
| Fishing, Hunting, & Trapping | \$2,122,411 | | -77.1% |
| Scrap & Waste | \$3,498,145 | | -65.2% |
| Paper & Paper Products | \$99,889,487 | | -14.7% |
| Food & Food Products | \$111,077,425 | | -9.6% |
| Non-metallic Mining | \$5,700,919 | | 3.8% |

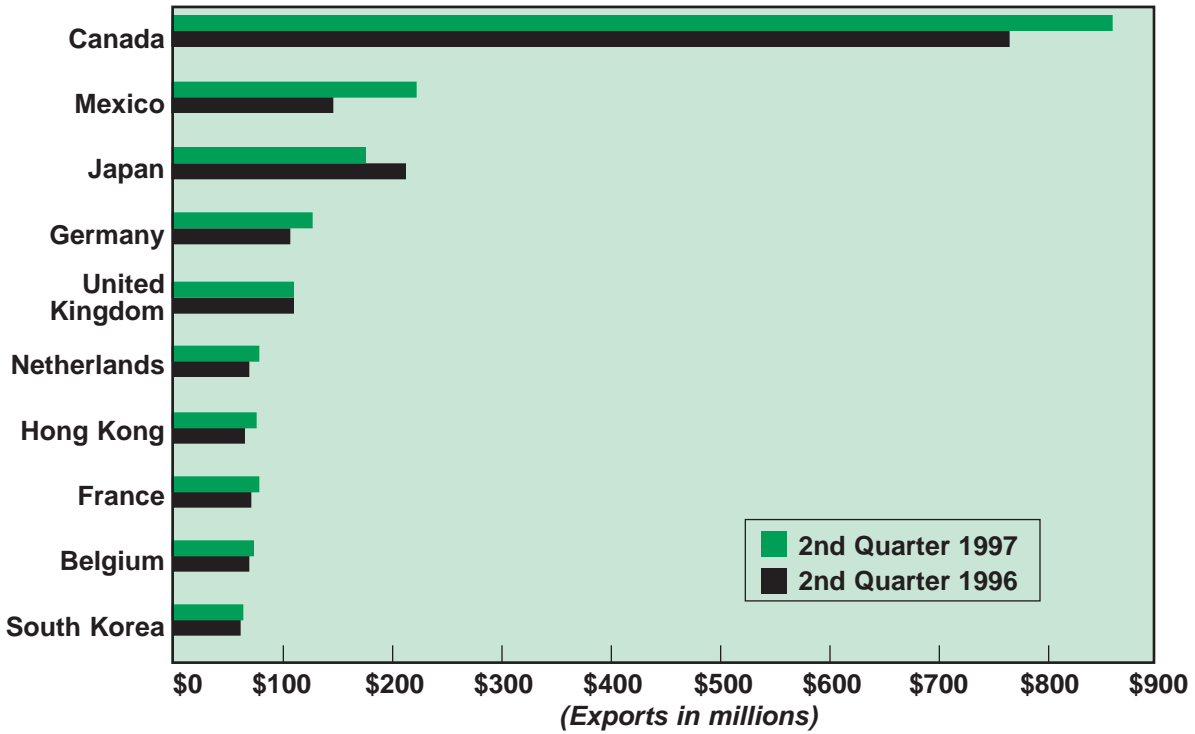
Fastest Changing Export Destinations: 2nd Quarter 1997 (among countries averaging more than \$2 million in sales per quarter)

| | Value of Exports | Gain% | Decline% |
|--|------------------|--------|----------|
| Countries With Greatest Growth | | | |
| Honduras | \$9,553,596 | 202.3% | |
| Ghana | \$7,334,839 | 201.3% | |
| Ecuador | \$2,795,780 | 157.8% | |
| Argentina | \$23,063,660 | 130.1% | |
| El Salvador | \$11,302,196 | 124.6% | |
| Countries With Greatest Decline | | | |
| Nigeria | \$99,326 | | -98.3% |
| Austria | \$4,283,160 | | -60.4 |
| Denmark | \$2,890,176 | | -51.8% |
| Kuwait | \$7,036,546 | | -48.4% |
| Poland | \$1,425,454 | | -43.0% |

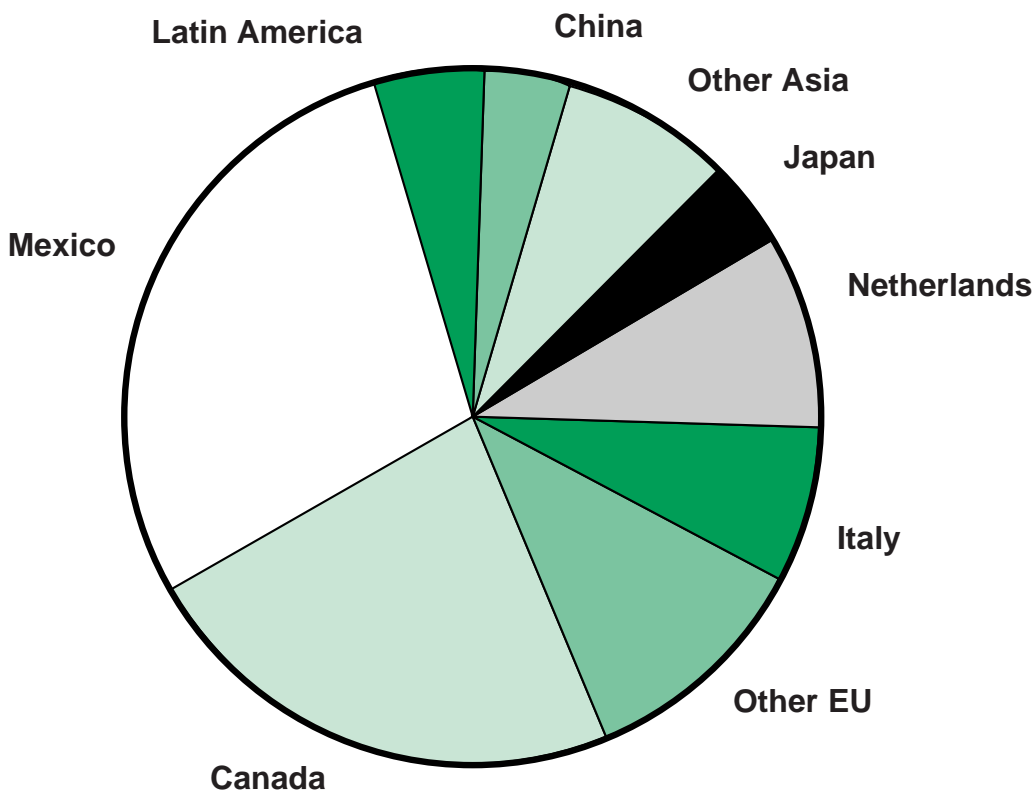
Most of the fastest growing markets were Latin American.

•
•
•

Tennessee's Leading Trade Partners



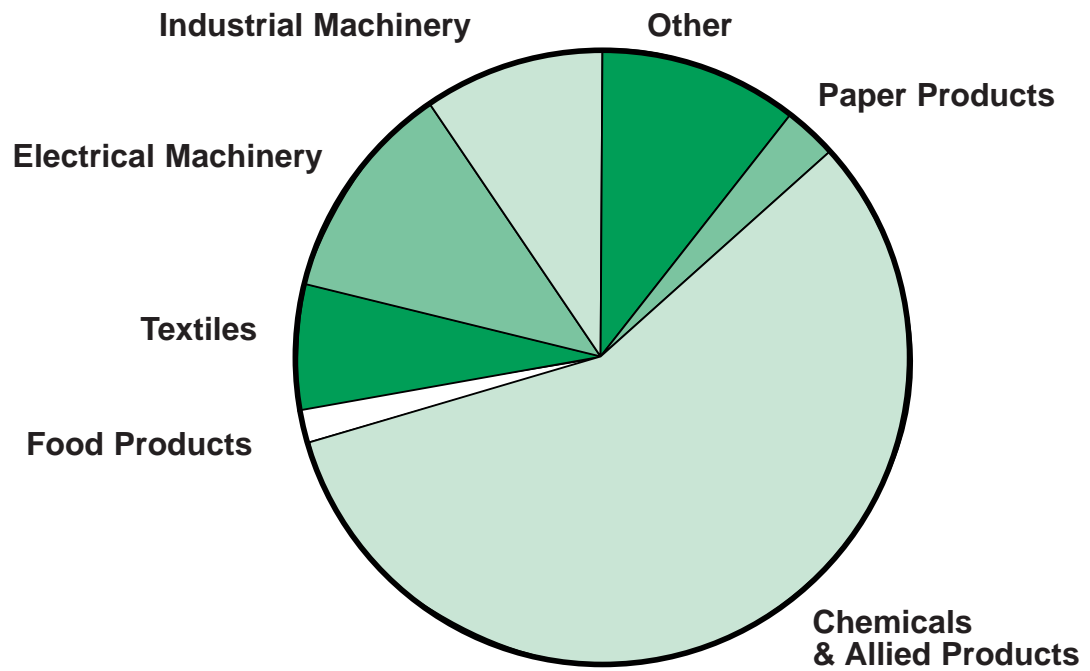
Tennessee's Crop Exports



After several disastrous quarters, state crop exports were up 15%.

Tennessee's Exports to Hong Kong

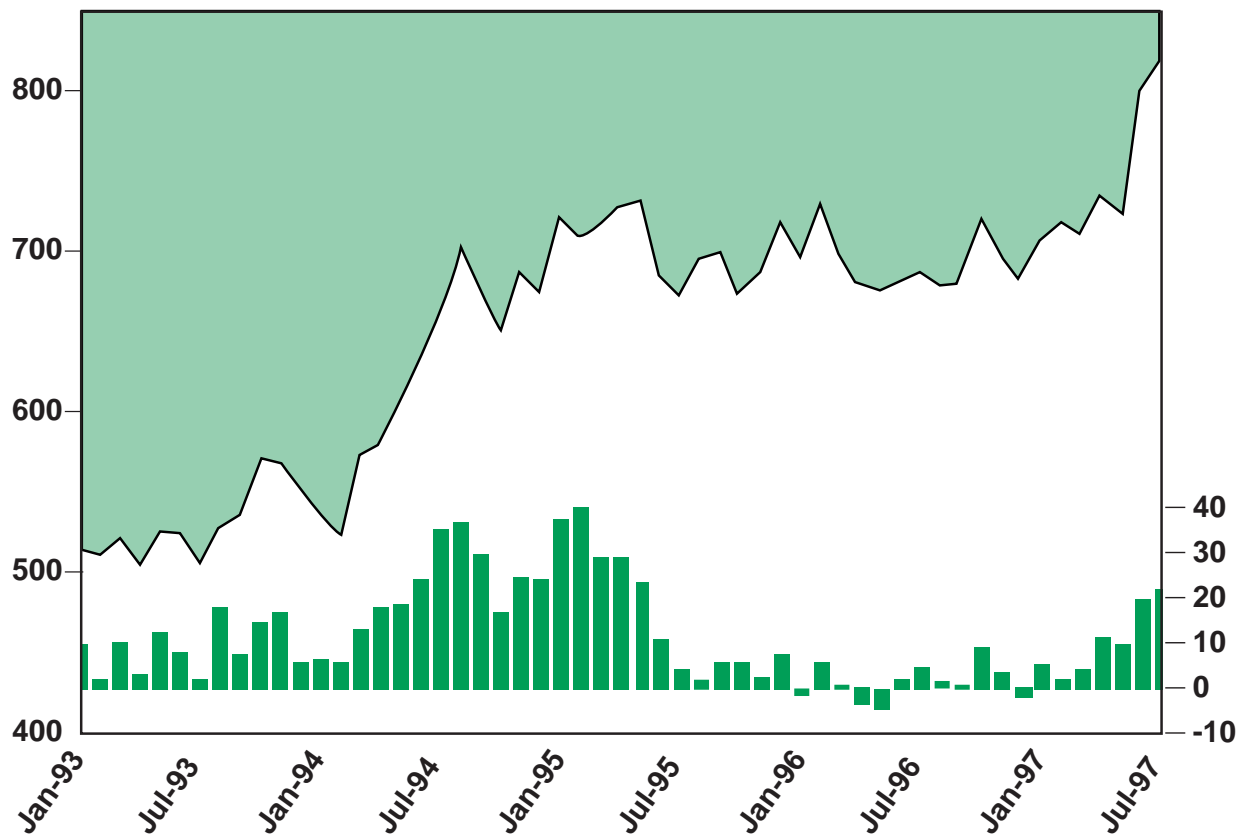
Hong Kong, this quarter's 7th largest market, was returned to China this summer.



Tennessee Monthly Exports

Exports in \$Million

Nominal Growth Rate (%)



(Seasonally adjusted, expressed in 1993 dollars)

•
•
•

Where To Find the NTDB in Tennessee

The U.S. Department of Commerce's National Trade Data Bank (NTDB) may be the single most useful source of international trade information. A cooperative effort of many federal agencies, the NTDB includes

- A Basic Guide to Exporting
- Country- and Industry-Specific Market Research
- Foreign Traders Index
- Export Promotion and Trade
- Event Calendar
- Trade Projections

among many other valuable resources for exporters. The information is updated monthly and is available either on CD-ROM or via the internet. Access to the NTDB is offered at no cost at the following Tennessee libraries:

King College

E.W. King Library
1350 King College Road
Bristol, TN 37620-2699
423-652-4795

Chattanooga-Hamilton County

Bicentennial Library
(CD-ROM only)
Government Documents Department
1001 Broad Street
Chattanooga, TN 37402
423-757-5351

U.S. Tennessee Valley Authority

(Internet)
Corporate Library
SP #1A-C
1101 Market Street
Chattanooga, TN 37402-2881
423-751-7439

Austin Peay State University

Felix G. Woodward Library
P.O. Box 4595
601 East College Street
Clarksville, TN 37040
615-648-7346

Cleveland State Community College Library (CD-ROM)

P.O. Box 3570
3535 Adkisson Drive NW
Cleveland, TN 37320-3570
423-478-6209

Columbia State Community College (CD-ROM)

John Finney Memorial Library
P.O. Box 1315 38402-1315
1665 Hampshire Pike and Highway #412W
Columbia, TN 38401
615-540-2552

Tennessee Technological University University Library

Box 5066
University and Peachtree Streets
Cookeville, TN 38505
615-372-3841

Lambuth University Luther L. Gobbel Library

705 Lambuth Boulevard
Jackson, TN 38301-9981
901-425-3290

Carson-Newman College (CD-ROM)

Stephens-Burnett Library
Documents Department
1634 Russell Avenue
Jefferson City, TN 37760
423-471-3337

East Tennessee State University (CD-ROM)

Sherrod Library
Documents/Law/Maps/Dept.
P.O. Box 22450A
Pedestrian Mall, Main Campus
Johnson City, TN 37614-0665
423-929-5334

University of Tennessee, Knoxville

John C. Hodges Library
Documents and Microforms
1015 Volunteer Boulevard
Knoxville, TN 37996-1000
423-974-6870

Knox County Public Library System

Lawson-McGhee Library
500 West Church Street
Knoxville, TN 37902-2505
423-544-5723

University of Tennessee, Martin

Paul Meek Library
Martin, TN 38238-5047
901-587-7073, 7065

Memphis-Shelby County Public Library

1850 Peabody Avenue
Memphis, TN 38104-4021
901-725-8893

University of Memphis University Libraries

Government Publications
Memphis, TN 38152-1000
901-678-2206

Tennessee State University Brown-Daniel Library

Government Documents Center
3500 John A. Merritt Boulevard
Nashville, TN 37209-1561
615-963-5201

Vanderbilt University Central Library

Government Information Department
419 21st Avenue South
Nashville, TN 37240-0007
615-322-2838
and Massey Law Library
(CD-ROM only)
Documents Department
Nashville, TN 37203
615-322-2568

Public Library of Nashville & Davidson County/Ben West Library

225 Polk Avenue
Nashville, TN 37203-3585
615-862-5842

Fisk University Library (CD-ROM)

Government Documents
1000 17th Avenue North
Nashville, TN 37208-3051
615-329-8640

Tennessee State Library and Archives State Library Division

(Internet)
403 Seventh Avenue North
Nashville, TN 37243-0312
615-741-2561

University of the South Jessie Ball duPont Library

Government Documents Department
Alabama Avenue
Sewanee, TN 37383-1000
615-598-1395

The U.S. Department of Commerce's National Trade Data Bank may be the single most useful source of international trade information.





Business and Economic Research Center

Box 102
Middle Tennessee State University
Murfreesboro, TN 37132
615-898-2610

Non-Profit
Organization
U.S. POSTAGE
PAID
Permit No. 169
Murfreesboro, TN

1997 Calendar of Events • Memphis District Export Assistance Center

Date: October 26-28
Event: Joint SBA/DEAC Export Workshop to be held in conjunction with the National Association of District Development Companies conference
Location: Memphis Marriott Hotel, Memphis, TN
Contact: Diane Roehrig (conference organizer), Alacom Finance, Birmingham, AL 205-870-3360
Description: A small workshop on exporting, with emphasis on trade finance

Date: October 28
Event: Export Shipping/Operations Workshop: Using the Information Superhighway to Move International Cargo
Location: Peabody Hotel, Memphis, TN
Contact: Ree Russell, Memphis DEAC 901-544-4137
Description: Annual workshop on export shipping operations

Date: October 28
Event: International Commerce Day
Location: Peabody Hotel, Memphis, TN
Contact: John Threadgill, Memphis Area Chamber of Commerce 901-543-3500
Description: Local chamber "salute" to regional area foreign consulate representatives, a luncheon venue (follows the DEAC's annual export shipping workshop)

Date: October 28
Event: Memphis World Trade Club's Port of New Orleans Night
Location: Peabody Hotel, Memphis, TN
Contact: Don McCrory, '97 MWTC President 901-948-4422
Description: Local Memphis International trade club annual membership meeting celebrating the port of New Orleans, LA, the primary entry & exit port of Memphis's cargo

Date: November 6
Event: Rural Outreach: Basic Export Seminar in Ripley, TN
Location: (exact location TBA) Ripley, TN
Contact: Phil Johnson, TN Small Business Development Center/International Trade Center 901-678-4174
Description: Basic rural export workshop, giving an overview of the exporting process

Date: November 20
Event: NIS/Russia Business Seminar
Location: Christian Brothers University, Memphis, TN
Contact: Peter Stromberg, CBU's Centre for Global Enterprise 901-321-3325
Description: Seminar on doing business with Russia and the Newly-Independent States (NIS)