Area chambers search for foreign investments

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Quietly, the economic development arms of three metropolitan area Chambers of Commerce have moved to fill a void created by state budget restrictions in the search for joint ventures between international and Louisiana firms.

Thus far, the efforts of the Baton Rouge, New Orleans and Shreveport Chambers have resulted in trips to both the Far East and Europe and in the compilation of a computerized list of firms interested in doing business with overseas companies.

The two trade missions already have resulted in a number of inquiries, according to Wes Stucky of the Baton Rouge Chamber. An intensive visit to Common Market countries is planned in November, he added.

The computer list is an ongoing project that so far has generated responses from 213 firms that are looking for business opportunities.

"Louisiana, while consistently ranking in third or fourth place in the dollar amount of foreign investment, is behind most southern states in the actual amount of jobs created and the number of industries brought in," according to an information sheet from the New Orleans Economic Development Council.

"Louisiana will fall behind even more in attracting foreign investment to the state unless the individual economic development agencies band together to constitute sufficient 'mass' to attract foreign investors to the state."

When a foreign company visits Louisiana, "they don't want to look just at New Orleans or just at Baton Rouge, they want a wider view of the state," Stucky said.

"New Orleans," he noted, "has considerable experience in international trade and marketing. But there is a problem with a city going it alone. When a company in, say, Germany comes here, they would look at the whole river region.

"We're very closely tied to New Orleans, and Shreveport has good things to offer in the distribution and other areas, so it only made sense that we work together."

Virginia Simons of the New Orleans EDC said that because of the lower value of the dollar and cost of oil and gas, emphasis in the international program is being increased in two areas:

- Distribution capabilities of the region and export/import opportunities and encouraging local companies to take advantage of these opportunities.
- New product possibilities in the petrochemical specialty chemicals industry.

The three chambers also are coordinating their efforts in the promotion of:

- Biotechnology opportunities in Louisiana, including opportunities for cooperation between universities and incoming industries.
- Technology transfers, licensing of processes and patents developed by Louisiana universities and inventors.
- Joint venture, manufacturing under license, and acquisition opportunities.

Of the three cities, the New Orleans EDC said that "although each one of us is theoretically competing with the other, in point of fact, our economies and industrial infrastructures are sufficiently differentiated so that our competition is more with other states rather than with each other."

The effort already has been successful, Stucky said.

"We are working with a company in Europe that we visited. We gave them a study listing biotech resources in Louisiana."

The chamber here also has heard from another company to which a high level presentation was made this past spring, he added. One Japanese firm has visited this area as a result of the trip to the Far East, Stucky said.

"They will make a site selection (somewhere in the U.S.) this fall."

The survey of companies interested in joint ventures with overseas firms will be a valuable tool in handling inquiries, he said.

When a foreign firm makes an inquiry, the chamber receiving it checks the list to match interests, then calls the Louisiana firm. The foreign firm is given the name of the Louisiana company and access to the questionnaire only on approval of the domestic company. The chamber groups play no part in any negotiations that might take place unless specifically requested to do so by both parties.

The list also is handed to foreign companies, and, as a result, Stucky said, "we have a couple of firms interested" in joint ventures.

Stucky added that when he goes through the list to answer an inquiry, he has no way of knowing whether a numbered company is from the New Orleans, Baton Rouge or Shreveport area.

In addition to the joint venture program, the Baton Rouge Chamber has obtained help from some individuals in attracting business from overseas firms, Stucky said. He cited a local attorney who will make presentations to companies in India while there on a business trip.

The chamber is interested in hearing from any person who is traveling abroad and who would have time to serve as a good will, trade mission, ambassador.

"We'll arm them" with materials, he said.

Ken Oilschlager of the Shreveport Chamber emphasized the advantages of cooperation in his experience with the venture project.

"We really don't compete with one another," he said of the three cities. "Ours is a global economy, and we compete with the rest of the world. Also, by our participation, we remove the duplication of effort."

"We're able to show more opportunity" to prospects, "we share expenses of missions, and we go in with a state effort, a unified front for the state of Louisiana. This way, we have a better chance.""

As a result of the cooperative project, some firms have been identified that might be attracted to the Shreveport area, Oilschlager said, but "it's too early to tell the success."