

## **Russians Seek Trade with N.C.**

*Charlotte Observer, by Ron Stodghill  
July 16, 2011*

Mikhail V. Margelov says he's got a soft spot for North Carolina: Back in the late '90s, as a fresh-faced communications aide to then-Russian President Boris Yeltsin, his bosses sent him to Duke University, where he talked post-Cold War politics to students.

"My message was simple: We will defeat communism," said Margelov, sitting last week in the Charlotte City Club, "and that the victor should not be judged."

These days, Margelov is a member of the Federation Council of Russia and chairman of its foreign affairs committee. Yet more than a decade later, he's singing the same tune to wary Americans: "Why can't we be friends?", that '70s anthem by the rockers known as War.

As trade partners, at least, North Carolina and Russia actually are quite friendly - if not exactly BFF.

Between 2007 and 2010, North Carolina's exports to Russia grew by 61 percent while its exports to the rest of the world grew by only 6 percent, according to the Coalition for U.S.-Russia Trade.

To be sure, the \$197 million in export shipments to Russia pales next to the state's \$24.9 billion in overall exports - a fact Margelov wants to change by gaining entry into the World Trade Organization, which now seems imminent.

In fact, Margelov's agenda in Charlotte was to build support for repealing the Jackson-Vanik amendment, a 1974 federal law that denies most-favored-nation trade status to certain countries that restrict emigration. Margelov's concern: Russia's ongoing conflict with neighboring former Soviet republic Georgia will cripple the U.S. trade opportunities with Russia because of the law.

"It's a relic of the past and shouldn't be on the books," said Edward Verona, president and chief executive of the U.S.-Russia Business Council, who accompanied Margelov to meetings with Charlotte leaders.

In a sense, the law merely reflects the world's antiquated view of Russia, Margelov said. "We still live in world of myths and fear," he said. "Many people still think we're just a new and improved edition of the Soviet Union, and that's just not the case."

Maybe not. Yet as much progress as Russia has made moving from a state-controlled to a market economy, many investors still view the country with suspicion. The country has earned a reputation for a lax judicial and regulatory system, along with corruption in business and government.

Earlier this year, for example, Maplecroft, the global risk research and management firm, moved Russia up from 15th into the top 10 on its index of the world's highest-risk countries, due to rising terrorist activity in the area.

While Margelov doesn't deny that Russia's economic and political landscape has many hurdles, there's a huge and untapped opportunity to do business with Americans. "The Cold War is over - and we are no longer enemies," he said. "I'm just trying to get out in real

America - not Washington and New York - and talk to the people who are the cornerstone of this nation."