

of these firms were in less developed countries. What is not clear is how many of the latter firms had a Japanese connection (perhaps a partnership with a well-established Japanese trading house). Moreover, even if the 70% figure truly is an indicator of untied aid, remaining 30% of tied aid means that Japanese firms still had access in 1989 to contracts involving some U.S. \$1 billion.

In the context of future intentions, Japan will continue to provide ODA-based concessional financing to less developed countries, and will continue to espouse an official policy of progressively untying aid. It is interesting to note however, that OECF officials are of the opinion that the limit to which aid can be untied has almost been reached. If this is so, and given that Japanese companies do not appear to have been unduly disadvantaged by the official policy of untying aid to the extent that it has been applied so far, certain benefits should continue to accrue. The Japanese Government officially will be able to maintain untying at the current, statistically high percentage, while Japanese companies will continue, more or less, to derive the benefits which OECF's ODA-based concessional financing program has always conveyed.