

These are:

Addressing Countertrade Problems:

1) the liquidity crisis in the world and particularly as it relates to the third world and the debt issue and that obviously leads directly into countertrade and I would contend and I think many of you here would agree that you've got to measure the aspect of countertrade by whether there is going to be a great deal of liquidity in the world and whether the debt problem of the third world get resolved or not resolved. If you believe, as many of us do, that the lack of liquidity is virtually the only control over a number of governments who don't have as great a fiscal responsibility in budgets and trade balances (and that implies a relative shortage of liquidity or reasonably high cost of capital) and if you assume that the debt issue as it exists now is not going to be resolved immediately, the implication is that countertrade or countertrade-like transactions are going to be here for a long time and are going to grow. We don't think it's going to go away and I would suggest that your company evaluate that connection with your own business or industry.

Expanding Sales and Markets:

2) The second issue that companies deal with is the whole issue of production capacity. And more specifically, their own production capacity and production capacity in their industry. What we saw was a boom during the 1970's where global production capacity expanded very, very extensively and as a result, particularly in many of the natural resources,