

This lack of sophistication and flexibility has resulted in uneven approval processes and unpredictable regulatory shifts affecting compensatory transactions negotiated with western firms. It has limited the number of transactions successfully completed and has resulted in such negatives as:

- *Superficial assessments of the potential long-range economic consequences of compensatory impositions for their countries (e.g., pressure on prices of petroleum).

- *Hurried enforcement aimed at short-term solutions.

- *Lack of understanding or appreciation of negative impacts on foreign suppliers.

- *Inadequate bureaucratic structures or incentives aimed at facilitating and promoting CAs.

- *Unpredictable implementations and approval processes.

- *An inability to develop mechanisms which would insure the separation of trade finance from balance of payments finance.

With time and with acquired experience by all trading parties involved, it is likely that standardized criteria for implementing compensatory practices -- the craft of the feasible if you will -- will be adopted in international commerce, or that the required uniformity and predictability may be achieved through the creation of specialized trading