suppliers to accept payment in local products against deliveries of Western goods and equipment. Between 1973 and 1980, there had been a rapid development in the practice of countertrade primarily attributable to the ten-fold increase in oil prices which led to the Western banking system's surplus of petro dollars. All through the 1970s, these petro dollars were recycled to East European and developing countries to finance overly-ambitious development plans, with the end result that these countries were soon saddled with huge, external debts which led to difficulties in meeting debt service obligations. This precarious situation was further exacerbated by the dramatic increase in interest rates of the early 1980s, the concurrent global economic recession, and the resultant drop in commodity prices. As a result, not only East European countries, but also a number of under-developed and developing countries began in the 1970s to increasingly use countertrade as a way of generating some or all of their hard currencies for their development requirements. It was also seen as a way to develop new markets for their commodities and products. The estimates on countertrade vary anywhere from 1 to 40% of global trade, or somewhere in the vicinity, of 15 billion to 900 billion U.S. Dollars. The tremendous variations are caused by lack of agreement on what constitutes countertrade, the lack of data on transactions, and the secrecy that surrounds the practice. A conservative estimate of about 10% of world trade ($150 billion) developed by Business International appears to be the most widely accepted figure. The statistics that should really interest the participants here today are those pertaining to East-West which is the countertrade between OECD and Eastern Bloc countries and North-South which is countertrade between the OECD and less developed countries. These represented 20% ($8 billion) and 6% (18 billion) of OECD exports to these regions in 1984.