permits, which are good only for 90 days, will not be issued for a wide range of goods which have domestic substitutes, or are considered luxury items or other non-essentials. Some commodities are eligible for 'open end' licenses which are good for six months to a year, with an overall limit. Where imports are specified by SECOFIN as essential, foreign exchange will be made available at the controlled rate, whereas non-essentials must be financed at the higher free-market rate.

SECOFIN is also responsible for issuing export licenses required for almost all exports. Some exports are prohibited. Foreign exchange proceeds in excess of 200 000 pesos a week must be surrendered to credit institutions within one month. Special accounts may be maintained by exporters, allowing them to purchase foreign currency at the controlled rate. This currency may then be used to purchase imports, pay related expenses and meet outstanding debts to foreign suppliers. U.S. dollar deposits may also be accepted and export-related loans may be made in foreign currency.

MOROCCO

Although Morocco has not issued any policy statements or passed any regulations, countertrade is looked on favourably where non-essential imports to Morocco are involved. Countertrade transactions are approved on an individual basis by the Director of Foreign Trade in the Ministry of Commerce, Industry and Tourism and by the Office des Changes.

In order to receive an import license, it must be determined that the Moroccan exports are going to a new market or are above traditional export levels, and that the goods have substantial added value. Minerals, wine, leather, foodstuffs and textiles are among the items proposed for countertrade. Morocco's major export, phosphate, is sold abroad by the state-owned Office Cherifien des Phosphates and is not regarded as an item appropriate for countertrade.

Morocco does have regulations concerning foreign content in the automotive industry. It requires a 60% domestic content in assembled cars and trucks. Where this is not possible, the automaker is required to take up the shortfall by the export of spare parts made in Morocco.

Bilateral trade agreements with Eastern bloc nations have been terminated. Morocco prefers to utilize trade protocols that do not require an obligation to trade but merely propose goods for export. Although countertrade presently represents an insubstantial amount of trade for Morocco, it is believed that activity in the field will increase in an effort to preserve foreign currency and overcome trade credit restraints.

Trade and Foreign Exchange Controls

Imports are classified in three categories: List A consists of freely importable goods; List B covers goods which require an import permit; and List C deals with prohibited goods. In order to import goods in List A, the importer must sign an "import commitment" which is registered with an authorized bank and which may make payment upon the presentation of the required documents. Administrative approval is not required for a List A import. Duties may range as high as 60% for non-essential goods.

There are few restrictions on exports, although some licenses may be required and state-owned enterprises have an export monopoly on all fruits, fresh vegetables, raw cotton and cotton by-products. Foreign exchange proceeds must be surrendered to authorized banks within one month of the payment due date, ideally within 120 days of shipment.

NEW ZEALAND

A cabinet directive issued in April 1979 requires that all government procurement tenders in New Zealand valued at over $2 million (NZ) include a request that bidders submit proposals on offset or counterpurchase arrangements. All purchasing by government departments and publicly-financed purchases are included, along with that of state-owned enterprises, such as Air New Zealand, and the railroad, highway and public health sectors. The directive does not affect purchases by the private sector.

New Zealand government brochures state the objectives of its offset policy:

— to offset large expenditures of overseas funds on the purchase of equipment which is not, or cannot be, economically produced in New Zealand;
— to raise the levels and range of technology in New Zealand;
— to encourage internationally competitive manufacture and services;
— to improve industrial design and quality assurance;
— to open up new markets;
— to create and maintain jobs.

The following types of offsets are deemed acceptable:

— joint manufacture of assemblies or sub-assemblies of the specific equipment under tender, for internal use or export;
— collaboration in design, development and production;
— technology transfer;
— joint research and development;
— purchase of, or market assistance for, New Zealand-produced technological products.

New Zealand countertrade policies also cover counterpurchase, for which objectives differ from those of the offset policy. Counterpurchase objectives include the following:

— the partial balancing of the expenditure of overseas funds with associated export receipts;
— the strengthening of New Zealand's relationships with other countries by promoting increased levels of trade, possibly in new commodities and manufactured products; and
— the enhancing and broadening of a two-way relationship between a preferred supplier and New Zealand.

Although the countertrade component of a bid is nominally voluntary, where tenders are comparatively equal a good countertrade package could be the deciding factor. However, the key criteria in successful bidding remain price, technical specifications, and delivery.

After bidding has closed, a group of bidders are short-listed, and they then meet with the Department of Trade and Industry (DTI) to discuss how the countertrade obligation is to be met. Of particular interest to the New Zealand government are offset proposals for domestic manufacturers and the transfer of technology to New Zealand companies, particularly when related to the nation's primary industries. Counterpurchases of fish and horticultural products are also suitable. Meat and dairy products, which are New Zealand's traditional exports, are not readily approved for countertrade as the markets to which the nation already sells may be disrupted. New Zealand's policy aims to expand exports on a long-term basis. DTI will assist bidders in finding suitable products and contacting domestic producers.

Before the final contract is signed, the bidder will execute an agreement with DTI formalizing all countertrade arrangements. Counterpurchase or offset obligations can be transferred to third parties. The Department checks