

Good Morning,

It is a pleasure to participate in this program, and to share with you my views on compensatory arrangements (CAs) based on the perspective and experience accumulated during my 10 years of involvement with these practices at the Department, as business advisor to U.S. companies.

For your information, our advisory services provide assistance in the following areas:

- (1) Assisting U.S. firms in structuring export packages which may include CAs as one of alternative options.
- (2) Organizing in-house countertrade units.
- (3) Clearing countertrade-related information on foreign practices and third-party assistance.

(Lately, brainstorming sessions with top corporate officers on CAs as a tool of marketing and finance).

Today, my remarks will focus on the growing need for exporters to acquire expertise in tailoring individual transactions. Such need is a direct consequence of the evolving nature of global compensatory trade which stems from differing economic and commercial needs of trading parties, and which results in nonuniform applications of these practices in different countries. The main contributing factor to this situation has been the evident inexperience of LDC governments with CAs which is affecting the way their bureaucracies handle compensatory applications.