

Trading house findings

As previously mentioned results for trading houses cover both countertrade transactions done in support of their own exports and on behalf of Canadian clients. The basis for trading house statistics comes from 67 of 150 questionnaires returned and 11 interviews.

1) Exposure to countertrade demands

Of 67 replies to the questionnaire, 17 answered they have dealt with Canadian clients who have experienced countertrade demands, and 44 of 67 did not avoid countries making countertrade demands when exporting.

In addition, 14 of 67 responded they have developed in-house countertrade negotiating expertise.

Trading houses, when queried on factors considered most important for a successful export sale, considered competitive price first and countertrade last in a ranking of five factors. Similar to exporters, trading houses ranked entry into otherwise closed markets and maintenance of market share as reasons for engaging in countertrade. Problems associated with engaging in countertrade included risk in handling unfamiliar goods, possibly longer time before final payment is received and long and complex countertrade negotiations. For trading houses, a willingness to engage in countertrade was felt most important in Eastern Europe, then Africa and the Middle East, Latin America and the Caribbean and Asia.