

108 believed they had in-house expertise for satisfying countertrade obligations. Questioned on factors considered important for a successful export sale, countertrade ranked fifth behind competitive price, technological advantage, attractive credit terms and import priority assigned to the product.

Three important benefits from the use of countertrade were identified by Canadian exporters. These included entry into an otherwise closed market, maintenance of exports and market share and development of goodwill with the host government. Problems identified with engaging in countertrade included long and complex negotiations, and risk in handling unfamiliar goods. Willingness to engage in countertrade was considered most important in Eastern Europe, then Asia, Africa and Middle East and Latin America.

Statistical findings - It should be emphasized that 20 of 169 respondents were identified through the questionnaire as having completed an export transaction involving countertrade and that only 11 provided data on their activity. This was supplemented with data from the 31 interviews. Confidentiality and lack of data on corporate countertrade activities were reasons given for not responding. The identities of the respondents are not known to the speaker or mentioned in the study without prior approval.

Based on information provided by these companies, it is evident that total countertrade activity increased dramatically for the five years 1980-1984. Specifically, the number of firms engaged in at least one countertrade transaction per year rose from 2 to 11, the number of annual transactions rose from 2 to 31 and the total value of export transactions involving countertrade rose from \$12.2 million to \$376 million.