

- ACCESS TO PRODUCTS IS ENHANCED BY INVESTMENT IN THEIR PRODUCTION I.E. JOINT VENTURES. IF THIS IS YOUR CHOICE PROCEED INCREMENTALLY STARTING WITH A MINIMUM INVESTMENT.

USING A TRADING HOUSE

- THE OPTION OF USING A TRADING HOUSE TO ASSIST YOU IN THE WESTERN SALE OF THE "COUNTERTRADE" PRODUCT HAS GREATLY DIMINISHED IN RECENT MONTHS.
- UNDER THE CURRENT UNCERTAIN CONDITIONS MANY LONG STANDING TRADING HOUSES ARE FACED WITH THEIR OWN CONCERNS WITH RESPECT TO TRADING ON THEIR OWN ACCOUNT. AS A RESULT, SOME ARE RELUCTANT TO UNDERTAKE OBLIGATIONS ON BEHALF OF OTHERS.
- IN CASES WHERE THEY WILL AGREE TO ASSIST YOU, THEY WILL PREFER TO WORK ON A RETAINER AND EXPENSES BASIS TO BE DEDUCTED AGAINST FEES OR COMMISSIONS UPON SUCCESSFUL COMPLETION. THEY WILL ASK YOU TO PROVIDE AND CONFIRM A LONG LIST OF INFORMATION ON THE PRODUCTS OFFERED, SPECIFICATIONS, PRICES, ETC BEFORE THEY WILL AGREE TO EXPEND RESOURCES ON YOUR BEHALF.

SELECTING CUSTOMERS, STRUCTURING TRANSACTIONS AND RELATED REGULATORY CONCERNS AND COMMENTS

- AS WITH "NORMAL" BUSINESS IN THE FORMER USSR, IN COUNTERTRADE YOU MUST BE PATIENT, PERSISTENT, AND IMAGINATIVE AND EXPECT DELAYS AND UNCERTAINTY. YOU MUST BE COMMITTED TO THE LONG RUN.
- CHOOSE CLIENTS/PARTNERS NOT JUST FOR THEIR NEEDS BUT ALSO THEIR EXPORT EXPERIENCE, TRACK RECORD, INTERNAL CLOUT, CONTACTS, ACCESS TO EXPORTABLE PRODUCTS AND ABILITY TO SECURE AN EXPORT LICENSE. WHEN IN DOUBT, TRY TO VERIFY THEIR BUSINESS CLAIMS. THIS WILL BE DIFFICULT.
- EXAMINE JOINT VENTURE POSSIBILITIES AS AN OPTION TO COUNTERTRADE. EXPORTS GENERATED BY JOINT VENTURE COMPANIES ARE SUBJECT TO MORE LIBERAL REGULATIONS.
- BE PREPARED TO ASSIST YOUR CUSTOMER IN GETTING THEIR PRODUCT OUT OF THE COUNTRY. THIS MAY INCLUDE ASSISTANCE IN GETTING AN EXPORT LICENSE, ARRANGING TRANSPORTATION, ACCOMPANYING THE SHIPMENT AND INSURING IT BOARDS THE OUTGOING VESSEL. SOME FORMS OF FACILITATION MAY BE REQUIRED.
- IN THE COURSE OF STRUCTURING YOUR TRANSACTION BE CAREFUL WHEN INQUIRING AND MAKING ARRANGEMENTS SO AS NOT TO DIVULGE