and the U.S.S.R., exchanging agricultural produce (primarily tapioca and corn) for fertilizer, a commodity in very short supply. The countertrade committee is considering expanding the list of agricultural goods available in view of the continuing great requirement for fertilizers. Rice has been exchanged for petroleum and palm oil from Malaysia, and sugar has been utilized in the purchase of Indonesian-built aircraft.

Until the development of a definite countertrade policy, countertrade agreements are being examined on a case-by-case basis. The only settled criteria are that 1) the goods to be countertraded must be surplus in Thailand; 2) the products should not be re-exported; 3) prices should reflect local or international price levels and not be inflated; and 4) proposals that run for a long term will be looked on more favourably.

Trading houses have established a major presence in the Thai market and prospective Western suppliers may find it easiest to approach the market through them. The Japanese sogo shoshas, for example, handle one-eighth of the country's foreign trade.

Trade and Foreign Exchange Controls

Imports are generally without restriction, although some are prohibited in order to protect a domestic industry and others require licenses. Advance payments in excess of $2 000 (US) require the approval of the Central Bank, as does the opening of revolving letters of credit or letters of credit whose terms are greater than nine months. Payments for imports are approved by credit institutions upon the submission of supporting documents. Some imports receive the preferential duty extended to all ASEAN members.

Some agricultural products require licenses for export or require prior approval. Proceeds must be sold within seven days of receipt to authorized agents and, in no case, later than six months after the date of shipment. There is a reduction in some taxes and duties for export-geared industries.

TUNISIA

Although Tunisia has not passed any legislation concerning countertrade, it is willing to accept countertrade as a legitimate trading tool. This is particularly so since the country is facing a soft market for petroleum and phosphates, two of its major exports, and a decline in agricultural sales due to import duties in the European Economic Community. Counterpurchases have been encouraged for Tunisia's state-owned trading firms, which are large importers. The companies receive a preferential allocation of import licenses when they find new export markets by countertrade in Tunisian goods.

The government organizations that deal with countertrade are the Directorate of Foreign Trade, which handles import and export licenses, and the Tunisian Central Bank, which oversees foreign exchange transfers. Tunisia has non-binding trade protocols with a number of other governments, where goals are set annually or every few years. There is no push to meet the goals unless there is a severe trade deficit. Under such protocols, France's Renault accepted Tunisian denim in exchange for cars and trucks and Turkish wheat was exchanged for Tunisian fertilizer. In another countertrade deal, a $70 million (US) phosphoric acid plant constructed by a French consortium is being paid for in phosphates and agricultural produce to one-third the value of the contract. A more recent countertrade deal involves the exchange of 6 000 tons of Chinese cotton and 150 000 tons of Chinese wheat for Tunisian fertilizer, particularly triple superphosphates.

Phosphate is the item offered for countertrade in the largest quantity, along with a wide selection of agricultural goods and some processed foods. Buy-back is also a possibility, since some Tunisian textile firms have offered to sub-contract the production of clothing in return for foreign-supplied machinery.

Trade and Foreign Exchange Controls

An import certificate is required for some specified liberalized imports, while non-liberalized goods require a license from the Directorate of Trade along with approval from the Central Bank. Some goods may be subject to bilateral or global quotas. Imports required for the production of exports are subject only to a customs declaration.

Government agencies maintain a monopoly on a wide range of imports, such as coffee, tea, sugar, drugs and tobacco, and exports, including wine and olive oil. Export proceeds must be surrendered within ten days unless otherwise authorized by the Central Bank.

All trade with Israel and South Africa is prohibited.

URUGUAY

Promotion of countertrade is an official policy of the Uruguayan government, both in its own capacity as purchaser of foreign goods and for the private sector. The government has set up administrative procedures to assist prospective countertraders, and the Central Bank is also very co-operative.

By Decree 162/1971, government agencies are required to add a clause to their calls for tenders stipulating that bids that offer more favourable solutions to the export of Uruguayan goods will receive preferential treatment. In addition, guidelines issued in 1981 specifically encouraged government agencies to utilize enterprises that hire local labour, use Uruguay's natural resources, or make high-risk investments in the country.

Both the Ministry of Economics and Finance (in particular its office of External Commerce) and the Central Bank are responsible for approving all countertrade transactions. Other government agencies, such as the National Meat Board, have also been involved in countertrade negotiations.

It has been the experience of bidders that a 100% countertrade commitment is required for government procurements. However, the type of countertrade carried out determines the actual percentage met; for example, the counterpurchase of traditional exports may only count for 33% of the countertrade commitment, whereas the counterpurchase of non-traditional and finished goods may fulfill 125%. A recent directive dictates the value of countertrade goods to be exported. In the case of meat, which is Uruguay's largest export, three times the value of the imported goods must be exported. There is an official list of items available for countertrade which includes beef, lamb, fish, rice, and wool, but approval of the goods may be dictated by availability and market price.

Most of the foreign partners involved in Uruguayan countertrade have been private sector firms, except where East bloc nations are involved, while at the Uruguayan end, the recipients have all been state-owned enterprises.

Among the deals entered into so far, the National Port Authority has agreed to purchase trains from the German Democratic Republic and Hungary in exchange for Uruguayan beef, citrus, wheat bran, fish, hides, shoes, and semi-precious stones. A very successful transaction, which commenced in 1982, has seen $82 million worth of Iranian oil being exchanged for $60 million in Uruguayan products. In 1983, $98 million worth of Iranian oil was exchanged for $70 million worth of Uruguayan beef, rice, wheat and chickens. Most recently, in March 1984, Iran sent $100 million worth of petroleum in exchange for 85 000 tonnes of Uruguayan rice and 11 000 tonnes of butter. Another transaction has involved the exchange