

Export licenses are required for a few goods to maintain quality control; most exports have no restrictions. Proceeds must be in foreign currency only and must be surrendered or held in special accounts. Special export accounts in Israel or foreign bank deposits of up to 10% of an exporter's previous turnover may be required.

## **JAMAICA**

Countertrade has been recognized in Jamaica as an acceptable means of increasing exports, assisting in improving the balance of payments situation, conserving foreign currency, and helping to cushion the problem of declining competitiveness in the bauxite and alumina industry. Although there is no legislation covering the practice, countertrade has been limited almost exclusively to the public sector.

Two state-owned enterprises are involved in the transactions. The Bauxite and Aluminum Trading Company (BATCO) is involved with Jamaica's largest export earner and the Jamaica Commodity Trading Co. Ltd. (JCTC) is the importing agency for a wide range of products, including foods, pharmaceuticals and building materials. JCTC has been named the lead agency in conducting countertrade activity and the company has a seat on the countertrade committee chaired by the head of BATCO.

Jamaican policy favouring countertrade is based on four principles: 1) countertrade exports must be over and above traditional exports; 2) the countertrade must earn foreign exchange or be used to obtain goods which could normally only be obtained with foreign exchange; 3) it must preserve normal trading relationships, for example it may be necessary to resort to countertrade where the country is unable to fulfill its obligations; 4) the price distortions inherent in countertrade must be kept to a minimum.

A large number of transactions involving bauxite have taken place since 1982. The U.S. has obtained bauxite for its strategic stockpile in exchange for \$13 million worth of surplus dairy products. Under a five-year agreement with Yugoslavia, Jamaican bauxite will be exchanged for \$75 million (US) worth of manufactured goods, including construction materials for low-income housing. A ten-year contract will see a total of 7 million tons of bauxite going to the Soviet Union in exchange for Soviet products; to date, the U.S.S.R. has shipped mainly automobiles. In a single transaction completed in early 1983, Chrysler sold automobiles to Jamaica in exchange for 50 000 tons of bauxite. General Motors, which has an open-ended agreement since 1982, has so far taken only one shipment of alumina, valued at \$6 million (US) which it undertook to sell on a "best efforts" basis in exchange for automobiles. Cars are still being imported and further alumina shipments may take place.

There is no legislation prohibiting countertrade in the private sector and commodities other than bauxite may be offered. While most of the countertrade deals have been fairly simple barter arrangements, others have successfully utilized a large number of participants.

Jamaica is also hoping to diversify its agricultural exports away from traditional crops and is undertaking a drive to increase its ability to feed itself through domestic production.

### **Trade and Foreign Exchange Controls**

The Jamaican government has implemented austerity measures that have substantially reduced imports into the country. Import licenses are required in some cases and are issued by the Ministry of Industry and Commerce through the Jamaican Trade Administration. A global annual limit is imposed on some imported goods. At present, imports are limited primarily because of high duties and the foreign exchange shortage.

Some food items and motor vehicles are imported exclusively by JCTC. Essential imports, such as petroleum, raw materials and basic foodstuffs, are subject to reduced taxes. Payments for imports must be registered with the Bank of Jamaica and approval of the Exchange Control Authority is required for advance payments. Available foreign exchange is auctioned twice a week.

Export licenses are required for shipments to communist countries and for certain specified goods, including firearms, minerals and antiques. Exporters must surrender foreign exchange proceeds within 90 days of shipment, but the Exchange Control Authority can approve the retention by the exporter of a part of the proceeds.

## **JORDAN**

Jordan has been promoting reciprocal trade with developing nations involving Jordanian phosphate. Government regulations, recently enacted, strongly encourage foreign bidders on state procurement contracts above a specified level to counterpurchase potash or phosphate for at least one-third the value of the contract.

Countertrade obligations are approved and monitored by the Ministry of Industry and Trade. All import policy is administered by the Import Committee, which is made up of representatives of the Central Bank and the Ministries of Finance and Customs, and Industry and Trade. An Economic Security Committee exists which has the power to amend or issue regulations relating to economic policy.

### **Trade and Foreign Exchange Controls**

Most imports require licenses issued by the Ministry of Industry and Trade. Licensing is a formality and the cost is normally equivalent to 4% of the value of the shipment. Some imports are prohibited but normally only in cases where the import committee deems it beneficial to protect an infant industry. A foreign exchange permit is also a formality and is required with the import license. Import financing arrangements must be approved by the Central Bank. Exports proceeds must be surrendered within six months of shipment unless the exports are shipped to Jordan's Arab neighbours.

Exporters and Jordanian residents may not maintain accounts in banks abroad. All trade with South Africa and Israel is prohibited.

## **MALAYSIA**

The government of Malaysia made a policy decision to approve countertrade in 1982, and has been promoting its use for government tenders since 1983. Although the policy has been applied flexibly and countertrade has generally not been an absolute requirement for bidding, countertrade proposals will certainly improve the bidder's chances of success.

Prior to 1982, Malaysia had used countertrade on a limited basis with some COMECON members and with other Southeast Asian countries, usually under protocols settled through cash payments. Since then, the Malaysian Trade Ministry has issued a series of guidelines formalizing arrangements for countertrade, in which criteria for countertrade goods and partners are set out.

Suitable countertrade partners are defined as: countries bidding on construction projects, supplies and services; countries with which Malaysia has been running a persistent trade deficit; countries that are primary markets for Malaysian commodities and with which Malaysia has a favourable balance of trade; socialist countries that have a shortage of foreign exchange and with which Malaysia has a trade surplus; and developing countries that produce or export petroleum products and that have shown willingness to countertrade those petroleum products. The aim of Malaysian policy is to promote the sale abroad of