

deals in 1983. In addition, the recently released Directory of Canadian Trading Houses (September 1984, based upon the Business Opportunities Sourcing System) identifies some 152 trading houses of all sizes offering different levels of countertrade services. These results demonstrate that there are alternatives to the larger commodity traders in some cases and that countertrade expertise is developing in Canada. Small and medium-sized Canadian trading houses can offer their unique services and expertise in situations combining one or all of the following characteristics:

- (i) transactions up to approximately \$1 million, depending upon the product and country of origin, (larger companies find these unprofitable);
- (ii) value-added manufactured products;
- (iii) mixed product offerings of small proportions.

In many circumstances, they can be expected to be more creative and innovative than the larger trading companies.

As previously mentioned, the larger trading companies with countertrade skills appear to be well-known by affected exporters and many exporters are developing their own expertise through experience.

CONCLUSIONS

Globally, money will remain the preferred method by which to conduct trade. However, modest inroads will be made into this by countertrade for financial, political and social reasons, and can be expected to involve more Canadian exporters and exports in the future.

As one of the alternatives for disposing of countertrade goods, trading houses can perform a vital role as one of the players that can assist Canadian exporters in coping with countertrade demands on a reactive or proactive basis and in providing them with the flexibility to meet future requirements in this area. In this context, the Task Force recommends that:

Recommendation 28

The recommended association of trading houses play a role in disseminating information on small and medium-sized trading houses that can assist Canadian exporters faced with countertrade demands.

On an overall level, there is a need for Canadian exporters to be kept aware of changing developments and trends in countertrade and be better informed on organizing for countertrade and its use as a proactive marketing tool. To address these issues, the Task Force recommends that:

Recommendation 29

The Government maintain and publicize a countertrade focal point to monitor and disseminate information on countertrade, and to provide basic advice and referral services to exporters. In addition, it should identify, in co-operation with the recommended association of trading houses, the abilities of Canadian trading houses to enable them to play a more effective role in a countertrade capacity.

The Task Force notes with satisfaction that private sector associations and organizations such as the Canadian Export Association, Canadian Manufacturers Association, Canadian Association — Latin America and Caribbean, and Canadian chambers of commerce do provide varying levels of countertrade information and counselling.