

12. A number of Western countries have encouraged the establishment of private sector, non-profit organizations to deal with countertrade matters, in some cases supported by public funds. The various institutional approaches include:
  - a. government sponsorship of an information centre on CT, as in the United Kingdom
  - b. creation of a private non-profit association specializing in coordination of the activities of private sector exporters with established trading houses, as in France
  - c. creation of a private non-profit association with the power to transact countertrade business and which, in addition, offers advisory service, as in Austria, Sweden and Finland

### CONCLUSIONS

1. The volume of CT demands, particularly with Eastern Bloc countries and China, is likely to increase. Companies able to accept CT will certainly enhance their export prospects in these countries.
2. Canadian firms do not appear to have lost any business because of their inability or refusal to meet countertrade demands but some difficulties have recently been encountered, e.g., potential suppliers of equipment for the CANDU reactor in Romania.
3. Private sector trading companies in Canada do not participate extensively in countertrade transactions primarily because Canadian manufacturers facing countertrade requests have not considered it desirable or necessary to accept CT conditions and involve the trading companies.
4. Since Canadian firms, particularly equipment manufacturers, will be increasingly affected by CT demands, Canadian trading houses should be encouraged to assist exporters in meeting these demands.
5. While the need for assistance in CT transactions appears limited to date, Canadian firms, particularly those exporting manufactured products, may find difficulties in meeting the expected increase in requests by countries involved in this form of trade.
6. The role of Government in responding to countertrade requests by foreign customers is subject to a number of constraints and limitations: (a) it would be unacceptable for an agency or corporation of the Government to bring products into the Canadian market which compete with those produced domestically; (b) it would be inconceivable for the Government to import goods which may be in competition with products from Canadian firms receiving assistance from Government to increase exports; (c) Government and government organizations do not possess sufficient product knowledge, nor do they have sufficient contacts in a particular industry sector to successfully dispose of the imported products accepted as part of CT transactions.
7. Canada's capacity to handle CT transactions would be greatly improved if a private sector, nonprofit organization were established to advise member firms in negotiating CT demands, and in selecting appropriate Canadian or offshore trading houses to assist in closing a deal.