

Our business with Brazil for a satellite communications system means a long-term involvement, hopefully leading to further satellite sales in the future. It means the transfer of technology in which we became partners with Brazil, working with their engineers and technicians in the construction of the satellites.

In other words, we expected that our ties with Brazil and its people would develop further in the future. Therefore, we designed an offset program which would enhance and strengthen this relationship.

We looked at a number of options to fulfill our commitment. We considered and eventually rejected proposals from third parties to generate the needed offset credits. Quite simply, outside agents simply do not have the same stake in Brazil as we do at Spar.

We felt it was important to communicate to the Brazilian government, in a tangible way, that we intended to be a reliable partner in both the letter and spirit of the contract and that we were in it for the long haul.

Spar decided to do this by dedicating its own resources and the result was a trading office set up in the summer of 1984. The goal was to work closely with Brazilian manufacturers, export firms and trading companies to develop business opportunities with long-term export potential.