

4. An important factor in countertrade developments is that the response on the western exporters to countertrade demands seems to have taken a new turn, away from the traditional unaccommodating stance. Although the great majority of western exporting firms still aim to avoid countertrade obligations, the current squeeze on economies around the world and the resulting crunch on export markets have forced them to be somewhat more receptive to countertrade proposals. There are few western exporters though that would argue this is simply a cyclical and passing phenomenon and, if an economic recovery may help in softening the impact of countertrade demands, many maintain that countertrade is here to stay. An interesting development in the U.S. and symptomatic of this trend has been the recent establishment by several U.S. companies of corporate subsidiaries to handle countertrade products (among the major ones are General Motors Corp, General Electric Co., Control Data Corp, Rockwell International Corp., Sears Robuck & Co. and, in Canada, Massey-Ferguson).

5. The importance of countertrade in world trade is difficult to evaluate but generally estimates place countertrade's share of total world trade today between 10 to 20 percent, which is substantial if compared to the estimated 3 to 5 percent it represented only five or six year ago. The role of countertrade in Canada's trade however is considered to be still marginal. In its study of countertrade carried in 1980, the Canadian Commercial Corporation argued that "Canada's exports to countries involved in countertrade transactions include a large portion of agricultural products and raw materials which are not generally associated with countertrade demand to the same degree as end products or manufactured exports". Moreover for those Canadian exporters who are supplying high-technology products to these countries, "they were able to circumvent countertrade requests since these items have high priority on the list of import requirements". Looking at the long-term potential demands of Canadian firms for countertrade, the CCC concluded that Canada would be relatively less affected by countertrade demands as exports of raw materials and commodities are expected to continue to be less exposed to countertrade, but that "in the