

Decentralization will also mean a narrowing of counter trade possibilities as each purchasing entity will seek to finance its purchases with sales from its own enterprise.

8. Joint Ventures

Increasingly, long term business relationships in the Soviet Union require Western partners to enter into joint venture agreements with Soviet organizations. These ventures can be quite complex due to problems associated with establishing full time western employees in the USSR, dealing with Soviet management techniques and repatriating profits, while the rouble is non-convertible. For further information on this technique for doing business, it is suggested that you contact External Affairs, USSR and Eastern Europe Trade Development Division (RBT), Department of External Affairs, 125 Sussex Drive, Ottawa, Ontario K1A 0G2. Telephone: 996-7107. Telex: 053-3745 or the Commercial Division of the Canadian Embassy, 23 Starokonyushenny Pereulok, Moscow, USSR.

9. Cooperatives

As of April 1989, Soviet production cooperatives, enterprises formed and operated by individuals not the government, will be permitted to deal in foreign trade. Although regulations have not been released as of the date of this printing, it is expected that production cooperatives which are officially registered will be permitted to have business contacts with western business. Credit risk information on these new organizations is very difficult to procure and many of the managers are neophytes in business. However what they may lack in experience is often more than made for up with drive and initiative qualities which according to the government were often lacking in foreign trade organizations.