

At a national level, barter can be interpreted in the form of bilateral payments or quantitative arrangements wherein specified quantities (and/or values) of goods and services are exchanged over a period of time, with deficits equalized by supplementary deliveries. The annual intra-CMEA trading arrangements and arrangements between the CMEA countries and certain LDCs are examples of what might be called national barter agreements.

#### C. Switch

The use, by the East European country, of a surplus with an LDC as a countertrade condition against a potential exporter from the Industrialized West is known as a switch deal. Trade under bilateral payments arrangements is stalled until the East European country reduces its surplus by accepting additional goods from the LDC partner. With no requirement for these goods, the East European country can transfer the amount of surplus (or portion thereof) to a Western supplier of goods or services required in the East European country. A switch deal usually requires the services of a switch trading house specialist to complete the deal.

Payment for the East-West transaction is usually made to the Western supplier by the switch trading house that markets the LDC commodities, often at a discount.

#### D. Counterpurchase

As partial payment for the sale of goods or services, the Western exporter agrees to accept a given percentage of the contract value in counterdeliveries of goods and/or services.

The transactions are usually separated into two contracts, linked by a protocol of intent. The Western supplier usually receives full cash payment for the original contract but must, within a certain period, purchase (again for cash) the requisite amount of goods, 'non-resultant' in the sense of not being a product from the original sale.

Counterpurchase obligations are negotiable, and generally represent less than 100% of the original contract value (although 100% - plus counterpurchase is not unknown). The obligation can be transferred to a third party (i.e. trading house) and the conclusion of reciprocal arrangements is normally within two or three years, with extensions negotiable.

Junktim (also known as linked anticipatory transactions), where the countertrade obligation is taken up in advance of the export sale, is a form of counterpurchase.