

Thank you very much Mr. Chairman.....

A countertrade anecdote comes to mind to me that has much to do with the subject of my talk today I'm sure many of you have heard of the comparison of countertrade to the sex life of the middle age Canadian executive. Lots of talk but little action. Yet to quote the recent issue of Countertrade and Barter Quarterly, "more talk than action - yet the population of the world continues to climb at an alarming rate" - one has to believe that something is going on.

In a word, this anecdote summarizes the findings of our study. Substantial growth in the incidence of countertrade being engaged in by Canadian exporters, tempered by the fact that it is still relatively small in comparison to total Canadian exports. Leaving however, the unanswered question of "Where will this growth level off?"

Before relating to you some of the statistical findings of the study and some of the comments concerning the experiences of Canadian exporters, I'd like to just briefly touch upon what was known about Canadian countertrade experience prior to the study.

For Canadian exporters, countertrade as a global trade phenomena - not just Eastern European, originates in the late 1970's and early 1980's. Indebtedness, lack of foreign exchange, lack of traditional trade finance facilities, recessions and more recently countertrade being used as a tool for economic development, all combine as the basic reasons for its rise. The reaction of Canadian exporters to countertrade at the early seminars on this subject was typically one of , "what is countertrade?" and "how does one cope with it?"