

FOREWORD

Countertrade, a term which embraces a variety of commercial mechanisms for reciprocal trade, has become a major element in the pattern of international trade. Even on a conservative assessment, between 5 and 8 per cent of world trade is now taken up in countertrading, while some analysts have put its share much higher.

The Commonwealth Secretariat does not adopt any official position on countertrade, either of approval or disapproval. In recognition of the increasing use of countertrade in international trade, however, the Secretariat organised a Symposium on the subject in Kingston in April-May 1986 in association with the Jamaica National Export Corporation. Representatives from 14 developing country members of the Commonwealth, together with a number of regional organisations, discussed many aspects of countertrade and recommended in the closing sessions of the symposium that a set of guidelines be prepared for the particular benefit of countries with little countertrade experience. The publication of these guidelines represents the fulfilment of that recommendation.

A number of references are made in the text to the countertrade practices and experiences of individual countries, particularly to those of the main countries visited in the field research - India, Malaysia and Zimbabwe. Such references are only made in an attempt to clarify general points by the use of practical examples. It is important to emphasise, however, that the references relate to information available at the time this research was carried out (March-April 1987) and may not necessarily reflect the current policies of those countries.

The Commonwealth Secretariat would like to express its appreciation to all those who have made the publication of these guidelines possible, to Produce Studies Ltd. who were responsible for their preparation, and for the contributions made by other experts in the field of countertrade.