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An Economic Bright Spot for 2009—Barter Exchanges

Alternative exchanges provide members cash savings and new business, even in tough times

Seattle (January 29, 2009)—Despite the historically bad economic conditions in the United States and around the world, one bright spot for 2009 is the business of barter. In 2008, it was estimated that in North America alone roughly 250,000 companies conducted barter transactions worth over \$16 billion. Most North American barter companies are reporting recent increases between 15 and 35 percent in transactions; the trend is expected to continue through 2009.

“One of the primary benefits of a barter exchange is that it helps businesses preserve cash,” said Bob Bagga, CEO of [BizXchange](#), a [barter exchange](#) that operates in the United States and internationally with offices in Seattle, San Francisco and Dubai. “During this economic downturn we’ve seen that cash preservation is a primary concern for many businesses. Barter exchanges also provide a ready source of new customers and help firms profit from excess capacity and inventory.”

In 2008, BizX conducted nearly \$50 million in barter transactions. Compared to 2007, the company experienced a 40 percent rise in new members and a 55 percent increase in trade volume. The company projects an astounding 80 percent growth in trade volume for 2009. BizX growth has been steady since its founding in 2002. As the economy has weakened, the company has experienced increased demand for its services.

“Access to credit from banks is tough right now, especially for small businesses,” said David Wallach, president of the [International Reciprocal Trade Association](#). IRTA is a non-profit organization that regulates and provides standards for companies that provide businesses with modern trade and barter services.

In the first quarter of the 2009 fiscal year, which ended Dec. 31, the [Small Business Administration's](#) 7(a) program backed 57 percent fewer loans than during the first quarter of 2008, and 62 percent fewer than it did in first quarter 2007.

“Because of the difficulty in accessing credit, and because modern trade and barter exchanges offer credit lines and alternative revenue streams, barter companies will likely continue their strong growth,” added Wallach. “Modern trade and barter makes sense for

most businesses. Those responsible for monitoring the bottom line at any company should definitely explore the barter option and the benefits involved.”

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