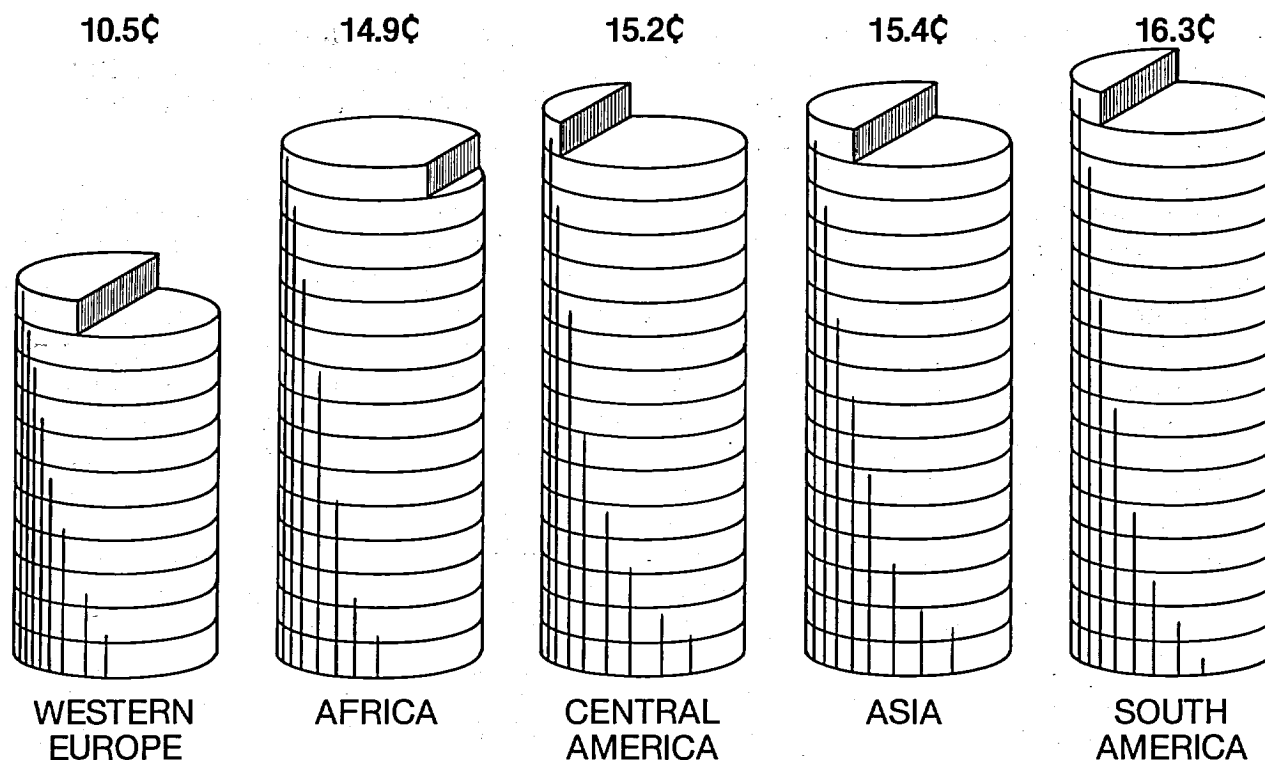


Reaching these markets is costly. The following chart indicates the relative costs of getting exports to various continents:



The above chart was drawn from the results of a recent survey produced for the Department of External Affairs. The analysis for the survey included the important observations that:

“Overall, transportation costs in exporting to the LDC’s tend to be higher in comparison to the cost of shipments to Western Europe. . . . LDC transportation costs as a percentage of total delivered cost can be one and a half times the comparative cost of shipments to Western Europe. In addition, freight costs often can be a significant hindrance to smaller Canadian exporters who lack the volumes needed to negotiate satisfactory rates comparable to those enjoyed by their larger counterparts. Exporters of lower value, high volume commodities are also sensitive to transportation costs in shipping to LDC’s”.

Canada’s Export Trade and Transportation to the less developed countries, E.M. Ludwick and Associates.