Canadians export a multitude of commodities to LDC's. As indicated by Figure 3, the forestry products industry is the most significant sector, accounting for 25% of surveyed export sales. The machinery and equipment sector (including electrical and electronic products) represents 23% of export value, followed by mineral products (18% of exports). While forwarders' freight represents a large percentage of LDC shipment volume, the corresponding value is relatively small primarily because as transportation intermediaries, forwarders often do not have full details regarding the value of their customers' exports, and full reporting is not possible.

3.1 TERMS OF SALE

The majority (47% of LDC sales value) of exports to LDC's are sold to commercial non-government entities. State owned agencies import 37%, while aid agencies are the importers in 16% of the cases.

Figure 4 illustrates that the most predominant terms of trade or sale used are Cost, Insurance and Freight (C.I.F.) and Cost and Freight (C. & F.) where freight charges are incorporated into the sales price of commodities. However, small shippers tend to export to LDC markets on a Free on Board Canadian plant (F.O.B.) basis whereby customers are responsible for freight cost and arrangements. Overall, firms indicate that they would prefer to ship more of their exports to LDC's on an F.O.B. basis, possibly to avoid the difficulties in arranging transportation or to avoid the necessity of including transportation costs in a delivered price quotation.

3.2 REGULARITY OF SHIPMENTS

The majority of surveyed Canadian shipments to LDC's are either regular or occasional as opposed to seasonal in nature. Shipments of raw, bulk materials tend to be regular while those of manufactured or processed products tend to be more sporadic or occasional. Only farm machinery exports tend to be seasonal.

3.3 EXPORTERS' SELECTION OF PORTS

Various factors affecting port selection were rated by participants and then weighted based on the firm's LDC export value. Exporters consider the frequency of sailings, proximity of ports to plant or warehouse, land transportation service and cost to ports, ports' cargo handling performance, port fees and charges, and if ports are served by the importing country's