

A few LDC's are serviced only by their national lines from Canada. As a means of overcoming this situation, several shippers suggest that the federal government take appropriate steps to attract a larger number of competitive ocean carriers to Canadian ports.

Certain exporters have observed that a few national flag carriers do provide better service/rates than competing lines. However, as indicated by a small eastern Canadian exporter, the increased availability of more competitive (i.e., non-conference and/or non-national-flag line) services would allow shippers to obtain better rates; it should be recalled that reduced rates might be traded off at the expense of service quality. One smaller forest products manufacturer explains that:

"Freight costs are continuously on the rise but with more non-conference services we are getting better rates; unfortunately we are trading off service for rates."

In some cases, an exporter may have no choice but to use a national flag line since this may be a specification of the importer. This requirement is reported for several major LDC markets, as well as within the tobacco and non-metallic minerals industries. In this context, a large eastern Canadian exporter of mineral products indicates that exporting would be much easier if it could use the line of its choice. Instances where an importer specifies a flag line that calls only at one port may occasionally interfere with an exporter's ability to choose the most timely and cost-efficient routing. As indicated in Figure 7, although some LDC's require Canadian exporters to use their national services, few shippers find this problematic and cases of companies being fined for using a line other than the importing country's national line are very limited.

Importing countries may also restrict exporters' available routing options by mandatorily requiring the use of their national freight forwarder, central booking office or central freight office.

5. SOME RECOMMENDATIONS OF CANADIAN EXPORTERS

A wide range of difficulties in shipping to LDC's have been experienced by Canadian exporters. A list of some of the more common problems along with shippers' suggestions for remedying these problems are as follows.