

small Western Canadian exporter of electrical and electronic products notes that shipments to Mexico are usually made via truck or rail because of high ocean transportation costs.

In addition, a number of firms perceive that transportation subsidies available on inland and ocean transportation costs to exporters in Europe and Japan give those exporters a distinct cost advantage. For example, a large eastern Canadian manufacturer of metal products notes that exporting to his major LDC markets (which include African and South American countries) is very difficult due to ocean transportation subsidies received by competing firms in other countries. An eastern manufacturer of electrical equipment whose exports to developing regions are focussed primarily in South and Central America, notes a loss of sales due to the competitive advantages enjoyed by Japanese exporters, who receive transportation subsidies on their export shipments. It is suggested by exporters that similar transportation subsidies should be made available to Canadian firms to allow them to compete on an equal footing with their European and Japanese counterparts.

Generally exporters believe that ocean carriers are willing to negotiate rates and when problems arise, they are primarily attributed to conference cartels. A significant number of exporters are concerned with conference price-fixing and inflexibility in negotiating rates as noted by an eastern manufacturer of electrical and non-electrical machinery:

"We deal on bid tenders and transportation costs always stood in the way due to the inflexibility of cartels to negotiate."

4.4 FREQUENCY OF SAILINGS AND ADHERENCE TO SCHEDULES

The frequency of scheduled sailings affects not only the level of service that an exporter is able to provide to his customers, but it also may affect shippers' storage requirements and therefore overall distribution costs. In other cases delays could affect the validity of import licences or letters of credit.

Exporters express modest satisfaction with the frequency of sailings to their markets in the LDC's, although some major LDC markets have received an unsatisfactory rating with regard to the frequency of sailings. As examples, a manufacturer of