Freight Forwarding

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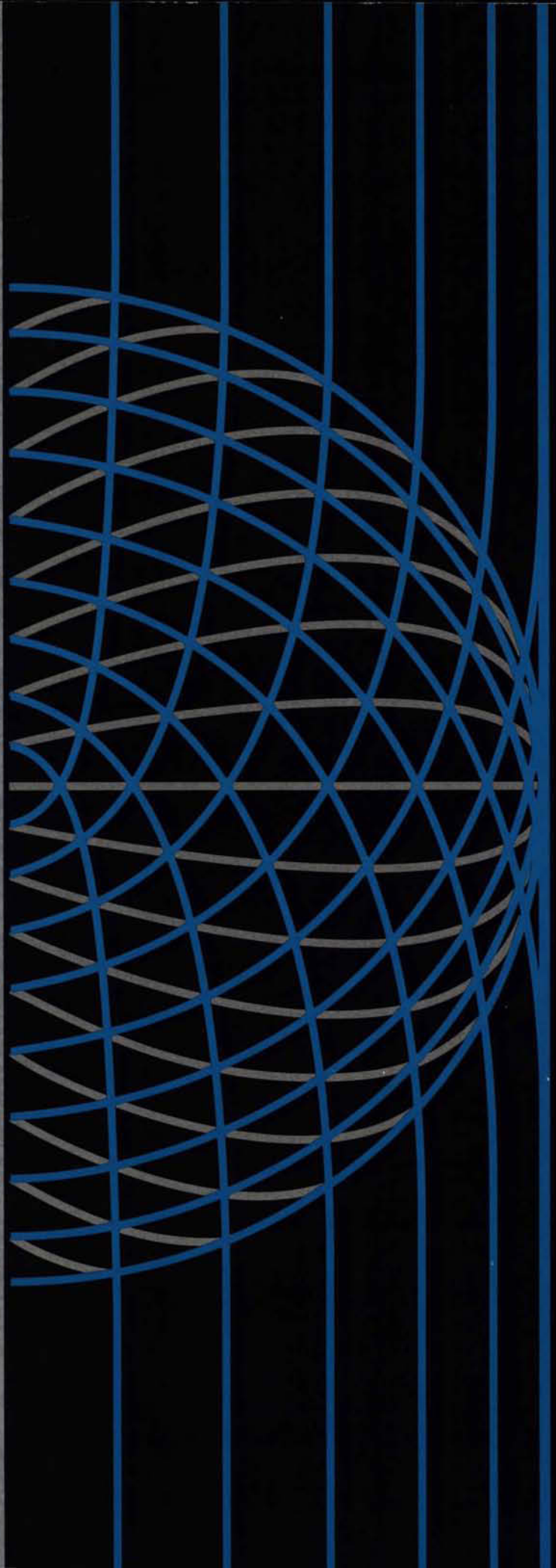
INDUSTRY PROFILE



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FOREWORD

In a rapidly changing global trade environment, the international competitiveness of Canadian industry is the key to growth and prosperity. Promoting improved performance by Canadian firms in the global marketplace is a central element of the mandates of Industry, Science and Technology Canada and International Trade Canada. This Industry Profile is one of a series of papers in which Industry, Science and Technology Canada assesses, in a summary form, the current competitiveness of Canada's industrial sectors, taking into account technological, human resource and other critical factors. Industry, Science and Technology Canada and International Trade Canada assess the most recent changes in access to markets, including the implications of the Canada-U.S. Free Trade Agreement. Industry participants were consulted in the preparation of the profiles.

Ensuring that Canada remains prosperous over the next decade and into the next century is a challenge that affects us all. These profiles are intended to be informative and to serve as a basis for discussion of industrial prospects, strategic directions and the need for new approaches. This 1990–1991 series represents an updating and revision of the series published in 1988–1989. The Government will continue to update the series on a regular basis.

Michael H. Wilson
Minister of Industry, Science and Technology
and Minister for International Trade

Structure and Performance

Structure

The freight forwarding industry comprises companies that arrange transportation and traffic services, including packaging, storage, handling, export credits, insurance, documentation and customs clearance, for the delivery of goods. The forwarders' economies of scale in handling a large number of shipping transactions allow them to provide shippers, who own the goods, with transportation consolidation services that are often less expensive than those the client could arrange directly with transportation carriers.

When a shipper has an insufficient volume of goods to fill a railcar, ocean container or highway vehicle, the forwarder may consolidate these small shipments from several clients into a larger, more economical load. The cost of the resulting full load reduces the costs for small-volume shippers. When the shipments arrive at their destination, the forwarder's office or agent provides a "break-bulk service" to unload and deliver the deconsolidated shipments to one or more destinations within a country or region.

Forwarders can often achieve similar savings through negotiation of volume discounts for clients or the use of freight-all-kinds (FAK) rates. With FAK rates, the forwarder is charged one rate for all commodities instead of different rates for different types of commodities. When a number of different commodities are combined in a shipment, the transportation costs for some of the commodities will be lower than their normal commodity rates.

Forwarders may be engaged by shippers to provide these services as agents or as transportation intermediaries. As agents, forwarders simply arrange the services for a fee

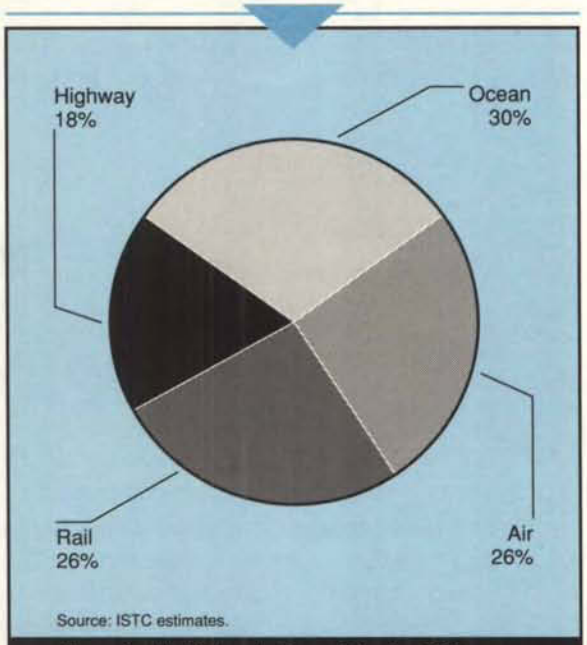
that includes an additional charge to the amount paid out on behalf of their clients. When they arrange transportation services, this charge may be in the form of the price differential between the cost of purchasing transportation services and the amount billed to clients. As an agent, the forwarder is obliged to pay carriers only for the cost of shipping a client's goods.

When acting as a transportation intermediary, the forwarder purchases cargo space on specific routes for a fixed price. The space purchased from a transport carrier is then resold to shippers. As a principal in the contract with the carrier, the forwarder is obliged to pay the carrier whether or not there is enough cargo available to fill the space bought. In this role, the forwarder is acting essentially as a carrier in contracts with shippers. Companies offering this type of service for ocean transportation in the United States are called non-vessel operating common carriers (NVOCC). As a transportation intermediary, the forwarder may also operate as a broker, receiving a percentage of transportation charges or brokerage fees from air, highway or ocean transportation companies for finding clients with goods to be transported.

In many cases, forwarders will act both as agent and as transportation intermediary to provide cost-effective services to clients. Trading conditions included in the terms of the sales contracts of reputable freight forwarding companies clearly explain which services are being offered to the shipper. Where forwarders primarily act as transportation intermediaries, some companies have established separately incorporated NVOCC-type or truck brokerage companies.

Canadian freight forwarding services contribute significantly to the international competitiveness of all segments of Canadian industry. Freight forwarders distribute approximately 15 percent of Canada's international trade, and exporters depend on them to penetrate new or difficult markets, particularly in developing countries. In fact, 14 percent of the industry's international income is generated by trade with developing countries which only accounts for 8 percent of Canada's international trade. The growth of strategic alliances between forwarders and shippers is facilitating the distribution of Canadian goods at the least cost in the optimum time to meet customer service requirements.

The Canadian freight forwarding industry currently consists of 280 firms, which employ 6 100 people directly involved in forwarding and another 9 000 in ancillary activities. There are 1 000 offices in 170 localities across Canada. Net sales for services rendered for forwarding and ancillary services in 1990 are estimated to be almost $1.4 billion. Sixty-one percent were derived from international services and 39 percent from domestic. The estimated percentage of net sales received from handling shipments via different types of carriers is 30 percent ocean, 26 percent rail, 26 percent air and 18 percent highway (Figure 1).



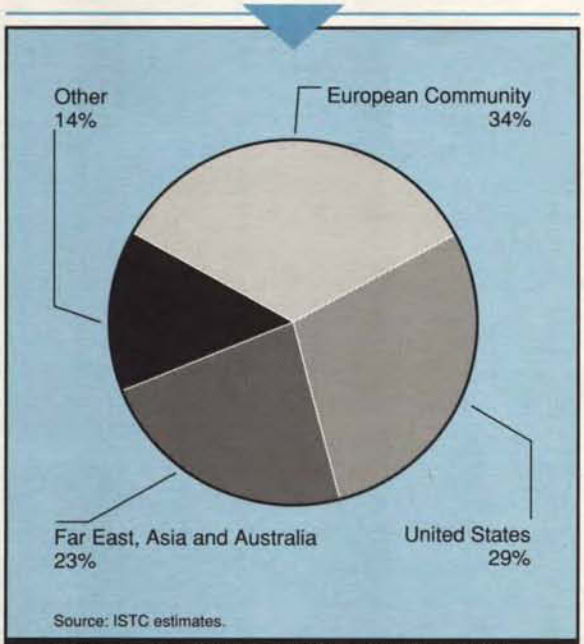
Source: ISTC estimates.

Figure 1 — Net Sales, by Type of Carrier, 1990

Many freight forwarding companies or their subsidiaries provide ancillary services such as a customs brokerage, shipping agency, air and ocean chartering, trucking, cartage, packing, public warehousing or travel agency. A large portion of the industry's revenues come from providing these ancillary non-freight forwarding services, particularly customs brokerage and public warehousing. Although one-third of Canadian companies specialize in offering freight forwarding services exclusively, it is a general trend in Canada and Europe for companies, particularly large firms, to provide both freight forwarding and customs brokerage services.

Freight forwarding is conducted via networks of small branch offices rather than by concentrating staff in one corporate location. The majority of these companies are small businesses operating one to four offices. The largest organizations, representing 3 percent of the total number of firms in Canada, operate offices across Canada, maintain 35 percent of the Canadian office establishments, and receive 60 percent of the industry's revenue. Eighty percent of Canadian offices are found in Quebec, Ontario and British Columbia, with the majority of them located in Montreal, Toronto and Vancouver.

There has been consistent growth in forwarding services, with a trend towards the concentration of business among larger companies. This trend accounts for the slight decline



Source: ISTC estimates.

Figure 2 — Net International Sales, by Market, 1990

in the number of smaller companies. A number of mergers and acquisitions among small and large companies have resulted in rationalization, which is attributed to the inability of small companies to make the capital investments that are necessary to compete in the market.

Large forwarding companies compete by offering a broad range of services and maintaining extensive networks of offices in Canada and abroad. In response to customer demands for total distribution services, these companies are developing more sophisticated and integrated domestic and international distribution systems.

Small and medium-sized forwarders compete for market niches based on their specialized knowledge and expertise about a client's shipping requirements, the use of different modes of transportation, the handling of particular commodities and the distribution requirements of geographic markets.

The Canadian freight forwarding industry's international distribution network consists of 4 200 agency agreements and 500 networks of offices in foreign countries. A company may have one or more offices in a country. Multinationals operating in Canada maintain 90 percent of them. The majority of companies rely on the use of foreign break-bulk agents to distribute their shipments.

International freight forwarding sales from shipments between Canada and its major trading partners comes 34 percent from the European Community (EC), 29 percent from the United States, and 23 percent from the Far East, Asia and Australia. The remaining 14 percent comes from providing logistics management services for aid or turnkey project work with developing countries (Figure 2).

Although forwarding services are primarily oriented towards international trade, there has been a growth of approximately 14 percent over the past three years in the percentage of total net sales of forwarding services in the Canadian domestic market.

Current growth in the industry's international markets is tied to trade with Europe and the United States. Canadian trade with the United States accounts for over two-thirds of the value of Canadian exports; however, it generates only 29 percent of the freight forwarding industry's income. Forwarders are becoming more active in this market. Some forwarders are integrating their domestic and international operations to gain competitive advantages, allowing them to use low domestic U.S. transportation rates to ship Canadian goods. They are also routing U.S.-bound shipments from overseas countries through Canadian ports to take advantage of more efficient customs clearance procedures at Canadian border points.

There is foreign ownership in the freight forwarding industry of approximately 40 companies, or 17 percent of the total number of companies operating in Canada. They are controlled by European, U.S., Australian and Japanese multinationals. These companies control 45 percent of annual sales generated by the Canadian forwarding market. European multinationals are primarily active in the international air and ocean freight forwarding markets, while U.S.-controlled firms are primarily involved in highway, rail and air freight forwarding.

Performance

The growth of sales for freight forwarding services is directly related to the demand for transportation services and the ability of freight forwarders to compete with transportation carriers. The sales by forwarding services grew at a real annual rate of 8 percent between 1973 and 1980. The sales growth rate declined sharply to less than 2 percent per year in 1981 and 1982 due to the economic recession. The impact of this slowdown, however, was cushioned somewhat by a shift among North American shippers from shipping large volumes of goods periodically to shipping small volumes more frequently, thereby minimizing inventory carrying costs and improving customer service. This just-in-time (JIT) distribution practice continues to generate new business for the freight forwarding industry. The industry has responded to shippers' demands with its expertise in consolidating shipments and JIT deliveries.

From 1983 to 1987, there was a significant recovery in freight forwarding and shipping activity (Figure 3).

Figure 3 — Total Annual Net Sales and Employment

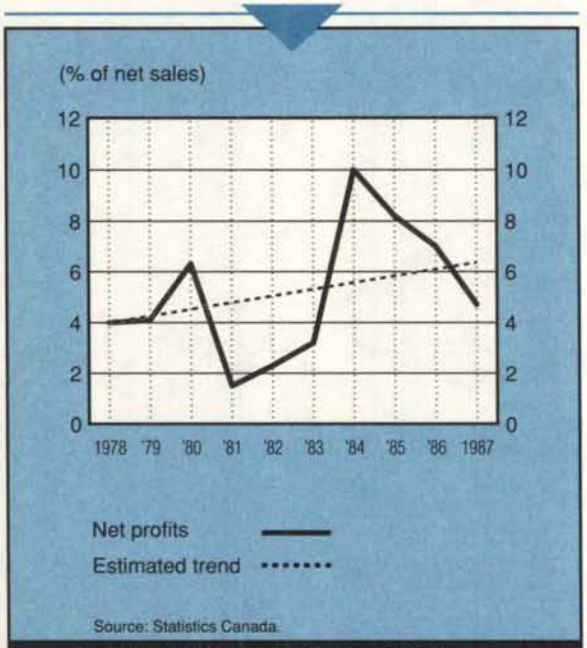


Figure 4 — Net Profits and Estimated Trend

Opportunities arising from transportation deregulation and the shippers' growing awareness of the freight forwarding industry's capabilities resulted in an average rate of growth in sales of 12 percent per year during this period. A marginal increase in employee productivity and the industry's ability to use existing assets more efficiently resulted in higher average profits over the period (Figure 4).

Since 1988, forwarding companies have faced increased competition from transportation carriers. Carriers have introduced more value-added services to their basic transportation services in response to transportation deregulation. Because increased competition is driving down prices among transportation carriers, the forwarder's profit margins on the resale of transportation services have also been reduced. Sales of freight forwarding services since 1987 have declined at an estimated real rate of 0.3 percent per year. However, the forwarding industry has maintained or improved its profit margins compared to those achieved from 1983 to 1987. It has done this through more selective marketing of services and better utilization of its capital investments.

In order to operate in a more competitive market, many companies began to invest heavily in new computer communication systems to improve their productivity. They began to automate clerical operations and to improve their ability to respond to customer service requirements. The demand for international air services to import goods into Canada since the beginning of 1991 has exceeded the capacity of carriers to supply them to the forwarding industry.

At the time of writing, the Canadian and U.S. economies were showing signs of recovering from a recessionary period. During the recession, companies in the industry generally experienced reduced demand for forwarding services, in addition to longer-term underlying pressures to adjust. In some cases, the cyclical pressures may have accelerated adjustments and restructuring. With the signs of recovery, though still uneven, the medium-term outlook will correspondingly improve. The overall impact on the industry will depend on the pace of the recovery.

Strengths and Weaknesses

Structural Factors

The competitive strengths and weaknesses of freight forwarding companies operating in Canada in today's global markets are directly related to customer recognition of their capabilities. These capabilities include scale of operations, domestic and international distribution networks, access to financial capital, and competent staff. The industry's competitiveness is also affected by government policies such as transportation deregulation.

The operations of freight forwarders that depend exclusively on Canadian trade are too small to allow them

to compete on a world scale. Except for companies that serve specialized market niches, a forwarder's ability to compete in international markets depends largely upon the volume of business handled. In order to negotiate competitive transportation rates with carriers and compete as world-scale competitors, companies must include the total volume of international traffic originating outside Canada that is destined for Canada and other countries. Consequently, many company marketing strategies focus on serving the North American market rather than the domestic one; those companies that do focus on the domestic market compensate for its existing limitations by providing ancillary customs brokerage and warehousing services.

Very few forwarding companies in Canada have the resources necessary to establish extensive international networks. These companies depend on agents in foreign countries to provide break-bulk services to distribute their shipments. Like most sales agent agreements, arrangements often break down once a critical volume of business is established; it then becomes economical for one party to open an office in the other's country. Unless the import or export traffic is controlled by Canadian interests, the foreign forwarder is in a better position to expand its offices in Canada because there are greater volumes of finished goods suitable for freight forwarder consolidations entering Canada than leaving it. This instability in agency agreements and the tendency for more offices to be established in Canada than overseas limits the ability of forwarders operating from Canada to maintain or expand their international distribution networks. Although using agency agreements in lieu of foreign offices is often perceived by Canadian shippers to be a weakness in the distribution capabilities of these companies, it is more accurately an operational efficiency measure used by both large and small companies.

In order to take advantage of business opportunities, freight forwarding companies must have access to financing. They need funds that are available to them at competitive interest rates, particularly when financial guarantees, performance bonding and long-term cash outlays are needed in project work where a forwarder assumes full responsibility for the timely delivery of goods. However, the average Canadian forwarding company often has limited or no assets to finance loans for working capital requirements. Sufficient lines of credit or cash flow reserves must be maintained to operate their businesses. Canadian companies may therefore be in a weaker position to bid for international projects than foreign competitors that have better financial backing.

The number of trained and experienced people in a firm is another critical factor in the success or failure of freight forwarding companies because the industry is highly labour-intensive, with salaries accounting for 50 percent of the average company's operating expenses. The industry forecasts a need for 2 000 new people over the next five years; however, two-thirds of the freight forwarding companies report recruiting difficulties, which they attribute to the absence of national training programs in Canada.

The weakness of the Canadian work force in developing international business skills, particularly in the field of logistics, is considered to be a significant problem by many experts in the forwarding industry. In contrast with the very formalized apprenticeship programs in Europe, Canadian freight forwarding employee skills are primarily developed through informal on-the-job training. The lack of ready access to staff with required skills in international logistics is attributed to the highly fragmented provision of logistics training in Canada.

In the area of human resource development, the Canadian International Freight Forwarders Association (CIFFA), in co-operation with the Canadian Institute of Traffic and Transportation (CITT), recently won the support of other industry associations for the co-operative development of a Canadian logistics profession. These associations are developing plans for providing access to training and professional status for forwarding industry employees, as well as for many of the 350 000 Canadians working in logistics positions in other industry sectors. This strategic alliance is aimed at creating a new supply of human resources with general and specialized logistics skills over the next five to ten years.

Access to training varies considerably with respect to regional availability, quality, portability and professional recognition. Existing education programs are of limited practical application and do not prepare individuals leaving high school or post-secondary education institutions for careers in the freight forwarding or other logistics-based industries. The situation is further compounded by the lack of any international recognition of Canadian professional accreditation programs for logistics practitioners.

A major strength of the Canadian freight forwarding industry is the limited amount of government control over its activities. The Canadian industry is not regulated, which is not the case in other countries. In the United States, for instance, forwarders are considered to be indirect transportation carriers. Their ability to operate freely in the Canadian marketplace as a self-regulated industry allows freight forwarders considerable flexibility to introduce new and innovative services.

The Canadian government's "Freedom to Move" transportation deregulation policies have been beneficial for marketing forwarding services. By simplifying or eliminating

non-negotiable transportation tariffs in favour of negotiated contracts between carriers and shippers, new markets for forwarders have been created.

Competitive forces in this new business environment have encouraged carriers to significantly discount their normal transportation rates for shippers and forwarders moving large volumes of traffic. While the confidentiality of these contracts makes it difficult for shippers to assess the competitiveness of rates offered to them by carriers, forwarders are in an excellent position to use their broader knowledge of transportation markets to obtain better transportation rates for shippers.

There is a general trend today to ship international goods through a few large North American air and ocean ports. Because these transportation hubs in Canada and the United States are used to move high volumes of traffic, forwarders are encouraged to increase the size of their shipments through these hubs in order to obtain lower transportation rates and to compete in the market. Whenever lower air or ocean transportation rates are available in either country, the proximity of the two countries allows goods to be easily routed by air, rail or highway through these hubs. Forwarders operating exclusively in Canada may lose traffic to forwarders or transportation companies operating through U.S. transportation hubs, particularly forwarders with operations having access to higher volumes of traffic from the U.S. market.

Canadian freight forwarders are major users of ocean transportation services. Although there are no exact figures, surveys of shippers estimate that as much as 60 percent of liner cargo entering or leaving Canada is assigned to forwarders by shippers. The value of ocean freight services bought by individual forwarding companies ranges from $500 000 to $100 million per year. The average purchase per company is in the range of $10 million to $20 million per year. Considering the large volume of ocean freight handled by the industry, forwarders can play a significant role in promoting open competition in the international ocean liner trade.

The industry holds the view that it has not been able to effectively negotiate with ocean conference lines because of the carriers' reluctance to recognize their role in representing shippers' interests. Consequently, Canadian forwarders are caught in a conundrum. Some segments of Canadian business believe that they represent the shipper's interests, while other segments believe that forwarders act in the interests of carriers. It is the forwarding industry's view that the absence of a legal definition for a forwarder in Canada limits its ability to effectively deal with ocean carriers.

Trade-Related Factors

No non-tariff barriers exist for forwarders operating in Canada, the United States, Europe, Australia or Japan. However, some national laws of developing countries in South America, Africa and the Far East are aimed at helping their domestic firms capture a larger share of the international transportation market. Restrictions are therefore imposed on the operations of Canadian forwarders, which limit competition in favour of national companies. Shipment of cargoes to and from these nations requires the use of transportation, forwarding and insurance services owned or controlled by their citizens. The limited amount of Canadian trade with these countries minimizes the overall impact on Canadian forwarders. Nonetheless, the international competitiveness of Canadian forwarders specializing in project work is affected by unnecessary costs incurred by these legal requirements.

The integration of the EC economies after 1992 (Europe 1992) may change business relations between Canadian forwarders and their European agents. Simplifying customs formalities at border crossings within Europe will reduce the existing number of international entry points and distribution centres in Europe. The impact of these changes on the structure of the European distribution systems may be delayed by the slowness of some governments to remove their protection of national air, highway and rail carriers. Nevertheless, new forwarding distribution networks will be required to serve many European countries from a smaller number of transportation centres. It is expected that over the long term, eliminating the need for offices at the borders of countries will support the growth of the large European forwarding companies and reduce the number of medium-sized companies. This rationalization of European distribution systems will alter the importance of the existing foreign offices and agency agreements of Canadian companies.

The Canada-U.S. Free Trade Agreement (FTA) does not apply directly to the freight forwarding industry because transportation services are excluded. While forwarders in Canada are not clearly defined as shipper's agents or carriers, the U.S. government considers them to be regulated indirect transportation carriers. Consequently, extending the FTA principle of national treatment to include providers of commercial services does not apply to the freight forwarding industry. However, the FTA affects freight forwarding companies offering ancillary customs brokerage, packaging or crating services. The agreement eases the temporary entry of customs brokers to sell their services and facilitates the establishment of both packaging and crating services in the United States.

Technological Factors

Canadian freight forwarders are rapidly adopting computer technologies to remain competitive. In co-operation with computer systems developers, carriers and government

authorities, freight forwarders are involved in the development of new computer communication systems for processing transportation and customs documentation in the Canadian ports of Halifax, Montreal and Vancouver. These systems use electronic data interchange (EDI) and value-added computer communication network technologies to automate customs clearance and trade documentation procedures. They will reduce the cost of clerical operations and improve the ability of forwarders, carriers and customs to communicate more accurately and efficiently with each other.

There is a growing demand for forwarders to use EDI systems to improve communications with customers and to more effectively transact business with major purchasers of goods and services. Because paperwork accounts for approximately 6 percent of operating costs, the application of this technology is critical not only to the cost effectiveness of this industry, but also to the quality of Canadian freight forwarding services and the global competitiveness of both the forwarding industry and client groups.

In addition to realizing the basic cost savings from eliminating clerical operations, EDI communication systems reduce purchase order cycle times and inventory levels and speed up the payment of accounts receivable. Increased accuracy in forecasting and control of customer requirements with EDI has revolutionized marketing, production and distribution practices of companies around the world. For many companies, EDI is becoming an essential part of their JIT competitiveness strategies. Its importance to international trade is reflected in EC initiatives to encourage the use of EDI among its member countries.

Unfortunately, the Canadian industry lags behind counterparts in the United States and other countries in applying EDI technologies. The majority of EDI applications in Canada are in pilot project stages, while more advanced applications are being implemented in other countries. The number of Canadian users of EDI systems needs to grow so that the freight forwarding industry can fully capitalize on this technology. The application of this technology will affect the industry's ability to compete in the North American free trade and Europe 1992 business environments.

Evolving Environment

Considerable progress has been made by CIFFA to raise the public's awareness about the industry's capabilities and CIFFA is seeking more formal recognition by shippers and governments. The association has put in place an industry self-regulation strategy aimed at improving the quality of forwarding services in Canada. Members provide financial protection for shippers through an errors and omissions insurance program, which compensates clients for losses caused by the freight forwarder. The mandatory use of standard trading conditions in its members' contracts with shippers is intended to upgrade the public image and quality of forwarding services in Canada.

Over the past ten years, the Canadian freight forwarding industry has evolved from a relatively unknown transportation service into one that plays a vital role in serving the interests of shippers in a deregulated transportation business environment. The important role it plays in today's marketplace is evidenced by its strong financial performance, continued profitability in spite of lower levels of economic activity, and growth in the demand for transportation services.

The industry expects that the tonnage of Canadian goods transported in domestic and international markets will increase at a moderate rate of 1.5 to 3 percent annually over the next five years, with the greatest area of growth concentrated in air cargo and trucking services. The trend for carriers to provide more value-added services will increase competition among forwarders and carriers. Companies will continue to compete for an increased share of business from existing markets, from the growth in air and trucking traffic or from new trade with the United States.

Further concentration of business among the larger companies may occur as a result of customer demands for integrated and higher-quality logistics services, which require major capital investments in computer systems. Small and medium-sized companies are expected to continue to compete in this market with specialized services. Their competitiveness in the market may be strengthened by further transportation deregulation developments to ease entry into the market.

The deregulation of North American transportation has created a number of new business opportunities for Canadian forwarders. The increased use of confidential transportation contract rates has caused greater dependence on forwarders to negotiate transportation rates on behalf of shippers. The competitive advantage inherent in the forwarding industry's overall knowledge of the transportation market may help it control a greater share of carrier traffic. However, Canadian business' confusion about the role of forwarders in transportation transactions may inhibit the effective use of forwarding services in Canada.

The FTA has also had some effect on the Canadian forwarding industry. New opportunities to develop services and transportation routes are occurring in response to increased volumes of trade with the United States. In the future, there may be more cross-border flow of investments to establish forwarding services, as well as subsidiary customs brokerage,

packaging and crating services. The FTA may indirectly assist forwarding companies using FTA treatment of these ancillary services to establish a presence in the Canadian or U.S. market.

Competitiveness Assessment

Open competition in the transportation industry puts forwarders in an excellent position to capture a larger share of the transportation market from carriers and to promote competition among them. While forwarders operating exclusively from Canada provide very competitive domestic freight forwarding and ancillary services, the limited volume of Canadian export traffic suitable for forwarding limits their ability to compete in world markets. Recognizing this constraint, companies have expanded their international distribution networks of agents and offices into the United States, Europe and the Far East to gain a larger share of the international transportation market. Recent developments in EDI systems enhance the industry's ability to communicate with clients, carriers and customs officials, and will help the industry compete in this market.

While the FTA has had a limited direct impact on the industry, there has been a trend to establish North American rather than Canadian or U.S. distribution centres. This trend may encourage the Canadian industry to expand operations in these major domestic and international distribution centres in Canada and the United States in order to maintain competitive market positions.

For further information concerning the subject matter in this profile or in the ISTC sectoral studies (see page 11), contact

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PRINCIPAL STATISTICS[a]

	1983	1984	1985	1986	1987	1988	1989	1990
Firms	210	220	240	250	270	280	290	280
Employment	3 300	3 800	4 000	4 500	4 700	5 100	5 700	6 100
Net sales ($ millions)	813	957	1 043	1 221	1 330	1 350	1 370	1 390
Net sales[b] (constant 1986 $ millions)	876	992	1 052	1 221	1 294	1 259	1 253	1 246
Profits after tax (% of net sales)	3.2	10.0	8.2	7.0	4.7	N/A	N/A	N/A

[a]ISTC estimates. While 1990 data are shown, specific data and estimates used in the competitive analysis are based on recent information obtained directly from industry sources, the ISTC *Business Opportunities Sourcing System* (B.O.S.S.) and other sources.

[b]Deflator used: industrial products price index, all commodities. See *Industry Price Indexes,* Statistics Canada Catalogue No. 62-011, monthly.

N/A: not available

TRADE STATISTICS[a] (% of net sales)

	1985	1986	1987	1988	1989	1990
Shipping from Canada	22.0	N/A	26.4	N/A	28.7	27.8
Shipping to Canada	43.0	N/A	39.6	N/A	34.3	33.6
Total international forwarding	65.0	N/A	66.0	N/A	63.0	61.4
Domestic forwarding	35.0	N/A	34.0	N/A	37.0	38.6

[a]ISTC estimates. While 1990 data are shown, specific data and estimates used in the competitive analysis are based on recent information obtained directly from industry sources, the ISTC *Business Opportunities Sourcing System* (B.O.S.S.) and other sources.

N/A: not available

INTERNATIONAL MARKETS[a] (% of net sales)

	1985	1986	1987	1988	1989	1990
United States	20	N/A	26	N/A	21	29
European Community	32	N/A	31	N/A	37	34
Pacific Rim	30	N/A	24	N/A	26	23
Other	18	N/A	19	N/A	16	14

[a]ISTC estimates. While 1990 data are shown, specific data and estimates used in the competitive analysis are based on recent information obtained directly from industry sources, the ISTC *Business Opportunities Sourcing System* (B.O.S.S.) and other sources.

N/A: not available

REGIONAL DISTRIBUTION[a] (1990)

	Atlantic	Quebec	Ontario	Prairies	British Columbia
Firms (% of total)	4	26	41	16	13
Employment (% of total)	4	26	48	13	9

[a]ISTC estimates. While 1990 data are shown, specific data and estimates used in the competitive analysis are based on recent information obtained directly from industry sources, the ISTC *Business Opportunities Sourcing System* (B.O.S.S.) and other sources.

MAJOR FIRMS

Name	Country of ownership	Location of head office
Beacon International Despatch Ltd.	Canada	Brantford, Ontario
Consolidated Fastfrate Transport Inc.	Canada	Toronto, Ontario
Cottrell Air Freight Ltd.	Canada	Toronto, Ontario
Danzas (Canada) Ltd.	Switzerland	Toronto, Ontario
Delmar Freight Forwarders Ltd.	Canada	Montreal, Quebec
Gillespie-Munro Inc.	Canada	Montreal, Quebec
David Kirsch Forwarders Ltd.	Canada	Montreal, Quebec
Kuehne & Nagel International Ltd.	Switzerland/United Kingdom	Toronto, Ontario
Lep International Inc.	United Kingdom	Toronto, Ontario
Locher Evers International	Canada	Vancouver, British Columbia
MSAS Cargo International (Canada) Inc.	United Kingdom	Toronto, Ontario
Murray and Robinson Freight Services (Division of Blaiklock Inc.)	Canada	Toronto, Ontario
Nippon Express Canada Ltd.	Japan	Toronto, Ontario
Panalpina Inc.	Switzerland	Toronto, Ontario
Right-O-Way Air Express and Cargo	Canada	Toronto, Ontario
Schenker of Canada Ltd.	Germany	Toronto, Ontario
Starber International Ltd.	Canada	Montreal, Quebec

INDUSTRY ASSOCIATIONS

Canadian Association of Customs Brokers
121 York Street
OTTAWA, Ontario
K1N 5T4
Tel.: (613) 238-3394
Fax: (613) 238-6313

Canadian International Freight Forwarders Association, Inc. (CIFFA)
P.O. Box 929
STREETSVILLE, Ontario
L5M 2C5
Tel.: (416) 567-4633
Fax: (416) 542-2716

SECTORAL STUDIES AND INITIATIVES

For more information on any of the following studies, contact the Service and Construction Industries Branch of ISTC (see page 8).

B.O.S.S. Directory of Canadian Customs Brokers and Freight Forwarders
This 1990 directory contains information on the services, Canadian and foreign offices or agents of Canadian freight forwarders.

Bridging the Gap: Professionalism, Education and Work Experience
This is the final report of the Employment and Immigration Canada's Industrial Adjustment Service Committee for the Canadian freight forwarding industry. The report contains extensive studies and findings related to addressing human resource supply issues for the industry.

Europe 1992: Implications for Freight Forwarders
This study, commissioned by External Affairs and International Trade Canada, examines the implications of Europe 1992 on the Canadian freight forwarding industry and possible options for serving this market.

1988 National Transportation Agency Survey of Freight Forwarders
This study examines the impact of the *Shipping Conferences Exemption Act* on the ocean shipping practices of forwarders and their clients.

Sector Profile of the Canadian Freight Forwarding Industry
This 1985 study provides a general overview of the Canadian freight forwarding industry and its relation to the Canadian Customs brokerage industry. It includes a summary of an interfirm study of the 1983 financial performance of a selected number of freight forwarding companies.

Printed on paper containing recycled fibres.