At the present, there are 12 categories of fish and other seafood which are subject to the import quota system: (1) *nori* (laver), (2) Korean marine products, (3) *aonori* (Entermorpha) and *hitoegusa* (Monostroma) dried, (4) herring (separate quota for Pacific and Atlantic species), (5) kelp, (6) products of kelp, (7) 99-country fish and shellfish (horse mackerel, mackerel, sardine, mackerel pike, yellowtail, cod and scallop and its adductors), (8) 99-country squid, (9) 99-country dried squid, (10) tortoise shell, (11) cod (pollack) roe, and (12) Alaska pollack.

The Japanese have a global import quota for pollack, which has been allocated to a limited number of participants. They have traditionally been pollock producers who fish in the U.S. 200-mile EEZ. In the past they have had little incentive to encourage imports. However, with increasing competition for pollock stocks and declining Japanese landings, this situation may change. The quota is normally allocated on a first come, first served basis.

The squid import quota has no provision for new exports -- it is allocated solely on the basis of past allocations. Large domestic squid catches, have in the past have resulted in the elimination of import quotas for certain periods of time. In 1991 Japan agreed not to reduce the current annual import quota level of 53,000 MT. This should help reduce the uncertainty that has been associated with squid quota announcements in the past.

The frozen herring import quota, prior to 1980, was allocated entirely to the Hokkaido Federation of Fishermen's Cooperatives as compensation for the loss of fishing grounds and catches due to the introduction of the 200-mile limits. In 1980, the government of Japan amended the system to open it to more participants, and allowed the import of frozen herring by traders for direct consumption. The 1993 quota for Pacific herring was 66,000 MT, and Atlantic herring was set at 26,000 MT.

The "fish and shellfish from 99 countries" import quota is structured somewhat differently. It is neither broken down by species, nor volume, but instead is expressed in U.S. dollars. It applies to live, fresh, chilled, frozen, salted, in brine or dried forms of cod, yellowtail, mackerel, sardine, horse-mackerel, mackerel pike, and scallop. Allocations are available to (1) trading houses, (2) processors, (3) fishermen, and (4) joint ventures. Japanese participants in joint ventures in Alaska receive a preferential amount of the import quota as compensation for reduced fishing rights in the U.S. 200-mile EEZ.

The Japanese government has stated that all contracts between Canadian exporters and Japanese importers for mackerel will be automatically approved under the Japanese import quota system. A flexible quota ceiling will be adopted for these products which will reflect the outstanding contracts. The Japanese Fisheries Association will act as the nominal clearing house for orders placed by Japanese trading firms with Canadian suppliers.

The import quota system has been criticized as being a non-tariff barrier to the trade of the species it covers. The announcements of the Japanese government as to import quota levels result in a great deal of uncertainty for exporters. Since the signing of the 1978 Canada-Japan Fisheries Treaty, requests have been made regularly, for the liberalization of the system, by Canada at the Canada-Japan Bilateral Trade Negotiations.