(2) SECTOR DESCRIPTION

The Canadian commercial fishing industry is a vital contributor to the economy of many Atlantic, Pacific and inland communities. It provides employment in Atlantic Canada for nearly 94,000 registered commercial fishermen, 40,000 fish plant workers, 850 importers and 1500 aquaculturists. In Atlantic Canada, 1400 communities are largely dependent on the fishing industry. The West Coast fishery while not as community dependent, has over 15,000 commercial fishing licence holders. However, the 192 native bands in B.C. representing 26 tribal councils on some 1600 reserves has a heavy dependence on the fishery as a way of preserving communities. While fully recognizing that the inland fisheries of Western Canada and Ontario regions may be of lesser overall importance to the national economy, the lack of alternative employment in remote northern communities gives rise to a situation such that they may be even more dependent on commercial fishing than would be the case in some Atlantic or Pacific coast communities.

The Canadian fishing industry is currently in a transitional period due to unstable economic conditions brought about by supply shortages, significant structural change coupled with weak market demand for certain shellfish and finfish. The Atlantic groundfish, in particular, has been reduced to levels where emergency action is required to rebuild a sustainable fishery. Such action in extreme cases, may require closures of groundfish stocks, including stocks which straddle the 200 mile limit, to ensure stock recovery. Foreign overfishing on the Pacific Coast has affected stocks of salmon and hake. These stocks are covered by bilateral and multilateral arrangements. A stronger position in the international defence of fisheries resources may be necessary to ensure these resources are sustainable for the benefit of Canadians.

Since, the northern cod moratorium was imposed in July 1992, the exploitation and development of underutilized (non-traditional) species has not developed to the extent originally thought possible. The underutilized species are such mainly because they are uneconomic to harvest. The Canadian industry can only be expected to exploit them if there are prospects for adequate economic returns and longer-term supply continuity sufficient to meet created market demands.

Preliminary data for 1992 indicates total fish landings were valued at C$ 1.3 billion and exports at C$ 2.49 billion an increase of 1% in value despite a 6% decline in volume as compared with 1991. Canada exports over 80% by value of its commercial production of which the United States imports over 56% followed by Japan at 20%, the European Community at 16% with the remaining exports to over 70 countries worldwide. Canada in terms of fish exports currently ranks second in dollar value . It is the sixteenth largest producer on a volume basis worldwide.

(3) MARKET PROSPECTS AND CONSTRAINTS