

further detail later in this report.

- A number of recent newspaper articles and surveys have referred to consumers' growing concern about food safety and the health value of various food products. These sources also note that fisheries products are considered to be healthier and less likely to contain additives or toxic chemicals. These attitudes should be of benefit to Canadian seafood exports, due to Canada's positive image in Japan.

Japanese Fish Imports - total

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Volume(000MT)	1,869	2,075	2,414	2,288	2,544
Value \$C millions	9,325	11,424	13,437	12,410	12,935
\$US millions	6,829	8,448	10,966	10,564	10,982
Yen billions	1,138	1,234	1,405	1,450	1,608

Note: Currency table on Page 20

A major reason for the increase in Japanese domestic inventory during the first half of 1990 was the decrease in imports from Japan. Initiatives to decrease imports, such as those in 1989, and the strengthening of the yen, were also the beginning of the Gulf Crisis, and the major reason for the increase in imports during 1990.

The Japanese continue to seriously affect Japanese fisheries products. As a result, many processors do not wish to process low-value-added species, as the profit margins are insufficient.

High inventory levels continue to leave some importers cautious about carrying large inventories of product. Exporters may see purchases spread out over a longer period of time.

Canadian exports to Japan

1990 was a good year for Canadian exports of fisheries products to Japan. Both the volume and value of exports were up from 1989, and even exceeded 1988.

Volume increased by 1.5% over 1989, but the value of our exports increased by 9.5% reflecting the change in the mix of our exports to higher value products, such as shellfish and lobsters.

1991 should be another good year for Canadian exports of fisheries products as demand remains strong for most of our products. The two problem areas which we can already identify are capelin and salted herring roe, which are discussed in