

This is the way how the multinational companies have been marketing their products. They research the market, identify needs and develop products to satisfy consumers. Advertising and promotion play a key role in building product acceptance and brand loyalty. In this respect, nothing has changed with the implementation of the FTA.

Markets are changing and not guaranteed for traditional suppliers. The U.S. market with its size and purchasing power lures seafood exporters from around the world. Domestic groundfish supplies are increasing and competition intensifies. In addition to established Scandinavian companies, Japan is also beginning to bring its packaged food items to the U.S.A. The Japanese rely on research and development. They are used to providing quality service. New product development is the lifeblood of Japanese business. They have the money to invest. They are also patient and may take years to do things right.

Two examples: 1) Nissin Food Products built its first U.S. plant in 1972 to make Ramen (Noodle) soups sold under the "Cup O'Noodles" brand, but consumers in the U.S. did not know what Ramen was. Today the company holds 20% of the \$500 million a year U.S. Dry soup market. 2) Nichirei Corp., a major supplier of frozen foods is building U.S. plants to process fish and frozen vegetables. Last year they brought "Sea Watch", a seafood processing company in Delaware. This provides access to the resource and instant market penetration.

As I noted earlier, Newfoundland processors have traditional advantages over competitors in the U.S. marketplace. As a reliable supplier of quality groundfish, Newfoundland has a good reputation. Exporters of seafood can build on this base and the Free Trade Agreement opens up a number of new opportunities for further processed fishery products under vastly improved conditions of market access.

By working together, we can take full advantage of the opportunities offered by the FTA.