

German market. Ostermann und Scheiwe's action suggests that encouraging similar direct foreign investment from the F.R.G. in the forest industry could be a way to increase the sales of manufactured wood products from Canada. Two German firms have already expressed interest in such corporate participation.

The Action Plan

To pursue the goal of increased exports of manufactured wood products, the following activities are planned:

- a) Select Canadian firms which are strongest in sales of manufactured wood products through contact with domestic trade associations, shippers and wholesale and retail building supply dealers to visit the F.R.G. market as part of a mission or using PEMD-B (market identification); (GRPI*/Hamburg)
- b) Work with the B.C. provincial government to implement marketing actions in response to the report "Opportunities for Further Processing of B.C. Lumber"; (GRPI*/Hamburg)
- c) Organize an incoming buyers' group (two agents, two furniture manufacturers) for dimension stock in 1984; (Hamburg)
- d) Participate in the BAU '84 Building Fair and the Constructa Building Fair in 1986 with a national stand to present the highlights and advantages of the TFC method. (GRPI*/Hamburg)

(This will take place in conjunction with promotional efforts in the Timber Frame Housing sector.)

6. FISHERIES PRODUCTS

The Opportunity

With an average per capita consumption of 9.7 kg of fish per year, the Federal Republic of Germany is a substantial importer of fish and fish products. In past years, Canada has become an important supplier of which herring became the predominant Canadian fish export to Germany, and attractive markets also developed for salmon and lobster. Canadian herring is slowly losing its market share to North Sea herring, mackerel and other substitutes, and shipments will likely decline to below 15,000 tonnes annually. It is expected that, since the North Sea stocks have been replenished, even more herring will be available for the F.R.G. market in the years to come. Salmon is expected to increase slightly to approximately 1,500 tonnes, and lobster should show solid growth through 1985, reaching close to 500 tonnes per year. Groundfish products, which reached 3,150 tonnes in 1982, should increase substantially in the long term. This will depend to a large extent on the value of the Canadian dollar, the competition, and on the effect of the Long-Term Agreement (LTA) recently negotiated with the EEC, which should improve Canada's export position for groundfish.

* Refer to Glossary of Abbreviations, page 39.

Until recently, a significant portion of German needs were caught by the German deep-sea trawler fleet. However, the worldwide extension of fisheries jurisdictions in 1977 has led to a dramatic shift in the pattern of fish supply and demand throughout the globe. The German fleet has been excluded from traditional areas by that movement. Combined with the closing of North Sea herring fisheries in 1977 due to a dangerous decline of stocks, that shift has led to overcapacity in the F.R.G. deep-sea fleet. Although herring fishing in the North Sea was re-opened on a controlled basis, since 1981, it remains an uncertain source. Some attempt has been made to fish for alternate species in new areas, but that has been only a partial answer. Due to these factors, Germany will become increasingly dependent on foreign suppliers of fish in order to maintain its processing industry, which employs about 30,000 people. This represents an excellent opportunity for the export of Canadian fish products. Additionally, possibilities for joint ventures are being examined, which could improve the Canadian presence in the German market.

The Long-Term Agreement on fisheries with the EEC affords the F.R.G. major quotas for cod fishing within the Canadian economic zone. In return, reductions were made in the tariff schedule for Canadian cod entering the EEC. As a result, sales of Canadian cod to the F.R.G. have risen appreciably.

The Canadian Fishery Industry

In 1982, the industry produced a landed value in excess of \$830 million and a product value in excess of \$1.93 billion. Of that, 83 per cent (nearly \$1.6 billion) was exported, making Canada the world's leading exporter of fishery products for the third consecutive year in terms of value. Of that export volume, 55 per cent went to the United States, 16 per cent to the European Community, 7 per cent to other European countries, 15 per cent to Japan, and the balance to a number of smaller or less developed markets in other countries.

Recent Canadian Marketing Activity

The Consulate General in Hamburg, the prime German post for fisheries products, has been actively involved in promoting the sale of Canadian fish products in Germany. This office, in collaboration with the ITC/DREE* regional offices in Atlantic Canada and with ITC/DREE Ottawa and Fisheries and Oceans Ottawa, have played an introductory role in virtually every business linkage between Canadian fisheries exporters and their German trade partners. It is worth noting that the Program for Export Market Development (PEMD) has been extensively used by Canadian fish products exporters developing the German market in recent years.

In the ongoing promotion of Canadian fish products, the following discrete marketing activities have been undertaken:

* Refer to Regional Offices' addresses, page 38 and to the Glossary of Abbreviations, page 39