

4. CANADIAN COMPETITIVE STRENGTHS/WEAKNESSES

A. STRENGTHS

Canada has a basically stable supply base, with good potential for increasing the availability of farmed product on a year-round basis, although annual fluctuation in wild catches affects the overall supply picture.

Canada is considered to be a world leader in applied research and development, advances in technology and husbandry skills and breakthroughs in disease management in salmon aquaculture which contributes importantly to the consistency and high quality of Canadian farmed salmon output.

Canada has the reputation as a supplier of a high quality product with an excellent image as being a natural and healthy product which relates to contemporary lifestyles. A "clean" environment (cold, clear, pure waters, etc.) and the maintenance of rigorous standards, QMP programs observed by industry and mandatory federal plant inspection systems contribute importantly to this positive image.

The scope for exciting and rewarding sports fishing serves as an image builder for foreign consumers, especially from the US and Japan.

The FTA and NAFTA provide preferred access for Canadian exporters, especially for value-added products, into the USA and over time into Mexico.

Proximity to large segments of the US market (as well as to regional Japanese markets), vis a vis third country competitors, is an important natural advantage for Canadian exporters, especially for fresh salmon.

Of particular importance in the USA, the Canadian salmon industry is not seen as engaging in predatory pricing practices (e.g. dumping or benefitting from subsidies) as has been the case for Norway although this may be due more to a perspective that Canada is not a major threat in terms of pricing and volumes shipped. The move by the B.C. wild-catch industry to a levy system should also reduce vulnerability to countervailing duty action and is testimony to a growing commitment by industry to self-fund international marketing efforts.

The deep red colouring of certain Pacific species provides an advantage over Atlantics in Japan and in Europe for some smoked products.

Atlantics do not lend themselves to canning as colour disappears and it is not cost effective to can farm raised salmon. This