

While it is unlikely that free trade will change these basic facts, it will offer some opportunities to those who wish to take advantage of them. Because the large Canadian companies (principally National Sea, Fishery Products, and Clearwater Fine Foods) have already gotten around many trade issues by establishing plants and marketing offices in the U.S., these opportunities will be particularly valuable to the small and medium size processors.

Special Opportunities

The Canadian fisheries industry will benefit from the FTA in several ways:

First of all, economic gains will be realized from new investment in production facilities made in response to new opportunities for value added processing. Source of the money could come into Canada from smaller distributors in the U.S. wishing to invest in Canadian suppliers.

Investments will continue to cross the border. So far, Canada's investments in the U.S. seafood industry have outpaced U.S. investments in Canada, but that may change. Because the Canadian fisheries resource is generally better managed and conserved than it is in the U.S., expansion within the Canadian industry is more likely, leading to more jobs. Taking advantage of investment capital to modernize production facilities and to import current technology is an other significant benefit from free trade.

Second, there will be opportunities for Canadian firms to deal directly with buyers in the U.S. If a small Newfoundland company is accustomed to selling to a broker, for example, that company will not have control over the price of its product. Establishing a joint-venture agreement with a company in New England would provide a closer relationship with more control over crucial issues.