

The past year has been particularly difficult with lower prices and record inventories of frozen lobster. However, as the new spring season commences, these inventories are gradually being eliminated.

UNITED STATES

The United States is the world's largest importer of lobster. In addition to its own domestic production of 20,000 tonnes the US imports about 40,000 tonnes of lobster each year. The US is by far the largest market for Canadian lobster accounting for more than 70 per cent of all exports. Some 75 per cent of exports are in live form. The US is also the major market for frozen lobster meat with 90 per cent of exports.

EUROPE

Europe is Canada's second largest market accounting for approximately 22 per cent of Canada's exports. Demand for Canadian lobster has accelerated in Europe in recent years aided by strong European currencies vis a vis the Canadian dollar. There is considerable room for expansion in Europe not withstanding generally higher tariffs and a weakening currency situation.

Europe is the largest market for frozen lobster in brine. The largest national market is France where Canadian lobsters are heavily promoted at Christmas time in French supermarkets. Europe is also an established and expanding market for live lobster.

UNITED KINGDOM

I would now like to focus my comments on the United Kingdom market. The UK is a relatively new market for Canadian lobster but imports have grown dramatically from \$4.5 Million in 1987 to \$7 million in 1989, an increase of 55%. The greatest growth has occurred in live lobster. However, sales of frozen lobster in brine have also been impressive.

In the UK, Canadian live lobster has been a growth product which has gradually replaced domestic lobster as the lobster of choice. This is the result both of improved transportation links from Canada and better holding facilities in both Britain and Canada, ensuring greater year round availability.

The growth of dryland storage referred to earlier has been accompanied by an increase in air shipments of live lobster to Britain and Europe. On the strength of growing demand from Europe, Air Canada developed a facility to handle live lobster at Halifax, Nova Scotia, in the early 1980's. By 1985, lobster became one of the airlines top ten cargo items.