

maximus. The remainder of that market comprises imports of a variety of species of scallops from other countries, including Canada.

16. Annual French scallop import statistics on a country by country basis, for the years 1989 - 1994, show that the Canadian share of the French market was over 11% in 1991 and 1992. However, by 1994 that share had fallen to 8%, and is expected to fall further in 1995. Monthly French import figures to May 1995 indicate that there has already been a sharp drop in the volume of Canadian exports to France, with volumes that are less than 50% of the lowest level over the past five years for those same months.

2. Market differentiation between "*coquilles Saint-Jacques*" and "*pétoncles*"

17. Canadian *Placopecten magellanicus* scallops have been sold in the French market as "noix de coquilles Saint-Jacques" or "noix de Saint-Jacques" for over forty years. According to Canadian exporters and French importers, French consumers have traditionally considered the distinction between the labelling terms "Saint-Jacques" and "pétoncles" to be based on, and to reflect, the quality of the scallop in terms of size, colour and texture of the scallop.⁸

18. "Pétoncles" are perceived by French consumers to be an inferior product to "coquilles Saint-Jacques"; the consumers differentiate between the label "coquilles Saint-Jacques" ("noix de Saint-Jacques") and "pétoncles" in making purchasing decisions regarding scallops and scallop products. A significant proportion of retail buyers would choose scallops and scallop products labelled "coquilles Saint-Jacques" over those labelled "pétoncles" even if the "coquilles Saint-Jacques" were more expensive, and would choose scallops and scallop products labelled "noix de Saint-Jacques du Canada" over those labelled "pétoncles du Canada".⁹

19. The technical analysis compared the physical and chemical characteristics of frozen scallops available on the retail market in France to determine whether there was a scientific basis for the commercial distinction under the Order. The analysis concluded that there are no qualitative differences between *Placopecten magellanicus* and *Pecten maximus* relevant to consumers in terms of size, weight, colour, texture and moisture content. Thus, using the commercial distinction between the terms "coquilles Saint-Jacques" and "pétoncles" to

⁸ The results of a survey of French consumers commissioned by Canada support this view.

⁹ The Consumer Research Report supports this view and confirmed the experience of Canadian exporters that French consumers differentiate between the labels, that they believe the term "coquilles Saint-Jacques" denotes a premium product in terms of size and quality, and that one factor they take into consideration in determining the value of a scallop is the label of the scallop (i.e. they are prepared to pay a higher price for scallops labelled "coquilles Saint-Jacques").