ANNEX TO THE **WORLDWIDE FISHERIES MARKETING STUDY:** PROSPECTS TO 1985

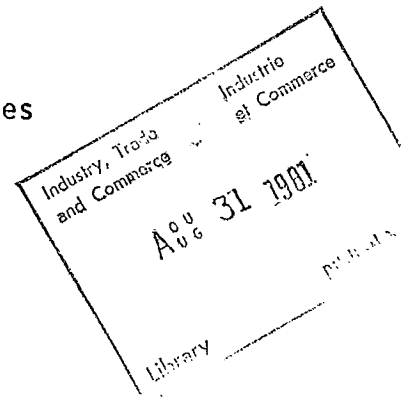
FRANCE

REVISED 1980

Government of Canada
Fisheries and Oceans

Gouvernement du Canada
Pêches et Océans

(This report is one of a series of country and species annexes to the main study - entitled the Overview)



D R A F T

Annex to the
Worldwide Fisheries Marketing Study:
Prospects to 1985

FRANCE (V. 4)

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The views expressed in this Study, however, are ours alone and reflect the Canadian perception of worldwide markets.

With regard to the overall Study, we would like to acknowledge:

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E. Wong
November, 1980

FOREWORD

As a consequence of global extension of fisheries jurisdictions, a radical shift has taken place in the pattern of worldwide fish supply and demand. This change is still going on and will continue for many years before a new dynamic equilibrium situation is reached. However, in the midst of this re-adjustment, a new trade pattern is emerging -- some net exporting countries are now importing and vice versa. In the longer term, some countries will experience shortages of supply and others will have a surplus. Fortunately, Canada is amongst the latter group.

The implications for the marketing of Canadian fisheries products arising from the worldwide introduction of the 200-mile limit are extensive. With our vastly improved supply position relative to world demand, government and industry are understandably concerned about ensuring that the bright promise of increased market opportunities are real and can be fulfilled. One of the steps in this process is the publication of the Worldwide Fisheries Marketing Study which assesses the global potential on a country and species basis.

Specifically, the purpose of the Study is to identify the longer term market opportunities for selected traditional and non-traditional species in existing and prospective markets and to identify factors which may hinder or help Canadian fisheries trade in world markets. To date, over 40 country markets and 8 species groups have been analyzed. It should be noted that while the information contained in the Reports was up-to-date when collected, some information may now be dated given the speed with which changes are occurring in the marketplace. In this same vein, the market projections should be viewed with caution given the present and still evolving re-alignment in the pattern of international fisheries trade, keeping in mind the variability of key factors such as foreign exchange rates, energy costs, bilateral fisheries arrangements and GATT agreements which have a direct effect on trade flows.

Notwithstanding, the findings contained in these Reports represent an important consolidation of knowledge regarding market potential and implications for improvements in our existing marketing and production practices. The results of the Study should, therefore, usefully serve as a basis for planning fisheries development and marketing activities by both government and industry in order to capitalize on the identified market opportunities.

This draft report is published for discussion purposes and as such we invite your critical comments.

Ed Wong

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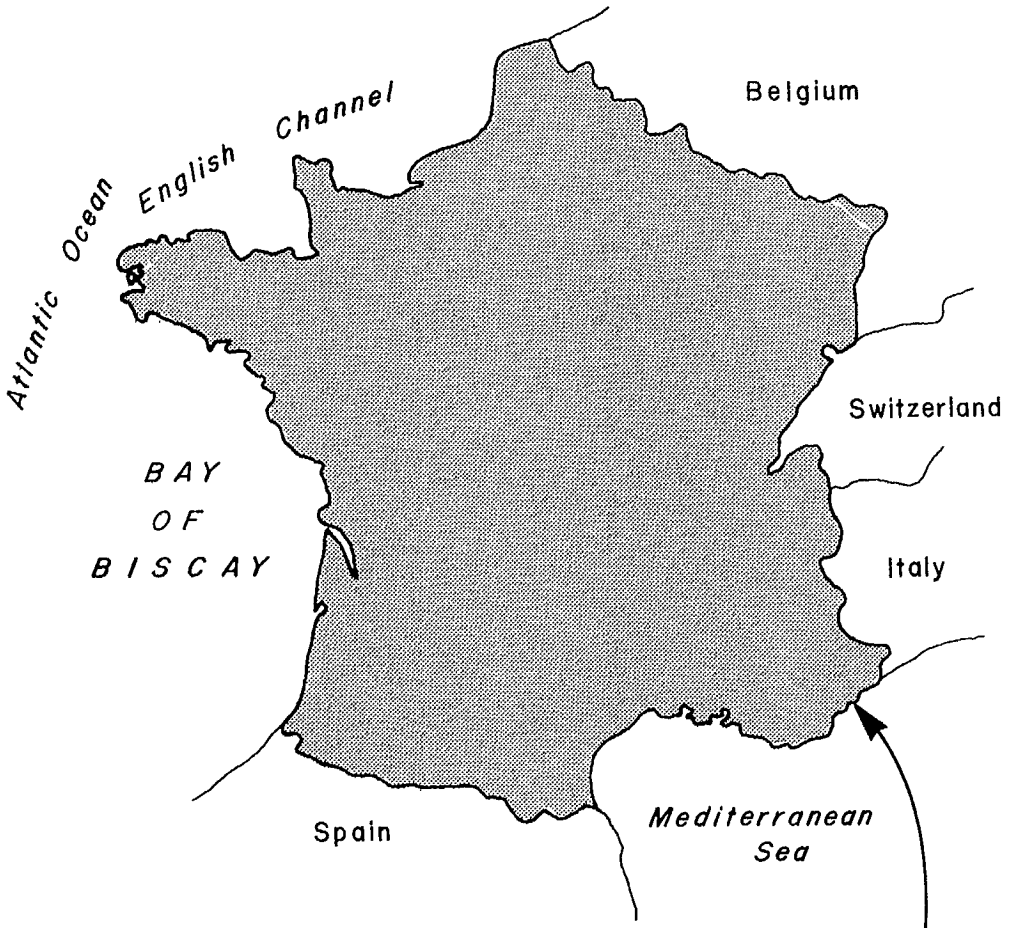
FRANCE



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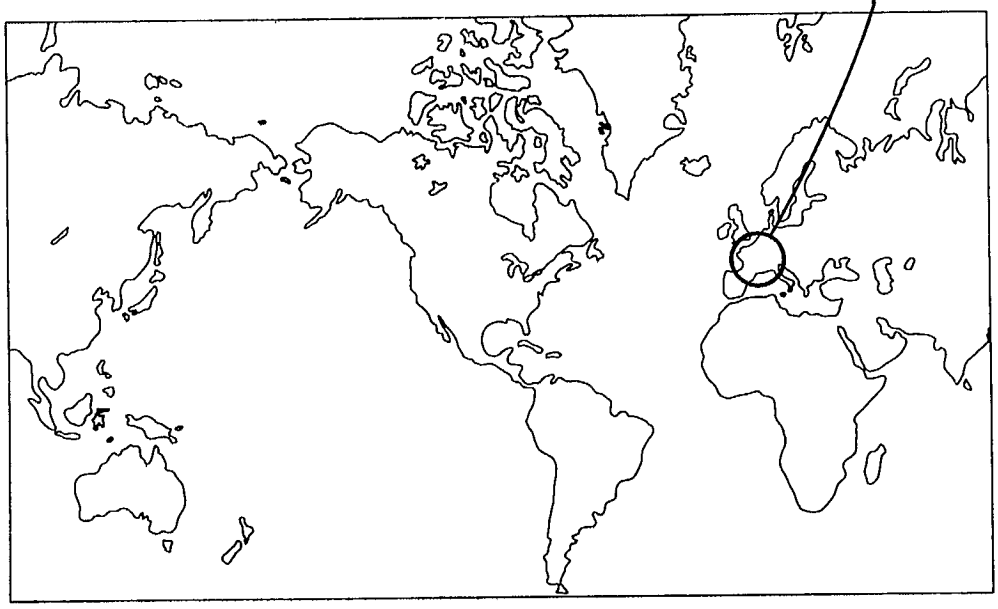


A. INTRODUCTION

France is one of the founding members of the European Economic Community (EC), having joined in 1957 with The Netherlands, Belgium, Luxembourg, West Germany and Italy. With a land area of 543 995 hectares and a population of 54 million France is a lively market for a broad range of goods.

Paris and its surrounding area with a population of 9.5 million is the capital city and the commercial, financial and transportation centre of the country. Most of the wholesale goods distributed throughout France pass through Paris; most of the import and distribution businesses are located there, with the Rungis Sedex, an enormous market, being the centre of the system.

France has a high standard of living, whether measured by European or by world standards. Economic recovery after a period of recession in 1974/75 has kept living standards at a high level. Individual consumption has more than doubled since the Second World War as production has expanded and wages advanced considerably faster than prices.

France has a per capita gross domestic product (GDP) among the highest in Europe and a private per capita consumption figure (US$4 080) which outstrips most of its European neighbours.

France does face some economic difficulties, however, most notably as a result of a high rate of inflation (9.8%) and a high rate of unemployment that approaches 6% of the labour force, or about 1.5 million people without jobs.

The rates of price and wage inflation have been rising faster in in France than in many of her EC partners. Recent increases in food prices have, by far, been the chief factor in the acceleration of consumer prices.*

*Economic Report - France. Lloyds Bank, London, England, 1980.

B. DEMAND FOR FISH

1. Domestic Consumption

France is an important market for fish, thanks to the population's traditional interest in food and a national preoccupation with the preparation and presentation of food products. French cooks and homemakers are traditionally aware, also, that fish and seafood items lend themselves to a variety of preparations limited only by individual's imagination.

Per capita consumption of fish was estimated at 18.1 kilograms in 1979, down from an average of 21.5 kilograms between 1972 and 1974. The United Nations Food and Agriculture Organization (FAO) and other sources predict that per capita consumption could increase to 24 kilograms or slightly more by 1985, when the population is expected to reach 57 million.

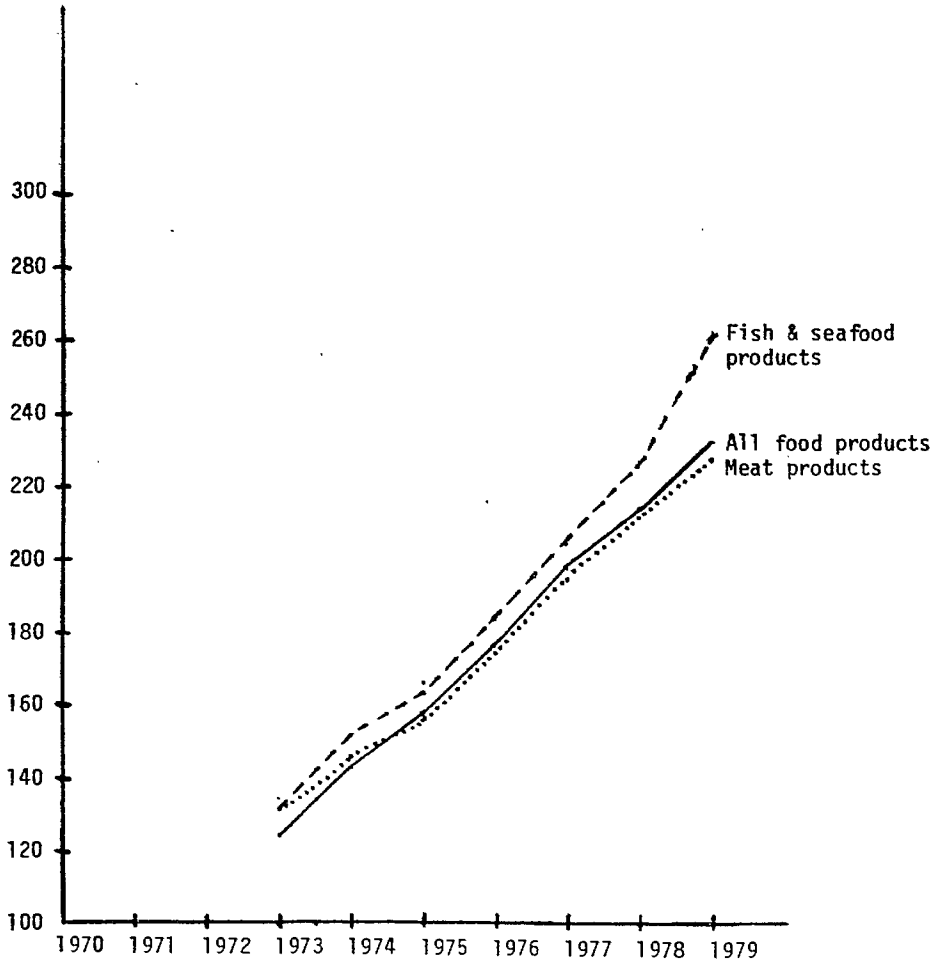
Given the increasing relative price of fish, it is possible that these projections may be overly optimistic, and there may not be any significant increase in per capita consumption. The problem is that retail prices for fish and seafoods have risen more rapidly recently than the average for all food products. The 1979 price index for seafoods stood at 258.5 (1970 = 100, Figure 1) compared to a general food index of 231. Fresh and frozen fish products registered the greatest gain since 1970, reaching 275 on the index in 1979, and reflecting increased demand pressing on constrained supplies of these products.

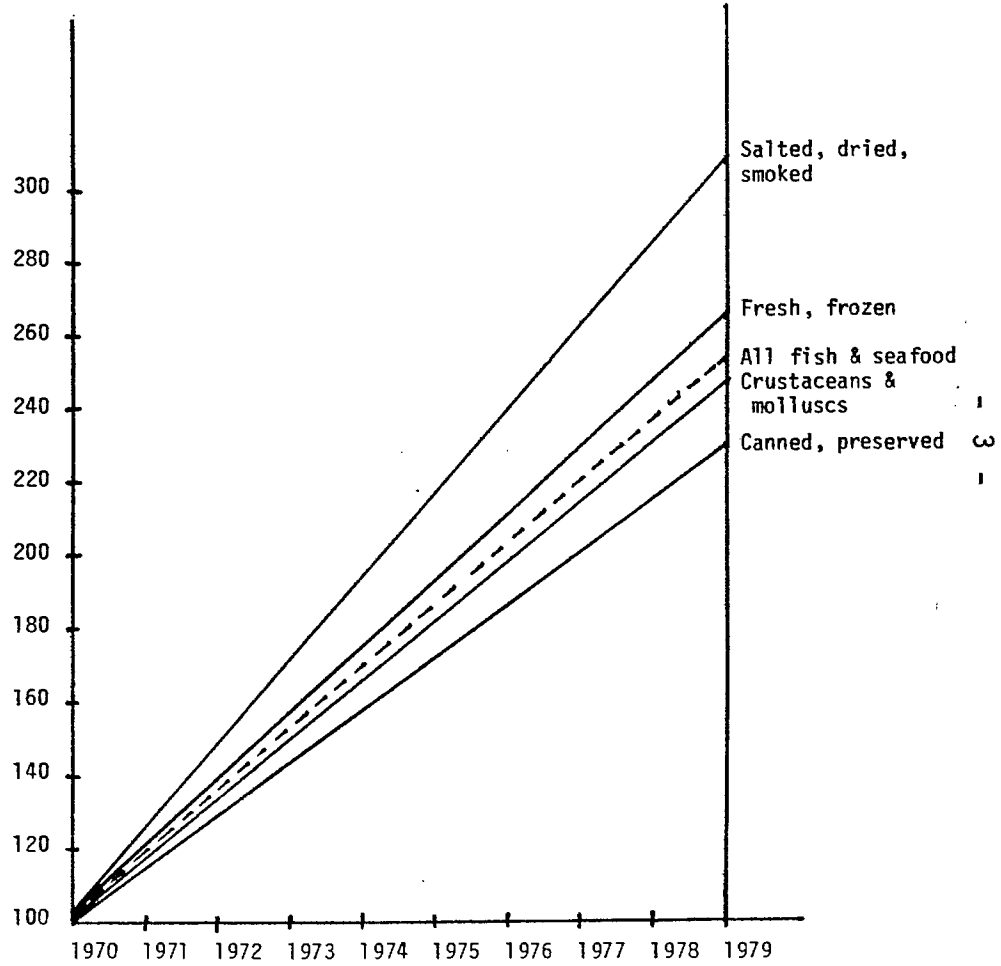
Still, fish and seafoods remain an important source of protein for French consumers, accounting for about 4% of all food purchases in 1979, a level that is not expected to change dramatically in the foreseeable future.

There has been steady growth in the sale of frozen fish products in France in recent years, with particularly dramatic increases in volumes of frozen fillets and prepared dishes. Sales of these products now stand at approximately 25 000 tonnes and 8 000 tonnes respectively.

Figure 1

France: changes in retail price index for selected fish and food products
(Base 1970 = 100)





Source: "Mer et Littoral", Commissariat Général du Plan, Paris, 1980.

It is estimated that some 70% of French households purchased frozen fish in 1979, with strongest sales registered in the eastern part of the country where sales of fresh fish are somewhat weaker. The current volume of consumption represents an increase of some 65% over 1975, which compares favourably with an increase of about 60% for all frozen foods. These are impressive gains albeit from a relatively small base volume (360 000 tonnes of frozen foods in 1978) by North American standards.

2. Patterns of Consumption

Retail sales of fresh fish are an important factor in the food budget limited only in the long term by the price differences between fish and meats. The hotel/restaurant sector continues to thrive despite rising prices of fish and seafoods, as customers appear to ignore the escalating costs of eating out.

Particularly in Paris and the surrounding area, France appears to be experiencing the same change in consumption habits as other Western industrialized countries with a distinct movement toward convenience foods and prepared dishes to accommodate smaller households and an increasing number of women in the labour force.

Sales of live products are limited mainly to shellfish, and are inclined to be seasonal. However, the market for some crustaceans, notably lobster, has tended to grow in recent years, and the sales pattern has evolved to produce year-round rather than seasonal demand, depending on availability and price. This is a development that should be of considerable interest to Canadian suppliers.

Trade in frozen products continues to increase. The main items in demand are frozen sticks and portions, followed closely by frozen whole fish and frozen fillets, with a significant increase as well in sales of prepared dishes (plats cuisinés). Sales of frozen crustaceans are expected to increase, so long as prices do not surpass those of attractive substitutes. Retail sales of frozen foods should increase still further as refrigeration facilities improve in France, not withstanding some resistance by consumers to increasing pricesfor frozen seafood. It is estimated that home consumption accounts for about 65% of these products compared to only 20% two years ago.

Table 1

France

Domestic disappearance 1979

Products	Production (tonnes)	Imports (tonnes)	(Exports) (tonnes)	Domestic Disappearance (tonnes)	Per Capita Disappearance (kg)
Finfish					
Fresh and refrigerated	373 800	99 476	(48 259)	425 017	7.87
Frozen	64 000	115 289	(30 206)	149 083	2.76
Salted, dried or cured	1 100	18 096	(4 257)	14 939	0.27
Canned	98 700	55 129	(4 068)	149 761	2.77
Total	537 600	287 990	(86 790)	738 800	13.68
Shellfish					
Fresh and frozen	146 583	88 128	(15 196)	219 515	4.06
Canned and processed	--	19 373	(2 470)	16 903	.31
Other	--	1 498	(42)		.02
Total	146 583	108 999	(17 708)	236 418	4.40
Total fish for human consumption	684 183	396 989	(104 498)	975 218	18.08

Source: Rapport sur l'industrie des pêches maritimes, Comité central des pêches maritimes, Paris 1980.

Table 2

France

Detailed per capita consumption of fish in kilograms - 1977 AND 1979

		Fresh-Chilled		Frozen		Salted, dried or cured		Canned		Total	Proportion %
Finfish	1977	7.8	(44%)	3.1	(17%)	0.3	(2%)	0.88	(5%)	12.1	68
	1979	7.9	(44%)	2.8	(15%)	0.3	(2%)	2.8	(15%)	13.7	76
Shellfish	1977		5.45	(31%)			--	0.25	(1%)	5.7	32
	1979		4.06	(22.4%)			--	0.31	(1.6%)	4.4	24
Total	1977		16.35	(92%)		0.3	(2%)	1.13	(6%)	17.8	100
	1979		14.76	(81.4%)		0.3	(2%)	3.11	(16.6%)	18.1	100

Source: 1977 figures from Worldwide Fisheries Marketing Study Report - France, DFO Ottawa, 1980.
1979 figures calculated from data in Rapport sur l'industrie des pêches maritimes, Comité central des pêches maritimes, Paris, 1980.

It is anticipated that total demand for fish and seafood products in France will grow at around 4% per year, but this could depend very much on fish price increases relative to prices for meat alternatives. Paradoxically, it appears there will be increasing demand for expensive luxury items because the prices of these, while relatively high, also tend to be relatively stable.

The demand for frozen prepared dishes is also expected to show impressive gains, far surpassing any increase in the market for frozen whole fish, fillets and portions.

Overall, the demand for fish is rising in France at a time when the French fishing fleet's ability to maintain traditional levels of landings is uncertain, and that indicates a good potential for increased imports. In the past five years the volume of fish product imports has increased by 37.3% and the value has increased by 158.3%. This trend is expected to continue, albeit at a slower rate, as markets adjust to current production levels.

C. SUPPLY OF FISH

1. Domestic Production

While demand remains relatively strong, the capacity of the French fishing fleet to deliver larger landings is in some doubt, due mainly to restrictions in recent years on the fleet's activities in European Economic Community (EC) and other waters, coupled with declining stocks of popular species in France's traditional fishing grounds.

In 1979 France's total production (finfish only) 438 900 tonnes for a value of 2 399.6 million francs. This represents a decrease in volume of 1.8% and an increase in value of 7.1% over 1978. Most of the marketed volume was fresh fish, which increased from 372 000 tonnes in 1978 to 373 800 tonnes (+0.5%). The production of frozen fish stood at 64 000 tonnes, a decrease of 13% from 1978, while the production of expensive salted fish has now almost disappeared, having decreased by 36.7% to only 1 100 tonnes.

Groundfish production in 1979 stood at 285 841 tonnes. On a per species basis, increases were registered in landings of anglerfish (+21.6%), horse mackerel and conger (+19.2%), haddock (+26.5%), whiting (+10%); while landings of cod (-5.79%), saithe (-6.4%), ling (-6.8%), and redfish (-45.9%) decreased considerably. Similarly, landings of flatfish decreased by 5% overall in 1979, falling to 39 808 tonnes from 41 909 tonnes. The largest decrease in this category was that of sea bream (-45%).1

Landings of pelagic species decreased from 144 948 tonnes in 1978 to 133 998 in 1979, with a corresponding decrease in value of 3.3%. The largest decreases were registered by anchovies (-34.4%), mackerel (-10.9%) and tuna. These decreases were tempered somewhat by relatively large increases in landings of sardines (+19.5%) and sprats (+276.9%) though these species represent only a small part of the total production.

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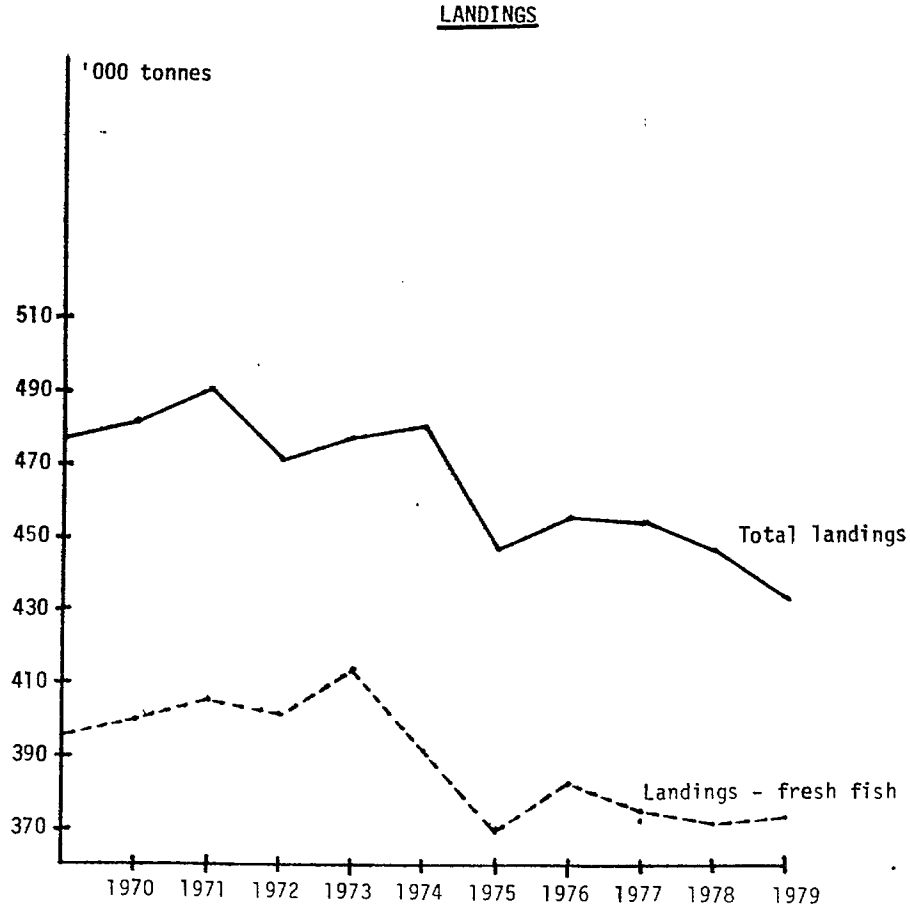
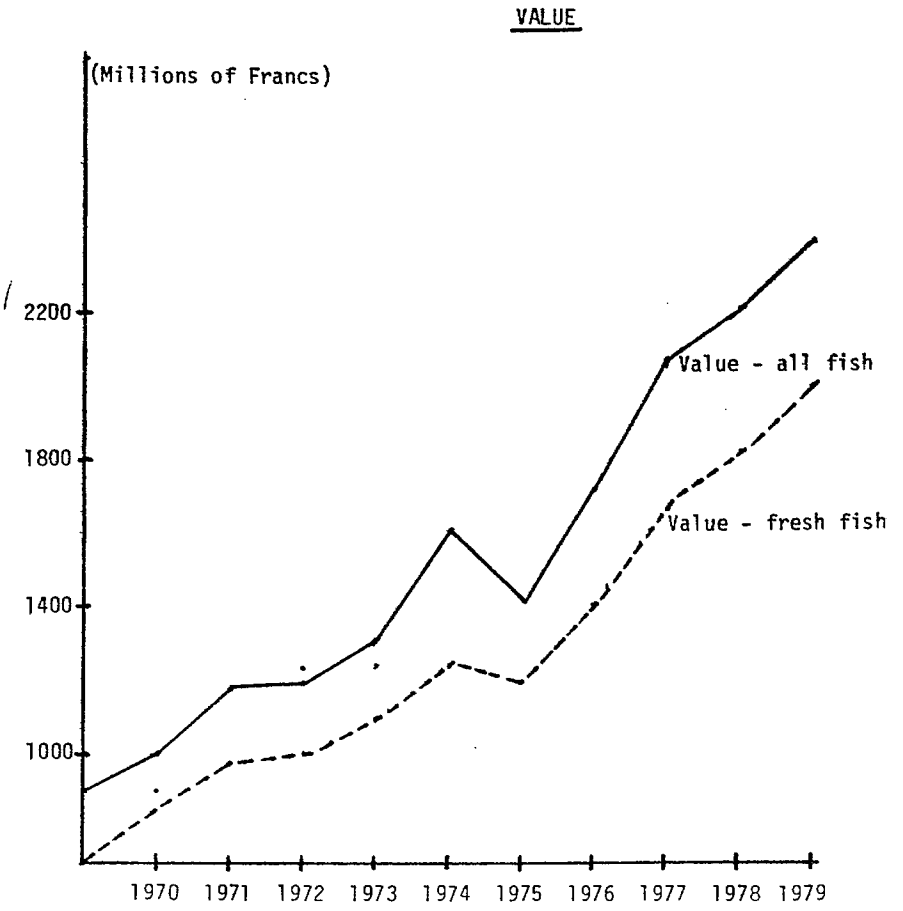
1 Source: "La pêche maritime" published by Le Comité Central de la Pêche Maritime, Paris, 1980.

Figure 2

French fisheries production - 1970-1979





Source: "Rapport sur la production de l'industrie des pêches maritimes en 1979", Comité central des pêches maritimes, 11 rue Anatole-de-la-Forge, 75017 Paris.

It appears that landings of molluscs and crustaceans also decreased somewhat in 1979. The annual fluctuations for these species, however, may be partially explained by difficulty in obtaining precise information. Production of crustaceans remained relatively stable in 1979 decreasing only marginally. Molluscs decreased by 12.2% over 1978. Values, however, increased significantly due to spectacular increases in prices. Production of farmed oysters and mussels increased significantly in 1979 (+16.3%) though the value decreased somewhat as a result of declining demand and the resultant drop in price.

2. Projected Domestic Landings

France's traditional fishing zones, notably in the North Atlantic, have been severely restricted or closed to French fishermen as a result of the extension of fisheries jurisdictions by coastal states. Of her former principal zones off Canada, Norway and the USSR, only French catches in Canadian waters do approach traditional levels.

Insofar as the Soviet zone is concerned, foreign nationals have been excluded completely. France still holds out some hope that negotiations with the USSR may reopen these areas to fishermen from the EC but the chances appear slim at best. Even if such negotiations were successful the benefits would be apportioned among EC members and the resulting volumes landed in France would be negligible.

The EC is also negotiating with Norway for access to waters within its 200 mile economic zone on the basis of reciprocal right of access. Norway currently enjoys a privileged position within EC markets with a tariff set at 3% rather than the regular 15% for cod. This preference, it is felt, provides a degree of leverage in bargaining for access by European fishermen to Norwegian waters.

The French perceive a real opportunity in the waters around St. Pierre and Miquelon, off the coast of Newfoundland. The current agreement with Canada giving French fishermen access in our zone runs to 1986. France, however, will want to negotiate the delimitation of fishing zones around its island territories and these negotiations are viewed as critical.

Table 3

France: Landings by species categories, 1978-1979

Category/species	Quantity (tonnes)			Value (Millions FF)		
	1978	1979	79/78%	1978	1979	79/78%
Fresh fish						
- Groundfish	278 900	285 800	+2.5	1 548.4	1 748.6	+12.9
- Pelagic	90 200	85 500	- 5.2	265.9	240.3	- 9.6
- Anadromous	2 900	2 500	-13.8	42.0	56.1	+33.6
Total fresh fish	372 000	373 800	0.5	1 856.3	2 045.0	+10.2
Frozen fish						
- Pelagics	54 800	47 700	-13.0	218.9	228.5	+ 4.4
- Groundfish (offshore)	18 700	16 300	-12.8	154.3	117.8	-23.7
Total frozen fish	73 500	64 000	-12.9	373.2	346.3	- 7.2
Salted fish	1 500	1 100	-26.7	11.9	8.3	-30.2
Crustaceans	28 893	28 707	- 0.7	328.2	390.7	+19.0
Molluscs	46 315	40 653	-12.2	225.9	237.5	+ 5.1
Cultured	141 515	167 837	+18.6	722.1	750.7	+ 4.0
Total fish and seafood	663 723	676 097	+ 1.9	3 517.6	3 778.5	+ 7.41

Source: "Rapport sur l'industrie des pêches maritimes", Comité central des pêches maritimes, Paris, 1980.

In compliance with EC quotas, total allowable catches for the French fleet in European waters have been set at less than historical landings. The French are hopeful that West European fish stocks will rebuild by 1985 to levels that will allow their vessels to increase landings by about 20% over 1978. This projection may be overly optimistic, however, and is hypothetical at best in the absence of EC Common Fisheries Policy (CFP).

Stocks of groundfish and pelagic species, vitally important to the West European fisheries, are recovering very gradually from recent disastrous declines. These are species such as herring and cod with which Canadian products can compete successfully. The biological recovery process probably will continue to be very slow and indeed extended as France and other EC countries insist on the highest possible TACs. These countries are anxious to keep their fleets as fully employed as possible, maintaining their capacity and efficiency, in anticipation of an eventual recovery of the stocks.

The harvesting capability of the French fleet is expected to remain constant, with a reduction in the number of mostly older, smaller, inefficient boats, as new, larger, and higher-speed trawlers designed particularly for tuna and sardine fishing begin operation.

The French fleet is currently active in the tuna fishery in intertropical waters of the Atlantic and in the coastal zones of some 20 countries . These activities are, naturally, extremely dependent on international policies governing the management of migratory species as well as local decisions with respect to the extension of jurisdiction. The catch is, for the most part, frozen round for delivery and processing by foreign buyers. The tuna fleets are becoming more and more efficient as technology advances, but there is some concern that the efficiency of the fleets may be outstripping the capacity of the stocks to regenerate. As a result, the French are somewhat pessimistic about the future of the existing tuna fleet though they are optimistic about possible new fishing opportunities in the Pacific and Indian Oceans, particularly in the waters around New Caledonia.

The future of the French fishing industry is closely linked to the development of a Common Fisheries Policy in the EC. Between 70% and 80% of French landings are in Community waters within the jurisdictional authority of Great Britain or Ireland. The continued access to these zones by the French fleet is considered critical to its continued viability.

It is difficult, in the absence of a CFP to predict with any assurance the fisheries production for France in the medium term. Some broad projections can be made, based on current or proposed quotas and predicted resource levels.

As noted previously, the French hope their production in 1985 could be in the order of 20% higher than 1978 levels including traditional species and those which are currently underutilized. This projection is based on estimated increases in available stocks in EC waters currently fished by French fleets. These detailed projections for traditional groundfish landings are as follows*:

West Scotland	:+ 6.4%
North Sea	:+16.4%
Irish Sea	: no change
Celtic Plateau	:+14.0%
English Channel	:+ 4.0%
Gulf of Gascony	:+14.0%
Mediterranean	:+ 3.0%

Most notable among these projections are those for the North Sea where it is estimated that landings of cod, haddock and pollock may increase by 10% and landings of whiting may increase by as much as 80%. These projections are however based on rather optimistic resource regeneration projections and assume continued access to foreign waters. Furthermore, these are indications that the French fleet will be excluded from British coastal waters and a box around the Orkney and Shetland Islands in Scotland.

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* Projection reported in Mer et littoral, Commissariat général du plan, Paris July, 1980.

Table 4

France: Projected landings of species categories by fishing area, 1985

(tonnes)

Sector	Groundfish	Pelagics	Crustaceans	Other	Cultured Shellfish	Total 1985	Total 1978
Norway	--	--	--	--	--	--	19 400
Faeroes	20 000	--	--	--	--	20 000	13 087
North Sea	105 000	10 000	--	110	--	115 110	92 431
West Scotland	59 000	4 200	--	550	--	63 750	58 617
Irish Sea	6 800	400	--	500	--	7 700	7 705
Celtic Plateau	60 150	25 000	5 000	1 300	--	91 450	71 396
English Channel	61 800	45 000	13 000	36 500	53 000	209 300	180 170
Gulf of Gascony	43 200	60 000	15 000	12 000	100 000	230 200	175 471
Mediterranean	12 500	25 500	125	2 350	12 000	52 475	40 460
Spain-Portugal	--	5 000	--	--	--	5 000	4 986
Total	368 450	175 100	33 125	53 310	165 000	794 985	663 723

Source: Mer et littoral, Commissariat général du plan, Paris, 1980.

3. Common Fisheries Policy for the EC

Negotiations are continuing among the EC Member States in an effort to conclude a Common Fisheries Policy (CFP) which would put in place a balanced approach to the allocation of Community fishery resources as well as the resolution of a variety of issues including access to coastal waters of Member States, reference prices and conservation.

However, the major issue insofar as France is concerned, remains that of the proposed quotas. The position of the French government has been that allocations should be based on the quotas imposed in 1978 and on the actual landings for that year. The absolute minimum allocations which the French feel would be acceptable are as follows:

	(tonnes)
Cod	22 000
Pollock	55 000
Whiting	35 000
Mackerel	24 000
Hake	24 000
Haddock	11 000
Herring	5 000

The debate over the quotas has already proven to be long and bitter as member countries strive to make up for loss of access to foreign waters and reduced landings resulting from an overtaxed resource. No agreement on a CFP had been reached by Spring 1981.

Another problem that promises to trouble negotiations is the growing friction between France and the United Kingdom, resulting from France's continued overfishing of certain stocks, most notably herring. The UK has emphasized the need for strict conservation measures to allow stocks to rebuild. French fishermen, on the other hand, have all but ignored established quotas with the apparent blessing of the French authorities responsible for their application. With UK fishermen now threatening to ignore conservation quotas in retaliation, it appears that the atmosphere will become even more acrimonious.

4. Import-Export Balance

French imports of fishery products intended for human consumption totaled 397 000 tonnes in 1979 for a value of 4 380 million francs. Exports from France in the same year were in the order of 105 000 tonnes, representing a value of 1 107 million francs (see Table 6). In both 1978 and 1979 the value of imported products exceeded the value of products produced domestically. This is a trend that will probably continue in the medium term owing to the limited resources available to the French fleet and limited potential for expansion of the fisheries sector.

The French government is becoming increasingly alarmed at the growth of the balance of trade deficit in the fisheries sector. This deficit reached 3.4 billion francs in 1979. Since 1971, the trade deficit in fishery products has grown, in real terms, at a rate of 6.5% per year. It is possible to trace this progression by converting actual deficits to value in terms of 1979 francs. These results are shown in Table 5.

Table 5

France: Fisheries sector international trade balance

Year	Deficit (million 1979 FF)	% increase (decrease)
1971	1 961	
1972	2 080	6.1
1973	2 000	(3.0)
1974	2 131	6.5
1975	2 386	11.9
1976	2 534	6.4
1977	3 079	21.3
1978	3 207	4.2
1979	3 418	6.6

Source: Rapport sur le commerce extérieur des produits de la pêche en 1979; Comité central des pêches maritimes, Paris, 1980.

Table 6

France: imports and exports of fish for human consumption, 1979

	Imports (tonnes)	Exports (tonnes)
Saltwater Fish		
- Fresh or chilled		
Whole	89 477	41 161
Fillets	4 215	469
- Frozen		
Whole	63 270	24 009
Fillets	35 137	4 864
- Salted or dried	17 242	3 422
- Smoked	517	198
- Canned or preserved	51 602	3 878
Freshwater Fish		
- Fresh or chilled	5 784	6 629
- Frozen	16 882	1 333
- Salted or dried	35	252
- Smoked	302	385
- Canned or preserved	3 527	190
Shellfish		
- Crustaceans		
Fresh or frozen	32 332	5 405
Canned or preserved	12 414	630
- Molluscs		
Fresh or frozen	55 796	9 791
Canned or preserved	6 959	1 840
Other products (caviar, etc.)	1 498	42
TOTAL VOLUME (tonnes)	396 989	104 498
TOTAL VALUE (million FF)	4 380	1 107

Source: Rapport sur le commerce extérieur des produits de la pêche en 1979, Comité central des pêches maritimes, Paris, 1980.

The French government is attempting to reduce the fisheries deficit by increasing domestic production, but it will be an uphill battle as the availability of the resource and rising costs will make it difficult to increase landings significantly in the foreseeable future. The resolution and acceptance of a CFP will undoubtedly clarify France's position somewhat, though indications in Spring 1981 are that the news may not be good for French fishermen.

The problem is further complicated by the product mix involved in the import/export market. This may be seen from Table 7, which outlines the annual average increases in terms of volume and value between 1974 and 1979.

Over that period, export volumes grew at a faster rate than did volumes of imports. There are notable exceptions to this. For example, exports of saltwater crustaceans grew by an average of 12.7% while imports grew by 19.5% annually. Exports of finfish grew relatively quickly recording an average annual increase of 8.8%, but in value terms imports have by far outstripped these increases of exports. The average price for shellfish and molluscs, for example, has grown by a substantial 26.4% annually during the period.

Significant increases have been registered in imports of saltwater fish products, with a 19% annual average over the five year period for fresh or chilled products and 14% for other products. In terms of fresh, chilled and frozen fish, exports have more than made up for these increases (31% f&c and 23% frozen). But for the canned and dried or salted products, exports have only increased marginally (6% canned and 5% salted or dried) thereby widening the trade deficit considerably. This indicates that France imports high value-added products while exporting relatively low value-added products such as whole fish or frozen fish.

A substantial portion of France's trade in fishery products is with other Member States of the EC. France imports those common species which it requires to supplement its own production from its European neighbours. It imports from third countries those products which are not available or are in short supply in Community waters. These include products which have a high value-added such as crab and shrimp. The value of imports from third countries in 1979 had grown to twice that of imports from EC countries.

Table 7

France: imports and exports of aquatic organisms.[1]

Main categories		Imports					Exports				
		Volume (tonnes)	Value ('000 Francs)	Aver. Price FF/kg	Average yearly change - 5 yrs. Volume	Average yearly change - 5 yrs. Average Price	Volume (tonnes)	Value ('000 Francs)	Aver. Price FF/kg	Average yearly change - 5 yrs. Volume	Average yearly change - 5 yrs. Average Price
Saltwater finfish	1974	202 473	994 991	4.91	+ 5.3%	+10.4%	51 096	227 752	4.46	+ 8.8%	+11.6%
	1979	261 460	2 100 573	8.03			78 001	604 874	7.75		
Other finfish	1974	15 585	217 057	13.93	+11.5%	+11.6%	5 751	78 204	13.6	+ 8.8%	+ 8.5%
	1979	26 530	641 748	24.19			8 789	180 030	20.48		
Saltwater Crustaceans	1974	17 500	312 553	17.86	+19.5%	+ 7.2%	3 280	46 437	14.16	+12.7%	+10.0%
	1979	42 671	1 069 751	25.07			5 969	136 446	22.86		
Shellfish and Molluscs	1974	45 500	95 175	2.09	+ 4.0%	+26.4%	8 971	60 164	6.71	+ 1.9%	+11.5%
	1979	55 258	371 925	6.73			9 832	113 846	11.58		
Total	1974	281 058	1 619 776	5.76	+ 6.5%	+13.5%	69 098	412 557	5.97	+ 8.2%	+11.1%
	1979	385 919	4 183 997	10.84			102 591	1 035 196	10.09		

Source: Rapport sur le commerce extérieur des produits de la pêche en 1979. Comité central des pêches maritimes, Paris, 1980.

[1]Does not include freshwater molluscs and crustaceans, nor roes or livers.

D. POTENTIAL FOR CANADIAN SALES

It is important for readers of this report to note that the numbers used for quantities in this section (including Table 8) are based on French import statistics rather than Canadian export statistics. This is an important distinction as the authors were not able to reconcile the two statistical systems. Therefore, current and projected Canadian exports based on Statistics Canada trade figures are also included in this report as Appendix V. Readers should also note that it is the Canadian export figures to France which are used in the various "species" annexes to the Worldwide Fisheries Marketing Study.

The selection of French fisheries imports presented in Table 8 shows totals for 1978 and 1979 of 117.07 and 123.89 thousand tonnes respectively, an increase of 5.8% at annual rates. During these years purchases from Canada declined slightly from 16.79 to 15.74 thousand tonnes, or from a share of the French import market of 14.3% to 12.7% in 1979. Looking ahead, the best estimates of French selected fisheries import requirements for 1985 are for 158.23 thousand tonnes, (an increase in volume over 1979 of 27.7%) with Canada supplying just over 20 thousand tonnes. The Canadian share of this import market is assumed to remain close to 13% because Canadian sales are perceived as presenting something of a problem for France, due to the large market value share of these imports. In 1979, Canada was second to Denmark in terms of the French deficit in the trade of fishery products. The French government is becoming increasingly concerned by this trade deficit and has taken steps to reduce it.

Salmon is likely to remain the leader in Canadian sales to France, though some potential exists for increasing sales of other species, most notably lobster. In general, species and products expected to be increasingly in demand in France and available from Canada include monkfish, skate wings, hake fillets, scallops, cod, flatfish, salt cod, dogfish and canned and frozen crab.

The major determining factors for success of Canadian products on the French market will be (as ever) price and quality. As noted earlier, the French consumer has been reluctant to absorb relatively fast rises in prices and has, as a result, turned to alternate sources of protein. Recent increases in reference prices and tariffs in the EC will also make it more difficult for Canadian products to compete with those originating from within the Community.

Table 8
France: selected imports and projections.
(tonnes)

Product Description	Code No.	1978 Total	1978 Canada	1979 Total	1979 Canada	1985 Total	1985 Canada
Pelagic & Estuarial							
1. Cod							
1.1 fresh or chilled (excl. fillets)	0301 4800	23 468	--	21 649	--	26 340	--
1.2 frozen (excl. fillets)	0301 4900	1 360	466	506	71	1 651	350
1.3 fillets, fresh or chilled	0301 8100	3 458	--	3 530	--	3 979	--
1.4 fillets, frozen	0301 9100	7 274	69	10 283	265	13 636	368
1.5 dried, unsalted (excl. fillets)	0302 0300	73	--	56	--	100	--
dried, salted (excl. fillets)	0302 0500	5 806	--	6 054	86	7 385	550
wet salted or in brine (excl. fillets)	0302 0700	6 239	--	6 054	--	6 400	--
1.6 fillets, dried, salted or in brine	0302 2100	344	--	311	36	350	40
1.7 smoked	0302 3991	80	--	4	--	50	--
*Sub-total (cod)		48 102	535	48 447	458	59 891	1 308
2. Herring							
2.1 fresh or chilled (excl. fillets)	0301 2100/2400	3 335	--	2 166	--	2 635	--
2.2 frozen (excl. fillets)	0301 2300/2500	9 441	6 330	7 743	4 165	9 498	4 049
2.3 dried, salted or in brine	0302 0100	4 479	947	2 986	682	3 390	622
2.4 smoked	0302 3100	112	--	78	--	100	--
*Sub-total (herring)		17 367	7 277	12 973	4 847	15 623	4 671
3. Salmon							
3.1 fresh or chilled (excl. fillets)	0301 0300	1 227	18	1 273	--	2 500	--
3.2 frozen (excl. fillets)	0301 0400	12 073	5 207	14 299	5 327	20 700	6 624
3.3 fillets, salted or in brine	0302 2500	9	--	7	--	5	--
3.4 smoked	0302 3300	212	--	5	--	--	--
3.5 canned	1604 3000	3 170	235	3 479	520	5 258	945
*Sub-total (salmon)		16 691	5 460	19 063	5 847	28 463	7 569
Freshwater Species							
4. Pike							
4.1 fresh or chilled	0301 1510	467	--	464	--	569	--
4.2 frozen	0301 1690	1 531	1 416	1 387	1 216	1 701	1 500
*Sub-total (pike)		1 998	1 416	1 851	1 216	2 270	1 500
5. Other freshwater species							
5.1 fresh or chilled	0301 1590	1 264	9	1 353	--	1 660	--
5.2 frozen	0301 1690	274	28	373	66	458	96
5.3 canned	1604 9830	44	--	48	--	50	--
*Sub-total (freshwater)		1 582	37	1 774	66	2 168	96
Molluscs and Crustaceans							
6. Lobsters (Homarus spp.)							
6.1 live	0303 2100	748	181	1 100	454	1 580	700
6.2 whole, other than live	0303 2300	178	166	695	682	1 500	1 400
6.3 other than whole, nes	0303 2900	75	74	5	-	100	50
*Sub-total (lobsters)		1 001	421	1 800	1 136	3 180	2 150
7. Crabs & Crayfish							
7.1 fresh (live or dead), chilled frozen	0303 4100	2 557	57	3 271	32	4 030	70
7.2 canned	1605 2000	4 060	1 227	5 741	1 613	7 176	1 800
*Sub-total (crabs & crayfish)		6 617	1 284	9 012	1 645	11 206	1 870
8. Shrimps & prawns							
8.1 Pandalidae spp., fresh (live or dead), chilled, frozen, etc.	0303 4300	6 190	-	8 940	295	10 965	1 206
8.2 Crangon spp., fresh, chilled or simply boiled in water	0303 4320	62	-	81	-	99	-
8.3 Other shrimps & prawns	0303 4300	9 100	-	9 670	-	11 861	-
*Sub-total (shrimps & prawns)		15 352	-	18 691	295	22 925	1 206
9. Squid							
9.1 Ommastrephidae, laligo, sagittatus spp., frozen	0303 6800	4 321	-	6 213	61	8 300	100
9.2 Others, frozen	0303 6810	256	-	444	-	600	-
*Sub-total (squid)		4 577	-	6 657	61	8 900	100
10. Scallops							
10.1 frozen	0303 6840	3 846	361	2 723	173	3 575	250
11. TOTALS, tonnes.		117 133	16 791	122 991	15 744	158 201	20 720

The symbol (-) indicates negligible or non-existent imports from Canada.
Source: 1978/1979 data; Ministère du budget, Direction générale des douanes et droits indirects, Paris, 1980.
1985 projections are by the authors.

1. Salmon

It is expected that salmon will continue to be the major Canadian fisheries export to France in terms of both volume and value. Total French imports of salmon grew quickly in 1979, reaching a volume of nearly 20 000 tonnes, about 30% of which came from Canada. There has been an increase of imports of farmed salmon from Denmark and Scotland, but this is, for the most part, destined to the fresh salmon market and is unlikely to cut into the Canadian share of the frozen and canned market.

Canadian Pacific salmon is highly appreciated in France for its special quality. It is sought for reprocessing, particularly for smoking, and this demand is likely to continue and perhaps increase over the medium term. The imposition of higher tariffs on Canadian salmon demanded by EC salmon producers may, however, have an effect on our ability to compete.

2. Cod

Imports of all cod products into France decreased somewhat in 1979 due, it appears, mainly to increased landings by the French fleet of substitute groundfish species. Also the consumer demand for cod products decreased slightly in 1979. It is likely, however, that imports of cod will increase over the medium term.

Again, Canadian products will have to overcome higher reference prices to compete with cod products of EC origin. French landings are not expected to increase appreciably over the medium term, but there will very likely be an improved supply situation in other EC countries as stocks rebuild.

In 1979, French imports of Canadian whole frozen cod declined drastically, but this was replaced to a degree, by increases in frozen fillets and salted cod products. There appears to be some optimism that Canadian salted cod products may increase their share of the market dramatically over the medium term because of declining local production in France. Frozen blocks will very likely maintain their share of the market, as demand for prepared dishes, sticks and breaded portions increases in France.

3. Herring

It is difficult to project the French market for herring in the medium term. Because of EC supply constraints there will undoubtedly be requirements for third country imports. However, rising prices and decreasing domestic demand coupled with uncertain resource levels in the North Sea make projections tenuous at best.

The North Sea stocks are suffering from overfishing in spite of quotas. Illegal fishing by French fishermen brought about 50 000 tonnes of herring into French ports in 1979 and indications are that this activity has continued. It appears likely, therefore, that the North Sea stocks will take some time to regenerate given the current level of fishing, both legal and otherwise. This would particularly be the case if UK fishermen, frustrated over illegal French fishing, make good their threat to ignore herring quotas and bans.

There will continue to be a need for whole frozen herring as raw material for French processing plants and Canada may maintain a share of this market, provided price and quality are kept at reasonable levels.

4. Lobster

Canadian lobster continues to be a highly prized product among French consumers, though its price relegates it to the luxury category. Live lobsters take the largest share of the market, but whole frozen lobster in brine have become extremely popular as well. Imports of whole frozen lobster nearly tripled in 1979, with Canada supplying almost 100% of these requirements.

European lobster producers, particularly in Scotland have been pressing for the application of reference prices for lobster to help their product compete with the lower priced Canadian lobster. It appears at present, however, that Canadian lobster will not face any new barriers.

There is good potential for some increased sales of Canadian lobster in France, but it is a luxury item and the market is limited. French importers have indicated that they would import more live product if it were possible to get lower air freight rates from the carriers.

5. Crab

The market for crab in France continues to be strong, particularly as prices have become somewhat more manageable. Canadian canned products may, however, suffer from recent quality problems created by processors dumping second grade crab onto the French market. The established labels, particularly those that have acquired a strong quality image over the years, should not be affected though smaller processors may find an extremely limited market for their product.

The canned crab market grew impressively in 1979, increasing by 40% over 1978, though the Canadian share of the market decreased marginally.

6. Shrimp

The French market for shrimp has been growing rapidly since 1975. The largest share of the import market is held by tropical shrimp, which account for about 50% of the total requirement. However, Arctic shrimp (pandalidae) has increased its share of the market at the expense of the grey shrimp which seems not to have found the same favour among consumers.

Canada supplied 295 tonnes of pandalidae shrimp to France in 1979, and there appears to be good potential for increasing this amount over the medium term.

7. Scallops

The Canadian share of the French scallop market declined somewhat in 1979 as high prices drove demand down. It is expected that demand will remain relatively stable in the next few years, even though prices are expected to again increase sharply.

Canadian producers are at a disadvantage on the French market since they appear unable to provide scallops with the roe (coraille) attached. This is the preferred form in France. It is anticipated, however, that a small part of the market will remain in Canadian hands.

8. Squid

Consumption of squid has increased sharply in France (43%, 1978-79) and while Canada supplies only a very small amount at present, there is some potential for expansion. New and improved product forms being developed in Canada may find favour in France.

E. TRADE PRACTICES

1. Product Requirements

Product texture, colour and flavour should be consistent with each species being properly handled through the distribution chain (i.e., not bruised, well iced and without offensive odour). The product is expected to be as close to "natural" as possible in terms of freshness, appearance and presentation.

The final form of the fish depends on whether it is being sold at the retail level, institutions or restaurants. Fish for canning are accepted in barrels, and frozen fish are accepted in strong cardboard master cartons. Retail packs vary in weight from 200 to 500 grams and occasionally, for less expensive items, 1 000grams. The most popular size are in the 200 to 400-gram range.

For the hotel, restaurant and institutional trade, frozen portions are widely used, but product requirements vary according to the type of establishment and the age and sex of customers. Hotel dining rooms and upper-class, restaurants use only a limited amount of frozen meats, fish and fowl, preferring, to prepare finished meals from fresh, raw unprocessed products. Hotel coffee shops and medium-level restaurants require fresh portions (if available at reasonable prices) and greater quantities of frozen main course products. Public cafeterias and company restaurants, which cater to company personnel and are subsidized by the firm, are geared exclusively to portions and operate on a cost-plus factor per portion. Even so, kitchen staff in these outlets still prefer to develop the "trimmings" such as sauces and gravies and therefore are not yet potential customers for fully-prepared meals. Depending on the mix of the firm's personnel, meals tend to range from pork, beef and lamb dishes for men to poultry, salads and fish for women. A male dominated firm will require larger portions of less-expensive species, whereas for women, smaller portions of finer species are preferred. Institutions such as boarding schools, children's homes, retirement homes and hospitals require easily-carved meats and easily-handled fish, i.e., deboned and without head or skin.

2. Promotion, Supply and Demand

The major challenge for Canadian exporters interested in improving sales to France would appear to be the matching of their promotion efforts to the shifting forces of supply and demand in France. Doing so would appear to require a careful analysis of trends for specific fish and fish products, with particular attention to the preferences of the various segments of the market and to the appropriate pricing, packaging and handling.

In addition, the exporter will have to adjust to government currency control and other regulations, unfamiliar trade practices, and a complex system of distribution.

Though the French government is striving toward the difficult goal of a balanced fisheries trade, transactions are relatively free of government-imposed restrictions such as quotas and licenses. However, it should be noted that in the past the French government has used internal regulations which have indirectly dampened imports. An example has been retroactive price freezes at wholesale and retail levels. A regulation still in effect requires retail shops to offer consumers a fish fillet, a whole fish and a fish portion at government-set prices each week.

Currency restrictions are most complex and the best sources of information for exporters are the five Canadian banks established in Paris (i.e. the Canadian Imperial Bank of Commerce, the Royal Bank of Canada, the Banque Canadienne Nationale, the Bank of Montreal, and the Bank of Nova Scotia). The latter two operate representation offices rather than full banking services.

Unless a history of satisfactory dealings has been built up between an exporter and buyer, it is recommended that an irrevocable letter of credit be requested, with sight or term drafts being less satisfactory arrangements. French firms often operate on tight cash positions and payment in 30, 60 and even 90 days will often be requested.

Bankers in France will normally assume that all operations not specified in regulations as permissible are not permitted, and most dealings are handled on the basis of exceptions for which derogations can or cannot be obtained. In some cases, a French importer cannot issue payment without proof

that the product is en route to him. A French exporter cannot usually bill a customer abroad for future sales or cannot ship goods abroad unless proof of payment can be shown. The recommendation is, therefore, for exporters to avail themselves of bank advice prior to engaging in trading with new customers or in a new French market.

Health regulations as well as document requirements are numerous and often need interpretation. Increasing use is being made in France of ABVT tests to measure the level of toxicity in certain products which may appear suspect. Exporters should consult French regulations addressing "Hygienic Conditions - Transportation of Perishables", "Hygienic Conditions pertaining to the Production, Conservation, Distribution and Sales of Prepared Dinners" and "Sanitary Regulations concerning Fisheries Products".

It should be noted that the importer is responsible for all dealings and payments related to customs tariffs. The rates shown in customs schedules are for guidance only as levels can be suspended, increased or decreased without notice and at any time. Confirmation of tariff rates should always be obtained prior to computing prices with the foreign buyer relative to a specific sale.

F. SUMMARY AND CONCLUSION

1. With a population expected to reach 57 million by 1985 and a well-established taste for seafood, France can be expected to remain an important market for fish products, even though rising prices may somewhat dampen consumer demand. Per capita consumption was estimated at 18.1 kilograms in 1979, down from an average of 21.5 kilograms between 1972 and 1974. The United Nations Food and Agriculture Organization (FAO) and other sources predict that consumption could reach 24 kilograms by 1985, but rising prices could prove these projections to be overly optimistic.

2. Nonetheless, it appears certain that France will have to rely increasingly on imports to meet consumer demand, in spite of efforts by the French government to expand the operations of the domestic industry and thus correct a serious imbalance in international fish trade.

3. The French fishing industry faces an uncertain future at best. Many of France's traditional fishing grounds, notably in the North Atlantic, have been severely restricted or closed outright to French fishermen. Only in Canadian waters do French catches approach traditional levels, under an agreement that runs until 1986. The recovery of depleted stocks in other traditional waters is expected to be very slow, due to continuing fishing pressure. The absence of a Common Fisheries Policy for the European Economic Community adds to the uncertainty. France hopes to increase total landings to 794 985 tonnes in 1985, from 663 723 tonnes in 1978, but this may be too optimistic.

4. France imported 397 000 tonnes of fish products for human consumption in 1979, with a value of 4 380 million francs. Exports from France in the same year were 105 000 tonnes, worth 1 107 million francs. A deficit of 3.4 billion francs on fisheries trade is a situation that causes growing alarm to French authorities. Canada presents a special problem for France because of the relatively high value of Canadian imports. In 1979, Canada was second to Denmark in terms of France's deficit in fish trading.

5. Salmon is the major fish export item from Canada to France, and is likely to remain the leader, particularly in frozen and canned forms. French salmon imports have been increasing rapidly, reaching 20 000 tonnes in 1979, with about 30% of that volume coming from Canada. There is brisk demand especially for Canadian Pacific salmon, much of it for smoking. This demand is expected to continue, and could increase over the medium term. A word of caution is in order, however, because EC salmon producers are demanding higher tariffs on Canadian salmon, and this could affect Canada's capacity to compete.

6. Imports of cod products decreased in 1979, due to increased landings by the French fleet and a drop in consumer demand. An increase in demand is projected over the medium term, but Canadian products will have to overcome higher reference prices to compete with products from EC countries.

7. Canadian lobster is highly prized in France, but price makes it a luxury product and thus limits the market. Live lobsters account for the greater share of the market, but there is growing demand as well for frozen lobster in brine. French importers have indicated they would import more live lobsters if they could get lower air freight rates.

8. Other products expected to be increasingly in demand and available from Canada include monkfish, skate wings, hake fillets, scallops, flatfish, salted cod, dogfish and canned and frozen crab.

9. The major determining factors for success of Canadian products on the French market will be price and quality. French consumsers are reluctant to absorb rapid price increases, and turn to other sources of protein. Recent increases in EC reference prices and tariffs will make it more difficult for Canada to compete.

APPENDICES

APPENDIX I

THE FRENCH FISHING INDUSTRY

The French government has recently announced a fisheries policy coupled with a 37% increase in budgeting expenditure designed to assist the French fishing industry. The main objectives of the new fisheries policy are:

- to increase the efficiency and productivity of the French fishing fleets;
- to diversify and expand the fishing zones available to the French fleets; and
- to limit the deficit which now exists in the trade of fisheries products with other countries.

The policy is an attempt to overcome the growing problems that have plagued the French industry since 1974-75. The major problems have been the severe limitation of access to traditional fishing zones and increases in costs of fishing, particularly the rapid rise in fuel costs. The French government is therefore encouraging its fishing industry to enter into co-operative arrangements to achieve those objectives and maintain the highest possible employment levels and fleet utilization. Government assistance, however, is seen in the short-to-medium term until an EC Common Fisheries Policy is developed.

According to government officials, the French fishing industry was slower in studying possibilities abroad and entering into joint ventures and other co-operative arrangements with foreign industries, than were other European countries. It was apparently felt that limited scope existed for joint ventures except in the area of luxury species, or species not preferred by Northern Europeans.

Medium and lower value species were left to fleets of other European fishing states. As well as being more aggressive in sourcing stocks and maximizing fleet utilization, marketing efforts by other European nations also surpassed those of the French in both Europe in general, and France.

Consequently, initial French efforts were directed toward the African coast, which yields considerable volumes of shrimp, crawfish, langoustine, tuna, sole, monkfish, cuttlefish and other species. The emphasis is not expected to change and may even increase as this activity occurs off the coast of francophone Africa. At worst, France will need to pay a higher price for its negotiated fishing rights. It is anticipated that assistance will be offered in the development of local fishing fleets, onshore production facilities and training of local fishermen. French importers have been associating with French fleet operators, who will train local crews in exchange for access to fishing zones. The importer will market the catch in France.

Another priority in France has been the expansion of the fishing boat building industry through government aid. A program initiated in 1977 has had a dramatic effect on the construction of fishing vessels. In 1978 alone, the number of units produced increased by more than 350%, and this trend is expected to continue in the short term.

The government is also encouraging the expansion of aquaculture in France, most notably with respect to oysters and mussels. The ambitious goal is a 50% increase (to 140 000 tonnes) in oyster production and a 70% increase (to 85 000 tonnes) in mussel production by 1985. Again, the major objective is to reduce the trade deficit for fisheries products (3.4 billion francs in 1979) by developing substitute products for imported goods as well as by increasing exports of French products such as farmed shellfish.

The French fishing fleet currently employs approximately 25 000 persons with another 100 000 ancillary traders, but, unless a concentrated effort is undertaken, it is thought that over one third of these jobs will be lost by 1985. At present, the outlook is not very optimistic. It is extremely unlikely that the actions undertaken by the French government will be able to stave off the difficulties faced by the country's fishing industry.

APPENDIX II

DISTRIBUTION

Over the years, the French distribution chain grew with the addition of numerous middlemen until prices rose inordinately to the end user. The extreme links in the chain (i.e., the fish buyer or importer and the retailer of HR & I trade) expanded in terms of product range and services offered in an effort to contract the network.

Fresh domestic fish benefits from the shortest distribution route. The wholesale fishmonger or mareyeur buys from the fishermen or at auction, and the product is either delivered to regional wholesale markets such as Rungis in Paris or picked up by distributors and wholesalers for delivery to the retail restaurant trade. Normally, wholesalers at regional markets will obtain the product from the mareyeur and sell directly to fish retailers and restauranteurs from the wholesale market.

The mareyeur normally uses a 7-8.5% to a 10-15% margin and the operators of stalls at wholesale markets such as the Rungis market are permitted a government dictated 5-7% markup plus costs, although sometimes sales have been made at or below costs or as high as the market will bear (i.e. 15-20%). Transportation from port to Paris normally costs about 10¢ per kilogram.

Imported products, particularly frozen ones, may be channelled via an agent, broker, importer, wholesale refrigerated centre, secondary wholesaler and retailer. Conversely, with the trend towards fewer middlemen, products can be imported by a supermarket chain or on the latter's behalf by a central buying unit for direct sale to consumers. Markups depend on market price and services rendered by the various levels. An agent's markup can range from 2% to 4%, an importer's from 5-7% to 15-20%, wholesalers 10-20% and retailers 15-35% depending on species, product form, product movement and product availability. All levels of distribution are obviously not used for all species. It is left to the exporter and initial contact in France to identify the necessary links required to maximize end prices.

In view of the importance of the Rungis market in Paris in the distribution of fisheries products, it deserves special mention. In 1978, 130 wholesalers operated in this market which catered to between 400 and 1 000 buyers per day. Rungis handled 114 683 tonnes of fish and fisheries products of which 30% was imported.

APPENDIX III

TRANSPORTATION

Marseilles, together with its ancillary satellites of Fos, 30 miles to the west, Lavera, Port-de-Bouc, Caronte and Port St. Louis, is the most important port in France in terms of tonnage handled, the second port in Europe (after Rotterdam) and one of the largest in the world. It handled 97.5 million tons of freight in 1977, of which almost 81% was oil (a drop compared to 1976 due to the reopening of the Suez Canal, the opening of the Sumed pipeline and the decline in French consumption). The port serves a local population of over a million and 11 million live in the Nice-Montpellier-Lyon triangle. Fos is being developed as an important industrial complex with oil and liquefied natural gas storage facilities, refineries and petrochemical works, two integrated iron and steel works (the largest being the Solmer steel works, capable of producing 3.5 million tons of rolled steel) and a steel fabrication plant. A large power station is also to be built, eventually to run on nuclear energy. Its port and industrial development area is destined to cover over 70 square miles, of which about 50 square miles will be reserved for industrial development. Fos, at the mouth of the River Rhone, lies at the start of an oil pipeline which serves 11 refineries and extends up the Rhone and Rhine valleys to Karlsruhe in Germany, and in addition several refined product lines and gas pipelines run from Fos to various areas of France and Switzerland.

Le Havre is the second largest French port and the leading container and general cargo port. It handled a total of some 80 million tons of goods in 1977 (of which almost 64 million tons comprised oil traffic). The Ocean Terminal giving container traffic much needed additional space was inaugurated in 1977; a new coal berth for vessels of up to 170 000 dwt welcomed its first docking vessel in April 1978, and preliminary work on the extension of Le Havre's third container terminal, the Ocean Dock, began in February 1978. There is a 25 000 acre industrial zone behind the town where there remains room for further industrial expansion.

Dunkerque, the third French port in importance, handling almost 33 million tons of cargo in 1977, is the leading port for iron ore and textile imports. It will accommodate tankers of up to 400 000 tons, and is becoming increasingly important in cross-channel trade, while Dieppe is France's leading banana port and second most important point of entry for fruit after Marseille. Calais lies on the shortest crossing point from England while Boulogne, although smaller, boasts the shortest link between London and Paris, via hovercraft, and offers the usual roll-on/roll-off facilities. It is the largest fishing port on the Continent. Port facilities are being expanded at Dunkerque, Le Havre, the river port of Rouen and Cherbourg. Nantes - St. Nazaire and Boardeaux and the new industrial zone of Le Verdon are also important ports.

For those exporters who do not wish to contact the shipping operator direct there is no shortage of good forwarding agents, many of whom will take any size of consignment, handle the documentation and arrange to forward goods to any French destination, all as part of a single agreement. The services offered by French rail may be of interest to those wishing to export smaller loads. Practically all large facilities in France are rail connected.

Fast air-freight services are available from Vancouver, Toronto, Montreal and Halifax to Paris from where French air freight services connect to Lille, Strasbourg, Lyon, Marseilles, Toulouse, Bordeaux and Biarritz.

Internal transport facilities include 37 000 kilometres of railway lines, some 1 485 000 kilometres of highway, including 3 400 kilometres of motorway, and extensive internal and external air services.

Source: Economic Report - France; Lloyds Bank Limited, Overseas Division, London, England, 1980.

APPENDIX IV

MARKETING IN FRANCE

The method adopted for selling in France will depend to a large extent on the product being sold. Although some exporters deal direct with customers in France (particularly if their products are large items of sophisticated equipment), it is usually preferable to employ the services of local intermediaries either in the form of branch offices, subsidiaries or agents. A number of companies have offices in France, most of which are located in Paris. These may be either branch offices of the parent company, or subsidiary companies, usually in the form of a Société Anonyme (SA) or a Société a responsabilité limitée (SARL), the two most common types of French company. Alternatively, the exporters approaching the French market for the first time might consider co-operating with a French distributor on a reciprocal basis. A company could also establish a central supply depot in France with a number of regional distributors as an alternative to engaging the services of a local agent.

Where the exporter's business is not large enough to justify the setting up of a branch office or subsidiary company the usual alternative is to appoint an agent. Selling in France has, until recently, been considered difficult mainly because it was thought necessary to complete every transaction in Paris, even if the bulk of the business lay in the provinces. While it is still preferable to appoint one agent in Paris, there are relatively few Paris representatives who can effectively cover the whole of France and it is, therefore, advantageous to employ agents to cover distinct regions or to represent a company in the trade centres of a particular branch of industry.

Agents may be employed on a purchasing basis or a commission basis. To employ an agent on a purchasing basis is more usual with well-established importing houses in France, particularly those which specialize in machinery and engineering products. Such firms usually demand exclusive agencies, purchase in normal times on f.o.b. or c.i.f. with credit terms of 30 to 90 days, and fix their own selling prices. In the case of consumer goods it is preferable to appoint an agent on a commission basis. Payment for such goods is made direct by the agent's customer to the exporter from whom the agent receives his commission.

The exporter wishing to enter the French market will find that advertising in France is a well-established and effective method of communication. Advertising is carried out through all the usual media: press, billboards, public transportation, radio, television, cinema and direct mail. There are many advertising agencies in France.

Correspondence should, wherever possible, be in French (particularly where technical products are concerned), and all weights and measures must be in the metric system. Under a law of 1972, which became effective in January 1977, trade and advertising material, both written and spoken, must be in French including instructions, guarantees, warranties, servicing information, invoices and orders - where there is no generally accepted French translation for foreign names or product descriptions the latter may be employed if accompanied by an explanation in French - and while original advertising and trade material is not forbidden, it must be accompanied by a French translation. Prices are best quoted c.i.f. in francs, at least when initially approaching the market.

Numerous international and specialized trade fairs take place in France each year offering the exporter an obvious marketplace for his goods. Over 40 take place in Paris alone on an annual or biennial basis while other important exhibitions are held at Cannes, Lyon and Nice.

Paris, with a population including suburbs in excess of 9 million, is the capital and commercial, financial and transportation centre of the country. It is the centre for the wholesale distribution of most French and foreign products intended for the French market, and most import and export businesses, agencies, etc. are located in Paris. There has however, been a growing trend in recent years towards departure from this strict centralization of trade activity, concurrent with the French government's policy of decentralizing and the growing importance of provincial industrial centres such as Lyon. Nevertheless, with the exception of Paris, the population of France still tends to be highly dispersed in small towns and villages.

There are more retail outlets per head of population in France than in any other country of the EC with the exception of Italy. However, the trend in recent years has been toward larger shopping units, particularly supermarkets

and hypermarkets, the growth of which has been very rapid in the past decade. Large out-of-town shopping centres have also grown in importance; they incorporate department stores and smaller shops with adequate parking facilities. The growth of these large retail outlets has met with considerable opposition from the smaller traditional shopkeepers and, in order to withstand the competition, many small shops have grouped together into voluntary buying associations, while there has also been a tendency for the large numbers of small grocery and other food outlets now going out of business to be replaced by luxury shops dealing in such items as ornamental and leather goods, perfumes, sport goods and antiques.

When considering selling to the French hypermarkets, an exporter should remember that these stores deal in large volume sales of goods that, although not necessarily of the lowest quality, are unlikely to be of the highest, and goods suitable for selling at competitive discount price ranges are likely to be the most readily acceptable.

Source: Economic Report - France, Lloyd's Bank, London, England, 1980.

APPENDIX V

CANADIAN FISH PRODUCT EXPORTS TO

FRANCE

1978 - 1985

The table contained in this Appendix summarizes past and projected exports to France from a Canadian perspective. The figures differ from the French import statistics contained in this report.

This difference is attributable mainly to differing statistical reporting systems, flows of goods through third countries, and so on. Nevertheless, it is included within this report because of the further detail it provides and the trends it indicates for various product forms exported to France. The source publication is Export by Commodities, Statistics Canada, Catalogue #65-004 (monthly), Ottawa. The reference numbers used for the product categories are those included in the cited Statistics Canada publication. It should be noted that the species Annexes to the Worldwide Fisheries Marketing Study base their 1985 projections on the Canadian export figures contained in this Appendix (i.e. and not on the French import figures in the text).

CANADIAN FISH AND SEAFOOD EXPORTS TO FRANCE
(tonnes)

	1978	1979	1980	1985
Salmon, Spring - Fresh, whole, dressed 31-44	-	-	1	-
Pike, fresh, whole, dressed 31-89	14	15	36	44
Cod, Atlantic - Frozen, whole, dressed 33-06	50	23	41	123
Haddock, Hake - Frozen, whole, dressed 33-17	-	11	14	17
Herring - Frozen, whole, dressed 33-27	1 595	799	297	288
Salmon, Chum - frozen, whole, dressed 33-40	472	514	222	275
Salmon, Coho - Frozen, whole, dressed 33-41	3 283	3 231	3 333	4 432
Salmon, Sockeye - Frozen 33-43	-	35	-	100
Salmon, Spring - Frozen, whole, dressed 33-44	1 246	1 592	1 377	1 770

	1978	1979	1980	1985
Salmon - Frozen, whole or dressed NES 33-45	210	417	340	623
Smelt, Sea - Frozen, whole, dressed 33-48	-	29	29	20
Sea Fish - Frozen, whole, dressed 33-69	401	424	559	665
Pickerel - Frozen, whole or dressed 33-88	-	-	14	20
Pike - Frozen, whole or dressed 33-89	881	634	823	1 014
Smelt, Freshwater - Frozen, whole, dressed 33-91	33	34	54	58
Freshwater Fish - Frozen, whole, dressed NES 33-99	49	35	4	1
Perch fillets - Fresh 35-86	-	-	4	6
Freshwater Fish -Fillets, fresh NES 35-99	-	1	14	15

	1978	1979	1980	1985
Cod fillets, Atlantic - Frozen 37-06	63	26	336	424
Haddock fillets - Frozen 37-17	-	-	9	11
Herring fillets - Frozen 37-27	4 546	1 956	1 600	1 336
Sole Flounder Fillets - Frozen 37-49	-	-	13	15
Turbot Fillets - Frozen 37-64	305	394	784	731
Flatfish Fillets, Atlantic - Frozen NES 37-66	228	137	90	73
Flatfish Fillets, Pacific - Frozen NES 37-67	34	11	2	-
Sea Fish Fillets - Frozen, NES 37-69	6	2	121	(?)
Perch Fillets, Frozen 37-86	29	10	55	58

	1978	1979	1980	1985
Pickerel Fillets - Frozen 37-88	-	-	17	20
Pike Fillets -Frozen 37-89	356	207	100	126
Sauger Fillets - Frozen 37-90	52	14	2	-
Whitefish Fillets - Frozen 37-95	-	26	-	10
Cod Blocks and Slabs - Frozen 39-12	348	375	802	1 070
Pollock Blocs and Slabs - Frozen 39-36	-	-	1	-
Seafish Blocks, etc --- Fresh, frozen NES 39-69	-	3	-	-
Pike Blocks and Slabs - Frozen 39-89	93	199	280	245
Whitefish Blocks and Slabs - Frozen 39-95	-	8	-	-

	1978	1979	1980	1985
Freshwater Fish Blocks, etc. - Fresh or frozen NES 39-99	-	2	-	-
Herring, Bloaters 41-26	-	-	17	-
Salmon, Smoked 41-45	-	-	6	-
Cod, Boneless - Salted 42-06	2	-	54	59
Cod, Green, Salted, Wet Salted, NES 42-07	-	-	648	691
Cod, Heavy Salted, 46-50 pc moisture 42-10	-	10	19	47
Cod, Heavy Salted 42-45 pc moisture 42-11	-	18	39	63
Cod, Heavy Salted, 43 pc or less moisture 42-12	-	-	181	240
Fish, Salted and/or Dried NES 42-69	52	15	86	73

	1978	1979	1980	1985
Herring Fillets, Vinegar-cured 43-24	-	28	36	23
Herring, whole, dressed, pickled NES 43-25	52	588	104	92
Herring, split pickled 43-26	97	133	30	26
Herring Fillets, Pickled, NES 43-27	68	73	12	10
Salmon, Chum, Canned 44-40	102	253	157	292
Salmon, Pink, Canned 44-42	74	114	45	177
Salmon, Sockeye, Canned 44-43	5	4	6	25
Salmon, Canned, NES 44-45	5	47	-	60
Fish and Fish Products, Canned, NES 44-69	-	-	41	-

	1978	1979	1980	1985
Clams, Fresh or Frozen 46-12	-	7	25	-
Crabs, Fresh or Frozen 46-20	220	432	308	470
Lobster in shell, Fresh or Frozen 46-24	583	1 097	1 045	1 689
Lobster Meat Fresh/Chilled/Boiled 46-26	-	16	-	54
Lobster Meat, Frozen, inc. Boiled 46-27	80	339	161	396
Scallops, Frozen 46-43	314	134	102	193
Shrimps & Prawns, Fresh or Frozen 46-49	1	456	18	860
Squid, Whole Fresh or Frozen (including Round) 46-51	-	43	7	70
Squid, Tubes, Fresh or Frozen 46-53	-	-	3	-

	1978	1979	1980	1985
Shellfish, Fresh or Frozen NES 46-59	4	4	-	6
Crabs, Canned 46-76	619	735	603	816
Lobster and Products, Canned 46-80	61	42	25	55
Shellfish and Products NES 46-99	28	7	2	2
Salmon Roe, Fresh, Frozen or Cured 49-30	-	1	4	6
Fish Roe NES, Fresh, Frozen Cured 49-40	3	9	4	3
Fishery Foods and Feeds, NES 49-99	44	37	68	(?)