A FREE TRADE AGREEMENT WITH KOREA: FISH AND SEAFOOD PRODUCT OPPORTUNITIES

Canada exported over $4.3 billion worth of fish and seafood products in 2005. A free trade agreement (FTA) with Korea would improve market access opportunities for Canadian fishers and processors by phasing out Korean tariffs on a range of exports of fish and seafood products.

Korea is an important market for Canada

- $32.7 million worth of Canadian fish and seafood products were exported to Korea in 2005, despite high tariffs.

- In 2005, $888 million worth of Canadian fish and seafood products were exported to China, Japan and Hong Kong, which have comparable tariff regimes. This indicates that Northeast Asia is an extremely important export destination for Canadian fish and seafood products.

Potential for increased trade in the future

- Korea imported close to $2.5 billion worth of fish and seafood products in 2005.

- Tariff elimination will provide Canadian exporters with a price advantage that could increase their market share in Korea.

- Some recent gains have been made even with the current tariffs in place. For example, the Canadian share of Korean mackerel imports rose from 3.0% to 7.4% from 2003 to 2005, despite a 10% tariff.

- Korea applies tariffs ranging from 5 to 30% on imported fish and seafood products, with an average applied rate of 17.6% in 2005. Specific rates include:

Product	Tariff
Lobster, including Rock Lobster	20%
Haddock, Salmon, Monkfish, Skate, Rockfish, Sardines, Herrings, Mackerel, Hagfish	10 to 20%
Shrimp	20%
Oysters, Scallops, Mussels	20%
Blue Crab	20%
King Crab and Crab meat	20%

What is Canada seeking to achieve?

- In the negotiations, we are placing emphasis on those products that are of the highest priority to Canada, specifically lobster, shrimp, mackerel, herring, eels, snow crab and salmon.

- We are also seeking to eliminate tariffs for other products where Korea imposes high tariffs but where there are currently low levels of trade, creating new opportunities for Canadian fish exporters.