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« Saint Pierre and Miquelon »

Geographically localized over 4,000 kilometers from mainland France, the archipelago of Saint Pierre and Miquelon (SPM) is situated in the immediate vicinity of Newfoundland (Canada). Operating as an overseas territorial collectivity since 2003, it comprises two municipalities—Saint-Pierre and Miquelon-Langlade—and counts approximately 6,000 inhabitants. This collectivity does not belong to the European Union but is recognized status-wise as an OCT (Overseas Countries and Territories — PTOM), a legal positioning that powerfully facilitates commercial trade exchanges with Canada and the United States, as operations are not bound by stringent EU community standards. How does this small French archipelago succeed in holding its own within this transatlantic space, and what are its core sovereign stakes tied to the sea?

A structural macroeconomic dependence

Commercial fishing operates as the historical core activity of SPM, having long concentrated on a single dominant species: Atlantic cod (*Gadus morhua*). Since the 1980s, the conservation status of regional fish stocks became deeply worrying. At an era when the question of sustainable resource management was still largely ignored by all stakeholders and where an extreme fishing mortality pressure weighed on the species, Canada unilaterally decreed a monumental moratorium on cod in 1992.

For Saint Pierre and Miquelon, this structural decision represented a fatal blow, not only for the local artisanal fleet but for the entire upstream and downstream seafood value chain, encompassing vessel bunkering and industrial fish processing. Economically and symbolically shattered by the Canadian 1992 cod fishing moratorium across the Grand Banks of Newfoundland—which was only very partially lifted in 1997—the archipelago depends heavily on public sector civil service salary transfers. The survival of its fragile halieutic sector was strictly maintained through sustained public financial funding and a profound evolution in operational practices.

These state-backed revenue streams confer upon the inhabitants of Saint Pierre and Miquelon a globally enviable socioeconomic position within a deeply depressed regional environment across the Canadian Atlantic provinces, and this despite an international trade coverage ratio (*taux de couverture*) that, since the collapse of industrial cod processing, hovers year in, year out around a mere 15%.

The contemporary fishing sector and the sea cucumber paradox

Seafood extraction remains the premier export activity of the Archipelago. In 2023, 2,100 tonnes of marine products were landed (combining artisanal day-boats and industrial trawlers), translating into a 19.5% decline over one year and marking the lowest operational volume recorded since 2013.

The industrial seafood processing cluster was historically engineered around the mono-activity of cod. The total quantities of cod processed within the archipelago collapsed from over 30,000 tonnes down to a mere 168 tonnes during the 2017–2018 campaign. In 1992, a binding international maritime boundary arbitration drastically restricted the exclusive fishing zones and quotas allocated to the archipelago's fleets. Furthermore, the fishing quotas granted to Saint Pierre and Miquelon have steadily contracted over the years due to acute resource rarefaction and bilateral international treaties.

Consequently, modern fishing operations are highly concentrated on a restricted matrix of target species: orange-footed sea cucumbers or holothurians (68.4%), snow crabs (21.8%), American lobsters, sea scallops, skates, and residual Atlantic cod.

The macroeconomics of the local fishing industry, both industrial and artisanal, is today dangerously dependent on the sea cucumber, regarding both volumetric catches and market pricing. This intense concentration on a single species—reproducing the historic vulnerability seen with cod—tailored essentially for the mainland Chinese market, was severely disrupted during the COVID-19 crisis. China's

strict zero-COVID policy completely froze import logistics pipelines, driving the Le Garrec Group (headquartered in Boulogne-sur-Mer), which was already financially fragile prior to the public health crisis, into corporate insolvency and receivership.

While the subsequent reopening of the Chinese market following the lifting of sanitary restrictions injected brief operational breathing room into the value chain, it forced a severe collective awareness regarding the absolute necessity for species diversification. The crisis nonetheless persists today, with market prices crashing by 20% to 30% due to massive global inventories accumulated during the lockdowns.

The sea cucumber is concurrently a victim of severe overfishing across alternative global regions, notably in Mayotte, Costa Rica, Egypt, and Tanzania, due to its complete lack of defensive mobility and extreme harvesting facility. Multiple sovereign States have enacted strict moratoria to preserve this endangered species from localized extinction. The strategic objective for Saint Pierre and Miquelon focuses on maximizing sustainable catches while rapidly engineering a domestic processing industry to capture heightened value-added (including complete evisceration, boiling, and drying into *bêche-de-mer*), a trajectory that strictly mandates a long-term sustainable management of the resource.

According to Ifremer, severe anxieties persist regarding the biological sustainability of the regional stock. Scientific datasets remain critically lacking. A benchmark scientific report from 2017 highlights: *"The biological lifecycle is practically unknown; the sole research studies executed on Cucumaria frondosa within the waters of Newfoundland demonstrate that the growth rate is exceptionally slow, with the sea cucumber reaching its adult size only beyond a 20-year timeline. Sexual maturity is estimated to be reached at a size spanning 9 to 11 centimeters, but the explicit modalities of reproduction (spawning periods, fecundity, larval duration...) remain entirely unknown. Natural mortality rates are identically unknown. It is therefore scientifically impossible to formulate definitive conclusions regarding the stock renewal rates, which are predictably limited."*

Ifremer indicates a total harvestable resource (exploitable biomass) within French waters of nearly 30,000 tonnes, whereas Canadian experts evaluate the stock inside their adjacent waters surrounding the French EEZ at 200,000 tonnes. The maximum annual harvest rate not to be breached is fixed at 4% of the exploited stock, while strictly maintaining non-fished sanctuary zones. Consequently, the catches executed by Saint Pierre and Miquelon sit at the absolute upper limit of the sustainable bracket. To escape this trap, local fishermen are actively seeking to develop alternative species—most notably redfish (*sébaste*)—and to expand the value-added generated within the archipelago by maximizing the local processing of marine resources (sea cucumbers, American lobsters, snow crabs, groundfish, alongside bivalve mussel aquaculture in Miquelon).

Saint Pierre and Miquelon as a border island: The Franco-Canadian maritime dispute

In 1763, France permanently lost its Canadian colonies under the Treaty of Paris, retaining only a tiny archipelago to preserve a strategic base for its historic cod fishing operations. It formally committed not to fortify Saint Pierre and Miquelon while securing reciprocal fishing rights along selected coastlines of Newfoundland.

Following the global expansion of territorial seas to 12 nautical miles in 1971, the narrow waters separating SPM and Newfoundland were delimited by a bilateral treaty in 1972. This agreement thoroughly recalibrated cross-border fishing relations: it recognized the statutory right of French-flagged vessels to access zones under Canadian sovereignty, subject to compliance with resource management and conservation measures enacted by Ottawa's authorities. Reciprocally, Canadian fishermen were authorized to operate within French territorial waters.

However, the emerging international right granted to coastal States to establish sovereign jurisdictions up to 200 nm from their baselines—the Exclusive Economic Zones (EEZs) codified by Article 76 of the United Nations Convention on the Law of the Sea (UNCLOS)—profoundly complicated the geopolitics connecting Canada and France.

The close of the 1970s marked the global dawn of EEZ implementation. Within this perimeter, the coastal State commands exclusive sovereign rights over both biological resources and mineral subsoil, seabed, and water column deposits. For Canada, deploying an EEZ operated as a primary lever to regulate the intense international fishing footprint unfolding across its shelf, while anchoring a strictly guarded sanctuary (*chasse gardée*) face to potential future offshore hydrocarbon discoveries.

Consequently, in 1977, Canada unilaterally declared its 200-nm EEZ. This establishment instantly triggered acute diplomatic and legal disputes, notably because the heavily indented configuration of the

subarctic coastlines rendered the theoretical dispute-resolution models outlined by UNCLOS completely inefficient.

In the event of a total failure to reach a bilateral consensus between sovereign States, recourse to international third-party arbitration becomes mandatory. In the interim, both nations adopted conflicting, mismatched fisheries management frameworks across the disputed maritime sector, most notably targeting the critical St. Pierre Bank which hosted a massive, high-value cod stock.

France, which concurrently claimed historical fishing rights across alternative regional sectors, aggressively accused Canada of engineering artificially low quotas to systematically evict French fishermen from subarctic waters. For its part, Canada heavily reproached the French fleets for practicing predatory, intensive overfishing to the point of directly jeopardizing the biological survival of the shared stock.

Following protracted diplomatic negotiations, an interim fisheries management agreement was successfully concluded in 1989, coupled with a formal arbitration agreement entrusting the resolution of the maritime dispute to an *ad hoc* international arbitral tribunal. This tribunal was mandated to define the precise delimitation of the continental shelf and the overlying water column, taking as a structural baseline the territorial sea boundaries locked in by the 1972 treaty.

The formal verdict delivered by the Arbitral Tribunal in New York on June 10, 1992, proved unexpected to say the least. The final maritime sector allocated to France by the international court occupied less than a quarter of the total surface area claimed by Paris. Within the western sector of the archipelago, the tribunal merely granted a continental shelf extending a narrow 12 nautical miles wide, calculated from the outer limit of the French territorial sea, ruling that any further French projection would unfairly encroach upon the frontal coastal projection of Newfoundland.

Conversely, the tribunal estimated that Saint Pierre and Miquelon was entitled to a frontal maritime projection southward stretching to the maximum 200-nm limit, but strictly restricted to the physical "width" of the archipelago, calculated at 10.5 nautical miles. This narrow, elongated sovereign corridor is famously referred to by geopolitical experts as the "French Baguette" or, more pejoratively, the "Pipe". The boundary decision sparked deep indignation and outrage among the inhabitants of Saint Pierre and Miquelon. This geometric configuration of the French EEZ—completely enclaved within Canadian sovereign waters due to the adjacent coastlines of Nova Scotia—renders any autonomous, coherent ecosystem-based management of regional fisheries virtually impossible.

The two nations were mandated to renegotiate an enforcement *procès-verbal* of the March 27, 1972 agreement, formalizing selected historical fishing rights granted to France. This *procès-verbal*, officially concluded in 1994, recognizes specific catch quotas for Saint Pierre and Miquelon fishermen within maritime zones under Canadian jurisdiction. However, the total allowable catch (TAC) volume per species established by Ottawa is excessively low, rendering the French quotas commercially unexploitable. Concurrently, Canada's moratorium on cod fishing across the Grand Banks of Newfoundland (only partially lifted in 1997) dealt a fatal blow to the entire halieutic value chain, which was nonetheless artificially sustained by massive government financial subsidies.

Successive French governments compensated for a diplomatic involvement judged by locals as overly timid regarding the archipelago's maritime territorial disputes by deploying a domestic macroeconomic policy designed to mitigate local social tensions. This strategy relied on reinforced public financial investments to restore equilibrium across the local labor market. The core objective focused on enabling the archipelago to display positive economic and demographic indicators that masked the severe structural scars of the fishing industry collapse.

The stagnant state of the archipelago's fishing sector triggered intense geopolitical hopes regarding the potential discovery of offshore hydrocarbon reserves. In 2005, France and Canada concluded a formal bilateral treaty governing the exploration and exploitation of cross-border transboundary oil and gas fields; however, to date, no commercial wells have been verified.

Ultimately, the subarctic maritime boundary dispute remains wide open. In July 2011, a specialized scientific campaign was executed off the archipelago by the oceanographic research vessel *Le Suroît* within the framework of the national EXTRAPLAC master program (*Extension Raisonnée du Plateau Continental*). Orchestrated by Ifremer, the campaign aimed to compile the scientific and geological data files required to log formal extension claims before the United Nations Commission on the Limits of the Continental Shelf (CLCS — *CLCP*), the UN body tasked with evaluating sovereign requests to extend continental shelf boundaries beyond the standard 200-nm limit.

The scientific results derived from this campaign proved highly conclusive, demonstrating that the continental shelf extension of Saint Pierre and Miquelon strictly complies with the geological and legal criteria mandated by international law under the Montego Bay Convention (UNCLOS). Armed with this scientific file, the French Government officially submitted a formal request to extend the continental shelf of SPM to the CLCS on April 16, 2014. A greenfield diplomatic negotiation is thus engaged, with an ultimate international extension decision poised to materialize in the years ahead...

However, deep patience remains mandatory; more than ten years after this official filing, the international case is still active and pursuing its administrative course. Concurrently, Canada submitted its own sovereign request for the extension of its continental shelf to the CLCS and explicitly asserted that "*France (was) not eligible for a maritime zone.*"

Port traffic and the *Neoliner* transatlantic wind corridor

The Port of Saint Pierre and Miquelon operates as a State-managed gateway strictly oriented toward importations, logging an annual freight throughput of approximately 53,000 tonnes (reflecting the 2014–2018 historical average). Inbound commodity trade essentially encompasses refined petroleum products (to secure home heating, public electricity generation, and regional transport), generalized breakbulk, and a marginal volume of dry bulk. Outbound traffic mostly handles refrigerated containers packing local fisheries and conchicultural aquaculture products.

This seaborne trade relies fundamentally on two specialized cargo vessels deployed under a public service delegation framework (DSP Fret maritime), operating regular liner legs connecting Halifax (Canada) to Saint-Pierre on one hand, and linking Saint-Pierre to Miquelon on the other. The territorial collectivity concurrently intends to intervene within this logistics loop by leveraging its two proprietary ro-pax ferries commissioned in May 2018, both for inter-island transits and international links bound for Fortune (Newfoundland, Canada). Pursuant to a formal trilateral convention binding the territorial collectivity, the French State, and the Municipality of Fortune, cross-border Ro-Ro vehicle transportation successfully resumed following the post-COVID border reopening in 2021¹.

An alternative, highly innovative infrastructure blueprint focuses on the transatlantic operational deployment of the future *Néoliner*—a world-class wind-powered Ro-Ro cargo vessel engineered to bridge the ocean in a brief ten-day transit. This industrial venture is slated to launch its rotations across the 2025–2026 timeline, commanding a capacity of 190 twenty-foot equivalent units (TEUs) to execute approximately twelve annual roundtrips interconnecting Saint-Nazaire (mainland France), Saint Pierre and Miquelon, Halifax (Canada), and Baltimore (United States). Under this wind-assisted logistical framework, standard transit times from the metropole will be halved, allowing the subarctic archipelago to directly benefit from a reliable, low-carbon supply chain of fresh European food produce.

The DSP public service vessels are handled at the *Môle du Commerce* (Commercial Pier). This infrastructure is currently structurally fragile due to the degradation of the quay walls and hazardous subsoil water circulations beneath the reclaimed land plot, anomalies that require engineering investigations and urgent technical treatment. This pier furthermore houses the new bonded customs warehouse delivered in 2000 by the Territorial Collectivity, which requests the decentralized services of the French State (DTAM — *Direction Territoriale des Territoires et de la Mer*) to fully assume its infrastructure maintenance liabilities.

An exceptional overseas trade regime jeopardized by the CETA

The sweeping institutional advantages granted to OCTs (*PTOM*) by the European Union within the customs and commercial domains historically allowed Saint Pierre and Miquelon to leverage its specific legislative status directly inside its cross-border environment. These frameworks echo, under even more favorable terms since they target territories constitutionally tied to EU Member States, the historical market mechanisms established between the EU and the African, Caribbean, and Pacific (ACP) sovereign nations.

Bilateral agreements were renewed in December 2001, recognizing the subarctic archipelago as a third-party country commanding autonomous fiscal sovereignty while benefiting from an association agreement with the EU that grants its outbound commodities a full exemption from European customs

¹ The awarding of the new public service delegation (DSP) in 2021 was formally annulled by the Administrative Tribunal of Saint Pierre on July 25, 2024

duties. Two core pillars define this special trade regime tailored for products originating from OCTs: first, a total and unrestricted access to the European Single Market—a unilateral mechanism that requires zero commercial reciprocity from the territory—and second, the absolute abolition of customs barriers. The local economy historically exploited these advantages through two primary operational axes: technical maneuvers playing on the rules of origin (*règles d'origine*) and optimized transshipment logistics loops.

Consequently, Canadian industrial groups seeking to open trade corridors toward the European market identified a powerful interest in these mechanisms. Because Canada operates as a non-associated third-party country, its direct exports to Europe are systematically burdened by standard customs duties. The legal frameworks described above were uniquely positioned to attract Canadian industrial conglomerates, which stood ready to instrumentalize Saint Pierre and Miquelon's exceptional status to transform the French archipelago into a strategic customs gateway unlocking a consumer market of several hundred millions of individuals. The EU ranks as Canada's second-largest institutional trading partner globally, immediately following the United States, with bilateral trade volumes reaching approximately €64.2 billion in 2016.

However, the positioning of SPM as Canada's primary back-door gateway to the Old Continent never materialized as a commercial reality and stands today heavily threatened by the macroeconomic negotiations surrounding the final adoption of the Comprehensive Economic and Trade Agreement (CETA). This landmark free-trade treaty signed between the EU and Canada in 2016 (entered into provisional application in 2017) mandates the progressive phase-out of customs duties for Canadian corporations, most notably targeting seafood products which constitute the country's primary export pipeline [INDEX]. Within the French legislative landscape, the National Assembly originally approved the CETA ratification bill in 2019, prior to the Senate resoundingly rejecting the treaty on March 21, 2024. Consequently, French deputies will be mandated to vote anew on the ratification law, and the CETA cannot enter into permanent, full legal application until it is unanimously ratified by all 27 EU Member States (to date, 17 national Parliaments have validated the treaty).

Subarctic expedition cruise dynamics and the cabotage loophole

Following a sharp post-pandemic rebound in 2022, foreign tourist entries recorded a greenfield expansion in 2023. Over the full calendar year, 13,754 international tourists transited through Saint Pierre and Miquelon, outstripping the 11,978 entries logged in 2022 (+14.8%) and matching the pre-crisis baseline of 2019. Travelers originating from Canada represent the undisputed primary visitor pool of the archipelago (66.8%), followed closely by the United States (23.3%). Rising sharply over a one-year horizon, Canadian (+26.7%) and American (+12.9%) visitor densities have effectively surpassed their pre-pandemic levels. Conversely, tourist entries from alternative nationalities experienced a sharp retreat in 2023 (-27.5%), a contraction directly linked to a decline in standard cruise passenger transits. Port calls are heavily clustered during the subarctic summer season, scaling from June to October. On average, the harbor logs approximately fifteen cruise ships per year making port calls in Saint-Pierre. Crucially, half of these vessels command a capacity of fewer than 200 passengers; they operate within the expedition cruise sector, a niche market of luxury, themed, and polar itineraries that is currently experiencing a global explosion.

Selected ice-class expedition newbuilds currently under construction are structurally adapted to navigate the severe winter conditions of the High North, letting analysts forecast a future elongation of SPM's cruise season. Blending authentic French gastronomy (*the French Touch*), a rich regional history tied to the Prohibition smuggling era, and North American wild landscapes, Saint Pierre and Miquelon stands as a choice destination for the booming St. Lawrence River cruise itineraries. The archipelago commands a first-rate asset amid the expansion of cruises on the river, a potential further amplified by the rapid growth of expedition transits bound for the Canadian Arctic.

Nevertheless, severe structural handicaps persist, led by an insufficient shoreside tourism offering and port reception infrastructures entirely unsuited to accommodate mega-cruise ships exceeding 300 meters in length. The main passenger quay lacks a covered gangway to secure boardings. Engineering a continuous shoreside terminal shelter open throughout the vessel's call—fitted with public computers, free high-speed Wi-Fi networks, and comfortable seating lounges—would instantly optimize the passenger experience, mirroring the benchmark best practices deployed across adjacent Canadian ports. For selected experts, the local *French Touch* brand is not aggressively emphasized enough to capture international tourists seeking subarctic exoticism.

Paradoxically, SPM presents a powerful double institutional advantage for global cruise lines. The primary asset allows international corporations to legally fall under international maritime law regarding cabotage operations, provided the vessel executes a port call inside French sovereign territory. Any international cruise line expanding its itinerary offerings within the St. Lawrence River is legally mandated to make a mandatory port-of-call either in SPM or in the United States. This maritime stop allows the vessel to be governed by international maritime frameworks, thereby successfully bypassing the restrictive Canadian Coasting Trade Act.

Indeed, the Canadian Coasting Trade Act strictly prohibits foreign-flagged cruise ships from operating domestic, purely Canadian itineraries. The secondary unassailable asset of SPM remains its exceptional geographic positioning, functioning as a natural, safe logistical stepping stone for transpacific and transatlantic shipping lanes connecting North America to Europe.

Ultimately, Saint Pierre and Miquelon remains a highly singular, geostrategic French territory, enabling France to project its sovereign maritime influence and radiate its cultural heritage directly inside the North American continent.

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