



The media baron

In the 1980s and 1990s, Chinese capital began to flow in earnest into Canada from Hong Kong and Taiwan. Among those entrepreneurs who made Canada their new base for business was Thomas Fung. Fung, 52, first went to Canada with his family in 1967 when he was a high school student. On completing his tertiary education, he returned to Hong Kong, then worked in New York for three years before finally moving to Canada in 1984 and setting up the Fairchild Group, a real estate, media and retail conglomerate of which he is chairman and CEO. The Fairchild Group owns three national TV stations (Fairchild, Talentvision and Chinavision, a cable television station in Toronto devoted to Chinese-language programming), while the Fairchild Radio Group owns and operates five AM/FM radio stations in Vancouver, Calgary and Toronto broadcasting mainly in Mandarin and Cantonese. Fung's Chinese lifestyle magazine, *Popular Lifestyle & Entertainment Monthly*, has a monthly circulation of 65,000 copies, more than any other Chinese-language publication in Canada.

Fung is now busy with his C\$130 million project to rebuild the group's Aberdeen Centre mall in Richmond which he intends to turn into a showcase retail and entertainment complex, as well as a tourist attraction. Wang Tai Peng talks to the media baron and property tycoon about his businesses and his plans for the future.

Asia Inc: Tell us about your vision for the new Aberdeen Centre. How do you propose to attract both Asian as well as Western shoppers?

Thomas Fung: First of all, it makes a lot of business sense to capture both Asian and Western shoppers. Already, we are quite successful in the Asian market. The new mall is built according to all the major Western mall specifications. We [will] add in a lot of new features, such as a cluster of international retailers and world-class entertainment performances, to



attract multi-ethnic shoppers.

Your businesses run the gamut from real estate to media to retail. Are there synergies and, if so, how do you leverage on these?

Definitely, there are synergies between all our businesses. For example, the media business can help promote our retailing business, our property development, and vice versa — we can use our shopping centre to host some events for our media. And our retailing businesses can place ads in our own media. Indeed, there is quite a

sizeable advertising budget from our retailing stores.

How did your involvement in the media business come about? Did you set out to build a media empire?

I was no stranger to media. Before my migration to Canada, I ran an advertising agency, [and a] photography school and produced a few feature films in Hong Kong. After my return to Vancouver in 1984, I anticipated new waves of Hong Kong immigrants to Canada due to the 1997 handover.

I thought that I should be one step ahead of the others in starting the media business, capitalising on new waves of immigrants. With that anticipation, I started my media business in Vancouver, first by investing C\$6 million to buy a multi-ethnic radio station. Right after that, there was a Chinese TV station that declared bankruptcy.

As there was never ever a Chinese radio or TV station [before that] making any profit in Canada, the government wanted to have somebody who had the financial strength and management skills to take over. So, I was the one. Initially, I invested C\$13 million in that TV station alone. Although it was [seen as] kind of risky in [others'] eyes, in the very first year, we made a profit. It's been a joint venture with TVB in Hong Kong since the beginning. They own 20 per cent and I own 80 per cent. Everybody is happy about the turnaround; even the government is very pleased.

How big is Canada's multicultural TV and radio station market, and what's your market share? Who are your competitors?

We estimate the total multicultural (Chinese portion) TV and radio station market [to be] in the region of C\$30 million. Fairchild Radio and TV together take up about 65 per cent of the advertising market share. For TV, we do not have competi-

tors in the same category; however, if we count the advertising pie, we may consider [as competitors] the two over-the-air multicultural TV stations, OMNI-2 in Toronto and Channel M in Vancouver, which carry a limited amount of Chinese programming per week.

Is your media business targeted only at the Chinese community?

Well, the majority of our broadcasts are in Chinese, but we also broadcast in German, Italian, Japanese and Spanish, but not in English and French because of the licence. The TV station also broadcasts [using] a bit of Korean and Punjabi and Vietnamese... but predominantly,

it's in Chinese programmes that we make money. [Broadcasts in] the other languages aren't making money.

For the radio stations, we broadcast in close to 30 different languages, [including] Croatian, Spanish, and Italian. But only the Chinese programmes are profitable. It's simply because the Chinese market is much larger than other ethnic markets in Canada as the Chinese have greater spending power and a larger community.

We have two national TV stations broadcasting all day long. One is in Cantonese, the other Mandarin. We will be launching seven or eight [new] TV channels. The launching of these eight channels depends very much on our negotiation with programme suppliers and with broadcast distributing undertakings re-carriage. The purpose is primarily to provide a value-added service to the existing two core channels, namely Fairchild and Talentvision, and to maximise our market share within a certain market.

You also have plans for film production. Tell us about your previous film experience.

We financed a film called *Wild Geese*. That was 25 years ago. The movie starred Roger Moore. When I was in Hong Kong, I also produced a few Chinese movies. After I returned to Vancouver, I stopped because of my own businesses. But now that everything I established is on a sound footing, and because movie-making is my personal passion [Fung studied film-making at the University of New York], I'm going to do it again.

Do you have any film projects in mind?

Yes, but we are keeping it confidential at this moment. It's going to be English-language movies. But for all the English-language movies [we will produce], we will try to build in or incorporate at least one Chinese element. So these films will be more appealing to Asian markets.

As a media owner, you have opportunities to shape opinion. Do you have political aspirations?

No, I don't.

Do you depend on family members or professional managers to run the different businesses? What about a succession plan, or is it too early to talk about one?

I don't use any family members or friends to run the business. That's the last thing I want to see. Anyone who is capable should run the business, [and] not even my son, not family members, can interfere. In terms of a succession plan, I don't have any. The way I see it, as long as the business is running on its own merits, should anything happen, the company can still go on like a public company. Although it's a private company, I run it like a public enterprise.

Do you intend to take your businesses public?

No, I don't need additional funds at this moment. Even if I do, there is a lot of financial support I [can] call on from a very extensive and good network of business individuals in different countries. And it's more flexible without public listing.

How do you compare doing business in Vancouver with doing business in Hong Kong or elsewhere?

Relatively, Vancouver is the more difficult place to do business, compared with Hong Kong or the US. At the same time, however, if you really know the marketplace, really know the mentality of the consumers, I would say there are more opportunities here in Vancouver. Although the market is much smaller, at the same time, the competition is much smaller too.

That's why, if you can be successful in Vancouver, you can be successful in all the major cities in North America. ■



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