

deems its chances of success are better as a going concern than if liquidated.

to profitability. At the time, he was looking forward to the resumption of a more normal business life for

"There will be a period of disruption, I imagine," he said, while noting that successful operations will

room business of U.S.-based **Viasic Foods International Inc.** ♦
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rities rules and that it is based on independent engineering reports."

Daiso: Big buying power

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between one and two new stores per day in Asia.

In addition to Aberdeen Centre, he said Daiso and Fairchild have plans for at least two other Daiso outlets in the Lower Mainland, with Burnaby and downtown Vancouver atop the list of possible sites.

"We're going to look into expanding throughout Vancouver," Lui said.

He added that stores similar to the Aberdeen Centre flagship location are on the drawing board for Toronto, Edmonton and Montreal. Elsewhere in North America, Lui said Daiso will initially target Los Angeles, San Francisco and Nevada.

The total number of outlets planned for North America has yet to be determined by the Daiso-Fairchild partnership, but Lui said: "Expansion will be very rapid over the next 18 months."

The popularity of hyaku yen (100 Yen) stores in Japan's retail sector is a recent phenomenon, say observers of the Asian marketplace.

Jim Storey, a senior research analyst with the **Asia Pacific Foundation of Canada**, said up until the late 1980s there were few, if any, of the dollar-store-style retailers in Japan.

But the country's economic woes in the 1990s coupled with the surging availability of cheap consumer goods from China and other Asian countries sparked huge consumer demand in Japan and shook up what Storey said had been a highly regimented Japanese retail environment.

Much of the regimentation still remains, however.

A 2000 report from the United States Trade Representative stated that while Japan has implemented some deregulation, about 40 per cent of all economic activity in the coun-

try is still hobbled by "unnecessary, costly and excessive regulation."

Storey said that another factor has helped drive dollar store sales: Bargain hunting has come out of the closet in Japan, where shopping for cheap goods was previously frowned upon.

"[When] things were going well in the Japanese economy ... there was a sense that you had to have everything that was new and product cycles were fairly short," said Storey. "This is the story: Japanese consumers demanded quality. But I think that was just the story."

As the availability of quality goods at reasonable prices increased and some of the retail store laws were changed, the Japanese responded like every one else does, added Storey.

"[Dollar stores] have taken off in the last four to five years. They're all over the place and they're popular. People look for bargains and are happy when they find them."

Storey said Daiso's success in North America will depend on the company's ability to maintain its supply chains. He added that Daiso could also benefit from the Agreement on Textiles and Clothing, which will phase out international tariffs and quotas by 2005 to bring the textile and garment industry in line with World Trade Organization rules.

And while some retailers have said B.C.'s marketplace has reached the saturation point, with close to 1,000 dollar stores around the province, some retail analysts disagree.

Blake Hudema of **Hudema Consulting Group** said there's room in the market, especially for Daiso's larger department-store style approach.

"It's sort of like an organized bizarre or flea market, a very upscale flea market, and we all love them. You know that you're going to go in

there and get the lowest price on merchandise," Hudema said.

"The B.C. consumer is still hampered by a lack of disposable income. Our incomes are rising but not that fast, so we still have a high disposition towards value shopping."

According to Lui, Daiso stores offer upwards of 40,000 different items in the \$2 to \$4 price range. Products include everything from snack foods to kitchenware and gardening supplies to men's and women's clothing.

Daiso's enormous buying power gives it considerable leverage with manufacturers. Lui said the company orders a minimum of 10 million units of any given inventory item.

The Aberdeen Daiso store, which is scheduled to open on December 12, will employ around 100 people.

The Fairchild Group's holdings include television and radio stations, and retail and commercial properties. ♦

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