Perspective of the Chinese retail business in the coming years and the opportunity for the Japanese retailers

中国流通の未来展望と日本小売業進出の将来性

speaker	**Dynamic Marketing Co. Ltd.** President, CEO **Hideyuki Muguruma**
partner	**MULVANNYG2** Principal **Cho Suzumura**

① Perspective of the Chinese retail business in the coming decades by comparing the history of retail progress and the present condition of the USA and Japan

（アメリカ及び日本の流通の歴史的変遷及び現状から見た中国の今後の流通動向）

1. The birth of the third-generation SC in China

（中国でのSC展開は第3世代のSCづくり）

Abbr. SC=Shopping Centers

1.1 First-generation SC: developed in U.S.A.

（第１世代のSCづくりはアメリカ）

American-style centers derived from European gallerias.

ヨーロッパのギャレリアの進化版が米国式

1.2 Second-generation SC: developed in JAPAN.

（第2世代のSCづくりは日本）

Japanese-style centers are remodeled from American-style to Asian.

米国式のアジア版が日本式SC

1.3 Third-generation SC: emerging in China.

（第3世代のSCづくりは中国）

Blend American and Asian styles to best suit Chinese market.

米国式＋アジア式を基軸に中国式SCの開発が必要

1.4 Chinese shopping centers will incorporate the latest know-how.

（中国でのSC開発は最新かつ最高のノウハウで開発）

2.Background of emerging Shopping Centers （世界共通のショッピングセンター出現の背景）

2.1 Economic background

Shopping centers develop as mass production, distribution, and consumption systems become prevalent.

経済的に「大量生産システム」「大量販売システム」「大量消費システム」の確立

2.1.1 Rise of the middle income family with 10,000 US$ and over GDP per capital.

中産階級の出現（1人当たりGDPが1万ドル以上）

2.1.2 The growing availability of private cars; 50% and over car ownership ratio.

車社会の到来（車の世帯保有が50%以上）

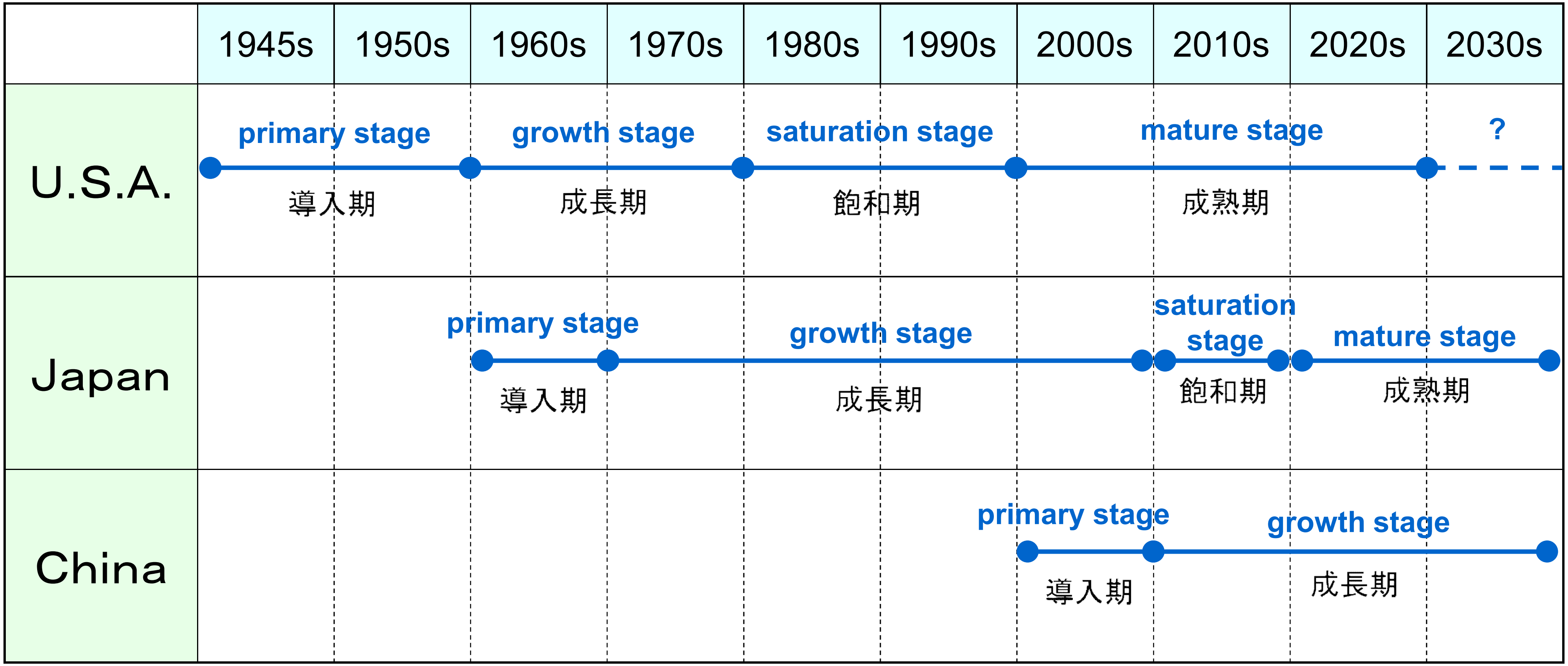
2.1.3 The flow of population from countryside to urban.

人口の大移動（地方から都会へ）

Over the next 20 to 30 years, shopping centers will grow in China. The age of the shopping center has just begun.

（中国の今後20～30年間は「SC時代」。今は、その出発点）

3.Shopping centers in China, Japan and U.S.A.
（中国・日本・USAのSCの推移）



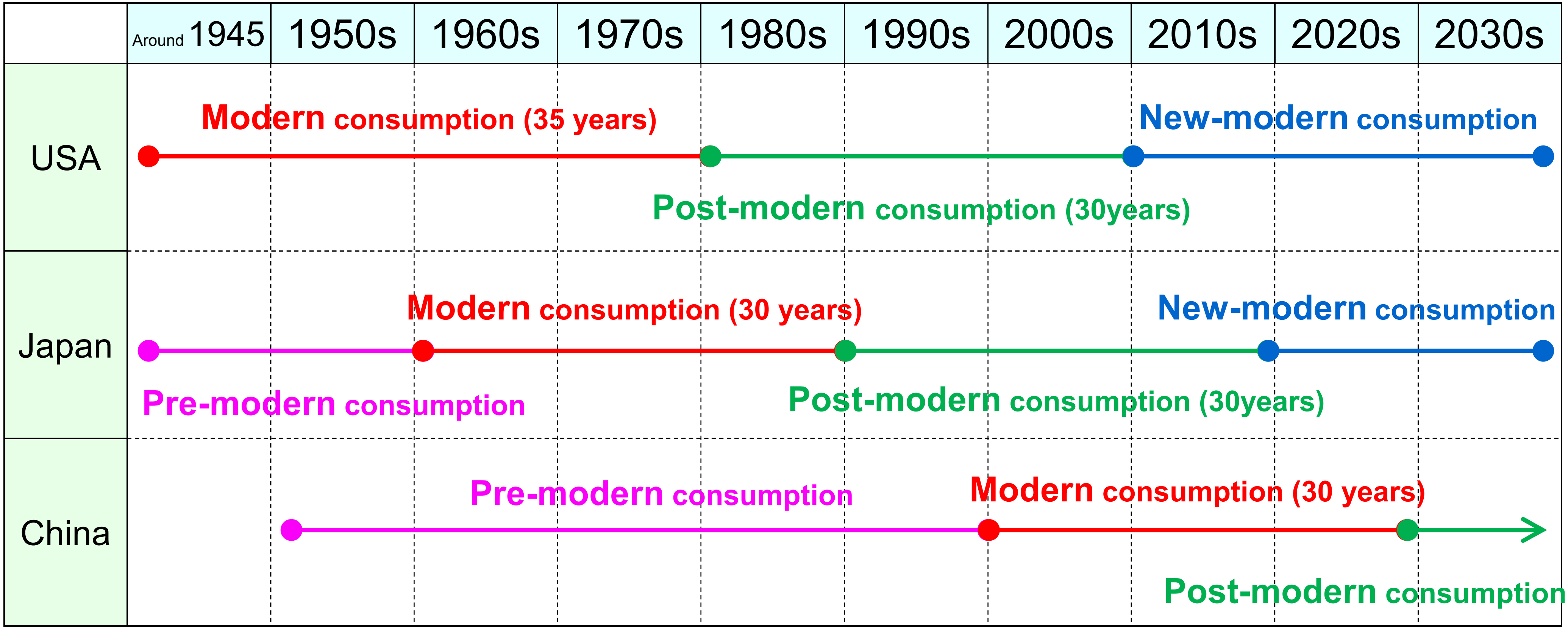
STAGE	State of each stage	
STAGE 1	primary stage	導入期
STAGE 2	growth stage	成長期
STAGE 3	saturation stage	飽和期
STAGE 4	mature stage	成熟期
STAGE 5	declining stage	衰退期

4.Transition of retail stage（流通業の変遷）

		1960s	1970s	1980s	1990s	2000s	2010s	2020s	2030s
USA	Local shopping streets	STAGE 5	STAGE 5	-	-	-	-	-	-
	NSC	STAGE 2	STAGE 2	STAGE 2	STAGE 2	STAGE 3	STAGE 3	STAGE 3	STAGE 5
	CSC	STAGE 3	STAGE 3	STAGE 5	-	-	-	-	-
	RSC	STAGE 2	STAGE 2	STAGE 3	STAGE 3	STAGE 3	STAGE 4	STAGE 4	STAGE 5
	Power Center		STAGE 1	STAGE 2	STAGE 2	STAGE 3	STAGE 3	STAGE 4	STAGE 5
	Outlet Center			STAGE 1	STAGE 2	STAGE 2	STAGE 3	STAGE 4	STAGE 5
	Lifestyle Center				STAGE 1	STAGE 2	STAGE 2	STAGE 3	STAGE 3
Japan	Local shopping streets	STAGE 3	STAGE 3	STAGE 5	STAGE 5	STAGE 5	STAGE 5	-	-
	NSC			STAGE 1	STAGE 2	STAGE 2	STAGE 3	STAGE 3	STAGE 5
	CSC	STAGE 1	STAGE 2	STAGE 2	STAGE 3	STAGE 3	STAGE 5	-	-
	RSC			STAGE 1	STAGE 2	STAGE 2	STAGE 3	STAGE 4	STAGE 4
	Power Center				STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5
	Outlet Center				STAGE 1	STAGE 2	STAGE 3	STAGE 4	STAGE 5
	Lifestyle Center					STAGE 1	STAGE 2	STAGE 2	STAGE 3
China	Local shopping streets	STAGE 3	STAGE 3	STAGE 3	STAGE 3	STAGE 5	STAGE 5	STAGE 5	-
	NSC					STAGE 1	STAGE 2	STAGE 2	STAGE 3
	CSC(Including Super Center)			STAGE 1	STAGE 2	STAGE 2	STAGE 2	STAGE 3	STAGE 3
	RSC					STAGE 1	STAGE 2	STAGE 2	STAGE 3
	Power Center					STAGE 1	STAGE 2	STAGE 2	STAGE 3
	Outlet Center						STAGE 1	STAGE 2	STAGE 3
	Lifestyle Center						STAGE 1	STAGE 2	STAGE 2

5.Evolution form of consumer market（アメリカ、日本、中国の消費の進化）

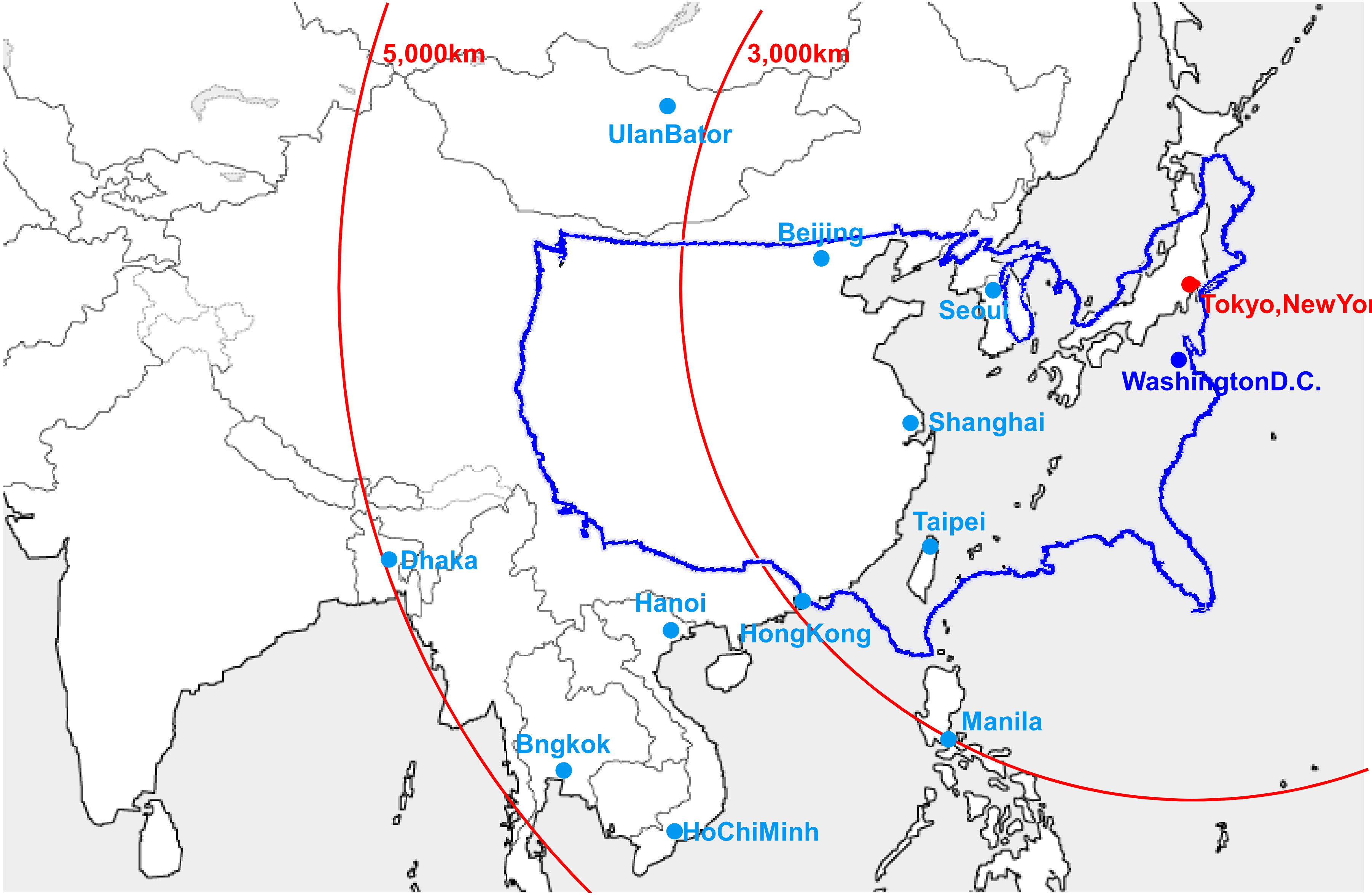
Pre-modern consumption	Life of consumers are at the subsistence level
Modern consumption	Consumers are enjoying their new shopping experience
Post-modern consumption	Consumers tire of mass consumption
New-modern consumption	Different way of consumption based on new values



② Potential of the Chinese market for the Japanese enterprises starting to advance overseas

（日本の流通企業の中国市場への進出の潜在的魅力）

1.Overlaying images of the land area: East Asia and U.S.A
(東アジア圏とアメリカ合衆国の国土面積比較)



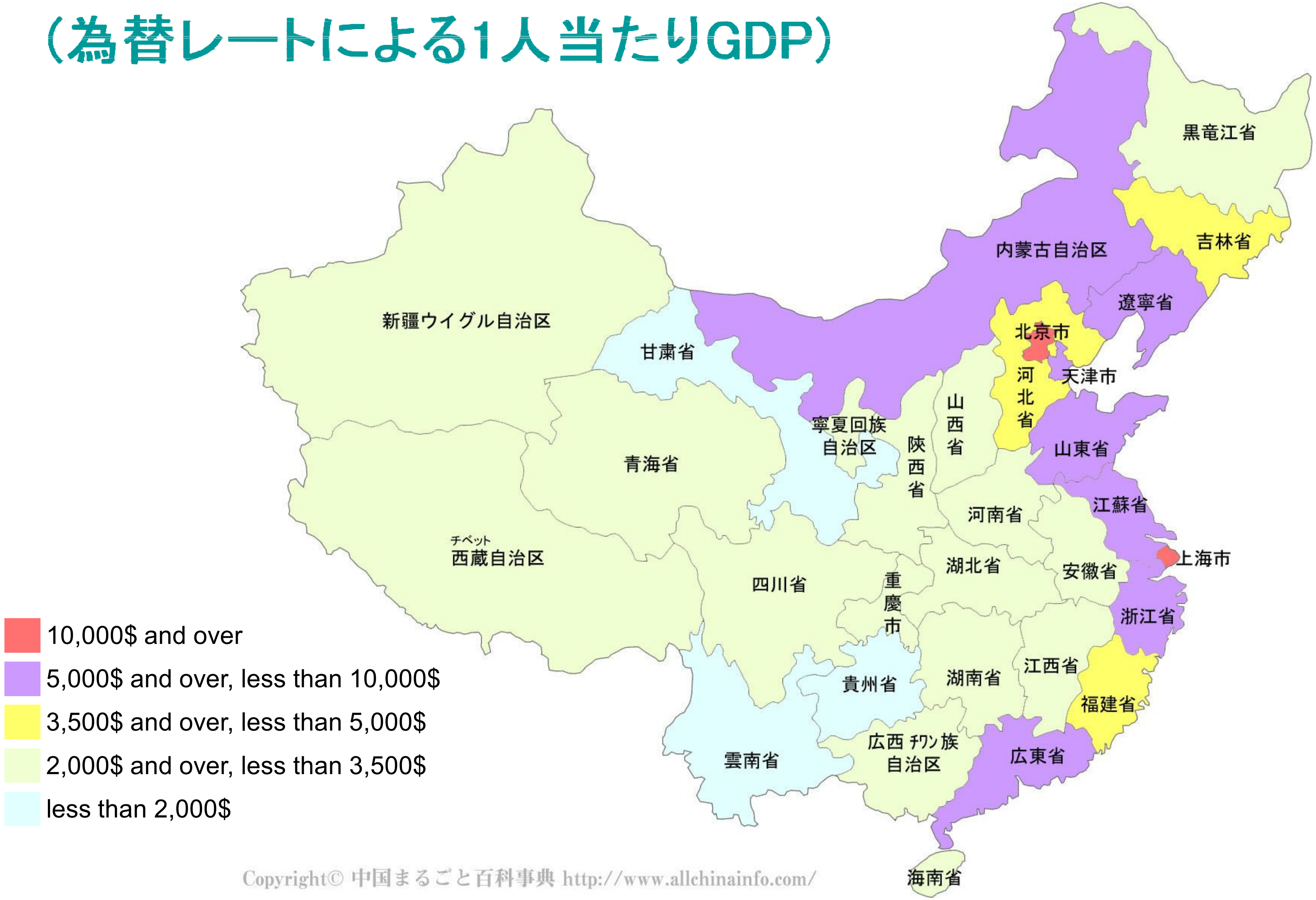
ネット地図:世界地図「Eastern Asia(アジア東部)白地図」

5,000km圏地図:みんなの知識「ちょっと便利帳」

2.Global position of Chinese economy in the near future
（中国の経済力と近未来）

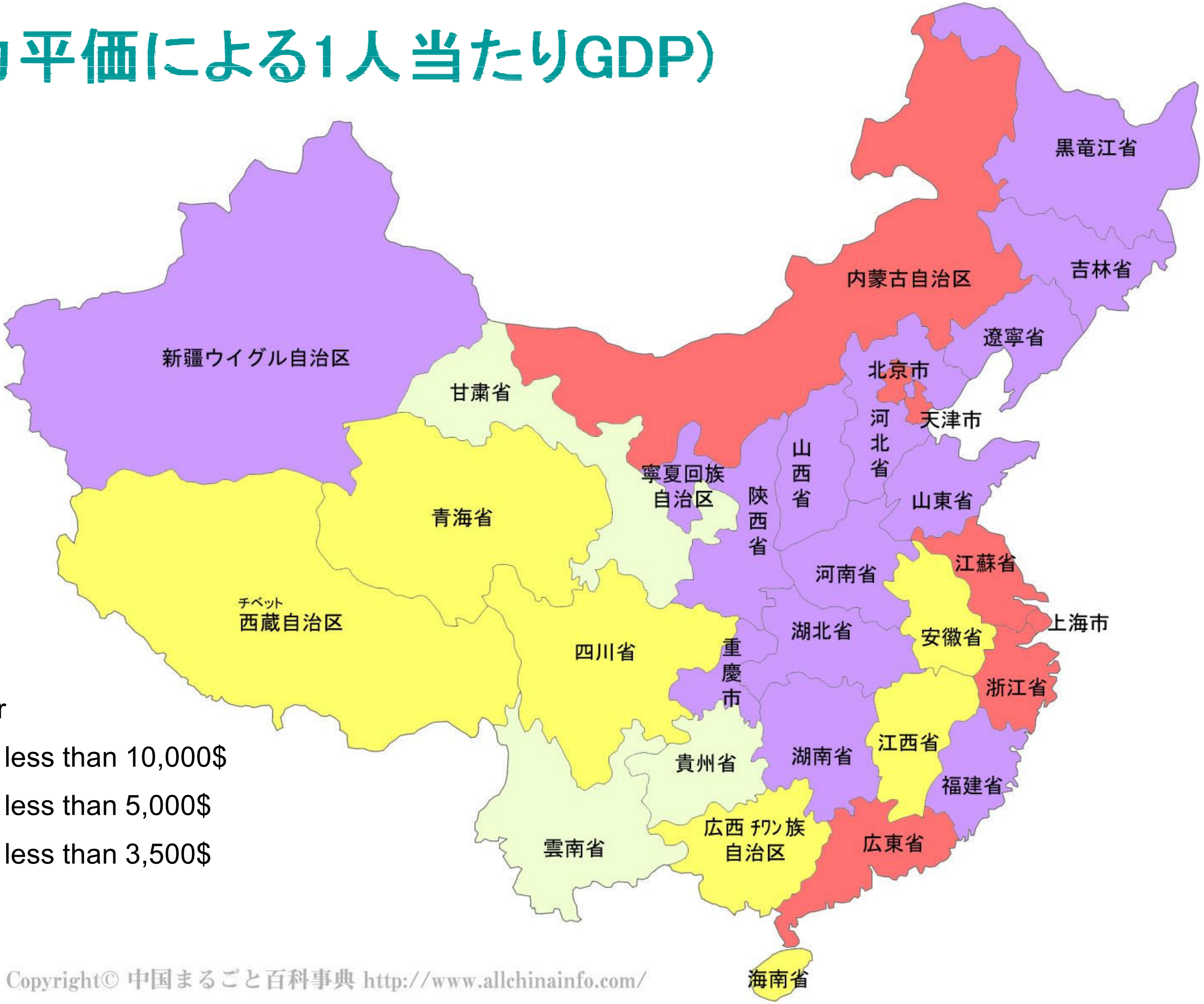
	exchange rate (nominal)			purchasing power parity (nominal)		
	rank	GDP (million US$)	per capita GDP (US$)	rank	GDP (million US$)	per capita GDP (US$)
The whole world	-	62,909,000	9,227	-	74,265,000	10,892
U.S.A.	1	14,658,000	47,284	1	14,658,000	47,284
China	2	5,878,000	4,382	2	10,086,000	7,519
Japan	3	5,459,000	42,820	3	4,310,000	33,805
Germany	4	3,316,000	40,631	5	2,940,000	36,033
France	5	2,583,000	41,019	8	2,145,000	34,077
United Kingdom	6	2,247,000	36,120	6	2,173,000	34,920
Brazil	7	2,090,000	10,816	7	2,172,000	11,239
Italy	8	2,055,000	34,059	9	1,774,000	29,392
Canada	9	1,574,000	46,215	10	1,331,000	39,057
India	10	1,538,000	1,265	4	4,060,000	3,339

2.1 Per capita GDP by exchange rate
（為替レートによる1人当たりGDP）



2.2 Per capita GDP by purchasing power parity

（購買力平価による1人当たりGDP）



- 10,000$ and over
- 5,000$ and over, less than 10,000$
- 3,500$ and over, less than 5,000$
- 2,000$ and over, less than 3,500$
- less than 2,000$

3.Comparison of Chinese and Japanese economies （中国と日本の経済比較）

	Japan	China	remarks
population (million)	127.51	1,334.74	China/Japan=10.5 times
nominal GDP 2010 (million US$)	5,459,000	5,878,000	U.S.A GDP was 14.7 trillion in 2010.
per capita GDP (US$)	42,431	4,412	China/Japan=9.6 times
foreign currency reserves (million US$) 外貨準備高	1,096,100	2,847,300	China/Japan=2.6 times
value of shares (million US$) 株式時価総額	4,100,000	6,700,000	China/Japan=1.6 times Ref: 17.3 trillion in U.S.A
new car sales (million) 新車販売台数	4.96	18.06	China/Japan=3.6 times
percentage of individual 65 years and older 高齢者（65歳以上）割合	23.1%	8.5%	China/Japan=2.7 times
number of live births(million) 出生数	1.07	17.00	China/Japan=15.9 times
rate of consumption(%) 消費の割合	57	40	―

4.Statistics comparing USA, Japan and China economies
（中国・日本・USAの経済統計比較）

		China	Japan	U.S.A.
Area of the whole country (km^2) 国土面積		9,597,000	378,000	9,629,000
Population (million) 人口		1,334.74	127.51	309.14
exchange rate 為替レート	Gross Domestic Product (US$) ＧＤＰ	5.9trillion	5.5trillion	14.7trillion
	per capita GDP (US$) １人当たりＧＤＰ	4,412	42,831	47,284
purchasing power parity 購買力平価	Gross Domestic Product (US$) ＧＤＰ	10.1trillion	4.3trillion	14.7trillion
	per capita GDP (US$) １人当たりＧＤＰ	7,519	33,805	47,284
exchange rate 為替レート	Annual retail sales(million) 小売販売額	2,079,300 (13.3 trillion yen)	1,687,500 (135 trillion yen)	4,600,000
	Annual retail sales per capital(US$) 1人当たり小売販売額	1,558	13,234	14,880
purchasing power parity 購買力平価	Annual retail sales*(million) 小売販売額（推）	3,576,400	1,332,300	4,600,000
	Annual retail sales per capital*(US$) 1人当たり小売販売額（推）	2,679	10,449	14,880

＊Estimated by Dynamic Marketing. Co. Ltd

5.Vision of Chinese economy （近未来の中国経済）

		potential economic growth		2010		2020		2030	
		2011-2020	2021-2030	GDP (billion US$)	%	GDP (billion US$)	%	GDP (billion US$)	%
USA		2.5%	2.0%	14,940	24.9	19,124.5	23.4	23,312.7	20.8
Asia	China	8.0%	6.0%	5,400	9.0	11,658.2	14.3	20,878.1	18.6
	Japan	3.5%	3.0%	5,280	8.9	7,448.0	9.1	10,009.5	8.9
	India	6.0%	8.0%	1,320	2.2	2,363.9	2.9	5,103.5	4.5
	Other Asian countries	4.0%	6.0%	3,240	5.1	4,796.0	5.8	8,588.9	7.7
	subtotal	approx. 5.5%	approx. 5.5%	15,240	25.4	26,266.1	32.1	44,580.0	39.7
Other countries		2.0%	2.0%	29,820	49.7	36,350.4	44.5	44,311.0	39.5
Total		approx. 3.0%	approx. 3.3%	60,000	100.0	81,700.0	100.0	112,200.0	100.0

Estimated by Dynamic Marketing. Co. Ltd based on IMF data

6.Present state of SC in China, USA and Japan

（アメリカと日本のSC実態）

		USA	JAPAN	CHINA
Area of the whole country **(km²)**		9,597,000	378,000	9,629,000
Population **(million)**		309.14	127.51	1,341.33
Total number of Shopping Centers	at the moment	104,472	3,013	-
	theoretical figure	51,372	4,989	50,859

Estimated by Dynamic Marketing. Co. Ltd

Shopping centers require middle income family with 10,000 US$ and over GDP per capital and 50% and over car ownership ratio as a barometer.

SC成立要因は1人当たりGDPが1万ドル以上の中産階級の登場と乗用車保有率50%以上のが成立基準が満たされること

Potential number of SC are proportionate to population of the country, and inversely proportional to the one of square root of the area of the whole country.

SC成立数は国の人口に比例し、国土面積の平方根分の1に反比例する

7.Number of prospective centers: 2030-2050

（中国の近未来(2030～2050年)の成立SC数）

Precondition: Calculated from an estimated Chinese population of 1,299.87million, the Chinese market could theoretically hold 50,859 shopping centers.

Type of Shopping Centers	Ration*	prospective number of SC**	Population per 1SC**	Required market population
RSC(Regional SC)	3.5%	1,780	730,264	600,000 – 800,000
CSC(Community SC)	22.8%	11,596	112,096	100,000 – 200,000
NSC(Neighborhood SC)	65.4%	33,262	39,080	30,000 – 50,000
Power Center	5.2%	2,645	491,444	400,000 – 500,000
Lifestyle Center	1.1%	559	2,325,349	2,000,000 – 3,000,000
Outlet Center	0.8%	407	3,193,784	3,000,000 – 4,000,000
Theme/Festival Center	1.2%	610	2,130,934	2,000,000 – 3,000,000
TOTAL	100.0%	50,859	25,558	20,000 – 50,000

* Based on current proportion of Shopping Centers in U.S.A
* * Based on theoretical figure by Dynamic Marketing Co. Ltd.

Estimated by Dynamic Marketing. Co. Ltd

③ Advantages and obstacles to expand into the Chinese market

（日本の流通企業の中国市場での展開の優位性と課題）

1. Advantages of the Chinese market

（日本の小売業における中国展開の優位性）

1.1 The Chinese market is at a similar stage to that of Japan in late 1960s to 1970s.

中国は日本の1965～1970年代の局面

1.1.1 "World Factory" has shifted the weight to domestic infrastructure building and domestic consumption.

「世界の工場」から国内インフラ整備及び国内消費への移行期

1.1.2 China market is foreseeable from the past process of Japan.

中国の近未来は、日本のたどった過程を踏まえると予見可能な道筋をたどる

1.2 Not only Japanese heavy industry companies, but also RETAILERS are keeping their eyes on China

中国進出は、日本の工業企業から流通企業へ移行

1.2.1 Considering the population, the Chinese market is promised to grow incomparably large – ten times as large as the Japanese market.

日本の人口比で10倍にも及ぶ桁外れの規模のマーケットになるということが、今は見えずとも既に可視化されている

1.2.2 Modern consumption from 2000 will last until 2030s in China. At this stage, consumers are filled with joy to purchase, possess and innovate their lifestyle.

中国は2000～2030年代までモダン消費社会（モノを買い消費し生活を向上することに喜びを感じる消費）

1.2.3 China will step into post-modern consumption after 2040. Post-modern consumers are no longer fascinated by shopping. Japan consumers are already at the tip of new consumerism.

中国は2040年からポストモダン消費、すなわちモノ離れ後の新しい消費の時代

（日本は、ポストモダン消費の最先端を歩み始めている）

1.2.4 The new generation born after the “open-economic policy” of the 1980s and 1990s will come to the front in 2010 and gain the most power in 2020. They correspond to Japanese “baby boomers.”

経済開放後の1980年代・1990年代に生まれた新人類が、2010から社会に進出し、2020年に最盛期を迎える。

（この世代は、日本における団塊世代に相当する）

1.3 China has just set out to modernize retail business

中国は、小売業の近代化がスタートした段階

1.3.1 There are a lot of un-modernized retail businesses still exist in China. They will eventually be shaken off by new retail business.

（非近代的な過渡期業態がいまだに多く存在する）

1.3.2 A long list of retail categories that are lacking in China are already popular in U.S.A and Japan.

（アメリカや日本では一般的な業態でも中国に未進出の業態は無尽蔵にある）

1.3.3 The market's "air pocket" is predictable. The type of retailers that could fit them in unexploited demands of the Chinese market will grow up the best.

（中国の小売業の中で次に成長する業態が「エアポケット」（余白のマーケット）として見えている）

1.4 Chinese market will split in two opposite directions.

One will deal with actual daily demand, and the other will fulfill "advanced needs" of consumers; there will be more demand for high-priced-high-quality products as well as good-quality-fair-priced products, and also there will be more consumers' needs to follow after "ideal-models".

（中国のマーケットは二極化し、一方は実需に即したニーズに対応し、他方は近未来的なニーズ（あこがれ消費ニーズ、良質廉価ニーズ、高価格高品質ニーズ等）に対応することになる）

2. Obstacles of the Chinese market for the Japanese retailers

（日本の小売企業における中国新出の課題）

2.1 Differences in administration, legal system, and social practice.

（行政・法律上の違いや社会習慣の違いがある）

2.2 Retail history won't just repeat as it happened in U.S.A and Japan. Chinese retail will develop in the advanced dimension.

（近未来の中国小売業は単なるアメリカや日本の模倣ではない次元で発展する）

2.3 Economic crisis tends to occur when the economy is growing too rapidly; however, economic growth that may last into 2030s or 2040s will enable recovery.

（経済の高度成長期には様々な経済危機が起こるが、2030年代から2040年代頃までは、中国の成長が経済危機を吸収する）

3. Japanese retail companies need to overcome difficulties to take advantage of the potential. Get rid of the obstacles and there are great opportunities for success.

（日本の小売企業は優位性を活かし課題を克服し解決できれば、成功する大きなチャンスを得ることになる。）

④ Profile of MULVANNYG2, partner of Dynamic Marketing Co. Ltd., and their achievement in China and U.S.A.

（提携企業マルバニーG2の会社概要及び中国･アメリカでの実績）

MULVANNY G2

Corporate Headquarters | 1110 112th Avenue NE, Suite 500 Bellevue, WA 98004

China Regional Office | #388 Nanjing Xi Road The Ciro's Plaza Suite 1905 Shanghai, China 200003

Markets	Retail | Office | Hospitality & Luxury Residential | Mixed-use
Services	Master Planning | Urban Design | Architectural Design | Interior Design
Locations	Bellevue, WA | Portland, OR | Irvine, CA | Washington, DC | Shanghai, China

Clients

COSTCO WHOLESALE	YiDA 亿达	SHIMAO GROUP 世茂集团	TARGET
STARBUCKS COFFEE	Ivanhoe Cambridge	Nike	HANNspree
IKEA	Hines	SINO-OCEAN 远洋地产	BEST BUY
REI	MITSUI FUDOSAN	SUNING 苏宁	SunnyWorld®

Xinkaihe Mixed-Use Project

Wuxi, China

MULVANNY G2 ARCHITECTURE

Xinkaihe Mixed-Use Project

Wuxi, China

MULVANNY G2 ARCHITECTURE

Xinkaihe Mixed-Use Project
Wuxi, China

MULVANNY G2
ARCHITECTURE

Suning Chengdu Plaza

Chengdu, China

MULVANNY G2 ARCHITECTURE

Suning Chengdu Plaza

Chengdu, China

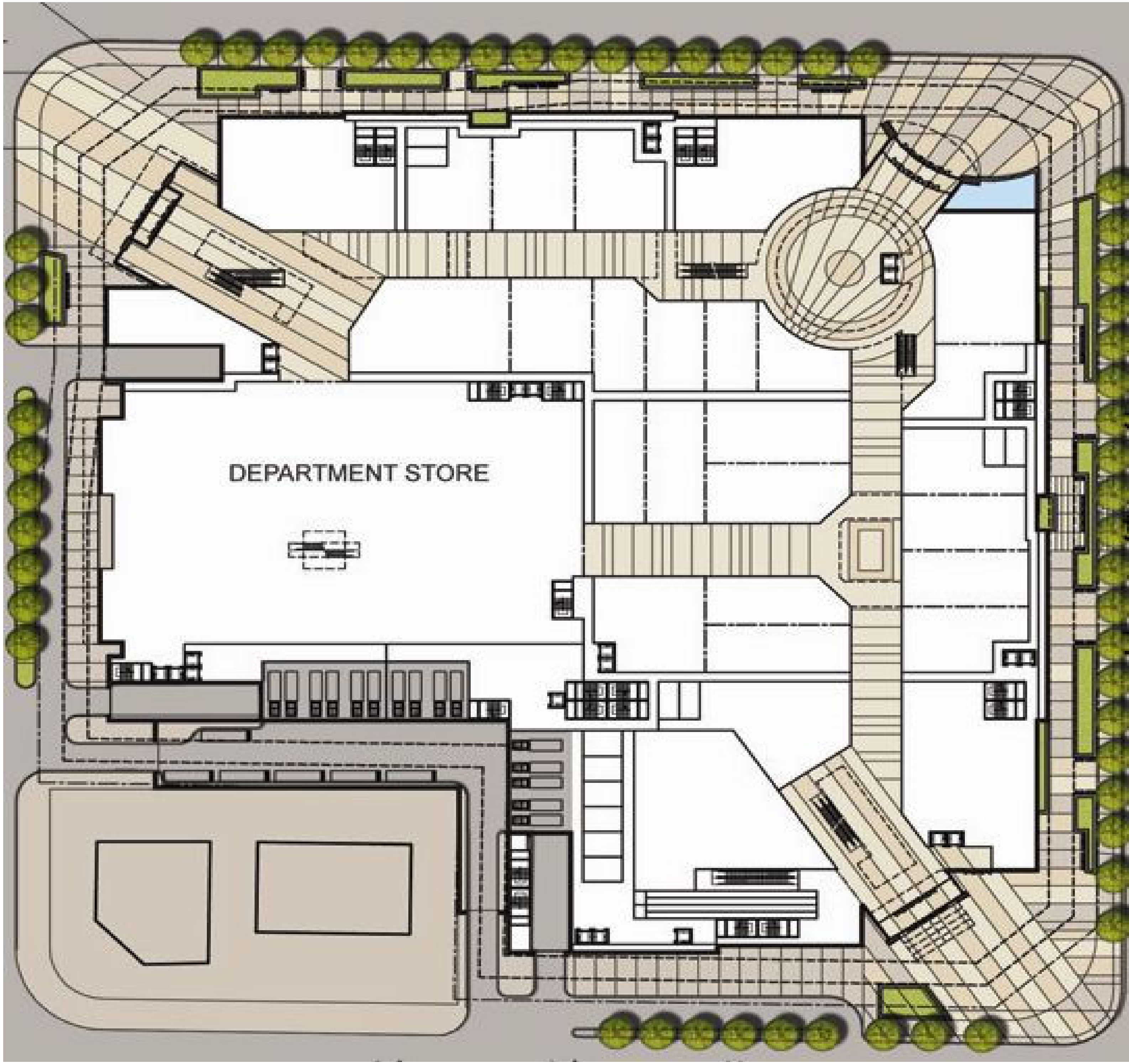
MULVANNY G2
ARCHITECTURE

Suning Chengdu Plaza
Chengdu, China

MULVANNY G2
ARCHITECTURE

Vancouver Times Square Plaza
Zhengzhou, China

MULVANNY G2
ARCHITECTURE



Vancouver Times Square Plaza

Zhengzhou, China

MULVANNY G2 ARCHITECTURE

Chong’an Temple

Wuxi, China

MULVANNY G2
ARCHITECTURE

Chong’an Temple
Wuxi, China

MULVANNY G2 ARCHITECTURE

5 Corporate profile of Dynamic Marketing Co. Ltd

Established **April 1977** ダイナミックマーケティング社

Business Contents **Consultancy services for shopping centers**

Company Credos **- Dynamic Marketing Co. Ltd. is a consulting company aiming at commercial facilities in which consumers, local residents, developers and tenants can live and prosper together.**
-Dynamic Marketing Co. Ltd. is a consulting company that contributes to the healthy development of the distribution industry and the appropriate development of the consulting industry.

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