

In 1988, Hokkaido's 80 439 retail and wholesale businesses employed 500 000 workers and rang up sales of ¥20.7 trillion. Sapporo is by far the largest market and the only island centre given serious consideration by Japanese manufacturers. Outlying areas and smaller towns are generally serviced from Sapporo. Since the mid-1970s, competitive pressure by national chains has forced Sapporo's once-powerful department stores to amalgamate with them or sell out.

Not surprisingly, Hokkaido's retail system reflects the island's low population density. There are only 0.75 stores/km<sup>2</sup>, compared to the national average of 43.2/km<sup>2</sup>. However, at ¥92.9 million, sales per retail outlet are significantly higher than the national average of ¥70.1 million. Hokkaido stores also employ more workers (90.3) than the national norm (75.6).

Hokkaido has been spared many of the traditional, inefficient retail systems that plague the rest of the country. Although relatively young, the island's retail sector is quite advanced and reflects a cosmopolitan orientation. Major supermarket and department store chains are well represented and convenience stores are well established. Strong regional supermarket chains such as the Sapporo Food Center and Hokkyu Lucky also continue to thrive. Co-op stores (seikyo) are also exceptionally popular, which is not surprising given the island's strong agricultural orientation. A relative newcomer to Sapporo, "weekend-only" stores have met with considerable success. Each outlet specializes in one type of food — meat or fish, for example — and consumers buy enough to last all week.

Retail sales statistics reveal several distinctly Hokkaidian traits. Compared to the national average, islanders spend less of their total budget on household appliances and furniture (6.7 per cent versus 8.9 per cent), marginally less on clothes (9.1 per cent versus 10.7 per cent) and marginally more on food (32.7 per cent versus 31.1 per cent). However, 28.2 per cent of Hokkaido retail sales fall in the "other" category which, compared to the national average of 23.4 per cent, could indicate that consumers may be open to a wider range of products than is customary in other parts of the country.

Hokkaido's retail environment closely resembles that of Canada. Large stores and big shopping baskets are the most obvious similarities. Although Hokkaido represents a relatively small market, such parallels could make the island an attractive starting place for Canadian manufacturers hoping to penetrate the Japanese consumer-product market.

## Science and Technology

Like many regions in the country, Hokkaido is trying to attract the high-technology industry by creating an infrastructure conducive to research and development. There is a preference for high-tech companies and firms that deal in ultra-high-value-added processed goods, machinery and metal products.

One notable venture is at Ishikari Bay near Sapporo. Covering 2 952 ha, the park is 30 per cent green space. So far, it has attracted 289 companies, including Novo Biochemical (Denmark), Hoxan, Tokuyama Soda, and SS Pharmaceutical.

Sapporo Technopark is home to several computer software and research companies — IBM Japan and Unisys prominent among them — and a school of information processing. Next to Tokyo, Osaka and Kanagawa, Sapporo is reputed to have the highest number of information-related businesses.

Tomakomai-area industrial parks have attracted 131 companies, including Hitachi, Hokkai Semiconductor, Kikkoman, Isuzu, Toyota, and Nippon Light Metal (a joint venture of Alcan).

A recently completed microgravity centre is the world's largest underground weightless experiment centre. Utilizing underground mine shafts in an abandoned coal mine in Kami Sunagawa, scientists will be able to conduct experiments impossible under normal gravity conditions.

Private-sector R & D facilities have joined academic and government institutions in promoting biotechnology activities. Marine and agricultural biotechnology, in particular, offer potential for co-operation with Canada.

Table 3 lists major companies involved in Hokkaido high-tech industries.

## Tourism

Hokkaido is a popular tourist destination both in summer and winter. Ski resorts and the Sapporo Snow Festival are among winter offerings, while national parks, beaches and low humidity draw visitors in summer.

Between 1988 and 1989, tourist traffic to Hokkaido increased by 7.2 per cent. Luxury overnight express trains from Tokyo and cheaper airfares have done much to boost the island's popularity.