

Franchise system suitable for growth, says PM

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KUALA LUMPUR: The franchise business system is one of the Government's strategies towards developing a resilient and versatile bumiputra commerce and industry community, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

In this respect, all franchise-related transactions would be handled by the Implementation Co-ordination Unit of the Prime Minister's Department.

"The implementation of business through the franchise system is suitable for development in line with the aspirations of the national development policy," he said at the simultaneous launching of the Franchising Development Programme

and the Malaysian International Franchising Conference here.

Dr Mahathir said studies showed that the failure rate of franchise businesses was very low at five per cent compared with 62.2 per cent for new non-franchise businesses.

Franchising, he said, had also altered the form of businesses in the United States and other countries like Canada, Britain, France and Japan.

"Franchising will allow us to control the investment that we make, unlike the share market.

"All that is required is that the entrepreneurs, including bumiputras, have the required capital and commitment to run the business."