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More local products should be franchised, says Dr M

DESPITE the rapid growth of the franchise business in the country, too few involve local products, Prime Minister Datuk Seri Dr Mahathir Mohamad says.

In the food franchising business, for example, most of the products available in the local market are Western food. This is despite there being enough expertise and incentives to promote such local delights as nasi lemak, satay and laksa.

"A lot more local products can be promoted through franchising," Dr Mahathir said at a franchise award ceremony in Kuala Lumpur last night.

In fact, the Prime Minister said he found that many other sectors of the economy and areas of business have not been explored for their franchise potential.

He also said Malaysians will need to be more pioneering in the field instead of treating franchise as merely an opportunity to distribute foreign products.

He called on all parties involved in the business to strive harder, especially since the development of local product franchising could be a key in the Government's effort to promote the export of Malaysian-made products.

Dr Mahathir said in developing local products franchising, there must be commitment to intensive research and development, which requires time, money and a lot of skill.

The Government, he said, feels that franchising is a good way to encourage Bumiputeras to join the business sector.

"Instead of starting their own businesses (from scratch), it is better to use franchising... it would not difficult to sell products under the franchise system because they are already known," he said, adding it would only involve improving and adapting the products to the local environment.

"They must be ready to put up some capital ... (then they will be) given training (by the franchisors) and a place to start the business," he said.

Dr Mahathir then presented franchise awards to Nelson KTT Product, which was named as the Most Promising Franchisor of the Year; Edaran Otomobil Nasional Bhd for Homegrown Franchisor of the Year and the Franchisor of the Year; and Langkawii Crystaal Sdn Bhd as the International Homegrown Franchisor of the Year.

He also launched the Malaysian Franchise Association's website at <http://www.mfa.org.my>. The Internet homepage provides a direct link to the association's directory and offers information on its annual activities.

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