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Franchise industry platform for exporters: Abdullah

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THE expanding franchise industry in Malaysia can serve as a platform for aspiring Malaysian entrepreneurs to become exporters as there is a lot of opportunities for young people with limited capital to set up a successful franchise business.

"It is a challenge which I am sure young Malaysians can meet. I have seen at least two (companies) which are doing well with their franchise businesses in Brunei and Thailand," Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said.

However, the franchise business, like any other, requires the same kind of dedication, hard work, professionalism and ability to assess market sentiments, consumer preferences, demands and trends, Abdullah told reporters in Kuala Lumpur yesterday after opening the "Franchise Asia 1999" exhibition.

"We recognise that retail trends are currently led by Western entrepreneurs but there is no reason why their products are inherently more appealing...in fact, the region's consumer products and food are popular among expatriates and tourists," he said.

The country's international business stature has been enhanced by Malaysian conglomerates investing in countries all over the world and in industries as diverse as power generation, manufacturing, construction and even movie-making.

"Now, we want our products in the retail outlets of the region and the world," he said.

The vision can be realised if there is concerted effort on the part of the local business community to think beyond the local markets, the Deputy Prime Minister said.

"To succeed internationally, managerial and marketing expertise must be enhanced and research and development into products and markets prioritised," Abdullah added.

Earlier in his keynote address, he noted that Asia's potential in terms of consumer demand is tremendous.

"The increasing affluence and demand in the region should allow enterprising businessmen to explore franchising opportunities.

"For businesses, especially those from outside the region, franchising would be a cost-effective method of expansion in Asia," Abdullah said.

They should seize the opportunities afforded by the region's economic recovery to tap new markets and bring in new products, he said.

Abdullah noted that Malaysia has been an active supporter of the franchising business since 1992 when Prime Minister Datuk Seri Dr Mahathir Mohamad established a special unit in the Prime Minister's Department to address issues related to the sector.

It was later taken over by the Entrepreneur Development Ministry and since then a franchise development programme has been developed to facilitate financing as well as improving knowledge in the business.

In five years, the programme registered 78 franchises. There are currently 220 franchise systems in the country, of which 113 are homegrown ones.

Last year, the Franchise Act was passed to ensure better regulation and supervision of the industry.

The week-long Franchise Asia 1999 includes meetings of the World Franchise Council and the Asia Pacific Franchise Confederation.

More than 130 international and local franchise systems are taking part in the exhibition. The conference drew 300 participants.

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