

# Govt committed to revitalising franchise industry

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*Putrajaya allocates RM10m to KPDNHEP to continue with the implementation of EFDP*

by **NURUL SUHAIDI**

THE government has allocated RM10 million to the Domestic Trade and Consumer Affairs Ministry (KPDNHEP) to continue with the implementation of the Enhanced Franchise Development Programme (EFDP) to revitalise the industry.

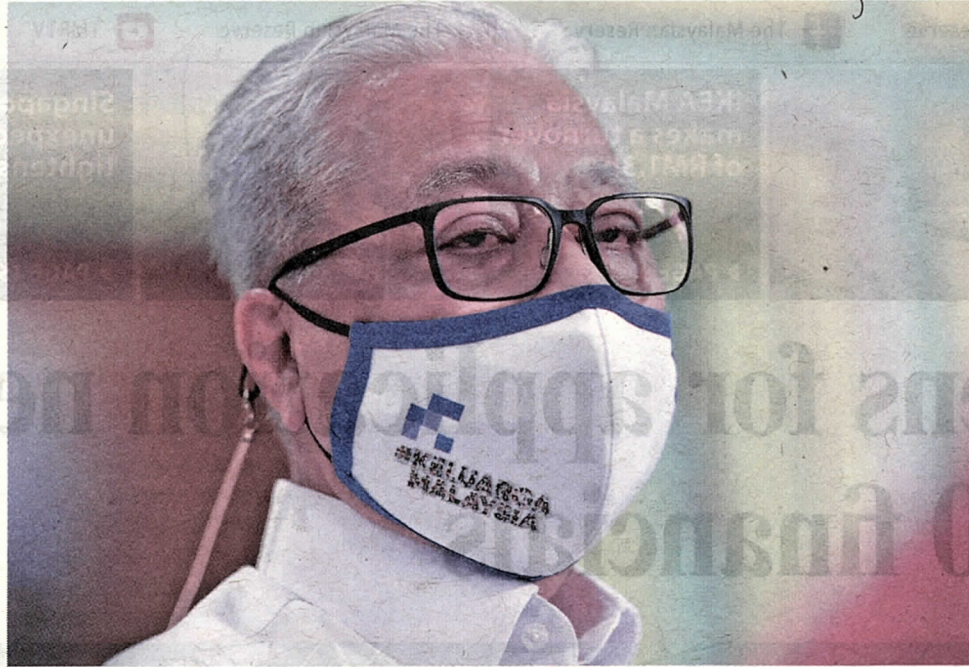
Launching the Digital Franchise International Malaysia 2021 Exhibition and Conference (FIM2021), Prime Minister (PM) Datuk Seri Ismail Sabri Yaakob said FIM has become one of the government's focus in increasing the number of exports for local home-grown products and services.

"To strengthen this, the government has allocated RM10 million to KPDNHEP to continue with the implementation of EFDP," he said.

This is for the purpose of training local franchise businesses in international franchise management and practices, business matching and trade missions, as well as reimbursable export costs.

"Government will remain committed to supporting the growth of the franchise industry through various initiatives under KPDNHEP," the PM added.

This year, FIM2021 is showcasing more than 70 digital booths ranging from various



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product lines, involving franchisors and supporting agencies that are related to those franchises.

These exhibitors also cover various sectors such as food and beverage, consulting, education, agencies, services and maintenance, retail, beauty and health, clothing and accessories, among others.

Additionally, FIM 2021 is garnering support on the International stage by involving participation from several well-known

countries in the field of franchise business, including Australia, America, Belgium, Indonesia, Italy, South Korea, Philippines, Singapore, Taiwan and Turkey.

"For this second digital conference, we expect FIM2021 would be able to achieve 15,000 visitors to this single digital marketplace and generate RM200 million in terms of the potential investment," Ismail Sabri said.

Whereas, domestically, the government allocates RM5 million to be given to

micro franchises this year.

FIM is also fully supported by the World Franchise Council, Asia Pacific Franchise Confederation and The Malaysia External Trade Development Corp.

Notably, FIM2020 garnered 7,900 visitors and generated RM120 million potential investment in franchise business.

For the past decade, from 2010 to 2019, FIM generated RM3.75 billion worth of potential investment in the franchise industry. This figure showed that FIM makes a significant contribution towards the growth of franchise business in Malaysia.

Meanwhile, Domestic Trade and Consumer Affairs Minister Datuk Seri Alexander Nanta Linggi is encouraging small businesses to expand their business in the form of franchises to enable a more structured and systematic business.

"This move is timely since various agencies and industry players are needed to revitalise the momentum as we aim to concrete (the industry) in the next five years," he said during the launch.

He added that Malaysia's enabling business environment and pro-business government are conducive for franchise business and investments.

"As for financial year 2020, approximately RM5.2 billion sales were recorded. We are optimistic that the final sales figure this year would reach RM13 billion, judging from the inherent strength of this industry despite the pandemic," the minister said.