

Ministry looking at initiatives to spur franchise industry

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KUALA LUMPUR (June 10): The Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) is currently investigating several initiatives to stimulate retail activities including franchise businesses affected by the COVID-19 pandemic.

Its Deputy Minister, Datuk Rosol Wahid, said in a statement today that the Ministry was also working to boost domestic trade and distribution activities, as well as consumer confidence in spending.

"The outbreaks of the epidemic not only affect the franchise business activities in the country, but also impede efforts planned by the Government to expand the local franchise business to foreign markets.

"As such, KPDNHEP is in the process of fine-tuning the planned programme and the Ministry hopes that all industry players will be involved in providing support and insights in the upcoming engagement session," he said when launching the Webinar Series 1/2020 Franchise Programme: Franchise Crisis Management during the Conditional Movement Control Order (CMCO).

The programme through the Zoom app was organised for the first time by the Malaysian Franchise Association in collaboration with the Franchise and Direct Sales Development Division (BPFJL) of KPDNHEP with 213 participants.

According to Rosol, a survey of the impact on franchise operations during the implementation of the Movement Control Order (MCO) by BPFJL among industry players showed that the industry is experiencing a significant decline in revenue.

"The highest reported decline was 70 to 80 percent of the food and beverage (F&B) and education sub-sectors.

"In addition, the shortage of workers, the scarcity of raw materials due to logistics and operational costs incurred such as rent and utilities are among the challenges faced during the MCO and the Enforced Movement Control Order," he said.

Therefore, he said there was a need for the industry sector and the Government to work together to identify new measures and standard operating procedures (SOP) to be followed to ensure that businesses could operate safely again.

"The aim of the Government is to ensure that companies are back to operating at the optimum level of production and manpower use as before the crisis," he said, looking forward to the co-operation of all parties in ensuring the success of efforts designed to adapt to the new normal in the franchise industry.

<https://www.theedgemarkets.com/article/ministry-looking-initiatives-spur-franchise-industry>

