

Take up franchise business — Ling

BY ZAHEERA JOHARI ON DECEMBER 27, 2019, FRIDAY AT 12:01 AM



(From fourth left) Ling and Miri Times Square branch Yunique Tea owner Hii Kien Chiew with others during the opening of the store on Wednesday.

MIRI: The franchise business offers youths huge potential to become entrepreneurs in this field, which is expected to contribute RM35 billion to economic growth next year.

Senator Alan Ling, who stated this, noted that there been an increase in the number of entrepreneurs in Sarawak taking up franchise business and urged more people to join the business.

“Overall, there has been a slight slowdown compared to Peninsular Malaysia. But lately, I have seen an increasing trend. This has encouraged local entrepreneurs to seize the opportunity to become franchisors or franchisees.

“My goal is for more local entrepreneurs to learn about this franchise business. One day they can expand their brand and become a franchisor,” Ling told reporters on Wednesday.

He said according to the Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) statistics, 899 companies have registered as franchise companies and of these, 575 are local franchisors, 62 parent franchisees and 262 foreign franchised companies.

He said most of the franchised companies for drinks and food were owned by young entrepreneurs.

“More than 62 per cent are local franchises of Malaysian brands. With this trend there is room for local entrepreneurs. While most of them may now be franchises for overseas and other brands, but someday, I will encourage them to grab the opportunity to become a franchisor,” he explained.

When asked after opening the Yunique Tea branch in Miri Times Square, Ling said the franchise business was expected to contribute RM35 billion to Gross Domestic Product (GDP) in 2020, up from RM27.7 billion in revenue from franchise business this year.

He said it was a positive development for the country's economy and prosperity.

"I see that there is good potential for Malaysia and we hope they will learn and improve in terms of quality, IoT (Internet Of Things), AI (Artificial Intelligence) and IR 4.0 (Industrial Revolution) so that their business can thrive.

"Nowadays there are many challenges but I see great potential in this franchise business," he added.

Ling, who is also Pakatan Harapan (PH) Sarawak secretary, said the amendment to the Franchise Act 1998 was to protect the rights of the two main stakeholders; franchisors and franchisees and in this regard, a briefing on the act by KPDNHEP would be held here next year.

"We have recently made amendments to the Franchise Act 1998. I don't think most people are aware of the existence of a Malaysian Franchise Act. This briefing is important and I urge traders to attend," he said.

