



OPENING SPEECH BY

**YB DATUK SERI SAIFUDDIN NASUTION BIN ISMAIL
MINISTER OF DOMESTIC TRADE AND CONSUMER AFFAIRS**

**LAUNCHING CEREMONY
FRANCHISE INTERNATIONAL MALAYSIA 2019**

5TH APRIL 2019

**STAGE HALL 1, GROUND FLOOR,
KUALA LUMPUR CONVENTION CENTRE (KLCC)**

SALUTATION

Yang Amat Berhormat Datuk Seri Dr. Wan Azizah Wan Ismail

Deputy Prime Minister

Yang Berbahagia Datuk Muez bin Abd. Aziz

Secretary-General

Ministry of Domestic Trade and Consumer Affairs,

Yang Berbahagia Datuk Radzali bin Hassan

Chairman

Malaysian Franchise Association (MFA),

Senior officers of the Ministry, Government departments and agencies,

Committee members of MFA

Exhibitors and conference participants of FIM 2019,

Media partners,

Excellencies, Distinguished Delegates, Ladies and Gentlemen,

Assalamualaikum Warahmatullahi Wabarakatuh and Good Afternoon

1. First of all, I would like to express my appreciation to our Deputy Prime Minister, YAB Dato' Seri Dr Wan Azizah for making time to come here and launch the Franchise International Malaysia 2019.
2. I would also like to thank the official sponsors of this event such as Perbadanan Nasional Berhad, Ali's Kantin, Revenue Valley Sdn. Bhd., Cool Blog, Marrybrown, Mail Boxes, Bank Rakyat, MyIPO, Muzart, Meiko and to those who have given their utmost support and cooperation to ensure the success of this event. My appreciation also goes to the Malaysia External Trade Development Cooperation (MATRADE) for promoting FIM 2019 through MATRADE's offices worldwide.
3. To all our guests who have travelled far from various countries to participate in this event, welcome to Malaysia. It is a pleasure to have all of you here, and I hope that you will take some time to enjoy the various wonders and famous hospitality that Malaysia has to offer.

Distinguished Guests, Ladies and Gentlemen,

4. FIM is an annual program organized by the Ministry of Domestic Trade and Consumer Affairs in collaboration with MFA. As the largest annual franchise event in Malaysia, FIM aims to assemble key players in the franchise industry from around the world to discuss current issues and formulate key strategies to develop entrepreneurship in Malaysia, especially in the retail and services sector.

5. I am heartened to hear that there are 111 booths with 78 companies from 12 countries taking part in this event. It is expected that FIM 2019 will receive 12,000 visitors and generate RM400 to RM500 million worth of investments for Malaysia.
6. Other than exhibitions, FIM 2019 also offers many other activities such as conference, in-buying missions, business matching, franchise consultation and a reception which will be held tonight.

Ladies and Gentlemen,

7. Even though the global economic outlook has been challenging in recent years, Malaysia's total trade in 2018 remained resilient, expanding by 5.9% to RM1.876 trillion, compared to RM1.771 trillion in 2017. This can be attributed to Malaysia's robust manufacturing and services sector.
8. The Malaysian franchise industry, in particular, has experienced rapid growth. To date, there are 877 registered franchises in Malaysia which contributed RM 30.03 billion to Malaysia's GDP in 2018. This is significant considering that in 2009, this figure was only RM 10 billion.
9. However, I believe that there is more room for growth. Which is why the Ministry has set a target for the franchise industry to contribute RM 35 billion to the country's GDP in 2020.

10. Growing the contribution of the franchise industry to the national GDP by RM 5 billion in such a short timeframe isn't an easy task. However, I strongly believe that with clean, transparent and accountable governance, complemented by competent and effective policies by the new government, this target can be achieved if not exceeded.
11. According to the Franchise Business Annual Reports submitted to the Ministry, the 3 franchise companies with the highest sales value in 2018 were 99 Speedmart, with a sales value of RM3.4 billion, McDonald's, with a sales value of RM2.2 billion and Seng Heng, with a sales value of RM998 million.
12. This shows that our target of RM35 billion contribution to GDP by the franchise industry in 2020 is very much achievable. Among potential areas that could be explored to invigorate the industry are "multibranding" (various brands located in one area) and "multi franchising" (various franchise firms operating within the same premises).
13. The Ministry is also working closely with MFA to help franchisors expand within and outside the country. We have organized exhibitions, trade missions, in buying missions, and training sessions to promote homegrown brands. With MATRADE's invaluable assistance, there are now 65 Malaysian brands in 66 countries.
14. To our local delegates, I urge you to use this opportunity to form fruitful business connections and explore your full potential. With the new government's business-friendly policies and our commitment to nurture local entrepreneurs, the sky's the limit.

15. To our foreign delegates, I would like to invite you to invest in Malaysia. With our institutional and fiscal reforms, Malaysia is becoming an ideal place for businesses and investments. For example, in 2018, approved foreign direct investment (FDI) in Malaysia across all sectors rose 48% to RM80.5 billion compared to RM54.4 billion in 2017. This shows the overwhelming faith international investors have in our economy and our commitment to reforms. I am sure that you would not want to miss out on Malaysia's imminent rise as an Asian Tiger.

16. Before I end my speech, I would like to thank all of you for attending FIM 2019. Many of you hold the power to create jobs and promote economic growth. I am confident that with full support from the Government and close collaboration between us, the franchise industry will grow by leap and bounds which will create an abundance of shared prosperity for all.

Thank you.