

ADDRESS BY

HON. D. GOKHOOL

MINISTER OF INDUSTRY, SCIENCE & RESEARCH

*On the Occasion of the Closing Ceremony
of the Workshop on Franchising Organised by
Empretec Mauritius*

at

**Le Sirius, Labourdonnais Waterfront Hotel,
Port Louis**

on

Friday 23 October, 2009 at 17.00 hrs

Hon. Mrs. Indranee Seebun, Minister of Women's Rights, Child Development and Family Welfare

Mr. Sanjay Ramgooty, President, Empretec Mauritius

Mr. Sanjay Mungur, Chief Executive, Empretec Mauritius

Mr. Sandrasagarren Naidu, Programme Coordinator, Decentralised Cooperation Programme

Resource Persons from South Africa

Participants

Distinguished Guests

Ladies and Gentlemen

A very good afternoon to all of you

I am pleased to be here among you this afternoon on the occasion of the closing ceremony of this two-day Workshop organised by Empretec Mauritius in collaboration with the Decentralised Cooperation Programme on "Franchising as the Business Strategy for Technology Transfer, Business Growth and SMEs Development in Mauritius".

Allow me at the outset to extend my thanks to Empretec Mauritius for having invited me to address the participants who have attended the Workshop. I wish to commend Empretec Mauritius and the Decentralised Cooperation Programme for joining hands to organise the workshop. It fits

well with the mission of Empretec Mauritius to support SME's compete in the global economy by fostering entrepreneurship, innovation and regional integration. I also take this opportunity to thank the resource persons from abroad who have conducted the Workshop.

The Workshop

This workshop is a concrete example how our entrepreneurs can benefit from the activities of Empretec Mauritius. The objective of the workshop which is to sensitise SMEs, potential entrepreneurs, professionals and other stakeholders on franchising as a strategy for technology transfer, business growth and SMEs can only but promote development of innovative and competitive businesses in Mauritius. Through this workshop, Empretec Mauritius aimed at contributing towards SMEs development by building local capability and reinforcing business support services in franchising. The target group of the workshop, I am told, consisted of existing entrepreneurs, aspiring businessmen, the business community and members from professional groups seeking to develop franchise expertise. I am sure that the workshop has generated awareness among the participants on the importance of franchising and aroused their interest in franchising as a business strategy for its various advantages such as:

- Quick and efficient transfer of technology
- Development of business capacities
- Transfer of skills and nurturing of high value added entrepreneurial talents and best business practices
- Access to new markets and export outlets so as to generate additional income and employment.

The workshop, therefore, is in line with Government strategy for capacity building in new business models that will enable us to consolidate and expand our productive sectors and better confront the challenges and take advantage of globalisation. The fact that this initiative has been taken by the private sector indicate that there is room for synergising to achieve common national objectives.

Empretec Mauritius

I am glad to note that Empretec Mauritius has taken firm roots in Mauritius as an autonomous and self-financing, non-profit making and non-governmental organisation grouping Professionals, Managers and Entrepreneurs from various spheres of activities operating in Mauritius. I understand that it forms part of the global Empretec Network which itself has twenty eight centres worldwide and has assisted more than 70,000 entrepreneurs, through business support centres in different countries. In Mauritius, Government considers most favourably such organisations like Empretec Mauritius which has been structured under a cooperation agreement and is supported by a consortium of key stakeholders.

Mauritius indeed needs support of non-governmental organisations like Empretec Mauritius which is autonomous, self-financing, non-profit making and which groups professionals, managers and entrepreneurs, from various spheres of activities in Mauritius and the region. I can say that the activities of Empretec Mauritius for enterprise development, capacity building, business development and investment facilitation, among others assume

fundamental importance for Mauritius which has ambition to gain the battle of development through its skillful and knowledgeable entrepreneurs.

Empretec Mauritius operates within the international framework of Empretec Centres worldwide and has support from UNCTAD, which altogether can certainly translate into immense benefit to our entrepreneurs.

Ladies and Gentlemen

Franchising as a Business Strategy

Mauritius has reached a stage of development when no efforts should be spared to promote the setting up of international business models in the country, as part of our aspirations to integrate international best practices within the production structures in Mauritius. Franchising is, undoubtedly, one way of achieving this end as it guarantees acquisition of innovative business practices, a brand image, as well as modern management principles, notwithstanding the immense value of marketing inputs from franchisors. Our entrepreneurs can only but benefit by jumpstarting on already tried and tested business models and operationalise their businesses on a mode where the learning curve of implementing best business principles are shortened but deepened through the support of the franchisor.

Benefits of Franchising

The country stands to benefit by increasing the number operations based on franchising. It will certainly help to boost the image of Mauritius as a production base of quality and value added products, which are generally well prized on the market. We have a burgeoning tourism industry in

Mauritius but we need to trigger higher levels of spending on the part of tourists. A greater number of businesses operating on a franchise mode can help us in this endeavour.

In recent years there have been some bad tendencies to have access to imported new products, brands, models or technologies by copying and counterfeiting them. But this is just illegal copying and an infringement of International Property Rights (IPR). Franchising constitute an interesting way to avert such illegal practices, as we produce these successful and famous brands in the country itself. It is also important also that we increasingly mainstream international best practices in our economic landscape.

I understand that franchising is a business model that is currently being used in more than 75 countries in the world, with more than 10,000 franchised concepts, ranging from fast food to education; retailing to health care; automotive to hotels and tourism, and many other business sectors. In the US where 90% of its franchised units succeed, more than one trillion USD are generated in sales annually through franchising.

Franchising offers us with quick and efficient transfer of technology together with transfer of skills while allowing fast development of entrepreneurial talents and potentials in the country. So the challenge is here. Entrepreneurs should be on their alert and be ready to enter into smart partnerships and joint ventures with well-known franchisors which can offer them with ready-to-start turnkey projects.

Ladies and Gentlemen

Scope for franchising in Mauritius

Mauritius cannot stand away from this mainstream development and we need spare no efforts to promote this concept as a strategy for our SMEs and other entrepreneurs. But I am confident that there is ample scope for integration of this concept in Mauritius as our entrepreneurs have, in the past, successfully demonstrated a tremendous capacity to learn, adopt and implement foreign business models. In fact, many businesses in Mauritius have flourished by adopting franchises which allow them to take advantage of proven business models and operate under a brand that already enjoys market recognition and loyal clientele. Examples of franchised business are widespread in Mauritius, but just to name a few are: KFC, Mac Donald, Pizza Hut, Billa Bong, Ralph Lauren, Pepsi Cola, Coca Cola, Super U and Hugo Boss. As such, this workshop represents a good opportunity to broaden the economic landscape of Mauritius with a new brand of entrepreneurs or existing ones who wish to expand further or boost up their businesses. With the enactment of a new legislation, the SMEDA Bill for the SME Sector – more opportunities will be provided for Business Enterprises to be set up through Franchising. Thus, more employment can be created and there will be greater scope for the further democratization of our economy.

Conclusion

To the participants, I would like to say that you are very fortunate to have been able to participate in this two-day Workshop on Franchising. I sincerely hope that you have been able to derive the maximum benefits from the precious advice and guidance of the experts who have diligently conducted this Workshop on Franchising. I am sure that the knowledge you have acquired from these experts will help you to forge ahead in your quest for diversifying your business activities and market, developing and exporting new branded products, acquiring new technology, generating additional income for your enterprises and providing more employment opportunities for the needy and deprived.

Before ending, let me reiterate my thanks to Empretec Mauritius, the Decentrised Cooperation Programme and the European Union (EU) for having organised this Workshop for the benefit of our entrepreneurs and SMEs. I would also like to express my gratitude to Mr Sanjay Mungur for contributing towards this initiative.

Finally, I wish to thank all the participants who have successfully attended the two day workshop and also the Resource Persons.

THANK YOU

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