

FASA to spearhead Pan African Franchise Federation

The Franchise Association in South Africa (FASA), a member of the World Franchise Council, has been mandated to establish a franchise federation on the African continent which in time will apply for membership of the World Franchise Council in its own right.

The inaugural meeting of the Pan African Franchise Federation will be held on Thursday, 9 May 2013 in Johannesburg, South Africa and the meeting will be attended by delegations from Egypt, Ethiopia, Mauritius, Tanzania and Nigeria.

The meeting will coincide with the opening of the International Franchise & Entrepreneurs Expo (IFE 2013) which runs from the 9-11 May at the Sandton Convention Centre in Johannesburg, South Africa. According to Vera Valasis, executive director of FASA, the time is right to bring African countries together to explore the opportunities that franchising can bring to growing African economies.

Now to play a bigger role

"Whilst we in South Africa have had a thriving first-world franchise sector since the 1960's, with over 80% of our franchise concepts home-grown and have also ventured into Africa with many of our food and retail brands, Africa as a whole has lagged behind in franchise development. It is now time that we play a bigger role in promoting franchising and expanding this unique business format to not just select countries, but to the continent as a whole."

One of the objectives of the World Franchise Council, a global non-political association representing franchise associations around the world, is to encourage its members to provide a leading and educational role in franchising on their respective continents and to this end there has long been talk of establishing a Pan African Franchise Federation representing the African continent.

"Within the WFC", says Valasis, "there are two successful federations - the European Franchise Federation that represents national franchise associations from countries in Europe and the Asia Pacific Franchise Confederation that represent 12 countries in the region. With economic growth in third world countries overtaking established economies and a fast growing demand for every type of consumer goods and services, it is time that Africa formed a Pan African Franchise Federation to assisting with spearheading franchise growth throughout the continent."

Spotlight on the franchise sector

With FASA, the longest standing franchise association on the African continent, hosting the inaugural meeting of the proposed Pan African Franchise Federation puts the spotlight firmly on South Africa and its thriving franchise sector that contributes almost 12% to the country's GDP.

Delegates from various countries in Africa as well representatives from the World Franchise Council will meet not only to pave the way forward to establishing franchise associations in other parts of Africa but to see for themselves the success of franchising in South Africa.

Two of FASA's past office bearers, Peter Moyanga (past chairman) and Nic Louw (past executive director) of Moyanga, Louw & Associates, together FASA's legal advisor Eugene Honey have been active in promoting the principles of franchising through seminars held throughout the continent in association with Standard Bank and the African Development Bank.

According to them, Africa is at the beginning of an enormous growth curve. "Africa's hidden strength is its growing middle class. In 2008 the continent's combined GDP was R11.2 trillion which was larger than that of India and on a par with that of Brazil and Russia combined. It is estimated that consumer spending on the continent will, in the next few years, be R9.8 trillion." Growth, according to these experts, lies in the private sector which will be the driver of growth in Africa.

"Africa needs new enterprises that create jobs and wealth, and it is the small and medium enterprise sector that carries the hope for the continent and the route Africa must pursue."

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