



KEMENTERIAN PERDAGANGAN DALAM NEGERI
DAN HAL EHWAL PENGGUNA

KEYNOTE BY
YB DATUK ALEXANDER NANTA LINGGI
MINISTER OF
DOMESTIC TRADE AND CONSUMER AFFAIRS MALAYSIA

29 SEPTEMBER 2020 (TUESDAY)

4.00 P.M.

SANTAN RESTAURANT, MID VALLEY MEGAMALL
KUALA LUMPUR

***Yang Berhormat Dato' Sri Reezal Merican Naina Merican,**
Minister of Youth and Sports

***Yang Berhormat Datuk Seri Mohd Redzuan Md Yusof,**
Minister at the Prime Minister's Department (Special
Functions),

Datuk Kamarudin Meranun,
Executive Chairman of AirAsia Group

Tan Sri Tony Fernandes,
CEO of AirAsia Group

Catherine Goh,
General Manager of Santan Restaurant

Distinguished guests,
Media friends,
Ladies and gentlemen

Good Afternoon.

1. First and foremost, I would like to take this opportunity to convey my congratulation to **Santan Restaurant as one of the registered company under Registrar of Franchise**, the first homegrown Asean fast-food restaurant.

2. The Ministry of Domestic Trade and Consumer Affairs was established on 27 October 1990. One of the main objectives of the Ministry is **to promote the development of a viable, competitive and sustainable domestic economy, specifically in the Distributive Trade Sector.**

3. From the foregoing, the Ministry of Domestic Trade and Consumer Affairs, as the name suggests, has a unique function in supporting the development of businesses and facilitation of transactions, while safeguarding the interest of consumers through consumers' empowerment. Undoubtedly, the Ministry remains committed in ensuring the right policy mix in a fair business environment, which caters to all economic groups and its diverse needs.

E-COMMERCE

4. In the private sector, it is really the continuous rise of e-commerce that is driving the digitalisation exercise. **Malaysia's e-commerce market had tripled in size since 2015 by exceeding US\$3 billion (US\$1 = RM4.15) in 2019 and is forecasted to reach US\$11 billion in 2025.** Thus, the idea of "New Retails" implemented by Santan Restaurants will make the company grow, sustain and bring businesses to the next level.

5. Market leaders must not be myopic but have the vision and foresightedness to take responsibility for bigger roles and bring businesses to greater heights. This is key in driving business forward and in ensuring the sustainability of Santan Restaurants throughout the next decade.

THE NEW RETAIL ENVIRONMENT

6. Business is all about People, Goods and Places. In the right place and at the right time, customers will find the good that

interests them, which is how every business operate. New Retail is the enhancement of this concept, together with big data, upgraded technologies and innovative financial tools. New retail is just a small part in the business chain, so we have to analyse it from a perspective involving manufacture, financing and supply chain, or it will be hard for us to understand the latest changes in the industry.

7. Amid the current challenging business climate, Santan continues to receive high demands and now has expanded to two on-ground restaurants, which proves that their business model is sustainable.

8. In addition to the demand for their delicious Asean-inspired dishes, Santan has also received thousands of queries from young entrepreneurs for franchise opportunities, and I was told the franchisees include AirAsia's pilot and staff, many of them who are new to the F&B industry.

9. This is encouraging to see, as it is in line with our Ministry's initiative to encourage the participation of entrepreneurs in

a franchise business to further spur the economy under the franchise industry.

10. With the ease of doing business under the franchise model, we hope more local entrepreneurs will take up the franchise with Santan, which will not only boost the local franchise businesses which is valued at **RM13 billion in 2019** but will also double the nation's franchise sales value by 2025.

11. We are pleased that Santan is now part of the franchise industry – and **hope that Santan would be one of the top franchise industry players that would help to revive the country's economy** which had been adversely affected by the COVID-19 pandemic.

12. Santan's expansion across the country will not only open job opportunities and back local agriculture producers but also further support the government's '**Buy Malaysian Products Campaign (KBBM)**'. I'm delighted to see there are many locally-made food products in the restaurant and even

more thrilled to learn that Santan has sold about **300,000 Malaysian products** in their outlets.

13. KBBM plays an integral role in recovering our economy as it aims at promoting local products and encouraging consumers in the country to prioritise on purchasing goods made in Malaysia. As such, the Ministry has set high sales targets of **RM513 million** for the campaign and with the expansion of another 20 Santan outlets in Klang Valley by year-end, we believe Santan will also contribute to the target.

14. While about 90% of SMEs nationwide have recovered to how it was before the COVID-19 pandemic, we hope Santan will continue to support local SMEs and provide a platform for them to sell their products at Santan's outlets and online.

WAY FORWARD

15. The digital economy plays an increasing role in Malaysia's journey towards becoming a high-income nation. Therefore, unlocking the potential of the digital economy is

key for progress. Thus, the Government is putting a lot of effort in creating a dynamic ecosystem for the digital economy to improve the infrastructure, regulations, skills and public finance.

16. Finally, I would like to reiterate that much can be done to **develop and expand the role of the digital economy and the franchise industry** in emerging economies like Malaysia. This effort will only be possible with the **continuous collaboration** between the Government, business community especially the retail industry and the most important element, consumer.

17. Before I end my speech, I would like to congratulate Santan and AirAsia for this achievement and I look forward to seeing Santan's franchise at my home state in Sarawak soon.

With that I end my speech.

Thank you and have a great day!

Franchise Development and Direct Selling Division

Ministry of Domestic Trade and Consumer Affairs

September 2020