



**MINUTES OF THE SECOND MEETING OF THE
PAN AFRICAN FRANCHISE FEDERATION
HELD ON 10 APRIL 2014 AT THE OFFICES
OF ABSA CAPITAL, 15 ALICE LANE,
SANDTON AT 10H00**

1. Present

Mr Eugene Honey – Adams & Adams, South Africa
 Mr Peter Moyanga – Moyanga Louw and Associates, South Africa
 Ms Diana Kyobutungi – Tanzania and Uganda franchise association
 Mr Andre Rosslee – ABSA Bank
 Dr M A Dessie – Nile Motors, Ethiopia
 Mr Simbai Chizengeni – Good Brands Fast Foods, Zimbabwe
 Ms Boneventura Hinda – Namibian High Commission
 Ms Monika Hamunghete – Ministry of Trade & Industry, Namibia
 Ms Marza Pogisho – Ministry of Trade & Industry, Namibia
 Mrs Vera Valasis – Franchise Association of South Africa

2. Apologies

Mr Demola Quadri – Franchise Association of Nigeria
 Mr Manoli Vardas – Innscor Africa Limited
 Dr Hatem Zaki – Egyptian Franchise Development Association
 Mr Sanjay Mungur - Mauritius

3. Welcome and acceptance of the minutes of the inaugural meeting held on 9 May 2013.

Eugene Honey welcomed everyone and thanked ABSA for

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sponsoring the venue and refreshments.

The minutes of the inaugural meeting were accepted by Eugene Honey and seconded by Peter Moyanga.

Eugene Honey sketched the background and said the initiative to establish the Pan African Franchise Federation found favour with a number of countries.

4. Overview and report back on the franchise industry in attendee's countries

Peter Moyanga presented an overview on the attempts made by various countries to establish franchise associations like Kenya, Uganda, Nigeria, Ghana, Morocco, Zambia and Tanzania after he and his associate conducted various workshops and training sessions in a number of countries on the African continent. He went on to discuss the loss of Nic Louw who attended the inaugural meeting of the PAFF last year.

Eugene Honey suggested that each country submit an overview of the developments related to the franchise industries in the various countries. Peter Moyanga undertook to provide the contact details of the various people he dealt with in the countries trying to establish franchise associations.

Vera Valasis discussed the current state of franchising in South Africa based on the research conducted in 2013.

Eugene Honey discussed the legal requirements that franchise companies have to comply with in South Africa with particular reference to the Consumer Protection Act.

Andre Rosslee referred to the Jobs Fund initiative in South Africa and Eugene Honey went on to explain that the franchise association in South Africa, through two of its members is in the process of applying for funding for its members to the value of R200m.

Eugene Honey also discussed that the association in South Africa is in the process of applying to the Department of Trade and Industry to have its Code of Ethics accredited as an industry code.

Peter Moyanga said the ADB is custodian of a similar fund of USD400m for bridging finance.

Simbai Chizengeni said that there is no association in Zimbabwe at the moment although there are various franchise companies that operate in the country.

Monika Hamunghete said there are various franchise companies

<p>in Namibia and most franchise companies that operate in South Africa have branches in Namibia. She went on to say that Namibia is in the process of developing a consumer protection act.</p> <p>Eugene Honey discussed that laws are not needed to develop franchising in a country but facts are needed to convince the 'non-believers' and non-supporters.</p> <p>Peter Moyanga said the lack of support for franchising is not unique and many markets encountered this problem – he said he believes only education will change negative attitudes.</p> <p>Bonaventura Hinda said it is difficult to change perceptions but Peter Moyanga explained that the workshop educational program is still available to countries that are interested. He undertook to send a proposal to Namibia in this regard.</p> <p>Mr Dessie explained that Ethiopia is not different from Zimbabwe and Namibia and that there is not much interest from entrepreneurs in franchising at the moment. The country's trade and industry department is not keen to adapt to franchising. He went on to say that there is not much knowledge about franchising and that he believes their government is holding the key to furthering the cause of franchising. Various role players need to be convinced about the success of franchising. He said they tried to invite South African franchise companies to Ethiopia last year and is keen to do more networking events.</p> <p>Eugene Honey went on to say that the new trademark act in Ethiopia enhanced protection for brands but the general understanding of the franchise model is not there yet. Eugene Honey tabled that out of all the countries where he undertook educational workshops, he had the most positive response in Ethiopia.</p> <p>Diana Kyobutungi discussed that the one week workshop held in Tanzania was very well received. She said that they have establishing a steering committee and planed to set up the franchise association in June 2012. All the required documents were drafted and a special provision had to be included for SMME's to franchise their businesses. The government has been very supportive but there is still no trust and a lot of fear around the franchise model and more education is needed. A second workshop was held in January 2013.</p> <p>Eugene Honey said the lawyers in Tanzania need training on the franchise model and he would be happy to provide such training if required/requested to do so.</p> <p>Eugene Honey explained that it takes many years to establish a</p>	<p>PM</p>	<p>ASAP</p>
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<p>franchise association as it is a long process to engage with all the stakeholders as there general is a lack of awareness and trust especially in the early years.</p> <p>Diana Kyobutungi said in Uganda there is a political will to establish a franchise association but they are still interested in receiving more training.</p> <p>Although KFC and Mr Price opened outlets in Uganda generally franchising is still not viewed in a positive light – the feeling is that franchising is where foreigners exploit locals.</p> <p>5. Discussion of proposed Founding Statement of the PAFF</p> <p>Eugene Honey said he received some comments from three countries but asked that anyone who still has comments please send it to him within 30 days of the meeting.</p> <p>6. General</p> <p>The PAFF’s website was discussed and it was decided that the participating countries should send information to the webmaster about franchising in their respective countries for publication for example:- Legal information or information about franchising laws (where applicable) How many franchise companies are there in the country? Are they foreign brands or homegrown brands? Is there a franchise association in the country? If not has a steering committee been established?</p> <p>The logo currently used by the website, which is sponsored by the ADB was discussed. Peter Moyanga suggested that the logo be adopted as it was devised by the ADB and they are funding the website for one year (funding runs out in February 2015).</p> <p>After a brief discussion it was decided that the decision regarding the PAFF logo be diarized for discussion and also for the Franchise Association in South Africa to consider sponsoring the website after the funding from the ADB runs out.</p> <p>Peter Moyanga tabled that Robert Zeggars from the ADB is currently running the website and that contributions should be sent to him. Peter Moyanga to provide his email address.</p> <p>Diana Kyobutungi suggested that a membership committee be established to consider the issue around the logo and other issues.</p> <p>There were no further issues raised and Eugene Honey thanked everyone especially those who traveled a long way to attend the</p>		
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meeting.

The meeting was adjourned at 12h41.

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