

HKTDC World SME Expo
Hong Kong
6-8 December 2012

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FRANCHISING TRENDS & OPPORTUNITIES IN CHINA AND THE PHILIPPINES

The Ties that Bind Us



The Philippines: Asia's New Tiger Economy

- ◎ Rose 20 ranks in 2 years in the global competitiveness index (WEF)
- ◎ The only country upgraded by IMF in its growth forecast for 2012
- ◎ Economy grew 7.1% in 2012 Q3



Economic Overview

China

- ◎ Largest economy by 2020
- ◎ Led Asian miracle by posting double digit growth for 3 decades
- ◎ Purchasing power will multiply 7-fold by 2050

Philippines

- ◎ 14th to 16th largest economy by 2050
- ◎ Among the top 10 countries with fastest economic growth from 2010-2050
- ◎ Purchasing power will multiply 9-fold by 2050

Demographic Overview

China

- ◎ 1.4 billion (2050)
- ◎ Median age: 37 (2012);
- ◎ 0-29 y.o. – 33% (2020)
- ◎ Population to peak at 1.6 billion in 2026
- ◎ 26% will be over 65 by 2050

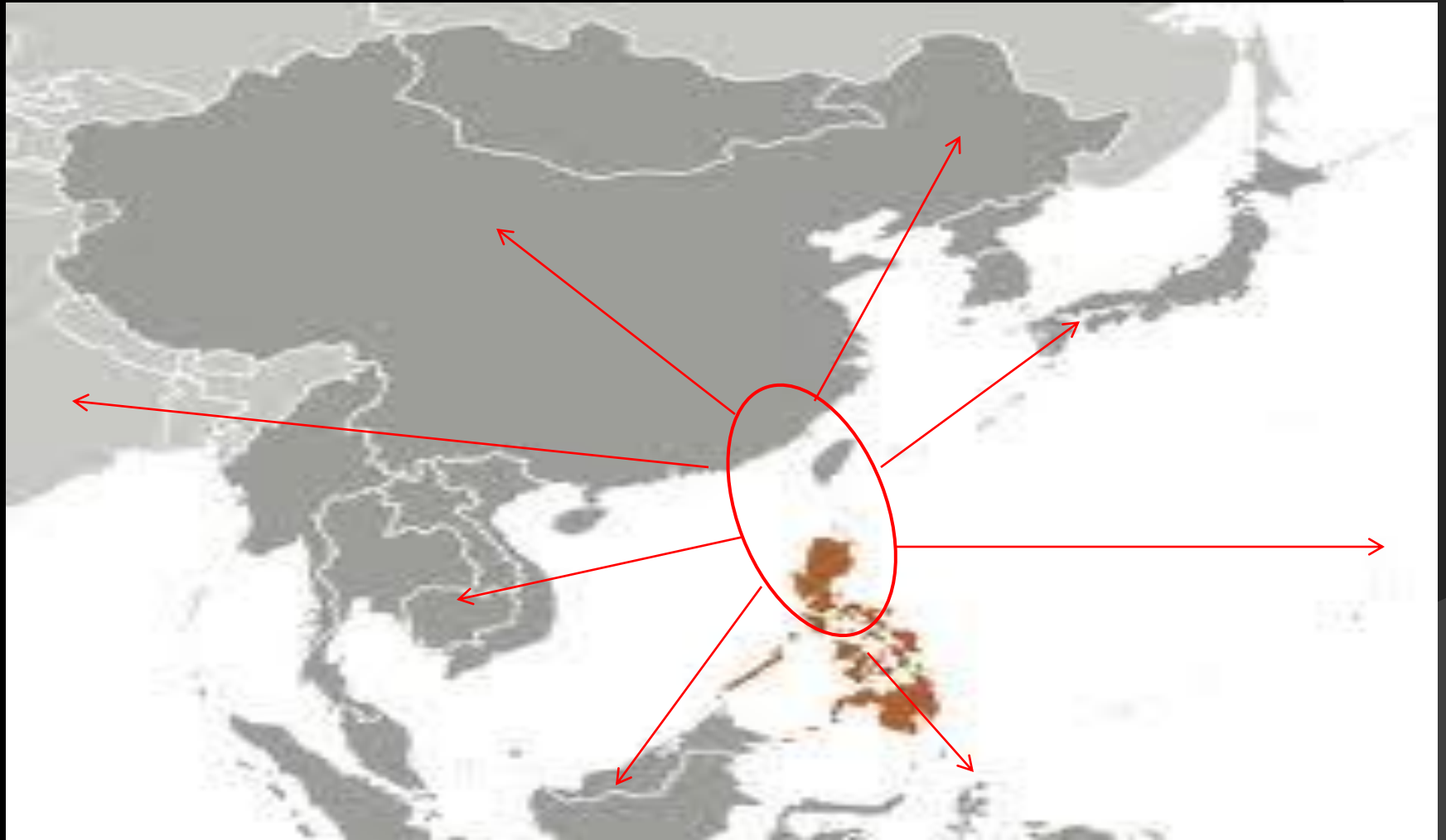
Philippines

- ◎ 155 million (2050)
- ◎ Median age: 23 (2012)
- ◎ 0-29 y.o. = 60% (2020)
- ◎ Young population to sustain growth
- ◎ 3rd highest increase in working age population

Overview of Franchising

Country	No of Franchise Systems	No of Franchise Outlets	Employment Generated
China	4,500	400,000	5,000,000
Philippines	1,300	124,000	1,023,000

The Hong Kong-Philippine Strategic Alliance



The Philippines: Franchising Gateway to the Western World

- Home to 500+ successful foreign franchise brands
- Large and growing market
- Purchasing power on the rise
- The most western among Asian nations
- 10 million overseas Filipinos strengthening cosmopolitan tastes and preferences



The Philippines: Franchising Gateway to Southeast Asia

- ◎ Gateway to the 650 million ASEAN market
- ◎ Philippine franchise brands are expanding to Southeast Asia
- ◎ Philippine franchise brands competing strongly against western brands



Philippine Brands Expanding Abroad

ASIA

- Brunei, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, Thailand, Vietnam



MIDDLE EAST

- Abu Dhabi, Dubai, Kuwait, Oman, Qatar, Saudi Arabia, Bahrain



USA/ CANADA

- California, Guam, Hawaii, Saipan

Emerging Franchising and Consumer Trends

China

- ⦿ Growth of Upper Class
- ⦿ Rise of Luxury Consumption
- ⦿ Health / Food Safety Trend
- ⦿ Education
- ⦿ Online Buying
- ⦿ Aging Society

Philippines

- ⦿ Growing prosperity
- ⦿ Rise of young professionals with high disposable income
- ⦿ Entry of Asian food franchises
- ⦿ Growth of C-Stores and Other 24/7 businesses
- ⦿ Overseas expansion of franchise brands

Franchise Opportunities in China



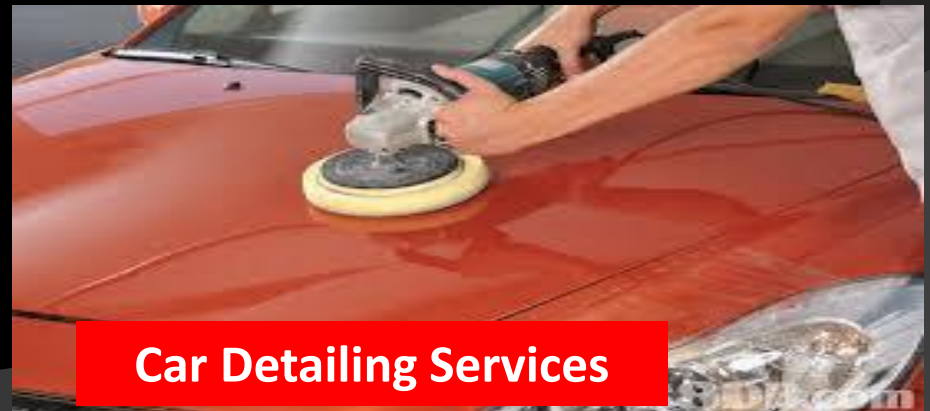
**Tutorial Services /
English Classes**



Retirement Facilities



Fruit Juice Bars



Car Detailing Services

Franchise Opportunities in the Philippines for Chinese Franchises



Peking Duck Restaurant



Tea Salon

FOOD



Noodle House

Franchise Opportunities in the Philippines for Chinese Franchises



Acupuncture



Chinese Language School



Hotels



Wushu / Kung Fu School

SERVICE

Franchise Opportunities in the Philippines for Chinese Franchises



Alternative Chinese Medicines



Chinese Delicacies Store



Feng Shui Store



Tea Shop

RETAIL

Thank you very much!

*Let us continue to work together in
sustaining the Asian miracle!*

Samie Lim, CFE

Founder & Chairman Emeritus, Philippine Franchise Association

Former Chairman, World Franchise Council

Chairman for Tourism and Trade, Federation of Filipino-Chinese

Chamber of Commerce and Industry

Former Undersecretary, Department of Trade and Industry