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Franchise Council of Australia
And
International Business Times

Franchising is set to overtake manufacturing in terms of employment numbers within 10 years, according to Brian Keen founder and director of How To Franchise Simply.

Recent treasury modelling has suggested that the number of jobs in employment in manufacturing is expected to shrink by 17 per cent this decade, wiping out 170,000 jobs.



Reuters/Vijay Mathur
Australia's manufacturing industry fell in December because of weak local demand, strong Australian dollar and high interest rates.

Keen said this supports the positive attitude of the franchise community.

“Ten years ago manufacturing in [Australia](#) employed 1.08 million people, which was 12 per cent of the total number of jobs,” quoted Keen.

“And today it has shrunk to 990,000, or 8.8 per cent of total jobs.”

Keen drew attention to a most interesting statistic, “While manufacturing has lost 90,000 jobs in the past 10 years, it is expected to shed almost twice as many in the rest of this decade,” he said.

“Griffith University Franchising [Australia](#) 2010 study shows the franchise sector grew its employment by 40 per cent during 2009/2010 alone, from 500,000 to 700,000.”

A promising outlook is given in a survey by PricewaterhouseCoopers which showed franchising outperforming many sectors.

“Its 2010 survey backed up findings from their 2009 survey (during the GFC) where franchise systems were forecasting growth of 12 to 15 percent.”

Keen also explained that the 2011 BRW 2011 report showed franchisor revenue growing by 12 percent and profitability by 19 percent. The outlook is optimistic, with franchisors forecasting a growth of 13 percent for 2011, and 49 percent over the next three years – and growth is expected to continue at a healthy rate.

‘With the Australian economy jumping somersaults over many other economies in the developed world, the scene is set for franchising to continue its strong run in 2011 and onward,’ he said.