

# Franchise Sector Holds the Key to UK Economic Growth in 2014

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For Immediate Release

London, UK, Thursday 9th January, 2013: Franchise Development Services (FDS) – the leading British Franchise Association-accredited franchise consultancy - today released figures showing a steep increase in the number of people looking to invest in a franchise opportunity.

## Franchise Owners

During the course of 2012-13, more than 40,000 new investors signed up to Franchise Development Services. That represents a 41% increase over a two year period, and takes the total number of potential franchise owners in the UK to in excess of 120,000 as we enter 2014.

The average liquid capital available to each of these individuals is recorded at just over £43,000, representing an astonishing £5.2bn of individual capital available for franchising in total. Add this to the fact that banks will lend up to a further 70% on individual liquid capital available, and that places the potential investment opportunity of FDS-registered parties alone to be as high as £15bn.

## Franchise Brands

In addition to growth in the number of investors seeking franchise opportunities, FDS also recorded a significant increase in the number of businesses actively looking to expand via franchising. More than 1,100 new franchise brands (franchisors) have registered with FDS during the past two years, with the Consultancy identifying a 30% increase in the total number of new franchisors that have come onto the market during the same period.

Companies like Subway are planning to increase their number of franchise outlets in the UK from 1,500 to 2,000 within the next five years. Other brands like CeX now have well over 200 locations with their retail operation in once used electronic gadgets and they are also planning to double this number within the next five years.

## Analysis

Professor Roy Seaman, Founder & Chairman of Franchise Development Services, says that the current conditions in the UK and global franchise markets, provide a great opportunity for business to further grow their brand:

“Based on current figures, 2014 looks like being an extremely promising year for UK and indeed global franchising,” said Professor Seaman. “The number of registered franchisors has risen steeply in the past two years, and we have during that same period experienced the highest ever increase in the total number of potential franchise owners. This represents a great opportunity for the whole of the franchise market to further grow their brands, and for new and exciting entrepreneurs to set up their own businesses within the framework of an already well-established business. If even a fraction of this potential is realised in the UK franchise sector it could have a very positive impact on the UK economy in 2014.”

The growth figures are in-line with the latest BFA-NatWest Franchise Survey, which - released earlier this week - shows a 20% growth in the UK franchising sector over the past 5 years compared with an overall 2.5% contraction in the wider UK economy during the same period.

#### About Franchise Development Services

Established in 1981, Franchise Development Services (FDS) is the UK's largest most experienced Franchise Consultant and Publisher, with publications including The Franchise Magazine, The UK Franchise Directory, Irish Franchise Magazine, European Franchising and The International Franchise Directory. Today, FDS is a global brand with offices established in the UK, Europe, Middle East, and South-East Asia & Australia. FDS is a Full Member of the International Franchise Association (IFA). For more information visit [www.fdsfranchise.com](http://www.fdsfranchise.com) (<http://www.fdsfranchise.com/>).

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