



2022 Global Forecast

Projected franchise development by country

Written By **WILLIAM EDWARDS**

Key to recovering from the pandemic—to the point where local companies in a country will seek new franchise investment—is the level of vaccination in that country. We monitor more than 30 international information sources and also receive input from our associates resident in 27 countries. I traveled to Italy, Spain, the Netherlands, and the United Kingdom in September for my first international trip in almost 2 years. These countries are 70% or more fully vaccinated and are learning to live with Covid-19.

This report updates 36 normally franchise-friendly countries. Listing a country does not mean it is suggested that a specific franchise brand enter it. That decision requires more research.

1. Countries projected to have a *high level* of new franchise development in 2022

- **Australia.** There is a high level of interest in new franchise development and the country is expected to reopen by late 2021.
- **Canada.** This conservative country is now largely vaccinated and business is reopening. Franchise interest is strong for current brands.
- **Israel.** Highly vaccinated, this country is now open to new investment. There is considerable investment connected with the United Arab Emirates under the Abraham Accords.

- **United Kingdom.** Largely vaccinated and very open. We are seeing considerable new franchise brand investment interest and expect this to climb higher in 2022.

2. Countries projected to have a *moderate level* of new franchise development in 2022

- **Egypt.** Despite a very low fully vaccinated population, there is an immense amount of new investment going into consumer malls and a new capital city being built that will have major retail space available.
- **Germany.** This country has done relatively well during the pandemic although supply chain issues have slowed its major manufacturing engine. However, we have seen considerable interest in new franchise brands in recent months.
- **Hungary.** This country is seeing renewed interest in new business ventures that we predict will continue through 2022.
- **Ireland.** With a high vaccination rate, this country is coming back from the pandemic well. The country's small size does not make for a large number of franchise units for a brand.
- **Italy.** Italian businesses continue to recover from the major shutdowns of the pandemic and have learned to live with it. They are open for new business.

- **Japan.** Companies in this country were known as being very conservative pre-pandemic. They are beginning to come out of the pandemic period and we predict interest in new investments in 2022.
 - **New Zealand.** We expect the country to reopen in 2022 and to see considerable pent-up demand for new franchise brand investment.
 - **Panama.** Lingering pandemic business challenges should ease in early 2022 for this country, where foreign franchise brands are welcome.
 - **Saudi Arabia.** A new franchise law with disclosure has made this an interesting country to take foreign brands into in 2022.
 - **Spain.** Coming out of the pandemic nicely, interest in new franchise development is growing and is expected to be excellent in 2022.
 - **United Arab Emirates.** Much of the population has been fully vaccinated. Tourism is starting to recover. Local businesses will need a bit of time to recover before they are seeking new brand investment.
 - **Vietnam.** Little of the population is fully vaccinated and business shutdowns are prevalent at present. Factories are running at low rates. Nevertheless, we expect the ingrained entrepreneurial spirit of Vietnamese investors will recover in 2022.
-
3. Countries projected to have a *low level* of new franchise development in 2022
- **Brazil.** We estimate 2023 as the earliest this country will be ready for new franchise investment because of vaccine, economic, and political issues. An election in 2022 will not help.
 - **China.** This country will remain closed to foreign visitors until at least 2nd quarter 2022 and is going through large-scale economic, regulatory, consumer attitude, and political change at present.
 - **France.** This country has had mixed economic results during the pandemic, but business is coming back strong. Elections in 2022 may affect investor outlook.
 - **India.** There is limited interest in new business development here while local businesses recovery from the pandemic. Doing business in India remains a challenge.
 - **The Netherlands.** Highly vaccinated with no mask or social distancing requirements, this country is waiting for tourism to recover in 2022.
 - **Pakistan.** We receive lots of inquiries from Pakistan and believe that once the vaccination rate reaches a high level there will be considerable new investment interest.
 - **Poland.** This country is seeing new investment interest that we expect will increase in 2022.
 - **Singapore.** This country is almost fully vaccinated and businesses are recovering from numerous shutdowns. The challenge with Singapore remains that it is a saturated franchise brand market with little expansion potential.
 - **Sweden.** Foreign franchise brands have had limited success in Scandinavian countries. Specific well-known brands have a higher chance of finding investors.
-
4. Countries with vaccination, economic and/or political problems
- **Argentina.** It will be at least 2023 before the economy is expected to recover to the point where companies will be considering new investments.
 - **Chile.** Despite a fairly high level of vaccinations, political unrest and a new constitution being written may slow new investment.
 - **Colombia.** Political and economic unrest are slowing new investment by local companies.
 - **Indonesia.** The pandemic has severely affected this very large country and is expected to continue affecting new business development into 2023.
 - **Korea.** New laws and regulations are making it more difficult for foreign brands to enter and do business in the country, which is saturated with F&B brands.
 - **Mexico.** There is a low level of vaccinations, the government is not business-friendly, and terrorism is present in several areas. New business investment will be sporadic in 2022.
 - **Peru.** This country is normally welcoming to foreign franchise brands. The recent election of a Marxist government that is threatening nationalization has stopped new business investment for the time being.
 - **The Philippines.** Very foreign franchise-friendly, this country has been set back by very poor government, low vaccination levels, and almost constant opening and shutting of businesses. We see this as a viable new franchise investment market in 2023.
 - **South Africa.** Ranking right along with the Philippines, a dysfunctional government and very low vaccination rate means major economic and political challenges and little new investment interest.
 - **Thailand.** This major foreign franchise brand country is largely on hold for new investment and tourism recovery as the vaccination level rises. It may be until 2023 when local business recovery reaches the level where there will be a desire for new investment.
 - **Turkey.** The economic, political, balance of payments deficit, and unrest keep this country from being a strong market for new franchise investment in 2022.

Bottom line

Where the vaccination rates are 70% or higher, business is coming back and we expect local investors to be open to new investment in 2022. Of course, political and economic unrest can hamper new business development! ■

William Edwards is CEO of Edwards Global Services (EGS) and a global advisor to CEOs. From initial global market research and country prioritization to developing new international markets and providing operational support around the world, EGS offers a complete international operations and development solution for franchisors based on experience, knowledge, a team on the ground in more than 40 countries, and trademarked processes based on decades of problem-solving. Contact him at bedwards@edwardsglobal.com or +1-949-224-3896. Read his latest biweekly global business newsletter at www.geowizard.biz.