Myanmar High-frequency Monitoring of COVID-19 Impacts
Survey Firms

May - August Comparison
The only nationally representative survey of firms in Myanmar

500 firms
8 rounds

The survey also covers all of Myanmar and is divided into 5 zones (Yangon, Mandalay, Chin and Dry Zone, Delta and Costal Lowland, and the Hilly zone.

12 sectors

The survey is nationally representative and is the only enterprise survey that also covers the Agriculture sector (17%). The other sectors surveyed are Manufacturing (33%), Retail (17%) and Services (32%).

Micro & Informal too

The survey also covered micro and small firms and not just large and formal firms. 35% of the sample were micro firms and 40% were small firms. Medium firms were 19% and large firms 6%.
Key Findings

* Firm closures slightly increased in August prior to the second-wave.
* More firms expected to fall into arrears, including half of agriculture firms right before the new lockdown.
* Optimism of a recovery improved immediately prior to second-wave.
* Firms continue to adapt.
Service and Retail firms continued to **re-open** while Agriculture and Manufacturing firms saw an increase in temporary closures.
Medium sized firms saw an increase in temporary closures.
Firms in Chin and the Dry Zone have recovered the most but those in the Hilly zone saw an increase in temporary closures.
75% of firms continue to report an overall negative impact of COVID-19.
81% of firms report a reduction in sales, but cash flow shortages improved in August.
The improvement in firms reporting a reduction in access to credit in August, was led by firms in agriculture...

<table>
<thead>
<tr>
<th>Industry</th>
<th>May</th>
<th>July</th>
<th>August</th>
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<tbody>
<tr>
<td>Agriculture</td>
<td>43%</td>
<td>39%</td>
<td>19%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>23%</td>
<td>29%</td>
<td>10%</td>
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<tr>
<td>Retail and wholesale</td>
<td>28%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Service</td>
<td>34%</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>Total</td>
<td>31%</td>
<td>29%</td>
<td>16%</td>
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<table>
<thead>
<tr>
<th>Size</th>
<th>May</th>
<th>July</th>
<th>August</th>
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</thead>
<tbody>
<tr>
<td>Micro (1-4)</td>
<td>30%</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td>Small (5-19)</td>
<td>28%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Medium (20-99)</td>
<td>32%</td>
<td>18%</td>
<td>1%</td>
</tr>
<tr>
<td>Large (&gt;99)</td>
<td>30%</td>
<td>16%</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>31%</td>
<td>29%</td>
<td>16%</td>
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...and female-owned firms which saw an improvement in accessing credit and cash flow shortages but a larger share remain closed
In June, 72% of firms reported a decrease in profits (compared to the same period last year) with the service sector and medium-sized firms worst hit.
The average decline in profits (compared to the same period last year) was 57% with service and manufacturing sector firms worst affected.

Note: For questions on sales, profits, loans and delays the recall period is lagged so firms have time to have completed their bookkeeping accounts and for Round 3 they were asked to answer for June. All other questions are contemporaneously asked and are reported as August for Round 3.
33% of firms have outstanding loans

18% of firms delayed payments to their suppliers

5% of firms delayed payments to their employees
Fewer firms have outstanding loans

Note: For questions on sales, profits, loans and delays the recall period is lagged so firms have time to have completed their bookkeeping accounts and for Round 3 they were asked to answer for June. All other questions are contemporaneously asked and are reported as August for Round 3.
Most sectors rely on non-banking institutions over banks as their loan source.

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However, overall family and friends remain the most used loan source.
Suppliers continue to receive the most delayed payments

Note: For questions on sales, profits, loans and delays the recall period is lagged so firms have time to have completed their bookkeeping accounts and for Round 3 they were asked to answer for June. All other questions are contemporaneously asked and are reported as August for Round 3.
The largest delays in payments are to suppliers, and agriculture firms have the highest delays to employees and banks.

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Retail and Wholesale sector firms are less confident to remain in business next month than they were in July.
More firms expect to fall into arrears in the next three months than ever before, especially in agriculture.
BUT firms in August (prior to the second-wave) were more optimistic about a recovery.
Firms' sales' expectations for the next three months (compared to the same period last year) improved, but remained for negative growth.
<table>
<thead>
<tr>
<th>SECTION 1</th>
<th>SECTION 2</th>
<th>SECTION 3</th>
<th>SECTION 4</th>
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<tbody>
<tr>
<td>POLICY AND ADAPTATION</td>
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Myanmar COVID-19 Monitoring
61% of firms are aware of government policies for COVID-19.
The share of firms applying for government support has doubled since May.
47% of firms reported that access to loans/credit guarantees was the most needed government support.
Use of adjustment mechanisms has increased

- Started or increased remote work arrangement for its workforce
  - May: 8%
  - July: 5%
  - August: 3%
- Adopted online/digital platform for major business functions such as sales
  - May: 19%
  - July: 21%
  - August: 34%
- Changed its production or services offered partially or completely
  - May: 36%
  - July: 38%
  - August: 43%
- Started or increased delivery or carry-on
  - May: 5%
  - July: 32%
  - August: 34%

Myanmar COVID-19 Monitoring

Round 3
Measures adopted for customer safety have slightly decreased.

- Adopting online service delivery: 19% in May, 25% in July, 20% in August
- Reducing operating hours to reduce physical contacts: 39% in May, 31% in July, 27% in August
- Disinfecting workplace on regular basis: 42% in May, 50% in July, 53% in August
- Ensuring social distancing among customers: 70% in May, 77% in July, 71% in August
- Ensuring customers wear masks: 65% in May, 64% in July, 81% in August
- Providing hand sanitizers and cleaning supplies to customers: 76% in May, 73% in July, 86% in August
As well as those for employee safety:

- Providing hand sanitizers and cleaning supplies: 90% in May, 80% in July, 70% in August
- Ensuring employees wear masks: 87% in May, 79% in July, 70% in August
- Ensuring social distancing among employees: 75% in May, 70% in July, 69% in August
- Disinfecting workplace on regular basis: 60% in May, 52% in July, 48% in August
- Reducing operating hours or rotating shifts: 48% in May, 26% in July, 10% in August
- Work from home policy: 4% in May, 10% in July, 11% in August
Next steps

Round 4 collected (September)
Round 5 collection started (October)