

Myanmar High-frequency Monitoring of COVID-19 Impacts



Survey Firms

May - September 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.



4 Sectors

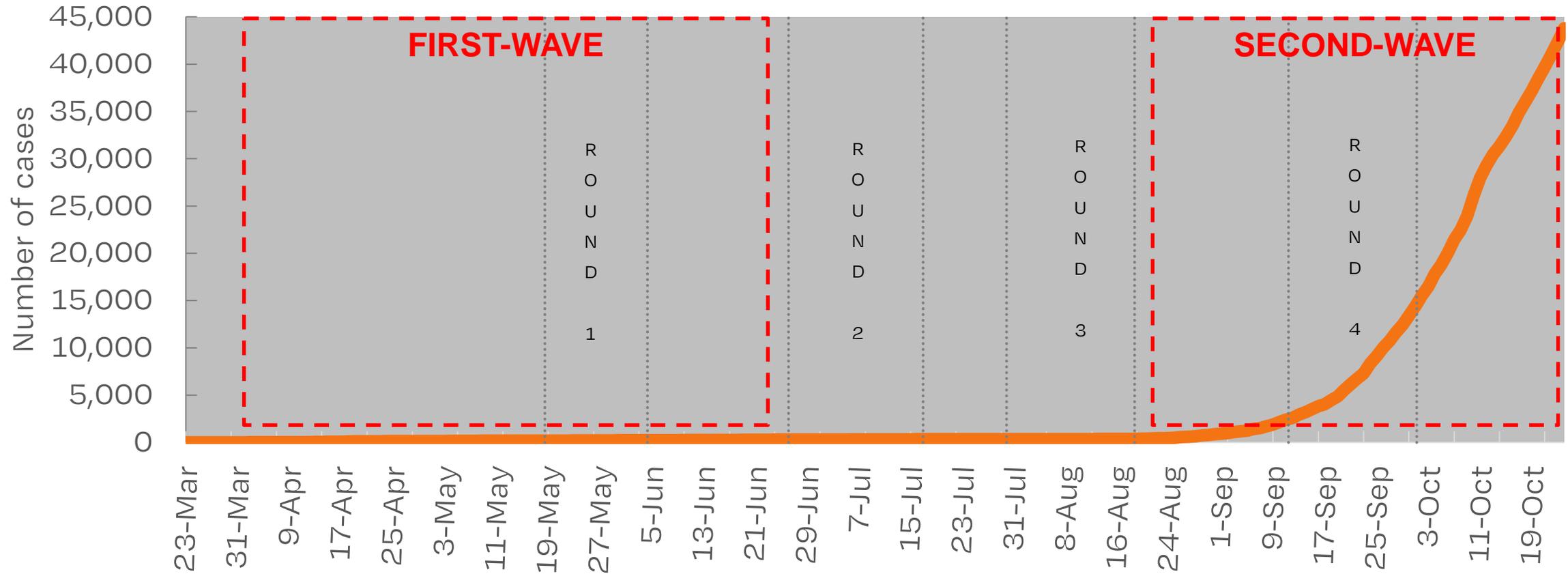
The survey is nationally representative and is the only enterprise survey that also covers the **Agriculture** sector (17%). The other sectors surveyed are **Manufacturing** (33%), **Retail** (17%) and **Services** (34%).



Micro &
Informal too

The survey also covered **micro** and **small** firms and not just large and formal firms. 37% of the sample were micro firms and 40% were small firms. Medium firms were 18% and large firms 4%.

Cases rose exponentially between survey rounds 3 and 4 of the survey



Key Findings

- ❖ The **economic impact of the second wave of cases and stay-at-home orders on firms appears worse than the first wave**
- ❖ **Reduction in sales** remains the number one concern of firms
- ❖ Large and service sector firms report **escalation in adverse impacts from COVID-19**
- ❖ Firms report **less confidence in remaining open for business and are not well-prepared to withstand a second wave**

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**OPERATIONAL
STATUS**

**BUSINESS
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**BUSINESS
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**POLICY AND
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SECOND WAVE

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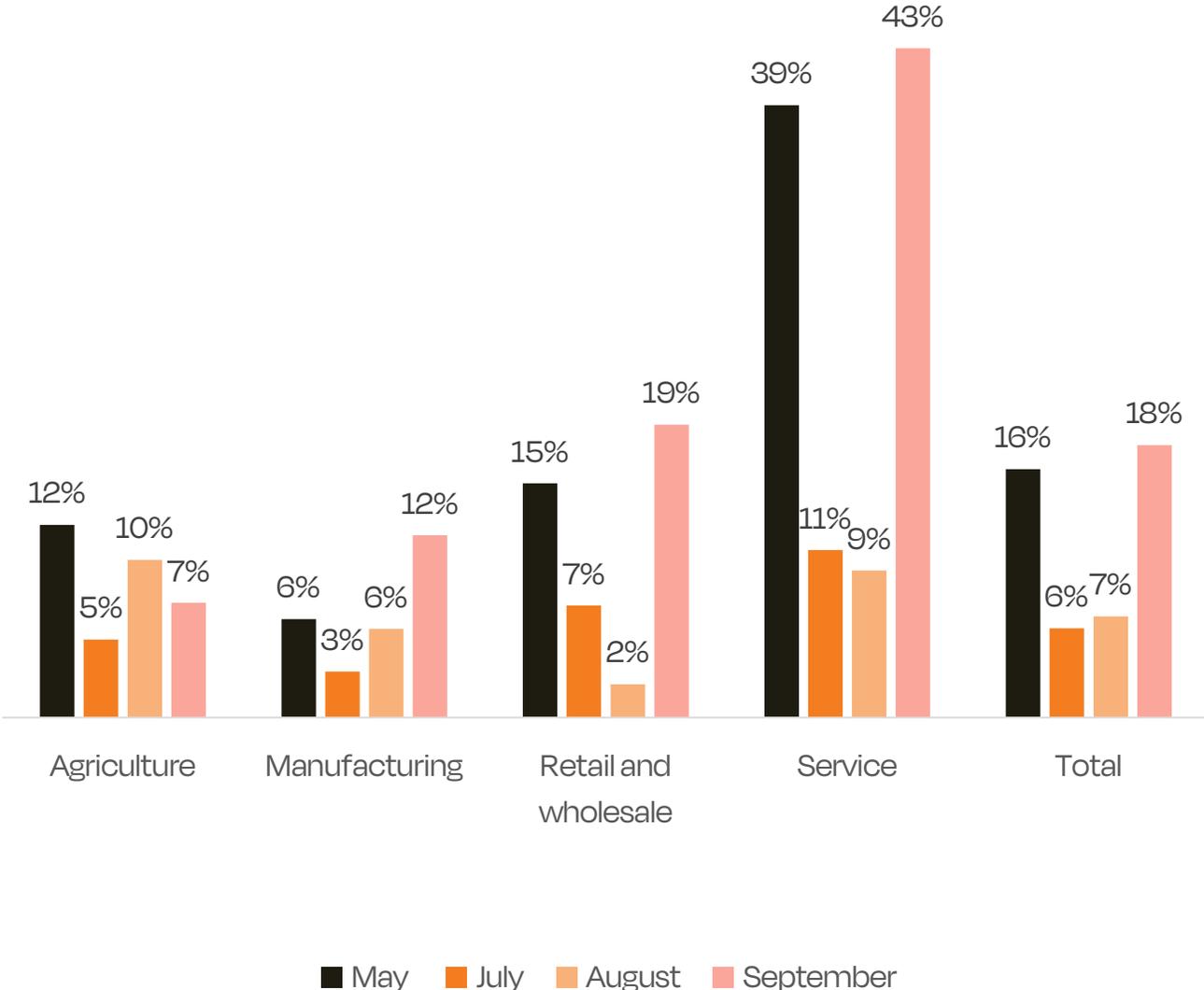
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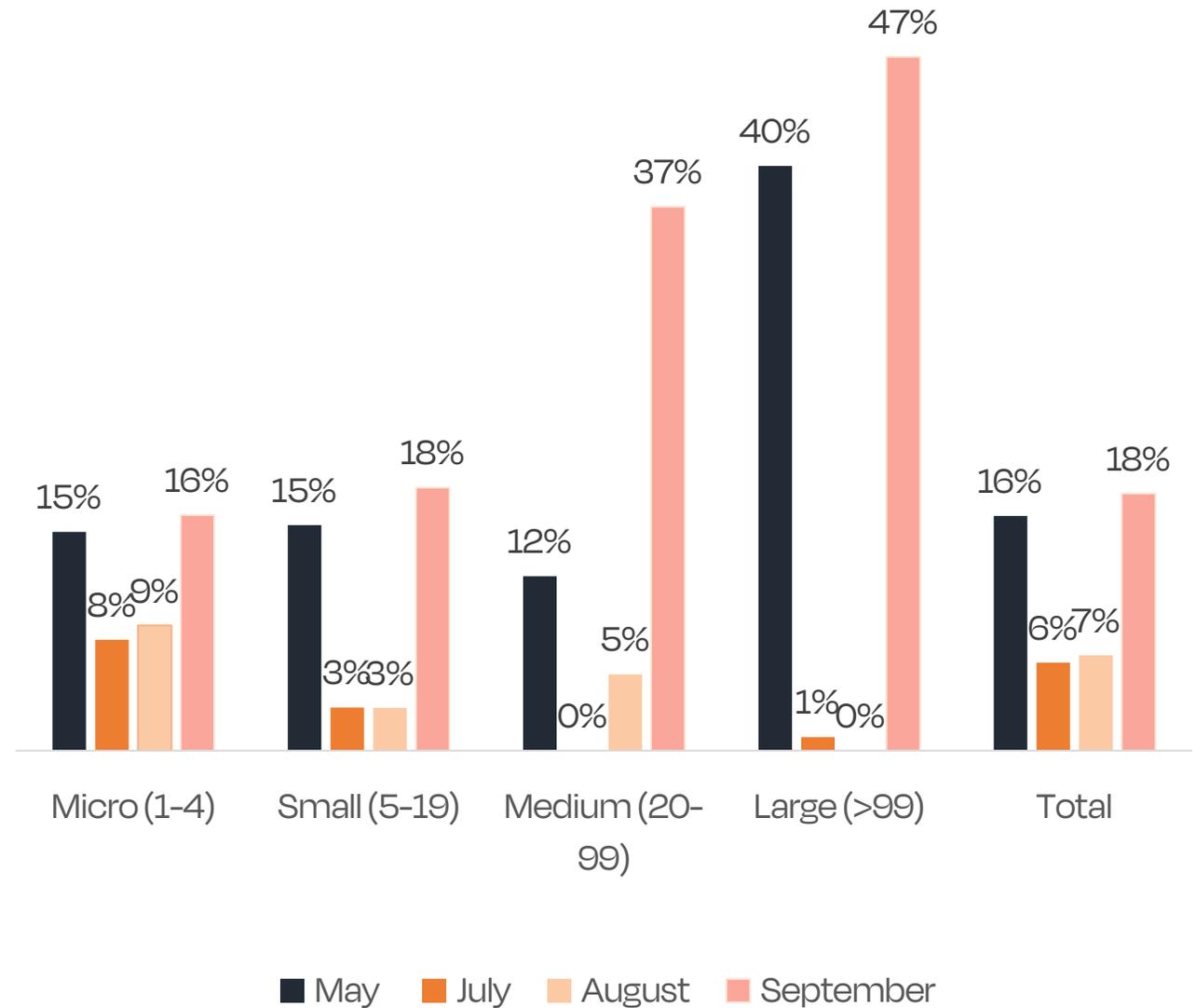
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**OPERATIONAL
STATUS**

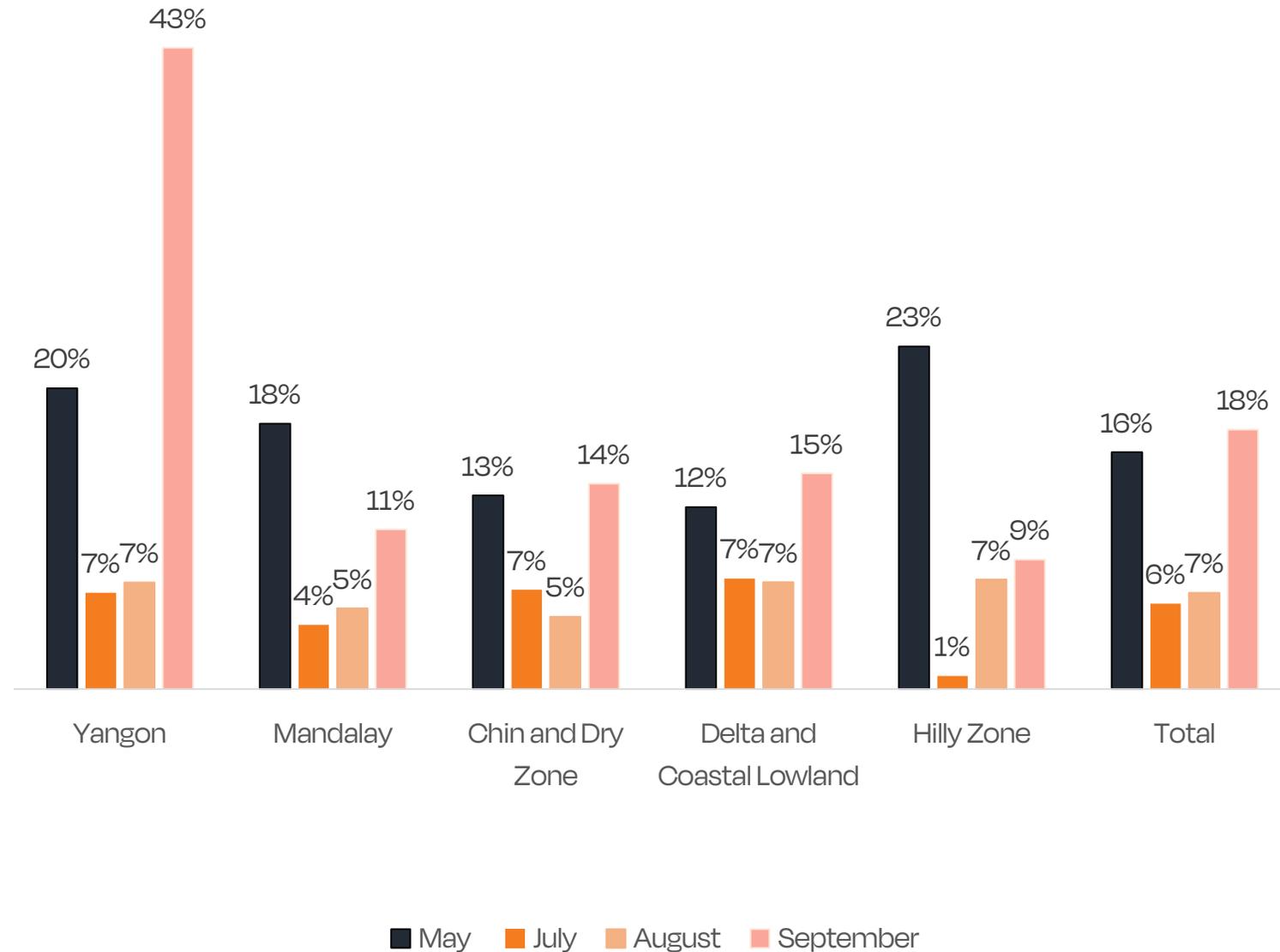
With the second wave of COVID-19, all firms saw an increase in temporary closures in September with service sector the worst hit



Medium and large firms went from nearly fully opening in August, to drastically increasing their **temporary closures** in **September**



Firms in Yangon saw the greatest increase in temporary closures – while Hilly Zone saw the lowest



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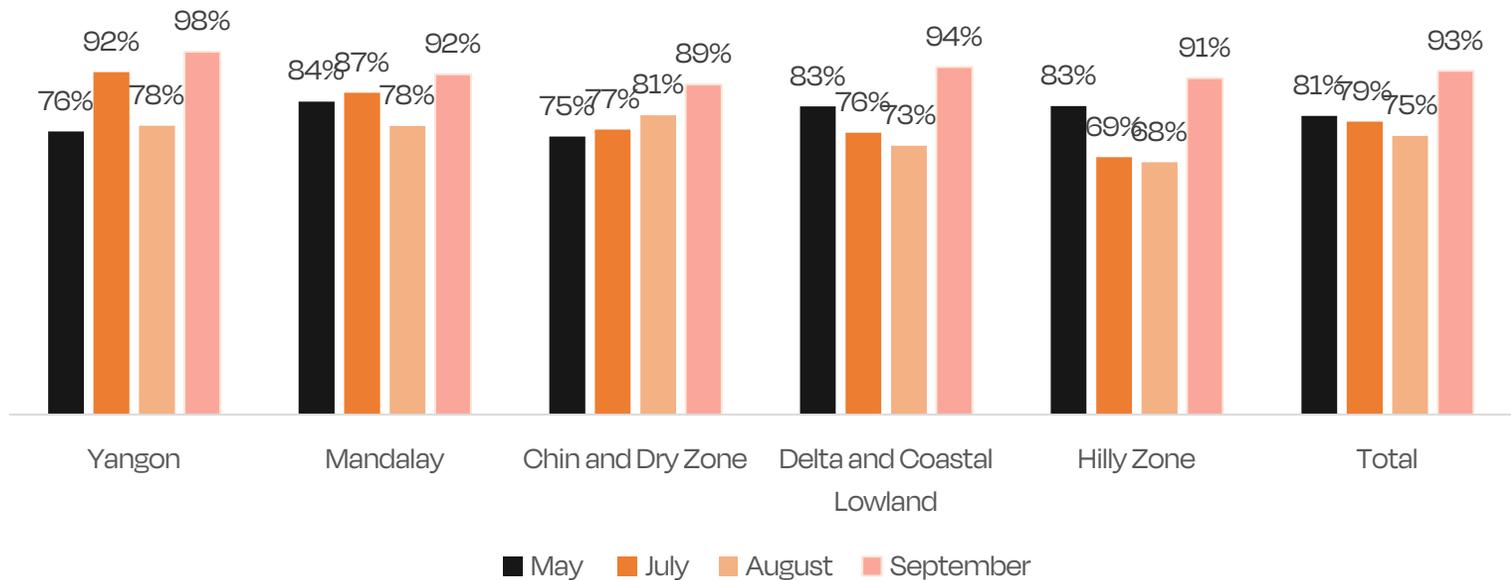
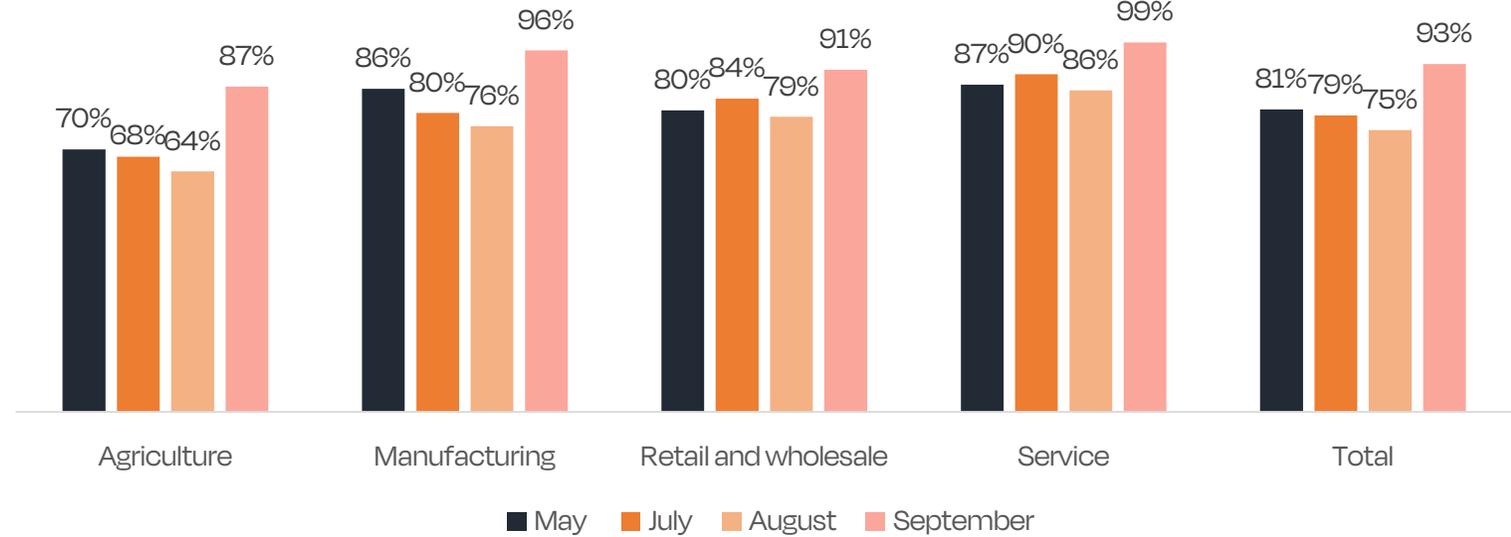
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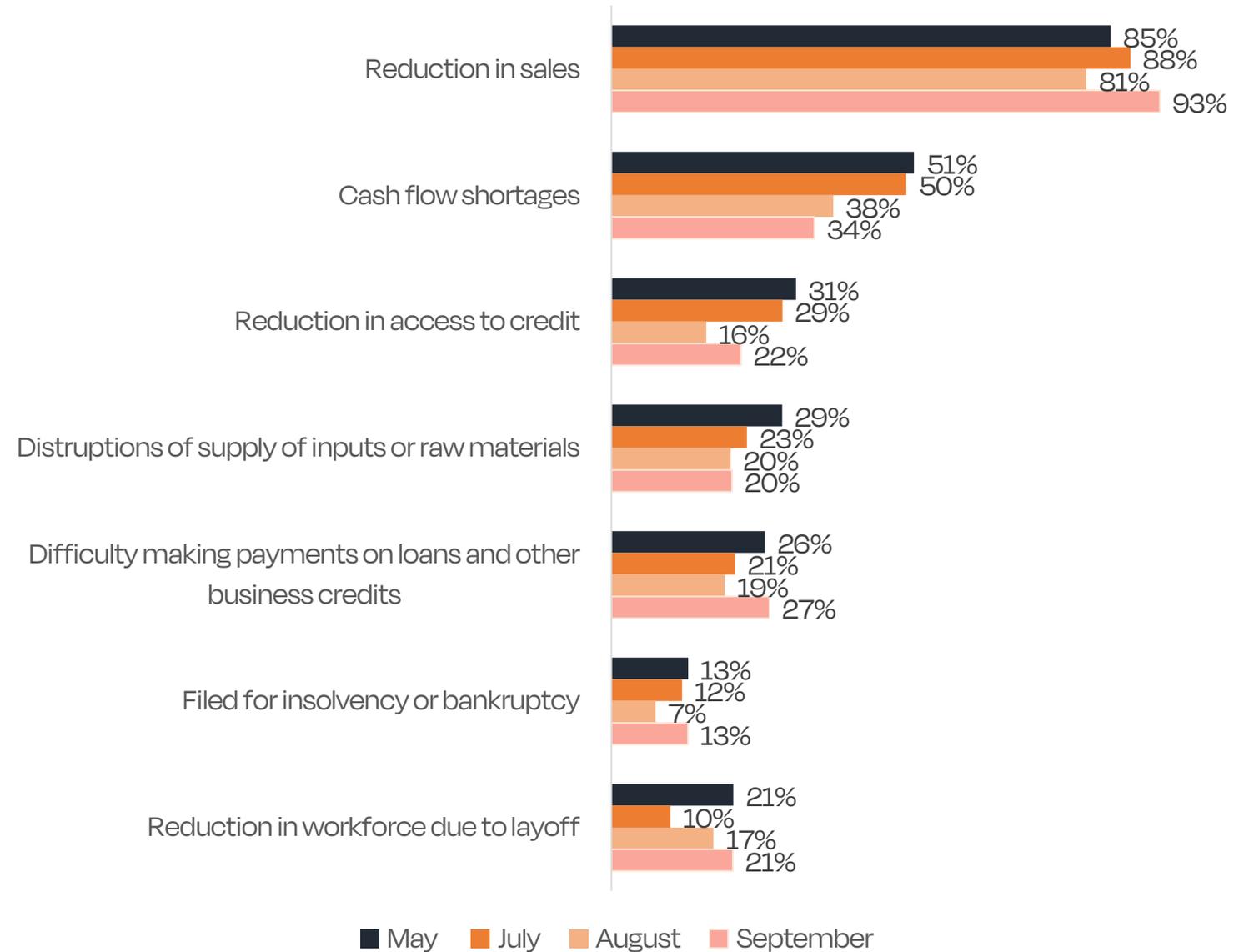
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**BUSINESS
PERFORMANCE**

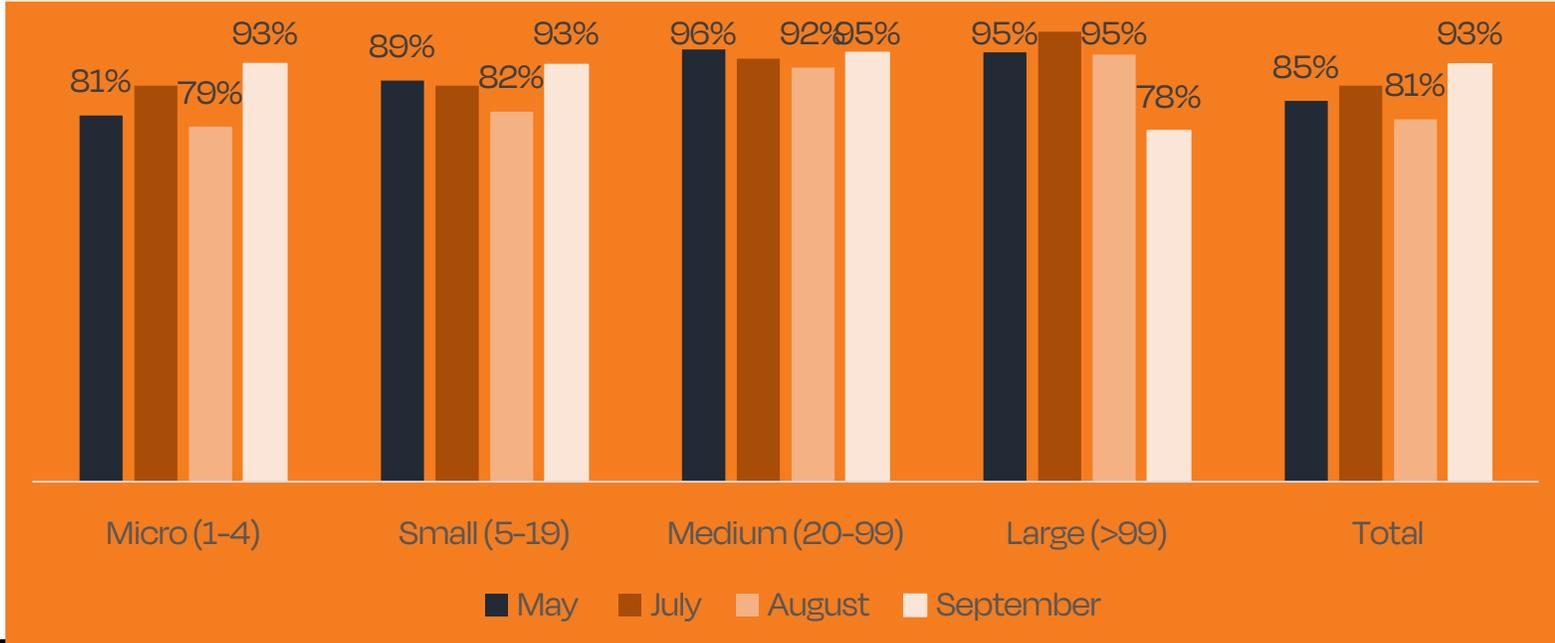
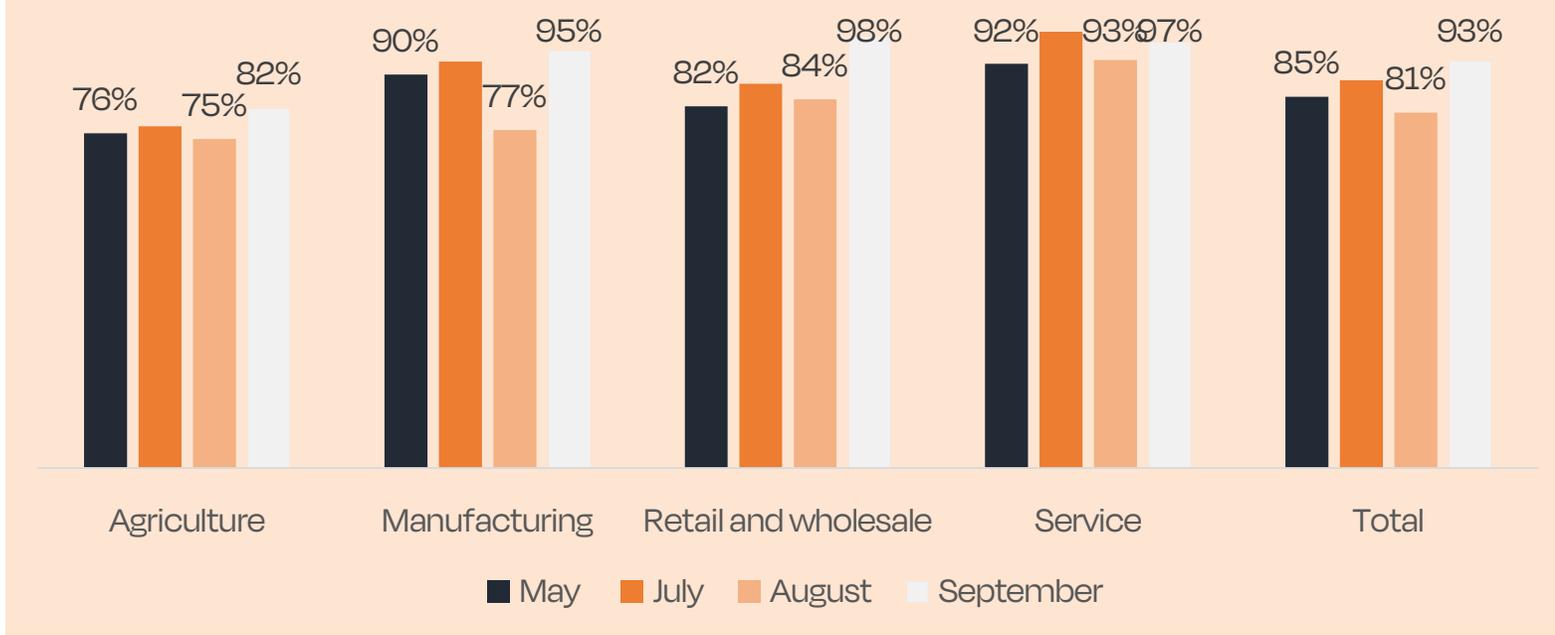
By September, nearly all firms (93%) reported negative impact of COVID-19, compared to 75% of firms in August



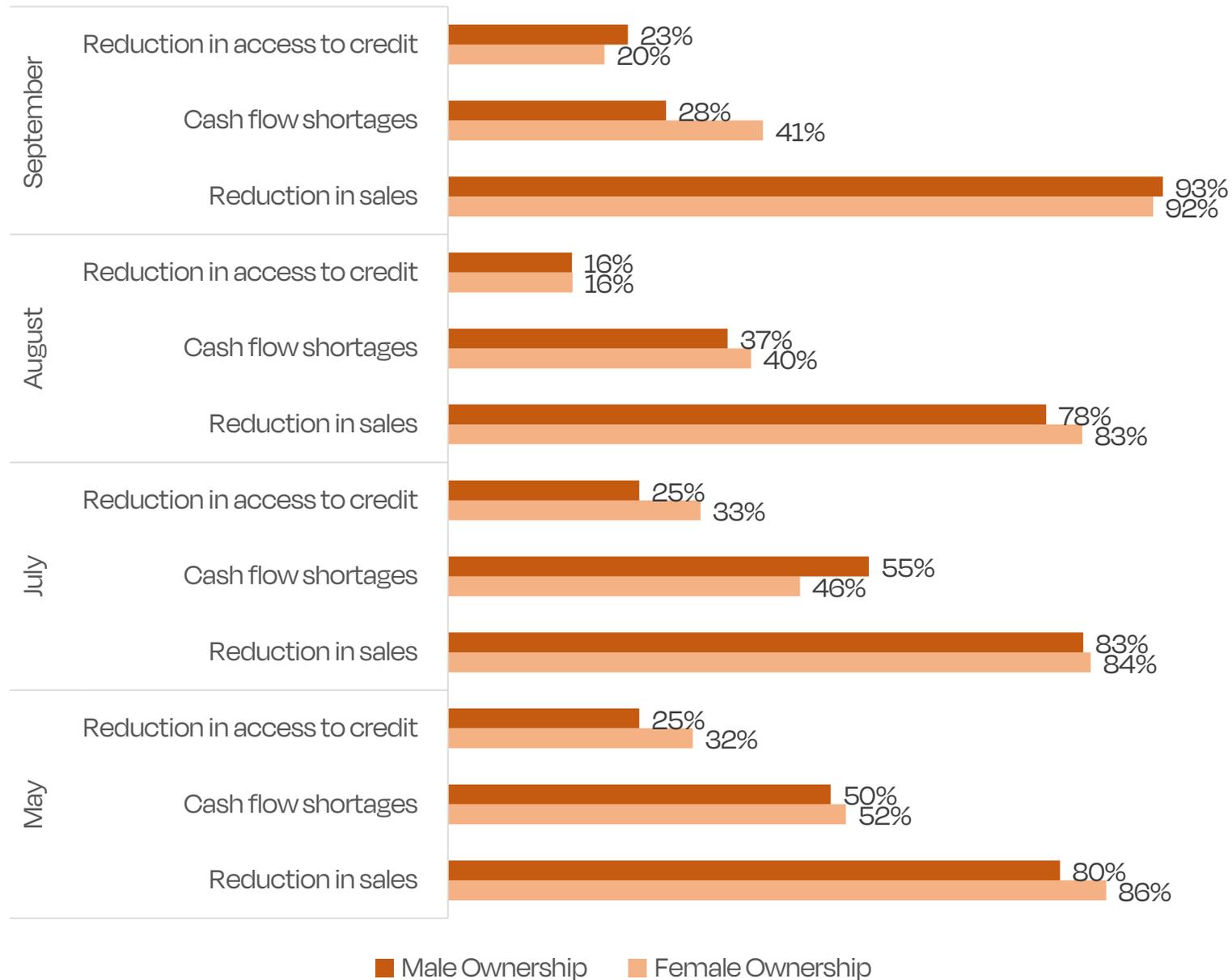
Reduction in sales was reported as the top issue by the most firms since the first wave



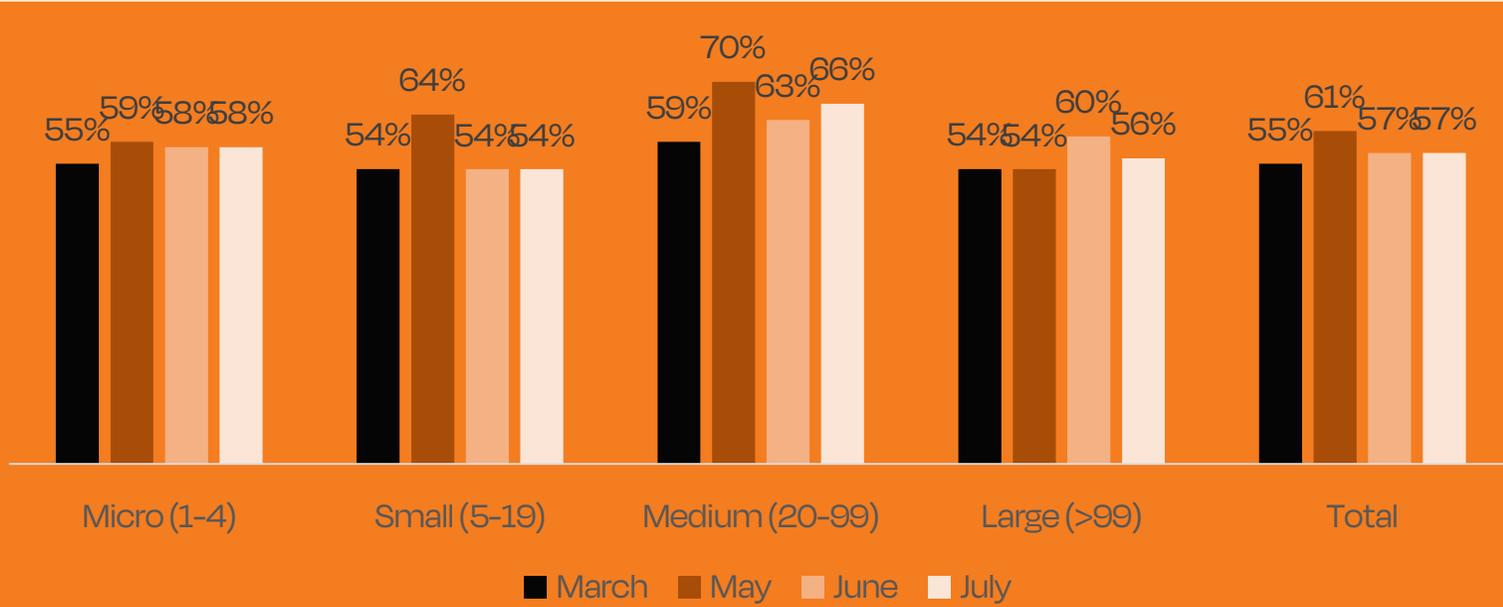
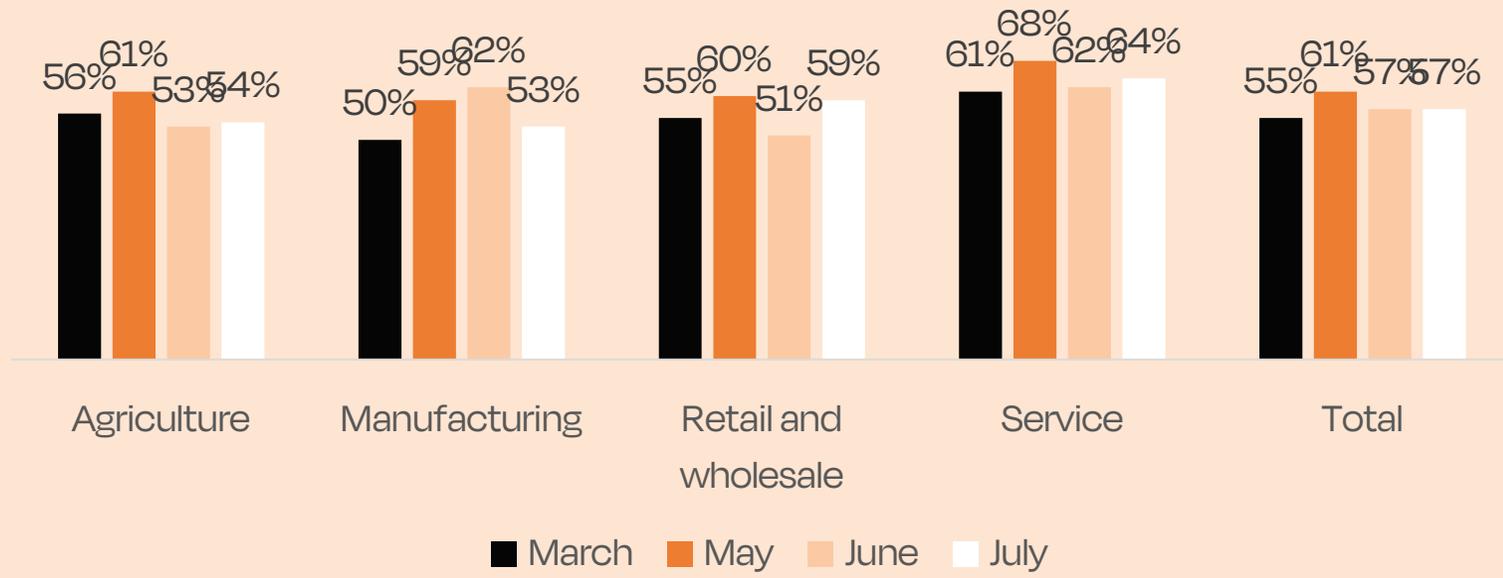
By September, sales reductions became a greater issue for all but large firms



Cash flow shortages became a graver issue for firms owned by women



The decline in profits (compared to the same period last year) was worse for firms in service as well as retail and wholesale sector



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 4 they were asked to answer for July. All other questions are contemporaneously asked and are reported as September for Round 4.

36%

of firms have
outstanding loans

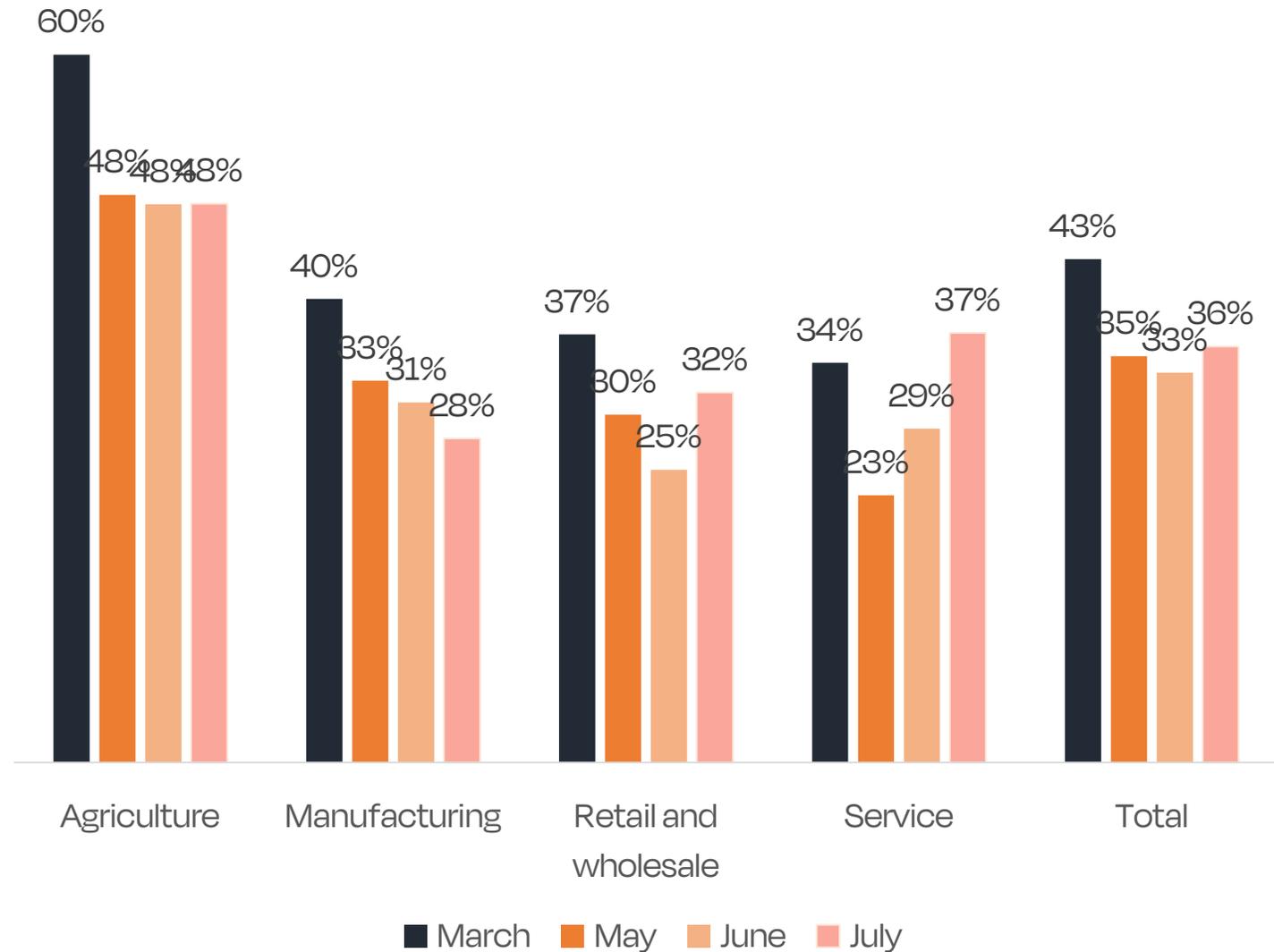
20%

of firms **delayed payments to their suppliers**

14%

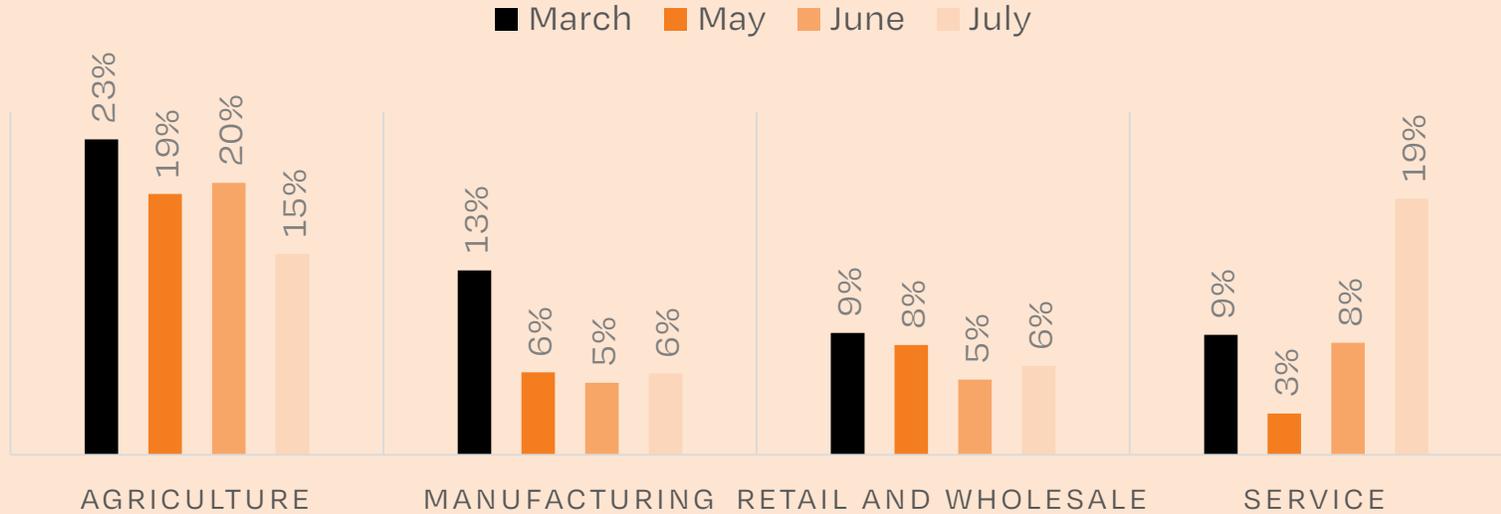
of firms **delayed payments to their employees**

More firms had outstanding loans in July



The increase in loans was mainly driven by loans from commercial banks

OUTSTANDING LOANS FROM COMMERCIAL BANKS

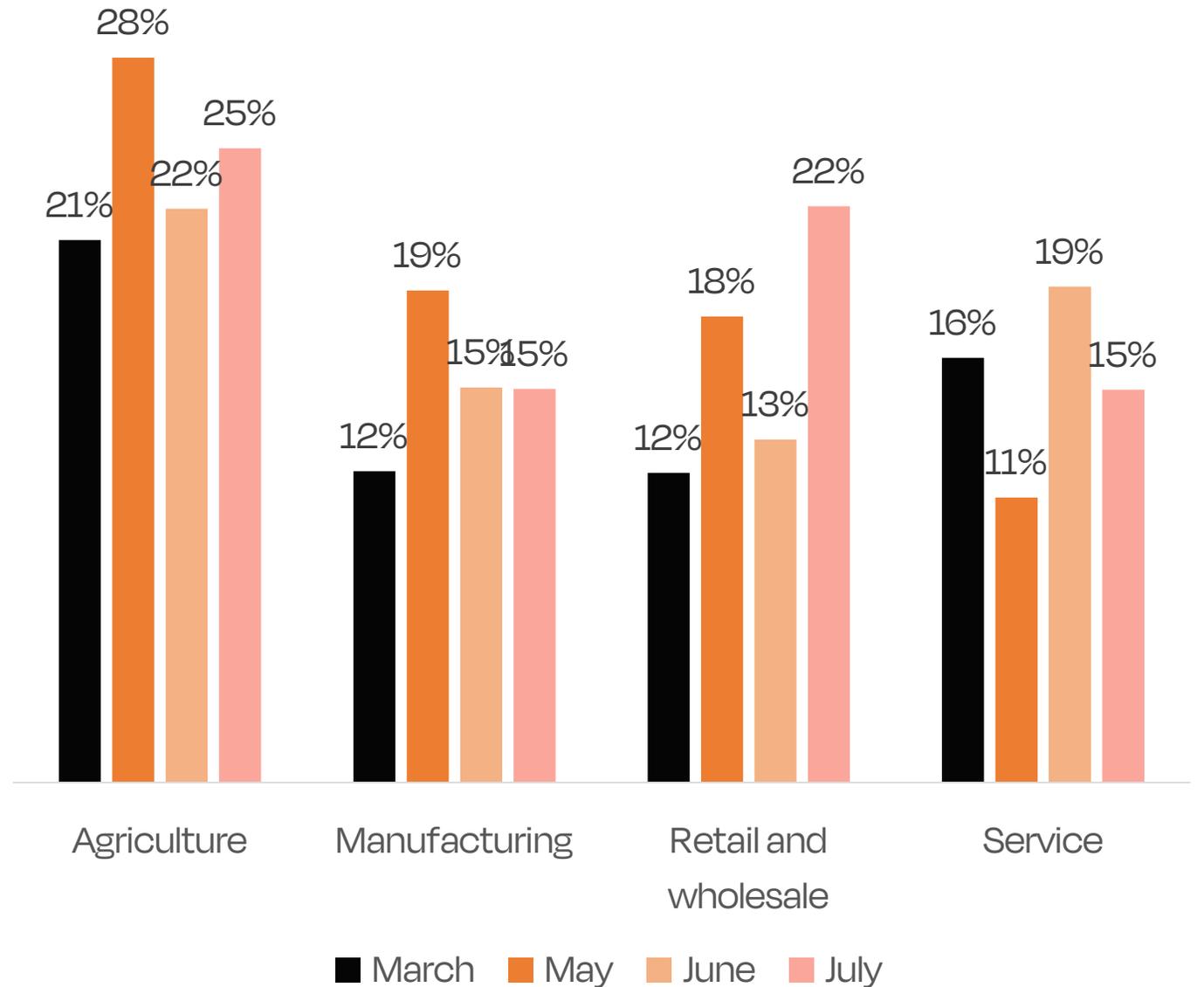


OUTSTANDING LOANS FROM NON-BANKING FINANCIAL INSTITUTIONS

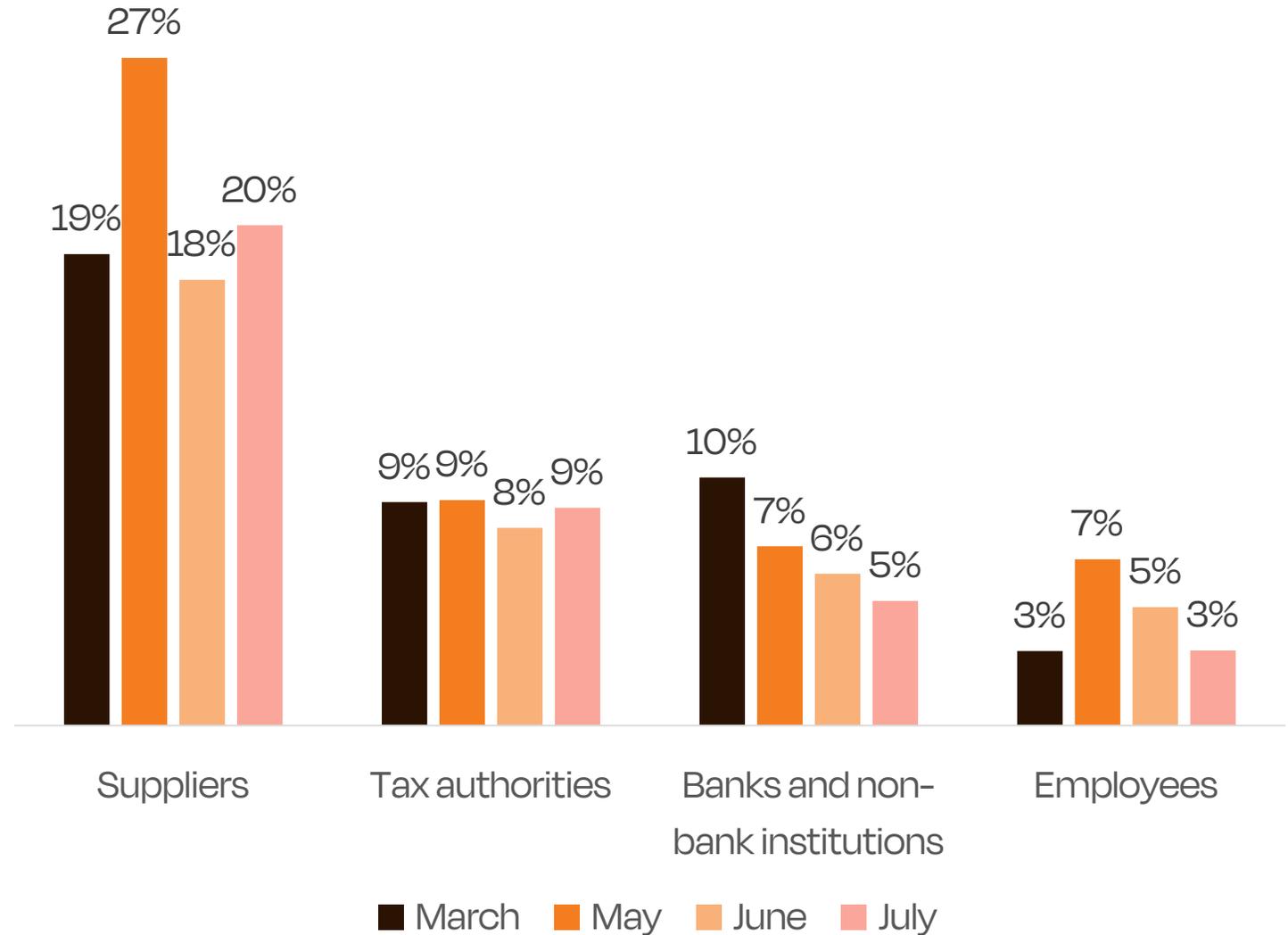


Note: For questions on sales, profits, loans and delays the recall period is lagged so firms have time to have completed their bookkeeping accounts and for Round 4 they were asked to answer for July. All other questions are contemporaneously asked and are reported as September for Round 4.

Agricultural, retail and wholesale firms reported more loans to family and friends



Suppliers continue to receive the most delayed payments



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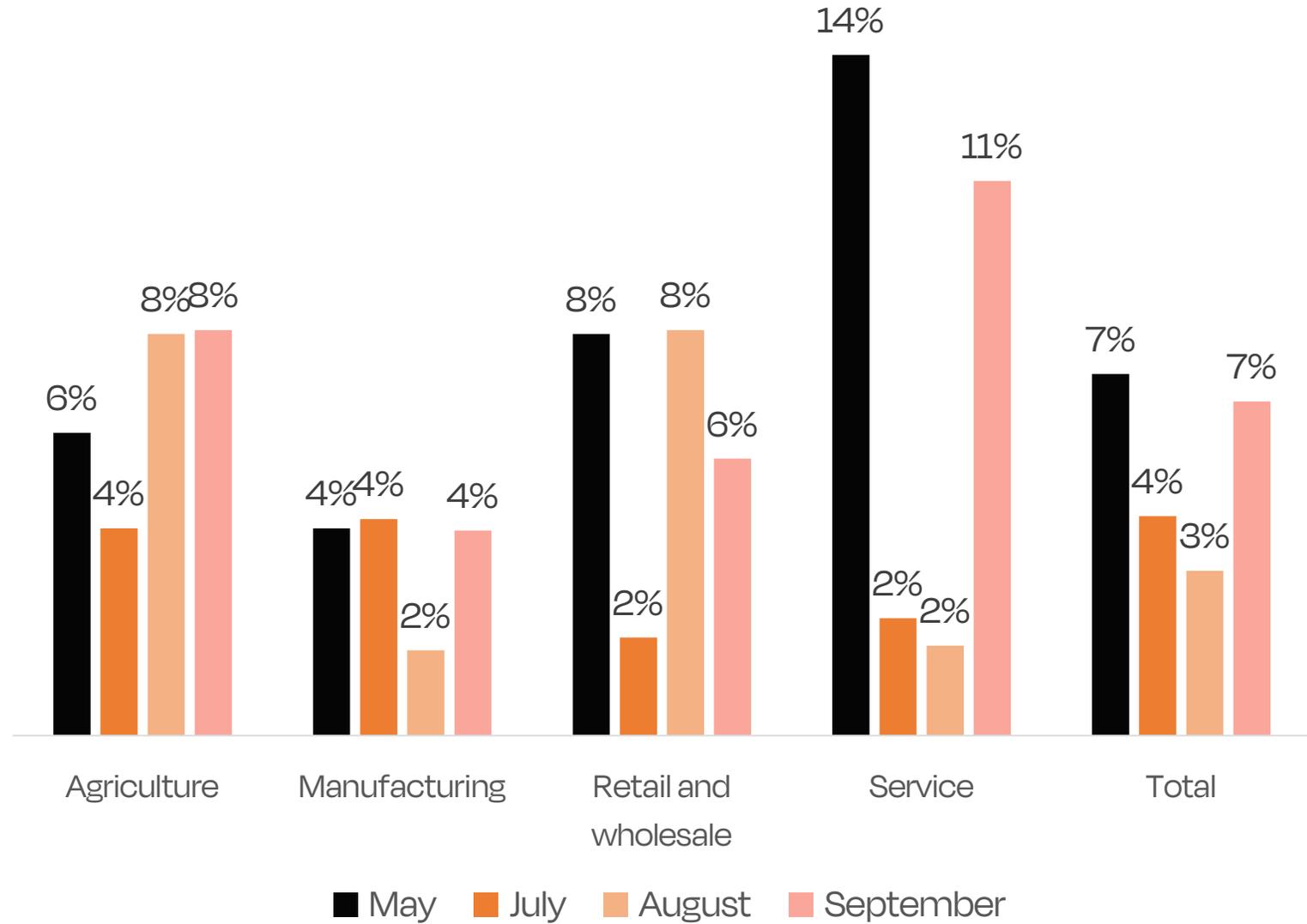
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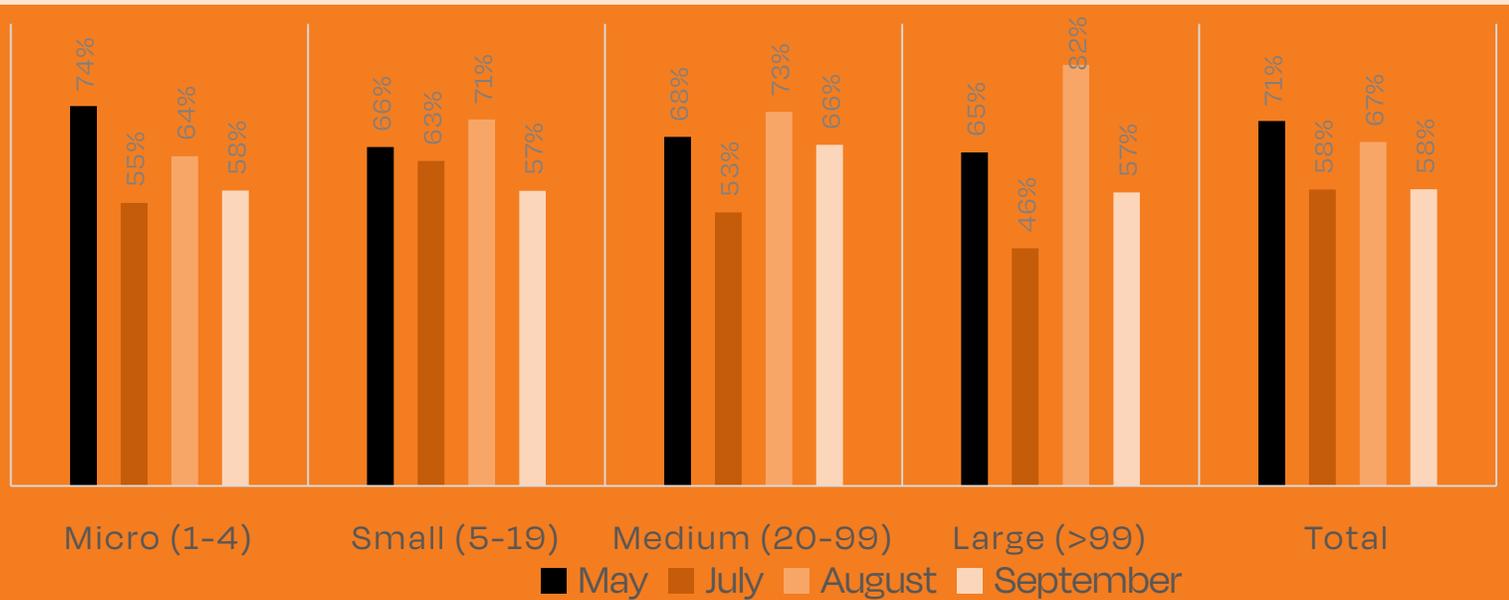
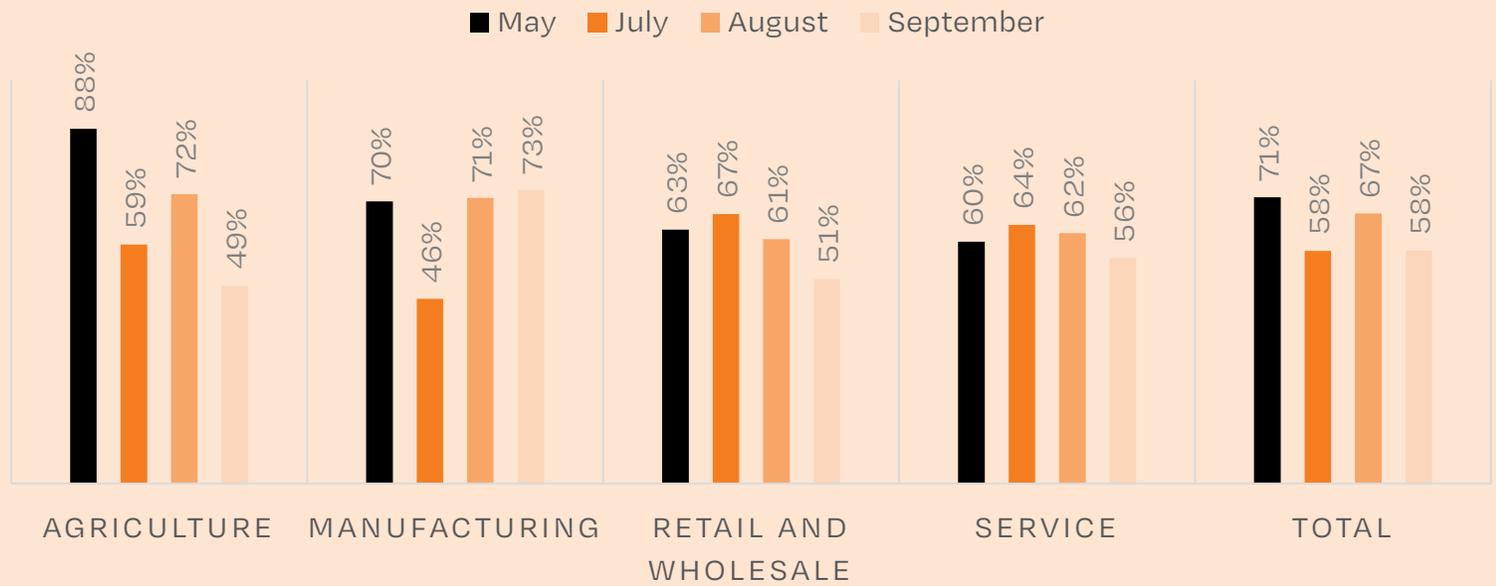
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**BUSINESS
EXPECTATIONS**

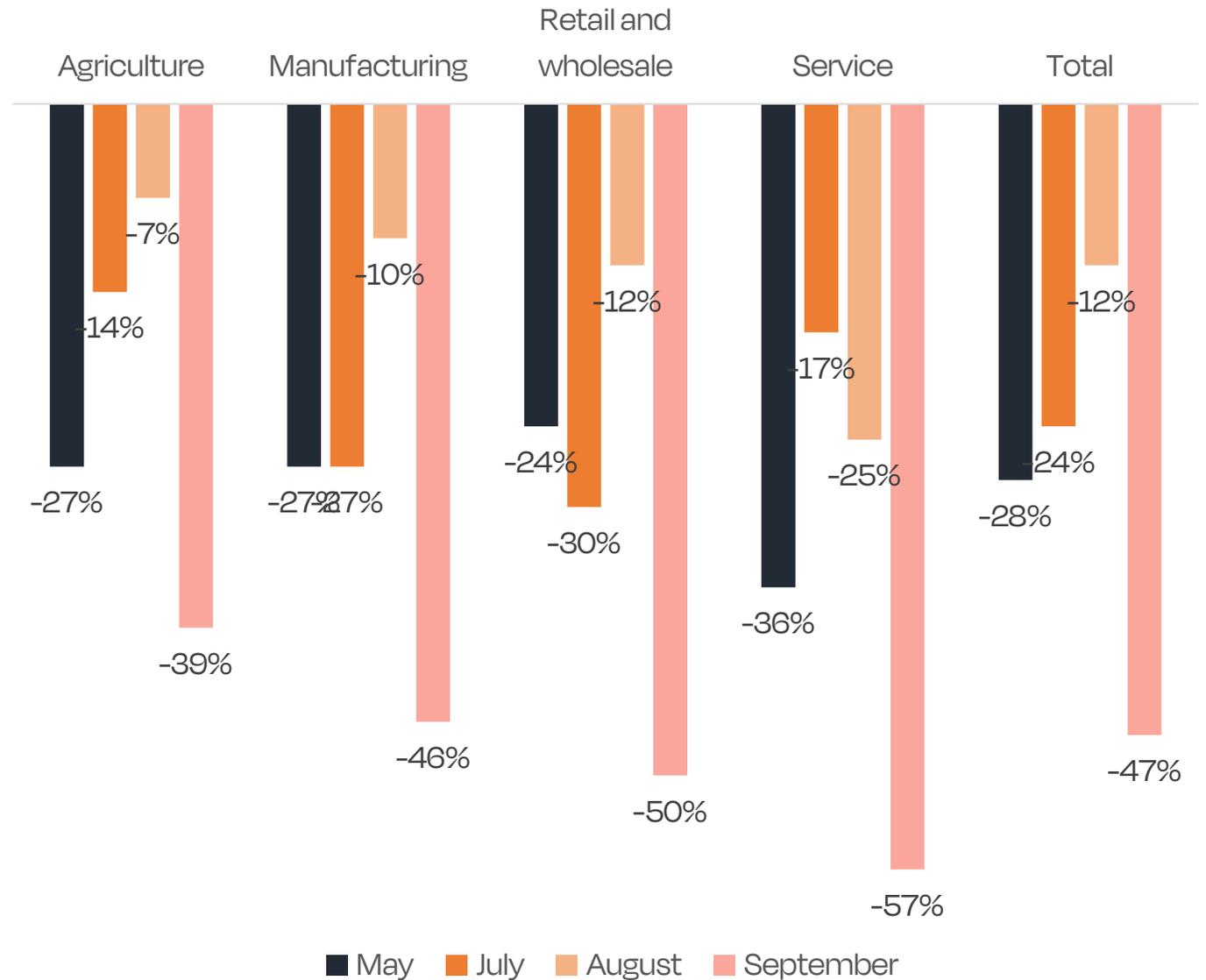
As COVID-19 persists, firms report **less confidence** in remaining open in a month



Fewer firms expect to recover compared to the first wave.



In the second wave firms are more pessimistic regarding sales for the next three months*



*Compared to the same period last year

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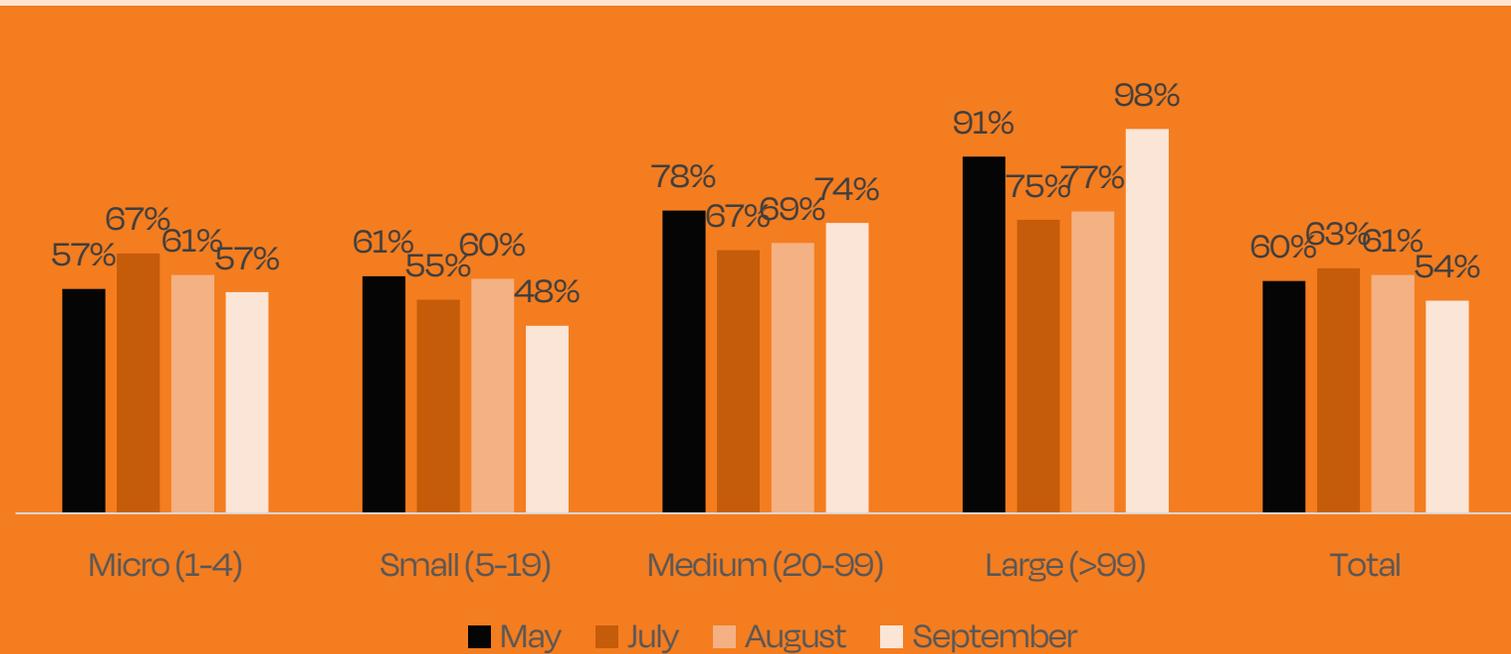
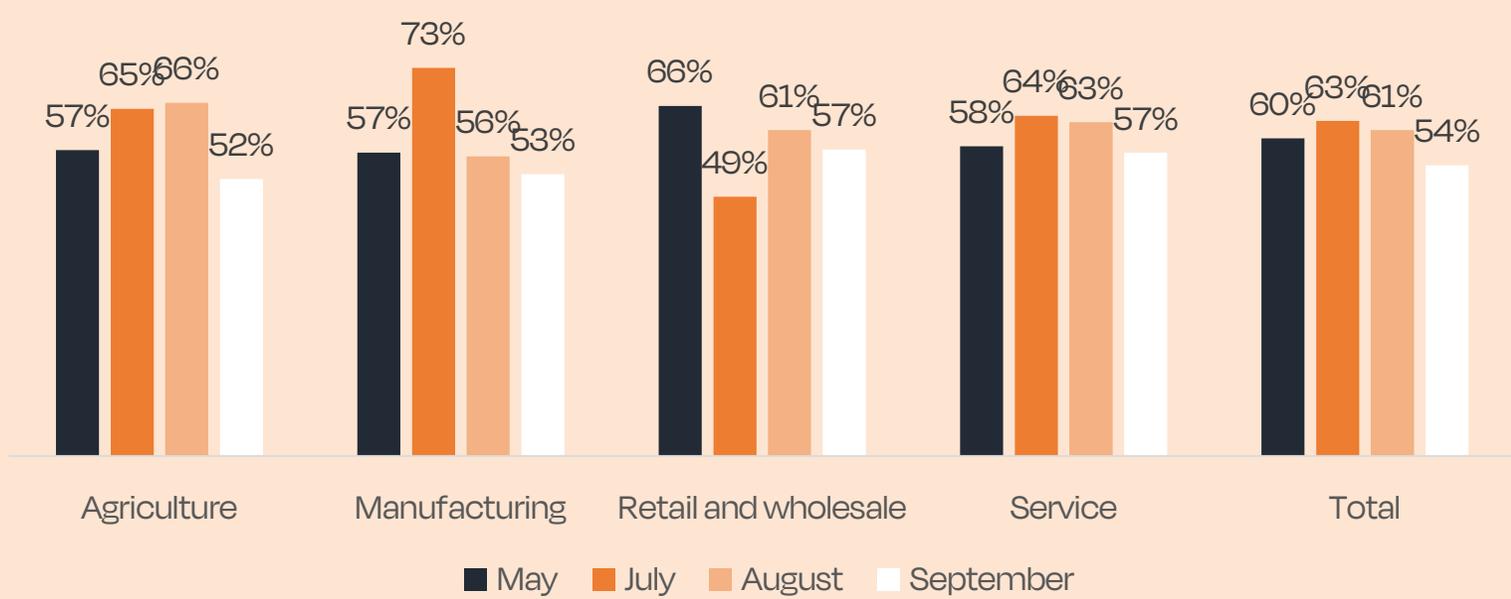
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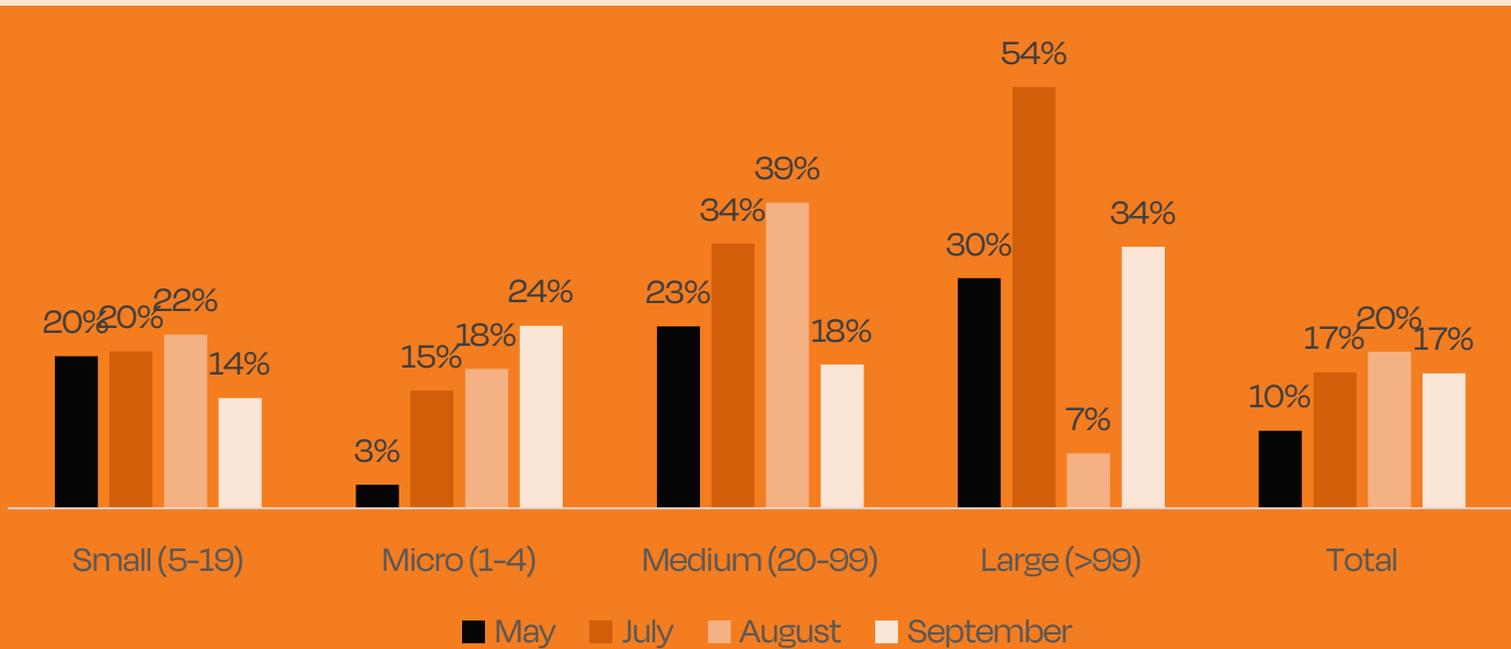
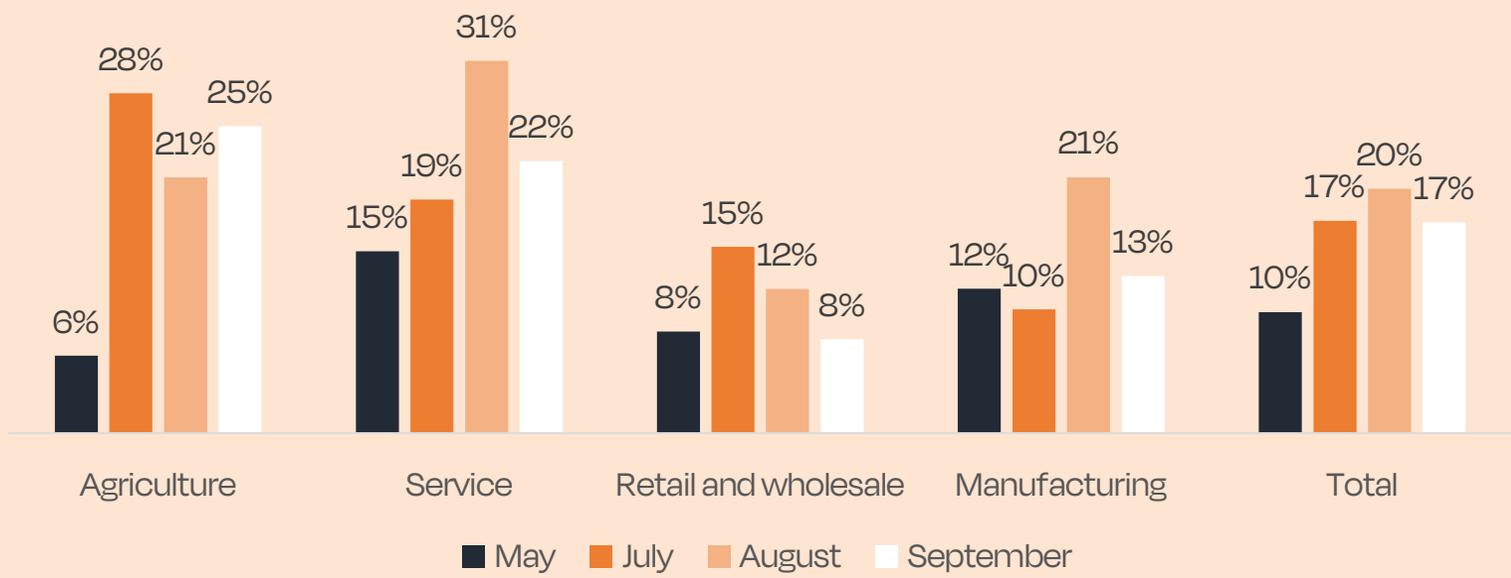
**POLICY AND
ADAPTATION**

54%

of firms are **aware**
of **government**
support for
COVID-19 with
small and micro
firms least aware



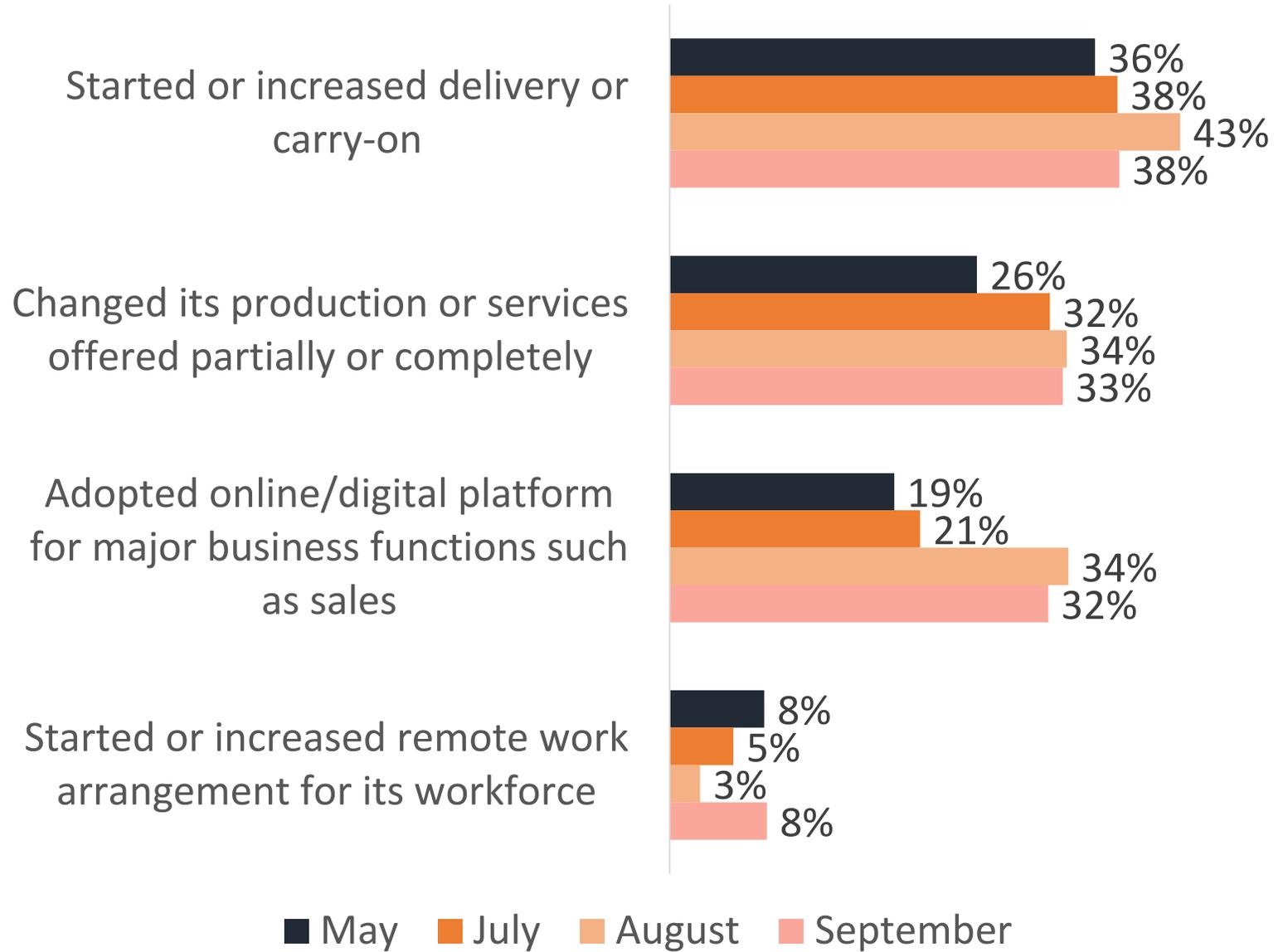
Fewer firms are applying for government support



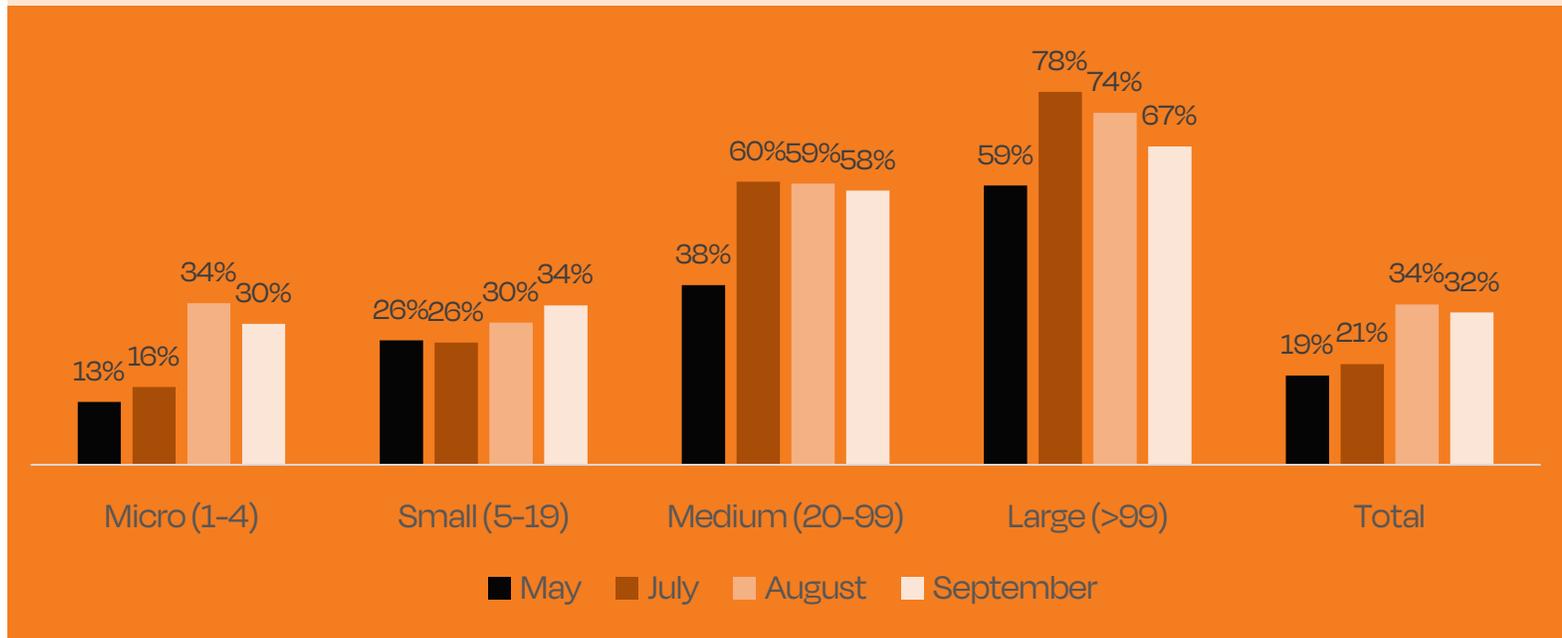
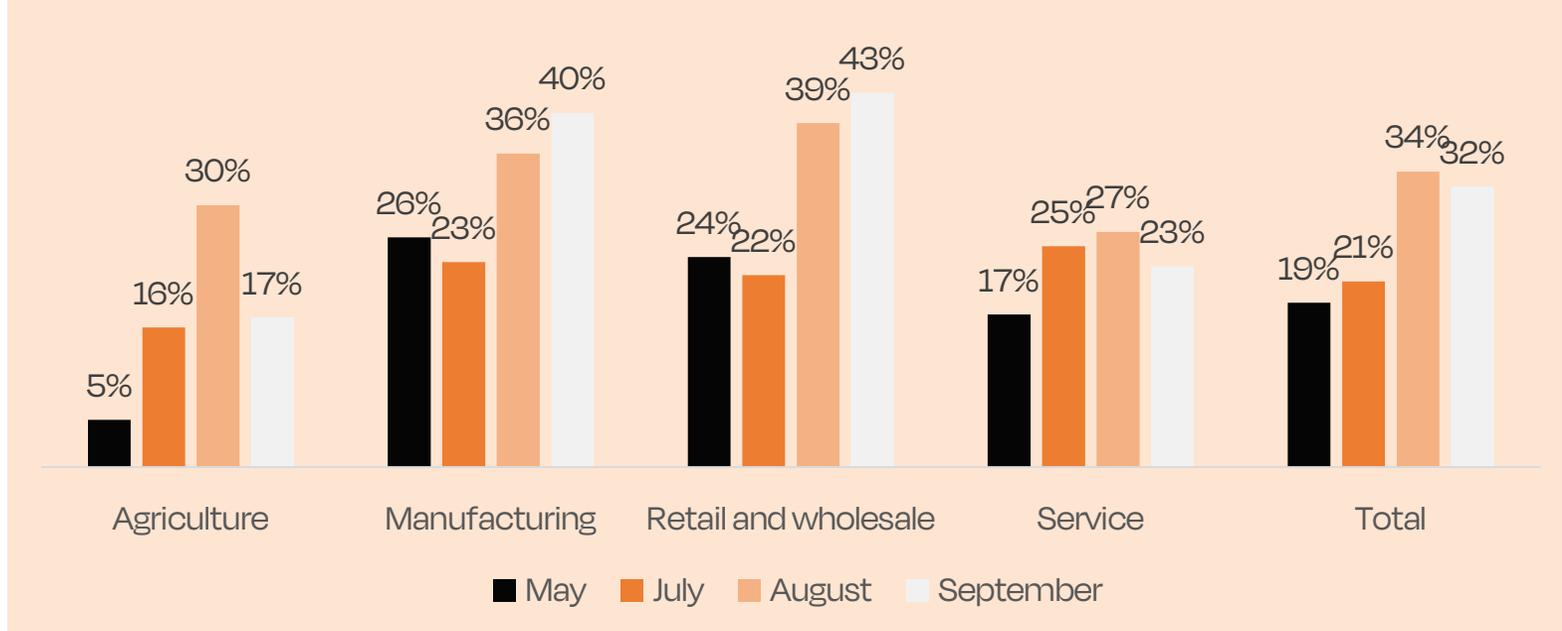
45% of firms reported that access to **loans/credit guarantees** was the **most needed** government support



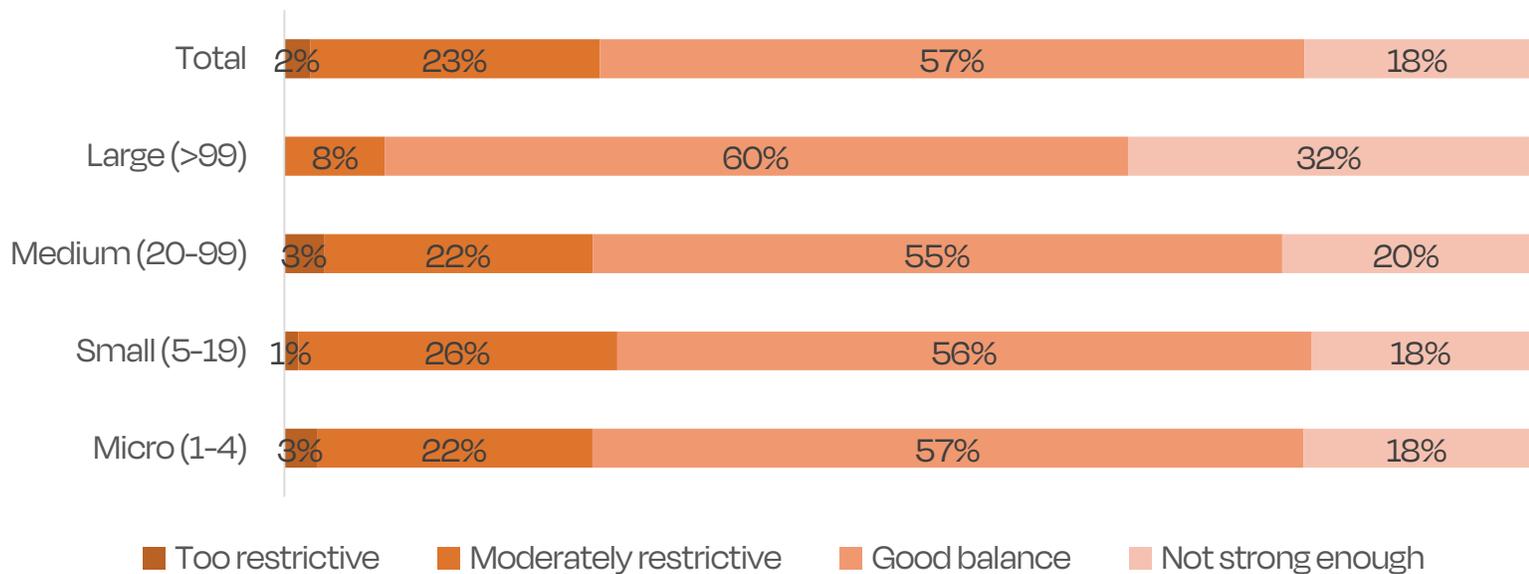
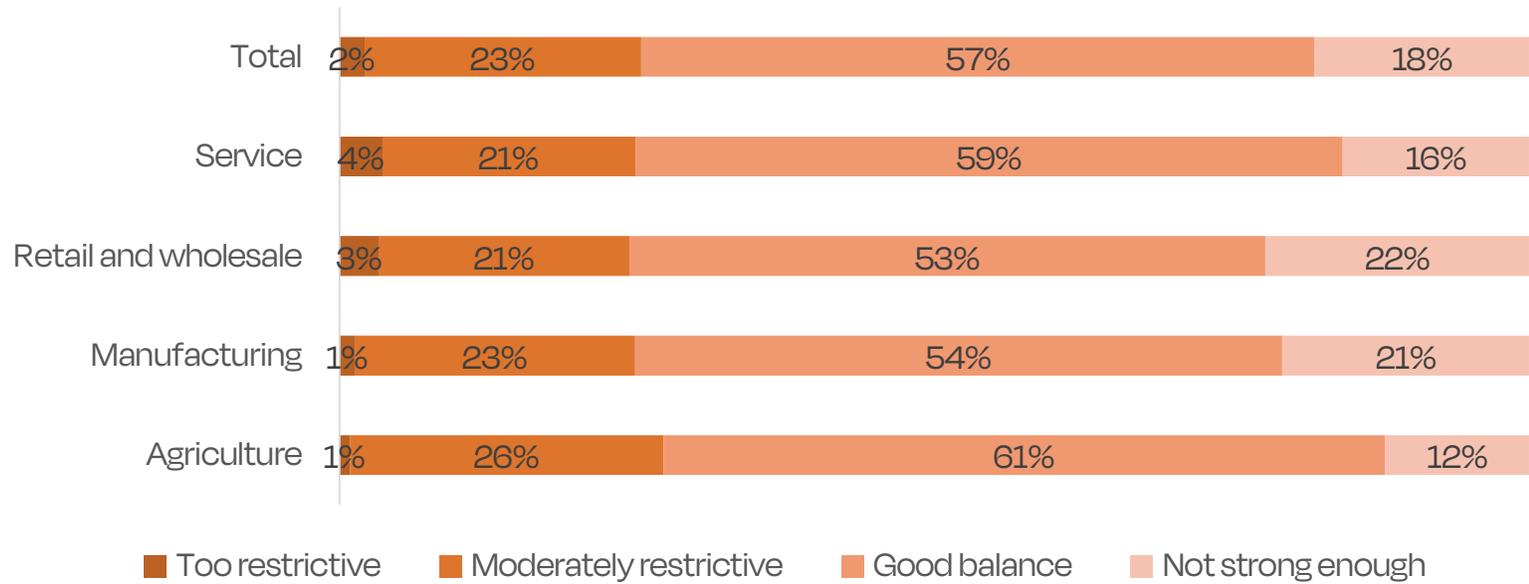
Compared to the first wave, more firms are leveraging remote work and online/digital platforms



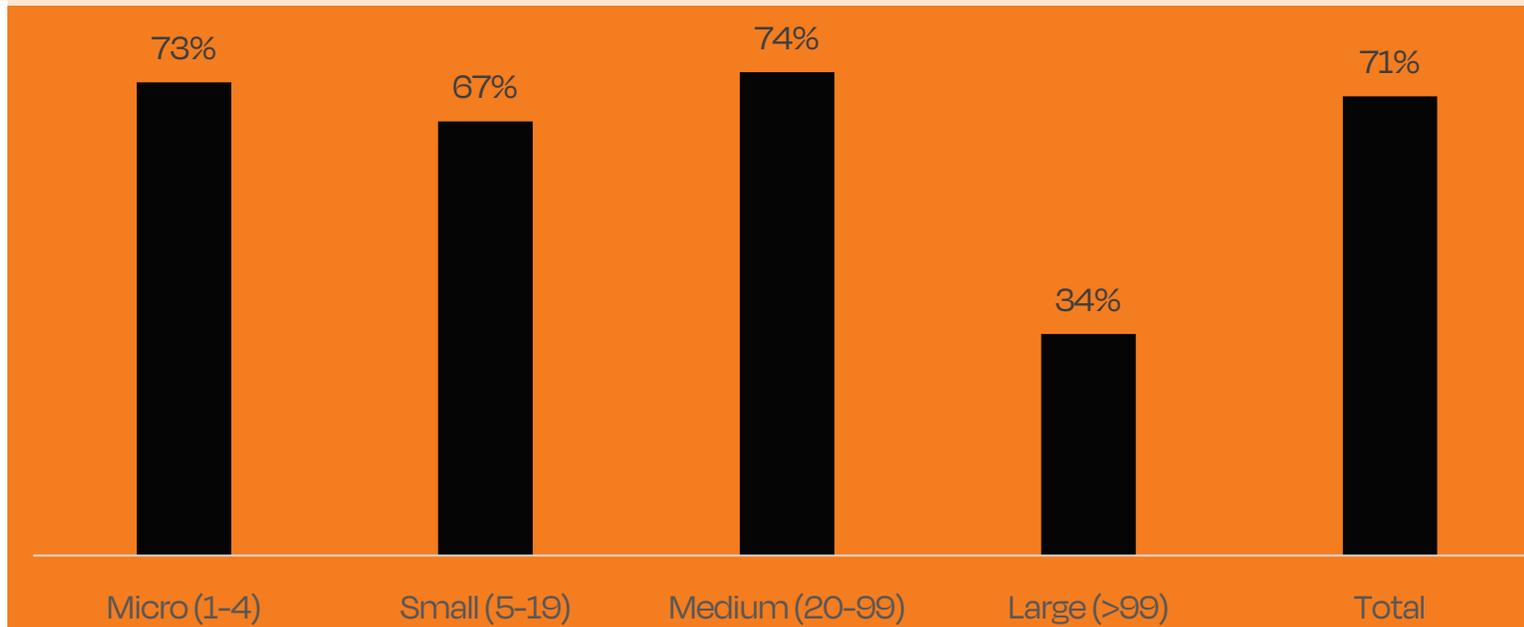
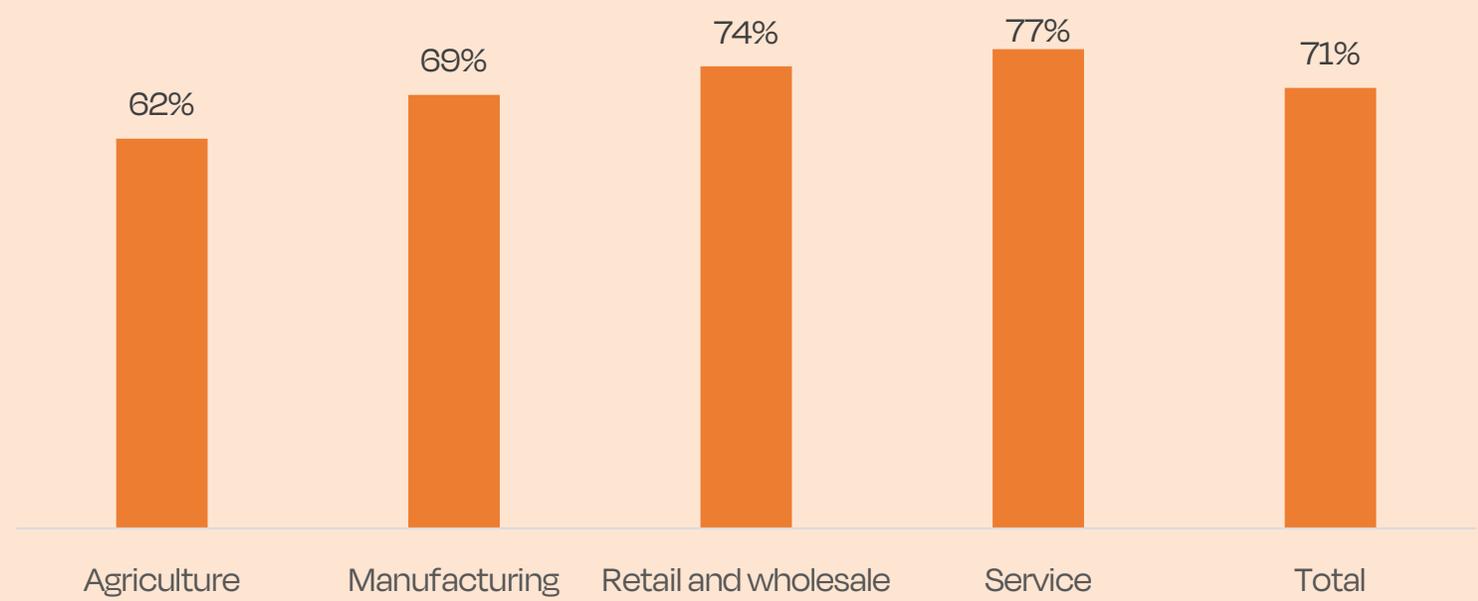
Overall adoption of online/digital platforms for major business functions has improved but micro, small firms and those in Agriculture are consistently lower due to the digital divide that exists.



57% of firms think that the government has had a well-balanced response to the pandemic



71% of firms were satisfied with the government response to COVID-19 and satisfaction is lower among large firms



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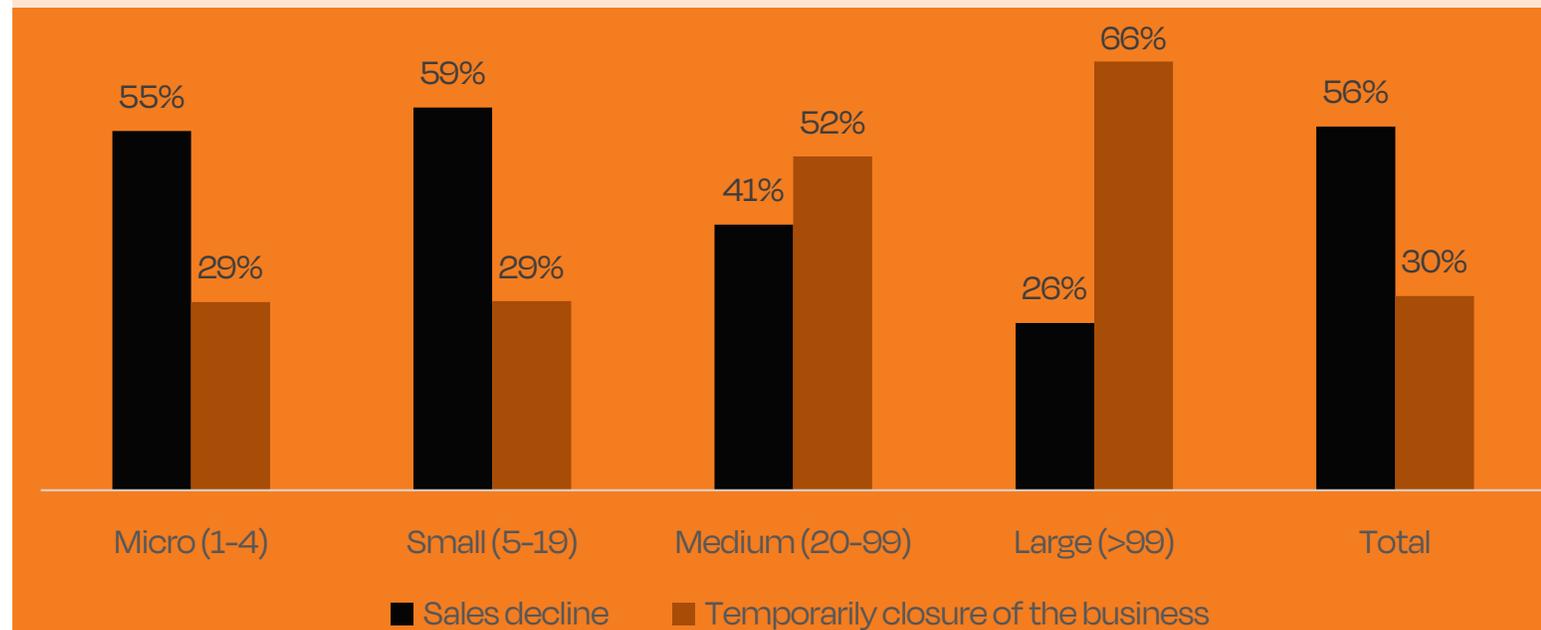
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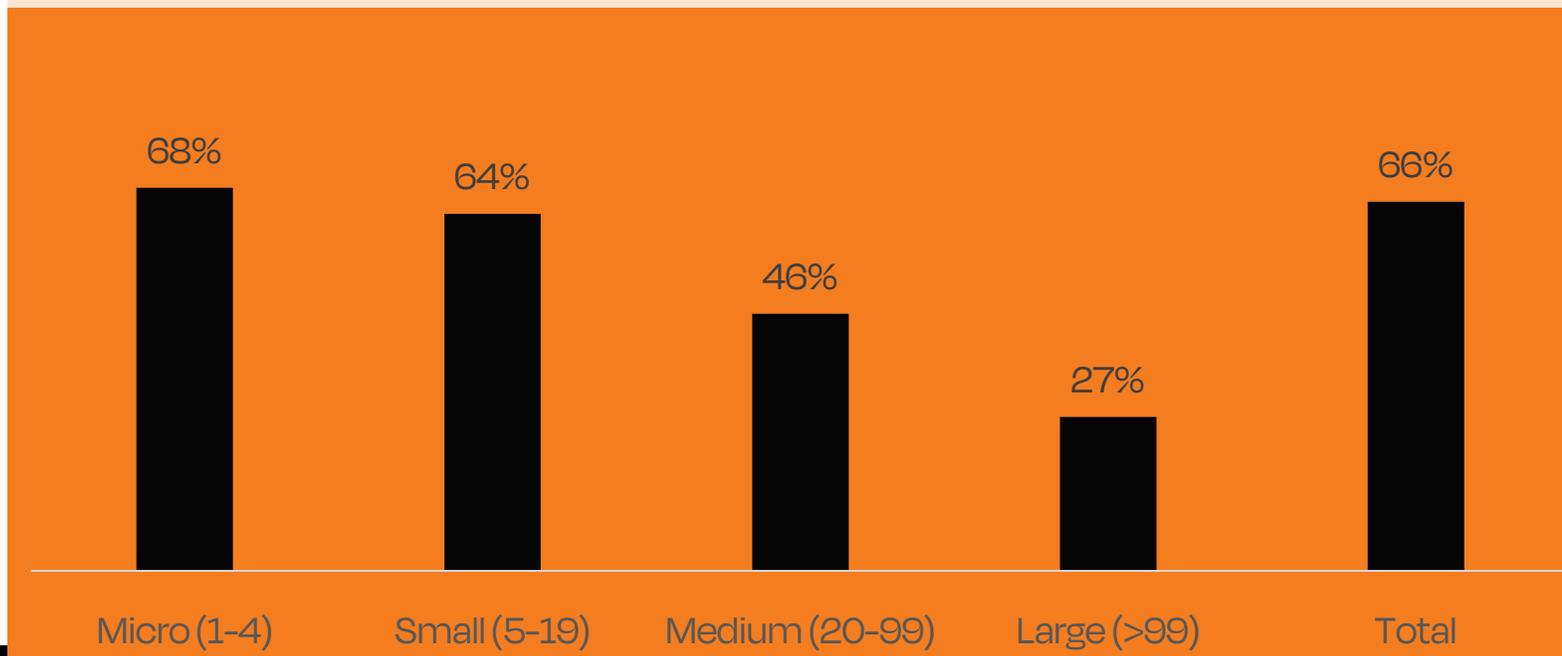
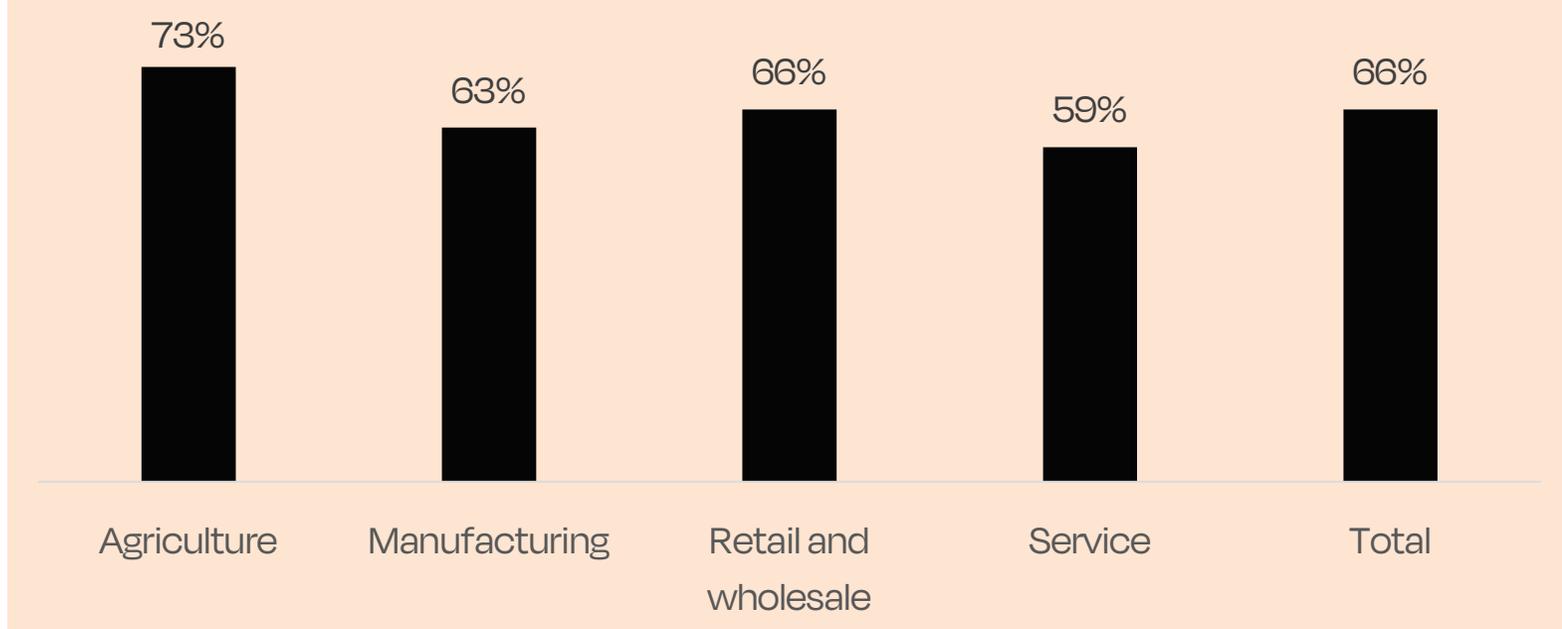
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SECOND WAVE

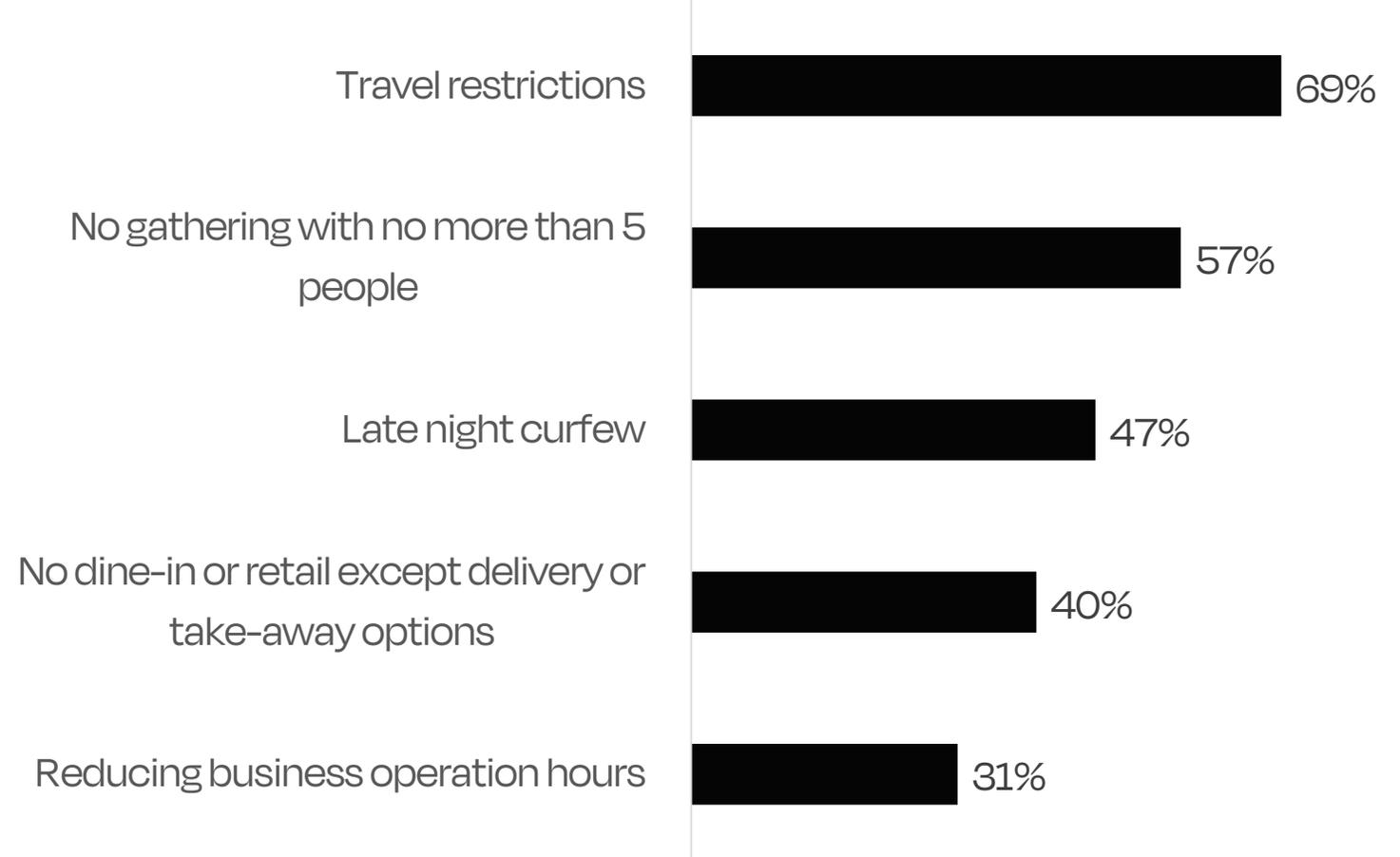
Declines in sales
was the major concern of the second wave for agricultural firms,
while more than half of service firms
were concerned about having to temporarily close
their businesses.



66% of firms said they were not prepared for the second wave of the pandemic, with micro and small firms least prepared



Of the different restrictive measures the government could introduce, 69% of firms prefer travel restrictions but only 31% support reducing operating hours



Next steps

Round 5 collection started (October)