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

May - October 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 (16%). 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. 38% of the sample were micro firms and 39% were small firms. Medium firms were 19% and large firms 4%.
Daily confirmed Cases rose exponentially starting from Round 4
Key Findings

- The impact of the second-wave of stay-at-home measures are deeper and larger than the first-wave.
- Temporary closures increased with more manufacturing and small firms closing and almost half of firms in Yangon are temporarily closed.
- Reduction in sales remains the number one concern of firms.
- In the second wave, fewer firms report expecting to recover.
The impacts of the second wave are larger than the first wave while more firms are applying for government support.
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Myanmar COVID-19 Monitoring

Round 5
Close to half of all firms in Yangon were temporarily closed in October and firms in Mandalay saw the greatest increase in temporary closures due to stay-at-home orders.
In October, there was an increase in temporary closures in the manufacturing sector which led the national average higher.
Large and Medium sized firms continue to have higher shares of temporary closure.
Reductions in sales worsened in the second-wave and around one-third of firms continue to reduce their levels of investment.

*Indicators with asterisks are lagged as questions designed for these indicators asked business performance in the last completed month. In the chart, for May, the last completed month is March, for September it was July and for October was September.

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 5 they were asked to answer for September. All other questions are contemporaneously asked and are reported as October for Round 5.
Firms reported fewer negative impacts from COVID-19 in October, but the vast majority of firms remain adversely affected by the pandemic.
Reduction in sales remains the top concern and for nearly all firms.

- Reduction in sales: 93% 96%
- Cash flow shortages: 51% 25%
- Reduction in access to credit: 31% 22% 25%
- Disruptions of supply of inputs or raw materials: 29% 20% 29%
- Difficulty making payments on loans and other business credits: 26% 27% 27%
- Filed for insolvency or bankruptcy: 13% 13% 10%
- Reduction in workforce due to layoff: 21% 21% 18%

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For fully female-owned firms, cash flow shortages continue to be worse.
The average decline in profits (compared to the same period last year) was worse for firms in services as well as medium and large firms.
26% of firms have outstanding loans

14% of firms delayed payments to their suppliers

4% of firms delayed payments to their employees
Fewer firms had outstanding loans in September

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 5 they were asked to answer for September. All other questions are contemporaneously asked and are reported as October for Round 5.
The decline in outstanding loans was driven by fewer loans from commercial banks and non-banking institutions.

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Only agricultural firms reported more outstanding loans from family and friends as we approach the harvesting season.

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Suppliers continue to receive the most delayed payments.

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Almost half of Service sector firms reported a decline in total investments in September, compared to the same month last year.

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BUSINESS EXPECTATIONS
Business expectations remain weak in October with close to half of firms expecting not to recover from COVID-19 and continued weakness in Sales for the coming 3 months.

- Lack of confidence to remain open next month:
  - May: 7%, September: 7%, October: 6%

- Expecting to fall in arrears within 3 months:
  - May: 36%, September: 38%, October: 35%

- Expecting not to recover:
  - May: 29%, September: 42%, October: 41%

- Sales expectation in next 3 months:
  - May: -28%, September: -29%, October: -26%
More service sector firms report a lack of confidence in remaining open within the next month.
Compared to the first wave, more firms did not expect to recover from the effects of COVID-19.
More than half of firms in agriculture expect to fall into arrears over the next three months, which is concerning due to the upcoming harvest.
Sales expectations in the next 3 months remain negative with the average sales decline expected to be 26 percent lower than the same period a year ago.
More firms applied to government support and firms continue to support the government’s approach to restrictions.
53% of firms are aware of government support for COVID-19.
More firms applied for government support especially in agriculture
Not knowing how to apply was the major reason for the firms that did not apply for government support.

- Doesn’t know how to apply: 21%
- Does not qualify: 9%
- Don’t understand the application form: 9%
- Doesn’t have formal documents to apply: 9%
53% of firms reported that access to loans/credit guarantees was the most needed government support.
Fewer firms leveraged adjustment mechanisms in October

- Started or increased delivery or carry-on: 36% May, 38% September, 28% October
- Changed its production or services offered partially or completely: 26% May, 33% September, 27% October
- Adopted online/digital platform for major business functions such as sales: 19% May, 32% September, 28% October
- Started or increased remote work arrangement for its workforce: 8% May, 8% September, 6% October
A large digital divide continues in the adoption of online/digital platforms between sectors, firm sizes and regions.
66% of firms think that the government has had a well-balanced response to the pandemic.
70% of firms were satisfied with the government response to COVID-19
SECOND WAVE
Sales decline and temporary closure remain the top causes of concern from the second wave.
78% of firms said they were not prepared for the second wave with agricultural and micro firms the least prepared.
62% of firms prefer that the government maintain domestic travel restrictions

- Travel restrictions: 62%
- No gathering with no more than 5 people: 57%
- Late night curfew: 39%
- No dine-in or retail except delivery or take-away options: 41%
- Reducing business operation hours: 32%
Next steps

Round 6 collection (December)