

ROUND 1,2,3,4&5

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

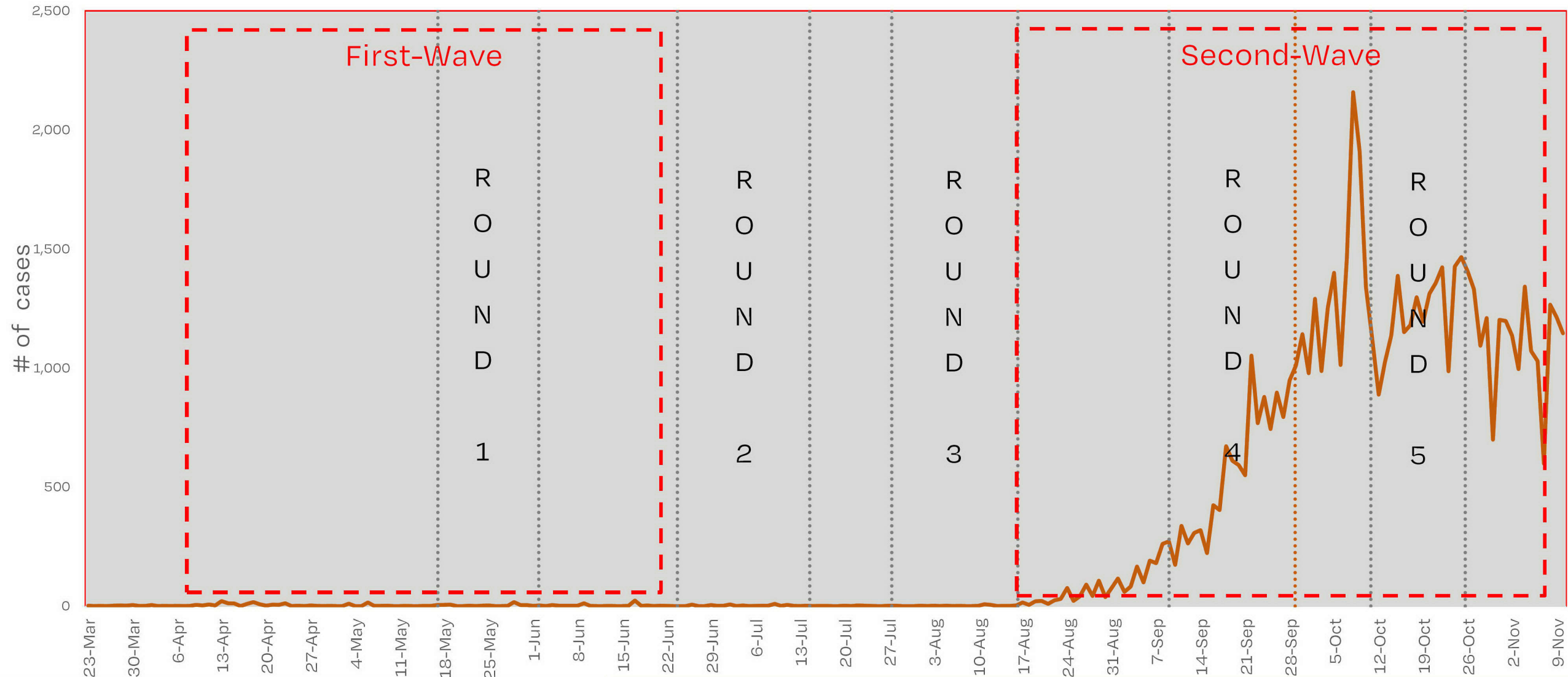
The survey is nationally representative and is the only enterprise survey that also covers the **Agriculture** sector (16%). The other sectors surveyed are **Manufacturing** (33%), **Retail** (17%) and **Services** (34%).



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%.

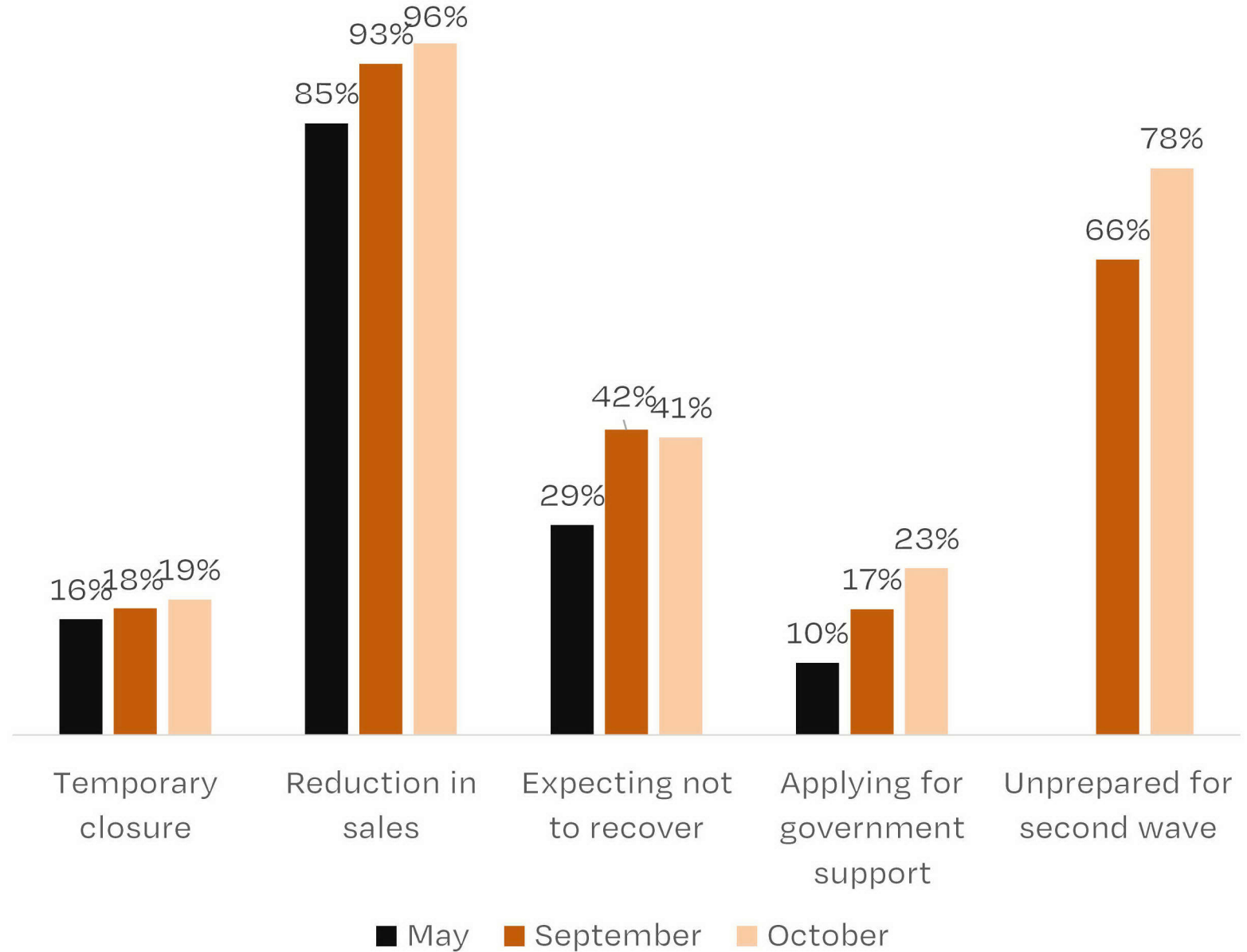
Daily confirmed Cases rose exponentially starting from Round 4



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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**OPERATIONAL
STATUS**

**BUSINESS
PERFORMANCE**

**BUSINESS
EXPECTATIONS**

**POLICY AND
ADAPTATION**

SECOND WAVE

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SECTION 2

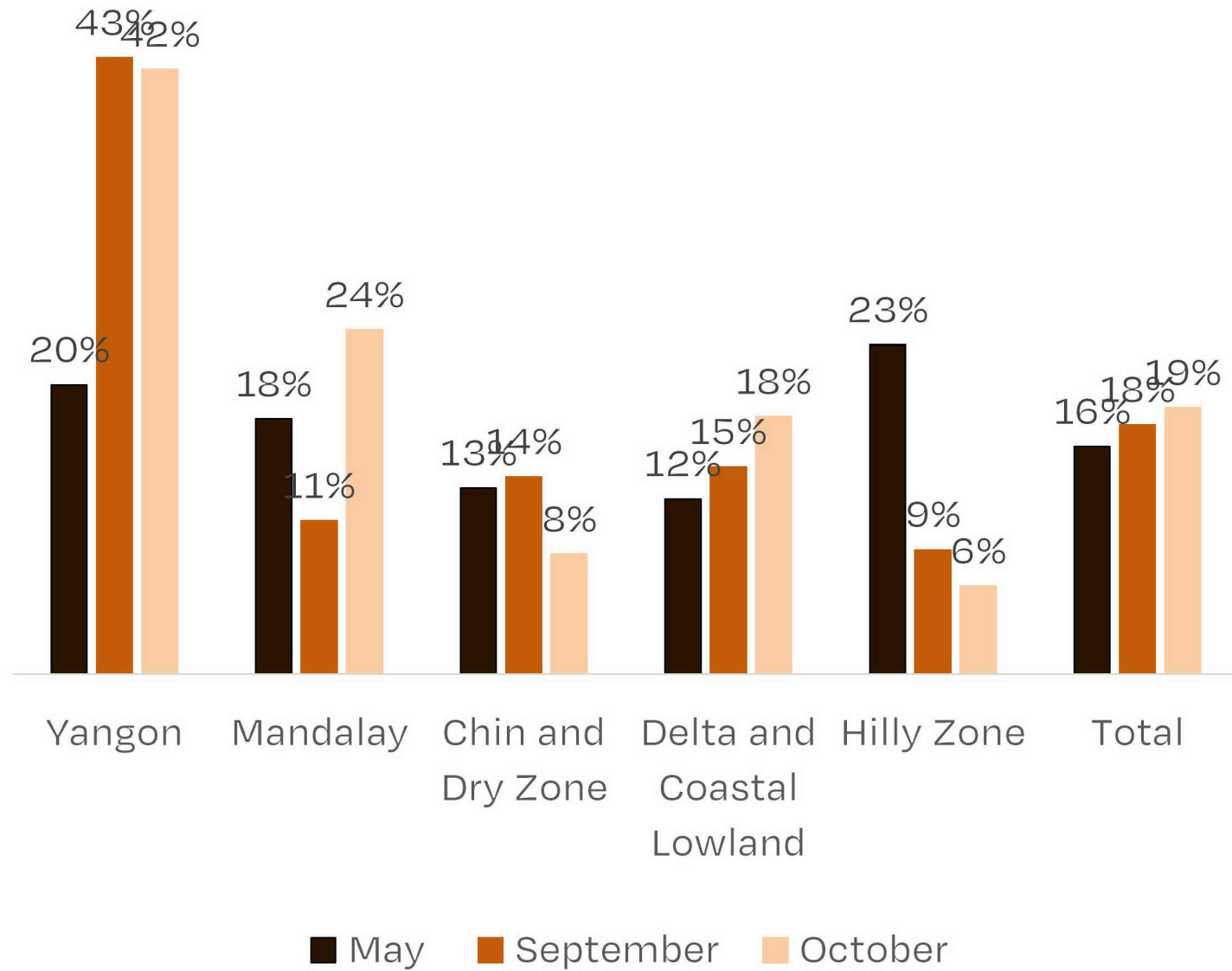
SECTION 3

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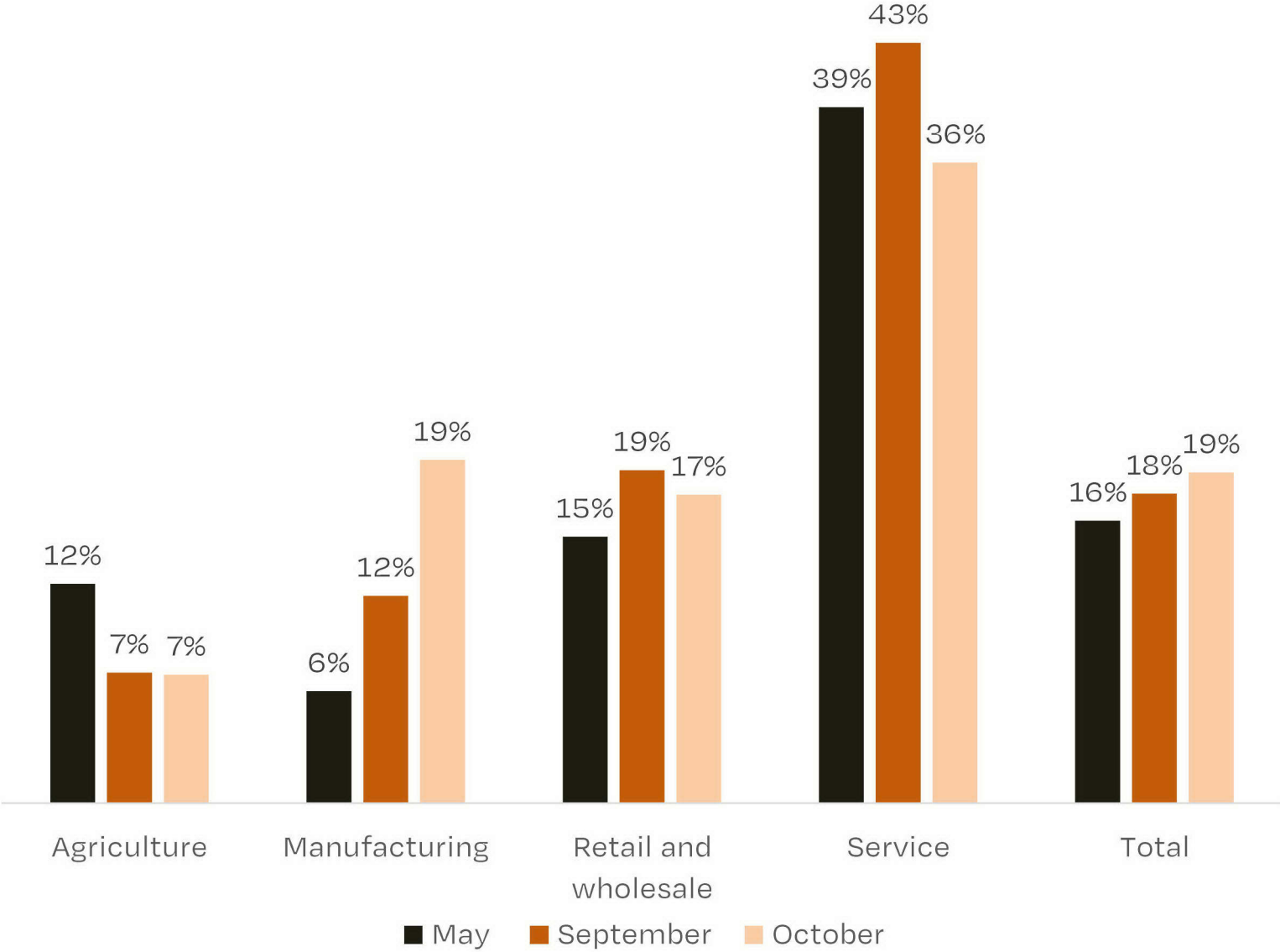
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**OPERATIONAL
STATUS**

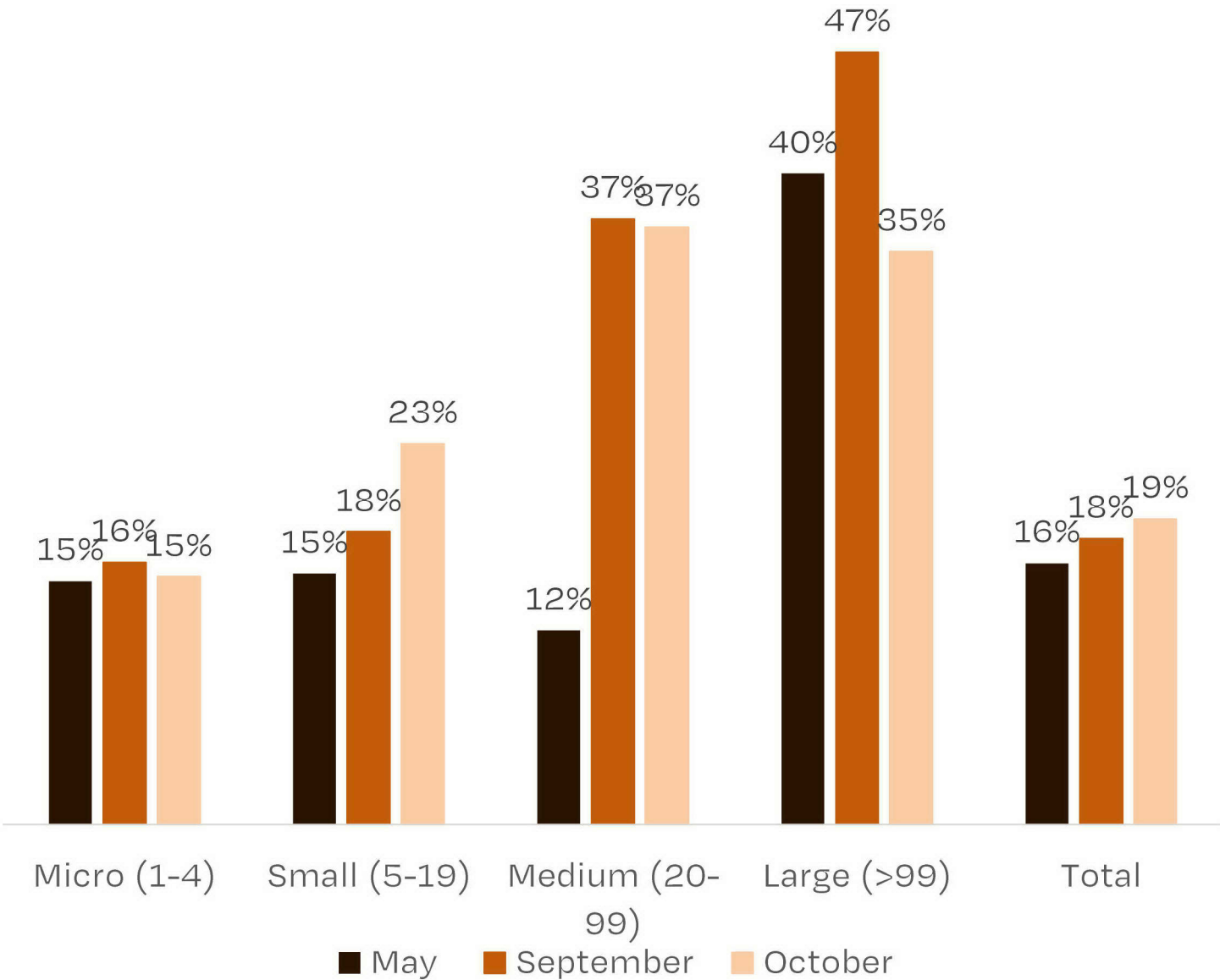
Close to half of all firms in Yangon were temporarily closed in October and firms in Mandalay saw the greatest increase in temporary closures due to stay-at-home orders



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



SECTION 1

SECTION 2

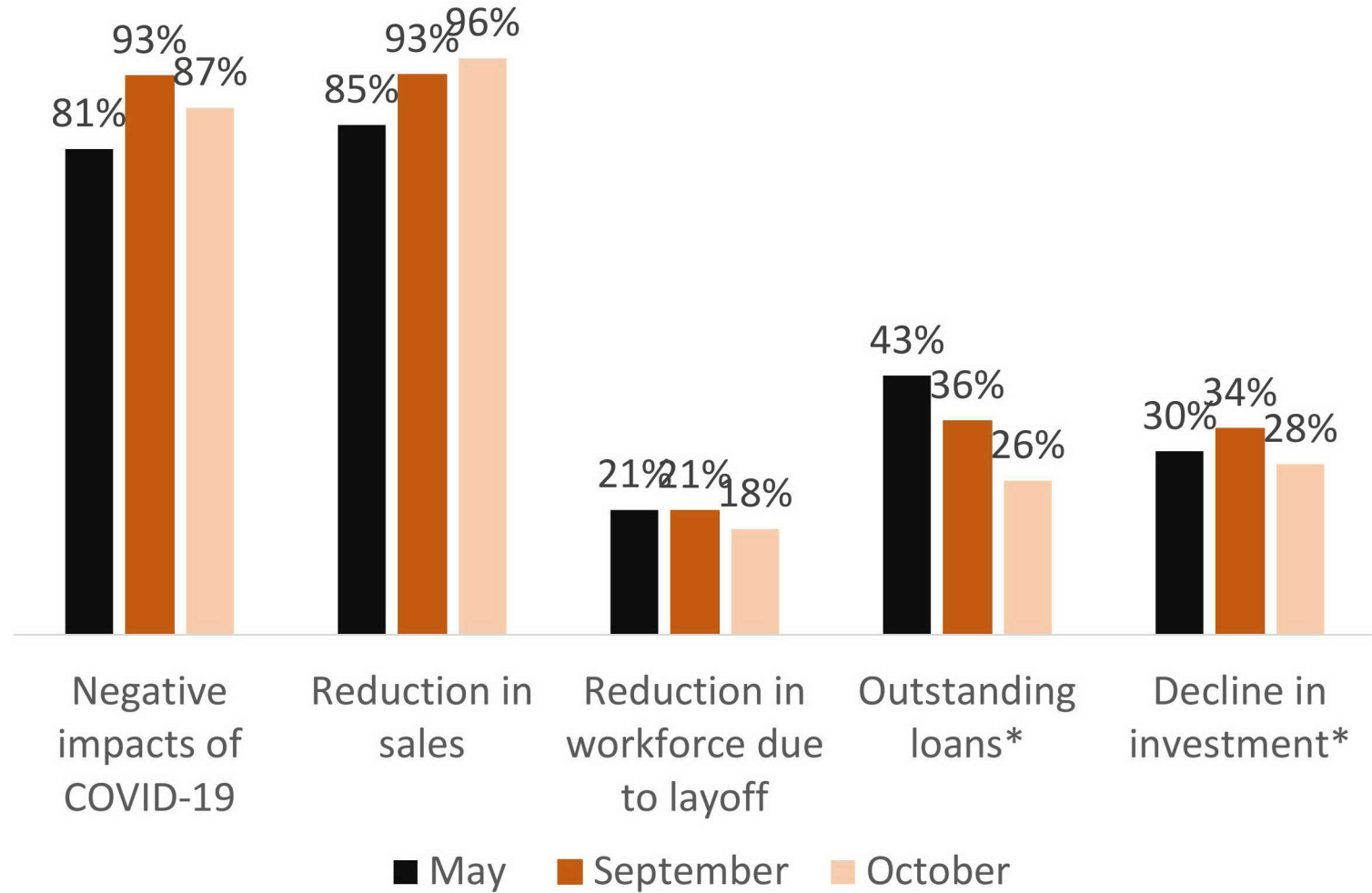
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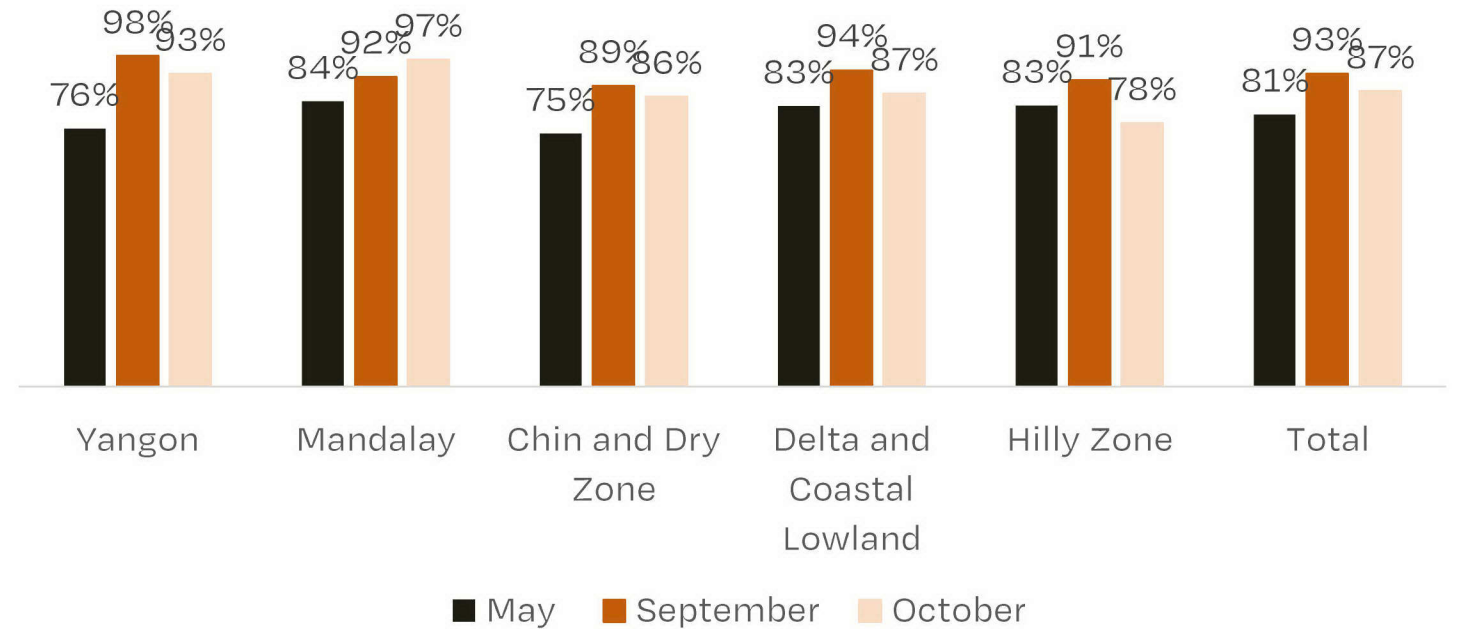
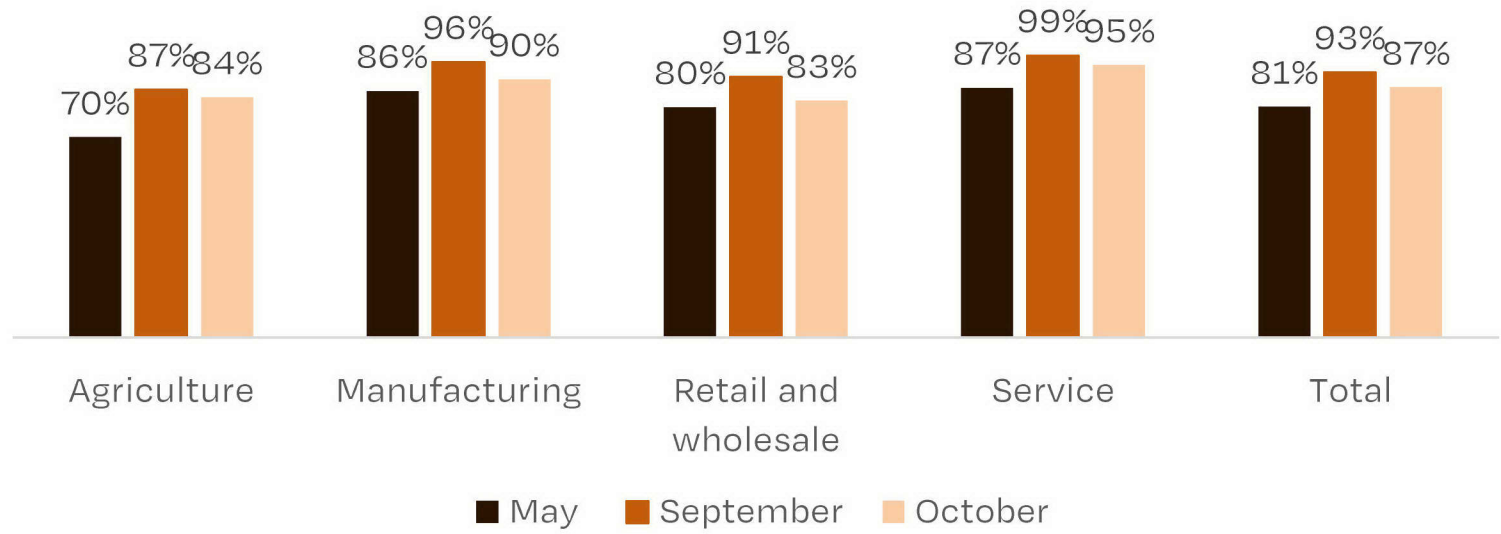
**BUSINESS
PERFORMANCE**

Reductions in sales worsened in the second-wave and around one-third of firms continue to reduce their levels of investment

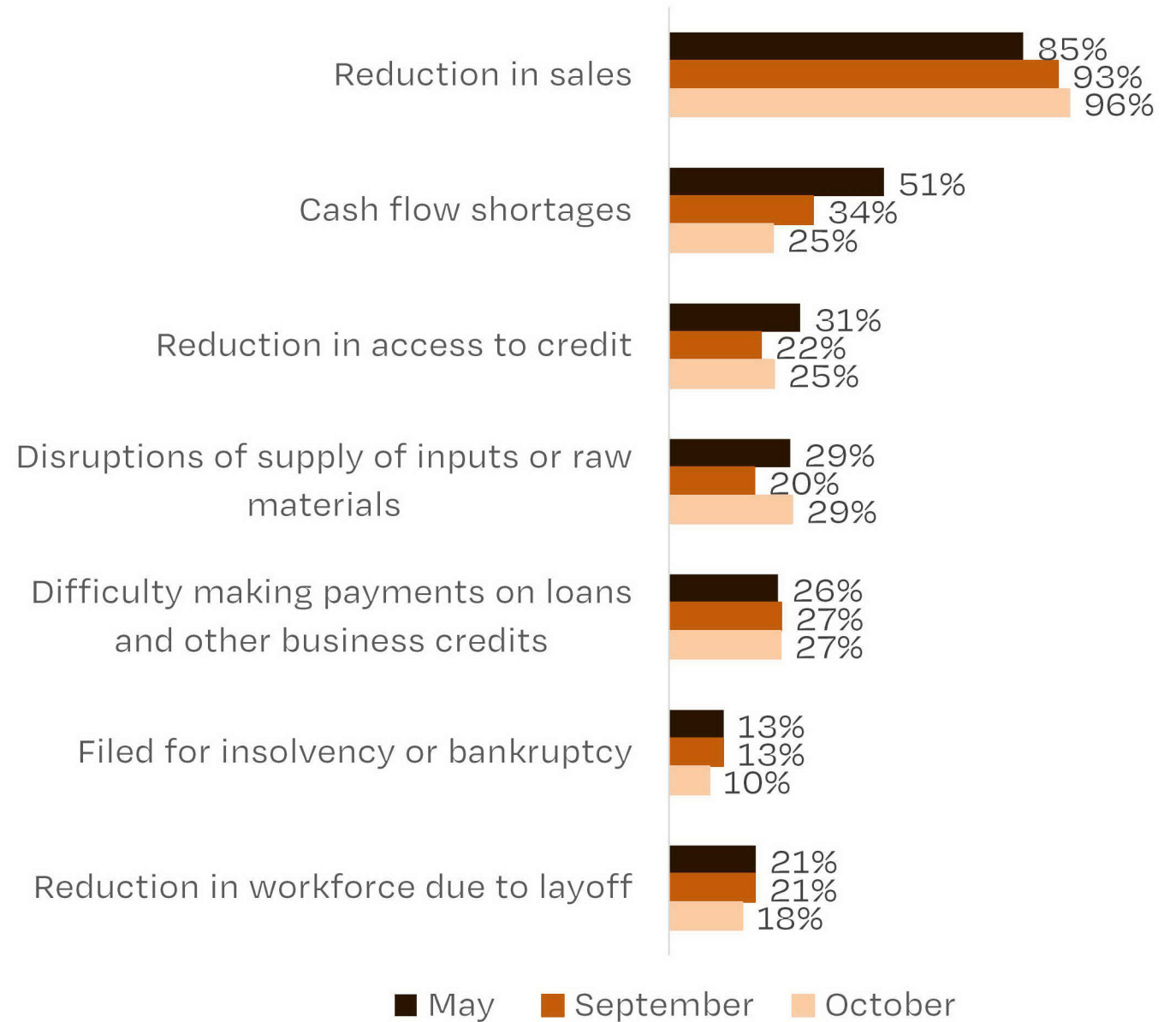


*Indicators with asterisks are lagged as questions designed for these indicators asked business performance in the last completed month. In the chart, for May, the last completed month is March, for September it was July and for October was September.

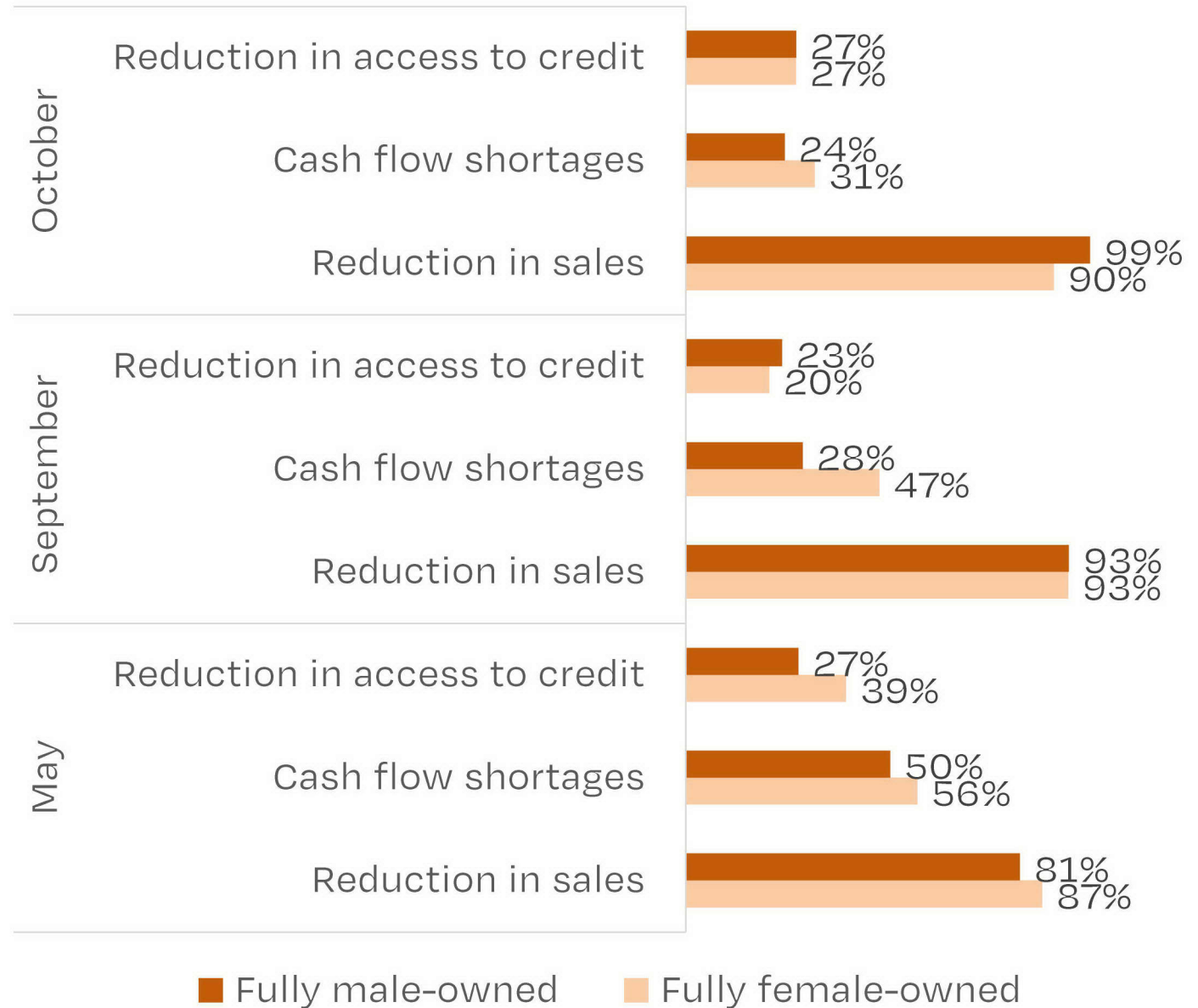
Firms reported fewer negative impacts from COVID-19 in October, but the vast majority of firms remain adversely affected by the pandemic



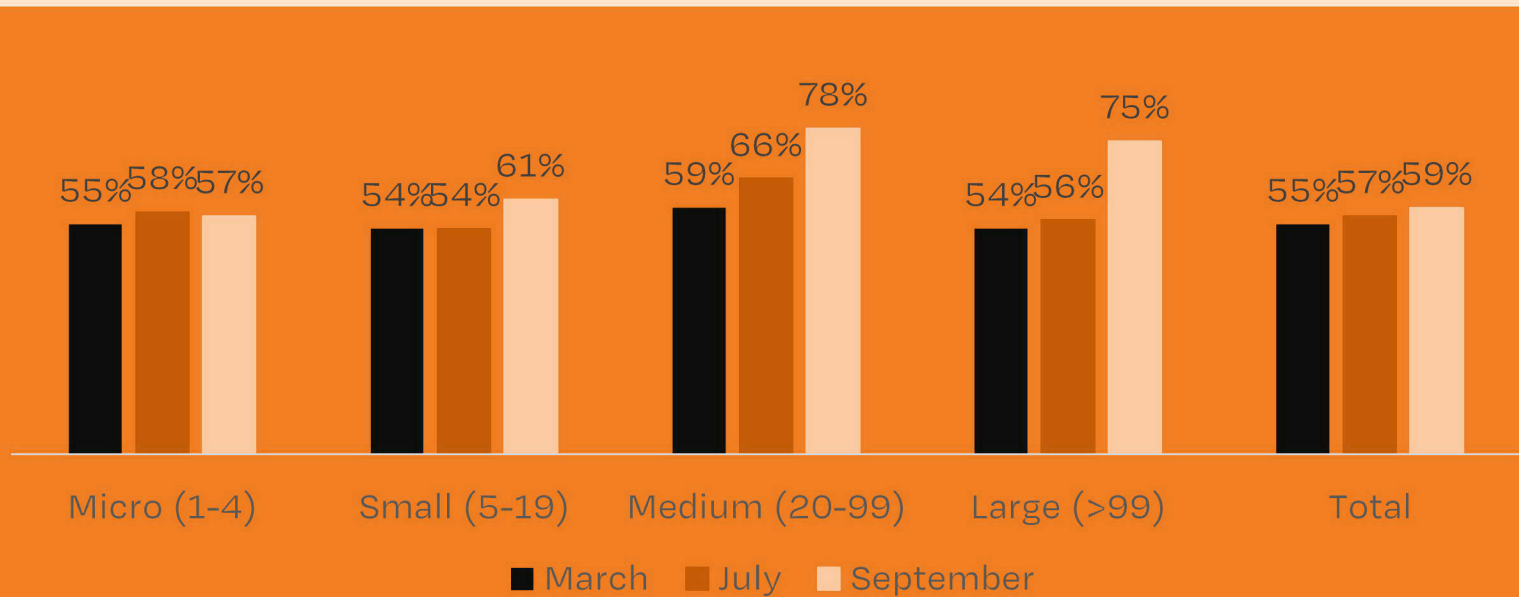
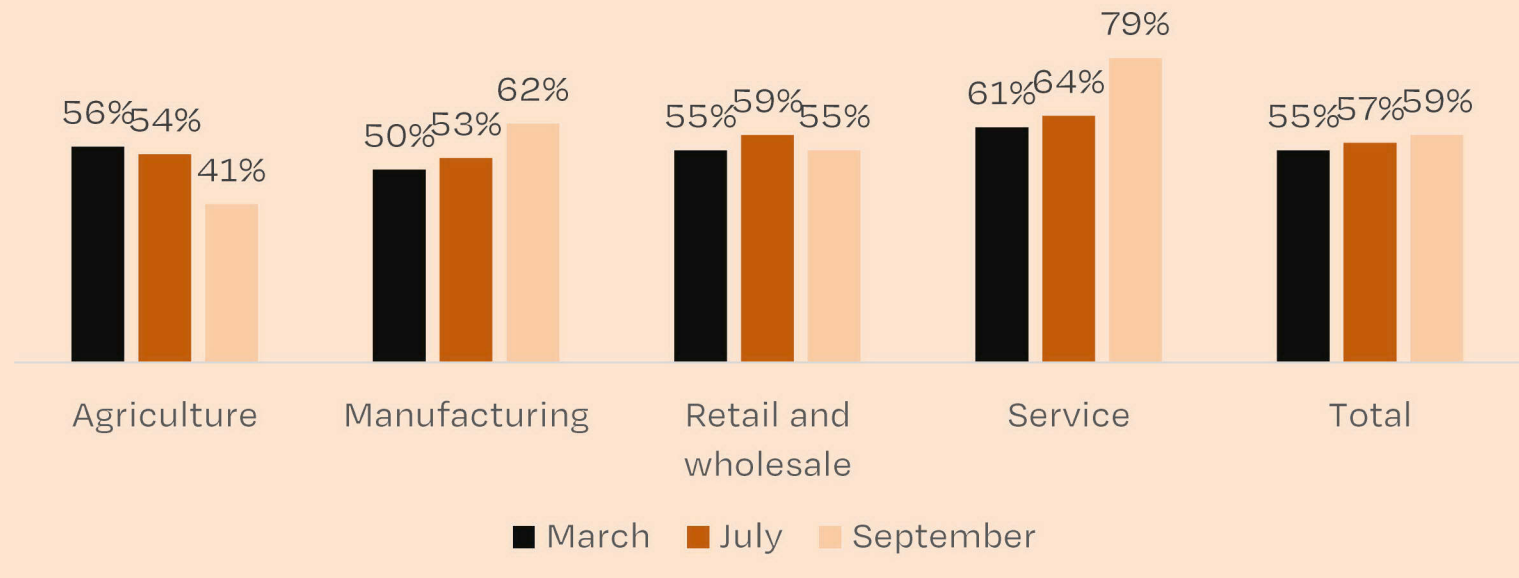
Reduction in sales remains the top concern and for nearly all firms



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



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.

26%

of firms have
outstanding loans

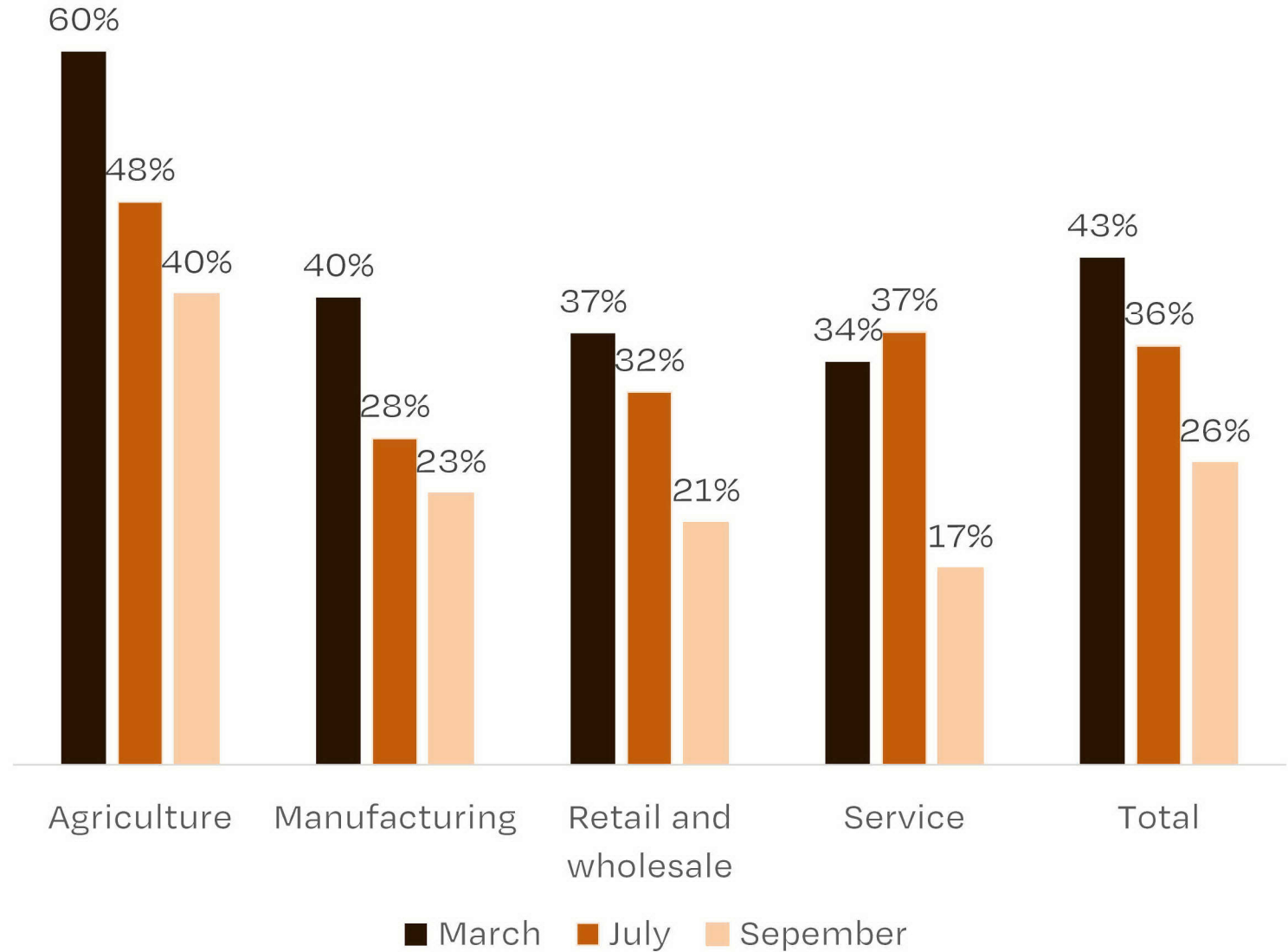
14%

of firms **delayed payments** to their
suppliers

4%

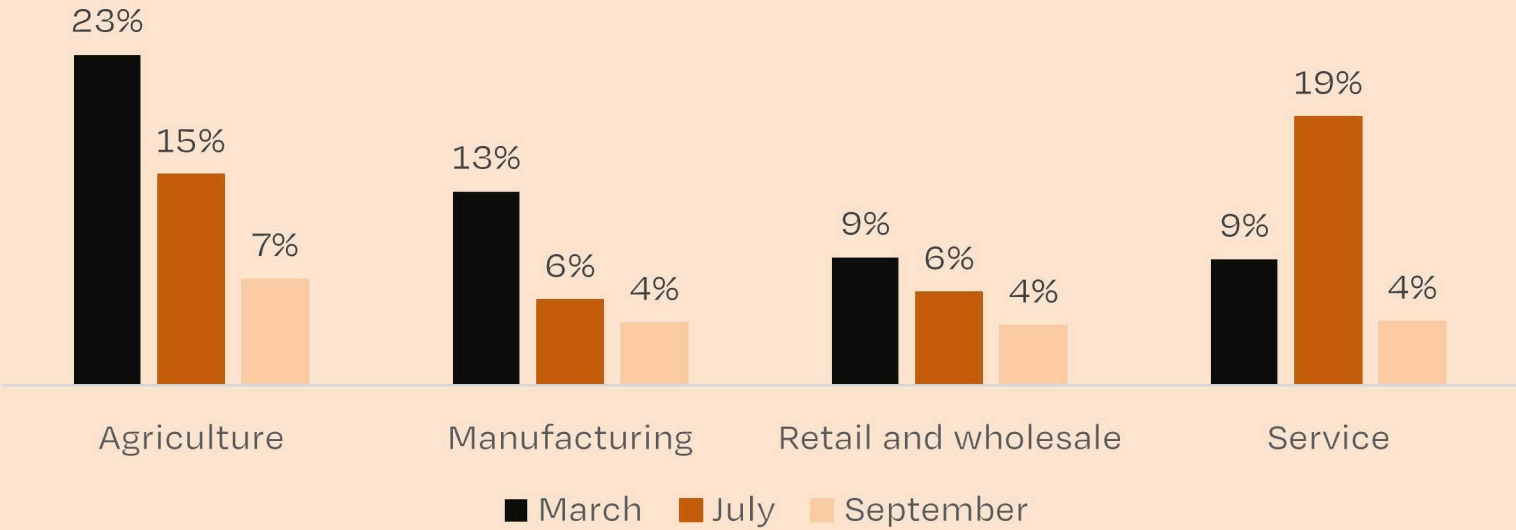
of firms **delayed**
payments to their
employees

Fewer firms had outstanding loans in September

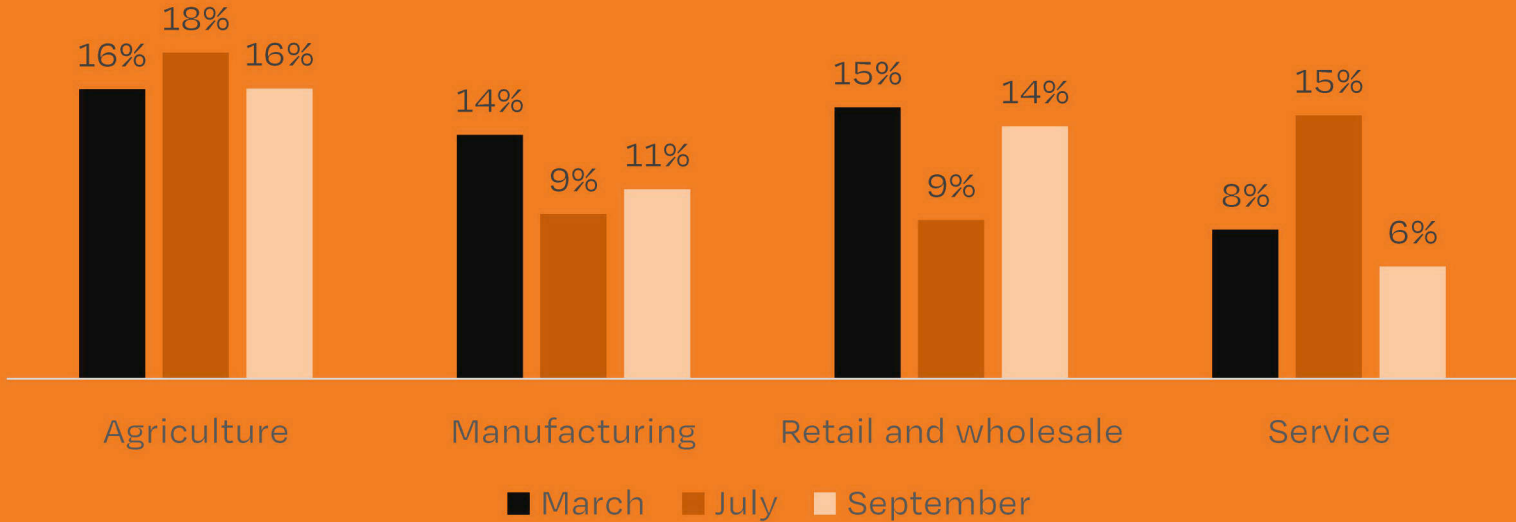


The decline in outstanding loans was driven by fewer loans from commercial banks and non-banking institutions

Outstanding loans from commercial banks

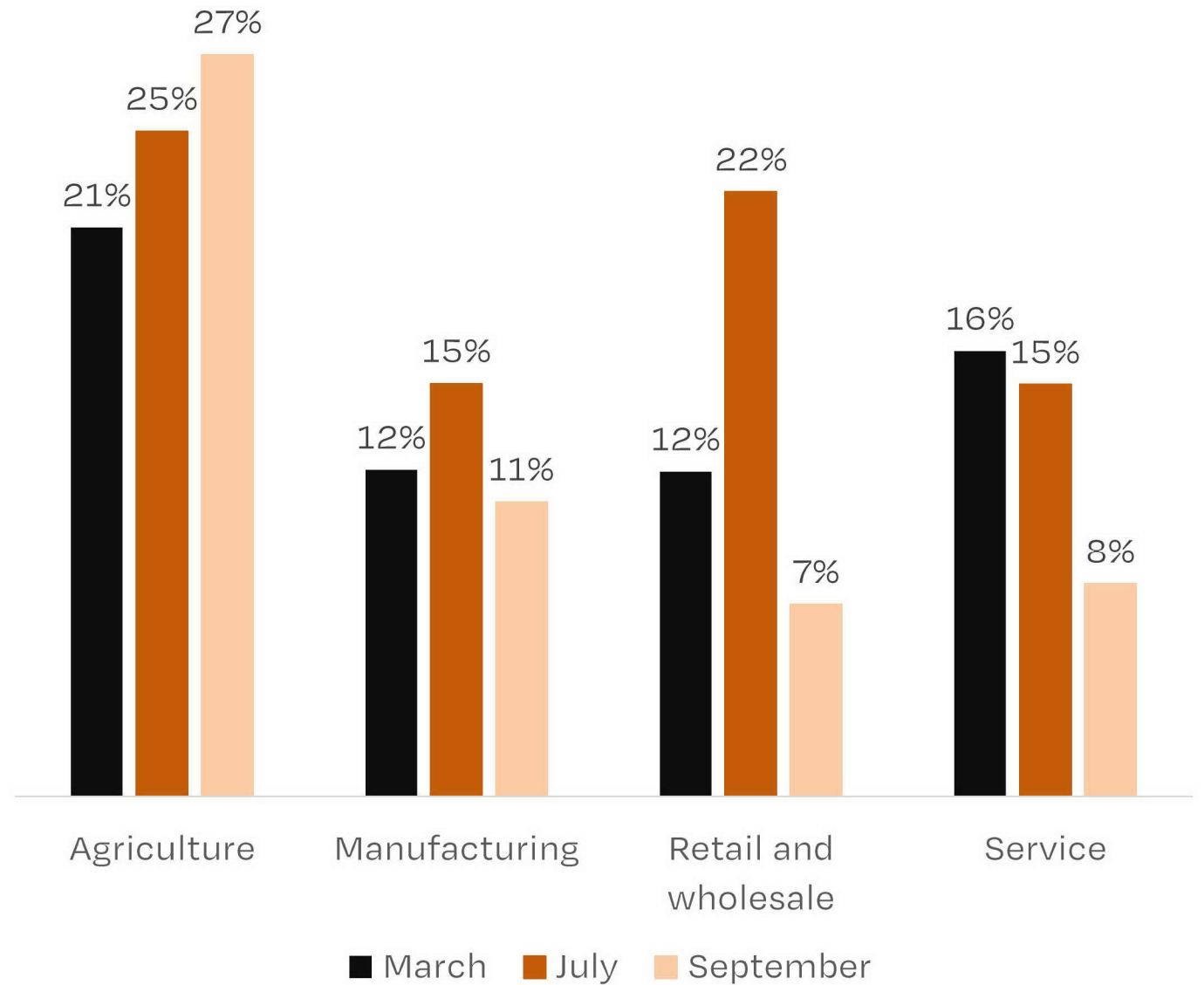


Outstanding loans from non-banking financial institutions

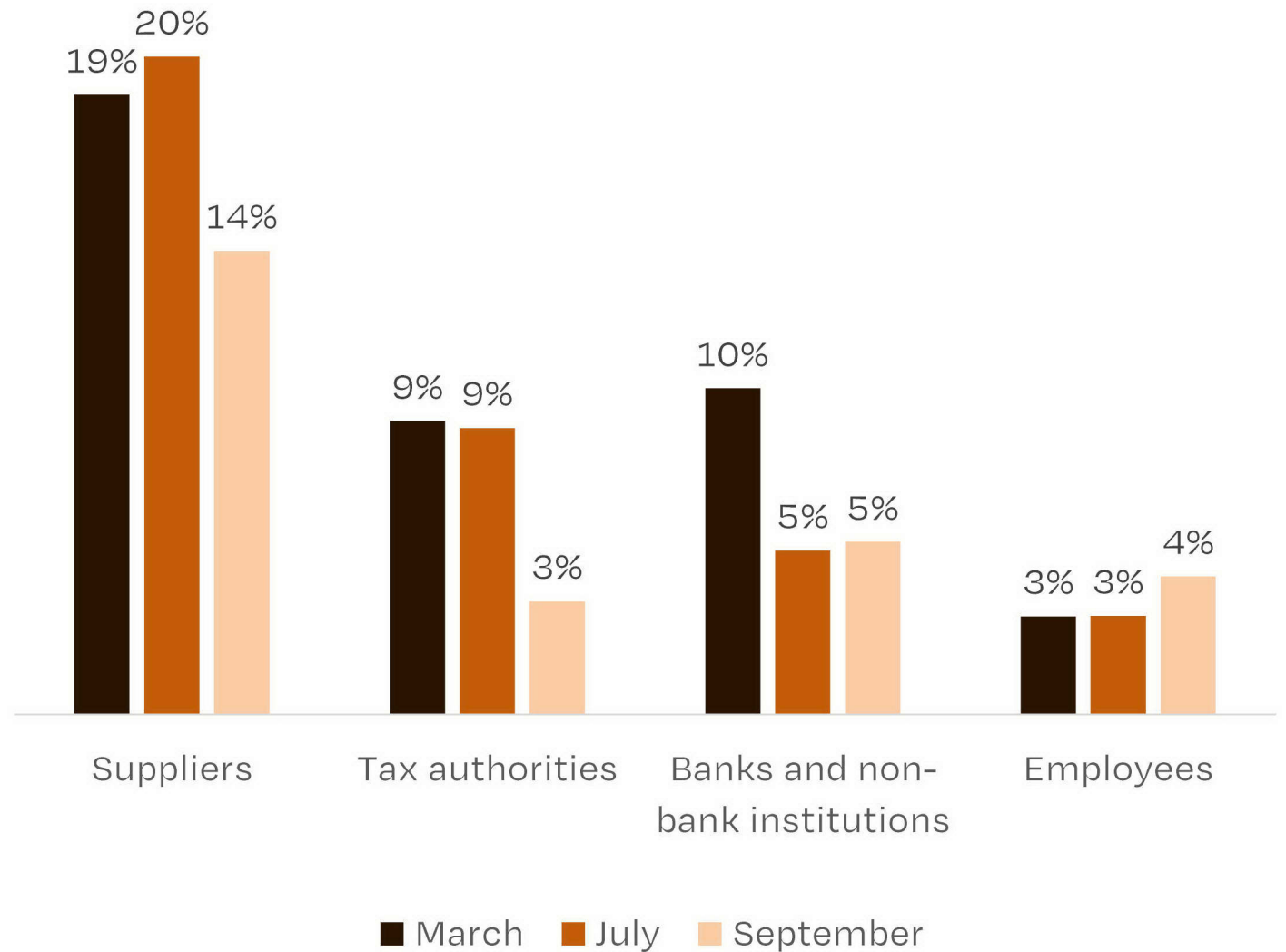


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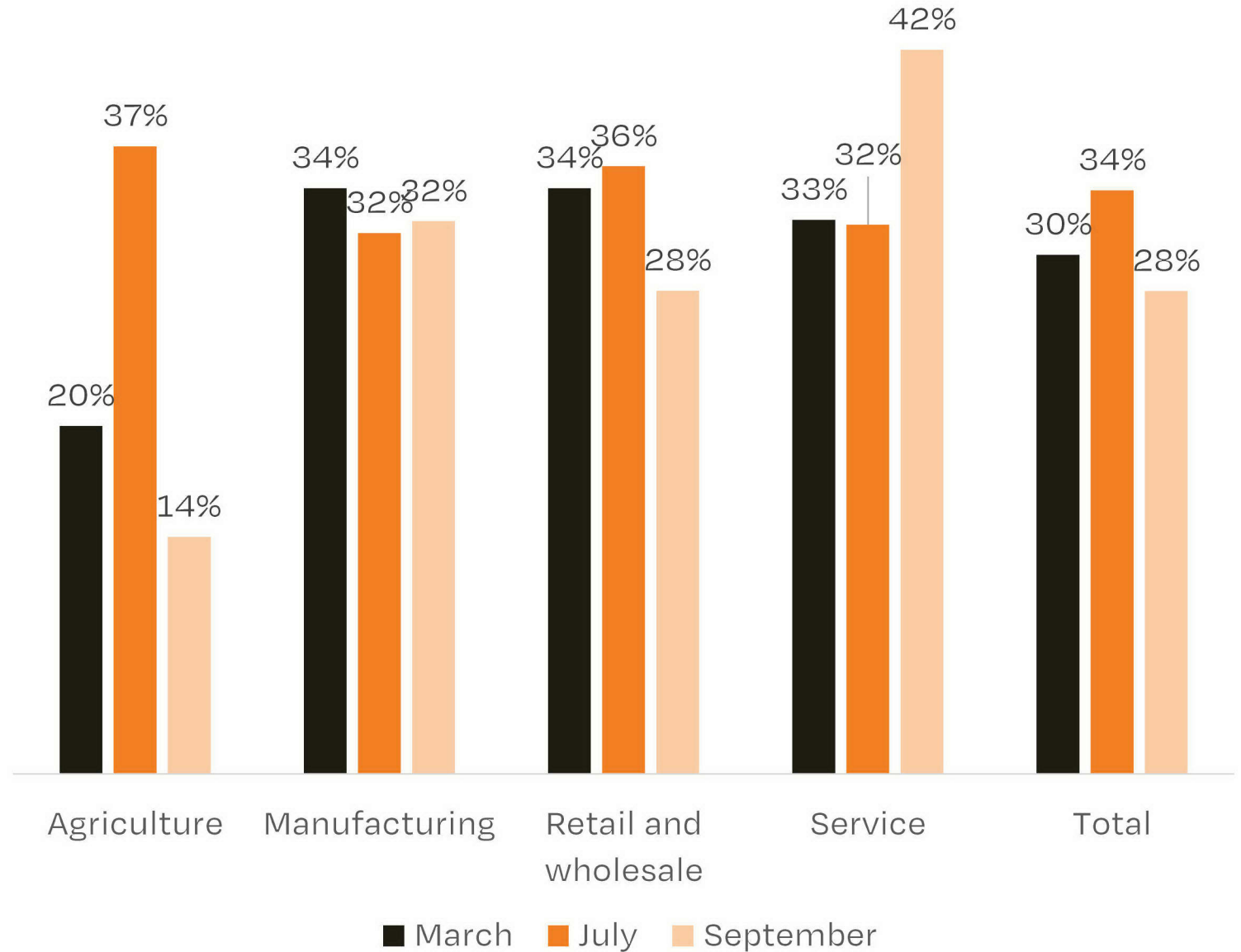
Only **agricultural** firms reported more outstanding loans from family and friends as we approach the harvesting season



Suppliers continue to receive the most delayed payments



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



SECTION 1

SECTION 2

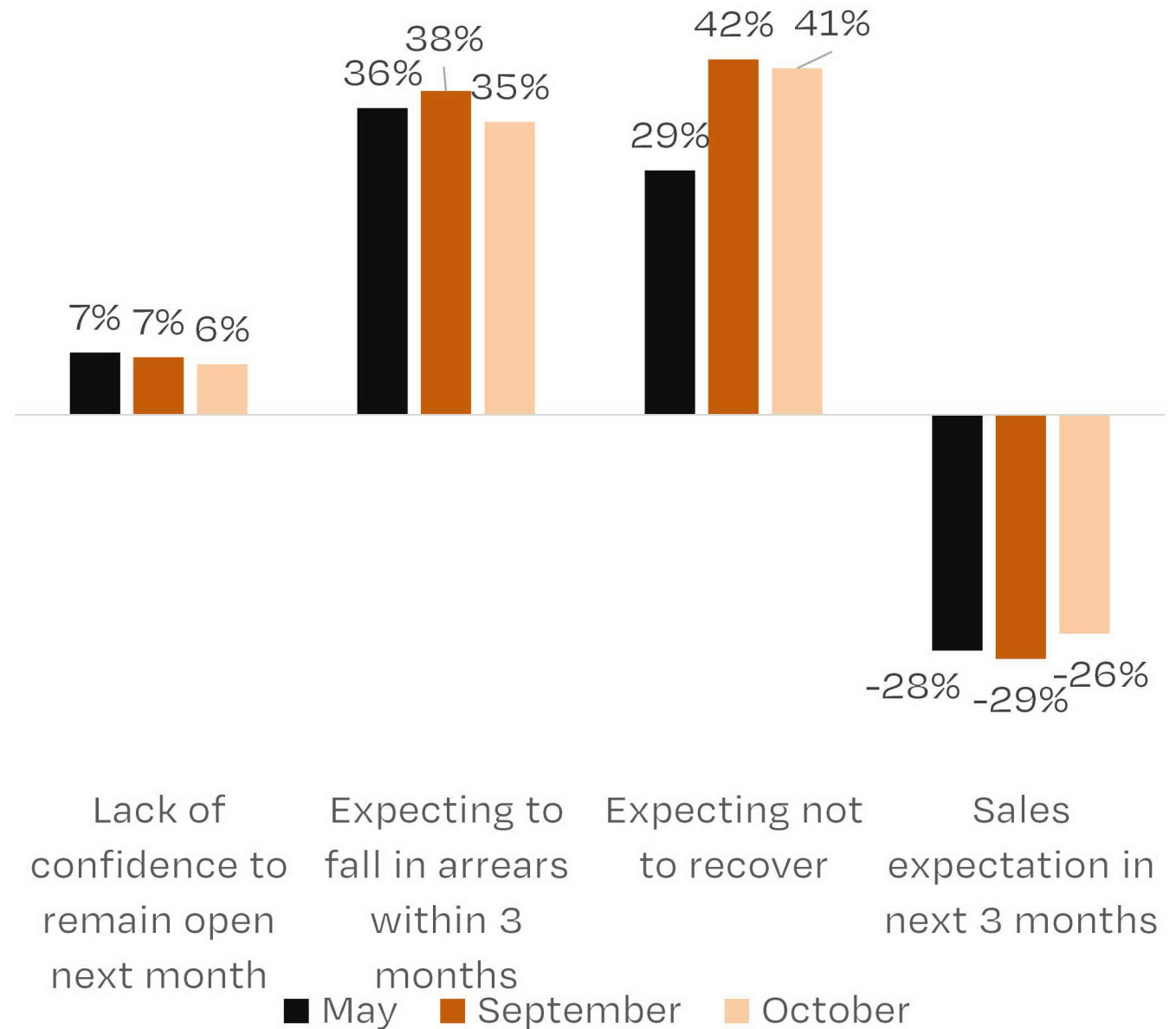
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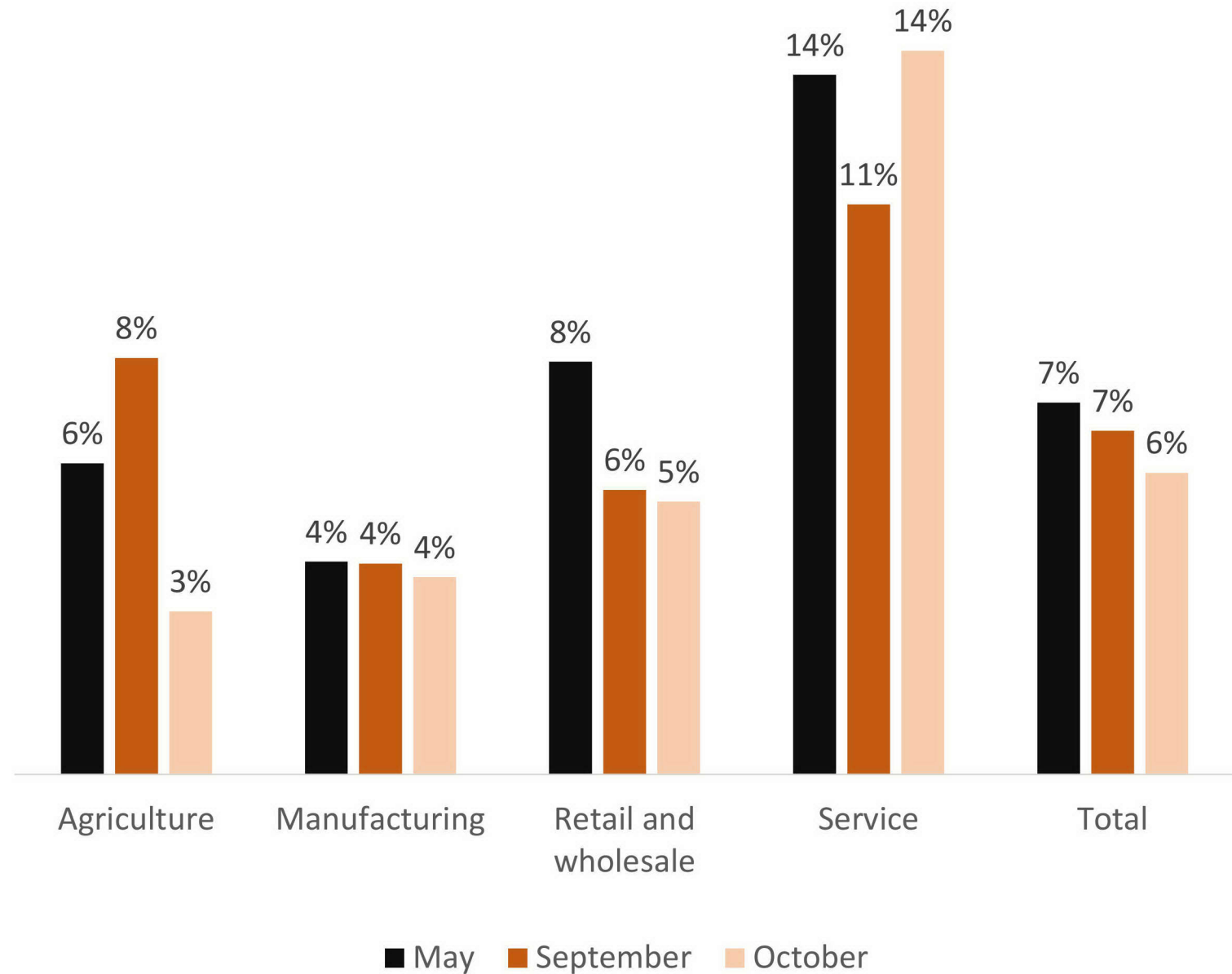
SECTION 5

**BUSINESS
EXPECTATIONS**

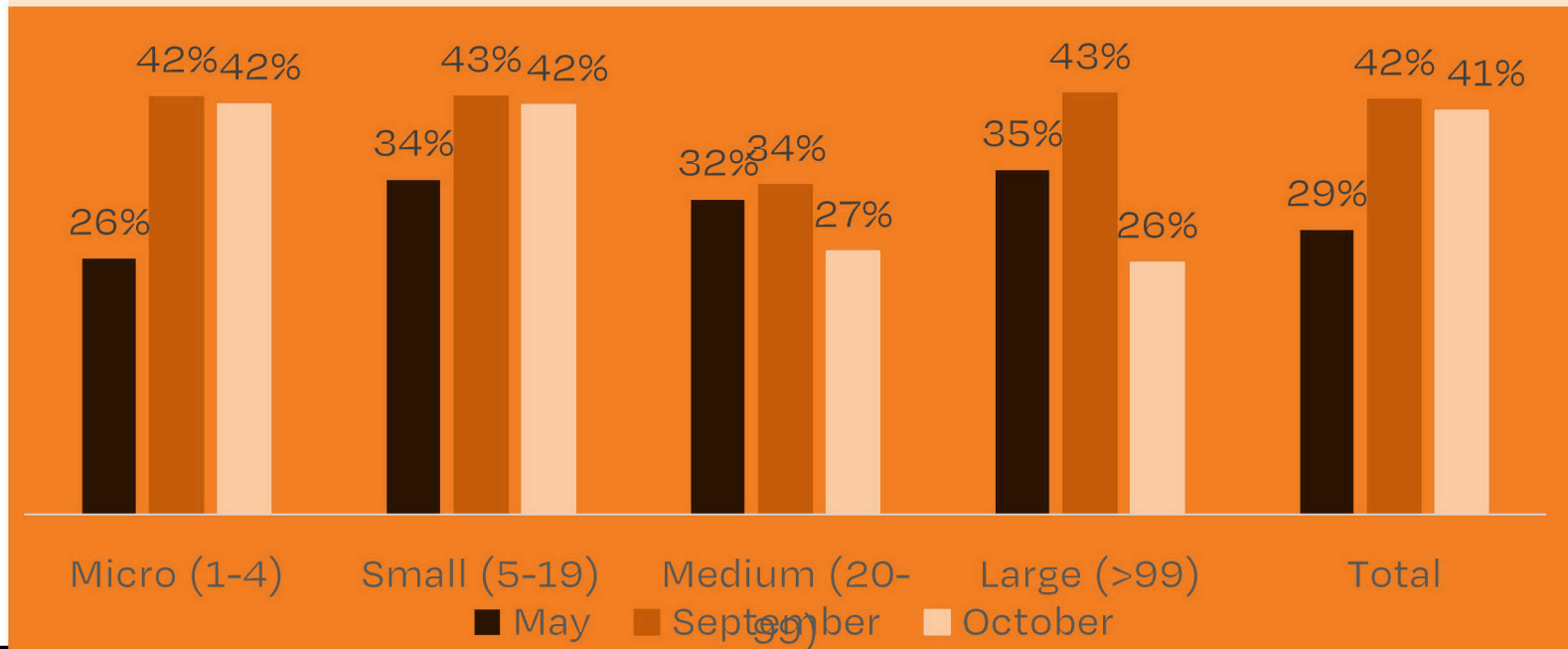
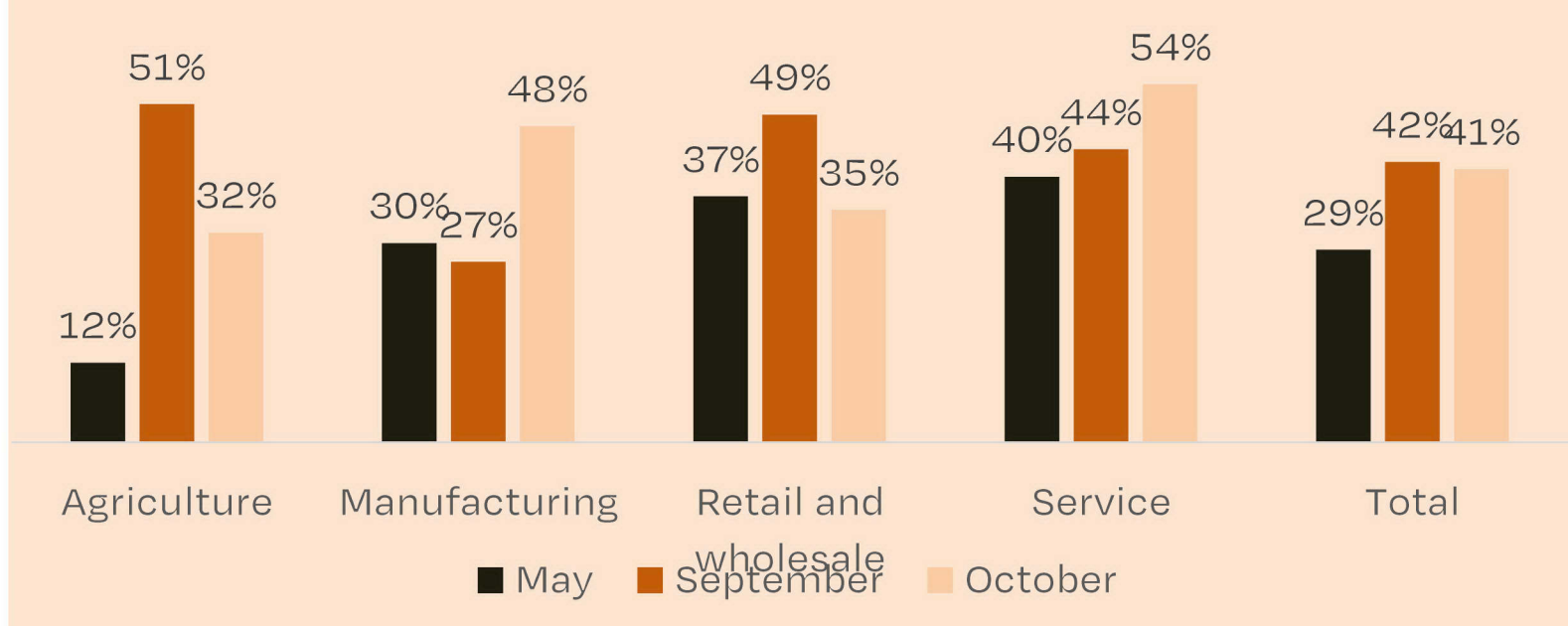
Business expectations remain weak in October with close to half of firms **expecting not to recover** from COVID-19 and continued weakness in **Sales** for the coming 3 months



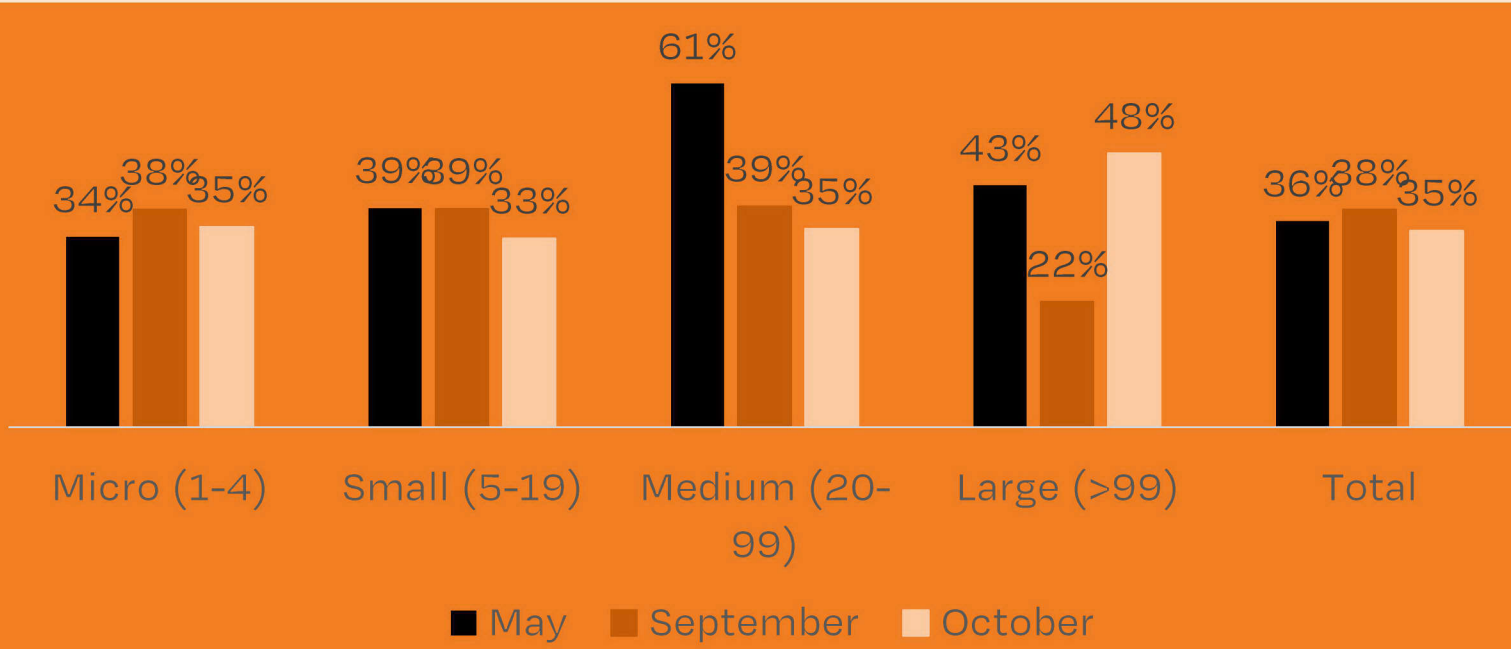
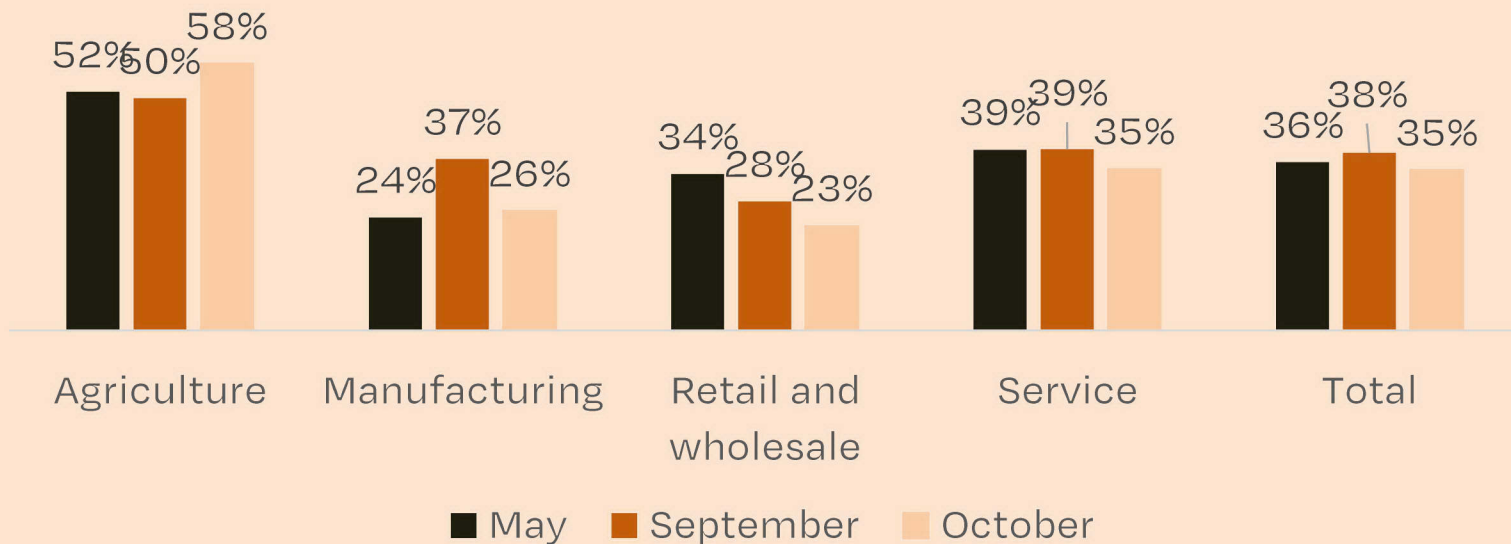
More service sector firms report a **lack of confidence** in remaining open within the next month



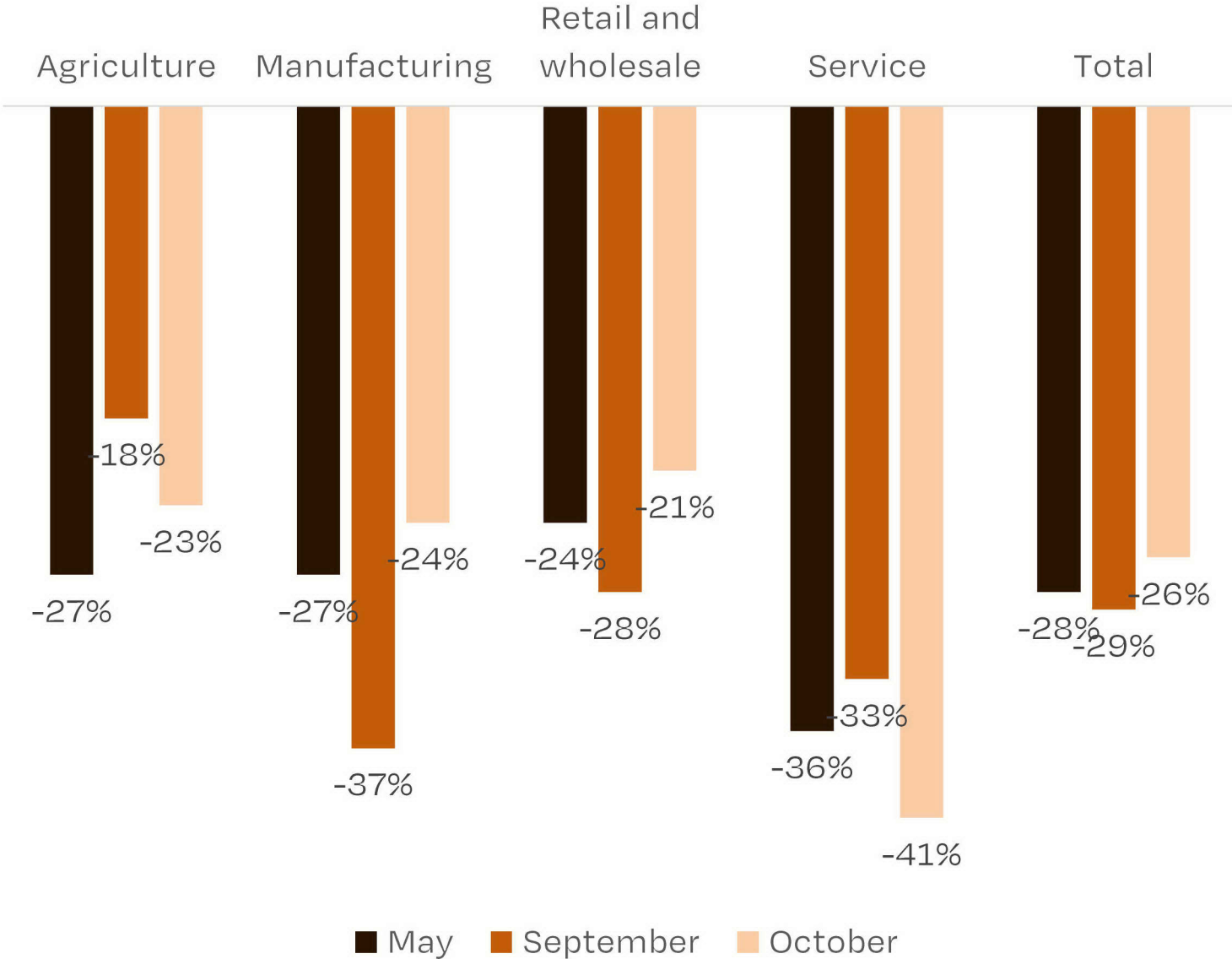
Compared to the first wave, more firms did not expect to recover from the effects of COVID-19



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



SECTION 1

SECTION 2

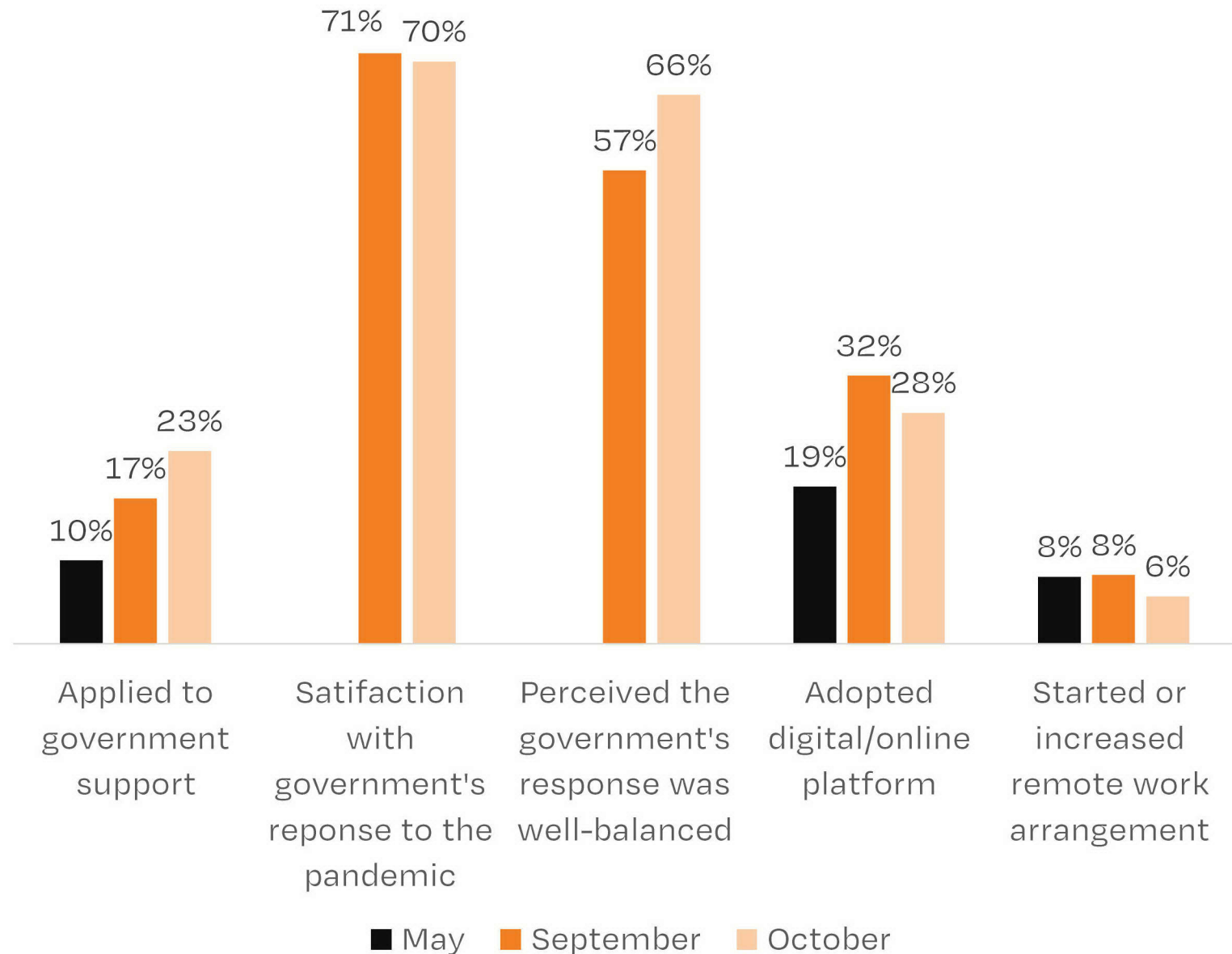
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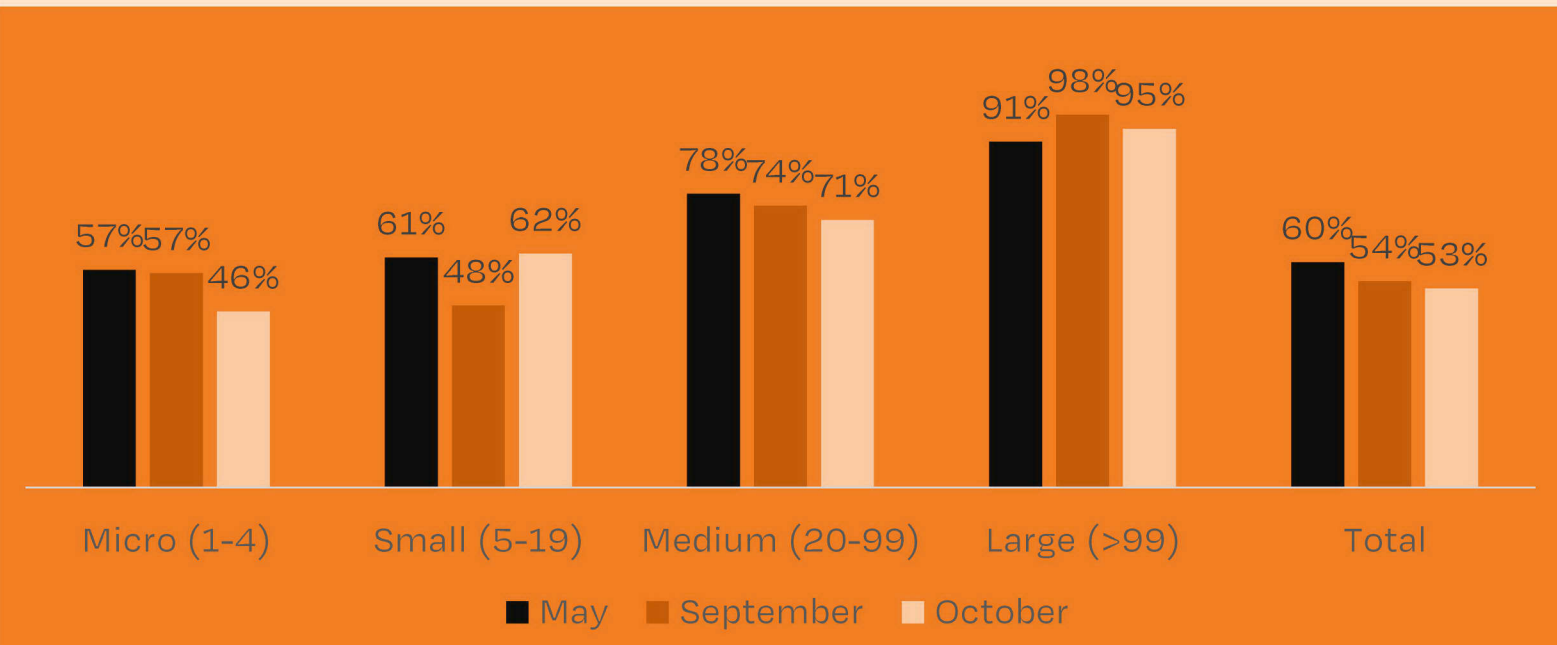
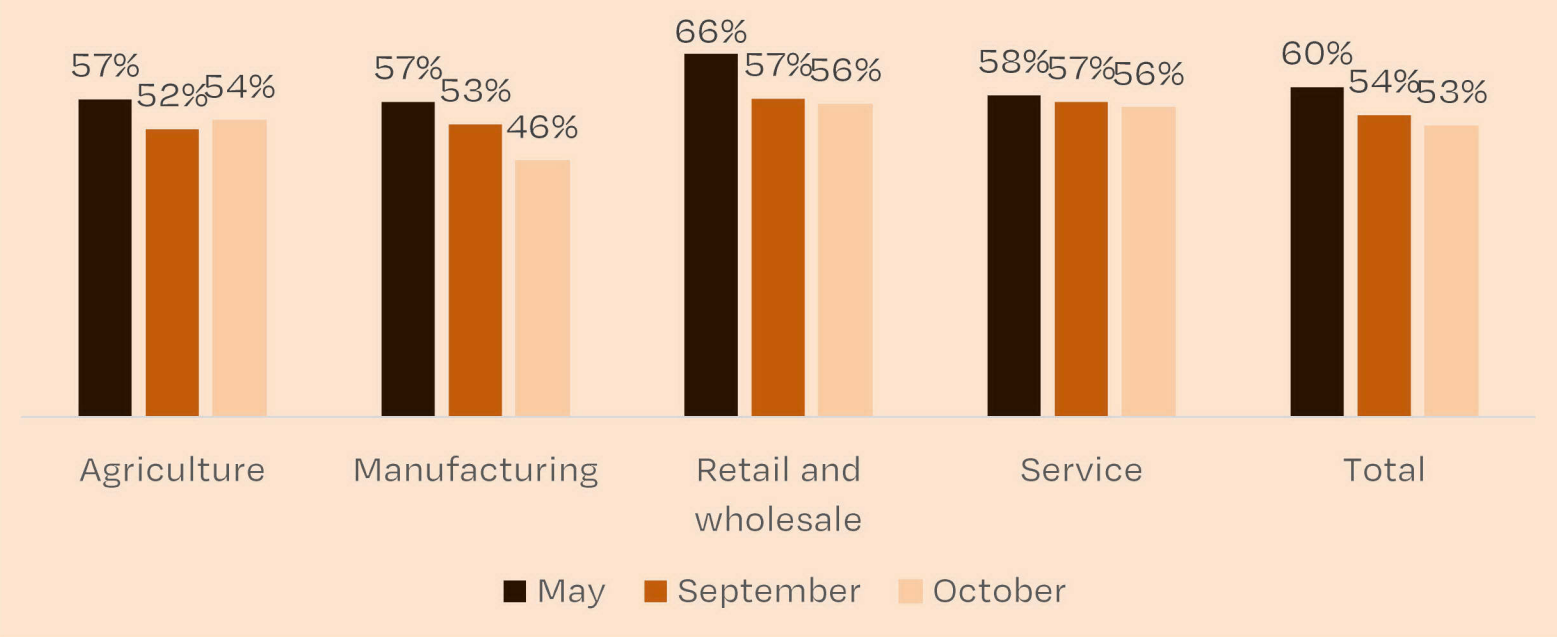
**POLICY AND
ADAPTATION**

More firms applied to government support and firms continue to support the governments approach to restrictions

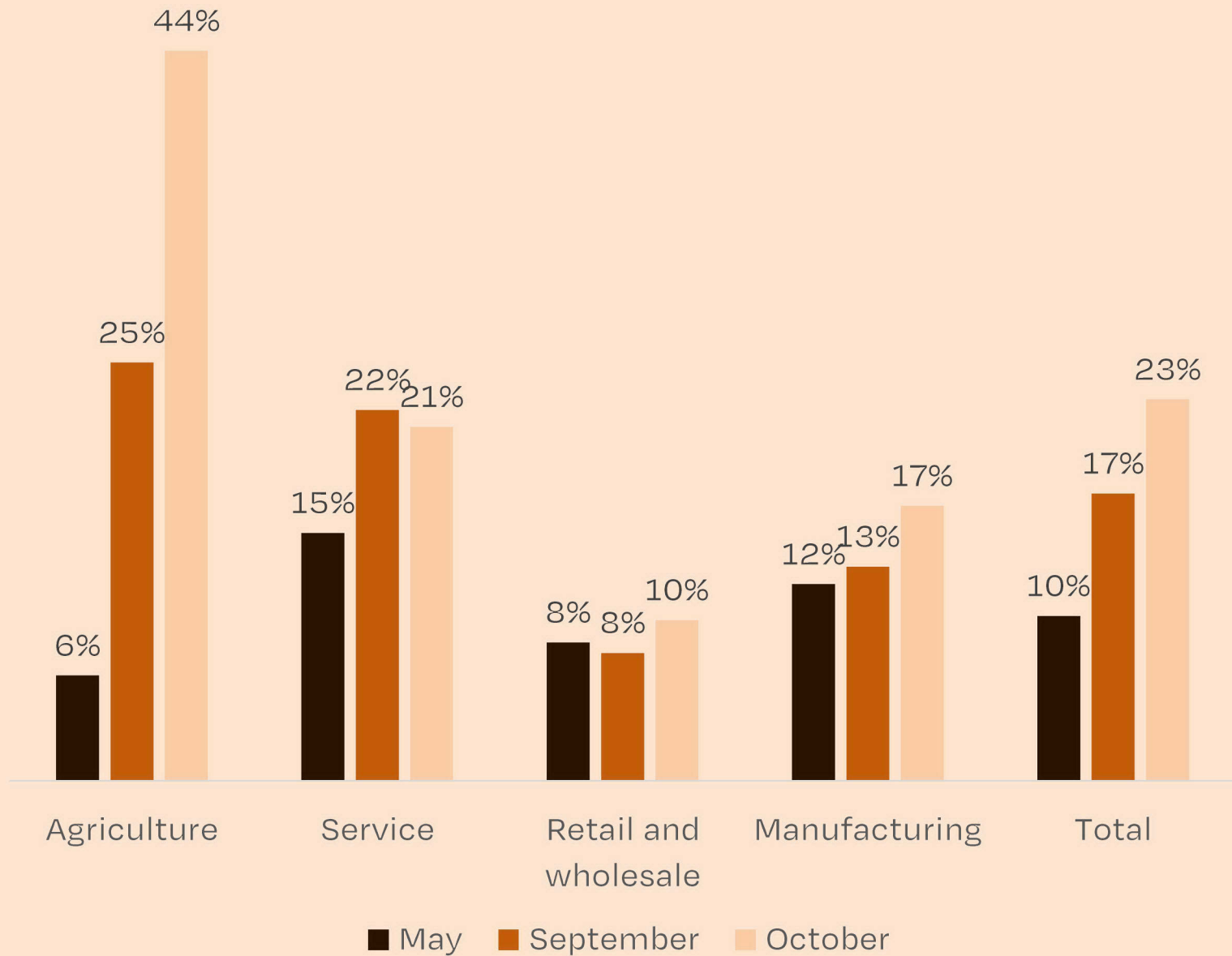


53%

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%

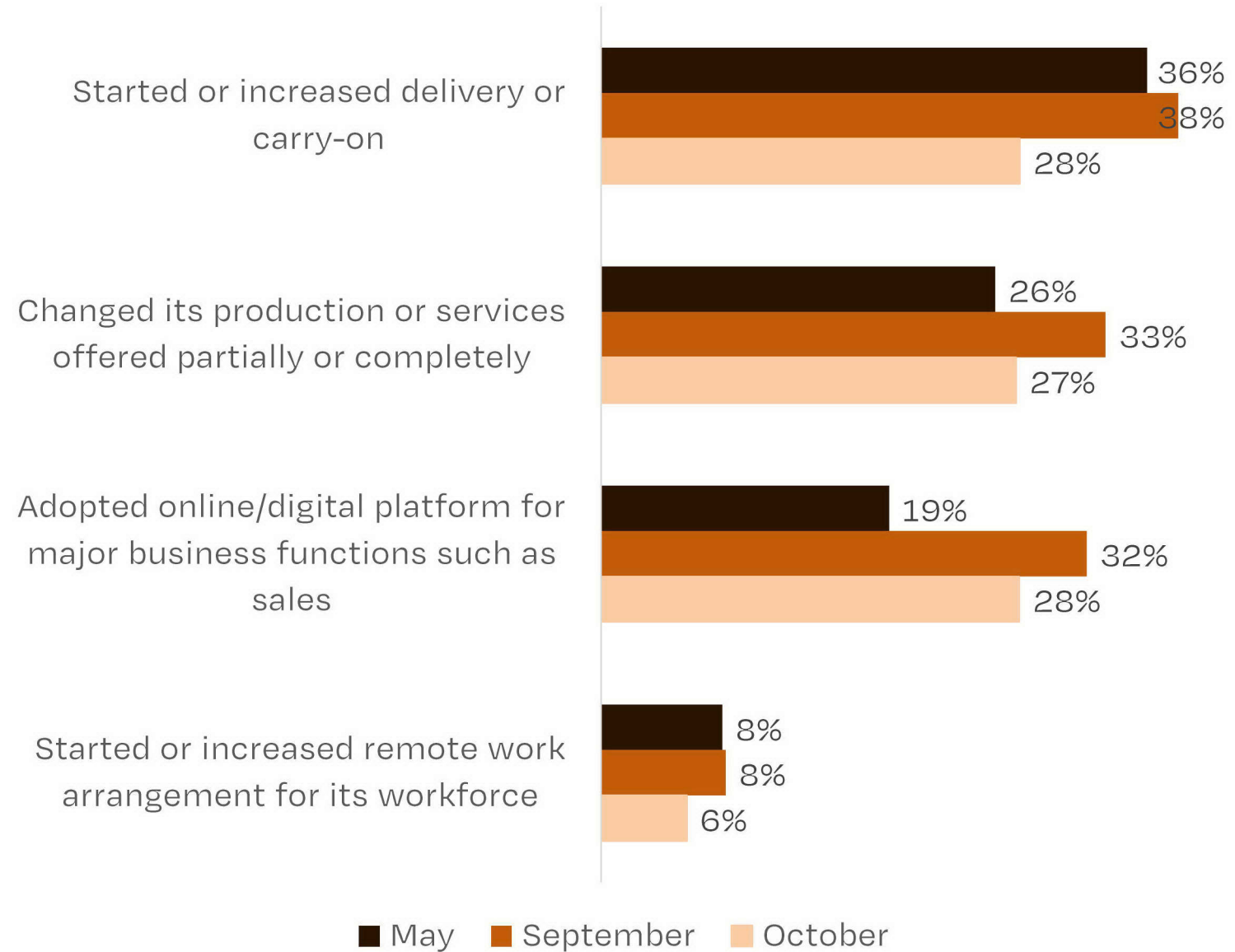
Doesn't have formal documents to apply

9%

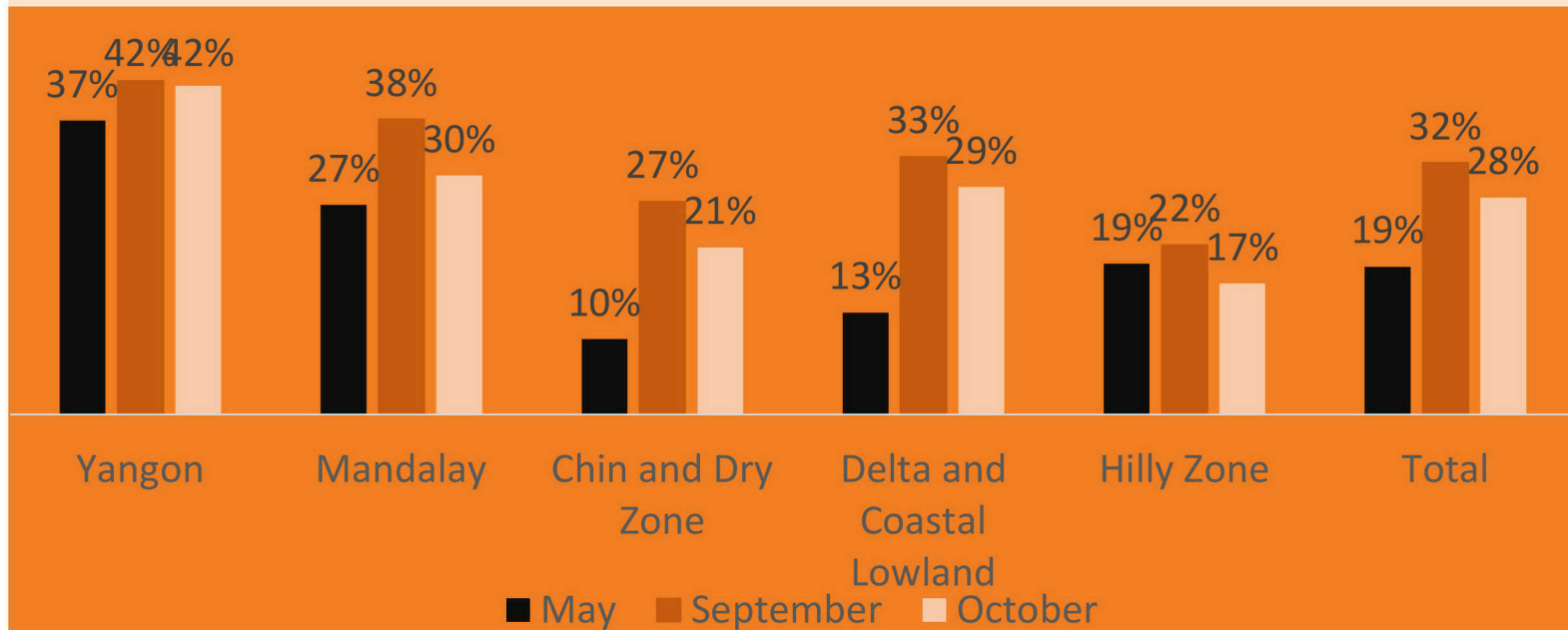
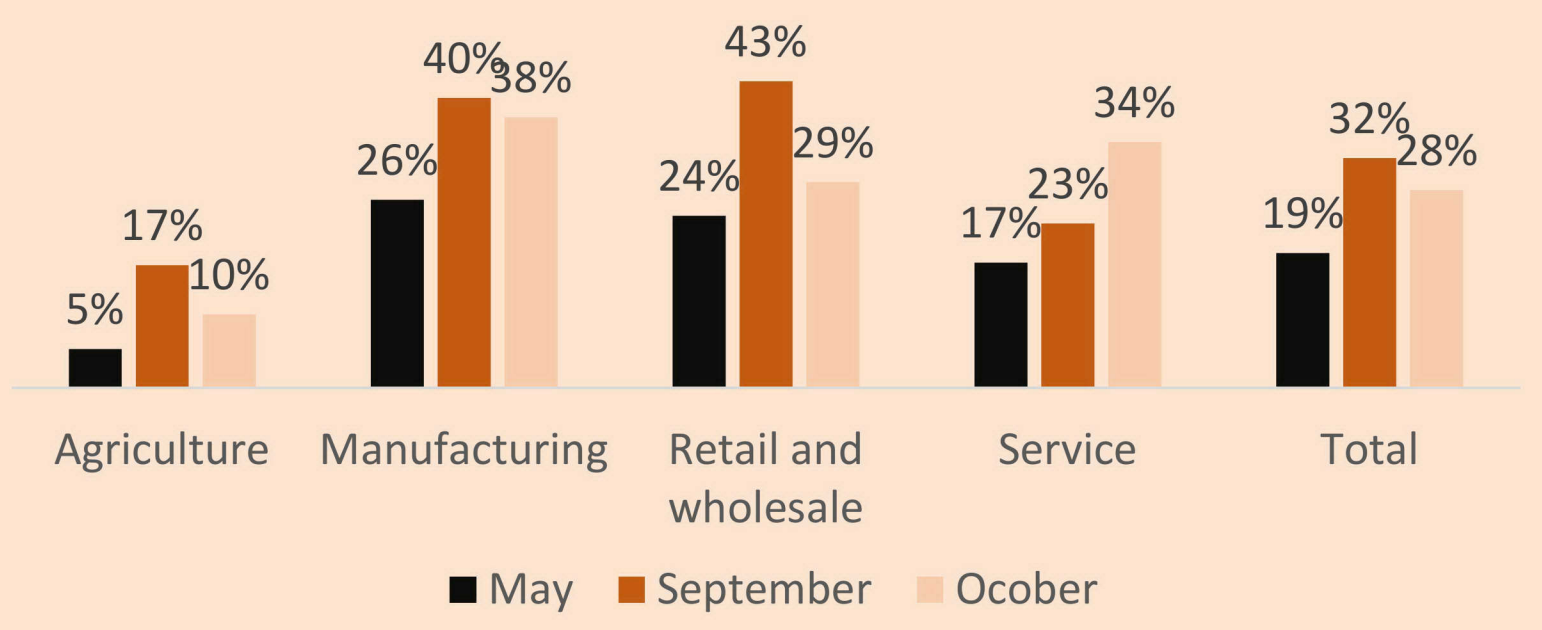
53% of firms reported that access to **loans/credit guarantees** was the **most needed** government support



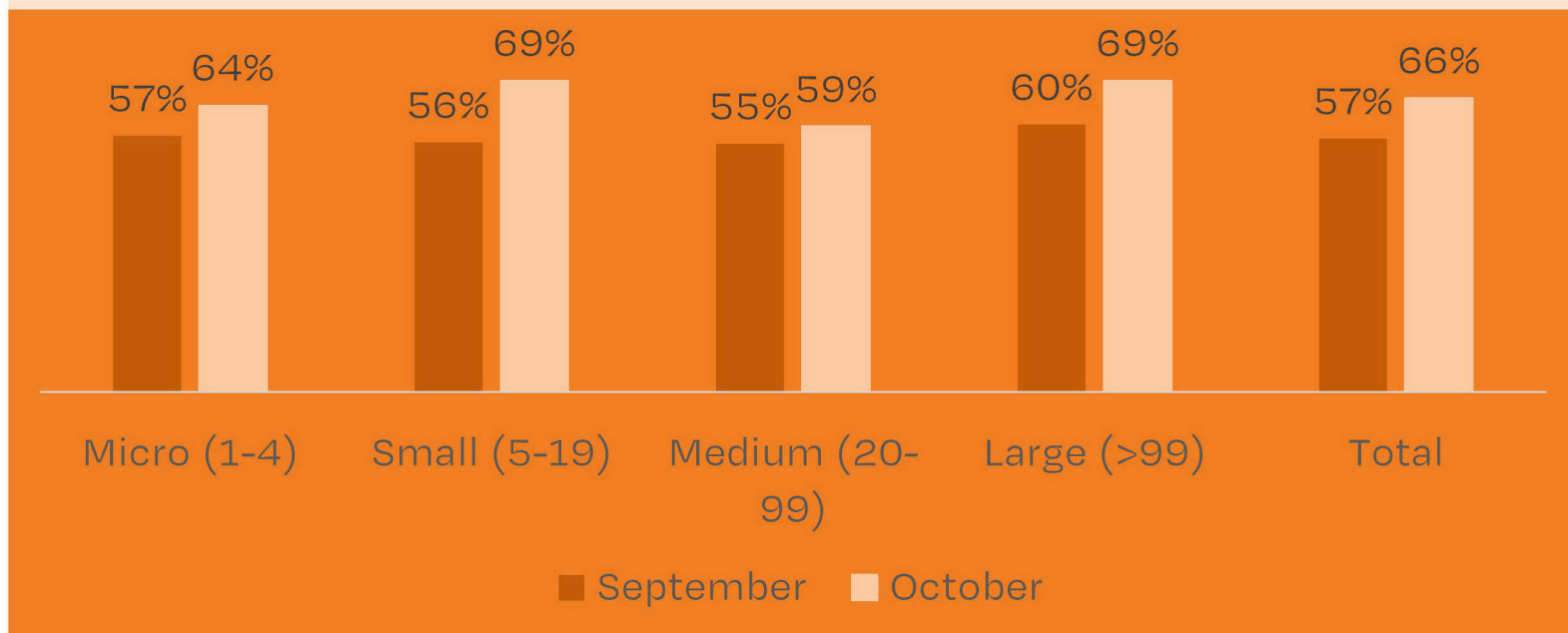
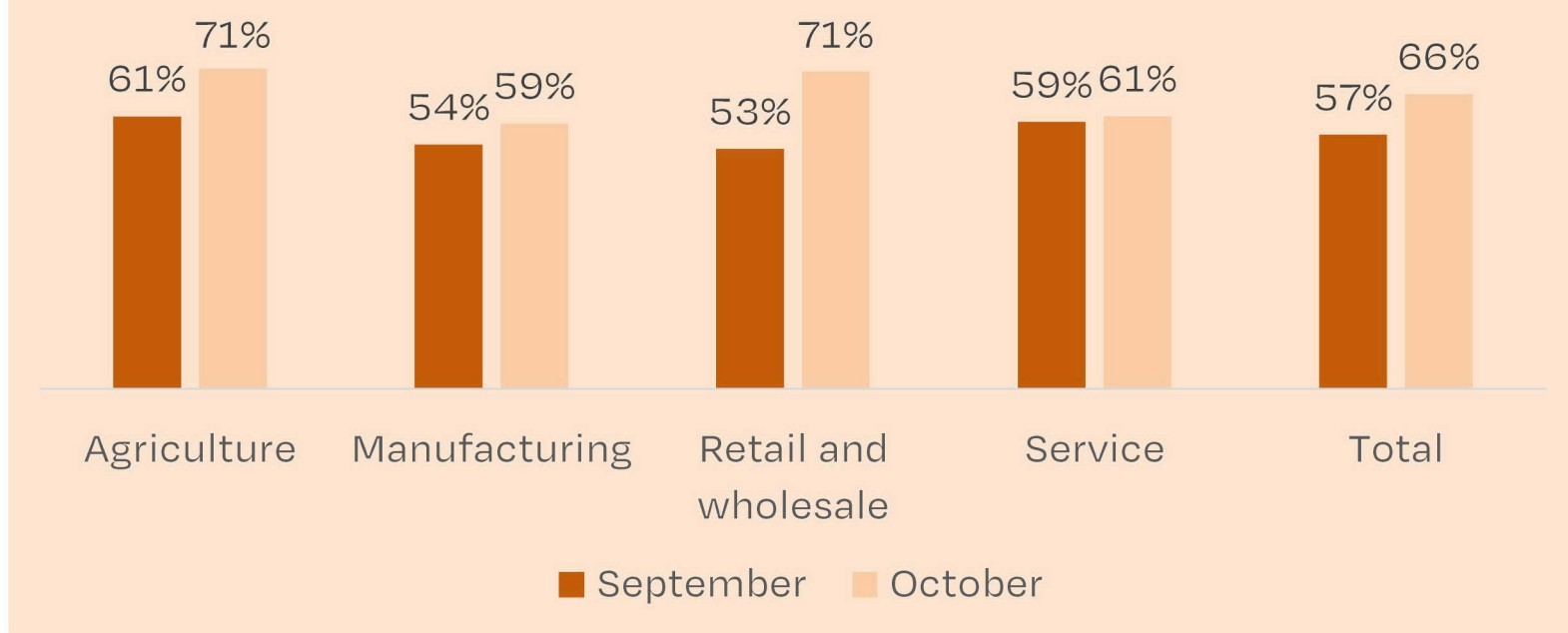
Fewer firms leveraged adjustment mechanisms in October



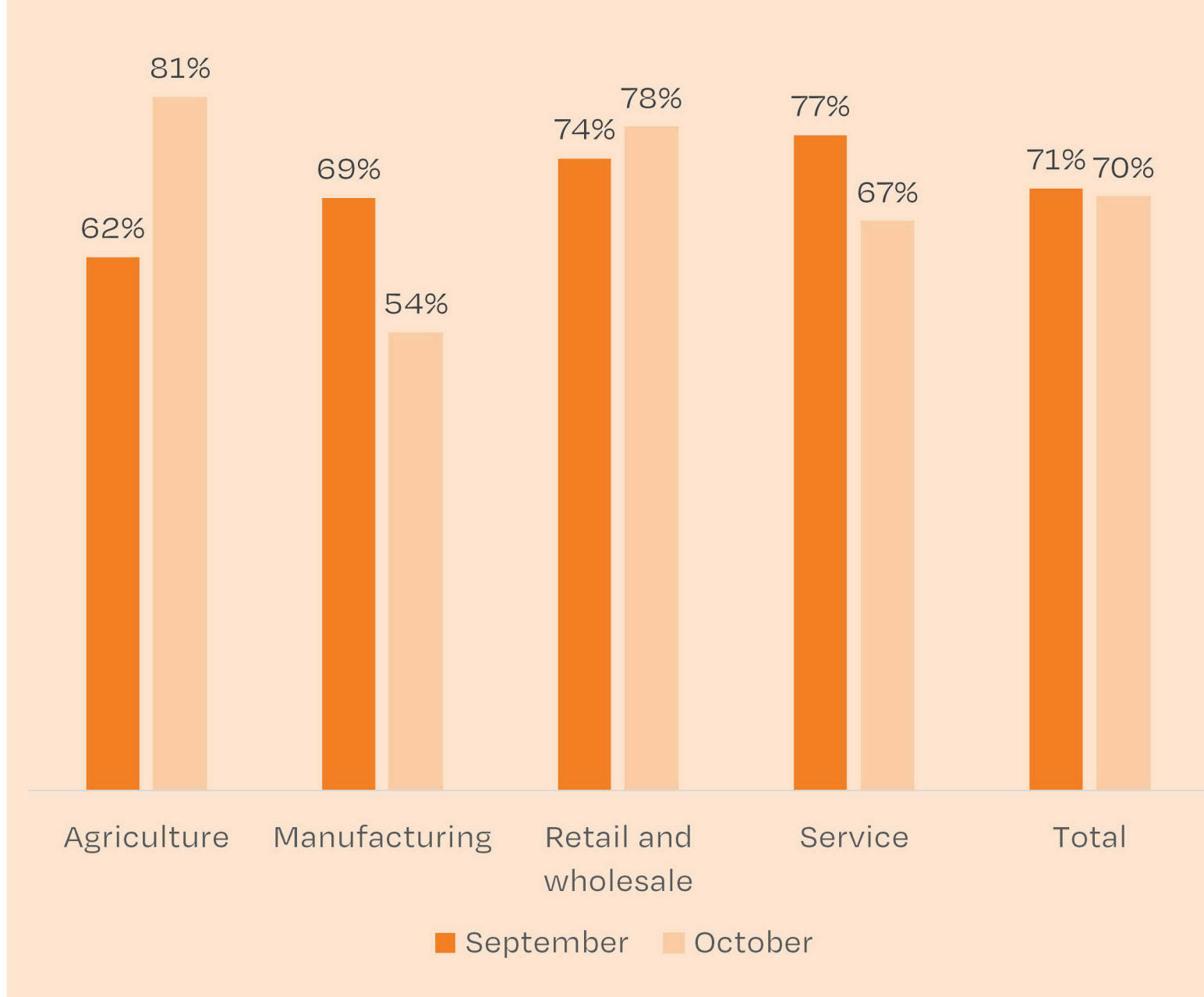
A large digital divide continues in the adoption of online/digital platforms between sectors, firm sizes and regions



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



SECTION 1

SECTION 2

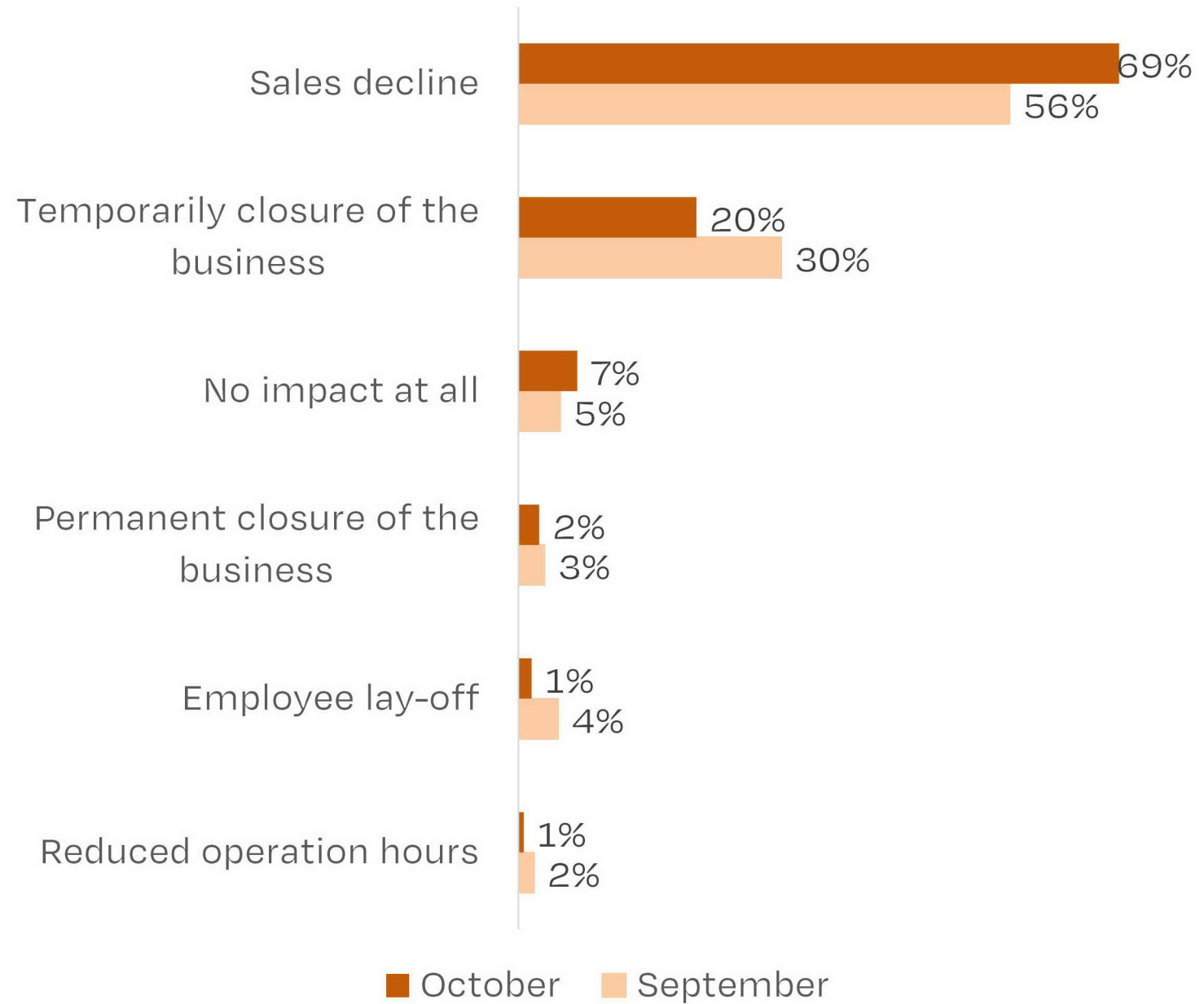
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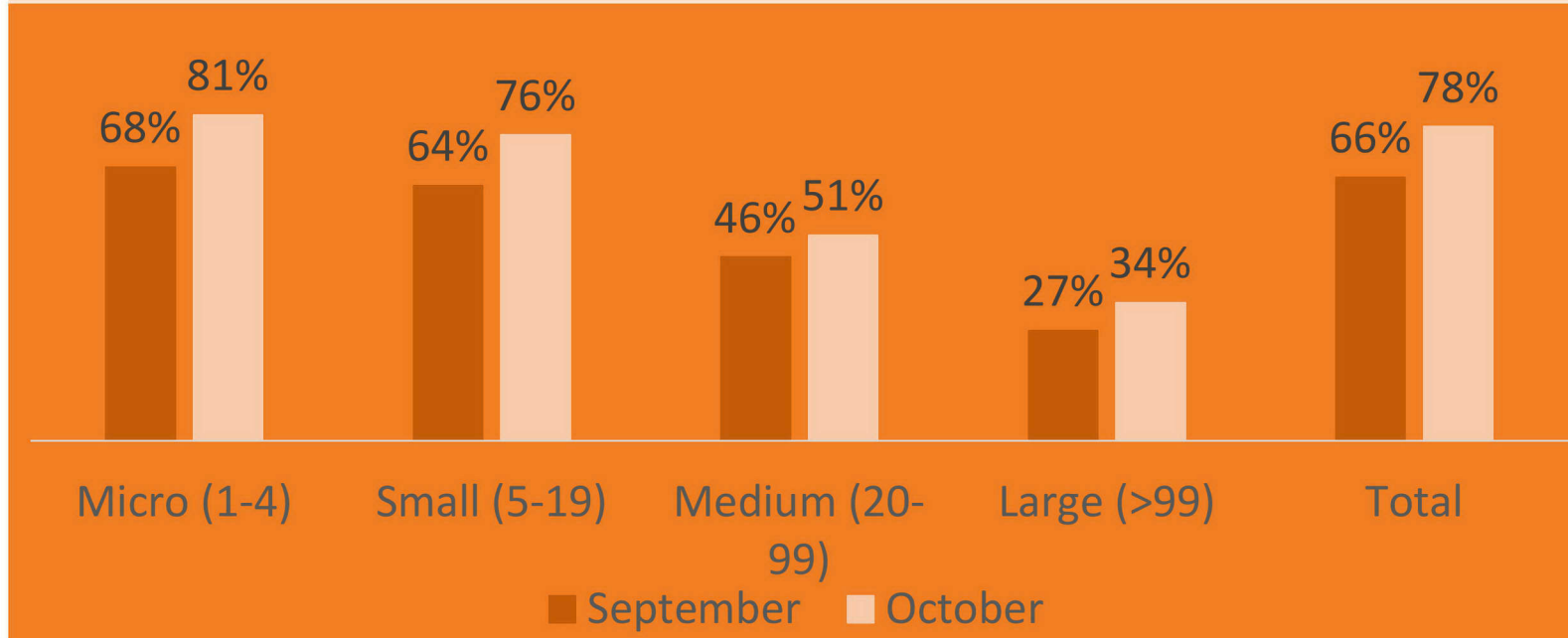
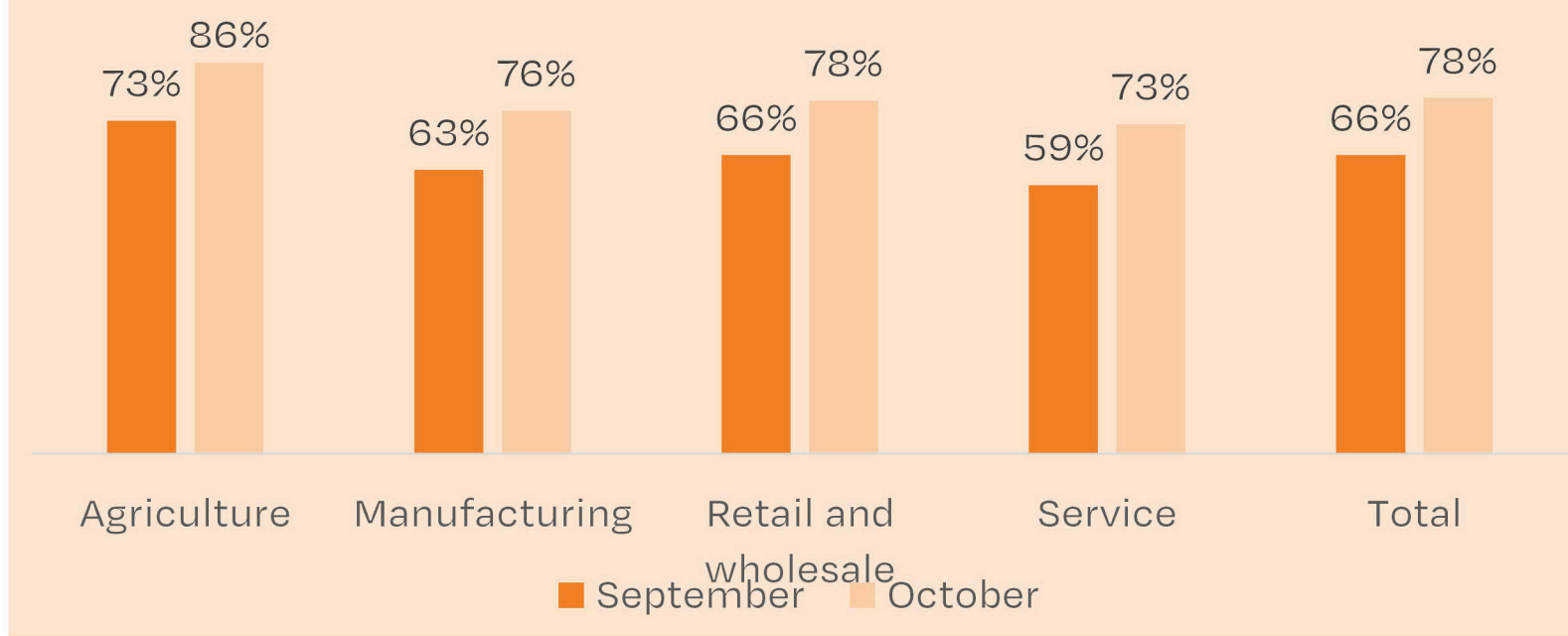
SECTION 5

SECOND WAVE

Sales decline and temporary closure remain the top causes of concern from the second wave

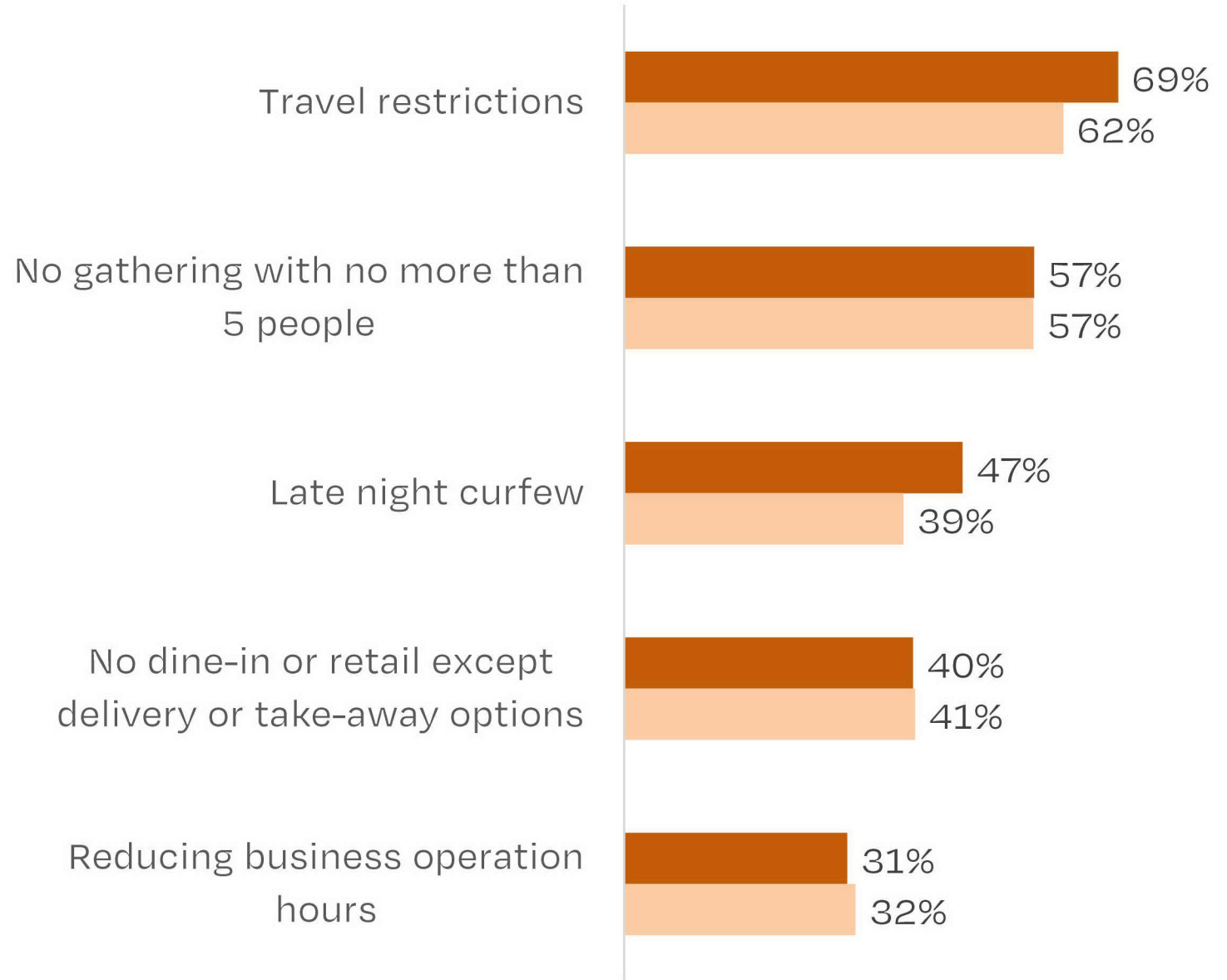


78% of firms said they were not prepared for the second wave with agricultural and micro firms the least prepared



62%

**of firms prefer
that the
government
maintain
domestic travel
restrictions**



Next steps

Round 6 collection (December)