

September 2021

# Myanmar High-frequency Monitoring of Recent Impacts



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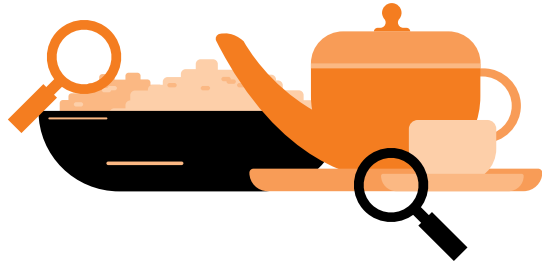
September 2021

The World Bank

# **Survey Firms**

**Round 8**

# The only nationally representative survey of firms in Myanmar



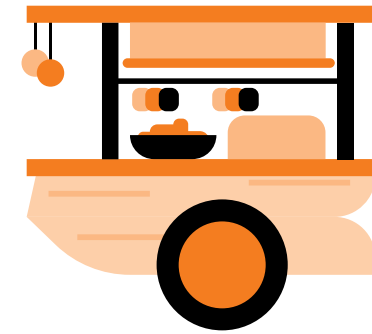
## 500 firms

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 (15%). The other sectors surveyed are **Manufacturing** (34%), **Retail** (17%) and **Services** (34%).



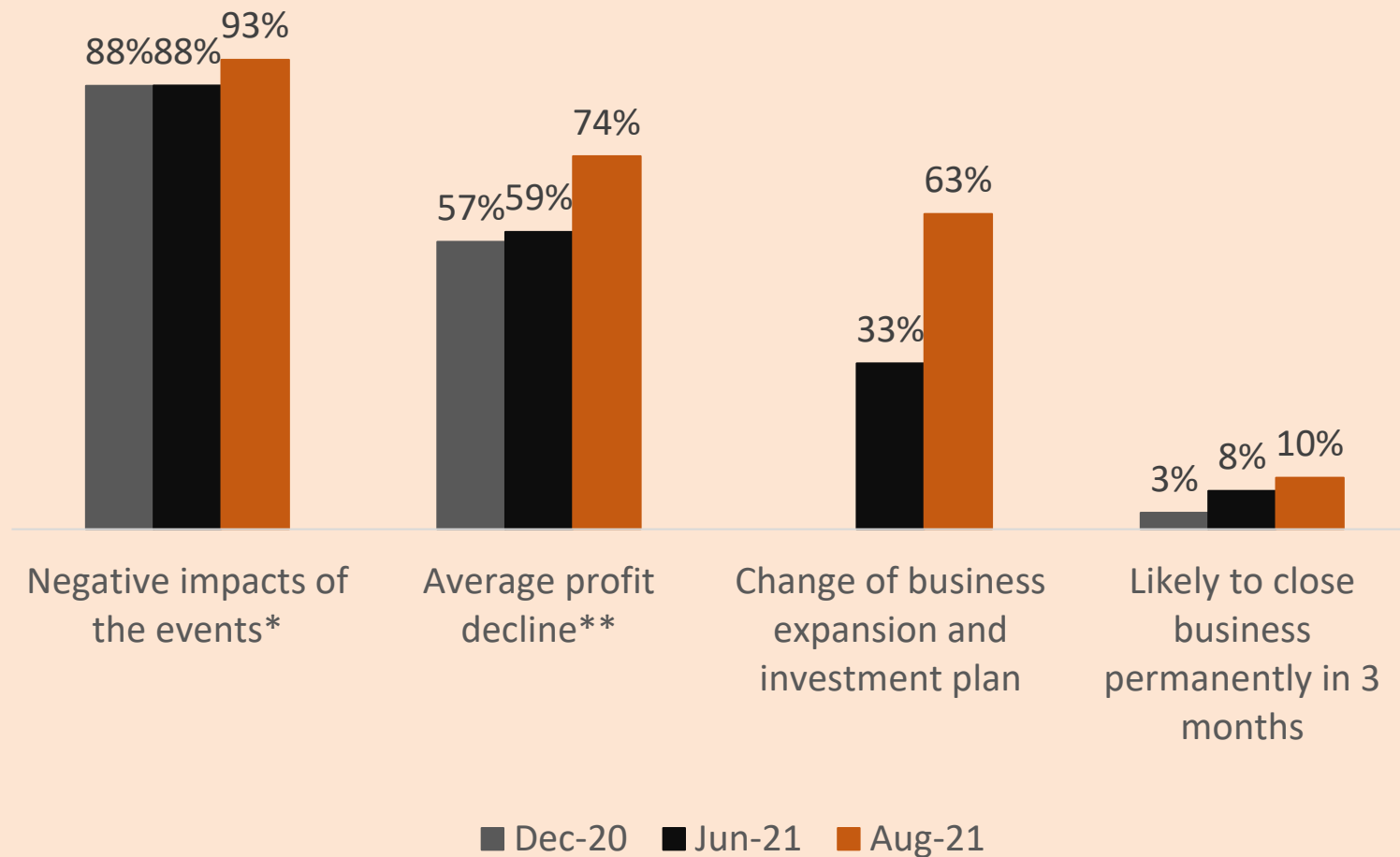
## Micro & Informal too

The survey also covered **micro** and **small** firms and not just large and formal firms. 42% of the sample were micro firms and 38% were small firms. Medium firms were 15% and large firms 4%.

# Key Findings

- ✎ **Impacts of the COVID-19 third wave exacerbated already weakening business environment**
- ✎ **Temporary closures quadrupled**
- ✎ **Business confidence fell to new lows**
- ✎ **Businesses were unprepared to remain resilient against the third wave**

# The COVID-19 third wave further disrupted firms' operations – which were already weakened in the aftermath of February 2021



Note:

\*Questions are slightly different for each round. For December 2020, firms were asked to report how they had been impacted by the second wave COVID-19, for June 2021 by the coup, and for August 2021 by the third wave of COVID-19.

\*\* Firms were asked to report about the last completed month.

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**OPERATIONAL  
STATUS**

**BUSINESS  
PERFORMANCE**

**BUSINESS  
EXPECTATIONS**

**ADAPTATIONS**

**COVID-19  
THIRD WAVE**

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SECTION 2

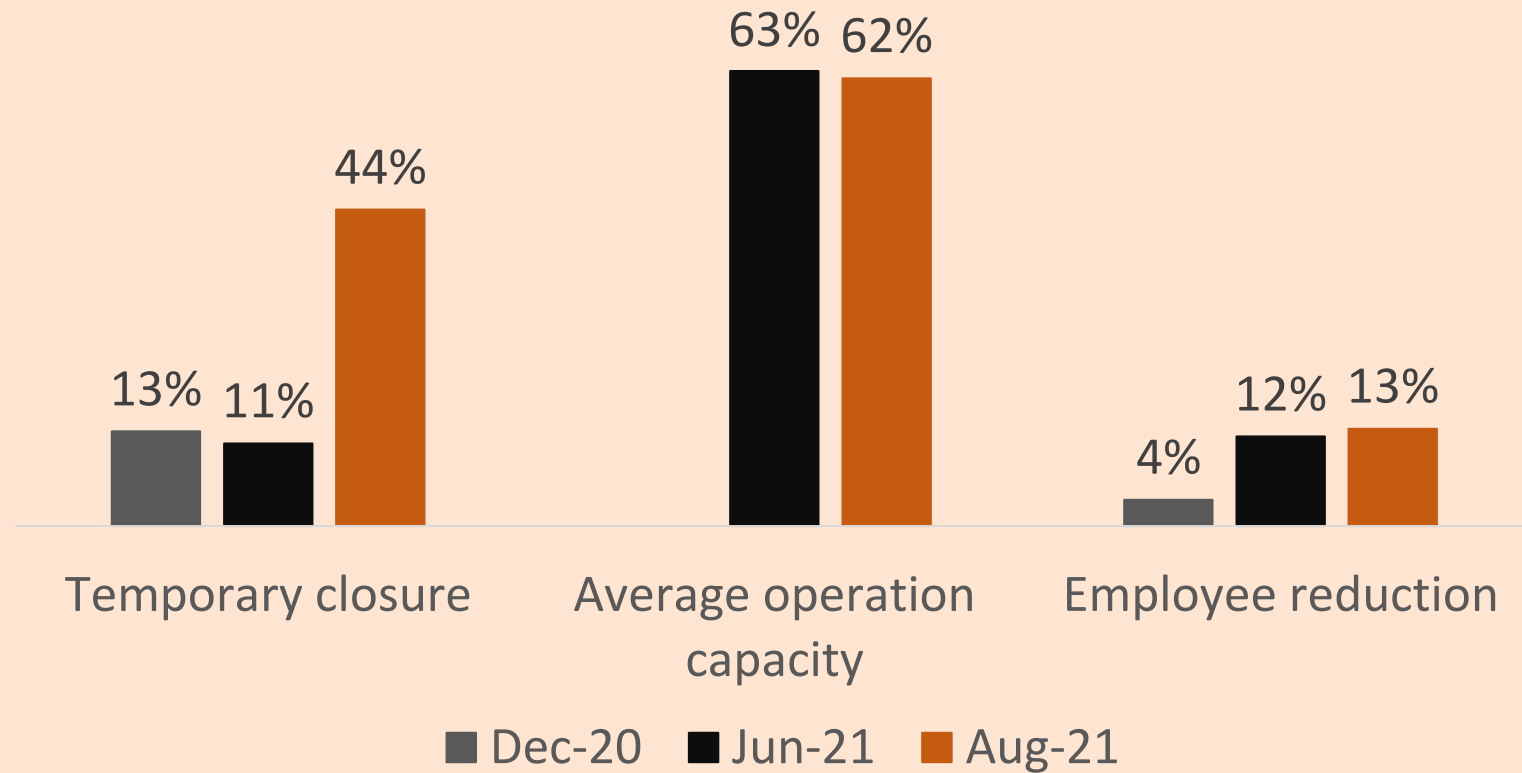
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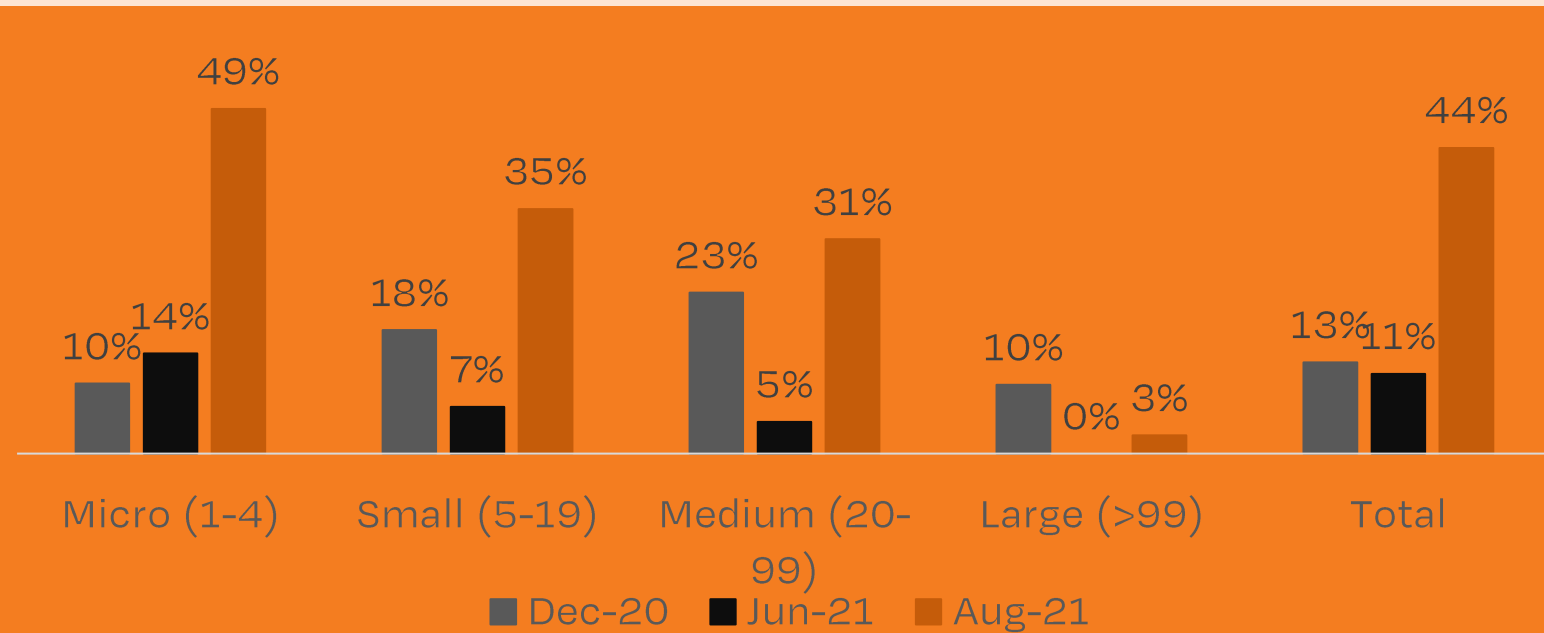
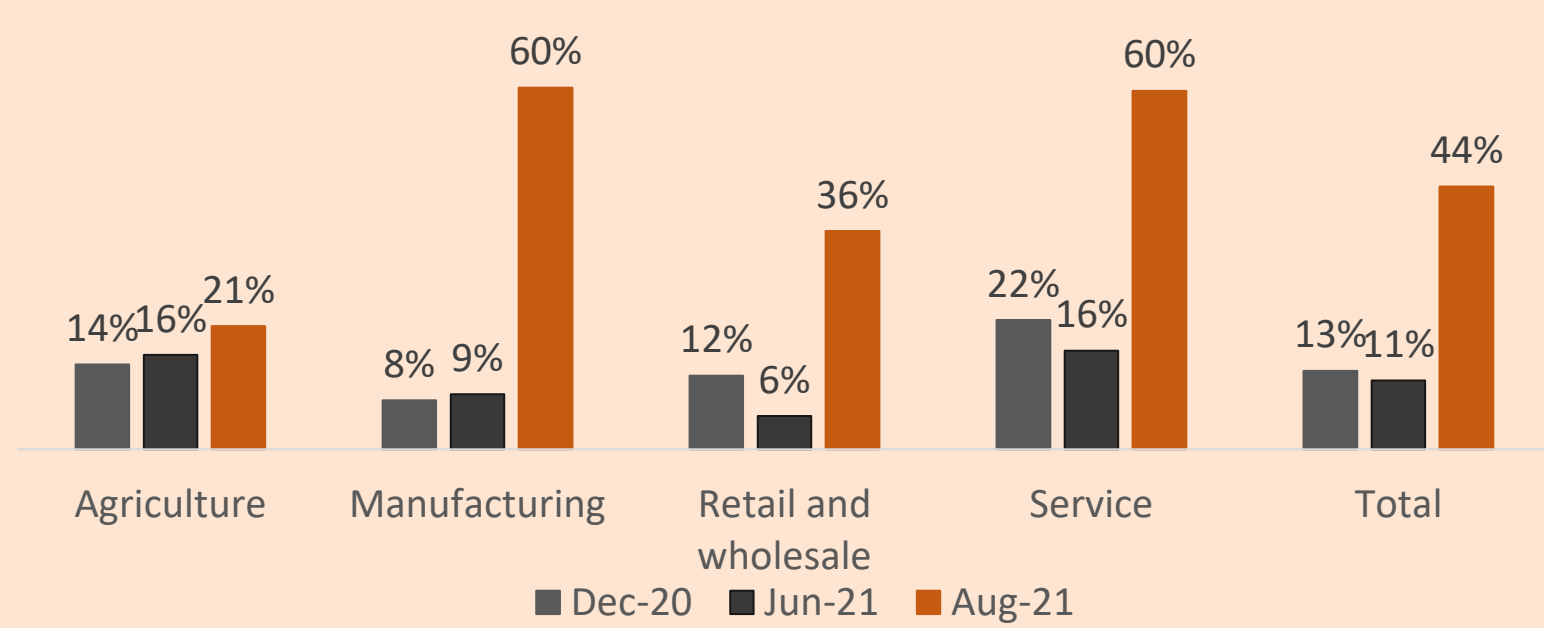
**OPERATIONAL  
STATUS**

**More temporary closures, lower average operation capacity among the open firms, and further employee reduction were observed in August**

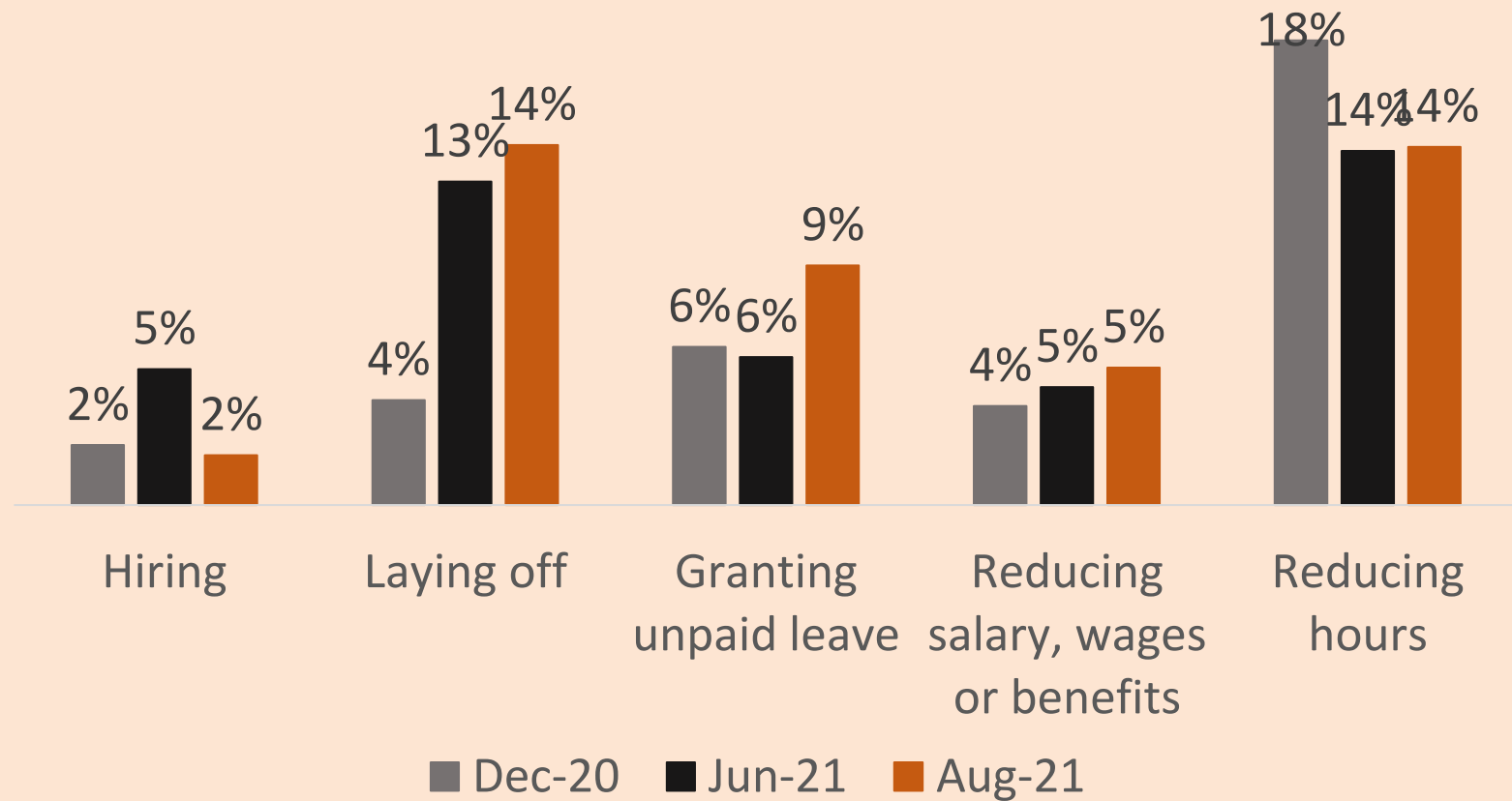




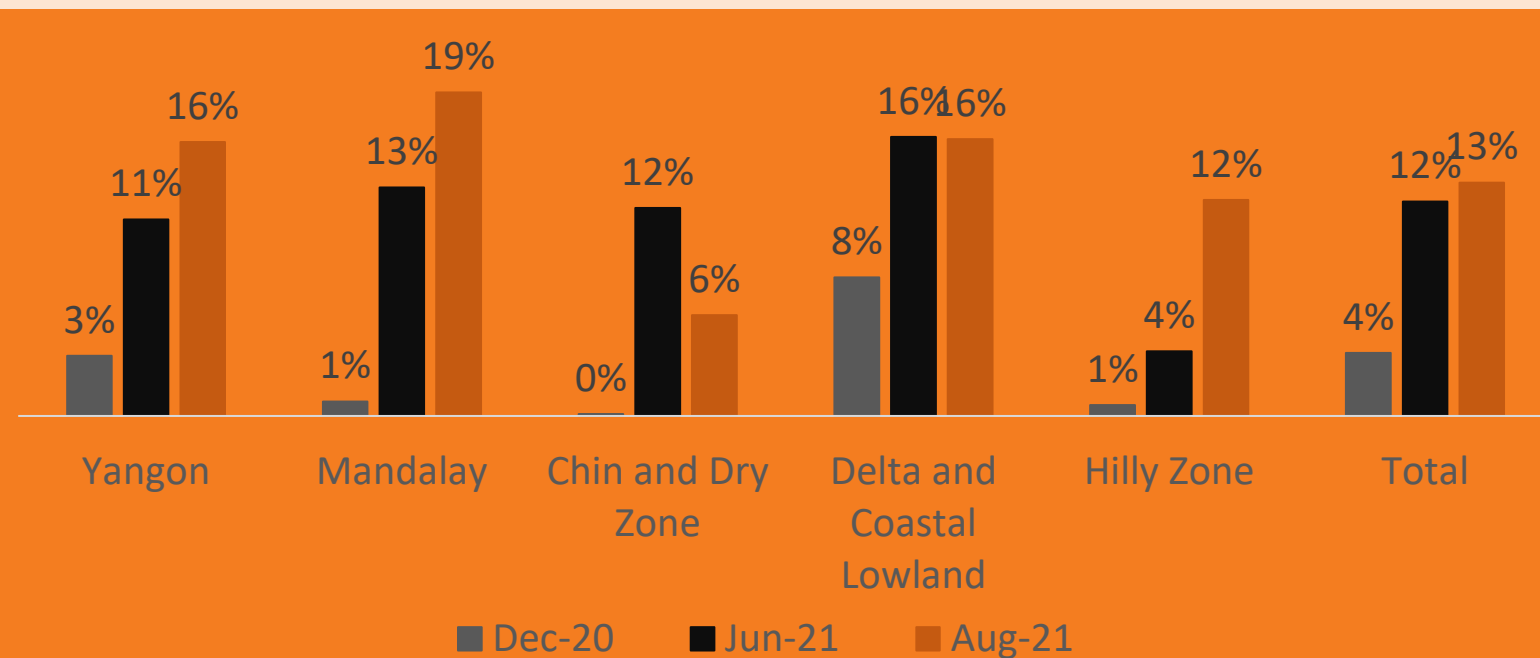
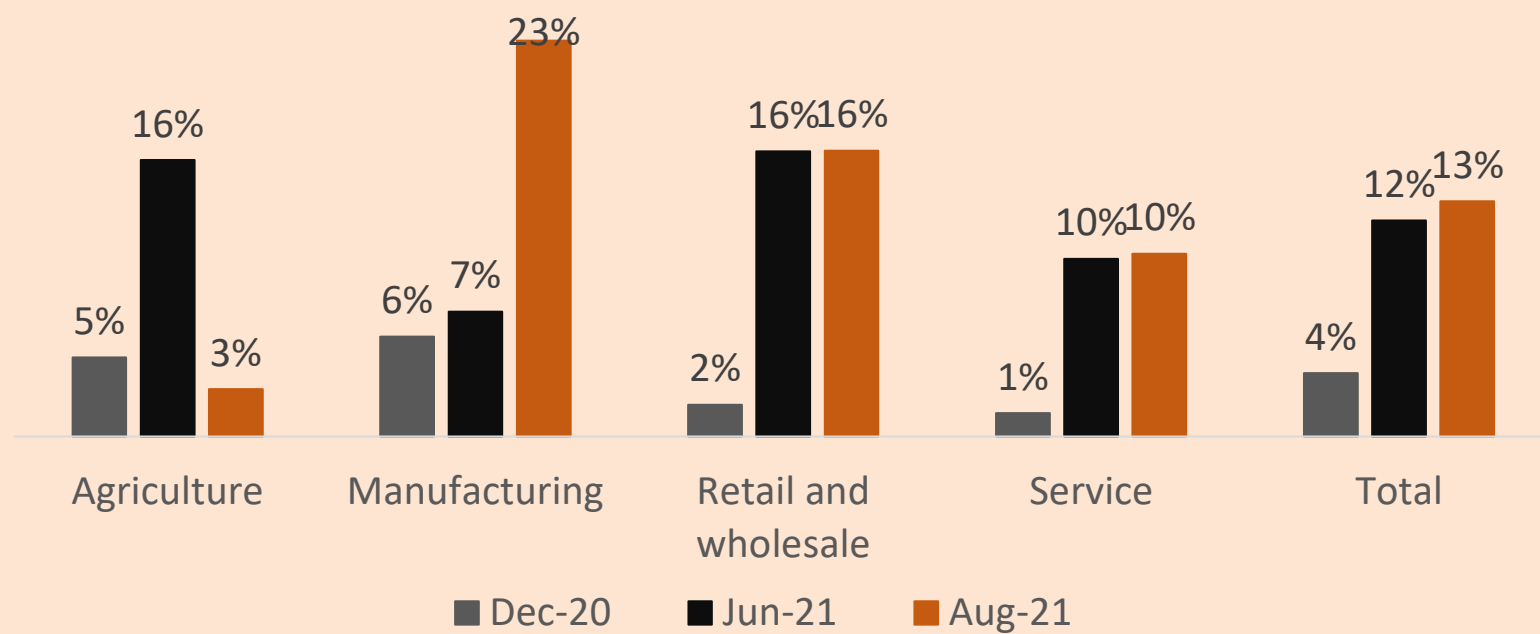
**Share of firms with temporary closures significantly increased in August compared to June, but large firms were the least affected**



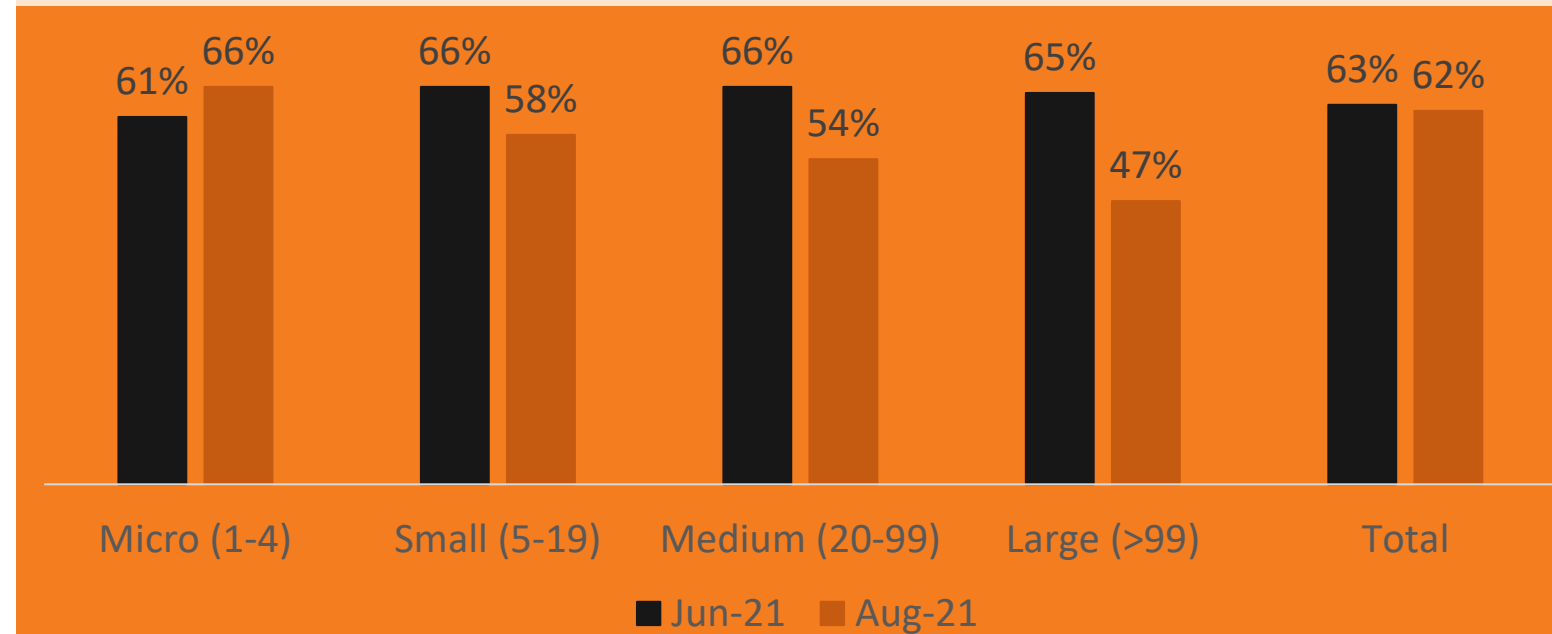
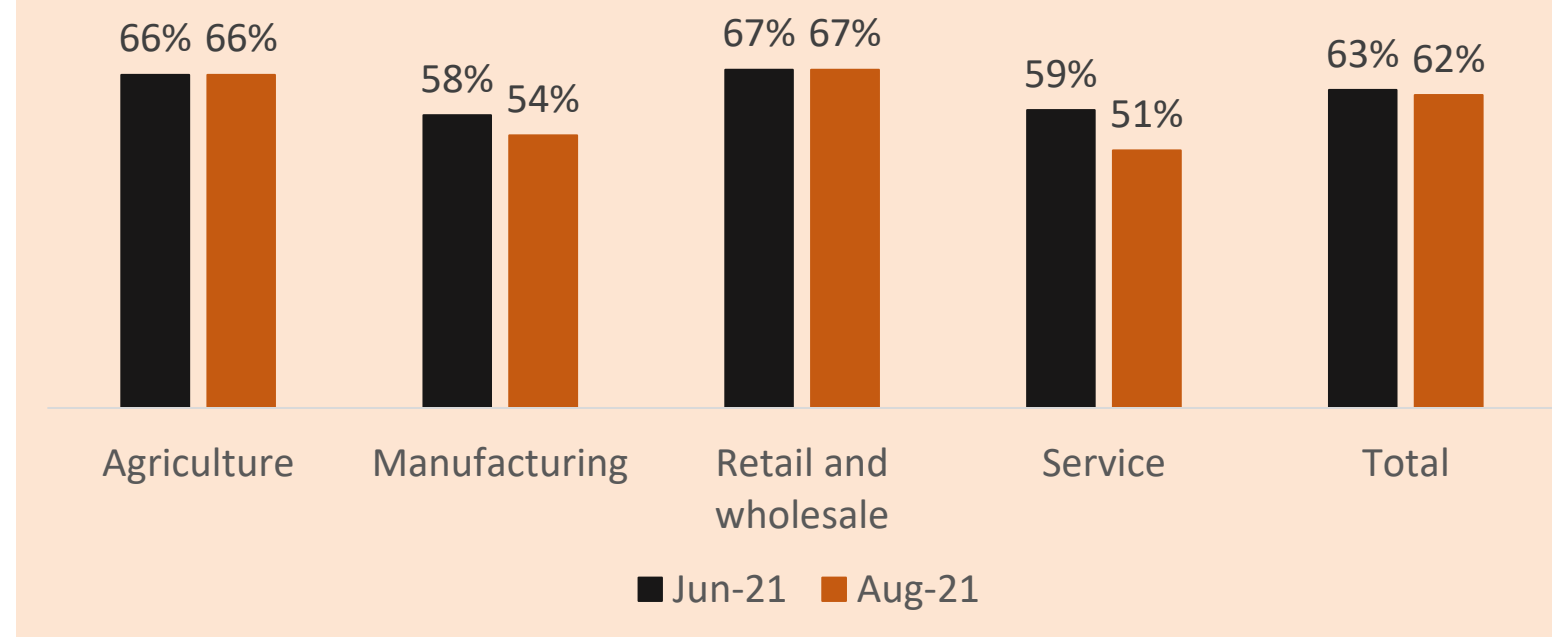
**More firms laid off and granted unpaid leave to employees than hired new employees in August – suggesting a firm size reduction**



**Share of firms with reduction in employees slightly increased in August compared to June but both sectoral and regional differences were observed**



**Firms operated only at 62% of their capacity in August, and large firms operated less than half of their capacity in August**



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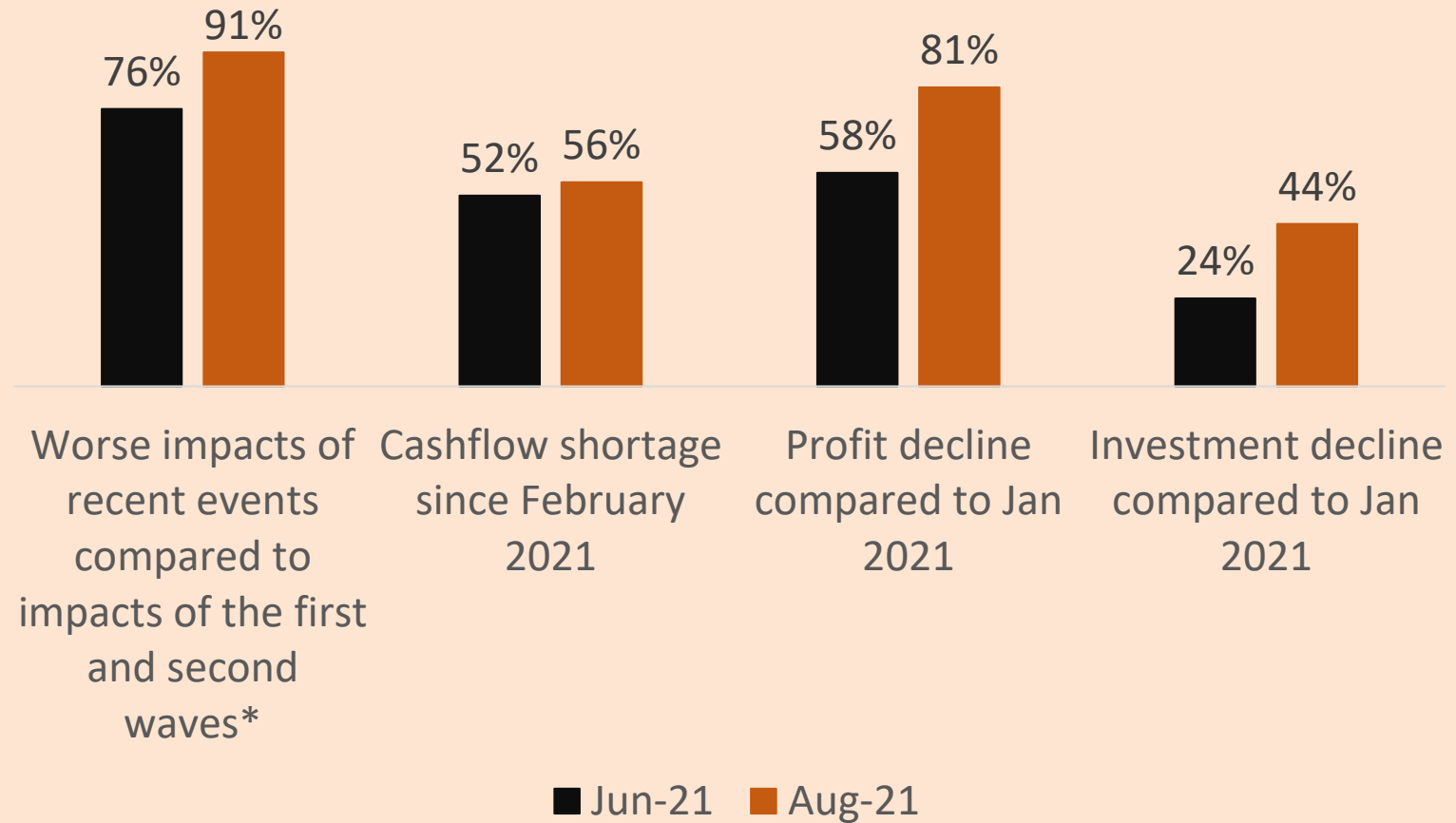
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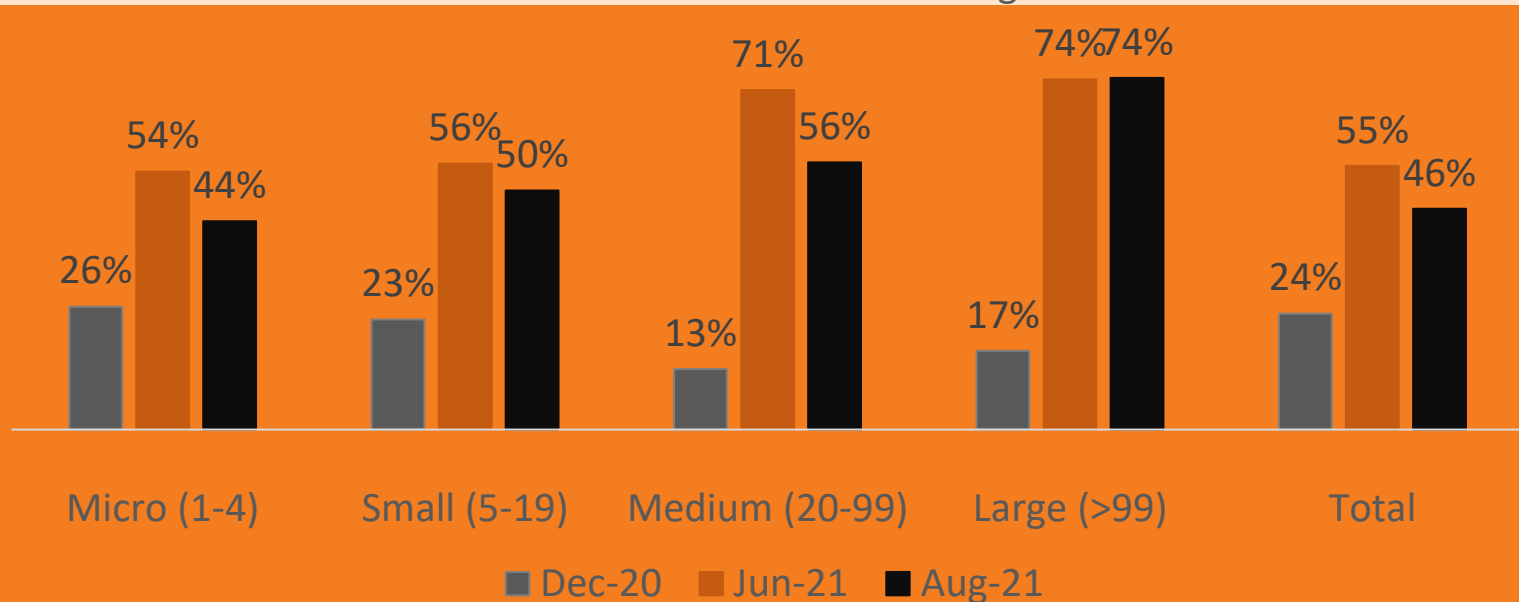
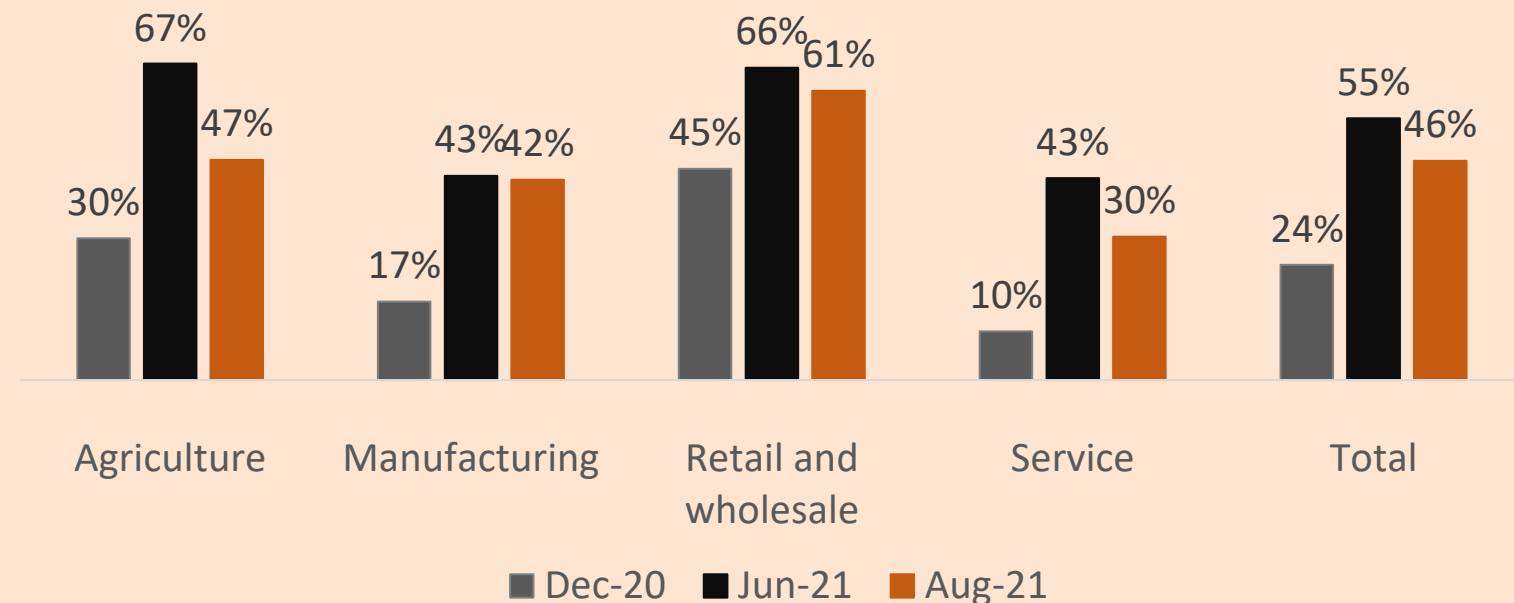
**BUSINESS  
PERFORMANCE**

# Business performance further deteriorated in August



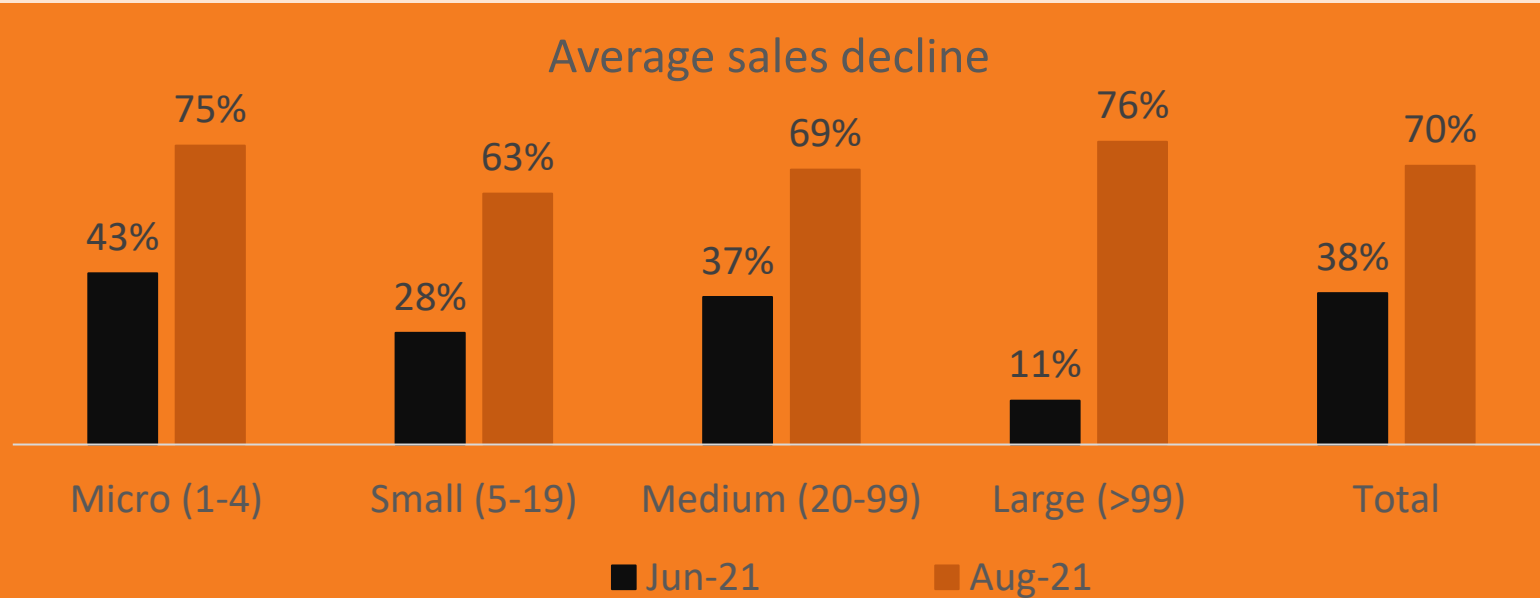
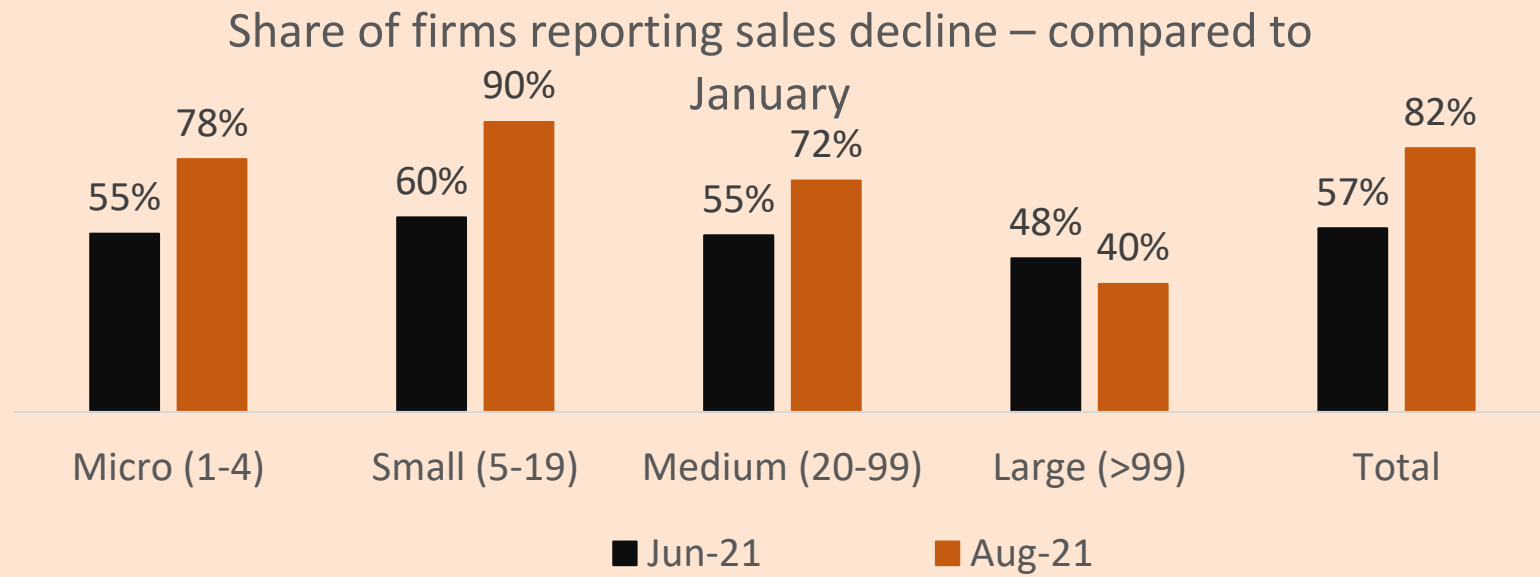
\*Question is designed slightly differently for June and August. For June, firms reported whether they experienced worse impacts of the coup compared to the COVID-19 impacts while firms reported the combined impacts of the third wave and coup for August

**Lesser share of firms experienced disruptions of supply of inputs or raw materials in August compared to June, but supply chain disruptions remained a major concern**



Note: Question is designed slightly differently for each survey round. For December 2020, firms were asked if they had experienced difficulties since the beginning of COVID-19, while for June and August 2021, the question was modified with February 2021 instead of COVID-19.

**More firms reported a declined in Sales in August and the average size of the decline almost doubled.**





# 51%

**of firms have  
outstanding loans**

# 25%

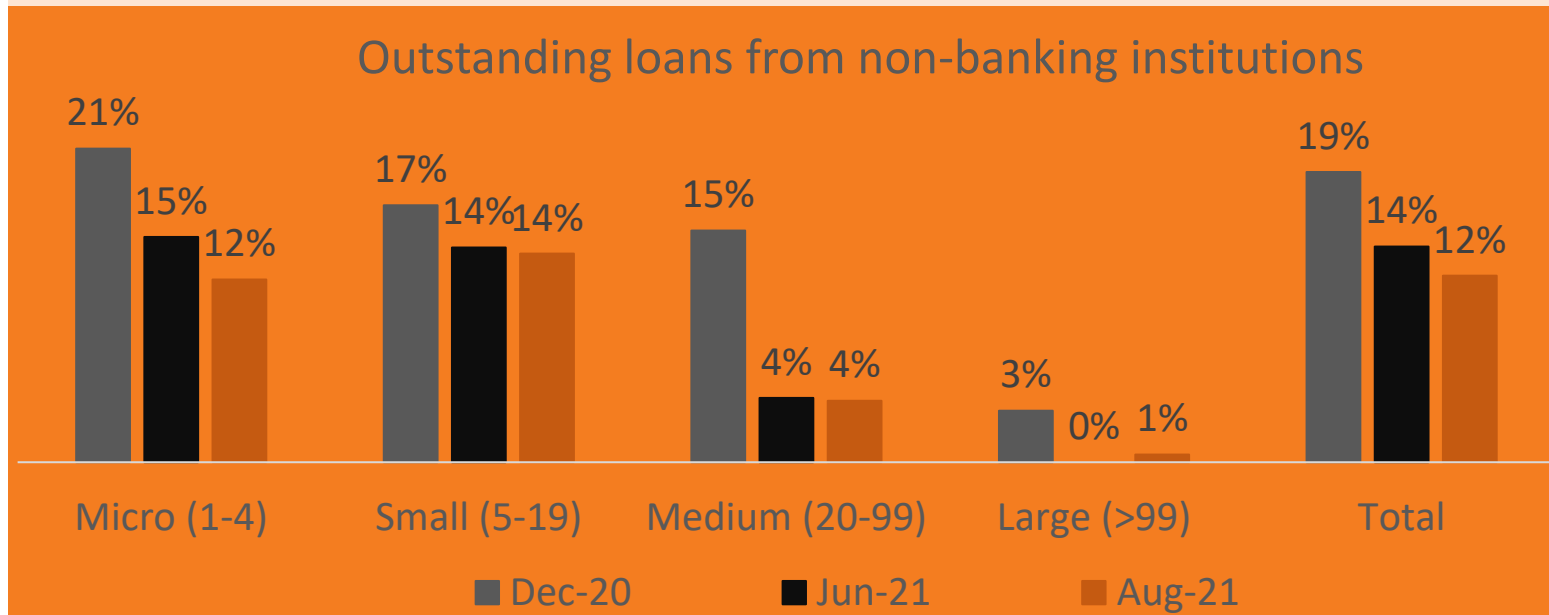
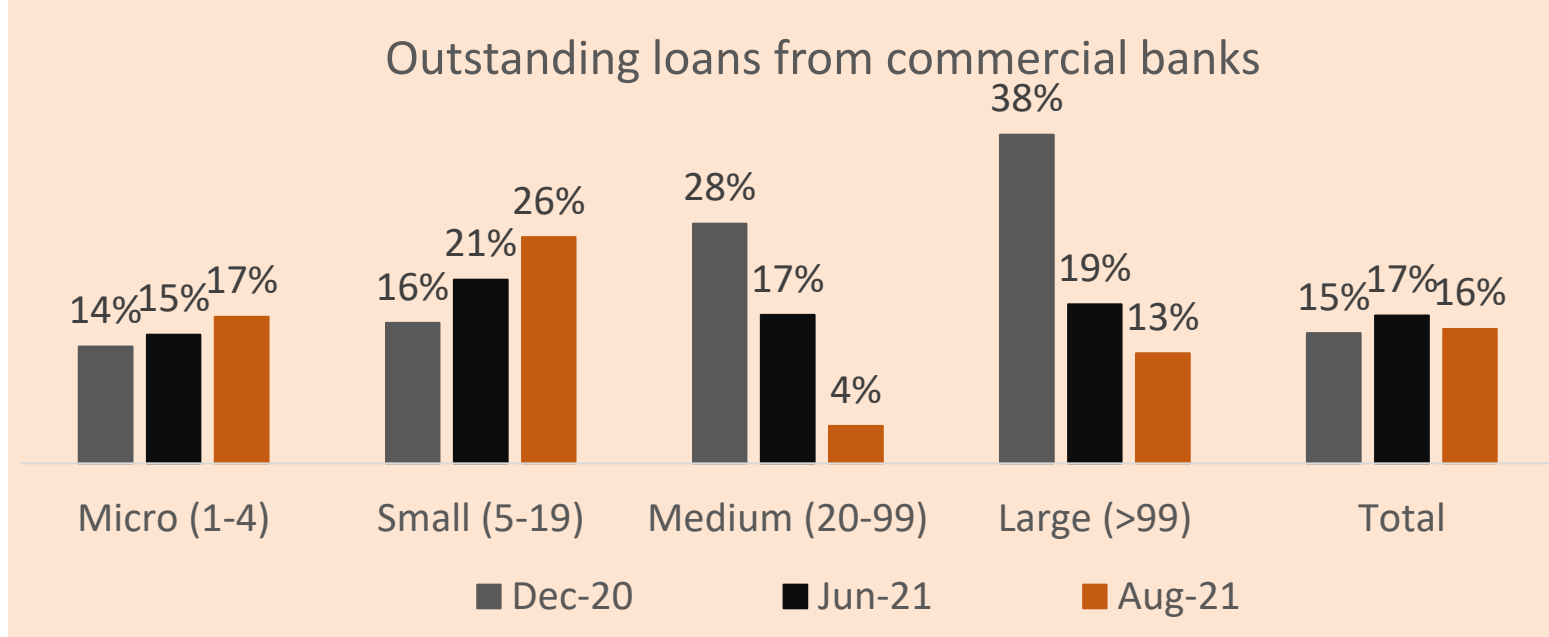
**of firms delayed payments to their  
suppliers**

# 11%

**of firms delayed  
payments to their  
employees**

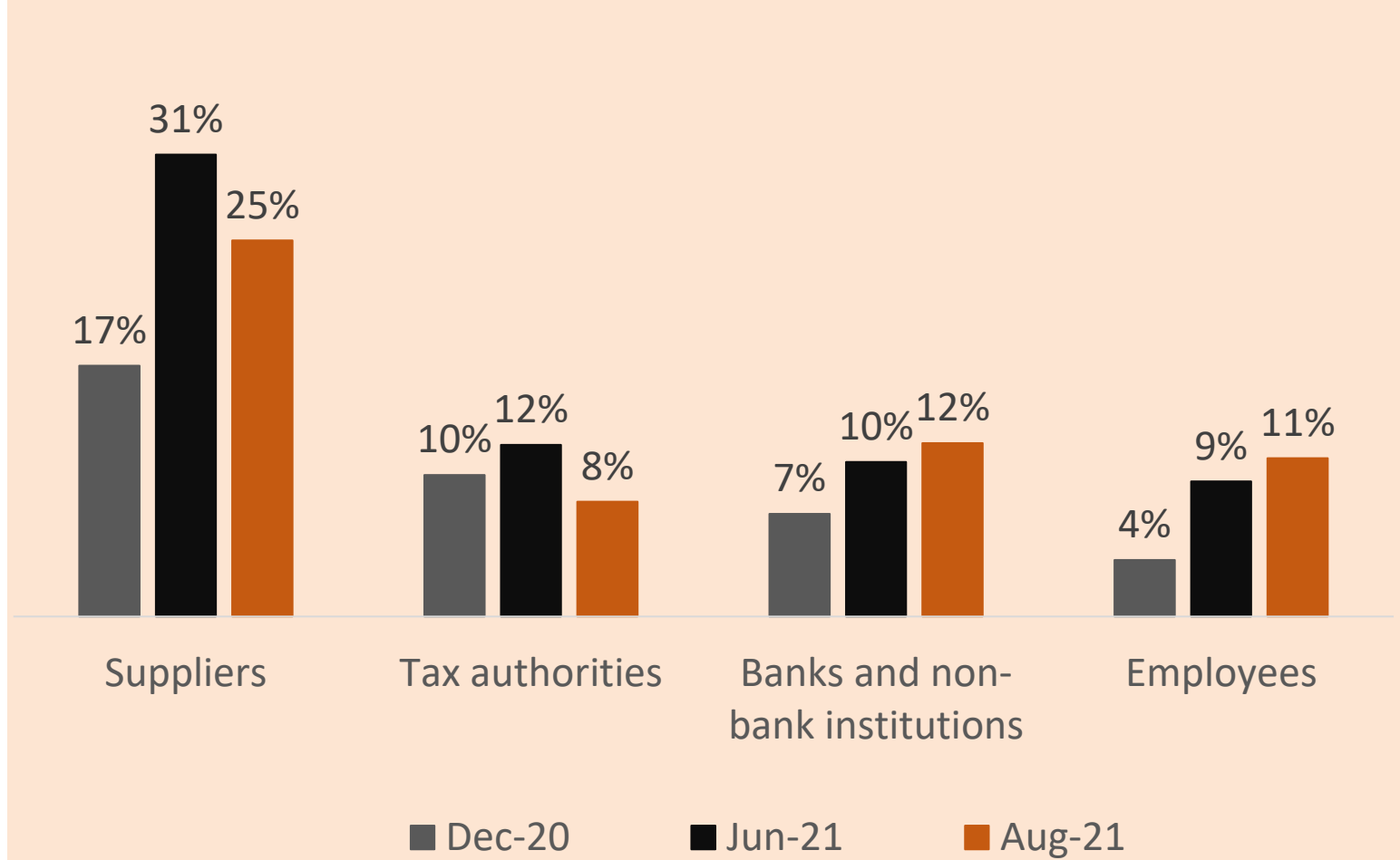
Note: Firms were asked to report about the last completed month.

# The share of firms with outstanding loans from commercial banks and non-banking financial institutions decreased



Firms were asked to report about the last completed month.

**While the share of firms delaying payment to suppliers decreased, the share of firms delaying payments to financial institutions and employees increased**



Note: Question is designed slightly differently for December 2020 and June 2021. For December 2020, firms were asked to report experiences with delayed payments due to COVID-19, while for June 2021, firms were asked to report on delayed payments experienced from recent events as opposed to COVID-19. In addition, for this question, Firms were asked to report about the last completed month. In the chart, for December 2020, the last completed month is November 2020; for June 2021, it was May 2021.

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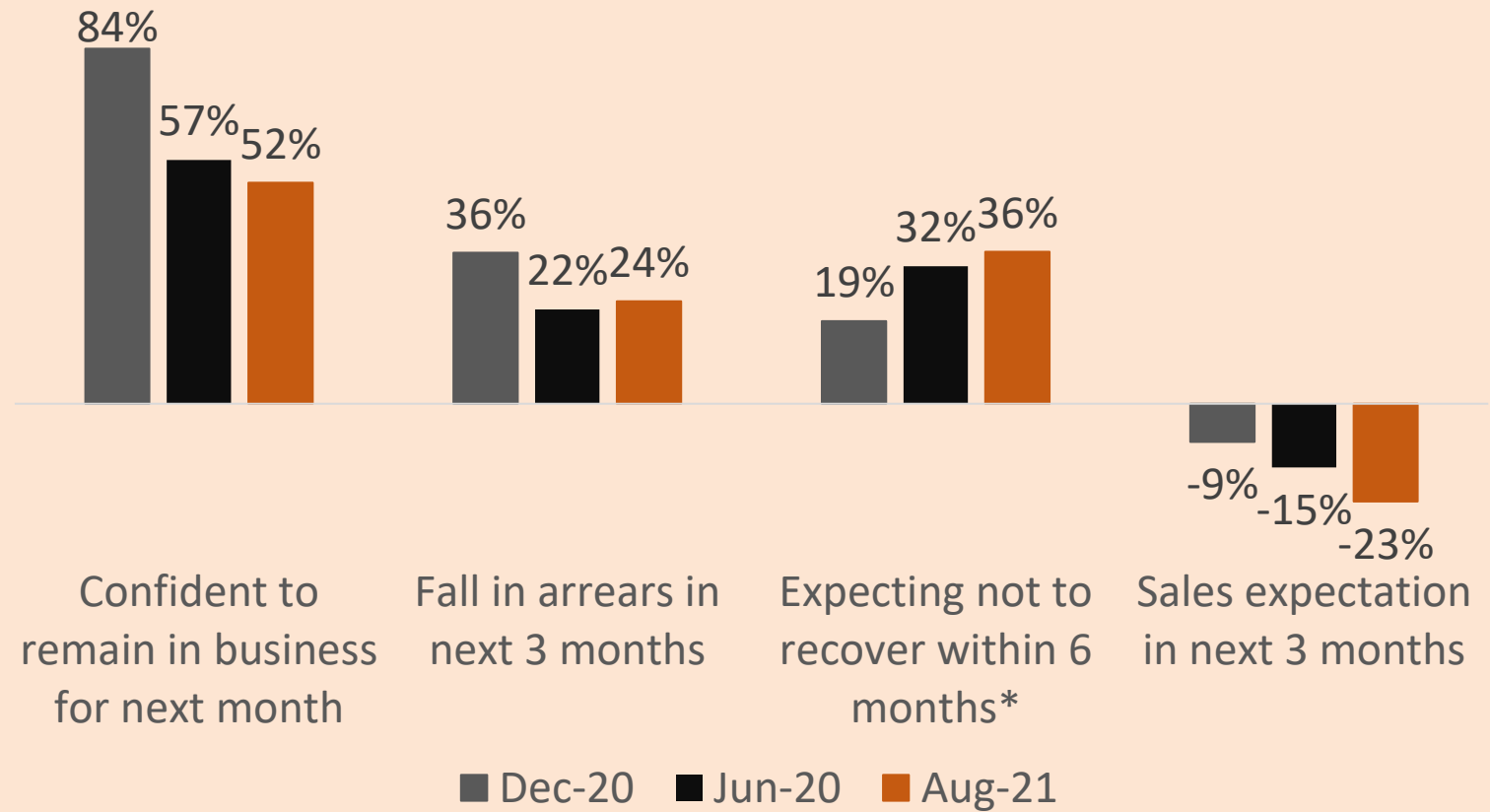
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**BUSINESS  
EXPECTATIONS**

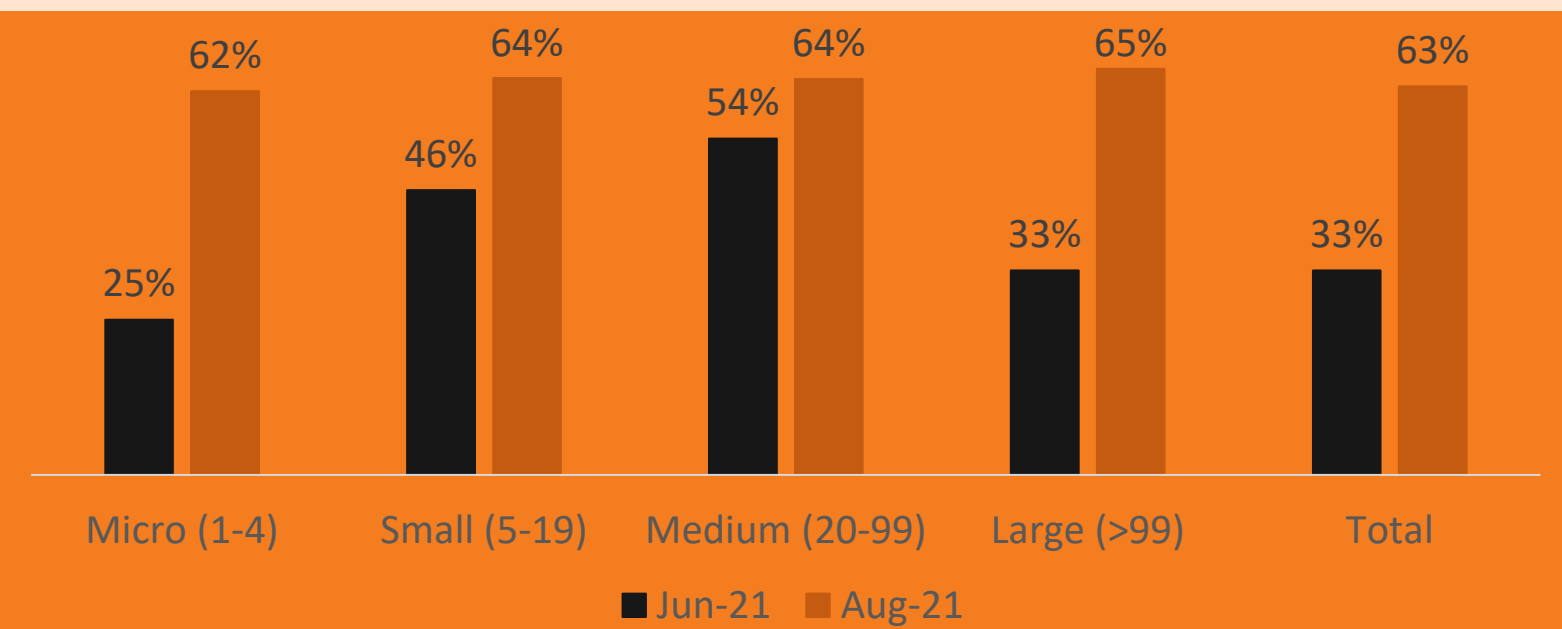
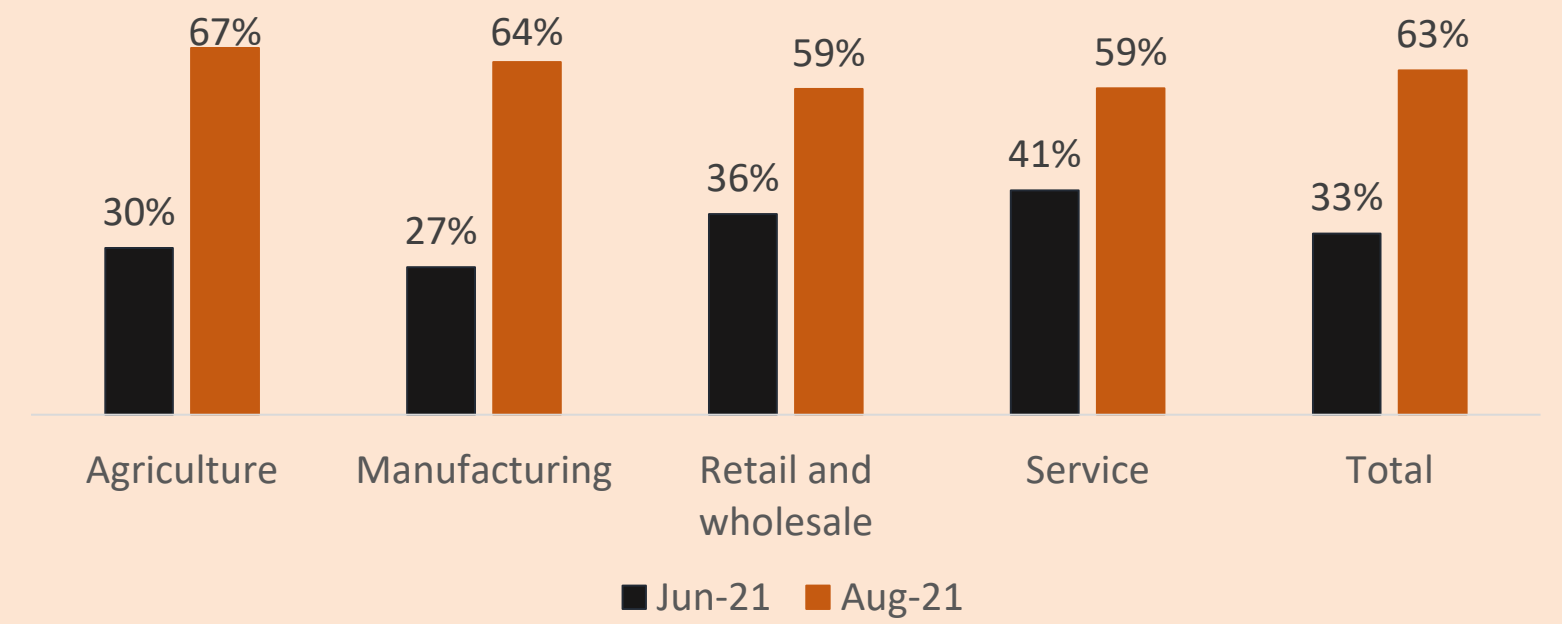
# Firms' expectations for business recovery continued to decline



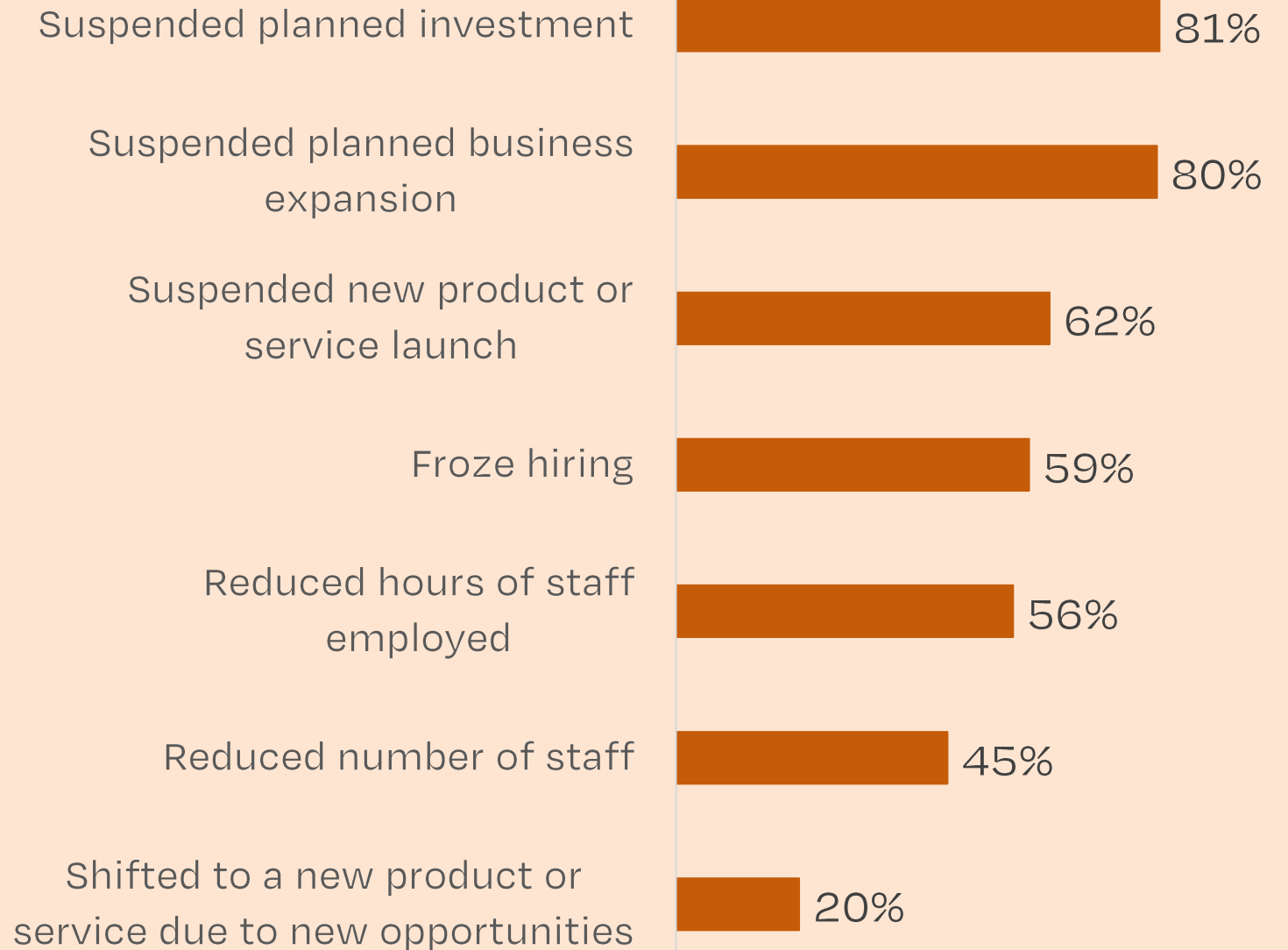
Note:

\*Question is slightly different for December 2020. For December 2020, firms reported their expectation to recover back to pre-COVID levels while for June and August 2021, firms were asked to report expectations to recover back to levels before February 2021.

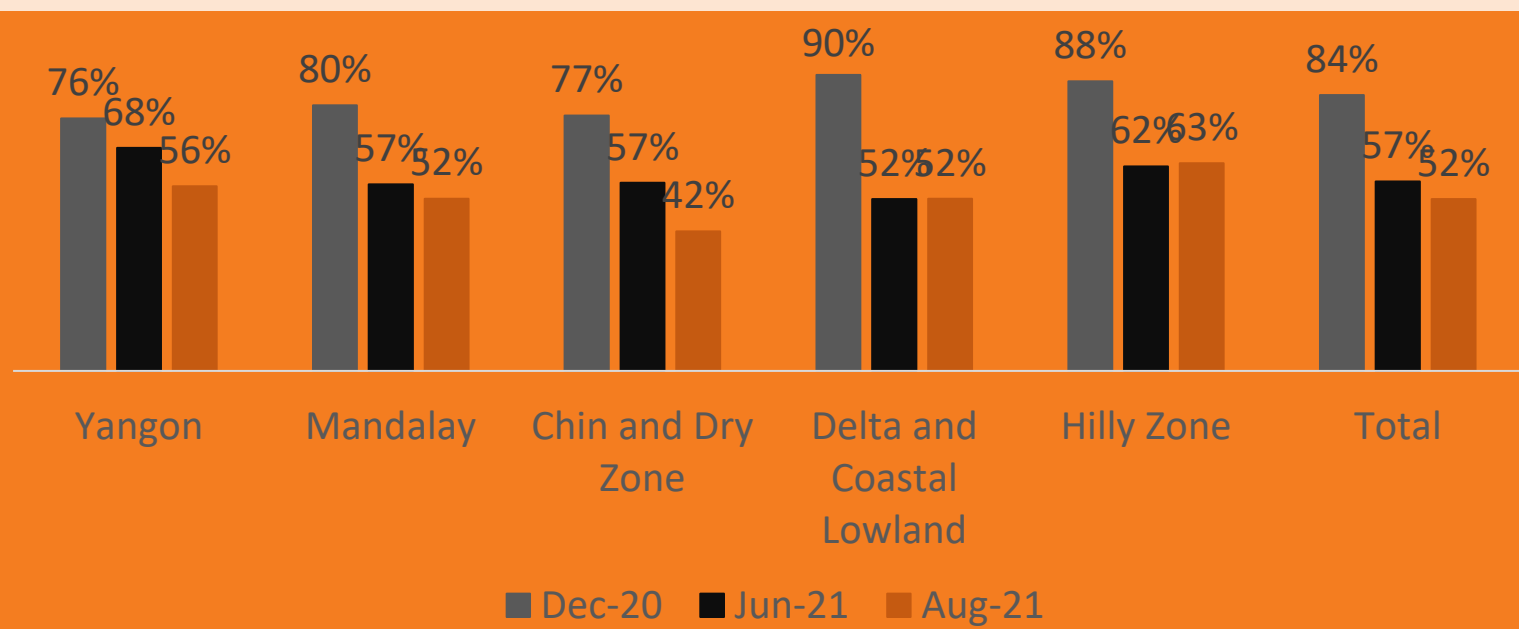
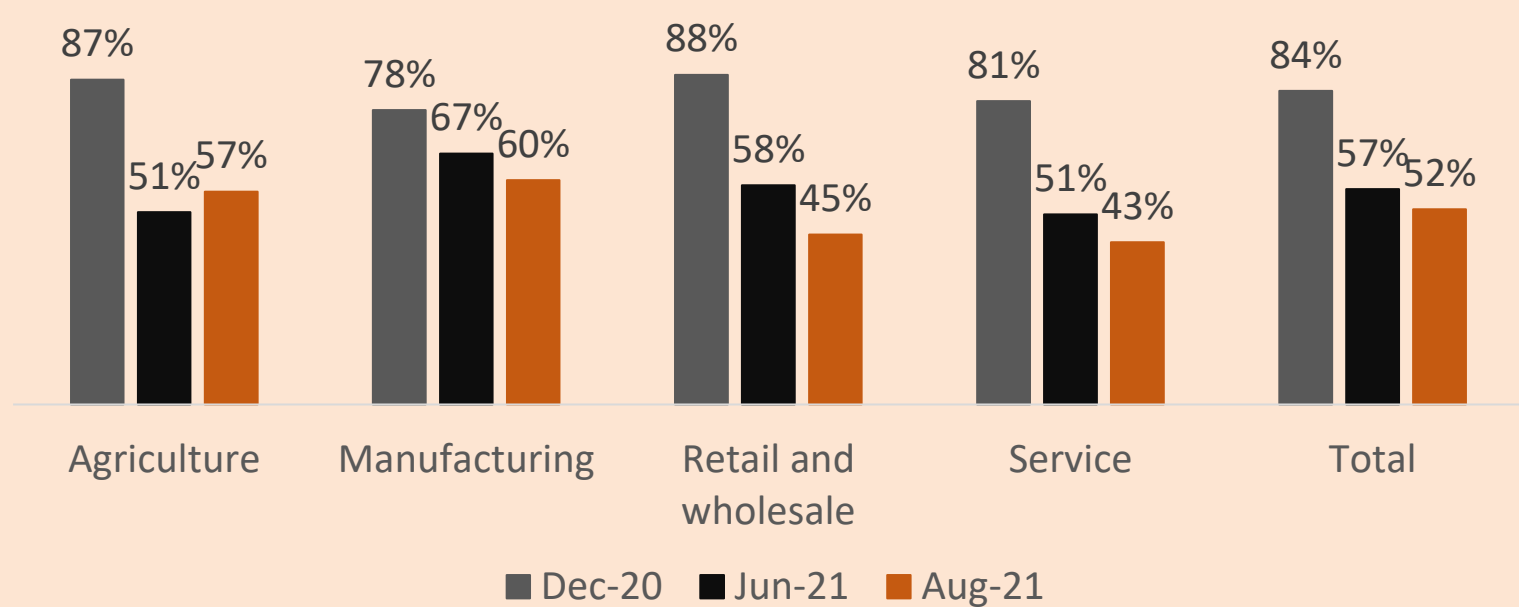
Since February  
63% of surveyed  
firms have  
changed plans to  
invest and  
expand  
business in 2021



# Suspensions of planned investment and business expansion were the major decisions that firms have taken in the aftermath of the events of 1 February 2021

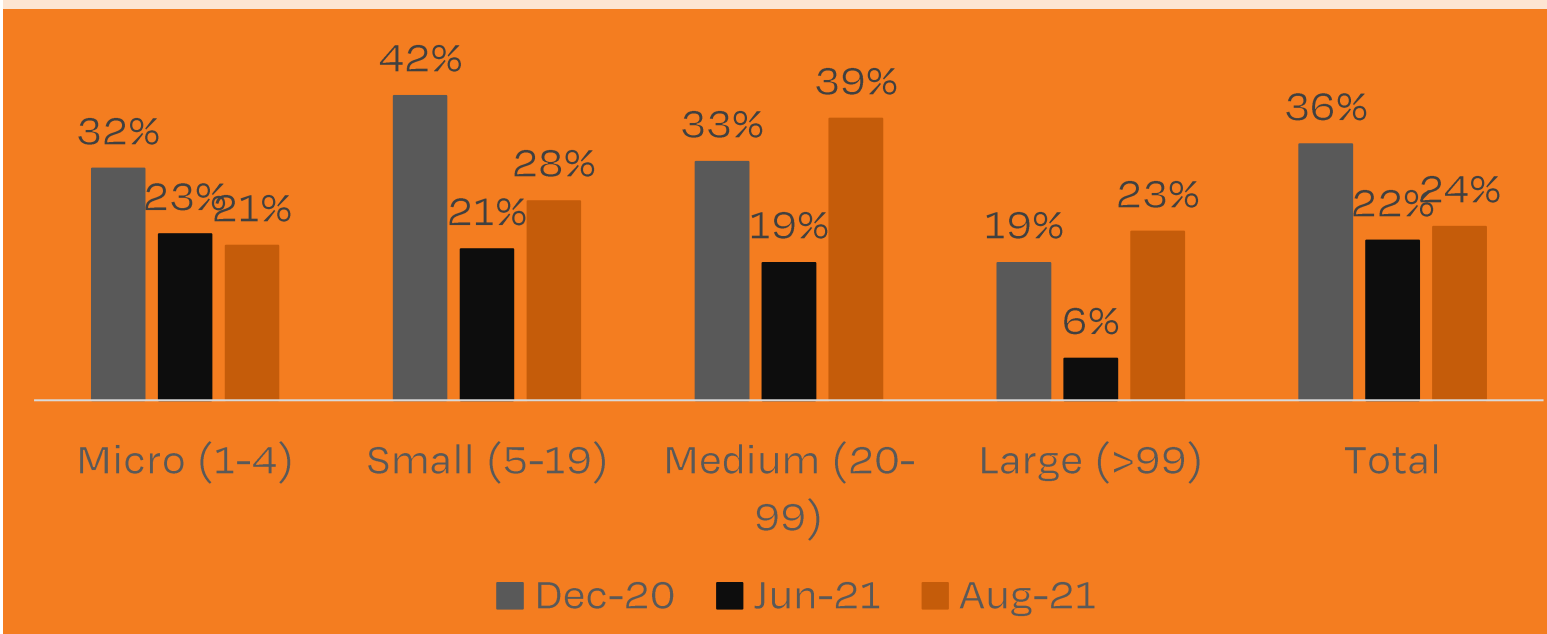
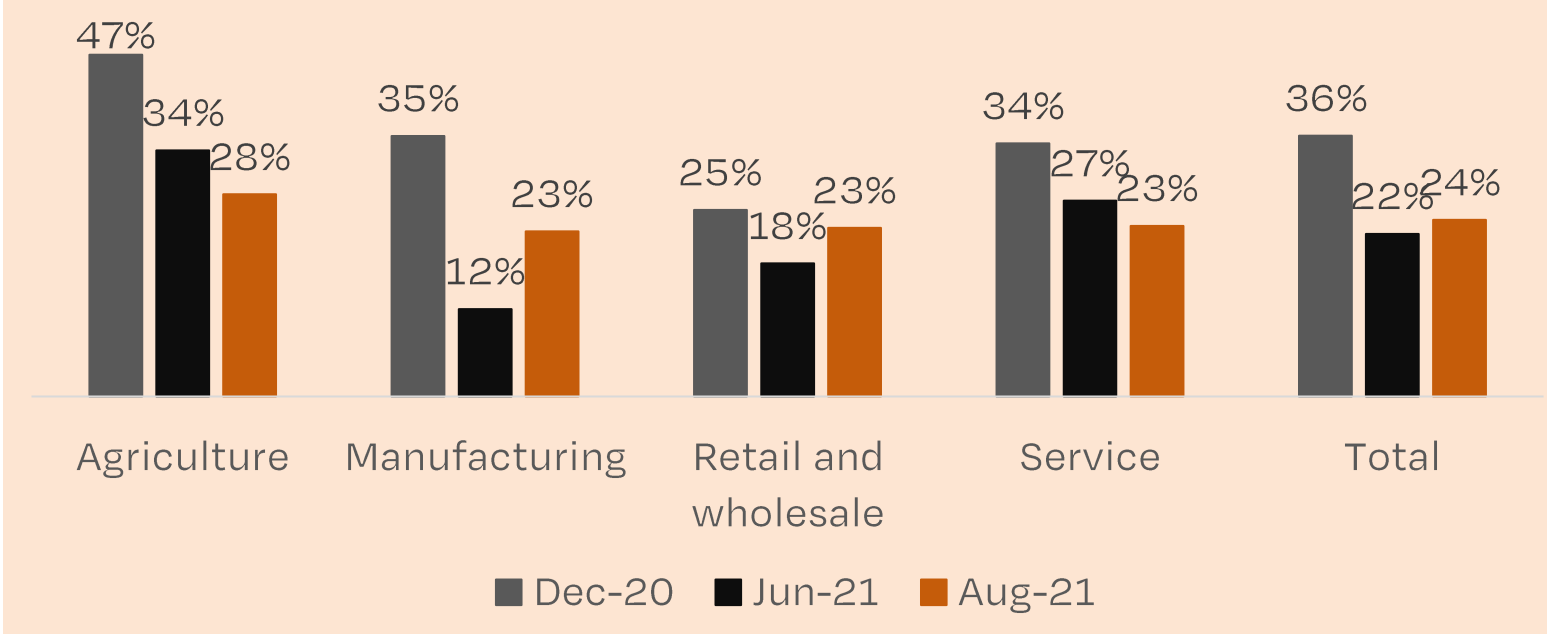


**Firms'**  
**confidence to**  
**remain open**  
**within the next**  
**month**  
**continued to**  
**further decline**  
**on current cash**  
**flow projects**

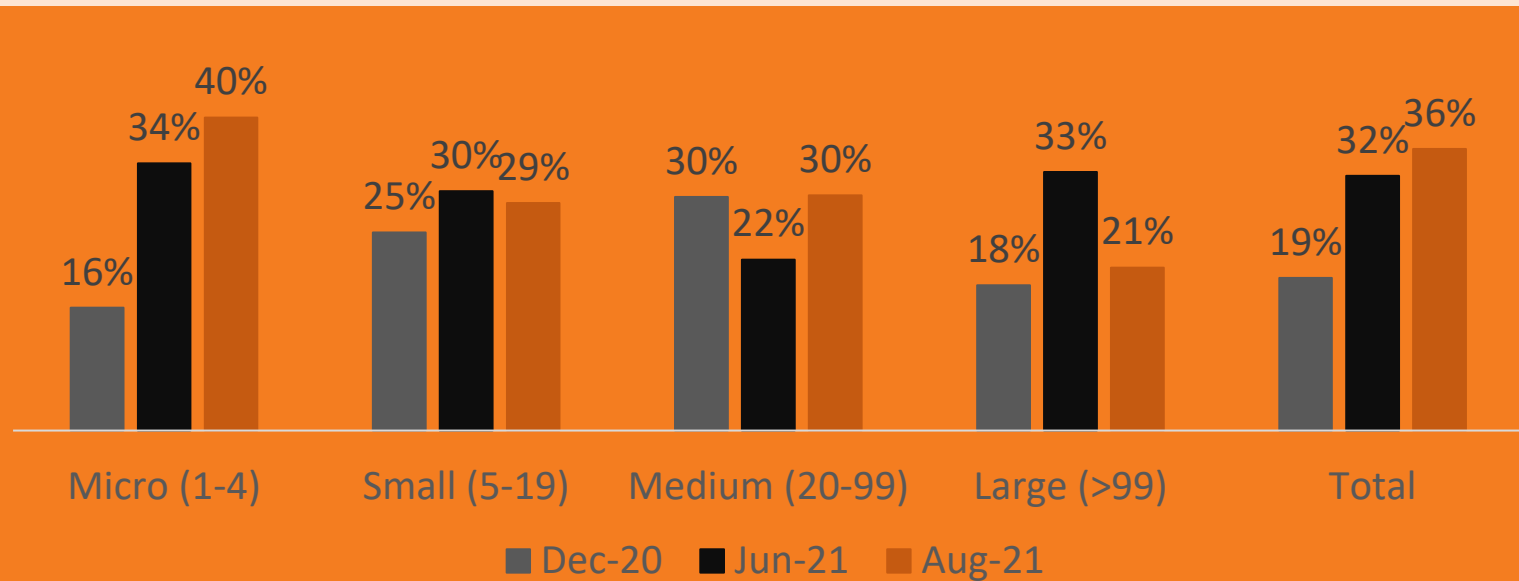
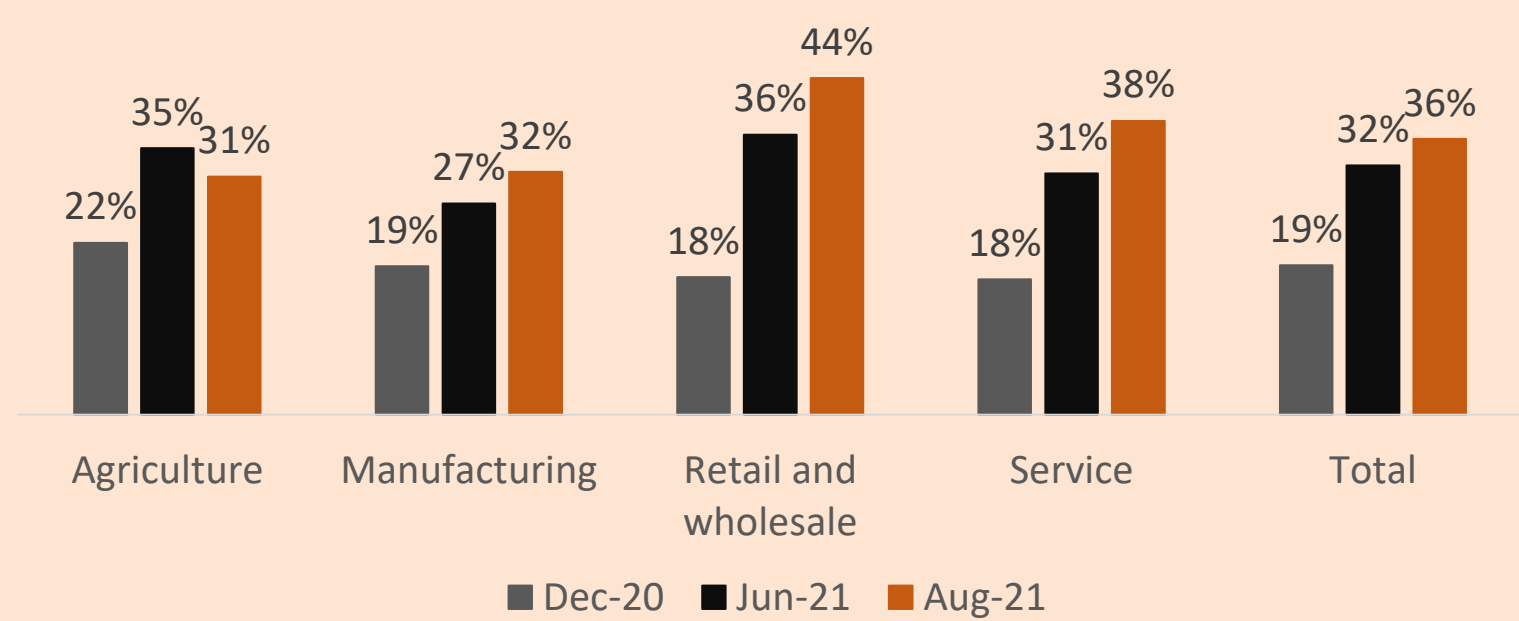




**With agriculture firms being the worst affected, the share of firms expecting to fall into arrears over the next three months increased**



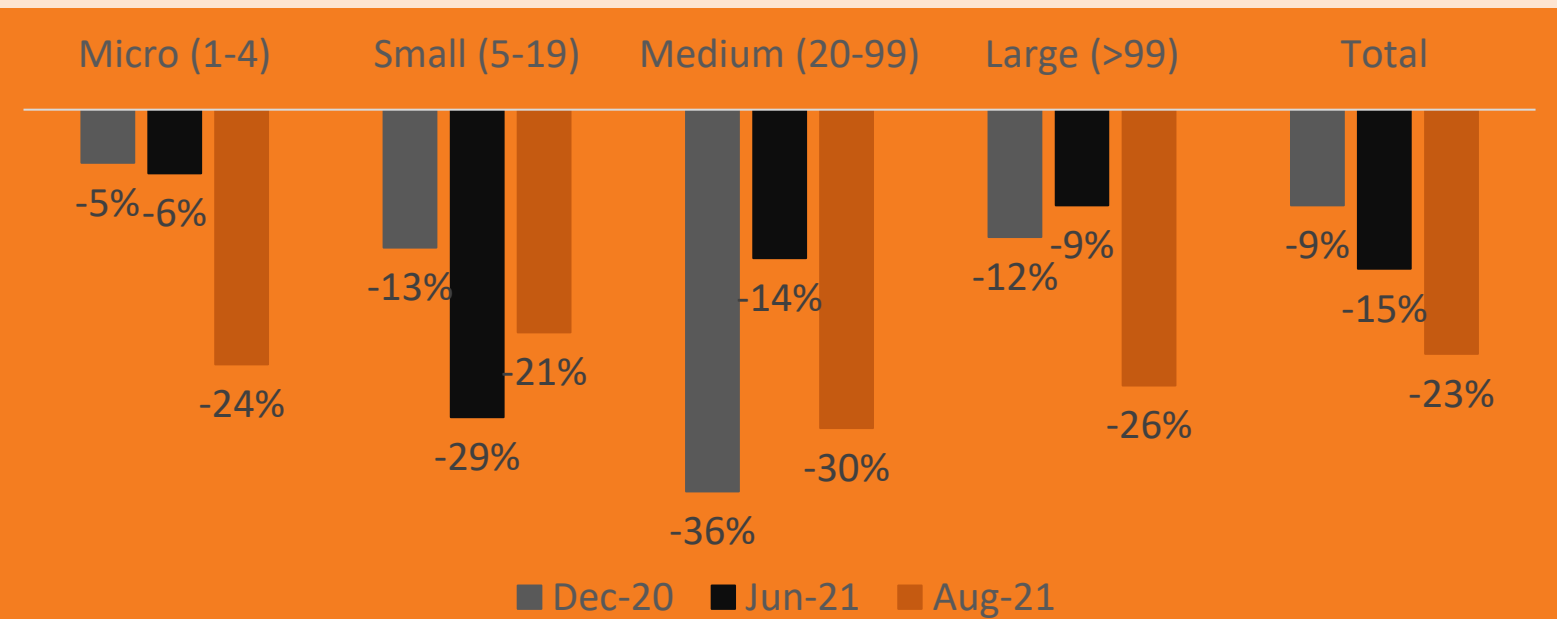
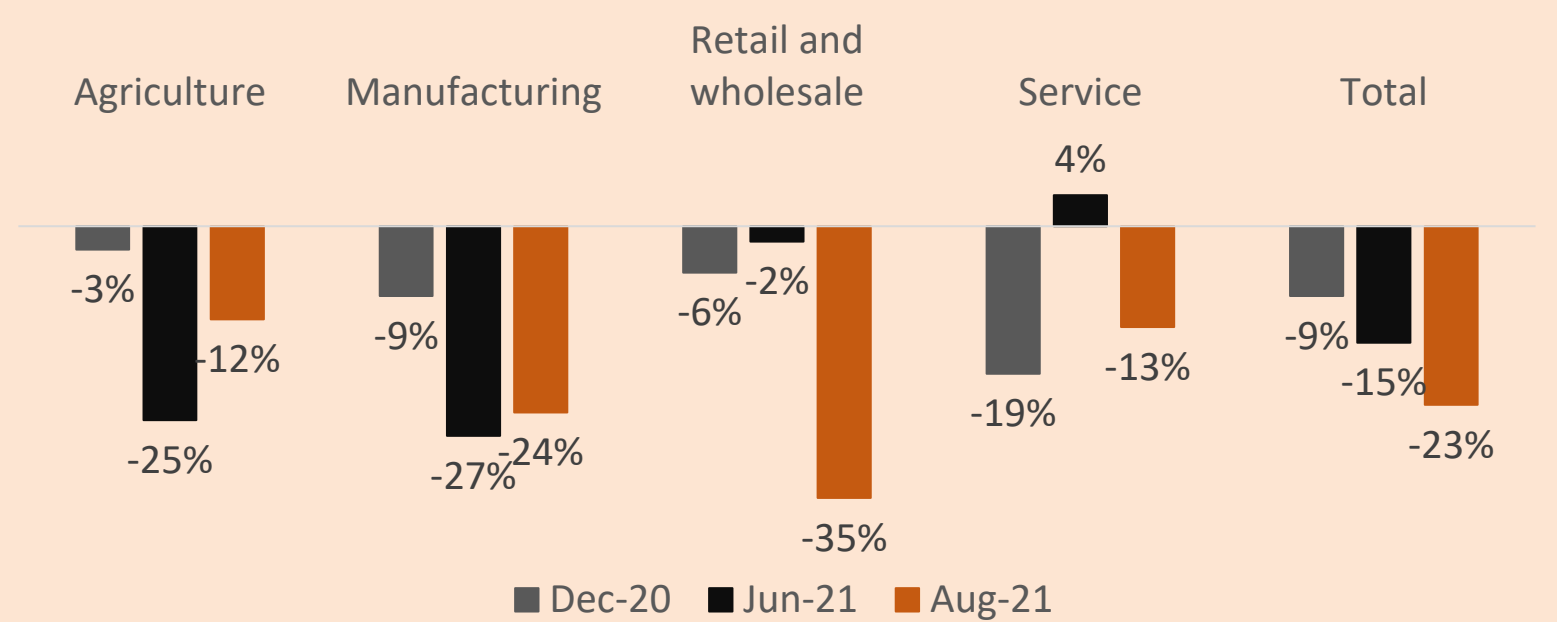
**An increased number of firms do not expect to recover to levels before February 2021 in next 6 months**



Note:

\*Question is slightly different for December 2020. For December 2020, firms reported their expectation to recover back to pre-COVID levels while for June and August 2021, firms<sub>28</sub> were asked to report expectations to recover back to levels before February 2021.

**Sales expectations in the next 3 months remain negative: the average sales decline is expected to be 23% lower than the same period a year ago**



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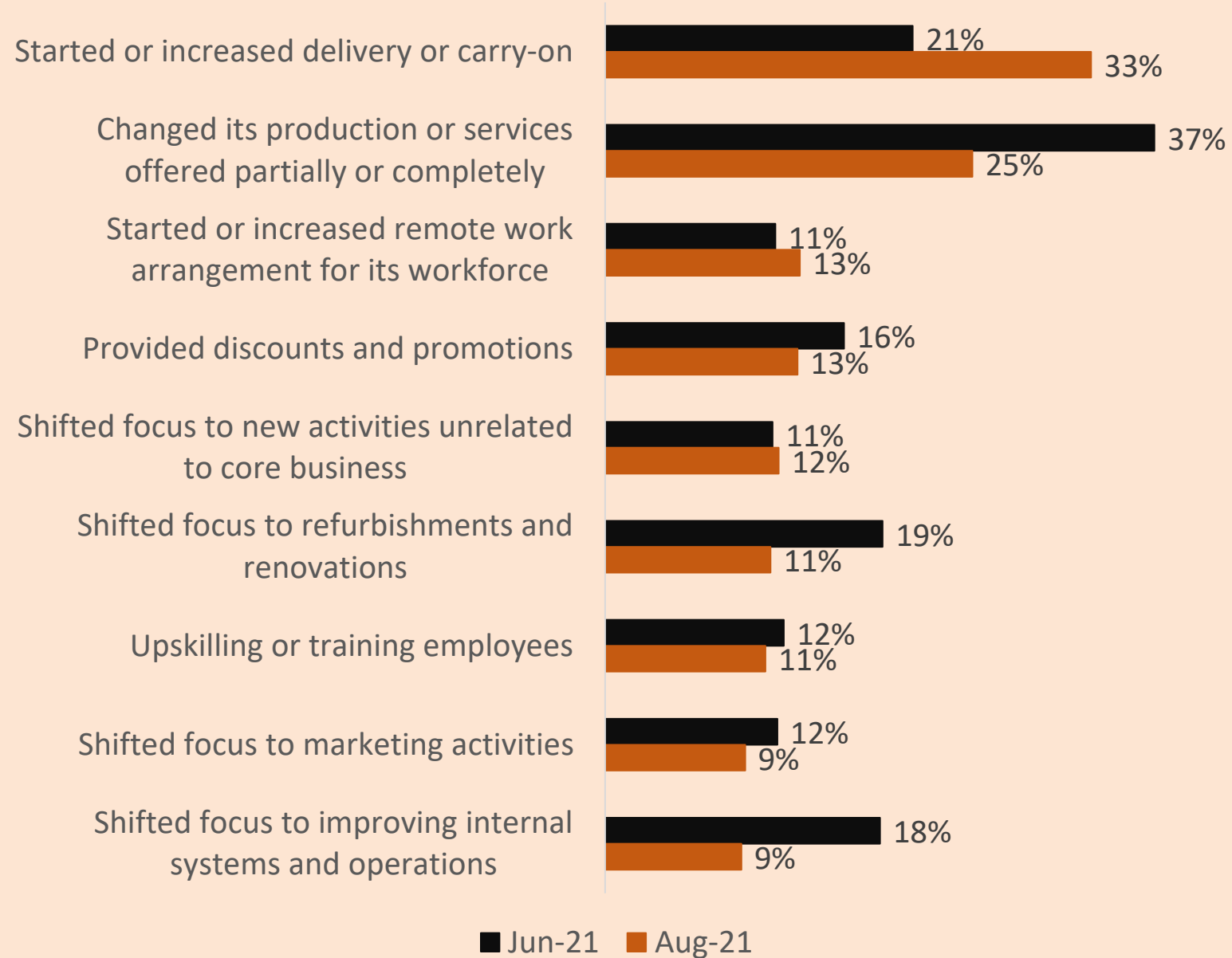
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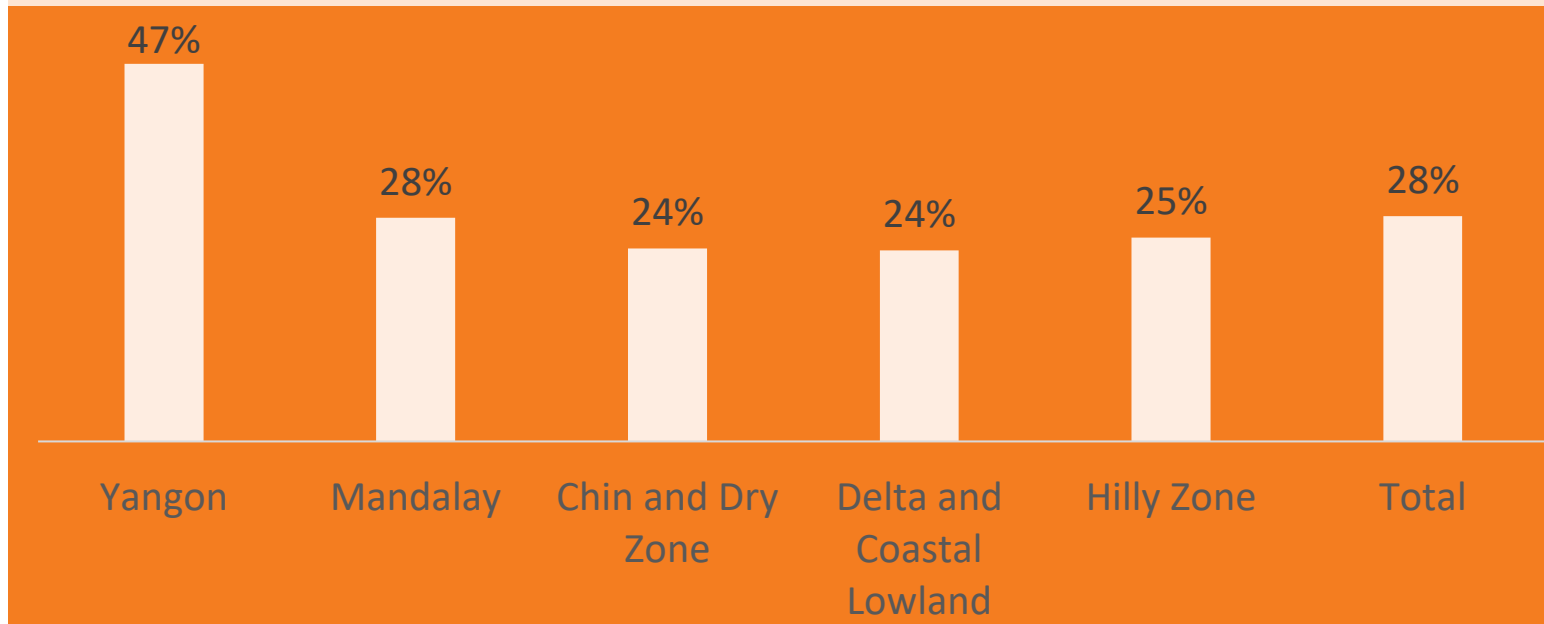
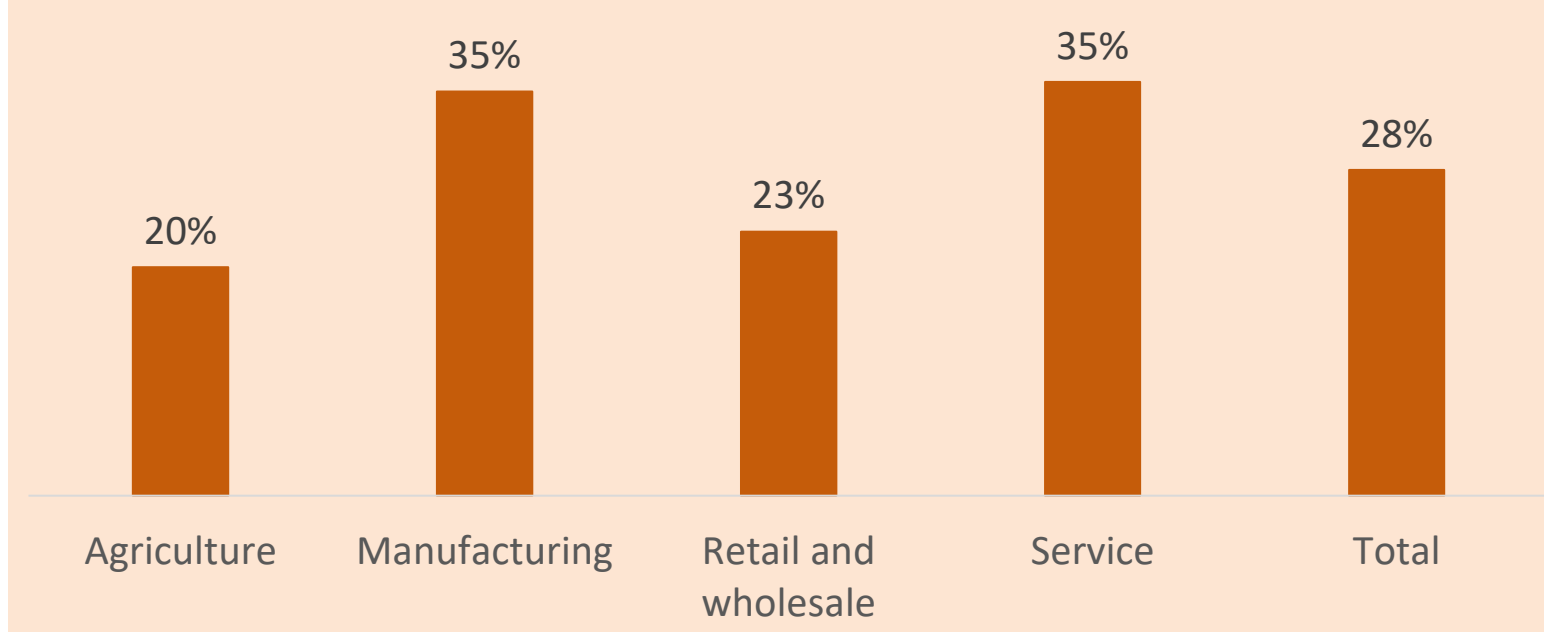
SECTION 5

**ADAPTATIONS**

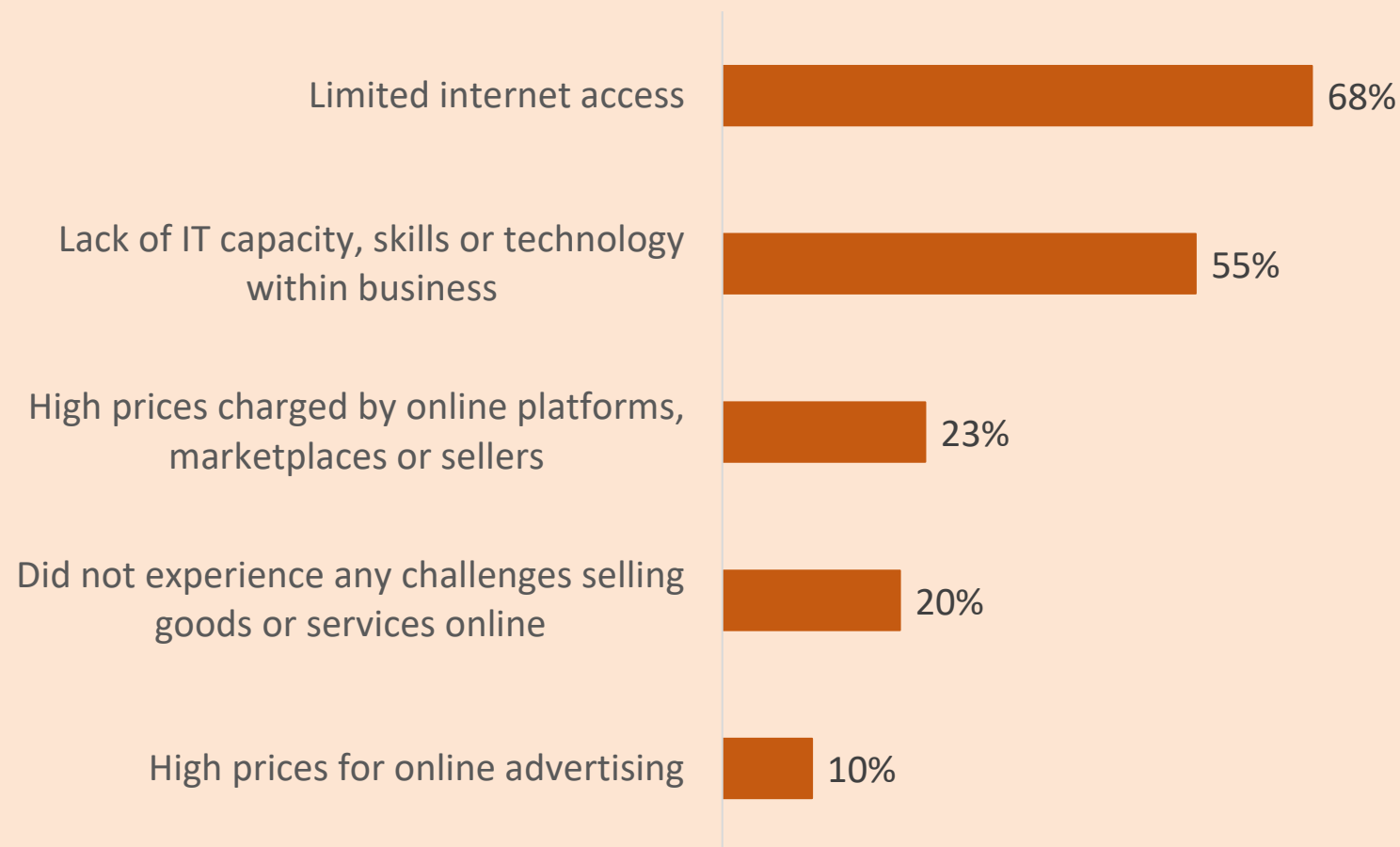
# Delivery or carry-on and changing productions of services offered were the major adjustments that firms have taken in the aftermath of events of February 2021



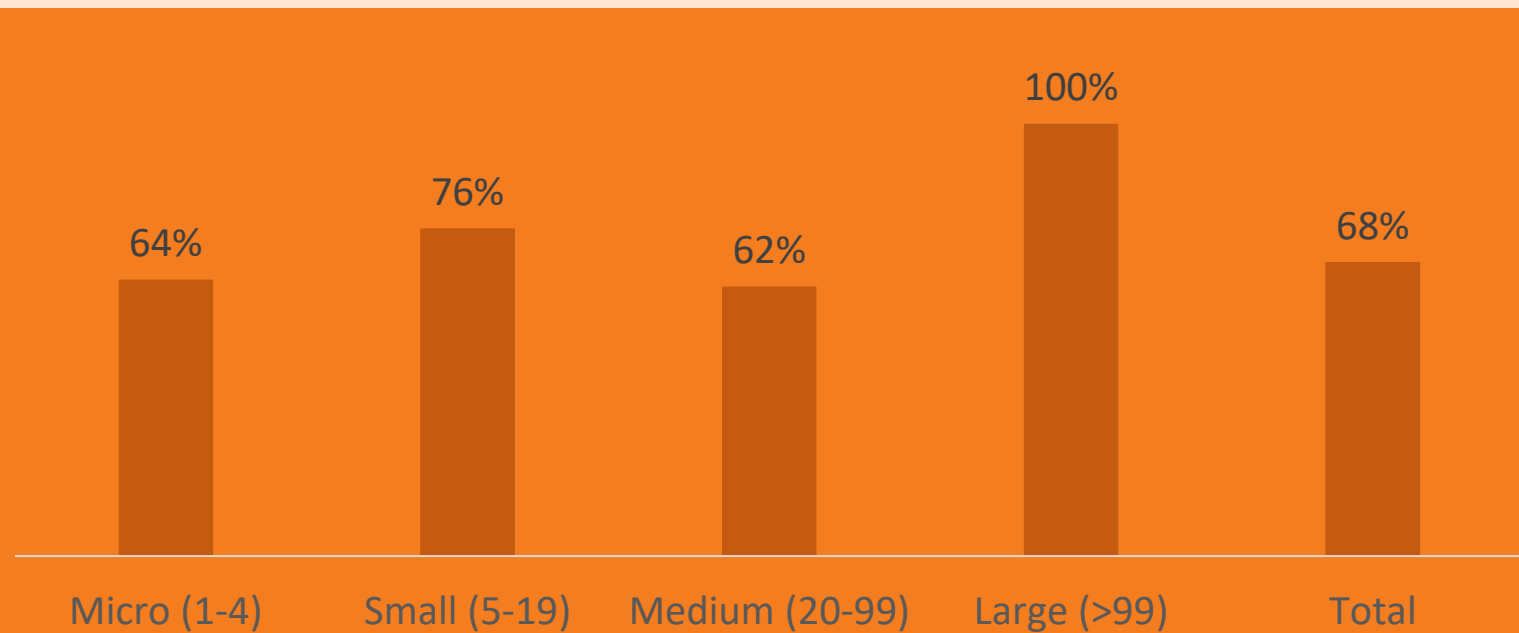
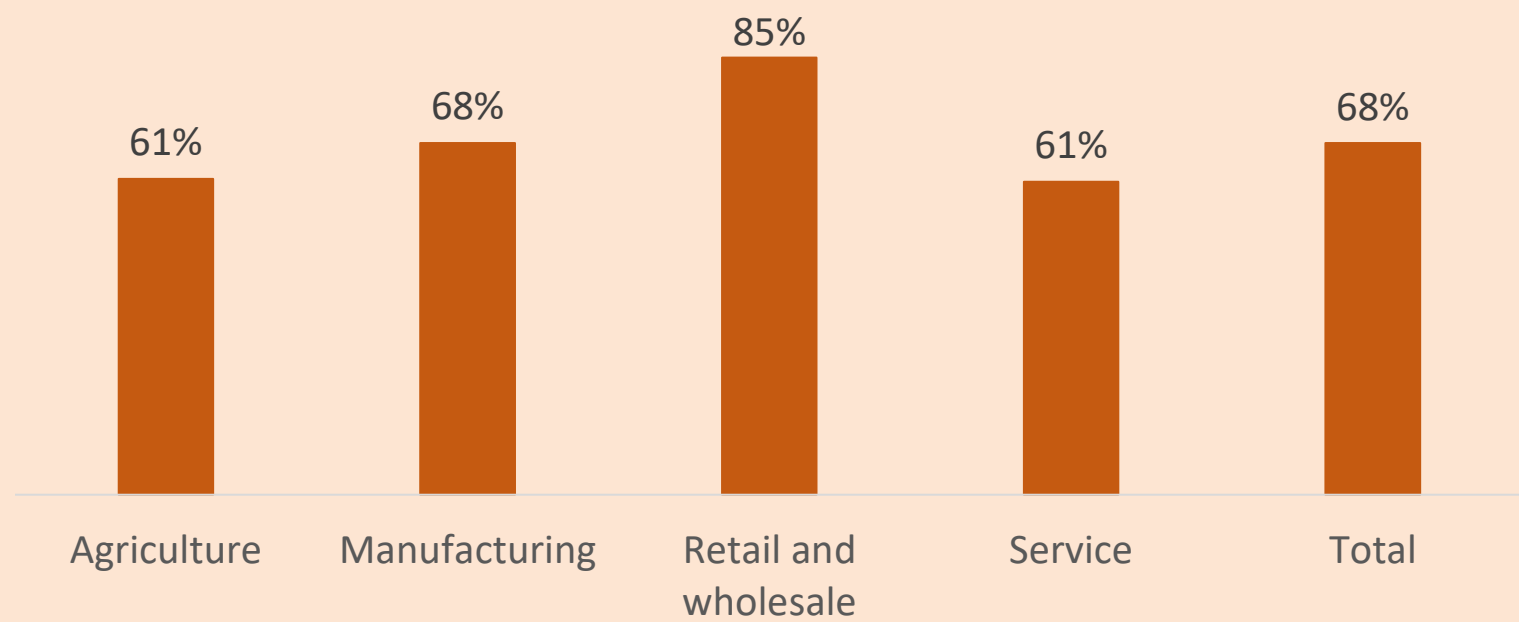
**Less than a third of firms used online services and digital financial services, but a regional difference was observed between Yangon and elsewhere**



**Limited internet access and lack of IT capacity or technology skills were the major challenges for firms to use online services and digital financial services**

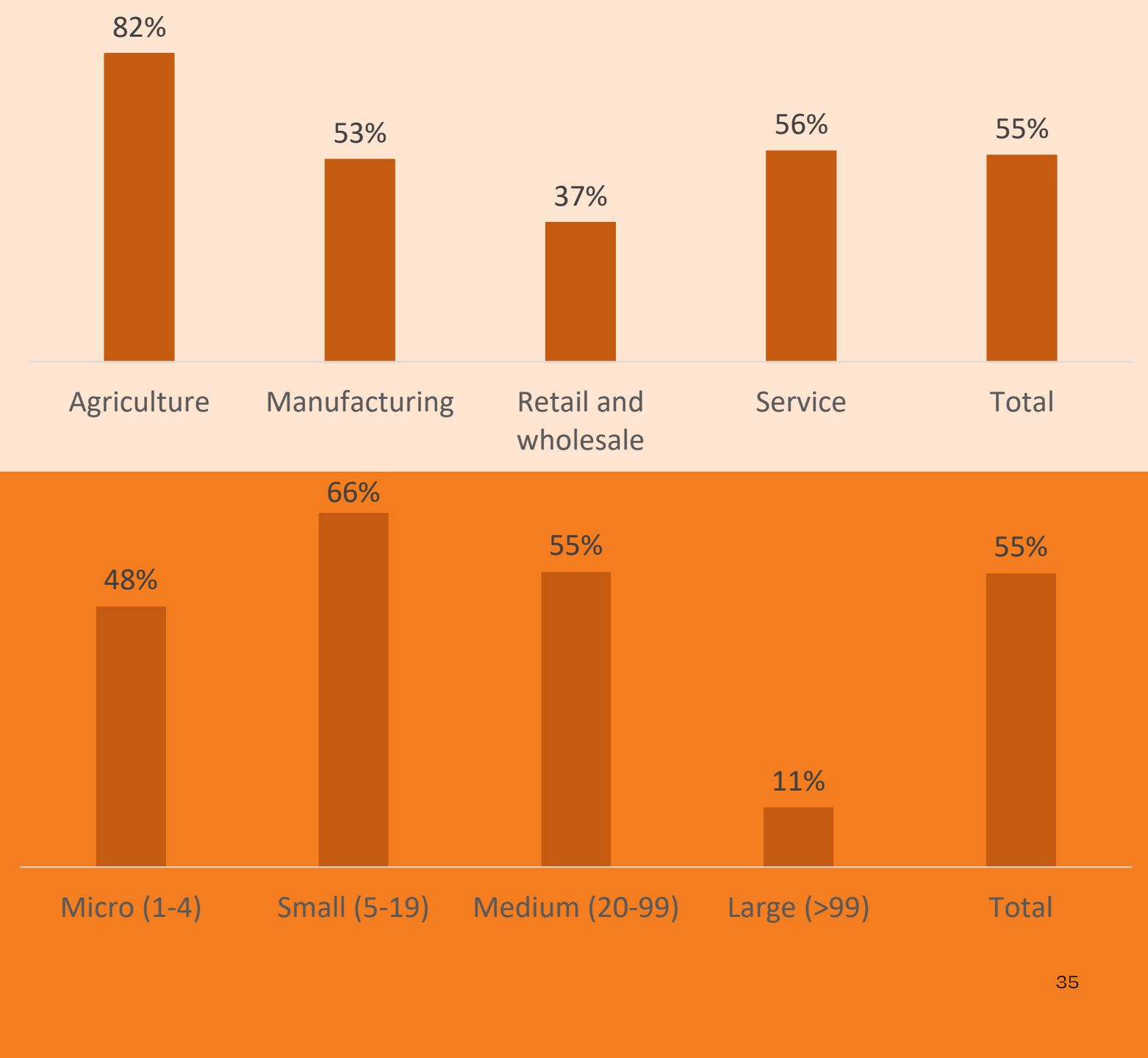


**Limited internet access was a major obstacle for the majority of retail and wholesale firms and all large firms to access online services and digital financial services**

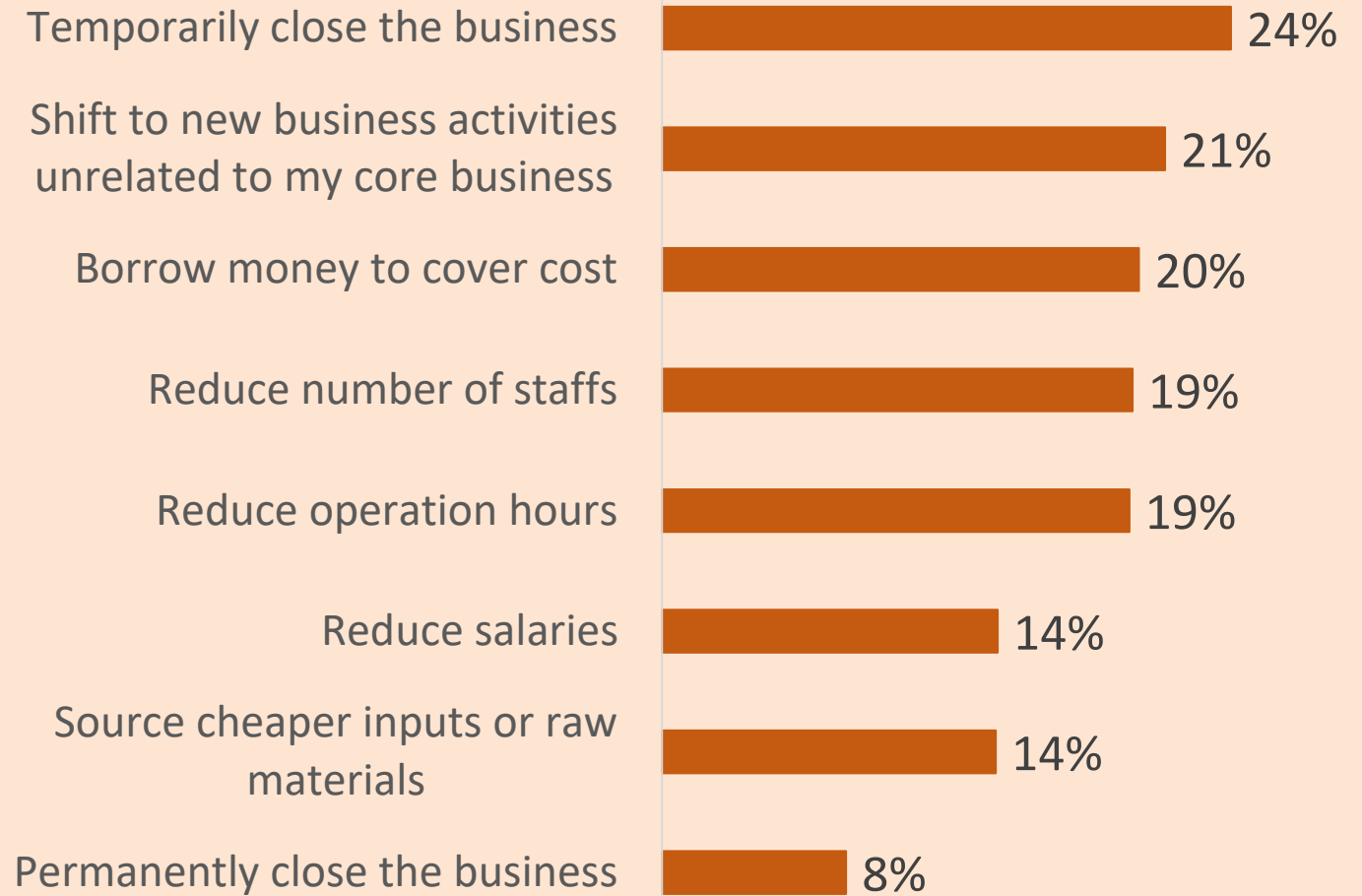




**Lack of IT skills, capacity or technology within business was a major challenge to adopt online services and digital financial services for majority of agricultural firms compared to other firms, but only 11 percent of large firms reported the same issue.**



# Firms plan to close their businesses temporarily as a major adjustment plan if the situation does not improve in next 3 months



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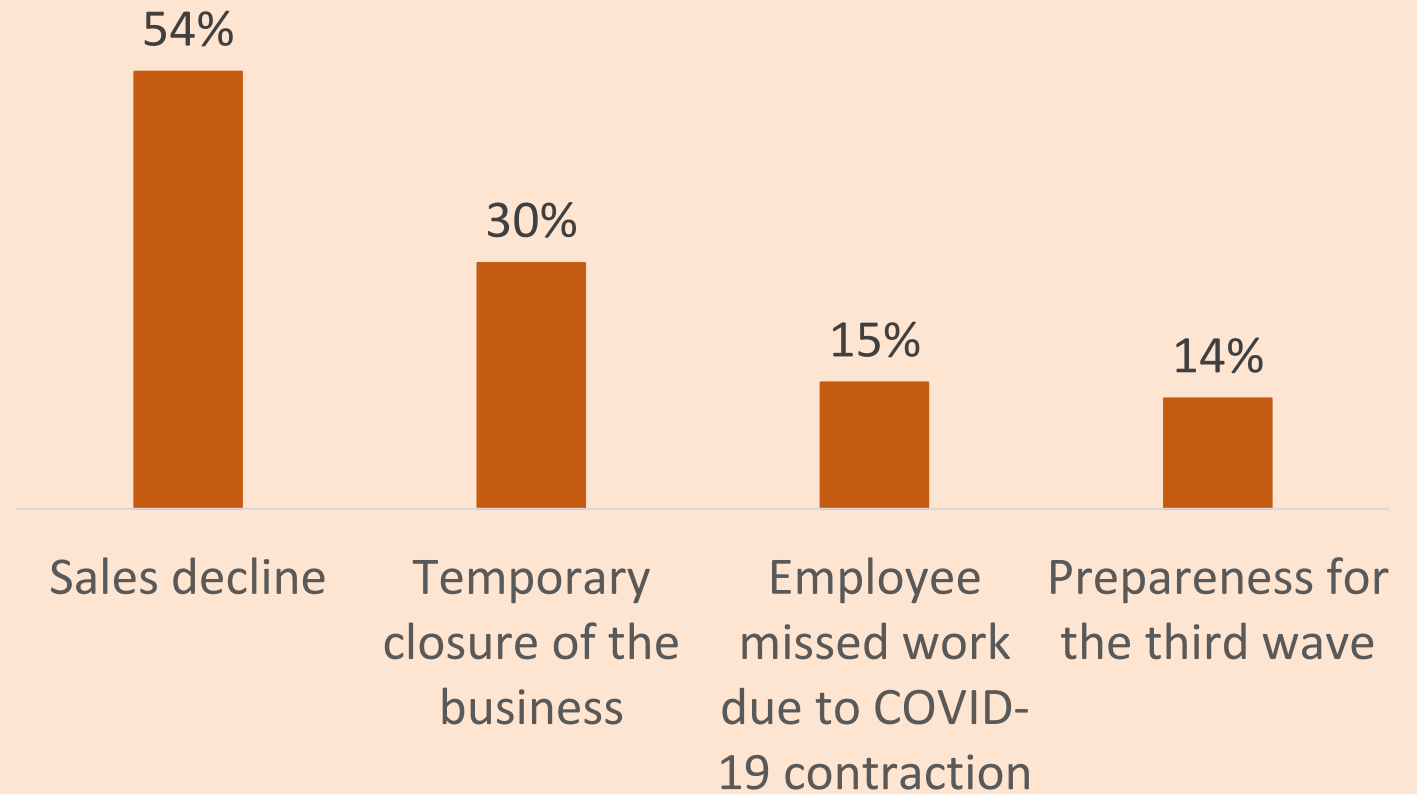
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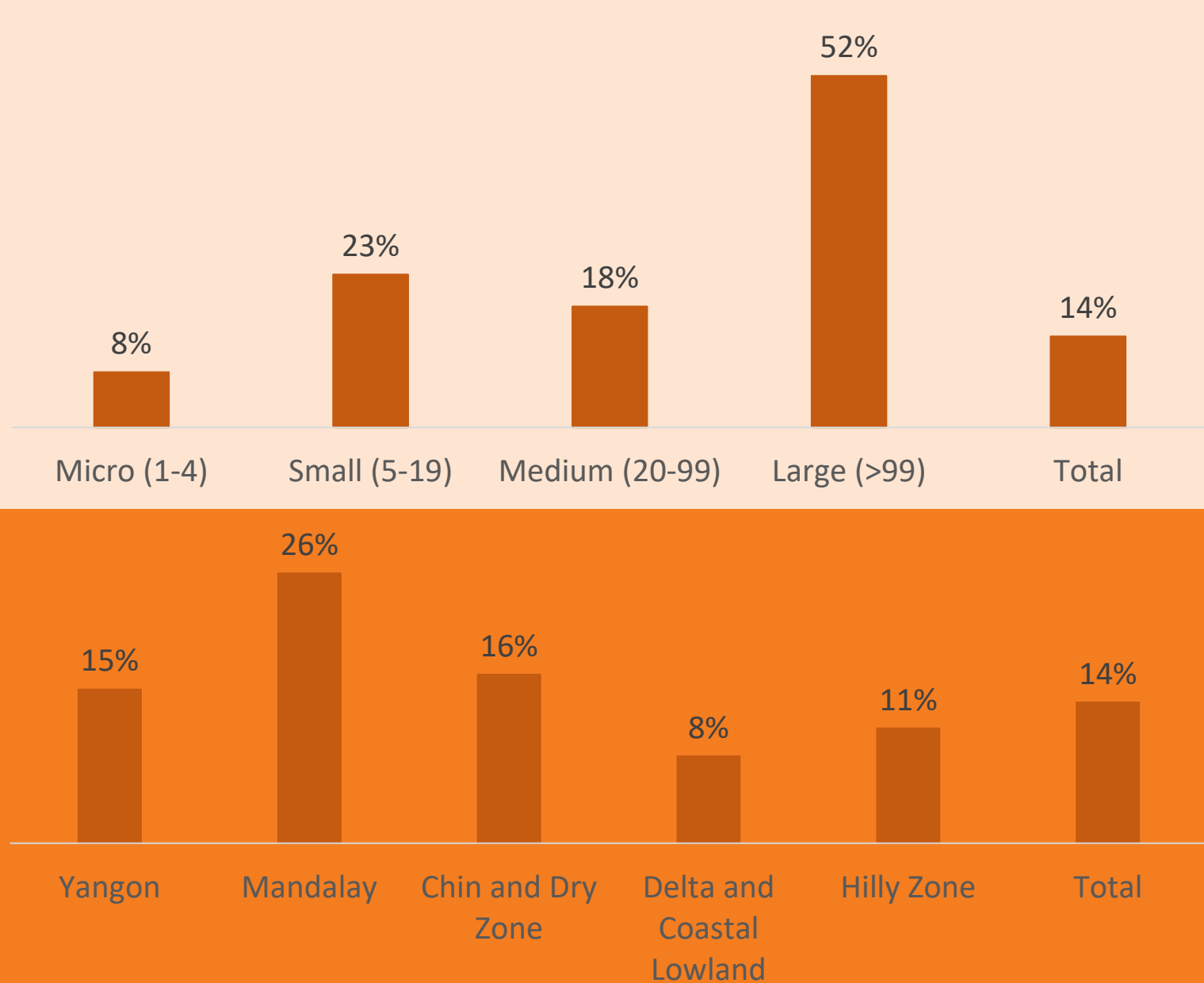
SECTION 5

**COVID-19  
THIRD WAVE**

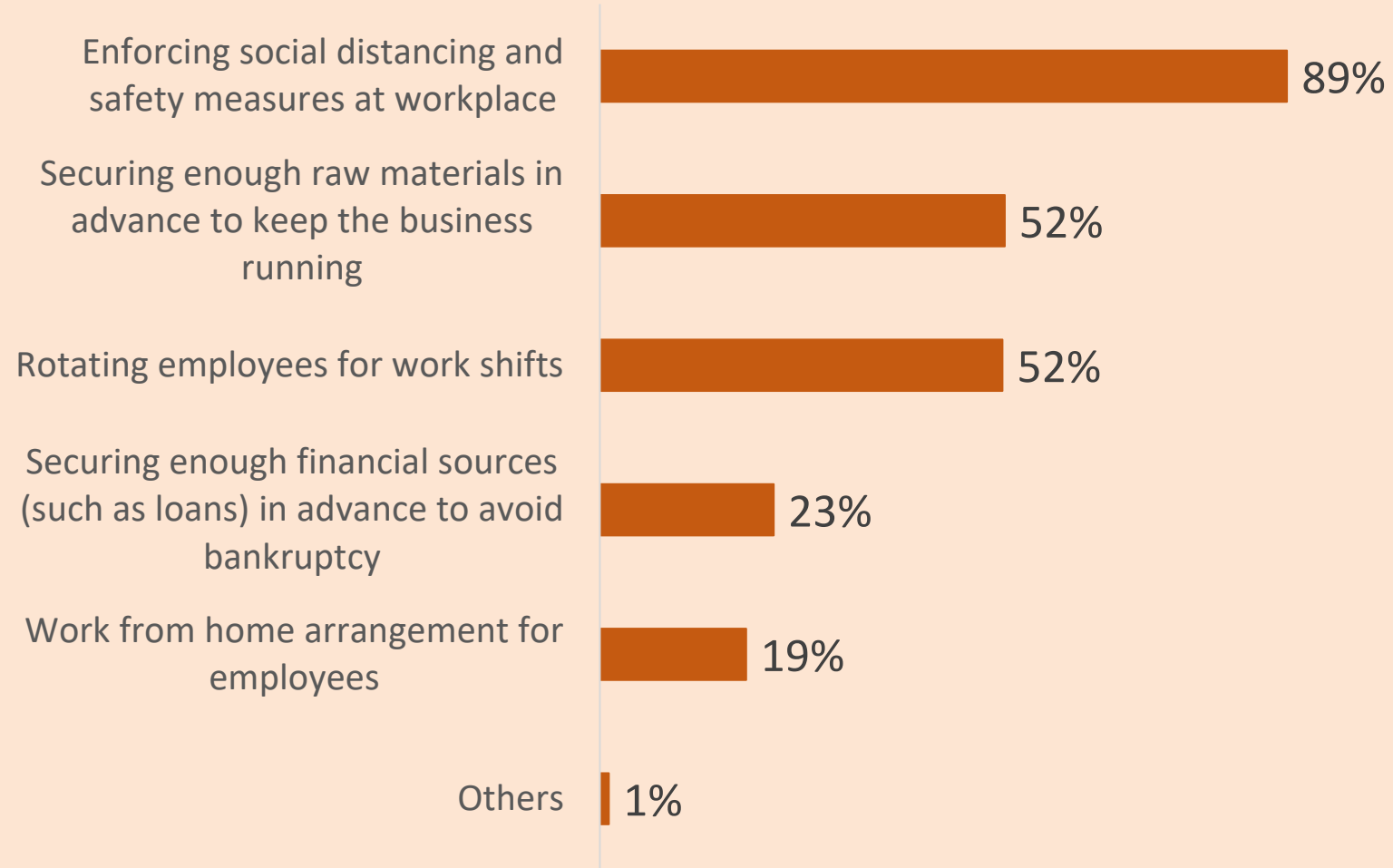
**Only 14% of firms adopted resilience preparedness measures for the third wave resulting in sales decline and temporary closures as major impacts...**



**...and a variation  
was observed  
among different  
firm sizes and  
regions**



# Majority of firms prepared mainly enforcing social distancing and safety measures at workplace for third wave



# Next steps

**Round 9 collection**