

August 2021

Myanmar High-frequency Monitoring of Recent Impacts



Survey Firms

Round 7

The only nationally representative survey of firms in Myanmar



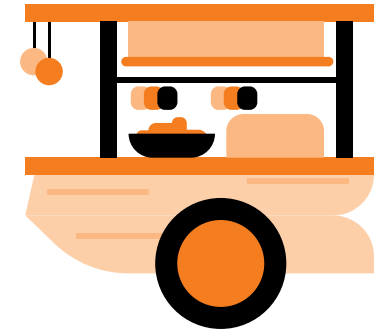
500 firms

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** (19%) and **Services** (32%).



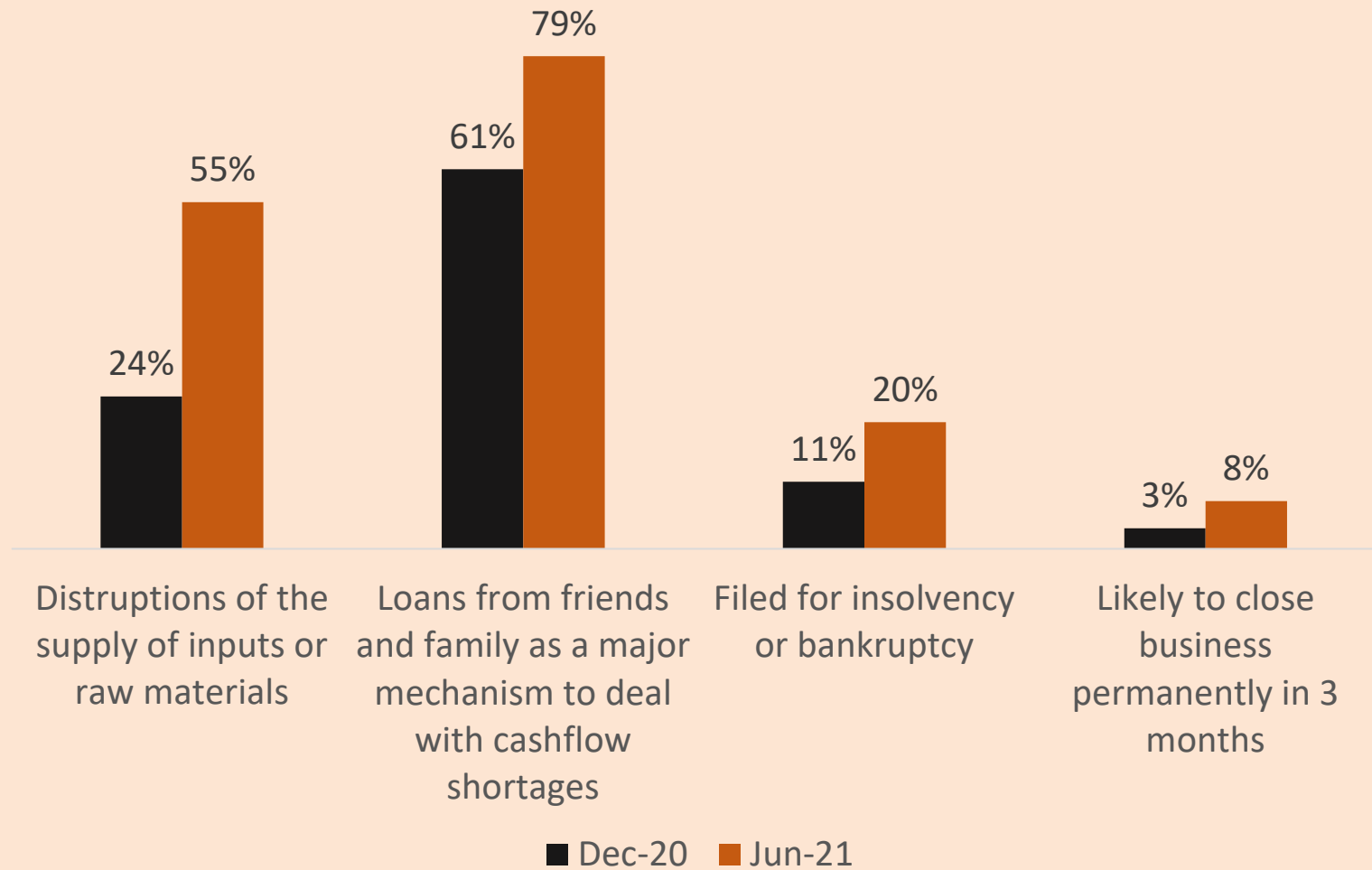
Micro & Informal too

The survey also covered **micro** and **small** firms and not just large and formal firms. 43% of the sample were micro firms and 36% were small firms. Medium firms were 16% and large firms 5%.

Key Findings

- ❖ **Impacts of the coup** were worse than those of COVID-19
- ❖ Firms did not operate at **their full capacity** and **one-third** have cut employee numbers
- ❖ Firms with **expectations for recovery** have decreased
- ❖ **Lack of internet access** has become a major challenge to use online/digital platforms for business operation since February

Firms' operations have been disrupted in the aftermath of the February 2021 coup



Note:

Questions are designed slightly differently for December 2020 and June 2021. For December 2020, firms were asked to report how they had been impacted since the beginning of COVID-19 and while for June 2021, firms reported how they had been impacted since February 2021.

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**OPERATIONAL
STATUS**

**BUSINESS
PERFORMANCE**

**BUSINESS
EXPECTATIONS**

ADAPTATION

SECTION 1

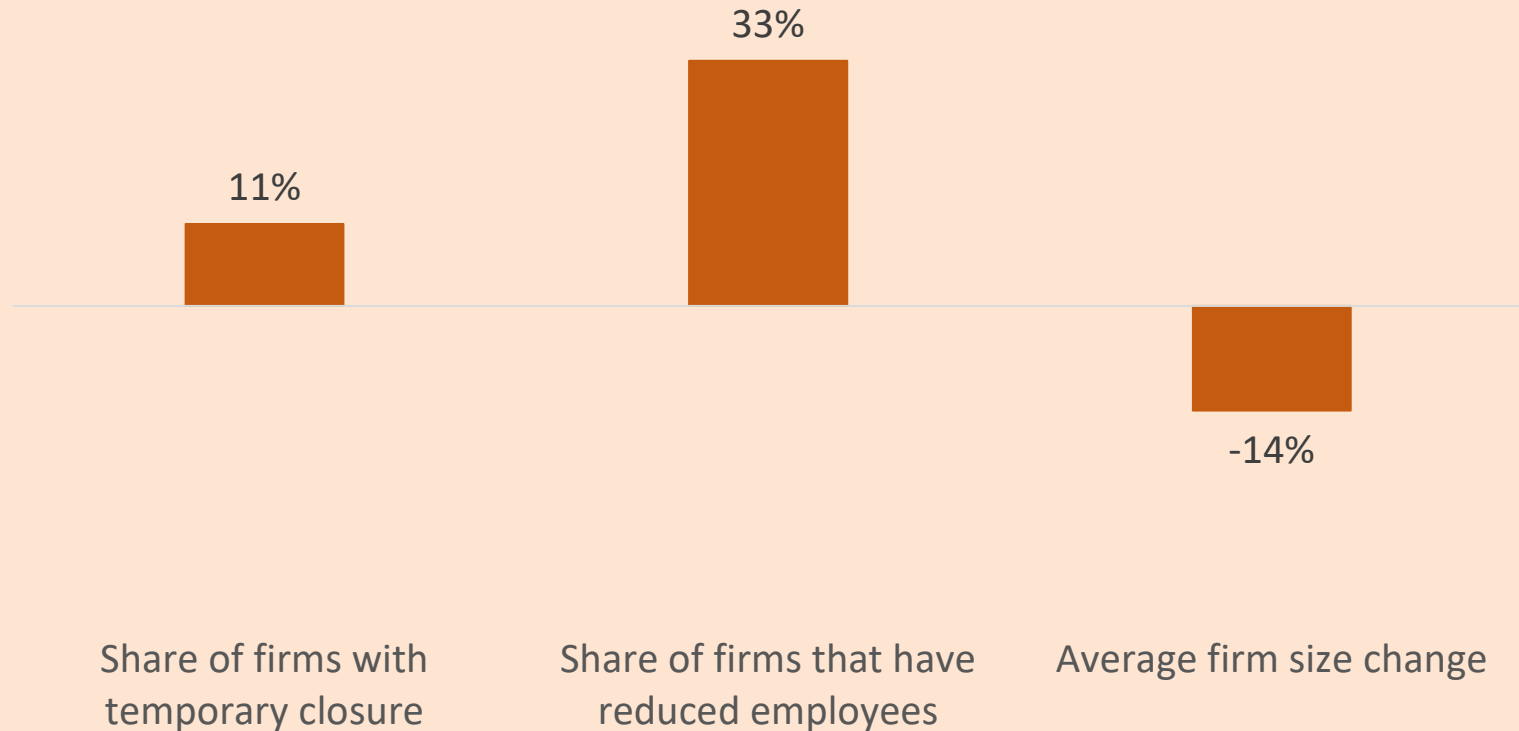
SECTION 2

SECTION 3

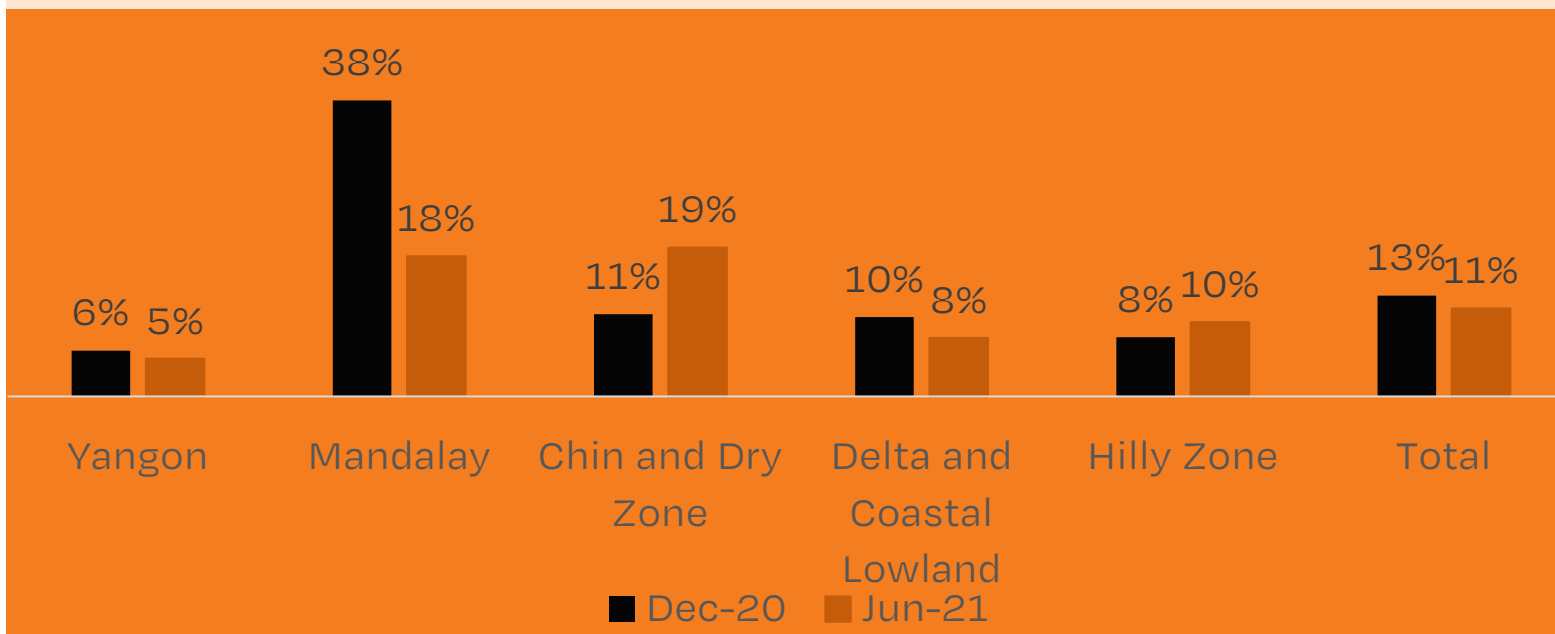
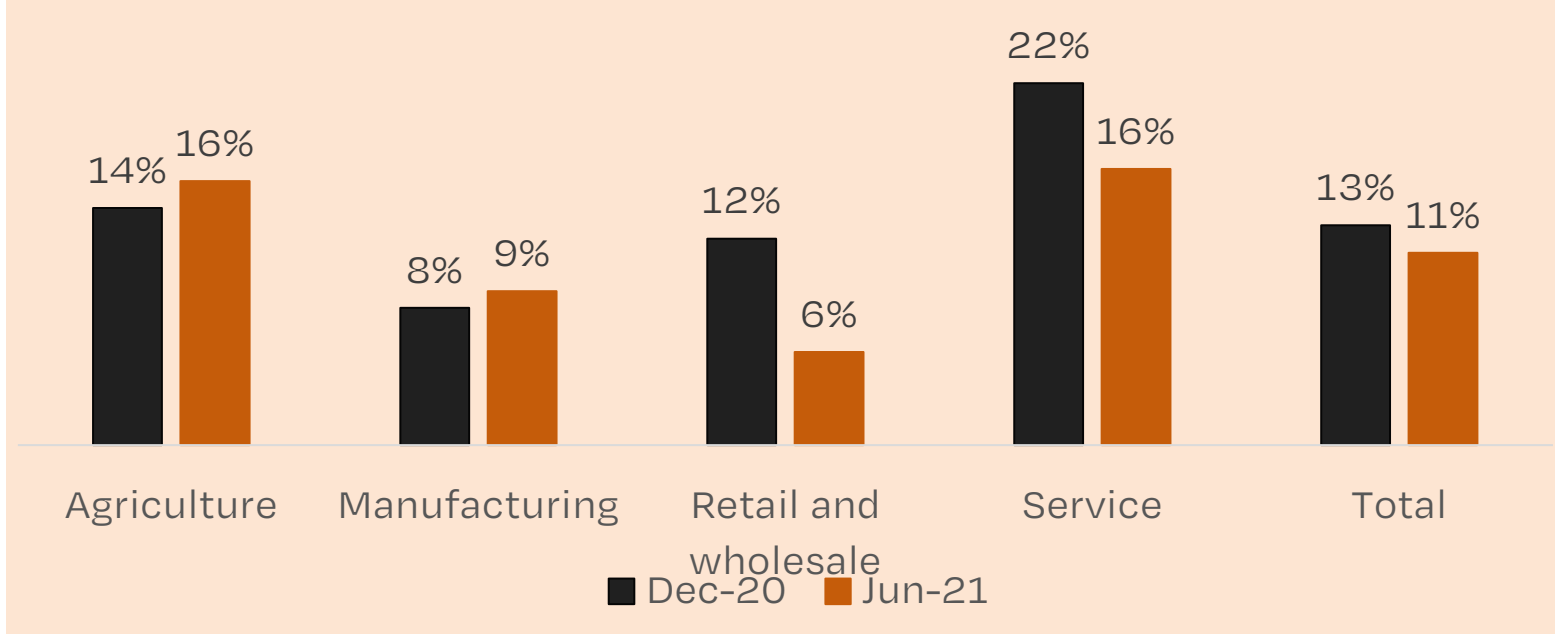
SECTION 4

OPERATIONAL STATUS

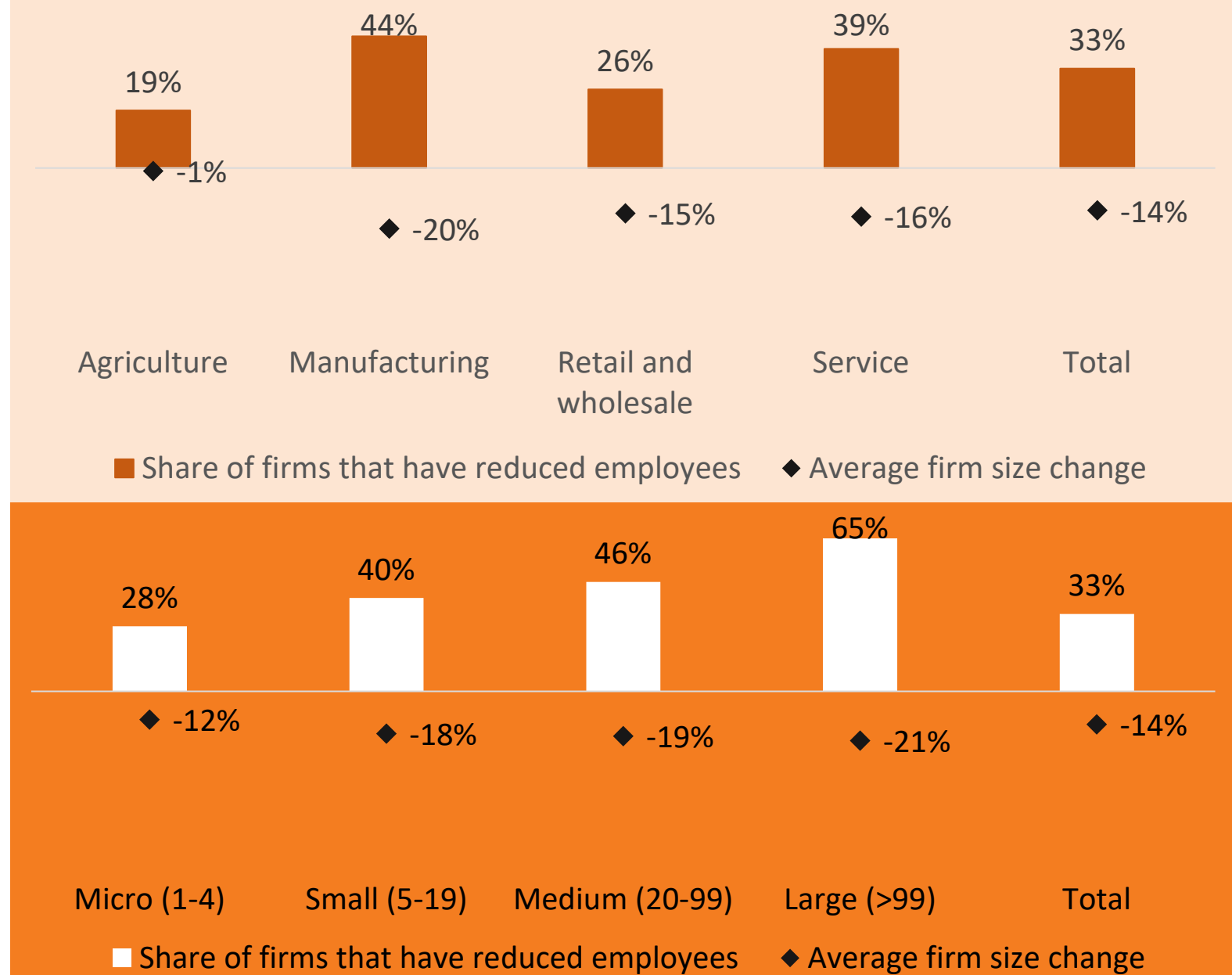
11% of firms were temporarily closed in June 2021, 33% of firms have reduced employees – resulting an average firm-size reduction of 14 percent since February 2021.



Share of firms with temporary closures dropped in June 2021 – compared to December 2020, but regional difference was observed



Since February 2021, 33 percent of firms have reduced employees – resulting in a 14 percent average reduction in firm-size in June 2021



SECTION 1

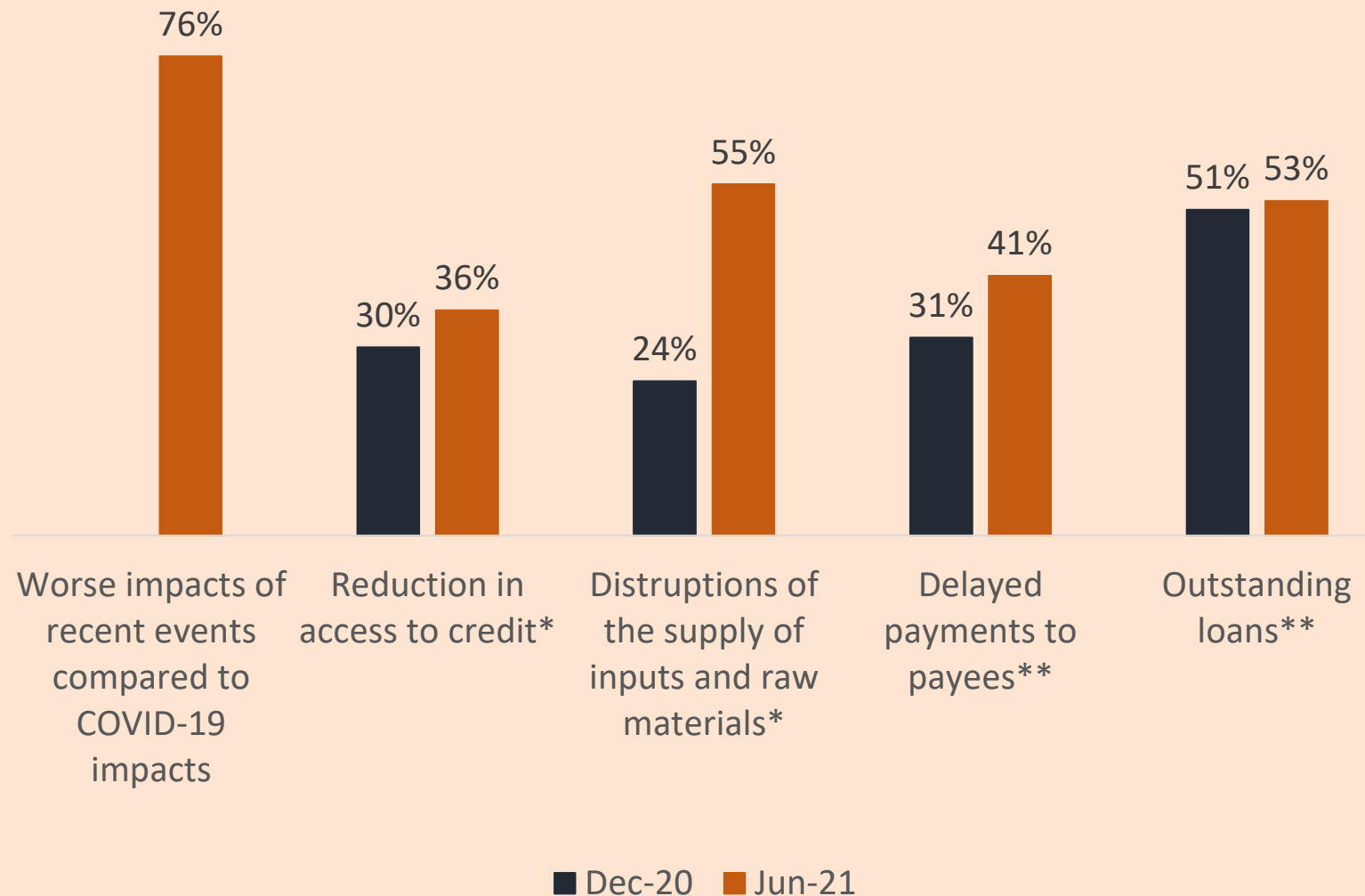
SECTION 2

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**BUSINESS
PERFORMANCE**

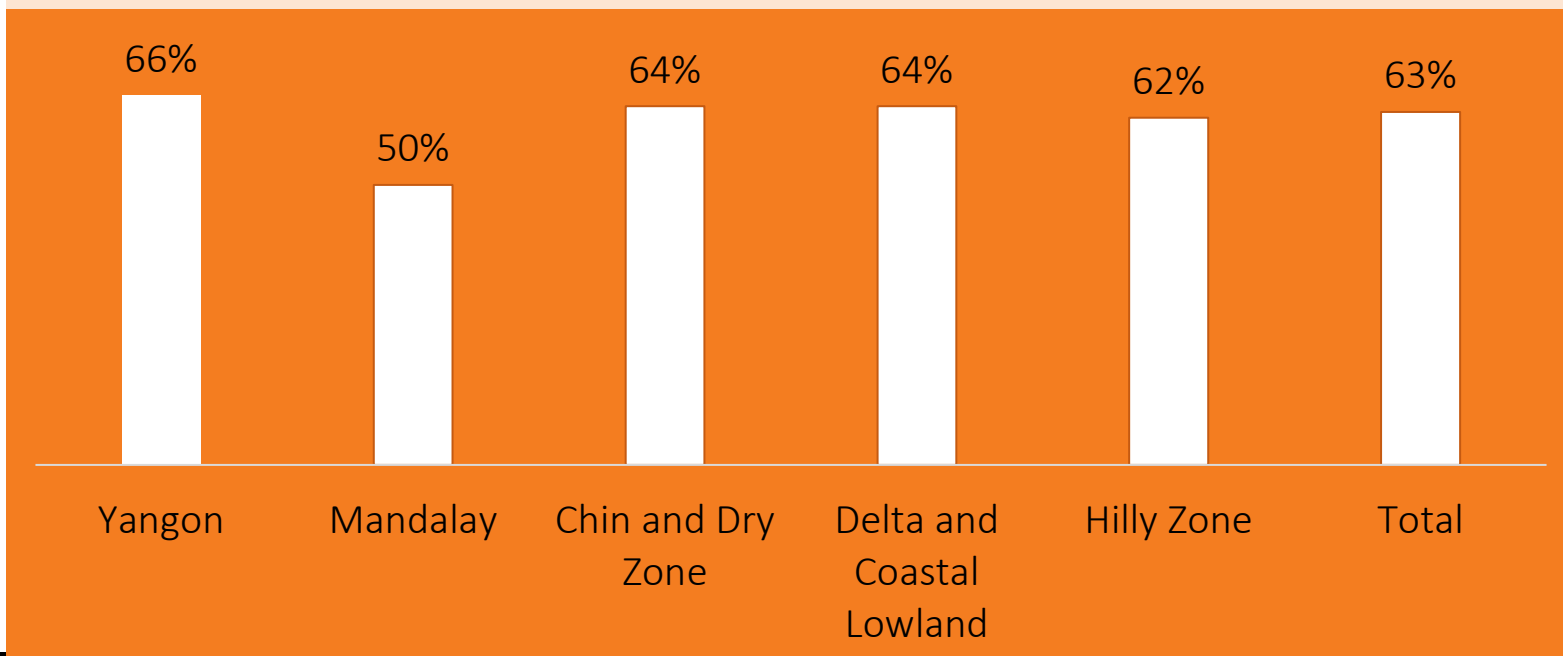
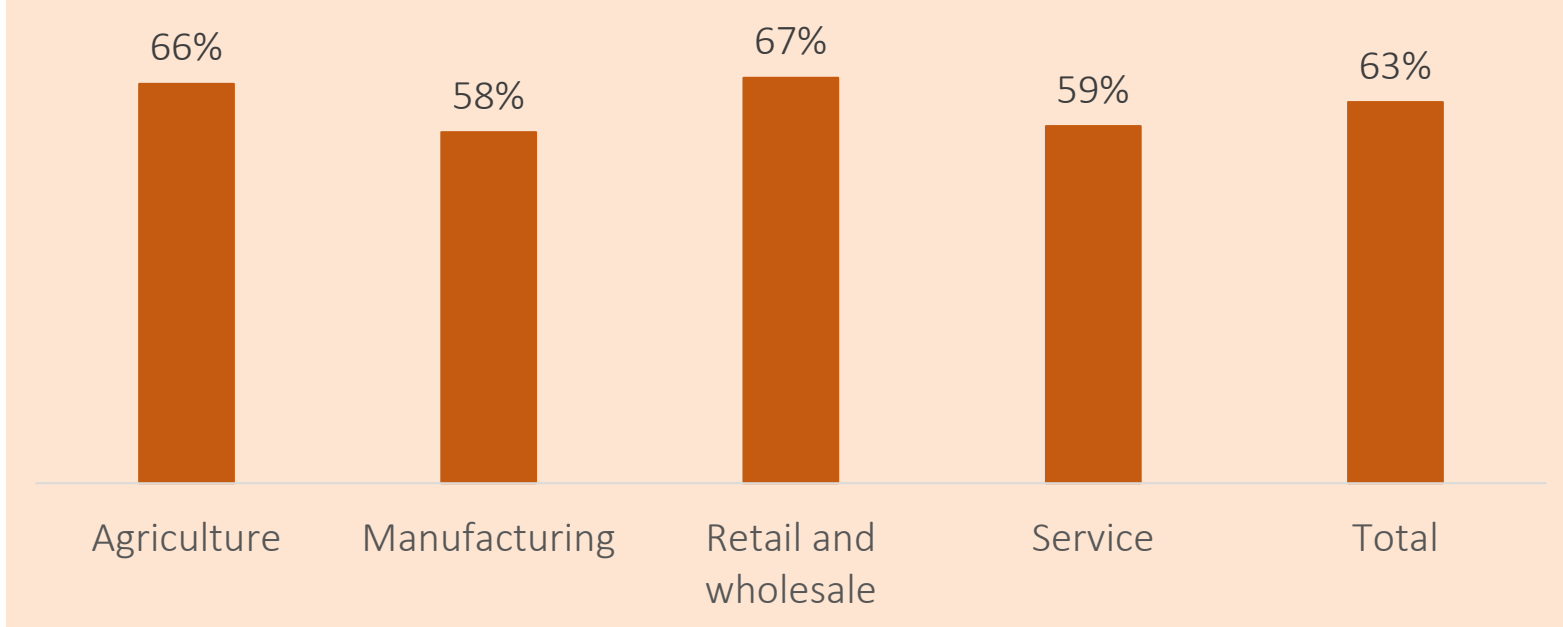
The impacts of the coup were more pronounced than COVID-19 – resulting in poor business performance



*Question is designed slightly differently for December 2020 and June 2021. For December 2020, firms reported whether they experienced difficulties (indicators with *) since the beginning of COVID-19, while for June 2021, the question was modified with February 2021 instead of COVID-19.

**Firms were asked to report on the last completed month. In the chart, for December 2020, the last completed month is November 2020, while for June 2021, it was May 2021.

With manufacturing the worst affected sector and Mandalay the worst affected region, firms are **operating only at 65% of their capacity in June 2021**



Impacts of the coup

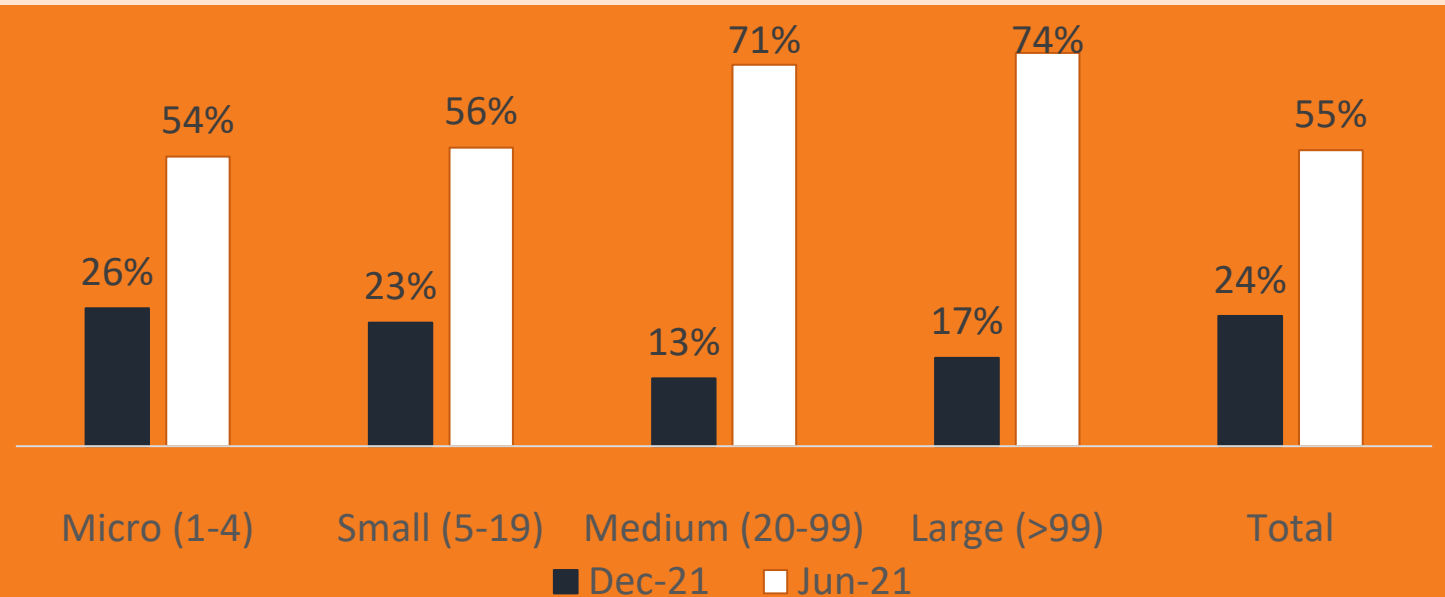
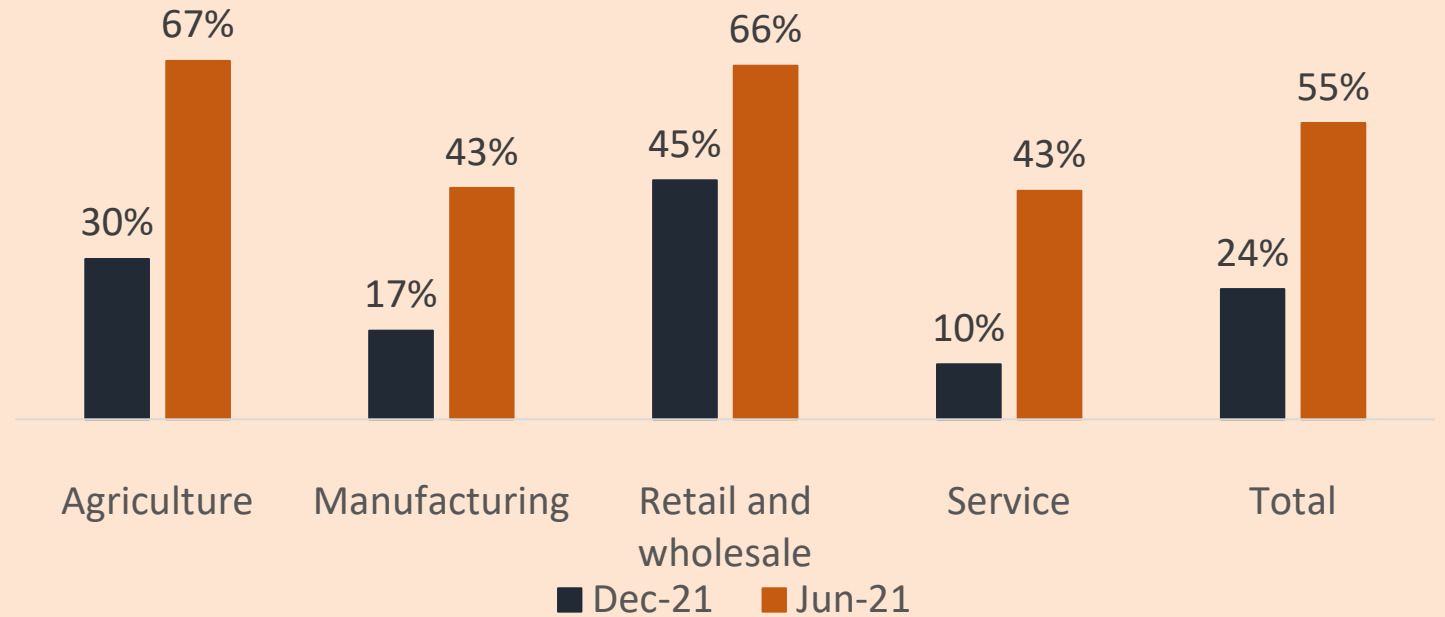
88%

**Negatively
affected**

76%

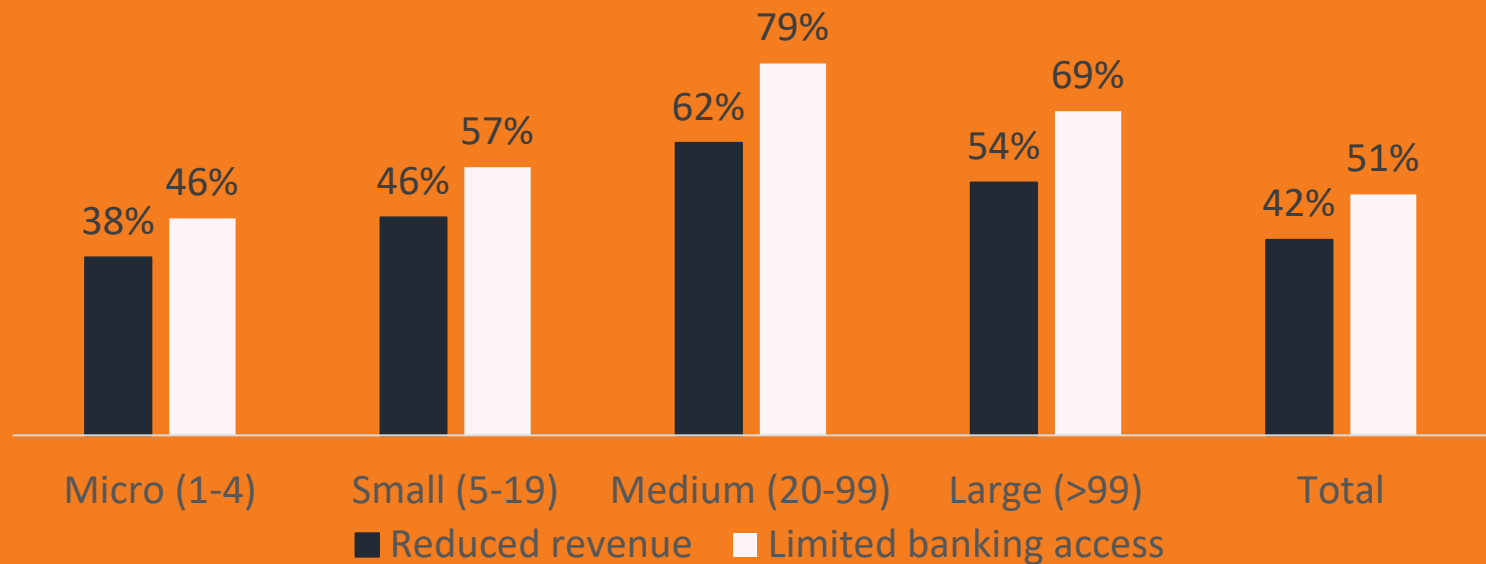
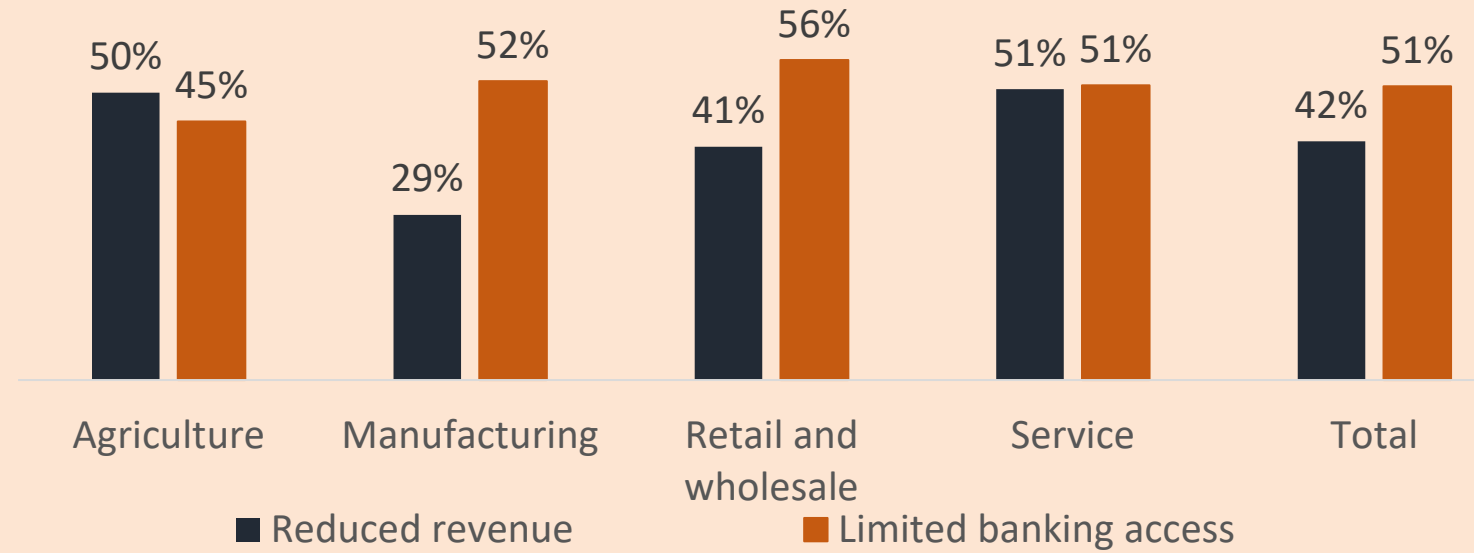
**Worse than
COVID-19**

Disruptions of supply of inputs or raw materials have become a growing concern since February 2021

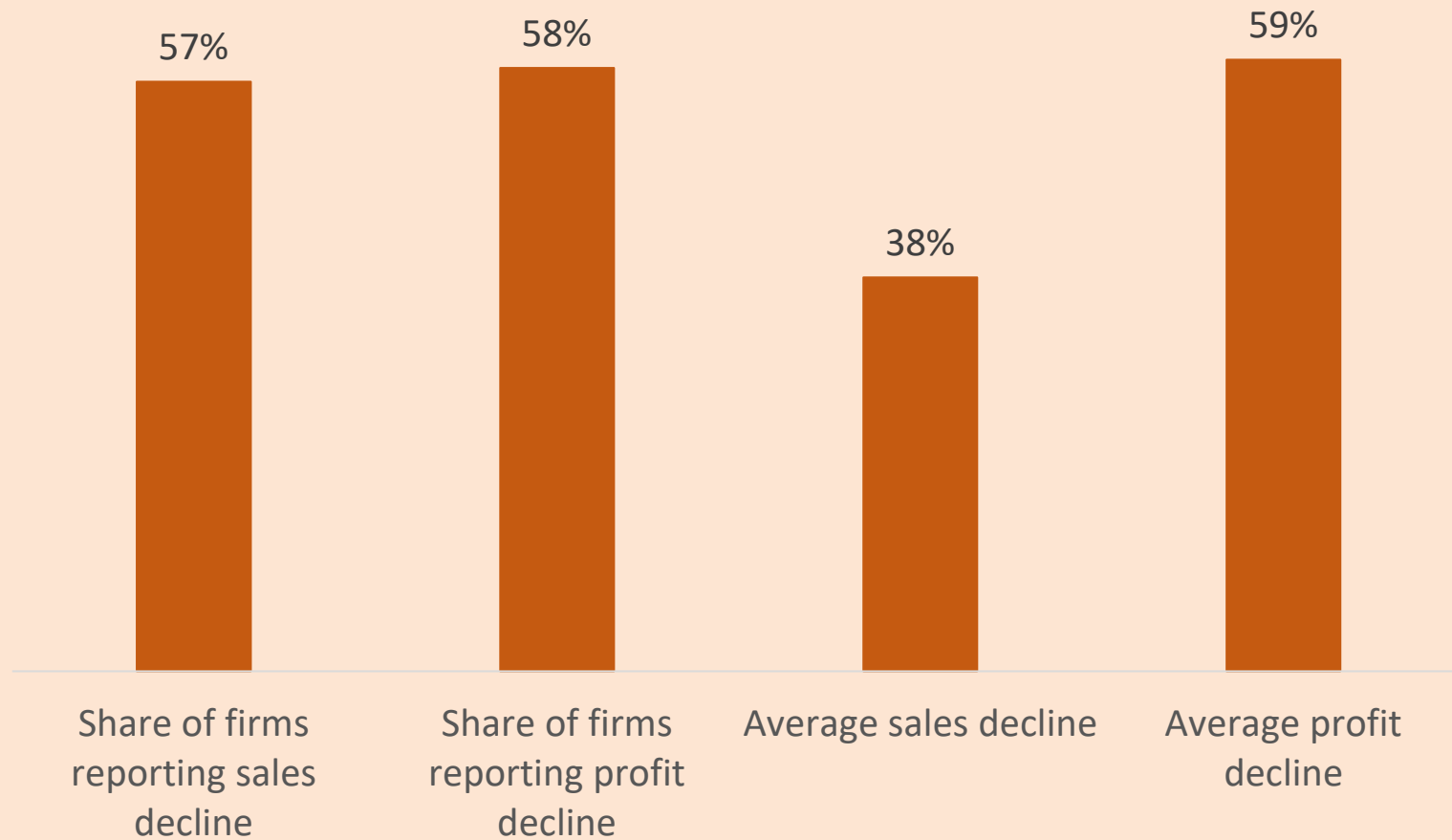


Note: Question is designed slightly differently for December 2020 and June 2021. For December 2020, firms were asked if they had experienced difficulties since the beginning of COVID-19, while for June 2021, the question was modified with February 2021 instead of COVID-19.

Since February, firms have experienced more difficulty making payments to suppliers and employees due to limited banking access than because of reduced revenue



Compared to January 2021, more than half of the firms experienced **sale and profit declines**



Note: 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.

53%

**of firms have
outstanding loans**

31%

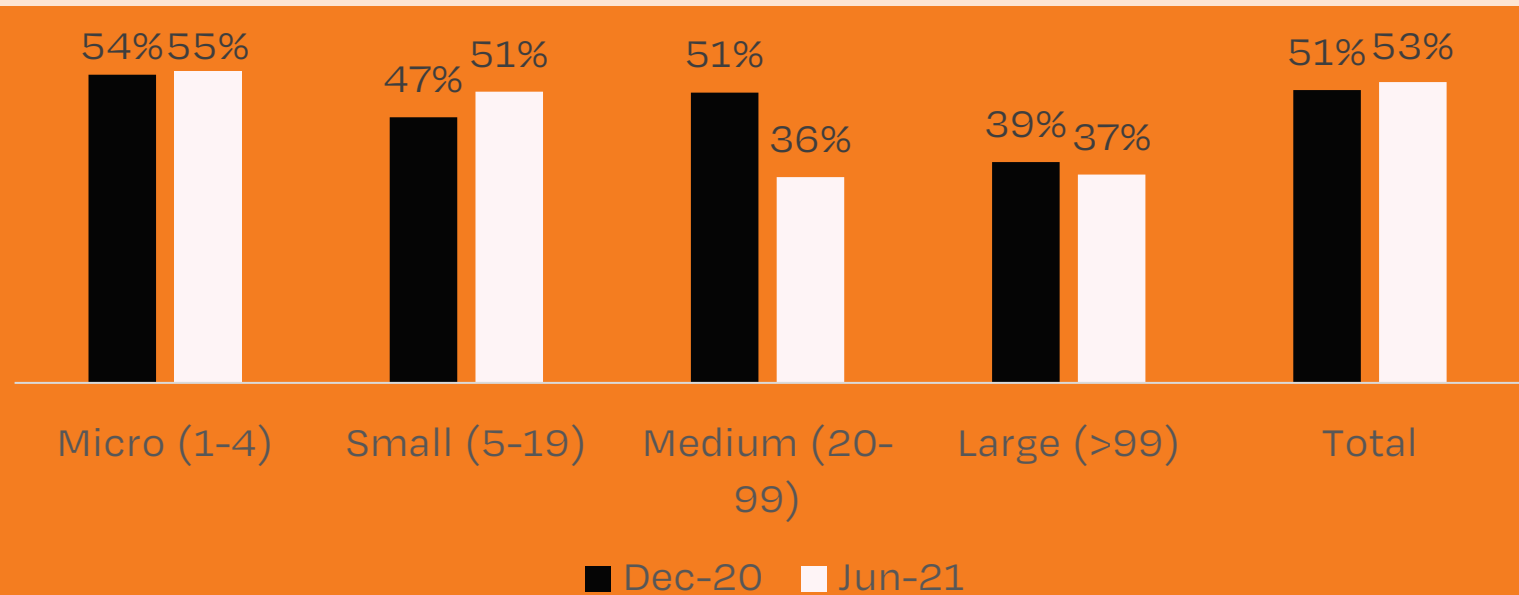
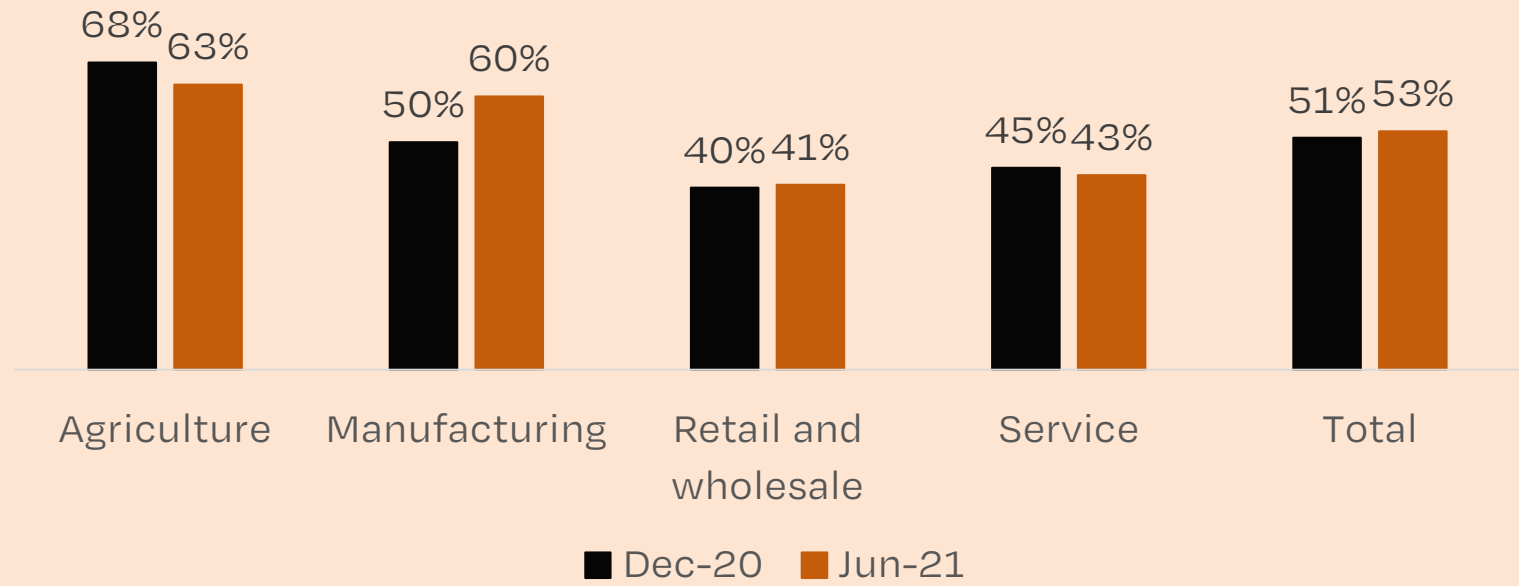
**of firms delayed payments to their
suppliers**

9%

**of firms delayed
payments to their
employees**

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

Agriculture, small and micro firms increased their rates of outstanding loans in the last completed month of June 2021



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.

In June 2021, compared to December 2020, the share of firms with outstanding loans from commercial banks in the last completed month increased; however, those with non-banking outstanding loans decreased.

17%

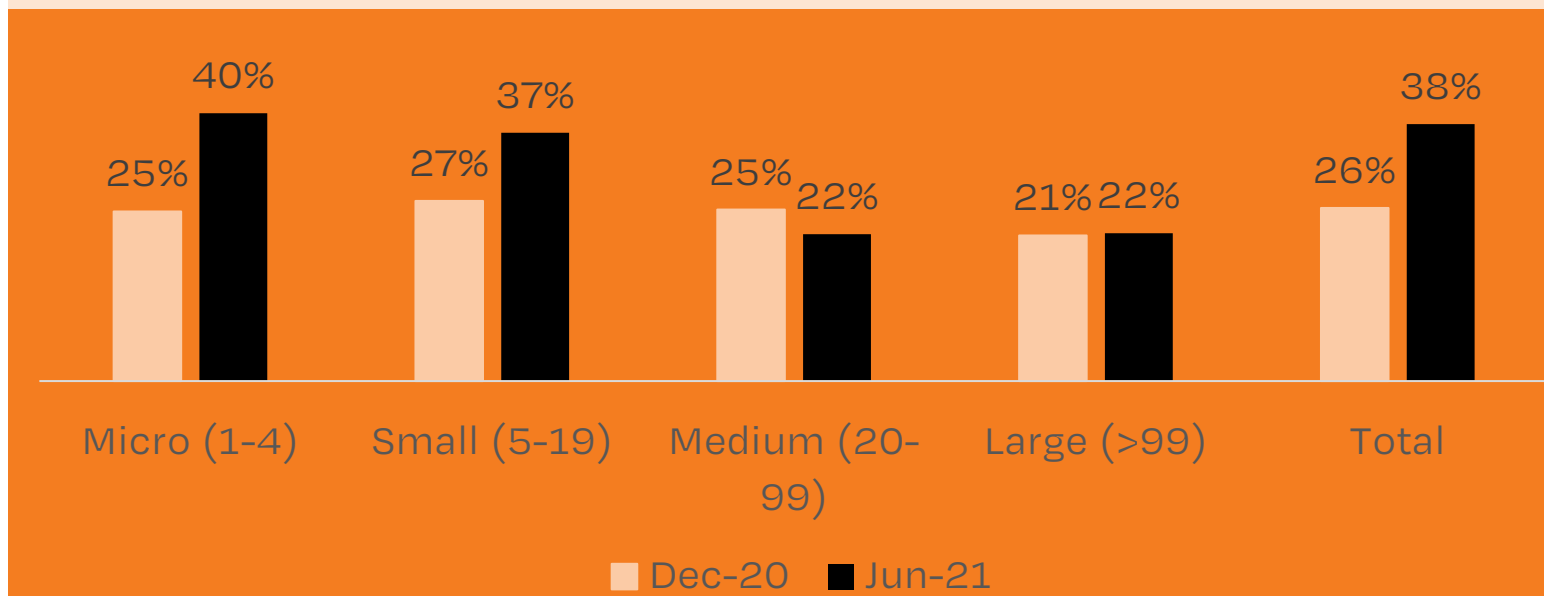
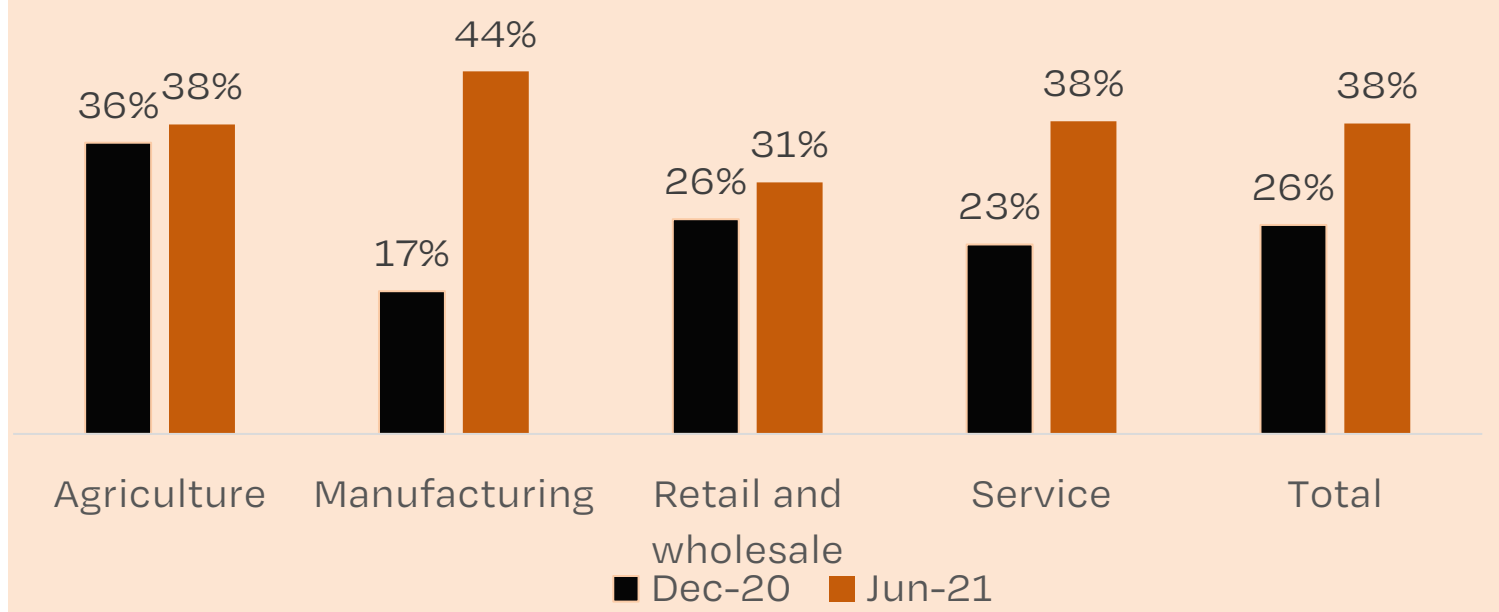
of firms had outstanding loans from commercial banks

14%

of firms had outstanding loans from non-banking financial institutions

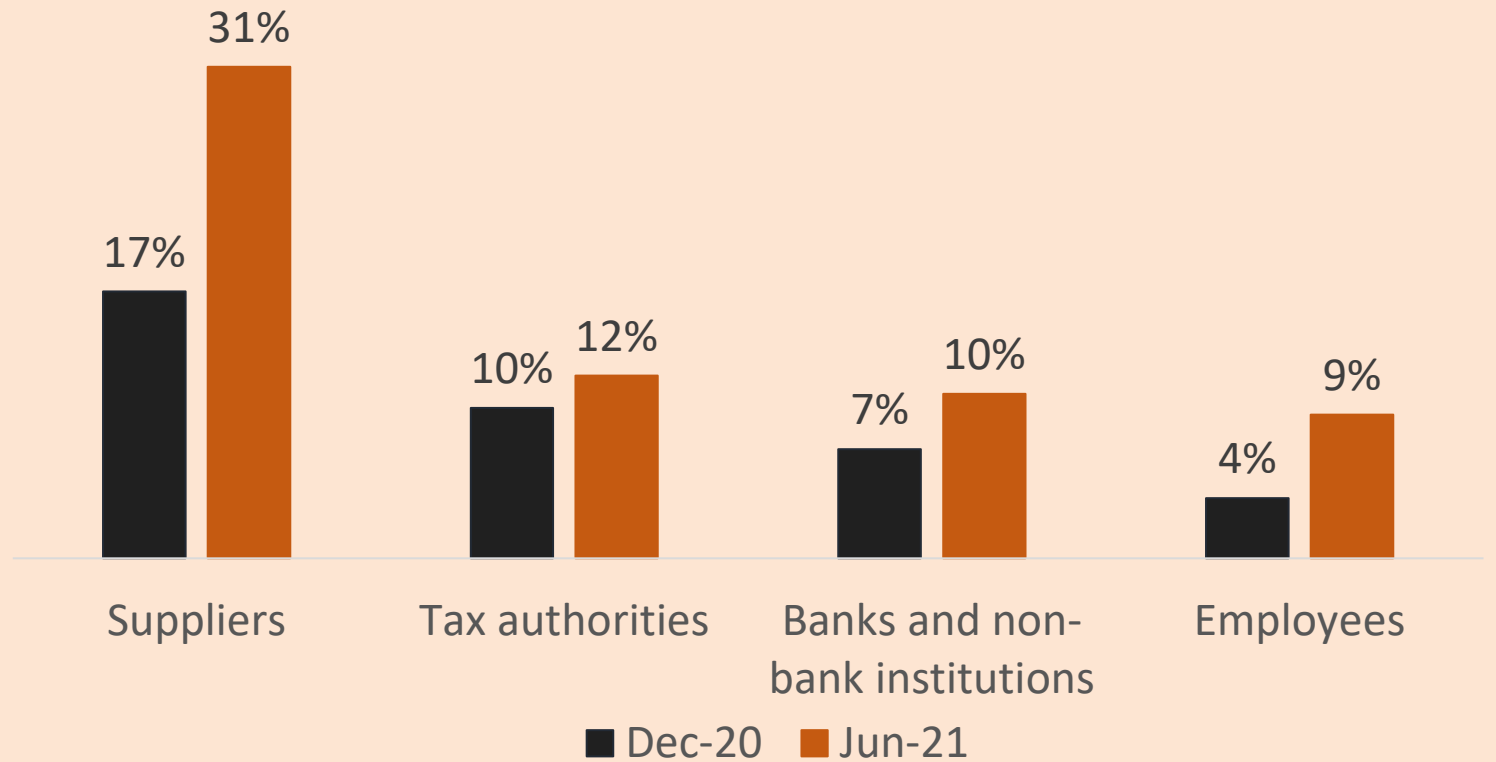
Note: Firms were asked to report about the last completed month.

Loans from friends and family have remained as a major financing source, with increased reliance



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.

Number of firms delaying payments more than one week to respective payees has 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.

SECTION 1

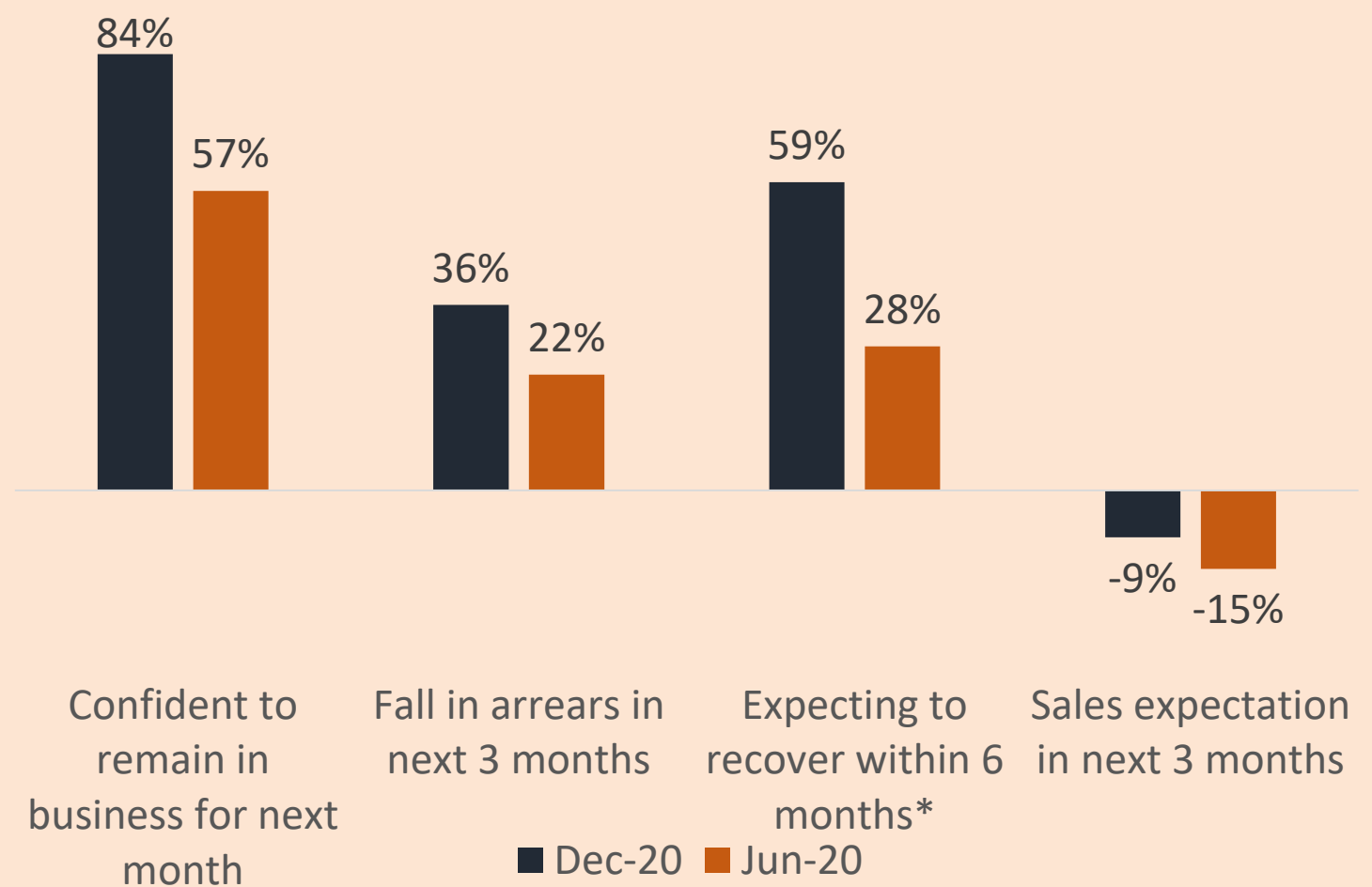
SECTION 2

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**BUSINESS
EXPECTATIONS**

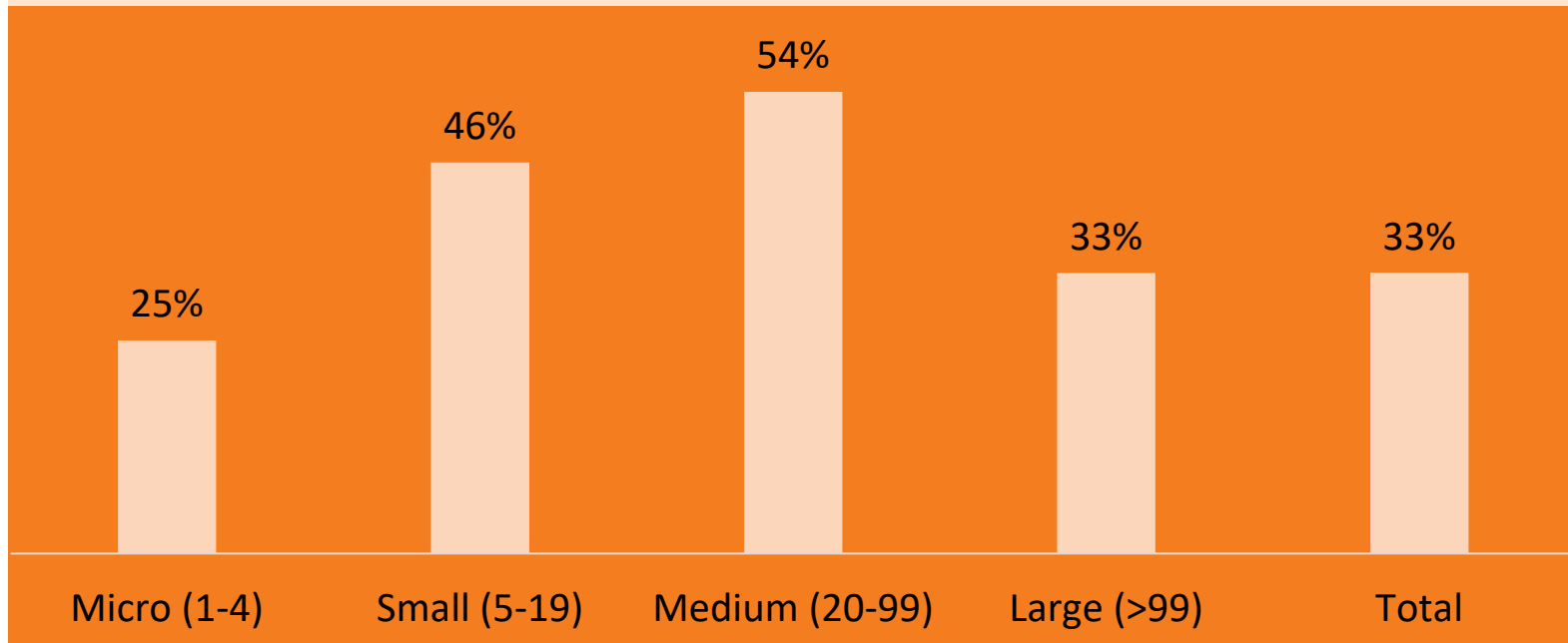
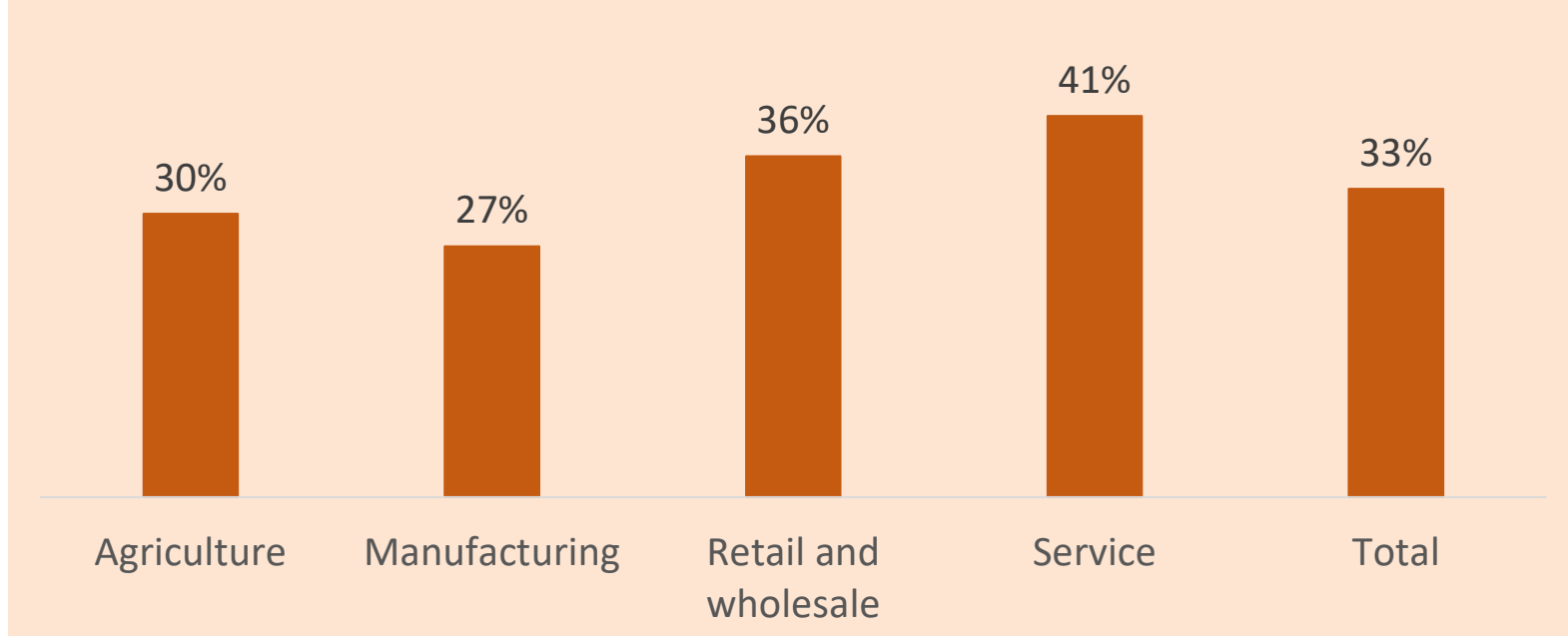
Firms' expectations for business recovery are lower compared to December 2021



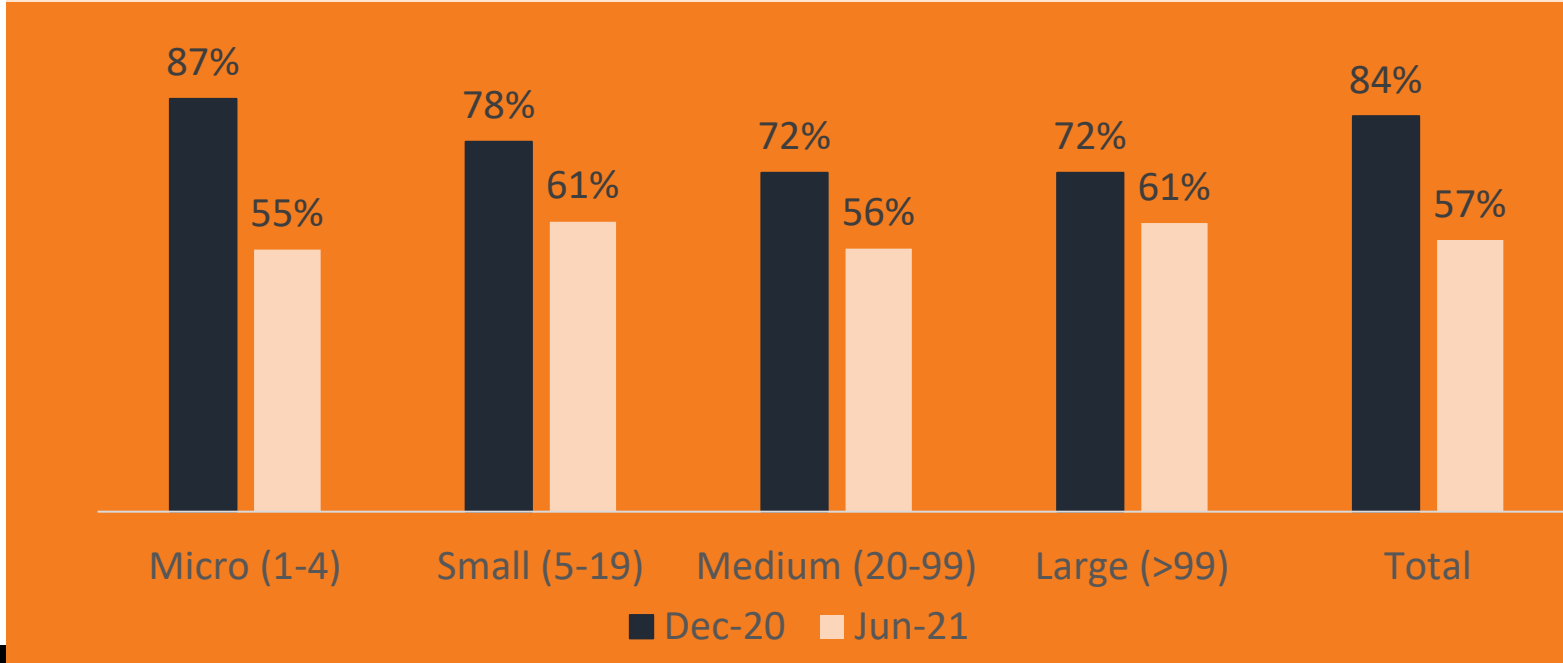
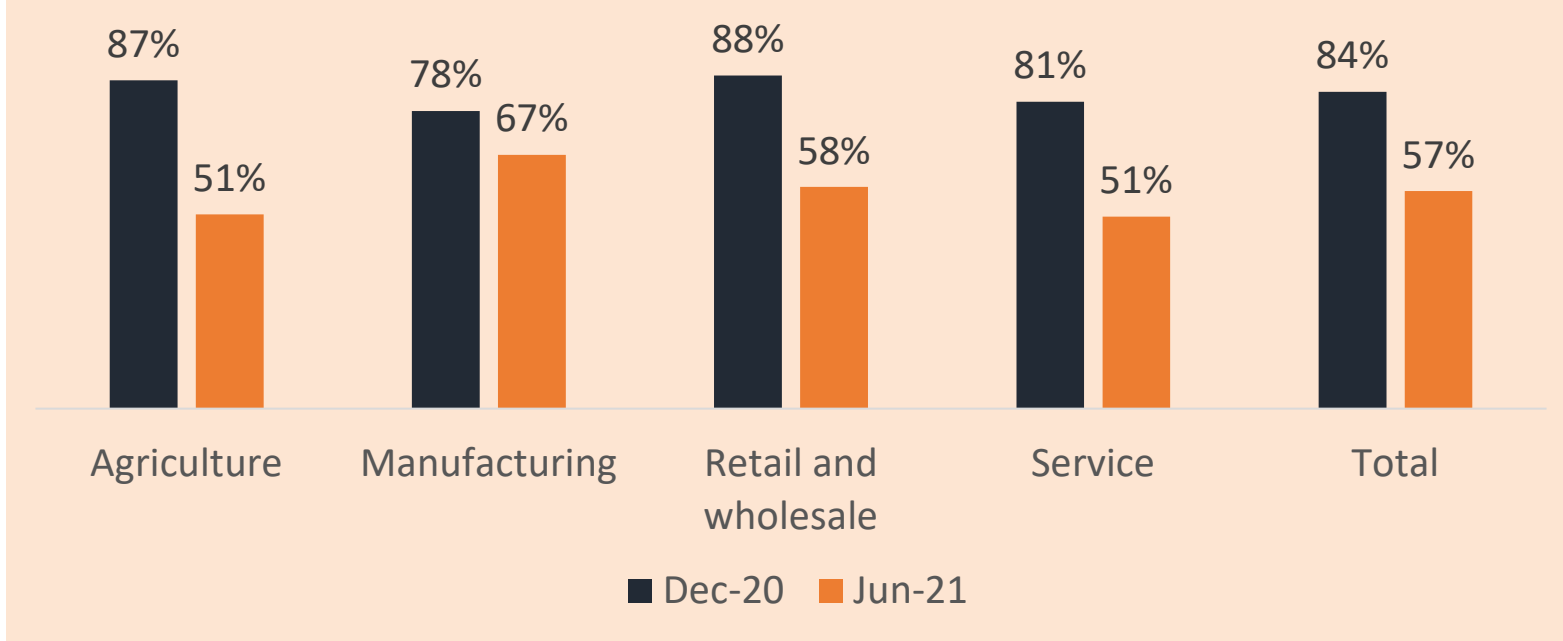
Note:

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

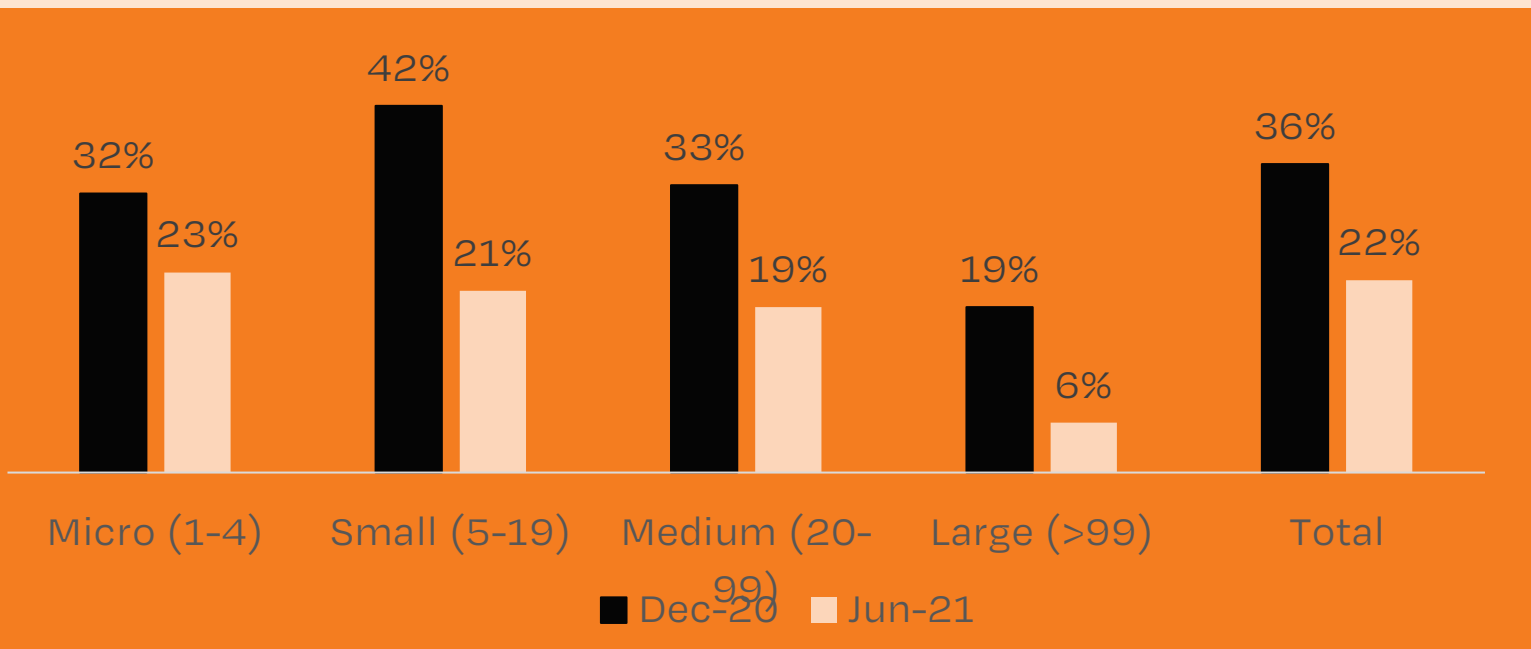
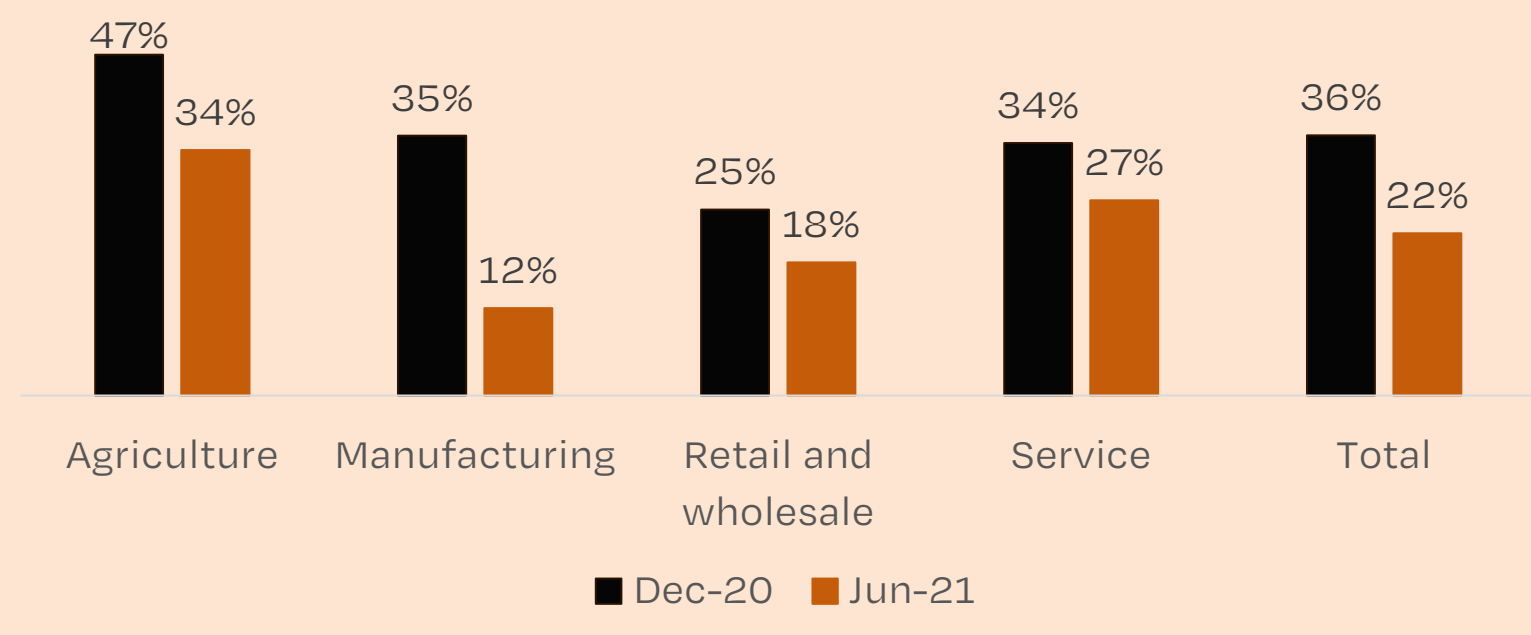
**Since February,
33% of the firms
have **changed**
plans to invest
and expand
business in 2021**



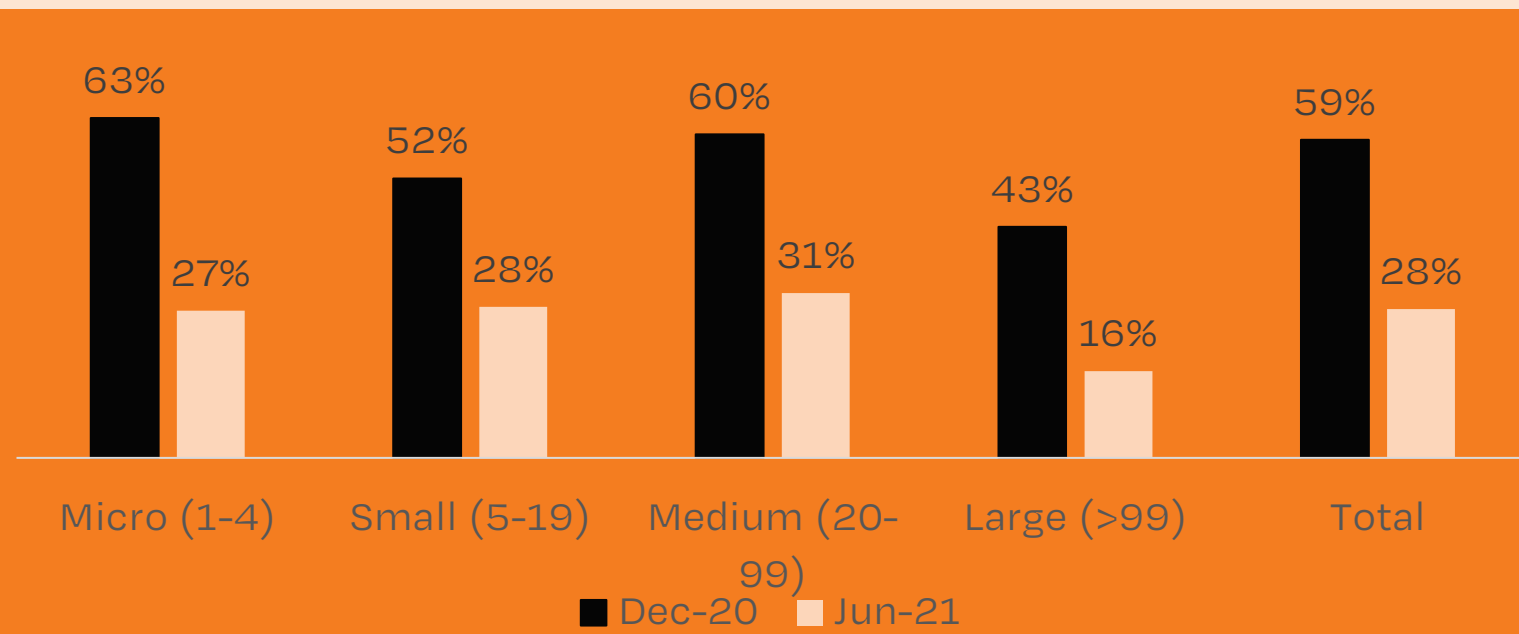
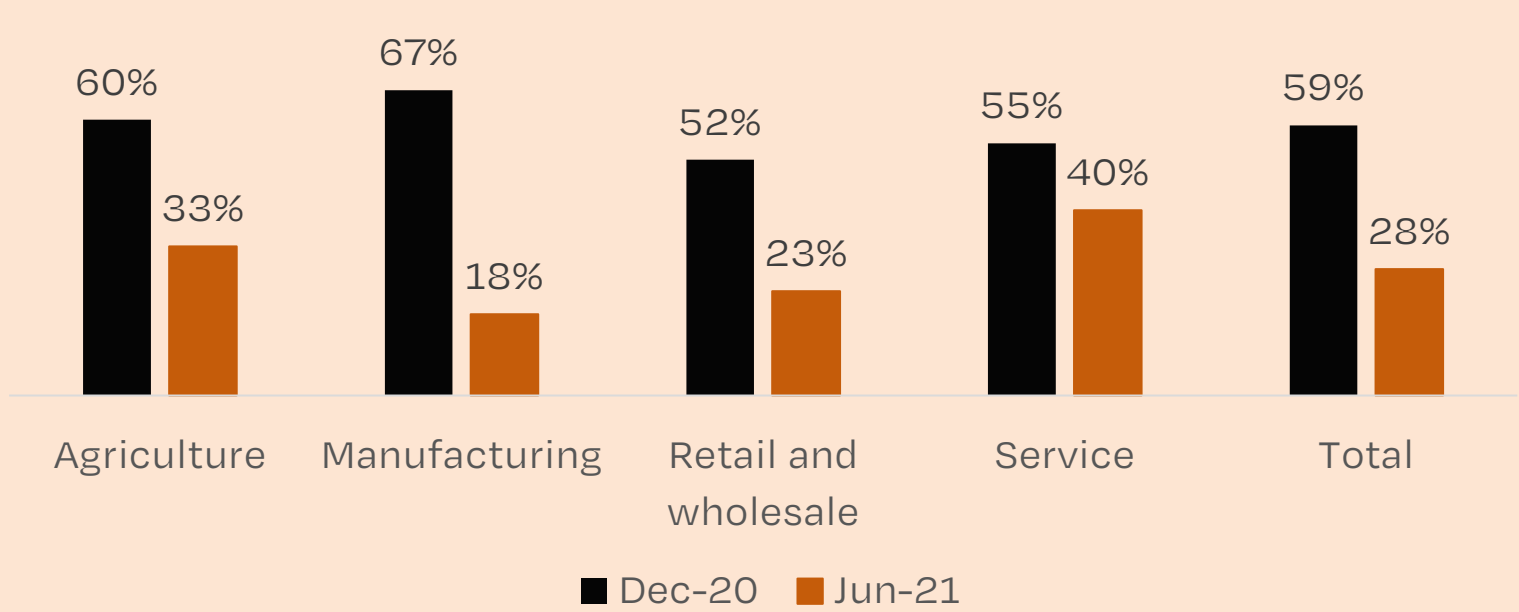
With their current cash flow, firms that are confident in remaining open within the next month declined



The share of firms expecting to fall into arrears over the next three months decreased

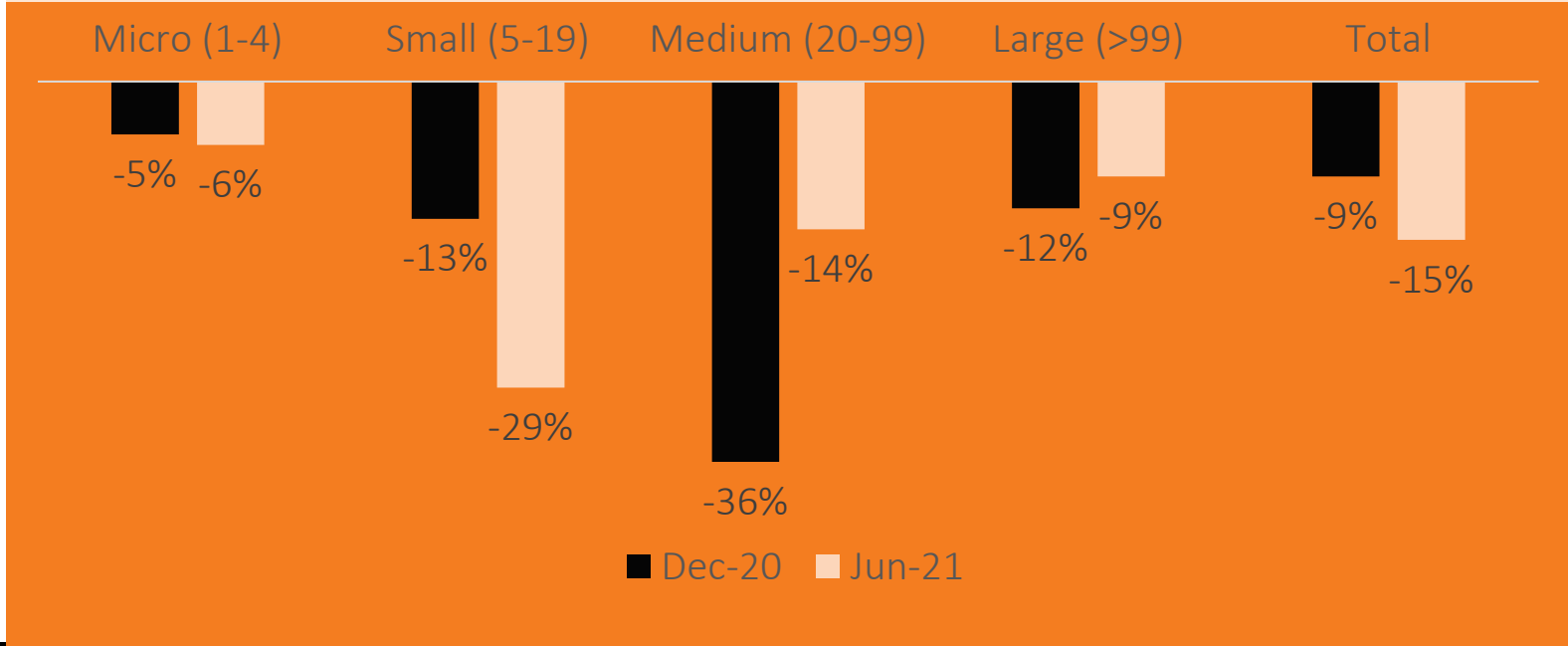
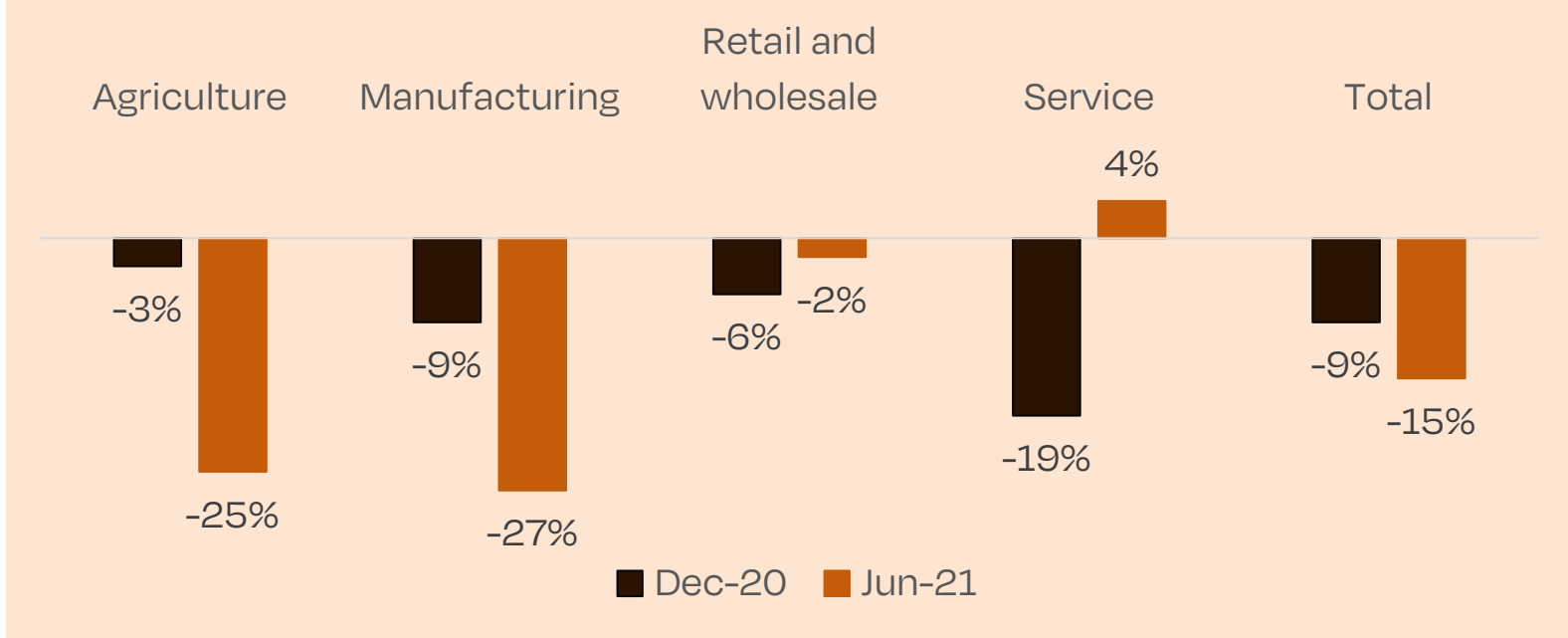


Only less than a third of firms expected to recover to levels before February 2021 in next 6 months



Note: Question is designed slightly differently for December 2020 and June 2021. For December 2020, firms were asked to report their expectations to recover back to pre-COVID levels while for June 2021, firms reported their expectation to recover back to levels prior to February 2021.

Sales expectations in the next 3 months remain negative: the average sales decline is expected to be 15% lower than the same period a year ago



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ADAPTATION

Fewer share of firms have adjusted their operations in the aftermath of the coup



78%

of firms have reported **lack of internet access** as the major challenge with online services and digital financial services since February 2021

68%

of retail and wholesale firms have experienced **lack of internet access**

60%

of large firms have experienced **lack of internet access**

Next steps

Round 8 collection (August 2021)