

September 2022

Myanmar Firm Monitoring Survey



THE WORLD BANK
IBRD • IDA



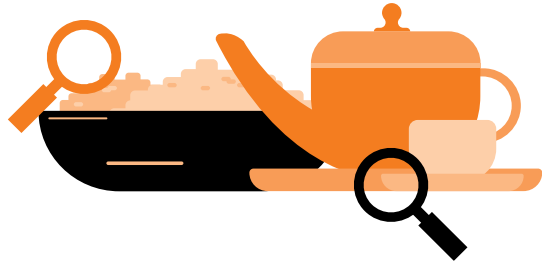
September 2022

The World Bank

Survey Firms

Round 12

The only nationally representative survey of firms in Myanmar



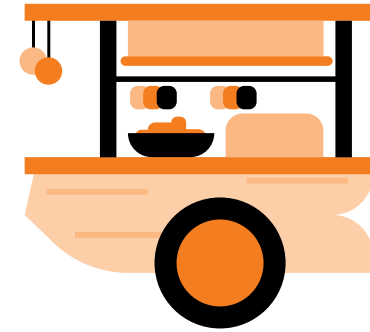
500 firms

The survey also covers all of Myanmar and is divided into 5 zones (Yangon, Mandalay, Chin and Dry Zone, Delta and Coastal 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 (32%), Retail (18%), and Services (32%).



Micro & Informal too

In addition to large and formal firms, the survey also covered micro and small firms. Of firms surveyed, 37.8% were micro firms and 40.8% were small firms. Medium firms comprised 16.6% and large firms 5%.

Key Findings

- ❖ **The average operating capacity of firms was 59%, down from 66 percent in March 2022**
- ❖ **About half of all firms reported that power outages remained a concern for business operations**
- ❖ **The Kyat depreciation against the US dollar remained an operational concern for about half of the firms**
- ❖ **Fifty-six percent of firms raised prices in the past three months to June 2022, resulting in a 16 percent average price increase**

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**OPERATIONAL
STATUS**

**BUSINESS
PERFORMANCE**

**BUSINESS
EXPECTATIONS**

ADAPTATIONS

TAX PAYMENT

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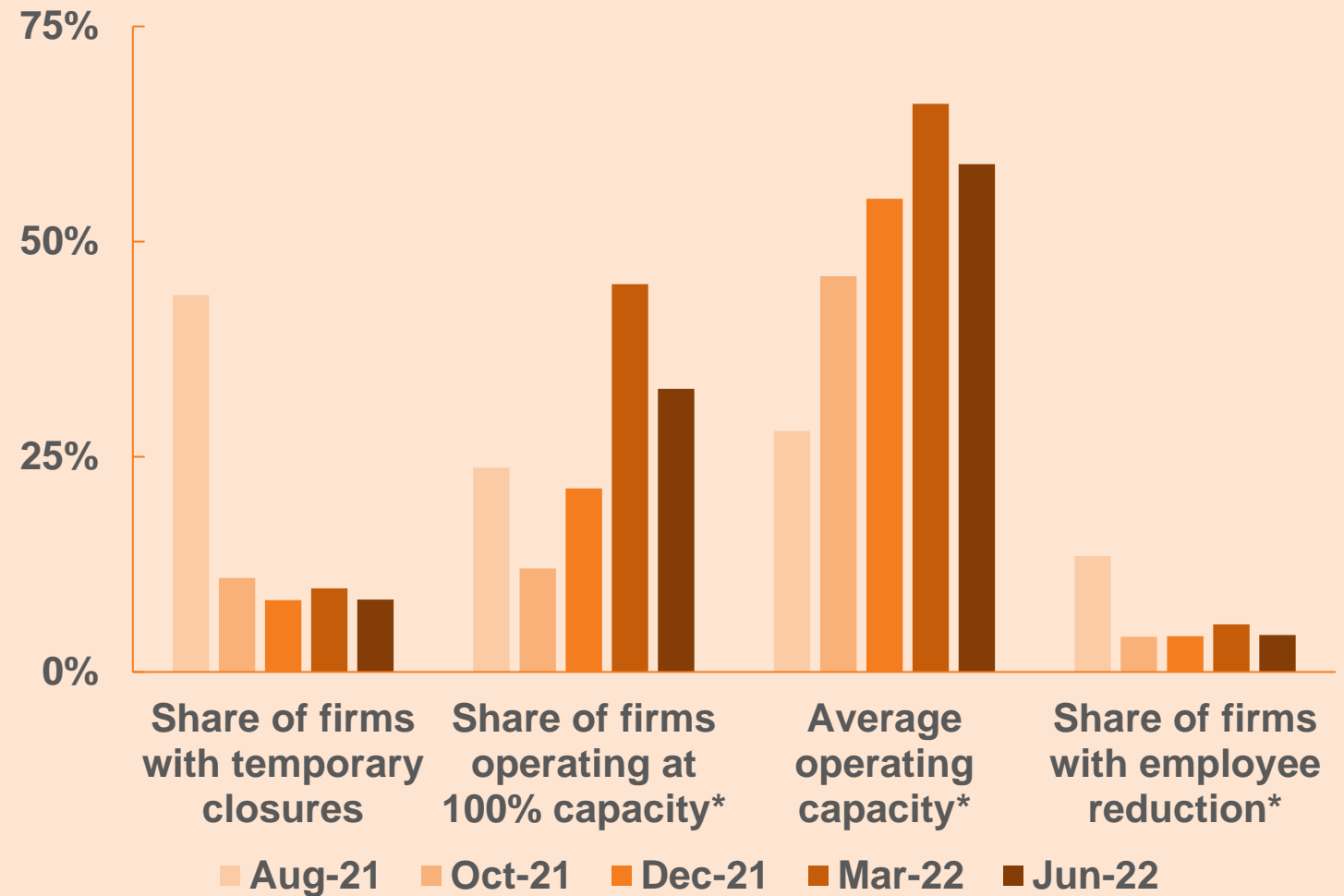
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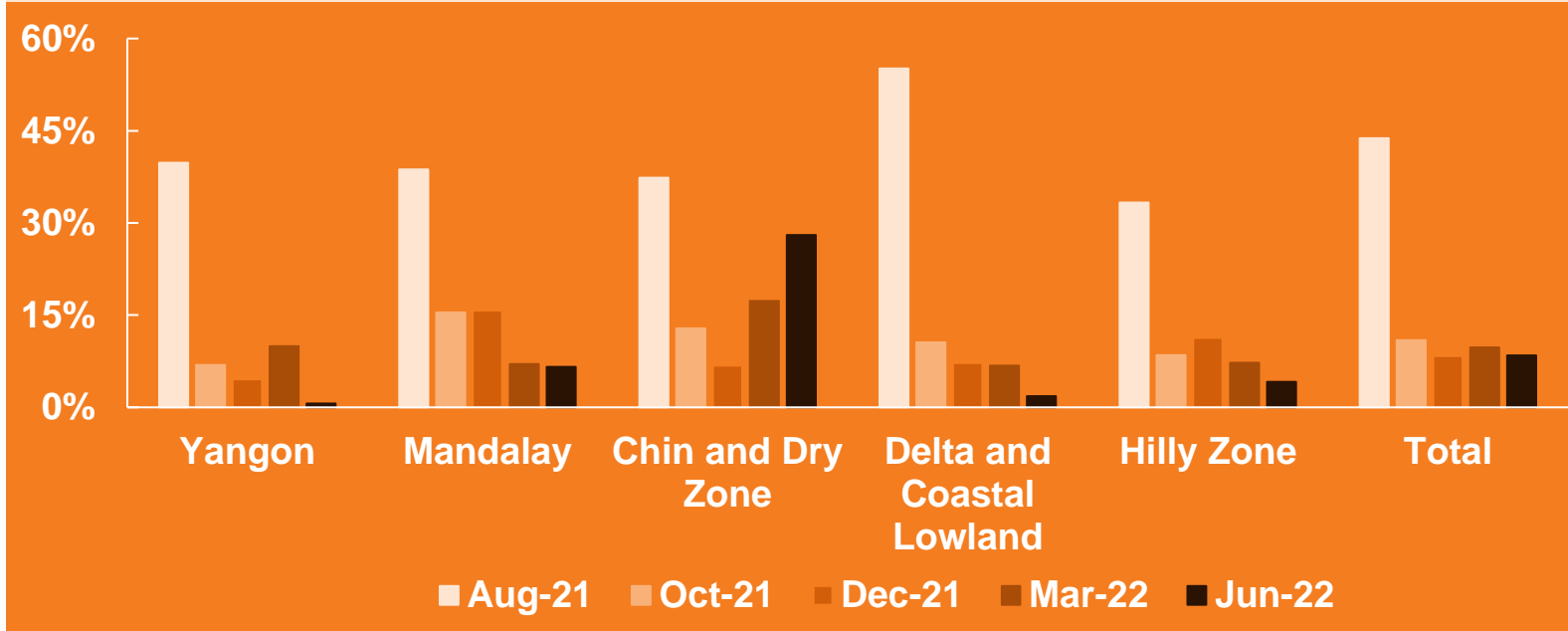
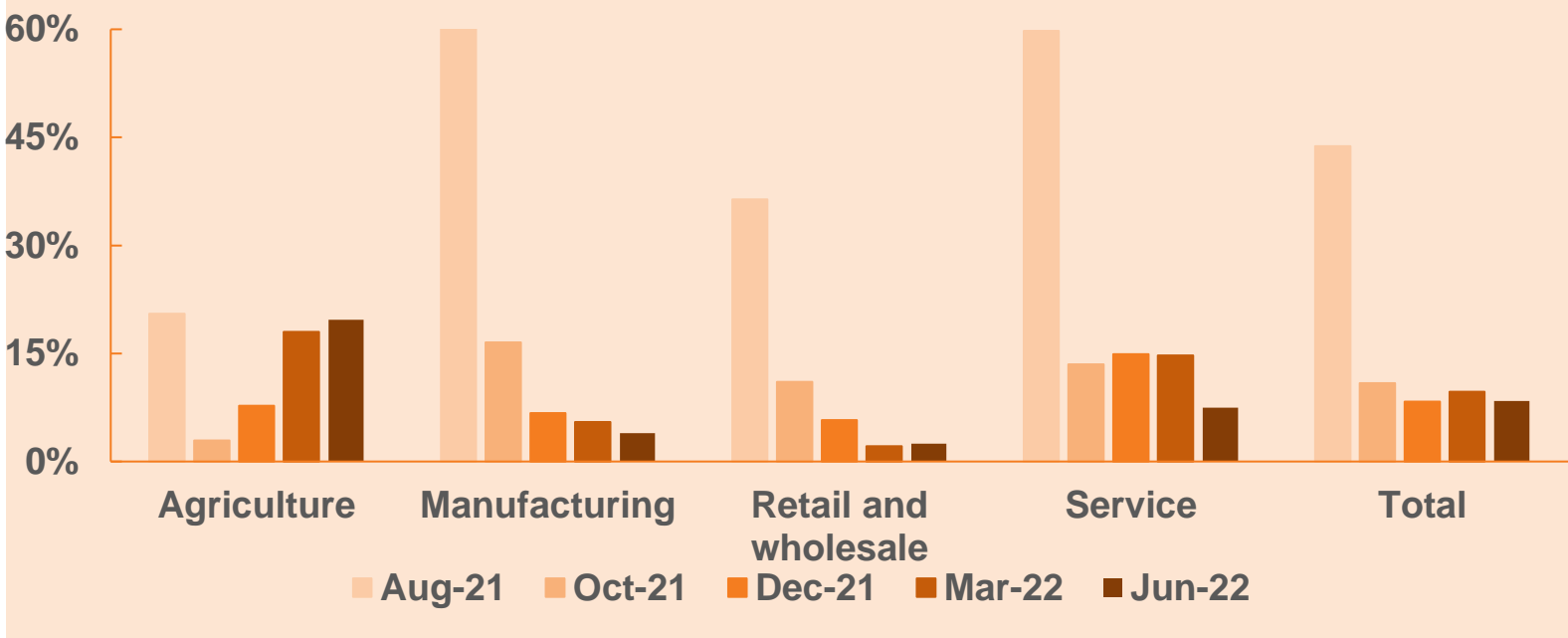
OPERATIONAL
STATUS

Firms' operational levels declined in June 2022

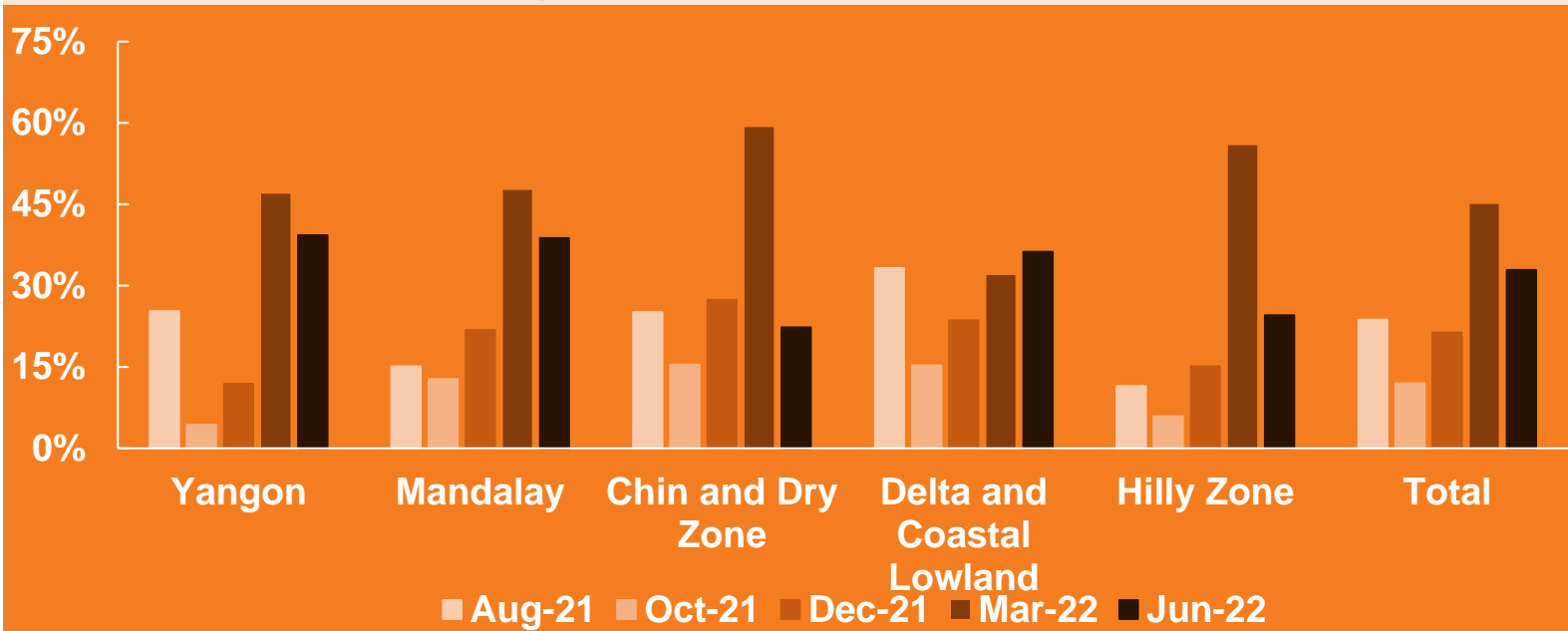


Note: *Firms were asked to report about the last completed month.

Temporary closures remained lower in June 2022 with slight sectoral and regional differences

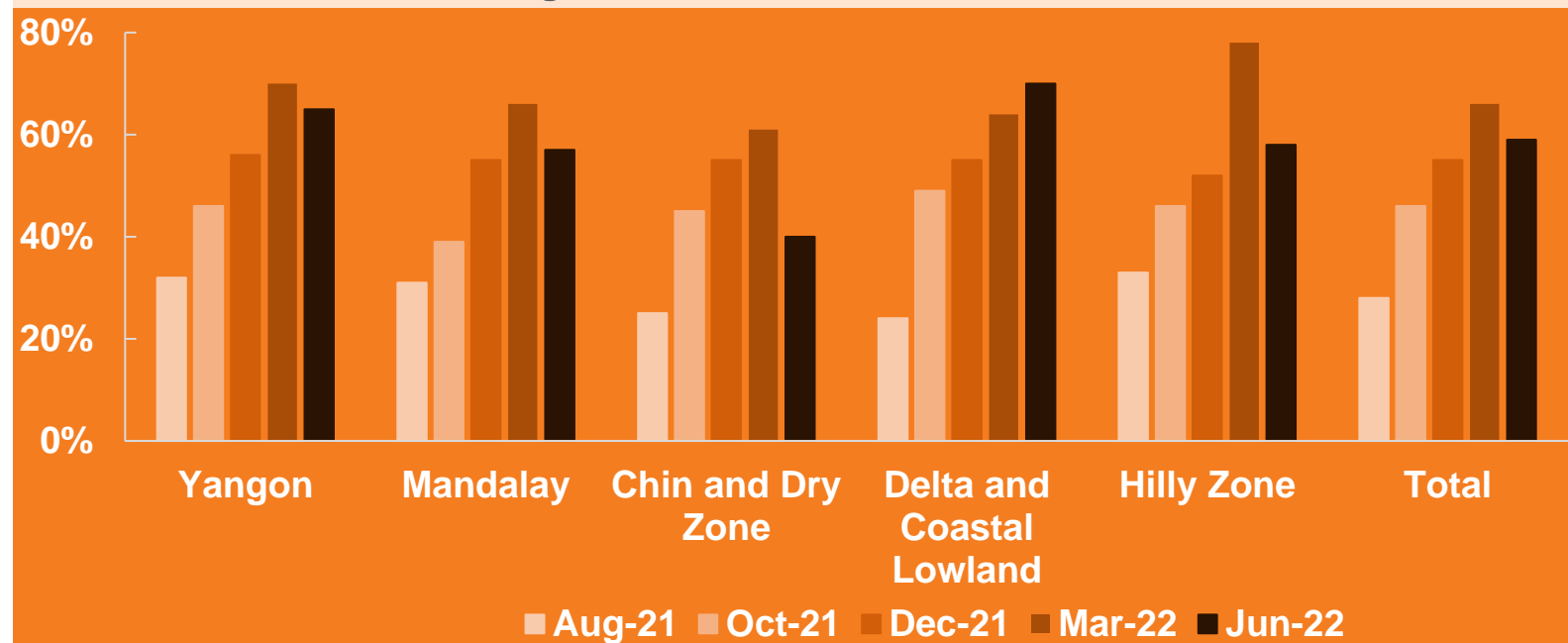


June 2022 saw fewer firms **operating at their full capacity** partly due to **seasonality**



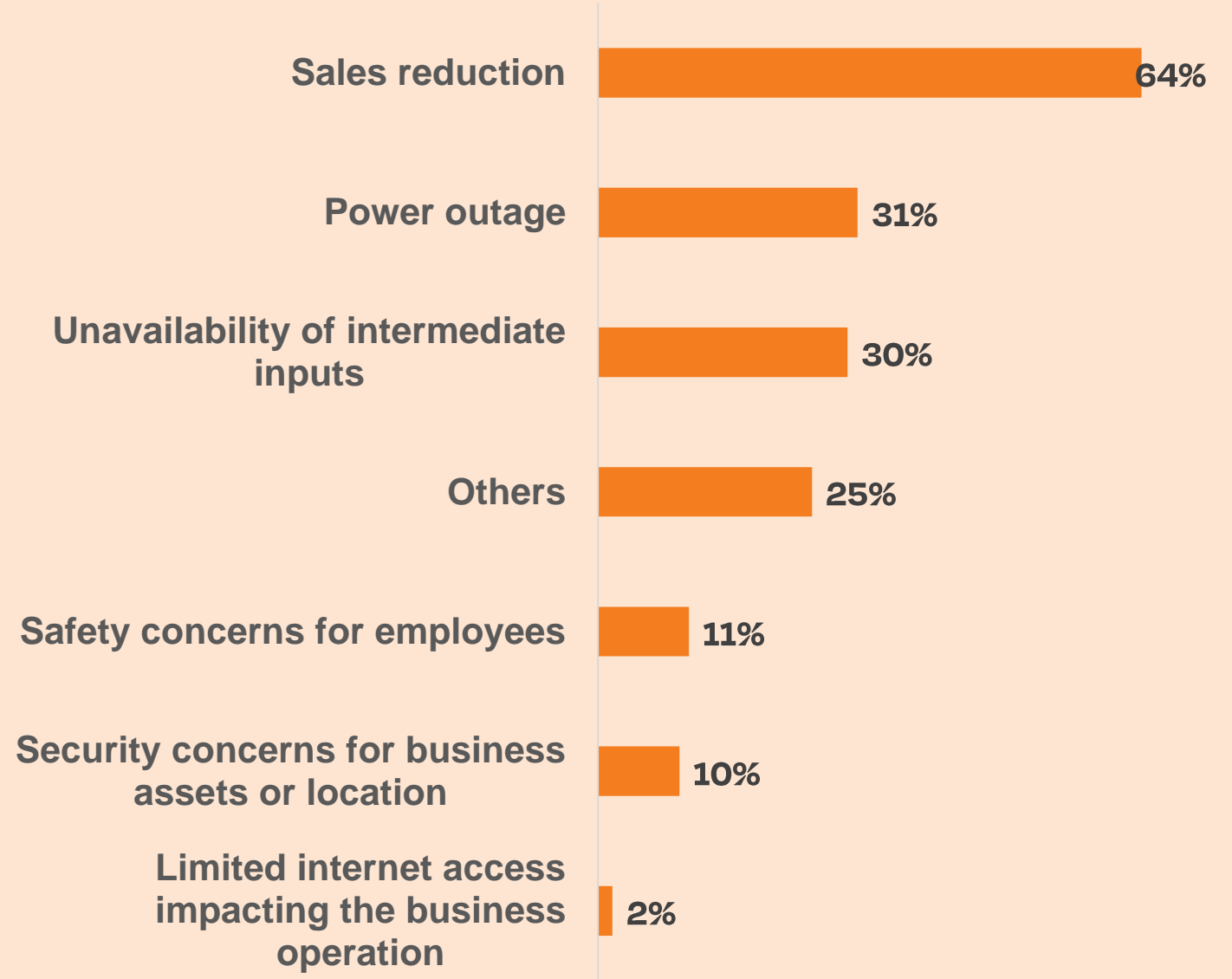
Note: Firms were asked to report about the last completed month.

With a smaller share of firms operating at full capacity, June 2022 also saw a decline in the average operating capacity of all firms

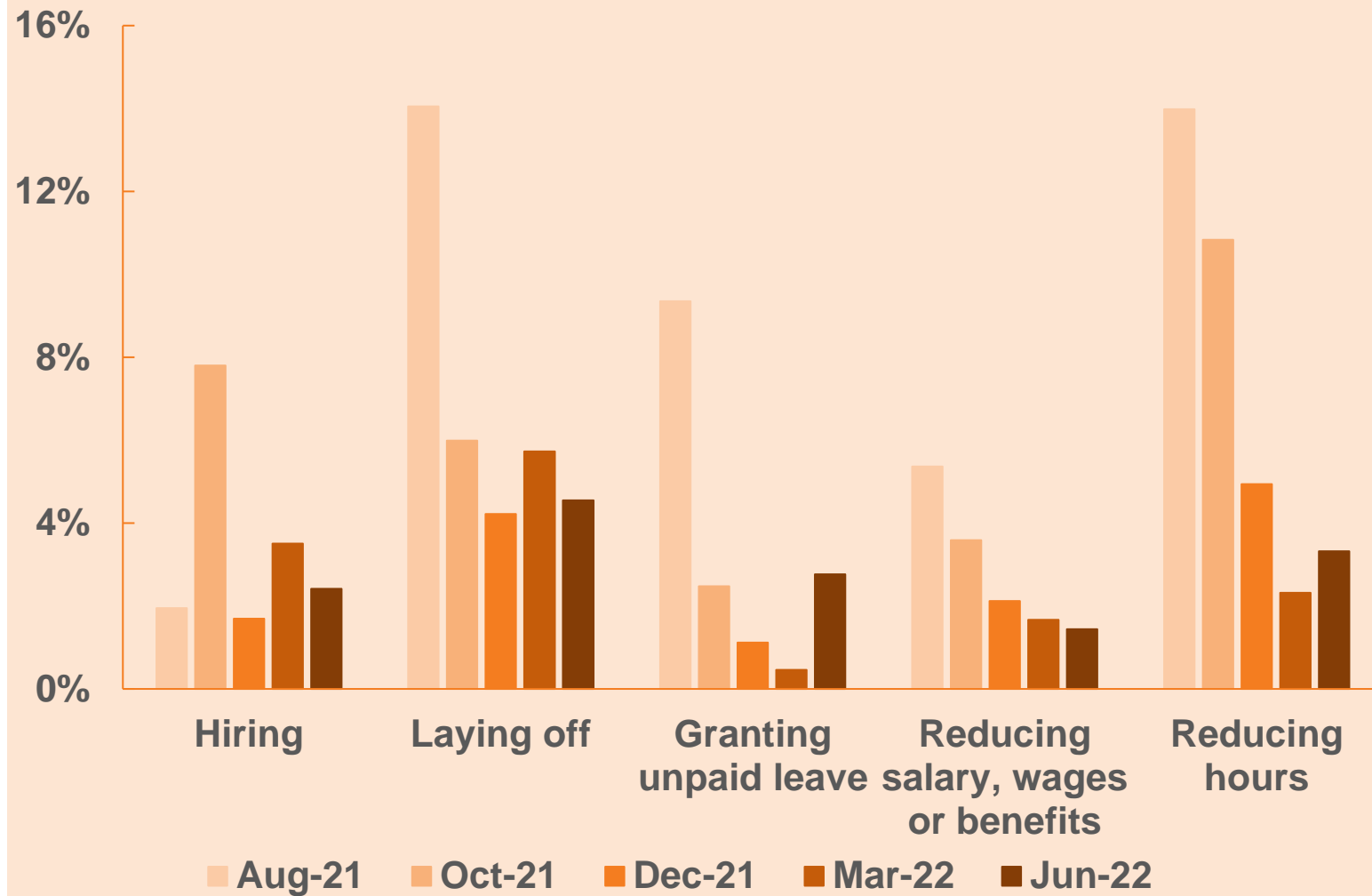


Note: Firms were asked to report about the last completed month.

**Reductions in sales
remained the
greatest challenge
among firms not
being able to operate
at their full capacity**

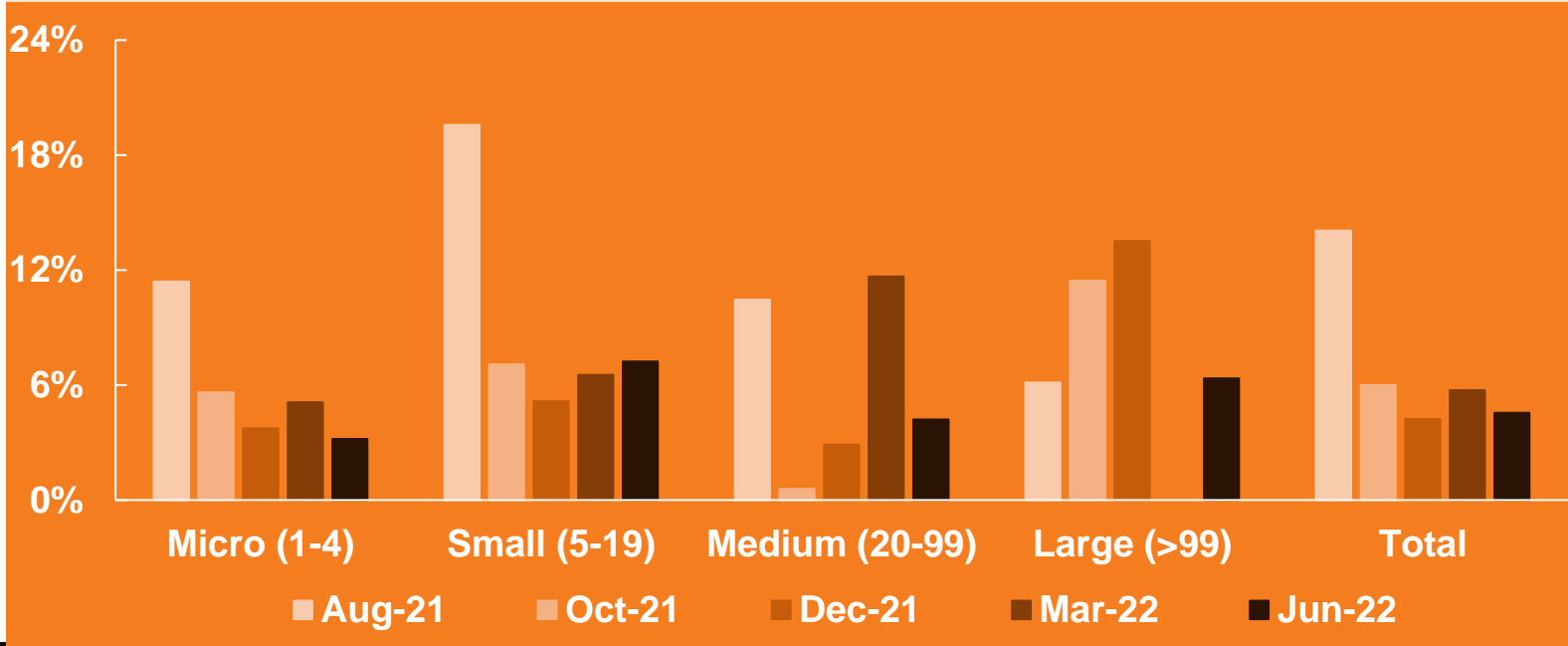
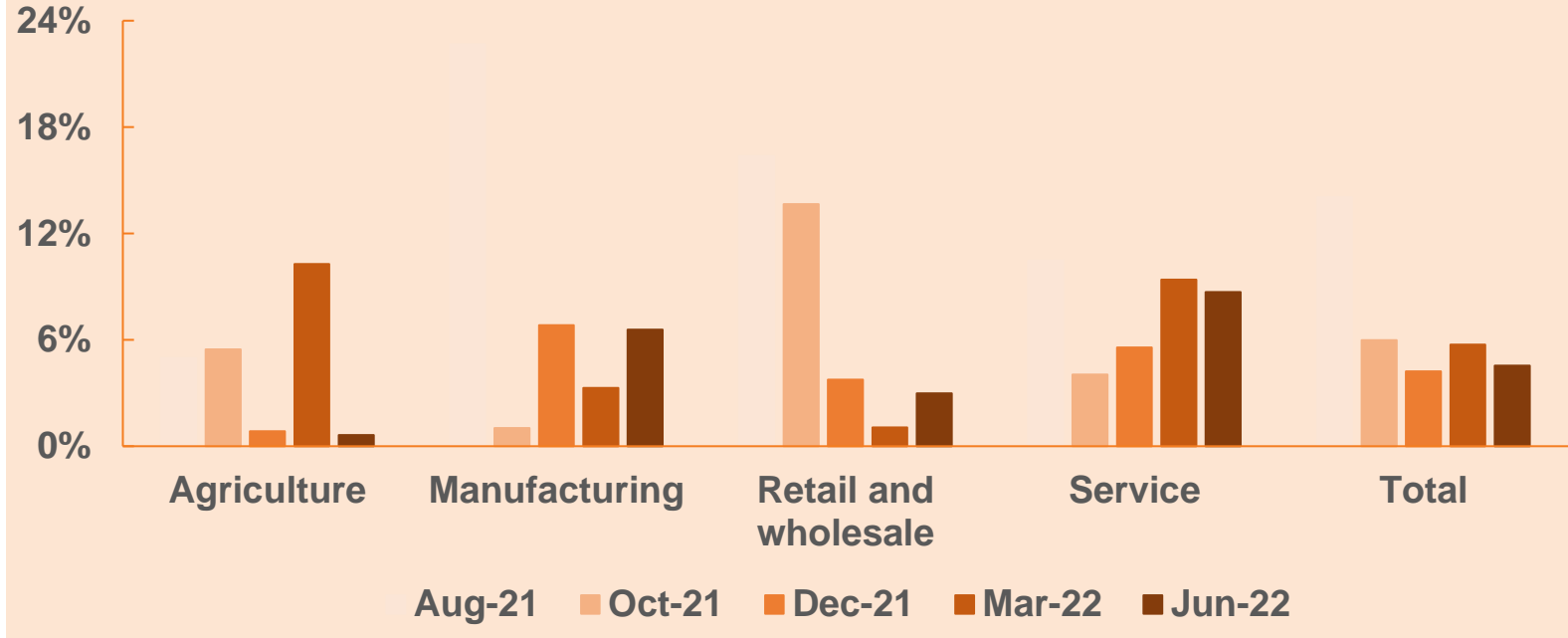


In June 2022, labor market conditions remained stable



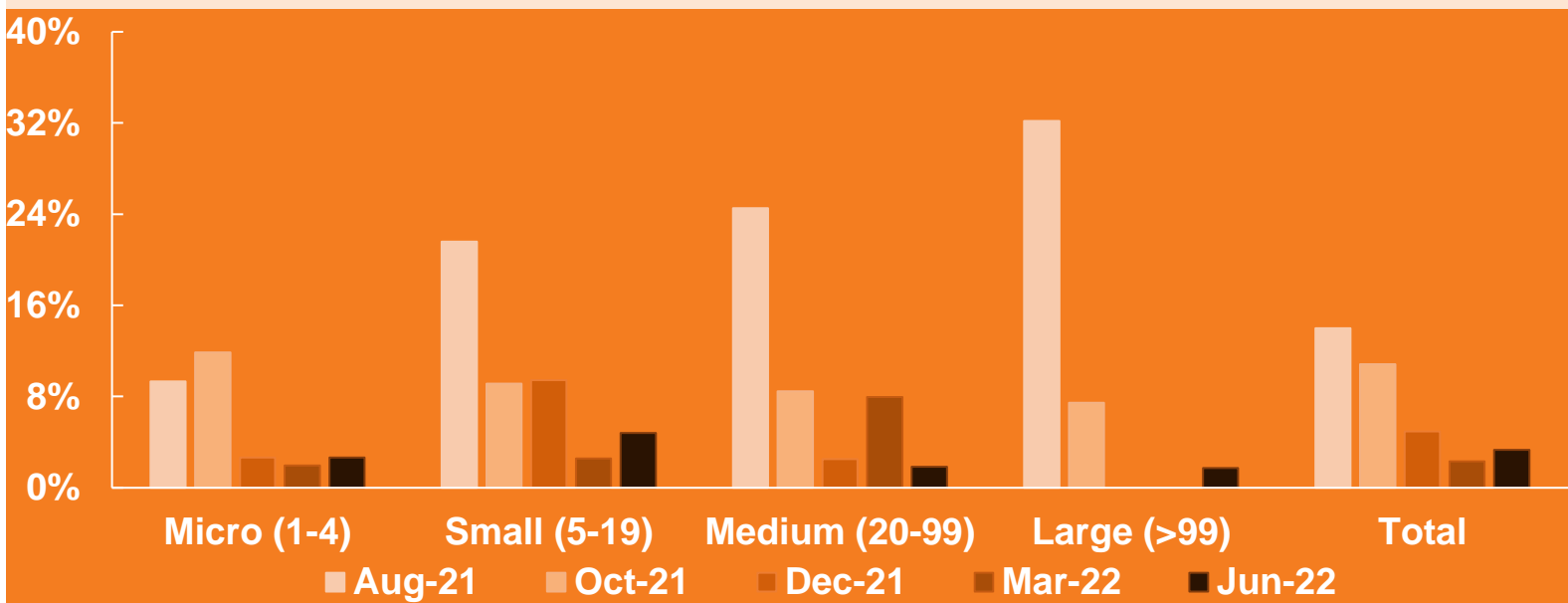
Note: Firms were asked to report about the last completed month.

Despite an overall decline in lay offs, there were **sectoral** and **regional** differences in firm layoff activity



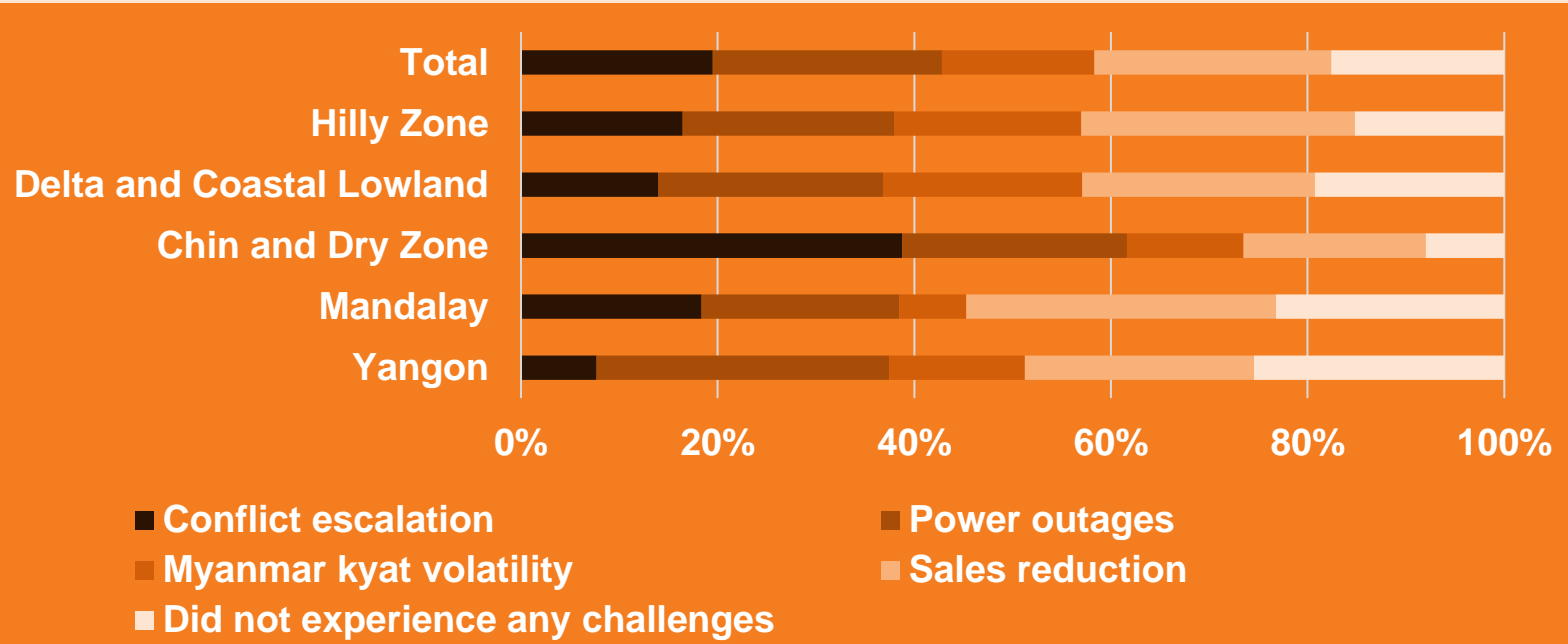
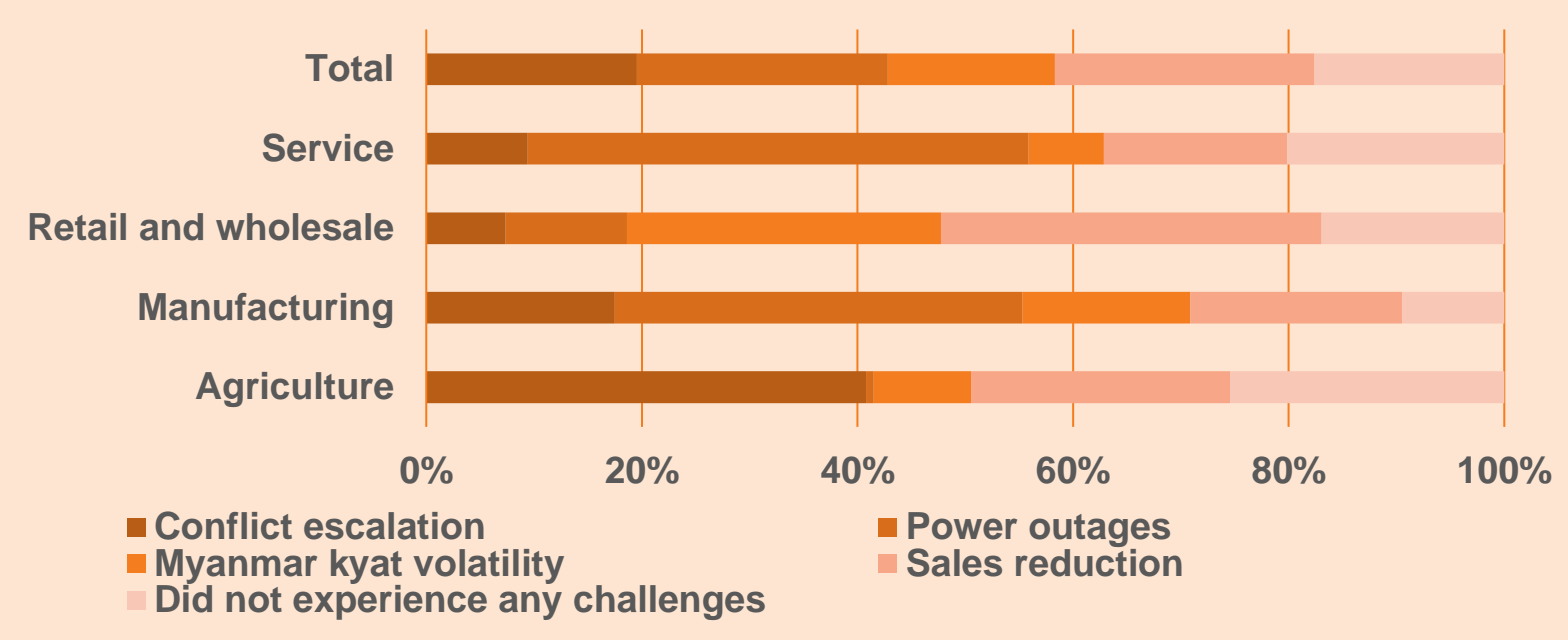
Note: Firms were asked to report about the last completed month.

Smaller firms and those in the manufacturing and retail sectors drove a slight increase in reducing labor hours



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

Conflict escalation is the biggest operational challenge for agricultural firms and those in Chin and Dry Zone



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

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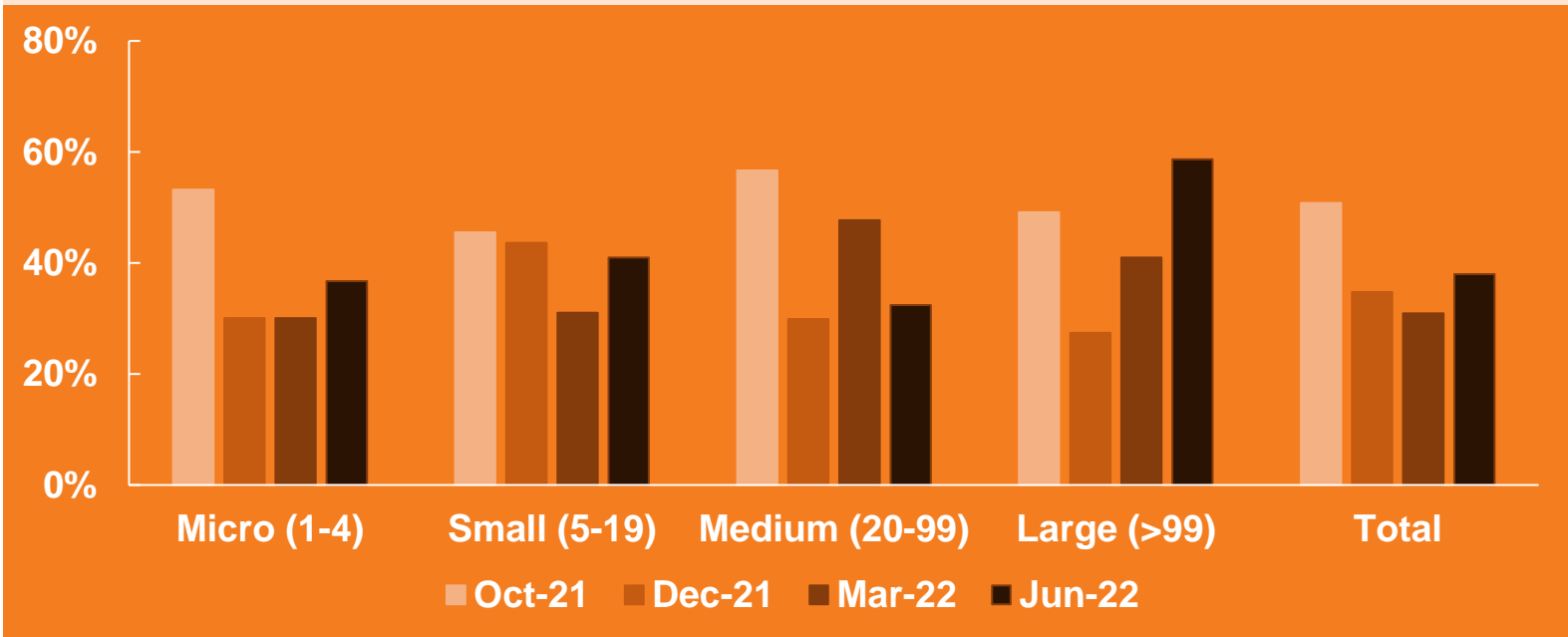
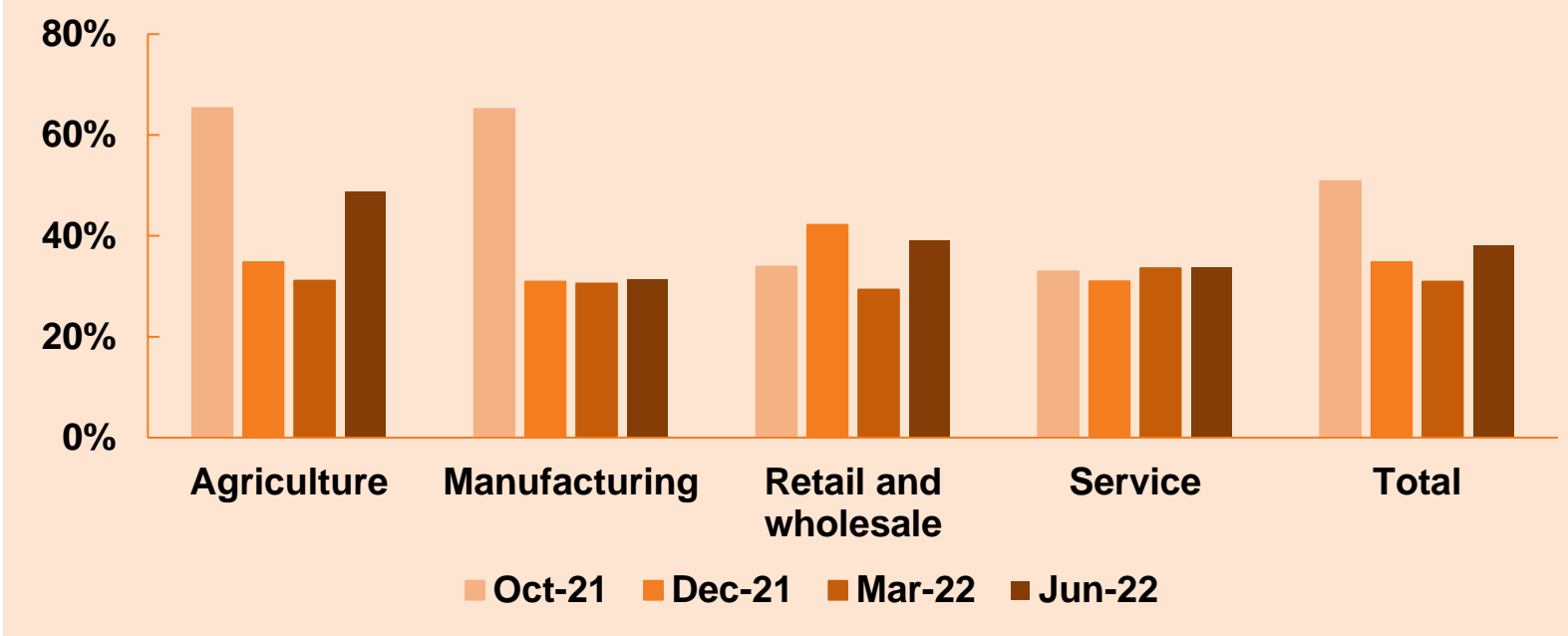
**BUSINESS
PERFORMANCE**

Reduction of sales, supply disruptions and cash flow shortages remained major reported challenges



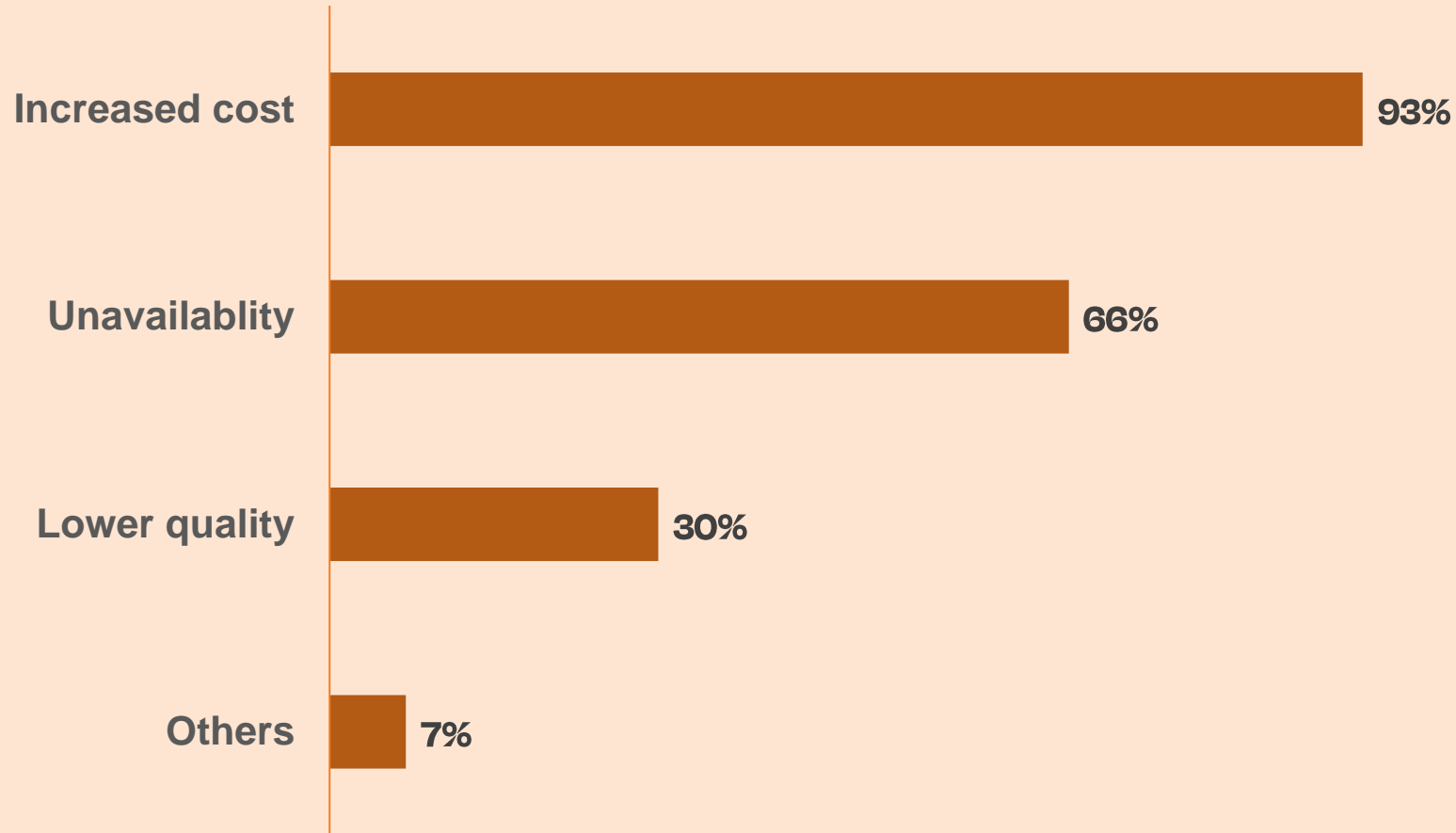
Note: Firms were asked to report about the last completed month

Disruptions in the supply of inputs remained a concern for firms' operations

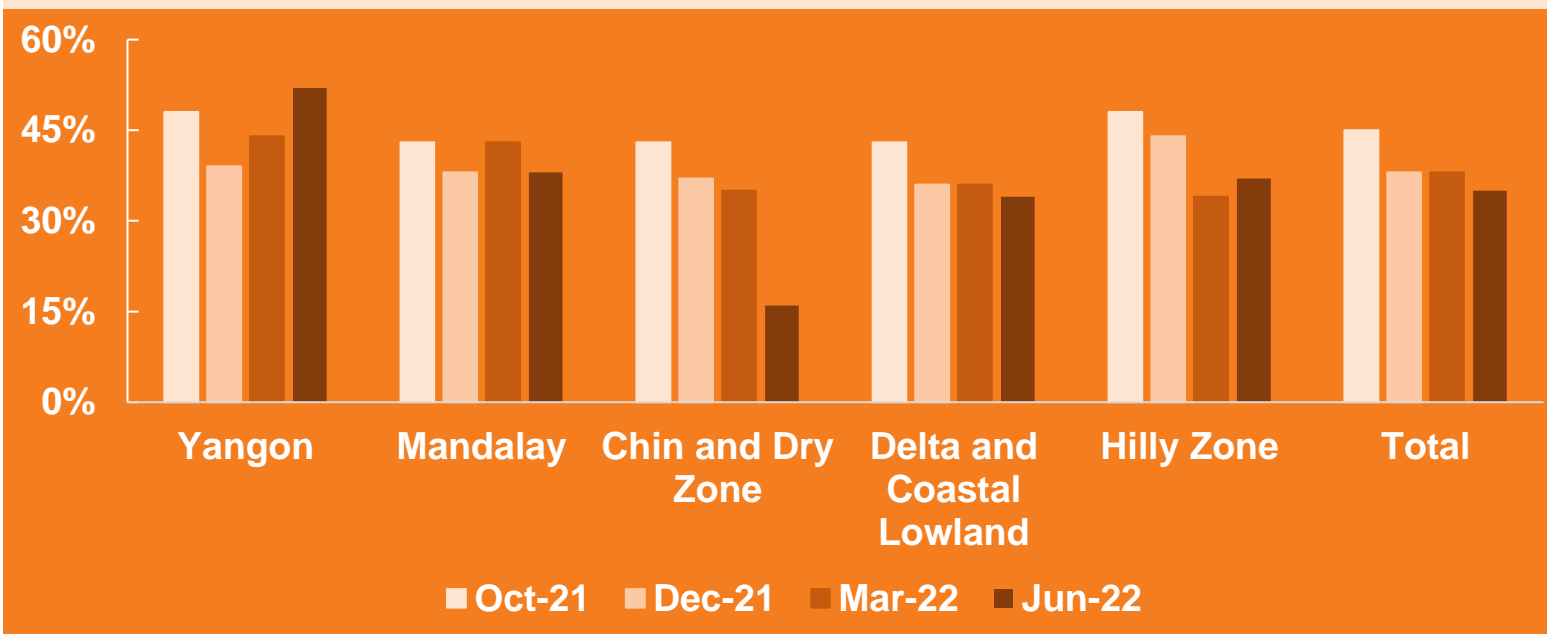
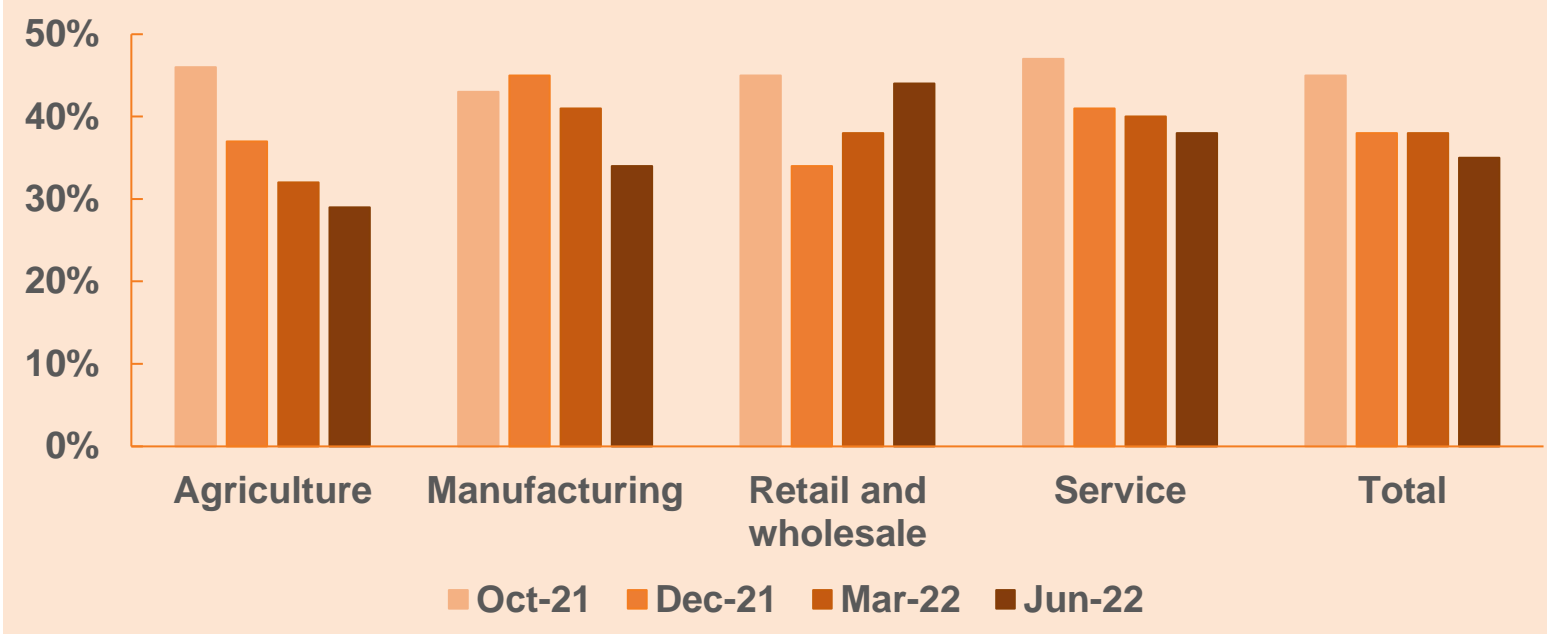


Note: Firms were asked to report challenges experienced in the last completed month.

Increased costs and the unavailability of inputs remained major reasons for firms experiencing supply disruptions

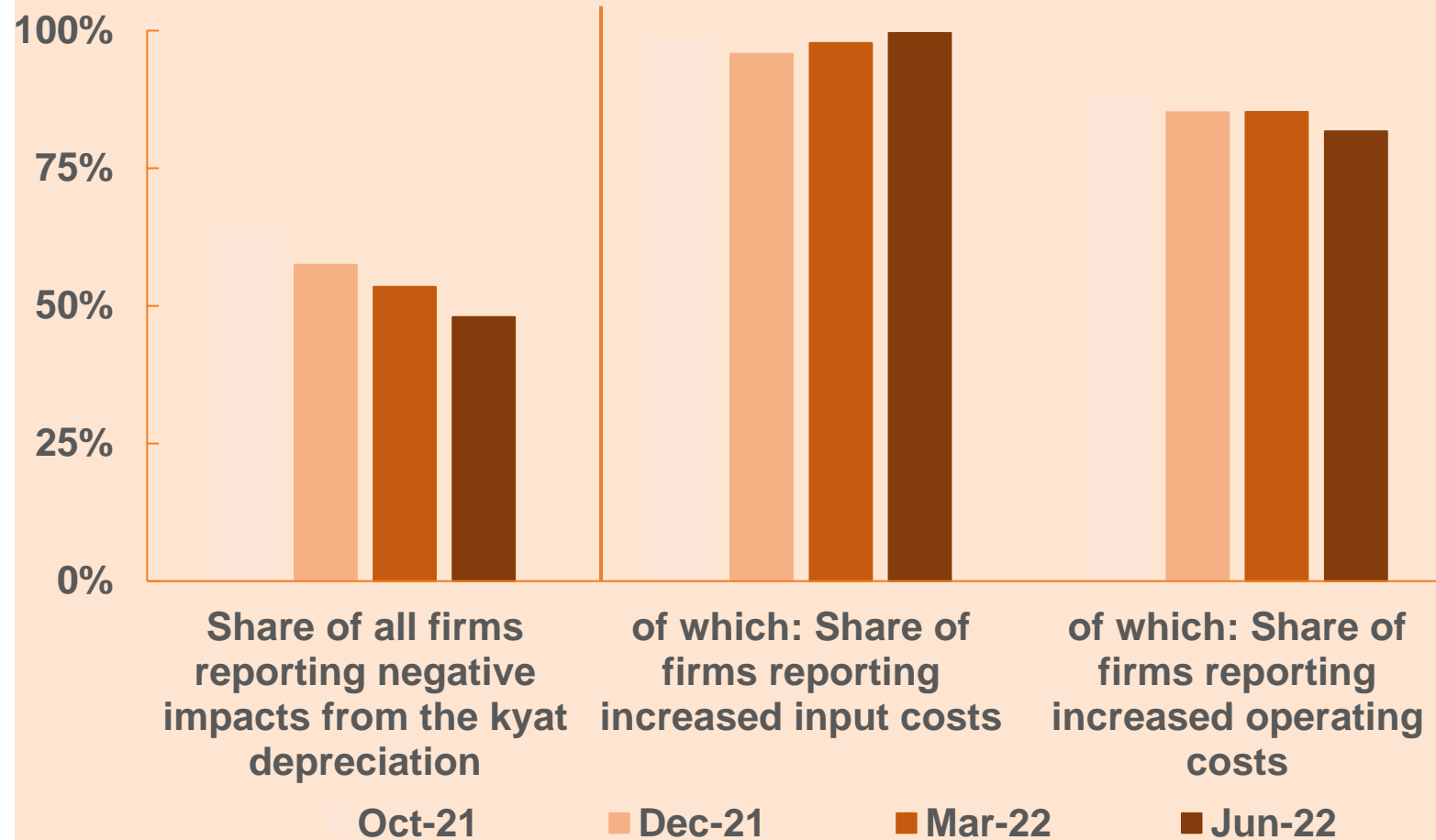


Compared to the past 3 months, intermediate materials or input prices increased by an average of 35%

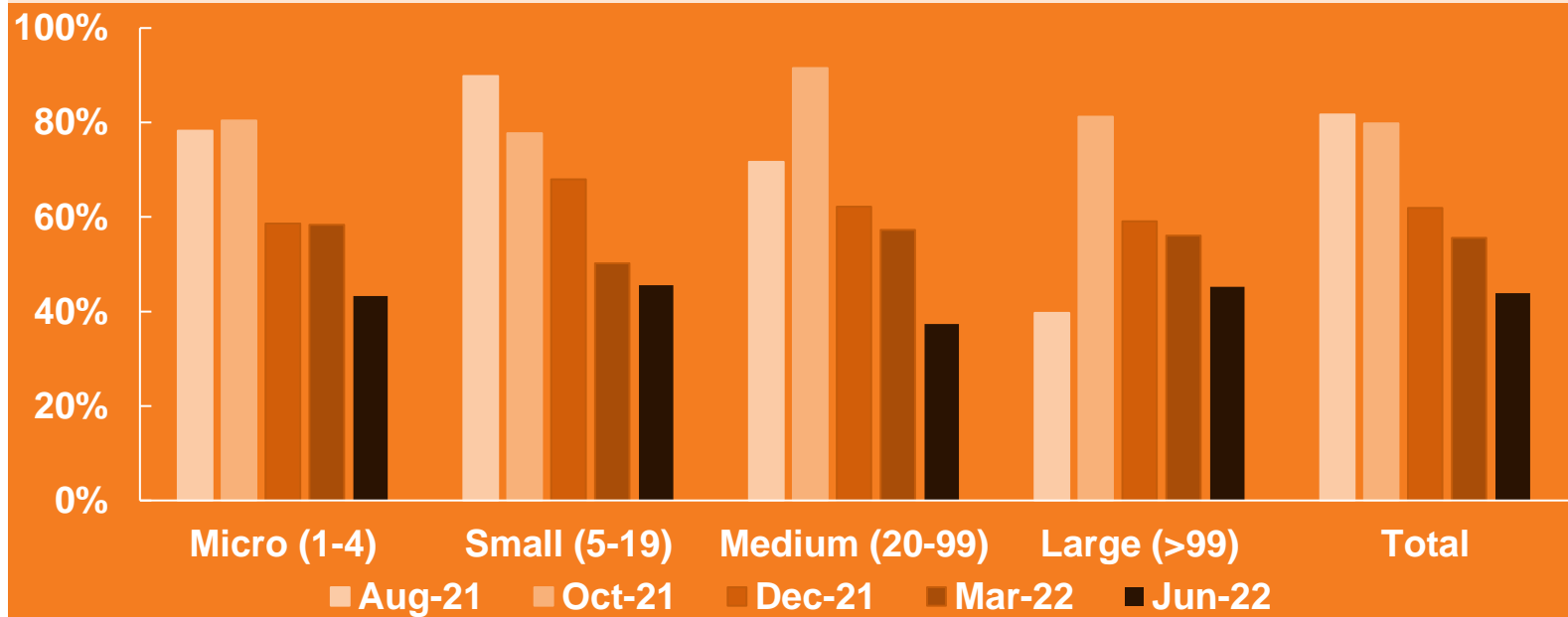


Note: Firms were asked to report about the last completed month.

The kyat depreciation against the US dollar remained a major operational and performance concern for the majority of firms

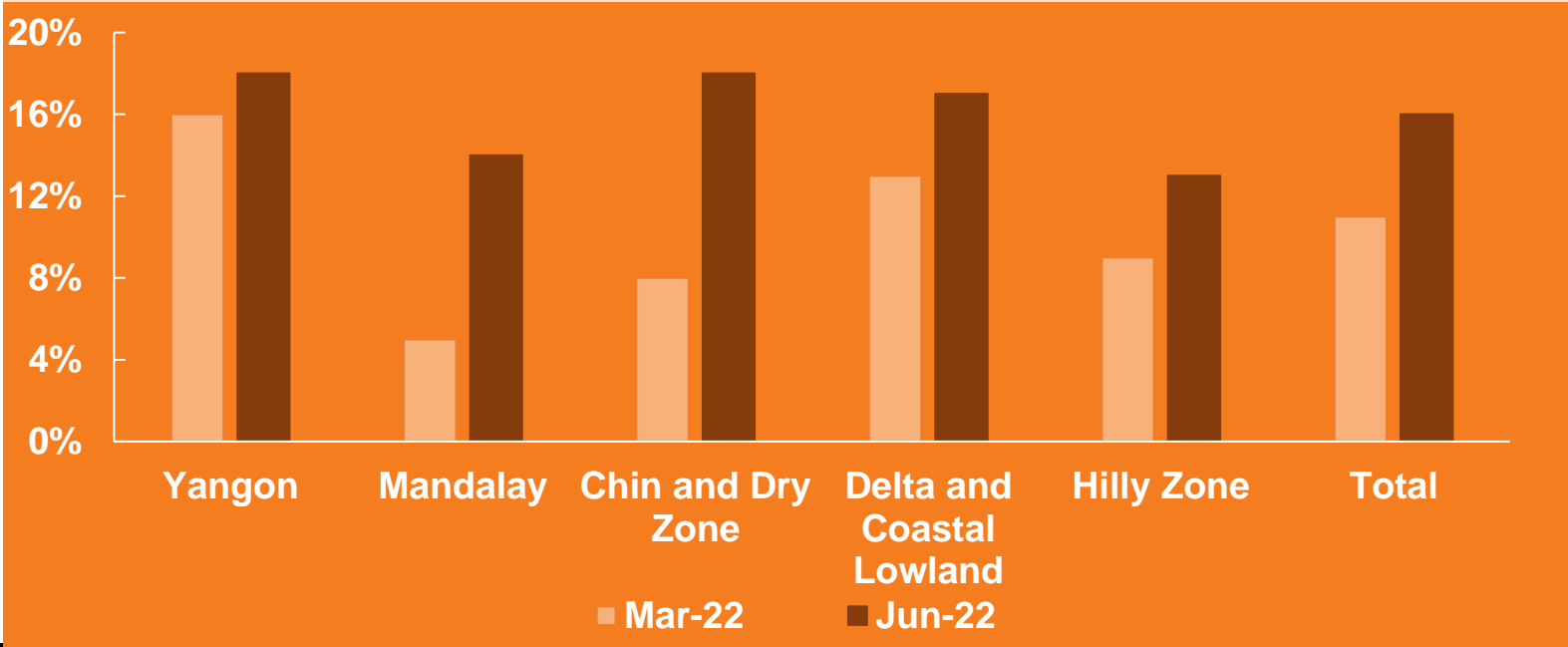


Sales significantly declined for firms compared to the same period last year



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

Firms increased prices by an average of 11% in the past 3 months



**The share of firms
increasing prices
attributed their
reasons to...**

87%

**an increase in supply,
intermediate and
input prices**

12%

**an increase in
operational costs**

**Across all firms,
compared to the same
period last year, there
was an average of...**

19%

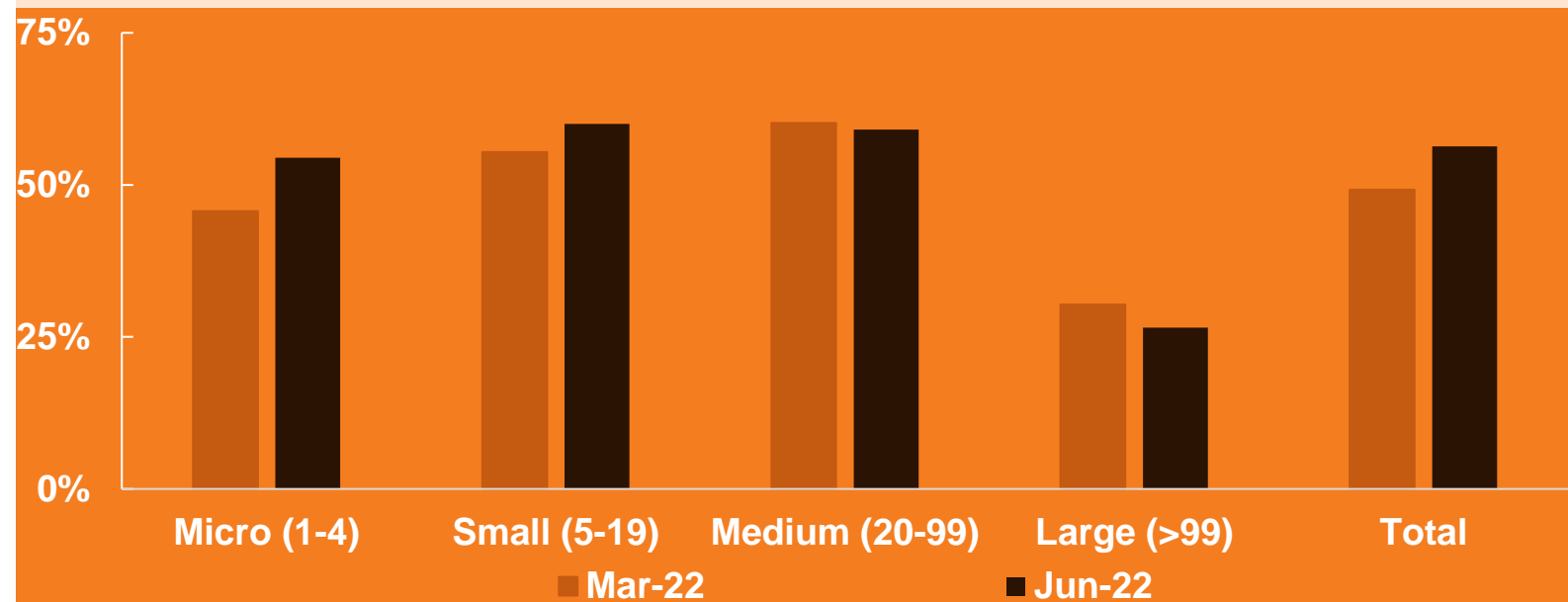
**sales
decline**

30%

**profit
decline**

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

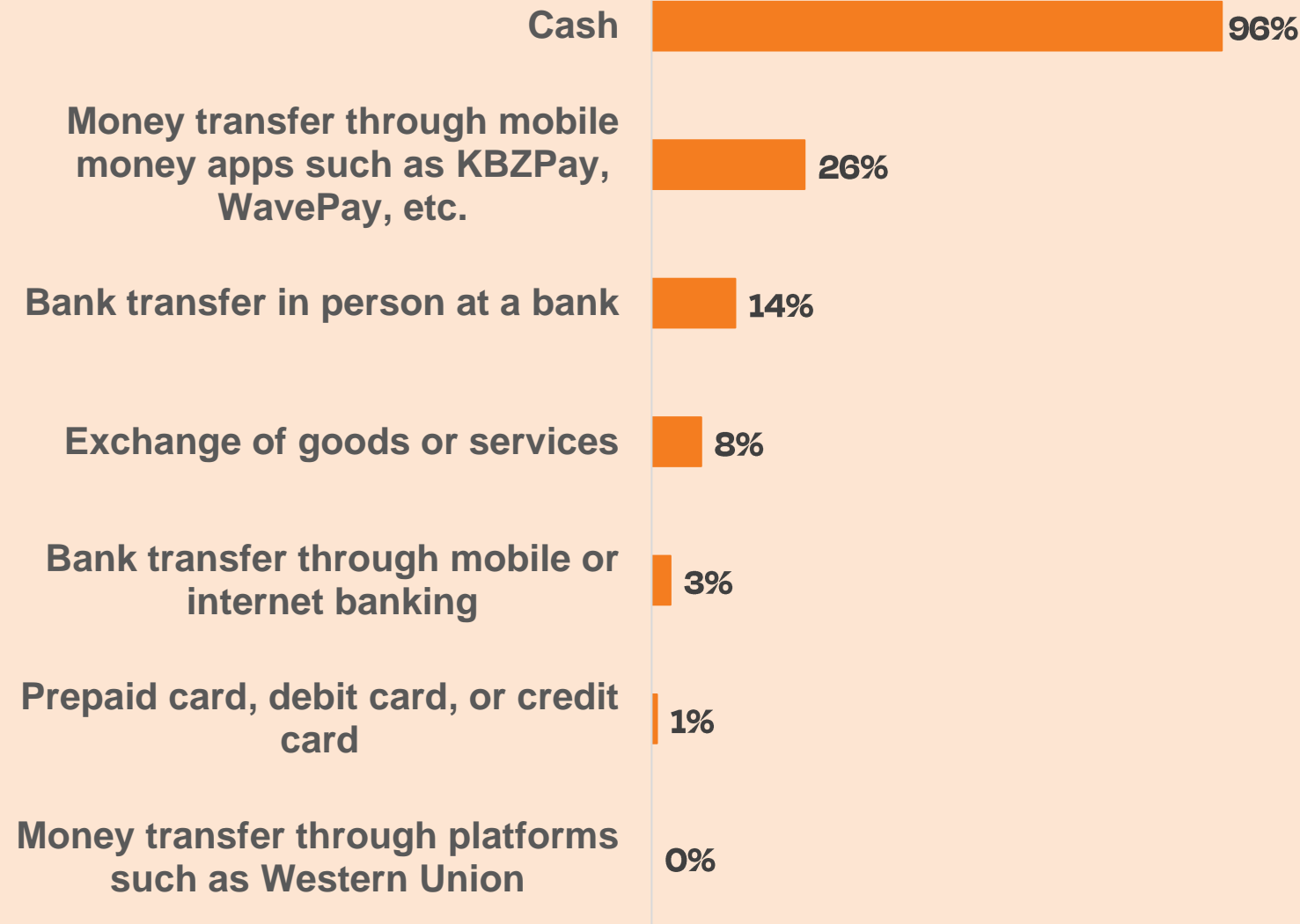
In June 2022, more than half of firms increased output prices in the past 3 months primarily driven by SMEs



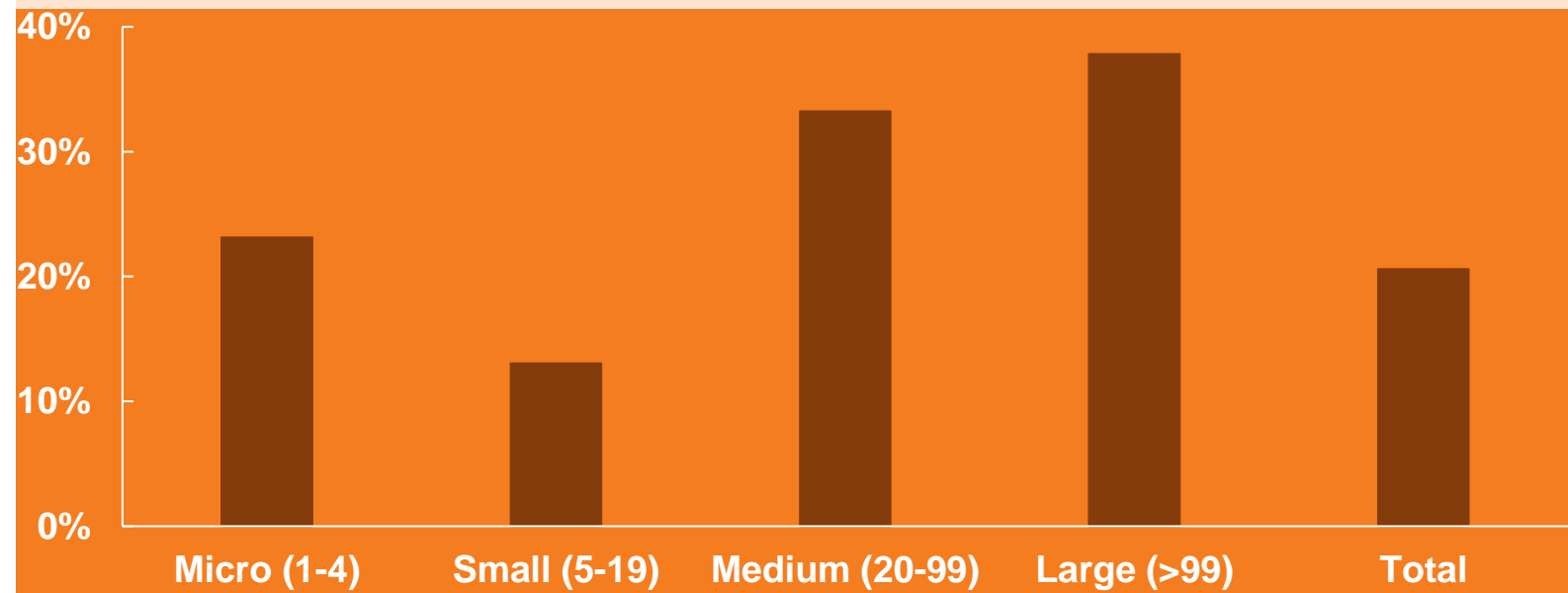
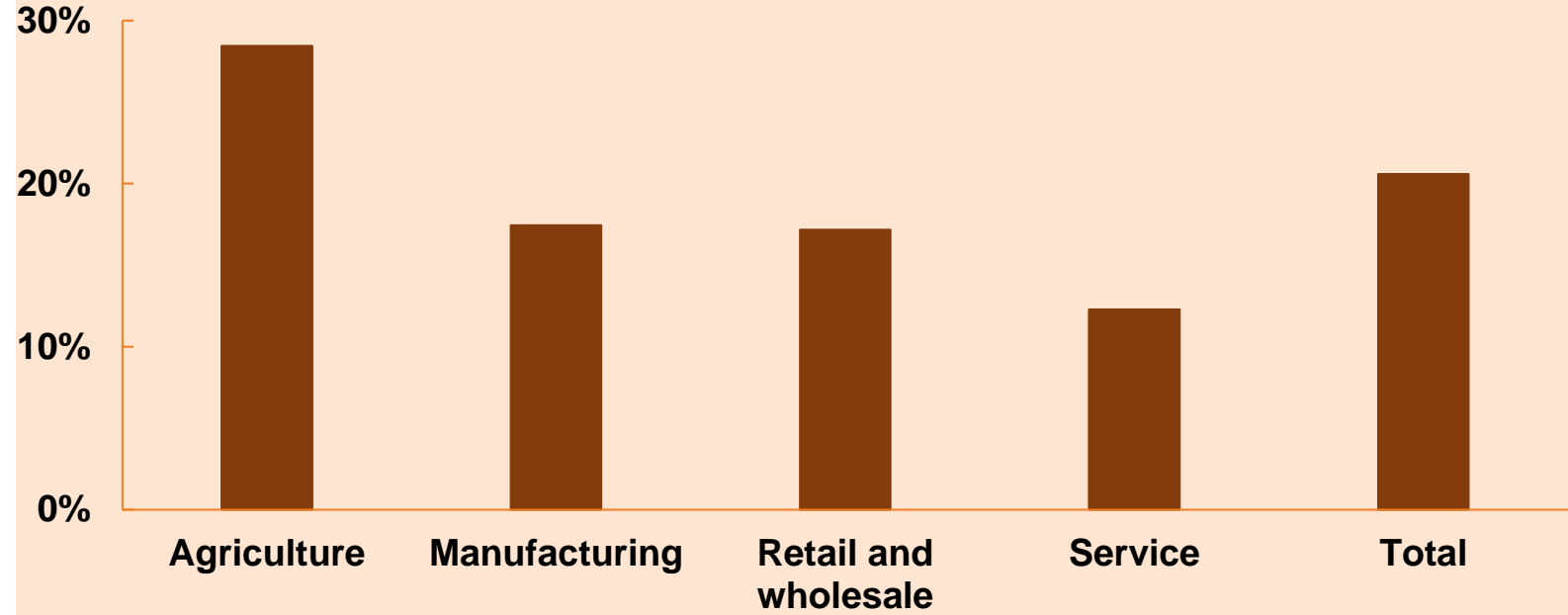
Use of digital sales methods remains limited for most firms



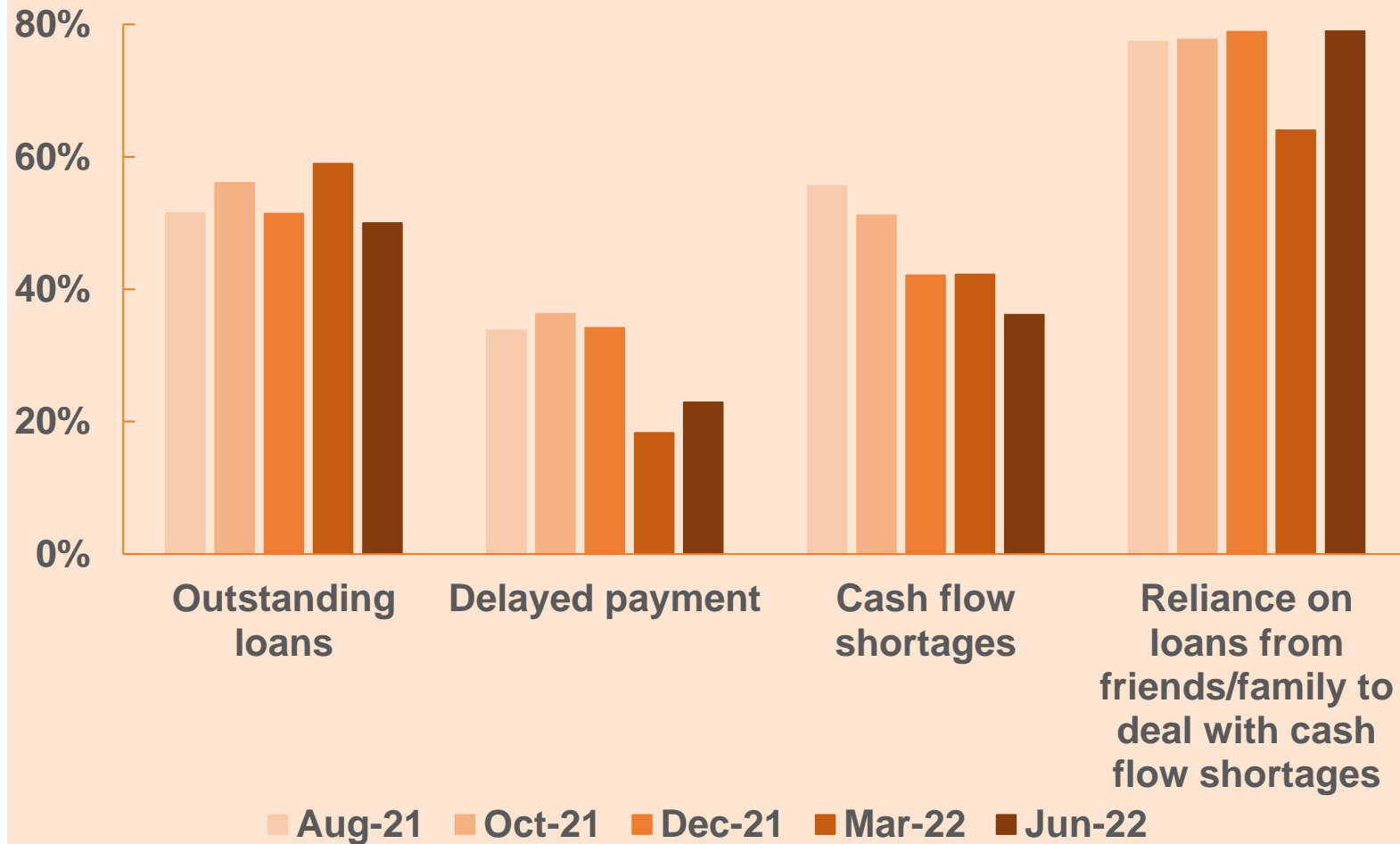
Use of digital payment methods also remain limited for most firms



Of the firms that have not yet increased prices, 7% plan to increase prices in the next 3 months



Financial impacts on the current business climate remained



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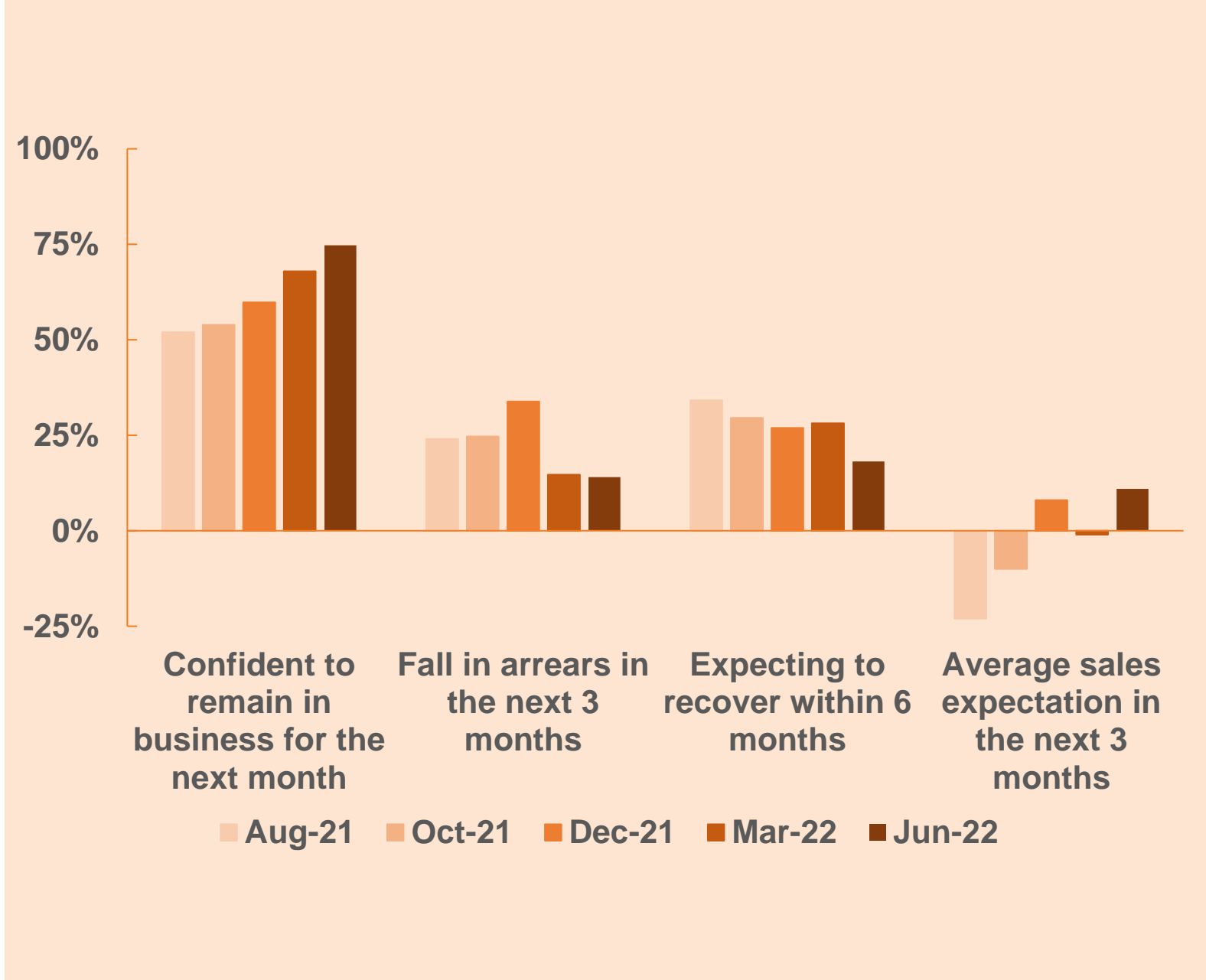
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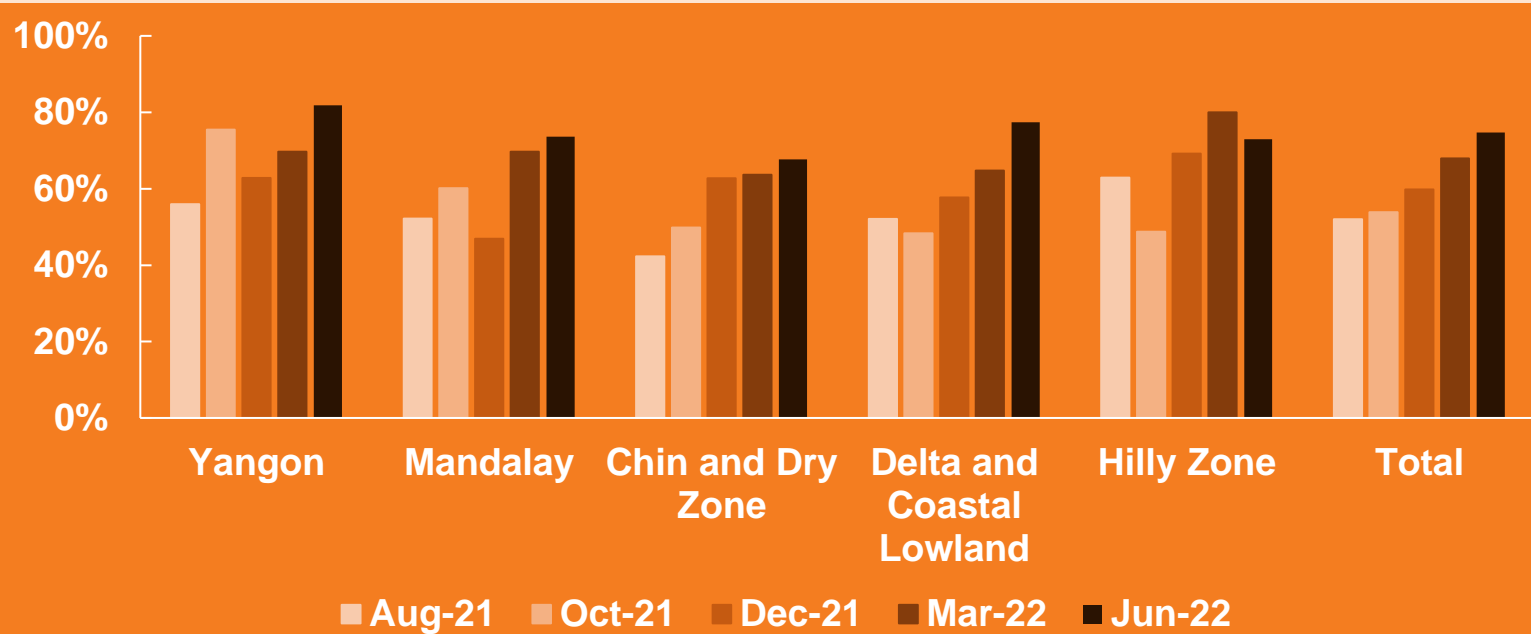
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**BUSINESS
EXPECTATIONS**

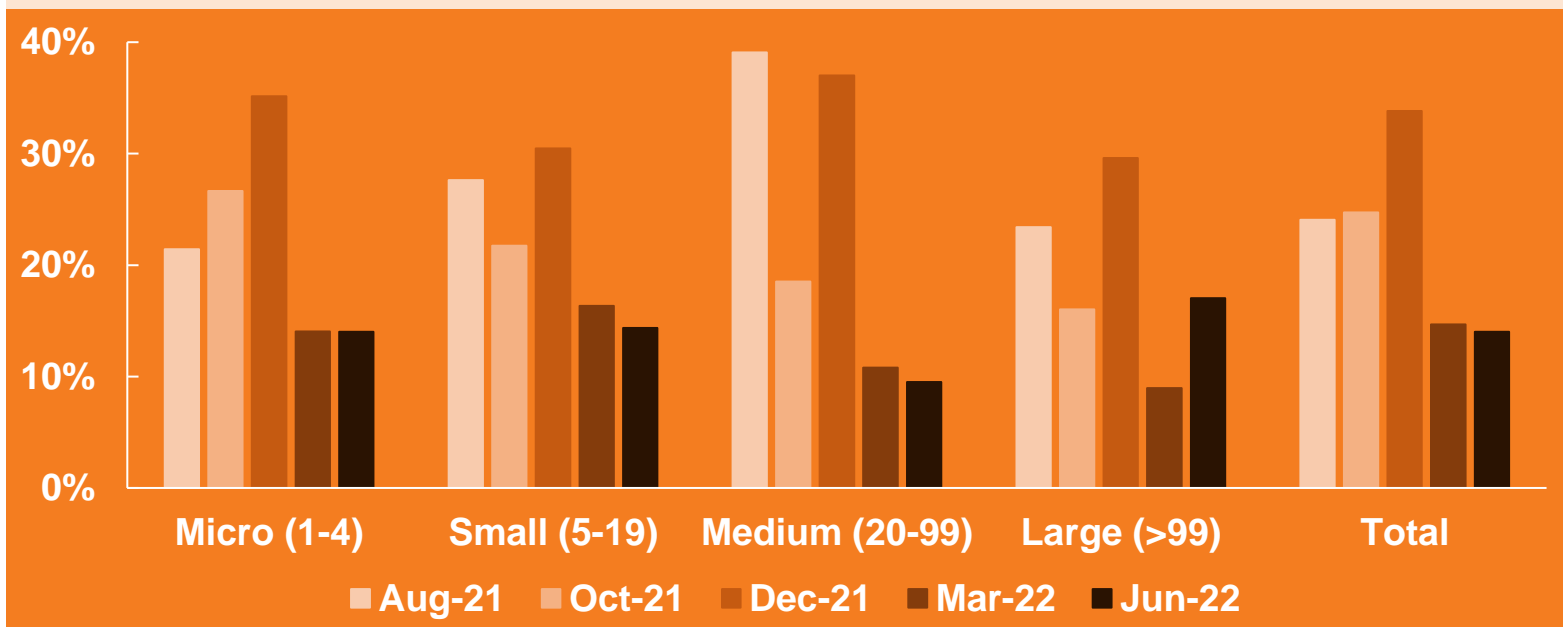
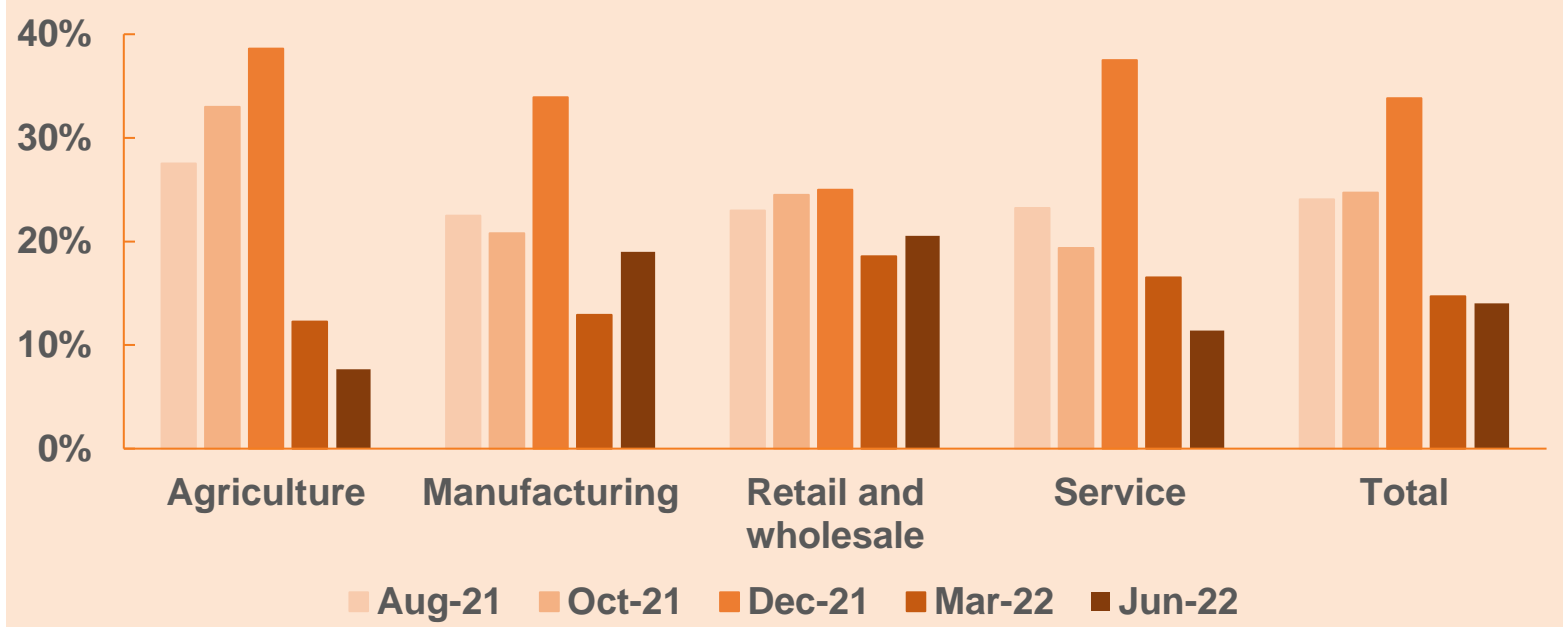
Business expectations continued to improve in June 2022, but uncertainty remains



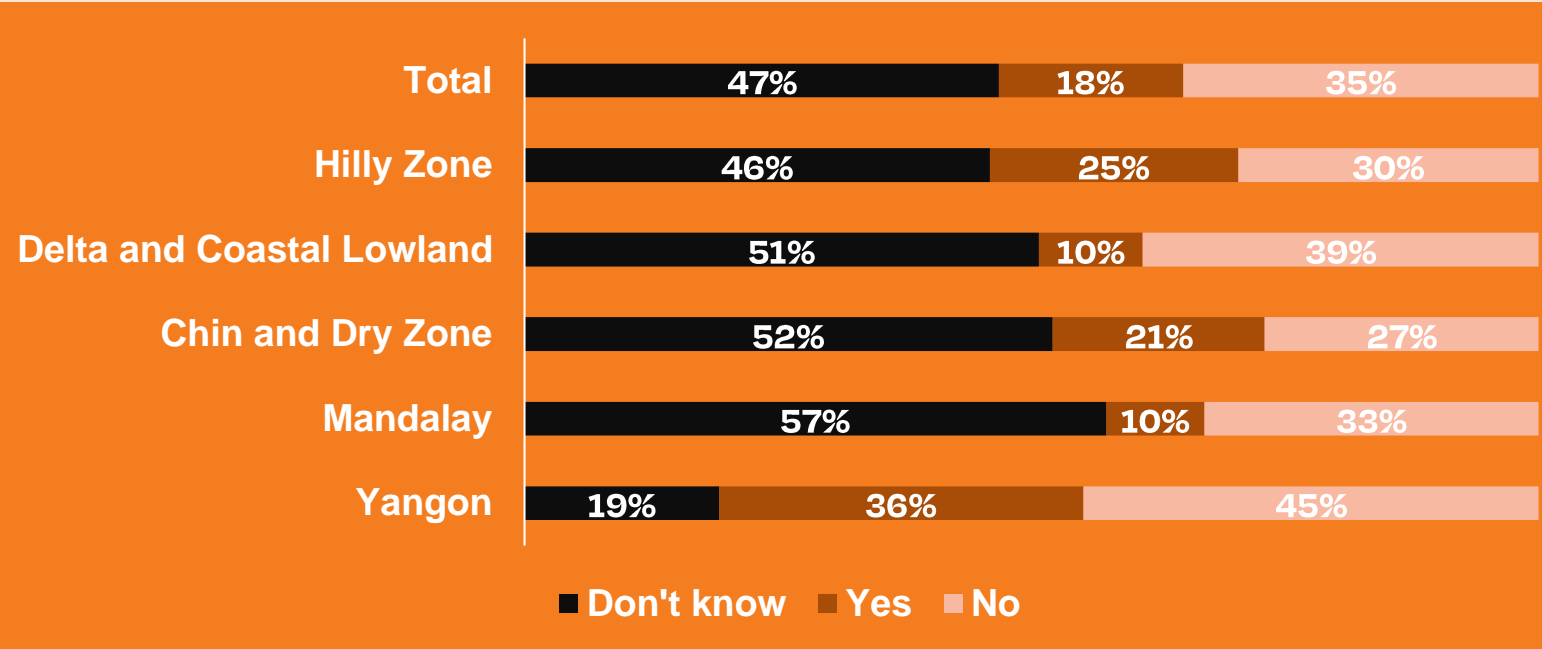
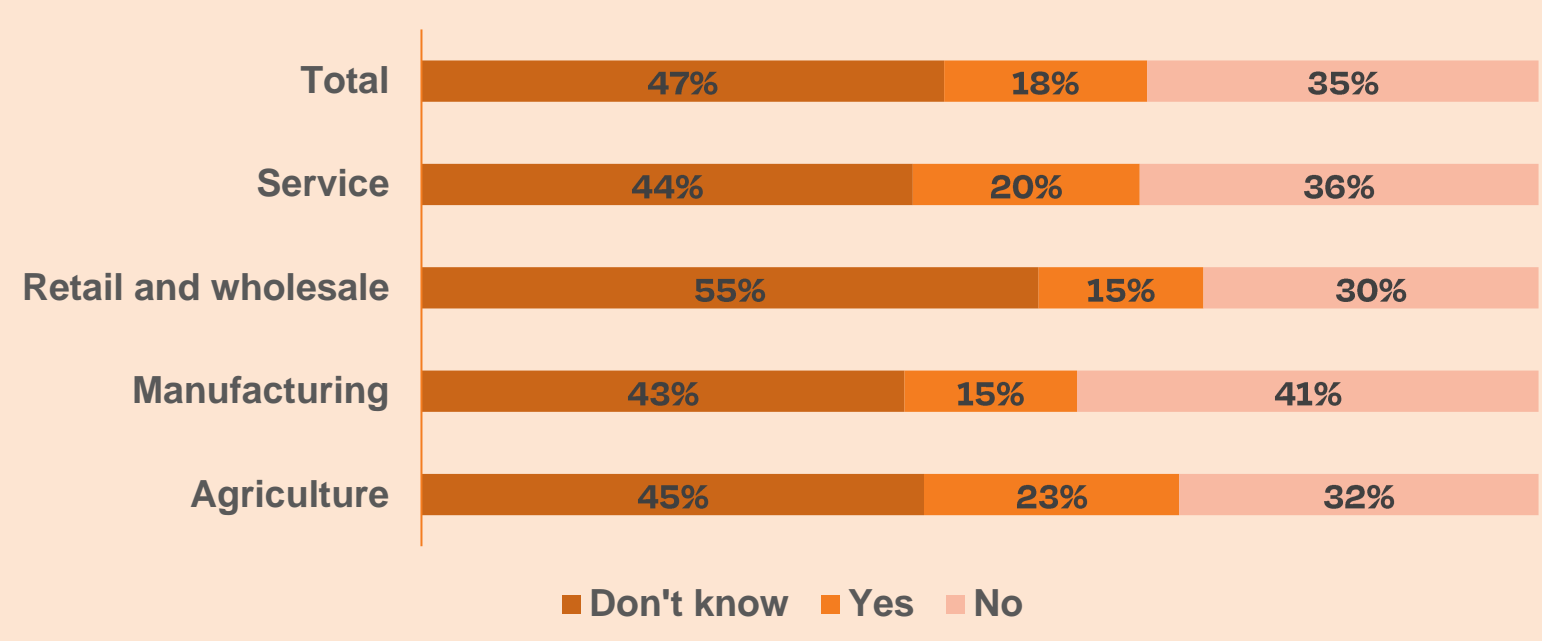
The share of firms expressing confidence to remain open over the next month continued to increase



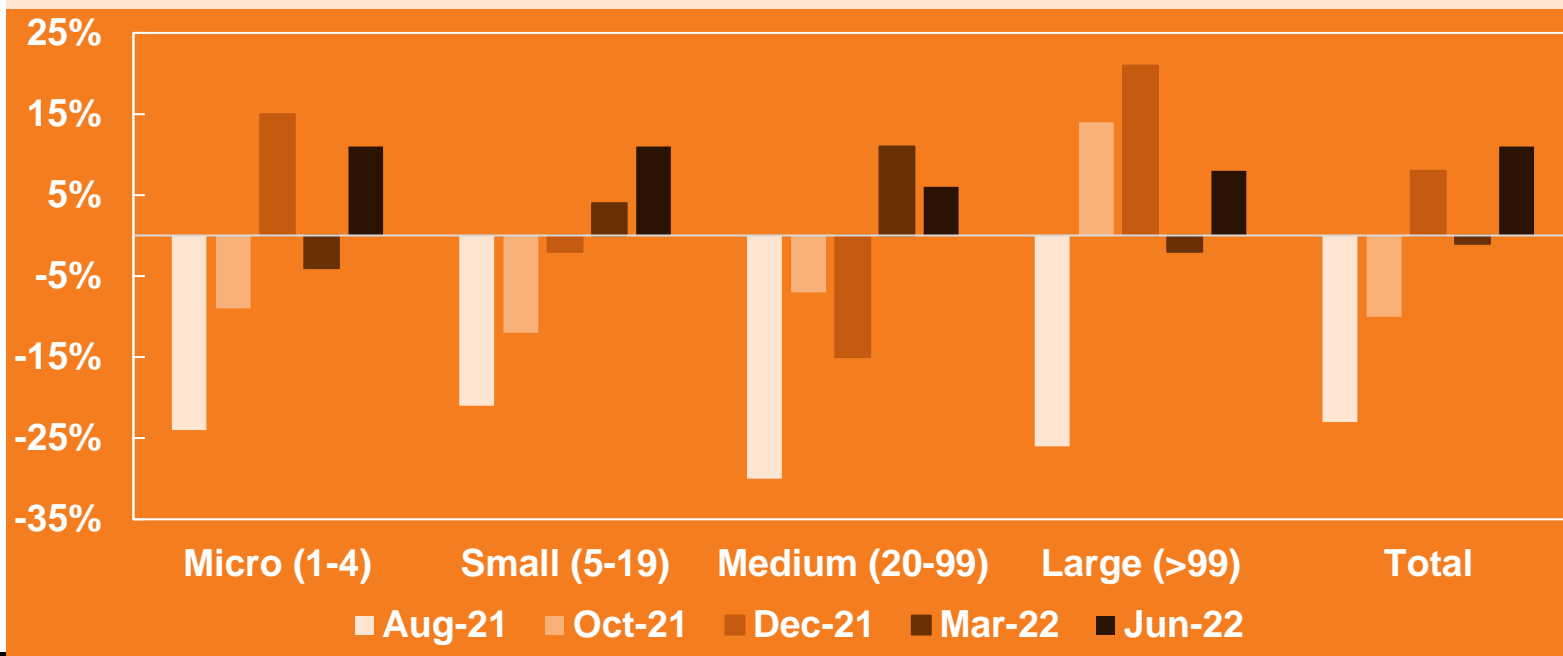
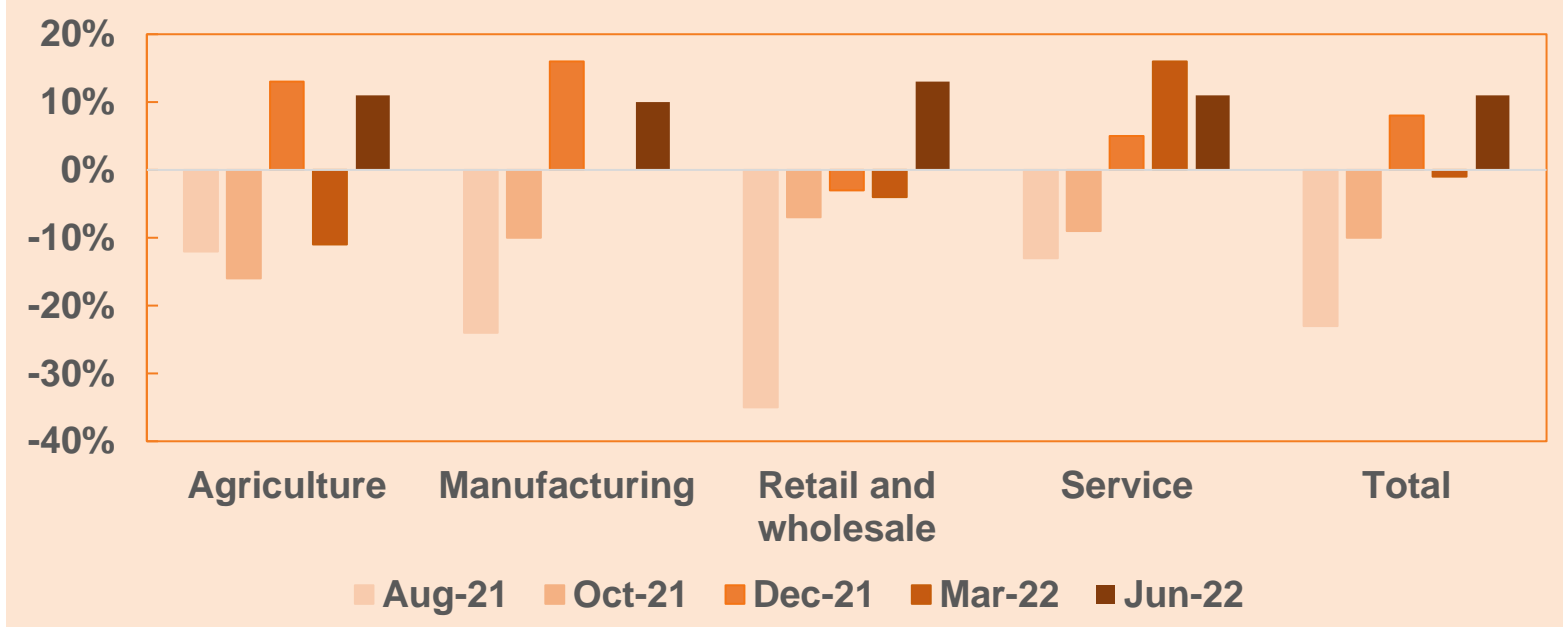
And fewer firms expected to **fall into arrears** over the next three months



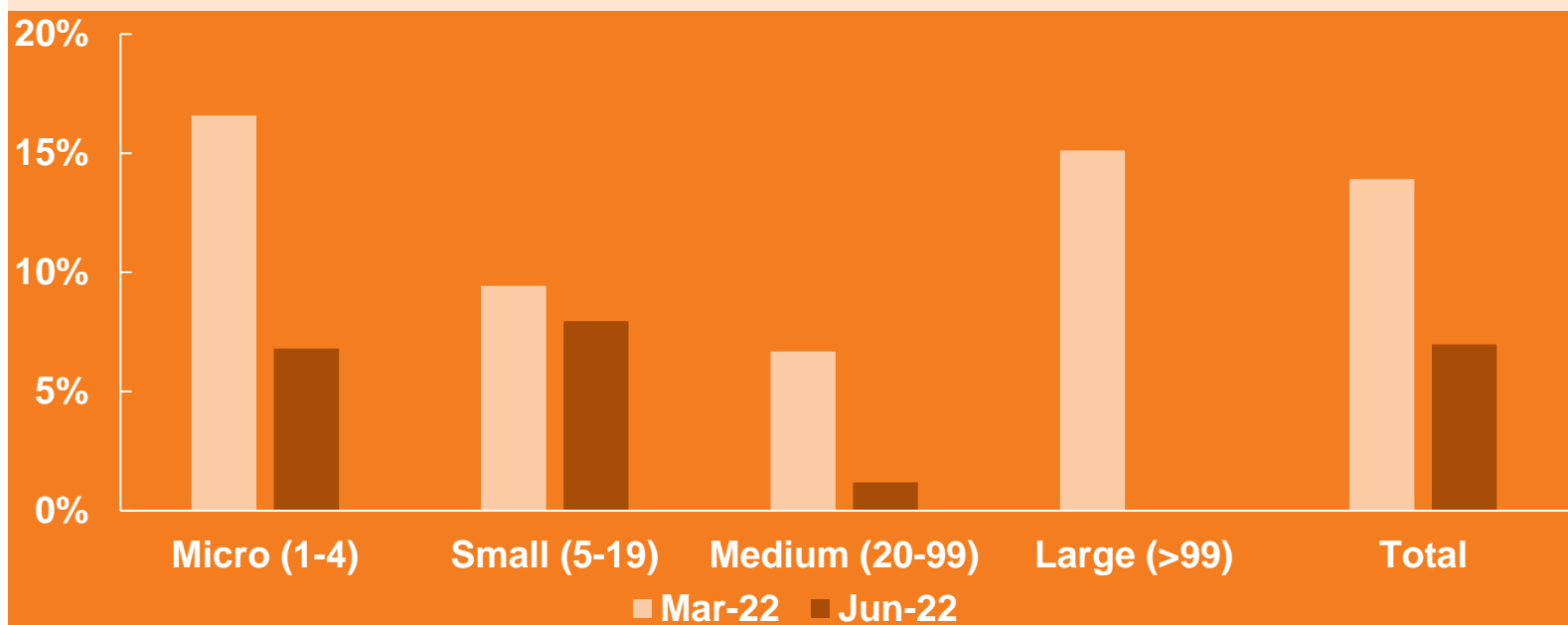
The share of firms expecting to recover to pre- February 2021 levels in the next six months remained low with almost half of the firms not knowing if they could recover



On average, sales were expected to increase by 11% in the next 3 months than the same period last year



Only 7% of firms
plan to invest and
expand their
businesses in 2022



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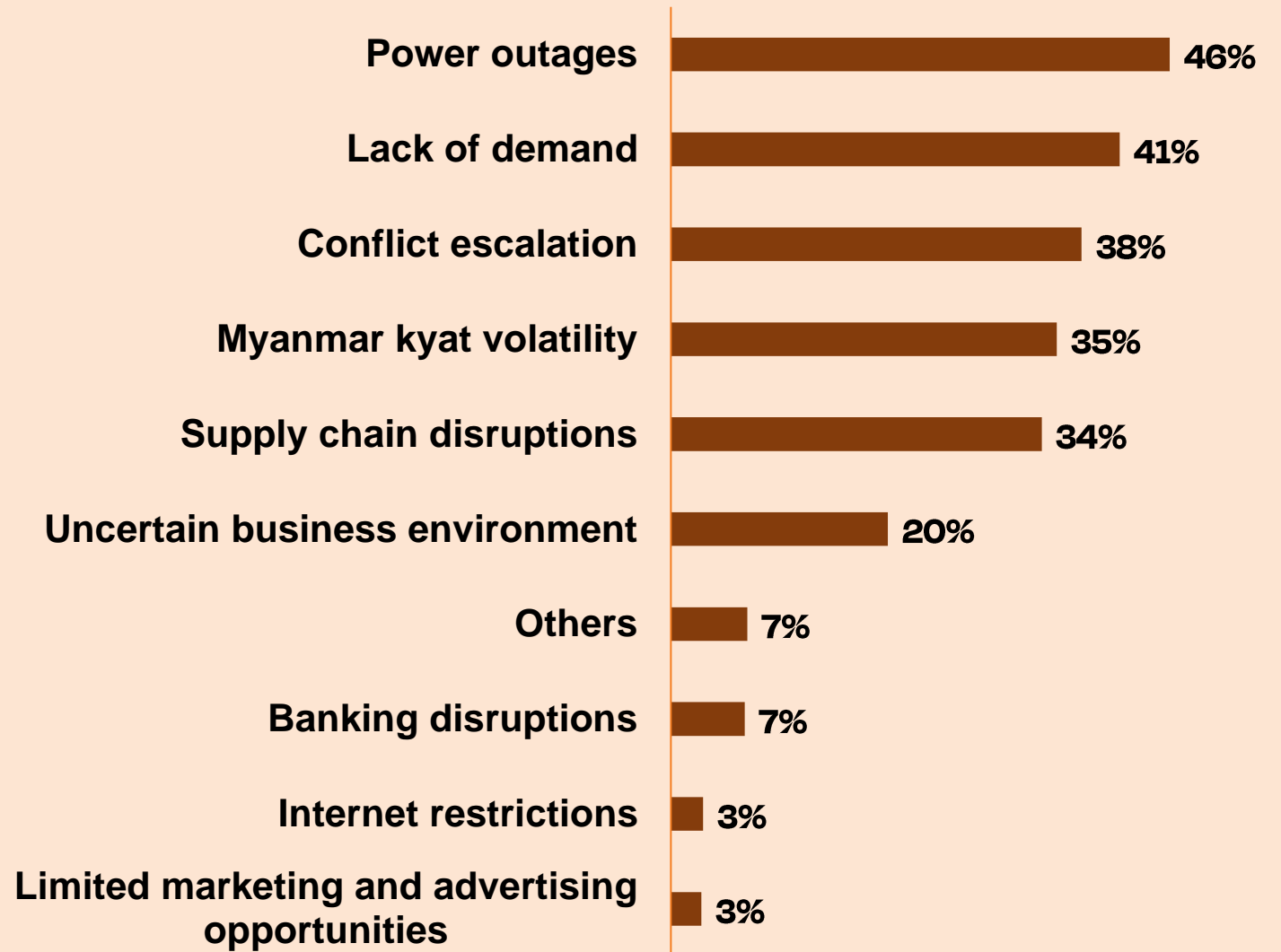
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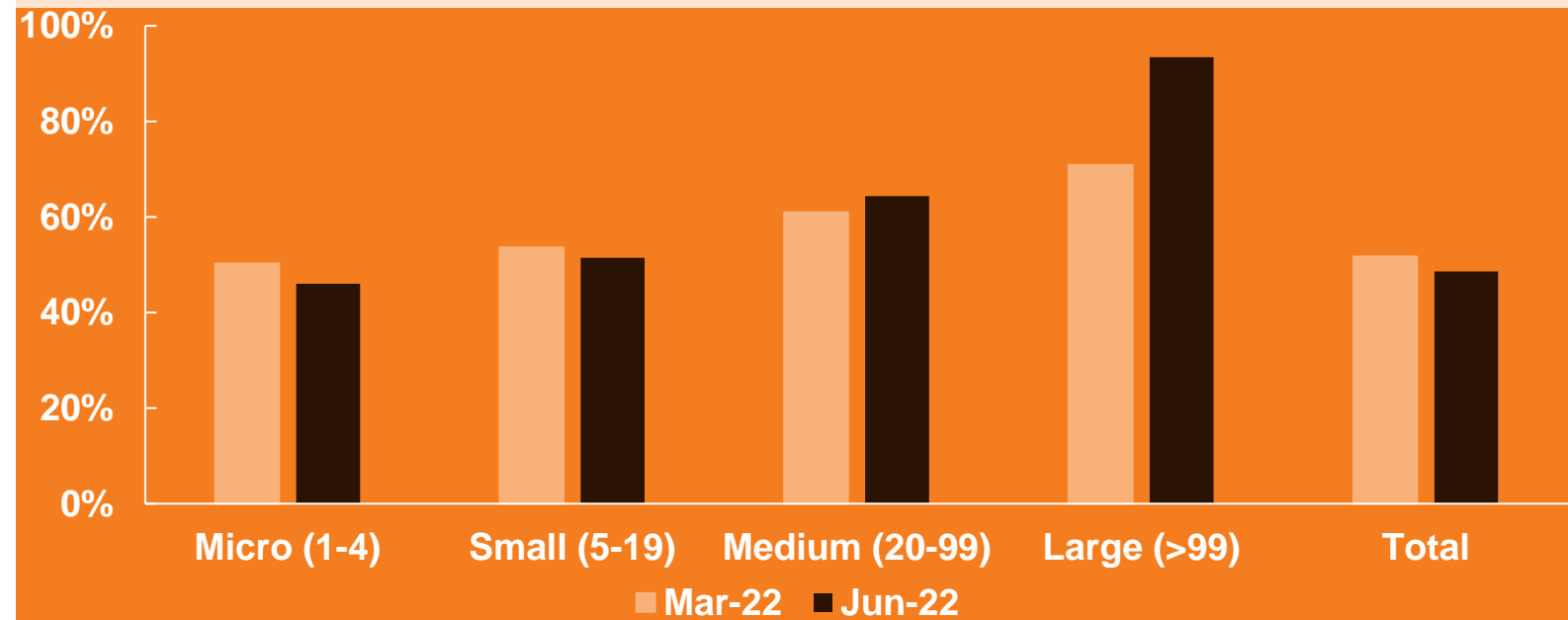
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**POWER
OUTAGES**

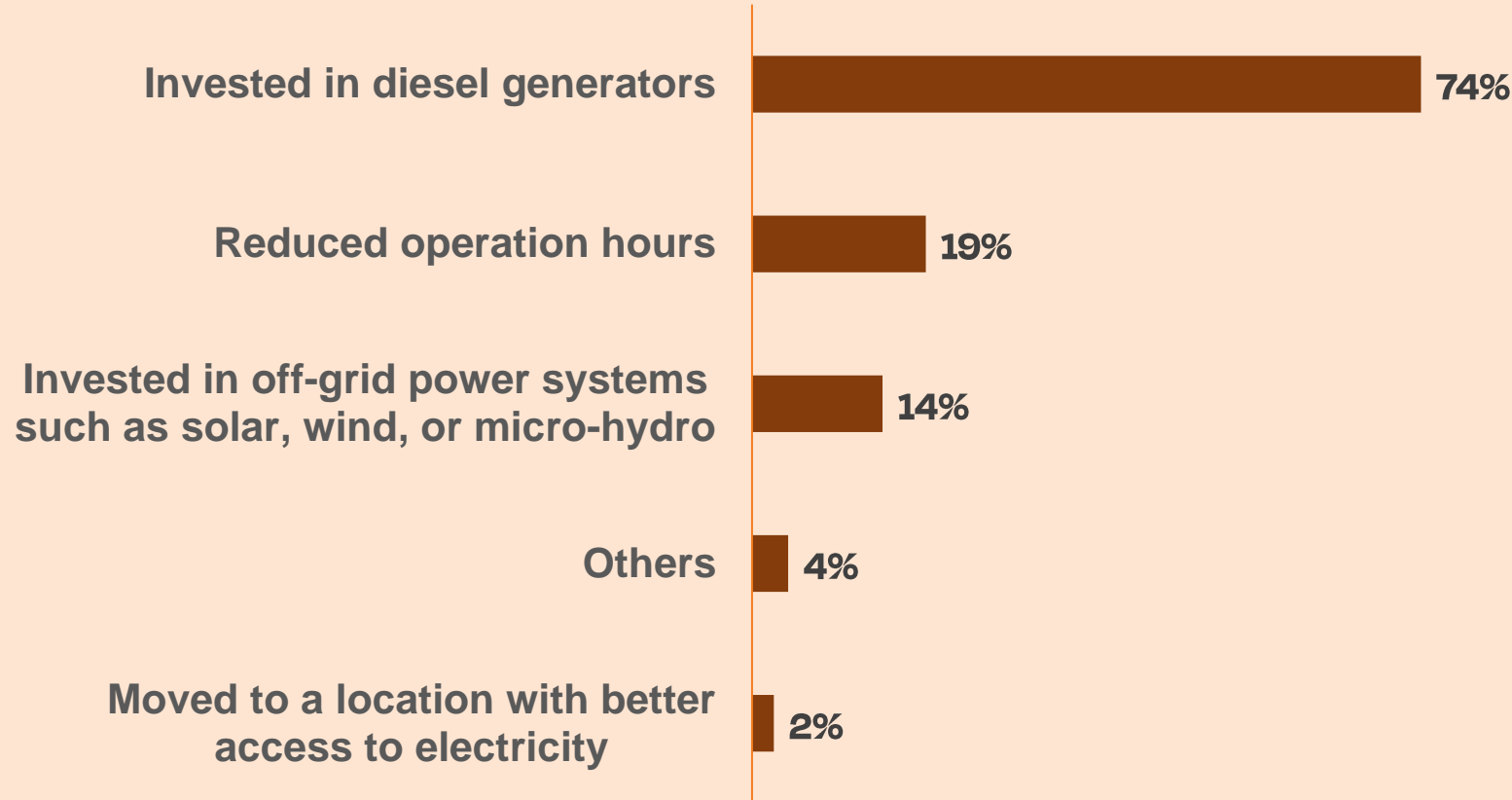
Power outages has become the **major anticipated challenge** for business operations in the next three months



Power outages
remained disruptive
for firms' business
operations in the
past three months



Of the firms that have managed power outages, the major adjustment was investing in diesel generators



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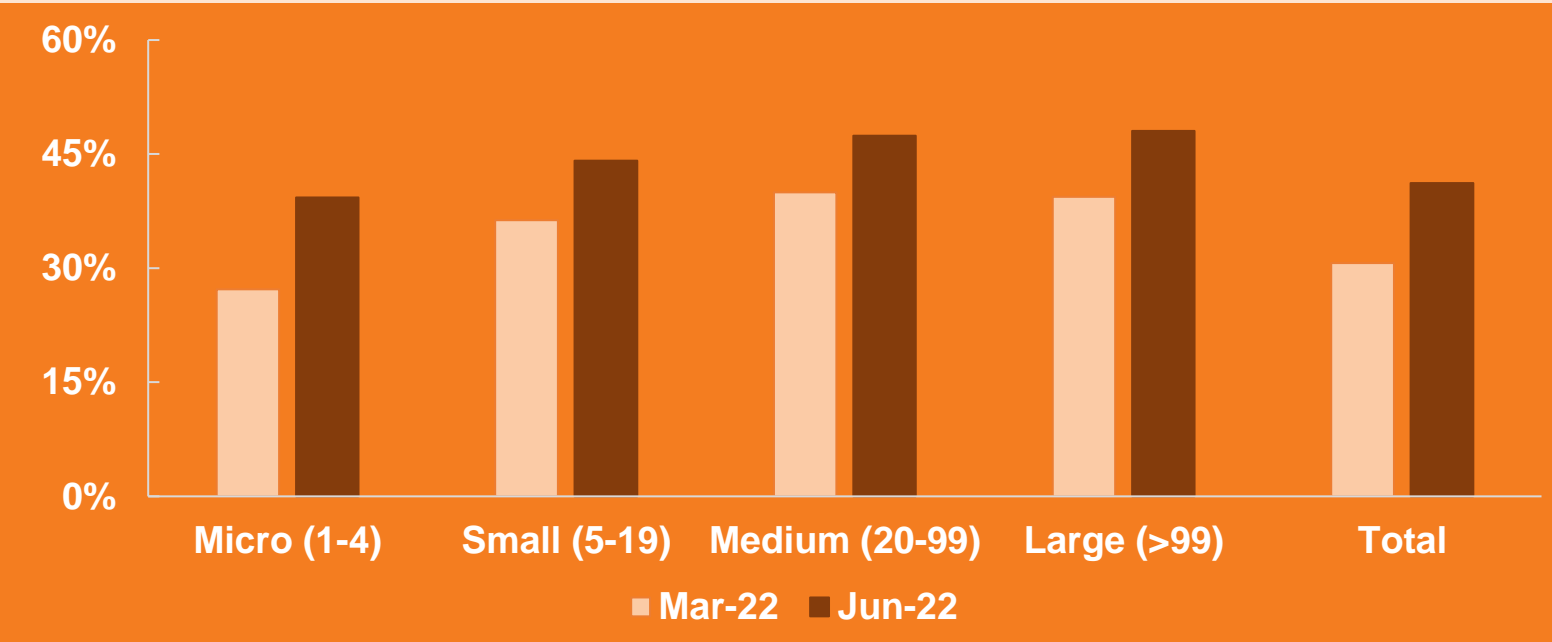
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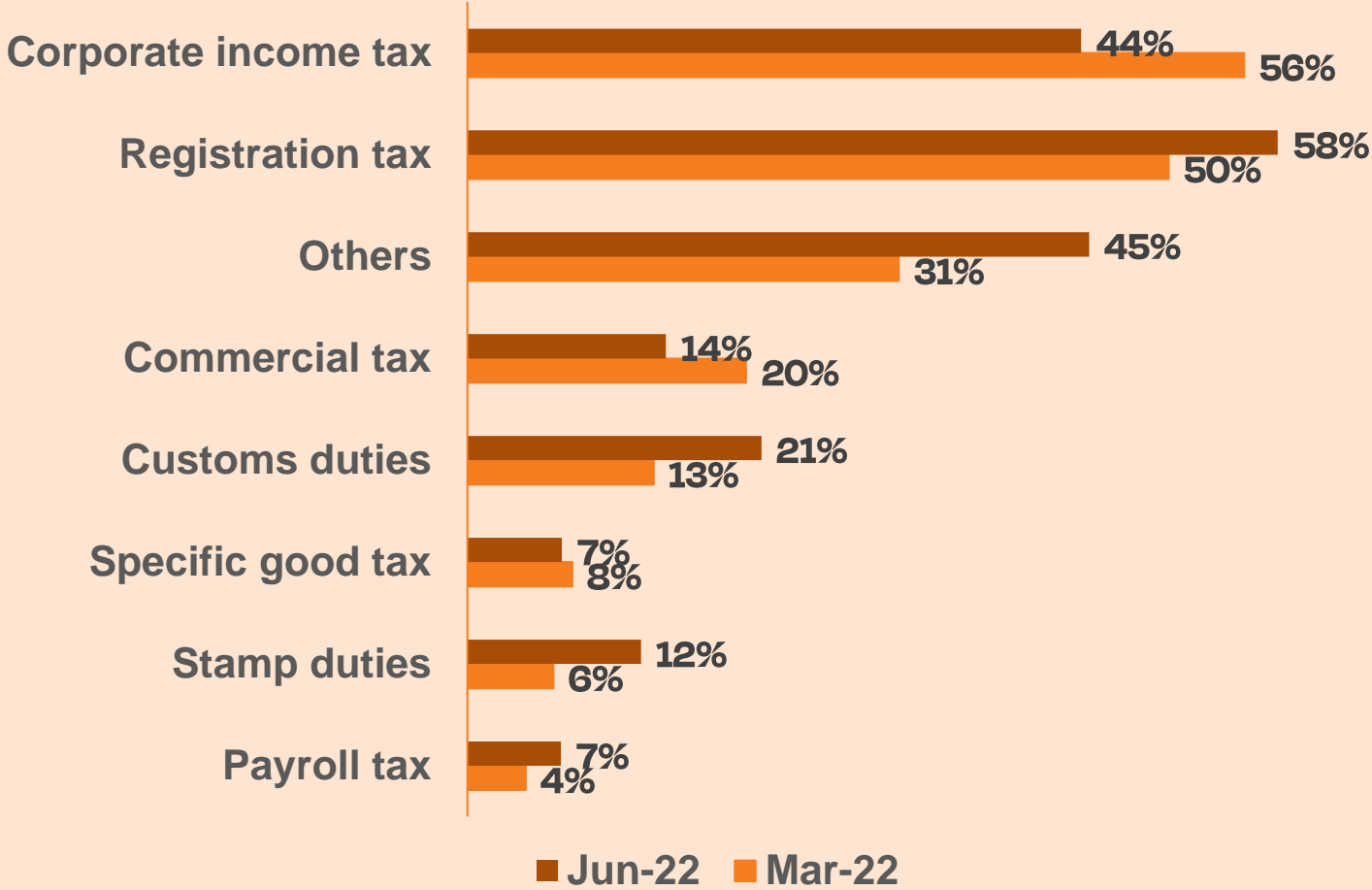
SECTION 5

TAX PAYMENT

The share of firms paying taxes in the past 3 months slightly increased



Of those firms paying taxes in the past 3 months, the most paid form of tax was corporate income tax



Next steps

Round 13 collection (September 2022)