

ROUND 1,2,3,4,5 & 6

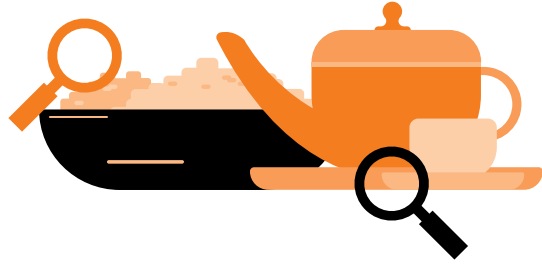
# Myanmar High-frequency Monitoring of COVID-19 Impacts



# **Survey Firms**

**May - December Comparison**

# The only nationally representative survey of firms in Myanmar



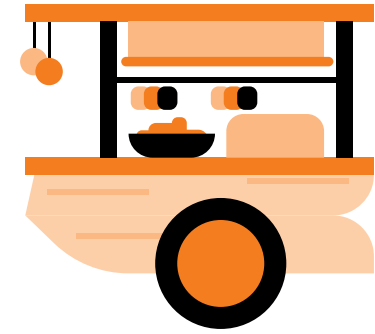
500 firms  
8 rounds

The survey 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

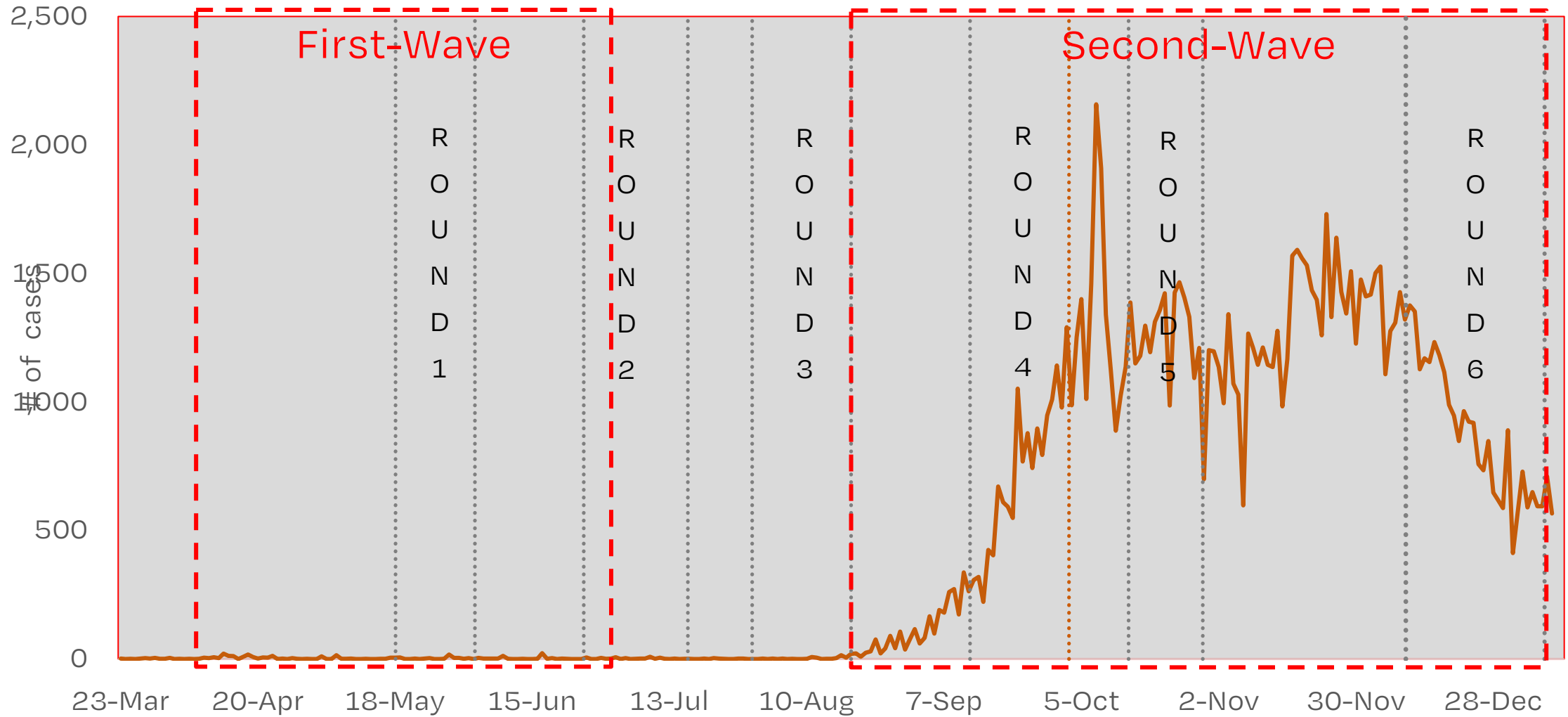
The survey is nationally representative and is the only enterprise survey that also covers the **Agriculture** sector (16%). The other sectors surveyed are **Manufacturing** (33%), **Retail** (17%) and **Services** (34%).



Spanning  
firm size

Beyond large and formal firms, the survey covered **micro** and **small** firms: **38%** of the sample were micro firms and **40%** were small firms. Medium firms comprised **18%** and large firms **4%**.

# Daily confirmed cases declined in round 6.



# Key Findings

- ❖ **Temporary closures decreased** for most firms driven by fewer closures in Yangon
- ❖ **Half of all firms report cash flow shortages**
- ❖ **Firms with loans have doubled since October**
- ❖ **While most firms are aware of the government COVID-19 loan scheme, few firms apply**

SECTION 1

**OPERATIONAL  
STATUS**

SECTION 2

**BUSINESS  
PERFORMANCE**

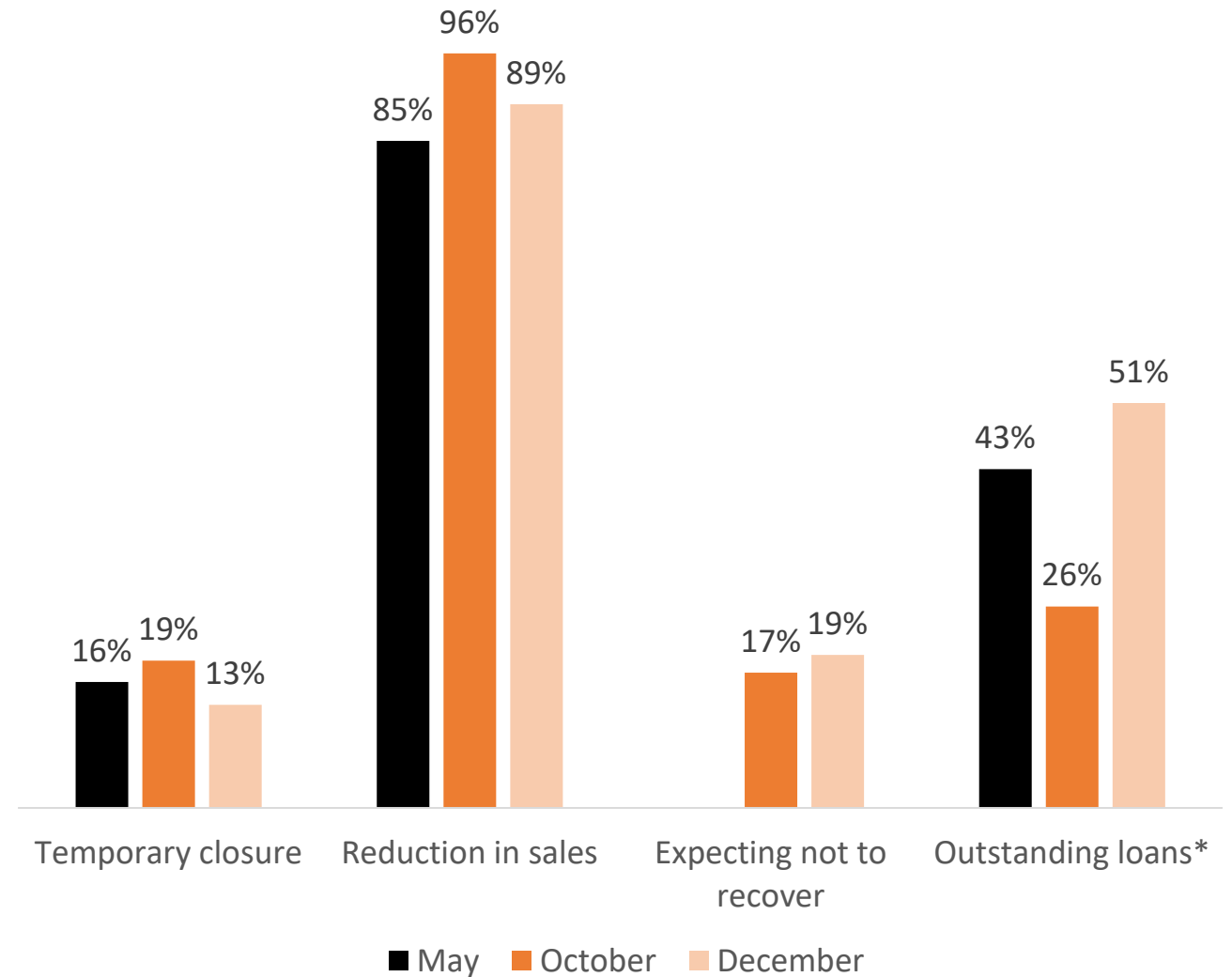
SECTION 3

**BUSINESS  
EXPECTATIONS**

SECTION 4

**POLICY AND  
ADAPTATION**

# Sales reductions remain an issue for most firms and outstanding loans are a growing issue in the second-wave



Note: \*Indicator is lagged as the question designed for this indicator asked about the last completed month. In the chart, for May, the last completed month is March, for October it was September and for December was November.

SECTION 1

SECTION 2

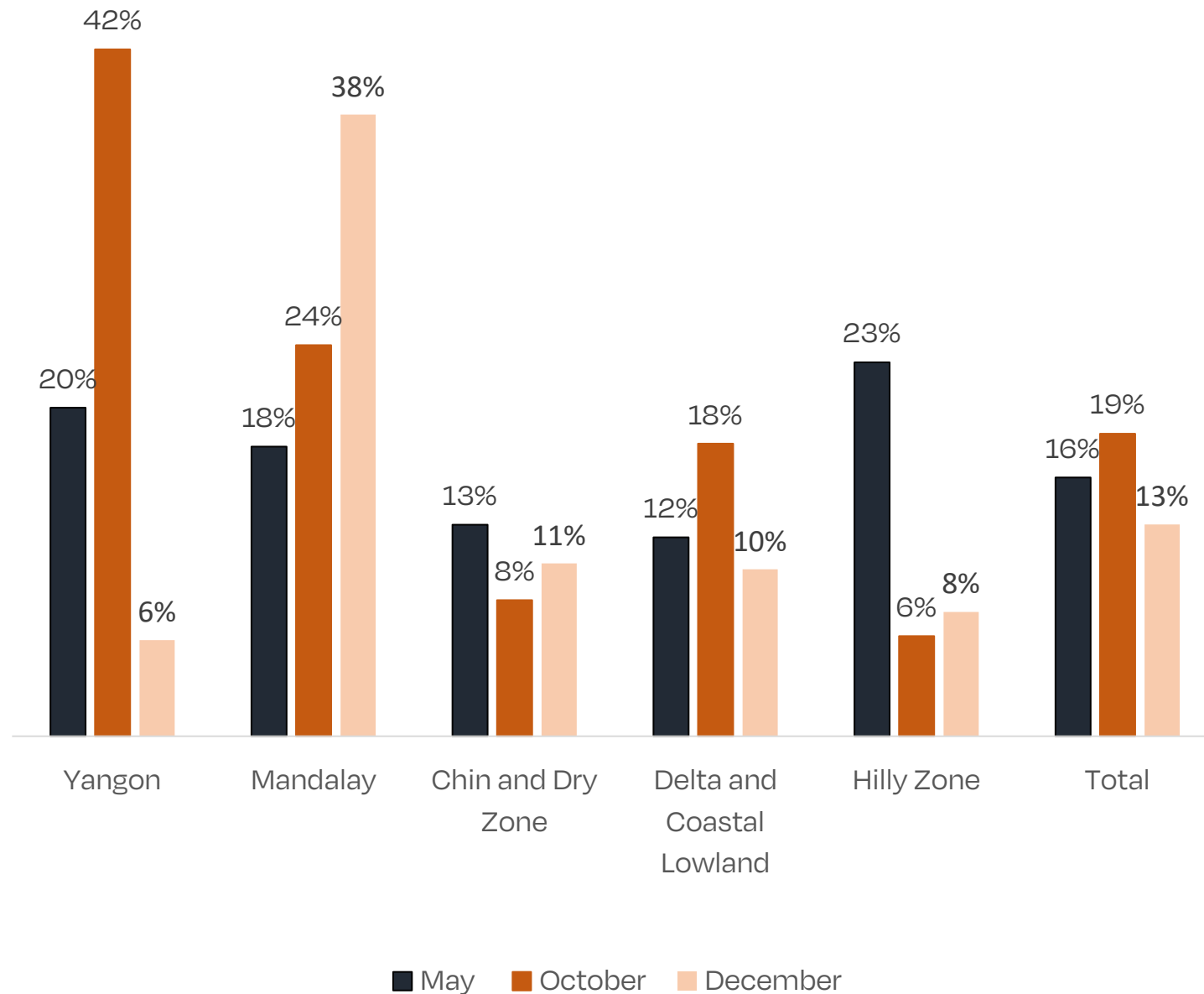
SECTION 3

SECTION 4

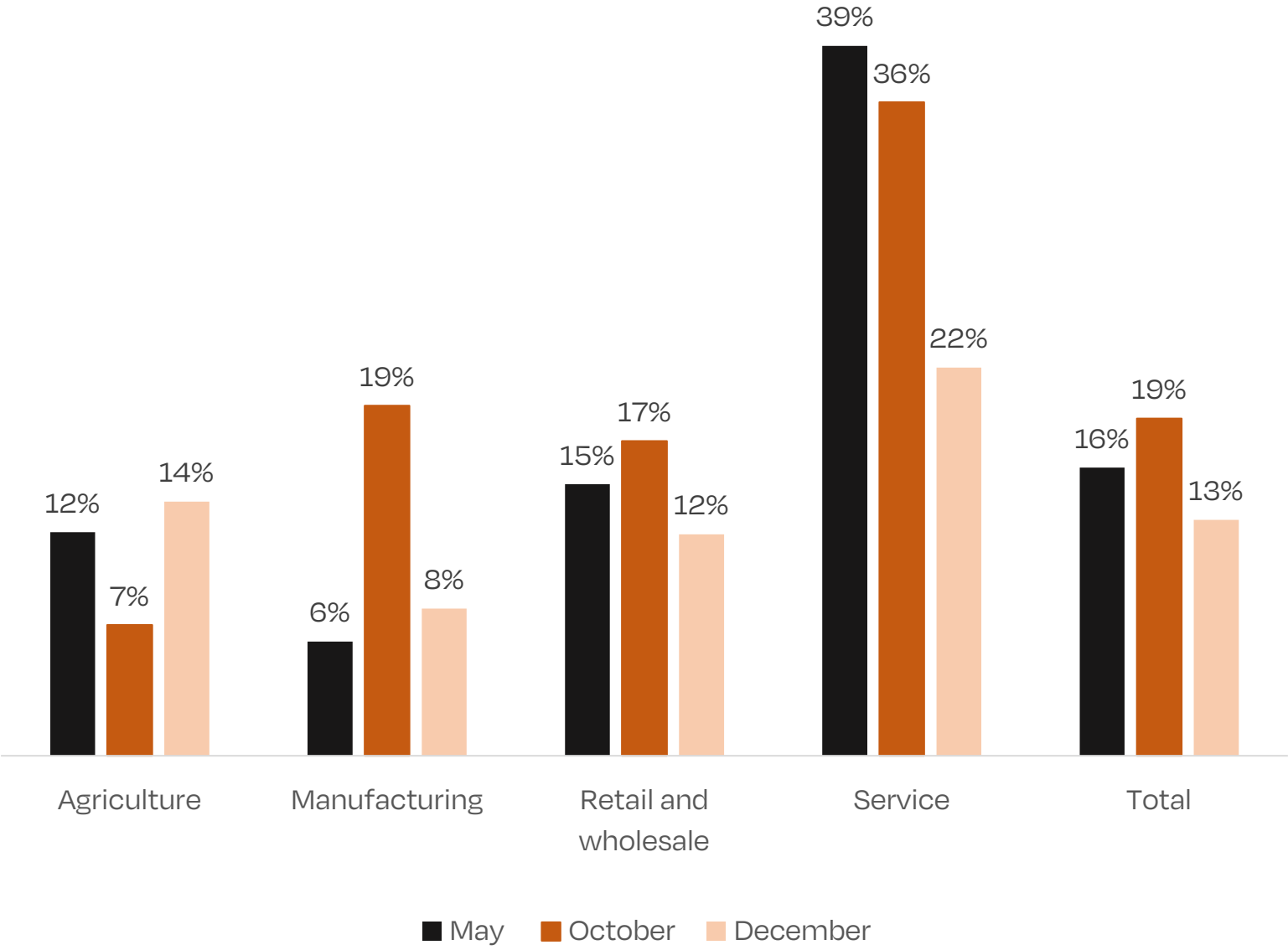
# **OPERATIONAL STATUS**



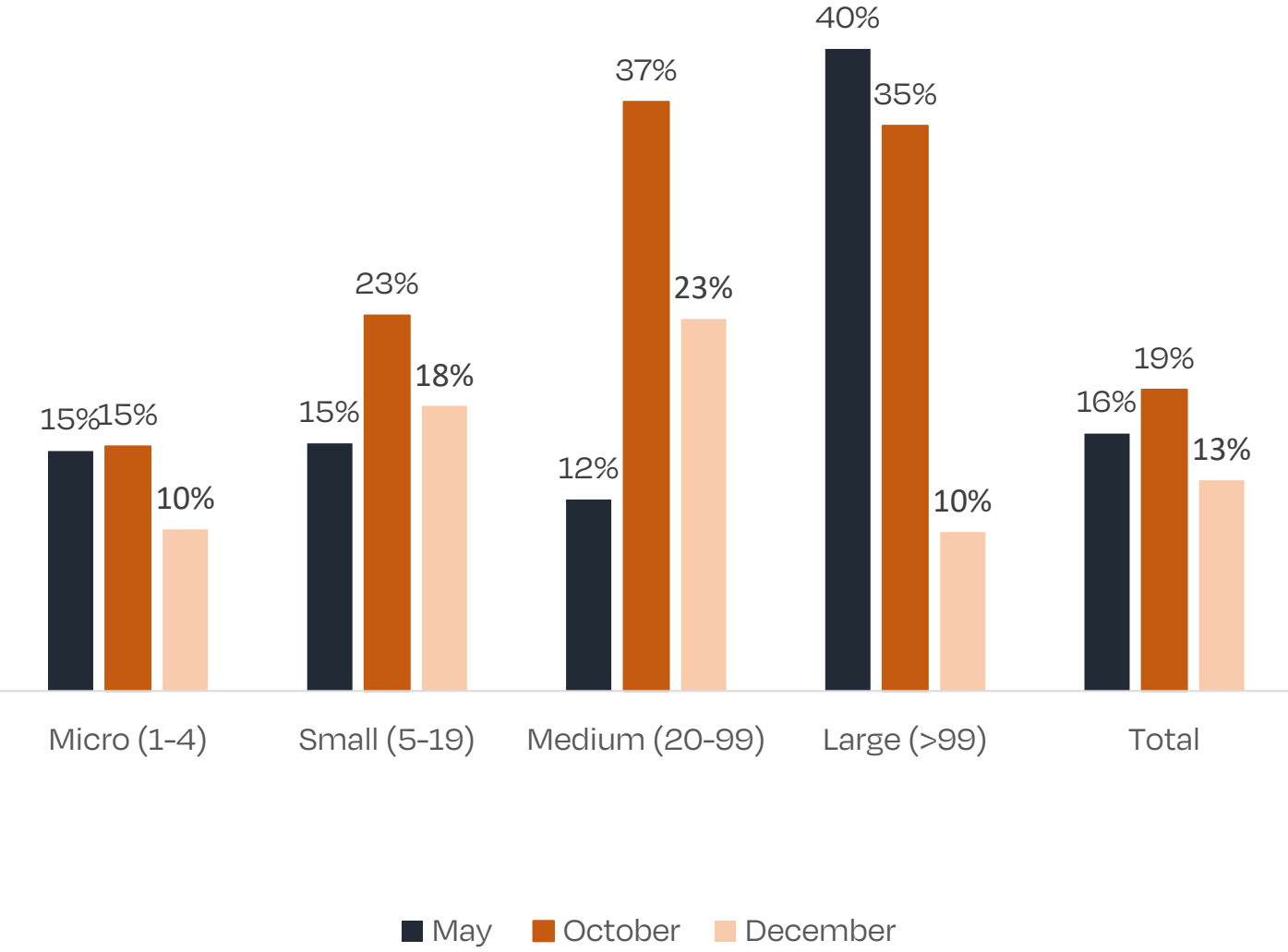
**Yangon firms experienced a large drop in temporary closures, while Mandalay saw the greatest rise due to strict stay-at-home measures**



**Services firms reported the highest share of temporary closures, and agricultural firms suffered increased closures**



# Firms of all sizes reported fewer temporary closures between October and December



SECTION 1

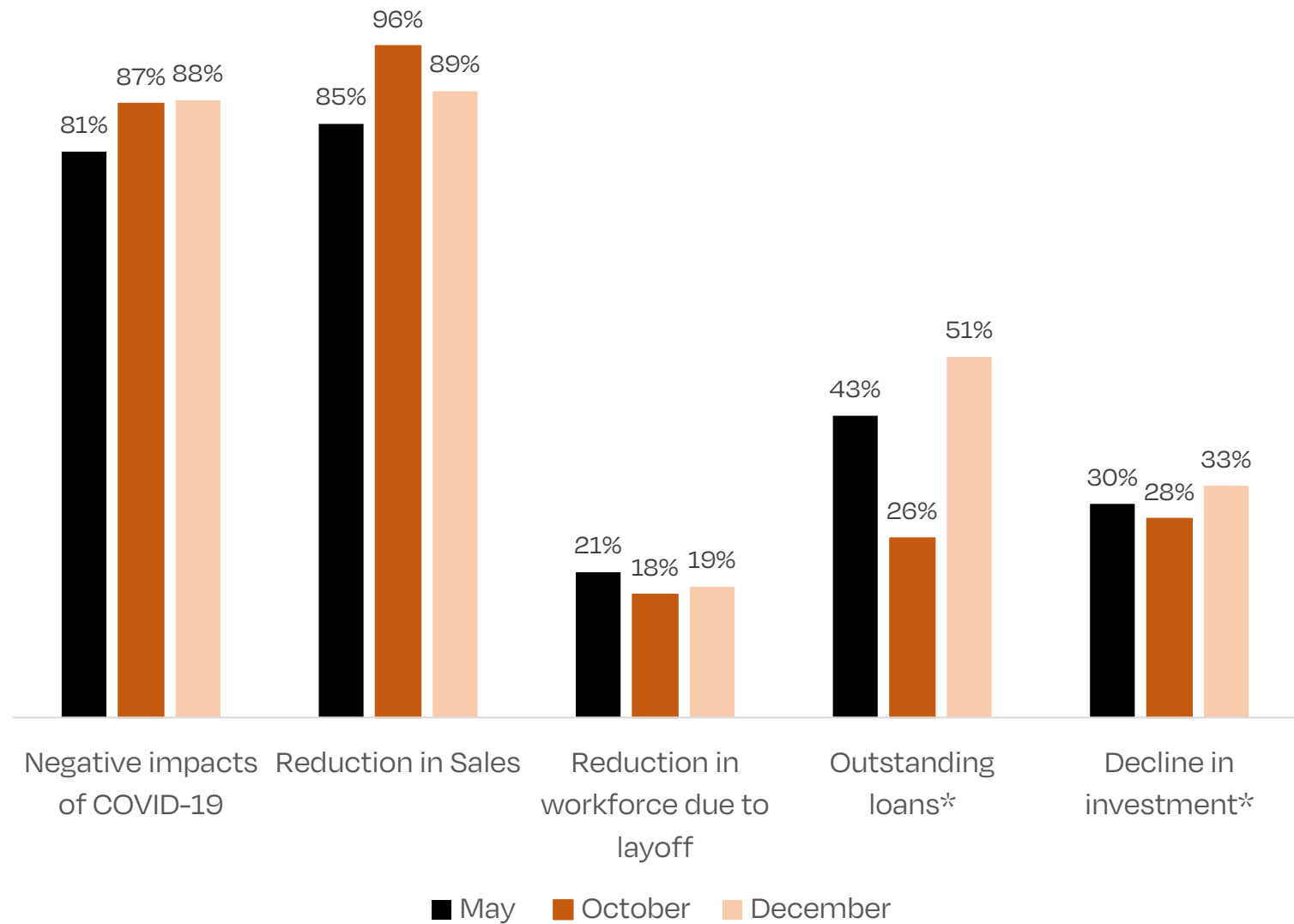
SECTION 2

SECTION 3

SECTION 4

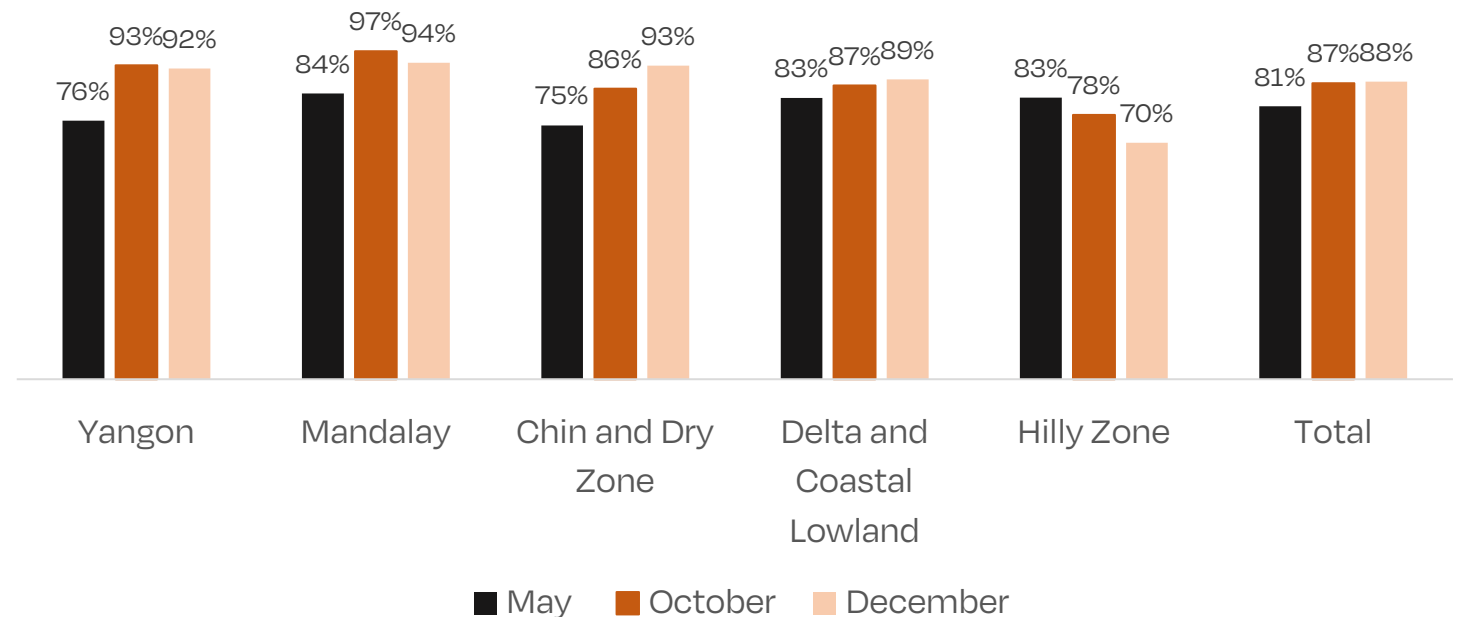
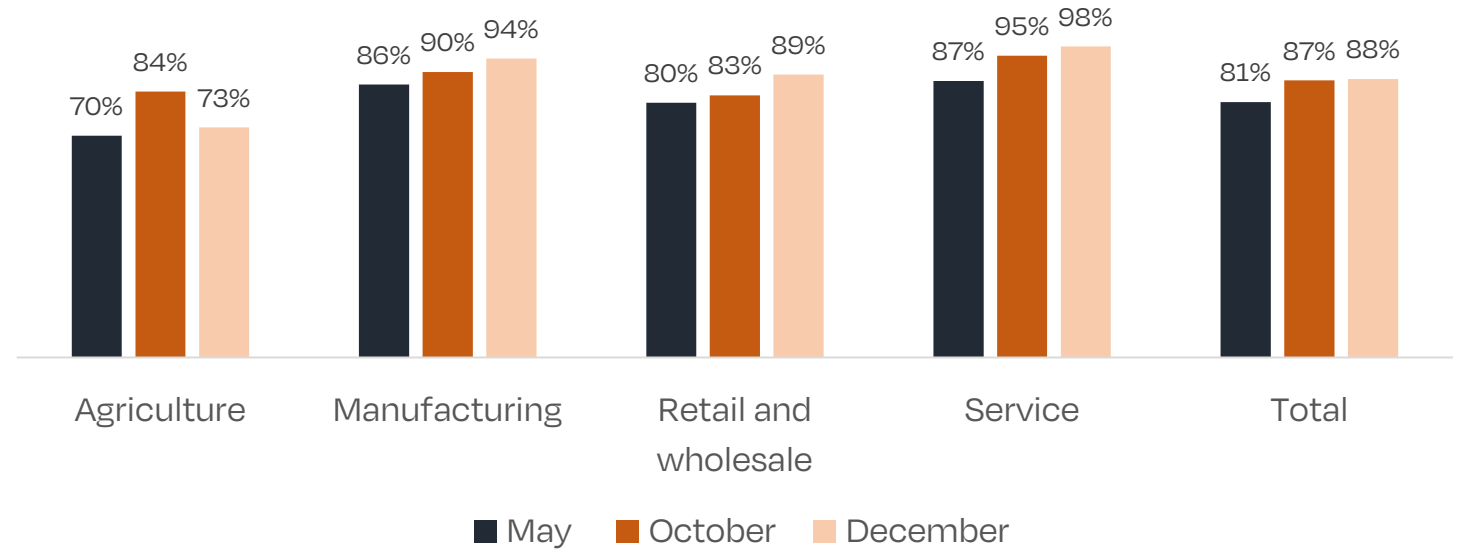
**BUSINESS  
PERFORMANCE**

**Sales reductions improved slightly in December, but the share of firms reporting outstanding loans doubled from the last round to half of all firms**

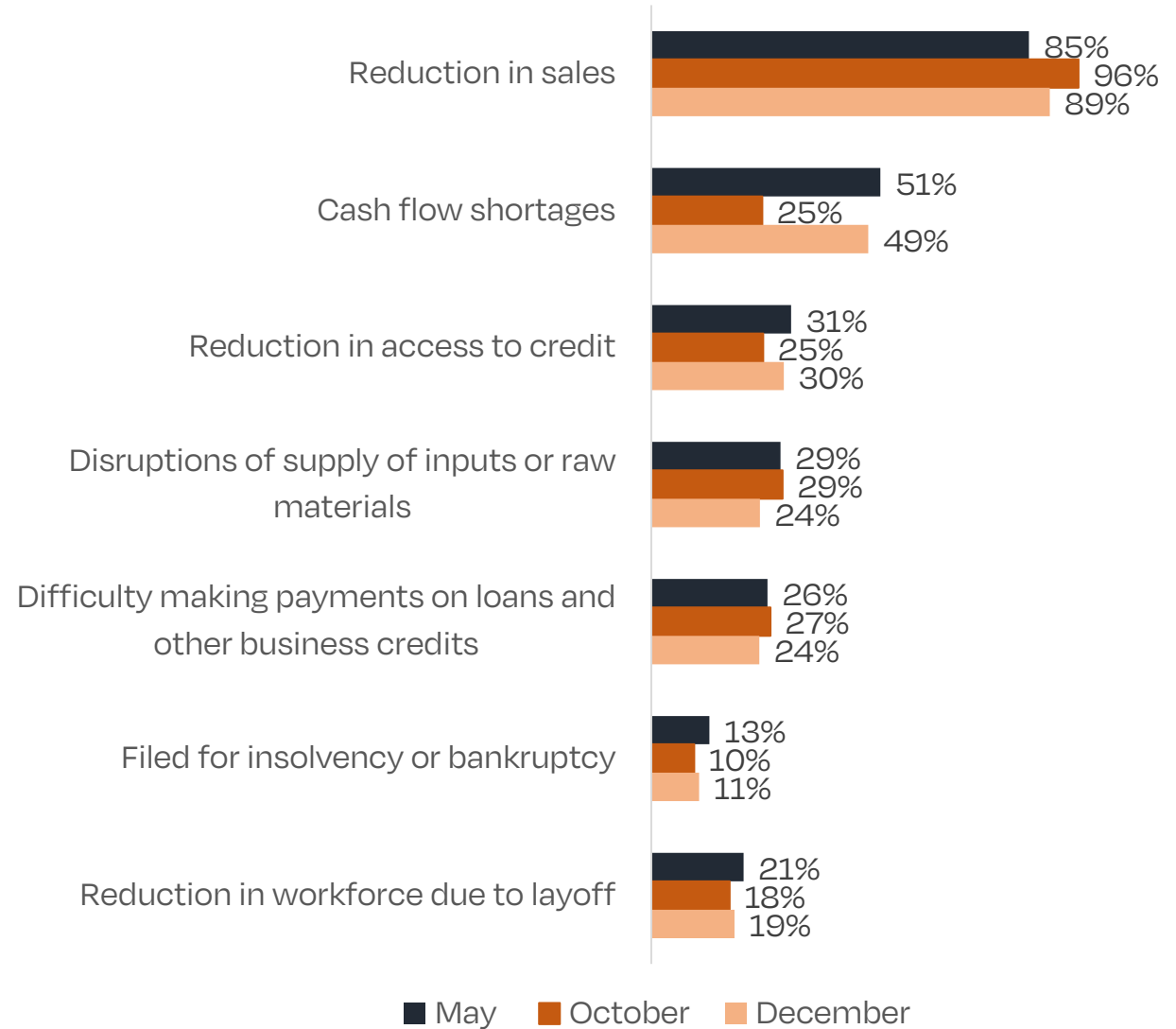


Note: \*Indicator is lagged as the question designed for this indicator asked about the last completed month. In the chart, for May, the last completed month is March, for October it was September and for December was November.

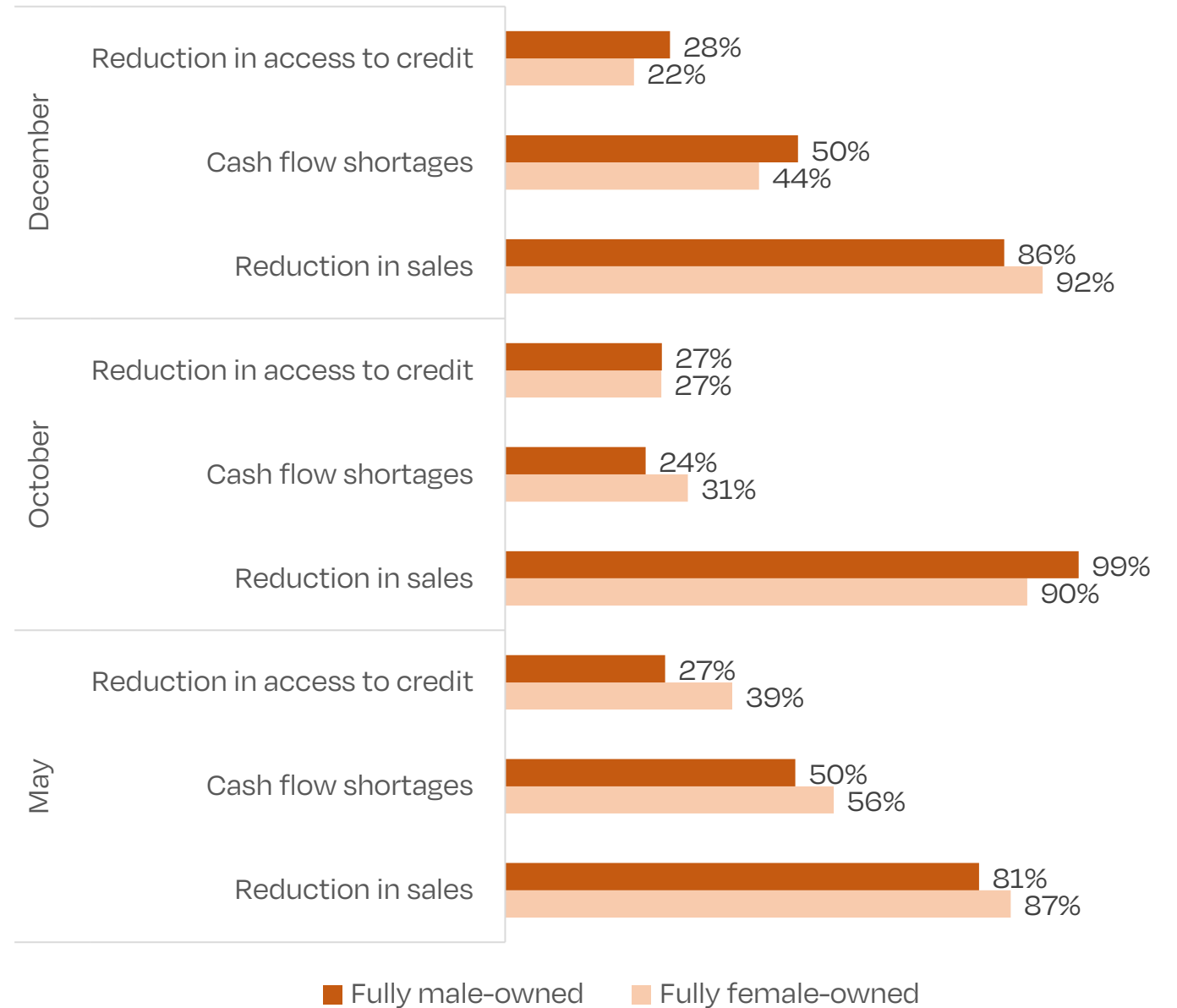
# Most firms reported negative impacts from COVID-19 in December



# Cash flow shortages have increased as a concern for nearly half of firms

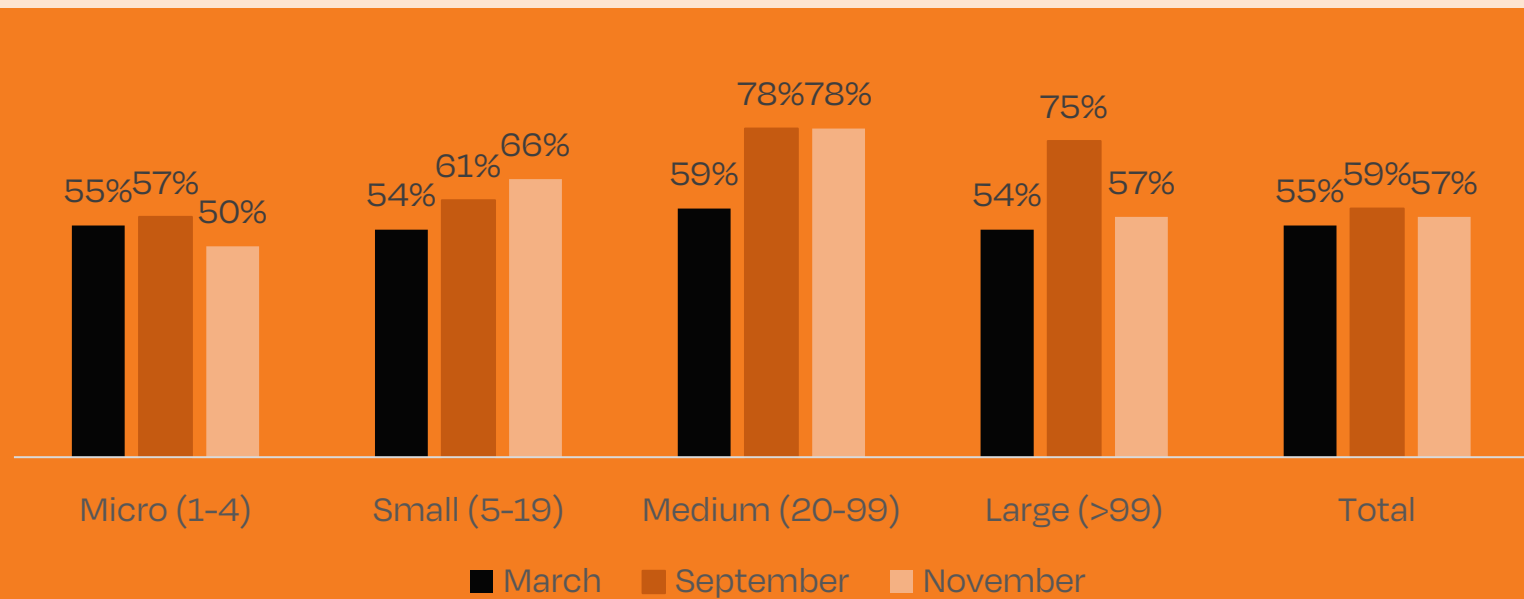
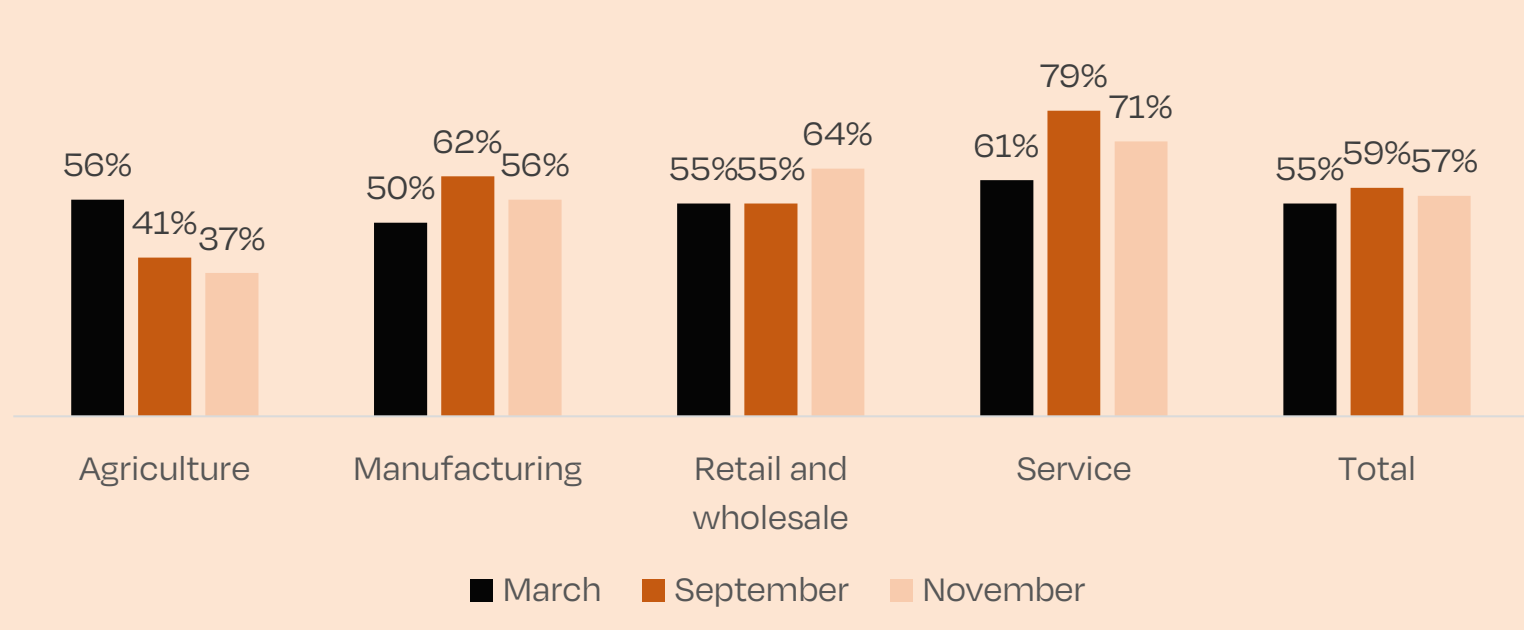


# Reduction in sales surpassed cash flow shortages as a greater concern for fully-female owned firms





**The average decline in profits (compared to the same period last year) fared worse for firms in retail and wholesale as well as small and medium firms**



Note: For questions on sales, profits, loans and delays, the recall period is lagged so firms had opportunity to complete their bookkeeping accounts. In Round 5, respondent firms were asked to answer for September. All other questions are contemporaneously asked and reported as at the survey date in October for Round 5.

# 51%

of firms have  
**outstanding loans**

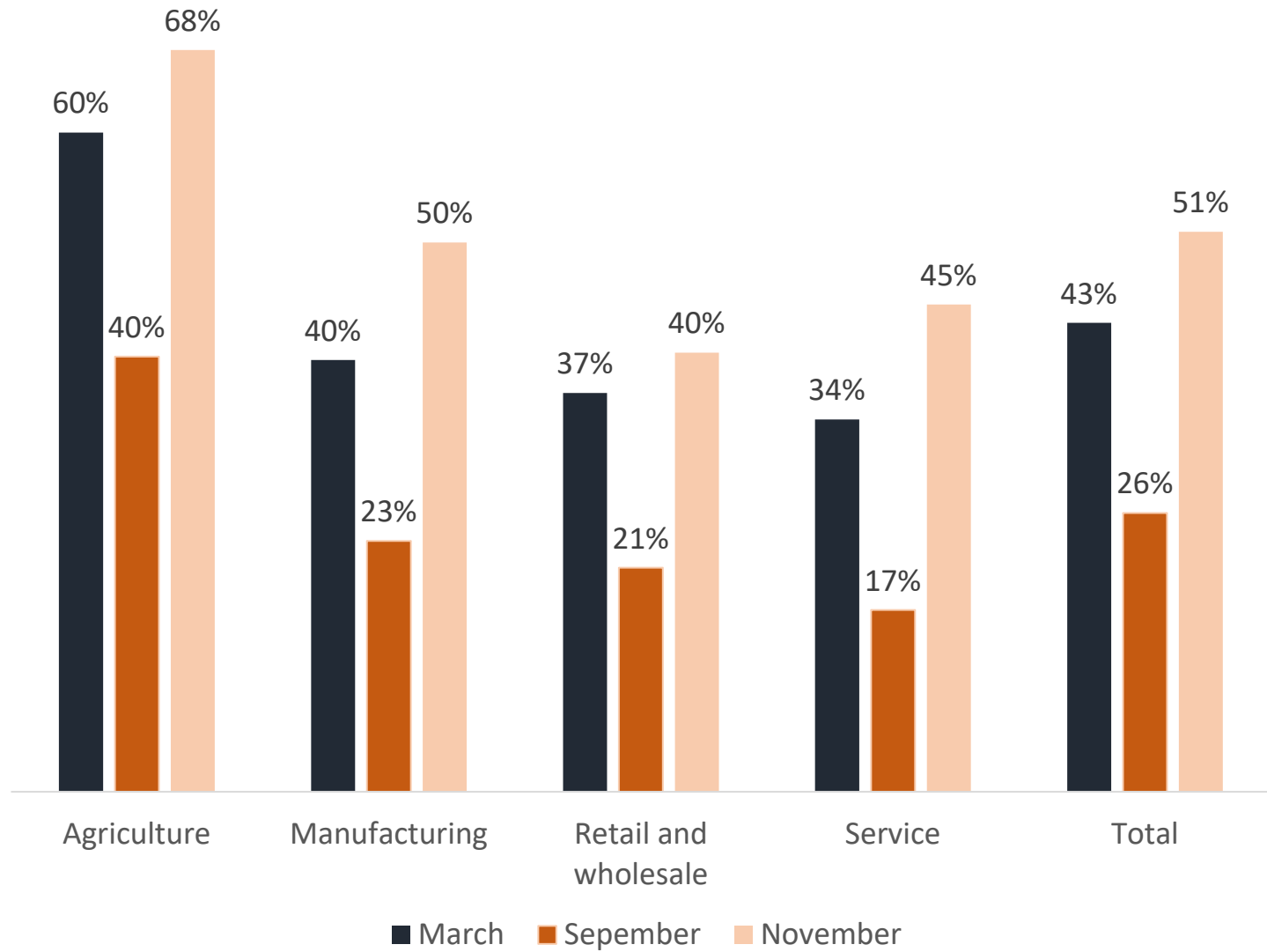
# 17%

of firms **delayed payments** to their  
**suppliers**

# 4%

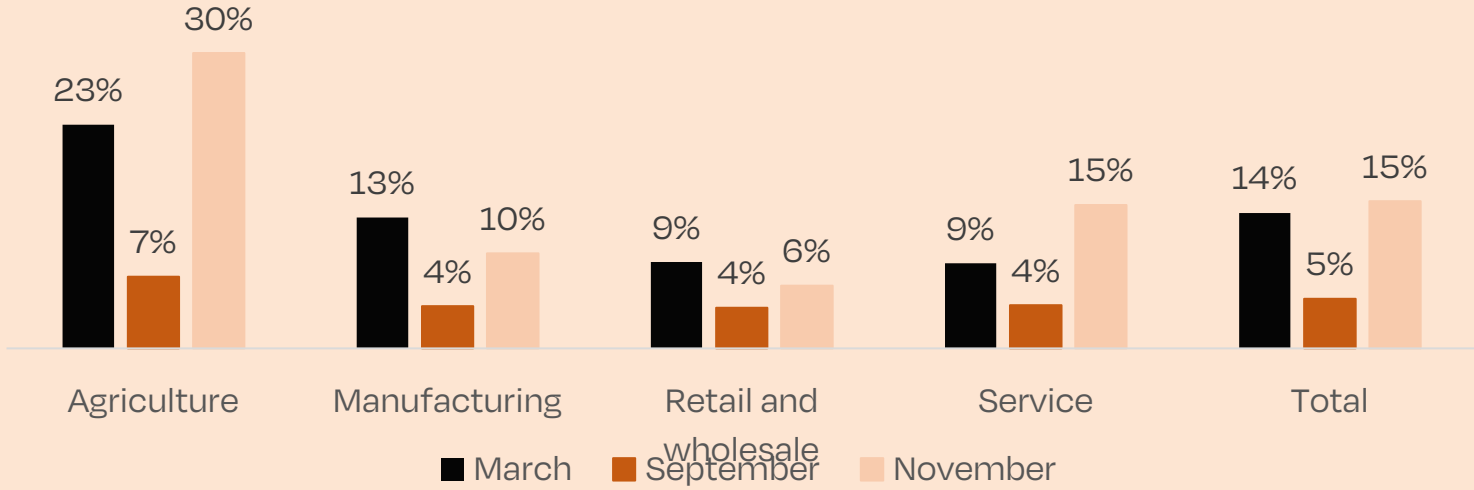
of firms **delayed payments** to their  
**employees**

# More than half of firms had outstanding loans in November

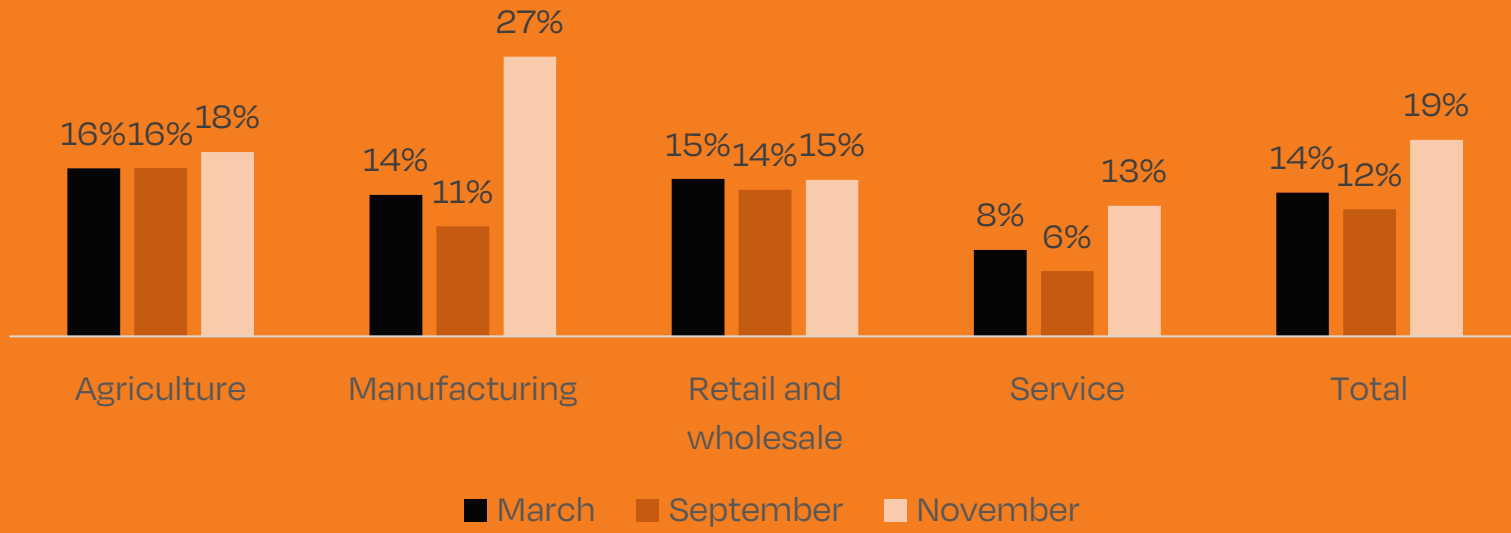


# The increase in outstanding loans was driven by more commercial bank loans to agricultural firms and non-banking loans to manufacturing firms

Outstanding loans from commercial banks

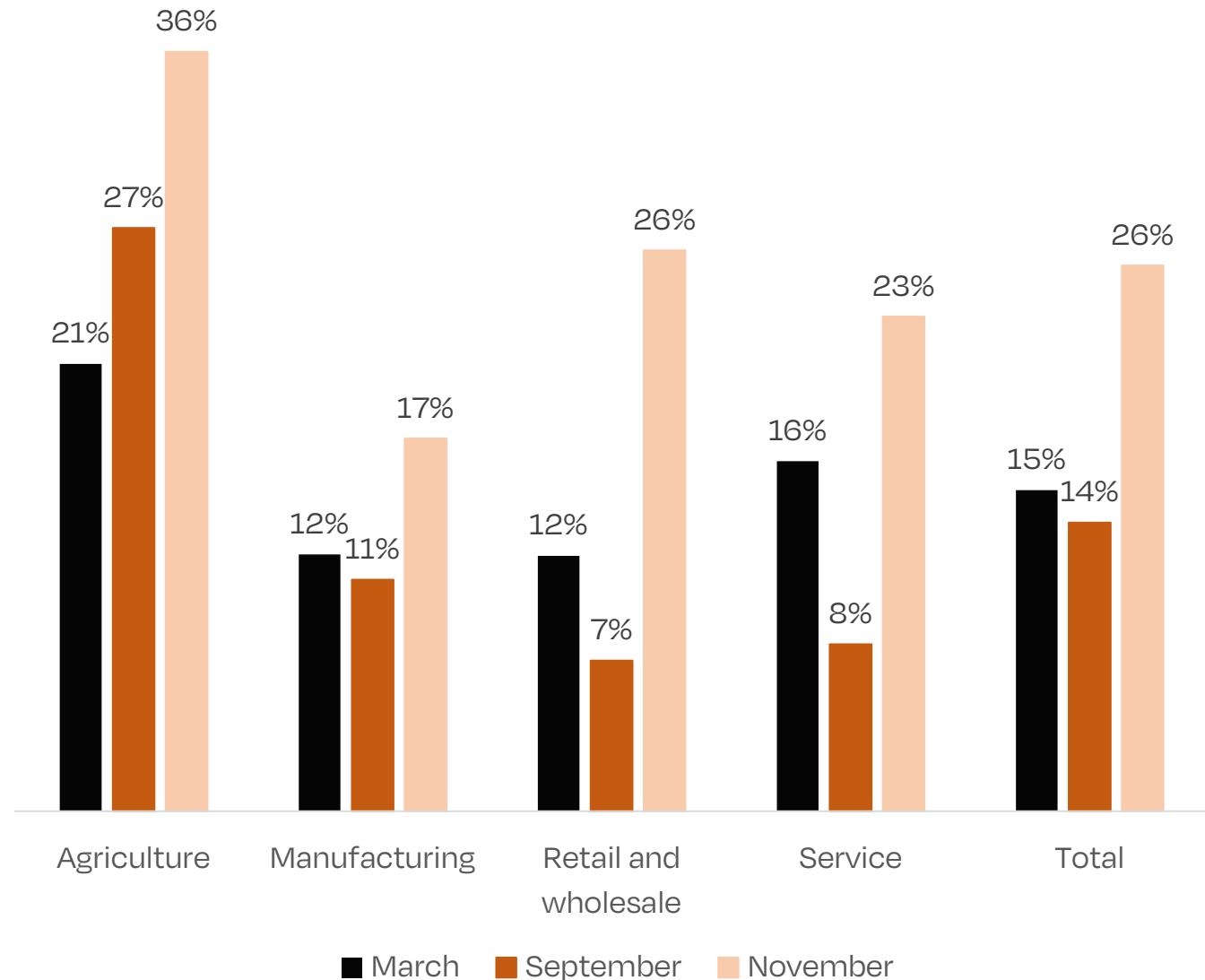


Outstanding loans from non-banking financial institutions

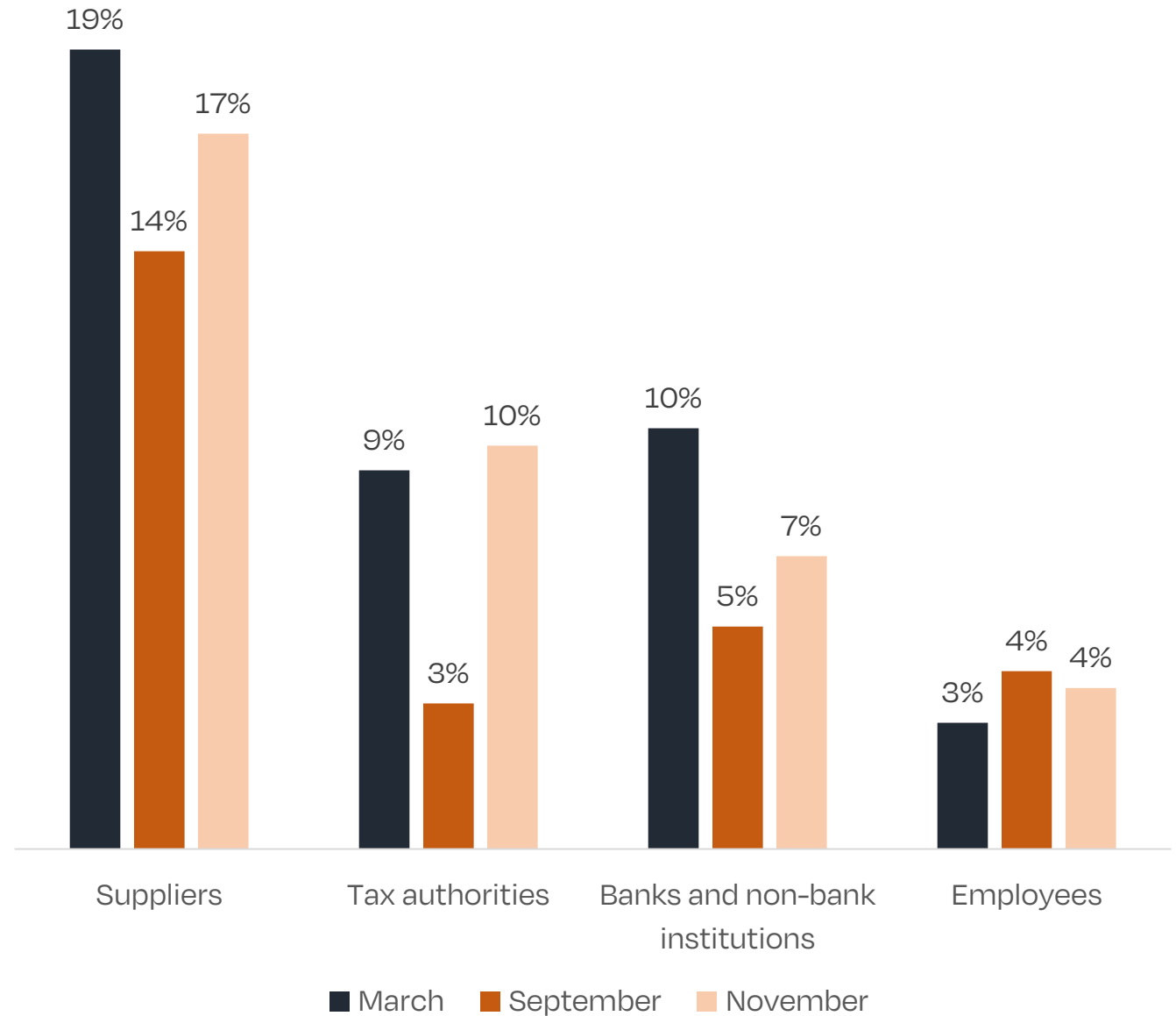


Note: For questions on sales, profits, loans and delays, the recall period is lagged so firms had opportunity to complete their bookkeeping accounts. In Round 5, respondent firms were asked to answer for September. All other questions are contemporaneously asked and reported as at the survey date in October for Round 5.

# Firms across all sectors reported more outstanding loans from family and friends

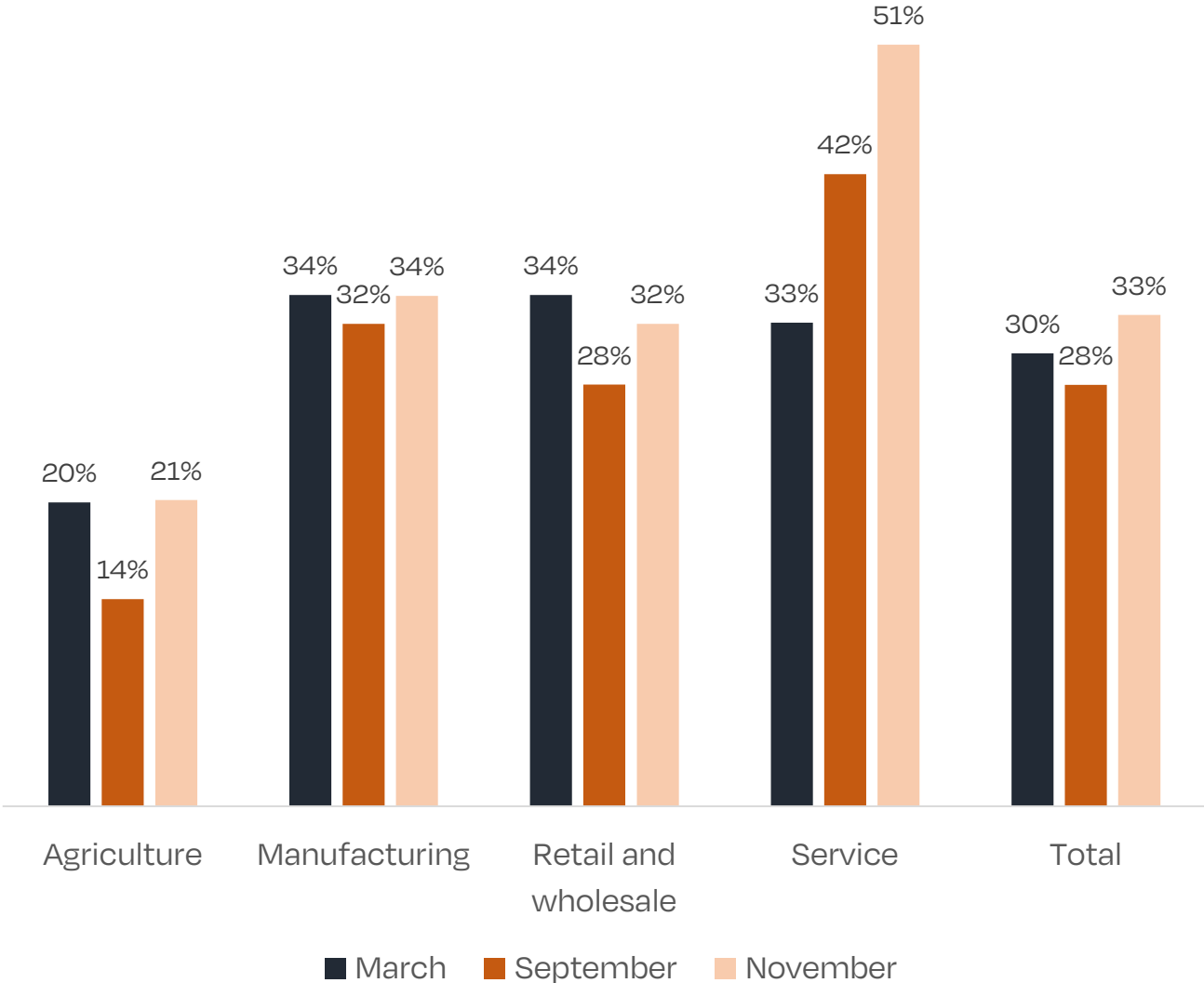


# Suppliers continue to receive the most delayed payments



# Declines in total investments

remains a growing issue for one-third of all firms and more than half of services firms compared to the same period last year



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 6 they were asked to answer for November. All other questions are contemporaneously asked and are reported as December for Round 6. 23

SECTION 1

SECTION 2

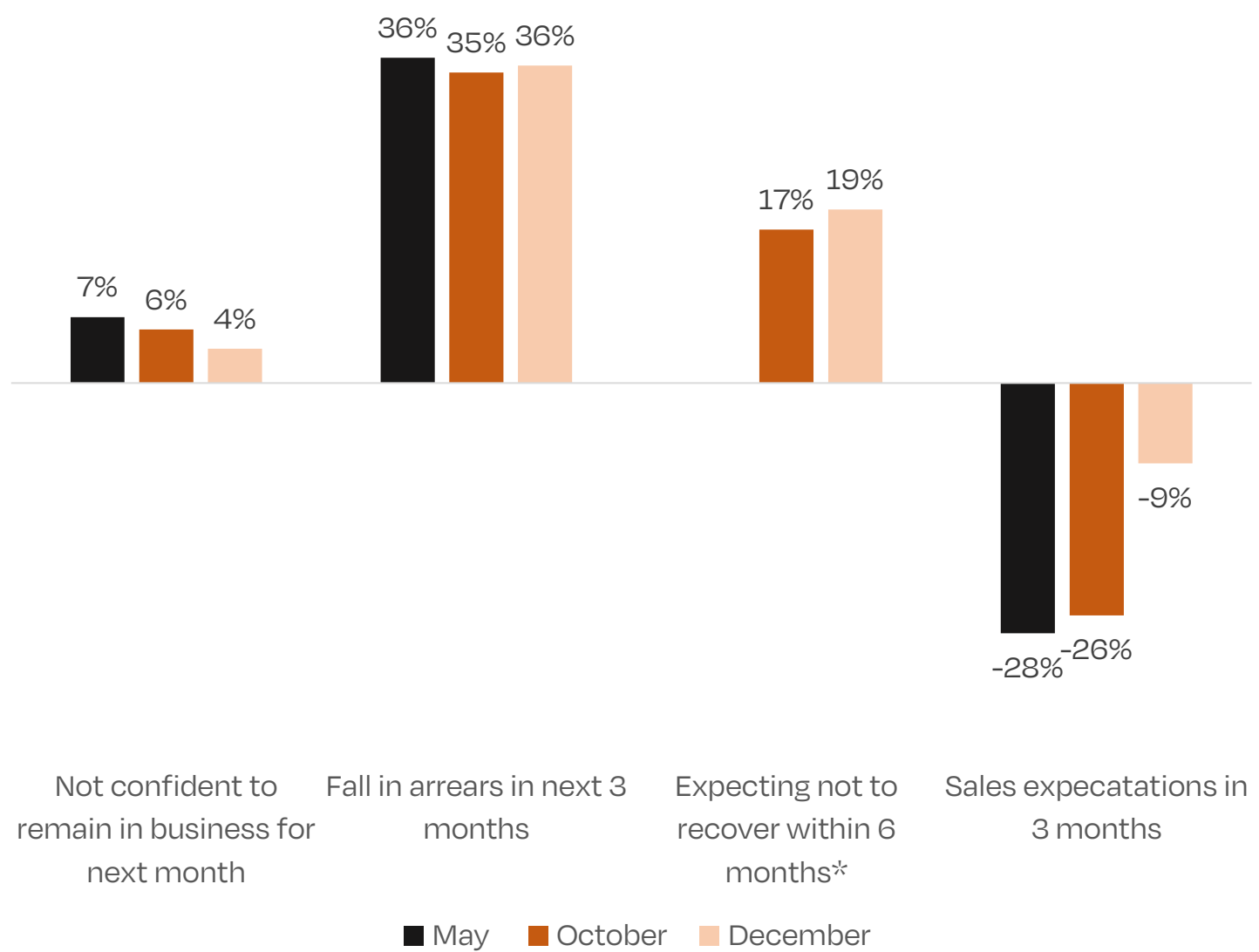
SECTION 3

SECTION 4

**BUSINESS  
EXPECTATIONS**

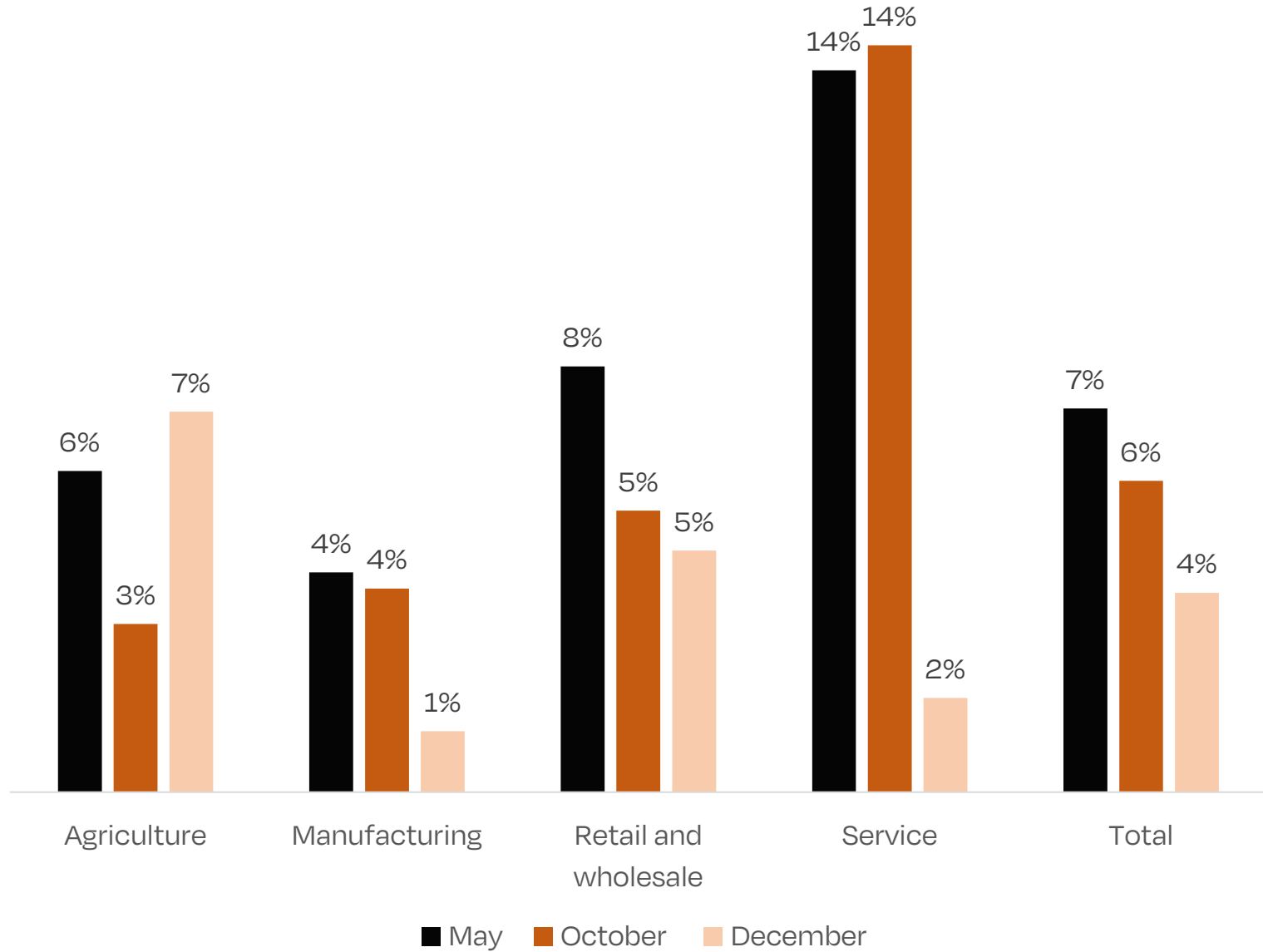


**Sales expectations in the next quarter are improving for firms, while the share of firms expecting to fall into arrears has remained relatively stable**

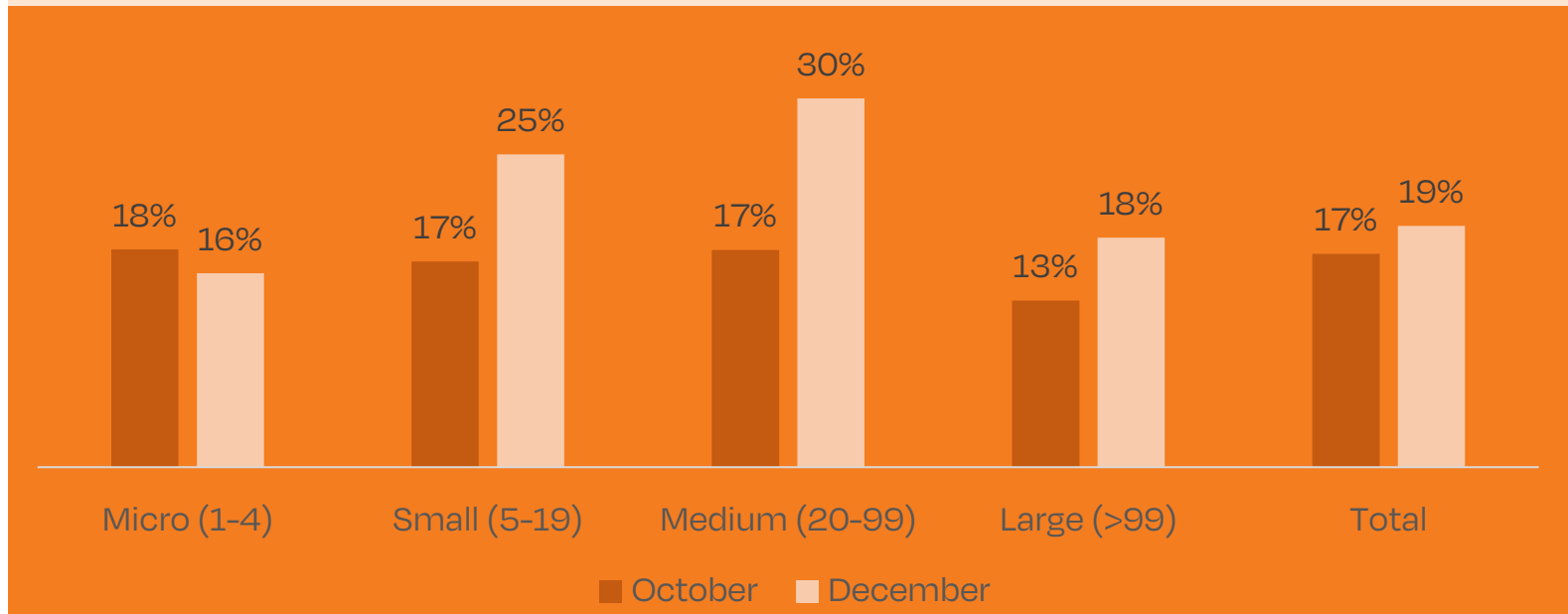
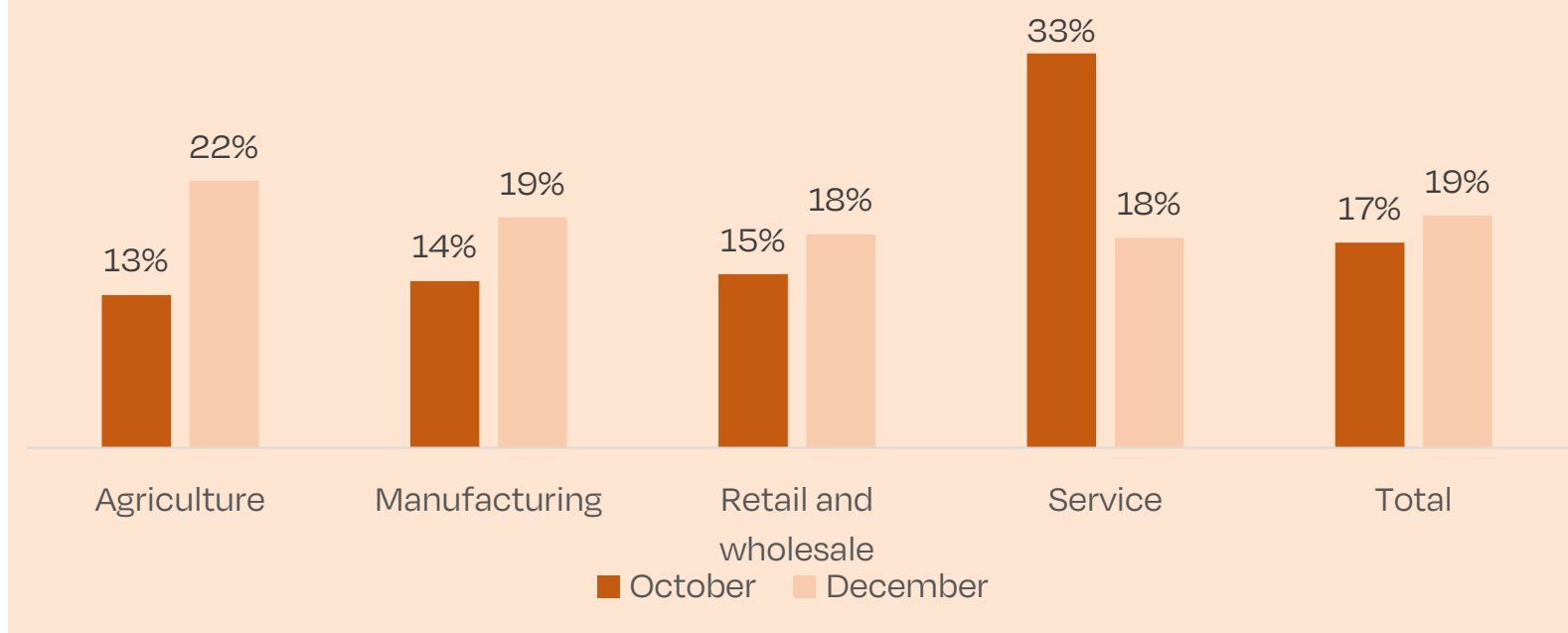


\*Indicators with asterisks compares only October and December as the question was modified starting from round 5 (October round).

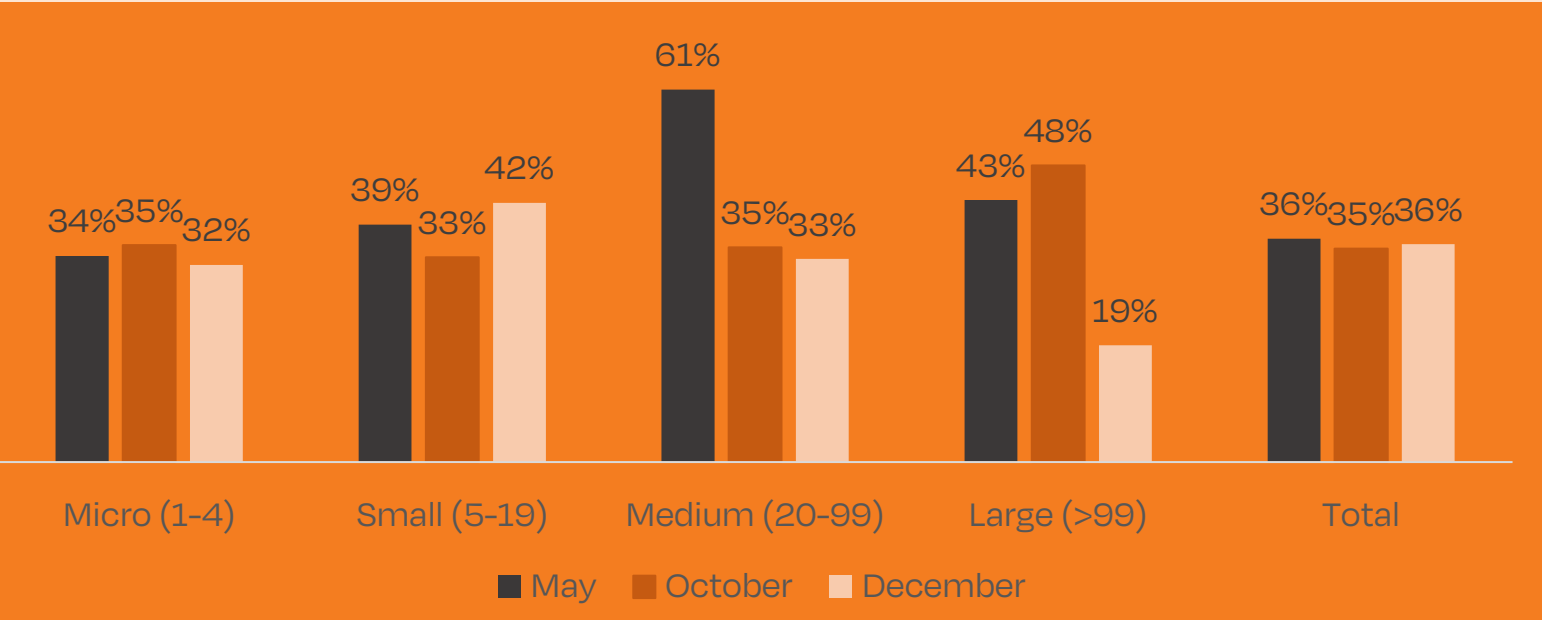
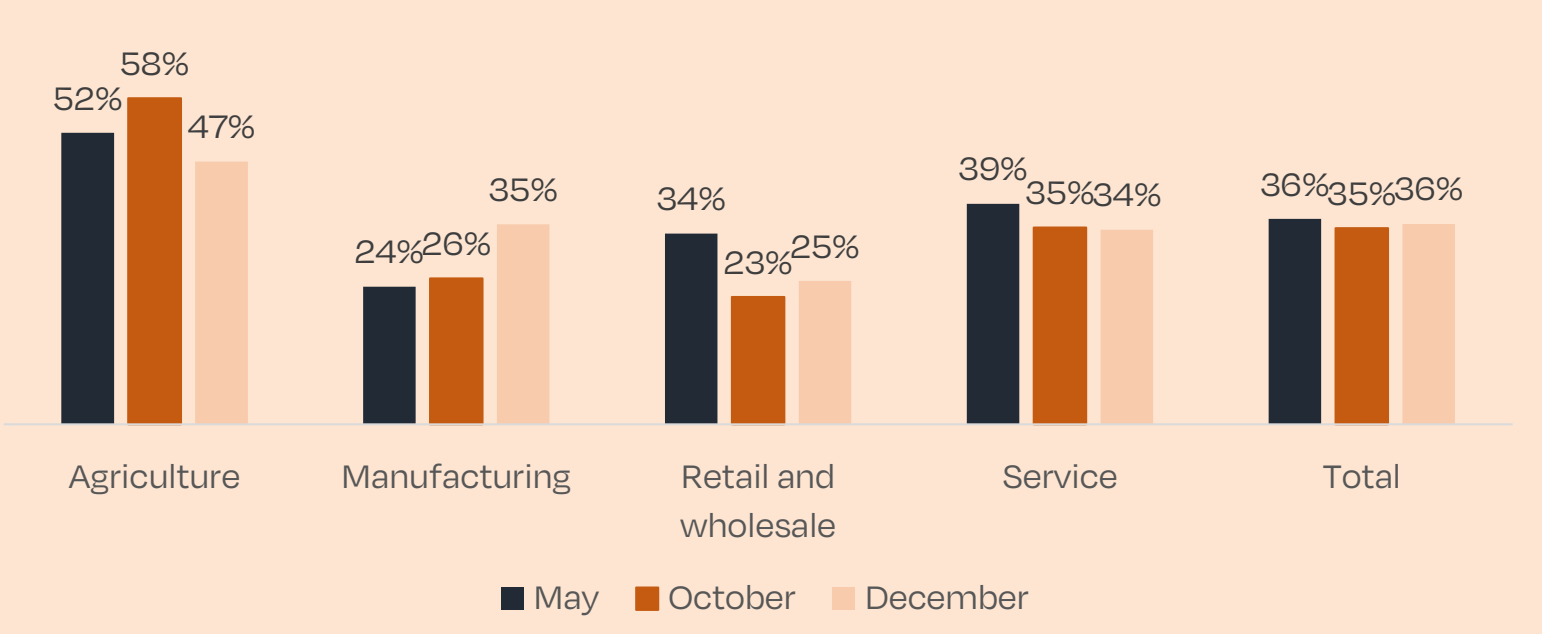
# Fewer firms reported a lack of confidence in remaining open within the next month



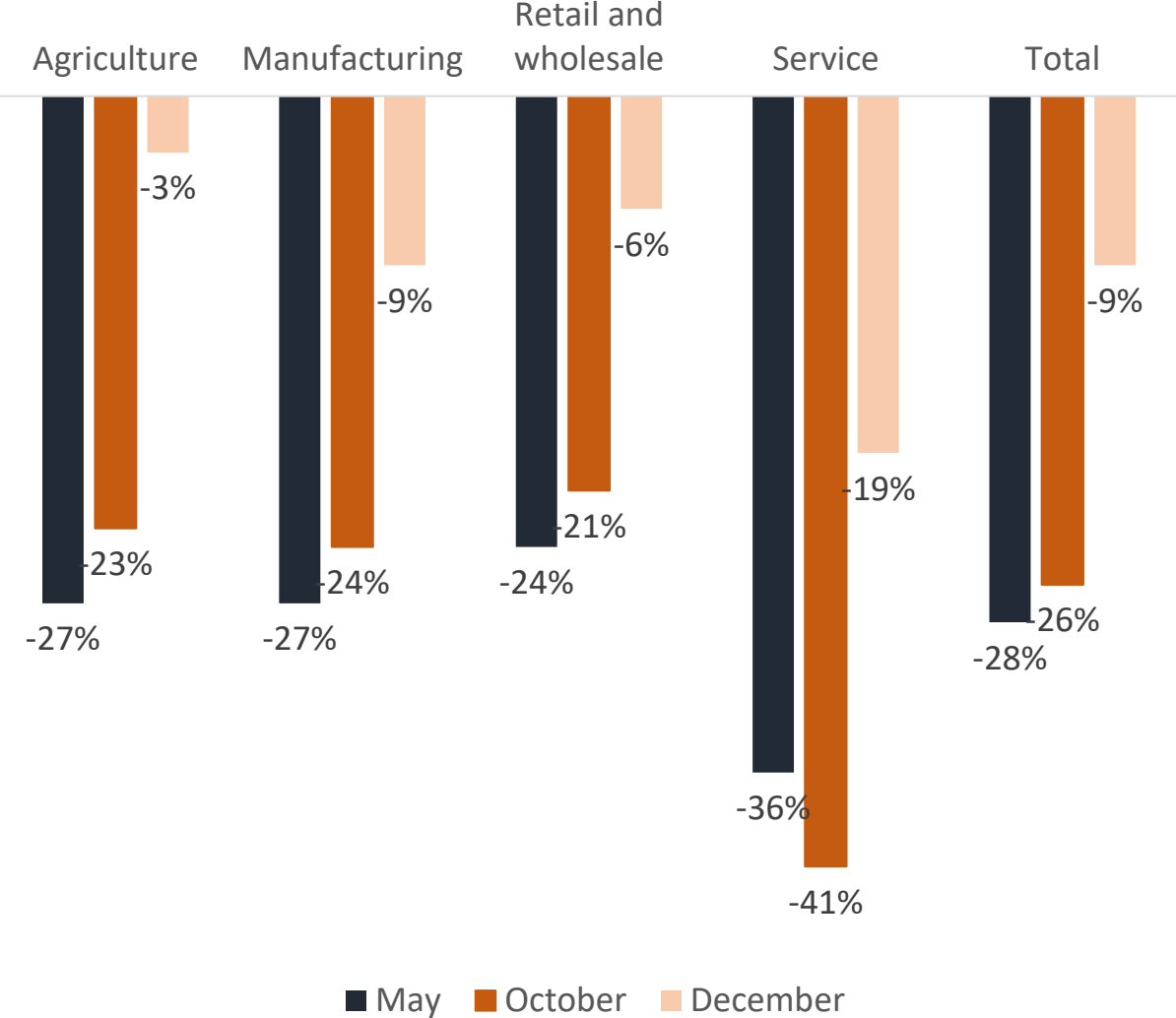
**Compared to earlier in the second wave, more firms in December did not expect to recover from the effects of COVID-19**



**The share of firms expecting to fall into arrears over the next three months remains the same as in the first wave**



**Sales expectations in the next 3 months is negative though steadily improving**



SECTION 1

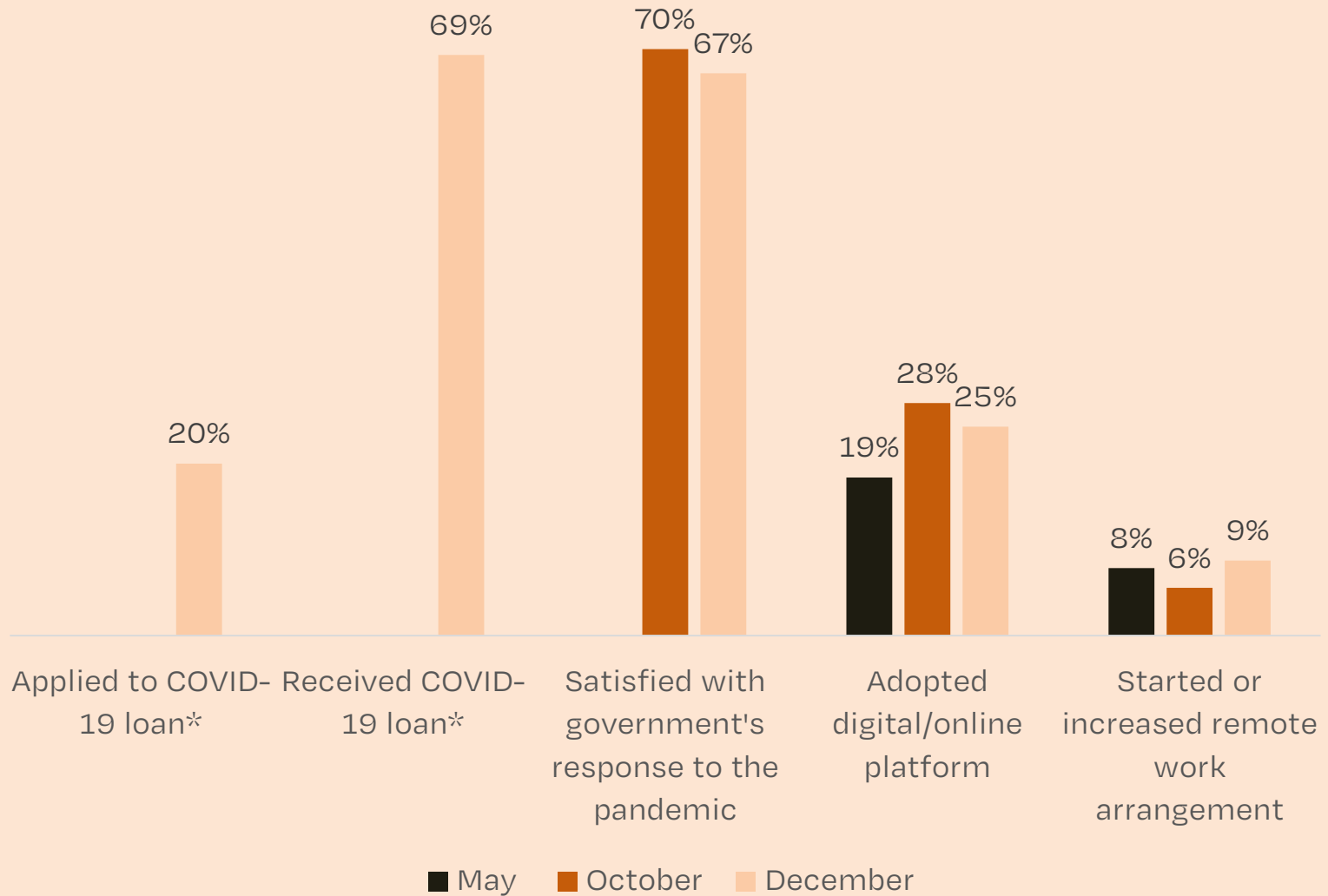
SECTION 2

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**POLICY AND  
ADAPTATION**

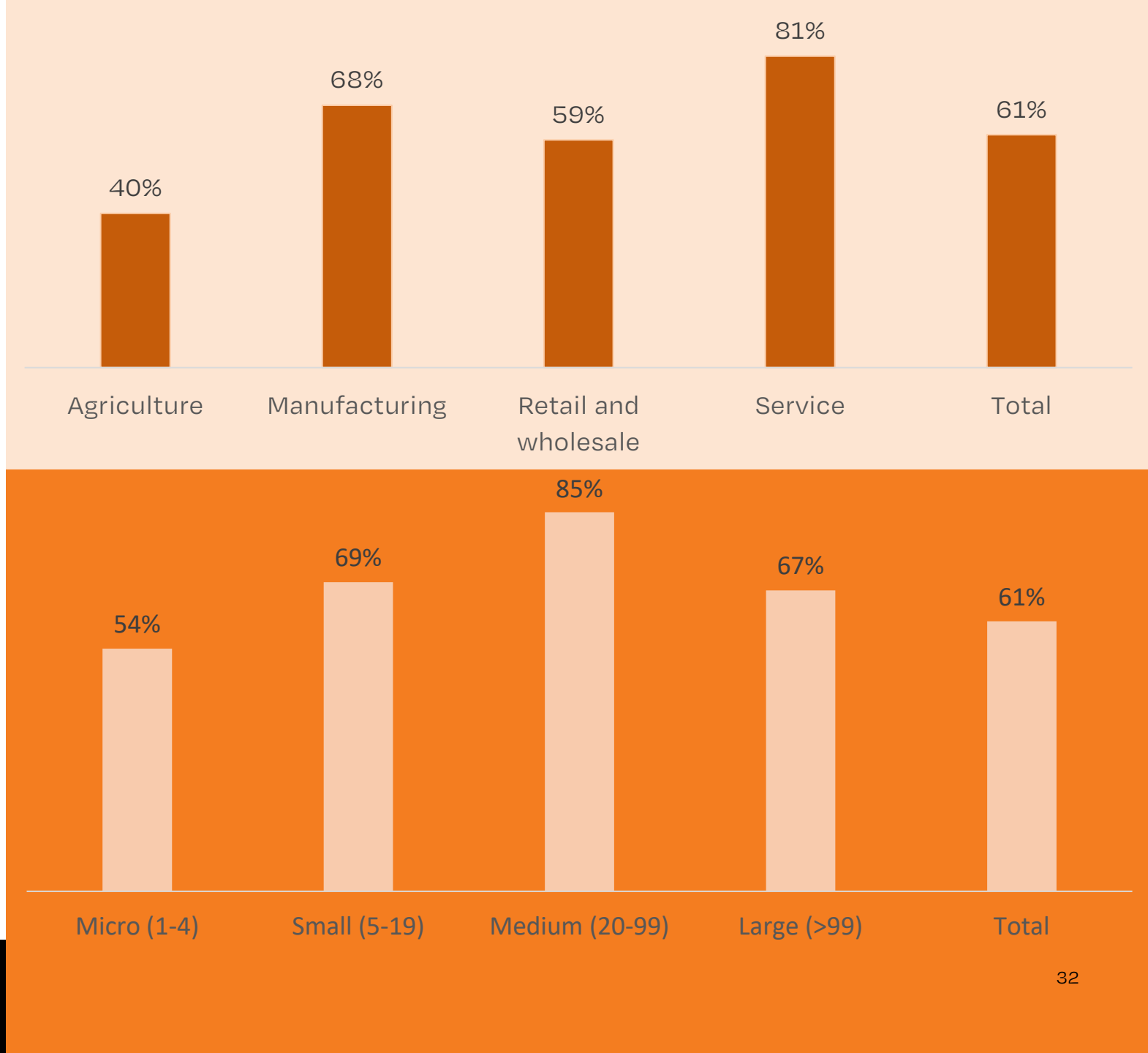
**Though most firms are aware of government COVID-19 support loans, only a small share have taken steps to **apply****



\*Indicators only for December (round 6) as these questions are either modified or added as new questions.

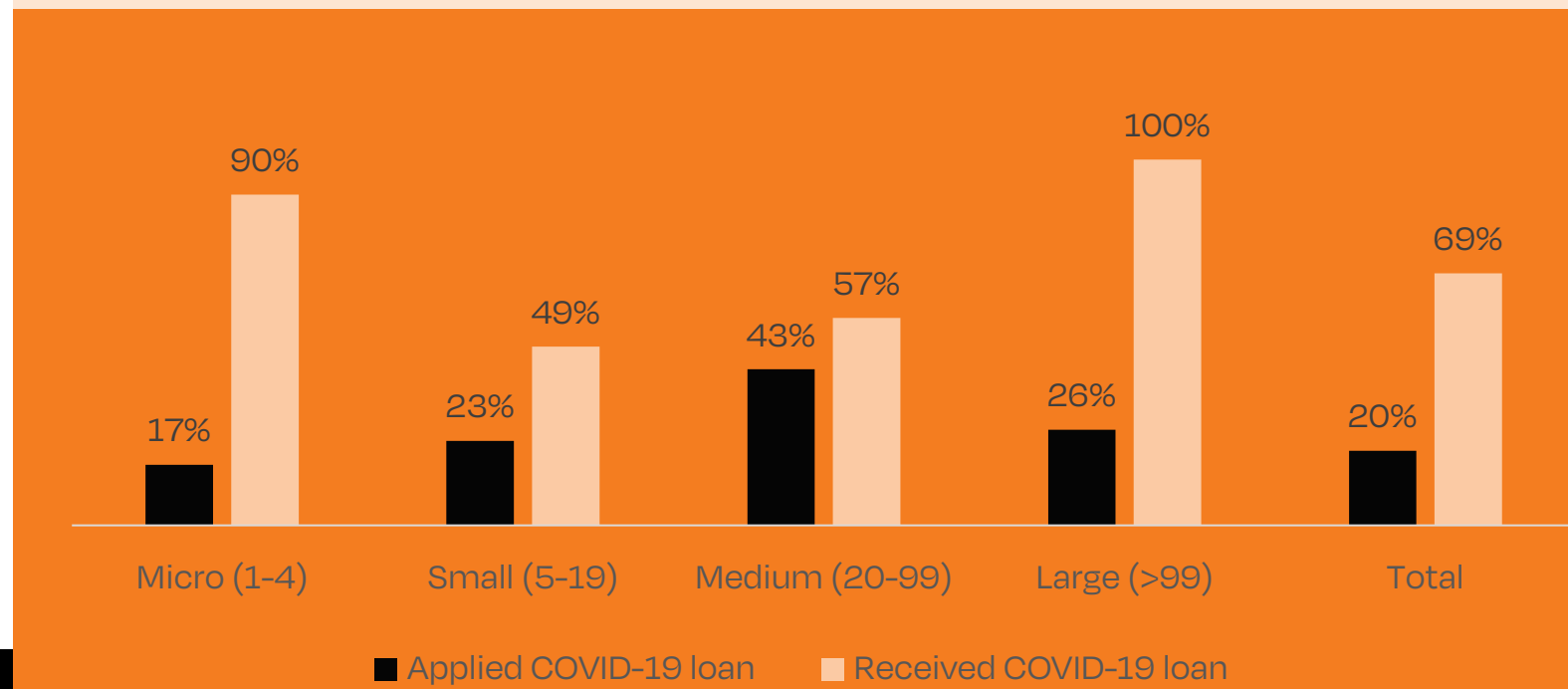
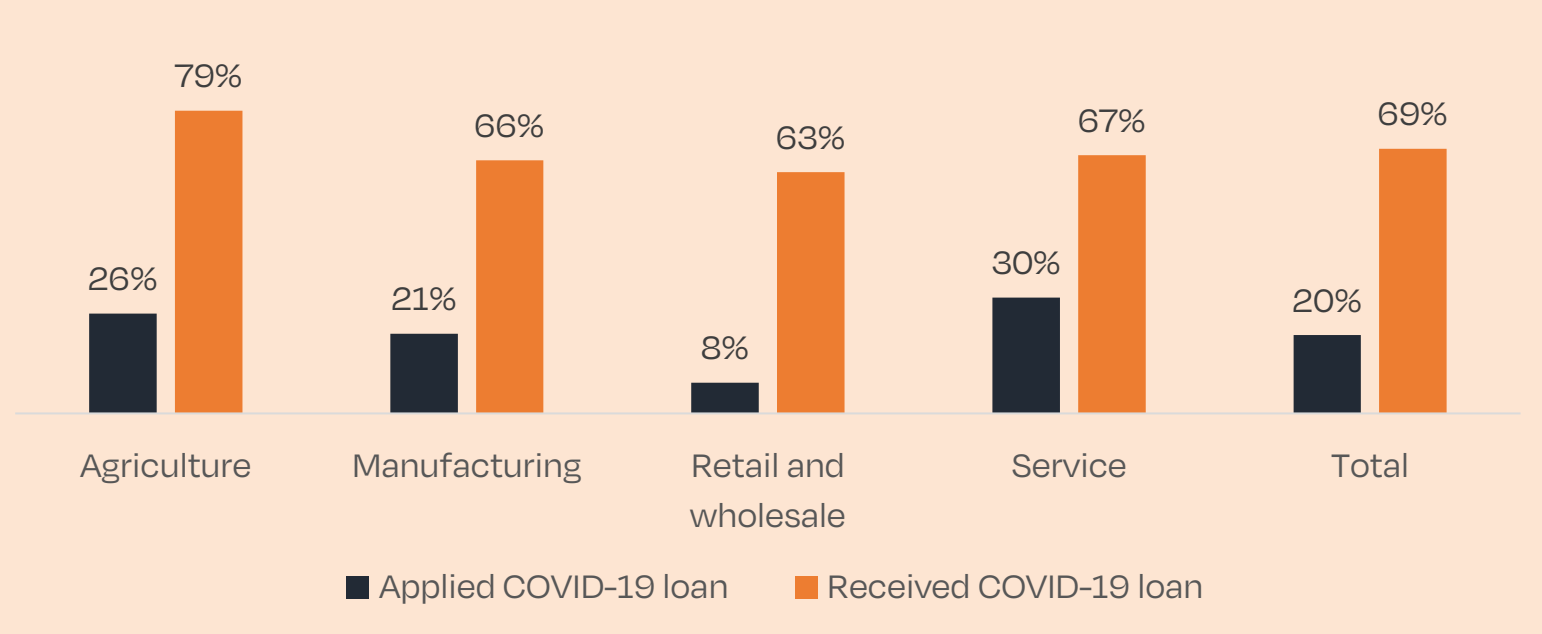
# 61%

**of all firms were aware of the government's COVID-19 loan scheme in December**

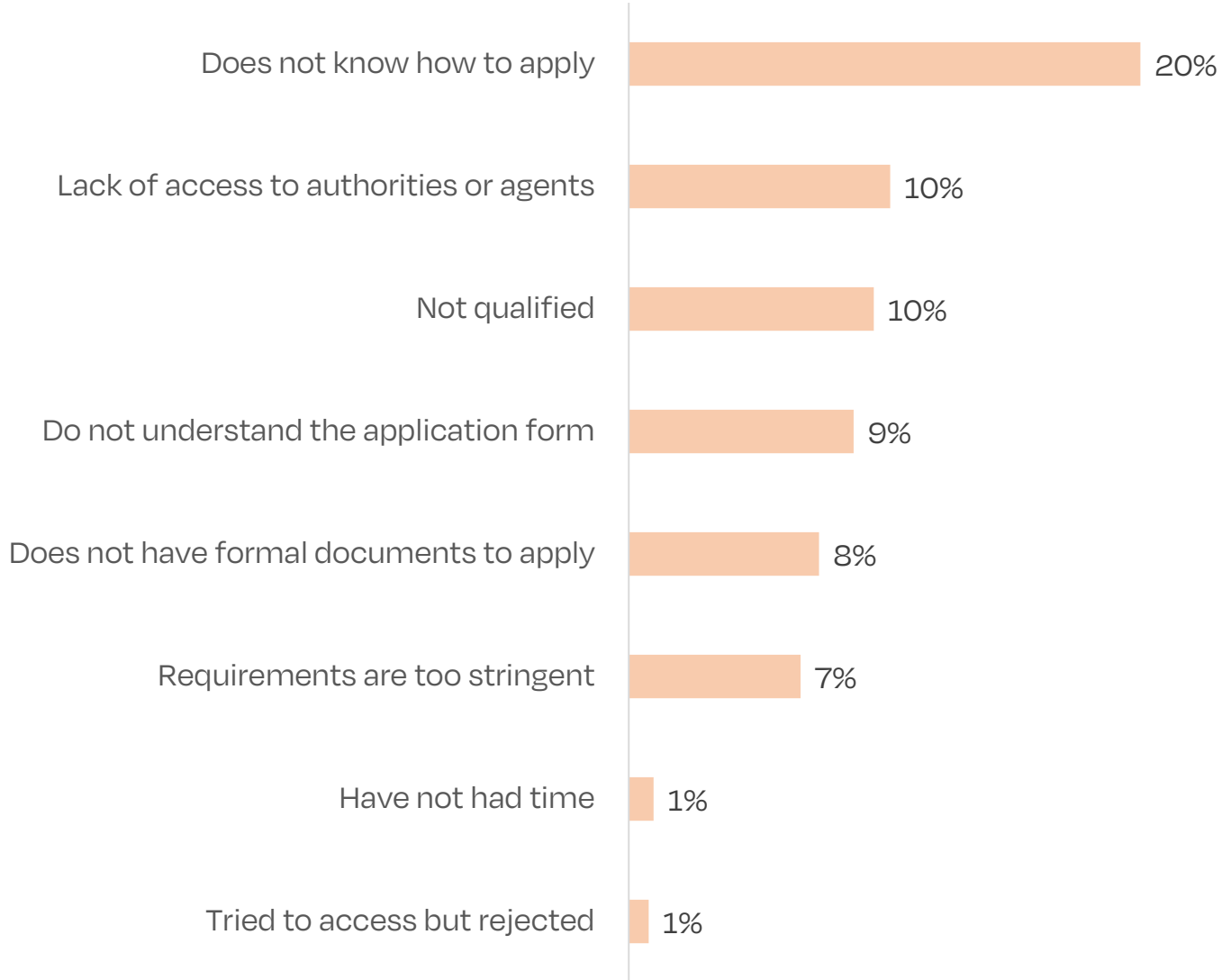




But only **20%** of those firms applied for the loan, and **69%** of those firms were successful in receiving loans.



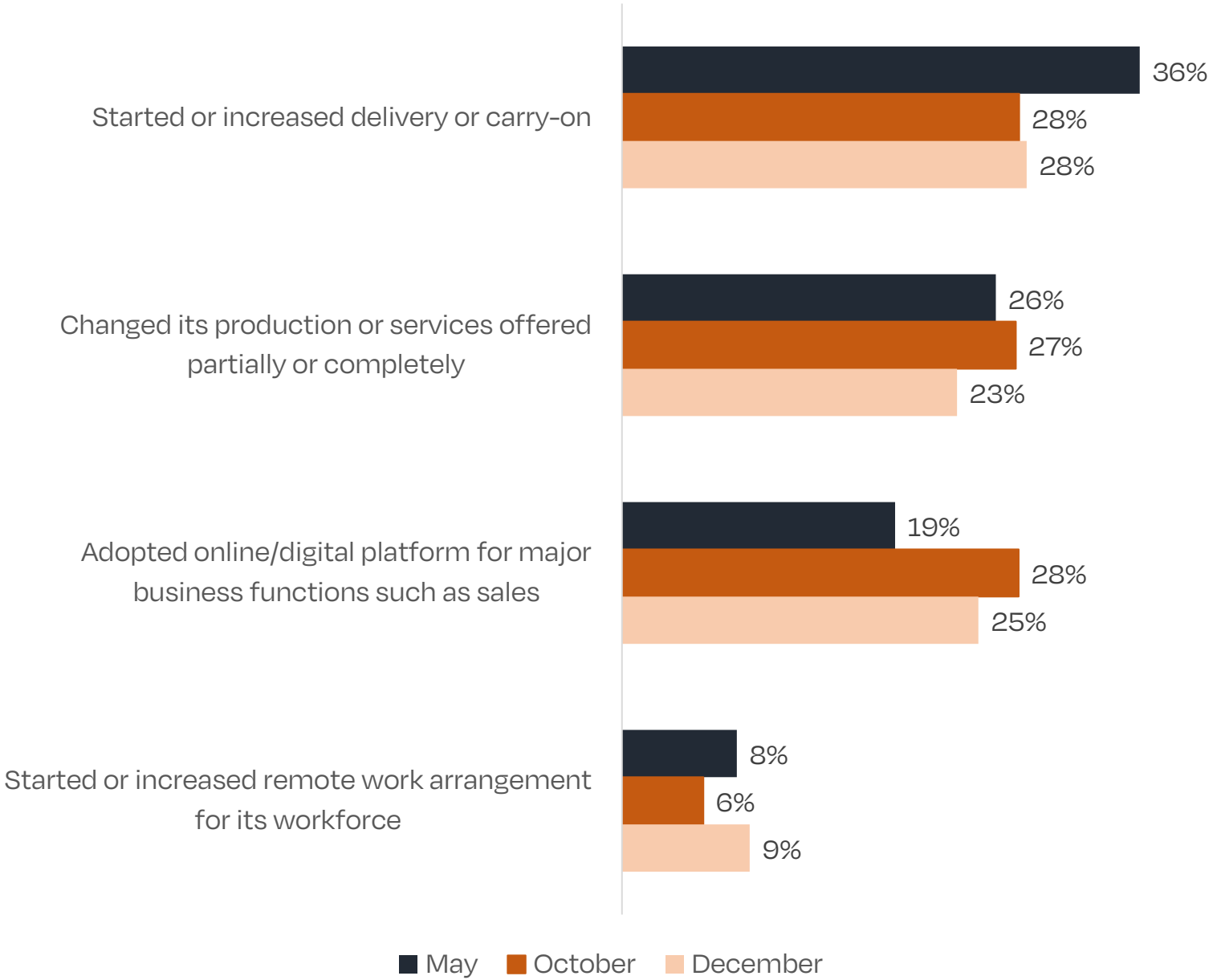
# Not knowing how to apply for loans remains the principal reason why firms did not apply for government's COVID-19 loan



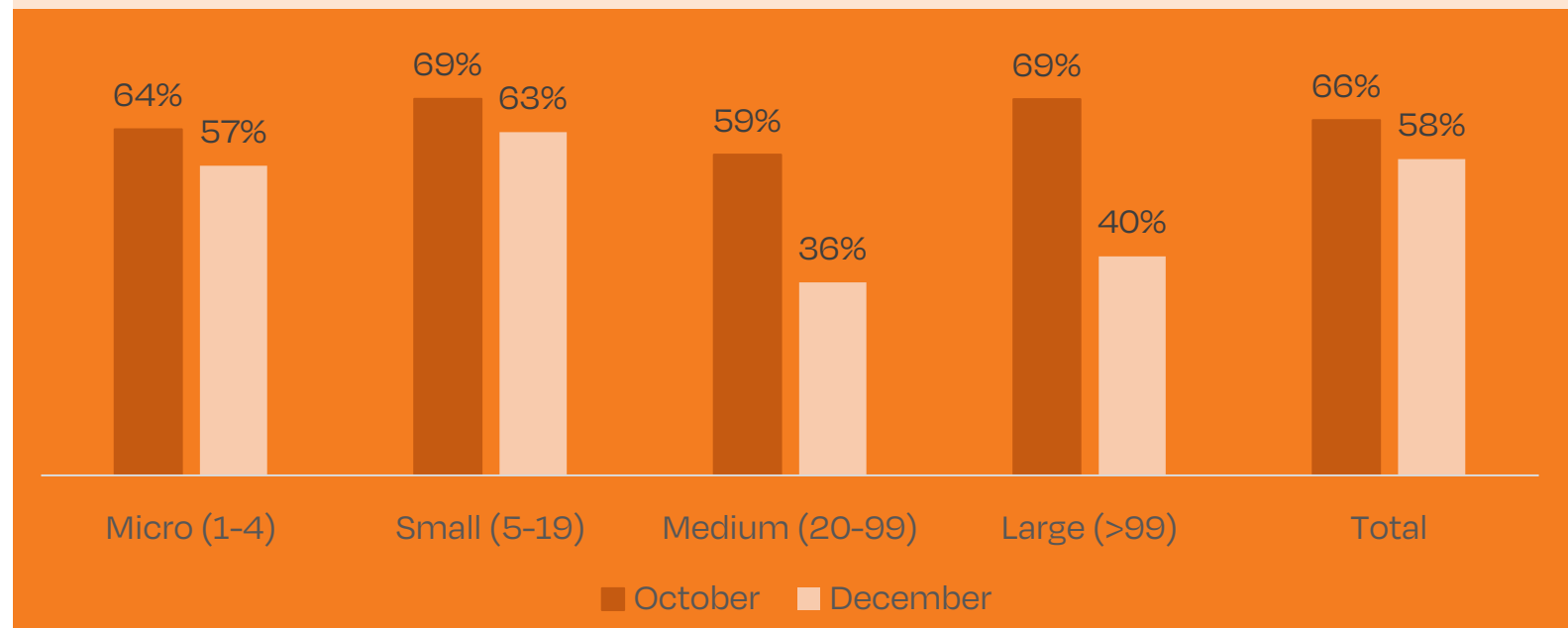
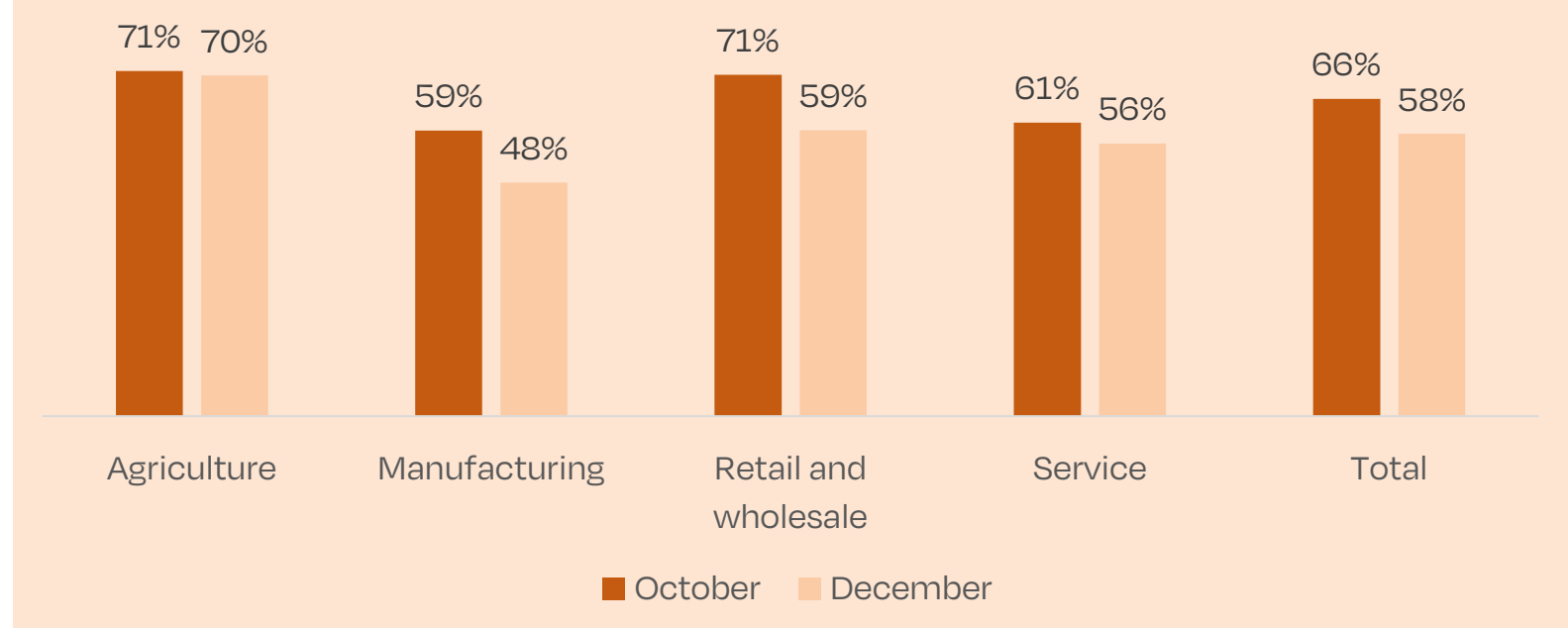
**51%** of firms reported that access to loans/credit guarantees was the most needed form of government support



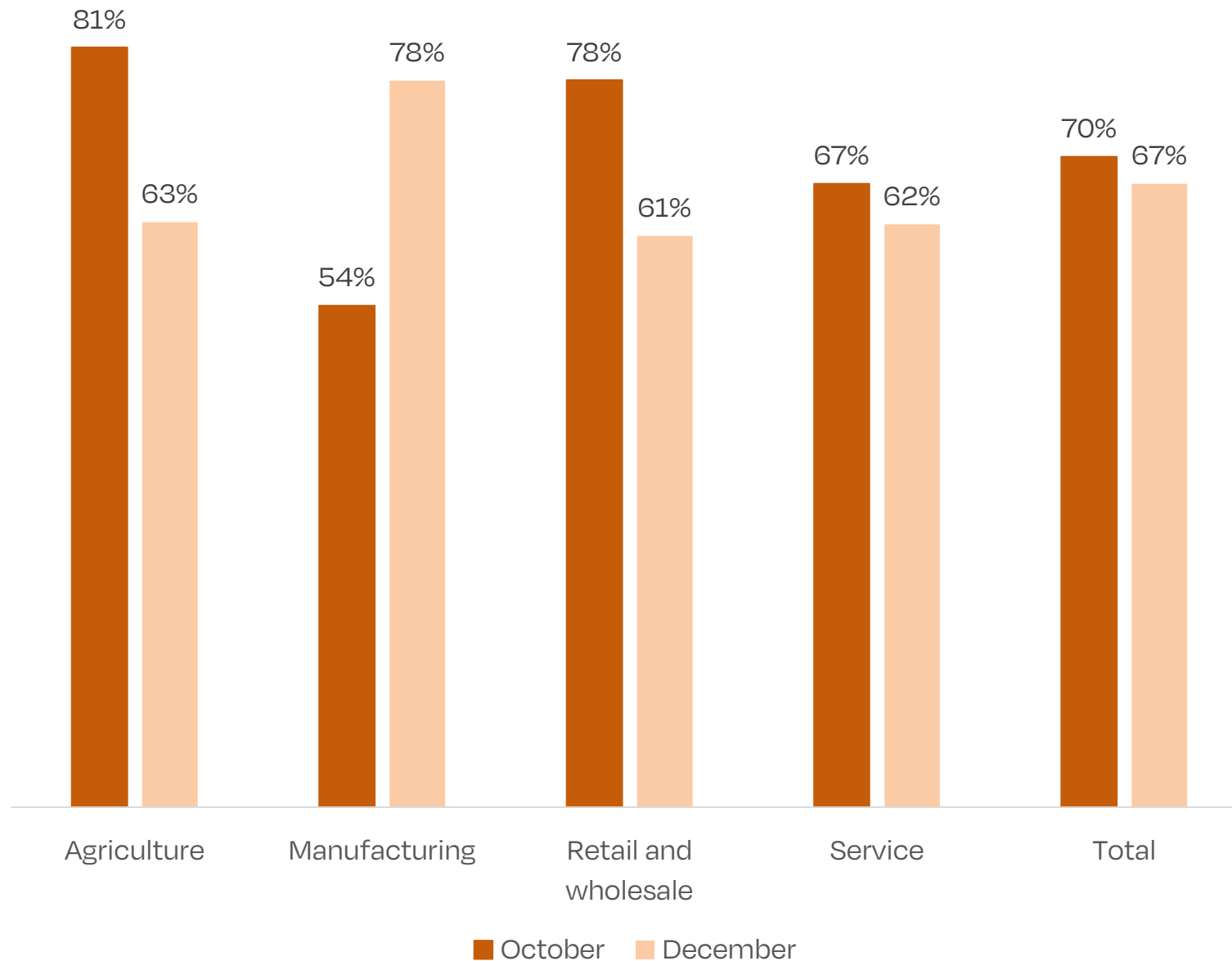
# Around one-quarter of firms adopted COVID-19 mitigation and adjustment mechanisms in December



**58%** of firms report that the government has had a **well-balanced response** to the pandemic



**In December, the share of firms satisfied with the government's response to COVID-19 decreased, with manufacturing firms being the only exception**



# Next steps

**Round 7 collection (June 2021)**