2nd Steering Committee Meeting
Nay Pyi Taw, 28 September 2017

Myanmar Enterprise Monitoring System (MEMS) Implementation Update

I. Outline

Outline

- Background, context and survey questionnaire

- Sampling and survey locations

- 2017 survey planning and implementation

- Preliminary findings

- Next steps

- Topics for in-depth studies

II. Background, context and survey questionnaire

Background and context

- **The Myanmar Enterprise Monitoring System (MEMS)** is a CSO (MoPF) project, supported by Denmark under the **Inclusive and Sustainable Growth Programme** (2016-2020), with technical assistance from UNU-WIDER and the University of Copenhagen

- **Overall aims of MEMS**
  - Develop a nationally representative enterprise monitoring system
  - Strengthen evidence based policy, supporting GoM in its efforts to develop and implement effective development policies

- **Four pillars**
  - Quantitative and qualitative survey based data generation
  - Training and capacity building of CSO staff
  - Collaborative research, involving both national and international researchers, producing descriptive data reports and in-depth research studies
  - Production and dissemination of policy briefs

Survey structure

Section	Description	Notes
Main questionnaire	Business information, supplier and buyer relations, production characteristics, technology, costs, investment, finances, credit, employment, management practices, networks, economic constraints and potentials	Sample 2,496 firms
Economic Accounts	Financial information	Not ready
Employee questionnaire	Workforce characteristics, education, tenure, occupation, wage	Not ready

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III. Sampling and survey locations

Sampling

- Data frame: Municipal lists of 71,226 manufacturing enterprises

- 28% of registered firms are listed as "rice mills" (MSIC sector 1063)

- Stratified the population of firms into (i) rice mills and (ii) other manufacturing

- Frame of 51,443 other manufacturing firms and 19,783 rice mills

- Sample size determined based on the state with the lowest number of firms

- Random township selection

- Random enterprise within township selection

List of townships (and firms to be interviewed within 35 townships)

State	Township	Township	Township	Township	Township
1 Kachin	10201 (31)	10404 (63)			
2 Kayah	20204 (69)				
3 Kayin	30301 (39)	30302 (22)			
4 Chin	40102 (6)				
5 Sagaing	50202 (39)	50501 (57)	50803 (96)		
6 Tanintharyi	60201 (97)				
7 Bago	70102 (43)	70205 (81)	70306 (39)		
8 Magway	80202 (89)	80301 (17)	80306 (35)		
9 Mandalay	90302 (49)	90503 (146)	90604 (72)		
10 Mon	100102 (130)				
11 Rakhine	110402 (29)	110502 (50)			
12 Yangon	120105 (72)	120106 (116)	120204 (88)	120214 (22)	
13 Shan	130104 (14)	130404 (73)	130409 (22)	130904 (36)	131001 (10)
14 Ayeyarwady	140105 (81)	140401 (45)	140603 (33)		
15 Nay Pyi Taw	150202 (85)				

Sample overview

State	SAMPLE	Rice Mills	Informal	Total
Kachin	94	10	26	130
Kayah	69	4	18	91
Kayin	61	4	16	81
Chin	6	7	3	16
Sagaing	192	15	51	258
Tanintharyi	97	9	26	132
Bago	163	18	45	226
Magway	141	9	37	187
Mandalay	267	9	69	345
Mon	130	9	34	173
Rakhine	79	14	23	116
Yangon	298	11	77	386
Shan	155	12	41	208
Ayeyarwady	159	22	45	226
Nay Pyi Taw	85	6	22	113
Total	1996	159	533	2688

Actually surveyed

State	Planned	Surveyed	Percent surveyed	Difference Surveyed-Planned (%)
Kachin	130	122	4.9	-4.2
Kayah	91	75	3.0	-8.3
Kayin	81	77	3.1	-2.1
Chin	16	13	0.5	-1.6
Sagaing	258	252	10.1	-3.1
Tanintharyi	132	118	4.7	-7.3
Bago	226	192	7.7	-17.7
Magway	187	174	7.0	-6.8
Mandalay	345	339	13.6	-3.1
Mon	173	164	6.6	-4.7
Rakhine	116	116	4.6	0.0
Yangon	386	358	14.3	-14.6
Shan	208	181	7.3	-14.1
Ayeyarwady	226	226	9.0	0.0
Nay Pyi Taw	113	89	3.6	-12.5
Total (%)			100	100
Total (observations)	2,688	2,496		192
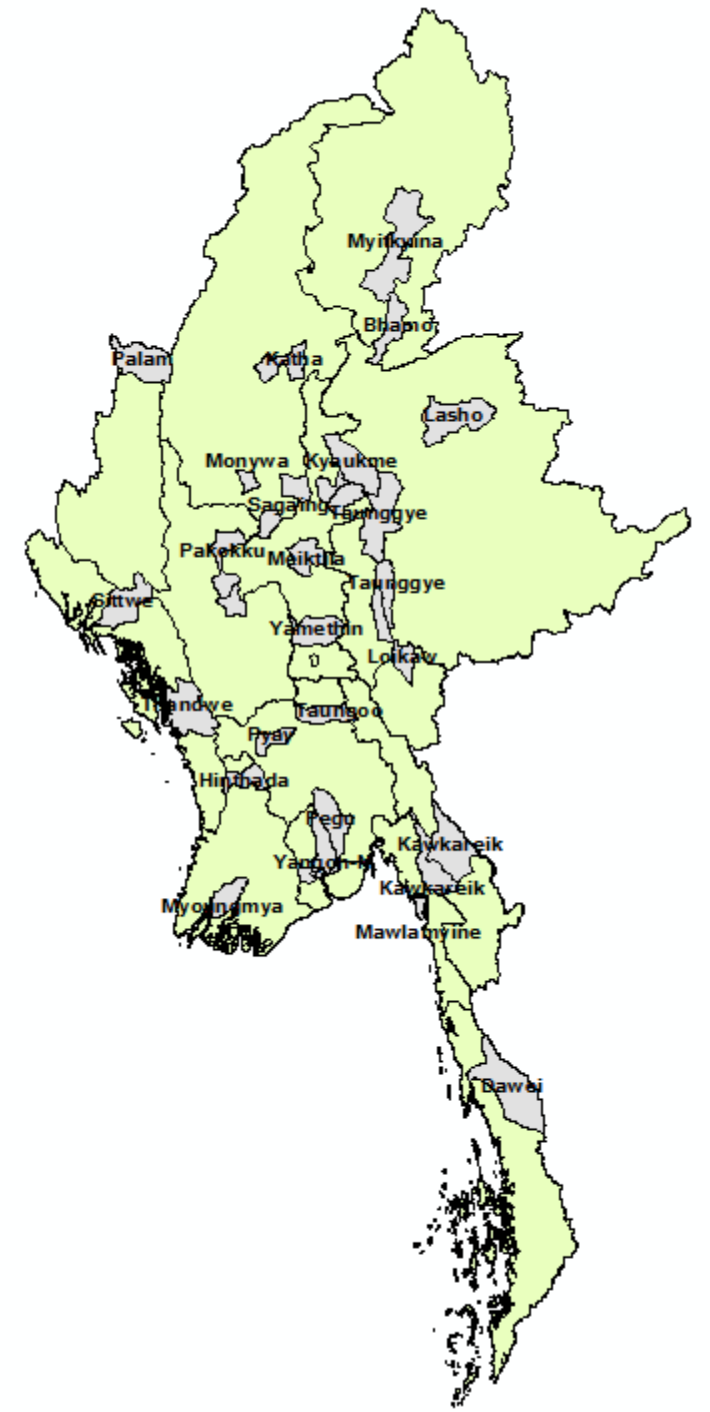
IV. 2017 survey planning and implementation activities

Main activities carried out

- 28 December 2016: Tender documents submitted

- 24 February 2017: Contract awarded and survey design initiated

- 14-15 March: Sampling course training (Nay Pyi Taw, 2 UNU-WIDER, 15 CSO)

- 17 March: Official launch at CSO

- 27-28 April: Training of trainers (Nay Pyi Taw, 2 UNU-WIDER, 14 CSO: supervisors from state and region offices)

- Enumerator training

  – 15-16 May and 29-30 May: Nay Pyi Taw, 90 CSO staff, including supervisors and enumerators from head office, states and regions

Main activities carried out

- Pilot-testing of the questionnaire

  1. 25 and 26 April

     - Yangon and Mandalay, 3 UNU-WIDER, 5 CSO

  2. 9 May

     - Nay Pyi Taw, 2 UNU-WIDER, 7 CSO

  3. 1 June

     - Pyay, 90 CSO supervisors and enumerators

- Early June: Questionnaire agreed

Main activities carried out (continued)

- Sampling based on continuously updated municipal lists of enterprises

  – Mid-May: Final sampling

- Survey implementation (76 enumerators from CSO)

  – 12 June: Survey start

  – 19-23 June: Spot checks (Mandalay and Yangon, 1 UNU-WIDER, 8 CSO)

    • To monitor and assess survey implementation (joint)

  – 9 July: Survey completed

Main activities carried out (continued)

- Data entry training

  – 17-18 July: Nay Pyi Taw, 76 enumerators from CSO

- Data entry/preliminary cleaning

  – 24 July – 2 September: Nay Pyi Taw, 76 enumerators from CSO

- Detailed data verification

  – To assess compliance and data accuracy

  – 28 August – 14 September: 6 regions, 7 townships, 2 UNU-WIDER, 3 CSO

- Preparing for the Steering Committee meeting on 28 September 2017

Follow-up in process

- Resolve ambiguities
  - Discuss how some questions were interpreted
    - E.g. registered (formal) firm definition; temporary and family labour; license fees counted as taxes
  - Compare paper and electronic version
  - Contact respondents

- Missing information
  - Perhaps not entered
  - Assess if possible to fill-in by additional visits or phone calls

V. Preliminary findings

Topics

- Sample structure
  - industry, size, legal ownership
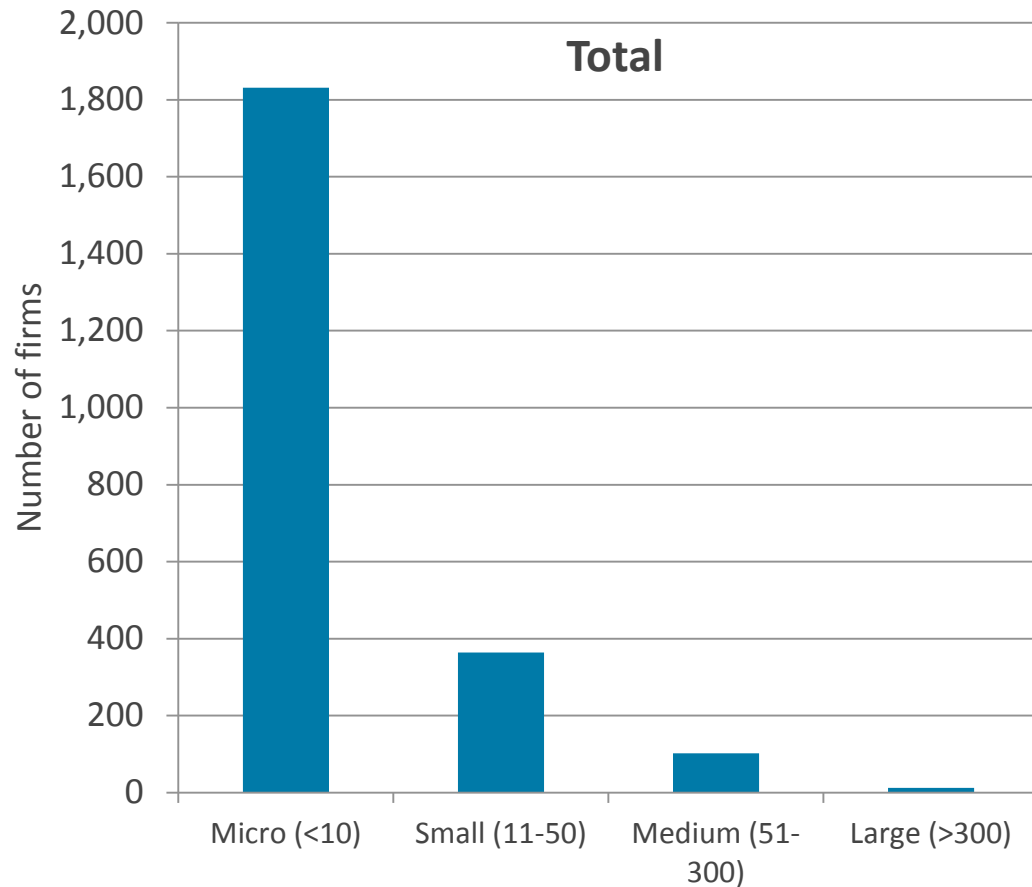- Productivity
- Sales
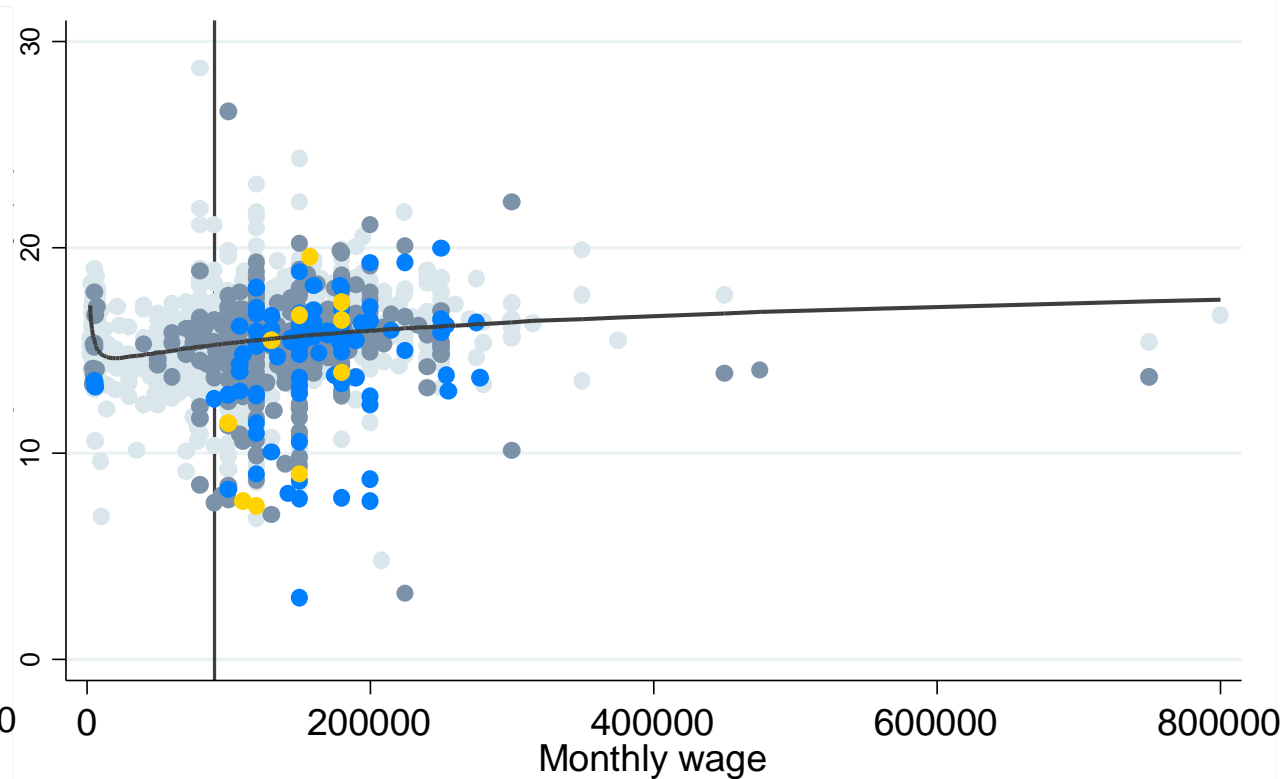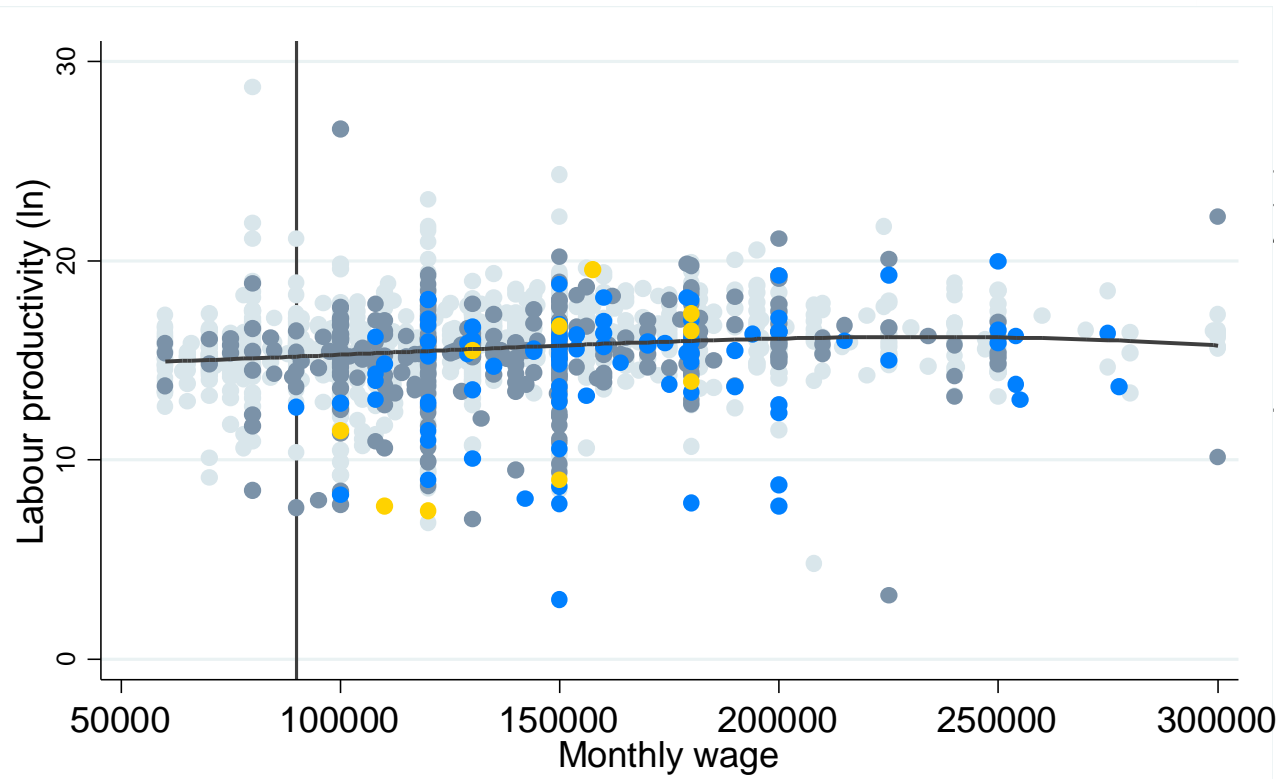- Competition
- Constraints
- Credit

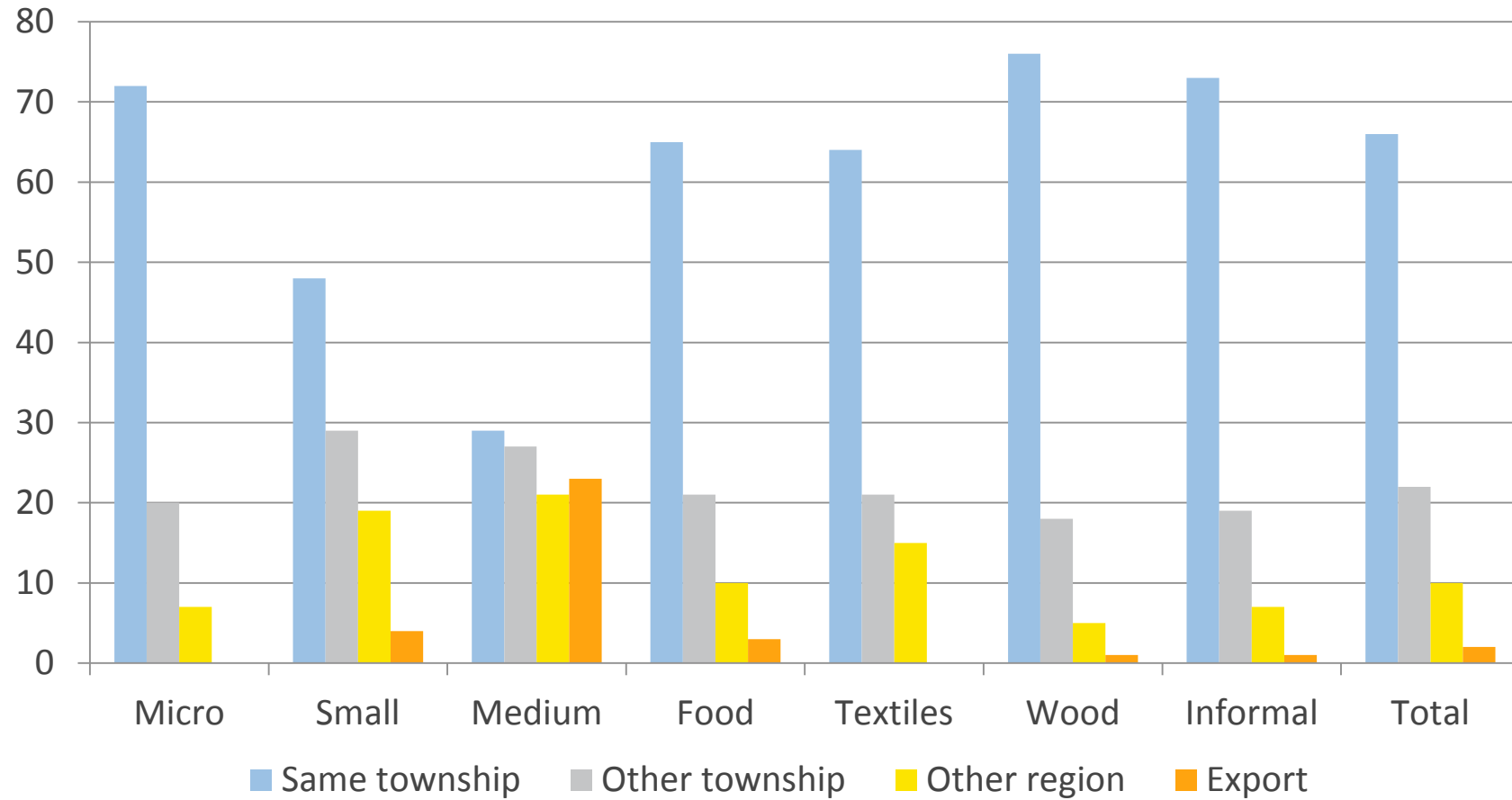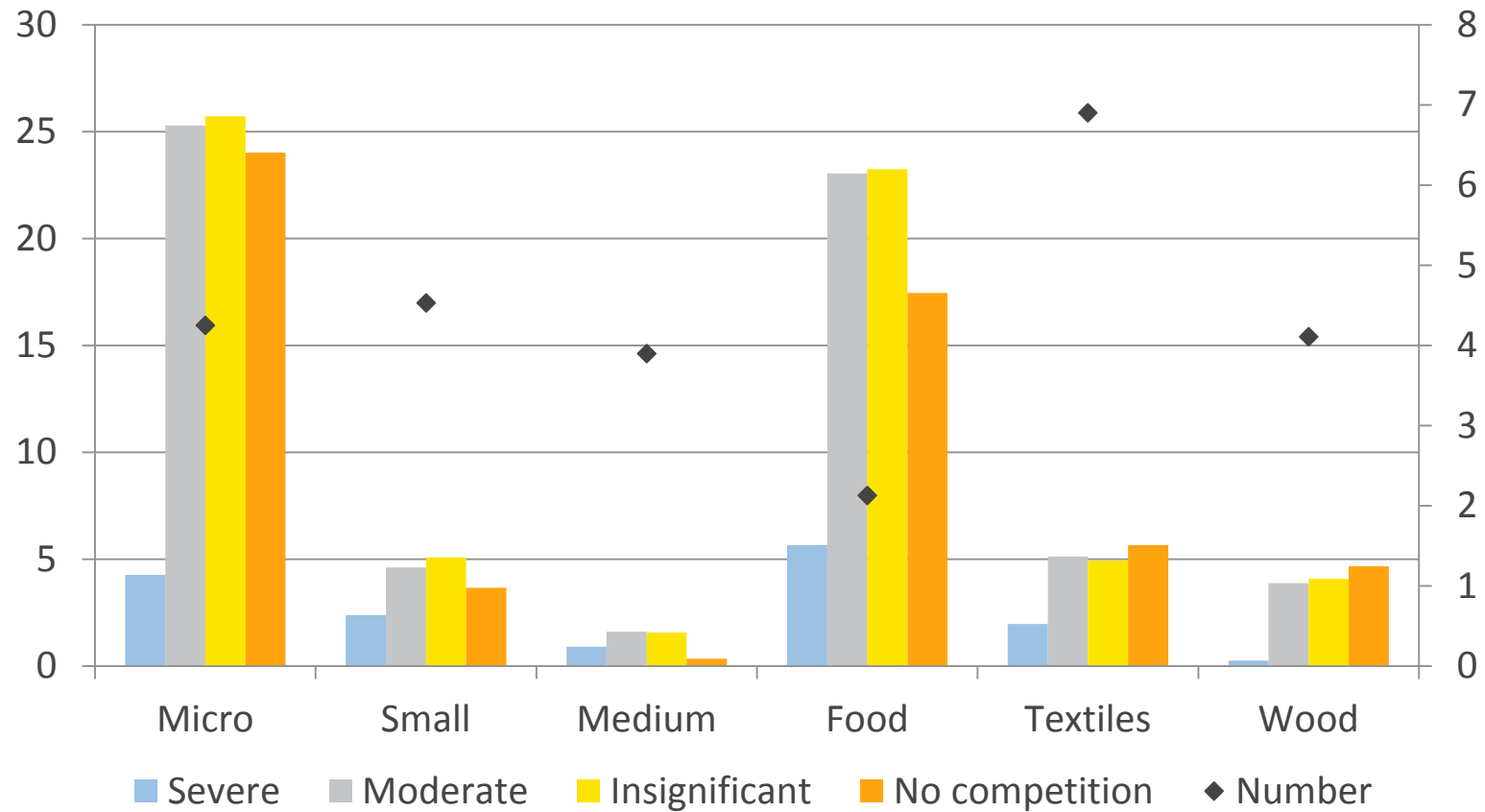# Industries
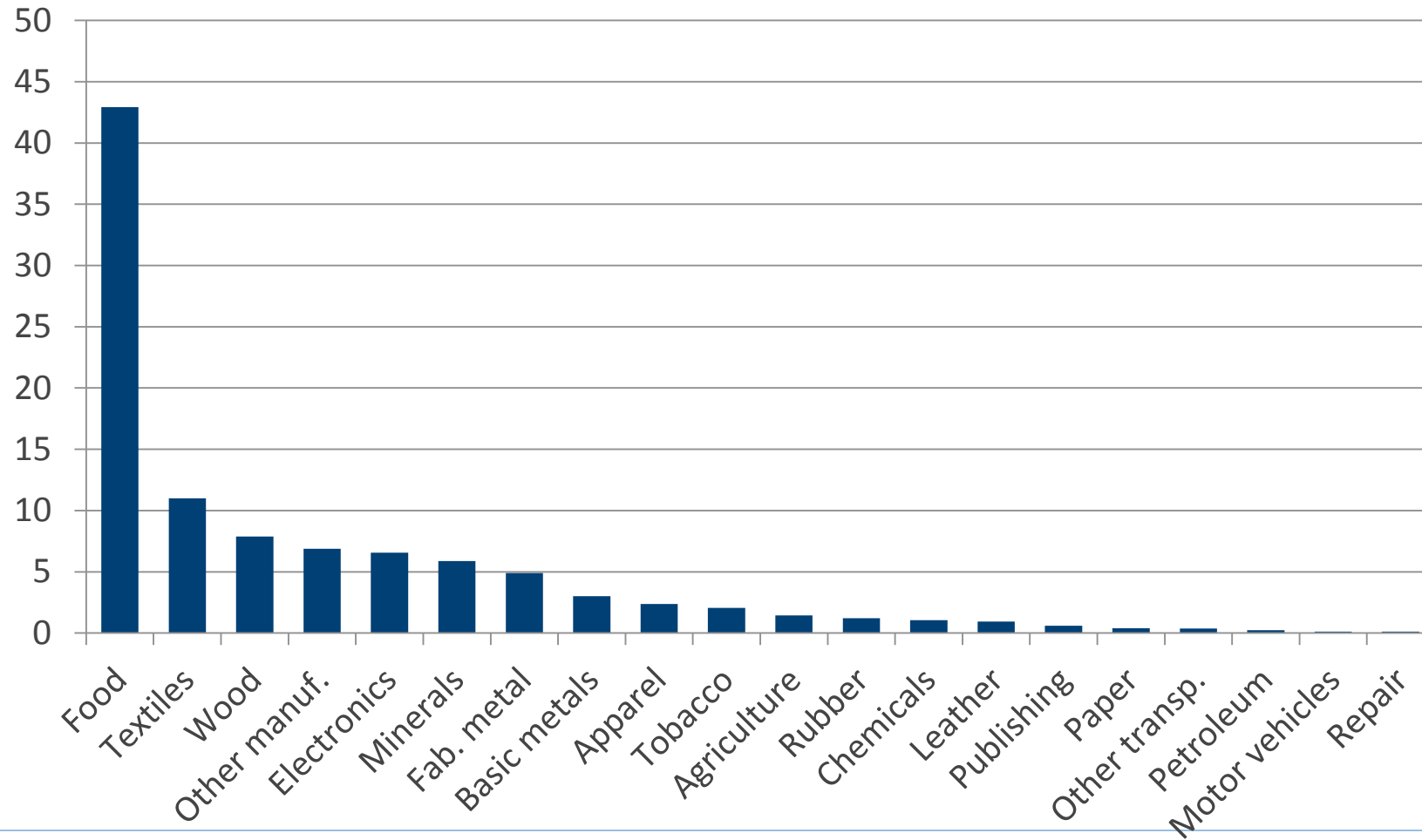
Types of firms
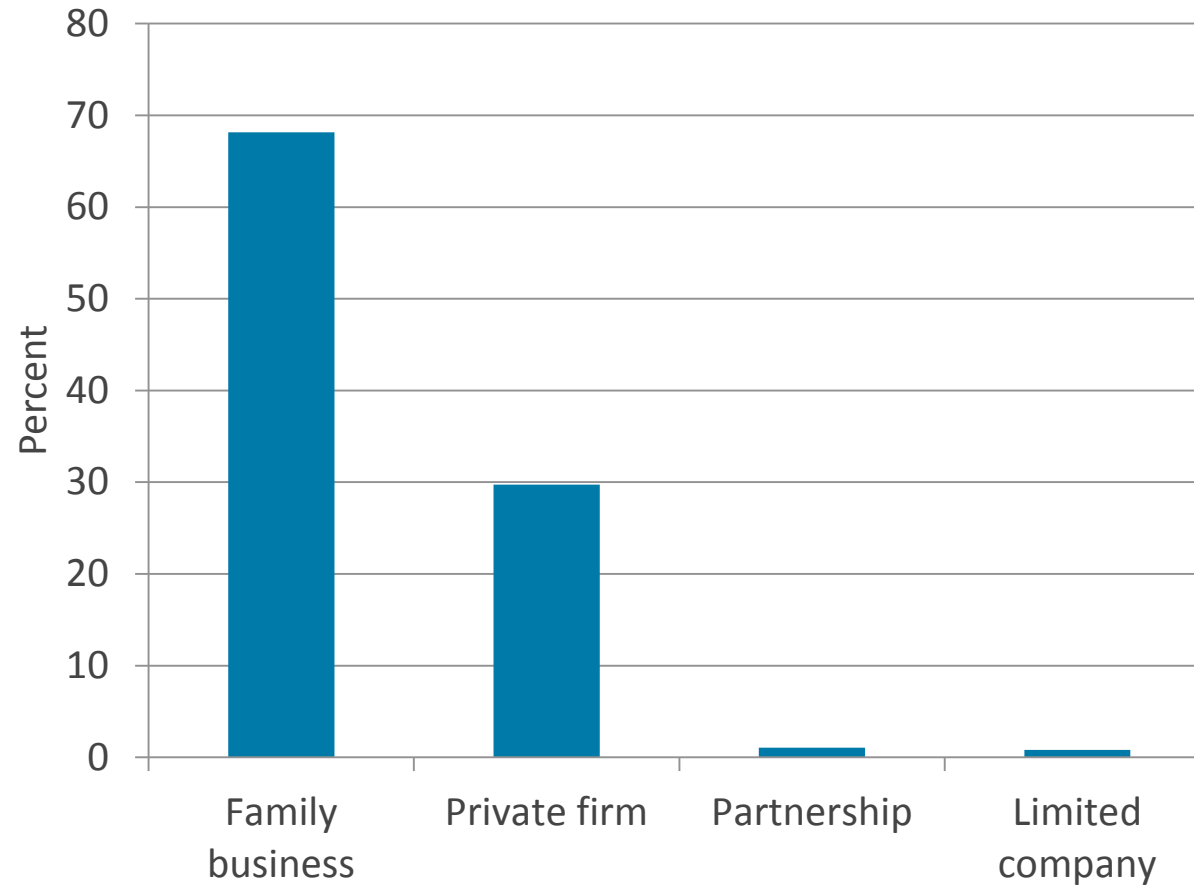
Size of firms (World Bank definition)
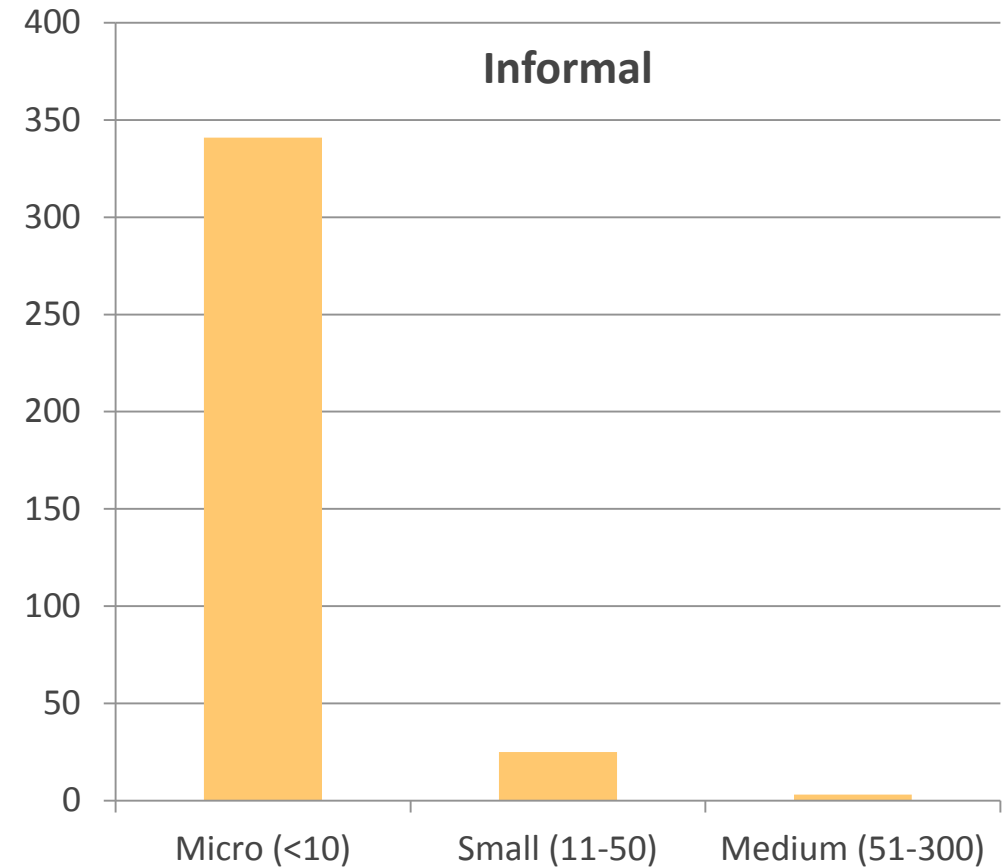
Productivity and wages

Customers

Competition

Starting up new projects

Firm size and formality
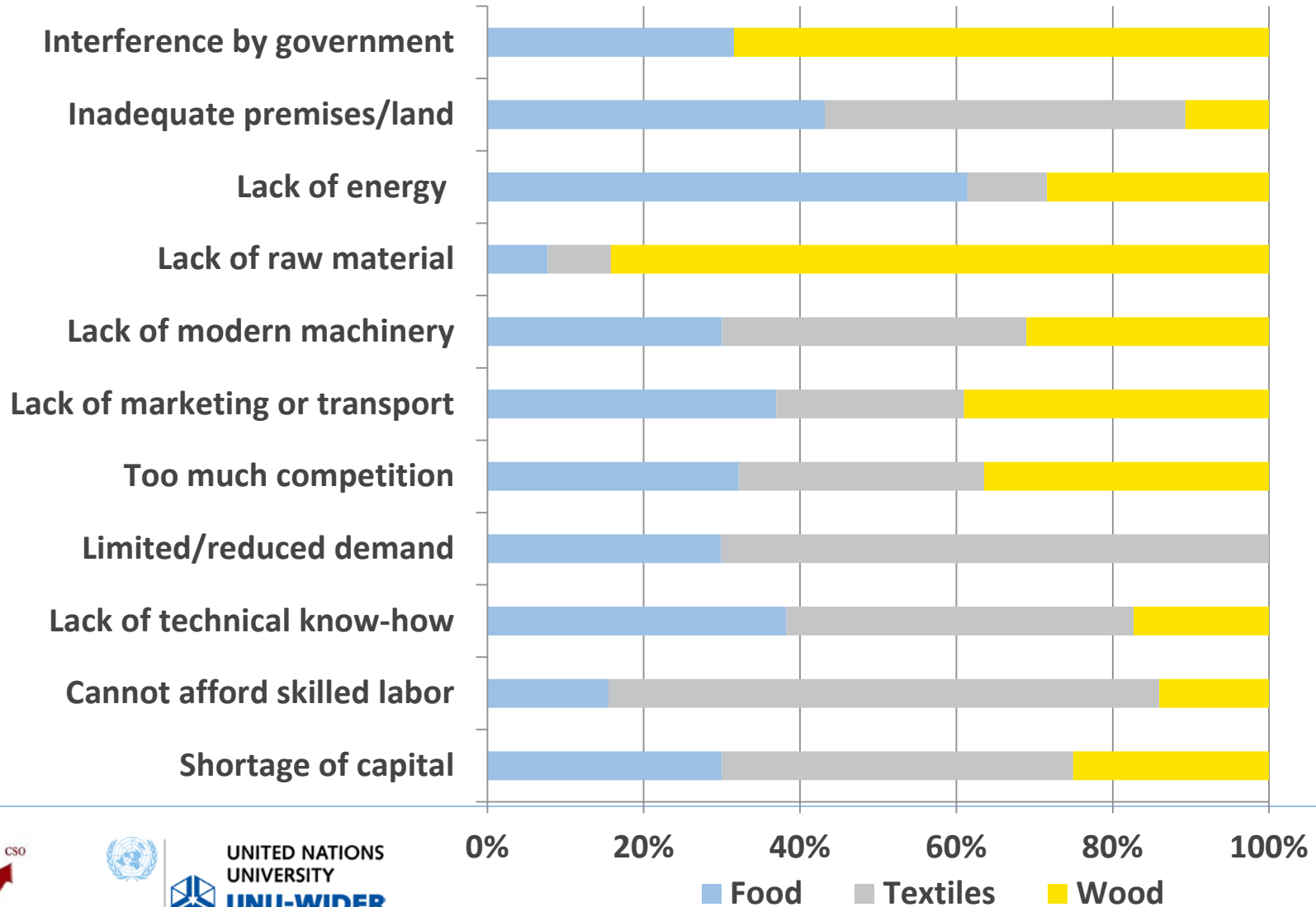
Lack of capital
Lack of market outlet
Lack of raw material
Lack of technical know-how
Lack of skilled labor
Difficulty in finding land
Lack of suitable machinery
Complicated regulations
Negative attitude of local...

0   0.1   0.2   0.3   0.4   0.5

■ Total   ■ Informal   ■ Medium   ■ Small   ■ Micro

Selected sectors

Lack of capital
Lack of market outlet
Lack of raw material
Lack of technical know-how
Lack of skilled labor
Difficulty in finding land
Lack of suitable machinery
Complicated regulations
Negative attitude of local...

0   0.1   0.2   0.3   0.4   0.5

■ Wood   ■ Textiles   ■ Food

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Perceived constraints; Selected sectors

Horizontal stacked bar chart showing perceived constraints by sector (Food, Textiles, Wood):

Constraint	Food	Textiles	Wood
Interference by government			
Inadequate premises/land			
Lack of energy			
Lack of raw material			
Lack of modern machinery			
Lack of marketing or transport			
Too much competition			
Limited/reduced demand			
Lack of technical know-how			
Cannot afford skilled labor			
Shortage of capital			

Legend: Food, Textiles, Wood

Axis: 0% 20% 40% 60% 80% 100%

Number of formal loan applicants

	Yes		No
Applied for a loan	**194**		**2,223**
	(8)		**(92)**

	Yes	No	
Problems getting the loan	75	119	
	(39)	(61)	

Problem, why?			*Did not apply, why?*		
Collateral/Cosigners unacceptable	13	(18)	No need for a loan	449	(21)
Insufficient profitability	10	(14)	Do not want debt	738	(35)
Complicated regulations	30	(41)	Application procedures to complex	425	(20)
Incomplete loan application	12	(16)	Interest rates too high	64	(3)
Other	9	(12)	Collateral requirements unattainable	201	(9)
			Already have too much debt	46	(2)
			Other	196	(9)

Note: Percentages in parentheses
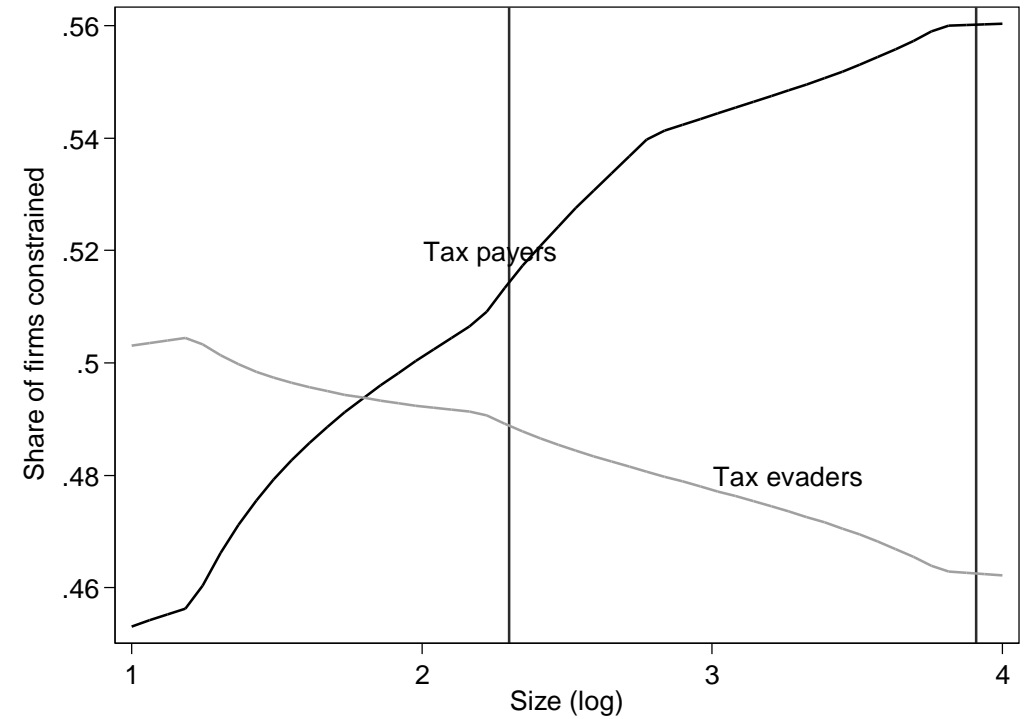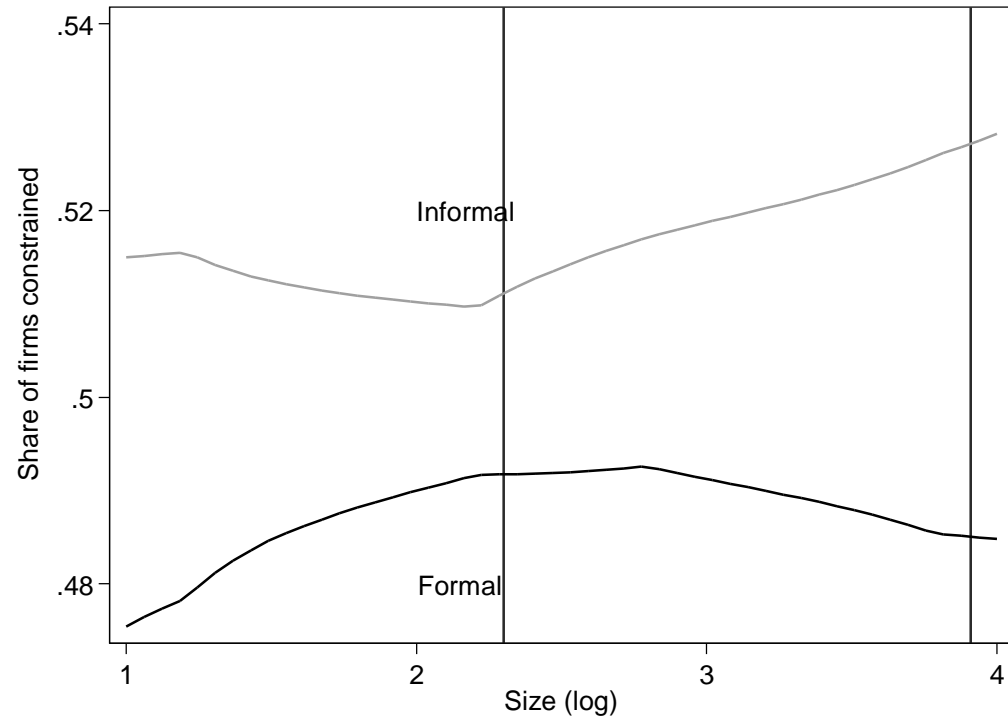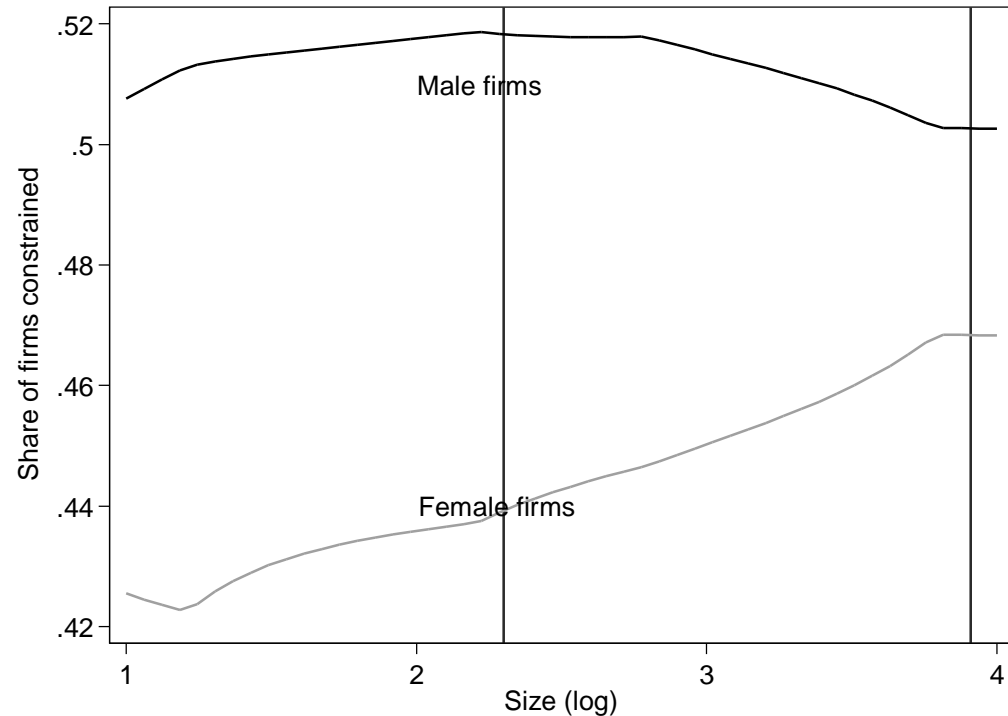
Credit constrained
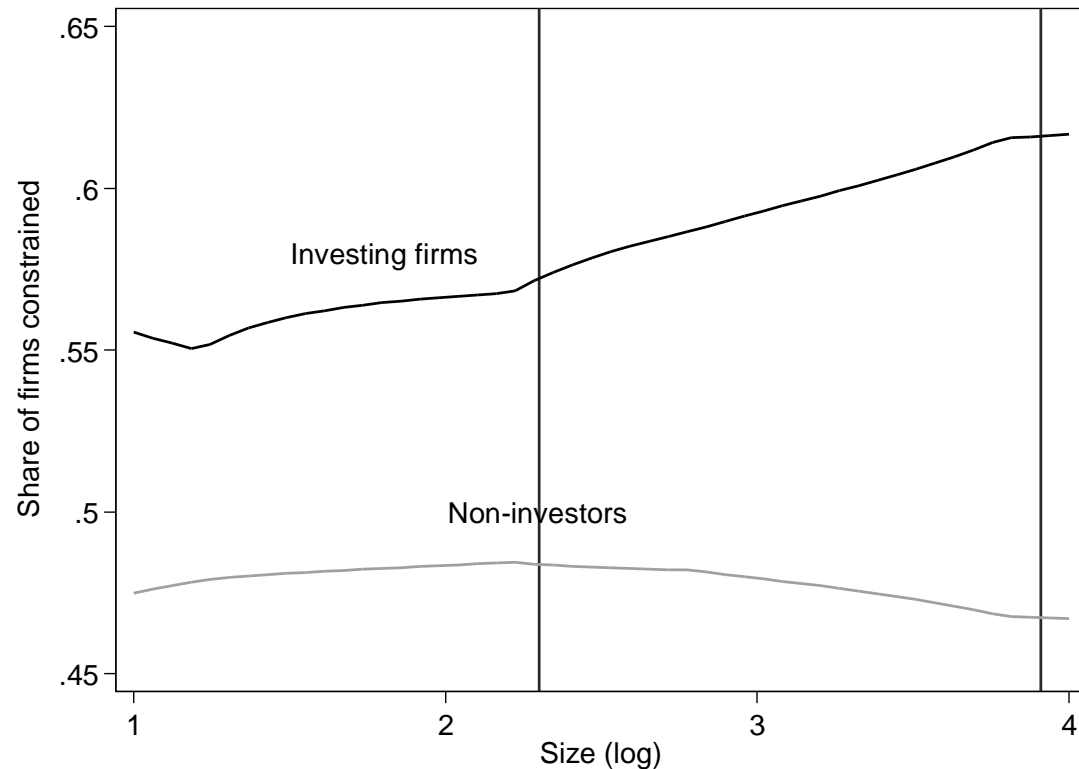
- 47% labelled as credit constrained

- Investing firms often more financially constrained or rationed

Credit, formality and tax payers

Credit and gender

- Male owned enterprises more constrained in credit markets !!!

- Also conditional on other attributes? Yes.

VI. Next steps

2017-2018 activities

- CSO to follow-up on data
  - In particular to compare paper and electronic versions and resolve ambiguities
  - Estimated time to do this is six weeks. Clean data expected mid-November.
- When data ready, proceed to prepare descriptive report
- Conference/launch in 2018: decide on timing

- 2018 activities:
  - Spring: Design of qualitative studies, randomized intervention and experiment in the field
  - Spring: Training and implementation
  - Fall: Survey design for the survey of the same enterprises in 2019 as in 2017
  - Fall: Training, testing for 2019 survey

VII. Topics for in-depth studies

Proposals

1. Credit

   – Understanding who is credit constrained

   – Estimating credit gap

2. Industrial zones

   – Performance of firms in and outside industrial zones

3. Unions

   – The role of unions and income distribution