

Making Access Possible

FinScope Myanmar 2018 Launch

Nay Pyi Taw, Myanmar

19 June 2018



Sampling and weighting

Respondent profile

- Universe: **Adult population in Myanmar**
- Myanmar residents **18 years and older**



Coverage and methodology

- Fieldwork conducted from January – April 2018
- Questionnaire **translated and conducted** in Myanmar language
- **5 500** interviews conducted by Myanmar Survey Research (MSR)



Sample and fieldwork validation

- Sample representative at national, state/regional and urban/rural
- Sample drawn probability proportional to population size
- Survey data weighted to adult population projection 2018
- Sample methodology and data weighting verified by Central Statistics Office / Department of Population & Statistics





Understanding local context

Sources of income and livelihoods

Most adults depend on irregular income sources

Total adult population

34.3
million

Main income source

- Almost a quarter of adults claim farming as main income source
- 21% of adults claim not to have an income
- 90% of those without income are dependent on family/friends



23%

Farmers
(7.7 mill)



8%

Formal
employment
(2.6 mill)



10%

Informal
employment
(2.6 mill)



33%

Dependents
(11.1 mill)



26%

Self-employed
MSME
(8.9 mill)

Sources of income and livelihoods

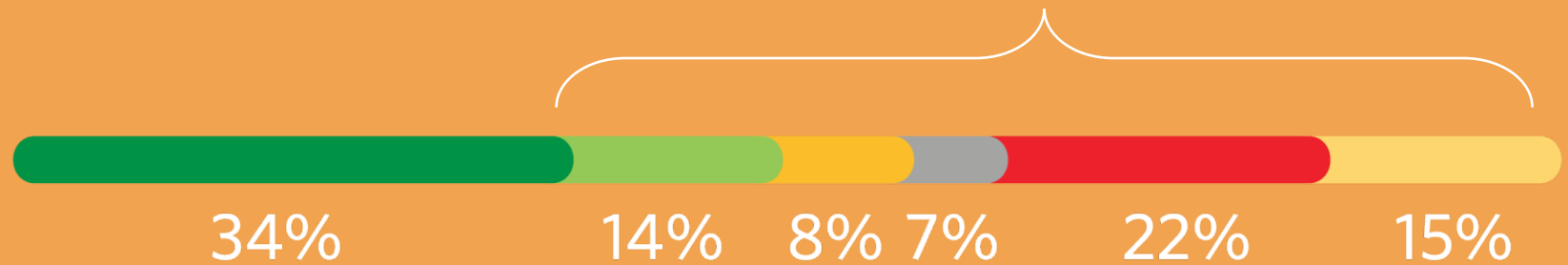
Two in three adults earn under \$75 per month

Total adult population
34.3
million

Personal Monthly income

- Two thirds (66%) of adults personally earn MMK100,000 (≈\$75) or less per month

\$75 earn under per month

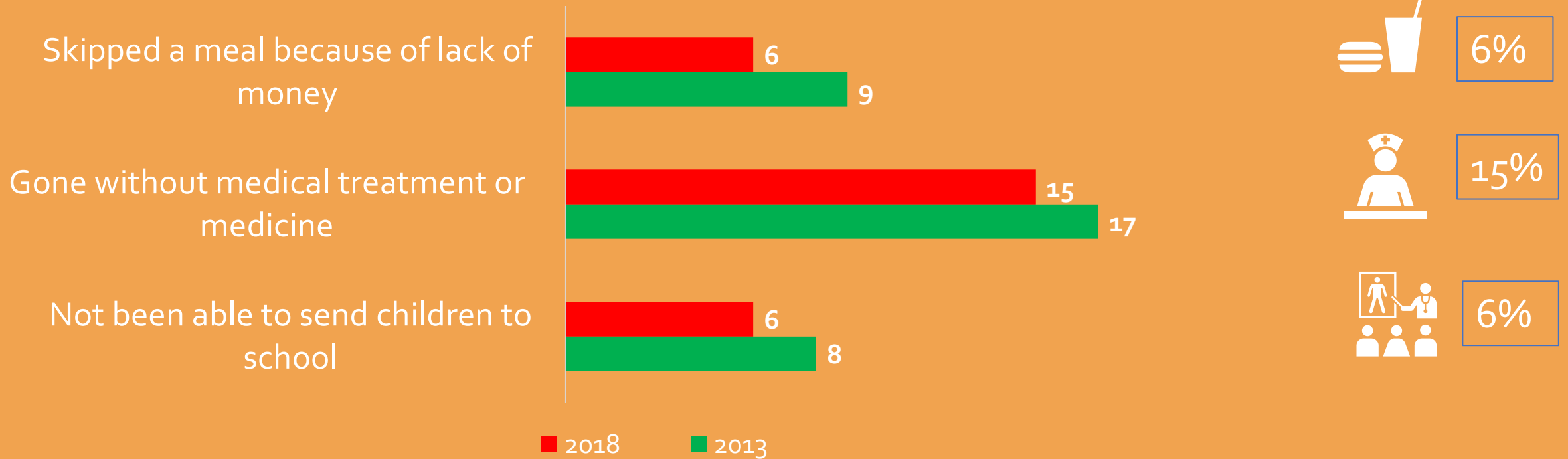


- MMK 100 001 and above
- MMK 30 001 - MMK 60 000
- No income

- MMK 60 001 - MMK 100 000
- MMK 30 000 and under
- Do not know/refused

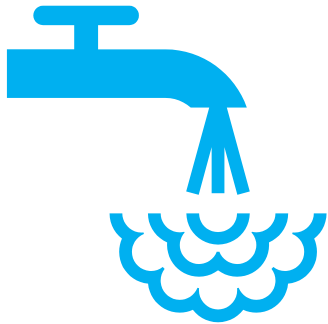
Poverty symptoms

Poverty related symptoms show a drop in 2018



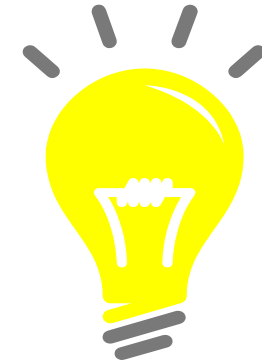
- Poverty symptoms measured from 2013 amongst Myanmar households have reduced in 2018

Access to amenities



Households with access to tap water
(as main source of water used in household)

Total: 65%
Urban 79% : Rural 56%



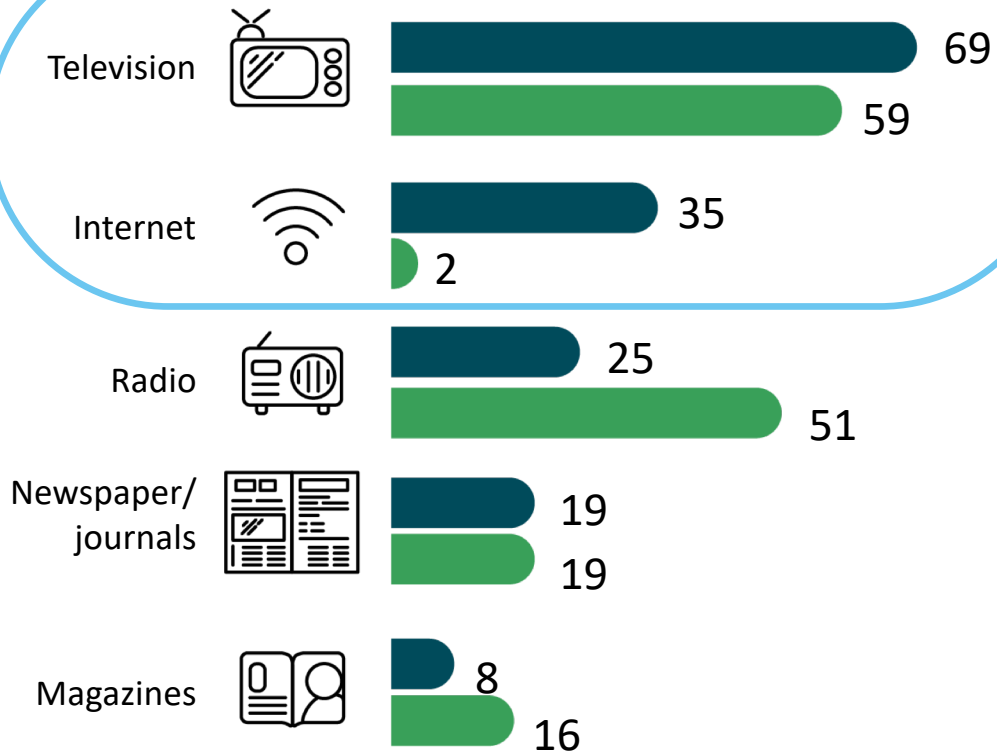
Households with electricity connection

Total: 54%
Urban 92% : Rural 39%

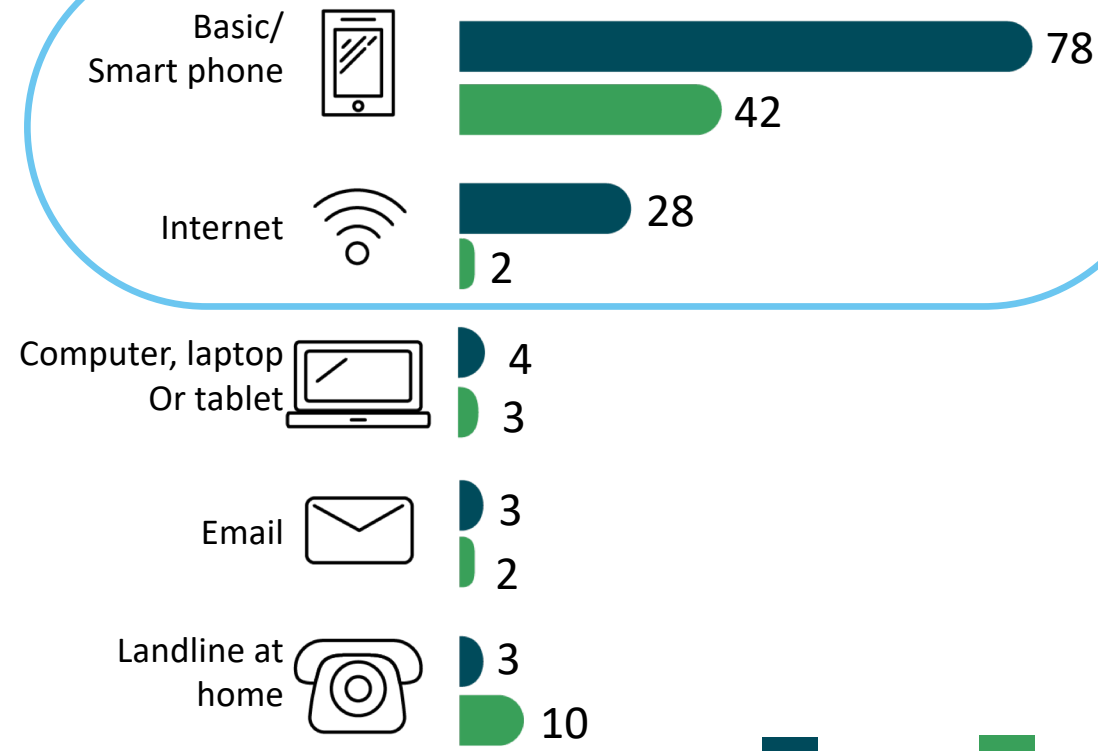
Communication and media access

Increased access & usage of technology in 2018

Media access in past month (%)



Usage of communication device (%)

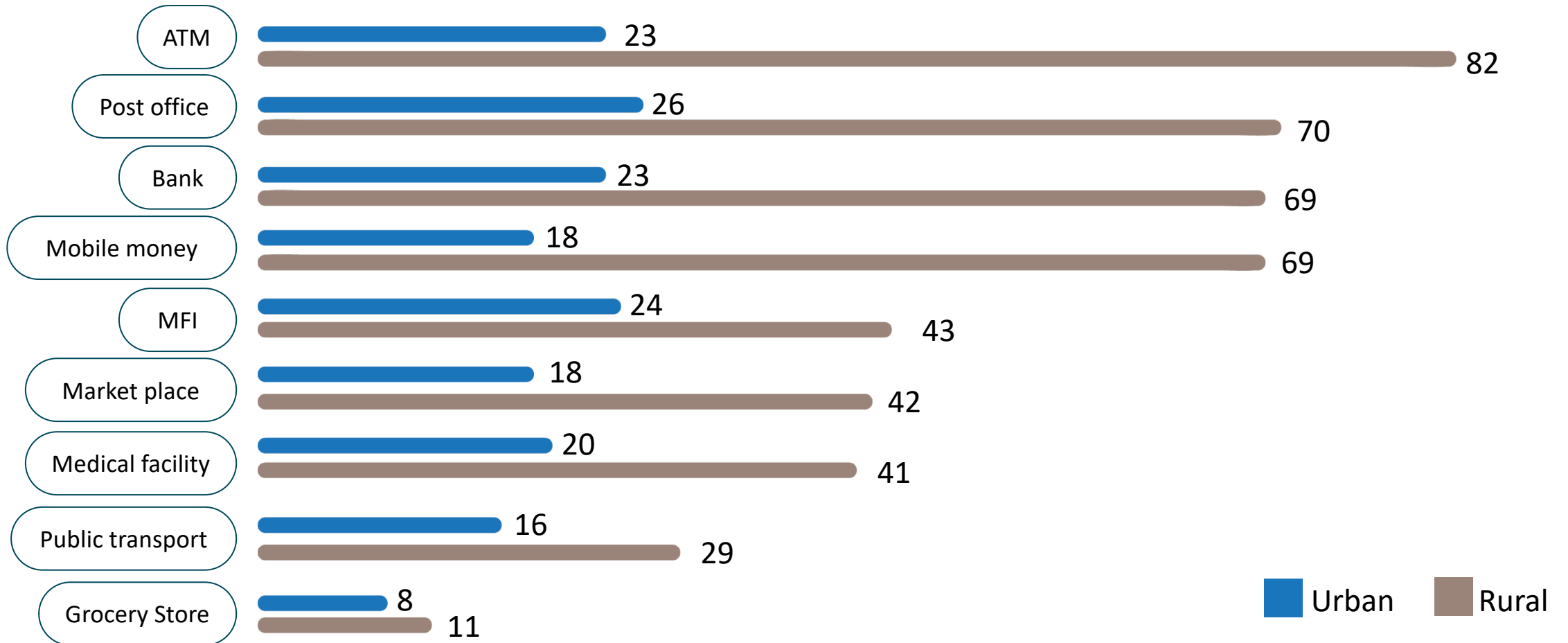


2018 2013

Infrastructure accessibility

Rural adults are the furthest from financial access points

Time taken to reach destination: Minutes (average)





Financial inclusion status 2018

Financial inclusion:

"More people have formal access in 2018"

"

Overall

2018

2013

Formally served 48%

Banked 25%

Other formal (non-bank) 34%

Informal 50%

Excluded 30%

= 70% as
there are
overlaps

Formally served 30%

Banked 17%

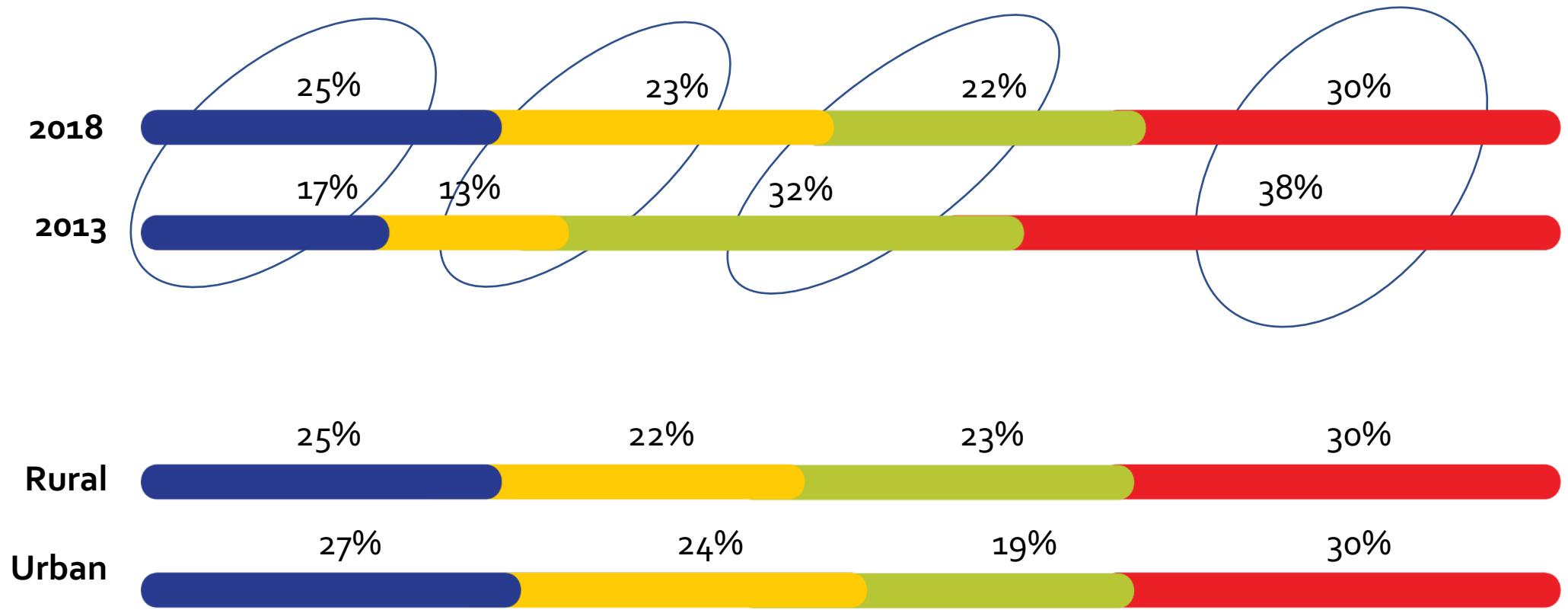
Other formal (non-bank) 17%

Informal 50%

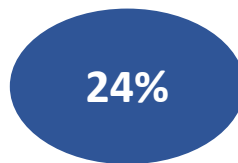
Excluded 38%

- **Banking** is up by **8** percentage points, organic growth mainly driven by payments
- Uptake of **other formal** non-bank products has **doubled** largely driven by credit from MFIs and Cooperatives
- Uptake of **informal** financial products/mechanisms is stable at **50** percentage points although group increased in absolute numbers from 16,3 million in 2013 to 17 million 2018
- **Financial exclusion** has been decreased by **8** percentage points

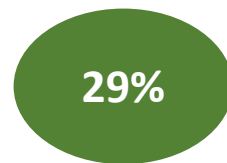
Financial inclusion: Financial Access Strand 2018



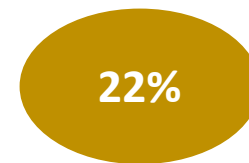
One Household One Account



Total



Urban



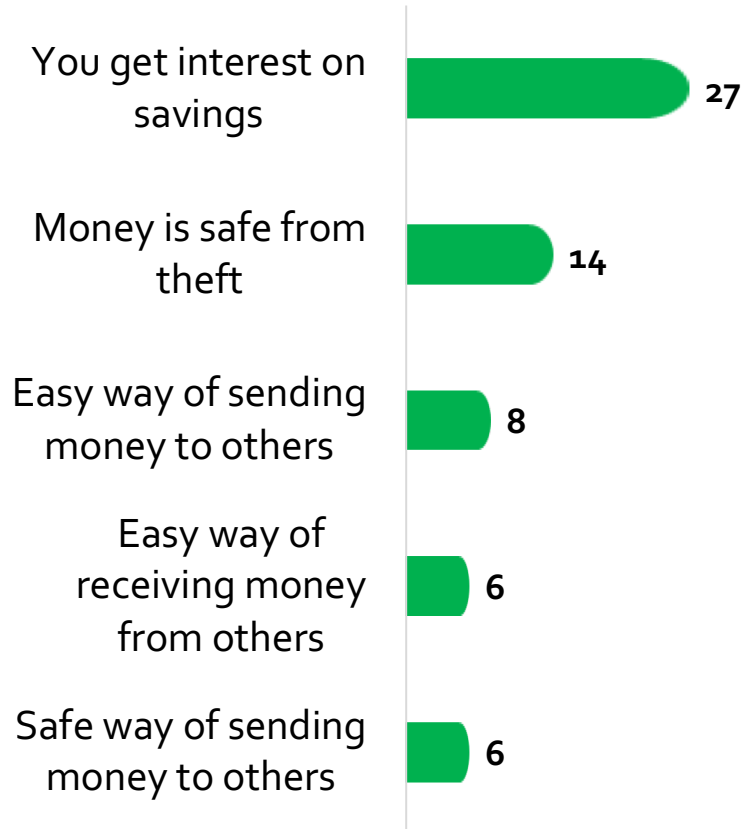
Rural

Banking:

Low or no income is the main barrier to not having a bank account

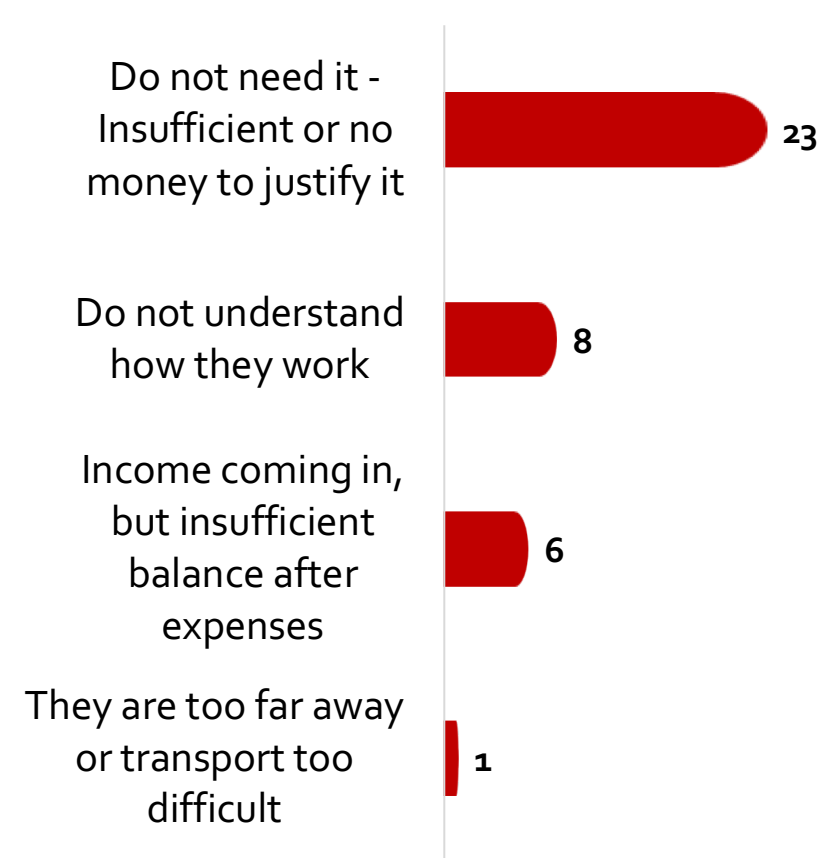
Drivers

25% of adults are banked in 2018



Barriers

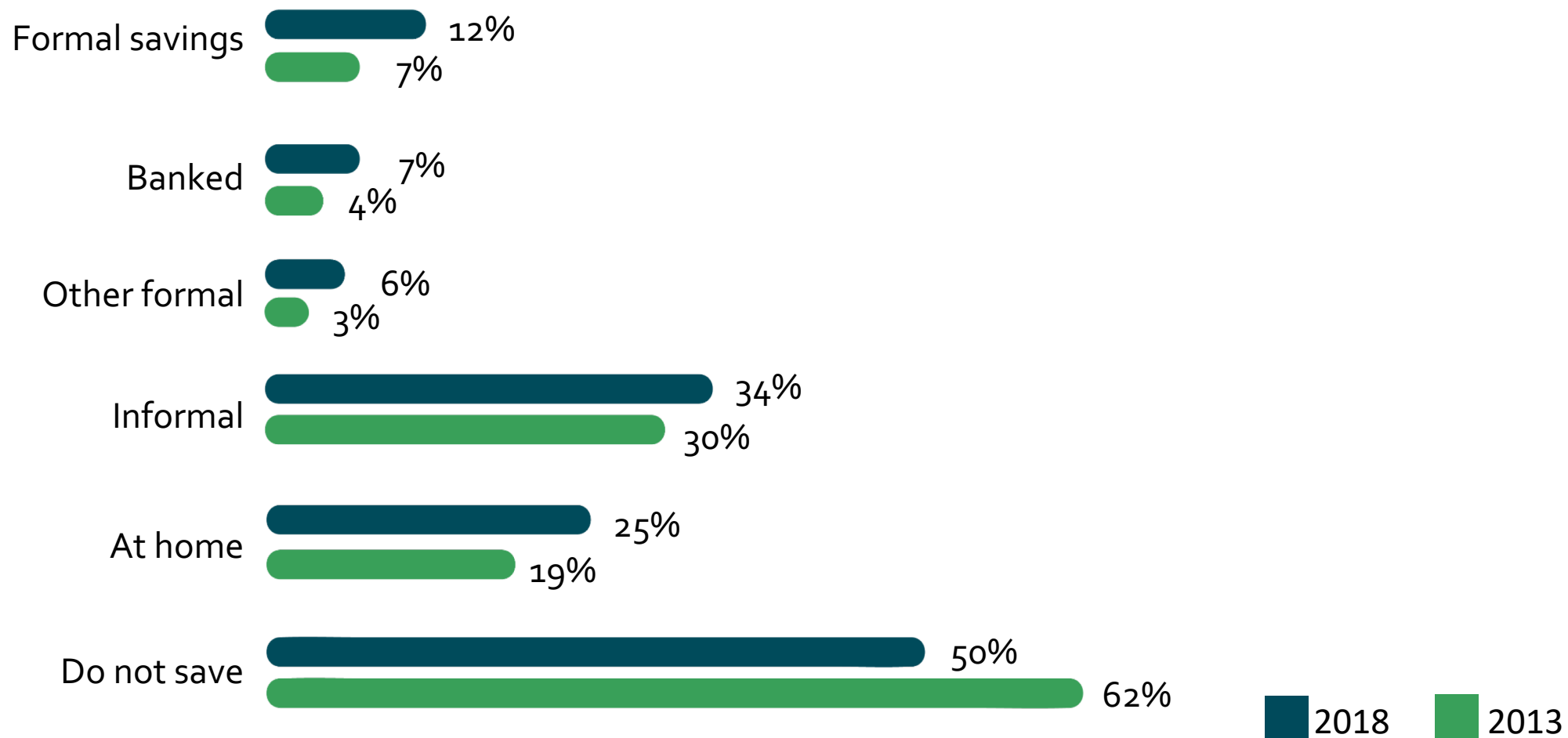
75% of adults are not banked in 2018



Savings and investment

More adults are saving in 2018

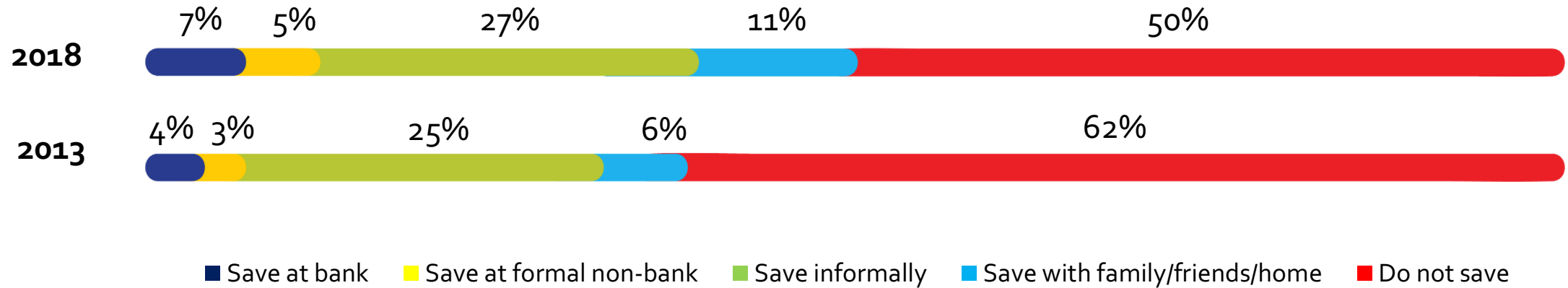
Overall



Savings and investment

Savings across all categories increased

Saving Strand



Saving and investments:

Savings through MFIs, Cooperatives and Savings groups have doubled in 2018

Saving mechanisms	2018	2013
Savings at bank (all savings products at bank)	2,3 million	1,4 million
Savings through investing jewellery/gold	3,9 million	3,3 million
Savings with / membership with informal group (Su jay)	2,25 million	930 thousand
Saving in livestock	1,9 million	3,5 million
Savings in a secret place or at home	8,6million	5,3 million
Savings through MFI	1,15 million	450 thousand
Savings with a cooperative	780 thousand	141 thousand

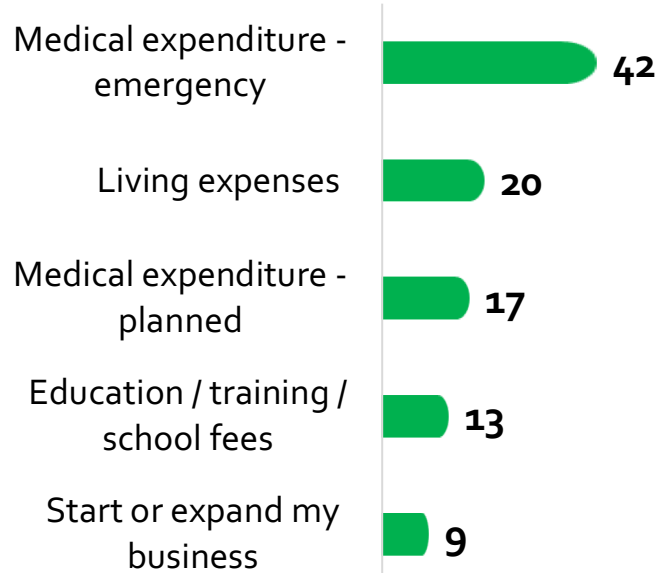
Drivers for saving (%)

Adults mainly save for medical expenses, living expenses and education regardless of financial product

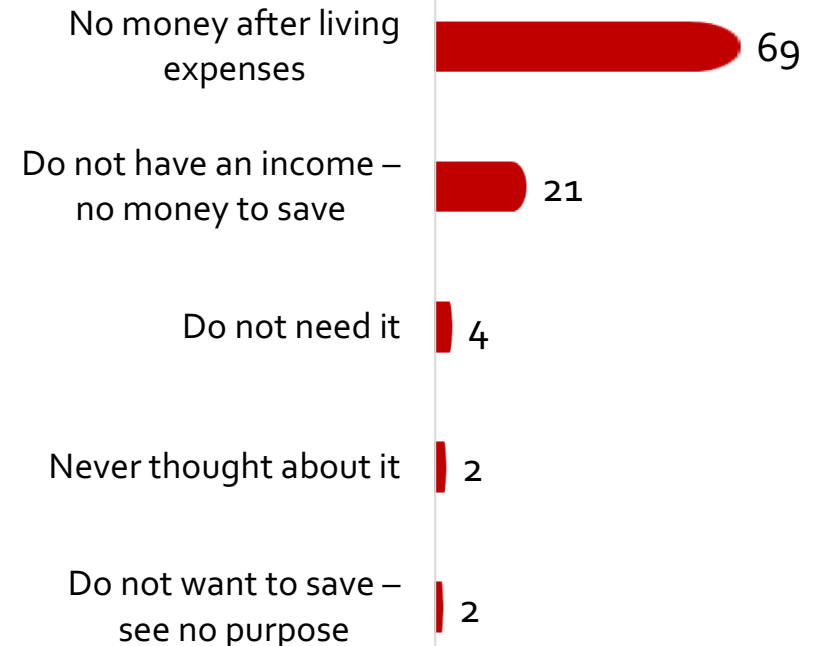
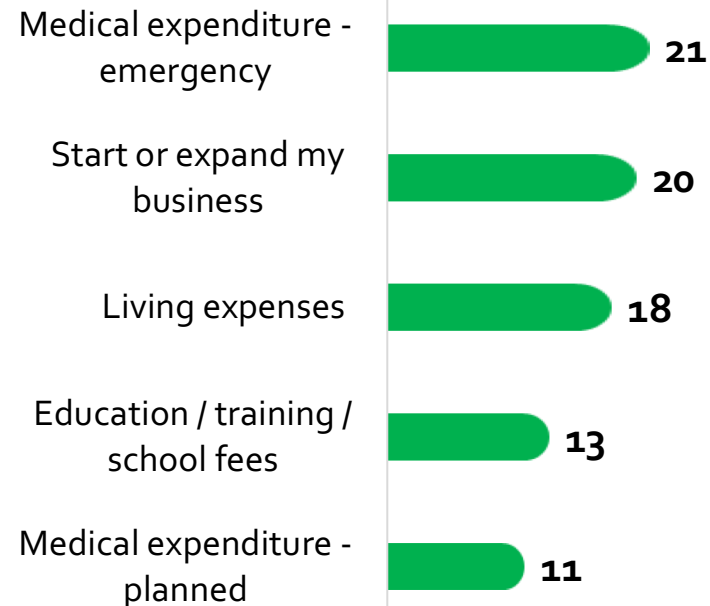
50% of adults have savings products

50% of adults have no savings products

Jewellery/Gold



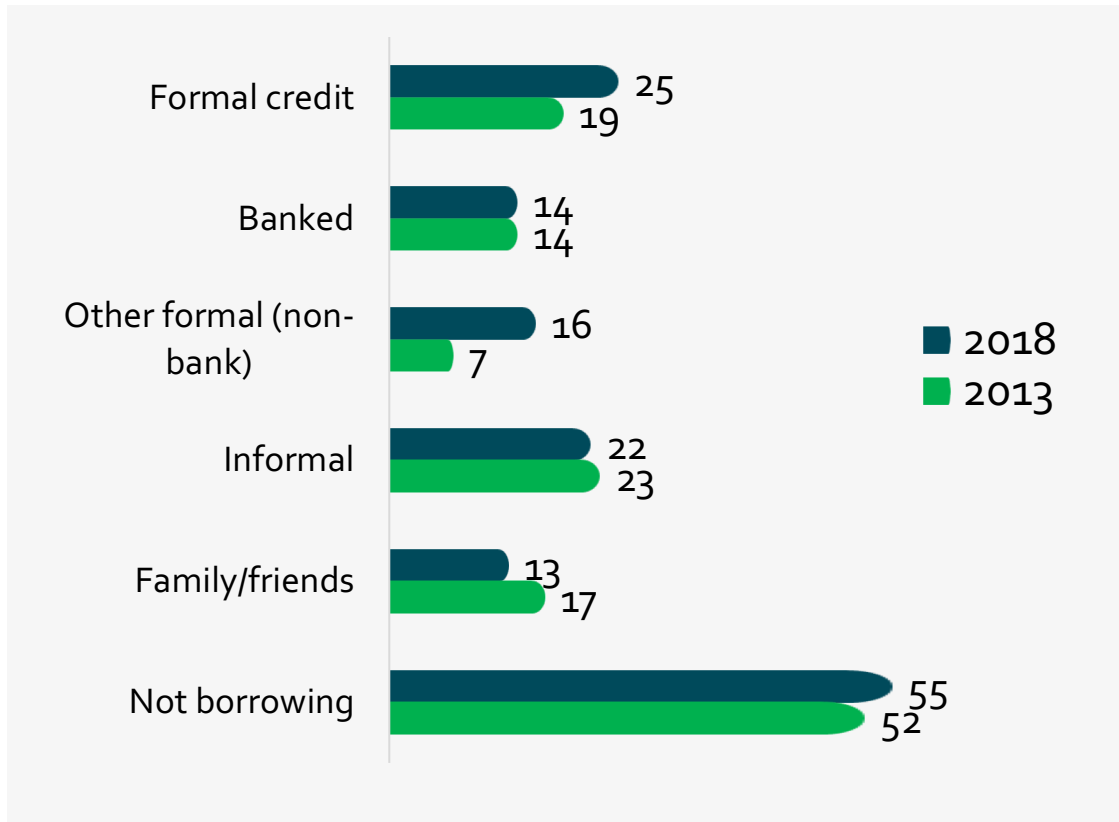
MFI



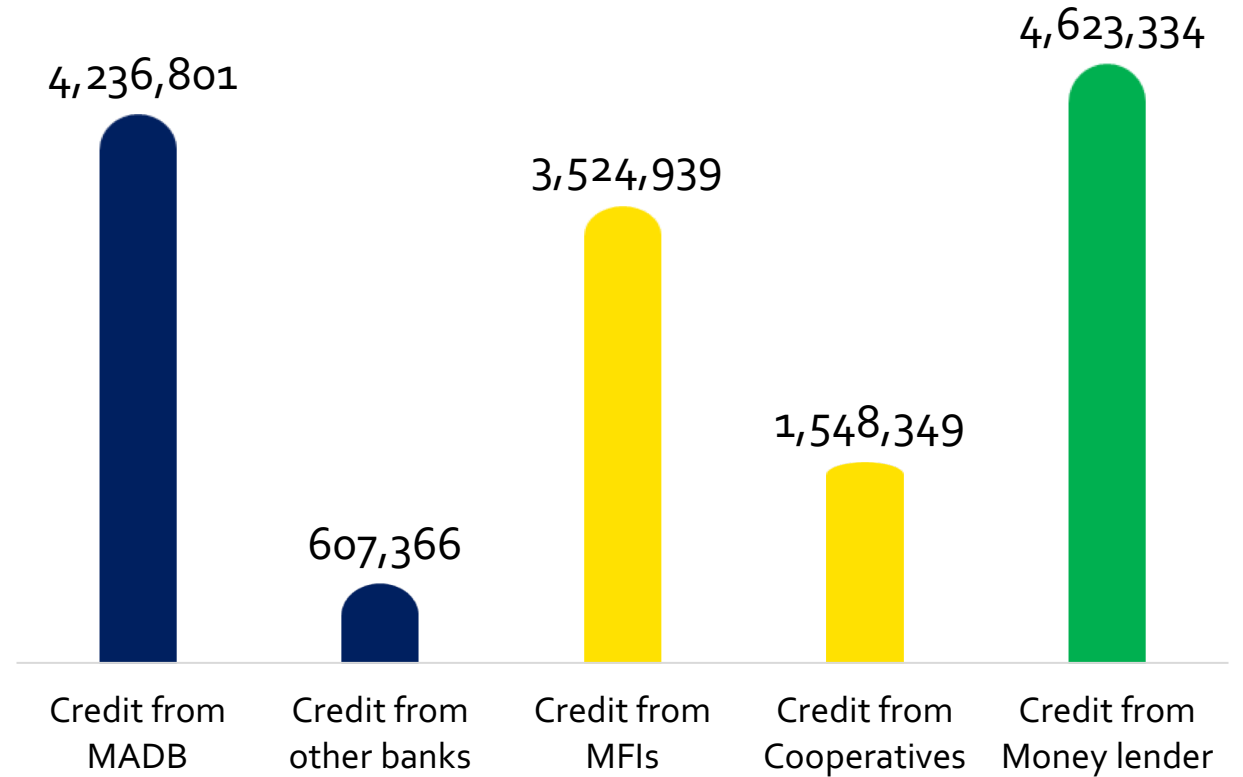
Borrowing and credit:

Overall (%)

2018

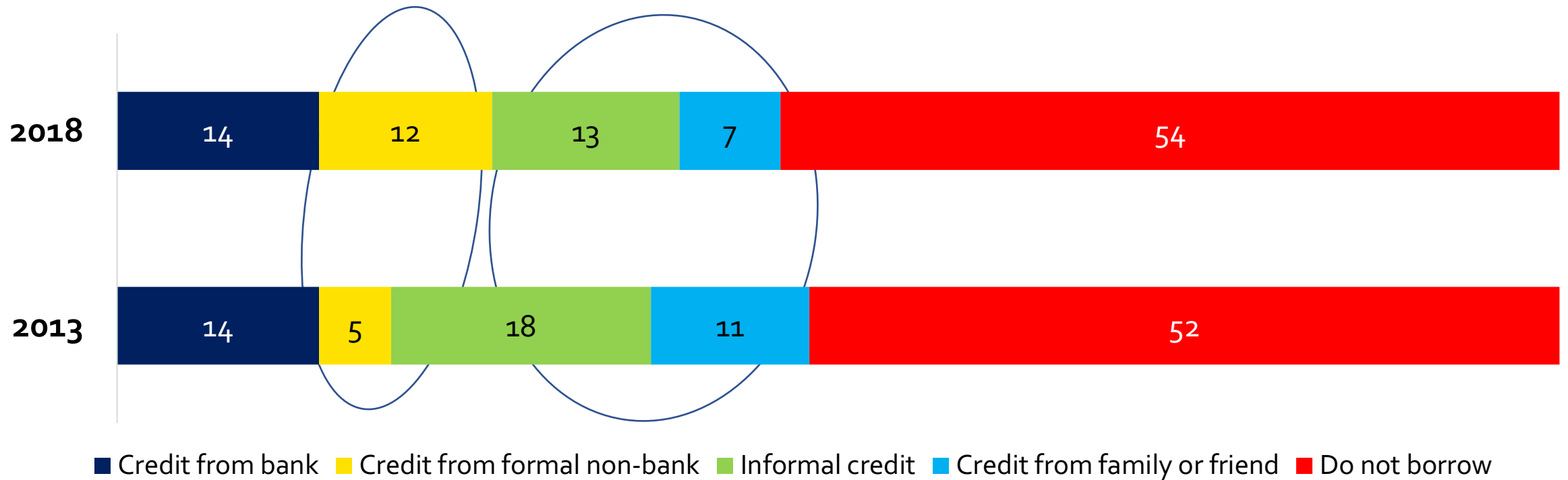


Levels of credit uptake (number of adults)



Borrowing and credit:

Credit Strand (%)



Borrowing and credit:

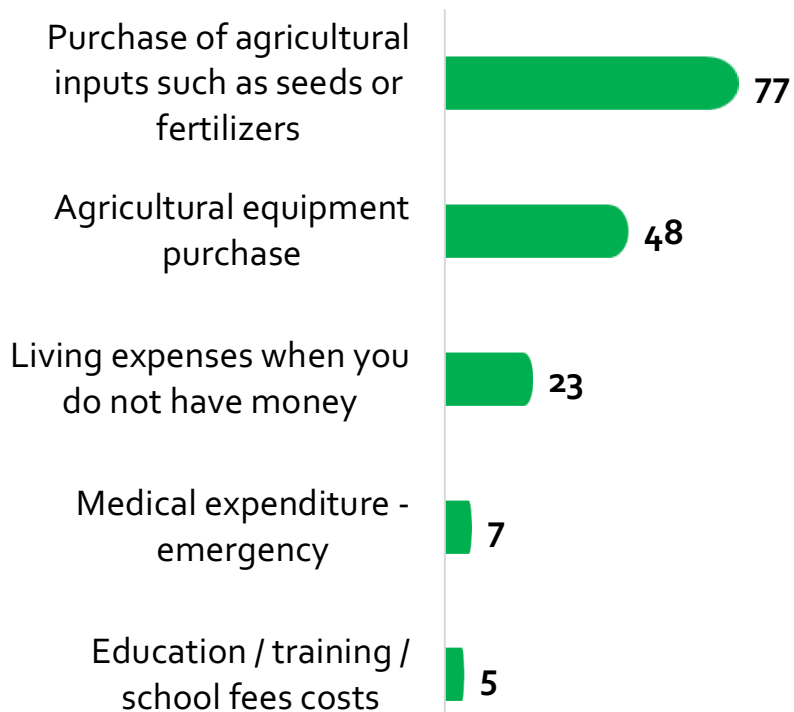
Adults also borrow for consumption

46% of adults are borrowing

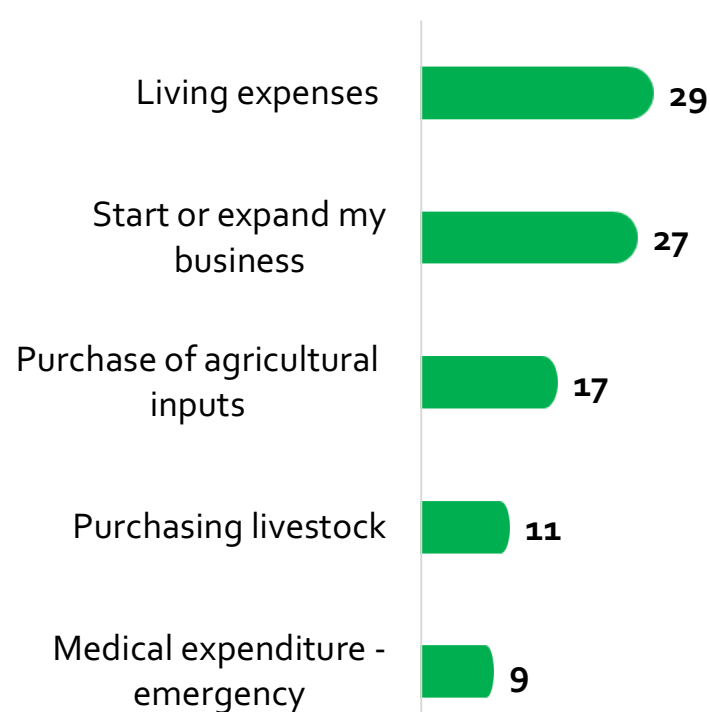
54% of adults do not currently borrow

- 47% Can pay living expenses with what they have
- 19% Fear debt

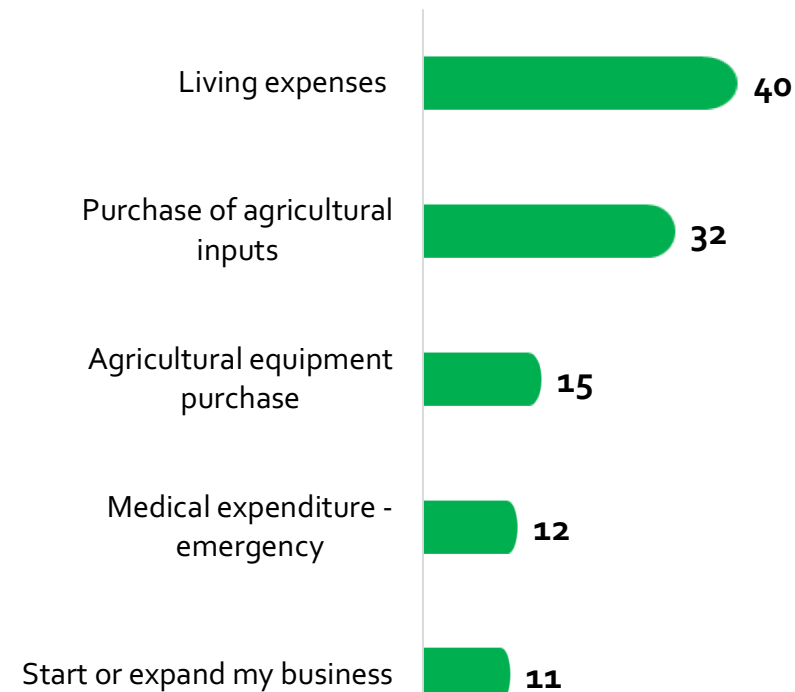
MADB (%)



MFI (%)



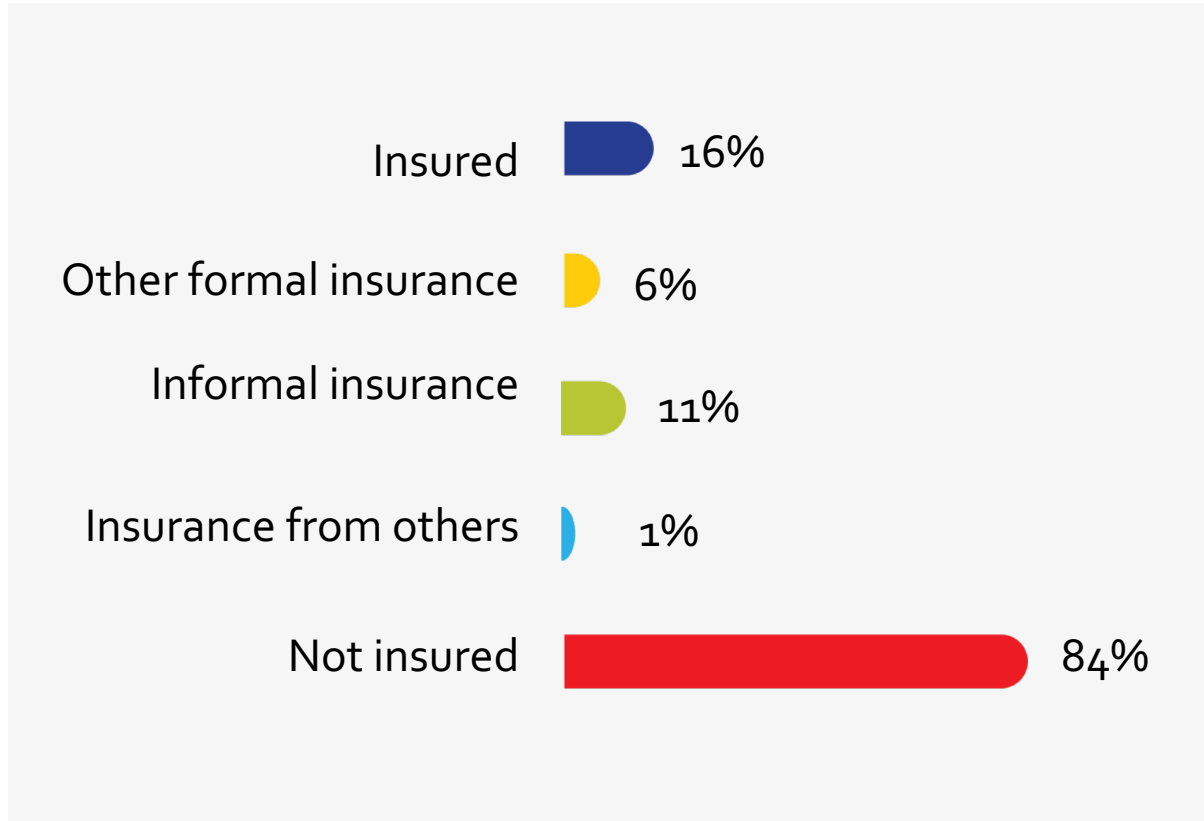
Cooperatives (%)



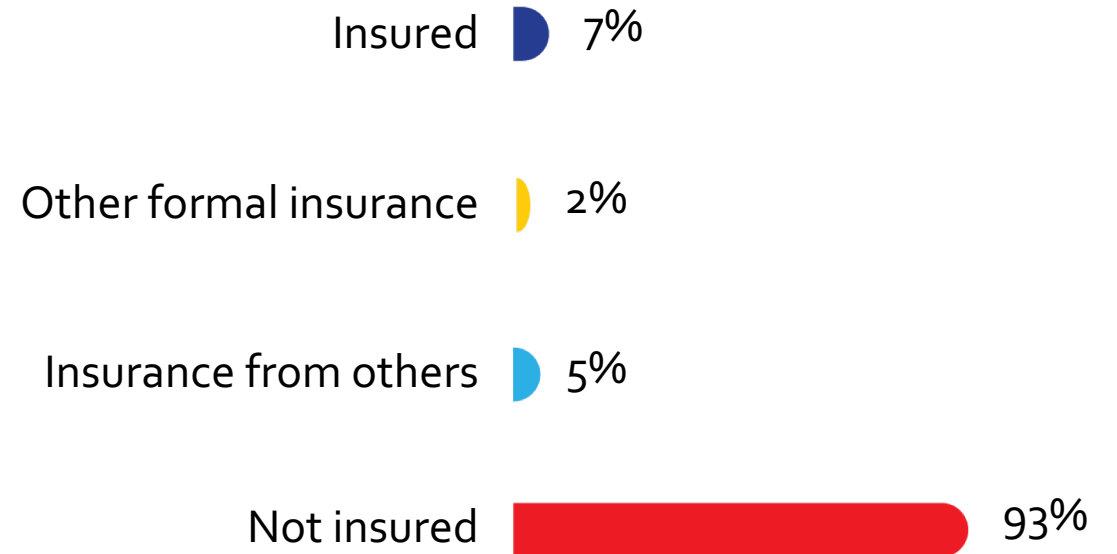
Insurance and risk management

Insurance uptake is slow but increasing

2018

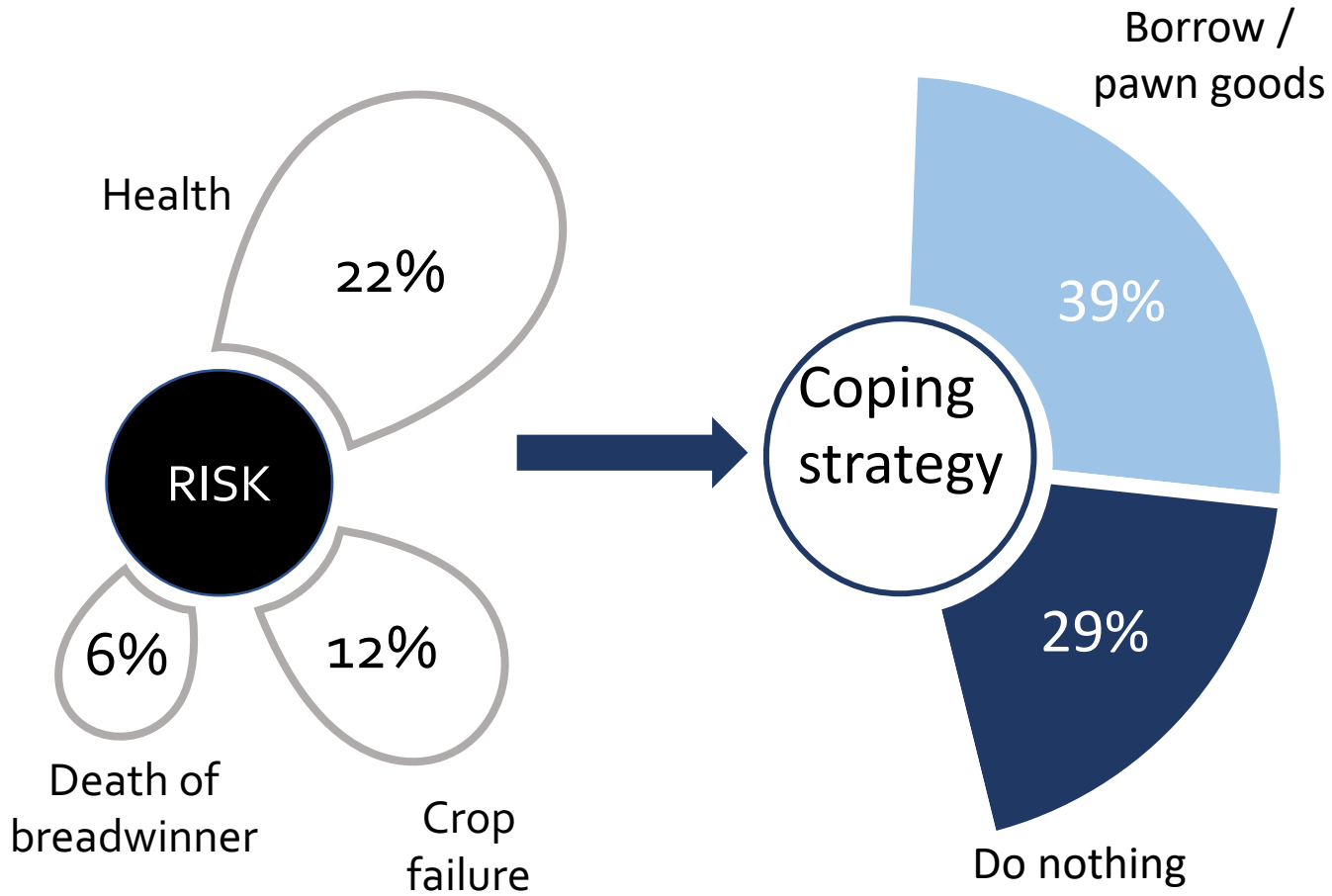


2013

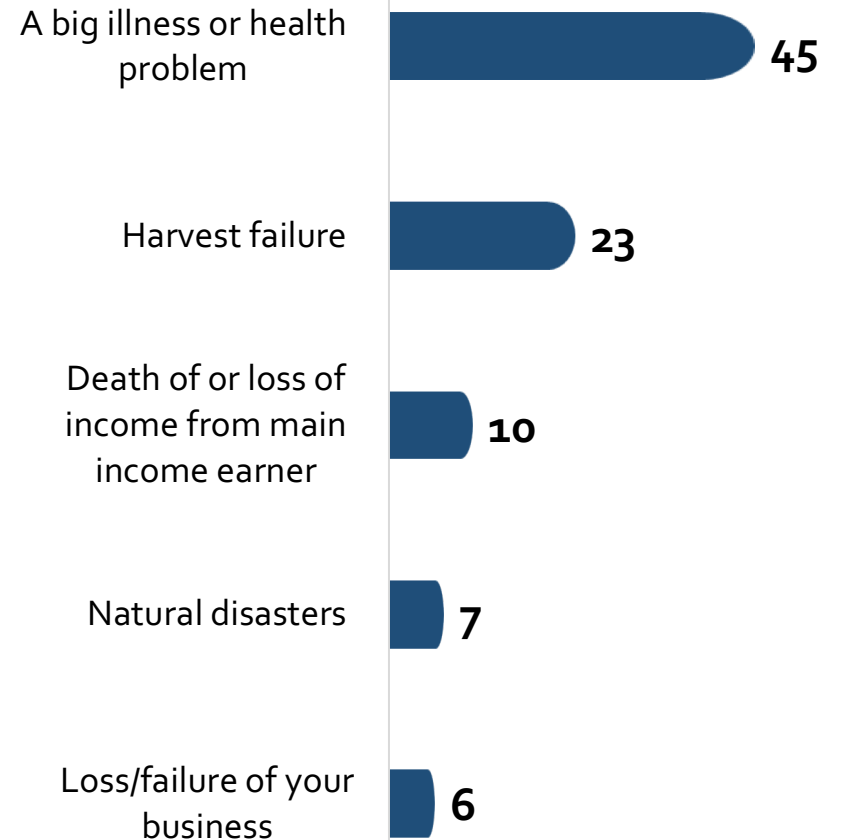


Insurance and risk management

Health, crop failure and death are the most popular risks covered through credit



Biggest risk faced that affects finances (%)

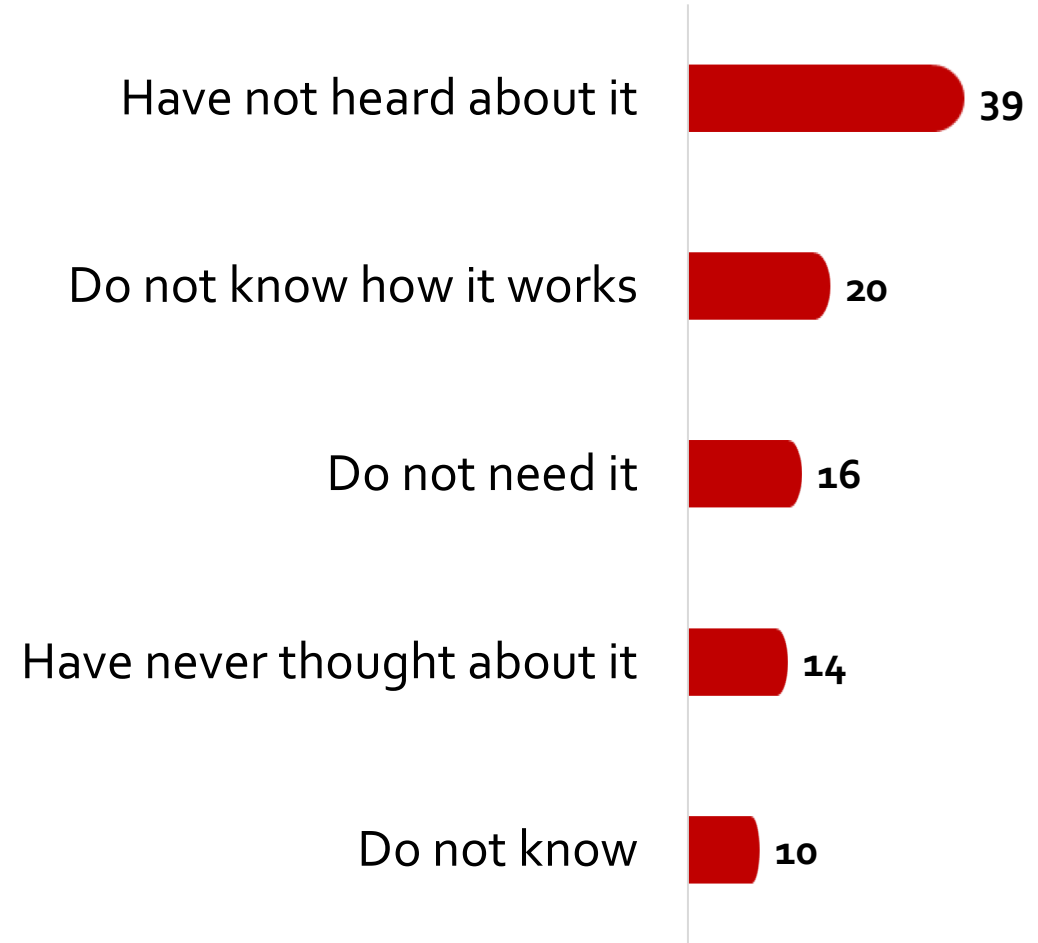


Insurance and risk management

Adults are mainly uninsured due to a lack of insurance knowledge

85% of adults are uninsured

50% of adults are unaware of insurance products → low financial literacy/education

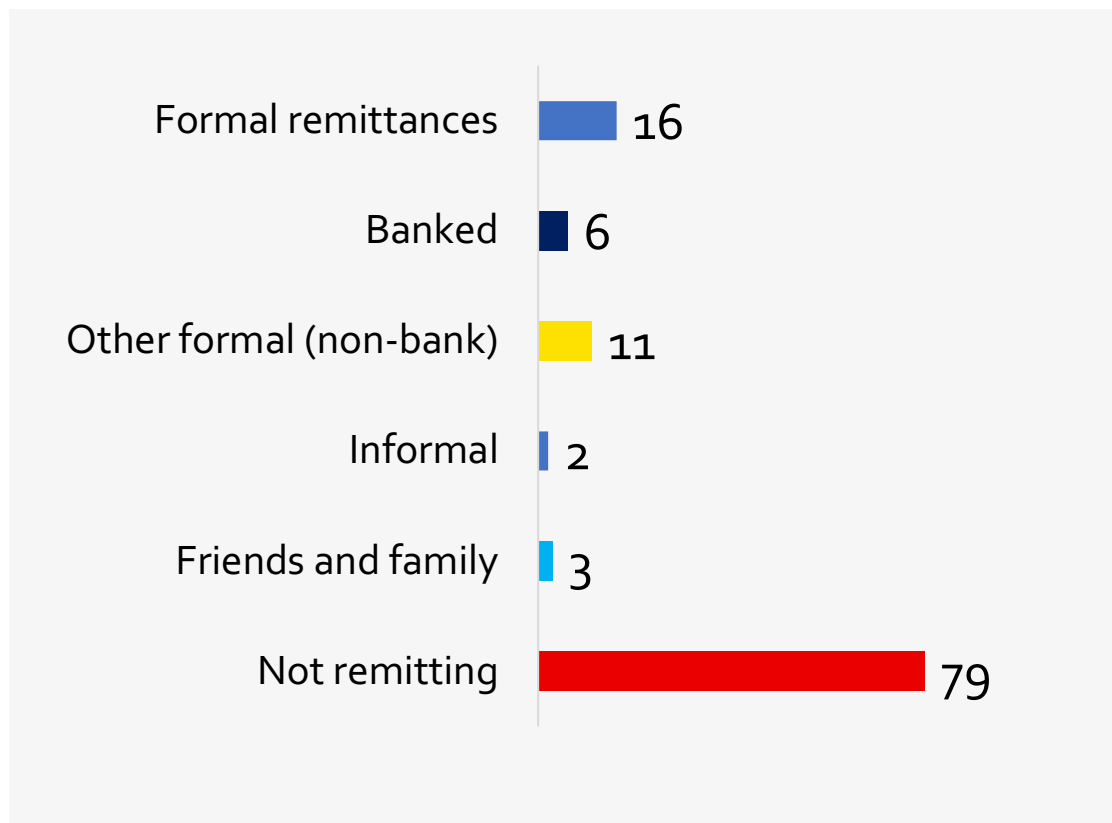


Remittances and mobile money:

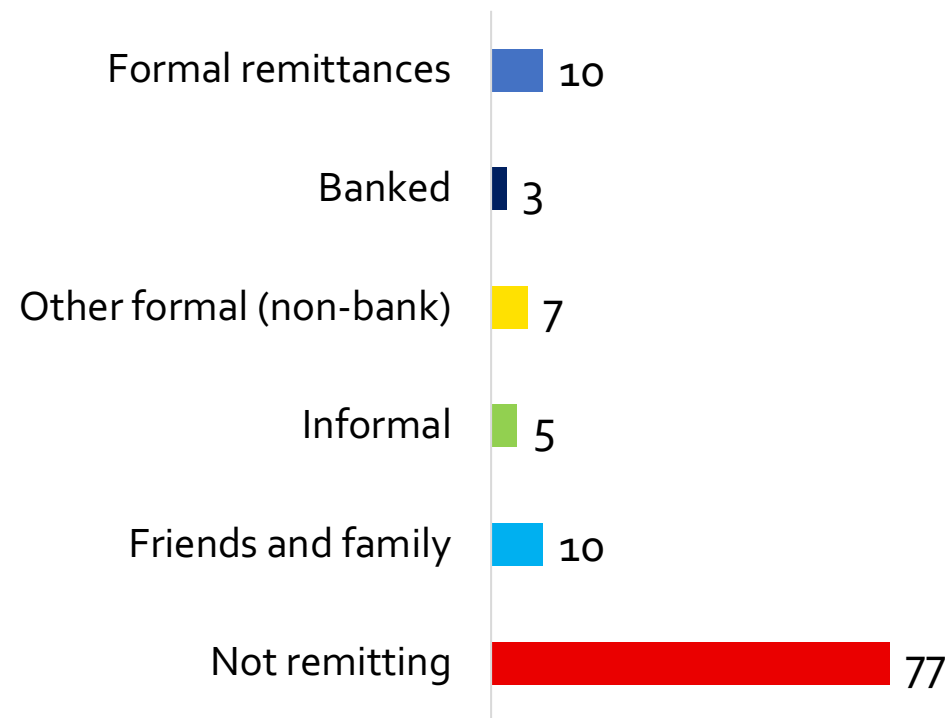
Overview of those who remitted in the past 12 months (%)

Overall

2018



2013

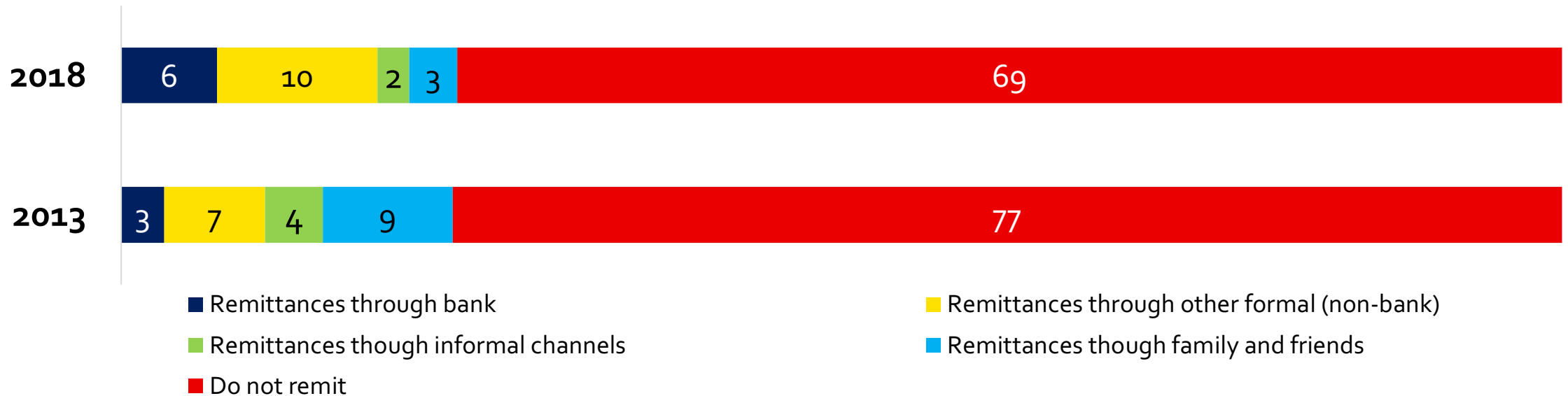


Remittances and mobile money:

Overview of those who remitted in the past 12 months

Remittance Strand (%)

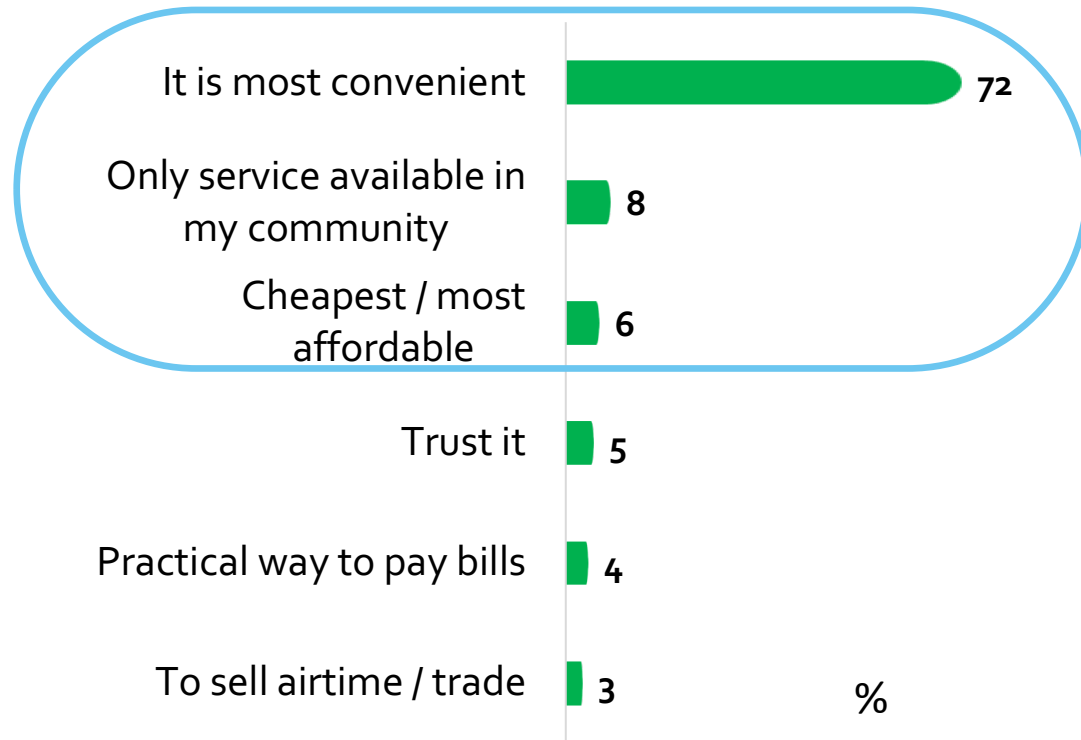
More people are remitting in 2018



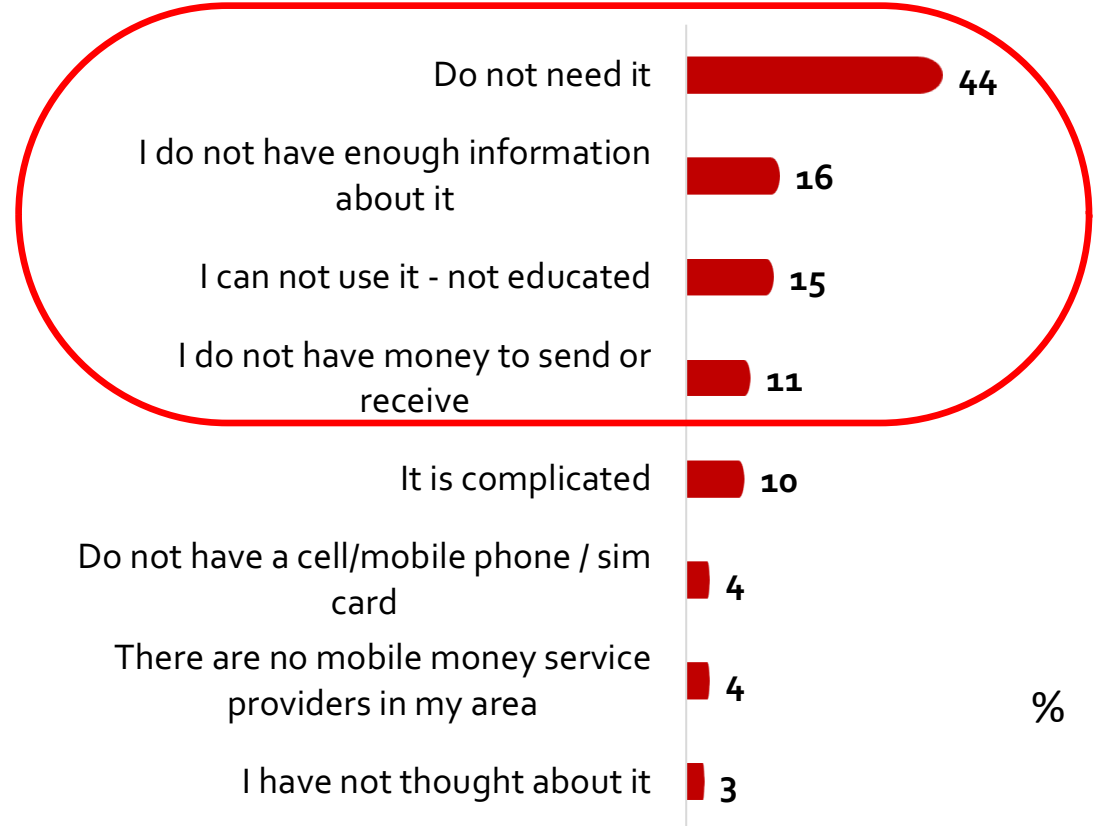
Mobile money:

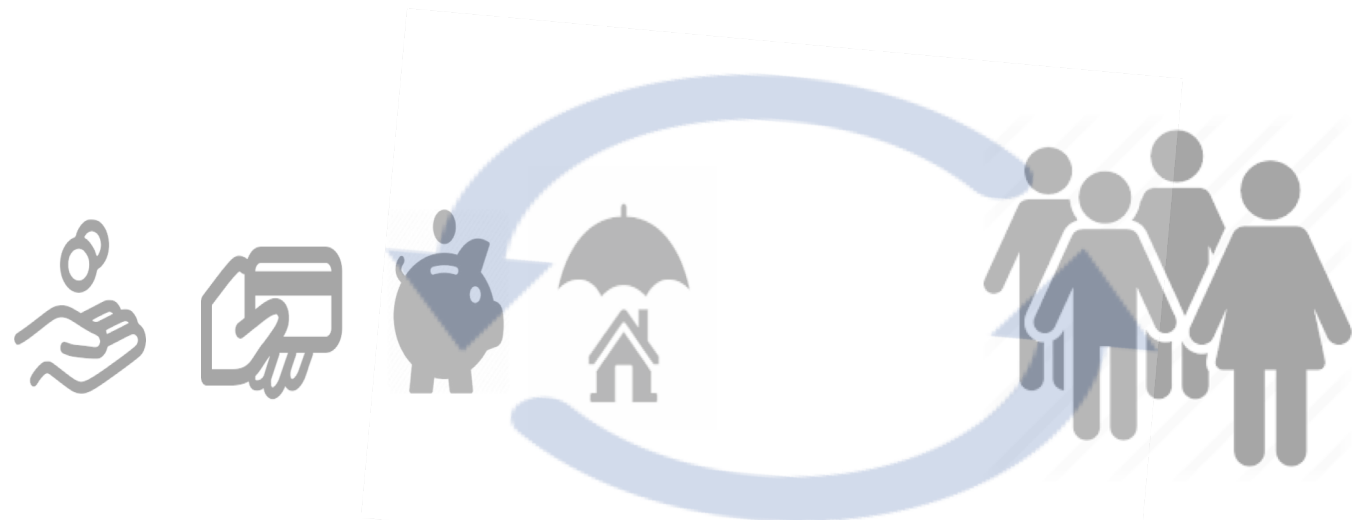
Although 2% of adults are registered growth of Mobile money is promising

4% of adults use Mobile Money



96% of adults do not use Mobile Money





Linking financial inclusion and local context through the SDGs

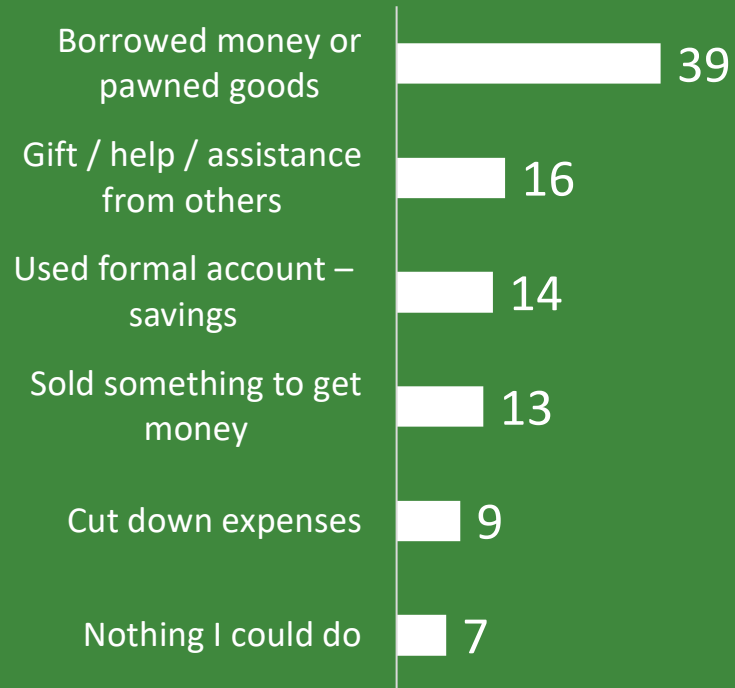


Good health and well-being



Experienced health crisis requiring medical expenses

Coping mechanism



Population that skipped treatment as a result of poverty



Time taken to reach medical facility (Mean)

20 min

Urban

41 min

Rural



Financially included

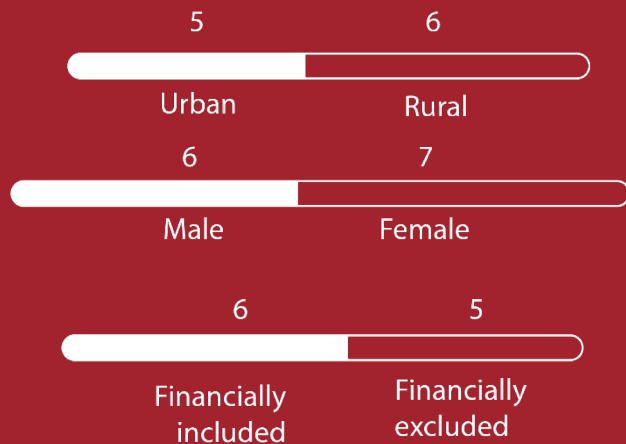
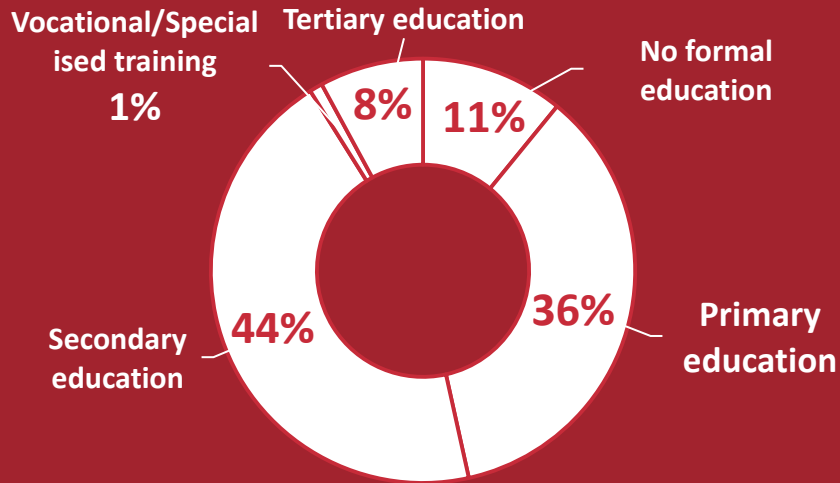
Financially excluded



Quality education



6% Population that had to forego school as a result of poverty



Asset ladder vs. educational level

Primary



Secondary



Tertiary



One of the main drivers for **savings** and **borrowing** is education costs

13%

20%

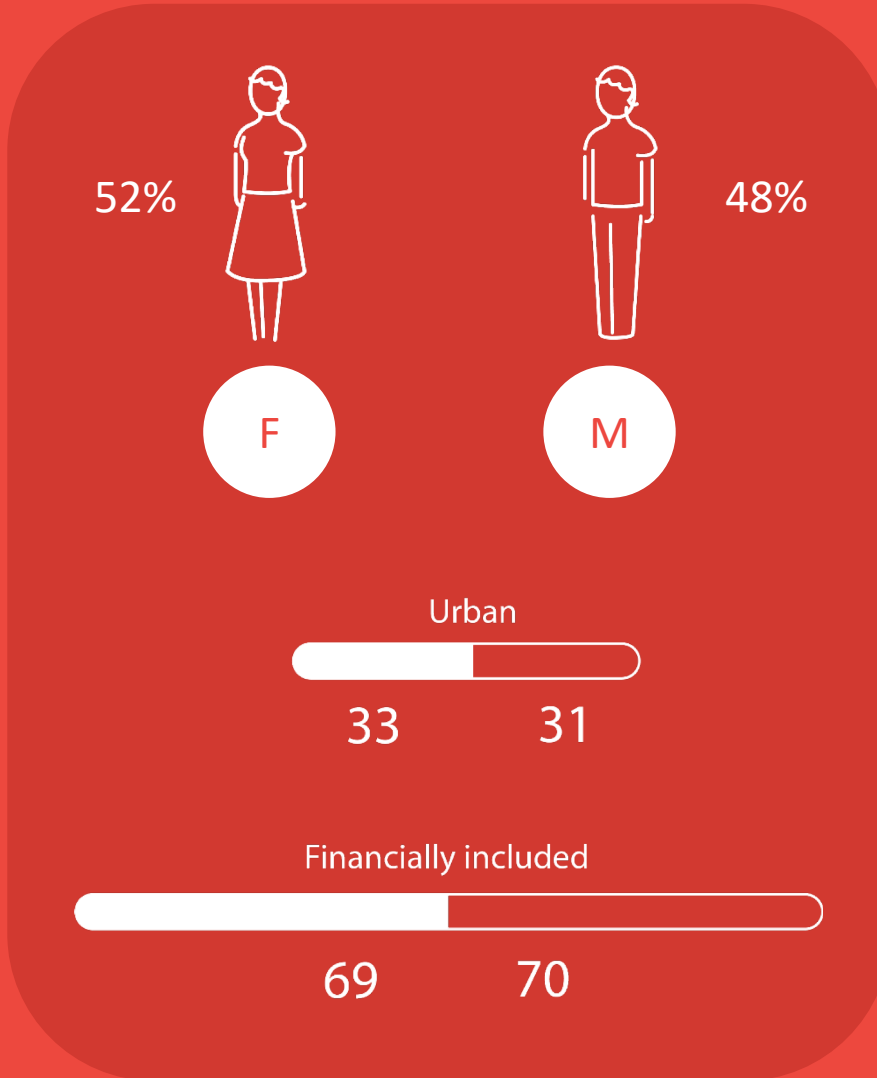
Portion of average monthly income that goes towards education costs



Gender equality



	No income	\$0.01 - \$1.90	\$1.91 - \$6.65	\$6.66 <
Total	25%	15%	37%	23%
Female	35%	15%	33%	17%
Male	14%	15%	42%	29%



Main source of income – top 6



48% of women are dependents

19% Banked

30% Other formal (unbanked)

46% Informal

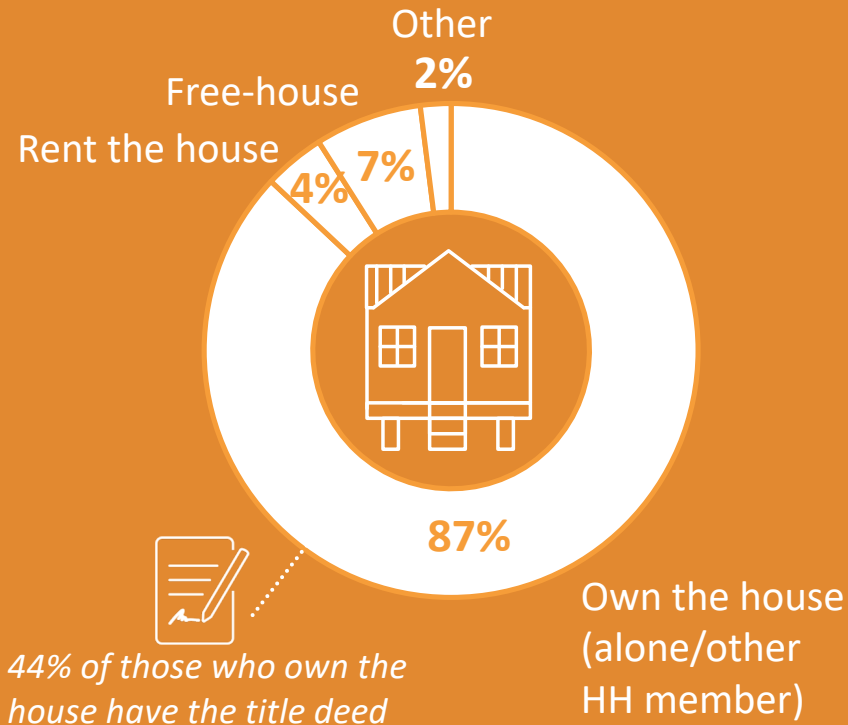


Sustainable cities and communities



- 83%** Metal sheets – main roof material for house
- 49%** Bamboo – main wall material for house
- 54%** Wooden planks – main floor material for house

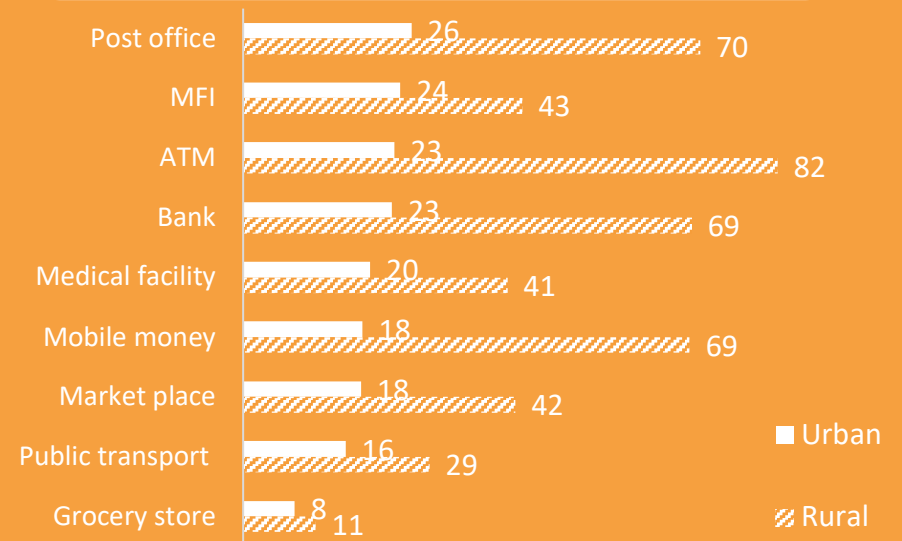
Housing Ownership



84% used savings to purchase/build the house
About 1% used formal finance to acquire house

	Excluded (%)	Included (%)	Total (%)
Water	63	66	65%
Sanitation	72	74	74%
Power	55	56	54%

Time taken to destination: Minutes





Decent work and economic growth



Main income source



23%

Farmers
(7.7 mill)



8%

Formal
employment
(2.6 mill)



10%

Informal
employment
(2.6 mill)



33%

Dependents
(11.1 mill)



26%

Self-employed
(8.9 mill)



Farmers



Self-employed

Livelihood coping strategy

Main need	Livelihood coping strategy					
	Savings	Borrowing	Remittances	Savings	Borrowing	Remittances
Health	46% Jewellery	43% Pawn shops	32% Medical fees	43% Jewellery	17% Pawn shops	22% Medical fees
Education	19% Household member	17% Pawn shops	15% School fees	18% Household member	43% Pawn shops	17% School fees
Inputs	47% MADB (seed)	87% MADB (seed)	41% Investment	39% MFI	53% MFI	36% Investment

Summary:

- More adults have formal financial access in 2018 largely driven by MFI and Cooperatives with most adults using formal services for borrowing, payments and savings
- Low, but meaningful, adult uptake (2%) on mobile money with rising potential to expand financial services to rural, remote, and disparate households
- Shifts within the broad formal services with more people saving with bank and transacting (payments)
- Significant increase in rural uptake of formal services outside of banking mainly driven by credit and savings with MFIs and cooperatives showing a double increase in this category of formal financial products
- Fewer adults dependent only on informal financial services in 2018, which are mainly used for living expenses, mitigating risk such as health expenses and meeting goals such as education and buying farming equipment
- Formal financial services are mainly employed for livelihood investments, education and living expenses. Informal financial services are primarily applied toward living expenses, coping strategies for unforeseen events (e.g. health issues) education, and livelihood investments

Thank you