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
Demographics

52% Female
48% Male
43% 18 - 35 years old
32% Urban
68% Rural

Total adult (18+ years) population
34.3 million
Sources of income and livelihoods
Most adults depend on irregular income sources

- **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

<table>
<thead>
<tr>
<th>Main income source</th>
<th>Percentage</th>
<th>Number (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers</td>
<td>23%</td>
<td>7.7</td>
</tr>
<tr>
<td>Formal employment</td>
<td>8%</td>
<td>2.6</td>
</tr>
<tr>
<td>Informal employment</td>
<td>10%</td>
<td>2.6</td>
</tr>
<tr>
<td>Dependents</td>
<td>33%</td>
<td>11.1</td>
</tr>
<tr>
<td>Self-employed MSME</td>
<td>26%</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Total adult population: **34.3 million**
Sources of income and livelihoods
Two in three adults earn under $75 per month

Two thirds (66%) of adults personally earn MMK100,000 (≈$75) or less per month
Poverty symptoms
Poverty related symptoms show a drop in 2018

- Skipped a meal because of lack of money: 6% (2018), 9% (2013)
- Gone without medical treatment or medicine: 15% (2018), 17% (2013)
- Not been able to send children to school: 6% (2018), 8% (2013)

- 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 (%)
- Television: 69% (2018), 59% (2013)
- Internet: 35% (2018), 2% (2013)
- Radio: 25% (2018), 19% (2013)
- Newspaper/journals: 19% (2018), 19% (2013)
- Magazines: 8% (2018), 16% (2013)

Usage of communication device (%)
- Basic/Smart phone: 78% (2018), 42% (2013)
- Internet: 28% (2018), 2% (2013)
- Computer, laptop or tablet: 4% (2018), 3% (2013)
- Email: 3% (2018), 2% (2013)
- Landline at home: 3% (2018), 10% (2013)
Infrastructure accessibility
Rural adults are the furthest from financial access points

Time taken to reach destination: Minutes (average)

- ATM: Urban - 23, Rural - 82
- Post office: Urban - 26, Rural - 70
- Bank: Urban - 23, Rural - 69
- Mobile money: Urban - 18, Rural - 69
- MFI: Urban - 24, Rural - 43
- Market place: Urban - 18, Rural - 42
- Medical facility: Urban - 20, Rural - 41
- Public transport: Urban - 16, Rural - 29
- Grocery Store: Urban - 8, Rural - 11

[Diagram showing the time taken to reach various financial access points for urban and rural areas]
Financial inclusion status 2018
Financial inclusion: 
“More people have formal access in 2018”

- **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 form 16.3 million in 2013 to 17 million 2018
- **Financial exclusion** has been decreased by 8 percentage points
Financial inclusion:
Financial Access Strand 2018

2018
- Rural: 25%
- Urban: 27%
- Total: 24%

2013
- Rural: 17%
- Urban: 24%
- Total: 22%

One Household One Account

- Total: 24%
- Urban: 29%
- Rural: 22%
Banking:
Low or no income is the main barrier to not having a bank account

Drivers
25% of adults are banked in 2018

- You get interest on savings: 27
- Money is safe from theft: 14
- Easy way of sending money to others: 8
- Easy way of receiving money from others: 6
- Safe way of sending money to others: 6

Barriers
75% of adults are not banked in 2018

- Do not need it - Insufficient or no money to justify it: 23
- Do not understand how they work: 8
- Income coming in, but insufficient balance after expenses: 6
- They are too far away or transport too difficult: 1
Savings and investment
More adults are saving in 2018

- Formal savings: 12% (2018), 7% (2013)
- Banked: 7% (2018), 4% (2013)
- Other formal: 6% (2018), 3% (2013)
- Informal: 34% (2018), 30% (2013)
- At home: 25% (2018), 19% (2013)
- Do not save: 50% (2018), 62% (2013)
Savings and investment
Savings across all categories increased

Saving Strand

2018
- Save at bank: 7%
- Save at formal non-bank: 5%
- Save informally: 27%
- Save with family/friends/home: 11%
- Do not save: 50%

2013
- Save at bank: 4%
- Save at formal non-bank: 3%
- Save informally: 25%
- Save with family/friends/home: 6%
- Do not save: 62%

Savings and investment across all categories increased.
## Saving and investments:
Savings though MFIs, Cooperatives and Savings groups have doubled in 2018

<table>
<thead>
<tr>
<th>Saving mechanisms</th>
<th>2018</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings at bank (all savings products at bank)</td>
<td>2.3 million</td>
<td>1.4 million</td>
</tr>
<tr>
<td>Savings through investing jewellery/gold</td>
<td>3.9 million</td>
<td>3.3 million</td>
</tr>
<tr>
<td>Savings with / membership with informal group (Su jay)</td>
<td>2.25 million</td>
<td>930 thousand</td>
</tr>
<tr>
<td>Saving in livestock</td>
<td>1.9 million</td>
<td>3.5 million</td>
</tr>
<tr>
<td>Savings in a secret place or at home</td>
<td>8.6 million</td>
<td>5.3 million</td>
</tr>
<tr>
<td>Savings through MFI</td>
<td>1.15 million</td>
<td>450 thousand</td>
</tr>
<tr>
<td>Savings with a cooperative</td>
<td>780 thousand</td>
<td>141 thousand</td>
</tr>
</tbody>
</table>
Drivers for saving (%)

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

50% of adults have savings products

- **Jewellery/Gold**
  - Medical expenditure - emergency: 42%
  - Living expenses: 20%
  - Medical expenditure - planned: 17%
  - Education / training / school fees: 13%
  - Start or expand my business: 9%

- **MFI**
  - Medical expenditure - emergency: 21%
  - Start or expand my business: 20%
  - Living expenses: 18%
  - Education / training / school fees: 13%
  - Medical expenditure - planned: 11%

50% of adults have no savings products

- No money after living expenses: 69%
- Do not have an income – no money to save: 21%
- Do not need it: 4%
- Never thought about it: 2%
- Do not want to save – see no purpose: 2%
Borrowing and credit:

Overall (%)

<table>
<thead>
<tr>
<th>Category</th>
<th>2018</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal credit</td>
<td>25</td>
<td>19</td>
</tr>
<tr>
<td>Banked</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Other formal (non-bank)</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>Informal</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Family/friends</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Not borrowing</td>
<td>55</td>
<td>52</td>
</tr>
</tbody>
</table>

Levels of credit uptake (number of adults)

- Credit from MADB: 4,236,801
- Credit from other banks: 607,366
- Credit from MFIs: 3,524,939
- Credit from Cooperatives: 1,548,349
- Credit from Money lender: 4,623,334
Borrowing and credit:

Credit Strand (%)

2018
- Credit from bank: 14%
- Credit from formal non-bank: 12%
- Informal credit: 13%
- Credit from family or friend: 7%
- Do not borrow: 54%

2013
- Credit from bank: 14%
- Credit from formal non-bank: 5%
- Informal credit: 18%
- Credit from family or friend: 11%
- Do not borrow: 52%

Credit from bank  Credit from formal non-bank  Informal credit  Credit from family or friend  Do not borrow
## Borrowing and credit: Adults also borrow for consumption

### 46% of adults are borrowing

<table>
<thead>
<tr>
<th>MADB (%)</th>
<th>MFI (%)</th>
<th>Cooperatives (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of agricultural inputs such as seeds or fertilizers</td>
<td>Living expenses</td>
<td>Living expenses</td>
</tr>
<tr>
<td>Agricultural equipment purchase</td>
<td>Start or expand my business</td>
<td>Purchase of agricultural inputs</td>
</tr>
<tr>
<td>Living expenses when you do not have money</td>
<td>Purchase of agricultural inputs</td>
<td>Agricultural equipment purchase</td>
</tr>
<tr>
<td>Medical expenditure - emergency</td>
<td>Purchasing livestock</td>
<td>Medical expenditure - emergency</td>
</tr>
<tr>
<td>Education / training / school fees costs</td>
<td>Medical expenditure - emergency</td>
<td>Start or expand my business</td>
</tr>
</tbody>
</table>

### 54% of adults do not currently borrow

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

- **MADB (%):** 46% of adults are borrowing
  - Purchase of agricultural inputs: 77%
  - Agricultural equipment purchase: 48%
  - Living expenses when you do not have money: 23%
  - Medical expenditure - emergency: 7%
  - Education / training / school fees costs: 5%

- **MFI (%):**
  - Living expenses: 29%
  - Start or expand my business: 27%
  - Purchase of agricultural inputs: 17%
  - Purchasing livestock: 11%
  - Medical expenditure - emergency: 9%

- **Cooperatives (%):**
  - Living expenses: 40%
  - Purchase of agricultural inputs: 32%
  - Agricultural equipment purchase: 15%
  - Medical expenditure - emergency: 12%
  - Start or expand my business: 11%
Insurance and risk management
Insurance uptake is slow but increasing

2018

- Insured: 16%
- Other formal insurance: 6%
- Informal insurance: 11%
- Insurance from others: 1%
- Not insured: 84%

2013

- Insured: 7%
- Other formal insurance: 2%
- Insurance from others: 5%
- Not insured: 93%
Insurance and risk management
Health, crop failure and death are the most popular risks covered through credit

<table>
<thead>
<tr>
<th>Biggest risk faced that affects finances (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A big illness or health problem</td>
</tr>
<tr>
<td>Harvest failure</td>
</tr>
<tr>
<td>Death of or loss of income from main income earner</td>
</tr>
<tr>
<td>Natural disasters</td>
</tr>
<tr>
<td>Loss/failure of your business</td>
</tr>
</tbody>
</table>
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

- Have not heard about it: 39%
- Do not know how it works: 20%
- Do not need it: 16%
- Have never thought about it: 14%
- Do not know: 10%
Remittances and mobile money: Overview of those who remitted in the past 12 months (%)

<table>
<thead>
<tr>
<th>2018</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal remittances</strong></td>
<td>16</td>
</tr>
<tr>
<td>Banked</td>
<td>6</td>
</tr>
<tr>
<td>Other formal (non-bank)</td>
<td>11</td>
</tr>
<tr>
<td>Informal</td>
<td>2</td>
</tr>
<tr>
<td>Friends and family</td>
<td>3</td>
</tr>
<tr>
<td>Not remitting</td>
<td>79</td>
</tr>
</tbody>
</table>
Remittances and mobile money: Overview of those who remitted in the past 12 months

More people are remitting in 2018

2018:
- Informal to Formal:
  - Remittances through bank: 6
  - Remittances through other formal (non-bank): 10
  - Remittances though informal channels: 2
  - Remittances though family and friends: 3
  - Do not remit: 69

2013:
- Informal to Formal:
  - Remittances through bank: 3
  - Remittances through other formal (non-bank): 7
  - Remittances though informal channels: 4
  - Remittances though family and friends: 9
  - Do not remit: 77

Remittance Strand (%)
### Mobile money:
Although 2% of adults are registered growth of Mobile money is promising

<table>
<thead>
<tr>
<th>Reason</th>
<th>4% of adults use Mobile Money</th>
<th>96% of adults do not use Mobile Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is most convenient</td>
<td>72%</td>
<td>44%</td>
</tr>
<tr>
<td>Only service available in my community</td>
<td>8%</td>
<td>16%</td>
</tr>
<tr>
<td>Cheapest / most affordable</td>
<td>6%</td>
<td>15%</td>
</tr>
<tr>
<td>Trust it</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>Practical way to pay bills</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>To sell airtime / trade</td>
<td>3%</td>
<td>10%</td>
</tr>
<tr>
<td>Do not need it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not have enough information about it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I can not use it - not educated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not have money to send or receive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is complicated</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>Do not have a cell/mobile phone / sim card</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>There are no mobile money service providers in my area</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>I have not thought about it</td>
<td></td>
<td>3%</td>
</tr>
</tbody>
</table>

4% of adults use Mobile Money

96% of adults do not use Mobile Money

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not need it</td>
<td>44%</td>
</tr>
<tr>
<td>I do not have enough information about it</td>
<td>16%</td>
</tr>
<tr>
<td>I can not use it - not educated</td>
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<td>There are no mobile money service providers in my area</td>
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<tr>
<td>I have not thought about it</td>
<td>3%</td>
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</tbody>
</table>
Linking financial inclusion and local context through the SDGs
Good health and well-being

- 22% Experienced health crisis requiring medical expenses

**Coping mechanism**

- Borrowed money or pawned goods: 39
- Gift / help / assistance from others: 16
- Used formal account – savings: 14
- Sold something to get money: 13
- Cut down expenses: 9
- Nothing I could do: 7

**Population that skipped treatment as a result of poverty**

- 15%

**Time taken to reach medical facility (Mean)**

- Urban: 20 min
- Rural: 41 min

14 Financially included
15 Financially excluded
One of the main drivers for savings and borrowing is education costs.

Portion of average monthly income that goes towards education costs: 20%

Quality education

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

Vocational/Specialised training: 1%
No formal education: 8%
Primary education: 36%
Secondary education: 44%
Tertiary education: 11%

Asset ladder vs. educational level

Primary:
- Comfort: 13%
- Average: 72%
- Basic: 15%

Secondary:
- Comfort: 31%
- Average: 62%
- Basic: 7%

Tertiary:
- Comfort: 67%
- Average: 33%
- Basic: 0%

Urban:
- Financially included: 71%
- Financially excluded: 29%

Rural:
- Financially included: 70%
- Financially excluded: 30%

Male:
- Financially included: 78%
- Financially excluded: 22%

Female:
- Financially included: 71%
- Financially excluded: 29%

No formal education: 6%

30% of population that had to forego school as a result of poverty.
Gender equality

<table>
<thead>
<tr>
<th>No income</th>
<th>$0.01 - $1.90</th>
<th>$1.91 - $6.65</th>
<th>$6.66 &lt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>25%</td>
<td>15%</td>
<td>37%</td>
</tr>
<tr>
<td>Female</td>
<td>35%</td>
<td>15%</td>
<td>33%</td>
</tr>
<tr>
<td>Male</td>
<td>14%</td>
<td>15%</td>
<td>42%</td>
</tr>
</tbody>
</table>

48% of women are dependents

- 19% Banked
- 30% Other formal (unbanked)
- 46% Informal

Main source of income – top 6

<table>
<thead>
<tr>
<th>Source</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Financially included</td>
<td>69</td>
<td>70</td>
</tr>
</tbody>
</table>

- Farming: 8/31
- Self-employed – unregistered sector: 15/12
- Money from family and friends: 11/31
- Casual labour: 5/8
- Selling: 8/7
- Get money from household member: 6/18

31% 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

- Own the house (alone/other HH member)
- Rent the house
- Free-house
- Other

87%
47%
7%
2%

44% of those who own the house have the title deed

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

Water
- Excluded: 63%
- Included: 66%
- Total: 65%

Sanitation
- Excluded: 72%
- Included: 74%
- Total: 74%

Power
- Excluded: 55%
- Included: 56%
- Total: 54%

Time taken to destination: Minutes

- Urban
- Rural

Post office
- Urban: 26 minutes
- Rural: 24 minutes
- Total: 25 minutes

MFI
- Urban: 24 minutes
- Rural: 23 minutes
- Total: 23.5 minutes

ATM
- Urban: 22 minutes
- Rural: 21 minutes
- Total: 21.5 minutes

Bank
- Urban: 23 minutes
- Rural: 23 minutes
- Total: 23 minutes

Medical facility
- Urban: 18 minutes
- Rural: 17 minutes
- Total: 17.5 minutes

Mobile money
- Urban: 16 minutes
- Rural: 15 minutes
- Total: 15.5 minutes

Market place
- Urban: 18 minutes
- Rural: 17 minutes
- Total: 17.5 minutes

Public transport
- Urban: 16 minutes
- Rural: 29 minutes
- Total: 22.5 minutes

Grocery store
- Urban: 8 minutes
- Rural: 11 minutes
- Total: 9.5 minutes
## Decent work and economic growth

### Main income source

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers (7.7 mill)</td>
<td>23%</td>
</tr>
<tr>
<td>Formal employment (2.6 mill)</td>
<td>8%</td>
</tr>
<tr>
<td>Informal employment (2.6 mill)</td>
<td>10%</td>
</tr>
<tr>
<td>Dependents (111 mill)</td>
<td>33%</td>
</tr>
<tr>
<td>Self-employed (8.9 mill)</td>
<td>26%</td>
</tr>
</tbody>
</table>

### Livelihood coping strategy

<table>
<thead>
<tr>
<th>Main need</th>
<th>Savings</th>
<th>Borrowing</th>
<th>Remittances</th>
<th>Savings</th>
<th>Borrowing</th>
<th>Remittances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health</strong></td>
<td>46% Jewellery</td>
<td>43% Pawn shops</td>
<td>32% Medical fees</td>
<td>43% Jewellery</td>
<td>17% Pawn shops</td>
<td>22% Medical fees</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>19% Household member</td>
<td>17% Pawn shops</td>
<td>15% School fees</td>
<td>18% Household member</td>
<td>43% Pawn shops</td>
<td>17% School fees</td>
</tr>
<tr>
<td><strong>Inputs</strong></td>
<td>47% MADB (seed)</td>
<td>87% MADB (seed)</td>
<td>41% Investment</td>
<td>39% MFI</td>
<td>53% MFI</td>
<td>36% Investment</td>
</tr>
</tbody>
</table>
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