

FinScope

*MAP
Financial
Inclusion
Survey
Highlights*

Myanmar 2018



Note to Reader

The data displayed depicts the adult population understanding, perceptions and responses to questions asked by well-trained enumerators. The pocket guide reflects the demand side data on financial inclusion for understanding consumer perceptions and behaviour. Disparities will emerge between the FinScope findings and supply-side due to measurement differences, duplication, literacy, awareness, etc. Some of these disparities are explored for follow-up investigation in the MAP Diagnostic Report.

OVERVIEW

Methodology

- Total adult population is estimated at 34,3 million, according to the Myanmar Population Census 2014
- Nationally representative individual-based sample of the adult population aged 18 years and older at the state/region and urban/rural level
- Sampling frame and data weighting conducted by the Central Statistics Organisation and Department of Population and Statistics weighted to the 2018 population projections
- 5,500 face-to-face interviews conducted by the Myanmar Survey Research (January – April 2018)
- See technical report for more detail on methodology.

Survey objectives

- To describe the levels of financial inclusion – both formal and informal
- To describe the type of products and services used by financially included individuals
- To identify the drivers of- and barriers to financial access
- To stimulate evidence-based dialogue for effective public and private sector interventions that will increase and deepen financial inclusion
- To track the progress for financial inclusion in Myanmar since FinScope 2013.

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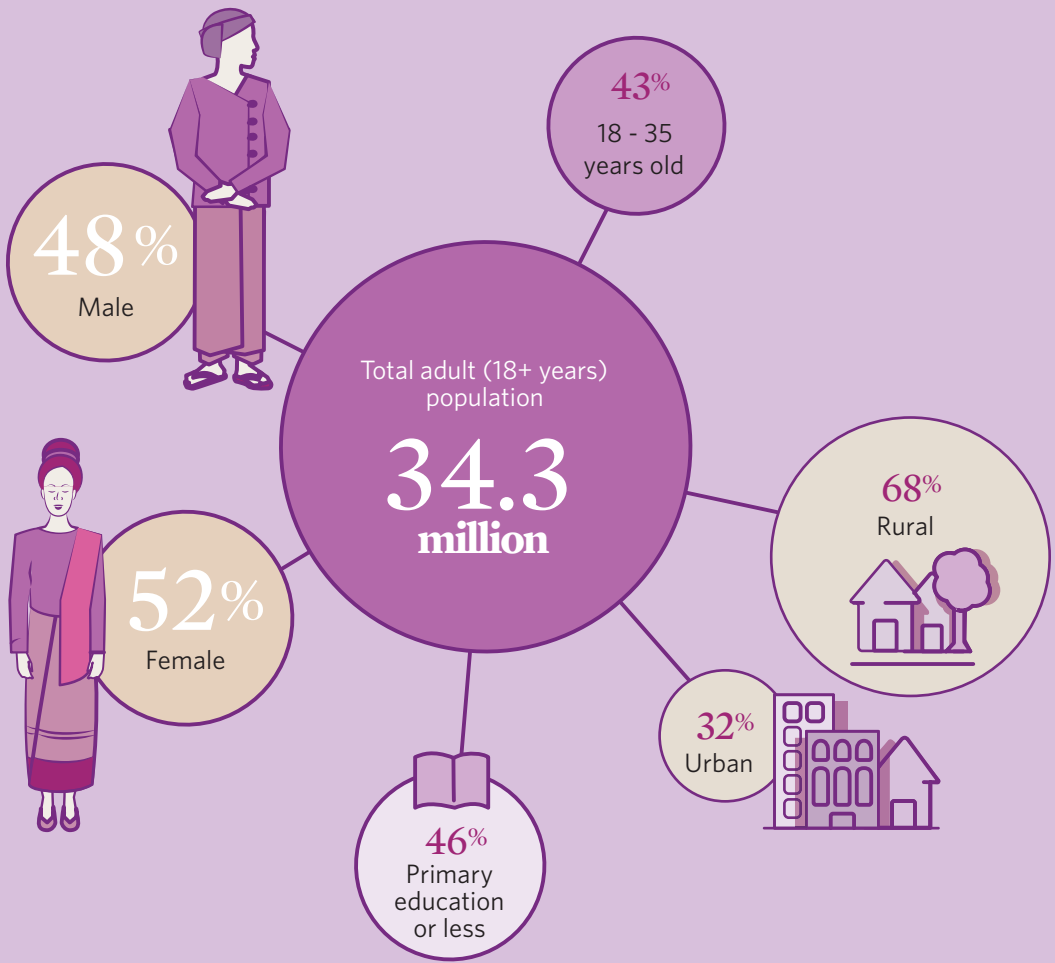
KEY FINDINGS

- Adults using formal financial services rose from 30% to 48% over 2013 to 2018. More significantly, adults using more than one product or service expanded almost threefold from 6% to 17%. Service expansion was largely driven by considerable growth within the MFI and Cooperative sectors.
- Saving participation experienced notable growth, albeit, in the informal sector through saving groups, gold and cash with minimal formal growth mostly from an uptake in private bank deposit accounts.
- Farming is a prime livelihood for 23% of adults, self-employment (26%) primarily small retail services, and formal employment (6%)
- High income disparities between males and females. Women have more access to microfinance and less access than men to SME financing. Women are more likely to be dependent on family and household members as a main income source
- Phone ownership increased rapidly leading to emerging mobile money uptake, 2% of adults, with indications of impressive growth over the near and long term.
- Adults are less dependent solely on informal financial services with a 10 percentage point drop from 2013. Informal services are mainly used for living expenses and meeting goals such as education and buying farming equipment
- Money lender (425,000) maintain the highest penetration levels (over 4 M clients) in the informal market yet with declining rates due to increased formal competition, in some rural markets
- Rural financial inclusion expanded during the five year period as nonbank access grew significantly as well as bank payment and deposit services.

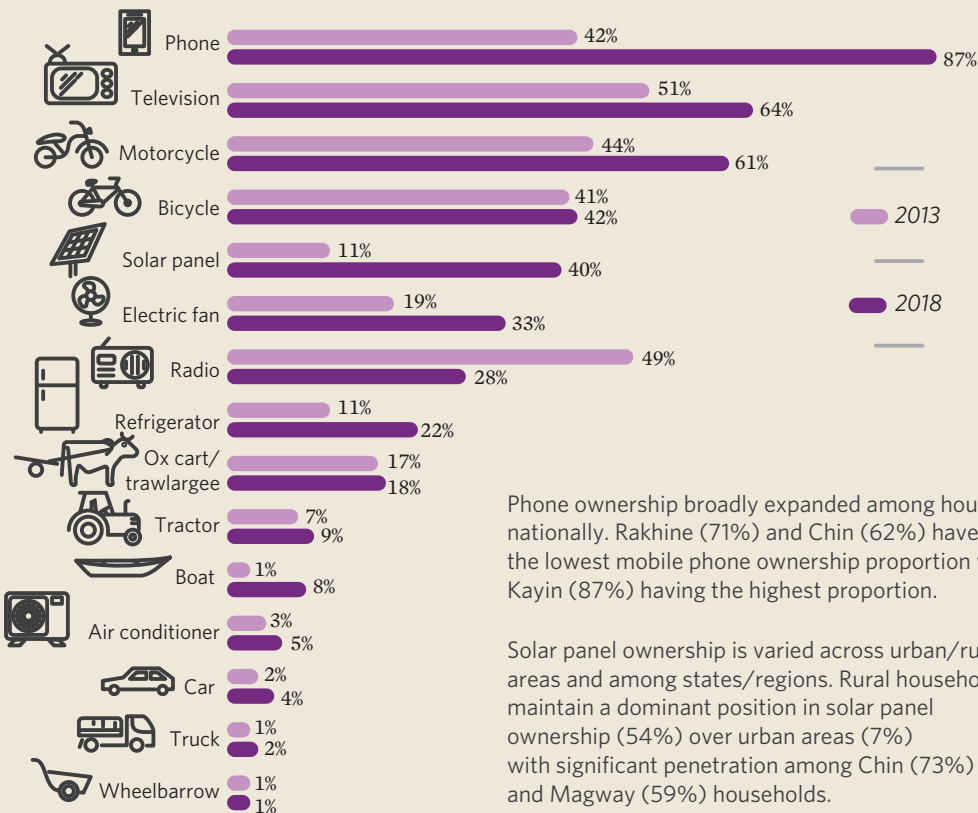
Partnering for financial inclusion

Making Access Possible (MAP) is a diagnostic and programmatic framework to support expanding access to financial services for individuals and micro-and small businesses. The MAP methodology and process has been developed jointly by UNCDF, FinMark Turst and Cenfri to foster inclusive financial sector growth. The first MAP Myanmar was conducted in 2013.

At country level, the core MAP partners collaborate with Government, stakeholders and donor to ensure an inclusive, holistic process.



DEMOGRAPHICS

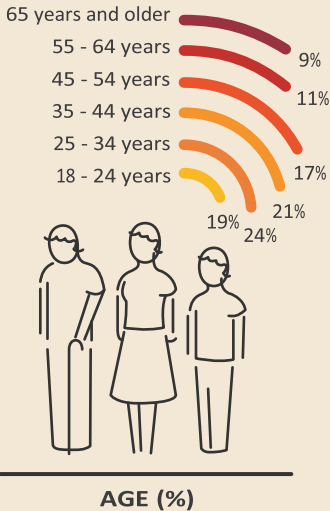


OWNERSHIP OF ASSETS
(% of all households)

Phone ownership broadly expanded among households nationally. Rakhine (71%) and Chin (62%) have the lowest mobile phone ownership proportion with Kayin (87%) having the highest proportion.

Solar panel ownership is varied across urban/rural areas and among states/regions. Rural households maintain a dominant position in solar panel ownership (54%) over urban areas (7%) with significant penetration among Chin (73%) and Magway (59%) households.

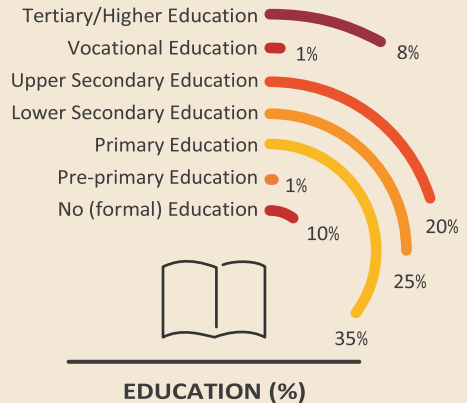
There is great potential in increasing access to electricity through bundling of financial products e.g. mobile money given high mobile phone penetration



More adults have primary education as it is provided free to this level. Fewer adults have a secondary or tertiary education due to a lack of Funds as well as limited access to secondary schools in rural areas to further their studies.

Myanmar has a large youth Population, 18 to 35 years, comprising at 43% of adults

46% of adult Myanmar have primary education or less

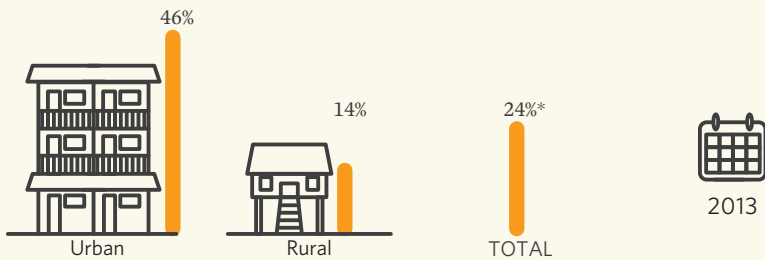
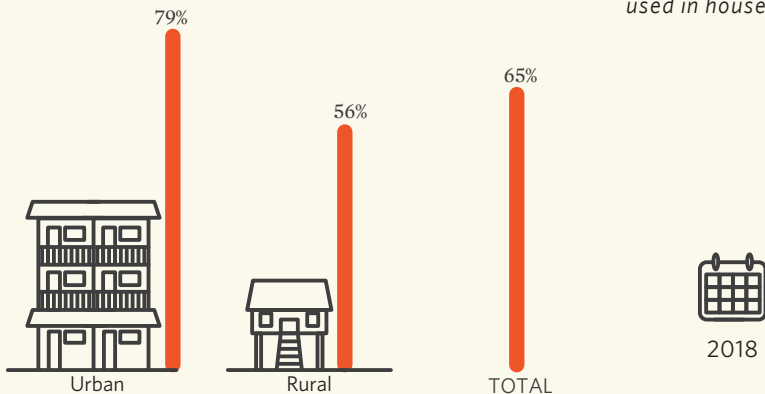


UNDERSTANDING PEOPLE'S LIVES

Access to services

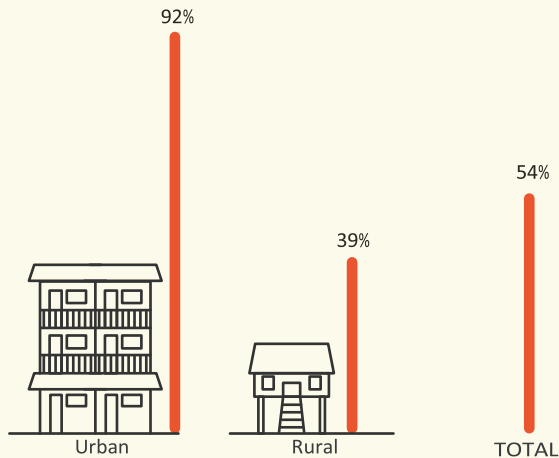


NUMBER OF HOUSEHOLDS WITH
ACCESS TO TAP WATER (%)
*(as main source of water
used in household)*





**NUMBER OF HOUSEHOLDS WITH
AN ELECTRICITY CONNECTION (%)**

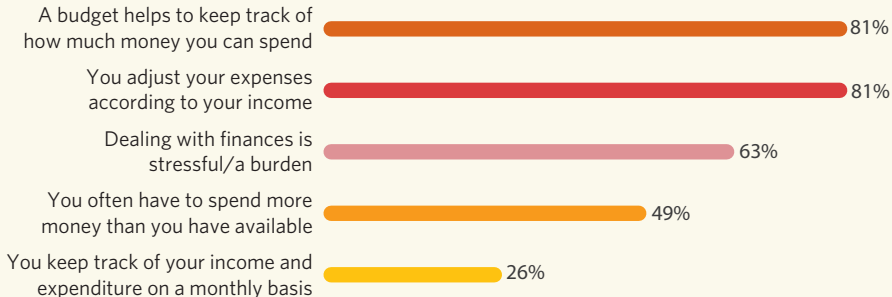


Electricity access has improved from 2013, especially in marginalised rural areas. Electrification has led to a rise in household asset ownership

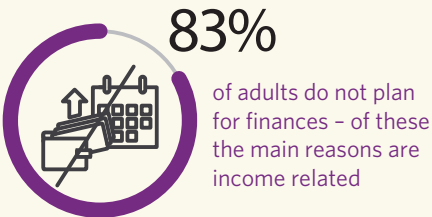
FINANCIAL CAPABILITY

Planning and budgeting

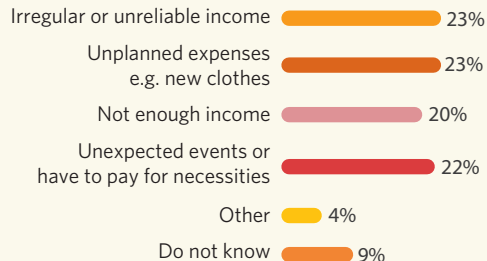
% AGREEING WITH STATEMENT



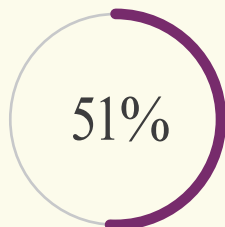
Although 81% of adults agree that a budget helps to keep track of how much money they can spend, 83% of adults do not plan for finances



% REASONS FOR NOT PLANNING (of those not planning)



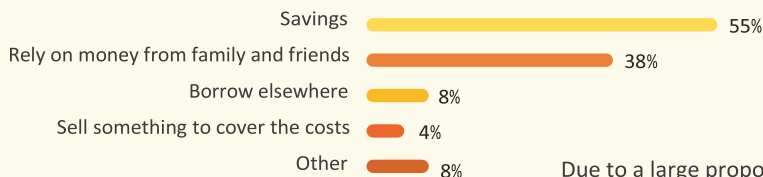
Planning and budgeting



About one in two adults deplete financial resources for food or other important things before receiving their next income

72% of adults had a major expense in the past 12 months

MECHANISMS MAINLY USED TO FINANCE MAJOR EXPENSE (of those that experienced expense)

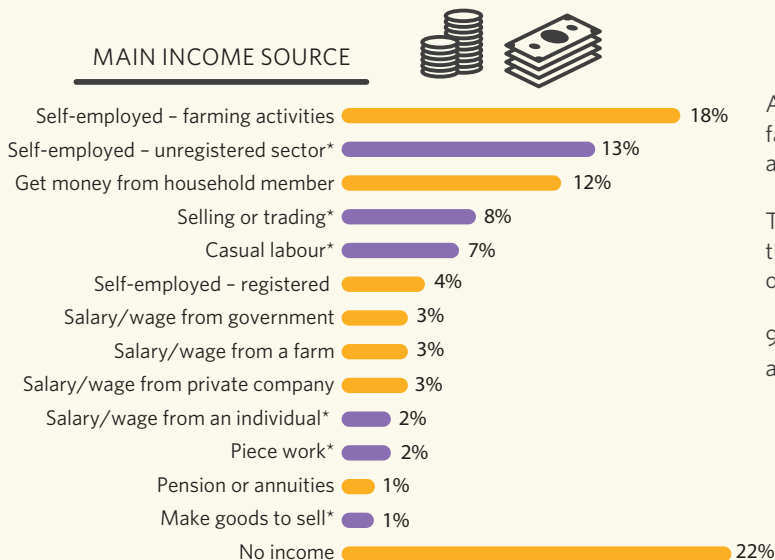


Due to a large proportion of adult Myanmar relying on seasonal and low incomes, about half face running out of money before their next income

Savings are the most common coping mechanism for meeting goals

UNDERSTANDING PEOPLE'S LIVES

Sources of income and livelihoods

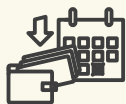


About a fifth of the adults claim farming and related activities as a main income source

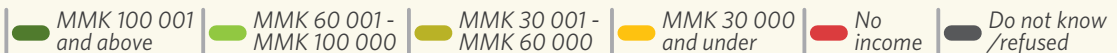
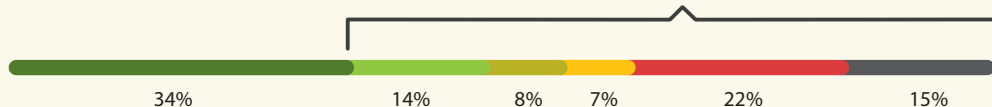
The informal economy* provides the main income source for 33% of adults

90% of those without an income are dependent on family/friends

PERSONAL MONTHLY INCOME
1 USD = ± MMK1,320

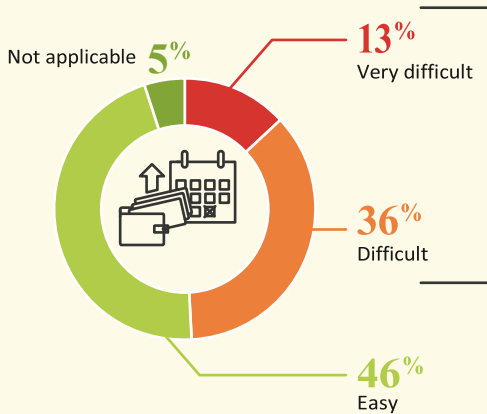
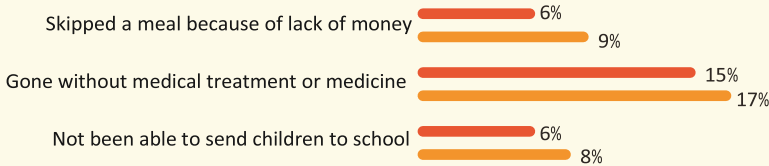


Two thirds (66%) of adults personally earn MMK 100 000(-\$75) or less per month



Poverty symptoms

% OF HOUSEHOLDS EXPERIENCING SYMPTOM



49% of adults find it difficult to keep up with financial commitments e.g. living expenses.

Some poverty symptoms amongst Myanmar households have reduced in 2018

DIFFICULTY WITH KEEPING UP WITH FINANCIAL COMMITMENTS (%)

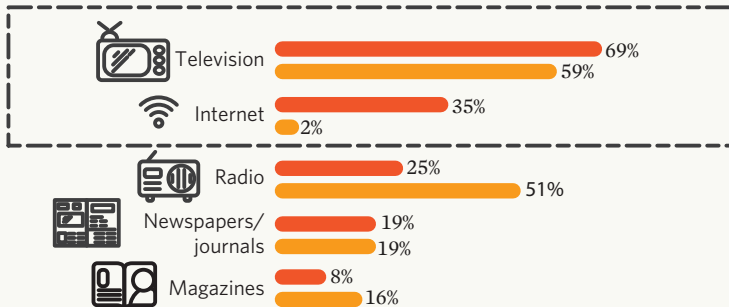
UNDERSTANDING PEOPLE'S LIVES

Communication and media access

Increased access and usage of technology in 2018



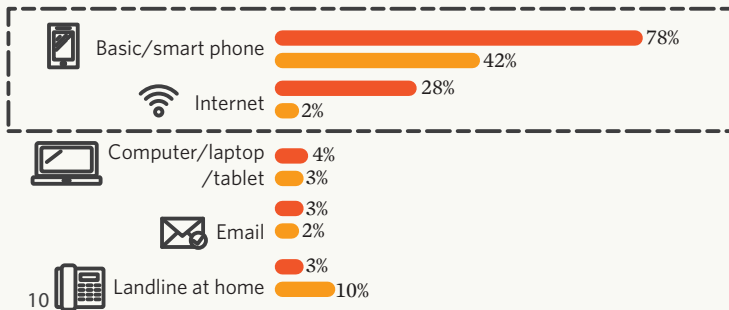
MEDIA ACCESS IN PAST MONTH (%)



2018 witnessed an increase in television access and lowering radio access

Internet access has increased greatly from 2013 likely due to the increase in smart phone ownership

USAGE OF COMMUNICATION DEVICE (%)



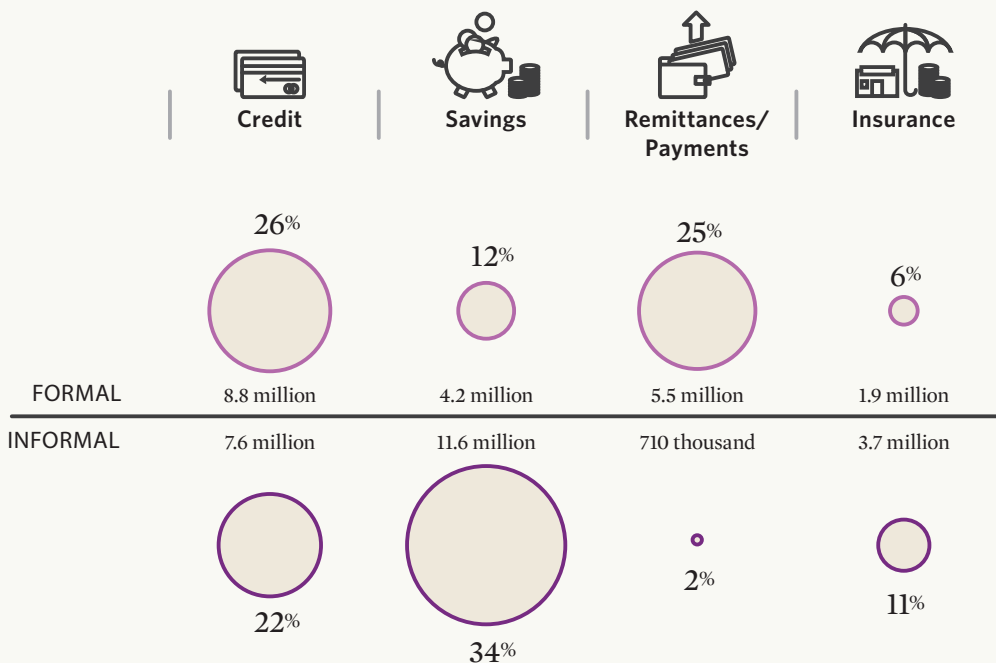
FINANCIAL INCLUSION

Formal vs. informal usage of financial products (% of all adults)

Overall, 48% (16.5 million) of adults are formally served while 50% (17 million) are informally served. Most informal products

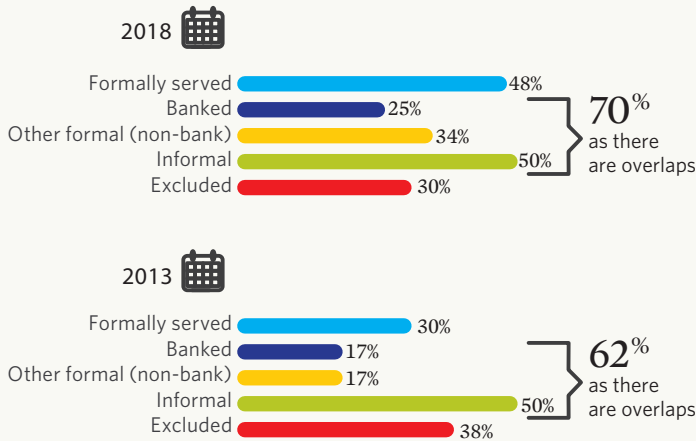
serving adults are savings groups, savings in jewellery/gold, and money lenders.

There is cross usage between formal and informal products and services while 21.5% of all adults only depend on informal products and services.



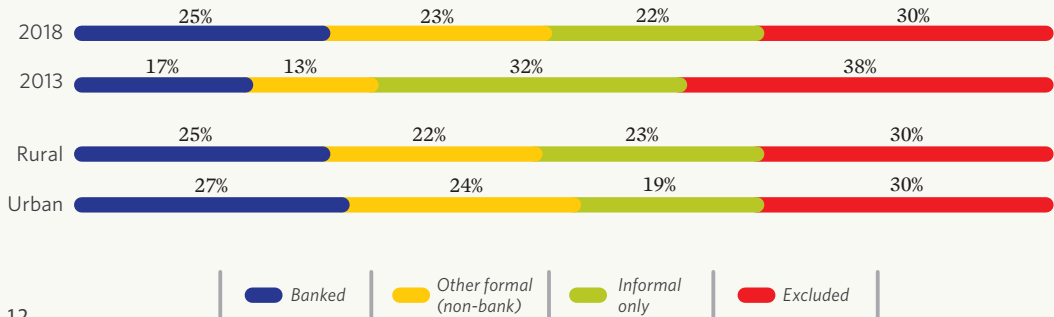
More people have formal access in 2018

Overall (%)



- Bank usage is up by 8 percentage points and continues to be 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 has remained the same at 50 percentage points
- Financial exclusion has decreased by 8 percentage points

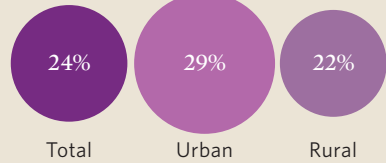
Financial Access Strand (no overlaps)



The Government of Myanmar embarked on 'One Household One Account' initiative to ensure each household has access to formal services. In 2018- 24% of households have at least one formal account.

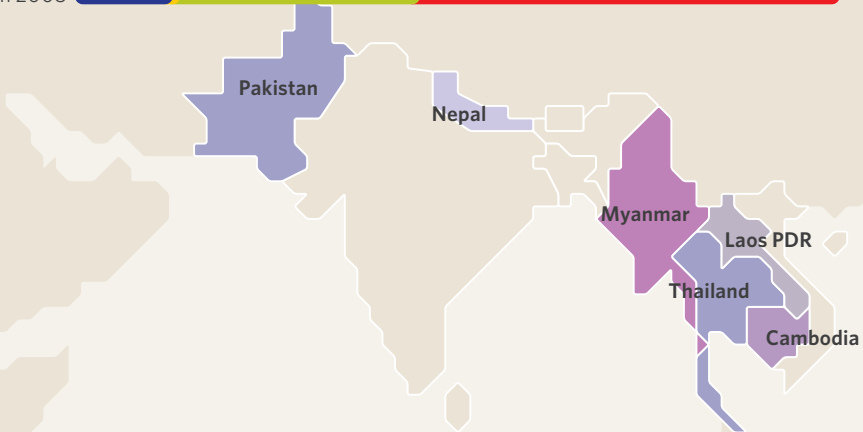
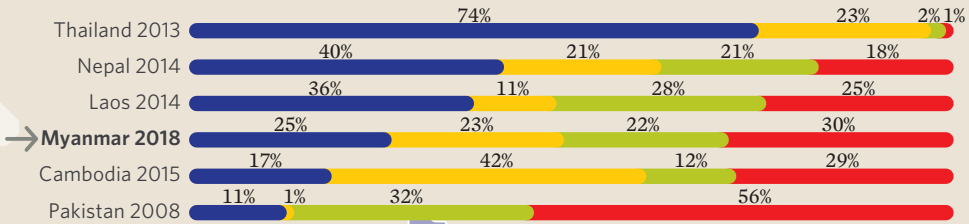


ONE HOUSEHOLD
ONE ACCOUNT



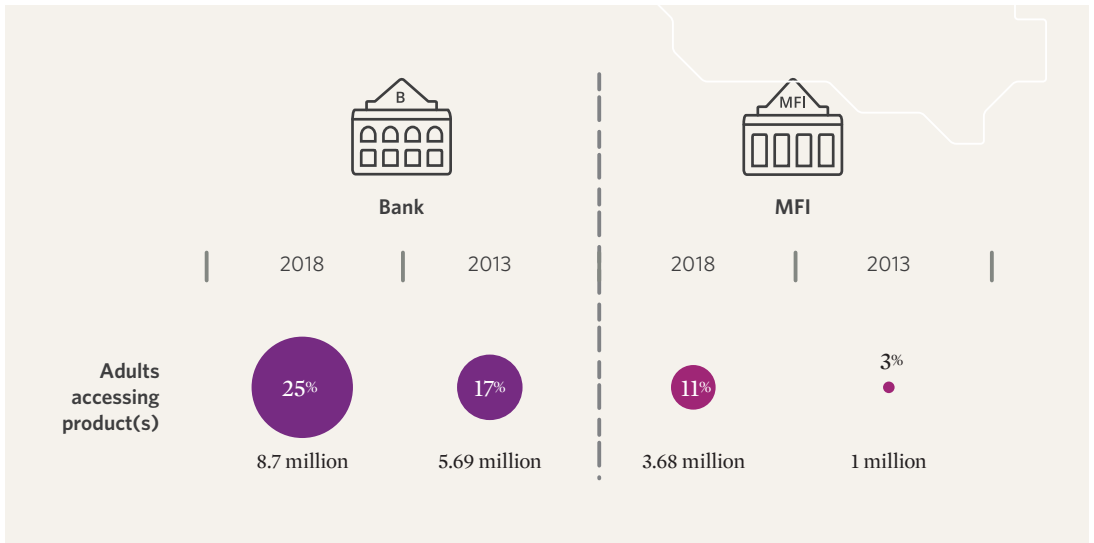
ACCESS STRANDS

Financial Consumer Access Strand





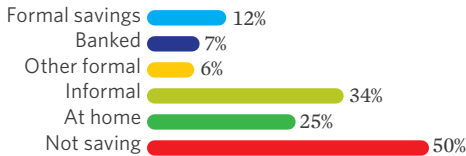
How many adults have access in 2018?



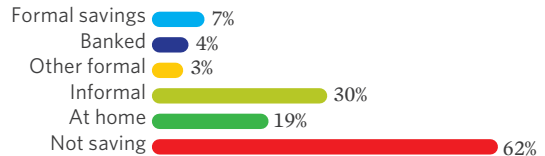


Savings and investments (%)

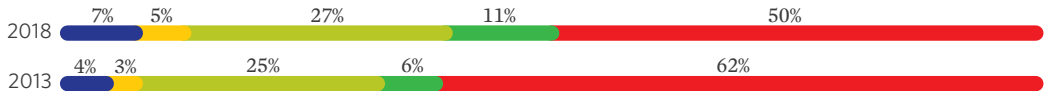
2018 Overall (%)



2013 Overall (%) (with overlaps)



Savings Strand (no overlaps)



In constructing this strand, the overlaps in financial product/services usage are removed.

- 50% of adults were not saving at the time of the survey
- 11% keep all their savings at home, i.e. they do not have/use formal or informal savings products or mechanisms

- 27% rely on informal mechanisms such as savings groups (they might also save at home, but they do not have/use any formal savings products)
- 5% have/use formal non-bank savings products (they might also have/use informal savings mechanisms, but they do not

have/use savings products from a commercial bank)

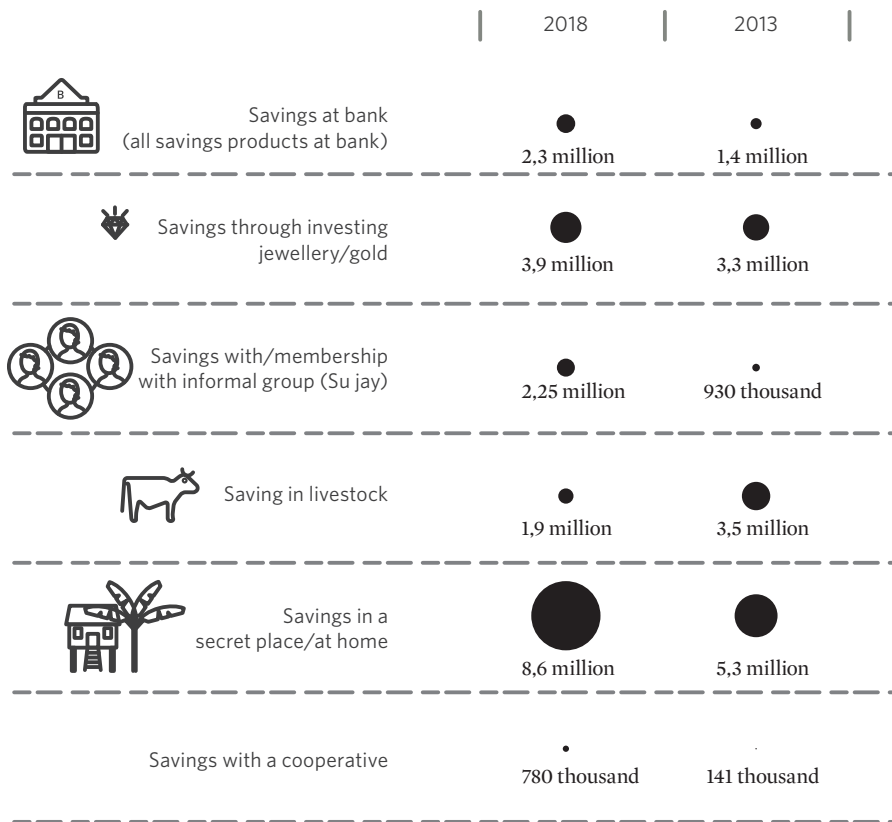
- 7% have/use savings products from a commercial bank (they might also have/ use other formal and/or informal mechanisms, or save at home)



Savings and investments (%)



*Savings mechanisms
(of those currently saving)*



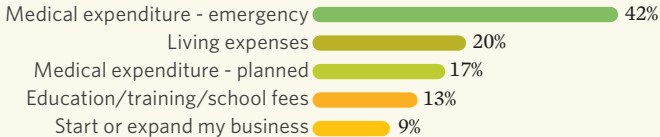


Savings and investments (%)

Drivers for saving (% of adults saving)

50% OF ADULTS HAVE SAVINGS PRODUCTS

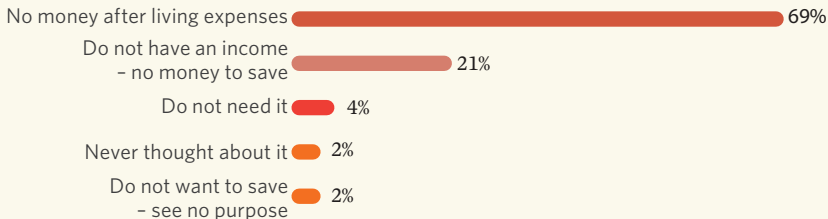
Jewellery/gold



Adults mainly save for medical expenses, living expenses and education regardless of the product being used

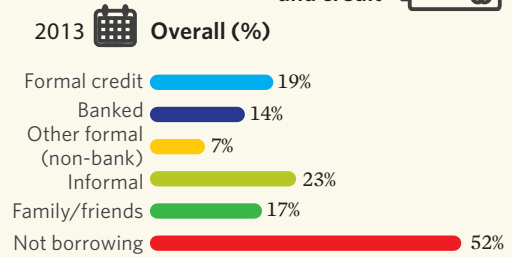
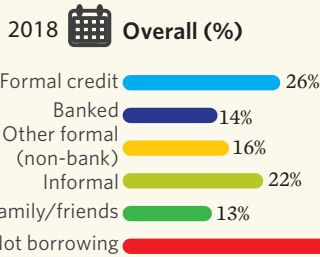
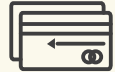
Barriers to saving (% of adults not saving)

50% OF ADULTS HAVE NO SAVINGS PRODUCTS

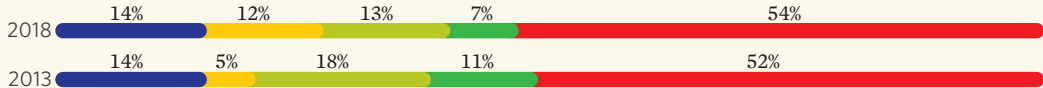


% of total adults

Borrowing and credit



Credit Strand (no overlaps)



In constructing this strand, the overlaps in financial product/services usage are removed

informal credit/loan products or mechanisms

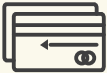
not have credit/loan products from a bank (they could also use informal credit/loan products and/or borrow from friends and family)

- 54% reported not to borrow at the time of the survey, neither from friends/family nor from formal/informal financial services providers
- 7% borrow only from friends and family, i.e. these individuals do not have/use formal or

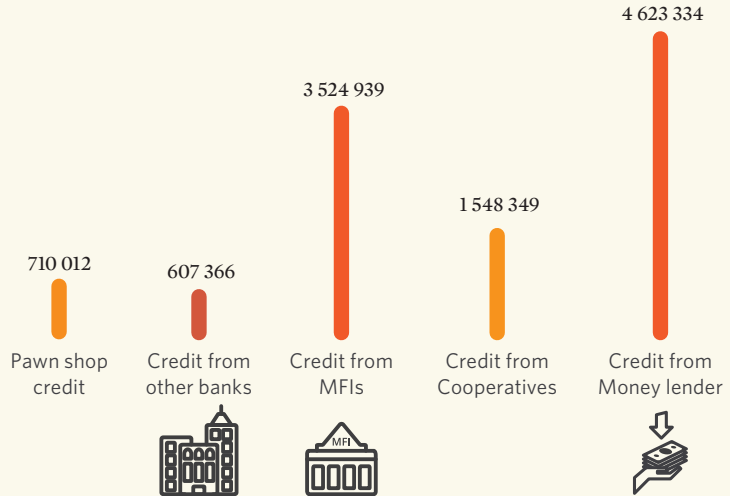
- 13% rely on informal mechanisms such as informal money-lenders (they do not have any formal financial credit/loan products, but they might also borrow from friends and family)
- 12% have/use credit/loan products from other formal (non-bank) institutions, but do

- 14% of adults have/use credit/loan products from a commercial bank (however, they could also have other credit/loan products and/or borrow from friends and family but the defining characteristics are that they borrow from a bank)





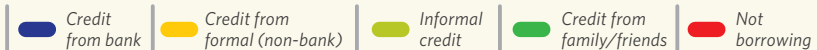
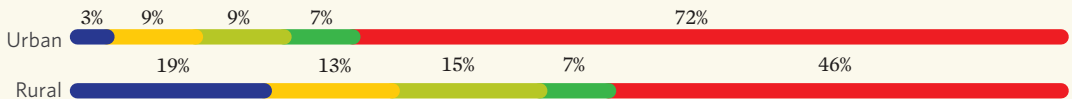
Borrowing and credit



Borrowing from money lender dropped from 4,8 million to 4.6 million

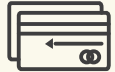
LEVELS OF CREDIT UPTAKE (NUMBER OF ADULTS)

Credit Strand (no overlaps)



Drivers for borrowing (% of borrowers per institute)

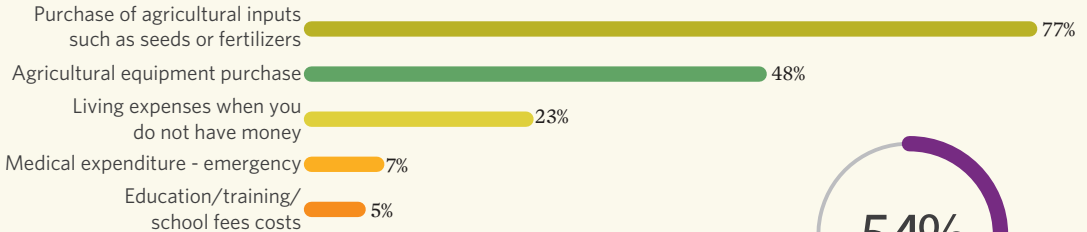
Borrowing and credit



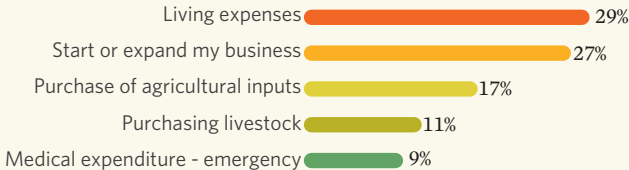
Adults also borrow for consumption

46% OF ADULTS ARE BORROWING

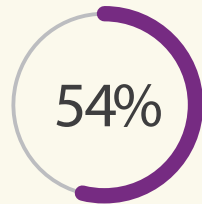
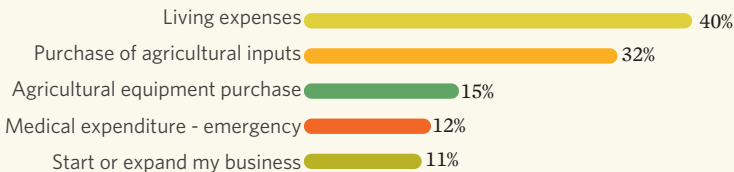
MADB



MFI



Cooperatives



OF ADULTS DO NOT CURRENTLY BORROW



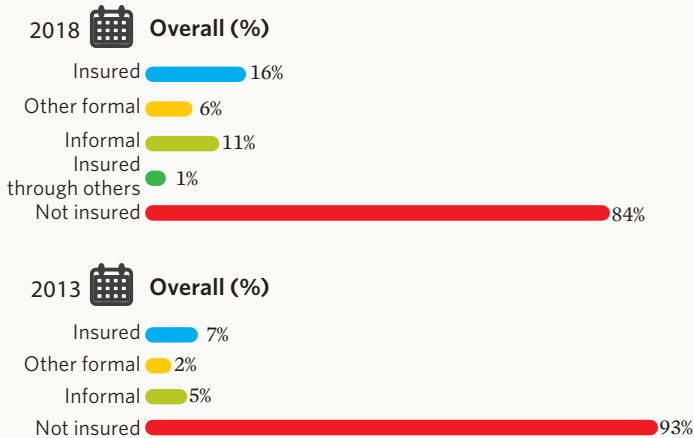
47% can pay living expenses with what they have

19% fear or do not want to have debt



Insurance and risk management

% of total adults




- Only 16% of adult Myanmar have insurance i.e. formal and informal insurance
- Of those insured, the uptake of informal funeral fund e.g. Nar yay athin (42%), solidarity system (37%), social security fund (20%), Su jay savings (9%) and motor vehicle insurance (8%) are the popular products driving insurance uptake
- The main barriers to insurance uptake, despite a majority of adults stating that they face risk, is income related, as well as, awareness and literacy of the benefits of insurance. Of those without any mechanism covering risk, half are unaware of insurance products.


Insurance Strand

% of total adults (no overlaps)



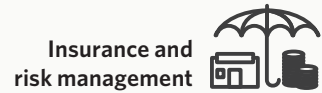
 Other formal (non-bank)

 Informal only

 Insured indirectly through someone else

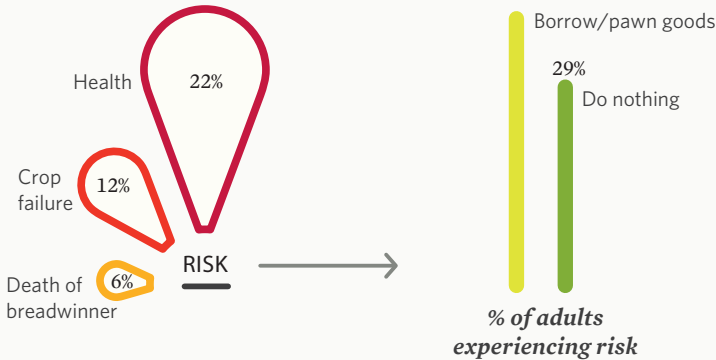
 Not insured

Credit used to cover health, crop failure and death

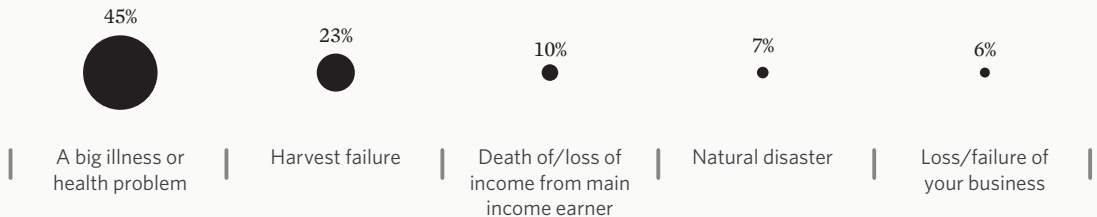


% of total adults

COPING STRATEGY



MOST SIGNIFICANT THREATS TO PERSONAL FINANCES (%)

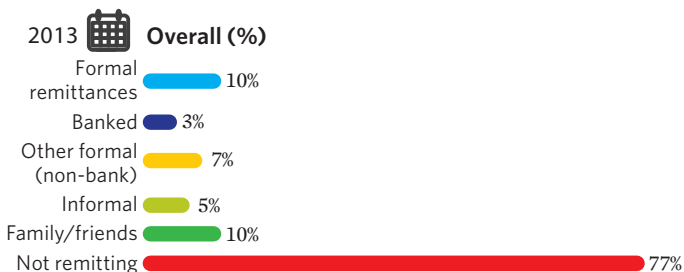
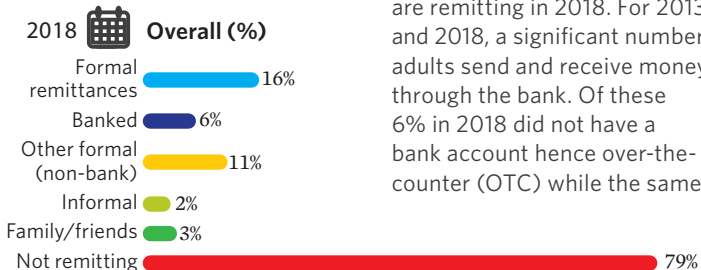


LANDSCAPE PRODUCTS

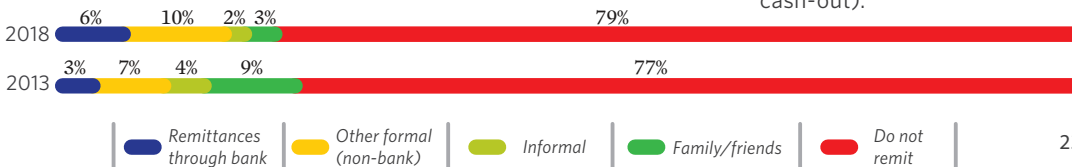


Remittances and mobile money

% of total adults



Remittances Strand % of total adults



Overview of those who remitted in the past 12 months

- Results show that more adults are remitting in 2018. For 2013 and 2018, a significant number of adults send and receive money through the bank. Of these 6% in 2018 did not have a bank account hence over-the-counter (OTC) while the same

unbanked remitters were 7% in 2013

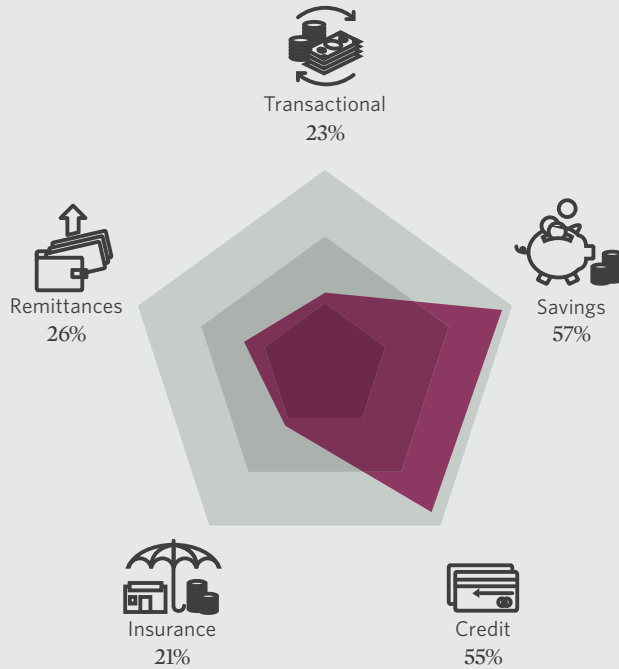
- The proportion of those formally remitting are increasing while those remitting through informal channels are decreasing. Remitting through hundi's comprise 72% of informal remittances in 2018 - a drop from 94% in 2013.

Mobile money

- Awareness of mobile money (MM) is approaching half of adults (46%).
- Registration (i.e. have a MM account in own name) is much lower at 2% (670,000 adults).
- Usage is much higher than registration at 4% indicating over-the-counter transactions. About 62% of those using mobile money are remitting and 42% transacting (mainly purchasing airtime and cash-out).

FINANCIAL INCLUSION

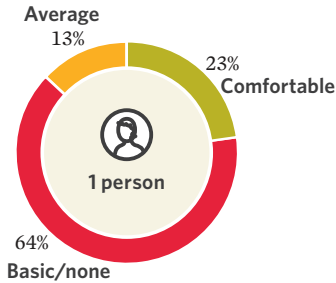
Landscape of Access (of those with financial product)



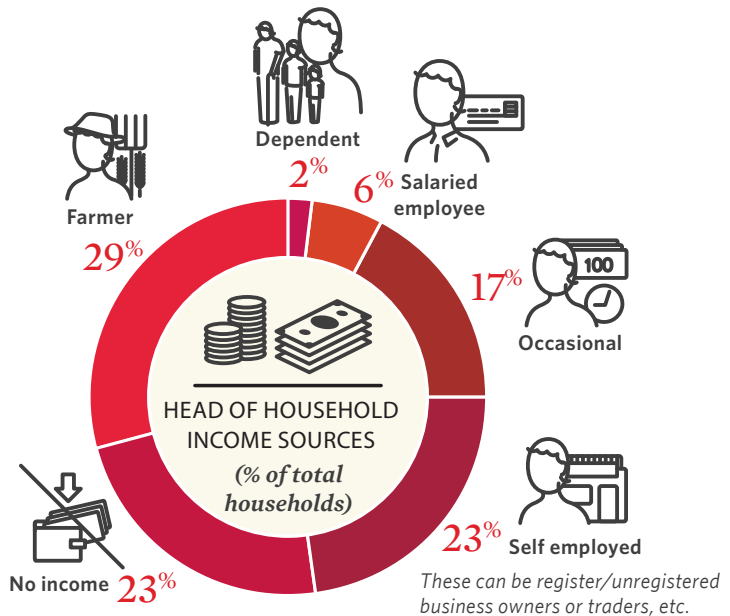
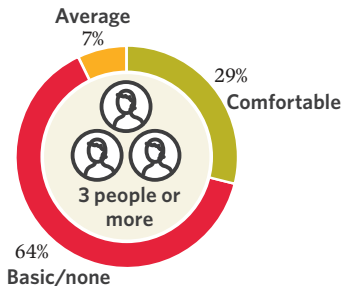
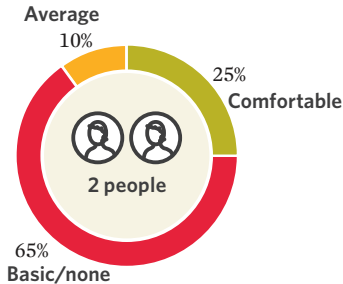
Landscape of Access

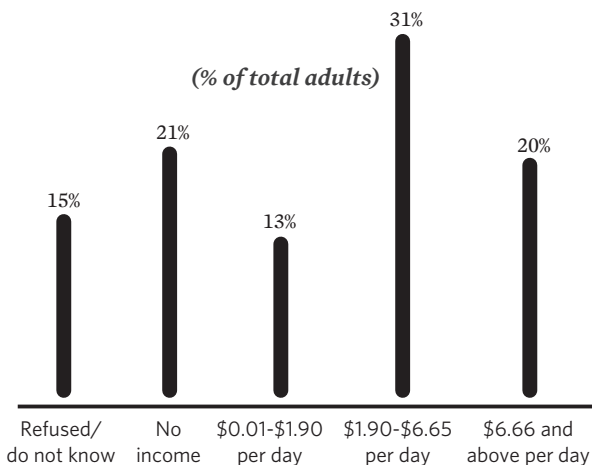
The Landscape of Access is used to illustrate the extent to which financially included individuals have/use financial products/services (excluding those borrowing from family/friends and those who save at home/hiding in secret place).

NUMBER OF INCOME CONTRIBUTORS VS. ASSET LADDER



The asset ladder is an indicator created from ten household assets that indicate the level of wealth of a particular household. Household assets range from basic assets, average, to comfort assets. Assets depict the living standard of the household and give an indication of household welfare in the accumulation of assets used to meet basic to comfort needs of a household and its livelihood productivity.





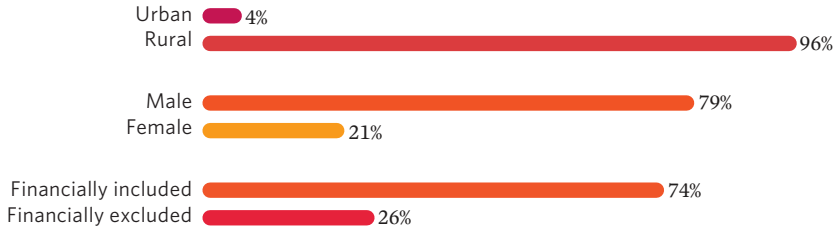
Proportion earning \$1.90 a day and less



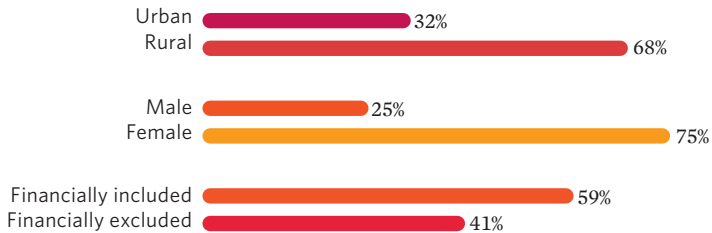
- 36% Below 25 - no income
- 28% 1 or no member contributed to household income
- 18% Experienced poverty related symptoms
- 6% Skipped a meal
- 0% Virtually no social grant recipients



FARMING



DEPENDENT (FAMILY/FRIENDS)





INCOME

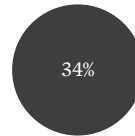
	Refused/ do not know	No income	\$0.01-\$1.90 per day	\$1.90-\$6.65 per day	\$6.66 and above per day
Total	15%	21%	13%	31%	20%
Urban	9%	22%	8%	31%	30%
Rural	18%	21%	15%	31%	15%

6%



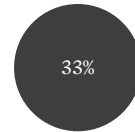
Full/part-time

34%



Irregular income

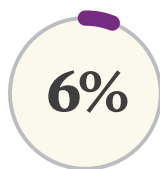
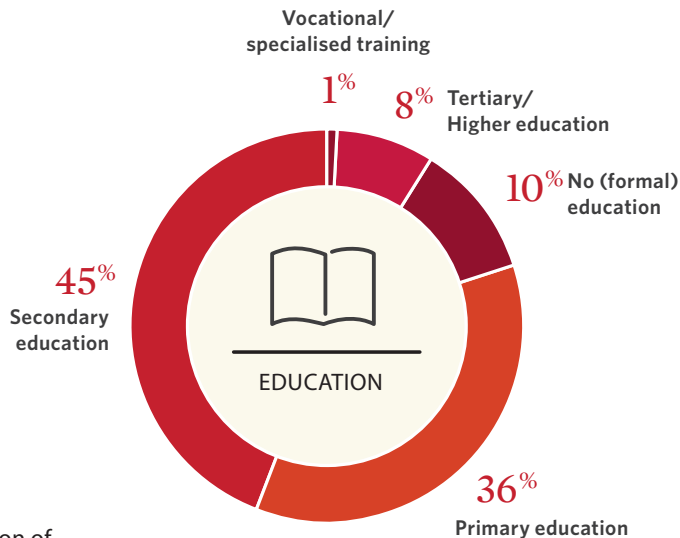
33%



Dependents

MAIN INCOME SOURCE - TOP 6





Population of households that had to forego school as a result of poverty

Proportion that had to forego school



Urban 5%
Rural 6%



Male 6%
Female 7%

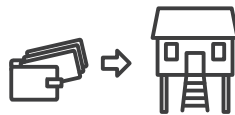
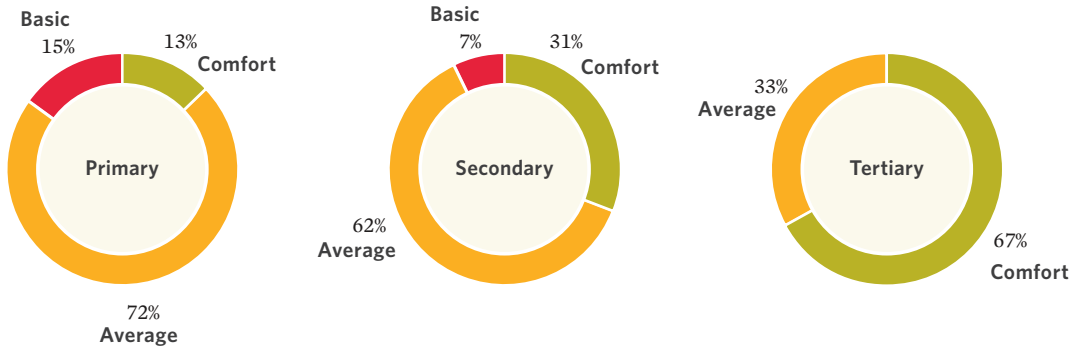


Financially included 6%
Financially excluded 5%



ASSET LADDER
VS. EDUCATIONAL LEVEL

As the higher education levels are attained,
more household have comfort assets.



% EXPERIENCING POVERTY SYMPTOM BY NUMBER
OF HOUSEHOLD INCOME CONTRIBUTORS

6.2%

Only 1 member or
none gets income

6.5%

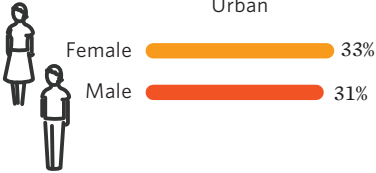
2 people contribute
to household income

5.5%

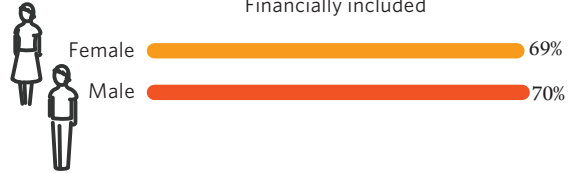
3 or more people contribute
to household income



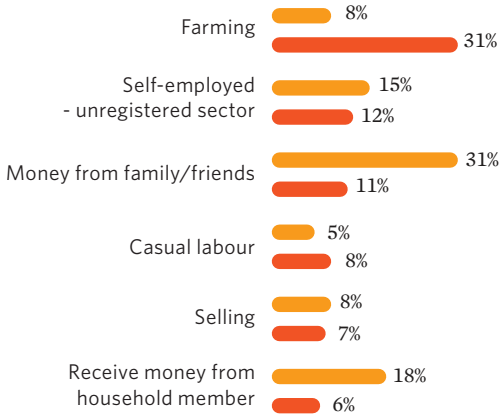
Urban



Financially included



MAIN SOURCE OF INCOME - TOP 6



- 33% of females reside in urban areas and 69% of females are financially included
- Females constitute the bulk of dependents with about half of all females depending on others for their livelihoods.



Female 
Male 



INCOME

	No income	\$0.01-\$1.90 per day	\$1.90-\$6.65 per day	\$6.66 per day and above
Total	25%	15%	37%	23%
Female	35%	15%	33%	17%
Male	14%	15%	42%	29%



51%
of women live below poverty line.
High income disparity between female and males

This is largely driven by a high proportion of women with no income and fewer proportion in income generating activities such as farming and general employment.



FEMALE

48%
of women are dependents

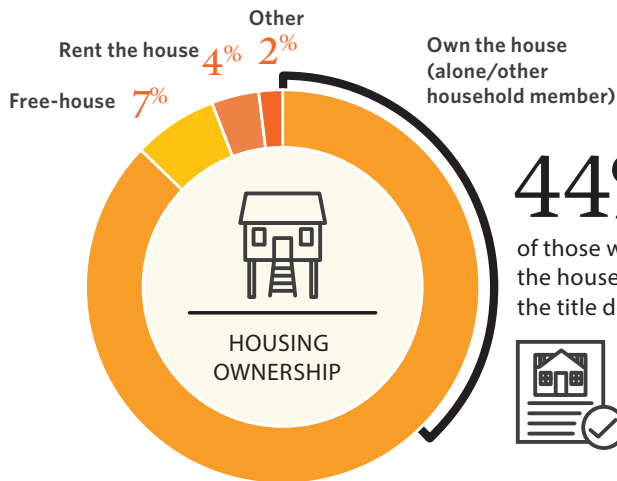


84%

used savings to purchase/build the house

1%

used formal finance to acquire house



44%

of those who own the house have the title deed



WATER



SANITATION



POWER



83%

Metal sheets
- main roof material for house

49%

Bamboo
- main wall material for house

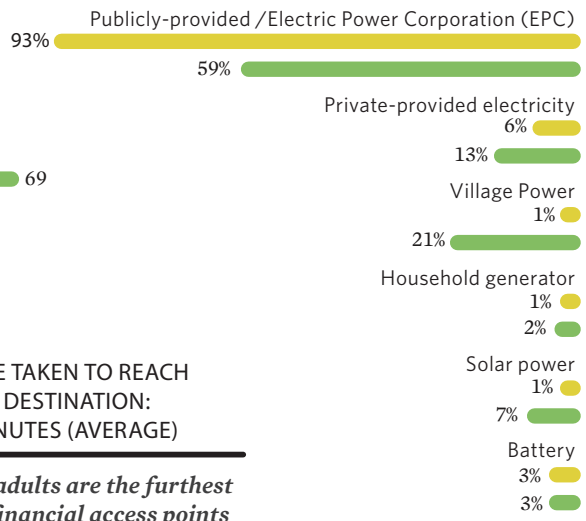
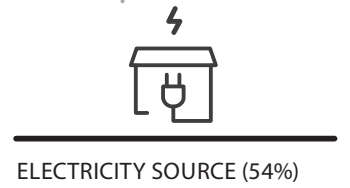
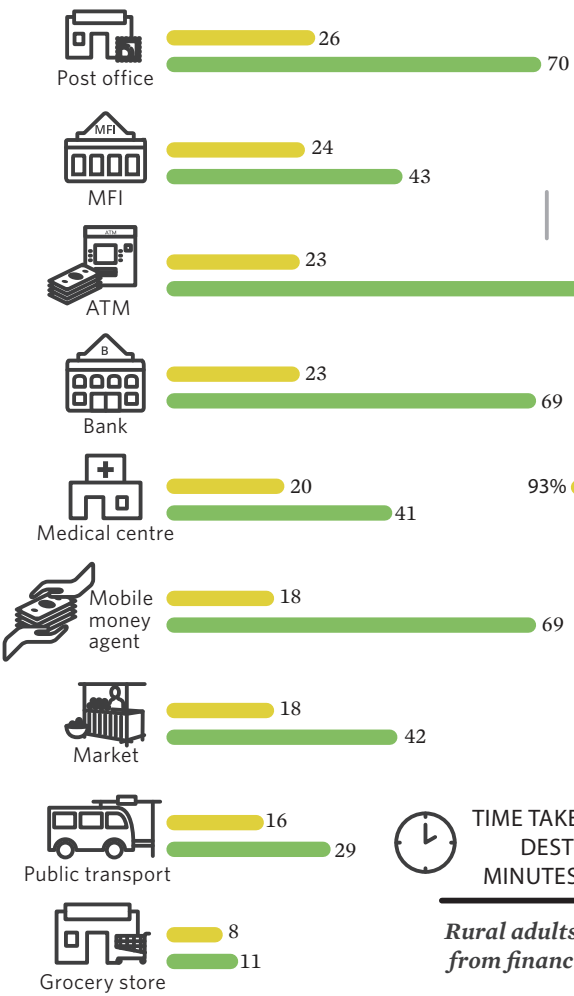
54%

Wooden planks
- main floor material for house

Financially excluded with access

Financially included with access

Total population with access

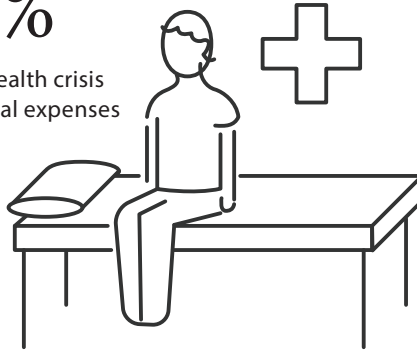


TIME TAKEN TO REACH DESTINATION: MINUTES (AVERAGE)

Rural adults are the furthest from financial access points

22%

Experienced health crisis
requiring medical expenses



COPING MECHANISM

(% of those that experienced health crisis)

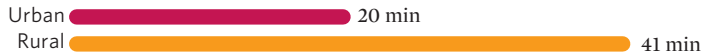


15%

Population of households that skipped treatment as a result of poverty



TIME TO REACH MEDICAL FACILITY (MEAN)



50% of adults are saving mostly through jewellery, gold and MFIs, mainly for medical expenses.

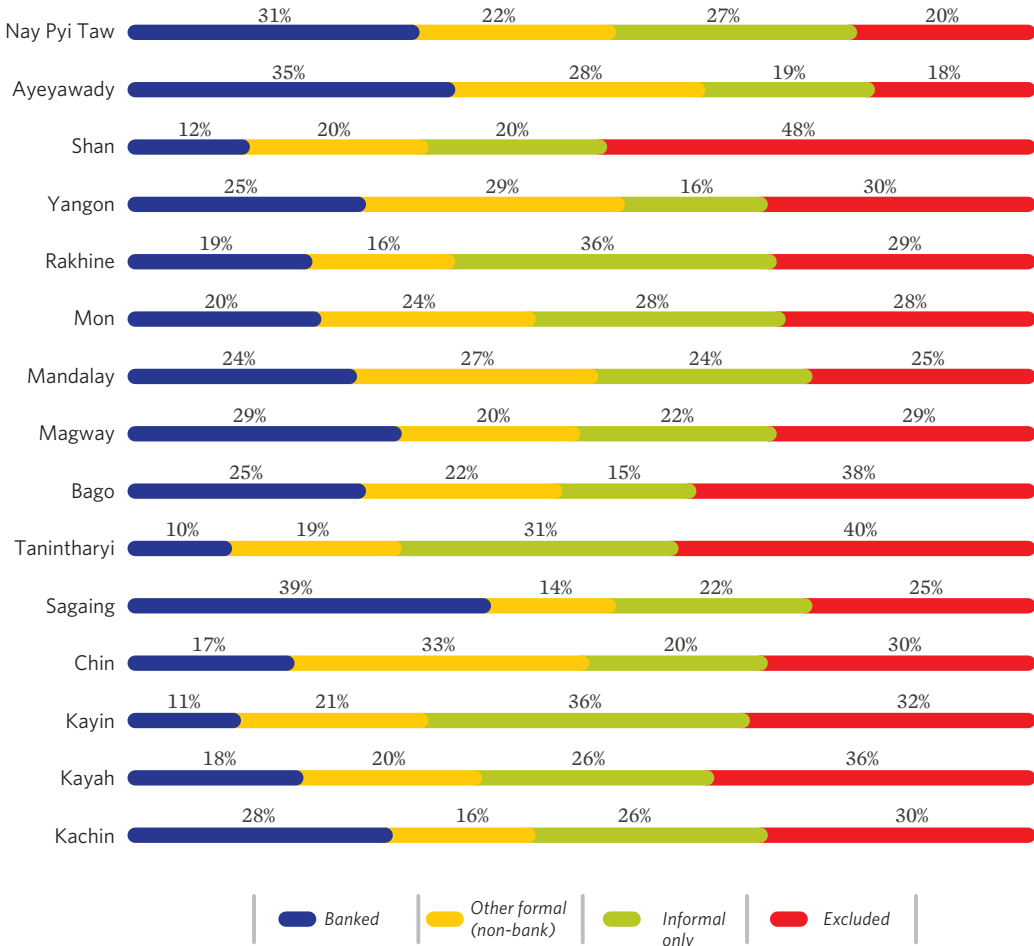
% of those that experience risk



There is no significant difference between the financially included and excluded groups with regards to experiencing health risk. This can be explained by the very low uptake of health insurance leaving this risk exposure to all adults even those that may have other financial products. This presents a risk that is insufficiently covered.



FINANCIAL ACCESS STRAND





Myanmar's Ministry of Planning and Finance (MoPF) and its Financial Regulatory Department have been the key government agencies in guiding and facilitating financial inclusion in Myanmar.



UNCDF is the UN's capital investment agency for the world's 47 least developed countries. With its capital mandate and instruments, UNCDF offers "last mile" finance models that unlock public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

For further information about FinScope Myanmar 2018 please contact:

uncdf.myanmar@uncdf.org
kingstonem@finmark.org.za



The Department for International Development (DFID) leads the UK's work to end extreme poverty. This includes ending the need for aid by creating jobs, unlocking the potential of girls and women and helping to save lives when humanitarian emergencies hit.



The DaNa Facility is a private sector development programme designed to serve the needs of the poor and groups marginalized from the economy, funded by UK government's DFID.