

# SMEs the Queen of AEC



Presented by U Zaw Than (Zaw Hane)

Chief Editor : Eco Echo Journal and  
Myanmar Environmental and Economic Review

# Myanmar Economy and AEC

## 4 Pillars of AEC Blue Print.

- The Goal : Fully Integrated into The Global Economy.
- Single Market and Production Base.
- Highly Competitive Economic Region.
- Equitable Economic Development. (SME Development)

# Definations of SMEs

Country	Definition	Measure
Indonesia	Less than 100 employee	Employment
Malaysia	Less than RM 2.5 million and Less than 75 employees Different for Bumiputera enterprises	Shareholders funds, and employment
Philippines	Micro : P 150,000 and below and 1-4 employees Cottage: Above P 150,000 to P 1.5 million and 5-9 employees Small : Above P 1.5 million to 15 million and 10-99 employees Medium : Above P 15 million to P 60 million and 100-199 Employees	Investment and employment
Singapore	Manufacturing: less than \$12 million fixed assets	Fixed assets and Employment
Thailand	Less than 200 employees for labour intensive industries Less than 100 million baht for capital intensive industries	Employment and capital
Vietnam	Less than 5 billion Vietnam Dong of capital investment	Capital
Myanmar	Small - 50 employees (300 for labour intensive, 30 for services, retail and wholesales) - 500 million kyats investment, previous year Y 100 million kyats for services, 50/100 for retail and wholesales) Medium - 300 employees (600 for labour intensive, 100 for services, 60 for retail and wholesales) - 500 to 1000 million kyats investment, previous year Y 200 million kyats for services, 100/300 for retail and wholesales)	Employment, capital investment and previous year income (Y)

# The Industrial Zones and No. of SMEs

- Existing Industrial Zone		19
- New Industrial Zone		8
- Registered Firm		7322
- No of SMEs small (DISI)		31137
	Medium	7287
	Total	38,424

Note : 200,000 no of SMEs (registered or non-registered) are still running.

# Sectoral Distribution of Industries

Sr	Categories	Medium	Small	Total	%
1	Food & Beverages Industries	4110	20976	25086	65
2	Clothing & Wearing apparel Industries	380	1001	1381	
3	Construction materials Industries	650	2117	2767	
4	Personal goods Industries	410	330	740	
5	Consumer produce Industries	79	97	76	
6	Literature and Art Industries	117	183	200	
7	Raw good production Industries	240	282	522	
8	Metal and Mineral Production Industries	381	1204	1585	
9	Agriculture Machinery Industries	25	37	62	0.16
10	Industrial tools and equipment production Industries	49	66	115	
11	Automobile production Industries	40	33	73	
12	Electrical equipment Industries	15	12	27	0.08
13	General Industries	791	4799	5590	
	Total	7287	31137	38424	

# Registered and Active Businesses in the Industrial Zones

Industrial Zone/Area	Registered Businesses	Active Businesses	Active Business Rate	Difference
<b>East Yangon</b>	<b>1470</b>	<b>3081</b>	<b>210%</b>	<b>-1611</b>
(a)New Dagon (Harbour)	125	100	80%	25
(b)North Dagon	72	90	125%	-18
(c)North Okkalapa	74	75	101%	-1
(d)ShwePaukKan	174	163	94%	11
(e)South Dagon - 1	141	135	96%	6
(f)South Dagon - 2	480	820	171%	-340
(g)South Dagon - 3	250	1538	615%	-1288
(h)South Okkalapa	89	60	67%	29
(i)Tharkayta	65	100	154%	-35
<b>North Yangon</b>	<b>1019</b>	<b>1022</b>	<b>100%</b>	<b>-3</b>
(a)HlaingThaYar	644	747	116%	-103
(b)Mingalardon	64	10	16%	54
(c)ShwePyiThar	311	265	85%	46
<b>Mandalay</b>	<b>1368</b>	<b>1255</b>	<b>92%</b>	<b>113</b>
<b>Non-Polar Zones</b>	<b>3465</b>	<b>1849</b>	<b>53%</b>	<b>1616</b>
Ayetharyar	497	250	50%	247
Hinthada	371	2	1%	369
Hpa-an	48	5	10%	43
Mawlamyine	161	60	37%	101
Meikhtila	290	200	69%	90
Mon Ywa	589	600	102%	-11
MyaungMya	290	8	3%	282
Myeik	28	4	14%	24
Myingyan	312	300	96%	12
Pakokku	228	320	140%	-92
Patheingyi	381	40	10%	341
Pyaw	185	10	5%	175
Yaenangyaung	85	50	59%	35
<b>TOTAL</b>	<b>7322</b>	<b>7207</b>	<b>-</b>	<b>-</b>

# Financial Support for SMEs

## SME Loans Provided by SMIDB

- 1<sup>st</sup> Batch (2012-2013) - 5 billion kyats.
  - 2<sup>nd</sup> Batch (2013-2014) - 5 billion kyats.
  - 3<sup>rd</sup> Batch (2014-2015) - 20 billion kyats.
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- 344 Enterprises of 13 groups are supported by Government.

# Enterprises by Council, Regions and States (Loan provided Max : Min)

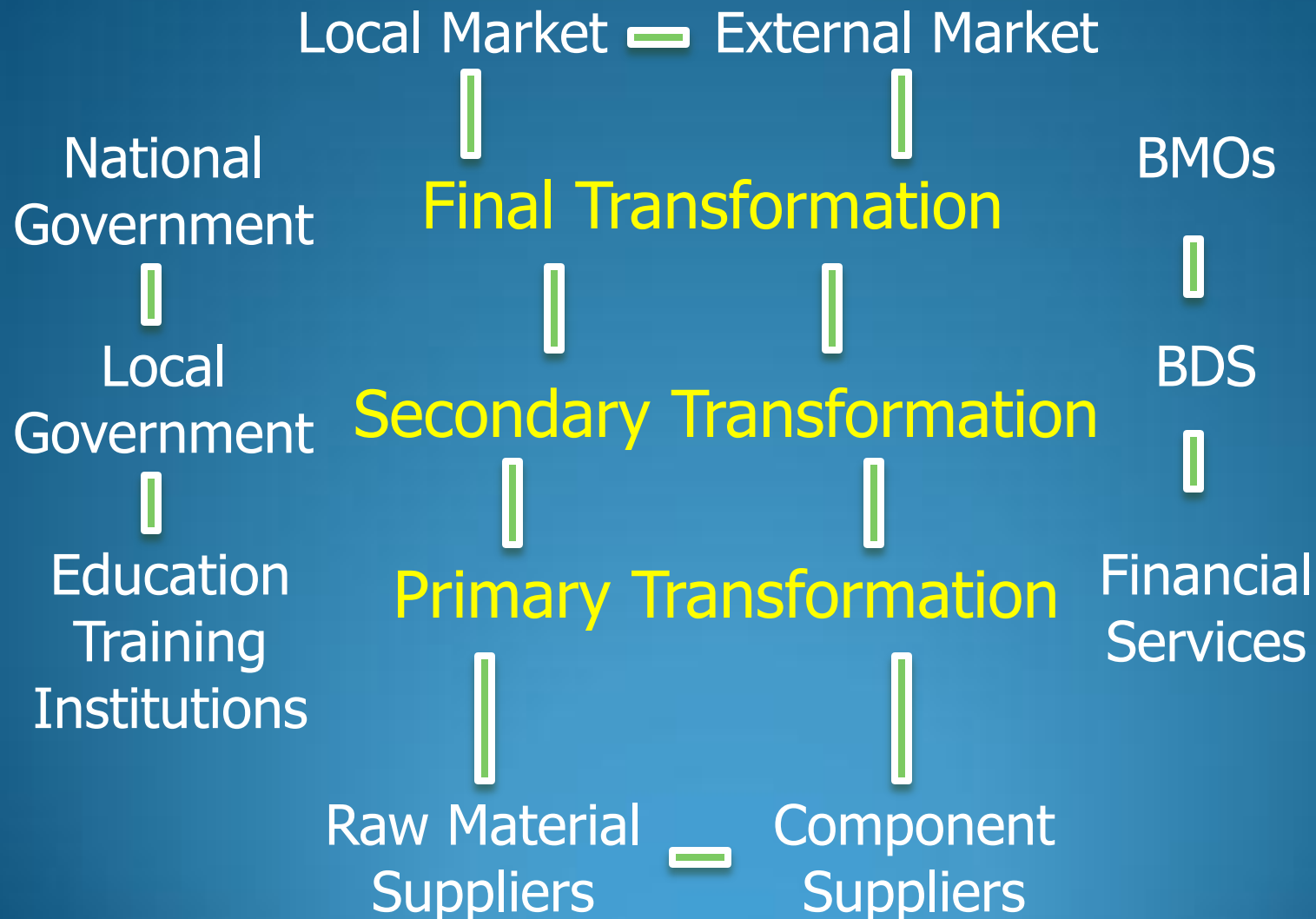
- Mandalay Region	47	out of	7508
- Bago Region	47	out of	4629
- Ayarwaddy Region	43	out of	5884
- Yangon Region	28	out of	5993
- Kayin State	0	out of	927
- Chin State	1	out of	706
- Tanintharyi Region	7	out of	1445



# What we need for SMEs Development

- SMEs Agency, and Policy Support.
- Effective Financial Support for Export - Oriented SMEs.
- Technical Training and Set up of New machineries.
- Full - fledged infrastructure (Hard and Soft).

# Important Sectors for SMEs Development



# The Road Map for SMEs Development

- Diagnostic Study of mentioned State or Region.
- What are the Potential, Weakness, Issue, Strength and Challenges.
- Which Sectors should be invested.
- Who are interested to invest.
- What policies should be supported.
- Who will cooperate and collaborate related programs.
- Formulate the Road map and Implement Plan.

“Do What you can, with what you have,  
Where you are”

(Theodore Roosevelt )

**Thank You**  
***For Your Attention***