YANGON UNIVERSITY OF ECONOMICS
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ANALYSIS OF EASE OF DOING BUSINESS FOR FOOD-PRODUCING SMEs IN YANGON (CASE STUDY OF FOOD-PRODUCING SMEs IN INDUSTRIAL ZONES IN DAGON MYOTHIT DISTRICT)

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EMDevS - 16 (19th BATCH)

JUNE, 2025

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This thesis is submitted in a partial fulfillment of the requirements for the Master of Development Studies (MDevS) Degree.

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This is to certify that the thesis entitled **“Analysis of Ease of Doing Business for Food-Producing SMEs in Yangon (Case Study of Food-Producing SMEs in Industrial Zones in Dagon Myothit District)"** submitted as partial fulfillment towards the requirements for the degree of Master of Development Studies has been accepted by the Board of Examiners.

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ABSTRACT

This study investigates the ease of doing business (EoDB) for food-producing small and medium enterprises (SMEs) operating in South Dagon Industrial Zone 2 and Dagon Seikkan Industrial Zone in Yangon. The main objectives include assessing business environment of food-producing SMEs with focus on factors influencing ease of doing business, identifying key challenges, and offering actionable recommendations to enhance the SME environment. A quantitative approach was employed, gathering survey data from 92 SME owners and managers. The study assesses seven key domains: starting a business, obtaining construction permits, accessing electricity, securing credit, paying taxes, trading across border, and enforcing contracts. Quantitative analysis, including multiple linear regression, reveals that ease of getting credits significantly influence SME growth. The study also identifies pressing challenges such as unreliable electricity supply, skilled labor shortages, and limited digital infrastructure. Recommendations include strengthening electricity reliability, enhancing training for skilled labor, expanding SME financing, and streamlining digital tax and licensing systems. These insights are intended to support efforts aimed at creating a more enabling and efficient environment for food-producing SMEs in Myanmar.

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SME	Small and Medium Enterprise
EoDB	Ease of Doing Business
EUR	Euro
MSDP	Myanmar Sustainable Development Plan
EU	The European Union
FDI	Foreign Direct Investment

CHAPTER I
INTRODUCTION

1.1 Rationale of the Study

Economic development and competitiveness depend on ease of doing business, especially for food producing SMEs. SMEs play a vital role in many economies by generating employment, encouraging innovation, and significantly contributing to food security (International Trade Centre, 2020). However, despite their importance, these enterprises often encounter numerous obstacles related to regulatory frameworks, market access, infrastructure, and funding (World Bank, 2020).

On an international scale, the concept of ease of doing business is viewed as a key component of economic advancement. The World Bank's Ease of Doing Business index evaluates business environments across nations based on various criteria, including the simplicity of business establishment, permit acquisition, credit access, tax obligations, getting electricity, trading across borders, property registering, enforcing contracts, protecting minority investors and resolving insolvency (World Bank, 2020).

In many developed countries, supportive policies, efficient regulatory frameworks, and robust infrastructure create a favorable environment for SMEs. Nations like Singapore, New Zealand, and Denmark consistently rank high on the ease of doing business index due to their straightforward business registration processes, effective taxation systems, and strong legal protections (World Bank, 2020).

Conversely, developing countries often grapple with bureaucratic inefficiencies, frail financial systems, and inadequate infrastructure, which complicate operations for SMEs (OECD, 2019). This disparity highlights the urgent need for policy reforms tailored to the unique challenges faced by SMEs, particularly within the food production sector, where health regulations, reliable supply chains, and market competitiveness are paramount (FAO, 2020).

In Southeast Asia, SMEs are pivotal to economic development, especially in the food production sector, which holds significant value in both local and international markets. Countries such as Thailand, Vietnam, and Malaysia have implemented policies aimed at improving the business environment for SMEs, with a focus on easing access to financing, minimizing bureaucratic hurdles, and promoting digital transformation (ASEAN, 2021). Thailand has supported SME growth through government-backed financial assistance and streamlined business registration processes (OECD, 2020). Vietnam has centered its efforts on linking SMEs to global supply chains by reforming trade regulations and enhancing the infrastructure in industrial zones (UNESCAP, 2020).

Despite these initiatives, SMEs in the region still confront notable challenges, including unclear regulatory environments, restricted funding availability, and competition from larger, established companies. The food industry, in particular, faces stringent regulations regarding food safety, packaging, and export standards, adding extra burdens to small enterprises (FAO, 2020).

Myanmar, as a developing economy in Southeast Asia, significantly trails its neighbors in fostering a business-friendly environment for SMEs. It faces challenges such as outdated policies, poor infrastructure, and bureaucratic controls (Asian Development Bank, 2021). Although there have been substantial changes in Myanmar's business environment in recent years, with some efforts toward economic reform and foreign investment attraction, the country still ranks poorly on ease-of-doing-business indices (World Bank, 2020).

The persistent issues include complex regulations, limited access to capital, inadequate infrastructure, and political instability, all of which severely impact food-producing SMEs, making them susceptible to complicated licensing procedures, stringent food safety laws, and logistical hurdles in sourcing raw materials and distributing finished products (ILO, 2021).

Access to finance remains one of the most pressing challenges for SMEs in Myanmar. Many small businesses struggle to secure loans due to strict collateral requirements and a general lack of financial literacy (OECD, 2020). Additionally, the availability of banking services is limited in rural and semi-urban areas, compounded by high-interest rates, which further aggravate the financial plight of these enterprises (ADB, 2021). Regulatory hurdles, such as protracted approval timelines, ambiguous business registration processes, and inconsistently applied regulations, contribute to heightened uncertainty for entrepreneurs (UNCTAD, 2020). The COVID-19 pandemic further highlighted the fragility of SMEs in Myanmar, causing supply chain disruptions, decreased consumer demand, and rising production costs (ILO, 2021).

Nonetheless, there have been efforts to enhance the business ecosystem for SMEs in Myanmar. Initiatives like the Myanmar Sustainable Development Plan (MSDP) and the establishment of the Small and Medium Enterprises Development Law aim to advance SME growth (Ministry of Planning, Finance and Industry, 2018). Furthermore, industrial zones have been created in Yangon and other major cities to provide specialized areas for manufacturing and food production. However, the effectiveness of these initiatives is often compromised by implementation challenges, insufficient infrastructure, and inadequate support mechanisms for SMEs (ADB, 2021).

Yangon, the economic heart of Myanmar, hosts a significant number of SMEs across various industries, including food production. The Dagon Myothit Districts—comprising Dagon Myothit (North), Dagon Myothit (South), Dagon Myothit (East), and Dagon Myothit (Seikkan)—are designated areas where numerous SMEs operate, contributing to the local economy. These districts are crucial for understanding the dynamics of SMEs in Myanmar, particularly in the context of the food production sector and its associated challenges, as they strive to navigate a complex business landscape influenced by regulatory, financial, and infrastructural factors (UNDP Myanmar, 2022).

This study seeks to evaluate the business environment influencing food-producing SMEs in the Dagon Myothit District. It aims to identify the primary challenges faced by these businesses and offer recommendations for improvement. The findings are intended to contribute to the development of a more favorable business climate for SMEs in Myanmar's food production sector.

1.2 Objective of the Study

The main objectives of the study are:

(1) To examine the current business environment for food-producing SMEs in Yangon, particularly within industrial zones in Dagon Myothit District, focusing on factors that influence the Ease of Doing Business of SMEs.

(2) To identify the major challenges and barriers faced by the food-producing SMEs in Dagon Myothit District.

1.3 Method of the Study

This study employs a descriptive method utilizing primary and secondary data. A questionnaire survey is administered as part of the methodology for quantitative research. Interviews were conducted with 92 food-producing SMEs in South Dagon Industrial Zone (2) and Dagon Seikkan Industrial Zone, where most of Dagon Myo Thit District's SMEs are located. Secondary data comes from websites, papers, and textbooks. The Myanmar Ministry of Industry's Directorate of Industrial Supervision and Inspection and SME Development Center provided some external secondary data.

1.4 Scope and Limitations of the Study

This study focuses on the business environment of food-producing SMEs in industrial zones within Dagon Myothit District by examining the ease of doing business of SMEs. By utilizing primary data gathered from a survey conducted to 92 food-producing SMEs, this study aims to analyze the ease of doing business of SMEs in food manufacturing industry.

The scope of this study includes a comprehensive survey conducted to owners and managers of food-producing SMEs in two industrial zones in Dagon Myothit District, ensuring a wide representation. Data collection focused on South Dagon Industrial Zone 2 and Dagon Seikkan Industrial Zone. These industrial zones were selected based on their status as the top two zones with the highest number of food-producing SMEs within Dagon Myothit District, Yangon.

This study is limited to the Yangon region, and focused specifically on SMEs in industrial zones within Dagon Myothit District. It addresses the prospects and challenges of SMEs in accessing conductive business environment for their operation and growth, with a particular focus on food-producing enterprises. Other manufacturing and services SMEs in Yangon and Myanmar are excluded from the study.

1.5 Organization of the Study

This research has 5 chapters. Chapter 1 introduces the study's premise, objectives, method, scope, limitations, and organization. Chapter 2 reviews the literature. Chapter 3 describes the food-producing SMEs' business climate in Myanmar. In Chapter 4, food-producing SMEs in Dagon Myothit District industrial zones are surveyed for ease of doing business. Findings and suggestions are covered in Chapter 5.

CHAPTER II
LITERATURE REVIEW

2.1 Concept of Ease of Doing Business (EoDB) and its Relevance to SMEs

The Ease of Doing Business (EoDB) serves as a critical metric reflecting the simplicity and efficacy of regulatory and procedural frameworks that govern business activities within a country. As an essential element for economic development, the EoDB significantly influences the capacity of enterprises to establish, manage, and expand their operations.

Developed by the World Bank, the EoDB score is a prominent global index that assesses and evaluates business regulations and the protection of property rights across 190 economies. This index is a vital tool for accessing the business climate within a nation, as it measures a myriad of factors, including the establishment of new businesses, acquisition of permits, access to electricity, property registration, credit accessibility, minority investor protection, tax obligations, cross-border trade procedures, contract enforcement, insolvency resolution, and various aspects of labor market regulations. The overarching aim of the EoDB index is to identify sectors requiring reform to enhance the business environment and facilitate private sector growth. Notably, the rankings derived from the EoDB index can substantially influence governmental policy, as the business sector often advocates for measures aimed at improving their respective standings. Countries with superior EoDB rankings generally attract increased investment and exhibit robust economic development, while those with lower rankings may face challenges stemming from bureaucratic obstacles and inefficiencies. Ultimately, the EoDB index drives reforms across diverse dimensions of business regulation, potentially resulting in job creation, economic stability, and inclusive growth (Abdin, 2019).

For SMEs, the complexity and cost of complying with regulations can create significant barriers to entry and growth. In many developing countries, SMEs often struggle with bureaucratic hurdles that can impede their ability to establish and expand their businesses (Hossain et al., 2023). Simplifying these regulations and streamlining processes such as business registration, tax payment, and acquiring permits can significantly reduce the time and cost associated with starting and operating a business. The perceived ease of doing business—such as electricity, access to credit, and streamlined tax and property registration processes —was positively correlated with the growth motivation of SMEs (Shah et al., 2023). When regulatory procedures are simplified, SMEs are more likely to focus on their core activities rather than spending time navigating a complex regulatory landscape. This directly impacts their ability to scale and innovate, which are key drivers of economic development.

Access to finance is another critical component of the ease of doing business that directly affects SMEs. In many regions, particularly in developing economies, SMEs face difficulties in securing the necessary funding to grow their operations. The lack of accessible financial services and high interest rates for loans can severely limit an SME's capacity to invest in innovation, expand production, or hire additional staff (Johari, 2024). Simplified credit access, such as easier loan approval processes and more inclusive financial services, can empower SMEs to overcome these challenges. Shah et al. (2023) observed that SMEs' ability to obtain credit positively influenced their growth motivation, as it enabled them to invest in capital and technology, thereby improving productivity. Therefore, countries that prioritize improving financial inclusion and creating a more accessible credit system for SMEs are likely to see a higher rate of SME growth and sustainability.

Countries that have improved their rankings on the Doing Business Index have experienced an increase in foreign direct investment (FDI), which in turn supports SME development. Higher rankings are associated with more efficient regulatory frameworks, leading to a more attractive environment for both domestic and international investors (Canare et al., 2015). Furthermore, improving ease of doing business in terms of policy can also lead to job creation, as SMEs are significant employers in most economies. As SMEs become more competitive and efficient due to regulatory improvements, they can increase their workforce, thus reducing unemployment levels and contributing to greater economic stability. Governments that invest in creating a more favorable regulatory environment—by simplifying procedures, improving access to finance, and reducing bureaucratic barriers—can significantly enhance the performance and development of SMEs.

2.2 Definition and Classification of SMEs

Defining SMEs is challenging due to the lack of a universally accepted definition, as the classification of these enterprises varies significantly across countries and regions. The criteria for SME classification commonly include the number of employees, annual turnover, and total assets, but these thresholds differ depending on the economic structure and regulatory frameworks in each country. This variability complicates efforts to design effective policies that support SMEs globally.

SMEs in the EU are characterized by their staff count, yearly turnover, and balance sheet total. The European Commission (2009) defines small businesses as those with fewer than 50 employees and a turnover and balance sheet under EUR 10 million. Medium-sized businesses have less than 250 workers, a turnover of up to EUR 50 million, and a financial sheet of up to EUR 43 million. Many European nations and other areas with comparable economic characteristics use these criteria as a standard.

In the United States, the Small Business Administration (SBA) classifies SMEs based not only on employee numbers but also on industry-specific criteria. Manufacturing businesses can be considered SMEs with up to 1,500 employees, while those in retail may qualify with only 500 employees (El Madani, 2018). This industry-specific classification reflects the diverse nature of different sectors, where the size and scale of businesses can vary considerably. In China, the classification of SMEs is similarly based on the number of employees, annual turnover, and total assets, but the thresholds vary by sector. Manufacturing SMEs in China can employ up to 2,000 employees, whereas SMEs in the service sector are defined with lower employee thresholds (Sidek et al., 2020).

SMEs can also be classified based on size, which is a common method used globally. Micro-enterprises are businesses with fewer than 10 employees and minimal turnover, often operating as family-run or sole-proprietorship businesses. Small enterprises typically have between 10 and 50 employees and moderate revenue, while medium-sized enterprises employ up to 250 people and generate larger revenues but remain much smaller than large corporations. These size-based classifications help to differentiate SMEs based on their capacity to impact the economy, with smaller businesses often contributing to local economies and innovation, while medium-sized enterprises have a broader economic reach (El Madani, 2018).

In addition to size, sector-specific classifications are also common. SMEs in different sectors, such as manufacturing, retail, or services, often face distinct challenges and opportunities. For example, manufacturing SMEs are typically larger in terms of workforce and assets compared to service-based SMEs, reflecting the capital-intensive nature of manufacturing industries (El Madani, 2018). This sectoral approach to SME classification emphasizes that businesses in different industries should be classified based on their unique characteristics, rather than using the same thresholds across all sectors.

Another important classification of SMEs is based on the income level of the country in which they operate. High-income countries, such as those in the EU and North America, tend to have higher thresholds for defining SMEs. These economies typically have larger, more resourceful SMEs that contribute significantly to GDP and exports. In contrast, low- and middle-income countries often set lower thresholds, reflecting the smaller scale of businesses in these regions. In many African countries, SMEs are defined as enterprises with fewer than 50 employees and turnover or assets below certain local thresholds (Sidek et al., 2020).

The varying criteria for classifying SMEs across countries, industries, and economic contexts highlight the need for standardized definitions. Such standardization would improve policy implementation, and allow for more effective cross-border support for SMEs, ensuring they continue to thrive and contribute to global economies.

2.3 Key Factors Influencing Ease of Doing Business (EoDB)

The ease of doing business (EoDB) directly affects company efficiency, which drives economic growth and competitiveness. The World Bank's Ease of Doing Business index rates nations based on 10 critically important variables that shape the business climate. These include launching a business, receiving building licenses, power, registering property, credit, safeguarding investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency (World Bank, 2020). Local enterprise and foreign investment thrive in an EoDB-friendly climate. This generates jobs and economic growth. The primary variables affecting EoDB are examined in this section using scholarly research.

2.3.a. Starting a Business

The ease of starting a business is a critical factor in the ease of doing business environment. Efficient business registration processes, reduced bureaucratic procedures, and lower associated costs are essential for encouraging entrepreneurship. The simplification of business registration, through online portals or streamlined paperwork, has been shown to have a direct impact on business formation. Research by Iacobuț ă and Hatmanu (2016) indicates that good governance and reduced barriers in business formation contribute significantly to the overall ease of doing business, particularly by lowering the costs and time involved in starting a business. Countries with clear regulatory frameworks and low start-up costs see higher entrepreneurial activity and investment levels (Iacobuț ă & Hatmanu, 2016).

2.3.b. Dealing with Construction Permits

Access to construction permits is another key factor influencing the ease of doing business. The process of obtaining construction permits is often complex, involving numerous steps and regulatory approvals. A study by Antoine (2021) finds that simplifying these processes, such as reducing the number of required inspections and streamlining the approval process, positively influences the ease of doing business index. This is particularly evident in countries where construction permits are electronically processed, thus reducing waiting times and bureaucratic delays (Antoine, 2021).

2.3.c. Getting Electricity

A reliable and affordable energy supply is crucial for businesses to operate efficiently. The World Bank's Ease of Doing Business indicators assess how easily businesses can obtain electricity. Research by Johari (2024) emphasizes that businesses in countries with reliable electricity grids and less red tape in the connection process are more likely to thrive. Poor energy infrastructure not only hinders daily operations but also increases the costs of doing business, thus lowering a country’s rank in the Ease of Doing Business index (Johari, 2024).

2.3.d. Registering Property

The ease with which businesses can register property is another fundamental factor in determining the business environment. Efficient property registration systems reduce time and cost, fostering an environment conducive to investment. Antoine (2021) highlights that countries with transparent land ownership systems and simplified registration processes see a higher volume of foreign direct investment (FDI) and domestic business activities. In contrast, cumbersome property registration procedures can discourage investments, especially in real estate and development sectors (Antoine, 2021).

2.3.e. Getting Credit

Access to credit is a vital aspect of the business environment, as it allows firms to expand operations, hire staff, and invest in new technologies. The World Bank’s ease of doing business ranking considers the strength of legal rights and the accessibility of financial services. According to Miraskari and Pitenoei (2024), countries with a high level of access to credit, characterized by clear and enforceable lending practices, foster a more supportive business environment. The legal framework that protects creditors’ rights and facilitates easier access to financing significantly enhances the ease of doing business in a country (Miraskari & Pitenoei, 2024).

2.3.f. Protecting Investors

Investors are more likely to invest in countries that offer strong protection for their rights, such as safeguards against expropriation and clear regulations regarding shareholder rights. A study by Bota-Avram (2014) explores how governance factors such as "regulatory quality" and "government effectiveness" influence the protection of investors. Countries with clear, transparent policies on investor protection see a more vibrant and stable business environment, as investors are assured that their investments are legally safeguarded (Bota-Avram, 2014).

2.3.g. Paying Taxes

In Canare's (2018) study on the impact of the Ease of Doing Business (EDB) on firm creation, the "Paying Taxes" component is found to have a noteworthy influence, though it is not as significant as the "Starting a Business" indicator. This component evaluates the tax burden and the complexity involved in meeting tax obligations. The findings suggest that when tax systems are simplified and compliance costs are reduced, entrepreneurs face fewer obstacles, which in turn promotes the establishment of new businesses. Consequently, reforms that streamline tax procedures and lessen the financial and administrative burdens can greatly enhance the ease of business creation, especially in developing nations (Canare, 2018).

2.3.h. Trading Across Borders

The ease of conducting international trade is crucial for businesses engaged in exports and imports. Factors such as customs procedures, trade documentation, and port efficiency play a significant role in this domain. Morris and Aziz (2011) found that countries that simplify customs procedures, reduce tariffs, and improve infrastructure at ports and borders have a more conducive environment for trade. This ease of cross-border trade not only promotes international commerce but also boosts economic growth by expanding market access (Morris & Aziz, 2011).

2.3.i. Enforcing Contracts

The ability to resolve disputes efficiently is a key factor influencing business decisions. A robust judicial system that ensures timely and fair contract enforcement fosters trust in the legal system and encourages investment. The study by Estêvão et al. (2020) emphasizes that countries with efficient legal systems, where contracts are enforced without delays or undue costs, tend to have a more favorable business climate. The efficiency of the judicial process directly impacts a country's ease of doing business score, as it affects both domestic and international investment (Estêvão et al., 2020).

2.3.l. Resolving Insolvency

A country’s ability to resolve insolvency is crucial for protecting both creditors and businesses in distress. A well-defined and efficient insolvency process allows businesses to recover from financial setbacks, thereby ensuring that resources are reallocated productively. According to Canare (2018), the existence of a legal framework that facilitates timely resolution of insolvency cases, coupled with support for businesses during financial crises, is an essential part of a healthy business environment. Countries that streamline insolvency procedures and provide clear legal recourse are more attractive for investors (Canare, 2018).

2.4 Challenges and Barriers Faced by SMEs in the Food Industry

SMEs in the food business face several barriers to innovation and market competition. Major barriers such as financial constraints, regulatory requirements, and supply chain inefficiencies hinder their sustainable growth and expansion (Kapepe & Malama, 2024). Overcoming these issues is crucial for strengthening the resilience and productivity of SMEs within the sector.

2.4.1 Financial Challenges

Small and medium-sized enterprises (SMEs) in the food sector often face difficulties in securing funding for innovation and growth due to significant financial constraints. This lack of essential funding limits their ability to adopt new technologies and methods, ultimately hindering their competitiveness and potential for expansion (Kapepe & Malama, 2024). Moreover, many firms struggle to attract investors or obtain loans, which restricts their efforts to pursue new market opportunities or diversify their products.

Effective cash flow management is another major challenge, as many SMEs find it difficult to balance their income and expenses. This can result in delayed payments to suppliers, increased debt, and even business closures. Such financial strain negatively impacts operational efficiency and growth potential (Baselm et al., 2024). Without a solid cash flow system, even profitable businesses may find it hard to thrive. Therefore, effective financial planning and enhancement strategies are crucial for survival and growth in this competitive industry.

2.4.2 Regulatory and Compliance Barriers

Food-producing small and medium-sized enterprises (SMEs) often face significant challenges in meeting food safety and quality standards. Regulations tend to be weak or inconsistent, particularly in emerging economies, which exacerbates these difficulties. Many food SMEs lack the financial resources, technical expertise, and operational capacity to comply with both local and international safety standards. The complexity of these regulations can lead to manufacturing delays, increased operational costs, and restrictions on market access. SMEs in emerging regions find it particularly challenging to meet stricter global food safety standards, which limit their ability to expand and compete both domestically and internationally. Non-compliance within the global food industry can hinder growth and sustainability (Valluri, 2024).

Additionally, food SMEs must navigate strict labelling and packaging regulations, especially when entering foreign markets. These rules can vary significantly across different countries and regions, posing additional costs and challenges for SMEs looking to export. Compliance with proper labelling and packaging is essential for legal adherence, consumer trust, and market transparency. However, many small businesses struggle to keep pace with evolving legislation, particularly when they lack specialized teams to monitor and adapt to these changes. This inadequate capacity can lead to confusion, higher operational costs, and penalties for non-compliance. As a result, many food SMEs find it difficult to expand globally, as failure to adhere to packaging and labelling regulations can result in market exclusion or product recalls, ultimately damaging their reputation and financial standing (Zakaria et al., 2022).

2.4.3 Market Competition and Consumer Behaviour

Larger firms dominate the market due to their robust brands, extensive distribution networks, and economies of scale. In this competitive landscape, small and medium-sized enterprises (SMEs) face significant challenges in identifying market segments and differentiating their products. This disparity in market power restricts the ability of smaller firms to innovate and effectively target specific customer groups. Consequently, many SMEs struggle to maintain profitability and achieve growth in the face of intense competition (Babayev & Balajayeva, 2023).

Moreover, SMEs encounter difficulties in adapting to the rapidly changing preferences of consumers. There is an increasing demand for sustainable, local, and ethically produced food products. While the shift toward sustainability and conscientious consumerism offers opportunities for food SMEs, many struggle to keep pace with evolving consumer demands, primarily due to limited resources. Smaller businesses often face considerable costs and time commitments when modifying production processes, sourcing materials, and marketing new offerings. To remain relevant and profitable, SMEs must effectively adapt to these shifting consumer preferences (Sykimte, 2023).

2.4.4 Supply Chain and Logistics Challenges

Small and medium-sized enterprises (SMEs) in emerging markets face considerable challenges in sourcing raw materials, largely due to unreliable and economically unviable suppliers, as well as unstable supply chains. The underdeveloped infrastructure in these regions often leads to difficulties in acquiring high-quality materials at reasonable prices, resulting in increased manufacturing costs and delays. This scenario can compromise product quality and hinder the competitiveness of SMEs (Kaya & Acar, 2022).

Moreover, SMEs demonstrate a significant dependence on external suppliers, particularly for specialty or specialized ingredients. This reliance makes them vulnerable to supply chain disruptions caused by geopolitical instability, natural disasters, or economic fluctuations. As a result, SMEs experience challenges related to price volatility and delays, which impede their ability to maintain consistent output and meet customer demand, thereby affecting their growth and market position (Oyeyemi et al., 2024).

2.4.5 Human Resource and Workforce Issue

The food industry, especially small and medium-sized firms (SMEs), faces considerable issues caused by an absence of trained labour, adversely affecting both production quality and efficiency. Resource limitations hinder SMEs' capacity to attract and retain proficient employees, resulting in inefficiencies, diminished product quality, and elevated expenses. This deficiency presents a significant obstacle, especially as consumer demand for premium items rises (Seng, 2024)

Additionally, elevated staff turnover and inadequate training programs exacerbate the difficulties faced by food SMEs. Increased turnover interrupts production processes, escalates recruitment expenses, and leads to a decline in employees' expertise. Resource constraints frequently hinder SMEs from providing sufficient training, resulting in workers being inadequately equipped to fulfil industry standards and legal obligations. The absence of training intensifies operational inefficiencies and hinders the preservation of product quality (Baselm et al., 2024).

2.4.6 International Trade and Export Barriers

Tariffs and trade regulations present significant obstacles for small and medium-sized enterprises (SMEs) seeking to enter international markets. Trade barriers tend to raise the costs associated with cross-border business operations and introduce complexities that small and medium-sized enterprises may be ill-equipped to manage. Tariffs, import restrictions, and differing international regulations can hinder the capacity of SMEs to expand their operations on a global scale. Furthermore, numerous SMEs do not possess the requisite resources or expertise to effectively navigate the regulatory frameworks of various countries, thereby constraining their market access and overall competitiveness.

Another considerable challenge for SMEs entering international markets is the necessity to adapt to cultural and linguistic differences. Navigating diverse cultural norms and addressing language barriers is crucial for establishing relationships with international customers and partners. SMEs frequently encounter challenges in effective communication, resulting in misunderstandings, misaligned marketing strategies, and difficulties in engaging target audiences. The challenge is especially evident when SMEs enter regions with significantly different cultural practices or languages, complicating their market penetration efforts. Addressing these challenges necessitates linguistic proficiency and cultural awareness that numerous SMEs struggle to cultivate due to constrained resources (Lukman & Minghat, 2024).

2.5 Review on Previous Studies

The ease of doing business directly impacts SMEs by influencing their operational efficiency, access to resources, regulatory challenges, and overall growth motivation, ultimately shaping their ability to thrive and expand in competitive markets. This section reviews both international and Myanmar-based studies on the impact of ease of doing business on SME growth and performance. Although there is limited literature specifically addressing the ease of doing business for SMEs in Myanmar, this review explores the studies that discuss the opportunities and challenges faced by Myanmar's SMEs including the factors affecting the ease of doing business of SMEs such as access to finance, access to electricity, infrastructure, government regulations.

Olayemi, Okonji, and Ogbeiwi (2021) investigated how Micro, Small, and Medium Enterprise (MSME) operators in Lagos, Nigeria, perceive the impact of the Presidential Enabling Business Environment Council (PEBEC) reforms on their businesses. Using a survey approach and hierarchical linear modeling, the study examined factors such as business registration, access to credit, electricity, and tax payment. The results indicated that while the reforms have contributed to revenue growth and cost reduction, they have had limited impact on employment generation. The authors suggest further improvements in regulatory areas and emphasize the responsibility of both government and MSME operators in fostering socio-economic development.

Shah et al. (2023) explored how perceptions of the ease of doing business influence the growth motivation of small and medium enterprises (SMEs). The study employed a positivist approach, gathering data from managers of 385 SMEs in Pakistan through a Likert scale survey and analyzing it using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings revealed a significant relationship between perceived ease of getting electricity, paying taxes, registering property, and accessing credit, and the growth motivation of SME owners. The results highlighted that business owners were more motivated to expand their businesses when these elements were simplified, suggesting that improving regulatory environments is crucial for fostering growth motivation in SMEs.

Akidi, Cookey, and Oladosu (2025) examined the impact of ease of doing business on SMEs in Port Harcourt Metropolis, using Institutional Theory and the Resource-Based View (RBV). The study surveyed 191 SME managers selected through purposive sampling, analyzing primary data with descriptive statistics and regression techniques. Findings indicated that access to finance, the regulatory environment, and infrastructure significantly influenced SMEs' performance, while taxation had a negative effect. The study recommended streamlining regulatory procedures and simplifying business registration processes to enhance the operational conditions for SMEs.

Kapteyn and Wah (2016) offered a comprehensive examination of the challenges encountered by small and medium enterprises (SMEs) in Yangon, Myanmar, centering on three pivotal factors: access to credit, public services, and electricity. The study emphasizes that reducing loan collateral requirements is vital for SME growth, as access to bank loans remains a significant barrier, with the cost of borrowing being exacerbated by a 19-percentage point increase in interest rates. Despite initiatives undertaken by governmental and donor entities to enhance SME financing, these financial supports have not substantially improved perceived access to credit. Furthermore, the findings indicate that the accessibility of public services is significantly impeded by bureaucratic hurdles, necessitating long travels to the capital for administrative tasks. Streamlining these bureaucratic processes has the potential to yield considerable annual savings, estimated at US $4700. The investigation also elucidates the persistent electricity-related challenges, including delays in connections and inconsistent supply, highlighting the urgent need for targeted legislative measures to ameliorate these obstacles.

Thazin Han (2019) investigated the challenges facing micro, small, and medium enterprises (MSMEs) within the food and beverage sector in the Yangon East District. The research identifies several critical impediments to growth, including constrained production capacity, a shortage of skilled labor, insufficient investment, inadequate infrastructure, elevated land costs, and complex governmental regulations. Notably, food and beverage enterprises in this region are particularly obstructed by the absence of advanced technology, unreliable electricity supply, and delays attributable to bureaucratic processes. The study posits that enhancing governmental procedures, improving infrastructure, and providing training in modern technologies would substantially benefit MSMEs in this sector. Additionally, it emphasizes the need for improved access to financing and incentives aimed at technological advancement, which are essential for enhancing productivity and competitiveness in the food and beverage industry.

Yin Phway Phway Thone’s (2019) investigated the benefits and challenges faced by employees within SMEs, specifically in the food industry located in the Hlaing Thar Yar Industrial Zone, reveals that while employee satisfaction is generally high, persistent challenges such as inadequate wages, limited opportunities for career advancement, and poor working conditions remain prevalent. The study further identifies the difficulties encountered by SMEs, including weak regulatory frameworks, restricted access to financial resources, and insufficient governmental support. To improve the productivity and sustainability of SMEs in Myanmar, the study suggests necessary enhancements in labor laws, an increase in employee benefits, and expanded opportunities for skill development. Addressing these issues is likely to improve the overall working conditions and efficacy of SMEs in the region.

Thin Thin Yu (2023) conducted research investigating the key determinants impacting the growth of manufacturing SMEs in the Yangon Region. This study employs theoretical frameworks such as resource-based theory, market orientation theory, and adoption theory to explore various influencing factors, including entrepreneurial characteristics, firm attributes, financial resources, regulatory environments, technology adoption, infrastructure quality, and market access. The findings indicate that characteristics such as male entrepreneurship, managerial competencies, firm size, and access to financial resources wield a significant influence on SME growth. Additionally, the research accentuates the critical nature of a supportive regulatory environment and technological adoption as drivers of success. Notably, improvements in infrastructure, specifically regarding transportation and electricity, are deemed essential for fostering the growth of these enterprises. Addressing the identified challenges would substantially enhance the competitiveness of manufacturing SMEs in Yangon, thereby contributing to broader economic development within Myanmar.

Aye Myint Khaing (2024) investigated the current state and challenges encountered by MSMEs in the Bago District of Myanmar. The study identifies numerous critical barriers, including inadequate access to financing, obsolete technology, lack of skilled labor, poor infrastructure, and limited market information. Findings reveal that 28% of enterprises in the region contend with financial challenges, while 25% report outdated technology as a significant hindrance. Furthermore, access to finance and market information emerged as fundamental barriers to business growth. The study advocates for enhancements in infrastructure, improved credit facilities, and stronger market linkages as essential measures for the development of the MSME sector in Bago District.

May Thu Htay (2024) conducted a comprehensive examination of the determinants influencing the export performance of small and medium-sized enterprises (SMEs) within the manufacturing sector in Yangon. The study identified several critical factors, including tariffs, government policies, access to finance, human resources, and logistics, all of which play a pivotal role in determining export success. Although logistics and distribution are important components of the export process, the research revealed that their impact on export performance was comparatively less significant than that of other determinants. The findings underscore that the most crucial factors for achieving export success include the availability of skilled human resources and access to pertinent market information. To enhance the export potential of SMEs, the study advocates for the provision of logistical support, financial incentives, and a simplified regulatory framework.

Poe Poe Min (2024) identified the critical determinants affecting credit accessibility for MSMEs in Bago Township. The study emphasizes issues such as high interest rates, repayment capacity, stringent collateral requirements, complex loan documentation, and the level of financial literacy among enterprise owners. The research particularly highlights that complex loan application procedures and the absence of adequate collateral pose significant barriers to credit access. The study recommends that financial institutions adopt more flexible repayment schedules aligned with the cash flow patterns of MSMEs, streamline the loan application process, and encourage government intervention in the form of interest subsidies and credit guarantee schemes to address collateral-related obstacles. Such measures are deemed essential for improving access to financing and fostering economic growth within the MSME sector in the region.

Tin Tin Wai (2024) investigated the multifaceted challenges and emerging opportunities faced by food and beverage enterprises in Nay Pyi Taw. The study outlines significant barriers, including limited financial support, inconsistent power supply, and complex regulatory processes. Despite the strategic location of Nay Pyi Taw and the ongoing infrastructure improvements, businesses in the region continue to encounter substantial obstacles. The study concludes that enhanced collaboration among the government, financial institutions, and the private sector is imperative to provide robust support for SMEs. Such collaboration should entail financial aid, training programs, and comprehensive policy reforms to fully capitalize on the potential of the food and beverage sector .

CHAPTER III
OVERVIEW OF THE BUSINESS ENVIRONMENT OF FOOD-PRODUCING SMEs IN MYANMAR

3.1 Overview of SMEs in Myanmar

SMEs in Myanmar play a pivotal role in employment creation, poverty alleviation, and industrial development. According to the Directorate of Industrial Supervision and Inspection (DISI), SMEs account for over 99% of all enterprises in the country and employ more than 80% of the industrial labor force (DISI, 2020). These businesses mostly operate in traditional sectors like agriculture, food processing, and retail. Many function informally, limiting access to finance and markets (International Finance Corporation, 2019). Most SMEs are family-owned and lack formal organizational structures and modern technological capabilities.

The SME sector in Myanmar has experienced notable changes driven by domestic reforms and global economic forces. During the socialist era (1962–1988), private enterprise was heavily restricted under state control, hindering SME growth (Than, 2007). Market reforms in the 1990s initiated a gradual transition, yet progress was limited by inadequate infrastructure and weak regulatory systems. Significant improvements followed Myanmar's political liberalization in 2011, which led to broader economic reforms, trade liberalization, and increased international engagement. Key developments such as the 2015 SME Development Law and the formation of the Central Department of SMEs Development (CDSMED) demonstrated stronger government support for the sector (ADB, 2016).

In the post-liberalization period, SMEs have become central to job creation and private sector growth. They help absorb labor, especially among women and youth, and contributed to stabilizing household incomes amidst broader economic transitions (Myint, 2018). Moreover, SMEs serve as important intermediaries in global value chains (GVCs), particularly in garment manufacturing, food processing, and agribusiness, thereby enhancing Myanmar's export diversification and foreign exchange earnings (World Bank, 2020).

The sectoral distribution of SMEs in Myanmar reveals a heavy concentration in manufacturing, trade, and services. Manufacturing SMEs, particularly in the food and beverage, garment, and construction materials industries, dominate the sector. This is largely due to the availability of natural resources and labor-intensive processes that suit Myanmar's factor endowments. According to the Myanmar Micro, Small and Medium Enterprises Survey (2019), over 60% of SMEs are engaged in manufacturing, followed by 20% in services and the rest in agriculture and trade. These proportions reflect the structural transformation of Myanmar's economy from a primarily agrarian base toward light industrialization, though challenges remain in terms of productivity and value addition.

Table (3.1) List of Registered Enterprises in Myanmar by various Industry Groups

No	Industry Group	Number of Enterprises			
		Large	Medium	Small	Total
1	Food Manufacturing	4292	6048	13311	23651
2	Beverage Manufacturing	1037	884	16	1937
3	Tobacco Manufacturing	50	52	38	140
4	Textile Manufacturing	217	443	705	1365
5	Garment and Wearing Apparel Manufacturing	855	457	106	1418
6	Leather and Related Products Manufacturing	129	51	49	229
7	Wood and Wood Product Manufacturing	591	663	892	2146
8	Paper and Paper Products Manufacturing	165	88	78	331
9	Printing and Publishing	174	217	123	514
10	Chemical Products Manufacturing	26	258	11	295
11	Chemical and Petrochemical Products Manufacturing	402	241	122	765
12	Pharmaceutical Products Manufacturing	45	34	11	90
13	Rubber and Plastics Manufacturing	718	626	232	1576
14	Non-metallic Mineral Products Manufacturing	567	900	459	1926
15	Metal Products Manufacturing	309	534	793	1636
16	Machinery and Equipment Manufacturing	358	519	2471	3348
17	Computer, Electronic and Optical Products	6	1	7	14
18	Electrical Equipment Manufacturing	94	17	25	136

Table (3.1) Continued

19	Other Transport Equipment Manufacturing	53	79	67	199
20	Motor Vehicles and Parts Manufacturing	61	14	22	97
21	Other Transport Services Manufacturing	34	11	10	55
22	Furniture Manufacturing	67	129	339	535
23	Other Manufacturing	219	381	236	836
24	Machinery and Equipment Manufacturing (Repairs)	151	692	3740	4583
	Total	**10620**	**13339**	**23856**	**47815**

(Source : The Directorate of Industrial Supervision and Inspection, 2025)

The table (3.1) presents the distribution of enterprises within various industry groups, highlighting the contributions of Small and Medium Enterprises (SMEs). In total, there are 47,815 registered private enterprises across 24 industry groups. SMEs, which include medium and small enterprises, account for 23,856 businesses, or approximately 91% of the total enterprises. This dominance is observed across multiple industries, such as food and beverage manufacturing, which include 13,327 small and 6932 medium enterprises, and textile manufacturing, where SMEs constitute the majority with 1148 out of 1,365 total enterprises. Large enterprises are comparatively fewer in number, with their highest representation in sectors like chemical products and machinery manufacturing. This distribution highlights the essential role of SMEs in promoting economic diversity, employment, and growth within Myanmar’s industrial framework, while also emphasizing their critical importance in various production sectors.

Regional distribution is equally telling of both development disparities and potential. Below table (3.2) presents a comprehensive breakdown of enterprises and employment distribution across various states and regions. There are a total of 48,143 enterprises, with the majority falling under the small category (24,115), followed by medium (13,382) and large enterprises (10,646). Yangon Region dominates the SME landscape, contributing the highest enterprise share at 17.15% and employing over 600,000 individuals, which highlights its status as the country’s commercial hub. Mandalay and Ayeyarwady regions follow, representing 14.28% and 12.07% of the total enterprises, respectively. These regions benefit from better infrastructure, market access, and institutional support, creating more favorable conditions for SME growth.

Conversely, Kayah and Chin states reflect the lowest number of enterprises and employees, indicating limited industrial development in these areas. Although Bago region accounts for fewer enterprises than Yangon, it still maintains a substantial workforce, demonstrating the labor-intensive nature of its SMEs. The data reflects both regional disparities and the crucial contribution of SMEs to employment generation—over 980,000 people are employed by SMEs nationwide. These insights emphasize the importance of region-specific policies to foster balanced economic growth through SME development in Myanmar.

Table (3.2) List of Registered Private Enterprises By State and Region (2025)

No.	**State/Region**	**Number of Enterprises**				**% Share**	**Number of Employees**
		Large	**Medium**	**Small**	**Total**		
1	Kachin	136	253	1687	2076	4.31%	10339
2	Kayah	45	189	47	281	0.58%	1609
3	Kayin	166	282	771	1219	2.53%	9491
4	Chin	9	75	646	730	1.52%	2092
5	Sagaing	576	1328	2752	4656	9.67%	35558
6	Tanintharyi	327	242	1313	1882	3.91%	13649
7	Bago	857	1138	2129	4124	8.57%	77734
8	Magway	276	899	2054	3229	6.71%	18669
9	Mandalay	1722	2920	2232	6874	14.28%	88019
10	Mon	297	482	1736	2515	5.22%	17305
11	Rakhine	119	166	806	1091	2.27%	7465
12	Yangon	3992	2996	1270	8258	17.15%	601694
13	Shan	471	1351	2785	4607	9.57%	32863
14	Ayeyarwady	1328	819	3666	5813	12.07%	56300
15	Nay Pyi Taw	325	242	221	788	1.64%	8802
	Total	**10646**	**13382**	**24115**	**48143**	**100%**	**981589**

(Source : The Directorate of Industrial Supervision and Inspection, 2025)

The government has recognized the importance of SMEs through a series of supportive measures and institutional frameworks. The SME Development Law (2015) set the foundation for categorizing and supporting SMEs based on employee size and capital investment. Additionally, the Central Department of SMEs

Development was tasked with policy coordination, training, and capacity building. The Myanmar Investment Commission (MIC) and the Ministry of Commerce have also rolled out incentives such as tax breaks, loan schemes, and export promotion services tailored to SMEs. Furthermore, initiatives in collaboration with development partners—such as the Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA)—have introduced business development services, vocational training, and market linkages for SMEs (ADB, 2016).

The SME sector in Myanmar plays a crucial role in the economy since it contributes to employment and inclusive growth. Despite regional disparities, it holds strong potential, especially with targeted support through effective policies, infrastructure upgrades, technological advancement, and human resource development.

3.1.1. Definition of SMEs

Various definitions of "small and medium enterprise" depend on the country's economy and economic growth (kyaw, 2008). The 1990 updated Private Industrial Enterprise Law defines SMEs in Myanmar. The revised Private Industrial Enterprise Law of 1990 defines a small enterprise as a business that employs more than 10 and less than 50 workers, uses more than three and less than 25 horsepower of energy, invests up to 1 million kyat in capital, has a production turnover of 2.5 million kyat annually, and produces finished goods from raw materials in any building in Myanmar (Han, 2019). Private industrial legislation revision in 2011 and SMEs amended law in 2012 modified SMEs definition. Horsepower, personnel numbers, and capital investment varied.

On April 9, 2015, Union Parliament passed Myanmar's SMEs Development Law, which defines SMEs officially. Small and medium firms in Myanmar are defined by staff number, capital investment, and turnover. Compared to the 1990 statute, upper limits of number of workers for labor-intensive SMEs, capital, and revenue have increased. Limits on the number of personnel, capital, and turnover of firms vary by kind, such as manufacturing, labor-intensive, services, retail, etc. (Wai, 2024). The SMEs Development Law (2015) classifies SMEs as shown in table (3.3).

Table (3.3) Definition of SMEs by the SMEs Development Law

No	Categories	Number of Employees	Capital (Millions Kyats)	Turn-Over (millions Kyats)
Small Enterpries				
1	Manufacturing Sector	Up to 50	Up to 500	
2	Labor-intensive	Up to 300	Up to 500	
3	Wholesale Business	Up to 30		Up to 100
4	Retail Business	Up to 30		Up to 50
5	Service Business	Up to 30		Up to 100
6	Other	Up to 30		
Medium Enterprises				
1	Manufacturing Sector	50-300	500-1000	
2	Labor-intensive	300-600	500-1000	
3	Wholesale Business	30-60		100-300
4	Retail Business	30-60		50-100
5	Service Business	30-100		100-200
6	Other	30-60		50-100

Source : (SMEs Development Law)

3.2 Food-Producing SMEs in Myanmar

Food-producing SMEs represent a vital segment of Myanmar's agribusiness and manufacturing sectors, serving as an essential link between agricultural production and both local and export food markets. Their significance stems from Myanmar's largely agrarian economy, where over 60% of the population lives in rural areas and relies heavily on agriculture and processing activities for income (FAO, 2022). These SMEs engage in diverse activities such as rice milling, oil pressing, snack production, fermentation, baking, and preservation of fruits, vegetables, and seafood. Most of them operate at the micro or small scale, deeply integrated into local supply chains and community economies.

The food processing industry has grown steadily since the country's economic liberalization in 2011. Market reforms have improved the investment climate, expanded access to technology, and supported SME development. According to the Directorate of Industrial Supervision and Inspection (DISI, 2023), food processing comprises over 50% of all registered manufacturing SMEs in Myanmar. Key regions such as Yangon, Mandalay, and Ayeyarwady are especially prominent due to their proximity to farming areas, urban markets, and trade routes.

These SMEs make significant economic contributions. They are major job providers, with over 300,000 individuals employed in the sector—almost 60% of whom are women (Ministry of Industry, 2023). These enterprises provide accessible employment opportunities for low-skilled workers and are integral to women's economic empowerment in rural and peri-urban areas.

Technological development in the sector remains limited, with most SMEs using outdated or semi-manual equipment. The use of modern packaging, refrigeration, and hygiene protocols is limited to medium-sized enterprises. However, programs by JICA, UNIDO, and LIFT are supporting improvements in food safety, packaging, and processing technologies.

In terms of market integration, food-producing SMEs in Myanmar primarily target domestic consumption. However, an increasing number are exploring niche exports, particularly in dried fruits, beans and pulses, fish products, and traditional foods such as pickled tea leaves (lahpet). The export value of agro-processed products reached over USD 500 million in 2022, with SMEs playing a significant role in specific value chains (Myanmar Trade Promotion Organization, 2023). Integration into regional value chains, such as the ASEAN market, remains limited due to certification and quality challenges, yet international development programs have begun addressing these constraints.

Despite facing infrastructure and regulatory limitations, the food-producing SME sector demonstrates resilience and adaptive capacity. Especially during the COVID-19 pandemic and recent political instability, many SMEs shifted their business models to home delivery, online sales, and alternative supply sourcing. These shifts underscore the agility and embeddedness of food SMEs in local economies.

Food-producing SMEs are indispensable to Myanmar’s economic development, food security, and social cohesion. Their contributions span employment, value addition, and local market supply. As the country continues its transition, these enterprises hold significant potential for inclusive growth and rural transformation, provided that supportive policies, access to finance, infrastructure, and technical capacity are strengthened.

3.3 Key Challenges of Food Producing SMEs in Myanmar

Food-producing SMEs in Myanmar are vital for economic growth, employment generation, and food security, especially in rural areas. However, their performance and sustainability are significantly shaped by the broader business environment. The World Bank's Ease of Doing Business (EoDB) indicators offer a framework to assess the operational climate for businesses. Key factors such as starting a business, access to credit, dealing with permits, electricity access, and trading across borders deeply influence the competitiveness of food SMEs. While these indicators reveal structural bottlenecks, they also highlight potential entry points for reforms and support. This section discusses the specific challenges for food-producing SMEs in Myanmar using five core EoDB dimensions and other critical factors that hinders their growth and substainability.

3.3.a Starting a Business

Starting a business in Myanmar remains a complex and time-consuming process for SMEs, especially in the food production sector. According to the World Bank (2020), it takes around 13 procedures and 14 days to legally establish a business, ranking Myanmar 70th globally on this indicator. For food SMEs, additional hurdles such as health and sanitation certifications, municipal approvals, and food safety documentation further complicate the registration process. Many micro and small food producers operate informally due to these barriers, limiting their access to finance, government support, and formal market opportunities (IFC, 2021).

3.3.b Access to Credit

Access to credit is one of the most significant constraints facing food-producing SMEs in Myanmar. Many enterprises struggle to obtain formal financing due to stringent collateral requirements, lack of credit history, and limited financial literacy. The 2019 World Bank Enterprise Survey indicated that only 7.5% of SMEs in Myanmar had access to a bank loan or credit line. This issue is particularly acute for food SMEs, which often require seasonal and working capital for raw materials, storage, and distribution (ADB, 2020).

3.3.c Dealing with Construction Permits

Food SMEs often require dedicated facilities that meet hygiene, ventilation, and storage standards, which makes dealing with construction permits a critical factor. However, Myanmar ranks poorly in this area, standing at 46th globally with an average of 15 procedures and over 95 days required to obtain a permit (World Bank, 2020). For SMEs without strong administrative capacity, navigating these bureaucratic processes can lead to delays and informal construction.

3.3.d Getting Electricity

Reliable access to electricity is critical for food-producing SMEs that depend on refrigeration, processing machinery, and packaging tools. However, Myanmar's electricity infrastructure is uneven, particularly in rural regions where many food SMEs are located. The World Bank (2020) ranked Myanmar 152nd globally for ease of getting electricity, with an average wait time of 77 days and high connection costs. Frequent power outages and voltage fluctuations also undermine product quality and shelf life, especially in perishable food production. For micro and small producers, these limitations often lead to reliance on costly diesel generators, raising operational expenses.

3.3.e Trading Across Borders

Myanmar's food-producing SMEs face both challenges and opportunities when engaging in cross-border trade. Key barriers include lengthy customs procedures, limited awareness of export standards, and high logistics costs. Myanmar ranks 168th in the World Bank's trading across borders indicator, reflecting long documentary compliance times and low port efficiency (World Bank, 2020).

3.3.f Inadequate Infrastructure

Myanmar's infrastructure remains underdeveloped, especially in rural areas. The lack of reliable transportation networks, inadequate storage facilities, and poor cold chain systems complicate the supply of raw materials and the distribution of finished goods. This lack of infrastructure leads to increased costs, delayed deliveries, and spoilage of perishable products. Moreover, the absence of modern processing facilities limits the ability of SMEs to scale their operations and meet market demand efficiently (World Bank, 2020).

3.3.g Skilled Labor Shortage

The shortage of skilled labor is another significant challenge for food-producing SMEs in Myanmar. There is a lack of trained workers in areas such as food processing, quality control, and management. While the agricultural sector employs a large number of workers, many lack the technical skills required to operate modern machinery or meet international standards of food safety and quality control. This gap in skills can lead to inefficiencies, lower product quality, and difficulties in scaling production (OECD, 2020).

3.3.h Food Safety and Quality Control

Myanmar's food industry faces significant challenges in meeting international food safety and quality standards. Many SMEs lack the infrastructure, training, and expertise to implement effective quality control systems. This becomes especially problematic for SMEs seeking to expand their exports to international markets where food safety standards are stringent. Without proper certification, Myanmar’s food producers often struggle to compete in global markets, limiting their growth potential and access to higher-value markets (International Trade Centre, 2021).

3.3.i Market Competition and Limited Market Access

Food-producing SMEs in Myanmar face stiff competition from larger enterprises, both domestic and international. Multinational corporations with established brands and larger-scale operations dominate the food market, making it difficult for SMEs to gain a foothold. Furthermore, the limited marketing and branding capabilities of small food producers prevent them from reaching broader consumer segments (UNDP, 2020). Access to new markets, both domestic and international, is restricted by inadequate marketing strategies, underdeveloped distribution channels, and the lack of international certifications needed to meet foreign market demands.

3.3.j Government Policy and Regulatory Issues

While the government has made efforts to support SMEs in the food sector, there are still gaps in policy implementation. The lack of clear regulations and inconsistent enforcement of policies makes it difficult for food SMEs to navigate the legal landscape. In addition, the complexity of export regulations and the absence of adequate support for food safety certification programs limit the ability of SMEs to expand their operations internationally (Myanmar Ministry of Commerce, 2020).

3.3.k Limited Technological Adoption

The adoption of modern technologies in food production and processing is slow in Myanmar. Many SMEs rely on traditional methods, which limits their efficiency and scalability. The lack of automation, modern machinery, and digital tools for supply chain management results in lower productivity and higher operational costs. Moreover, without investment in technology, SMEs find it difficult to improve product quality, packaging, and processing capabilities, all of which are essential for competing in both domestic and international markets (Asian Development Bank, 2020).

3.4 Government Policies and Regulations Affecting SMEs in Myanmar

Small and medium enterprises (SMEs) form the backbone of Myanmar's economy, providing crucial employment and income opportunities across the country. Recognizing their significance, Myanmar's government has established a multi-faceted policy and regulatory framework to support SME development, drawing on national priorities, regional commitments, and international best practices. The framework encompasses legal reforms, institutional strengthening, financial support, capacity building, regulatory simplification, and integration with regional and global markets.

3.4.1 Legal and Policy Framework

The cornerstone of SME policy in Myanmar is the Small and Medium Enterprise Development Law (2015), which provides the legal basis for defining, supporting, and regulating SMEs. This law is complemented by the Small and Medium Enterprise Development Policy (2015), which sets strategic priorities such as easing business registration, improving access to finance, fostering technology transfer, and promoting innovation. The policy also emphasizes the provision of training, capacity building, and business development services, such as legal, management, and technical advisory services, quality certification programs, and the dissemination of market and trade information, along with regulatory reforms through streamlined procedures and one-stop service centers at the regional level.

Policy implementation is managed by institutions at various administrative levels. The Central Committee for SME Development and the SME Development Agency are tasked with executing policies, facilitating coordination among ministries, and engaging stakeholders. They also oversee data collection, monitor SME progress, and collaborate with international partners to secure financial and technical resources (Small and Medium Enterprise Development Policy 2015).

3.4.2 Access to Finance

Financial support is a critical component of the SME policy framework in Myanmar. The government has introduced a range of financial instruments, including microfinance schemes, credit guarantee programs, hire-purchase facilities, and two-step loans, to address the financing gap faced by SMEs (Small and Medium Enterprise Development Policy 2015; ADB SME Monitor 2020). The establishment of specialized financial institutions, such as the SME Development Bank and the Export-Import Bank, further facilitates access to credit, investment, and trade financing (ASEAN SME Development Policies).

3.4.3 Regulatory Simplification and Digitalization

Recognizing the administrative burdens faced by SMEs, Myanmar's policy framework emphasizes the simplification of regulatory procedures. The introduction of one-stop service centers, online registration systems, and mobile registration units aims to make business registration and licensing more efficient and accessible, particularly for enterprises in remote areas. The government is also working to strengthen intellectual property rights and streamline patent and trademark registration processes to support innovative SMEs (Small and Medium Enterprise Development Policy 2015).

3.4.4 Taxation and Incentives

Tax policies for SMEs are designed to be fair and supportive, with simplified tax rates and procedures to reduce compliance costs and encourage formalization (ASEAN SME Development Policies). The government also offers tax incentives and exemptions for SMEs engaged in priority sectors, export-oriented activities, and technology adoption.

3.4.5 Cluster Development and Institutional Strengthening

The policy framework supports the development of SME clusters and the strengthening of supporting institutions at all administrative levels. This includes the establishment of technology and business incubators, productivity institutions, and public-private partnerships to promote entrepreneurship, innovation, and supply chain integration (ASEAN SME Development Policies). Special Economic Zones (SEZs) and Export Processing Zones (EPZs) have been established to provide SMEs with access to infrastructure, markets, and export opportunities.

3.4.6 Regional and International Integration

Myanmar's SME policies are aligned with regional initiatives such as the ASEAN Strategic Action Plan for SME Development 2016–2025 (SAP SMED 2025), which aims to harmonize SME regulations, promote cross-border trade, and enhance regional value chains (ASEAN Strategic Action Plan for SME Development 2016–2025). The country also collaborates with international organizations such as the Asian Development Bank (ADB), the International Labour Organization (ILO), and the Organisation for Economic Co-operation and Development (OECD) to leverage technical assistance, share best practices, and benchmark progress (ADB SME Monitor 2020; ILO MSME Support Project).

Generally, Myanmar's government has established a multi-faceted policy and regulatory framework to support SME development, drawing on national priorities, regional commitments, and international best practices. The framework encompasses legal reforms, institutional strengthening, financial support, capacity building, regulatory simplification, and integration with regional and global markets. Continued efforts to address persistent challenges and adapt to emerging trends will be essential for enabling SMEs to thrive as drivers of inclusive and sustainable economic growth.

3.5 Myanmar's Ease of Doing Business Rankings and Reform Initiatives

Myanmar's position in the World Bank's Ease of Doing Business (EODB) rankings reflects both its transitional economic context and the challenges associated with regulatory reform. Between 2014 and 2020, Myanmar undertook various structural changes aimed at facilitating business entry, trade, and private sector participation. However, improvements in global rankings remained modest due to the persistence of institutional inefficiencies, inadequate infrastructure, and limited enforcement capacity. In 2014, Myanmar ranked 182nd out of 189 economies—one of the lowest globally. By 2020, the country had improved its standing to 165th out of 190 economies, marking a 17-place increase over six years (World Bank, 2020). This progress, while notable, underscores the considerable work needed to modernize Myanmar's business environment and regulatory framework.

Table (3.4) Myanmar's Ease of Doing Business Rankings (2014–2020)

Year	Global Rank	Total Economies Ranked
2014	182	189
2015	177	189
2016	167	189
2017	170	190
2018	171	190
2019	171	190
2020	165	190

Source: World Bank Doing Business Reports (2014–2020)

The gradual improvements in Myanmar's ranking can be attributed to a series of targeted policy interventions. One of the earliest reforms involved the simplification of business registration. In 2018, the Myanmar Companies Law came into effect, enabling online registration via the Myanmar Companies Online (MyCO) portal. This digital shift significantly reduced the time and complexity required to start a business and was particularly impactful for SMEs seeking formalization (DICA, 2019). Moreover, the law allowed for the establishment of one-person companies, which further encouraged entrepreneurial activity. By automating company filings and providing public access to company information, the reform marked a substantial step toward transparency and efficiency in corporate governance.

Another major reform area was access to credit. In 2019, Myanmar launched the Credit Bureau Myanmar (CBM), which consolidated credit histories of individual borrowers and SMEs. Supported by the International Finance Corporation (IFC), this initiative aimed to reduce information asymmetry and enable banks to assess credit risk more accurately. The introduction of movable asset-based lending frameworks also allowed SMEs to use non-traditional collateral (such as equipment or inventory), thus expanding access to finance in sectors like food production, where fixed assets are limited (IFC, 2020). These efforts aligned with global good practices in SME financial inclusion and contributed to improving Myanmar's score under the "Getting Credit" indicator.

In the area of trading across borders, Myanmar joined the ASEAN Single Window initiative, which aimed to harmonize customs procedures and documentation. The implementation of the Myanmar Automated Cargo Clearance System (MACCS) in major ports like Yangon helped to expedite customs processing and reduce costs for importers and exporters. For food-producing SMEs involved in agro-processing and export (e.g., rice, beans, fish), this reform was particularly beneficial. However, technical capacity gaps and inconsistent enforcement across border points limited the full potential of these improvements (ADB, 2020).

The government also took steps to improve access to electricity, especially in industrial zones. Under the National Electrification Plan (NEP), supported by the World Bank and ADB, over 50% of households gained electricity access by 2020. In addition to expanding grid coverage, new tariff frameworks and subsidies for low-voltage users helped reduce the energy burden on SMEs, particularly those in food processing that rely heavily on refrigeration, drying, and packaging technologies (World Bank, 2020).

Despite these initiatives, some areas saw limited progress. Myanmar consistently ranked poorly in "Enforcing Contracts" and "Resolving Insolvency," indicating ongoing weaknesses in legal and judicial infrastructure. Commercial dispute resolution remains slow and unpredictable, posing a deterrent to long-term investment and formal business partnerships. The 2020 Insolvency Law was intended to modernize the legal framework for corporate restructuring and liquidation. However, implementation challenges persist due to a lack of legal expertise and institutional capacity (ADB, 2021).

The Ministry of Planning and Finance and the Directorate of Investment and Company Administration (DICA) collaborated with international partners such as the World Bank, ADB, and JICA to build capacity, draft regulatory reforms, and improve the business environment. Yet, reform momentum has been significantly reduced after 2021 due to a political reason and undermined business confidence.

3.6 SMEs in Yangon Industrial Zones

Many developing countries have experienced economic growth through the development of their private sector. Myanmar's economy is heavily reliant on the expansion of SMEs. The industrial sector plays a key role in Myanmar's economic development, with industrial zones serving as an essential instrument for promoting private sector growth in areas where infrastructure is lacking. These zones have the potential to enhance the competitiveness of businesses, create jobs, and encourage technological advancement. The majority of SMEs are located in Yangon and Mandalay. Before1988, SMEs in Myanmar were scattered all over the country, both in urban and rural areas. In 1990, the State Law and Order Restoration Council (SLORC) relocated SMES to the newly established industrial zones. Department of Human Settlement and Housing Development (DHSHD) supervised the development of industrial zones that are started from areas close to Yangon. Industrial zones are further extended to other cities and towns throughout the country (Aung Kyaw, 2008).

The Myanmar government has actively supported the development of industrial zones to address issues such as inadequate infrastructure and environmental concerns that have arisen due to industrial growth. These zones produce a wide range of products such as food and beverages, soft drinks, wood-based products, construction materials, textiles, and heavy machinery (Myo Myat Mon, 2010, as cited in Yin Phway Phway Thone, 2019). Myanmar currently has 28 industrial zones and 5 industrial areas, housing 7,996 registered industries and employing 551,667 individuals (DISI, 2025).

Among industrial estates in Myanmar, Yangon contains over half 54% (4320 industries) of the industries, with many SMEs operating in manufacturing, textiles, and food processing (DISI 2025). Despite facing challenges related to financing, technology, and skilled labor, SMEs in Yangon's industrial zones demonstrate the potential for private sector-led growth. The government has implemented initiatives to support these businesses, such as enhancing infrastructure, simplifying regulations, and providing investment incentives. Additionally, SMEs are increasingly benefiting from digitalization and access to international markets, boosting their competitiveness (World Bank, 2020; Asian Development Bank, 2021).

Table (3.5) List of Registered Private Enterprises in Industrial Zones Located in Yangon (Dec 2024)

No		District/Name	Size of Enterprises			
			Large	Medium	Small	Total
1		**Dagon Myo Thit District**				
	1	South Dagon Industrial Zone (1)	124	38	**1**	163
	2	South Dagon Industrial Zone (2)	157	381	70	608
	3	South Dagon Industrial Zone (3)	25	125	50	200
	4	Dagon Seikkan Industrial Zone (1+2)	249	38	2	289
	5	East Dagon Industrial Zone	158	18	0	176
	6	East Dagon Industrial Zone (Extended)	121	98	7	226
	7	North Dagon Industrial Zone	22	34	2	58
2		**Mayankone District**				
	8	North Okkalapa Industrial Zone	47	38	6	91
	9	Shwe Pauk Kan Industrial Zone	75	203	22	300
3		**Thingangyun District**				
	10	South Dagon Industrial Zone	21	35	11	67
4		**Botataung District**				
	11	Tharkata Industrial Zone	33	13	3	49
5		**Thanlyin District**				
	12	Thilawa Industrial Zone	24	0	0	24
6		**In Sein District**				
	13	Hlaing Thar Yar Industrial Zone (1)	92	4	0	96
	14	Hlaing Thar Yar Industrial Zone (2)	117	4	0	121
	15	Hlaing Thar Yar Industrial Zone (3)	58	0	0	58
	16	Hlaing Thar Yar Industrial Zone (4)	128	1	0	129
	17	Hlaing Thar Yar Industrial Zone (6)	6	1	0	7
	18	Hlaing Thar Yar Industrial Zone (7)	43	6	0	49
	19	Hlaing Thar Yar Industrial Zone (5)	114	106	4	224

Table (3.5) Continued

	20	Shwe Lin Pan Industrial Zone	249	12	0	306
	21	Shwe Than Lwin Industrial Zone	62	0	0	62
	22	Ngwe Pin Lal Industrial Zone	37	3	0	40
	23	Anawrahtar Industrial Zone	31	1	0	32
	24	Mya Sein Yaung Industrial Zone	34	0	0	34
	25	MwaymuYae Industrial Zone	36	26	0	62
7		**Mingalardon District**				
	26	Shwe Pyi Thar Industrial Zone (1)	157	19	1	177
	27	Shwe Pyi Thar Industrial Zone (2)	43	3	0	46
	28	Shwe Pyi Thar Industrial Zone (3)	84	3	0	87
	29	Shwe Pyi Thar Industrial Zone (4)	58	1	0	59
	30	Thar Du Kan Industrial Zone	86	2	0	88
	31	War Tayar Industrial Zone	81	3	0	84
	32	Wood based Industrial Zone	4	0	0	4
	33	Mingalardon Industrial Zone	31	0	0	31
	34	Yangon Industrial Zone	148	8	0	156
	35	Pyin Ma Pin Industrial Zone	23	0	0	23
8		**Mmwabi Industrial Zone**				
	36	Myaung Takar Industrial Zone	83	6	0	89
		Total	**2906**	**1230**	**179**	**4315**

(Source : DISI, Dec 2024)

CHAPTER IV
SURVEY ANALYSIS

4.1 Survey Profile

The survey was conducted with 92 food-producing small and medium enterprises (SMEs) located within two major industrial zones in Dagon Myothit District, Yangon: South Dagon Industrial Zone 2 and Dagon Seikkan Industrial Zone. These zones represent the core of food production in the district, with South Dagon Industrial Zone 2 being a key industrial hub known for its concentration of small and medium-sized food manufacturing enterprises. Dagon Seikkan Industrial Zone is another prominent industrial area that houses a variety of food production businesses, offering critical infrastructure and market access to these SMEs. Together, these two zones provide a comprehensive representation of the food processing sector in the region.

The survey aimed to gather insights into the ease of doing business (EoDB) for SMEs, specifically examining the challenges they face and the factors that impact their operations within the regulatory and business environment. The sample of 92 respondents was carefully selected, with a primary focus on business owners and managers, as they are the key decision-makers within the companies. The survey captured quantitative data regarding key areas such as the regulatory environment, access to finance, and electricity, all of which are crucial for the ease of doing business. SMEs in the food production sector face unique barriers, such as compliance with health and safety regulations, navigating bureaucratic processes, and overcoming financial obstacles.

By focusing on these two industrial zones, the survey included a diverse group of businesses, ranging from small-scale manufacturers to medium-sized enterprises to ensure representation across different food production activities. The results are expected to provide actionable insights in the business climate for SMEs, with a particular emphasis on the food production sector.

4.2 Survey Design

The survey for this thesis aimed to gather relevant data from food-producing small and medium enterprises (SMEs) in two major industrial zones in Dagon Myothit District, Yangon. The objective was to assess the ease of doing business (EoDB) of food-producing SMEs, their opportunities and challenges by capturing quantitative data regarding various factors that impact their business operations.

The survey targeted owners and managers of the SMEs, as they are the key decision-makers and have direct experience with regulatory processes, financial challenges, and market conditions. The respondents were selected from South Dagon Industrial Zone 2 and Dagon Seikkan Industrial Zone, which are home to the largest concentration of food-producing SMEs in the Dagon Myothit District.

The questionnaire was structured questionnaire, primarily using Likert scales to quantify the degree of difficulty or ease that SMEs experience in various business-related tasks. The Likert scale ranged from 1 to 5, with respondents indicating their level of agreement or disagreement with each statement (1 = Strongly Disagree, 5 = Strongly Agree). This scale was chosen to measure the perceptions and attitudes of respondents, providing key insights into the challenges faced by food-producing SMEs.

In addition, the questionnaire included categorical questions to capture demographic data, such as the size of the enterprise, the number of employees, and the types of food products produced. These demographic details helped contextualize the responses and provided further insights into how challenges might differ across businesses of varying sizes and sectors within the food production industry.

The sample size for the survey was determined based on a confidence level of 95% and a margin of error of 5%. To calculate the required sample size, Yamane's (1967) formula was used.

$$n = \frac{N}{1 + N(e^2)}$$

Where:

- n = the sample size,
- N = the population size (119),
- e = margin of error (0.05)

Applying the values into the equation:

$$n = \frac{119}{1 + 119(0.05^2)} = 91.7 \approx 92$$

This calculation indicated that approximately 92 respondents were needed to ensure the reliability and validity of the data.

The data collection process was carried out in June 2025. The survey design was structured to capture reliable and relevant data on the ease of doing business for food-producing SMEs in industrial zones. The use of a statistically valid sample size, the Likert scale for quantifying responses, and the interview survey administration ensured the collection of quality data. The insights gained from this survey formed the foundation for the analysis presented in the thesis, contributing to a deeper understanding of the challenges and opportunities faced by food SMEs in Myanmar.

4.3 Analysis of Survey Results

This part focuses on the demographic characteristics of the population that participated in the survey and analysis on the factors affecting the ease of doing and the operation of food-producing SMEs.

4.3.1 Demographic Characteristics of Respondents

The demographic profile of the respondents is crucial in understanding the sample population and contextualizing the study's findings. The tables below summarize ten key demographic aspects: gender distribution, age distribution, education level, Position, types of Business, types of ownership, year of establishment, types of investment, amount of investment in kyats, number of employees, and having FDA license or not.

Table 4.1 Demographic Characteristics of Respondents

Description		Total Respondents = 92	
		Numbers of Respondents	**Persentage**
Gender	Male	52	57
	Female	40	43
	Total	92	100
Age	26 – 35	10	11
	36 – 45	24	26
	46-55	34	37
	56 and above	24	26
	Total	92	100

Table (4.1) Continued

Educational Qualification	High School	8	9
	High School Graduate	22	24
	Graduate	62	67
	Total	92	100
Position	Owner	33	36
	Manager	59	64
	Total	92	100
Types of Business	Backery and Confectionery	13	14
	Cereal and Grain Processing	4	4
	Coffee	6	7
	Noodle	7	8
	Fishery Products	3	3
	Ice-cream	2	2
	Instant Noodles	1	1
	Meat and Poultry Processing	4	4
	Milk and Dairy products	2	2
	Oil processing	1	1
	Snacks	40	43
	Spices and Sauces	9	10
	Total	92	100
Type of Ownership	Private	82	89
	Joint Venture	10	11
	Total	92	100
Year of Establishment	1985-2000	20	22
	2001-2010	33	36
	2011-2023	39	42
	Total	92	100
Type of Investment	Own	63	68
	Own + Private Bank Loan	29	32
	Total	92	100

Table (4.1) Continued

Amount of Investment in Kyats	Less than 50 Lakhs	8	9
	50 Lakhs – 500 Lakhs	24	26
	500 Lakhs – 1000 Lakhs	47	51
	Above 1000 Lakhs	13	14
	Total	92	100
Number of Employee	1-10	10	11
	11-30	27	29
	31-50	33	36
	51-100	15	16
	101-200	7	8
	Total	92	100
FDA approved	Received	78	85
	Not available	4	4
	Still in progress	10	11
	Total	92	100

Source : Survey Data (2025)

Table (4.1) provides a demographic and business profile of 92 SME respondents. In terms of gender, 57% are male and 43% female, indicating male dominance in business ownership or management. The age group most represented is 46–55 years (37%), followed by both 36–45 and 56 and above (26% each), with the 26–35 age group representing only 11%, suggesting relatively low youth participation. Educational attainment is high, with 67% being graduates, 24% high school graduates, and only 9% having an education below high school level.

Regarding position, 64% serve as managers and 36% as owners. Business type is concentrated in snacks production, which makes up 43% of respondents. Other common sectors include bakery and confectionery (14%) and spices and sauces (10%), while less common areas include instant noodles and oil processing (1% each).

The vast majority of respondents operate under private ownership (89%), with only 11% involved in joint ventures. The year of establishment shows that most businesses were launched between 2011 and 2023 (42%), followed by 2001–2010 (36%), and 1985–2000 (22%).

As for the source of investment, 68% rely on their own capital while 32% combine personal funds with private bank loans. The majority of businesses (51%) reported investment levels between 500 and 1000 lakhs kyats, 26% invested between 50 and 500 lakhs, and 14% invested over 1000 lakhs. Only 9% invested less than 50 lakhs.

In terms of workforce size, the highest proportion of businesses (36%) employ between 31–50 staff. This is followed by 11–30 employees (29%), 51–100 (16%), 1–10 (11%), and the smallest group, 101–200 employees (8%).

For regulatory compliance, 85% of businesses have received FDA approval, indicating a strong commitment to meeting safety and quality standards. Meanwhile, 11% are still in the process, and only 4% lack approval.

4.3.2 Perception of Respondents on the Business Environment

This section explores the business environment of food-producing SMEs situated in South Dagon Industrial Zone (2) and Dagon Seikkan Industrial Zone (1+2), focusing on perceived ease of starting a business, perceived ease of dealing with construction permits, perceived ease of getting electricity, perceived ease of getting credit, perceived ease of paying taxes, perceived ease of trading across borders, perceived ease of enforcing contracts.

(a) Perceived Ease of Starting a Business

The perceived ease of starting a business is especially important for SMEs, as it affects their ability to enter the market and grow. When the process is viewed as simple, more small businesses are likely to emerge, driving employment, innovation, and local economic development. A complex or costly setup process can discourage entrepreneurs. Positive perceptions also attract investment, helping SMEs operate in a more competitive and sustainable environment.

Table (4.2) Perceived Ease of Starting a Business

Statements	Mean	Standard Deviation
It is easy to obtain the necessary permits and licenses to start a business.	3.61	0.82
The legal and regulatory framework for starting a business is clear and simple.	3.21	0.98
The cost of starting a business is affordable and manageable.	3.47	0.95
There is easy access to financial support (e.g., loans, grants, investors) for new businesses.	3.00	0.89
The process of registering a business is quick and efficient.	3.99	0.76
Overall Mean	3.45	

Source : Survey Data (2025)

The data in Table (4.2) provide a detailed look into respondents' perceptions of various aspects of the business startup process. The highest-rated statement, “The process of registering a business is quick and efficient” (mean = 3.99), indicates strong agreement that administrative procedures are manageable. Similarly, obtaining permits and licenses is seen as relatively easy (mean = 3.61), and the cost of starting a business is viewed as affordable (mean = 3.47), suggesting that initial barriers are not overly restrictive. However, opinions are more neutral regarding the legal and regulatory framework (mean = 3.21), implying some uncertainty or complexity in understanding rules. The lowest mean score (3.00) relates to access to financial support, which highlights that new businesses may struggle to secure necessary funding. Overall, while the process of starting a business appears generally positive in terms of cost and efficiency, concerns remain regarding financial support and legal clarity, which could affect the ability of SMEs to successfully launch and grow.

(b) Perceived Ease of Dealing with Construction Permits

Ease of obtaining construction permits is vital for businesses as it directly affects expansion plans and operational costs. A streamlined permit process allows businesses to upgrade facilities, meet growing demand, and adapt quickly to market changes. Delays or complications can increase expenses and disrupt operations. Efficient permitting supports long-term planning, encourages investment, and enhances a company's ability to remain competitive and responsive in a dynamic business environment.

Table (4.3) Perceived Ease of Dealing with Construction Permits

Statements	Mean	Standard Deviation
Obtaining construction permits for my business is a quick process.	3.12	0.74
The requirements for construction permits are clear and easy to understand.	3.87	0.54
The cost of obtaining a construction permit is reasonable.	3.73	0.73
The government authorities are responsive when applying for construction permits.	3.49	0.79
The process for obtaining a construction permit is not overly complicated.	3.30	0.82
Overall Mean	3.50	

Source : Survey Data (2025)

The data in table (4.3) presents respondents' perceptions of the ease of dealing with construction permits. The highest-rated statement, "The requirements for construction permits are clear and easy to understand" (mean = 3.87), suggests that most respondents find the guidelines for obtaining permits straightforward. Similarly, the cost of securing permits received a favorable response (mean = 3.73), indicating that it is generally seen as reasonable. Respondents also viewed government authorities as moderately responsive during the application process (mean = 3.49). However, while the process is not perceived as overly complicated (mean = 3.30), the statement "Obtaining construction permits is a quick process" scored the lowest (mean = 3.12), highlighting that time remains a concern. These findings indicate that although clarity and affordability are generally appreciated, delays in processing permits may hinder overall satisfaction.

(c) Perceived Ease of Getting Electricity

The perceived ease of obtaining electricity is a critical factor for businesses, particularly for SMEs, as it directly impacts their operational efficiency. When the process of getting electricity is perceived as simple and quick, it reduces the time and costs associated with setting up or expanding a business. A smooth and fast connection process allows businesses to start or resume operations without significant delays.

Table (4.4) Perceived Ease of Getting Electricity

Statements	Mean	Standard Deviation
The process of applying for electricity is straightforward.	4.03	0.76
The time taken to get electricity supply is reasonable.	3.39	0.88
The cost of getting electricity connected is affordable for my business.	3.71	0.73
The electricity supply is reliable and consistent for my business needs.	2.09	0.67
The cost of getting electricity service is reasonable and affordable.	3.58	0.82
Overall Mean	3.36	

Source : Survey Data (2025)

Table (4.4) presents respondents' views on the perceived ease of getting electricity. Most respondents agreed that applying for electricity is straightforward, as reflected in the highest mean score of 4.03. The cost of connection (3.71) and the cost of electricity bill (3.58) are also considered affordable by many businesses. The time required to receive electricity scored moderately (3.39), indicating that some delays may be present but are generally acceptable. However, a notable concern arises with the reliability and consistency of electricity supply, which received the lowest score of 2.09. This suggests that while businesses find the application process and associated costs manageable, they face challenges with the stability of electricity supply. Inconsistent supply may disrupt operations and reduce efficiency. Overall, although accessing electricity is seen as relatively easy and affordable, reliability remains a significant issue that affects business performance and continuity.

(d) Perceived Ease of Getting Credit

Access to credit is vital for improving the ease of doing business, as it allows entrepreneurs and businesses to obtain the capital needed to launch, grow, and operate effectively. In the absence of sufficient financing, businesses may face difficulties in developing infrastructure, building inventory, or hiring skilled workers. Credit access supports expansion, improves cash flow management, and encourages investment in innovation. Financial resources play a key role in helping businesses remain competitive and sustainable in a changing market.

Table (4.5) Perceived Ease of Getting Credit

Statements	Mean	Standard Deviation
I find it easy to access credit from financial institutions.	3.93	0.85
The procedures for obtaining credit are straightforward and not time-consuming.	3.18	0.94
Lenders are readily willing to offer credit to my business.	3.77	0.79
The interest rates on credit are affordable for my business.	3.32	0.90
The amount of credit available is sufficient for my business needs.	3.59	0.90
Overall Mean	3.56	

Source : Survey Data (2025)

Table 4.5 presents respondents' views on access to credit from financial institutions, showing generally positive perceptions with some concerns. The highest-rated statement (mean score 3.93), “I find it easy to access credit from financial institutions,” indicates that many businesses do not face major difficulties in obtaining credit. However, the lower rating with mean score 3.18 for the ease and speed of credit procedures suggests that the application process is not always efficient or straightforward. Respondents moderately agreed that lenders are willing to offer credit (mean score 3.77), though this willingness may vary depending on the business profile. Views on interest rate affordability (mean score 3.32) were more neutral, indicating that while some businesses find rates manageable, others may consider them burdensome. The perceived adequacy of available credit scored slightly higher with mean score 3.59, showing that most businesses consider the amount of credit offered to be somewhat sufficient, though not always ideal. In summary, credit access is generally seen as favorable, but procedural complexity and interest affordability remain areas of concern.

(d) Perceived Ease of Paying Taxes

Ease of paying taxes is essential for improving the overall business environment, as it directly affects a business's administrative workload and financial health. A clear and efficient tax process allows businesses to meet their obligations without diverting excessive time or resources. This reduces the risk of legal or financial setbacks and helps businesses concentrate on growth. Additionally, a transparent tax system supports long-term planning by offering predictability. Overall, simplified tax procedures promote operational efficiency, business development, and economic stability.

Table (4.6) Perceived Ease of Paying Taxes

Statements	Mean	Standard Deviation
The tax payment process is straightforward and easy to understand.	4.09	0.64
I can easily file taxes online or through accessible methods.	2.57	0.76
The tax rates are reasonable for my business.	3.34	0.87
There are no significant delays or complications in paying taxes.	3.77	0.65
The tax system is fair and transparent.	3.54	0.91
Overall Mean	3.46	

Source : Survey Data (2025)

Table 4.6 outlines respondents' views on the tax payment process, revealing both strengths and areas for improvement. The highest-rated statement, “The tax payment process is straightforward and easy to understand” earns mean score 4.09, indicating that most respondents find the process clear and manageable. However, the statement regarding the ease of filing taxes online received a much lower mean score (2.57), suggesting that many businesses either lack access to or are unaware of digital tax filing systems. This low rating likely reflects limited accessibility rather than difficulty in usage the system. Opinions on tax rates are more balanced, with a mean score of 3.34, suggesting that they are generally viewed as acceptable, though not ideal. Respondents also expressed positive perceptions regarding the timeliness and simplicity of making tax payments (mean score 3.77). Lastly, the tax system is largely considered fair and transparent with mean score of 3.54, though experiences may differ across businesses. Overall, while the system is seen as efficient, digital accessibility remains a notable limitation.

(e) Perceived Ease of Trading Across Borders

International trade plays a pivotal role in enhancing the ease of doing business by providing businesses with the opportunity to expand their markets, access a wider customer base, and diversify revenue sources. Engaging in cross-border trade allows companies to obtain raw materials, goods, and services at competitive prices, which contributes to cost efficiency and innovation. An efficient and streamlined trading process, with reduced regulatory obstacles, is essential for creating a more competitive and dynamic business environment.

Table (4.7) Perceived Ease of Trading Across Borders

Statements	Mean	Standard Deviation
I find it easy to trade across international borders.	2.18	1.03
The procedures for cross-border trading are simple and efficient.	2.27	0.88
There are no significant barriers to exporting/importing goods.	2.08	1.01
The costs of trading across borders are reasonable.	2.48	0.86
Customs procedures do not delay my international transactions.	2.38	0.81
Overall Mean	2.28	

Source : Survey Data(2025)

Table (4.7) indicate that cross-border trade is generally perceived as challenging, with low mean values across all statements related to the process. The lowest mean scores were recorded for ease of trading internationally (2.18) and absence of trade barriers (2.08), indicating that many respondents find international trade complex and restrictive. Procedural efficiency also scored low (2.27), suggesting concerns about administrative burdens. The low mean scores may not only indicate the challenges of cross-border trade but also reflect respondents' limited exposure to it. Many likely responded neutrally due to a lack of direct experience with international trade, making unfamiliarity with its procedures a contributing factor to the overall neutral or uncertain responses observed.

(f) Perceived Ease of Enforcing Contracts

The ability to enforce contracts effectively is essential to a smooth business environment, as it allows firms to confidently make agreements, receive payments, and handle disputes. A dependable legal system lowers transaction risks, builds trust, and increases predictability. This encourages businesses to invest, plan long-term, and grow, knowing that their agreements are legally protected and enforceable.

Table (4.8) Perceived Ease of Enforcing Contracts

Statements	Mean	Standard Deviation
The legal process for enforcing contracts is simple and efficient.	3.29	0.60
I can easily resolve disputes with suppliers or customers through legal means.	3.26	0.55
The cost of enforcing contracts is reasonable for my business.	3.08	1.06
The court system is reliable and transparent when enforcing contracts.	3.07	0.69
I feel confident that my business's contracts will be honored in case of disputes.	3.09	0.64
Overall Mean	3.16	

Source : Survey Data (2025)

Table (4.8) illustrates respondents' perceptions of the ease of enforcing contracts. Overall, the legal process is viewed as relatively simple and efficient, receiving the highest mean score (3.29). Respondents also indicated a fair level of agreement regarding the ability to resolve disputes through legal means (3.26) and confidence that their contracts will be honored in case of disputes (3.09). Perceptions of the cost of enforcement (3.08) and the reliability of the court system (3.07) were slightly lower, suggesting some reservations in these areas.

4.3.3 Economic Growth of SMEs

Table (4.9) reveals respondents' perceptions of their economic growth. The highest mean scores are observed in consistent revenue growth and overall financial health (2.99), indicating that SMEs are maintaining a steady income stream and financial stability. Increases in customer demand or orders (2.97) and improvements in profitability (2.95) also reflect positive business performance. In contrast, the lowest-rated area is employee growth (2.77), followed by market share increase (2.84) and market expansion (2.88), suggesting challenges in workforce scaling and market penetration. The perception of sustainable growth (2.92) shows moderate optimism for the future. Overall, SMEs show moderate progress in financial performance and operational improvement, but limited expansion in workforce and market presence.

Table (4.9) Economic Growth of SMEs

Statements	Mean	Standard Deviation
My business has experienced consistent revenue growth over the last 3 years.	2.99	0.70
The market share of my business has increased significantly.	2.84	0.86
My business has expanded into new markets or geographic regions.	2.88	0.90
The number of employees in my business has grown in the last 3 years.	2.77	0.85
My business has increased its investment in assets or infrastructure.	2.93	0.90
The profitability of my business has improved compared to previous years.	2.95	0.76
My business has adopted new technologies or processes that have contributed to growth.	2.95	0.88
My business has seen an increase in customer demand or orders.	2.97	0.90
The overall financial health of my business has strengthened.	2.99	0.54
My business is on a path of sustainable growth.	2.92	0.74
Overall Mean	2.92	

Source : Survey Data (2025)

4.3.4 Overall Mean Values

Table (4.10) presents the overall mean values of the various factors contributing to the ease of doing business among food-producing SMEs in South Dagon Industrial Zone (2) and Dagon Seikkan Industrial Zones. The data reflects respondents' perceptions across key areas of ease of doing business and economic growth of SMEs. By examining these mean values, the analysis aims to highlight the strengths and challenges faced by SMEs in navigating the business environment, providing a comprehensive understanding of the barriers and opportunities that impact their operations.

Table (4.10) Overall Mean Values

Variables	Overall Mean
Perceived Ease of Starting a Business	3.45
Perceived Ease of Dealing with Construction Permits	3.50
Perceived Ease of Getting Electricity	3.36
Perceived Ease of Getting Credit	3.56
Perceived Ease of Paying Taxes	3.46
Perceived Ease of Trading Across Borders	2.28
Perceived Ease of Enforcing Contracts	3.16
Economic Growth of SMEs	2.92

Source : Survey Data (2025)

The perceived ease of starting a business scored 3.45, indicating that businesses experience moderate ease in starting operations. While the permit acquisition process and business registration are seen as relatively straightforward, challenges remain in terms of affordability, access to financial support, and clarity in the legal framework for new businesses.

The perceived ease of dealing with construction permits received a score of 3.50, reflecting a generally positive view of the process, indicating that businesses find it somewhat manageable, though certain bureaucratic challenges remain.

The perceived ease of getting electricity scored 3.36, suggesting that businesses find the process of obtaining electricity relatively manageable. However, the low mean value is more indicative of concerns regarding the unreliability of the electricity supply, rather than delays in service provision. This suggests that while electricity may be accessible, inconsistency in the supply could pose significant challenges for businesses.

The perceived ease of getting credit had a mean score of 3.56, suggesting that businesses generally find access to credit moderately accessible. While credit availability and lender willingness are relatively favorable, challenges remain in terms of obtaining credit efficiently, with some concerns about affordability and the adequacy of available credit.

The perceived ease of paying taxes scored 3.46, indicating that businesses generally perceive the tax system as moderately efficient and fair. While some aspects, such as tax filing methods and transparency, present challenges, the process is seen as relatively straightforward and free from significant delays.

The perceived ease of trading across borders received the overall mean score of 2.28 that reflects significant challenges businesses face in trading across international borders. This suggests that cross-border trading is perceived as difficult, with businesses encountering barriers such as complex procedures, high costs, and delays in customs processes.

When it comes to perceived ease of enforcing contracts, the overall mean score of 3.16 suggests that businesses generally perceive the process of enforcing contracts as moderately efficient and reliable. While there are some concerns regarding the cost and transparency of the legal system, businesses feel reasonably confident in resolving disputes and ensuring that contracts will be honored.

The economic growth of SMEs was rated at 2.92, indicating that while growth is present, this growth is neither uniform nor robust in every aspect. Many businesses encounter difficulties in increasing their workforce and maintaining long-term, sustainable progress.

4.3.5 Regression Analysis between Economic Growth of SMEs and its Independent Variables

Table 4.11 presents the results of a regression analysis examining the associations between economic growth of small and medium-sized enterprises (SMEs) and various predictors, based on a sample of 92 SMEs. The regression aims to identify how different factors impact economic growth, providing valuable insights for stakeholders in the SME sector.

The overall model indicates an R value of 0.385, suggesting a moderate correlation between the predictors and economic growth. The R Square value of 0.148 indicates that approximately 14.8% of the variance in economic growth can be explained by the model, while the Adjusted R Square value of 0.099 accounts for the number of predictors included, suggesting that other factors outside this model may also significantly influence economic growth.

Examining the individual predictors, the constant term is 1.915, representing the baseline economic growth when all predictors are held at zero. The perceived ease of starting a business shows an unstandardized coefficient of -0.118, with a 95% confidence interval (CI) ranging from -0.387 to 0.150. This indicates a negative relationship that is not statistically significant, suggesting that perceptions regarding the ease of starting a business may not play a critical role in influencing economic growth among SMEs.

The perceived ease of dealing with construction permits has an unstandardized coefficient of 0.291, with a 95% CI ranging from -0.003 to 0.585. While this positive coefficient suggests a potential beneficial impact on economic growth, the confidence interval includes zero, indicating that this relationship is not statistically significant at the conventional levels.

In contrast, the perceived ease of getting electricity shows a negative unstandardized coefficient of -0.178, with a 95% CI of -0.496 to 0.141. Similar to the previous predictors, this relationship is not statistically significant, implying that the ease of obtaining electricity does not have a definitive influence on economic growth.
The perceived ease of getting credit, however, presents a more compelling case, with an unstandardized coefficient of 0.327 and a 95% CI from 0.060 to 0.594, which is statistically significant at $p < 0.05$. This finding highlights the importance of access to credit as a key factor influencing economic growth. It suggests that SMEs that perceive it easier to obtain credit are likely to experience greater economic growth, emphasizing the critical role of financial resources in fostering business development.
Lastly, the perceived ease of paying taxes shows an unstandardized coefficient of -0.050, with a 95% CI of -0.300 to 0.200, indicating no significant relationship with economic growth.

In summary, the regression analysis indicates that while some predictors, such as the perceived ease of starting a business, dealing with construction permits, and paying taxes, do not show significant relationships with economic growth, access to credit emerges as a significant positive predictor. This underscores the necessity for policymakers and stakeholders to enhance access to credit for SMEs to facilitate their economic growth and development, while also recognizing that other factors may require further exploration to fully understand their impact on SME performance.

Table (4.11) Associations between Economic Growth of SMEsand its Predictors (n=92)

Predictors	Economic Growth of SMEs Unstandardized coefficient (b) (95% CI)
Constant	1.915
Perceived Ease of Starting a Business	-0.118 (-0.387, 0.150)
Perceived Ease of Dealing with Construction Permits	0.291 (-0.003, 0.585)
Perceived Ease of Getting Electricity	-0.178 (-0.496, 0.141)
Perceived Ease of Getting Credit	0.327 (0.060, 0.594)*
Perceived Ease of Paying Taxes	-0.050 (-0.300, 0.200)

R = 0.385, R Square = 0.148, Adjusted R Square = 0.099

(***=p < 0.001, **=p < 0.01, *=p <0.05), b = Unstandardized coefficient

4.3.6 Major Challenges for Doing Business of SMEs

The challenges faced by food-producing SMEs significantly impact their business operations. Understanding these challenges is crucial for identifying solutions that can enhance the efficiency and sustainability of food-producing SMEs in overcoming operational barriers.

Table (4.12) Major Challenges for Doing Business of Food-Producing SMEs

No	Challenges	Number of Respondents	Percentages
1	Unreliable electricity supply and frequent power outages	88	96%
2	Skilled labor shortage	51	55%
3	High electricity costs	24	26%
4	Complex regulatory and licensing requirements	20	22%
5	Delays and complexities in obtaining business approvals	17	18%
6	Difficulty accessing markets (domestic and international)	14	15%
7	High tax rates	10	11%
8	Lengthy or high costs of obtaining construction/renovation permits	7	8%
9	High collateral requirements and high interest rates on loan	5	5%

Source : Survey Data (2025)

Table (4.12) identifies the major challenges faced by SMEs. The most prominent concern, cited by 96% of participants, was the unreliable electricity supply and frequent power outages, which significantly disrupt business activities. Additionally, 55% cited a shortage of skilled labor, while 26% identified high electricity costs as a major constraint. Other notable challenges include complex regulatory and licensing requirements (22%), delays in obtaining business approvals (18%), and difficulties in accessing both domestic and international markets (15%). High tax rates, costly or lengthy construction permit processes, and stringent loan terms were also reported, though less frequently.

CHAPTER V
CONCLUSION

5.1 Findings

The survey was conducted with 92 respondents representing food-producing small and medium-sized enterprises (SMEs) in South Dagon Industrial Zone 2 and Dagon Seikkan Industrial Zone in Yangon. The demographic profile showed that 57% of respondents were male and 43% female. A significant portion (63%) were aged 36 and above, reflecting a relatively mature workforce. Regarding education, 67% were graduates, indicating that the majority of SME operators or managers are relatively well-educated.

Most respondents held managerial positions (64%), with the remainder being business owners. The majority (80%) operated under private ownership, and 68% financed their businesses using personal funds. Approximately 51% reported investments between 500 - 1000 lakhs kyats. Employment figures showed a range of business sizes, with 36% of enterprises employing 31–50 workers, indicating the prevalence of low-scale SMEs in food production sector. Additionally, 85% of businesses reported obtaining FDA approval, reflecting a notable compliance rate with regulatory standards.

Respondents rated the ease of starting a business moderately well (overall mean = 3.45). While the registration process was considered relatively efficient (mean = 3.99), areas such as legal clarity (mean = 3.21) and access to financial support (mean = 3.00) were perceived as neutral or slightly challenging. The construction permit process received a slightly higher mean score of 3.50. Most respondents agreed that requirements were clear (mean = 3.87), but fewer believed the process was fast (mean = 3.12), highlighting room for administrative improvements.

In terms of access to electricity, the process of application was viewed positively (mean = 4.03). However, the reliability of the electricity supply was a major concern (mean = 2.09), reflecting frequent power outages and inconsistent service. Although costs were generally considered manageable, the instability of electricity supply emerged as a critical issue for operational efficiency.

Access to credit showed one of the most favorable perceptions among all measured categories, with an overall mean of 3.56. Respondents found it relatively easy to access loans (mean = 3.93), and lenders were perceived as cooperative (mean = 3.77). However, the procedural aspects of credit access (mean = 3.18) and interest affordability (mean = 3.32) were rated less favorably.

The domain of tax payment received mixed feedback. The process itself was rated highly in terms of clarity (mean = 4.09), but only a small number of respondents could easily file taxes online (mean = 2.57), suggesting limitations in digital accessibility. Tax rates (mean = 3.34) and fairness (mean = 3.54) were considered moderate.

The survey revealed notably low scores for cross-border trade, with most indicators below 2.5. Respondents reported difficulties in export/import procedures, costs, and customs processes, with many indicating unfamiliarity or limited participation in international trade.

The contract enforcement process showed as moderately efficient, with an overall moderate mean of 3.16. While the legal process is seen as accessible (mean = 3.29), concerns about the reliability of the court system (mean = 3.07) and enforcement costs (mean = 3.08) persist. Despite this, businesses remain confident that contracts will be honored (mean = 3.09).

In terms of business growth, indicators such as revenue growth, employee expansion, and technology adoption all hovered around the neutral range (mean scores between 2.7 and 3.0), reflecting slow growth for many SMEs. The overall mean score for economic growth stood at 2.92.

Statistical analysis further revealed that only ease of getting credit was significantly correlated with SME growth ($\beta = 0.327$, $p < 0.05$), while other variables, including business registration, electricity access, and tax payment, showed no significant predictive value. This highlights the vital role of financial accessibility in driving SME expansion.

The survey also asked respondents to identify major challenges in doing business. The most frequently cited issue was unreliable electricity supply and frequent outages (98% of respondents), followed by shortage of skilled labor (55%)

and high electricity costs (26%). Administrative burdens such as regulatory complexity (22%) and approval delays (18%) also emerged as notable constraints.

The survey findings provide a comprehensive view of the current business environment for food-producing SMEs in industrial zones in Dagon Myo Thit. While some operational domains, such as business registration and access to credit, are relatively well-developed, major bottlenecks—especially in electricity supply, limited digital accessibility for tax filing and labor availability—remain significant challenges. Addressing these challenges through infrastructure development, streamlined administrative systems, and expanded financial support could significantly enhance the ease of doing business in this sector.

5.2 Suggestions

The survey results highlight several areas where targeted interventions could improve the ease of doing business for food-producing SMEs in Yangon's industrial zones. Access to credit emerged as a significant factor influencing SME growth, improving access to financial support should be prioritized. While many respondents found it relatively easy to approach financial institutions, they also expressed concerns about complex procedures and high interest rates. Financial institutions should simplify loan application processes, offer SME-focused financial products, and lower collateral requirements. Government-backed credit guarantee schemes could also support this effort.

Enhancing the reliability of electricity supply is critical. Despite a positive perception of the application process, the low score for supply reliability (mean = 2.09) indicates significant challenges. Government investments in infrastructure to ensure more stable and consistent electricity provision would have a direct positive impact on the operational efficiency of SMEs.

The process of registering a business could be further streamlined. Although the registration process itself was seen as efficient, enhancing legal clarity and simplifying bureaucratic steps would encourage more entrepreneurs to formalize their businesses, fostering a healthier SME ecosystem.

Improving the ease of cross-border trade and customs procedures is essential. Given the low ratings in this area, policymakers should focus on reducing trade barriers, simplifying export/import procedures, and providing better support for international market entry. These efforts will support SMEs in expanding beyond local markets and driving sustainable growth.

To improve the construction permit process, streamlining the application timeline and reducing delays would enhance business efficiency. For tax payments, increasing digital accessibility for online filing and ensuring more businesses can easily access e-filing systems would improve the overall process. Regarding contract enforcement, strengthening the reliability and transparency of the court system and reducing enforcement costs would build more confidence among SMEs and ensure smoother legal operations.

Additionally, reducing electricity costs, and providing training for business management, skilled labor and lowering permit and licensing costs are vital for supporting growth and reduce regulatory burdens for food-producing SMEs.

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APPENDIX

QUESTIONNAIRES

"Analysis of Ease of Doing Business for Food Producing SMEs in Yangon (Case Study of Food Producing SMEs in Industrial Zones in Dagon Myothit District)"

Section 1: Demographic Background

(1) Gender

☐ Male ☐ Female

(2) Age

Under 25

26-35

36-45

46-55

56 and above

(3) Educational qualification

High School

High School Graduate

Graduate

Master and above

(4) Position of Respondent

☐ Owner ☐ Manager

(5) Type of business

Milk and Dairy products

Spices and Sauces

Cereal and Grain Processing (eg, Rice milling, flour processing)

Meat and Poultry Processing

Fishery Products

Oil processing

Noodles (Dry or Fresh)

Instant Noodles

Snacks

Backery and Confectionery

Other (Please specify) ____________________________________

(7) Type of Ownership

☐ Private ☐ Joint Venture ☐ Other

(8) Year of Establishment ----------------------

(9) Type of Investment

Own

Own + Private Bank Loan

Own + Government Loan

(10) Amount of Investment

Less than 50 Lakhs

50 Lakhs – 500 Lakhs

500 Lakhs – 1000 Lakhs

Above 1000 Lakhs

(11) Number of Employee

1-10

11-30

31-50

51-100

101-200

201-300

(9) Manufactured food Are its FDA approved?

☐ Received ☐ Not available ☐ Still in progress

Section 2: Business Environment Assessment

Please provide your opinion for the following statements on a scale ranging from (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

1. **Perceived Ease of Starting a Business**

No	Statements	1	2	3	4	5
(a)	It is easy to obtain the necessary permits and licenses to start a business.					
(b)	The legal and regulatory framework for starting a business is clear and simple.					
(c)	The cost of starting a business is affordable and manageable.					
(d)	There is easy access to financial support (e.g., loans, grants, investors) for new businesses.					
(e)	The process of registering a business is quick and efficient.					

2. Perceived Ease of Dealing with Construction Permits

No	Statements	1	2	3	4	5
(a)	Obtaining construction permits for my business is a quick process.					
(b)	The requirements for construction permits are clear and easy to understand.					
(c)	The cost of obtaining a construction permit is reasonable.					
(d)	The government authorities are responsive when applying for construction permits.					
(e)	The process for obtaining a construction permit is not overly complicated.					

3. Perceived Ease of Getting Electricity

No	Statements	1	2	3	4	5
(a)	The process of applying for electricity is straightforward.					
(b)	The time taken to get electricity supply is reasonable.					
(c)	The cost of getting electricity connected is affordable for my business.					
(d)	The electricity supply is reliable and consistent for my business needs.					
(e)	I find the customer service when dealing with electricity-related issues helpful and responsive.					
(f)	The cost of getting electricity service is reasonable and affordable.					

4. Perceived Ease of Getting Credit

No	Statements	1	2	3	4	5
(a)	I find it easy to access credit from financial institutions.					
(b)	The procedures for obtaining credit are straightforward and not time-consuming.					
(c)	Lenders are readily willing to offer credit to my business.					
(d)	The interest rates on credit are affordable for my business.					
(e)	The amount of credit available is sufficient for my business needs.					

5. Perceived Ease of Paying Taxes

No	Statements	1	2	3	4	5
(a)	The tax payment process is straightforward and easy to understand.					
(b)	I can easily file taxes online or through accessible methods.					
(c)	The tax rates are reasonable for my business.					
(d)	There are no significant delays or complications in paying taxes.					
(e)	The tax system is fair and transparent.					

6. Perceived Ease of Trading Across Borders

No	Statements	1	2	3	4	5
(a)	I find it easy to trade across international borders.					
(b)	The procedures for cross-border trading are simple and efficient.					
(c)	There are no significant barriers to exporting/importing goods.					
(d)	The costs of trading across borders are reasonable.					
(e)	Customs procedures do not delay my international transactions.					

7. **Perceived Ease of Enforcing Contracts**

No	Statements	1	2	3	4	5
(a)	The legal process for enforcing contracts is simple and efficient.					
(b)	I can easily resolve disputes with suppliers or customers through legal means.					
(c)	The cost of enforcing contracts is reasonable for my business.					
(d)	The court system is reliable and transparent when enforcing contracts.					
(e)	I feel confident that my business's contracts will be honored in case of disputes.					

Section 3: Economic Growth of SMEs

Please provide your opinion for the following statements on a scale ranging from (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree).

NO	Statements	1	2	3	4	5
(a)	My business has experienced consistent revenue growth over the last 3 years.					
(b)	The market share of my business has increased significantly.					
(c)	My business has expanded into new markets or geographic regions.					
(d)	The number of employees in my business has grown in the past 3 year.					
(e)	My business has increased its investment in assets or infrastructure.					
(f)	The profitability of my business has improved compared to previous years.					
(g)	My business has adopted new technologies or processes that have contributed to growth.					
(h)	My business has seen an increase in customer demand or orders.					
(i)	The overall financial health of my business has strengthened.					
(j)	My business is on a path of sustainable growth.					

Section 4: Challenges Faced by Food SMEs

What are your biggest challenges for doing of your business? *(Check all that apply)*

High collateral requirements and high interest rates on loan

Complex regulatory and licensing requirements

High electricity costs

Unreliable electricity supply and frequent power outages

Difficulty accessing markets (domestic and international)

Lengthy or high costs of obtaining construction/renovation permits

High tax rates

Skilled labor shortage

Delays and complexities in obtaining business approvals

Others (Please specify)__________

******Thank you******