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Abstract

The recent change in Myanmar government, has open up many doors for the future, however the country is one of the poorest in South East Asia. Over 80% of the poverty incidence is concentrated in the rural areas. There are two main key issues that contribute to the rural poverty. The first is the unskilled labour are subject to uneven wages or low salaries and second the poor infrastructure which lacks access to particularly land. Over 50% of the agricultural population are landless. The high human concentration and low financial returns creates a low access to resource/ capital in the rural areas, this helps to maintain the current rural poverty concentration. The demand for the micro-finance loans is greater than its supply; some source believes the demand is four times than the supply in the country.

The population is young and lack education and other skills. A large number of people in Myanmar are traveling overseas for work, as the salaries and wage offers are more abroad. The number of increase micro-finance businesses is a good sign, but the firm's take the risk as the people may not be able to return the loans on time and other factors those might affect the profit making.

The primary objective of this research is to explore factors affect the demand and supply of Microfinance loans and saving, how the micro-loans and micro-saving (the components of MF) opportunities affect the demand of Microfinance Institutions in Kamayut, Myanmar. This research can be targeted towards people who are 18 years old or more, who have or have not past experiences with Microfinance, want to save or loan money in Kamayut.

By using quantity method in this research the target sample size 397 people in Kamayut area, there were 390 respondents were completed the survey and 7 respondents were incomplete. Most of the respondents were female, as they covers over 67.7 % and they were 264 females responding altogether and 126 respondents were male which counts for 32.3%. The majority of the respondents are in the age's group of 28-31 and 32-35 which counts for 230 respondents. Majority of the respondent selected the income level of 100,000-130,000 and 140,000-170,000 which counts for 237 respondents. Majority of the respondents selected the lower than diploma/college option, which represents 147 respondents, which counts for 37.8%.

Keyword: demand, supply, microfinance, micro-loan, micro-saving.