



MSMES AND INCLUSIVE GROWTH IN THE MEKONG REGION: CHALLENGES AND IN STRUCTURAL TRANSFORMATION

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START SLIDE NOW



PRESENTATION CONTENT

PROJECT INTRODUCTION

MSMEs in Cambodia

MSMEs in Laos

MSMEs in Myanmar

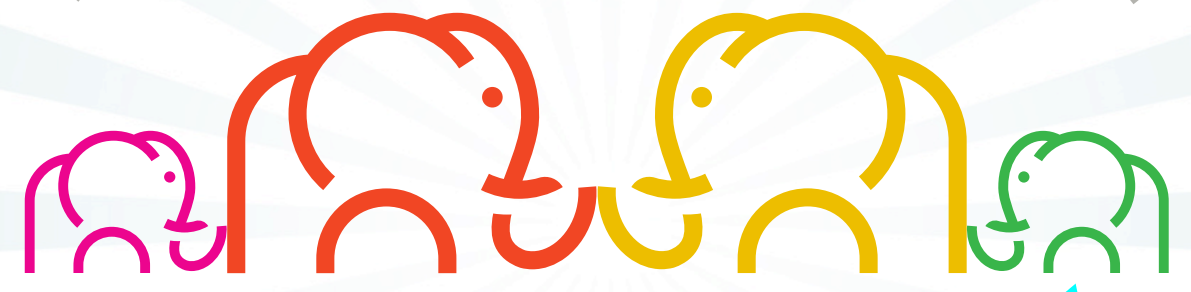
MSMEs in Vietnam

COMPARATIVE ANALYSIS & RECOMMENDATIONS

NETWORKING IN CLMV



MLC - MSME



PROJECT INTRODUCTION



**Lancang-Mekong
Cooperation Special Fund**



**ASEAN Economic Research Center
ASEANERC**



**MLC-MSME RECOVERY NETWORK POST COVID-19: YEAR 1 REPORT
BY ASSOC. PROF. DR. NISIT PANTHAMIT
ASEAN ECONOMIC RESEARCH CENTER, CHIANG MAI UNIVERSITY**

PROJECT OVERVIEW

- DURATION: 3-YEAR PROJECT (2024-2027)
- FOCUS: POST-PANDEMIC RECOVERY OF MSMEs IN CLMV COUNTRIES
- FUNDED BY: LANCANG-MEKONG COOPERATION SPECIAL FUND
- GEOGRAPHIC SCOPE: CAMBODIA, LAOS, MYANMAR, VIETNAM, THAILAND, CHINA

RESEARCH OBJECTIVES

- STUDY MSME CHALLENGES BEFORE AND AFTER COVID-19
- EXPLORE STRENGTHENING OPPORTUNITIES THROUGH CHINESE E-COMMERCE CONCEPTS
- PROPOSE INTEGRATED POLICIES FOR SUSTAINABLE MSME DEVELOPMENT

METHODOLOGY & DATA COLLECTION

- 502 MSME SURVEY RESPONSES ACROSS 5 COUNTRIES
- FOUR-PHASE RESEARCH APPROACH
- FIELD VISITS AND STAKEHOLDER INTERVIEWS
- COMPREHENSIVE BASELINE ESTABLISHMENT

EXPECTED OUTCOMES

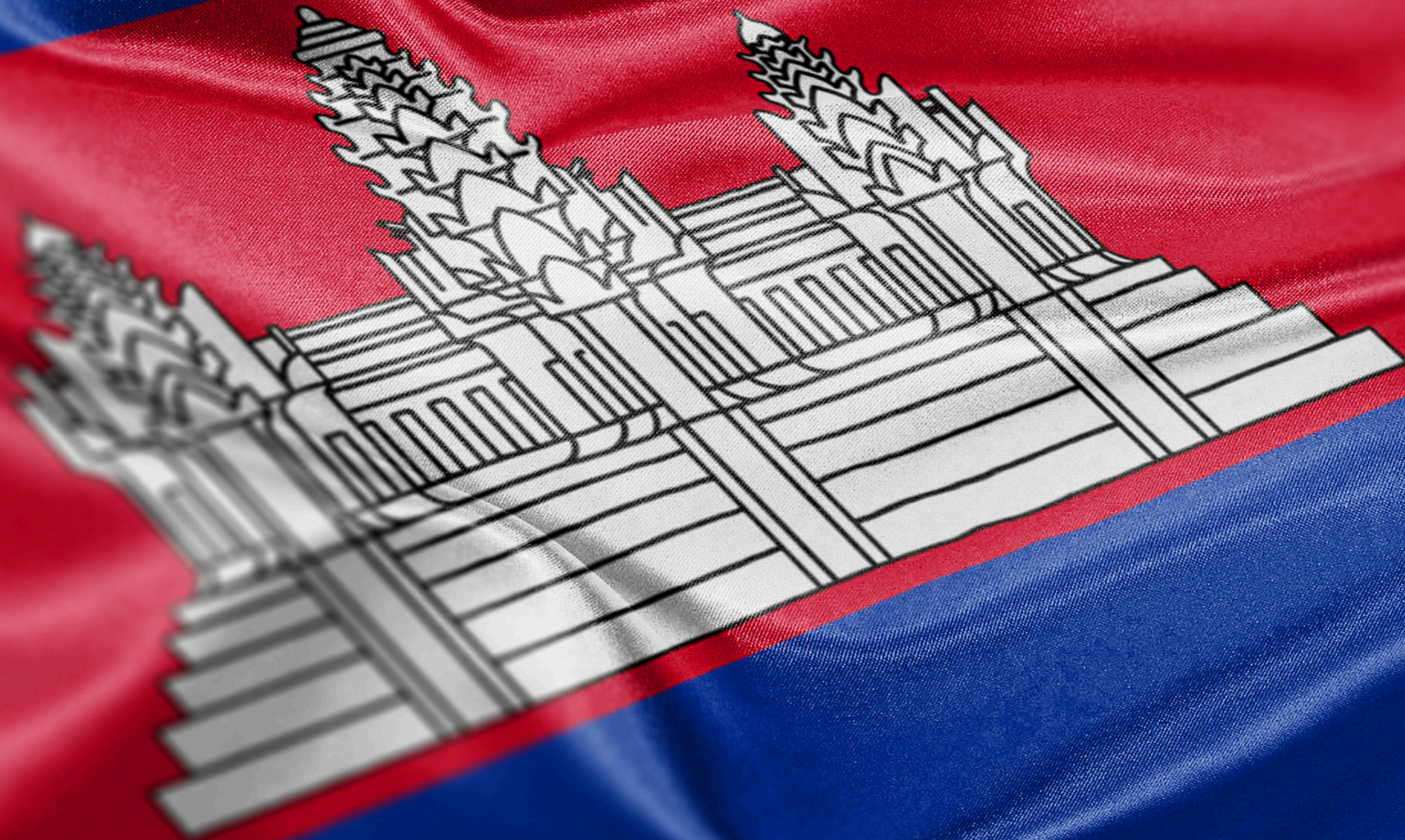
- ANALYSIS OF MSME CHALLENGES ACROSS CLMV REGION
- ECONOMIC PLATFORM DEVELOPMENT RECOMMENDATIONS
- POLICY FRAMEWORKS FOR PUBLIC-PRIVATE COOPERATION

THEORETICAL FRAMEWORK

- ECONOMIC RESILIENCE THEORY
- GLOBAL VALUE CHAIN THEORY
- DIGITAL TRANSFORMATION CONCEPTS
- PUBLIC-PRIVATE PARTNERSHIP MODELS



MSMES IN CAMBODIA



CAMBODIA ECONOMIC CONTEXT



GDP GROWTH: 7.9% (PRE-PANDEMIC)



INDUSTRIAL SECTOR
GROWTH: 22% TO 41% OF
GDP (2000-2022)

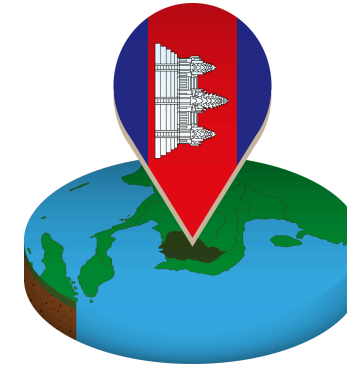


AGRICULTURAL SECTOR
DECLINE: 35% TO 16.5% OF
GDP



MSMES: 99% OF ALL
BUSINESSES, 58% OF GDP

CAMBODIA MSME CHARACTERISTICS



88% CONCENTRATED IN
PHNOM PENH



84% MICRO ENTERPRISES,
14% SMALL ENTERPRISES

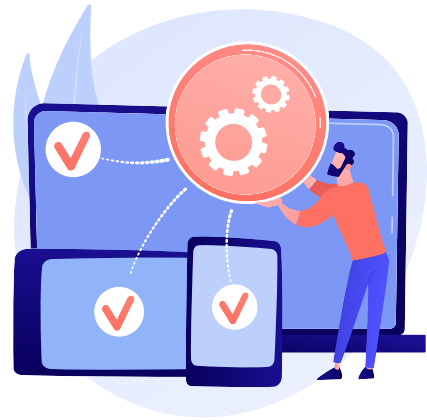


INDIVIDUAL BUSINESS
MODEL DOMINANT (58%)



FOOD & BEVERAGE AND
FASHION SECTORS LEADING

CAMBODIA'S DIGITAL LEADERSHIP



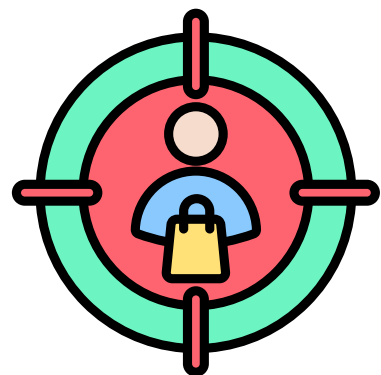
54% USE ONLINE SALES PLATFORMS (HIGHEST IN CLMV)



58% UTILIZE ONLINE MEDIA FOR MARKETING



STRONG BEHAVIORAL MARKET SEGMENTATION (31%)



REGULAR CUSTOMERS AS PRIMARY MARKET (44%)

CAMBODIA'S FINANCIAL PREPAREDNESS



100% HAVE EMERGENCY FINANCIAL PLANS (UNIQUE ACHIEVEMENT)



81% REPORT FINANCIAL PERFORMANCE TO STAKEHOLDERS

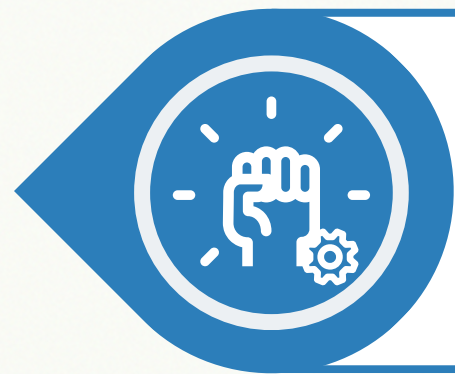


85% HAVE BUSINESS EXPANSION PLANS



RAW MATERIALS AND LABOR AS MAIN EXPENSES (36% EACH)

CAMBODIA KEY CHALLENGES & STRENGTHS



Strengths

Financial preparedness, digital adoption, growth mindset



Challenges

Geographic concentration, technology limitations, skills gaps



Government support needs

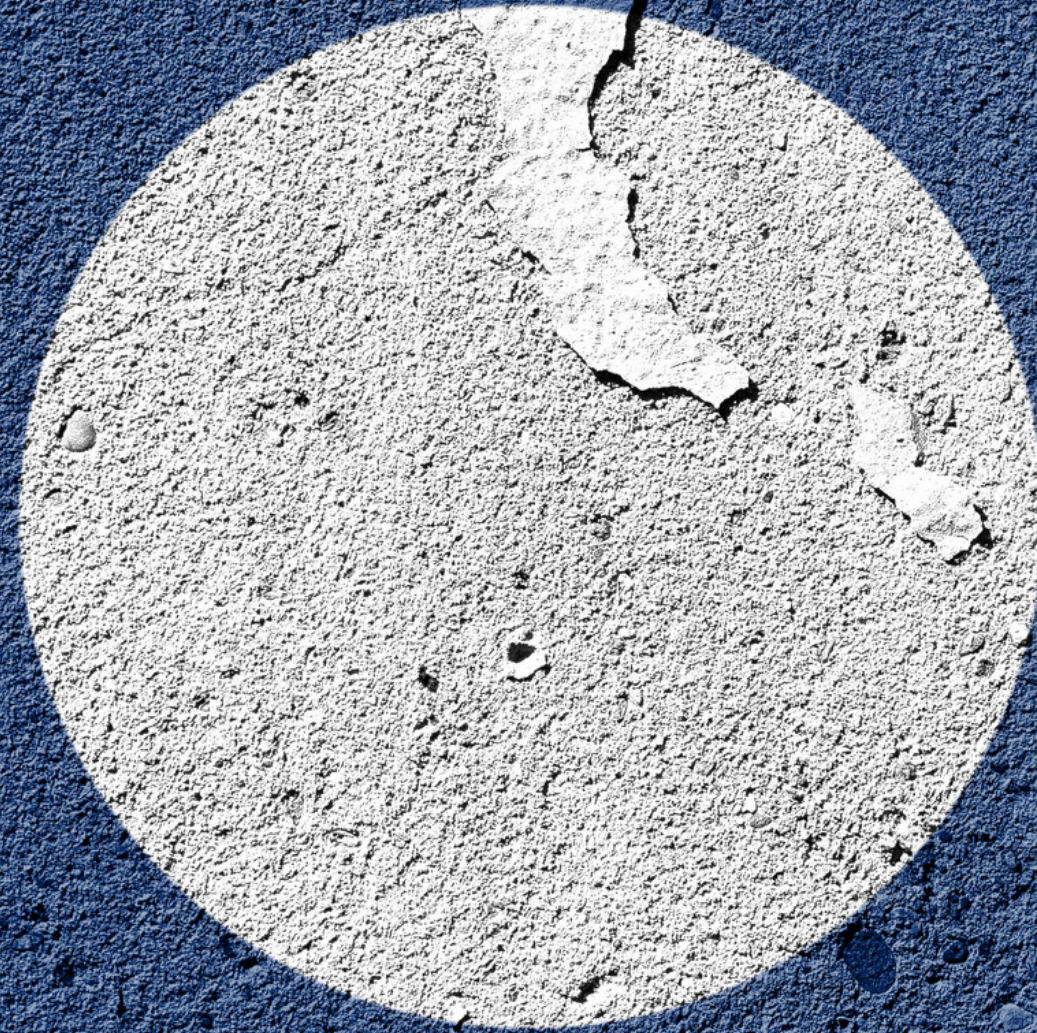
Business-labor interaction centers (44%)







MSMES IN LAOS



Laos Economic Context

Landlocked

Landlocked economy with 7.5 million population

Economic reform

Economic reform since 1986 toward market economy

01.



02.



04.



03.



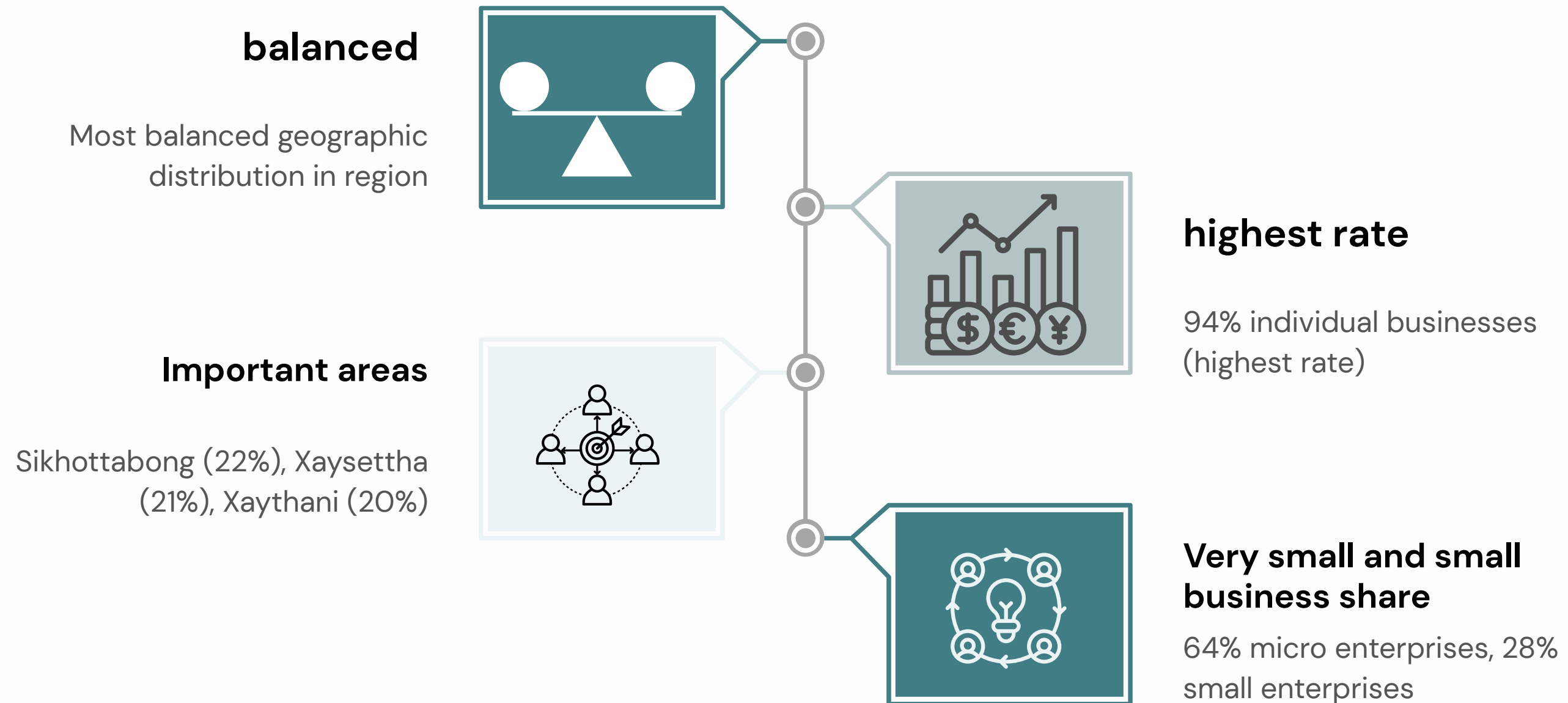
COVID-19 impact

COVID-19 impact: Growth declined to 2.0% in 2020

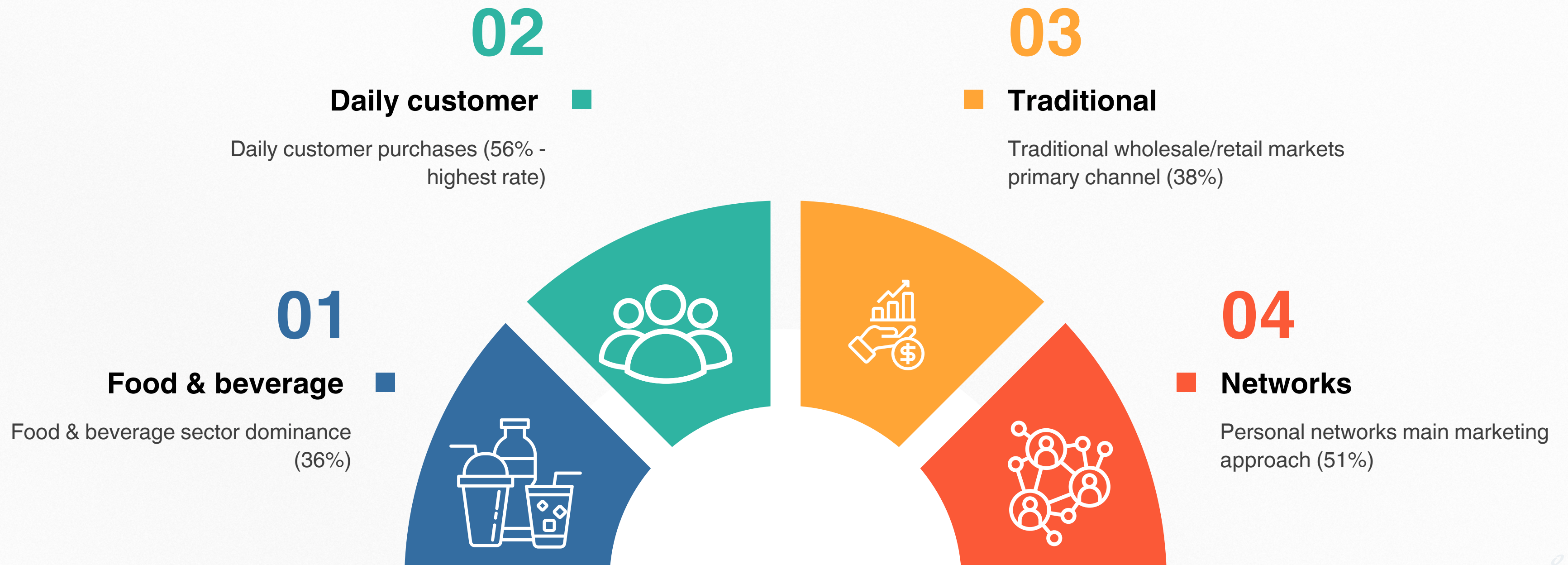
MSMEs

MSMEs: 99% of all businesses, mostly informal sector

Laos MSME Distribution



Laos Market Characteristics



Laos Financial Management

01



Revenue range: 2-500 million LAK

Raw materials main expense (38%)



02

03



73% have expansion plans

Low emergency planning (53%) and reporting (8%)



04

Laos Strengths & Development Needs



Strengths

Balanced distribution,
customer loyalty, daily
engagement



Challenges

Low financial
transparency, limited
crisis preparedness



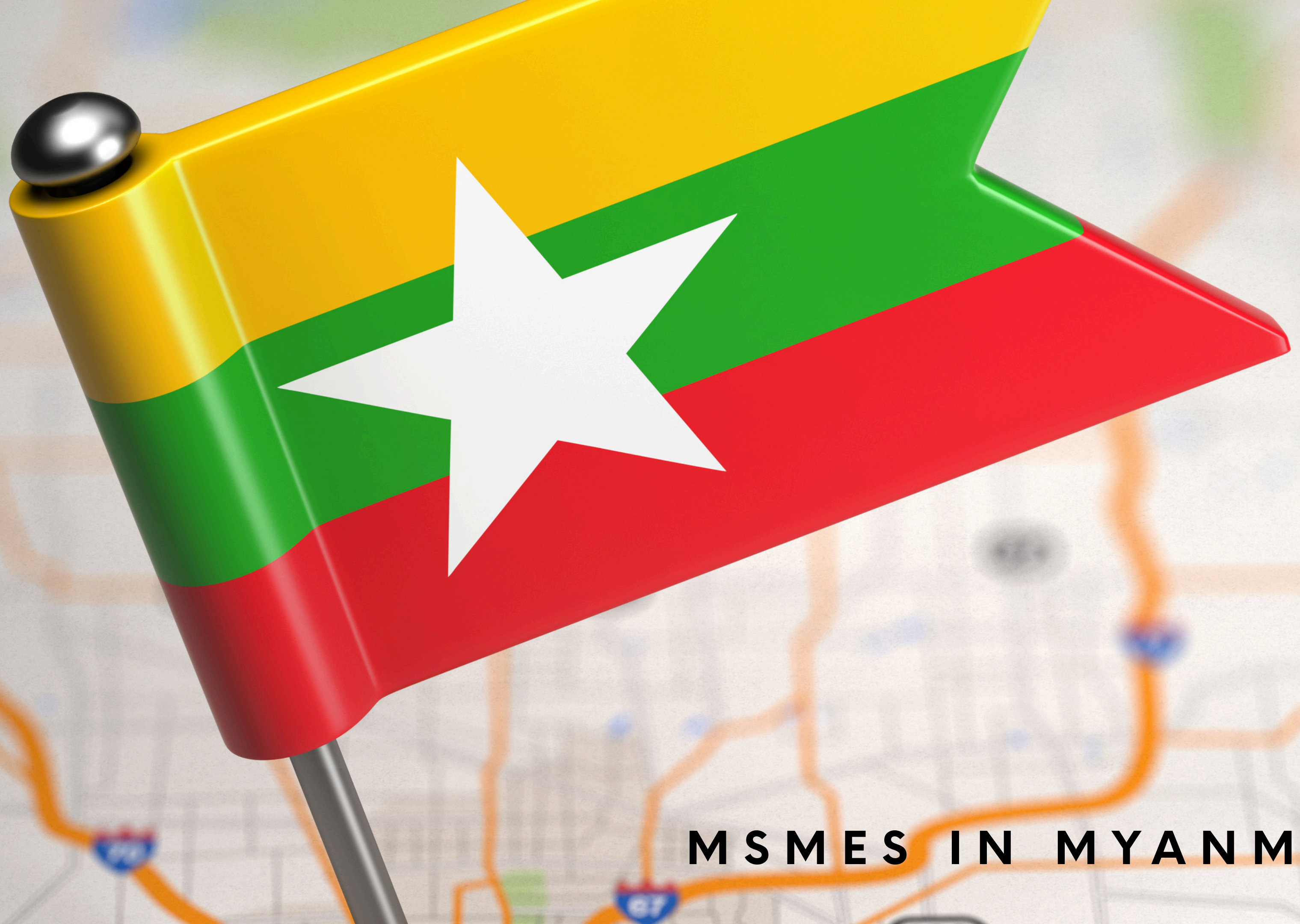
Government support priority

Skill development
(27%)









M S M E S I N M Y A N M A R

Myanmar Economic Context

✓ 90% businesses concentrated in Yangon

✓ Political and economic challenges post-2021



✓ GDP growth volatility: 6% (2019) to negative post-coup

✓ MSMEs: 94% of businesses, 50% of GDP, 70% of non-agricultural employment

Myanmar MSME Structure

01 66% individual businesses

02 73% micro enterprises, 18% small enterprises



03 Food & beverage leading sector (29%)

04 Employee range: 1-60 workers

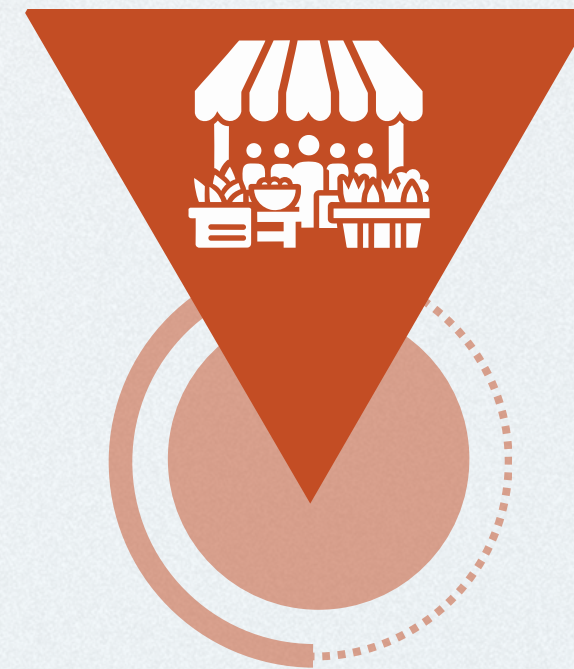
Myanmar Marketing Excellence



**Behavioral market
segmentation leader
(72%)**



**Strong personal
networks (49% for
marketing)**

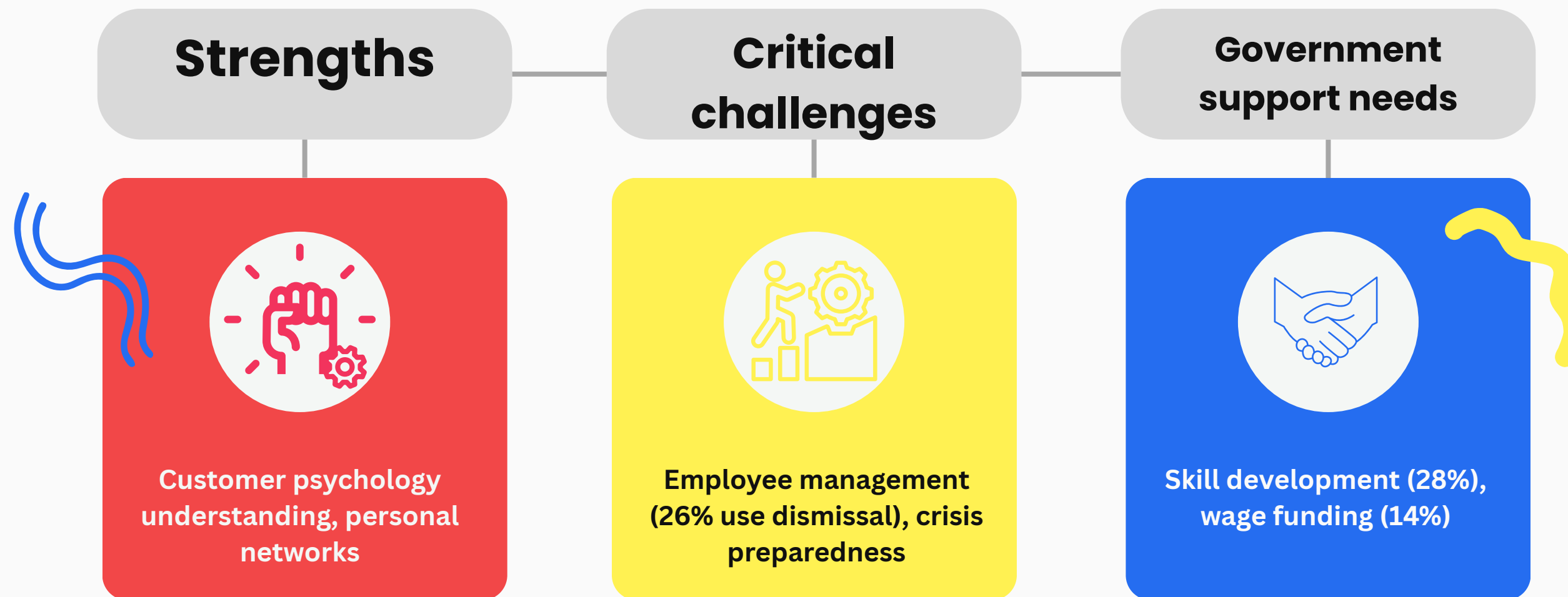


**Traditional
wholesale/retail
markets (41%)**



**Retail customers
primary focus (39%)**

Myanmar Critical Issues







The background of the image is the flag of Vietnam, which consists of a solid red field with a large, five-pointed yellow star in the center. The flag is shown with a slight texture and some folds, giving it a three-dimensional appearance. The yellow star is positioned in the upper-middle part of the frame.

MSMES IN VIETNAM

Vietnam Economic Context



STEP 1

- Largest sample size (106 businesses, 21%)



STEP 2

- 80% concentrated in Ho Chi Minh City



STEP 3

- Most mature economic structure in region



STEP 4

- Strong FDI integration and B2B focus

Vietnam Business Sophistication



Only country where
partnerships
dominate (54%)



Best size distribution:
43% small, 34%
micro, 23% medium



Largest
businesses: up
to 7,000
employees



Commerce,
agribusiness,
industrial
materials leading

Vietnam Market Leadership

B2B focus
46% serve business/corporate customers

Sophisticated market segmentation
•demographic (23%)



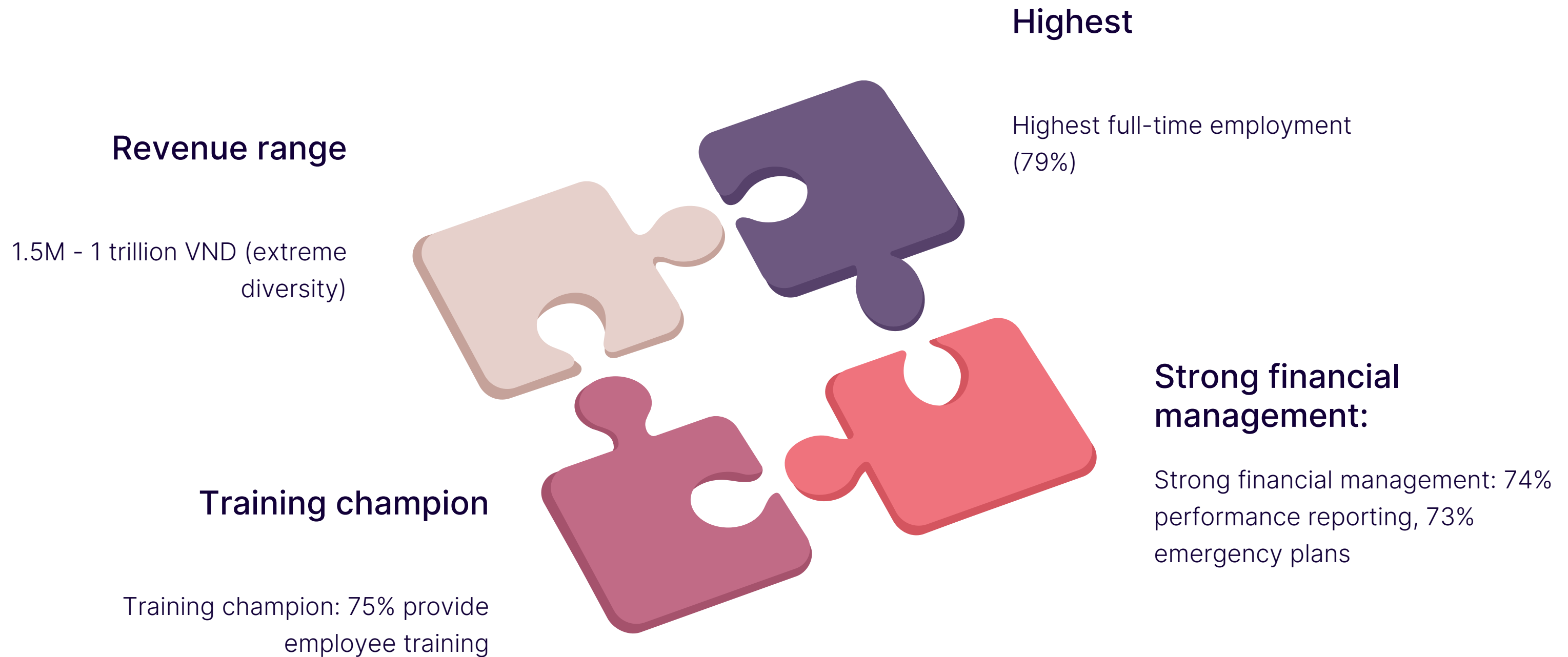
Hybrid sales channels

36% online, 34% traditional markets

Balanced marketing

personal networks (37%) + online (23%)

Vietnam Management Excellence



Vietnam as Regional Model



Strengths

- Strengths: Comprehensive HR practices, financial transparency, growth orientation
- 71% expansion plans with strong preparation



Challenges

Income inequality between large and small enterprises



Government support needs

Wage funding (43%), skill development (29%)





Comparative Analysis & Recommendation



Regional Digital Divide



Digital leaders

China (66%), Cambodia (54%)



Hybrid approach

Vietnam (balanced online/offline)



Traditional reliance

Myanmar (41% traditional markets), Laos (40% diverse)

FINANCIAL PREPAREDNESS GAP



Well-prepared

•Cambodia (100%), Vietnam (77%)



Risk group

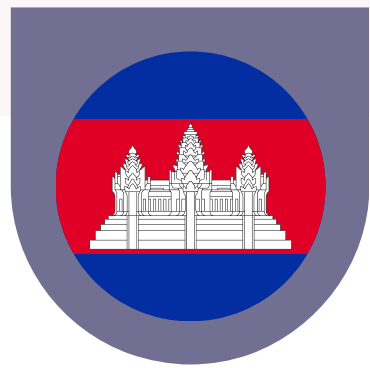
Myanmar (38%), Laos (53%)



China contradiction

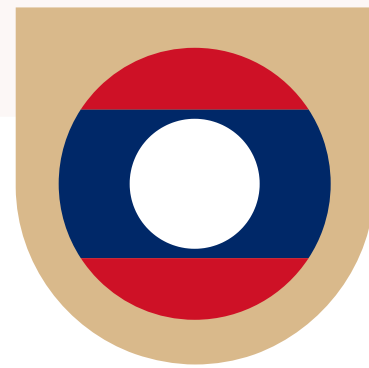
Advanced economy but low preparedness (49%)

COUNTRY SPECIALIZATIONS



Cambodia

"The Preparedness Expert" - Financial planning leader



Laos

"Master of Balance" - Geographic distribution model



Myanmar

"Network Builder" - Customer psychology expertise



Vietnam

"Management Leadership" - Comprehensive business practices

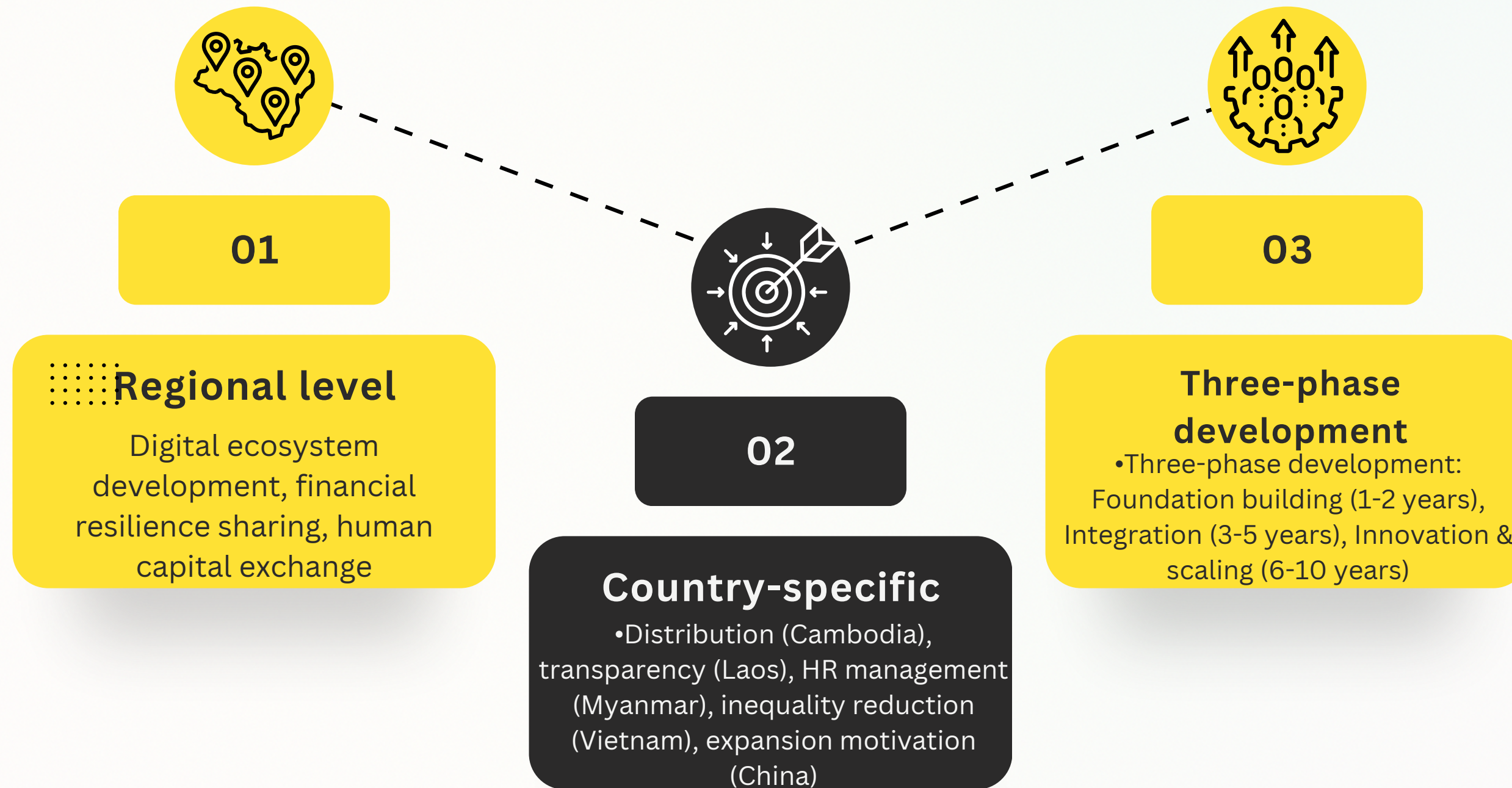


China

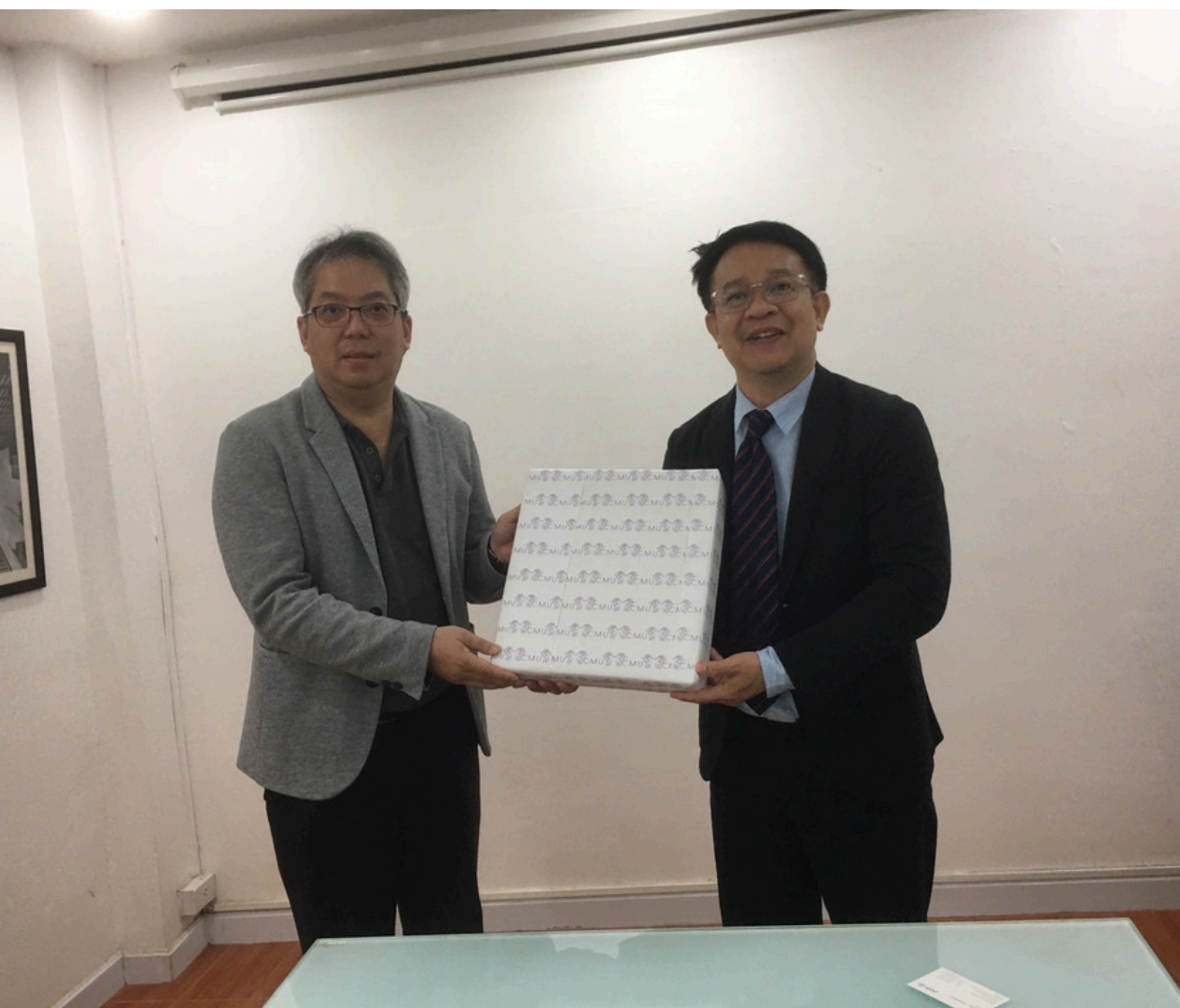
"Digital King" - Technology adoption leader



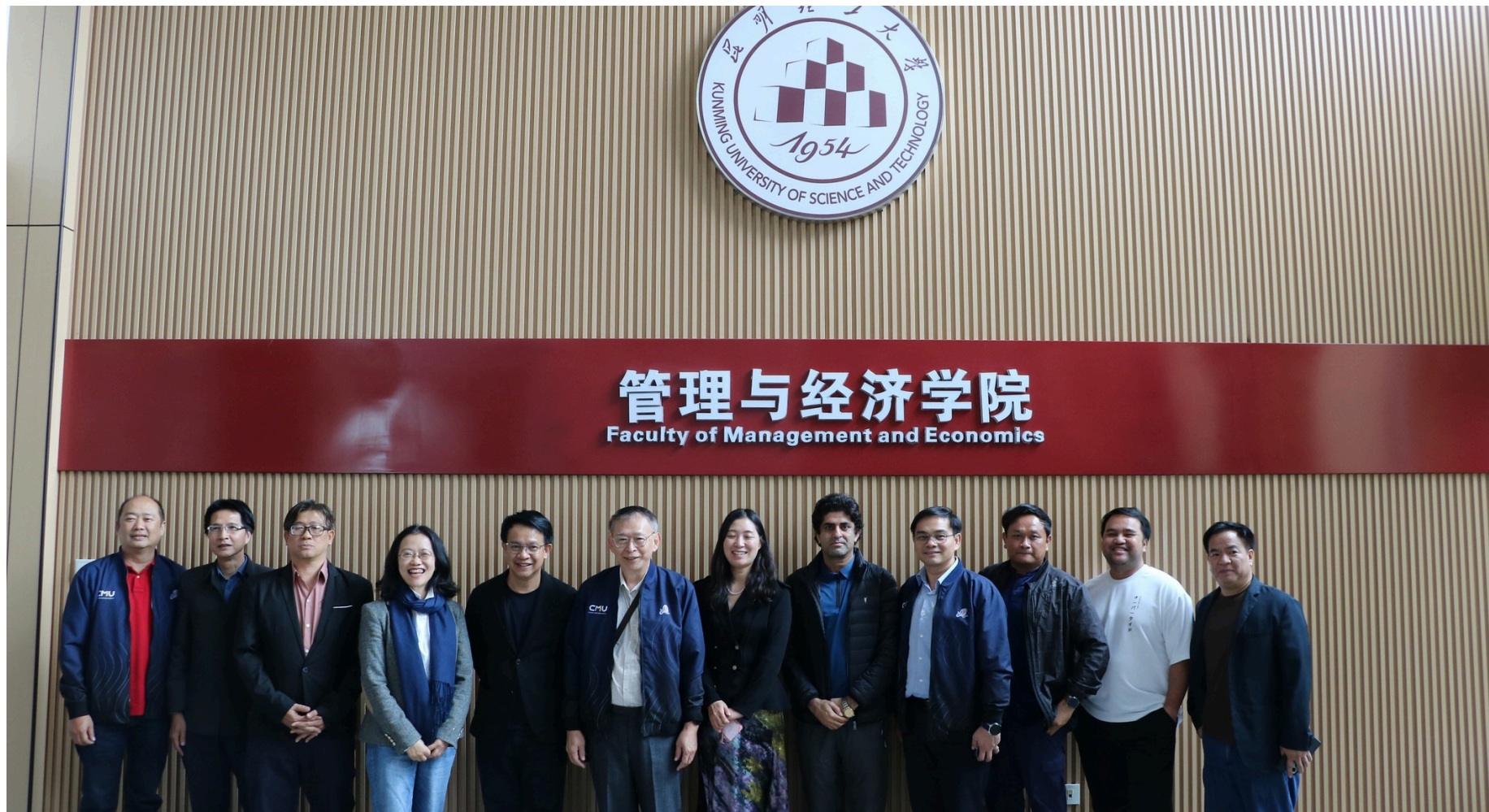
POLICY RECOMMENDATIONS













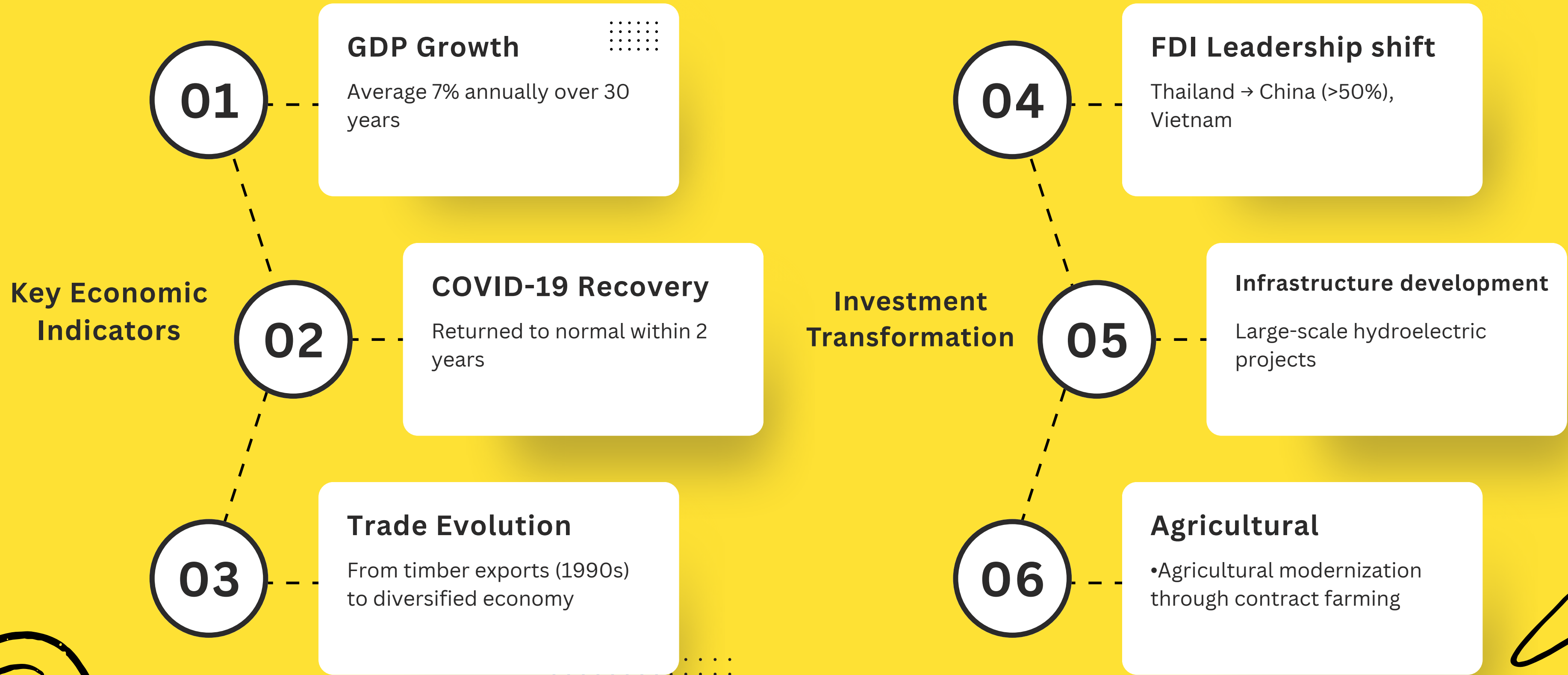


A woman in a grey vest and glasses stands at the front of a room, holding a microphone and addressing a group of people seated in a circle. The room has large windows and a modern, industrial feel. The text "Training and Workshop on MLC-MSME Recovery Network Post COVID-19" is overlaid in large, bold, black letters across the center of the image.

Training and Workshop on MLC-MSME Recovery Network Post COVID-19

LAOS ECONOMIC RECOVERY OVERVIEW

RESILIENT GROWTH PATTERNS



LAOS INFRASTRUCTURE REVOLUTION FROM "LAND-LOCKED" TO "LAND-LINKED" TRANSPORTATION BREAKTHROUGH:

01

Lao-China Railway Impact

Vientiane-Luang Prabang journey reduced
from 1 day to 2 hours



Service Growth

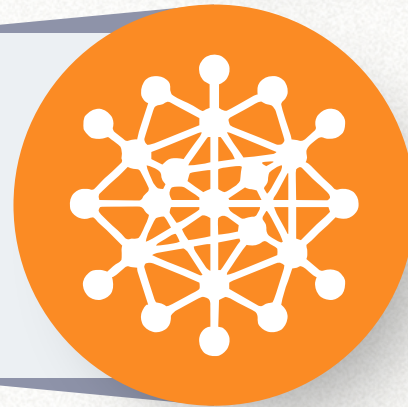
•Daily trips increased from 2 to 14 per day

02

03

Regional Connectivity

4-hour access to Chinese border



Vertical Corridor

China → Laos → Thailand → Malaysia

04

05

Horizontal Corridor

Myanmar → Thailand → Laos → China



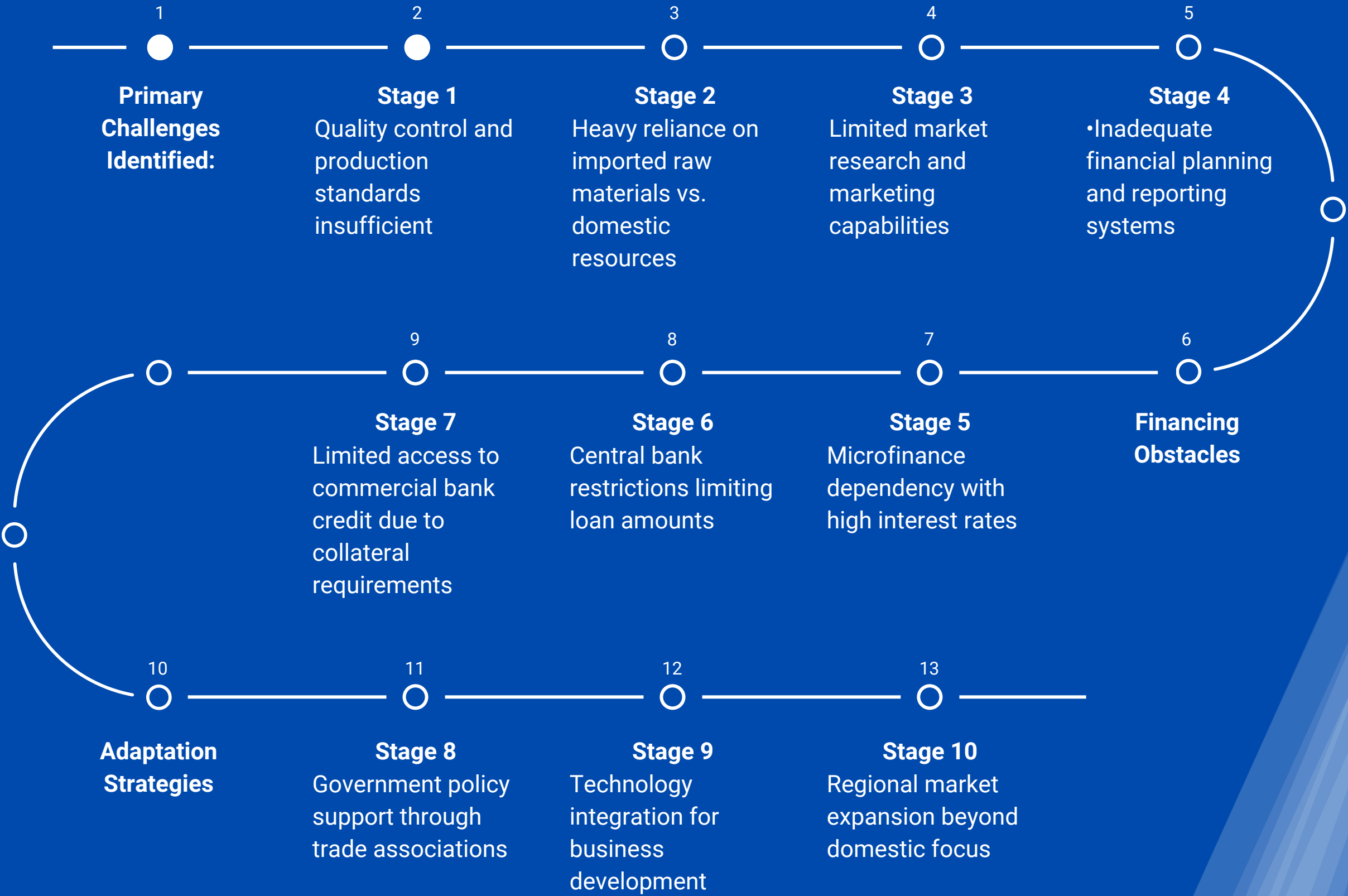
Transit Hub

Facilitating Vietnam-China trade through
preferential tax routes

06

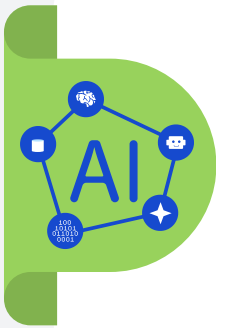
LAOS MSME CHALLENGES & SOLUTIONS

POST-COVID BUSINESS ADAPTATION

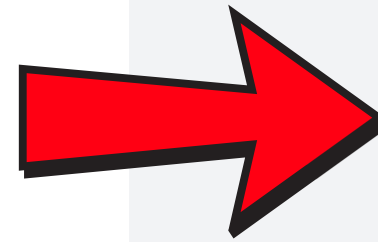


Laos AI & Technology Integration

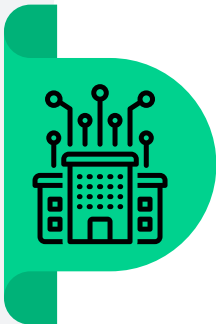
Digital Transformation Opportunities



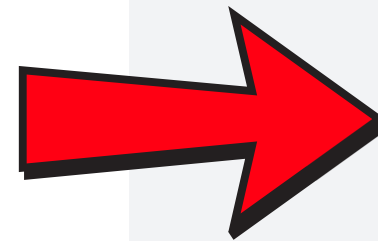
AI Applications for MSMEs:



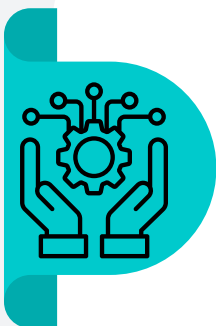
- Data Analysis: Converting business data into actionable insights
- Market Intelligence: Economic activity mapping through electricity usage patterns
- Automation Potential: Robot-assisted manufacturing in strategic locations



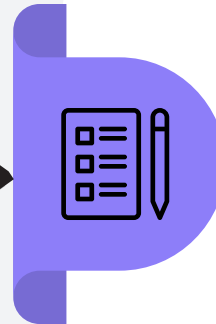
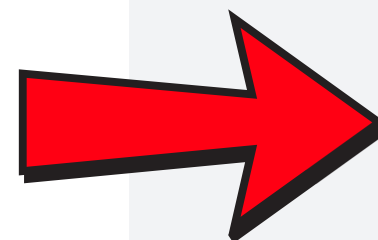
Infrastructure Advantages



- Abundant water and electricity resources for tech development
- Strategic location for automated manufacturing and distribution
- Government support for digital business registration



Regional Technology Adoption:



- Cross-border payment systems development
- E-commerce platform integration
- Digital supply chain management

Laos Regional Cooperation Framework

CLMV Integration Opportunities



- Chamber of Commerce elevation to Prime Minister's Office
- One-Stop Service implementation
- Streamlined business registration processes

Institutional Reforms (2025)



- Chokechai Network: 20+ affiliated companies, 20-year operation milestone
- Market Diversification: Expanding from China-Thailand to Myanmar-Vietnam partnerships
- Cross-border Synergies: Northern Vietnam-Northern Laos-Northern Myanmar corridor development

Trade Facilitation



- CLMV+C+T business networking website
- AI-powered business assessment tools
- Automated partner matching systems

Platform Development

MYANMAR POST-COVID INNOVATION & ADAPTATION

CRISIS-DRIVEN BUSINESS TRANSFORMATION



Challenges Overcome

- Limited cross-border mobility and trade restrictions
- Reduced demand for non-essential goods
- Tourism sector collapse and economic stagnation
- Political instability and natural disasters



Innovation Responses

- E-commerce Adoption: Social media marketing and 24/7 online sales
- Digital Payments: Cross-border money transfer capabilities
- New Business Models: Solar power solutions addressing electricity shortages
- Tax Incentives: Government reduction to 1% annual corporate tax



Government Support Initiatives

- Business networking events in Naypyidaw
- Direct commercial attaché access
- E-commerce business registration promotion

MYANMAR OPERATIONAL CHALLENGES & SOLUTIONS PRACTICAL BUSINESS NAVIGATION



Regulatory Compliance

- Currency Exchange Rules: 65% government rate, 35% market rate requirement
- Documentation: Border-specific procedures and agent networks
- Quality Standards: Country-specific product certification requirements



Logistics Optimization

- Route Diversification: Multiple border crossing options
- Warehouse Strategy: Border storage facilities for cost reduction
- Transportation Modes: Road, rail, sea, and air freight coordination

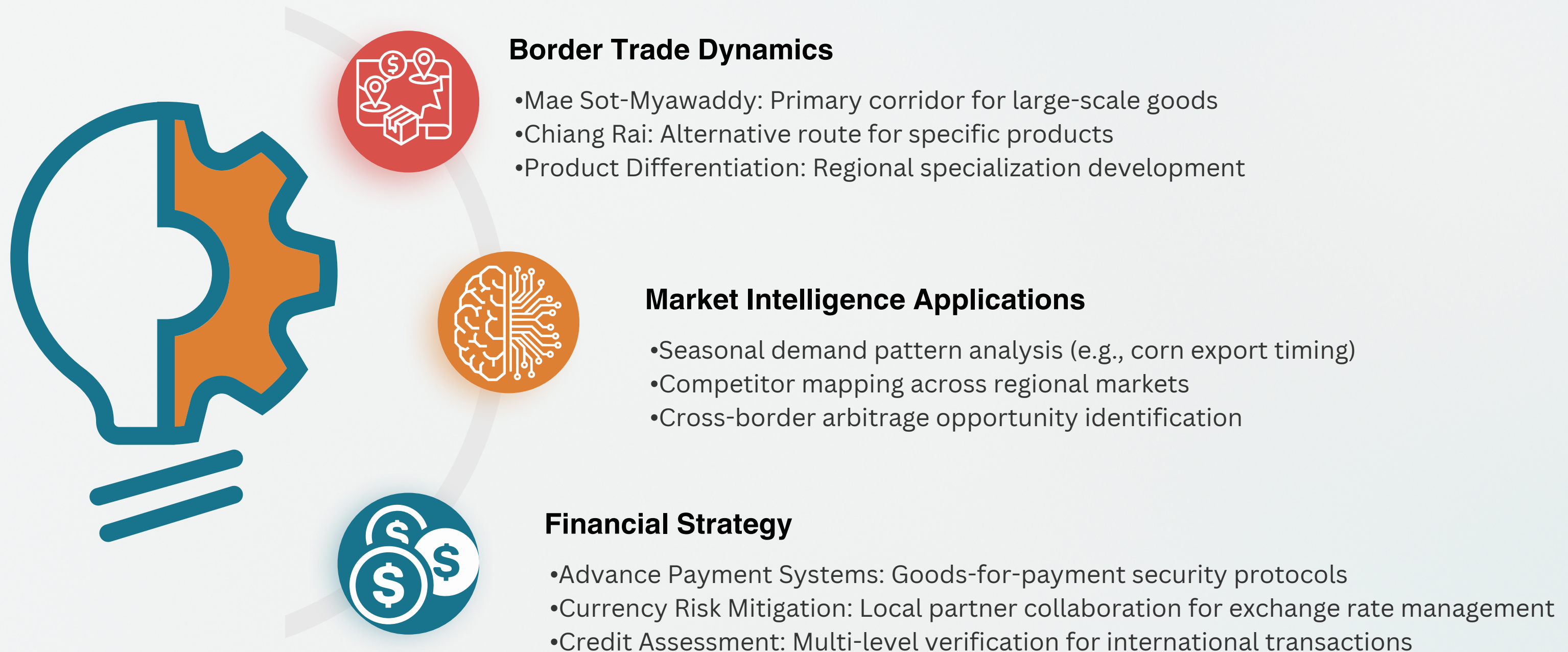


Partnership Risk Management

- Legal framework utilization through attorney services
- Trust-building protocols for joint ventures
- Due diligence procedures for international collaborations

Myanmar Supply Chain & Market Access

Strategic Market Development



Pre-Boarding: Before the First Day

01

Send a Welcome Email

Include job details, company culture, and expectations.

02

Prepare Required Documents

Contracts, tax forms, NDAs.

03

Set Up IT Access – Email accounts

software permissions, work devices.

Assign a Mentor or Buddy

Helps with a smoother transition.

04

Share an Employee Handbook

Policies, benefits, and workplace rules.

05

Schedule Orientation Sessions

Include job details, company culture, and expectations.

06



Myanmar-CLMV Integration Prospects Regional Network Development



Connectivity Advantages

- Multi-directional Access: India, China, Bangladesh, Tibet connections
- Cost-effective Labor: Competitive advantage in manufacturing
- Resource Availability: Raw materials and agricultural products



Collaboration Framework

- Value Chain Integration: Partial process participation (steps 3-4-5 instead of 1-10)
- Benefit Sharing: Cross-border profit distribution mechanisms
- Technology Transfer: Knowledge exchange through regional partnerships



Future Development Areas

- Enhanced CLMV business platform utilization
- Cross-border digital payment system development
- Regional supply chain resilience building
- Sustainable development practice integration

Vietnam-"Sustainable Platform Development Strategy"

Strategies for Reaching MSME Entrepreneurs



Targeted Access Channels

Building Strategic Partnership Networks



Through Financial Institutions

01

- Collaborate with commercial banks
- Partner with small-scale financial institutions serving MSMEs



Through Government Agencies

02

- Department of Industrial Promotion
- SME offices and related agencies in each country

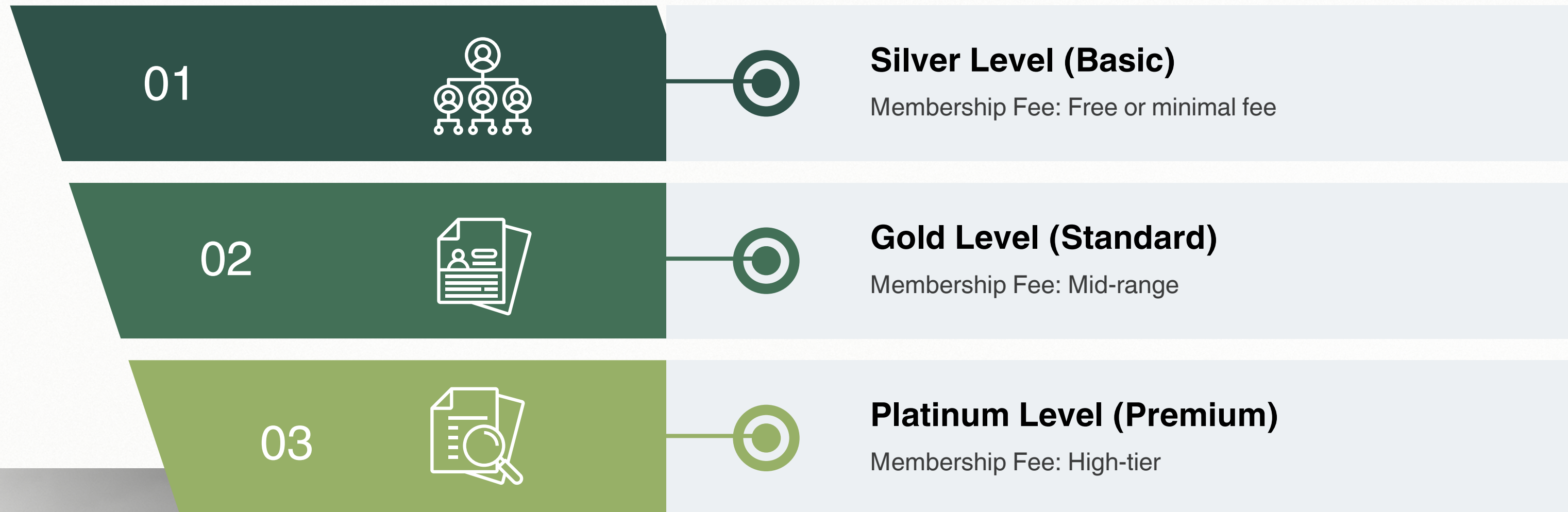


Business Partner Networks

03

- Logistics service providers
- Technology companies
- Financial service providers

Tiered Membership System (Silver and Gold Levels)



Performance Measurement and Key Challenges

Performance Measurement and Improvement





Training and Workshop on MLC - MSME Recovery Network Post Covid - 19

Building Networks and Practices for MSMEs through LMC - MSMEs Platform:
Case Study of Lao PDR, 1st Session
Strategic Plan for Your Successful Business



Assoc. Prof. Dr. Chukiat Chaiboonstri

Introduction and Demonstration of LMC - MSMEs Platform
(MSMEs Practice/Networking Practice)



Dr. Phanhpakit ONPHANHDALA

"MSMEs Practice/Networking Practice from Laos PDR to LMC"



Dr. Kulkunya Prayavagch







Assoc. Prof. Dr. Nisit Panthamit
Project Leader



Assist. Professor Dr. Chira Bureecam
Spokesman



Assoc. Prof. Dr. Chukiat Chaiboonsri
Data Analytics for Business and Economics



Mr. Pongchai Tonarunchai
Thai businessmen

Training and Workshop on MLC - MSME Recovery Network Post Covid - 19

START AT 8.30 - 16.30 HRS.
ON FRIDAY, 25 JULY 2025

VENUE: YANGON, REPUBLIC OF THE





CONFERENCE AND BRAINSTORMING SESSION ON MLC-MSME RECOVERY NETWORK POST COVID-19



Assoc. Prof. Dr. Nisit Panthamit
Project Leader



Dr. Nguyen Thi Vu Ha
Academic experts in Vietnam



H.E. Lim Hong
Entrepreneur from Cambodia



Dr. Tun Nay Lin
Entrepreneur from Myanmar



Mr. Pongchai Tonarunchai
Entrepreneur from Thailand



Mr. Nay Zaw Aung



**THURSDAY, 11 SEPTEMBER 2025
FROM 09:30AM TO 16:00PM**





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Preliminary Research Results

This research study looks at how COVID-19 affected micro, small, and medium businesses (called MSMEs) in five Southeast Asian countries. Let me break down the key concepts and findings in simple terms:



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Chiang Mai University

What This Study Measured

Think of this like comparing two groups of businesses:

- **Treated group:** Businesses that were directly hit by COVID-19 (lost customers, had to close, etc.)
- **Untreated group:** Businesses that somehow avoided major COVID-19 impacts

The researchers used three different ways to measure the pandemic's effects:

ATE (Average Treatment Effect): What happened to ALL businesses on average - like taking the temperature of the entire business community.

ATT (Average Treatment Effect on Treated): How much did the businesses that got hit by COVID actually suffer or benefit?

ATUT (Average Treatment Effect on Untreated): A "what if" scenario - if businesses that avoided COVID had actually been hit, what would have happened to them?



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The Surprising Results

The findings reveal dramatically different stories across countries:

- **Myanmar** - The Big Winner: Businesses saw their income jump by over 200% on average. This seems counterintuitive, but likely reflects businesses that survived and adapted may have captured market share from competitors who closed.
- **Cambodia** - Modest Gains: Businesses saw income increases around 20-25%. Again, survivors may have benefited from reduced competition.
- **China** - Mixed Results: Overall income dropped 13.5%, but businesses that were directly affected actually saw a 5.7% increase. This suggests successful adaptation among some businesses while others struggled significantly.
- **Laos** - Moderate Losses: Income dropped about 20% across the board, showing consistent negative impacts.
- **Vietnam** - Severe Impact: The hardest hit, with income falling 70% on average. Businesses that were directly affected saw nearly 78% income drops.



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Why These Results Matter

- These findings challenge the assumption that COVID-19 universally hurt small businesses. The data suggests that in some countries, surviving businesses may have actually benefited from reduced competition, government support, or successful pivoting to new markets (like e-commerce).
- However, I'd note some caution in interpreting these results: the extremely high positive effects in Myanmar (200%+) seem unusually large and might warrant further investigation into the methodology or data quality. Such dramatic increases during a global pandemic would be quite remarkable and deserve careful scrutiny.
- The study's recommendations focus on tailored support - financial relief for countries with negative impacts, and reinvestment incentives for countries showing positive effects to sustain growth.



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Business Law of MSMEs in Lancang-Mekong

This E-book provides a comprehensive overview of business laws and regulations impacting Micro, Small, and Medium Enterprises (MSMEs) across the Lancang-Mekong region. It highlights essential legal frameworks, compliance guidelines, and cross-border opportunities to strengthen MSME competitiveness.





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Back

Front



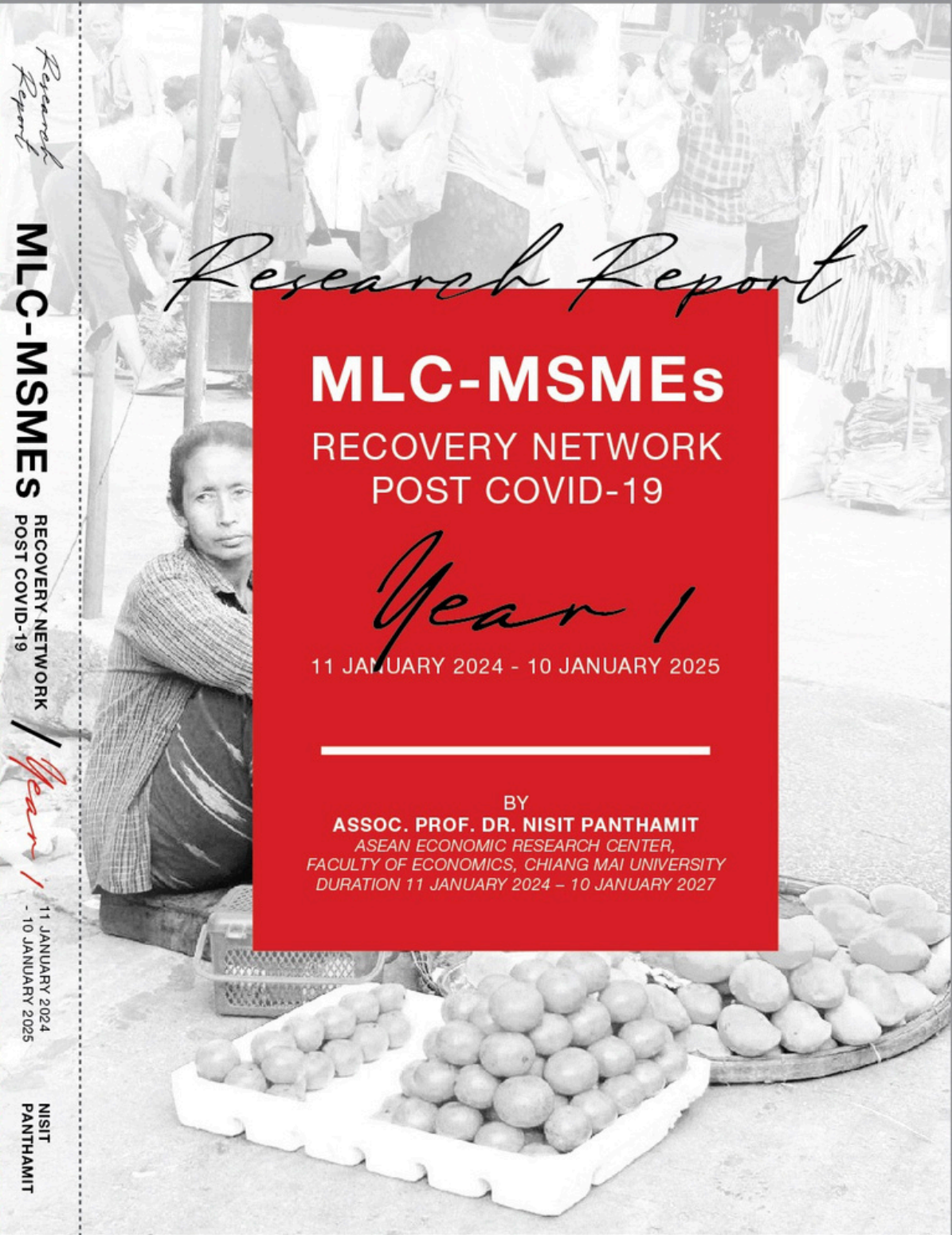
MLC-MSMEs
RECOVERY NETWORK
POST COVID-19

Growth. Resilience.

THE HEARTBEAT OF THE CLMVT ECONOMIES LIES WITH ITS MSMEs—BUT WHAT WILL IT TAKE FOR THEM TO THRIVE IN A POST-PANDEMIC WORLD? THIS BOOK IS YOUR ESSENTIAL GUIDE, NAVIGATING THE COMPLEX CHALLENGES OF DIGITAL TRANSFORMATION, SUSTAINABLE GROWTH, AND REGIONAL COOPERATION. DISCOVER THE STRATEGIC INSIGHTS AND INNOVATIVE SOLUTIONS THAT WILL EMPOWER THESE VITAL BUSINESSES TO NOT JUST SURVIVE, BUT FLOURISH. A MUST-READ FOR ANYONE WHO WANTS TO UNDERSTAND THE FUTURE OF COMMERCE IN SOUTHEAST ASIA.

*and the Future
of Southeast Asia.*

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Back

Side

Front

MSME ในกัมพูชา ลาว เมียนมา เวียดนาม และ ไทย: ก้าวข้ามวิกฤตโควิด-19

MSME in CLMVT: Beyond Pandemic

ในโลกที่เศรษฐกิจเปลี่ยนแปลงอย่างรวดเร็วและเต็มไปด้วยความท้าทาย ธุรกิจขนาดกลาง ขนาดเล็ก และขนาดย่อม (MSMEs) กลายเป็นฟันเฟืองสำคัญที่ขับเคลื่อนเศรษฐกิจของประเทศในกลุ่ม CLMVT ได้แก่ กัมพูชา ลาว เมียนมา เวียดนาม และไทย โดยมีบทบาทสำคัญ ทั้งในด้านการสร้างงาน กระจายรายได้ และลดความเหลื่อมล้ำ แต่เมื่อเผชิญกับแรงสั่นสะเทือนจากวิกฤตโควิด-19 ภาคธุรกิจเหล่านี้ต้องเผชิญความท้าทายครั้งใหญ่ และจำเป็นต้องปรับตัวเพื่อความอยู่รอดและการเติบโตอย่างยั่งยืน

หนังสือเล่มนี้นำเสนอการวิเคราะห์เชิงลึกเกี่ยวกับสถานการณ์ของ MSMEs ในแต่ละประเทศในกลุ่ม CLMVT รวมถึงบทเรียนจากวิกฤต แนวทางการฟื้นฟู และโอกาสในยุคเศรษฐกิจดิจิทัล พร้อมแนะนำมาตรการสนับสนุนจากภาครัฐและองค์กรระหว่างประเทศที่สามารถช่วยให้ธุรกิจเหล่านี้ฟื้นตัวและเติบโตได้อย่างมั่นคง หากคุณเป็นนักวิชาการ ผู้กำหนดนโยบาย หรือผู้ประกอบการที่ต้องการเข้าใจแนวโน้มเศรษฐกิจของภูมิภาคนี้ หนังสือเล่มนี้คือคู่มือสำคัญที่จะช่วยให้คุณก้าวทันความเปลี่ยนแปลงและใช้ประโยชน์จากโอกาสที่กำลังมาถึง!

รศ.ดร.นิสิต พันธมิตร

MSME

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