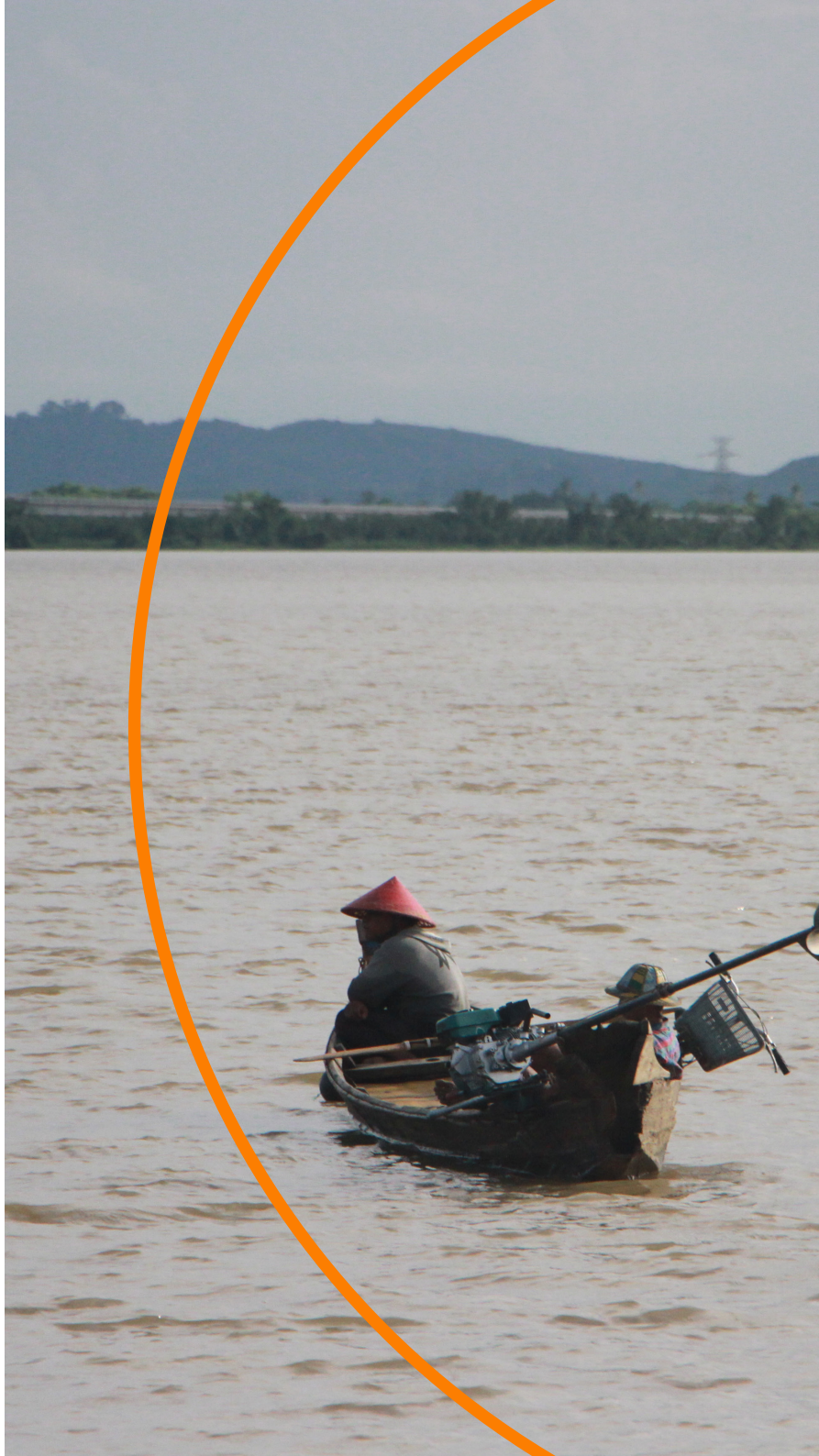




Opportunities for **Small and Medium Scaled Enterprises (SMEs)** for Small-scaled Fishers in Mon State in the Gulf of Mottama



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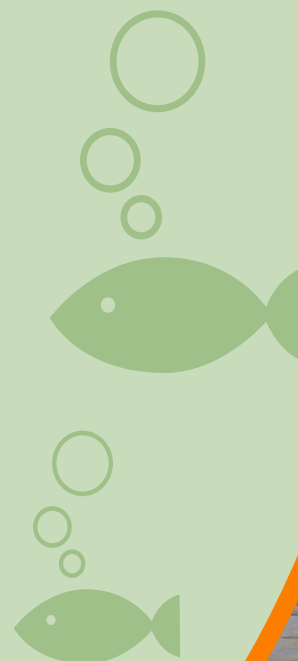
BACKGROUND

The Gulf of Mottama (GoM) is one of the most important and dynamic intertidal wetland systems and was declared as a Ramsar site in 2017 and 2020. It is home to critical habitats, species of conservation concern, commercially important fisheries and communities that rely on these resources (GoMP, 2019). However, these resources and communities are facing threats such as overexploitation of fishery resources, depletion of critical species and unsustainable practices of resource extraction and management. Therefore, the Gulf of Mottama Project (GOMP) is protecting its natural resources and well-being of its local communities, management that addresses ecosystems, livelihoods, and governance. One of the activities of GOMP is diversifying livelihoods opportunities for people in small-scaled fishery market chain to not only improve their well-being but only reduce heavy dependency on the fishery resources. One of the opportunities is supporting establishment of SMEs (small and medium enterprises) for the fishers.

Although most of the businesses are classified as SMEs in Myanmar, there is limited information on the status and development of them. Especially for SMEs related to fishery value chain, there is limited understandings on SMEs in coastal fishing communities to support decision-making process for the development of such SMEs. The knowledge gaps for GOMP to support SMEs in the community include the understanding on relevant SMEs for fishing communities in the GoM, the levels of interest from these SMEs by the communities, constraints and supports needed to implement the SMEs.

The study was conducted with the aim to understand the SME opportunities in fishing communities in the Gulf of Mottama for GoMP and associated organizations to support SMEs for communities to uplift the well-being of communities while reducing their dependency on fishery resources. Therefore, the study is conducted with the following aim.

1. To identify SME opportunities for the small-scaled fishers in the selected study areas.
2. To assess the interest of small-scaled fishers on SMEs and identify supports needed for the fishers to start SMEs.
3. To evaluate the challenges/ problems and motivations for the fishers to start SMEs.



RESEARCH METHODOLOGY



The action research applied human-centered qualitative research methods to explore the experiences, feelings of target users, small-scaled fishers in the GoM to understand their motivations, constraints, interests and needs to develop SMEs. The field survey applied two methods: focus group discussion (FGD) and household in-depth interviews (HH).

Focus Group Discussion

The FGDs with communities applied the following visual tools for facilitating the discussion:

1. Seasonal calendar
2. SMEs in the community
3. Force field analysis for SMEs

In each village, FGDs are facilitated separately by VDC members and non-VDC members. The participants were pre-selected by the GoMP or VDC due to coordination issues with the community.

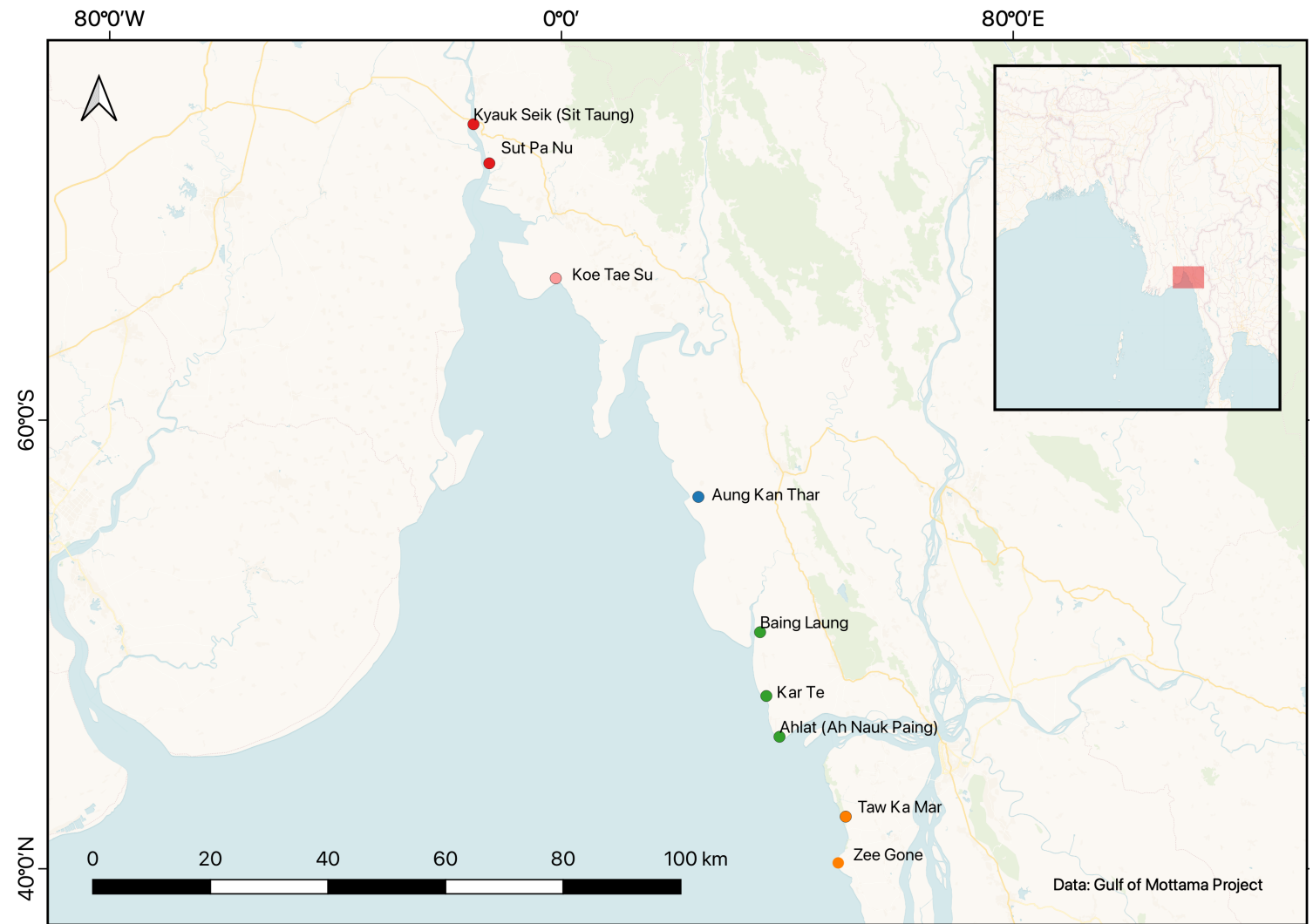


Household Interviews

The research team designed semi-structured questionnaires to collect personal information of respondents, status of current livelihood activities, changes in livelihood activities, potential SMEs in the community, interest in SMEs and opportunities, challenges and supports that need to initiate a SME. In each village 20-30 households were selected through convenient sampling. Representatives from different livelihoods, social status, gender, religion, and social groups were selected to gain diverse perspectives from the community.

STUDY AREA

In this action research, the study sites were identified in consultation with Fishery Officer and Township Cluster Coordinators from the GoMP. The villages were selected fishing villages which have potential to develop SMEs as well as interests of project to support the development of SMEs. Therefore, nine villages from five townships in Mon State of GoM were selected for the study.

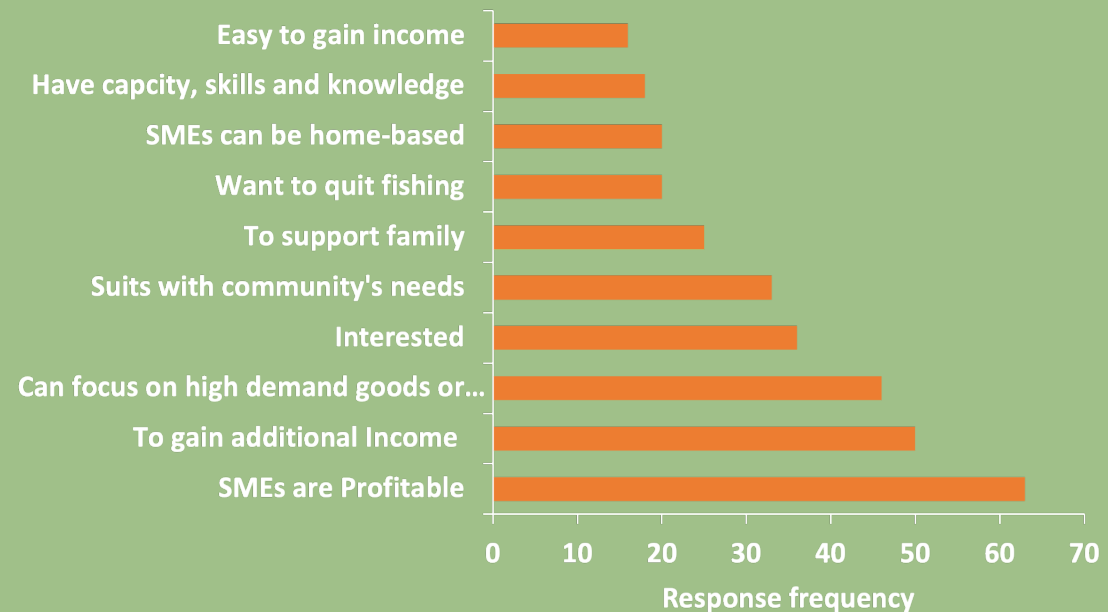




INTERESTS IN SMEs

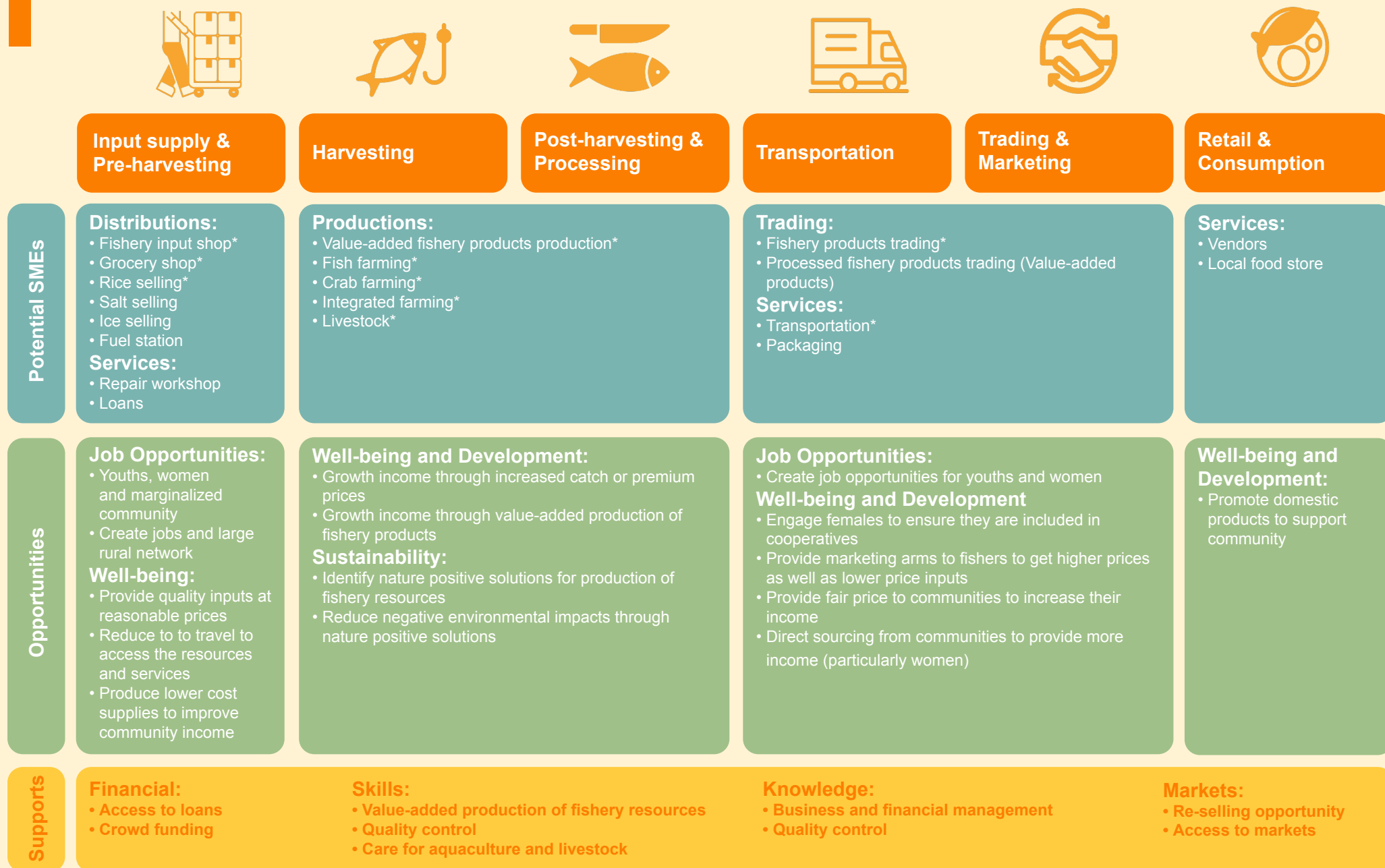
Majority of the respondents (76.5%, where male = 74.8% and female = 78.1%) are interested to establish a SME in the community whereas 22.2% (male = 22.5% and female = 22%) are not interested in SMEs. Except in Ah Lat (A Nauk Paing) the interests do not differ significantly as majority are interested in SMEs. In Ah Lat (A Nauk Paing) half of the sample are not interested and half are interested in SMEs.

The top 10 responses on why community are interested in SMEs are shown below. The main favorable reasons are that 63 respondents think SMEs are profitable and 50 of them responded that they want to gain additional income from SMEs. As the current livelihoods are not performing well or not profitable, people want to seek additional income from SMEs. The other reasons include the potential to focus on high-demand services and goods in the community which suit the needs of the community. About 20 responses stated that SMEs will create opportunities to base at home and therefore 16 of them expressed that it will be easier to get income than traditional livelihood activities. Some fishers (n = 20) are willing to start a SME because they want to quit fishing as fishing becomes less profitable, more dangerous and requires higher investment.



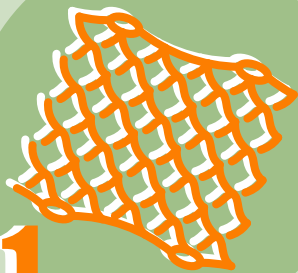
FISHERY SME TAXONOMY

showing the fishery market chain with services, inputs and potential SMEs required in each component. *The selected SMEs prioritized by the respondents in the research.



POTENTIAL SMEs for FISHING COMMUNITIES

1



FISHERY INPUT SHOP

Sell materials, products and accessories related to fishing activities including fishing gears, fishing nets, ropes, buoys, etc. In addition, for people who have financial and human capital, the shop will also sell fuel, accessories for boat engines and provide services to repair the boat engines.

2



GROCERY SHOP

The grocery shop will mainly be targeted to fishers and sell household items required by the community. It includes variety of products such as rice, cooking oil, salt, onions, and vegetables. These products are essential to the fishers especially when they go out for long fishing trips (typically takes 7-10 days). The custom in the community is the fishers will get the grocery items in credits and pay them after fishing trip.

3



AQUACULTURE

It includes different types of aquacultures: wild fish, commercially important fish (seabass, snakehead, etc.), mud crabs and shrimps. Some of them also show interest in integrated farming like rice-fish farming and mangrove-friendly aquaculture. Some are also interested in home-based aquaculture which doesn't need ponds whereas it can be farmed in large tanks constructed with waterproof canvas and wooden structure.

4



FISHEY PRODUCT TRADING

The trading SME aims to collect fish, crabs and shrimps from the local fishers and sell them back to wholesalers and traders in nearby cities. It can collect processed fishery products such as dried fish, dried shrimps and fish paste directly to customers or wholesalers. If there is a collector or trading business which buys similar prices as wholesalers, most of the fishers will sell the catch or products and increase fishers' opportunities to deal better prices.

POTENTIAL SMEs for FISHING COMMUNITIES

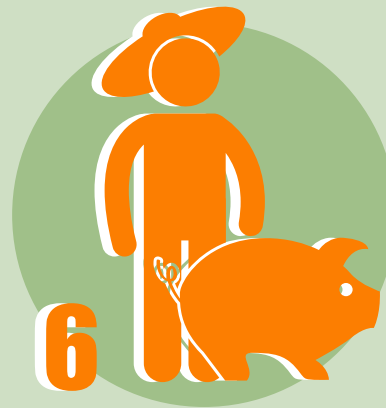
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TRANSPORTATION SERVICES

It is an important business in the community with high interest as well as high demand. Most people use small trucks, tricycles, and motorbikes for transportation of fishery products and passengers in the community. However, there are relatively low supply in the community.

6



LIVESTOCK

Goat: Higher number of people are interested in goat farming because goats reproduce and grow fast (about 2 breeding per year). They do not need extra care unlike other farmed animals and do not need to worry about the food. Most of the communities have free space for them

to graze and it suits with the community. Therefore, they are the most profitable livestock for the community.

Pig: The second highest animals that respondents want to farm because pigs do not need extra care and the food for pigs are easy to access in the community as they feed on leftovers. Most of the respondents have prior knowledge and experience in farming pigs and therefore, they are interested.

Cow: They are in high demand and the market price is very high compared to other animals. It is also easy to get food as there are grazing areas and foodler can be easily harvested in the community.

Poultry: Respondents want to do poultry farming as both the eggs and meat are in higher demand and market price. In addition, their proficiency due to previous experiences, skills and knowledge motivate them to start the farming.

7



FISH PASTE PRODUCTION

The SME mainly to trade locally produced fish paste to traders and wholesalers outside of the community. People are mainly interested in fish paste from striped dwarf fish (locally known as Nga Zin Yine Nga Pi) and various small fish (locally known as Zayar Nga Pi). These products are in high-demand as well as high profitability.

POTENTIAL SMEs for FISHING COMMUNITIES

8



INTEGRATED RICE FISH FARMING

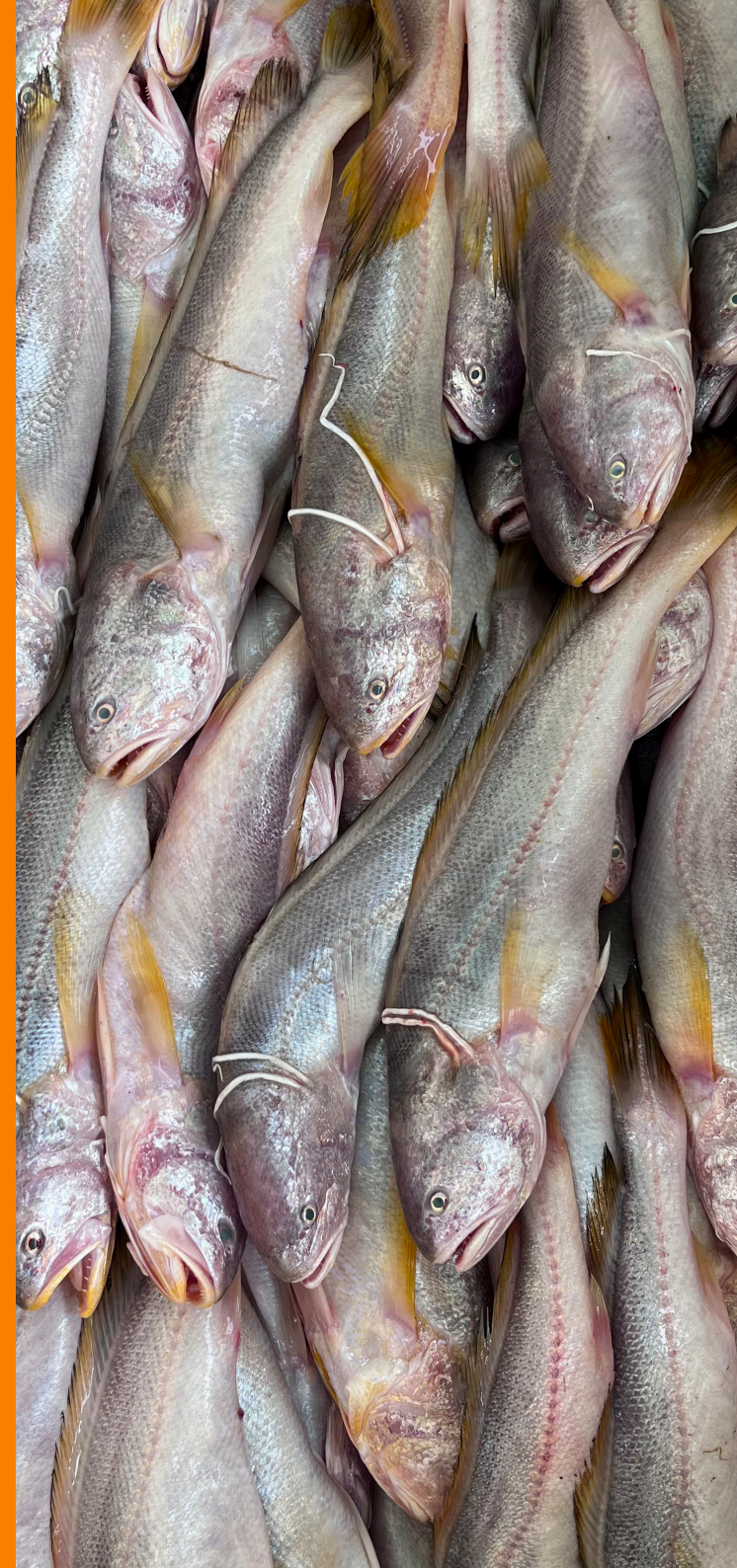
Due to high suitability and potential profitability, FDA prioritized integrated farming of rice and fish as potential SME for communities. It is suitable especially for farmers with interest in additional income and affordable for extra workforce. So, it doesn't need extra space and do not need intensive care like other aquaculture. The fish seed can be wild fish or locally available fish. It is very profitable that some successful individuals gain value of up to three million kyats for selling farmed fish.

9



RICE SELLING

It is very similar to grocery shop, but FDA suggested to sell only rice as it would be lower investment yet higher profitability. Rice is demanding staple food for all the communities including fishers. Fishers need not only for household but also for long fishing trips in the sea. In addition, if the service accepts payment in credit with monthly repayment, it will have higher demand.



RECOMMENDATIONS

Creating financing opportunities for SMEs

- Financial sector assessments to determine areas of improvement in regulatory and policy aspects enabling increased responsible SME access to finance,
- Implementation support of initiatives such as development of enabling environment, design and set up of credit guarantee schemes, and
- Advocacy for SME financing institutions.

Supporting technical skills and capacity building for the community

- The technical skills are mainly requested in post-harvesting and processing segment of the value chain. Advocacy for SME financing institutions.
- cross-sectional skills and knowledge should be SME management, financial management and entrepreneurship specifically designed to the context of social-ecological systems of the gulf.

Supporting SME opportunities for women entrepreneurship

- Supports and empowerment for women-owned SMEs is the opportunity to empower women by ensuring their employability and entrepreneurship. In terms of women-owned SMEs, both financial and non-financial constraints are mostly common in the start-up stage of the business cycle

Advocating potential SMEs to gain access to institutions and cooperatives

- The SMEs in the fishery value chain are poorly understood especially in the GoM and therefore, there's a big gap in developing knowledge of SMEs and advocating this knowledge to the enablers who can provide financial and non-financial investments in fishery related SMEs.



KEY INSIGHTS

1. Communities have high interests in SMEs.
2. SMEs have potential accessible income due to robust demand in the fishing communities.
3. There are opportunities for cooperative SMEs.
4. Some SMEs can be ecosystem-based.
5. Need to consider potential competition in the community.
6. Financial capacity is the key constraint.
7. SMEs need to be environmentally sustainable