



INTRODUCTION

The COVID-19 outbreak has caused a global health emergency and an economic slowdown impacting millions of small and medium-sized enterprises (SMEs) around the world, including the Pacific region. As international tourism plays a major role in local Pacific economies, travel bans and restrictions on gatherings in particular are affecting businesses across this region.

Pacific Trade Invest (PTI) has commissioned Fifth Quadrant, an independent research agency, to run a regular survey to understand the ongoing effects of COVID-19 on the Pacific’s private sector. The 10th wave of PTI’s Pacific Business Monitor surveys includes responses gathered from 4 to 17 January 2021, from 153 businesses across the Pacific region, including 71 female-led/owned businesses.

This report includes data from the top three Pacific countries that provided responses, giving insight into the nuances between different Pacific countries and the effect COVID-19 is having on the private sector.

It is a long road ahead and through the regular PTI Pacific Business Monitor surveys, the objective is to provide governments, donors and stakeholders with valuable data on how businesses in the Pacific are coping.

ABOUT PACIFIC TRADE INVEST

The PTI Network is an agency of the Pacific Islands Forum Secretariat and is the Pacific’s leading trade and investment promotion agency.

With offices in Australia, China and New Zealand, the PTI Network develops and promotes trade and investment across international markets.



IMPACTS ON BUSINESSES IN THE PACIFIC

- The extent and severity of COVID-19 on Pacific businesses has improved, with 84% (95% Fiji) reporting a negative impact, which is the lowest since tracking began.
- 86% (95% Fiji) of businesses reported a decline in revenue due to COVID-19, which is the lowest since tracking began.
- 75% (61% Fiji) are confident that their business will survive the COVID-19 crisis.

CHALLENGES & SUPPORT NEEDED

- The top three challenges facing businesses as a result of COVID-19 are:
 - » Not knowing how long the crisis will last (90% Pacific, 98% Fiji)
 - » Impact of closed international borders (88% Pacific, 89% Fiji)
 - » Poor cashflow (86% Pacific, 98% Fiji)
- The top four initiatives businesses require assistance with are:
 - » Financial support (61% Pacific, 72% Fiji)
 - » Review financial position (40% Pacific, 43% Fiji)
 - » Diversify business (30% Pacific, 39% Fiji)
 - » Access to new markets (30% Pacific, 37% Fiji)
- The top barrier for female-led businesses to action initiatives is a lack of finance/revenue/cashflow at 41%, compared to 15% in male-led businesses.

PERSONAL IMPACTS ON BUSINESS DECISION-MAKERS

- The negative toll on mental health has remained stable, with 17% (22% Fiji) reporting a very negative impact on their mental health.
- The proportion of businesses reporting a very negative impact on community wellbeing has remained relatively stable at 36% (45% Fiji).

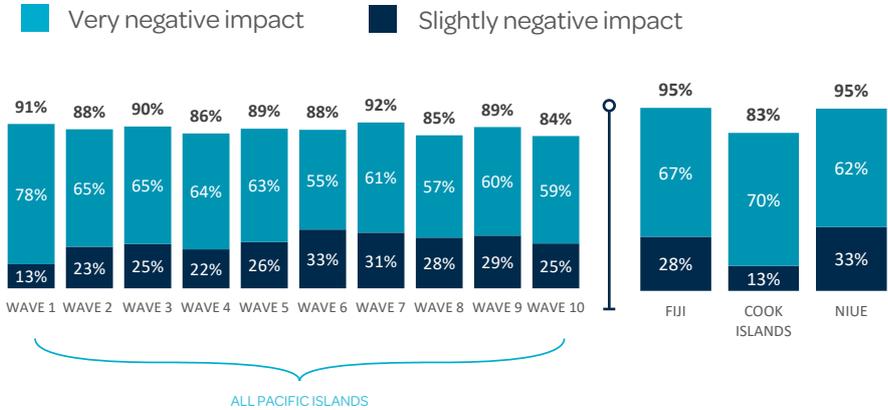
CURRENT IMPACT OF COVID-19 ON BUSINESSES IN FIJI

95%
FIJI

REPORTED A NEGATIVE IMPACT DUE TO COVID-19

COVID-19 continues to have a negative impact on businesses overall as borders remain closed. The severity of impact COVID-19 is having on businesses has slightly improved, with 84% (95% Fiji) reporting a negative impact.

REPORTED A NEGATIVE IMPACT ON BUSINESS*

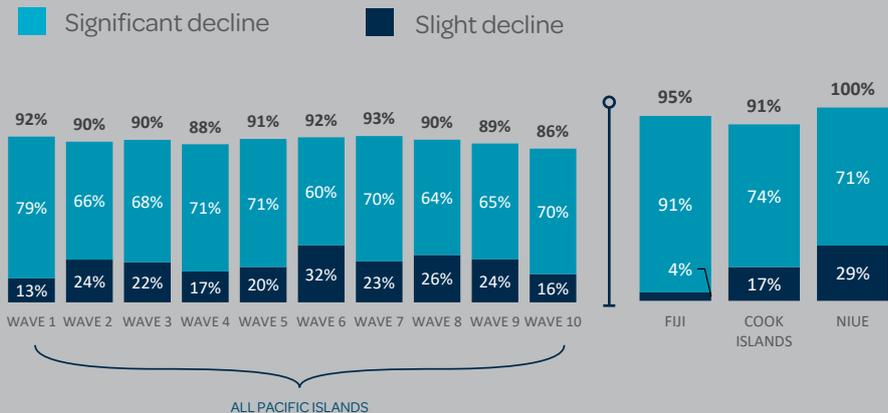


95%
FIJI

REPORTED A DECLINE IN REVENUE

86% (95% Fiji) of businesses report a decline in revenue due to COVID-19 which is the lowest since tracking began. However, the severity of revenue impact has worsened, with 70% (91% Fiji) reporting a significant decline.

REPORTED A DECLINE IN REVENUE*

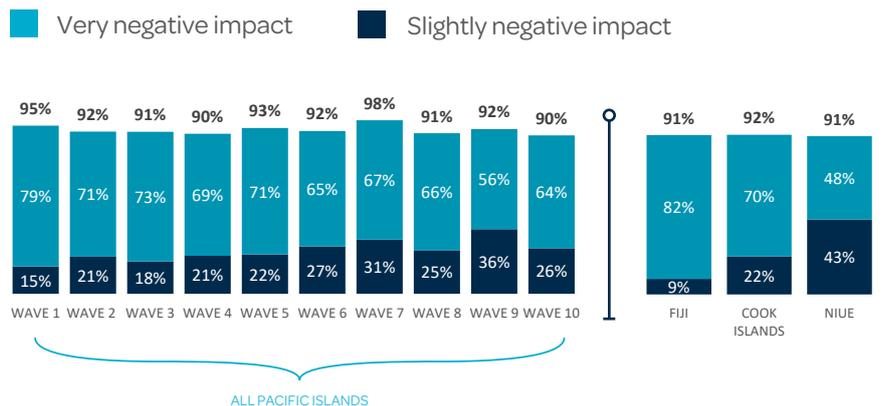


91%
FIJI

BELIEVE COVID-19 HAS NEGATIVELY IMPACTED THE LOCAL ECONOMY

Negative perceptions of the local economy have worsened in severity this wave, with 64% (82% Fiji) reporting COVID-19 as having a very negative impact on the local economy.

BELIEVE NEGATIVE IMPACT ON THE LOCAL ECONOMY*



*Percentages rounded to nearest whole number



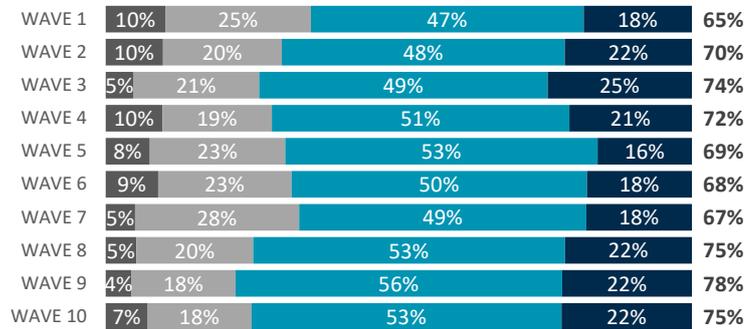
61%
FIJI

ARE CONFIDENT THAT THEIR BUSINESS WILL SURVIVE THE COVID-19 CRISIS

75% of respondents (61% Fiji) are confident that their business will survive the COVID-19 crisis (down from 78% last wave)

CONFIDENCE IN BUSINESS SURVIVAL AFTER COVID-19

ALL PACIFIC ISLANDS

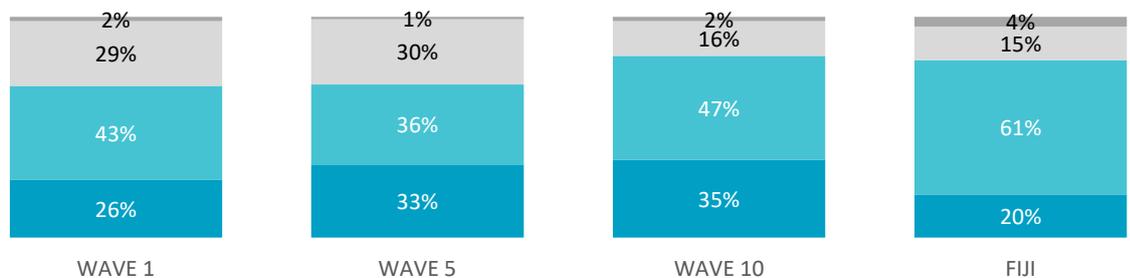


Legend: Not confident at all (dark grey), Not very confident (light grey), Somewhat confident (teal), Very confident (dark blue)



BUSINESS STATUS

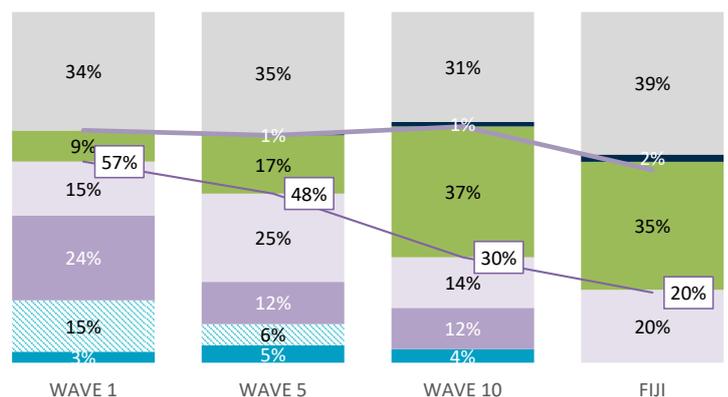
Legend: Permanently closed (dark grey), Temporarily closed (light grey), Partly operational (teal), Operational (dark blue)



WHEN WILL REVENUE RETURN TO PRE-COVID-19 LEVELS?

Expectations of returning to business as usual in 2021 have decreased again, with those expecting to return to business as by the end of the year decreasing to 30% (20% Fiji).

Legend: Don't know/ too hard to predict (light grey), Never (dark grey), By 2022 or later (green), By 2nd half of 2021 (light purple), By 1st half of 2021 (dark purple), By end of 2020 (hatched), Revenue is at pre-COVID-19 levels (dark blue)



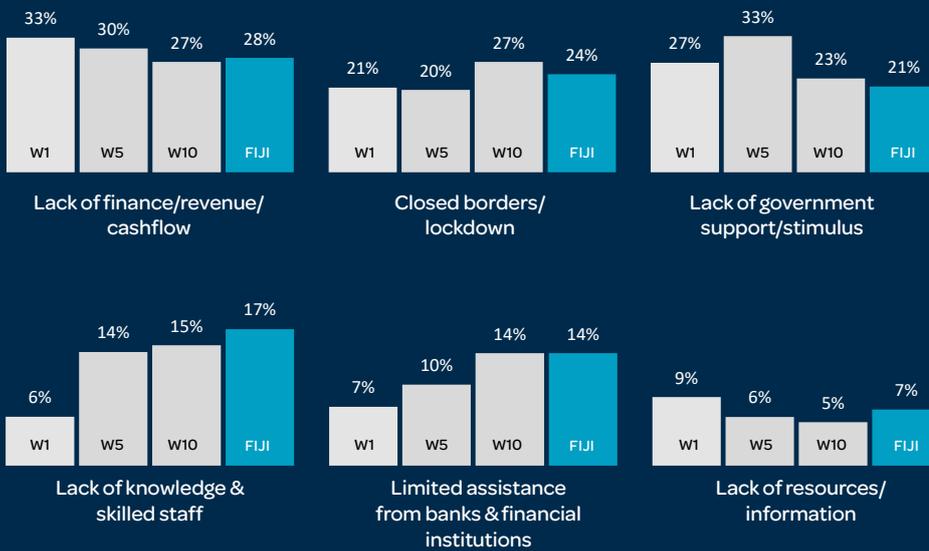
ACTIONS TAKEN TO REDUCE COST/DAMAGE TO BUSINESS



48%
63% FIJI

BARRIERS TO ACTIONING INITIATIVES

48% (63% FIJI) REPORTED BARRIERS PREVENTING THEM FROM ACTIONING INITIATIVES TO SUPPORT THEIR BUSINESS.



"Lack of cash flow due to limited options of business even after diversifying to sell viable products to uphold business. We have initiated online advertising and being proactive, but people are not inclined to spend on creativity or entertainment."

– SME, Arts & Recreation Services, Fiji

"Getting skilled staff...can not get any foreign workers as local staff do not have the skill base and borders are closed so we can not get them into the country."

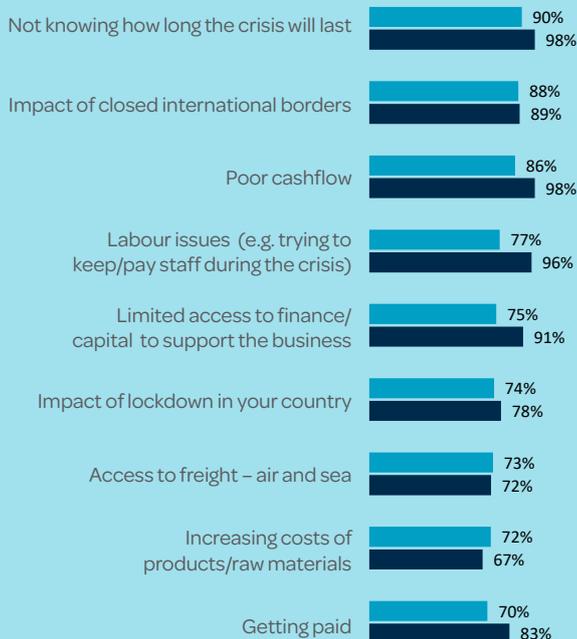
– SME, Accommodation, Hospitality & Food Services, Cook Islands

"Lack of Government communication regarding how long commitment to subsidies will continue."

– SME, Financial & Insurance Services, Niue

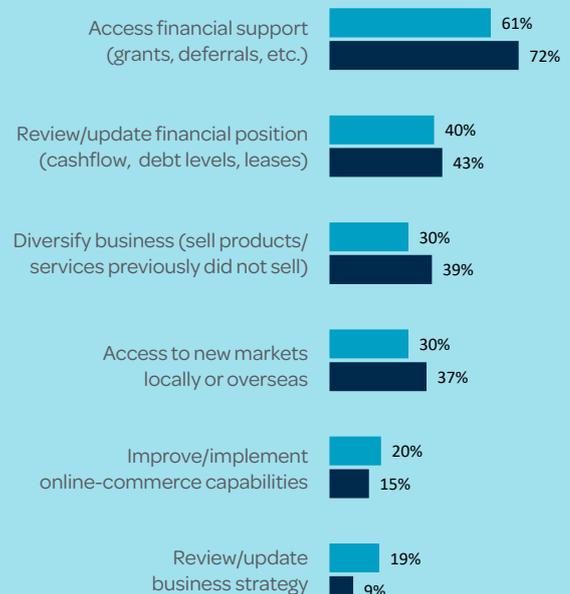
TOP CHALLENGES

WAVE 10 FIJI



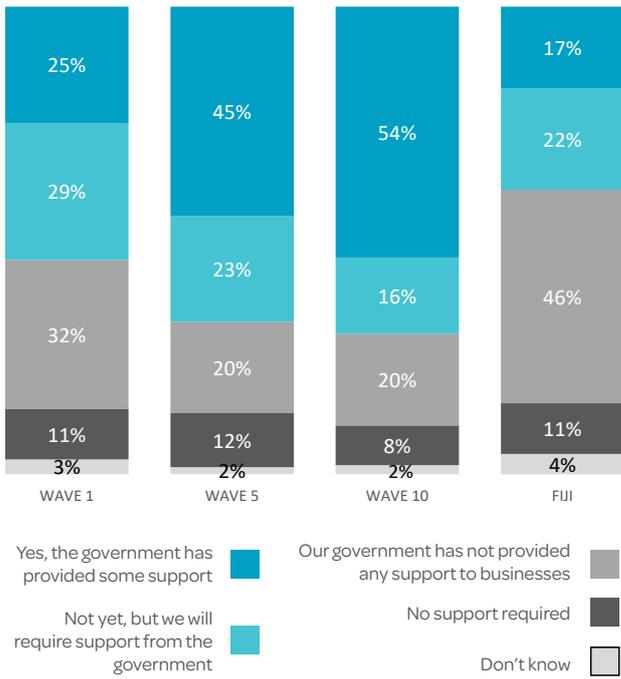
TOP INITIATIVES NEEDED TO ACTION NOW

WAVE 10 FIJI

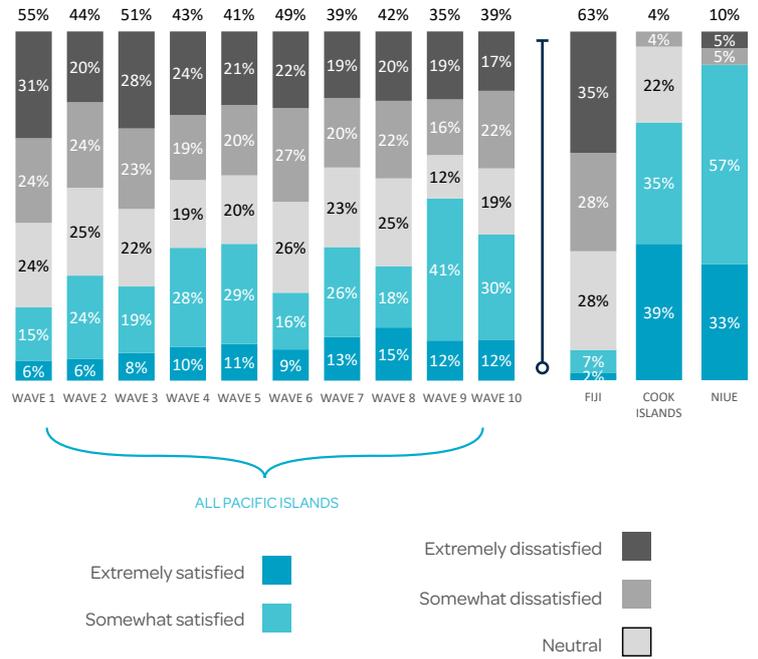


GOVERNMENT SUPPORT

HAS YOUR BUSINESS ACCESSED ANY SUPPORT?

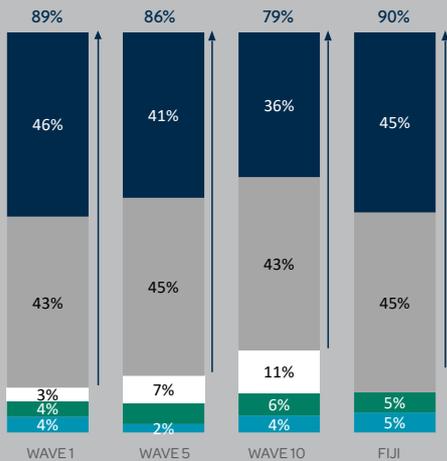


SATISFACTION WITH GOVERNMENT RESPONSE



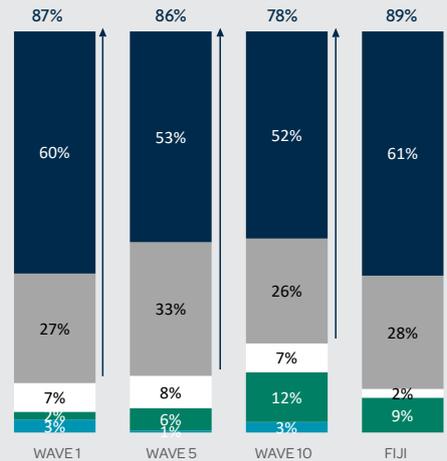
PERSONAL WELLBEING

WELLBEING OF THE COMMUNITY



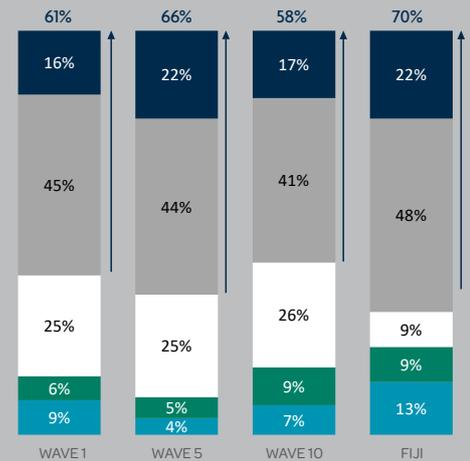
The proportion of businesses reporting a very negative impact on community wellbeing has increased to 36% (45% Fiji).

PERSONAL FINANCIAL SITUATION



COVID-19 continues to have a significant impact on business decision-makers' personal financial situation; those reporting a very negative impact increased to 52% (61% Fiji).

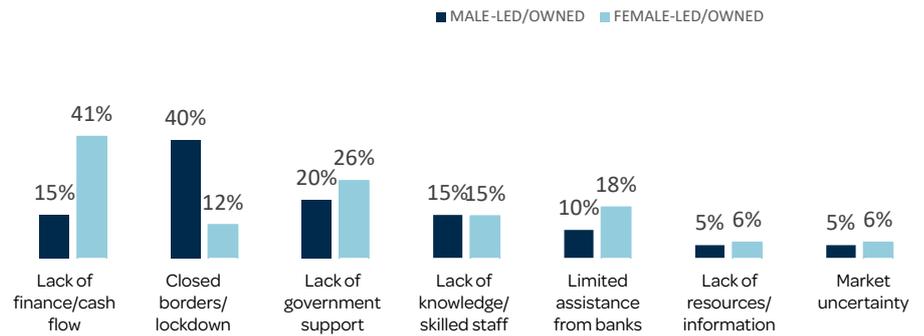
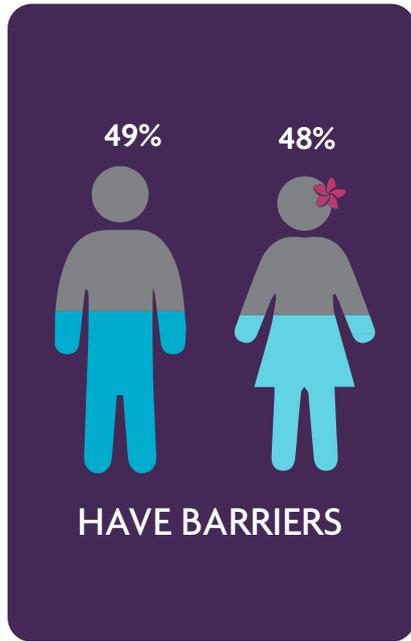
MENTAL HEALTH



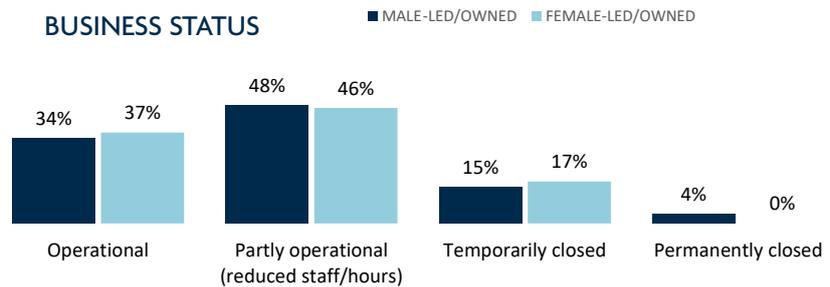
The negative toll on mental health has remained stable since last wave, with 17% (22% Fiji) continuing to report a very negative impact on their mental health.

IMPACT ON FEMALE-LED/OWNED BUSINESSES IN THE PACIFIC

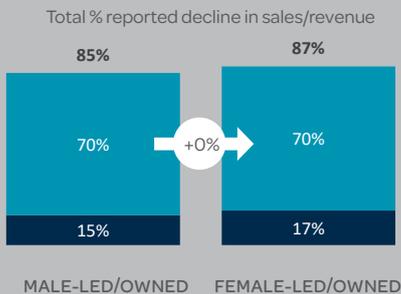
BARRIERS PREVENTING ACTIONING OF INITIATIVES



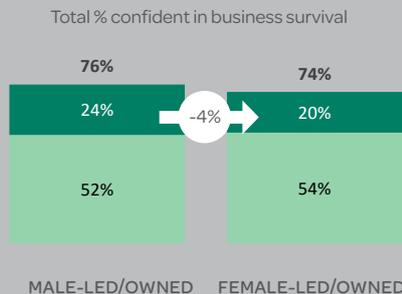
BUSINESS STATUS



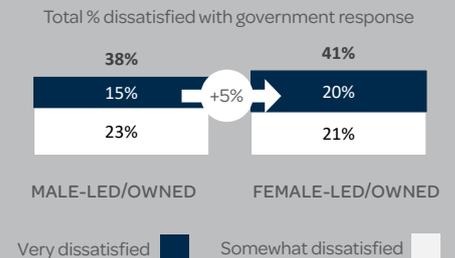
IMPACT ON BUSINESS REVENUE



CONFIDENCE IN BUSINESS SURVIVAL



SATISFACTION WITH GOVERNMENT RESPONSE



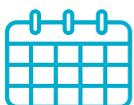
% have received government support



* Percentages rounded to nearest whole number

METHODOLOGY

This is the tenth wave of PTI's Pacific Business Monitor surveys



Responses were collected 4 - 17 January 2021



5-minute questionnaire



All surveys completed online



All respondents are decision-makers/owners in small and medium-sized businesses



A wide selection of industry sectors are represented



The information in this report is based on 153 respondents from across the Pacific region

FOR FURTHER INFORMATION



CATH COOKSLEY-LITTLE
General Manager – Marketing, Communications & Tourism
cath@pacifictradeinvest.com