



Pacific Trade Invest

PACIFIC BUSINESS MONITOR 2020

NIUE FOCUS



PACIFIC ISLANDS
FORUM SECRETARIAT

CONTENTS

Objectives	3
Sample profile.....	4
Impact of COVID-19 on business status.....	6
Impact of COVID-19 on business	7
Impact of COVID-19 on business revenue.....	8
Impact of COVID-19 on the local economy.....	9
Impact of COVID-19 on wellbeing	10
Impact of COVID-19 on emotional state	11
Challenges as a result of COVID-19 and market conditions	12
Actions taken to reduce cost and damage to business	14
Confidence in business survival	16
Timeframe of sales/revenue returning to business as usual.....	17
Top 3 initiatives needed to support businesses.....	18
Barriers to actioning initiatives.....	20
Access to government support during COVID-19 crisis.....	21
Satisfaction with government support.....	22
Research methodology.....	23

INTRODUCTION

INSIGHTS INTO PACIFIC BUSINESSES

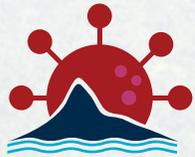
The COVID-19 outbreak has caused a global health emergency and an economic slowdown impacting millions of small and medium-sized enterprises (SMEs) around the world, including the Pacific region.

International tourism is a driving sector for local Pacific economies, but travel restrictions in 2020, including border closures, have affected businesses in this region.

To understand the ongoing impact on the Pacific's private sector, Pacific Trade Invest (PTI) commissioned Fifth Quadrant, an independent research agency, to run a regular survey to understand the ongoing effects of COVID-19 on businesses in the Pacific.

This report reviews the data collected from across the Pacific region in the first nine waves of the survey, conducted from 18 May–13 December 2020.

OBJECTIVES



UNDERSTAND THE IMPACT OF COVID-19 ON SMES IN THE PACIFIC:

- Track impact on business revenue
- Track impact on the local economy
- Track level of concern regarding business survival
- Track impact on mental health

COMPARE SATISFACTION WITH GOVERNMENT SUPPORT:

- Track satisfaction with government response and support
- Track access to government support



UNDERSTAND HOW SMES IN THE PACIFIC ARE REACTING TO THE CRISIS:

Track how businesses are adapting to the crisis to reduce impact and damage (e.g. reduced wages, staff/operational costs etc.)

IDENTIFY KEY AREAS OF SUPPORT NEEDED TO RECOVER FROM THE IMPACT OF COVID-19:

- Expectations regarding speed of recovery
- Initiatives taken to optimise/improve business readiness for upswing
- Understand the key challenges
- What assistance do they need to adapt/optimize/ improve/ survive?
- What information is required?



SAMPLE PROFILE

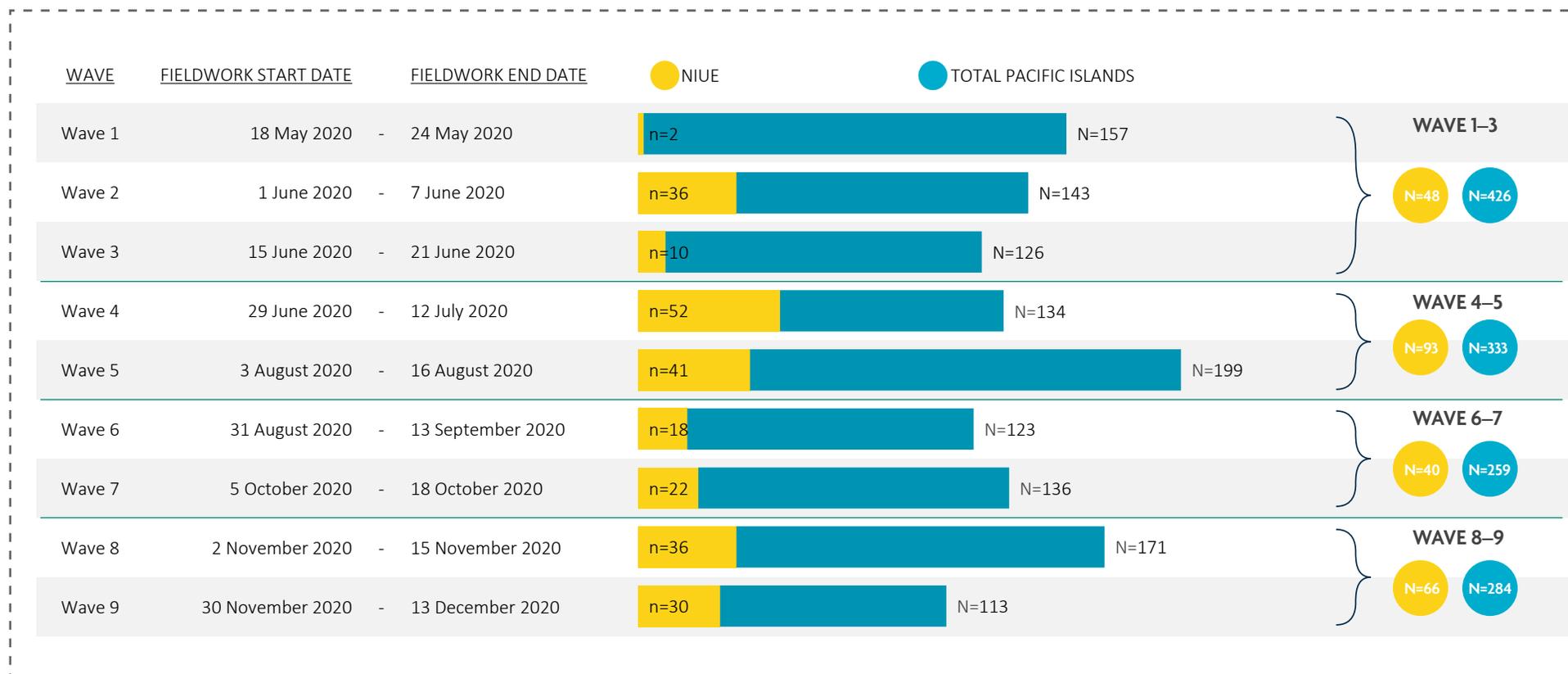
LOCATION

Our sample includes businesses based in the Pacific Islands. We achieved a robust sample of over n=110 for each wave in 2020 and a relatively consistent representation of businesses in Niue across each wave.

	Wave 1	Wave 2	Wave 3	Wave 4	Wave 5	Wave 6	Wave 7	Wave 8	Wave 9
TOTAL PACIFIC ISLANDS	157	143	126	134	199	123	136	171	113
Cook Islands	10	4	4	2	20	4	31	19	17
Federated States of Micronesia (FSM)	1	0	0	0	0	0	0	0	0
Fiji Islands	27	15	10	10	6	13	5	34	9
French Polynesia	3	0	4	2	0	1	0	1	1
Kiribati	6	2	3	2	4	1	2	4	0
Marshall Islands	1	1	1	0	0	7	1	0	0
Nauru	1	0	2	0	1	0	1	1	1
New Caledonia	8	10	7	9	25	12	7	10	6
Niue	2	36	10	52	41	18	22	36	30
Palau	2	13	16	4	5	9	4	4	3
PNG	19	26	16	12	18	4	5	6	4
Samoa	15	10	12	5	10	10	9	8	4
Solomon Islands	8	8	13	8	30	6	6	9	9
Tonga	32	9	16	15	18	10	8	11	2
Tuvalu	2	1	1	4	13	15	26	15	20
Vanuatu	20	8	11	9	8	13	9	13	7

SAMPLE PROFILE

As the base sizes were low for some periods, waves were combined into four periods as shown below, to maximise the validity of the data and ensure reliable comparison of Niue to the total Pacific Islands.



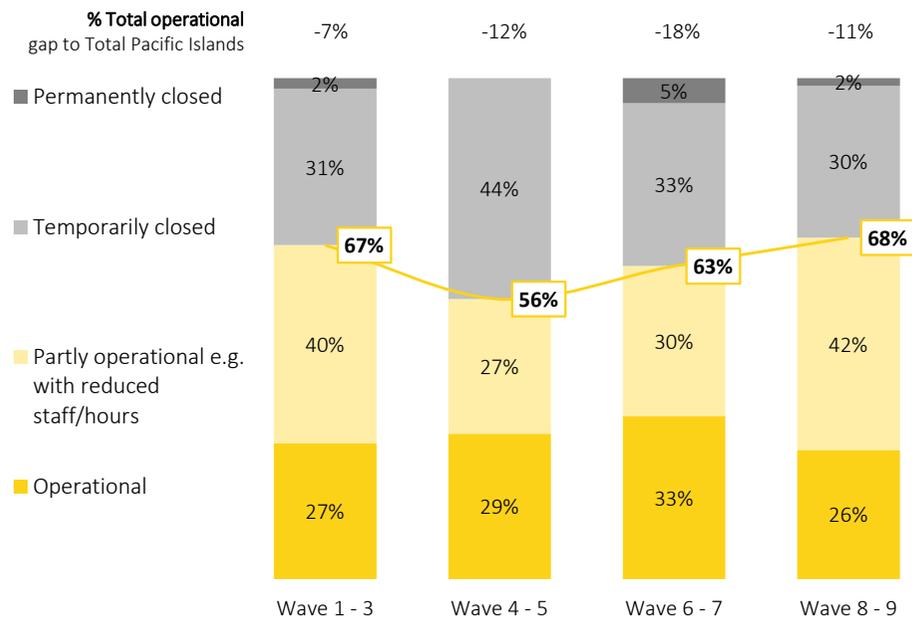
IMPACT OF COVID-19 ON BUSINESS STATUS

The COVID-19 crisis has had a significant impact on the normal operation of businesses in Niue across 2020, with only 26% fully operational by the end of 2020 compared to 36% across the Pacific Islands.

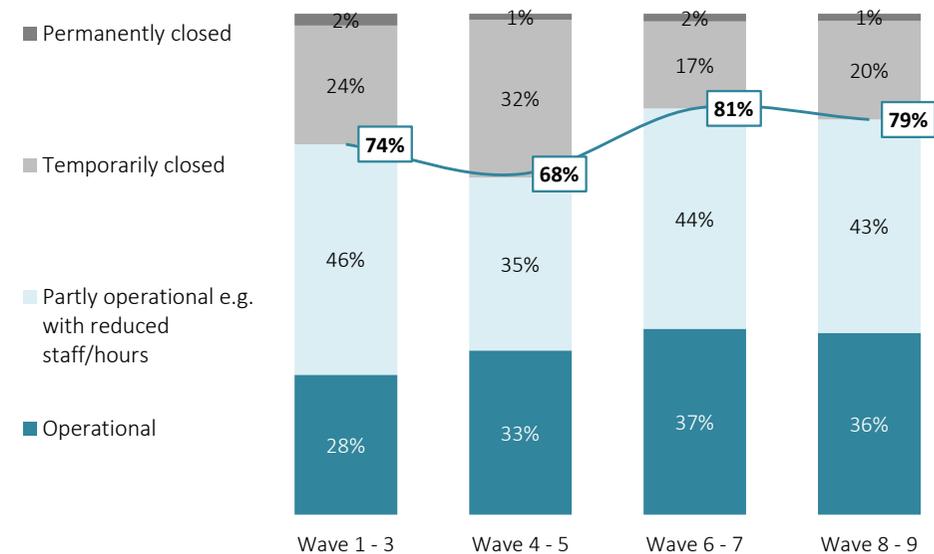
Q

WHAT IS YOUR CURRENT BUSINESS STATUS?

NIUE



TOTAL PACIFIC ISLANDS



TOTAL OPERATIONAL

IMPACT OF COVID-19 ON BUSINESS

The negative impact on business has remained high across 2020 for businesses in Niue and the Pacific Islands overall. Businesses in Niue are more likely to have experienced a 'very negative' impact on their business from September to December 2020 (Waves 6-9).

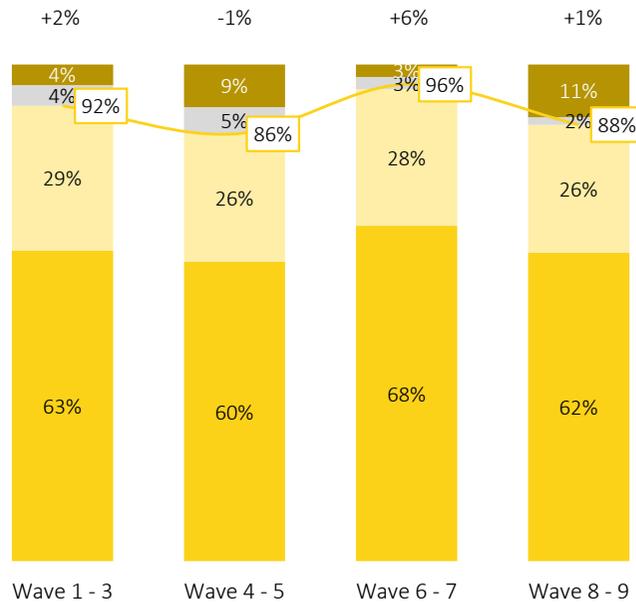
Q

HOW WOULD YOU DESCRIBE THE IMPACT OF THE COVID-19 OUTBREAK ON YOUR BUSINESS?

NIUE

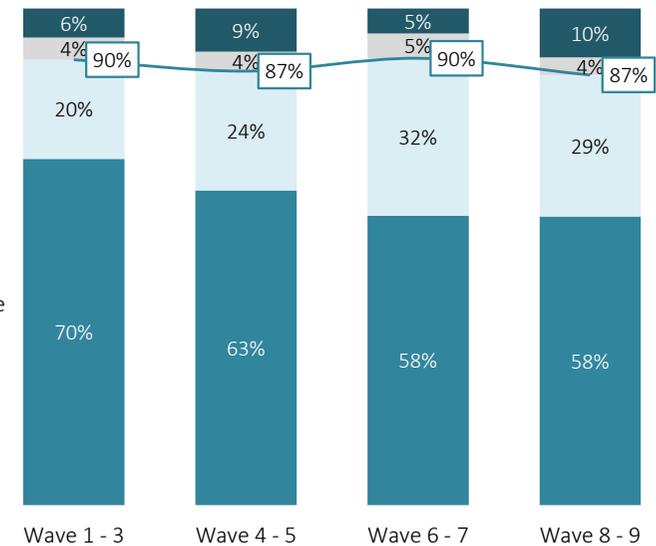
% Total negative impact gap to Total Pacific Islands

- Positive
- No impact
- Slightly negative
- Very negative



TOTAL PACIFIC ISLANDS

- Positive
- No impact
- Slightly negative
- Very negative



% TOTAL NEGATIVE IMPACT ON BUSINESS

IMPACT OF COVID-19 ON BUSINESS REVENUE

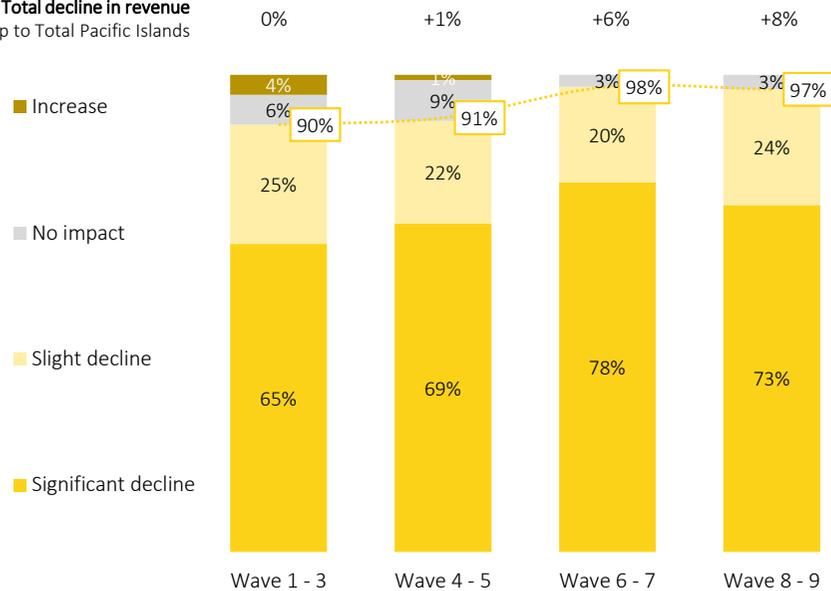
In line with greater negative impact and less businesses fully operational, a greater proportion of businesses in Niue have faced significant declines in revenue from September to December 2020 (Waves 6-9), compared to the rest of the Pacific Islands.

Q

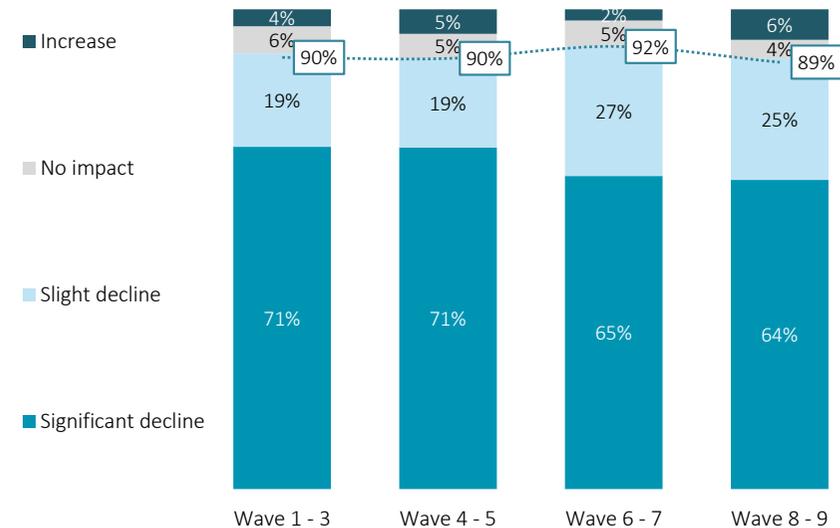
WHAT IMPACT HAS THE COVID-19 CRISIS HAD ON YOUR BUSINESS SALES/REVENUE SO FAR?

NIUE

% Total decline in revenue gap to Total Pacific Islands



TOTAL PACIFIC ISLANDS



..... % TOTAL INCREASE

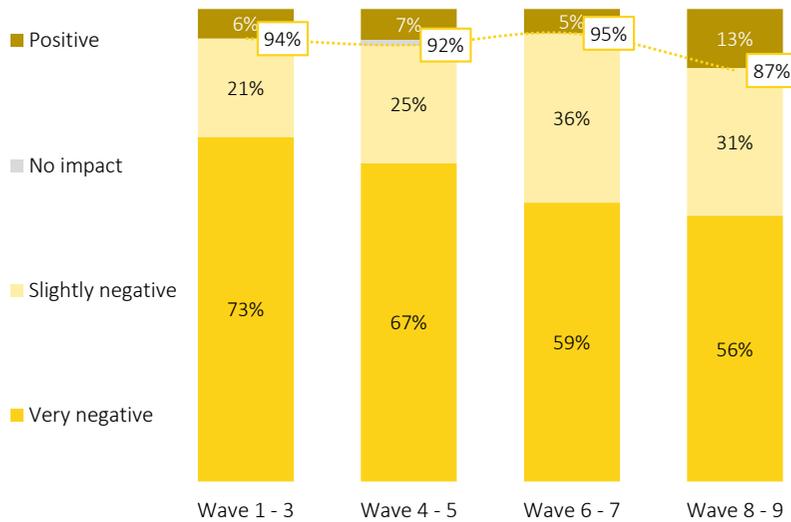
IMPACT OF COVID-19 ON THE LOCAL ECONOMY

Positively, those reporting a very negative impact on the local economy in Niue has gradually declined over 2020, although 56% still report a very negative impact as borders remain closed.

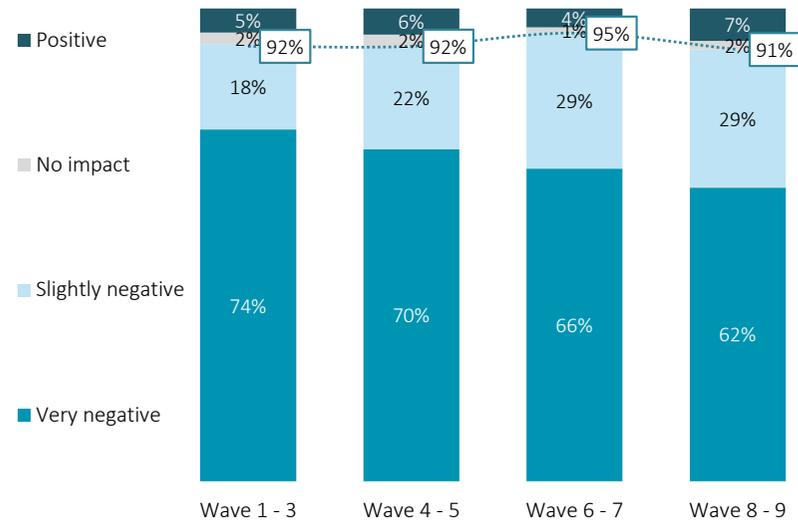
Q WHAT IMPACT HAS THE COVID-19 CRISIS HAD ON YOUR LOCAL ECONOMY?

NIUE

% Total negative impact gap to Total Pacific Islands



TOTAL PACIFIC ISLANDS



..... % TOTAL NEGATIVE IMPACT

IMPACT OF COVID-19 ON WELLBEING

The mental health of decision-makers in Niue has been more negatively impacted over September to October 2020 (Waves 6-7); however, this has improved over November to December 2020 (Waves 8-9).



WHAT IMPACT DO YOU THINK THE COVID-19 SITUATION WILL HAVE ON THE FOLLOWING...?



THE WELLBEING OF YOUR COMMUNITY



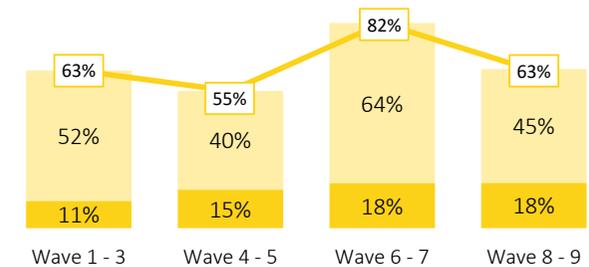
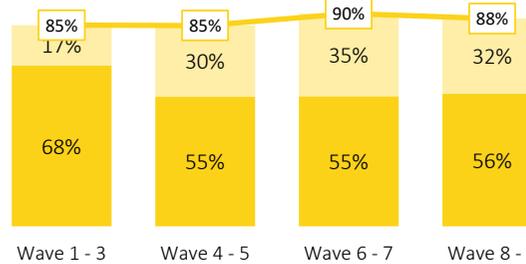
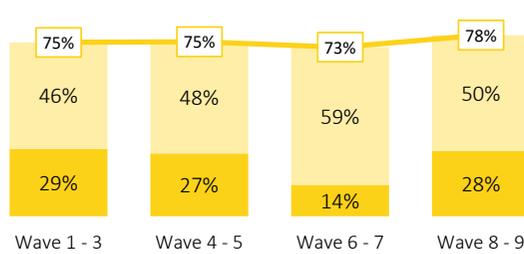
YOUR PERSONAL FINANCIAL SITUATION



YOUR MENTAL HEALTH

NIUE

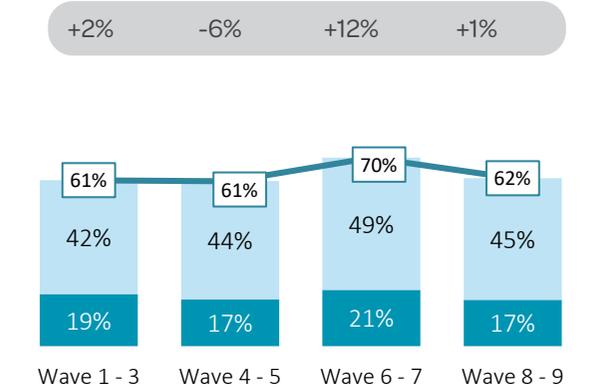
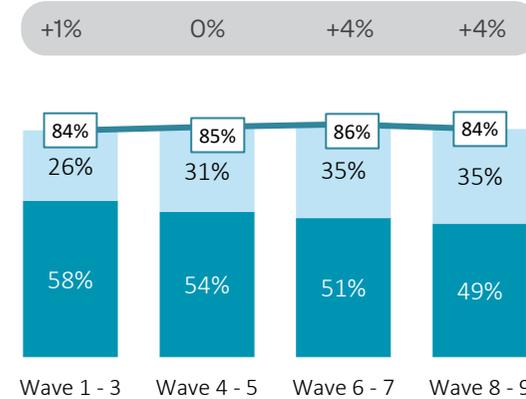
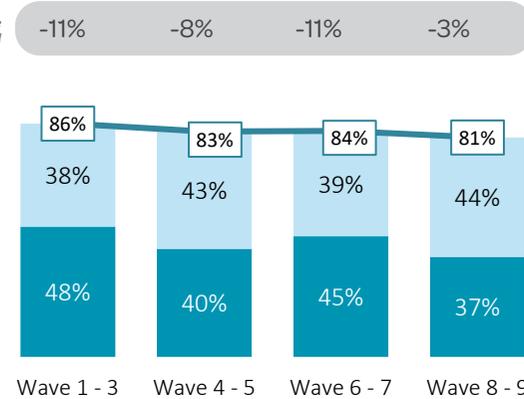
VERY NEGATIVE SLIGHTLY NEGATIVE



TOTAL PACIFIC ISLANDS

VERY NEGATIVE SLIGHTLY NEGATIVE

% total negative gap to total



% TOTAL NEGATIVE IMPACT

IMPACT OF COVID-19 ON EMOTIONAL STATE

Approximately half of Niue decision-makers have felt happy most of the time in 2020 and levels of worry are lower than the Pacific Islands overall; however, the levels of optimism and happiness declined at the end of 2020, likely as a result of worsening business conditions.

Q

THINKING BACK OVER THE LAST 2 WEEKS, HOW OFTEN DID YOU FEEL...?

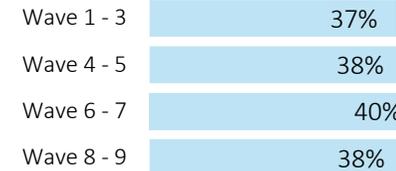
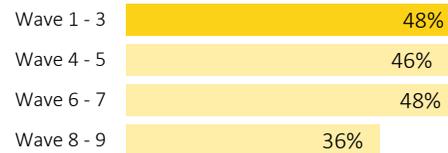
NIUE

TOTAL PACIFIC ISLANDS



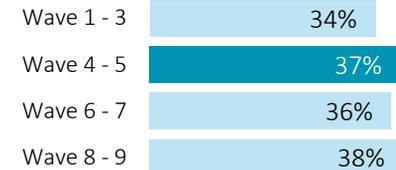
OPTIMISTIC

% Felt optimistic all/most of the time



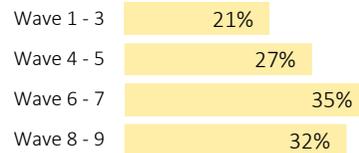
HAPPY

% Felt happy all/most of the time



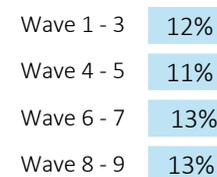
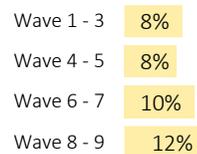
WORRIED

% Felt worried all/most of the time



ANGRY

% Felt angry all/most of the time

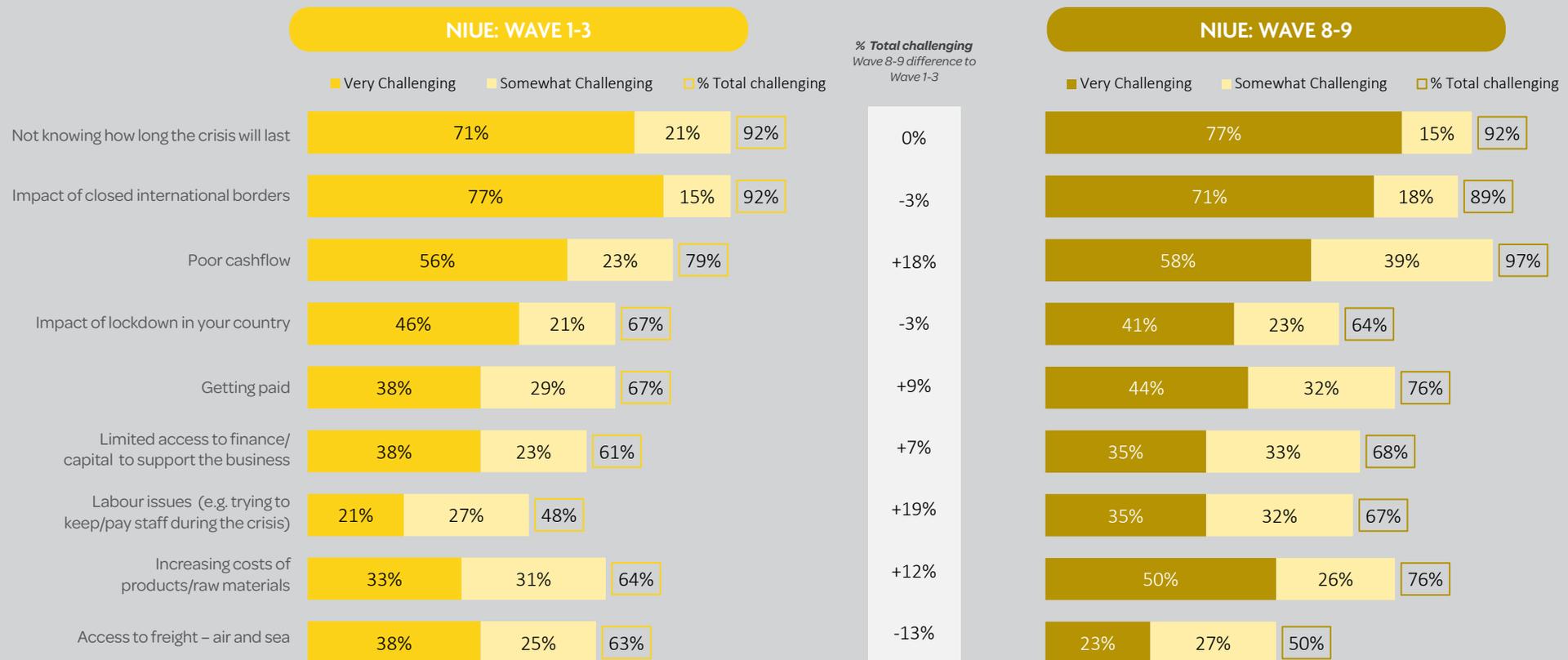


CHALLENGES DUE TO COVID-19 AND MARKET CONDITIONS

Compared to earlier in 2020, Niue businesses have become increasingly challenged by poor cashflow, labour issues and increasing costs.

Q

HOW CHALLENGING HAS YOUR BUSINESS FOUND THE FOLLOWING AS A RESULT OF COVID-19 AND THE CURRENT MARKET CONDITIONS?



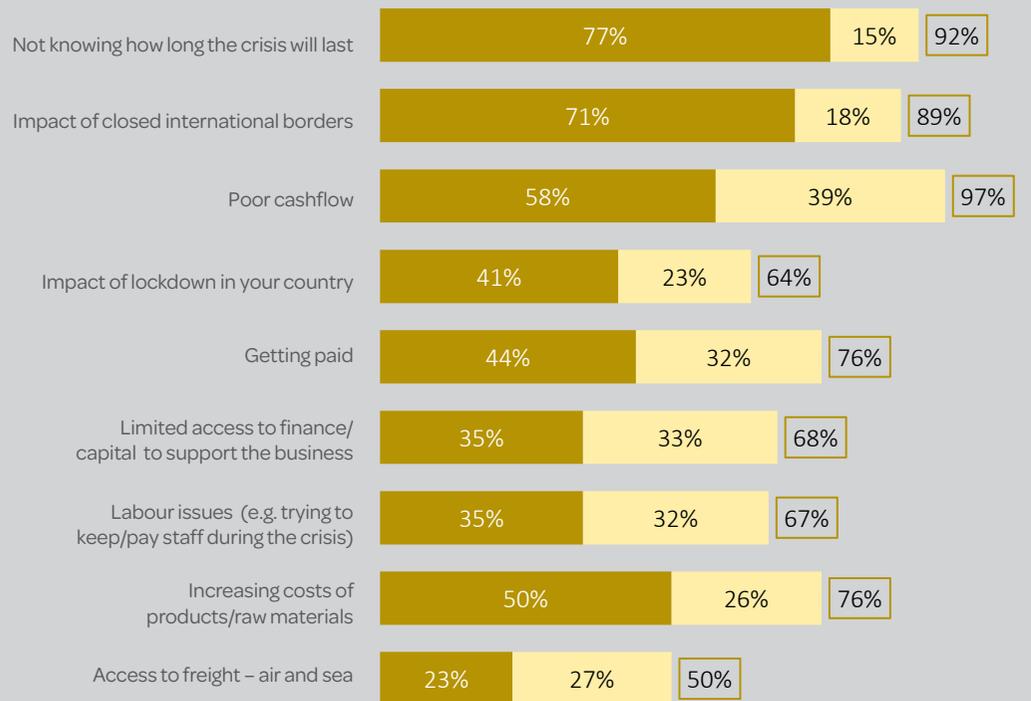
CHALLENGES AS A RESULT OF COVID-19 AND MARKET CONDITIONS

Towards the end of 2020, challenges in Niue were relatively on par with the Pacific Islands overall, with slightly more concern with cashflow and less concern with access to freight.

Q HOW CHALLENGING HAS YOUR BUSINESS FOUND THE FOLLOWING AS A RESULT OF COVID-19 AND THE CURRENT MARKET CONDITIONS?

NIUE: WAVE 8-9

■ Very Challenging ■ Somewhat Challenging ■ % Total challenging

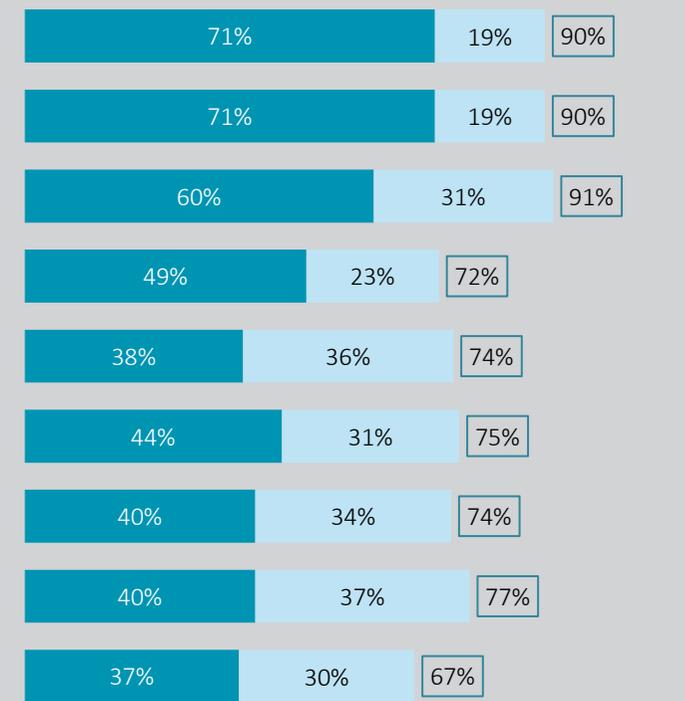


% Total challenging
Wave 8-9 gap to
Total Pacific Islands

+2%
-1%
+6%
-8%
+2%
-7%
-7%
-1%
-17%

TOTAL PACIFIC ISLANDS: WAVE 8-9

■ Very Challenging ■ Somewhat Challenging ■ % Total challenging



ACTIONS TAKEN TO REDUCE COST AND DAMAGE TO BUSINESS DUE TO COVID-19

Towards the end of 2020, Niue businesses were actioning more initiatives to reduce cost and had an increased focus on reducing operational costs but positively, nearly half diversified their products/services.

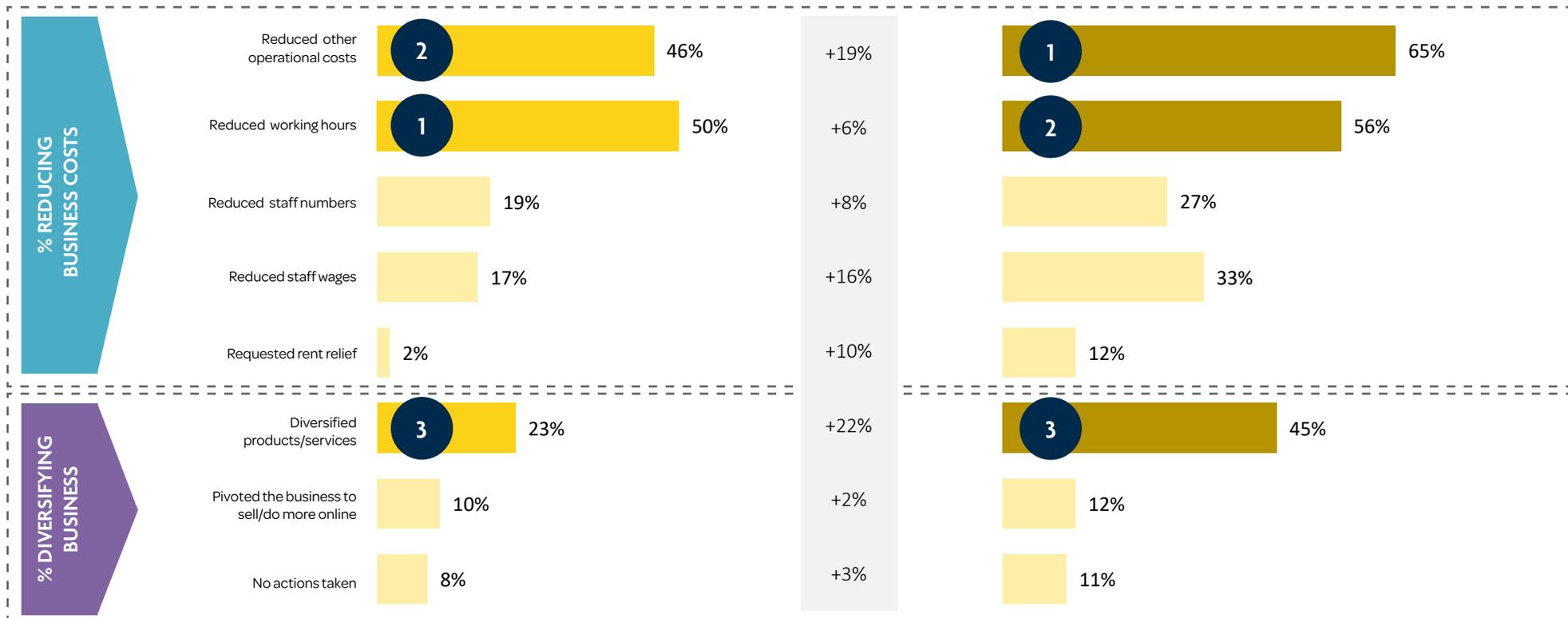


INDICATE THE ACTIONS YOUR BUSINESS HAS TAKEN TO REDUCE THE COST & DAMAGE TO YOUR BUSINESS DUE TO THE COVID-19 CRISIS.

NIUE: WAVE 1-3

% difference
Wave 8-9 to Wave 1-3

NIUE: WAVE 8-9



AVERAGE NUMBER OF ACTIONS TAKEN

1.7

AVERAGE NUMBER OF ACTIONS TAKEN

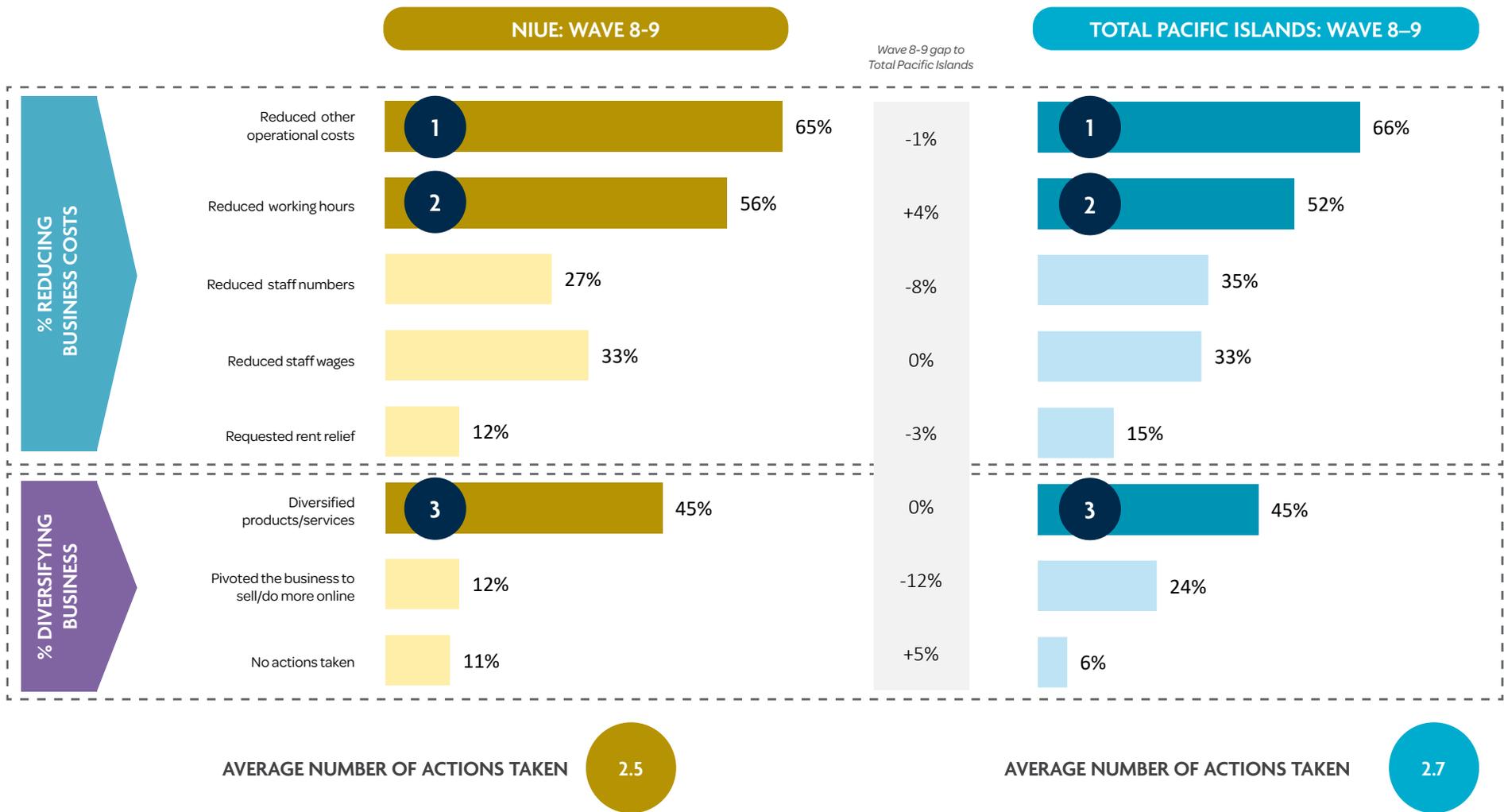
2.5

ACTIONS TAKEN TO REDUCE COST AND DAMAGE TO BUSINESS DUE TO COVID-19

Actions taken to reduce costs were relatively on par with total Pacific Islands towards the end of 2020, with slightly less focus on selling more online in Niue.

Q

INDICATE THE ACTIONS YOUR BUSINESS HAS TAKEN TO REDUCE THE COST & DAMAGE TO YOUR BUSINESS DUE TO THE COVID-19 CRISIS.



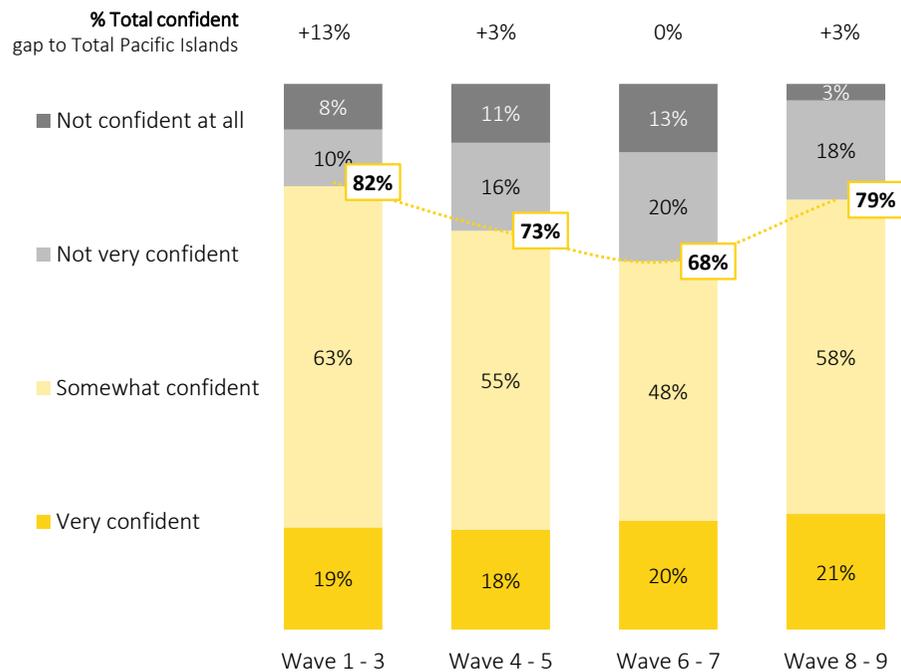
CONFIDENCE IN BUSINESS SURVIVAL

Positively, and despite significant challenges, just over three quarters of businesses in Niue are confident they will survive the COVID-19 crisis. Although confidence has dropped since the start of the pandemic, confidence is still slightly higher than the Pacific Islands overall.

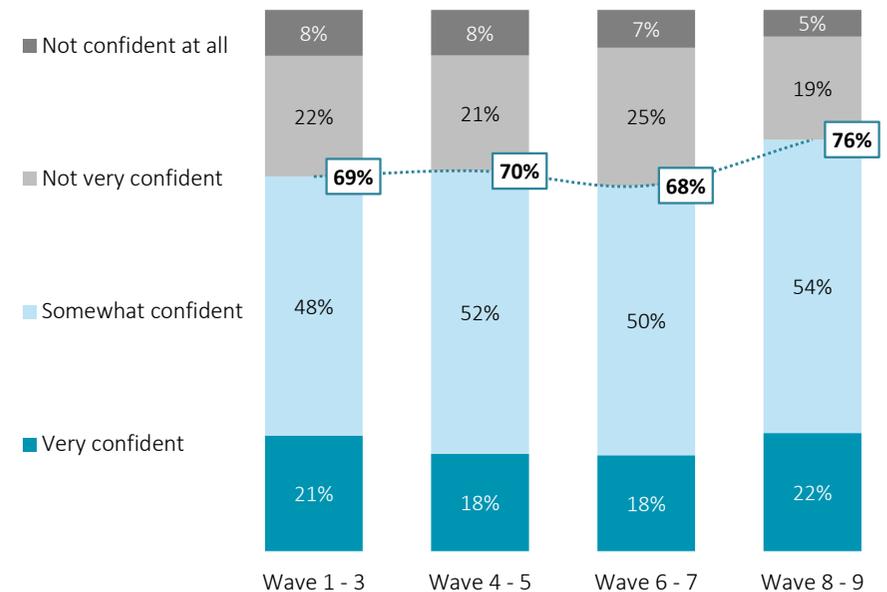
Q

HOW CONFIDENT ARE YOU THAT YOUR BUSINESS WILL SURVIVE THE COVID-19 CRISIS?

NIUE



TOTAL PACIFIC ISLANDS



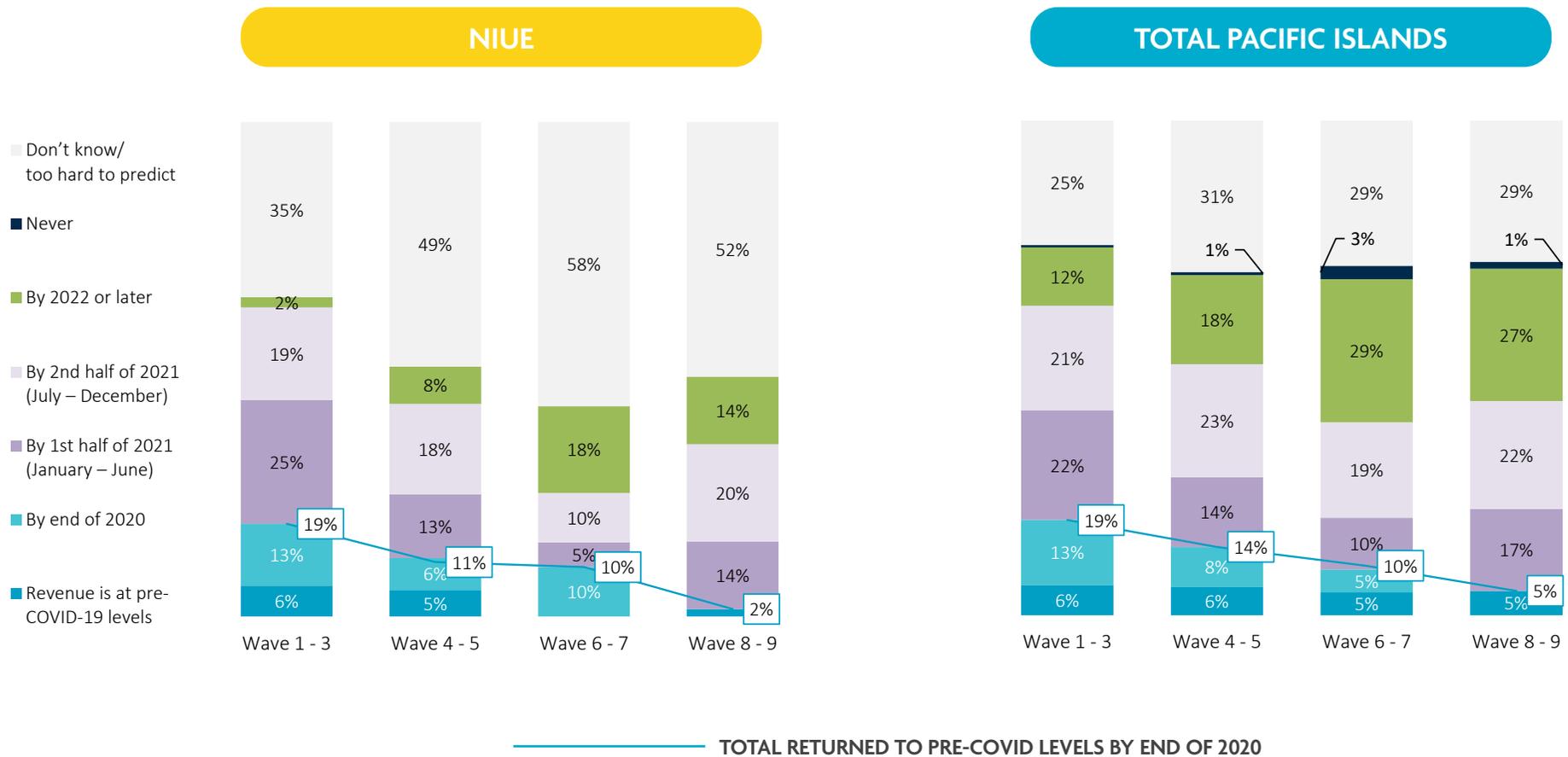
..... % TOTAL CONFIDENT

TIMEFRAME OF BUSINESS SALES/REVENUE RETURNING TO BUSINESS AS USUAL

Timeframe expectations of returning to business as usual in Niue gradually shifted back as 2020 progressed, a trend seen across all the Pacific Islands. Over half of businesses in Niue are now unsure when they will return to business as usual, which is much higher than the Pacific Islands overall.

Q

WHEN DO YOU BELIEVE YOUR BUSINESS SALES/REVENUE WILL RETURN TO PRE-COVID-19 LEVELS?



TOP 3 INITIATIVES NEEDED TO SUPPORT BUSINESSES

Due to significant revenue impact, half of businesses in Niue were increasingly looking for financial support and to review their financial position towards the end of 2020.

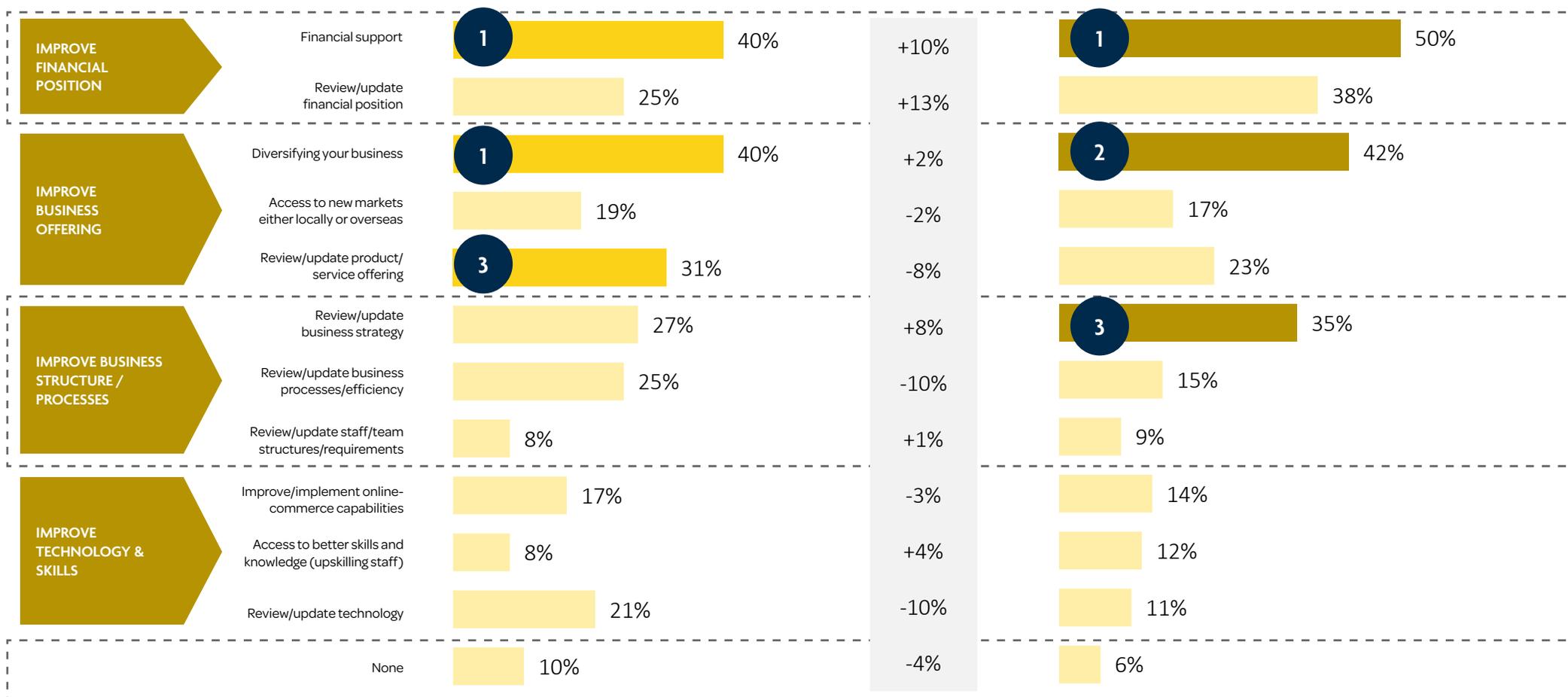
Q

WHAT ARE THE TOP THREE INITIATIVES THAT YOU NEED TO ACTION TO SUPPORT YOUR BUSINESS NOW?

NIUE: WAVE 1-3

Wave 8-9 difference to Wave 1-3

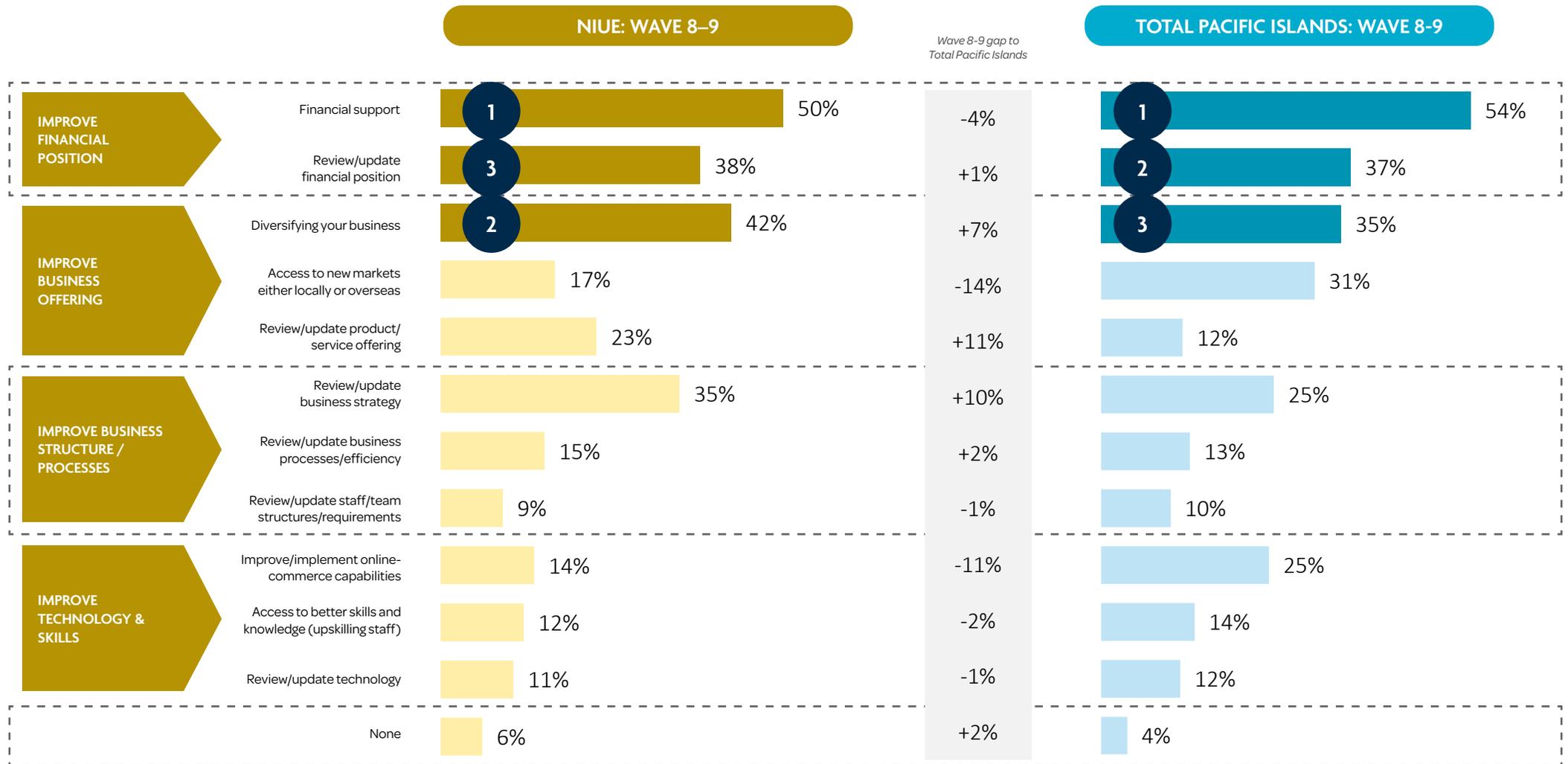
NIUE: WAVE 8-9



TOP 3 INITIATIVES NEEDED TO SUPPORT BUSINESSES

Compared to the Pacific Islands overall, Niue businesses are more likely to be looking to update their product/service offering and business strategy, but less likely to be implementing online commerce capabilities and looking to new markets.

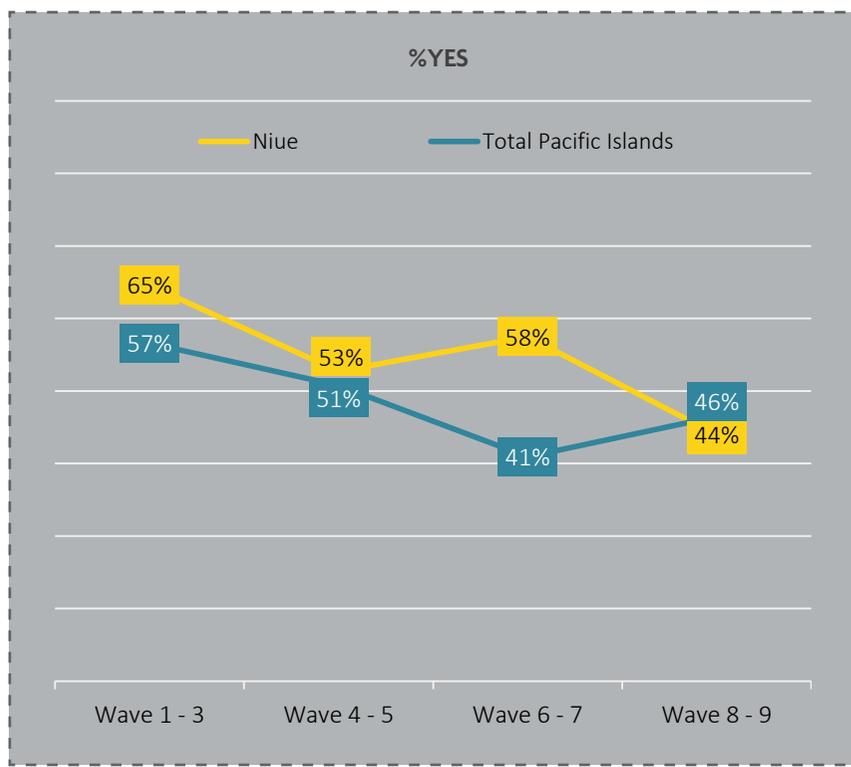
Q WHAT ARE THE TOP THREE INITIATIVES THAT YOU NEED TO ACTION TO SUPPORT YOUR BUSINESS NOW?



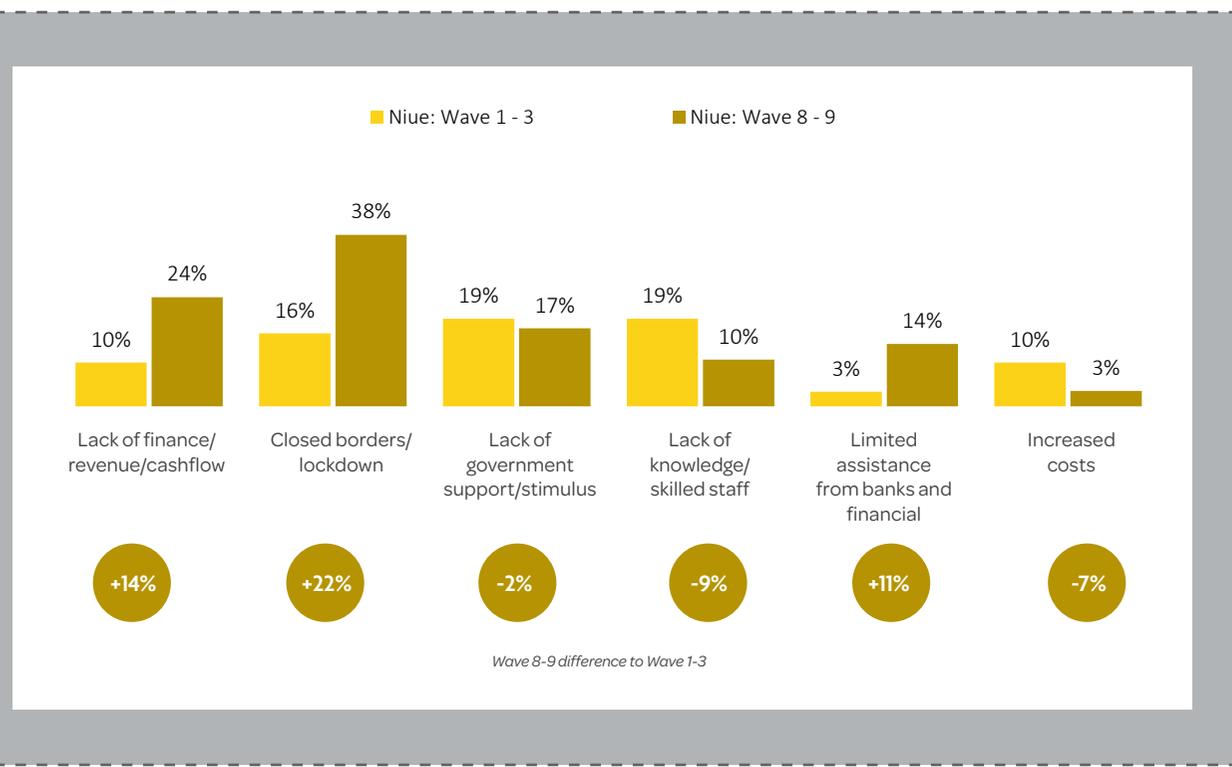
BARRIERS TO ACTIONING INITIATIVES

The proportion of Niue businesses facing barriers to implementing change has progressively declined over 2020. The key barriers for Niue businesses are closed borders and lack of finance, which highlights their increasing need for financial support as most businesses are either partly operational or temporarily closed.

Q IS ANYTHING PREVENTING YOU FROM ACTIONING THESE INITIATIVES?



Q WHAT IS PREVENTING YOU FROM ACTIONING THESE INITIATIVES?



“Need finance to make changes to my existing business. Build new infrastructure, New skills training, and equipment.”
- SME, Retail Trade, Niue

“Due to the nature of business operation relying 100% on tourism, the uncertainty and lack of information, changing rules, are the major barrier of planning in future operation.”
- SME, Accommodation, Hospitality & Food Service, Niue

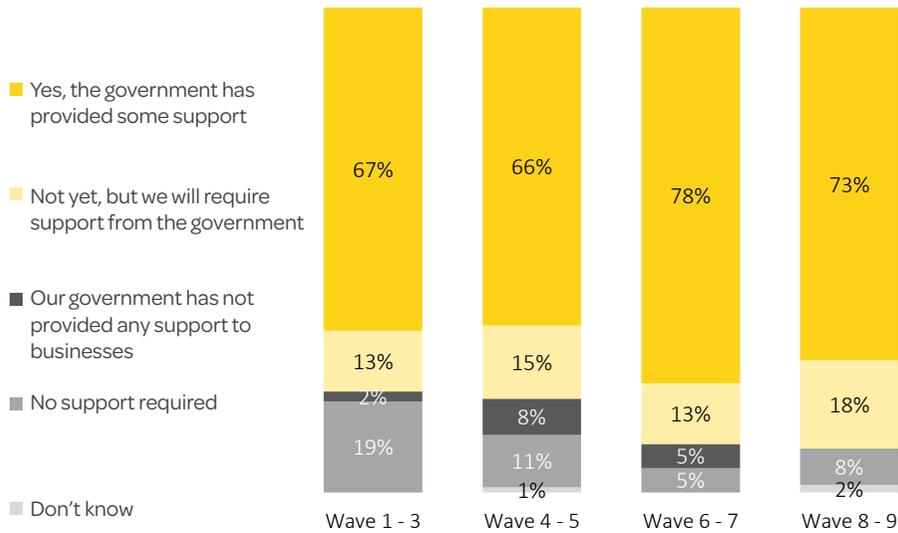
“The local economy appears stable for the immediate short term, though there is little information and gauge of longer-term planning and contingencies in which to easily evaluate risk levels. No clear informed contingencies of government if situation remains as is or is worsens.”
- SME, Tourism, Niue

ACCESS TO GOVERNMENT SUPPORT DURING COVID-19 CRISIS

Positively, over two thirds of businesses in Niue have received support from the government, much higher than the Pacific Islands overall.

Q HAS YOUR BUSINESS ACCESSED ANY SUPPORT FROM YOUR GOVERNMENT TO HELP YOU THROUGH THE COVID-19 CRISIS?

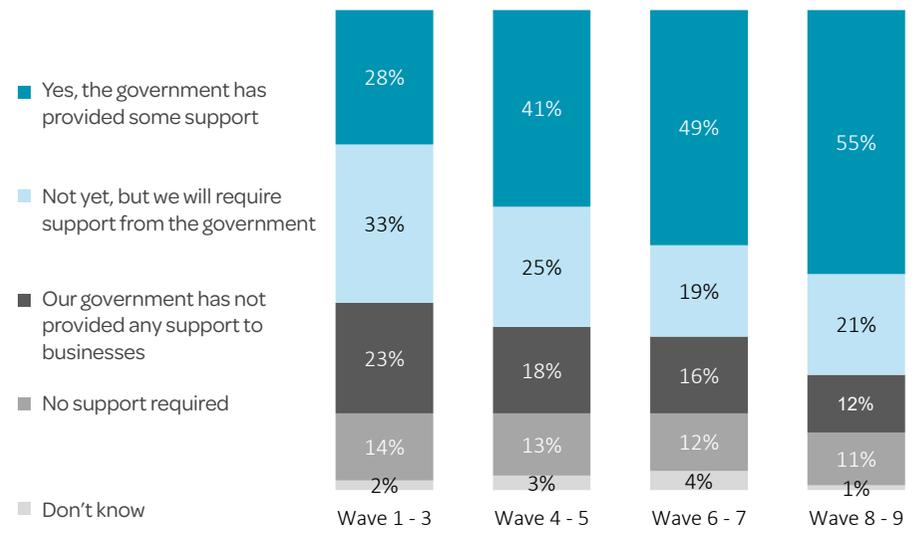
NIUE



% received govt. support gap to total pacific islands



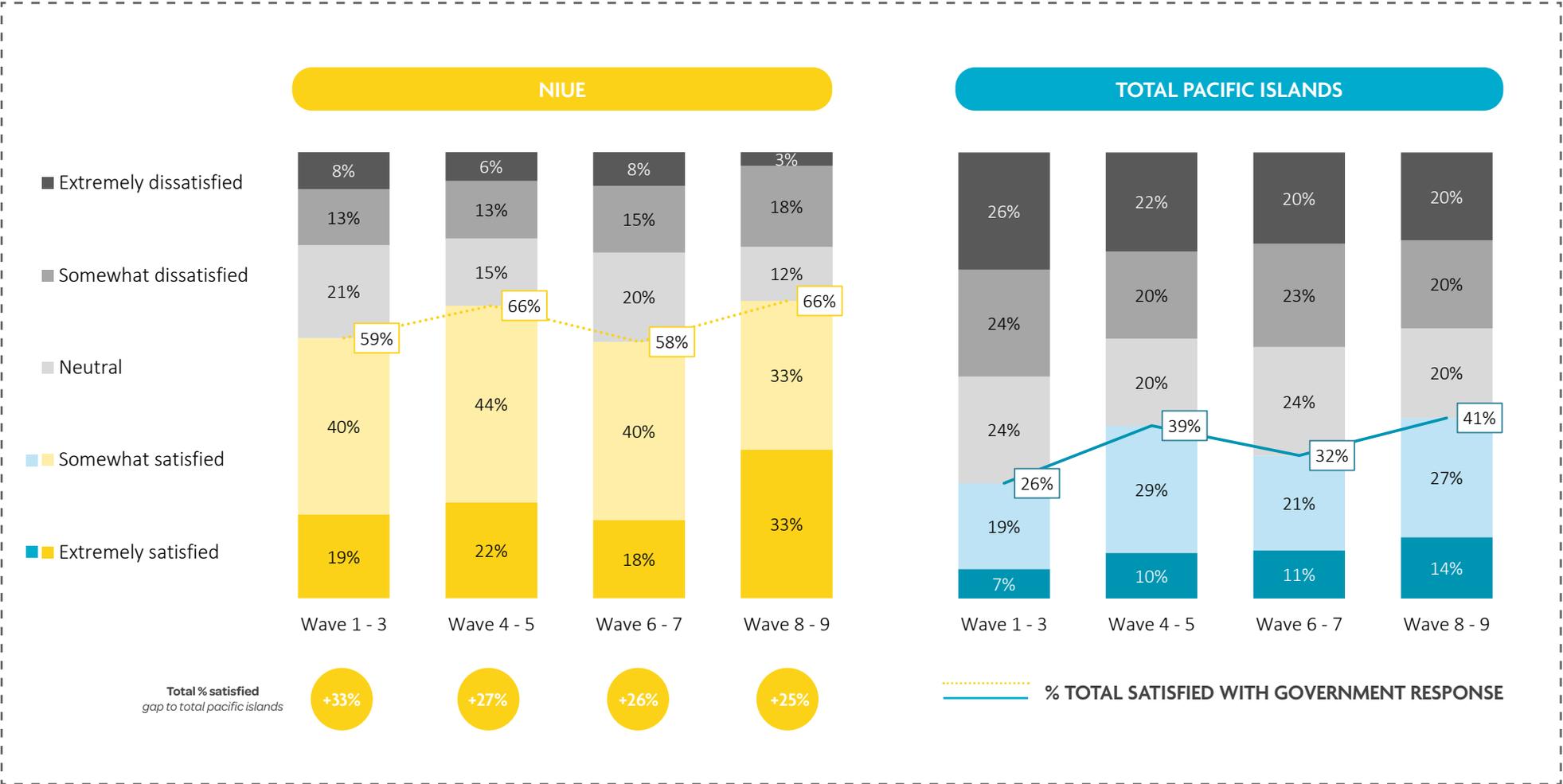
TOTAL PACIFIC ISLANDS



SATISFACTION WITH GOVERNMENT SUPPORT

In addition, satisfaction with the government's response is also much higher among Niue businesses compared to the Pacific Islands overall. One third of businesses were extremely satisfied with the government in Niue at the end of 2020, compared to 14% overall.

Q HOW SATISFIED ARE YOU WITH THE WAY YOUR GOVERNMENT HAS SUPPORTED YOUR BUSINESS THROUGH THE COVID-19 CRISIS?



RESEARCH METHODOLOGY



WHO DID WE SPEAK WITH?

MORE THAN

110

COMPLETED SURVEYS PER WAVE

All respondents are key influencers or decision makers in their business. All businesses are based in the Pacific Islands.

N=247

TOTAL COMPLETED SURVEYS FROM NIUE



HOW DID WE SPEAK WITH THEM?

8

MINUTE

QUANTITATIVE ONLINE SURVEYS



WHEN DID WE SPEAK WITH THEM?

9

WAVES

IN 2020

Online responses were collected over nine waves between 18 May–13 December 2020.

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, Europe and New Zealand, the PTI Network develops and promotes trade and investment across international markets.

ACKNOWLEDGEMENTS

The PTI Network would like to thank all the Pacific businesses that took part in the Pacific Business Monitor Surveys, and on-the-ground partners for their ongoing support and who shared the surveys through their networks.

DISCLAIMER

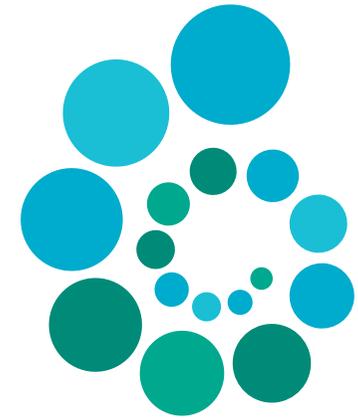
The information presented in this report is based on responses received by research company Fifth Quadrant from surveys administered from 18 May–13 December 2020.

FOR FURTHER INFORMATION

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Pacific Trade Invest



PACIFIC ISLANDS
FORUM SECRETARIAT



fifth
quadrant