



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 13th wave of PTI's Pacific Business Monitor surveys includes responses gathered from 5 to 18 April 2021, from 175 businesses across the Pacific region, including 97 female-led/owned businesses.

This report includes data from the top four 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, Europe 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 increased, with 84% (100% French Polynesia) reporting a negative impact.
- 85% (100% French Polynesia) of businesses reported a decline in revenue due to COVID-19.
- 58% (39% French Polynesia) are confident that their business will survive the COVID-19 crisis, which is the lowest since tracking began.

CHALLENGES & SUPPORT NEEDED

- The top three challenges facing businesses as a result of COVID-19 are:
 - » Not knowing how long the crisis will last (86% Pacific, 91% French Polynesia)
 - » Impact of closed international borders (86% Pacific, 74% French Polynesia)
 - » Poor cashflow (84% Pacific, 91% French Polynesia)
- The top four initiatives businesses require assistance with are:
 - » Financial support (59% Pacific, 65% French Polynesia)
 - » Review financial position (35% Pacific, 30% French Polynesia)
 - » Access to new markets (35% Pacific, 35% French Polynesia)
 - » Diversify business (26% Pacific, 30% French Polynesia)
- 56% of female-led businesses report having barriers that prevent them actioning initiatives to support their business, compared to 45% of male-led businesses.

PERSONAL IMPACTS ON BUSINESS DECISION-MAKERS

- The negative toll on mental health has decreased slightly, with 63% (61% French Polynesia) reporting a negative impact on their mental health.
- The proportion of businesses reporting a very negative impact on community wellbeing has increased to 36% (14% French Polynesia).

CURRENT IMPACT OF COVID-19 ON BUSINESSES IN THE PACIFIC

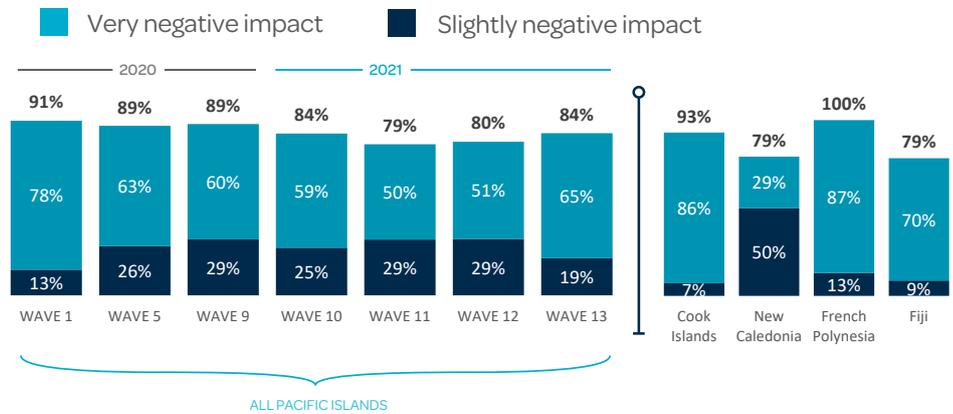
100%

FRENCH POLYNESIA

REPORTED A NEGATIVE IMPACT DUE TO COVID-19

COVID-19 continues to have a negative impact on businesses overall as borders remain closed. Reports of negative impact have increased again this wave, with 84% (100% French Polynesia) reporting a negative impact.

REPORTED A NEGATIVE IMPACT ON BUSINESS*



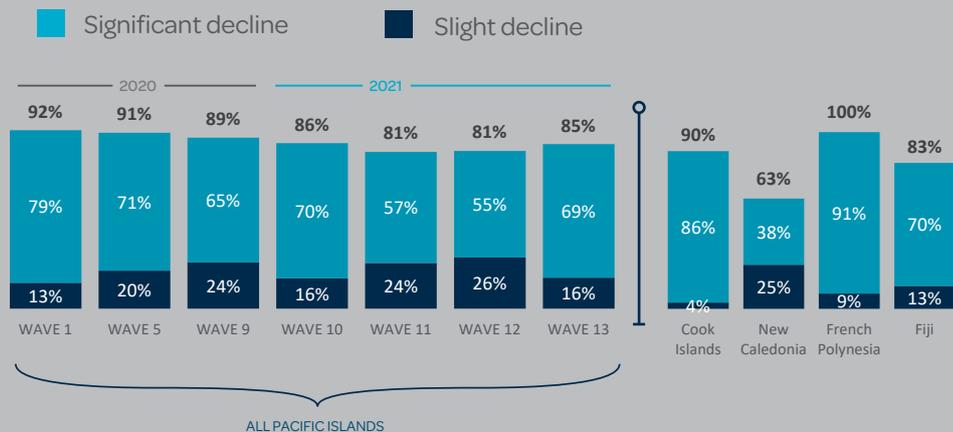
100%

FRENCH POLYNESIA

REPORTED A DECLINE IN REVENUE

85% (100% French Polynesia) of businesses report a decline in revenue due to COVID-19. The severity of revenue impact has also increased, with 69% (91% French Polynesia) reporting a significant decline in revenue.

REPORTED A DECLINE IN REVENUE*



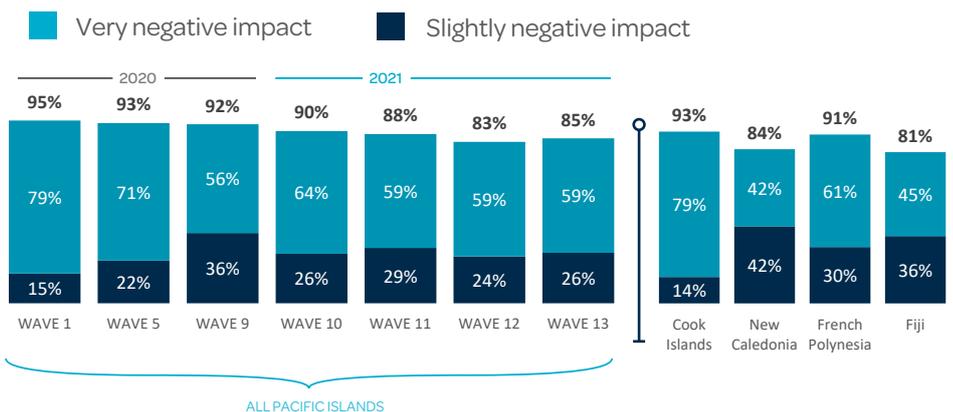
91%

FRENCH POLYNESIA

BELIEVE COVID-19 HAS NEGATIVELY IMPACTED THE LOCAL ECONOMY

Negative perceptions of the local economy have also increased in severity this wave, with 85% (91% French Polynesia) reporting a negative impact on the local economy.

BELIEVE NEGATIVE IMPACT ON THE LOCAL ECONOMY*



39%

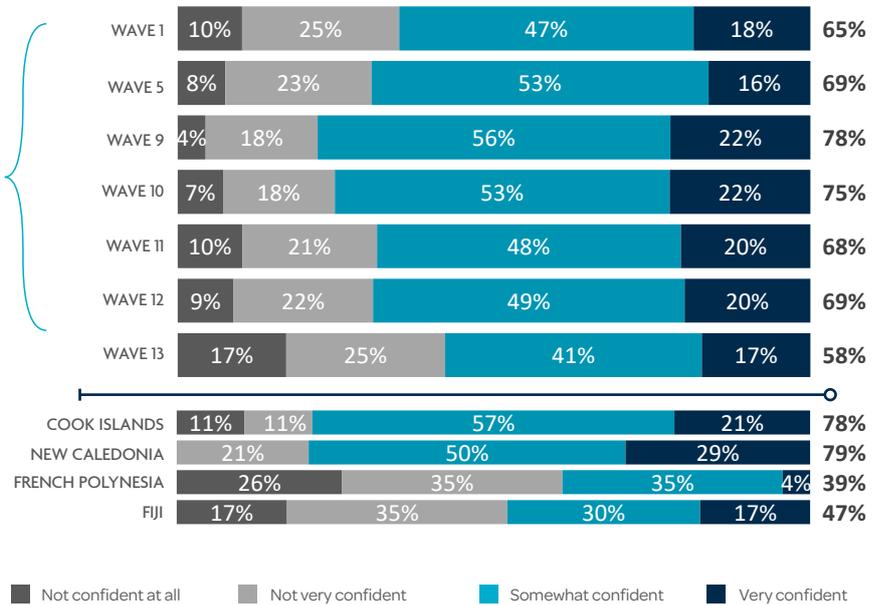
FRENCH POLYNEسيا

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

58% (39% French Polynesia) of respondents are confident that their business will survive, which is the lowest since tracking began.

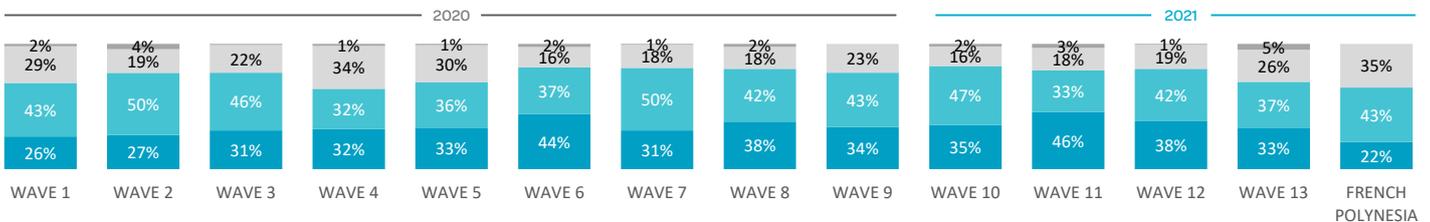
CONFIDENCE IN BUSINESS SURVIVAL AFTER COVID-19

ALL PACIFIC ISLANDS



BUSINESS STATUS

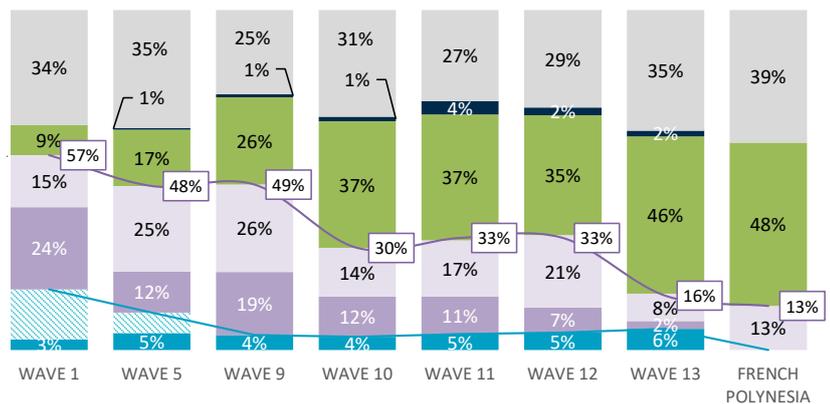
Permanently closed, Partly operational, Temporarily closed, Operational



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

The road to recovery expectations are less optimistic, with only 16% of businesses (13% French Polynesia) confident of returning to pre-covid revenues in 2021.

Don't know/ too hard to predict, Never, By 2022 or later, By 2nd half of 2021, By 1st half of 2021, By end of 2020, Revenue is at pre-COVID-19 levels By 2020, By 2021



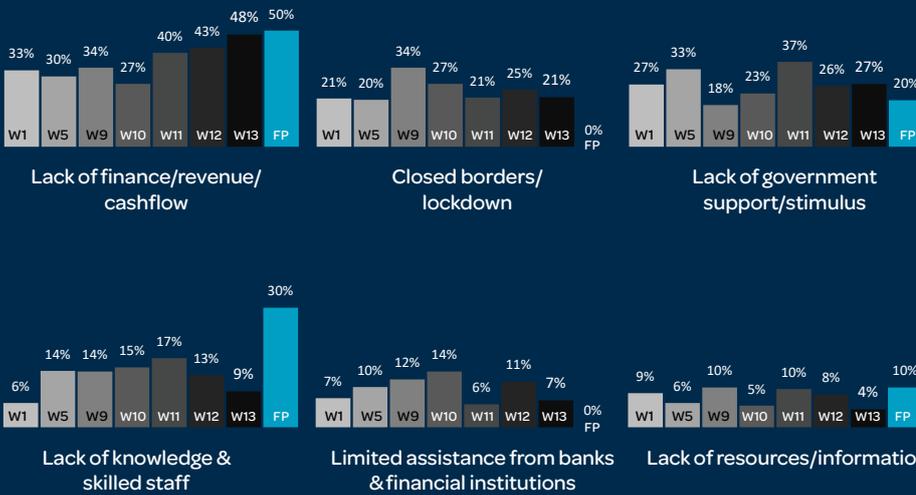
ACTIONS TAKEN TO REDUCE COST/DAMAGE TO BUSINESS



51%
43% FRENCH POLYNESIA

BARRIERS TO ACTIONING INITIATIVES

51% (43% French Polynesia) reported that there are barriers preventing them from actioning initiatives to support their business.



“Visibilité sur l’avenir. Peur d’engager des dépenses sans être sûr d’avoir assez de rentrer.”
“Visibility about the future. Fear of incurring expenses without being sure of earning enough income.”

– SME, Retail Trade, French Polynesia

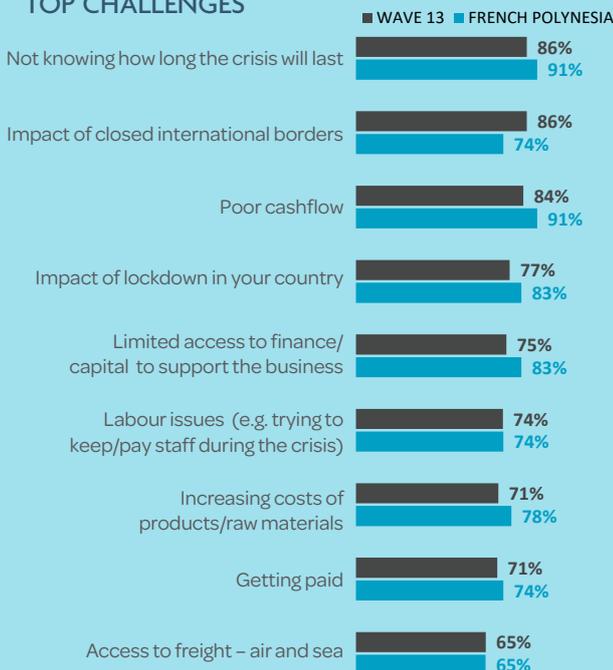
“Have not been able to access Government funding due to processes being too difficult.”

– SME, Tourism, Cook Islands

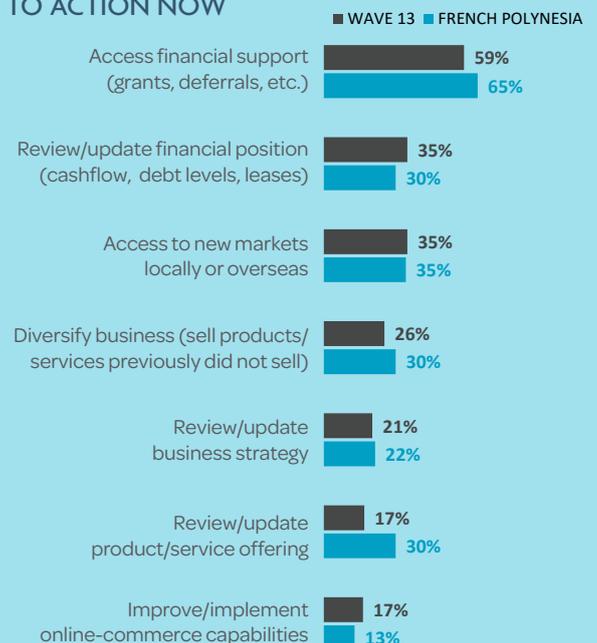
“Closed borders and Government with very limited funding availability for business support.”

– SME, Tourism, Fiji

TOP CHALLENGES

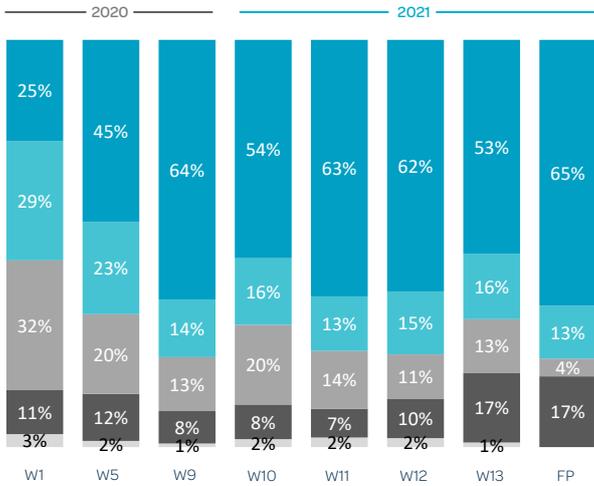


TOP INITIATIVES NEEDED TO ACTION NOW



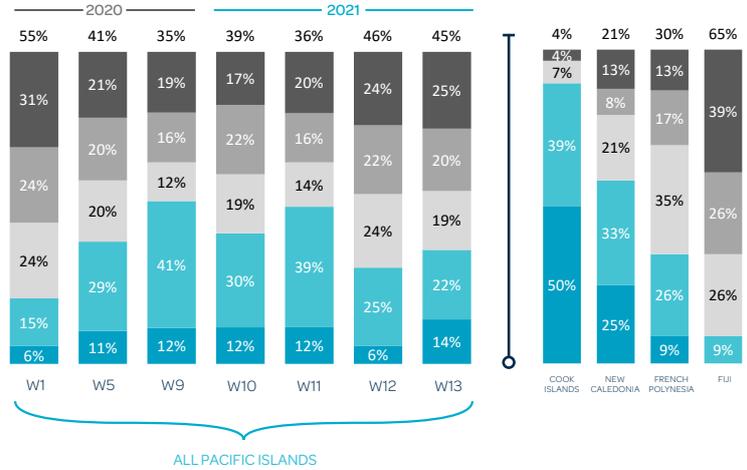
GOVERNMENT SUPPORT

HAS YOUR BUSINESS ACCESSED ANY SUPPORT?



Yes, the government has provided some support
 Not yet, but we will require support from the government
 Our government has not provided any support to businesses
 No support required
 Don't know

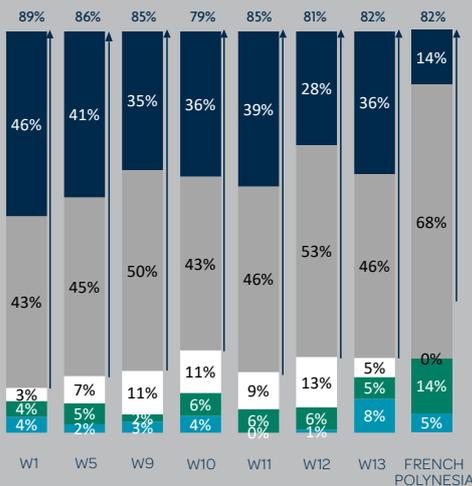
SATISFACTION WITH GOVERNMENT RESPONSE



Extremely satisfied
 Somewhat satisfied
 Extremely dissatisfied
 Somewhat dissatisfied
 Neutral

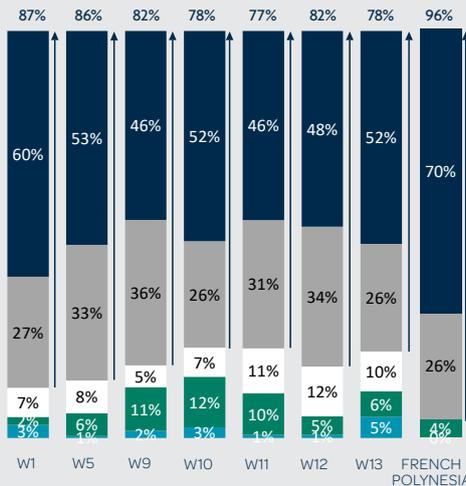
PERSONAL WELLBEING

WELLBEING OF THE COMMUNITY



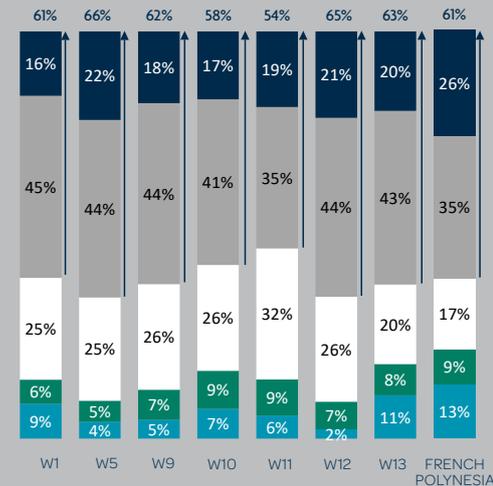
The proportion of businesses reporting a very negative impact on community wellbeing has increased to 36% (14% French Polynesia).

PERSONAL FINANCIAL SITUATION



The pandemic continues to have a significant impact on business decision-makers' personal financial situation; those reporting a negative impact has decreased to 78% (96% French Polynesia).

MENTAL HEALTH

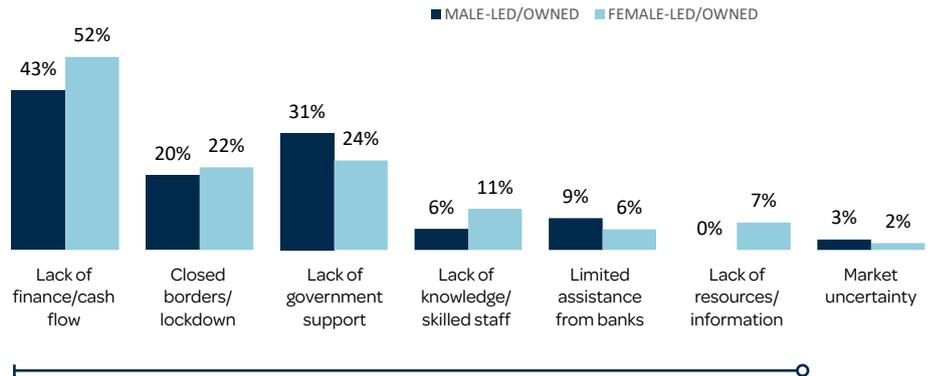
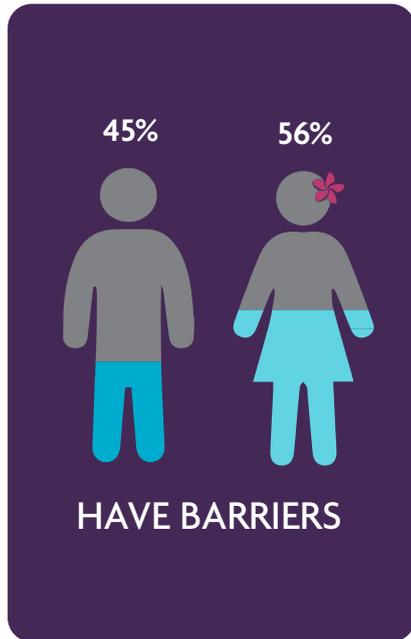


The negative toll on mental health has improved slightly since last wave, with 63% reporting a negative impact (61% French Polynesia).

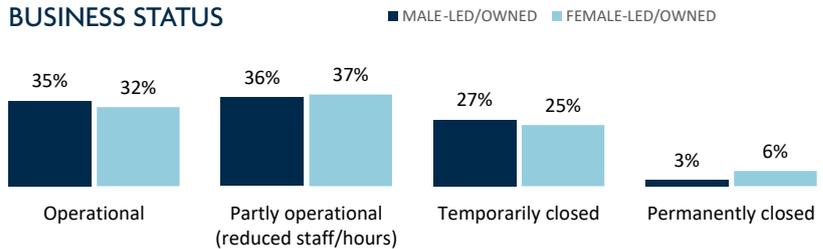
Very negative Slightly negative No impact Slightly positive Very positive

IMPACT ON FEMALE-LED/OWNED BUSINESSES IN THE PACIFIC

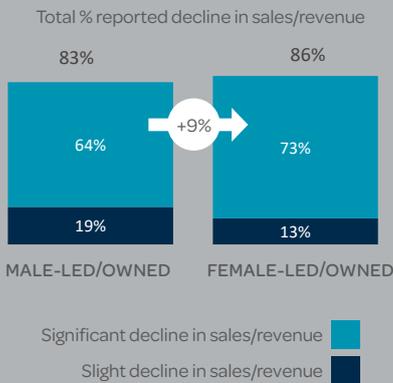
BARRIERS PREVENTING ACTIONING OF INITIATIVES



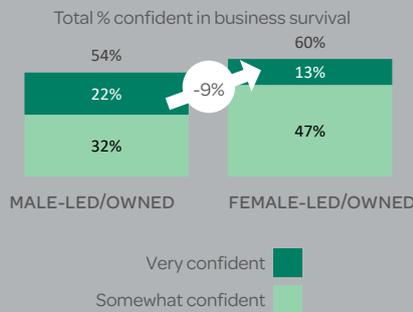
BUSINESS STATUS



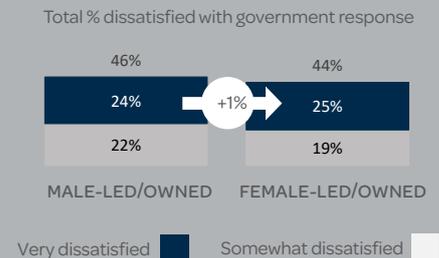
IMPACT ON BUSINESS REVENUE



CONFIDENCE IN BUSINESS SURVIVAL



SATISFACTION WITH GOVERNMENT RESPONSE

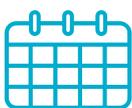


% have received government support



METHODOLOGY

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



Responses were collected 5 – 18 April 2021



5-minute questionnaire



All surveys completed online



A wide selection of industry sectors are represented



The information in this report is based on 175 respondents from across the Pacific region



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

FOR FURTHER INFORMATION

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