



## IMPACTS ON BUSINESSES IN THE PACIFIC

- The extent and severity of COVID-19 on Pacific businesses has remained stable, with 84% (78% Niue) reporting a negative impact.
- 88% (91% Niue) of businesses reported a decline in revenue due to COVID-19.
- 69% (68% Niue) are confident that their business will survive the COVID-19 crisis.

## 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 14th wave of PTI’s Pacific Business Monitor surveys includes responses gathered from 3 to 16 May 2021, from 106 businesses across the Pacific region, including 57 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.



## CHALLENGES & SUPPORT NEEDED

- The top three challenges facing businesses as a result of COVID-19 are:
  - » Impact of closed international borders (91% Pacific, 91% Niue)
  - » Poor cashflow (91% Pacific, 77% Niue)
  - » Not knowing how long the crisis will last (89% Pacific, 86% Niue)
- The top four initiatives businesses require assistance with are:
  - » Financial support (57% Pacific, 55% Niue)
  - » Access to new markets (38% Pacific, 32% Niue)
  - » Diversify business (36% Pacific, 23% Niue)
  - » Improve online-commerce capabilities (31% Pacific, 14% Niue)
- 56% of female-led businesses report having barriers that prevent them actioning initiatives to support their business, compared to 47% of male-led businesses.

## PERSONAL IMPACTS ON BUSINESS DECISION-MAKERS

- The negative toll on mental health has increased slightly, with 65% (59% Niue) reporting a negative impact on their mental health.
- The proportion of businesses reporting a very negative impact on community wellbeing has increased to 40% (19% Niue).

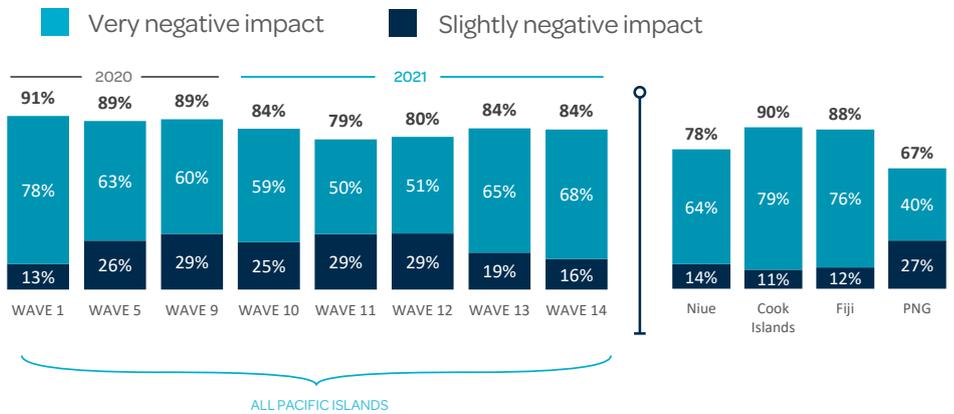
# CURRENT IMPACT OF COVID-19 ON BUSINESSES IN THE PACIFIC

**78%**  
NIUE

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 remained stable this wave, with 84% (78% Niue) reporting a negative impact.

## REPORTED A NEGATIVE IMPACT ON BUSINESS\*

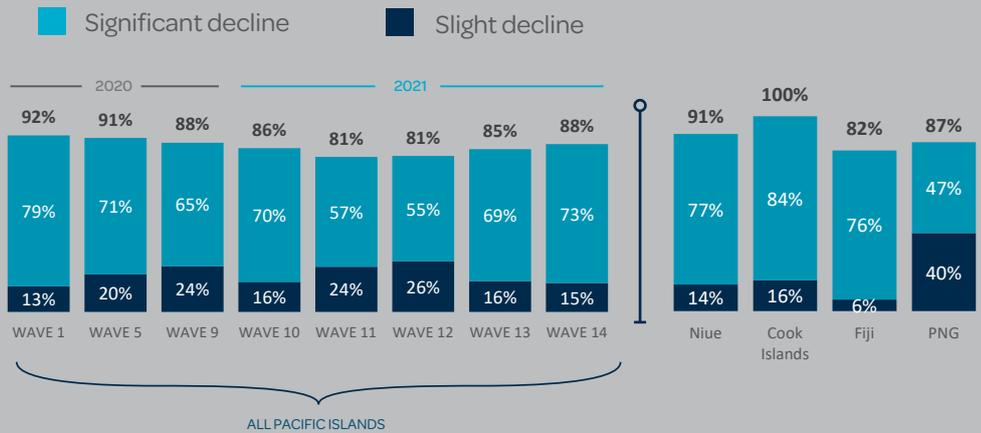


**91%**  
NIUE

REPORTED A DECLINE IN REVENUE

88% (91% Niue) of businesses reported a decline in revenue due to COVID-19. The severity of revenue impact has also worsened, with 73% (77% Niue) reporting a significant decline in revenue.

## REPORTED A DECLINE IN REVENUE\*

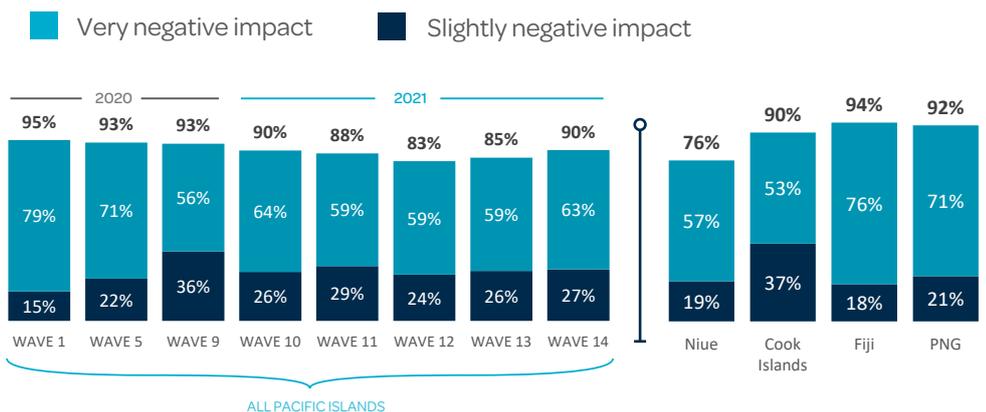


**76%**  
NIUE

BELIEVE COVID-19 HAS NEGATIVELY IMPACTED THE LOCAL ECONOMY

Negative perceptions of the local economy have also remained high, with 90% (76% Niue) reporting a negative impact on the local economy.

## BELIEVE NEGATIVE IMPACT ON THE LOCAL ECONOMY\*



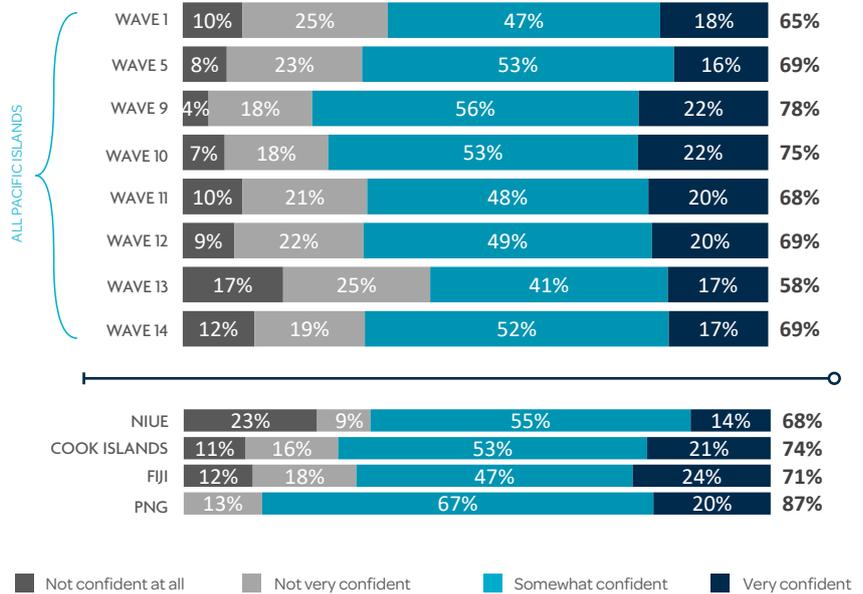


**68%**  
NIUE

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

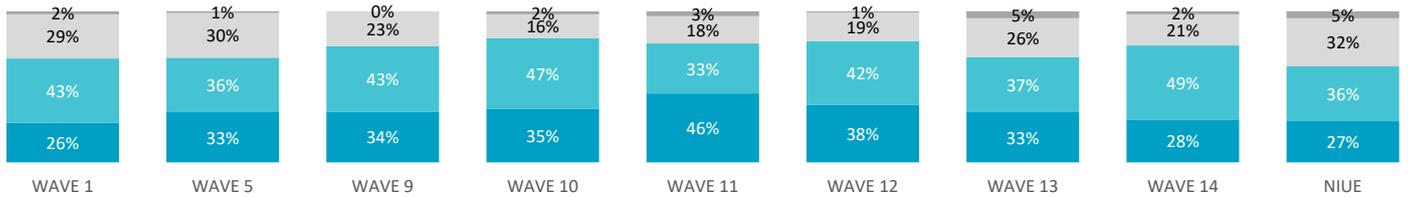
69% (68% Niue) are confident that their business will survive the COVID-19 crisis.

## CONFIDENCE IN BUSINESS SURVIVAL AFTER COVID-19



## BUSINESS STATUS

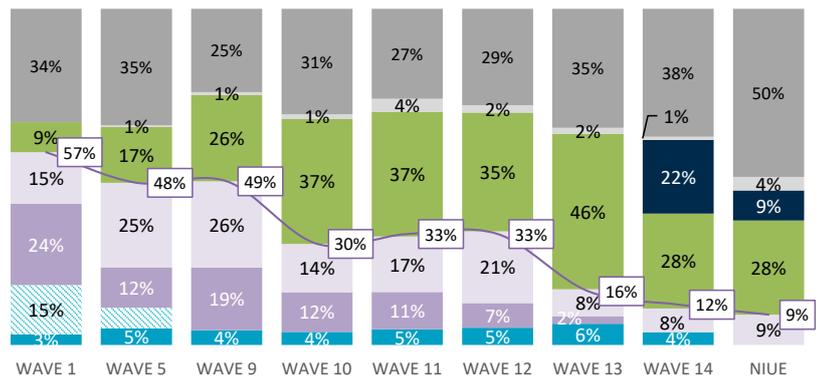
Permanently closed, Temporarily closed, Partly operational, Operational



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

The road to recovery expectations are shifting back further, with only 12% (9% Niue) confident of returning to pre-COVID revenue in 2021.

Don't know/ too hard to predict, Never, By 2023 or later, By 2022, By 2nd half of 2021, By 1st half of 2021, By end of 2020, Revenue is at pre-COVID-19 levels



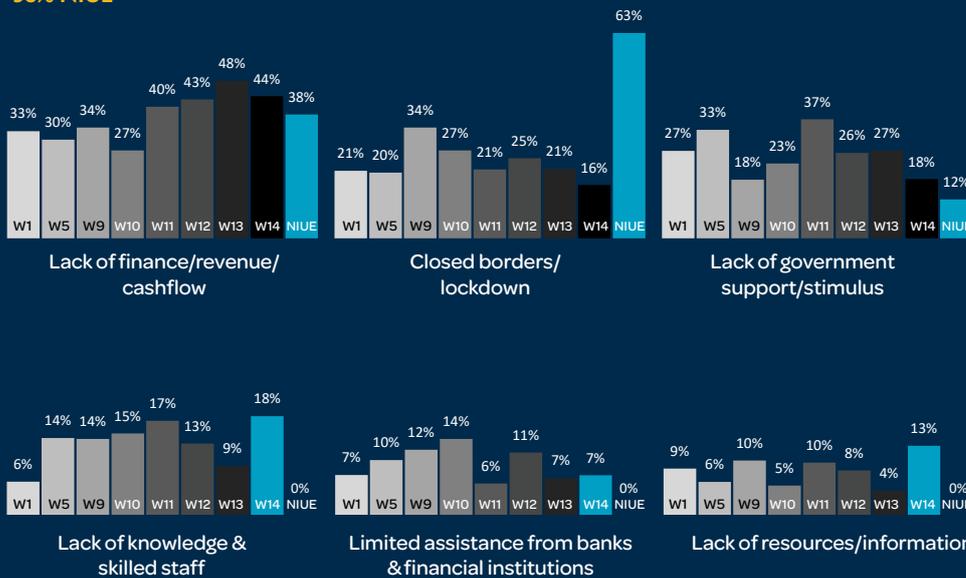
# ACTIONS TAKEN TO REDUCE COST/DAMAGE TO BUSINESS



**52%**  
36% NIUE

## BARRIERS TO ACTIONING INITIATIVES

52% (36% Niue) reported that there are barriers preventing them from actioning initiatives to support their business.



“Couldn’t get back to Niue, been stuck in Australia for well over twelve months, due to international lock down. Now the two borders opened we still have to stay in NZ two weeks not quarantine, when arrive in Niue two weeks quarantine.”

– SME, Agriculture, Forestry & Fishing, Niue

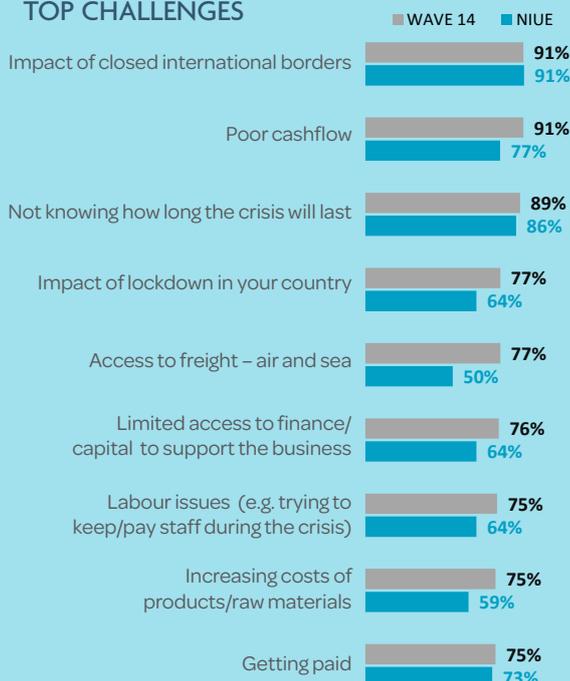
“We are trying to get new products, but shipping and low turnover is a big problem.”

– SME, Accommodation, Hospitality & Food Service, Fiji

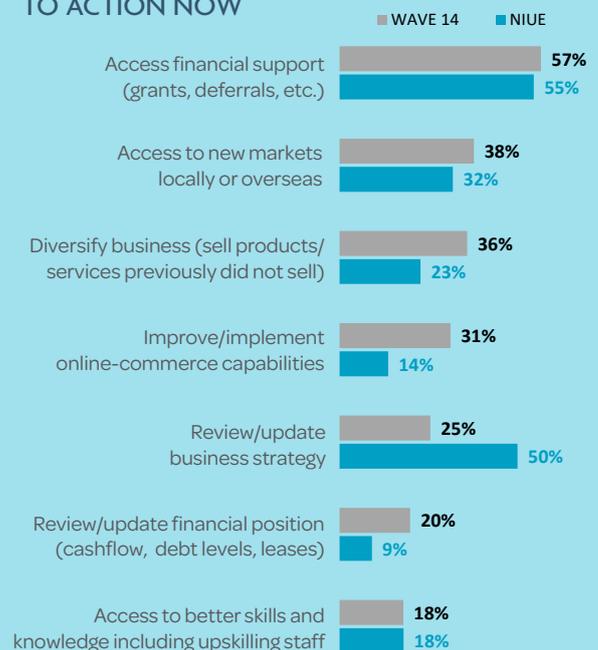
“We do not have the staff to carry out the highly skilled part of diversifying, and freight is very expensive.”

– SME, Retail Trade, Cook Islands

## TOP CHALLENGES

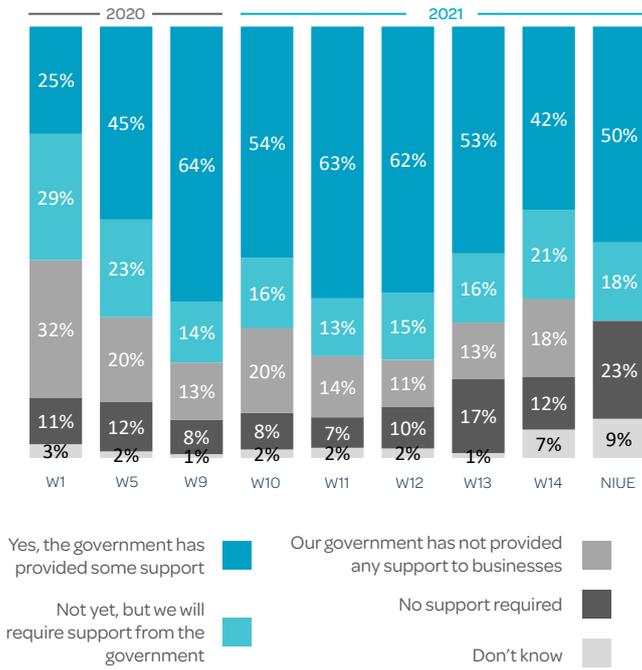


## TOP INITIATIVES NEEDED TO ACTION NOW



# GOVERNMENT SUPPORT

## HAS YOUR BUSINESS ACCESSED ANY SUPPORT?

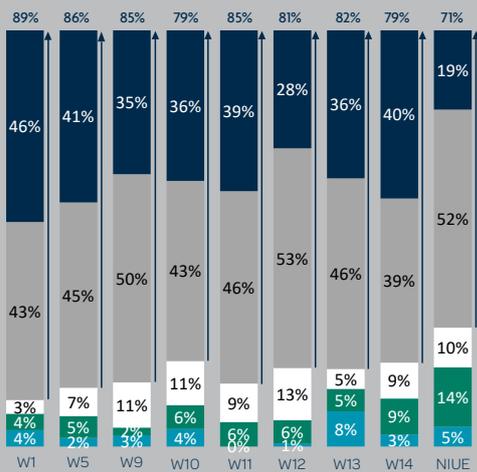


## SATISFACTION WITH GOVERNMENT RESPONSE



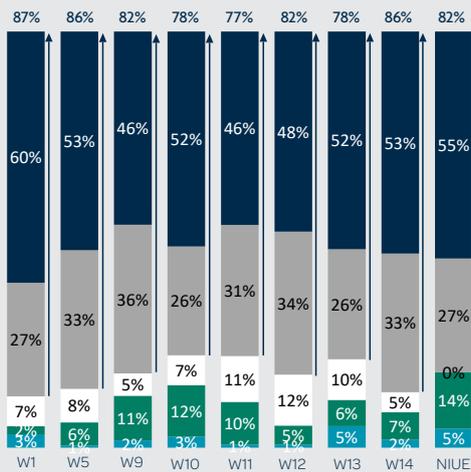
# PERSONAL WELLBEING

## WELLBEING OF THE COMMUNITY



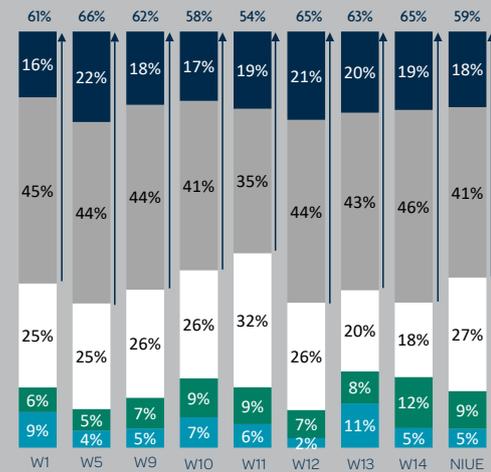
The proportion of businesses reporting a very negative impact on community wellbeing has increased to 40% (19% Niue).

## 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 86% (82% Niue).

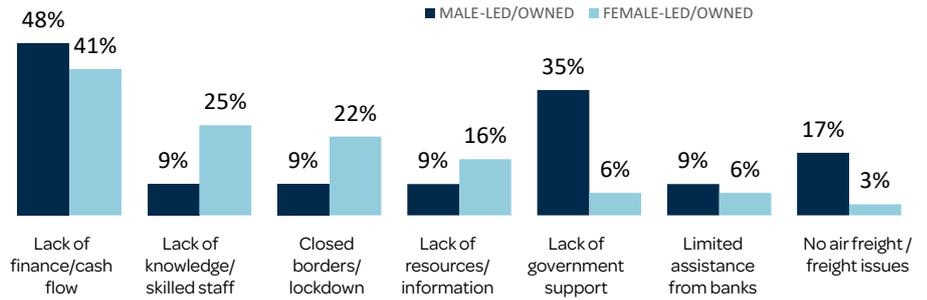
## MENTAL HEALTH



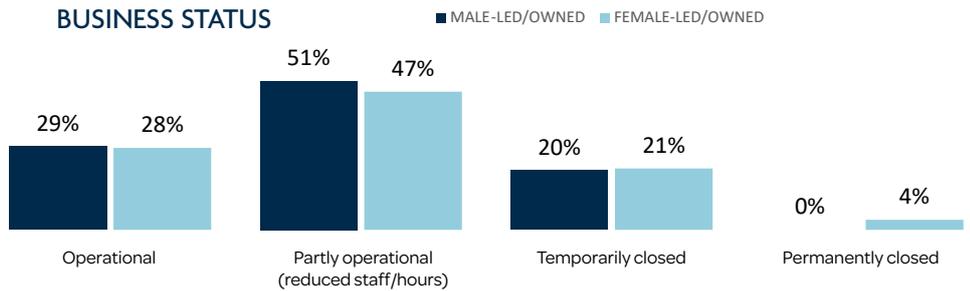
The negative toll on mental health has increased slightly since last wave, with 65% reporting a negative impact (59% Niue).

# IMPACT ON FEMALE-LED/OWNED BUSINESSES IN THE PACIFIC

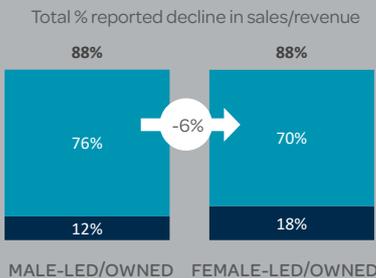
## BARRIERS PREVENTING ACTIONING OF INITIATIVES



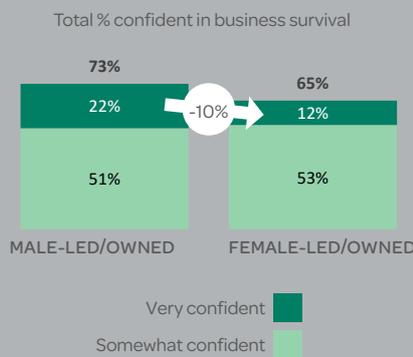
## BUSINESS STATUS



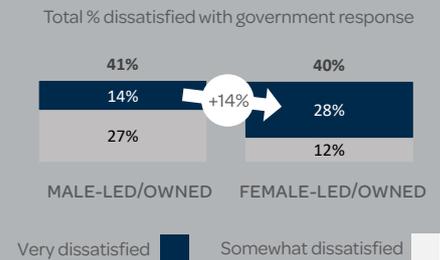
## IMPACT ON BUSINESS REVENUE



## CONFIDENCE IN BUSINESS SURVIVAL



## SATISFACTION WITH GOVERNMENT RESPONSE

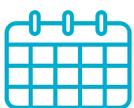


## % have received government support



## METHODOLOGY

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



Responses were collected 3 - 16 May 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 106 respondents from across the Pacific region

### FOR FURTHER INFORMATION

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