



## 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 15th wave of PTI’s Pacific Business Monitor surveys includes responses gathered from 5 to 18 July 2021, from 153 businesses across the Pacific region, including 81 female-led/owned businesses.

This report includes data from the top two 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 remained stable, with 84% (80% Fiji) reporting a negative impact.
- 87% (92% Fiji) of businesses reported a decline in revenue due to COVID-19.
- 70% (78% 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:
  - » Poor cashflow (86% Pacific, 85% Fiji)
  - » Not knowing how long the crisis will last (86% Pacific, 88% Fiji)
  - » Impact of closed international borders (84% Pacific, 79% Fiji)
- The top four initiatives businesses require assistance with are:
  - » Financial support (52% Pacific, 48% Fiji)
  - » Access to new markets (37% Pacific, 44% Fiji)
  - » Review financial position (31% Pacific, 29% Fiji)
  - » Diversify business (29% Pacific, 29% Fiji)
- 64% of female-led businesses report having barriers that prevent them actioning initiatives to support their business, compared to 51% of male-led businesses.

## PERSONAL IMPACTS ON BUSINESS DECISION-MAKERS

- The negative toll on mental health has decreased significantly, with 53% (44% Fiji) reporting a negative impact on their mental health.
- The proportion of the businesses reporting a very negative impact on community wellbeing has increased to 41% (57% Fiji)

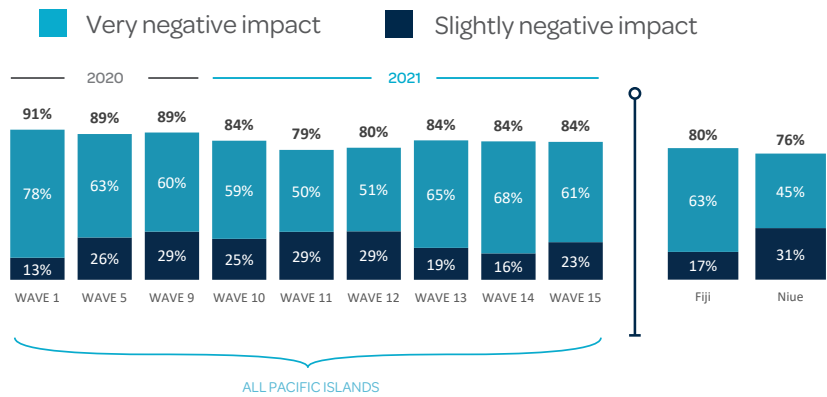
# CURRENT IMPACT OF COVID-19 ON BUSINESSES IN THE PACIFIC

**80%**  
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 on businesses has remained consistent this wave, with 84% (80% Fiji) reporting a negative impact.

## REPORTED A NEGATIVE IMPACT ON BUSINESS\*



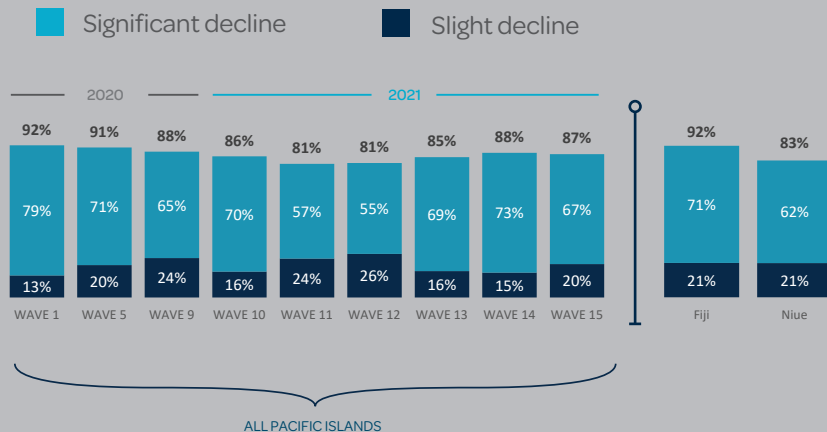
ALL PACIFIC ISLANDS

**92%**  
FIJI

REPORTED A DECLINE IN REVENUE

87% (92% Fiji) of businesses reported a decline in revenue due to COVID-19. The severity of revenue impact has improved, with 67% (71% Fiji) reporting a significant decline in revenue.

## REPORTED A DECLINE IN REVENUE\*



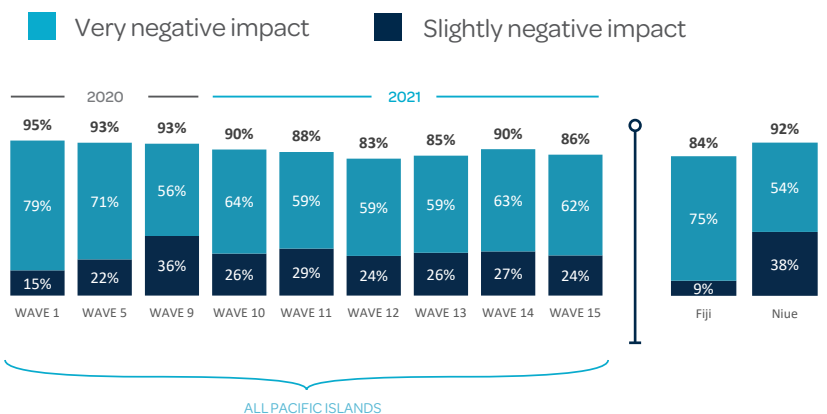
ALL PACIFIC ISLANDS

**84%**  
FIJI

BELIEVE COVID-19 HAS NEGATIVELY IMPACTED THE LOCAL ECONOMY

Negative perceptions of the local economy have decreased, with 86% (84% Fiji) reporting a negative impact on the local economy.

## BELIEVE NEGATIVE IMPACT ON THE LOCAL ECONOMY\*



ALL PACIFIC ISLANDS

\*Percentages rounded to nearest whole number

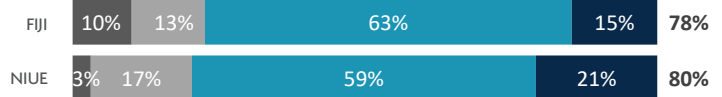
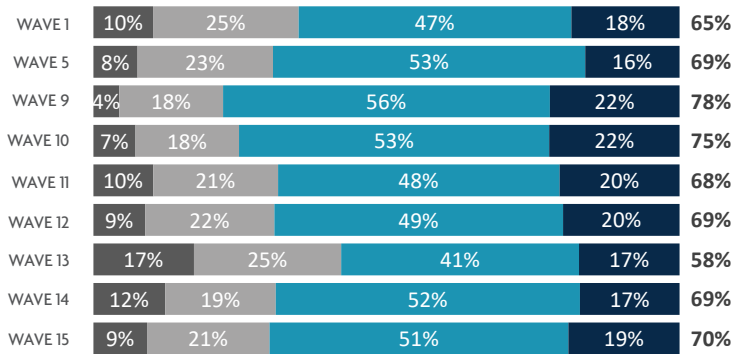
**78%**  
FIJI

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

70% (78% Fiji) are confident that their business will survive the COVID-19 crisis.

## CONFIDENCE IN BUSINESS SURVIVAL AFTER COVID-19

ALL PACIFIC ISLANDS

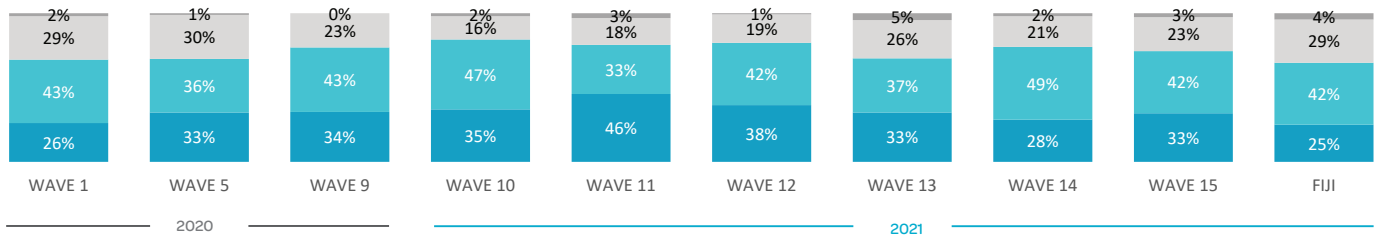


Legend: Not confident at all, Not very confident, Somewhat confident, Very confident



## BUSINESS STATUS

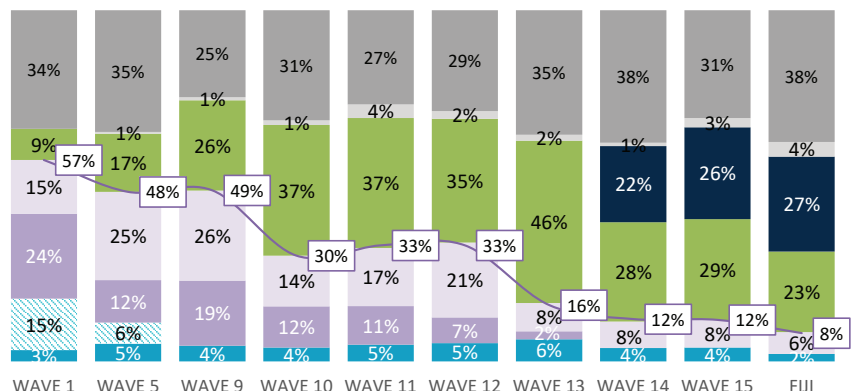
Legend: Permanently closed, Temporarily closed, Partly operational, Operational



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

The road to recovery continues to lengthen, with 26% (27% Fiji) now expecting revenues to return in 2023 or later.

Legend: 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



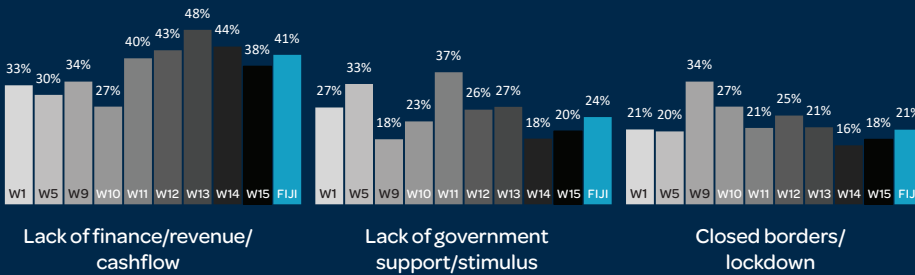
# ACTIONS TAKEN TO REDUCE COST/DAMAGE TO BUSINESS



**58%**  
60% FIJI

## BARRIERS TO ACTIONING INITIATIVES

58% (60% Fiji) reported that there are barriers preventing them from actioning initiatives to support their business.

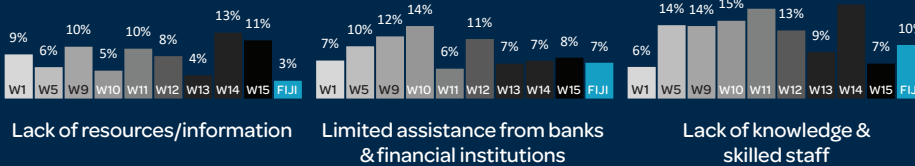


“Business closure due to closed international borders and the unknown length of time for this wave of COVID to shut down everything. We need access to finance to rebuild, retrain and improve prior to re-opening.”

– SME, Accommodation, Hospitality & Food Service, Fiji

“Delays and cost of supplies from overseas suppliers for our manufacturing industry.”

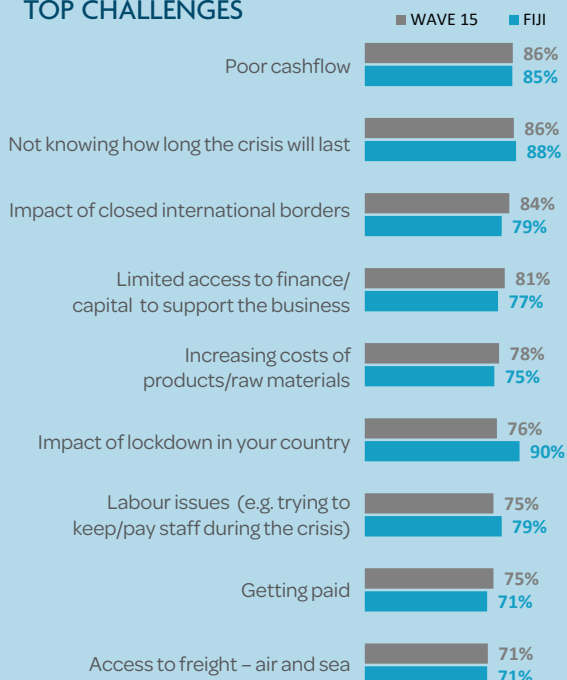
– SME, Manufacturing, New Caledonia



“Government’s lack of long-term vision and commitment toward the private sector during these difficult times.”

– SME, Rental, Hiring & Real Estate Services, Niue

## TOP CHALLENGES

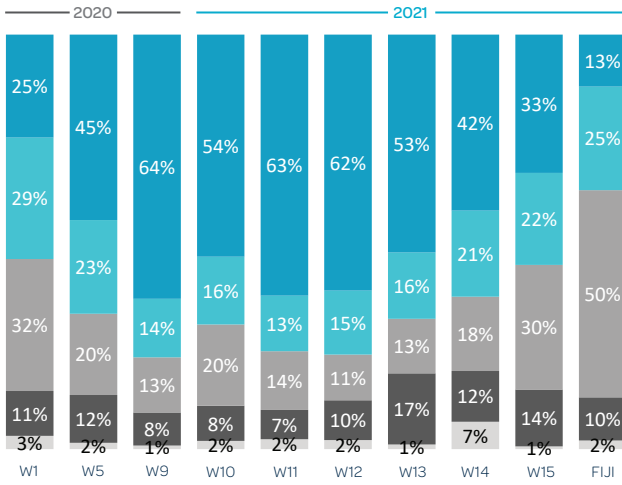


## TOP INITIATIVES NEEDED TO ACTION NOW

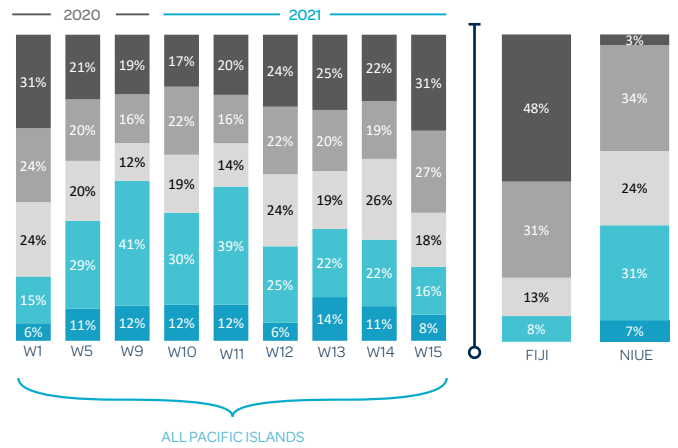


# GOVERNMENT SUPPORT

## HAS YOUR BUSINESS ACCESSED ANY SUPPORT?



## SATISFACTION WITH GOVERNMENT RESPONSE

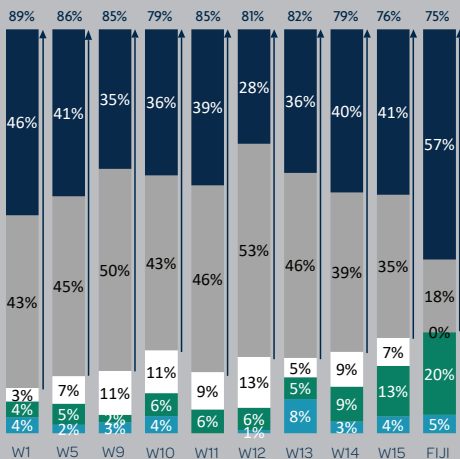


Yes, the government has provided some support  
 Not yet, but we will require support from the government  
 Our government has not provided any support to businesses  
 No support required  
 Don't know

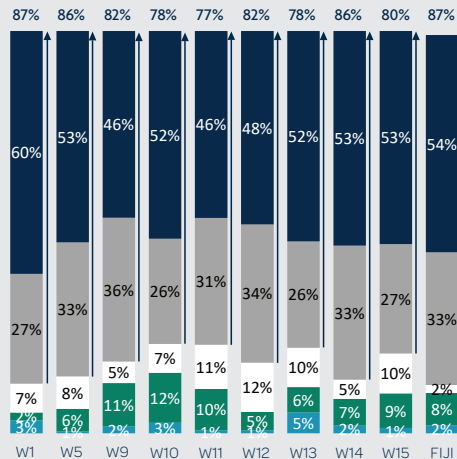
Extremely satisfied  
 Somewhat satisfied  
 Extremely dissatisfied  
 Somewhat dissatisfied  
 Neutral

# PERSONAL WELLBEING

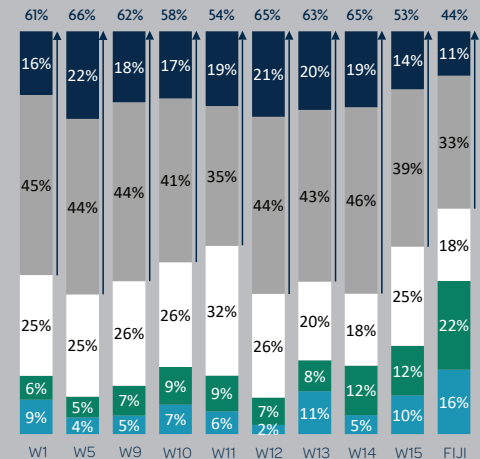
## WELLBEING OF THE COMMUNITY



## PERSONAL FINANCIAL SITUATION



## MENTAL HEALTH



The proportion of those reporting a very negative impact on community well-being has increased to 41% (57% Fiji).

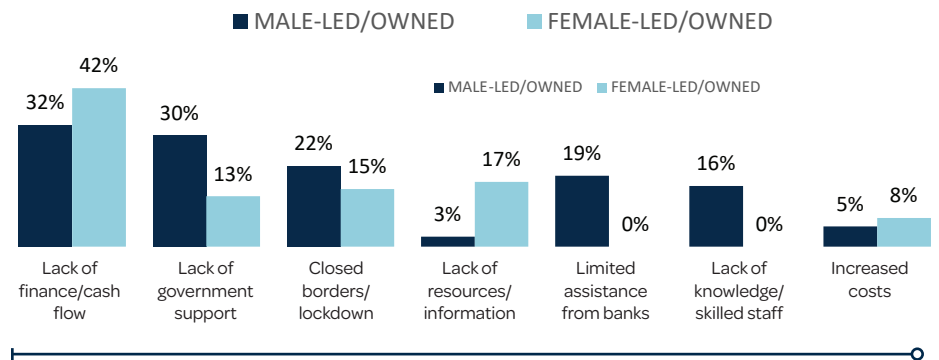
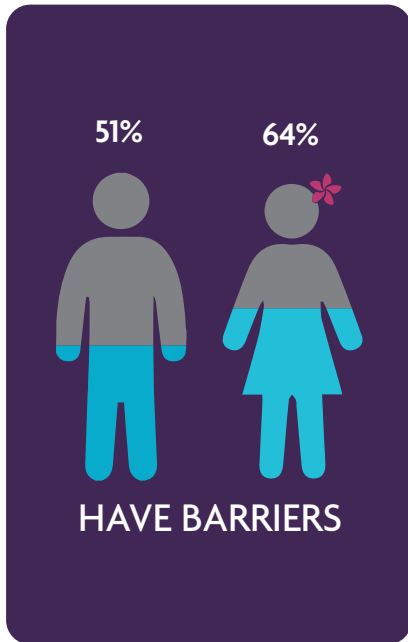
The pandemic continues to have a significant impact on business decision makers' personal financial situation; those reporting a negative impact has decreased to 80% (87% Fiji)

The negative toll on mental health has decreased significantly since last wave, with 53% (44% Fiji) reporting a negative impact, which is the lowest since tracking began.

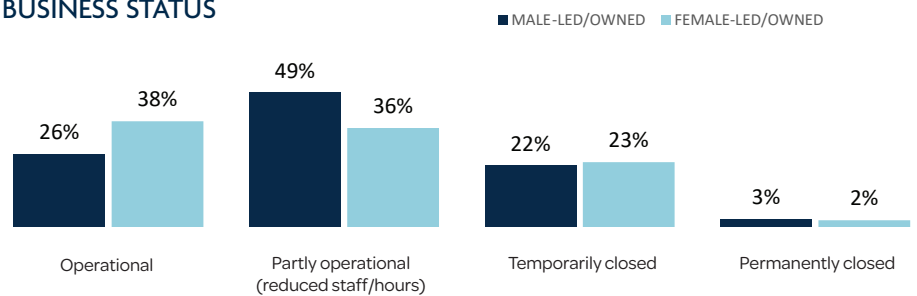
Very negative Slightly negative No impact Slightly positive Very positive

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

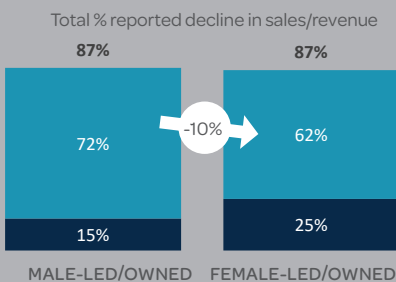
## BARRIERS PREVENTING ACTIONING OF INITIATIVES



## BUSINESS STATUS

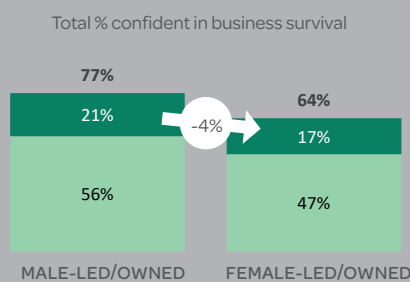


## IMPACT ON BUSINESS REVENUE



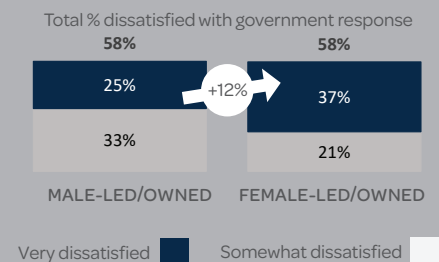
Significant decline in sales/revenue ■  
Slight decline in sales/revenue ■

## CONFIDENCE IN BUSINESS SURVIVAL



Very confident ■  
Somewhat confident ■

## SATISFACTION WITH GOVERNMENT RESPONSE



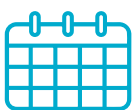
Very dissatisfied ■ Somewhat dissatisfied ■

## % have received government support



## METHODOLOGY

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



Responses were collected 5-18 July 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



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