



Pacific Trade Invest

# PACIFIC BUSINESS MONITOR 2021

## FIJI FOCUS



PACIFIC ISLANDS  
FORUM SECRETARIAT

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# INTRODUCTION

## INSIGHTS INTO PACIFIC BUSINESSES

The COVID-19 pandemic 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.

Key industries such as tourism, agriculture and production which are central to local Pacific economies, continued to be impacted by COVID-19 and corresponding border closures, shipping disruptions, and cashflow throughout 2021.

To understand the ongoing impacts of COVID-19 on the Pacific’s private sector, the Pacific Trade Invest (PTI) Network commissioned Fifth Quadrant, an independent research agency, to run a regular survey of SMEs across the Pacific region.

It has been a long road and the regular *PTI Pacific Business Monitor* surveys aim to provide governments, donors, and stakeholders with valuable data on how businesses in the Pacific are coping.

This report reviews the aggregated data collected from across the Pacific region in the eight waves of the surveys, conducted from 4 January–15 November 2021, to understand the impact COVID has had on businesses in Fiji.

# OBJECTIVES



## UNDERSTAND THE IMPACT OF COVID-19 ON SME'S 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

## 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?



## UNDERSTAND HOW SME'S 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.)

## COMPARE SATISFACTION WITH GOVERNMENT SUPPORT:

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



# KEY INSIGHTS

## IMPACTS ON BUSINESSES IN THE PACIFIC

13%

**IN EARLY 2021, THE EXTENT AND SEVERITY OF COVID-19 WAS 13% MORE SEVERE IN FIJI THAN FOR THE PACIFIC ISLANDS OVERALL. AS THE YEAR PROGRESSED HOWEVER, THIS FIGURE CONSISTENTLY IMPROVED.**

The extent and severity of COVID-19 on Fiji businesses decreased across the course of 2021, with 95% reporting a negative impact in the first half of the year, and this figure consistently decreasing to 74% by November, in line with the Pacific Islands average.

**THE OPERATIONAL STATUS OF FIJI BUSINESSES WAS MORE DISRUPTED THAN THE PACIFIC ISLANDS OVERALL, WITH 21% REMAINING CLOSED TOWARDS THE END OF THE YEAR COMPARED TO 16% OF PACIFIC RESPONDENTS OVERALL.**

2021 saw consistent disruption to the operational status of Fiji businesses. By the end of the year, 79% of Fiji businesses reported their status as operational, compared to the Pacific Islands average of 84%.

21%

84%

**BUSINESS CONFIDENCE AMONG FIJI BUSINESS OPERATORS GREW CONSIDERABLY ACROSS 2021, WITH FIJI BUSINESSES MORE CONFIDENT TOWARDS THE END OF THE YEAR THAN PACIFIC ISLANDS OVERALL.**

The end of the year saw 84% of business decision-makers in Fiji reporting confidence of businesses survival, compared to 80% for the Pacific Islands overall.

### TOP 3 CHALLENGES

Fiji business consistently faced in 2021 as a result of COVID-19

- 1 Impact of closed international borders (+11% more than Pacific Islands overall)
- 2 Poor cashflow (+17% more than Pacific Islands overall)
- 3 Impact of lockdown (+27% more than Pacific Islands overall)

### TOP 3 INITIATIVES

Fiji businesses consistently required assistance with in the second half 2021

- 1 Financial support (+10% more than Pacific Islands overall)
- 2 Diversifying of business (+14% more than Pacific Islands overall)
- 3 Access to new markets (+3% more than Pacific Islands overall)

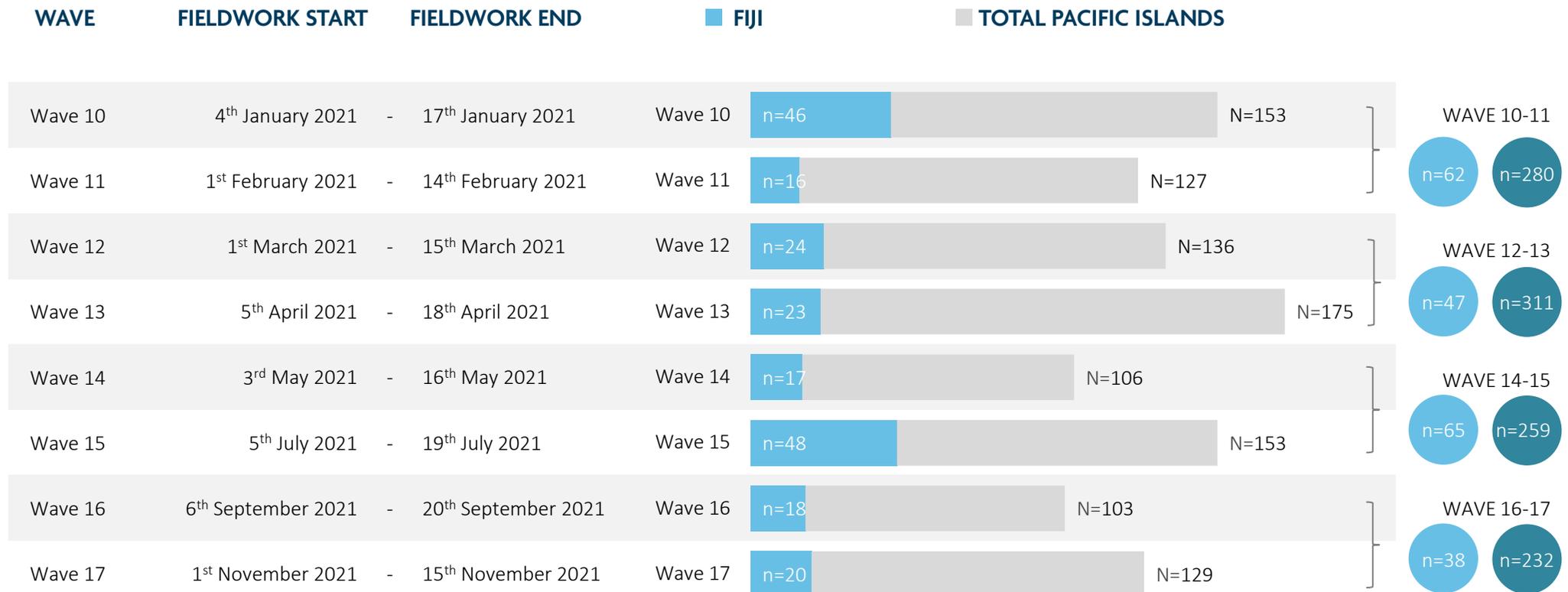
# SAMPLE PROFILE

Our sample includes businesses based in the Pacific Islands. We achieved a robust sample of over n=100 for each wave in 2021 and a relatively consistent representation of businesses in Fiji across each wave.

	Wave 10	Wave 11	Wave 12	Wave 13	Wave 14	Wave 15	Wave 16	Wave 17
TOTAL PACIFIC ISLANDS	153	127	136	175	106	153	103	129
Cook Islands	23	16	6	28	19	12	5	11
Federated States of Micronesia (FSM)	0	0	1	1	2	0	0	0
Fiji	46	16	24	23	17	48	18	20
French Polynesia	1	2	2	23	0	1	2	3
Kiribati	0	1	0	1	1	1	1	2
Marshall Islands	0	1	0	0	0	0	0	1
Nauru	0	1	1	7	1	0	1	0
New Caledonia	2	3	3	24	3	6	2	3
Niue	21	26	26	12	22	29	22	32
Palau	8	3	2	4	1	3	2	3
PNG	6	6	6	10	15	12	4	4
Samoa	5	5	6	7	4	9	9	13
Solomon Islands	3	4	6	9	3	6	4	1
Tonga	9	9	15	12	5	10	4	5
Tuvalu	18	30	32	1	1	5	24	25
Vanuatu	11	4	6	13	12	11	5	6

# SAMPLE PROFILE

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



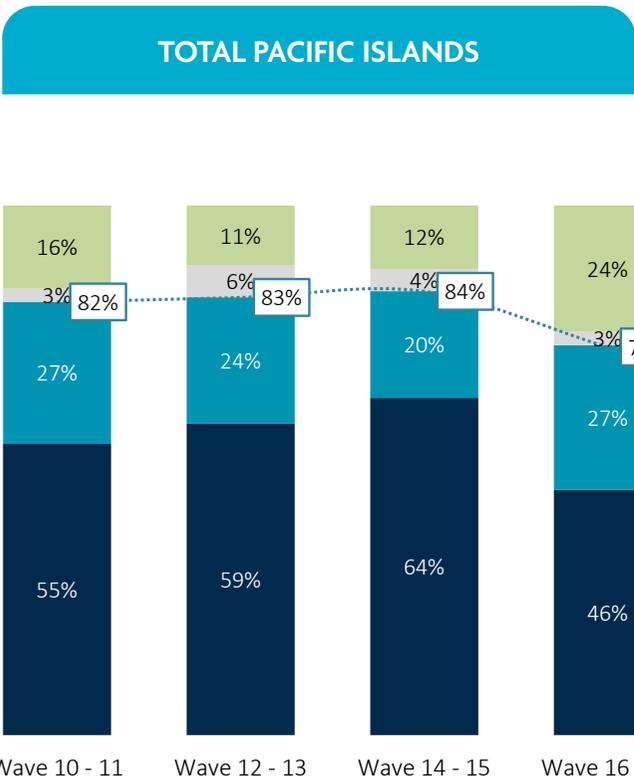
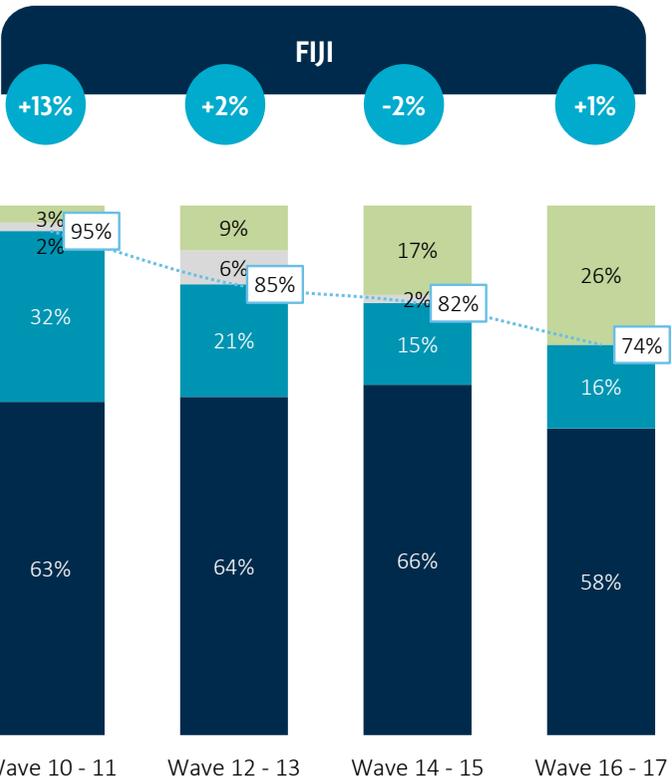
# IMPACT OF COVID-19 ON BUSINESS

The negative impact of COVID-19 has remained high for businesses in Fiji across 2021, increasing in severity in the second half of the year.

Q

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

Total % negative impact gap to Total Pacific Islands



— — — % TOTAL NEGATIVE IMPACT ON BUSINESS

# IMPACT OF COVID-19 ON BUSINESS REVENUE

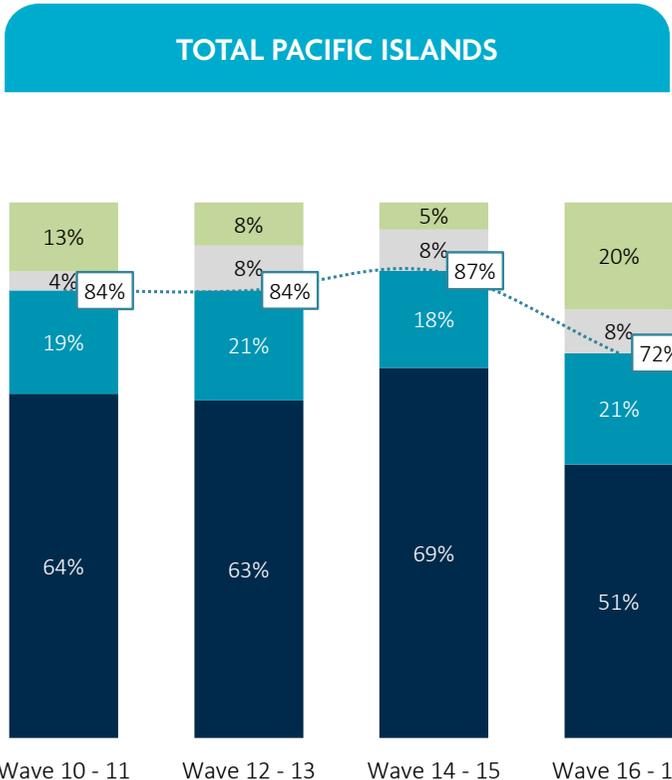
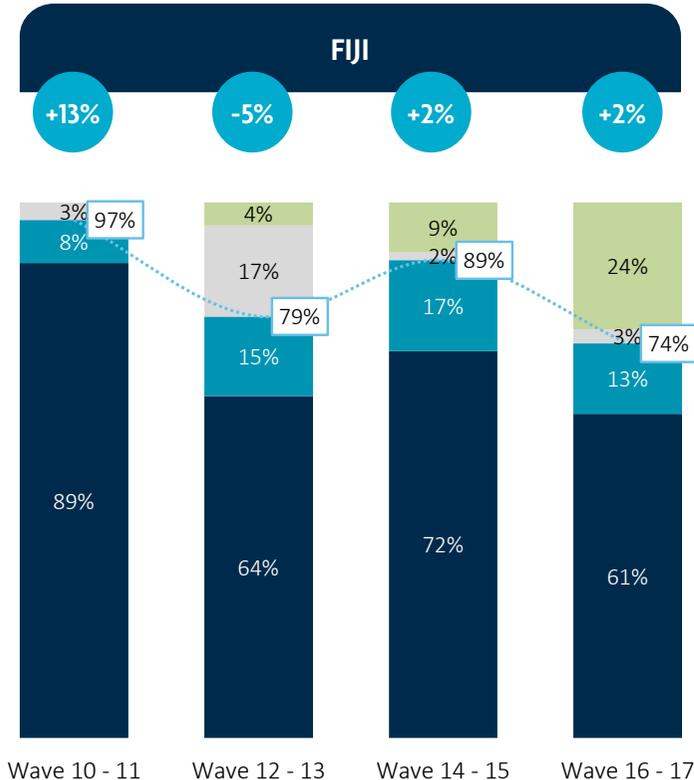
The negative impact of COVID-19 on business revenue also remained high for businesses in Fiji across 2021, increasing in severity in the second half of the year.

Q

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

Total % decline in revenue gap to Total Pacific Islands

- Increase
- No impact
- Slight decline
- Significant decline



— — — % TOTAL NEGATIVE IMPACT ON BUSINESS

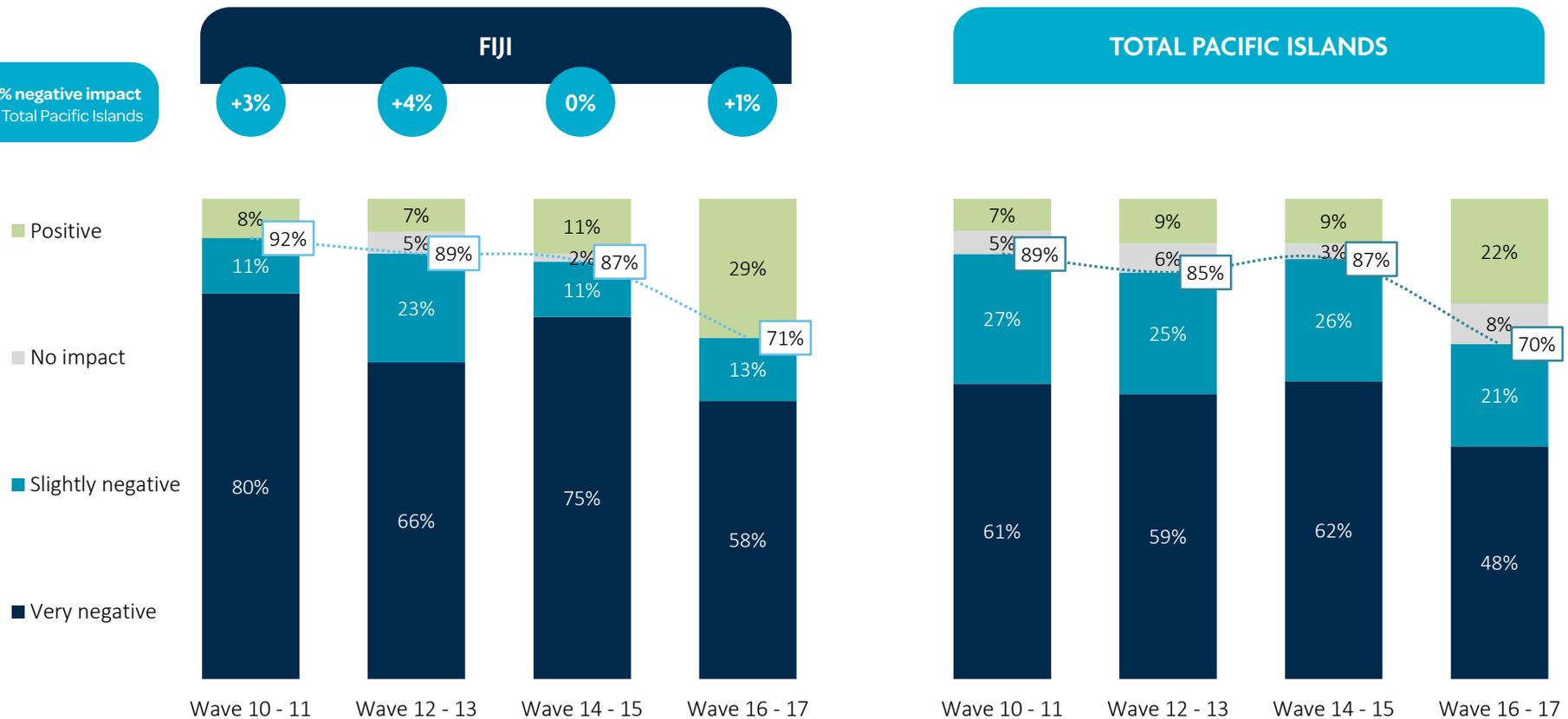
# IMPACT OF COVID-19 ON THE LOCAL ECONOMY

The perceived impact of COVID-19 on local economies in both Fiji and the Pacific Islands overall has improved incrementally across the year.

Q

WHAT IMPACT IS COVID-19 CRISIS CURRENTLY HAVING ON YOUR LOCAL ECONOMY?

Total % negative impact gap to Total Pacific Islands



--- % TOTAL NEGATIVE IMPACT ON BUSINESS

# IMPACT OF COVID-19 ON WELLBEING

COVID-19 severely impacted the wellbeing of business owners' communities, personal financial situations, and mental health in Fiji.



WHAT IMPACT IS COVID-19 CRISIS CURRENTLY HAVING ON THE FOLLOWING?



## THE WELLBEING OF YOUR COMMUNITY

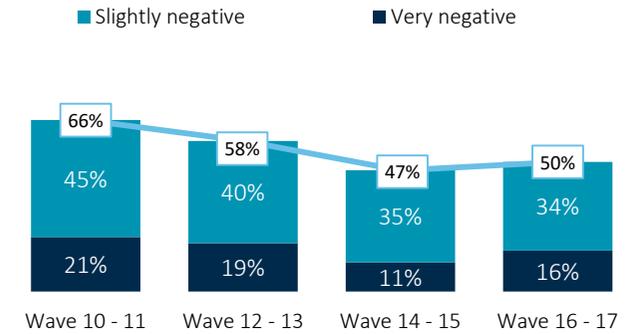
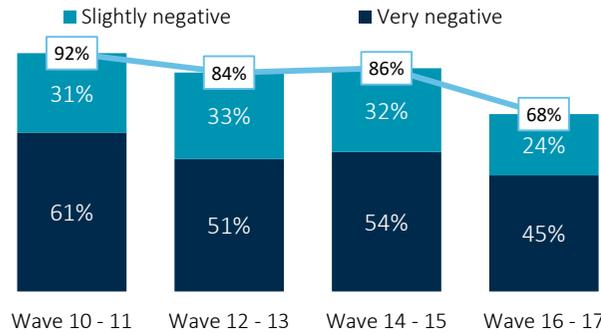
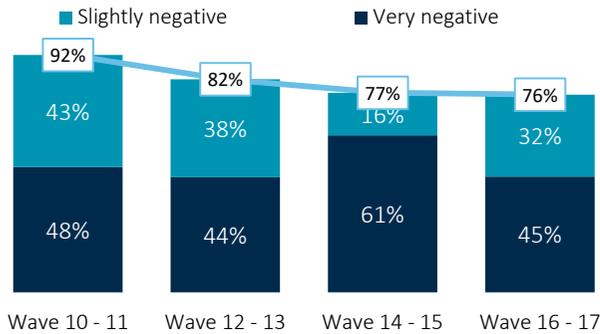


## YOUR PERSONAL FINANCIAL SITUATION



## YOUR MENTAL HEALTH

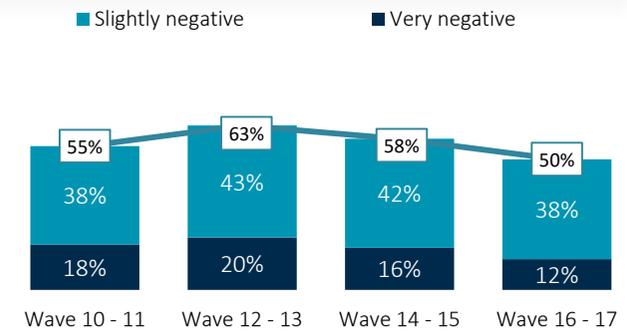
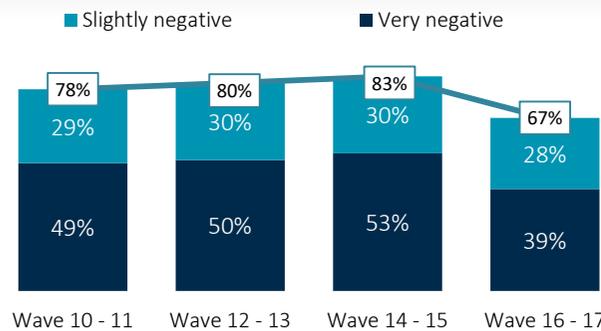
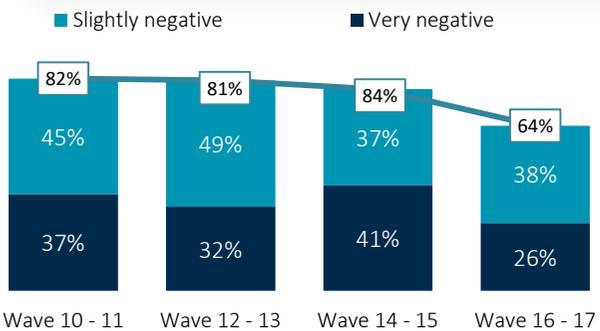
FIJI



% TOTAL NEGATIVE GAP TO TOTAL



TOTAL PACIFIC ISLANDS



# CURRENT BUSINESS STATUS

The ongoing impacts of COVID-19 continued to disrupt operations of Fiji across 2021. Positively, the impact on operations appeared to improve in the second half of the year.

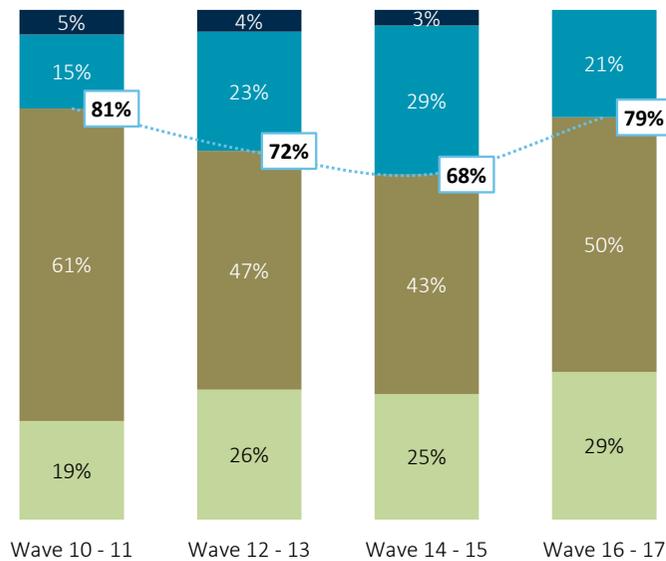
Q

WHAT IS YOUR CURRENT BUSINESS STATUS?

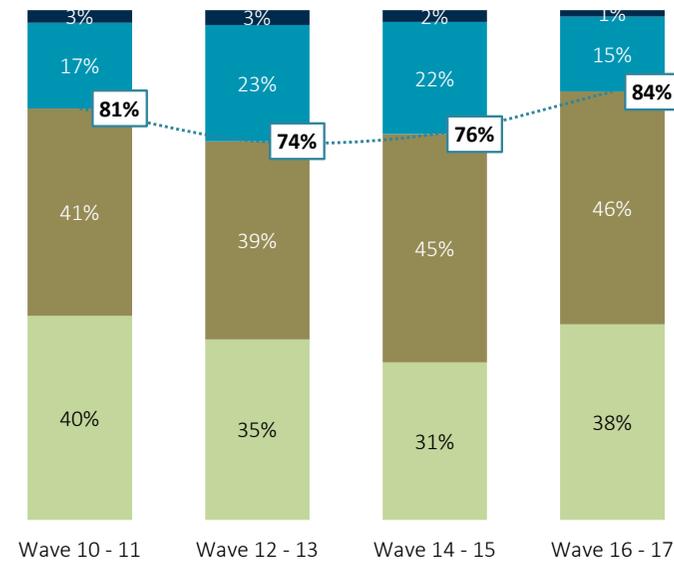
Total % operational gap to Total Pacific Islands



- Permanently closed
- Temporarily closed
- Partly operational e.g. with reduced staff/hours
- Operational



## TOTAL PACIFIC ISLANDS



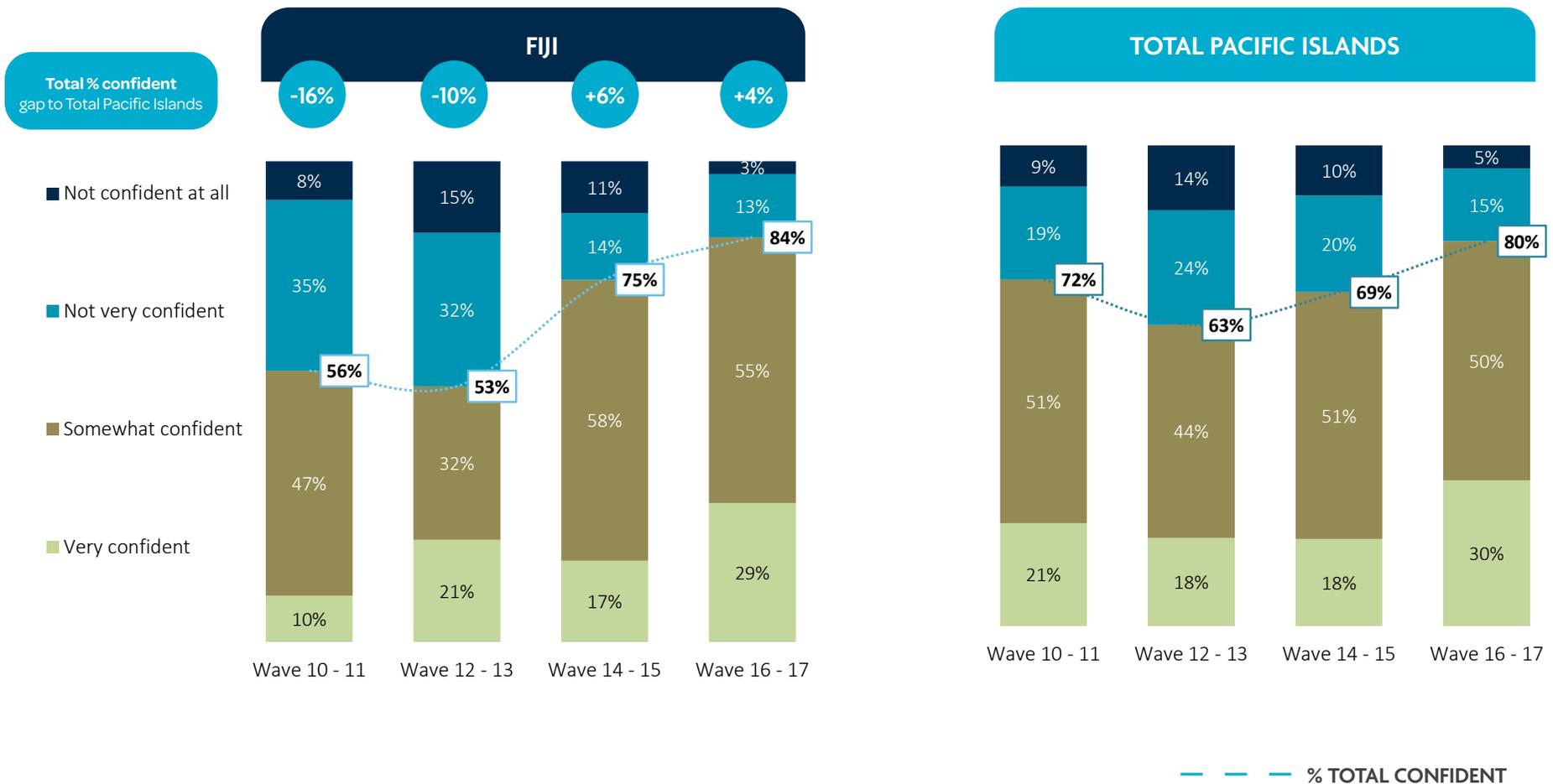
--- % TOTAL OPERATIONAL

# CONFIDENCE IN BUSINESS SURVIVAL

Despite significant challenges, over three-quarters of businesses in Fiji reported feeling confident about business survival across 2021.

Q

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

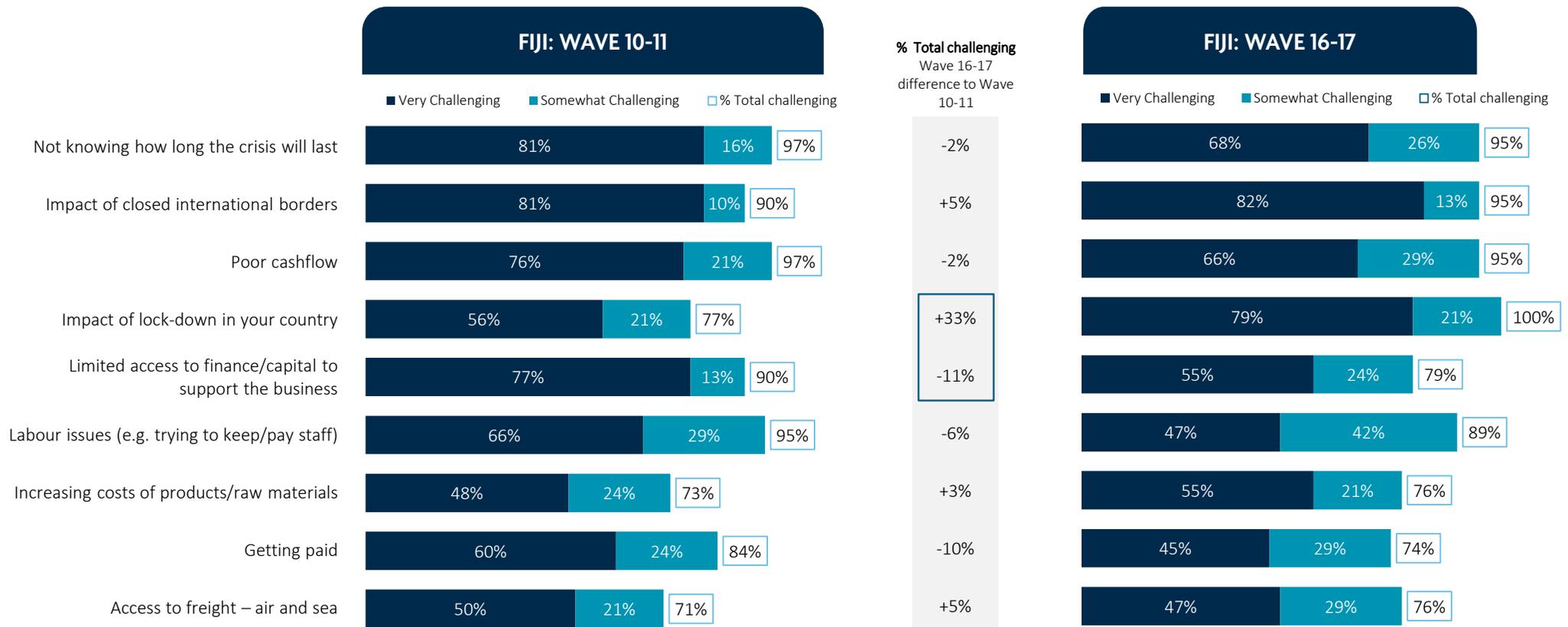


# CHALLENGES AS A RESULT OF COVID-19 AND MARKET CONDITIONS

Comparing the first half the year to the second, businesses in Fiji increasingly found the impact of lock-down in their country and access to freight to be a challenge.

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

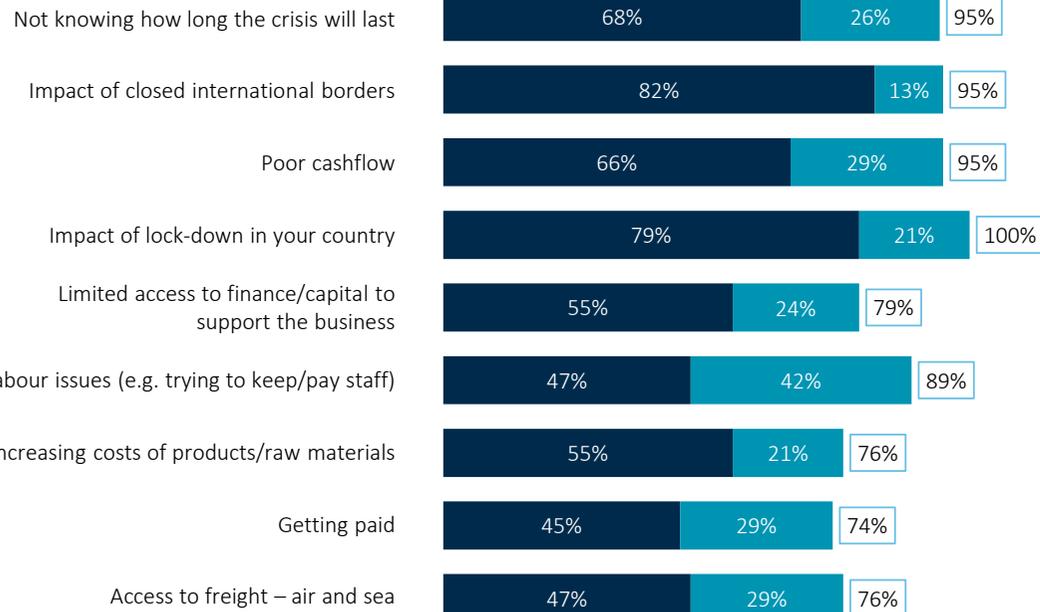
Comparing Fiji to Pacific Islands across 2021, businesses in Fiji appeared to find impact of lock down in their country, poor cashflow and labour issues more of a challenge.



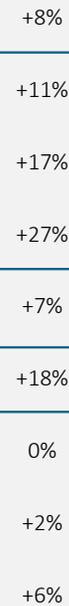
HOW CHALLENGING HAS YOUR BUSINESS FOUND THE FOLLOWING AS A RESULT OF COVID-19 AND THE CURRENT MARKET CONDITIONS?

## FIJI: WAVE 16-17

■ Very Challenging ■ Somewhat Challenging □ % Total challenging

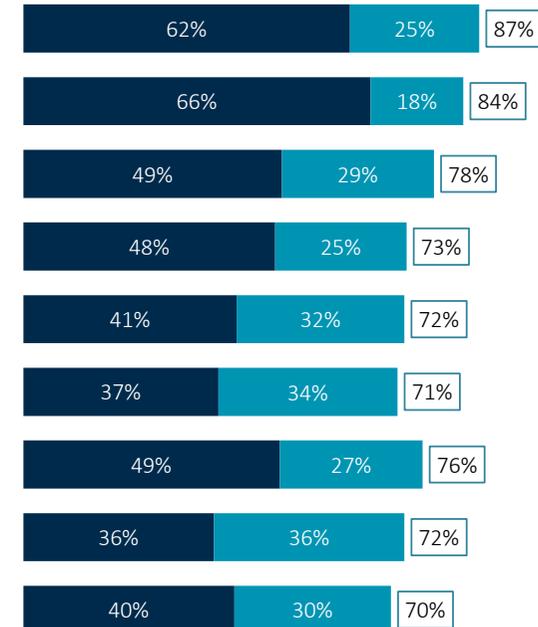


% Total challenging  
Wave 16-17 gap to  
Total Pacific Islands



## TOTAL PACIFIC ISLANDS: WAVE 16-17

■ Very Challenging ■ Somewhat Challenging □ % Total challenging

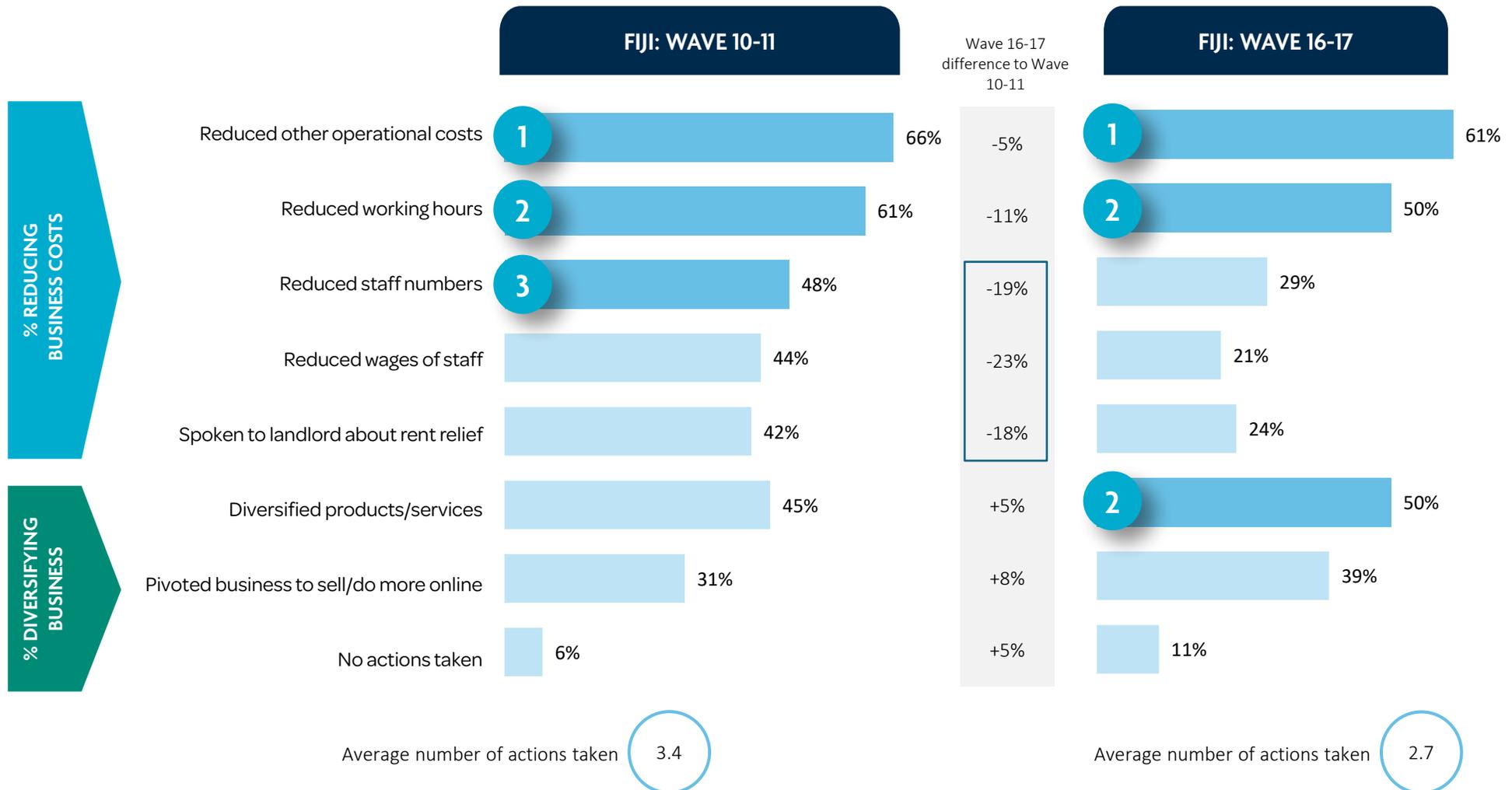


# ACTIONS TAKEN TO REDUCE COST AND DAMAGE TO BUSINESS DUE TO COVID-19 : DIVERSIFICATION VS. COST REDUCTION

Comparing the first half the year to the second, businesses in Fiji increasingly pivoted to selling and doing more online and diversifying products in order to reduce cost and damage to their business.



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

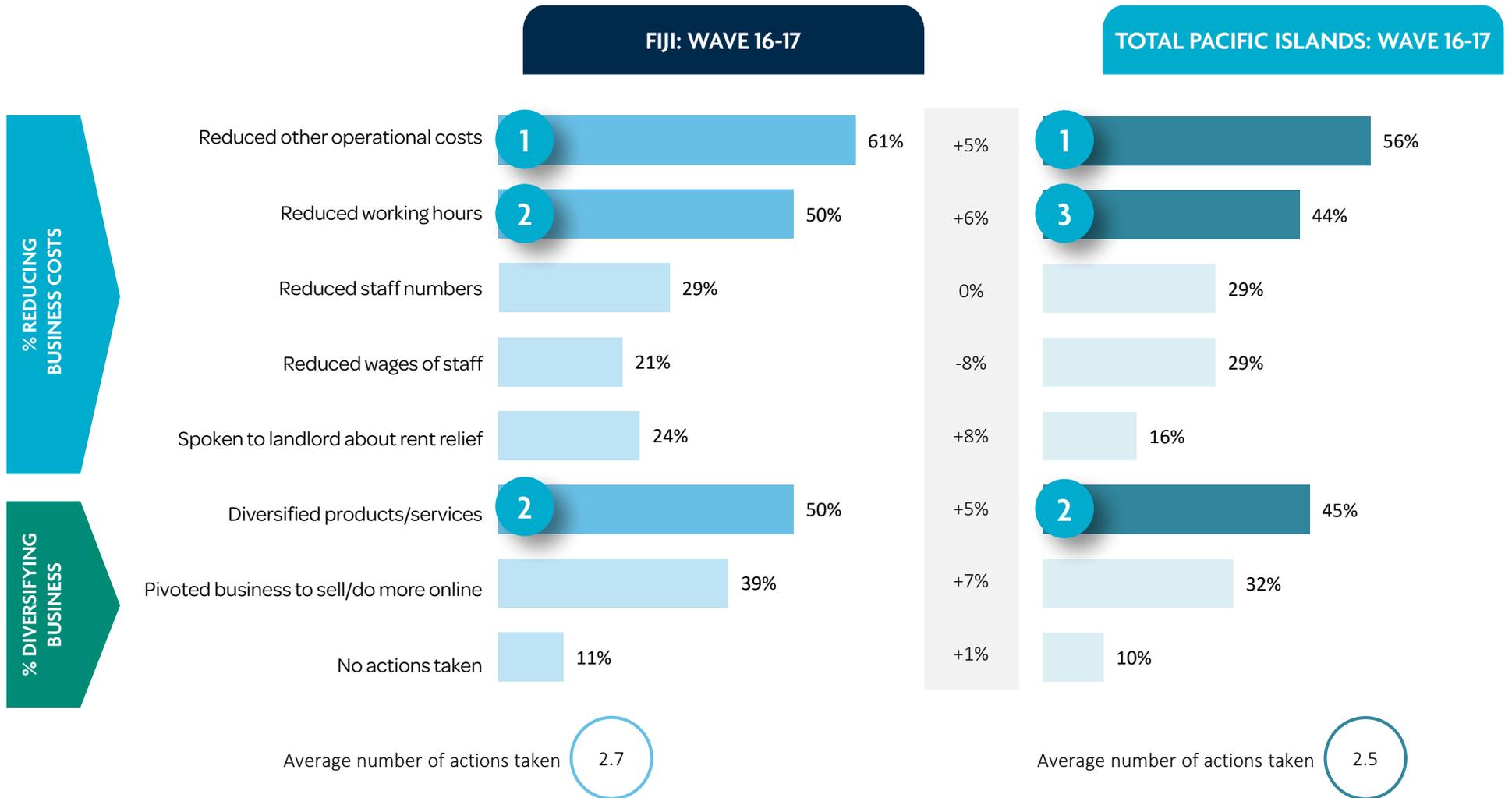


# ACTIONS TAKEN TO REDUCE COST AND DAMAGE TO BUSINESS DUE TO COVID-19 : DETAILED

In comparison to the Pacific Islands overall, it appears more businesses in Fiji spoke to landlords about rent relief to reduce cost and damage to their business.



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

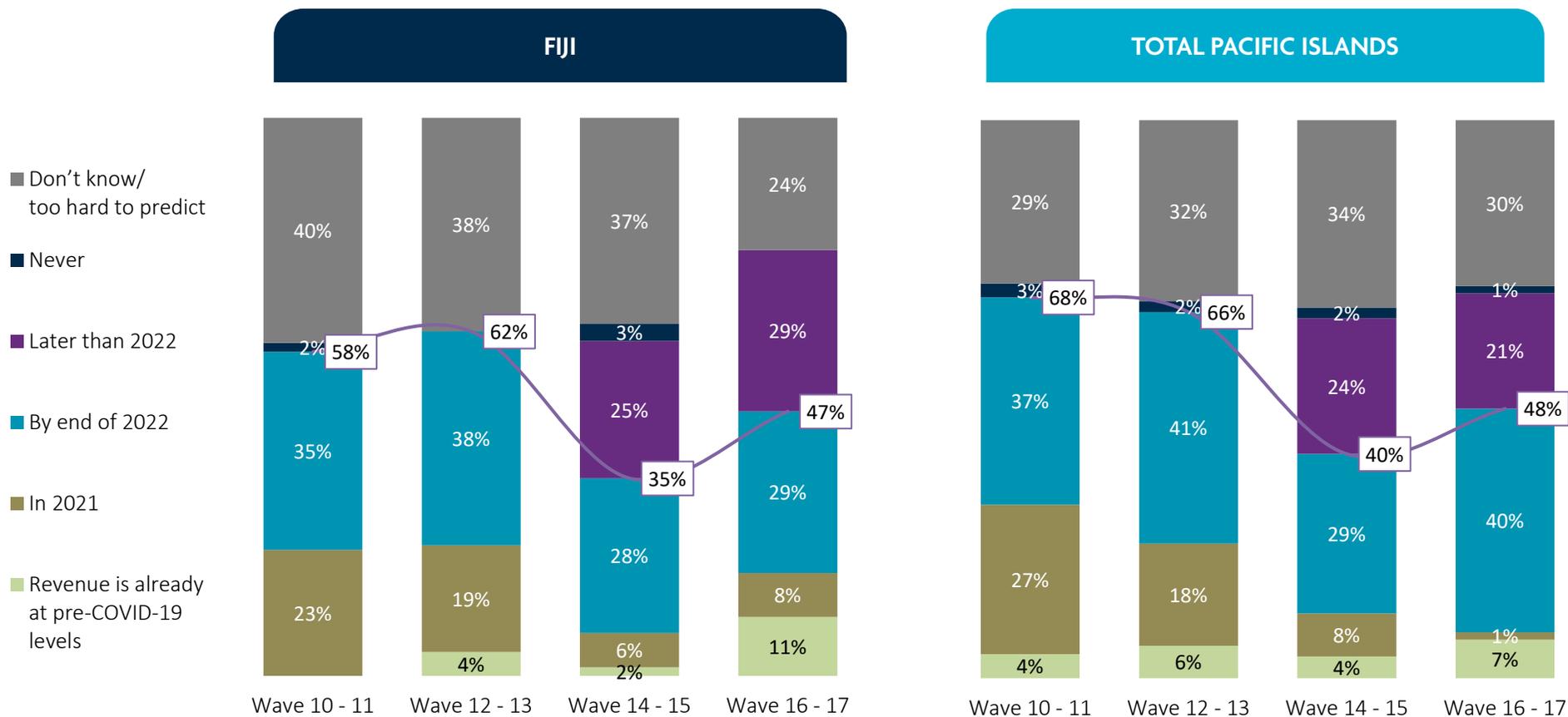


# TIME FRAME OF BUSINESS SALES/REVENUE RETURNING TO BUSINESS AS USUAL

Time frame expectations for returning to business as usual, are relatively similar in Fiji as the Pacific Islands overall.

Q

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



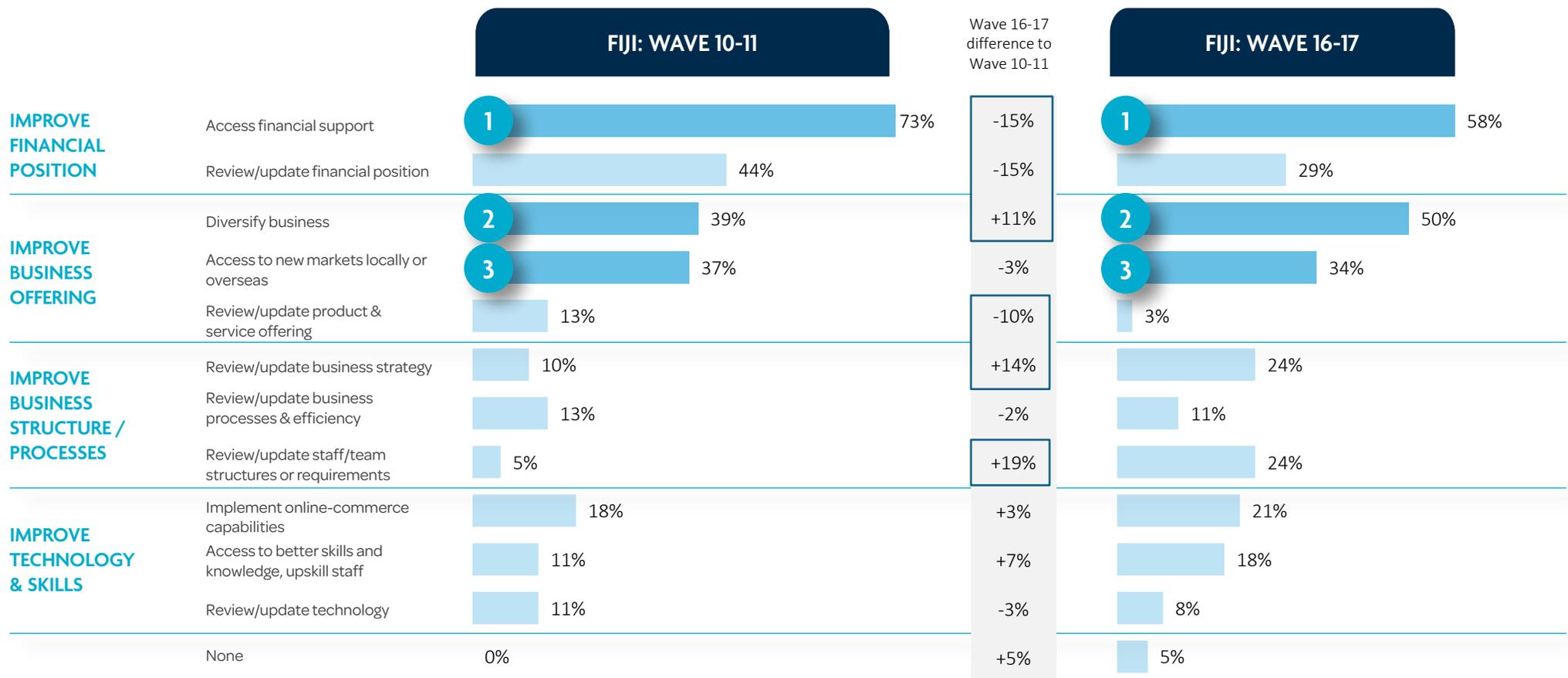
— % TOTAL LIKELY TO RETURN TO PRE-COVID LEVELS BY END OF 2022

# TOP INITIATIVES NEEDED TO SUPPORT BUSINESS

Comparing the first half the year to the second, businesses in Fiji increasingly called for support in updating staff and team structures, reviewing business strategies, and diversifying their business.

Q

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



# TOP INITIATIVES NEEDED TO SUPPORT BUSINESS

In comparison to the Pacific Islands overall, more businesses in Fiji called for financial support, and support to diversify their business, while less called for support reviewing and updating their service offering.

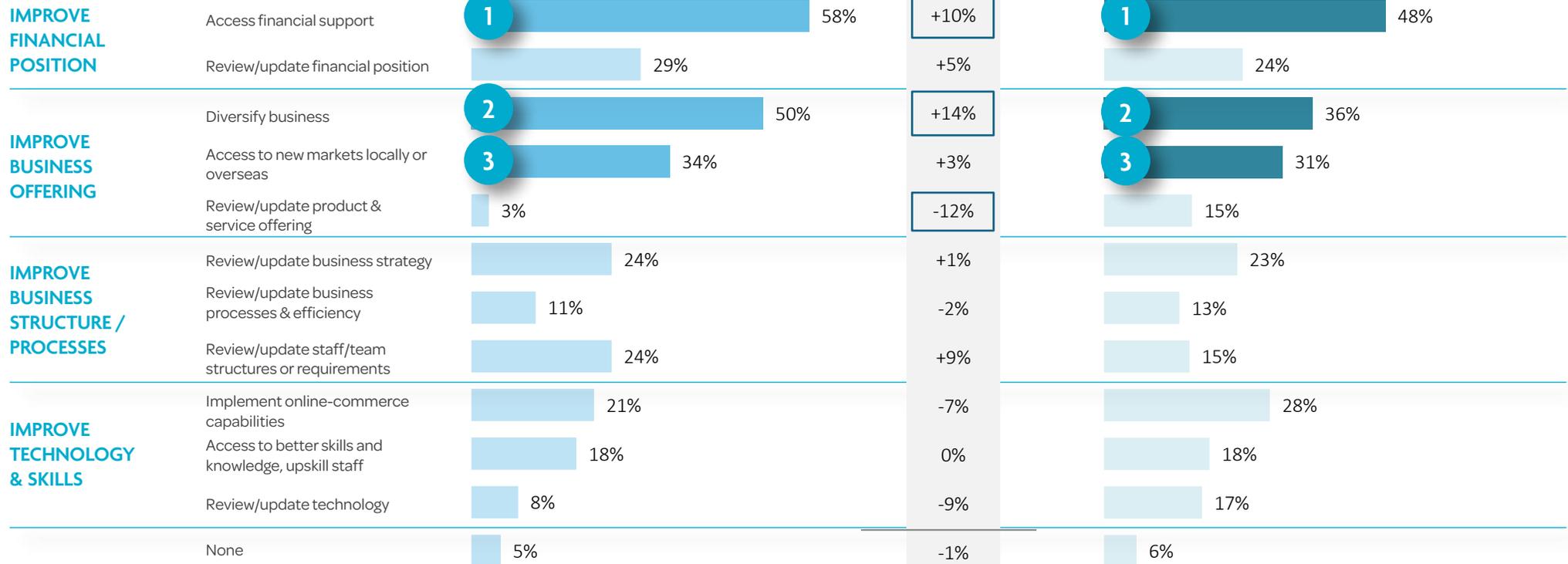
Q

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

## Fiji: WAVE 16-17

Wave 16-17 gap to Total Pacific Islands

## TOTAL PACIFIC ISLANDS: WAVE 16-17



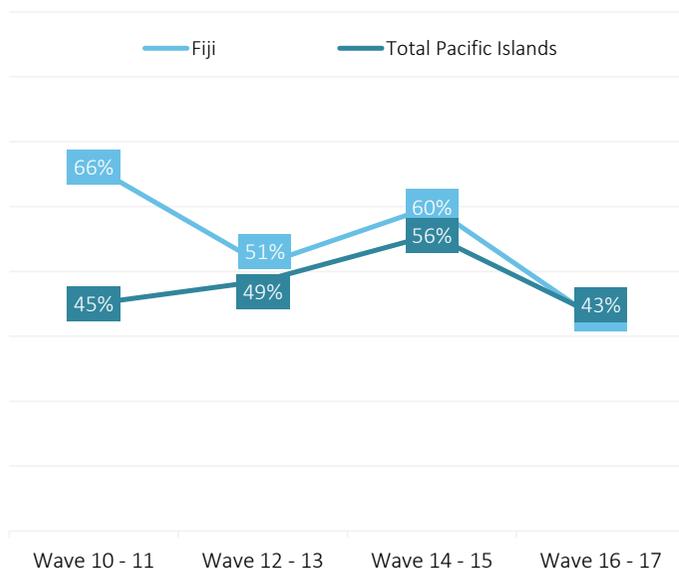
# BARRIERS TO ACTIONING INITIATIVES

The proportion of businesses in Fiji facing barriers to action initiatives, appears to be higher than the Pacific Islands overall, with the key barrier being lack of finance, revenue or cashflow.

Q

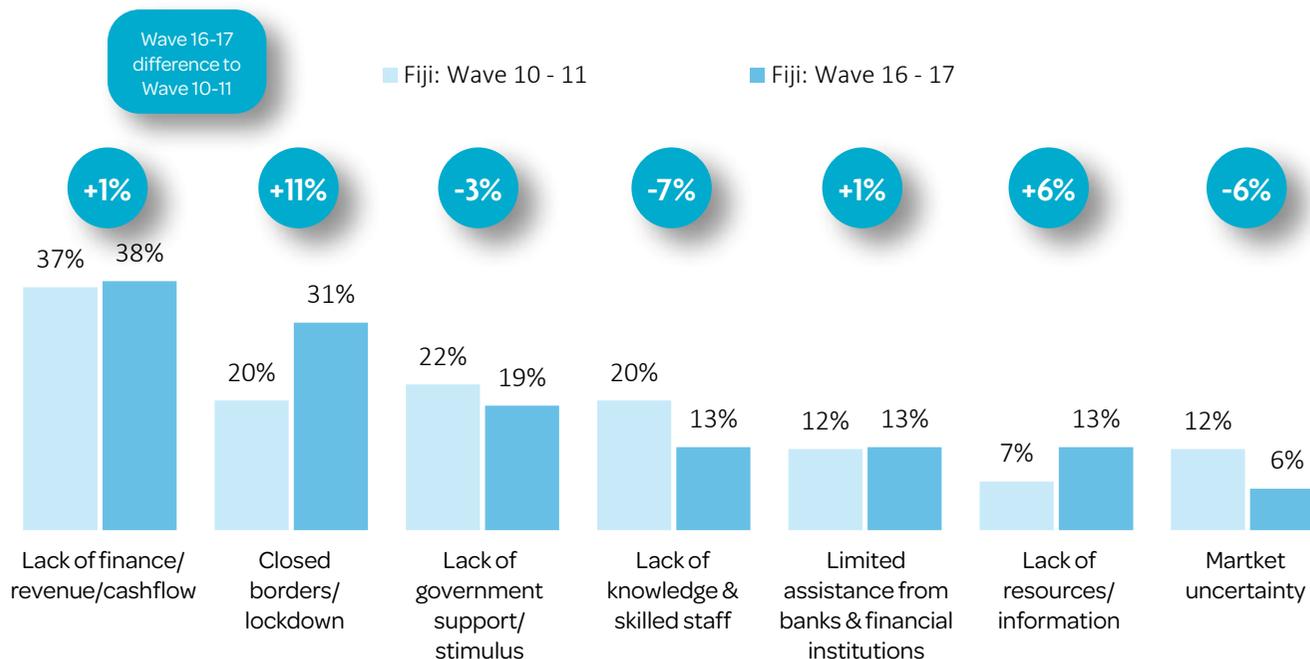
IS ANYTHING PREVENTING YOU FROM ACTIONING THESE INITIATIVES?

% YES



Q

WHAT IS PREVENTING YOU FROM ACTIONING THESE INITIATIVES?



"Closed borders. The local population either can't afford our tourism dive services or doesn't like getting in the water - hence despite 60% discounted prices we still have minimal uptake of our tourism scuba dive service"

- Tourism, Fiji

"No financial assistance available to assist trading through difficult time. Large projects especially tourism related are on hold and Fiji govt still awarding contracts to nonlocal businesses like China railway groups?"

- Construction, Fiji

"Business closure through Covid Border Closures in Fiji. Our core business is from international visitors and the local market is not a viable option for our business clientele. At the same time, we understand that opening borders creates a whole mother level of issues as well for the community and nation"

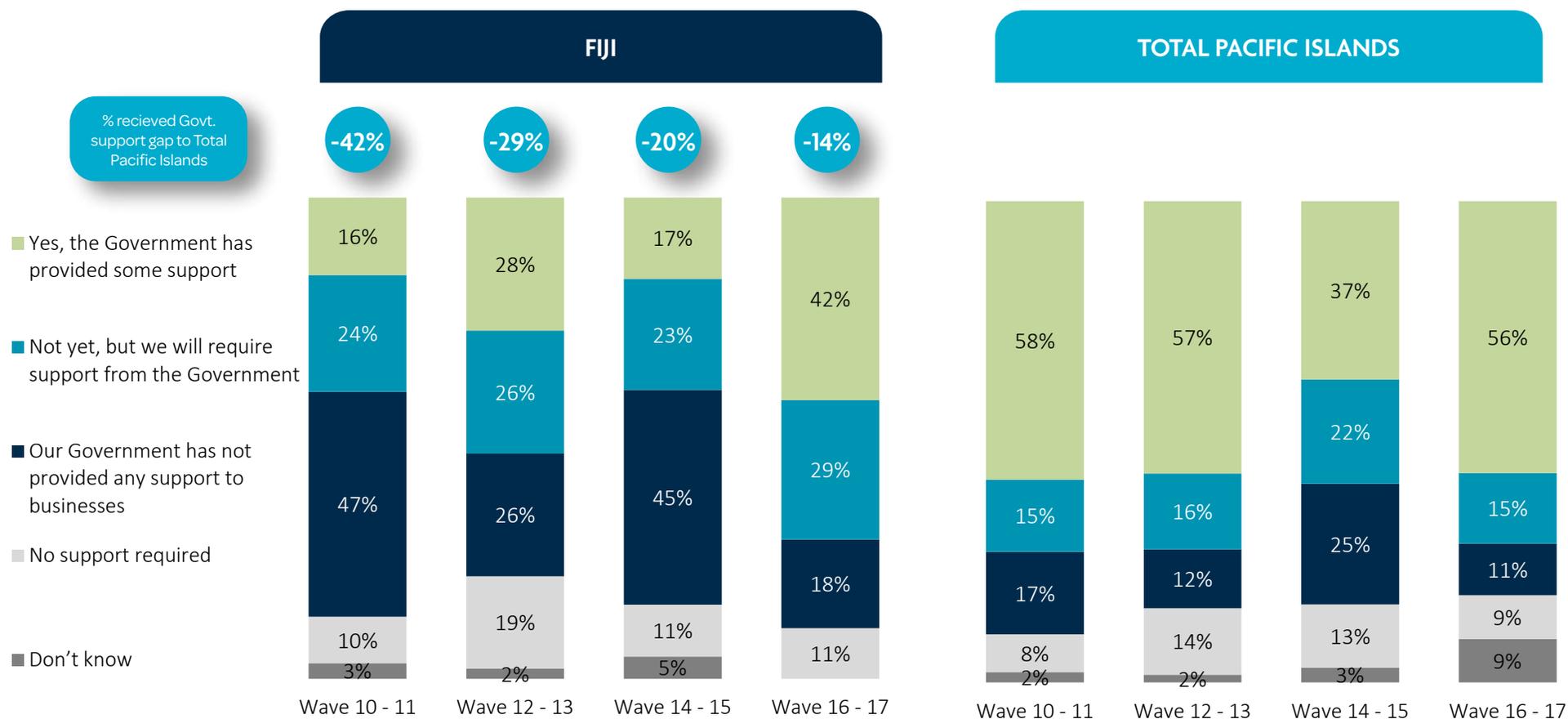
- Accommodation, Hospitality & Food service, Fiji

# ACCESS TO GOVERNMENT SUPPORT DURING COVID-19 CRISIS

It appears a lower proportion of businesses in Fiji have received support from the government, compared to the Pacific Islands overall. This gap appears to have reduced throughout the year.

Q

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

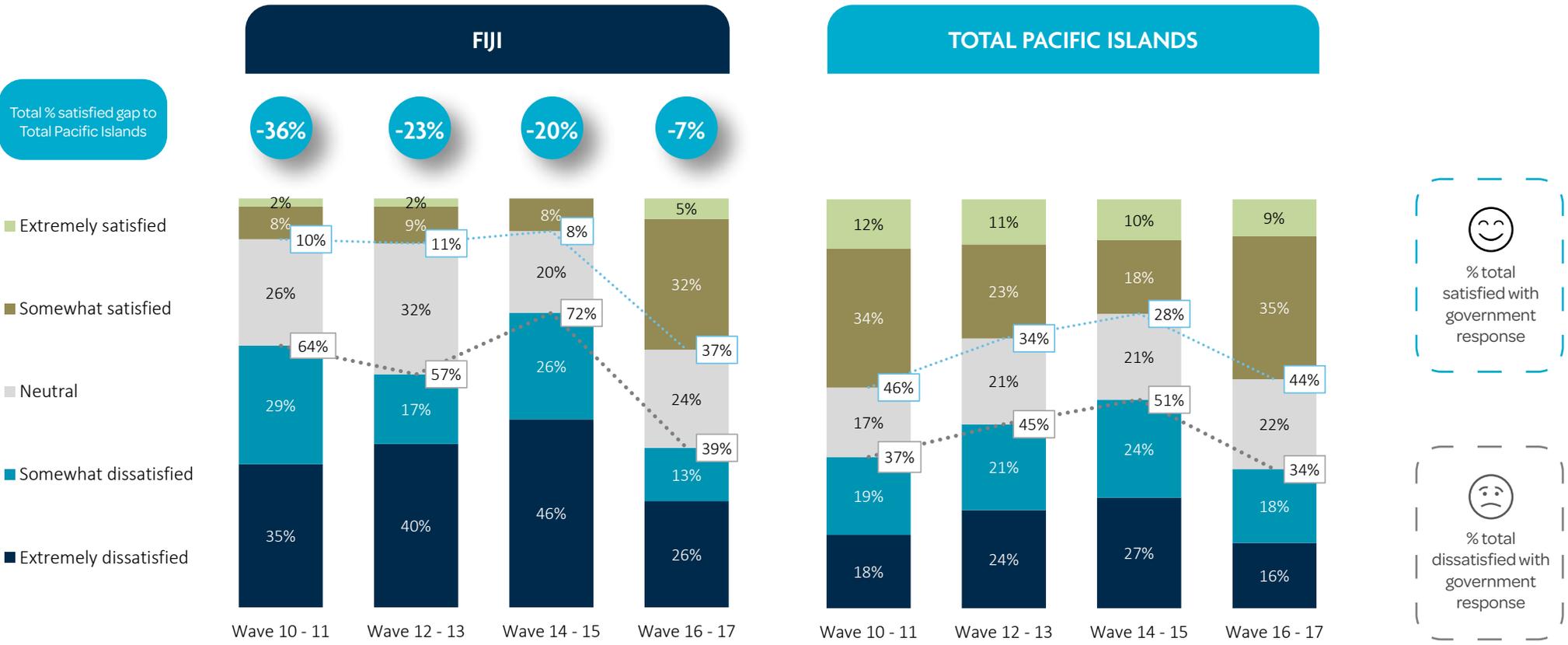


# SATISFACTION WITH GOVERNMENT SUPPORT

Satisfaction with the government response is lower among businesses in Fiji compared to the Pacific Islands 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  
**100** COMPLETED SURVEYS PER WAVE

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



## HOW DID WE SPEAK WITH THEM?

**8** QUANTITATIVE ONLINE SURVEYS  
MINUTE

Survey invitations were sent out and distributed by Pacific Trade Invest Australia. Respondents could also opt in to receive the survey each wave.



## WHEN DID WE SPEAK WITH THEM

**8** IN 2021  
WAVES

Online responses were collected over eight waves 4 January–15 November 2021.



**N=212** TOTAL COMPLETED SURVEYS FROM FIJI

## 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

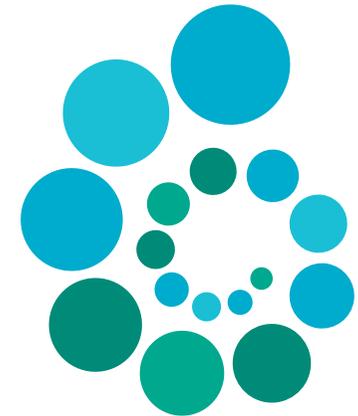
The PTI Network would like to thank all the Pacific businesses that took part in the *Pacific Business Monitor* surveys, and on-the-ground partners for their ongoing support sharing the surveys through their networks.

## DISCLAIMER

The information presented in this report is based on responses received by research company Fifth Quadrant from surveys administered from 4 January–15 November 2021.

## FOR FURTHER INFORMATION

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# Pacific Trade Invest

