



Pacific Trade Invest

PACIFIC BUSINESS MONITOR 2021

NIUE 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 Niue.

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

12%

EXTENT AND SEVERITY OF COVID-19 WAS 12% MORE NEGATIVE IN NIUE TOWARDS THE END OF THE YEAR THAN IN THE PACIFIC ISLANDS OVERALL.

While the extent and severity of COVID-19 on Niue businesses decreased across 2021 from 94% having reported a negative impact in the first half of the year to 85% towards the end of the year, this figure has remained predominantly more severe than that of the Pacific Islands overall.

NEGATIVE TOLL ON THE PERSONAL FINANCIAL SITUATION OF NIUE BUSINESS OWNERS AND LEADERS WAS SEVERE, WITH 88% REPORTING A NEGATIVE IMPACT TOWARDS THE END OF YEAR, COMPARED TO 67% IN THE PACIFIC ISLANDS OVERALL.

Business decision-makers in Niue have personally felt the repercussions of the COVID-19 crisis, reporting increased negative impacts on their personal financial situation.

88%

63%

SATISFACTION WITH GOVERNMENT SUPPORT THROUGH THE COVID-19 CRISIS HAS REMAINED HIGHER AMONG NIUE BUSINESS OPERATORS THAN THE PACIFIC ISLANDS OVERALL.

63% of Niue respondents reported satisfaction with the way the government had supported their business throughout the COVID-19 crisis, compared to 44% for the Pacific Islands overall.

TOP 3 CHALLENGES

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

- 1 Not knowing how long the crisis will last (+6% more than Pacific Islands overall)
- 2 Poor cashflow (+13% more than Pacific Islands overall)
- 3 Impact of closed international borders (+1% more than Pacific Islands overall)

TOP 3 INITIATIVES

Niue businesses consistently required assistance with in the second half 2021

- 1 Financial support (+2% more than Pacific Islands overall)
- 2 Diversifying of business (+1% more than Pacific Islands overall)
- 3 Review/update of business strategy (+7% 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 Niue 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 Islands	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 Niue to the total Pacific Islands.

WAVE	FIELDWORK START	FIELDWORK END		■ NIUE	■ TOTAL PACIFIC ISLANDS	
Wave 10	4 th January 2021	- 17 th January 2021	Wave 10	n=21	N=153	} WAVE 10-11 n=47 n=280
Wave 11	1 st February 2021	- 14 th February 2021	Wave 11	n=26	N=127	
Wave 12	1 st March 2021	- 15 th March 2021	Wave 12	n=26	N=136	} WAVE 12-13 n=38 n=311
Wave 13	5 th April 2021	- 18 th April 2021	Wave 13	n=12	N=175	
Wave 14	3 rd May 2021	- 16 th May 2021	Wave 14	n=22	N=106	} WAVE 14-15 n=51 n=259
Wave 15	5 th July 2021	- 19 th July 2021	Wave 15	n=29	N=153	
Wave 16	6 th September 2021	- 20 th September 2021	Wave 16	n=22	N=103	} WAVE 16-17 n=54 n=232
Wave 17	1 st November 2021	- 15 th November 2021	Wave 17	n=32	N=129	

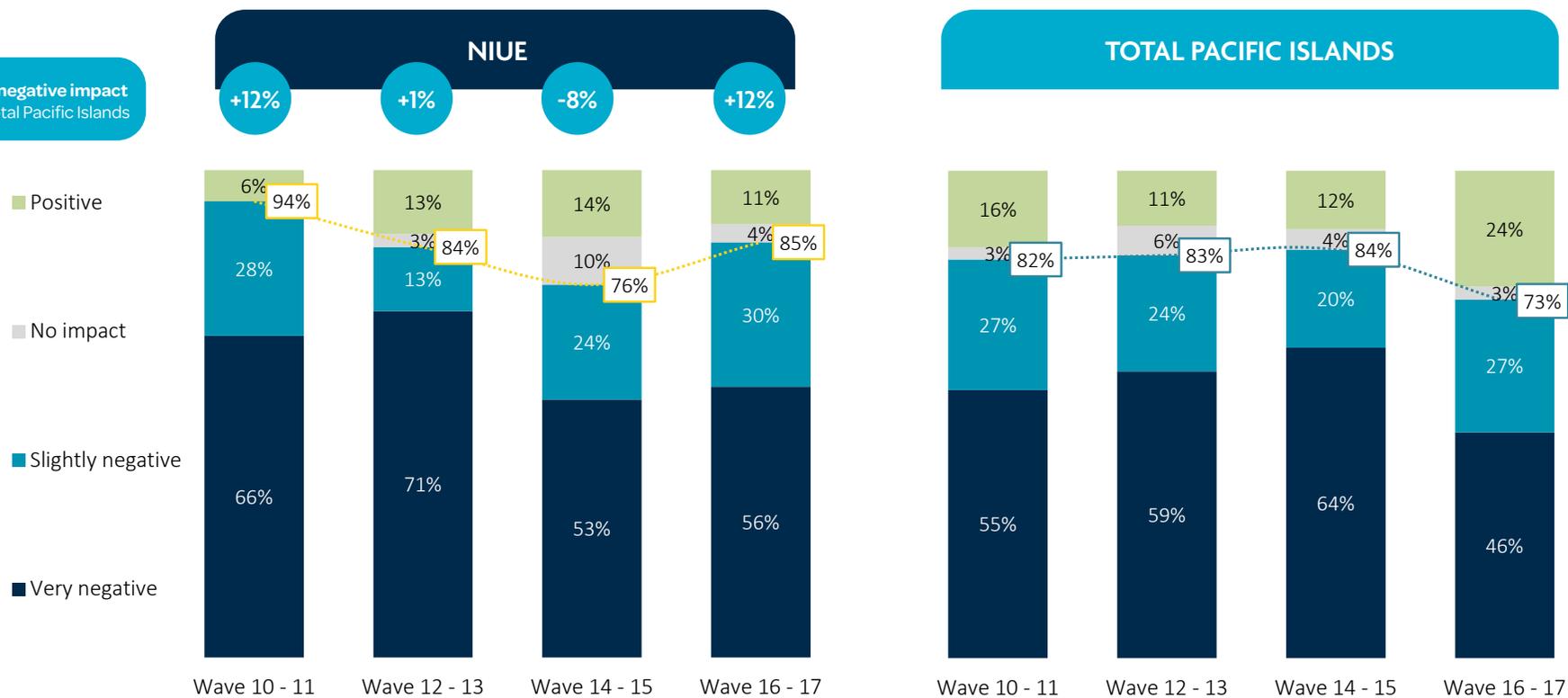
IMPACT OF COVID-19 ON BUSINESS

The negative impact of COVID-19 has remained high for businesses in Niue across 2021, decreasing in the middle of the year and increasing again 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



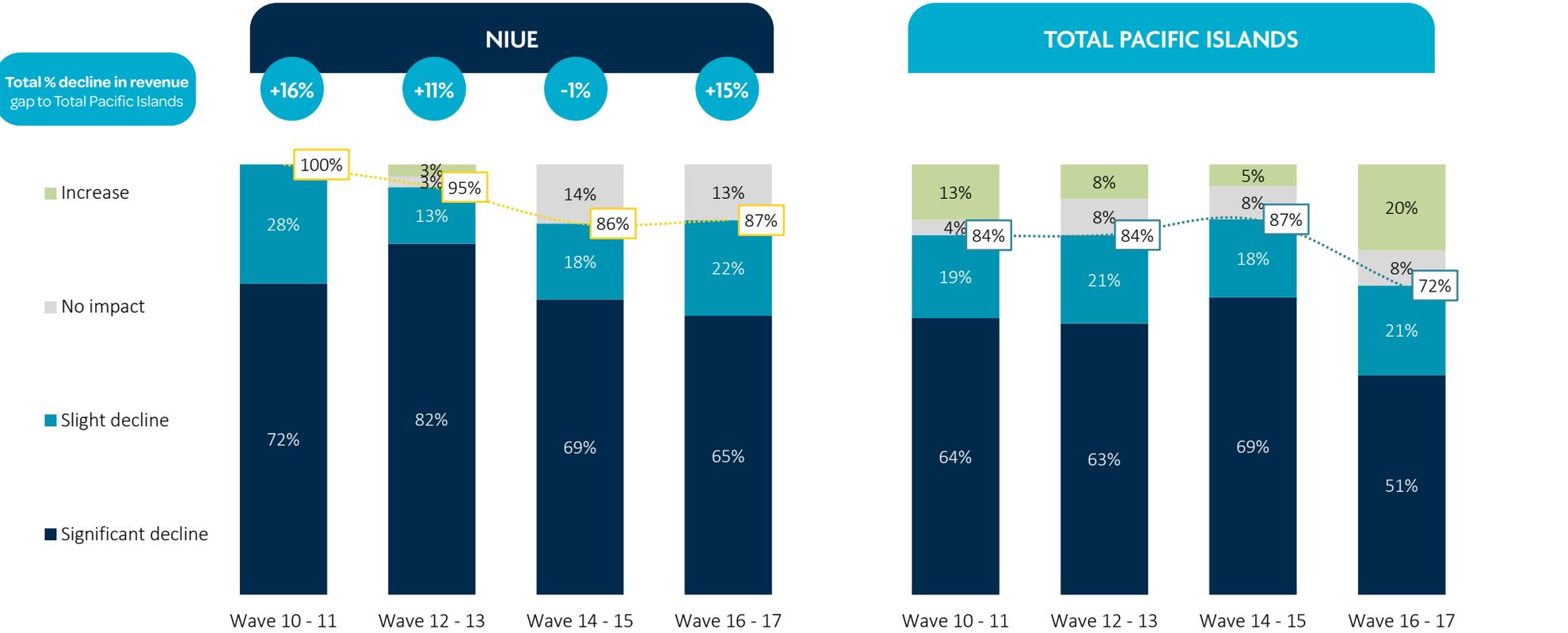
— — — % TOTAL NEGATIVE IMPACT ON BUSINESS

IMPACT OF COVID-19 ON BUSINESS REVENUE

The negative impact of COVID-19 on business revenue also remained high for businesses in Niue across 2021, decreasing 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?



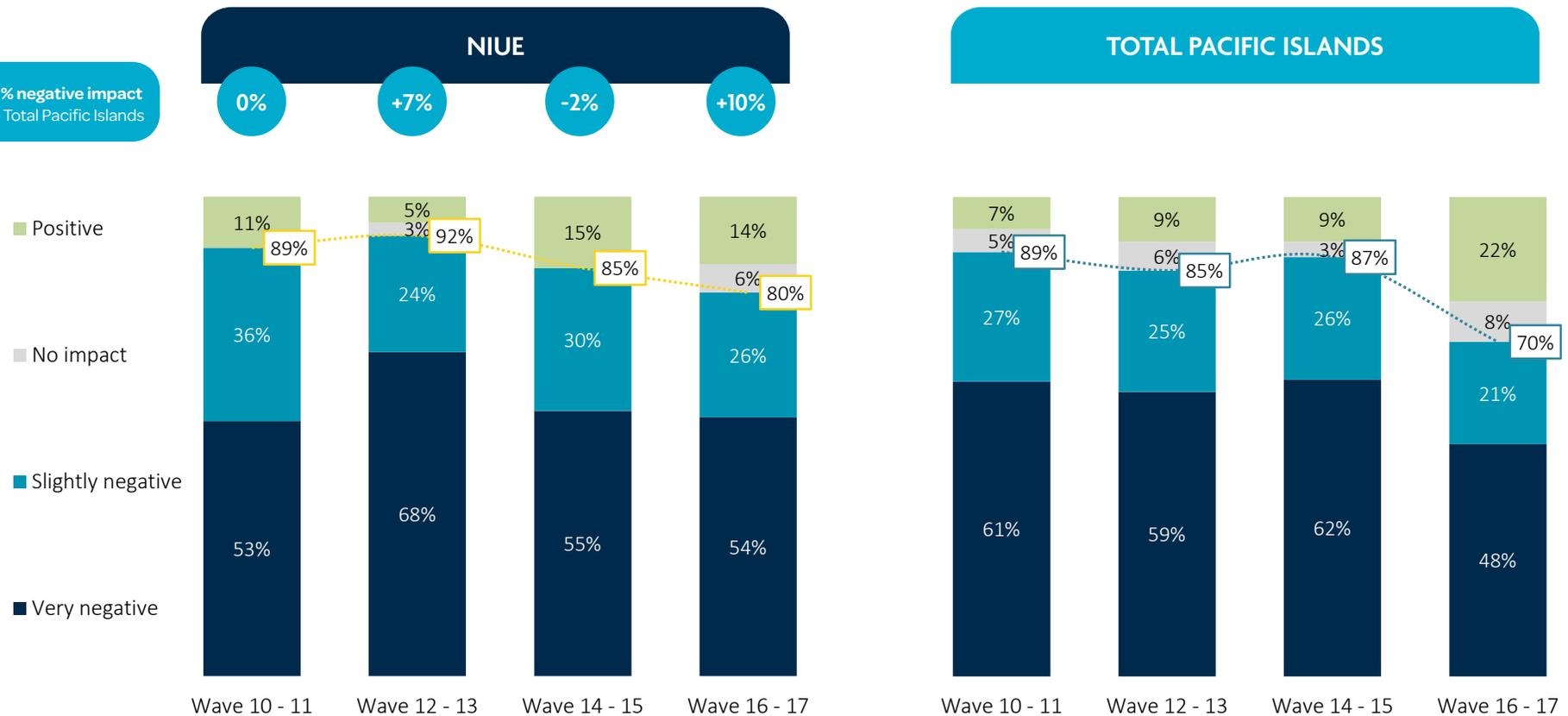
IMPACT OF COVID-19 ON THE LOCAL ECONOMY

The perceived impact of COVID-19 on local economies in both Niue 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 Niue.



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



THE WELLBEING OF YOUR COMMUNITY

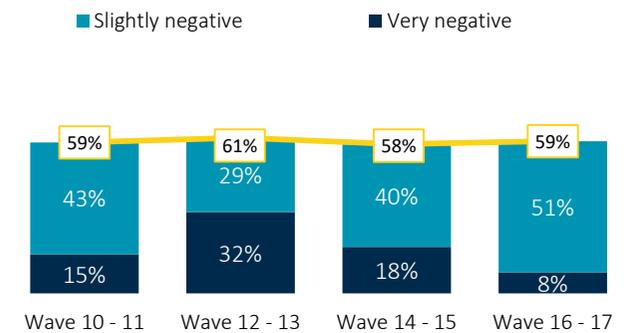
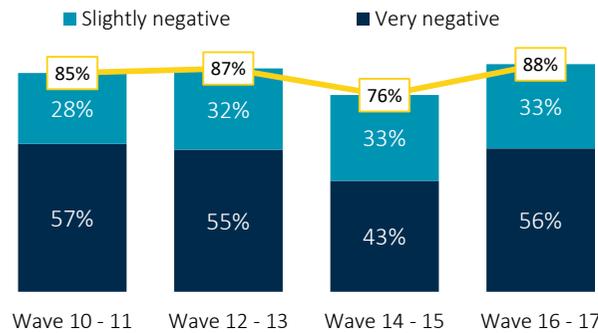
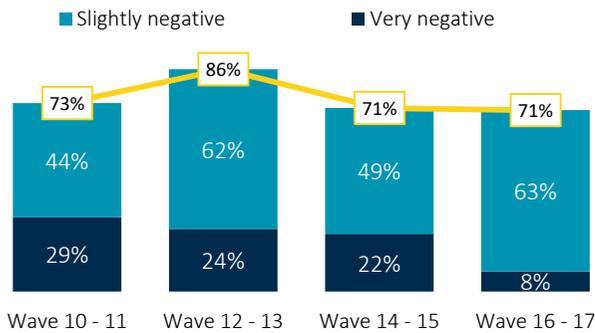


YOUR PERSONAL FINANCIAL SITUATION

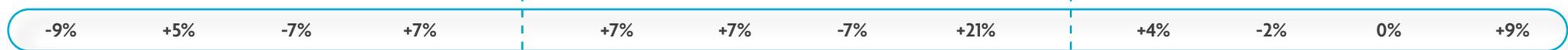


YOUR MENTAL HEALTH

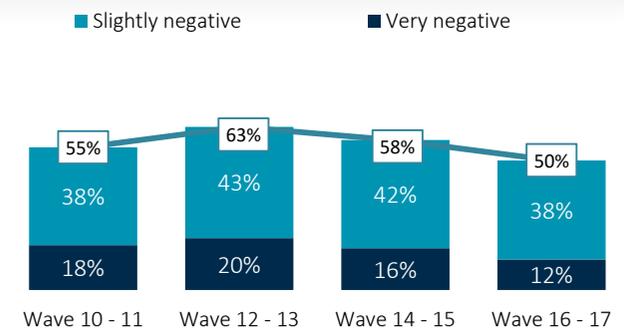
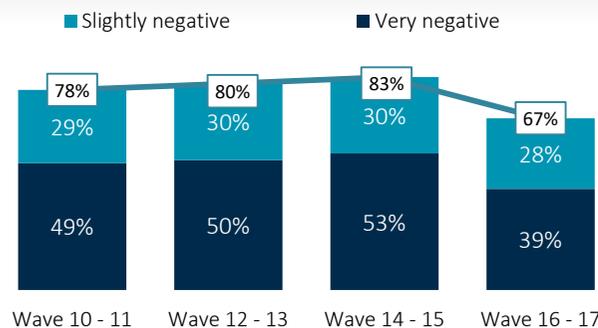
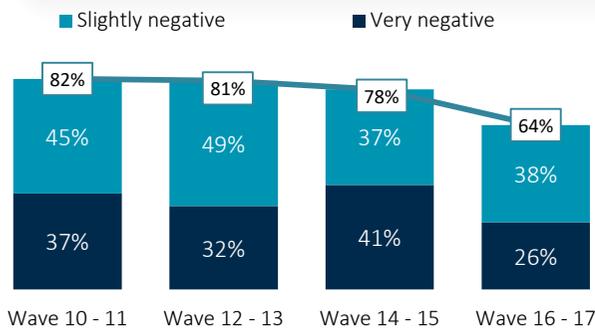
NIUE



% TOTAL NEGATIVE GAP TO TOTAL



TOTAL PACIFIC ISLANDS



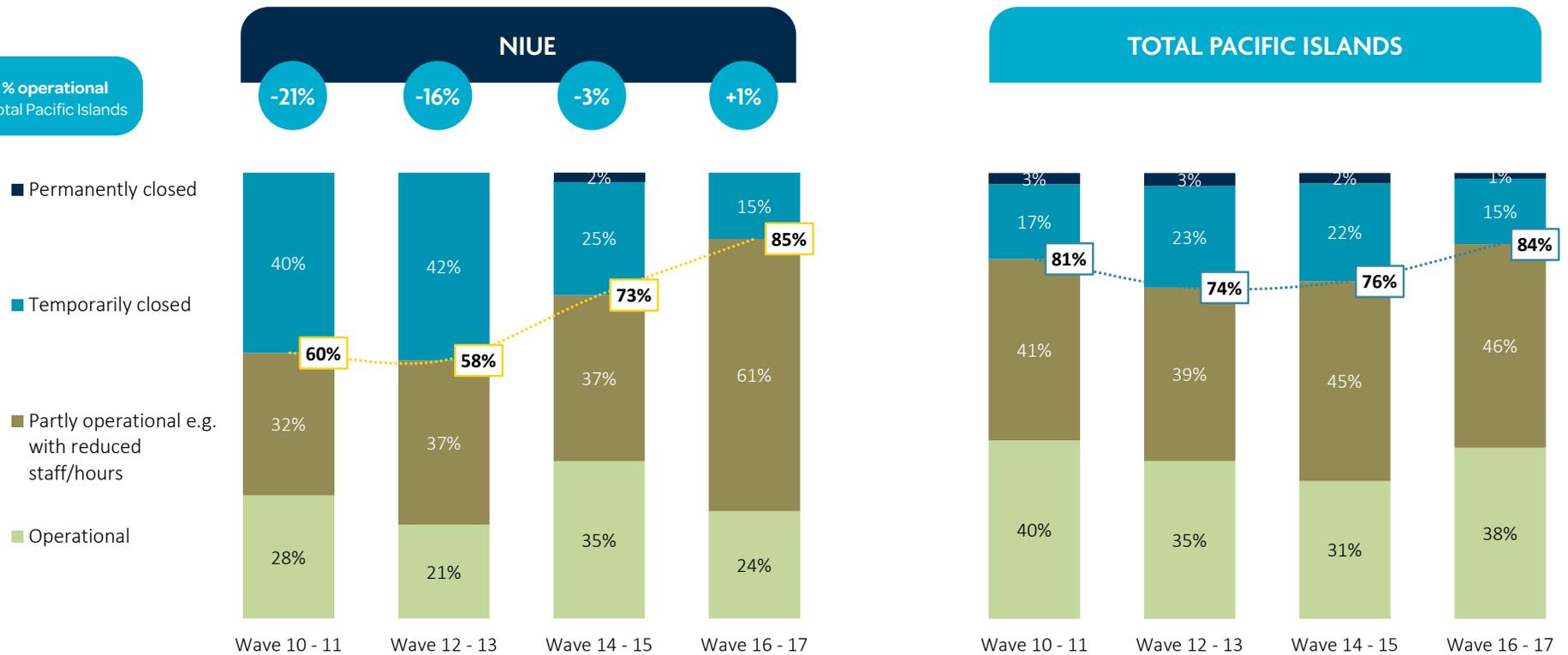
CURRENT BUSINESS STATUS

The ongoing impacts of COVID-19 continued to disrupt operations of Niue across 2021. Positively, the impact on operations appeared to improve in the second half of the year to be in line with the Pacific Islands overall.

Q

WHAT IS YOUR CURRENT BUSINESS STATUS?

Total % operational gap to Total Pacific Islands



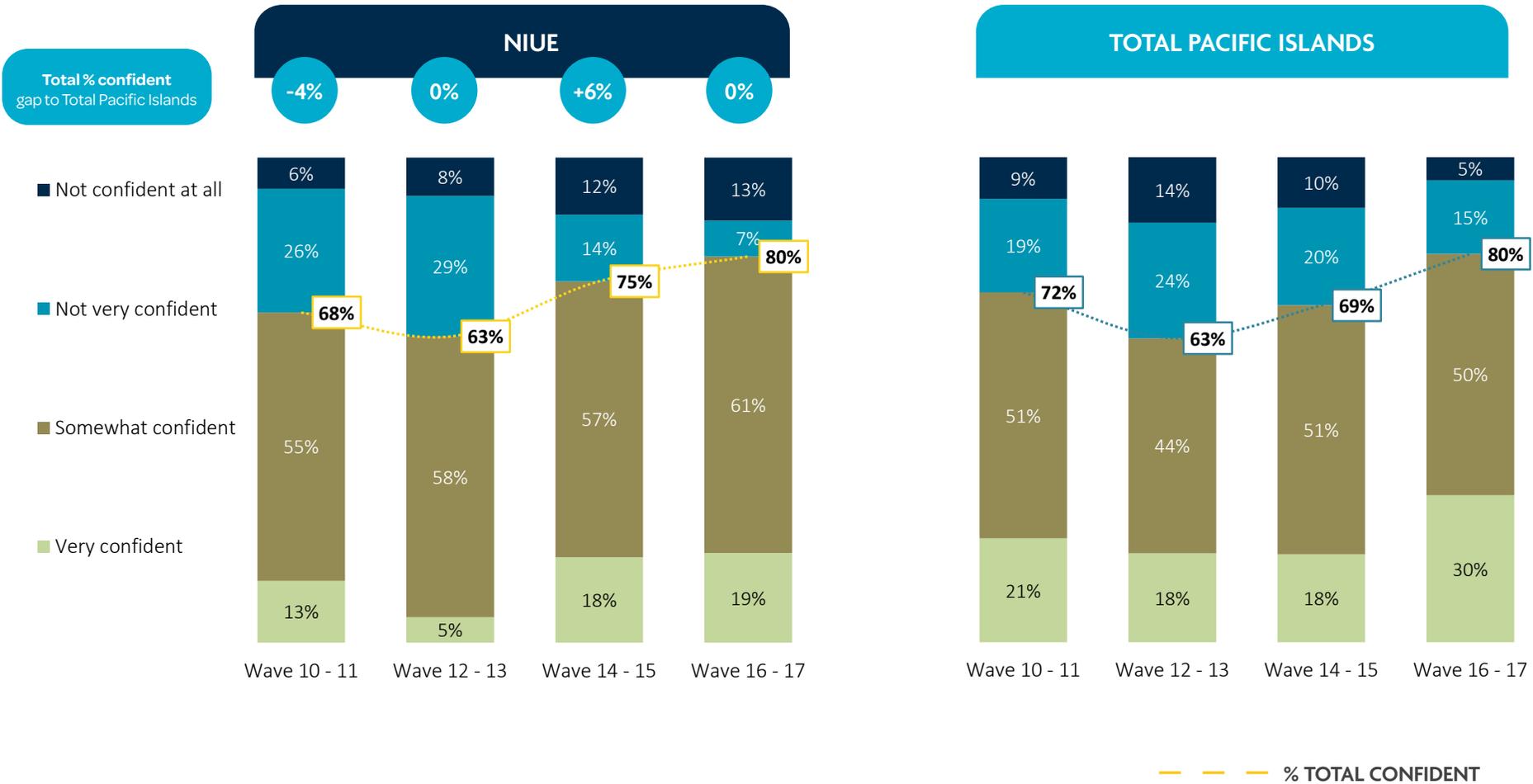
— — — % TOTAL OPERATIONAL

CONFIDENCE IN BUSINESS SURVIVAL

Despite significant challenges, over three-quarters of businesses in Niue 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

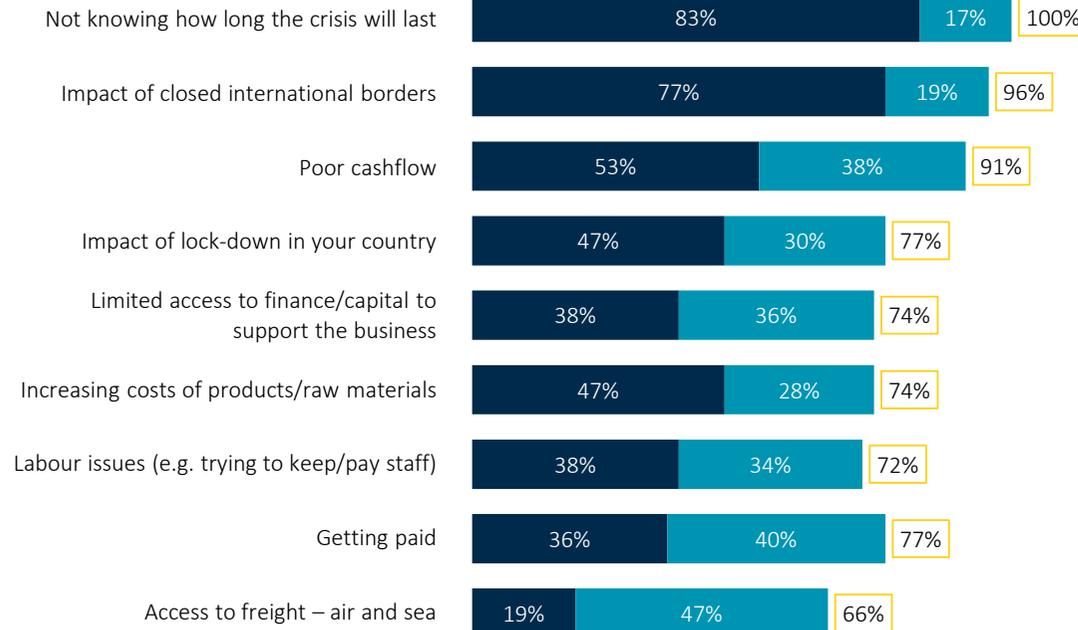
Comparing the first half the year to the second, businesses in Niue increasingly found labour issues to be a challenge, while the impact of lock-down in country and closed international borders became less of a challenge.

Q

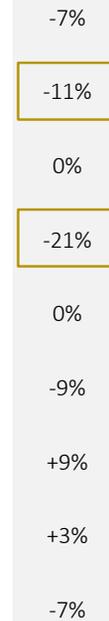
HOW CHALLENGING HAS YOUR BUSINESS FOUND THE FOLLOWING AS A RESULT OF COVID-19 AND THE CURRENT MARKET CONDITIONS?

NIUE: WAVE 10-11

■ Very Challenging ■ Somewhat Challenging □ % Total challenging

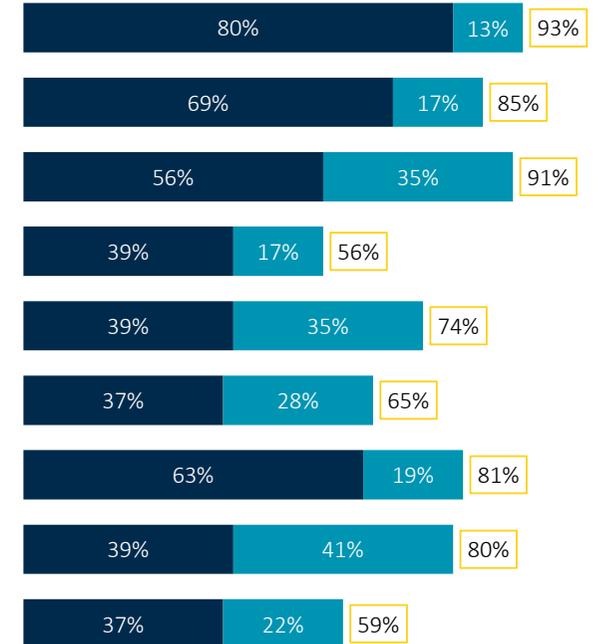


% Total challenging
Wave 16-17
difference to Wave
10-11



NIUE: WAVE 16-17

■ Very Challenging ■ Somewhat Challenging □ % Total challenging



CHALLENGES AS A RESULT OF COVID-19 AND MARKET CONDITIONS

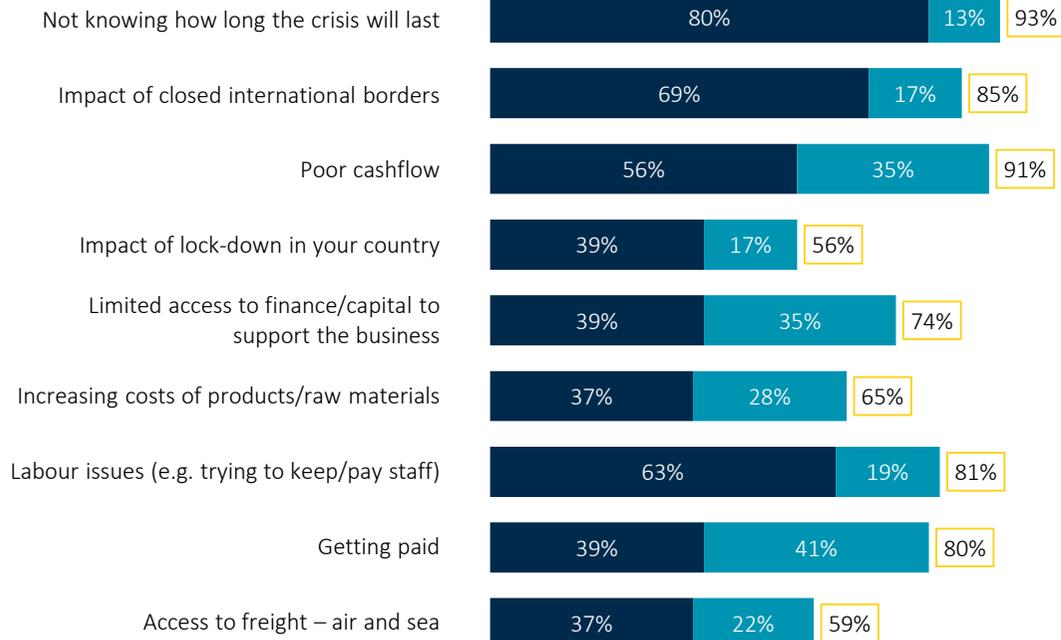
Comparing Niue to the Pacific Islands across 2021, businesses in Niue appear to have had better access to freight than the Pacific Islands overall, while cashflow and getting paid were more of a challenge.

Q

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

NIUE: WAVE 16-17

■ Very Challenging ■ Somewhat Challenging □ % Total challenging

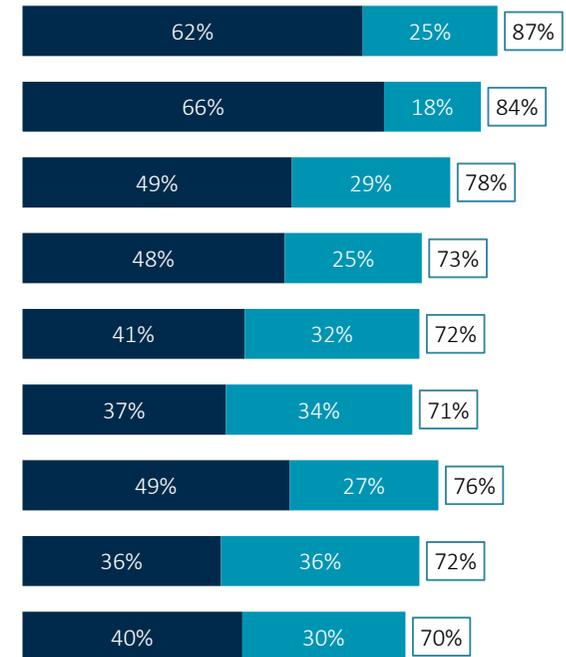


% Total challenging
Wave 16-17 gap to
Total Pacific Islands



TOTAL PACIFIC ISLANDS: WAVE 16-17

■ Very Challenging ■ Somewhat Challenging □ % Total challenging

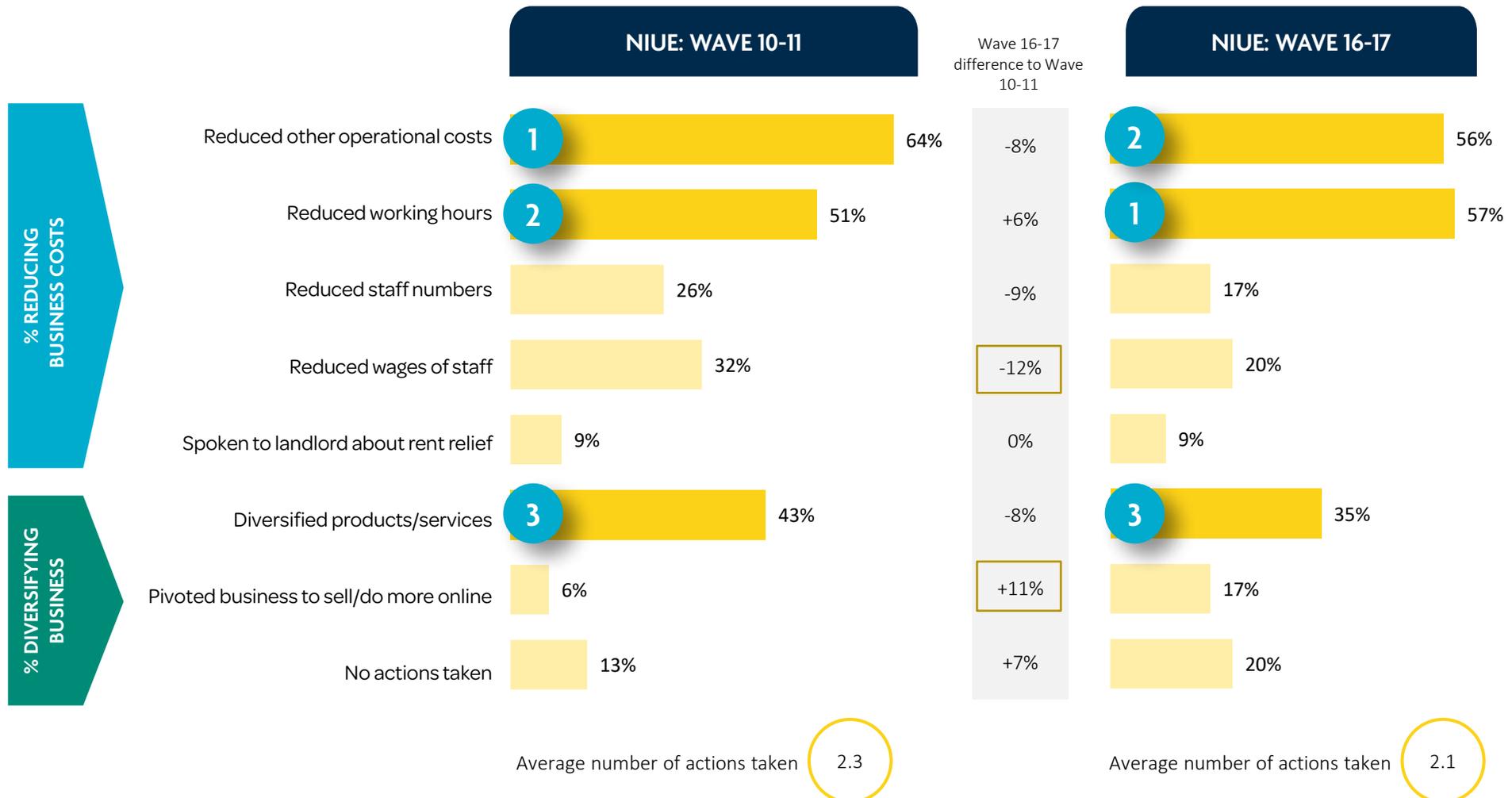


ACTIONS TAKEN TO REDUCE COST AND DAMAGE TO BUSINESS DUE TO COVID-19 : DIVERSIFICATION VS. COST REDUCTION

Comparing the first half the year to the second, businesses in Niue increasingly pivoted to selling and doing more online, while reducing staff wages in order to reduce cost and damage to their business decreased.



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

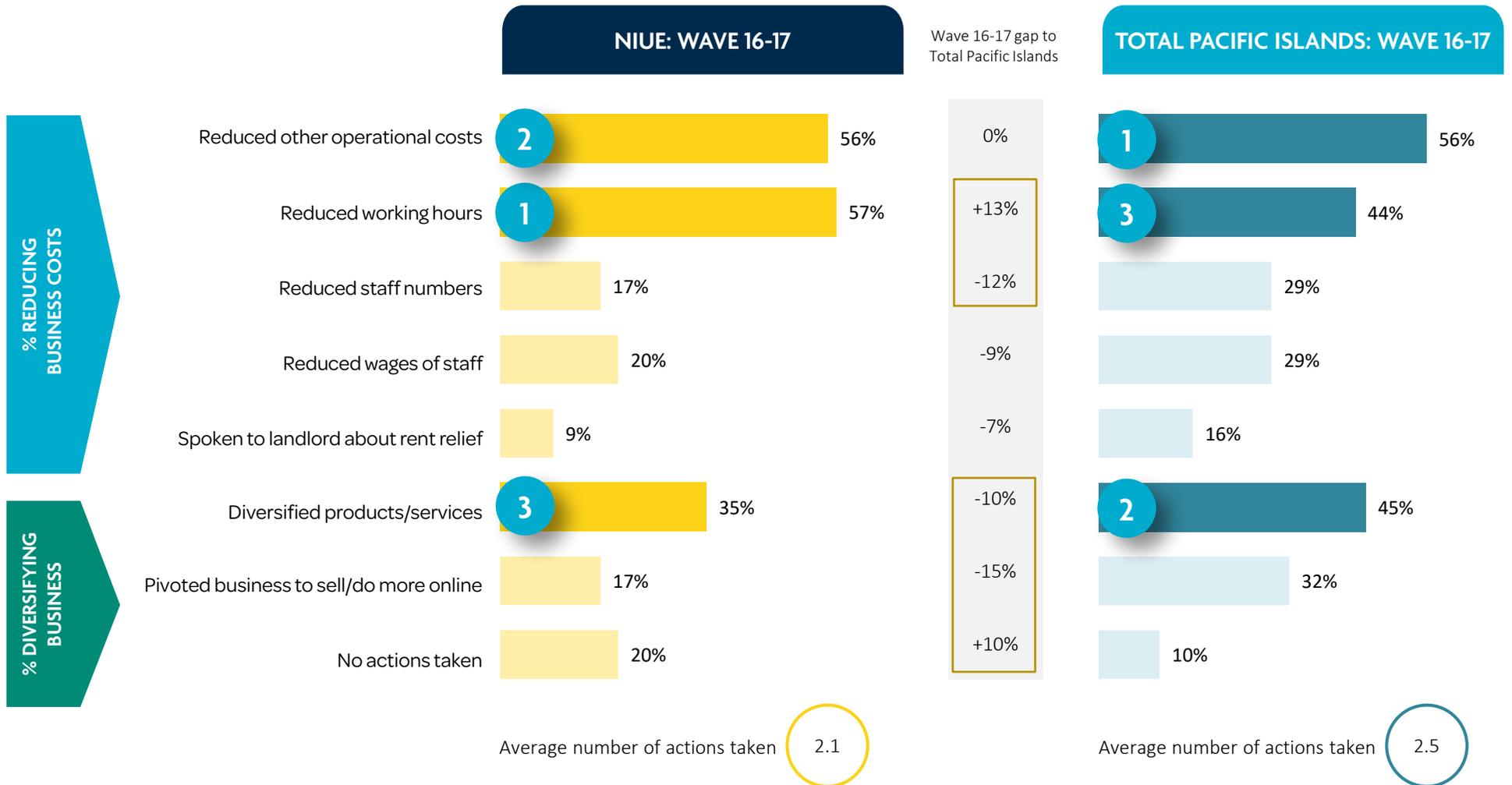


ACTIONS TAKEN TO REDUCE COST AND DAMAGE TO BUSINESS DUE TO COVID-19 : DETAILED

In comparison to the Pacific Islands overall, less businesses in Niue appeared to reduce staff numbers, pivoted to selling and doing more online or diversified products or services 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.



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

Time frame expectations for returning to business as usual, are longer in Niue than the Pacific Islands overall.

Q

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



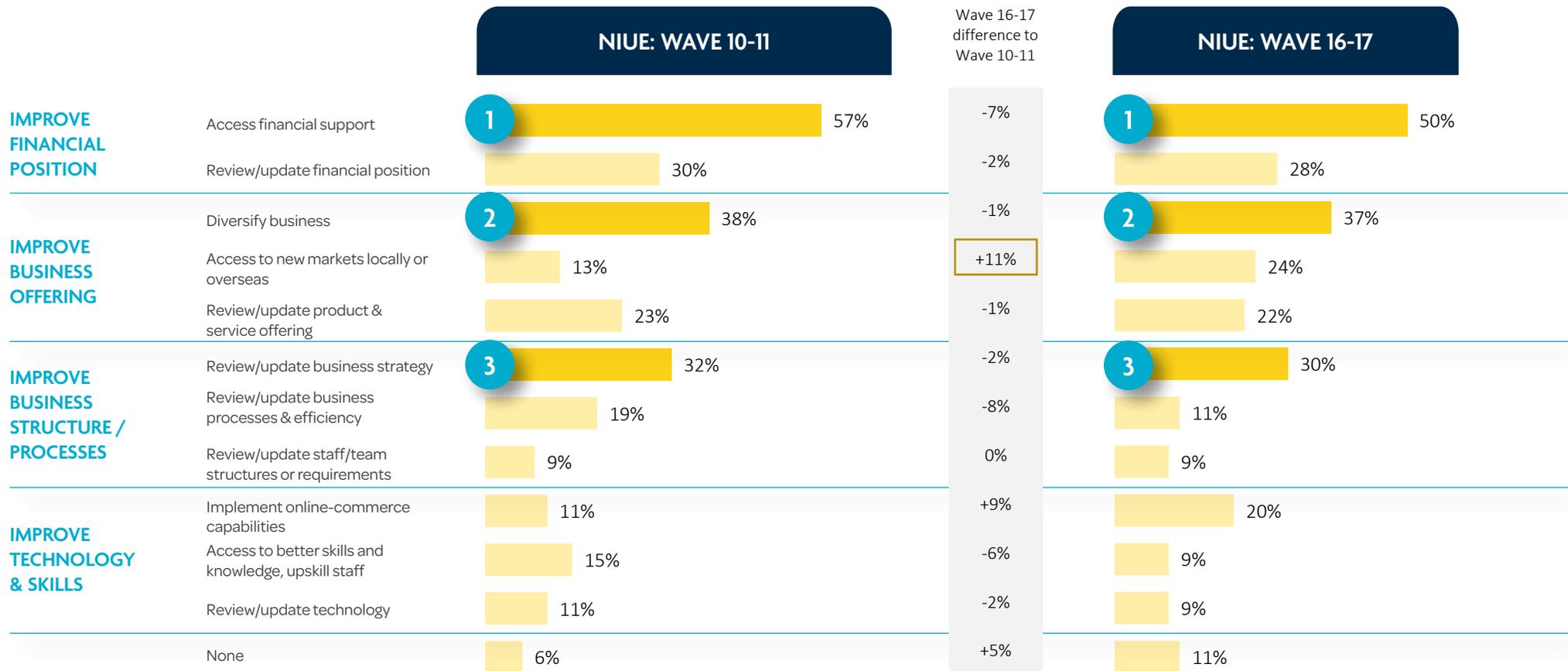
— % TOTAL LIKELY TO RETURN TO PRE-COVID LEVELS BY END OF 2022

TOP INITIATIVES NEEDED TO SUPPORT BUSINESS

Comparing the first half the year to the second, businesses in Niue increasingly called for support in accessing new markets and improving or implementing online-commerce capabilities.

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 Niue called for support updating their financial position and business strategy, while less required support to upskill staff.

Q

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

NIUE: WAVE 16-17

Wave 16-17
gap to Total
Pacific Islands

TOTAL PACIFIC ISLANDS: WAVE 16-17

IMPROVE FINANCIAL POSITION

Access financial support



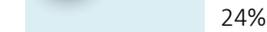
+2%



Review/update financial position



+4%



IMPROVE BUSINESS OFFERING

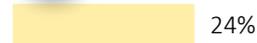
Diversify business



+1%



Access to new markets locally or overseas



-7%



Review/update product & service offering



-7%

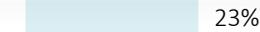


IMPROVE BUSINESS STRUCTURE / PROCESSES

Review/update business strategy



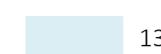
+7%



Review/update business processes & efficiency



-2%



Review/update staff/team structures or requirements



-6%



IMPROVE TECHNOLOGY & SKILLS

Implement online-commerce capabilities



-8%



Access to better skills and knowledge, upskill staff



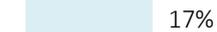
-9%



Review/update technology



-8%



None



+5%



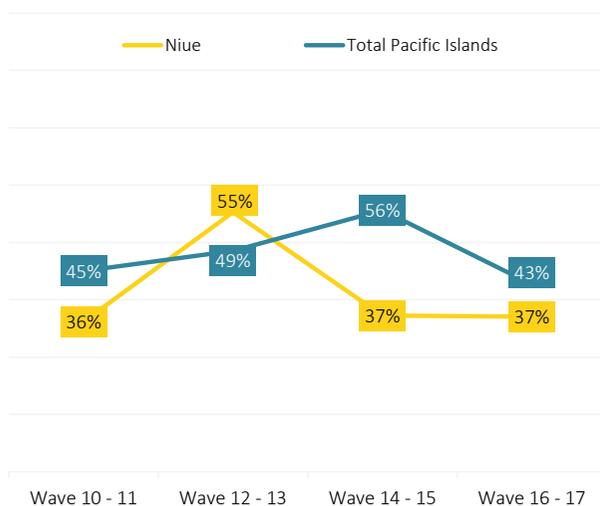
BARRIERS TO ACTIONING INITIATIVES

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

Q

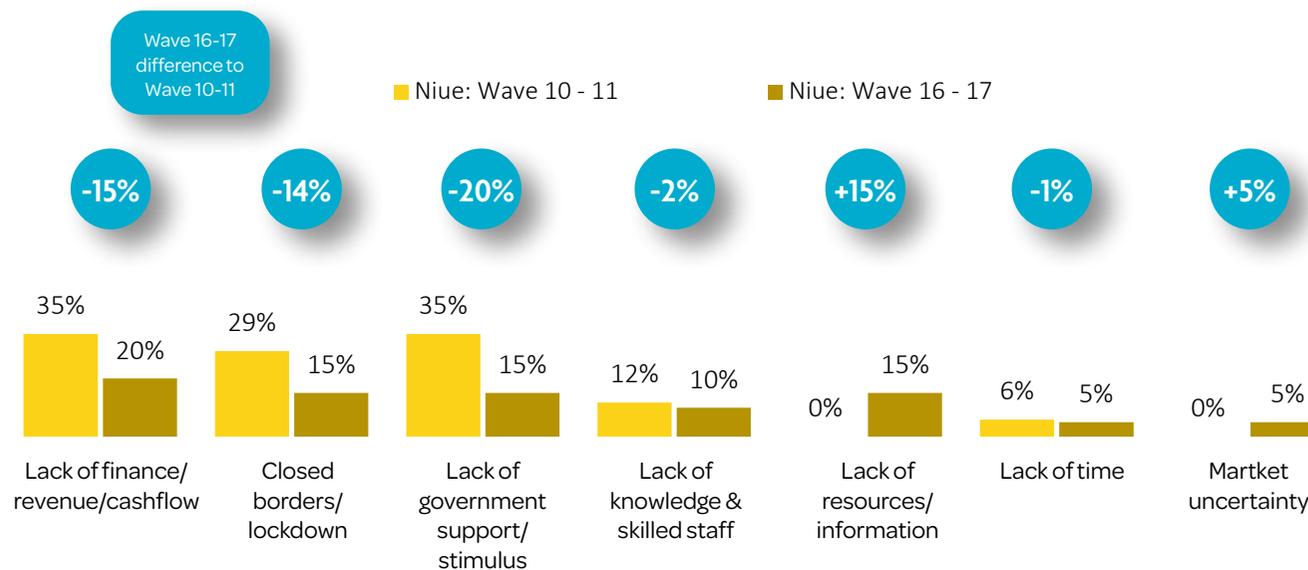
IS ANYTHING PREVENTING YOU FROM ACTIONING THESE INITIATIVES?

% YES



Q

WHAT IS PREVENTING YOU FROM ACTIONING THESE INITIATIVES?



"We are experiencing a lack of income that would allow us to upgrade, increase our services, and increase the tourist experience."

- Tourism, Niue

"Closed borders. Lack of access to online trade sites due to location. Niue does not meet the criteria for online trade because of our isolation and lack of trade routes."

- Information, Media & Telecommunications, Niue

"Not knowing when the border will open up again to bring more customers, in addition to an inability to get loans with low interest rates."

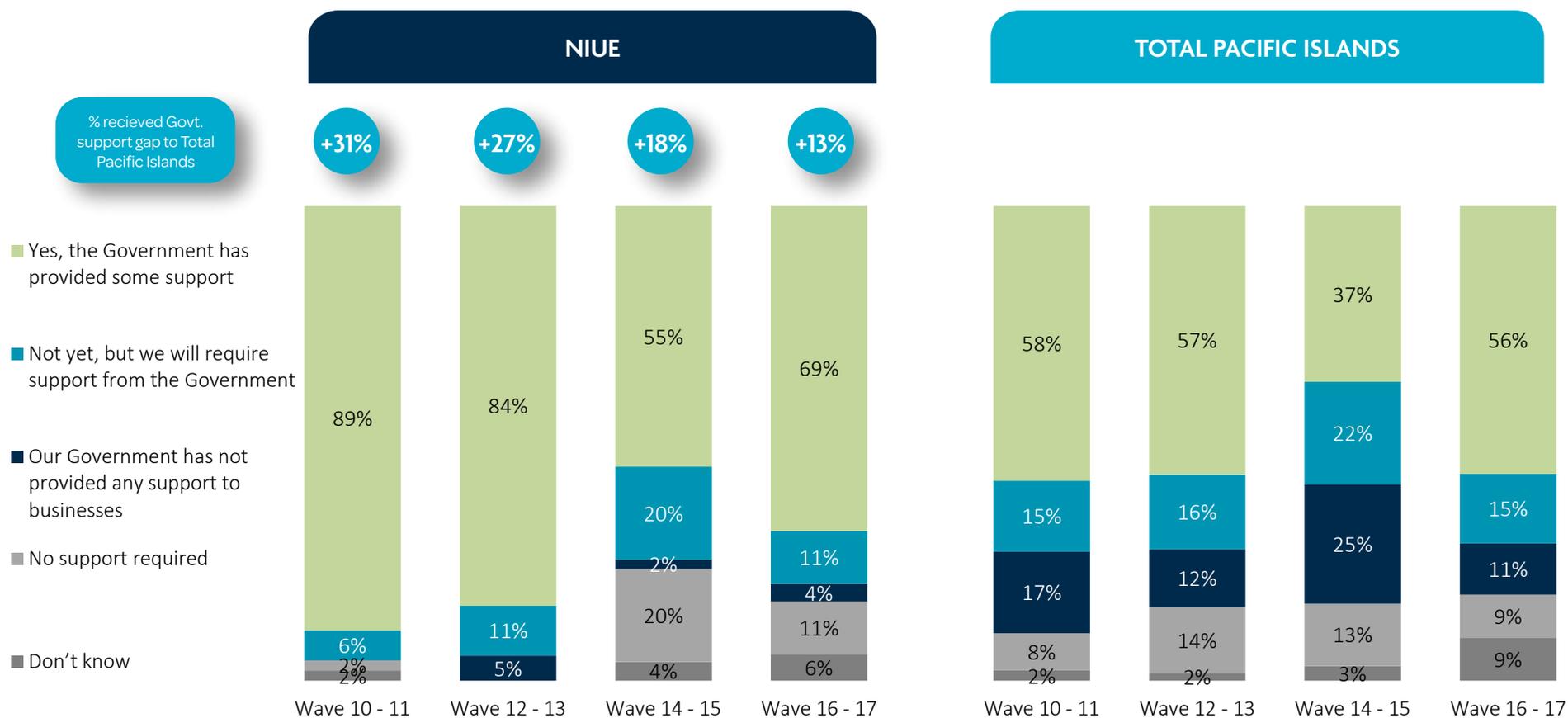
- Retail Trade, Niue

ACCESS TO GOVERNMENT SUPPORT DURING COVID-19 CRISIS

It appears a higher proportion of businesses in Niue have received support from the Government, compared to the Pacific Islands overall.

Q

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

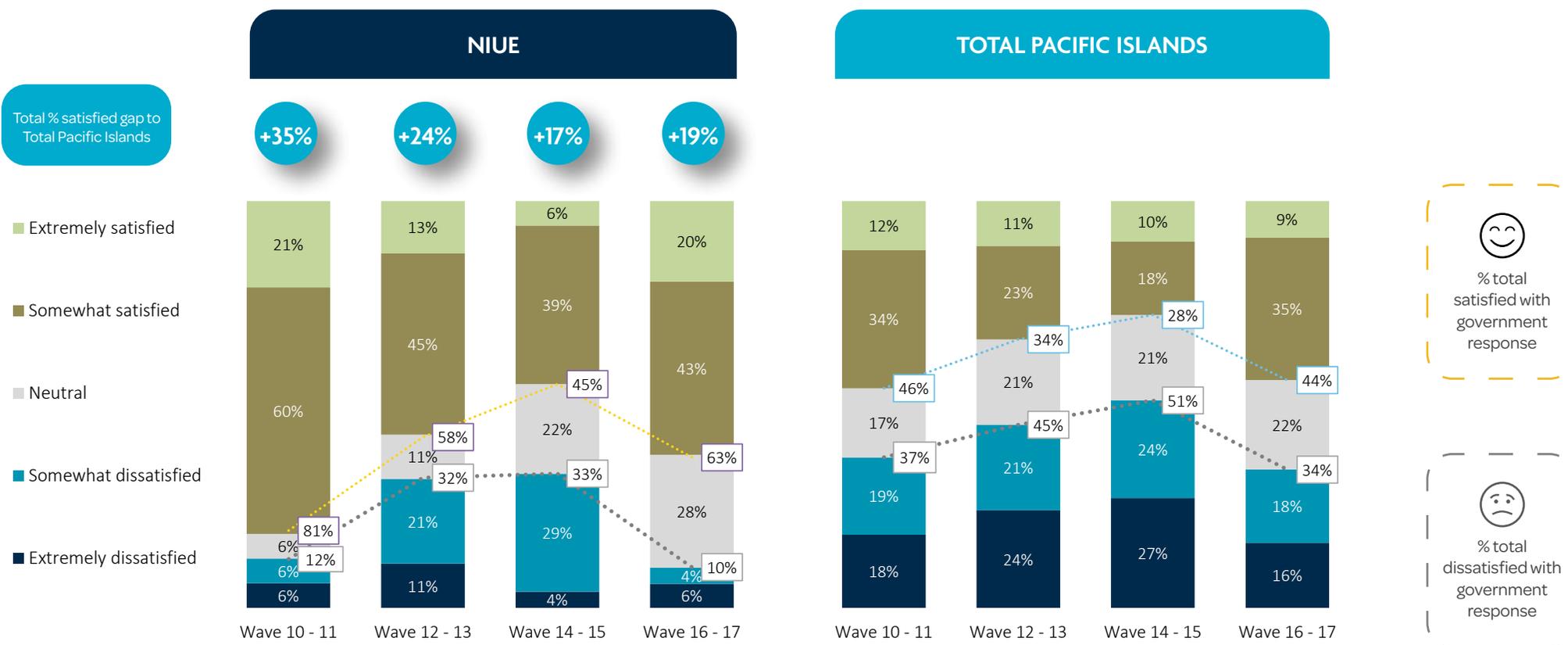


SATISFACTION WITH GOVERNMENT SUPPORT

Satisfaction with the government response is higher among businesses in Niue 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=190 TOTAL COMPLETED SURVEYS FROM NIUE

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

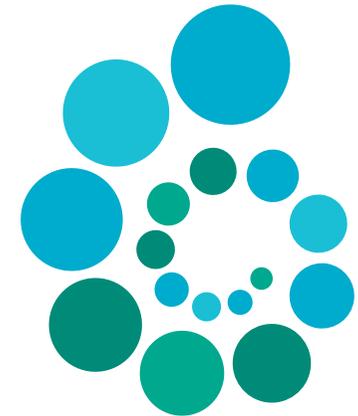
The PTI Network would like to thank all the Pacific businesses that took part in the *Pacific Business Monitor* surveys, and on-the-ground partners for their ongoing support sharing the surveys through their networks.

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

