

## 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 seventeenth wave of PTI's Pacific Business Monitor survey includes responses gathered from 1 to 16 November 2021, from 129 businesses across the Pacific region, including 70 female-led/owned businesses.

This report includes data from the top three 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 has been a long road 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 worsened, with 75% reporting a negative impact (up from 72% last wave).
- However, 71% of businesses reported a decline in revenue due to COVID-19 (down from 72% last wave), the lowest since tracking began.
- 76% are confident that their business will survive the COVID-19 crisis (down from 85% last wave).

## CHALLENGES & SUPPORT NEEDED

- The top three challenges facing businesses as a result of COVID-19 are:
  - » Not knowing how long the crisis will last (87%)
  - » Impact of closed international borders (82%)
  - » Increasing costs of products/raw materials (78%)
- The top four initiatives businesses require assistance with are:
  - » Financial support (45%)
  - » Diversify business (37%)
  - » Access to new markets (33%)
  - » Online commerce capabilities (26%)
- 49% of female-led businesses report having barriers that prevent them actioning initiatives to support their business, compared to 34% of male-led businesses.

## PERSONAL IMPACTS ON BUSINESS DECISION-MAKERS

- The negative toll on mental health has increased, with 54% reporting a negative impact on their mental health (up from 46% last wave).
- The proportion of businesses reporting a very negative impact on community wellbeing has increased to 28% (up from 24% last wave).

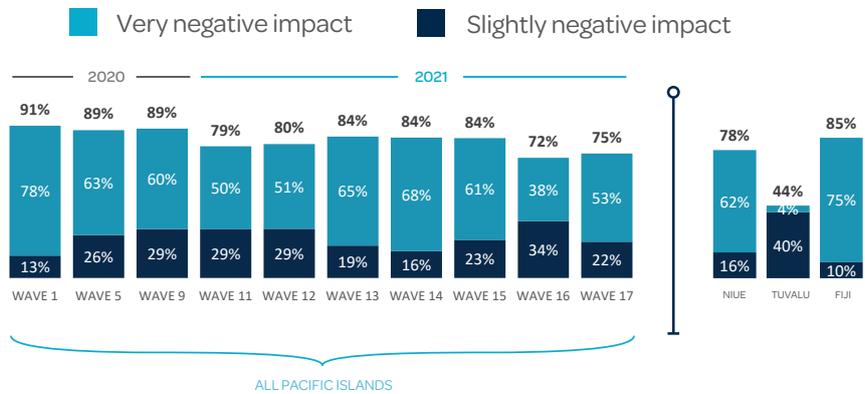
# CURRENT IMPACT OF COVID-19 ON BUSINESSES IN THE PACIFIC

75%

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 worsened this wave, with 75% reporting a negative impact (up from 72% last wave).

## REPORTED A NEGATIVE IMPACT ON BUSINESS\*

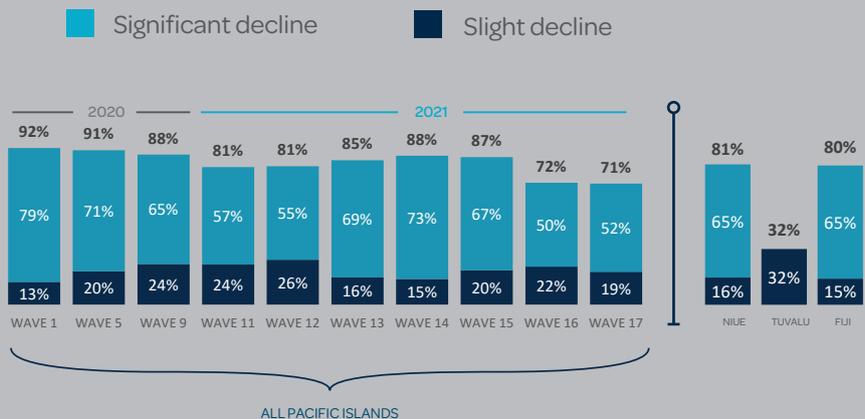


71%

REPORTED A DECLINE IN REVENUE

71% of businesses reported a decline in revenue due to COVID-19 (down from 72% last wave). This is the lowest since tracking began. However, the severity of revenue impact has increased, with 52% reporting a significant decline in revenue (up from 50% last wave).

## REPORTED A DECLINE IN REVENUE\*

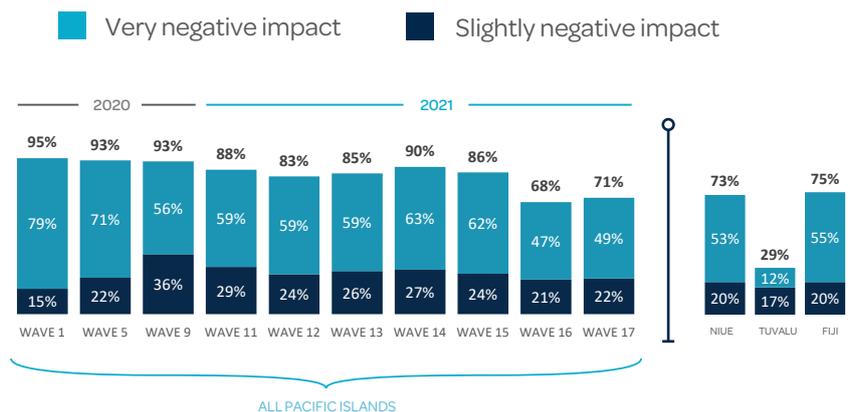


71%

BELIEVE COVID-19 HAS NEGATIVELY IMPACTED THE LOCAL ECONOMY

Negative perceptions of the local economy have increased, with 71% reporting a negative impact on the local economy (up from 68% last wave).

## BELIEVE NEGATIVE IMPACT ON THE LOCAL ECONOMY\*



\*Percentages rounded to nearest whole number

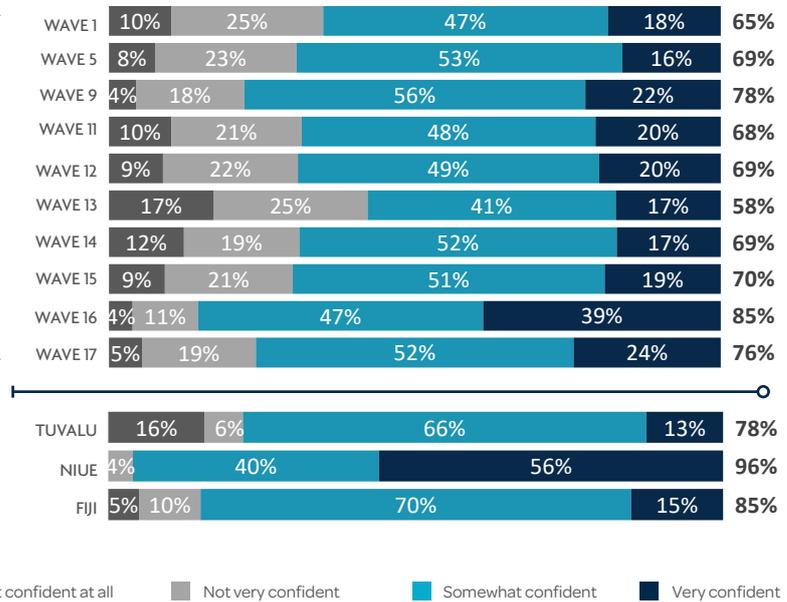
## 76%

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

76% are confident that their business will survive the COVID-19 crisis (down from 85% last wave).

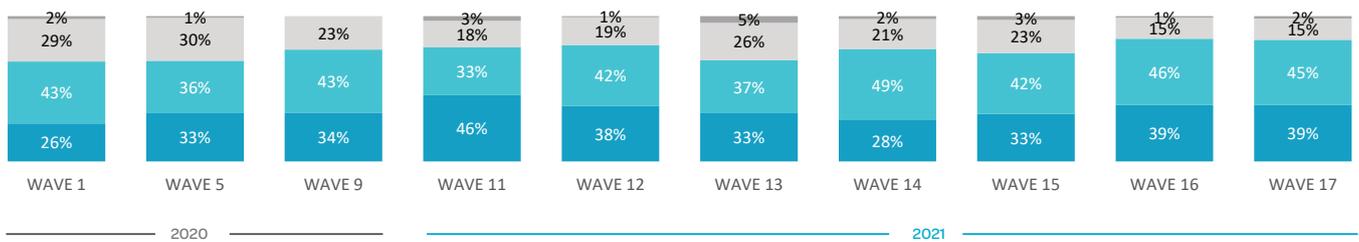
### CONFIDENCE IN BUSINESS SURVIVAL AFTER COVID-19

ALL PACIFIC ISLANDS



### BUSINESS STATUS

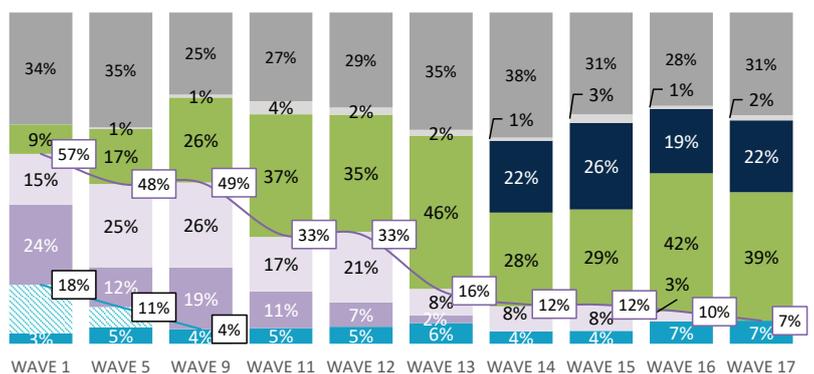
Permanently closed, Temporarily closed, Partly operational, Operational



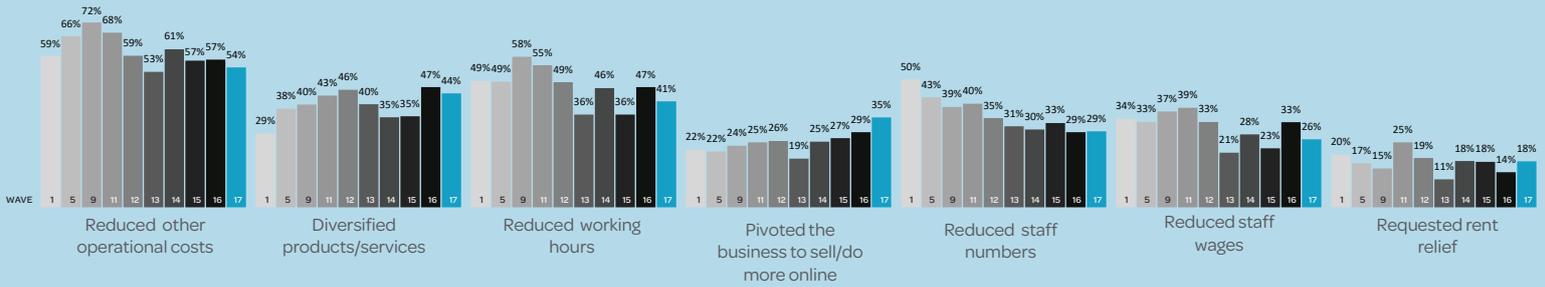
### WHEN WILL REVENUE RETURN TO PRE-COVID-19 LEVELS?

The road to recovery has lengthened, with 46% of businesses now expecting revenues to return by 2022 (down from 52% last wave).

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



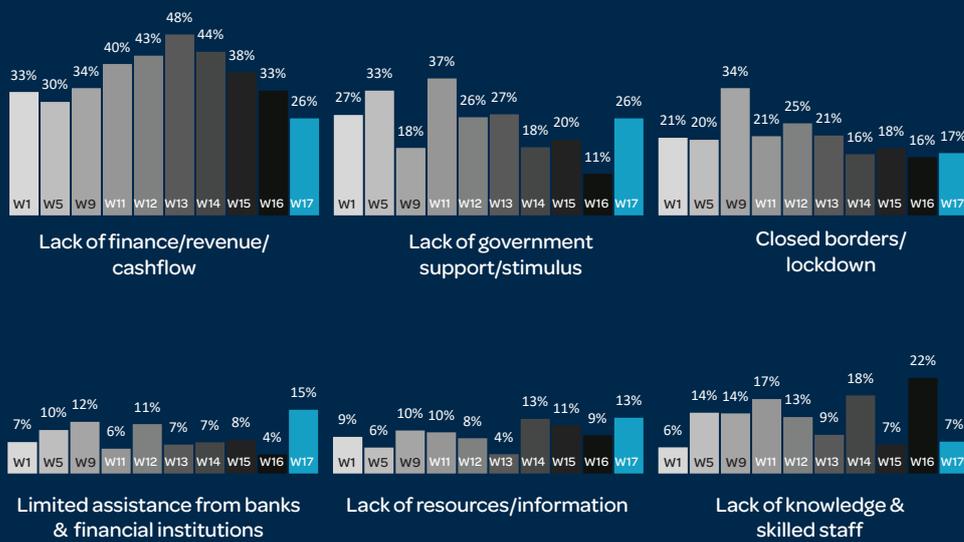
# ACTIONS TAKEN TO REDUCE COST/DAMAGE TO BUSINESS



42%

## BARRIERS TO ACTIONING INITIATIVES

42% reported that there are barriers preventing them from actioning initiatives to support their business (down from 44% last wave)



“Not knowing any businesses overseas that are of the same trade that we can contact for upskilling and broadening services.”

– Tourism, Niue

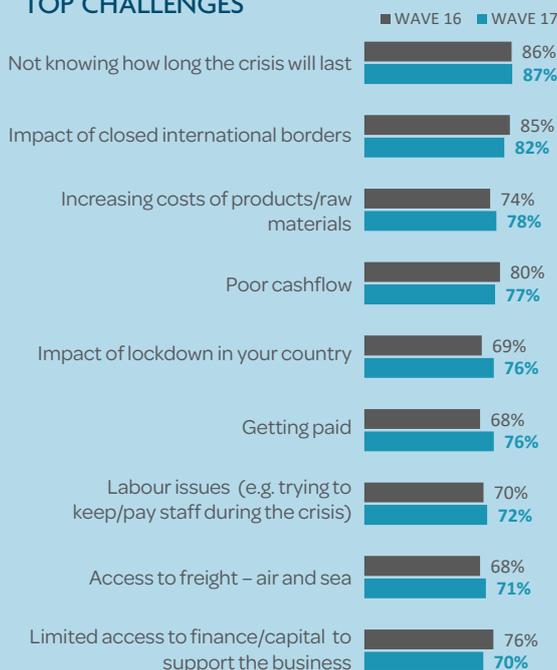
“We need more training on e-commerce.”

– Retail Trade, Tuvalu

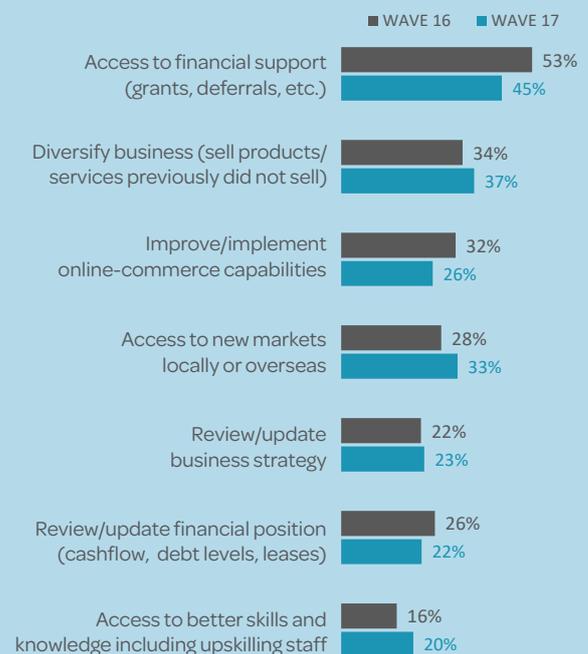
“Our suppliers only deal with cash, so the cheque system doesn't work in the rural community. Government policies need to be conducive to rural economies so we can access financial assistance.”

– Agriculture, Forestry & Fishing, Fiji

## TOP CHALLENGES

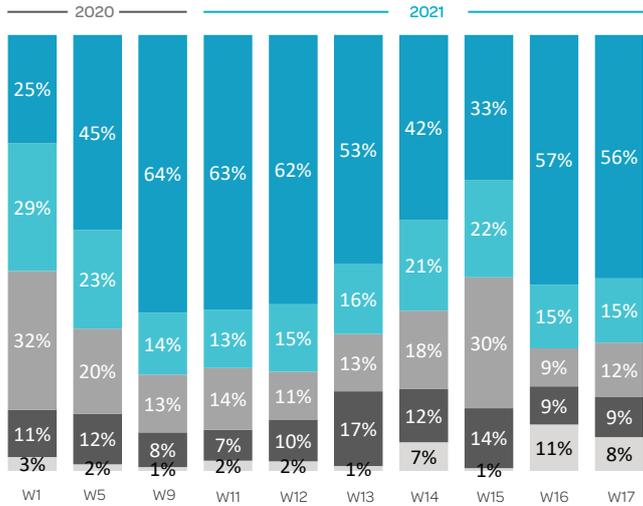


## TOP INITIATIVES NEEDED TO ACTION NOW



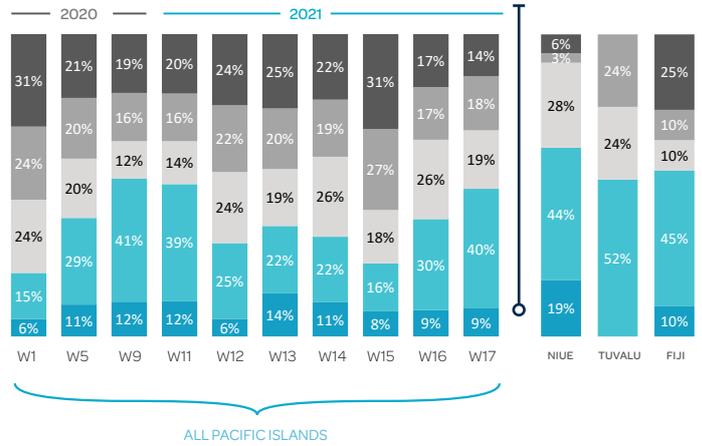
# GOVERNMENT SUPPORT

## 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

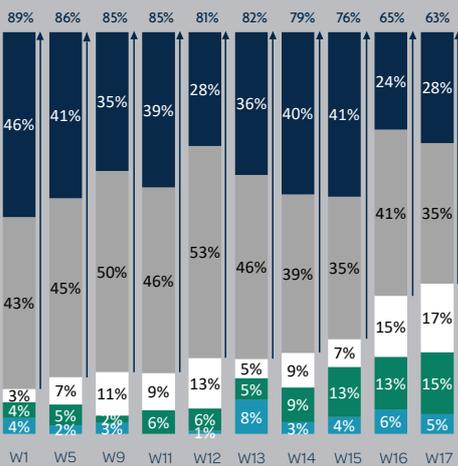


Extremely satisfied  
 Somewhat satisfied  
 Extremely dissatisfied  
 Somewhat dissatisfied  
 Neutral

ALL PACIFIC ISLANDS

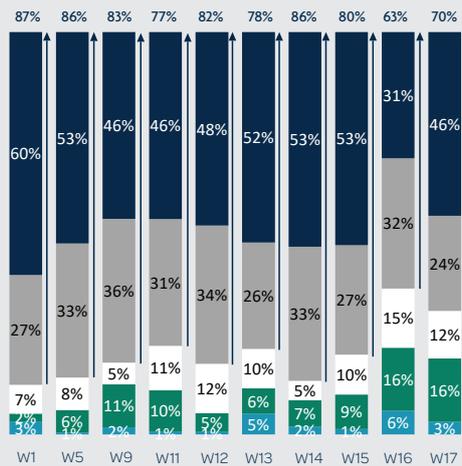
# PERSONAL WELLBEING

## WELLBEING OF THE COMMUNITY



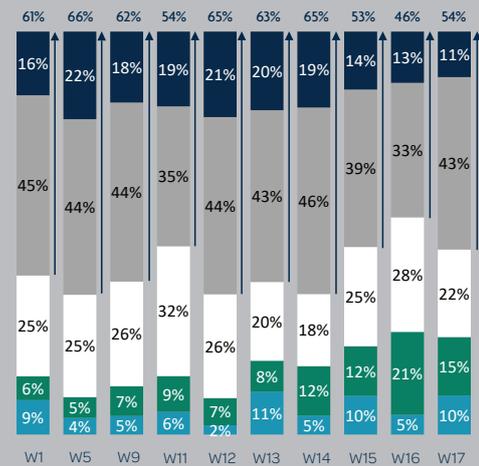
The proportion of businesses reporting a very negative impact on community wellbeing has increased to 28% (up from 24% last wave)

## PERSONAL FINANCIAL SITUATION



The pandemic continues to have a significant impact on business decision-makers' personal financial situation; those reporting a negative impact has increased to 70% (up from 63% last wave).

## MENTAL HEALTH

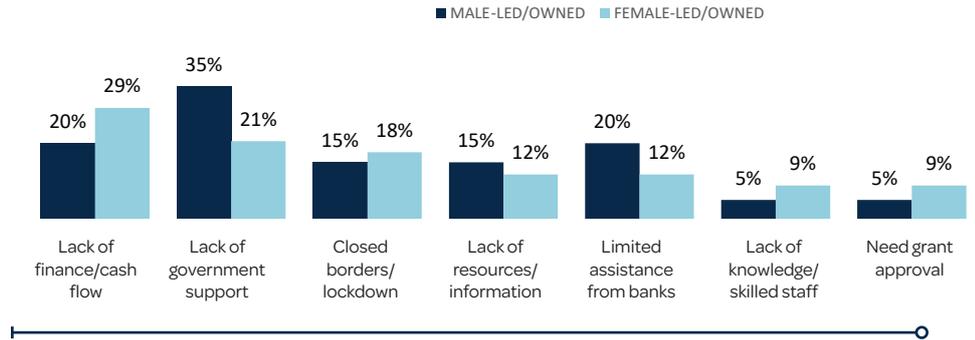


The negative toll on mental health has increased since last wave, with 54% reporting a negative impact (up from 46% last wave).

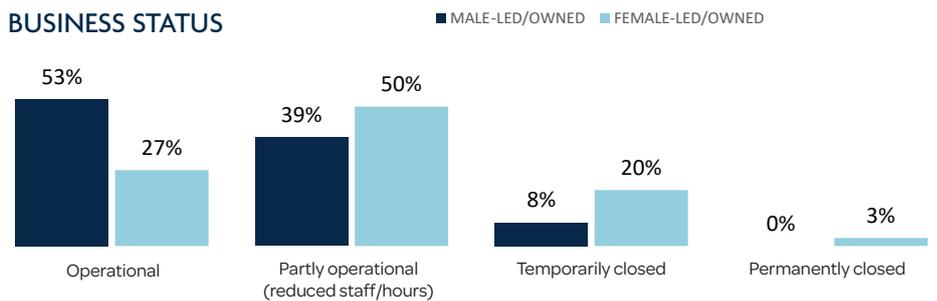
Very negative Slightly negative No impact Slightly positive Very positive

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

## BARRIERS PREVENTING ACTIONING OF INITIATIVES

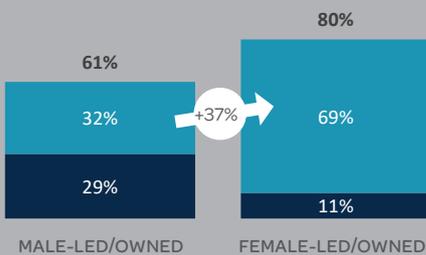


## BUSINESS STATUS



## IMPACT ON BUSINESS REVENUE

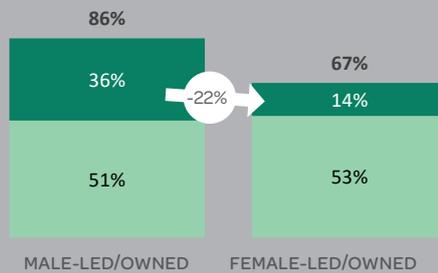
Total % reported decline in sales/revenue



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

## CONFIDENCE IN BUSINESS SURVIVAL

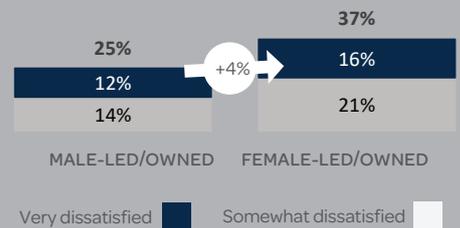
Total % confident in business survival



Very confident  
Somewhat confident

## SATISFACTION WITH GOVERNMENT RESPONSE

Total % dissatisfied with government response



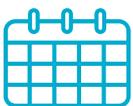
Very dissatisfied  
Somewhat dissatisfied

## % have received government support



## METHODOLOGY

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



Responses were collected 1-16 November 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 129 respondents from across the Pacific region

### FOR FURTHER INFORMATION



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