



Pacific Trade Invest

PACIFIC BUSINESS MONITOR 2021

FEMALE-LED/FEMALE-OWNED 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 female-led/owned businesses.

OBJECTIVES

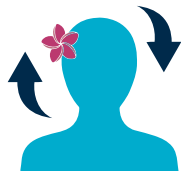


UNDERSTAND THE IMPACT OF COVID-19 ON SME'S IN THE PACIFIC:

- 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



Extent and severity in female-led businesses down only 1% over the year, compared to 21% in male-led businesses

The extent and severity of COVID-19 on female-led businesses has remained relatively consistent throughout 2021, with 85% having reported a negative impact in January, dropping to only 84% in November.

This comes in stark contrast to male-led businesses who reported a 21% decrease across the same period.



Negative impact on revenue in female-led businesses down 7% over the year, compared to 23% in male-led businesses

The impact of COVID-19 on revenue has improved throughout 2021, with 87% of female-led businesses having reported a decline in revenue due to COVID-19 in January, dropping to 80% in November.

Over this same period, male-led businesses reported a 23% decrease in negative impact on revenue.



Negative toll on community wellbeing down 7% over the year, compared to 27% in male-led businesses

The proportion of female-led businesses reporting a very negative impact on community wellbeing has decreased throughout 2021, from 77% in January to 70% in November.

This is in comparison to a 27% decrease in very negative impact on community wellbeing reported by male-led businesses, over the same period.

TOP THREE CHALLENGES

female-led businesses consistently faced in 2021 as a result of COVID-19:

- » **Not knowing how long the crisis will last**
(+5% more than male-led businesses)
- » **Impact of closed international borders**
(+5% more than male-led businesses)
- » **Poor cashflow**
(+6% more than male-led businesses)

TOP THREE INITIATIVES

female-led businesses consistently required assistance with in 2021:

- » **Financial support**
(+4% more than male-led businesses)
- » **Diversify business**
(+7% more than male-led businesses)
- » **Access to new markets**
(+4% more than male-led businesses)

EXECUTIVE SUMMARY

FEMALE-LED BUSINESSES IN THE PACIFIC HAVE BEEN ADVERSELY IMPACTED BY THE COVID-19 PANDEMIC, REPORTING A MORE NEGATIVE FINANCIAL AND EMOTIONAL EFFECT THAN THEIR MALE COUNTERPARTS.

As the second year of the global pandemic unfolded, the operation of Pacific businesses continued to be significantly impacted by severe economic challenges, such as international border restrictions, uncertain market conditions and global trade disruptions. According to survey responses in late 2021, female-led businesses continue to be significantly impacted by COVID-19. Only 27 per cent of female-led businesses were fully operational in late 2021, compared to 51 per cent of male-led businesses.

With many businesses in the Pacific relying on revenue generated from tourism and international trade, both female- and male-led businesses consistently faced significant decline in revenue throughout 2021, although female-led businesses saw less improvement by the end of the year than their male counterparts. By the end of 2021, 69 per cent of female-led businesses reported significant revenue decline, more than double that of male-led businesses.

Furthermore, along with female-led businesses in the Pacific region having experienced greater negative impacts on their business, their perception of community wellbeing and personal mental health were also more negative than their male counterparts across 2021.

FEMALE-LED BUSINESSES ARE FACING MORE CHALLENGES BUT ARE TAKING ACTION TO REDUCE THE IMPACT ON THEIR BUSINESSES

Across 2021 on average, female-led businesses found the extent and severity of ongoing COVID-19 related challenges to be more significant, particularly in relation to accessing finance and increasing cost of products and raw materials.

As revenue loss and challenges were high, reducing operational costs and working hours were key actions taken by female-led businesses to minimise cost and damage across 2021. Positively, 43 per cent of female-led businesses also sought to diversify their product or service offering over this period on average, with a further 25 per cent reporting a shift towards ecommerce. In further efforts to reduce damage to their business, 33 per cent of female-led businesses on average, considered accessing new markets, a figure 4 per cent higher than that of their male counterparts.

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 even distribution of female and male-led businesses across each wave.

WAVE	FIELDWORK START	FIELDWORK END	FEMALE LED/OWNED	MALE LED/OWNED	TOTAL BASE SIZE
Wave 10	4 th January 2021	- 17 th January 2021	n=71 (46%)	N=82 (54%)	N=153
Wave 11	1 st February 2021	- 14 th February 2021	n=54 (43%)	n=73 (57%)	N=127
Wave 12	1 st March 2021	- 15 th March 2021	n=63 (46%)	n=73 (54%)	N=136
Wave 13	5 th April 2021	- 18 th April 2021	n=97 (55%)	n=78 (44%)	N=175
Wave 14	3 rd May 2021	- 16 th May 2021	n=57 (54%)	n=49 (46%)	N=106
Wave 15	5 th July 2021	- 19 th July 2021	n=81 (53%)	n=72 (47%)	N=153
Wave 16	6 th September 2021	- 20 th September 2021	n=56 (54%)	n=47 (46%)	N=103
Wave 17	1 st November 2021	- 15 th November 2021	n=70 (54%)	n=59 (46%)	N=129

SAMPLE PROFILE

LOCATION

Our sample includes businesses across 16 Pacific Island countries, with the distribution of respondents from each country remaining generally consistent across all waves.

	Wave 10		Wave 11		Wave 12		Wave 13		Wave 14		Wave 15		Wave 16		Wave 17	
<i>Total base n=</i>	153		127		136		175		106		153		103		129	
	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED	FEMALE-LED	MALE-LED
Cook Islands	13	10	9	7	4	2	17	11	10	9	5	7	4	1	8	3
Federated States of Micronesia (FSM)	0	0	0	0	0	1	0	1	0	2	0	0	0	0	0	0
Fiji Islands	21	25	4	12	11	13	17	6	8	9	25	23	8	10	9	11
French Polynesia	0	1	0	2	0	2	12	11	0	0	0	1	0	2	1	2
Kiribati	0	0	0	1	0	0	1	0	1	0	1	0	1	0	1	1
Marshall Islands	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Nauru	0	0	0	1	1	0	4	3	1	0	0	0	1	0	0	0
New Caledonia	1	1	1	2	0	3	10	14	0	3	1	5	0	2	0	3
Niue	10	11	14	12	13	13	7	5	11	11	15	14	12	10	21	11
Palau	3	5	2	1	1	1	3	1	1	0	3	0	2	0	3	0
PNG	3	3	5	1	4	2	6	4	10	5	7	5	3	1	3	1
Samoa	2	3	2	3	4	2	4	3	2	2	7	2	7	2	10	3
Solomon Islands	2	1	1	3	4	2	4	5	3	0	3	3	4	0	1	0
Tonga	7	2	4	5	9	6	4	8	3	2	4	6	1	3	2	3
Tuvalu	5	13	10	20	9	23	0	1	1	0	4	1	11	13	8	17
Vanuatu	4	7	1	3	3	3	8	5	6	6	6	5	2	3	3	3

SAMPLE PROFILE

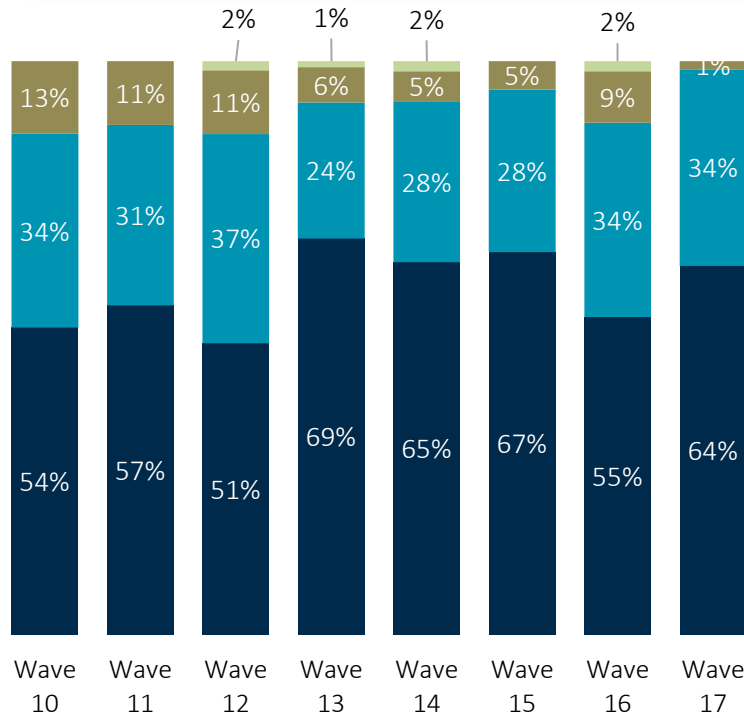
NUMBER OF EMPLOYEES

Number of employees and the proportion of business sizes in the sample were also generally consistent across the waves.

Q

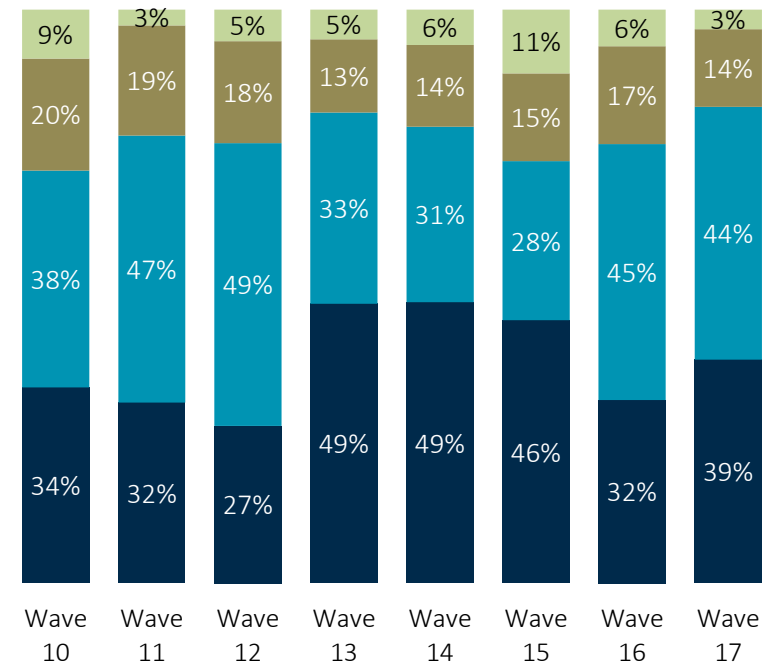
INCLUDING YOURSELF, HOW MANY EMPLOYEES DOES YOUR BUSINESS DIRECTLY EMPLOY?

FEMALE-LED/OWNED BUSINESS



MALE-LED/OWNED BUSINESS

- >100 employees
- 21-100 employees
- 5-20 employees
- 1-4 employees

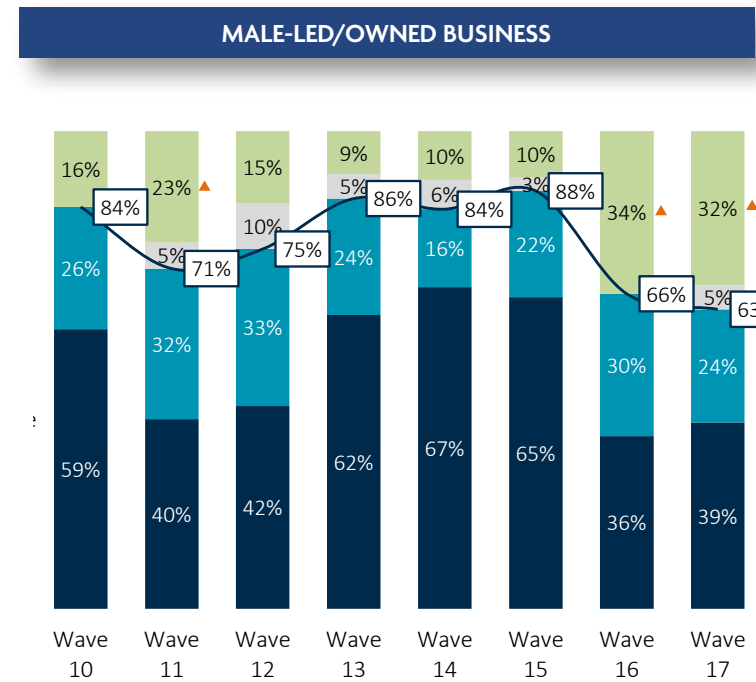
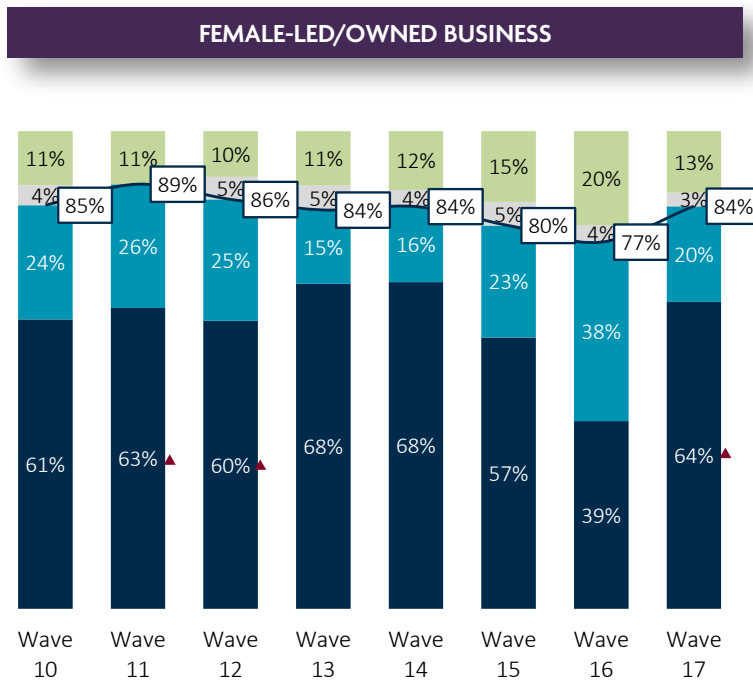


IMPACT OF COVID-19 ON BUSINESS

The negative impact of COVID-19 has remained higher for female-led businesses across 2021 compared to their male counterparts.

Q

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



▲ ≥10% higher than male-led businesses
 ▲ ≥10% higher than female-led businesses

— % TOTAL NEGATIVE IMPACT ON BUSINESS

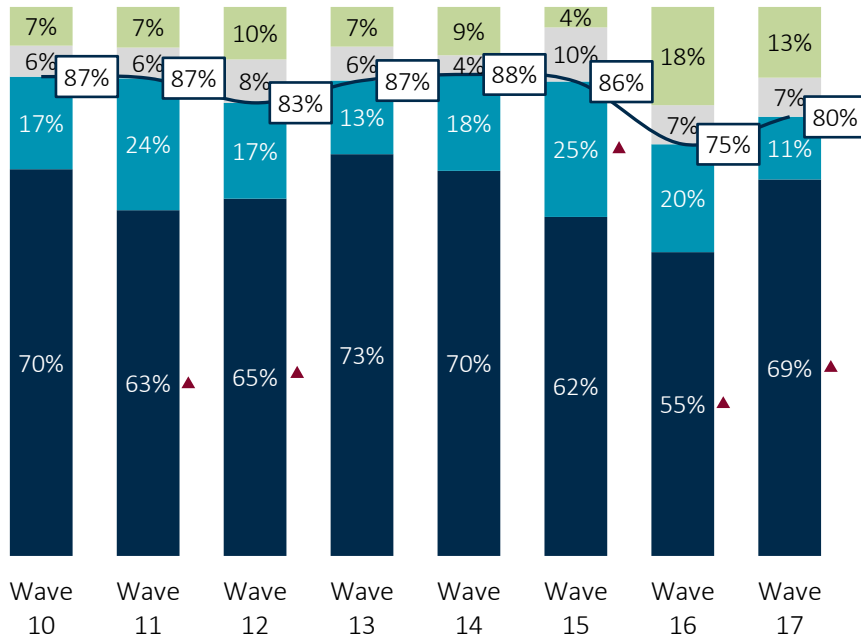
IMPACT OF COVID-19 ON BUSINESS REVENUE

The negative impact of COVID-19 on business revenue has also remained higher for female-led businesses across 2021 compared to their male counterparts. Concerningly, over two-thirds of female-led businesses reported significant decline in November, more than double that of male-led businesses.

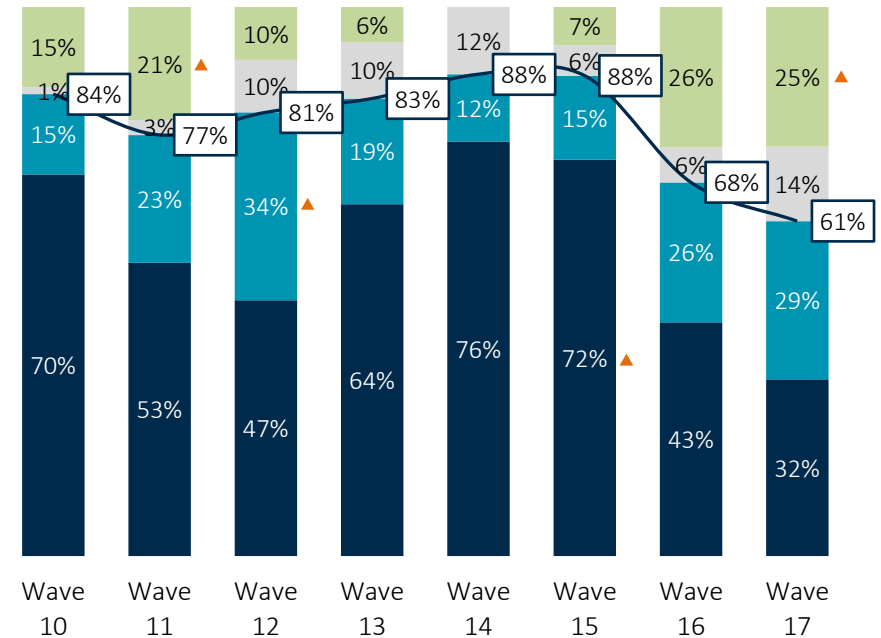
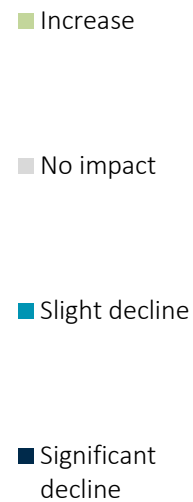
Q

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

FEMALE-LED/OWNED BUSINESS



MALE-LED/OWNED BUSINESS



▲ ≥10% higher than male-led businesses
 ▲ ≥10% higher than female-led businesses

— % TOTAL NEGATIVE IMPACT ON BUSINESS

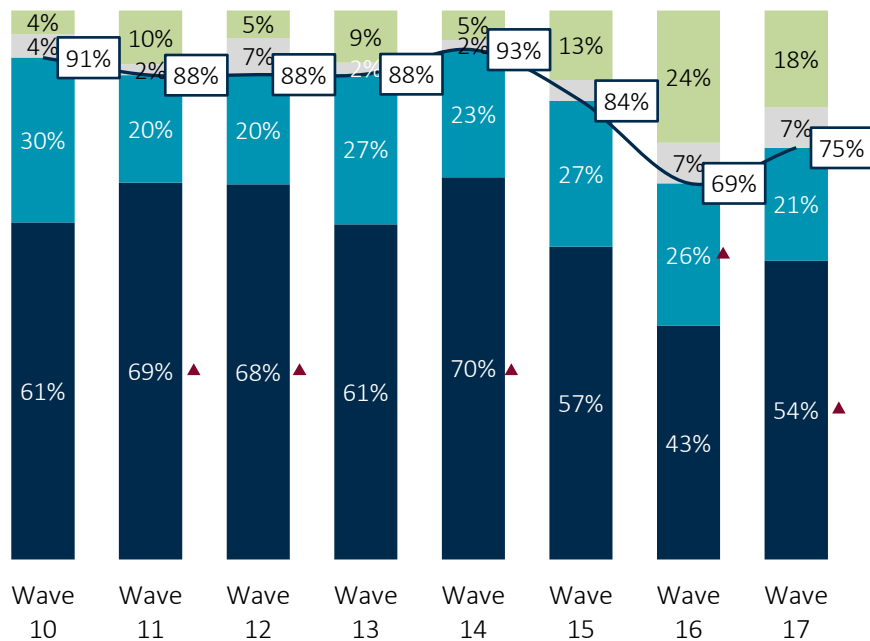
IMPACT OF COVID-19 ON THE LOCAL ECONOMY

The perceived impact of COVID-19 on local economies has improved across the year, however three-quarters of female-led businesses continued to consider the pandemic as having negative impacts in November 2021.



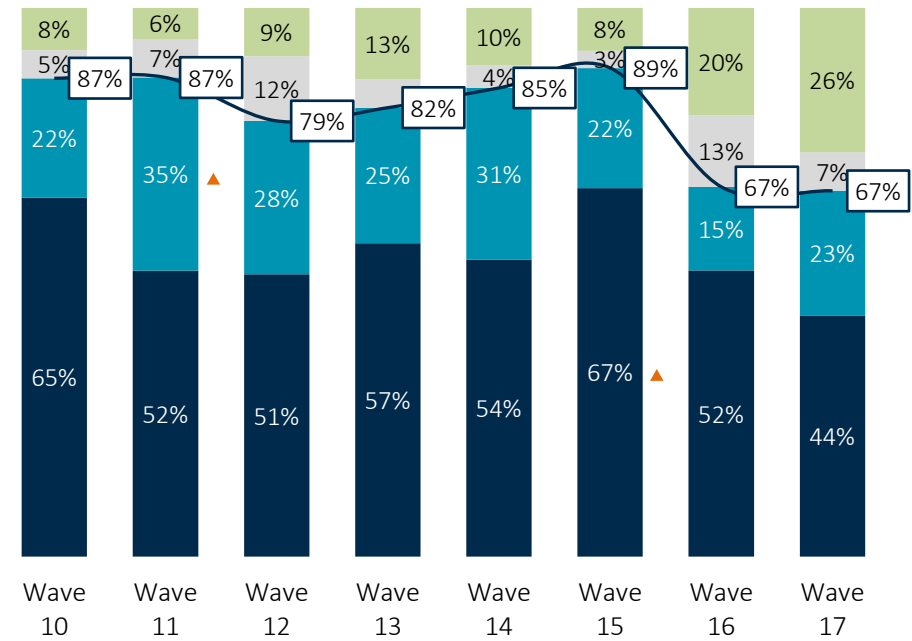
WHAT IMPACT IS COVID-19 CRISIS CURRENTLY HAVING ON YOUR LOCAL ECONOMY?

FEMALE-LED/OWNED BUSINESS



MALE-LED/OWNED BUSINESS

- Increase
- No impact
- Slight decline
- Significant decline



- ▲ ≥10% higher than male-led businesses
- ▲ ≥10% higher than female-led businesses

— % 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. Female-led businesses saw significantly less improvements across all wellbeing metrics.



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



THE WELLBEING OF YOUR COMMUNITY

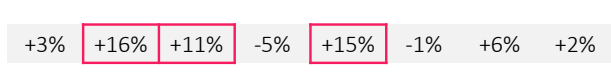
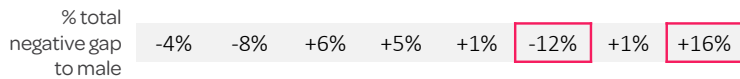
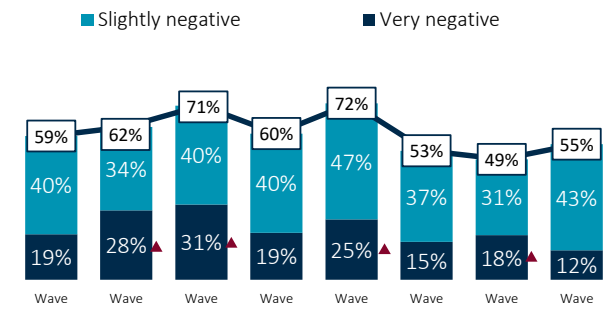
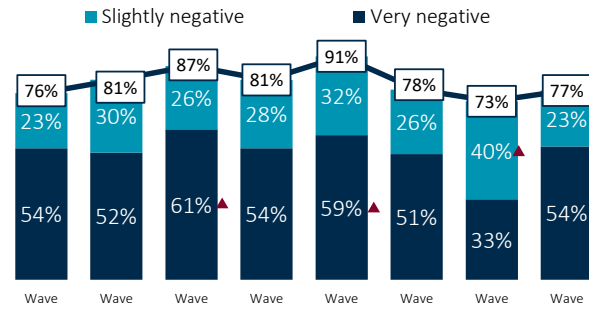
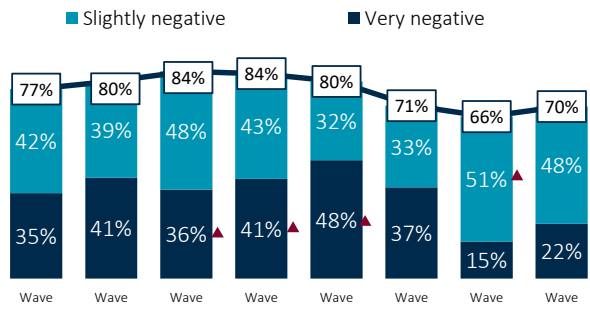


YOUR PERSONAL FINANCIAL SITUATION

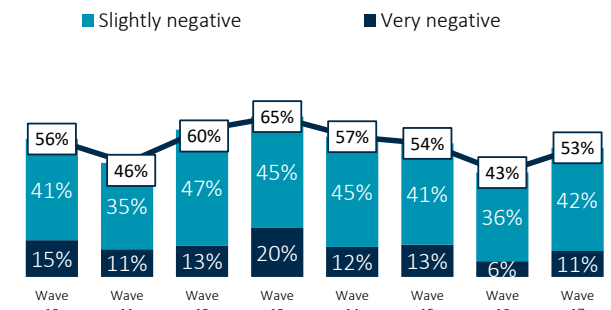
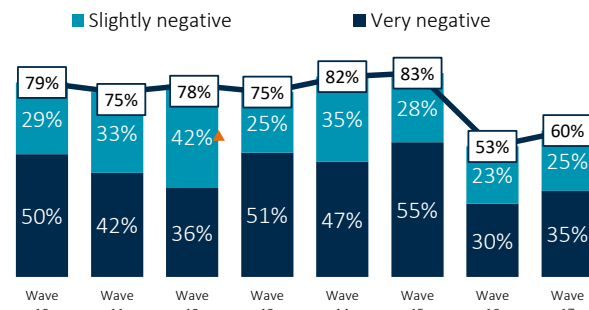
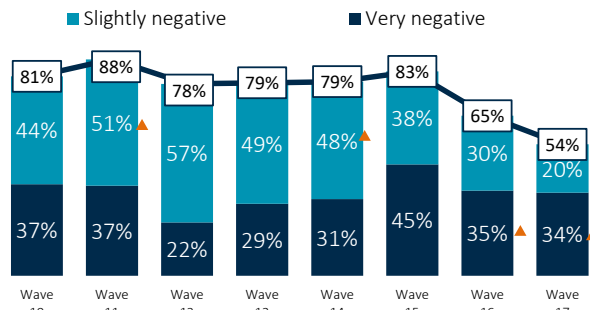


YOUR MENTAL HEALTH

FEMALE-LED/OWNED BUSINESS



MALE-LED/OWNED BUSINESS



▲ ≥10% higher than male-led businesses
 ▲ ≥10% higher than female-led businesses

———— % TOTAL NEGATIVE IMPACT

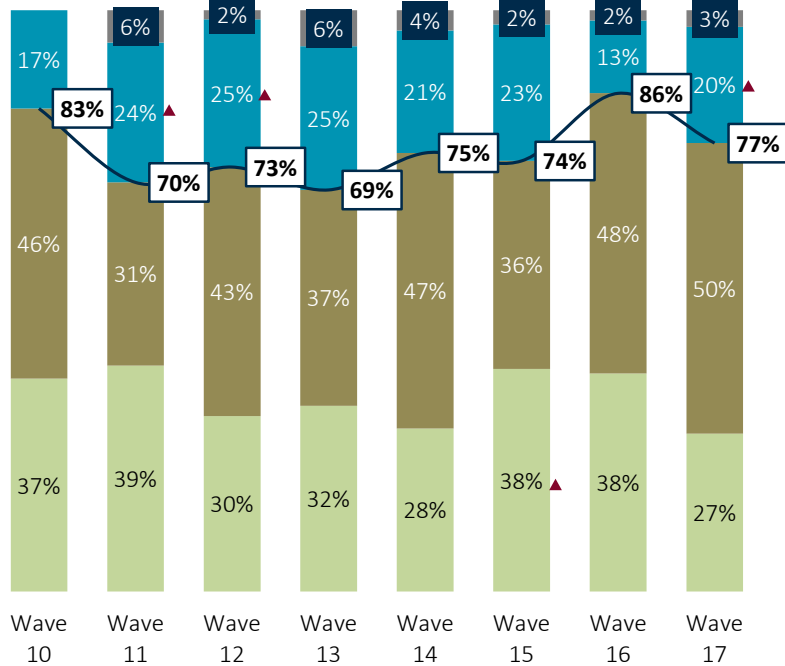
CURRENT BUSINESS STATUS

The ongoing impacts of COVID-19 has continued to disrupt operations of Pacific Island businesses in 2021. The impact on operations appears more profound in female-led businesses, with approximately only 1 in 4 fully operational in November, compared to 1 in 2 male-led businesses.

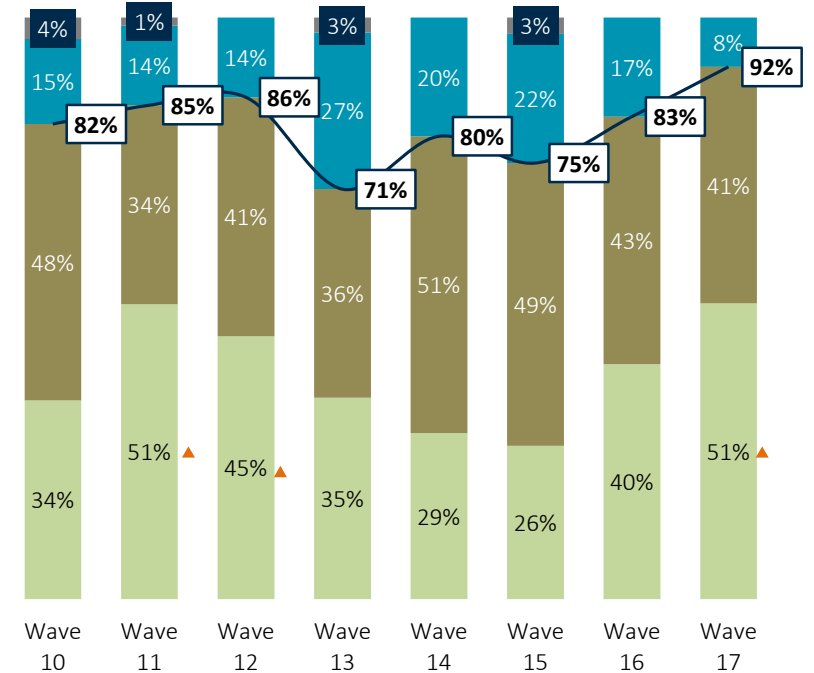
Q

WHAT IS YOUR CURRENT BUSINESS STATUS?

FEMALE-LED/OWNED BUSINESS



MALE-LED/OWNED BUSINESS



▲ ≥10% higher than male-led businesses
 ▲ ≥10% higher than female-led businesses

— % TOTAL OPERATIONAL

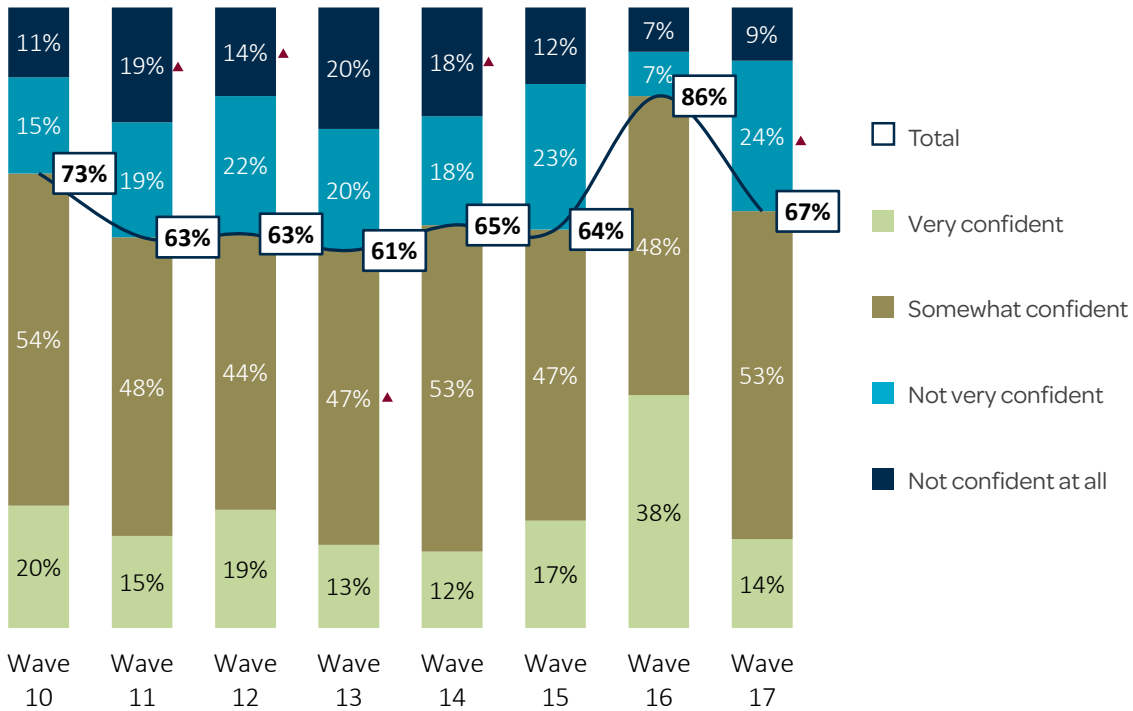
CONFIDENCE IN BUSINESS SURVIVAL

Despite significant challenges, over two-thirds of female-led businesses reported feeling confident about business survival on average across 2021.

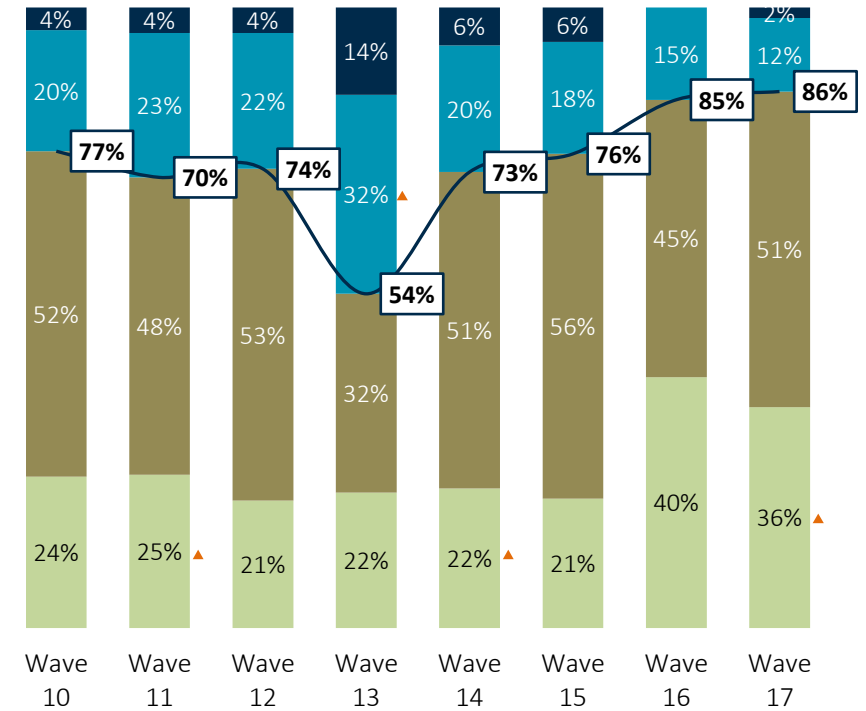
Q

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

FEMALE-LED/OWNED BUSINESS



MALE-LED/OWNED BUSINESS



▲ ≥10% higher than male-led businesses
 ▲ ≥10% higher than female-led businesses

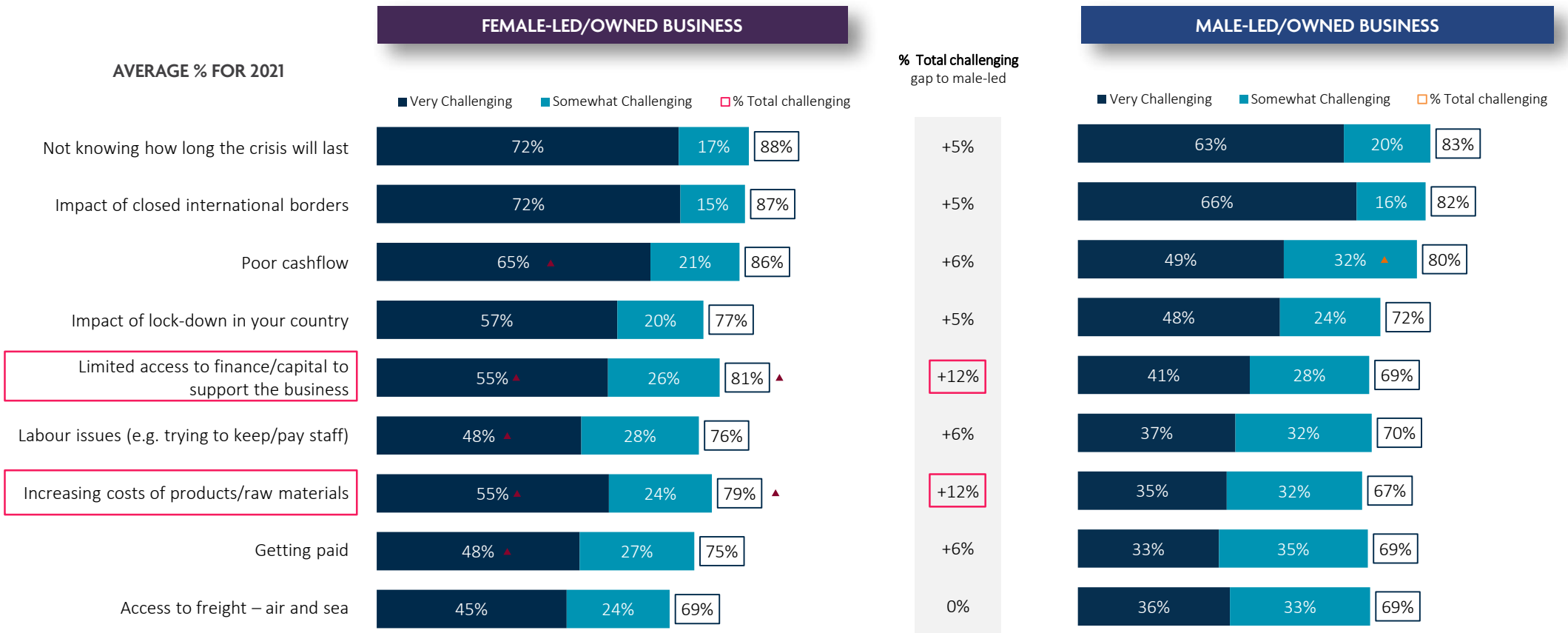
— % TOTAL CONFIDENT

CHALLENGES AS A RESULT OF COVID-19 AND MARKET CONDITIONS

Throughout 2021, female-led businesses have been more likely to face challenges to a greater extent than their male counterparts, particularly in relation to access to finance and the increasing cost of products and raw materials.



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



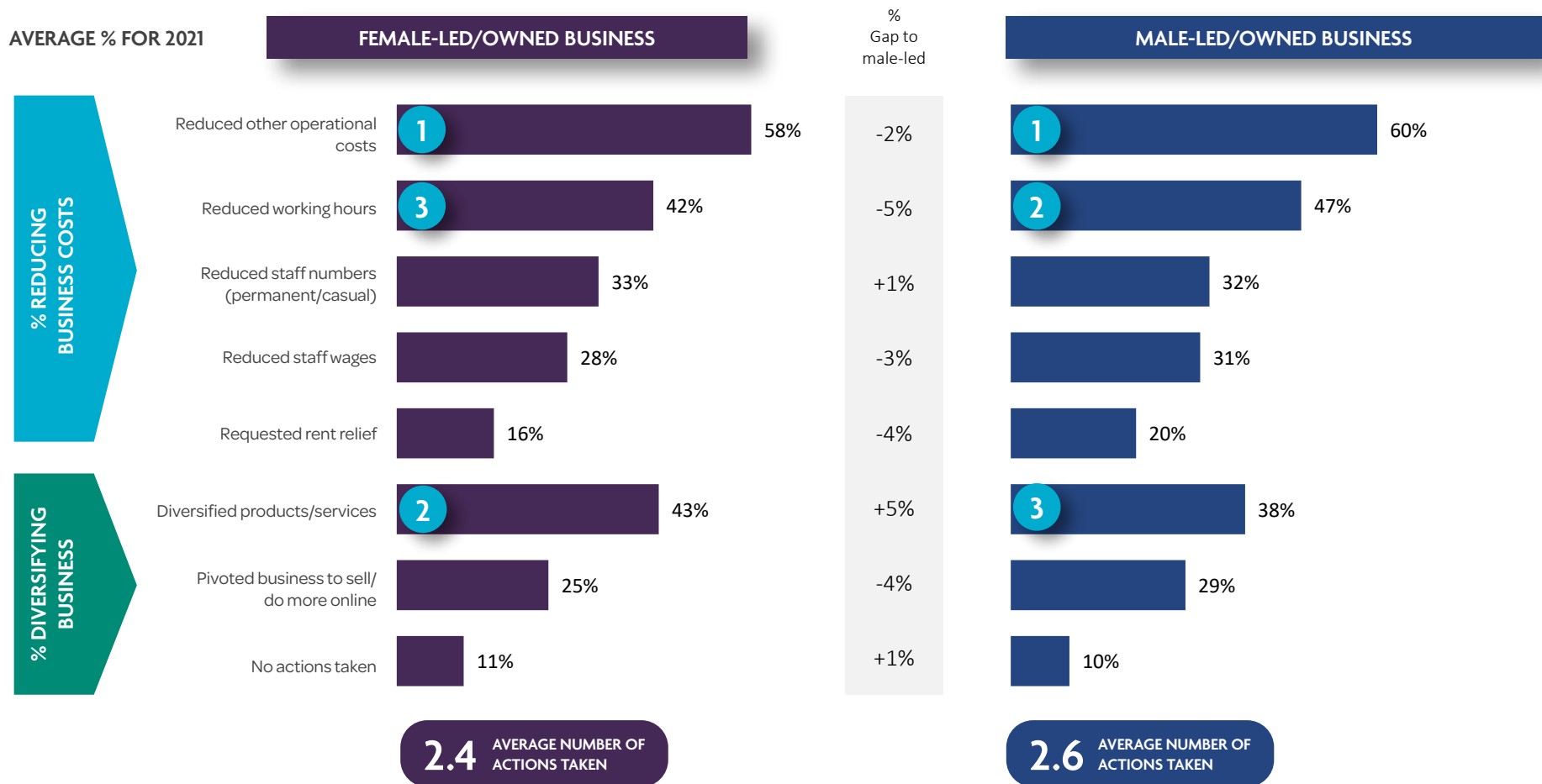
▲ ≥10% higher than male-led businesses
 ▲ ≥10% higher than female-led businesses

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

Almost all respondents took actions in 2021 in order to reduce the cost and damage to their business. Encouragingly, as the year went on reliance on reducing business costs lessened, while business diversification methods grew.



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

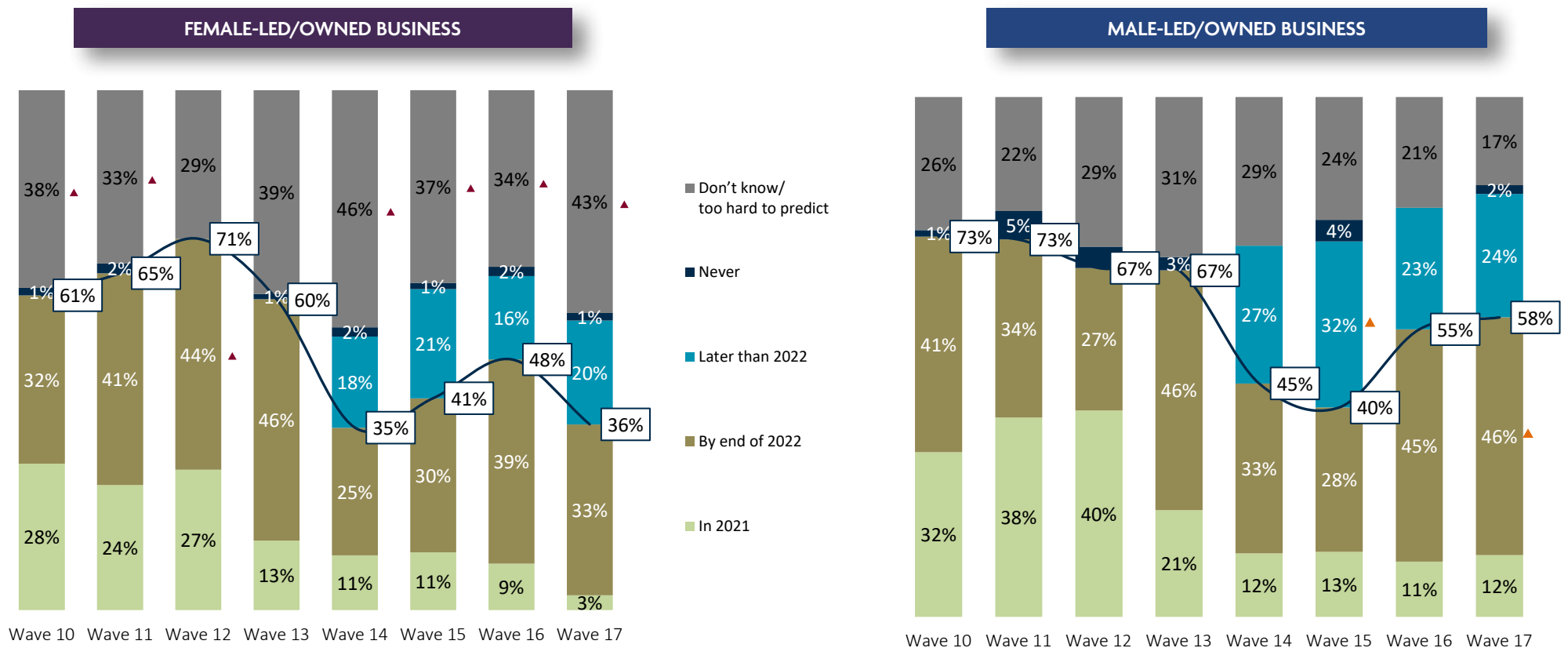


TIME FRAME OF BUSINESS SALES/REVENUE RETURNING TO BUSINESS AS USUAL

Time-frame expectations for returning to business as usual, are later on average amongst female owners and leaders than amongst their male counterparts.

Q

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

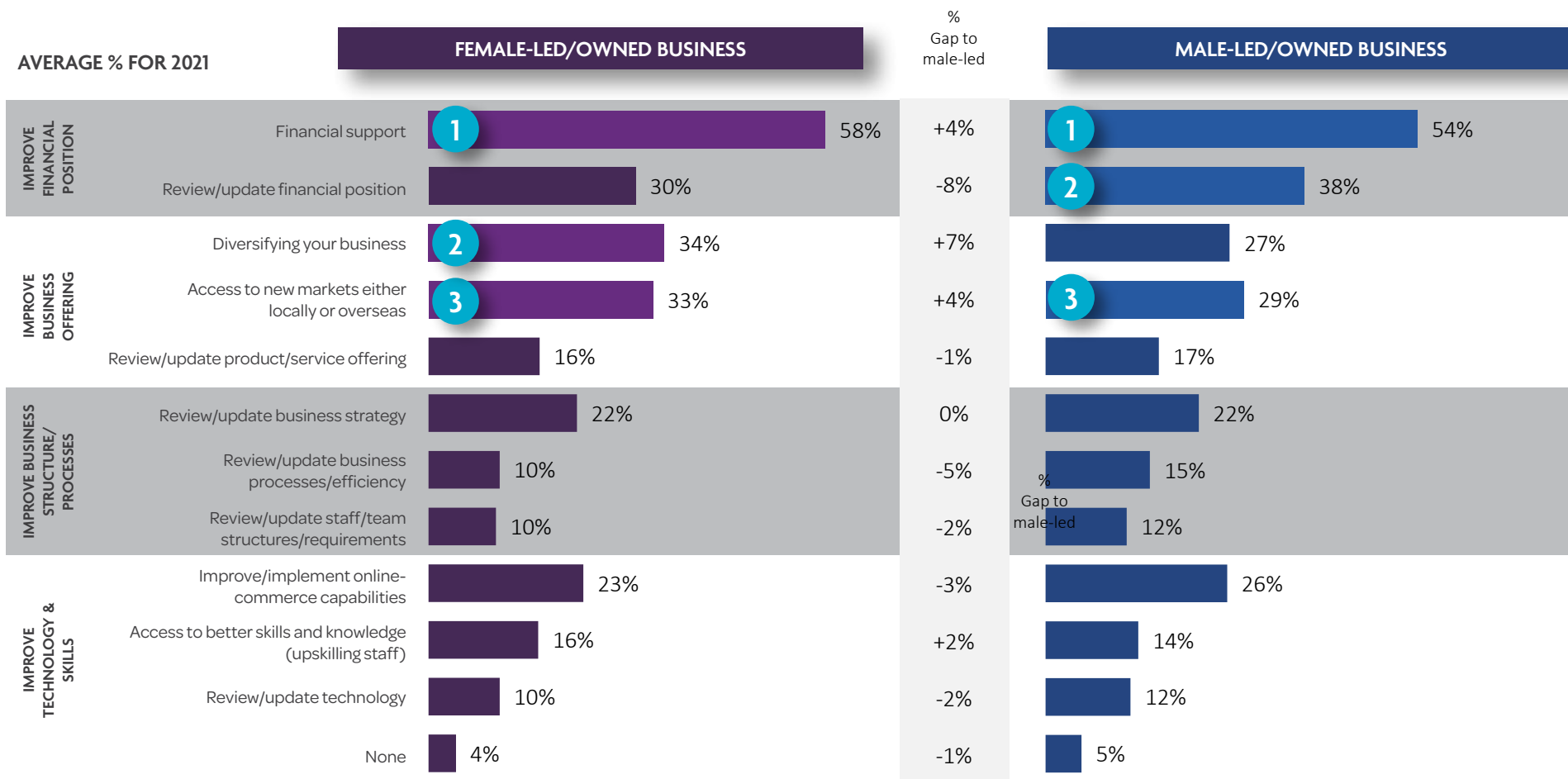


TOP INITIATIVES NEEDED TO SUPPORT BUSINESS

Looking forward, businesses are seeking to action initiatives to further support their business. Accessing financial support remained the top priority for all businesses throughout 2021, with female-led businesses more eager to diversify their business and seek access to new markets than their male counterparts.



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



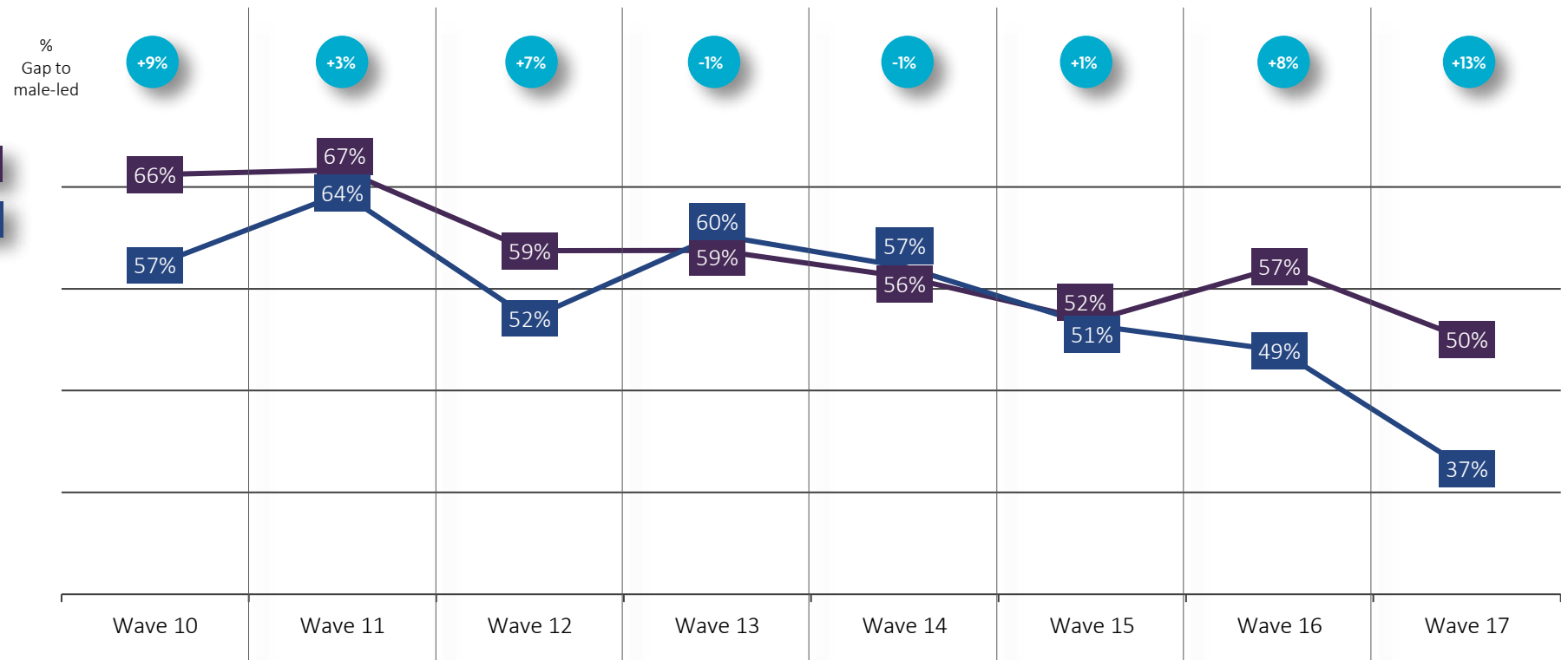
FINANCIAL SUPPORT NEEDED

The need for financial support has been consistently higher for female-led businesses compared to male-led businesses across most waves, with this gap growing significantly in November 2021.

Q

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

% NEEDING FINANCIAL SUPPORT



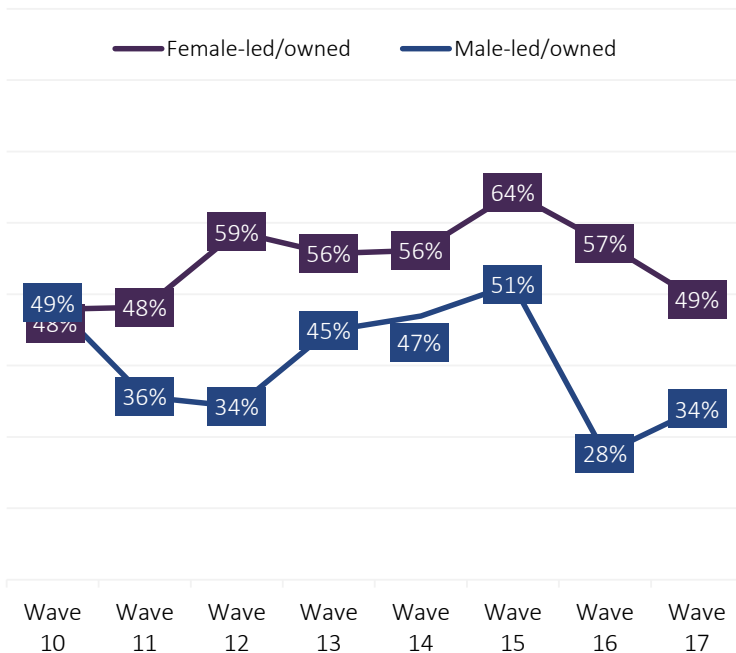
BARRIERS TO ACTIONING INITIATIVES

Female-led businesses have faced more barriers throughout the year than their male counterparts, particularly in July 2021 where nearly two-thirds reported experiencing barriers to actioning initiatives. Throughout the year, the key barrier female-led businesses reported facing was a lack of finance.

Q

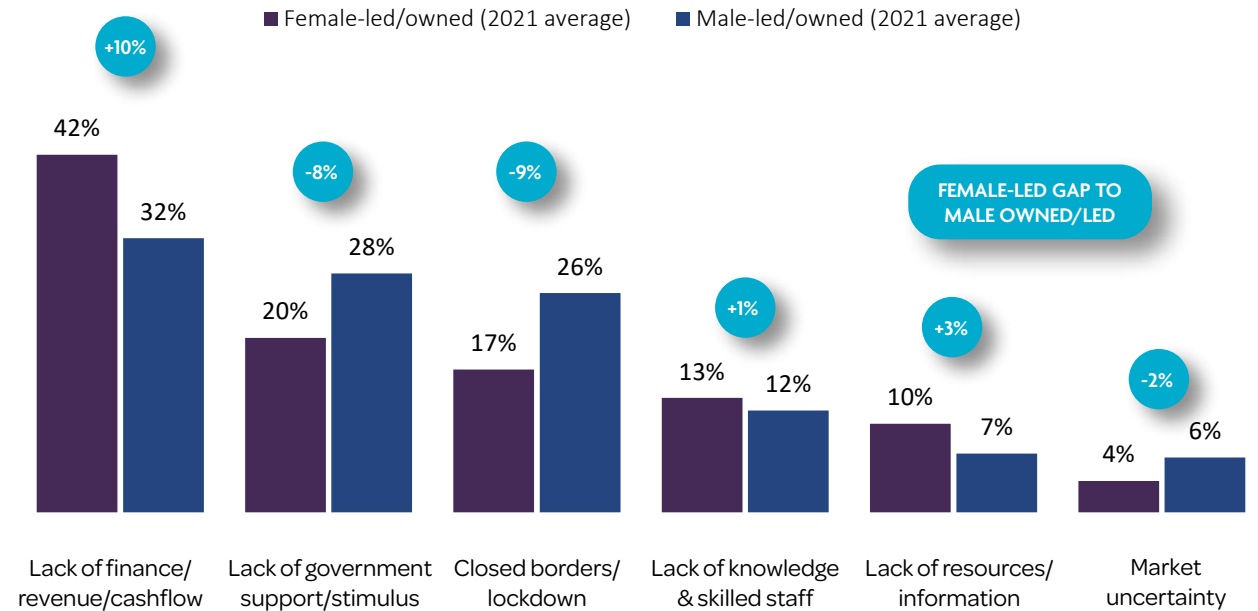
IS ANYTHING PREVENTING YOU FROM ACTIONING THESE INITIATIVES?

% YES



Q

WHAT IS PREVENTING YOU FROM ACTIONING THESE INITIATIVES?



ACCESS TO GOVERNMENT SUPPORT DURING COVID-19 CRISIS

Throughout 2021, female-led businesses reported being able to access similar levels of government support as male-led businesses.

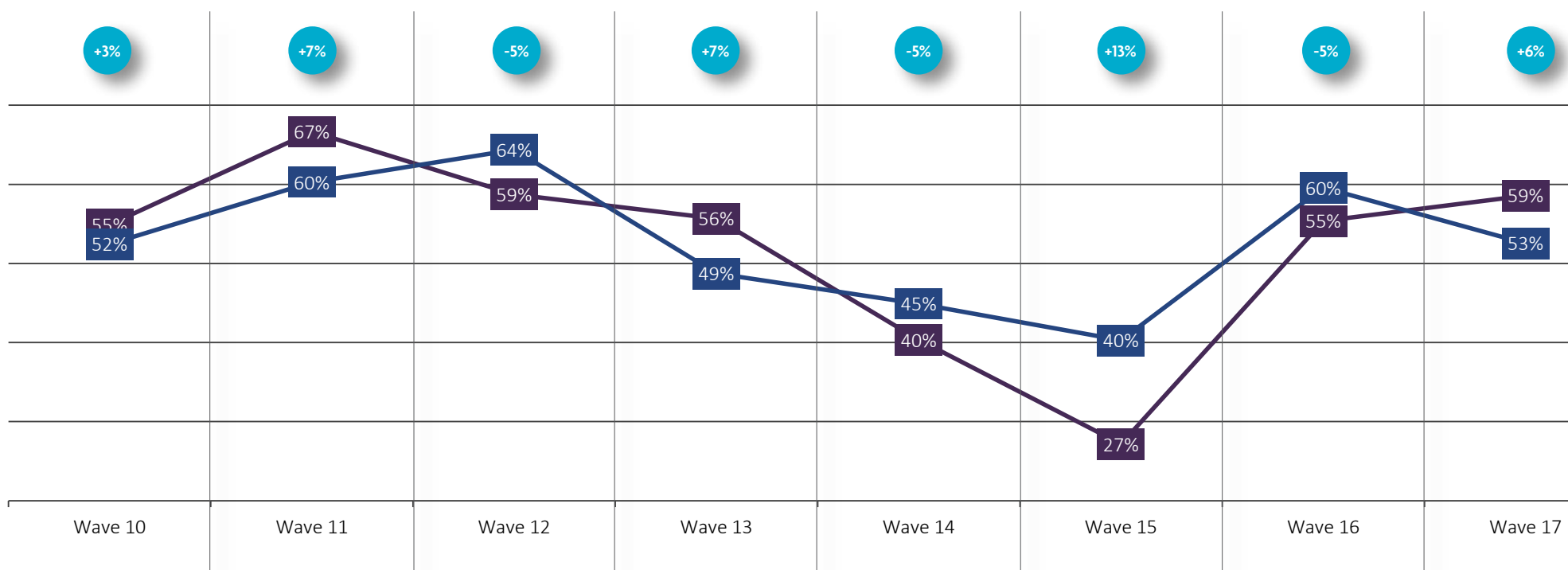
Q

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

Female-led/owned

Male-led/owned

FEMALE-LED GAP TO MALE OWNED/LED

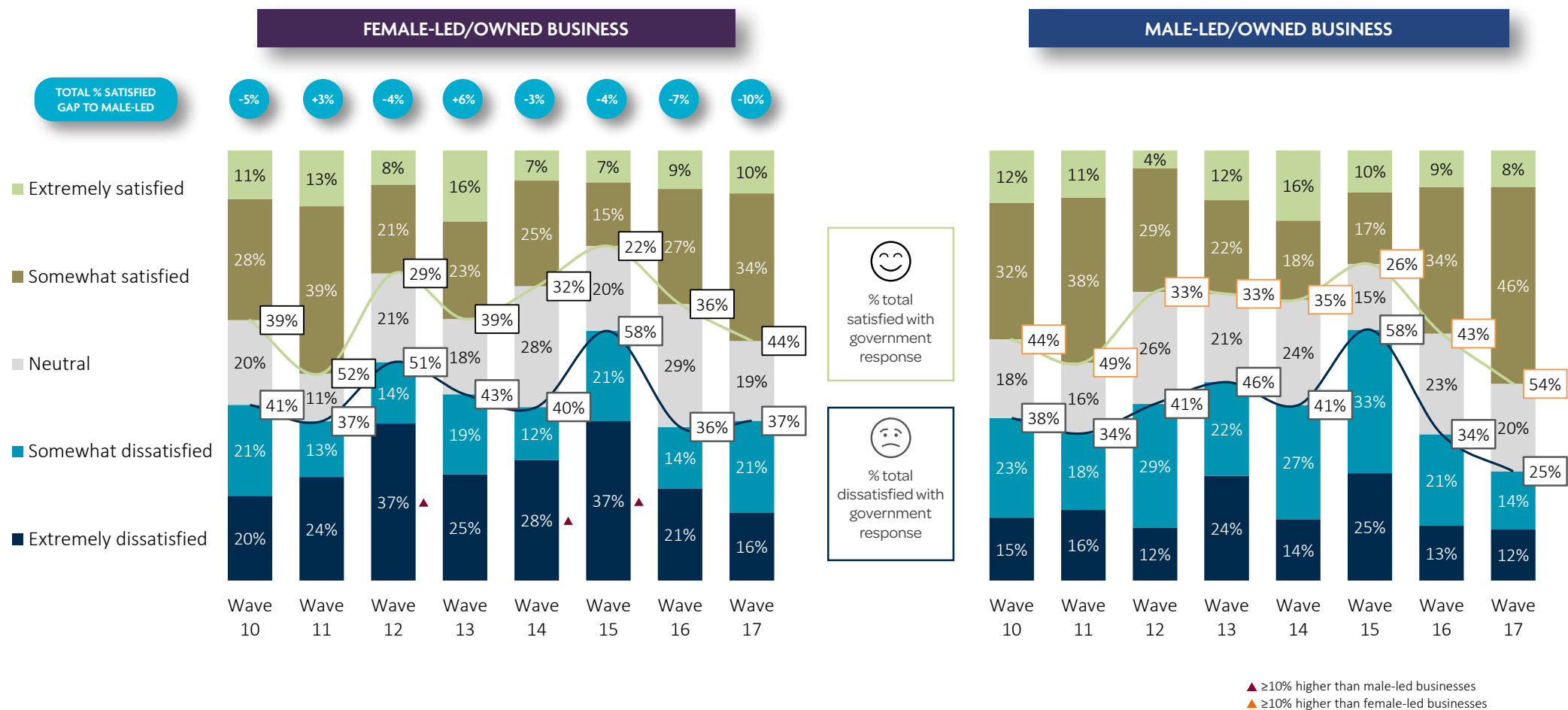


SATISFACTION WITH GOVERNMENT SUPPORT

Satisfaction with the government response has been lower amongst female-led businesses throughout 2021.

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.

54-97

COMPLETED SURVEYS PER WAVE FROM FEMALE-LED BUSINESSES



47-82

COMPLETED SURVEYS PER WAVE FROM MALE-LED BUSINESSES

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

