

PACIFIC BUSINESS MONITOR

RECOVERY SERIES – Q2 2022



INTRODUCTION

As we move further along the road to recovery, the ongoing impact of the COVID-19 pandemic continues to prove challenging, taking a toll on countries, communities and businesses across the Blue Pacific.

Recovering from these challenges, and building back stronger where possible, will require global solidarity and innovation. To inform these recovery efforts, the Pacific Trade Invest (PTI) Network has commissioned Fifth Quadrant, an independent research agency, to run a regular survey to understand the ongoing effects of the COVID-19 pandemic on the Pacific's private sector as the region moves along the road to recovery. The *PTI Pacific Business Monitor – Recovery Series Q2 2022* report includes responses gathered from 13 June to 10 July 2022, from 96 businesses across the Pacific region, including 56 female-led/owned businesses.

'Building back stronger' means to secure a bright and prosperous future for all Pacific peoples, and through regular *PTI Pacific Business Monitor* surveys, we aim to continue to provide governments, donors and stakeholders with valuable data on how businesses in the Pacific are coping, further assisting the design and development of programs within the region.

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 OF THE COVID-19 PANDEMIC ON BUSINESSES IN THE PACIFIC

- 91% of Pacific businesses reported a negative impact over Q2 2022.
- 61% of Pacific businesses have reported a decline in revenue over Q2 2022.
- 83% of Pacific businesses are confident that their business will build back stronger from the COVID-19 crisis.

CHALLENGES & SUPPORT NEEDED

- The top three challenges facing businesses as a result of the COVID-19 pandemic are:
 - » Increasing costs of products/raw materials (81%)
 - » Poor cashflow (76%)
 - » Covering operational costs (73%)
- The top three measures businesses require to build back stronger are:
 - » Better cashflow (83%)
 - » Access to better skills (78%)
 - » Review or update of business processes (77%)
- 82% of female-led businesses are confident that they will be able to build back stronger, compared to 85% of male-led businesses.

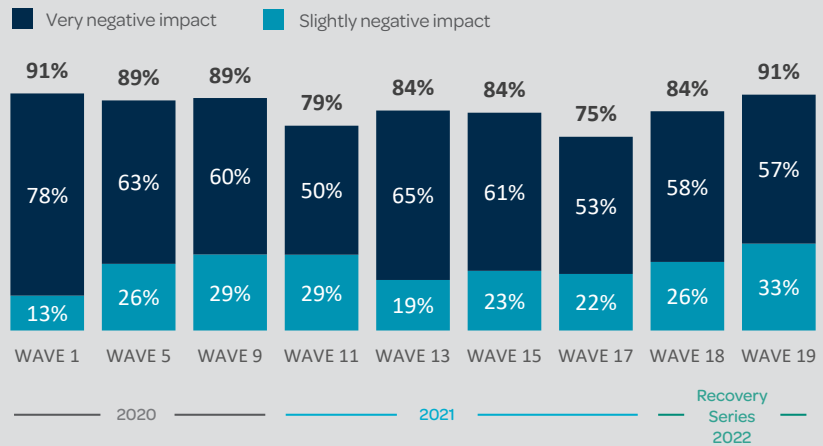
CURRENT IMPACT OF COVID-19 ON BUSINESSES IN THE PACIFIC

91%

REPORTED A NEGATIVE IMPACT DUE TO COVID-19

The pandemic continues to have a negative effect on businesses overall, with 91% reporting a negative impact in Q2 of 2022. Of this figure, 57% reported a very negative impact.

REPORTED A NEGATIVE IMPACT ON BUSINESS*

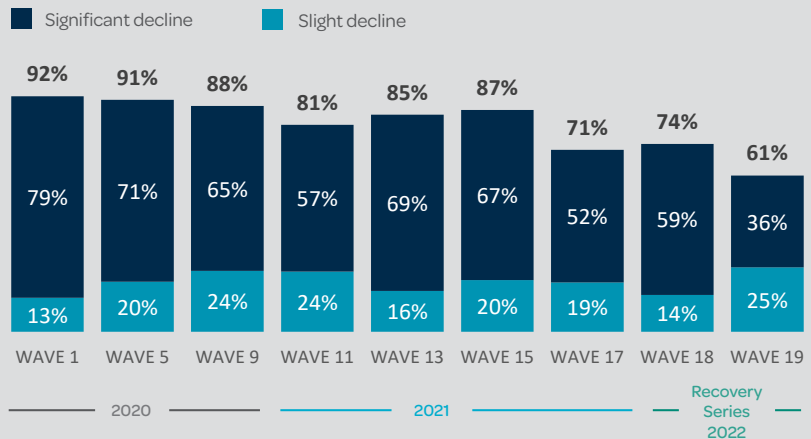


61%

REPORTED A DECLINE IN REVENUE

61% of business reported a decline in revenue due to the pandemic in Q2 of 2022. This is the lowest percentage recorded since the survey's inception in 2020.

REPORTED A DECLINE IN REVENUE*

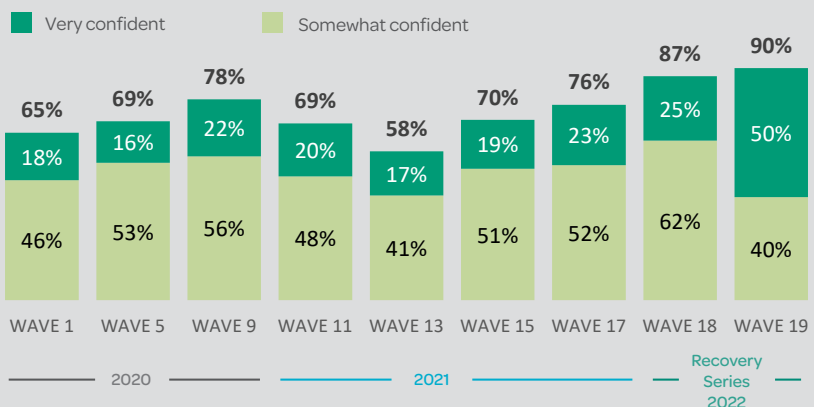


90%

BELIEVE THEIR BUSINESS WILL SURVIVE THE COVID-19 CRISIS

Positively, 90% of businesses are confident that their business will survive the COVID-19 crisis, which is the highest percentage since tracking began.

CONFIDENCE IN BUSINESS SURVIVAL AFTER THE COVID-19 CRISIS*



*Percentages rounded to nearest whole number

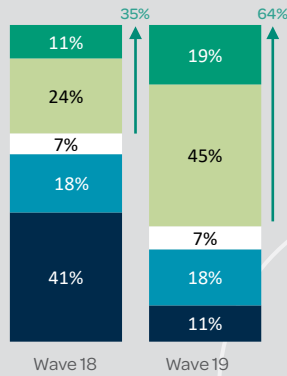
QUARTERLY REVENUE

64%

HAVE SEEN AN INCREASE IN REVENUE IN Q2 2022

HOW DOES YOUR PAST 3 MONTHS' REVENUE COMPARE TO THE PREVIOUS 3 MONTHS?

- Significant increase in sales/revenue
- Slight increase in sales/revenue
- No impact on sales/revenue
- Slight decline in sales/revenue
- Significant decline in sales/revenue

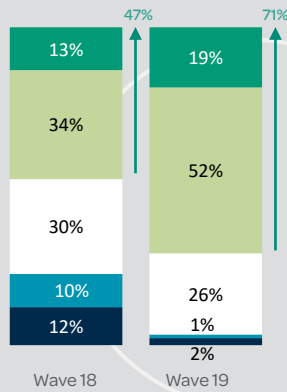


71%

EXPECT THEIR REVENUE TO IMPROVE IN Q3 2022

WHERE DO YOU EXPECT YOUR REVENUE TO BE IN THE NEXT 3 MONTHS COMPARED TO THE PAST 3 MONTHS?

- Significantly better
- Slightly better
- About the same
- Slightly worse
- Significantly worse



BUILDING BACK STRONGER

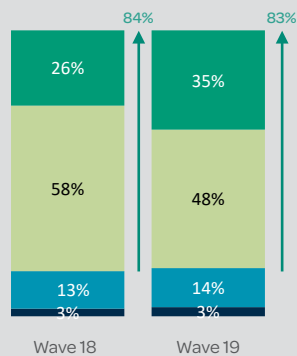
83%

ARE CONFIDENT THEIR BUSINESS WILL BUILD BACK STRONGER



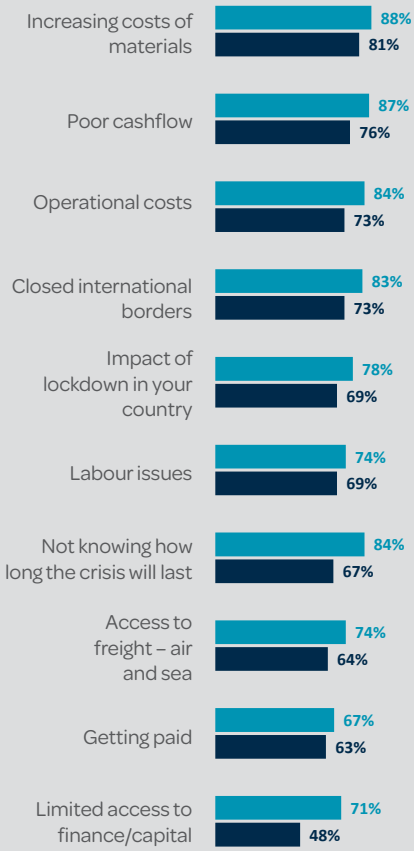
CONFIDENCE IN BUILDING BACK STRONGER AFTER THE COVID-19 PANDEMIC

- Very confident
- Somewhat confident
- Not very confident
- Not confident at all



REDUCING COST/DAMAGE TO BUSINESS & REBUILDING

TOP CHALLENGES



TOP INITIATIVES NEEDED TO ACTION NOW



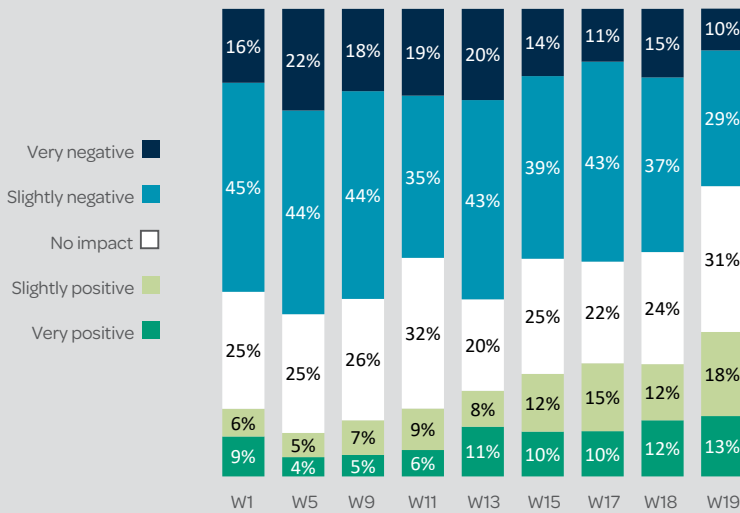
MOST LIKELY TO HELP BUILD BACK STRONGER



Wave 18 ■ Wave 19 ■

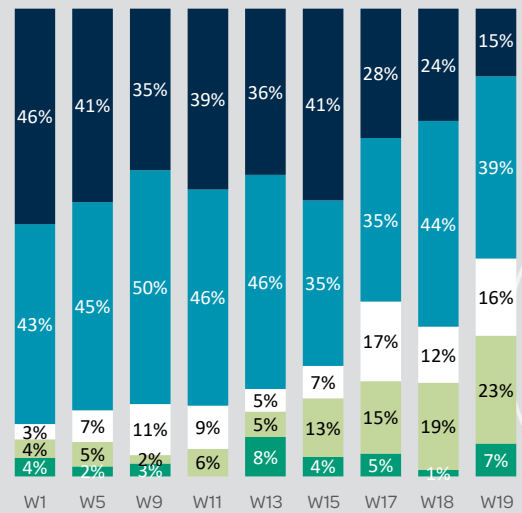
IMPACT OF THE COVID-19 PANDEMIC ON MOTIVATION & WELLBEING

MENTAL HEALTH



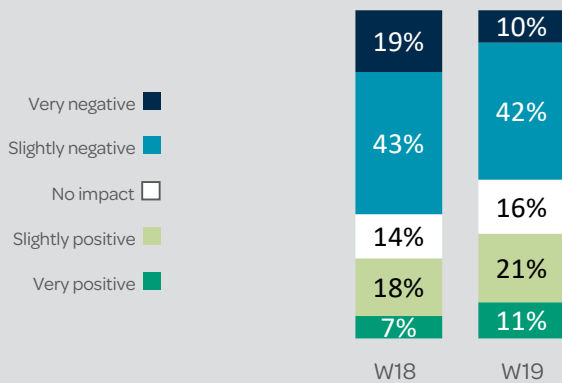
The negative toll on mental health has improved this quarter, with 39% of businesses reporting a negative impact, the lowest percentage since tracking began.

WELLBEING OF THE COMMUNITY



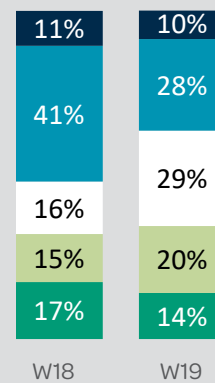
Perceived wellbeing of the community has also improved, with 54% of businesses reporting a negative impact due to the pandemic, the lowest percentage since tracking began.

WELLBEING OF EMPLOYEES



52% of businesses reported a negative impact on employee wellbeing due to the pandemic (down from 62% in Q1).

ENTHUSIASM/COMMITMENT TOWARDS BUSINESS

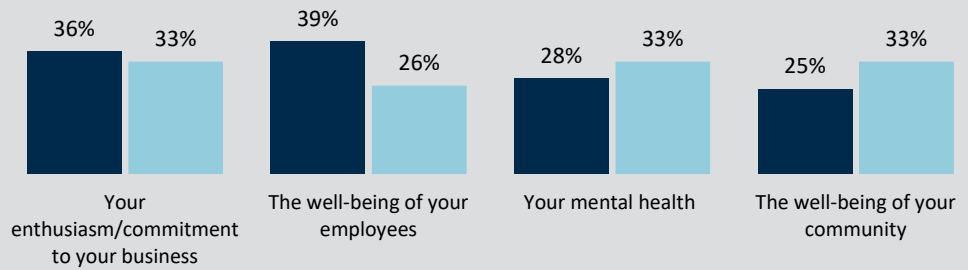


38% of businesses reported the pandemic as having had a negative impact on their business enthusiasm (down from 52% in Q1).

IMPACT ON FEMALE-LED/OWNED BUSINESSES IN THE PACIFIC

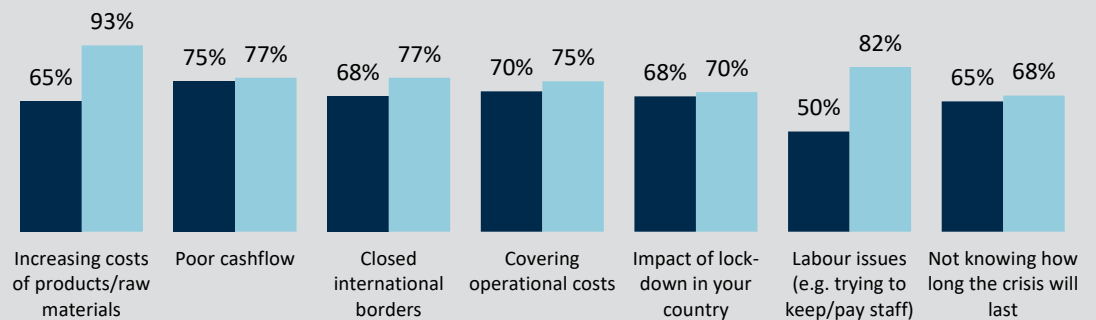
% POSITIVE EFFECT ON MOTIVATION & WELLBEING

Male-led/owned
Female-led/owned



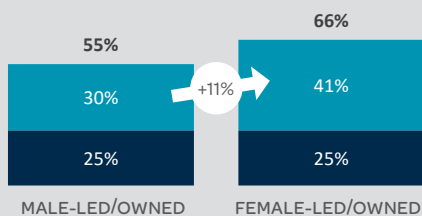
TOP CHALLENGES

Male-led/owned
Female-led/owned



IMPACT ON BUSINESS REVENUE

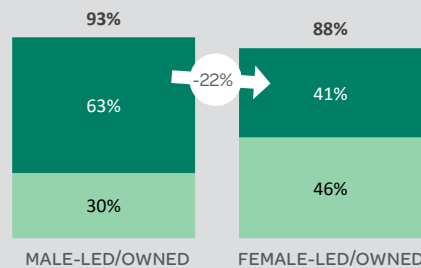
Total % reported decline in sales/revenue



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

CONFIDENCE IN BUSINESS SURVIVAL

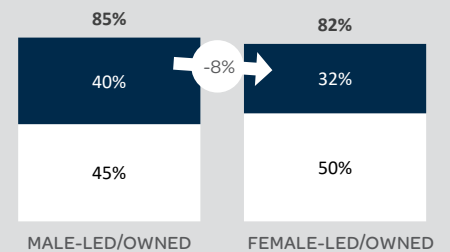
Total % confident in business survival



Very confident
Somewhat confident

CONFIDENCE IN BUILDING BACK STRONGER

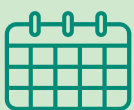
Total % confident in building back stronger



Very confident
Somewhat confident

METHODOLOGY

This is the Q2 report of the PTI Pacific Business Monitor - Recovery Series surveys.



Responses were collected 13 June - 10 July 2022



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 96 respondents from across the Pacific region

FOR FURTHER INFORMATION



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