



IMPACTS ON BUSINESSES IN THE PACIFIC

- The extent and severity of COVID-19 on Pacific businesses has decreased, with 72% (38% Tuvalu) reporting a negative impact, the lowest since tracking began.
- 72% (33% Tuvalu) of businesses reported a decline in revenue due to COVID-19, the lowest since tracking began.
- 85% (96% Tuvalu) are confident that their business will survive the COVID-19 crisis, the highest since tracking began.

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 16th wave of PTI's Pacific Business Monitor surveys includes responses gathered from 6 to 20 September 2021, from 103 businesses across the Pacific region, including 56 female-led/owned businesses.

This report includes data from the top two 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.

CHALLENGES & SUPPORT NEEDED

- The top three challenges facing businesses as a result of COVID-19 are:
 - » Not knowing how long the crisis will last (86% Pacific, 58% Tuvalu)
 - » Impact of closed international borders (85% Pacific, 63% Tuvalu)
 - » Poor cashflow (80% Pacific, 50% Tuvalu)
- The top four initiatives businesses require assistance with are:
 - » Financial support (53% Pacific, 38% Tuvalu)
 - » Diversify business (34% Pacific, 21% Tuvalu)
 - » Online commerce capabilities (32% Pacific, 50% Tuvalu)
 - » Access to new markets (28% Pacific, 25% Tuvalu)
- 57% of female-led businesses report having barriers that prevent them actioning initiatives to support their business, compared to 28% of male-led businesses.

PERSONAL IMPACTS ON BUSINESS DECISION-MAKERS

- The negative toll on mental health has decreased, with 46% (21% Tuvalu) reporting a negative impact on their mental health, the lowest since tracking began.
- The proportion of businesses reporting a very negative impact on community wellbeing has decreased to 24% (0% Tuvalu), the lowest since tracking began.

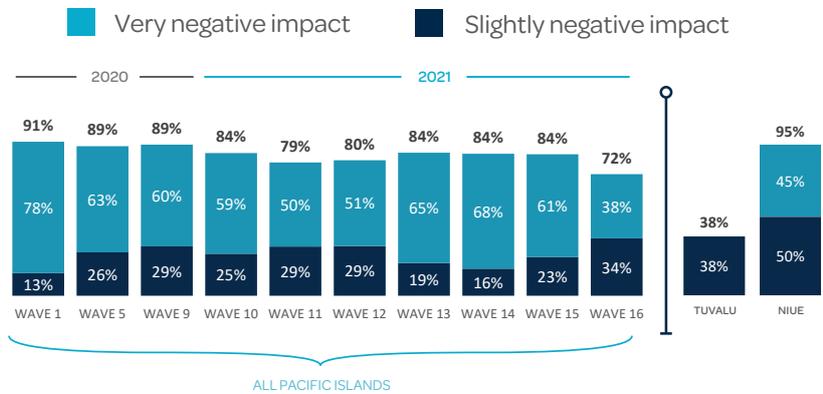
CURRENT IMPACT OF COVID-19 ON BUSINESSES IN THE PACIFIC

38%
TUVALU

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 improved this wave, with 72% (38% Tuvalu) reporting a negative impact.

REPORTED A NEGATIVE IMPACT ON BUSINESS*

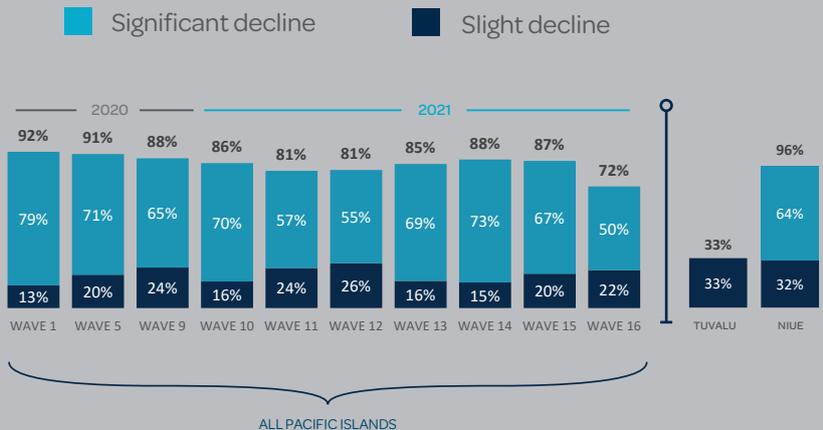


33%
TUVALU

REPORTED A DECLINE IN REVENUE

72% (33% Tuvalu) of businesses reported a decline in revenue due to COVID-19. The severity of revenue impact has also improved, with 50% (0% Tuvalu) reporting a significant decline in revenue.

REPORTED A DECLINE IN REVENUE*

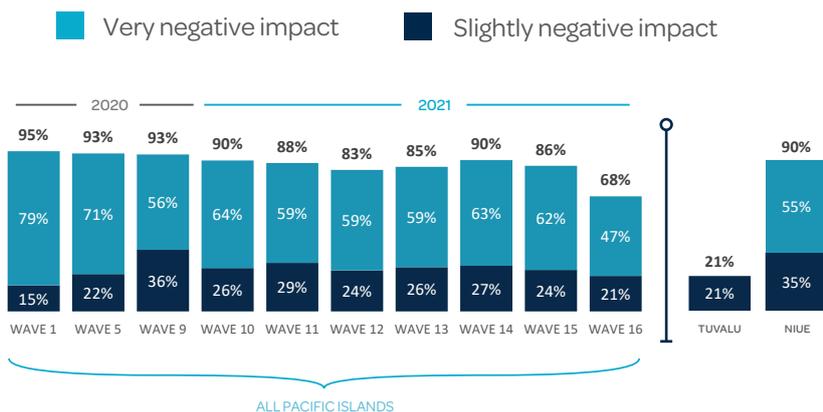


21%
TUVALU

BELIEVE COVID-19 HAS NEGATIVELY IMPACTED THE LOCAL ECONOMY

Negative perceptions of the local economy have decreased, with 68% (21% Tuvalu) reporting a negative impact on the local economy.

BELIEVE NEGATIVE IMPACT ON THE LOCAL ECONOMY*



*Percentages rounded to nearest whole number

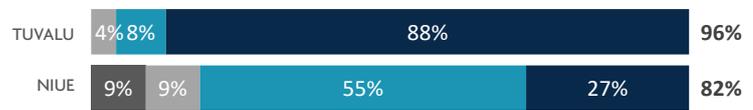
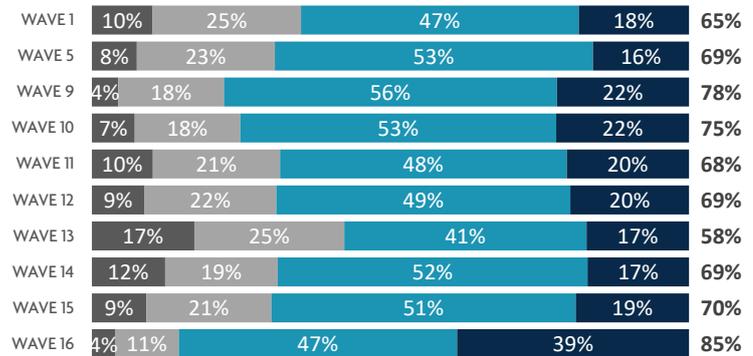
96%
TUVALU

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

85% (96% Tuvalu) are confident that their business will survive the COVID-19 crisis.

CONFIDENCE IN BUSINESS SURVIVAL AFTER COVID-19

ALL PACIFIC ISLANDS

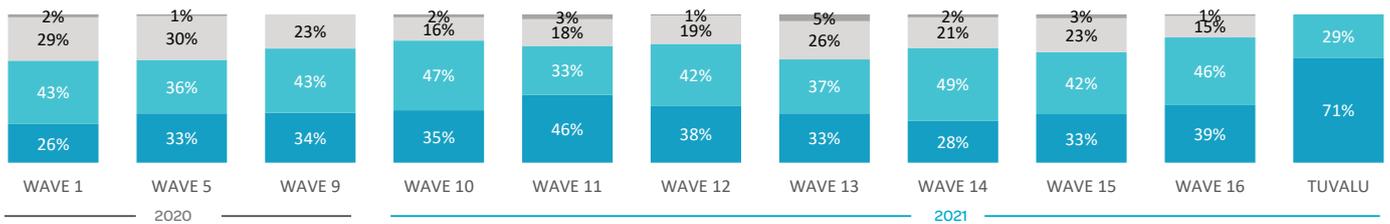


Legend: Not confident at all (dark grey), Not very confident (light grey), Somewhat confident (teal), Very confident (dark blue)



BUSINESS STATUS

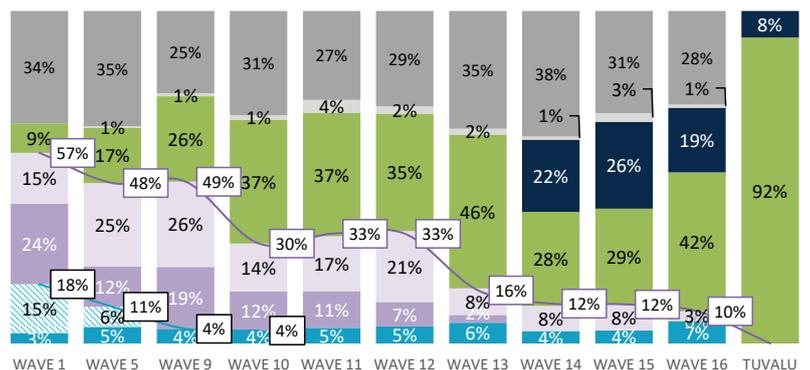
Legend: Permanently closed (dark grey), Temporarily closed (light grey), Partly operational (light teal), Operational (dark teal)



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

The road to recovery has begun to shorten, with 52% (92% Tuvalu) of businesses now expecting revenues to return by 2022.

Legend: Don't know/ too hard to predict (dark grey), Never (light grey), By 2023 or later (dark blue), By 2022 (green), By 2nd half of 2021 (light purple), By 1st half of 2021 (medium purple), By end of 2020 (light blue), Revenue is at pre-COVID-19 levels (dark teal)



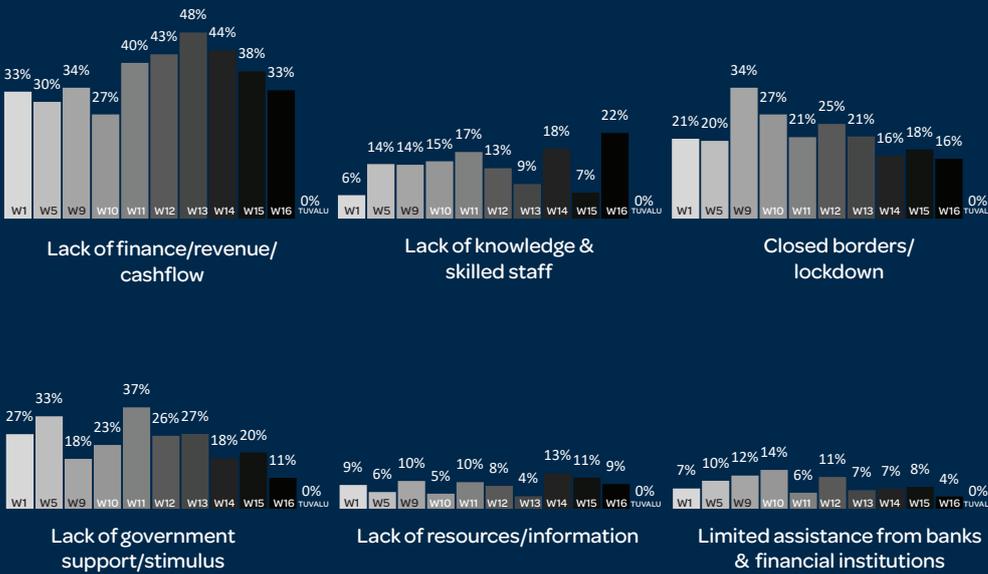
ACTIONS TAKEN TO REDUCE COST/DAMAGE TO BUSINESS



44%
0% TUVALU

BARRIERS TO ACTIONING INITIATIVES

44% (0% Tuvalu) reported that there are barriers preventing them from actioning initiatives to support their business.

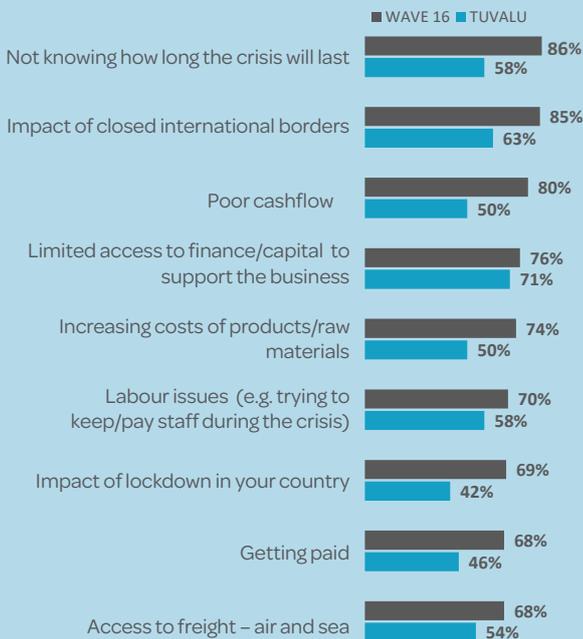


“Not knowing what grants are available, or as a new business, how to apply for the grants.”
– SME, Accommodation, Hospitality & Food Services, Niue

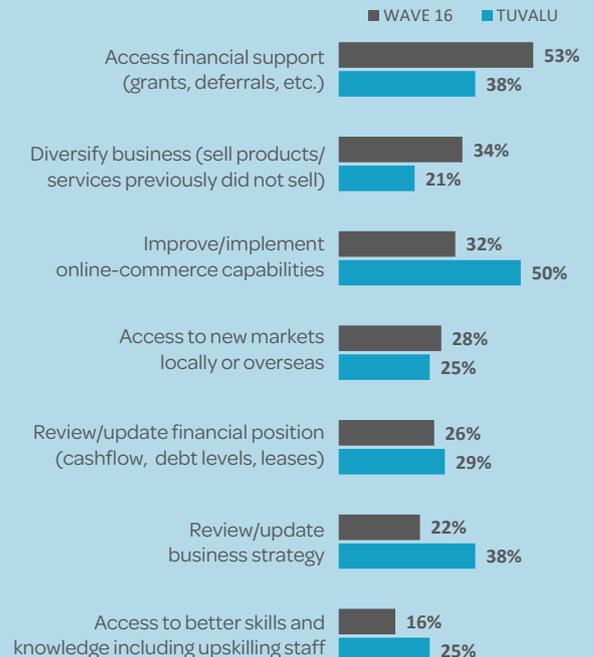
“Not being able to bring in skilled people in specialised areas to train our staff. Limited access to expertise.”
– SME, Retail Trade, Nauru

“All businesses are challenged. Diversifying impedes on another business. We are all small and it takes a lot of collaboration.”
– SME, Accommodation, Hospitality & Food Services, Niue

TOP CHALLENGES

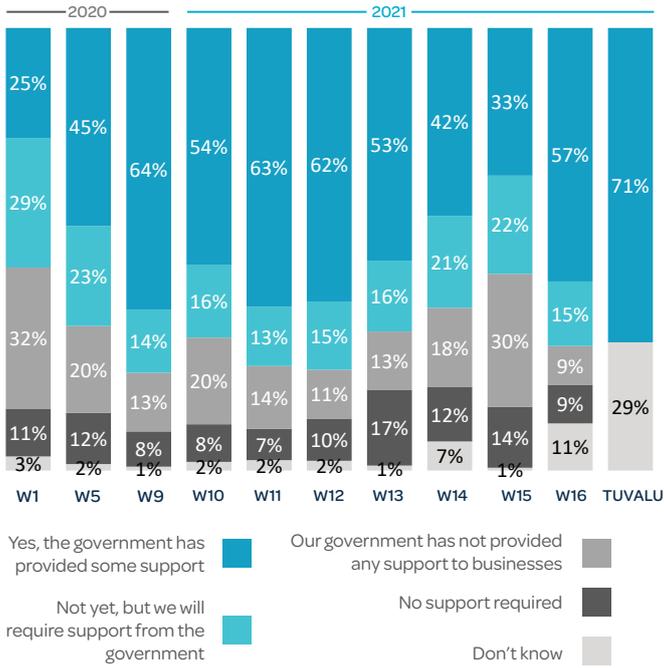


TOP INITIATIVES NEEDED TO ACTION NOW

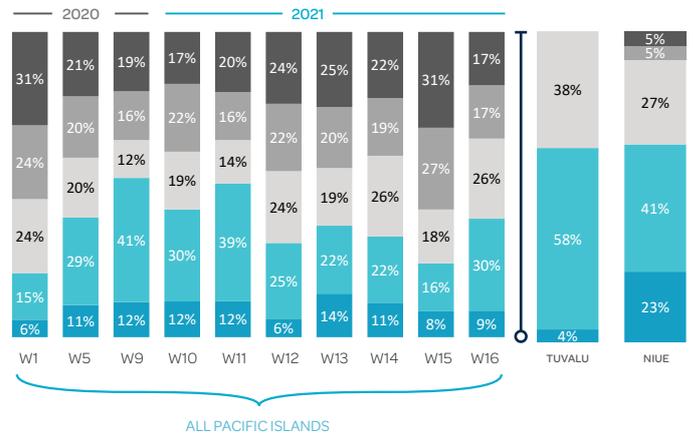


GOVERNMENT SUPPORT

HAS YOUR BUSINESS ACCESSED ANY SUPPORT?

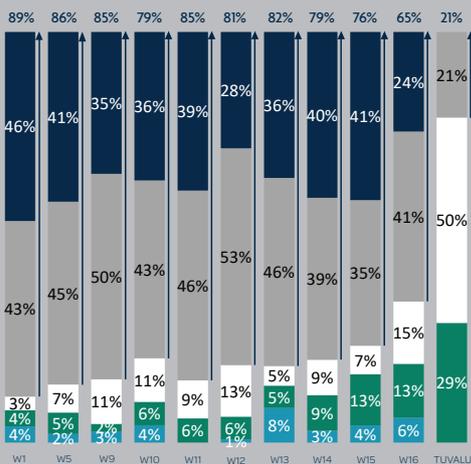


SATISFACTION WITH GOVERNMENT RESPONSE

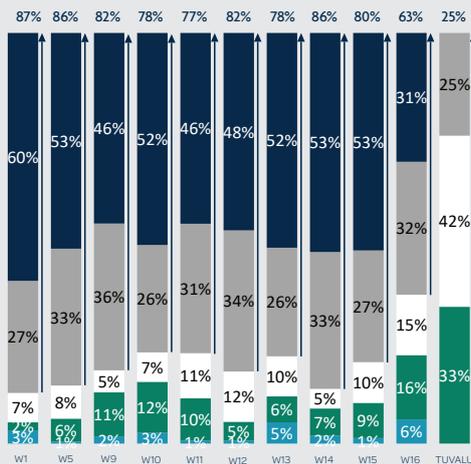


PERSONAL WELLBEING

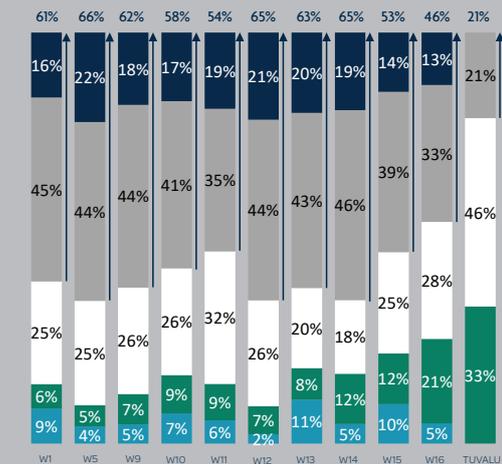
WELLBEING OF THE COMMUNITY



PERSONAL FINANCIAL SITUATION



MENTAL HEALTH



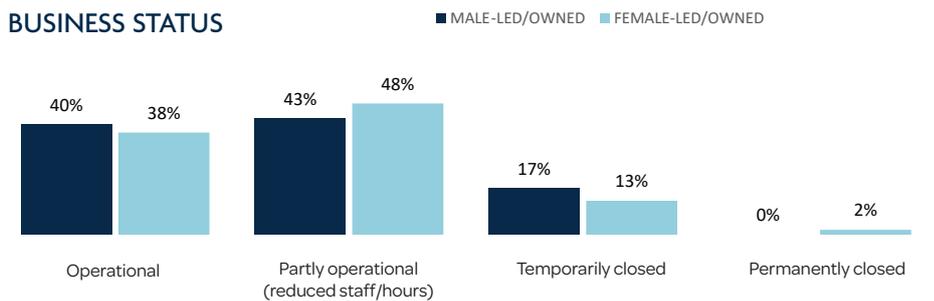
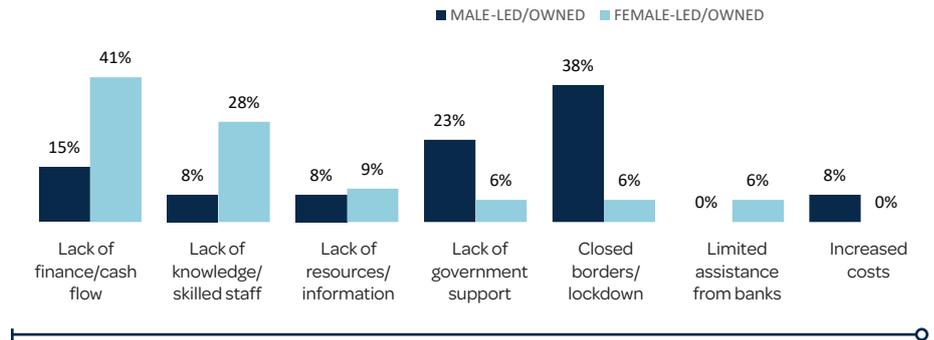
The proportion of businesses reporting a very negative impact on community wellbeing has decreased to 24% (0% Tuvalu).

The pandemic continues to have a significant impact on business decision-makers' personal financial situation; those reporting a negative impact has decreased to 63% (25% Tuvalu).

The negative toll on mental health has decreased since last wave, with 46% (21% Tuvalu) reporting a negative impact.

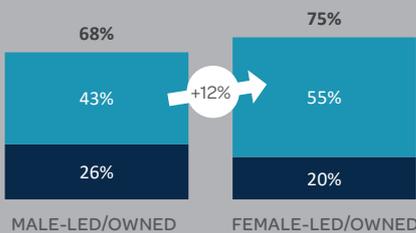
IMPACT ON FEMALE-LED/OWNED BUSINESSES IN THE PACIFIC

BARRIERS PREVENTING ACTIONING OF INITIATIVES



IMPACT ON BUSINESS REVENUE

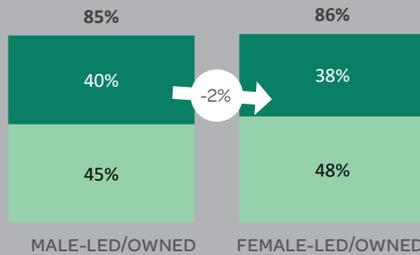
Total % reported decline in sales/revenue



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

CONFIDENCE IN BUSINESS SURVIVAL

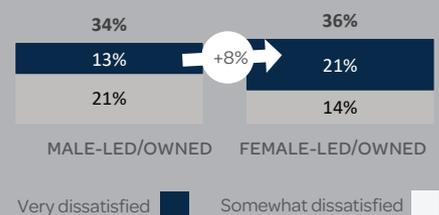
Total % confident in business survival



Very confident
Somewhat confident

SATISFACTION WITH GOVERNMENT RESPONSE

Total % dissatisfied with government response



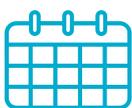
Very dissatisfied
Somewhat dissatisfied

% have received government support



METHODOLOGY

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



Responses were collected 6-20 September 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 103 respondents from across the Pacific region

FOR FURTHER INFORMATION



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