

# COMPARE AND CONTRAST ANALYSIS OF AUSTRALIA PACIFIC BUSINESS & PTI PACIFIC BUSINESS MONITOR

AUGUST 2020

---

Prepared for:

Adrian Weeks,  
Australian Trade and Investment Commission (Austrade)

Prepared by:



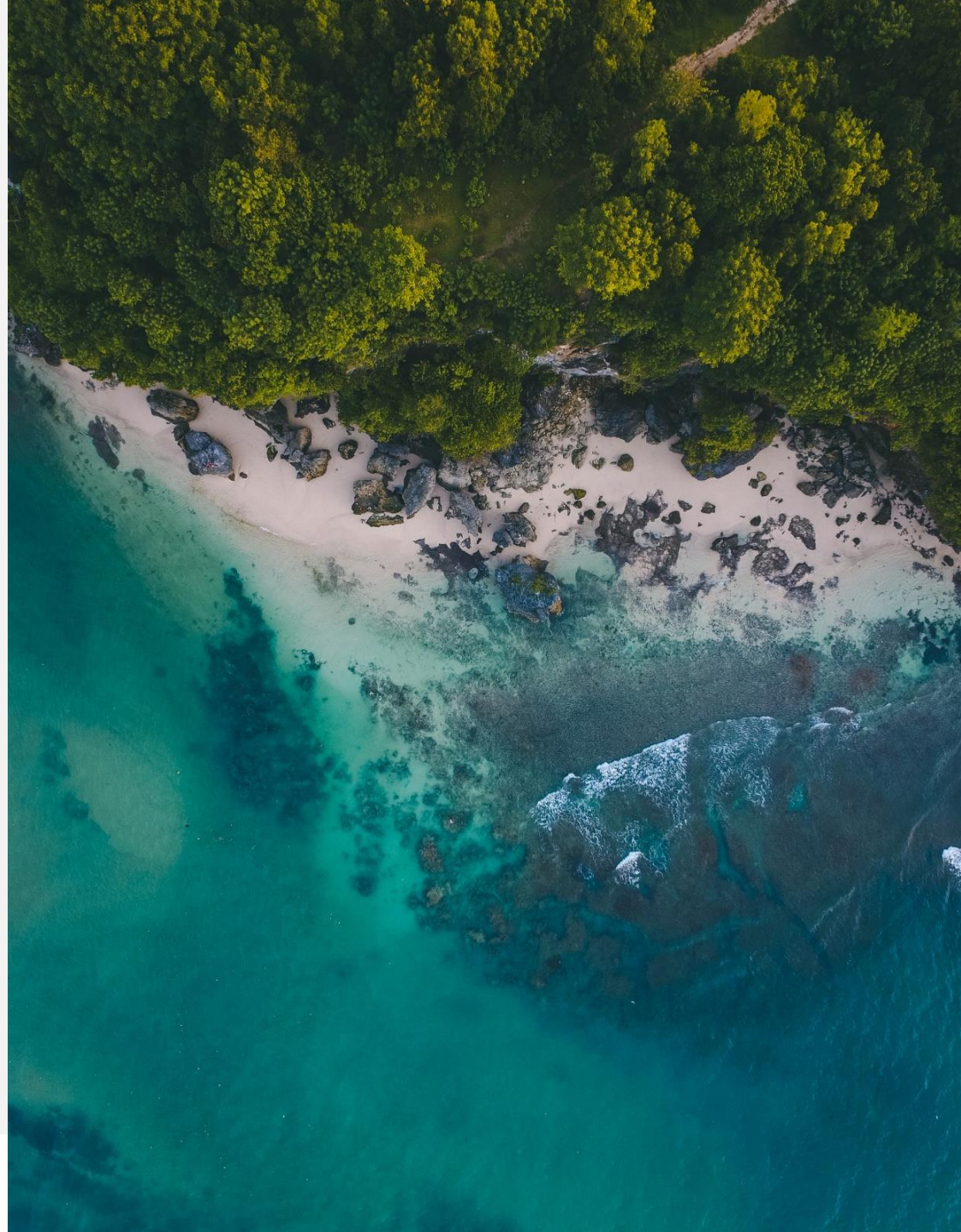
Australian Government  
Australian Trade and Investment Commission



Pacific Trade Invest  
AUSTRALIA



PACIFIC ISLANDS FORUM SECRETARIAT



## PTI/AUSTRADE ARE LOOKING TO PROVIDE AN OVERVIEW TO THE MINISTER FOR TRADE AND FOREIGN MINISTER:



1. KEY INSIGHTS FROM THE AUSTRADE PACIFIC BUSINESS SURVEY (AUSTRALIAN COMPANIES ACTIVE IN THE PACIFIC) AND PTI BUSINESS MONITOR WAVE 4 (BUSINESSES IN THE PACIFIC ISLANDS)



2. COMPARE THE IMPACT OF COVID-19 CRISIS ON BUSINESSES - E.G. IMPACT ON REVENUE, ADJUSTMENTS BUSINESSES ARE MAKING ETC.



3. IDENTIFY SUPPORT BUSINESSES ARE LOOKING FOR TO ASSIST WITH COVID-19 RECOVERY



4. IDENTIFY THE ROLE THAT AUSTRADE, PACIFIC TRADE INVEST, OTHER PARTNERS (EFA, AIPBC) AND THE AUSTRALIAN GOVERNMENT CAN PLAY IN THE RECOVERY AS EVIDENCE OF THEIR ACTIVITIES.

# SAMPLE & METHODOLOGY


This report will compare results from the Austrade Pacific Business and Wave 4 of the PTI Pacific Monitor. Both surveys utilised comparable methodology to reach their target audiences.

## AUSTRADE PACIFIC BUSINESS

  
WHO DID WE  
SPEAK TO?


  
**N=105**

AUSTRALIAN BUSINESSES ACTIVE IN THE PACIFIC ISLANDS. BUSINESSES WERE SOURCED FROM THE AUSTRADE INTERNAL DATABASE.

  
HOW DID WE  
SPEAK  
WITH THEM?

**10 MIN**

QUANTITATIVE ONLINE SURVEY.  
SURVEY INVITATIONS WERE DISTRIBUTED BY AUSTRADE.

  
WHEN DID  
WE SPEAK  
WITH THEM?

**JUNE  
2020**

ONLINE RESPONSES WERE COLLECTED IN JUNE 2020.

## PTI PACIFIC BUSINESS MONITOR (WAVE 4)

  
**N=134**

BUSINESSES BASED IN THE PACIFIC ISLANDS. BUSINESSES WERE SOURCED FROM THE PACIFIC TRADE INVEST INTERNAL AND PARTNER DATABASES.

**5 MIN**

QUANTITATIVE ONLINE SURVEY.  
SURVEY WAS DISTRIBUTED BY PACIFIC TRADE INVEST.

**JUN-JUL  
2020**

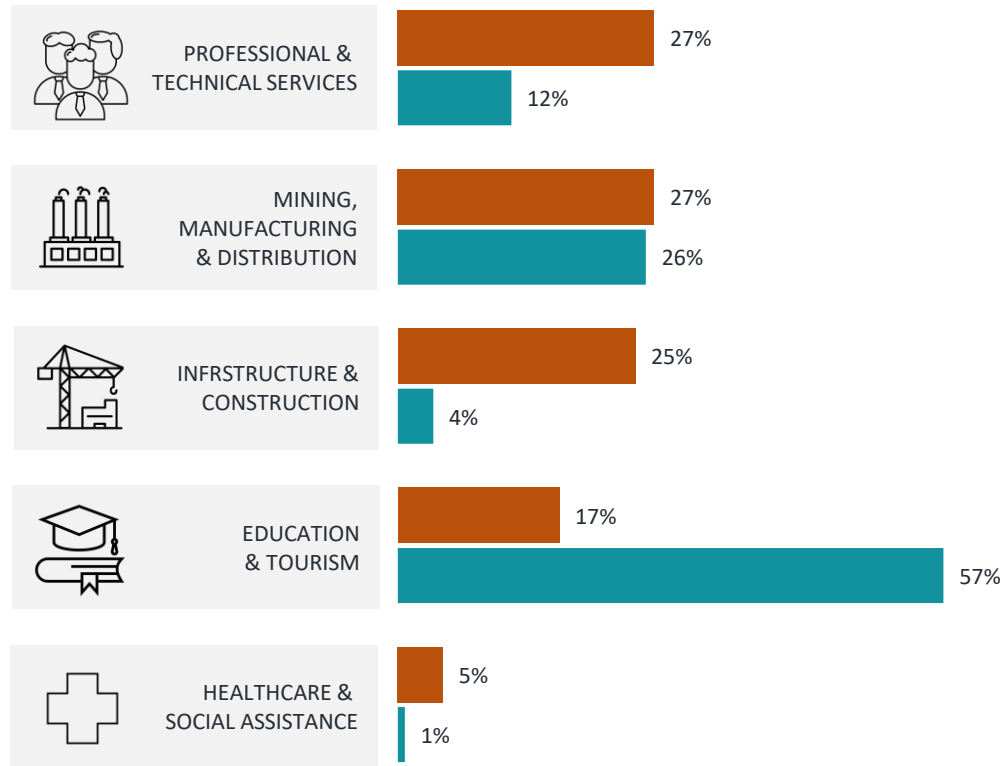
ONLINE RESPONSES WERE COLLECTED BETWEEN 29TH JUNE - 12TH JULY 2020 AS PART OF WAVE 4 OF THE PTI PACIFIC BUSINESS MONITOR.

# RESPONDENT PROFILE

Both samples include businesses across all industry sectors and have similar distribution of business size.

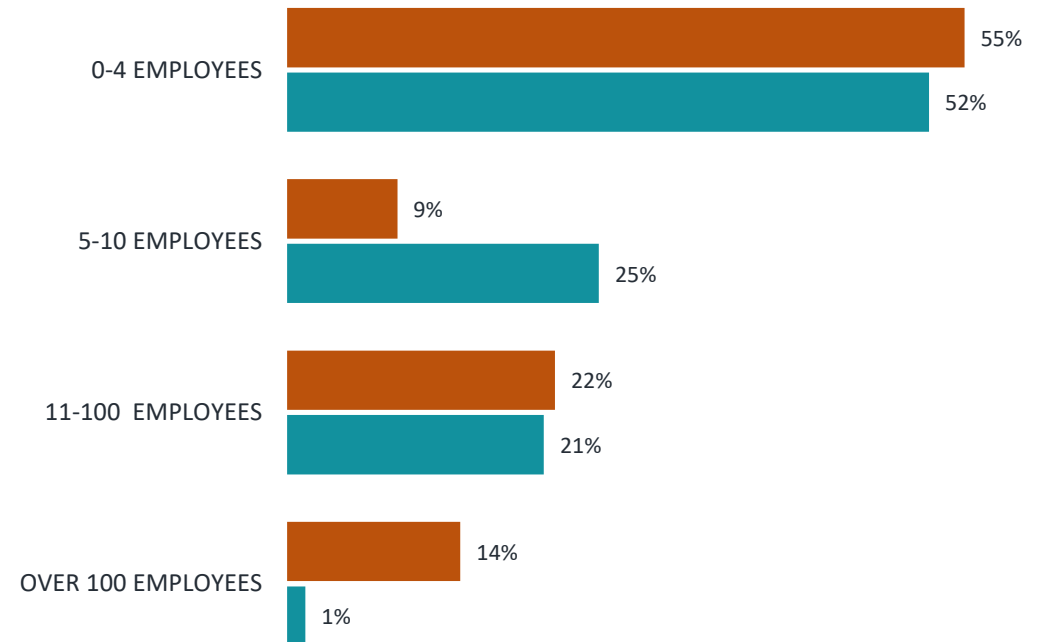
## WHICH INDUSTRY CLASSIFICATION BEST REPRESENTS YOUR ORGANISATION'S MAIN BUSINESS ACTIVITY?

■ AUSTRADE PACIFIC BUSINESS ■ PTI PACIFIC BUSINESS MONITOR (WAVE 4)



## HOW MANY EMPLOYEES DO YOU EMPLOY IN THE PACIFIC ISLANDS?

■ AUSTRADE PACIFIC BUSINESS ■ PTI PACIFIC BUSINESS MONITOR (WAVE 4)



# IMPACT ON THE ECONOMY & REVENUE IN THE PACIFIC ISLANDS

Businesses in the Pacific Islands have experienced greater decline in revenue due to COVID-19 therefore, expected recovery is later compared to Australian businesses active in the Pacific Islands. One quarter of businesses overall are unsure when revenue will return, which highlights the high level of uncertainty surrounding how long the pandemic will last both in Australia and the Pacific Islands.

## NEGATIVE IMPACT OF COVID-19 ON ...

### AUSTRADE PACIFIC BUSINESS

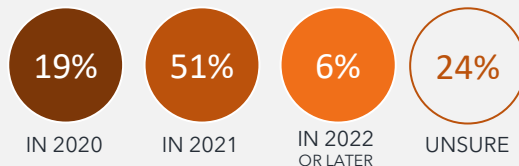
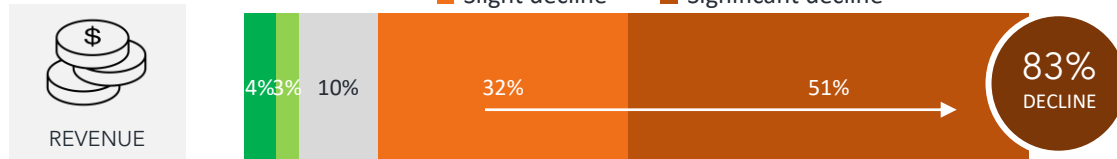
#### IMPACT ON ECONOMY IN THE PACIFIC ISLANDS

■ No negative impact  
■ Short-term Impact (up to 6 months)  
■ Medium-term impact (6-12 months)  
■ Long-term impact (more than 12 months)

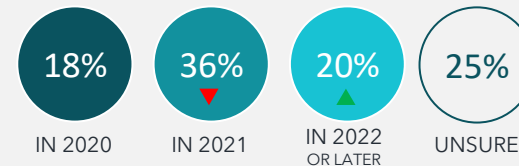


#### IMPACT ON BUSINESS ACTIVITY/REVENUE IN THE PACIFIC ISLANDS

■ Significant increase  
■ Slight increase  
■ No impact  
■ Slight decline  
■ Significant decline



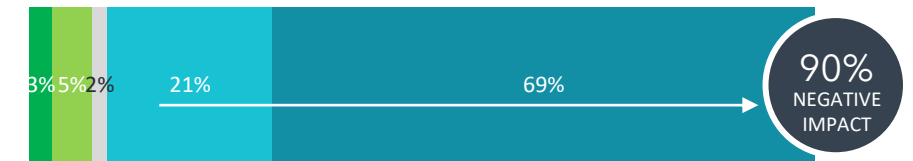
REVENUE EXPECTED TO RETURN TO PRE-COVID-19 LEVELS



### PTI PACIFIC BUSINESS MONITOR (WAVE 4)

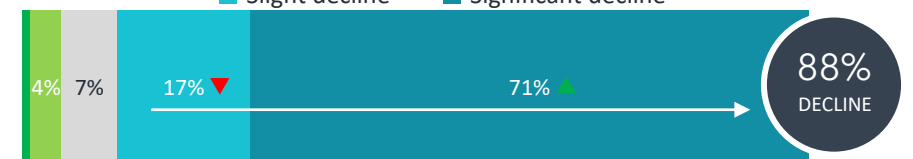
#### IMPACT ON LOCAL ECONOMY

■ Very positive  
■ Slightly positive  
■ No impact  
■ Slightly negative  
■ Very negative



#### IMPACT ON BUSINESS ACTIVITY/REVENUE

■ Significant increase  
■ Slight increase  
■ No impact  
■ Slight decline  
■ Significant decline



▲ ▼ ≥10% above/below Austrade

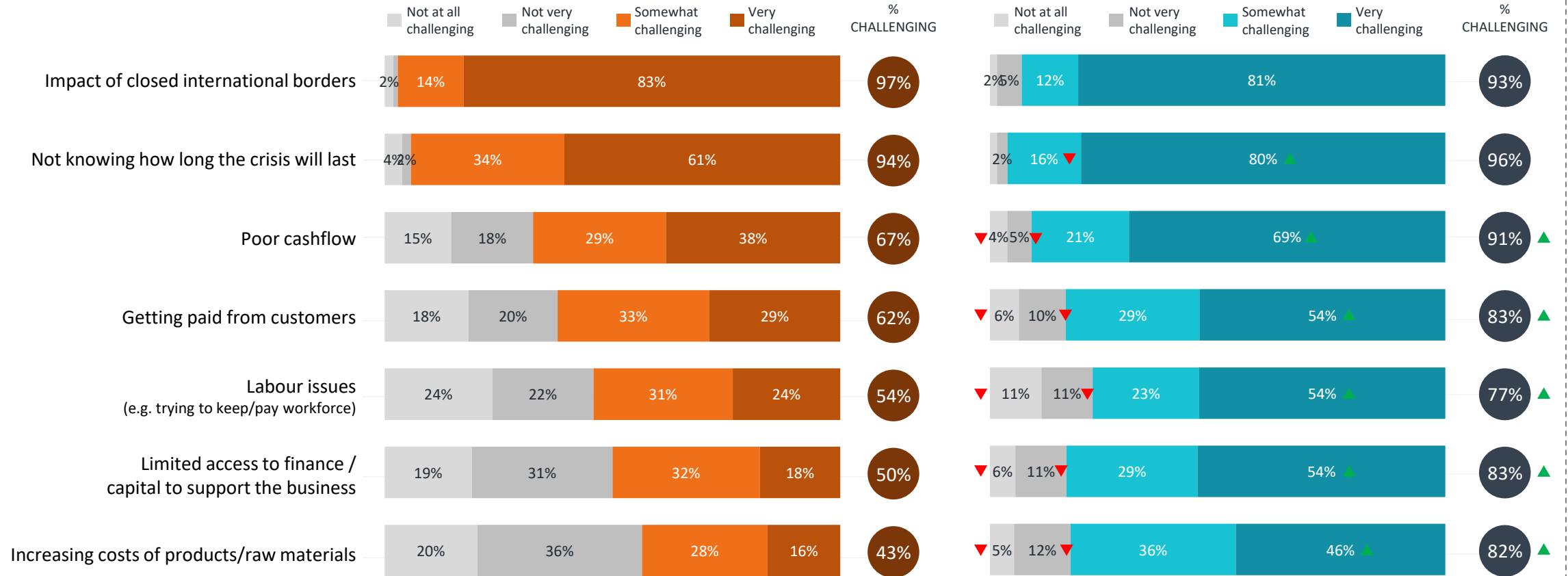
# CHALLENGES DUE TO COVID-19 & MARKET CONDITIONS

For both samples, the greatest challenge with the pandemic is dealing with the unknown and the associated impact on restricted travel both internationally and domestically. However, Pacific Islands are facing significantly more challenges especially around poor cashflow, access to finance, labour issues and increasing costs.

## CHALLENGES TO THE BUSINESS AS A RESULT OF COVID-19 AND CURRENT MARKET CONDITIONS

### AUSTRADE PACIFIC BUSINESS

### PTI PACIFIC BUSINESS MONITOR (WAVE 4)

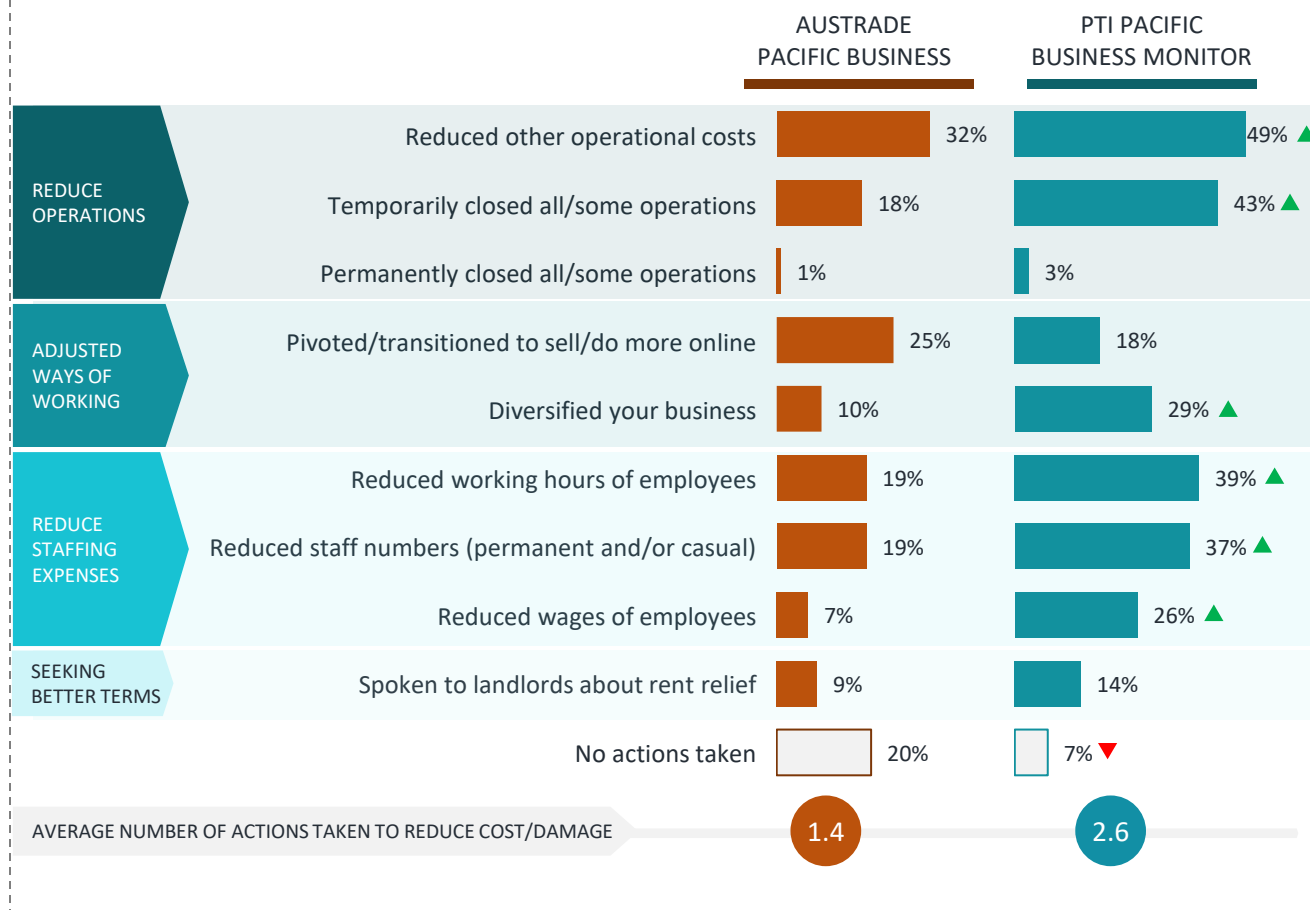


▲ ▼ ≥10% above/below Austrade

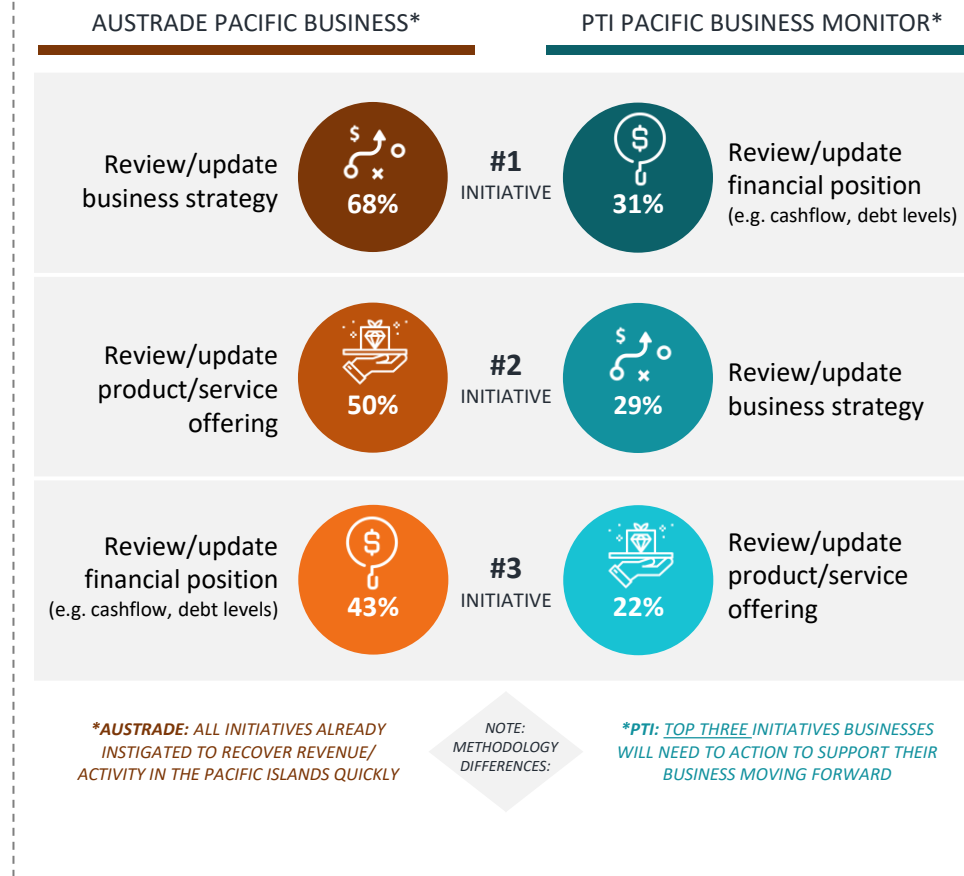
# ACTIONS TAKEN TO REDUCE IMPACT OF COVID-19 ON BUSINESS IN PACIFIC ISLANDS

In response to greater challenges and lost revenue, businesses in the Pacific Islands are taking more actions to reduce cost and damage to their business and therefore, their main priority will be to review/update their financial position moving forward. Australian businesses active in the Pacific islands are focusing on reviewing their business strategy and updating their product/service offering.

## ACTIONS TAKEN TO REDUCE COST & DAMAGE TO BUSINESS IN PACIFIC ISLANDS DUE TO COVID-19



## TOP 3 INITIATIVES NEEDED TO RECOVER FROM COVID-19 CRISIS

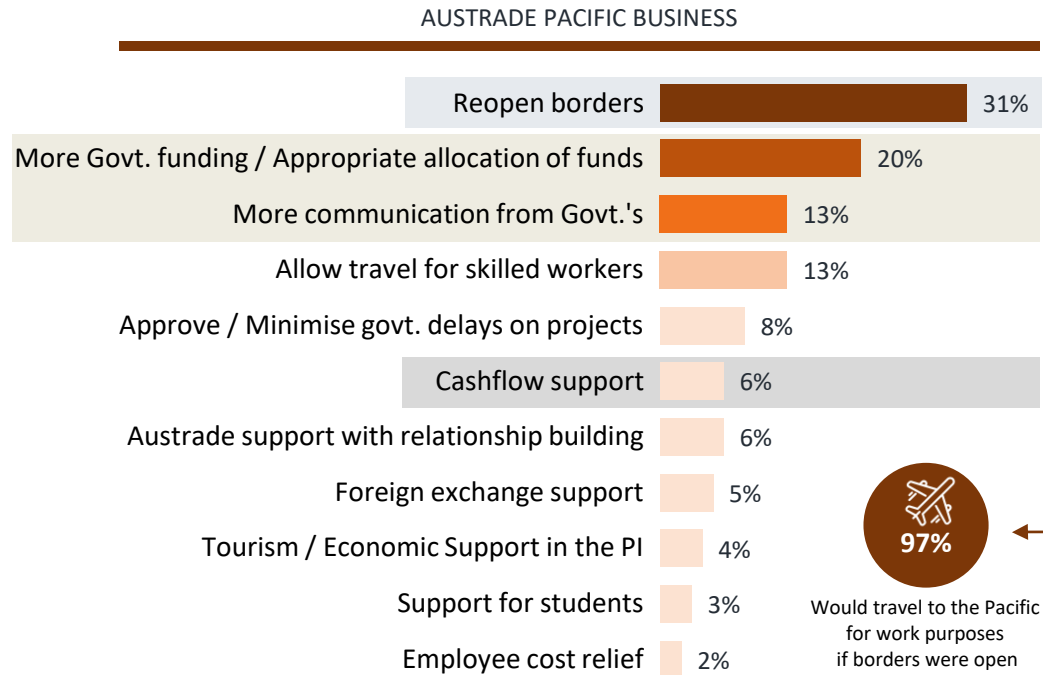


▲▼ ≥10% above/below Austrade

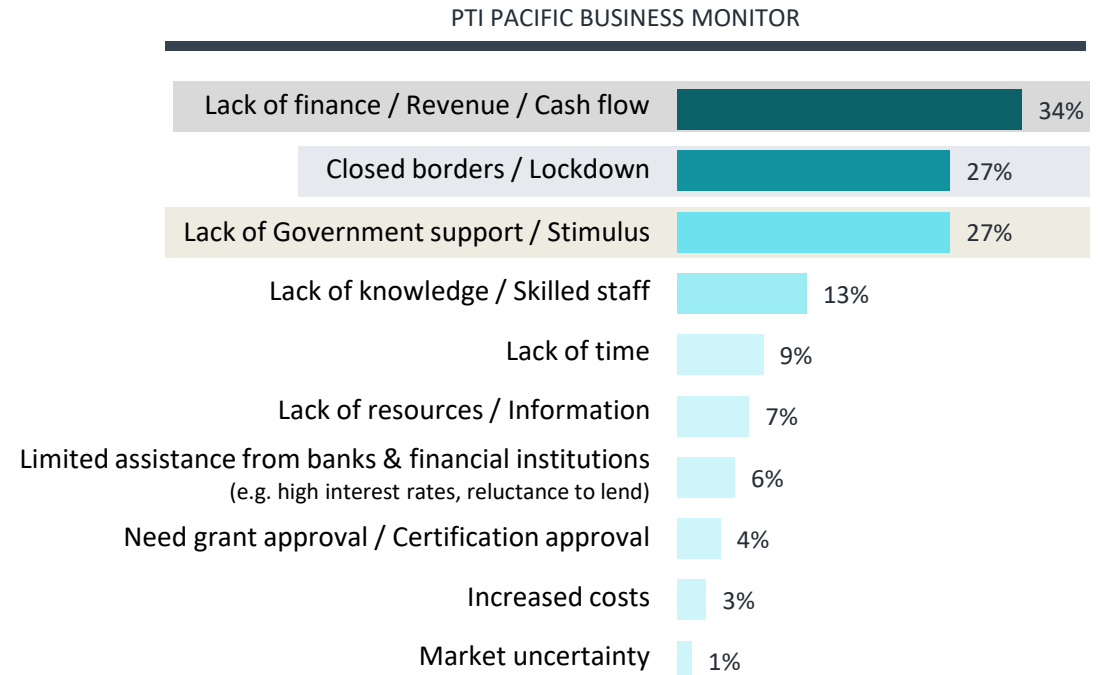
# KEY AREAS FOR ASSISTANCE TO RECOVER REVENUE/ACTIVITY IN THE PACIFIC ISLANDS

However, lack of revenue/finance is a key barrier to actioning these initiatives for a third of Pacific Islands businesses. Opening borders is a key factor in recovery for both samples, while more financial support and information from the Government is also needed for a faster recovery.

## TYPES OF ASSISTANCE NEEDED FOR AUSTRALIAN BUSINESSES ACTIVE IN THE PACIFIC ISLANDS



## KEY BARRIERS FOR BUSINESSES IN THE PACIFIC ISLANDS



ROLE THAT AUSTRALIA & PARTNERS CAN PLAY IN RECOVERY

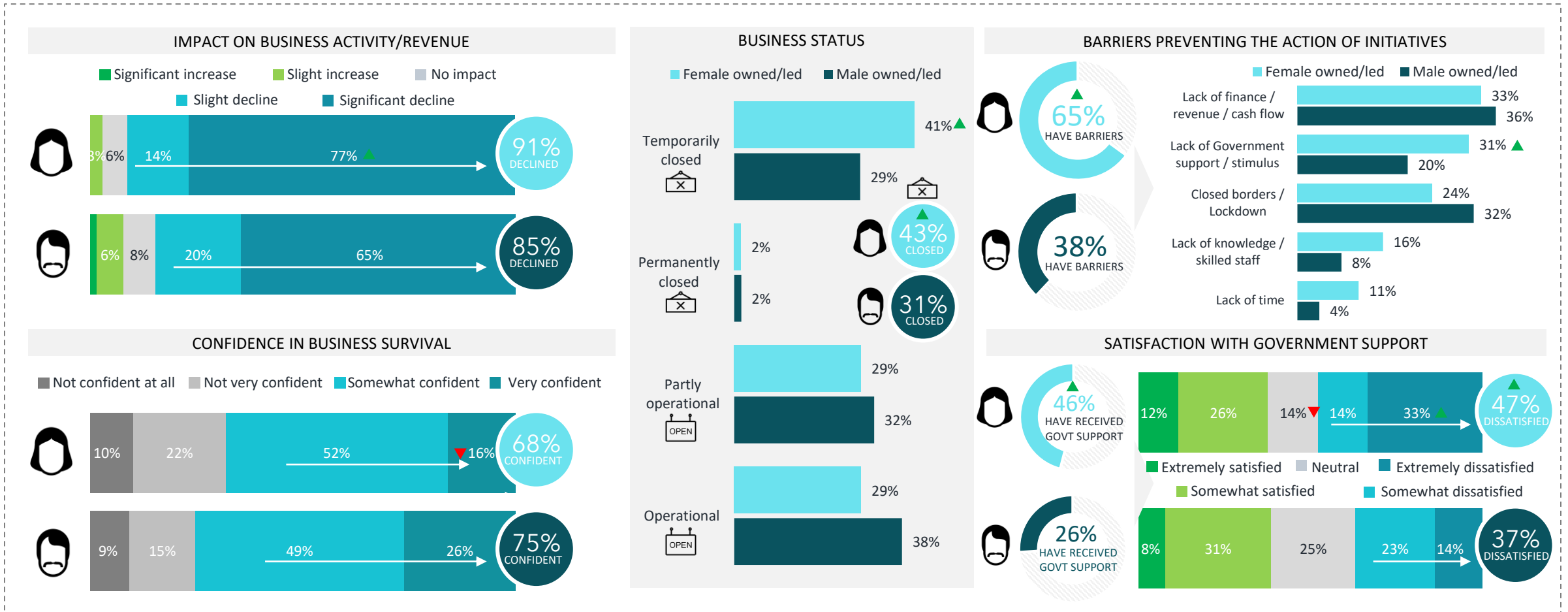
- Opening international borders is key to the recovery of businesses in Australia and the Pacific Islands. Open borders will enable the travel of skilled workers, tourists and the restore supply chains to help businesses regenerate revenue streams and get back to business as usual.
- As borders remain closed, more financial support from the Government is needed to help businesses survive with significantly reduced revenue.
- Austrade & partners can play a key role in communicating with businesses providing them with critical information, updates on the crisis and how to access support. As many businesses are facing uncertainty, keeping businesses informed and providing resources will be beneficial in boosting confidence and recovery rates.



# IMPACT ON FEMALE-LED/OWNED BUSINESSES IN THE PACIFIC ISLANDS (PTI PBM)

Women-led businesses have experienced greater revenue decline and are less confident in their business's survival compared to male-led businesses. As a result, nearly half of women-led businesses have had to temporarily close. Women-led businesses are also facing more barriers and although more have received Government support, dissatisfaction levels are higher indicating that the support received has not been sufficient.

■ Female owned/led businesses ■ Male owned/led businesses



▲ ▼ ≥10% above/below male/led

**PTI BASE:** Female owned/led businesses (n=69), Male owned/led businesses (n=65). Q8. What impact has the COVID-19 crisis had on your business sales/revenue so far? Q6. What is your current business status? Q9. How confident are you that your business will survive the COVID-19 crisis? Q15. Is anything preventing you from actioning these initiatives? Q16. What is preventing you from actioning these initiatives? Q12. Has your business accessed any support from your Government to help you through the COVID-19 crisis? Q11. How satisfied are you with the way your Government has supported your business through the COVID-19 crisis so far?

## 1. THE PACIFIC ISLANDS ECONOMY IS STRUGGLING AS MOST BUSINESSES HAVE BEEN SIGNIFICANTLY IMPACTED BY THE COVID-19 CRISIS

- Both samples acknowledge the negative impact of COVID-19 on the Pacific Islands economy. Over two thirds of Australian businesses see this negative impact lasting more than 12 months.
- Businesses in the Pacific Islands have experienced greater decline in revenue due to COVID-19. Nearly 2 in 3 businesses (71%) in the Pacific Islands report significant decline in revenue, compared with half (51%) of Australian businesses reporting significant decline in revenue generated in the Pacific Islands.
- As revenue has been more impacted for businesses based in the Pacific Islands, the timeframe of expected recovery is later compared to Australian businesses active in the Pacific Islands. Just over half (51%) of Australian businesses see revenue recovering in 2021 compared to 36% of those in the Pacific Islands. One quarter of businesses in both samples are unsure when revenue will return, which highlights the high level of uncertainty surrounding how long the pandemic will last both in Australia and the Pacific Islands.

## 2. BUSINESSES ARE FACING MANY CHALLENGES AS THEY NAVIGATE THROUGH THE PANDEMIC BUT ARE MAKING ADJUSTMENTS TO RECOVER

- For both samples, the greatest challenge with the pandemic is dealing with the unknown and the associated impact on restricted travel both internationally and domestically. However, Pacific Islands are facing significantly more challenges especially around poor cashflow, access to finance, labour issues and increasing costs.
- In response to greater challenges and lost revenue, businesses in the Pacific Islands are taking more actions to reduce cost and damage to their business and therefore, their main priority will be to review/update their financial position moving forward. Australian businesses active in the Pacific islands are focusing on reviewing their business strategy and updating their product/service offering.
- However, lack of revenue/finance is a key barrier to actioning these initiatives for a third of Pacific Islands businesses.

## 3. DESPITE EFFORTS TO RECOVER, BUSINESSES NEED ADDITIONAL SUPPORT FROM THE GOVERNMENT, AUSTRADE & PARTNERS TO ASSIST WITH A QUICKER RECOVERY

- Opening international borders is key to the recovery of businesses in Australia and the Pacific Islands. Open borders will enable the travel of skilled workers, tourists and restore supply chains to help businesses regenerate revenue streams and get back to business as usual. Businesses are ready to travel again, with 97% of Australian businesses active in the Pacific reporting that they would travel to the Pacific for work purposes if borders were open.
- As borders remain closed, more financial support from the Government is needed to help businesses based in Australia and the Pacific Islands survive with significantly reduced revenue. Additional support is especially required for women-led businesses in the Pacific Islands.
- Austrade & partners can play a key role in communicating with businesses providing them with critical information, updates on the crisis and how to access support. As many businesses are facing uncertainty, keeping businesses informed and providing resources will be beneficial in boosting confidence and recovery rates.

# THANK YOU

PLEASE CONTACT US WITH ANY QUESTIONS!

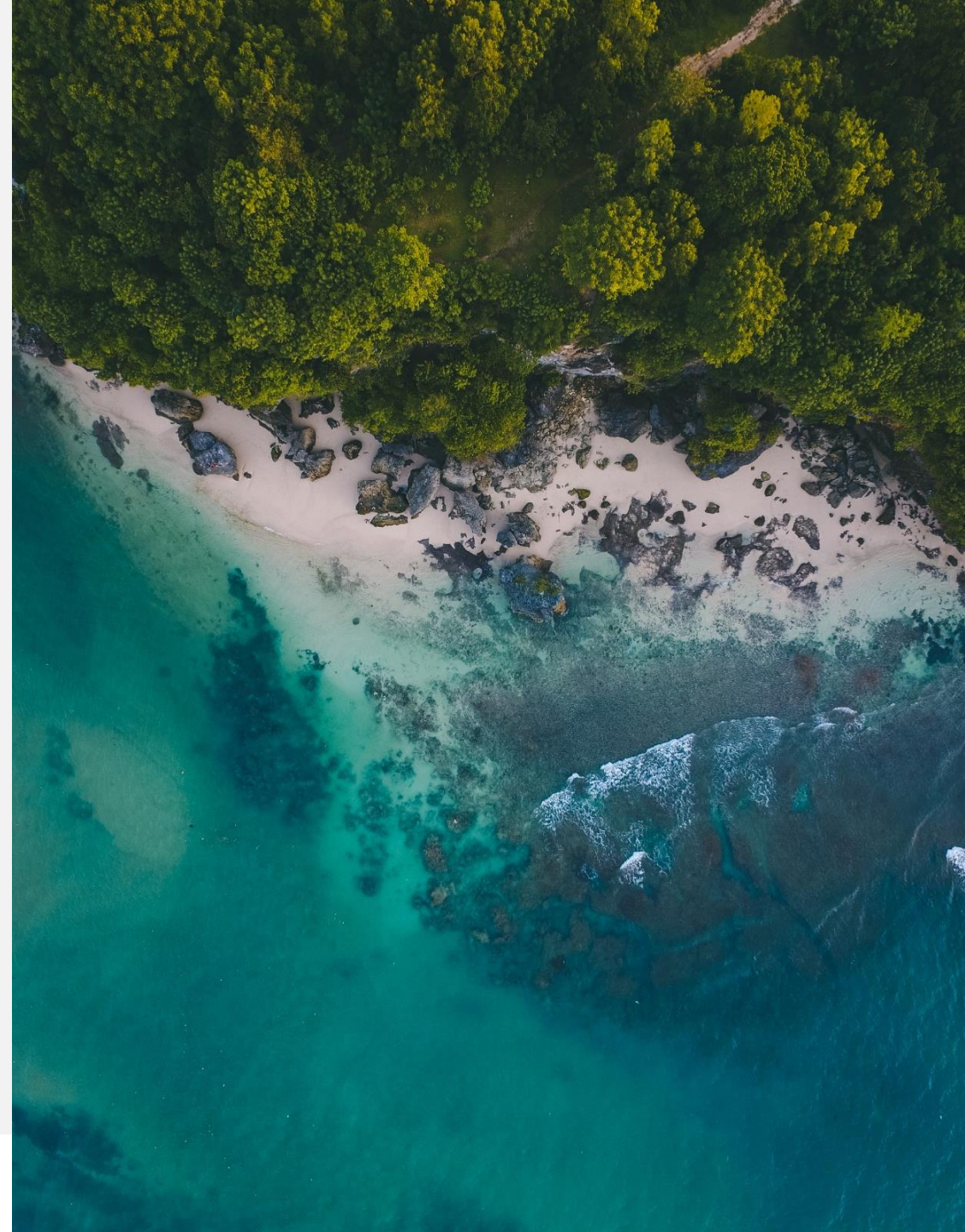
---

JAMES ORGAN, DIRECTOR  
e: [jorgan@acaresearch.com.au](mailto:jorgan@acaresearch.com.au)

JOANNE ROZOS, SENIOR ACCOUNT MANAGER  
e: [jrozos@acaresearch.com.au](mailto:jrozos@acaresearch.com.au)



FIFTH QUADRANT, LEVEL 6, 107 MOUNT STREET, NORTH SYDNEY, NSW, 2060



Australian Government  
Australian Trade and Investment Commission



Pacific Trade Invest  
AUSTRALIA



Australia-Papua New Guinea  
Business Council

Australia-Fiji  
Business Council

Australia-Pacific Islands  
Business Council



PACIFIC ISLANDS FORUM SECRETARIAT