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MEDIA RELEASE

Uncertainty the key challenge facing Niue businesses

As the impact of COVID-19 continues to be felt, 94% of businesses in Niue reported that not knowing how long the crisis will last is their main challenge. The results have been published in the fourth *PTI Pacific Business Monitor Report*. The PTI Pacific Business Monitor is a regular survey that tracks the sentiment of businesses from across the Pacific region.

The fourth survey of businesses from across the Pacific region, found that businesses across multiple sectors continue to be hit hard by the pandemic in a variety of ways, particularly by the closing of international borders and travel restrictions. Uncertainty and having no definite timeline is extremely challenging for businesses said Caleb Jarvis, Trade & Investment Commissioner, Pacific Trade Invest (PTI) Australia.

“The uncertainty of how long COVID-19 will last continues to have an immense impact, 94% of businesses in Niue and 93% regionally said this was their major challenge and it has been consistently the top challenge faced by businesses since our first survey in March 2020.

“Although the Pacific remains relatively COVID-19 free this uncertainty is fuelled by the changing situations globally. Here in Australia where we thought we had the pandemic under control Melbourne has gone back into lock-down and Sydney is dealing with managing a small outbreak. It puts back into question when international travel can safely resume making it extremely difficult for businesses in the Pacific to plan forward especially industries such as tourism that are reliant on borders being open. We can see this reflected in when business predict that will get back to businesses as normal with 40% of businesses in Niue unsure when their revenue will return back to pre-COVID-19 levels.”

Over half of business regionally continue to require financial support, and positively, over one third are now reporting that their government has provided assistance. This has steadily increased since our first survey where only a quarter reported that their government had provided some support. Despite this, satisfaction with government response remains relatively low (especially in Tonga and PNG).

Businesses across the Pacific continue to be in survival mode with 49% of businesses continuing to reduce operational costs to minimise the cost/damage to their business. Caleb Jarvis said there are signs that businesses are adjusting to the new normal.

“Even with 88% of businesses reporting a decline in their revenue, it’s encouraging to see that the number of businesses reporting that are reducing working hours and staff numbers has decreased, which shows a small number of businesses are beginning to find stability and a new way of operating. This is also reflected with the negative toll on the mental health of business owners easing, with those reporting a very negative impact on their mental health halving since the last survey and positive sentiments of feeling optimistic and happy increasing from the last survey.

“The private sector will be key in rebuilding Pacific economies. As we can see through the global uncertainty COVID-19 has created - it’s going to be a very long-road ahead. As a network PTI are committed to keep monitoring the impact of COVID-19 has on businesses in the Blue Pacific and continue to inform governments, donors and stakeholders of the realities that the Pacific’s private sector is facing.”

The Niue Chamber of Commerce said the survey was important and provided valuable insights for the private sector.

“PTI Pacific Business Monitor is providing valuable insights, which is why we have supported PTI Australia in engaging businesses in Niue to participate and I would like to thank all our members for taking part, this survey includes the input of 52 Niuean businesses. As well as giving the Chamber quantitative data on how businesses are, the information also ensures that at our regional level the voice of Niue’s private sector is represented which is really important.” said Esther Pavihi, Acting BDM/CEO of the Niue Chamber of Commerce.

Click on this [link](#) to access the full report. The report includes data from the top three Pacific countries PTI received responses from (Niue, PNG and Tonga), providing insights into the nuances COVID-19 is having on the private sector in different Pacific countries.

Founded in 1979, PTI Australia is an agency of the Pacific Island Forum Secretariat and is the Pacific region's lead trade and investment facilitation agency; funded by the Australian Government.

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