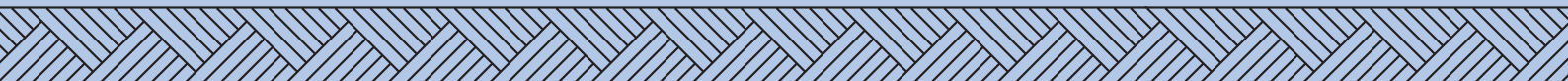




# EARTHQUAKE SURVEY REPORT

JANUARY 2025



# PURPOSE AND SUMMARY

The purpose of this report is to get some high-level data from businesses that were severely affected by the December 17th Efate earthquake.

This survey focuses primarily on employment and will be followed by a more comprehensive survey and report that looks at the bigger picture, including for the entire country.

This report was drafted using data up until 20:00 on Friday 24th January. If there are numerous additional submissions from businesses then the report may be updated.

There were 169 valid responses to the survey, with roughly half being currently operational in some form. Surveyed businesses reported hiring a total of 2,219 staff before the earthquake, and 1,336 now, representing a fall of 883 jobs.

Nearly half of businesses reported using either business or personal savings to fund their staff, with businesses collectively employing 500 staff saying that they could only maintain the current situation for two months or fewer.

Businesses were very clear in their desire for improved communication, and for urgency in reopening the CBD.

This report was drafted by Peter Judge, Director of Economics and Research at Pacific Consulting Limited.

# METHODOLOGY

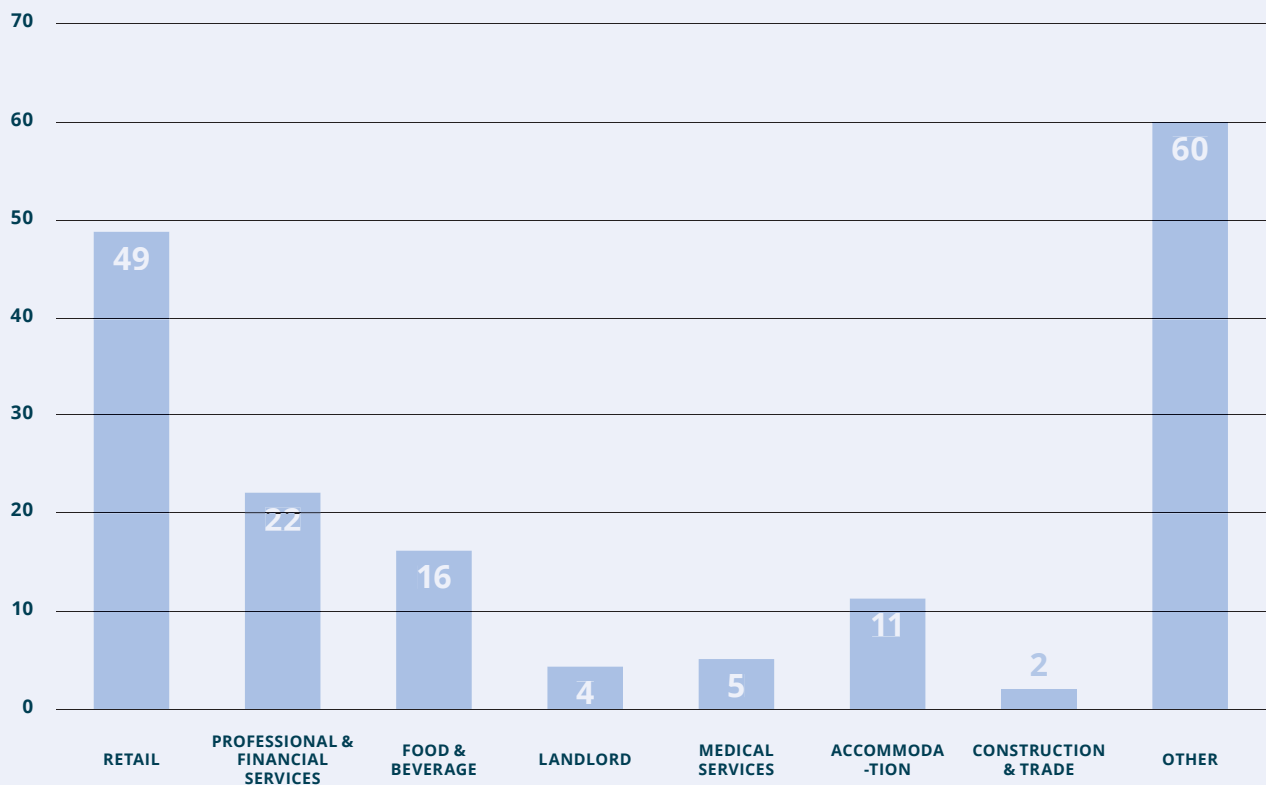
A 11-question survey was rolled out by the Vanuatu Chamber of Commerce and Industry (VCCI) and the Department of Labour (DoL). VCCI and DoL staff directly interviewed affected businesses, and VCCI also released the survey online. Of the 181 responses, 12 were judged to not be valid. There are a number of limitations to this survey:

- Information for many businesses is rapidly changing, and so some of the findings will quickly be out of date
- In hindsight, it would have been useful to break the CBD down into further groupings, to understand the impact of opening up certain areas, e.g. since the data was collected the road down to Asco has reopened, which should allow businesses located there to reopen
- While the survey has a good coverage of businesses, it is not comprehensive, and results should not be interpreted as representative of the full community
- A visual examination of the data identified a number of clear errors in data collection. These errors have been manually corrected, but it is highly likely that there remain some errors in how data was inputted
- The survey only looked at the most severely impacted businesses. It does not consider secondary impacts, e.g. lower general economic demand

# BUSINESS TYPE

The most common sector for businesses was retail (40 businesses, representing 29% of the sample) followed by professional services (22 businesses/13%), food and beverage (16/9%) and accommodation (11/7%). There were small numbers of responses from landlords, medical services, and construction businesses. For the remainder of the report these three categories are combined with other.

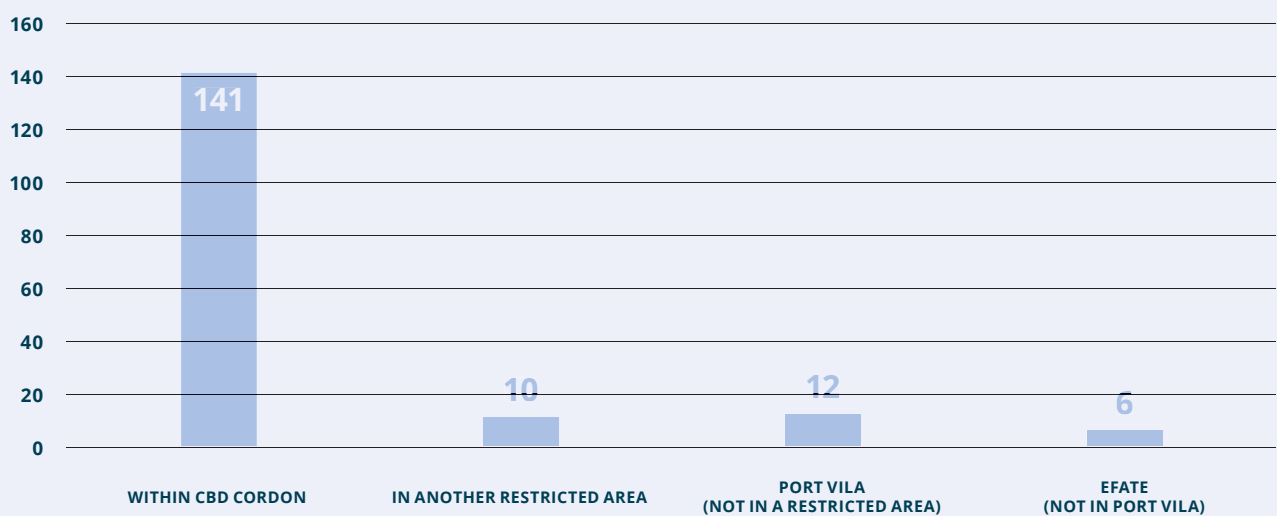
FIGURE 1: BUSINESS TYPE



# BUSINESS LOCATION

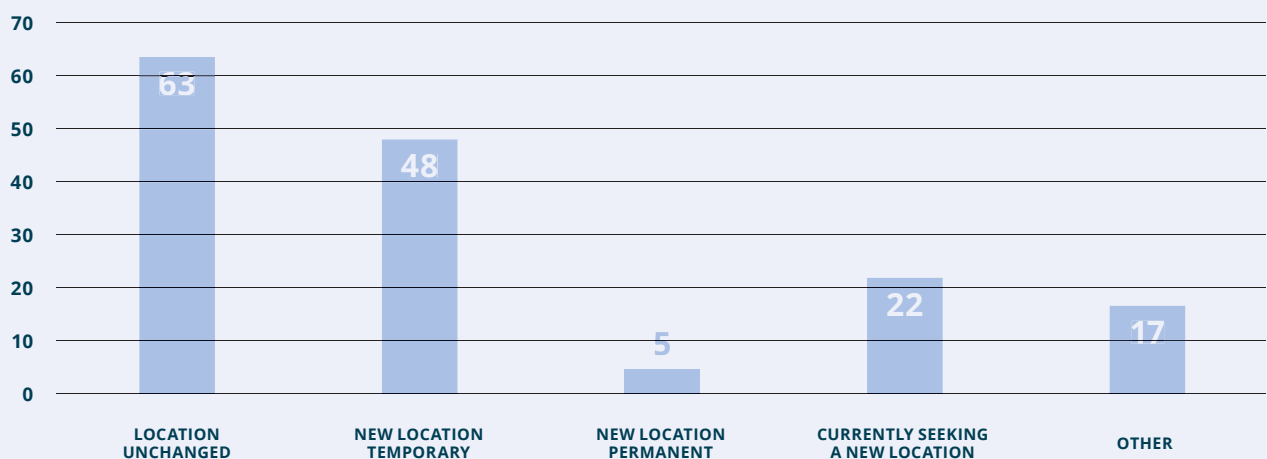
The majority of businesses (141/93%) were originally within the CBD cordon, with a further 10 (6%) in another restricted area, and 12 (8%) in Port Vila. The remainder were in the rest of Efate. There were two responses from other islands, but these were removed.

FIGURE 2: BUSINESS LOCATION BEFORE THE EARTHQUAKE



63 (41%) of businesses had not changed their location, with many of these simply remaining closed. 48 (34%) have found a new location, mostly temporarily, with a further 22 (14%) looking for a new location.

FIGURE 3: CURRENT BUSINESS LOCATION



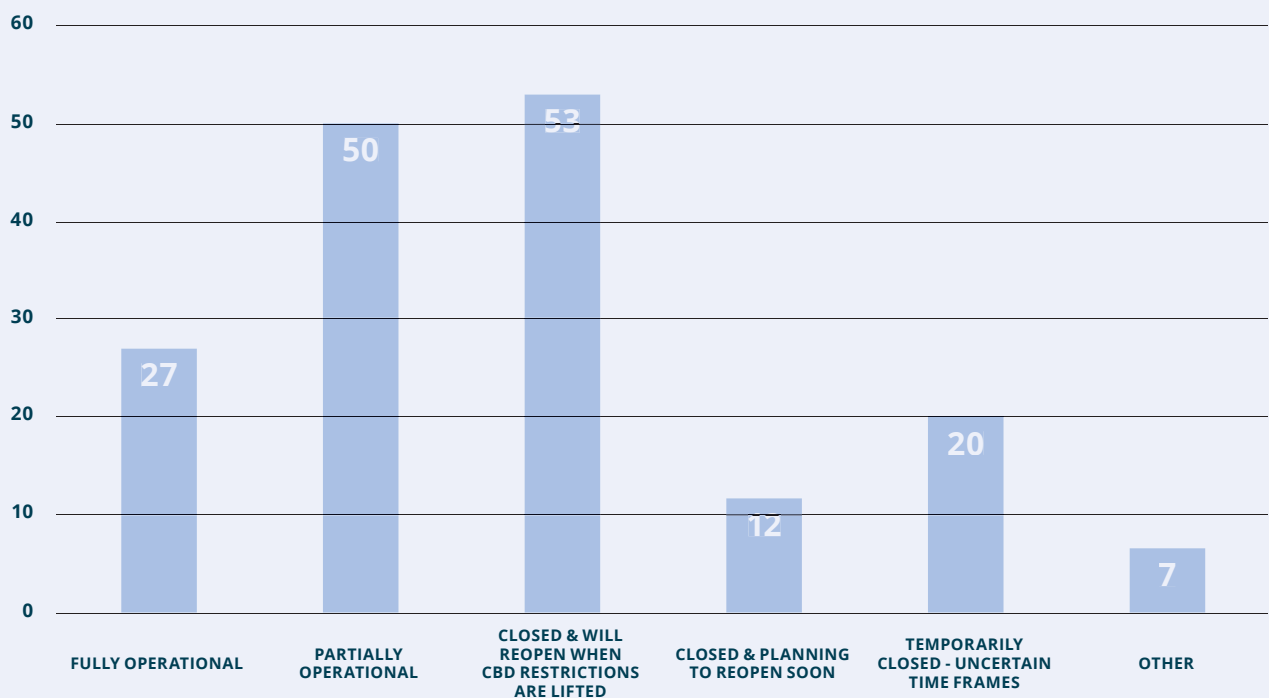
# BUSINESS STATUS

Just 27 surveyed businesses (16%) were fully operational, with a further 50 (31%) being partially operation. Just over half of businesses reported being closed, with 53 (31%) stating that they were waiting until the CBD would reopen.

20 (12%) of businesses reported being permanently closed in the survey. However, this was followed up on, and each of them reported that they were in fact temporarily closed, which is reflected in the below table.

These businesses had a high degree of uncertainty as to when and how they would reopen, with some also expressing long-term doubts as to whether the economy would be strong enough to sustain their businesses.

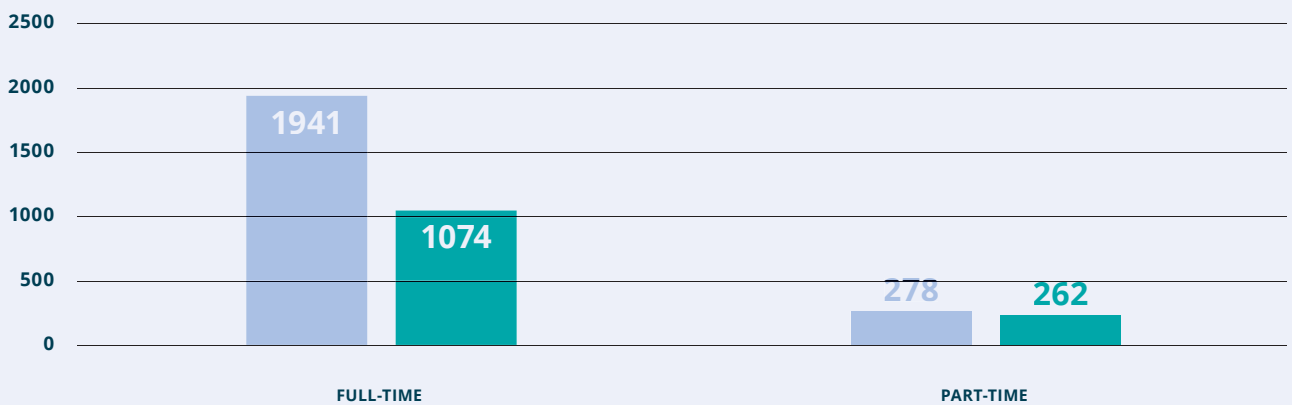
FIGURE 4: BUSINESS STATUS



# EMPLOYMENT

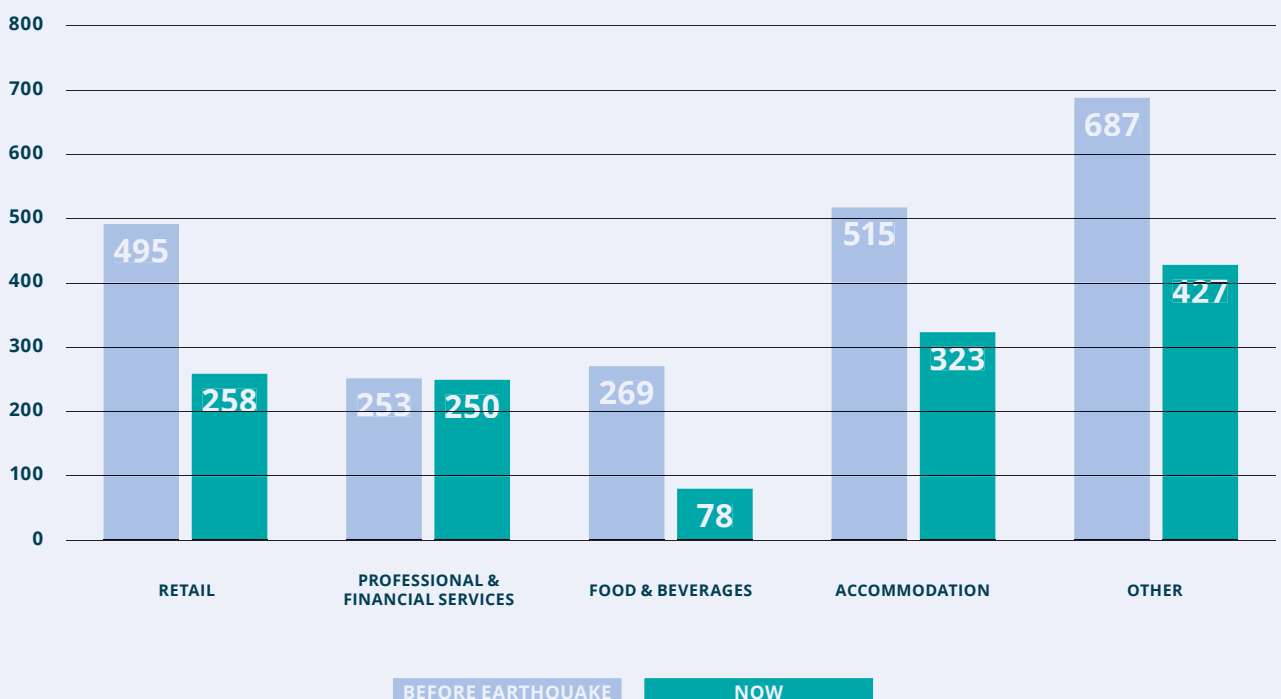
There has been a sharp fall in full-time employment (1,941 to 1,074), and a small fall in part-time employment (278 to 262). In total business reported 883 fewer jobs than before the earthquake.

**FIGURE 5: HOW MANY STAFF DID YOU HAVE BEFORE THE EARTHQUAKE AND NOW, FULL-TIME AND PART-TIME**

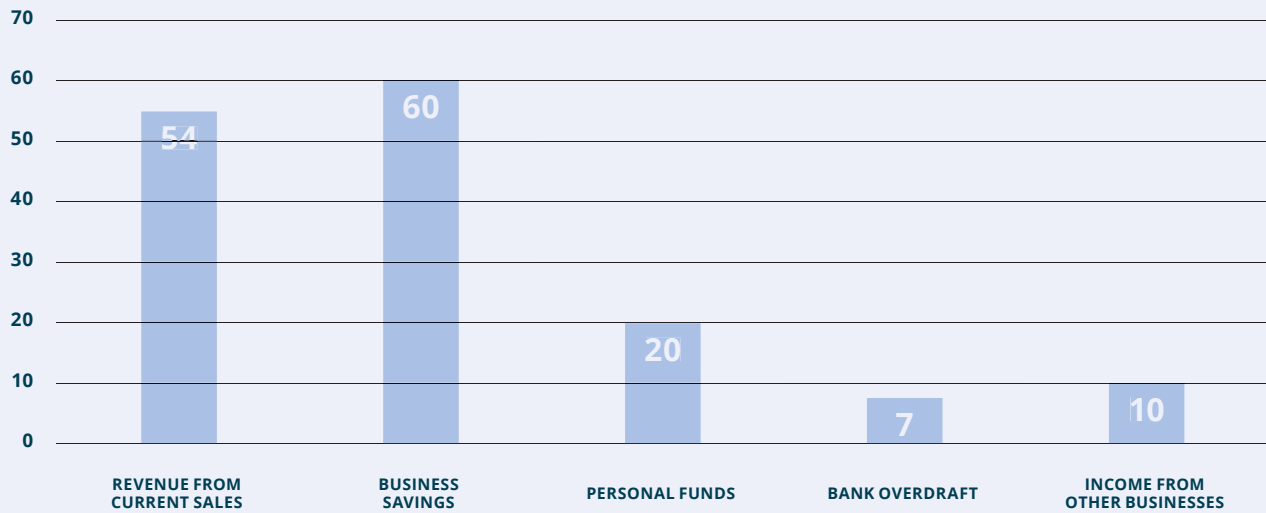


The most impacted sectors are food and beverage (71% of jobs lost), retail (48%) and accommodation (30%). Professional and financial services have seen basically no change.

**FIGURE 6: STAFF BEFORE THE EARTHQUAKE AND NOW, BROKEN DOWN BY SECTOR**

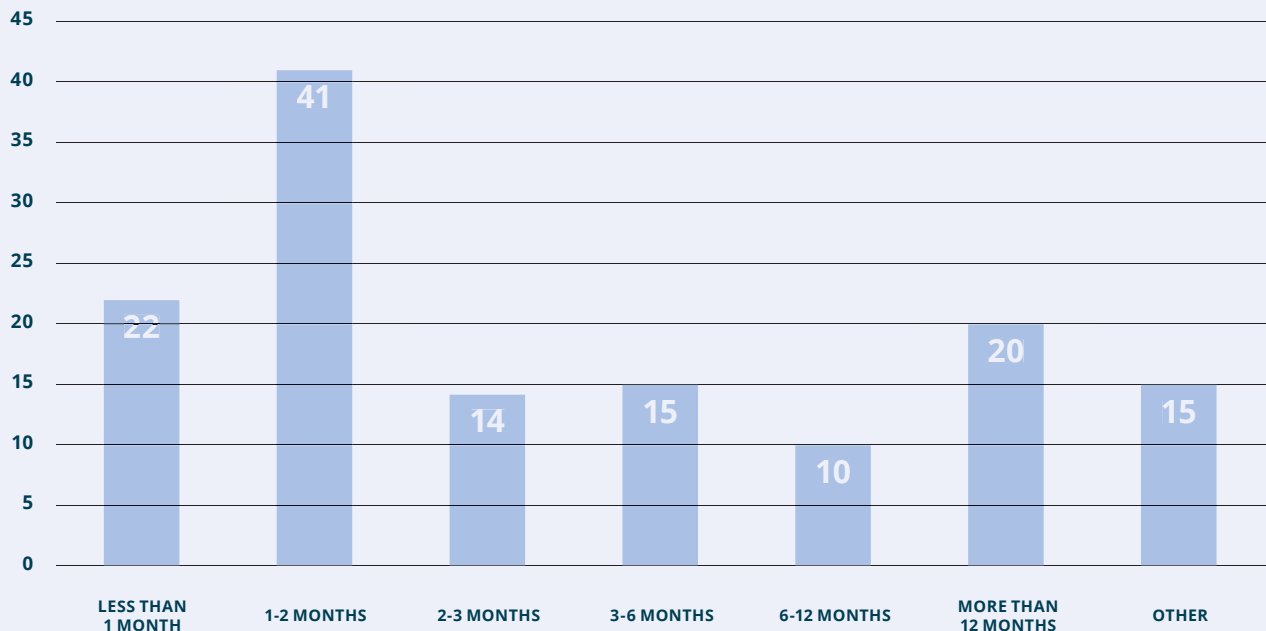


**FIGURE 7: HOW ARE YOU CURRENTLY FUNDING YOUR STAFF (SELECT ALL THAT APPLY)**



Of those businesses that still had staff 60 (47%) said that they were using business savings to fund their staff, with a further 20 (16%) using personal funds. 10 (8%) reported cross-subsidising from another business, and 7 (5%) reporting using a bank overdraft.

**FIGURE 8: HOW LONG CAN YOU MAINTAIN CURRENT STAFFING ARRANGEMENTS?**



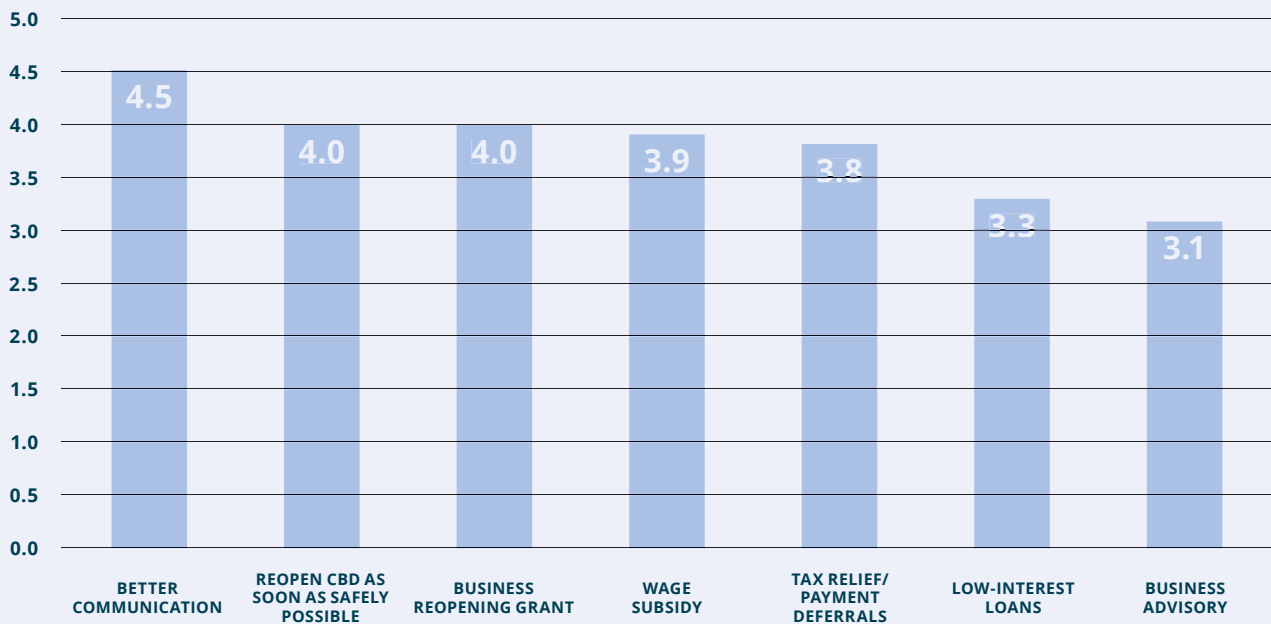
Of those businesses with staff, nearly half (63 business or 46%) said that they could only keep up their current situation for less than two months. These businesses employed 494 people between them.



# SUPPORT PACKAGES

Businesses were asked on a scale of 1-5 how useful seven different support measures would be. No further details were provided as to what these initiatives may look like.

**FIGURE 9: ON A SCALE OF 1-5, WHERE 5 IS EXTREMELY USEFUL, HOW USEFUL WOULD THE FOLLOWING MEASURES BE FOR YOUR BUSINESS. UNEWEIGHTED AVERAGE SCORE**



The most highly rated responses were improved communications and reopening the CBD as safely as possible. Amongst the stimulus packages reopening grants and wage subsidies were the most popular. There was very little variation amongst the sub-groups examined below.

	REOPEN CBD AS SOON AS SAFELY POSSIBLE	WAGE SUBSIDY	BUSINESS REOPENING GRANT	LOW-INTEREST LOANS	TAX RELIEF/PAYMENT DEFERRALS	BUSINESS ADVISORY	BETTER COMMUNICATION FROM GOVERNMENT
ALL	4.0	3.9	4.0	3.3	3.8	3.1	4.5
RETAIL	3.8	3.7	3.9	3.1	3.3	3.0	4.1
FOOD & BEVERAGE	3.9	4.0	4.2	3.7	3.9	3.4	4.6
ACCOMMODATION	3.8	4.0	3.9	3.3	4.3	3.4	4.2
OTHER	4.1	4.0	4.2	3.4	4.0	3.2	4.7
BUSINESS WHOSE STAFF NUMBERS HAVE FALLEN 25%+	3.9	3.9	4.1	3.4	3.7	3.1	4.5



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