

An aerial photograph of a tropical island with turquoise water and a boat. The sky is blue with scattered white clouds. The water transitions from deep blue to light turquoise near the shore. A small boat is visible in the lower right, leaving a white wake. The island is lush with green vegetation.

**Cook Islands**

# **BUSINESS CONFIDENCE INDEX SURVEY REPORT 2023**

**Prepared for Cook Islands Tourism Corporation**



**NEW ZEALAND  
FOREIGN AFFAIRS & TRADE**  
MANATŪ AORERE

**AUT**



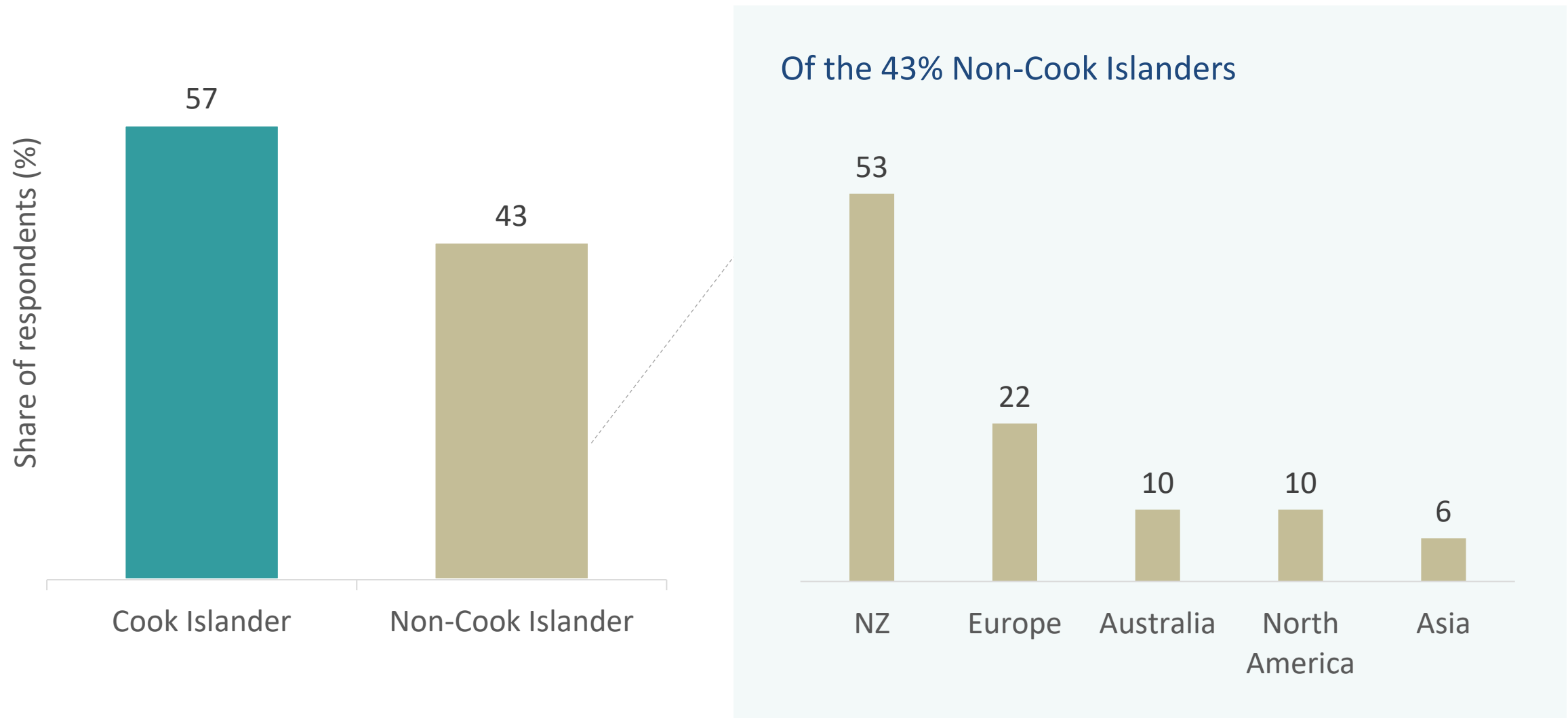
**COOK ISLANDS BCI 2023**

# **BUSINESS PROFILE**

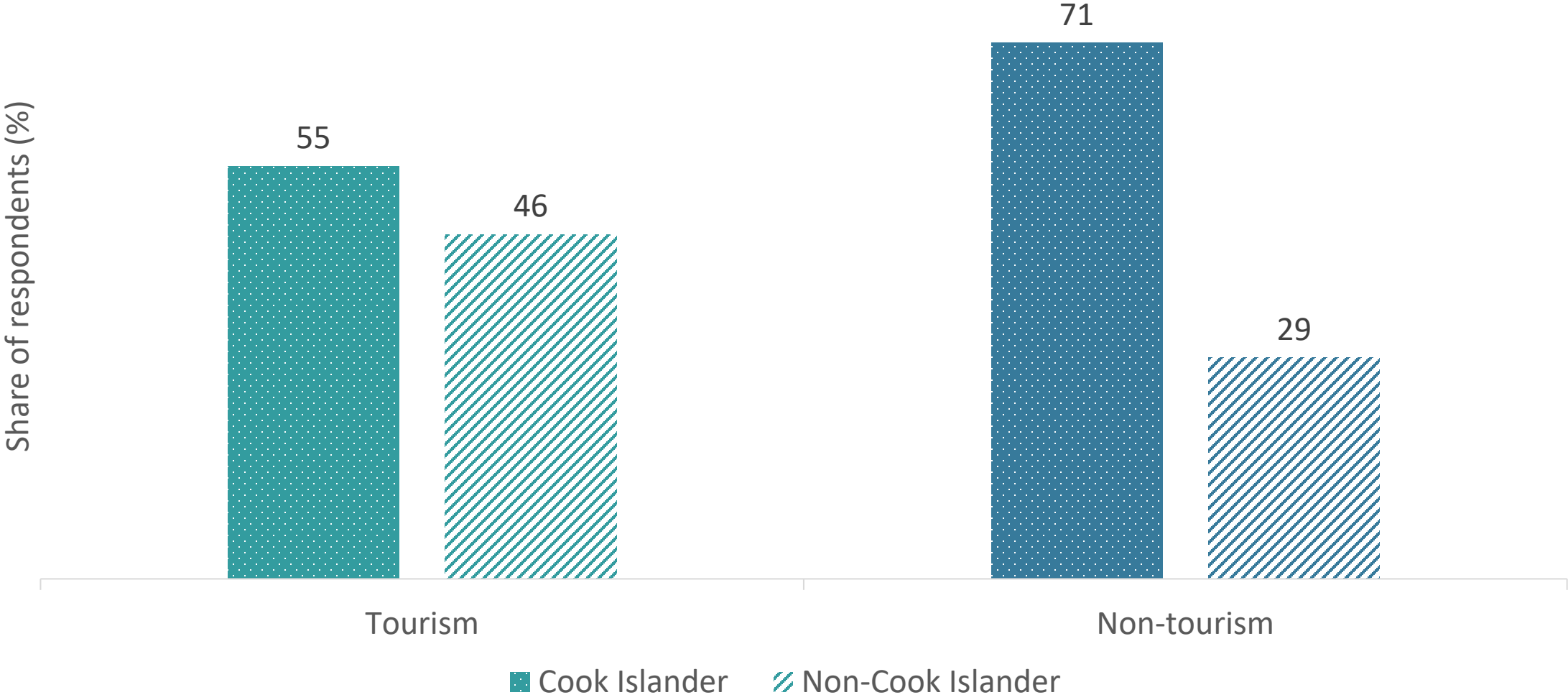
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**Total BCI respondents N = 136, data collected from 28<sup>th</sup> Nov to 26<sup>th</sup> Dec 2023**

# Respondents of Cook Islander and Non-Cook Islander origin

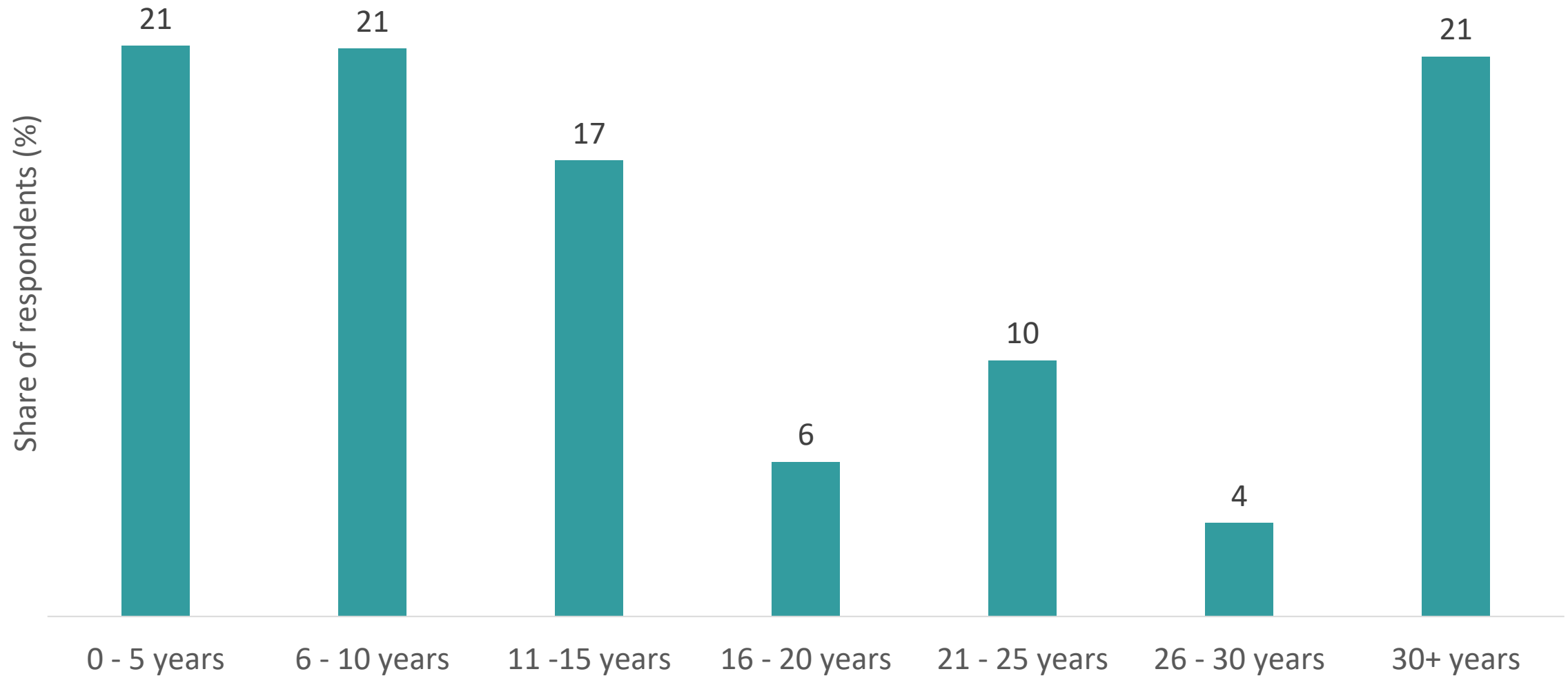


# Cook Islander/Non-Cook Islander respondents across Tourism and Non-tourism sectors

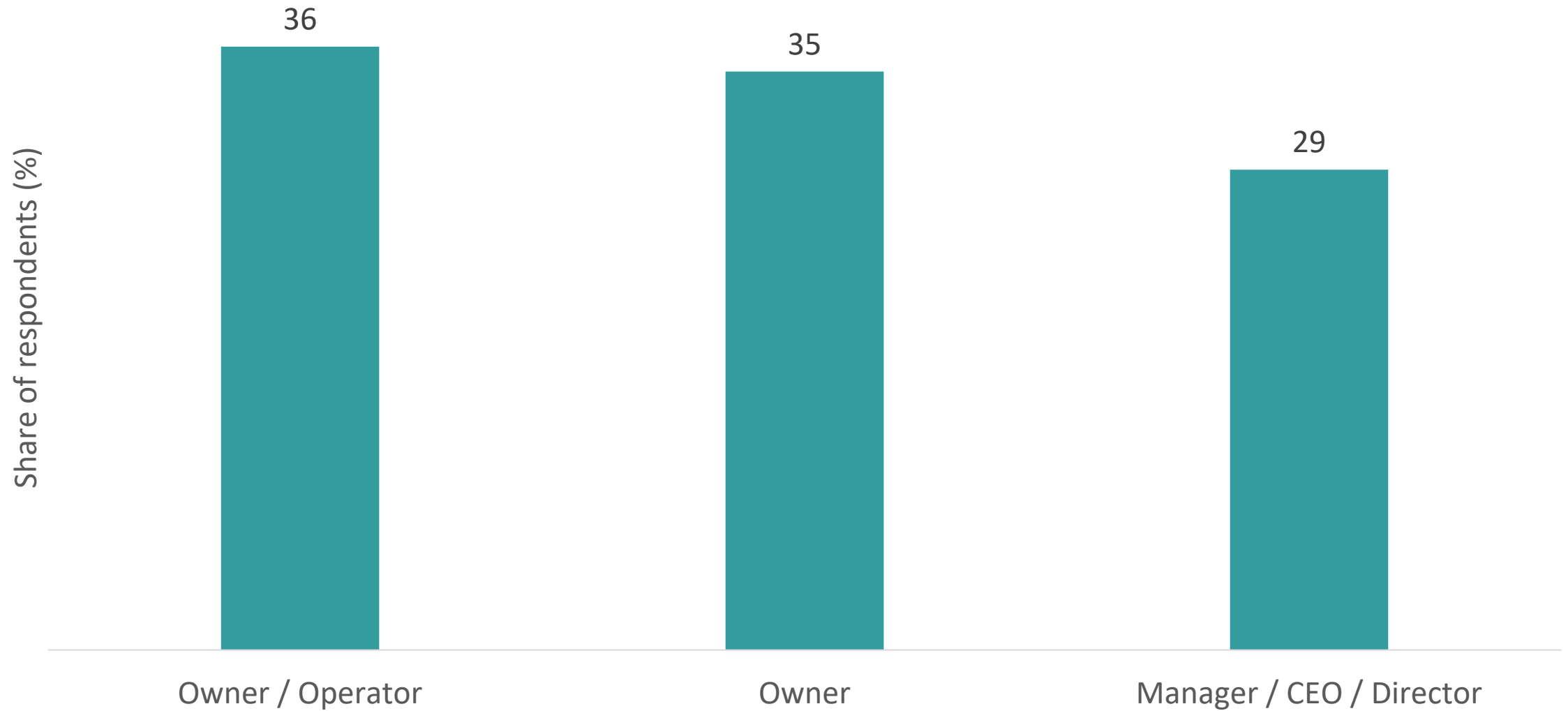


*Note: Due to rounding, total does not sum to 100%*

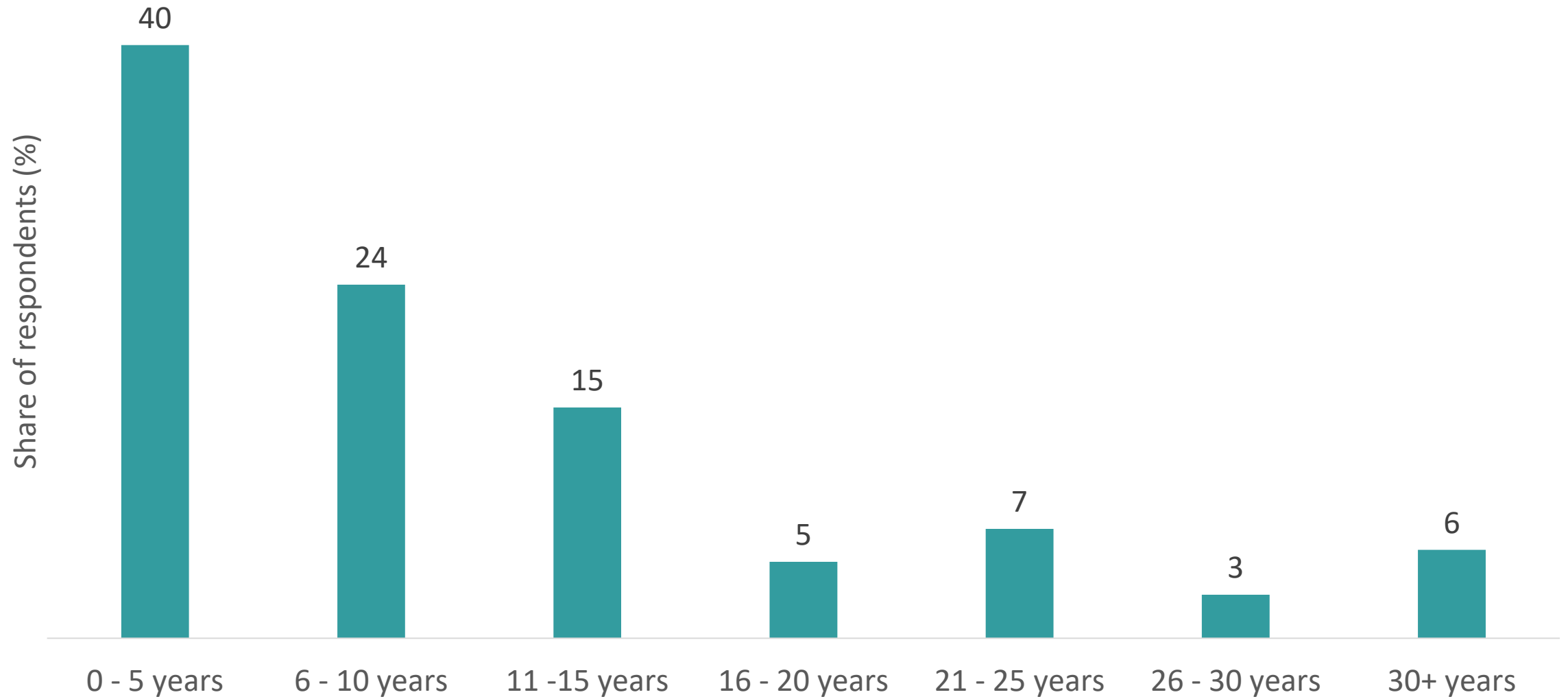
# Business operating years



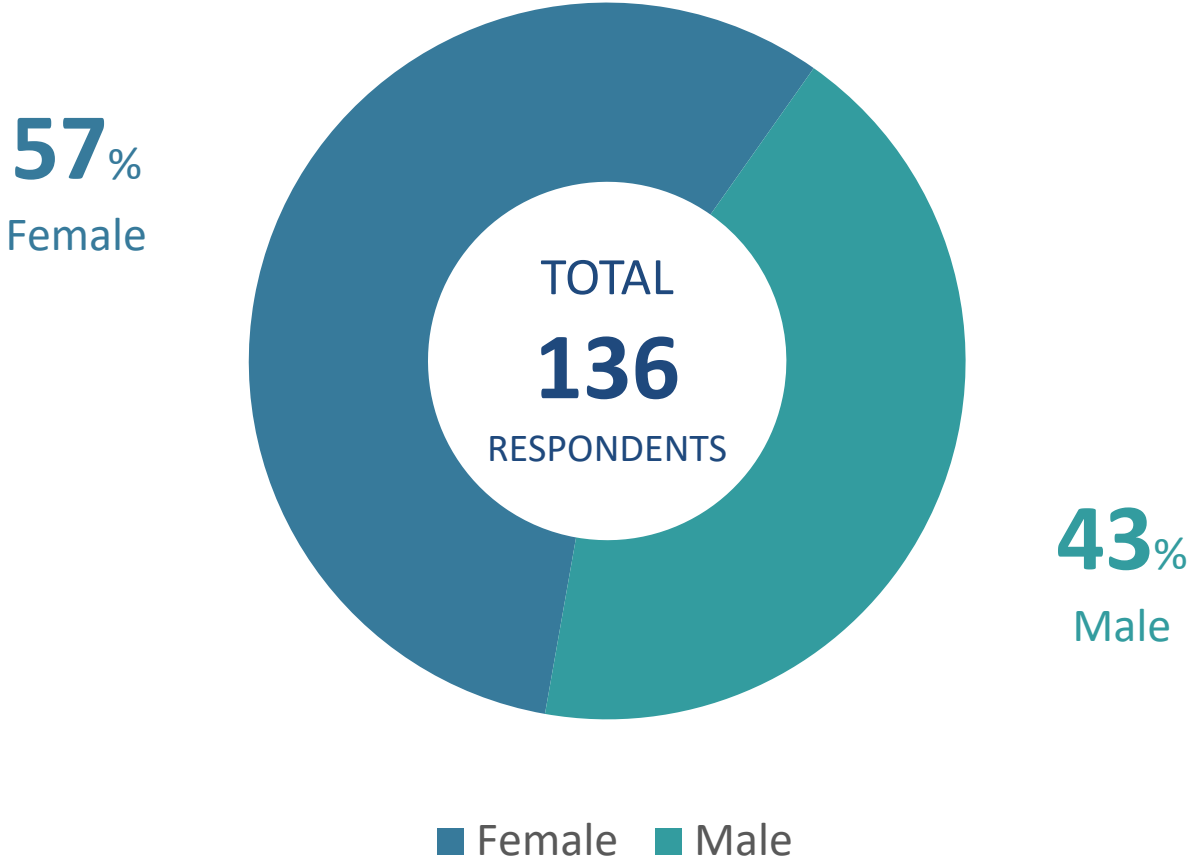
## Respondents' roles in the business



## Duration in the current role

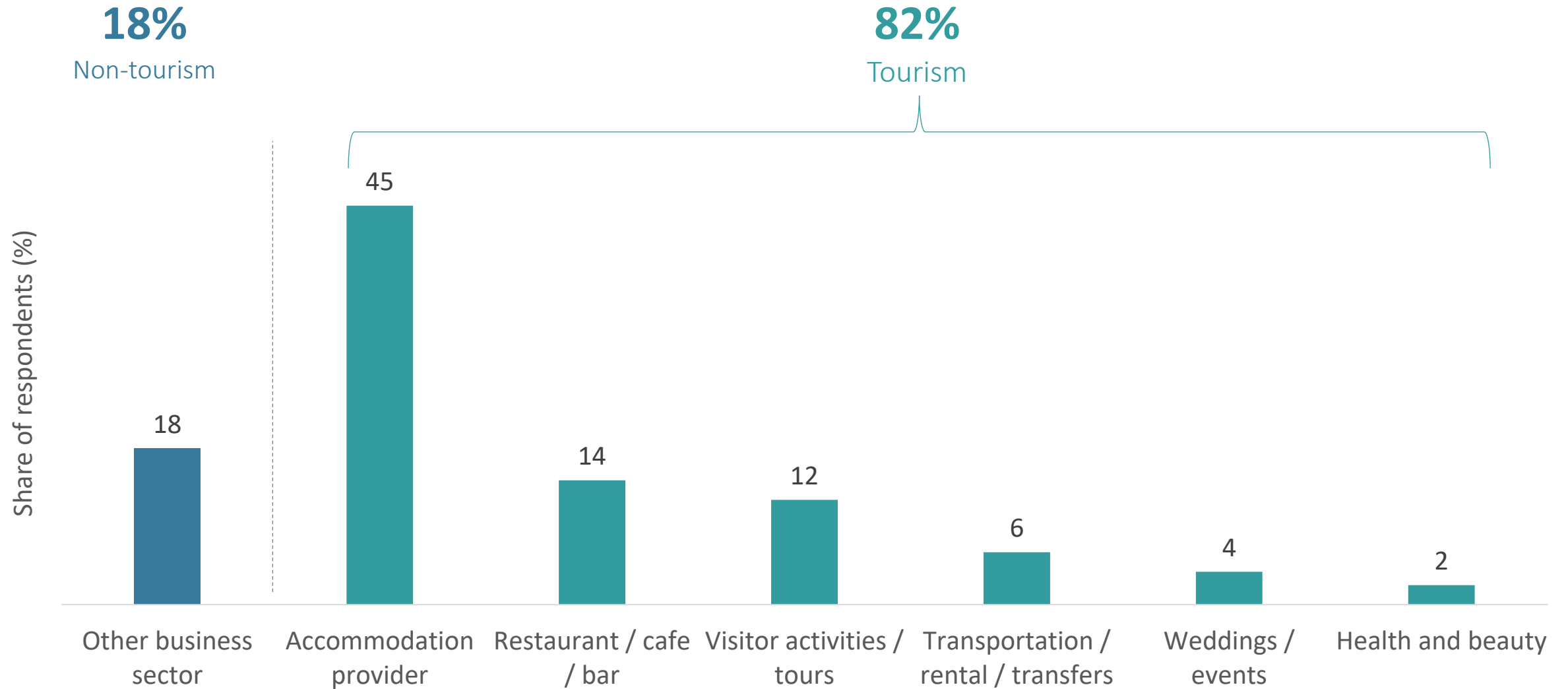


# Gender profile of respondents



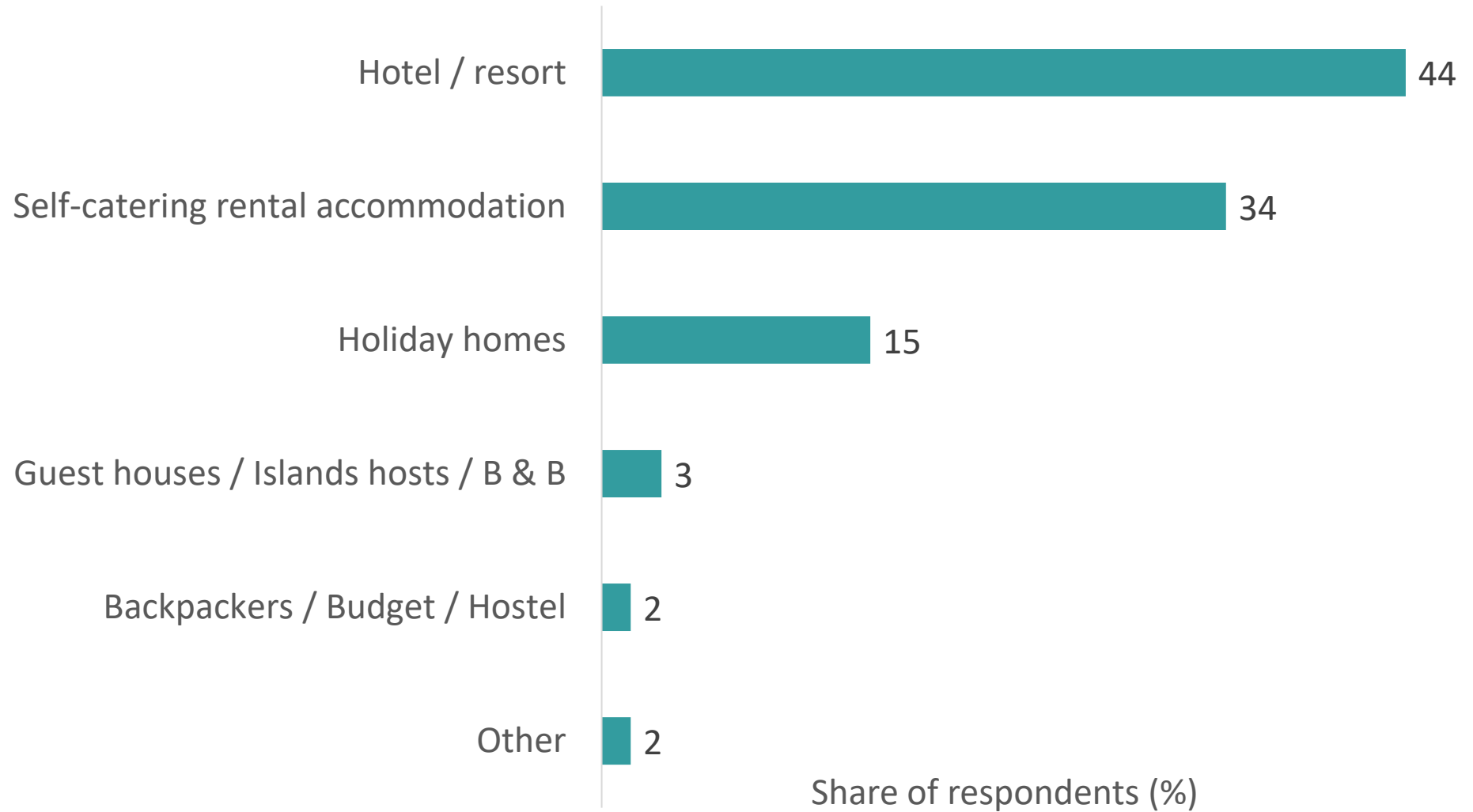


# Business sectors based on primary business focus

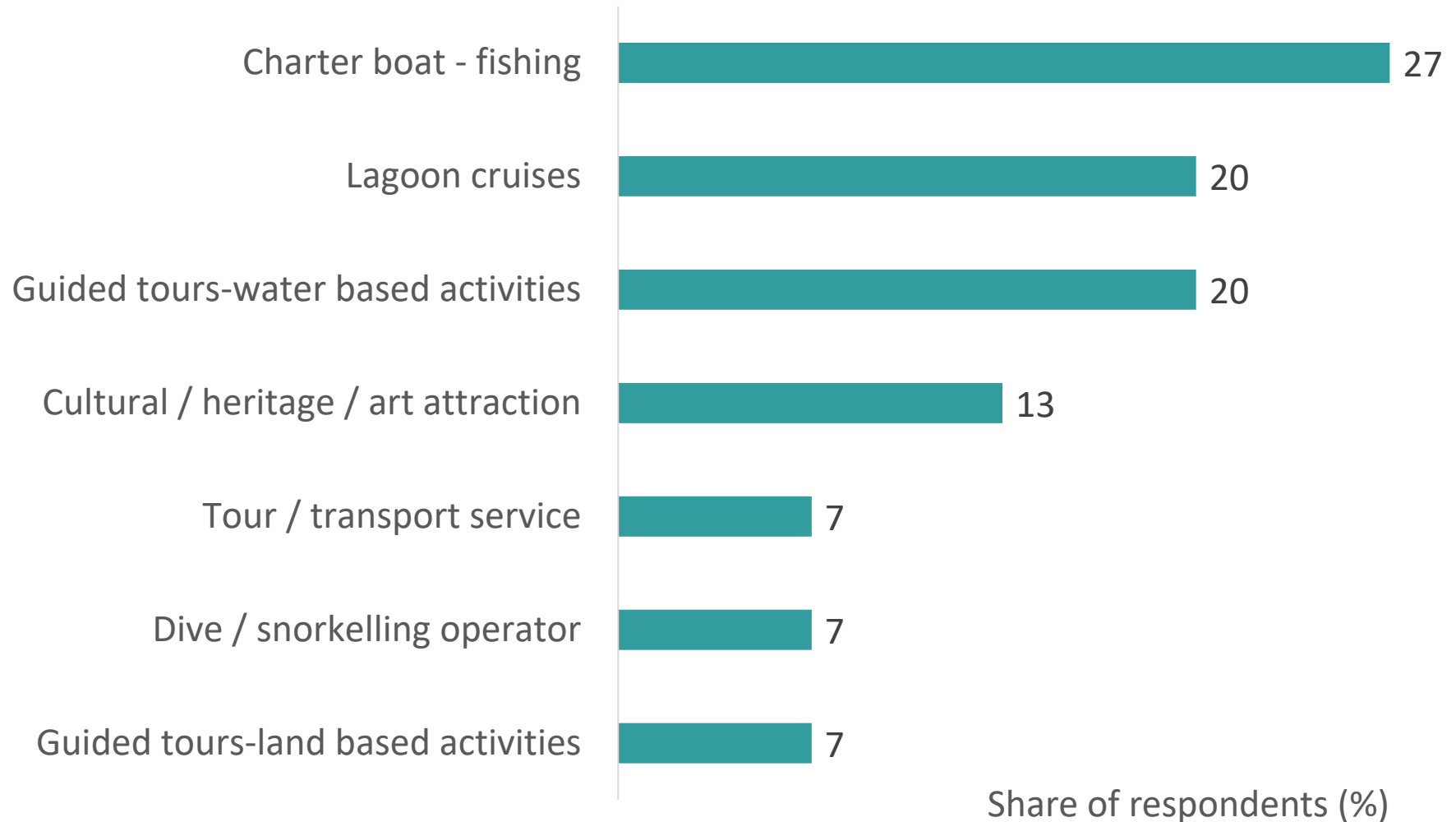


Note: Due to rounding, total does not sum to 100%

## Breakdown of accommodation providers:

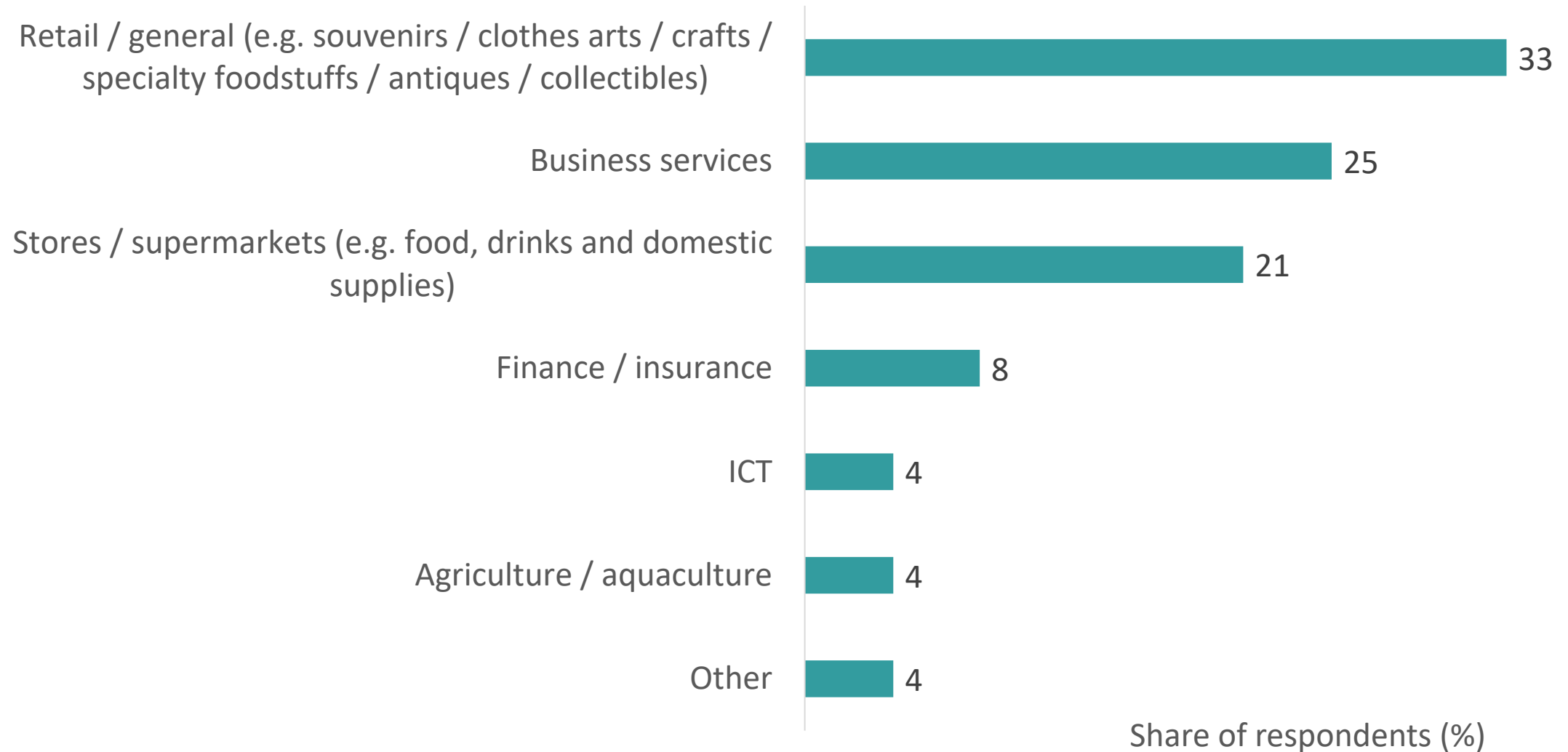


## Breakdown of visitor activities:



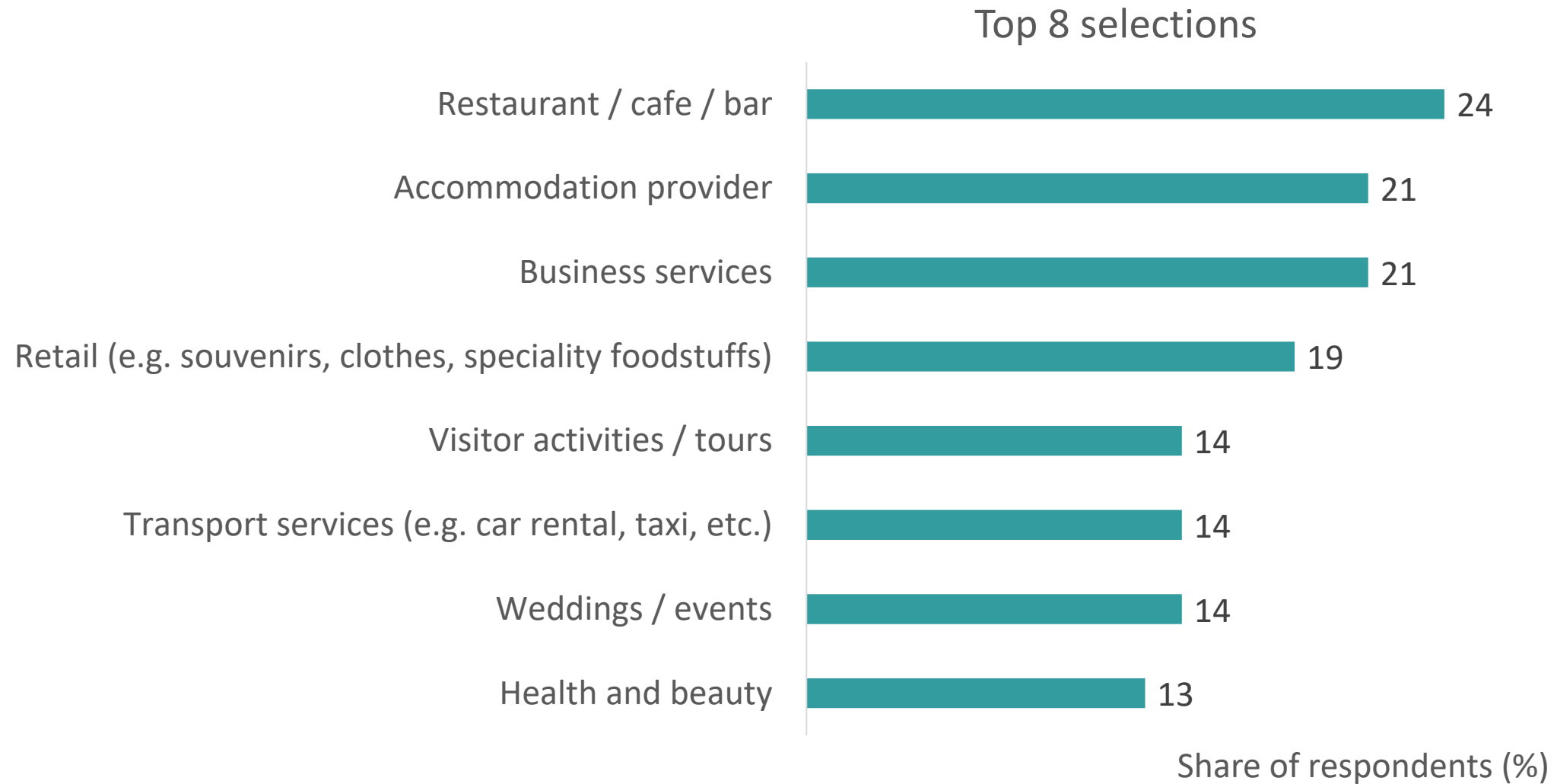
*Note: Due to rounding, total does not sum to 100%*

## Breakdown of other business sectors:



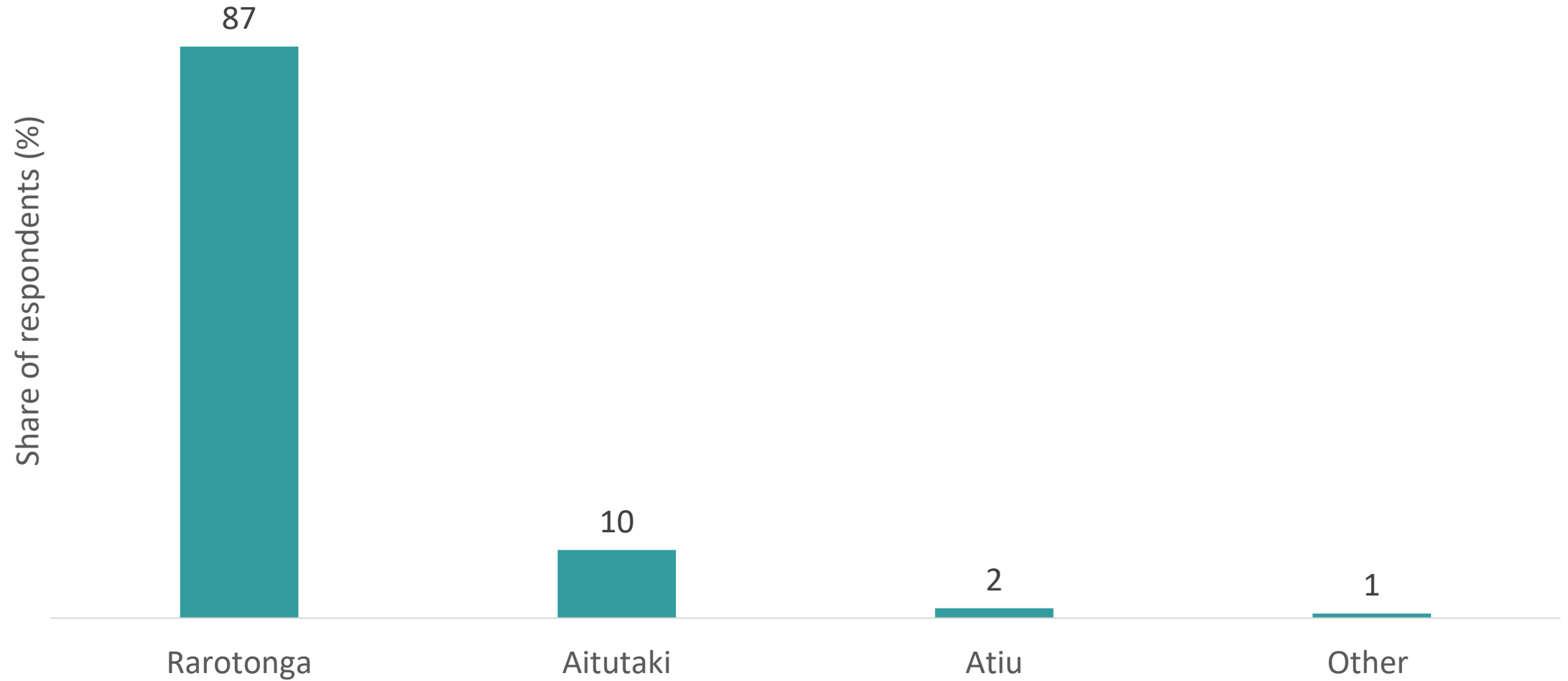
*Note: Due to rounding, total does not sum to 100%*

# Secondary focus of businesses (additional to primary focus)



*Note: Multiple responses, therefore total does not add up to 100%.*

## Business location (Primary business)



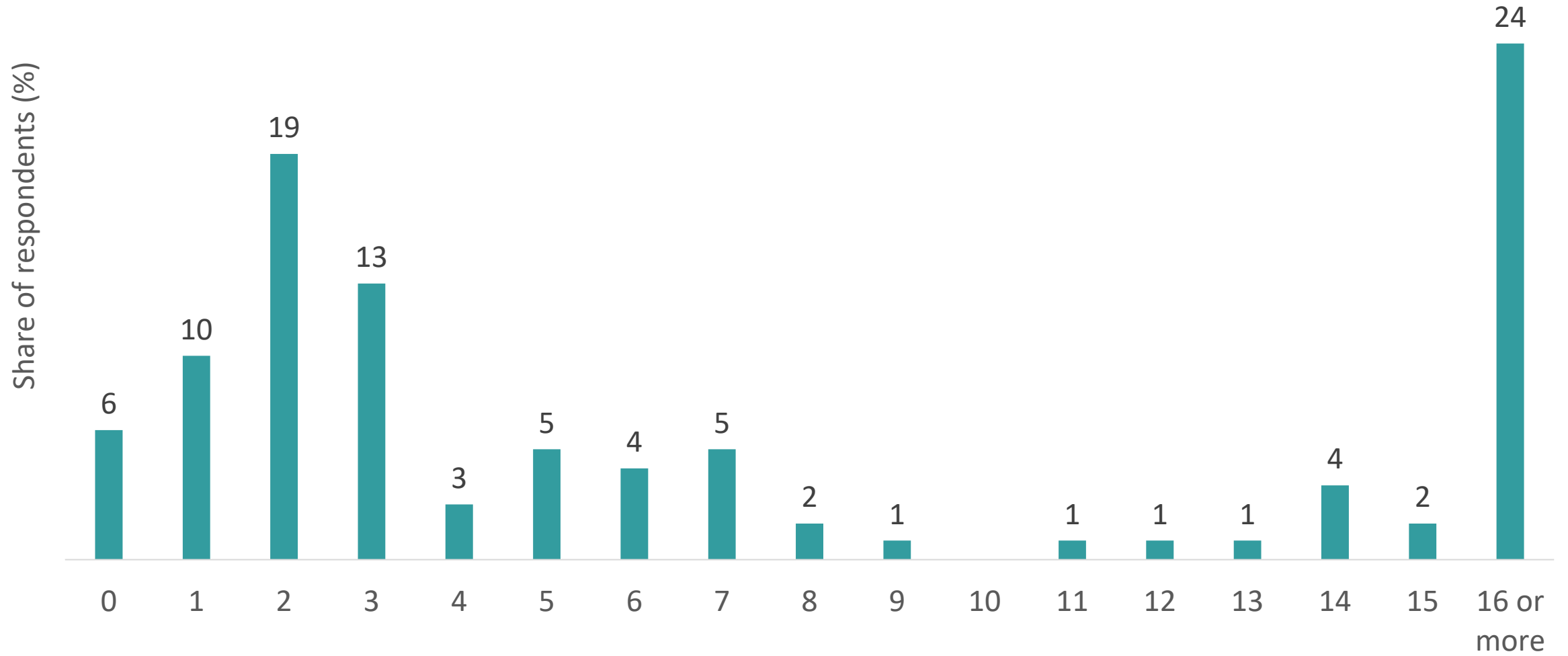


**COOK ISLANDS BCI 2023**

**STAFFING**



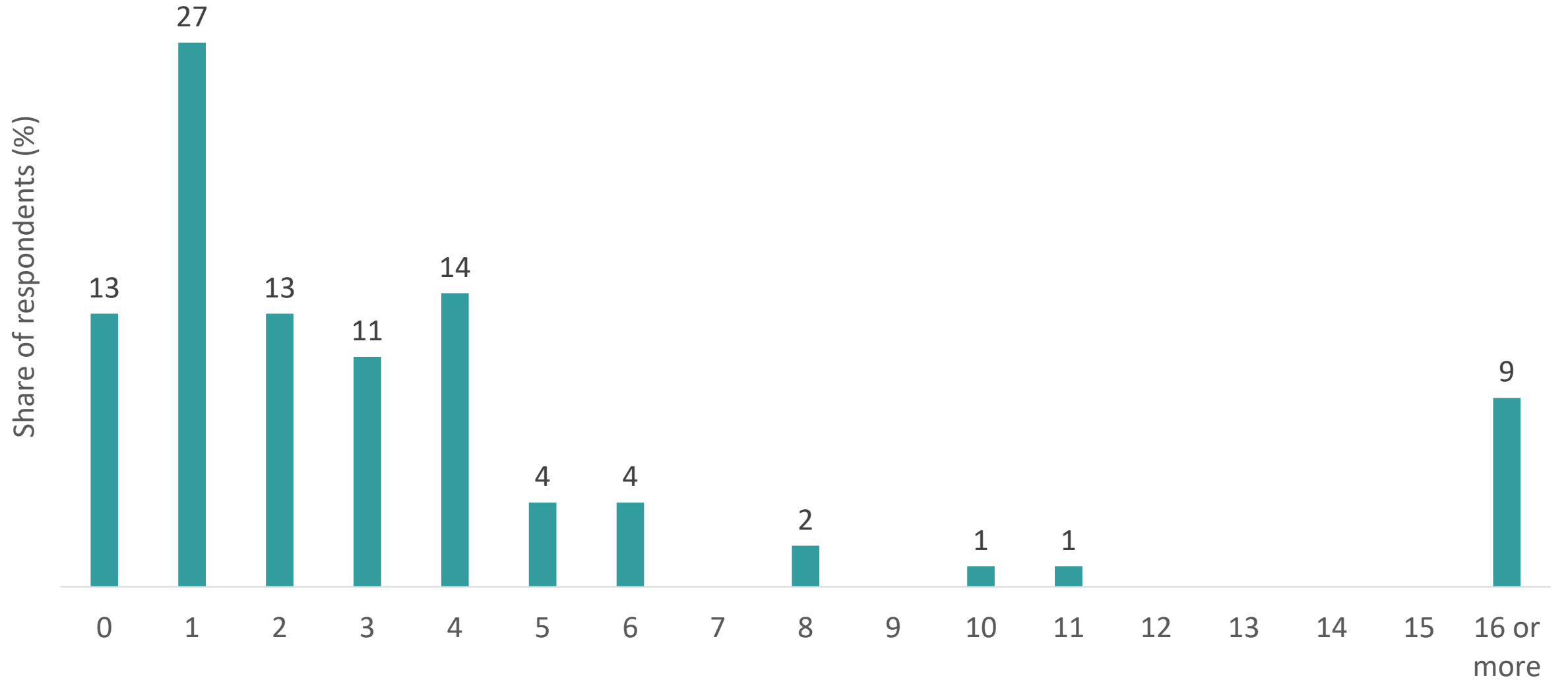
# Number of full-time employees



*Note: Due to rounding, total does not sum to 100%*

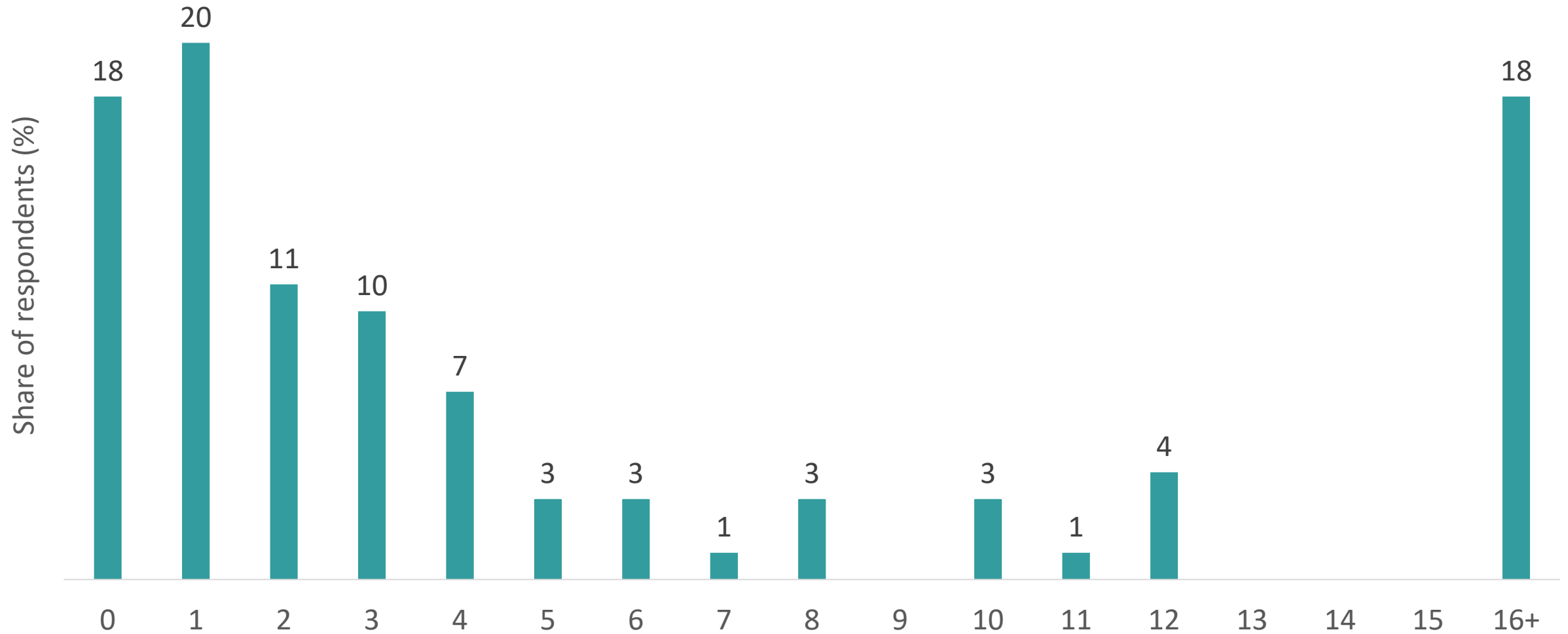


# Number of part-time employees



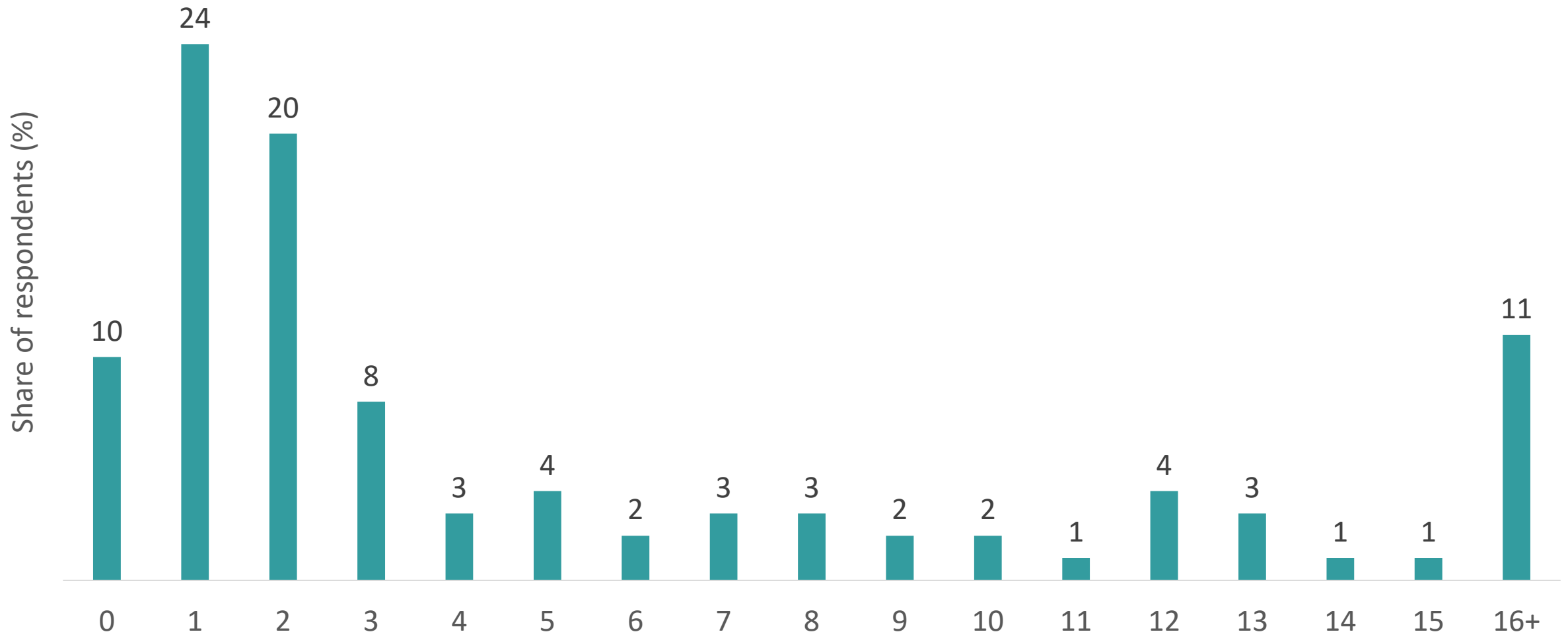
*Note: Due to rounding, total does not sum to 100%*

# Number of Cook Islands Māori staff



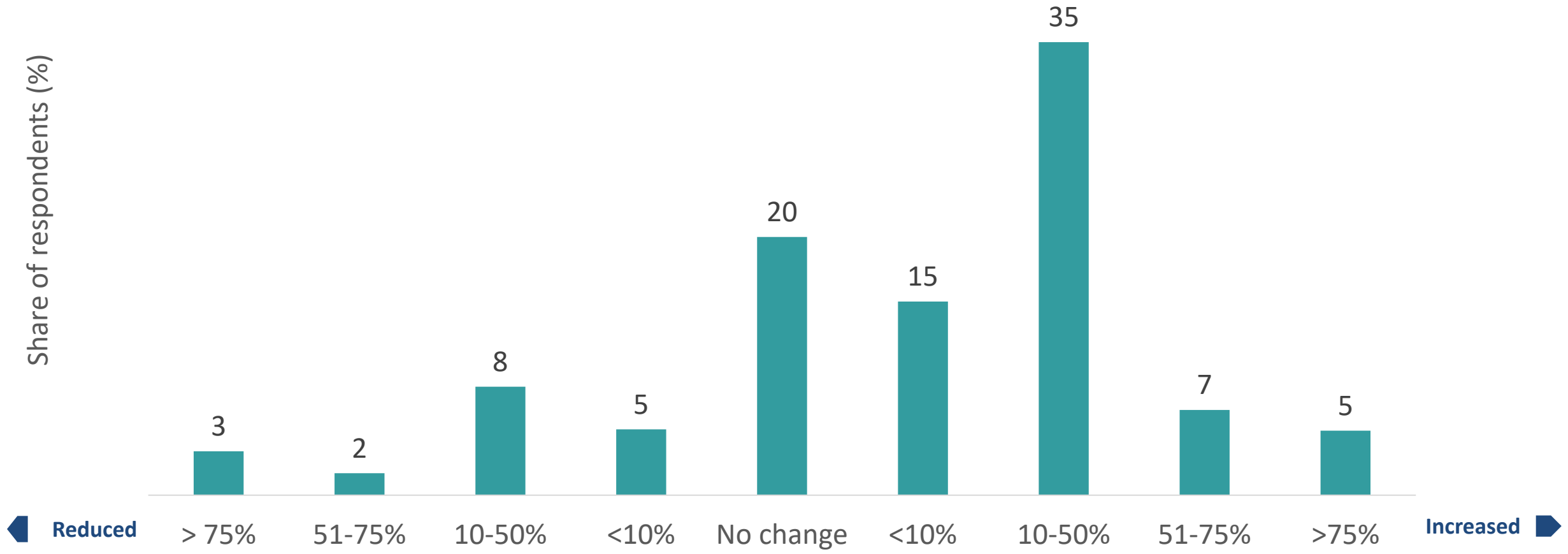
*Note: Due to rounding, total does not sum to 100%*

# Number of female employees

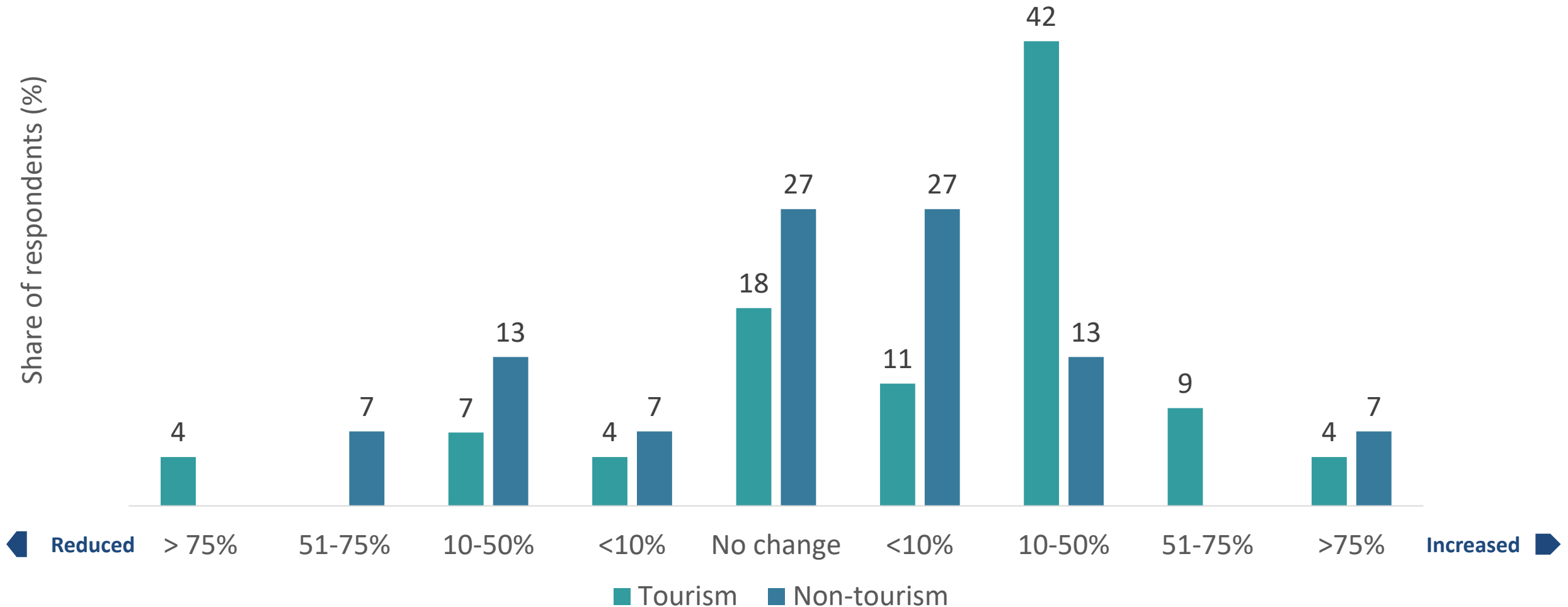


*Note: Due to rounding, total does not sum to 100%*

# Changes in total staff in Nov/Dec 2023 compared to Nov/Dec 2022



# Changes in total staff in Nov/Dec 2023 compared to Nov/Dec 2022 (across Tourism and Non-tourism sectors)



Note: Due to rounding, total does not sum to 100%

# Staff training needs for business



Note: Multiple responses, therefore total does not add up to 100%.

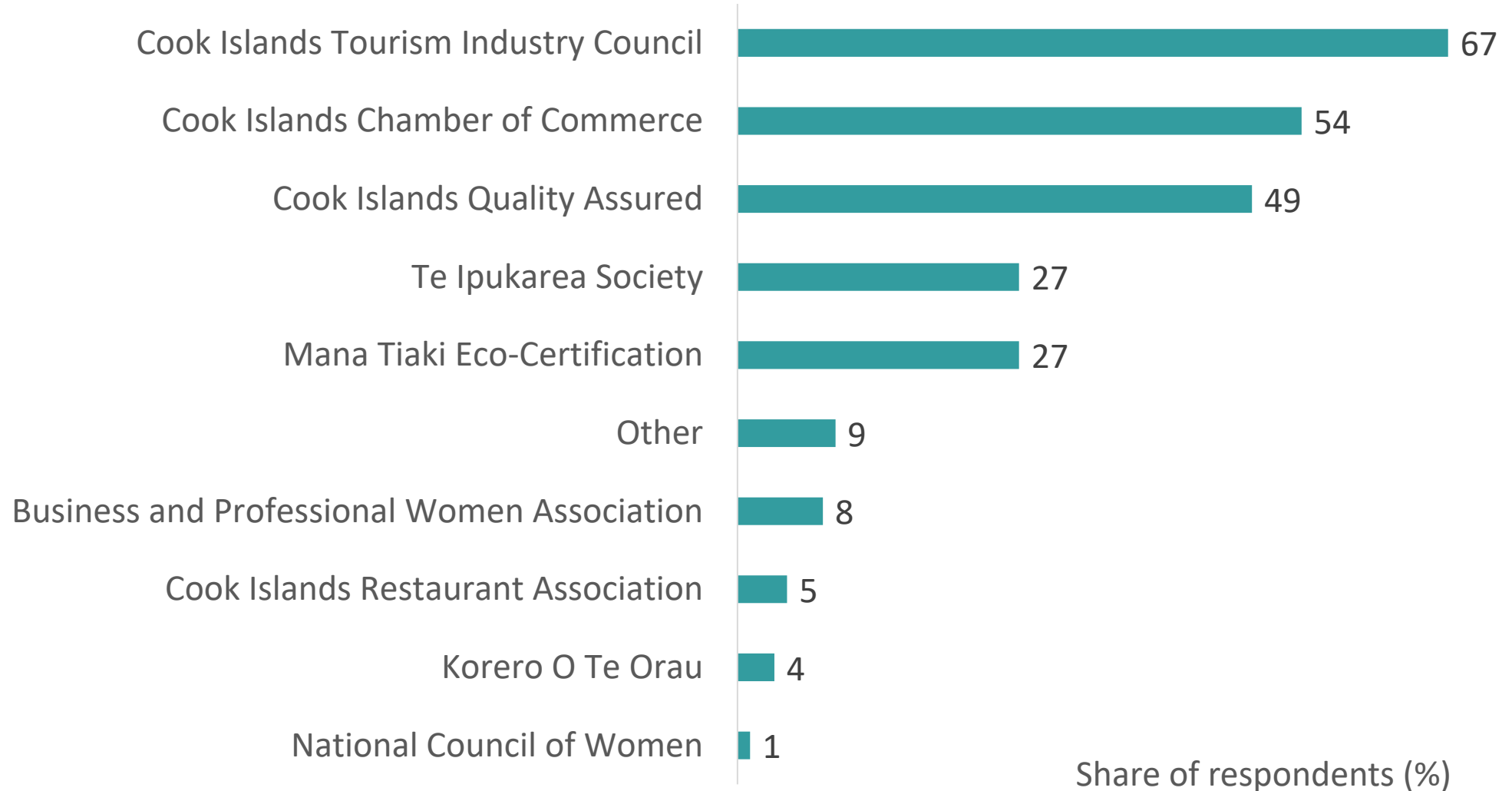


**COOK ISLANDS BCI 2023**

**MEMBERSHIP &  
GOVERNMENT  
PROGRAMMES**



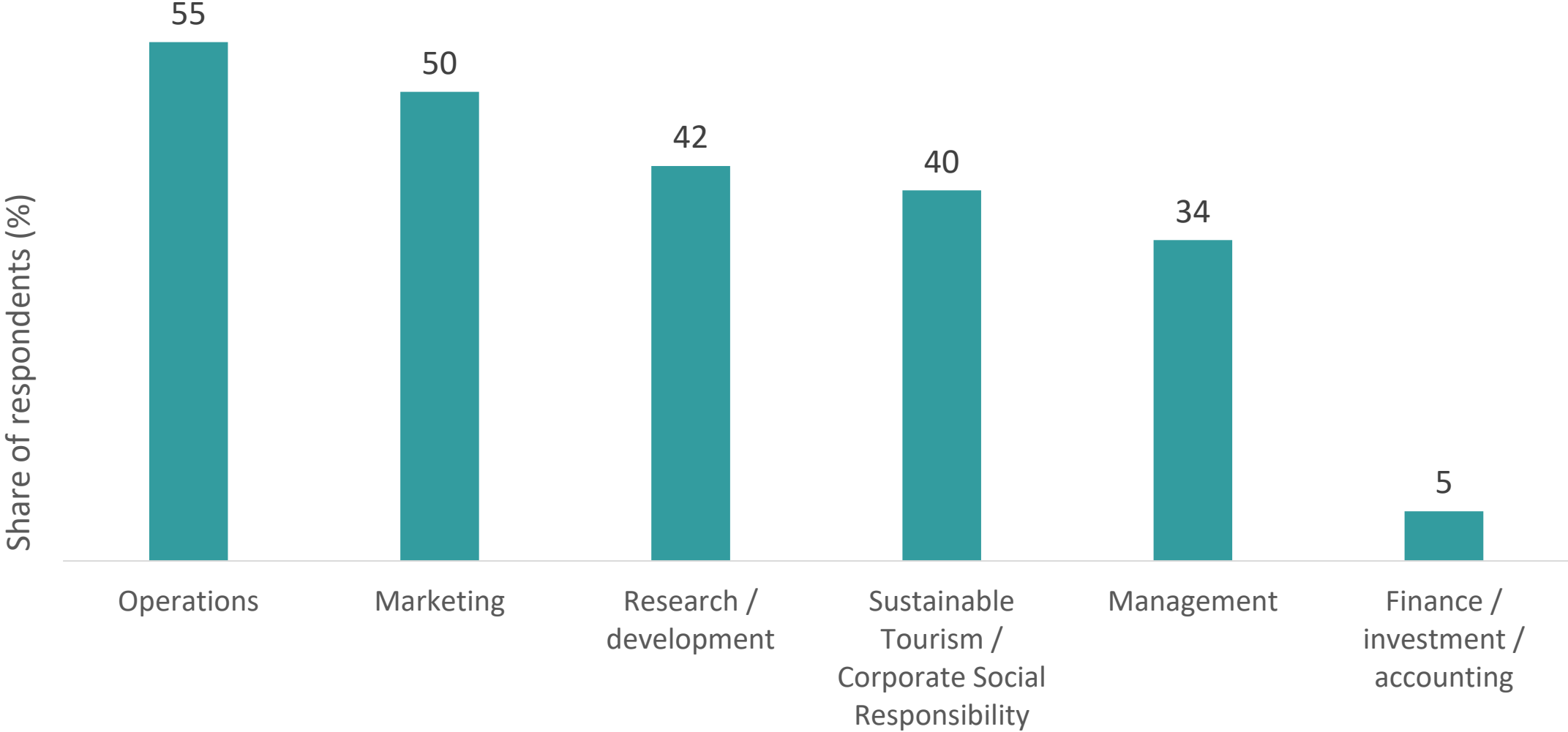
# Business membership and affiliations



*Note: Multiple responses, therefore total does not add up to 100%.*

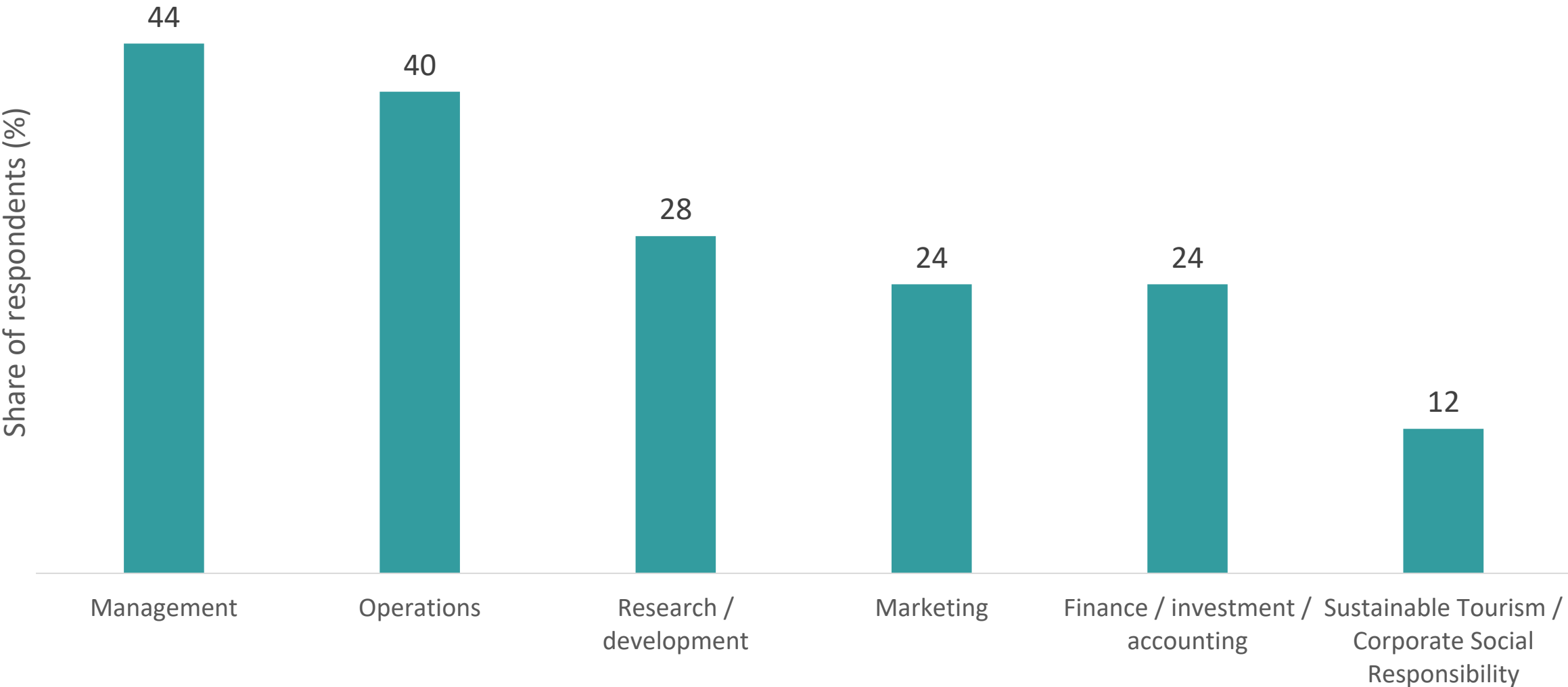


# Enhanced business areas through Cook Islands Tourism Industry Council



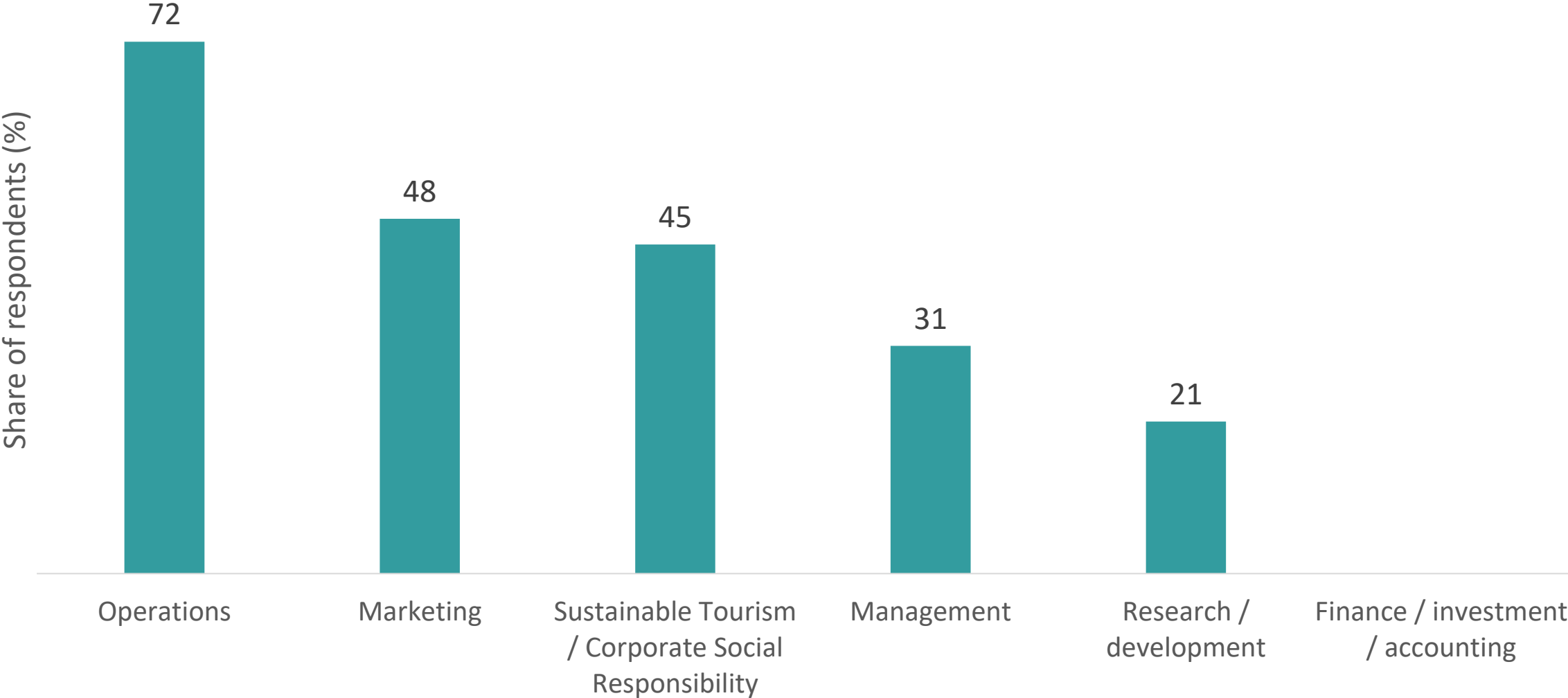
*Note: Multiple responses, therefore total does not add up to 100%.*

# Enhanced business areas through Cook Islands Chamber of Commerce



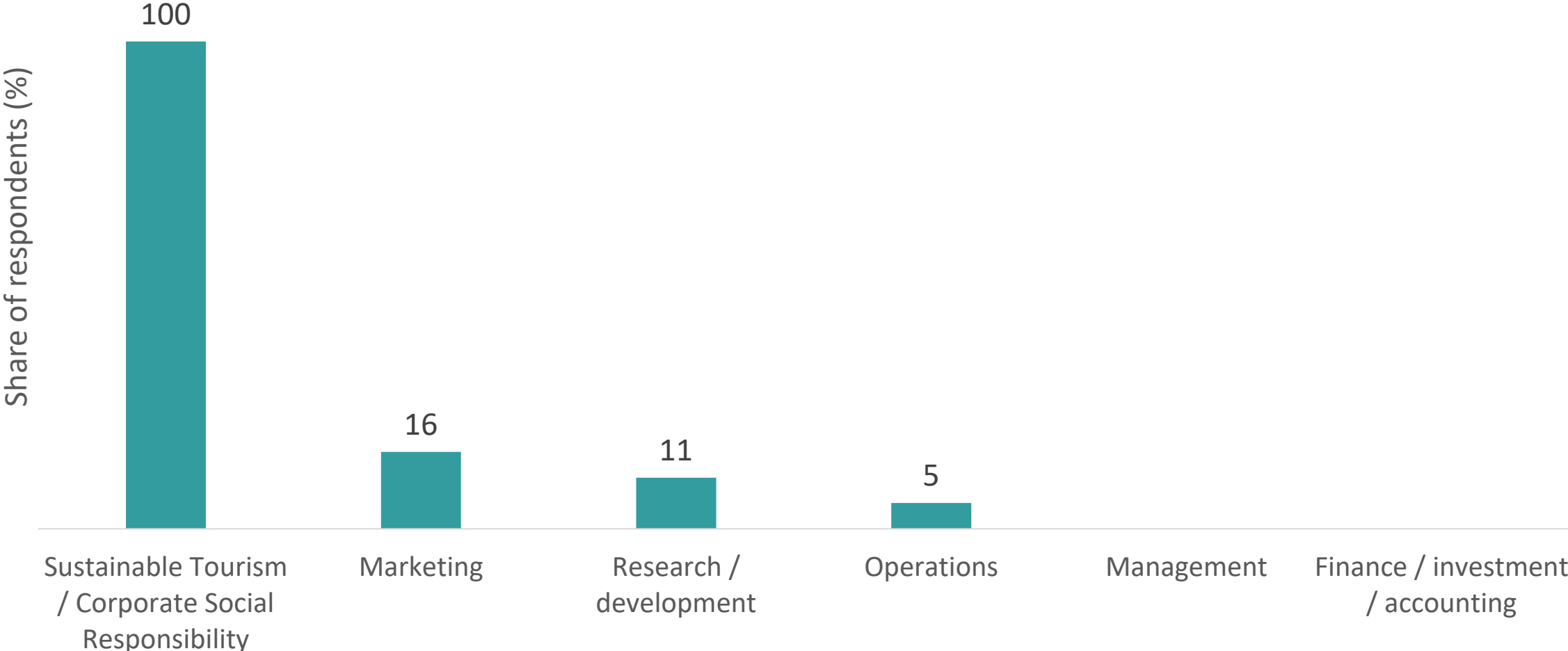
*Note: Multiple responses, therefore total does not add up to 100%.*

# Enhanced business areas through Cook Islands Quality Assured



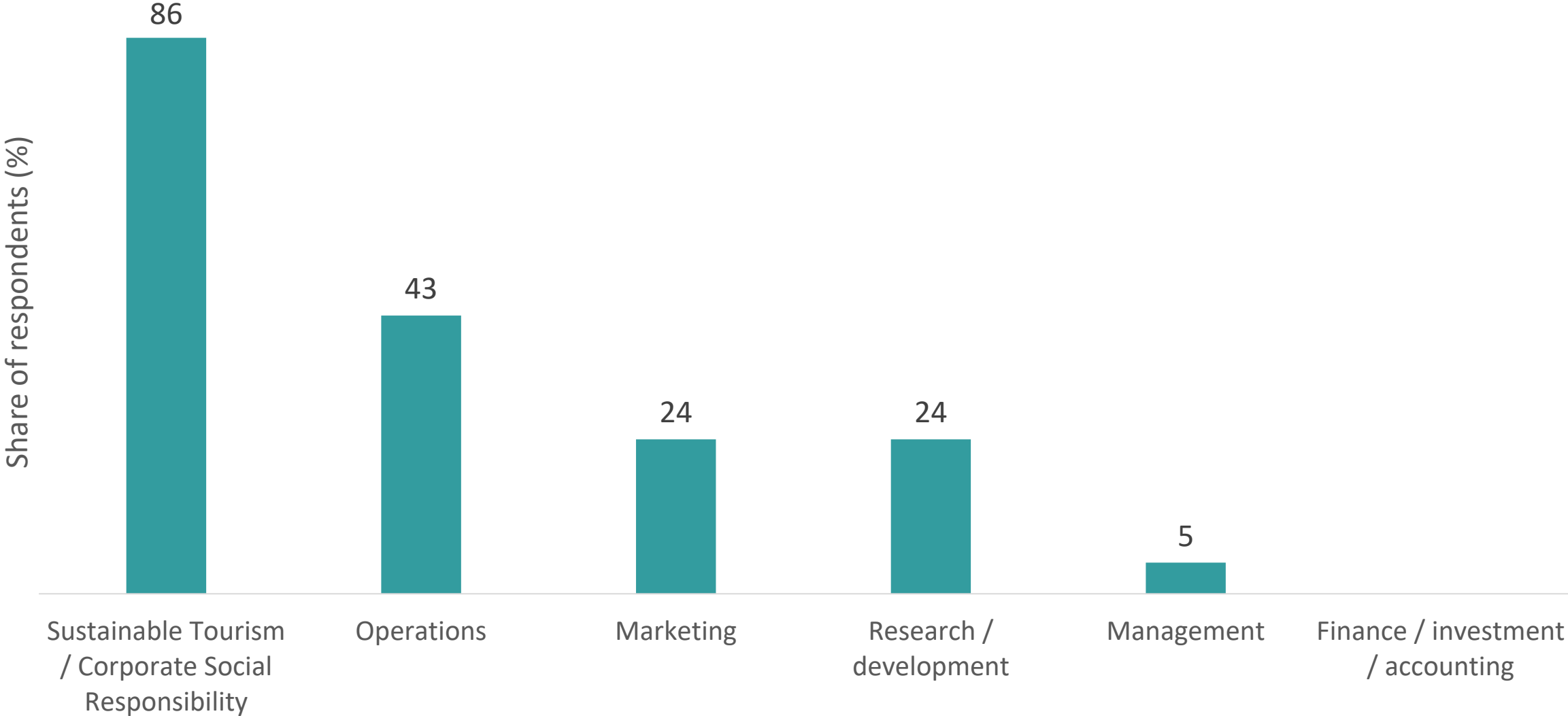
*Note: Multiple responses, therefore total does not add up to 100%.*

# Enhanced business areas through Te Ipukarea Society



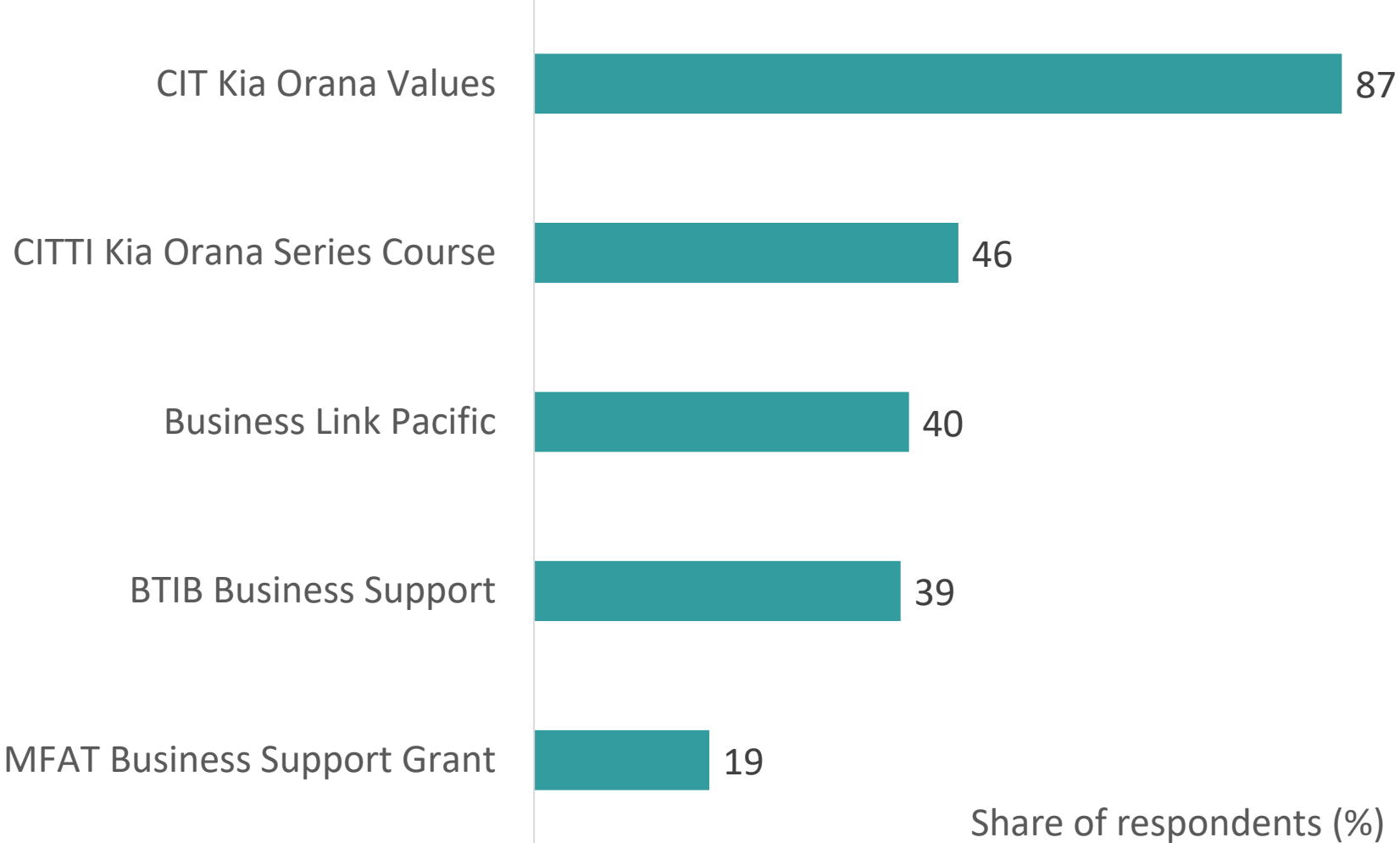
*Note: Multiple responses, therefore total does not add up to 100%.*

# Enhanced business areas through Mana Tiaki Eco-Certification



*Note: Multiple responses, therefore total does not add up to 100%.*

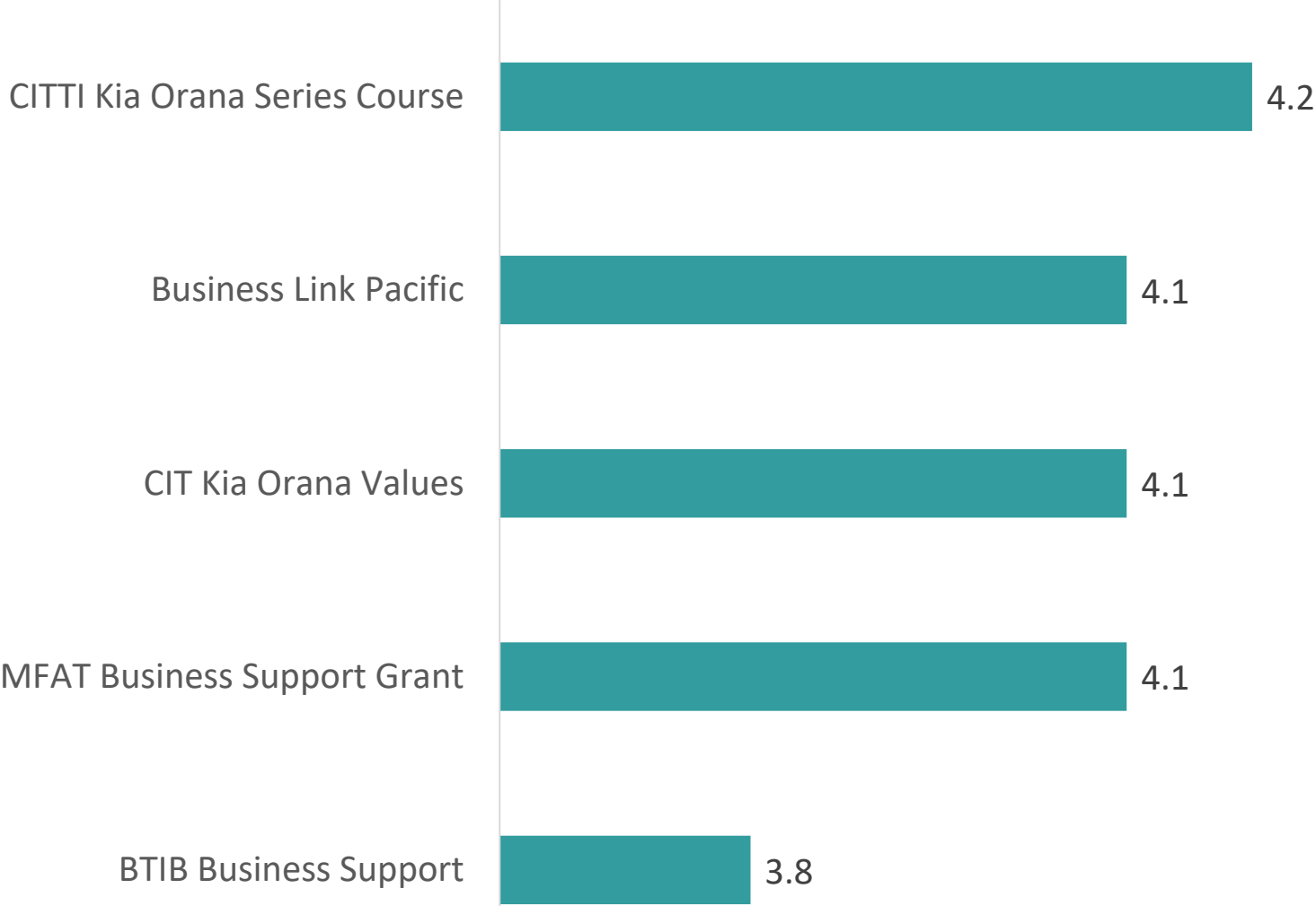
# Government program awareness



Share of respondents (%)

*Note: Multiple responses, therefore total does not add up to 100%.*

# Government program satisfaction



Scale: 1=Very dissatisfied to 5=Very satisfied



**COOK ISLANDS BCI 2023**

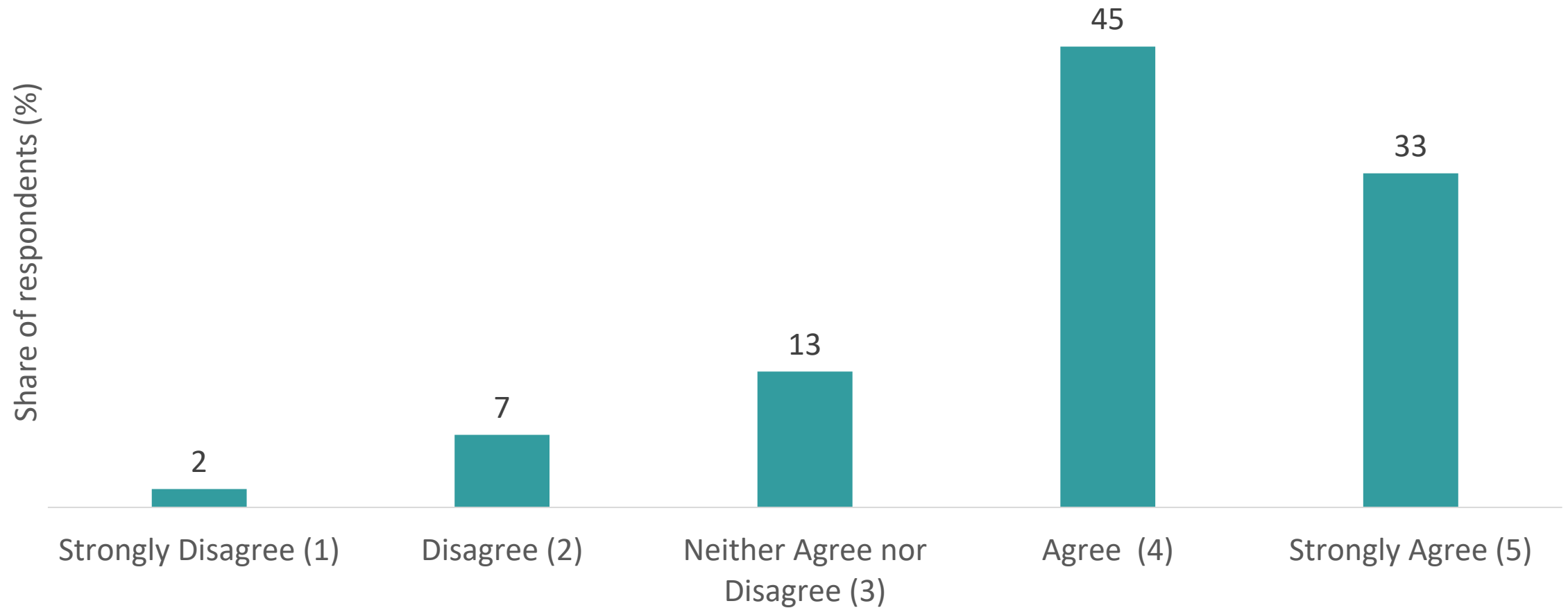
**BUSINESS  
CLIMATE**





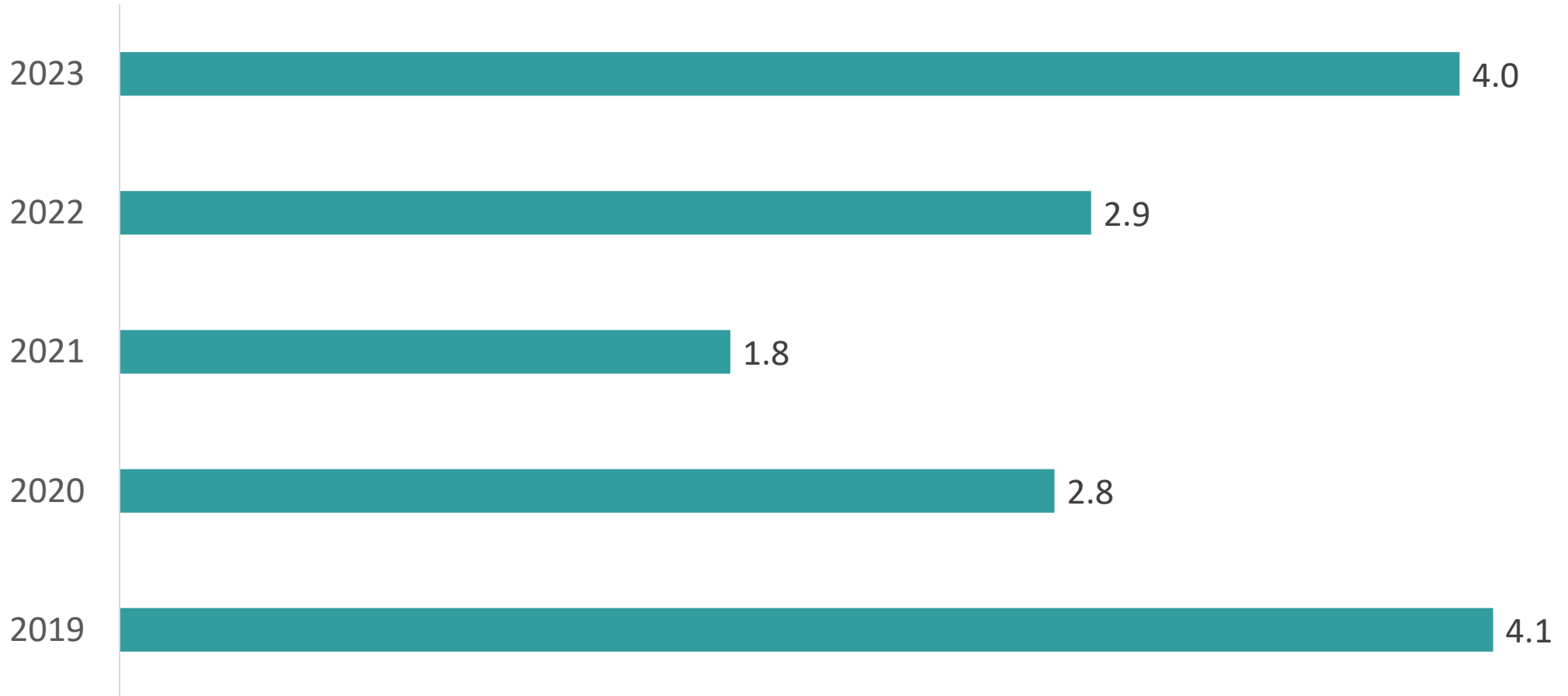
# Business performance

**S** My business performed well in the last year



# Business performance

**S** My business performed well in the last year



Scale: Strongly Disagree (1) to Strongly Agree (5)

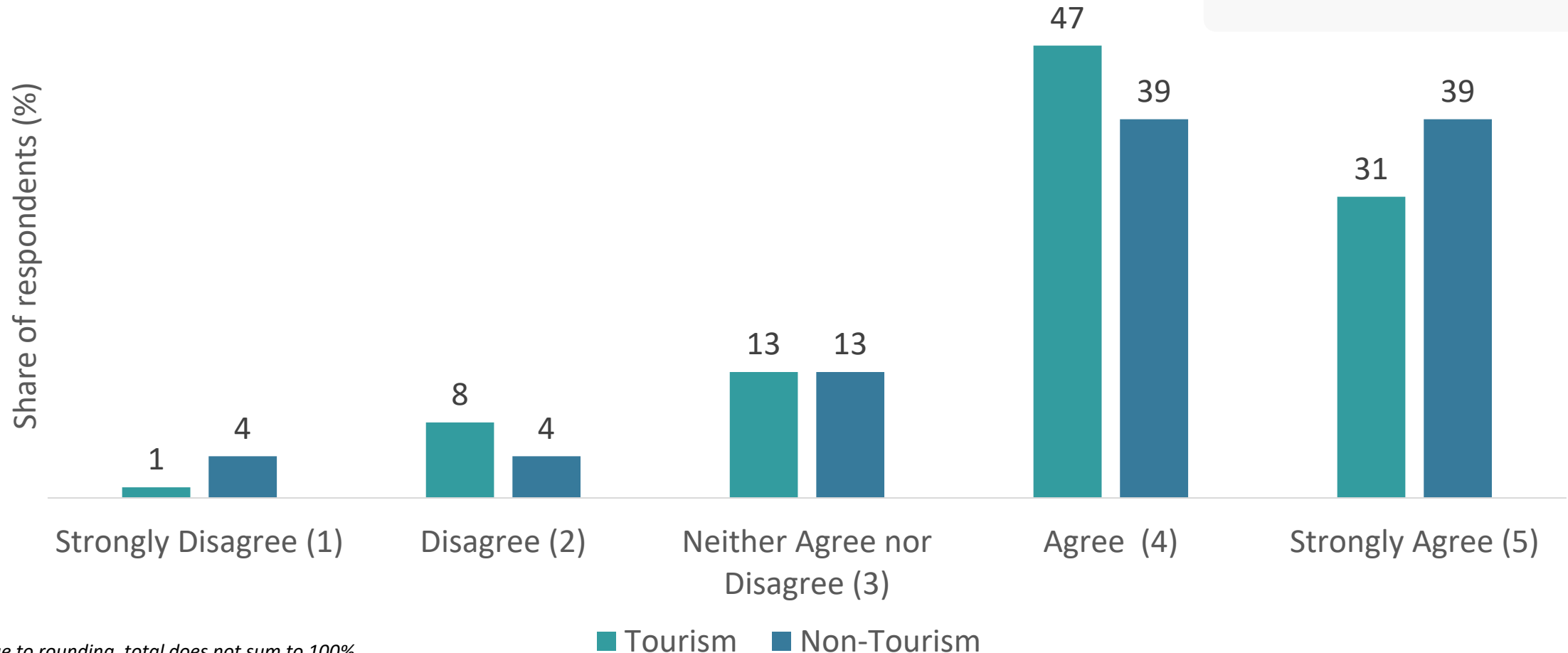
# Business performance: Tourism and Non-tourism

**S** My business performed well in the last year

LEVEL OF AGREEMENT MEAN

**4.0**  
Tourism

**4.0**  
Non-tourism



Note: Due to rounding, total does not sum to 100%

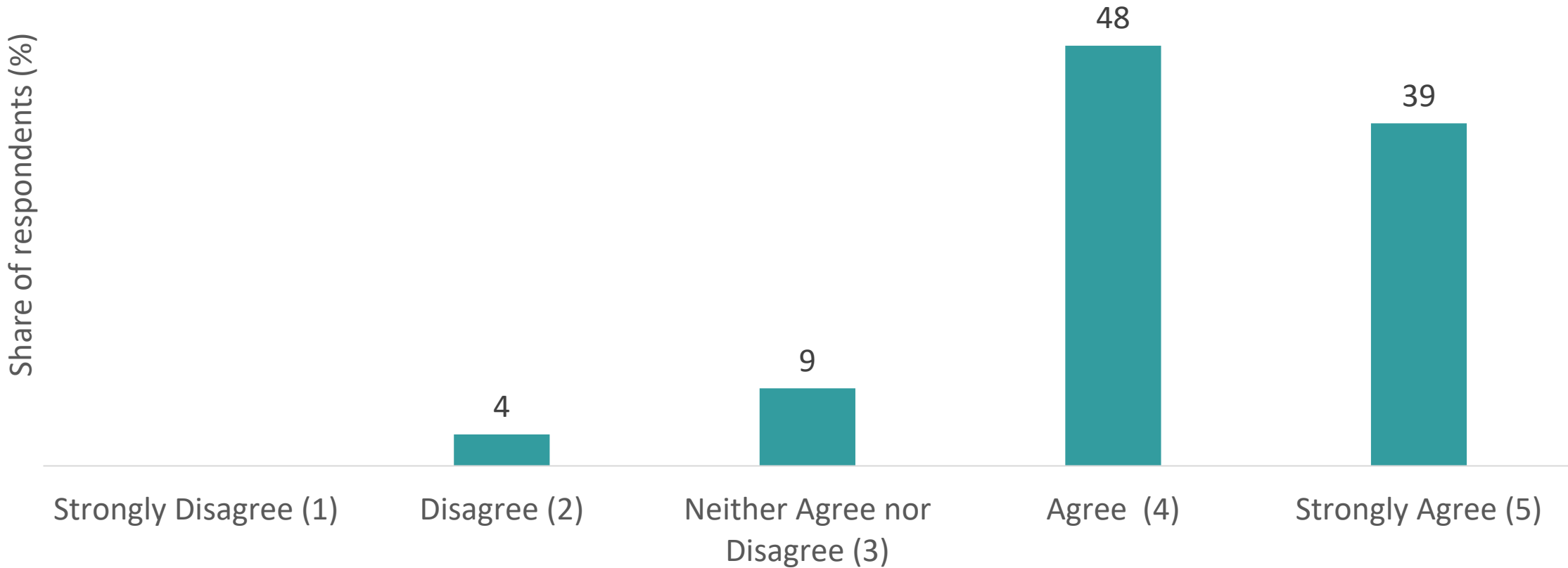
# Business performance time-series: Tourism and Non-tourism

**S** My business performed well in the last year



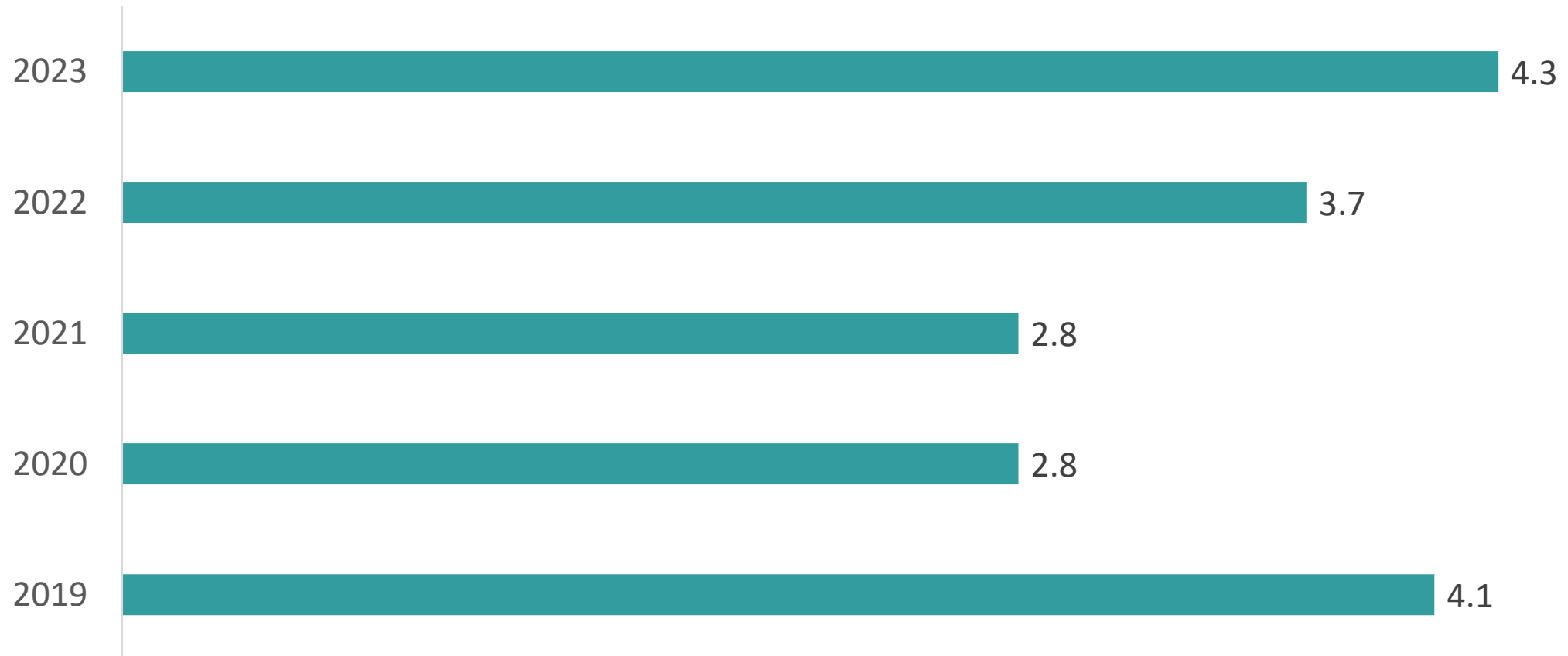
# Business confidence for the coming year

**S** I am confident the business will perform well in the coming year



## Business confidence for the coming year time-series

**S** I am confident the business will perform well in the coming year



Scale: Strongly Disagree (1) to Strongly Agree (5)

# Business confidence for the coming year: Tourism and Non-tourism

**S** I am confident the business will perform well in the coming year

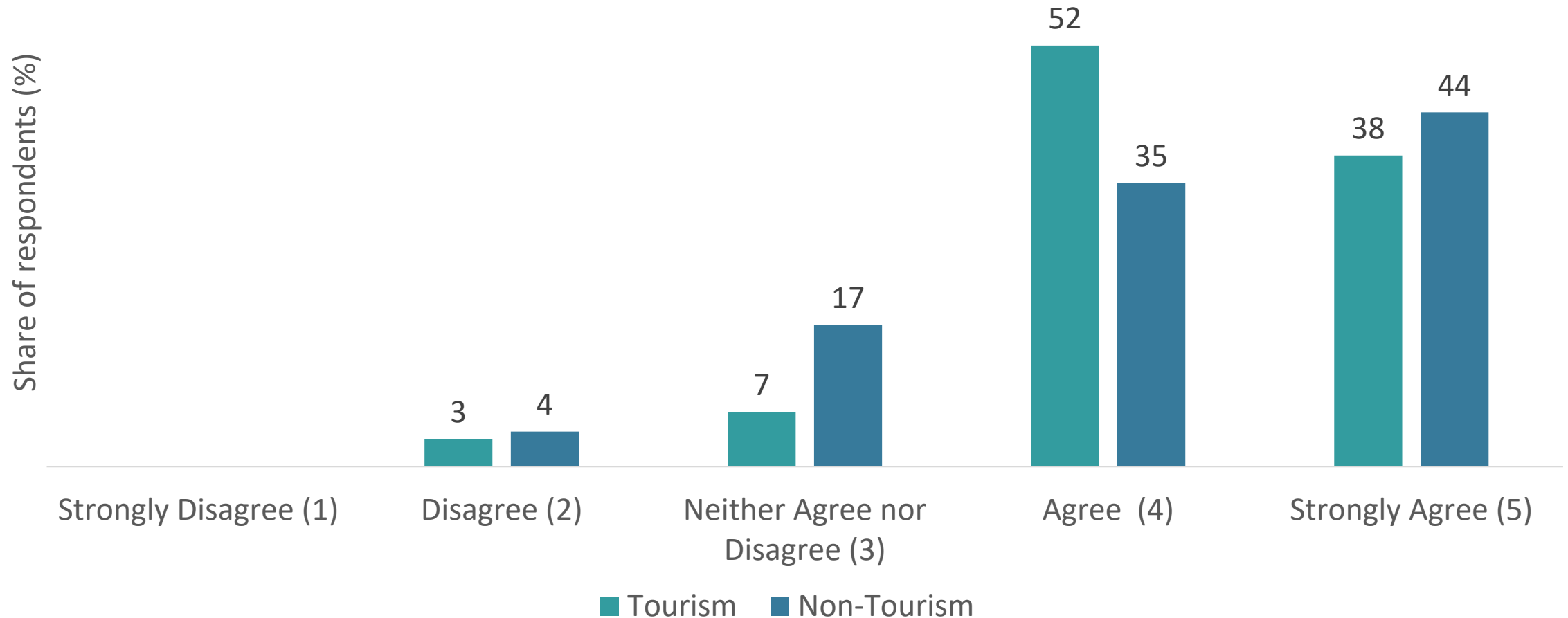
LEVEL OF AGREEMENT MEAN

**4.3**

Tourism

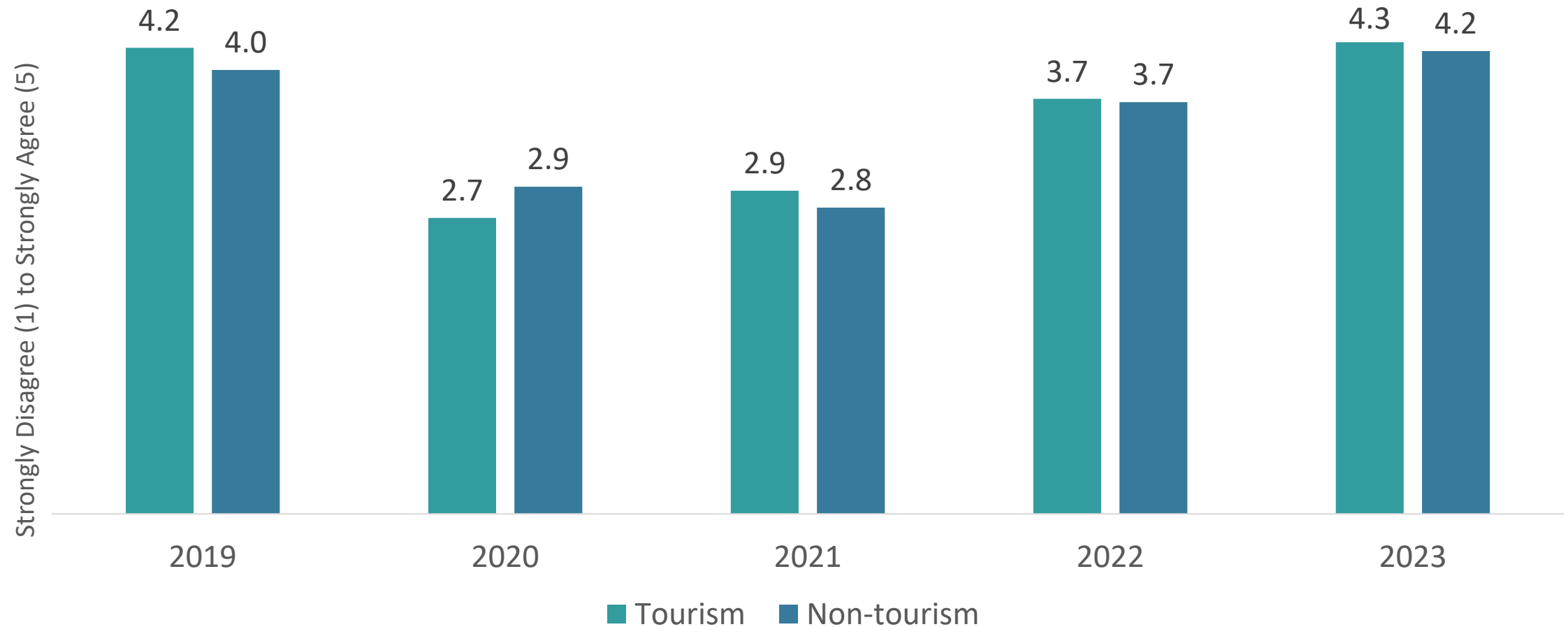
**4.2**

Non-tourism



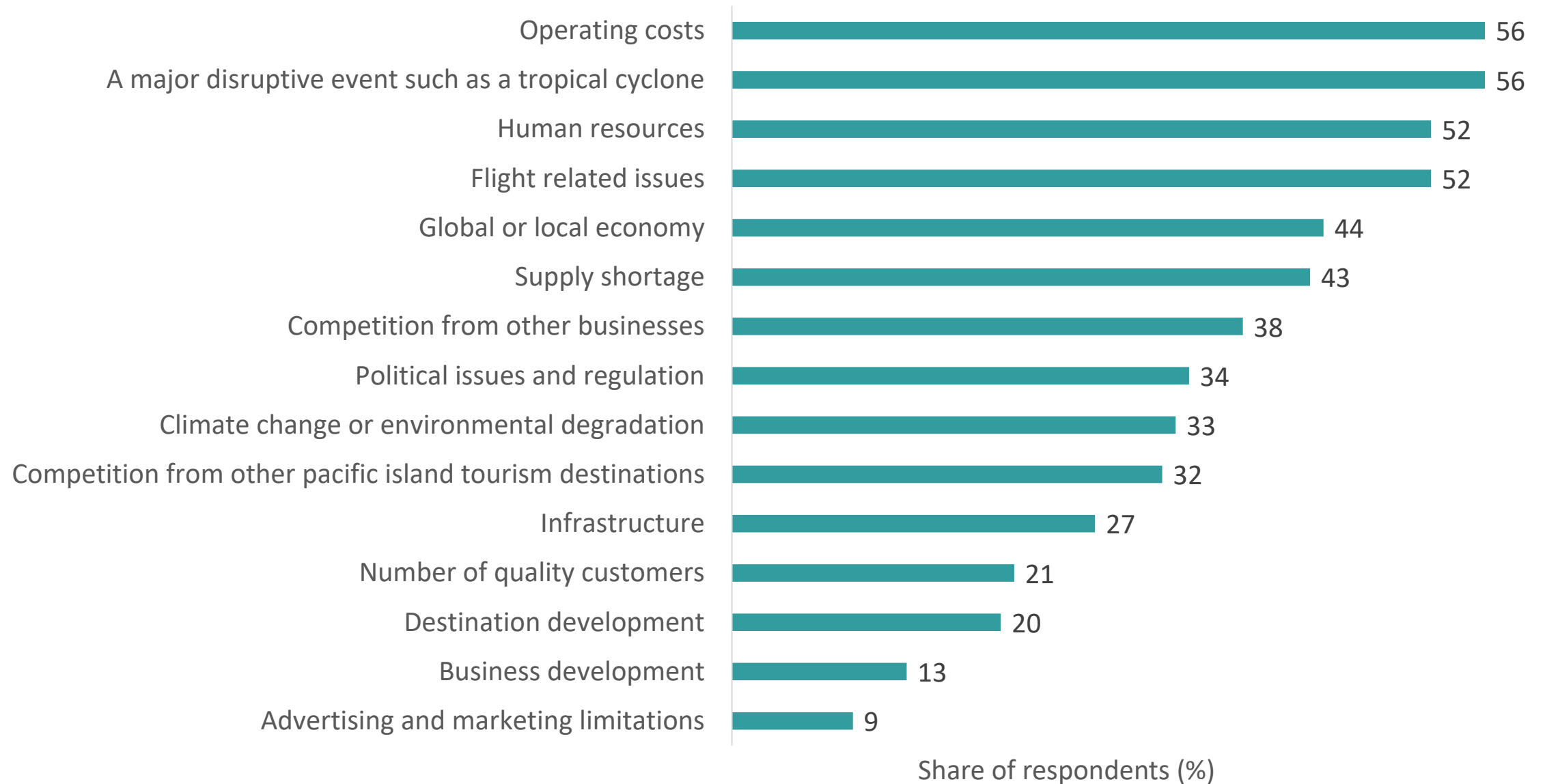
# Business confidence for the coming year time-series: Tourism and Non-tourism

**S** I am confident the business will perform well in the coming year





# Major challenges for Cook Islands businesses in the next five years



*Note: Multiple responses, therefore total does not add up to 100%.*

# Indicative comments for major challenges



“Food, gas, power **costs** are increasing exponentially. Coupled with land rent and mortgage rates along with high labour inputs required it is making upmarket dining not worthwhile and leading to burnout. Almost every restaurant on island is for sale and no interest there to take them.”

“The biggest challenge for our food business is the **operating cost**. The prices of the goods we use daily keeps on going up.”

“The cost of finance and financial services are far too expensive for a small jurisdiction like the Cook Islands. We need to reduce the **costs** of business. Our market size is small but costs are growing.”



“Climate change and the risk of a **severe cyclone** is a major risk with most businesses not being insured for such events.”

“The current weather patterns of **so much wind** is affecting our business”



“**Human resources** centres on the availability of skilled staff specifically.”

”**Human resources** or lack thereof are a significant issue. Businesses are having to supplement their labour force with foreign workers and the regulatory framework is a challenge in itself.”

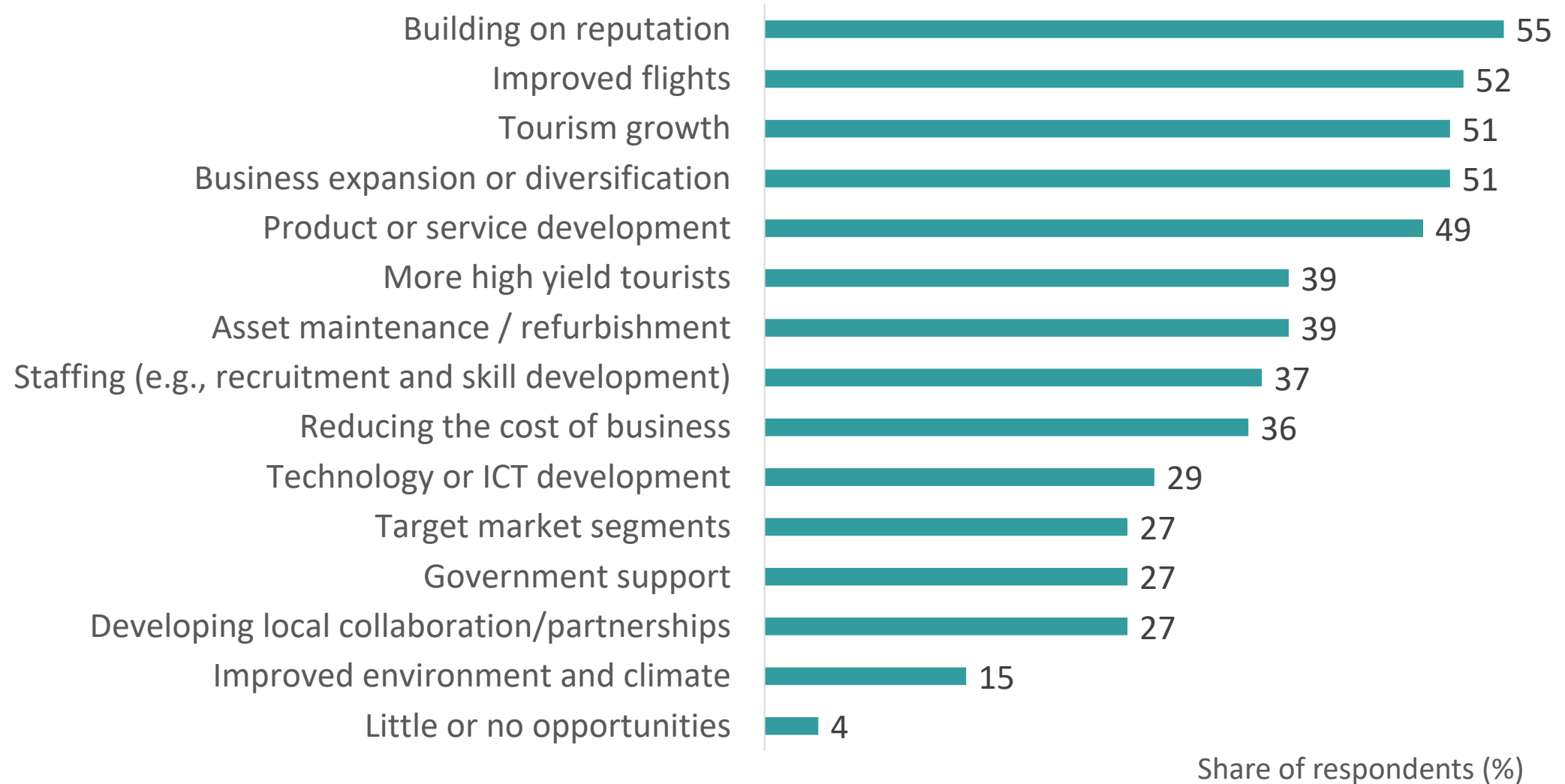
“**Staff recruitment** remains the biggest issue.”



“We need to encourage better **air competition** to reduce travel costs. We should have a direct link at least 2 weekly to Fiji.”

“I share the view transmitted to **AirNZ** at a recent open meeting that AirNZ is price-gouging Cook Islands tourism. When I look online, AirNZ fares to other Pacific & Asian destinations cost less than to Rarotonga.”

# Major opportunities for Cook Islands businesses in the next five years

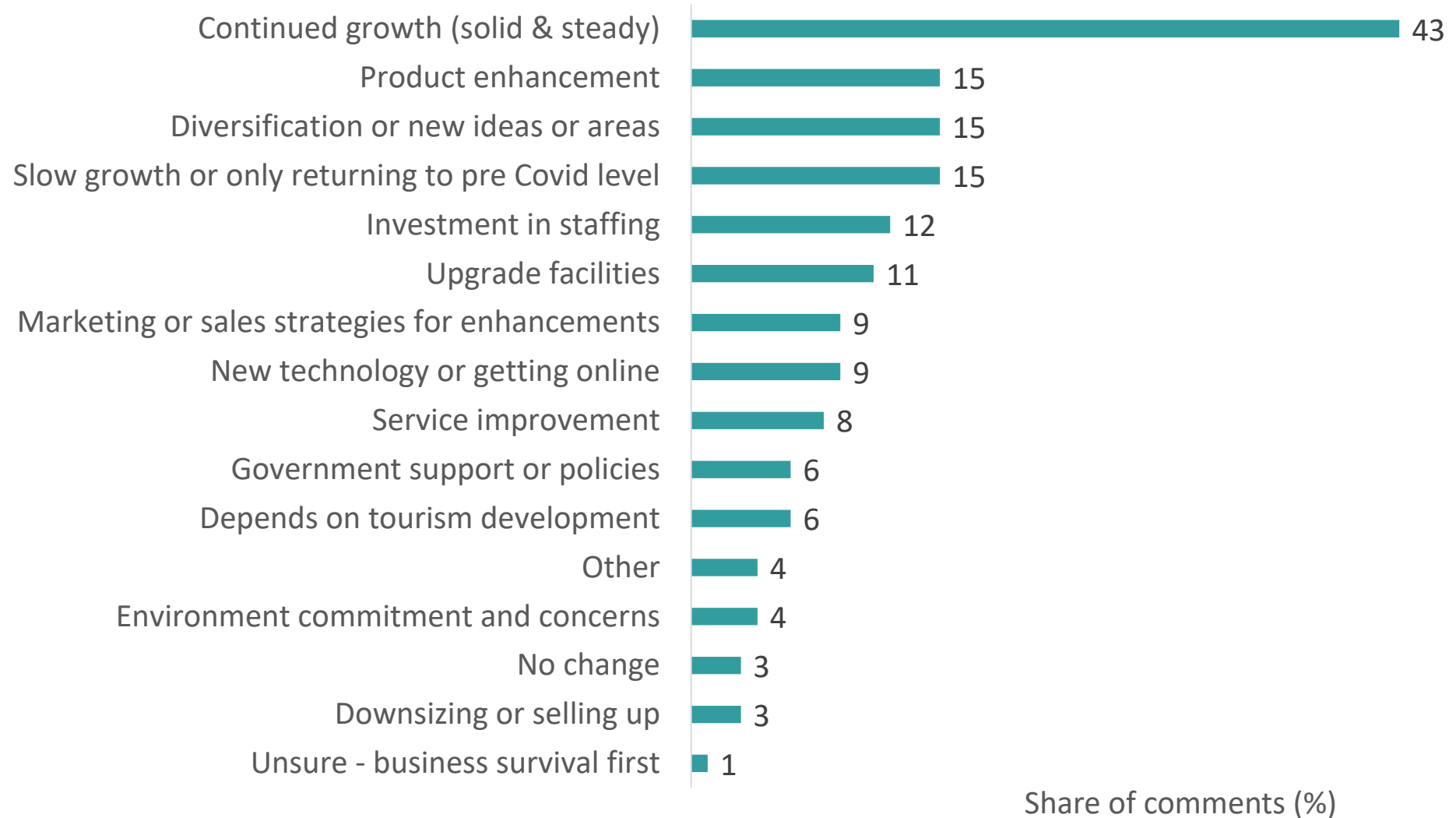


Note: Multiple responses, therefore total does not add up to 100%.

## Indicative comments for major opportunities

- + Ours is a very small accommodation business and a budget offering. We have many repeat guests, and interest from adjacent businesses like yoga retreats.
- + That would heavily depend on the major airline currently servicing the Cook Islands. Net of airlines.
- + The only opportunity is tourism growing meaning more tourists on the island spending money.
- + Always room for improvement by expanding the business or expanding into other areas.
- + Using SMART technologies to advance service & product delivery and looking beyond our borders for new projects.
- + Government needs to do more to support businesses to renovate, refurbish, expand their businesses to be bigger employers and tax contributors to the economy.

# Business development in the next five years

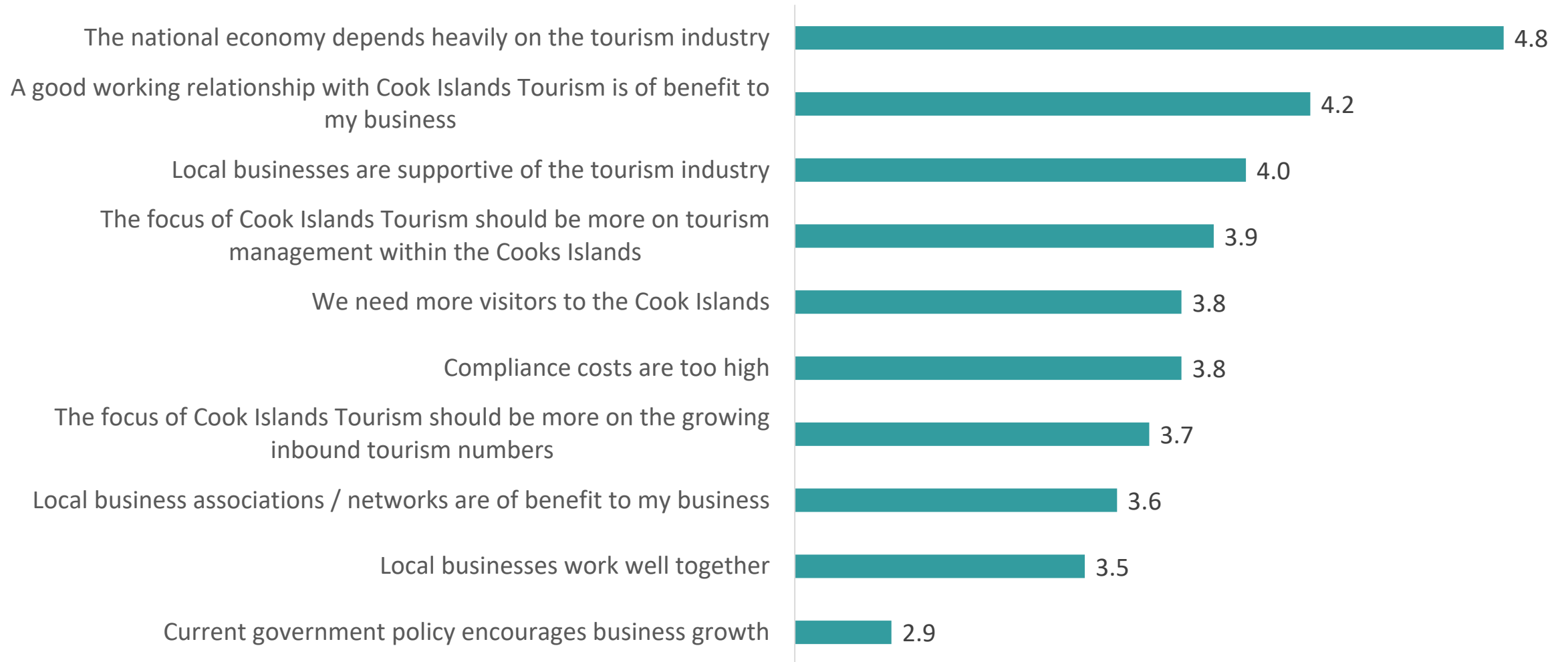


Note: Multiple responses, therefore total does not add up to 100%.

# Indicative comments for business development in five years

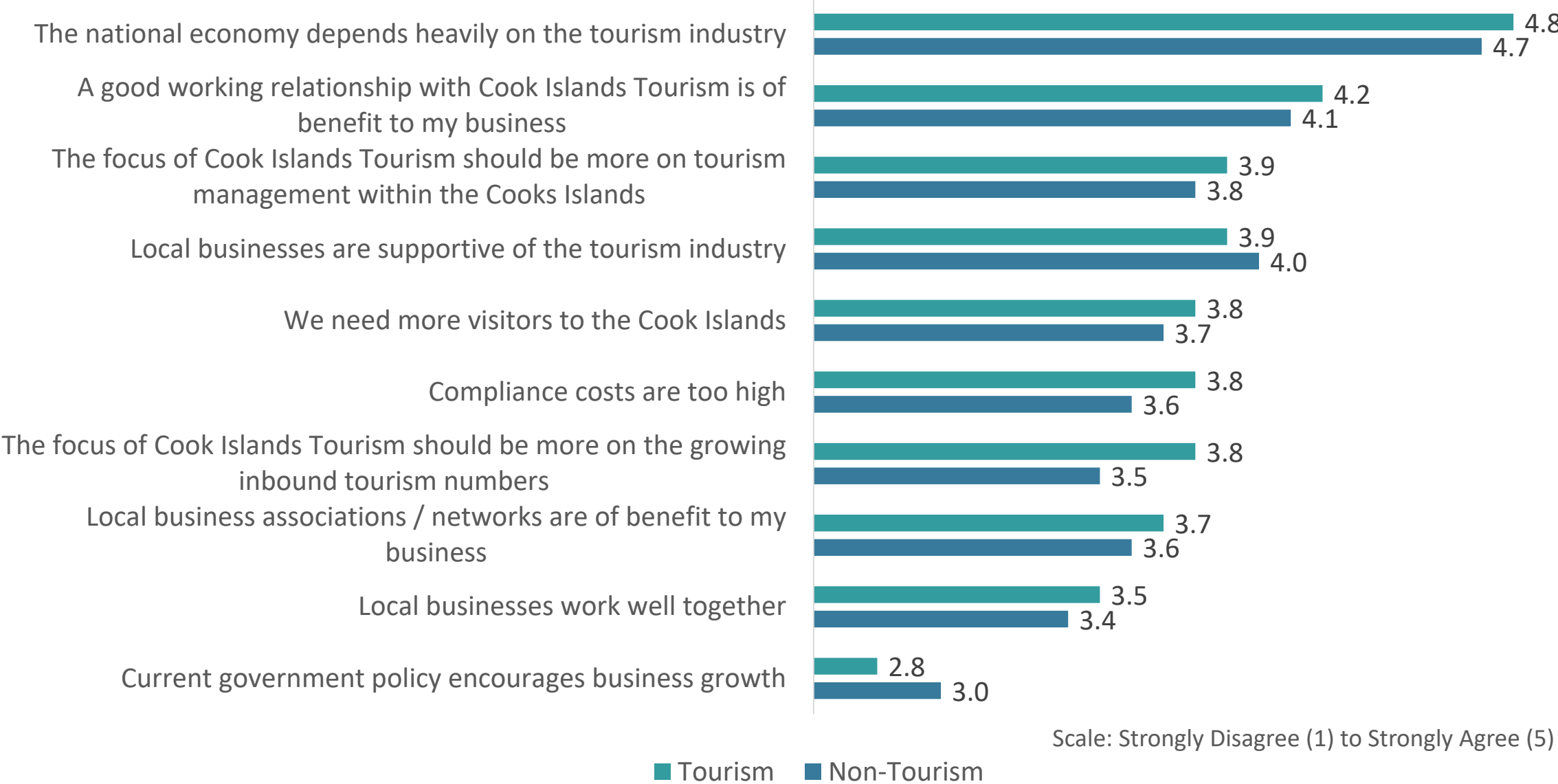
- + In the next 5 years our business is still going and has already expanded from a small takeaway to more table sitting area for customers.
- + Growing bigger, more offer on products, improvement of customers service, more variety of products.
- + Hopefully expanding with more staff and getting more value from our product, such as fish and merchandise sales.
- + Hoping to get back to pre-Covid levels of occupancy, with little to no low season.
- + Extremely well, I plan to get more training for myself and hire staff.
- + We need to continue to refurbish rooms and maintain equipment. It would be good to switch to renewable energy, and increase water catchment, but need capital support.
- + Developing more of an online marketing presence.
- + The Ministry of Justice needs to remove registered celebrants who are not active, to free up space, thereby expanding my existing business.

# Levels of agreement on statements relating to tourism, the economy, and government policy



Scale: Strongly Disagree (1) to Strongly Agree (5)

# Levels of agreement on statements relating to tourism, the economy, and government policy: Tourism and non-tourism

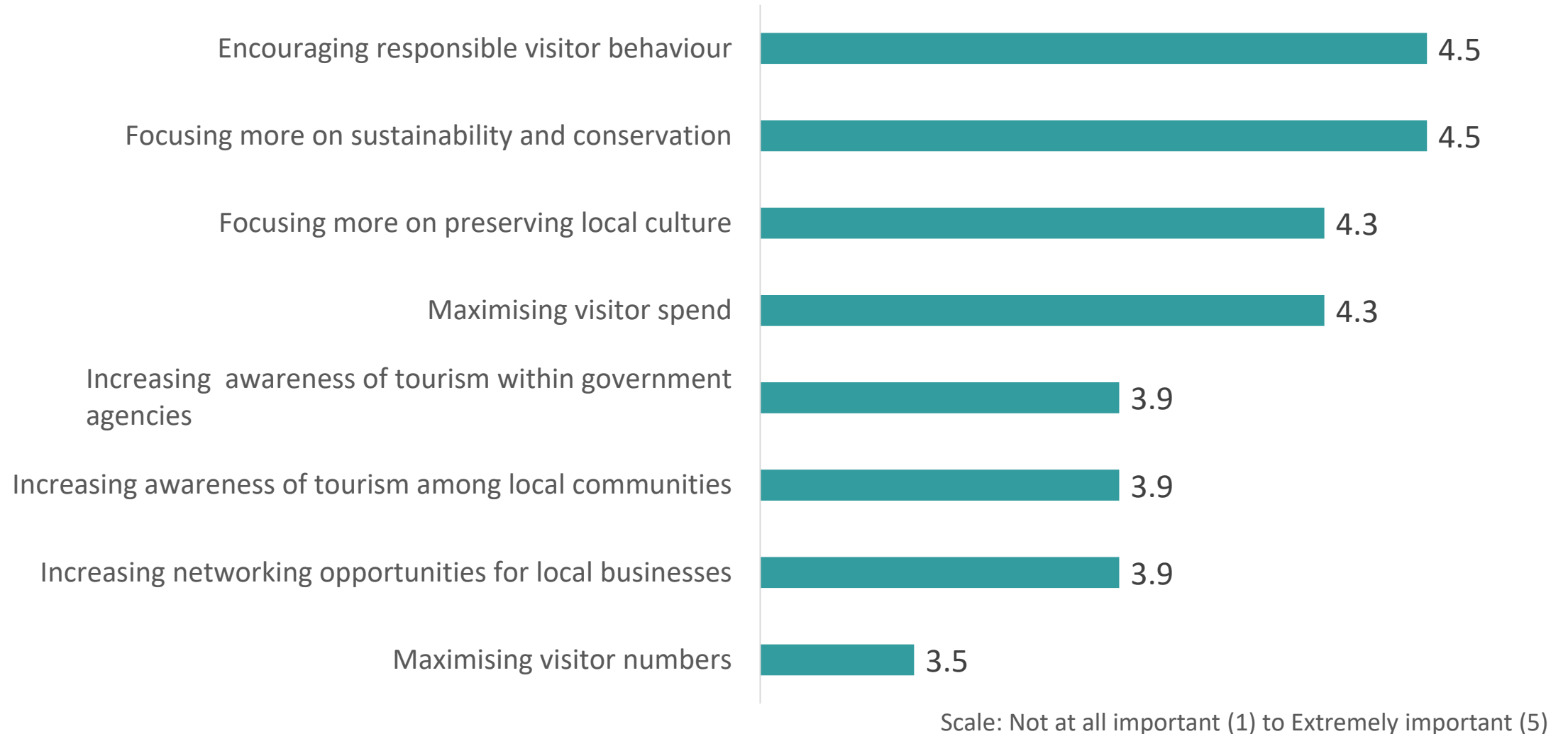




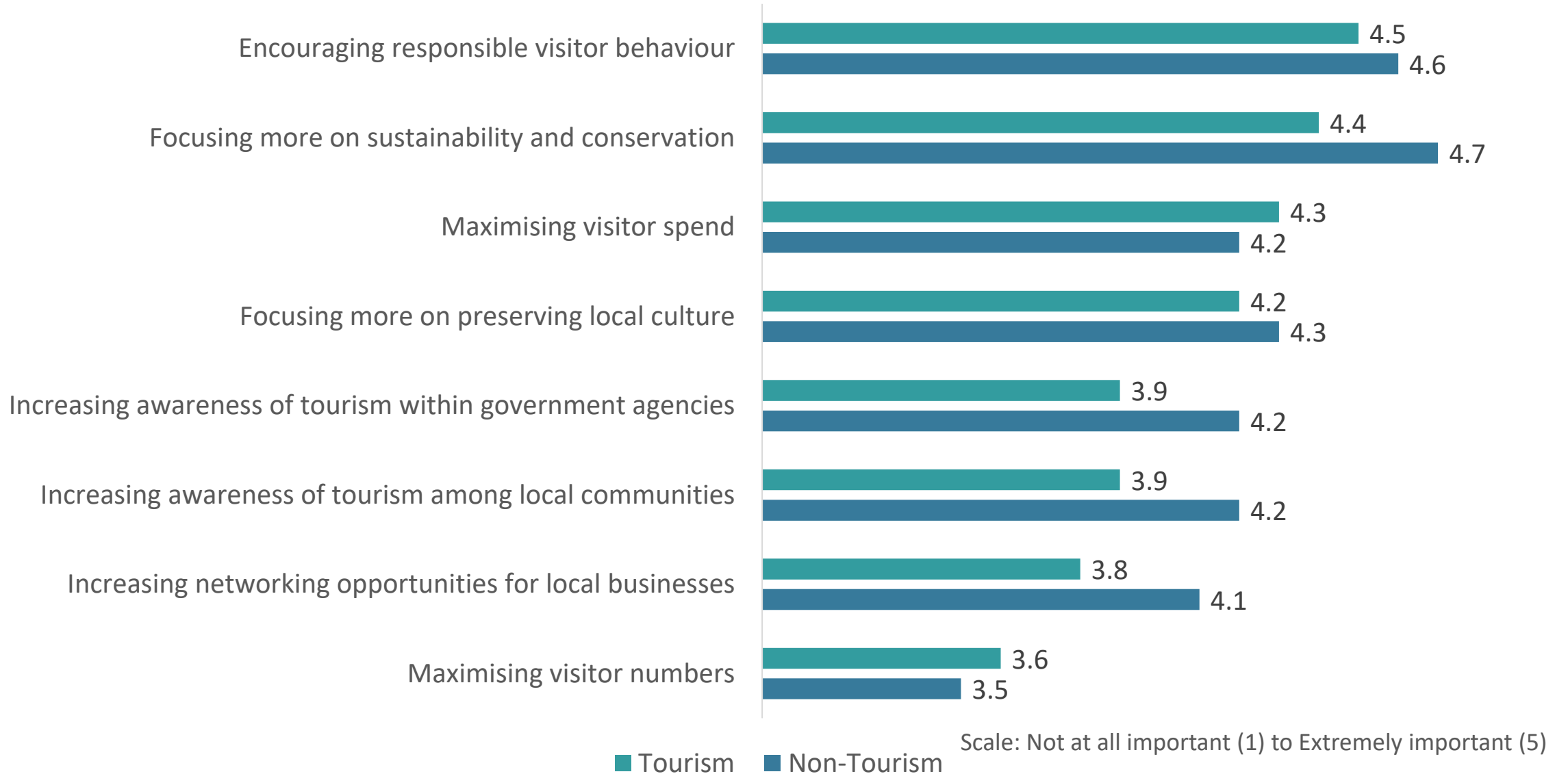
# Further comments on tourism, the economy, and government policy

- + Better to focus on high value tourists than growing inbound tourist numbers.
- + Tourism needs to access or leverage climate funding towards subsidized capital costs and rollout of tangible cost savers like solar power, water catchment etc.
- + Deporting foreign workers after 6 years is a very poor Government policy. Government do not appear to acknowledge the role of the private sector as the major player in economic growth who contribute or provide the revenue for government to operate on. The cost of Human Resources particularly imported labour is high.
- + If regenerative tourism is a priority then Cook Islands Tourism need to change their strategies to attracting yield and developing destination products to match such visitor types. More community consultation and awareness programmes on operating more sustainably is required to navigate a shift towards building a regenerative tourism offering.
- + Cook Islands Government has to be stringent with all, not just some properties with regard to wastewater disposal e.g. monthly lagoon water quality tests then depreciation writeoffs at higher rate for installing wastewater treatment enabling them to comply.

# Importance of key investment dimensions



# Importance of key investment dimensions : Tourism and non-tourism



# Further comments on the key factors to the Cook Islands

- + Increase Minimum wage to alleviate cost of living.
- + As a woman I would love to be able to participate in women's business networking but limited access as its in Raro.
- + Increasing government service standards and productivity. Bus service needs to be supported to run more often and sustainably (e.g. should have gotten an electric bus for the forum), especially Sunday's and Public Holidays.
- + Encourage responsible local host behaviour / and overseas based Cook Islanders returning for holidays (some of them are feral).
- + We are at capacity for our existing infrastructure. Time to focus on environment and infrastructure.
- + Again visitor numbers just need to be more evenly distributed over the year. Large conferences etc should be scheduled for Feb/March if possible. Never in September/October peak, as it also degrades the average visitor experience.

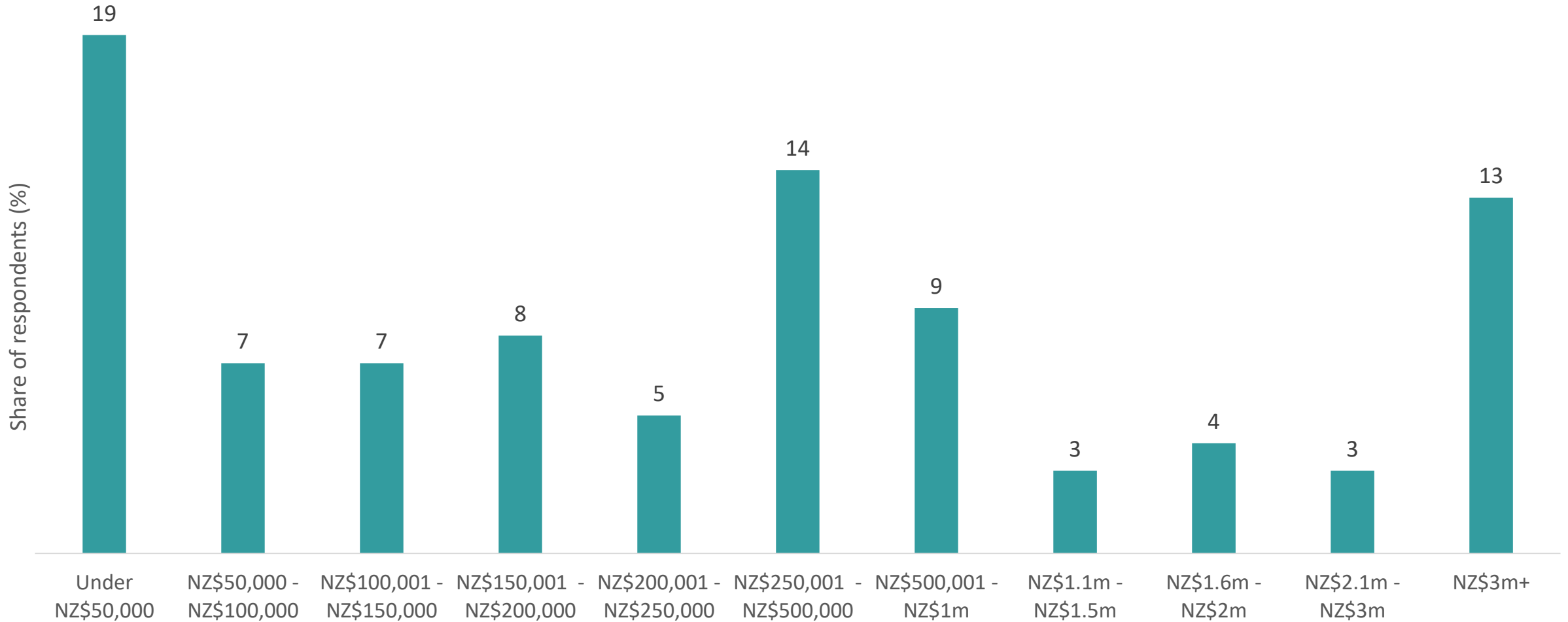


COOK ISLANDS BCI 2023

# REVENUE, COST & LINKAGES

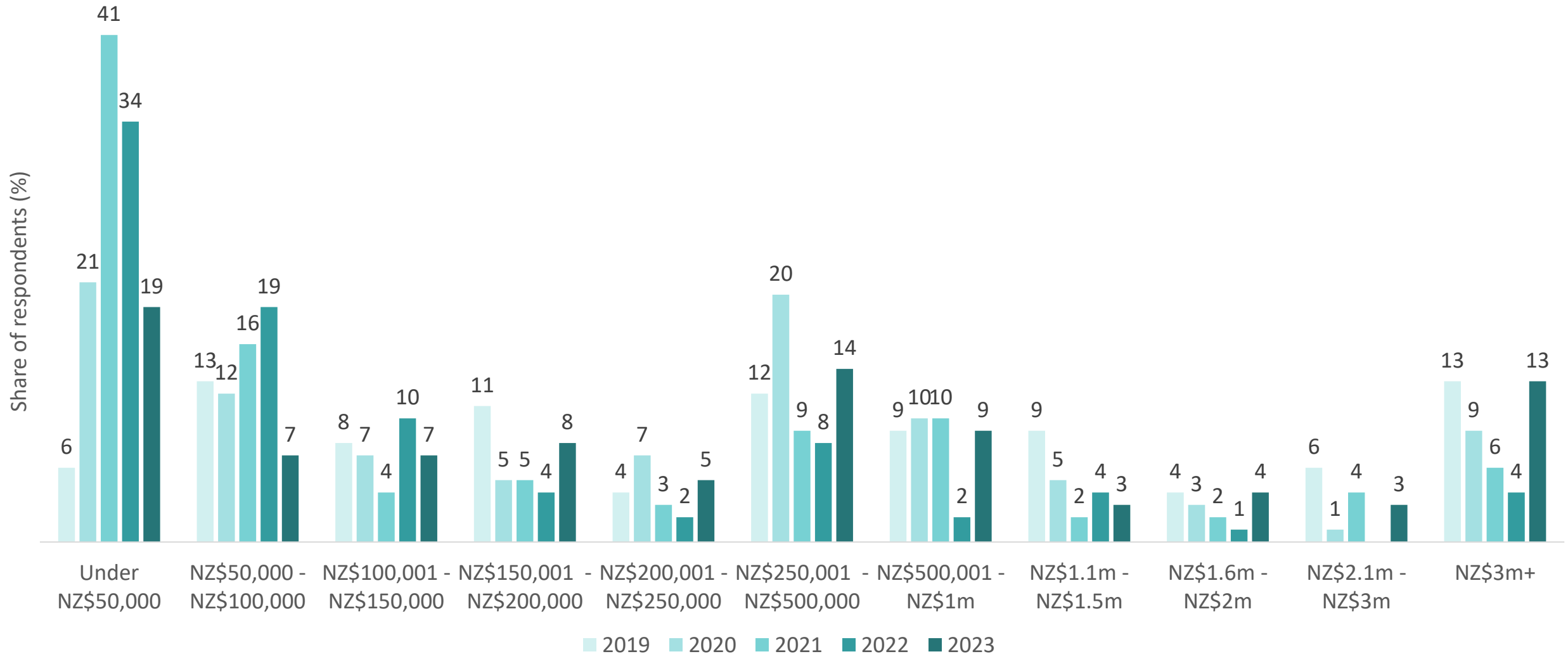


# Annual turnover: Last financial year (VAT Inclusive)



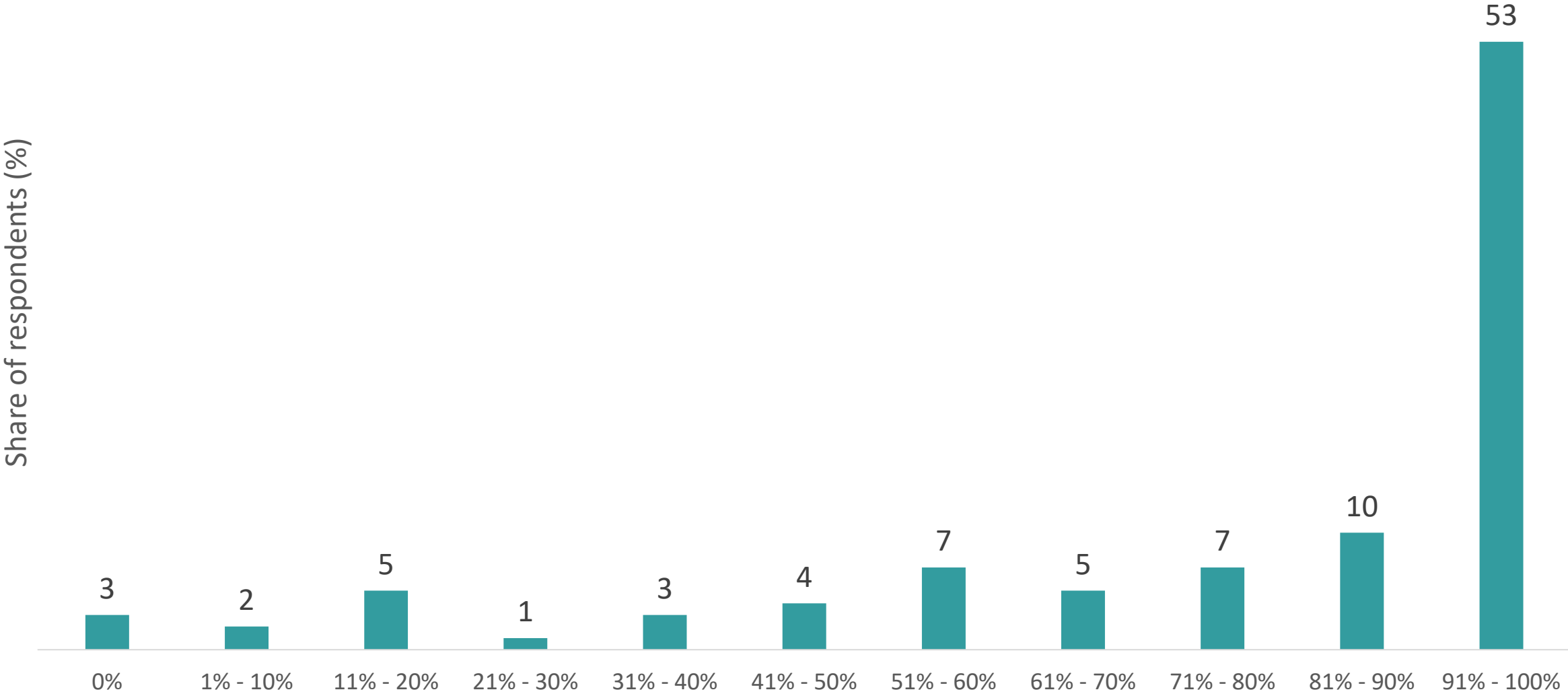
*Note: Due to rounding, total does not sum to 100%*

# Annual turnover (VAT Inclusive) - Time-series analysis



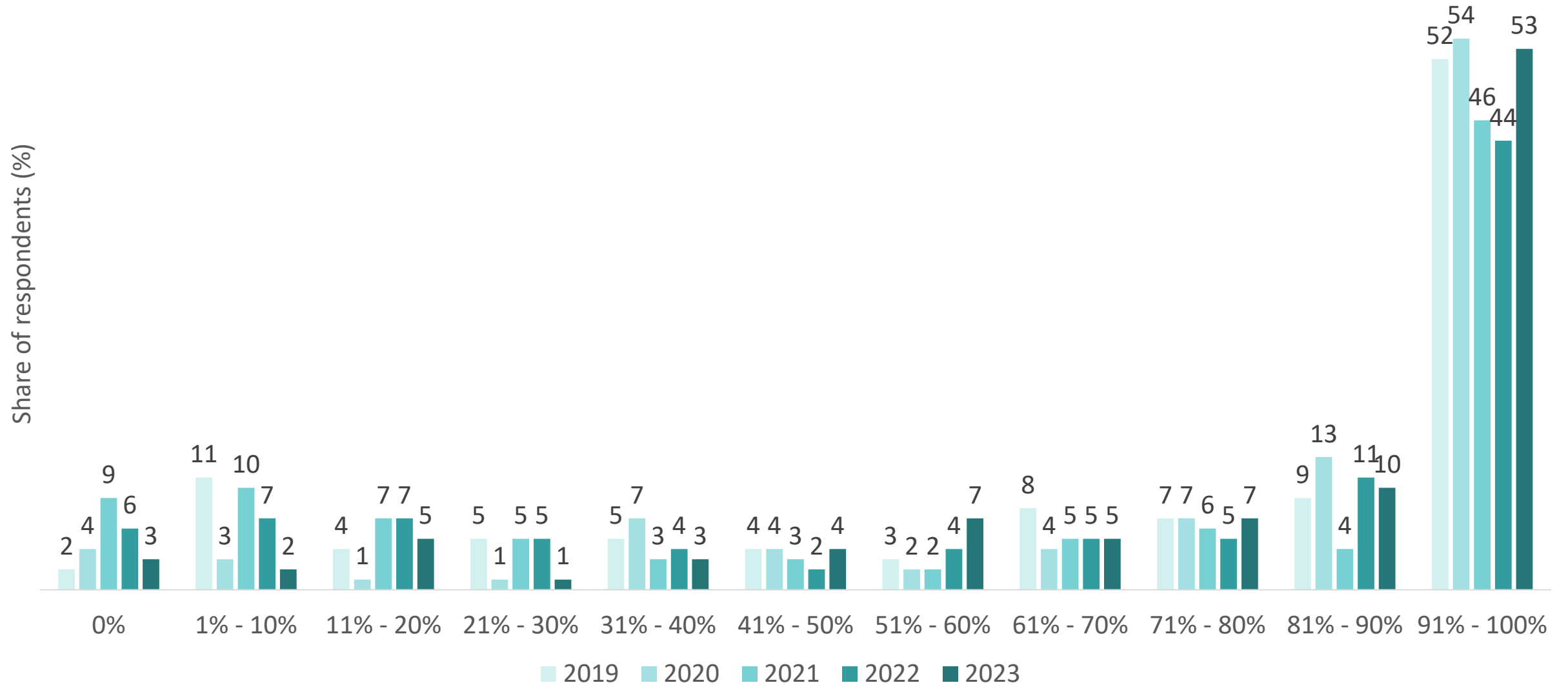
Note: Due to rounding, total does not sum to 100%

# Annual turnover estimated directly from tourism



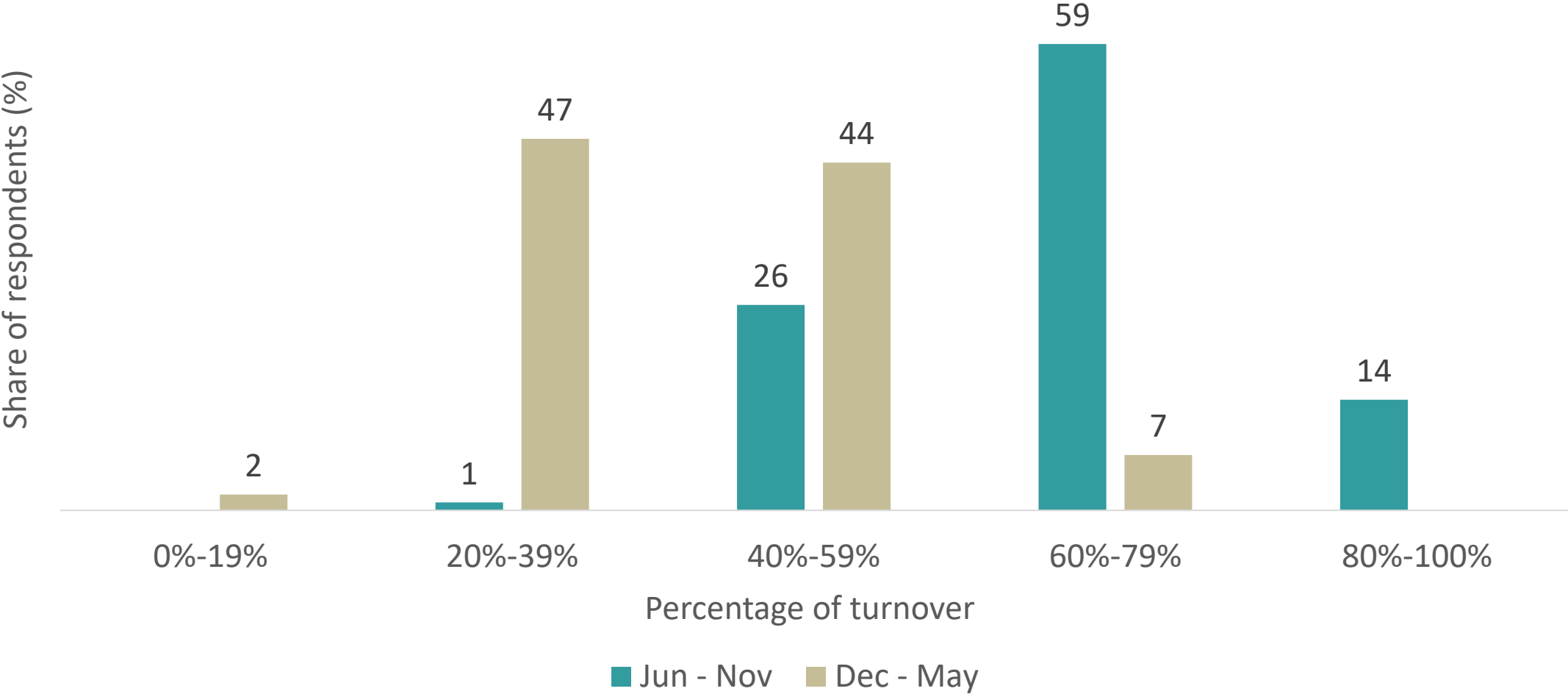


# Annual turnover estimated directly from tourism - Time-series analysis



Note: Due to rounding, total does not sum to 100%

# Percentage of this turnover generated in the high/low seasons



# Thank you

Authorship: D. Zhu, B. Bai, P. Kim and M. Orams

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