



BUSINESSLINK PACIFIC

2026 Fuel Crisis

Impact on Pacific Business



Introduction

Business Link Pacific has supported businesses across the Pacific region in responding to external shocks, including the COVID-19 pandemic, the Hunga Tonga–Hunga Ha‘apai eruption and tsunami, Vanuatu’s earthquake, and multiple extreme weather events. Given the current global fuel crisis, BLP wants to understand the impact of this crisis on the regional economy, specifically on its target business population, and the immediate business needs that can be addressed through BLP’s network and existing systems.

Pacific Island Countries rely on major oil-refining nations in Asia, particularly Singapore and South Korea, for refined oil products and petroleum derivatives. These refineries are primarily fed by the oil exported from the Persian Gulf via shipping lanes that pass the Strait of Hormuz. Disruption in the Strait of Hormuz has significantly affected these countries’ ability to export, with downstream impacts in the Pacific region and across the world.

This report aims to assess the current and potential future impacts of this disruption on businesses in the Pacific region (excluding New Zealand and Australia), with a specific focus on tourism/hospitality, agriculture, and female-owned businesses.

This report is informed by 464 responses to a BLP online survey collected between the 14th of April and the 10th of May 2026.

Key Findings

- A majority of businesses across the Pacific are reliant on petrol or diesel for energy. 80% of Agricultural businesses reported reliance on diesel, while 84% of tourism/hospitality businesses reported reliance on petrol. More than 30% of both groups reported that fuel made up half or more of their operating costs.
- Agricultural businesses are being hit hard by these rising operating costs, with 35% reporting cost increases of 30% or more. More than half of the agriculture businesses surveyed anticipated supply chain and logistics disruption.
- Tourism and hospitality businesses also face a contracting demand outlook. Bookings are projected to decline by 67%, while 50% anticipate increases in cancellations.
- 70% of female owned businesses expected decreases in profit over the next 3 to 6 months, citing reduced business activity and increases in supplier pricing.
- Female-owned businesses also showed heightened concern about the social impact, being more likely than the overall sample to anticipate increased mental stress, food security issues and increased crime levels.
- Small cashflow grants were the most popular form of direct financial assistance identified, followed by combined grant/ loan packages.
- 50% of the respondents identified subsidised advisory services as a financial support that their business will require to overcome this crisis. This figure rose to 60% in female owned businesses. Support for accessing finance, Business

Continuity planning, and cash-flow planning were the top three business advisory services that businesses thought were needed.

- Open-ended responses revealed that efficiency improvement dominates businesses' thinking on continuity, with transitioning to renewable energy and short-term financial support also emerging as key themes.

Sample Breakdown

This dataset comprises 464 responses from businesses across 10 Pacific Island nations. Within this report, there is a focus on 3 key subgroups: agricultural businesses (75 respondents), tourism or hospitality-based businesses (90 respondents), and fully female owned businesses (120 respondents). A key point to note is that the female owned businesses were more predominantly concentrated in the less than 5 employee category.

Survey Participation by Country

Country	All respondents (n = 464)	Female-owned (n = 120)
Fiji	170 (37%)	46 (38%)
Papua New Guinea	97 (21%)	33 (28%)
Vanuatu	62 (13%)	11 (9%)
Cook Islands	32 (7%)	3 (3%)
Samoa	23 (5%)	6 (5%)
Solomon Islands	31 (7%)	6 (5%)
Tonga	18 (4%)	8 (7%)
Kiribati	16 (3%)	2 (2%)
Tuvalu	10 (2%)	4 (3%)
Niue	3 (1%)	1 (1%)
Multi-jurisdictional	2 (0.4%)	0 (0%)

Survey Participation by Urban and Rural Based Businesses

Region	All respondents (n = 464)	Agriculture (n = 75)	Tourism/hospitality (n = 90)	Female-owned (n = 120)
Urban	293 (63%)	21 (28%)	52 (58%)	74 (62%)
Rural	171 (37%)	54 (72%)	38 (42%)	46 (38%)
Total	464	75	90	120

Survey Participation by Business Size

Business size	All respondents (n = 464)	Agriculture (n = 75)	Tourism / hospitality (n = 90)	Female-owned (n = 120)
Less than 5 employees	249 (54%)	38 (51%)	35 (39%)	84 (70%)
6–10 employees	108 (23%)	29 (39%)	26 (29%)	24 (20%)
11–20 employees	53 (11%)	5 (7%)	10 (11%)	8 (7%)
21–50 employees	31 (7%)	2 (3%)	9 (10%)	1 (1%)
More than 50 employees	23 (5%)	1 (1%)	10 (11%)	3 (3%)
Total	464	75	90	120

Note: Percentage values are rounded to the nearest whole number, and so columns may not sum to exactly 100%.

Business Reliance on Oil Derivatives

Energy Source Reliance

The results show that petrol and diesel are the dominant energy sources used by businesses across the region, with 76% and 68% reporting reliance on these energy sources, respectively. Mains electricity (38%), solar power (22%) and propane/LPG (17%) rounded out the top 5 most relied-upon energy sources across all businesses. Propane/LPG reliance rises to 33% among tourism and hospitality businesses.

Top 5 Sources of Energy Relied on by Pacific Businesses

	ALL	AGRICULTURE	TOURISM / HOSP.	FEMALE-OWNED
 Petrol	76%	76%	84%	69%
 Diesel	68%	80%	72%	59%
 Mains electricity	38%	44%	41%	44%
 Solar power	22%	36%	26%	20%
 Propane (LPG)	17%	8%	33%	13%

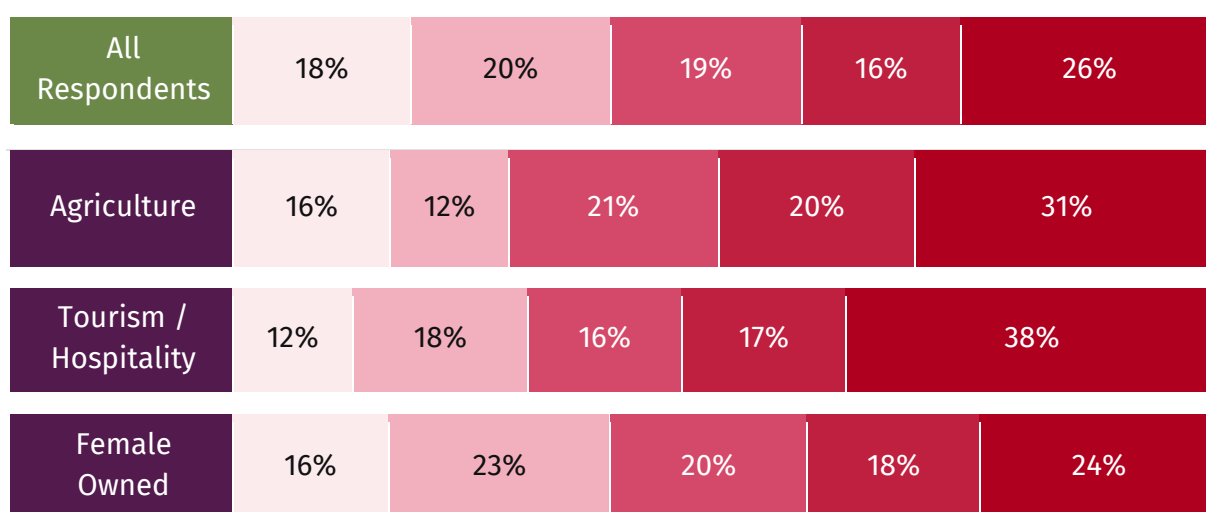
Business Reliance on Fuel

The agriculture and tourism sectors reported that fuel made up a significant portion of their operating expenses. More than 30% of businesses in both groups reported that fuel made up at least half of their total operating expenses. This was higher than average across all businesses. The results from the female owned business subgroup was mostly in line with the average across all business respondents.

Percentage of Operating Costs Spent on Fuel

Includes transportation, power generation, land preparation, production, processing etc.

% of operating costs spent on Fuel: ■ 0–10% ■ 10–20% ■ 20–30% ■ 30–50% ■ 50%+



Reliance on Fertiliser

Fertiliser is another key petrochemical derivative facing disruption. Among the 75 agriculture businesses surveyed, 45 (60%) reported low or no reliance on fertiliser. However, the remaining 40% rely on fertiliser to a meaningful degree, and nearly 20% consider themselves highly reliant or essential to their business. Fertiliser disruptions, therefore, represent a concentrated risk within the agriculture sector.



RESPONDENT INSIGHT

Agriculture business, Fiji

I need fuels and fertilizer for most of my farm operations; otherwise, I will need to request deferment of loan payments to FDB, or I'll need assistance to continue farming with increased cost and very minimal profits.

Current Impacts

Difficulties Experienced

Unsurprisingly, increased fuel price is the most reported difficulty currently experienced, as it was reported by 84% of all businesses surveyed. This flows directly into increasing operating costs (60%) and pressure to pass costs on to consumers (47%). Our three subgroups report broadly similar difficulties to the overall sample, with one notable exception. Agricultural businesses reported higher increases in operating costs than the overall sample (75%, compared to 60% overall).

Increases in Operational Costs

Significant cost increases are being felt broadly across the total sample. Nearly half of all businesses (47%) report operational cost increases of 20% or more, and more than a quarter (28%) report increases of 10–20%. Agriculture businesses are disproportionately affected at the higher end: 35% report cost increases of 30% or more, compared to 27% of all businesses.

Businesses Face Increasing Costs



RESPONDENT INSIGHT

Agriculture business, Fiji

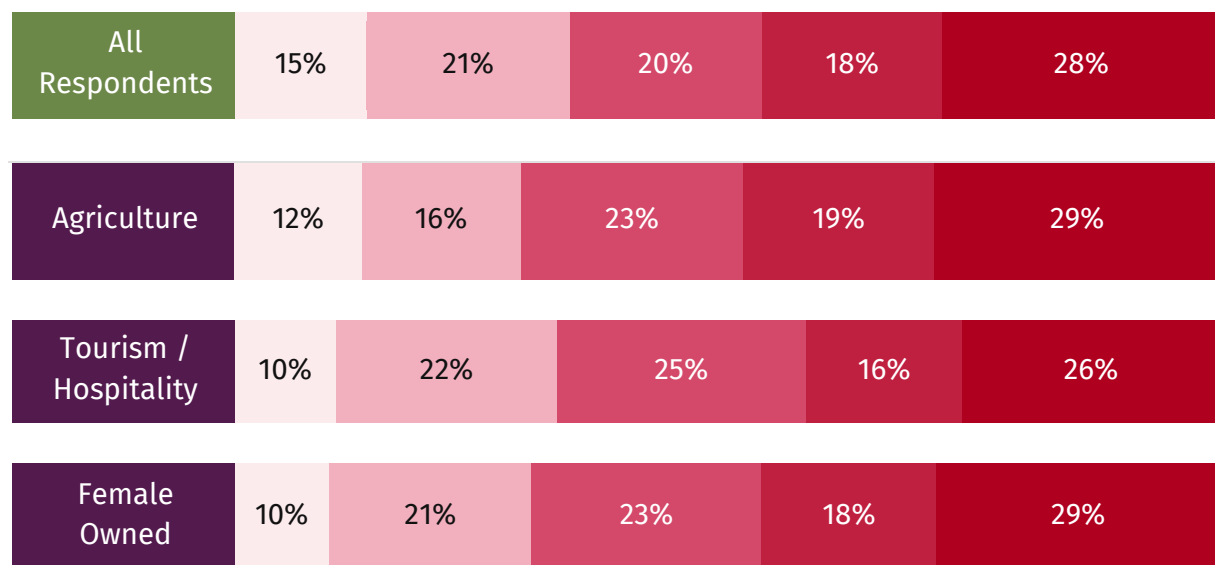
I'll just have to pass on the costs to the customer if fuel gets too expensive.

Future Impacts

Businesses are expecting a clear deterioration in financial performance in the near future. Seven in ten businesses (69%) expect a decrease in profit, driven by a combination of reduced business activity and supplier price increases. Notably, 36% of businesses expect difficulty meeting loan repayments, signalling stress to financial institutions in the near future.

Expected Business Activity Decrease over the next 6 months

% decrease expected: 0–10% 10–20% 20–30% 30–50% 50%+



Tourism Sector

74% of tourism and hospitality-based businesses identified decreases in profitability as a potential future impact in the next 3 to 6 months. This appears to be led by reductions in revenues compounded by increased supply costs. Reduced bookings are projected by 67% of tourism businesses; 50% anticipate increases in cancellations; and 65% expect increases in supplier pricing.



RESPONDENT INSIGHT

Tourism/ Hospitality business, Cook Islands

If fuel costs have a significant effect on tourist numbers, then there will be a big ripple effect on MSME businesses especially within the tourism sector. Food outlets will be hit twice, both with the price increase of product and the decrease in customers/sales.

Agriculture Sector

67% of Agricultural businesses expected a decrease in profit over the next 3 to 6 months, in line with the 69% average across all businesses. More than half of the agriculture businesses surveyed anticipated supply chain and logistics disruption, higher than our other subgroups and the average across all respondents. Other key expected difficulties were increases in supplier pricing (65%) and reduced business activity (55%).

Female Owned Businesses

70% of female owned businesses expected a decreased in profit in the next 3 to 6 months. Unlike in the other subgroups, reduced business activity was the second most cited business difficult expected (63%), overtaking increases in supplier prices (58%). Female-owned businesses were less likely to anticipate employment losses (17%) than the overall sample (23%) and this likely reflects the smaller workforce size of female-owned sample, which leaves a smaller scope for headcount reduction.



RESPONDENT INSIGHT

Food & Beverage business, Fiji

Fuel costs are paid upfront (at the pump or upon delivery), but revenue from sales often takes weeks to materialize. The 35% jump in diesel and

20% in petrol has created a 'working capital gap' where current cash reserves are no longer enough to cover basic operating costs and inventory.

Social Issues

Increased cost of living is by far the most widely anticipated social consequence of the fuel crisis, cited by 89% of all businesses surveyed. Over half of respondents also foresaw unemployment increases, increased mental stress, shortages of basic goods and food security issues. Female-owned businesses were more likely than the overall sample to anticipate three specific social consequences: increased mental stress (68% vs 59%), food security issues (62% vs 56%), and increased crime levels (54% vs 48%).



RESPONDENT VOICES

Retail business, Kiribati

Supply chain disruptions mean delayed deliveries mean empty shelves and lost sales.

Retail business, Papua New Guinea

I have already increased prices and have noticed that my cash flow has dropped at a significant amount. This is causing a lot of strain and stress emotionally and financially.

What Support Do Businesses Need?

The survey results have made clear that the ongoing fuel crisis will hit Pacific businesses especially hard, and market analysts like ADB are no longer predicting these impacts will resolve quickly. Rising costs, reduced demand, and shrinking margins will hamper economic growth and further strain social issues. BLP asked businesses what they would need to overcome the crisis. The results highlighted immediate financial support, particularly grant or grant-and-loan packages, and strong demand for business advisory services.

Financial Support

Businesses were asked what financial support they would need to navigate the crisis. Small cash-flow grants are the most selected at 71% across all businesses, followed by



combined grant/ loan packages at 57% and low-interest loans at 53%. Agriculture businesses show a notably stronger preference for grant-based support: 77% selected small cash-flow grants (vs 71% overall).

Business Advisory Support

50% of all businesses surveyed identified subsidised Business advisory support as one of the financial support options that their business will require to overcome the potential fuel crisis. In this area, Female-owned businesses especially stood out for higher-than-average demand for subsidised business advisory support with 60% of respondents selecting this.

When asked which kinds of business advisory support they thought was most needed, the top services were:

1. Support to access finance
2. Business continuity planning
3. Cash-flow planning
4. Advice on cost reductions
5. Business optimisation

Building Business Continuity

Major disruptions have become a regular occurrence in the Pacific business community, with this fuel crisis following significant health events (COVID, Measles), the war in Ukraine and numerous natural disasters. In this context, building resilience is becoming more important than ever. Businesses were asked what solutions they would implement to ensure business continuity. In these responses one major theme emerged (66% of responses): Improving efficiency and reducing costs. Direct financial support and quality business advice will be key to achieving this outcome.

Conclusion

The survey findings point to an economic shock across Pacific businesses, with the greatest exposure concentrated in agriculture, tourism and hospitality, and female-owned microbusinesses.

Agriculture is the most exposed cost sector: 75% of agriculture respondents reported higher operating costs, 35% reported cost increases of 30% or more, and 29% expect business activity to decline by 50% or more. This signals a clear risk of margin decrease, reduced production, and logistics disruption. The World Bank supports this assessment, noting that higher fuel and freight costs flow through to electricity, food, construction,

and operating costs, while rising fertiliser prices can increase production costs and weigh on domestic food production¹.

Tourism and hospitality face the sharpest revenue risk. Although 37.8% of tourism and hospitality businesses report fuel as 50% or more of operating costs, the larger threat is lower demand, with 67% expecting reduced bookings and 50% expecting cancellations. The World Bank notes that higher energy and shipping costs are raising input costs for the hospitality and transport sectors, while higher jet fuel costs may soften discretionary travel from key source markets².

Female-owned businesses also show broad financial vulnerability: 70% expect lower profit, 63% expect reduced activity, and 58% expect higher supplier prices. The IMF warns that the shock is “raising inflation, weakening external balances, tightening financial conditions, and narrowing policy space”³

At the regional level, the World Bank confirms that Pacific economies are highly exposed to fuel shocks, with oil imports accounting for around 15–25% of merchandise imports in many Pacific countries. This supports the survey findings that fuel price increases are passed through to business operating costs, transport costs, electricity costs, and supplier prices, and to cash-flow pressure.

Fiji, Samoa, and Tonga show the clearest high-GDP exposure, with fuel import costs at around 10–13% of GDP. PNG has a lower GDP ratio but a large absolute fuel bill. Solomon Islands, Kiribati and Tuvalu remain exposed, while Vanuatu, Cook Islands and Niue show strong import-dependency signals. Overall, the outlook is for weaker growth, tighter cash flow and higher inflation pressure. The World Bank⁴ forecasts PIC-11 growth at 2.8% in 2026 and median inflation at 4.5%, while ADB projects regional inflation pressure of 5.2% in 2026.⁵

1 Pacific Economic Update, May 2026, p. 36. <https://thedocs.worldbank.org/en/doc/a04d2954d291f783c8a729d0a7342f51-0070062026/original/Pacific-Economic-Update-May-2026-Full-report.pdf>

2 World Bank, Pacific Economic Update, May 2026, p. 19 & 36

3 IMF, Regional Economic Outlook for Asia and Pacific, April 2026 / Spring Meetings transcript. <https://www.imf.org/en/news/articles/2026/04/16/tr-04162026-press-briefing-transcript-asia-pacific-department-spring-meetings-2026>

4 PRESS RELEASE. Pacific Economies Must Shift Toward Jobs and Long-Term Resilience as Global Uncertainty Persists. <https://www.worldbank.org/en/news/press-release/2026/05/12/pacific-economies-must-shift-toward-jobs-and-long-term-resilience-as-global-uncertainty-persists?>

5 ADB Brief No. 388, p.1. https://www.adb.org/sites/default/files/publication/1142926/adb-brief-388-middle-east-conflict-updated-analysis.pdf?utm_source=chatgpt.com