«Holding Steady»

Main economic trends in May 2026, based on the results of the New Rapid Enterprises Survey, #NRES

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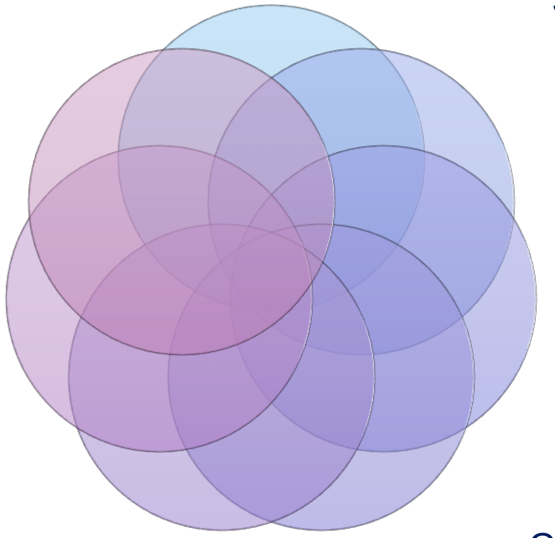
Kyiv, June 16, 2026

ABOUT THE NEW RAPID ENTERPRISES SURVEY #NRES

Monthly survey

The recent data were collected on **15 – 31 May, 2026**

SAMPLE: **469 enterprises were surveyed in May**



49 surveys have already been conducted (since May 2022)

Підприємства **усіх розмірів**

Sectors: **Industry+** (Retail, Agro)

Geography: **21 out of 27 regions** of Ukraine

Key message

Signs of slower economic recovery are becoming more visible, while business sentiment remains resilient and key expectations stabilize despite ongoing labor and security constraints

THE KEY RESULTS OF MAY 2026

1. In May 2026, the **long-term uncertainty increased slightly**, after decreasing last month. **Long-term business expectations also remained without significant changes** after a slight increase last mont.
2. **Medium-term uncertainty interrupted the trend towards gradual growth**, and the importance **did not change significantly** both for the <u>overall economic environment</u> and for the <u>business activity at the enterprise</u>. **Expectations for the six-month perspective also did not change significantly** after a significant deterioration in values last mont.
3. **The pace of recovery from year to year has worsened** for the second month in a row.
4. **Performance indicators of enterprises** (month to the previous month) **interrupted a two-month upward trend**, **expectations in the short term worsen** for the second month in a row.
5. **Business expects a further slowdown in the rate of price growth** in the next 3-4 months, **the importance of price growth as an impediment to business activity has decreased in importance.**
6. **No significant changes are expected in the number of workers and the number of workers on forced leave** in the next 3-4 months, while **the indicator of difficulties in finding skilled workers remains high.**
7. **lack of personnel, rising prices and security risks remain the top impediments to doing business,** albeit with some changes in the percentage distribution.

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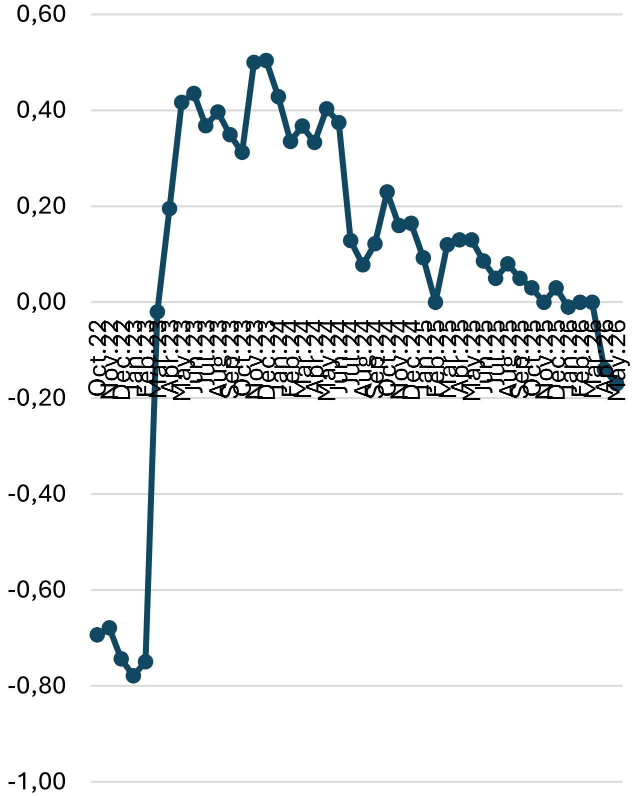
Main results 1.

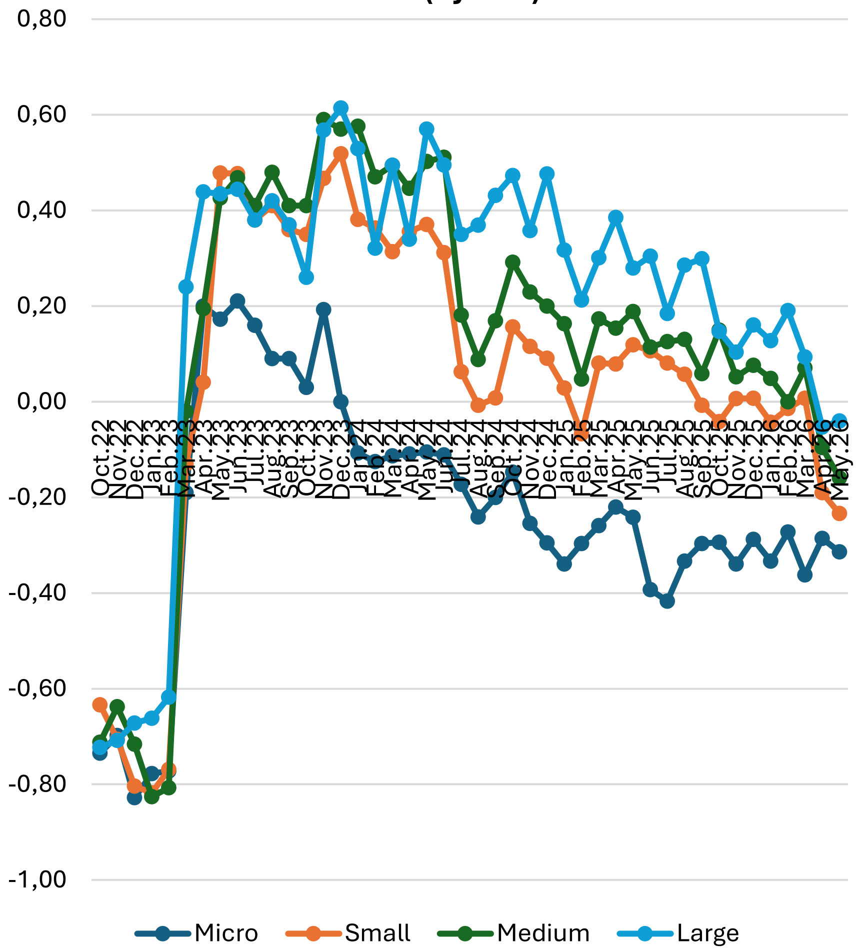
The Business Activity Recovery Index (BARI) decreased for the second month in a row (in May, compared to April, the value decreased from -0.14 to -0.17)

Capacity utilization compared to "pre-war times": did not change significantly

The Industrial Confidence Indicator (ICI) decreased for the second month in a row (in May, compared to April, the value decreased from 0,11 до 0,06)

The Business Activity Recovery Index (BARI)* worsens





BARI is based on question when managers make a comparison of "how it is now" vs. "how it was a year ago""

The Business Activity Recovery Index (BARI) has been worsening for the second month in a row. In May, compared to April, its value almost halved (from -0.14 to -0.17) (scale from -1 to +1)

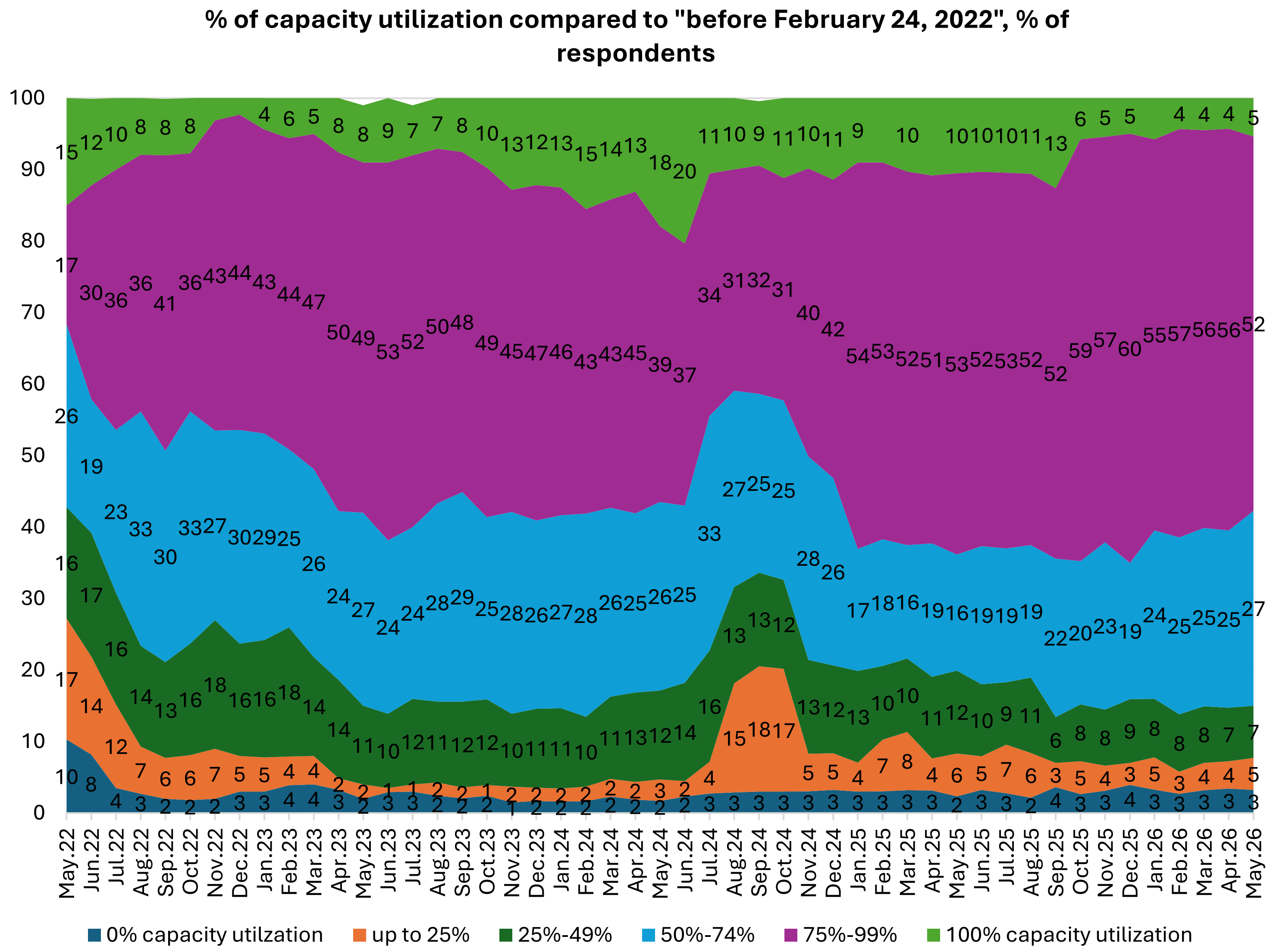
The fluctuations in the percentage distribution of answers are the following:

- % of businesses that **reported that their business activity was worse than last year increased** from 19.6% to 24.4%
- % of businesses that **reported that their business activity was better than last year increased slightly** (from 5.6% to 7.1%)
- % of those **who did not feel changes compared to last year decreased** (from 74.8% to 68.4%)

BUT there are significant differences depending on the size of the enterprises

The value of BARI for **microenterprises remains the lowest, with insignificant changes**. The value of this indicator for **small and medium-sized enterprises maintains a downward trend.** The value of this indicator for **large enterprises has not changed significantly**.

“Now” vs. “before February 24”: no significant changes



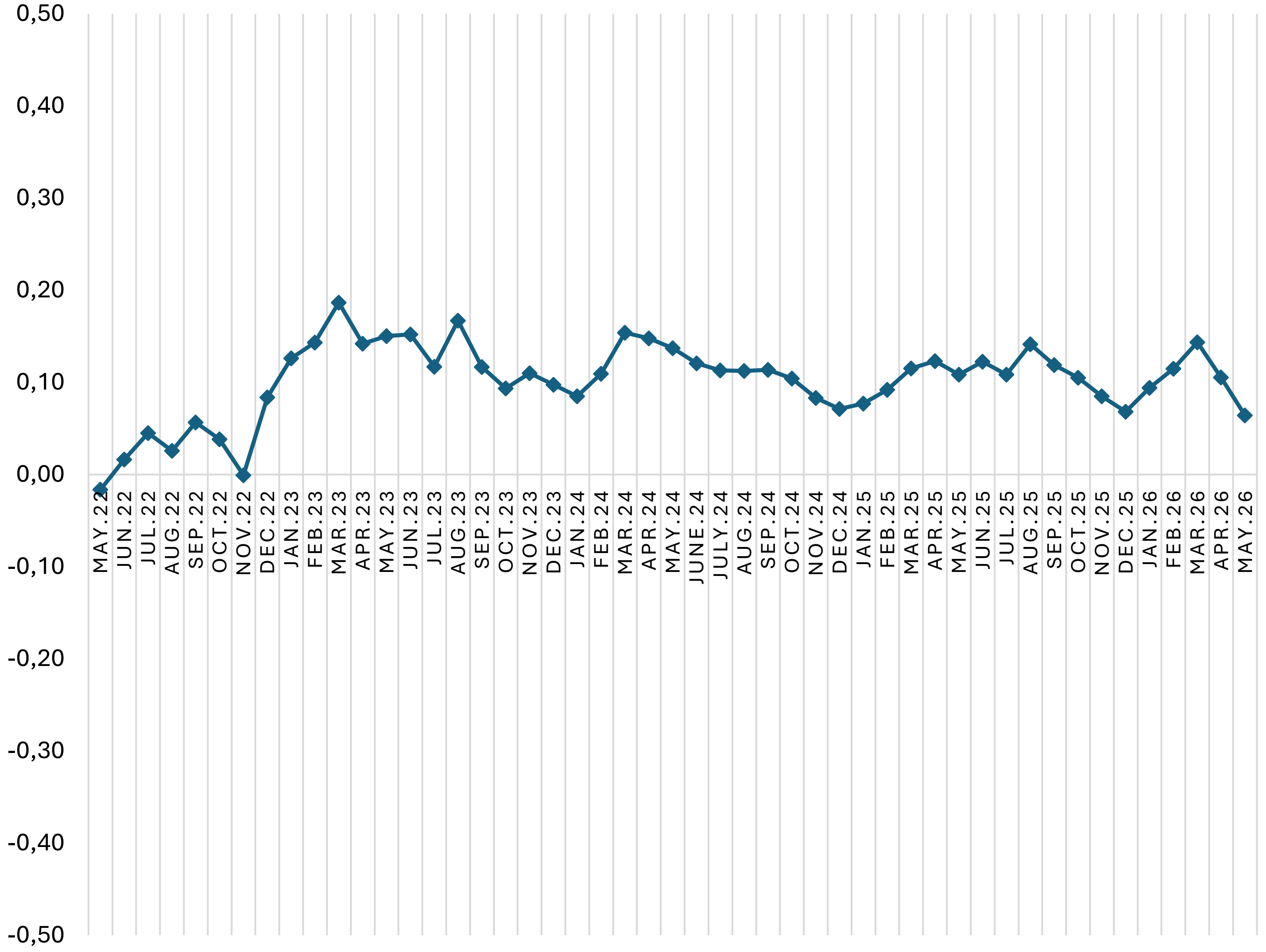
In May 2026, compared to April, changes in capacity utilization were insignificant

- **% of enterprises operating almost at full capacity slightly decreased** in May, from 56% to 52%
- **% of enterprises operating at 50-74% capacity has slightly increased** and is 27% (for three months in a row it was 25%)

At the same time:

- **% of enterprises operating at 100% capac**ity is 5% (for three months in a row it was 4%)
- **% of enterprises operating at 25-49% capacity is 7%** for the second month in a row
- **% of enterprises operating up to 25% capacity is 5%** in May (was 4% in April and March)
- **% of enterprises that do not work at all remained unchanged** at 3% **for the fifth month in a row**

Industrial Confidence Indicator (ICI)*



The ICI has been decreasing for the second month in a row. The value of the ICI in May almost halved, from 0.11 to 0.06

In May, compared to April, the fluctuations in the components of the ICI are the following:

- **Production expectations** (PE) **have been decreasing for the second month in a row,** and in May the value decreased from 0.34 to 0.25
- The component **Stocks of finished goods** (SGF) **insignificantly, but increased**, from -0.08 in April to -0.05 in May
- The component **Volume of new orders did not change significantly** (-0.11 in May vs. -0.10 in April)

**ICI= PE+VNO+(-SFG)/3*

Main results 2. Uncertainty

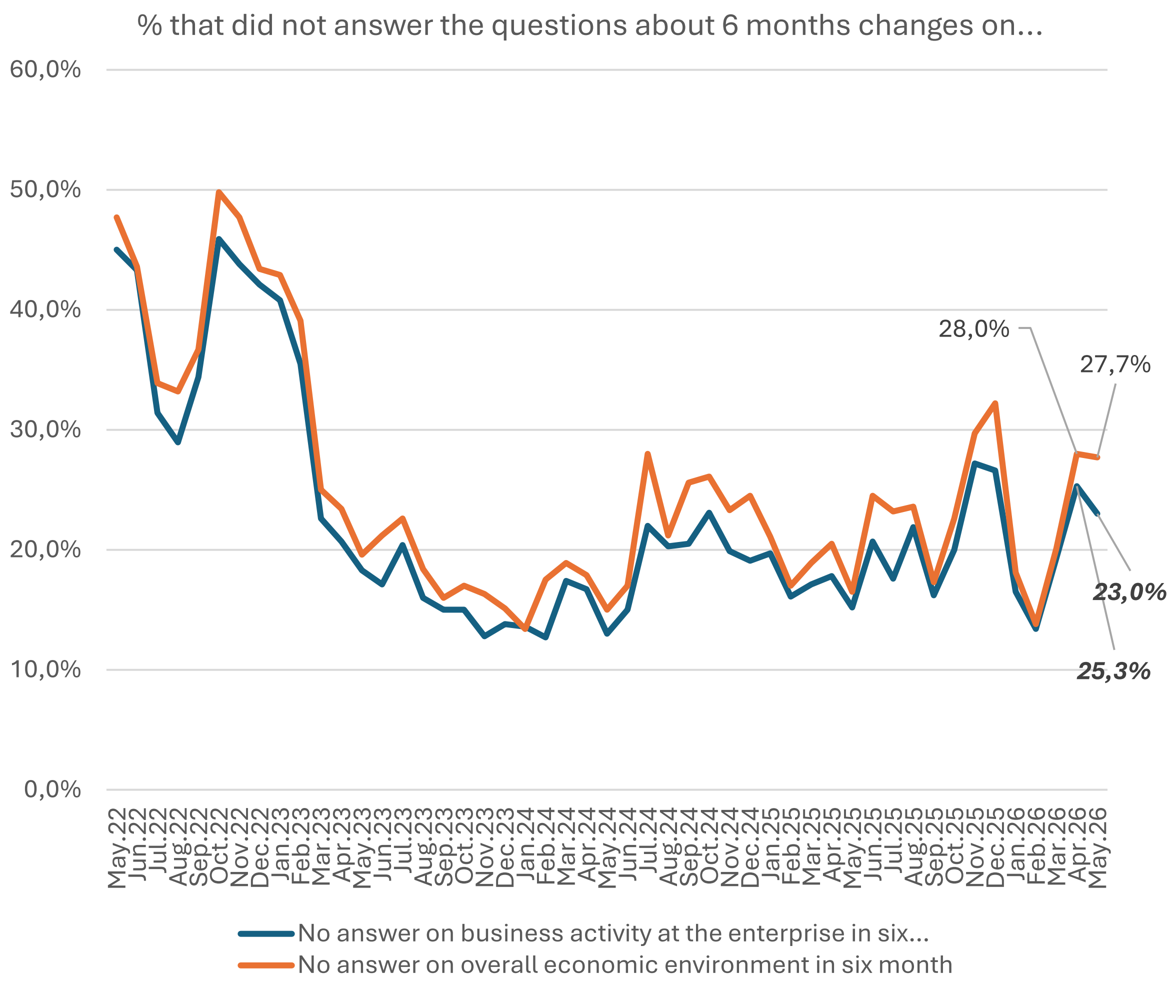
The uncertainty in the 6-month perspective did not change significantly both for the overall economic environment in the country and for the business activity **at the enterprise**

Uncertainty in the perspective of 3 months remained without significant changes

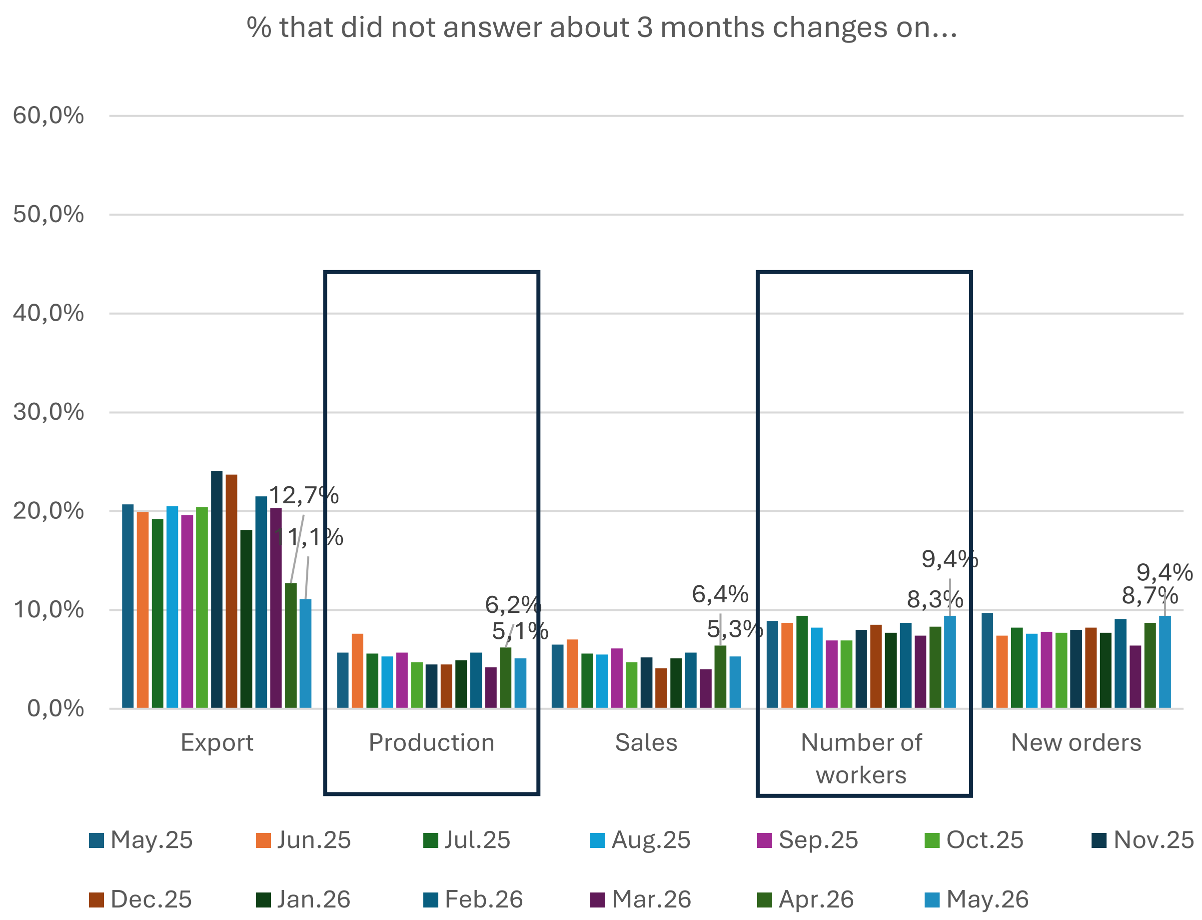
Uncertainty on the 2-year outlook increased slightly after a slight decrease last month

The uncertainty did not change significantly in the half-year perspective and for production indicators

6-month horizon :

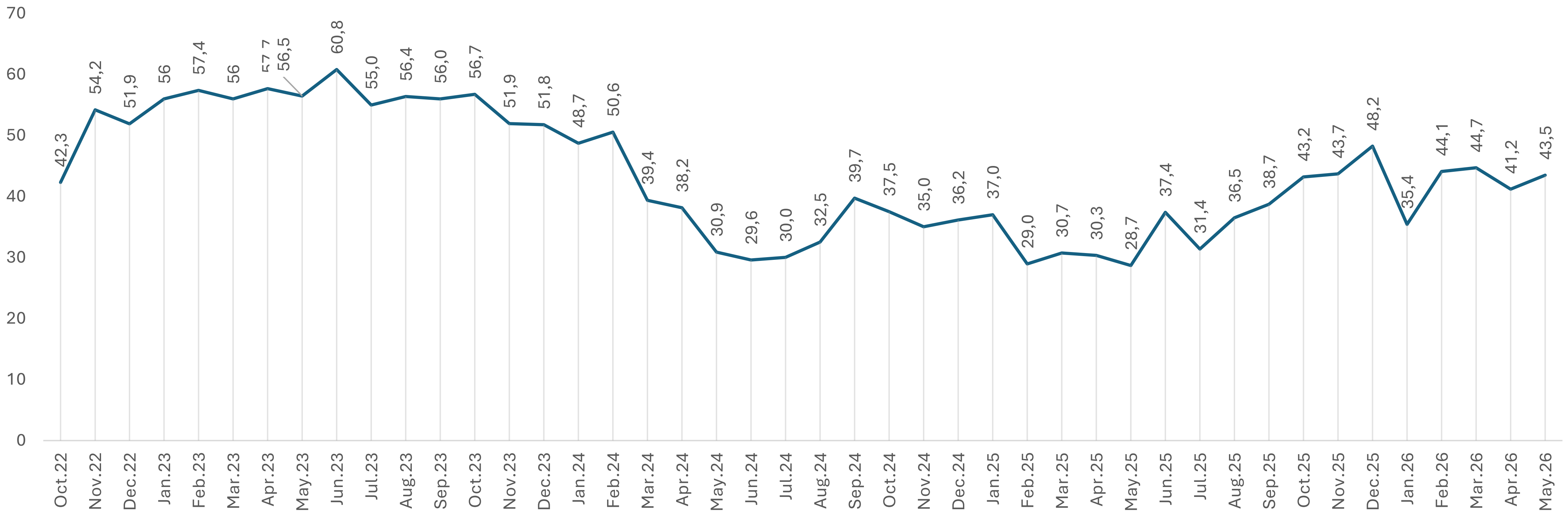


3-month horizon:



Uncertainty in the long term has increased slightly

“It is hard to predict what will be with the activities of our enterprise in 2 years”, % of answers



% of enterprises **that have no idea about their plans for 2 years, although insignificantly, but increased** after a decrease in the previous month and was 43.5% (was 41.2% in April)

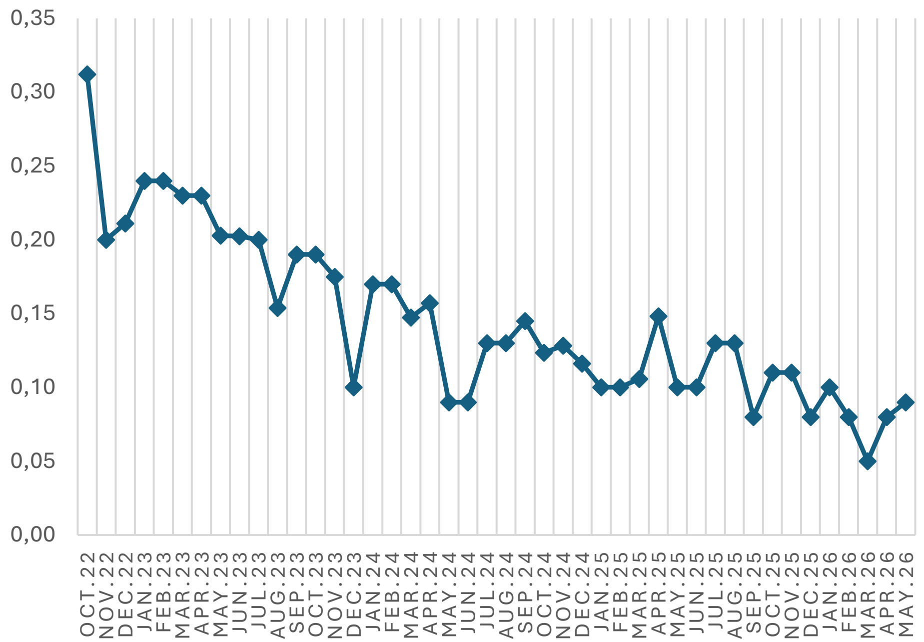
Main results 3. Long-term expectations

Expectations for the two-year perspective have not changed significantly

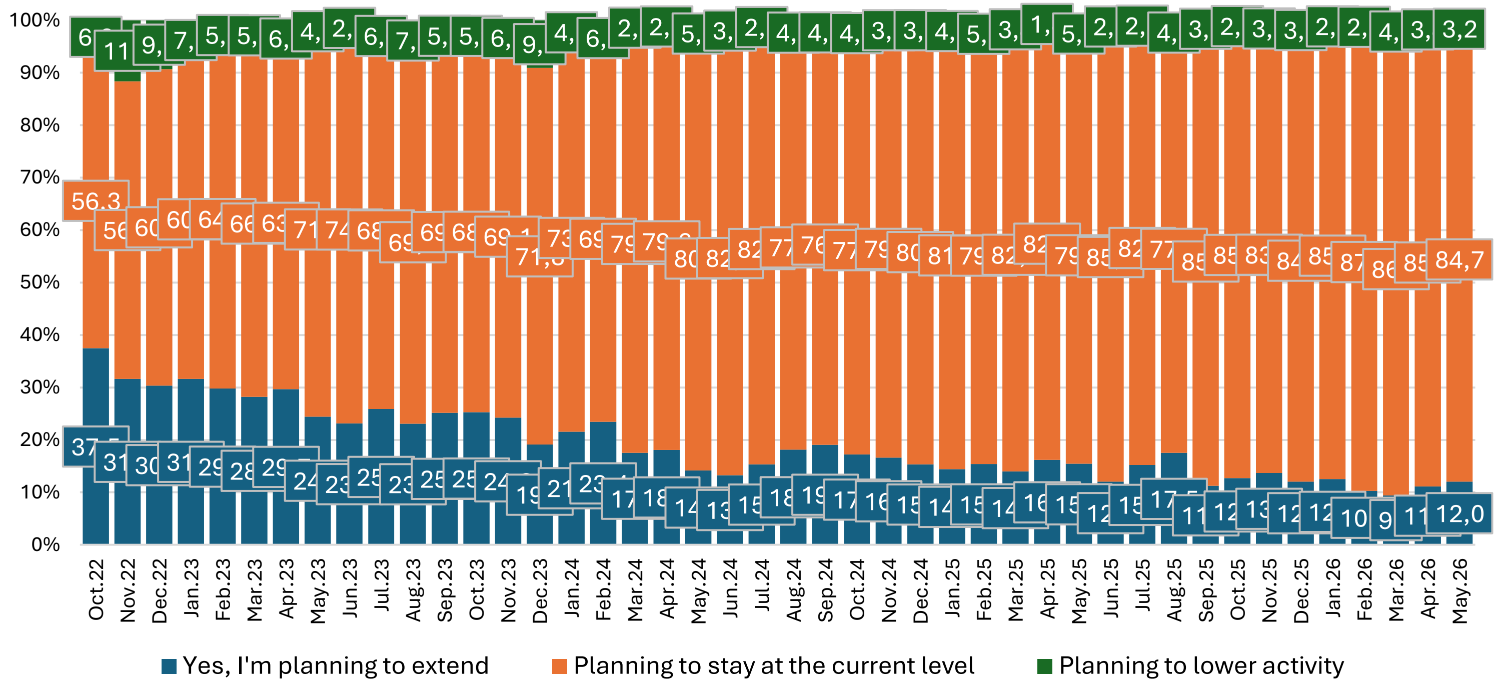
6-month expectations for the business activity at the enterprise and for the overall economic environment **remained without significant changes** after a significant deterioration last month

Expectations in the long term have not changed significantly

Index of expected changes in business activity (2 years)



Expectations in the two-year perspective



- **The index of expected changes in perspective for 2 years did not change significantly** and is 0.09 in May (was 0.08 in April)
- **Scale from -1 (bad) to +1 (good)**

There were no significant changes in the percentage distribution:

- **% of those who plan to expand their activities was 12%** (was 11.1% in April)
- **% of those who plan to narrow their activities was without significant changes** (3.4% in April and 3.2% in May)
- **% of those who do not plan to change has not changed significantly** (85.4% in April and 84.7% in May)

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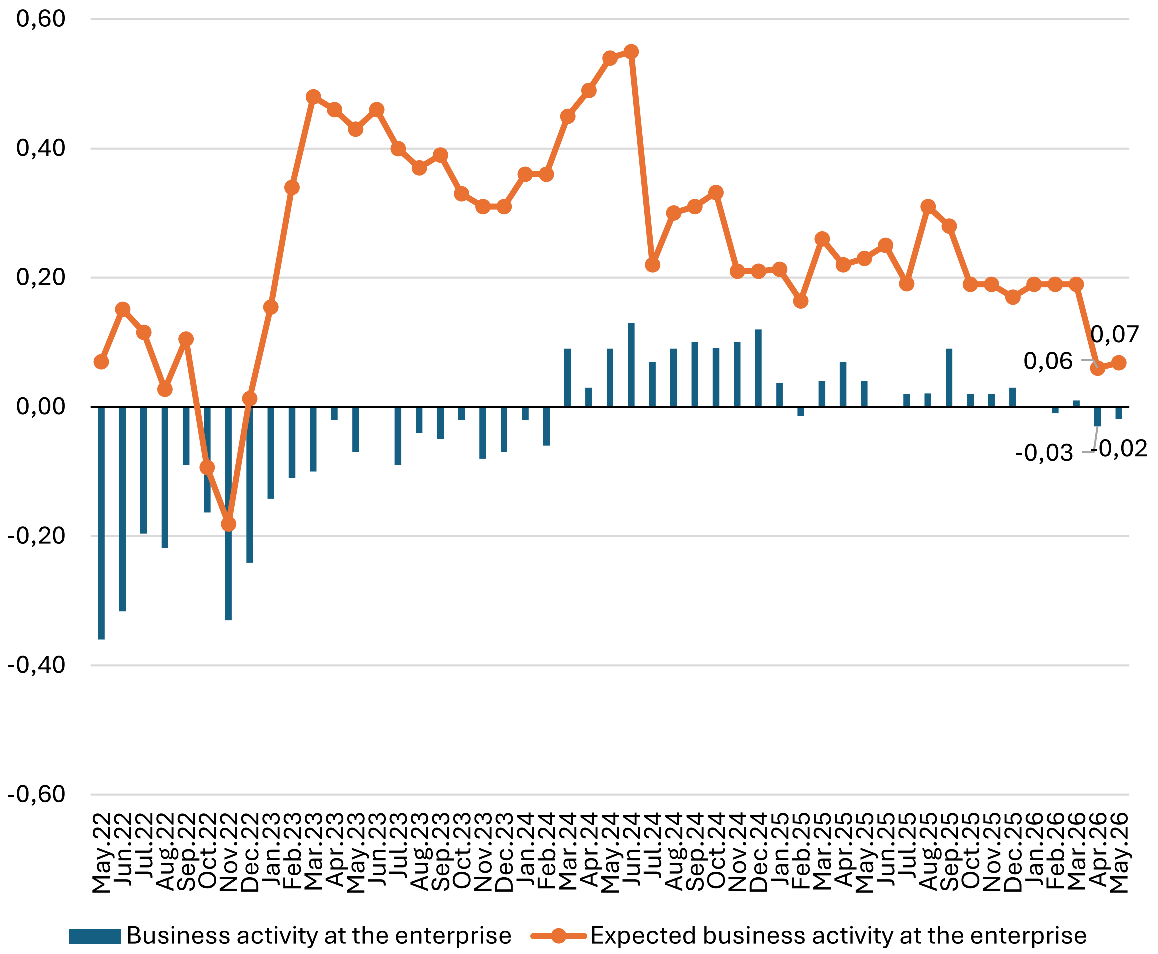
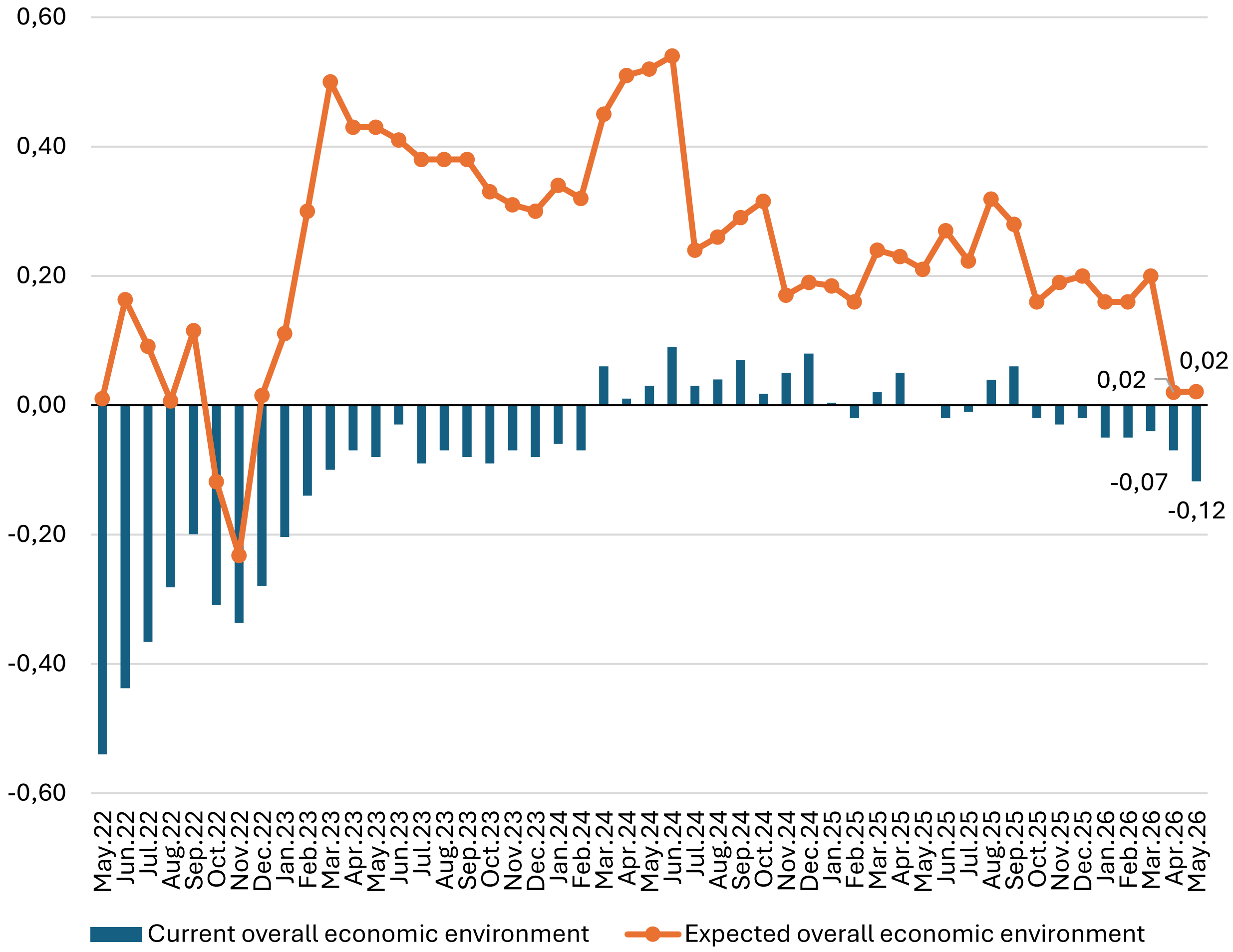
6-month outlook: deterioration of estimates for the overall economic environment in the country, expectations without significant changes

Business activity at the enterprise



Overall economic environment in the country



Main results 4.
May vs. April
and short-term expectations

Production results interrupted a two-month upward trend, while **short-term expectations maintain a downward trend**

In the three-month perspective, **no significant changes in the number of workers** are expected

Export change indicators worsened, while **expectations for 3 months worsened** for the second month in a row

Expectations of growth in purchase price and domestic sales price have been **decreasing for the second month in a row**

Production: improving results and deteriorating expectations

Results (May to April)

- % of **enterprises that increased production decreased** (from 26.6% in April to 19.7% in May)
- % of **enterprises that reduced production volumes increased slightly** (from 12.3% in April to 15% in May)

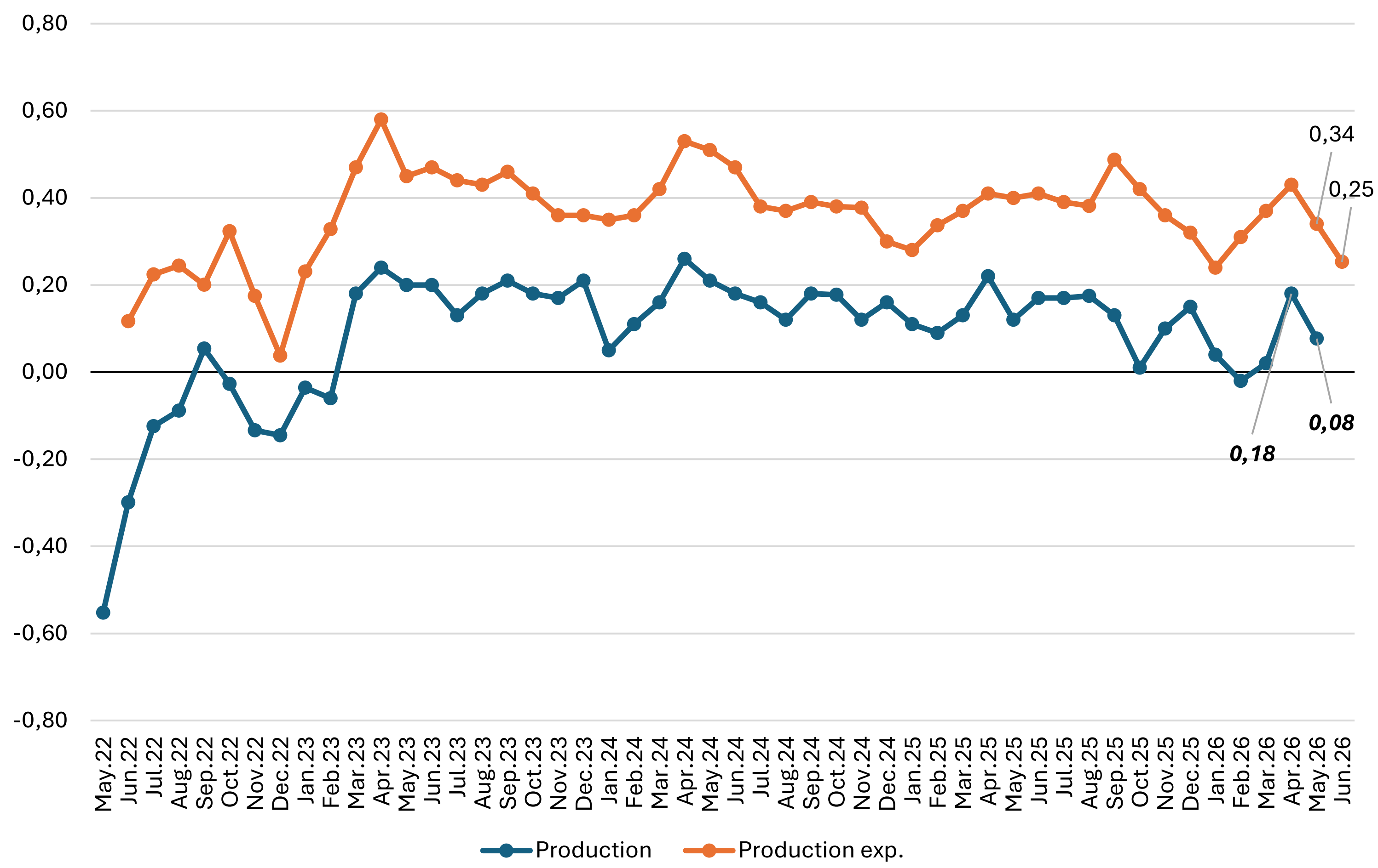
The index of changes decreased significantly, from 0.18 to 0.08

Expectations for 3 months

- % of enterprises that **plan to increase production volumes in the next 3-4 months decreased** (from 37.1% to 28.3%)
- % of enterprises **expecting a reduction in production volumes without significant changes** (3.6% in April and 3.4% in May)

The index of expected changes in production decreased, from 0.34 to 0.25

Production, balance indicators



Exports: deterioration of results and expectations

Results (May to April)

- % of enterprises **reporting export growth decreased** (from 26.9% in April to 20% in May)
- % of enterprises **reporting decrease in exports increased** (from 13% in April to 17.6% in May)

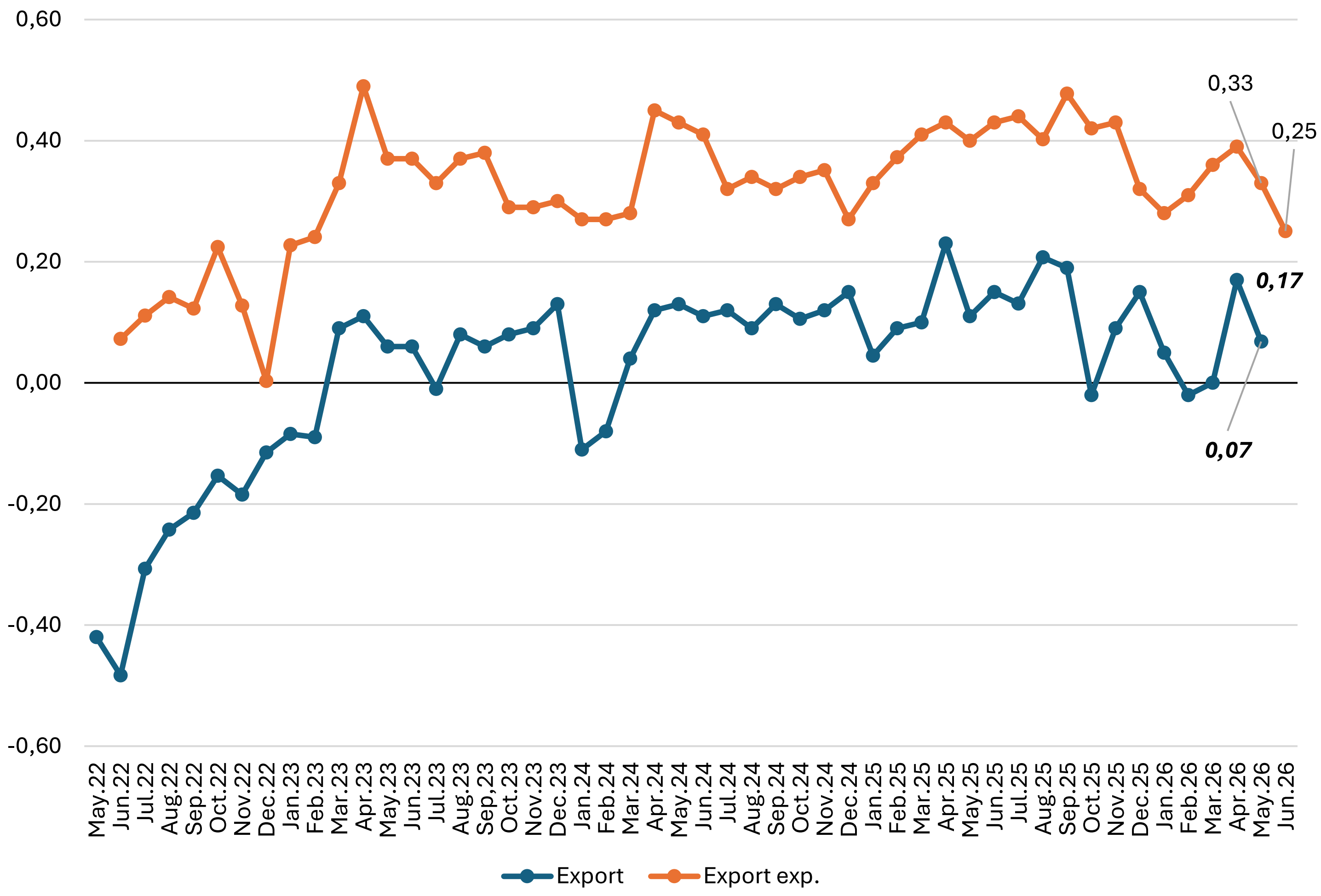
The index of changes decreased significantly, from 0.17 to 0.07

Expectations for 3 months

- % of **enterprises expecting export growth decreased** (from 37.9% in April to 28.5% in May)
- % of **enterprises planning to reduce export did not change significantly** (5.8% in April and 5.2% in May)

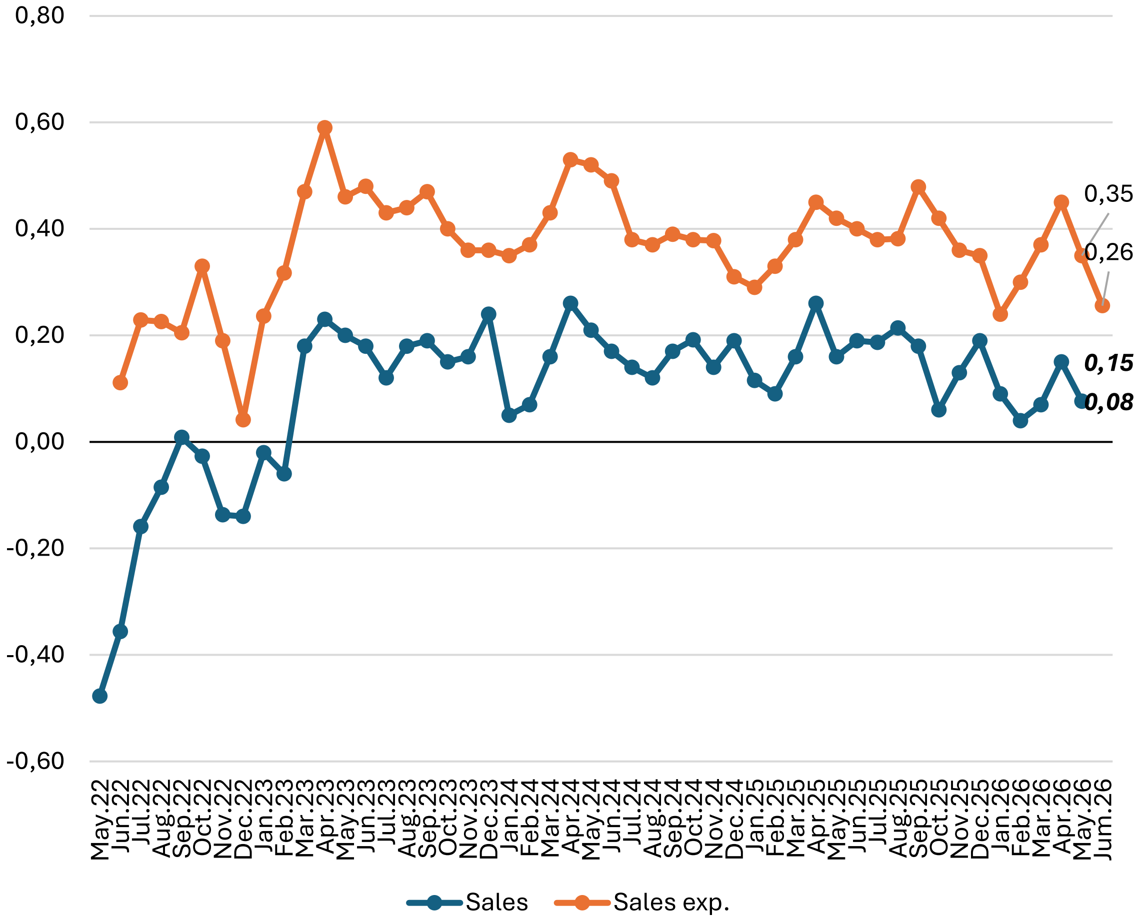
Index of expected changes in export decreased from 0.33 to 0.25

Export, balance indicators

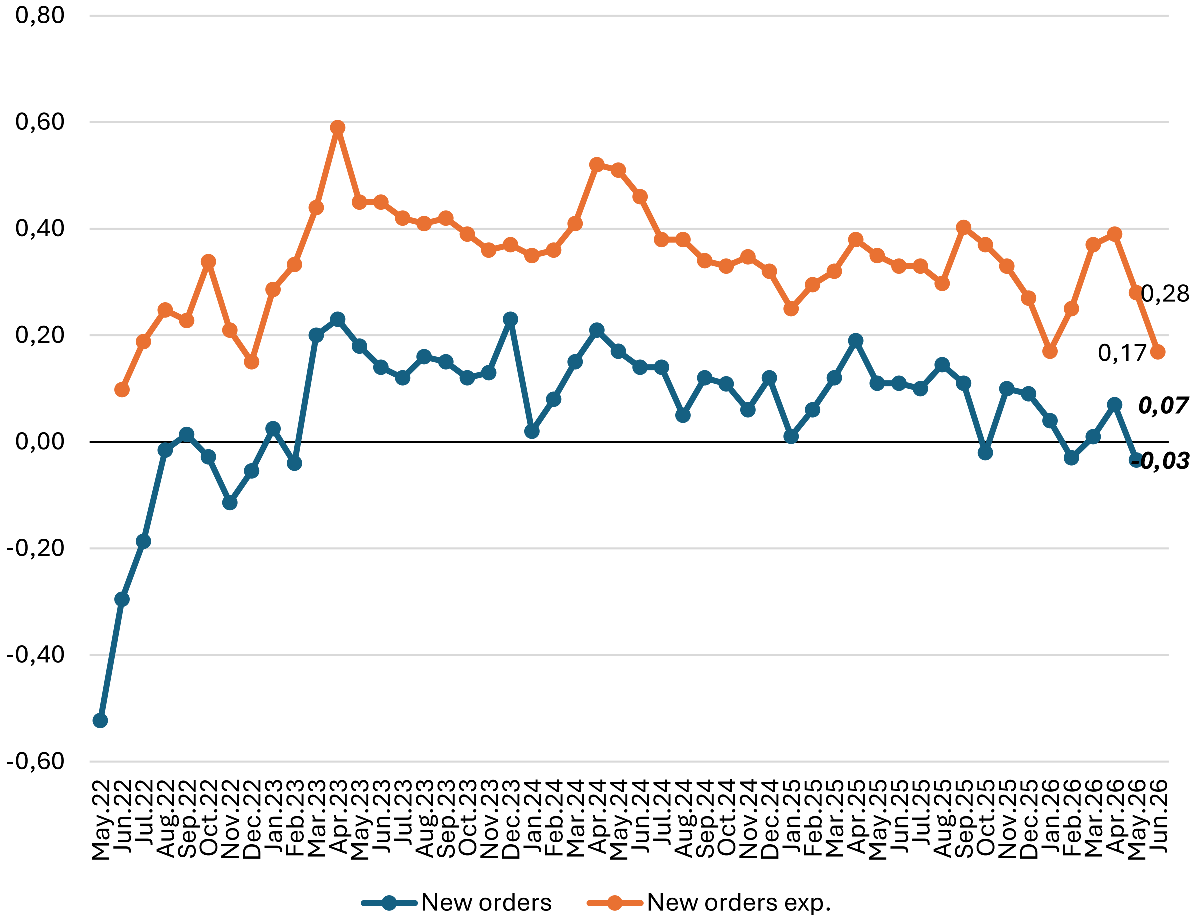


Sales and new orders: deterioration of results and expectations

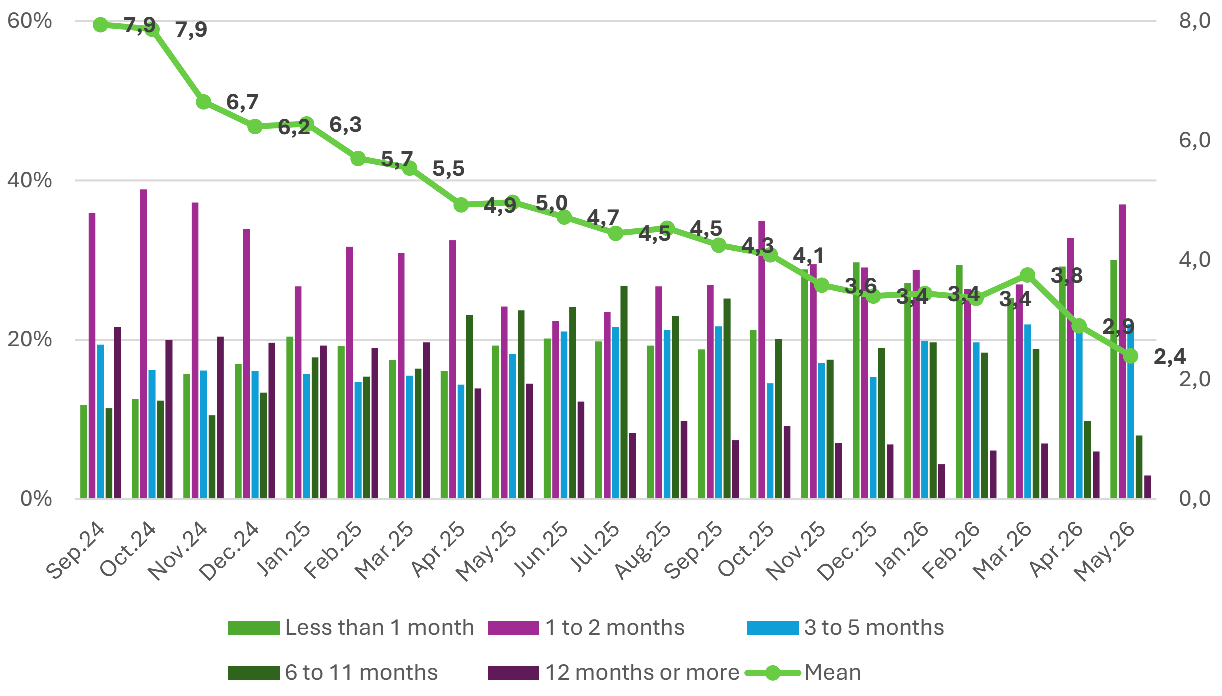
Sales

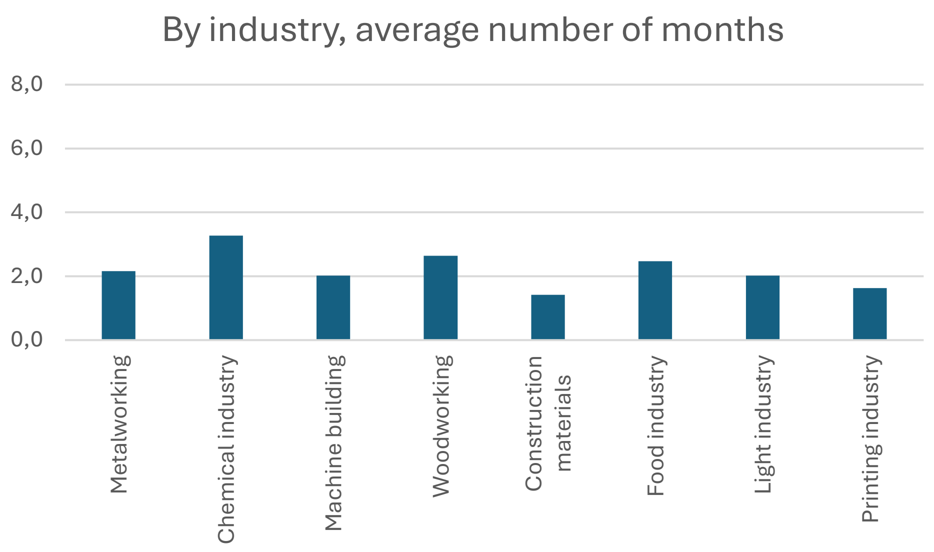


New orders



New orders portfolio





In May 2026, compared to April, there were **some changes in the order portfolio among the surveyed enterprises**

- **The average duration of new orders is gradually decreasing:** in May, the value was 2.4 (it was 2.9 in April and 3.8 in March)
- **The share of enterprises with an order horizon of a year or more in advance decreased** from 6% in April to 3% in May
- **The share of enterprises operating "hand-to-mouth" did not change significantly** (29% in April and 30% in May), while **the share of those who had orders for 1-2 months increased from** 33% to 37%**. The share of enterprises with a portfolio of orders for 6-11 months continued to gradually decrease** and was 8% in May (it was 10% in April and 19% in March)

Purchase price: reduction of results and expectations

Results (May to April)

The % of businesses reporting price increased decreased slightly, from 41.6% in April to 38.2% in May

% of enterprises that believe that **prices for raw materials and materials have decreased remained unchanged** (1.7% in May, as in April)

The index of changes in prices for raw materials decreased from 0.39 to 0.36

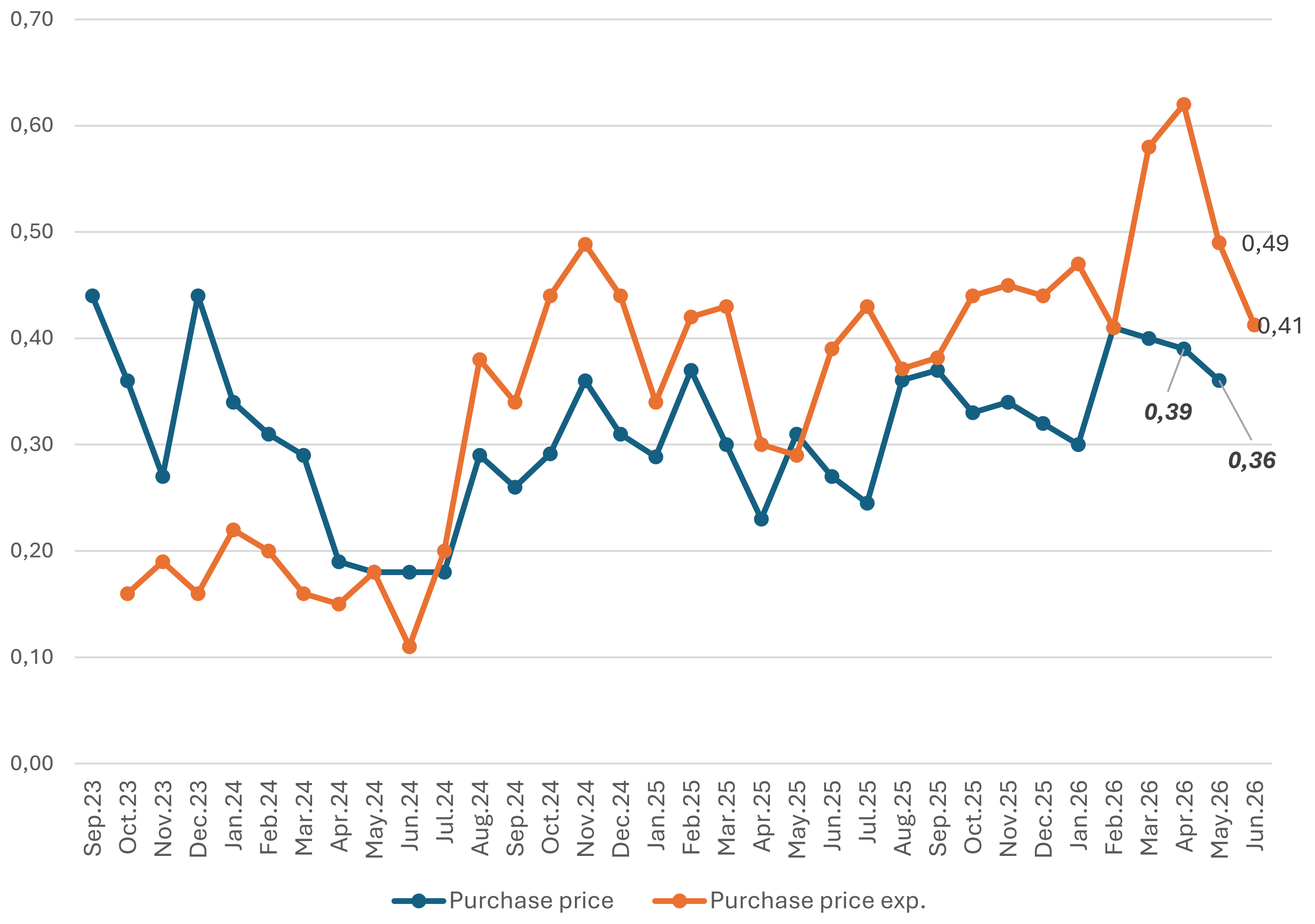
Expectations for 3 months

% of enterprises expecting price increases decreased (from 51.6% in April to 44.5% in May)

% of enterprises expecting price reductions did not change significantly and is 0.09 (was 0.7% in April)

The index of expected changes in prices for raw materials and materials decreased, from 0.49 to 0.41

Purchase price, balance indicators



Domestic sales prices: reduction of results and expectations

Results (May to April)

% of enterprises reporting an increase in prices for finished products decreased (from 38.9% to 35.8%)

% of enterprises that believe that prices for finished products have decreased did not change significantly (1.5% in April and 2.2% in May)

The index of changes in prices for finished products is gradually decreasing and is 0.34 (it was 0.37 in April)

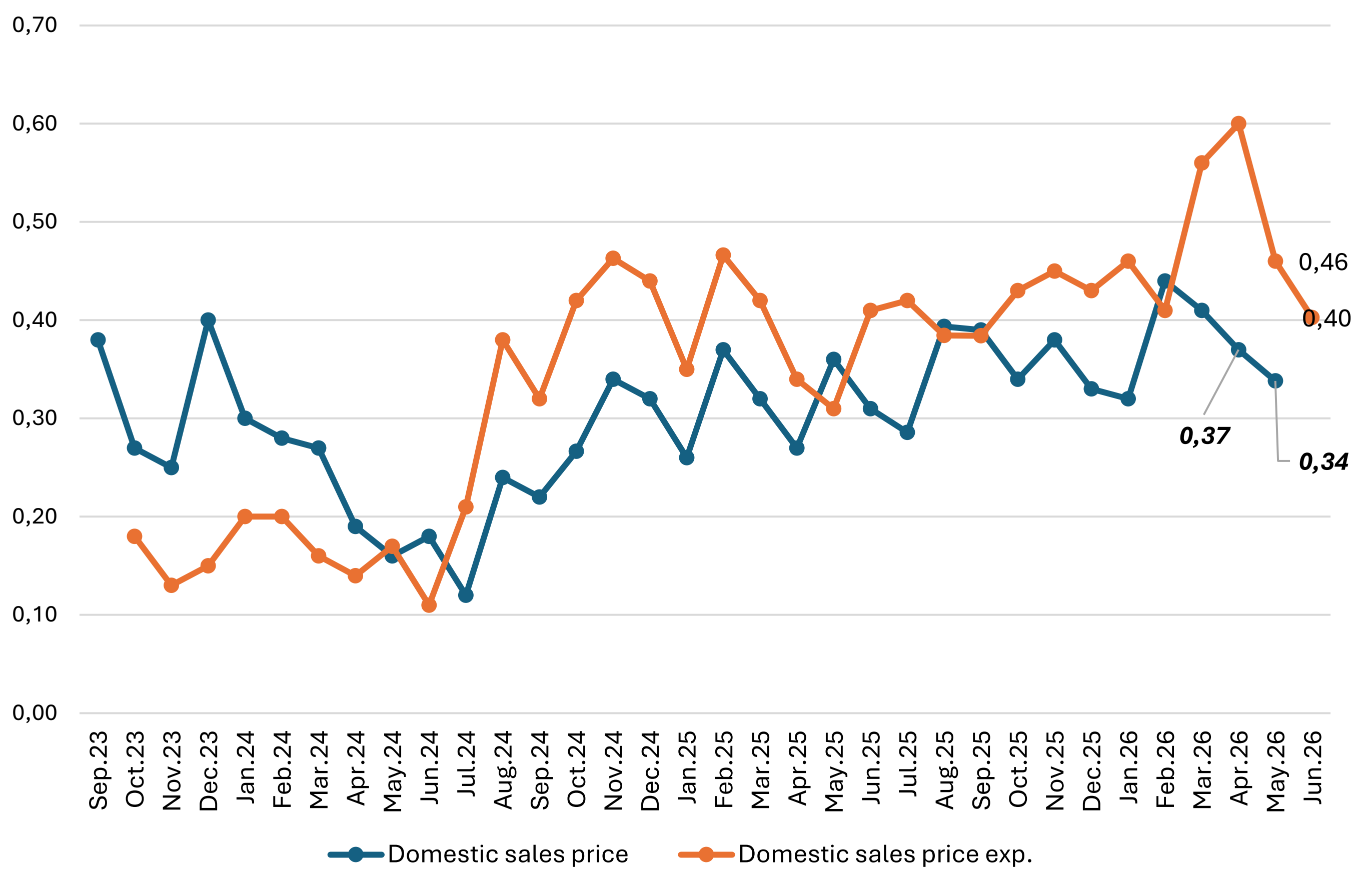
Expectations for 3 months

% of enterprises expecting price increases decreased (from 49.3% in April to 43% in May)

% of enterprises expecting a decrease in prices did not change significantly and is 0.9 (it was 1.2% in April)

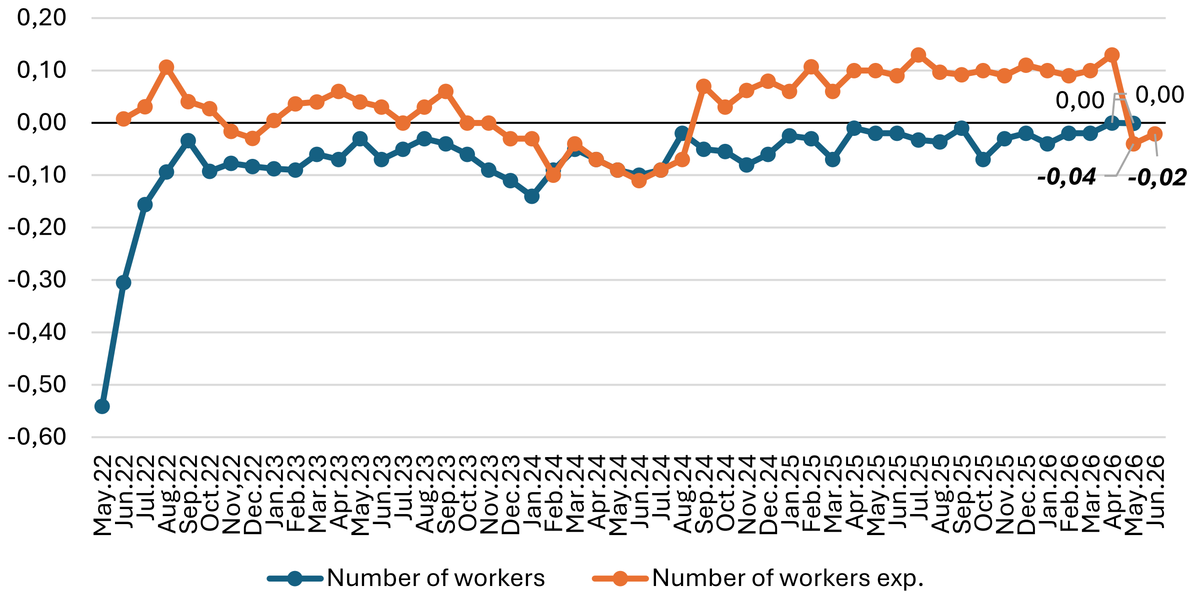
The index of expected changes in prices for finished products decreased from 0.46 to 0.40

Domestic sales price, balance indicators

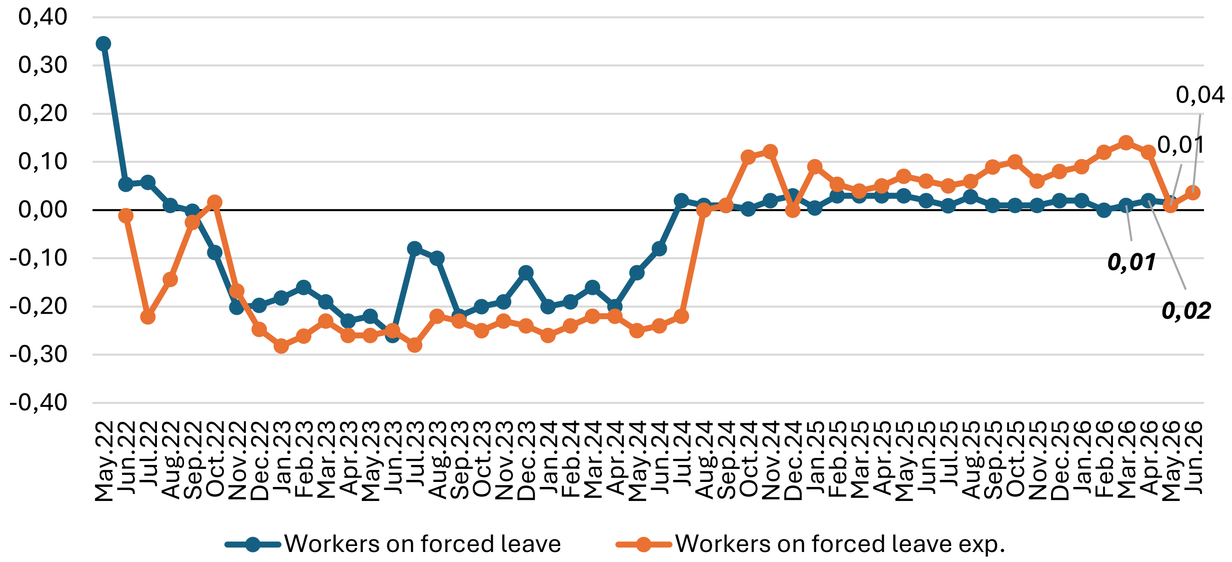


Employment: no significant changes expected

Number of workers



Number of workers on forced leave



Expectations for 3 months

- % of **enterprises planning employment growth in the next 3-4 months has not changed significantly** and was 2.4% (it was 2.5% in April)
- % of **enterprises that intend to reduce the number of workers decreased slightly** (from 6% in April to 4.3% in May)

The index of expected changes did not change significantly and was -0.02 (it was -0.04 in the previous month)

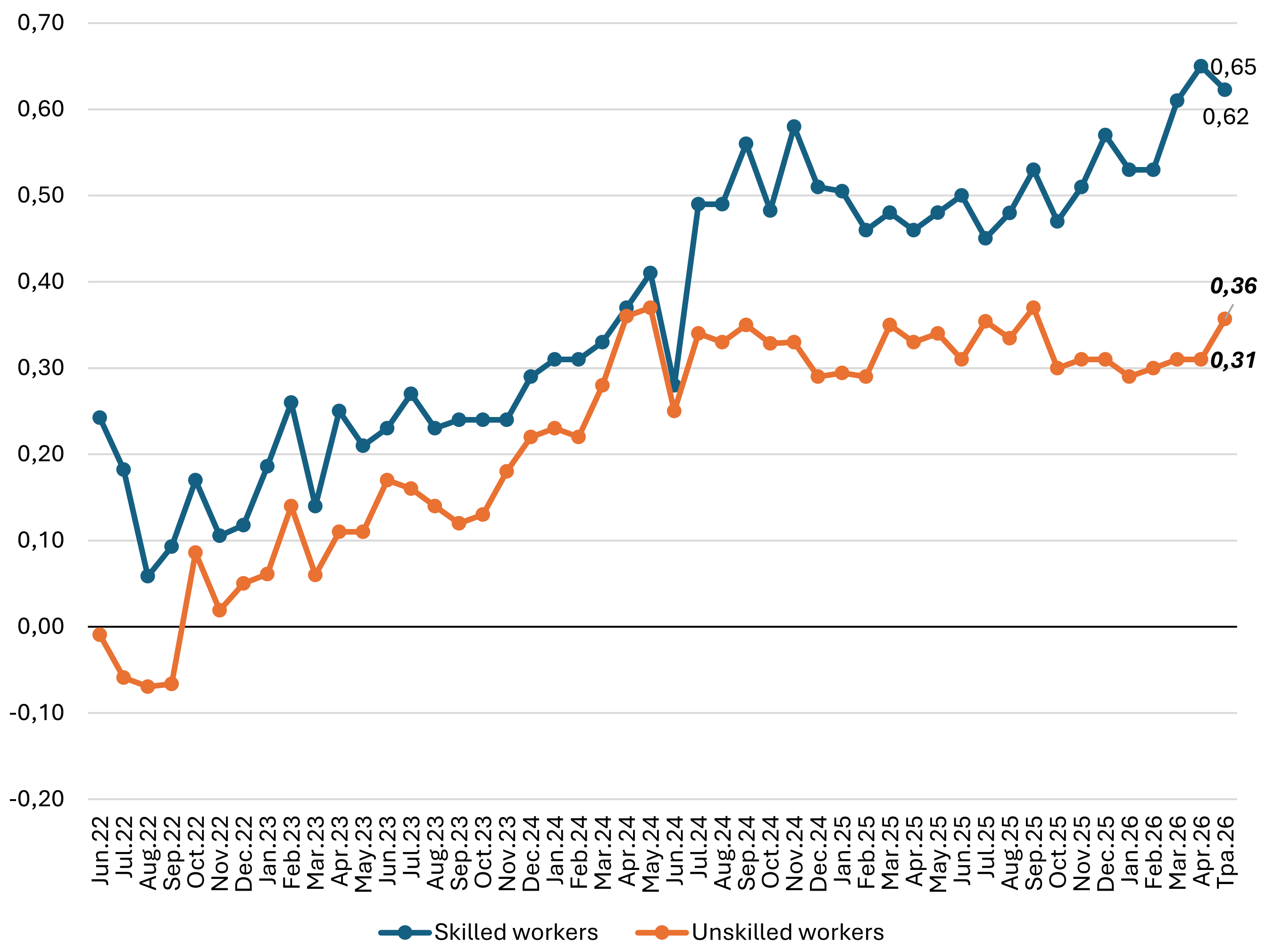
Expectations for 3 months

- % of **enterprises planning to increase the number of workers on forced leave has not changed significantly** and was 5.1% in May (it was 4.1% in April)
- % of **enterprises planning to reduce workers on forced leave did not change significantly** (2.7% in April and 1.2% in May)

The index of expected changes increased slightly, from 0.01 to 0.04

Problems with finding skilled workers remain high

Problems with finding workers



In May 2026, **despite a slight decrease, the rate of difficulties in finding skilled workers remains high, the rate for unskilled workers increased slightly**

Skilled workers:

- % of those **who reported that it was more difficult to find such workers decreased slightly** (62.3% in April and 60.6% in May)
- **% of those who said that it has become easier to find qualified workers are absent**, as in April

The difficulty index decreased slightly from 0.65 to 0.62

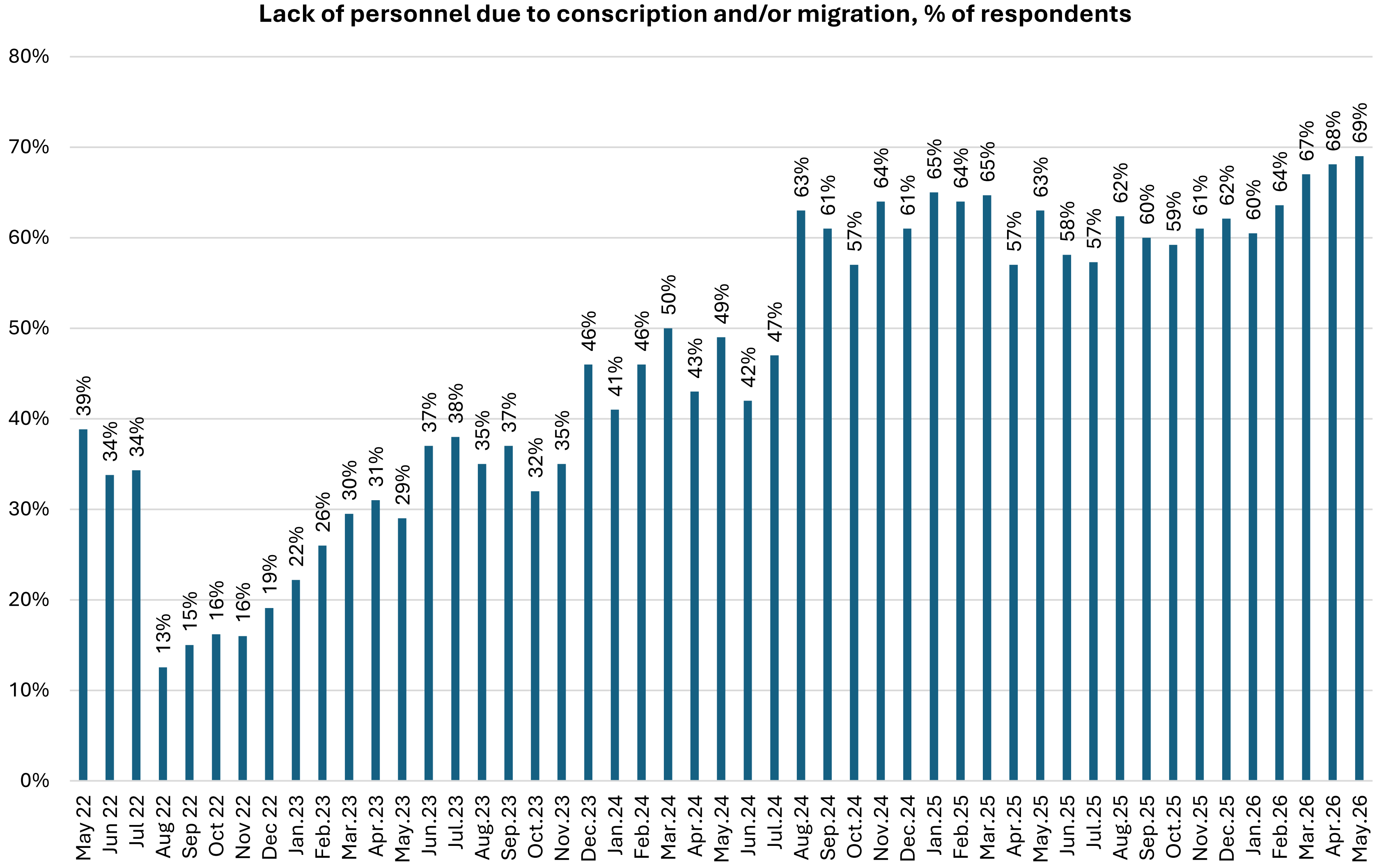
Unskilled workers:

- % of those **for whom it was more difficult to look for them increased slightly** (from 34.3% in April to 38.4% in May)
- % of those **who reported that they were easy to find did not change significantly** (4.2% in April to 3.3% in May)

The difficulty index increased slightly and is 0.36 (was 0.31 in April and March

“Lack of personnel” maintains leadership in the list of impediments

- **The share of enterprises who said “lack of personnel” was an impediment, has been gradually increasing**, (67% in March, 68% in April and 69% in May)
- In the list of impediments, “lack of personnel” **remains on the first position**



Main results 5: Impediments

"Lack of personnel" remains the leader in the list of impediments to doing business

"It is dangerous to work", with a slight decrease in value, remains on the 3rd position of the impediment rating

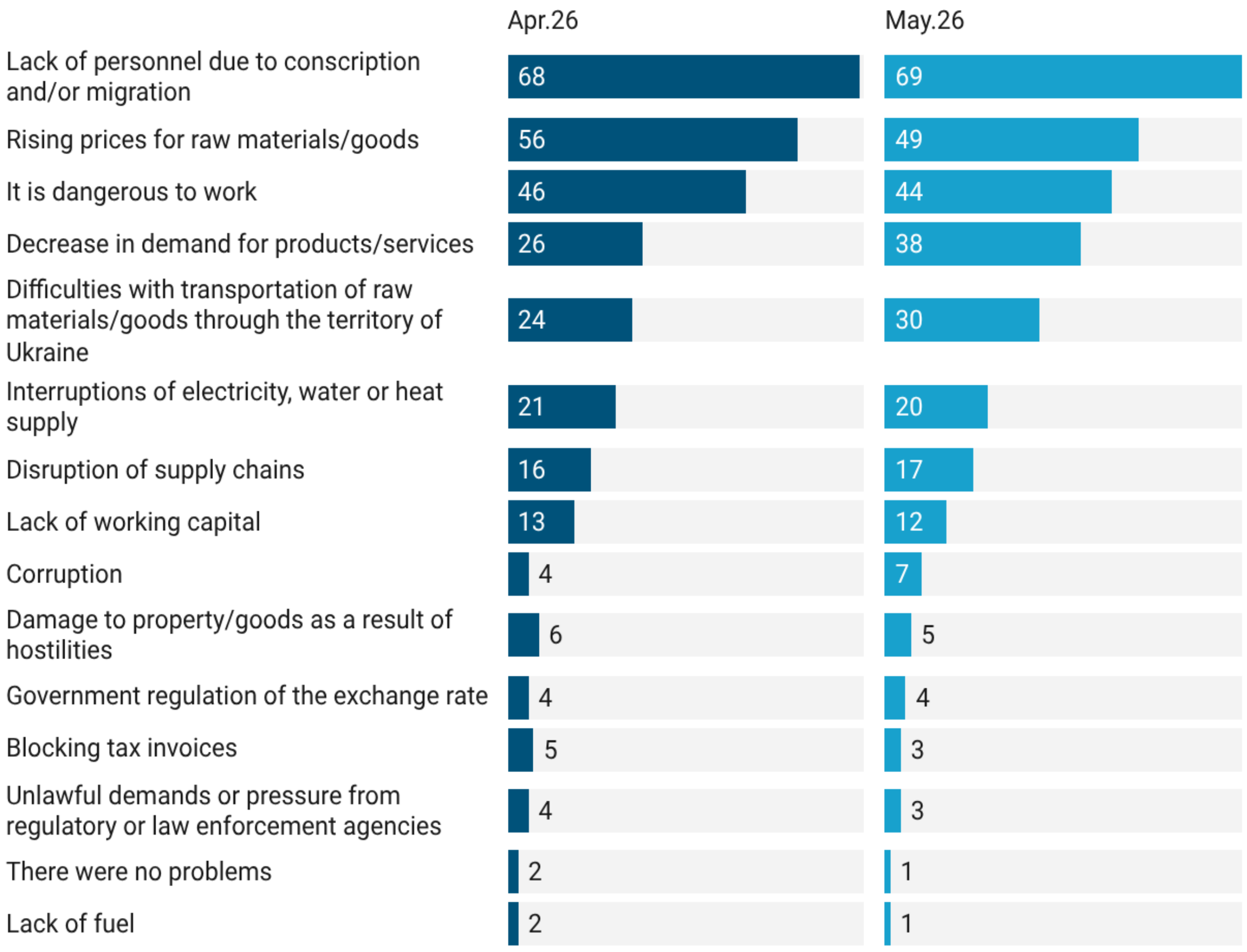
"Rising prices", despite a significant decrease in value**, remain on the 2nd position of the impediment rating**

"Decrease in demand" and **"difficulties with the transportation of raw materials or goods through the territory of Ukraine" significantly increased in value**

The main impediments to doing business in wartime, % respondents

In May 2026, the top three impediment to doing business remained unchanged, despite changes in the percentage distribution

- **"Lack of personnel"** with a gradual increase in value (67% in March and 68% in April and 69% in May) **remains in the first position**
- The impediment **"rising prices for raw materials and goods"**, despite a **significant decrease** in the value (from 56% in April to 49% in May), **remains on the 2nd place**
- "It is dangerous to work", **having slightly decreased in value** (from 46% in April to 44% in May), **retained the 3rd place**
- **"Decrease in demand"**, with a significant **increase in value** (from 26% in April to 38% in May), **remains on the 4th position**
- **Logistical problems** within the country – with a **significant increase in importance** (from 24% to 30%) – **retained the 5th place. "Disruptions of supply chain" remained on the 7th position with almost unchanged values** (16% in April and 17% in May)
- **"Interruptions with electricity"**, with **almost unchanged values** (21% in April and 20% in May), **remain on the 6th position**
- **Corruption and pressure from law enforcement agencies are not significant problems**



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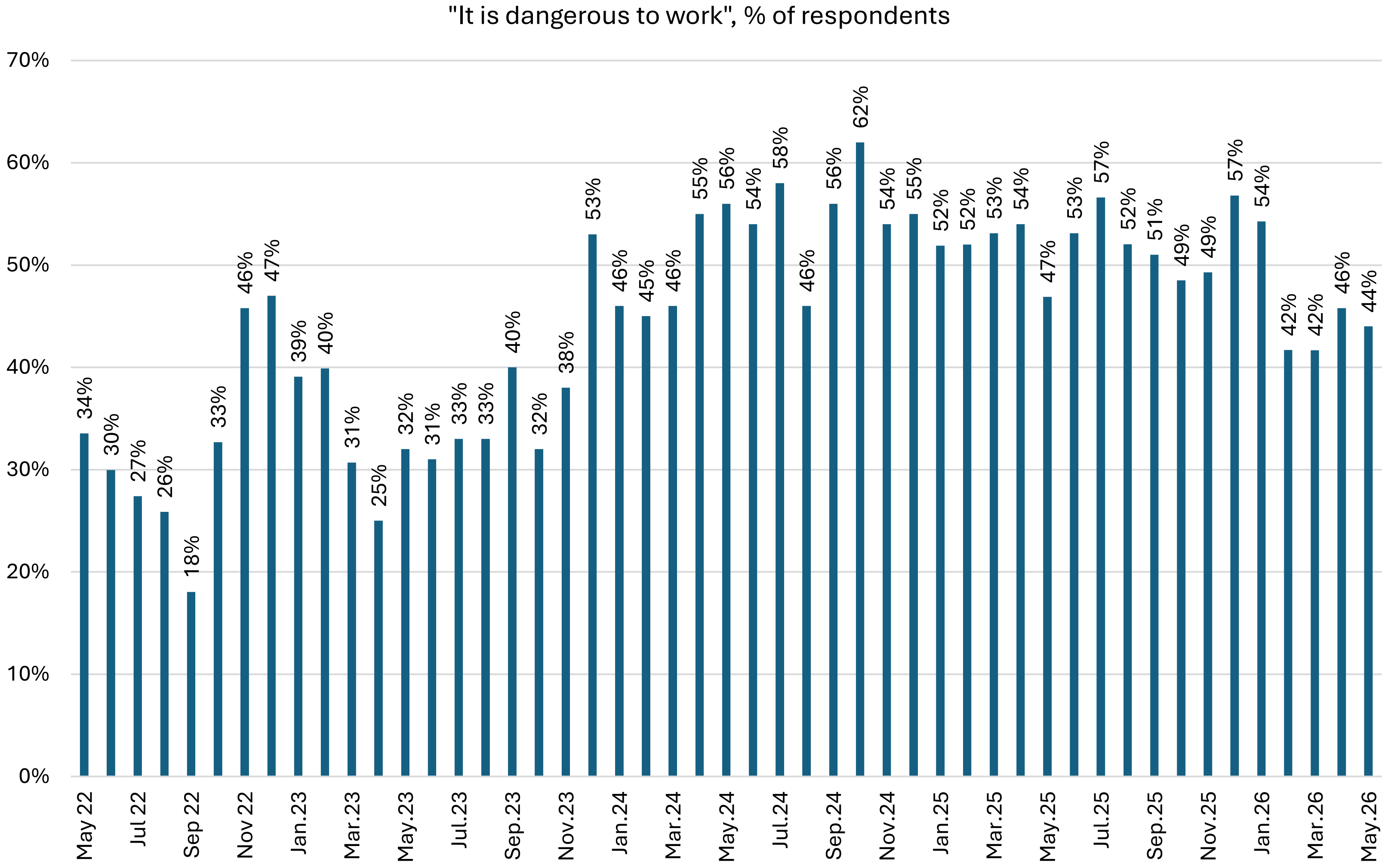
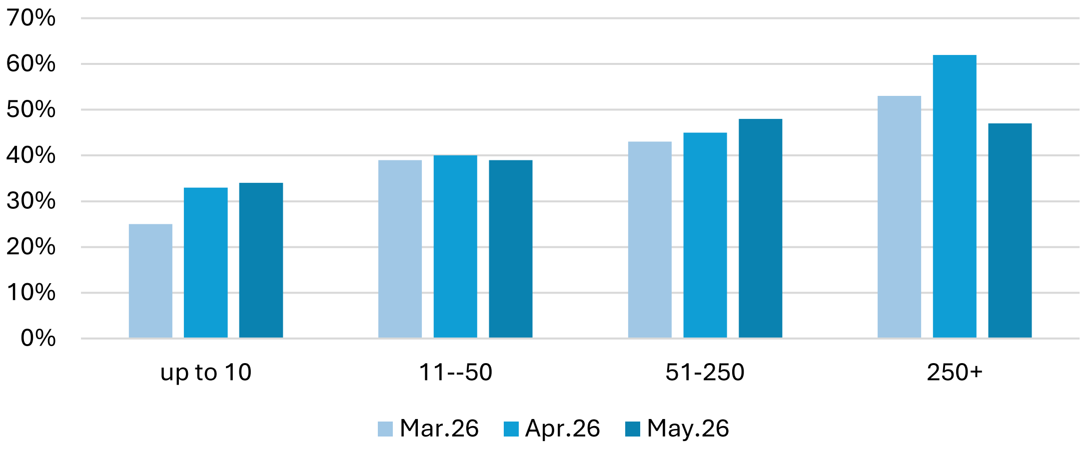
“It is dangerous to work” closes the top three impediments

- **The share of enterprises that chose “it is dangerous to work”** as an impediment **decreased slightly**, from 46% in April to 44% in May
- In the list of impediments, “it is dangerous to work” **has been closing the top three impediments to doing business, for the fourth month in a row**

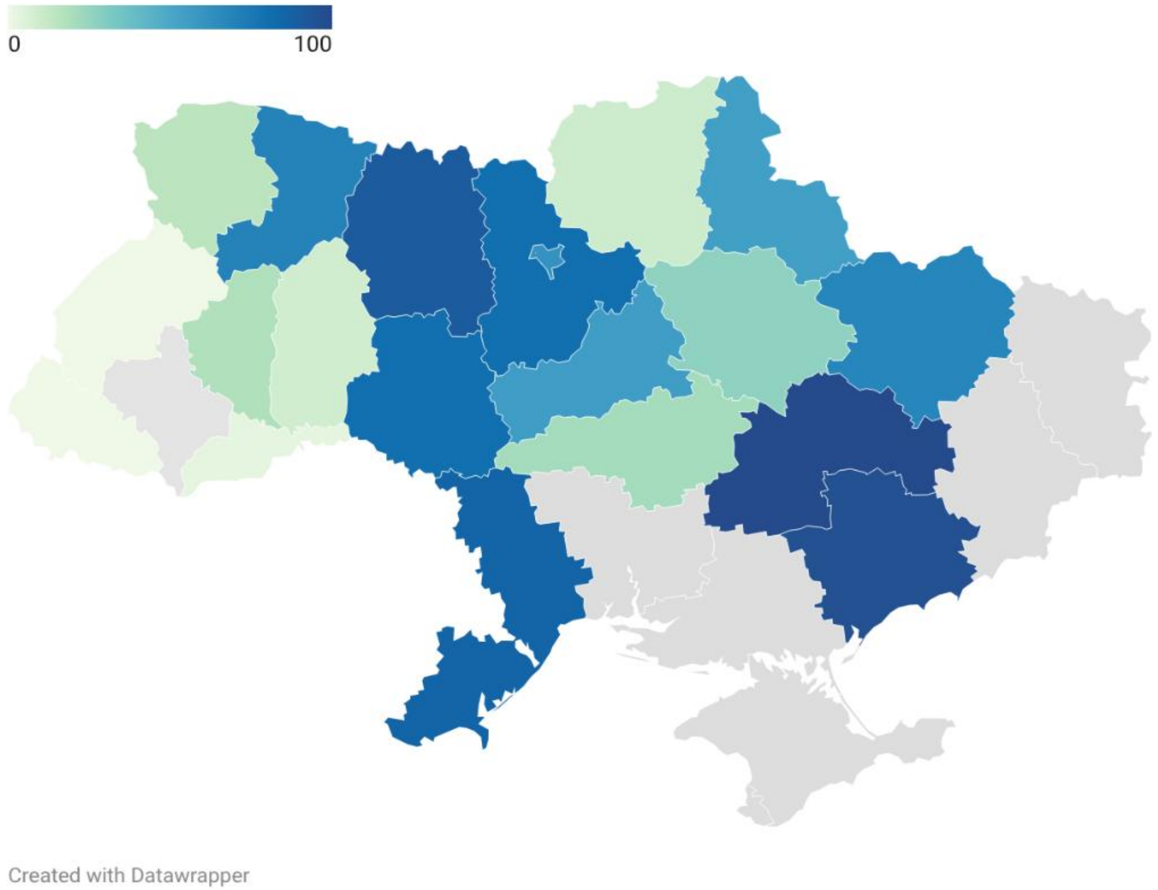


“It is dangerous to work” by different criteria

“It is dangerous to work” by size groups, % of respondents



«“It is dangerous to work” by oblast, % of respondents

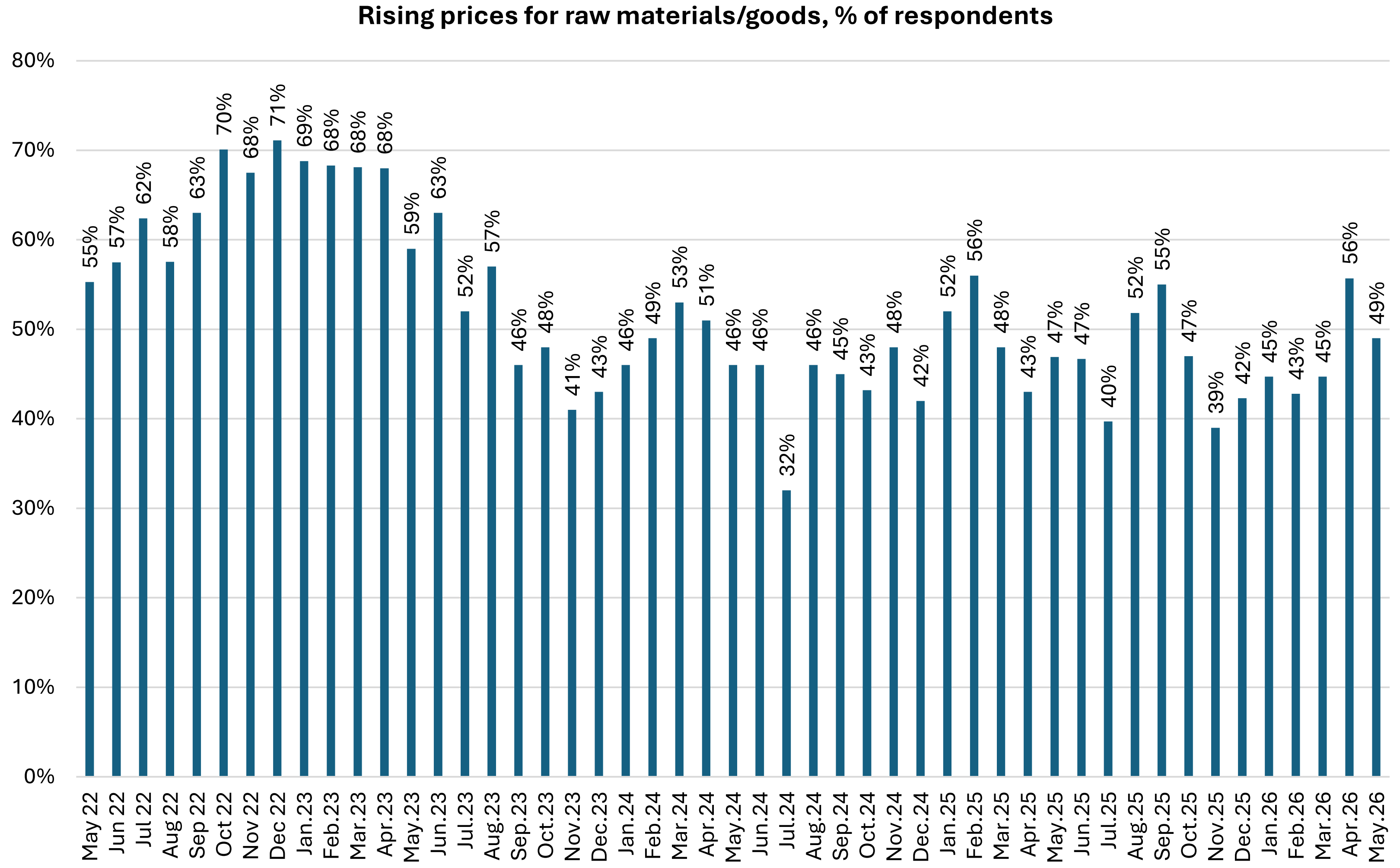


- % of enterprises that chose “it is dangerous to work" as an **impediment has not changed significantly for micro and small enterprises** and is **gradually increasing for medium-sized enterprises**. At the same time, the **indicator has significantly decreased for large enterprises** and has one of the lowest values in more than two years of observations.
- **80+% of respondents in Kyiv, Vinnytsia, Odesa, Zhytomyr, Zaporizhzhia, and Dnipropetrovsk regions** consider dangerous conditions to be an impediment to doing business

Note: The number of respondents in Ivano-Frankivsk region was insufficient to analyze this issue

“Rising prices” remains on the second position of the impediment rating

- **% of enterprises for which “rising prices for raw materials and goods” is an impediment has significantly decreased** (from 56% in April to 49% in May)
- At the same time, in the list of impediments, “rising prices” **still retains the 2nd place in the ranking**



Main results 6. Economic policy

Assessments of the Government's state policy remain mostly neutral, the share of negative assessments has slightly decreased

Assessments of the Government's economic policy: remain mostly neutral, the share of negative assessments has slightly decreased

	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	Dec.25	Jan.26	Feb.26	Mar.26	Apr.26	May.26
Positively	4	4	2	8	4	4	4	4	4	6	6	6	6
Neutrally	64	65	66	55	63	65	65	68	61	60	60	60	64
Negatively	24	20	22	25	21	21	24	20	29	28	25	29	25
Don't know / Didn't answer	8	11	10	12	12	9	8	8	7	6	8	5	5

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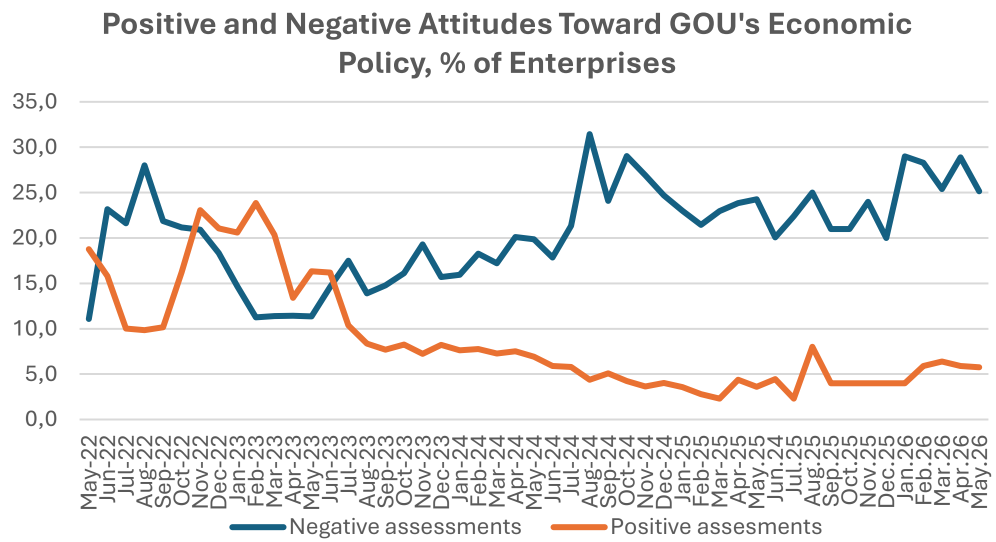


- **The share of positive assessments** of the Government's policy **has remained unchanged for the fourth month in a row** and was 6%
- **The share of neutral assessments** of the Government's policy on business support **has slightly increased** and was 64% (had been 60% for three months in a row)
- **The share of negative assessments decreased slightly** (from 29% in April to 25% in May, returning to March figures)
- **The share of those who have not decided on the answer remained unchanged** and was 5%, the same as in April

Main results 7: Interruptions with electricity

The share of companies for which "interruptions with electricity" is an impediment did not change significantly in May compared to April and is 20% (was 21%)

31% of enterprises were forced to **temporarily suspend work** due to power outages in **April 2026**

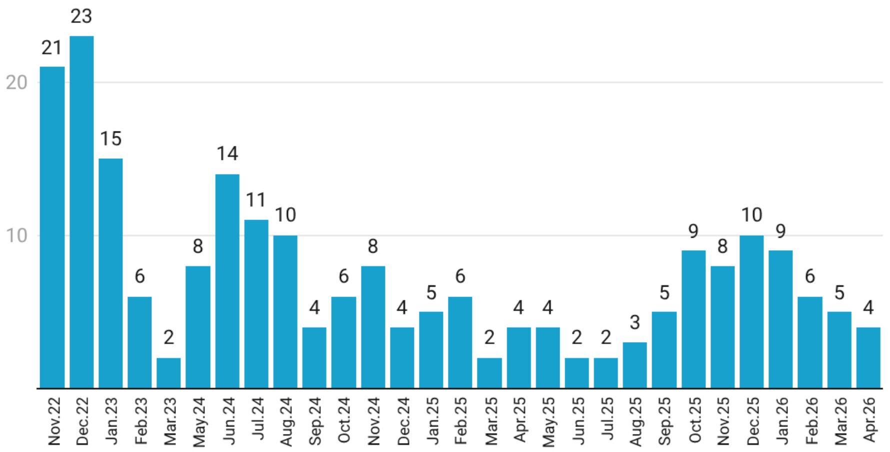
In April 2026, due to power outages, **businesses lost 4%** of their total **working hours**

The **greatest loss** of working time is in **micro and small enterprises**. Among the industries, the largest time losses are observed in the **chemical industry**

“Interruptions with electricity” did not change significantly

- **The share of companies for which “interruptions with electricity" is an impediment has not changed significantly** and is 20% (was 21% in April)
- In the list of impediments "interruptions with electricity" **remain on the 6th line**

Average % of time loss



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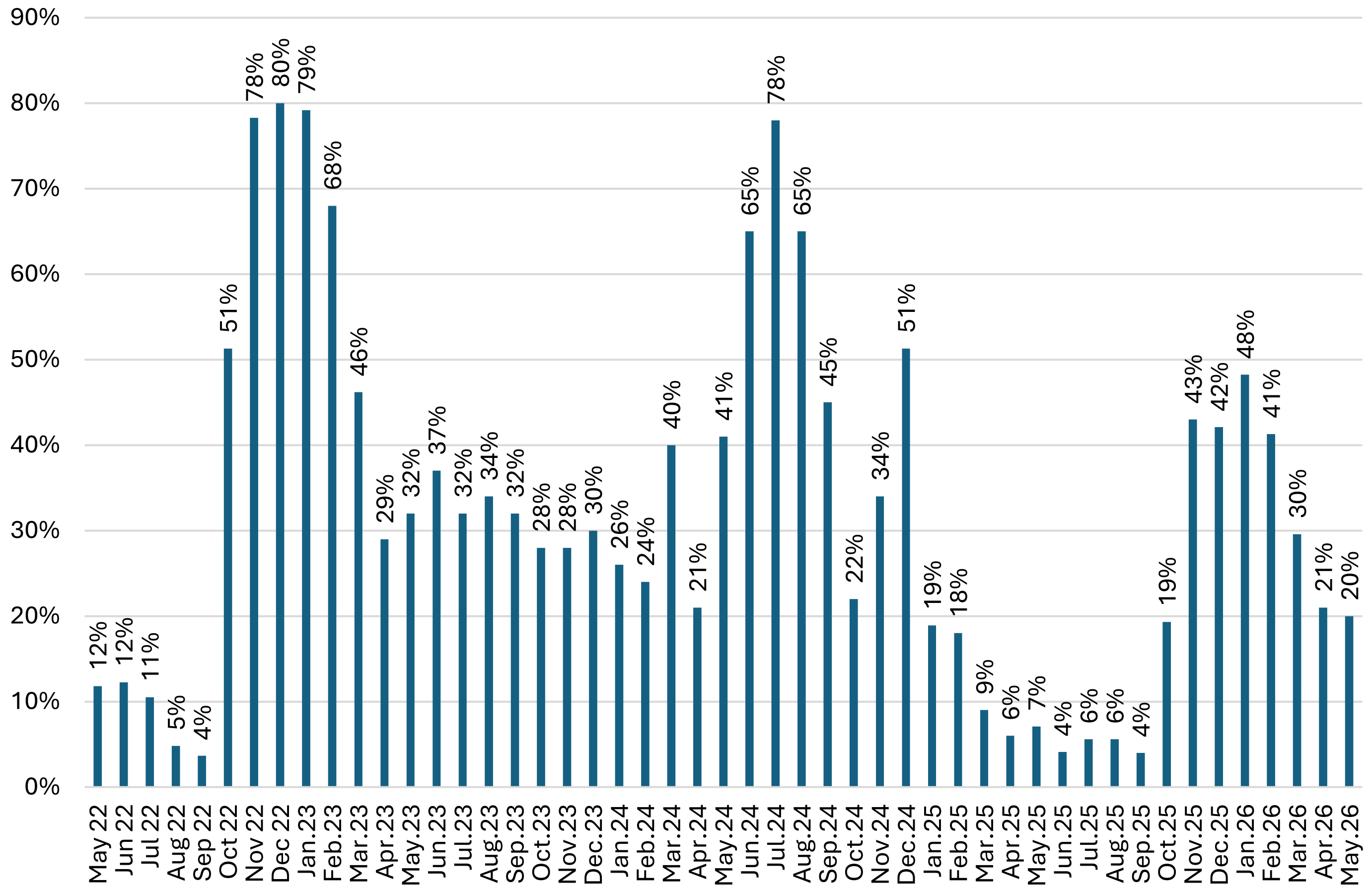
Interruptions with electricity as impediment for doing bussiness, % of repondents



Almost a third of enterprises stopped working due to power outages

Impact of power cuts on enterprise operations (% of respondents)

	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	Dec.25	Jan.26	Feb.26	Mar.26	Apr.26
No power cuts	50	51	47	47	47	36	23	6	5	7	11	20	28
0% (worked all the time)	34	36	46	43	38	43	35	36	35	41	52	43	41
1-10% of working time	13	11	5	9	12	8	18	32	27	28	16	25	25
11-25% of working time	0	2	1	1	2	13	19	20	25	15	19	12	5
26-50% of working time	0	0	0	0	0	0	4	6	7	7	2	0	0
51-100% of working time	1	0	1	0	0	0	1	0	1	2	0	0	1

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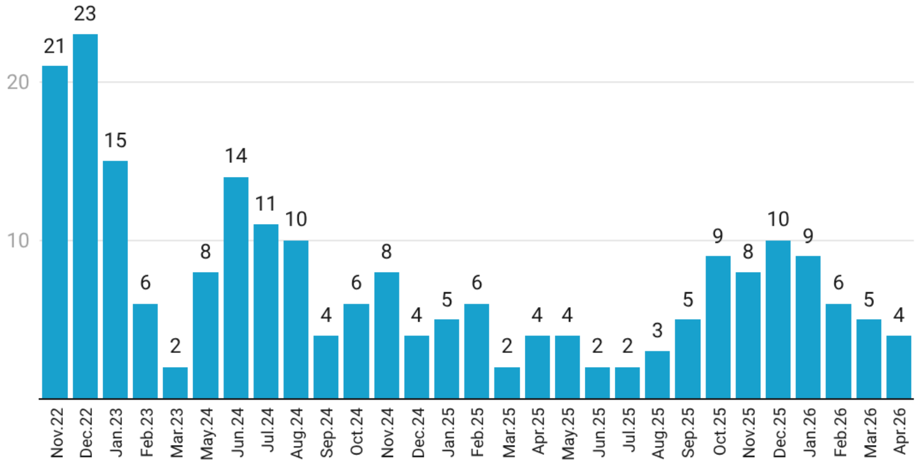
- **31%** of businesses **temporarily suspended operations** due to power outages **in April 2026** (60% in December, 52% in January, 36% in February, 37% in March)
- **25%** of enterprises stopped working only **for 1-10% of working hours**, and **5% - for 11-25%** of working time
- At the same time, **41%** of businesses **worked continuously**, despite power outages
- **28%** of businesses did **not** have **power outages**

Loss of working hours due to power outages

- In **April 2026**, due to power outages, businesses **lost 4%** of the total **working hours (**among enterprises that had outages)
- **Differences** between **business sizes**, **industries,** and **regions** were recorded
- The **largest losses** of working time due to power outages were experienced by enterprises in **the City of Kyiv, Sumy** and **Dnipropetrovsk regions**

Average % of time loss



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% of working time loss, by regions

	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	Dec.25	Jan.26	Feb.26	Mar.26	Apr.26
Kyiv City	0		0	0	1	9	13	9	11	15	13	10	13
Sumy				8	10	11	17	20	16	19	14	13	9
Dnipro	6	6	0	4	7	18	32	28	36	37	20	6	9
Volyn	0	6	9	2		1	1	9	20	15	11	8	8
Kharkiv	3		1			0	17	8	11	2	2	4	7
Cherkasy	0	0	0	0	0	0	0	0	0	0	0	16	6
Zhytomyr	23	0	4	0	5	18	18	20	25	18	18	6	5
Kyiv	1	8	0	0	6	2	7	5	5	3	4	3	5
Odesa	2	1	0	0	0	0	3	5	5	1	1	4	3
Kirovohrad							3	5	5	4	1	1	2
Poltava	2	4	1	2	0	1	5	7	2	8	7	4	2
Zakarpattia	0	0	0	0	0	0	0	0	0	0	0	0	1
Lviv						0	7	10	4	0	2	0	0
Zaporizhzhia								5	19	6	1	0	0
Chernivtsi				17		0	10	6	8	1	0	0	0
Rivne	10	19		0		0	0	0	0	0	0	0	0
Khmelnytskyi	1	4		1		3	6	15	12	24	7	3	
Chernihiv						7	12	18	8	19	13	2	
Ternopil							3	2	3	6	5		
Vinnytsia													
Ivano-Frankivsk													

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Micro and small enterprises suffer the most from outages

- Working time losses are **highest** for **micro** and **small enterprises**
- Among the **industries**, the largest time losses are in **chemical industry**

% of working time loss, by enterprise size

	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	Dec.25	Jan.26	Feb.26	Mar.26	Apr.26
Micro	2	4	6	2	4	3	12	14	13	14	9	3	5
Small	4	2	1	2	3	6	10	10	12	10	7	7	5
Medium	4	4	1	3	2	5	9	8	10	9	5	5	4
Large	3	4	4	1	3	3	5	5	7	5	4	3	2

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% of working time loss, by industry

	Apr.25	May.25	Jun.25	Jul.25	Aug.25	Sep.25	Oct.25	Nov.25	Dec.25	Jan.26	Feb.26	Mar.26	Apr.26
Chemical industry	2	1	1	3	3	5	7	8	10	9	4	4	6
Machine building	3	3	4	3	2	7	10	11	10	8	7	5	4
Construction materials	12	0			2	6	10	13	11	7	7	6	4
Woodworking	8	8	0	0	1	3	9	5	11	4	4	4	4
Food industry	3	5	0	1	3	5	9	7	8	10	6	5	4
Light industry	2	2	2	3	3	4	7	9	11	13	7	4	3
Metalworking	4	5		3	7	9	14	11	21	16	9	7	2

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New monthly enterprises survey. Methodology

The need for comprehensive information on the economic situation is crucial for economic policy in wartime. The Institute for Economic Research and Policy Consulting conducts a monthly enterprise survey using the Business Tendency Survey approach to quickly collect information on the current economic state at the enterprise level. The methodology is designed to assess the situation from the “base level”: the judgments and expectations of key economic agents such as entrepreneurs and business managers

The monthly survey consists of two parts: the regular one and the special one. Respondents will regularly answer questions on the changes in key activity indicators and short-term forecasts for future changes in the same indicators: output (production), sales, exports, debt, new orders, employment, etc.
We will also focus on estimates and expectations of the changes in the business climate and business activity at the enterprise in the next six months

The special part of the Monthly survey provides information on specific topics. A special part examines the enterprises' problems, the war's impact on production volumes, export activity, basic business needs, and the assessment of government policy.

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This survey uses a panel sample that includes 500+ enterprises located in 21 of 27 regions of Ukraine, including Vinnytsya, Volyn, Dnipropetrovsk, Zhytomyr, Zakarpattya, Zaporizhzhia, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytskyy, Cherkasy, Chernivtsi and Chernihiv regions and the Kyiv city

The field stage of the 49-th wave lasted from May 15 - 31, 2026. The enterprise managers compared the work results in May with April 2026, assessed the indicators at the time of the survey (May 2026), and gave forecasts for the next two, three, or six months, depending on the question.
In certain issues (where indicated), the work results were compared with the pre-war period (before February 24, 2022).

The research was made possible due to changes of the project "For Fair and Transparent Customs," which was funded by the European Union and co-funded by the International Renaissance Foundation and the ATLAS Network charitable foundation (USA). This took place under the auspices of this project from May 2022 to December 2023. From January to April 2024, the research was conducted within the framework of the project "Emergency Support to Civil Society and Media in Response to the War in Ukraine," which was implemented with the financial support of the European Union. Since August 2024 to February 2025, the publication became possible thanks to the support of the European Union and the International Renaissance Foundation as a part of the joint initiative "European Renaissance of Ukraine". From November 2025 to March 2026, the research was conducted within the framework of the project "Ukraine's integration into the EU: a dialogue built on facts“, funded by the International Renaissance Foundation .

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