

New Monthly Enterprises Survey

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Ukrainian Business in Wartime

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ABOUT THE NEW MONTHLY ENTERPRISES SURVEY “UKRAINIAN BUSINESS IN WARTIME”

Dear ladies and gentlemen, we present you with the **thirty-third issue** of the business managers’ monthly survey “Ukrainian Business in Wartime.”

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 and forecasting economic trends for the future. The BTS methodology is used around the world to assess the economic situation from the "basic level" - the judgments and expectations of the main economic agents - managers of enterprises and entrepreneurs. The result of tendency surveys is a short, "compressed" picture of the economy or a separate sector, economic trends in the short- and medium-term horizon, and future "turning" points of the cycle of economic activity.

The monthly survey consists of two parts: the regular one and the special one. The respondents regularly answer questions on the changes in key activity indicators and short-term forecasts for future changes in the same indicators. This entails the dynamics of output (production), sales, exports, debt, prices, new orders, employment, etc. We also focus on estimates and expectations of the changes in the business climate and business activity at the enterprise in the next six months. This part of the survey applies the business tendency survey methodology, harmonized according to the Joint Harmonized EU Program of Business and Consumer Surveys (BCS) requirements. Where applicable, we use comparisons with the data from the quarterly business survey “Business Opinion” that have been conducted since 1998. The special part of the monthly enterprise survey is devoted to the war's impact on the production activity of enterprises and exports and the assessment of government policy on business support. The industry dimension in data analysis is used in the issue.

Monthly trends will be presented in reports such as this one. Quarterly trends will continue to be published in the “Business Survey: Industry” reports, which have been published by the IER since July 2002.

Since August 2024, 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". The monthly enterprise survey "Ukrainian Business in Wartime" was launched by IER in early 2022 as a response to the challenges to economic governance due to Russia's full-scale war against Ukraine. The implementation of this initiative became possible thanks to changes in the implementation plan of the project "For Fair and Transparent Customs", funded by the European Union and co-financed by the International Renaissance Foundation and the ATLAS Network charitable foundation (USA) and took place under the auspices of this project from May 2022 to December 2023. From January to April 2024, research has been carried out within the framework of the project "Emergency Support to Civil Society and Media in Response to the War in Ukraine," implemented with the financial support of the European Union.

We are grateful to the analytical system YouControl (<https://youcontrol.com.ua/>) for the opportunity to use the data to form a panel sample.

The content of this publication is the sole responsibility of the Institute for Economic Research and Policy Consulting and does not necessarily represent the position of the European Union or the International Renaissance Foundation.

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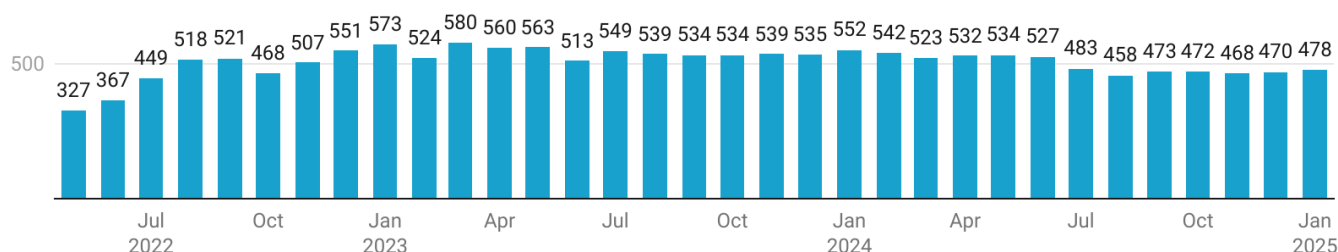
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PRACTICAL QUESTIONS AND ANSWERS TO HELP TO READ THIS REPORT

Who do we survey? This survey uses a panel sample; that means we survey the same business entities. During the thirty-third wave of the survey, the answers of 478 respondents were received.

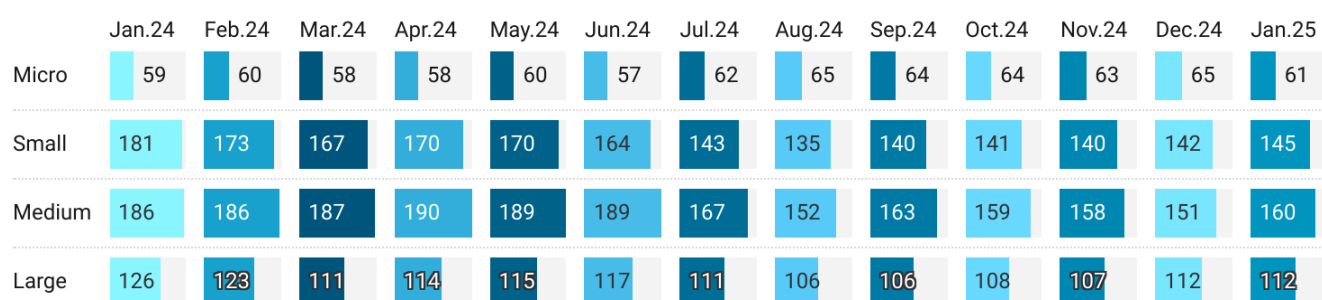
Fig. 1 Number of enterprises surveyed



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They include mainly industrial enterprises (86%) located in 21 of the 27 regions of Ukraine: Vinnytsya, Volyn, Dnipropetrovsk, Zhytomyr, Zakarpattia, Zaporizhzhya, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytsky, Cherkasy, Chernivtsi, Chernihiv regions and in the Kyiv city. Enterprises of all sizes in terms of the number of workers are represented among the respondents.

Fig. 2 Number of enterprises surveyed, by size



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How do we collect data? Data was collected using a combination of several data collection methods: telephone interviews of business representatives filling out their responses into an online check-list, and, in some cases, self-completion of the online check-list by representatives of enterprises who expressed their desire during the previous telephone contact to enter data into the online check-list themselves.

How are our indices calculated? All indices are calculated according to a single methodology. We count responses as +1 when the company responds that the rate has increased, 0 if it has not changed, and -1 if it has decreased. For example, if out of 100 respondents, 20 indicated an increase in production, 50 respondents reported its reduction, and 30 said that everything remained unchanged, the corresponding value of the index will be -0.30. A positive (negative) index value means that the share of enterprises where production has increased is larger (smaller) than the number of those where production has decreased. Each index bigger than +0.05 or less than -0.05 is statistically significant, and different from zero with a 5% error probability.

How to "read" our indicators? Our indicators are called "indices," which is a synonym of the term "balance index" or "balance indicator." All indices are the difference between the shares of respondents who reported a decrease and those who reported an increase in the indicator. The bigger the index value, the bigger the rate of indicator growth; the smaller the index value, the bigger the rate of indicator decline. For most indicators, a higher value of

the index means a positive trend, except for indicators of debts, the number of workers on forced leave, and difficulties in finding personnel. Everything is the opposite here. The larger the index, the greater the rate of debt growth or the increase in the number of people on forced leave and hardships (this is bad), the smaller the index, the greater the rate of debt reduction, the decrease in the number of people on forced leave or hardships (this is good).

When the survey was conducted? The field stage of the thirtieth wave lasted from January 17 to 31, 2025. The enterprises' managers compared the results of work in January 2025 with December 2024, assessed the state of the indicators at the time of the survey (January 2025) and gave forecasts for the next two, three, or six months, depending on the question. For some questions (where it was indicated), the results of the work were compared to ones in the pre-war period (before February 24, 2022) or with the same period of the previous year. Respondents gave forecasts for the next three months of work.

MAIN RESULTS

There are no significant positive or negative changes in the production sector at the beginning of 2025. Long-term uncertainty is still high; long-term plans have slightly deteriorated but are still positive. Production indicators have deteriorated compared to previous months, but three-month expectations have improved. Labor shortages and security issues due to the war remain key challenges for business. The end of the war, tax cuts, the release of workers from military service, and the deoccupation of Ukrainian territories are key expected steps to improve the business climate in the country.

OVERALL INDICATORS OF BUSINESS CLIMATE AND ECONOMIC ENVIRONMENT

- The BUSINESS ACTIVITY RECOVERY INDEX deteriorated significantly in January 2025, decreasing by half, from 0.16 to 0.09.
- The INDEX OF CURRENT BUSINESS ACTIVITY AT THE ENTERPRISE decreased from 0.12 to 0.04 in January compared to December.
- Enterprises' expectations regarding changes in the business activity in the six months have remained unchanged for the third consecutive month, and the INDEX OF EXPECTED CHANGES IN THE BUSINESS ACTIVITY AT THE ENTERPRISE is 0.21.
- The value of the OVERALL ECONOMIC ENVIRONMENT INDEX interrupted the two-month growth trend, decreasing from 0.08 to zero.
- Expectations regarding changes in the overall economic environment in six months have not changed significantly, the index of expected changes in the overall economic environment is 0.18 (was 0.19).
- Two-year expectations regarding the prospects for expanding business activity do not change significantly. The EXPECTED BUSINESS ACTIVITY INDEX in January slightly decreased, from 0.12 to 0.10.
- The level of uncertainty in the two-year and the six-month perspective for the business activity at the enterprise without significant changes, and for the overall economic environment has decreased slightly. Uncertainty in the short-term perspective does not change significantly.

PRODUCTION

- In January 2025, the production decline rate accelerated: the PRODUCTION INDEX decreased from 0.16 to 0.11.
- Expectations for the next three months remain optimistic, and the indicator improved slightly. The value of the INDEX OF EXPECTED CHANGES IN PRODUCTION increased from 0.28 to 0.34.
- The value of the INDUSTRIAL CONFIDENCE INDICATOR has not changed significantly for the third consecutive month, and in January 2025, the indicator is 0.08 (it was 0.07).

DEMAND AND SALES

- The growth rates of sales and new orders have slowed down. The value of the SALES INDEX decreased from 0.19 to 0.12, and the value of the NEW ORDERS INDEX decreased from 0.12 to 0.01.
- At the same time, the enterprises' expectations regarding the growth of demand and new orders remain optimistic and have improved. The value of the EXPECTED CHANGES IN THE SALES INDEX increased from 0.29 to 0.33, and the value of THE EXPECTED CHANGES IN THE NEW ORDERS INDEX increased from 0.25 to 0.30.

PRICES

- In January, the price growth rate slowed down, while price growth is expected for the next three months. The PURCHASE PRICE INDEX has been decreasing for the second consecutive month, and in January, the indicator decreased from 0.31 to 0.29. The INDEX OF EXPECTED CHANGES IN PURCHASE PRICE increased from 0.34 to 0.42.
- The DOMESTIC SALES PRICE INDEX decreased from 0.32 to 0.26. The INDEX OF EXPECTED CHANGES IN DOMESTIC SALES PRICE increased from 0.35 to 0.47.

DEBTS

- In January, compared to December, the indicators of debt accumulation decreased. The receivables indicator decreased from -0.10 to -0.13, the payables indicator is -0.17 (was -0.14). The tax arrears indicator decreased from -0.14 to -0.16.
- In three months, an increase in debt accumulation is expected. The INDEX OF EXPECTED CHANGES IN ACCOUNTS RECEIVABLE increased from -0.20 to -0.08. The expectations indicator for payables increased from -0.21 to -0.13. The INDEX OF EXPECTED CHANGES IN TAX ARREARS also increased from -0.21 to -0.15.

EMPLOYMENT

- The NUMBER OF WORKERS INDEX is gradually increasing, and in January it increased from -0.06 to -0.02.
- The INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS also increased from 0.06 to 0.11.
- The INDEX OF THE NUMBER OF WORKERS ON FORCED LEAVE, although insignificantly, decreased from 0.03 to zero. In the next three months, company managers expect a decrease in the number of such workers, and the EXPECTED CHANGES INDEX decreased from 0.09 to 0.05.
- In January, the difficulties in finding employees with appropriate qualifications do not change significantly. The INDEX OF DIFFICULTIES IN FINDING SKILLED WORKERS is 0.50 (it was 0.51). The INDEX OF DIFFICULTIES IN FINDING UNSKILLED WORKERS remained unchanged and, like last month, is 0.29.

AVAILABILITY OF ORDERS

- In January 2025, the order portfolio among the surveyed enterprises did not change compared to December: the average term of new orders was also 6 months.
- The share of enterprises with orders for a year or more has exceeded 20% for the third month in a row. At the same time, the share of enterprises with orders for no more than two months was 47%.

OBSTACLES TO DOING BUSINESS IN WARTIME

- In January 2025, the most acute obstacle to business caused by the full-scale Russian invasion was again the lack of labor due to conscription or worker migration -65%.
- With a difference of 13%, the second place in the rating of obstacles to business in January was taken by work hazards. 52% of enterprises faced this problem. Also, the second place in the rating of obstacles to business caused by the full-scale war was taken by the increase in the price of raw materials and supplies.
- Decreasing demand for products/services is in 3rd place and is - 39%.

PRODUCTION CAPACITIES DURING THE WAR PERIOD

- In January 2025, the total share of enterprises operating at almost full or full capacity reached 63% (50% in November and 53% in December), which is the highest figure for all waves of the survey.
- Every fifth (20%) enterprise operated at less than half capacity or did not operate at all compared to pre-war times.
- In January 2025, the level of capacity utilization increased for all business categories by size. The share of micro-enterprises operating at almost full or full capacity increased from 24% in December to 28% in January, small enterprises from 46% to 59%, medium enterprises from 64% to 76%, and large enterprises from 64% to 69%.
- The food industry returned to 1st place with 77% of enterprises operating at almost full or full capacity (65% in December).
- The lowest level of capacity utilization remains in metallurgy and metalworking (only 36% worked at a high level of capacity utilization in January).

POWER OUTAGES EFFECT

- In December 2024, 28% of businesses temporarily suspended operations due to power outages (68% in November).
- 24% of enterprises suspended operations for only 1-10% of working hours and 3% for 11-25% of working hours.

- In December 2024, enterprises lost 4% of total working hours due to power outages. It is slightly lower than in November (8%).
- Small enterprises suffered more losses (on average 7% of working hours).
- Among the industries, metallurgy and metalworking have the highest time losses (8% of working hours).

EXPORTING ENTERPRISES

- In January 2025, 61% of respondents reported exporting before the war, continuing to export during the war, or starting to export for the first time during the war.
- Most businesses managed to establish exports during the war. In January 2025, 81% of respondents indicated that enterprises exported before the war and also continued to export over the past 12 months. That is, the indicator is approximately at the level of previous months (it was on average 80% - 84% over the past year).
- Some businesses cannot overcome new challenges for export activity. As of January 2025, 17% of enterprises exported before the war, but were unable to resume exports over the past 12 months. Similar results over the past year confirm the stagnation of export activity recovery.

GOVERNMENT POLICY

- In December, the share of positive assessments of the government's business support policy was 4%. This share has been unchanged for four consecutive months.
- The share of neutral assessments of this policy increased from 61% in December to 63% in January, while the share of negative assessments decreased again: from 25% to 23%.
- The most anticipated events and changes for business in January 2025 were the end of the war, tax cuts, protection, and reservation of workers, and fixing taxes at the current level without increasing them.

ENTERPRISE PERFORMANCE INDICATORS AND SHORT-TERM EXPECTATIONS

BUSINESS ACTIVITY RECOVERY INDEX

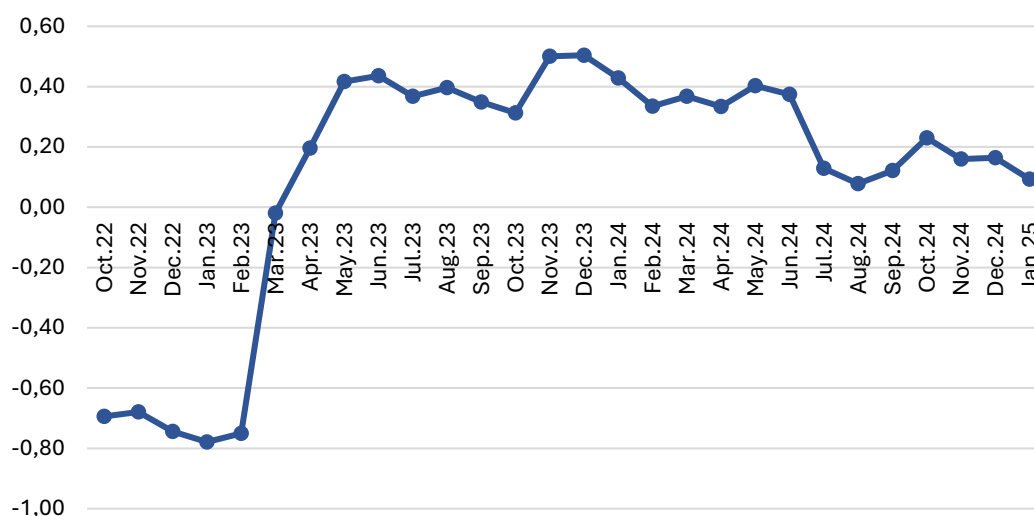
In January, the business recovery rate (year-on-year) slowed significantly. The business activity recovery index (year to year) almost halved, from 0.16 to 0.09. The share of respondents who indicated a deterioration in the situation, albeit slightly, increased (from 16.2% to 18.5%), while the share of those for whom the situation was better than a year ago decreased (from 32.6% to 27.8%). The share of those who believe that nothing has changed compared to last year increased slightly, from 51.1% to 53.7%.

Size. The recovery of business activity significantly depends on the size of the enterprise. Large enterprises are doing best compared to last year, with an index of 0.32. The index of medium-sized enterprises is significantly lower at 0.16, and the index of small enterprises is 0.03. Micro-enterprises have the lowest and negative value of the index (-0.34).

Region. The highest index is recorded in Cherkasy and Zakarpattya (1.00 each), and Vinnytsya (0.72) regions. The lowest indicators are for the Ternopil (-1.00) and Sumy (-0.68) regions.

Sector. The highest index value is recorded for the chemical (0.36) and light (0.15) industries. The lowest index is for metalworking with a single negative value (-0.26).

Fig.3. Business Activity Recovery Index



INDICATORS AND EXPECTATIONS FOR THE HALF-YEAR PERIOD

BUSINESS ACTIVITY AT THE ENTERPRISE

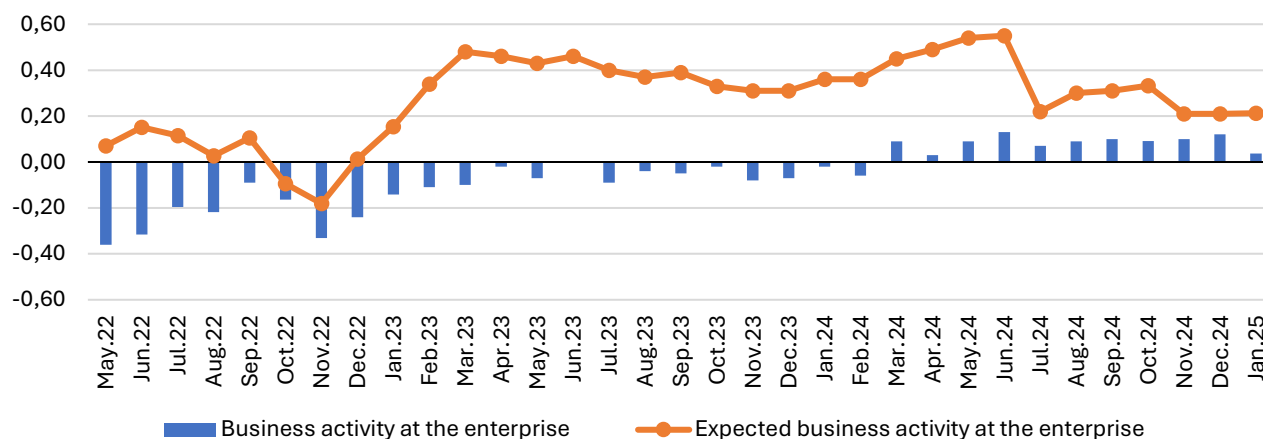
Assessments of the business activity for half a year have significantly worsened over the past six months. The CURRENT BUSINESS ACTIVITY INDEX has decreased threefold, from 0.12 to 0.04. The share of those who positively assess the business activity at the enterprise has decreased from 18.6% to 12%. The share of respondents who give negative assessments has almost not changed and is 12.9% (it was 11.6%). The share of those who consider the business activity at the enterprise to be satisfactory has increased from 69.7% to 75.1%.

Expectations for the future over the next six months remain unchanged. The value of the INDEX OF EXPECTED CHANGES IN BUSINESS ACTIVITY is 0.21 for the third month in a row. There have been no significant changes in the percentage

distribution. The share of "optimists" is 28.5% (it was 27.7%), just as the share of "pessimists" has remained unchanged, at 9% (it was 10%). The share of those who do not expect any changes is 62.5% (it was 62.3%).

The share of those who were unable to give a forecast for the next six months did not change significantly and is 19.7% (it was 19.1) %.

Fig.4. Business activity at the enterprise, indices



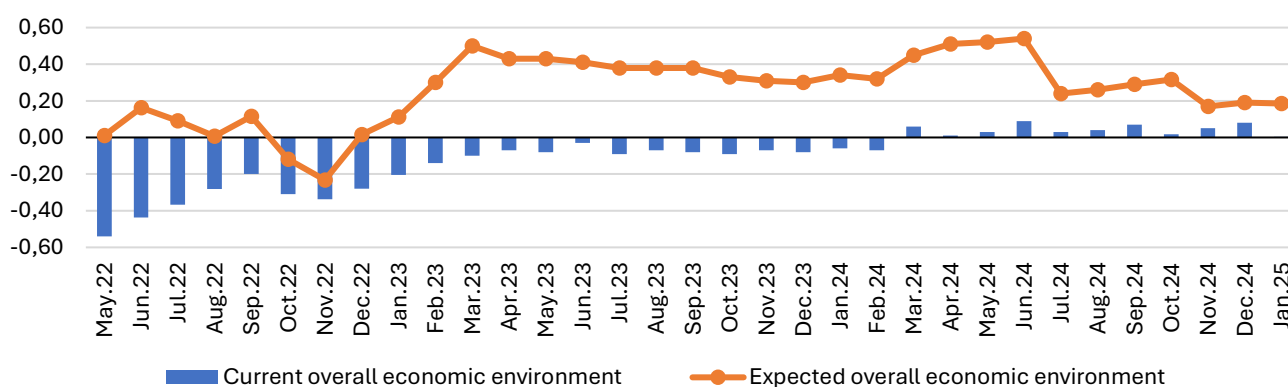
OVERALL ECONOMIC ENVIRONMENT

Assessments of the overall economic environment have interrupted the trend of gradual growth. The value of the corresponding INDEX in January decreased from 0.08 to zero. The share of those who assess the overall economic environment as bad has not changed significantly and is 18.8% (it was 17.7%). At the same time, the share of those who give positive assessments has significantly decreased (from 20.4% to 13.2%). The share of those who consider the overall economic environment satisfactory has increased from 61.9% to 68%.

Enterprises' forecasts regarding changes in the overall economic environment for the next six months have not changed significantly for the third month in a row. The INDEX OF EXPECTED CHANGES IN THE OVERALL ECONOMIC ENVIRONMENT is 0.18 (it was 0.19). The share of "optimists" regarding changes in the overall economic environment has increased slightly (from 25.9% to 27.2%), while the share of "pessimists" has not changed significantly and is 13.1% (it was 12%). The share of those who believe that the overall economic environment will not change over the next six months has decreased slightly, from 62% to 59.7%.

The share of those who were unable to give forecasts regarding the state of the overall economic environment has decreased slightly, from 24.5% to 21.1%.

Fig.5. Overall economic environment, indices



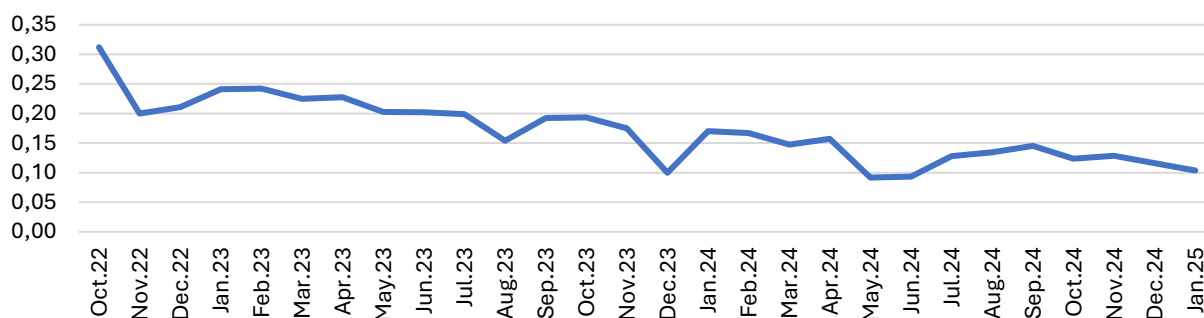
EXPANSION PLANS FOR THE NEXT TWO YEARS

Expectations regarding business activity in the two years do not change, the indicator has only slightly decreased.

The INDEX OF THE EXPECTED CHANGES IN BUSINESS ACTIVITY is 0.10 (it was 0.12). There were no significant changes in the percentage distribution. The share of those planning to expand their activities is 14.4% (it was 15.4%), and the share of those planning to reduce their activities is 4.1% (it was 3.7%). The share of those planning to remain at the current level is 81.5% (it was 80.9%).

The percentage of those who could not give a forecast for such a long-term perspective also remained almost unchanged and is 37% (it was 36.2%).

Fig.6. Expectations regarding business activity for two years, indices



Size. Among enterprises of all sizes, large enterprises (0.17) have the most optimistic plans for the future. The indicator of micro (0.12) and small (0.10) enterprises is lower and approximately the same. The lowest indicator is for medium-sized enterprises (0.05).

Region. Significant regional differences are registered. Enterprises in Cherkasy (1.00) and Chernihiv (0.50) regions have the highest expectation indicators. The indicators of Vinnytsya, Dnipropetrovsk, Zhytomyr, Kyiv, Lviv, Odesa, Sumy, Kharkiv, and Chernivtsi regions are the same and equal to zero.

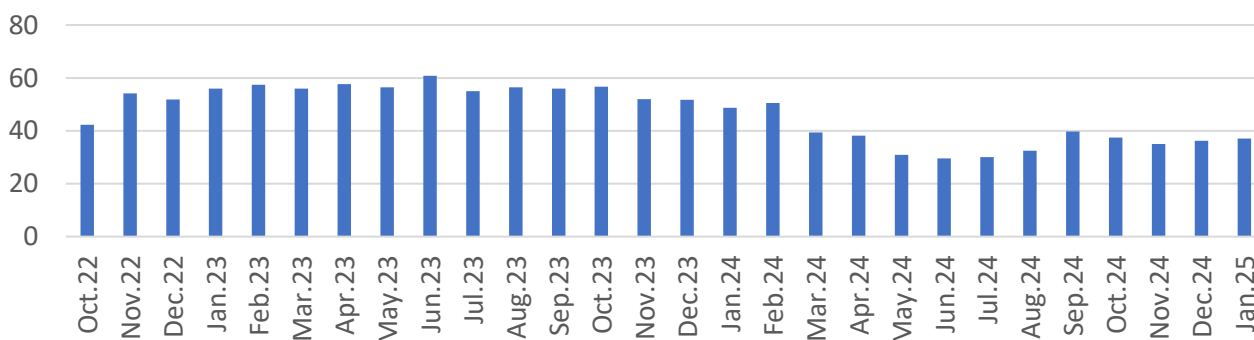
Sector. Expectations depend on the industry. The highest value of the indicator is in printing (0.40) and light industry (0.26). The indicators of food (0.05) and woodworking (0.07) industries are the lowest.

UNCERTAINTY

Two-year expectations

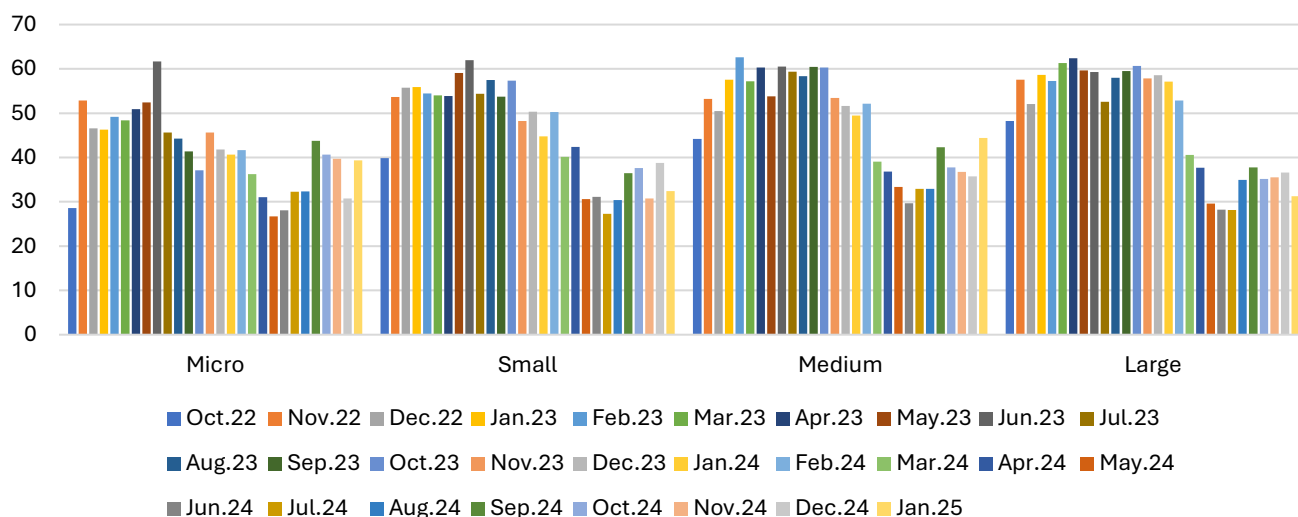
The level of uncertainty regarding enterprises' plans for the next two years has not changed significantly. In September, 37% of respondents were unable to answer regarding the prospects for the next two years (it was 36.2%).

Fig.7. The level of uncertainty regarding the company's activities in the two-year horizon, % of respondents



The level of uncertainty about plans for two years depends on the size of the enterprise. In January, the indicator of uncertainty for the two-year perspective increased for medium-sized (from 36% to 44%) and micro-enterprises (from 31% to 39%). At the same time, the indicator of uncertainty decreased for small (from 39% to 32%) and large (from 37% to 31%) enterprises.

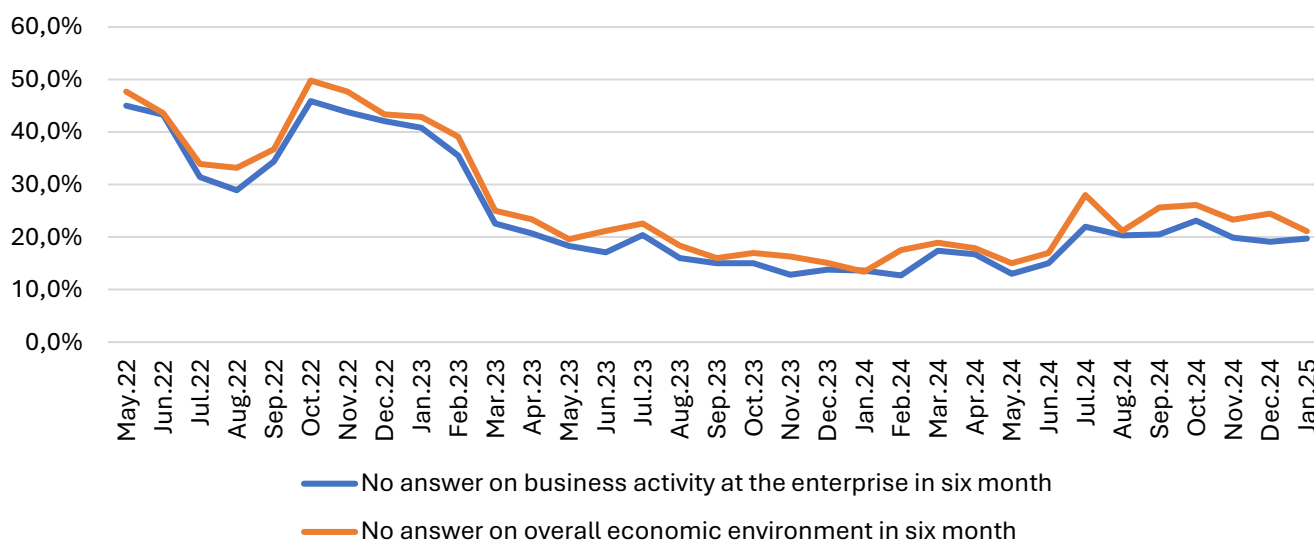
Fig.8. The share of respondents who could not answer the question about the changes for the next two years, by size of the enterprise



Half-year expectations

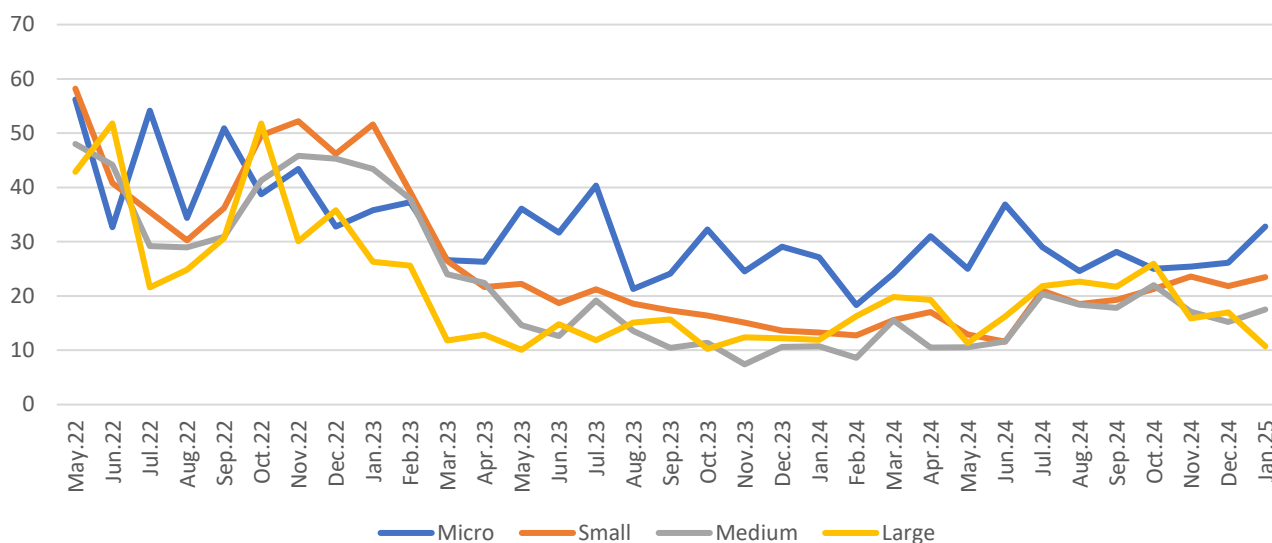
The level of uncertainty in the forecasts for six months did not change significantly for the business activity at the enterprise and slightly decreased for the overall economic environment in the country. The uncertainty for the business activity is 19.7% (it was 19.1%). The share of respondents who were unable to give a forecast regarding changes in the overall economic environment decreased slightly, from 24.5% to 21.1%.

Fig.9. The level of uncertainty of the business activity and the overall economic environment, % of respondents



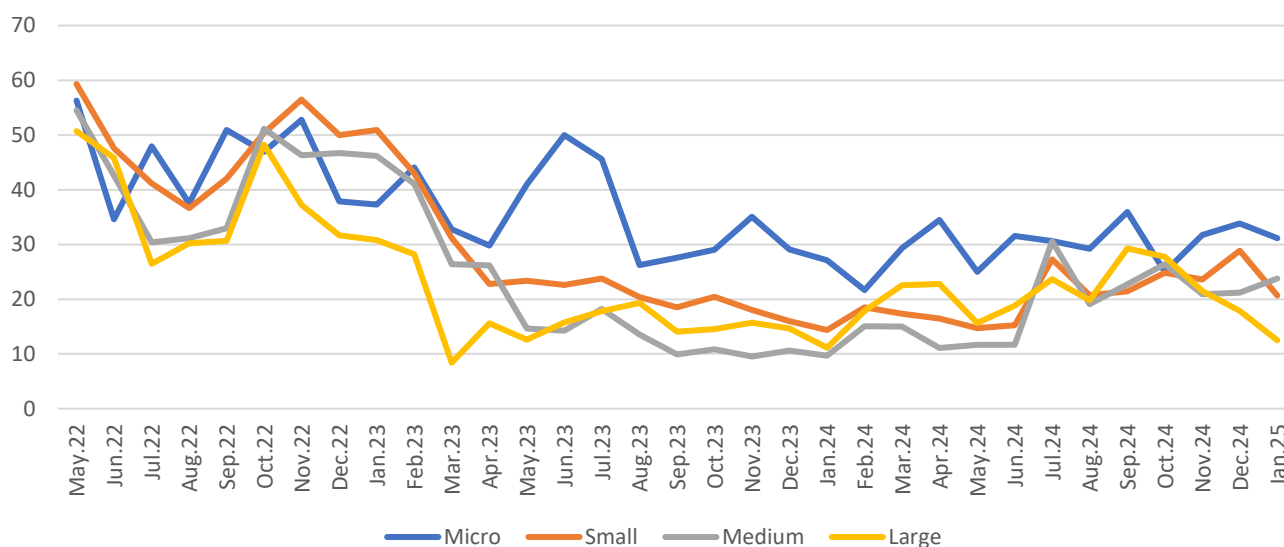
The level of uncertainty regarding the business activity at the enterprise and its dynamics depends on the size of the enterprise. Microenterprises had the highest level of uncertainty for the six months, and the indicator increased from 26% to 33%. Uncertainty for small enterprises has not changed significantly, and the indicator is 23% (it was 22%). The indicator for medium-sized enterprises has increased slightly, from 15% to 18%. The level of uncertainty for large enterprises is the lowest, and the value decreased from 17% to 11%.

Fig.10. The share of respondents unable to answer the question about the changes in the business activity in six months



Uncertainty about the overall economic environment, as in the case of the business activity, depends on the size of the enterprise. With a slight decrease in the value, from 34% to 31%, uncertainty is highest for micro-enterprises. The indicator for small enterprises decreased from 29% to 21%. The uncertainty indicator for medium-sized enterprises increased slightly, from 21% to 24%. The level of uncertainty for large enterprises remains the lowest and the indicator decreased from 18% to 13%.

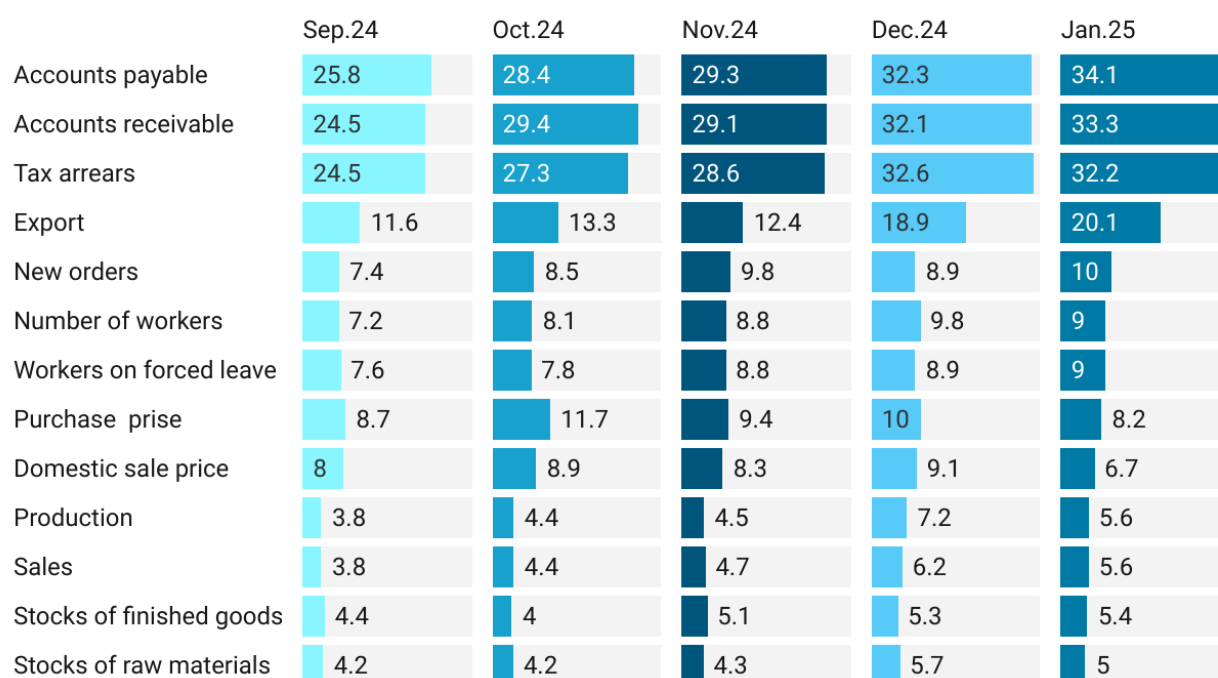
Fig.11. The share of respondents unable to answer the question regarding the changes in the overall economic environment in the six months



Three-month expectations

In January 2025, the short-term uncertainty indicator for production indicators has not changed significantly. The three-month uncertainty remains highest for debts. For example, the indicator has increased slightly for accounts payable, from 32.3% to 34.1%; the indicator for receivables is 33.3% (was 32.1%), and the uncertainty indicator for tax arrears is 32.2% (it was 32.6%). The uncertainty indicator for export has increased slightly, from 18.9% to 20.1%. Uncertainty regarding prices for finished goods has decreased the most, from 9.1% to 6.7%. The lowest and without significant changes is the uncertainty indicator for stocks of finished goods (5.4%) and stocks of raw materials and supplies (5%) - it was 5.3% and 5.7%, respectively.

Fig.12. The share of enterprises unable to forecast the changes of the indicator in three months, % of respondents



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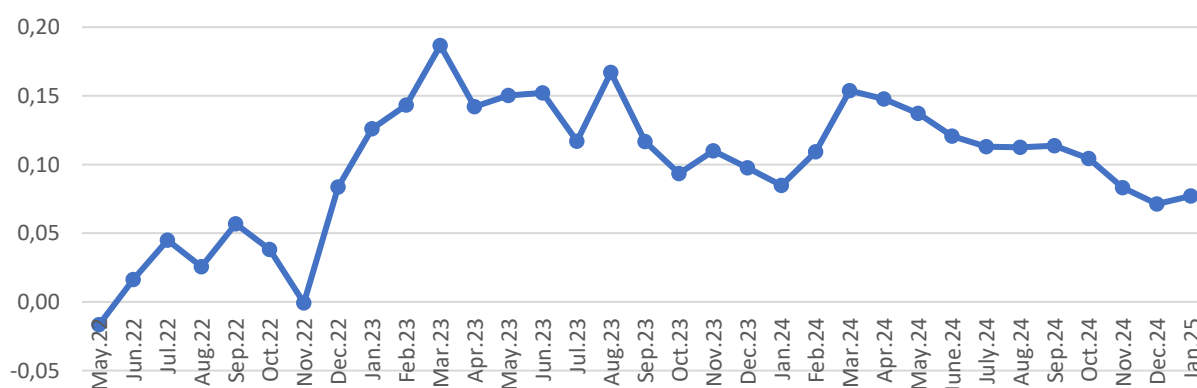
ENTERPRISE PERFORMANCE INDICATORS AND SHORT-TERM EXPECTATIONS

INDUSTRIAL CONFIDENCE INDICATOR

The value of the Industrial Confidence Indicator (ICI) did not change significantly in January (0.08) compared to December (0.07), while the trend towards a gradual deterioration in values was interrupted.

In January 2024, there is an improvement in two of the three components of the indicator: (1) *production expectations* for the next 3-4 months have improved significantly, increasing from 0.28 to 0.34. (2) *new order portfolio estimates* have not changed significantly, and the indicator is -0.13 (it was -0.12), and (3) *estimates of finished goods stocks* have improved, increasing from -0.05 to -0.02.

Fig.13. Industrial confidence indicator



PRODUCTION

Changes compared to the previous month

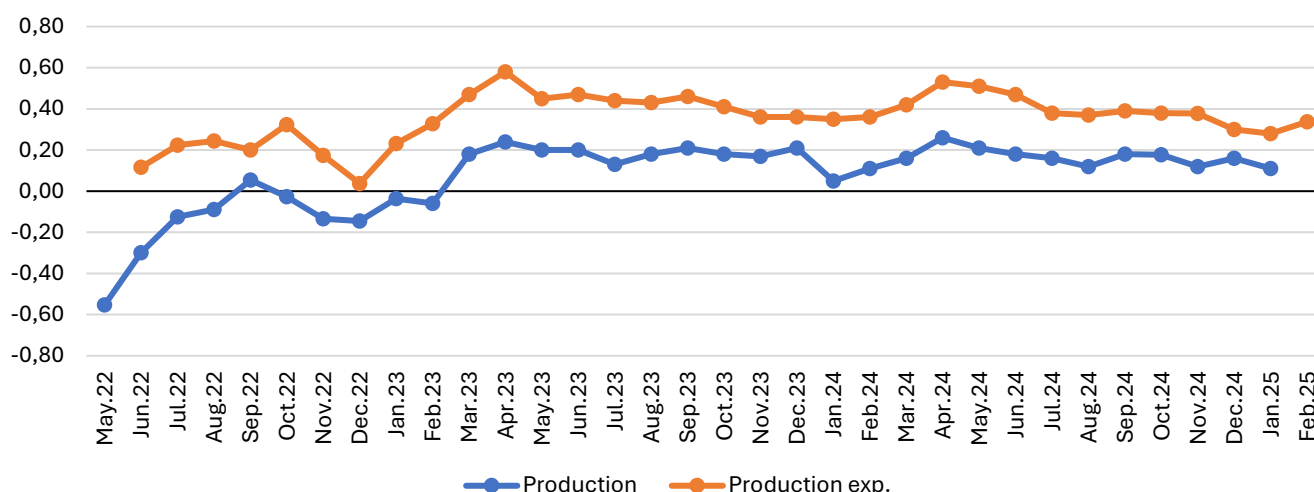
In January 2025, compared to December, the production reduction rate accelerated slightly. The PRODUCTION INDEX decreased from 0.16 to 0.11. The share of enterprises that reduced production volumes did not change significantly and is 16.8% (it was 16.5%). At the same time, the share of enterprises that increased production volumes decreased (from 25.2% in December to 21.3%). The share of enterprises that did not experience changes increased slightly, from 58.3% to 61.9%.

Size. Among enterprises of different sizes, the best results are achieved by large (0.27) enterprises. The indicator for medium-sized enterprises is much smaller and is 0.11, but still has a positive value. The indicator for small enterprises is -0.08. The lowest value is achieved by micro-enterprises, whose indicator is -0.28.

Region. Regional differences are significant (the highest value is 0.73, and the lowest is -0.68). The best results were achieved by enterprises in Poltava (0.73), Kyiv (0.65), and Rivne (0.50) regions. The lowest index values were recorded for enterprises in Vinnytsya (-0.68), Chernihiv (-0.60), and Sumy (-0.45) regions.

Sector. The index values vary for sectors and industries. The best situation was in the chemical (0.14), printing (0.13) and food (0.11) industries. Mechanical engineering (-0.09), construction materials production, and metalworking (-0.08 for each) have the lowest indicators.

Fig.14. Production indices



Expected changes in production

Expectations for production growth remain positive and have even improved. The INDEX OF EXPECTED CHANGES IN PRODUCTION increased from 0.28 to 0.34. The share of those planning to increase production volumes increased (from 29.6% to 32.8%), while the share of those planning to reduce production volumes slightly decreased (from 5.7% to 2.9%). The share of those who do not expect changes has not changed significantly and is 64.3% (it was 64.7%).

Size. Expectations for production depend on the size of enterprises. The large enterprises (0.47) have the most optimistic indicator. The indicator of medium (0.31) and small (0.24) enterprises is significantly lower. The lowest value of the indicator is for micro-enterprises (0.07).

Region. Enterprises' plans significantly depend on the region of location. The most optimistic plans for production growth are in Poltava (1.00), Zakarpattya (0.87) and Cherkasy (0.64) regions. The lowest value of the indicator is in Kyiv city, Zhytomyr, Dnipropetrovsk, and Ternopil regions, for which the value is the same and equal to zero.

Sector. Production expectations for three months depend on the industry. The highest expectations are for the mechanical engineering (0.35) and food (0.34) industries. The lowest value of the indicator is in metalworking (0.04).

SALES

Changes compared to the previous month

In January, the growth rate of sales volumes slowed down. The SALES INDEX decreased from 0.19 to 0.12. The share of those who reduced sales volumes did not change significantly and is 17.5% (it was 16.3%). The share of enterprises that did not experience changes increased from 55.9% to 60.6%. The share of enterprises that increased sales volumes decreased from 27.8% to 22%.

Size. The SALES INDEX of large (0.30) enterprises is the highest. The indicator of medium-sized enterprises is significantly lower (0.11), although it still remains positive. The index of small enterprises is significantly lower and negative (-0.09). The lowest value of the indicator is for micro-enterprises (-0.31).

Region. The highest SALES INDEX values were recorded for Kyiv (0.70), Poltava (0.63) and Rivne (0.50) regions. The lowest values were recorded for the Chernihiv (-0.60) and Sumy (-0.50) regions.

Sector. The highest SALES INDEX values were recorded in the printing (0.25), chemical (0.17), and food (0.15) industries. The lowest values were recorded for mechanical engineering (-0.12), metalworking (-0.08), and construction materials production (-0.04).

Expected changes in sales

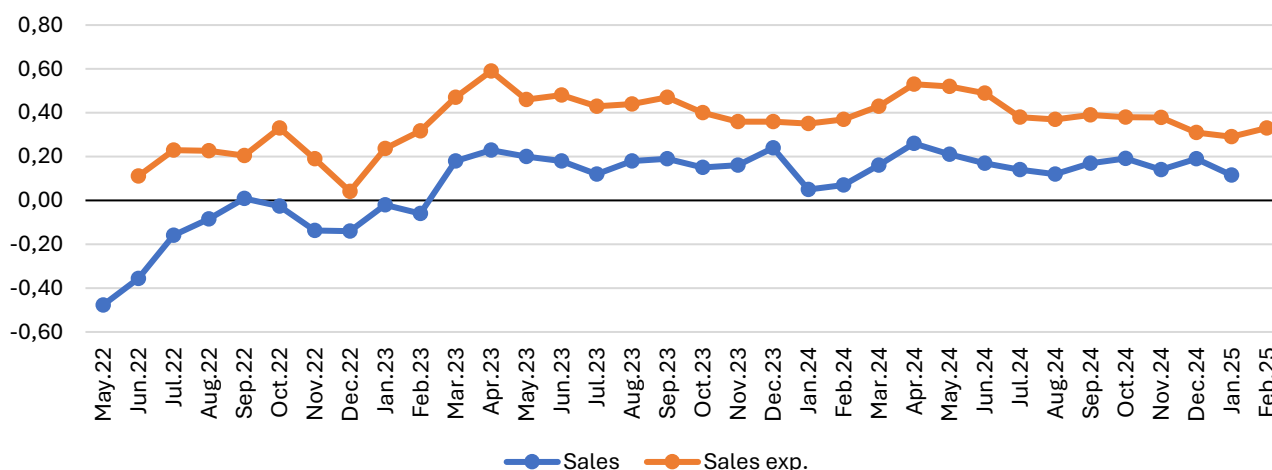
Sales expectations remain optimistic, and even slightly increased. The INDEX OF EXPECTED CHANGES IN SALES increased from 0.29 to 0.33. The share of those planning to reduce sales decreased slightly, from 6.4% to 4.4%, while the share of those planning to increase them increased from 30.7% to 33.7%. The percentage of respondents who believe that nothing will change decreased slightly, from 63% to 61.9%.

Size. The expectations index for large (0.46) enterprises is the highest. The index for medium (0.30) and small (0.24) enterprises is significantly lower. The expectations index for microenterprises is the lowest, at 0.09.

Region. The best expectations were recorded in Poltava (1.00), Zakarpattya (0.90), and Cherkasy (0.82) regions. The expectations indicator of Kyiv city (-0.05) with the only negative value is the lowest.

Sector. The highest sales expectations are for the food industry (0.33) and mechanical engineering (0.32). The sales growth expectations for metalworking (0.08) are the lowest.

Fig.15. Sales indices



EXPORT

Changes compared to the previous month

The export growth rate has slowed down significantly. The value of the EXPORT INDEX has decreased sharply, from 0.15 to 0.05. The share of respondents whose export volumes have decreased has increased from 13.5% to 18.4%, while the share of enterprises that increased exports has decreased from 23.6% to 18%. The share of enterprises whose export volumes have remained unchanged has not changed significantly and is 63.6% (it was 62.9%).

Size. The EXPORT INDEX is highest for large (0.13) enterprises. The value of medium-sized enterprises (0.05), although significantly lower, still remains positive. The indicator for small enterprises is -0.25. The indicator for microenterprises is significantly worse and lowest, which is -0.38.

Region. The highest indicators are for Kyiv (0.59) region. The lowest value is for the Sumy (-1.00) region.

Sector. The EXPORT INDEX is best for the chemical (0.22) and food (0.07) industries. The lowest value of the indicator is for mechanical engineering (-0.29) and metalworking (-0.20).

Expected changes in export

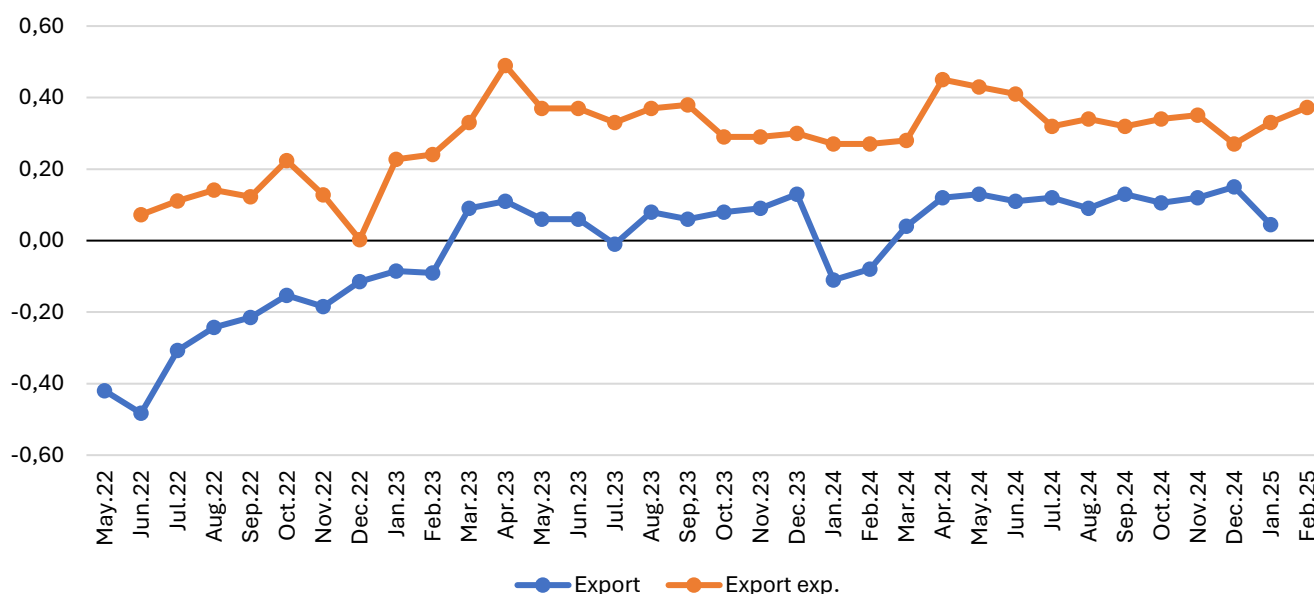
For the next three months, entrepreneurs expect the indicator to improve. The INDEX OF THE EXPECTED CHANGES IN EXPORTS is growing for the second month in a row, and in January, compared to December, it increased from 0.33 to 0.37. The share of those planning to increase exports increased from 35.0% to 39.4%. The share of those planning to reduce them did not change significantly, and the indicator is 3.6% (it was 4.9%). The share of those who do not expect any changes decreased from 60.2% to 57%.

Size. The large (0.47) enterprises have the highest and approximately the same indicator of expectations for export. The indicator of micro (0.38) and medium (0.33) enterprises is lower and approximately the same. The indicator of small (0.20) enterprises is significantly lower.

Region. The highest INDEX OF THE EXPECTED CHANGES IN EXPORTS was recorded for enterprises in Poltava (1.00), Cherkasy (0.94), and Zaporizhzhya (0.92) regions. Business representatives in Sumy (-1.00) region have the worst expectations.

Sector. The highest INDEX OF EXPECTED EXPORT CHANGES is in the woodworking (0.53) and food (0.44) industries. The lowest value of the indicator is in metalworking (0.08).

Fig.16. Export indices



STOCKS OF RAW MATERIALS

Changes compared to the previous month

The rate of reduction in raw material stocks has slowed down. The INDEX OF STOCKS OF RAW MATERIALS has not changed significantly for the third month in a row, and in January, as in December, it was 0.04 (0.03 in November). The share of respondents who reported the accumulation of raw material stocks over the past month has not changed significantly and is 16.2% (it was 16.5%). The share of respondents who indicated their reduction has also almost not changed and is 15.1% (it was 15.4%). The share of entrepreneurs who did not feel changes compared to the previous month is 68.8% (it was 68.1%).

Size. The INDEX OF STOCKS OF RAW MATERIALS is the highest with the only positive value for large (0.21) enterprises. The indicator for medium-sized enterprises is significantly lower and already has a negative value (-0.01). The indicator for micro (-0.05) and small (-0.10) enterprises is significantly lower.

Region. The accumulation of raw material stocks is most often reported in Poltava (0.97), Rivne (0.40) and Ternopil (0.36) regions. The indicators for Kyiv (-0.70) and Vinnytsya (-0.54) regions are the lowest.

Sector. Construction materials production (0.08) and the food industry (0.06) have positive values. The indicator for metalworking (-0.20) is the lowest.

Expected changes in stocks of raw material

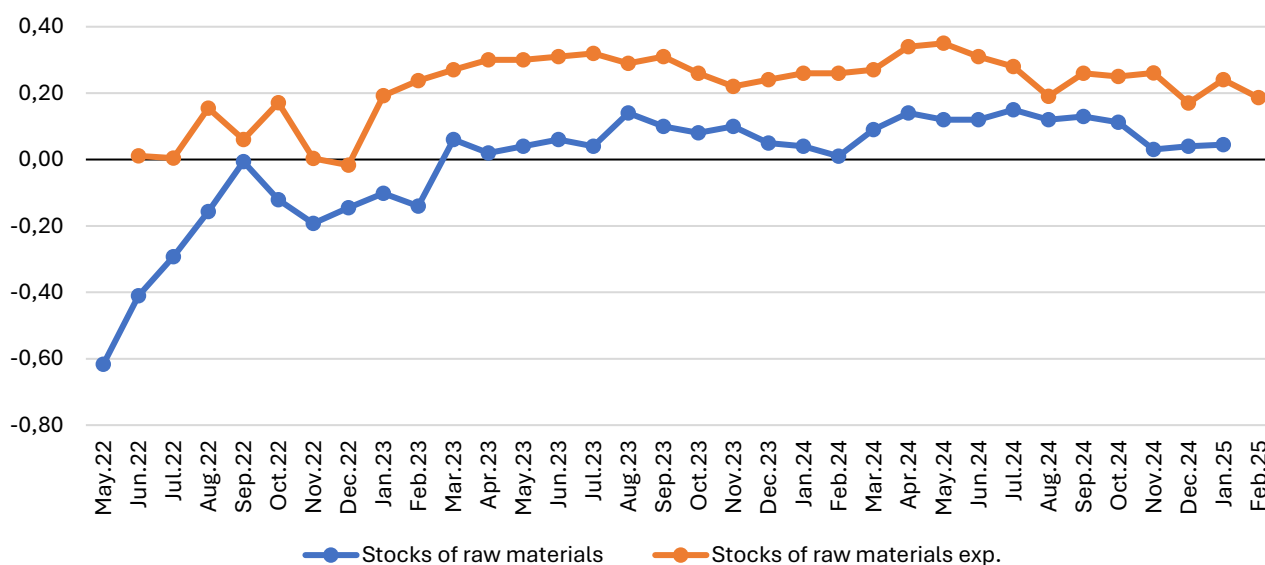
For the next three months, entrepreneurs expect stocks to decrease: the INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS decreased from 0.24 to 0.19. The share of respondents who expect stocks to increase decreased from 30.4% to 26%. The share of those who believe that stocks will decrease has not changed significantly and is 10.7% (it was 9.8%). The share of those who do not expect changes increased from 59.7% to 63.3%.

Size. The INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is higher for large enterprises and is 0.35. The indicator for medium-sized (0.11) and small (0.10) enterprises is significantly lower and approximately the same. The indicator for microenterprises (0.02) is the lowest.

Region. The highest INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is for Poltava (1.00) and Zakarpattia (0.83) regions. The lowest index value is for Kyiv city (-0.65) and Dnipropetrovsk (-0.55) region.

Sector. The highest INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is in the construction materials production (0.22), chemical (0.21), and food (0.20) industries. The lowest index is in metalworking (-0.09).

Fig.17. Stocks of raw material indices



STOCKS OF FINISHED GOODS

Changes compared to the previous month

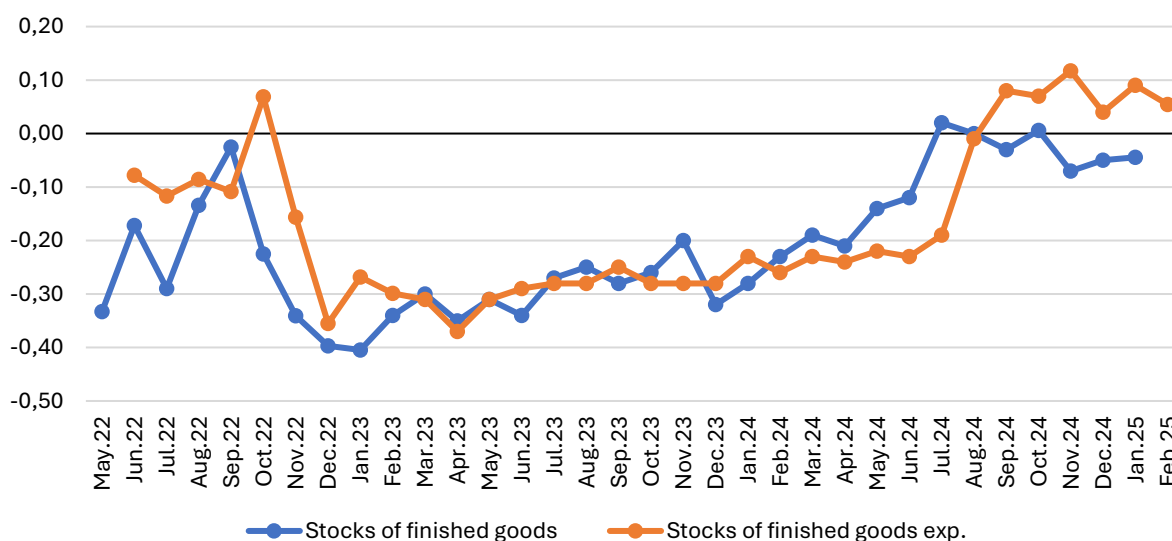
The rate of reduction in finished goods stocks is slowing down. The value of the corresponding INDEX has not changed significantly and in January is -0.04 (it was -0.05). The share of respondents who reported a reduction in finished goods stocks has not changed significantly and is 15% (it was 15.4%). The share of respondents whose stocks increased has also not changed significantly and is 8.8% (it was 9.8%). The share of respondents who did not feel any changes at all has increased slightly, from 74.8% to 76.2%.

Size. The index value is higher for large (0.02) enterprises with a single positive value. Reduction in finished goods stocks is more often reported by medium-sized (-0.07) and micro-enterprises (-0.08), whose indicator is approximately the same. The lowest value of the indicator is for small (-0.11) enterprises.

Region. The value of the index depends on the region. The accumulation of finished goods stocks is most often reported at enterprises in the Ternopil (0.36) and Odesa (0.25) regions. The lowest index is in Vinnytsya (-0.55) and Dnipropetrovsk (-0.50) regions.

Sector. The highest value is for the construction materials production (0.17) and woodworking (0.10) industries. The lowest value is for metalworking, mechanical engineering, and light industry, whose index is the same and is -0.12.

Fig.18. Stocks of finished goods indices



Expected changes in stocks of finished goods

Enterprise managers expect a reduction in finished goods stocks in the future. The INDEX OF EXPECTED CHANGES IN STOCKS OF FINISHED GOODS decreased from 0.09 to 0.05. The share of respondents who believe that finished goods stocks will decrease significantly in the next three months has not changed significantly and is 12.2% (it was 11.5%). The share of those who expect them to accumulate has decreased from 19.3% to 16%. The percentage of those who believe that nothing will change has increased slightly, from 69.2% to 71.8%.

Size. The value of the indicator depends on the size of the enterprise. The index is the lowest with the only negative value for microenterprises (-0.08). The indicator for small and medium-sized enterprises is significantly higher, the same, and is 0.03. The highest value of the indicator is for large (0.10) enterprises.

Region. The highest index is for the Zakarpattia (0.83) and Cherkasy (0.79) regions. The lowest index is for the Dnipropetrovsk (-0.65) and Volyn (-0.52) regions.

Sector. The index value is highest for the printing (0.33) and woodworking (0.20) industries. The lowest index is for metalworking (-0.22) with a single negative value.

NEW ORDERS

Changes compared to the previous month

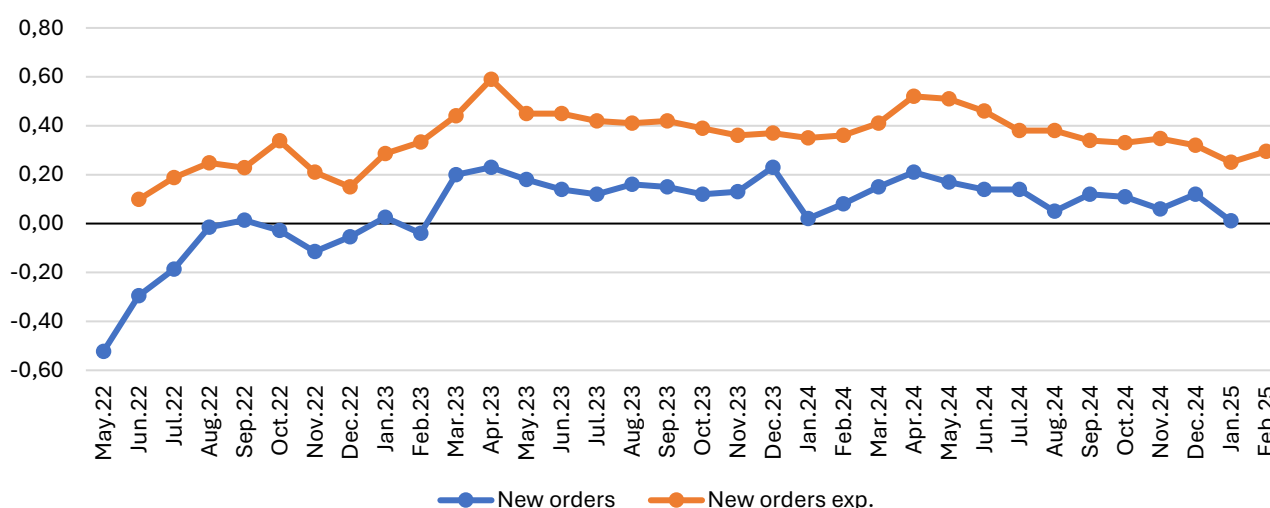
The growth rate of new orders has slowed down significantly. The NEW ORDERS INDEX in January compared to December decreased from 0.12 to 0.01. The share of those whose order volume increased decreased (from 22% to 16.7%). At the same time, the share of those whose order volume decreased increased from 15.9% to 20.8%. The share of those who did not experience any changes remained almost unchanged and is 62.5% (it was 62.2%).

Size. Large (0.16) enterprises report more growth in orders. The indicator for medium-sized enterprises is significantly lower and equals zero. The indicator for small enterprises is already negative and is -0.16. The lowest value of the indicator is for microenterprises (-0.26).

Region. New orders grew the most in Poltava (0.70), Zakarpattya (0.47) and Cherkasy (0.36) regions, while in Sumy (-0.55) and Vinnytsya (-0.48) regions, the volume of new orders decreased the most.

Sector. The best situation with new orders in the previous month was in the food, woodworking, and chemical industries (0.03 each). The lowest value of the indicator is in metalworking (-0.28) and mechanical engineering (-0.18).

Fig.19. New orders indices



Expected changes in new orders

In the next three months, entrepreneurs expect the indicator to increase. The value of the INDEX OF EXPECTED CHANGES IN THE NEW ORDERS interrupted the two-month downward trend and increased from 0.25 to 0.30. The share of respondents expecting an increase in new orders increased from 30.2% to 34.7%. The share of respondents expecting a decrease in the volume of new orders did not change significantly and is 8.2% (it was 9.6%). The share of those not expecting any changes in the next three months decreased from 60.2% to 57.1%.

Size. The indicator of expectations is the lowest with a negative value for microenterprises (0.04). The indicator of small (0.26) and medium (0.22) enterprises is significantly higher and approximately the same. The highest indicator of expectations is for large enterprises (0.44).

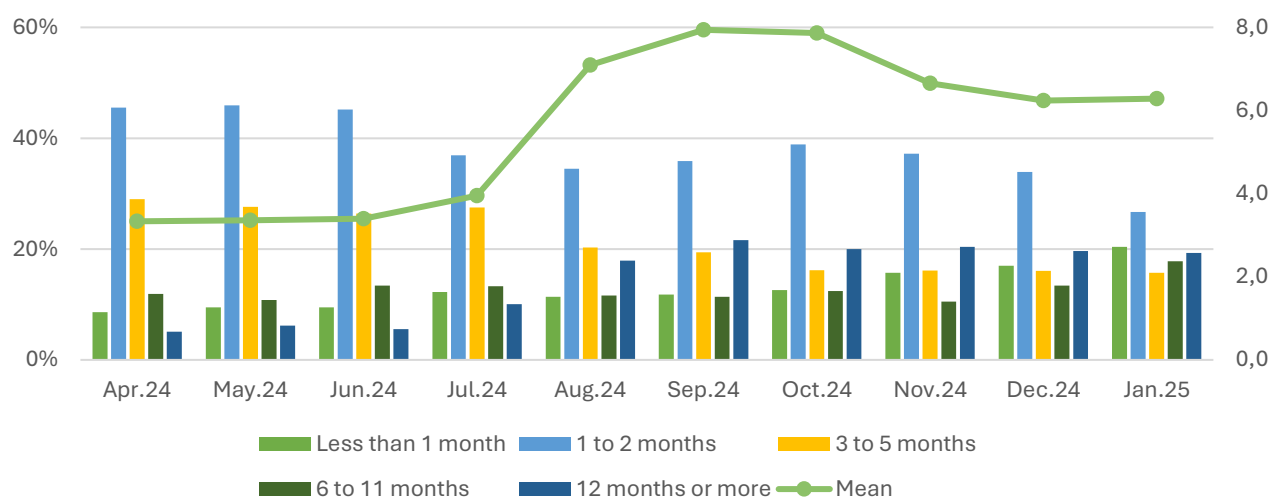
Region. The index values have significant regional differences. In Poltava (1.00), Zakarpattya (0.93), and Cherkasy (0.89) regions, businesses expect an increase in new orders to a greater extent than in other regions. At the same time, the indicators of Dnipropetrovsk (-0.55) and Zhytomyr (-0.10) regions have the lowest values.

Sector. The best expectations for new orders are in mechanical engineering (0.34) and construction materials production (0.33). The metalworking indicator is the lowest and has a negative value (-0.18).

Availability of orders

In January 2025, the average period of new orders availability for the surveyed enterprises remained unchanged compared to the previous month. It was six months. The share of enterprises with orders for a year or more is 19%. Compared to the beginning of the year (5% in February 2024), this indicator has increased fourfold, which indicates an increase in long-term planning and more stable contracts in some enterprises. At the same time, the share of enterprises with orders for no more than two months was 47%.

Fig.20. Period for which enterprises are provided with orders



Size. The order availability increases with the size of the enterprise. Thus, micro-enterprises are on average provided with new orders for 1.5 months (median value), while small businesses – for 5 months, medium – for 7.6 months and large – for 8.4 months.

79% of micro- and 56% of small enterprises have orders for a period of only up to two months. At the same time, 54% of large enterprises and 44% of medium-sized enterprises are provided with orders for 6 months or more.

Sector. In January 2025, the relatively longest average terms of new orders were recorded in the woodworking industry (8.6 months), as well as in the chemical industry (7 months). The shortest average terms of new orders are observed in the metal production and metalworking sector (3.6 months) and the production of land materials (4.5 months). At the same time, it is worth noting that 42% of enterprises in the woodworking industry have orders for a period of six months or more, and a large share of enterprises in this sector (52%) reported that they have orders for a period of only up to two months. While 68% of enterprises in construction materials production have orders for up to two months, and only 27% have orders for a period of six months or more. Also, short-term orders for up to 2 months are held by enterprises in metal production and metalworking - 64%, light industry - 63%, mechanical engineering - 53%, and food industry - 41%.

Region. There are differences in the availability of orders between enterprises in different regions¹. The average order availability period is the longest for enterprises in the Cherkasy region, where it averaged 25 months, and for the Zakarpattia region – 22 months. Also, the terms of available orders are relatively high for enterprises in Vinnytsya, Volyn, Kyiv, Odesa, Poltava, and Rivne regions (5 months and more). On the other hand, the shortest

¹ Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) and Ivano-Frankivsk and Ternopil regions, where the number of respondents was insufficient for a comparative analysis.

average order availability period – up to two months – is recorded in Zhytomyr, Kirovohrad, Lviv, Chernivtsi, Chernihiv, Kharkiv, Dnipropetrovsk regions and Kyiv city.

PURCHASE PRICES

Changes compared to the previous month

The growth rate of prices for raw materials and supplies is slowing down. The PURCHASE PRICE INDEX, although insignificant, has decreased from 0.31 to 0.29. The share of enterprise managers who indicated an increase in price in December has decreased from 33.8% to 30.3%. The share of those who believe that price has not changed compared to the previous month has increased from 64.7% to 67.5%. The share of those who say that purchase price has decreased has not changed significantly and is 2.2% (it was 1.5%).

Size. Depending on the size of the enterprise, managers of large (0.35) and micro-enterprises (0.31) most often talk about an increase in purchase price. The indicator for small and medium-sized enterprises is significantly lower, the same, and is 0.25.

Region. Significant regional differences have been recorded. The index value is higher for the Poltava (1.00), Sumy (0.65), and Chernihiv (0.64) regions. The indicator of the Zaporizhzhya (-0.04) region is the lowest and has the only negative value.

Sector. The PURCHASE PRICE INDEX is highest for light industry (0.36) and construction materials production (0.33). The lowest index value is for metalworking (0.08).

Expected changes in the purchase prices

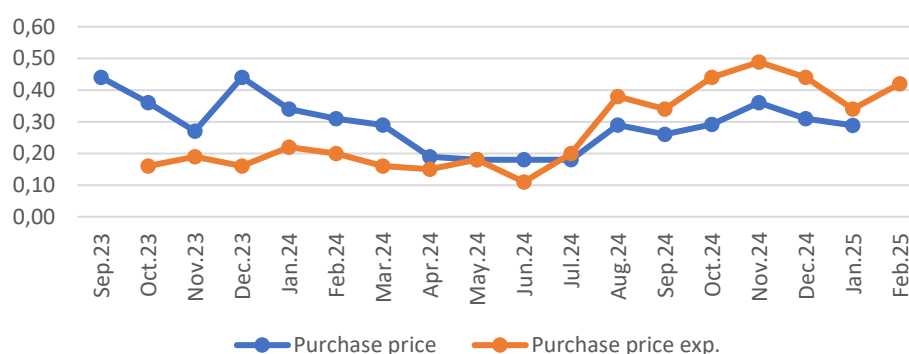
In the short term, the two-month trend of decreasing expectations has been interrupted. The INDEX OF EXPECTED CHANGES IN THE PURCHASE PRICE increased from 0.34 to 0.42. The share of respondents who believe that there will be no changes decreased from 63.2% to 56.1%. The share of those who expect prices to increase grew from 36.3% to 43.4%. The share of those who believe that purchase price will decrease in the next three months remained unchanged like last month and is 0.5%.

Size. Depending on the size, the expectation index for small enterprises (0.48) is the highest. The indicator is somewhat lower and approximately the same for medium-sized (0.43) and micro-enterprises (0.42). The indicator of large enterprises is lower: 0.37.

Region. Most talk about a possible increase in the purchase price is in Kyiv city and Zakarpattya region (0.80 each). The indicator of the Rivne region is the lowest and equals zero.

Sector. The printing (0.57) and light industry (0.52) have the highest index values. Metalworking (0.21) has the lowest index.

Fig.21. Purchase prices indices



DOMESTIC SALES PRICES

Changes compared to the previous month

The growth rate of prices for finished products is slowing down. The DOMESTIC SALES PRICE INDEX decreased from 0.32 to 0.26. The share of enterprise managers who indicated an increase in price in January decreased from 32.2% to 27.8%. The share of those who believe prices did not change compared to the previous month increased from 66.7% to 70.3%. The share of respondents who say that prices have decreased has not changed significantly and is 1.9% (it was 1.1%).

Size. Large (0.32) enterprises most often talk about an increase in domestic sales price. The indicator for microenterprises is slightly lower: 0.28. The lowest value of the indicator is for small and medium-sized enterprises (0.23).

Region. Significant regional differences are recorded. The index value is higher for Poltava (1.00) and Sumy (0.80) regions. The indicator of the Zaporizhzhia (-0.03) region is the lowest and has the only negative value.

Sector. The DOMESTIC SALES PRICE INDEX is highest for construction materials production (0.37), woodworking, and food industries (0.27 each). The lowest value is for printing, whose indicator is zero.

Expected changes in the domestic sales prices

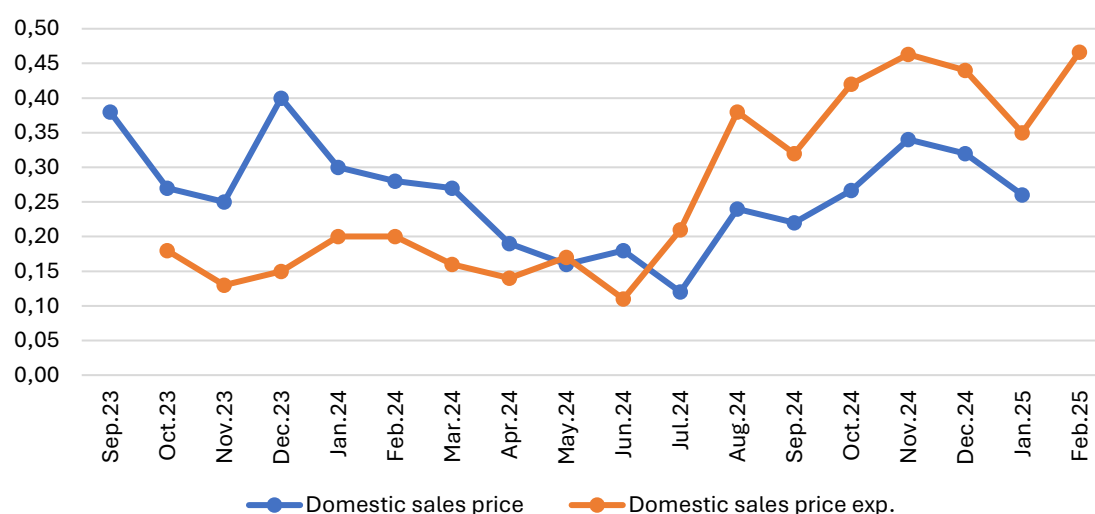
In the near future, enterprise managers expect prices to rise. The INDEX OF EXPECTED CHANGES IN DOMESTIC SALES prices increased from 0.35 to 0.47. The share of respondents who do not plan changes decreased from 63.1% to 53.2%. The share of respondents who plan to increase prices in the next three months increased from 36.2% to 46.8%. None of the respondents believe that prices will decrease in the next three months (it was 0.07% in December).

Size. Depending on the size of the enterprise, small (0.52) enterprises expect the most increase in domestic sales price. The indicator for medium (0.48) and large (0.42) enterprises is somewhat lower. The least talk about possible price increases is among microenterprises, whose indicator is 0.38.

Region. The most talk about a possible increase in domestic sales price is in Zakarpattya (0.93) and Cherkasy (0.89) regions and Kyiv city (0.85). The indicator of Rivne region is the lowest and the value is zero.

Sector. The highest index value is in the printing (0.57), light (0.55), and chemical (0.52) industries. The lowest expectation indicator is in metalworking (0.21).

Fig.22. Domestic sales prices indices



ACCOUNT RECEIVABLES

Changes compared to the previous month

The rate of debt accumulation is slowing down. The ACCOUNT RECEIVABLES INDEX has decreased slightly, from -0.10 to -0.13. The share of those who reported debt reduction has decreased from 24.4% to 22.9%. The share of respondents who have accumulated debt has also dropped from 13% to 9.5%. The share of those for whom nothing has changed has increased from 62.7% to 67.6%.

Size. The situation with receivables is better for small (-0.20) enterprises, whose indicator is significantly lower. The indicator for medium-sized enterprises (-0.15) is slightly higher. The highest value of the indicator is for large (-0.09) and micro enterprises (-0.05).

Region. Significant regional differences in the values of this indicator were recorded. The highest positive value of the indicator was recorded in Kyiv city (0.40) and Kyiv (0.30) region. At the same time, the indicator is the lowest in Sumy (-1.00) and Zhytomyr (-0.67) regions.

Sector. The highest indicator of receivables with the only positive value is in the printing industry (0.60). The lowest indicator is in the construction materials production (-0.33).

Expected changes in account receivables

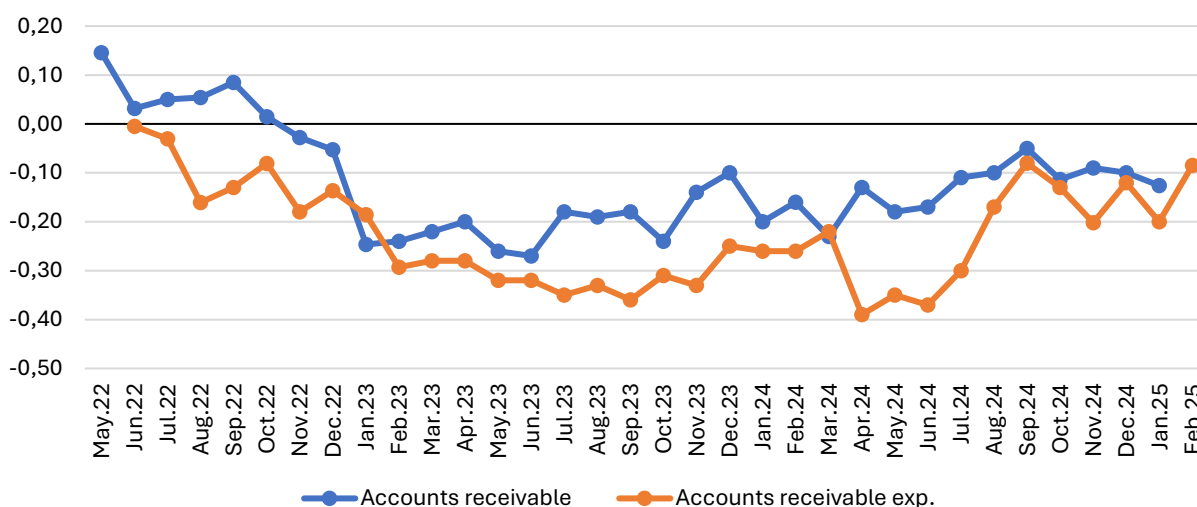
In three months, entrepreneurs expect a significant deterioration of the indicator. The INDEX OF EXPECTED CHANGES IN ACCOUNTS RECEIVABLE increased from -0.20 to -0.08. The share of respondents expecting the accumulation of debt increased (from 3.9% to 7.9%), while the share of those expecting its reduction decreased (from 26% to 20%). The share of those who believe that nothing will change increased slightly, from 70.1% to 72.1%.

Size. Micro-enterprises, whose indicator is the lowest and is -0.34, have the best value of the indicator. Medium-sized (-0.15) and small (-0.13) enterprises have the higher and approximately the same indicator. The highest and positive value of the indicator is for large (0.01) enterprises.

Region. Poltava region and Kyiv city (0.20 each) have the highest and above zero values. The lowest indicator is in Sumy (-0.93) region.

Sector. The highest expectations regarding the accumulation of receivables are for the woodworking industry (0.06), which has the only positive value. The lowest indicator is in metalworking (-0.32).

Fig.23. Account receivables indices



ACCOUNT PAYABLES

Changes compared to the previous month

In three months, entrepreneurs expect a significant deterioration of the indicator. The ACCOUNT PAYABLES INDEX increased from -0.20 to -0.08. The share of respondents expecting the accumulation of debt increased (from 3.9% to 7.9%), while the share of those expecting its reduction decreased (from 26% to 20%). The share of those who believe that nothing will change increased slightly, from 70.1% to 72.1%.

Size. Micro-enterprises, whose indicator is the lowest and is -0.34, have the best value of the indicator. Medium-sized (-0.15) and small (-0.13) enterprises have the higher and approximately the same indicator. The highest and positive value of the indicator is for large (0.01) enterprises.

Region. Poltava region and Kyiv city (0.20 each) have the highest and above zero values. The lowest indicator is in Sumy (-0.93) region.

Sector. The highest expectations regarding the accumulation of receivables are for the woodworking industry (0.06), which has the only positive value. The lowest indicator is in metalworking (-0.32).

Expected changes in account payables

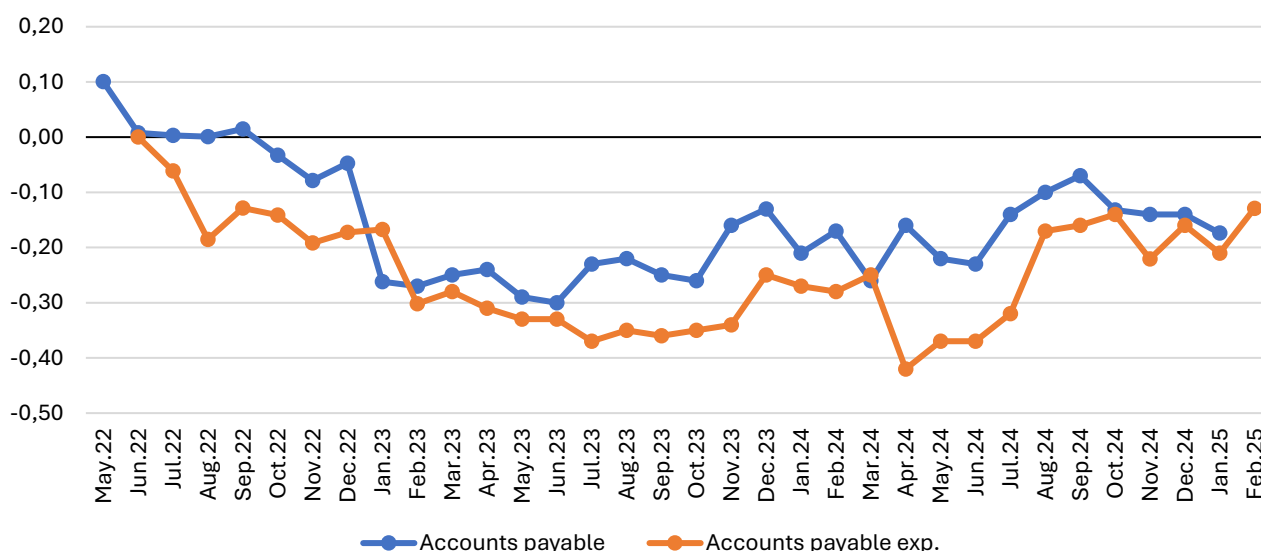
For the next three months, entrepreneurs expect the indicator to deteriorate. The INDEX OF THE EXPECTED CHANGES IN ACCOUNT PAYABLES increased significantly, from -0.21 to -0.13. The share of those who expect a reduction in payables decreased from 24.7% to 17.8%. The share of those expecting its accumulation has not changed significantly and is 2.6% (it was 2%). The share of respondents who believe that nothing will change has increased from 73.3% to 79.6%.

Size. The indicator of expectations of micro-enterprises (-0.27) is the lowest and has a better value. Medium-sized (-0.18) and small (-0.16) enterprises have a higher and approximately the same value of the indicator. The highest value of the indicator is for large (-0.06) enterprises.

Region. The indicator of expectations for changes in accounts payable for Vinnytsia (0.12) and Kirovohrad (0.02) regions, is positive. The lowest is the indicator of expectations for Sumy (-1.00), Dnipropetrovsk (-0.50), and Zhytomyr (-0.48) regions.

Sector. Among the industrial sectors, the highest indicator is printing, for which the value is zero. The lowest values are metalworking (-0.32) and chemical (-0.24) industries.

Fig.24. Account payables indices



TAX ARREARS

Changes compared to the previous month

The indicator of the rate of tax arrears is slowing down. The TAX ARREARS INDEX in January, although insignificantly, decreased from -0.14 to -0.16. At the same time, changes in the percentage distribution are insignificant. The share of enterprises that reported a reduction in tax arrears over the past month did not change significantly and is 20.6% (it was 21%). The share of respondents who indicated an increase in tax arrears also remained almost unchanged and is 3.7% (it was 4.9%). The share of those who believe no changes have occurred is 75.7% (it was 74.2%).

Size. The tax arrears indicator is better and approximately the same for small (-0.24) and medium (-0.20) enterprises. The values are twice as high and roughly the same for large (-0.11) and micro-enterprises (-0.10).

Region. There are significant differences in the value of this indicator by region. Khmelnytsky (0.14) and Kyiv (0.07) regions have the highest and most positive indicators. Sumy (-0.88), Dnipropetrovsk (-0.65), and Vinnytsya (-0.55) regions have the lowest indicators.

Sector. The highest tax debt indicator is for light industry (0.04) with the only positive value. The value for printing (-0.50) is the lowest.

Expected changes in tax arrears

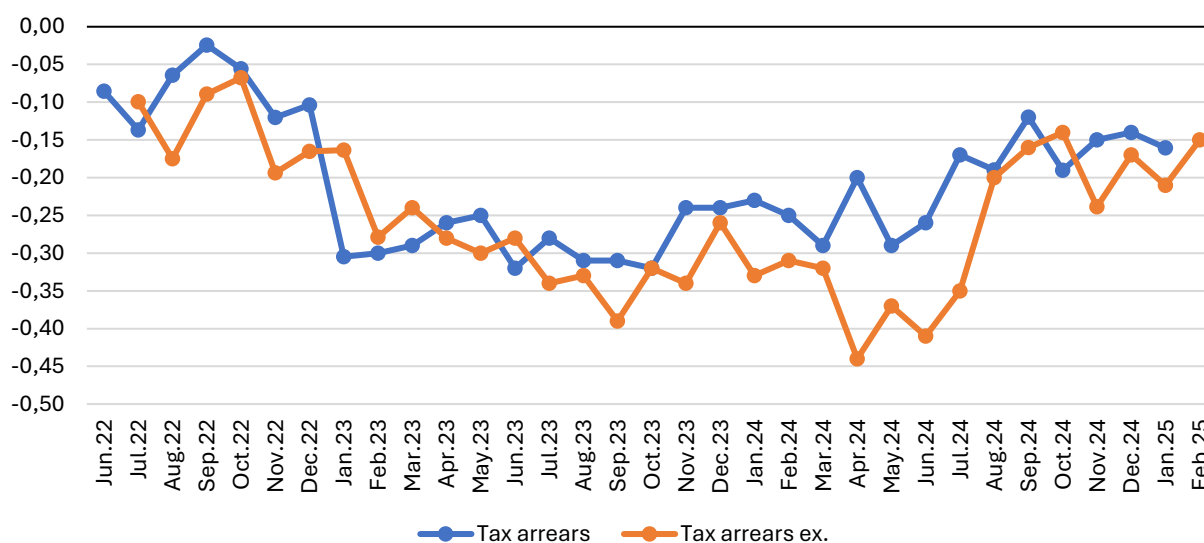
For the next three months, entrepreneurs expect the indicator to deteriorate. The INDEX OF THE EXPECTED CHANGES IN TAX ARREARS increased from -0.21 to -0.15. The share of those who expect a reduction in tax arrears decreased from 23.7% to 18.5%, while the share of those who expect it to increase did not change significantly and is 0.4% (it was 0.8%). The share of those who do not expect changes increased from 75.6% to 81.1%.

Size. The indicator of tax arrears expectations is the lowest and approximately the same for micro (-0.29) and small (-0.27) enterprises. The indicator for medium-sized enterprises is -0.15. The indicator for large (-0.08) enterprises is significantly higher.

Region. The highest indicator of expectations is the same for Kyiv city, Kyiv, Odesa, Rivne, Chernivtsi, and Chernihiv regions, whose indicators are the same and equal to zero. The indicator of Sumy (-0.88) and Dnipropetrovsk (-0.65) regions is the lowest.

Sector. The highest indicator of tax arrears expectations is for printing, for which the value is zero. The lowest indicator is for the construction production materials production (-0.38).

Fig.25. Tax arrears indices



NUMBER OF WORKERS

Changes compared to the previous month

The rate of reduction in the number of workers is gradually slowing down. The NUMBER OF WORKERS INDEX is growing for the second month in a row, and in January, compared to December, increased from -0.06 to -0.02. The share of respondents reporting a reduction in the number of workers has not changed significantly and is 7.7% (it was 8.4%). The share of those who indicated an increase grew slightly, from 1.8% to 5.4%. The share of those for whom nothing has changed has decreased from 89.9% to 86.9%.

Size. The highest number of workers is reported by small (0.04) enterprises, which have the only positive value. The indicator of large and medium-sized enterprises is the same and is -0.04. The indicator of micro-enterprises (-0.11) is the lowest.

Region. The highest and most positive indicator is in the Zakarpattya (0.33) and Rivne (0.10) regions. The most frequent reports of worker reductions are in the Volyn (0.29) and Vinnytsya (0.20) regions.

Sector. The indicator for the construction materials production (0.04) is the highest. The lowest is for printing (-0.13).

Expected changes in the number of workers

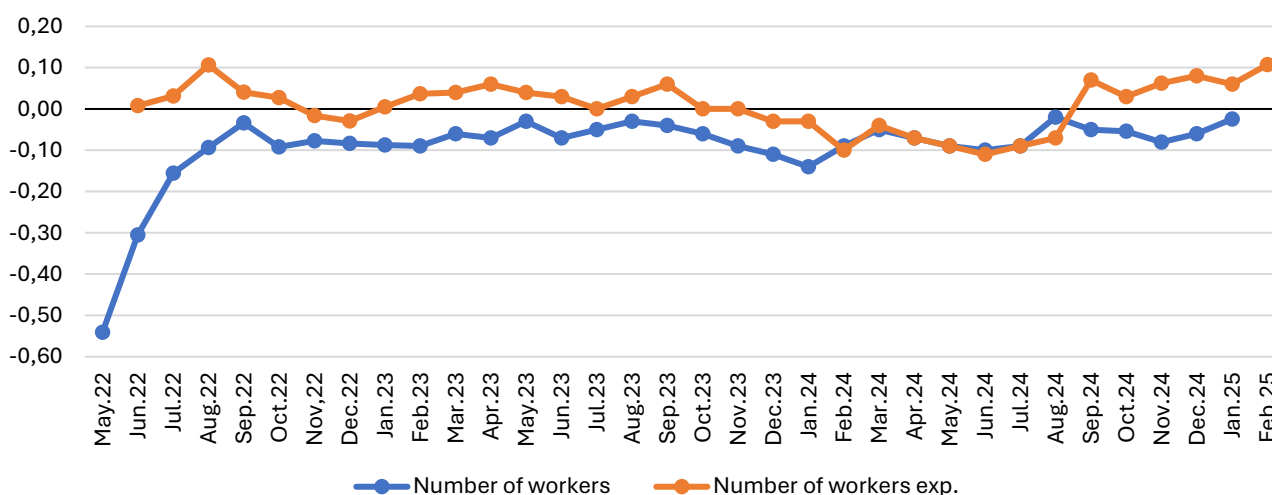
The indicator of expectations for an increase in the number of workers did not change significantly: the INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS increased from 0.06 to 0.11. The share of those surveyed who plan to increase the number of workers increased from 11.8% to 15.7%. At the same time, the share of those who expect a reduction in the number of workers remained unchanged, which is 4.6% (it was 5.4%). The share of those who do not plan changes decreased slightly from 82.7% to 79.7%.

Size. The indicators of expectations for the number of workers are the highest for small (0.15) enterprises. At the same time, the indicators of large (0.10), medium (0.09), and micro enterprises (0.08) are lower and approximately in the same range.

Region. The index of expected changes in the number of workers significantly depends on the region where the enterprise is located. The highest value of the indicator is in Zakarpattya (0.97) and Cherkasy (0.75) regions. The lowest values of the indicator are in Zhytomyr (-0.33) and Dnipropetrovsk (-0.20) regions.

Sector. The highest expectation index is in the woodworking industry (0.18). The expectation index for metalworking is the lowest, and its value is zero.

Fig.26. Number of workers indices



WORKERS ON FORCED LEAVE

Changes compared to the previous month

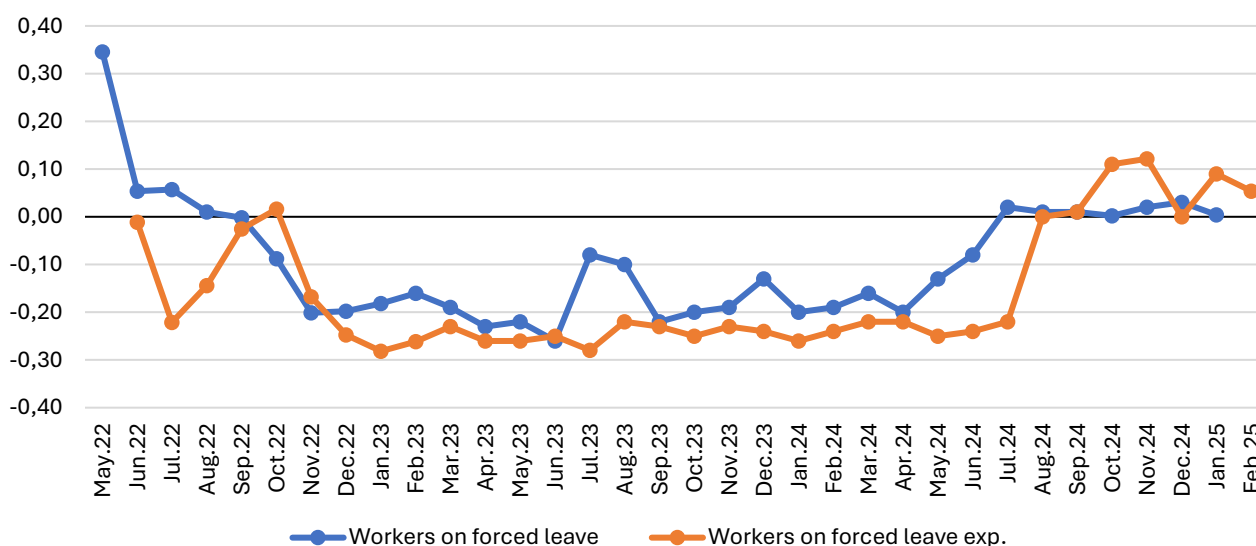
The rate of reduction in the number of workers on forced leave has accelerated. The NUMBER OF WORKERS ON FORCED LEAVE has decreased slightly, from 0.03 to zero. There have been no significant changes in the percentage distribution. The share of those who increased the number of such workers has not changed significantly and is 4.4% (it was 5.4%). The share of those who reduced their number has also not changed significantly and is 2.6% (it was 2.4%). The share of those for whom nothing has changed over the past month is 93.1% (it was 92.4%).

Size. The indicator of large (-0.04) enterprises is the lowest with the only negative value. The indicator of medium-sized enterprises is 0.02. The indicator of small and micro enterprises has the highest and the same value, which is 0.05.

Region. The highest increase in the indicator among different regions is observed for enterprises in Khmelnytsky (0.38) and Sumy (0.24) regions. The most frequent decrease in the number of workers on forced leave is reported in Kyiv (-0.06), Volyn, and Vinnytsia (-0.04 each) regions.

Sector. The highest indicators for the number of workers on forced leave are in construction materials production (0.20). The indicators of metalworking (-0.05) and mechanical engineering (-0.02) are the lowest.

Fig. 27. Number of workers on forced leave indices



Expected changes in the number of workers on forced leave

Enterprises having workers on forced leave expect them to decrease in the next three months. The INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS on forced leave decreased significantly from 0.09 to 0.05. The share of enterprises that expect an increase in the number of workers on forced leave decreased slightly, from 10.3% to 8.3%. The share of those who believe the number of such workers at their enterprise will decrease increased slightly, from 0.8% to 2.4%. The share of those who believe no changes will occur did not change significantly and is 89.3% (it was 88.9%).

Size. The indicator of small and micro enterprises (0.08 each) and medium-sized enterprises (0.07) is higher and approximately the same. The least talk about the increase in the number of such workers is at large enterprises, whose indicator is 0.02.

Region. The indicator of expectations for the Zakarpattya (0.47) and Cherkasy (0.21) regions is the highest. The indicator of Sumy (-0.36) region and Kyiv city (-0.06) is the lowest.

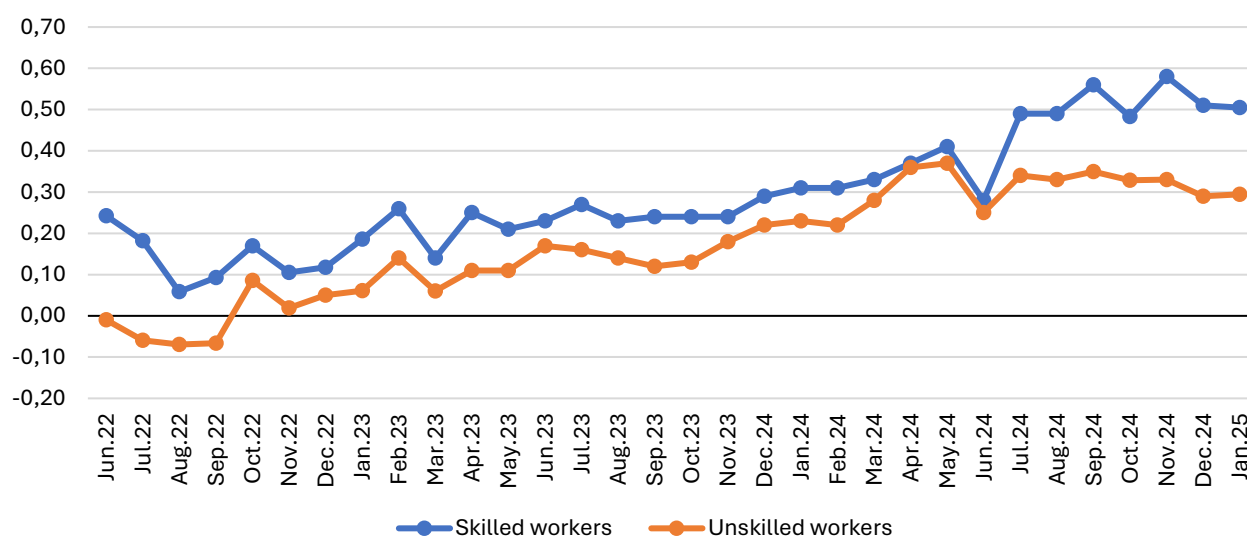
Sector. The indicator of expectations for the increase in the number of workers on forced leave is the highest for the woodworking industry (0.21). The indicator is the lowest for the chemical industry (-0.04).

SKILLED AND UNSKILLED WORKERS

In January 2025, the difficulties in finding workers with the appropriate qualifications did not change significantly. The value of the INDEX OF FINDING SKILLED WORKERS is 0.50 (it was 0.51). The value of the INDEX OF FINDING UNSKILLED WORKERS remains unchanged at 0.29, the same as last month.

There were no significant changes in the percentage distribution. The share of enterprise managers who indicated that it is more difficult to find skilled workers has decreased slightly (from 51.6% to 49.9%), and the share of those who find it more difficult to find unskilled workers is 34.2% (it was 34.8%). The percentage of those who find it easier to find skilled workers is 1.1% (it was 1.6%), and the share of those who find it easier to find unskilled workers is 6.2% (it was 7.8%). At the same time, the share of those who do not feel any changes in the search for skilled workers has increased slightly (from 46.8% to 49.9%), and for unskilled workers, this percentage has increased from 57.4% to 59.6%.

Fig.28. Skilled and unskilled workers indices



Skilled workers

Size. It is most difficult to find such workers for large (0.56) enterprises. The indicator for medium-sized (0.48) and small (0.47) enterprises is lower and approximately the same. It is easiest for micro-enterprises to find skilled workers, whose indicator is 0.38.

Region. Significant regional differences in the labor market are recorded. It is most difficult to find skilled workers in Zhytomyr, Poltava, Ternopil, and Chernihiv regions (1.00 for each). It is easiest to find skilled workers in the Odesa region, whose indicator has a negative value and is -0.07.

Sector. The most difficulties in finding skilled workers are found in metalworking (0.59), construction materials production, food industry, and printing (0.50 for each). It is easiest to find skilled workers in the chemical industry (0.40).

Unskilled workers

Size. It is most difficult to find such workers for large (0.56) enterprises. The indicator for medium-sized (0.48) and small (0.47) enterprises is lower and approximately the same. It is easiest for micro-enterprises to find skilled workers, whose indicator is 0.38.

Region. Significant regional differences in the labor market are recorded. It is most difficult to find skilled workers in Zhytomyr, Poltava, Ternopil, and Chernihiv regions (1.00 for each). It is easiest to find skilled workers in the Odesa region, whose indicator has a negative value and is -0.07.

Sector. The most difficulties in finding skilled workers are found in metalworking (0.59), construction materials production, food industry, and printing (0.50 for each). It is easiest to find skilled workers in the chemical industry (0.40).

SPECIAL PART OF THE SURVEY

THE IMPACT OF WAR ON ENTERPRISES

Challenges for businesses in wartime

In January 2025, the most acute obstacle to business caused by the full-scale Russian invasion was again the **labor shortage due to conscription or worker migration** - 65%. Between June 2024 and December 2024, there was a gradual increase in the labor shortage due to conscription or worker migration. The indicator increased from 42% in June to 64% in November, after which it decreased slightly to 61% in December, but in January it again reached 65%.

With a difference of 13%, the second place in the rating of obstacles to business in January was taken by **work hazards**. 52% of enterprises faced this problem, which is **3% less** than in **December 2024** (55%).

Also, the second place in the ranking of obstacles to business caused by a full-scale war was taken by **the increase in prices for raw materials and supplies**. This obstacle was relevant for 52% of enterprises. The problem of increasing prices for raw materials and supplies increased significantly from July to November (from 32% to 48%, respectively), but in December, this problem decreased to 42%. In January 2025, one of the highest indicators was recorded over the past year.

The third place in the ranking of obstacles was taken by **decreasing demand for products/services**. This problem was experienced by 39% of enterprises, which is 10% more than in December 2024, when this share was 29%.

Power, water, or heating supplies outages were ranked fourth in the ranking of obstacles to business caused by the full-scale Russian invasion, in January. This turned out to be a problem for 19% of enterprises, which is significantly less than in December 2024, when this share was 51%. The worst situation was in the summer (in July -78%, in August and June -65%) when the problem reached peak values due to massive shelling of infrastructure.

Difficulties transporting raw materials or goods across the territory of Ukraine were reported by 15% of respondents in January, as a result of which this obstacle took fifth place in the ranking of obstacles. The share of enterprises that encountered difficulties transporting raw materials or goods across the territory of Ukraine decreased from 32% in March 2024 to 16% in July 2024, which indicates a gradual improvement in the situation. However, after July, there is an increase up to October inclusive - 17%, in November we see a sharp decrease to 12%. However, in December we returned to the previous indicators. In January, the situation remains unchanged.

The problem of **supply chain disruption** is in sixth place: 11%. In December, 8% of enterprises indicated this obstacle. Lack of working capital is also in sixth place: 11%. The problem remains at the level of 9-11% throughout the period.

The seventh place is also shared by two problems: **damage to property or goods due to military actions** and **corruption**; they received 5% each.

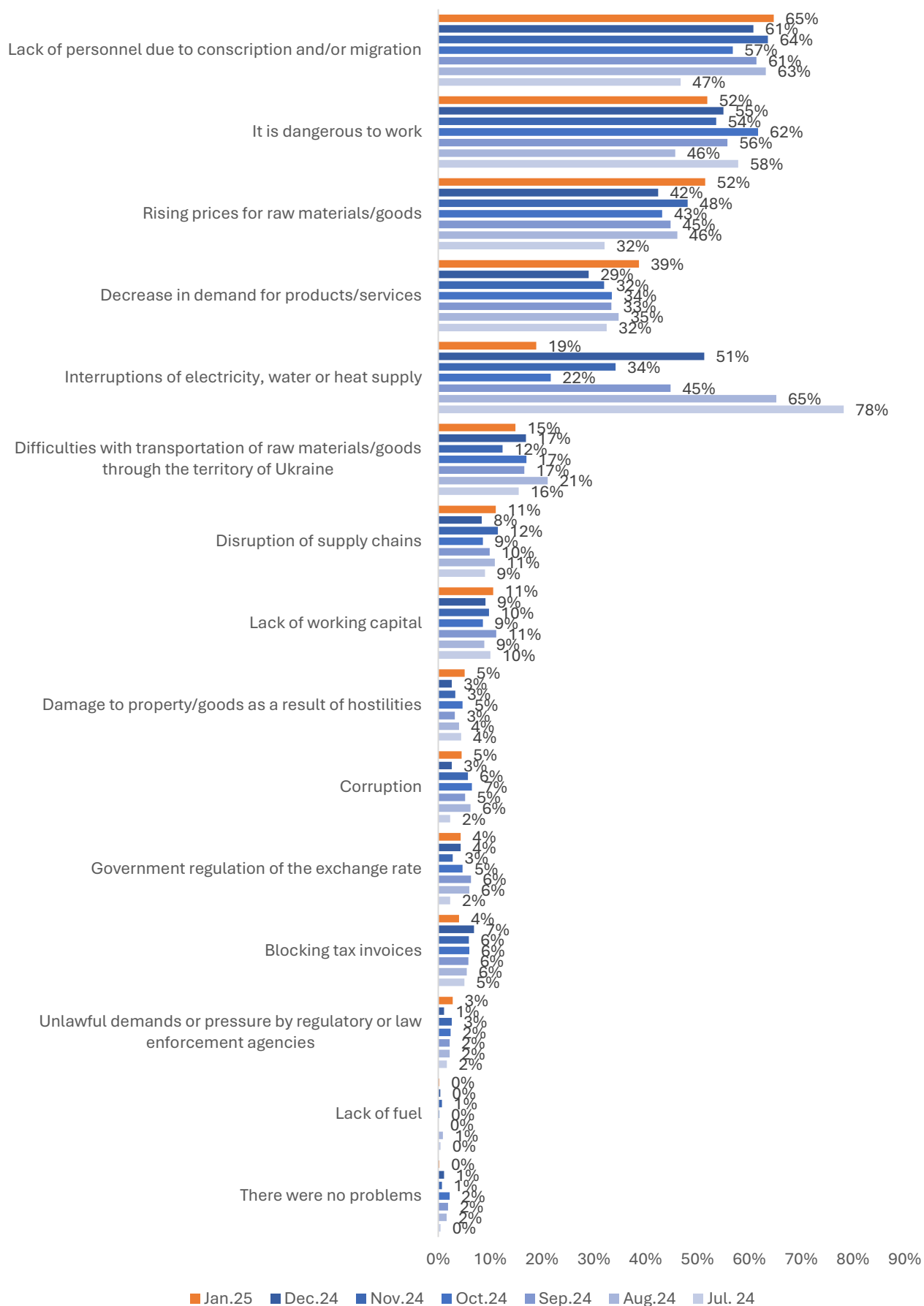
Problems such as **state regulation of the exchange rate** and **blocking of tax invoices** were in eighth place in the ranking of obstacles in January. They were indicated by 4% of surveyed enterprises.

An obstacle such as **unlawful demands or pressure from regulatory or law enforcement authorities** was reported by 3% of enterprises.

The problem of **fuel shortage** was not mentioned by any enterprise in January.

Also, no enterprise in January 2025 said that they had not encountered any obstacles.

Fig.29. The most important problems for the surveyed businesses



Challenges for businesses by sector. In January, large enterprises most often reported such an obstacle as work hazards - 72%; also, 36%, 42%, and 52% of micro, small, and medium enterprises reported this problem. Large enterprises also often reported labor shortage - 74%. Micro, small, and medium enterprises indicated 35%, 66%, and 68%, respectively.

Micro enterprises are most affected by the increase in price for raw materials and supplies - 66%, while 54%, 51%, and 43% of small, medium, and large companies, respectively, faced the problem. Micro-enterprises are most affected by the decrease in demand for products/services - 57%, while among small, medium, and large businesses, this share is - 37%, 37%, and 34%, respectively.

Challenges for businesses by sector. Businesses operating in the metallurgy (60%), chemical industry (60%), machine building (63%), and food industry (63%) most often reported that it was unsafe to work.

All industries, namely the woodworking industry, food industry, light industry, machine building, chemical industry, construction materials production industry, and metal and metalworking industry, reported labor shortages due to mobilization or worker migration (more than 60%).

In light industry, the most common complaint is about rising prices for raw materials and supplies – 64%. Food industry and construction materials production enterprises also complain about rising prices for raw materials and supplies (59% and 54%, respectively).

The decrease in demand for products/services in January was most often reported by enterprises in the metallurgy and construction materials industries (50%)².

Challenges for businesses by region. The highest shares of businesses that faced the work hazards problem were recorded in Vinnytsya, Dnipropetrovsk, Zaporizhzhia, Odesa, Poltava, Kharkiv, and Cherkasy regions - more than 80%. The increase in price for raw materials and supplies was most often reported by enterprises in Zhytomyr, Poltava, Sumy, Ternopil, Kharkiv, Chernivtsi, Lviv regions and Kyiv city (more than 70%).

Power, water, or heat supply outages in January were a particularly acute problem for businesses in Poltava, Lviv regions, and Kyiv city (more than 50% of respondents)³.

Surveyed enterprises in Vinnytsya, Dnipropetrovsk, Zhytomyr, Zakarpattia, Lviv, Poltava, Rivne, and Chernivtsi regions complain about labor shortage due to a full-scale war (more than 80%)

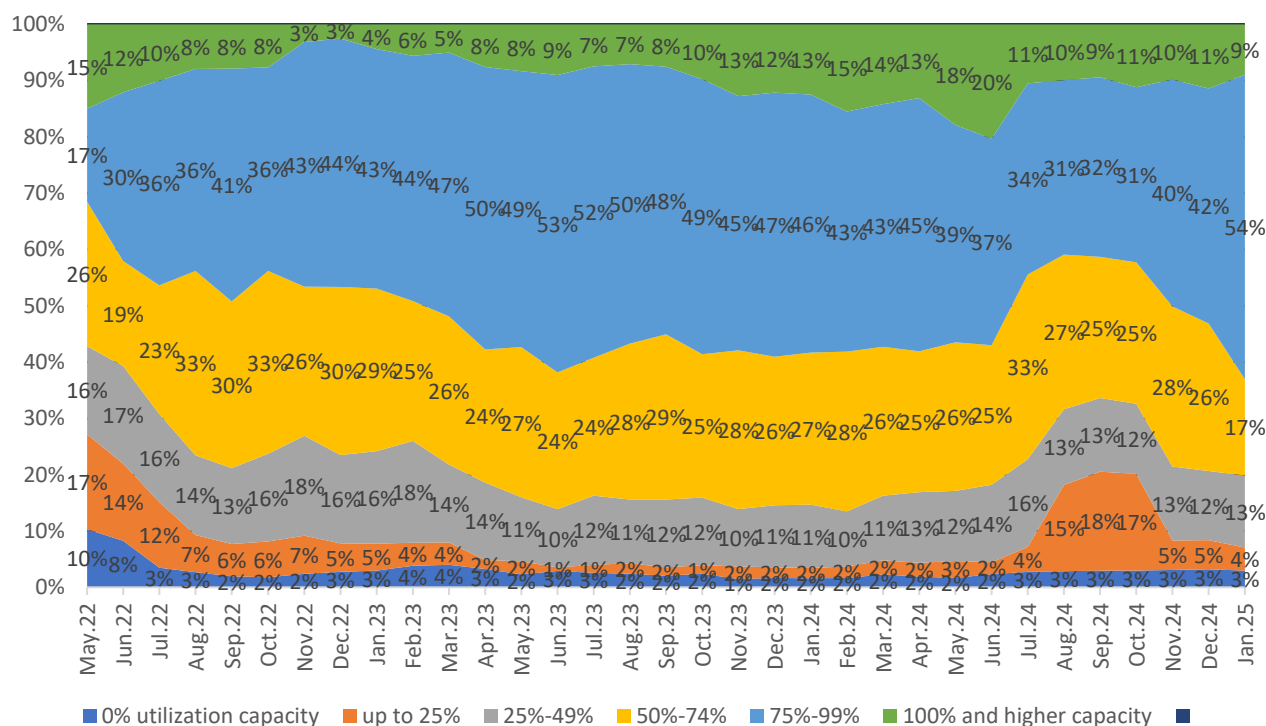
The war impact on capacity/production volumes

In January 2025, only 9% of enterprises reported they were operating at full capacity (100% or more), which is approximately at the level of previous months (10% in November and 11% in December). At the same time, the share of enterprises operating at almost full capacity (75% - 99%) was 54% (42% in December). As a result, the **total share of enterprises operating at almost full and full capacity reached 63%** (50% in November and 53% in December), which is the highest figure for all waves of the survey (previously, the highest figure was in June 2023 - 62%).

² This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, and enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this sector for the analysis.

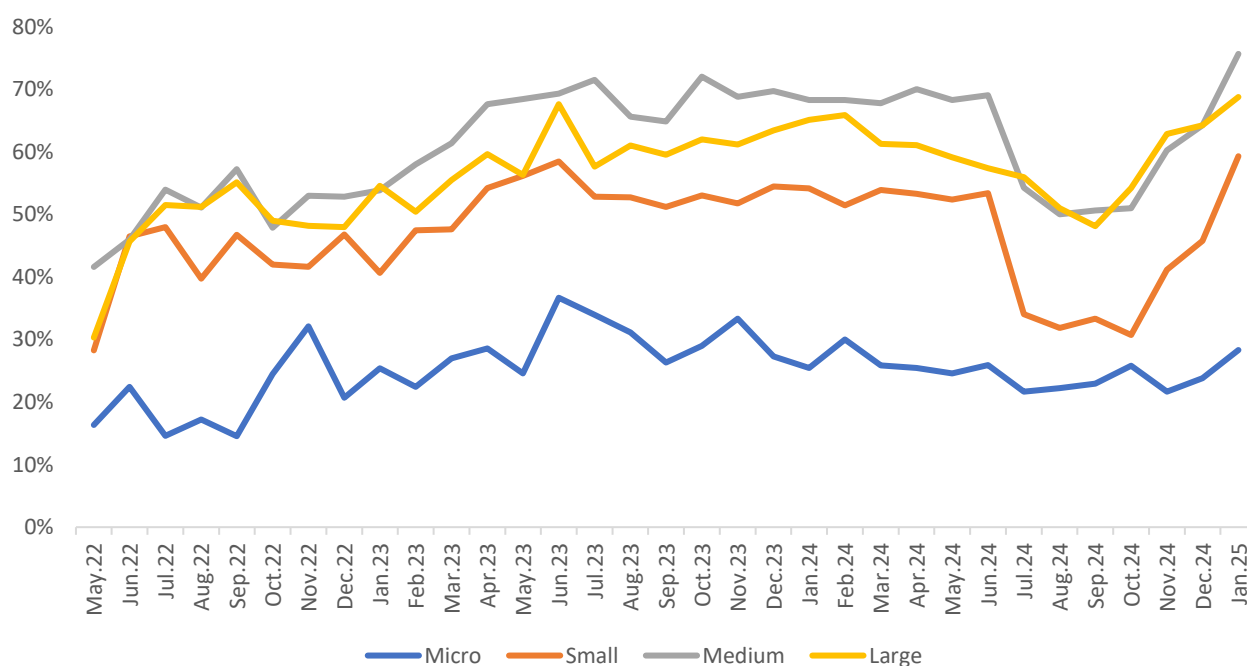
³ Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) and Ivano-Frankivsk region, where the number of respondents was insufficient for a comparative analysis.

Fig.30. The impact of the war on the work of enterprises (% of respondents)



In January, 3% of surveyed enterprises reported that they had ceased their activities during the war. This indicator has remained low since July 2022, in the range of 2% - 4%. Only 4% of enterprises operated at less than 25% of pre-war production volumes in January (also 5% in December). In addition, 13% of enterprises operated at 25% - 49% of pre-war production capacities in January (12% in December). As a result, **in January every fifth (20%) enterprise operated at less than half of its capacity or did not operate at all compared to pre-war times.**

Fig.31. The share of enterprises operating almost at full and full capacity (75 - 99%, 100%, and more) compared to the pre-war period (by enterprise size, %)

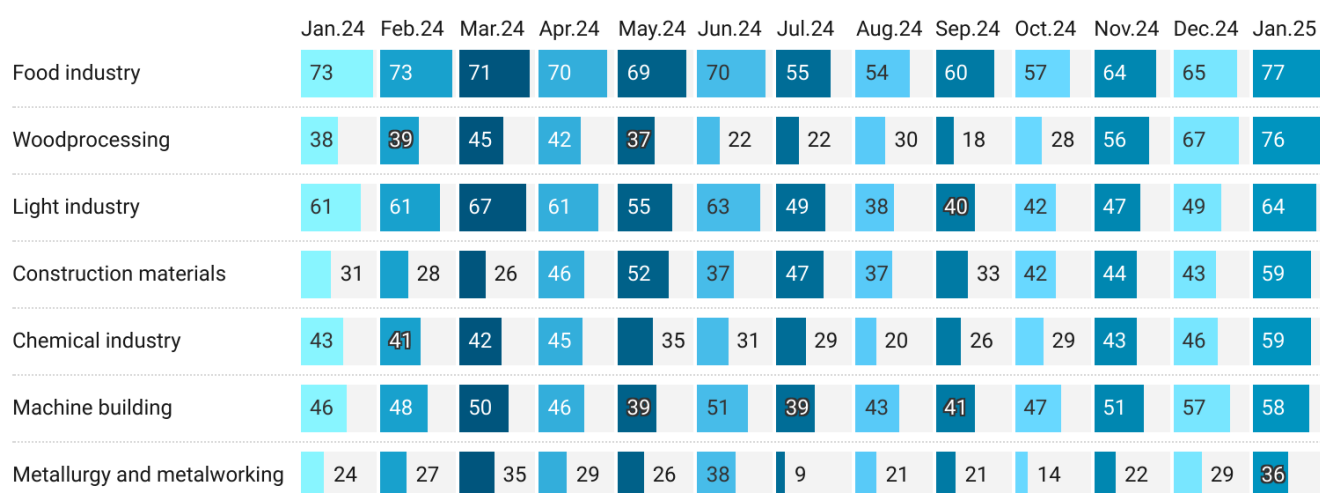


Results for business by size. In January 2025, the **level of capacity utilization increased for all business categories by size**. The share of micro-enterprises operating at almost full and full capacity increased from 24% in December to 28% in January and for small enterprises - from 46% to 59%. Among medium-sized enterprises, this share increased to 76% (from 64% in December), and for large enterprises - to 69% (from 64% in December).

As of January 2025, 13% of microbusiness representatives were not working, which is at the level of September - December (13%). Also, 4% of small enterprises and 1% of medium-sized enterprises were not working. At the same time, all large enterprises were working. Thus, **microbusinesses remain more sensitive to the challenges of wartime throughout all waves of the survey**.

Results for business by sector. The **level of capacity utilization increased for all industries**. The food industry returned to 1st place with 77% of enterprises operating at almost full or full capacity (65% in December). At the same time, the woodworking industry was in second place, although the absolute figure increased to 76% (67% in December). The light industry rose to third place, in which 64% of enterprises were at a high level of utilization in January (49% in December). At the same time, the lowest level of capacity utilization remains in metallurgy and metalworking (only 36% in January worked at a high level of utilization).

Fig.32. The share of industrial enterprises operating almost at full and full capacity (75 - 99%, 100% and more) compared to the prewar period, % of respondents by sector



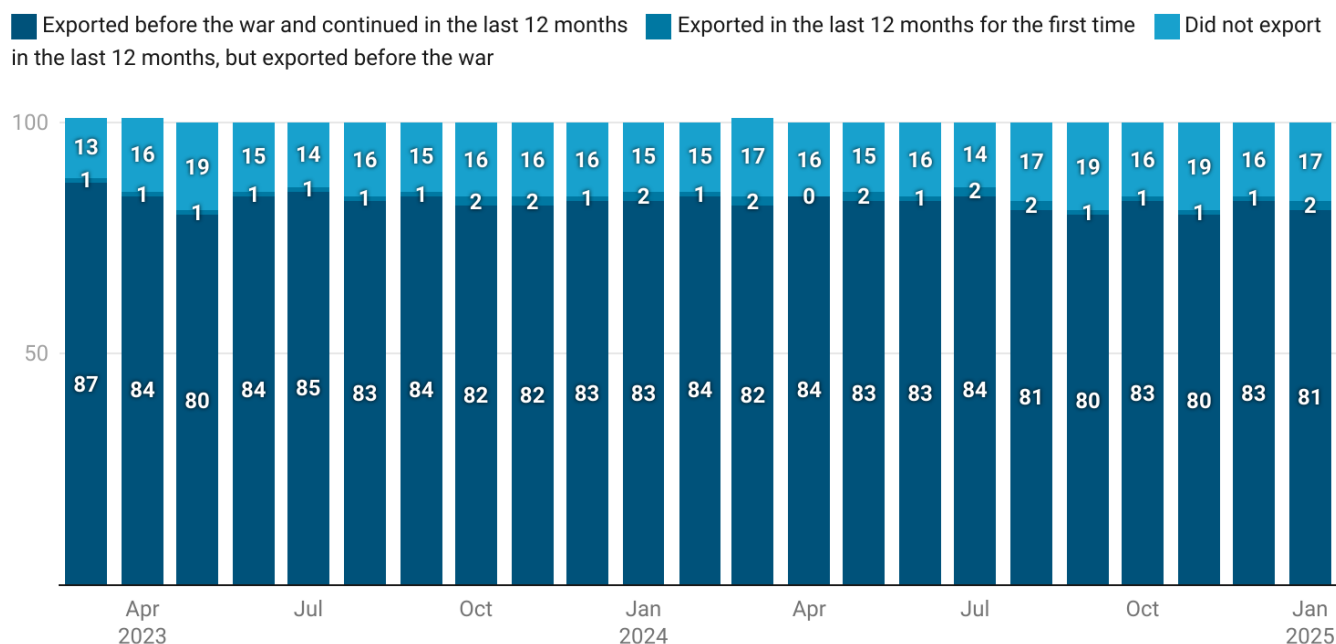
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Results for business by sector. In December, low levels of production capacity utilization were observed in most regions. However, all or almost all enterprises in Vinnytsya (100%), Zakarpattia (100%), Poltava (100%), Rivne (100%), and Cherkasy (100%) regions continued to operate at almost full capacity in December. The situation remains difficult in the front-line Zaporizhzhya region, where only 3% of enterprises operate at a high level of capacity utilization.

THE WAR IMPACT ON THE ENTERPRISES' EXPORT ACTIVITIES

In the thirty-third wave of the survey, **61% of all respondents were or are exporters**. At the same time, 30% of enterprises have never exported, and 9% could not answer the question.

Fig.33. The impact of the war on export activity (% of the exporters surveyed)

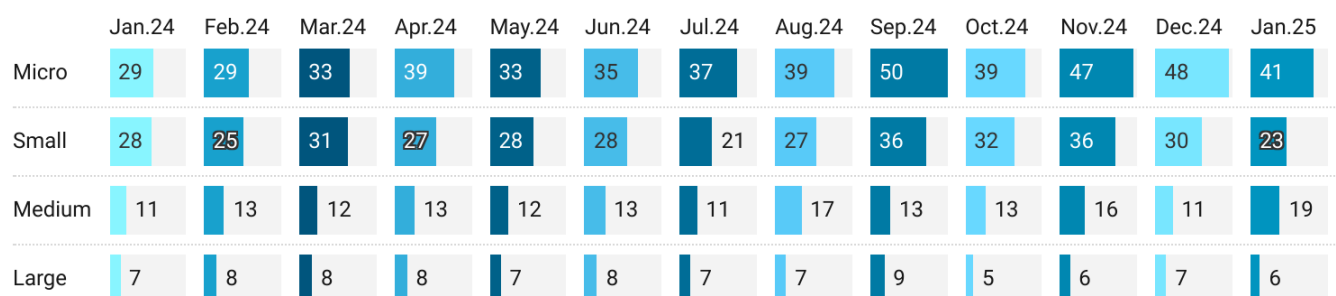


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As of January 2025, **81% of exporters surveyed indicated that they exported before the war and continued to export over the past 12 months**. Another 2% of enterprises started exporting for the first time during the war (over the past 12 months). At the same time, 17% of enterprises exported before the war but had no exports over the past 12 months. That is, in January 2025, the share of active exporters was approximately at the level of previous months (it was, on average, 80% - 84% over the past year). Ukrainian businesses have reached a certain level of export activity recovery because some businesses cannot overcome new challenges to resume exports.

Results for business by size. According to the results of January 2025, a pattern was again recorded regarding the state of export activity, depending on the size of the enterprise. Among microbusinesses, 41% of enterprises exported before the war but had no export activity during the last 12 months. There is also a high share of enterprises that cannot resume exports among small businesses – 23%. The situation is somewhat better among medium-sized exporters: 19% of respondents have not exported in the last 12 months. The best situation is among large businesses for which the corresponding share was only 6%. Thus, large businesses are traditionally the leaders in the recovery of export activity.

Fig.34. Share of exporters who did not export during the last 12 months, by size of enterprises (% of exporters surveyed)

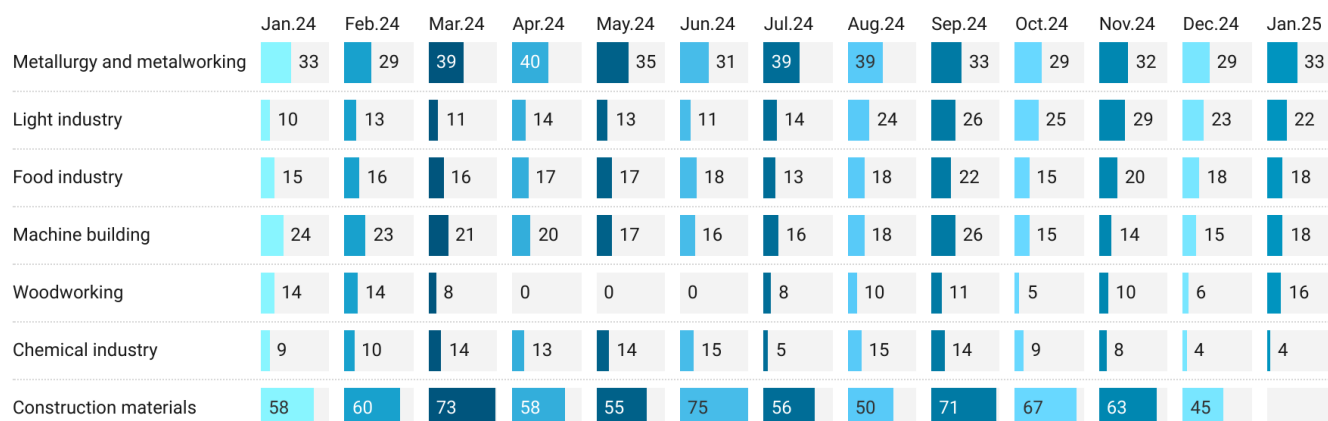


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Results for business by sector. According to January 2025 data, the most difficult situation with the export restoration remains in metallurgy and metalworking. For example, 33% of enterprises in the industry indicated that they exported before the full-scale invasion but had no exports over the past 12 months. The situation is also

difficult in light industry (the corresponding share is 22%). In contrast, the best situation is in the chemical industry, where only 4% had no exports over the past 12 months. In the food industry, which is the leader in the recovery, the corresponding share is 18%.

Fig.35. Share of exporters who did not export during the last 12 months, by industry (% of surveyed exporters)⁴



Created with Datawrapper

Results by region. Throughout all waves of the monthly survey, the available data do not allow conclusions about clear regional patterns due to insufficient coverage of subsamples in certain regions. However, in some regions, all enterprises (among those that were able to respond) resumed exports, in particular in Kyiv, Odesa, Poltava, Rivne, Cherkasy, and Chernihiv regions. The most difficult situation remains in Dnipropetrovsk and Zhytomyr regions, where 67% and 69%, respectively, did not export during the last 12 months, although they had it before the war.

IMPACT OF POWER OUTAGES

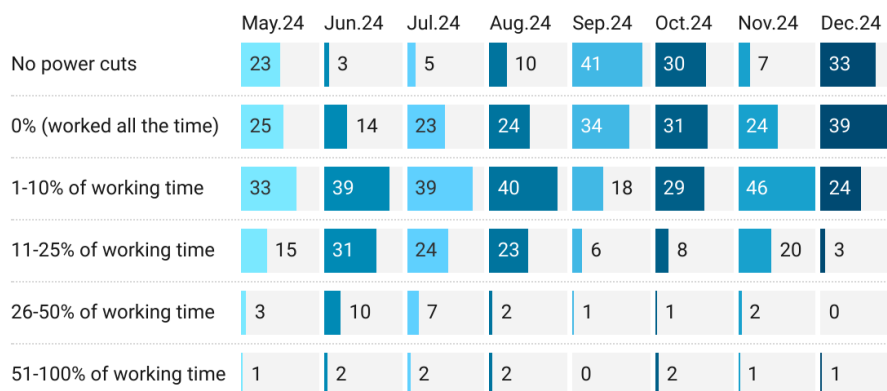
During the thirty-third wave of the survey, industrial enterprises were again asked to assess the impact of power supply problems on their operations. **In December 2024⁵, power outages became less problematic for businesses compared to the previous month. In December, 28% of enterprises temporarily suspended work due to power outages (for comparison, 66% in August, 25% in September, 39% in October, and 68% in November).** At the same time, 33% of enterprises did not face power outages (7% in November). In addition, 39% of enterprises worked all the time, even if power outages occurred. At the same time, 24% of enterprises stopped work for only 1 - 10% of working hours, and 3% - for 11 - 25% of working hours. An insignificant share of enterprises had the most critical losses (more than half of working hours) - only 1% of enterprises.

As a result, on average, businesses lost 4% of their total working hours due to power outages in December 2024. This is slightly lower than in November (8%). However, the situation varies slightly depending on the size of the business, industry, and region.

⁴ In January 2025, data on exports of construction materials manufacturers is unavailable due to insufficient coverage of the subsample.

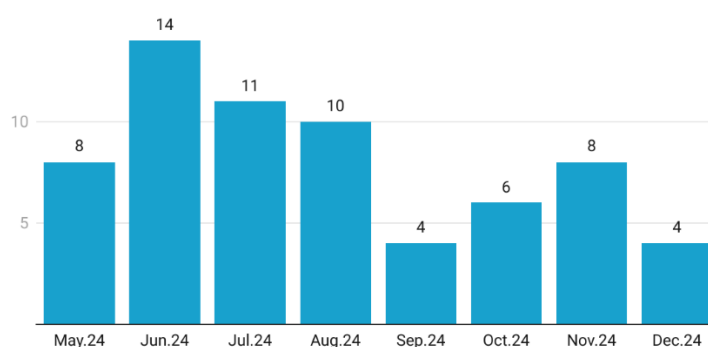
⁵ As part of the survey, the question about lost working time is asked about the previous month that has already ended. That is, in January, respondents were asked about the loss of working time in December 2024.

Fig. 36. Impact of power outages on the enterprise work, % of respondents



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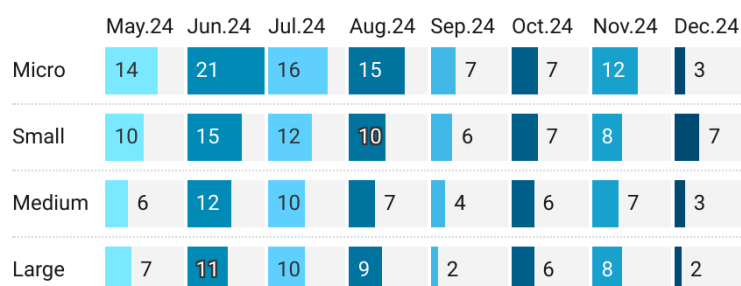
Fig. 37. Average % of time losses due to power outages, by month



Created with Datawrapper

Business results by size. The situation is different for enterprises of different sizes. For example, 42% of micro, 31% of small, 28% of medium, and 40% of large enterprises did not experience outages. At the same time, 40% of micro, 33% of small, 45% of medium, and 38% of large enterprises continued to operate under outages. Small businesses continue to suffer the greatest losses from Russia's terrorist attacks on energy infrastructure. In particular, **small enterprises in December 2024, on average, lost 7% of working time. However, micro-enterprises lost 3%, medium enterprises - 3%, and large enterprises - 2%.**

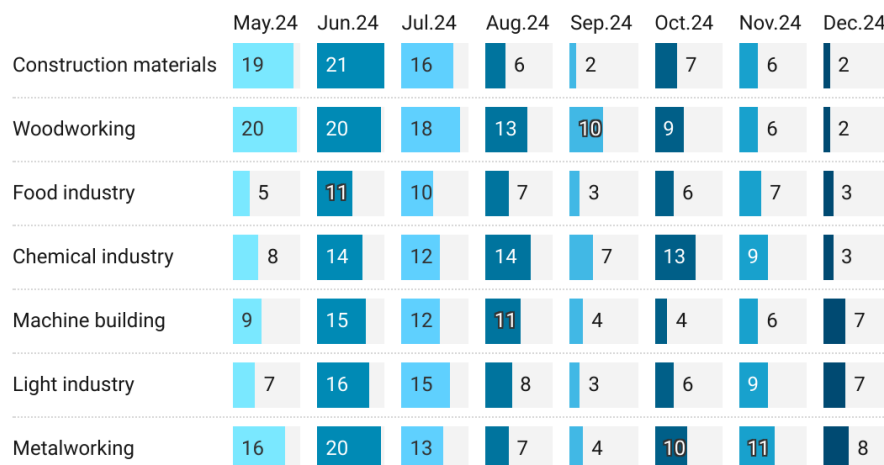
Fig. 38. Average % of enterprises' time losses (by size), % of respondents



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Business results by sector. The lowest average loss of working hours due to power outages was recorded in construction materials production (2%) and woodworking (6%). However, the situation is somewhat worse in some industries. In particular, in metallurgy and metalworking, the average loss of time was 8%. Light industry (7%) and mechanical engineering (7%) have relatively high losses.

Fig. 39. Average % of enterprises' time losses (by sector), % of respondents



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Business results by region. The survey results again confirm a certain regional specificity of the negative impact of power outages. The highest average time losses were recorded in Sumy (9%), Khmelnytsky (6%), and Cherkasy (6%) regions. However, in most regions, the average losses are below 5%. In particular, there were no losses in the Rivne, Zhytomyr, Kharkiv, Chernivtsi and Ternopil regions.

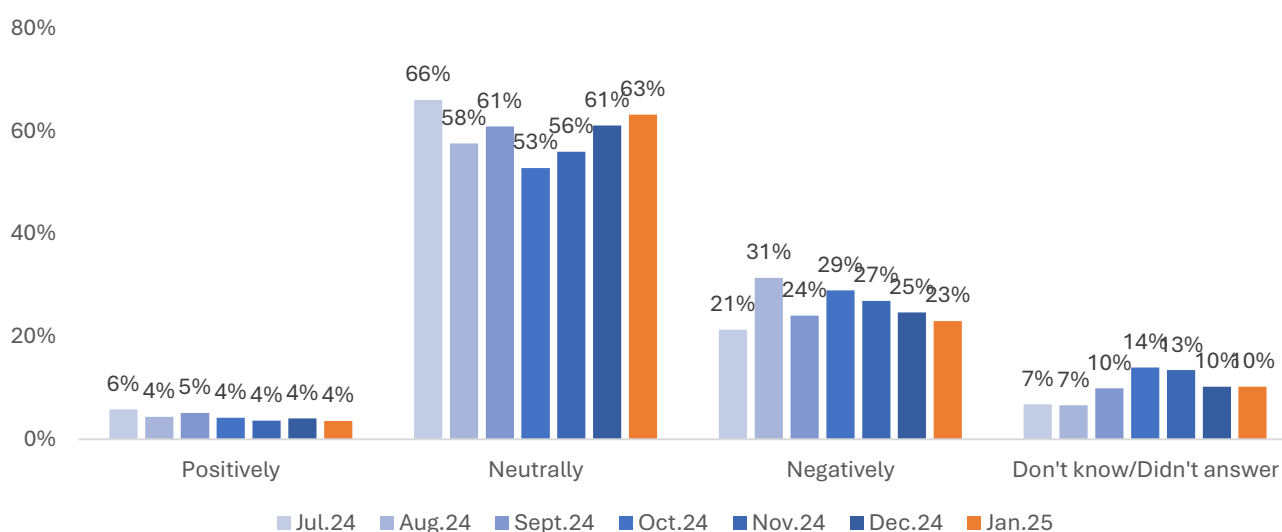
GOVERNMENT POLICY

Assessment of government policy to support business

In January, the share of positive assessments of the government's business support policy was 4%. The assessment has not changed at all for the past four months. The level of positive assessments has not exceeded 8% for about a year, and the share of 4% recorded in August, October, November, December, and January became the lowest indicators for the entire period of this study, the first wave of which was conducted in May 2022.

The share of neutral assessments increased from 61% in December to 63% in January, while the share of negative assessments decreased again from 25% to 23%. The remaining 10% of respondents were unable to assess the policy. This share did not change compared to December.

Fig.40. Assessment of government policy to support business



Assessment of government policy to support business by business size. Against the background of the low level of positive assessments of the government policy on business support, the assessments improve somewhat with increasing enterprise size, although the difference between them is insignificant. Among large enterprises, government policy was positively assessed by 6% of respondents, while among micro-businesses, no enterprises.

In addition, representatives of micro-enterprises negatively assess the government policy on business support more often than representatives of the rest of the business. 31% of these respondents gave negative assessments of the policy, while among respondents representing small, medium, and large businesses, the corresponding share is 30%, 16%, and 20%.

Assessment of government policy on business support by sector. Representatives of the construction materials production industry (11%) most often give positive assessments of government policy to support business⁶.

Among light industry enterprises, one of the highest shares of negative assessments was recorded (38%). The government's policy is also often negatively assessed by food industry enterprises - 29%.

Assessment of government policy on business support by region. The highest level of positive assessments of government policy to support business in January 2025 was recorded in the Kirovohrad region (16% of respondents). At the same time, the largest shares of negative assessments are among businesses in Vinnytsia and Ternopil regions (more than 50%).

What will improve the business situation? Expected measures and changes

In January 2025, we again asked business representatives about what changes and measures would improve the situation for their business. As in previous surveys, when this question was asked (in 2022, 2023, 2024 and in January 2025), the most expected event for survey participants was the **end of the war**. It is expected by 88% of surveyed businesses, which is more than in the summer of 2024 (77%) and closer to the level of January 2024, when this share was 87%.

The reduction of taxes is in second place among the desired changes. It was expected by 47% of businesses in January 2025, which is more than in August 2024, when tax cuts were among the most expected changes for 37% of businesses.

Almost a quarter of businesses (24%) expressed a need to **reserve workers from military service**. This share decreased compared to August 2024 - 32%.

However, it is worth noting that in the August 2024 survey, for the first time, the option of **fixing taxes at the current level without increasing them** was added to the response options. Thus, the answers to this question provide an opportunity to compare what is more important for businesses: avoiding raising taxes and government initiatives to increase them, which were on the political agenda at the time of this survey wave, or achieving their reduction.

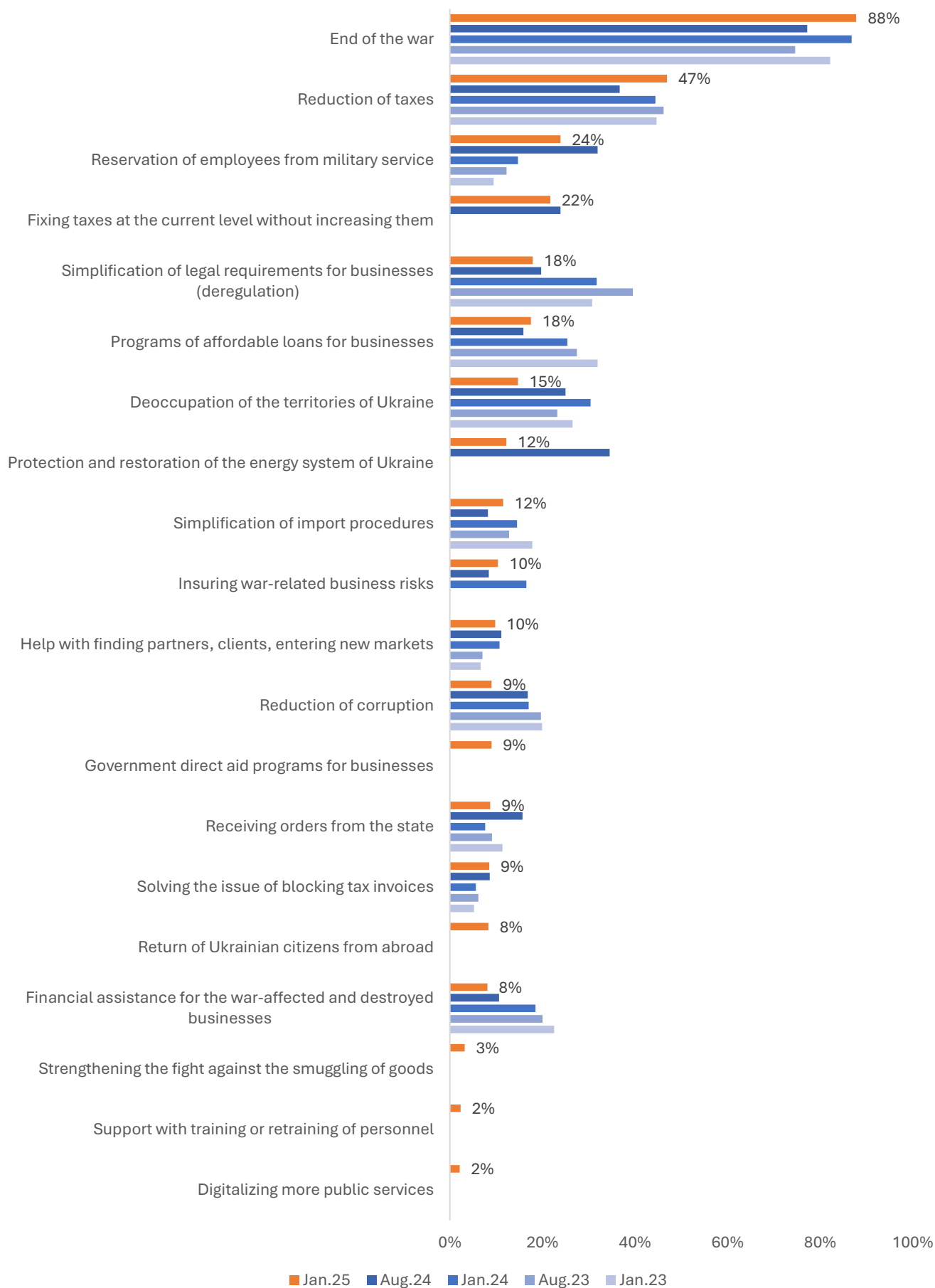
The survey results show that tax cuts are still being chosen more often. In January 2025, 22% of enterprises indicated this, which is less than in August 2024, when 24% of enterprises indicated this.

The share of enterprises considering it necessary to **simplify the legislative conditions for business** continued to decrease. 1.5 years before this wave of the survey - in January 2025 - 40% of respondents spoke in favor of this, and in January 2024 this share decreased to 32%. In August 2024, there were fewer such enterprises - 20%, and in January 2025 even fewer - 18%.

The share of businesses that need **affordable business loan programs** increased from 25% in August 2024 to 18% in January 2025.

⁶ This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, and enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this sector for the analysis.

Fig. 41. Expected measures and changes that, according to the respondents, will improve the situation for their business



In January 2025, 15% of enterprises reported that the **de-occupation** of the territories of Ukraine would help their business. This share has been gradually decreasing since January 2024, when it was 30%.

12% of enterprises reported that businesses would benefit from **protecting and restoring Ukraine's power system**. This measure was first included in the response options for this question in August 2024, following Russian attacks on Ukraine's power system that led to prolonged power outages.

9% of businesses said that **reducing corruption** was important. This share has changed significantly since August 2024, when it was 17%.

Expected measures and changes by the size of enterprises. The end of the war is the top priority for businesses of all sizes (more than 80%). The next most anticipated change – tax cuts – received support across all sizes: micro, small, and medium-sized businesses (from 41% to 53% of respondents). Large businesses are more likely than smaller businesses to believe that workers should be reserved (32% of these businesses). While 14%, 22%, and 23% of micro, small and medium-sized businesses, respectively, think so.

The priority of simplifying import procedures increases with the size of the businesses. 5% of micro businesses expect this, while among large businesses, this share increases to 20%. Similarly, the share of companies that emphasize the importance of worker reservation increases from 14% among micro businesses to 32% among large businesses.

Expected measures and changes by sector. In most regions, 70% or more of surveyed local businesses named the end of the war among the events and changes that would help them the most⁷. The need for tax cuts was most often mentioned by chemical and food industry enterprises (more than 50%).

Reservation of workers is most supported in the food industry (25%), chemical industry (26%), and light industry (28%).

Expected measures and changes by region. In most regions, 70% or more of surveyed local businesses named the end of the war among the events and changes that would help them the most⁸. It is especially expected by enterprises in Vinnytsya, Dnipropetrovsk, Zhytomyr, Zakarpattia, Zaporizhzhya, Kyiv, Kirovohrad, Lviv, Odesa, Sumy, Kharkiv, Cherkasy, Chernivtsi and Chernihiv regions, and Kyiv city: the end of the war has become a priority for 80% or more of respondents.

In Poltava and Sumy regions, tax cuts are most supported (80% or more of respondents). At the same time, in Dnipropetrovsk, Zhytomyr, Poltava regions, and Kyiv city, more than in other regions, businesses think that taxes should be fixed at the current level (more than 50% of respondents).

⁷ This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, and enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this sector for the analysis.

⁸ The comparison does not include regions in which no enterprises were surveyed and Mykolayiv and Poltava regions, where the number of respondents was insufficient for statistical comparison. For more details, see the "Sample" section.

SURVEY METHODOLOGY

This report presents the results of the 33th new monthly survey “Ukrainian Business in the Wartime”. The data was collected using a combination of several methods of data collection: a telephone interview of business representatives filling their responses into the online checklist by the interviewers, and in a small number of cases, self-completion of the checklist by representatives of enterprises who, during the previous telephone contact, expressed a desire to independently enter data in the online checklist. All responses (filled by the respondents themselves and provided to the interviewers) were collected in one database. After the survey, IER experts monitored and cleaned up the data and analyzed the responses.

In this survey, we continue examining the indicators of the business climate and conditions studied by the IER in the quarterly surveys of industrial enterprises within the project “Business Survey”. It includes indices that in numerical terms show monthly changes in such important business indicators as production and sales, exports, raw materials and supplies stocks, the new orders number, etc., and business expectations for their changes for the next three- and six-month periods.

These indices are calculated according to a single methodology. We count responses as +1 when the company responds that the rate has increased, 0 if it has not changed, and -1 if it has decreased. For example, if out of 100 respondents, 20 indicated an increase in production, 50 respondents its reduction, and 30 said that everything remained unchanged, the corresponding value of the index will be -0.30. A positive (negative) index value means that the share of enterprises where production has increased is larger (smaller) than the number of those where production has decreased. For a more accurate measurement at the micro-data level, each answer is weighted, taking into account the enterprise size by the number of workers.

Such indices help control the dynamics of changes in these indicators, compare them over time and quickly assess the general direction of changes in business conditions and the situation at the enterprises.

The field phase of the survey lasted from January 17 to 31, 2025.

SAMPLE

A total of 478 enterprises were surveyed in the 33th wave. They are located in Vinnytsya, Volyn, Dnipropetrovsk, Zakarpattia, Zaporizhzhya, Zhytomyr, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytsky, Cherkasy, Chernivtsi and Chernihiv regions and in Kyiv city. In each of these regions, from 4 to 43 enterprises were surveyed⁹.

The majority of the sample consisted of industrial enterprises – 413 enterprises or 86% of the sample. Among them, the food industry and light industry, and engineering prevail. 12 enterprises belong to the agricultural sector (3 % of the sample) and 31 to trade (7% of the sample). 17 enterprises, or 4% of the sample, work in the service sector. And five enterprises (1%) belong to the construction sector.

These are companies of various sizes, determined by the number of workers among the enterprises surveyed. Among them: micro-enterprises (up to 10 workers) – 61 or 13% of the sample, small (from 11 to 50 workers) – 145 or 30% of the sample, medium-sized (from 51 to 250 workers) – 160 or 34% of the sample, and large (more than 250 workers) – 112 or 23% of the sample.

⁹ The survey indicated the region in which the enterprise was located at the time of the survey.

APPENDIX 1. Survey results in figures

Sample

Enterprises' size

	Number	Share of sample
Micro-	61	13%
Small	145	30%
Middle	160	34%
Large	112	23%
TOTAL	478	100%

Sector/ industry

	Number	Share of sample
Agriculture	12	2,5%
Metal production and metalworking	25	5,2%
Chemical industry	35	7,3%
Mechanical engineering	59	12,3%
Woodworking industry	34	7,1%
Construction materials production	27	5,6%
Food industry	145	30,3%
Light industry	48	10,0%
Printing industry	8	1,7%
Other industries	32	6,7%
Construction	5	1,0%
Trade	31	6,5%
Services	17	3,6%
TOTAL	478	100%

Performance indicators of enterprises and business environment by size, indices (January 2025)

	Total	Micro	Small	Middle	Large
Production	0,11	-0,28	-0,08	0,11	0,27
Expected changes in production	0,34	0,07	0,24	0,31	0,47
Sales	0,12	-0,31	-0,09	0,11	0,30
Expected sales changes	0,33	0,09	0,24	0,30	0,46
Export	0,05	-0,38	-0,25	0,05	0,13
Expected changes in exports	0,37	0,38	0,20	0,33	0,47
Account receivables	-0,13	-0,05	-0,20	-0,15	-0,09
Expected changes in account receivables	-0,08	-0,34	-0,13	-0,15	0,01
Account payables	-0,17	-0,19	-0,30	-0,18	-0,11
Expected changes in accounts payable	-0,13	-0,27	-0,16	-0,18	-0,06
Tax arrears	-0,16	-0,10	-0,24	-0,20	-0,11
Expected changes in tax arrears	-0,15	-0,29	-0,27	-0,15	-0,08

	Total	Micro	Small	Middle	Large
Stocks of raw materials	0,04	-0,05	-0,10	-0,01	0,21
Expected changes in stocks of raw material	0,19	0,02	0,10	0,11	0,35
Stocks of finished goods	-0,04	-0,08	-0,11	-0,07	0,02
Expected changes in stocks of finished goods	0,05	-0,08	0,03	0,03	0,10
New orders	0,01	-0,26	-0,16	0,00	0,16
Expected changes in new orders	0,30	0,04	0,26	0,22	0,44
Purchase prices	0,29	0,31	0,25	0,25	0,35
Expected changes in purchase prices	0,42	0,42	0,48	0,43	0,37
Domestic sales prices	0,26	0,28	0,23	0,23	0,32
Changes in the domestic sales prices	0,47	0,38	0,52	0,48	0,42
Number of workers	-0,02	-0,11	0,04	-0,04	-0,04
Expected changes in the number of workers	0,11	0,08	0,15	0,09	0,10
Number of workers on forced leave	0,00	0,05	0,05	0,02	-0,04
Expected changes in the number of workers on forced leave	0,05	0,08	0,08	0,07	0,02
Skilled workers	0,50	0,38	0,47	0,48	0,56
Unskilled workers	0,29	0,23	0,27	0,25	0,35
Business activity assessment	0,04	-0,30	-0,03	0,02	0,13
Expected changes in business activity	0,21	-0,03	0,21	0,20	0,25
Assessment of the business environment	0,00	-0,44	-0,11	0,02	0,10
Expected changes in the business environment	0,18	-0,14	0,06	0,19	0,28
Do you plan to expand your company's activities in the next two years	0,12	0,12	0,10	0,05	0,17
How do you assess your company's business activity in the current month, compared to the same period last year in 2023?	0,17	-0,34	0,03	0,16	0,32

Performance indicators of enterprises and business environment by sector, indices (January 2025)

	Total	Metal production and metalworking	Chemical Industry	Engineering	Woodworking industry
Production	0,11	-0,08	0,14	-0,09	0,09
Expected changes in production	0,34	0,04	0,32	0,35	0,31
Sales	0,12	-0,08	0,17	-0,12	0,12
Expected sales changes	0,33	0,08	0,29	0,32	0,29

	Total	Metal producti on and metalw orking	Chemical Industry	Engineer ing	Woodwor king industry
Export	0,05	-0,14	0,22	-0,29	0,00
Expected changes in exports	0,37	0,08	0,16	0,38	0,53
Account receivables	-0,13	-0,27	-0,04	-0,19	-0,18
Expected changes in account receivables	-0,08	-0,32	-0,27	-0,03	0,06
Account payables	-0,17	-0,32	-0,13	-0,21	-0,11
Expected changes in accounts payable	-0,13	-0,32	-0,24	-0,05	-0,06
Tax arrears	-0,16	-0,27	-0,25	-0,23	-0,12
Expected changes in tax arrears	-0,15	-0,24	-0,20	-0,15	-0,12
Stocks of raw materials	0,04	-0,20	0,00	-0,04	0,00
Expected changes in stocks of raw material	0,19	-0,08	0,21	0,11	0,18
Stocks of finished goods	-0,04	-0,12	-0,09	-0,12	0,10
Expected changes in stocks of finished goods	0,05	-0,22	0,09	0,10	0,20
New orders	0,01	-0,28	0,03	-0,18	0,03
Expected changes in new orders	0,30	-0,18	0,32	0,34	0,19
Purchase prices	0,29	0,08	0,23	0,25	0,27
Expected changes in purchase prices	0,42	0,21	0,33	0,38	0,47
Domestic sales prices	0,26	0,12	0,20	0,20	0,27
Changes in the domestic sales prices	0,47	0,21	0,52	0,42	0,50
Number of workers	-0,02	-0,04	0,03	-0,09	0,03
Expected changes in the number of workers	0,11	0,00	0,13	0,06	0,18
Number of workers on forced leave	0,00	-0,05	0,00	-0,02	0,04
Expected changes in the number of workers on forced leave	0,05	0,06	-0,04	0,02	0,21
Skilled workers	0,50	0,59	0,40	0,46	0,42
Unskilled workers	0,29	0,52	0,17	0,28	0,00
Business activity assessment	0,04	-0,16	0,14	-0,09	-0,03
Expected changes in business activity	0,21	-0,18	0,26	0,18	0,32
Assessment of the business environment	0,00	-0,25	0,03	-0,17	0,03
Expected changes in the business environment	0,18	-0,14	0,11	0,16	0,25
Do you plan to expand your company's activities in the next two years	0,12	0,12	0,15	0,13	0,07

	Total	Metal producti on and metalw orking	Chemical Industry	Engineerin g	Woodwor king industry
How do you assess your company's business activity in the current month, compared to the same period last year in 2023?	0,17	-0,26	0,36	0,12	0,07

	Total	Construc tion material s producti ons	Food Industry	Light industry	Printing industry
Production	0,11	-0,08	0,11	0,09	0,13
Expected changes in production	0,34	0,25	0,34	0,26	0,25
Sales	0,12	-0,04	0,15	0,02	0,25
Expected sales changes	0,33	0,25	0,33	0,26	0,25
Export	0,05	-0,20	0,07	-0,05	0,00
Expected changes in exports	0,37	0,40	0,44	0,29	0,20
Account receivables	-0,13	-0,33	-0,12	-0,04	0,60
Expected changes in account receivables	-0,08	-0,07	-0,04	-0,07	-0,20
Account payables	-0,17	-0,33	-0,15	-0,22	-0,20
Expected changes in accounts payable	-0,13	-0,13	-0,13	-0,07	0,00
Tax arrears	-0,16	-0,08	-0,20	0,04	-0,50
Expected changes in tax arrears	-0,15	-0,38	-0,12	-0,20	0,00
Stocks of raw materials	0,04	0,08	0,06	-0,16	-0,12
Expected changes in stocks of raw material	0,19	0,22	0,20	0,11	0,00
Stocks of finished goods	-0,04	0,17	-0,07	-0,12	0,00
Expected changes in stocks of finished goods	0,05	0,13	0,04	0,07	0,33
New orders	0,01	-0,04	0,03	-0,04	-0,12
Expected changes in new orders	0,30	0,33	0,30	0,21	0,00
Purchase prices	0,29	0,33	0,29	0,36	0,13
Expected changes in purchase prices	0,42	0,30	0,46	0,52	0,57
Domestic sales prices	0,26	0,37	0,27	0,24	0,00
Changes in the domestic sales prices	0,47	0,43	0,47	0,55	0,57
Number of workers	-0,02	0,04	0,01	-0,09	-0,13
Expected changes in the number of workers	0,11	0,09	0,07	0,09	0,14

	Total	Construction materials productions	Food Industry	Light industry	Printing industry
Number of workers on forced leave	0,00	0,20	0,01	0,00	0,00
Expected changes in the number of workers on forced leave	0,05	0,05	0,08	0,09	0,00
Skilled workers	0,50	0,50	0,50	0,49	0,50
Unskilled workers	0,29	0,25	0,37	0,27	0,00
Business activity assessment	0,04	-0,04	0,04	-0,09	-0,25
Expected changes in business activity	0,21	0,35	0,24	0,27	-0,29
Assessment of the business environment	0,00	-0,04	0,02	-0,11	-0,37
Expected changes in the business environment	0,18	-0,06	0,22	0,19	-0,17
Do you plan to expand your company's activities in the next two years	0,12	0,08	0,05	0,26	0,40
How do you assess your company's business activity in the current month, compared to the same period last year in 2023?	0,17	0,05	0,11	0,15	0,13

The impact of war

Challenges faced by business in wartime

Challenges faced by the business during wartime, by business size

	Усі	Мікро-	Малі	Середні	Великі
Labor shortage due to conscription and/or migration	65%	35%	66%	68%	74%
Unsafe to work	52%	36%	42%	52%	73%
Rising prices for raw materials/supplies/goods	52%	66%	54%	51%	43%
Decrease in demand for products/services	39%	57%	37%	37%	34%
Power, water, or heat supply outages	19%	14%	19%	19%	21%

Challenges facing business in wartime, by sector

	Metal production and metalworking	Chemical Industry	Engineering	Woodworking industry
Labor shortage due to conscription and/or migration	72%	63%	68%	79%
Unsafe to work	60%	60%	63%	24%
Rising prices for raw materials/supplies/goods	28%	40%	45%	39%

	Metal production and metalworking	Chemical Industry	Engineering	Woodworking industry
Decrease in demand for products/services	52%	34%	36%	33%
Power, water, or heat supply outages	12%	14%	23%	30%

Challenges facing business in wartime, by sector (continued)

	Construction materials production	Food industry	Light industry
Labor shortage due to conscription and/or migration	71%	68%	60%
Unsafe to work	33%	63%	34%
Rising prices for raw materials/supplies/goods	54%	59%	64%
Decrease in demand for products/services	50%	35%	40%
Power, water, or heat supply outages	13%	18%	13%

Assessment of the government policy on business support

Assessment of the government policy on business support, by business size

	Total	Micro	Small	Middle	Large
Positive	4%	0%	4%	3%	6%
Neutral	63%	54%	54%	73%	66%
Negative	23%	31%	30%	16%	20%
Don't know / Didn't answer	10%	15%	11%	9%	8%

Assessment of the government policy on business support, by sector

	Metal production and metalworking	Chemical Industry	Engineering	Woodworking industry
Positive	4%	3%	2%	6%
Neutral	60%	71%	71%	53%
Negative	20%	11%	22%	24%
Don't know / Didn't answer	16%	14%	5%	18%

Оцінка державної політики з підтримки бізнесу, за сектором (продовження)

	Construction materials production	Food industry	Light industry
Positive	11%	2%	4%
Neutral	48%	65%	54%
Negative	26%	29%	23%
Don't know / Didn't answer	15%	4%	19%

Availability of orders

Availability of orders, by business size

	Total	Micro	Small	Middle	Large
Less than 1 month	20%	45%	23%	18%	9%
1-2 months	27%	34%	33%	25%	18%
3-5 months	16%	13%	16%	14%	19%
6-11 months	18%	8%	9%	22%	28%
12 months or more	19%	0%	19%	22%	26%

Availability of orders, by sector

	Metal production and metalworking	Chemical Industry	Engineering	Woodworking industry
Less than 1 month	16%	12%	17%	21%
1-2 months	48%	21%	26%	30%
3-5 months	12%	18%	13%	6%
6-11 months	16%	24%	28%	12%
12 months or more	8%	24%	15%	30%

Availability of orders, by sector (continued)

	Construction materials production	Food industry	Light industry
Less than 1 month	41%	20%	30%
1-2 months	27%	22%	33%
3-5 months	5%	20%	7%
6-11 months	0%	20%	13%
12 months or more	27%	20%	17%