

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-second 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.

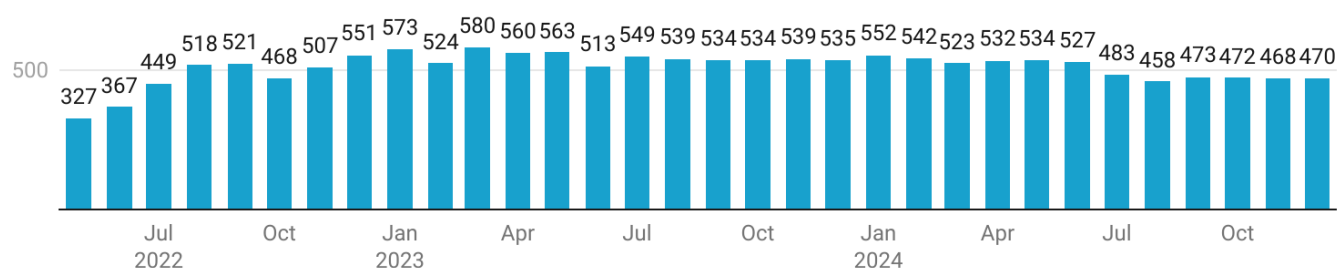
We are grateful to the analytical system YouControl (<https://youcontrol.com.ua/>) for the opportunity to use the data to form a panel sample.

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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-second wave of the survey, the answers of 470 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 December 16 to 31, 2024. The enterprises' managers compared the results of work in December 2024 with November 2024, assessed the state of the indicators at the time of the survey (December 2024) 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

In December 2024, enterprises slightly improved their production indicators, while expectations remained positive and stable, which is a good sign at the end of the third year of the war. The medium- and long-term perspective forecasts also remained positive without significant changes. However, challenges such as "labor shortages" and "unsafe working conditions" remain major obstacles to business operations.

OVERALL INDICATORS OF BUSINESS CLIMATE AND ECONOMIC ENVIRONMENT

- After a significant decrease in November, the BUSINESS ACTIVITY RECOVERY INDEX remained unchanged in December 2024 and is 0.16, the same as last month.
- The INDEX OF CURRENT BUSINESS ACTIVITY AT THE ENTERPRISE in December increased slightly compared to November, from 0.10 to 0.12.
- Enterprises' expectations regarding changes in the business activity in six months remained unchanged; the INDEX OF EXPECTED CHANGES IN THE BUSINESS ACTIVITY AT THE ENTERPRISE is 0.21, the same as last month.
- The value of the OVERALL ECONOMIC ENVIRONMENT INDEX maintained a trend of gradual growth, and in December increased from 0.05 to 0.08.
- Expectations regarding changes in the overall economic environment in six months have increased slightly, the INDEX OF EXPECTED CHANGES IN THE OVERALL ECONOMIC ENVIRONMENT has increased slightly, after a decrease last month, from 0.17 to 0.19.
- Two-year expectations for business activity remain unchanged. The EXPECTED BUSINESS ACTIVITY INDEX in December was 0.12 (down from 0.13 in November).
- The level of uncertainty in the two-year and six-month perspectives for the business activity at the enterprise and the overall economic environment in the country has not changed significantly. Uncertainty in the short-term perspective for some production indicators has increased somewhat.

PRODUCTION

- In December 2024, the production decline rate slowed somewhat: the PRODUCTION INDEX increased slightly, from 0.12 to 0.16.
- Expectations for the next three months have not changed significantly after the deterioration last month and remain optimistic. The value of the INDEX OF EXPECTED CHANGES IN PRODUCTION is 0.28 (it was 0.30).
- The value of the INDUSTRIAL CONFIDENCE INDICATOR in December did not change significantly compared to November and is 0.07 (it was 0.08), while the trend towards a gradual deterioration in the indicator values persists.

DEMAND AND SALES

- The growth rates of sales and new orders accelerated. The SALES INDEX increased from 0.14 to 0.19, and the NEW ORDERS INDEX doubled from 0.06 to 0.12.
- Enterprises' expectations regarding demand growth and new orders are deteriorating. The value of the EXPECTED CHANGES IN THE SALES INDEX decreased slightly, but not significantly, from 0.31 to 0.29, and the value of the EXPECTED CHANGES IN THE NEW ORDERS INDEX decreased from 0.32 to 0.25.

PRICES

- In December, the price increase trend was interrupted, while expectations continued their downward trend. The PURCHASE PRICE INDEX decreased from 0.36 to 0.31. The INDEX OF EXPECTED CHANGES IN PURCHASE PRICE decreased from 0.44 to 0.34.
- The DOMESTIC SALES PRICE INDEX decreased, albeit insignificantly, from 0.34 to 0.32. The INDEX OF EXPECTED CHANGES IN DOMESTIC SALES PRICE decreased from 0.44 to 0.35.

DEBTS

- In December, compared to November, the indicators of debt accumulation did not change significantly. The receivables indicator is -0.10 (it was -0.09), and the payables indicator is -0.14, as in the previous month. The tax debt indicator is -0.14 (it was -0.15).

- A decrease in debt accumulation is expected in the three months. The INDEX OF EXPECTED CHANGES IN ACCOUNTS RECEIVABLE decreased from -0.12 to -0.20. The indicator of expectations for accounts payable decreased from -0.16 to -0.21. The INDEX OF EXPECTED CHANGES IN TAX ARREARS also decreased, from -0.17 to -0.21.

EMPLOYMENT

- The NUMBER OF WORKERS INDEX increased slightly, from -0.08 to -0.06.
- The INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS interrupted the trend of gradual growth and, although insignificantly, decreased from 0.08 to 0.06.
- The INDEX OF THE NUMBER OF WORKERS ON FORCED LEAVE has not changed significantly and is 0.03 (it was 0.02). In the next three months, company managers expect a significant increase in the number of such workers, and the EXPECTED CHANGES INDEX has increased from zero to 0.09.
- In December, difficulties in finding workers with appropriate qualifications decreased. The INDEX OF DIFFICULTIES IN FINDING SKILLED WORKERS decreased from 0.58 to 0.51. The INDEX OF DIFFICULTIES IN FINDING UNSKILLED WORKERS decreased, albeit insignificantly, and is 0.29 (it was 0.33 for two consecutive months).

AVAILABILITY OF ORDERS

- In December 2024, the order portfolio among the surveyed enterprises changed slightly compared to November: the average term of new orders was 6 months; in November the average term of orders was 7 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 2 months was 51%.

OBSTACLES TO DOING BUSINESS IN WARTIME

- In December 2024, 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 - 61%.
- With a difference of only 6%, the second place in the ranking of obstacles to business in December was occupied by the work hazards. 55% of enterprises faced this problem.
- The problem of power, water or heat supply outages took 3rd place and was 51%.

PRODUCTION CAPACITIES DURING THE WAR PERIOD

- In December 2024, only 11% of businesses reported operating at full capacity (100% or more), which is roughly the same as in previous months (10% in November, 11% in October).
- One in five (21%) enterprises operated at less than half capacity or were not operating at all compared to pre-war times.
- In December 2024, capacity utilization increased for businesses of all size categories. The share of microenterprises operating at near-full and full capacity increased from 22% in November to 24% in December, small enterprises from 41% to 46% in December, medium enterprises from 60% to 64%, and large enterprises from 63% to 64%.
- The woodworking industry has become a leader in the recovery of the processing industry. In December 2024, 67% of woodworking enterprises were operating at almost full and full capacity (56% in November).
- The lowest level of production capacity utilization remains in metallurgy and metalworking (only 29% in December operated at a high level of utilization).

POWER OUTAGES EFFECT

- In November 2024, 68% of businesses temporarily suspended operations due to power outages (39% in October, 25% in September, and 66% in August).
- 46% of enterprises stopped operating for only 1 - 10% of working hours, and 20% - for 11 - 25% of working hours.
- In November 2024, businesses lost 8% of their working hours due to power outages. This is slightly higher than in October (6%), but the level of losses is low compared to mass outages in the summer.
- Microenterprises suffered more losses (on average 12% of working hours).

- Among the industries, metallurgy and metalworking have the largest time losses (11% of working time).

EXPORTING ENTERPRISES

- In December 2024, 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 December 2024, 83% of respondents indicated that their companies exported before the war and continued to export over the past 12 months. That is, the indicator is approximately at the level of previous months (an average of 80% - 84% over the past year).
- Some businesses are unable to overcome new challenges to export activity. As of December 2024, 16% of enterprises exported before the war began, but were unable to resume exports over the past 12 months. Similar results over the past year confirm the stagnation of the 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 three consecutive months.
- The share of neutral assessments of this policy increased from 56% in November to 61% in December, while the share of negative assessments decreased again: from 27% to 25%.
- When talking about the role of the state (government) in Ukraine in doing business, 50% call it a "regulator," 24% call it an "obstacle," and 6% call it a "partner." 4% and 0% of respondents called it an "enemy" and "friend," respectively.
- 17% of respondents could not determine the role of the government in Ukraine in doing business.

ENTERPRISE PERFORMANCE INDICATORS AND SHORT-TERM EXPECTATIONS

BUSINESS ACTIVITY RECOVERY INDEX

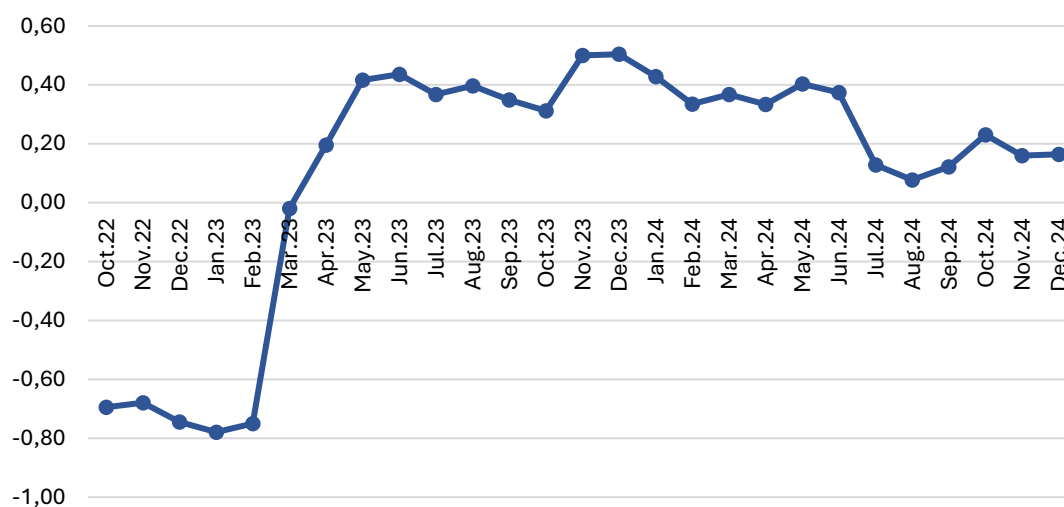
In December 2024, the business recovery rate (year-on-year) remained unchanged. The BUSINESS ACTIVITY RECOVERY INDEX (YEAR TO YEAR), after a significant decrease in November, remained unchanged in December and is 0.16, as in the previous month. The share of respondents who indicated a deterioration in the situation decreased slightly (from 18.7% to 16.2%), as did the share of those whose situation has become better than a year ago (from 34.3% to 32.6%). The share of those who believe nothing has changed compared to last year has increased slightly, from 47% to 51.1%.

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 0.48. The index of medium-sized enterprises is significantly lower at 0.20, and the index of small enterprises is 0.09. The lowest and negative value of the index is for micro-enterprises (-0.30).

Region. The highest index is recorded for Cherkasy and Zakarpattia (1.00 each), and Vinnytsia (0.80) regions. The lowest indicators are for the Ternopil (-0.71) and Sumy (-0.63) regions.

Sector. The highest index value is recorded for the food industry (0.29) and mechanical engineering (0.24). Metalworking has the lowest indicator with a negative value (-0.04).

Fig.3. Business Activity Recovery Index



INDICATORS AND EXPECTATIONS FOR THE HALF-YEAR PERIOD

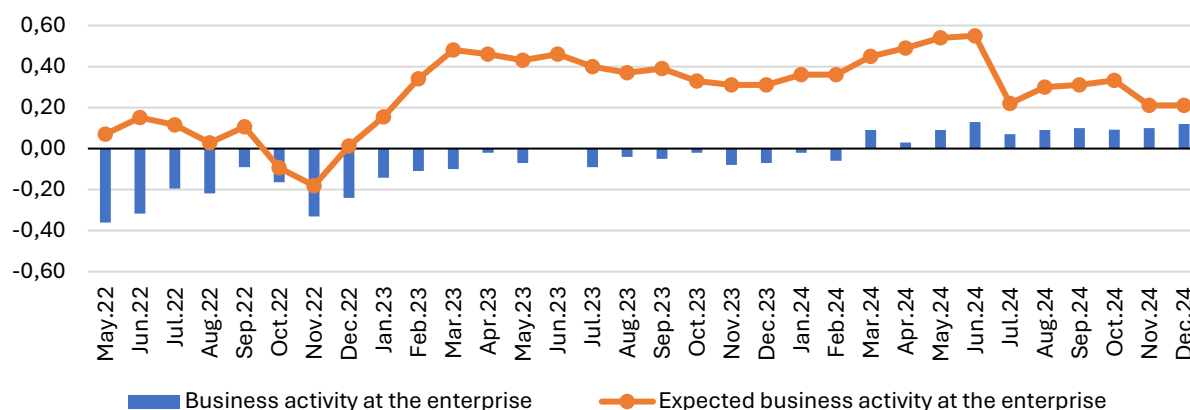
BUSINESS ACTIVITY AT THE ENTERPRISE

Assessments of the business activity for half a year, although insignificantly, have increased. The CURRENT BUSINESS ACTIVITY INDEX has increased slightly, from 0.10 to 0.12. At the same time, there have been no significant changes in the percentage distribution. The share of those who positively assess the business activity at the enterprise is 18.6% (it was 17.7%). The share of respondents who give negative assessments has also almost not changed, and is 11.6% (it was 11.9%). The share of those who consider the business activity at the enterprise to be satisfactory is 69.7% (it was 70.4%).

Expectations for the six-month perspective remained unchanged after a significant deterioration last month. The value of the INDEX OF EXPECTED CHANGES IN BUSINESS ACTIVITY is 0.21, the same as last month. In percentage terms, both the share of "optimists" (from 29.9% to 27.7%) and the share of those expecting a deterioration (from 12.5% to 10%) decreased slightly. The share of those expecting no changes increased from 57.6% to 62.3%.

The share of those who were unable to give a forecast for the next six months did not change significantly and is 19.9% (it was 19.9%).

Fig.4. Business activity at the enterprise, indices



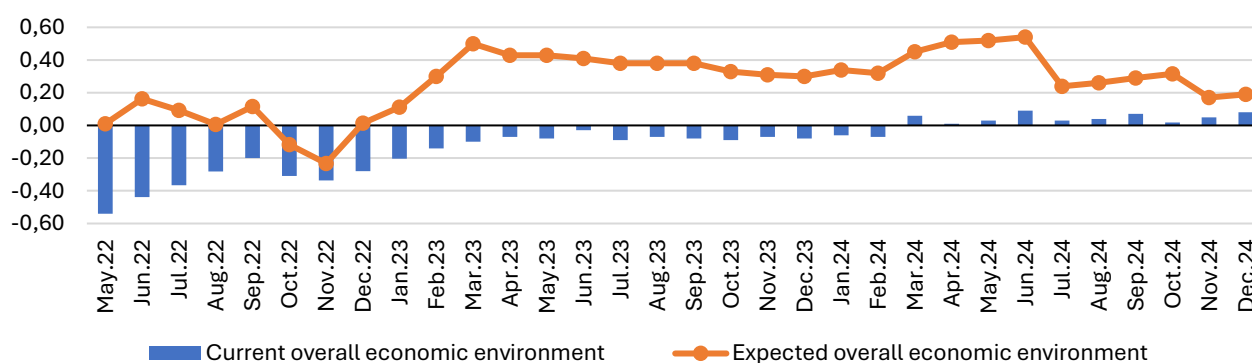
OVERALL ECONOMIC ENVIRONMENT

Assessments of the overall economic environment are gradually increasing for the second month in a row. The value of the corresponding INDEX in December increased slightly from 0.05 to 0.08. In percentage terms, the share of those who assess the overall economic environment as bad has not changed significantly and is 17.7% (it was 18.8%). At the same time, the share of those who give positive assessments has increased slightly (from 18.3% to 20.4%). The share of those who consider the overall economic environment satisfactory has not changed significantly and is 61.9% (it was 62.9%).

Enterprises' forecasts regarding changes in the overall economic environment for the next six months have increased slightly after a sharp decrease last month. The INDEX OF EXPECTED CHANGES IN THE OVERALL ECONOMIC ENVIRONMENT has increased slightly, from 0.17 to 0.19. Both the share of "optimists" regarding changes in the overall economic environment (from 27.7% to 25.9%) and the share of "pessimists" (from 15.5% to 12%) have decreased slightly. The share of those who believe the overall economic environment will not change over the next six months has increased from 56.9% to 62%.

The share of those who were unable to make predictions about the state of the overall economic environment has not changed significantly and is 24.5% (it was 23.3%).

Fig.5. Overall economic environment, indices

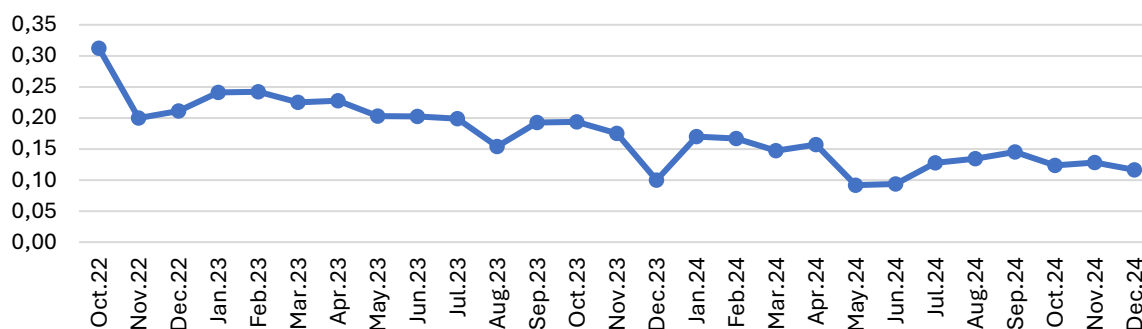


EXPANSION PLANS FOR THE NEXT TWO YEARS

Expectations regarding business activity in the two-year perspective do not change significantly. The INDEX OF THE EXPECTED CHANGES IN BUSINESS ACTIVITY is 0.12 (it was 0.13). There were no significant changes in the percentage distribution. The share of those planning to expand their activities is 15.4% (it was 16.6%), and the share of those planning to reduce their activities is 3.7% (it was 3.8%). The share of those planning to remain at the current level is 80.9% (it was 79.6%).

The percentage of those who could not give a forecast for such a long-term perspective remained without significant changes and is 36.2% (it was 35%).

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



Size. Among enterprises of all sizes, large enterprises have the most optimistic plans for the future (0.13), as well as medium-sized and micro-enterprises (0.12 each). The small enterprises have the lowest indicator (0.09).

Region. Significant regional differences are registered. The enterprises in Ternopil (1.00), Cherkasy, and Zakarpattya (0.67 each) regions have the highest expectations indicators. Zhytomyr (-0.06) region has the lowest and negative value of the indicator.

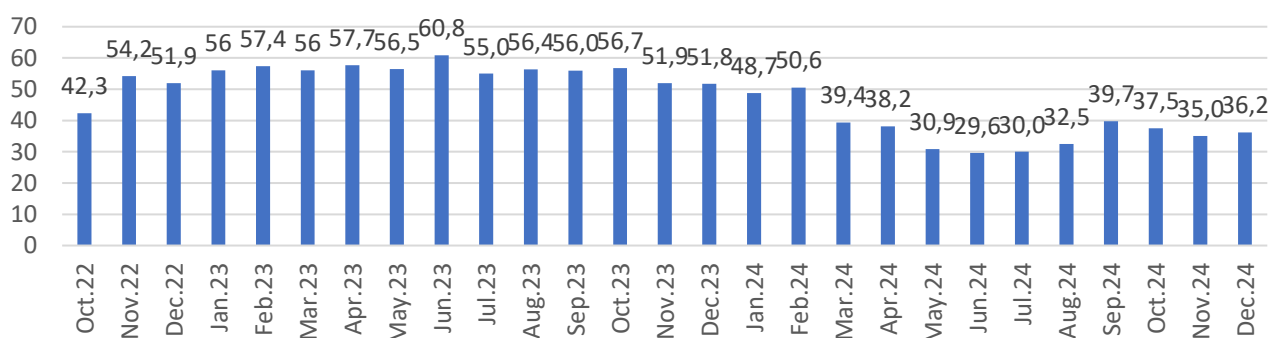
Sector. Expectations depend on the sector. The light industry has the highest value of the indicator (0.32). The indicator for construction materials production has the lowest value, equal to zero.

UNCERTAINTY

Two-year expectations

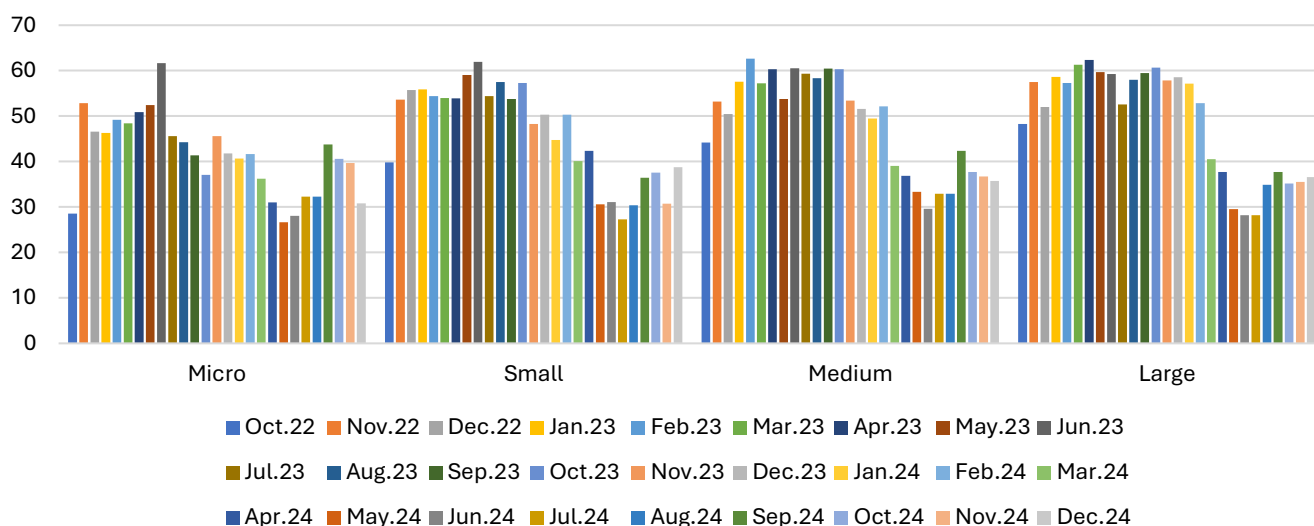
The level of uncertainty regarding businesses' plans for the next two years has not changed significantly after a gradual decrease for two consecutive months. 36.2% of respondents could not answer about the prospects for the next two years in September (it was 35% in November).

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



The level of uncertainty regarding plans for the two years depends on the size of the enterprise. In November, the uncertainty indicator was highest for small enterprises and has increased significantly (from 31% to 39%). At the same time, the indicator for large (37%) and medium (36%) enterprises did not change significantly (36% and 37%, respectively, last month). The lowest level of uncertainty for the two-year perspective is for microenterprises, and the indicator has decreased significantly, from 40% to 31%.

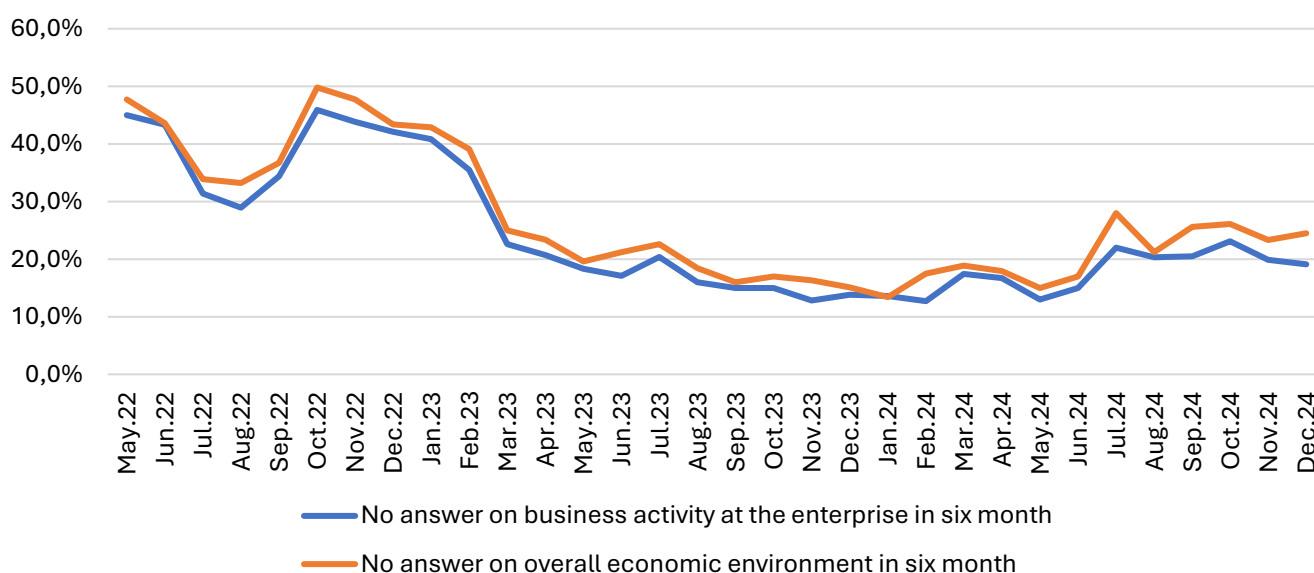
Fig.8. The share of respondents who could not answer the question about the changes for the next two years, by size of the enterprise



Half-year expectations

The level of uncertainty in the forecasts for the six-month perspective has not changed significantly for both the business activity at the enterprise and the overall economic environment in the country. The uncertainty for the business activity is 19.1% (it was 19.9%). The share of respondents who were unable to give a forecast regarding changes in the overall economic environment is 24.5% (it was 23.3%).

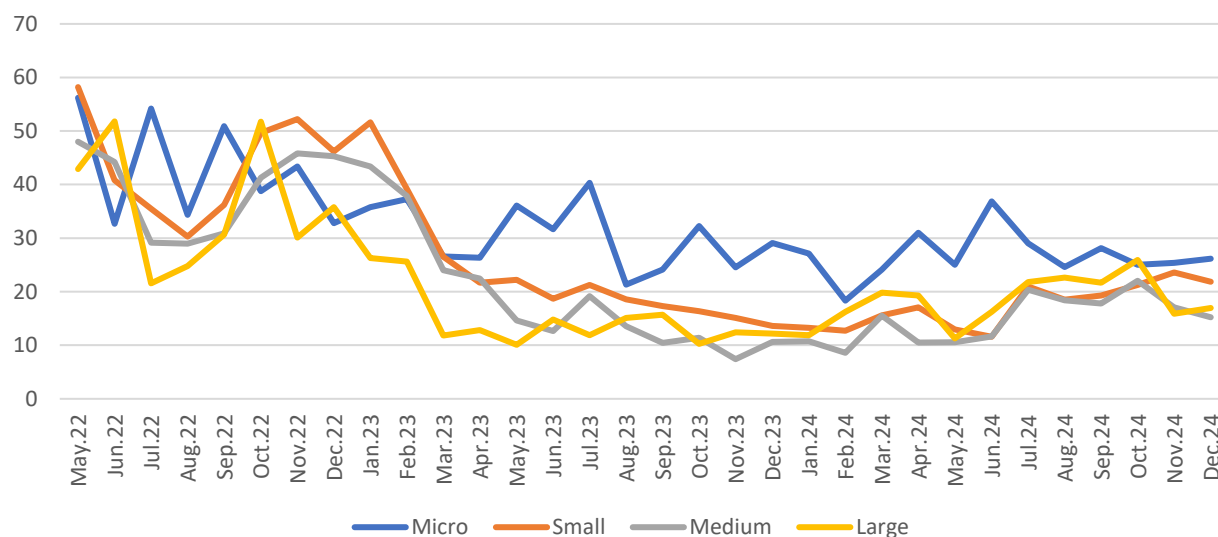
Fig.9. The level of uncertainty of the business activity and the overall economic environment, % of respondents



The level of uncertainty regarding the business activity at the enterprise and its dynamics depends on the size of the enterprise. Micro-enterprises have the highest level of uncertainty for the six months, with an almost unchanged value, and the indicator is 26% (it was 25% for two months in a row). Uncertainty for small enterprises

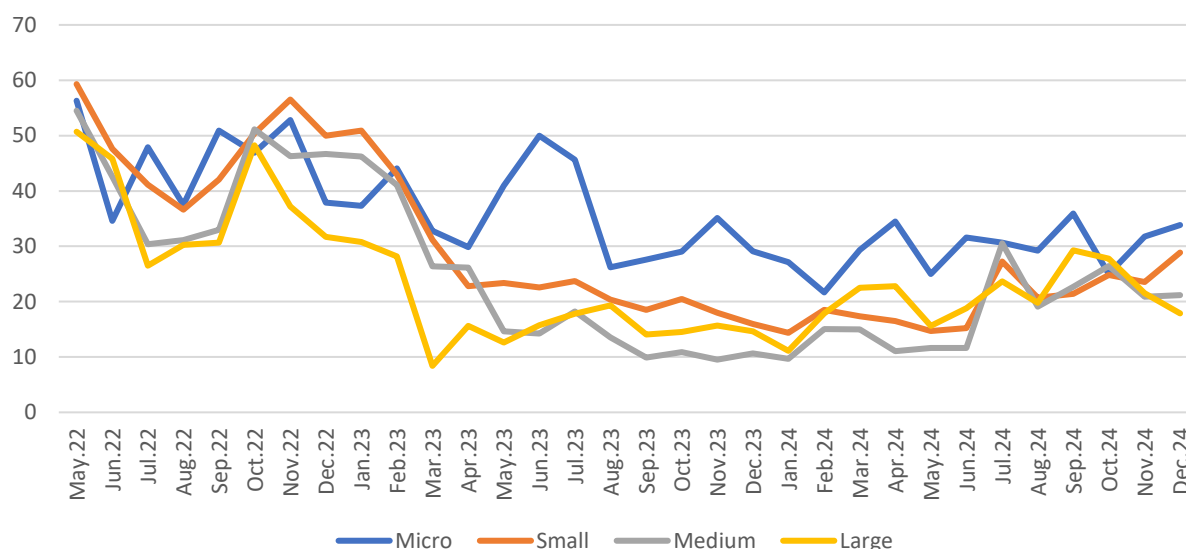
has decreased slightly, from 24% to 22%. The indicator has also decreased for medium-sized enterprises (from 17% to 15%). The level of uncertainty for large enterprises has not changed significantly and is 17% (it was 16%).

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 increase in value, from 32% to 34%, uncertainty is highest for micro-enterprises. The indicator for small enterprises increased from 24% to 29%. The uncertainty indicator for medium-sized enterprises remained unchanged at 21% as in the previous month. The level of uncertainty for large enterprises is the lowest for large enterprises, and the indicator decreased from 21% to 18%.

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

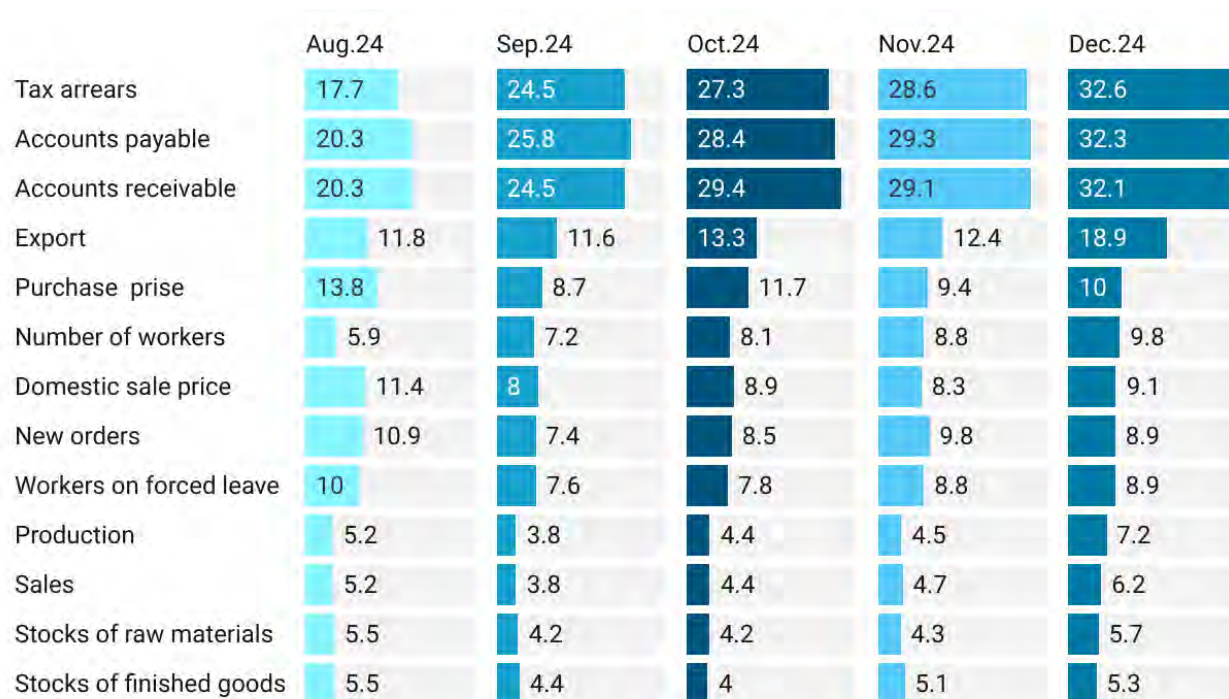


Three-month expectations

In December 2024, the short-term uncertainty indicator for production indicators mostly increased or did not change significantly. The three-month uncertainty remains the highest and did not change significantly for debts and the value increased for receivables (from 28.6% to 32%), payables (from 29.3% to 32.3%), and tax (from 29.1% to 32.1%) debts. The uncertainty indicator also increased significantly for exports (from 12.4% to 18.9%). The level

of uncertainty also increased for production (from 4.5% to 7.2%). The lowest level of uncertainty in the short-term with an almost unchanged value is for inventories of finished goods, where the indicator is 5.3% (it was 5.1).

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



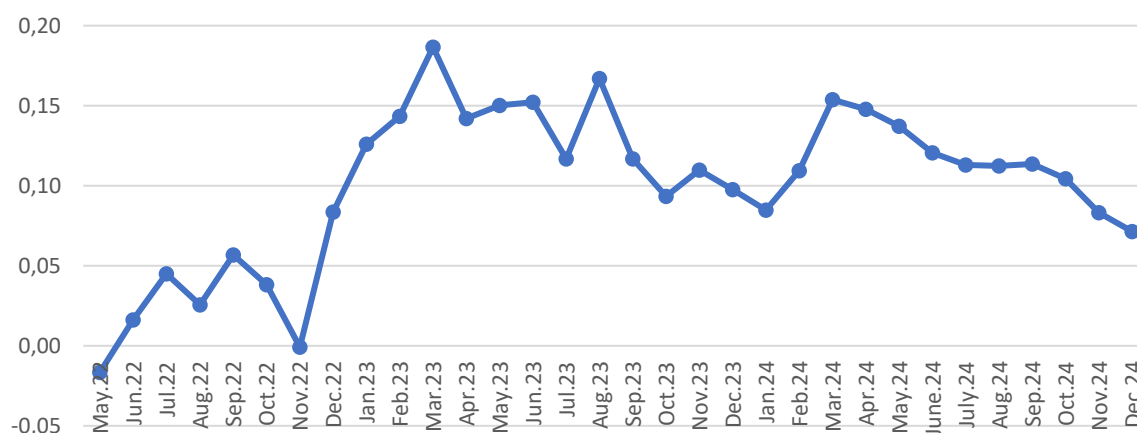
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ENTERPRISE PERFORMANCE INDICATORS AND SHORT-TERM EXPECTATIONS

INDUSTRIAL CONFIDENCE INDICATOR

The value of the Industrial Confidence Indicator (ICI) did not change significantly in December (0.07) compared to November (0.08), however, there is a trend towards a gradual deterioration of the values. In December 2024, the changes occurred mainly due to the deterioration of the value of one of the three components of the indicator: (1) *production expectations* for the next 3-4 months, although insignificantly, decreased, from 0.30 to 0.28. (2) The *new order portfolio* estimates also decreased slightly, from -0.10 to -0.12, (3) *estimates of finished goods stocks* did not change, and the indicator, like last month, is -0.05.

Fig.13. Industrial confidence indicator



PRODUCTION

Changes compared to the previous month

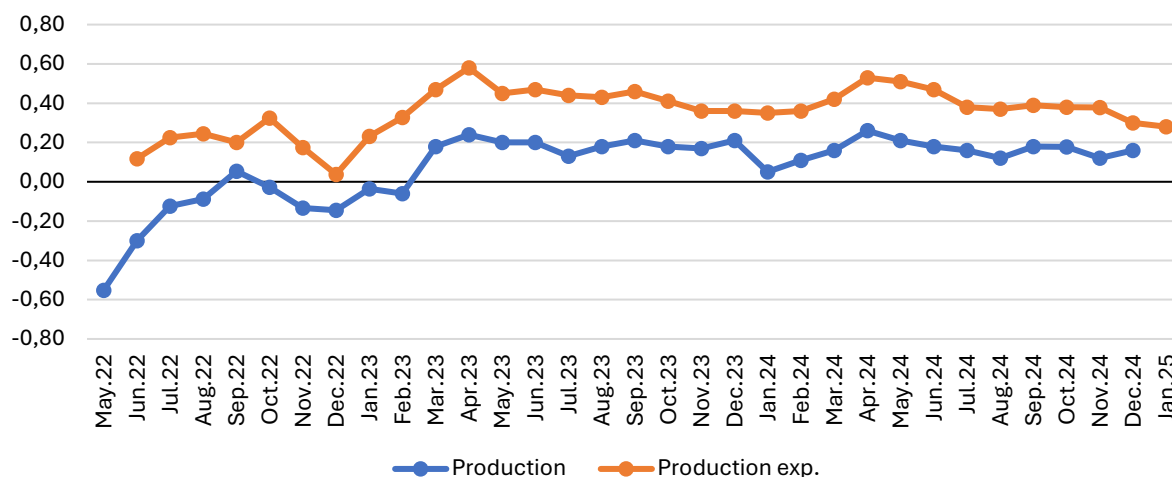
In December 2024, compared to October, the production reduction rate slowed down. The PRODUCTION INDEX increased from 0.12 to 0.16. The share of enterprises that reduced production volumes did not change significantly and is 16.5% (it was 16.7%). At the same time, the share of enterprises that increased production volumes grew (from 20.9% in November to 25.2% in December). The share of enterprises that did not experience changes decreased from 62.4% to 58.3%.

Size. Large (0.33) enterprises have the best results. The indicator of medium-sized enterprises is much smaller and is 0.14, but still has a positive value. The indicator of small enterprises is -0.02. The lowest value is for micro-enterprises, whose indicator is -0.24.

Region. Regional differences are significant (the highest value is 1.00, and the lowest is -0.45). The best results were achieved by enterprises in Poltava (1.00), Rivne (0.60), and Odesa (0.43) regions. The lowest index values were recorded for enterprises in Sumy (-0.45) and Ternopil (-0.33) regions.

Sector. Index values vary for sectors and industries. The best situation was in the food (0.27) and woodworking (0.14) industries. The lowest indicator is in the construction materials production (-0.26) and printing (-0.25).

Fig.14. Production indices



Expected changes in production

Expectations for production growth remain positive and have not changed significantly. The INDEX OF EXPECTED CHANGES IN PRODUCTION is 0.28 (it was 0.30). Both, the share of those planning to increase production (from 33.3% to 29.6%) and the share of those planning to reduce it (from 8.1% to 5.7%) dropped. The share of those not expecting changes increased from 58.6% to 64.7%.

Size. Expectations for production depend on the size of enterprises. The most optimistic indicator is for large enterprises (0.38). The indicator of medium-sized (0.29) and small (0.18) enterprises is significantly lower. The lowest value of the indicator is for micro-enterprises (-0.03), for which the value is negative.

Region. Enterprises' plans significantly depend on the region of location. The most optimistic plans for production growth are for Poltava (1.00), Zakarpattya (0.77) and Cherkasy (0.75) regions. The lowest value of the indicator is for Vinnytsya (-0.19) and Volyn (-0.16) regions.

Sector. Production expectations for three months depend on the industry. The highest expectations are for the woodworking industry and mechanical engineering (0.33 for each industry). The lowest value of the indicator is for the construction materials production (-0.26).

SALES

Changes compared to the previous month

In December, the growth rate of sales volumes accelerated. The SALES INDEX increased from 0.14 to 0.19. The share of those who reduced sales volumes did not change significantly and is 16.3% (it was 17.4%). The share of enterprises that did not experience changes decreased from 59.1% to 55.9%. The share of enterprises that increased sales volumes increased from 23.4% to 27.8%.

Size. The SALES INDEX for large (0.40) enterprises is the highest. The indicator for medium-sized enterprises is significantly lower (0.17), although it is still positive. The value for small enterprises is significantly lower and negative (-0.02). The lowest value of the indicator is for micro-enterprises (-0.24).

Region. The highest SALES INDEX is recorded in Poltava (1.00), Rivne (0.60), and Cherkasy (0.46) regions. The lowest value of the indicator is for Sumy (-0.55) and Ternopil (-0.33) regions.

Sector. The highest SALES INDEX is for the woodworking (0.29) and food (0.28) industries. The lowest value of the indicator is for printing (-0.25) and construction materials production (-0.22).

Expected changes in sales

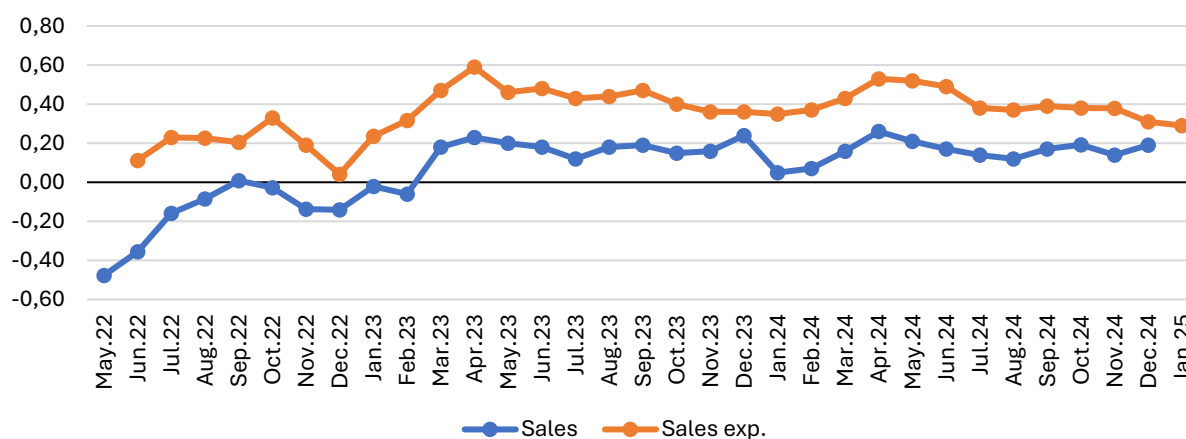
Sales expectations have not changed significantly. The INDEX OF EXPECTED CHANGES IN SALES is 0.29 (was 0.31). The share of those planning to reduce sales has decreased slightly, from 8.6% to 6.4%, as has the share of those planning to increase them, dropped from 34.9% to 30.7%. The percentage of respondents who believe nothing will change has increased from 56.5% to 63%.

Size. The expectation index for large (0.41) enterprises is the highest. The index for medium (0.30) and small (0.18) enterprises is significantly lower. The expectation index for micro-enterprises is the lowest, with a negative value of -0.07.

Region. By region, the best expectations are recorded in Poltava (1.00), Zakarpattya (0.87), and Cherkasy (0.82) regions. The expectation index for Vinnytsya (-0.25), Volyn (-0.16), and Volyn (-0.15) regions is the lowest.

Sector. The highest expectations for sales are in printing (0.38) and mechanical engineering (0.35). The expectation index for sales growth for the production of building materials (0.08) is the lowest.

Fig.15. Sales indices



EXPORT

Changes compared to the previous month

The export growth rate accelerated. The value of the EXPORT INDEX, although insignificant, increased from 0.12 to 0.15. The share of respondents whose export volumes decreased slightly dropped from 15.8% to 13.5%, while the share of enterprises that increased exports increased slightly, from 21.5% to 23.6%. The share of enterprises whose export volumes remained unchanged did not change significantly and is 62.9% (it was 62.7%).

Size. The value of the export index is the highest for large (0.27) enterprises. The value of medium-sized enterprises (0.09), although significantly lower, is still positive. The indicator for small enterprises is -0.08. The indicator for micro-enterprises is significantly worse and the lowest, which is -0.28.

Region. The highest indicators are in Poltava (0.90) region. The lowest value is for the Sumy (-1.00) region.

Sector. The export index is best for the food (0.30) industry. The lowest indicator is for the printing industry (-0.25) and construction materials production (-0.17).

Expected changes in export

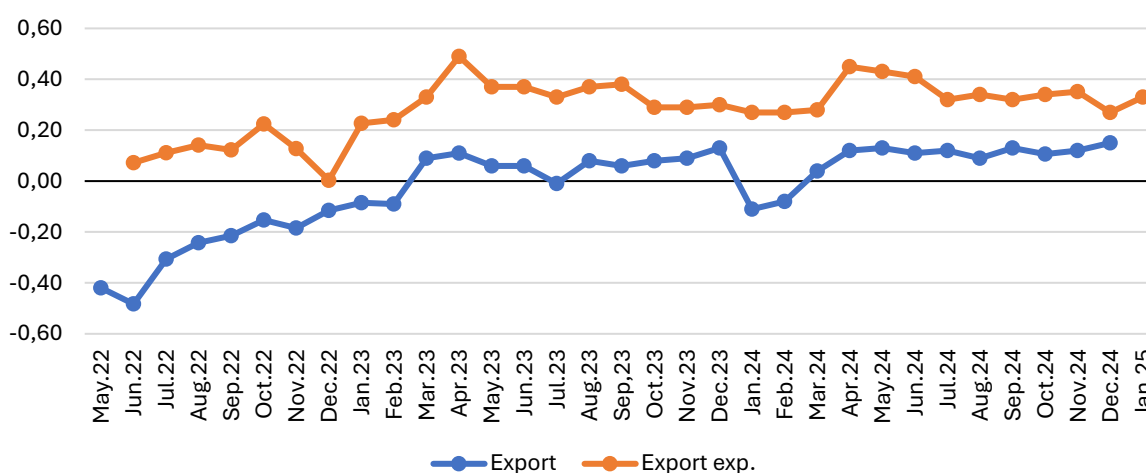
Entrepreneurs expect the indicator to improve in the next three months. The INDEX OF THE EXPECTED CHANGES IN EXPORTS increased from 0.27 to 0.33. The share of those planning to increase exports increased from 30.6% to 35.0%. The share of those planning to reduce them decreased from 9% to 4.9%. The share of those who do not expect any changes did not change significantly and is 60.2% (it was 60.4%).

Size. The highest and approximately equal indicators of export expectations are found in large (0.41), medium (0.30), and microenterprises (0.29). The indicator of small (0.09) enterprises is significantly lower.

Region. The highest INDEX OF THE EXPECTED CHANGES IN EXPORTS was recorded for enterprises in Poltava (0.93) and Zakarpattia (0.83) regions. The worst expectations are those of business representatives in the Sumy (-1.00) region.

Sector. The highest INDEX OF THE EXPECTED CHANGES IN EXPORTS is in the mechanical engineering (0.42) and woodworking (0.35) industries. The lowest value of the indicator is in the printing sector (-0.25).

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 in December compared to November did not change significantly and is 0.04 (it was 0.03). The share of respondents who reported the accumulation of raw material stocks over the past month increased slightly, from 13.4% to 16.5%. At the same time, the share of respondents who indicated their reduction has almost not changed and is 15.4% (it was 15.3%). The share of entrepreneurs for whom nothing has changed compared to the previous month has slightly decreased, from 71.3% to 68.1%.

Size. The INDEX OF STOCKS OF RAW MATERIALS is the highest with the only positive value for large (0.16) enterprises. The indicator for medium-sized enterprises is significantly lower and has a negative value (-0.07). The indicator for small (-0.06) and micro-enterprises (-0.07) is lower and approximately the same.

Region. The accumulation of raw material stocks is most often reported in Poltava (0.90), Ternopil (0.50), and Odesa (0.36) regions. The indicators for Kyiv (-0.60) and Zhytomyr (-0.45) regions are the lowest.

Sector. The only positive values are for the food (0.14) and woodworking (0.07) industries. The printing sector (-0.29) indicator is the lowest.

Expected changes in stocks of raw material

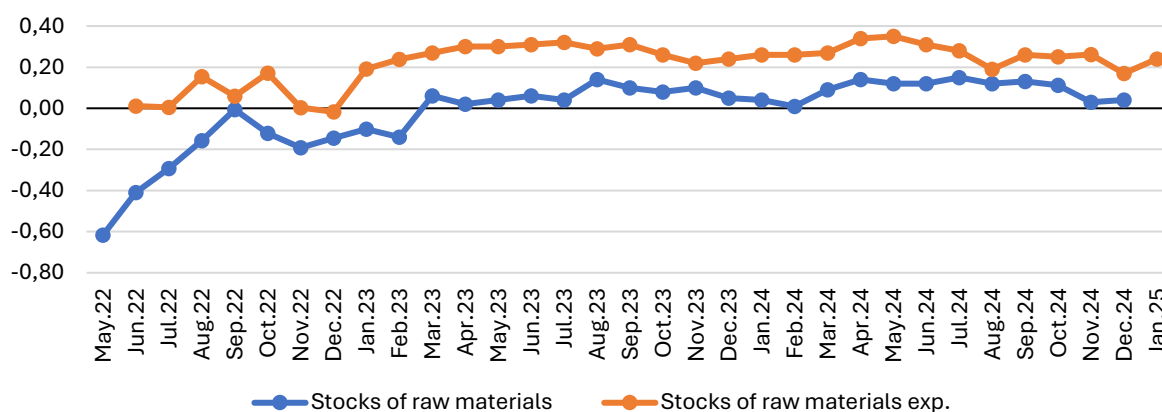
Entrepreneurs expect stock accumulation in the next three months: the INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS increased from 0.17 to 0.24. The share of respondents who expected stock accumulation increased from 26.5% to 30.4%. The share of those who believe that raw material stocks will decrease dropped from 14.4% to 9.8%. The share of those who do not expect changes did not change significantly and is 59.7% (it was 59.1%).

Size. The INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is higher for large enterprises: 0.32. The indicator for medium-sized enterprises (0.24) is significantly lower. The value of the indicator for small (0.12) and micro-enterprises (0.09) is lower and approximately the same.

Region. The highest INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is for Poltava (0.93) and Zakarpattya (0.90) regions. The lowest index value is for Kyiv (-0.55) and Sumy (-0.25) regions.

Sector. The highest indicator of expectations for changes in raw material stocks is for the chemical (0.26) and food (0.22) industries. The lowest indicator value is for metalworking (0.09).

Fig.17. Stocks of raw material indices



STOCKS OF FINISHED GOODS

Changes compared to the previous month

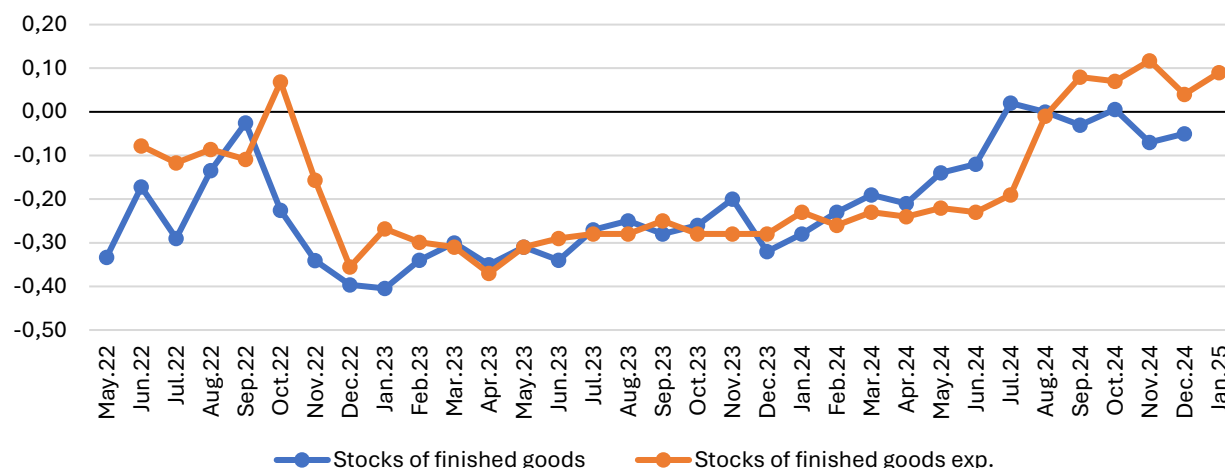
The rate of reduction in finished goods stocks has slowed down. The value of the corresponding INDEX has increased slightly, from -0.07 to -0.05. The share of respondents who reported a reduction in finished goods stocks has not changed significantly and is 15.4% (it was 16%), while the share of respondents whose stocks have increased has increased slightly, from 7% to 9.8%. The share of respondents who did not experience any changes has decreased, from 77% to 74.8%.

Size. The index value is higher for medium-sized enterprises, whose index is zero. The large (-0.05) and micro-enterprises (-0.07) report a reduction in finished goods stocks more often. The lowest value of the index is for small (-0.11) enterprises.

Region. The index value depends on the region. The accumulation of finished goods stocks is most often reported at enterprises in Ternopil (0.50), Rivne (0.30), and Khmelnytsky (0.26) regions. The lowest index is in Kyiv (-0.87) and Zhytomyr (-0.64) regions.

Sector. The highest values are for the woodworking (0.04) and food (0.02) industries. The lowest value is for the chemical industry (-0.17).

Fig.18. Stocks of finished goods indices



Expected changes in stocks of finished goods

In the future, business managers expect stocks of finished goods to accumulate. The INDEX OF EXPECTED CHANGES IN STOCKS OF FINISHED GOODS increased from 0.04 to 0.09. In percentage terms, the share of respondents who believe that stocks of finished goods will decrease in the next three months decreased from 17% to 11.5%. The share of those who expect them to accumulate increased from 17.5% to 19.3%. The percentage of those who believe that nothing will change increased from 65.6% to 69.2%.

Size. The value of the indicator depends on the size of the enterprise. The index value is the lowest with the only negative value for micro-enterprises (-0.09). The indicator for medium-sized (0.09) and large (0.08) enterprises is significantly higher and approximately the same. The highest value of the indicator is for small (0.14) enterprises.

Region. The highest value is for Zakarpattya (0.90) and Cherkasy (0.75) regions. The lowest value is for Kyiv (-0.71) and Zhytomyr (-0.41) regions.

Sector. The index value is the highest for the woodworking (0.15) industry and the printing and chemical (0.14 each) industries. The lowest value is for metalworking (-0.04) and light (-0.02) industries.

NEW ORDERS

Changes compared to the previous month

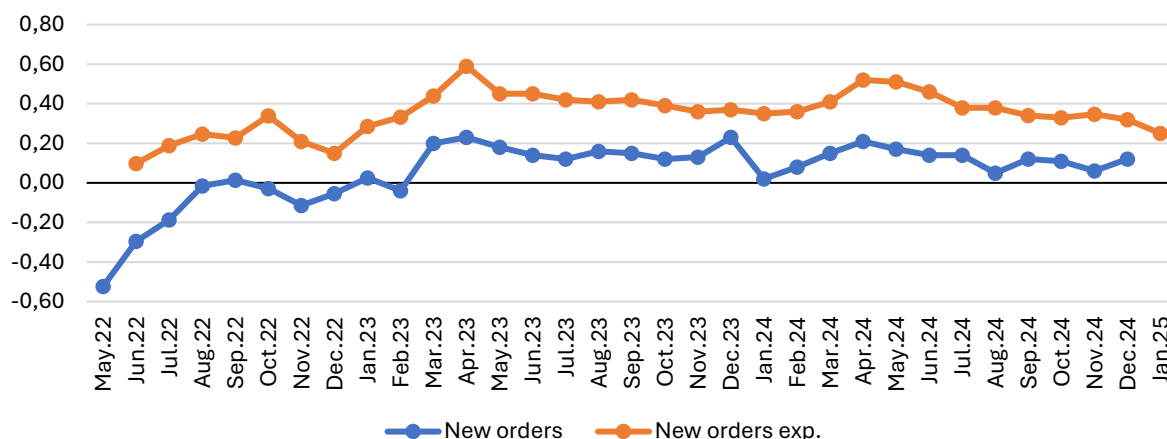
The growth rate of new orders accelerated. The NEW ORDERS INDEX in December compared to November doubled, from 0.06 to 0.12. The share of those whose order volume increased grew (from 18% to 22%). At the same time, the share of those whose order volume decreased, dropped slightly, from 17.8% to 15.9%. The share of those who did not experience changes decreased, from 64.2% to 62.2%.

Size. The increase in orders is reported more by large (0.27) enterprises. The indicator for medium-sized enterprises, although significantly lower, has a positive value of 0.09. The indicator for small enterprises is zero. The lowest value of the indicator is for micro-enterprises (-0.24).

Region. Among regions, new orders grew the most in Poltava (0.87), Zakarpattya (0.40), and Cherkasy (0.39) regions, while in Sumy and Ternopil (-0.50 each) regions, the volume of new orders decreased the most.

Sector. The best situation with new orders in the previous month was in the food (0.24) and woodworking (0.14) industries. The lowest value of the indicator is in the production of construction materials (-0.22).

Fig.19. New orders indices



Expected changes in new orders

In the next three months, entrepreneurs expect the indicator to decrease. The value of the INDEX OF EXPECTED CHANGES IN THE NEW ORDERS has been decreasing for the second month in a row and decreased from 0.32 to 0.25. The share of respondents expecting an increase in new orders decreased from 35.4% to 30.2%. The share of respondents expecting a decrease in the volume of new orders did not change significantly and is 9.6% (it was 8.3%). The share of those who do not expect changes in the next three months increased slightly, from 56.3% to 60.2%.

Size. The expectations index is the lowest with a negative value for micro-enterprises (-0.04). The index for small (0.13) and medium-sized (0.22) enterprises is significantly higher. The highest expectations index is for large enterprises (0.40).

Region. The index values have significant regional differences. In Poltava (0.93), Zakarpattya (0.90), and Cherkasy (0.86) regions, businesses expect an increase in new orders to a greater extent than in other ones. At the same time, the indicators of the Ternopil (-0.33) and Sumy (-0.19) regions have the lowest values.

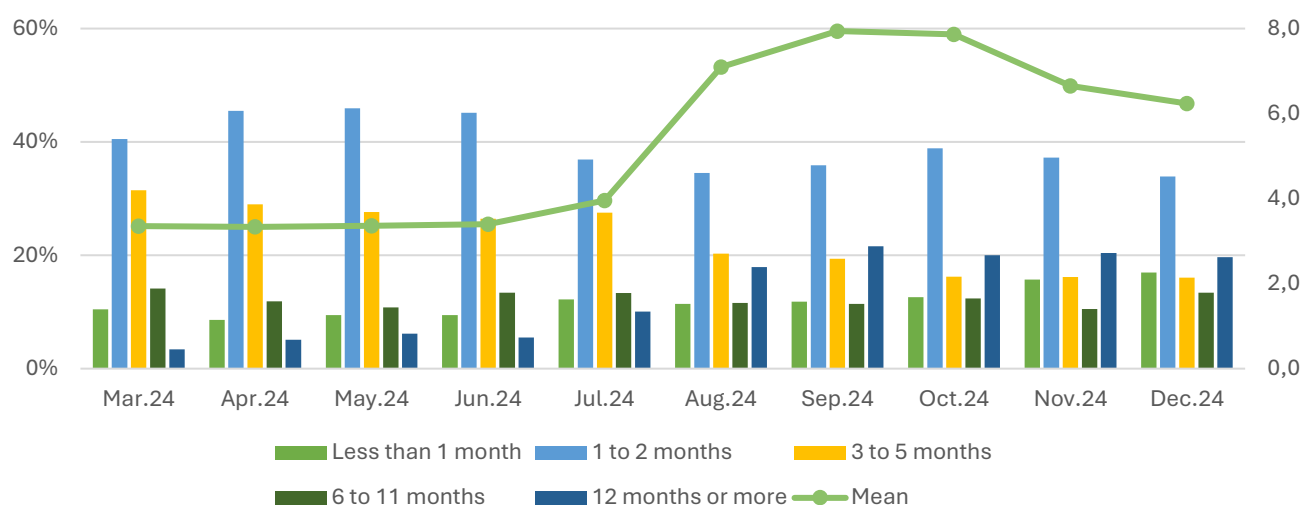
Sector. The best expectations for new orders are in the chemical (0.35), woodworking (0.30), and food and printing industries (0.25 each). The metalworking indicator is the lowest and its value is zero.

NEW ORDERS

Availability of orders

In December 2024, the average period of new orders availability for the surveyed enterprises increased compared to the previous year. It was six months, which is one month less than the previous month. The share of enterprises with orders for a year or more has been more than 20% for the fourth month in a row. 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 51%.

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



Size. Order availability increases with the size of the enterprise. Thus, micro-enterprises are, on average, provided with new orders for 2.2 months (median value), while small businesses – for 5.8 months, medium ones – for 7.3 months, and large ones – for 7.6 months.

79% of micro- and 57% of small enterprises have orders for only up to two months. At the same time, 49% of large and 38% of medium-sized enterprises are provided with orders for 6 months or more.

Sector. In December 2024, the relatively longest average terms of new orders were recorded in the woodworking industry (10.8 months) and the chemical industry (6.6 months). The shortest average terms of new orders are observed in the metal production and metalworking sector (4.4 months) and the mechanical engineering sector (5.9 months). At the same time, it is worth noting that 46% of enterprises in the woodworking industry have orders for six months or more, and a large share of enterprises in this sector (39%) reported that they have orders for only up to two months. While 63% of enterprises in the metal production and metalworking sector have orders for up to two months, and only 21% have orders for six months or more. Also, short-term orders for up to 2 months are held by enterprises in the construction materials production - 61%, light industry - 62%, mechanical engineering - 52%, and food industry - 50%.

Region. There are differences in the availability of orders between enterprises in different regions¹. The average order availability is the longest for enterprises in the Zakarpattia region, where it averaged 28 months, and the Cherkasy region - 21 months. Also, the terms of available orders are relatively high for enterprises in the Rivne, Odesa, Poltava, and Kyiv regions (5 months and more). On the other hand, the shortest average order period - up to two months - was recorded in Vinnytsya, 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 has slowed down. The PURCHASE PRICE INDEX decreased from 0.36 to 0.31. The share of enterprise managers who indicated an increase in price in December decreased from 38.5% to 33.8%. The share of those who believe prices have not changed compared to the previous month

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.

increased from 58% to 64.7%. The share of those who say that the price for raw materials and supplies dropped, has decreased slightly, from 3.5% to 1.5%.

Size. Depending on the size of the enterprise, the increase in purchase price is most often reported by managers of small (0.36) enterprises, whose index is the highest. At the same time, the index of micro (0.33), medium (0.31) and large (0.29) enterprises does not differ much from the highest value.

Region. Significant regional differences are recorded. The index value is higher for Poltava (0.93) and Sumy (0.90) regions. The indicators of the Dnipropetrovsk, Kirovohrad, Odesa, and Rivne regions have the lowest value, which is zero.

Sector. The value of the purchase index is the highest for printing (0.50), woodworking (0.41) industry and mechanical engineering (0.40). The lowest index value is for metalworking (0.12).

Expected changes in the purchase prices

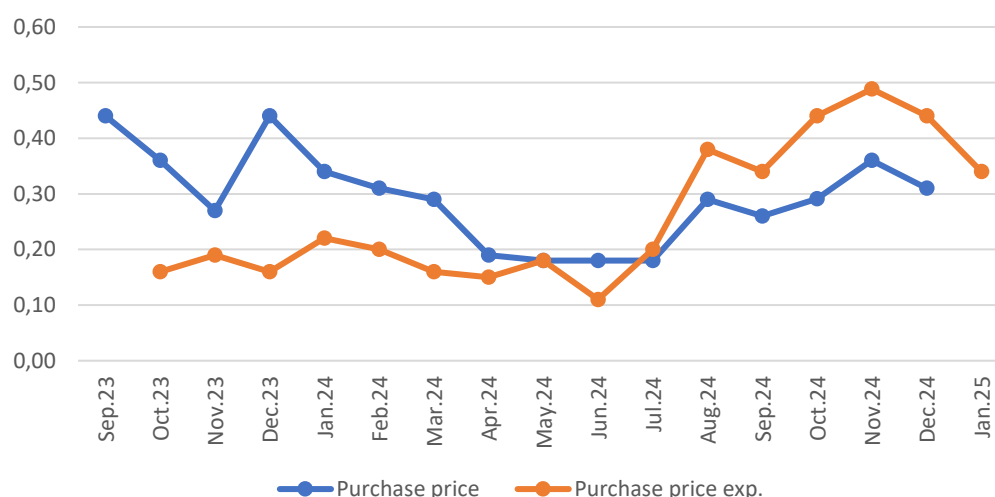
In the short term, expectations have been declining for the second month in a row. The INDEX OF EXPECTED CHANGES IN THE PURCHASE PRICE decreased from 0.44 to 0.34. The share of respondents who believe that there will be no changes increased from 55.7% to 63.2%. The share of those who expect prices to increase decreased from 42.1% to 63.2%. The share of those who believe that prices for raw materials and supplies will decrease in the next three months also decreased slightly, from 2.1% to 0.5%.

Size. Depending on the size, the expectation index for small (0.41) and micro-enterprises (0.37) is higher. The value for large and medium-sized enterprises is lower and the same at 0.33.

Region. Most talk about a possible increase in the purchase price in Zakarpattya (0.83), Sumy (0.76), and Poltava (0.70) regions. The indicator for Chernivtsi and Kharkiv (0.06 for each) regions has the lowest value.

Sector. The highest index value is in the chemical (0.42) and light (0.40) industries. The lowest indicator is in the construction materials production (0.08).

Fig.21. Purchase prices indices



DOMESTIC SALES PRICES

Changes compared to the previous month

The growth rate of prices for finished goods has slowed down. The DOMESTIC SALES PRICE INDEX has decreased slightly, from 0.34 to 0.32. The share of enterprise managers who indicated an increase in price in December has decreased from 35.4% to 32.2%. The share of those who believe prices have not changed compared to the previous month

has increased from 61.4% to 66.7%. The share of respondents who say that prices have decreased has decreased slightly, from 3.2% to 1.1%.

Size. Small enterprises (0.36) most often report an increase in price for finished goods. The indicator for large (0.31) and medium-sized enterprises (0.30) is somewhat lower and approximately the same. Microenterprises report the least about an increase in domestic sales price, whose indicator is the lowest and is 0.23.

Region. Significant regional differences are recorded. The index value is higher for Poltava and Sumy (0.90 for each) regions. The indicators for Dnipropetrovsk, Kirovohrad, Rivne, and Chernihiv regions are the lowest and their value is zero.

Sector. The value of the DOMESTIC SALES PRICE INDEX is the highest for mechanical engineering (0.44) and woodworking (0.43) industries. The lowest value is for metalworking (0.16).

Expected changes in the domestic sales prices

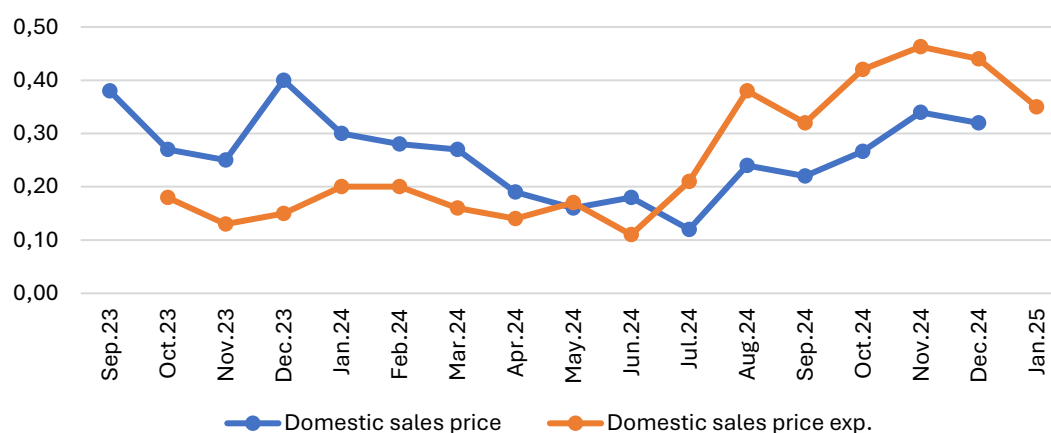
Shortly, business leaders continue to expect a price decrease. The INDEX OF EXPECTED CHANGES IN DOMESTIC SALES PRICES decreased from 0.44 to 0.35. The share of respondents who do not plan changes increased from 56% to 63.1%. The share of respondents who plan to increase price in the next three months decreased from 41.7% to 36.2%. Only 0.7% of respondents believe the price will decrease in the next three months (2.3% in November).

Size. The highest increase in domestic sales price is expected at small (0.40) enterprises. The indicator of large (0.35) and medium (0.34) enterprises is lower and approximately the same. The lowest value of the indicator is for microenterprises (0.31).

Region. The most talk about a possible increase in domestic sales price is in the Zakarpattya (0.90), Sumy (0.74) and Cherkasy (0.71) regions. The indicator of the Rivne region is the lowest, and the value is zero.

Sector. The highest index value is in mechanical engineering (0.43), woodworking, and chemical (0.41 each) industries. The lowest expectation indicator is in the construction materials production (0.12).

Fig.22. Domestic sales prices indices



ACCOUNT RECEIVABLES

Changes compared to the previous month

The rate of debt accumulation is slowing. The ACCOUNT RECEIVABLES INDEX has not changed significantly for the third month in a row and is -0.10 (it was -0.09). The share of those who reported debt reduction has increased slightly from 22% to 24.4%. The share of those who have accumulated debt has also increased slightly, from 11.9% to 13%. The share of those for whom nothing has changed has decreased from 66.2% to 62.7%.

Size. The situation with receivables is better for small (-0.21) enterprises, whose indicator is significantly lower. The indicator for medium-sized (-0.11) and micro-enterprises (-0.08) is significantly higher. The highest value of the indicator is for large (-0.03) enterprises.

Region. Significant regional differences in the values of this indicator were recorded. The highest positive value of the indicator was recorded in Kyiv city (0.42), Volyn (0.19), and Vinnytsya (0.16) regions. At the same time, the indicator is the lowest in Sumy (-1.00) and Dnipropetrovsk (-0.79) regions.

Sector. The highest receivables indicator is in the printing (0.50) and woodworking (0.07) industries with the only positive values. The lowest indicator is in the construction materials production (-0.50).

Expected changes in account receivables

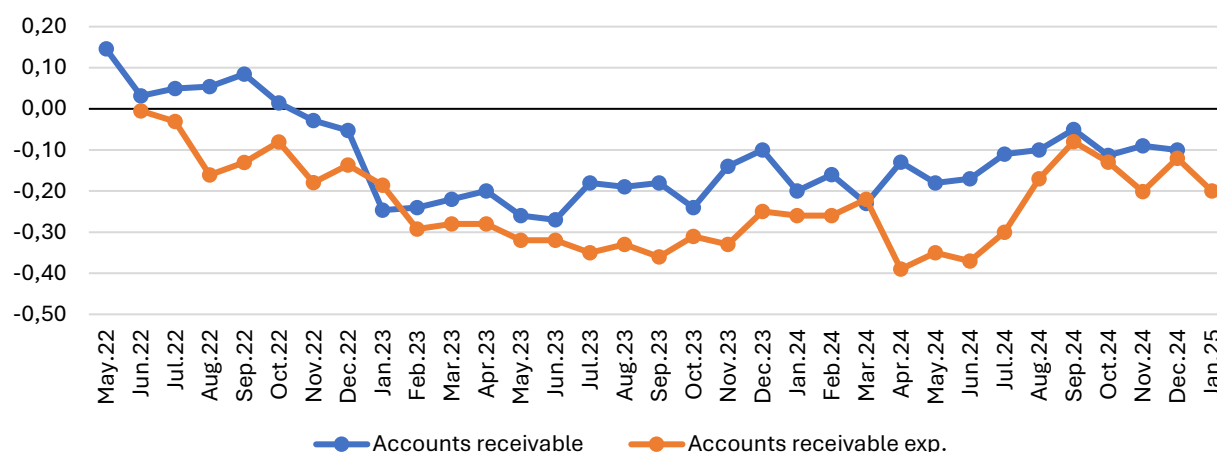
In three months, entrepreneurs expect a significant decrease in the indicator. The INDEX OF EXPECTED CHANGES IN ACCOUNTS RECEIVABLE decreased from -0.12 to -0.20. The share of respondents who expect debt accumulation has decreased slightly, from 6.3% to 3.9%. At the same time, the share of those who expect it to decrease has increased from 22.3% to 26%. The share of those who believe that nothing will change has not changed significantly and is 70.1% (it was 71.4%).

Size. The best and approximately equal values of the indicator are for small (-0.29), medium (-0.27), and micro enterprises (-0.25). The indicator for large (-0.09) enterprises has the highest value.

Region. The highest and above zero values are for Poltava (0.17) region, Kyiv city (0.16), and Kirovohrad (0.03) regions. The lowest indicator is for the Sumy (-1.00) region.

Sector. The highest expectations regarding the accumulation of receivables are in the printing sector (0.25). The lowest indicator is for metalworking (-0.45).

Fig.23. Account receivables indices



ACCOUNT PAYABLES

Changes compared to the previous month

In December, the indicator of the accumulation of accounts payable did not change. The ACCOUNT PAYABLES INDEX is -0.14, as in November. There were no significant changes in the percentage distribution. The share of respondents who reported the accumulation of debt did not change significantly and is 6.7% (it was 5.3%), just as the share of those for whom accounts payable decreased remained without significant changes and is 22.6% (it was 22.9%). The share of those for whom nothing changed over the past month is 70.7% (it was 71.8%).

Size. The accounts payable indicator for micro-enterprises (-0.24) is significantly better and the lowest. The indicator for small and medium-sized enterprises is somewhat higher and the same and is -0.19. The highest value of the indicator is for large (-0.06) enterprises.

Region. Significant regional differences are recorded. The situation with the accumulation of accounts payable is worse in Kyiv city, whose indicator has the only positive value, which is 0.11. The best situation is in Sumy (-1.00), Dnipropetrovsk (-0.74) and Zhytomyr (-0.68) regions.

Sector. The highest debt indicator is for the woodworking and printing industry, whose indicator is the highest and equal to zero. The lowest indicator is for the construction materials production (-0.31).

Expected changes in account payables

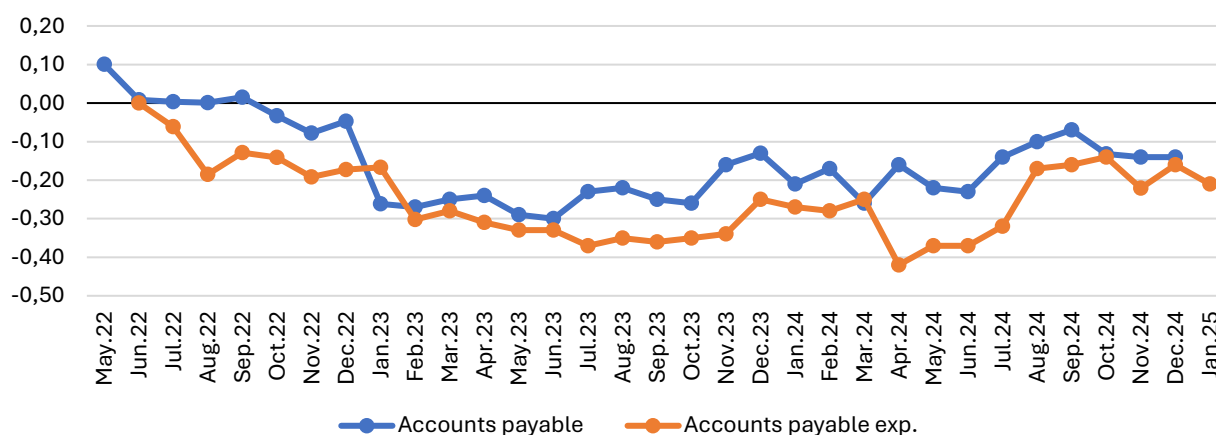
Entrepreneurs expect the indicator to improve in the next three months. The INDEX OF THE EXPECTED CHANGES IN ACCOUNT PAYABLES decreased significantly, from -0.16 to -0.21. The share of those who expect a reduction in the volume of payables increased from 21.3% to 24.7%. The share of those who expect it to accumulate did not change significantly and is 2% (it was 2.2%). The share of respondents who believe that nothing will change decreased from 76.5% to 73.3%.

Size. The expectation indicator for small enterprises (-0.32) is the best and has the lowest value. The indicator for micro (-0.24) and medium (-0.25) enterprises is slightly higher and approximately the same. The highest value is for large enterprises (-0.10).

Region. The expectation indicator for changes in payables for the Poltava (0.03) region is the highest with the only positive value. The lowest is the expectation indicator for Sumy (-1.00), Zhytomyr (-0.89), and Dnipropetrovsk (-0.84) regions.

Sector. The highest indicator is for printing, for which the value is zero. The lowest values are for metalworking (-0.39) and light industry (-0.35).

Fig.24. Account payables indices



TAX ARREARS

Changes compared to the previous month

The indicator of the rate of tax arrears accumulation has slowed down. The TAX ARREARS INDEX in December did not change significantly and is -0.14 (it was -0.15). The share of enterprises that reported a reduction in tax arrears over the past month did not change significantly and is 21% (it was 22.5%). The share of respondents who indicated an increase in tax arrears also remained almost unchanged and is 4.9% (it was 4.2%). The share of those who believe that no changes have occurred is 74.2% (it was 73.3%).

Size. The tax arrears indicator is better and approximately the same for small (-0.21), medium (-0.18), and micro enterprises (-0.17). The highest value of the indicator is for large (-0.09) enterprises.

Region. There are significant differences in the value of this indicator by region. The highest and most positive value of the indicator is for Khmelnytsky (0.14) and Volyn (0.11) regions. The lowest is for Sumy (-0.94), Dnipropetrovsk (-0.74), and Zhytomyr (-0.53) regions.

Sector. The highest tax arrears indicator is for the woodworking industry and printing, for which the value is zero. The indicator for the chemical industry and metalworking (-0.25 for each) is the lowest.

Expected changes in tax arrears

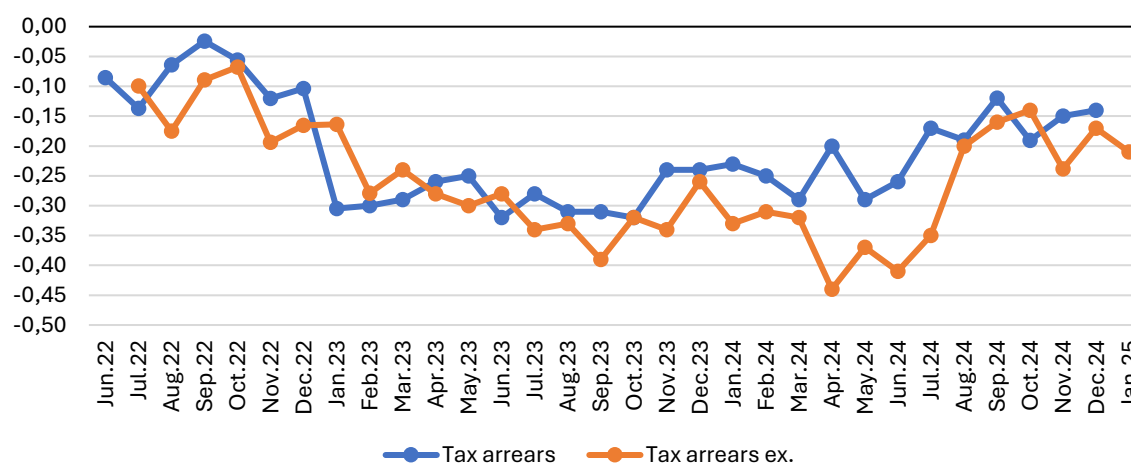
Entrepreneurs expect the indicator to improve in the next three months. The INDEX OF THE EXPECTED CHANGES IN TAX ARREARS decreased from -0.17 to -0.21. The share of those who predict a reduction in tax arrears has increased slightly, from 21.4% to 23.7%, while the share of those who expect it to increase has not changed significantly and is 0.8% (it was 1.7%). The share of those who do not expect changes is 75.6% (it was 76.9%).

Size. The tax arrears expectation indicator is the lowest and approximately the same for small (-0.30) and medium (-0.27) enterprises. The indicator for micro-enterprises is -0.21. The indicator for large (-0.09) enterprises is significantly higher.

Region. The highest expectation indicator is the same for Kyiv city, Odesa, Rivne, Ternopil, Chernivtsi, Chernihiv, Zaporizhzhia, Kirovohrad, and Lviv regions, the values of which are the same and equal to zero. The indicator for Zhytomyr (-0.95), Sumy (-0.88), and Dnipropetrovsk (-0.68) regions is the lowest.

Sector. The highest tax arrears expectation indicator is for mechanical engineering (-0.11). The lowest is for printing (-0.50).

Fig.25. Tax arrears indices



NUMBER OF WORKERS

Changes compared to the previous month

The rate of reduction in the number of workers does not change significantly. THE NUMBER OF WORKERS INDEX is -0.06 (it was -0.08). The share of respondents reporting a reduction in the number of workers has slightly decreased, from 12% to 8.4%. The share of those who indicated an increase in their number has also almost not changed and is 1.8% (it was 1.5%). The share of those for whom nothing has changed has slightly increased, from 86.5% to 89.9%.

Size. The least reported reductions in the number of employees are in large (-0.04) and medium and small (-0.07 each) enterprises. The indicator for micro-enterprises (-0.12) is somewhat lower.

Region. The highest and most positive values of the indicator are in the Ternopil (0.17), Odesa, and Cherkasy (0.07 each) regions. The most frequently reported worker reduction is in the Sumy (-0.50) and Volyn (-0.32) regions.

Sector. The indicator for printing (0.13) is the highest and has the only positive value. The lowest indicator is in metalworking (-0.20).

Expected changes in the number of workers

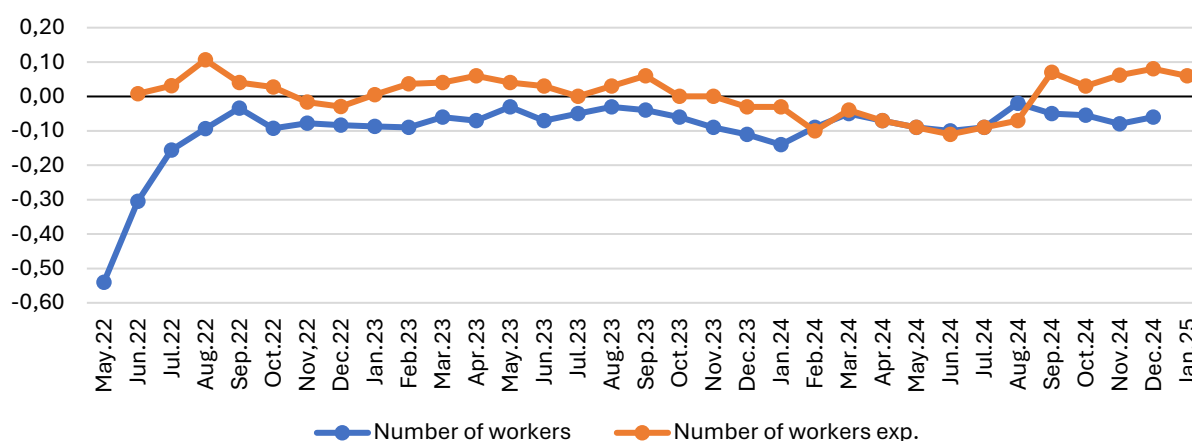
The indicator of expectations for an increase in the number of workers did not change significantly: THE INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS decreased slightly, from 0.08 to 0.06. The share of respondents who plan to increase the number of workers decreased slightly, from 14.1% to 11.8%. At the same time, the share of those who expect a reduction in the number of workers remained unchanged, at 5.4% (it was 6.8%). The share of those who do not plan changes increased slightly, from 79.2% to 82.7%.

Size. The expectations for the number of employees are approximately in the same range for medium (0.09), micro (0.07), large (0.05), and small (0.04) enterprises.

Region. The value of the index of expected changes in the number of workers depends significantly on the region of the enterprise's location. The highest value of the indicator is in Zakarpattya (0.77) and Cherkasy (0.64) regions. The lowest values of the indicator are in Dnipropetrovsk (-0.37) and Zhytomyr (-0.36) regions.

Sector. The highest expectation index is for light (0.12) and woodworking (0.11) industries. The expectation index for the construction materials production (-0.04) is the lowest with the only negative value.

Fig.26. Number of workers indices



WORKERS ON FORCED LEAVE

Changes compared to the previous month

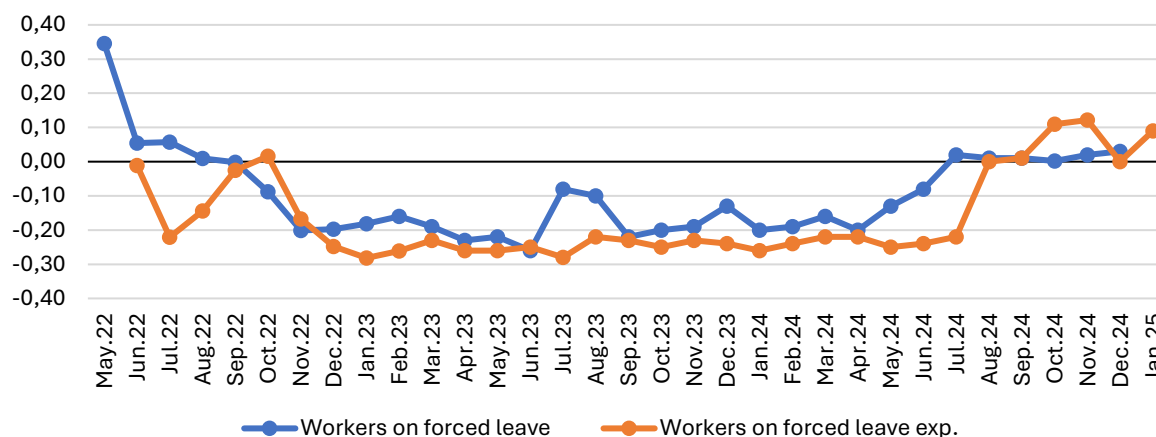
The rate of reduction in the number of workers on forced leave has slowed down. The NUMBER OF WORKERS ON FORCED LEAVE has not changed significantly for several months and was 0.03 in December (0.02 in November). There have been no significant changes in the percentage distribution. The share of those who increased the number of such workers has not changed significantly and is 5.4% (it was 5.4%). The share of those who reduced their number has decreased insignificantly, from 4.1% to 2.4%. The share of those for whom nothing has changed over the past month has increased slightly, from 90.5% to 92.4%.

Size. The indicator of micro-enterprises (-0.02) is the lowest with a single negative value. The indicators for large (0.01) and medium-sized (0.03) enterprises are approximately the same. The indicator for small enterprises has the highest value, which is 0.06.

Region. The highest increase in the indicator among different regions is observed for enterprises in Sumy (0.33), Ternopil (0.17), and Volyn and Cherkasy (0.07 each) regions, while the decrease in the number of workers on forced leave is most often reported in Khmelnytskyi (-0.11) region.

Sector. The printing (0.14) and chemical (0.06) industries have the highest indicators of the number of workers on forced leave. The indicator for metalworking and construction materials production (-0.05 each) is the lowest.

Fig. 27. Number of workers on forced leave indices



Expected changes in the number of workers on forced leave

Enterprises having employees on forced leave expect a significant increase in their number in the next three months. THE INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS ON FORCED LEAVE increased significantly, from zero to 0.09. The share of enterprises that expect an increase in the number of workers on forced leave increased from 4.2% to 10.3%. The share of those who believe that the number of such workers at their enterprise will decrease dropped from 5% to 0.8%. The share of those who believe that no changes will occur decreased slightly, from 90.8% to 88.9%.

Size. The indicator for medium (0.13), small (0.11), and micro enterprises (0.10) is higher and approximately the same. The least talk about the increase in the number of such workers is in large enterprises, whose indicator is 0.04.

Region. The indicator of expectations for Zakarpattya (0.63), Sumy (0.31), and Cherkasy (0.29) regions is the highest. The indicator for the Volyn (-0.05) region has the lowest value.

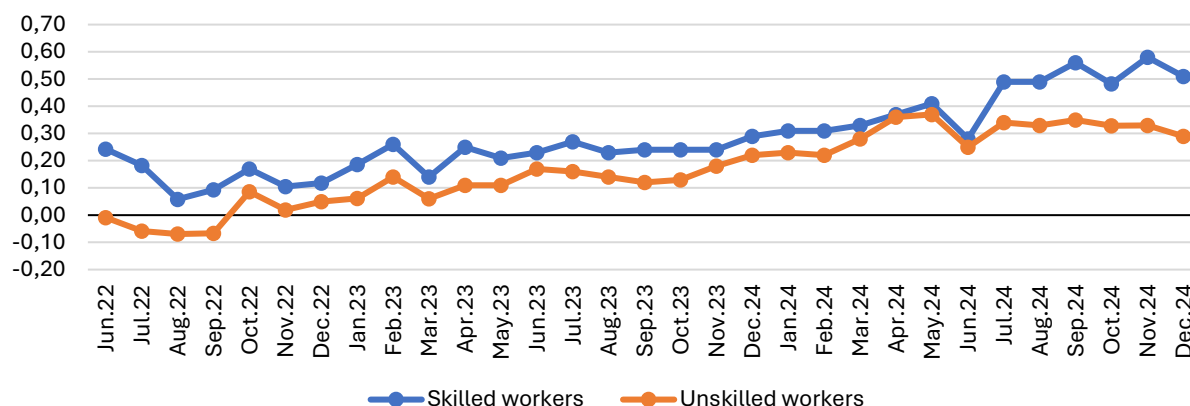
Sector. The indicator of expectations for the increase in the number of workers on forced leave is highest for the chemical (0.21) industry. The indicator for printing and metalworking is the lowest, the values of which are zero.

SKILLED AND UNSKILLED WORKERS

In December 2024, the difficulties in finding workers with the appropriate qualifications decreased. The value of the INDEX OF FINDING SKILLED WORKERS decreased from 0.58 to 0.51. The value of the INDEX OF FINDING UNSKILLED WORKERS also decreased, albeit insignificantly, from 0.33 to 0.29.

The share of enterprise managers who indicated that it is more difficult to find skilled employees decreased slightly (from 55.5% to 51.6%), and the share of those who find it more difficult to find unskilled workers also decreased (from 38.9% to 34.8%). The percentage of those who find it easier to find skilled workers increased slightly (from zero to 1.6%), and the share of those who find it easier to find unskilled workers decreased (from 9.2% to 7.8%). At the same time, the share of those who do not experience any changes in the search for skilled workers has increased slightly (from 44.5% to 46.8%), and for unskilled workers, this percentage has increased from 51.9% to 57.4%.

Fig.28. Skilled and unskilled workers indices



Skilled workers

Size. Depending on the size, it is most difficult to find such workers for micro-enterprises (0.54). The indicator for small and large enterprises is slightly lower, the same, and is 0.52. It is easiest to find skilled workers for medium-sized enterprises, whose indicator is 0.45.

Region. Significant regional differences in the labor market are recorded. It is most difficult to find skilled workers in Dnipropetrovsk, Zhytomyr, and Ternopil (1.00 for each) regions. It is easiest to find skilled workers in the Rivne and Kyiv regions, whose indicator is the lowest with a negative value (-0.10 for each region).

Sector. The most difficulties in finding skilled workers are found in printing (0.71) and metalworking (0.67). It is easiest to find skilled workers for the chemical (0.31) industry.

Unskilled workers

Size. It is more difficult to find unskilled workers for large (0.37) enterprises. The indicator for small (0.25), micro- (0.24), and medium (0.22) enterprises is much lower and approximately the same.

Region. It is most difficult to find unskilled workers in Dnipropetrovsk and Zhytomyr (1.00 for each) regions. It is easiest to find such workers in Sumy (-0.61) and Zakarpattya (-0.33) regions.

Sector. The highest indicators for finding unskilled workers are observed for the food (0.43) and light (0.33) industries. It is easiest to find unskilled workers for the woodworking industry, whose value is zero.

THE IMPACT OF WAR ON ENTERPRISES

Challenges for businesses in wartime

In December 2024, the most acute business obstacle caused by a full-scale Russian invasion was again the **labor shortage due to conscription or worker migration** at 61%. There is a gradual increase in labor shortages due to conscription or worker migration between June 2024 and December 2024. The indicator increased from 42% in June to 64% in November and decreased slightly to 61% in December.

With only a 6% difference, the second place in the ranking of obstacles to business in December was taken by the **work hazards**. This problem was faced by 55% of enterprises, which is **1% more than in November 2024 (54%)**.

The third place in the ranking of obstacles to business caused by the full-scale Russian invasion in December was taken by **power, water, or heating supplies outages**. This was a problem for 51% of enterprises, which is significantly more than in November 2024, when this share was 34%. The worst situation was in the summer (in July -78%, in August and June -65%) when the problem reached peak values due to massive infrastructure shelling.

Rising prices for raw materials and supplies ranked fourth in the ranking of obstacles to business caused by a full-scale war. This obstacle was relevant for 42% of enterprises. The problem of rising prices for raw materials and supplies increased significantly from July to November (from 32% to 48%, respectively), but in December it decreased to 42%.

The problem of **decreasing demand for products/services** ranked fifth in the ranking of obstacles. This problem was experienced by 29% of enterprises, which is slightly less than in November 2024, when this share was 32%.

Difficulties in transporting raw materials or goods across the territory of Ukraine were reported by 17% of respondents in December, as a result of which this obstacle took sixth place in the ranking. The share of enterprises that encountered difficulties in 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 - 17%; in November, there was a sharp decrease to 12%. However, in December, we returned to the previous indicators.

The problem of **lack of working capital** is in seventh place; it was indicated by 9% of enterprises in December. The obstacle remains at 9 –11% throughout the period.

The problem of **supply chain disruption** is in eighth place: 8%. In November, this obstacle was indicated by 12% of enterprises.

The **blocking of tax invoices** was in ninth place in this ranking, reported by 7% of enterprises.

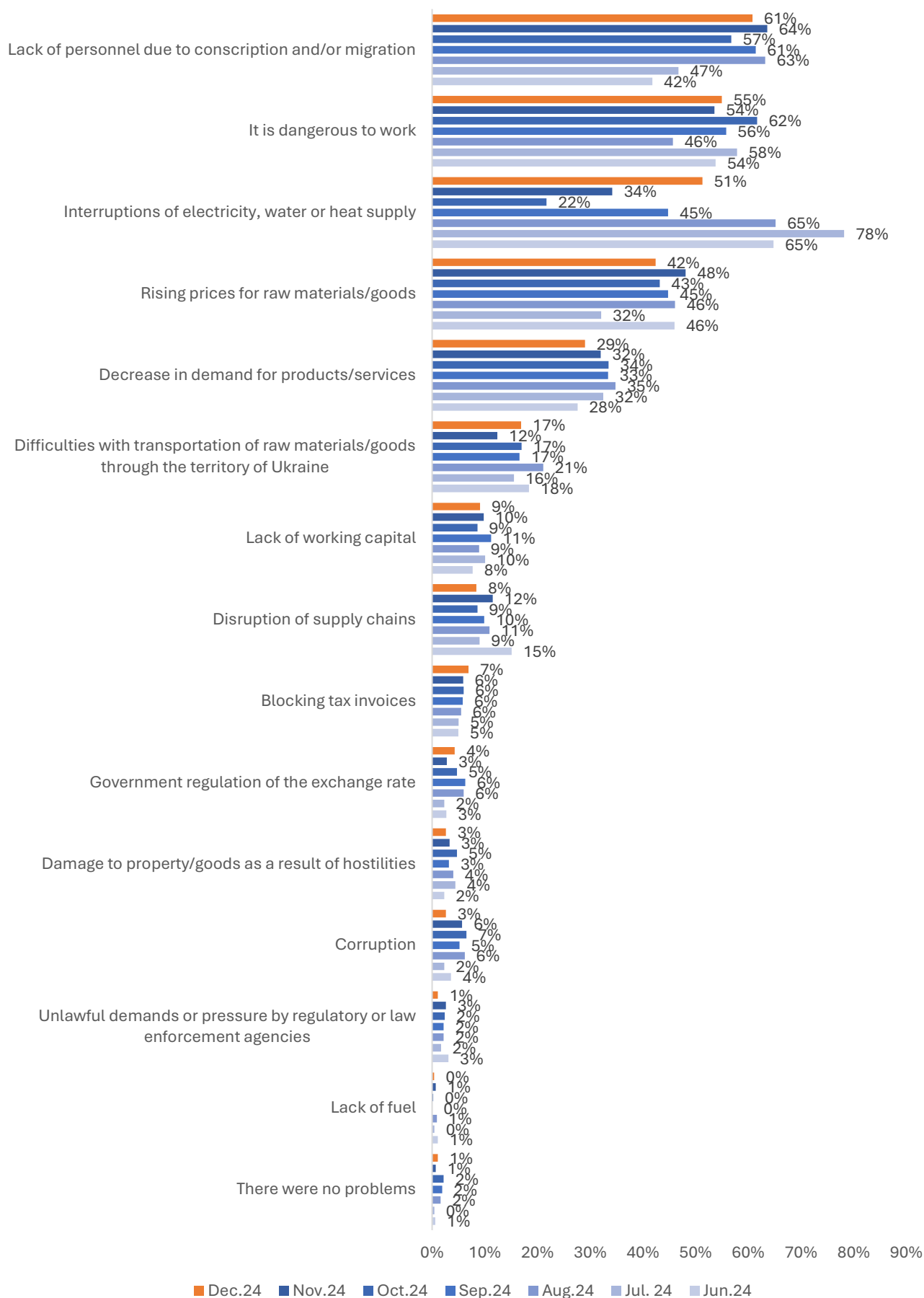
The problem of **state regulation of the exchange rate** was in tenth place in the ranking of obstacles in December. It was indicated by 4% of enterprises surveyed.

Problems such as **damage to property or goods due to military actions** and **corruption** received 3% each. Each of them was mentioned by 3% of the surveyed enterprises. Only 1% of enterprises reported **unlawful demands or pressure from regulatory or law enforcement authorities**.

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

In addition, 1% of enterprises surveyed in December 2024 said they did not face any obstacles.

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



Challenges for businesses by sector. In December, large enterprises most often reported such an obstacle as work hazards - 76. Also, 32%, 47%, and 56% of micro, small, and medium enterprises reported this problem. Large enterprises also often reported a lack of labor - 69%. While 21%, 61%, and 68% of micro, small, and medium enterprises respectively indicated it.

Micro enterprises are most affected by power, water, or heat supply outages - 55%, while 46%, 49%, and 59% of small, medium, and large companies, respectively, faced the problem. Also, microenterprises are most affected by a decrease in demand for products/services - 42%, while among small, medium, and large businesses, this share is - 32%, 27%, and 20%, respectively.

Challenges for businesses by sector. Businesses operating in the metallurgy (72%), chemical industry (61%), machine building (67%), and food industry (65%) 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, and metal and metalworking industry, reported labor shortages due to mobilization or worker migration (more than 60%).

In construction materials production, the most common complaint is about rising prices for raw materials and supplies – 52%. Also, food industry, light industry, and machine-building enterprises complain about rising prices for raw materials and supplies (46%).

The negative impact of power, water, or heat supply outages on their activities in December was most often reported by enterprises in mechanical engineering, the food industry, the light industry, and metallurgy (more than 50%)².

Challenges for businesses by region. Power, water, or heat supply outages in December were a particularly acute problem for businesses in Dnipropetrovsk, Zaporizhzhya, Poltava, Lviv, Chernivtsi, and Kharkiv regions and Kyiv city (more than 80% of respondents)³.

All surveyed enterprises in Lviv and Zhytomyr regions (100%) complain about the lack of labor due to the full-scale war. In addition, more than 80% of enterprises in Vinnytsya, Zakarpattya, Poltava, Odesa, Rivne, and Chernivtsi regions reported this problem.

The highest shares of businesses that faced the problem of danger were recorded in Vinnytsya, Dnipropetrovsk, Zaporizhzhya, Odesa, Poltava, and Cherkasy regions - more than 80%. The increase in price for raw materials and supplies was most often mentioned by enterprises in the Zhytomyr, Poltava, Sumy, and Lviv regions (more than 70%).

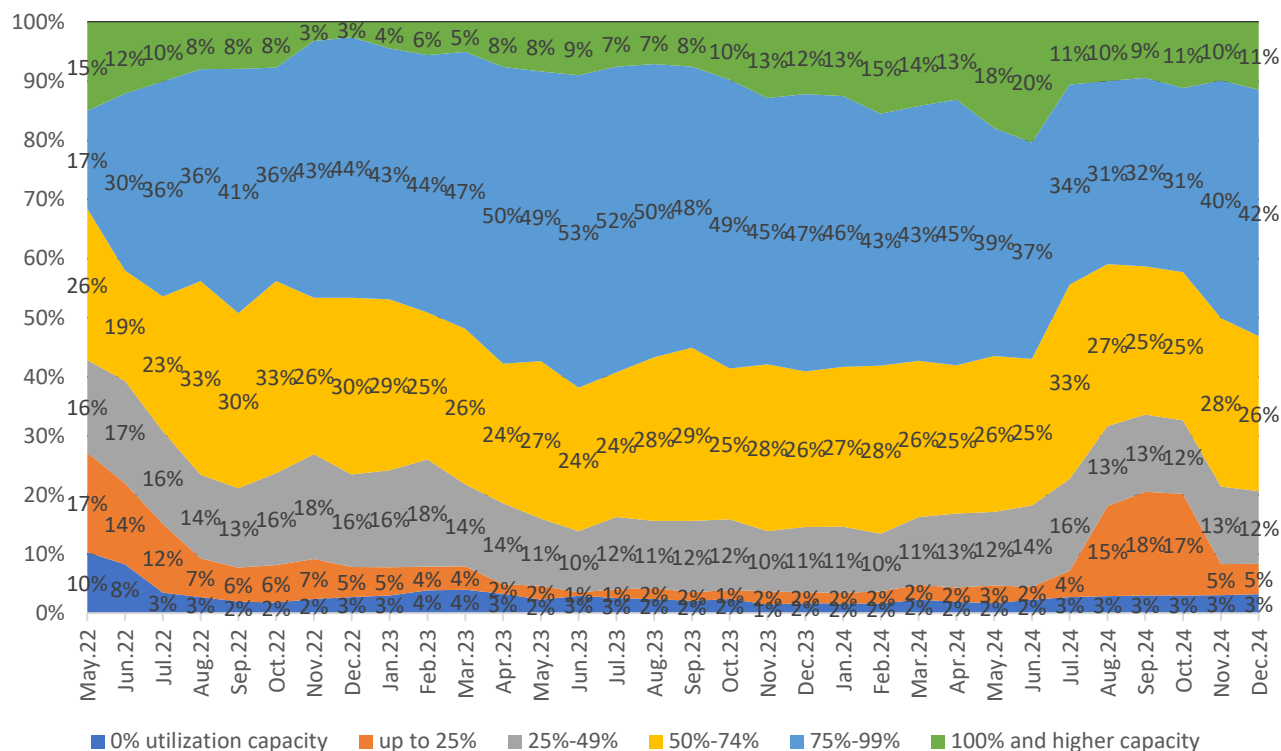
The war impact on capacity/production volumes

In December 2024, only 11% of enterprises reported operating at full capacity (100% or more), which is approximately at the level of previous months (10% in November, 11% in October, and 9% in September). At the same time, the share of enterprises operating at almost full capacity (75% - 99%) was 42% (40% in November). As a result, the total share of enterprises operating at almost full and full capacity was 53% (50% in November, 42% in October, 41% in September). That is, the situation has continued to improve for several months. For comparison, the corresponding indicator was the highest for all waves of the survey 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.

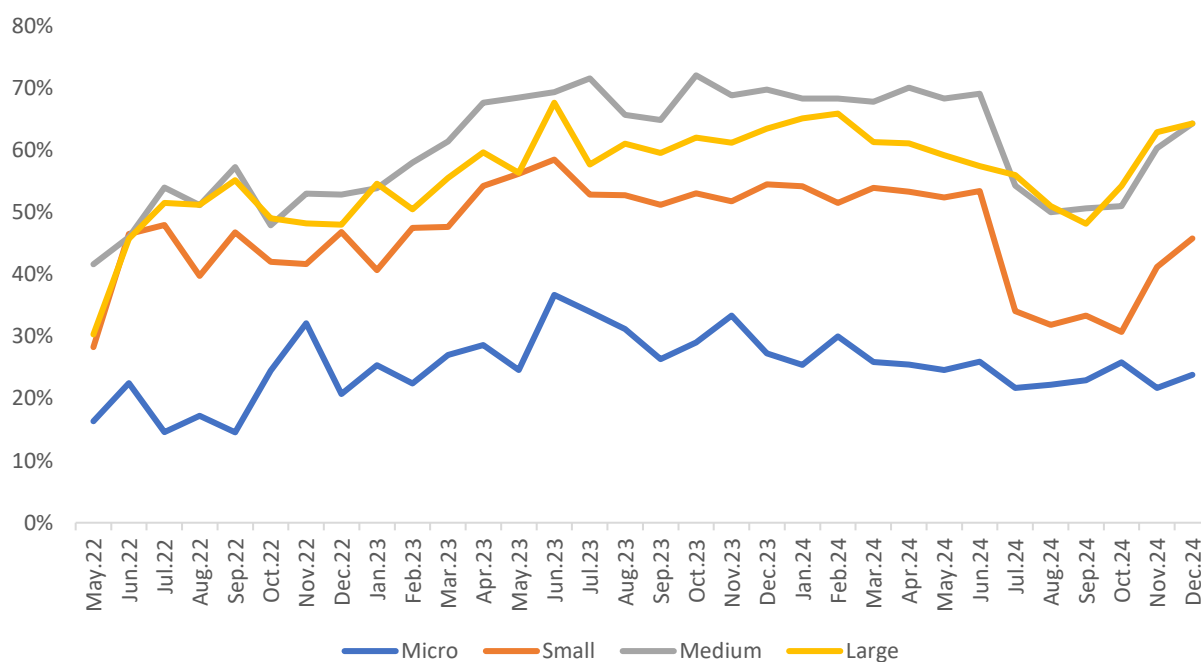
³ Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) and Ivano-Frankivsk and Ternopil regions, where the number of respondents was insufficient for a comparative analysis.

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



In December, 3% of surveyed enterprises reported that they had ceased operations during the war. This indicator has remained low since July 2022, in the range of 2% - 4%. Only 5% of enterprises operated at less than 25% of pre-war production capacity in December (also 5% in November). In addition, 12% of enterprises operated at 25% - 49% of pre-war production capacities in December (13% in November). **As a result, in December, every fifth (21%) 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 December 2024, 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 22% in November to 24% in December and small enterprises - from 41% to 46%. Among medium-sized enterprises, the indicator increased to 64% (60% in November and 51% in October), and large enterprises - to 64% (54% in October and 63% in November).

As of December 2024, 13% of microbusiness representatives did not operate, which is at the level of September-November (13%). Also, 4% of small companies and 1% of medium-sized enterprises did not work. At the same time, 1% of large enterprises did not work. Thus, **microbusinesses remain more sensitive to the challenges of wartime throughout all waves of the survey.**

Results for business by sector. The woodworking industry became the leader of the recovery for the first time - in December 2024, 67% of the industry's representatives worked almost at full and full capacity (56% and 2nd place in November). The food industry dropped to 2nd place, although the absolute indicator increased to 65% (64% in November). Mechanical engineering remained in third place, although the corresponding figure increased to 57% (51% in November and 47% in October). The light industry is in fourth place, with 49% of enterprises at a high level of utilization in December (47% in November). At the same time, the lowest level of capacity utilization remains in metallurgy and metalworking (only 29% in December 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



Created with Datawrapper

Results by region. In December, low levels of production capacity utilization were observed in most regions. However, all or almost all enterprises continued to operate at almost full capacity in December only in Vinnytsya (100%), Poltava (100%), Rivne (100%), and Cherkasy (100%) regions. The situation remains difficult in the front-line Zaporizhzhya and Kharkiv regions, where, respectively, only 0% and 15% of enterprises operated at high levels of capacity utilization.

THE WAR IMPACT ON THE ENTERPRISES' EXPORT ACTIVITIES

In the thirty-second wave of the survey, **61% of all respondents were or are exporters.** At the same time, 30% of enterprises have never exported, and 8% could not answer the question.

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

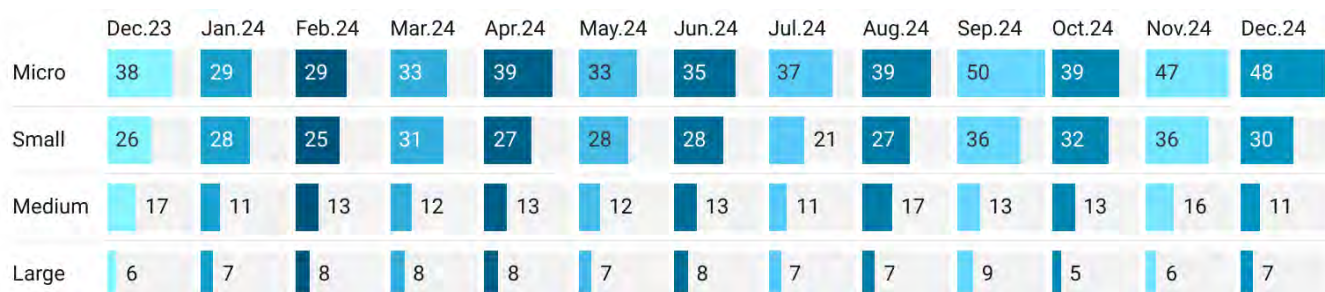


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As of December 2024, **83% of exporters surveyed indicated that they exported before the war and continued to export over the past 12 months.** Another 1% of enterprises started exporting during the war (over the past 12 months) for the first time. At the same time, 16% of enterprises exported before the war but had no exports over the past 12 months. In December 2024, 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 companies cannot overcome new challenges to resume exports.

Results for business by size. According to the results of December 2024, a pattern was again recorded regarding the state of export activity, depending on the size of the enterprise. Among microbusinesses, 48% 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 – 30%. The situation is somewhat better among medium-sized exporters: 11% of respondents have not exported in the last 12 months. The best situation is among large businesses, for which the corresponding indicator was only 7%. Thus, large businesses are traditionally the leaders in the export activity recovery.

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

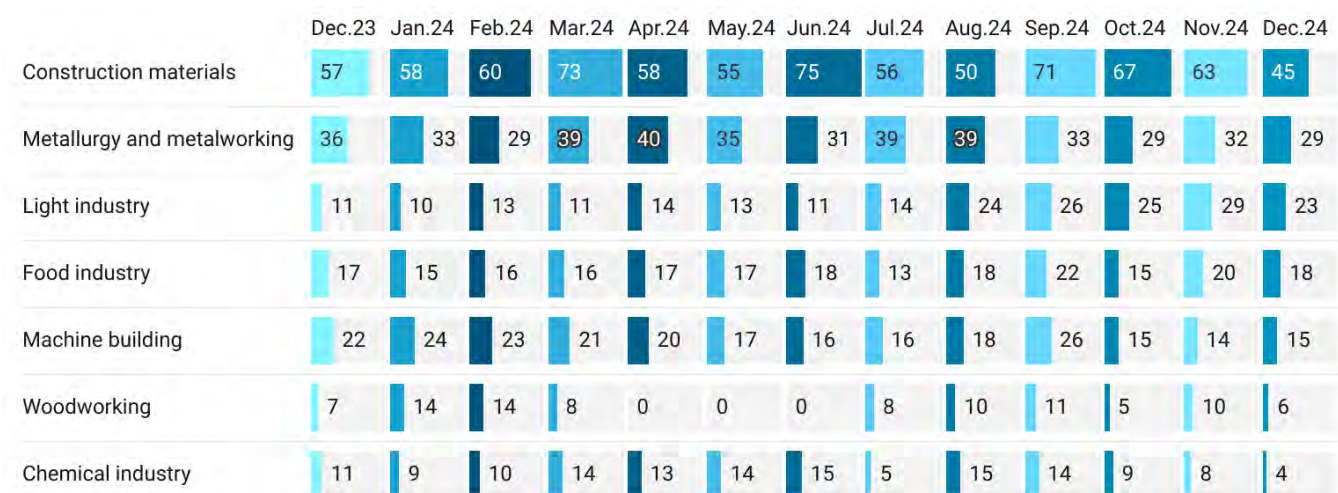


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Results for business by sector. The data obtained indicate that the most difficult situation with the restoration of exports remains in the construction materials production. In particular, 45% of enterprises in the industry indicated they exported before the full-scale invasion, but had no exports over the past 12 months. The situation is also

difficult in metallurgy (the corresponding share is 29%). In contrast, the best situation is in the chemical and woodworking industries, in which only 4% and 6% of respondents, respectively, had no exports over the past 12 months. In the food industry, which is generally 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)



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 able to respond) resumed exports, in particular, in Vinnytsya, Zakarpattya, Kyiv, Odesa, Poltava, Rivne, Cherkasy, and Chernihiv regions. The most difficult situation remains in Dnipropetrovsk and Zhytomyr regions, where 69% and 65%, respectively, did not export during the last 12 months, although they had it before the war.

IMPACT OF POWER OUTAGES

During the thirty-second wave of the survey, industrial enterprises were again asked to assess the impact of power supply problems on their operations. **Power outages became a slightly more problematic issue for businesses in November 2024⁴ compared to the previous month. In particular, 68% of businesses temporarily suspended operations due to power outages in November (compared to 66% in August, 25% in September, and 39% in October).** At the same time, 7% of enterprises had no power outages at all (30% in October). In addition, 24% of enterprises worked all the time, even if outages occurred. However, 46% of enterprises stopped work for only 1 - 10% of working time, and 20% - for 11 - 25% of working time. **An insignificant share of enterprises have the most critical losses (more than half of working time) - only 1% of enterprises.**

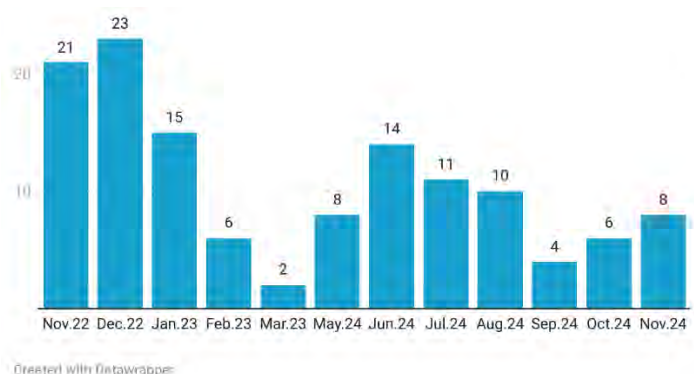
As a result, on average, businesses lost 8% of their total working hours due to power outages in November 2024. This is slightly higher than in October (6%), but the level of losses is low compared to the massive outages of the summer. However, the situation varies somewhat depending on the size of the business, industry, and region.

⁴ As part of the survey, the question about lost working time is asked about the previous month that has already ended. That is, in November, respondents were asked about the loss of working time in October.

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



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



Business results by size. The situation is different for enterprises of different sizes. For example, 9% of micro, 7% of small, 4% of medium, and 12% of large enterprises did not experience power outages. At the same time, 28% of micro, 23% of small, 27% of medium, and 21% of large enterprises continued to operate even during outages. Small businesses continue to suffer the greatest losses from Russia's terrorist attacks on energy infrastructure. In particular, **micro-enterprises in November 2024, on average, lost 12% of working hours.** Small enterprises lost 8%, medium-sized enterprises 7%, and large enterprises 8%.

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



Business results by sector. The lowest average working time losses due to power outages were recorded in mechanical engineering (6%), construction materials production (6%), and woodworking (6%). However, the

situation is somewhat worse in some industries. In particular, in metallurgy and metalworking, the average time losses were 11%.

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



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 Khmelnytsky (19%), Dnipropetrovsk (18%), and Sumy (14%) regions. However, in a third of the regions, the average losses were below 5%. In particular, there were no losses in the Vinnytsya region.

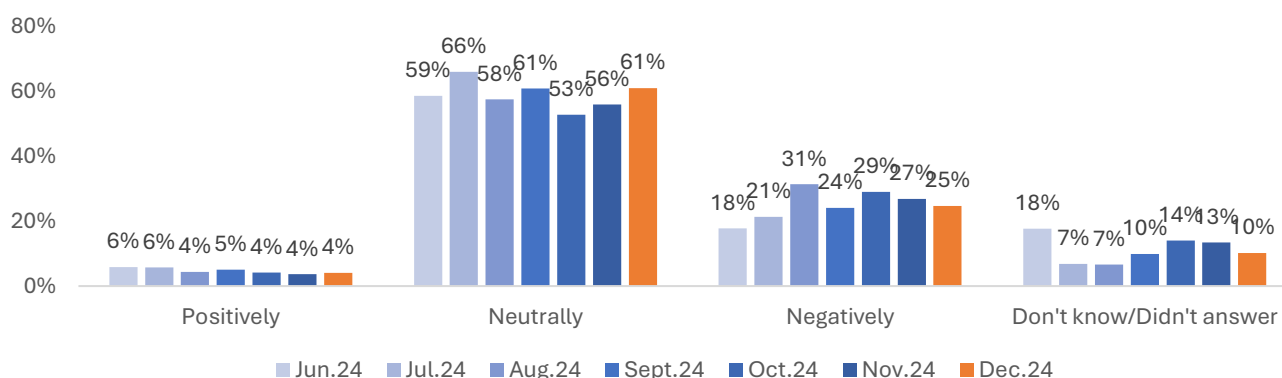
GOVERNMENT POLICY

Assessment of government policy to support business

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

The share of neutral assessments of this policy increased from 56% in November to 61% in December, while the share of negative assessments decreased from 27% to 25%. The remaining 10% of respondents were unable to assess this policy. This share has not changed significantly compared to November, when there were 13% of such respondents.

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 in general, the assessments improve somewhat with the increase in the size of enterprises although the difference between them is insignificant. Thus, among large enterprises, this policy was positively assessed by 11% of respondents, while among microbusinesses, this share was 2%.

Representatives of small enterprises negatively assess the state policy on business support more often than representatives of the rest of the business. In particular, 35% of the respondents gave negative assessments of this policy, while among respondents representing micro, medium and large businesses, the corresponding share is 32%, 19%, and 16%.

Assessment of government policy on business support by sector. Representatives of the construction materials production (10%) most often give positive assessments of government business support policies⁵.

Among light industry enterprises, one of the highest shares of negative assessments of this policy was recorded (33%). It is also often negatively assessed by enterprises producing construction materials - 30%.

Assessment of government policy on business support by region. The highest level of positive assessments of government policy to support business in December 2024 was recorded in the Kirovohrad region (16% of respondents). At the same time, the largest shares of negative assessments are among businesses in Sumy and Dnipropetrovsk regions, and Kyiv city (more than 50%).

Vision of the government's role in conducting business

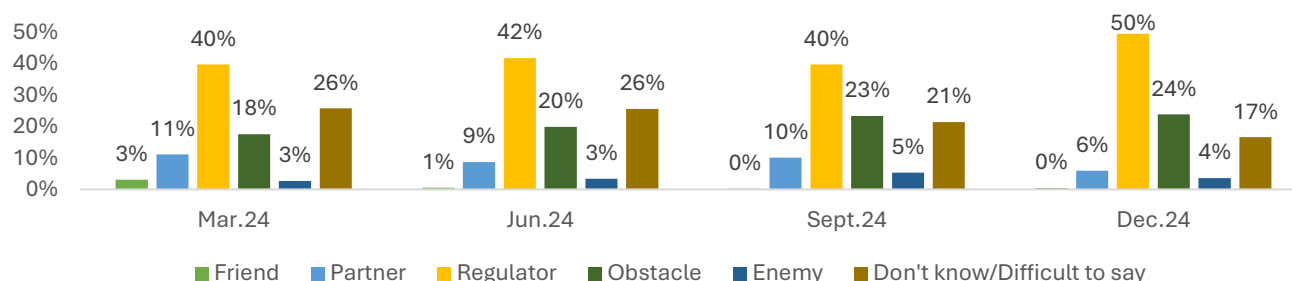
In December 2024, for the sixth time as part of this survey, we asked business representatives about how they see the role of the state (government) for business in Ukraine today. The concepts of "friend", "partner", "regulator", "obstacle" and "enemy" were proposed as options. The same question was previously asked in the September, December 2023, and March and June and September 2024 waves of this survey⁶.

Businesses surveyed in December most often called the state a regulator (50%) or an obstacle (24%). Both these shares increased slightly compared to September, when they were 40% and 23%, respectively.

At the same time, in December, the state was called a friend and partner less often than three months ago: 0% and 6% of respondents, respectively. For comparison, in September, there were 0% and 10%. The share of those who considered the state an enemy of business practically did not change over the previous three months, and in December amounted to 4%.

In addition, 17% of respondents could not determine the role of the state in Ukraine for doing business, which is lower than in the three previous waves of surveys, where such respondents were 21%-26%.

Fig. 41. Vision of the role of the state (government) for business



⁵ 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.

⁶ In the September 2023 survey, there was no "obstacle" option among the response options, it was added starting in December 2023 to balance the positive and negative characteristics.

The vision of the government's role in conducting business by the size of the enterprise. Large enterprises are more likely to consider the state (government) as a friend or partner for their business than smaller enterprises. While among small and medium-sized enterprises, the share of those calling the state a friend or business partner does not exceed 5%, among large enterprises, this share was 14%. It is worth noting that among the surveyed micro-enterprises, only one enterprise called the state a friend or business partner.

In contrast, micro and small enterprises are more likely to say that the state hinders business. It was called an obstacle or enemy of business by 32% and 36% of such enterprises, respectively, while among medium and large enterprises, these shares are lower: 22% and 21%, respectively.

The vision of the government's role in conducting business by sector. In the woodworking industry and mechanical engineering, the role of the state (government) for business is spoken about positively more often than in others: 7% of enterprises in this industry call the state a friend or partner for business. In the remaining industries represented in this survey, this share does not exceed 6%⁷.

However, in the construction materials production industry, metal production and metalworking, mechanical engineering, and metallurgy, 32% to 47% of enterprises called the state an obstacle or enemy to business. It is more than in other industries, where this share of respondents ranges from 0% to 29%.

The vision of the government's role in conducting business by region. The role of the state for business is relatively often positively characterized in Kyiv, Kirovohrad, Odesa, and Rivne regions, where the shares of assessments of the state's role as a friend or partner for business amounted to 15% and more.

At the same time, the highest shares of enterprises whose representatives call the state an obstacle or enemy for business are recorded in Vinnytsya, Zhytomyr, Dnipropetrovsk, Zakarpattya, Sumy, Khmelnytsky, and Cherkasy regions.

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.

SURVEY METHODOLOGY

This report presents the results of the 32th 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 December 16 to 31, 2024.

SAMPLE

A total of 470 enterprises were surveyed in the 32th wave. They are located in Vinnytsya, Volyn, Dnipropetrovsk, Zakarpattia, Zaporizhzhya, Zhytomyr, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytskyi, Cherkasy, Chernivtsi and Chernihiv regions and in Kyiv city. In each of these regions, from 4 to 43 enterprises were surveyed⁸.

The majority of the sample consisted of industrial enterprises – 405 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) – 65 or 14% of the sample, small (from 11 to 50 workers) – 142 or 30% of the sample, medium-sized (from 51 to 250 workers) – 151 or 32% of the sample, and large (more than 250 workers) – 112 or 24% of the sample.

⁸ 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-	65	14%
Small	142	30%
Middle	151	32%
Large	112	24%
TOTAL	470	100%

Sector/ industry

	Number	Share of sample
Agriculture	12	2,6%
Metal production and metalworking	25	5,3%
Chemical industry	37	7,9%
Mechanical engineering	54	11,5%
Woodworking industry	28	6,0%
Construction materials production	30	6,4%
Food industry	140	29,8%
Light industry	49	10,4%
Printing industry	9	1,9%
Other industries	33	7,0%
Construction	5	1,1%
Trade	31	6,6%
Services	17	3,6%
TOTAL	470	100%

Performance indicators of enterprises and business environment by size, indices (December 2024)

	Total	Micro	Small	Middle	Large
Production	0,16	-0,24	-0,02	0,14	0,33
Expected changes in production	0,28	-0,03	0,18	0,29	0,38
Sales	0,19	-0,24	-0,02	0,17	0,40
Expected sales changes	0,29	-0,07	0,18	0,30	0,41
Export	0,15	-0,28	-0,08	0,09	0,27
Expected changes in exports	0,33	0,21	0,09	0,30	0,41
Account receivables	-0,10	-0,08	-0,21	-0,11	-0,03
Expected changes in account receivables	-0,20	-0,25	-0,29	-0,27	-0,09
Account payables	-0,14	-0,24	-0,19	-0,19	-0,06
Expected changes in accounts payable	-0,21	-0,24	-0,32	-0,25	-0,10

	Total	Micro	Small	Middle	Large
Tax arrears	-0,14	-0,17	-0,21	-0,18	-0,09
Expected changes in tax arrears	-0,21	-0,21	-0,30	-0,27	-0,14
Stocks of raw materials	0,04	-0,07	-0,06	-0,01	0,16
Expected changes in stocks of raw material	0,24	0,09	0,12	0,24	0,32
Stocks of finished goods	-0,05	-0,07	-0,11	0,00	-0,05
Expected changes in stocks of finished goods	0,09	-0,09	0,14	0,09	0,08
New orders	0,12	-0,24	0,00	0,09	0,27
Expected changes in new orders	0,25	-0,04	0,13	0,22	0,40
Purchase prices	0,31	0,33	0,36	0,31	0,29
Expected changes in purchase prices	0,34	0,37	0,41	0,33	0,33
Domestic sales prices	0,32	0,23	0,36	0,30	0,31
Changes in the domestic sales prices	0,35	0,31	0,40	0,34	0,35
Number of workers	-0,06	-0,12	-0,07	-0,07	-0,04
Expected changes in the number of workers	0,06	0,07	0,04	0,09	0,05
Number of workers on forced leave	0,03	-0,02	0,06	0,03	0,01
Expected changes in the number of workers on forced leave	0,09	0,10	0,11	0,13	0,04
Skilled workers	0,51	0,54	0,52	0,45	0,52
Unskilled workers	0,29	0,24	0,25	0,22	0,37
Business activity assessment	0,12	-0,28	0,04	0,11	0,23
Expected changes in business activity	0,21	-0,09	0,15	0,19	0,32
Assessment of the business environment	0,08	-0,27	-0,04	0,06	0,21
Expected changes in the business environment	0,19	-0,10	0,03	0,15	0,33
Do you plan to expand your company's activities in the next two years	0,12	0,12	0,09	0,12	0,13
How do you assess your company's business activity in the current month, compared to the same period last year in 2023?	0,24	-0,30	0,09	0,20	0,48

Performance indicators of enterprises and business environment by sector, indices (December 2024)

	Total	Metal production and metalworking	Chemical Industry	Engineering	Woodworking industry
Production	0,16	0,00	-0,08	0,08	0,14
Expected changes in production	0,28	0,14	0,29	0,33	0,33

	Total	Metal producti on and metalw orking	Chemical Industry	Engineerin g	Woodwor king industry
Sales	0,19	-0,04	0,00	0,00	0,29
Expected sales changes	0,29	0,14	0,30	0,35	0,33
Export	0,15	0,14	-0,14	-0,08	0,06
Expected changes in exports	0,33	0,18	0,32	0,42	0,35
Account receivables	-0,10	-0,18	-0,33	-0,21	0,07
Expected changes in account receivables	-0,20	-0,45	-0,27	-0,05	-0,20
Account payables	-0,14	-0,19	-0,22	-0,19	0,00
Expected changes in accounts payable	-0,21	-0,39	-0,27	-0,10	-0,20
Tax arrears	-0,14	-0,25	-0,25	-0,19	0,00
Expected changes in tax arrears	-0,21	-0,22	-0,25	-0,11	-0,31
Stocks of raw materials	0,04	-0,04	-0,11	-0,06	0,07
Expected changes in stocks of raw material	0,24	0,09	0,26	0,20	0,18
Stocks of finished goods	-0,05	-0,04	-0,19	-0,16	0,04
Expected changes in stocks of finished goods	0,09	-0,04	0,14	0,07	0,15
New orders	0,12	-0,08	-0,03	0,02	0,14
Expected changes in new orders	0,25	0,00	0,35	0,20	0,30
Purchase prices	0,31	0,12	0,17	0,40	0,41
Expected changes in purchase prices	0,34	0,30	0,42	0,39	0,37
Domestic sales prices	0,32	0,16	0,19	0,44	0,43
Changes in the domestic sales prices	0,35	0,29	0,41	0,43	0,41
Number of workers	-0,06	-0,20	-0,11	-0,10	-0,04
Expected changes in the number of workers	0,06	0,00	0,06	0,09	0,11
Number of workers on forced leave	0,03	-0,05	0,06	0,02	0,04
Expected changes in the number of workers on forced leave	0,09	0,00	0,21	0,09	0,17
Skilled workers	0,51	0,67	0,31	0,50	0,56
Unskilled workers	0,29	0,25	0,12	0,25	0,00
Business activity assessment	0,12	-0,20	0,15	0,06	0,18
Expected changes in business activity	0,21	-0,06	0,23	0,13	0,25
Assessment of the business environment	0,08	-0,17	0,06	-0,06	0,14
Expected changes in the business environment	0,19	-0,29	0,14	0,10	0,05
Do you plan to expand your company's activities in the next two years	0,12	0,13	0,21	0,07	0,21

	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?	0,24	-0,04	0,23	0,24	0,23

	Total	Construc tion material s producti ons	Food Industry	Light industry	Printing industry
Production	0,16	-0,26	0,27	-0,02	-0,25
Expected changes in production	0,28	0,04	0,24	0,17	0,25
Sales	0,19	-0,22	0,28	0,06	-0,25
Expected sales changes	0,29	0,08	0,25	0,18	0,38
Export	0,15	-0,17	0,30	0,00	-0,25
Expected changes in exports	0,33	0,20	0,28	0,26	-0,25
Account receivables	-0,10	-0,50	-0,03	-0,09	0,50
Expected changes in account receivables	-0,20	-0,44	-0,20	-0,32	0,25
Account payables	-0,14	-0,31	-0,08	-0,24	0,00
Expected changes in accounts payable	-0,21	-0,33	-0,22	-0,35	0,00
Tax arrears	-0,14	-0,07	-0,14	-0,11	0,00
Expected changes in tax arrears	-0,21	-0,36	-0,27	-0,23	-0,50
Stocks of raw materials	0,04	-0,04	0,14	-0,11	-0,29
Expected changes in stocks of raw material	0,24	0,15	0,22	0,13	0,14
Stocks of finished goods	-0,05	-0,08	0,02	-0,11	-0,17
Expected changes in stocks of finished goods	0,09	0,12	0,09	-0,02	0,14
New orders	0,12	-0,22	0,24	-0,04	0,00
Expected changes in new orders	0,25	0,04	0,25	0,07	0,25
Purchase prices	0,31	0,26	0,32	0,39	0,50
Expected changes in purchase prices	0,34	0,08	0,37	0,40	0,25
Domestic sales prices	0,32	0,33	0,34	0,24	0,38
Changes in the domestic sales prices	0,35	0,12	0,36	0,36	0,38
Number of workers	-0,06	-0,12	-0,01	-0,04	0,13
Expected changes in the number of workers	0,06	-0,04	0,04	0,12	0,00

	Total	Construction materials productions	Food Industry	Light industry	Printing industry
Number of workers on forced leave	0,03	-0,05	0,03	0,03	0,14
Expected changes in the number of workers on forced leave	0,09	0,16	0,08	0,16	0,00
Skilled workers	0,51	0,44	0,54	0,62	0,71
Unskilled workers	0,29	0,22	0,43	0,33	0,29
Business activity assessment	0,12	-0,07	0,19	-0,02	-0,12
Expected changes in business activity	0,21	0,37	0,24	0,08	-0,40
Assessment of the business environment	0,08	-0,04	0,17	-0,11	-0,37
Expected changes in the business environment	0,19	0,11	0,25	0,06	-0,40
Do you plan to expand your company's activities in the next two years	0,12	0,00	0,09	0,32	0,25
How do you assess your company's business activity in the current month, compared to the same period last year in 2023?	0,24	0,16	0,29	0,07	0,00