



співпраця з  
німеччиною  
DEUTSCHE ZUSAMMENARBEIT

Implemented by:  
**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

 THE UKRAINIAN CHAMBER  
OF COMMERCE AND INDUSTRY



# BUSINESS BAROMETER

## Monthly Ukrainian Business Survey

**Hot Issue: “Is the business willing to pay for the reservation of employees? “**

**April 2024**  
**Issue #7**  
**(Survey April 08-17, 2024)**

The results presented solely represent the opinions of the respondents and should not be interpreted as forecasts or evaluations by the Ukrainian Chamber of Commerce and Industry

## Issue #7 | April 2024

- In April 2024, the overall Business Barometer Index fell to **44.6**, showing a decline of **↓1.2** points compared to March of this year. The Business Barometer Index remains below the critical 50-point threshold, indicating dominant negative expectations.
- Improvements are expected in the Construction and Trade sectors, with significant increase compared to March 2024. The Barometer indices are at **52.5**, up by **↑11.1** points, and at **47.2**, up by **↑5.1** points, respectively.
- The Service sector again showed a deterioration in business conditions, with an index of **46.3**, down by **↓0.4** points.
- After a relative improvement in March 2024, the Manufacturing sector is again characterized by worsening expectations, with an index of **42.2**, down by **↓3.5** points.
- Exporters' expectations have moderately deteriorated, with a decrease of **↓0.7** points in the Barometer Index to **44.3** points. Micro and small enterprises anticipate that negative trends will continue to dominate, with index values at **44.0** and **43.9** points, respectively, after declines of **↓3.5** to **↓2.6** points.
- Medium and large enterprises are more confident about the future than micro and small ones, with Barometer scores at **45.8** and **47.8** points, respectively, showing increases from March 2024 of **↑2.9** and **↑2.2** points.
- Responses to the pressing issue of the month reveal the business stance on the economic reservation of employees. Only 9% of respondents are not ready to pay for reserving employees. Sixty-four percent are willing to reserve employees, but the decision depends on the terms of reservation and the number of employees they are ready to reserve. Only 11% of businesses are ready to reserve on any terms, and 16% support the current government model for reservation.

**A Business Barometer value of 50 indicates no change in expectations. A value above 50 suggests that businesses expect economic conditions to improve compared to the previous month; a value below 50 indicates negative expectations regarding changes compared to the previous month.**

***Globally, under favorable business conditions, the index value typically reaches 60 or higher.***

# BUSINESS BAROMETER



- the index value is over 55 points
- the index value is from 45 to 55 points (± 10% of 50 points)
- the index value is below 45 points

	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024
Overall	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>
Manufacturing	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>
Services	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Trade	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>
Construction	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>
Micro enterprises	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>
Small enterprises	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>
Medium enterprises	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>
Large enterprises	<span style="color: orange;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Exporters	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: yellow;">●</span>	<span style="color: orange;">●</span>



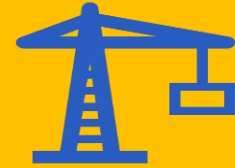
**44,6** ↓-1,2

**BUSINESS BAROMETER  
OVERALL**



**MANUFACTURING**

**42,2** ↓-3,5



**CONSTRUCTION**

**52,5** ↑+11,1



**SERVICES**

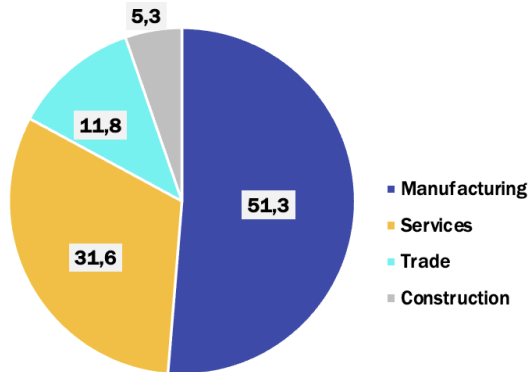
**46,3** ↓-1,2



**TRADE**

**47,2** ↑+5,1

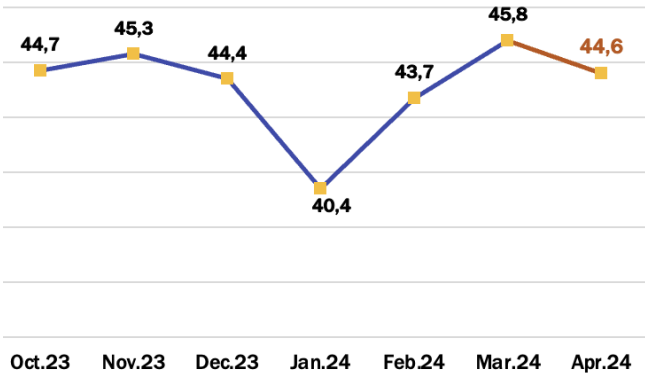
Distribution of respondents by sector  
Share of respondents, %





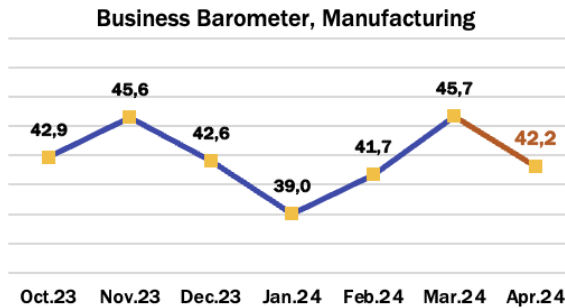
# 44,6 ↓-1,2

## BUSINESS BAROMETER OVERALL



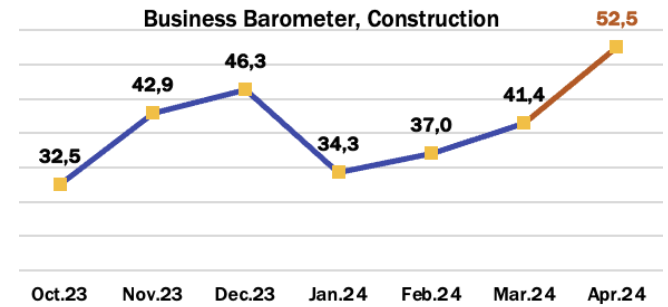
### MANUFACTURING

# 42,2 ↓-3,5



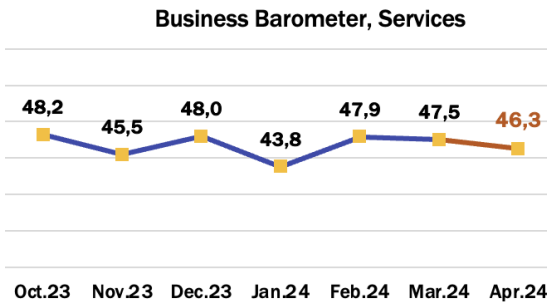
### CONSTRUCTION

# 52,5 ↑+11,1



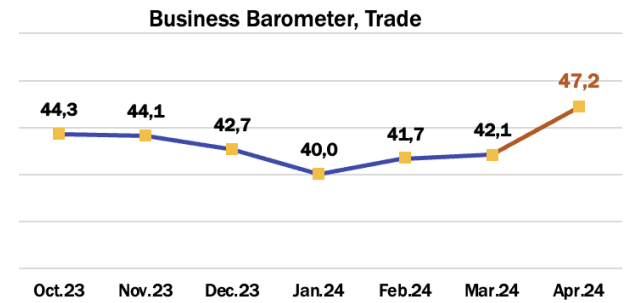
### SERVICES

# 46,3 ↓-1,2



### TRADE

# 47,2 ↑+5,1

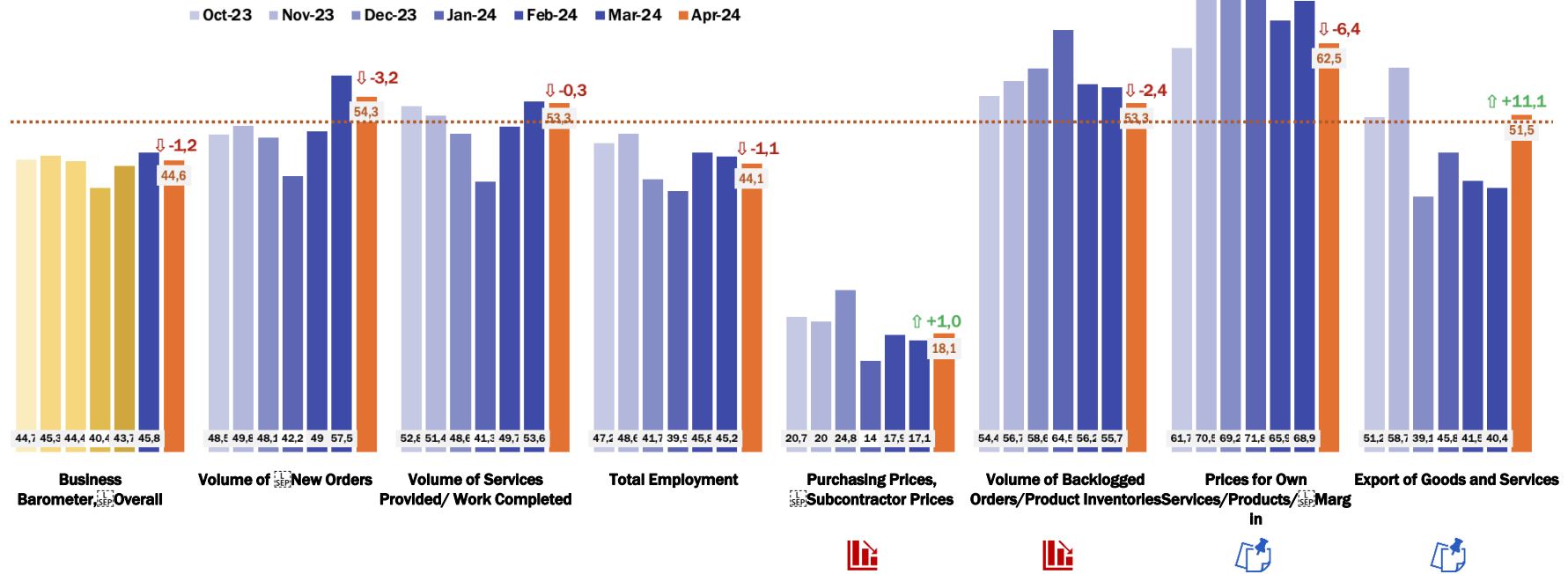


# 44,6

↓ -1,2

## BUSINESS BAROMETER OVERALL


### Comparison of Business Barometer Indices by Indicator for April 2024 compared to March 2024




The overall Business Barometer Index decreased by 1.2 points in April 2024 and reached 44.6 points.

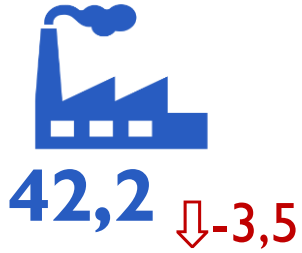
Positive business expectations were noted in the growth of new orders (54.3 points), volume of work completed (53.3 points), reduction in the backlog of orders (53.3 points), increase in margins (62.5 points), and export of goods and services (51.5 points). However, all these indicators, except for export, showed a decrease compared to the previous month.

Negative business expectations are observed regarding the decrease in the total employment (44.1 points) and the further increase in purchasing prices (18.1 points), with both indicators remaining relatively unchanged compared to the previous period.

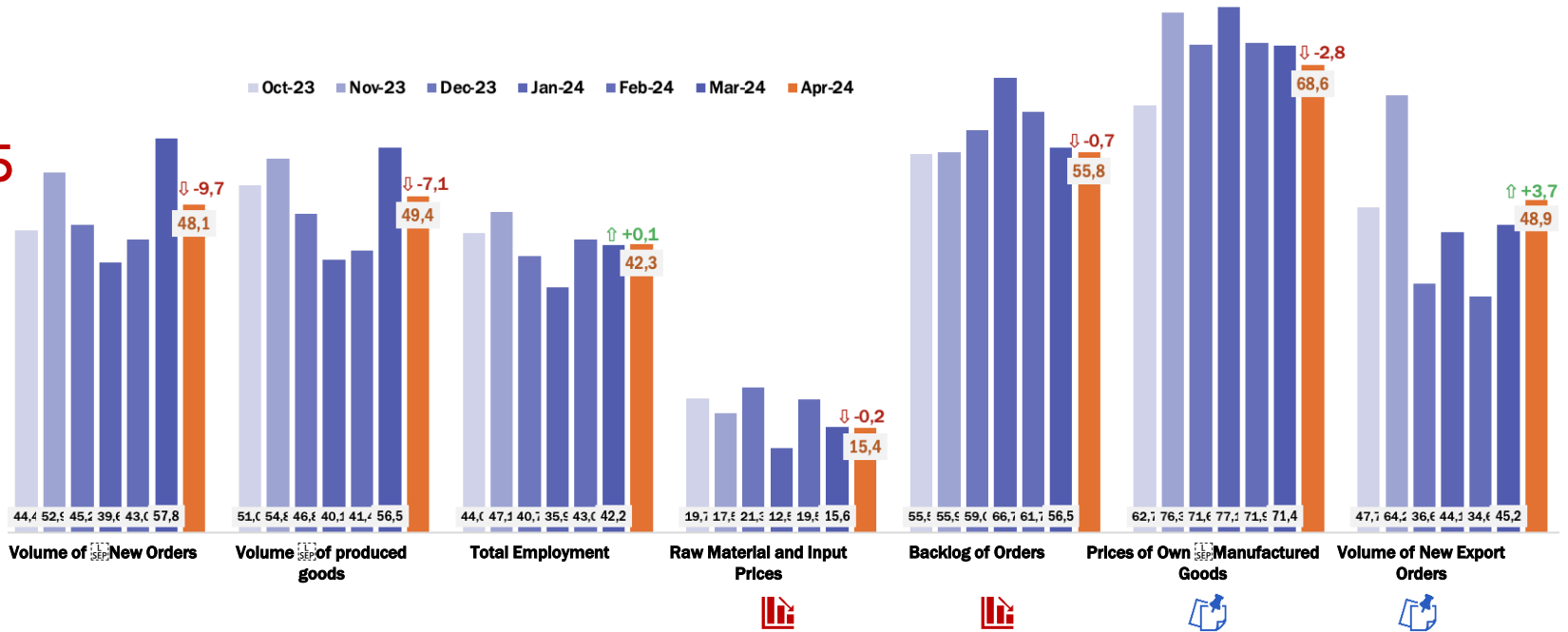
 Deterrent indicators are considered in the opposite sense when calculating the Business Barometer indices.

 These indicators provide additional insight into market conditions and are not considered in the calculation of the Business Barometer.

# MANUFACTURING



## Manufacturing Sector Business Expectations in April 2024 compared to March 2024



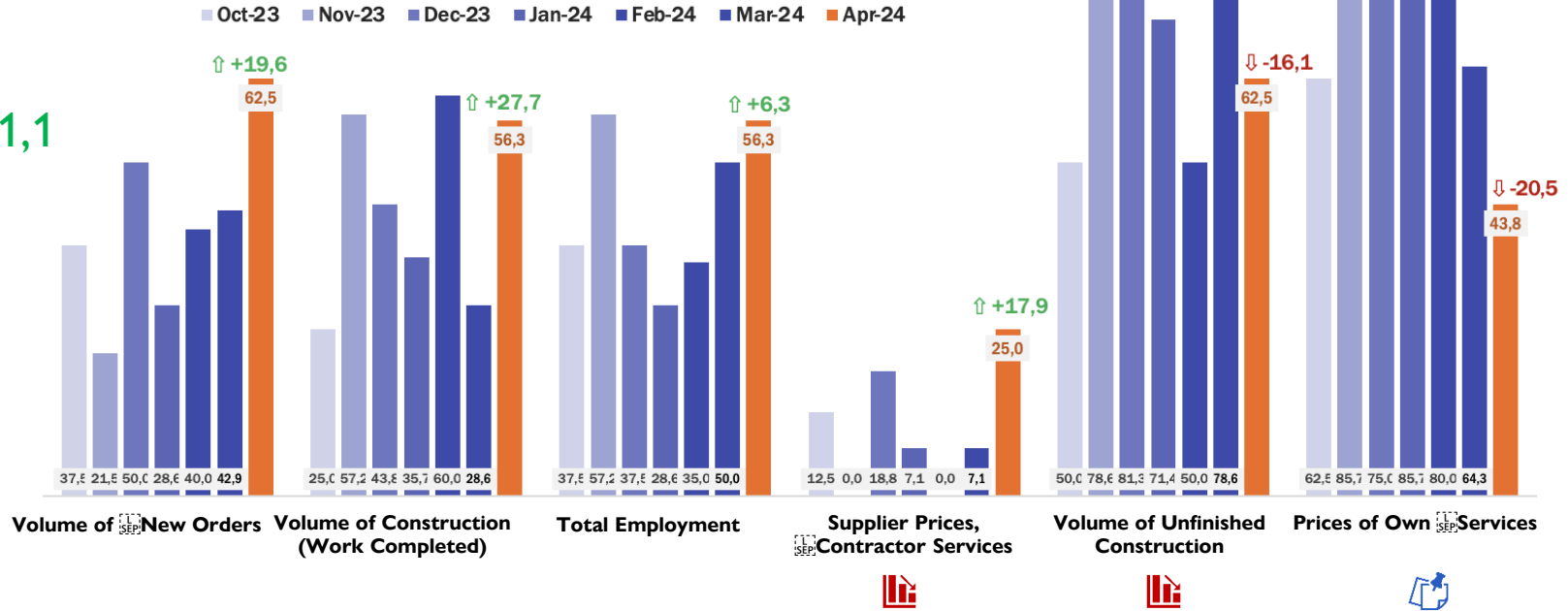
Manufacturing enterprises are showing an increased pessimistic outlook about the future in April 2024, with a decline of 3.5 points from the previous month, bringing the index to 42.2 points. The manufacturing sector demonstrates positive expectations only regarding the reduction in the backlog of orders (55.8 points) and the potential for further increasing the price of domestically produced goods (68.6 points). At the same time, each of these indicators showed a slight downward trend (-0.7 and -2.8 points, respectively). All other indicators are in the realm of negative expectations (less than 50 points). The most problematic issue remains the rising cost of raw materials and inputs, as indicated by a Barometer value of only 15.4 points. The volumes of new orders, manufactured goods, and new export orders remain almost unchanged, each scoring slightly less than 50 points. However, there is a significant decrease in the Barometer values for new orders and production volumes compared to the previous month (-9.7 and -7.1 points, respectively). It is also expected that the total employment will continue to trend downwards, with the index standing at 42.3 points without significant changes.

# CONSTRUCTION



52,5 ↑ +11,1

## Construction Sector Business Expectations in April 2024 compared to March 2024



The construction sector demonstrated a significant improvement in expectations, increasing by 11.1 points, in April 2024. As a result, for the first time, the Barometer's value crossed the 50-point threshold, reaching 52.5 points. The positive expectations of the construction sector primarily concern an increase in the volume of new orders and a simultaneous decrease in the volume of unfinished construction. Both indicators are at 62.5 points, with the volume new orders increasing by 19.6 points and the volume of unfinished construction decreasing by 16.1 points compared to the previous month.

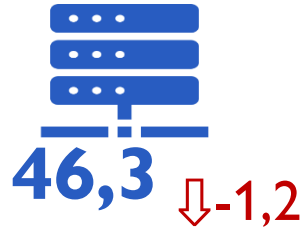
There is also an anticipated increase in the volume of construction (work completed) and, consequently, total employment, as indicated by the Barometer's value of 56.3 points for both indicators. Compared to the previous survey period, the increase in the first indicator is +27.7 points, and the second is +6.3 points.

The main constraint on the development of the construction sector remains the expectation of rising supplier prices (contractor services), as indicated by the Barometer's value of 25 points, although this is significantly higher than previous assessments (+17.9).

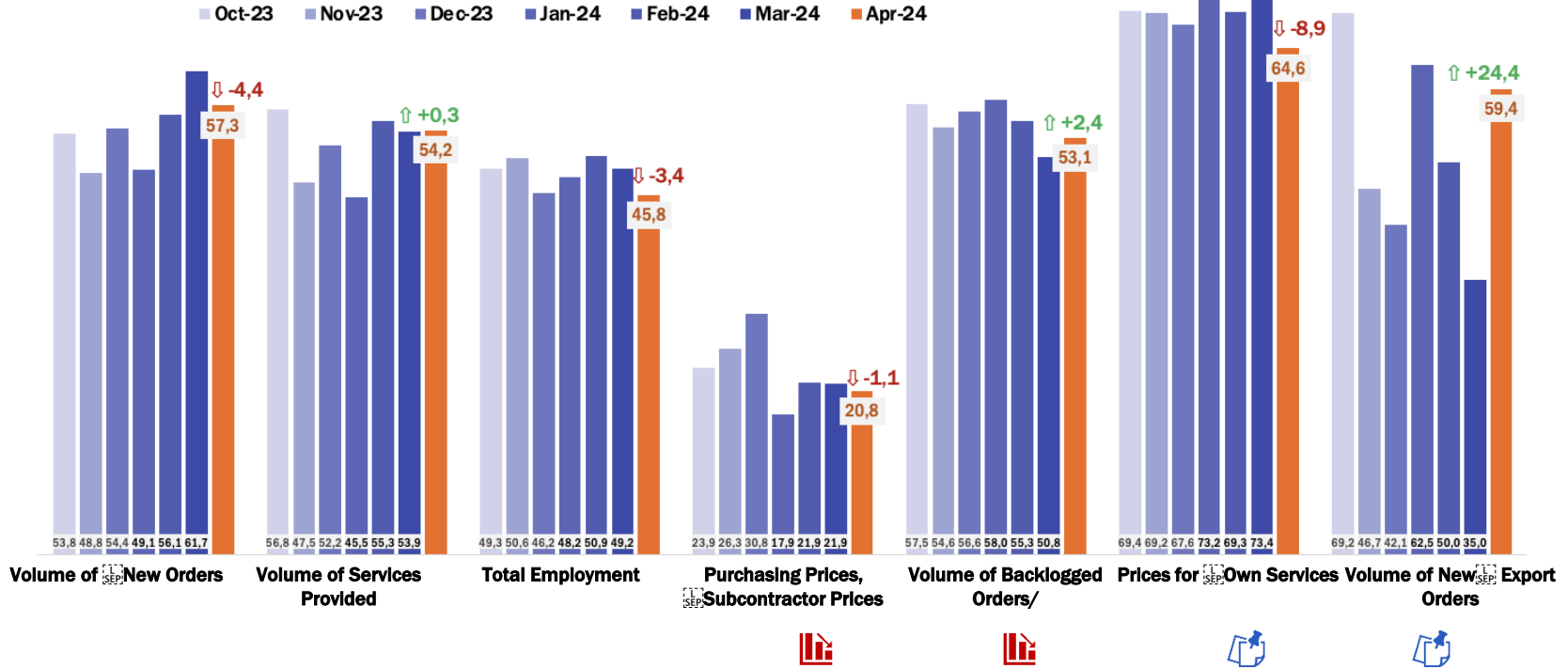
For the first time since the beginning of systematic observations, representatives of the construction sector expect a reduction in the prices of their own services, with a score of 43.8 points, which is 20.5 points less than in March.



# SERVICES



## Service Sector Business Expectations in April 2024 compared to March 2024



The service sector feels less confident in April 2024 compared to previous months, experiencing a decline of 1.2 points and continuing to reside in the zone of moderate pessimism with a Barometer index value of 46.3 points. The business outlook in the services sector is positive for the majority of indicators (3 out of 5). There is an anticipated increase in the volume of new orders (Barometer value of 57.3 points, down 4.4 points compared to March), an increase in the volume of services provided (Barometer value of 54.2 points, up 0.3 points compared to March), and a decrease in the backlog of unfulfilled orders (Barometer value of 53.1 points, up 2.2 points compared to March).

Businesses anticipate that prices (rates) for their own services will rise (Barometer value of 64.6 points, down 8.9 points compared to March) and that there will be an increase in the volume of new export orders (Barometer value of 59.4 points, up 24.4 points compared to March).

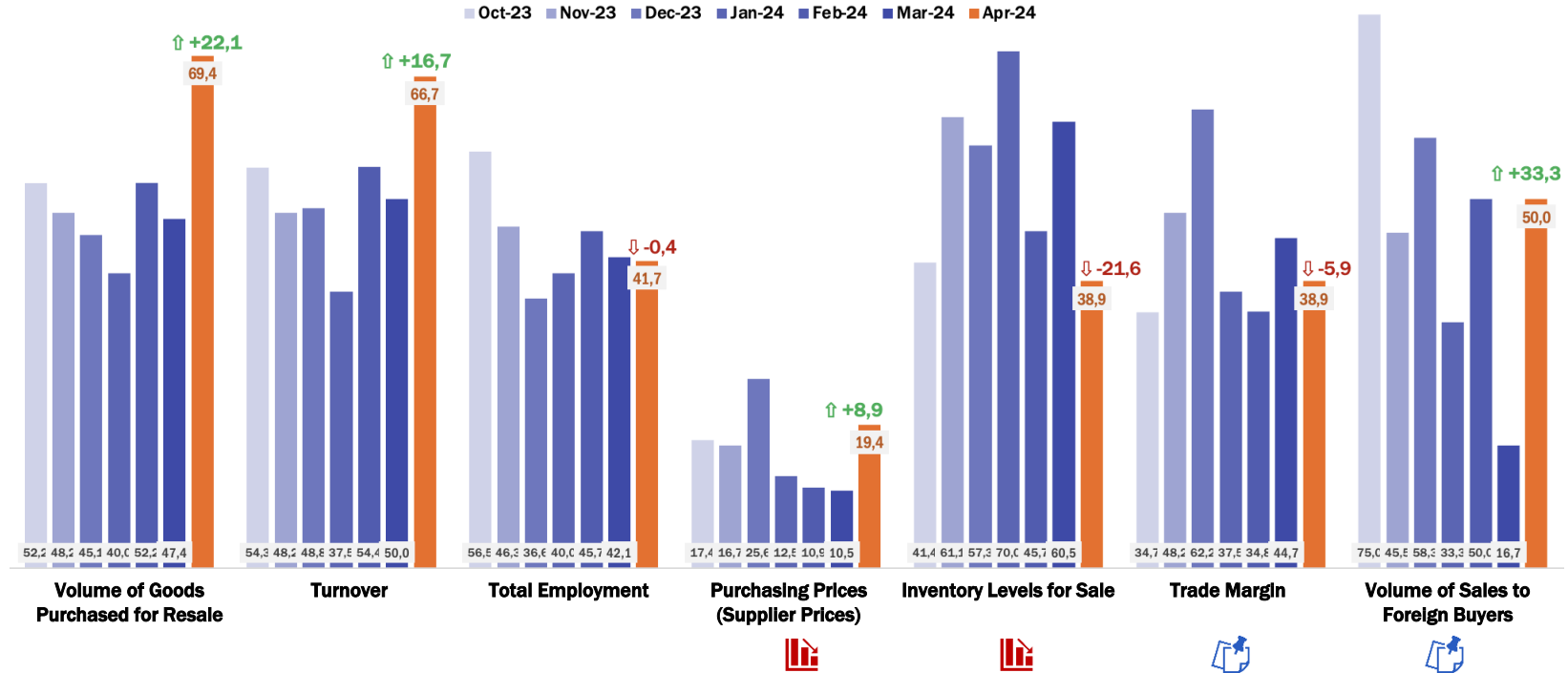
As in other sectors, a key factor behind the relatively low Barometer index in the service sector is the expectation of rising purchasing prices (Barometer value of 20.8 points, down 1.1 points compared to March). Despite the anticipated increase in service volumes, there is an expected optimization in the number of employees (Barometer value of 45.8 points, down 3.4 points compared to March).

# TRADE



47,2 ↑+5,1

## Trade Sector Business Expectations in April 2024 compared to March 2024



The Trade Sector Barometer Index showed a substantial increase of 5.1 points compared to the previous period, although it remains below the neutral 50 points. In the trade sector, business expectations are positive in 2 out of 5 indicators.

Significant growth is expected in the volumes of goods procurement and turnover - 69.4 and 66.7 points respectively, taking into account the increase of 22.1 and 16.7 points from the previous period.

Negative expectations are observed in the reduction of total employment (Barometer score of 41.7 points, down 0.2 points compared to March), an increase in supplier prices (Barometer score of 19.4 points, up 8.9 points compared to March), an increase in inventory levels for sale (Barometer score of 38.9 points, down 21.6 points compared to March), and a decrease in trade margins (Barometer score of 38.9 points, down 5.9 points compared to March).

Export volumes are expected to remain at the same level, with a Barometer score of 50.0 points, up 33.3 points compared to the previous period.



**44,6** ↓-1,2

**BUSINESS BAROMETER  
OVERALL**

**Micro-  
enterprises**  
(0-9 persons employed)

**44,0** ↓-3,5

**Small  
enterprises**  
(up to 50 persons employed)

**43,9** ↓-2,6



**EXPORTERS**

**44,3** ↓-0,7

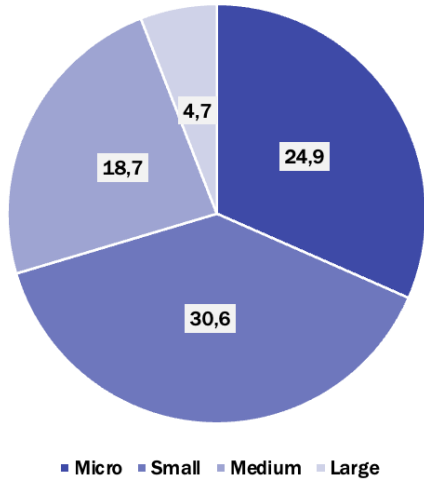
**Medium  
enterprises**  
(10-249 persons employed)

**45,8** ↑+2,9

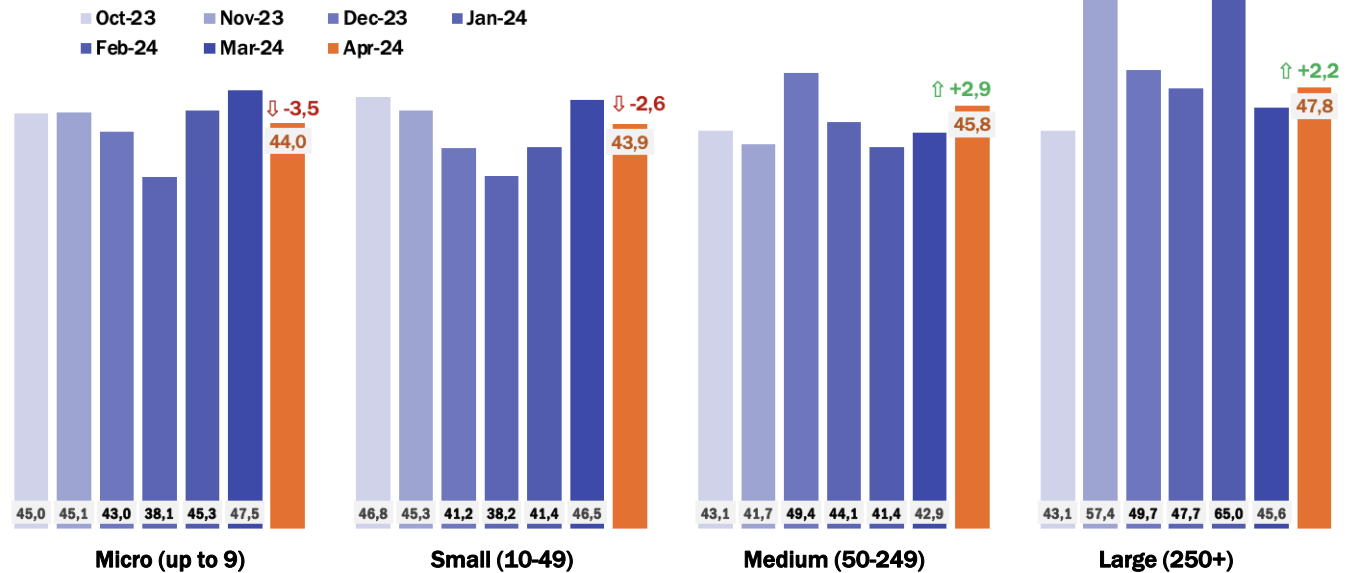
**Large  
enterprises**  
(250 or more persons)

**47,8** ↑+2,2

Distribution of enterprises - respondents by company size, %



## Business and Entrepreneur Expectations by Company Size in April 2024 Compared to March 2024



Regardless of business size, moderate negative expectations are prevalent.

Micro and small businesses are slightly more pessimistic about the future, with Barometer index values around 44.0 points, somewhat worse than the previous month (-3.5 and -2.6 points, respectively).

Large and medium-sized businesses feel more confident, showing increases of 2.2 to 2.9 points to Barometer values of 47.8 and 45.8 points, respectively.



44,3 ↓-0,7

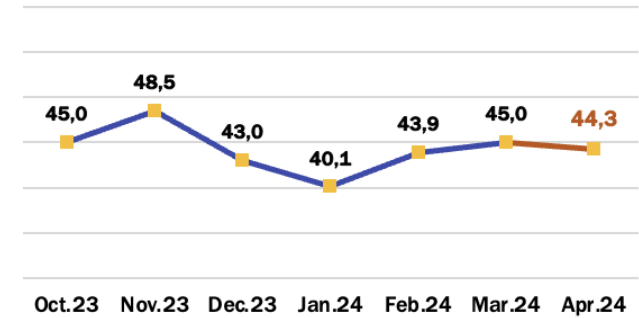
**EXPORTERS**

41,4% respondents

### April 2024 Exporters' Expectations Across All Sectors Compared to March 2024

Provides an additional assessment of market conditions, not included in the Business Barometer

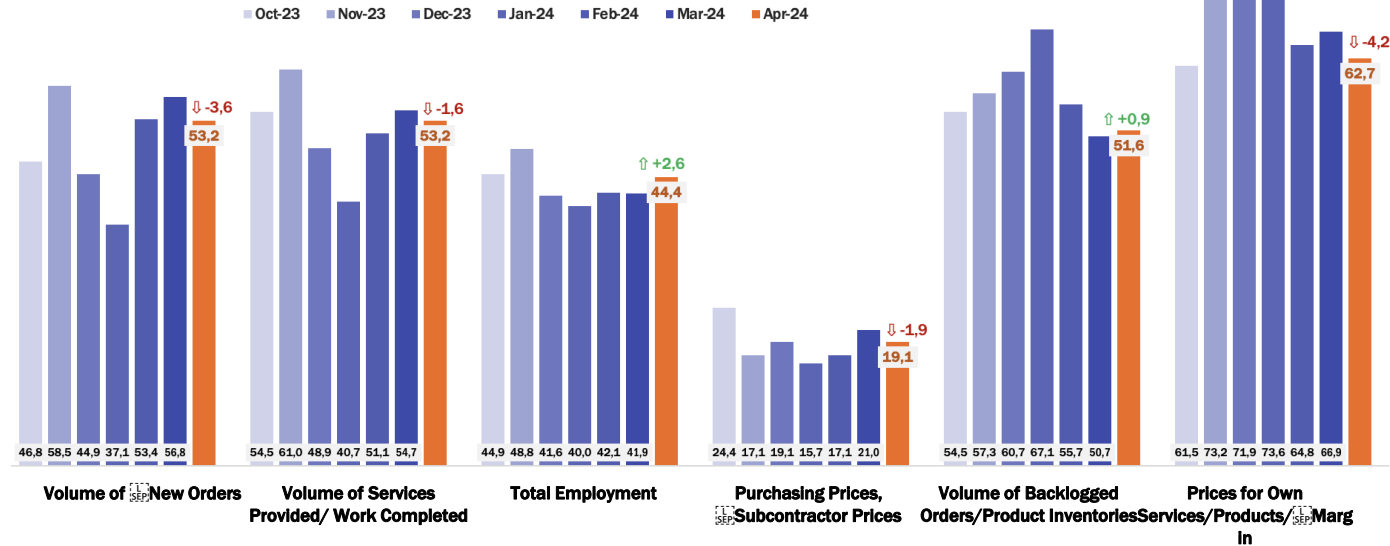
Business Barometer, Exporters



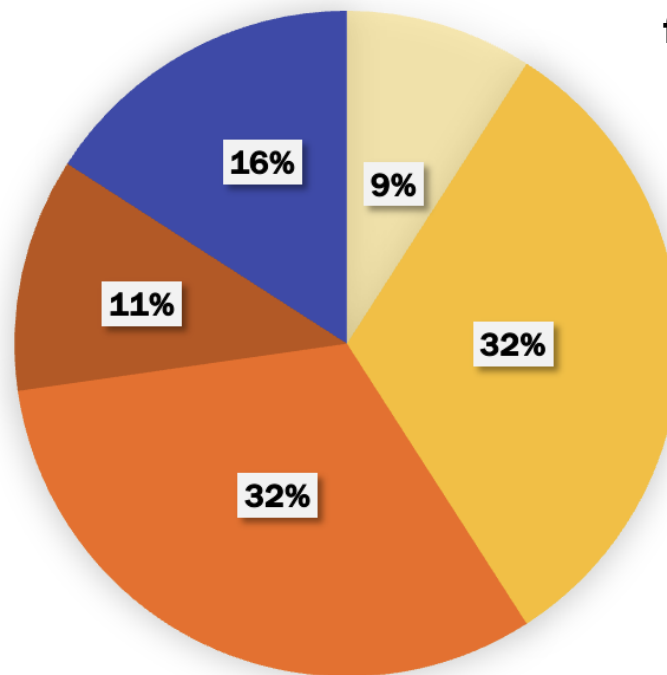
Exporters are cautiously optimistic about the future in April 2024, with the Barometer value at 44.3 points. Exporters' positive expectations are observed in the growth of new orders and completed works, with Barometer value of 53.2 points for each indicator with a decrease of 3.6 and 1.6 points, respectively compared to March.

A slight reduction in inventory levels is anticipated (Barometer value of 51.6 points, an increase of 0.9 points from the previous period) against a backdrop of rising margins (Barometer value of 62.7 points, a decrease of 4.2 points compared to March).

Negative expectations are driven by the rising purchasing prices (Barometer value of 19.1 points, a decrease of 1.9 points compared to March) and a reduction in total employment (Barometer value of 44.4 points, an increase of 2.6 points compared to the previous period).



## FOR APRIL 2024: HOT ISSUE SURVEY RESULTS



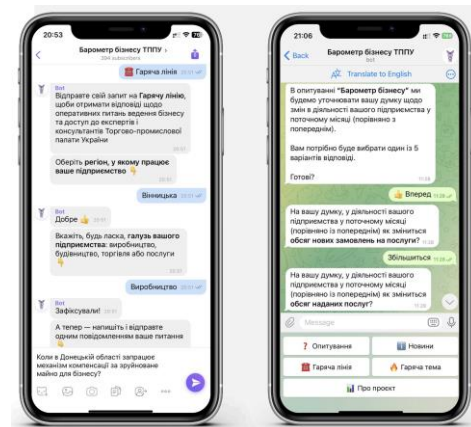
«Is the business willing to pay for the reservation of employees?»

- Not ready, impractical
- Ready to reserve individual specialists
- Depends on the reservation conditions
- We will reserve under any conditions
- We support the government reservation model

TAKE THE SURVEY

## Chatbots VIBER & TELEGRAM

- Monthly regular survey
- The "hot" issue of the month
- "Hotline" of the Ukrainian CCI system



The Business Barometer from the Ukrainian Chamber of Commerce and Industry (UCCI) represents the perspectives of enterprises and entrepreneurs who are members and partners of the UCCI. It reflects expectations for changes in the business environment in the coming month compared to the previous one.

Based on a survey that considers the status of indicators (or "sub-indices") of the respondents' activities across four sectors (manufacturing, construction, trade, services), the Business Barometer is tailored to meet the needs of the members and partners of the Ukrainian Chamber of Commerce and Industry. A distinctive feature of the Business Barometer is the inclusion of specialized industry questions and an analysis of export conditions, which provides additional insights into market conditions.

The survey covers questions regarding:

- Volume of new orders/purchase of goods;
- Production volumes/turnover;
- Total employment;
- Purchasing prices/contractor prices;
- Unfulfilled order volume/inventory levels;
- Prices of own production/trade margin\*;
- Exports\*

\* - Extra questions that are not considered in the calculation of the Business Barometer.

## METHODOLOGY



The Business Barometer is calculated using the PMI methodology (Purchasing Manager Index):

$$\text{PMI} = (\text{P1} * 1) + (\text{P2} * 0,5) + (\text{P3} * 0)$$

where:

P1 = % of responses indicating an improvement

P2 = % of responses indicating no change

P3 = % of responses indicating a deterioration

- A value **above 50** signifies growth or expansion in the economic sector compared to the previous month.
- A value **below 50** indicates a contraction.
- A value of **50** indicates that there is no change compared to the previous month.



Attention! The indicators "**Purchasing Prices**" and "**Unfulfilled Order Volume/Inventory Levels**" are considered deterrents and are interpreted inversely in the calculation.

To detail the provided responses, a 5-point scale is used (will decrease – likely to decrease – no change – likely to increase – will increase).

For calculating the Business Barometer indicator, a 3-point scale is applied, and responses are summed up as follows:

- will decrease and likely to decrease;
- no change;
- likely to increase and will increase.



**FOR the SUPPORT**



Implemented by:



This publication was created under the “Support to inclusive economic development in Ukraine by linking export strategy with regional development and SDGs” Project, which is funded by [German Government](#) and implemented by German Federal Company Deutsche Gesellschaft für Internationale Zusammenarbeit ([GIZ](#)) GmbH in cooperation with the United Nations Development Programme (UNDP) in Ukraine.

The views, conclusions or recommendations expressed in this document are those of the authors and compilers and do not necessarily reflect the views of the German Government, GIZ, the United Nations Development Programme in Ukraine or other United Nations agencies.