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THE UKRAINIAN CHAMBER  
OF COMMERCE AND INDUSTRY



# BUSINESS BAROMETER

MONTHLY UKRAINIAN BUSINESS SURVEY

Hot Issue:

**«The Level of Enterprises' Preparedness for Possible Winter Power Outages»**

**November 2024**

**Issue #14**

**(survey November 13-21, 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 #14 | November 2024

- In November 2024, the overall Business Barometer Index declined to **39.4** points, marking a drop of **↓-0.9** points compared to the previous month. This represents the lowest reading since the inception of regular observations in October 2023.
- Improvement is forecasted only in the construction sector, where the Business Barometer Index stands at **52.9** points. However, the number of optimistic businesses in this sector continues to decrease for the third consecutive month (**↓-2.1** compared to the previous month).
- Negative expectations have moderately eased in the trade (**41.0↑+0.6**) and services (**40.5↑+0.2**) sectors, yet pessimistic sentiments still dominate.
- The manufacturing sector shows the most cautious outlook, with an increase in the number of skeptics (**37.0↓-1.6**).
- Across all business sizes, negative expectations prevail. Micro and medium-sized enterprises have slightly softened their negative outlooks (**42.3↑+0.1** and **38.0↑+0.4**, respectively). In contrast, small and large businesses report a growing number of pessimistic respondents (**37.9↓-2.7** and **42.2↓-2.8**, respectively).
- Exporters' expectations align with the general business trend, though they show a slight easing of pessimistic outlooks (**39.5↑+2.0**).
- A recent survey highlights the readiness of businesses to tackle potential winter power outages. The majority of enterprises (59%) rely on generators as their primary backup solution. Meanwhile, 18% are actively investing in new equipment to enhance their preparedness. Alternative energy sources are utilized by 6% of respondents, while only 3% have ensured full autonomous power supply. However, 14% of businesses remain unequipped and are focusing on reducing energy consumption as a temporary measure. These findings underline the diverse strategies enterprises are adopting to mitigate risks during the winter season, emphasizing the importance of energy resilience in business operations.

**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



Business Barometer	2023			2024										
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Overall														
Manufacturing														
Services														
Trade														
Construction														
Micro enterprises														
Small enterprises														
Medium enterprises														
Large enterprises														
Exporters														

- 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



39,4↓-0,9

BUSINESS BAROMETER  
OVERALL



MANUFACTURING

37,0↓-1,6



CONSTRUCTION

52,9↓-2,2



SERVICES

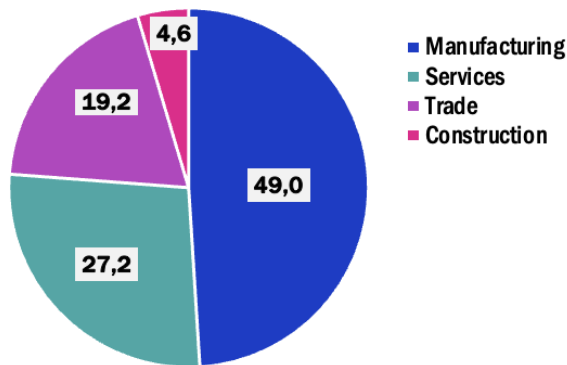
40,5↑+0,2



TRADE

41,0↑+1,2

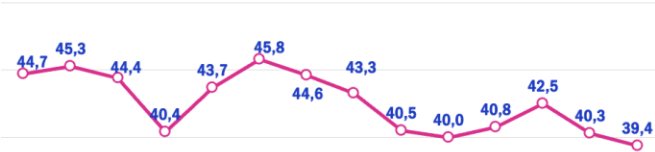
Distribution of respondents by sector  
Share of respondents, %





# 39,4 ↓-0,9

## BUSINESS BAROMETER OVERALL

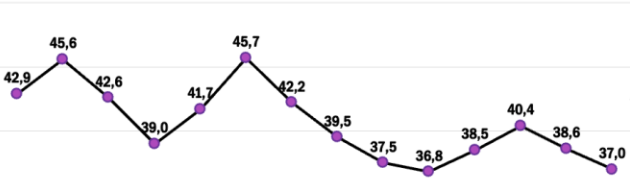


Oct.23 Nov.23 Dec.23 Jan.24 Feb.24 Mar.24 Apr.24 May.24 Jun.24 Jul.24 Aug.24 Sep.24 Oct.24 Nov.24



## NANUFACTURING

37,0 ↓-1,6

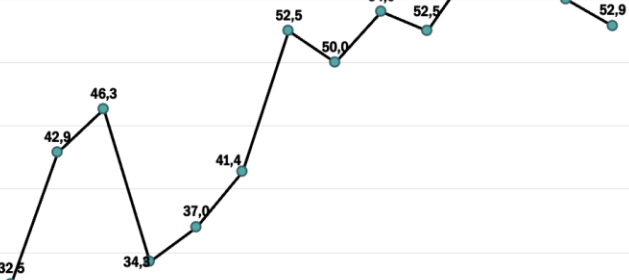


Oct.23 Nov.23 Dec.23 Jan.24 Feb.24 Mar.24 Apr.24 May.24 Jun.24 Jul.24 Aug.24 Sep.24 Oct.24 Nov.24



## CONSTRUCTION

52,9 ↓-2,1

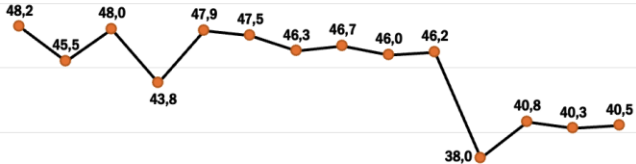


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## SERVICES

40,5 ↑+0,2

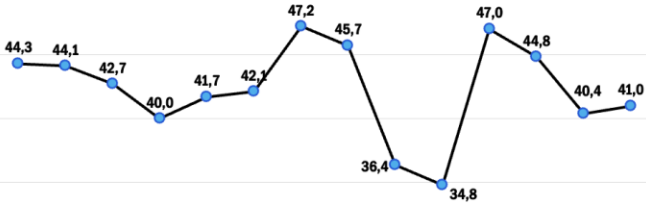


Oct.23 Nov.23 Dec.23 Jan.24 Feb.24 Mar.24 Apr.24 May.24 Jun.24 Jul.24 Aug.24 Sep.24 Oct.24 Nov.24



## TRADE

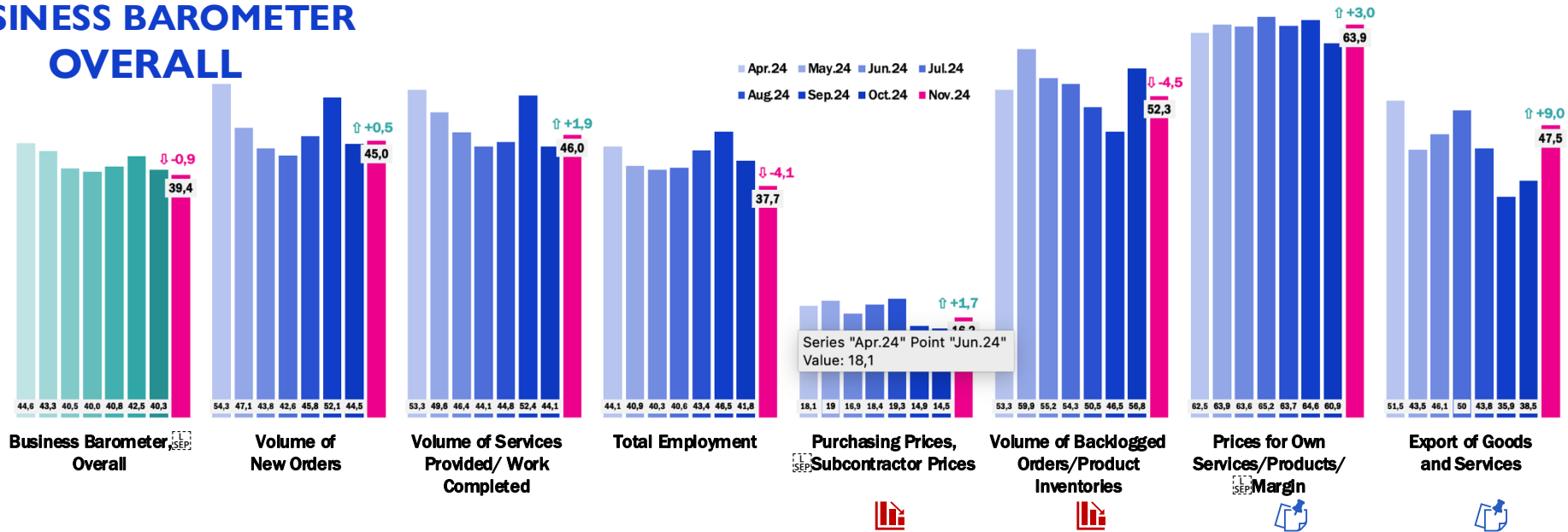
41,0 ↑+1,2



Oct.23 Nov.23 Dec.23 Jan.24 Feb.24 Mar.24 Apr.24 May.24 Jun.24 Jul.24 Aug.24 Sep.24 Oct.24 Nov.24

Comparison of Business Barometer Indices by Indicator  
for November 2024 compared to October 2024

39,4  $\downarrow -0,9$   
BUSINESS BAROMETER  
OVERALL




In November 2024, the overall Business Barometer Index decreased by 0.9 points, settling at 39.4.


Positive business expectations are related to a reduction in backlogged orders, although the trend remains negative (52.3 $\downarrow$ -4.5), as well as the potential to increase prices for their own goods or services (63.9 $\uparrow$ +3.0).

Other indicators remain in the zone of negative expectations (Barometer values below 50 points). Business representatives predominantly foresee a decline in the volume of new orders (45.0 $\uparrow$ +0.5), services provided or work completed (46.0 $\uparrow$ +1.9), and overall workforce numbers (37.7 $\downarrow$ -4.1).

As in previous months, the most pressing issue for businesses continues to be the rise in purchase prices and contractor costs (16.2 $\uparrow$ +1.7).

Despite a significant easing of negative expectations ( $\uparrow$ +9.0), the Barometer Index for exports of goods and services is forecasted at only 47.5 points.

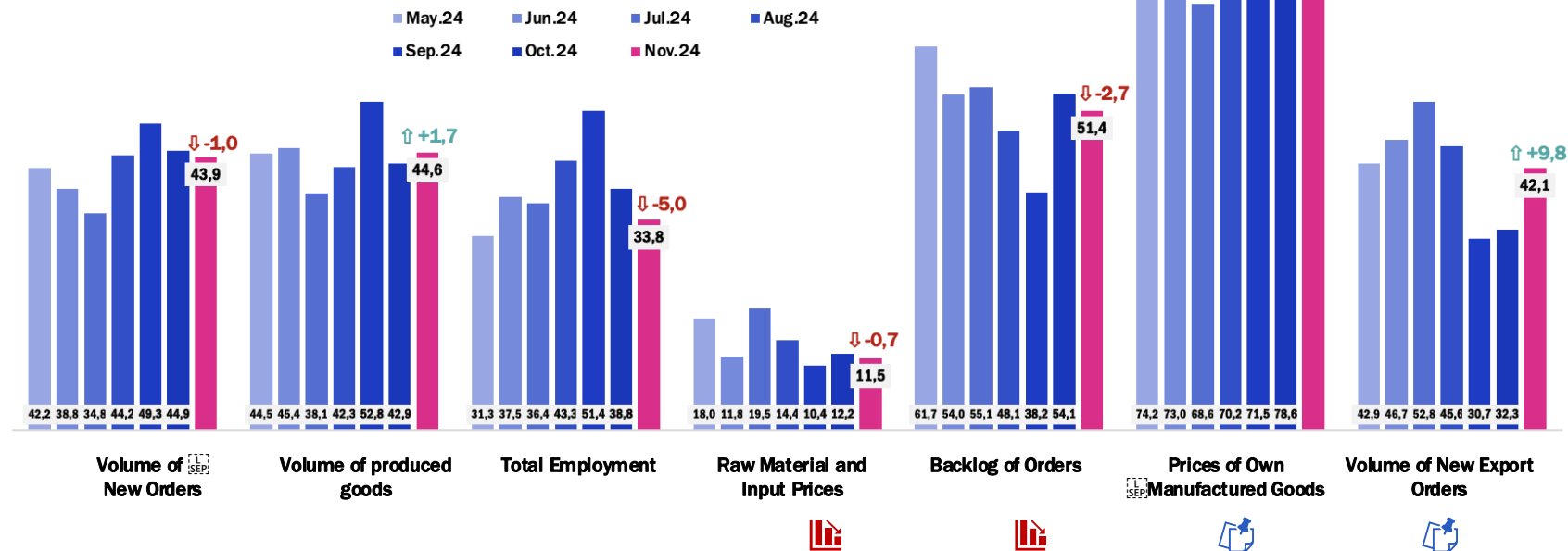
 Deterrent indicators are considered in the opposite sense when calculating the Business Barometer indices.

 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 November 2024 compared to October 2024



In November 2024, the manufacturing sector showed a second consecutive month of heightened pessimism regarding the future (37.0↓-1.6). Positive business expectations outweigh negative ones in terms of reducing backlogged orders (51.4↓-2.7) and the potential for further price increases for manufactured goods (78.2↓-0.2), although optimism in both areas has decreased.

All other indicators remain in the zone of negative expectations. Manufacturing sector representatives anticipate declines in new order volumes (43.9↓-1.0), production volumes (44.6↑+1.7), and total workforce numbers (33.8↓-5.0). The most persistent challenge for businesses continues to be rising purchase prices for raw materials and supplies (11.5↓-0.7).

Despite a significant easing of negative expectations, a reduction in the volume of new export orders is still forecasted (42.1↑+9.8).

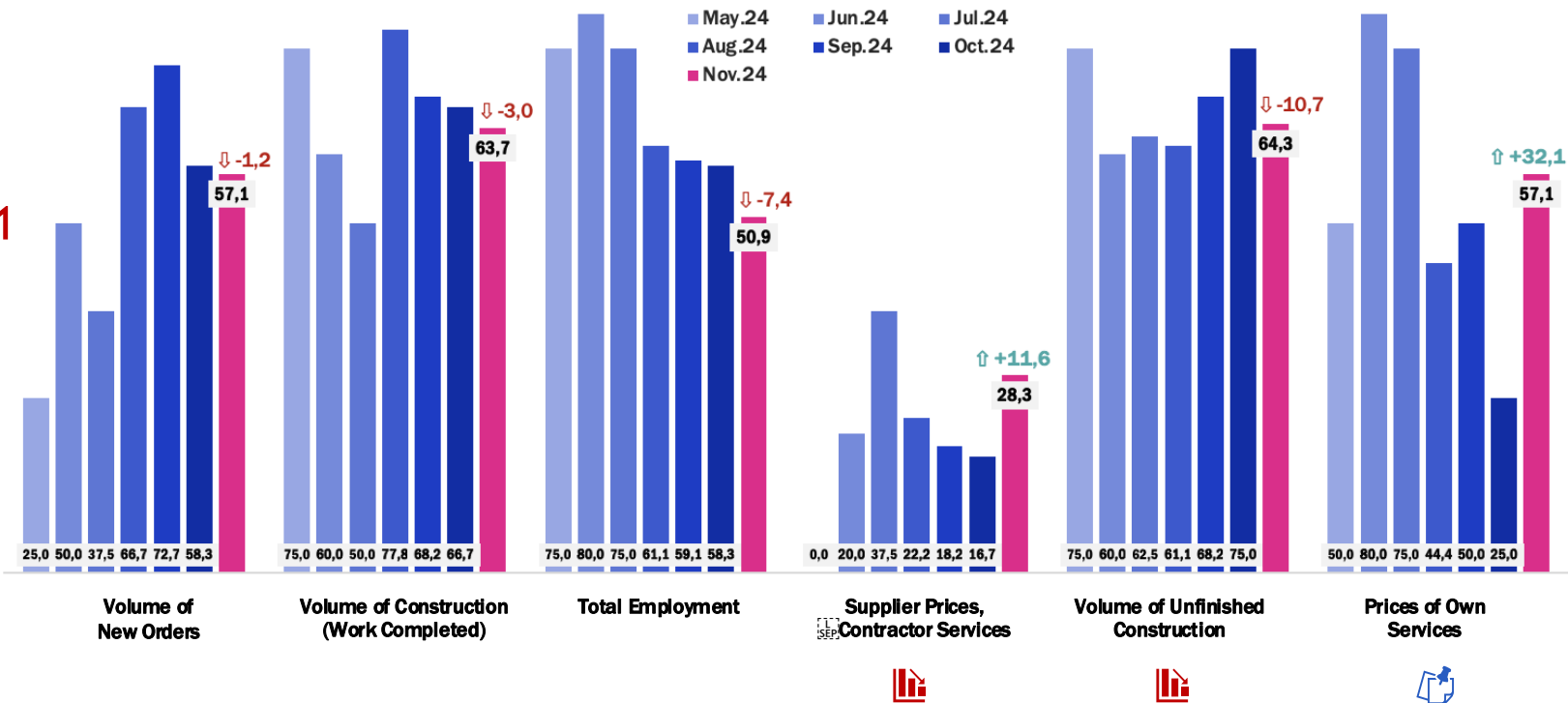


CONSTRUCTION



52,9  
↓-2,1

Construction Sector Business Expectations  
in November 2024 compared to October 2024



In November 2024, the Construction Sector Barometer continues to show positive expectations, despite a moderate weakening trend (52.9↓-2.1) observed for the third consecutive month.

Most indicators reflect an optimistic business outlook for the future, although positive sentiments are gradually declining. By the end of the year, growth in construction volumes and completed works is anticipated (63.7↓-3.0), along with an increase in prices for services (57.1↑+32.1). A rise in new orders (57.1↓-1.2) and a reduction in unfinished construction projects (64.3↓-10.7) are also expected, while the overall number of workers is projected to remain nearly unchanged (50.9↓-7.4).

Entrepreneurs representing the construction sector predict further increases in supplier prices (28.3↑+11.6).

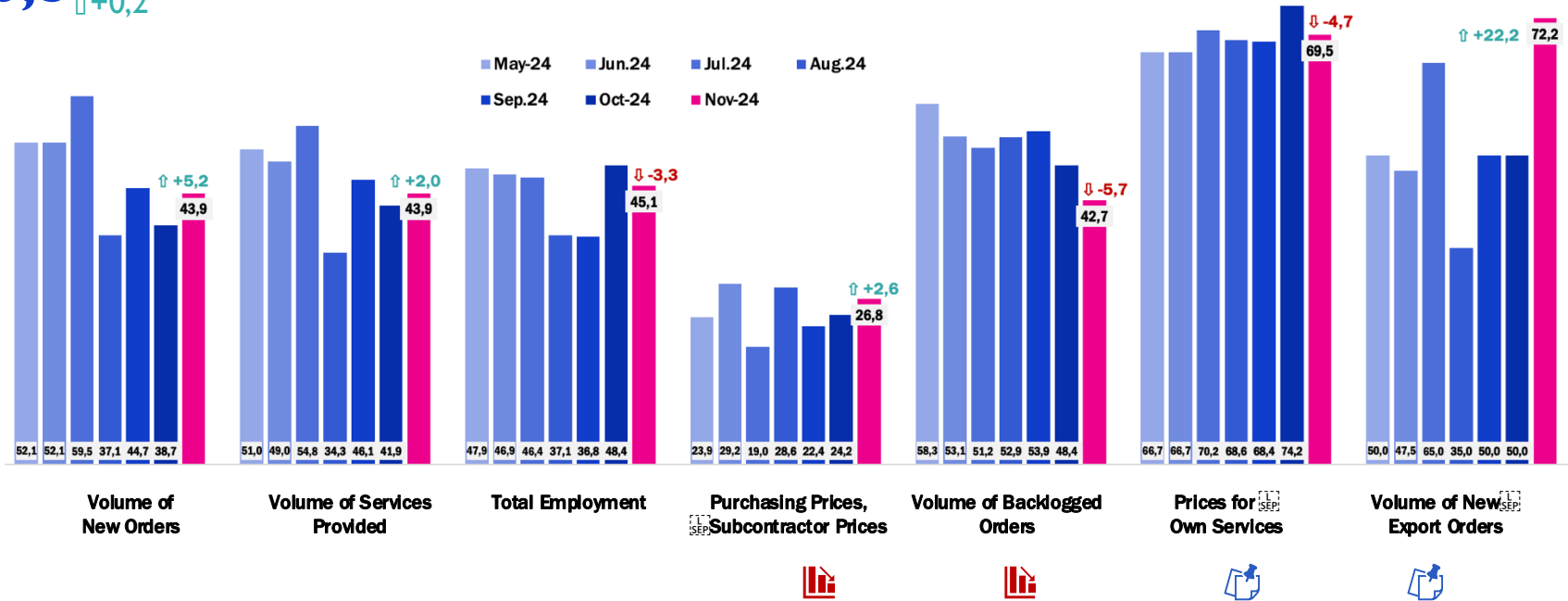


SERVICES



40,5  $\uparrow +0,2$

Service Sector Business Expectations  
in November 2024 compared to October 2024



In November 2024, businesses in the services sector showed a slight easing of negative expectations, which nonetheless remain dominant (40.5 $\uparrow$ +0.2).

Optimism is observed regarding the potential for increasing prices (tariffs) for their own services (69.5 $\downarrow$ -4.7) and the volume of new export orders (72.2 $\uparrow$ +22.2).

For other indicators, business expectations remain negative. Despite an increase in positive sentiment, moderate declines are projected in the volume of new orders (43.9 $\uparrow$ +5.2) and services provided (43.9 $\uparrow$ +2.0).

Pessimism is intensifying regarding reductions in the total workforce (45.1 $\downarrow$ -3.3) and the accumulation of backlogged orders (42.7 $\downarrow$ -5.7).

As in previous months, the majority of businesses anticipate further increases in purchase prices or contractor fees (26.8 $\uparrow$ +2.6).

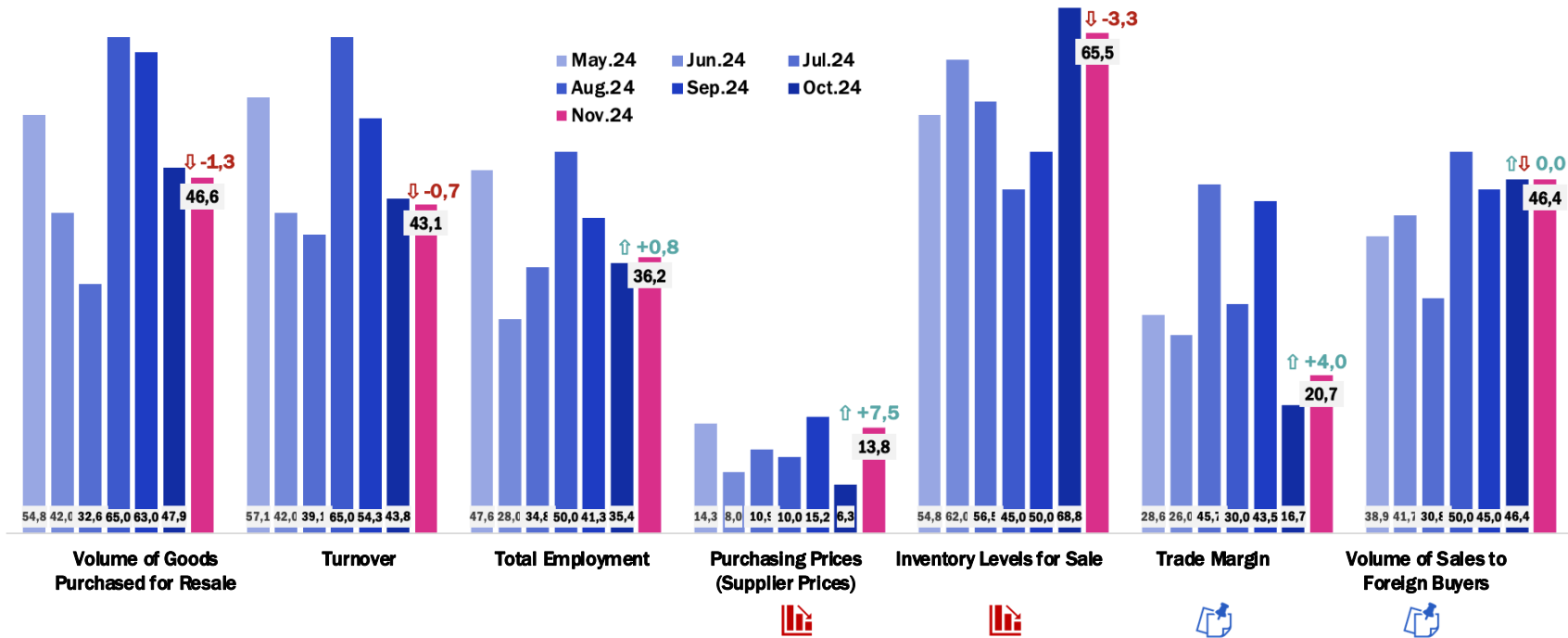


Trade Sector Business Expectations  
in November 2024 compared to October 2024

TRADE



41,0  $\uparrow +1,2$



The Business Barometer Index for the trade sector in November 2024 showed a slight increase but remained in the zone of negative expectations (41.0 $\uparrow$ +0.6).

Positive business expectations are limited to a reduction in stock or inventory levels for sale (65.5 $\downarrow$ -3.3).

Other indicators, to varying degrees, remain in the zone of negative business expectations. Declines are forecasted in the volume of goods purchased for sale (46.6 $\downarrow$ -1.3), turnover (43.1 $\downarrow$ -0.7), and total workforce numbers (36.2 $\uparrow$ +0.8).

Despite some easing of negative expectations, a reduction in trade margins is anticipated (20.7 $\uparrow$ +4.0), driven by rising purchase prices (13.8 $\uparrow$ +7.5). The volume of sales to foreign buyers is expected to experience a marginal decline (46.4 $\uparrow \downarrow$ 0.0).



**39,4** ↓-0,9  
**BUSINESS BAROMETER  
OVERALL**

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

**42,3** ↑+0,1

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

**37,9** ↓-2,7



**EXPORTERS**

**39,5** ↑+2,0

**Medium  
enterprises**  
(50-249 persons employed)

**38,0** ↑+0,4

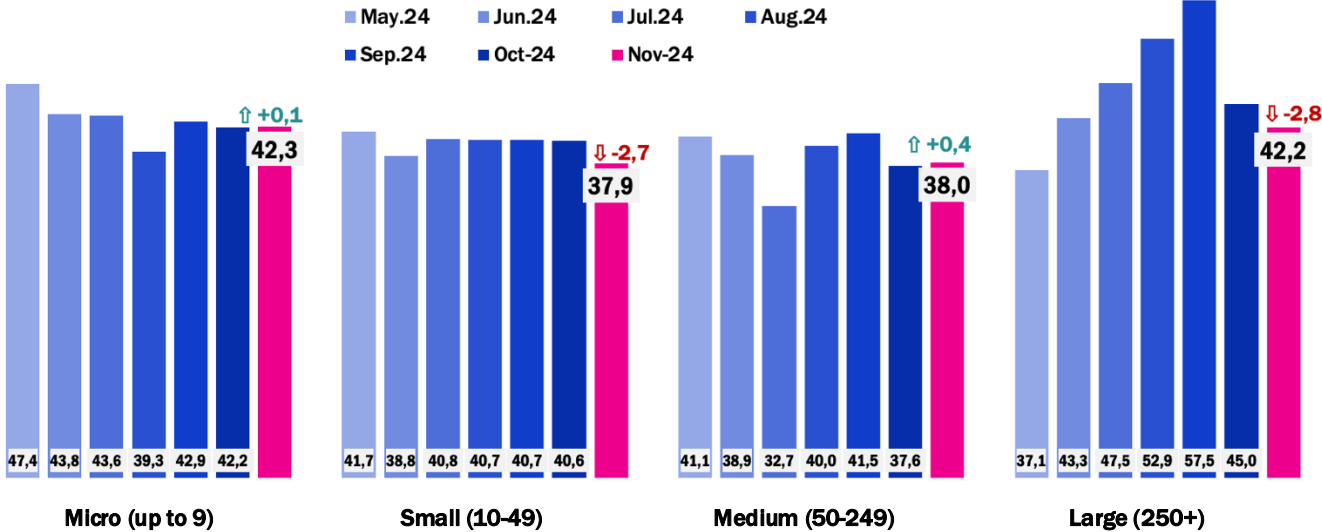
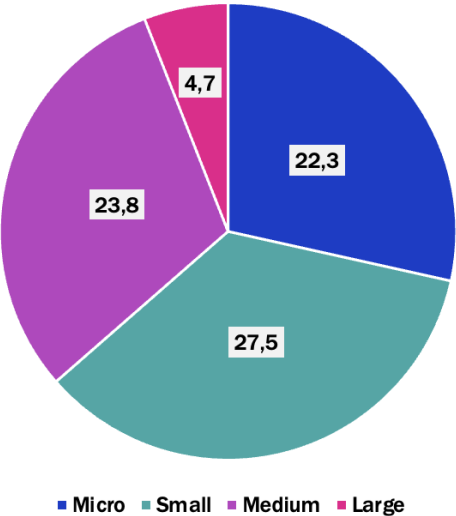
**Large  
enterprises**  
(250 or more persons)

**42,2** ↓-2,8



## Business and Entrepreneur Expectations by Company Size in November 2024 compared to October 2024

Distribution of enterprises - respondents by company size, %



In November 2024, negative expectations continued to dominate across all business sizes.

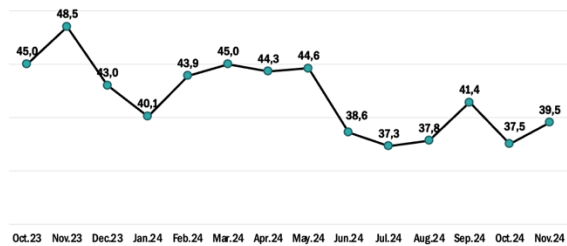
The most pessimistic outlooks were observed among representatives of small and medium-sized businesses (37.9↓-2.7 and 38.0↑+0.4, respectively).

Among entrepreneurs representing micro and large businesses, the balance between optimists and pessimists was slightly better, but negative expectations still prevailed. The Barometer values for these groups did not exceed 43.3 points.



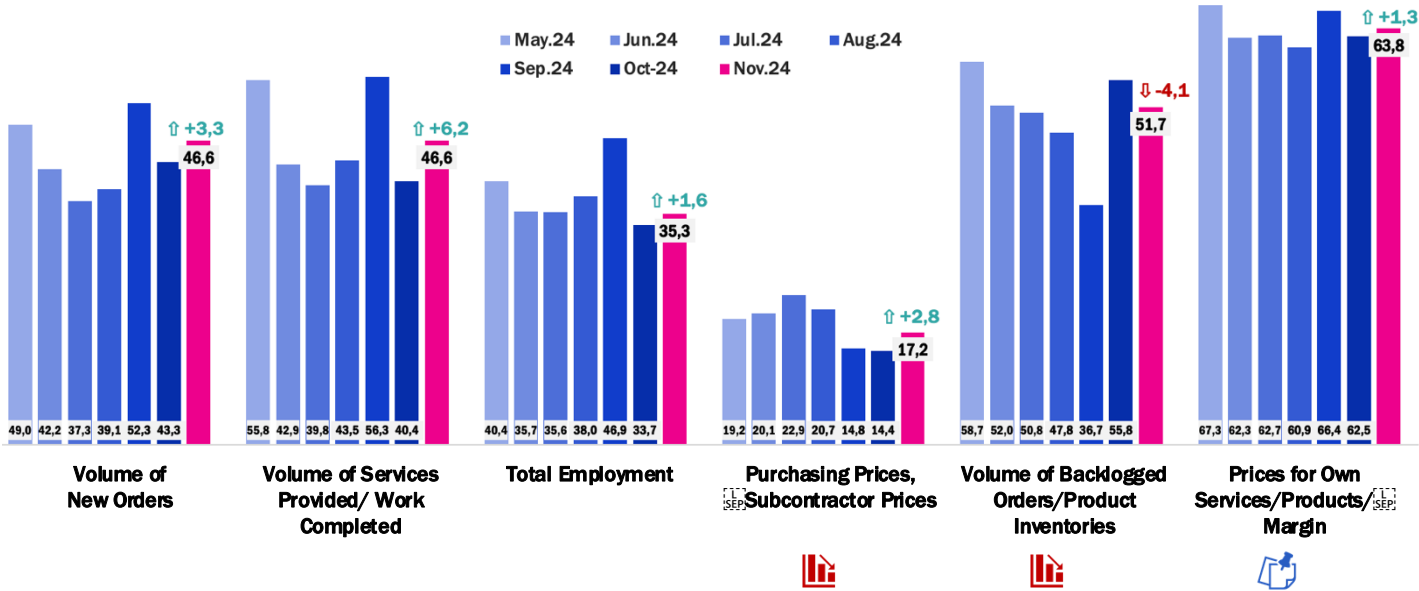
39,5 ↑+2,0

EXPORTERS  
40,4% respondents



## November 2024 Exporters' Expectations Across All Sectors Compared to October 2024

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

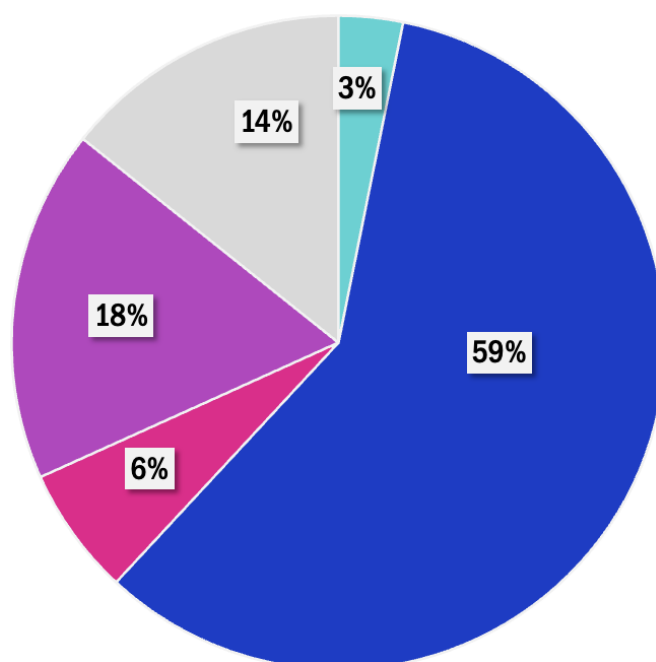


In November 2024, exporters demonstrated a slight easing of negative expectations (39.5 ↑+2.0).

Despite the reduction in negative sentiment, a slight decline is forecasted in the volume of new orders (46.6 ↑+3.3) and services provided or work completed (46.6 ↑+6.6), along with a significant reduction in total workforce numbers (35.3 ↑+1.6).

Amid rising purchase prices (17.2 ↑+2.8), a decrease in backlogged orders (51.7 ↓-4.1) and an increase in prices for their own services (63.8 ↑+1.3) are anticipated.

## FOR NOVEMBER 2024: HOT ISSUE SURVEY RESULTS



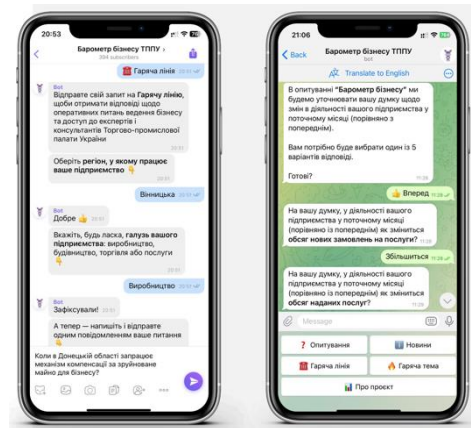
The Level of Enterprises' Preparedness  
for Possible Winter Power Outages


- Ensured autonomous power supply
- Have a generator
- Alternative energy sources
- Purchasing equipment
- Not equipped, reducing consumption

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:



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