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THE UKRAINIAN CHAMBER
OF COMMERCE AND INDUSTRY



BUSINESS BAROMETER

MONTHLY UKRAINIAN BUSINESS SURVEY

Hot Issue:

**«Is your business prepared for the resumption
of scheduled tax audits?»**

January 2025

Issue #16

(survey January 11-17, 2025)

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 #16 | January 2025

- In January 2025, the overall Business Barometer Index rose to **41.9** points, showing an increase of **↑+2.9** points compared to the previous month. This marks the first positive momentum in the past four months. However, negative sentiments continue to dominate across all sectors, with sub-indices of the Barometer remaining below the neutral **50**-point threshold.
- Notably, pessimistic expectations have significantly weakened in the manufacturing sector (**40.7↑+7.8**), though negative outlooks still prevail over positive ones. For the fifth consecutive month, future assessments have deteriorated among representatives of the construction sector (**44.6↓-2.4**). In the services and trade sectors, there has been a slight intensification of negative projections (**42.1↓-0.9** and **43.7↓-1.1**, respectively).
- Regardless of business size, negative expectations dominate in all categories. Nevertheless, small, medium, and large enterprises show positive dynamics (**41.0↑+4.6**, **45.7↑+5.9**, and **43.1↑+8.1**, respectively). Only micro-enterprises have slightly reinforced their pessimistic outlooks (**40.0↓-1.9**).
- Exporters' outlook for the future aligns with broader business trends, characterized by a slight weakening of pessimistic expectations (**42.0↑+3.1**).
- Responses to questions regarding businesses' readiness for the resumption of scheduled tax audits indicate that the majority (over 50%) are either ready or partially prepared. Less than a quarter (23%) are unprepared for increased scrutiny from tax authorities. Nearly a quarter of respondents (26%) either "intend to avoid" or "hope to avoid" upcoming inspections.

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												2025
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
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

41,9 $\uparrow +2,9$

BUSINESS BAROMETER
OVERALL



MANUFACTURING

40,7 $\uparrow +7,8$



CONSTRUCTION

44,6 $\downarrow -2,4$



SERVICES

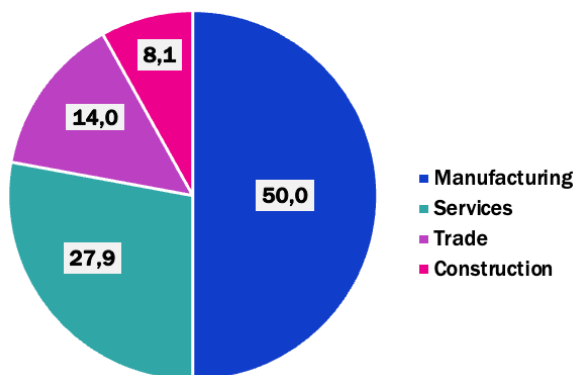
42,1 $\downarrow -0,9$



TRADE

43,7 $\downarrow -1,1$

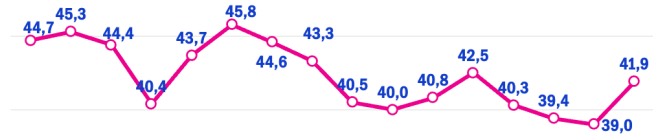
Distribution of respondents by sector
Share of respondents, %



41,9

↑+2,9

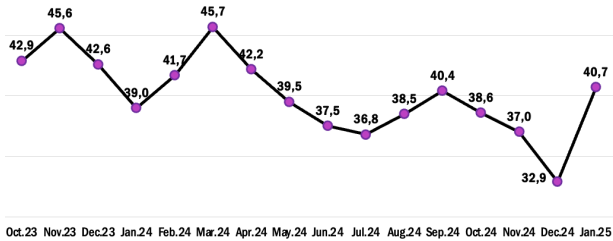
BUSINESS BAROMETER OVERALL



MANUFACTURING

40,7

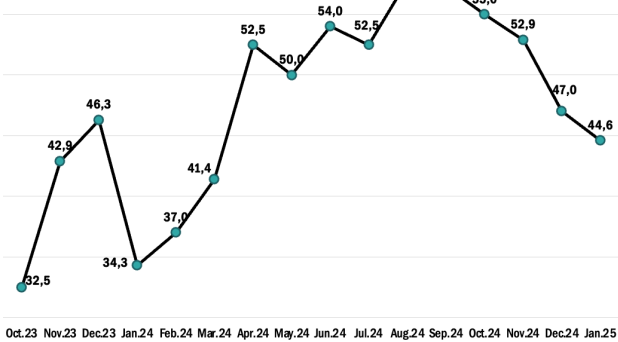
↑+7,8



CONSTRUCTION

44,6

↓-2,4

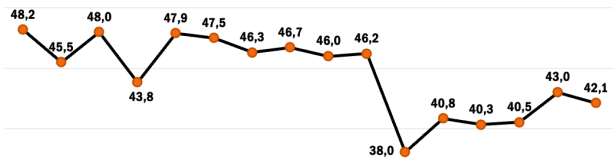


Oct.23 Nov.23 Dec.23 Jan.24 Feb.24 Mar.24 Apr.24 May.24 Jun.24 Jul.24 Aug.24 Sep.24 Oct.24 Nov.24 Dec.24 Jan.25

SERVICES

42,1

↓-0,9



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 Dec.24 Jan.25

TRADE

43,7

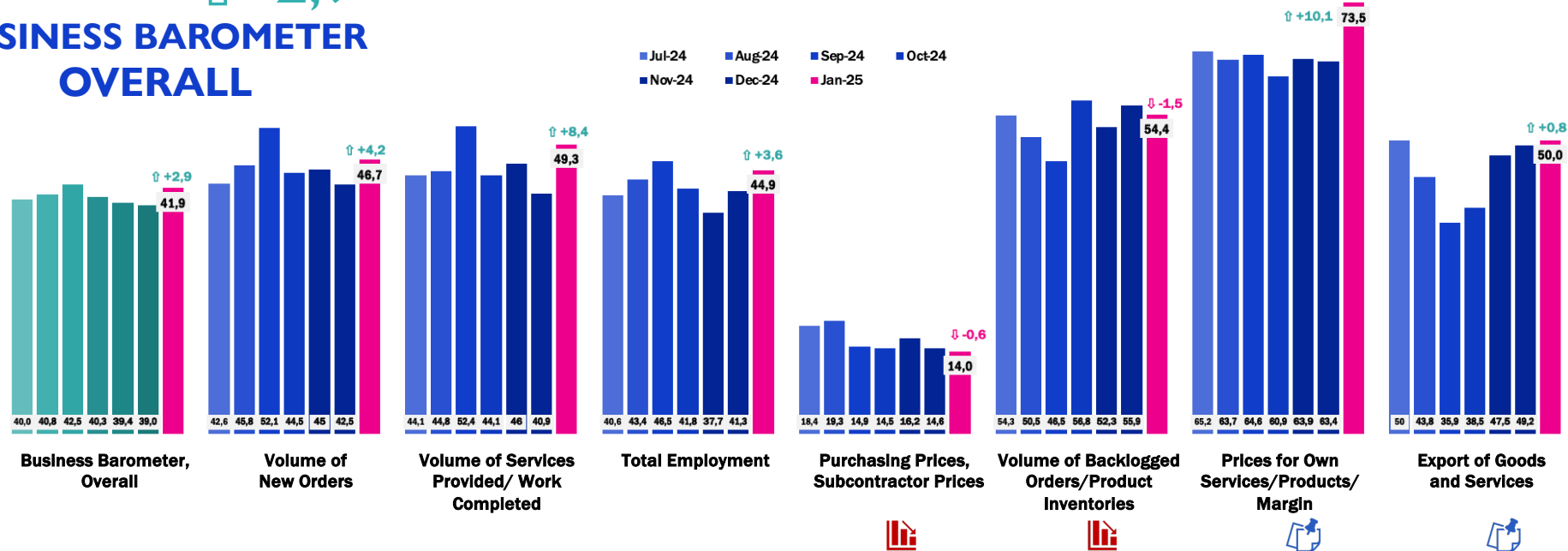
↓-1,1



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 Dec.24 Jan.25

Comparison of Business Barometer Indices by Indicator for January 2025 compared to December 2024

41,9 $\uparrow +2,9$
BUSINESS BAROMETER
OVERALL





In January 2025, the overall Business Barometer Index increased by 2.9 points (following three consecutive months of decline) and settled at 41.9. Positive business expectations are linked to a reduction in the volume of unfulfilled orders (54.4 \downarrow -1.5) and the potential for price increases on goods or services (73.5 \uparrow +10.1).

Other indicators remain in the zone of negative expectations (Barometer values below the 50-point threshold), although most exhibit positive dynamics. Notably, pessimistic forecasts regarding a decline in the volume of new orders have eased (46.7 \uparrow +4.2), along with projections for the volume of services provided or work completed (49.3 \uparrow +8.4) and the total number of employees (44.9 \uparrow +3.6).

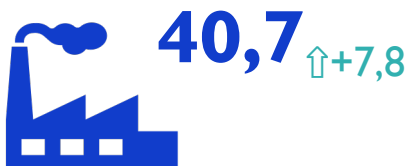
The most challenging issue for businesses continues to be the rise in procurement and subcontractor prices, which remains critical (14.0 \downarrow -0.6).

Thanks to a fourth consecutive month of strengthening positive expectations, the Barometer Index for goods and services exports has reached the neutral threshold of 50 points (50.0 \uparrow +0.8).

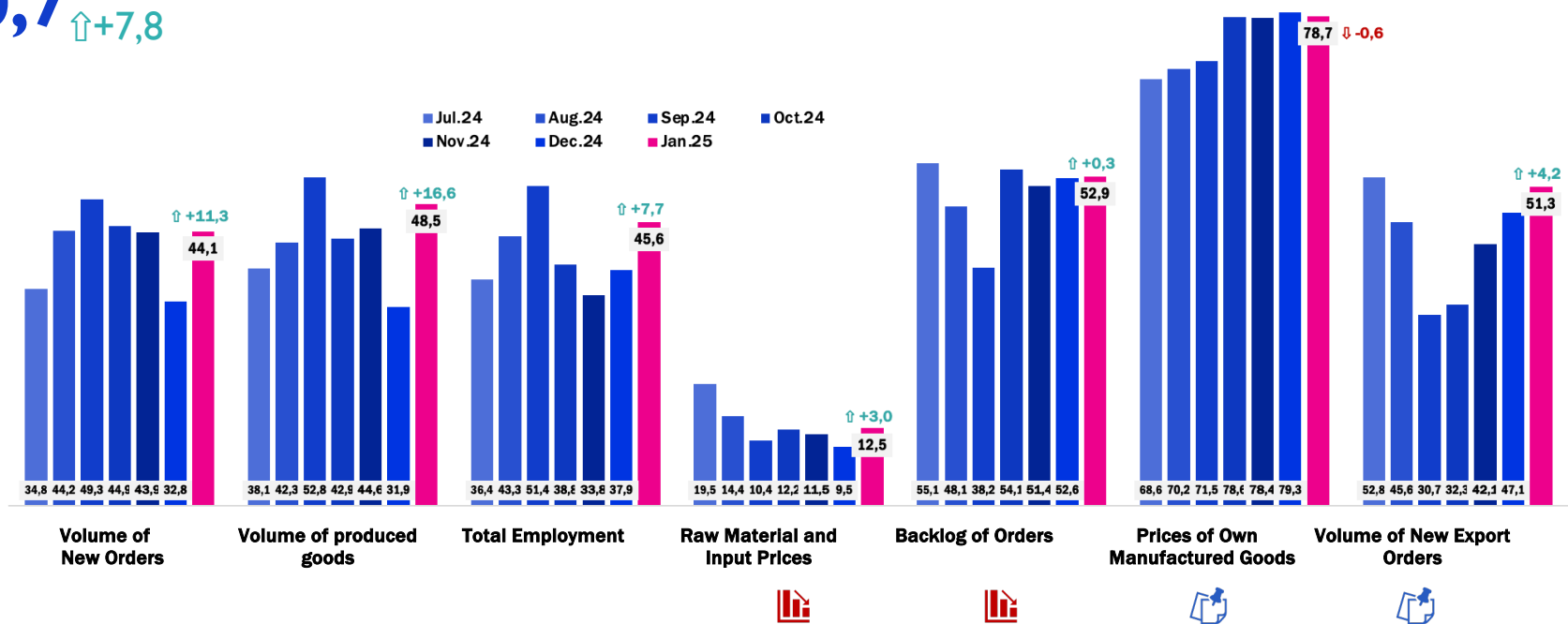
 Deterrent indicators are considered in the opposite sense when calculating the Business Barometer indices.

 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 January 2025 compared to December 2024



In January 2025, the manufacturing sector, after three consecutive months of increasing pessimism regarding future expectations, demonstrated a significant influx of optimism. However, this was not enough to offset the prevailing negative business sentiments (40.7 \uparrow +7.8).

Positive business expectations outweigh negative ones only in terms of the reduction in unfulfilled orders (52.9 \uparrow +0.3) and the potential for further increases in prices for domestically produced goods (78.7 \downarrow -0.6).

Although all other indicators remain in the zone of negative expectations, the number of optimists has grown substantially. For instance, representatives of the manufacturing sector forecast declines in new orders (44.1 \uparrow +11.3), the volume of produced goods (48.5 \uparrow +16.6), and the total number of employees (45.6 \uparrow +7.7).

The most pressing issue for businesses continues to be the rising procurement costs for raw materials and supplies, which remains critical (12.5 \uparrow +3.0).

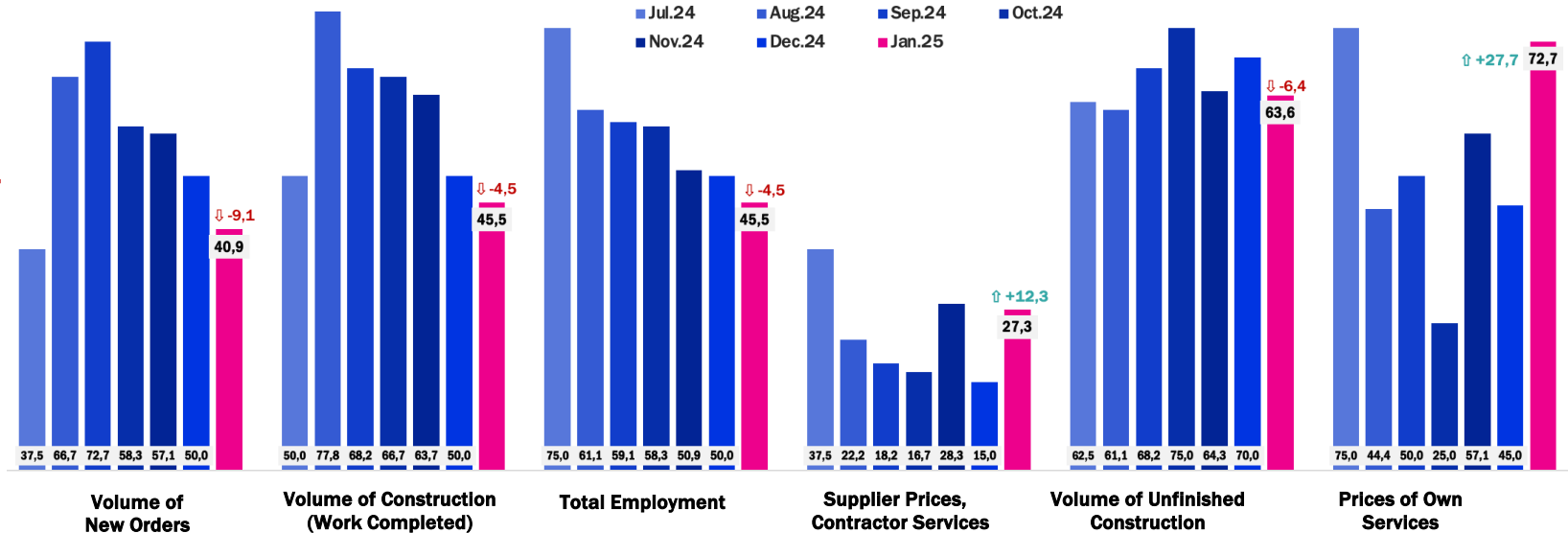
Despite a significant easing of negative expectations, a decline in the volume of new export orders is still anticipated (47.1 \uparrow +5.0).

Construction Sector Business Expectations
in January 2025 compared to December 2024

CONSTRUCTION



44,6 ↓ -2,4



In January 2025, the Construction Sector Barometer continued to show worsening negative expectations, marking the fifth consecutive month of decline. As a result, pessimistic business sentiments outweighed optimistic ones (44.6↓-2.4).

Positive responses from participants are related to the rise in prices for their own services (72.7↑+27.7) and the reduction in unfinished construction volumes (63.6↓-6.4), although the number of optimists regarding the latter indicator has significantly decreased.

Pessimistic business expectations dominate in terms of declines in new orders (40.9↓-9.1), construction volumes (45.5↓-4.5), and the total number of employees (45.5↓-4.5).

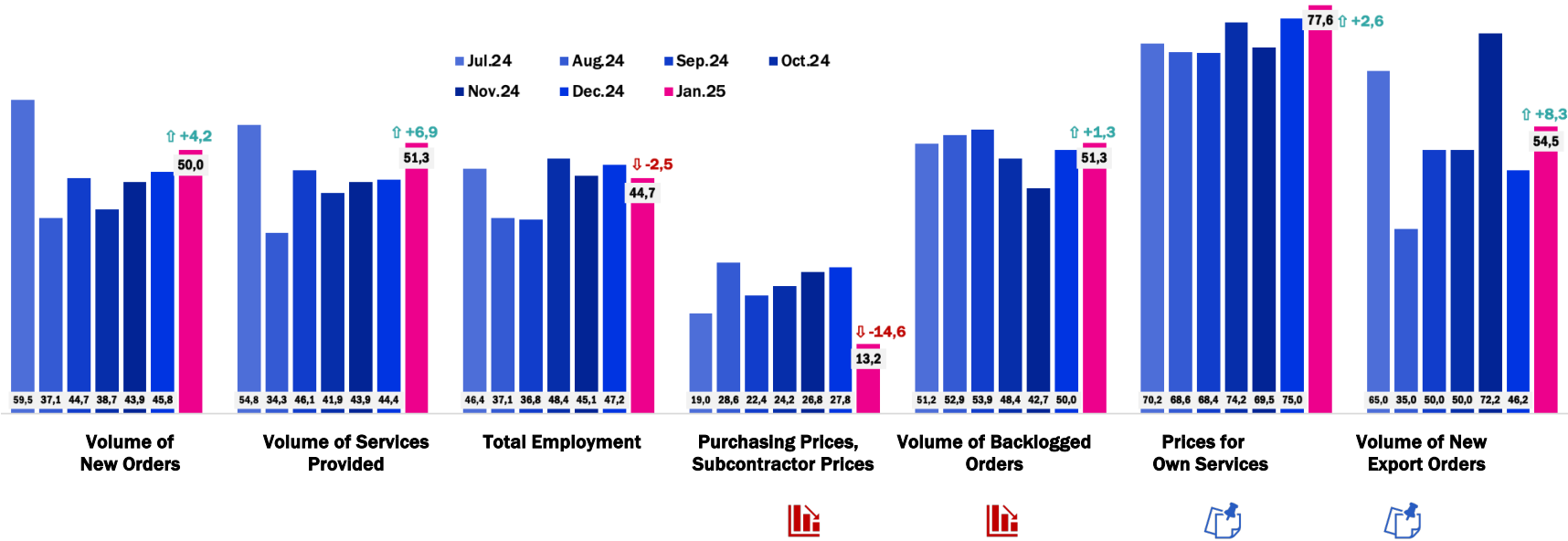
Despite a near doubling in the number of optimists regarding changes in supplier and contractor prices, the overwhelming majority of construction sector representatives anticipate that prices will continue to rise (27.3↑+12.3).

SERVICES



42,1 ↓-0,9

Service Sector Business Expectations
in January 2025 compared to December 2024



In January 2025, enterprises in the services sector showed a slight intensification of negative expectations (42.1↓-0.9).

A strong sense of optimism was observed regarding the potential for increasing prices (tariffs) for their services (77.6↑+2.6). At the same time, driven by growing positive sentiments, moderate growth in the volume of services provided is forecasted (51.3↑+6.9), along with a reduction in unfulfilled orders (51.3↑+1.3).

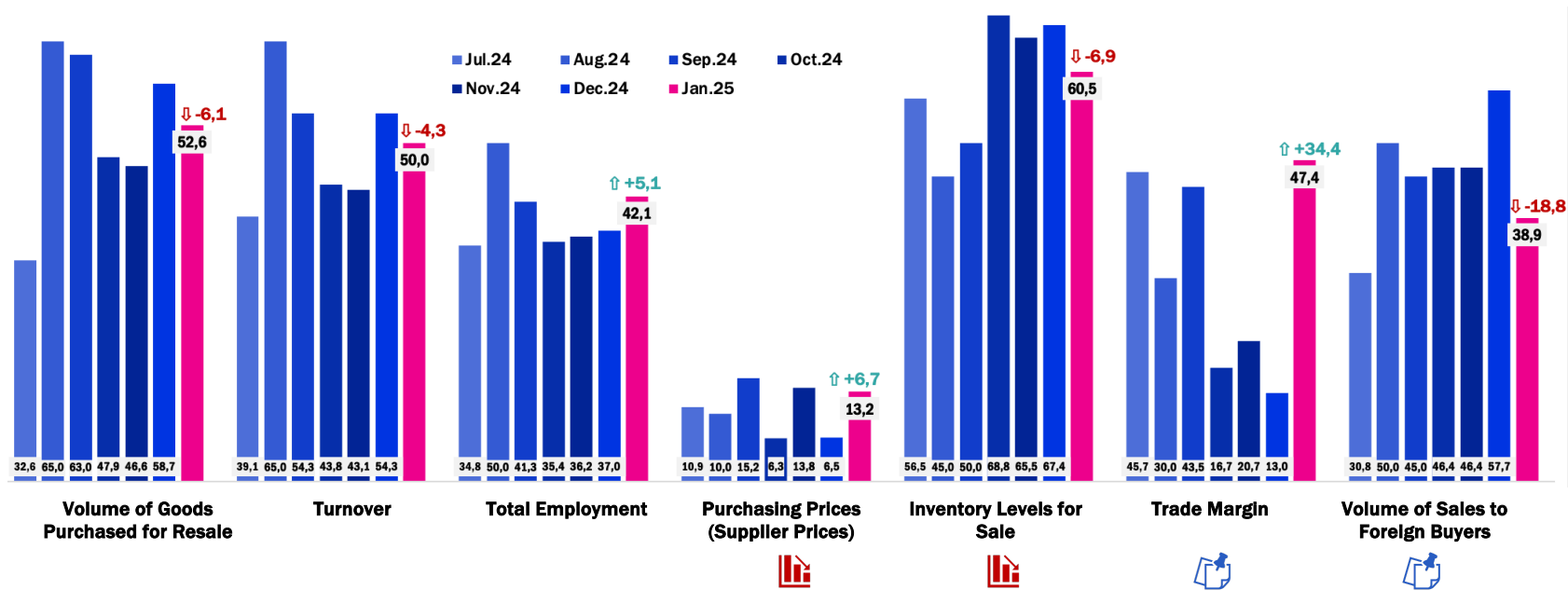
Expectations regarding the volume of new orders remained neutral (50.0↑+4.2), supported by an increase in the volume of new export orders (54.5↑+8.3).

The total number of employees is expected to trend downward (44.7↓-2.5).

As is traditional, the majority of businesses anticipate further increases in procurement costs or contractor prices (13.2↓-14.6).



Trade Sector Business Expectations
in January 2025 compared to December 2024



In January 2025, the Trade Sector Business Barometer Index showed a slight decline and remained in the zone of negative expectations (43.7↓-1.1).

Despite the negative dynamics, business sentiment remains optimistic regarding increased procurement volumes of goods for sale (52.6↓-6.1) and the reduction of inventory or unsold stock (60.5↓-6.9).

Turnover is expected to remain stable at its current level (50.0↓-4.3).

Other indicators largely remain within the zone of negative business expectations. A reduction in the total number of employees is anticipated (42.1↑+5.1), along with a rise in procurement or supplier prices (13.2↑+6.7).

Additionally, a decline in sales to foreign buyers is expected (38.9↓-18.8), as well as a reduction in trade margins, despite a significant increase in optimistic sentiment (47.4↑+34.4).



41,9 $\uparrow +2,9$
**BUSINESS BAROMETER
OVERALL**

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

40,0 $\downarrow -1,9$

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

41,0 $\uparrow +4,6$



EXPORTERS

42,0 $\uparrow +3,1$

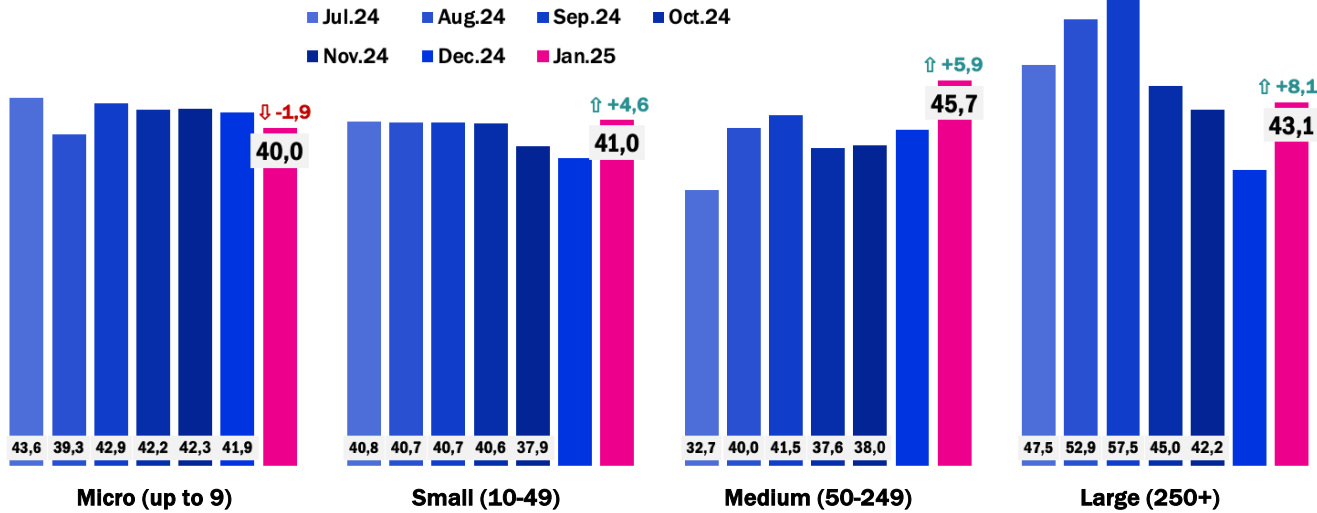
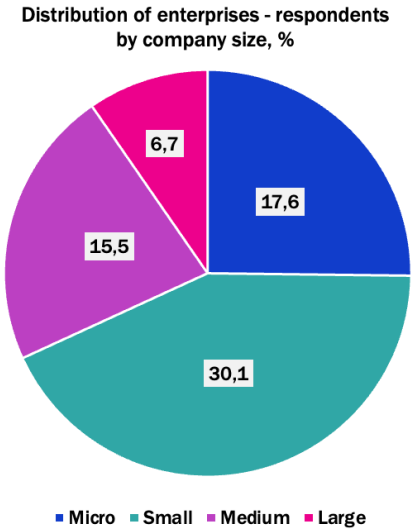
**Medium
enterprises**
(50-249 persons employed)

45,7 $\uparrow +5,9$

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

43,1 $\uparrow +8,1$

Business and Entrepreneur Expectations by Company Size in January 2025 compared to December 2024



In January 2025, negative expectations continued to dominate across businesses of all sizes. Small, medium, and large enterprises showed positive dynamics in their outlooks (41.0↑+4.6, 45.7↑+5.9, and 43.1↑+8.1, respectively). Microenterprises, however, slightly intensified their pessimistic sentiment (40.0↓-1.9).

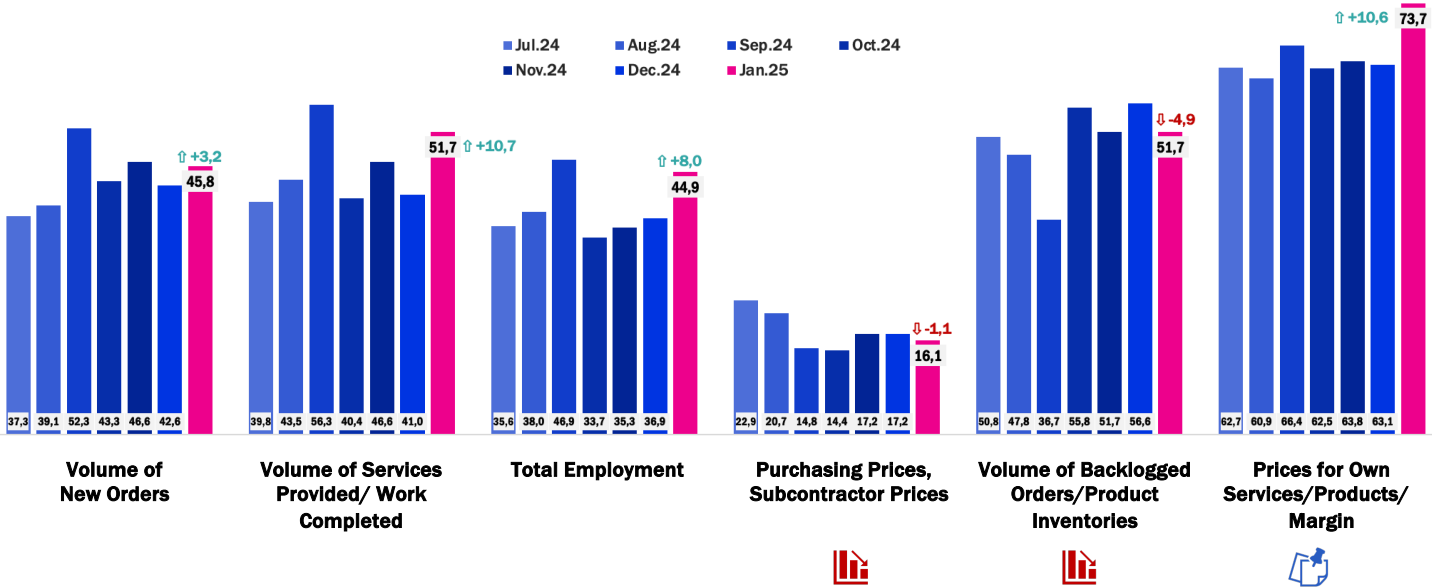


42,0 ↑+3,1

EXPORTERS
43% respondents

January 2025 Exporters' Expectations Across All Sectors Compared to December 2024

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



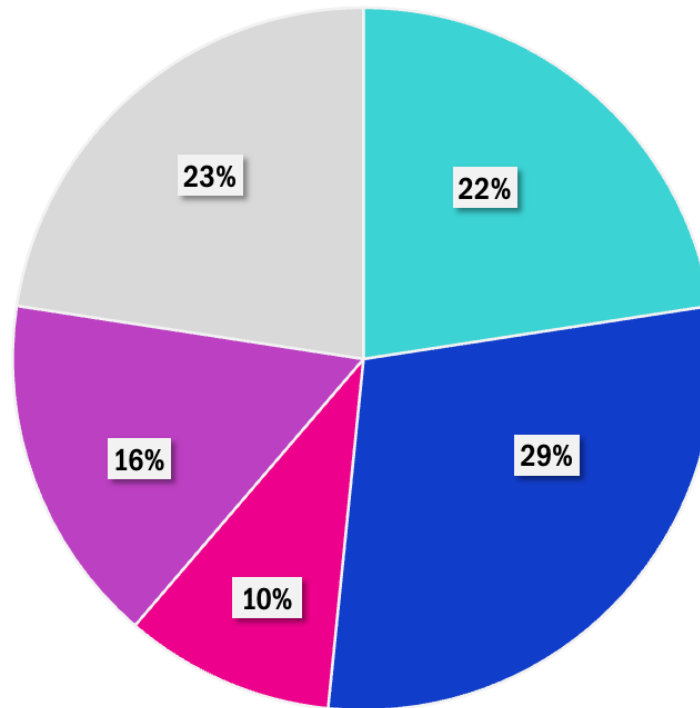
In January 2025, exporters demonstrated a slight easing of negative expectations (42.0↑+3.1).

Thanks to significant positive dynamics, an increase in the volume of services provided or work completed is anticipated (51.7↑+10.7), alongside a moderate reduction in unfulfilled orders (51.7↓-4.9) and a rise in prices for their own services (73.7↑+10.6).

Despite the positive trends, a decline in the volume of new orders is forecasted (45.8↑+3.2), as well as a reduction in the total number of employees (44.9↑+8.0).

As expected, procurement prices are anticipated to continue rising, albeit at a slightly slower rate (16.1↓-1.1).

FOR JANUARY 2025: HOT ISSUE SURVEY RESULTS



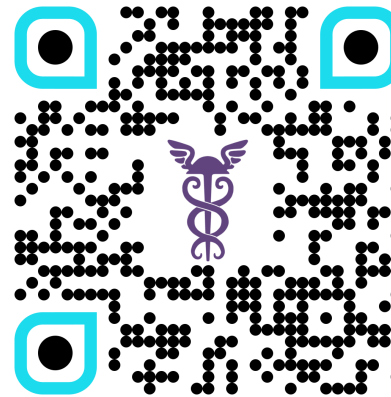
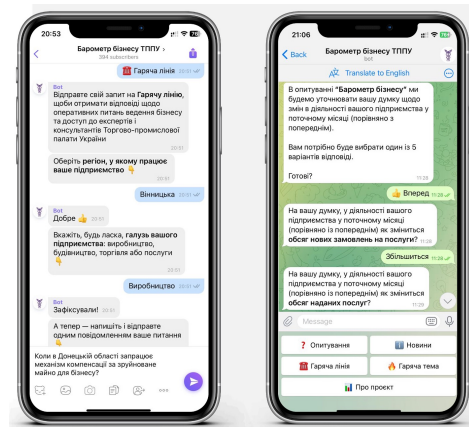
Is your business prepared for the resumption of scheduled tax audits?

- Ready
- Partially ready
- Will avoid
- Hope to avoid
- Not ready

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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