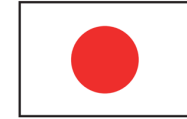




THE UKRAINIAN CHAMBER  
OF COMMERCE AND INDUSTRY



From  
the People of Japan



# BUSINESS BAROMETER

MONTHLY UKRAINIAN BUSINESS SURVEY

**FEBRUARY 2025 | #17**

survey February 11-20, 2025



Hot issues –

## **WHAT IS THE CURRENT TIME HORIZON FOR YOUR BUSINESS STRATEGY AND OPERATIONAL PLANNING?**

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 #17 | FEBRUARY 2025

- In February 2025, the overall Business Barometer Index declined to **-14.7** points, reflecting a drop of **-2.4** points compared to the previous month. Negative sentiment prevails across all sectors without exception, as all sub-indices of the Barometer remain below the neutral threshold of 0 points.
- The construction and services sectors showed a slight improvement in negative expectations (**-4.3** **↑+3.9** and **-12.1** **↑+0.3**, respectively).
- Conversely, the manufacturing and trade sectors experienced a deterioration in expectations (**-17.3** **↓-4.5** and **-12.8** **↓-0.1**, respectively).
- Regardless of business size, negative expectations dominate across all categories. A moderate increase in pessimistic sentiment is observed among micro, small, and medium-sized enterprises in the trade sector (**-15.7** **↓-0.1**, **-14.5** **↓-1.7**, and **-13.4** **↓-4.4**, respectively).
- A more pronounced deterioration in sentiment is evident among large businesses (**-20.0** **↓-12.3**).
- Exporters' outlook follows the general trend of the business sector, marked by worsening pessimistic expectations (**-17.5** **↓-9.3**).
- Responses to the question regarding the strategic planning horizon indicate that a relative majority of businesses (38%) operate with an extremely short planning horizon of no more than six months. Another 18% plan only for one year. Medium-term planning (up to three years) is practiced by 29% of respondents, while 6% plan for up to five years. Only 9% engage in long-term strategic planning extending beyond five years.

The Business Barometer value of 0 points indicates no change in expectations. A value above 0 suggests that businesses anticipate an improvement in economic trends compared to the previous month. A value below 0 reflects negative expectations regarding changes relative to the prior month.



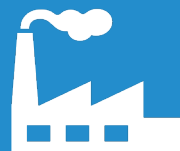
## BUSINESS BAROMETER

BUSINESS BAROMETER	2024				2025	
	Sep	Oct	Nov	Dec	Jan	Feb
OVERALL	●	●	●	●	●	●
MANUFACTURING	●	●	●	●	●	●
SERVICES	●	●	●	●	●	●
TRADE	●	●	●	●	●	●
CONSTRUCTION	●	●	●	●	●	●
MICRO ENTERPRISES	●	●	●	●	●	●
SMALL ENTERPRISES	●	●	●	●	●	●
MEDIUM ENTERPRISES	●	●	●	●	●	●
LARGE ENTERPRISES	●	●	●	●	●	●
EXPORTERS	●	●	●	●	●	●

- the index value is over 10 points
- the index value is from -10 to 10 points
- the index value is below -10 points

-14,7 ↓ -2,4

BUSINESS BAROMETER  
OVERALL



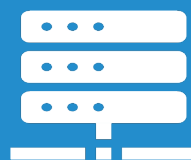
MANUFACTURING

-17,3 ↓ -4,5



CONSTRUCTION

-4,3 ↑ +3,9



SERVICES

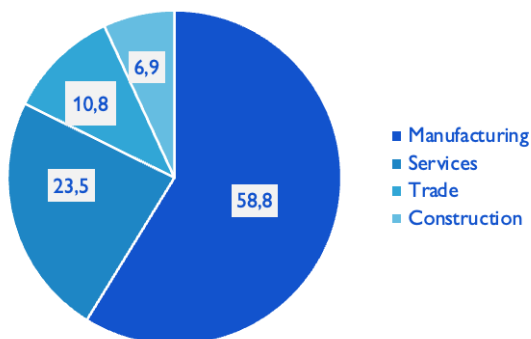
-12,1 ↑ +0,3



TRADE

-12,8 ↓ -0,1

Distribution of respondents by sector  
Share of respondents, %



#17

February 2025

BUSINESS BAROMETER  
OVERALL**-14,7** ↓-2,4

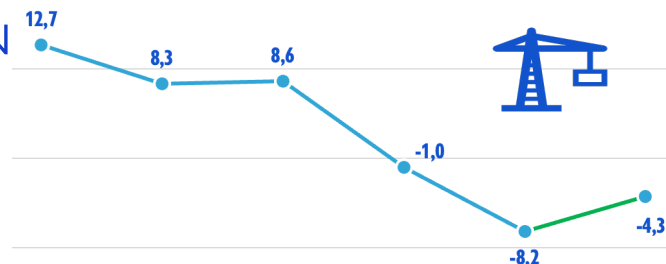
Sep.24 Oct.24 Nov.24 Dec.24 Jan.25 Feb.25



## MANUFACTURING

**-17,3** ↓-4,5

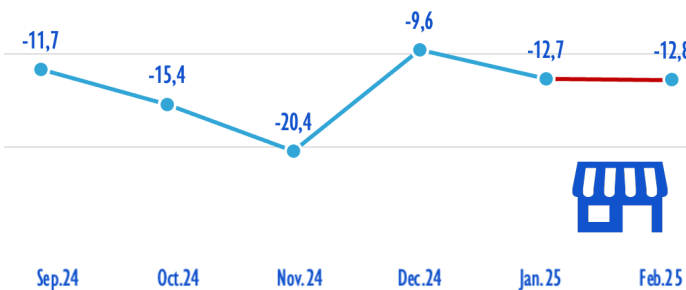
## CONSTRUCTION

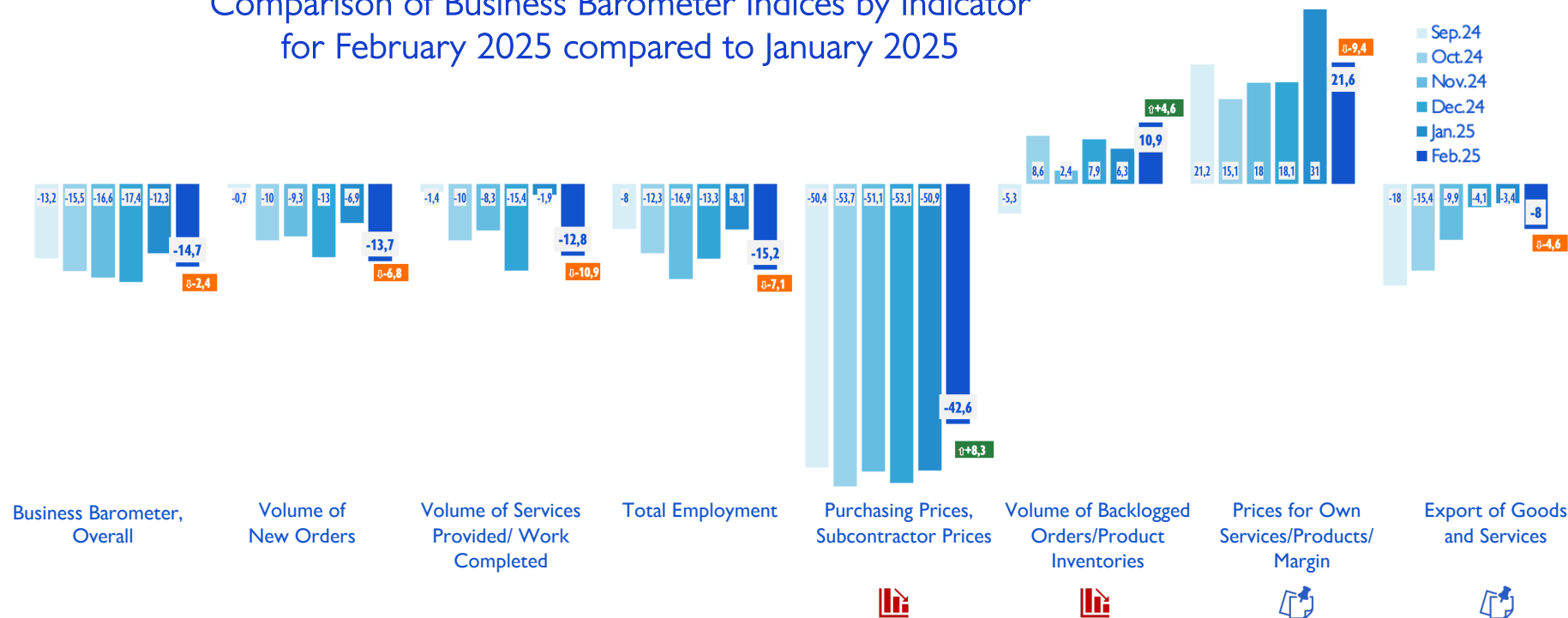
**-4,3** ↑+3,9

## SERVICES

**-12,1** ↑+0,3

## TRADE

**-12,8** ↓-0,1

BUSINESS BAROMETER  
OVERALL-14,7  
↓-2,4Comparison of Business Barometer Indices by Indicator  
for February 2025 compared to January 2025

In February 2025, the overall Business Barometer Index decreased by 2.4 points, settling at -14.7.

Positive expectations outweigh negative ones regarding the reduction in the volume of unfulfilled orders (10.9↑+4.6) and the potential for increasing prices on own services or goods (21.6↓-9.4).

Other indicators remain in the negative expectations zone, mostly showing a downward trend. Pessimistic forecasts have intensified regarding: New orders volume (-13.7↓-6.8); Provided services or completed works (-12.8↓-10.9); Total number of employees (-15.2↓-7.1); Exports (-8.0↓-4.6).

As usual, the most problematic area for businesses remains the increase in procurement prices and contractor costs, despite a noticeable positive shift (-42.6↑+8.3).



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.

# -17,3 MANUFACTURING

↓-4,5

## Manufacturing Sector Business Expectations in February 2025 compared to January 2025



In February 2025, the manufacturing sector shows a worsening of negative forecasts (-17.3↓-4.5).

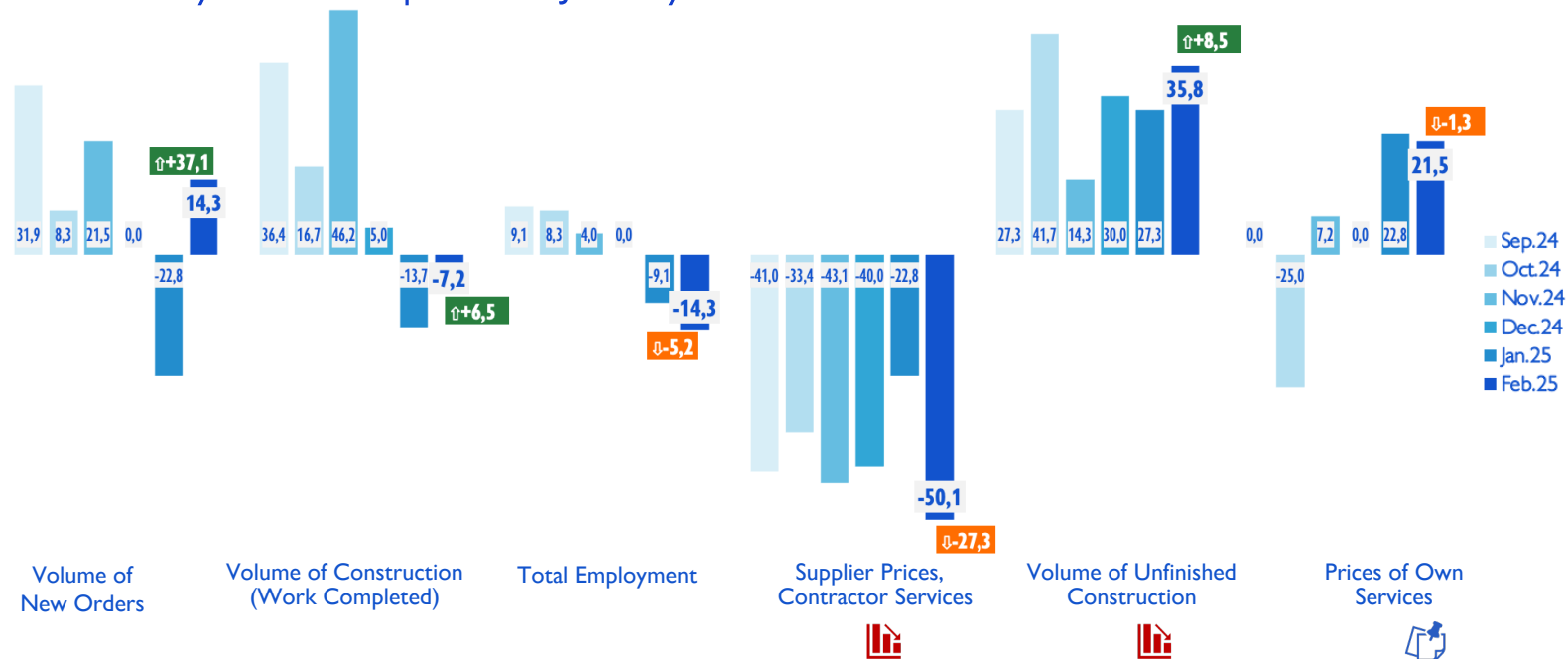
Positive expectations outweigh negative ones only in terms of a reduction in the volume of unfulfilled orders (8.4↑+4.7) and the potential for further price increases on own-manufactured products (28.3↓-8.5).

All other indicators remain in the negative expectations zone, with pessimistic sentiment intensifying. Manufacturing sector representatives anticipate a further decline in: New order volumes (-14.2↓-5.3); Production output (-11.7↓-10.2); Total number of employees (-15.8↓-9.9); New export orders (-11.8↓-9.2)

As usual, the most problematic area for businesses remains the increase in procurement prices for raw materials and supplies (-53.3↓-1.8).

-4,3 ↑ +3,9

## CONSTRUCTION

Construction Sector Business Expectations  
in February 2025 compared to January 2025

In February 2025, the construction sector shows a weakening of negative expectations (-4.3↑+3.9) and remains relatively more optimistic compared to other sectors.

An increase in new orders is anticipated (14.3↑+37.1), driven by a reduction in unfinished construction volumes (35.8↑+8.5).

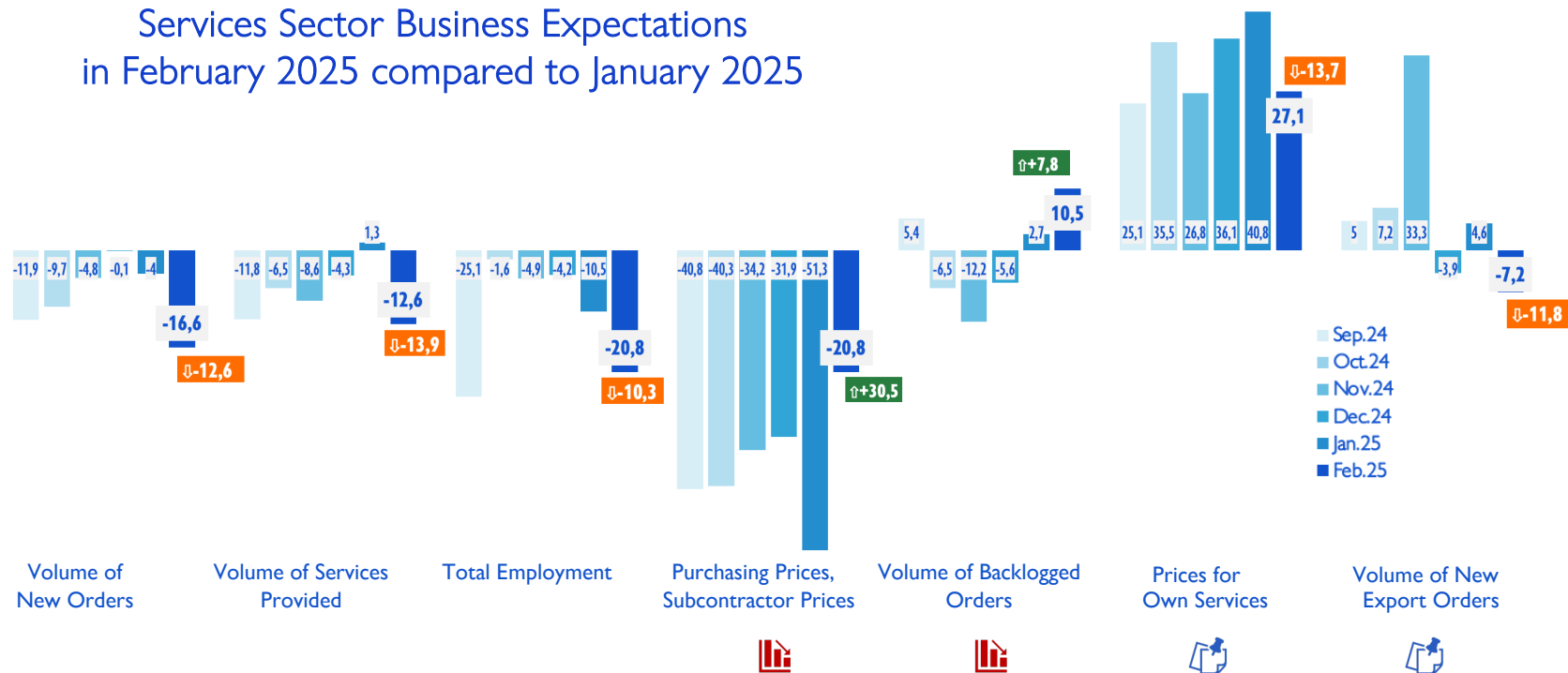
Other indicators remain in the negative expectations zone. A decline in completed work volumes is expected (-7.2↑+6.5), though the trend is improving. At the same time, staff optimization is projected (-14.3↓-5.2) amid rising supplier prices (-50.1↓-27.3).

Notably, most respondents believe that the potential for further price increases on their own services has not yet been exhausted (21.5↓-1.3).



-12,1  $\uparrow +0,3$   
SERVICES

### Services Sector Business Expectations in February 2025 compared to January 2025



In February 2025, service sector enterprises show a slight easing of negative forecasts (-12.1 $\uparrow$ +0.3).

Most indicators remain in the negative expectations zone. A decline is forecasted in: New orders (-16.6 $\downarrow$ -12.6); Service volumes (-12.6 $\downarrow$ -13.9); Total number of employees (-20.8 $\downarrow$ -10.3) amid a downward trend.

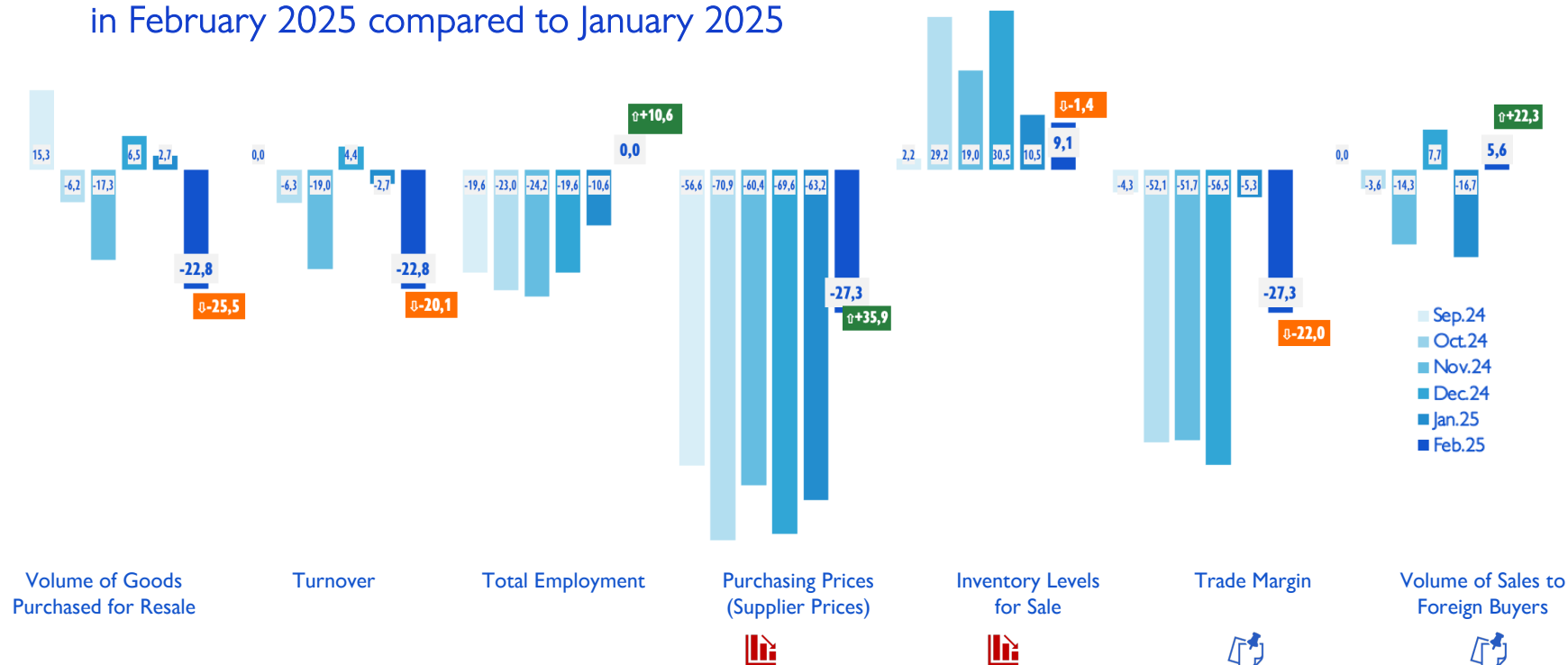
Despite a sharp drop in the number of pessimists, the majority of businesses still expect an increase in procurement prices (-20.8 $\uparrow$ +30.5).

Positive expectations relate to a reduction in unfulfilled orders (10.5 $\uparrow$ +7.8) and opportunities for raising prices on own services (27.1 $\downarrow$ -13.7).

New export orders are expected to decline (-7.2 $\downarrow$ -11.8).

**-12,8** <sup>TRADE</sup>  
 ↓ -0,1

## Trade Sector Business Expectations in February 2025 compared to January 2025



In February 2025, the Business Barometer Index for the trade sector showed a minimal decline, remaining in the negative expectations zone (-12.8↓-0.1).

Positive business sentiment prevails despite the negative trend, particularly regarding the reduction of inventory or stock levels for sale (9.1↓-1.4). Optimistic expectations also relate to an increase in sales volumes to foreign buyers (5.6↑+22.3).

The total number of employees is expected to remain at the current level (0.0↑+10.6).

All other indicators remain in the negative expectations zone to varying degrees. Forecasts suggest: A decline in the purchase volumes of goods for sale (-22.8↓-25.5); A drop in turnover (-22.8↓-20.1); An increase in procurement prices or supplier prices (-27.3↑+35.9).

Additionally, trade margins are expected to shrink, reflecting intensified pessimistic sentiment (-27.3↓-22.0).



**-14,7** ↓-2,4

BUSINESS BAROMETER  
OVERALL

MICRO-  
ENTERPRISES  
(0-9 persons employed)

**-15,7** ↓-0,1

SMALL  
ENTERPRISES  
(up to 50 persons employed)

**-14,5** ↓-1,7



EXPORTERS

**-17,5** ↓-9,3

MEDIUM  
ENTERPRISES  
(50-249 persons employed)

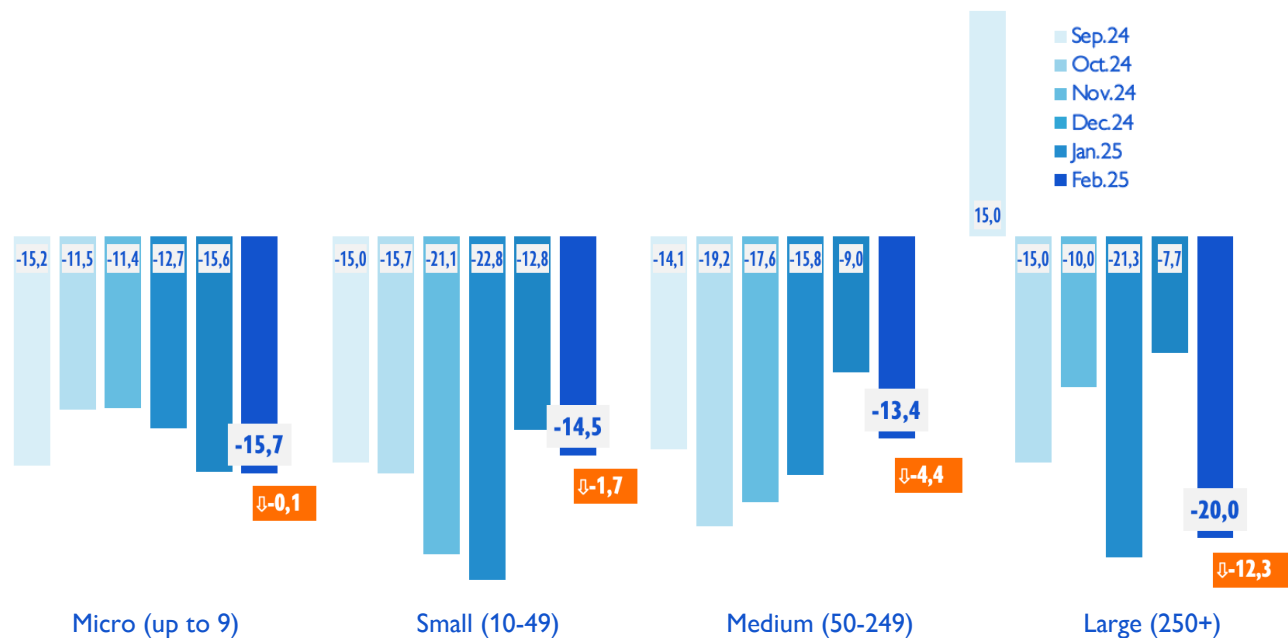
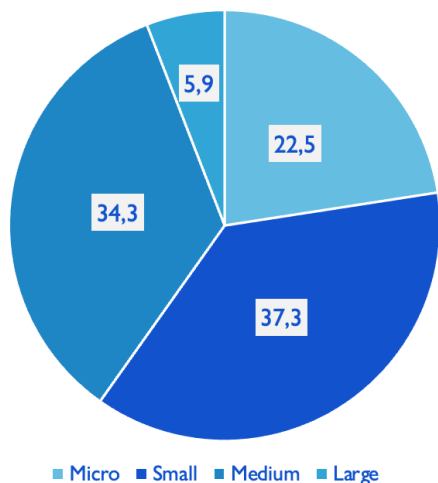
**-13,4** ↓-4,4

LARGE  
ENTERPRISES  
(250 or more persons employed)

**-20,0** ↓-12,3

## Business and Entrepreneur Expectations by Company Size in February 2025 compared to January 2025

Distribution of enterprises - respondents  
by company size, %



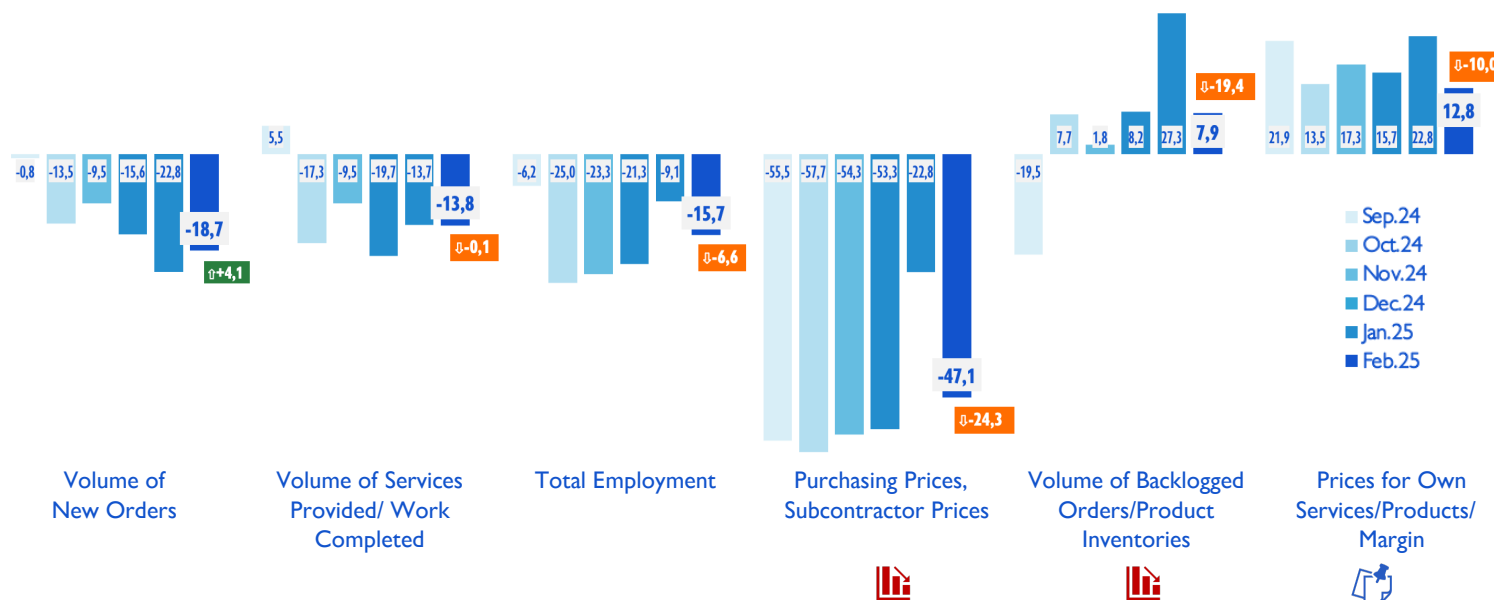
In February 2025, negative expectations continue to dominate across all business sizes.

Micro, small, and medium-sized enterprises show a moderate negative trend (-15.7↓-0.1, -14.5↓-1.7, and -13.4↓-4.4, respectively).

Large enterprises, however, have significantly intensified their pessimistic sentiment (-20.0↓-12.3).

## February 2025 Exporters' Expectations Across All Sectors Compared to January 2025

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



In February 2025, exporters demonstrated a notable worsening of negative expectations (-17.5↓-9.3).

Despite the negative trend, a reduction in the volume of unfulfilled orders is expected (7.9↓-19.4), alongside moderate growth in prices for own services (12.8↓-10.0).

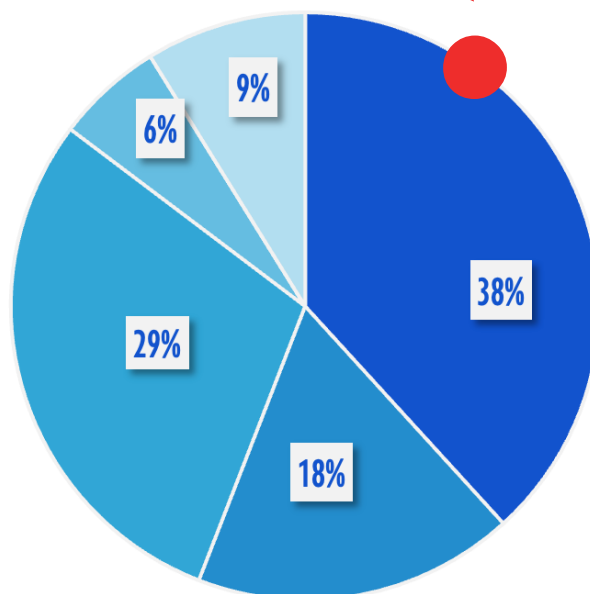
Other indicators remain in the zone of prevailing negative forecasts. Specifically, businesses anticipate: A decline in new order volumes (-18.7↑+4.1); A drop in provided services (-13.8↓-0.1); A reduction in total workforce (-15.7↓-6.6); Rising procurement costs (-47.1↓-24.3).

Notably, exporters' expectations are more pessimistic than the overall sentiment of the domestic business community..



Hot issues –

# WHAT IS THE CURRENT TIME HORIZON FOR YOUR BUSINESS STRATEGY AND OPERATIONAL PLANNING?



- 6 months
- 1 year
- 3 years
- up to 5 years
- over 5 years

## ACTUAL PROBLEM

## GENERAL RECOMMENDATIONS

## For BUSINESS

## For the AUTHORITIES

1

Insufficient strategic/planning horizon for business activities (56% of businesses plan for  $\leq 1$  year)

- Extending the strategic and business planning horizon beyond 3 years

- Update and systematize existing strategic documents at the national level to ensure their effective use as a foundation for developing strategies and plans at the business level

2

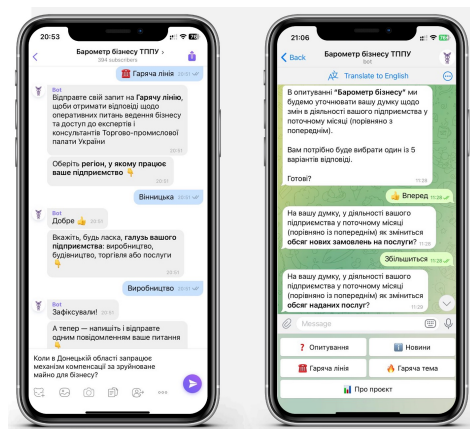
Increase in procurement prices or contractor costs

- Monitoring prices and diversifying suppliers
- Implementing tender procedures and auctions
- Signing fixed-price contracts
- Optimizing inventory management
- Hedging through financial instruments such as futures and options
- Vertical integration to ensure control over raw material and supply chains

- Maintain a balanced monetary policy of the National Bank of Ukraine
- Ensure sufficient access to external financing

## 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.

The Business Barometer is calculated using the following methodology:

$$BB = P1 * 1 + P2 * 0,5 + P3 * 0 + P4 * (-0,5) + P5 * (-1)$$

where:

- P1 = % of responses indicating unconditional improvement
- P2 = % of responses indicating conditional improvement
- P3 = % of responses indicating no change
- P4 = % of responses indicating conditional deterioration
- P5 = % of responses indicating unconditional deterioration

- A value **above 0** indicates growth or expansion in the economic sector compared to the previous month.
- A value **below 0** indicates contraction.
- A value **of 0** means 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).

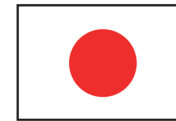
For calculating the Business Barometer indicator, a 3-point scale is applied, and responses are summed up as follows:

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

## FOR THE SUPPORT



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