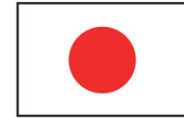




THE UKRAINIAN CHAMBER
OF COMMERCE AND INDUSTRY



From
the People of Japan



BUSINESS BAROMETER

MONTHLY UKRAINIAN BUSINESS SURVEY

MARCH 2025 | #18

survey March 19-24, 2025



Hot issues –

**WHAT WOULD HRYVNIA
DEVALUATION MEAN FOR
YOUR BUSINESS?**

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 #18 | MARCH 2025

- In March 2025, the overall Business Barometer Index showed improvement, reaching **-9.7**^{↑+5.0} points, though it remained in the negative expectations zone.
- Moderately negative sentiment continues to prevail across all sectors, with all sectoral subindices staying in negative territory.
- Notable easing of pessimism was observed in the manufacturing and services sectors (**-9.9**^{↑+7.4} and **-4.4**^{↑+7.7}, respectively).
- Meanwhile, slight deterioration in outlook was recorded in the construction and trade sectors (**-8.0**_{↓-3.7} and **-14.7**_{↓-1.9}, respectively).
- Across all business size categories, negative expectations still dominate; however, sentiment has improved:
 - Micro enterprises: **-8.1**^{↑+7.6}
 - Small enterprises: **-6.3**^{↑+8.2}
 - Medium enterprises: **-12.8**^{↑+0.6}
 - Large enterprises: **-13.7**^{↑+6.3}
- Exporters' outlook follows the overall business trend and is marked by a reduction in pessimistic expectations (**-9.0**^{↑+8.5}).
- Results from the survey question regarding the impact of hryvnia devaluation show that a relative majority (44%) of businesses see it as harmful. In the event of a moderate devaluation (up to 30%), the impact would not be critical for 15% of respondents. In case of a significant devaluation (over 30%), 15% of businesses expect a positive effect. Nearly a quarter of respondents say the devaluation would have no impact on their operations.

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.

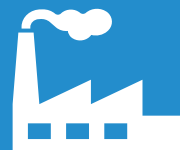
BUSINESS BAROMETER



BUSINESS BAROMETER	2024				2025		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
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

-9,7 $\uparrow +5,0$
BUSINESS BAROMETER
OVERALL



MANUFACTURING

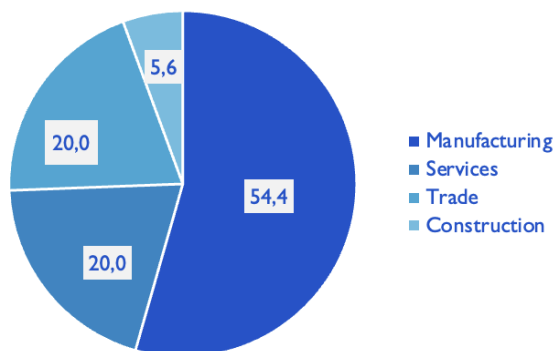
-9,9 $\uparrow +7,4$



CONSTRUCTION

-8,0 $\downarrow -3,7$

Distribution of respondents by sector
Share of respondents, %



SERVICES

-4,4 $\uparrow +7,7$



TRADE

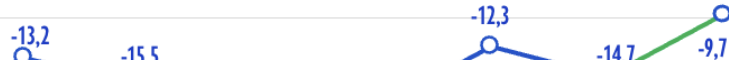
-14,7 $\downarrow -1,9$

#18

March 2025

BUSINESS BAROMETER
OVERALL**-9,7** $\uparrow +5,0$

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



MANUFACTURING

-9,9 $\uparrow +7,4$

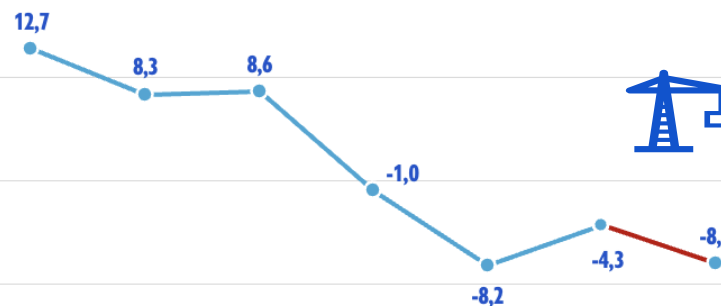
Sep.24 Oct.24 Nov.24 Dec.24 Jan.25 Feb.25 Mar.25



CONSTRUCTION

-8,0 $\downarrow -3,7$

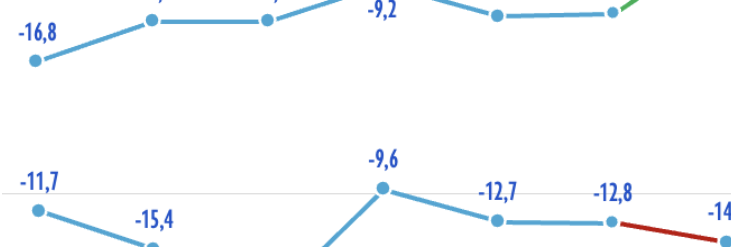
Sep.24 Oct.24 Nov.24 Dec.24 Jan.25 Feb.25 Mar.25



SERVICES

-4,4 $\uparrow +7,7$ 

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

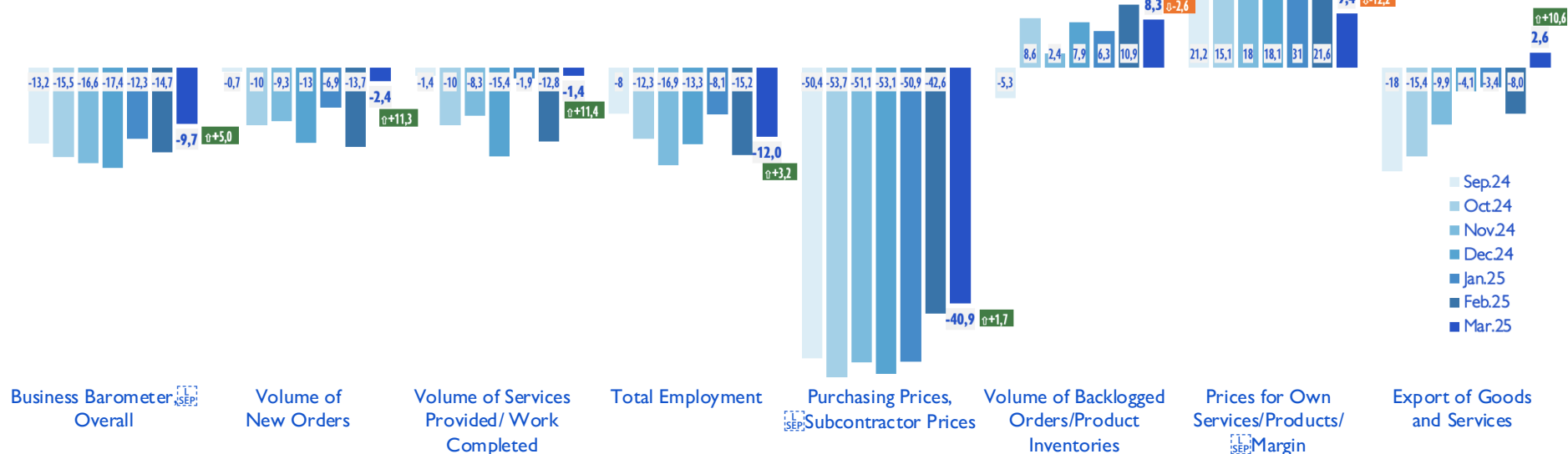


TRADE

-14,7 $\downarrow -1,9$ 

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



BUSINESS BAROMETER
OVERALL**-9,7** ↑+5,0Comparison of Business Barometer Indices by Indicator
for March 2025 compared to February 2025

In March 2025, the overall Business Barometer Index increased by 5.0 points, reaching -9.7.

Positive expectations outweigh negative ones in relation to the reduction of unfulfilled orders (8.3↓-2.6), the potential to increase prices on own goods or services (9.4↓-12.2), and the growth of exports of goods and services (2.6↑+10.6).

Other indicators remain in the negative expectations zone, though they show positive dynamics.

Pessimistic forecasts have significantly eased regarding: New order volumes (-2.4↑+11.3); Provided services or completed works (-1.4↑+11.4) and to a lesser extent regarding Total number of employees (-12.0↑+3.2)

As usual, the most problematic area for businesses remains the increase in procurement and contractor prices, despite ongoing positive momentum (-40.9↑+1.7).



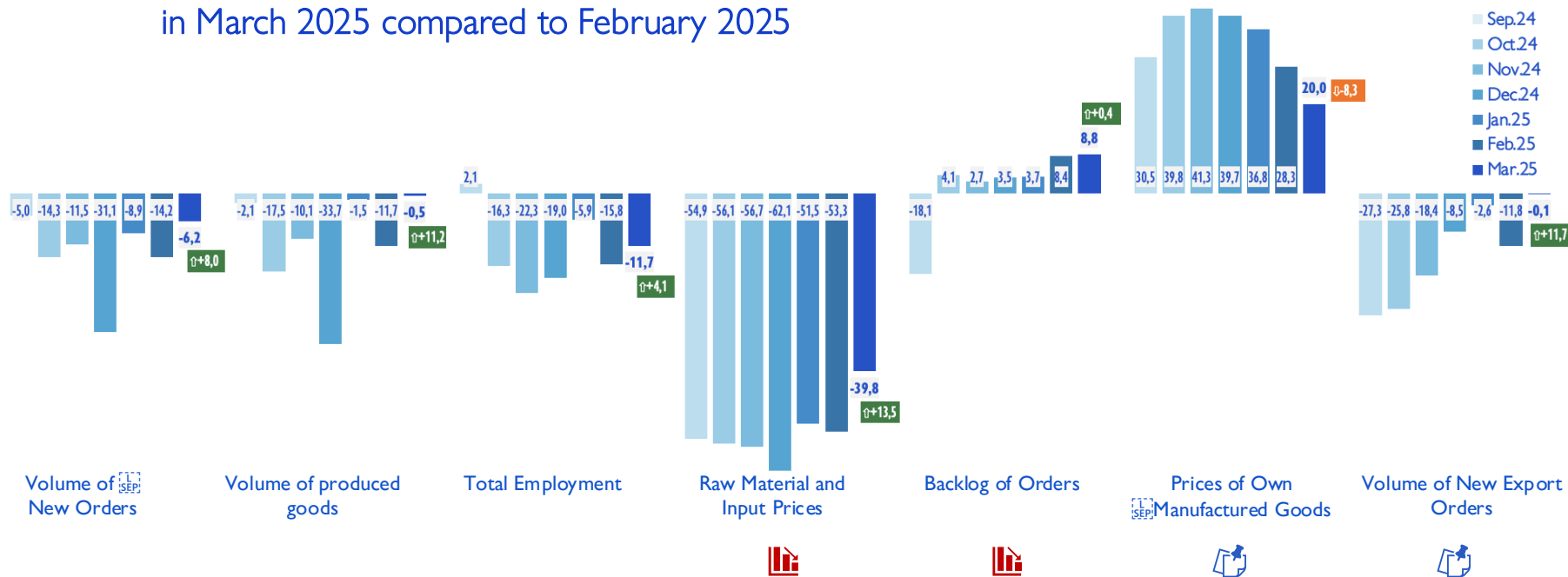
Deterrent indicators are considered in the opposite sense when calculating the Business Barometer indices.



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

-9,9 **↑+7,4**
MANUFACTURING

Manufacturing Sector Business Expectations in March 2025 compared to February 2025



In March 2025, the manufacturing sector demonstrates a weakening of negative forecasts (-9.9↑+7.4).

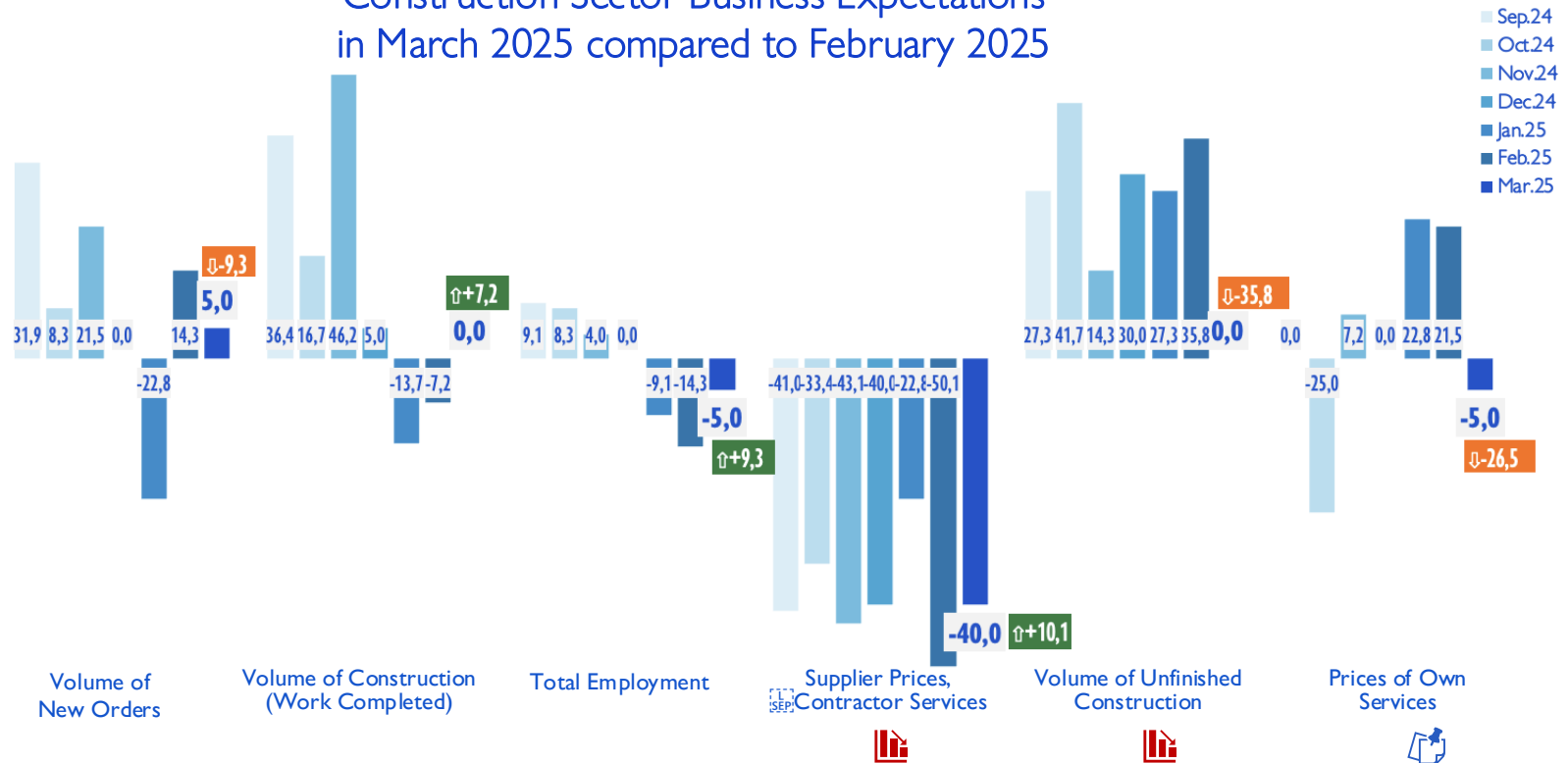
Positive business expectations outweigh negative ones only regarding the reduction in the volume of unfulfilled orders (8.8↑+0.4) and the potential for further price increases on own-manufactured products (20.0↓-8.3).

All other indicators remain in the zone of moderate negative expectations, but pessimistic sentiment is noticeably easing.

Thus, manufacturing sector respondents forecast a decline in new order volumes (-6.2↑+8.0), production output (-0.5↑+11.2), total number of employees (-11.7↑+4.1), and new export orders (-0.1↑+11.7).

Traditionally, the most problematic area for businesses remains the increase in procurement prices for raw materials and supplies (-39.8↑+13.5).

Construction Sector Business Expectations in March 2025 compared to February 2025



In March 2025, the construction sector shows a slight increase in negative expectations (-8.0↓-3.7).

Despite a decline in the number of optimists, new order volumes are expected to grow (-5.0↓-9.3).

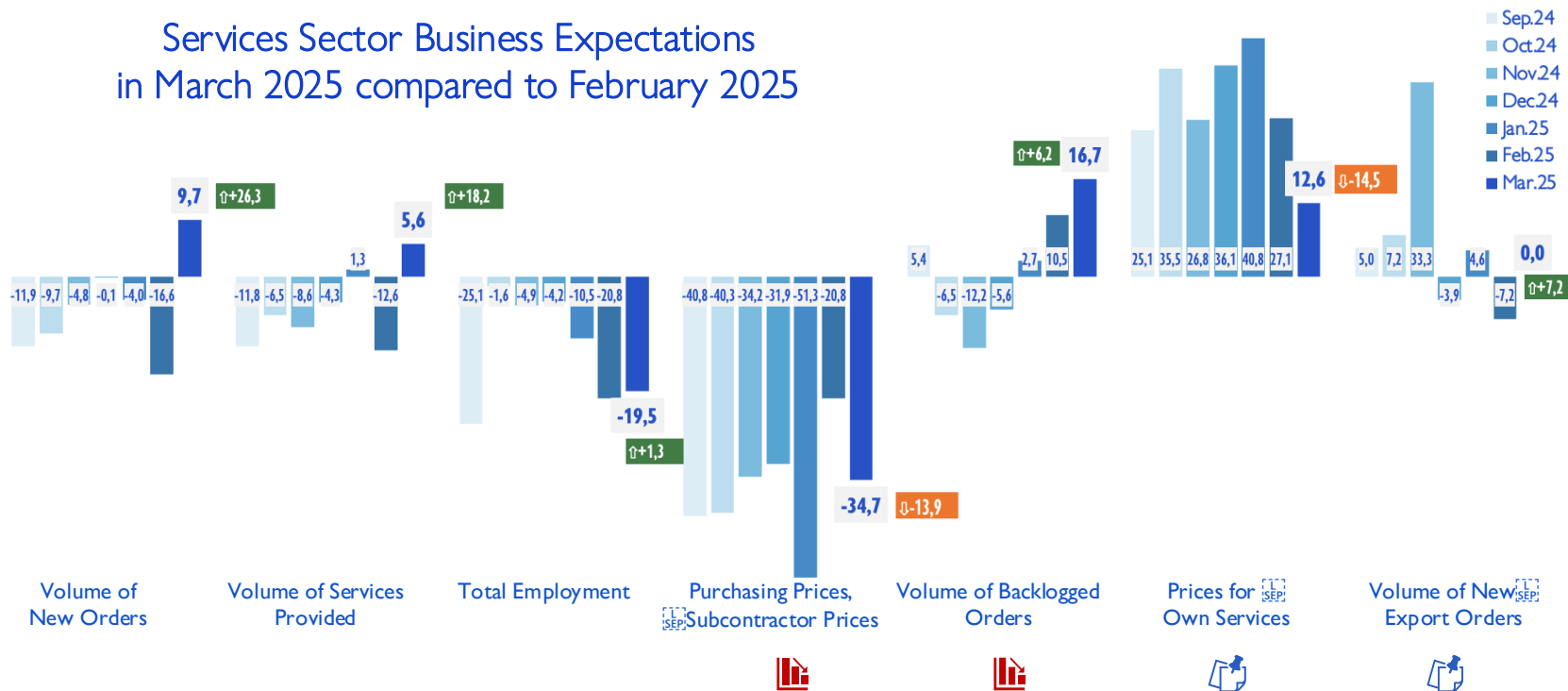
Other indicators remain in the negative expectations zone or are neutral. For instance, the volumes of completed work and unfinished construction are expected to stay unchanged, although the dynamics are mixed (0.0↑+7.2 and 0.0↓-35.8, respectively).

The total number of employees is expected to slightly decline despite a notable improvement in sentiment (-5.0↑+9.3).

It is worth highlighting that supplier prices are expected to rise (-40.0↑+10.1) amid a decline in prices for own services (-5.0↓-26.5).

-4,4 \uparrow +7,7
SERVICES

Services Sector Business Expectations in March 2025 compared to February 2025



In March 2025, enterprises in the services sector demonstrate a notable easing of negative forecasts (-4.4 \uparrow +7.7).

Most indicators fall within the positive expectations zone.

Increases are anticipated in: New order volumes (9.7 \uparrow +26.3); Service volumes provided (5.6 \uparrow +18.2); Reduction in unfulfilled orders (16.7 \uparrow +6.2)

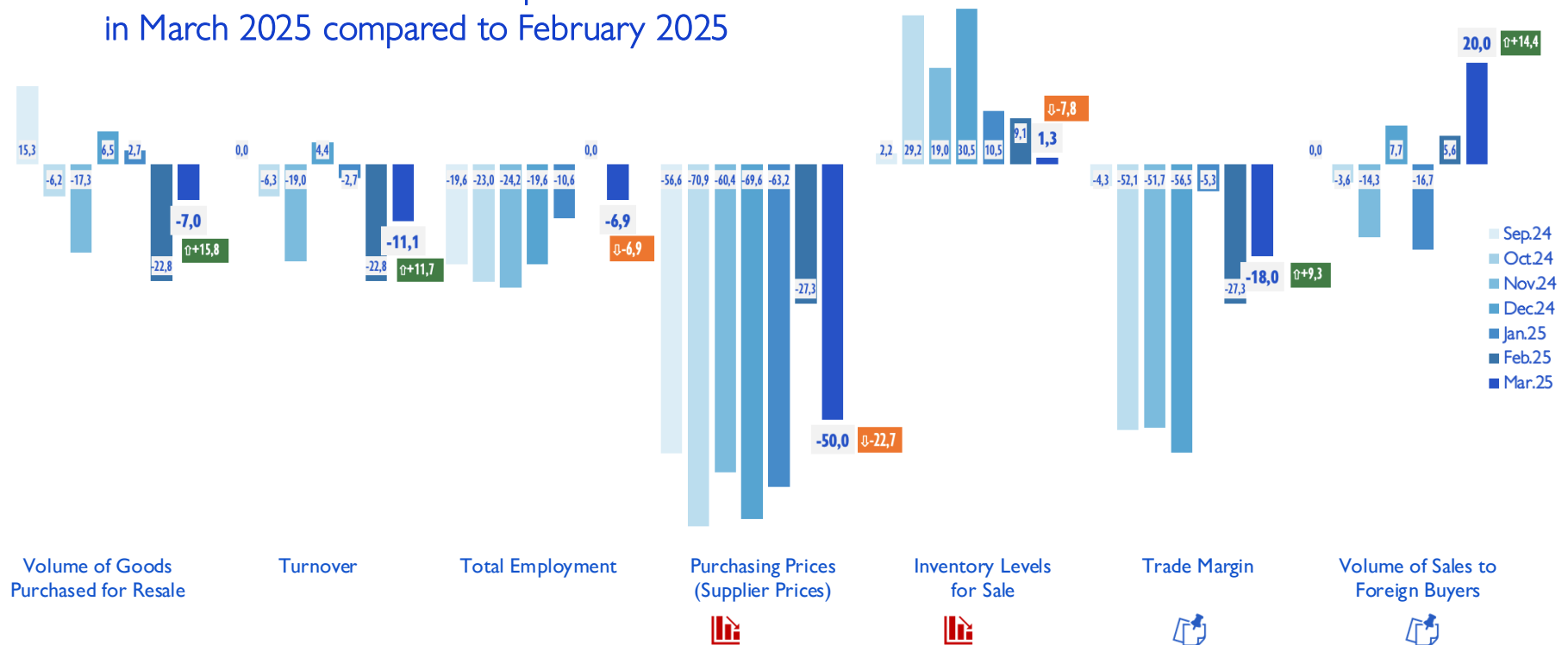
Negative expectations relate to a decline in total number of employees (-19.5 \uparrow +1.3), despite a moderately positive trend.

The majority of businesses in the services sector expect procurement prices to rise (-34.7 \downarrow -13.9) while also anticipating an increase in prices for their own services (12.6 \downarrow -14.5).

The volume of new export orders is expected to remain unchanged (0.0 \uparrow +7.2).

-14,7^{TRADE}
 ↓ -1,9

Trade Sector Business Expectations in March 2025 compared to February 2025



The Business Barometer Index for the trade sector in March 2025 showed a slight decrease and remained in the negative expectations zone (-14.7↓-1.9).

Positive business sentiment, despite the negative trend, still dominates regarding the reduction of inventories or stock levels for sale (1.3↓-7.8).

Positive expectations also relate to the growth in sales volumes to foreign buyers (20.0↑+14.4).

Other indicators to varying degrees remain in the negative expectations zone and show mixed dynamics.

Forecasts include: a decrease in purchase volumes of goods for sale (-7.0↑+15.8); f drop in turnover (-11.1↑+11.7); f reduction in the total number of employees (-6.9↓-6.9); an increase in procurement or supplier prices (-50.0↓-22.7)

This comes against the backdrop of a decline in trade margins (-18.0↑+9.3).

-9,7 **↑+5,0**
BUSINESS BAROMETER
OVERALL

MICRO-
ENTERPRISES
(0-9 persons employed)

-8,1 **↑+7,6**

SMALL
ENTERPRISES
(up to 50 persons employed)

-6,3 **↑+8,2**



EXPORTERS

-9,0 **↑+8,5**

MEDIUM
ENTERPRISES
(50-249 persons employed)

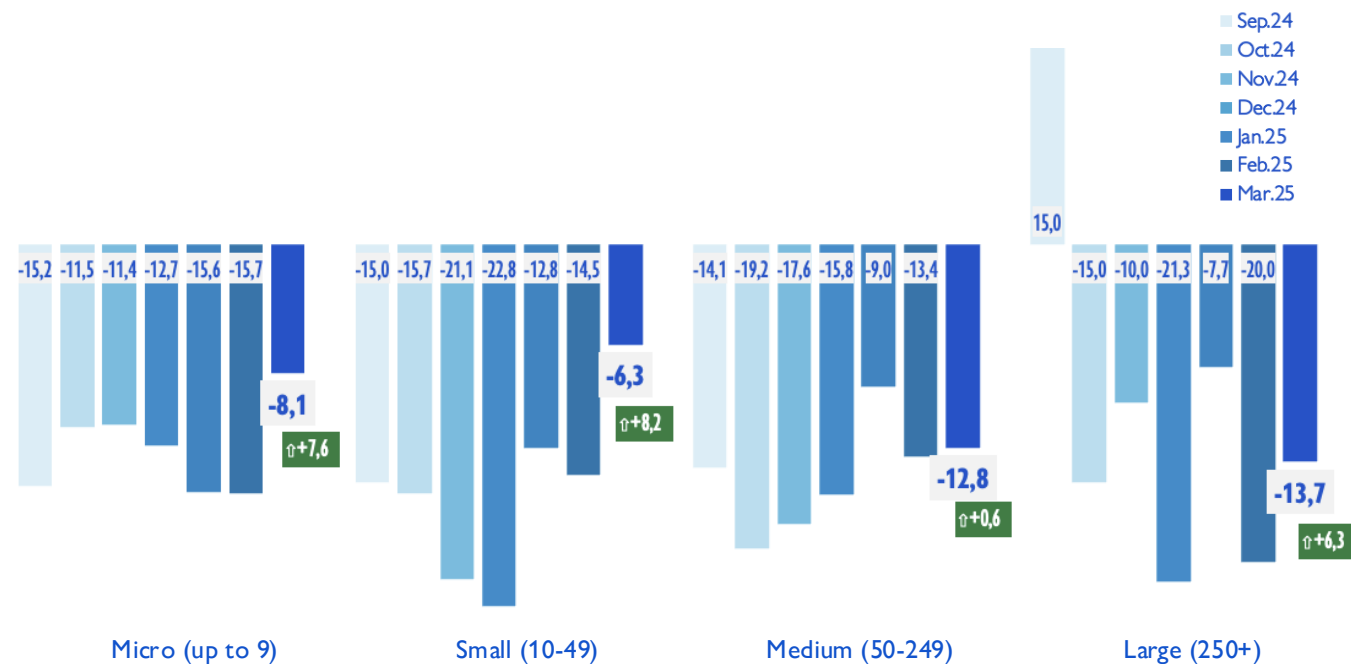
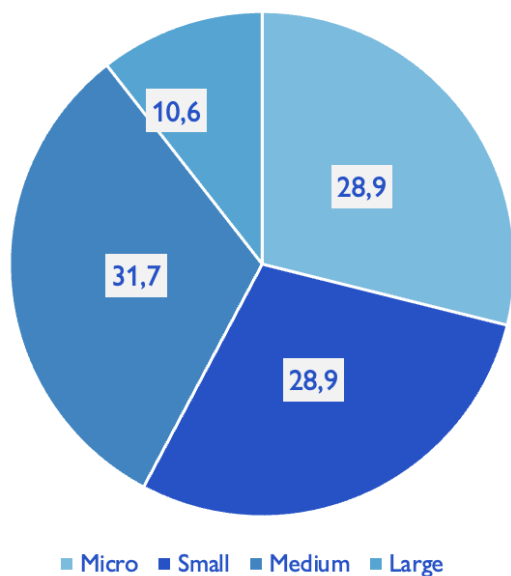
-12,8 **↑+0,6**

LARGE
ENTERPRISES
(250 or more persons employed)

-13,7 **↑+6,3**

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

Distribution of enterprises - respondents
by company size, %

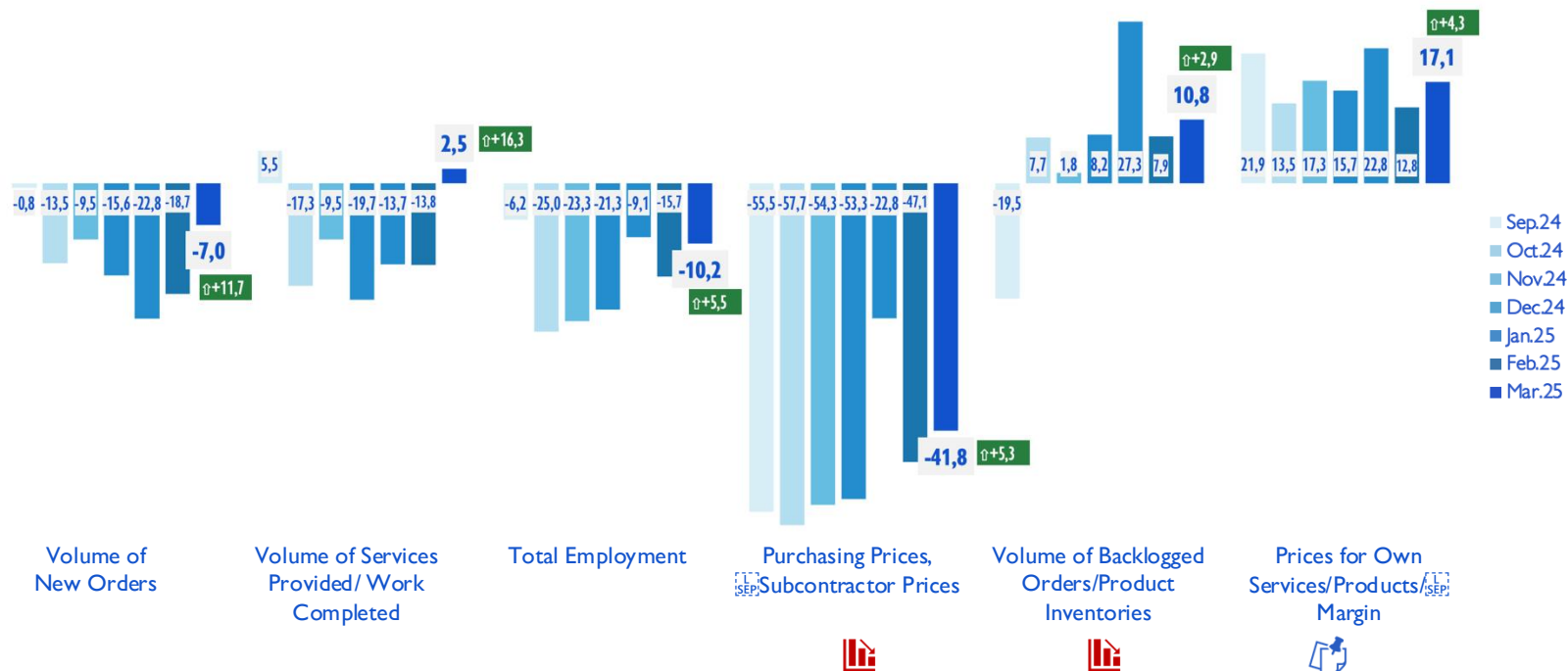


In March 2025, negative expectations continue to dominate across all business sizes, but the trend is positive.

Representatives of medium and large businesses remain relatively more pessimistic about the near future (-12.8 \uparrow +0.6 and -13.7 \uparrow +6.3, respectively).

Micro and small enterprises are somewhat more optimistic (-8.1 \uparrow +7.6 and -6.3 \uparrow +8.2, respectively).

March 2025 Exporters' Expectations Across All Sectors Compared to February 2025



In March 2025, exporters demonstrated a notable easing of negative expectations (-9.0 \uparrow +8.5), which applies to all indicators without exception.

A slight increase in the volume of services provided is forecasted (2.5 \uparrow +16.3), along with a reduction in the volume of unfulfilled orders among exporters (10.8 \uparrow +2.9) against the backdrop of rising prices for their own services (17.1 \uparrow +4.3).

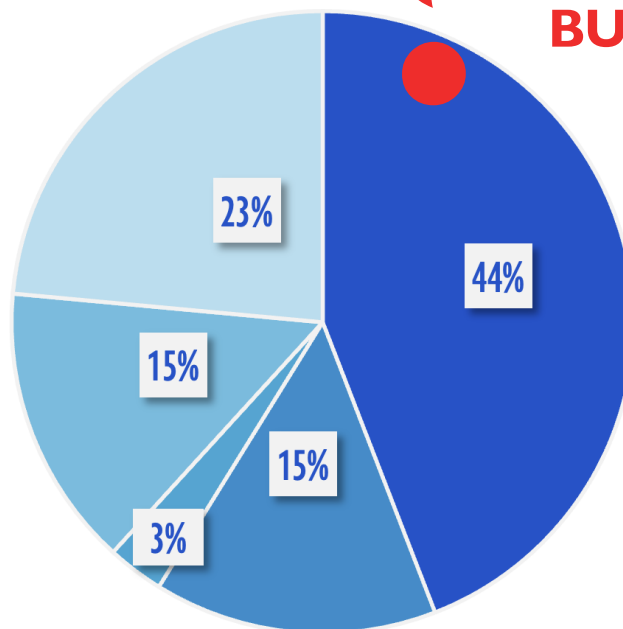
Other indicators remain in the zone of prevailing negative forecasts. Expectations include: a decline in new order volumes (-7.0 \uparrow +11.7); a reduction in total number of employees (-10.2 \uparrow +5.5); an increase in procurement prices (-41.8 \uparrow +5.3).

It is worth noting that exporters' expectations are slightly more optimistic than the overall sentiment within the domestic business community.



Hot issues –

WHAT WOULD HRYVNIA DEVALUATION MEAN FOR YOUR BUSINESS?



- Negative impact – harms the business
- Not critical – up to 30% devaluation
- Positive impact – benefits the business
- Positive effect in case of 30%+ devaluation
- No impact – no significant changes

ACTUAL PROBLEM

GENERAL RECOMMENDATIONS

For BUSINESS

For the AUTHORITIES

1

Negative impact on business from hryvnia devaluation

- Hedging against currency risks

- Maintaining a balanced exchange rate policy by the NBU to ensure a sufficiently stable hryvnia rate against major reserve currencies

2

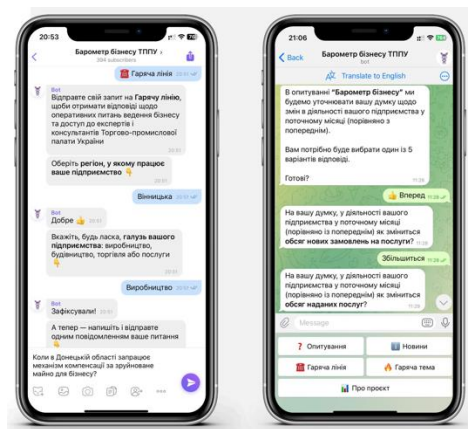
Rising procurement or contractor prices amid a declining potential to increase prices on own products

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

- Maintaining a prudent monetary policy by the NBU
- Expanding targeted lending to domestic producers
- Ensuring an adequate level of external financing attraction

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



THE UKRAINIAN CHAMBER
OF COMMERCE AND INDUSTRY



From
the People of Japan



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