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INSTITUTE FOR ECONOMIC RESEARCH AND POLICY CONSULTING

The survey on the efficiency of the Government's implementation of the critical import goods list

Project "Support of the Civil Society Initiative "For Fair and Transparent Customs"

Survey description

Aim

The survey was conducted by the Project “Support for the Public Initiative “For Fair and Transparent Customs” (hereinafter the Initiative). It is the 19th survey in a series of online surveys regularly conducted by the Initiative.

Due to the declaration of martial law in Ukraine on February 24, 2022, the Cabinet of Ministers of Ukraine introduced the critical import goods list and recommended the National Bank of Ukraine ensure the implementation of cross-border currency payments for operations on the import of goods from this list. The list was introduced to save the state's foreign exchange funds and ensure the possibility to purchase the most necessary goods, the import of which is critical for Ukraine under martial law.

The first edition of the document included only about 30 product items.

On July 9, the list of critical import goods was canceled by the relevant decision of the Government.

The survey was started before this list was canceled.

Purpose: to find out the attitude of enterprises to the introduction of the critical goods list and assess its impact on their economic activity.

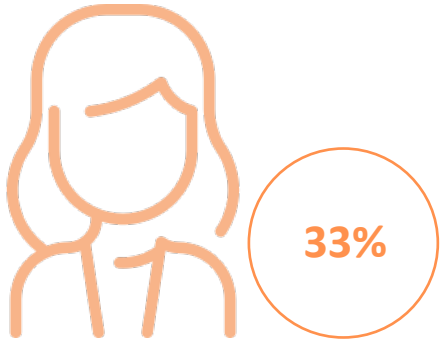
Methodology

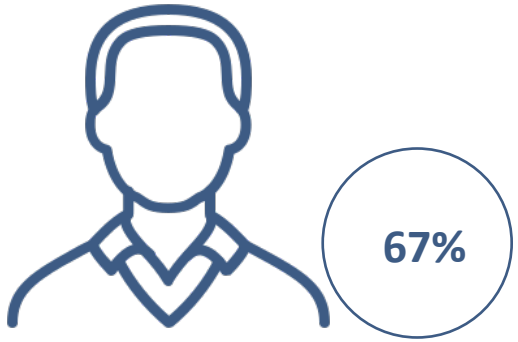
Qualitative and quantitative approaches were used for data collection. In the first stage, six in-depth interviews were conducted with top managers of companies from various industries. In the second stage, the online survey of companies' top managers, individual entrepreneurs, and other business representatives was conducted.
Field stage: June 30 – July 15, 2022. Total number of participants: 30.

RESPONDENTS

Respondents' profile

30 respondents from 10 regions of Ukraine (Volyn, Dnipropetrovsk, Donetsk, Ivano-Frankivsk, Kyiv, Lviv, Poltava, Rivne, Ternopil, Cherkasy) and Kyiv city took part in the online survey.





The respondents' age is from 28 to 62 years; the average age is 44 years.

Profile of the companies representing the respondents

44%	Limited liability company
19%	Private enterprise
15%	Joint-stock company (PJSC, PrJSC)
15%	Individual entrepreneur
4%	Association of business entities
4%	State enterprise

Trade:
- oil products
- non-food products
- industrial chemical products
- textile products
- construction goods
- household goods

Carriage building
Engineering
Non-ferrous metallurgy
Forestry
Installation of ventilation systems
Woodworking
Construction
Restaurant business
Elevator maintenance
Agriculture
Chemical Industry
Light industry
Medical equipment
Foreign economic activity

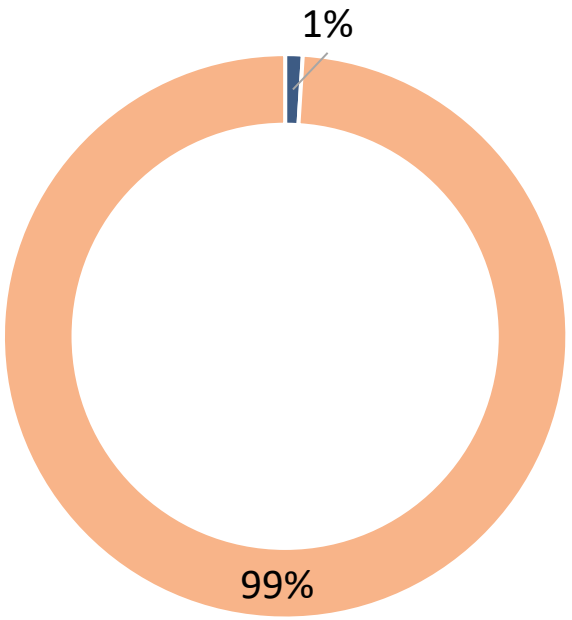
ATTITUDE TO THE CRITICAL IMPORTS LIST

Enterprise dependence on imported goods

The absolute majority (99%) of the enterprises surveyed stated that the activity of their companies depends on imported goods (components, etc.).

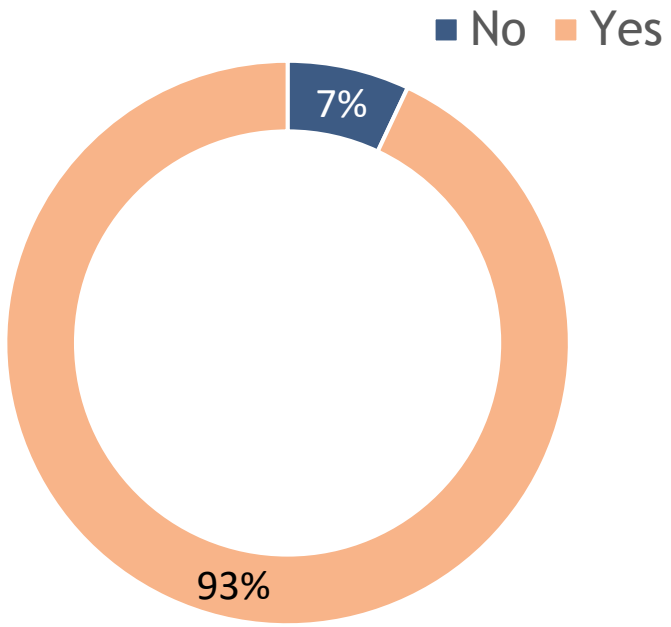
Only 1% of respondents said that it does not depend on imports.

At the same time, 89% of respondents noted that they knew about the critical import goods list, and 11% did not know about the existence of the list.

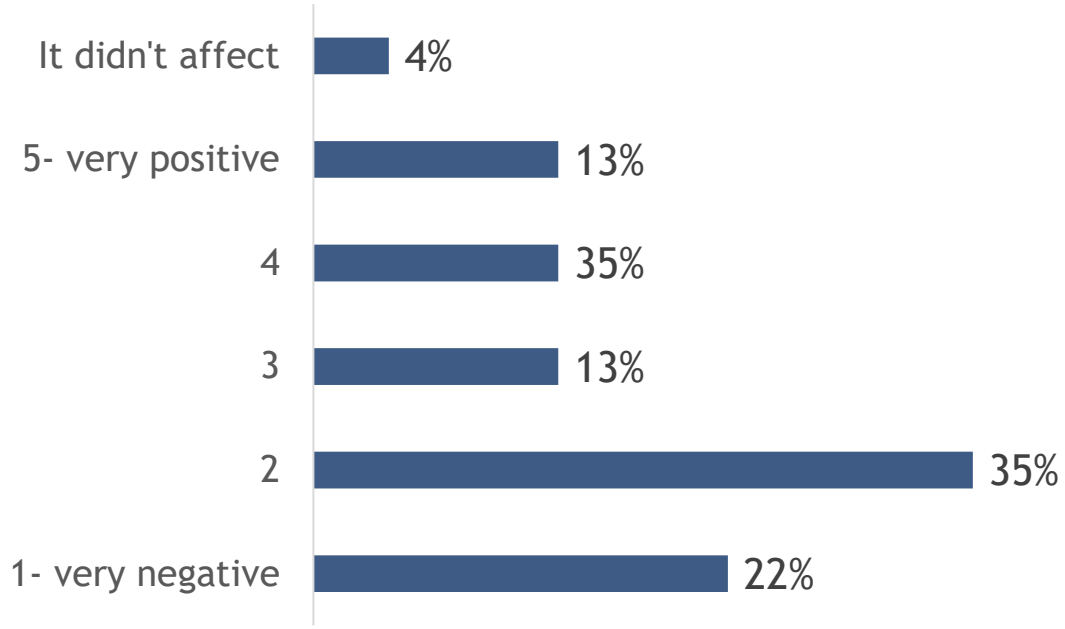


The impact of the critical import goods list on the enterprise

Does the implementation of the critical import goods list affect the enterprise's economic activity?

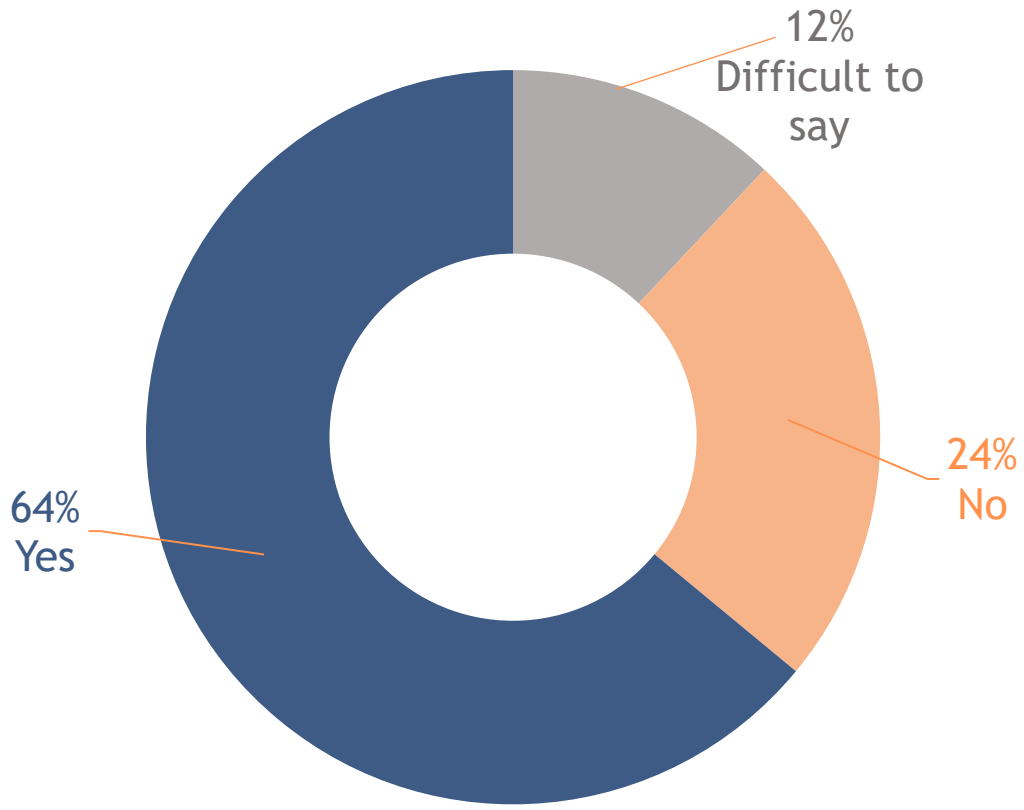


If the company was affected by the implementation of the critical import goods list, how exactly?



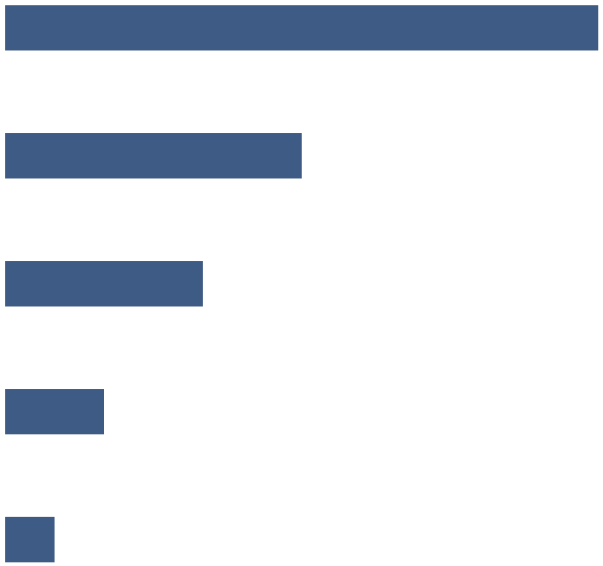
Implementation by the Government of the critical import goods list

Are the Government actions correct in implementing the critical import goods list from February 24, 2022, due to the military aggression of the Russian Federation against Ukraine and the implementation of martial law?



Implementation by the Government of the critical import goods list

Did the products (goods, services) needed for the company's economic activity fall under the category of critical import goods?

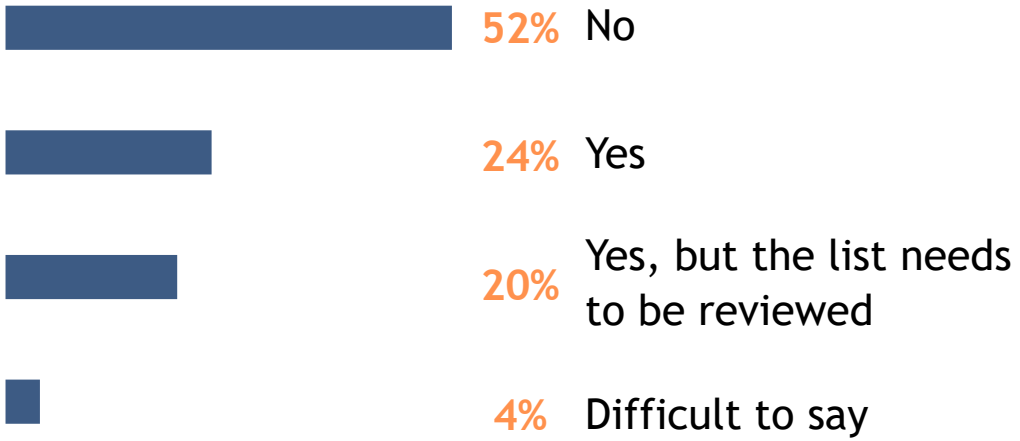


48%	Yes
24%	At the beginning, the relevant products were not on the list, but later they were included in the list of critical import goods
16%	No
8%	At first, the corresponding products were not on the list, then they were included, and later again excluded from the list
4%	At the beginning, the corresponding products were in the list, and then they were excluded from it

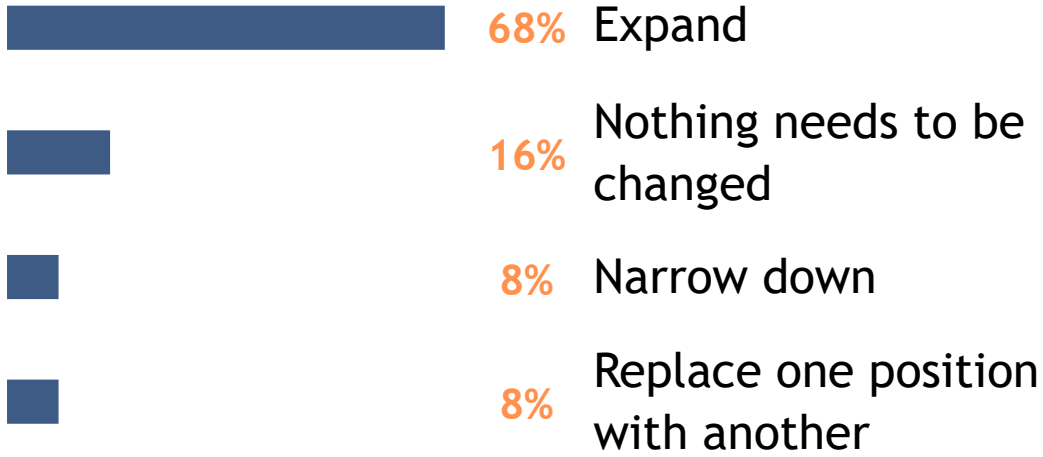
Implementation by the Government of the critical import goods list

The respondents' attitudes towards the need to prologue operation of the critical import goods list among divided: the majority of 52% did NOT support its prolongation, and almost a quarter of 24% said about its necessity.
At the same time, the absolute majority declared the need to expand the list

Is it necessary, in your opinion, to extend the list of critical import goods today?



What, in your opinion, should be changed in the critical import goods list?



Implementation by the Government of the critical import goods list

Respondents had the opportunity to comment on the critical import goods list issue. The comments included the following:

- among other things, the lack of the necessary equipment at domestic enterprises is caused by their destruction or by being based in territories temporarily uncontrolled by Ukraine;
- elevators and hoists, as equipment in general, were listed, and there were no spare parts for them;
- the state should protect national producers through the mechanism of critical imports;
- it is important not to narrow down the list;
- one matter is the import of goods under the UKT FEA codes, which are not on the critical imports list, simply for resale, and the other, if products are imported, as components for the manufacture of goods in Ukraine, the analogs of which are catastrophically lacking in Ukraine.

KEY RESULTS / CONCLUSIONS

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1. The absolute majority (99%) of the respondents stated that the activity of their companies depends on imported goods.
2. The vast majority (89%) of respondents are aware of the existence of a list of critical import goods.
3. The economic activity of 93% of companies surveyed is affected by restrictions resulting from the presence of the list.
4. For 57% of respondents, the impact of the list was very negative or negative. There was no impact on 4% of respondents.
5. 84% of the enterprises surveyed noted that the products they need for economic activity were included in the critical import goods list.
6. Despite the negative impact of the critical import goods list on enterprises and mostly **NOT support for the need to continue its operation - the majority of respondents (64%)** consider the Government's actions to introduce this list to be correct!

CONTACTS

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The project "Support to the Civil Society Initiative "For Fair and Transparent Customs" is implemented by the Institute for Economic Research and Policy Consulting with the financial support of the European Union, the International Renaissance Foundation, and the Atlas Network.

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