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# New Monthly Enterprises Survey

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Ukrainian Business in Wartime

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## ABOUT THE NEW MONTHLY ENTERPRISES SURVEY "UKRAINIAN BUSINESS IN WARTIME"

Dear ladies and gentlemen, we present you with the **thirtieth issue** of the business managers' monthly survey "Ukrainian Business in Wartime."

The need for comprehensive information on the economic situation is crucial for economic policy in wartime. The Institute for Economic Research and Policy Consulting conducts a monthly enterprise survey using the Business Tendency Survey approach to quickly collect information on the current economic state and forecasting economic trends for the future. The BTS methodology is used around the world to assess the economic situation from the "basic level" - the judgments and expectations of the main economic agents - managers of enterprises and entrepreneurs. The result of tendency surveys is a short, "compressed" picture of the economy or a separate sector, economic trends in the short- and medium-term horizon, and future "turning" points of the cycle of economic activity.

The monthly survey consists of two parts: the regular one and the special one. The respondents regularly answer questions on the changes in key activity indicators and short-term forecasts for future changes in the same indicators. This entails the dynamics of output (production), sales, exports, debt, prices, new orders, employment, etc. We also focus on estimates and expectations of the changes in the business climate and business activity at the enterprise in the next six months. This part of the survey applies the business tendency survey methodology, harmonized according to the Joint Harmonized EU Program of Business and Consumer Surveys (BCS) requirements. Where applicable, we use comparisons with the data from the quarterly business survey "Business Opinion" that have been conducted since 1998. The special part of the monthly enterprise survey is devoted to the war's impact on the production activity of enterprises and exports and the assessment of government policy on business support. The industry dimension in data analysis is used in the issue.

Monthly trends will be presented in reports such as this one. Quarterly trends will continue to be published in the "Business Survey: Industry" reports, which have been published by the IER since July 2002.

Since August 2024, the publication became possible thanks to the support of the European Union and the International Renaissance Foundation as a part of the joint initiative "European Renaissance of Ukraine". The monthly enterprise survey "Ukrainian Business in Wartime" was launched by IER in early 2022 as a response to the challenges to economic governance due to Russia's full-scale war against Ukraine. The implementation of this initiative became possible thanks to changes in the implementation plan of the project "For Fair and Transparent Customs", funded by the European Union and co-financed by the International Renaissance Foundation and the ATLAS Network charitable foundation (USA) and took place under the auspices of this project from May 2022 to December 2023. From January to April 2024, research has been carried out within the framework of the project "Emergency Support to Civil Society and Media in Response to the War in Ukraine," implemented with the financial support of the European Union.

We are grateful to the analytical system YouControl (https://youcontrol.com.ua/) for the opportunity to use the data to form a panel sample.

The content of this publication is the sole responsibility of the Institute for Economic Research and Policy Consulting and does not necessarily represent the position of the European Union or the International Renaissance Foundation.

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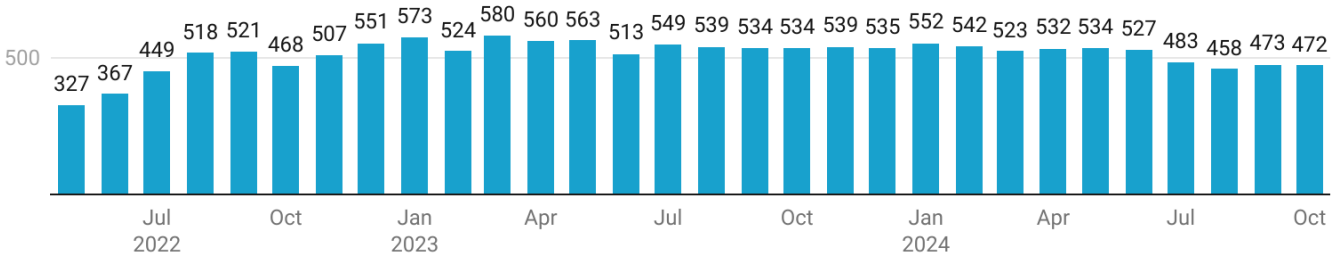
# PRACTICAL QUESTIONS AND ANSWERS TO HELP TO READ THIS REPORT

**Who do we survey?** This survey uses a panel sample; that means we survey the same business entities. During the thirtieth wave of the survey, the answers of 472 respondents were received.

*Fig. 1 Number of enterprises surveyed*




They include mainly industrial enterprises (88%) located in 21 of the 27 regions of Ukraine: Vinnytsya, Volyn, Dnipropetrovsk, Zhytomyr, Zakarpattya, Zaporizhzhya, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytskyy, Cherkasy, Chernivtsi, Chernihiv regions and in the Kyiv city. Enterprises of all sizes in terms of the number of workers are represented among the respondents.

*Fig. 2 Number of enterprises surveyed, by size*

**How do we collect data?** Data was collected using a combination of several data collection methods: telephone interviews of business representatives filling out their responses into an online check-list, and, in some cases, self-completion of the online check-list by representatives of enterprises who expressed their desire during the previous telephone contact to enter data into the online check-list themselves.

**How are our indices calculated?** All indices are calculated according to a single methodology. We count responses as +1 when the company responds that the rate has increased, 0 if it has not changed, and -1 if it has decreased. For example, if out of 100 respondents, 20 indicated an increase in production, 50 respondents reported its reduction, and 30 said that everything remained unchanged, the corresponding value of the index will be -0.30. A positive (negative) index value means that the share of enterprises where production has increased is larger (smaller) than the number of those where production has decreased. Each index bigger than +0.05 or less than -0.05 is statistically significant, and different from zero with a 5% error probability.

**How to "read" our indicators?** Our indicators are called "indices," which is a synonym of the term "balance index" or "balance indicator." All indices are the difference between the shares of respondents who reported a decrease and those who reported an increase in the indicator. The bigger the index value, the bigger the rate of indicator

growth; the smaller the index value, the bigger the rate of indicator decline. For most indicators, a higher value of the index means a positive trend, except for indicators of debts, the number of workers on forced leave, and difficulties in finding personnel. Everything is the opposite here. The larger the index, the greater the rate of debt growth or the increase in the number of people on forced leave and hardships (this is bad), the smaller the index, the greater the rate of debt reduction, the decrease in the number of people on forced leave or hardships (this is good).

**When the survey was conducted?** The field stage of the thirtieth wave lasted from September 16 to 30, 2024. The enterprises' managers compared the results of work in October 2024 with September 2024, assessed the state of the indicators at the time of the survey (October 2024) and gave forecasts for the next two, three, or six months, depending on the question. For some questions (where it was indicated), the results of the work were compared to ones in the pre-war period (before February 24, 2022) or with the same period of the previous year. Respondents gave forecasts for the next three months of work.

# MAIN RESULTS

In October 2024, the trend towards accelerating recovery continued amid sustained moderate optimism in both the short and medium term. Six-month expectations for the business activity at the enterprise and the overall economic environment remain positive and continue to improve gradually. Uncertainty in the two-year perspective has decreased somewhat. At the same time, uncertainty in the six months has increased insignificantly for the business activity at the enterprise and without significant changes for the overall economic environment in the country. "Dangerous conditions" caused by the ongoing Russian invasion have emerged as the main obstacle to doing business, pushing "labor shortage" into second place. "Power outages" dropped from third to fifth place. However, in September 2024, businesses lost 4% of their total working hours due to power outages. Negative assessments of the Government's economic policy have again increased slightly.

## OVERALL INDICATORS OF BUSINESS CLIMATE AND ECONOMIC ENVIRONMENT

- The BUSINESS ACTIVITY RECOVERY INDEX continued to grow in October 2024, increasing from 0.12 to 0.23.
- The INDEX OF CURRENT BUSINESS ACTIVITY AT THE ENTERPRISE has not changed significantly for the third month in a row and in October was 0.09 (0.10 in September).
- Enterprises' expectations regarding changes in the business activity in the six-month perspective remain optimistic and even increased slightly; the INDEX OF EXPECTED CHANGES IN THE BUSINESS ACTIVITY AT THE ENTERPRISE is 0.33 (it was 0.31).
- The value of the OVERALL ECONOMIC ENVIRONMENT INDEX deteriorated slightly in October, decreasing from 0.07 to 0.02, although the indicator remains positive.
- Expectations regarding changes in the overall economic environment in six months have maintained an upward trend, the INDEX OF EXPECTED CHANGES IN THE OVERALL ECONOMIC ENVIRONMENT increased from 0.29 to 0.32.
- Two-year expectations for business activity expansion prospects have deteriorated slightly, but the EXPECTED BUSINESS ACTIVITY INDEX decreased from 0.15 to 0.12 in October.
- The level of uncertainty in the two-year perspective has slightly decreased after a significant increase last month. The uncertainty in the six-month perspective has not changed significantly for the overall economic environment in the country. It has slightly increased for the business activity at the enterprise. The uncertainty in the short-term perspective has slightly increased for most production indicators.

## PRODUCTION

- In October 2024, the production growth rate slowed down; the PRODUCTION INDEX, like last month, is 0.18.
- Expectations for the next three months remain optimistic. The value of the INDEX OF EXPECTED CHANGES IN PRODUCTION HAS NOT CHANGED, AND IS 0.38, AS IN THE PREVIOUS MONTH.
- The value of the INDUSTRIAL CONFIDENCE INDICATOR has not changed for several months. In October, the indicator was 0.10 (for three months in a row, the indicator was 0.11).

## DEMAND AND SALES

- The growth rates of sales and new orders remain unchanged. The value of the SALES INDEX, although insignificant, has increased from 0.17 to 0.19, and the value of the NEW ORDERS INDEX is 0.11 (it was 0.12).
- Enterprises' expectations regarding the growth of demand and new orders remain unchanged. The value of the EXPECTED CHANGES IN THE SALES INDEX is 0.38 for the second month in a row, and the VALUE OF THE EXPECTED CHANGES IN THE NEW ORDERS INDEX is 0.35 (it was 0.33).

## PRICES

- The PURCHASE PRICE INDEX increased from 0.26 to 0.29. The INDEX OF EXPECTED CHANGES IN PURCHASE PRICE increased significantly, from 0.44 to 0.49.
- The DOMESTIC SALES PRICE INDEX increased from 0.22 to 0.27. The INDEX OF EXPECTED CHANGES IN DOMESTIC SALES PRICE increased from 0.42 to 0.46.

## DEBTS

- In October, compared to September, the indicators of debt accumulation slowed down. The receivables indicator decreased from -0.05 to -0.11; the payables indicator interrupted the trend of gradual growth and decreased from -0.07 to -0.13. The tax arrears indicator also decreased from -0.12 to -0.19.
- In three months, a further decrease in accumulation is expected. The INDEX OF EXPECTED CHANGES IN ACCOUNTS RECEIVABLE decreased from -0.13 to -0.20. The expectations indicator for payables decreased from -0.14 to -0.22. The INDEX OF EXPECTED CHANGES IN TAX ARREARS also decreased from -0.14 to -0.24.

**EMPLOYMENT**

- The NUMBER OF WORKERS INDEX is -0.05, the same as last month.
- The INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS has increased slightly, after a decrease from last month, and the indicator is 0.06 (it was 0.03).
- The INDEX OF THE NUMBER OF WORKERS ON FORCED LEAVE has not changed significantly and is zero (for two months in a row, the indicator was 0.01). For the next three months, enterprise managers do not expect significant changes in the number of such workers, and the expected changes index is 0.12 (it was 0.11).
- In September, difficulties in finding skilled workers decreased again. The INDEX OF DIFFICULTIES IN FINDING SKILLED WORKERS decreased from 0.56 to 0.48. The INDEX OF DIFFICULTIES IN FINDING UNSKILLED WORKERS has not changed significantly and is 0.33 (it was 0.35).

**AVAILABILTY OF ORDERS**

- In October 2024, the order portfolio among the surveyed enterprises remained at the same level as in September: the average term of new orders was 8 months, the highest value in the previous year and significantly higher than in August when this term was 7 months.
- The share of enterprises with orders for a year or more has exceeded 20% for the second month in a row. At the same time, the share of enterprises with orders for no more than 2 months was 52%.

**OBSTACLES TO DOING BUSINESS IN WARTIME**

- In October 2024, the most acute obstacle to business caused by a full-scale Russian invasion was again the work hazards – 62%.
- With a difference of 5%, the 2nd place in the rating of obstacles to business in October was the labor shortage due to conscription or worker migration – 61%.
- The increase in prices for raw materials and supplies and the decrease in demand for products/services took the 3rd and 4th places – 45% and 34%, respectively.

**OBSTACLES TO DOING BUSINESS BEFORE THE WAR AND NOW**

- Every quarter, we use a list of obstacles to production growth from the long-term quarterly enterprise survey "Business Opinion."
- In October 2024, war and an unfavorable security situation were most often cited as obstacles to production growth.
- 2nd, 3rd, 4th, and 5th places, respectively, were taken by lack of skilled workers, low demand, excessive taxation (all of their values increased in October, except for low demand).
- The unfavorable regulatory climate ranked 5th, having increased significantly compared to Q2 2024.

**PRODUCTION CAPACITIES DURING THE WAR PERIOD**

- In October 2024, only 11% of businesses reported operating at full capacity (100% or more), slightly higher than in the previous two months (10% in August and 9% in September).
- In October, about a third (33%) of businesses were operating at less than half capacity or not operating at all compared to pre-war times. Higher indicators were only seen at the beginning of the full-scale invasion.
- In October 2024, the level of capacity utilization in the SME sector showed little change. The share of small enterprises operating at almost full and full capacity decreased to 31% (33% in September); the share of such micro-enterprises increased from 23% in September to 26% in October, and the figure for medium-sized enterprises remained unchanged (51%).

- The share of large enterprises with high capacity utilization has increased - the indicator reached 54% in October (56% in July, 51% in August and 48% in September).
- The food industry remains the leader in the recovery of the processing industry. In particular, in October 2024, 57% of food industry enterprises were operating at almost full and full capacity (60% in September).
- The lowest capacity utilization indicator is in metallurgy and metalworking (only 14% in October were operating at high capacity).

**POWER OUTAGES EFFECT**

- A quarter (25%) of businesses temporarily suspended operations due to power outages in September 2024 (66% in August).
- 18% of enterprises stopped work for only 1-10% of working time, and 6% - for 11-25% of working time.
- In September 2024, enterprises lost 4% of their total working time due to power outages. This is several times less than in August (10%), which may reflect an improvement in the electricity supply situation.
- Micro and small enterprises suffered more losses (on average 7% and 6% of working time).
- Among the industries, the chemical industry (7% of working time) and the woodworking industry (10%) have the largest time losses.

**EXPORTING ENTERPRISES**

- In October 2024, 63% of respondents reported exporting before the war, continuing to export during the war, or starting to export during the war for the first time.
- Most businesses managed to establish exports during the war. In October 2024, 83% of respondents indicated that enterprises exported before the war and continued to export over the past 12 months. That is, the indicator is approximately at the level of previous months (it was on average 80% - 84% over the past year).
- Some businesses cannot overcome new challenges for export activity. As of October 2024, 16% of enterprises exported before the war, but were unable to resume exports over the past 12 months. Similar results over the past year confirm the stagnation of the restoration of export activity.

**GOVERNMENT POLICY**

- The share of positive assessments of the government's business support policy has not changed significantly and is 4% (5% in September).
- The share of neutral assessments of this policy decreased from 61% in September to 53% in October, while the share of negative assessments increased again: from 24% to 29%.

# ENTERPRISE PERFORMANCE INDICATORS AND SHORT-TERM EXPECTATIONS

## BUSINESS ACTIVITY RECOVERY INDEX

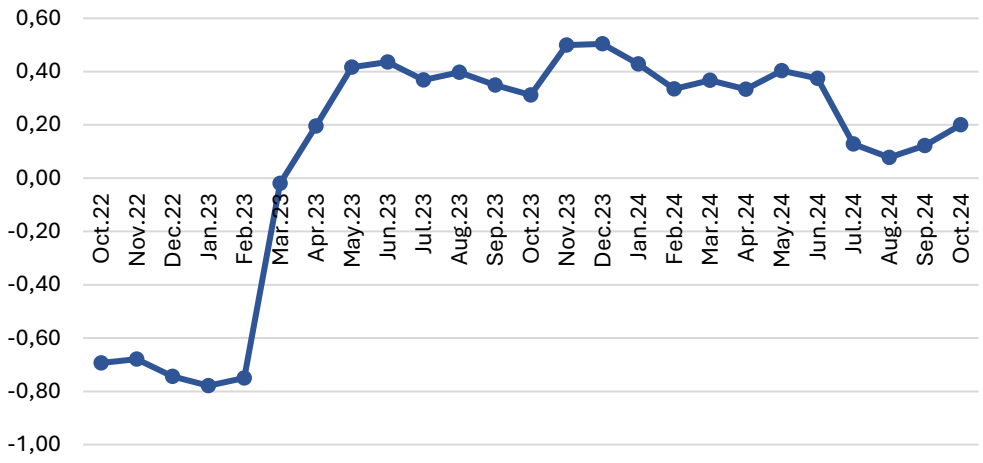
**The trend towards the recovery of business activity continues.** The BUSINESS ACTIVITY RECOVERY INDEX (YEAR TO YEAR) increased from 0.12 to 0.20. The share of respondents who indicated a deterioration in the situation decreased (from 17.9% to 15.7%) while the share of those whose situation is better than a year ago increased significantly, from 30.1% to 38.4%. The share of those who believe nothing has changed compared to last year decreased from 52% to 45.8%.

**Size.** The recovery of business activity significantly depends on the size of the enterprise. Large enterprises are doing best compared to last year, with an index of 0.47. The index for medium-sized enterprises is significantly lower at 0.29, and the index for small enterprises is 0.16. The lowest and most negative value of the index is for microenterprises (-0.15).

**Region.** The highest indicators are in Cherkasy (0.93) and Zaporizhzhya (0.85) regions. The lowest indicators are in the Ternopil (-0.82) and Sumy (-0.47) regions.

**Sector.** The highest index value is recorded for the mechanical engineering and food industry (0.33 each). The lowest index is for metalworking, for which the value is zero.

*Fig.3. Business Activity Recovery Index*




# INDICATORS AND EXPECTATIONS FOR THE HALF-YEAR PERIOD

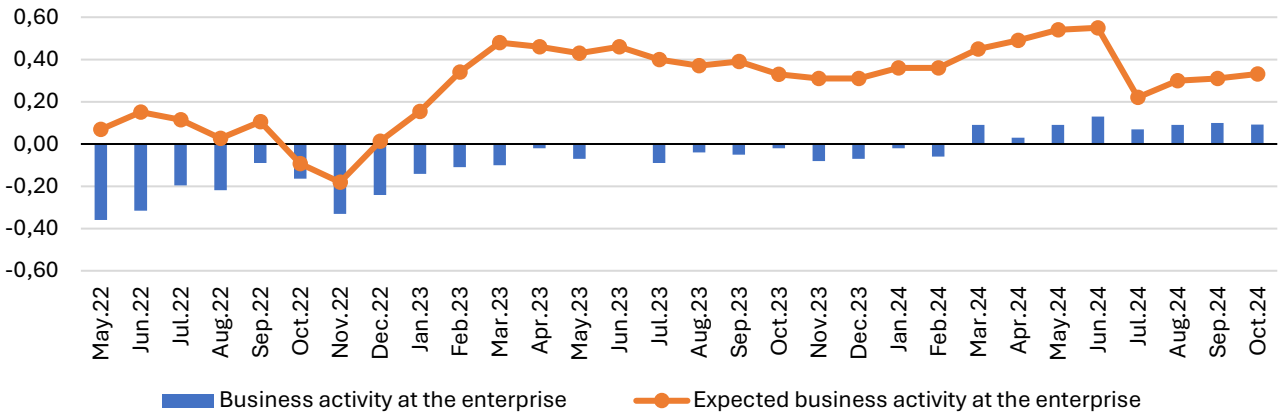
## BUSINESS ACTIVITY AT THE ENTERPRISE

**Assessments of the business activity for six months have not changed significantly for the third month in a row.** The CURRENT BUSINESS ACTIVITY INDEX is 0.09 (0.10 in September and 0.09 in August). The share of those who assess the business activity at the enterprise decreased from 19.1% to 16.5%. At the same time, the share of respondents who give negative assessments has not changed significantly and is 13.1% (it was 13.9%). The share of those who consider the business activity at the enterprise to be satisfactory has increased slightly, from 67% to 70.4%.

**Expectations for the six months remain optimistic and have even increased slightly.** The index of expected changes in business activity is 0.33 (it was 0.31). Both the share of "optimists" (from 35.9% to 39.9%) and the share of those who do not expect improvement (from 9.9% to 11%) have increased slightly. The share of those who do not expect any changes has decreased from 54.1% to 49%.

The share of those who could not give a forecast for the next six months has increased slightly, from 20.5% to 23.1%.

*Fig.4. Business activity at the enterprise, indices*

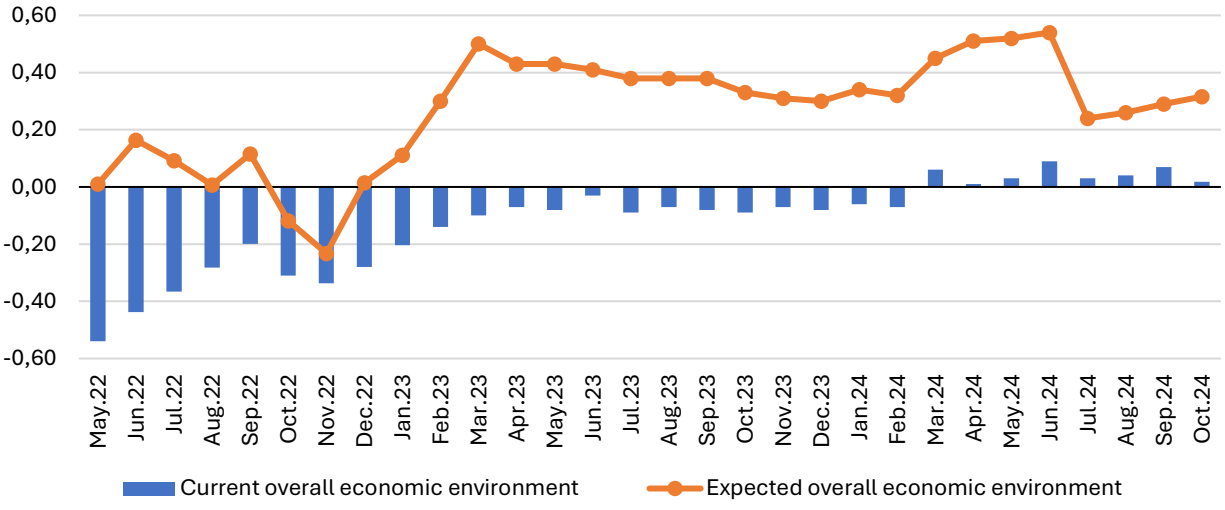



## OVERALL ECONOMIC ENVIRONMENT

**Assessments of the overall economic environment have deteriorated.** The value of the corresponding INDEX in October decreased from 0.07 to 0.02. The share of those who assess the overall economic environment as bad has increased (from 18.8% to 21%). At the same time, the share of those who give positive assessments has decreased somewhat (from 20.8% to 17%). The share of those considering the overall economic environment satisfactory has increased slightly, from 60.4% to 62%.

**Enterprises' forecasts of changes in the overall economic environment for the next six months have maintained a gradual improvement trend:** the INDEX OF EXPECTED CHANGES IN THE OVERALL ECONOMIC ENVIRONMENT increased from 0.29 to 0.32. The share of "optimists" regarding changes in the overall economic environment has increased slightly (from 36.1% to 38.4%), while the share of "pessimists" has not changed significantly for the third month in a row and is 12.6% (13.3% in August and 13.1% in September). The share of those who believe the overall economic environment will not change over the next six months has decreased slightly (from 50.7% to 48.9%). The share of those who were unable to give forecasts regarding the state of the overall economic environment has not changed significantly and is 26.1% (it was 25.6%).

*Fig.5. Overall economic environment, indices*

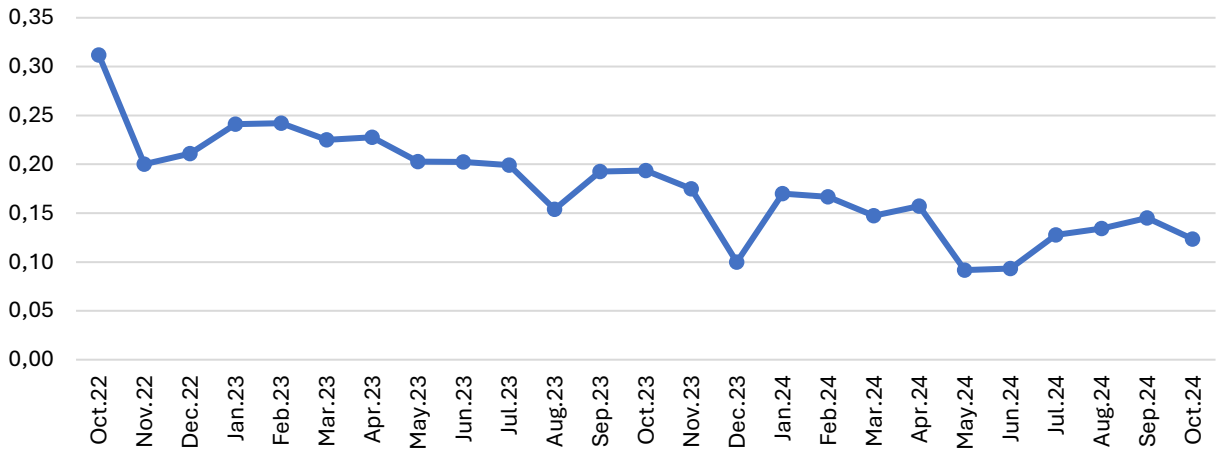


# EXPANSION PLANS FOR THE NEXT TWO YEARS

**Business activity expectations have not significantly, but have worsened.** The INDEX OF THE EXPECTED CHANGES IN BUSINESS ACTIVITY has decreased from 0.15 to 0.12. The share of those planning to expand their activities has decreased slightly (from 19.1% to 17.2%), while the share of those planning to reduce their activities has not changed for the third month in a row and is 4.9% (4.6% in September and 4.7% in August). The share of those planning to remain at the current level has not changed significantly and is 77.9% (it was 76.3%).

The percentage of those who could not give a forecast for such a long-term perspective has decreased slightly, from 39.7% to 37.5%.

*Fig.6. Expectations regarding business activity for two years, indices*




**Size.** Among enterprises of all sizes, the most optimistic plans for the future are for large (0.16) and micro-enterprises (0.15), whose indicators are higher and approximately the same. Small (0.11) and medium-sized (0.10) enterprises have somewhat lower and approximately the same indicators.

**Region.** Significant regional differences were registered. The enterprises of Cherkasy and Zakarpattya (1.00 each) regions have the highest expectations indicators. The Dnipropetrovsk (-0.11) and Zhytomyr (-0.05) regions have the lowest and negative values of the indicator.

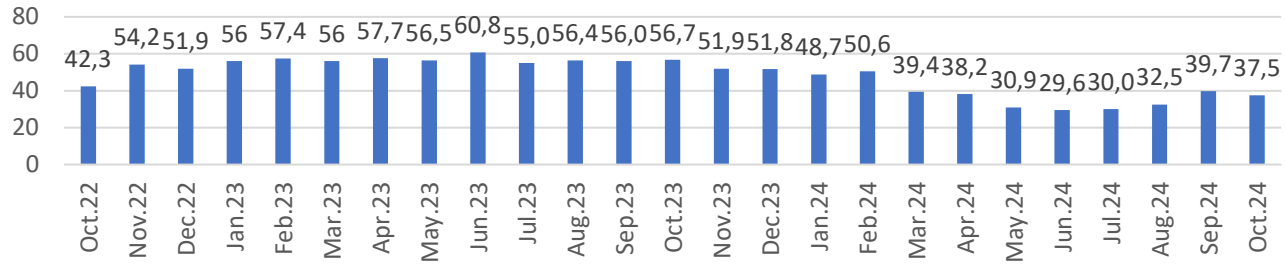
**Sector.** Expectations vary by industry. Light (0.23) and chemical (0.21) industries have the highest values. The indicator for construction materials production has the lowest and only negative value (-0.10).

# UNCERTAINTY

## Two-year expectations

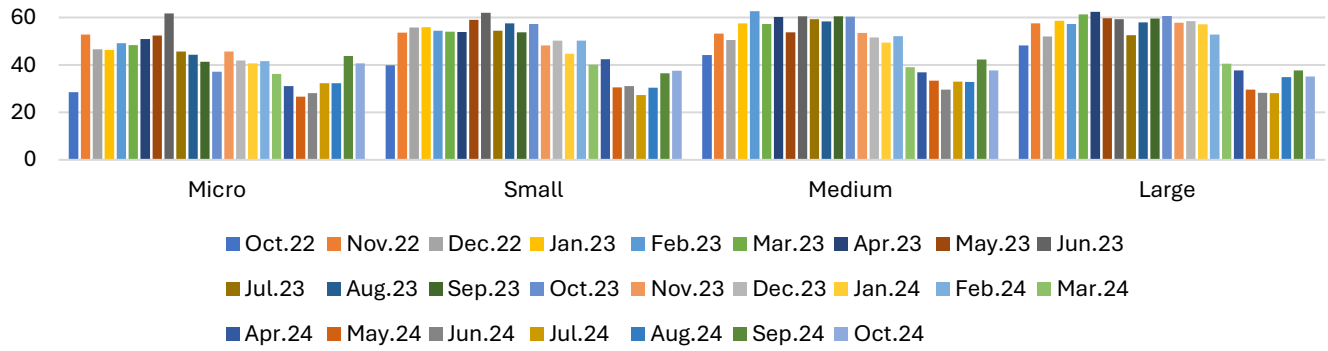
**The level of uncertainty regarding businesses' plans for the next two years has slightly decreased after a significant increase last month.** 37.5% of respondents were unable to provide an answer regarding the prospects for the next two years in October (this figure was 39.7% in September).

*Fig.7.The level of uncertainty regarding the company's activities in the two-year horizon, % of respondents*




**The level of uncertainty regarding plans for the two years depends on the size of the enterprise.** In October, long-term uncertainty increased slightly only for small enterprises (from 36% to 38%). The indicator for medium-sized enterprises decreased from 42% to 38%, and for micro-enterprises decreased from 44% to 41%. The lowest level of long-term uncertainty is for large enterprises, and the value decreased from 38% to 35%.

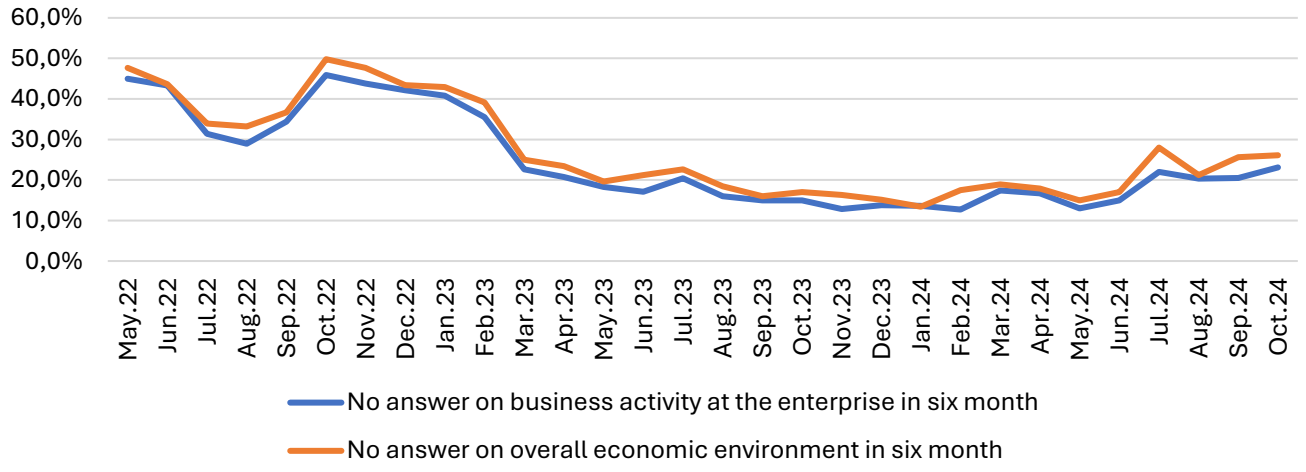
*Fig.8.The share of respondents who could not answer the question about the changes for the next two years, by size of the enterprise*




## Half-year expectations

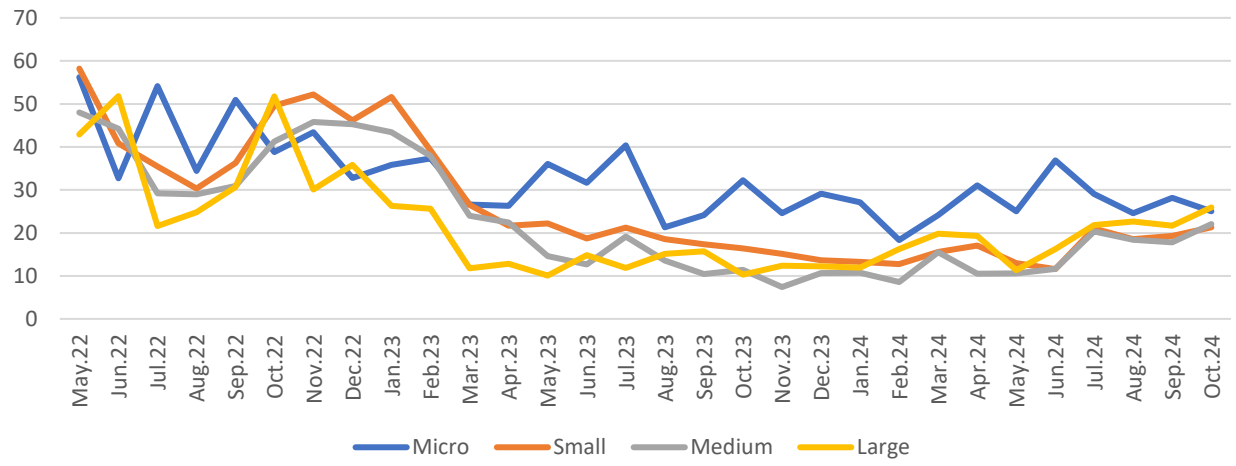
**The level of uncertainty in the forecasts of the half-year perspective has increased somewhat for the business activity at the enterprise but has not changed significantly for the overall economic environment in the country.** The uncertainty for the business activity, although insignificantly, has increased from 20.5% to 23.1%. The share of respondents who were unable to give a forecast regarding changes in the overall economic environment has not changed significantly after the increase last month and is 26.1% (it was 25.6%).

*Fig.9.The level of uncertainty of the business activity and the overall economic environment, % of respondents*



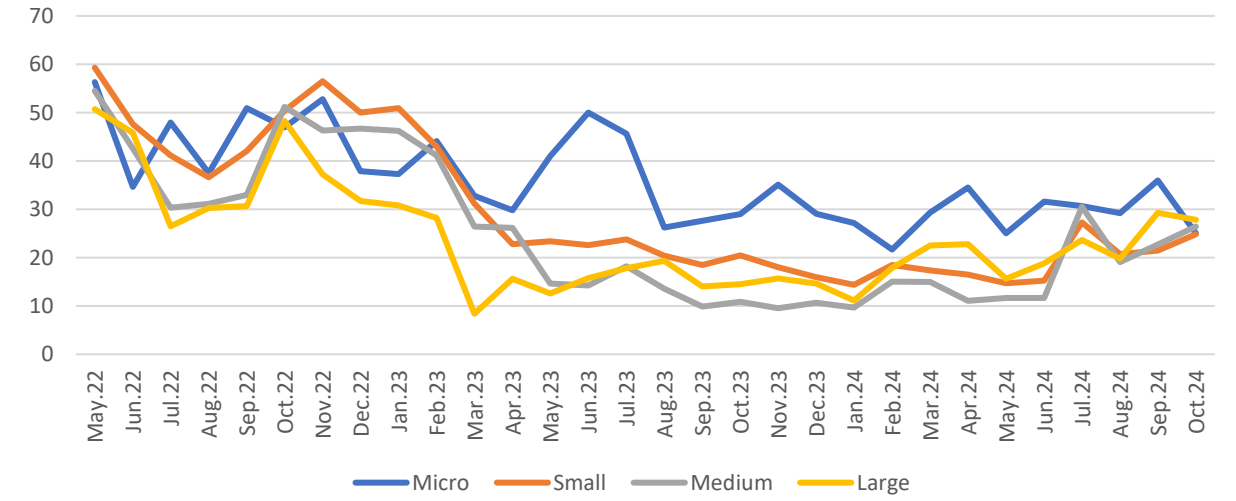
**The level of uncertainty regarding the business activity at the enterprise and its dynamics depends on the size of the enterprise.** The uncertainty indicator for large enterprises is the highest, increasing from 22% to 26%. The indicator for microenterprises is the only one where a decrease in value was recorded (from 28% to 25%). The indicator of uncertainty regarding the business activity at the enterprise increased insignificantly for small (from 19% to 21%) and medium-sized (from 18% to 22%) enterprises.

*Fig.10.The share of respondents unable to answer the question about the changes in the business activity in six months*




**Uncertainty about the overall economic environment,** as in the case of the business activity, **depends on the size of the enterprise.** The indicator is the same for small and micro enterprises and is 25% (21% and 36%, respectively, in September). The indicator has increased slightly for medium-sized enterprises (from 23% to 26%). The indicator of uncertainty about the overall economic environment is the highest and has not changed significantly for large enterprises and is 28% (29% in September).

*Fig.11.The share of respondents unable to answer the question regarding the changes in the overall economic environment in the six months*

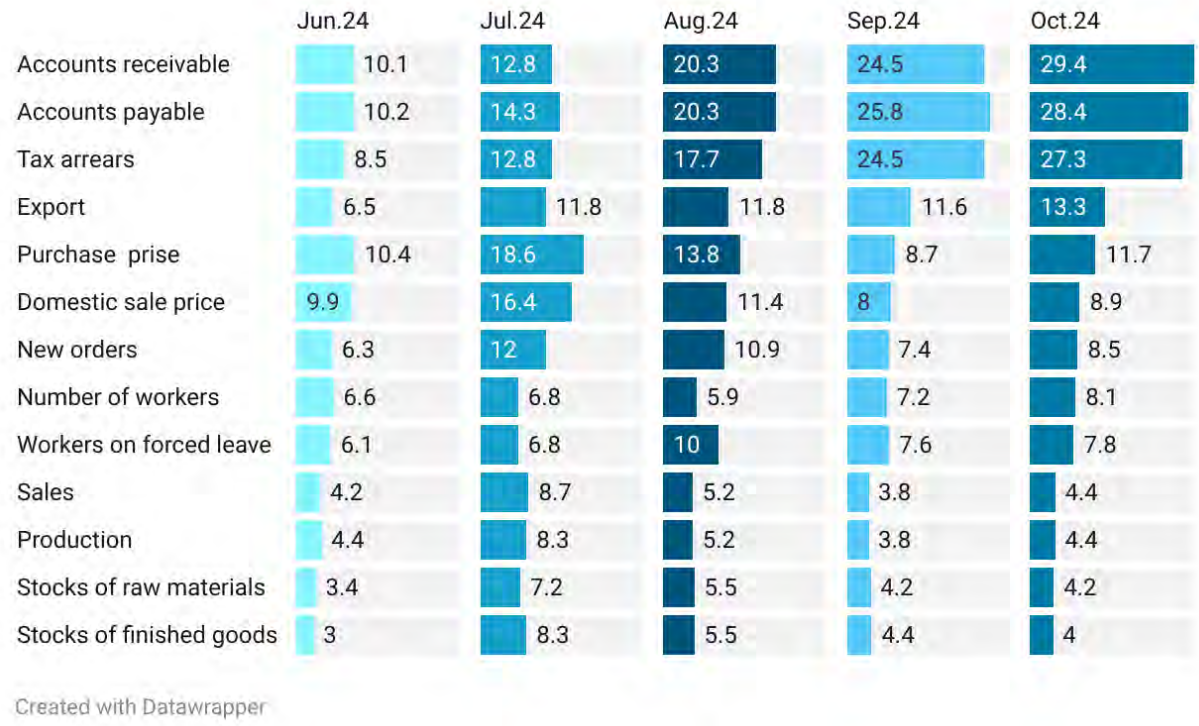



## Three-month expectations

**In October 2024, the uncertainty indicator in the short term increased for most production indicators.** Uncertainty increased for all debts, as well as for prices for raw materials and supplies. The highest level of uncertainty is for receivables (the value increased from 24.5% to 29.4%). Also, uncertainty in the short term increased for payables (from 25.8% to 28.4%) and tax arrears (from 24.5% to 27.3%). The uncertainty indicator for exports also increased slightly, which did not change significantly for three consecutive months and the value is 13.3% (11.6% in

September). Uncertainty also increased significantly for prices for raw materials and supplies (from 8.7% to 11%). The lowest level of uncertainty is for stocks of finished goods (the value even decreased slightly, from 4.4% to 4%) and stocks of raw materials and supplies, where the value, like last month, is 4.2%.

*Fig.12.The share of enterprises unable to forecast the changes of the indicator in three months, % of respondents*



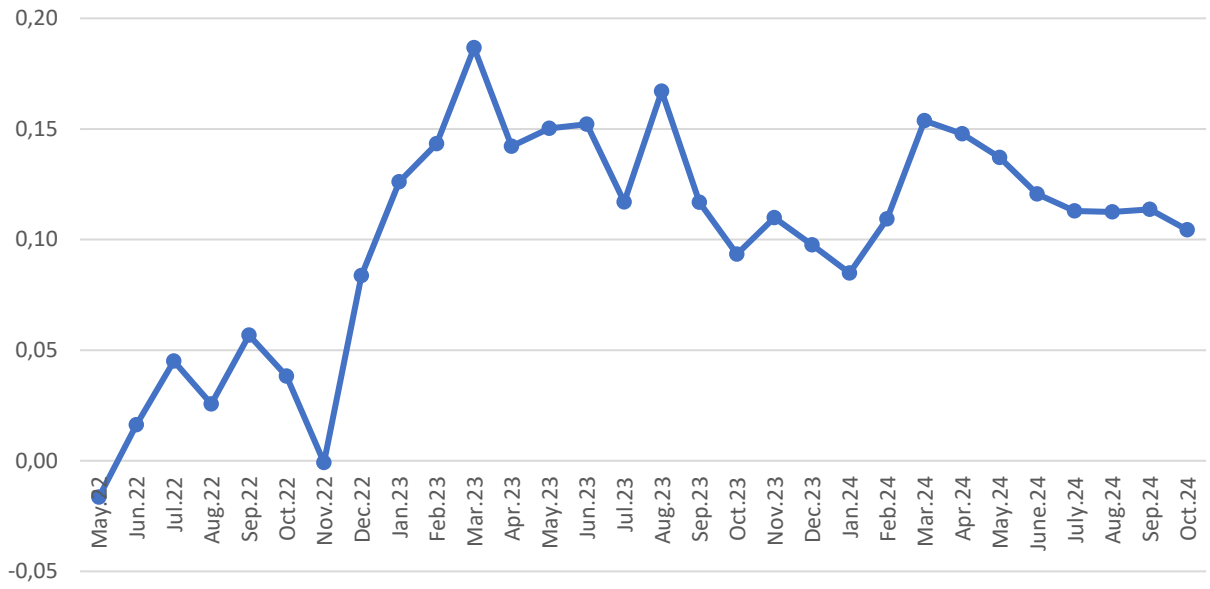
# ENTERPRISE PERFORMANCE INDICATORS AND SHORT-TERM EXPECTATIONS

## INDUSTRAL CONFIDENCE INDICATOR

**The value of the Industrial Confidence Indicator (ICI) has not changed significantly for the fifth month in a row.** In October, the value of the indicator is 0.10 (in July, August and September it was 0.11, and in June the value was 0.12).

It became possible due to the absence of significant changes in the value of the components of the indicator: (1) *production expectations* for the next 3-4 months have not changed significantly and the indicator, like last month, is 0.38. (2) The *new order portfolio* estimates have slightly decreased, and the indicator is -0.09 (for two consecutive months, the value was -0.05), (3) *estimates of finished goods stocks* have also slightly decreased, from -0.01 to -0.03.

*Fig.13. Industrial confidence indicator*




## PRODUCTION

### Changes compared to the previous month

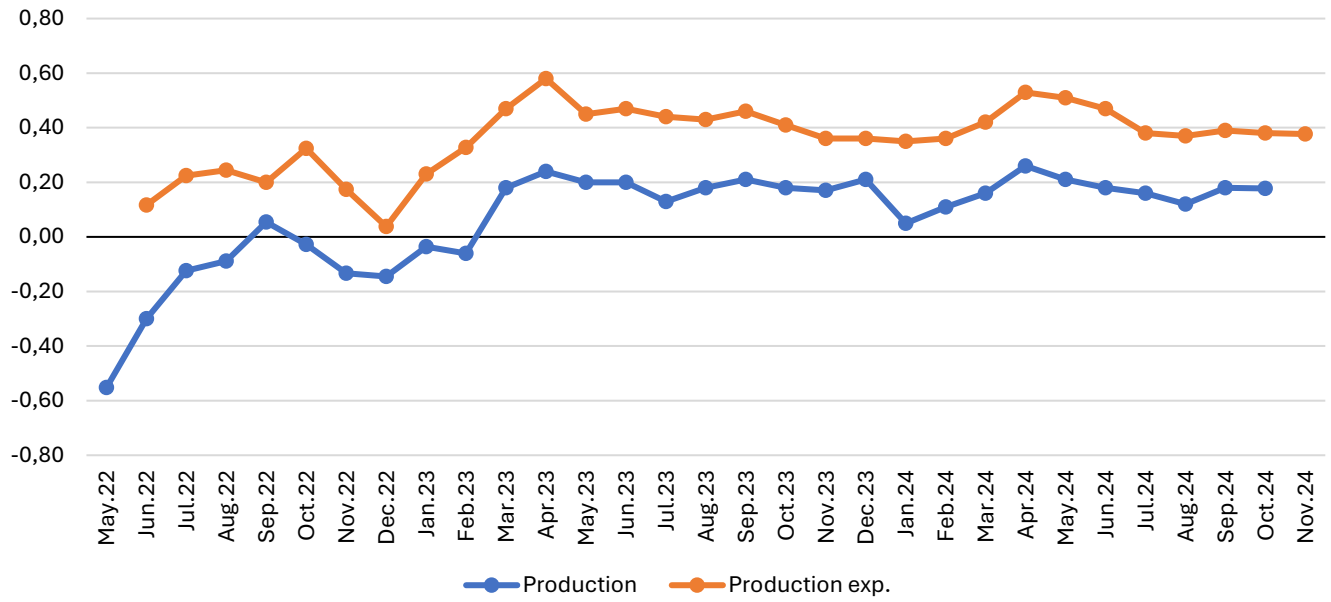
**In October 2024, compared to September, the production growth rate slowed down.** The production index did not change and, like last month, is 0.18. The share of enterprises that reduced production volumes is 14.6%, like in September. The share of enterprises that increased production volumes also remained without significant changes (25.8% in September and 25.6% in October). The share of enterprises that did not experience changes is 59.7% (it was 59.6%).

**Size.** The best results are achieved by large (0.32) enterprises. The indicator for medium-sized enterprises is much lower and is 0.14. The indicator for small enterprises is 0.51. The lowest value is achieved by micro-enterprises, whose indicator is -0.20 and has a single negative value.

**Region.** Regional differences are significant (the highest value is 1.00, and the lowest is -0.40). The best results were achieved by enterprises in Poltava (1.00) and Rivne (0.70) regions, Kyiv city and Kyiv region (both 0.50). The lowest index values were recorded for enterprises in Odesa and Lviv (both 0.40), Ternopil (-0.36) and Sumy (-0.30) regions.

**Sector.** Index values vary across sectors and industries. The best situation was in the food industry (0.20) and mechanical engineering (0.19). The lowest and negative value of the indicator is in the construction materials production (-0.04).

*Fig.14. Production indices*




## Expected changes in production

**Expectations regarding production growth remain optimistic and without significant changes for the fourth month in a row.** The INDEX OF EXPECTED CHANGES IN PRODUCTION is 0.38, the same as last month. Both the share of those planning to increase production volumes (from 38.5% to 40.8%) and the share of those planning to reduce them (from 5.5% to 7.3%) have slightly increased. The share of those not expecting changes has decreased from 55.9% to 51.9%.

**Size.** Production expectations depend on the size of the enterprises. The most optimistic indicator is for large enterprises (0.47). The indicator for medium-sized (0.38) and small (0.27) enterprises is significantly lower. The lowest value of the indicator is for micro-enterprises (0.15).

**Region.** Enterprise plans depend significantly on the region of location. The most optimistic plans for production growth are in Poltava (1.00), Zakarpattya (0.97) and Cherkasy (0.96) regions. The lowest values of the indicator are in Chernivtsi (-0.08), Sumy, Kharkiv, and Zhytomyr (-0.05 each) regions.

**Sector.** Production expectations for three months depend on the industry. The highest expectations are for the woodworking (0.41) and food (0.40) industries. The lowest value of the indicator is for metalworking (0.11).

# SALES

## Changes compared to the previous month

**In October, the sales volumes of enterprises did not change significantly, increasing only slightly.** The sales index increased from 0.17 to 0.19. There were no significant changes in the percentage distribution. The share of those who reduced sales volumes is 14.7% (it was 15.7%). The share of enterprises that did not have changes is 58% (it was 57.7%). The share of enterprises that increased sales volumes also remained almost unchanged and is 27.4% (it was 26.5%).

**Size.** The SALES INDEX for large enterprises (0.33) is the highest. The index for medium-sized enterprises is significantly lower at 0.17. The value for small enterprises is significantly lower but remains positive at 0.05. The lowest and negative value of the index is for micro-enterprises (-0.16).

**Region.** The highest value of the SALES INDEX was recorded for Poltava (1.00) region, Kyiv city, Rivne (0.60 each) region, and Kyiv region. The lowest value of the indicator is recorded for Sumy, Odesa, and Lviv (0.40 each) regions.

**Sector.** The highest SALES INDEX is in the mechanical engineering (0.22) and food (0.21) industries. The lowest and negative value of the indicator is in the construction materials production (-0.04).

## Expected changes in sales

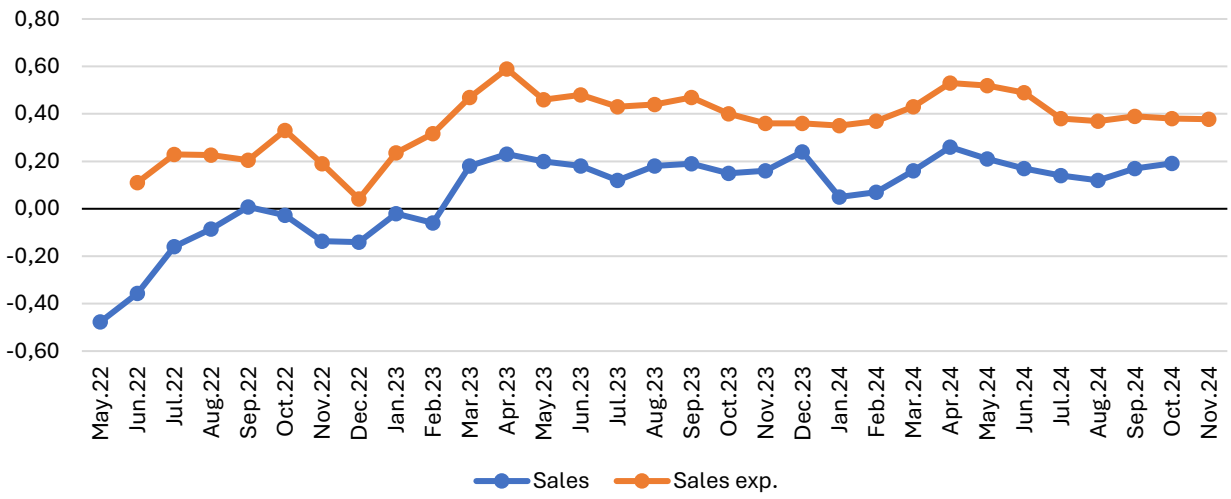
**Sales expectations remain unchanged for the fifth month in a row.** The INDEX OF EXPECTED CHANGES IN SALES is 0.38, the same as last month. There were no significant changes in the percentage distribution. The share of those who plan to reduce sales is 7.8% (it was 6.2%); the share of those who plan to increase them has increased slightly, from 39.2% to 41.8%. The percentage of respondents who believe nothing will change has decreased from 54.6% to 50.4%.

**Size.** The expectation index for large (0.47) enterprises is the highest. The index for medium (0.37) and small (0.30) enterprises is significantly lower. The expectation index for micro-enterprises is the lowest at 0.15.

**Region.** The best expectations were recorded in Poltava (1.00), Zakarpattya (0.97), and Cherkasy (0.96) regions. The expectations index for Sumy (-0.16), Chernivtsi (-0.08), Zhytomyr, and Kharkiv (-0.05 each) regions is the lowest.

**Sector.** The highest sales expectations are for the woodworking and food industries (0.41 each). The sales growth indicator for metalworking (0.07) is the lowest.

*Fig.15. Sales indices*




# EXPORT

## Changes compared to the previous month

**The growth rate of exports has slowed down.** The value of the EXPORT INDEX has decreased slightly, from 0.13 to 0.11. In percentage terms, the share of respondents whose export volumes have decreased has not changed significantly and is 15% (it was 15.8%), while the share of enterprises that increased exports has decreased slightly, from 22.6% to 19.9%. The share of enterprises whose export volumes have remained unchanged has increased from 61.6% to 65.2%.

**Size.** The value of the EXPORT INDEX is the highest for large (0.21) enterprises. The value of medium-sized enterprises (0.07), although significantly lower, is still positive. The indicator for small enterprises is -0.10. The indicator for micro-enterprises is significantly worse and the lowest, at -0.32.

**Region.** The highest values are for Poltava (0.73) region. The lowest value is for the Sumy (-1.00) region.

**Sector.** The EXPORT INDEX is best for the metalworking (0.27) and food (0.17) industries. The lowest values of the indicator are for construction materials production (-0.25) and mechanical engineering (-0.02).

## Expected changes in export

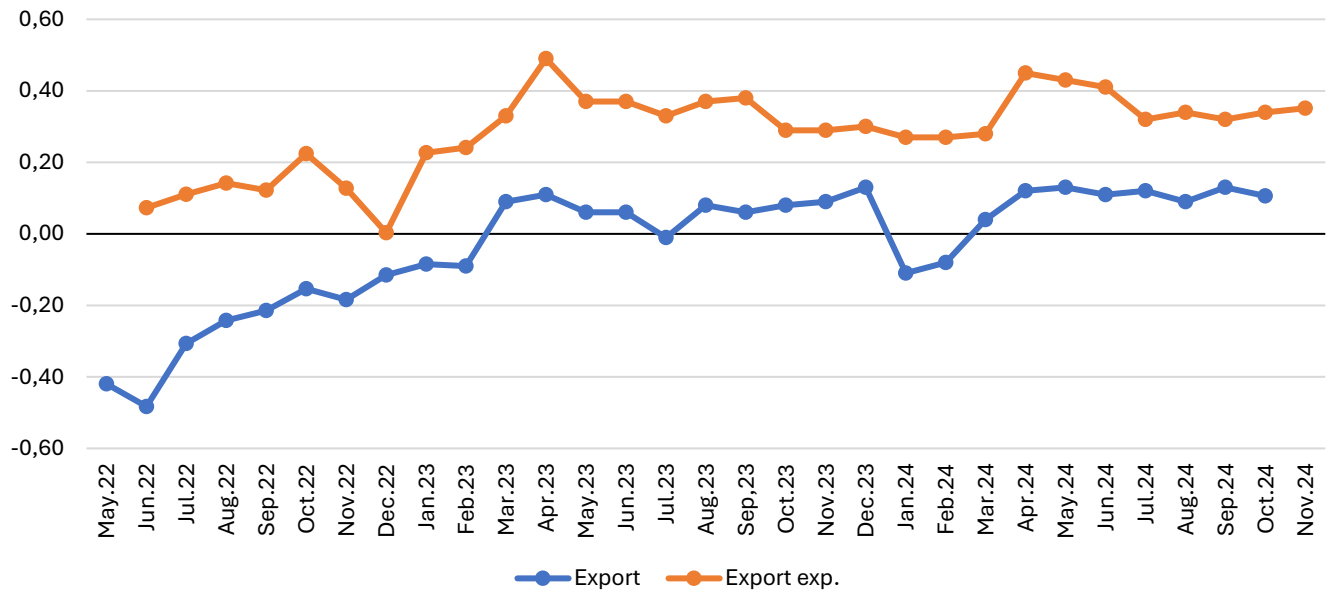
**Entrepreneurs do not expect significant changes in the indicator for the next three months**. The INDEX OF THE EXPECTED CHANGES IN EXPORTS is 0.35 (it was 0.34). The share of those who plan to increase exports is 36.6% (it was 37.9%). The share of those who plan to reduce it has slightly decreased, from 8.2% to 6.8%. The share of those who do not expect any changes has slightly increased, from 50.9% to 56.6%.

**Size.** The large (0.44) and medium-sized (0.37) enterprises have the highest and approximately equal indicators of export expectations. The indicator for small (0.08) and micro-enterprises (zero) is significantly lower.

**Region.** The highest value of the INDEX OF THE EXPECTED CHANGES IN EXPORTS was recorded for enterprises in Poltava and Zakarpattya (1.00 each) regions. The business representatives in Kyiv (-0.31), Chernivtsi, and Kharkiv (-0.13 each) regions have the worst expectations.

**Sector.** The highest value of the index of expected export changes is in the woodworking (0.37) and food (0.36) industries. The lowest value of the indicator is in the construction materials production (-0.10).

*Fig.16. Export indices*




# STOCKS OF RAW MATERIALS

## Changes compared to the previous month

**The rate of reduction in raw material stocks has not changed significantly for the third month in a row.** The INDEX OF STOCKS OF RAW MATERIALS in October compared to September did not change significantly and is 0.11 (it was 0.13). The share of respondents who reported the accumulation of raw material stocks over the past month decreased slightly, from 20.6% to 18.7%. At the same time, the share of respondents who indicated their reduction did not change significantly and is 11.4% (it was 12%). The share of entrepreneurs who did not feel any changes compared to the previous month increased slightly, from 67.4% to 69.9%.

**Size.** The INDEX OF STOCKS OF RAW MATERIALS is highest for large (0.28) enterprises. The index for medium (0.06) and micro enterprises (0.02) is significantly lower and approximately the same. The index for small enterprises is the lowest and has a single negative value (-0.05).

**Region.** The most frequently reported raw material stock accumulations are in Poltava (1.00), Rivne (0.50), and Khmelnytskyy (0.32) regions. The lowest figures are in Kyiv (-0.60), Sumy (-0.25), and Kharkiv (-0.20) regions.

**Sector.** The highest positive values are in the food (0.19) and chemical (0.06) industries. The mechanical engineering indicator (-0.07) is the lowest.

## Expected changes in stocks of raw material

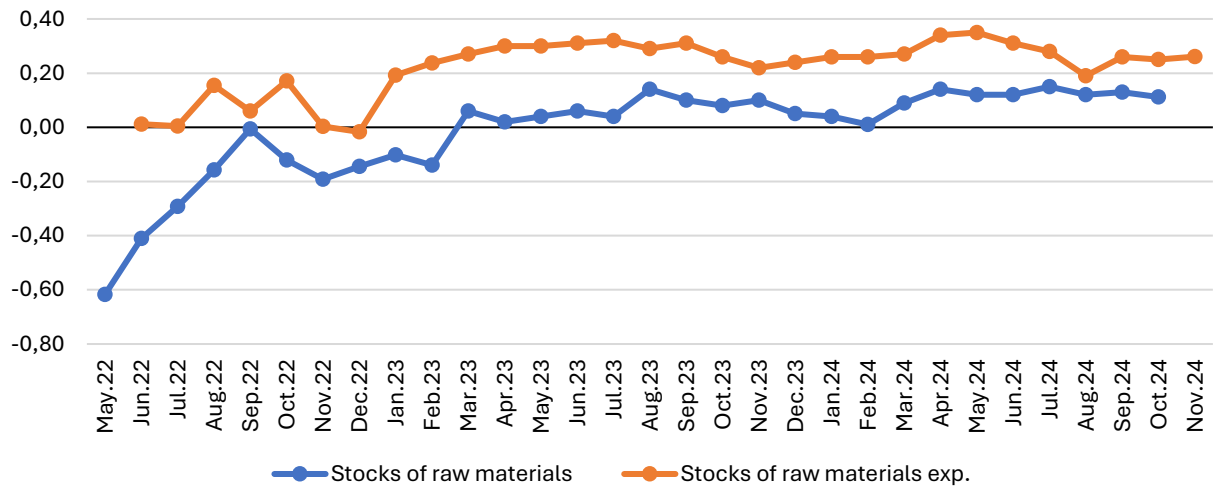
**For the next three months, entrepreneurs do not expect significant changes in the indicator**: the INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is 0.26 (it was 0.25). The share of respondents who expect the accumulation of raw material stocks has increased slightly, from 30.4% to 32.3%. The share of those who believe that raw material stocks will decrease has not changed significantly and is 10.5% (it was 9.5%). The share of those who do not expect changes has decreased slightly, from 60.1% to 57.2%.

**Size.** The INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is higher for large enterprises and is 0.39. The indicator for medium-sized (0.26) and micro-enterprises (0.14) is significantly lower and approximately the same. The value of the indicator for small enterprises is the lowest and is 0.07.

**Region.** The HIGHEST INDEX OF EXPECTED CHANGES IN STOCKS OF RAW MATERIALS is for Poltava (0.96), Zakarpattya (0.93), and Cherkasy (0.83) regions. The lowest index value is for Kyiv (-0.50), Zhytomyr (-0.23), and Kharkiv (-0.15 each) regions.

**Sector.** The highest indicator of expectations regarding changes in raw material stocks is in the woodworking (0.30) and chemical (0.29) industries. The lowest and negative values of the indicator are in the light industry, construction materials production, and mechanical engineering (0.15 each).

*Fig.17. Stocks of raw material indices*




# STOCKS OF FINISHED GOODS

## Changes compared to the previous month

**The rate of reduction in finished goods stocks slowed down somewhat.** The value of the corresponding INDEX increased from -0.03 to 0.01, changing the sign to positive. The share of respondents who reported a reduction in finished goods stocks decreased from 16.1% to 11.5%, while the share of respondents whose stocks increased did

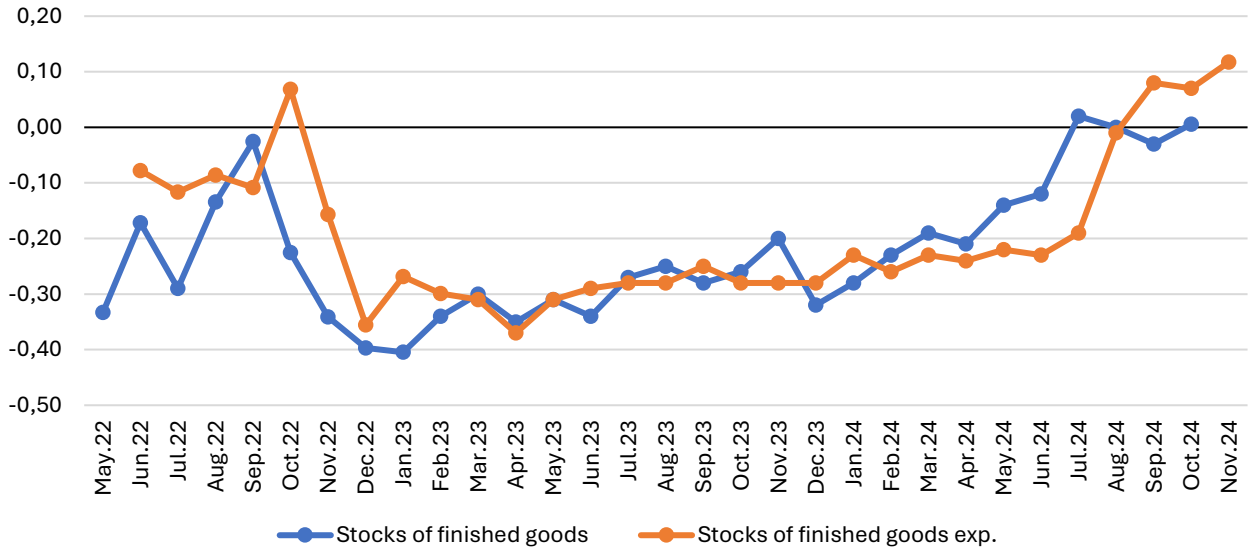
not change significantly and is 10.4% (it was 10.8%). The share of respondents who did not experience any changes increased from 73% to 78.1%.

**Size.** The index value is higher depending on the size of the enterprise, with a positive value for large (0.04) and medium (0.01) enterprises. Reductions in finished goods stocks are more often reported in micro (-0.03) and small (-0.06) enterprises.

**Region.** The value of the index depends on the region. The accumulation of finished goods stocks is most often reported at enterprises in Rivne (0.40), Ternopil (0.27), and Kyiv (0.20) regions. The lowest index is in Kyiv city (-0.56) and Dnipropetrovsk (-0.25) regions.

**Sector.** The lowest values are for metalworking (-0.11) industry. The highest values are for light (0.04) and chemical (0.15) industries.

*Fig.18. Stocks of finished goods indices*




## Expected changes in stocks of finished goods

**In the future, business managers expect an increase in the accumulation of finished goods stocks.** The INDEX OF EXPECTED CHANGES IN STOCKS OF FINISHED GOODS increased after two months of stability, from 0.07 to 0.12. In percentage terms, the share of respondents who believe that finished goods stocks will decrease in the next three months has not changed significantly and is 13.3% (it was 13.8%). The share of those who expect them to accumulate has increased from 17.2% to 21.3%. The percentage of those who believe that nothing will change has decreased from 69% to 65.3%.

**Size.** The value of the indicator depends on the size of the enterprise. The index value is lowest for microenterprises (-0.22). The indicator for medium-sized enterprises is 0.10. The indicator for small (0.14) and large companies (0.15) is significantly higher and approximately the same.

**Region**. The highest indicator is for Zakarpattya (0.97) and Cherkasy (0.93) regions. The lowest value is for Kyiv (-0.67), Volyn (-0.33) and Zhytomyr (-0.32) regions.

**Sector.** The index value is highest for the woodworking (0.29) and chemical (0.15) industries. The lowest and only negative value is for metalworking (-0.04).

# NEW ORDERS

## Changes compared to the previous month

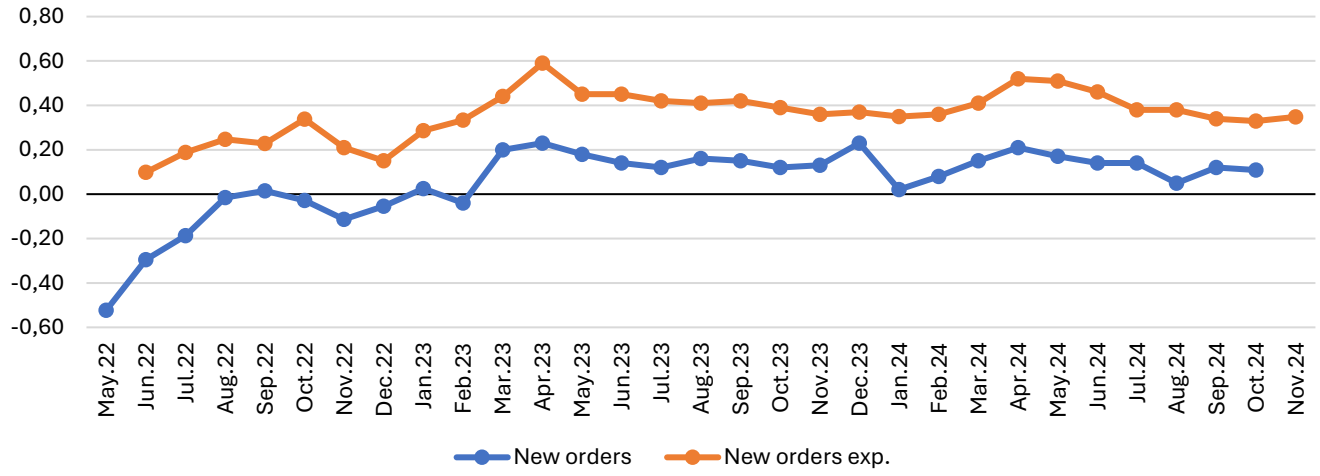
**The growth rate of new orders is slowing down.** The NEW ORDERS INDEX in October compared to September did not change significantly and is 0.11 (it was 0.12). In percentage terms, the share of those whose order volume increased decreased (from 22.2% to 20.7%). At the same time, the share of those whose order volume decreased did not change and is 14.7% (it was 15.6%). The share of those who did not experience changes increased slightly, from 62.2% to 64.5%.

**Size.** The increase in orders is reported more by large (0.24) enterprises. The indicator for medium-sized enterprises, although significantly lower, still has a positive value, which is 0.07. The indicator for small enterprises is -0.01. The lowest value of the indicator is for micro-enterprises (-0.10).

**Region.** New orders grew the most in the Poltava (0.77) region, Kyiv city (0.26), Rivne (0.20), and Kirovohrad (0.19) regions, while in Odesa and Lviv (-0.33 each), and Ternopil (-0.30) regions, the volume of new orders decreased the most.

**Sector.** The best situation with new orders in the previous month was in the food industry (0.15) and mechanical engineering (0.09). The lowest values of the indicator were in construction materials production (-0.12) and chemical industries (-0.06).

*Fig.19. New orders indices*




## Expected changes in new orders

**In the next three months, entrepreneurs do not expect significant changes in the indicator.** The value of the INDEX OF EXPECTED CHANGES IN THE NEW ORDERS increased only slightly, from 0.33 to 0.35. The share of respondents expecting an increase in new orders increased slightly, from 36.8% to 38.1%. The share of respondents expecting a decrease in the volume of new orders also did not change significantly and is 8.6% (it was 7.1%). The share of those who do not expect changes in the next three months decreased slightly, from 56.1% to 53.4%.

**Size.** The expectation index is lowest for micro-enterprises (0.04). The index for medium-sized (0.22) and small (0.33) enterprises is significantly higher. The highest expectation index is for large enterprises (0.49).

**Region.** The index values have significant regional differences. In Zakarpattya (0.97), Cherkasy (0.96), and Poltava (0.88) regions, businesses expect an increase in new orders to a greater extent than in others. At the same time, the indicators of Sumy (-0.27) and Zhytomyr (-0.09) regions have the lowest values.

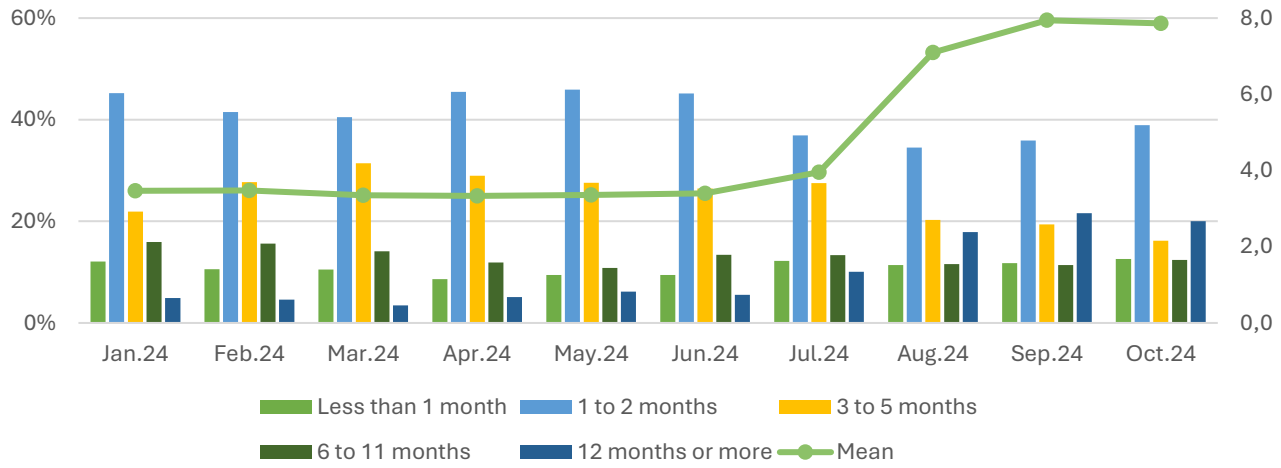
**Sector.** The food (0.41) and chemical (0.35) industries have the best expectations for new orders. The indicators for construction materials production (0.12) and metalworking (0.13) are the lowest.

## Availability of orders

In October 2024, the average period of new orders availability for the surveyed enterprises increased compared to the previous year. It amounted to 8 months; this value can be seen for the second month in a row, and it is also the largest value for the entire previous year.

The share of enterprises with orders for a year and more is more than 20% for the second month in a row. At the same time, the share of enterprises with orders for no more than 2 months was 52%.

*Fig.20. Period for which enterprises are provided with orders*




**Size.** Availability of orders increases with the increase in the size of enterprises. Thus, micro-enterprises are on average provided with new orders for 3.2 months (mean value), while small businesses – for 7.1 months, medium – for 9.4 months, and large – for 9 months.

80% of micro- and 63% of small enterprises have orders for only up to two months. At the same time, 45% of large enterprises and 40% of medium-sized enterprises are provided with orders for six months or more.

**Sector.** In October 2024, the relatively longest average terms of new orders were recorded in the woodworking industry (13.3 months) and the chemical industry (11 months)[1]. The shortest average terms of new orders are observed in the metal production and metalworking sector (4.3 months) and the mechanical engineering sector (6.7 months).

At the same time, it is worth noting that 52% of enterprises in the woodworking industry have orders for a period of six months or more, and a large proportion of enterprises in this industry (41%) reported that they have orders for a period of only up to two months. While 67% of enterprises in the metal production and metalworking industry have orders for up to two months, and only 15% have orders for six months or more.

**Region.** There are differences in the supply of orders between enterprises in different regions[2]. The average term of new order availability is the longest for enterprises in Zakarpattya and Cherkasy regions, where it averaged 36 months. The terms of existing orders are also relatively high for enterprises in Rivne, Odesa, Kyiv, Poltava, and Volyn regions (5 months or more).

On the other hand, the shortest average order period – up to two months – was recorded in Vinnytsya, Zhytomyr, Lviv, Chernivtsi, Chernihiv, Kharkiv, and Dnipropetrovsk regions.

[1] Median values are given. This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, as well as enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this industry for the analysis.

[2] Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) and Ivano-Frankivsk region, where the number of respondents was insufficient for a comparative analysis.

# PURCHASE PRICES

## Changes compared to the previous month

**The growth rate of prices for raw materials and supplies has accelerated somewhat.** The PURCHASE PRICE INDEX has increased slightly, from 0.26 to 0.29. This is due to the absence of significant changes in the percentage distribution. The share of enterprise managers who indicated an increase in prices in October increased only slightly and is 31.3% (it was 29.4%). The share of those who believe that prices have not changed compared to the previous month has decreased slightly, from 68.2% to 66.4%. The share of those who say that prices for raw materials and supplies have decreased, as in the previous month, is 2.4%.

**Size.** The increase in purchase prices is most often reported by managers of small and large enterprises, whose indicator is the highest, the same, and amounts to 0.33. At the same time, the indicator of medium-sized (0.24) and micro-enterprises (0.25) is much lower and approximately the same.

**Region.** Significant regional differences were recorded. The index value is higher for Poltava (0.92) and Sumy (0.89) regions. The indicators for Zaporizhzhya, Lviv, Odesa, and Kharkiv regions have the lowest value, which is zero.

**Sector.** The PURCHASE PRICE INDEX is highest for the light (0.37) and food industries (0.32). The lowest index value is in the chemical industry (0.14).

## Expected changes in the purchase prices

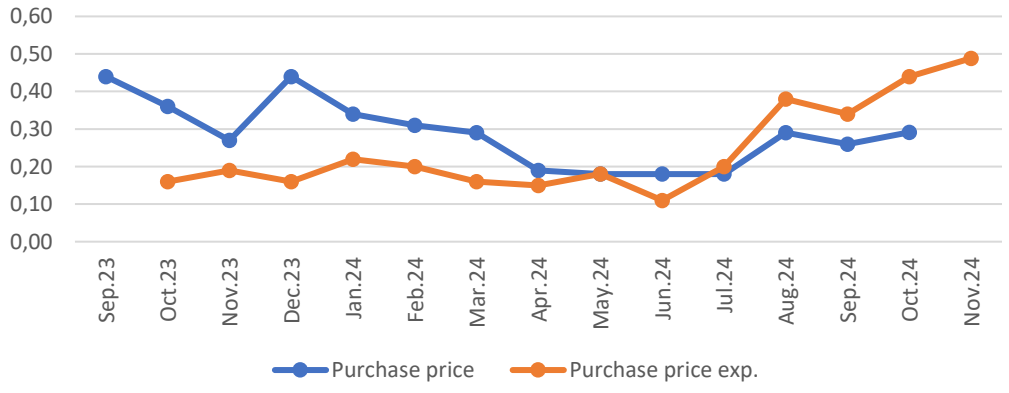
**In the short term, the business expects further acceleration of price growth.** The INDEX OF EXPECTED CHANGES IN THE PURCHASE PRICE increased from 0.44 to 0.49. In percentage terms, the share of respondents who believe there will be no changes decreased from 54.1% to 51.2%. The share of those who expect prices to increase increased from 43.8% to 46.9%. The share of those who believe that prices for raw materials and supplies will decrease in the next three months did not change significantly and is 1.9% (it was 2.1%).

**Size.** The expectation index for large (0.57) and medium (0.51) enterprises is higher and approximately the same. The value for small enterprises is 0.36. The lowest value of the indicator is for microenterprises (0.27).

**Region.** The most talk about a possible increase in prices for raw materials and supplies is in Zakarpattya (0.97), Poltava (0.92), and Sumy (0.77) regions. The indicator of the Rivne region is the lowest and equals zero.

**Sector.** The highest index value is in the food industry (0.52). The lowest index is in the metalworking industry (0.32).

*Fig.21. Purchase prices indices*



# DOMESTIC SALES PRICES

## Changes compared to the previous month

**The growth rate of prices for finished goods has accelerated**. The DOMESTIC SALES PRICE INDEX increased from 0.22 to 0.27. The share of enterprise managers who indicated an increase in price in October increased from 24.6% to 27.1%. The share of those who believe prices have not changed compared to the previous month has decreased slightly, from 73.5% to 70.9%. The share of respondents who say that prices have decreased has not changed, and, like last month, is 1.9%.

**Size.** The increase in domestic sales price is most often reported by large enterprises, whose index is 0.33. The index for small (0.27) and medium (0.22) enterprises is somewhat lower. The lowest value of the index is for microenterprises (0.16).

**Region.** Significant regional differences were recorded. The index value is highest for Sumy (0.89) and Poltava (0.81) regions. The indicators of Zaporizhzhia, Lviv, Odesa, and Kharkiv regions are the lowest, and their value is zero.

**Sector.** The value of the DOMESTIC SALES PRICE INDEX is highest for the light industry (0.30) and food industry (0.27). The lowest value is for the construction materials production (0.08).

## Expected changes in the domestic sales prices

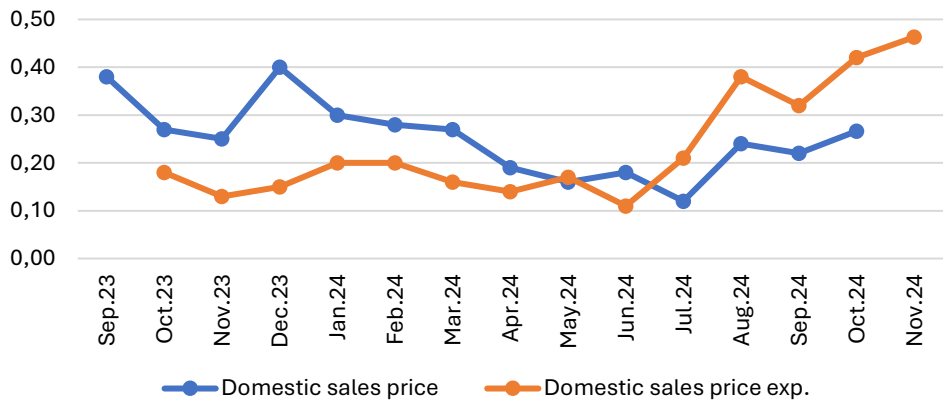
**Shortly, business managers expect further price increases.** The INDEX OF EXPECTED CHANGES IN DOMESTIC SALES PRICES increased from 0.42 to 0.46. The share of respondents who do not plan changes decreased from 56.6% to 53.2%. The share of respondents who plan to increase prices in the next three months increased from 41.3% to 45%. The share of those who believe that prices for raw materials and supplies will decrease in the next three months has not changed significantly and is 1.9% (it was 2.1%).

**Size.** The highest increase in the domestic sales price is expected at large (0.53) and medium-sized (0.48) enterprises. The indicator for small enterprises is 0.36. The lowest value of the indicator is for microenterprises (0.30).

**Region.** The most talk about a possible increase in sales price is in Zakarpattya (0.97), Cherkasy (0.86), Poltava (0.85) and Sumy (0.82) regions. The indicator of Rivne (0.00), Volyn (0.06), and Chernihiv (0.08) regions is the lowest.

**Sector.** The highest index value is in the chemical (0.53) and food (0.50) industries. The lowest expectation indicator is in metalworking (0.28).

*Fig.22. Domestic sales prices indices*



# ACCOUNT RECEIVABLES

## Changes compared to the previous month

**The rate of debt accumulation has slowed down**. The ACCOUNT RECEIVABLES INDEX in October compared to September decreased from -0.05 to -0.11. The share of those who reported debt reduction increased significantly, from 18.7% to 24.6%. The share of those who accumulated debt changed less significantly, decreasing from 13.2% to 11.2%. The share of those for whom nothing changed dropped from 68.2% to 64.2%.

**Size.** The situation with accounts receivable is better for medium-sized (-0.20), small (-0.12), and micro-enterprises (-0.12), whose indicator is significantly lower. The highest value of the indicator is for large enterprises (-0.03).

**Region.** Significant regional differences in the values of this indicator were recordedIn terms of regions, the highest positive value of the indicator was recorded in Kyiv city (0.42), Vinnytsya (0.16), Kyiv (0.10) and Poltava (0.04) regions. At the same time, the indicator is the lowest in Sumy (-0.1.00), Zhytomyr (-0.80) and Dnipropetrovsk (-0.75) regions.

**Sector.** The highest indicator of receivables is in the light industry (-0.03) and food industry (-0.10). The lowest indicator is in metalworking (-0.30).

## Expected changes in account receivables

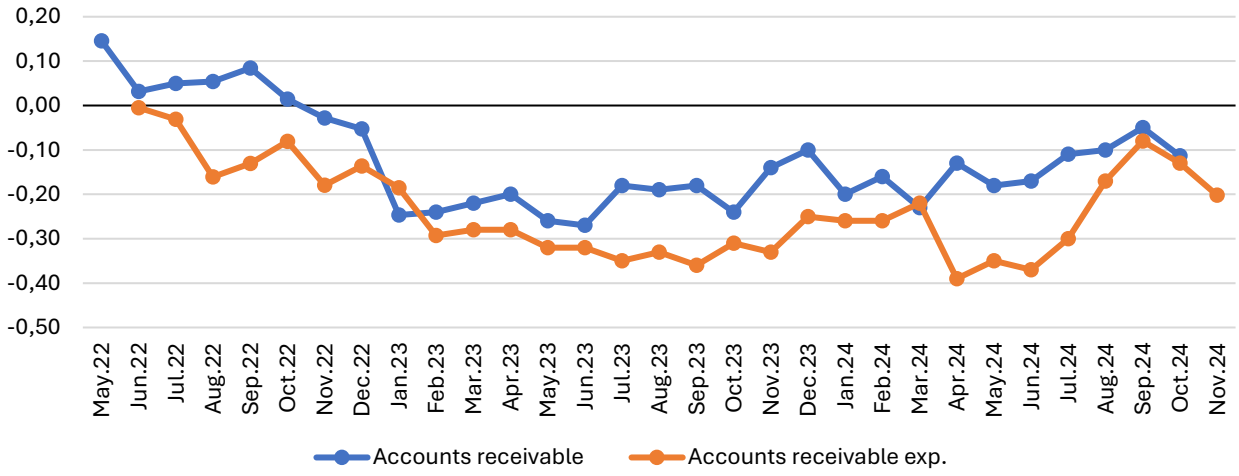
**In three months, entrepreneurs expect a further decrease in the indicator.** The INDEX OF EXPECTED CHANGES IN ACCOUNTS RECEIVABLE decreased from -0.13 to -0.20. The share of respondents expecting the accumulation of debt decreased slightly, from 5.1% to 2.5%. At the same time, the share of those expecting its reduction increased significantly, from 20% to 25.4%. The share of those who believe that nothing will change decreased from 74.9% to 72.1%.

**Size**. Micro-enterprises have a better and approximately the same value of the indicator (-0.33). The indicator of small (-0.28) and medium-sized (-0.24) enterprises is higher. The highest expectation indicator is for large enterprises, which is -0.08.

**Region.** The highest and above zero values are in Kyiv city (0.11), Kyiv (0.05), and Kirovohrad (0.04) regions. The lowest indicator is in the Sumy (-0.93) region.

**Sector.** The highest expectations regarding the accumulation of receivables are for the food industry (-0.14) and light industry (-0.49). The lowest indicator is for metalworking (-0.45).

*Fig.23. Account receivables indices*



# ACCOUNT PAYABLES

## Changes compared to the previous month

**In October, the indicator of the accumulation of accounts payable broke a two-month upward trend.** The ACCOUNT PAYABLES INDEX decreased from -0.07 to -0.13. The share of respondents who reported the accumulation of debts did not change significantly and is 9.3% (it was 8.9%). The share of those for whom accounts payable decreased increased significantly, from 18.2% to 25.2%. The share of those for whom nothing changed over the past month decreased from 72.8% to 65.5%.

**Size.** The accounts payable indicator for medium (-0.21), small (-0.20), and micro enterprises (-0.17) is lower and significantly better. The worst account payable accumulation indicator is for large enterprises and is -0.04.

**Region.** Significant regional differences were recorded. The situation with the accumulation of accounts payable is worse in the Volyn (0.13) region, Kyiv city (0.11), Kyiv (0.05), and Vinnytsya (0.04) regions. The best situation is in Sumy (-1.00), Zhytomyr (-0.80), and Dnipropetrovsk (-0.75) regions.

**Sector.** The highest debt indicator is in the chemical (-0.10) and woodworking (-0.11) industries. The lowest indicator is in metalworking (-0.27).

## Expected changes in account payables

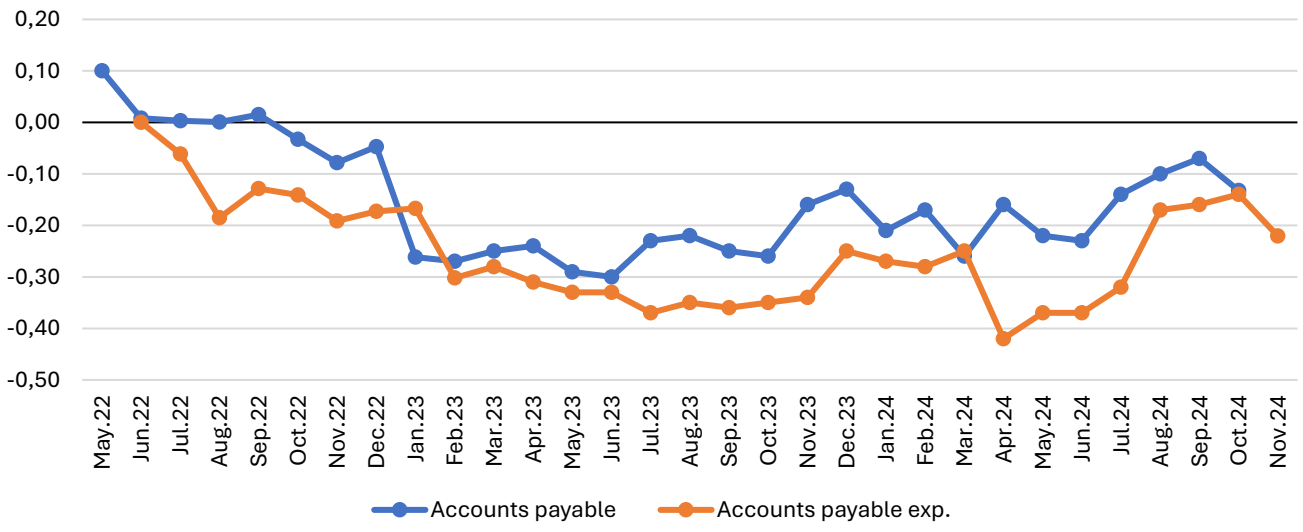
**For the next three months, entrepreneurs expect the indicator to improve.** The INDEX OF THE EXPECTED CHANGES IN ACCOUNT PAYABLES decreased significantly, from -0.14 to -0.22. The share of those who expect a reduction in the volume of account payables increased from 18.4% to 25.5%. The share of those who expect it to accumulate did not change significantly and is 0.09 (it was 1.9%). The share of respondents who believe that nothing will change decreased significantly, from 79.7% to 73.6%.

**Size.** The expectation indicator for micro-enterprises (-0.34) is the best. The indicator for small (-0.30) and medium-sized (-0.25) enterprises is slightly higher. The indicator for expectations regarding changes in accounts payable for large enterprises is the worst and is -0.11.

**Region.** The indicator of expectations regarding changes in accounts payable in Kyiv, Kirovohrad, Poltava, Rivne, Ternopil, and Chernihiv regions has the highest value, which is zero. The lowest is the indicator of expectations for Sumy (-1.00), Zhytomyr (-0.85), and Dnipropetrovsk (-0.70) regions.

**Sector.** The highest indicator is the woodworking industry (-0.15). The lowest indicators are in construction materials production (-0.48) and metalworking (-0.43).

*Fig.24. Account payables indices*



# TAX ARREARS

## Changes compared to the previous month

**The indicator of tax arrears accumulation has improved.** The TAX ARREARS INDEX in October decreased from -0.12 to -0.19. The share of enterprises that reported a reduction in tax arrears over the past month increased from 16.7% to 22.2%. The share of respondents who indicated an increase in tax arrears did not change significantly and is 1.9% (it was 2.9%). The share of those who believe that no changes have occurred decreased from 80.4% to 75.9%.

**Size.** Tax arrears are better and approximately the same for small (-0.26) and medium (-0.21) enterprises. The indicator for large (-0.15) and micro-enterprises is significantly higher.

**Region.** There are significant differences in the indicator by region. The highest and only positive indicator value is for Khmelnytskyy (0.08) region. The lowest indicator is for Sumy (-0.94), Dnipropetrovsk (-0.70), and Zhytomyr (-0.63) regions.

**Sector.** The highest tax arrears indicator is for the woodworking industry (-0.13). The metalworking index (-0.30) is the lowest.

## Expected changes in tax arrears

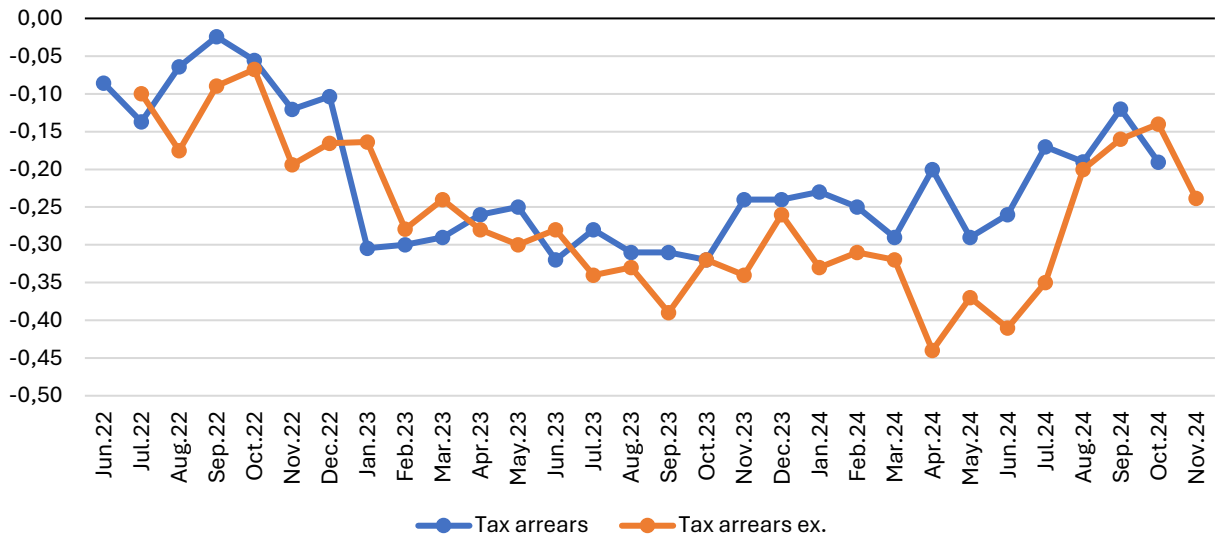
**For the next three months, entrepreneurs expect further improvement in the indicator values.** The INDEX OF THE EXPECTED CHANGES IN TAX ARREARS decreased, from -0.14 to -0.24. The share of those who predicted a reduction in tax arrears increased from 17.8% to 27.2%, while the share of those who expected it to increase did not change significantly and is 2.2% (it was 1.4%). The share of those who do not expect changes decreased from 80.8% to 70.6%.

**Size.** The tax arrears expectations indicator is lowest for small (-0.35) enterprises. The indicator for micro (-0.24), medium (-0.21), and large (-0.20) enterprises is higher and approximately the same.

**Region.** The highest expectation index, the value of which is equal to zero, is in Kyiv, Rivne, Ternopil, Chernihiv, and Kirovohrad regions. The index of Sumy (-0.94), Zhytomyr (-0.79), and Dnipropetrovsk (-0.70) regions is the lowest.

**Sector.** The highest indicator of tax arrears expectations is for the woodworking industry (-0.17). The lowest indicator is for metalworking (-0.40).

*Fig.25. Tax arrears indices*



# NUMBER OF WORKERS

## Changes compared to the previous month

**The rate of worker reductions has slowed down.** The NUMBER OF WORKERS INDEX has not changed and as in the previous month is -0.05. There have been no significant changes in the percentage distribution. The share of respondents reporting a reduction in the number of workers has not changed significantly and is 9.4% (it was 8.6%). The share of those who indicated an increase in their number has also almost not changed and is 2.8% (it was 3%). The share of those for whom nothing has changed is 87.8% (it was 88.4%).

**Size.** The large enterprises (-0.04) talk about reducing the number of workers the least. The indicator for medium-sized (-0.06) and small (-0.07) enterprises is lower and approximately the same. The indicator for micro-enterprises has the lowest value and is -0.11.

**Region.** The highest and most positive values of the indicator are for Ternopil (0.27), Khmelnytskyy, Cherkasy (0.04 each), and Zakarpattya (0.03) regions. The most frequent reports of worker reduction are in Volyn (-0.34), Chernihiv (-0.27), Kharkiv, Sumy, and Dnipropetrovsk (-0.15 each) regions.

**Sector.** The chemical industry indicator, whose value is zero, is the highest. The lowest is the indicator for construction materials production (-0.15).

## Expected changes in the number of workers

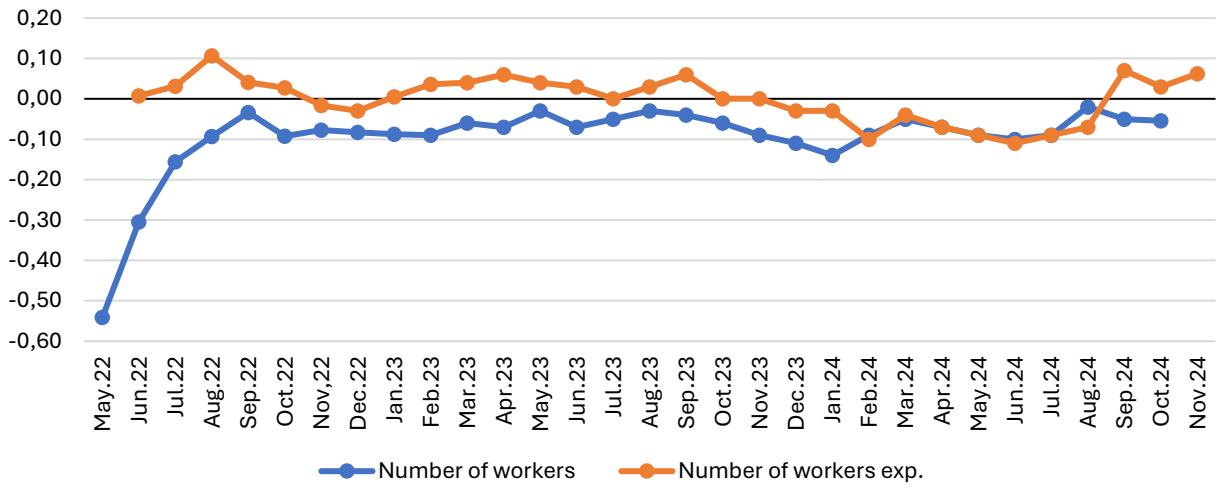
**In the next three months, the surveyed company managers expect a slight increase in the number of workers:** the INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS increased slightly, from 0.03 to 0.06. In percentage terms, the share of respondents who plan to increase the number of workers has not changed significantly and is 13.8% (it was 12.1%), while the share of those who expect a reduction in the number of workers has slightly decreased, from 9.8% to 6.9%. The share of those who do not plan changes has also not changed significantly and is 79.3% (it was 78.1%).

**Size.** The least talk about further reduction in the number of workers is in medium-sized (0.10) and micro-enterprises. The indicator in small (0.05) and large (0.02) enterprises is slightly higher.

**Region.** The value of the index of expected changes in the number of workers significantly depends on the region where the enterprise is located. The highest value of the indicator is in the Zakarpattya (0.80) and Cherkasy (0.57) regions. The lowest value of the indicator is in the Dnipropetrovsk (-0.35) region.

**Sector.** The highest expectations index is for the woodworking and light industry (0.20 each). The expectations index for metalworking (-0.08) is the lowest.

*Fig.26. Number of workers indices*



# WORKERS ON FORCED LEAVE

## Changes compared to the previous month

**The rate of reduction in the number of workers on forced leave continues to slow down.** The NUMBER OF WORKERS ON THE FORCED LEAVE INDEX in October compared to September did not change significantly and is zero (it was 0.01 for two consecutive months). There were no significant changes in the percentage distribution. The share of those who increased or decreased the number of such employees is the same and is 3.9% (it was 4.1% and 3.1%, respectively). The share of those for whom nothing changed over the past month remained almost unchanged and is 92.3% (it was 92.7%).

**Size.** The indicator for micro (-0.05) and large (-0.02) enterprises is the lowest with a negative value. The indicator for small enterprises is zero. The indicator for medium-sized enterprises has a positive value, which is zero.

**Region**. The largest increase in the indicator among different regions is observed for enterprises in Sumy (0.29), Ternopil (0.18), Kirovohrad (0.07), and Vinnytsya (0.04) regions, while the decrease in the number of workers on forced leave is most often reported in Kharkiv (-0.17) and Chernivtsi (-0.11) regions.

**Sector.** The highest indicators of the number of workers on forced leave are in the construction materials (0.05) and the food industry (0.01). The mechanical engineering industry has the lowest indicator (-0.07).

*Fig. 27. Number of workers on forced leave indices*

## Expected changes in the number of workers on forced leave

**Enterprises that have employees on forced leave do not expect significant changes in the indicator in the next three months.** The INDEX OF EXPECTED CHANGES IN THE NUMBER OF WORKERS ON FORCED LEAVE has not changed significantly after a sharp increase last month and is 0.12 (it was 0.11). The share of those enterprises that expect an increase in the number of workers on forced leave has not changed significantly and is 13.4% (it was 13.9%). The share of those who believe that the number of such workers at their enterprise will decrease has also almost not changed and is 3% (it was 2.9%). The share of those who believe that no changes will occur is 82.6% (it was 83.1%).

**Size.** The indicator for micro-enterprises (0.03) is the lowest. The indicators for small (0.08) and large (0.07) enterprises are higher and approximately the same. The indicator for medium-sized enterprises is the highest and is 0.20.

**Region.** The expectations index of Zakarpattya (0.80), Cherkasy (90.57), and Sumy (0.31) regions is the highest. The indicator of Kharkiv (-0.15) and Chernivtsi (-0.11) has the lowest value.

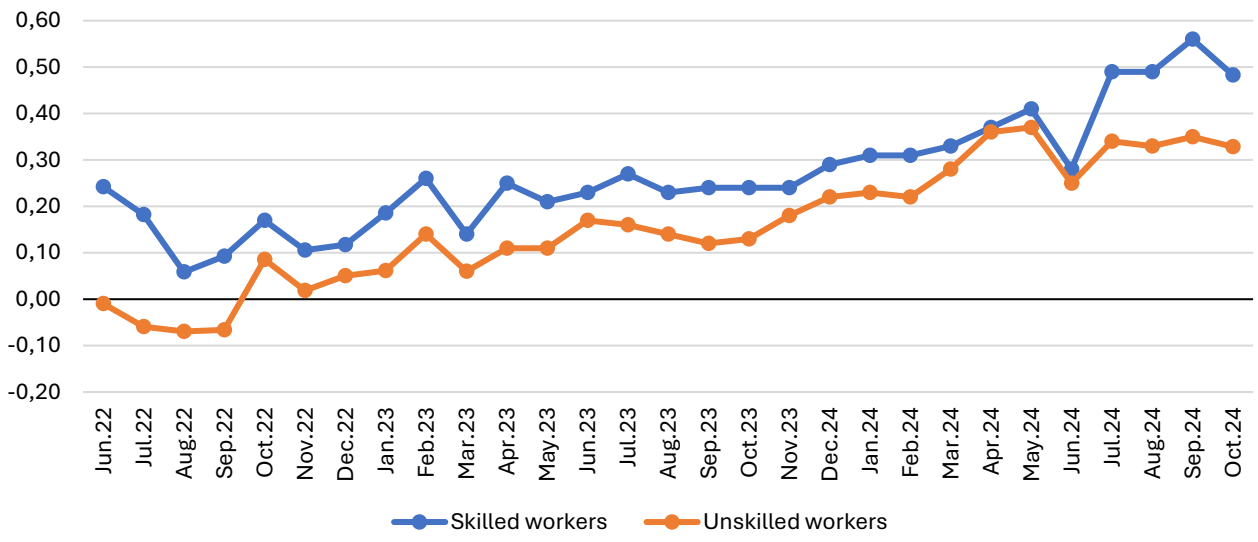
**Sector.** The highest is the indicator of expectations for an increase in the number of workers on forced leave for light industry (0.28). The lowest is the indicator for mechanical engineering (0.02).

## SEARCH FOR SKILLED AND UNSKILLED WORKERS

**In October 2024, the difficulty in finding skilled workers decreased, while the indicator for unskilled workers did not change significantly.** The value of the INDEX OF FINDING SKILLED WORKERS decreased from 0.56 to 0.48. The value of the INDEX OF FINDING UNSKILLED WORKERS has not changed significantly for the fourth consecutive month and in October the indicator was 0.33 (it was 0.35).

The share of enterprise managers who indicated that it is more difficult to find skilled workers has slightly decreased (from 55.1% to 51.9%); the share of those who find it more difficult to find unskilled workers has also slightly decreased (from 39.2% to 34.8%). The percentage of those who find it easier to find skilled workers has slightly increased (from 0.7% to 3.7%), and the share of those who find it easier to find unskilled workers has not changed significantly and is 4.3% (it was 5.9%). At the same time, the share of those who do not feel any changes in the search for skilled workers has not changed significantly and is 44.4% (it was 44.2%), and for unskilled workers, this percentage has increased from 54.9% to 61.0%.

*Fig.28. Skilled and unskilled workers indices*




### Skilled workers

**Size**. The indicator for large (0.50), medium (0.49), small (0.47), and micro enterprises (0.46) is approximately the same.

**Region**. Significant regional differences in the labor market were recorded. It is most difficult to find skilled workers in Dnipropetrovsk, Poltava, and Chernihiv (1.00 for each) regions. It is easiest to find skilled workers in the Rivne (-0.06) region, whose indicator has a single negative value.

**Sector.** The most difficult sectors to find skilled workers are metalworking (0.37) and construction materials production (0.61). It is easier to find skilled workers for the chemical (0.36) industry.

### Unskilled workers

**Size**. It is more difficult to find unskilled workers for large (0.38) and medium-sized (0.33) enterprises. The indicator for small enterprises is 0.26. It is easiest to find unskilled workers for micro-enterprises (0.20).

**Region.** It is most difficult to find unskilled workers in Poltava, Dnipropetrovsk, and Chernihiv (1.00 for each) regions. It is easiest to find such workers in Sumy (-0.65) and Zakarpattya (-0.03) regions, whose indicators have a negative value.

**Sector.** The worst indicators for finding unskilled workers are observed for the metalworking and food industries (0.42 each). The easiest to find unskilled workers is for the woodworking industry (0.19).

# SPECIAL PART OF THE SURVEY

## THE IMPACT OF WAR ON ENTERPRISES

### Challenges for businesses in wartime

In October 2024, the most pressing obstacle to business caused by the full-scale Russian invasion was once again the **work hazards**. Since August, there has been a trend of an increasing percentage of businesses citing this obstacle, with 46% citing work hazards in August and 62% citing it in October, the highest value for this obstacle in 2024. This may be a sign of increased mobilization in Ukraine, as well as reflecting greater demand for personnel among businesses given the increasing deadlines for new orders and improving business expectations.

With a difference of 5%, the second place in the ranking of obstacles to business in October was occupied by **labor shortages due to conscription or worker migration**. This problem was faced by 57% of enterprises, in September the percentage was slightly higher, when it was indicated by 61% of respondents.

**Rising prices for raw materials and supplies** ranked third in the ranking of business obstacles caused by the full-scale Russian invasion in October. This obstacle was relevant for 43% of businesses.

Thus, in October, the share of businesses complaining about **rising production costs** increased again to the level of 45%, at which it had been for the past year except for July 2024, when it fell to 32%. This decline turned out to be temporary – probably caused, among other things, by the increased priority of other pressing problems.

Fourth in the ranking of obstacles was a **decrease in demand for products/services**. This problem was experienced by 34% of enterprises, which is slightly more than in September 2024, when this share was 33%.

**Power, water, or heat supply outages** ranked fifth in the ranking of business disruptions caused by full-scale war. This was a problem for 22% of businesses, significantly less than in September 2024, when this share was 45%. This decrease is likely temporary, as there have been no massive missile attacks on Ukraine's critical infrastructure in the past few months.

**Difficulties in transporting raw materials or goods throughout the territory of** Ukraine were reported by 17% of respondents, as a result of which this obstacle took sixth place in the ranking. The share of enterprises that encountered difficulties in transporting raw materials or goods throughout the territory of Ukraine decreased from 32% in March 2024 to 16% in July 2024, which indicates a gradual improvement in the situation. However, after July, there has been an increase: in August this indicator rose to 21%, in September it was 17%, and in October it also remained at 17%.

The problem of **supply chain disruption** and **lack of working capital** shared seventh place among obstacles – they were indicated by 9% of enterprises (10% and 11% in September, respectively).

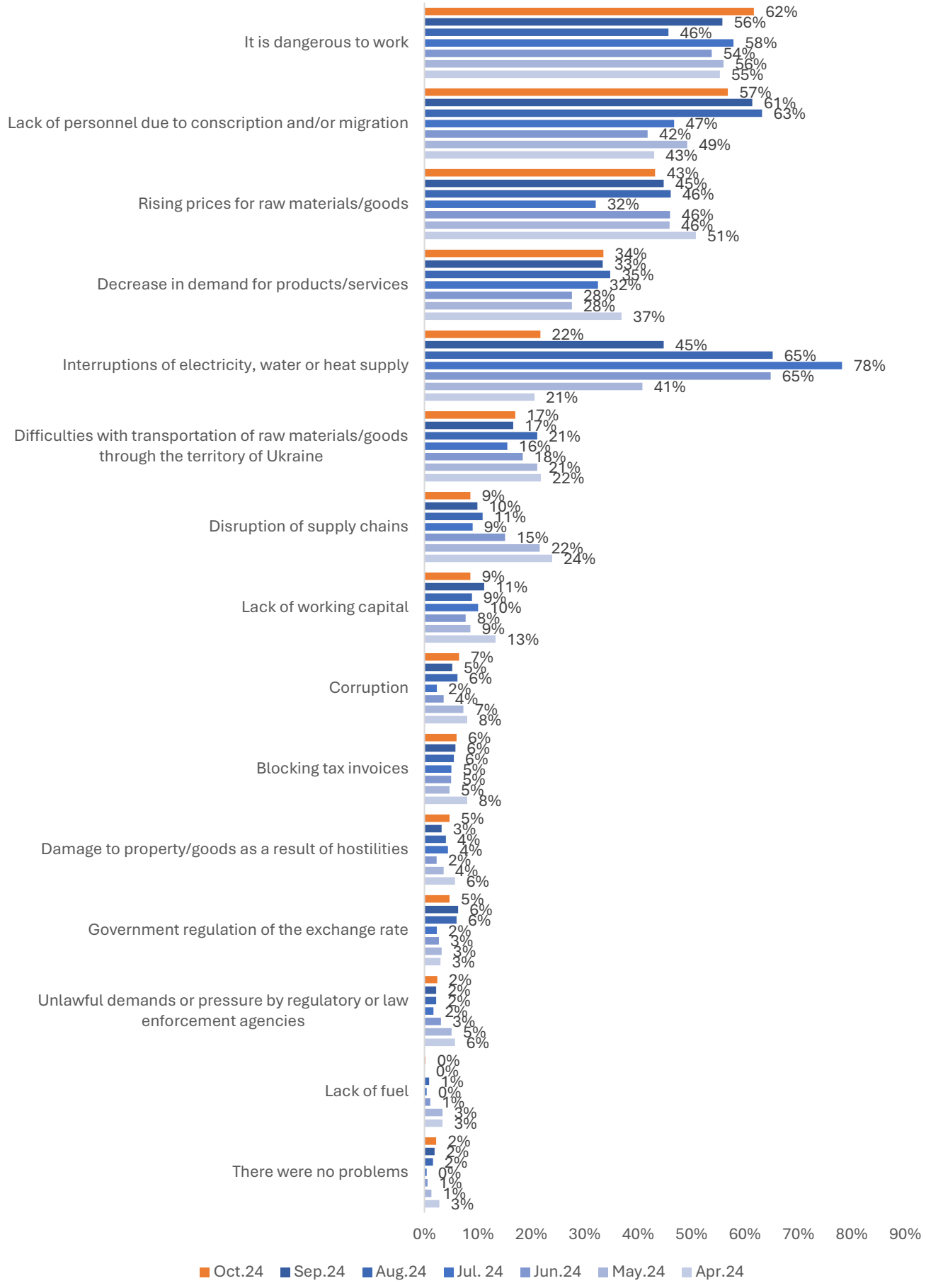
**Corruption** ranked eighth in this ranking, with 7% of businesses reporting it, a share that has remained virtually unchanged from the previous month, when 5% of businesses reported it.

The ninth place in October was taken by the problem of **blocking tax invoices**, which was indicated by 6% of enterprises.

The tenth place in the ranking of obstacles in October was shared by two problems: **damage to property or goods as a result of military actions** and **state regulation of the exchange rate**. Each of them was indicated by 5% of respondents. Less than 2% of enterprises reported obstacles such as **unlawful demands or pressure from regulatory or law enforcement agencies** and **fuel shortages**.

In addition, 2% of businesses surveyed in October 2024 said they did not face any obstacles.

*Fig.29.The most important problems for the surveyed businesses*



**Challenges for businesses by sector.** In October, large enterprises most often reported such an obstacle as work hazards - 73%. While micro, small, and medium-sized enterprises indicated: 40%, 59%, and 65%, respectively.

Microenterprises are distinguished from other businesses by the fact that they experience fewer labor shortages due to mobilization or departure of employees: among them, 32% of respondents reported this problem, while among larger enterprises - 63% and more. However, microenterprises are most affected by the increase in prices for raw materials and supplies - 48%, while small, medium, and large - 44%, 41%, and 44%, respectively.

**Challenges for businesses by sector.** Businesses operating in the metallurgy (64%), chemical industry (74%), mechanical engineering (62%), woodworking industry (62%), and food industry (67%) most often said that it is unsafe to work.

The woodworking industry, the food industry, and the metal and metalworking industry are much more likely than other industries to report a labor shortage due to mobilization or worker migration (over 50%). This problem is also acutely felt in the construction materials and chemical industries (over 50%).

Construction materials and light industry enterprises are more likely than other enterprises to complain about rising prices for raw materials and supplies (more than 50%).

The negative impact of power, water, or heat supply outages on their activities in October was most often reported by enterprises in the mechanical engineering, construction materials production, and metallurgy sectors (more than 20%)[3].

**Challenges for businesses by region.** Power, water, or heat supply outages in October were a particularly acute problem for businesses in Lviv and Kharkiv regions (more than 70% of respondents)[4].

All surveyed enterprises in the Lviv region (100%) complain about a labor shortage due to the full-scale war. In addition, more than 60% of enterprises in Dnipropetrovsk, Zhytomyr, Zakarpattya, Poltava, Kyiv, Odesa, Volyn, Rivne, and Chernivtsi regions reported this problem.

The highest shares of businesses that faced rising prices for raw materials and supplies were recorded in Zhytomyr, Lviv regions, and Kyiv city - more than 70%. Businesses in Zakarpattya, Zhytomyr, Zaporizhzhya, Poltava, and Cherkasy regions most often said it was unsafe to work (100% each).

## Obstacles to production growth

Before the full-scale Russian invasion, the Institute for Economic Research and Policy Consulting conducted quarterly surveys of industrial enterprises as part of the project "Business Opinion Survey: Industry"[5]. It was quarterly monitoring of the assessments and expectations of the managers of industrial enterprises regarding changes in the business environment and the performance indicators of enterprises, which also included their assessment of obstacles to production growth. Every quarter, enterprises were asked to choose obstacles that were the most relevant to them from a defined obstacle list.

This survey was last conducted in February 2022, before the full-scale Russian invasion, with results for Q4 2021, expectations for Q1 2022, and estimates for February 2022 (before February 24). At that time, the main problem for the surveyed business was the restrictions related to the coronavirus epidemic.

We resumed these surveys in the spring of 2023, and, in October 2024, for the seventh time since the start of the full-scale Russian invasion, and we asked businesses to name the obstacles from this list to compare how much

[3] This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, and enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this sector for the analysis.

[4] Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) and Ivano-Frankivsk region, where the number of respondents was insufficient for a comparative analysis.

[5] See more about the "Business Opinion Survey: Industry" project and read survey reports on the IER website: http://www.ier.com.ua/ua/publications/regular_products/business_idea_industry

they had changed for Ukrainian industry during the full-scale war. Here, we present the results of the October 2024 survey and compare them with the results of the three previous waves when this question was asked: in April, January, and July 2024.

According to the results of the October survey, the biggest obstacle in this ranking was **war** and an **unfavorable security situation**. It was indicated by 89% of enterprises, which is slightly more than in July (when this figure was 88%), and this is also the highest value in all waves of the survey[6].

The negative impact of a labor shortage on production growth came in second place. In October, 49% of companies reported that they **lacked skilled workers**. This share increased sharply compared to July, when 37% of respondents spoke about this obstacle to growth, and is the highest in all waves of the survey.

The **low demand** cited as an obstacle by 34% of respondents was in third place among these obstacles in October. This share decreased sharply in October compared to July when 43% of respondents said so. In October, this obstacle had the lowest value of all the survey waves conducted.

**Excessive taxation** moved from sixth to fourth place in the ranking of obstacles. The share of businesses reporting this obstacle increased sharply compared to the previous survey wave, from 10% in July to 24% in October. The figure in October almost returned to the figure of the first survey wave – 23%.

The **unfavorable regulatory climate** was fifth in this ranking. This is a combined indicator calculated as the share of those who chose at least one of three obstacles: **high regulatory pressure, frequent changes in economic legislation**, and **corruption.**

In October, 17% of enterprises reported an unfavorable regulatory climate, which is significantly more than in July of this year, when the corresponding share of enterprises did not exceed 8%. The value of all components of this indicator increased over the previous three months. The share of enterprises complaining about corruption increased for example (from 2% to 7%).

**Liquidity problems and adverse political situation** tied for sixth place in the ranking of obstacles. The shares of enterprises reporting both of these obstacles increased compared to the beginning of the year: from 8% in July to 12% in October for liquidity problems and from 6% in July to 12% in October for adverse political situation.

The seventh obstacle is **the lack of raw materials**. In October, 11% of enterprises reported they lacked raw materials, compared to 7% in July.

The impact of **high competitive pressure** was reported by 10% of respondents in October, making this obstacle the eighth most important in the ranking. In July, 16% of enterprises cited this obstacle.

**Lack of production capacity** ranks ninth in the ranking of obstacles. In October, 8% of enterprises indicated this obstacle, compared to 5% in July.

The tenth place in the ranking of obstacles this time is occupied by **energy supply problems** – 5%. This is the lowest figure for all waves of the survey. The share increased the most in the summer of 2024 due to the massive Russian shelling of energy infrastructure. In the previous year, from April 2023 to April 2024, it did not exceed 8%.

*Table 1. Obstacles to production growth*

| | Q1 2024 | Q2 2024 | Q3 2024 |
|---|---|---|---|
| War, unfavorable security situation | 77% | 88% | 89% |
| Law demand | 40% | 43% | 34% |
| Problems with energy supply | 8% | 42% | 5% |
| Lack of skilled workers | 36% | 37% | 49% |
| High competitive pressure | 8% | 16% | 10% |

[6] The April survey did not separate the war as a separate obstacle.

| | Q1 2024 | Q2 2024 | Q3 2024 |
|---|---|---|---|
| Excessive taxation | 16% | 10% | 24% |
| Lack of raw materials | 13% | 8% | 11% |
| **Unfavorable regulatory climate** | 23% | 8% | 17% |
| *High regulatory pressure* | 14% | 5% | 6% |
| *Corruption* | 11% | 2% | 7% |
| *Changes in economic legislation* | 4% | 2% | 5% |
| Liquidity problems | 16% | 8% | 12% |
| High loan rates | 6% | 7% | 5% |
| Lack of production capacity | 5% | 7% | 8% |
| Unfavorable political situation | 36% | 6% | 12% |
| Outdated technologies | 2% | 2% | 2% |
| Loans availability | 1% | 1% | 1% |

**Size.** Large enterprises are slightly more likely than smaller enterprises to cite war and adverse security conditions as obstacles to business growth. 94% cited this obstacle, while among micro, small, and medium-sized enterprises the corresponding shares ranged from 82% to 89%.

Micro-enterprises are more likely than larger businesses to report low demand (48% compared to less than 35% among larger businesses). On the other hand, these businesses are less likely than others to mention the problem of a lack of skilled workers. For example, 32% of micro-enterprises indicated this obstacle, while among small, medium, and large businesses the corresponding shares were more than 42%.

It is also worth noting that while few enterprises in the overall sample cited an unfavorable regulatory climate as an obstacle to growth (23%), this share is higher among microbusinesses than among larger enterprises: it amounted to 22%.

**Sector.** Surveyed enterprises from all industries cite war and unfavorable security situation as the main obstacle to production growth[7]. Between 77% and 95% of businesses in each industry cited this obstacle.

The second most important problem – the lack of skilled workers – is most often mentioned by representatives of the woodworking industry (57%). Low demand was the biggest obstacle to increasing production volumes at light industry enterprises (43%). While among all enterprises, the lack of raw materials became an obstacle for a maximum of 17% of respondents, among metal manufacturers and metalworking enterprises, this problem affected a higher share of enterprises – 36%.

**Region.** From 80% or more of surveyed businesses in such regions as Vinnytsya, Dnipropetrovsk, Zhytomyr, Zakarpattya, Zaporizhzhia, Kirovohrad, Lviv, Odesa, Poltava, Sumy, Ternopil, Kharkiv, Cherkasy, Chernivtsi, Chernihiv regions and Kyiv city, called the war and the unfavorable security situation an obstacle to growth. This is more than in the rest of the regions covered by this survey [8].

The lack of skilled workers is most complained about by business representatives in Lviv, Zhytomyr, Zakarpattia, and Poltava regions (more than 80%). In addition, against the background of an overall low level of complaints about an unfavorable regulatory climate, more than 30% of enterprises in Volyn, Dnipropetrovsk, Zhytomyr, and Sumy regions called it an obstacle to growth.

[7] This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, and enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this sector for the analysis.

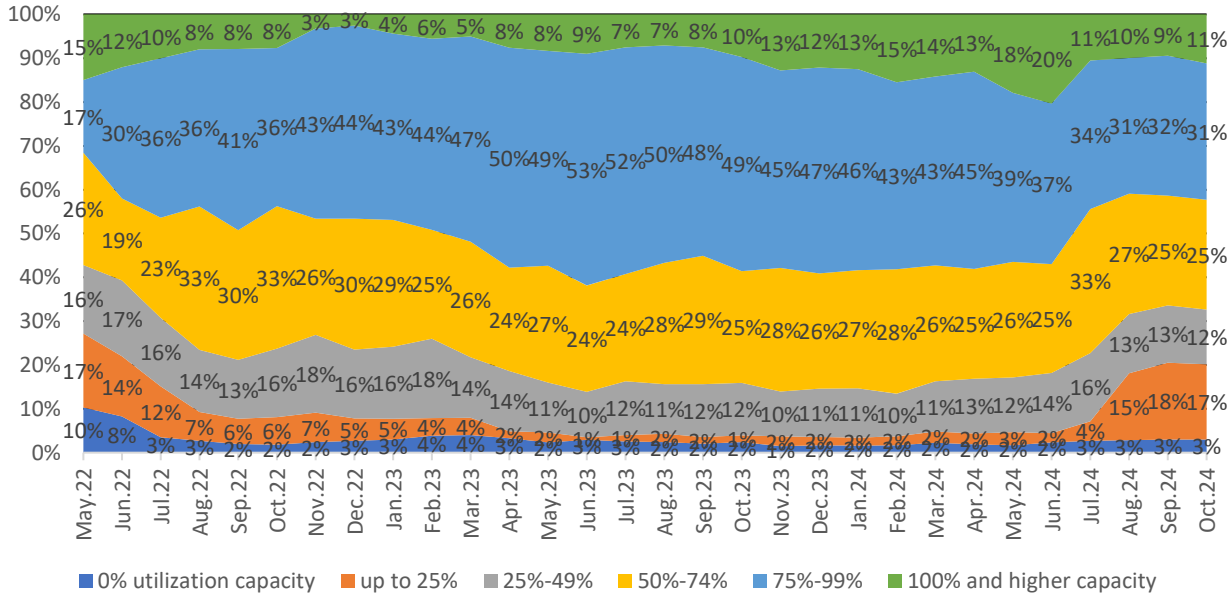
[8] Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) and Ivano-Frankivsk region, where the number of respondents was insufficient for a comparative analysis.

Demand as an obstacle to growth is most often reported in Lviv and Chernivtsi regions (more than 70% of respondents), and a shortage of raw materials is most often reported in Kyiv, Rivne regions, and Kyiv city (more than 40% of respondents).

## The war impact on capacity/production volumes

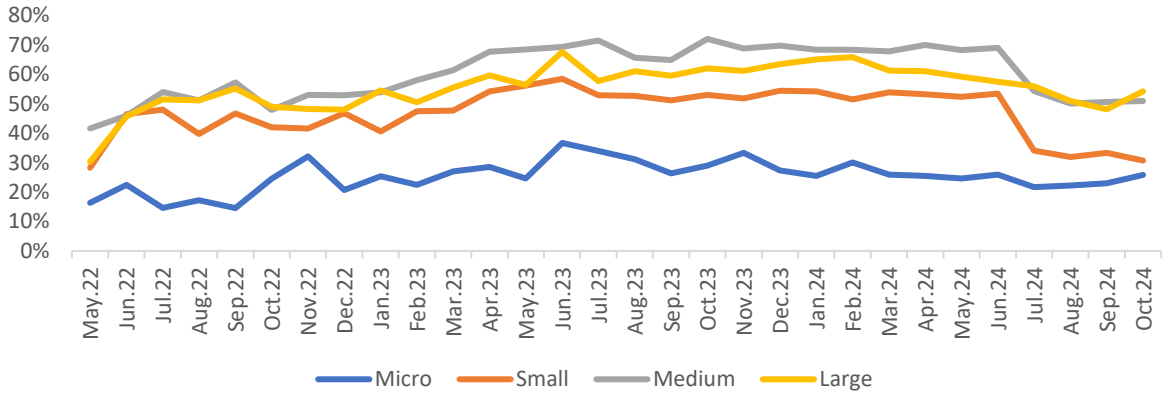
**In October 2024, only 11%** of enterprises reported operating at full capacity (100% or more), which is slightly higher than in the previous two months (10% in August and 9% in September). At the same time, the share of enterprises operating at almost full capacity (75% - 99%) was 31% (32% in September). As a result, **the total share of enterprises operating at almost full and full capacity was only 42% (**41% in September**). This is one of the lowest results (along with the previous month) since spring 2022 when Ukraine was experiencing the first months of the war.** For comparison, the corresponding figure was the highest for all waves of the survey in June 2023 – 62%.

*Fig.30.The impact of the war on the work of enterprises (% of respondents)*




In October, 3% of surveyed enterprises reported that they had ceased operations during the war. This figure has remained low since July 2022, in the range of 2%-4%. 17% of enterprises were operating at less than 25% of pre-war production volumes in October, compared to 18% in September. In addition, 12% of enterprises were operating at 25%-49% of pre-war production capacity in October (13% in September). **As a result, in October, about a third (33%) of enterprises were operating at less than half of their pre-war capacity or not operating at all. Higher figures were only seen at the beginning of the full-scale invasion.**

*Fig.31.The share of enterprises operating almost at full and full capacity (75 - 99%, 100%, and more) compared to the pre-war period (by enterprise size, %)*

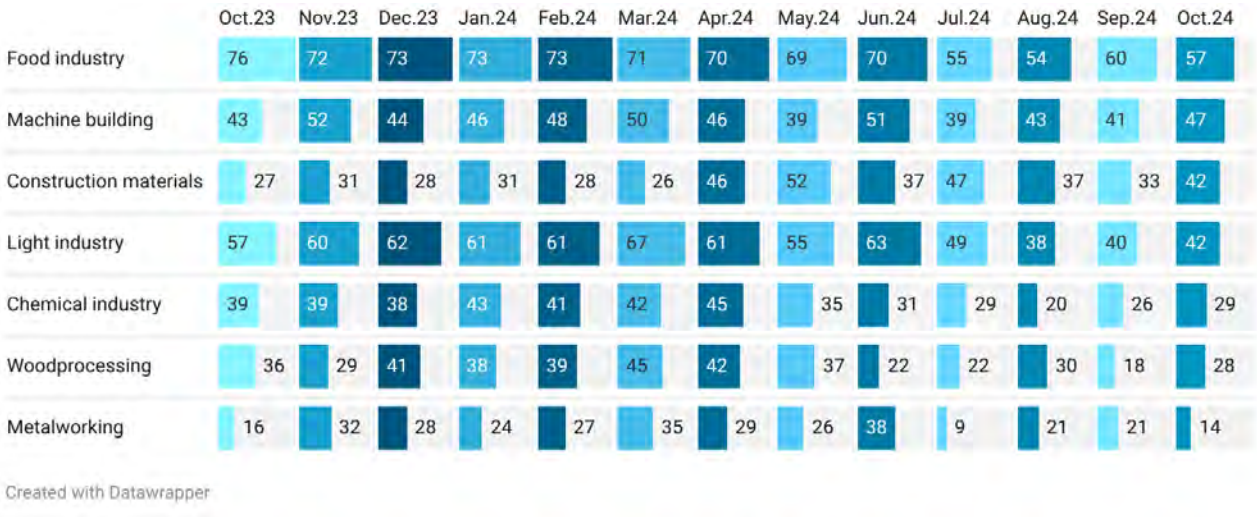


**Results for business by size.** In October 2024, the **level of capacity utilization in the SME sector showed little change**. The share of small enterprises operating at almost full and full capacity decreased to 31% (33% in September). At the same time, the corresponding share increased from 23% in September to 26% in October for micro-enterprises. Among medium-sized enterprises, the share remained unchanged at 51% (as in September). At the same time, after several months of decline, the share of large enterprises with a high capacity utilization increased, reaching 54% in October (it was 56% in July, 51% in August, and 48% in September).

As of October 2024, 13% of microbusiness representatives were not working, the same as in September (13%). Also, 4% of small enterprises and 1% of medium-sized enterprises were not working. At the same time, all large enterprises were working. Thus, **microbusinesses remain more sensitive to the challenges of wartime throughout all waves of the survey.**

**Results for business by sector.** The food industry remains the leader in the recovery of the processing industry. In October 2024, 57% of food industry enterprises worked almost at full and full capacity (60% in September). Mechanical engineering is in second place: in October, 47% of enterprises in the industry worked at a high capacity, while in September 41%. The light industry remains in third place, in which 42% of enterprises were at a high level of capacity utilization in October (40% in September). Construction materials production is also in third place - 42%. At the same time, the lowest level of production capacities is in metallurgy and metalworking (only 14% worked at a high capacity in October).

*Fig.32.The share of industrial enterprises operating almost at full and full capacity (75 - 99%, 100% and more) compared to the prewar period, % of respondents by sector*




**Results by region.** In October, a low production capacity utilization was observed in most regions. All or almost all enterprises continued to operate at almost full capacity in October only in Vinnytsya (100%), Poltava (100%) and Rivne (90%) regions. The situation remains difficult in the front-line Zaporizhzhia and Kharkiv regions, in which, respectively, only 3% and 15% of enterprises operated at a high capacity utilization. There are also no enterprises operating at a high level of production capacity utilization in the Zakarpattia and Cherkasy regions.

## THE WAR IMPACT ON THE ENTERPRISES' EXPORT ACTIVITIES

In the thirtieth wave of the survey, **63% of all respondents reported being or were exporters**. At the same time, 31% of enterprises had never exported, and 6% could not answer the question.

*Fig.33.The impact of the war on export activity (% of the exporters surveyed)*

As of October 2024, **83% of exporters surveyed indicated that they exported before the war and continued to export over the past 12 months**. Another 1% of enterprises started exporting during the war (over the past 12 months) for the first time. At the same time, 16% of enterprises exported before the war but had no exports over the past 12 months. That is, in October 2024, the share of active exporters was approximately at the level of previous months (it was, on average, 80% - 84% over the past year). Ukrainian businesses have reached a certain level of export activity recovery because some businesses cannot overcome new challenges to resume exports.

**Results for business by size.** According to the results of October 2024, a regularity was again recorded regarding the state of export activity, depending on the size of the enterprise. Among microbusinesses, 39% of enterprises exported before the war but had no export activity over the past 12 months. There is also a high share of enterprises that cannot resume exports among small businesses – 32%. The situation is somewhat better among medium-sized exporters: 13% of respondents have not exported in the past 12 months. The best situation is among large businesses, for which the corresponding indicator was only 5%. Thus, large businesses are traditionally the leaders in the restoration of export activity.

*Fig.34. Share of exporters who did not export during the last 12 months, by size of enterprises (% of exporters surveyed)*

**Results for business by sector.** The data obtained indicate that the most difficult situation with the restoration of exports remains in the construction materials industry. For example, 67% of enterprises in the industry indicated that they exported before the full-scale invasion but had no exports over the past 12 months. The situation is also difficult in metallurgy (the corresponding share is 29%). In contrast, the best situation is in the woodworking industry, in which only 5% of respondents had no exports over the past 12 months. In the food industry, which is generally the leader in the restoration, the corresponding share is 15%.

*Fig.35. Share of exporters who did not export during the last 12 months, by industry (% of surveyed exporters)*

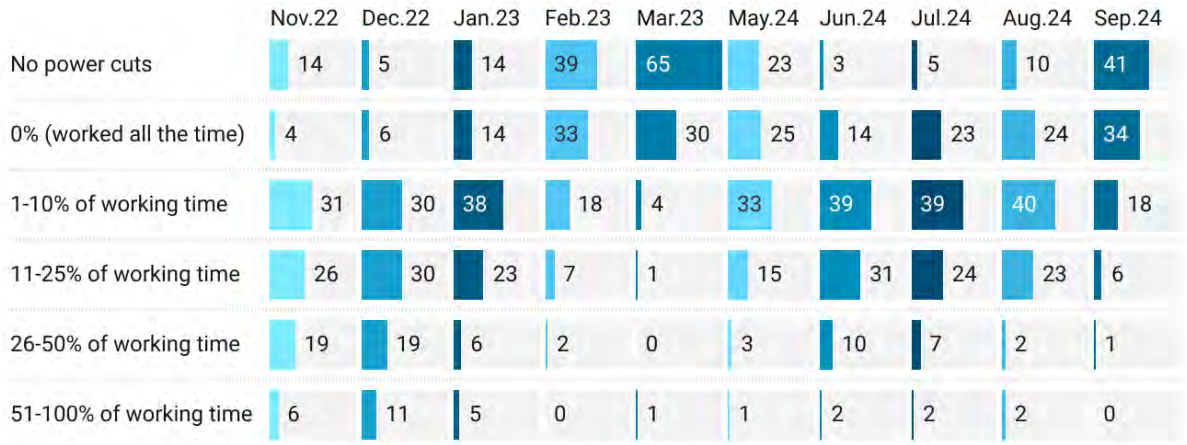
**Results by region.** Throughout all waves of the monthly survey, the available data do not allow conclusions to be drawn about clear regional patterns due to insufficient coverage of subsamples in certain regions. However, in some regions, all enterprises (among those that were able to respond) resumed exports, in particular, in Vinnytsya, Zakarpattya, Kyiv, Odesa, Poltava, Rivne, and Cherkasy regions. The most difficult situation remains in Dnipropetrovsk and Zhytomyr regions, where 67% and 57%, respectively, did not export during the last 12 months, although they had it before the war.

## IMPACT OF POWER OUTAGES

In the thirtieth wave of the survey, industrial enterprises were again asked to assess the impact of power supply problems on their operations. **In September 2024[9] power outages have become less of a problem for businesses compared to the summer of 2024. In September, only a quarter (25%) of enterprises temporarily suspended work due to power outages (for comparison, 52% in May, 83% in June, 73% in July, and 66% in August).** At the same time, 41% of enterprises did not have any power outages (10% in August). In addition, 34% of enterprises worked all the time, even if there were power outages. There are also **almost no enterprises with the most critical losses (more than half of working hours)** - about 0% of enterprises (only one enterprise among the respondents).

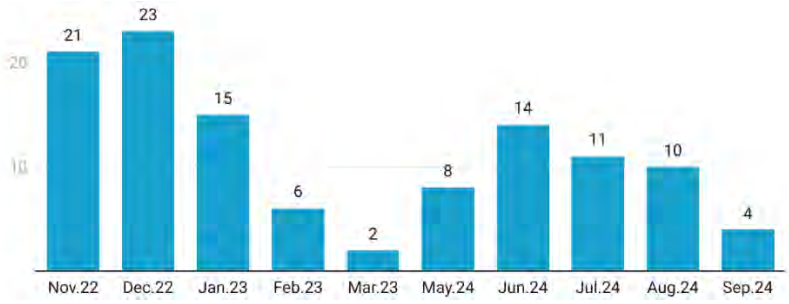
**As a result, on average, businesses lost 4% of their total working hours due to power outages in September 2024.** This is several times less than in August (10%), which may reflect an improvement in the electricity supply situation. However, the situation varies somewhat depending on the size of the business, industry, and region.

*Fig. 36. Impact of power outages on the enterprise work, % of respondents*



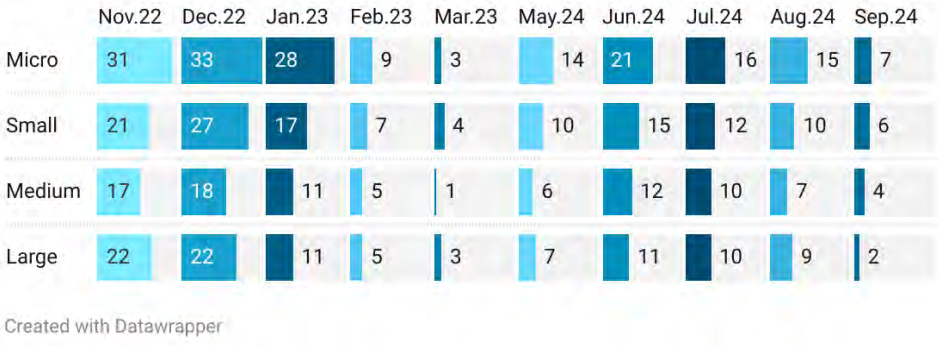

[9] As part of the survey, the question about lost working time is asked about the previous month that has already ended. That is, in October, respondents were asked about the loss of working time in September.

*Fig. 37. Average % of time losses due to power outages, by month*




**Business results by size. The situation is different for enterprises of different sizes.** For example, there were no outages in 45% of micro and small, 40% of medium, and 34% of large enterprises. At the same time, 27% of micro, 29% of small, 36% of medium, and 42% of large enterprises continued to work even during outages. Microbusiness still continues to suffer the greatest losses from Russia's terrorist attacks on energy infrastructure. In particular, **microenterprises in September 2024, on average, lost 7% of working time**. The losses of large enterprises are several times lower - only 2%.

*Fig. 38. Average % of enterprises' time losses (by size), % of respondents*




**Business results by sector**. The lowest average working time losses due to power outages were recorded in the construction materials industry (2%), food industry (3%), and light industry (3%). However, the situation is much worse in some industries. In particular, in the chemical industry, the average time losses were 7%, and in the woodworking industry - 10%.

*Fig. 39. Average % of enterprises' time losses (by sector), % of respondents*

**Business results by region.** The results of the survey once again confirm a certain regional specificity of the negative impact of power outages. The highest average time losses were recorded in Volyn (10%), Kharkiv (10%), and Sumy (9%) regions. However, in most regions, the average losses were below 5%. At the same time, the lowest average losses were in Odesa and Zhytomyr regions (0%).

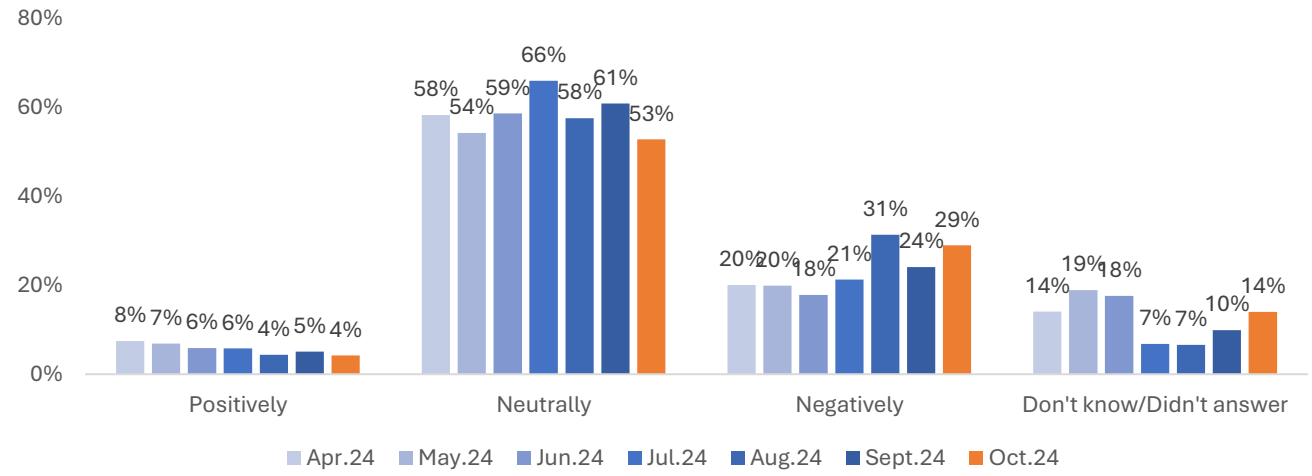
# GOVERNMENT POLICY

## Assessment of government policy to support business

In October, the share of positive assessments of the government's business support policy was 4%. It slightly decreased compared to the previous month, when 5% of surveyed enterprises positively assessed this policy. The level of positive assessments of this policy has not exceeded 8% for about a year, and the share of 4% recorded in August and October became the lowest indicators for the entire period of this study, the first wave of which was conducted in May 2022.

The share of neutral assessments of this policy decreased from 61% in September to 53% in October, while the share of negative assessments increased again from 24% to 29%. The remaining 14% of respondents were unable to assess this policy. This share changed little compared to September when there were 10% of such respondents.

*Fig.40. Assessment of government policy to support business*




**Assessment of government policy to support business by business size.** Against the background of the low level of positive assessments of government policy on business support in general, the assessments improve somewhat with increasing enterprise size, although the difference between them is insignificant. Thus, among large enterprises, this policy was positively assessed by 8% of respondents, while among microbusinesses, no enterprise assessed it positively.

In addition, representatives of small businesses negatively assess the government policy on business support more often than representatives of other businesses. In particular, 38% of these respondents gave negative assessments of this policy, while among respondents representing micro, medium, and large businesses, the corresponding share is 33%, 28%, and 16%.

**Assessment of government policy on business support by sector.** Representatives of the chemical industry are most likely to give positive assessments of government business support policies (6%)[10].

[10] This analysis does not consider enterprises in the sectors of agriculture, construction, trade, and services, and enterprises included in the category "Other production." Enterprises in the printing industry are also not considered due to the insufficient sample in this sector for the analysis.

Among enterprises in the metallurgy industry, one of the highest shares of negative assessments of this policy was recorded (39%). This policy is also often negatively assessed by enterprises producing construction materials - 35%.

**Assessment of government policy on business support by region.** The highest level of positive assessments of government policy on business support in October 2024 was recorded in Kirovohrad (19% of respondents), Zaporizhzhia, and Rivne (10%) regions[11].

At the same time, the highest shares of negative assessments are among businesses in Vinnytsya, Sumy, and Dnipropetrovsk regions, as well as Kyiv city (more than 50%).

[11] Regions in which no enterprises were surveyed are not included in the comparison (for more details, see the "Sample" section) as well as Ivano-Frankivsk region, where the number of respondents was insufficient for a comparative analysis.

# SURVEY METHODOLOGY

This report presents the results of the 30th new monthly survey "Ukrainian Business in the Wartime". The data was collected using a combination of several methods of data collection: a telephone interview of business representatives filling their responses into the online checklist by the interviewers, and in a small number of cases, self-completion of the checklist by representatives of enterprises who, during the previous telephone contact, expressed a desire to independently enter data in the online checklist. All responses (filled by the respondents themselves and provided to the interviewers) were collected in one database. After the survey, IER experts monitored and cleaned up the data and analyzed the responses.

In this survey, we continue examining the indicators of the business climate and conditions studied by the IER in the quarterly surveys of industrial enterprises within the project "Business Survey". It includes indices that in numerical terms show monthly changes in such important business indicators as production and sales, exports, raw materials and supplies stocks, the new orders number, etc., and business expectations for their changes for the next three- and six-month periods.

These indices are calculated according to a single methodology. We count responses as +1 when the company responds that the rate has increased, 0 if it has not changed, and -1 if it has decreased. For example, if out of 100 respondents, 20 indicated an increase in production, 50 respondents its reduction, and 30 said that everything remained unchanged, the corresponding value of the index will be -0.30. A positive (negative) index value means that the share of enterprises where production has increased is larger (smaller) than the number of those where production has decreased. For a more accurate measurement at the micro-data level, each answer is weighted, taking into account the enterprise size by the number of workers.

Such indices help control the dynamics of changes in these indicators, compare them over time and quickly assess the general direction of changes in business conditions and the situation at the enterprises.

The field phase of the survey lasted from October 14 to 31, 2024.

# SAMPLE

A total of 472 enterprises were surveyed in the 30th wave. They are located in Vinnytsya, Volyn, Dnipropetrovsk, Zakarpattya, Zaporizhzhya, Zhytomyr, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytskyy, Cherkasy, Chernivtsi and Chernihiv regions and in Kyiv city. In each of these regions, from 4 to 43 enterprises were surveyed[12].

The majority of the sample consisted of industrial enterprises – 416 enterprises or 88% of the sample. Among them, the food industry and light industry, and engineering prevail. Eleven enterprises belong to the agricultural sector (2.3 % of the sample) and 27 to trade (5.7% of the sample). 13 enterprises, or 2.8% of the sample, work in the service sector. And five enterprises (1.1%) belong to the construction sector.

These are companies of various sizes, determined by the number of workers among the enterprises surveyed. Among them: micro-enterprises (up to 10 workers) – 64 or 14% of the sample, small (from 11 to 50 workers) – 141 or 30% of the sample, medium-sized (from 51 to 250 workers) – 159 or 38% of the sample, and large (more than 250 workers) – 108 or 23% of the sample.

[12] The survey indicated the region in which the enterprise was located at the time of the survey.

# APPENDIX 1. Survey results in figures

**Sample**

Enterprises' size

| | Number | Share of sample |
|---|---|---|
| **Micro-** | 64 | 14% |
| **Small** | 141 | 30% |
| **Middle** | 159 | 38% |
| **Large** | 108 | 23% |
| **TOTAL** | 472 | 100% |

Sector/ industry

| | Number | Share of sample |
|---|---|---|
| **Agriculture** | 11 | 2,3% |
| **Metal production and metalworking** | 28 | 5,9% |
| **Chemical industry** | 35 | 7,4% |
| **Mechanical engineering** | 58 | 12,3% |
| **Woodworking industry** | 30 | 6,4% |
| **Construction materials production** | 26 | 5,5% |
| **Food industry** | 146 | 30,9% |
| **Light industry** | 48 | 10,2% |
| **Printing industry** | 5 | 1,1% |
| **Other industries** | 135 | 8,5% |
| **Construction** | 5 | 1,1% |
| **Trade** | 27 | 5,7% |
| **Services** | 13 | 2,8% |
| **TOTAL** | 472 | 100% |

**Performance indicators of enterprises and business environment by size, indices (October 2024)**

| | Total | Micro | Small | Middle | Large |
|---|---|---|---|---|---|
| **Production** | 0,18 | -0,20 | 0,05 | 0,14 | 0,32 |
| **Expected changes in production** | 0,38 | 0,15 | 0,27 | 0,38 | 0,47 |
| **Sales** | 0,19 | -0,16 | 0,05 | 0,17 | 0,33 |
| **Expected sales changes** | 0,38 | 0,15 | 0,30 | 0,37 | 0,47 |
| **Export** | 0,11 | -0,32 | -0,10 | 0,07 | 0,21 |
| **Expected changes in exports** | 0,35 | 0,00 | 0,08 | 0,37 | 0,44 |
| **Account receivables** | -0,11 | -0,12 | -0,16 | -0,20 | -0,03 |
| **Expected changes in account receivables** | -0,20 | -0,33 | -0,28 | -0,24 | -0,08 |
| **Account payables** | -0,13 | -0,17 | -0,20 | -0,21 | -0,04 |
| **Expected changes in accounts payable** | -0,22 | -0,34 | -0,30 | -0,25 | -0,11 |
| **Tax arrears** | -0,19 | -0,16 | -0,26 | -0,21 | -0,15 |
| **Expected changes in tax arrears** | -0,24 | -0,24 | -0,35 | -0,21 | -0,20 |

| | Total | Micro | Small | Middle | Large |
|---|---|---|---|---|---|
| **Stocks of raw materials** | 0,11 | 0,02 | -0,05 | 0,06 | 0,28 |
| **Expected changes in stocks of raw material** | 0,26 | 0,14 | 0,07 | 0,26 | 0,39 |
| **Stocks of finished goods** | 0,01 | -0,03 | -0,06 | 0,01 | 0,04 |
| **Expected changes in stocks of finished goods** | 0,12 | -0,22 | 0,14 | 0,10 | 0,15 |
| **New orders** | 0,11 | -0,10 | -0,02 | 0,07 | 0,24 |
| **Expected changes in new orders** | 0,35 | 0,04 | 0,22 | 0,33 | 0,49 |
| **Purchase prices** | 0,29 | 0,25 | 0,33 | 0,24 | 0,33 |
| **Expected changes in purchase prices** | 0,49 | 0,27 | 0,36 | 0,51 | 0,57 |
| **Domestic sales prices** | 0,27 | 0,16 | 0,27 | 0,22 | 0,33 |
| **Changes in the domestic sales prices** | 0,46 | 0,30 | 0,36 | 0,48 | 0,53 |
| **Number of workers** | -0,05 | -0,11 | -0,07 | -0,06 | -0,04 |
| **Expected changes in the number of workers** | 0,06 | 0,12 | 0,05 | 0,10 | 0,02 |
| **Number of workers on forced leave** | 0,00 | -0,05 | 0,00 | 0,03 | -0,02 |
| **Expected changes in the number of workers on forced leave** | 0,12 | 0,03 | 0,08 | 0,20 | 0,07 |
| **Skilled workers** | 0,48 | 0,46 | 0,47 | 0,49 | 0,50 |
| **Unskilled workers** | 0,33 | 0,20 | 0,26 | 0,33 | 0,38 |
| **Business activity assessment** | 0,09 | -0,29 | -0,01 | 0,08 | 0,22 |
| **Expected changes in business activity** | 0,33 | 0,07 | 0,20 | 0,33 | 0,48 |
| **Assessment of the business environment** | 0,02 | -0,32 | -0,11 | 0,00 | 0,14 |
| **Expected changes in the business environment** | 0,32 | 0,05 | 0,08 | 0,32 | 0,52 |
| **Do you plan to expand your company's activities in the next two years** | 0,13 | 0,15 | 0,11 | 0,10 | 0,16 |
| **How do you assess your company's business activity in the current month, compared to the same period last year in 2023?** | 0,30 | -0,15 | 0,16 | 0,29 | 0,47 |

**Performance indicators of enterprises and business environment by sector, indices (October2024)**

| | Total | Metal production and metalworking | Chemical Industry | Engineering | Woodworking industry |
|---|---|---|---|---|---|
| **Production** | 0,18 | 0,00 | 0,00 | 0,19 | 0,17 |
| **Expected changes in production** | 0,38 | 0,11 | 0,36 | 0,32 | 0,41 |
| **Sales** | 0,19 | 0,00 | 0,00 | 0,22 | 0,17 |
| **Expected sales changes** | 0,38 | 0,07 | 0,39 | 0,31 | 0,41 |

| | Total | Metal production and metalworking | Chemical Industry | Engineering | Woodworking industry |
|---|---|---|---|---|---|
| **Export** | 0,11 | 0,27 | 0,00 | -0,02 | 0,00 |
| **Expected changes in exports** | 0,35 | 0,25 | 0,33 | 0,26 | 0,37 |
| **Account receivables** | -0,11 | -0,30 | -0,25 | -0,16 | -0,18 |
| **Expected changes in account receivables** | -0,20 | -0,45 | -0,21 | -0,20 | -0,21 |
| **Account payables** | -0,13 | -0,27 | -0,10 | -0,18 | -0,11 |
| **Expected changes in accounts payable** | -0,22 | -0,43 | -0,19 | -0,21 | -0,15 |
| **Tax arrears** | -0,19 | -0,30 | -0,22 | -0,21 | -0,13 |
| **Expected changes in tax arrears** | -0,24 | -0,40 | -0,19 | -0,22 | -0,17 |
| **Stocks of raw materials** | 0,11 | 0,04 | 0,06 | -0,07 | 0,00 |
| **Expected changes in stocks of raw material** | 0,26 | 0,18 | 0,29 | 0,15 | 0,30 |
| **Stocks of finished goods** | 0,01 | -0,11 | 0,15 | -0,07 | -0,04 |
| **Expected changes in stocks of finished goods** | 0,12 | -0,04 | 0,15 | 0,10 | 0,29 |
| **New orders** | 0,11 | -0,04 | -0,06 | 0,09 | 0,07 |
| **Expected changes in new orders** | 0,35 | 0,13 | 0,35 | 0,23 | 0,30 |
| **Purchase prices** | 0,29 | 0,25 | 0,14 | 0,21 | 0,20 |
| **Expected changes in purchase prices** | 0,49 | 0,32 | 0,48 | 0,39 | 0,43 |
| **Domestic sales prices** | 0,27 | 0,21 | 0,23 | 0,17 | 0,17 |
| **Changes in the domestic sales prices** | 0,46 | 0,28 | 0,53 | 0,39 | 0,43 |
| **Number of workers** | -0,05 | -0,11 | 0,00 | -0,12 | -0,03 |
| **Expected changes in the number of workers** | 0,06 | -0,08 | 0,09 | 0,00 | 0,20 |
| **Number of workers on forced leave** | 0,00 | 0,00 | 0,00 | -0,07 | 0,00 |
| **Expected changes in the number of workers on forced leave** | 0,12 | 0,05 | 0,17 | 0,02 | 0,23 |
| **Skilled workers** | 0,48 | 0,67 | 0,36 | 0,45 | 0,52 |
| **Unskilled workers** | 0,33 | 0,42 | 0,21 | 0,31 | 0,19 |
| **Business activity assessment** | 0,09 | -0,07 | 0,12 | -0,02 | 0,00 |
| **Expected changes in business activity** | 0,33 | -0,13 | 0,30 | 0,37 | 0,25 |
| **Assessment of the business environment** | 0,02 | -0,23 | 0,06 | -0,14 | 0,04 |
| **Expected changes in the business environment** | 0,32 | -0,11 | 0,33 | 0,30 | 0,36 |
| **Do you plan to expand your company's activities in the next two years** | 0,13 | 0,04 | 0,21 | 0,07 | 0,00 |
| **How do you assess your company's business activity in the current month, compared to the same period last year in 2023?** | 0,30 | 0,00 | 0,31 | 0,33 | 0,28 |

| | Total | Construction materials productions | Food Industry | Light industry | Printing industry |
|---|---|---|---|---|---|
| **Production** | 0,18 | -0,04 | 0,20 | 0,08 | 0,20 |
| **Expected changes in production** | 0,38 | 0,23 | 0,40 | 0,36 | 0,20 |
| **Sales** | 0,19 | -0,04 | 0,21 | 0,19 | 0,20 |
| **Expected sales changes** | 0,38 | 0,24 | 0,41 | 0,37 | 0,20 |
| **Export** | 0,11 | -0,25 | 0,17 | 0,10 | -0,33 |
| **Expected changes in exports** | 0,35 | -0,10 | 0,36 | 0,30 | 0,00 |
| **Account receivables** | -0,11 | -0,21 | -0,10 | -0,03 | 0,25 |
| **Expected changes in account receivables** | -0,20 | -0,38 | -0,14 | -0,19 | 0,00 |
| **Account payables** | -0,13 | -0,21 | -0,16 | -0,21 | 0,00 |
| **Expected changes in accounts payable** | -0,22 | -0,48 | -0,20 | -0,21 | 0,00 |
| **Tax arrears** | -0,19 | -0,24 | -0,24 | -0,16 | 0,00 |
| **Expected changes in tax arrears** | -0,24 | -0,37 | -0,24 | -0,26 | 0,00 |
| **Stocks of raw materials** | 0,11 | -0,04 | 0,19 | -0,02 | -0,50 |
| **Expected changes in stocks of raw material** | 0,26 | 0,15 | 0,28 | 0,15 | -0,50 |
| **Stocks of finished goods** | 0,01 | -0,04 | -0,04 | 0,04 | 0,00 |
| **Expected changes in stocks of finished goods** | 0,12 | 0,13 | 0,09 | 0,02 | 0,00 |
| **New orders** | 0,11 | -0,12 | 0,15 | 0,06 | 0,00 |
| **Expected changes in new orders** | 0,35 | 0,12 | 0,41 | 0,23 | 0,00 |
| **Purchase prices** | 0,29 | 0,16 | 0,32 | 0,37 | 0,20 |
| **Expected changes in purchase prices** | 0,49 | 0,39 | 0,52 | 0,44 | 0,40 |
| **Domestic sales prices** | 0,27 | 0,08 | 0,27 | 0,30 | 0,00 |
| **Changes in the domestic sales prices** | 0,46 | 0,35 | 0,50 | 0,36 | 0,00 |
| **Number of workers** | -0,05 | -0,15 | -0,01 | -0,08 | 0,00 |
| **Expected changes in the number of workers** | 0,06 | 0,00 | 0,06 | 0,20 | 0,00 |
| **Number of workers on forced leave** | 0,00 | 0,05 | 0,01 | 0,00 | 0,00 |
| **Expected changes in the number of workers on forced leave** | 0,12 | 0,14 | 0,12 | 0,28 | 0,00 |
| **Skilled workers** | 0,48 | 0,61 | 0,50 | 0,42 | 0,50 |
| **Unskilled workers** | 0,33 | 0,26 | 0,42 | 0,25 | 0,50 |
| **Business activity assessment** | 0,09 | -0,04 | 0,14 | 0,00 | 0,00 |

| | Total | Construction materials productions | Food Industry | Light industry | Printing industry |
|---|---|---|---|---|---|
| **Expected changes in business activity** | 0,33 | 0,44 | 0,33 | 0,32 | 0,00 |
| **Assessment of the business environment** | 0,02 | -0,04 | 0,07 | -0,11 | -0,20 |
| **Expected changes in the business environment** | 0,32 | 0,29 | 0,32 | 0,24 | 0,25 |
| **Do you plan to expand your company's activities in the next two years** | 0,13 | -0,10 | 0,13 | 0,23 | 0,00 |
| **How do you assess your company's business activity in the current month, compared to the same period last year in 2023?** | 0,30 | 0,17 | 0,33 | 0,18 | 0,20 |