«Steady as She Goes? Navigating Economic Uncertainty»

Main economic trends in July 2025, based on the results of the New Rapid Enterprises Survey, #NRES

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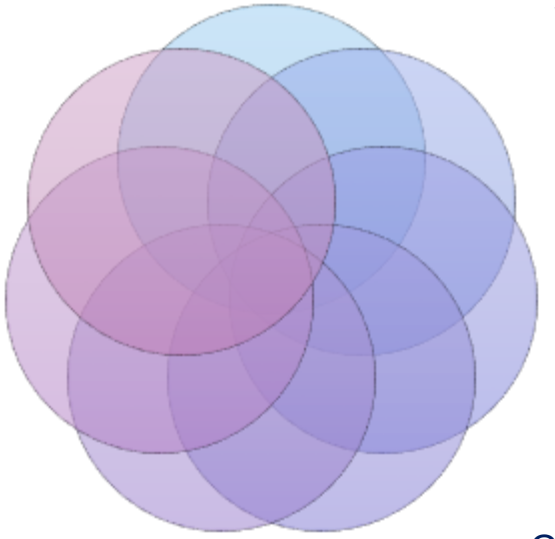
Kyiv, August 11, 2025

ABOUT THE NEW RAPID ENTERPRISES SURVEY #NRES

Monthly survey

The recent data were collected on **16 – 31 July, 2025**

SAMPLE: **478 enterprises were surveyed in July**



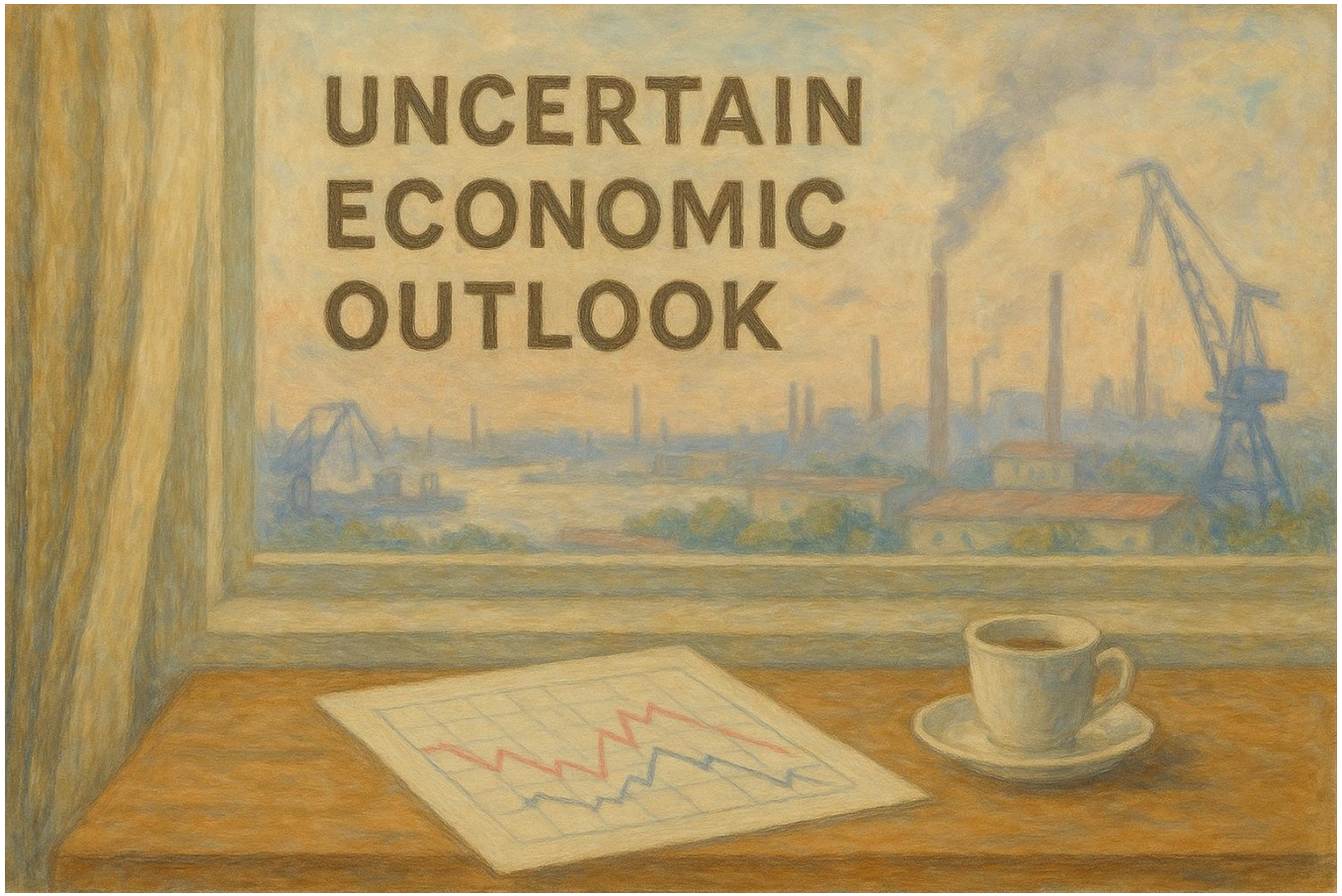
39 surveys have already been conducted (since May 2022)

Enterprises of all sizes

Sectors: **Industry+** (Retail, Agro)

Geography: **21 out of 27 regions** of Ukraine

THE KEY MESSAGE



Despite some improvement in long-term business expectations and a decline in uncertainty, short-term prospects have worsened, and the pace of recovery is slowing, with labor shortages, security risks, and rising prices remaining the main obstacles for businesses.

THE KEY RESULTS OF JULY 2025

1. **Long-term business expectations improved** slightly, **as long-term uncertainty declined** after rising last month
2. In the perspective of **six months uncertainty has decreased** for the business activity at the enterprise and **remained without significant changes** for the overall economic environment. At the same time, **expectations for the six-month perspective have worsened**
3. **The year-to-year recovery rate has worsened** for the second month in a row
4. **Production performance indicators** (month-on-month) and **short-term expectations did not change** significantly
5. **Lack of personnel**, **security, and rising prices** remain **the main impediments for businesses**, albeit with some changes in the asol.ye values.

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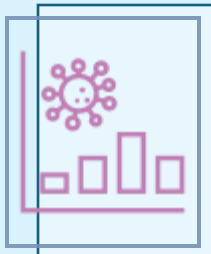
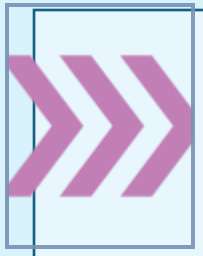
New Monthly Enterprises Survey, #39, (07/2025)

Main results 1.



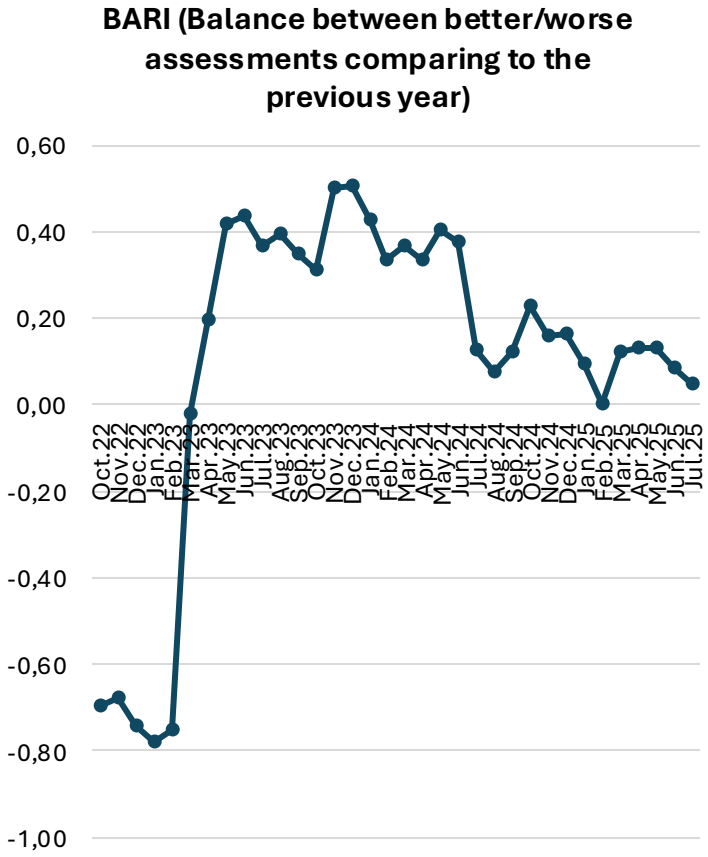
The Business Activity Recovery Index (BARI) worsening for the second month in a row (the indicator decreased from 0.09 to 0.05)

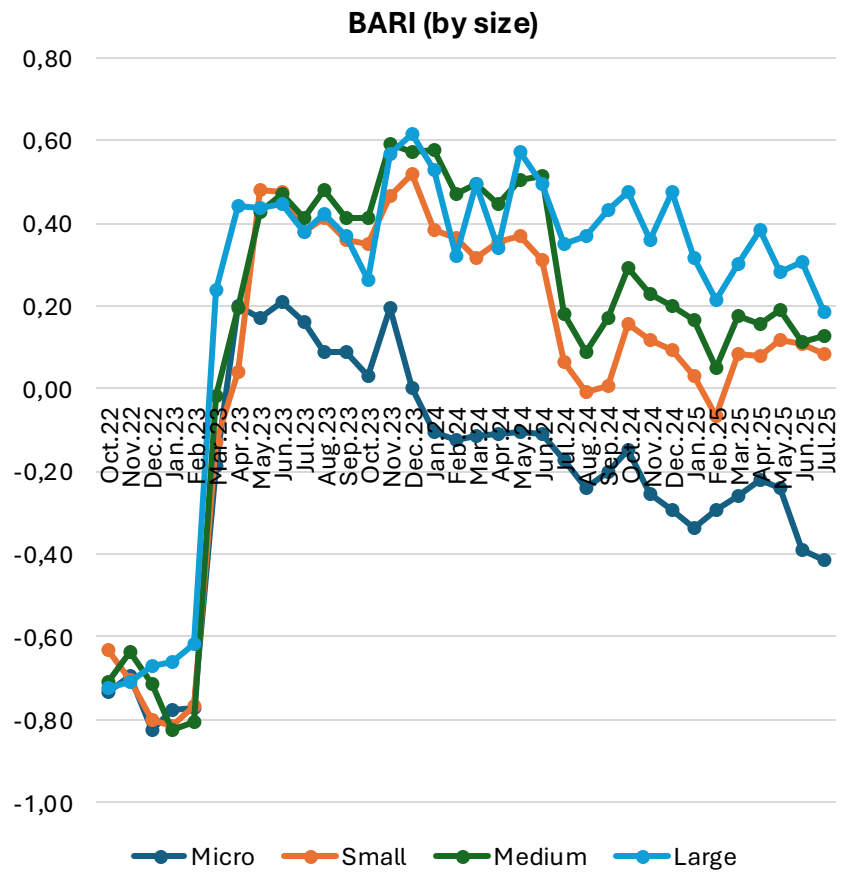
Capacity utilization in July compared to June **has not changed significantly**



The Industrial Confidence Indicator (ICI) has not changed significantly (1 p.p either up or down) for the fifth month in a row

The Business Activity Recovery Index* worsens





BARI is based on question when managers make a comparison of "how it is now" vs. "how it was a year ago"

The Business Activity Recovery Index (BARI) has been deteriorating for the second month in a row, and **in July 2025 compared to June it decreased** from 0.09 to 0.05 (scale from -1 to +1)

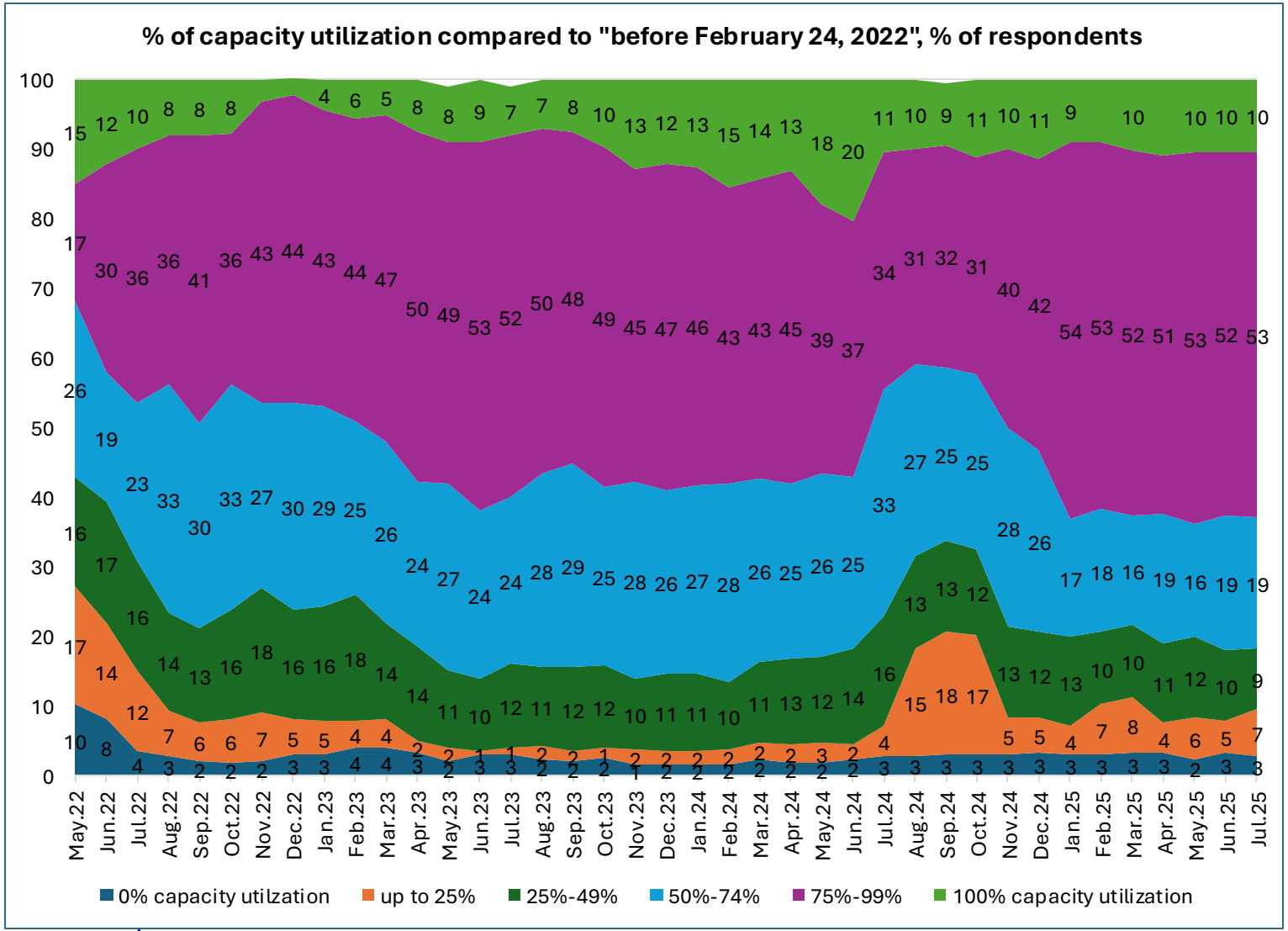
<u>The fluctuations in the percentage distribution of answers are the following:</u>

- **% of enterprises reported that their business activity was better than last year decreased** from 25.2% to 21.3%
- **% of enterprises reported that their business activity was worse than last year, without significant changes** (16.7% in June and 16.5% in July)
- **The share of those who did not feel changes compared to last year increased** (from 58.1% in June to 62.2%)

HOWEVER, there are significant differences depending on the size of the enterprises

The value of BARI has **increased insignificantly only for medium-sized enterprises**. At the same time, the **indicator has significantly decreased for large enterprises**. The value of the Index **for microenterprises is gradually decreasing and is the lowest, with a negative value.**

“Now” vs. “before February 24”: capacity utilization has not changed significantly



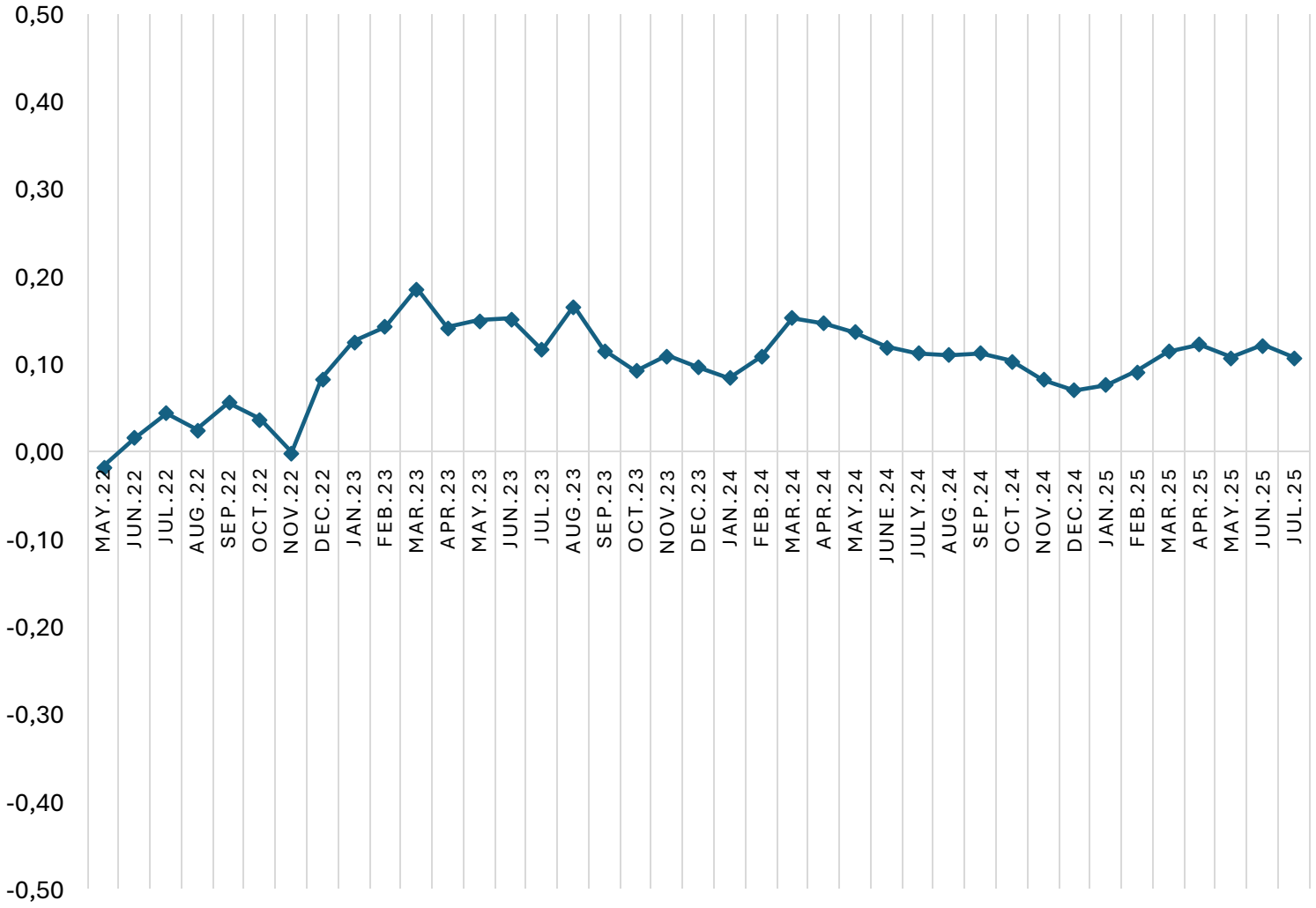
In July, compared to June, there were no significant changes:

- **The share of enterprises operating almost at full capacity did not change significantly** (52% in June and 53% in July)
- **The share of enterprises operating at 100% capacity has not changed and has been 10% for several months in a row**
- **The share of enterprises operating with a 50-74% capacity did not change** (19%, as in June)
- **The % of enterprises that do not work at all has not changed** (3%, as in June).

<u>At the same time:</u>

- **The share of enterprises operating with up to 25% slightly capacity increased** (from 5% in June to 7% in July)

Industrial Confidence Indicator (ICI)*



ICI has not changed significantly for five months in a row

ICI was 0.11 in July (it was 0.12 in June, 0.11 in May, and 0.12 in April and March)

<u>In July, compared to June, the fluctuations of the components of the APPP are the following:</u>

- **Production expectations** (PE) **do not change significantly** (0.38 in July vs 0.38 in June)
- The component **stocks of finished products increased** (from -0.08 in June to -0.03 in July)
- The component **volume of new orders decreased slightly** (from -0.11 in June to -0.08 in July)

**ICI= PE+VNO+(-SFG)/3*

Main results 2. Uncertainty

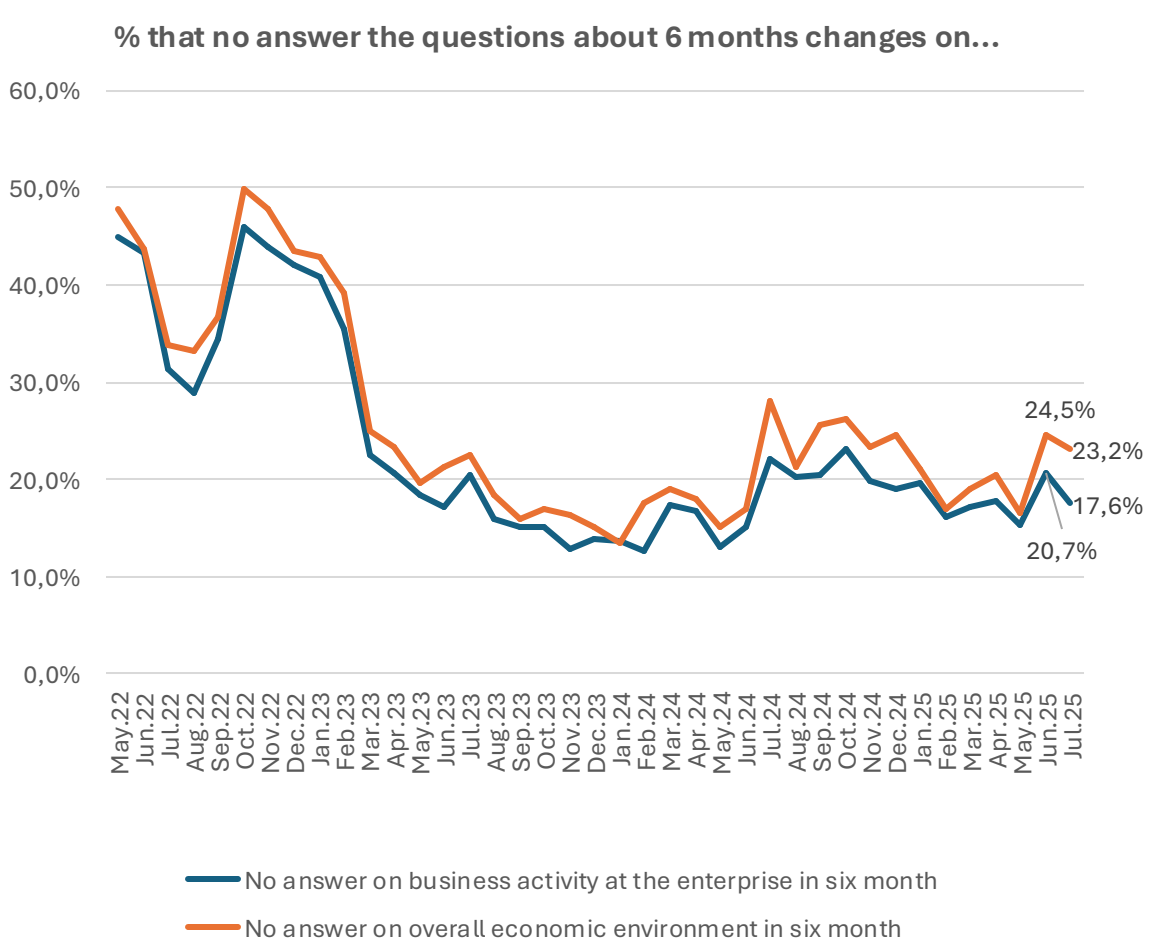
Uncertainty in the 6-month perspective decreased for the business activity at the enterprise, and **without significant changes** for the overall economic environment in the country

Uncertainty in the perspective of 3 months does not change significantly for most production indicators

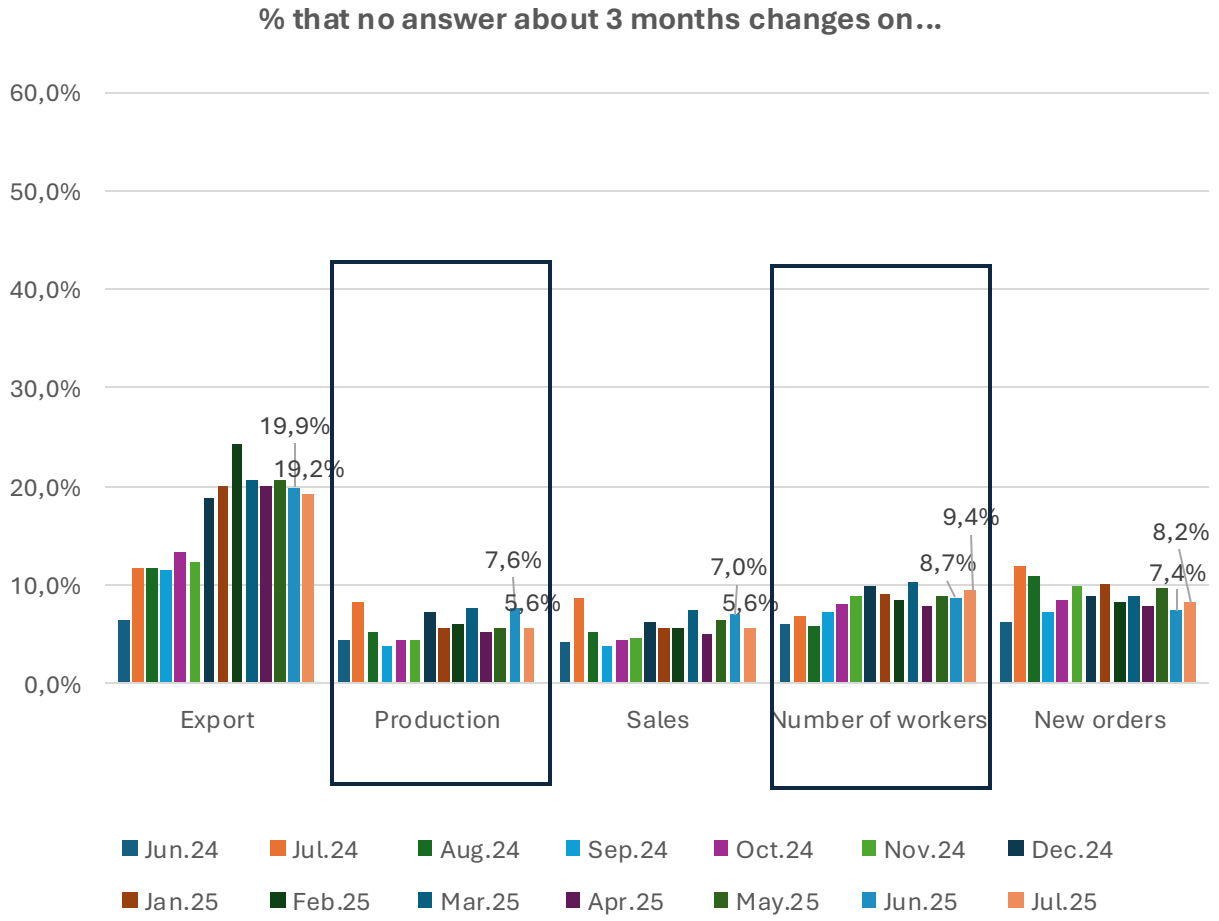
Uncertainty in the 2-year outlook has significantly decreased after last month's growth

Uncertainty has decreased for the financial and economic situation, but without significant changes for production indicators

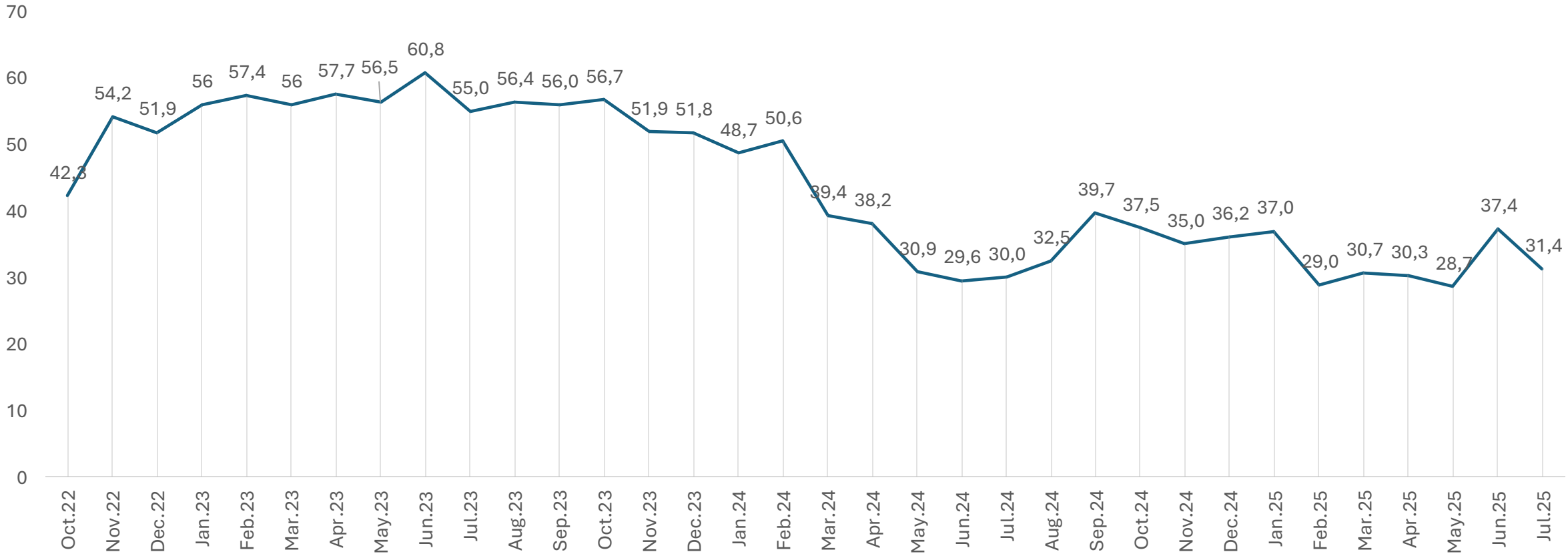
6-month horizon:



3-month horizon:



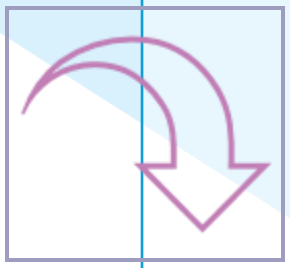
Uncertainty in the long-term perspective significantly decreased



% of enterprises that have no idea about their plans for 2 years decreased from 37.4% to 31.4% (the indicator almost approached the May values, when it remained stable for several months in a row)

Main results 3. Long-term expectations

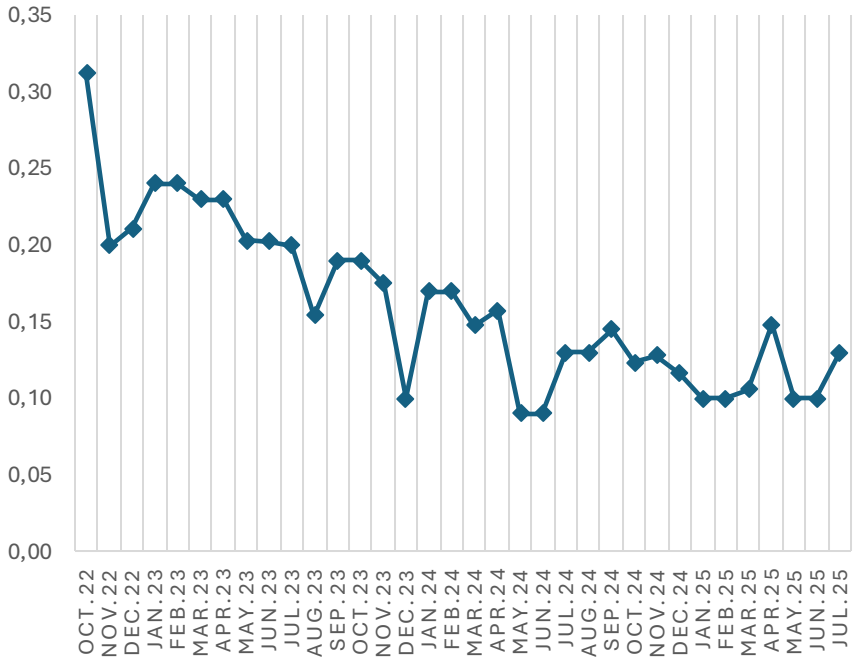
Expectations for the two-year perspective have improved



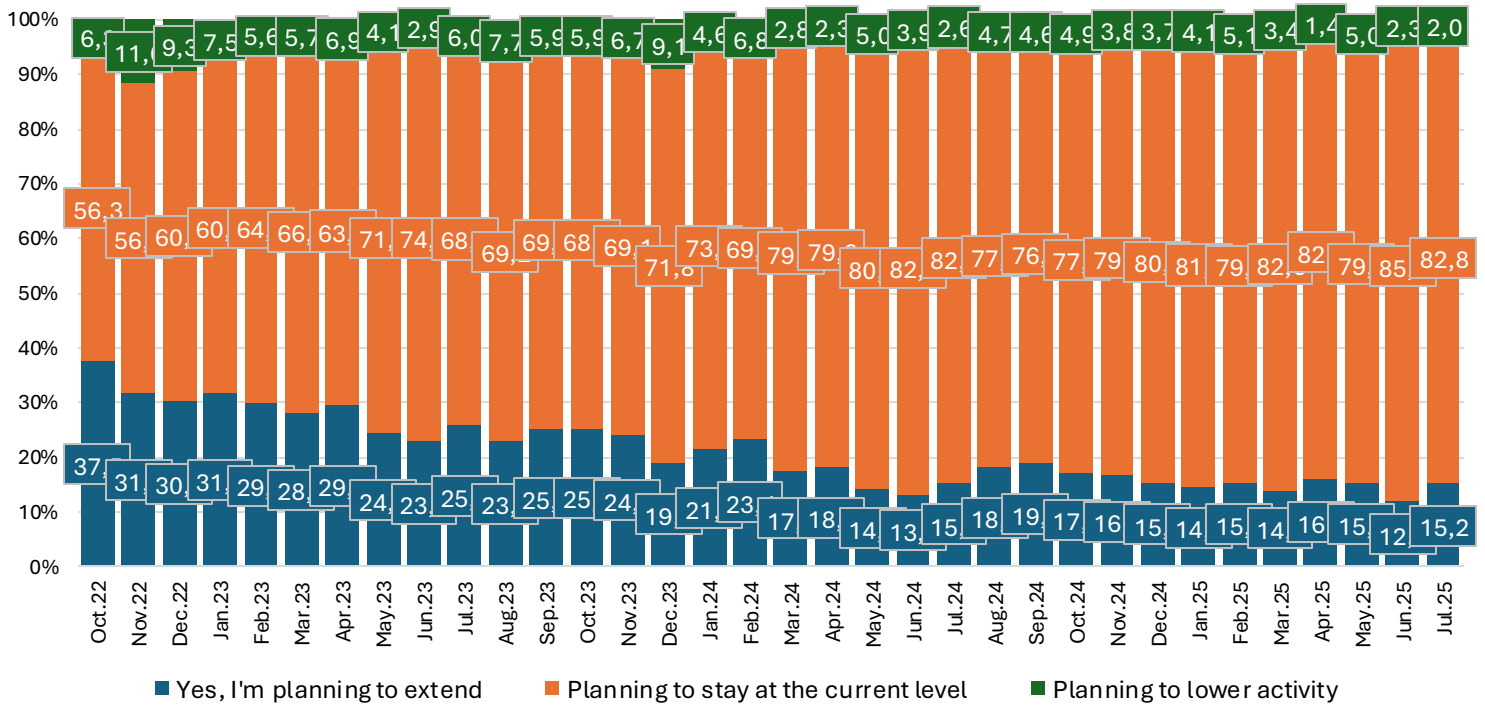
6-month expectations for the business activity at the enterprise and for the overall economic environment **have deteriorated**

Long-term expectations have increased

Index of expected changes in business activity (2 years)



Expectations in the two-year perspective



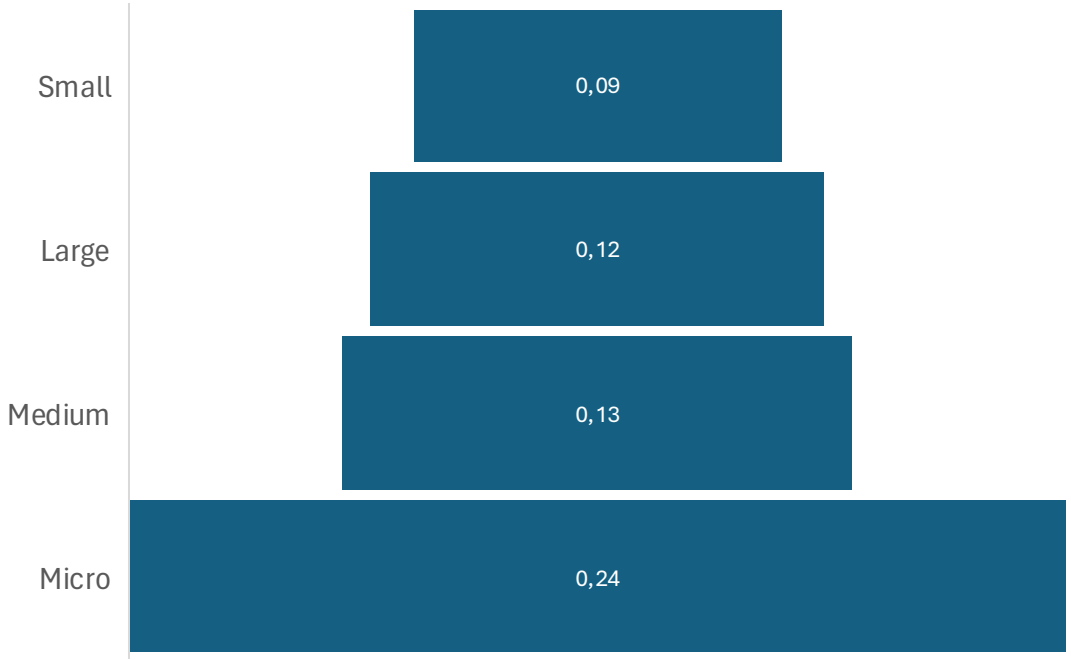
- **The index of expected changes in the future for 2 years has improved,** and is 0.13 (for two months in a row it was 0.10)
- The scale is from -1 (bad) to +1 (good)

There have been some changes in the percentage distribution

- **The share of those who plan to expand activity has increased slightly** (from 12.1% in June to 15.2% in July)
- **The share of those who plan to lower their activities did not change significantly** (2.3% in June and 2% in July)

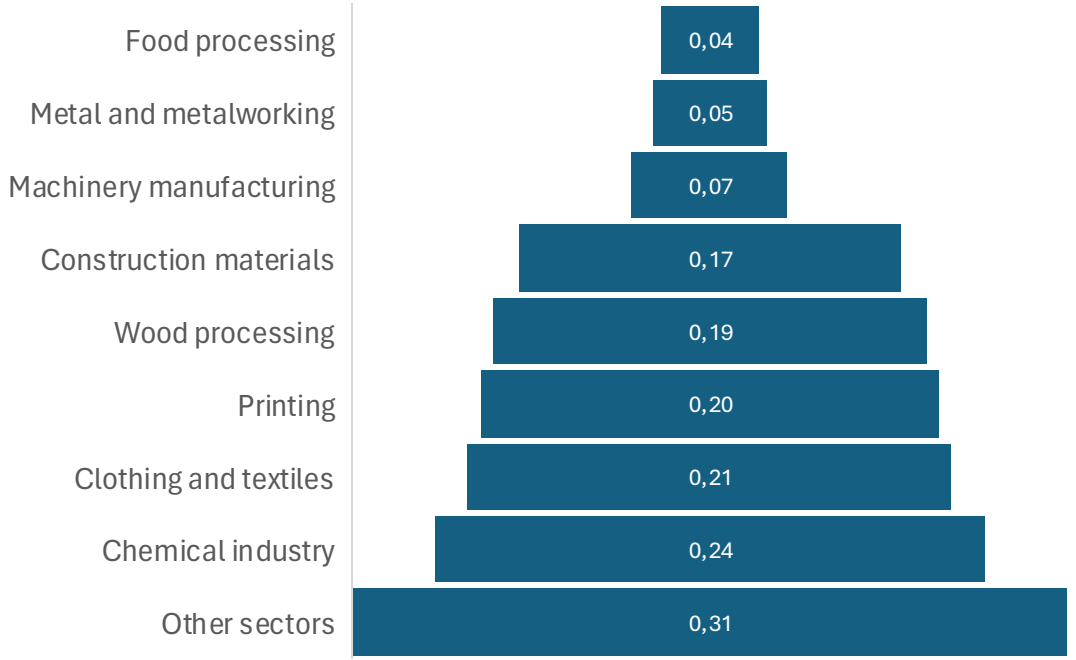
Long-term expectations for different types of enterprises

Long term expectation by size



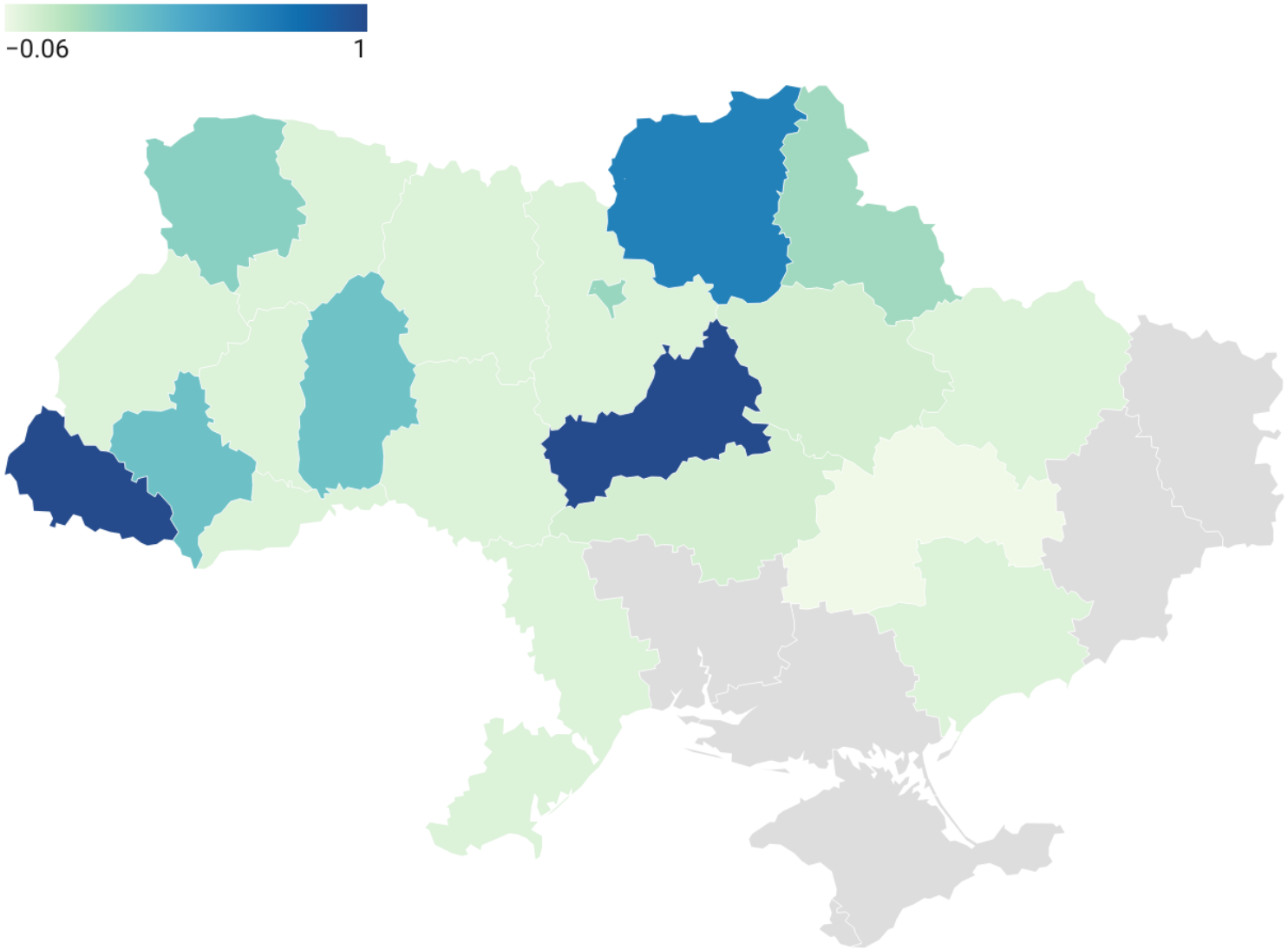
- Micro-sized businesses have the highest long-term expectations

Long term expectations by industries



- Chemical industry and non-classified enterprises have the highest expectations
- Food processing, metal and metalwork, and machinery building have the lowest long-term expectations

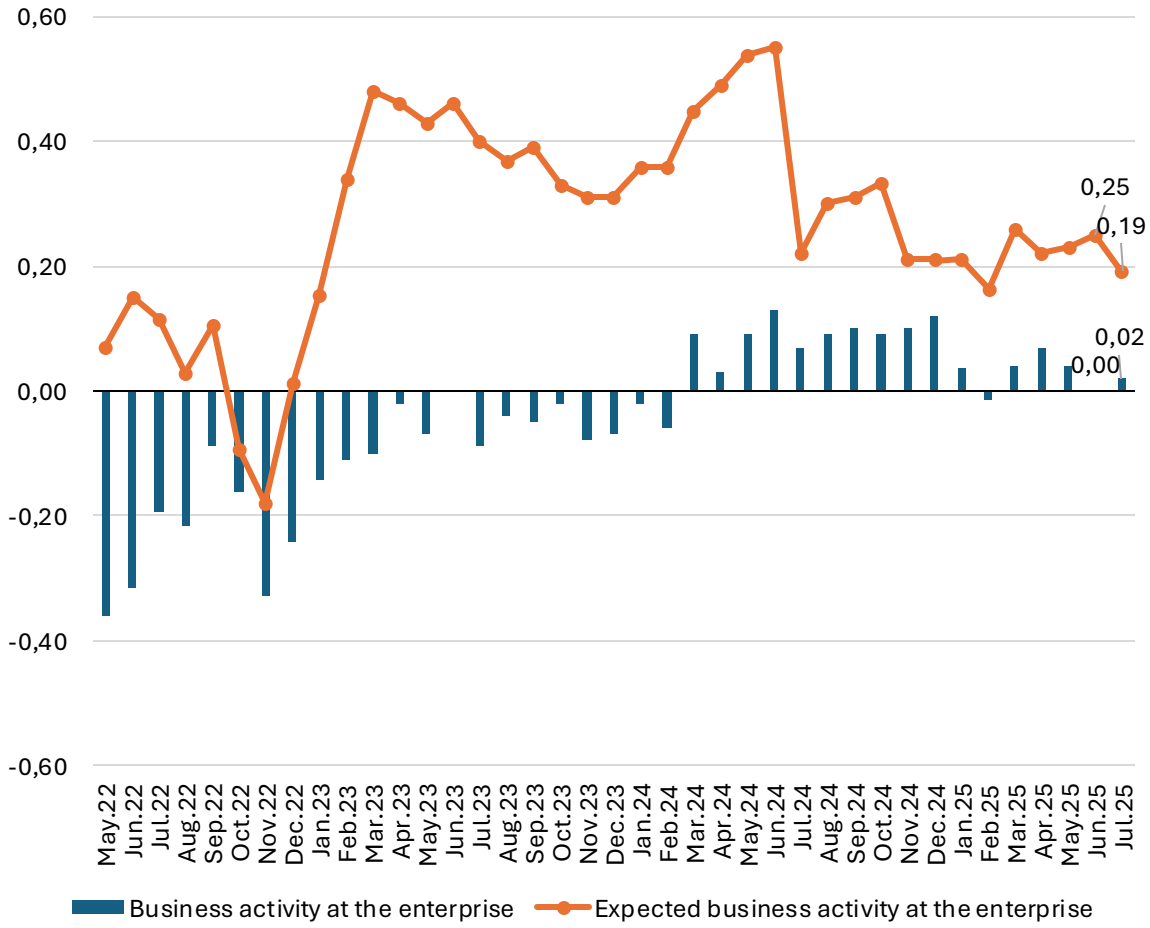
Long term expectations, index



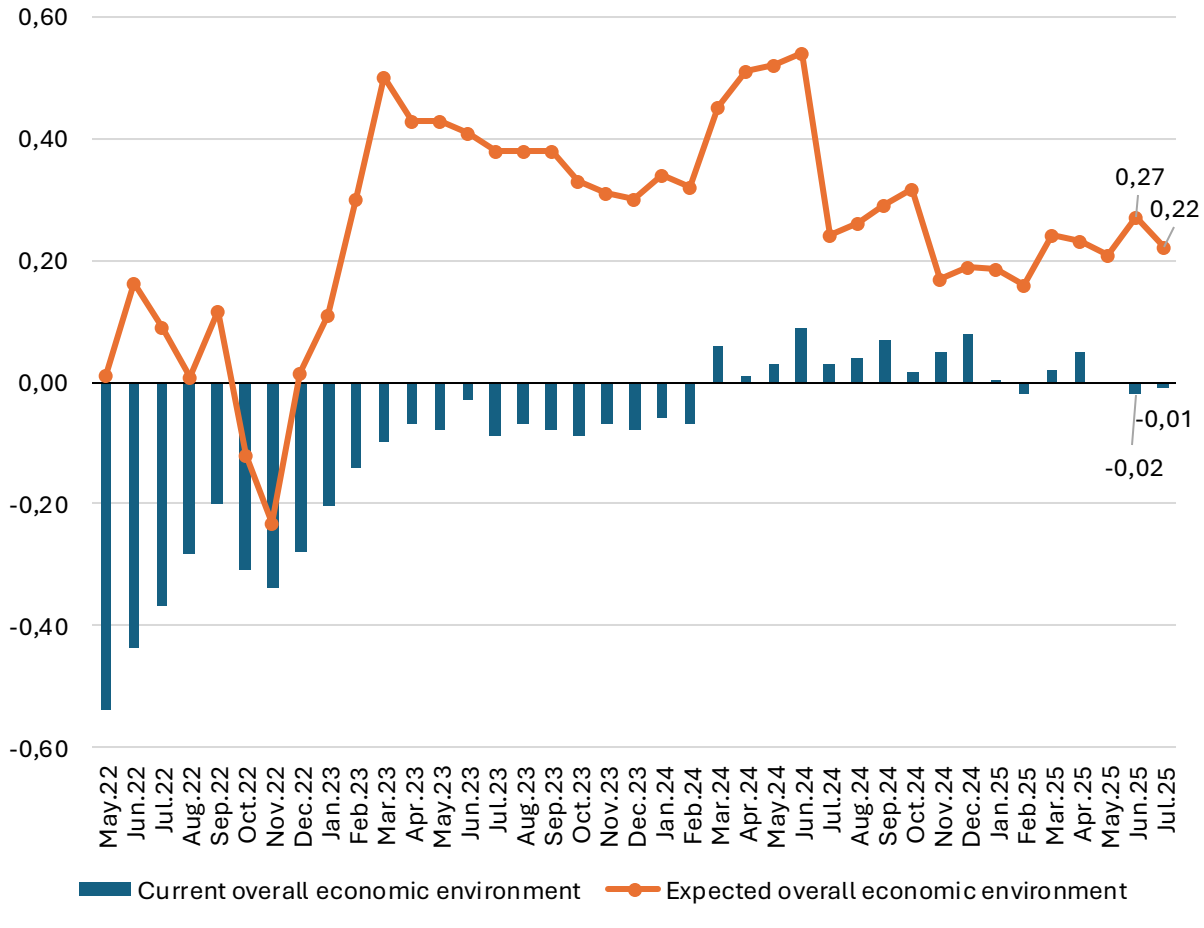
-1 – bad
0 - neither bad nor good
+1 - good

6-month perspective: expectations worsened

Business activity at the enterprise



Overall economic environment in the country



Main results 4. July vs June and short-term expectations

Production indicators (month-on-month) and expectations for the next 3 months **remained unchanged**

A slight decrease in the number of employees is expected, while the **indicators for forced vacations do not change significantly**

Changes in export to last month **and short-term expectations decreased slightly**

Expectations of growth for both purchase prices and domestic sales **prices decreased**

Production: results and expectations have not changed

Results (July to June)

- % of enterprises **increased production volumes did not change significantly** (22.6% in June and 23.6% in July)
- % of enterprises **reduced production volumes also without significant changes** (11.6% in June and 12.5% in July)

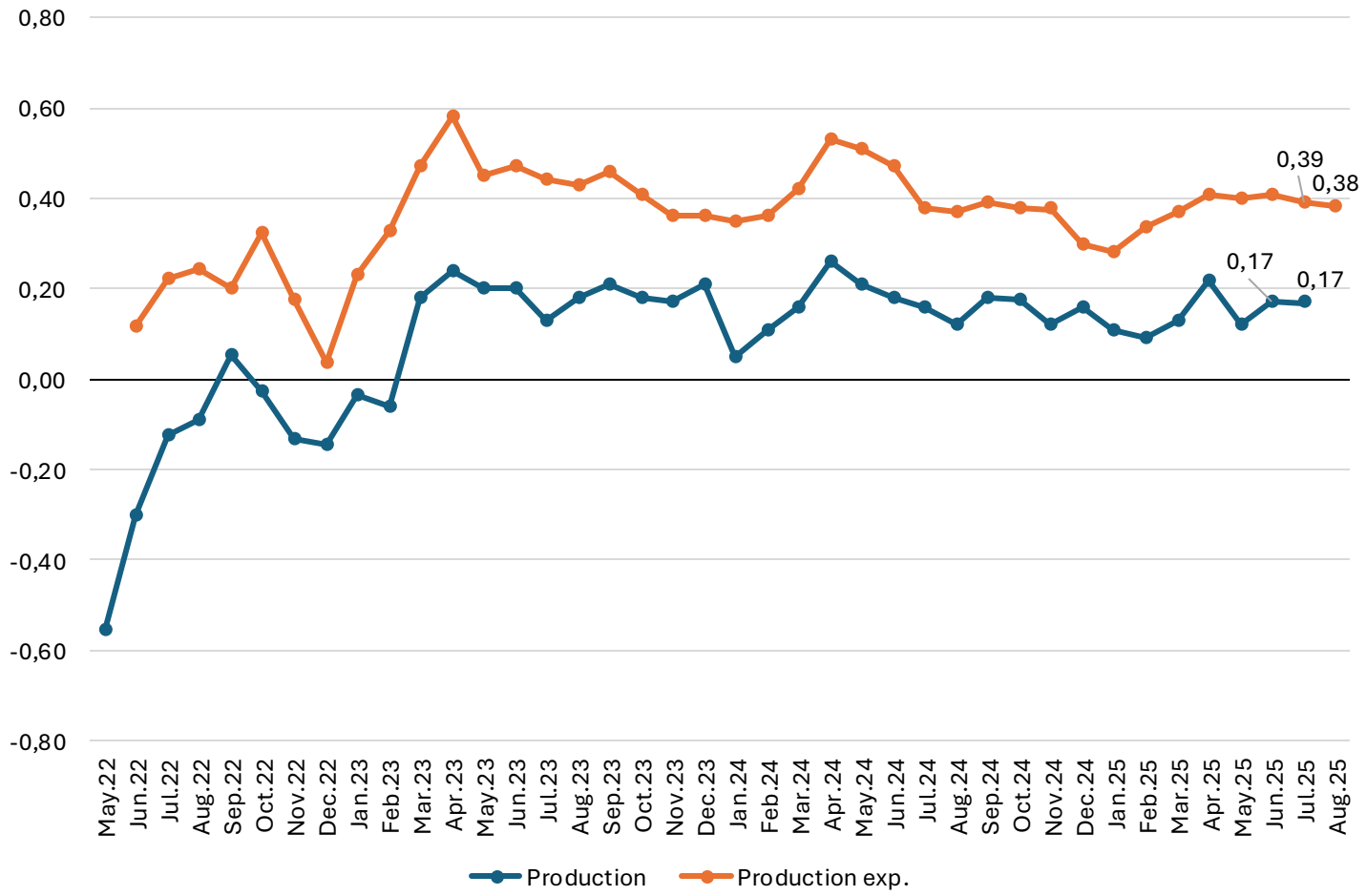
The index of changes remain unchanged, 0.17 – the same as in June

Expectations for 3 months

- The % of enterprises **planning to increase production volumes in the next 3-4 months has increased slightly** (from 37.8% in June to 39% in July)
- % of enterprises **expecting a reduction in production volumes did not change significantly** (3.7% in June vs 4.2% in July)

The index of expected changes in production did not change significantly and is 0.38 (it was 0.39)

Production, balance indicators



Exports: slight deterioration in results and expectations

Results (July to June)

- % of enterprises **reported about export growth without significant changes** (24% in June and 23.2% in July)
- % of enterprises **reported about decrease in exports are also without significant changes** (14.8% in June and 15.7% in July)

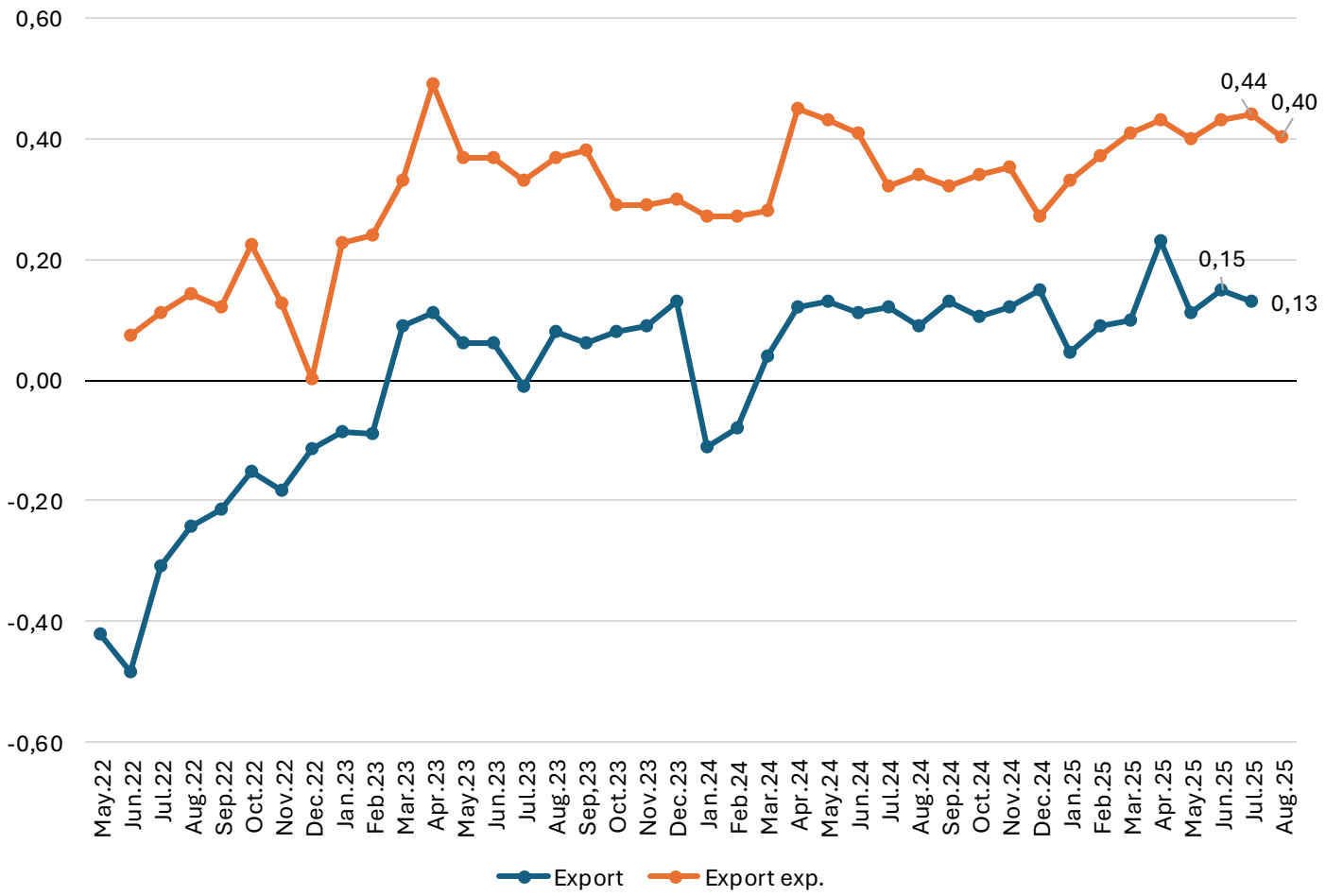
The index of changes decreased slightly (from 0.15 to 0.13)

Expectations for 3 months

- % of enterprises **expecting export growth did not change significantly** (45.1% in June and 44.2% in July)
- % of enterprises **planning to reduce exports increased slightly** (from 3% in June to 5.8% in July)

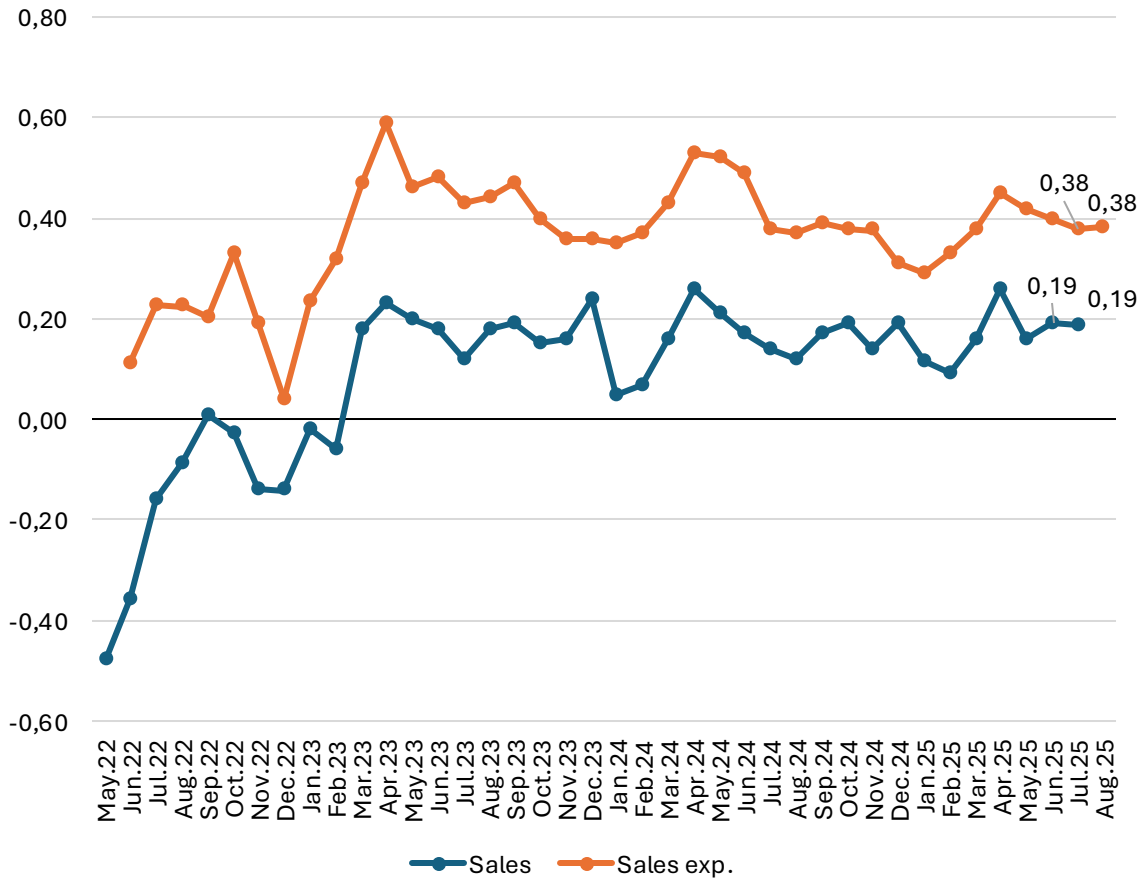
The index of expected changes in export decreased slightly, from 0.44 to 0.40

Export, balance indicators

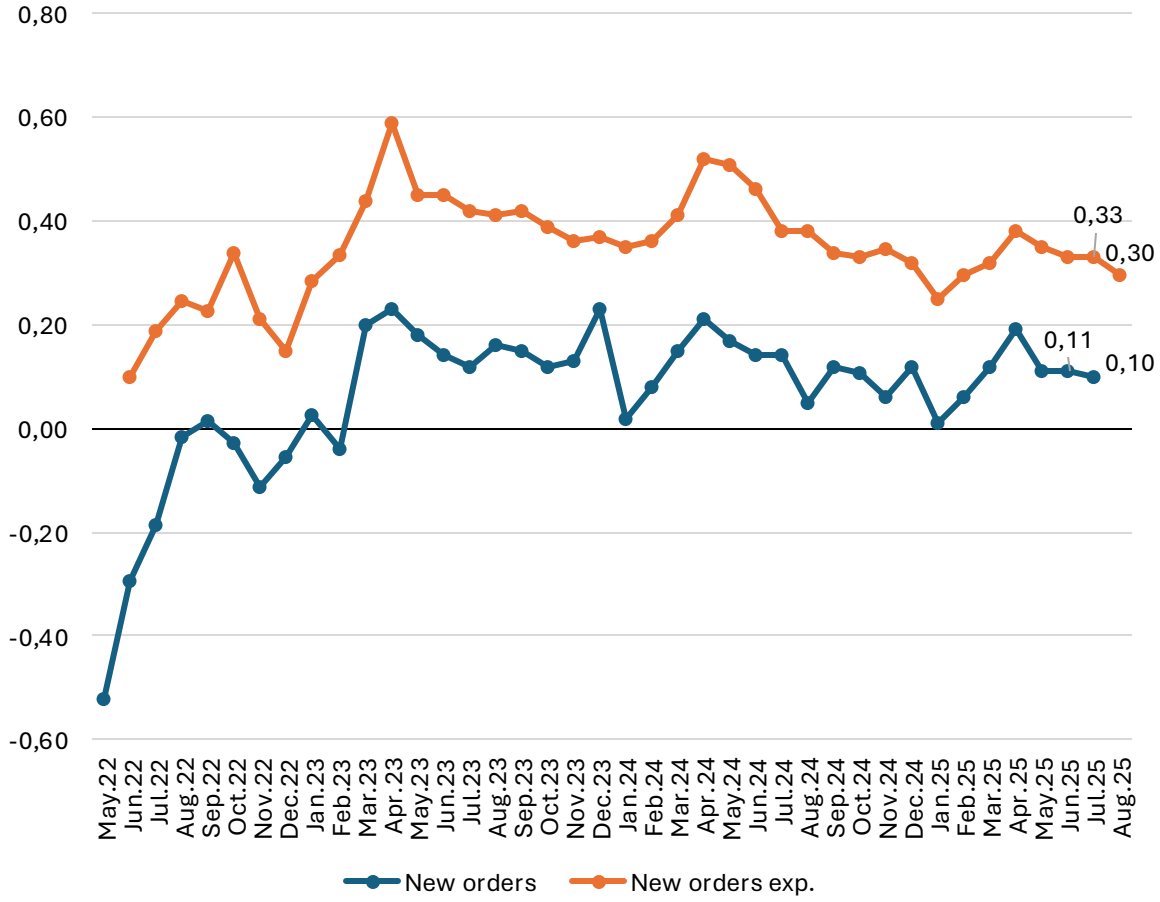


Sales and new orders: Results and expectations without significant changes

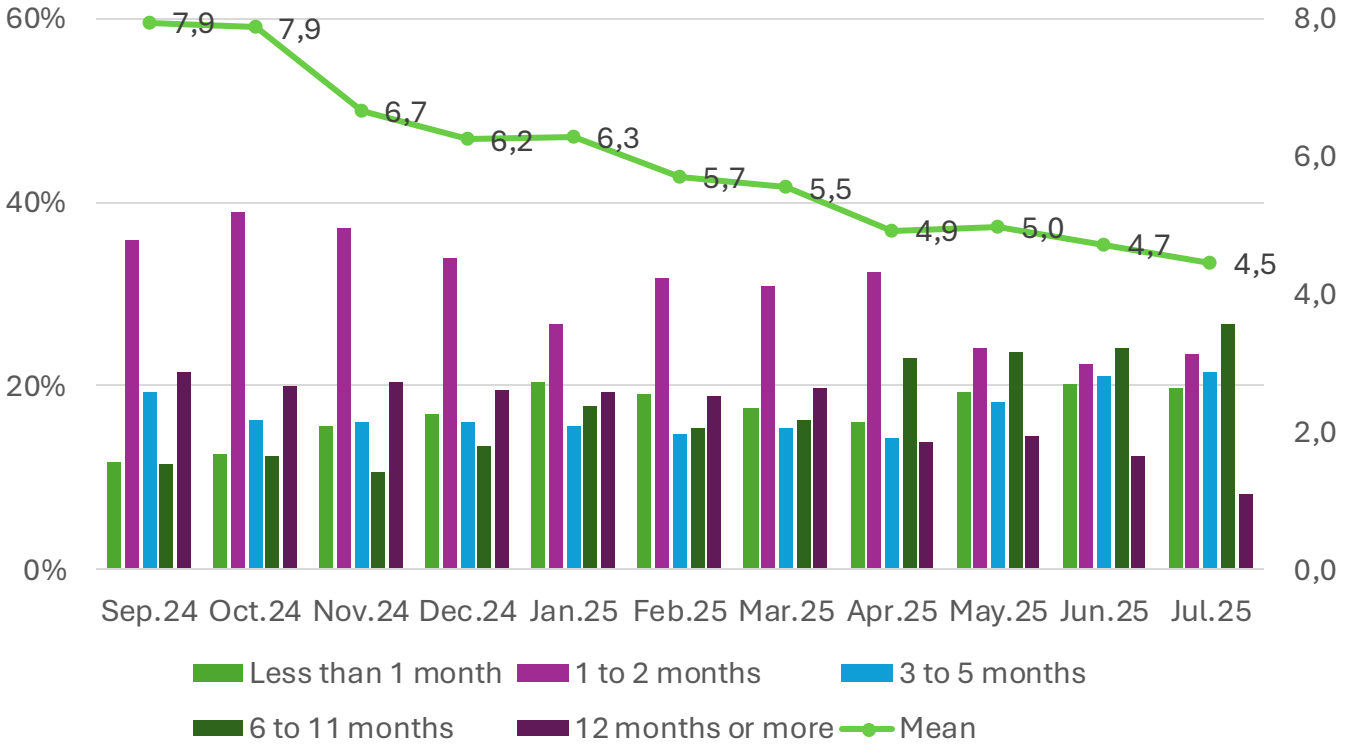
Sales

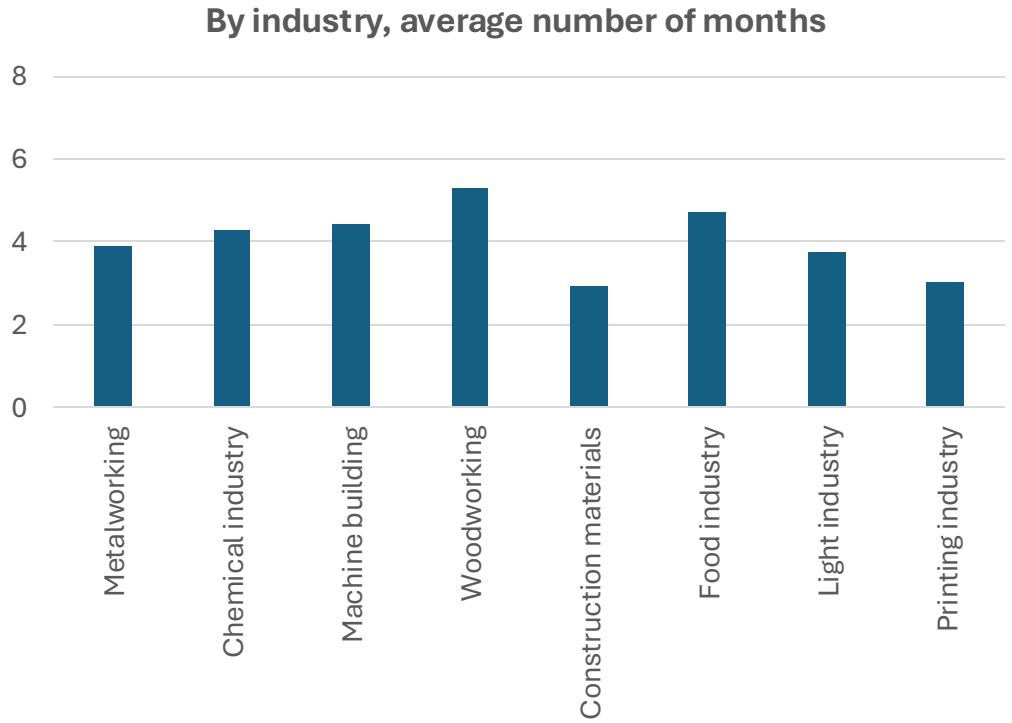


New orders



New orders portfolio





In July 2025, the order portfolio among the surveyed enterprises **maintained a downward trend**:

- **The average term of new orders was 4.5 months** (it was 4.7 months in June and 5 months in May)
- **The share of enterprises with an order horizon of a year or more in advance has been gradually decreasing** for the second month in a row, and in July it decreased to 8% from 12% in June.

Purchase prices: slowdown in growth rates

Results (July to June)

- % of businesses **reported that price increases diminished** (from 28.8% in June to 26.4% in July)
- % of enterprises that said that **purchase prices have decreased has not changed for the third month in a row** (it was 1.3%, as in June and May)

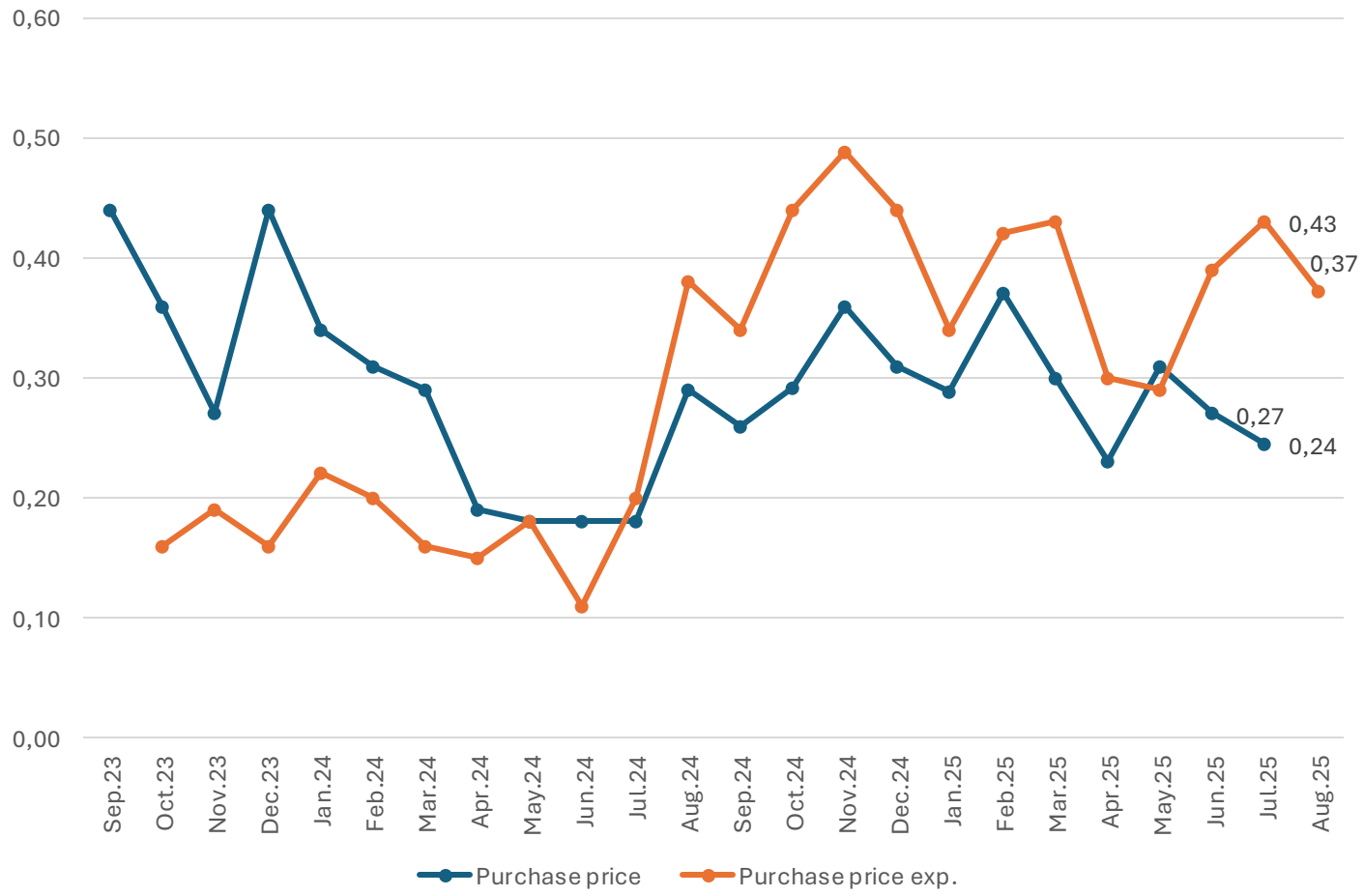
The index of changes in purchase prices decreased for the second month in a row: in July, it was 0.24 (was 0.27 in June)

Expectations for 3 months

- % of enterprises **expecting price growth decreased** (from 42.8% in June to 38.9% in July)
- % of enterprises **expecting price reduction did not change significantly** (0.02% in June and 1.6% in July)

The index of expected changes in purchase prices decreased from 0.43 to 0.37

Purchase price, balance indicators



Domestic sales prices: slowdown in growth rates

Results (July to June)

- % of enterprises **reporting increase in domestic sales prices diminished** (from 32% to 29.6%)
- % of enterprises **saying that domestic sales prices decreased** has remained **without significant changes** (1.1% in June and 1.3% in July)

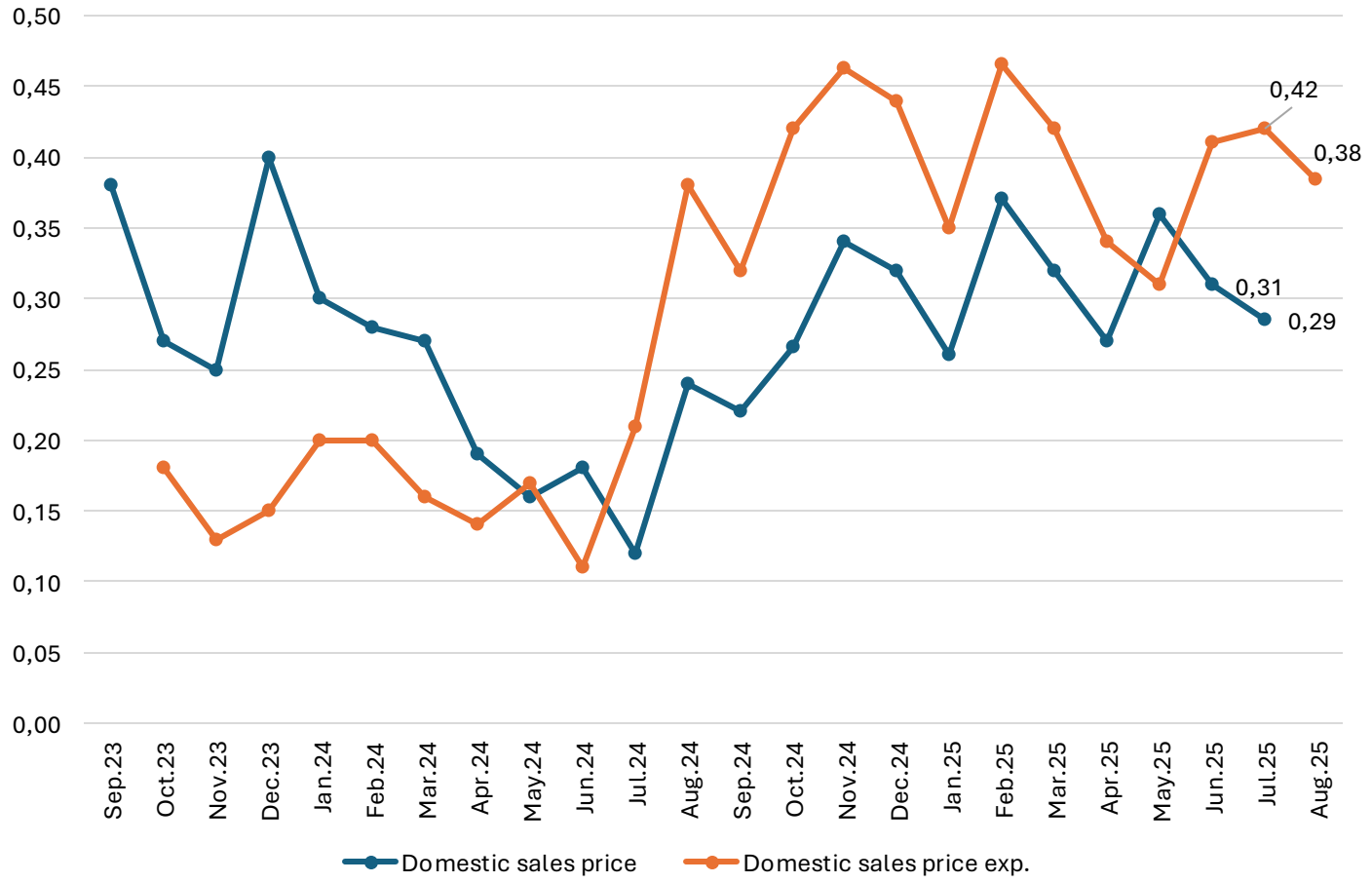
The index of changes in domestic sales prices decreased for the second month in a row (0.31 in June and 0.29 in July)

Expectations for 3 months

- % of enterprises **expecting price growth decreased** (from 42.4% in June to 39.3% in July)
- % of enterprises **expecting price reduction** has remained **without significant changes** (0.02% in June and 0.07 in July)

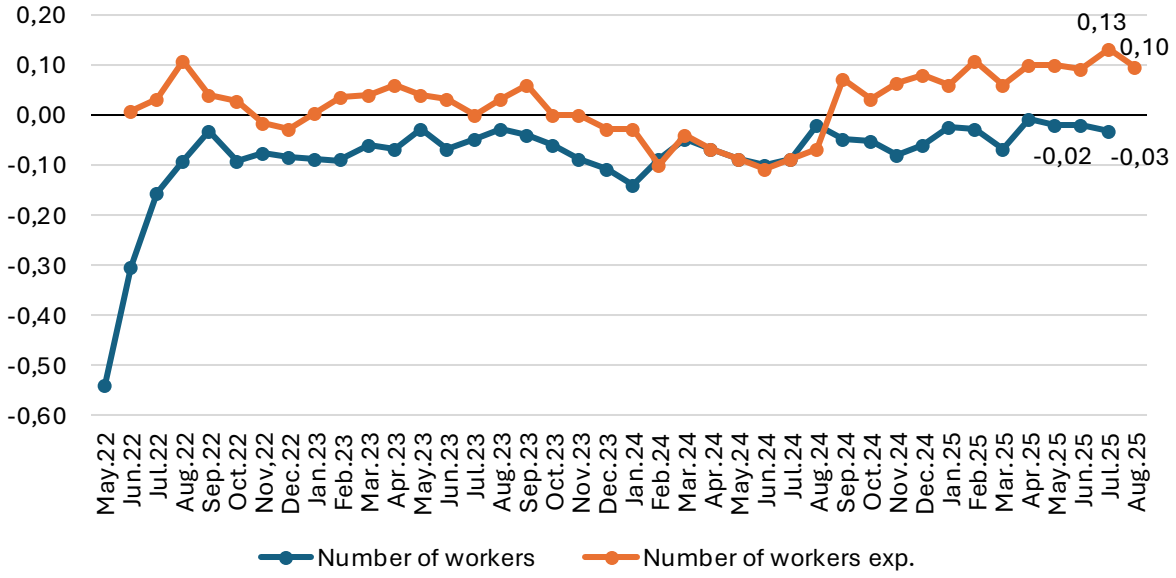
The index of expected changes in domestic sales prices decreased from 0.42 to 0.38

Domestic sales price, balance indicators

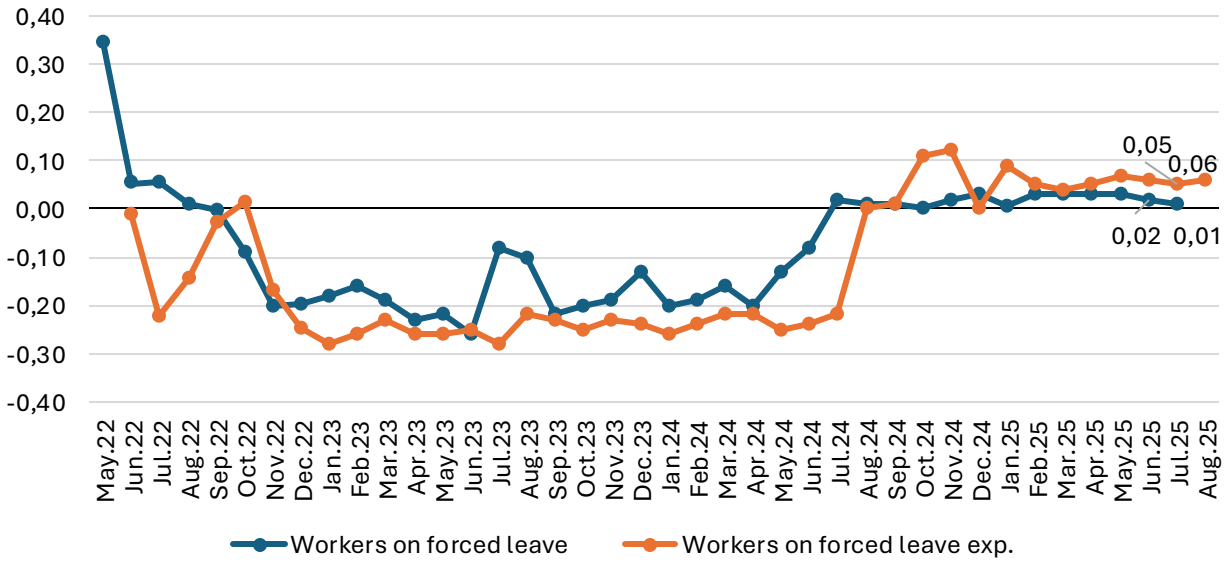


Employment: a slight decrease in the number of workers expected

Number of workers



Number of workers on forced leave



Expectations for 3 months

- % of enterprises **planning employment growth in the next 3-4 months, did not change significantly** (14.8% in June and 14.2% in July)
- % of enterprises **that intend to reduce the number of employees increased slightly** (from 2.6% in June to 4.6% in July)

The index of expected changes decreased slightly, from 0.13 to 0.10

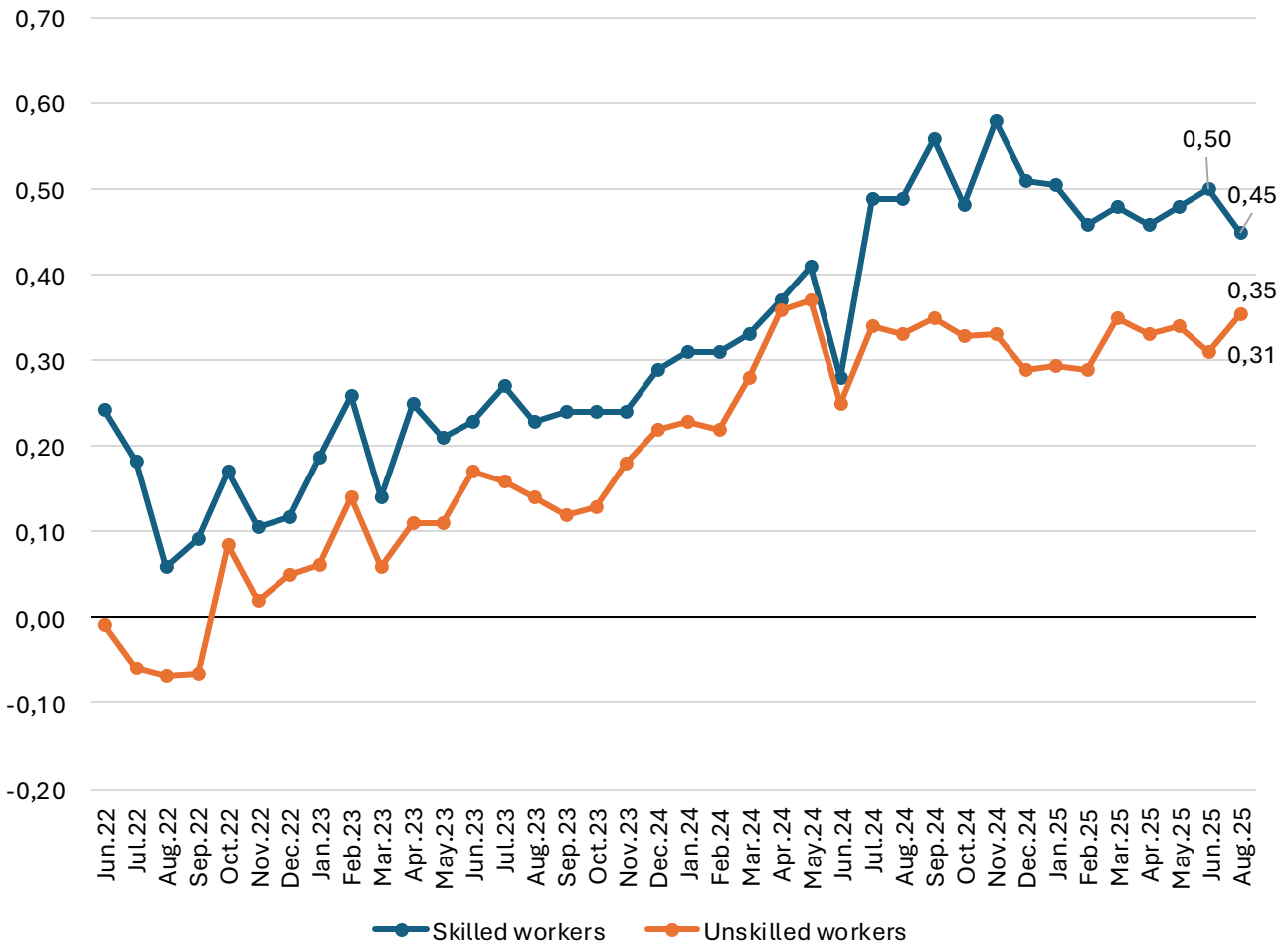
Expectations for 3 months

- % of enterprises **planning to increase the number of workers on forced leave did not change signif**icantly (6.4% in June and 6.9% in July)
- % of enterprises **planning to reduce employees on forced leave, without significant changes** (1.1% in June and 0.8% in July)

The index of expected changes did not change significantly and is 0.06 (was 0.05)

Problems with finding workers: growing bigger for the unskilled ones and lesser for the skilled

Problems with finding workers



In July 2025, there was a **slight increase in problems in the search for unskilled workers**, and a **weakening in the search for skilled workers**

Skilled workers:

- % of those **who said that it was more difficult to find such employees decreased** (from 49.5% in June to 44.8% in July)
- % of those who **reported that it has become easier to find skilled workers has not changed** (0.02%, as in June)

The difficulty index decreased from 0.50 to 0.45

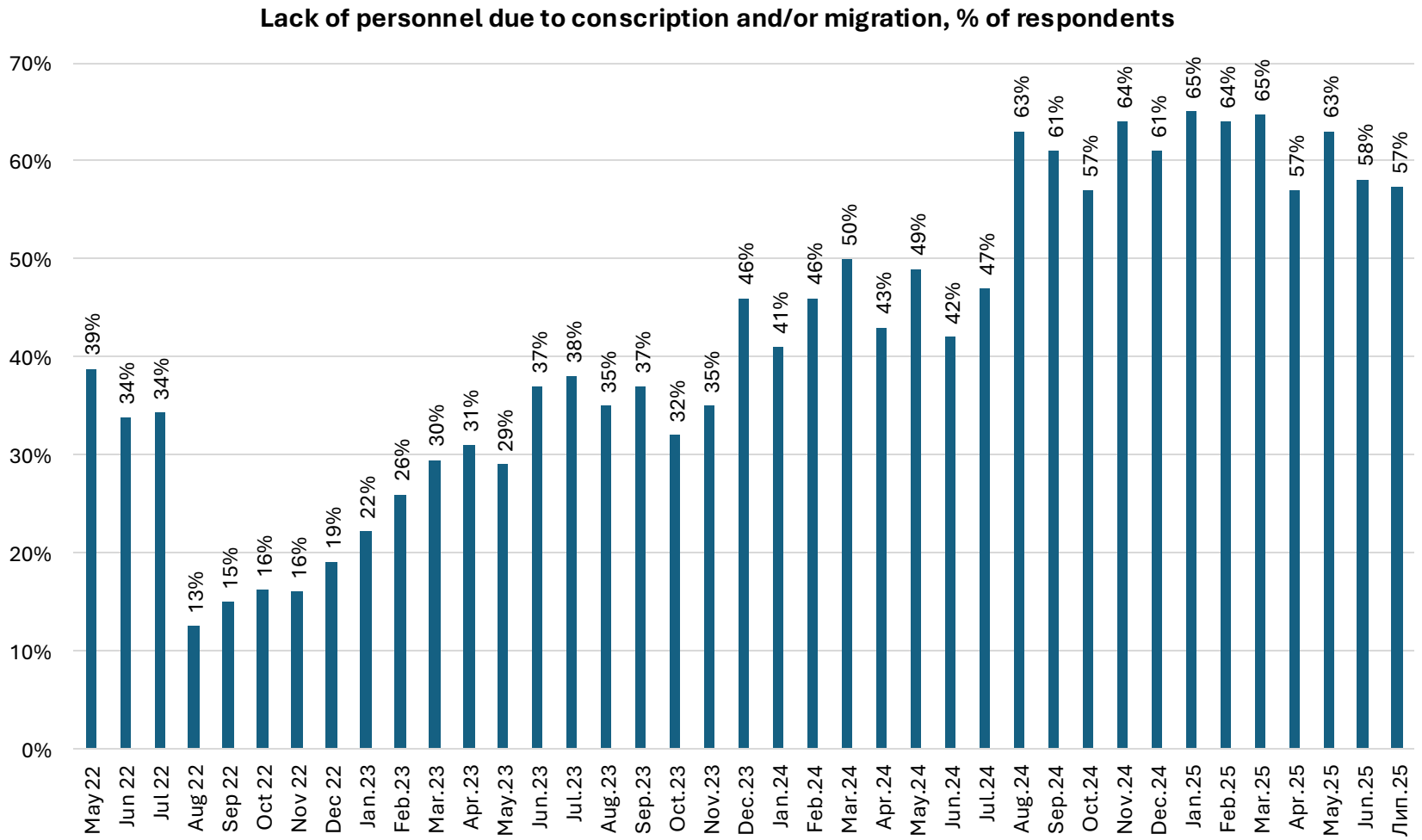
Unskilled workers:

- % of those **who find it more difficult to find them increased slightly** (from 33.5% in June to 36.3% in July)
- % of those who **reported that it was easier to find them, with no significant change** (3.9% in June and 2.9% in July)

The difficulty index increased slightly, from 0.31 to 0.35

“Lack of personnel” continues to top the list of obstacles

- Share of enterprises, **who reported “lack of personnel“** has remained **without significant changes** (58% in June and 57% in July)
- **In the list of impediments**, “lack of personnel” **retains the first position**



Main results 5: Impediments

“Lack of personnel” continues to top the list of impediments with almost unchanged value

“It is dangerous to work” with a significant increase in value **shares the first place with the “lack of personnel”**

“Rising prices”, despite the decrease in value**, remains on the 3rd position of the rating**

“Interruptions with electricity” with a slight increase in value **rose from the 10th to the 8th position**

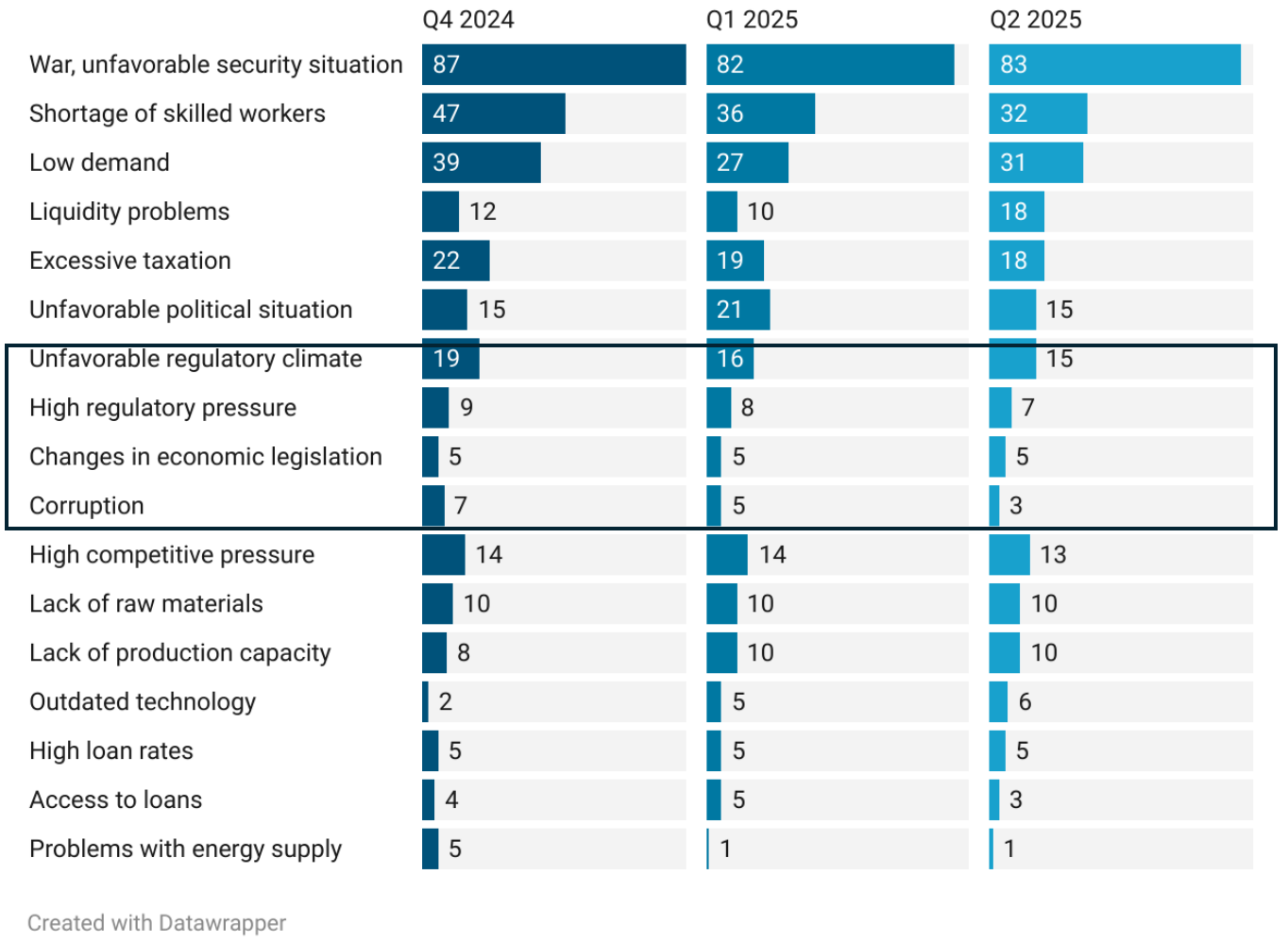
Impediments to production growth: the pre-war context

On a quarterly basis, we use a list of impediments to production growth from the long-term Business Tendency Survey*

- **In July 2025, the war was most often mentioned among the impediments** to the growth of production of enterprises
- **The 2nd, 3rd, and 4th places were taken by the lack of skilled workers** (its value decreased), **low demand** (its value increased) **and liquidity problems and excessive taxation** (its value increased)
- **Unfavorable regulatory climate** remains on the 6th position in this list**. The value of this combined indicator has not changed significantly due to the absence of significant changes in the value of its components

* The last wave of the Business Tendency Survey of Enterprises before the full-scale russian invasion was conducted in February 2022

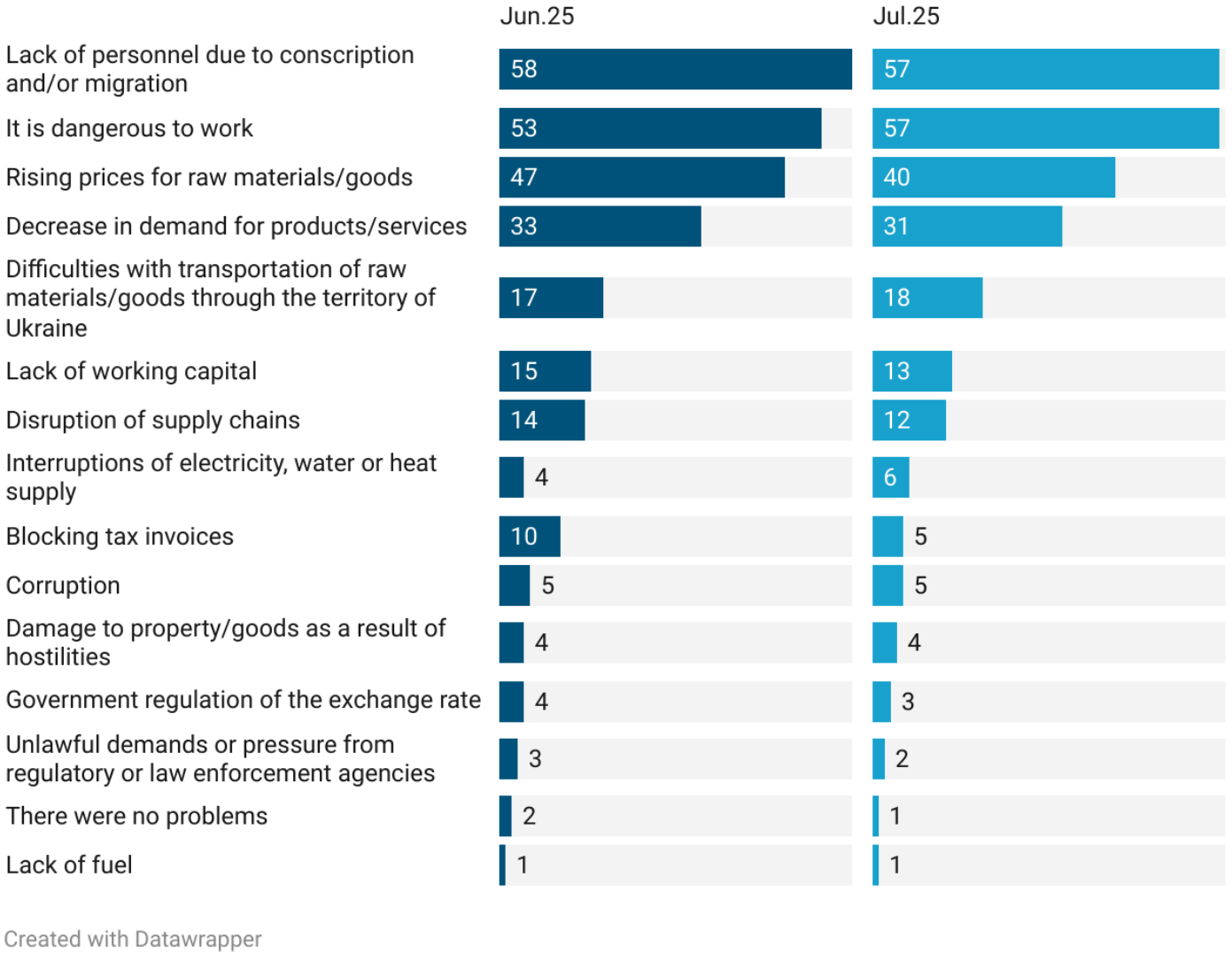
** Regulatory climate is a combined indicator consisting of “high regulatory pressure”, “changes in legislation”, and “corruption”



The main impediments to doing business in wartime, % respondents

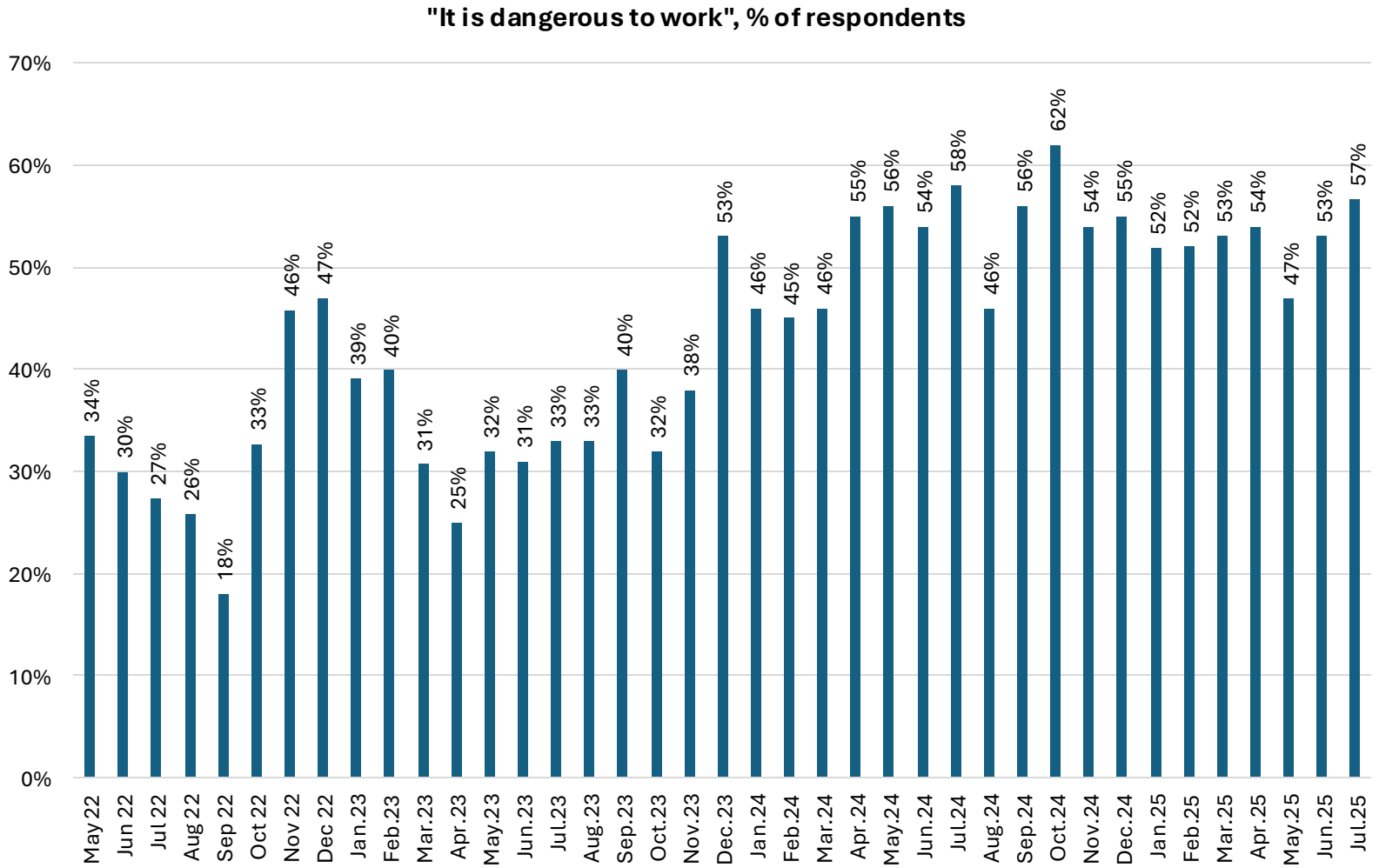
In July 2025, the top three impediments to doing business did not change, despite the changes in their percentage distribution

- **"Lack of personnel"** with almost unchanged values (58% in June and 57% in July) **maintains a leading position**
- **"It is dangerous to work"** with an increased value (from 53% in June to 57% in July) **rose from the 2nd position and shares the first place with the "lack of personnel"**
- The impediment **"rising prices for raw materials and goods"** with a decrease in value (from 47% to 40%) **remains on the 3rd position**
- The **"decrease in demand"** with almost unchanged value (33% in June and 31% in July) **remains on the 4th place**
- **"Interruptions with electricity"** with a slight increase in value (from 4% in June to 6% in July) **rose from the 10th to the 8th place**
- **Corruption and pressure from law enforcement agencies are not significant problems**



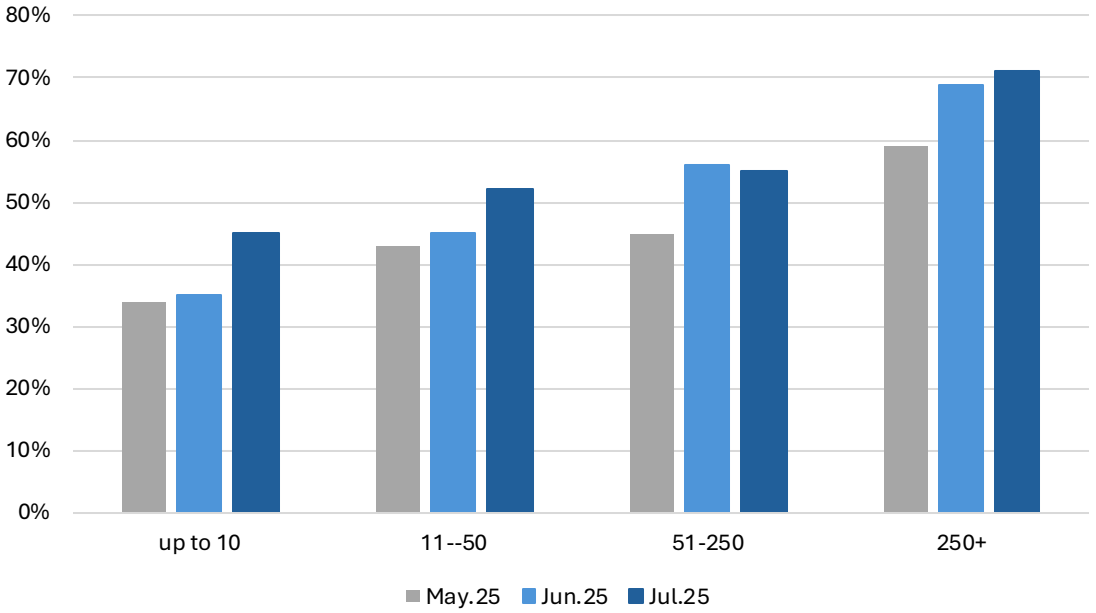
“It is dangerous to work” is back to the first place of the list

- **The share of enterprises that selected “it is dangerous to work” as an impediment increased** (from 53% to 57%)
- **In the list of impediments**, “it is dangerous to work” **rose from the 2nd to the 1st position,** sharing it with the “lack of personnel"

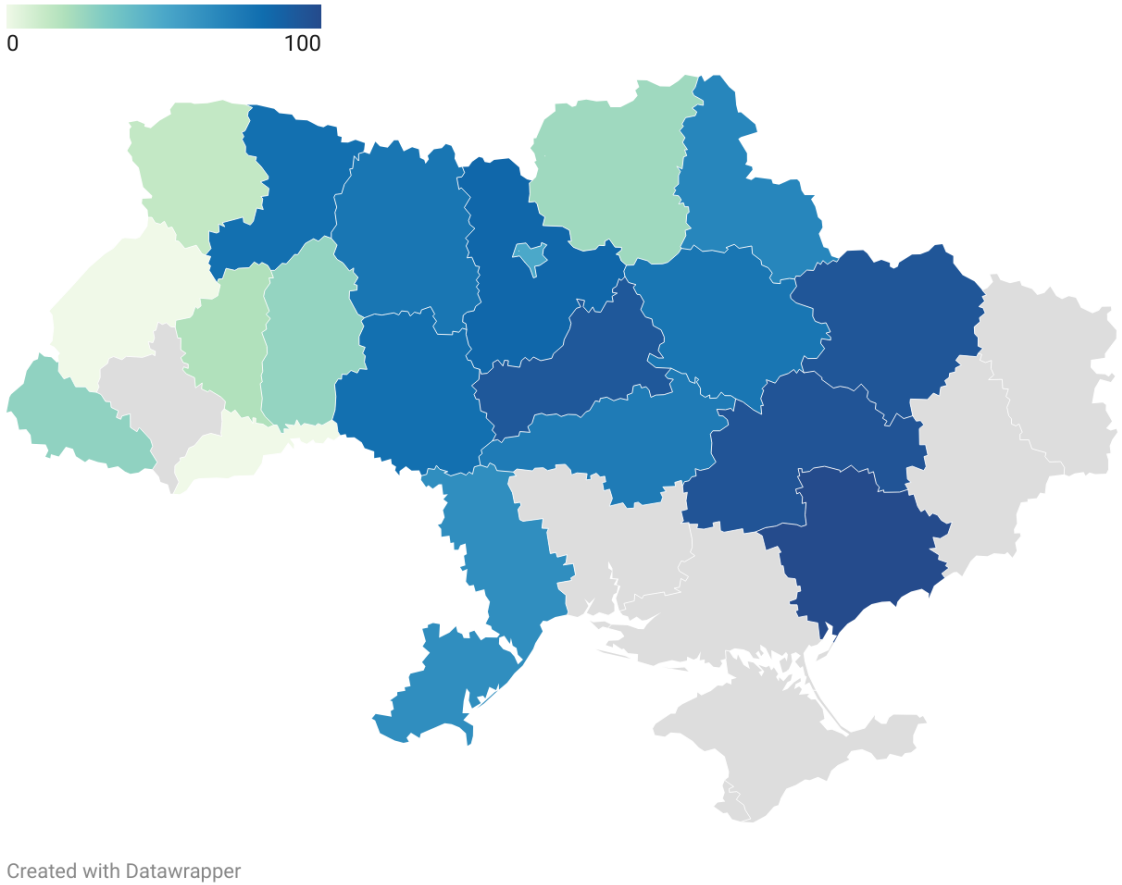


“It is dangerous to work” by different criteria

“It is dangerous to work” by size groups, % of respondents



“It is dangerous to work” by oblast, % of respondents

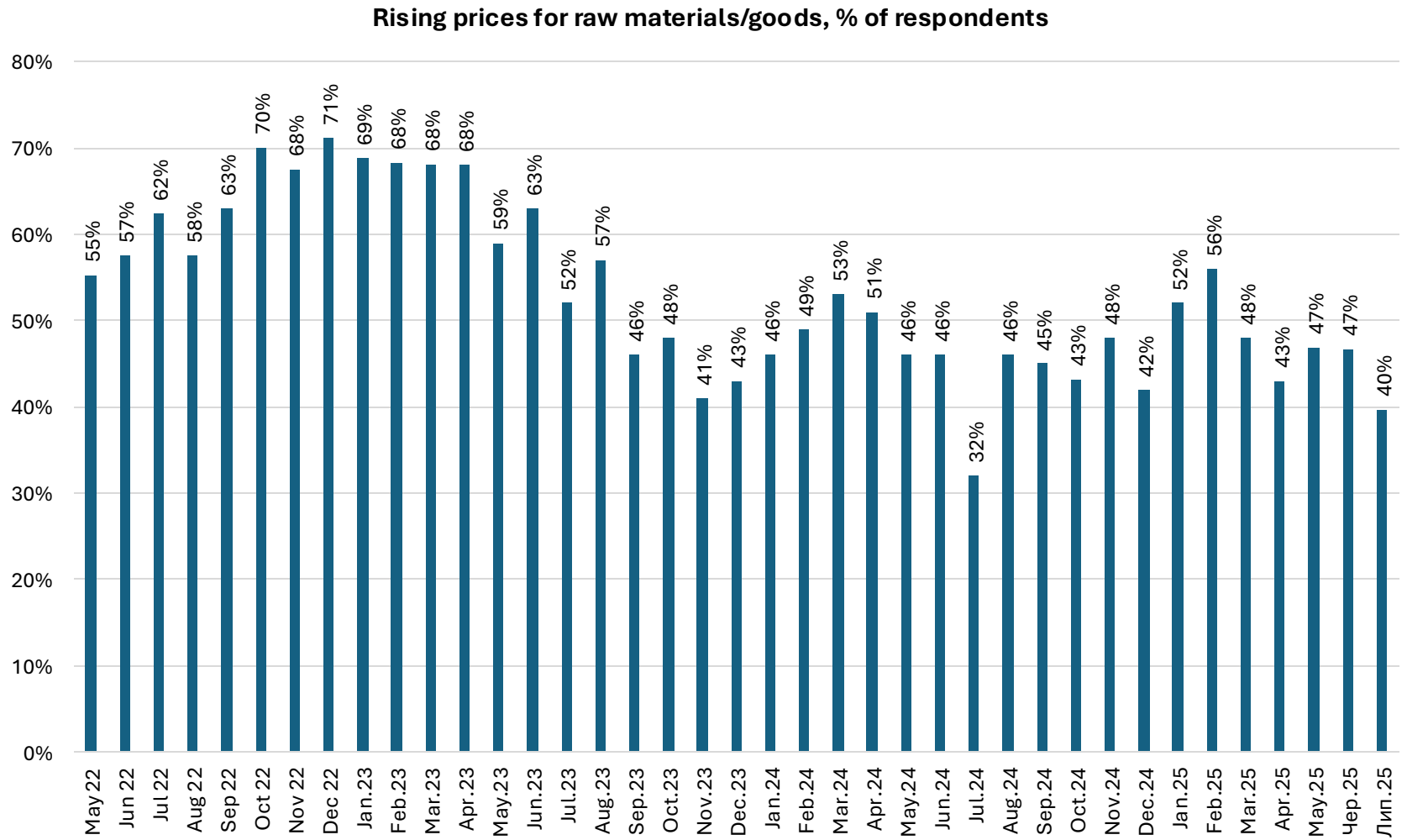


- % of enterprises that selected “it is dangerous to work" as an obstacle **did not change significantly for medium-sized enterprises** but **increased significantly for all the others**. At the same time, **this share remains the highest for large enterprises**
- **80+%** of respondents in Vinnytsia, Rivne, Kyiv, Cherkasy, Kharkiv, Dnipropetrovsk, and Zaporizhzhia regions consider dangerous conditions an impediment to doing business

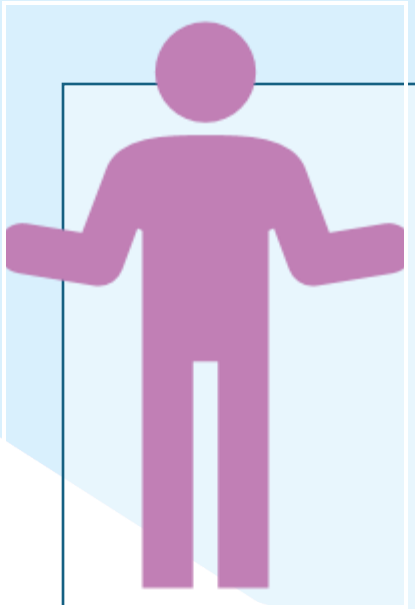
Note. The number of respondents in Ivano-Frankivsk region was insufficient to analyze this issue

“Rising prices” retains its position in the list of obstacles, despite the decrease in value

- **% enterprises for which “rising prices for raw materials and materials” is an impediment has decreased** and is 40% (it was 47% in June and May)
- **In the list of impediments,** “rising prices” **remains on the 3rd position**



Main results 6. Economic policy



Public policy assessments remain mostly neutral, while the percentage of negative assessments has increased slightly

Assessments of the Government's economic policy remain without significant changes

	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25	Jul.25
Positively	6	4	5	4	4	4	4	3	2	4	4	4	2
Neutrally	66	58	61	53	56	61	63	66	65	63	64	65	66
Negatively	21	31	24	29	27	25	23	21	23	24	24	20	22
Don't know / Didn't answer	7	7	10	14	13	10	10	9	9	9	8	11	10

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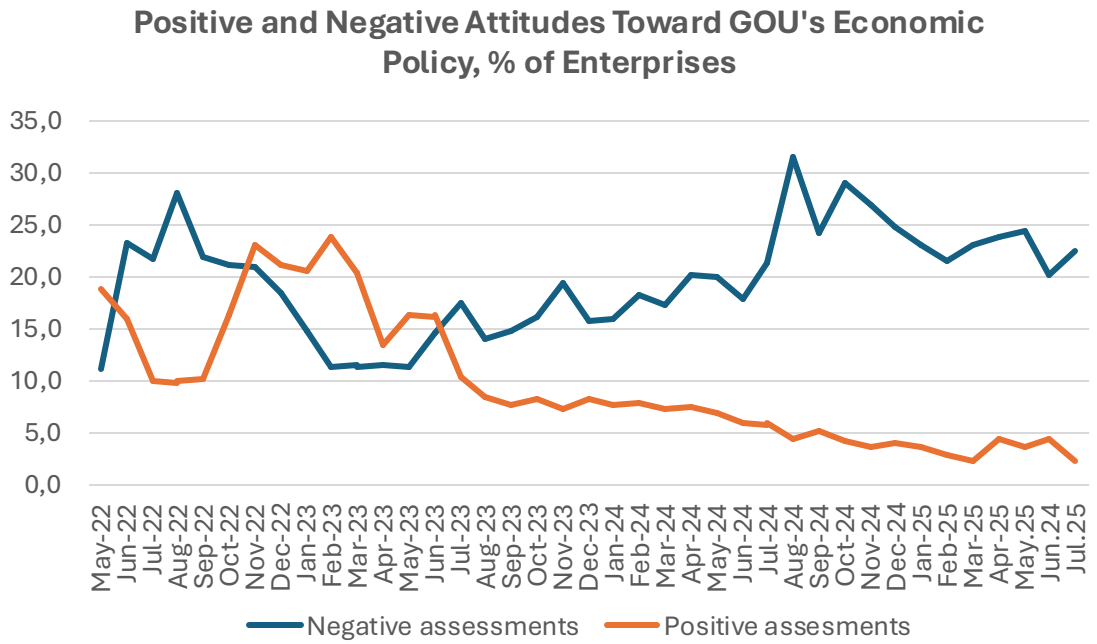
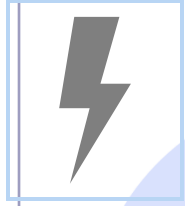


- **The share of positive assessments of the Government's policy has slightly decreased** and is 2% (it was 4% for three months in a row)
- **The share of neutral assessments of the Government's business support policy did not change** significantly (65% in June and 66% in July)
- **The share of negative assessments increased slightly** (from 20% in June to 22% in July)
- **Share of those who have not decided on the answer** has remained **without significant changes** (11% in June and 10% in July)

Interruptions with electricity

MAIN RESULTS 7: INTERRUPTIONS WITH ELECTRICITY

The share of companies for which "power outages" are an obstacle increased slightly in July compared to June, from 4% to 6%



7% of enterprises temporarily suspended work due to power outages in June 2025

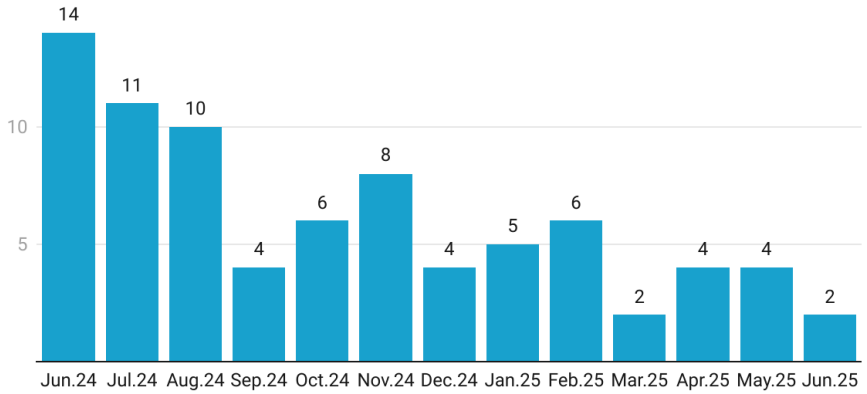
In June 2025, **enterprises lost 2%** of their total **working hours** due to power outages

Working time losses are again **highest** for **micro-enterprise.** Among the industries, the **largest** time **losses** are in **machine building**

“Interruptions with electricity" still not a big problem for business

- **The share of companies for which “interruptions of electricity" is an obstacle has slightly increased** (from 4% in June to 6% in July)
- **In the list of impediments** "interruptions with electricity" **rose from 10th to 8th place**, returning to May values

Average % of time loss



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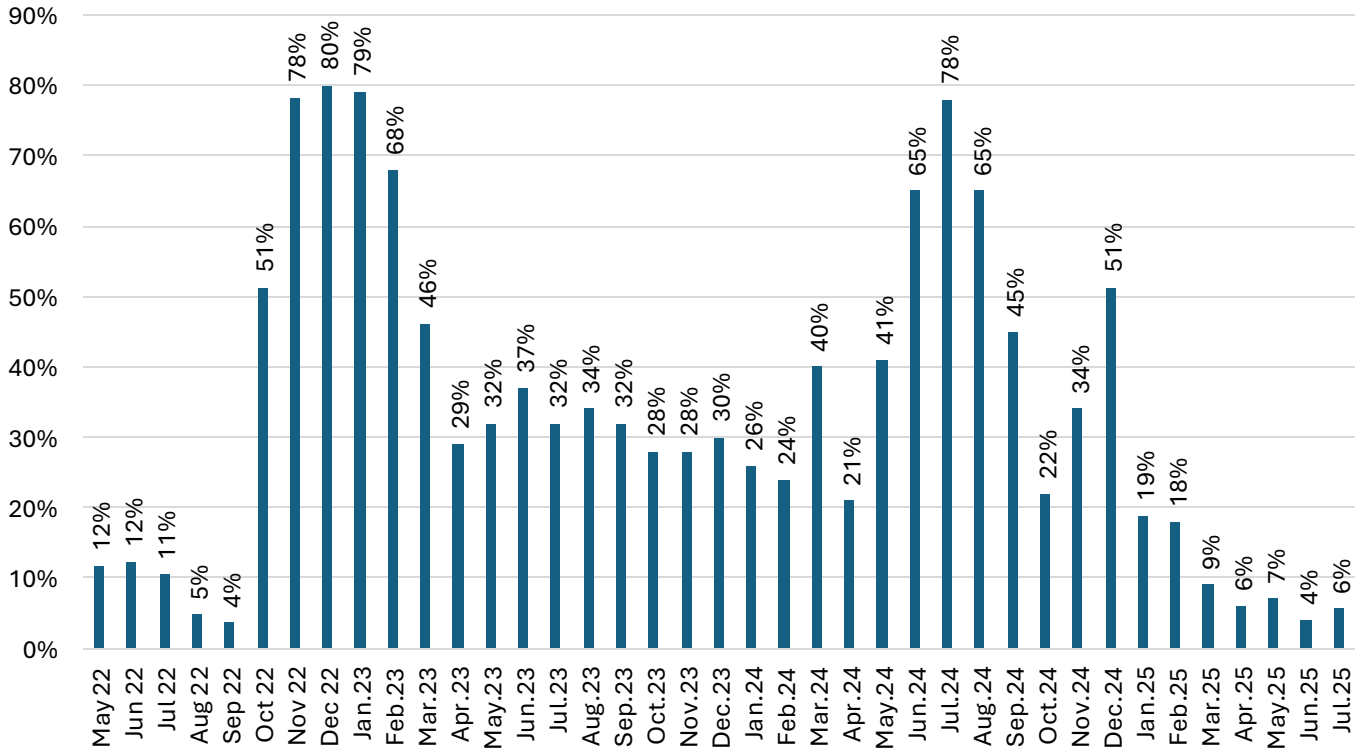
Interruptions with electricity as impediment for doing bussiness, % of repondents



Less enterprises stopped working due to power outages

Impact of power cuts on enterprise operations (% of respondents)

	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25
No power cuts	3	5	10	41	30	7	33	40	45	52	50	51	47
0% (worked all the time)	14	23	24	34	31	24	39	22	29	41	34	36	46
1-10% of working time	39	39	40	18	29	46	24	35	23	5	13	11	5
11-25% of working time	31	24	23	6	8	20	3	3	0	1	0	2	1
26-50% of working time	10	7	2	1	1	2	0	0	0	0	0	0	0
51-100% of working time	2	2	2	0	2	1	1	0	2	0	1	0	1

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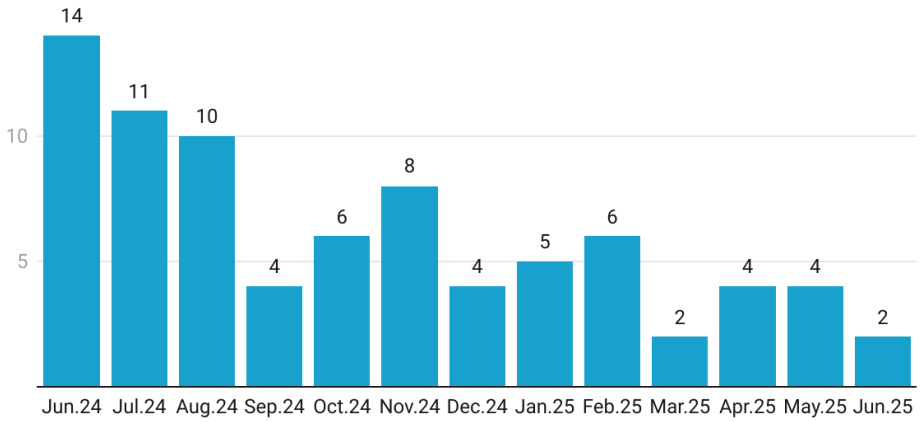
- **Only 7%** of **businesses** temporarily suspended work due to power outages in June 2025 (13% in May):
- **5%** of enterprises **stopped** working only for **1-10% of working hours**
- At the same time, **46%** of businesses **worked** continuously, **despite** power **outages**
- **47%** of businesses **did not have** power **outages**

Loss of working time due to power outages

- **In June 2025**, due to power outages, **enterprises lost 2%** of their total **working hours**
- **Differences between industries** and **regions** were recorded
- The **largest loss** of time due to power outages was felt by enterprises of the **Volyn region**

Average % of time loss



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% of working time loss, by regions

	May.24	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25
Volyn	9	11	9	9	10	9	9	2	3			0	6	9
Zhytomyr	0	18	6	3	0	6	6	0	6	6	0	23	0	4
Kharkiv	11	22	8	15	10	13	4	0	2	26		3		1
Poltava	8	5	5	9	2	6	5	4	5	2	1	2	4	1
Dnipro	0	25	6	6	2	15	18	4	6	6	1	6	6	0
Kyiv	4	7	4	3	2	0	5	1	2	2	0	1	8	0
Odesa	9	6	5	5	0	2	3	2	2	0		2	1	0
Cherkasy	0	8	20	18		2	9	6	6	6	2	0	0	0
Zakarpattia	0	6	8	6		2	4	5	4	0	0	0	0	0
Kyiv City	10	10	14	6		1	10	2		2	0	0		0
Rivne	4	2	2	0		9	10	0				10	19	
Khmelnytskyi	14	23	19	14	2	11	19	6	6	7	6	1	4	
Sumy	24	22	17	21	9	15	14	9	11	4	10			
Chernivtsi	3	19	12	12	1	6	3	0		37				
Kirovohrad	5	18	16	8	2	7	5	1	3					
Lviv	8	22	11	1	8	1	3		0					
Ternopil	4		14	9	8			0						
Zaporizhzhia	14	18	24	14	4	0	13							
Chernihiv	15	18	6	9		0	11							
Vinnytsia	3	3	1			25	0							
Ivano-Frankivsk	3					0								

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Microenterprises are again the most affected by outages

- **Working time losses** are again **highest** for **micro-enterprises**
- Among the industries, the **largest** time **losses** are in **machine building**

% of working time loss, by enterprise size

	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25
Micro	21	16	15	7	7	12	3	5	12	8	2	4	6
Small	15	12	10	6	7	8	7	5	7	2	4	2	1
Medium	12	10	7	4	6	7	3	5	3	1	4	4	1
Large	11	10	9	2	6	8	2	4	6	0	3	4	4

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% of working time loss, by industry

	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25
Machine building	15	12	11	4	4	6	7	4	4	1	3	3	4
Light industry	16	15	8	3	6	9	7	5	12	1	2	2	2
Chemical industry	14	12	14	7	13	9	3	3	3	1	2	1	1
Food industry	11	10	7	3	6	7	3	6	6	1	3	5	0
Woodworking	20	18	13	10	9	6	2	2	2	0	8	8	0
Metalworking	20	13	7	4	10	11	8	7	4	3	4	5	
Construction materials	21	16	6	2	7	6	2	4	2	10	12	0	

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New monthly enterprise survey. Methodology

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 at the enterprise level. The methodology is designed to assess the situation from the “base level”: the judgments and expectations of key economic agents such as entrepreneurs and business managers

The monthly survey consists of two parts: the regular one and the special one. Respondents will regularly answer questions on the changes in key activity indicators and short-term forecasts for future changes in the same indicators: output (production), sales, exports, debt, new orders, employment, etc.
We will also focus on estimates and expectations of the changes in the business climate and business activity at the enterprise in the next six months

The special part of the Monthly survey provides information on specific topics. A special part examines the enterprises' problems, the war's impact on production volumes, export activity, basic business needs, and the assessment of government policy.

This survey uses a panel sample that includes 500+ enterprises located in 21 of 27 regions of Ukraine, including Vinnytsya, Volyn, Dnipropetrovsk, Zhytomyr, Zakarpattya, Zaporizhzhia, Ivano-Frankivsk, Kyiv, Kirovohrad, Lviv, Odesa, Poltava, Rivne, Sumy, Ternopil, Kharkiv, Khmelnytskyy, Cherkasy, Chernivtsi and Chernihiv regions and the Kyiv city.

The field stage of the 39-th wave lasted from July 16 - 31, 2025. The enterprise managers compared the work results in July 2025 with June, assessed the indicators at the time of the survey (July 2025), and gave forecasts for the next two, three, or six months, depending on the question.
In certain issues (where indicated), the work results were compared with the pre-war period (before February 24, 2022).

The research was made possible due to changes of the project "For Fair and Transparent Customs," which was funded by the European Union and co-funded by the International Renaissance Foundation and the ATLAS Network charitable foundation (USA). This took place under the auspices of this project from May 2022 to December 2023. From January to April 2024, the research was conducted within the framework of the project "Emergency Support to Civil Society and Media in Response to the War in Ukraine," which was implemented with the financial support of the European Union. Since August 2024 to February 2025, 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".

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