«Balancing Recovery and Uncertainty»

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

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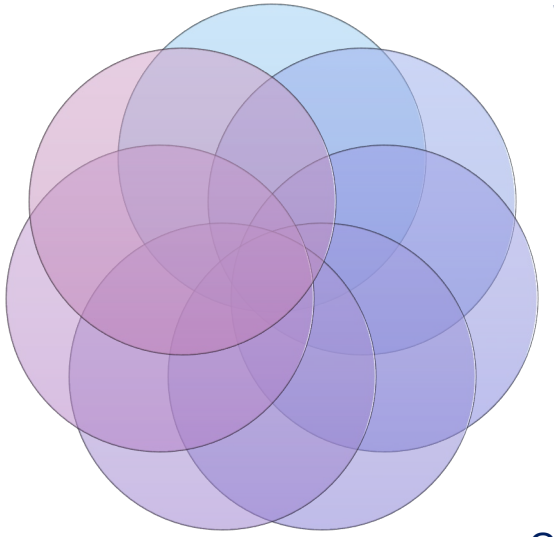
Kyiv, September 11, 2025

ABOUT THE NEW RAPID ENTERPRISES SURVEY #NRES

Monthly survey

The recent data were collected on **19 – 29 of August, 2025**

SAMPLE: **474 enterprises were surveyed in August**



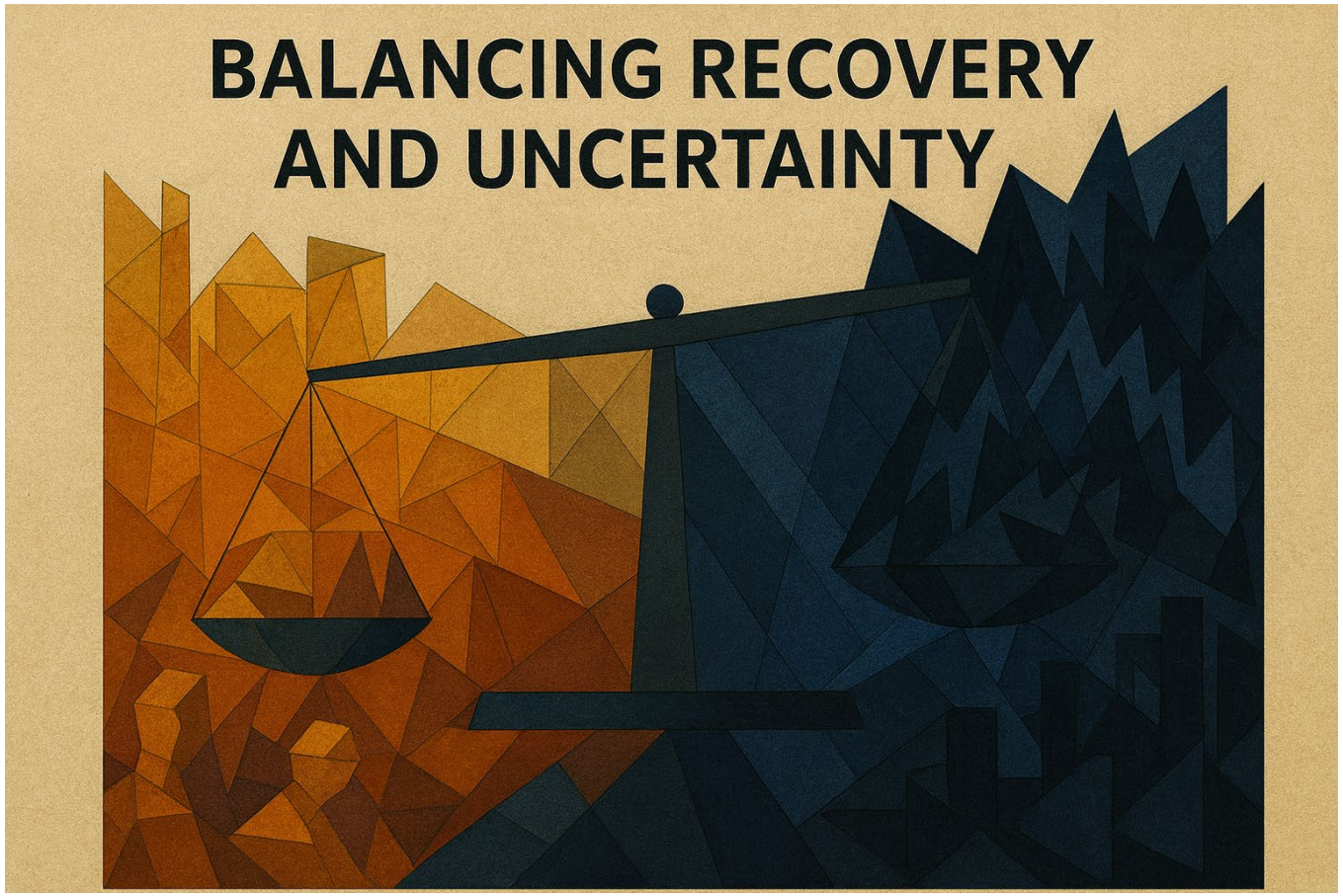
40 surveys have already been conducted (since May 2022)

Enterprises of all sizes

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

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

THE KEY MESSAGE



"Ukrainian businesses face rising long-term uncertainty despite improved short- and medium-term expectations and a modest acceleration of recovery, while structural barriers — labor shortages, security risks, and rising prices — remain decisive."

THE KEY RESULTS OF AUGUST 2025

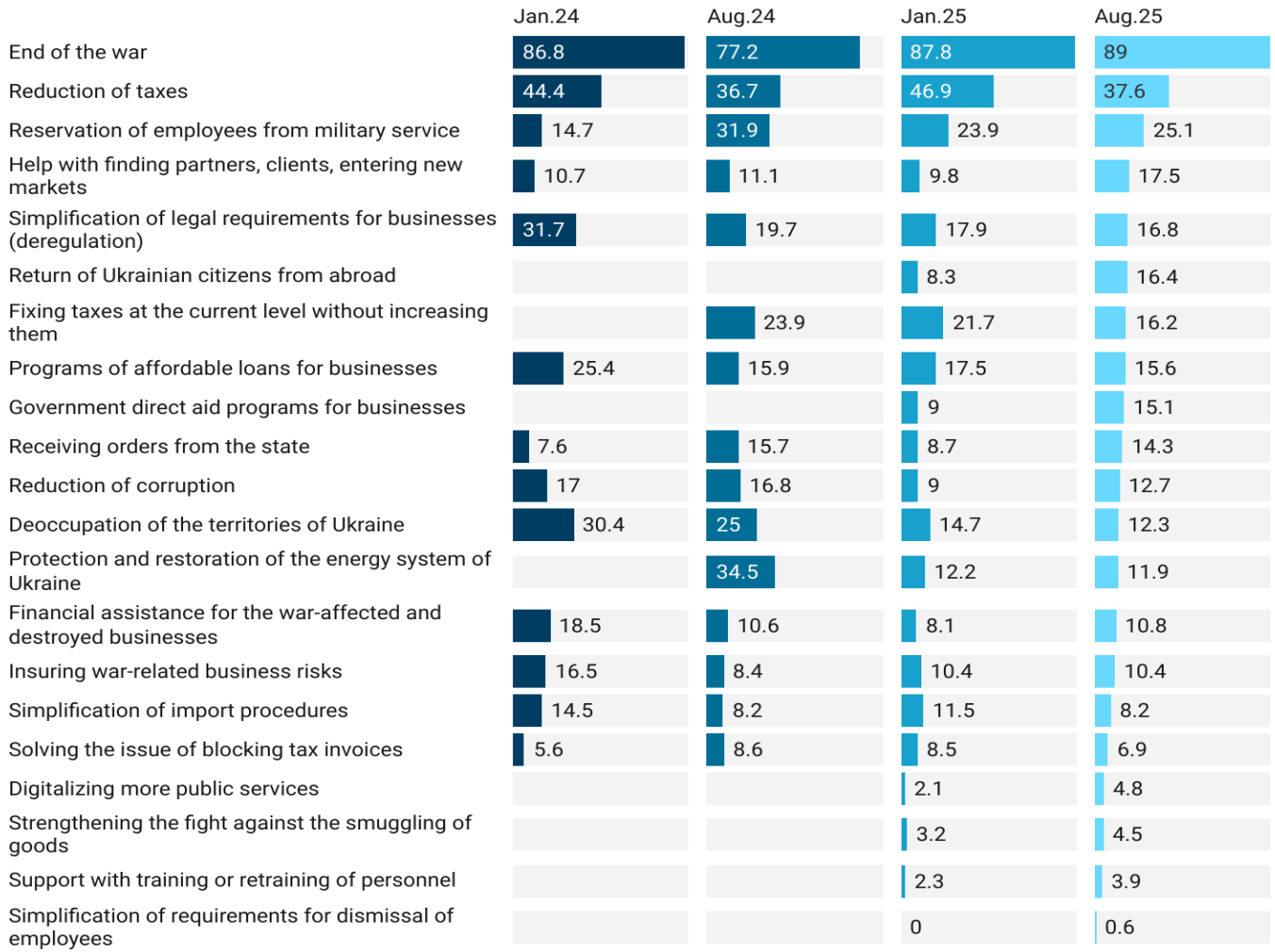
1. **Long-term business expectations remained unchanged,** while **uncertainty increased significantly** again after last month's decline.
2. **Medium-term uncertainty has a bit increased for the business activity at the enterprise, without significant changes in the overall economic environment.** At the same time**, expectations** for a six-month perspective **have improved significantly.**
3. **Year-to-year recovery rate accelerated slightly.**
4. **Production indicators of enterprises** (month to the previous one) **improved slightly (for most indicators),** and **short-term expectations increased significantly.**
5. **The main impediments for businesses** are still a **lack of personnel, security, and rising prices,** albeit with some changes in their importance for businesses.
6. The main **expectation** of business in August 2025 was **the end of the war.** Its value has increased slightly compared to January 2025

IER

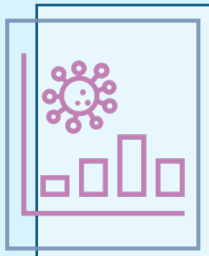
New Monthly Enterprises Survey, #40, (08/2025)

Key events or measures that would most improve business conditions: end of war and reduction of tax

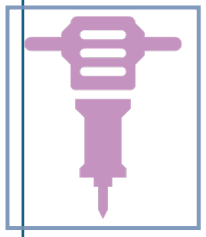
- **The main expectation of business in August 2025 was the end of the war.** Its **value has increased** slightly compared to January 2025
- **Although the tax reduction remains relevant**, the **value has decreased** from 47% to 38% of the surveyed enterprises, but this step **remains in the 2nd place** among the expected changes
- **Reservation of employees from mobilization remains in the 3rd position** among the desired steps, with **minor changes in percentage**
- % of enterprises that **need help for entering a new market have doubled!!!**
- % of enterprises that choose **the de-occupation of the territories as** measure that can improve business condition **continues to decrease (14,7%** in Jan`25 to 12.3% Aug`25).



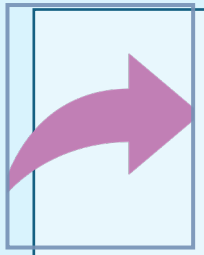
Main results 1.



The Business Activity Recovery Index (BARI) improved slightly after a two-month deterioration (it increased from 0.05 to 0.08)

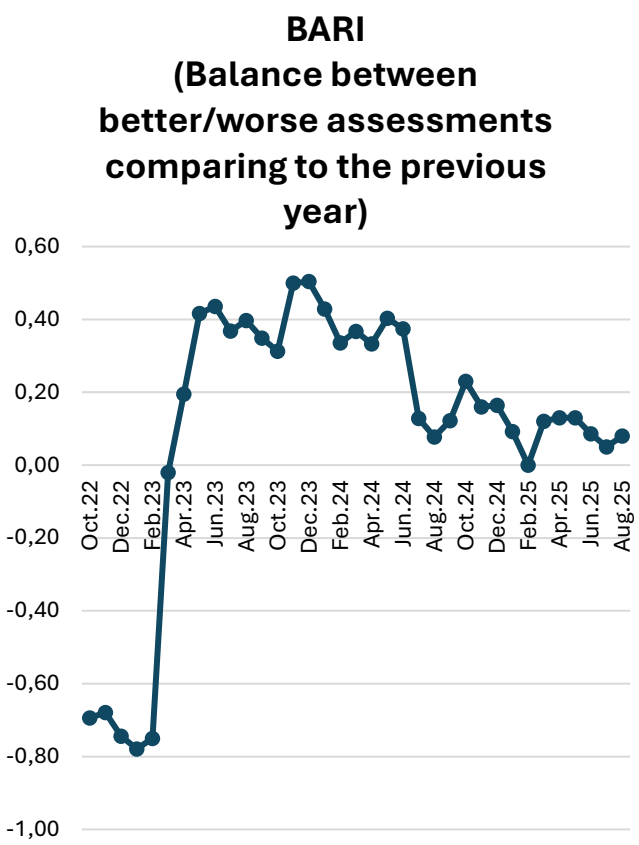


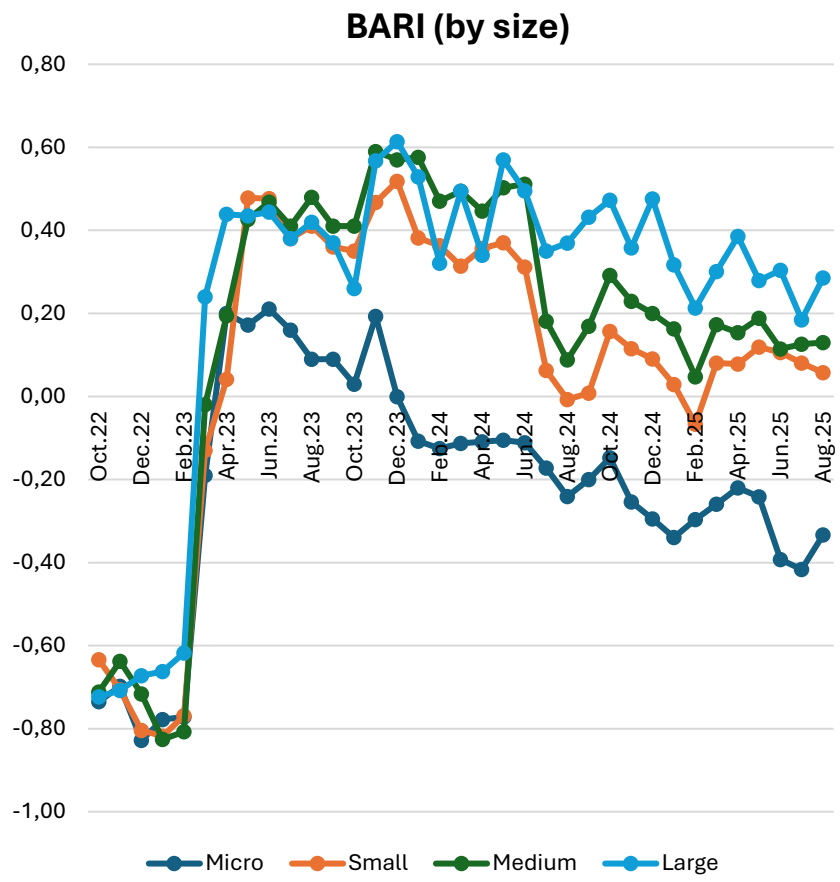
Capacity utilization compared to "pre-war times" did not change significantly in August 2025 compared to July 2025



The Industrial Confidence Indicator (ICI) improved (before that, this indicator had not changed significantly for several months in a row)

The Business Activity Recovery Index* slightly increased





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) improved after a two-month decrease: **in August 2025, compared to July, its value increased from 0.05 to 0.08** (on the scale from -1 to +1)

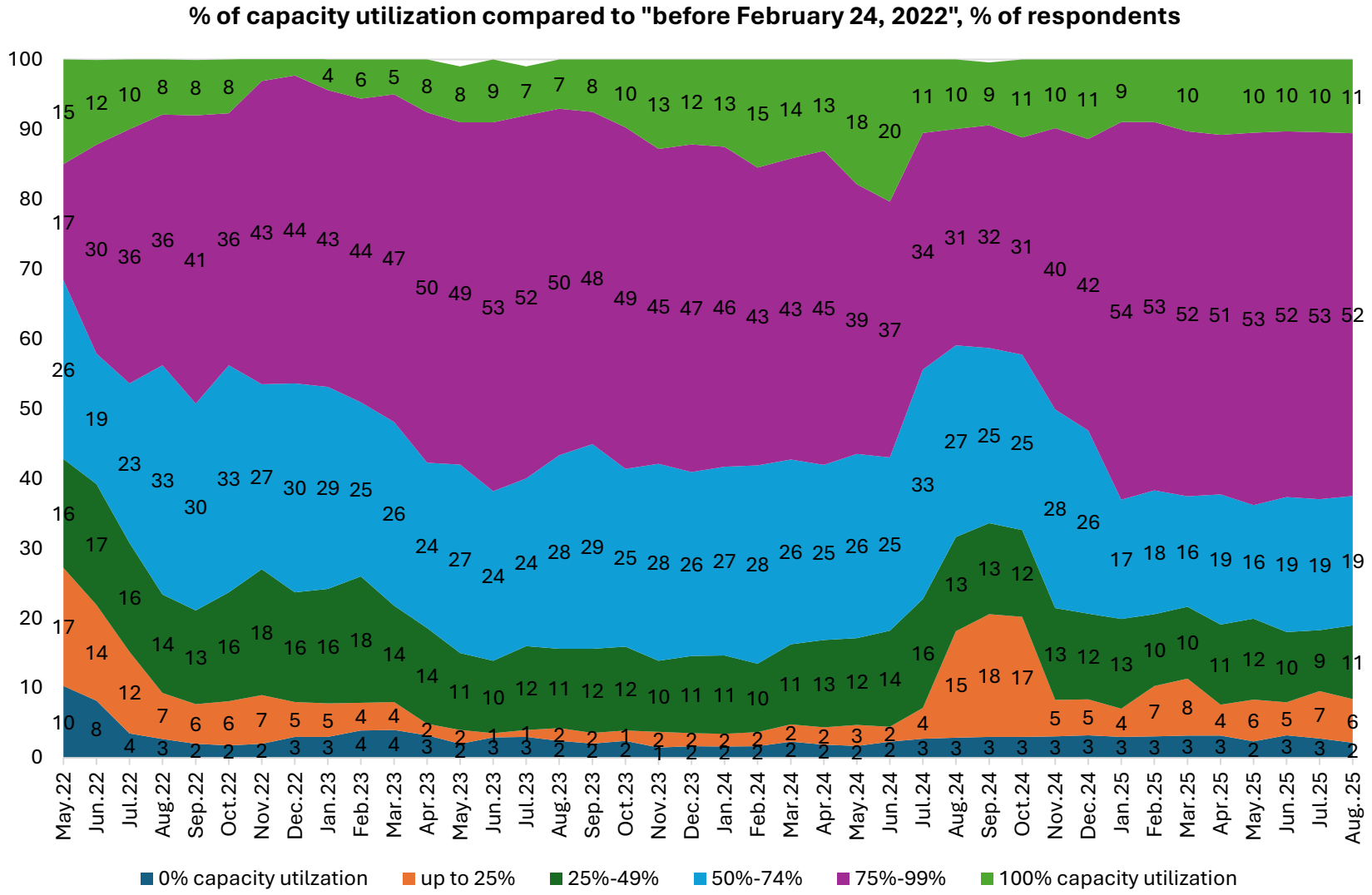
<u>The fluctuations in the percentage distribution of answers are the following:</u>

- % of enterprises reporting **that their business activity was better than last year increased** from 21.3% to 27.7%
- % of enterprises reporting **that their business activity was worse than last year also increased** (from 16.5% in July to 19.2%)
- **% of those who did not feel changes compared to last year decreased** (from 62.2% to 53.1%)

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

Despite the growth of the indicator, the value of the BARI **remains the lowest and has a negative value for microenterprises**. At the same time, **this indicator has increased significantly for large enterprises**. The value of the **Index for small enterprises is gradually decreasing**, while **for medium-sized enterprises it has remained unchanged**

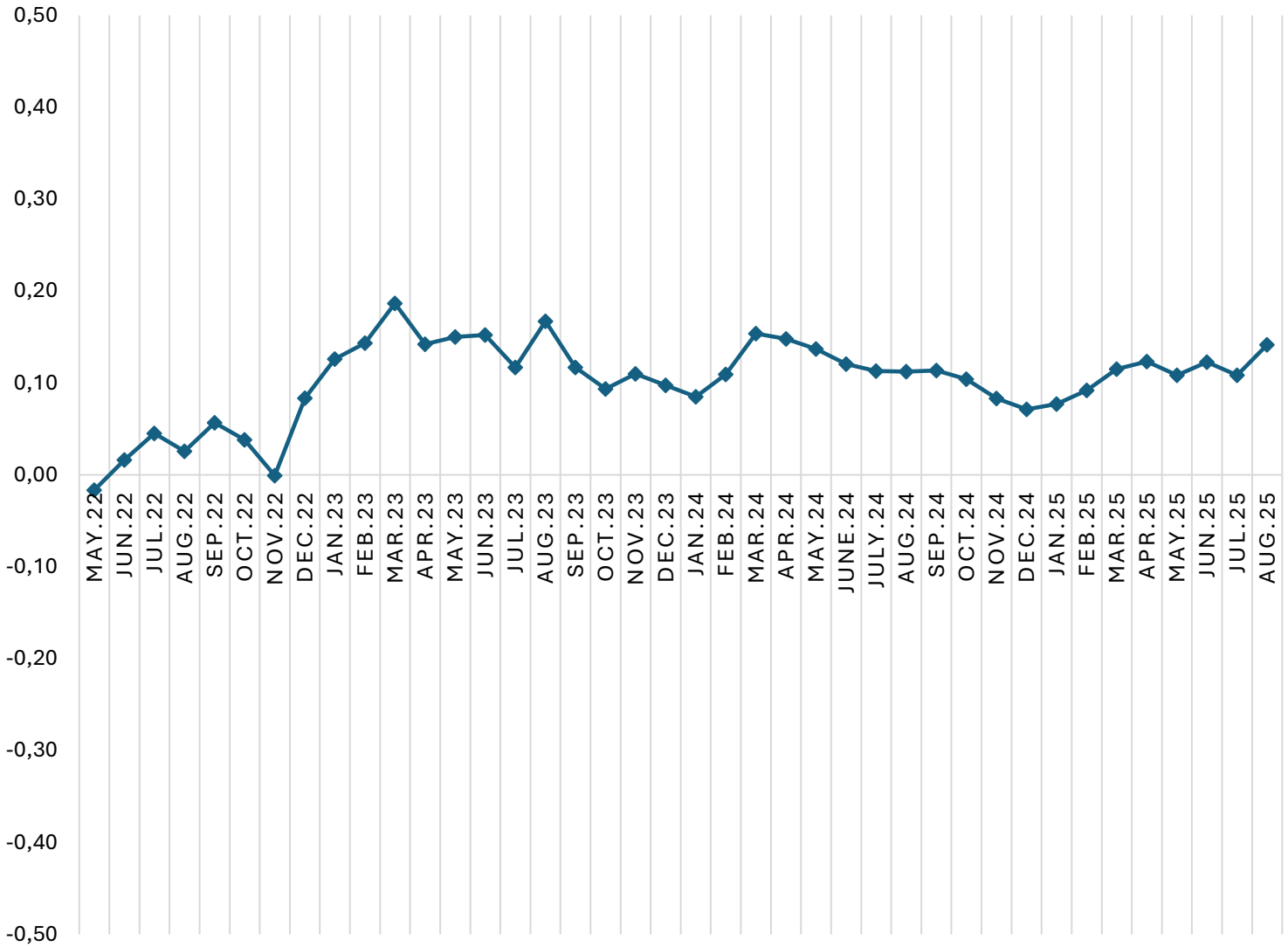
“Now” vs. “before February 24”: capacity utilization without significant changes



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

- % of enterprises **operating almost at full capacity did not change significantly** (53% in July) and 52% in August)
- % of enterprises **operating at 100% capacity is 11%** (was 10% for three months in a row)
- % of enterprises **operating at 50-74% capacity for the third month in a row is 19%**
- % enterprises that **do not work at all is 2%** (was 3% for two months in a row).
- % operating **up to 25% capacity is 6%** (was 7% in July)

Industrial Confidence Indicator (ICI)*



The ICI has slightly increased and is 0.14

For several months in a row, changes fluctuated within 1 pp: in July it was 0.11, 0.12 in June, 0.11 in May, and 0.12 in April and March)

In August, compared to July, the fluctuations of the components of the ICI are the following:

- **Production expectations** (PE) **increased significantly** (from 0.38 in July to 0.49 in August)
- The component **Stock of finished goods** (SFG) **did not change significantly** (-0.03 in July vs -0.04 in August)
- **Volume of new orders** (VNO) **decreased slightly** (from -0.08 in July to -0.10 in August)

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

Main results 2. Uncertainty

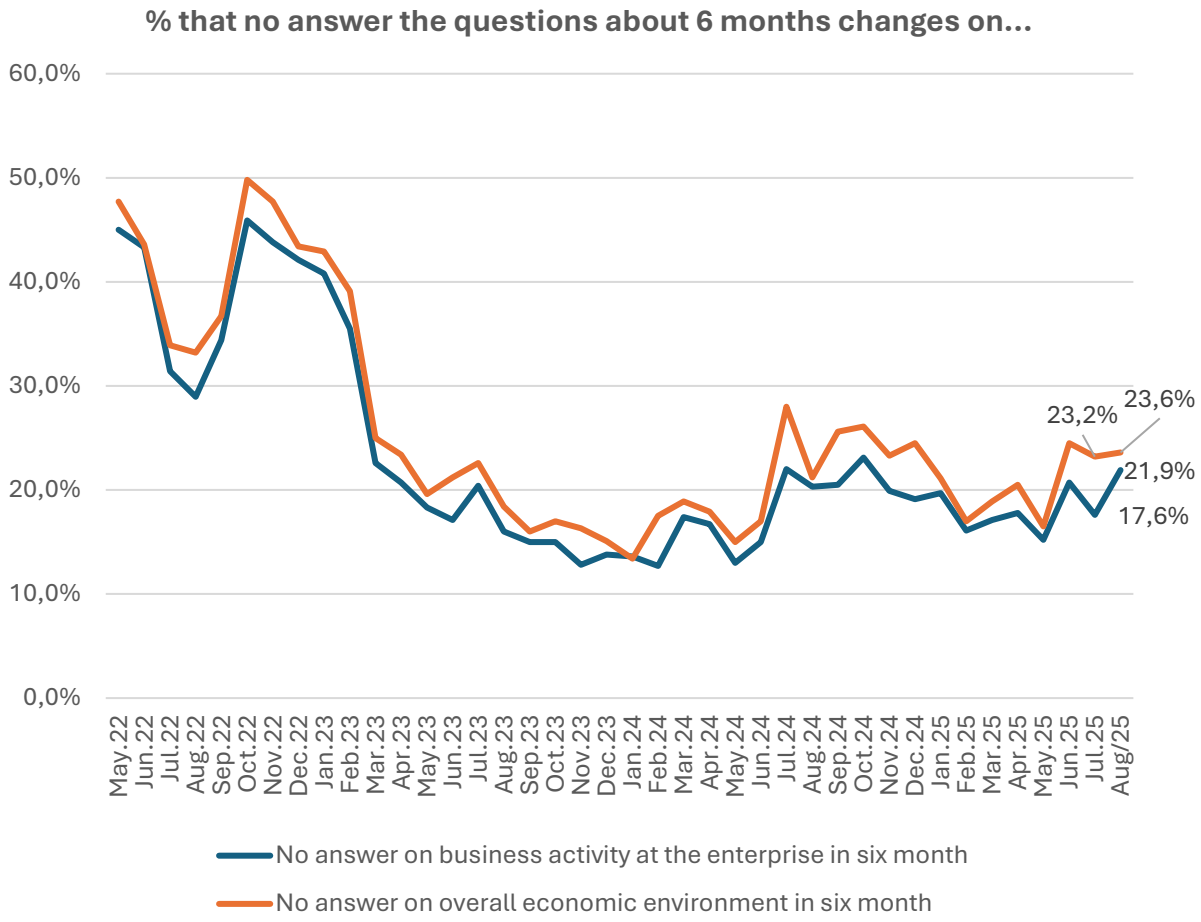
Uncertainty in the 6-month perspective increased for the business activity at the enterprise**,** and for the third month in a row **without significant changes for** the overall economic environment in the country

Uncertainty in the perspective of 3 months does not change significantly

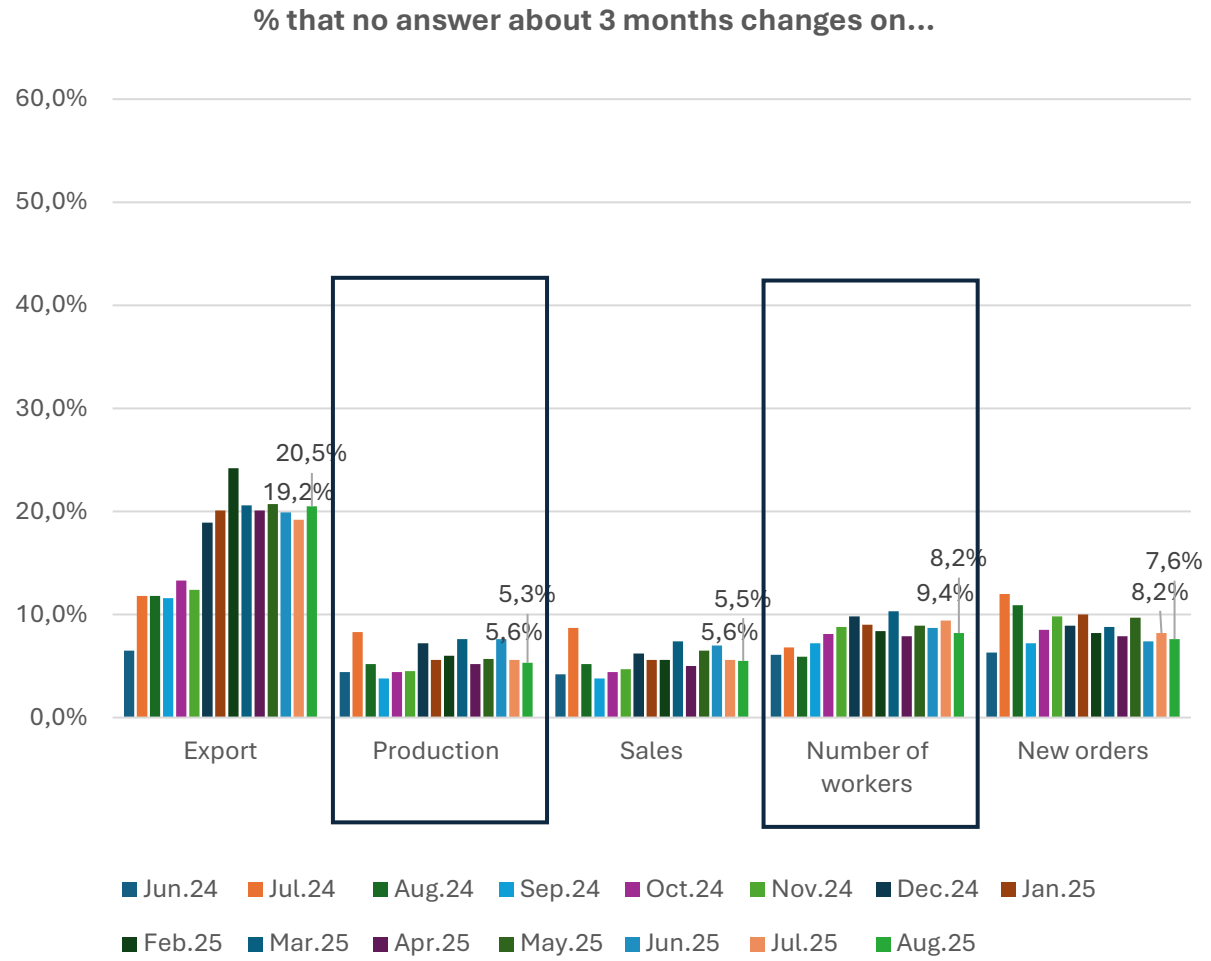
Uncertainty in the 2-year perspective increased significantly after a decrease last month

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

6-month horizon:

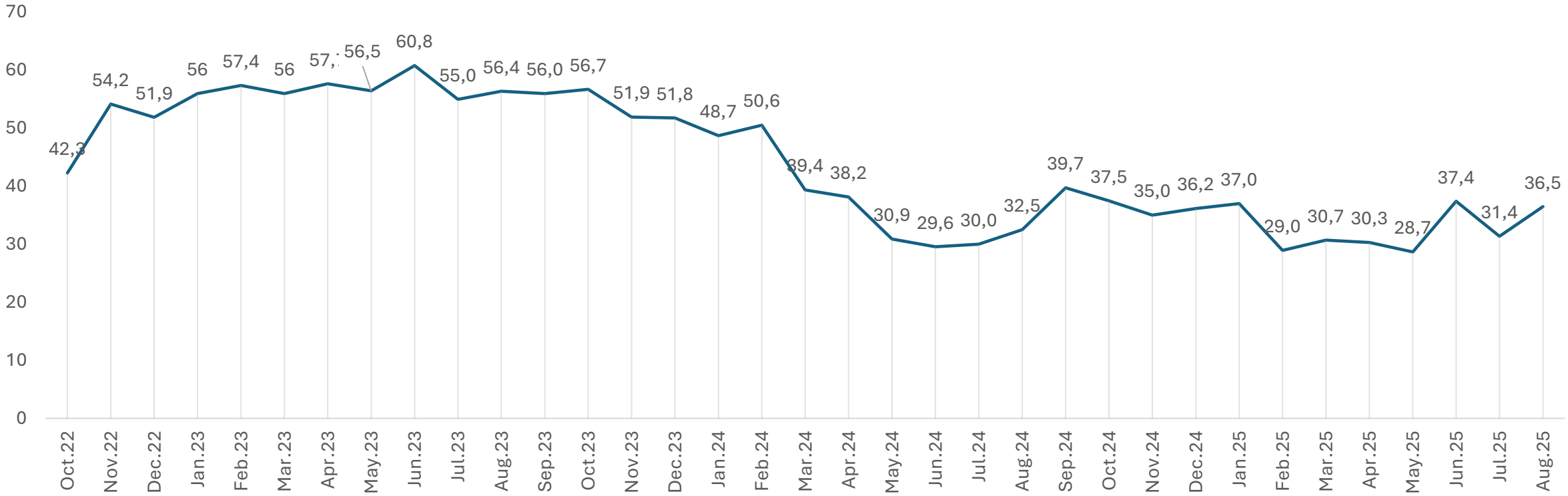


3-month horizon:



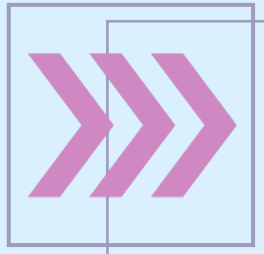
Uncertainty in the long term has increased

"It is hard to predict what will be with the activities of our enterprise in 2 years", % of answers

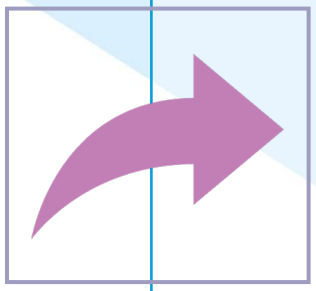


% of enterprises **that have no idea about their plans for 2 years increased** from 31.4% to 36.5% (almost approaching June values)

Main results 3. Long-term expectations



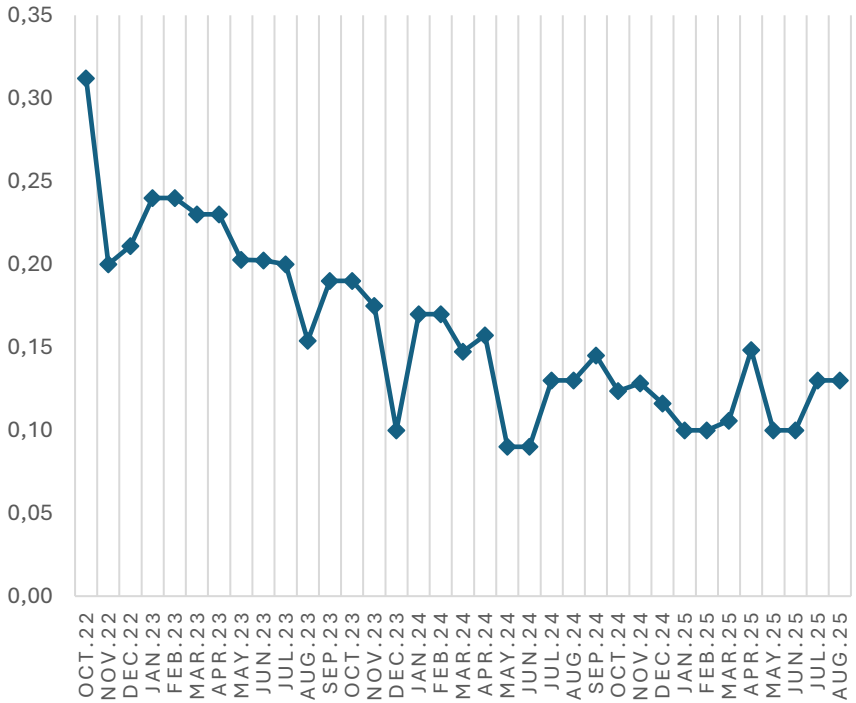
Expectations for the two-year perspective remained unchanged



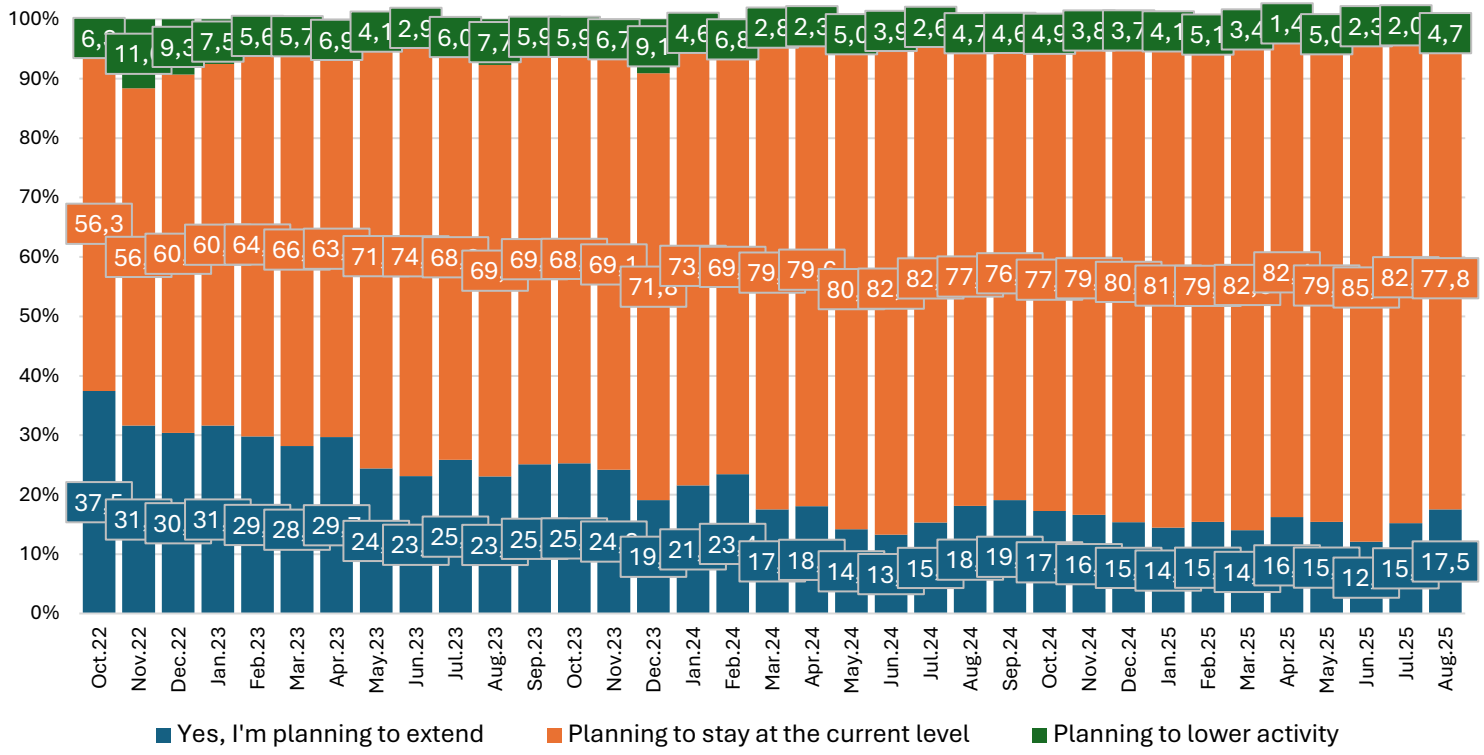
6-month expectations regarding the business activity at the enterprise and for the overall economic environment **have improved significantly**

Expectations in the long term remained unchanged

Index of expected changes in business activity (2 years)



Expectations in the two-year perspective



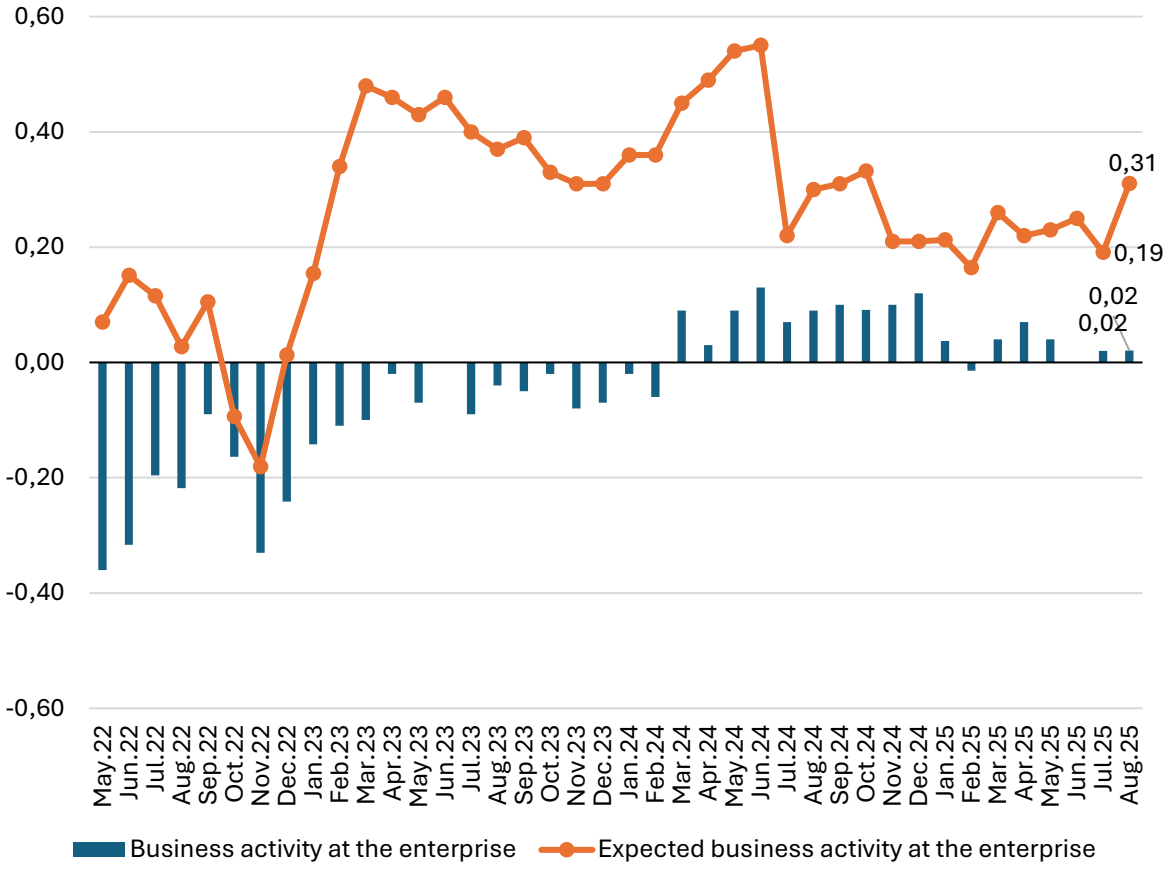
- **The index of expected changes in perspective for 2 years remained** unchanged after last month's growth**, and is 0.13** (the same as in July, while in May and June it was 0.10)
- The scale is from -1 (bad) to +1 (good)

<u>There are some changes in the percentage distribution:</u>

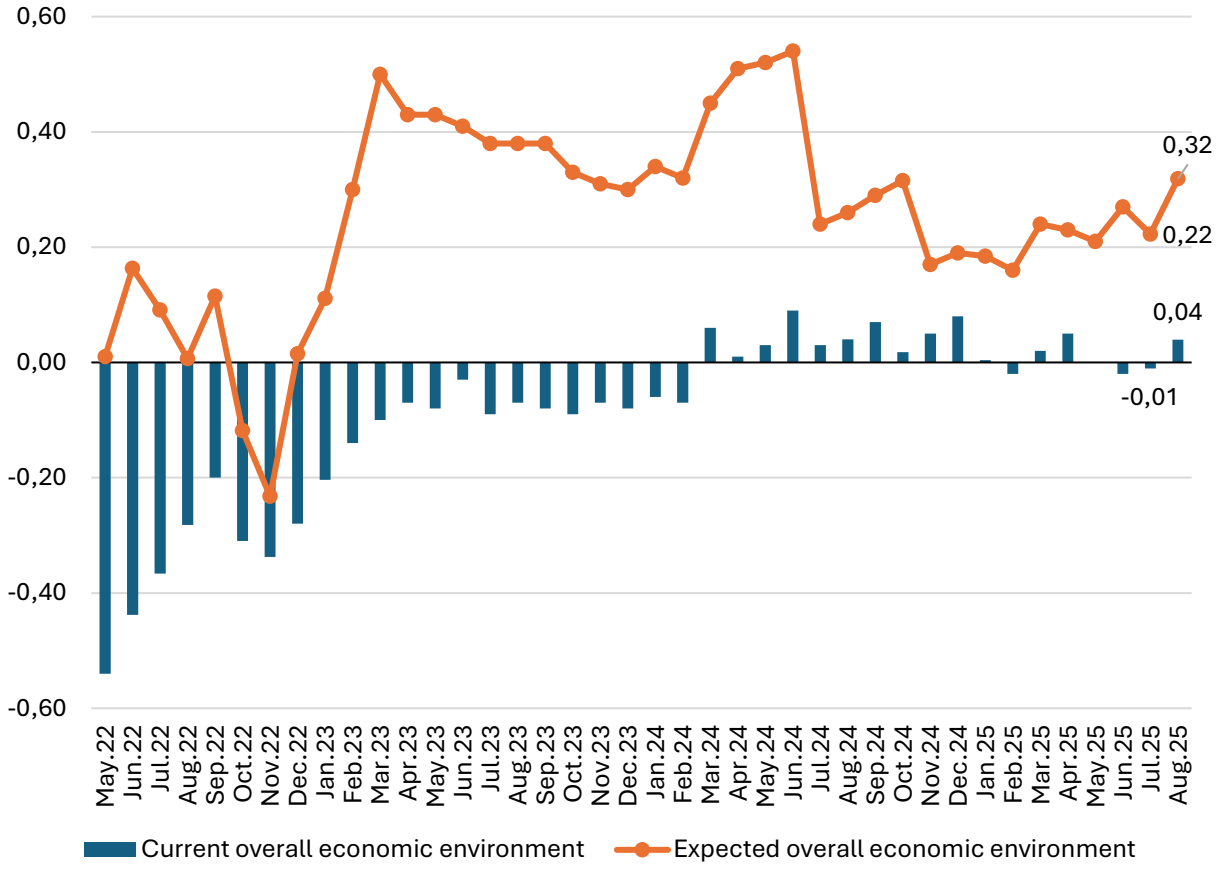
- The share of those who **plan to expand has increased slightly** (from 15.2% in July to 17.5% in August)
- The share of those who **plan to narrow their activities also slightly increased** (from 2% in July to 4.7% in August)

6-month perspective: expectations improved

Business activity at the enterprise

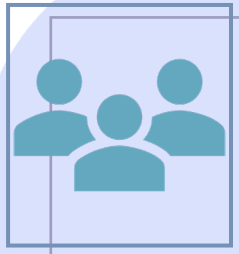


Overall economic environment in the country



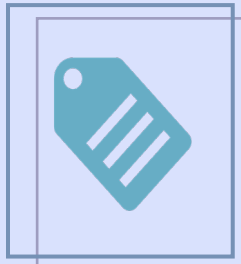
Main results 4. August vs July and short-term expectations

Production indicators remained unchanged, at the same time, **expectations for the next 3 months improved significantly**



In the number of workers does not expect significant changes, while **expectations for workers in forced leave have slightly increased**

Export changes and expectations for 3 months increased



Growth expectations for both purchase **prices** and domestic sales prices **without significant changes**

Production: results unchanged, expectations improved

Results (August to July)

- % **enterprises that increased production volumes increased** (from 23.6% in July to 28.5% in August)
- % **enterprises that reduced production volumes also increased** (from 12.5% in July to 17% in August)

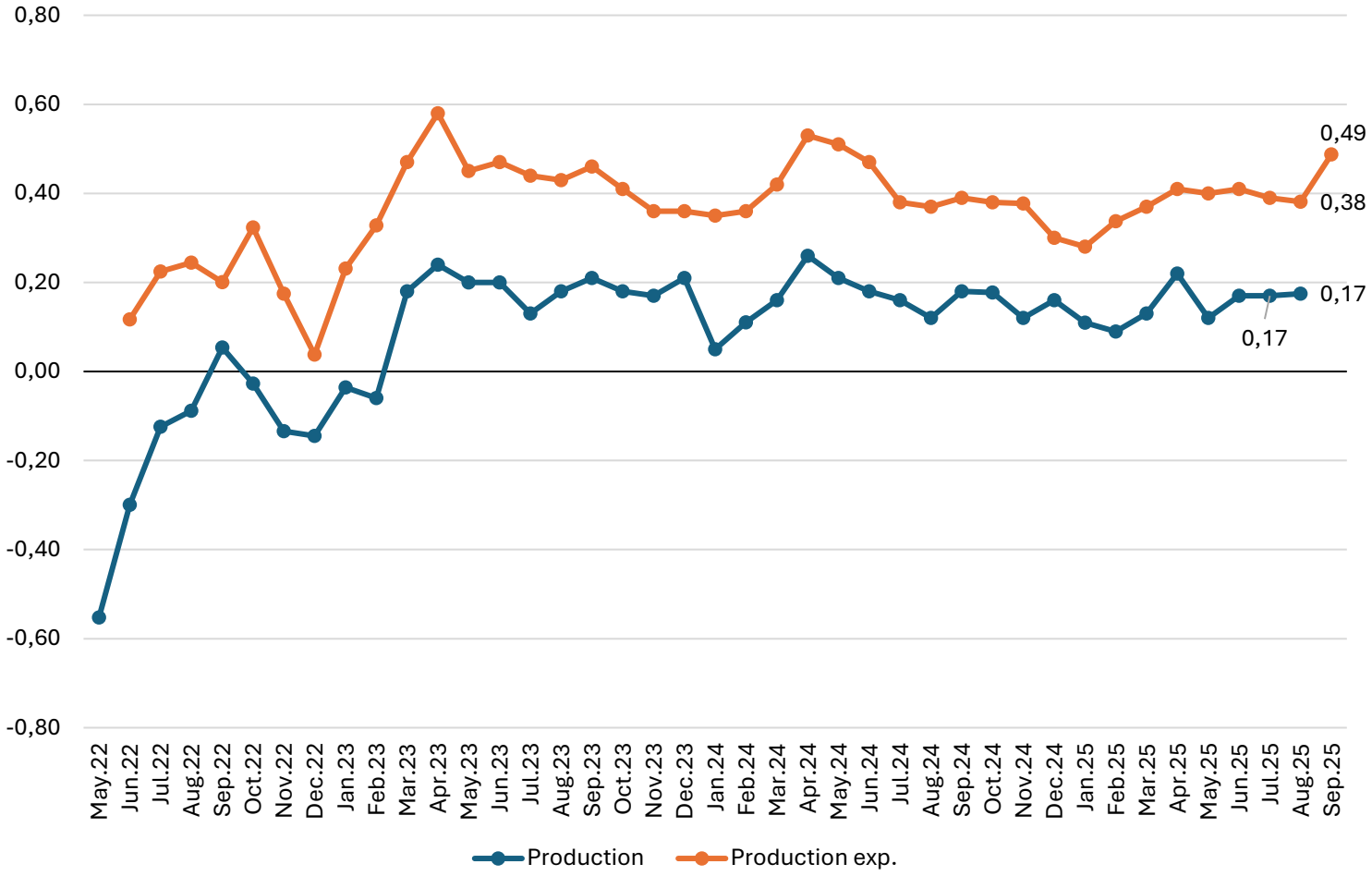
The change index remain without changes, 0.17, as in June and July

Expectations for 3 months

- % of enterprises **planning to increase production volumes** in the next 3-4 months **has increased significantly** (from 39% in July to 46.8% in August)
- % of enterprises **expecting a reduction in production volumes did not change** (4.2%, as in July)

The index of expected changes in production increased significantly, from 0.38 to 0.49

Production, balance indicators



Export: improving results and expectations

Results (August to July)

- % of enterprises **reported about export growth increased** (from 23.2% in July to 30.2% in August)
- % of enterprises **reported about decrease in exports, without significant changes** (15.7% in July vs 14.3% in August

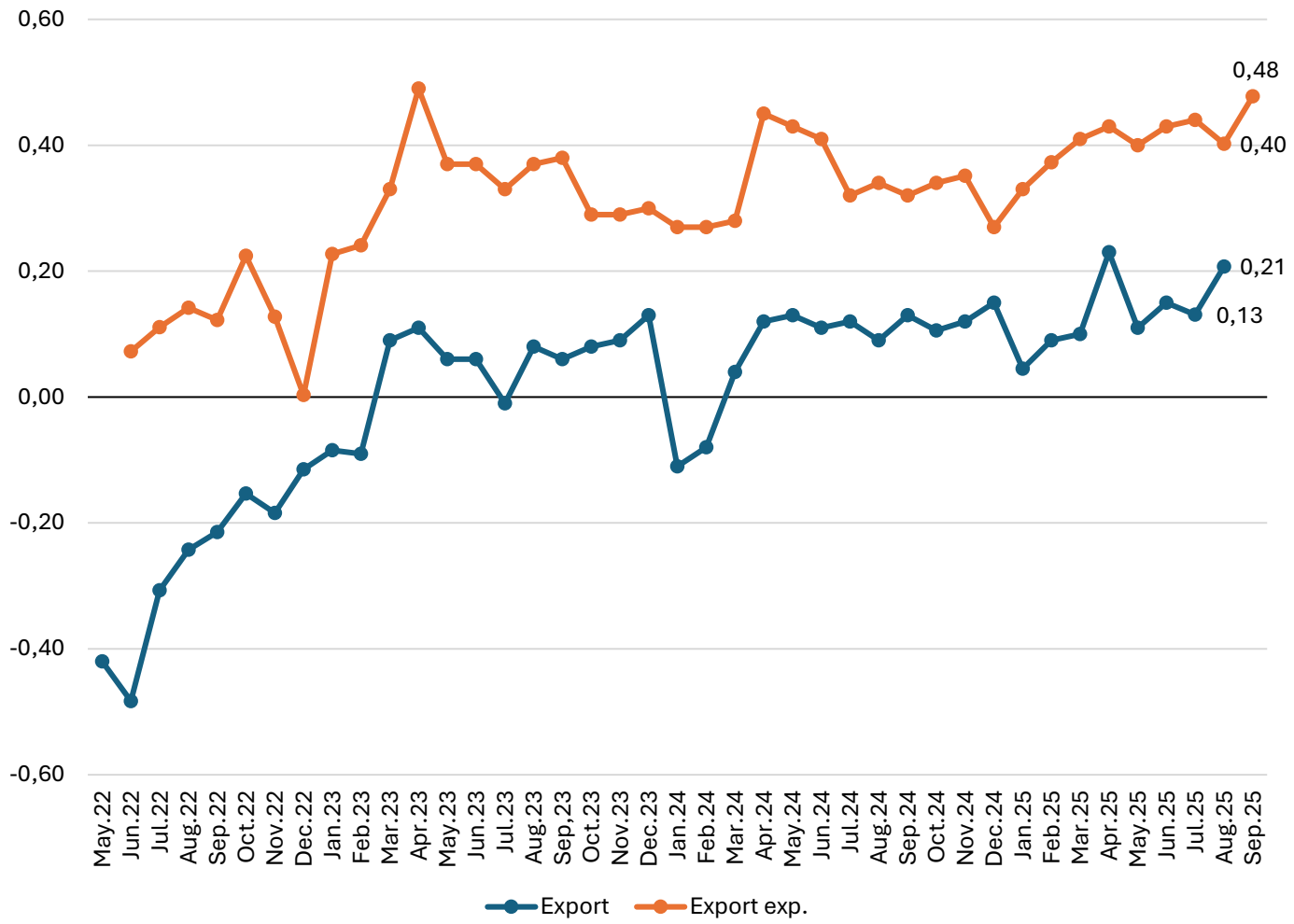
The index of changes increased significantly (from 0.13 to 0.21)

Expectations for 3 months

- % of enterprises **expecting export growth increased slightly** (from 44.2% in July to 48.8% in August)
- % of enterprises that **planning to reduce export without significant changes** (5.8% in July vs 4.4% in August)

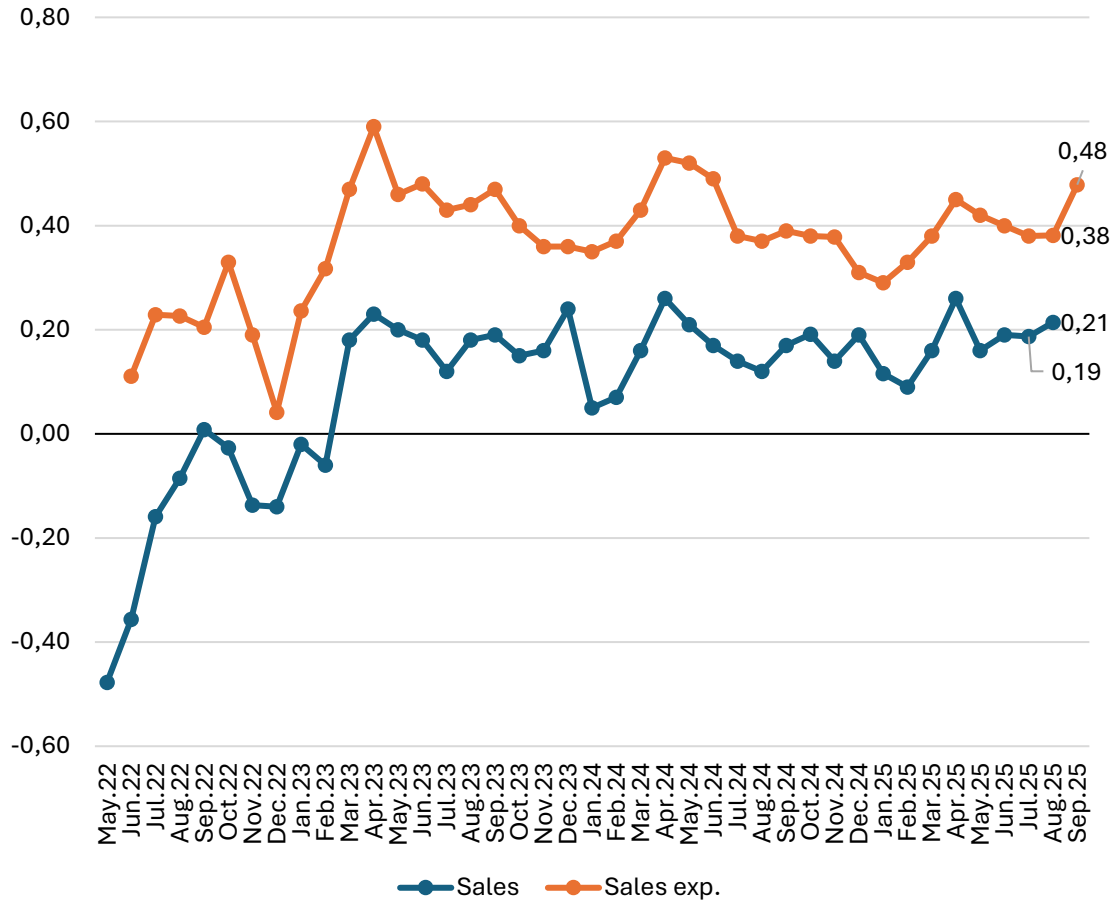
The index of expected changes in exports increased, from 0.40 to 0.48

Export, balance indicators

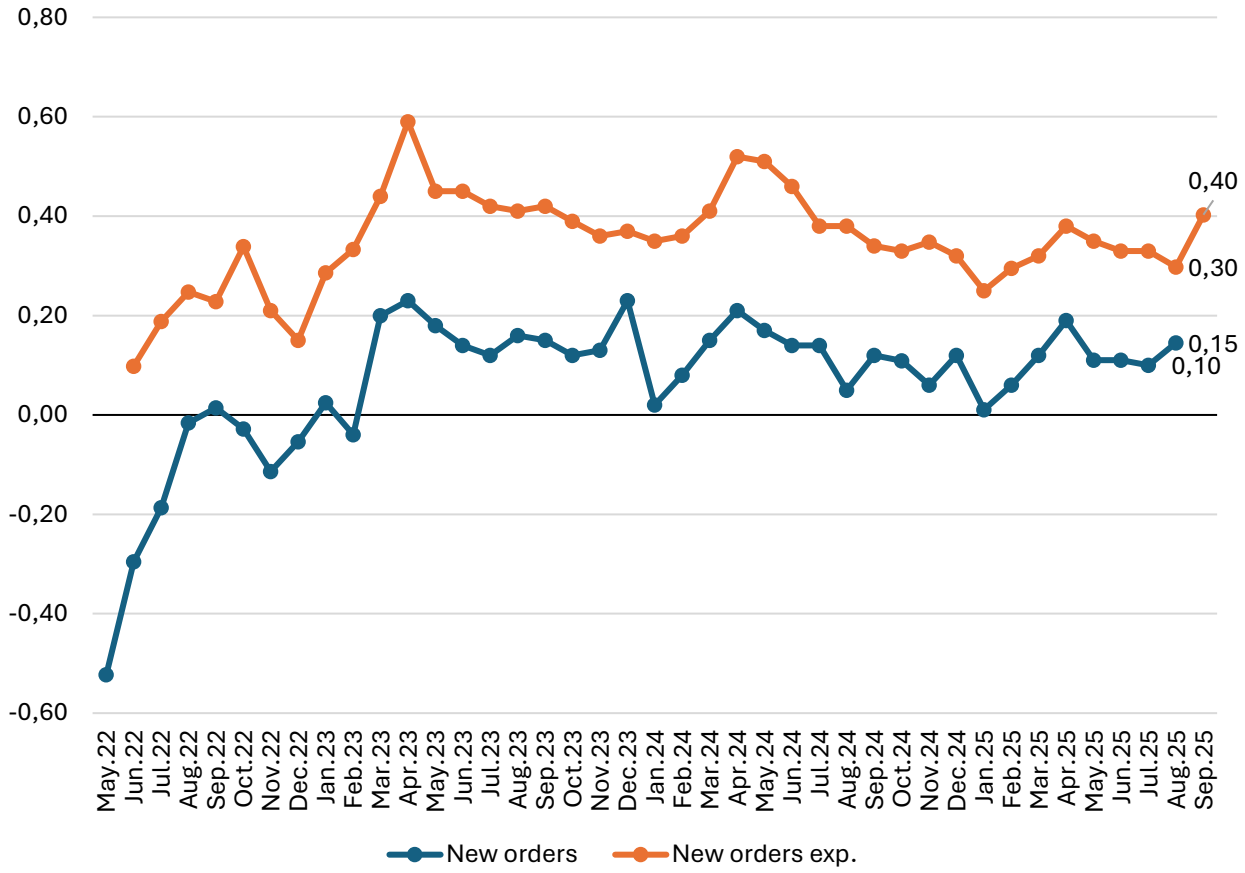


Sales and new orders: improving results and expectations

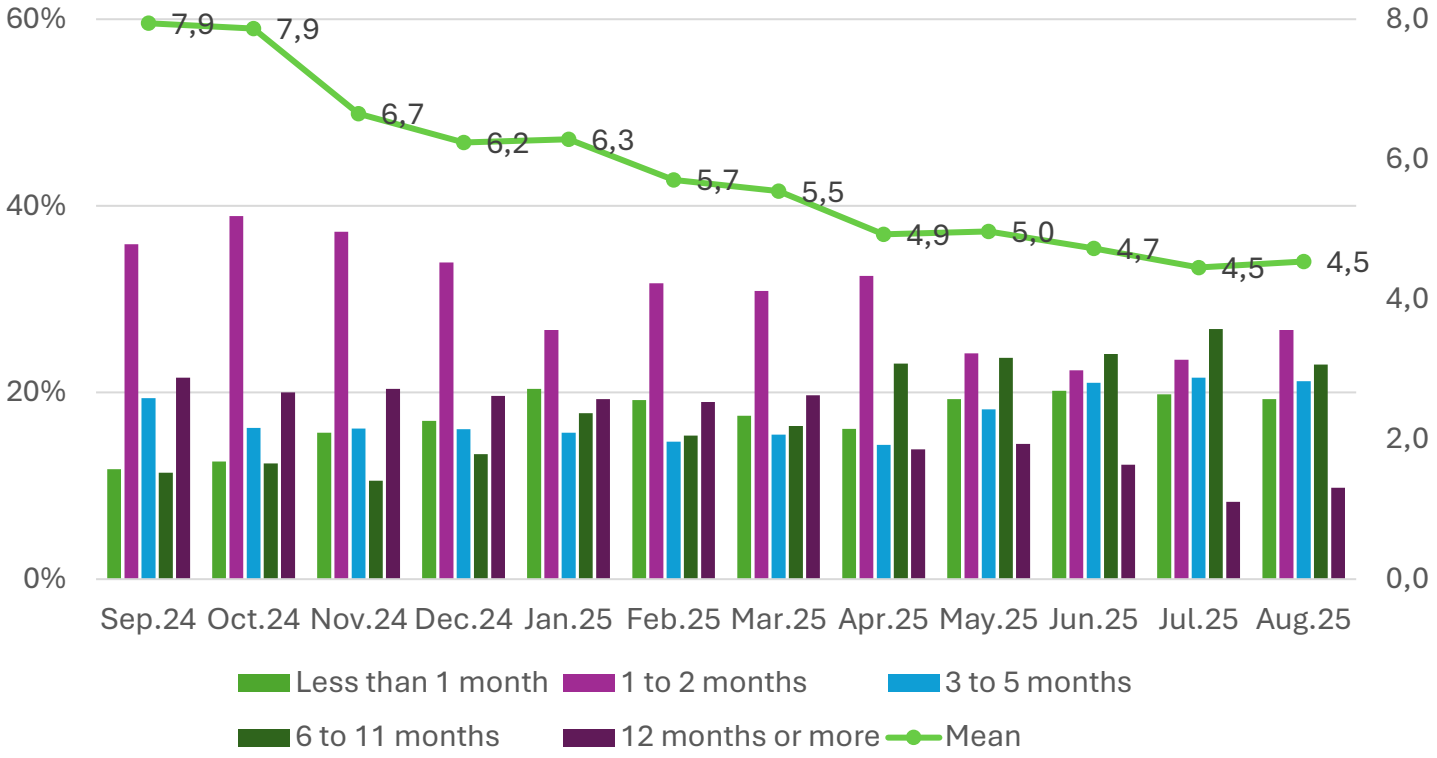
Sales

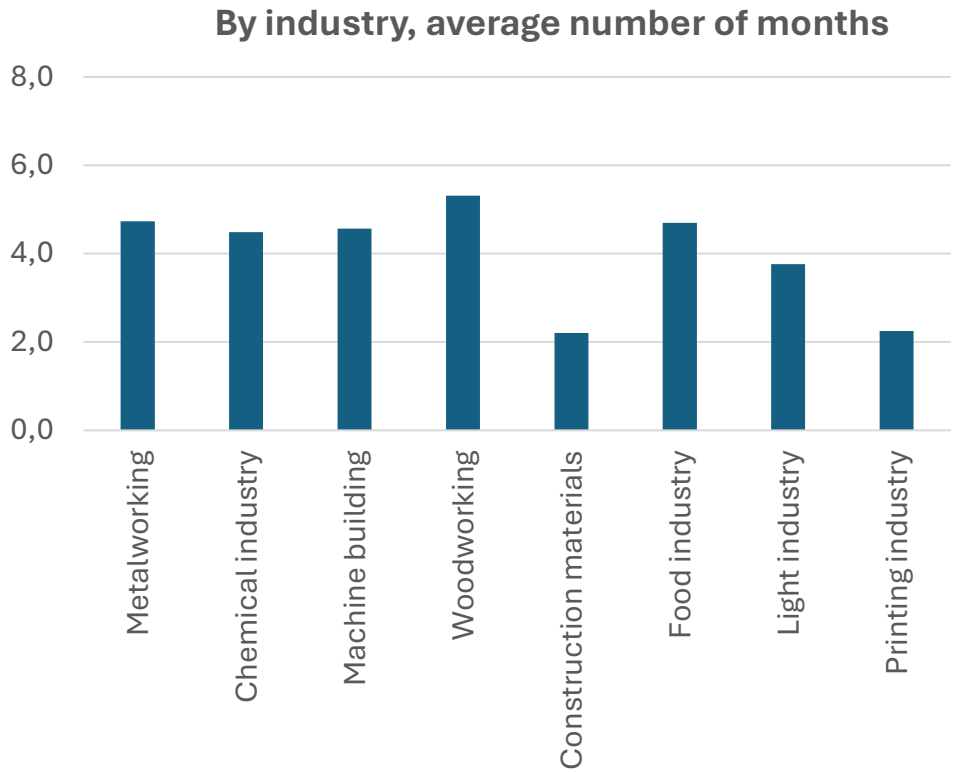


New orders



New orders portfolio





In August 2025, the **portfolio of orders among the surveyed enterprises remained unchanged**:

- **The average term** of new orders was **4.5 months, the same as in July**
- **The share of enterprises with an order horizon of a year or more in advance interrupted a two-month downward trend.** In August, compared to July, it **increased** from 8% to 10%.

Purchase prices: growth expectations without significant changes

Results (August to July)

- % of enterprises **reporting price growth increased** (from up to 26.4% in July to 35.8% in August)
- % of enterprises **saying that purchase prices have decreased did not change significantly** (1.3% in May, July and June vs 2.2% in August)

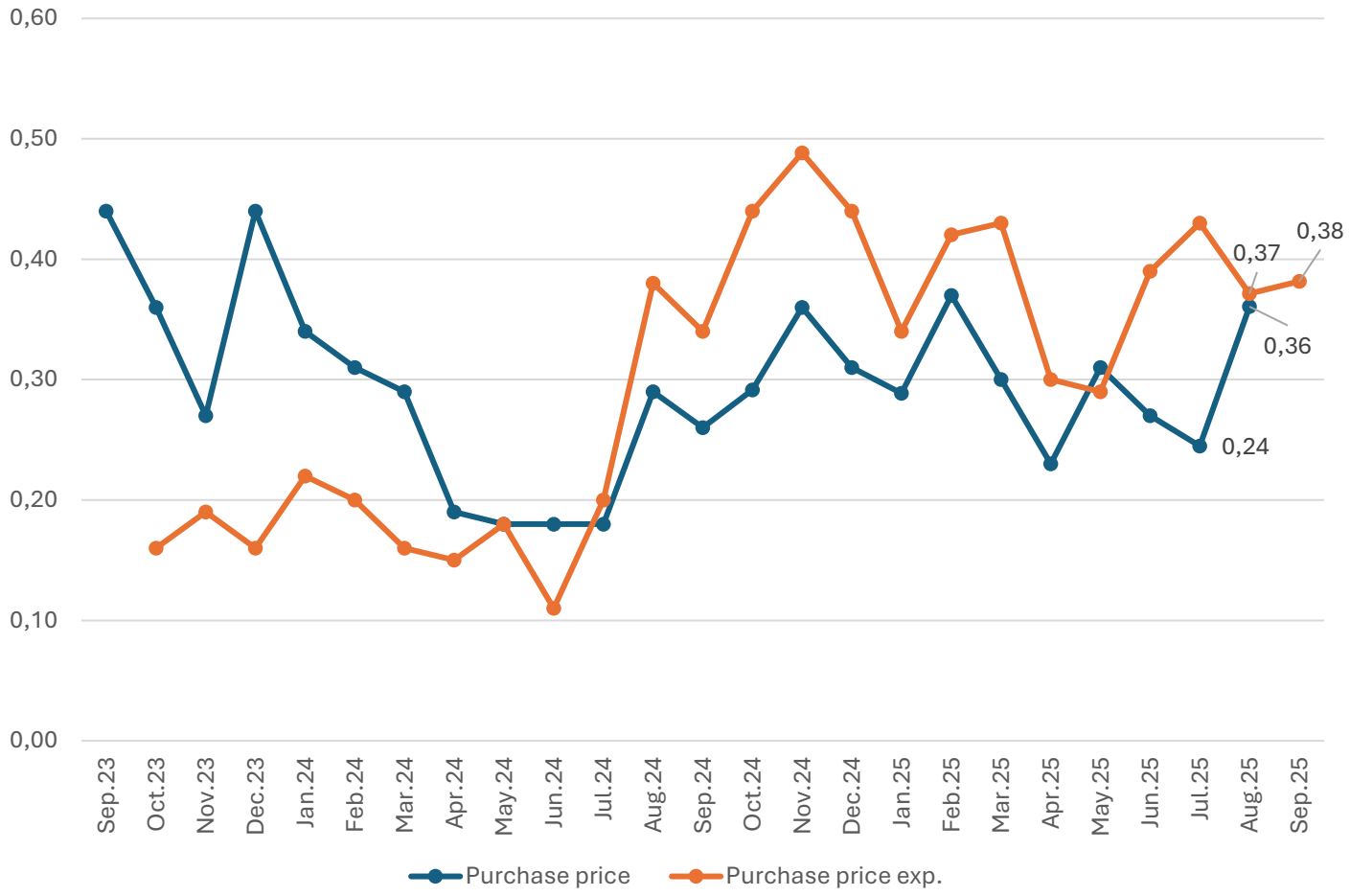
The index of changes in purchase prices interrupted the downward trend, and in July **increased** from 0.24 to 0.36

Expectations for 3 months

- % of enterprises **expecting price growth increased slightly** (from 38.9% in July to 40.6% in August)
- % of enterprises **expecting price reduction did not change significantly** (1.6% in July vs 1.2% in August)

The index of expected changes in purchase price did not change significantly and is 0.38 (was 0.37)

Purchase price, balance indicators



Domestic sales prices: growth expectations remain unchanged

Results (August to July)

- % of **enterprises reporting the increase in domestic sales prices increased significantly** (from 29.6% to 36.7%)
- % of **enterprises that said that domestic sales prices have decreased did not change** (1.3% as in July)

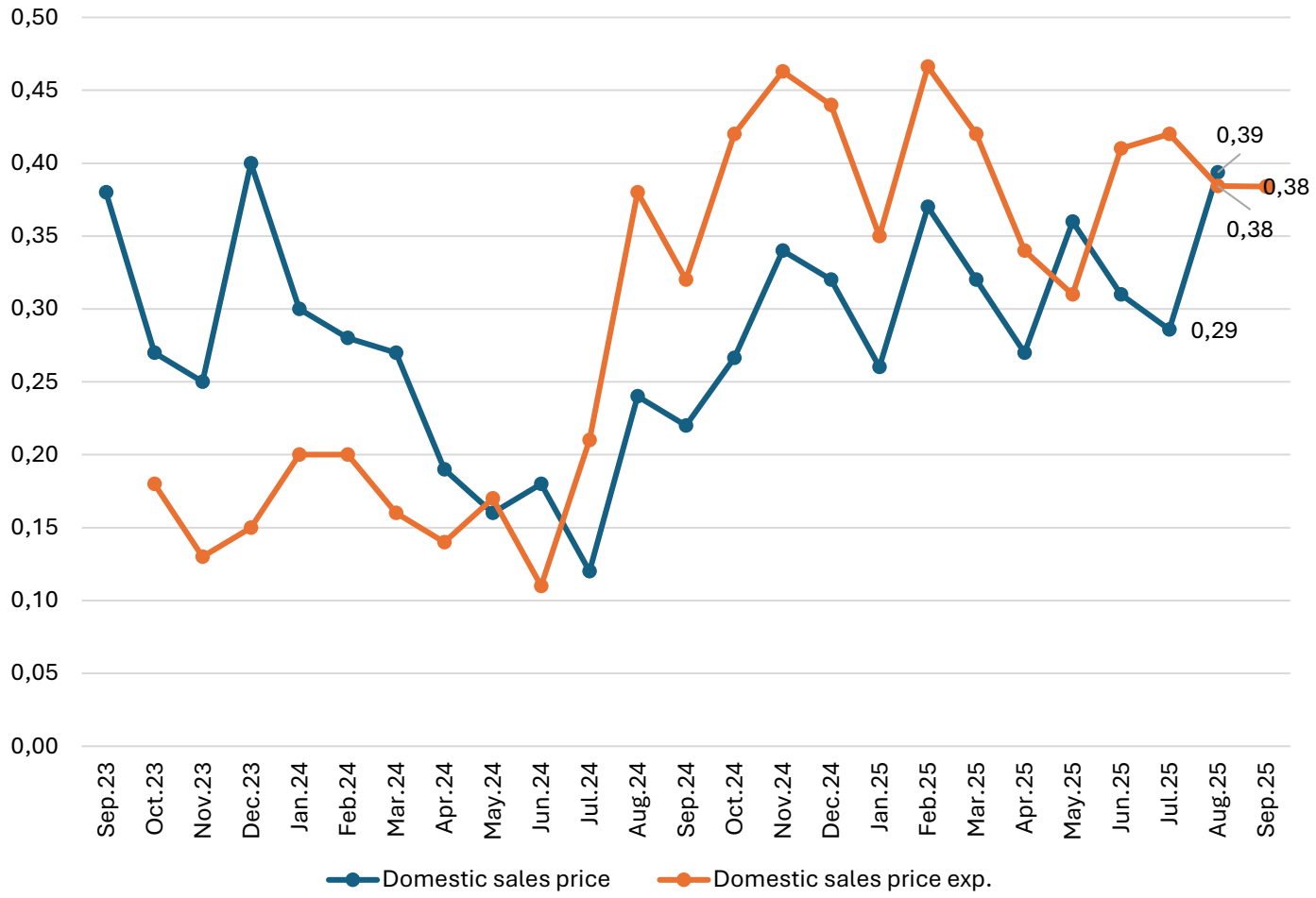
The index of changes in domestic sales prices interrupted the downward trend and **increased** from 0.29 in July to 0.39 in August

Expectations for 3 months

- % of enterprises **expecting price growth did not change significantly** (39.3% in July vs 40% in August)
- % of enterprises **expecting price reduction remained unchanged** (0.07, as in July)

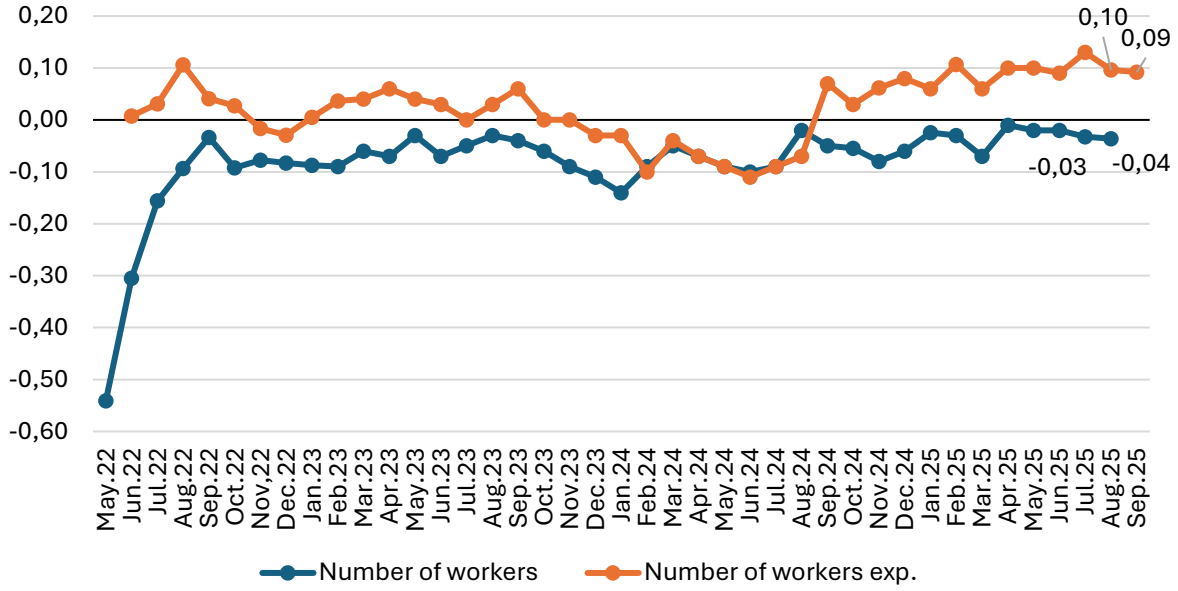
The index of expected changes in domestic sales prices did not change and is 0.38, the same as last month

Domestic sales price, balance indicators

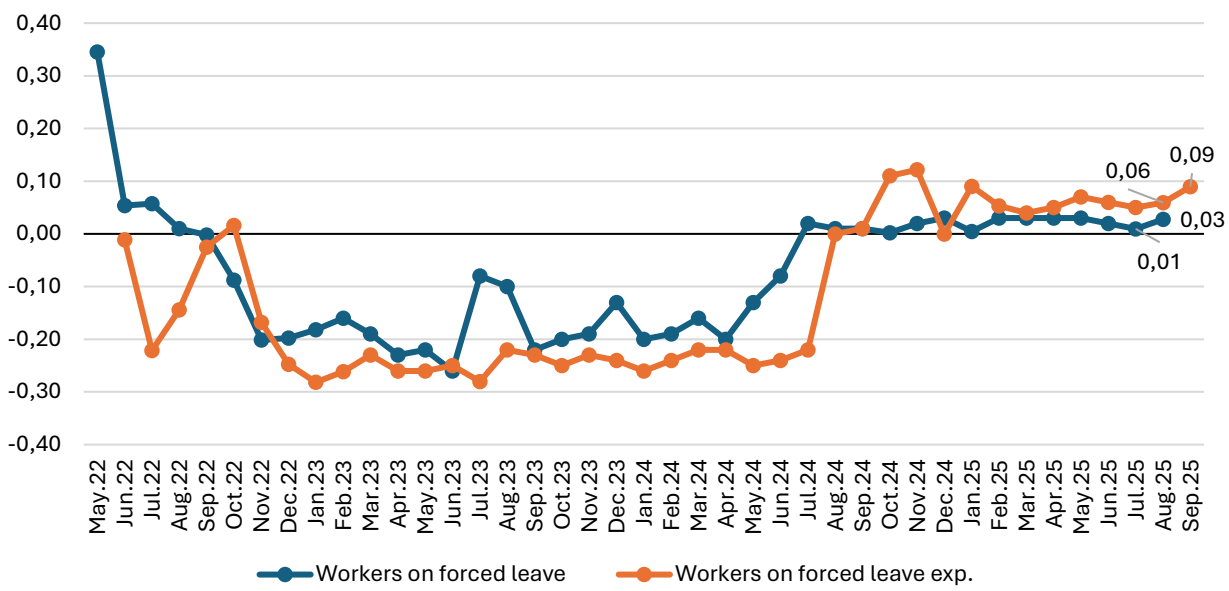


Employment: is expecting a slight increase in workers on forced leave

Number of workers



Number of workers on forced leave



Expectations for 3 months

- % of enterprises **planning employment growth** in the next 3-4 months, **slightly increased** (from 14.2% to 16.4%)
- % of enterprises that **intend to reduce the number of employees also increased slightly** (from 4.6% in July to 7.4%)

The index of expected changes did not change significantly and is 0.09 (it was 0.10)

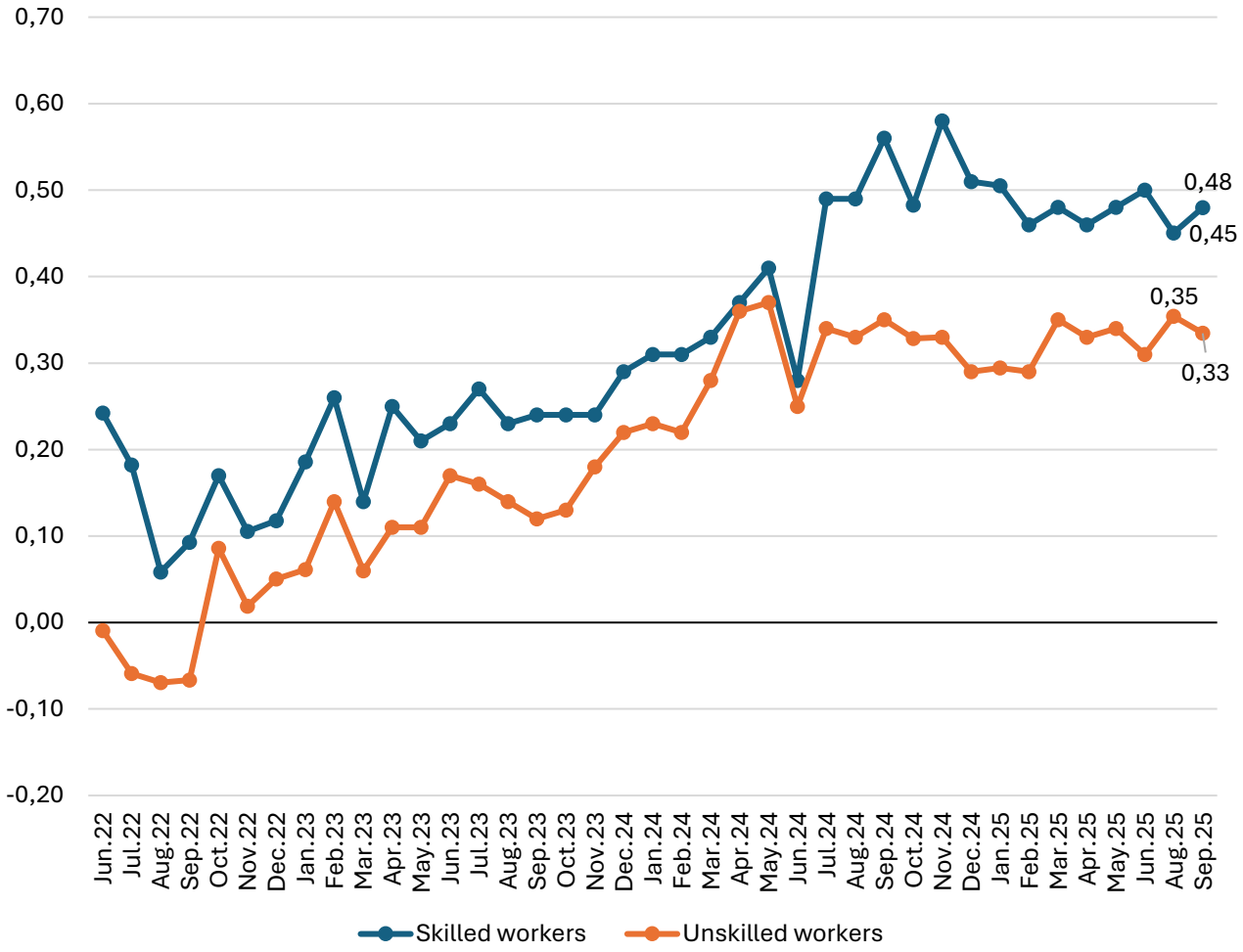
Expectations for 3 months

- % of enterprises **planning to increase the number of workers on forced leave increased** (from 6.9% to 10.1%)
- % of enterprises **planning to reduce workers on forced leave, without significant changes** (0.8% in July vs 0.3% in August)

The index of expected changes increased slightly, from 0.06 to 0.09

Problems finding workers: a slight increase for the skilled and decreased for the unskilled

Problems with finding workers



In August 2025 is observing **a slight increase in problems in the search for qualified workers, and a decrease in the search for unskilled workers**

Skilled workers:

- % of those who **reported that it was more difficult to find such workers increased** (from 44.8% in July to 50.1% in August)
- % of those **said that it was easier to find skilled workers has not changed significantly** (0.02% in July and June vs 1.6% in August)

The difficulty index increased from 0.45 to 0.48

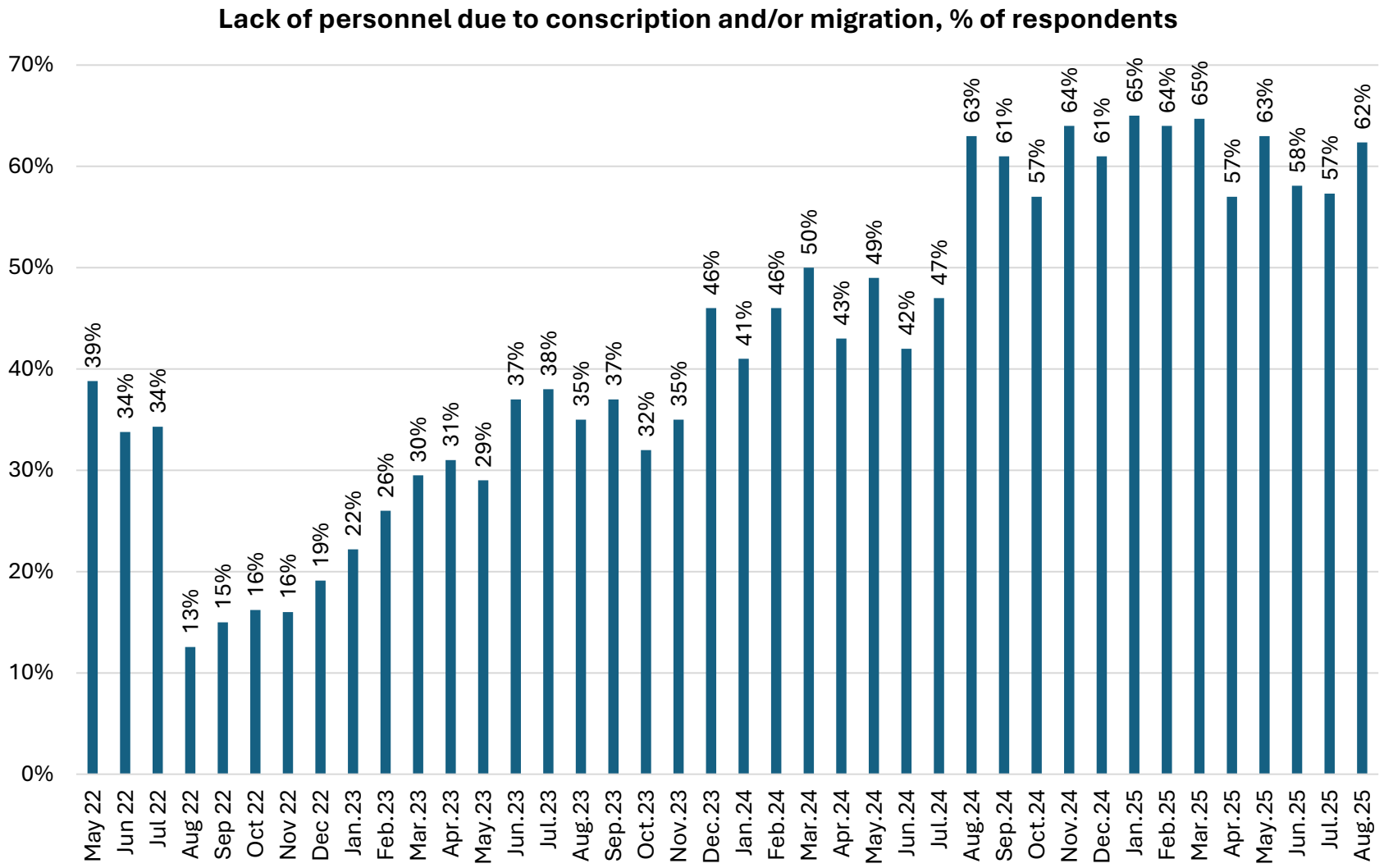
Unskilled workers:

- % of those who **find it more difficult to find them remained unchanged** (36.3%, the same as in July)
- % of those who **reported that they were easy to find increased slightly** (from 2.9% in July to 4.1% in August)

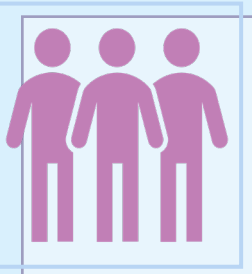
The difficulty index decreased slightly, from 0.35 to 0.33

“Lack of personnel” retains its leading position in the list of impediments and has increased in importance

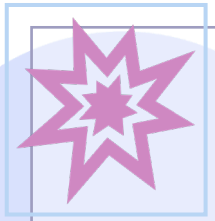
- **Share of enterprises**, that indicated “lack of personnel” as an impediment **increased significantly** (from 57% in July to 62% in August)
- In the list of impediments, “lack of personnel” **remains in the first position**



Main results 5: Impediments



“Lack of personnel” maintains leadership in the list of impediments with a **significant increase in importance**



“It is dangerous to work” with a decrease in value **drops from the 1st step to the second**, sharing it with “rising prices”

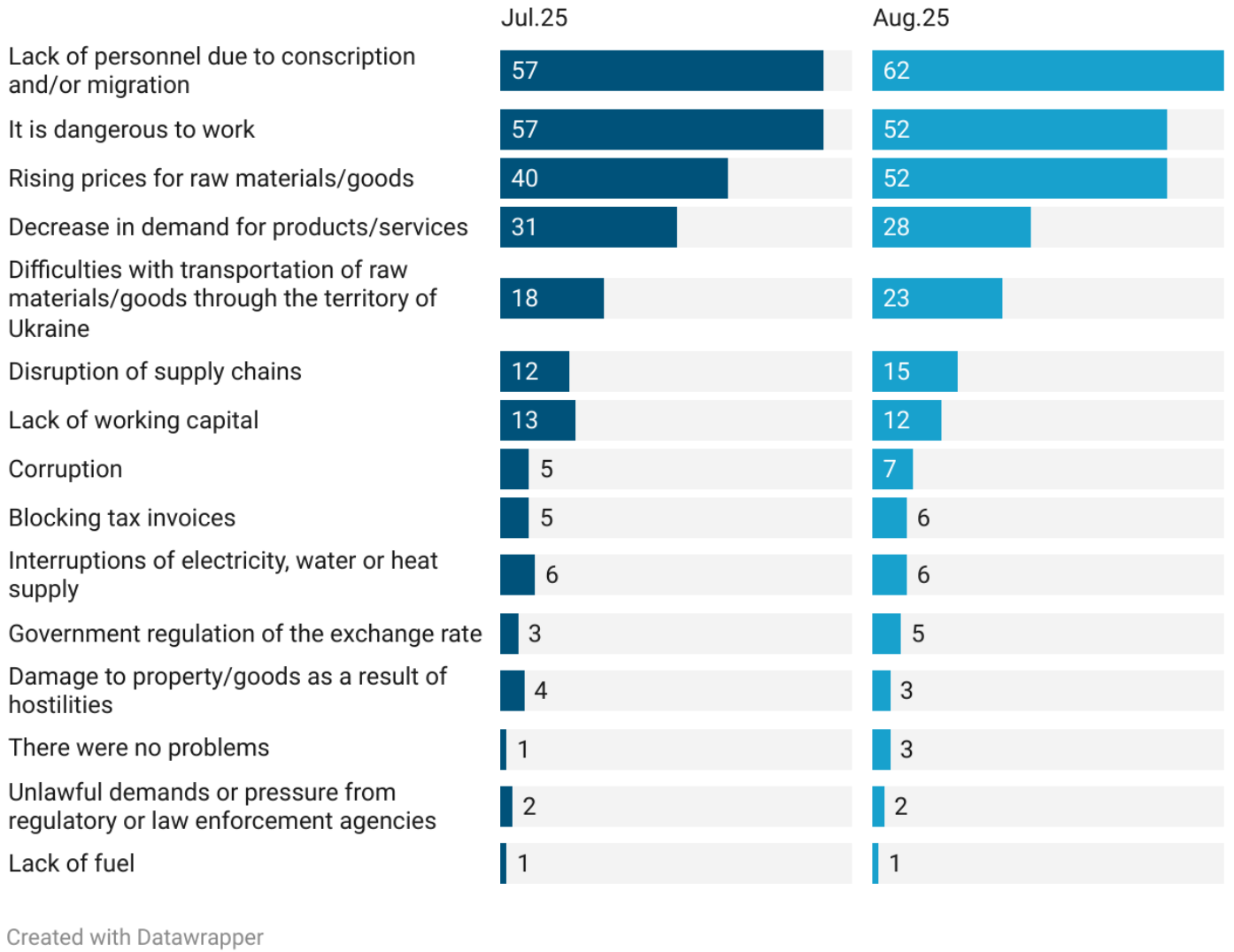
“Rising prices”, with a significant increase in value, rises from the 3rd to the 2nd position, sharing it with “it is dangerous to work”

“Interruptions with electricity” with the unchanged value drop from the 8th to the 9th step**,** sharing it with the “blocking of tax invoices”

The main impediments to doing business in wartime, % of respondents

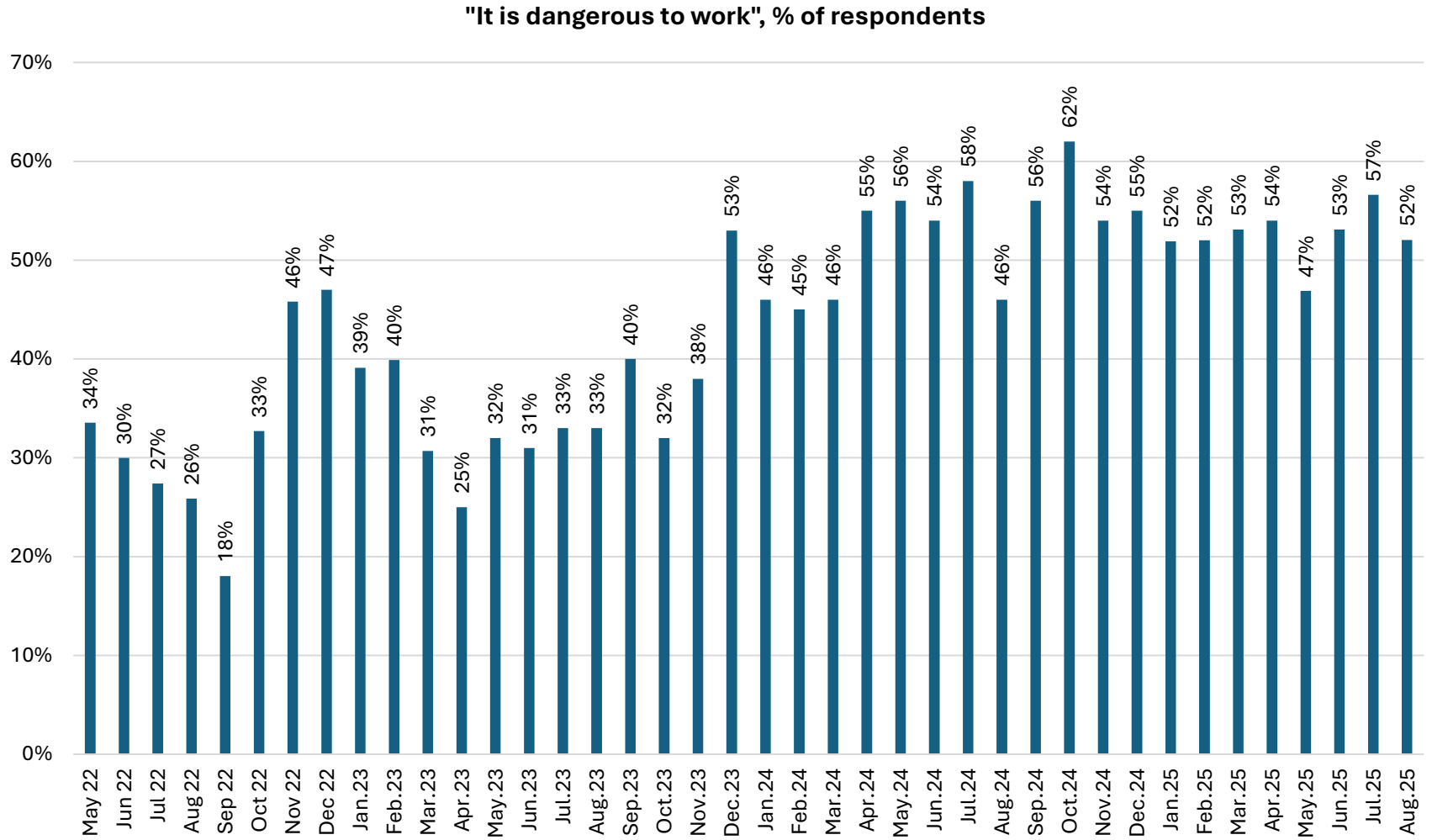
In August 2025, the list of the top three obstacles to business development remains unchanged, while there are changes in the percentage distribution

- The **“lack of personnel”, with a significant increase in the value** (from 57% in July to 62% in August), **maintains its leading position**
- **“It is dangerous to work” with a decrease in value** (from 57% in July to 52% in August) **drops from the 1st position and shares the second position with “rising prices”**
- The impediment **"rising prices for raw materials and goods" by increasing the value** (from 40% to 52%) **rises from the 3rd to the 2nd position, sharing it with “it is dangerous to work”(!!!)**
- **“Decrease in demand”, despite a slight decrease in value** (from 31% in July to 28% in August), **remains in the 4th place**
- **“Interruptions with electricity”, with an unchanged value** (6%, as in July) **drops from the 8th to the 9th place, sharing the step with “blocking tax invoices”**
- Corruption and pressure from law enforcement agencies are not significant problems



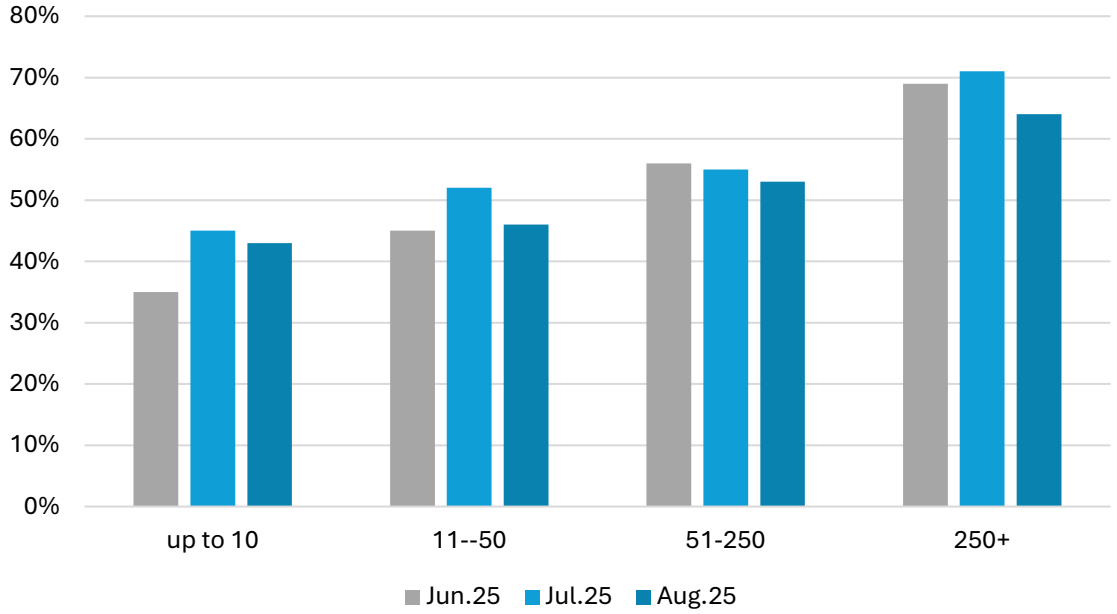
“It is dangerous to work” remains among the top three impediments

- **The share of enterprises that chose “it is dangerous to work” as an impediment decreased** (from 57% to 52%)
- In the list of impediments, “it is dangerous to work” **falls from the 1st to the 2nd position, sharing it with “rising prices”**

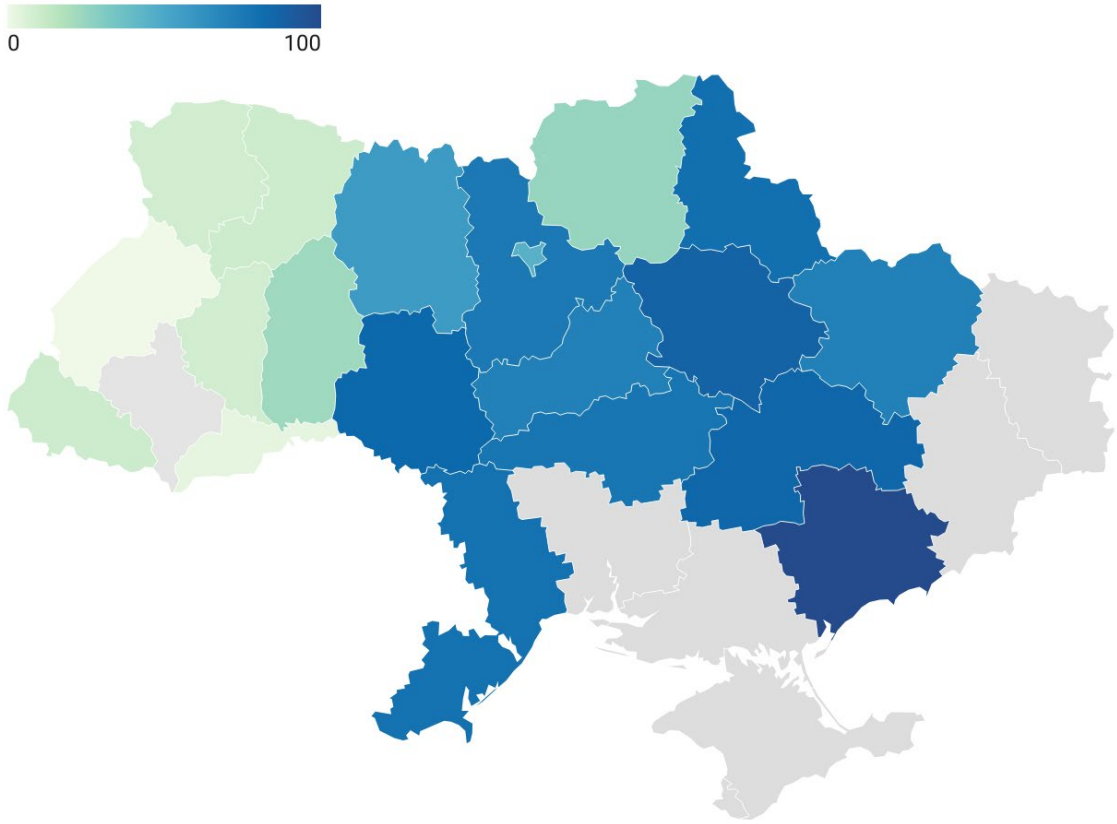


“It is dangerous to work” by different criteria

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



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

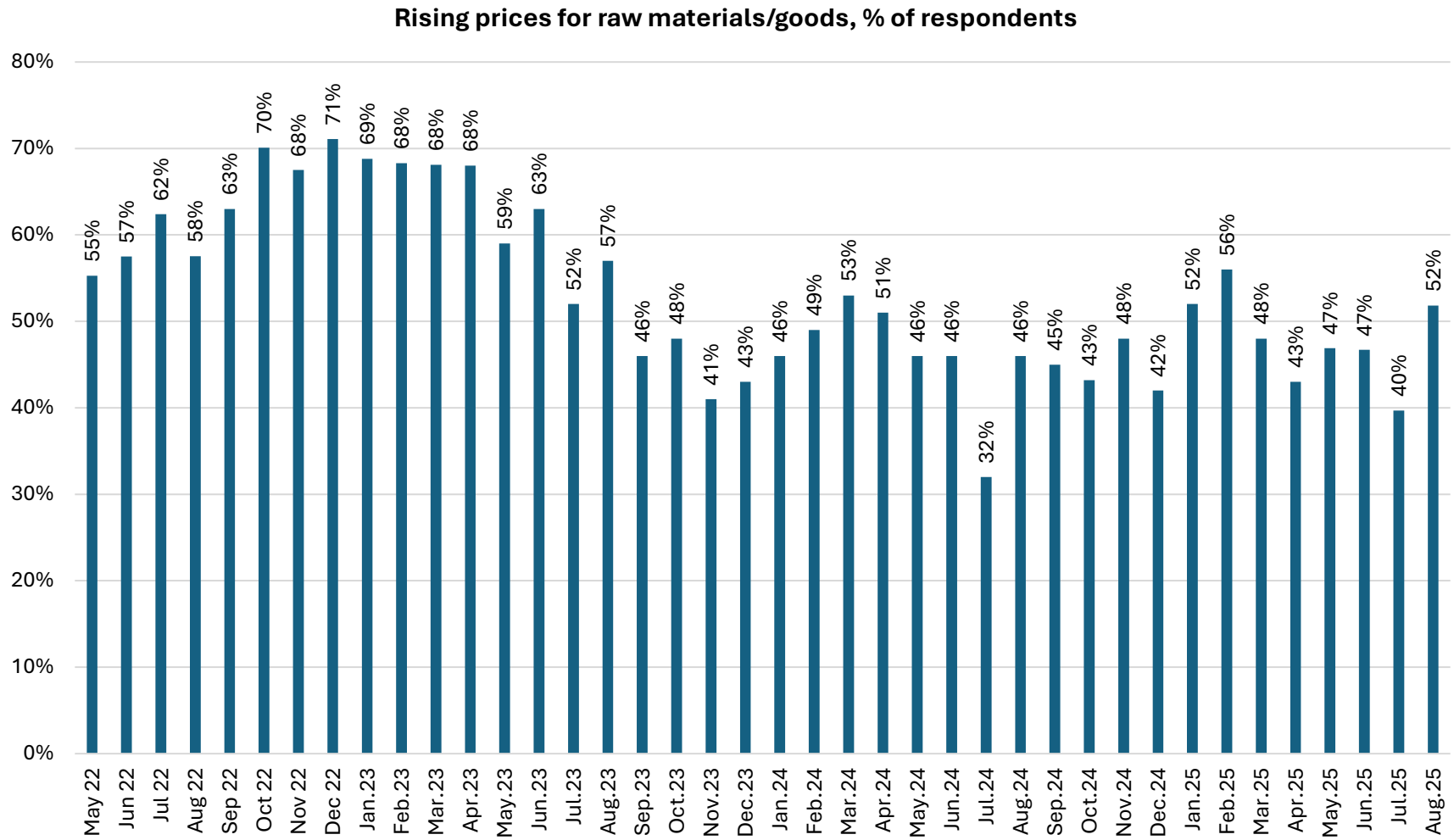


- **% of enterprises that chose “it is dangerous to work” as an impediment decreased regardless of the size of the enterprise**. At the same time, this figure remains the highest for large enterprises
- **80+% of respondents in Sumy, Vinnytsia, Dnipropetrovsk, Poltava and Zaporizhzhia regions** consider dangerous conditions an impediment to doing business

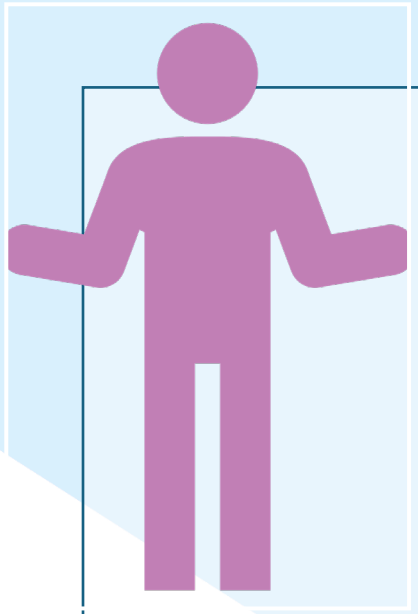
Note. The number of respondents in Ivano-Frankivsk region was insufficient to analyze this issue

“Price growth” has increased in value and remains among the top three impediments

- **% of enterprises for which “rising prices for raw materials and materials” is an impediment increased** from 40% to 52%
- In the list of obstacles, “price growth” **has risen from the 3rd to the 2nd place**



Main results 6. Economic policy



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

The share of positive assessments of the Government's economic policy has increased

	Sep.24	Oct.24	Nov.24	Dec.24	Jan.25	Feb.25	Mar.25	Apr.25	May.25	Jun.25	Jul.25	Aug.25
Positively	5	4	4	4	4	3	2	4	4	4	2	8
Neutrally	61	53	56	61	63	66	65	63	64	65	66	55
Negatively	24	29	27	25	23	21	23	24	24	20	22	25
Don't know / Didn't answer	10	14	13	10	10	9	9	9	8	11	10	12

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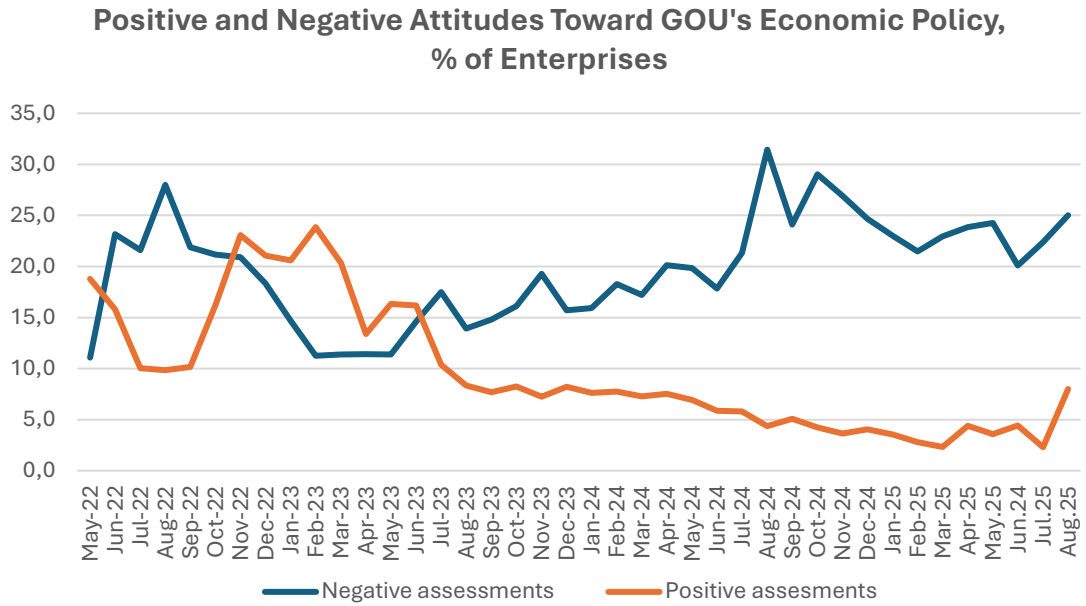
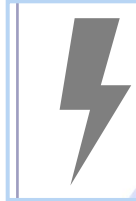


- **The share of positive assessments of the Government's policy has increased** from 2% to 8%
- **The share of neutral assessments of the Government's business support policy decreased** (from 66% in July to 55% in August)
- **The share of negative assessments increased slightly** (from 22% in July to 25% in August)
- **The share of those who have not decided on the answer also increased slightly** (from 10% in July to 12% in August)

Main results 7: Interruptions with electricity

The share of companies for which “interruptions with electricity” is an obstacle did not change in August compared to July



10% of enterprises were forced to temporarily suspend work due to power outages in July 2025

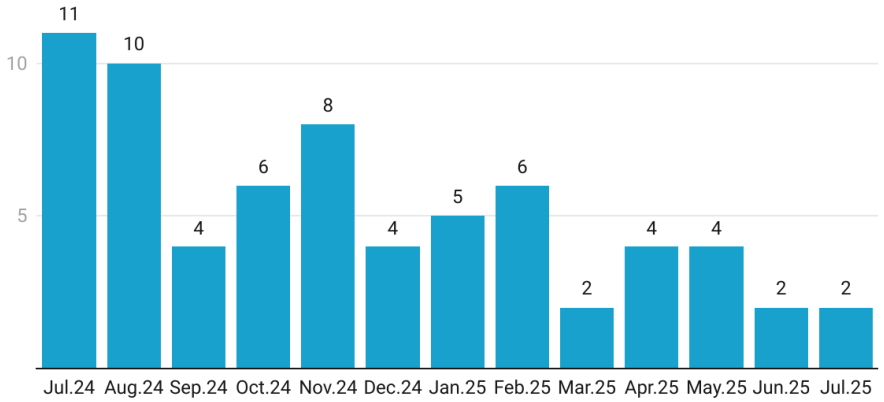
In July 2025, businesses lost 2% of their total working hours due to power outages

The losses of enterprises of different sizes and industries were almost equal. At the same time, the lowest time losses are in the woodworking and food industries

“Interruptions with electricity” is not a problem for business

- **The share of companies for which “power outages” is an impediment remained unchanged** (6%, the same as in July)
- **In the list of impediments “interruptions with electricity”** dropped from the 8th to the 9th place

Average % of time loss



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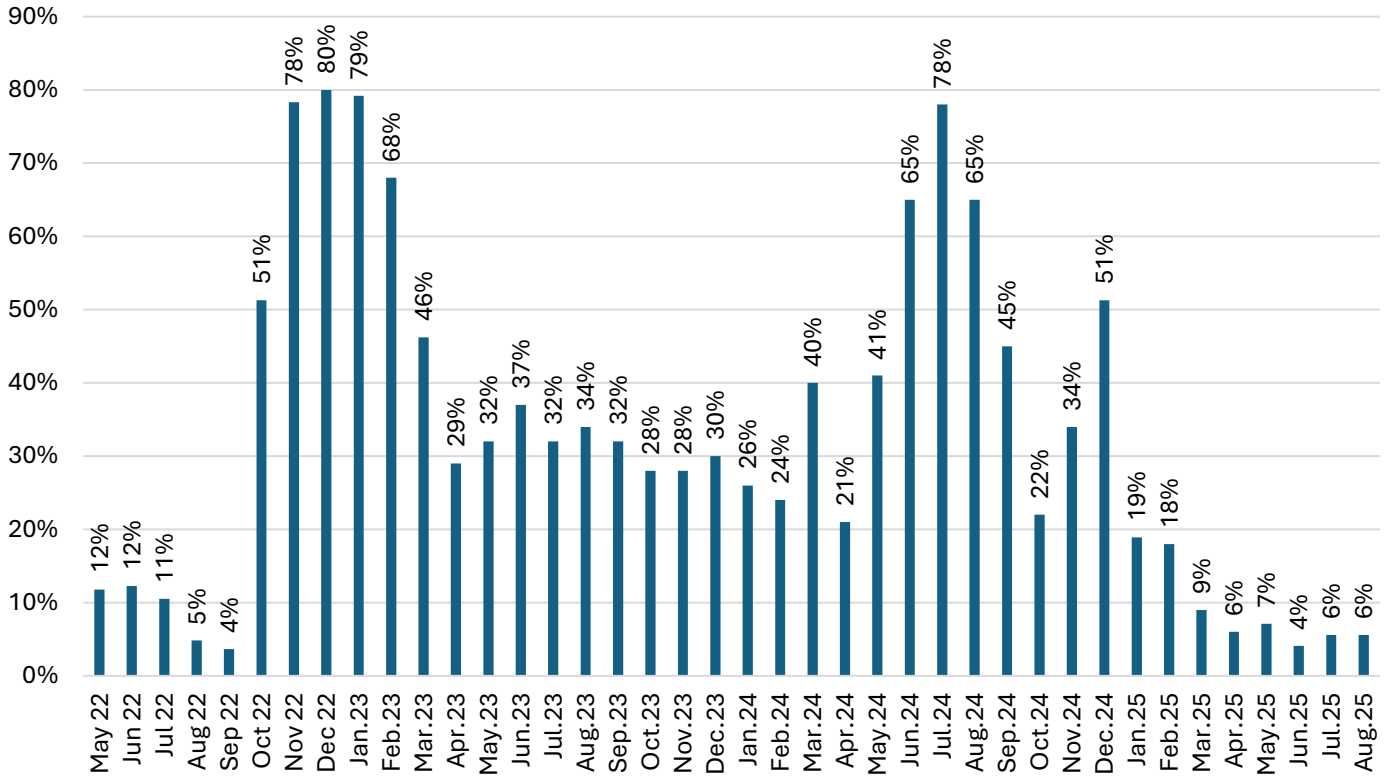
Interruptions with electricity as impediment for doing bussiness, % of repondents



Some enterprises are still experiencing power outages

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

	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
No power cuts	5	10	41	30	7	33	40	45	52	50	51	47	47
0% (worked all the time)	23	24	34	31	24	39	22	29	41	34	36	46	43
1-10% of working time	39	40	18	29	46	24	35	23	5	13	11	5	9
11-25% of working time	24	23	6	8	20	3	3	0	1	0	2	1	1
26-50% of working time	7	2	1	1	2	0	0	0	0	0	0	0	0
51-100% of working time	2	2	0	2	1	1	0	2	0	1	0	1	0

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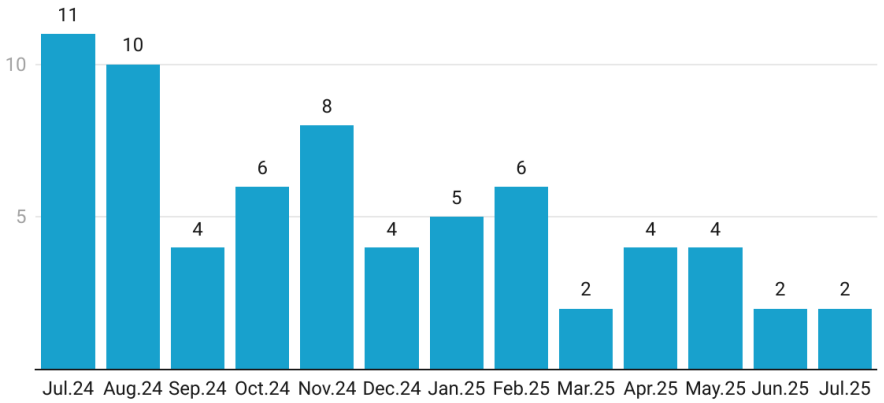
- Only **10%** of businesses **temporarily suspended work** due to power outages in July 2025 (7% in June):
- **9%** of enterprises stopped working **only for 1-10%** of **working hours**
- At the same time, **43%** of businesses **worked continuously**, despite power outages
- **47%** of businesses did **not** have **power outages**

Loss of working hours due to power outages

- In **July 2025**, due to power outages, **businesses lost 2%** of their total working hours (businesses that had outages)
- **Differences** between **industries** and **regions** were recorded
- The **largest losses** of working time due to power outages were experienced by enterprises in **Sumy** and **Chernivtsi regions**

Average % of time loss



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% of working time loss, by regions

	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
Chernivtsi	12	12	1	6	3	0		37					17
Sumy	17	21	9	15	14	9	11	4	10				8
Dnipro	6	6	2	15	18	4	6	6	1	6	6	0	4
Volyn	9	9	10	9	9	2	3			0	6	9	2
Poltava	5	9	2	6	5	4	5	2	1	2	4	1	2
Khmelnytskyi	19	14	2	11	19	6	6	7	6	1	4		1
Kyiv	4	3	2	0	5	1	2	2	0	1	8	0	0
Zhytomyr	6	3	0	6	6	0	6	6	0	23	0	4	0
Odesa	5	5	0	2	3	2	2	0		2	1	0	0
Cherkasy	20	18		2	9	6	6	6	2	0	0	0	0
Zakarpattia	8	6		2	4	5	4	0	0	0	0	0	0
Kyiv City	14	6		1	10	2		2	0	0		0	0
Rivne	2	0		9	10	0				10	19		0
Kharkiv	8	15	10	13	4	0	2	26		3		1	
Kirovohrad	16	8	2	7	5	1	3						
Lviv	11	1	8	1	3		0						
Ternopil	14	9	8			0							
Zaporizhzhia	24	14	4	0	13								
Chernihiv	6	9		0	11								
Vinnytsia	1			25	0								
Ivano-Frankivsk				0									

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Loss of working time is almost equal for businesses of various types

- The **loss of working time** was again **almost equal** for **enterprises of different sizes**
- **In most industries, losses** are almost **equal.** However, the **lowest time** losses are in the **woodworking** and **food industries**

% of working time loss, by enterprise size

	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
Micro	16	15	7	7	12	3	5	12	8	2	4	6	2
Small	12	10	6	7	8	7	5	7	2	4	2	1	2
Medium	10	7	4	6	7	3	5	3	1	4	4	1	3
Large	10	9	2	6	8	2	4	6	0	3	4	4	1

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% of working time loss, by industry

	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
Light industry	15	8	3	6	9	7	5	12	1	2	2	2	3
Metalworking	13	7	4	10	11	8	7	4	3	4	5		3
Machine building	12	11	4	4	6	7	4	4	1	3	3	4	3
Chemical industry	12	14	7	13	9	3	3	3	1	2	1	1	3
Food industry	10	7	3	6	7	3	6	6	1	3	5	0	1
Woodworking	18	13	10	9	6	2	2	2	0	8	8	0	0
Construction materials	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 40-th wave lasted from August 19 - 29, 2025. The enterprise managers compared the work results in August 2025 with July, assessed the indicators at the time of the survey (August 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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