



National Bank
of Ukraine

Monthly Business Outlook Survey

January 2025

The findings presented only reflect the opinions of the respondents, and should not be considered as NBU forecasts or assessments

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Summary

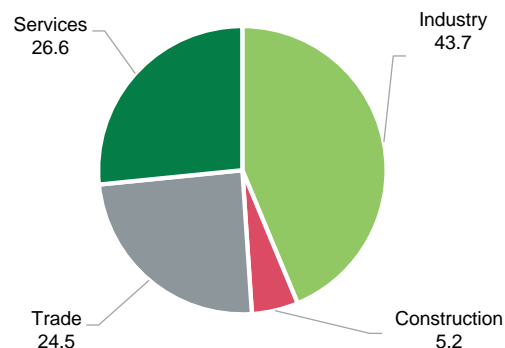
Businesses weakened their current performance expectations due to seasonal factors. **The business activity expectations index (BAEI) was 41.0 in January 2025**, down from 45.9 in December 2024, being at the level of January 2024.

- The index dynamics was restrained by the difficult security situation, a lack of investment in production capital, energy and labor needs, rising production costs, inflation and depreciation. At the same time, sustained consumer demand and substantial international financial aid were positive factors.
- Compared to January 2024, construction, trading and services companies **had better performance expectations**. In contrast, industrial companies had expectations that were slightly below the seasonal level.
- Companies across all of the surveyed sectors expected a decrease in the amount of manufactured goods/services provided. They also expected falls in construction volumes, the number of new orders for products/services, including export orders, trade turnovers, and the amount of goods purchased for sale.
- With strong expectations of robust growth in purchase prices, respondents continued to declare intentions to raise their selling prices.
- Staff expectations remained pessimistic. Companies across all sectors continued to declare intentions to reduce their workforces, with the strongest intentions reported by construction companies. That said, services companies improved their still pessimistic employment outlook.

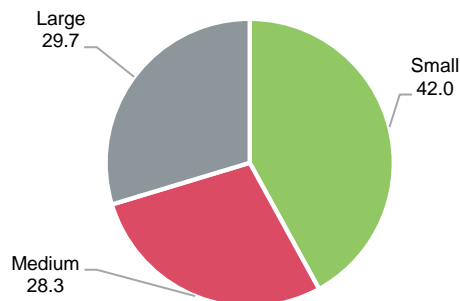
The NBU posts monthly survey results in the open data format. The data are available at the following link: <https://bank.gov.ua/ua/open-data/api-dev>

Survey Details

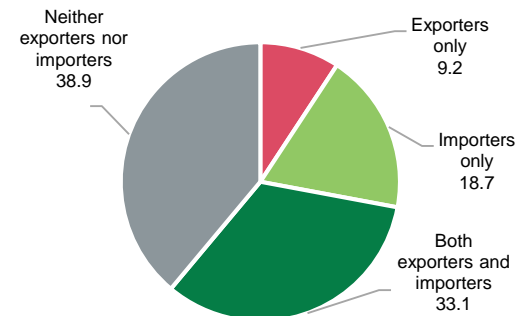
Respondents by sectors of the economy, %



Respondents by company size, %



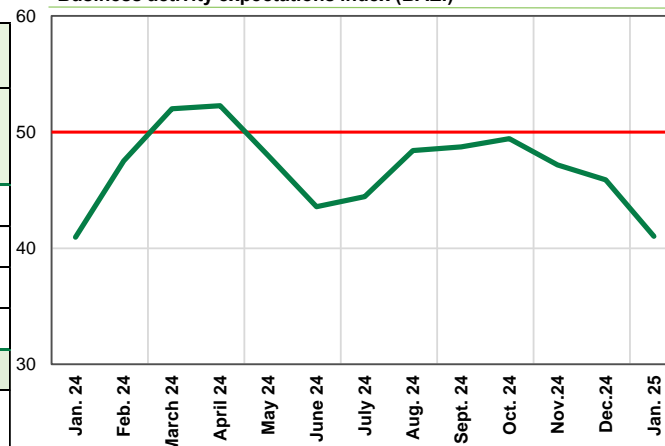
Respondents by business activities, %



- This survey was carried out from 6 January through 23 January 2025
- A total of 519 companies were polled
- Survey horizon: change in companies' performance expectations in January 2025 compared to December 2024

Sector	Sector's share used to calculate BAEI, %	Diffusion index (sectoral)		
		December 2024	January 2025	Change m/m
Industry	35.2	44.6	42.0	-2.5
Construction	3.2	43.4	37.2	-6.2
Trade	26.2	49.9	40.0	-9.9
Services	35.4	44.5	41.1	-3.4
Total	100.0	BAEI (total across Ukraine)		
		45.9	41.0	-4.9

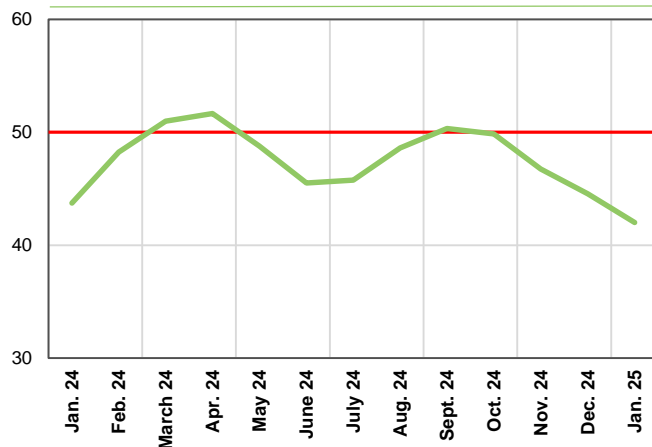
Business activity expectations index (BAEI)



Data for totals and components may be subject to rounding effects

Industry

Diffusion Index of Industrial Companies' Business Activity Expectations



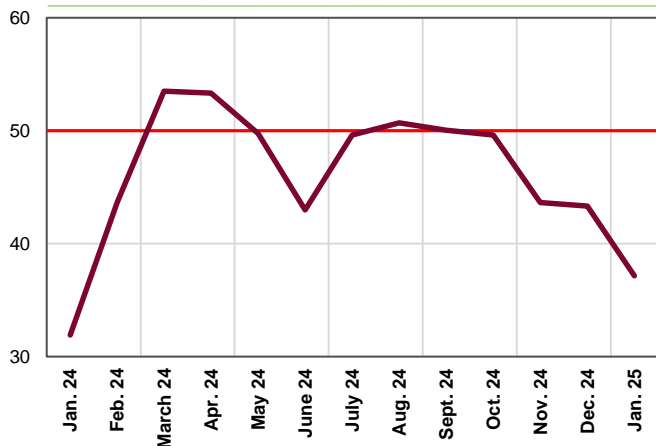
Diffusion Indices (DIs) for industrial companies' performance expectations



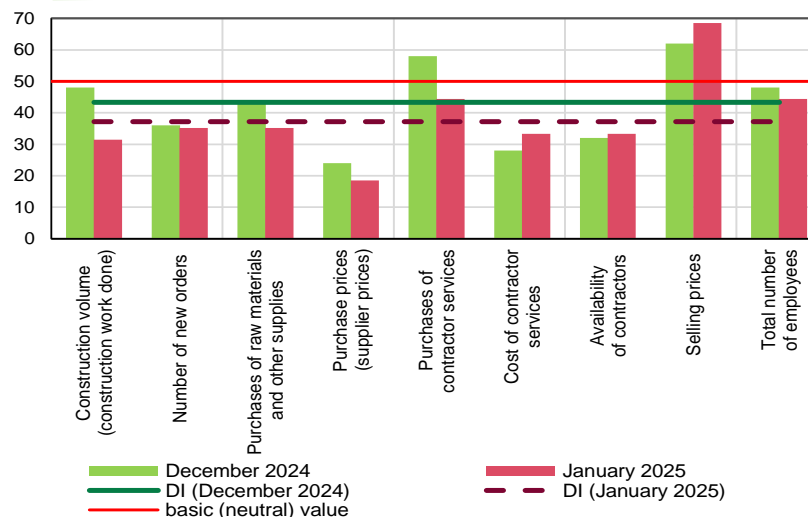
- Industrial, and especially mining, companies downgraded their performance expectations amid the destruction of production facilities, a lack of investment in production capital, a shortage of labor, and higher production costs. In January 2025, **the sector's DI was 42.0**, compared to 44.6 in December 2024 and 43.7 in January 2024.
- Respondents continued to weaken their expectations about the amount of manufactured goods and the number of new orders for products, including export orders, the DIs being 36.8, 39.0 and 36.1 respectively, compared to 45.3, 45.1 and 39.9 in December. In contrast, industrial companies were less downbeat about the amount of unfinished products, the DI being 43.8, up from 39.1 in December.
- Respondents expected a further fall in finished goods stocks and in stocks of raw materials and supplies, the DIs being 58.4 and 40.3 respectively, compared to 54.7 and 42.9 in December.
- With more robust growth in raw material and supplies prices, companies said they intended to raise their selling prices further, the DIs being 25.3 and 67.6 respectively, compared to 28.1 and 65.4 in December.
- Respondents reported less strong intentions to lay off staff, the DI being 45.2, up from 44.6 in December.

Construction

Diffusion Index of Construction Companies' Business Activity Expectations



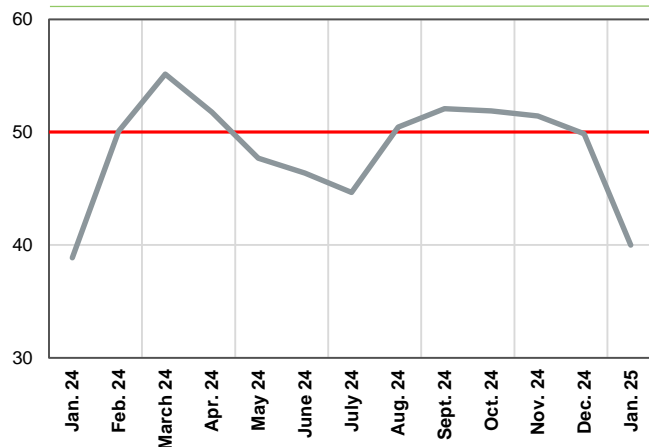
Diffusion Indices (DIs) for construction companies' performance expectations



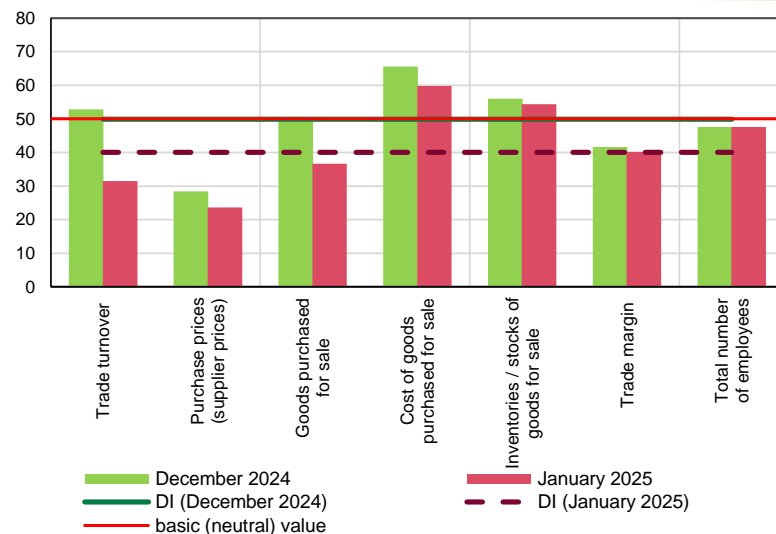
- Due to the seasonal nature of construction work and shortages of qualified staff, construction companies have reported the most pessimistic economic outlook of all the sectors for three months in a row, **the sector's DI being 37.2 in January**, compared to 43.4 in December 2024. However, the diffusion index **increased significantly** compared to January 2024 (DI of 31.9).
- Compared to the previous month, respondents expected a decrease in construction volumes, the number of new orders and in purchases of raw materials and supplies, the DIs being 31.5, 35.2 and 35.2 respectively, compared to 48.0, 36.0 and 44.0 in December.
- Despite slower growth in the cost of contractor services, respondents said they intended to purchase fewer of these services, the DIs being 33.3 and 44.4 respectively, compared to 28.0 and 58.0 in December.
- With expectations of a further rise in supplier prices, respondents declared intentions to raise their selling prices at a faster pace, the DIs being 18.5 and 68.5 respectively, compared to 24.0 and 62.0 in December.
- Respondents reported the most pessimistic employment outlook among other sectors, the DI being 44.4, down from 48.0 in December.

Trade

Diffusion Index of Trading Companies' Business Activity Expectations



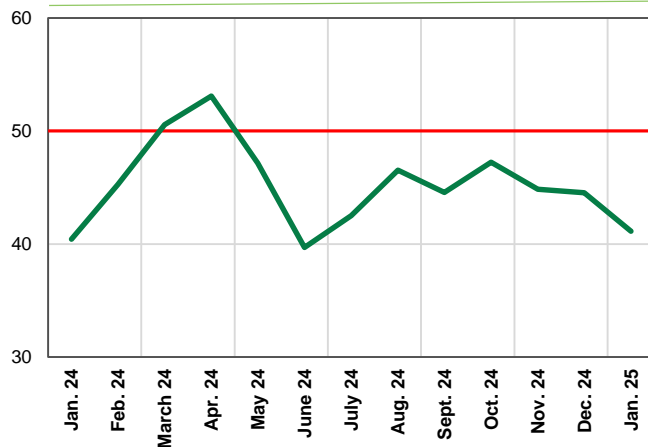
Diffusion Indices (DIs) for trading companies' performance expectations



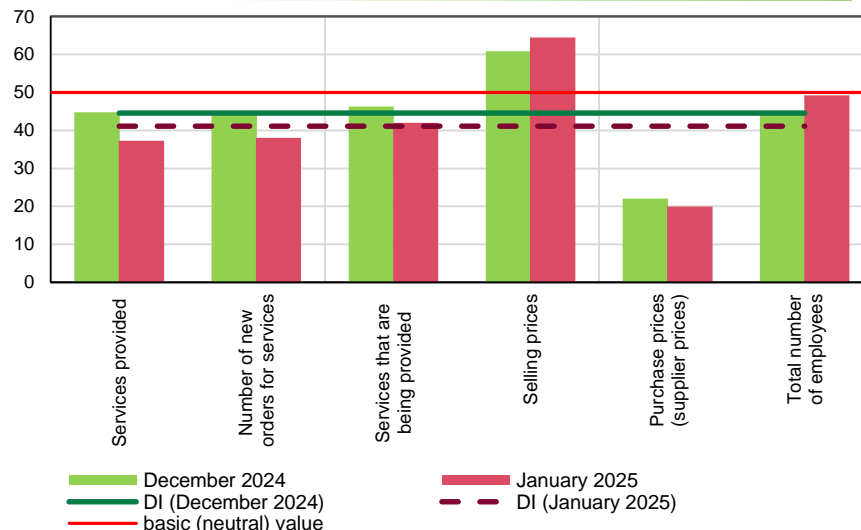
- Trading companies weakened their performance expectations significantly on the back of the usual decline in economic activity in the first month of the year, and high fuel prices. **The sector's DI was 40.0** in January 2025, compared to 49.9 in December 2024 and 38.9 in January 2024.
- Respondents expected a decrease in trade turnover and in the amount of goods purchased for sale, the DIs being 31.5 and 36.6 respectively, compared to 52.8 and 49.2 in December. Meanwhile, companies improved their expectations for their stocks of goods purchased for sale, the DI being 54.3, down from 56.0 in December.
- Despite more rapid growth in purchase prices, respondents reported significantly weaker expectations of an increase in the cost of goods purchased for sale, the DIs being 23.6 and 59.8 respectively, compared to 28.4 and 65.6 in December.
- Trading companies continued to report intentions **to cut their trade margins**, the DI being 40.2, down from 41.6 in December.
- Companies continued to report a pessimistic employment outlook, the DI being 47.6, unchanged on December.

Services

Diffusion Index of Service Providers' Business Activity Expectations



Diffusion Indices (DIs) for services companies' performance expectations



- Higher production costs, coupled with seasonal factors, weakened services companies' expectations of their January economic performance, **the sector's DI being 41.1 in January**, compared to 44.5 in December 2024 and 40.4 in January 2024.
- Companies expected a drop in the amount of services provided, the number of new orders for services, and in the amount of services that are being provided, the DIs being 37.3, 38.0 and 42.0 respectively, compared to 44.8, 45.1 and 46.3 in December.
- On the back of stronger expectations of a faster rise in purchase prices, respondents declared intentions to raise their selling prices further, the DIs being 19.9 and 64.5 respectively, compared to 22.0 and 60.8 in December.
- Respondents reported a significantly more optimistic employment outlook**, the DI being 49.3, up from 44.8 in December.



Annexes

Data on surveys of industrial companies in January 2025

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Manufactured goods	15	44	41
Number of new orders for products	15	48	37
Number of new export orders for goods	11	50	39
Unfinished products (unfulfilled orders)	11	66	23
Finished goods stocks	15	54	31
Stocks of raw materials and supplies	14	53	33
Prices for raw materials and supplies	51	47	2
Selling prices	36	63	1
Total number of employees	4	81	14

Data on surveys of construction companies in January 2025

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Construction volume (construction work done)	15	33	52
Number of new orders	7	56	37
Purchases of raw materials and supplies	15	41	44
Purchase prices (supplier prices)	63	37	0
Purchases of contractor services	15	59	26
Cost of contractor services*	37	59	4
Availability of contractors	4	59	37
Selling prices	37	63	0
Total number of employees	4	81	15

Data on surveys of trading companies in January 2025

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Trade turnover	11	41	48
Purchase prices (supplier prices)	53	47	0
Goods purchased for sale	15	43	42
Cost of goods purchased for sale	37	46	17
Inventories / stocks of goods for sale*	16	60	24
Trade margin	6	69	25
Total number of employees	8	80	13

Data on surveys of companies in the services sector in January 2025

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Services provided	12	51	37
Number of new orders for services	11	54	35
Services that are being provided	12	61	28
Selling prices	33	64	4
Purchase prices (supplier prices)	61	38	1
Total number of employees	9	81	10

Main Terms and Definitions

- **The diffusion index (DI)** is calculated as the sum of the percentage of positive replies (indicates an increase) and half of the percentage of neutral replies (indicates no change), using the following formula:

$$DI_j = (P \cdot 1) + (E \cdot 0.5) + (N \cdot 0),$$

where **P** is the percentage of respondents that reported an increase (optimistic views)

E is the percentage of respondents that reported no change and

N is the percentage of respondents that reported a decrease (pessimistic views).

Provided that $P + E + N = 100$

- The values of the index can range between 0 and 100:
 - a value of 50.0** indicates no change compared to the previous month
 - values above 50.0** indicate an improvement or an increase compared to the previous month
 - values below 50.0** indicate a deterioration or a decrease compared to the previous month.

The more the indices deviate from the value of 50.0, the greater the velocity of change.
- The diffusion indices were calculated using the inverse of replies regarding the following indicators: stocks of finished goods and the prices of raw materials and supplies for industry; purchase prices/supplier prices and the cost of contractor services for construction; purchase prices/supplier prices and stocks of goods for sale for trade; and purchase prices/supplier prices for the services sector. The inverse of replies means that an increase indicates pessimistic views, while a decrease indicates optimistic views.
- **BAEI** is a weighted average indicator that is calculated on the basis of each sector's share in the weight structure.



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