



AMERICAN CHAMBER
OF COMMERCE
UKRAINE



PRESENTATION OF RESULTS

UKRAINE BUSINESS CLIMATE SURVEY

POST-PANDEMIC HORIZON

SEPTEMBER 2021



SUMMARY

100 CEOs and top managers of AmCham member companies took part in the Survey, conducted on August 25 – September 15, 2021. The majority of the respondents (**77%**) are CEOs.

90% of business representatives give an upbeat forecast on their companies' financial health at the end of 2021: **62%** will achieve planned financial results, **28%** will achieve more than was planned. Only **10%** of companies will fail to achieve planned financial results.

Respondents forecasted revenues, number of employees, and investments of their companies at the end of 2021. **59%** of members hope to see an increase in revenues; **5%** forecast a decrease. **52%** of respondents indicate that their companies' headcount will remain unchanged, **42%** point out that their companies will increase the number of employees. **35%** of businesses forecast an increase in investments, while **10%** – a decrease.

AmCham members were also asked to compare their companies' 2021 revenues, number of employees, and investments to 2020. **65%** indicated an increase in revenues, **46%** – increase in the number of employees, **37%** – increase in investments.

SUMMARY

93% of businesses stated that implementation of real and effective judicial reform, rule of law, fair justice, and eradication of corruption is #1 strategic step Ukraine's Government should take first to achieve economic growth, improve the business climate, and attract Foreign Direct Investment.

Other top strategic steps are the following: guarantee a fair, equal, predictable, and transparent tax policy and fair competition (**52%**); ensure macroeconomic stability and continue cooperation with the IMF (**26%**); ensure predictability of the regulatory environment for investors (**23%**); secure investment and property rights (**21%**).

Courts (**56%**), law enforcement agencies (**32%**), oligarchs (**28%**), and tax authorities (**28%**) create the biggest obstacles for business.

Possibility of the new lockdown (**61%**), geopolitical uncertainty (**53%**), escalation of conflict with Russia (**39%**) were identified by business representatives as the top-3 major concerns with regard to doing business over the next six months. Among other concerns – inability to achieve planned financial results (**29%**), security of employees (**22%**), inability to invest (**16%**).

On average, **20%-50%** of AmCham member companies' employees have contracted COVID-19; **40%-70%** are already vaccinated against COVID-19.

The business representatives were asked to indicate their companies' current work formats. **74%** of companies have a hybrid work format or work in shifts. **17%** stated that all their companies' employees returned to the office, in **9%** of companies all employees continue to work remotely.



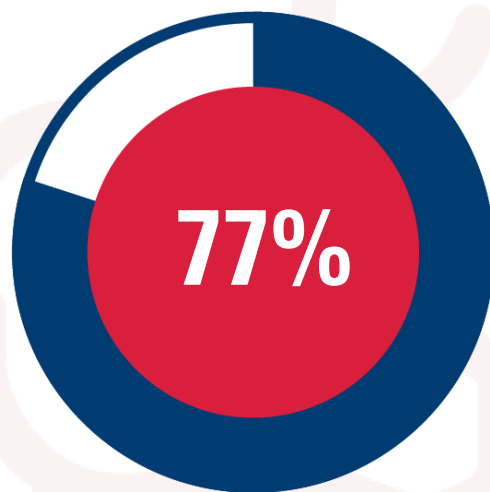
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For more details, please contact Yuliana Chyzhova, AmCham Chief Communications Officer
ychyzhova@chamber.ua | +380 (44) 490 58 00

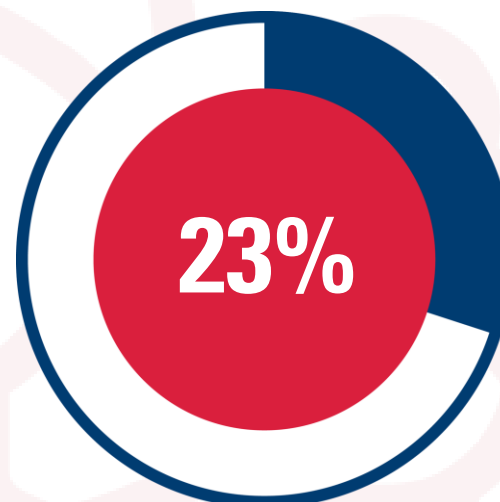


RESPONDENTS

100 AmCham member companies' representatives:
biggest Ukrainian and international investors

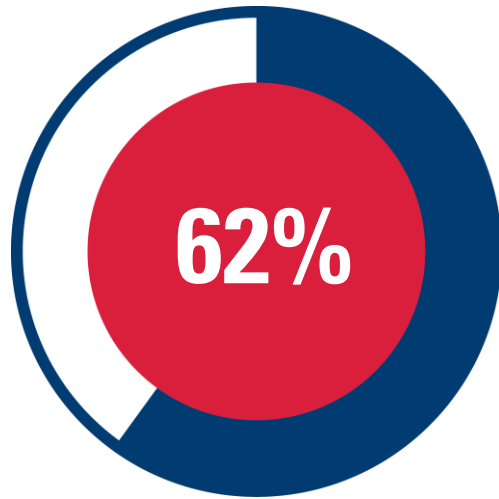


CEOs

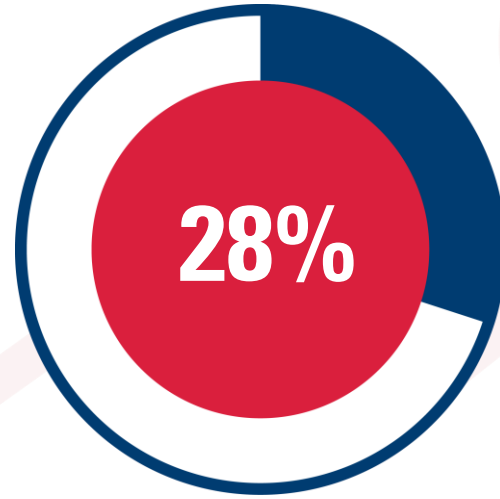


top-managers

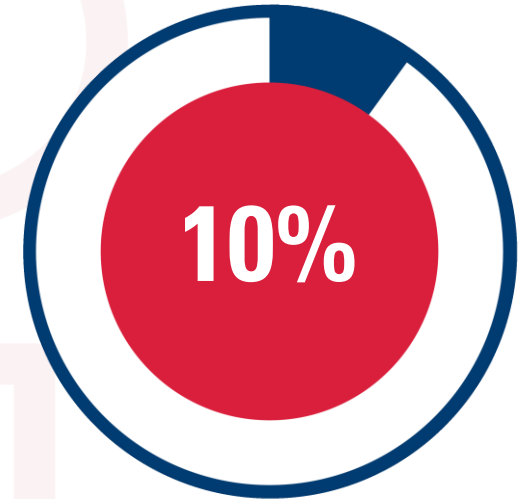
FORECAST: COMPANIES' FINANCIAL HEALTH AT THE END OF 2021



will achieve planned
financial results

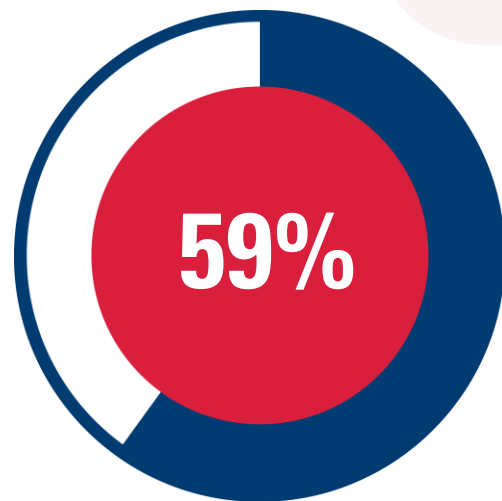


will achieve more
than was planned

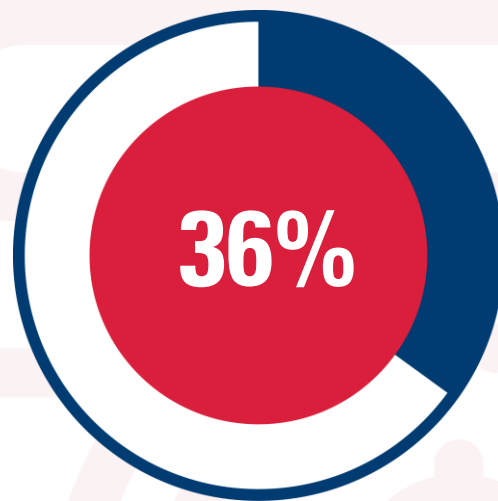


will fail to achieve
planned financial results

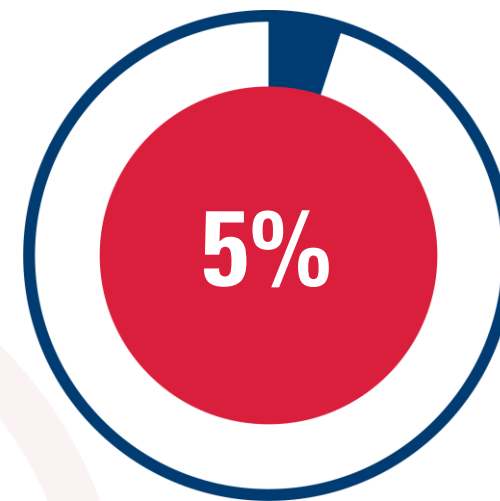
FORECAST: COMPANIES' REVENUE AT THE END OF 2021



will increase

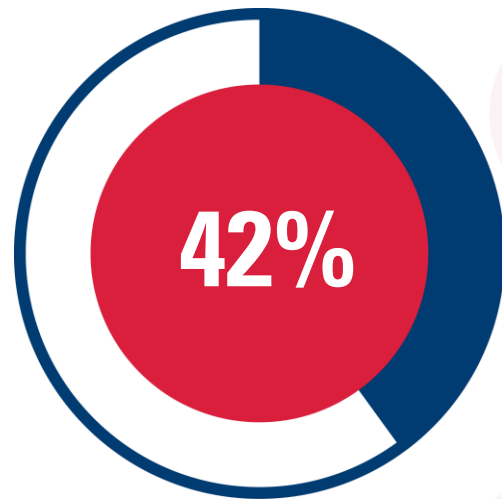


will remain
unchanged

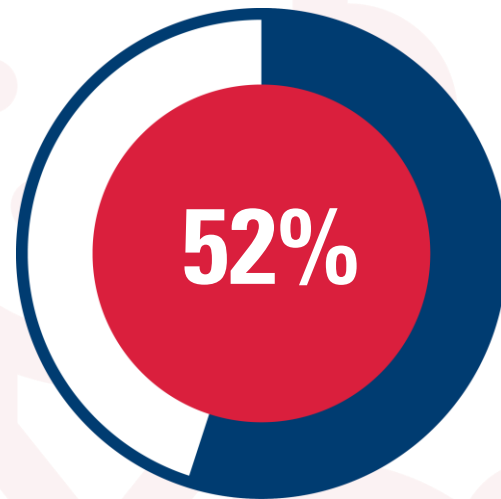


will decrease

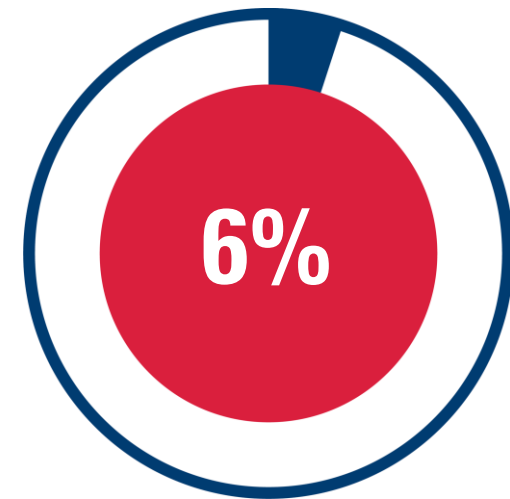
FORECAST: COMPANIES' NUMBER OF EMPLOYEES AT THE END OF 2021



will increase

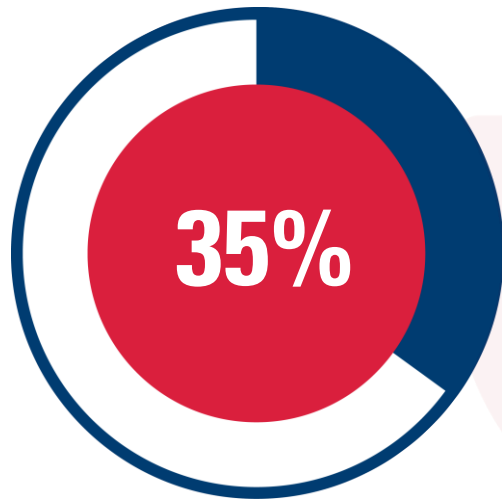


will remain
unchanged

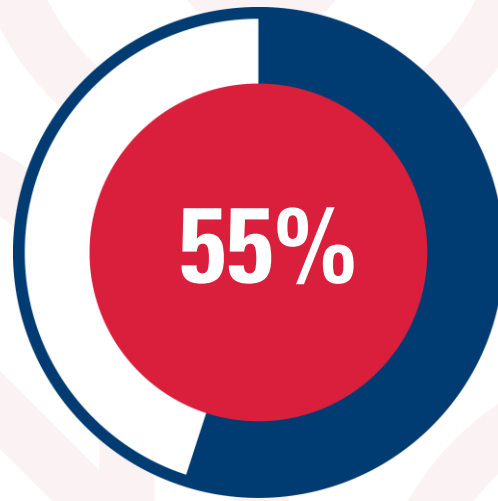


will decrease

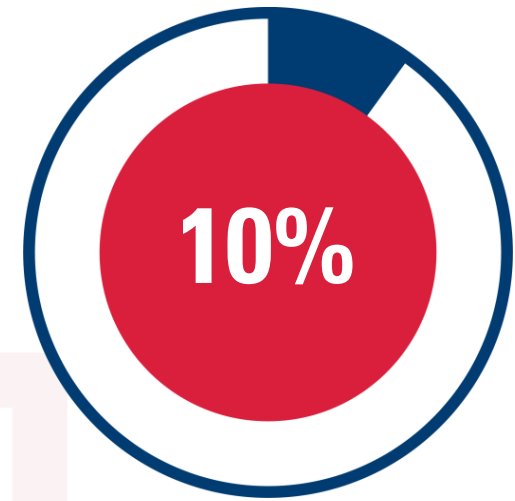
FORECAST: COMPANIES' INVESTMENTS AT THE END OF 2021



will increase

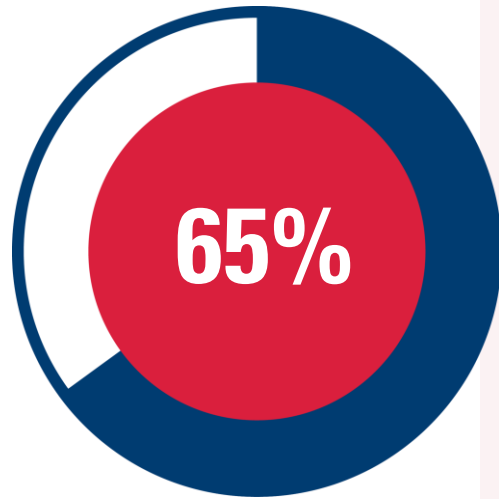


will remain
unchanged

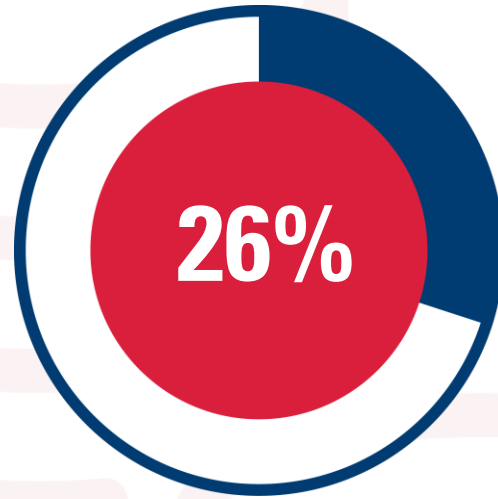


will decrease

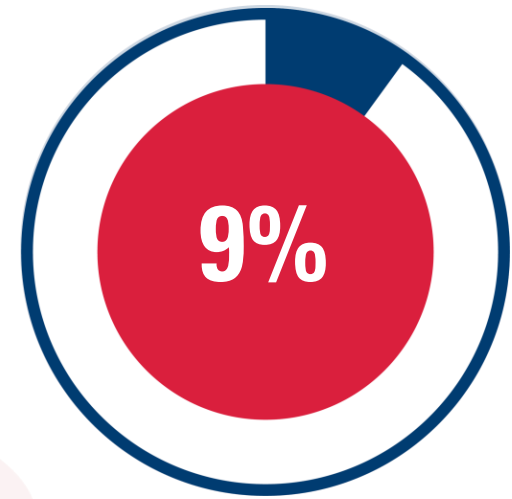
COMPANIES' REVENUES IN 2021 COMPARED TO 2020



increased

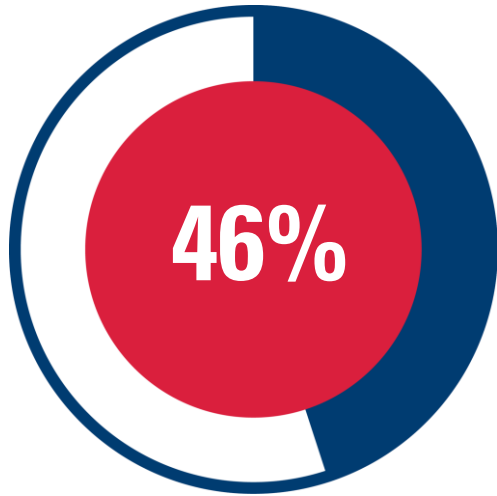


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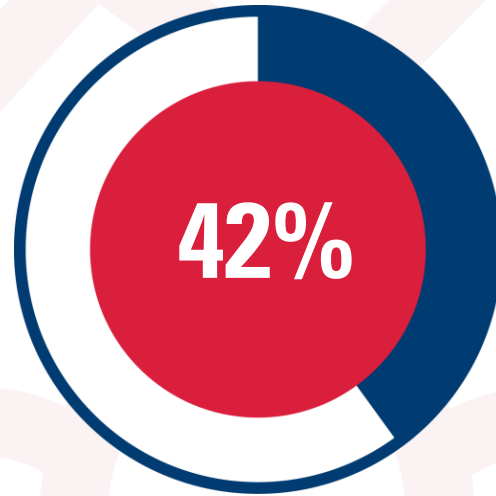


decreased

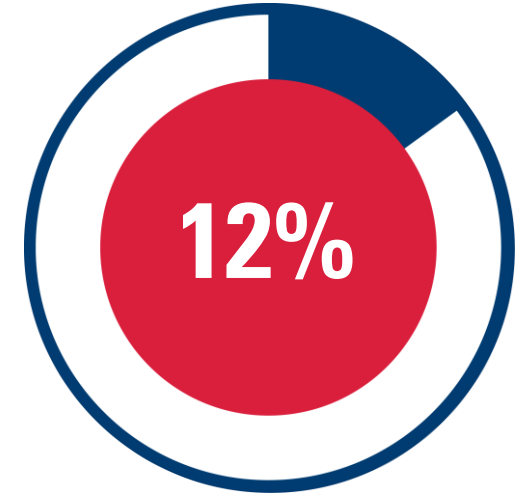
COMPANIES' NUMBER OF EMPLOYEES IN 2021 COMPARED TO 2020



increased

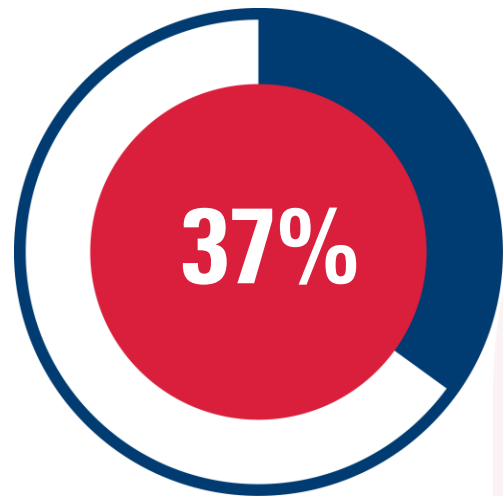


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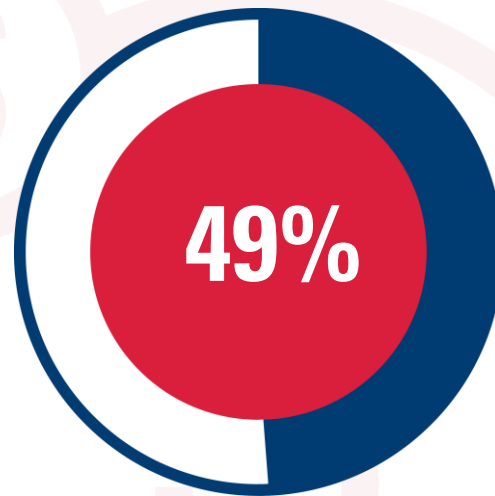


decreased

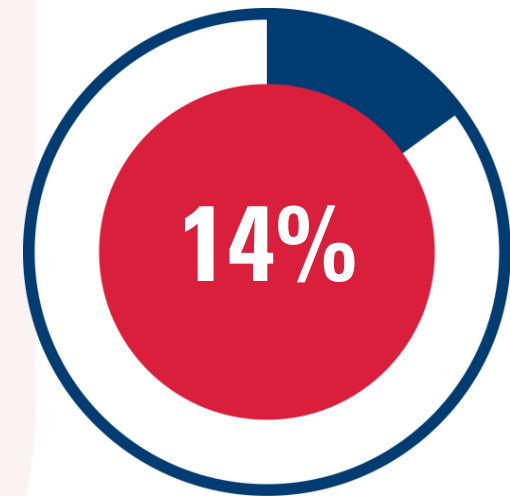
COMPANIES' INVESTMENTS IN 2021 COMPARED TO 2020



increased

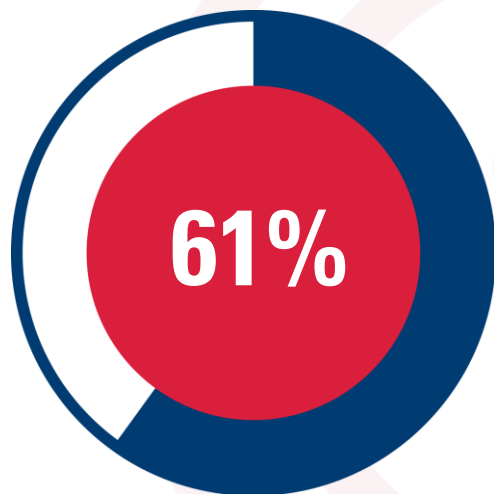


unchanged

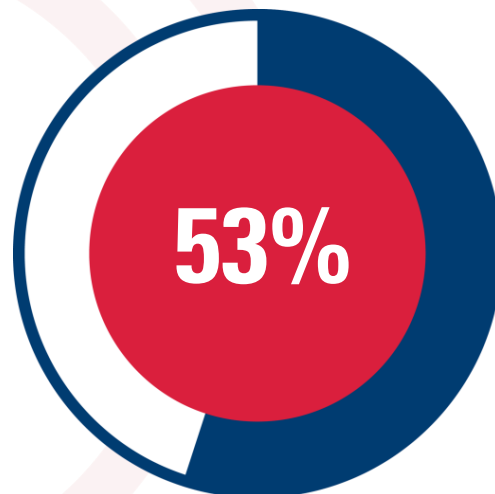


decreased

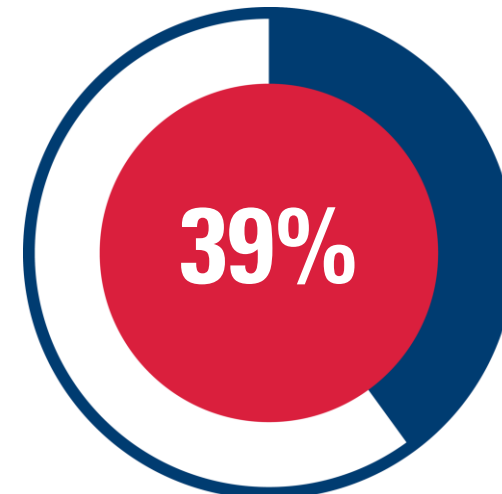
TOP-3 MAJOR CONCERNS WITH REGARD TO DOING BUSINESS OVER THE NEXT 6 MONTHS



possibility of the new
lockdown



geopolitical
uncertainty



escalation of conflict
with Russia

MAJOR CONCERNS WITH REGARD TO DOING BUSINESS OVER THE NEXT 6 MONTHS

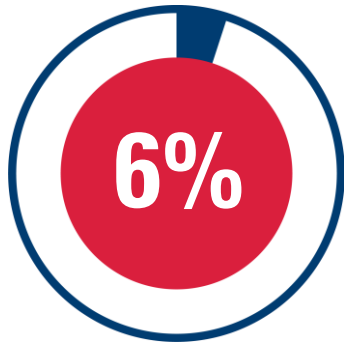
- inability to achieve planned financial results — **29%**
- security of employees — **22%**
- inability to invest — **16%**
- remote work — **14%**
- data protection and security — **9%**
- inability to vaccinate employees — **8%**

OTHER CONCERNS WITH REGARD TO DOING BUSINESS OVER THE NEXT 6 MONTHS

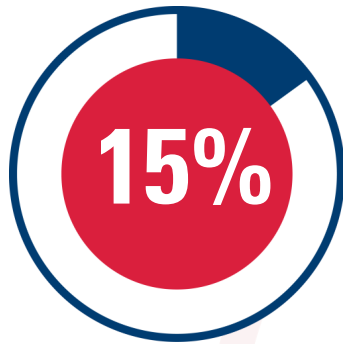
- lack of momentum on structural reforms
- inability to forecast
- rule of law
- corruption
- cooperation with the IMF
- absence of the strategy of the Government
- hectic legislative changes in taxation
- pressure on business from law enforcement agencies
- talents (emotional wellbeing, burnout, brain drain)
- price inflation and uncertain raw material prices
- stock markets instability
- supply ability from abroad affected by COVID-19
- political chaos

PERCENTAGE OF COMPANIES' EMPLOYEES CONTRACTED COVID-19

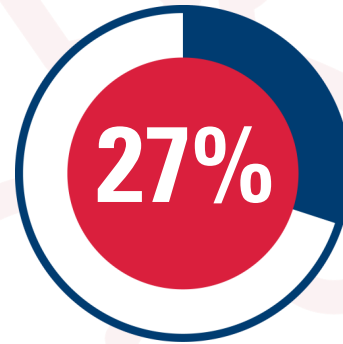
5-10%



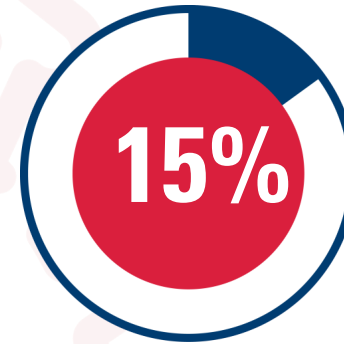
10-20%



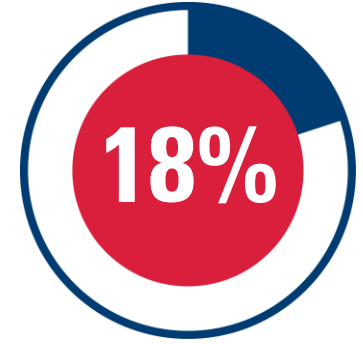
20-30%



30-40%



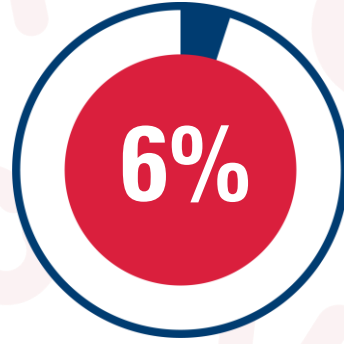
40-50%



more than 50%



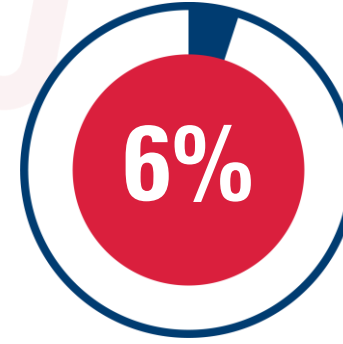
more than 60%



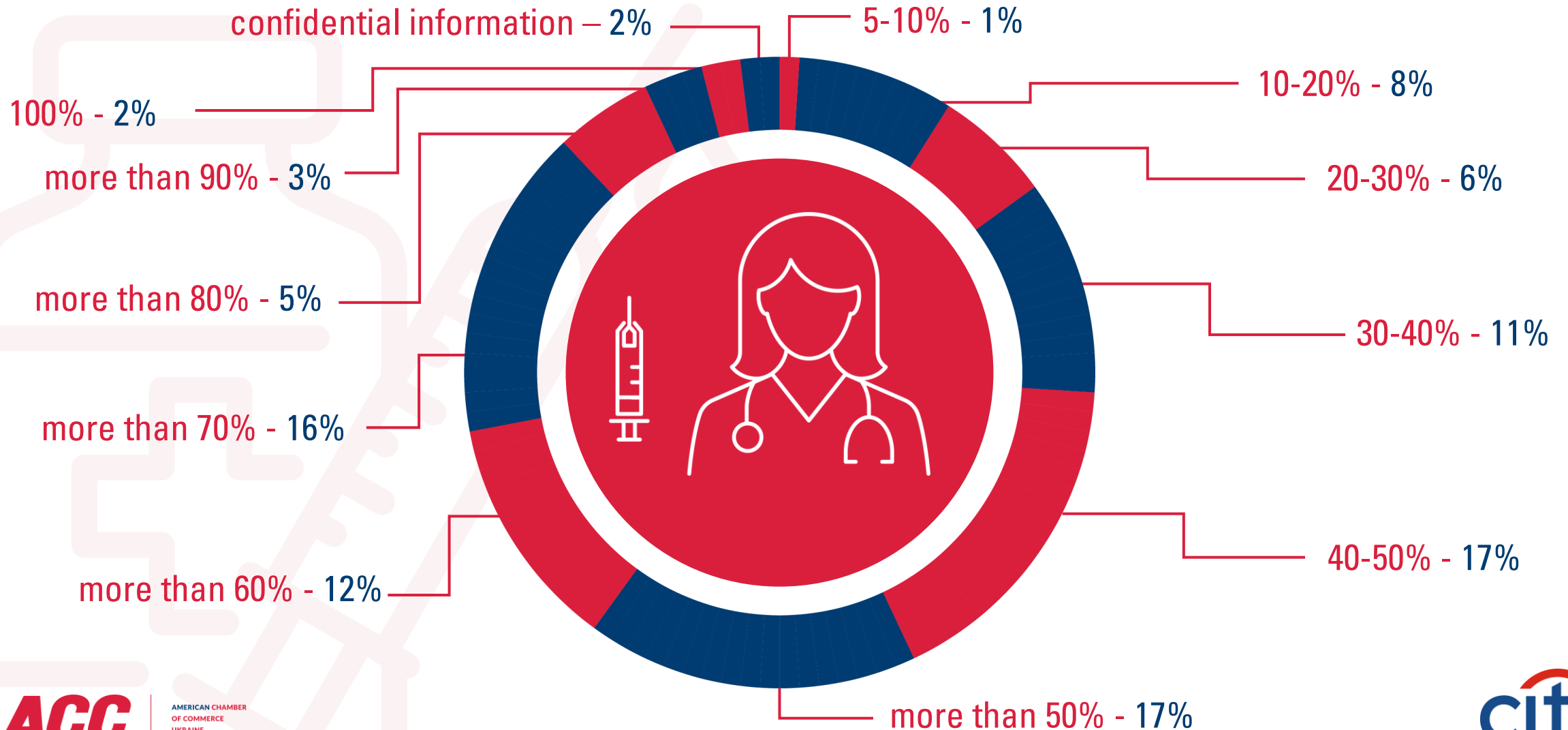
more than 70%



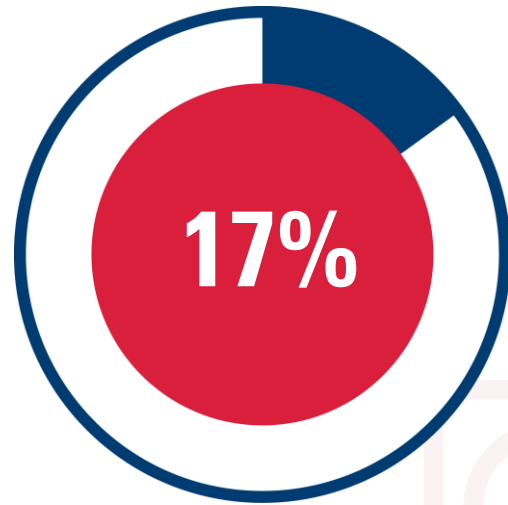
more than 80%
confidential
information



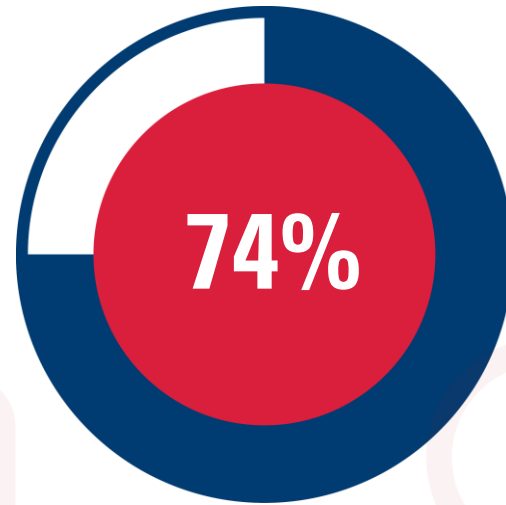
PERCENTAGE OF EMPLOYEES VACCINATED AGAINST COVID-19



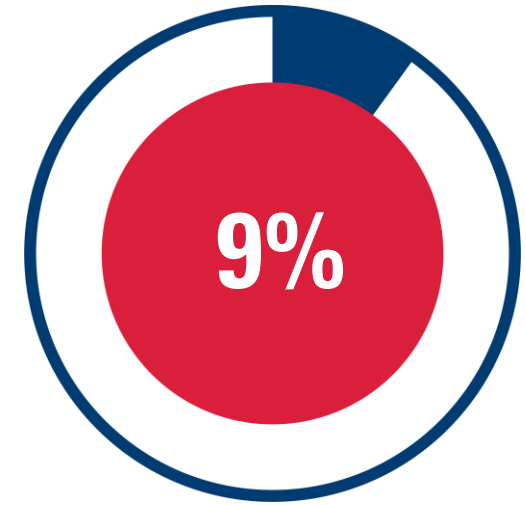
COMPANIES' CURRENT WORK FORMATS



all employees returned to
the office



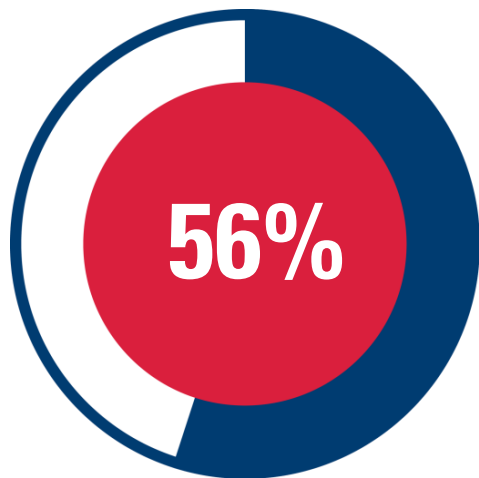
hybrid work format /
work in shifts



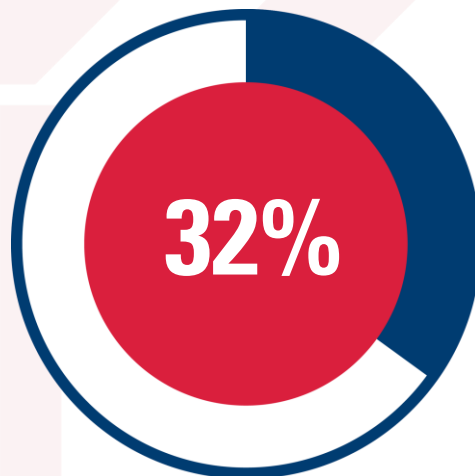
all employees continue
to work remotely

BIGGEST OBSTACLES FOR BUSINESS ARE CREATED BY

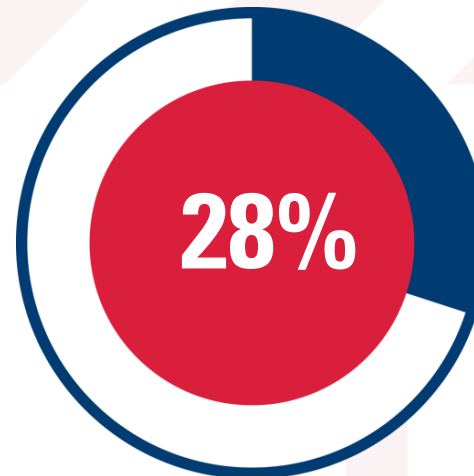
courts



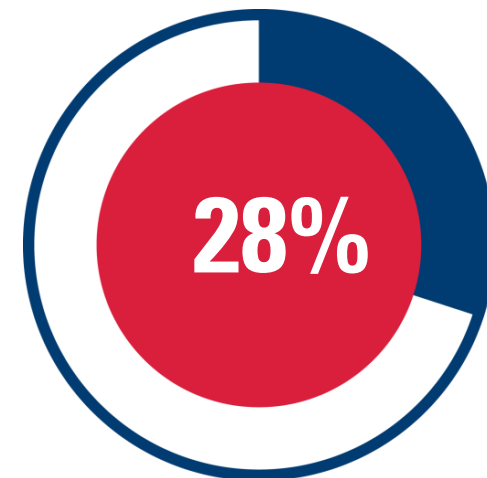
law enforcement
agencies



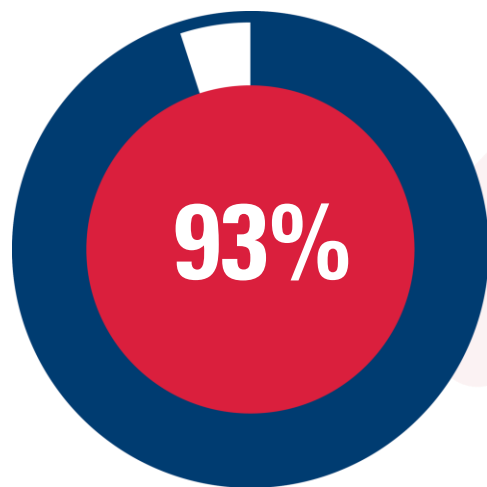
oligarchs



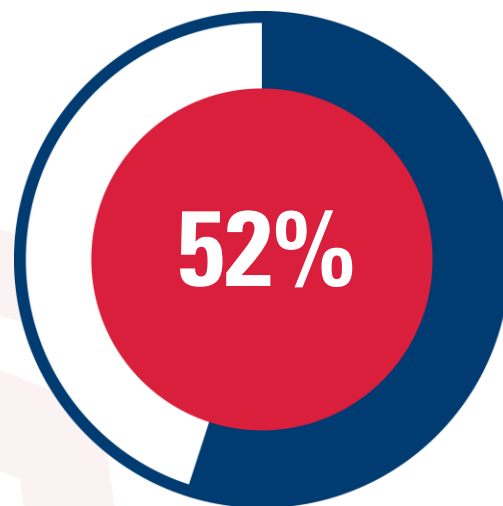
tax authorities



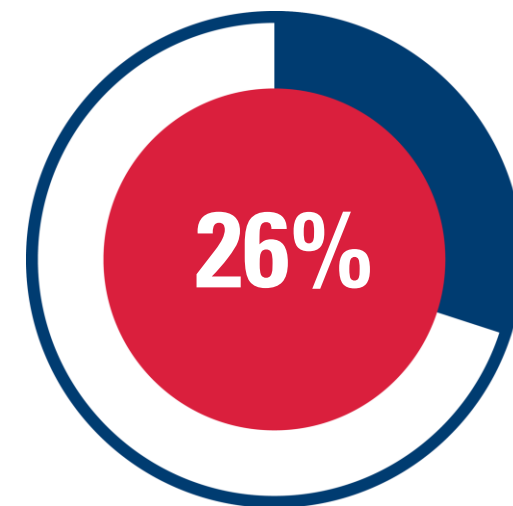
TOP-3 STRATEGIC STEPS UKRAINE'S GOVERNMENT SHOULD TAKE FIRST TO ACHIEVE ECONOMIC GROWTH, IMPROVE THE BUSINESS CLIMATE, AND ATTRACT FOREIGN DIRECT INVESTMENT



implement real and effective judicial reform, rule of law, fair justice, and eradicate corruption



guarantee a fair, equal, predictable, and transparent tax policy and fair competition

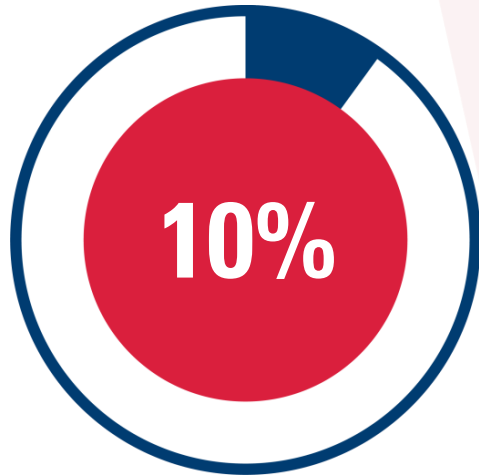


ensure macroeconomic stability and continue cooperation with the IMF

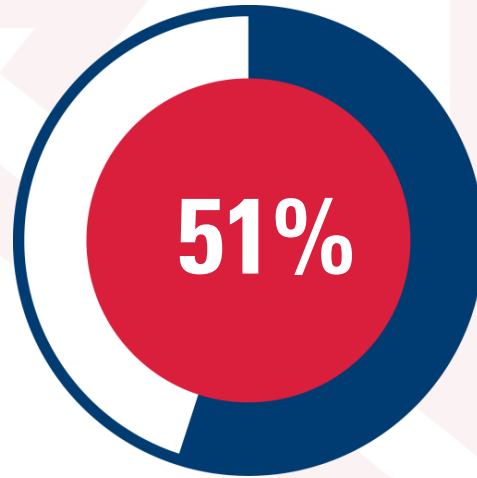
OTHER STRATEGIC STEPS UKRAINE'S GOVERNMENT SHOULD TAKE FIRST TO ACHIEVE ECONOMIC GROWTH, IMPROVE THE BUSINESS CLIMATE, AND ATTRACT FOREIGN DIRECT INVESTMENT

- ensure predictability of the regulatory environment for investors — **23%**
- secure investment and property rights — **21%**
- protect the population from COVID-19 (wide-scale testing, vaccination, effective treatment) — **19%**
- decrease the shadow economy — **18%**
- establish level playing fields by eliminating oligarch control — **15%**
- develop vital infrastructure — **9%**
- reform state-owned enterprises/banks and implement transparent privatization — **8%**

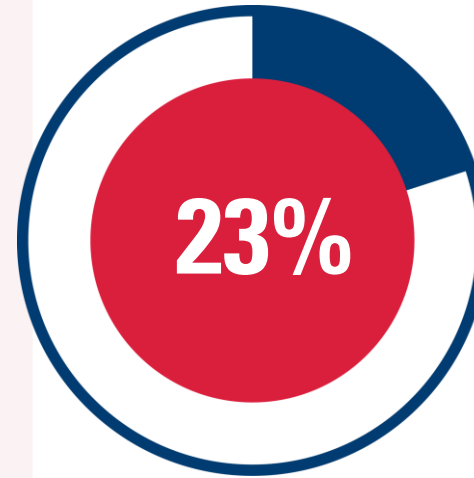
OVERALL OUTLOOK ON DOING BUSINESS AND POTENTIAL INVESTING IN UKRAINE OVER THE NEXT 6 MONTHS



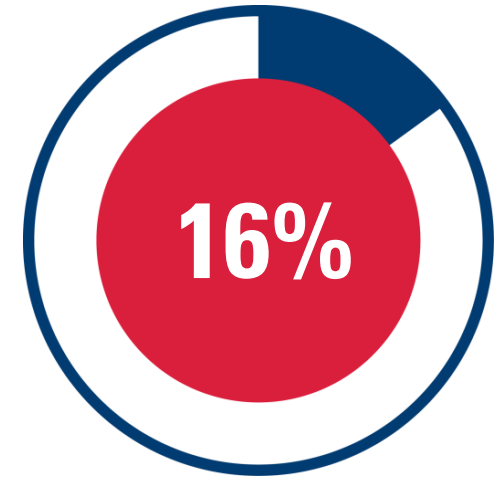
optimistic



cautiously optimistic



neutral



pessimistic