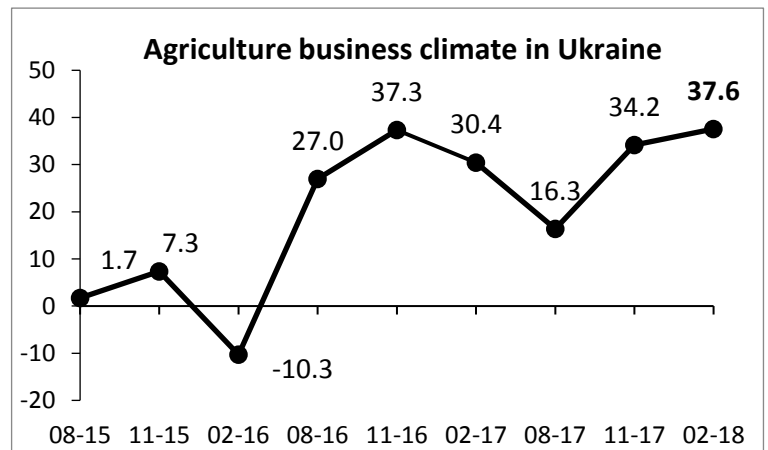


Ukraine's agriculture business climate rocks new horizons

Kyiv, February 22, 2018. The survey conducted in February demonstrates improvements of agricultural producers' perception of the agricultural business climate (ABC), which reached this time a new record level of 37.6 points.

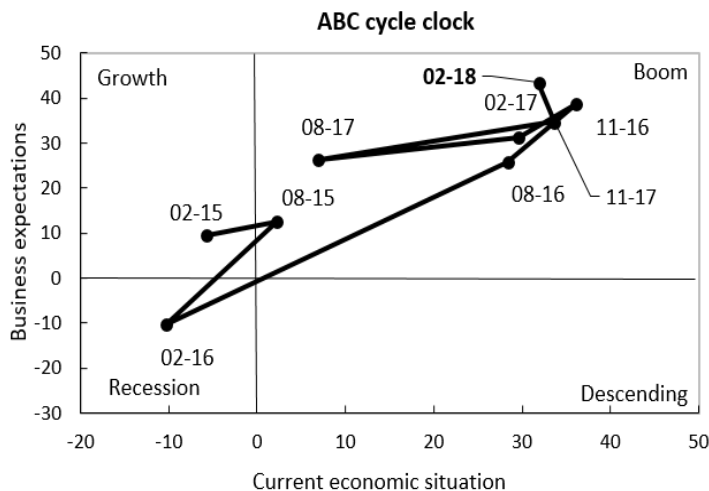
The survey indicates a positive assessment of the profits by the enterprises (38.5 points). Machinery and equipment is also regarded as an important factor of success (25.1 points). Assessment of the impact of the general policy and economic framework received as in the past negative estimates (this time - 50.5 and - 44.0 points).



ABC assessment in Central and Western regions of Ukraine is positive: 47.9 and 41.1 points respectively. Producers from the Southern regions estimated ABC much worse, at the level of 27.6 points. Lowest results of the ABC development (25.4 points) were provided by producers from North - Eastern region.

Referring to the production scale, highest ABC estimates were provided by producers with land bank over 5,000 ha, amounting to 44.1 points. In addition, producers in holding structures estimated ABC positively on the level of 41.4 points. Interestingly, responses provided by producers with land bank less than 5,000 ha demonstrated sharp increase from 19.1 points in November 2017 to now 33.7 points.

Crop producers provided notably higher estimation of ABC on the level of 40.2 points, while animal producers – at the level of 28.5 points.



Agriculture business climate cycle clock demonstrates simultaneously an estimation of current and expected business situation provided by agro producers.

ABC grew mainly due to high appraisal of the business expectations (43.4 points) in comparison to the last survey (34.7 points). However, current business situation estimation slightly decreased from 33.7 points in November 2017 to currently 31.9 points.

Note: Agriculture Business Climate (ABC) was developed and introduced by common efforts of German-Ukrainian Agricultural Policy Dialogue (APD) and the association "Ukrainian Agribusiness Club" (UCAB) on the base of German business climate (ifo-Geschäftsklimaindex). ABC surveys are carried out three times per year since 2015. ABC determines subjective perceptions of 400 Ukrainian producers on both, their current business situation and one-year outlook. ABC may change from -100 (very poor) over 0 (indifferent) to +100 (very good). In the course of the surveys, technical improvements in calculation of ABC have been implemented. In particular, only the first question on economic situation of producers is considered in the calculation. In this context, the graphic of the business climate has shifted significantly in the positive area. Further questions, e.g., on the general and macroeconomic framework, are now used for explanation of the survey results.