

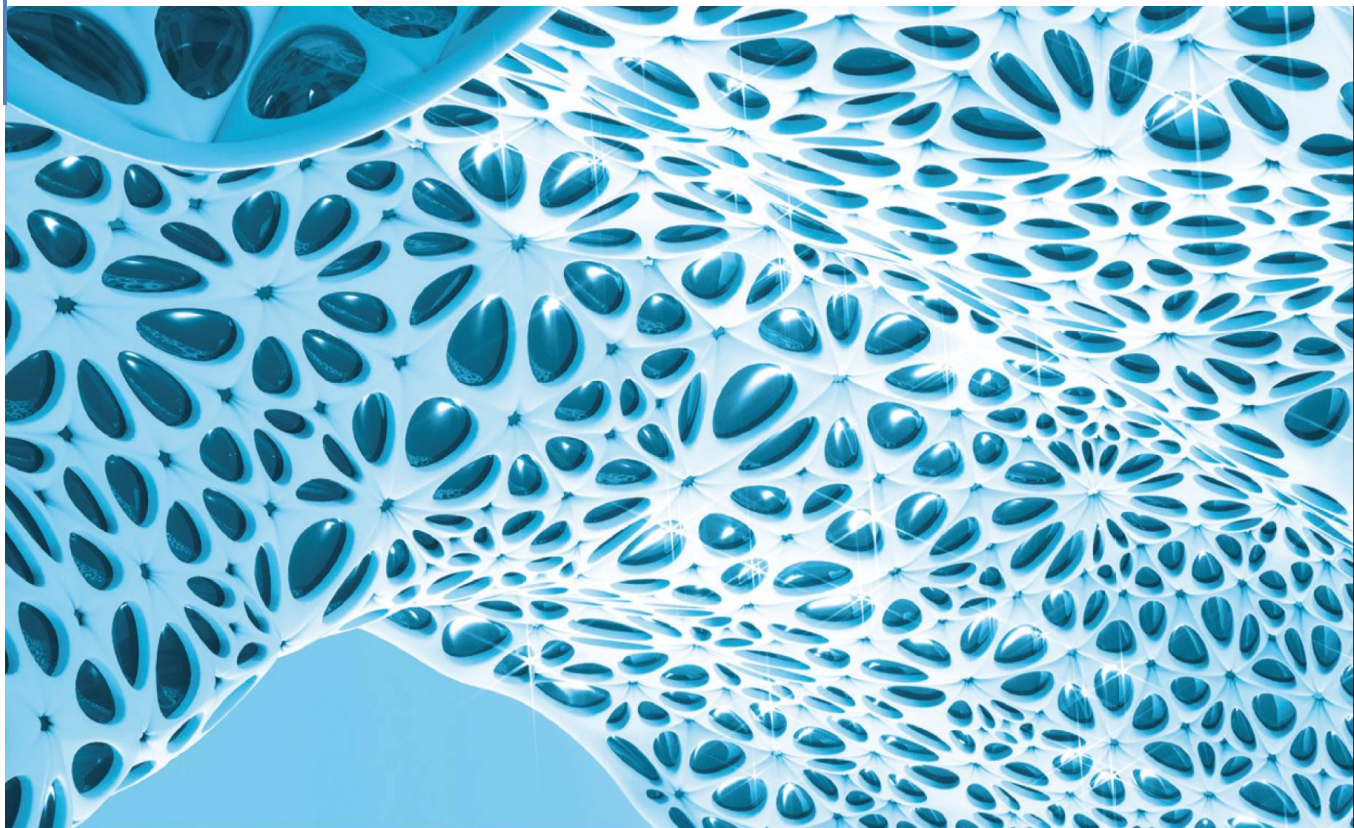


EU4Business



OECD

Compendium of Enterprise Statistics in Ukraine 2018



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Foreword

This Compendium presents a snapshot of Ukraine's SME sector, based on official business statistics produced by the State Statistical Service of Ukraine (Ukrstat, www.ukrstat.gov.ua).

The need to enhance the availability of and accessibility to official SME statistics was highlighted by the 2015 Small Business Act for Europe (SBA) assessment as a main priority for improving the design, monitoring and evaluation of SME policies in Ukraine (*SME Policy Index: Eastern Partner Countries 2016*, OECD et al., 2015). Building on these findings, the Ministry of Economic Development and Trade (MoEDT) of Ukraine requested the OECD's assistance to improve the country's capacity to collect, analyse and disseminate official business statistics, in particular statistics needed to measure SME performance and, as relevant, suitable for international comparisons.

The work was carried out jointly by the Global Relations Secretariat and Statistics and Data Directorate of the OECD in the framework of the multi-country project *EU4Business: From Policies to Action*, conducted by the OECD in the Eastern Partnership with the financial support of the European Union within the EU4Business initiative.

The OECD organised two statistical workshops in Kyiv (on 13 March 2018 and 3 October 2018) discussing the production of structural and demographic business statistics, the linking of business data from different datasets, the dissemination of statistical information, and the international comparability of business statistics produced by Ukrstat. Also, throughout the project Ukrstat shared relevant business statistics with the OECD and the two parties discussed the technical details of data exchange formats that could allow the inclusion of Ukrainian business statistics in the OECD Structural and Demographic Business Statistics (SDBS) database.

Throughout the project, and in order to review information needs and data availability, the OECD held a series of meetings with officials and experts in government agencies and other interested parties, including: the Ministry of Economic Development and Trade (MoEDT); the State Statistical Service of Ukraine; SME Development Office (SMEDO); the EU Delegation to Ukraine, representatives of the European Commission and the EU4Business project.

Acknowledgements

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Statistics on SME financing were provided by the National Bank of Ukraine (NBU), by Mr. Yuriy Polovniiov, Head of Statistics and Reporting Department; Mr. Kostyantyn Korotkov, Head of the Department of reporting of deposit-taking corporations and interest rate statistics of the Financial Sector Statistics Division of the Department of Statistics and Reporting; Ms. Anna Liubymova, Chief Economist, Office for European Integration and International Programs.

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Mr. Denis Gutenko, Director of the Department for Entrepreneurship Development and Regulatory Policy, Ministry of Economic Development and Trade (MoEDT);

Mr. Andriy Slabinskiy, Head of SME Policy Coordination and SME Support Infrastructure Unit, SME Development Office (SMEDO);

Mr. Olexander Palazov, Deputy Director of Department of Entrepreneurship Development and Regulatory Policy, Head of Directorate of Entrepreneurship, MoEDT;

Mr. Daniil Menshykov, Deputy Head of Directorate of Entrepreneurship – Head of Division of Entrepreneurship Development, Department of Entrepreneurship Development and Regulatory Policy, MoEDT;

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Measuring the SME sector in Ukraine

The State Statistics Service of Ukraine (Ukrstat) produces a rich collection of business statistics. In order to satisfy the demand from different stakeholders, several sets of business statistics are compiled, providing breakdowns of data that are typically not produced in other countries. For example, this is the case of structural business statistics identifying SMEs on the basis of both the number of employees and turnover.

The OECD Statistics and Data Directorate conducted a review of SME data in Ukraine, encompassing statistics provided to the OECD by the State Statistics Service of Ukraine as well as data published on the website of the State Statistics Service of Ukraine and in the statistical publication “Activity of Large, Middle-Size, Small and Micro-entrepreneurship entities, 2017”. The review was meant to:

- i. Identify relevant variables for the analysis of the SME sector not yet compiled
- ii. Suggest action for improving the dissemination of business statistics;
- iii. Draw attention to issues of international comparability of data.

About legal definitions of SMEs and definitions for statistical purposes

The State Statistics Service of Ukraine compiles and publishes several sets of business statistics, following different approaches for the identification of enterprises of different sizes (for instance, SMEs versus large enterprises) or characteristics (for instance, individual entrepreneurs versus legal entities). In that context Ukrstat produces a set of enterprise statistics that reflects the Ukrainian definition of SMEs for legal purposes, which rests on thresholds for both employment and turnover.

Across OECD countries, the common practice adopted is to distinguish between legal definitions of SMEs that are used for administrative purposes and a statistical definition of SME for the purpose of the production of official business statistics.

From a legal perspective, requirements to qualify as SMEs in order to obtain government support and/or exemptions typically include:

- size threshold(s) with respect to specific dimensions (e.g. employment, turnover, total assets),
- resources of the enterprise, i.e. independent or owned by, linked to or partnered with other enterprises.

For instance, in the European Union the official definition of SMEs is based on three criteria that combine employment, asset and turnover thresholds. In addition, an SME should satisfy a requirement of independence from other entities. For statistical purposes however, the EU recommendation indicates the size of employment for identifying a firm as micro, small, medium or large.¹

¹ [EC Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, C\(2003\) 1422](#); and [The new SME definition, User guide and model declaration, European Commission, EN NB-60-04-773-EN-C 92-894-7909-4](#).

From a statistical perspective, the implementation of multiple criteria for the compilation of SME statistics adds complexity to data production and reduces the scope for international comparisons (e.g. as typically countries would adopt a different mix of criteria).

For statistical purposes, where data coverage, consistency over time and international comparability are key, it is therefore preferable to apply only one criterion for identifying the size of an enterprise, with the recommended criterion being employment. In fact, as concerns the use of “turnover” to define a firm’s size, it should be noted that any change in financial thresholds would jeopardise the consistency of data series over time. In the case of Ukraine, this problem is exacerbated by the fact that financial thresholds are currently expressed in Euros and not in the national currency. Also, international comparisons are difficult when financial thresholds are applied in national statistics, in particular due to varying inflation rates and exchange rates in each country.

Preliminary recommendations on development of data on SMEs and entrepreneurship

The State Statistics Service of Ukraine produces a comprehensive set of structural business statistics, is advancing in the development of business demography statistics, and already started preparatory work to link business registers and trade statistics. The review of currently available statistics on small and medium sized enterprises and entrepreneurship identified suggested areas for further improvements; these include:

A. Data breakdowns

- a. For structural business statistics tabulated according to the number of persons employed only, it is recommended to produce additional variables besides number of enterprises, number of persons employed, turnover and value added; when possible, these statistics should be presented also broken down by regions.
- b. Provide additional breakdown for business demography statistics, e.g. the 1-9 size class should be split into two classes, 1-4 and 5-9 employees, to distinguish very small units.

B. Compilation of data for new variables

- a. For business demography, produce indicators of high-growth enterprises and employer enterprises.
- b. Develop data on trade activities by enterprise characteristics.
- c. Produce regional statistics also based on establishment as statistical unit, to improve the measurement of regional distribution of employment and economic activity.

C. Data dissemination

- a. Implement international best practice principles for data dissemination (see [Recommendation of the OECD Council on Good Statistical Practice, 2015](#) and the [European Statistics Code of Practice, 2017](#)).
- b. Further improve data users' awareness of, and access to, online tools and sources already available.

Concerning data on SME and entrepreneurship financing, it is recommended that Ukraine join the [OECD Financing SMEs and Entrepreneurs Scoreboard](#) to benefit from the sharing of good measurement practices. The following specific actions are recommended to [the National Bank of Ukraine](#), and other government administrations as relevant:

- c. Collect, if available, historical data for SME lending volumes, maturities and currencies.
- d. Collect from lending institutions a regional breakdown for credit statistics.
- e. Clarify the interpretation of credit statistics for "individual entrepreneurs".
- f. Collect data from courts on bankruptcies and from lending institutions on non-performing loans for both large enterprises and SMEs.
- g. Create a survey on SMEs' credit conditions, based on good practices from other countries.
- h. Publish data on government programmes for SMEs, such as the number of beneficiaries, a more detailed breakdown of the budget, and, if possible, its impact.
- i. Further improve data users' awareness of the website of the National Bank of Ukraine.

Reader's Guide

The Compendium of SME statistics of Ukraine presents a selection of key indicators of the structure and performance of the Ukrainian business sector. It is compiled based on statistics produced by the State Statistics Service of Ukraine (www.ukrstat.gov.ua); for international comparisons data are drawn from the OECD Structural and Demographic Business Statistics database (<http://dx.doi.org/10.1787/sdbs-data-en>).

Statistical units

Ukrstat uses the legal unit as statistical unit for the production of business statistics. Statistics based on legal units may however overstate the number of enterprises compared to the business population resulting from the use of the concept of “enterprise”, defined as follows: “*the enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit*” (*Eurostat-OECD Manual on Business Demography Statistics, 2007*).

The enterprise counts cover active enterprises defined as those who have employment and/or turnover during the reference year.

Business employment is measured by Ukrstat both with the number of employees and the total number of persons employed.

What proportion of employees and self-employed in a firm?

Evidence across countries shows that the number of self-employed (for instance, unpaid family workers) accounts for a low share of total employment in large firms, while their number reaches significant proportions in micro-enterprises.

The magnitude of these differences varies however across countries and economic activities. For example, in 2016 in the Czech Republic the number of persons employed in micro firms operating in the manufacturing sector was around three times the number of employees; in the United Kingdom, it was only about 6% higher.

Size class breakdown

Data are presented in this Compendium according to the following employment size breakdown:

- micro enterprises (1 to 9 persons employed, including individual enterprises), small (10 to 49 persons employed), medium (50 to 249 persons employed) and large enterprises (250 and more persons employed).

Monetary variables

Monetary variables are presented in current prices in national currencies, or converted to USD at average annual exchange rates.

Country codes

The figures in this publication use ISO codes (ISO3) for country names as listed below.

AUT	Austria	ISR	Israel
BEL	Belgium	ITA	Italy
BGR	Bulgaria	LTU	Lithuania
CHE	Switzerland	LUX	Luxembourg
CZE	Czech Republic	LVA	Latvia
DEU	Germany	NLD	Netherlands
DNK	Denmark	NOR	Norway
ESP	Spain	NZL	New Zealand
EST	Estonia	POL	Poland
FIN	Finland	PRT	Portugal
FRA	France	ROU	Romania
GBR	United Kingdom	SVK	Slovak Republic
GRC	Greece	SVN	Slovenia
HRV	Croatia	SWE	Sweden
HUN	Hungary	TUR	Turkey
ISL	Iceland	UKR	Ukraine

Economic activity sectors

Data for Ukraine in this Compendium generally cover the business economy, namely, ISIC rev.4 section B to N, the sector S95, excluding the sector K - financial intermediation services. Data do not include the agriculture sector.

Also, as indicated by the data source “State Statistics Service of Ukraine”, data do not cover banks and budget organizations, the temporarily occupied territories of the Autonomous Republic of Crimea, the city of Sevastopol and part of the anti-terrorist operation zone.

Regional data are available for the total economy, including financial intermediation services, except for turnover, for which data by regions do not cover banks.

International Standard of Industrial Classifications (ISIC) Revision 4	
A (01-03)	<i>Agriculture, forestry and fishing</i>
B (05-09)	Mining and quarrying
C (10-33)	Manufacturing
D (35)	Electricity, gas, steam and air conditioning supply
E (36-39)	Water supply; sewerage, waste management and remediation activities
F (41-43)	Construction
G (45-47)	Wholesale and retail trade; repair of motor vehicles and motorcycles
H (49-53)	Transportation and storage
I (55-56)	Accommodation and food service activities
J (58-63)	Information and communication
K (64-66)	<i>Financial and insurance activities</i>
L (68)	Real estate activities
M (69-75)	Professional, scientific and technical activities
N (77-82)	Administrative and support service activities
O (84)	<i>Public administration and defence; compulsory social security</i>
P (85)	<i>Education</i>
Q (86-88)	<i>Human health and social work activities</i>
R (90-93)	<i>Arts, entertainment and recreation</i>
S (94-96)	<i>Other service activities</i>
S95	Repair of computers and personal and household goods
T (97-98)	<i>Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use</i>
U (99)	<i>Activities of extraterritorial organizations and bodies</i>
B-E (05-39)	Industry, except construction
A-U (01-99)	Total economy

Definitions

The following sources are used for definitions:

- UNECE (2015), Guidelines on Statistical Business Registers, https://www.unece.org/fileadmin/DAM/stats/publications/2015/ECE_CES_39_WEB.pdf.
- OECD (2010), Structural and Demographic Business Statistics, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264072886-en>.
- OECD (2007), Eurostat/OECD Manual on Business Demography Statistics”, OECD Publishing, Paris, <http://www.oecd.org/std/39974460.pdf> .

Active enterprise: An enterprise that had either turnover or employment at any time during the reference period.

Employees: persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

Employer enterprise: An enterprise that had employees at any time during the reference period.

Non-employer enterprise: An enterprise with no employees during the reference period.

Enterprise birth: The creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises, or simply due to a change of activity.

Enterprise birth rate: The rate corresponds to the number of enterprise births as a percentage of the population of active enterprises.

Enterprise death: The dissolution of a combination of production factors with the restriction that no other enterprises are involved in the event. Deaths do not include exits from the population due to mergers, take-overs, break-ups or restructuring of a set of enterprises, or due to a change of activity.

An enterprise is included in the count of deaths only if it is not reactivated within two years. Similarly, a reactivation within two years is not counted as a birth.

Enterprise death rate: The rate corresponds to the number of enterprise deaths as a percentage of the population of active enterprises.

Labour productivity: It is measured in this document as the ratio of value added to employment.

Persons employed: the total number of persons who work in the observation unit (inclusive of working proprietors and unpaid family workers, and partners working regularly in the unit).

Turnover: The total value of invoices by the observation unit during the reference period corresponding to market sales of goods or services supplied to third parties.

Value added: The difference between production and any intermediate consumption, where production is measured at factor cost or basic prices.

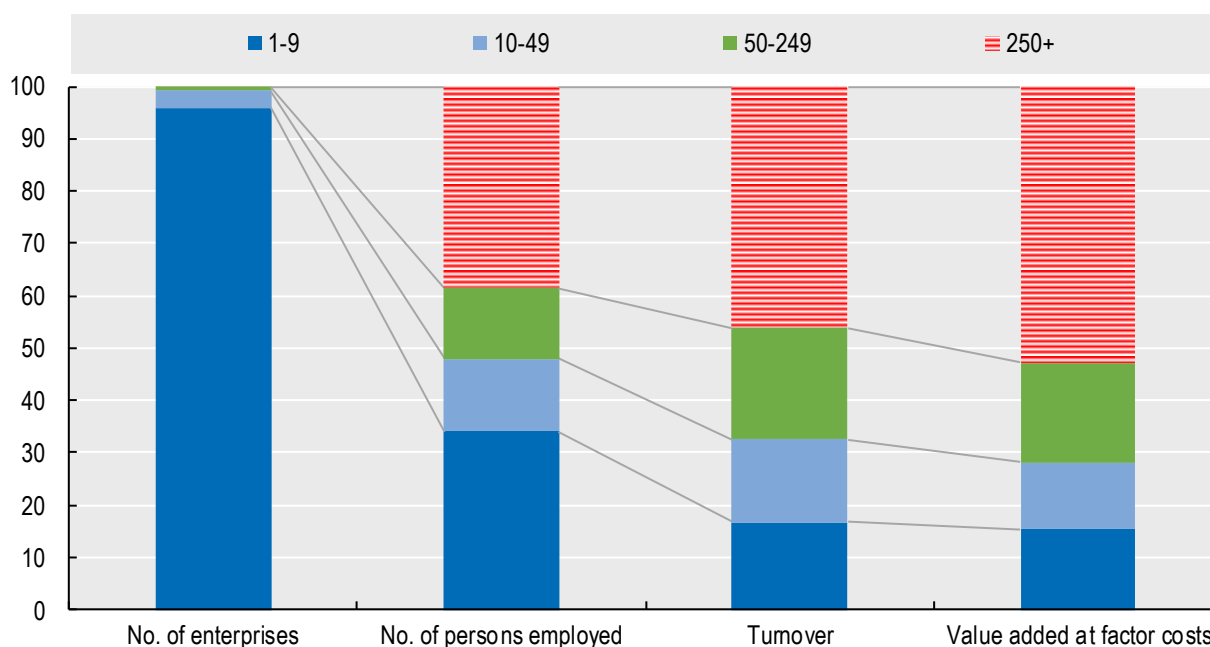
Wages and salaries: all payments in cash or in kind payable to persons counted on the payroll by way of remuneration for work done during the reference period.

Overview of the business sector in Ukraine

- The overwhelming majority of Ukrainian firms in the business sector are small and medium-sized enterprises (SMEs), similar to most countries across the world. In 2017, enterprises with less than 250 persons employed represented more than 99% of all enterprises in the business economy, accounted for 61% of the total business employment and 54% of total turnover and 47% of value added of the business sector.
- 96% of Ukrainian business enterprises are micro-enterprises, i.e. enterprises with less than ten persons employed. Also, 83% of enterprises in the business sector are individual enterprises.

Number of enterprises, employment, turnover and value added by size class, business economy excluding financial intermediation

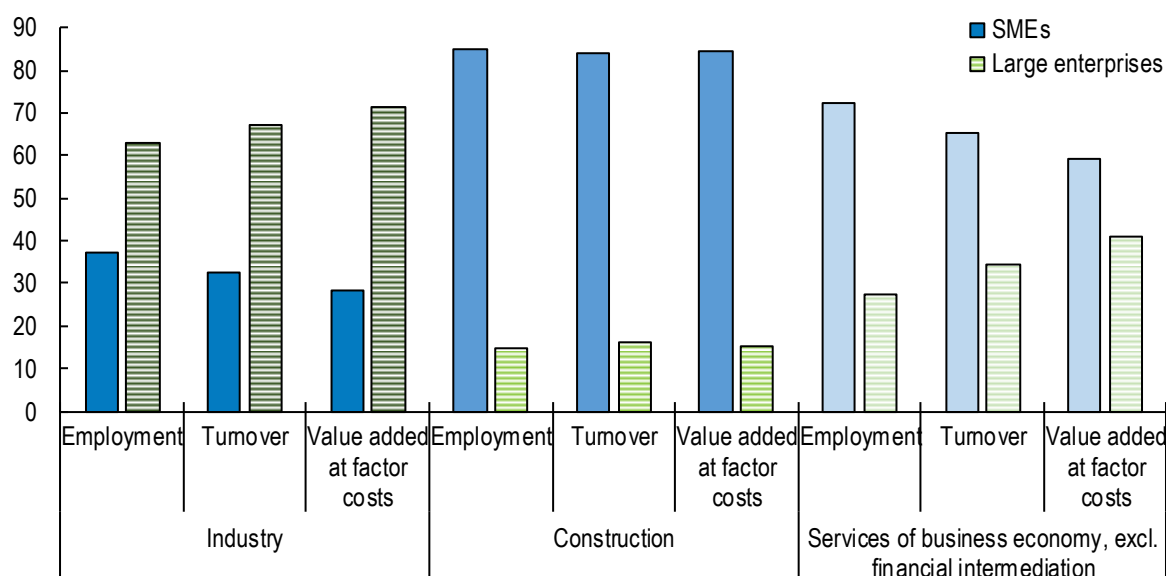
Percentage, 2017



Source: State Statistics Service of Ukraine.

- 89% of all enterprises operate in the services sector, accounting for about 45% of employment and generating 56% of the value added. Close to half of the value added in business services are generated in wholesale and retail trade sector.
- In general, in all the economies, larger enterprises are more productive than smaller firms. This is especially true in industrial sectors where large capital investments are required. Labour productivity of large enterprises in Ukraine generally follows this pattern. Nevertheless, in the construction industry, dominated by smaller enterprises, the productivity of small firms is similar to that of large enterprises.

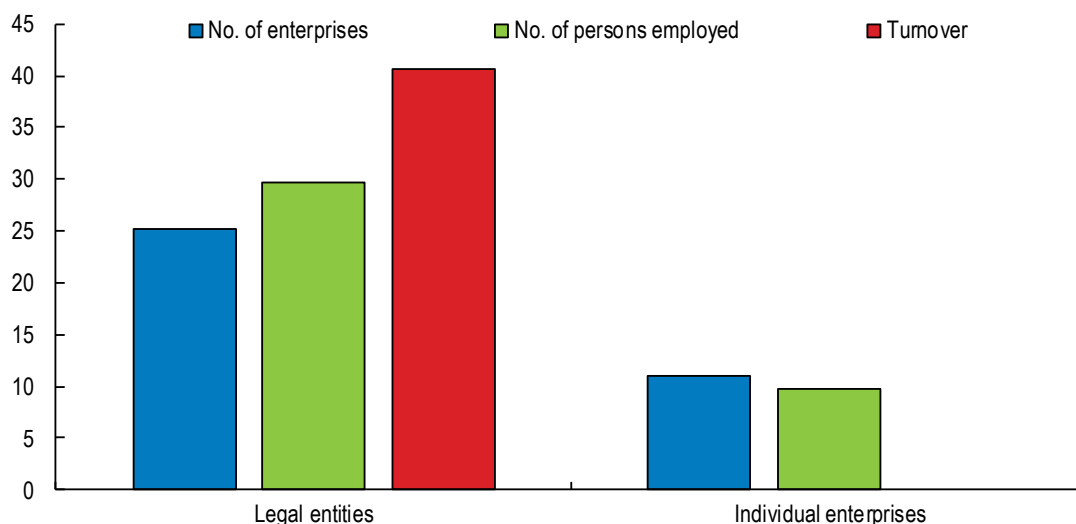
Employment, turnover and value added share of SMEs, by industry Percentage, 2017



Note: SMEs are defined as enterprises with 1 to 249 persons employed.
Source: State Statistics Service of Ukraine.

- In 2017, 14% of enterprises in total economy were located in the capital city Kiev, employing 24% of the workforce. Also, 11% of all individual enterprises were in Kiev, and 25% of all legal entities. The latter employed 30% of the workforce and generated 40% of the turnover in the total economy of Ukraine.

Enterprise, employment and turnover share of the city of Kiev, by enterprise type Percentage, total economy, 2017



Note: The number of enterprises and the number of persons employed include data on banks. Legal entities include all legal forms other than individual enterprises (natural person - entrepreneurs).
Source: State Statistics Service of Ukraine.

Key Indicators

1. Number of enterprises

1.1. Number of enterprises in business economy by size and activity sector, 2017

ISIC rev.4	Industry	1-9	10-49	50-249	250+	Total
B+C+D+E	Industry, except construction	106 965	11 903	3 724	1 284	123 876
F	Construction	44 534	4 943	694	90	50 261
G	Wholesale and retail trade	818 268	17 013	2 078	438	837 797
H	Transportation	90 615	4 036	933	231	95 815
I	Accommodation	54 216	3 074	244	44	57 578
J	Information	144 547	2 029	276	57	146 909
L	Real estate	87 125	3 092	317	19	90 553
M	Professional services	118 238	2 755	481	72	121 546
N	Administrative services	42 408	3 280	753	112	46 553
B-N_x_K	Business economy except financial and insurance activities	1 506 916	52 125	9 500	2 347	1 570 888

Source: State Statistics Service of Ukraine.

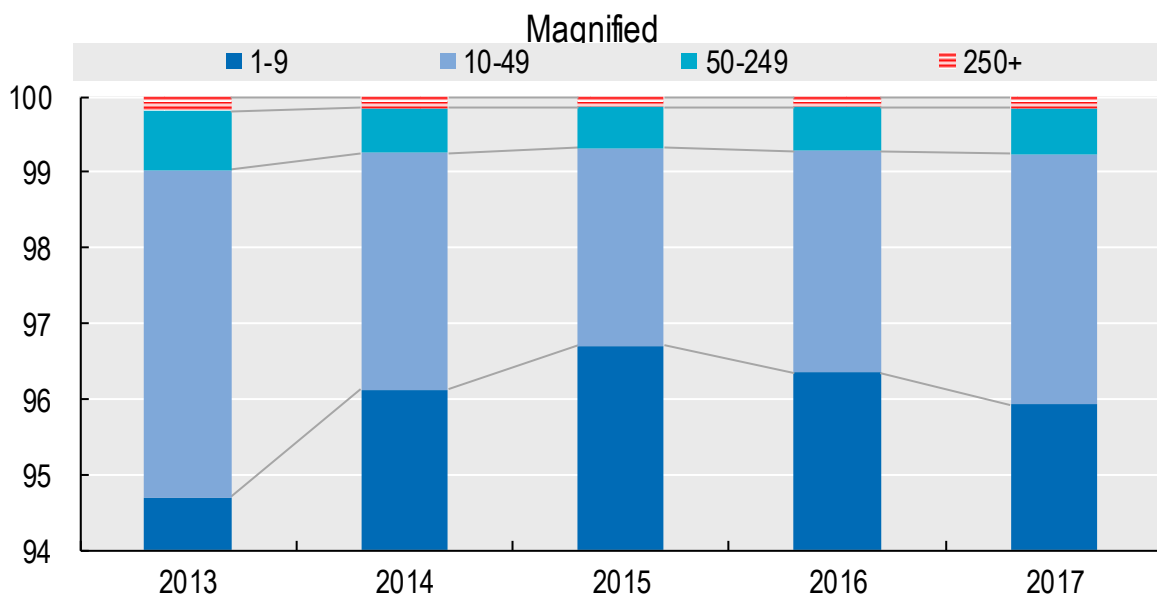
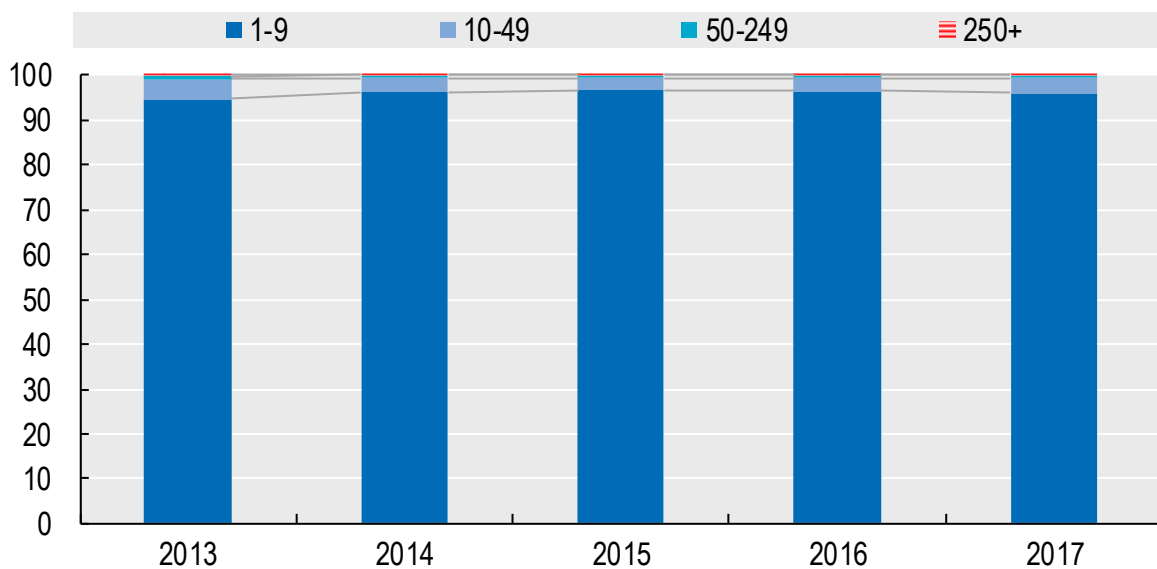
1.2. Recent trends of the number of enterprises, business economy

Employment size	2013	2014	2015	2016	2017
1-9	1 444 100	1 646 691	1 687 910	1 586 480	1 506 916
10-49	66 122	53 825	45 632	48 258	52 125
50-249	11 774	10 070	9 497	9 412	9 500
250+	2 965	2 564	2 384	2 316	2 347
Total	1 524 961	1 713 150	1 745 423	1 646 466	1 570 888

Source: State Statistics Service of Ukraine.

1.3. Structure of the business economy, recent years

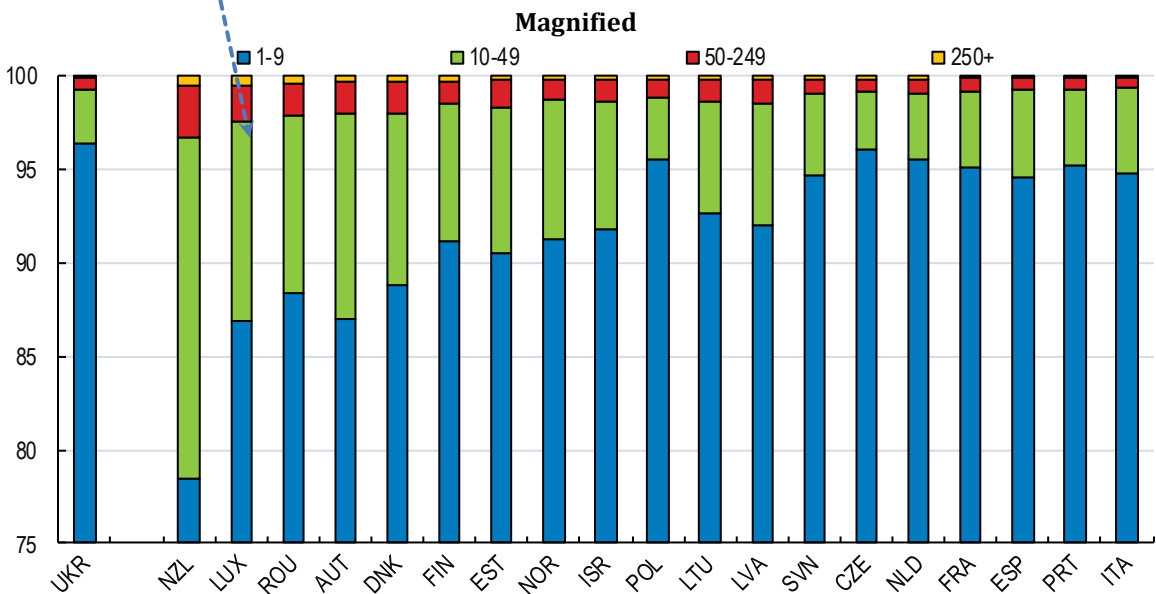
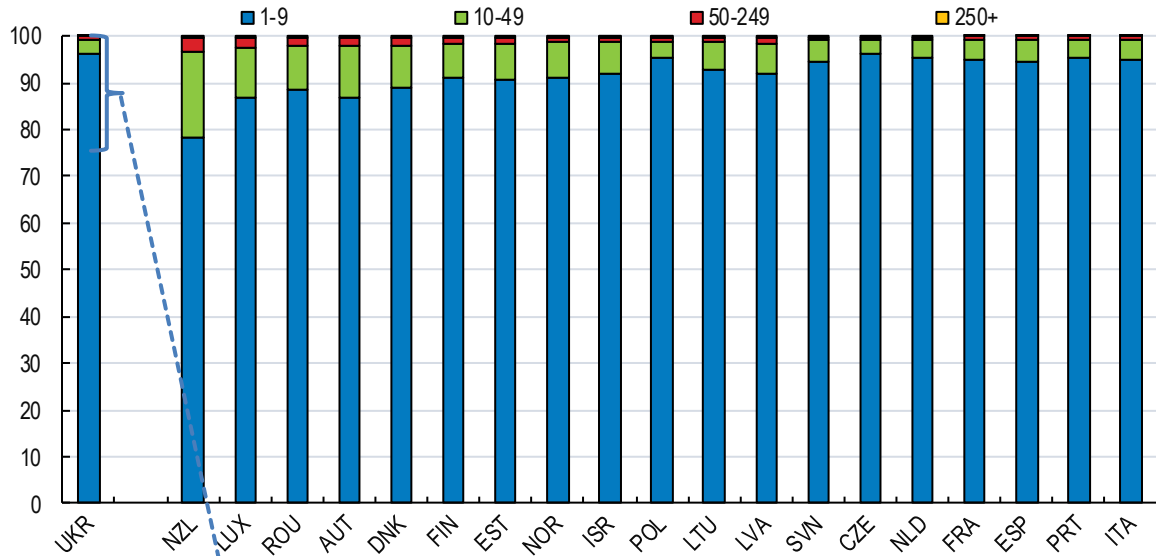
Percentage of all enterprises



Source: State Statistics Service of Ukraine.

1.4. Share of enterprises by size, business economy excluding financial intermediation, Ukraine and selected OECD countries

Percentage of all enterprises, 2016



Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

2. SME employment

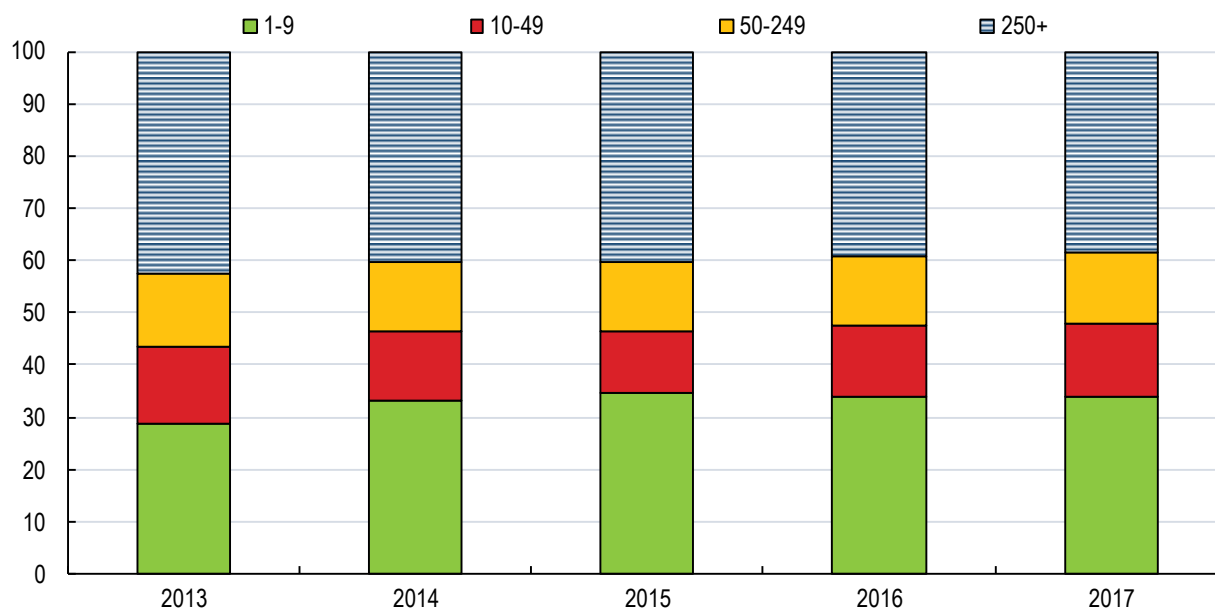
2.1. Number of persons employed by sector and enterprise size, 2017 vs. 2016

SIC	Activity sector	2016		2017	
		SMEs	Large	SMEs	Large
B+C+D+E	Industry, except construction	832.7	1 518.8	864.7	1 469.5
F	Construction	240.7	43.2	249.8	43.9
G	Wholesale and retail trade	1 793.3	389.0	1 801.6	421.5
H	Transportation	325.1	587.3	316.4	584.3
I	Accommodation	180.8	27.1	194.4	29.8
J	Information	217.6	65.2	235.1	68.0
L	Real estate	227.0	8.5	222.8	9.9
M	Professional services	268.2	43.5	264.8	40.5
N	Administrative services	202.5	84.7	208.4	72.4
B-N_x_K	Business economy except financial and insurance activities	4 287.9	2 767.3	4 358.0	2 739.8
A_S	Total economy	5 093.5	3 014.8	5 187.2	2 953.8

Note: SMEs are defined as enterprises with 1 to 249 persons employed.

2.2. Number of persons employed, by size class, business economy

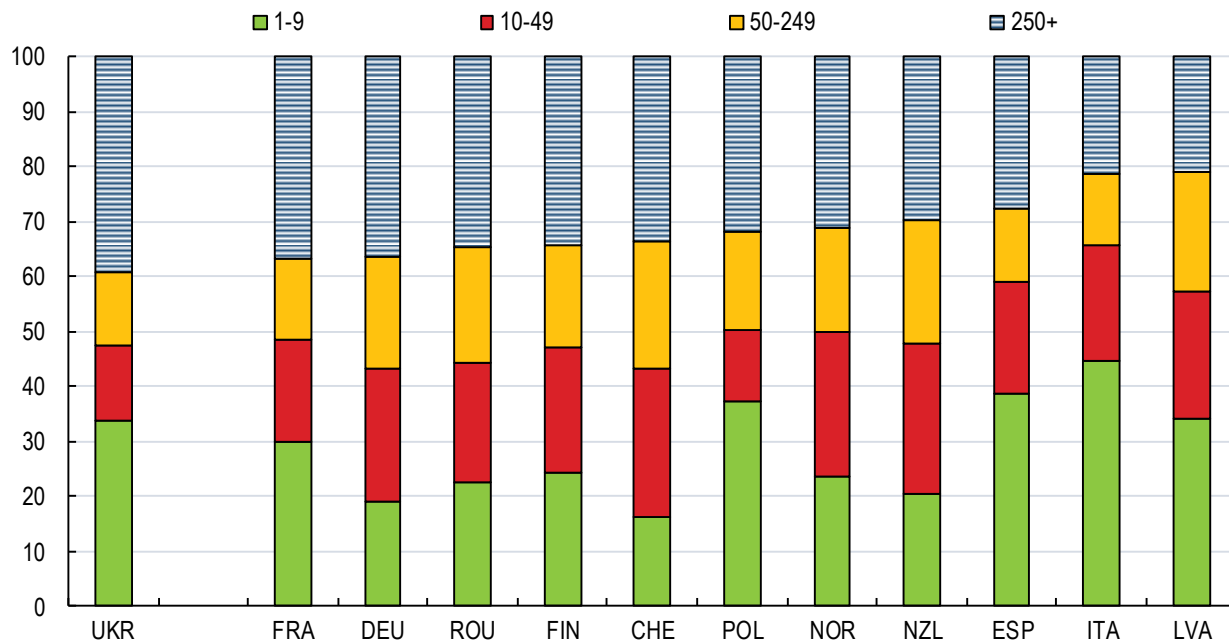
Percentage



Source: State Statistics Service of Ukraine.

2.3. Number of persons employed, by size class, business economy, Ukraine and selected OECD countries

Percentage, 2016



Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

3. SME turnover

3.1. Turnover by enterprise size and industry

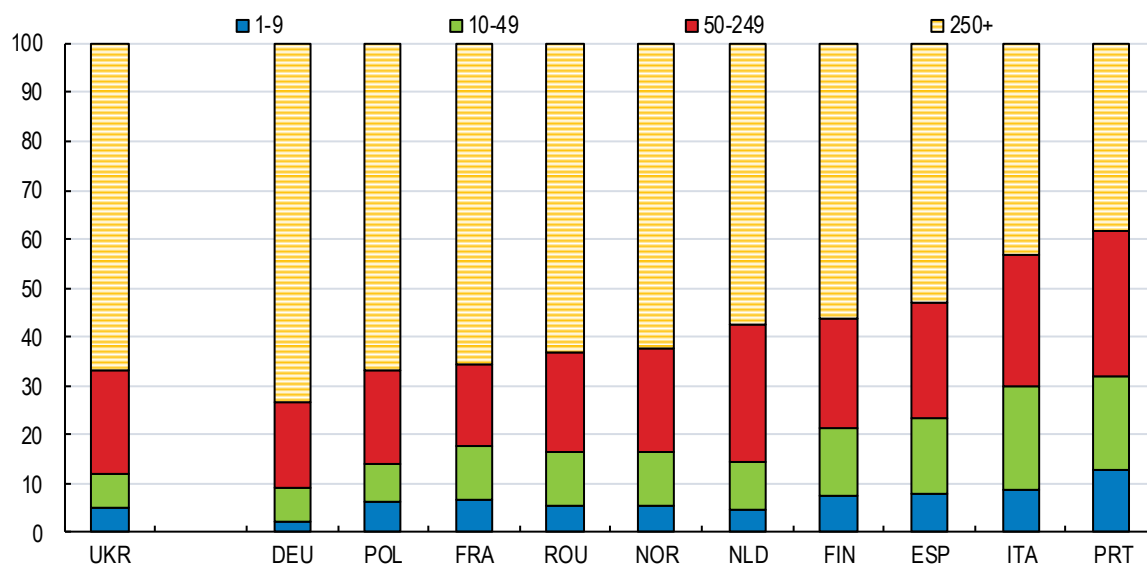
Million UAH

ISIC rev.4	Activity sector	1-9	10-49	50-249	250+	Total
B+C+D+E	Industry, except construction	132 347	202 916	598 526	1 928 520	2 862 309
F	Construction	58 178	78 755	61 363	38 202	236 497
G	Wholesale and retail trade	766 177	754 315	806 502	1 024 192	3 351 186
H	Transportation	63 274	57 187	81 860	276 693	479 014
I	Accommodation	19 547	8 725	7 340	13 353	48 965
J	Information	100 214	28 429	31 116	57 044	216 804
L	Real estate	62 928	35 311	13 029	9 914	121 182
M	Professional services	66 850	30 800	26 837	201 824	326 311
N	Administrative services	29 198	18 404	18 587	14 869	81 057
B-N_x_K	Business economy except financial and insurance activities	1 298 714	1 214 842	1 645 159	3 564 611	7 723 325
A_S	Total economy	1 418 227	1 364 981	1 823 737	3 705 327	8 312 272

Source: State Statistics Service of Ukraine

3.2. Turnover by size class, industry, Ukraine and selected OECD countries

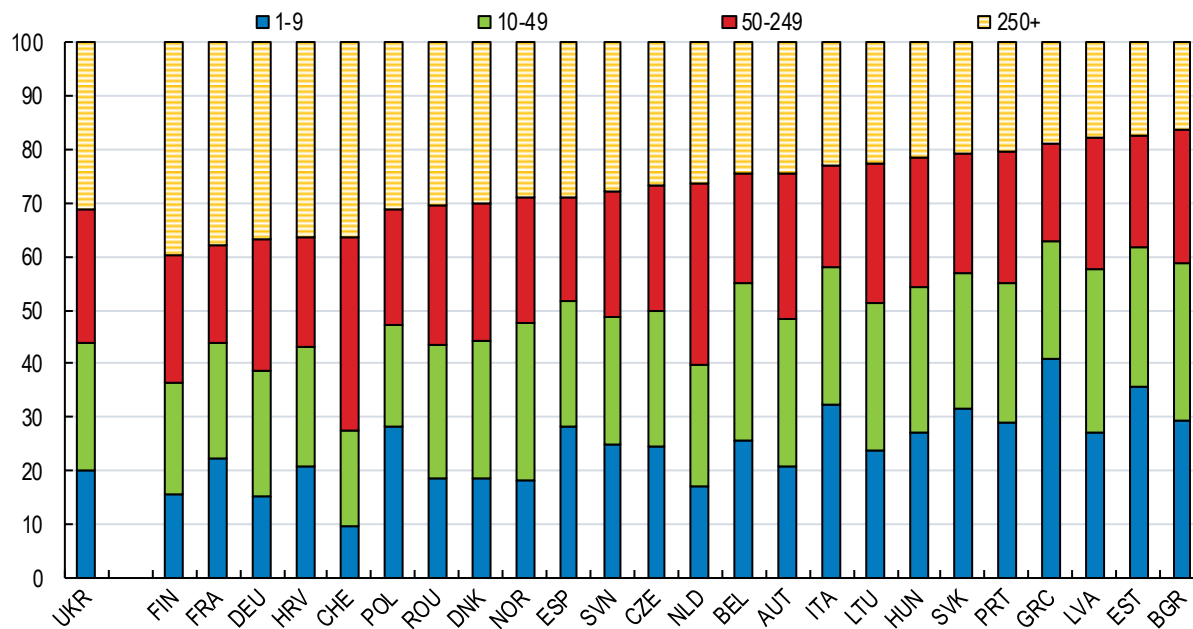
Percentage, 2016



Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

3.3. Turnover by size class, wholesale and retail trade, comparison with OECD and other countries

Percentage, 2016



Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

4. SME value added

4.1. Value added by size class, total economy

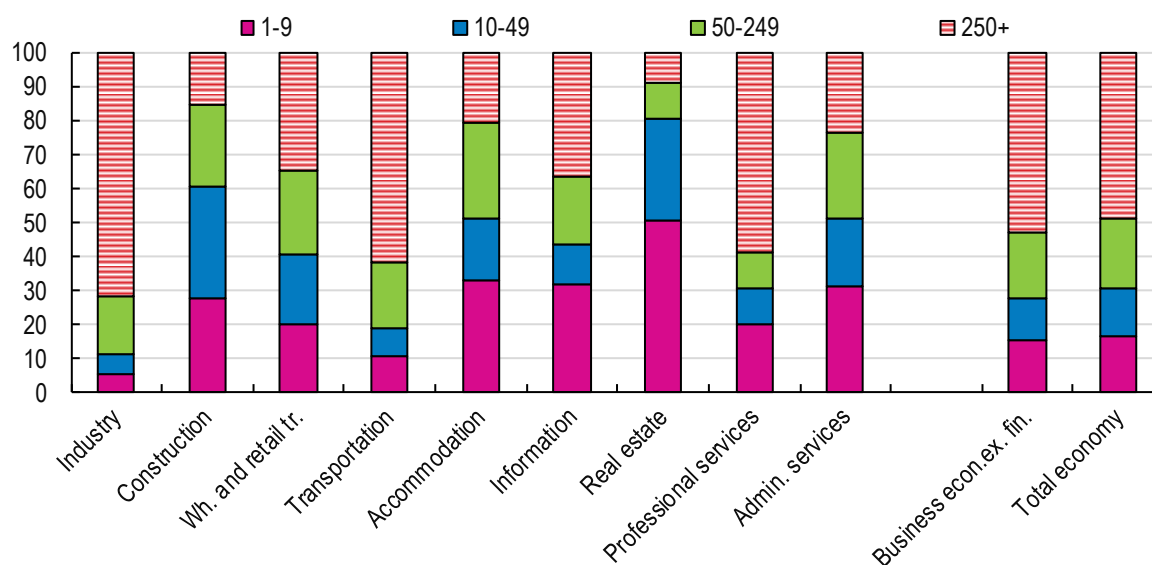
Million UAH, 2017

ISIC rev.4	Activity sector	1-9	10-49	50-249	250+	Total
B+C+D+E	Industry, except construction	45 169	50 156	139 103	592 185	826 614
F	Construction	17 273	20 182	14 920	9 471	61 847
G	Wholesale and retail trade	101 365	104 193	123 598	175 075	504 230
H	Transportation	24 041	19 071	43 726	137 891	224 729
I	Accommodation	5 066	2 730	4 287	3 118	15 201
J	Information	33 631	12 480	20 798	38 648	105 557
L	Real estate	38 076	22 311	8 027	6 347	74 761
M	Professional services	29 063	14 706	15 073	82 730	141 572
N	Administrative services	13 663	8 783	10 971	10 093	43 510
B-N_x_K	Business economy except financial and insurance activities	307 348	254 612	380 503	1 055 558	1 998 021
A_S	Total economy	373 661	323 300	457 681	1 102 656	2 257 297

Source: State Statistics Service of Ukraine.

4.2. Share of value added, by size class and activity sector

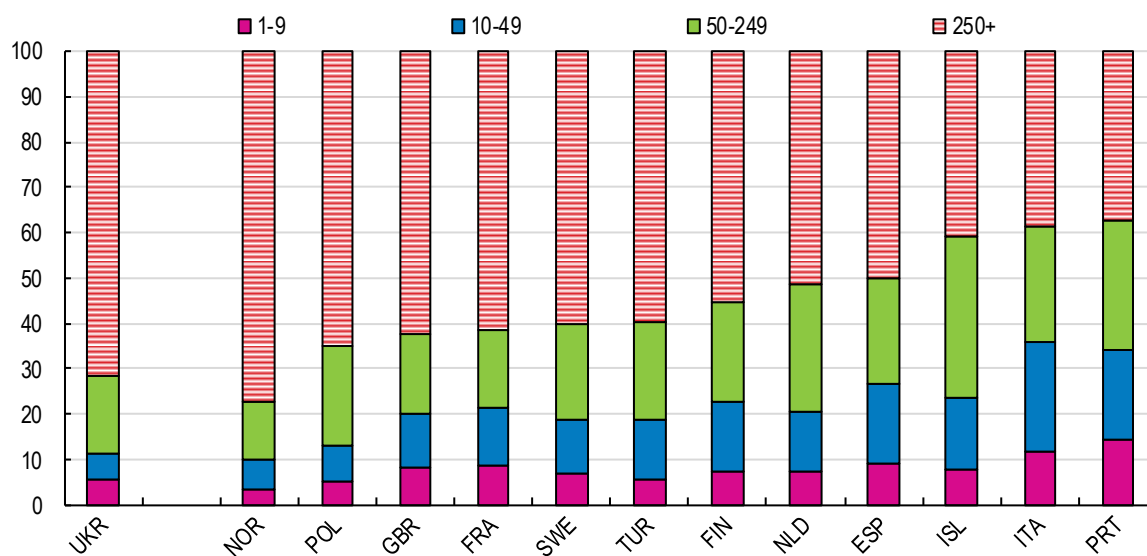
Percentage, 2017



Source: State Statistics Service of Ukraine.

4.3. Value added by size class, Ukraine and selected OECD countries

Percentage, 2016



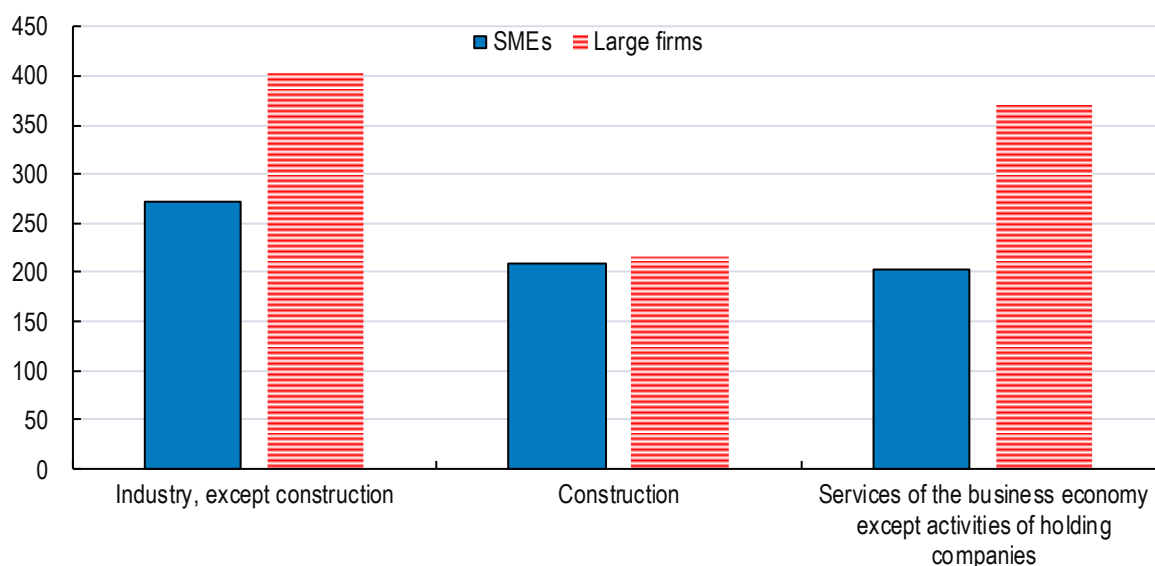
Note: Data for Ukraine and Turkey refer to 2017.

Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

5. Labour productivity of SMEs

5.1. Labour productivity, by activity sector

Thousand UAH

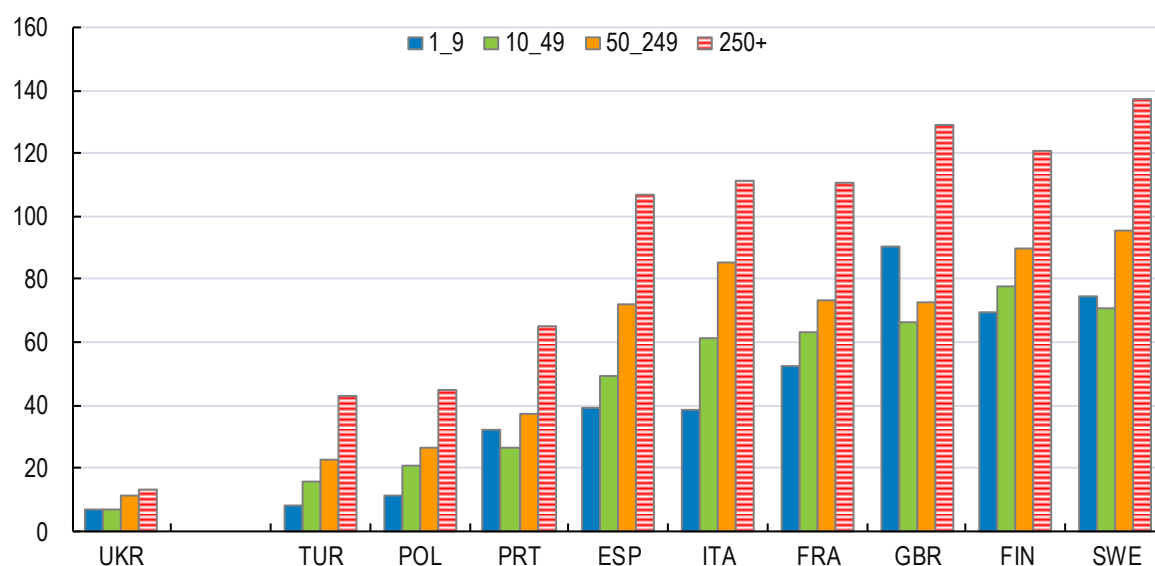


Note: Labour productivity is measured as value added per person employed. SMEs are defined as enterprises with 1 to 249 persons employed.

Source: State Statistics Service of Ukraine.

5.2. Labour productivity in industry, by size class, Ukraine and selected OECD countries

Thousand USD, 2016

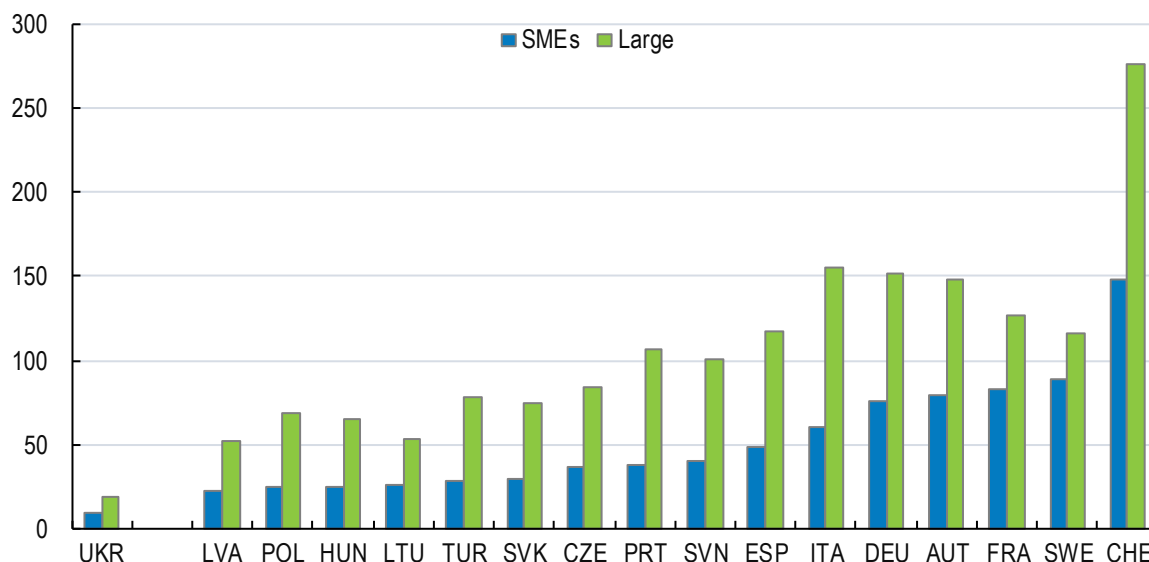


Note: Labour productivity is measured as value added per person employed. Data for Ukraine and Turkey refer to 2017.

Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

5.3. Labour productivity in ICT, Ukraine and selected OECD countries

Thousand USD, 2016

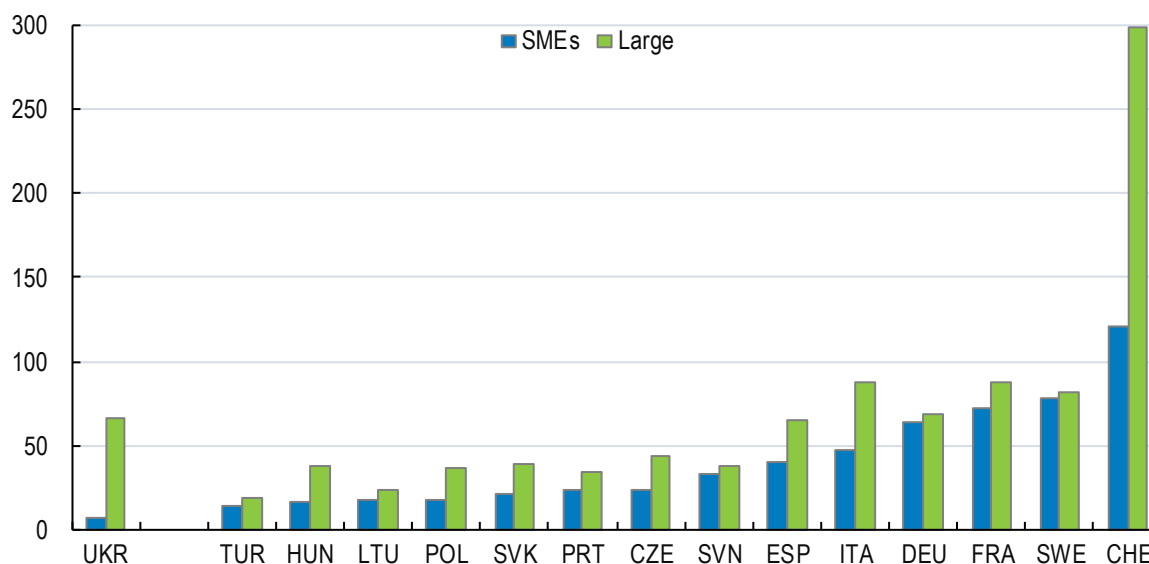


Note: Labour productivity is measured as value added per person employed. Data for Ukraine and Turkey refer to 2017. SMEs are defined as enterprises with 1 to 249 persons employed.

Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

5.4. Labour productivity in professional services industries, Ukraine and selected OECD countries

Thousand USD, 2016



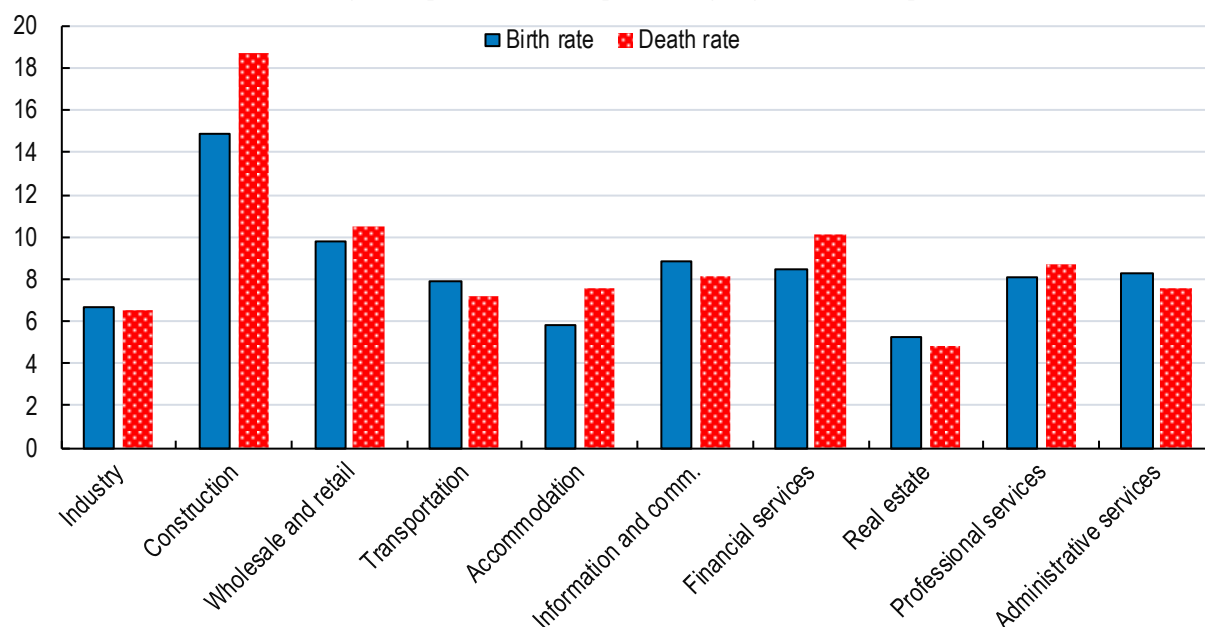
Note: Labour productivity is measured as value added per person employed. Data for Ukraine and Turkey refer to 2017. SMEs are defined as enterprises with 1 to 249 persons employed.

Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

6. Entrepreneurial dynamism

6.1. Enterprise birth and death rates, by activity sector, 2015

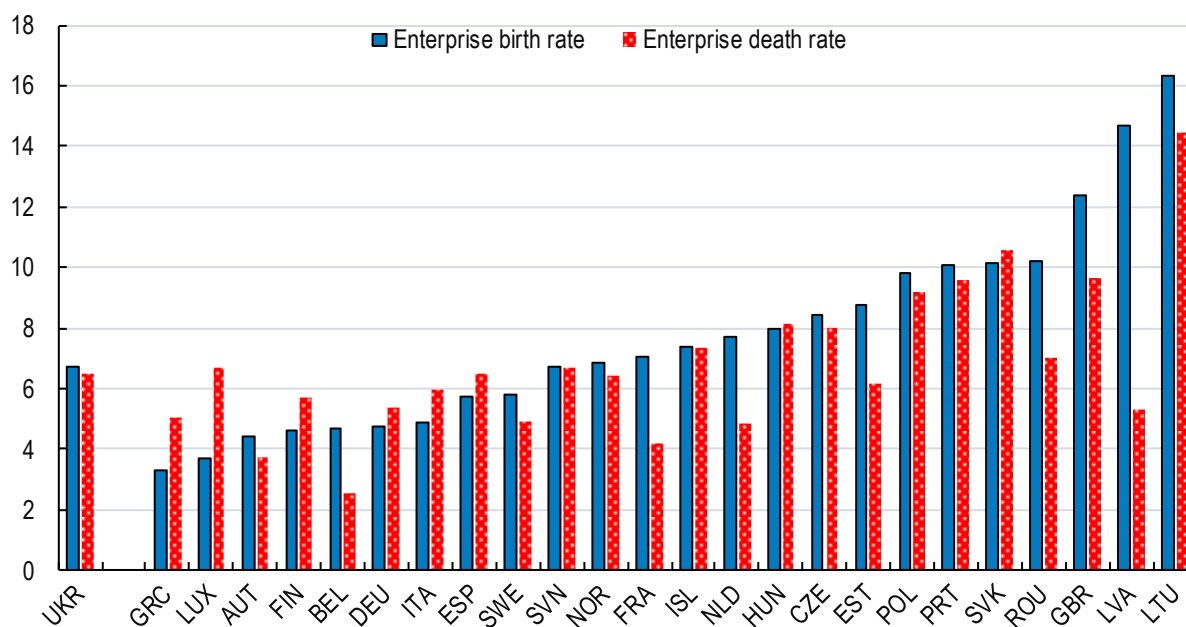
Number of enterprise births as percentage of active enterprises



Source: State Statistics Service of Ukraine.

6.2. Enterprise birth and death rates, industry, Ukraine and selected OECD countries

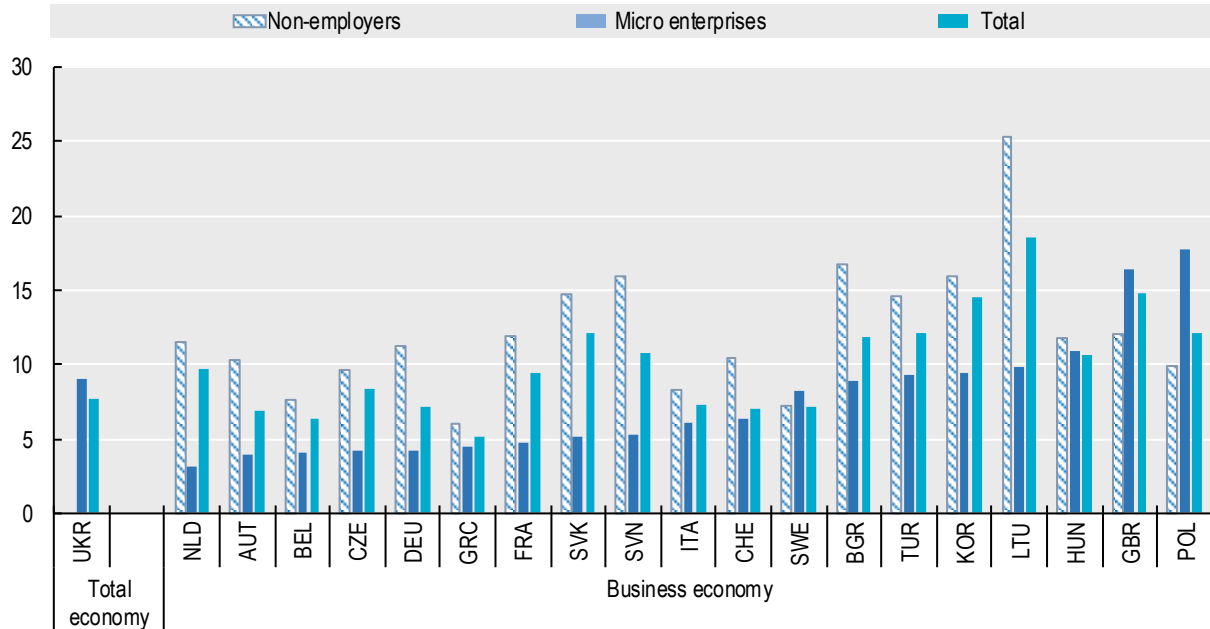
Number of enterprise births as percentage of active enterprises, 2015



Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

6.3. Enterprise birth rates, by size, Ukraine and selected OECD countries

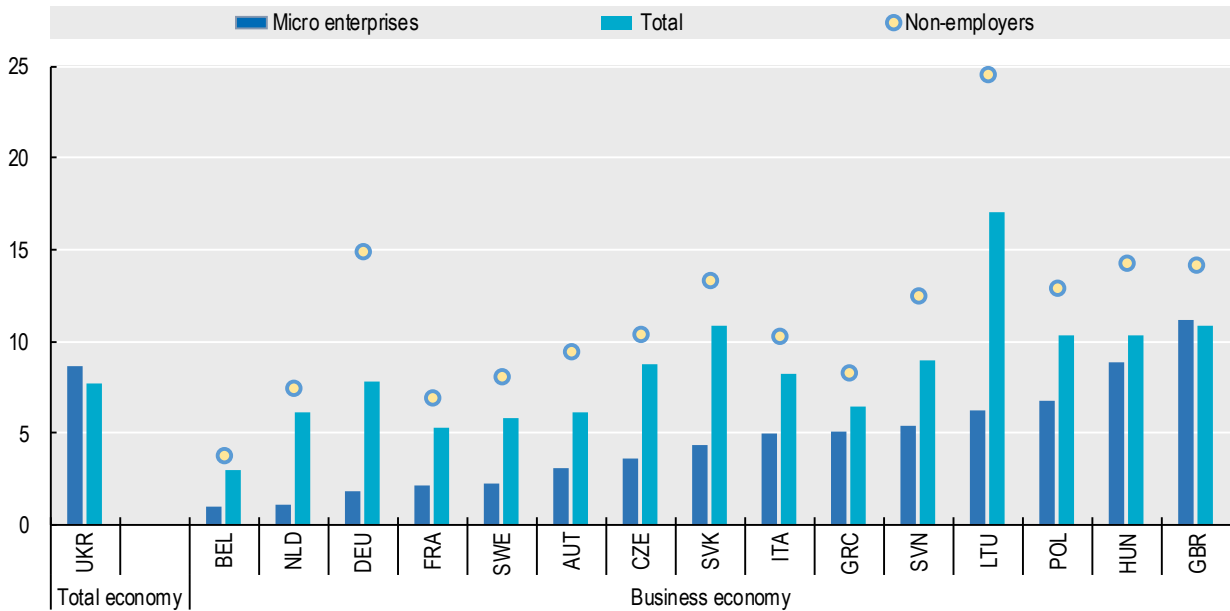
Number of enterprise births as percentage of active enterprises, 2015



Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

6.4. Enterprise death rates, by size, Ukraine and selected OECD countries

Number of enterprise deaths as percentage of active enterprises, 2015

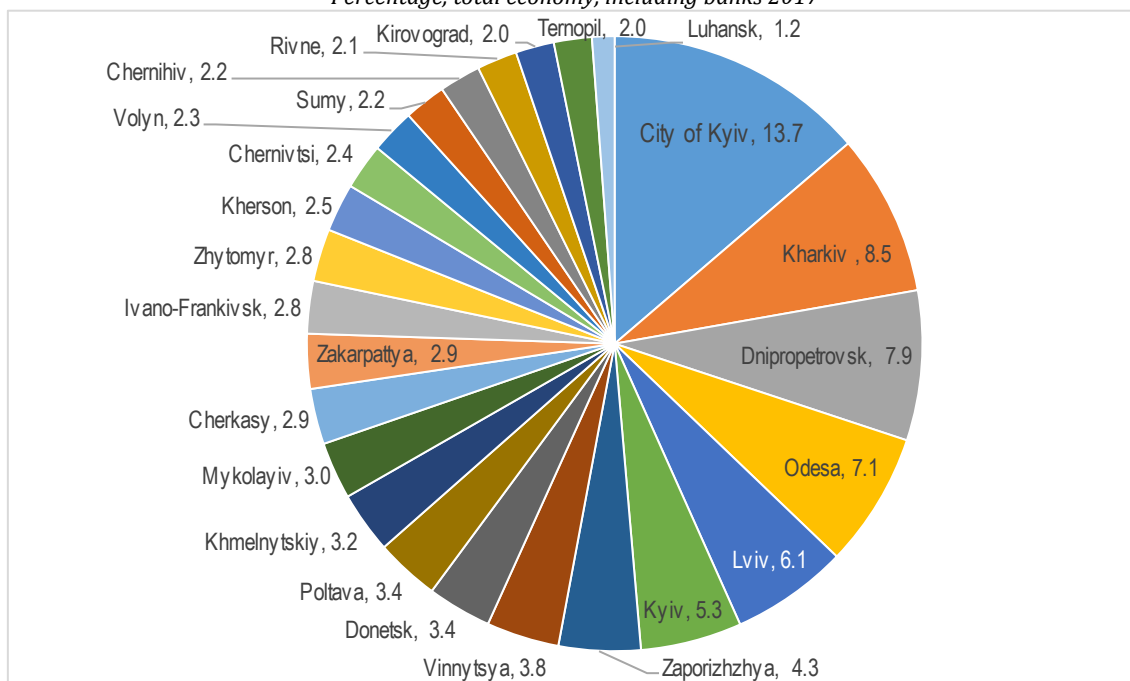


Source: State Statistics Service of Ukraine and OECD Structural and Demographic Business Statistics database.

7. Regional statistics on enterprises

7.1. Share of enterprises by region, including individual enterprises

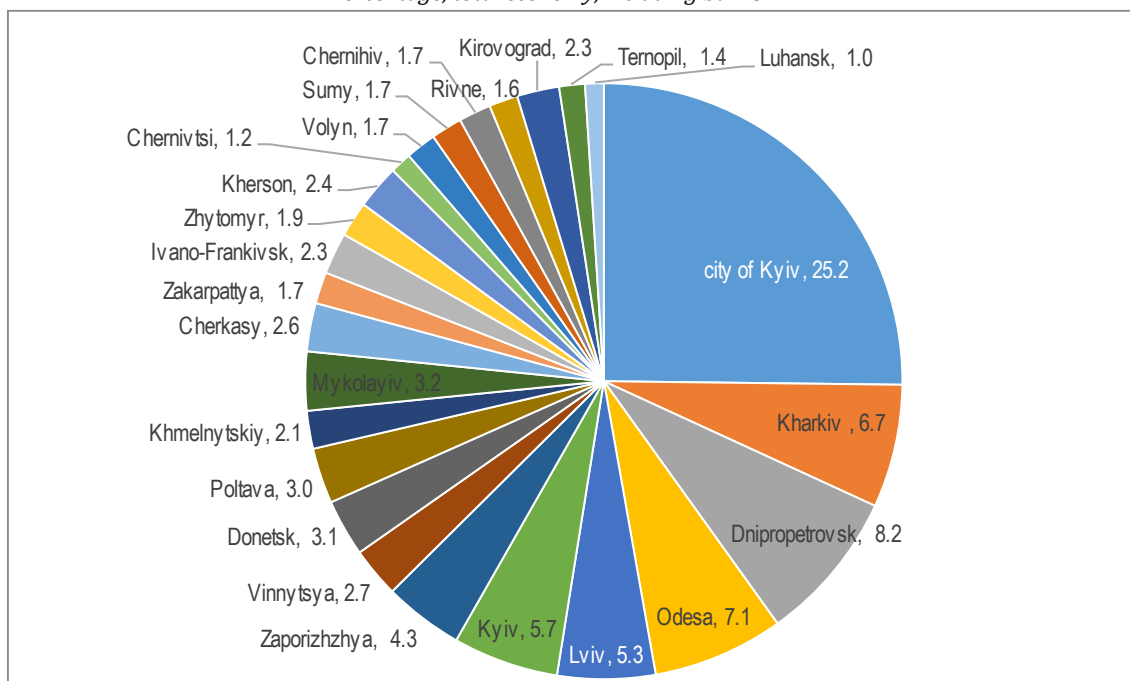
Percentage, total economy, including banks 2017



Source: State Statistics Service of Ukraine.

7.2. Share of enterprises by region, legal entities

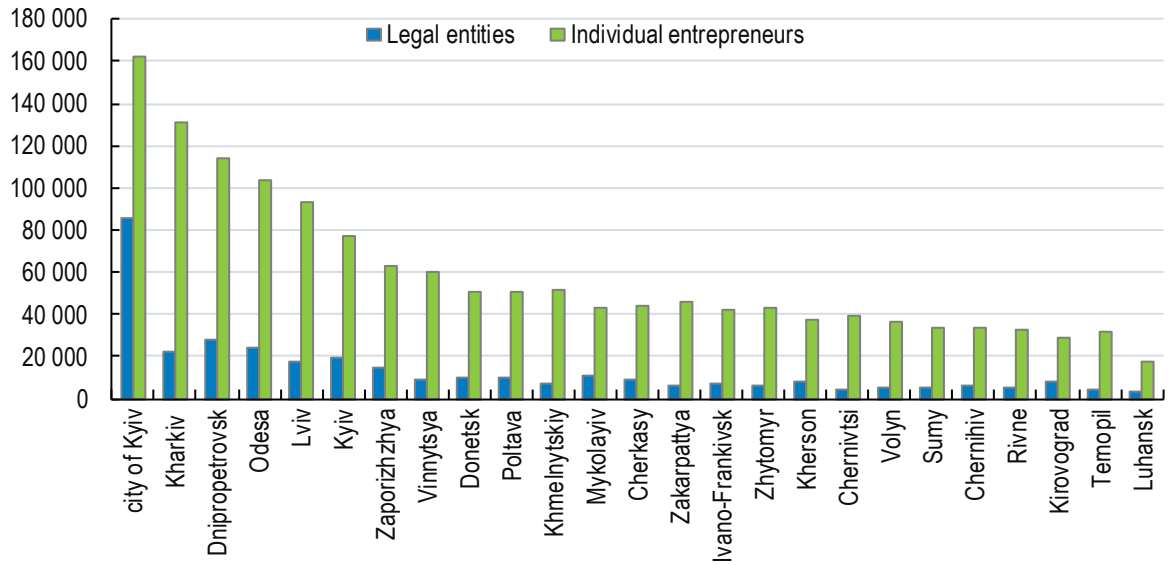
Percentage, total economy, including banks 2017



Source: State Statistics Service of Ukraine.

7.3. Number enterprises by region, by legal form

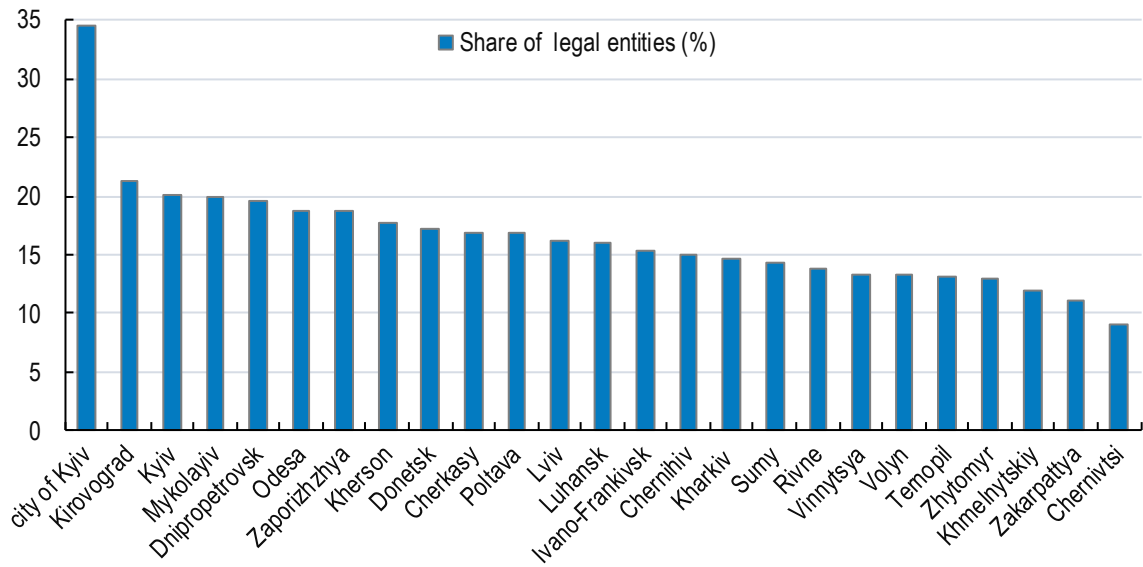
Total economy, including banks 2017



Source: State Statistics Service of Ukraine.

7.4. Share of legal entities by region

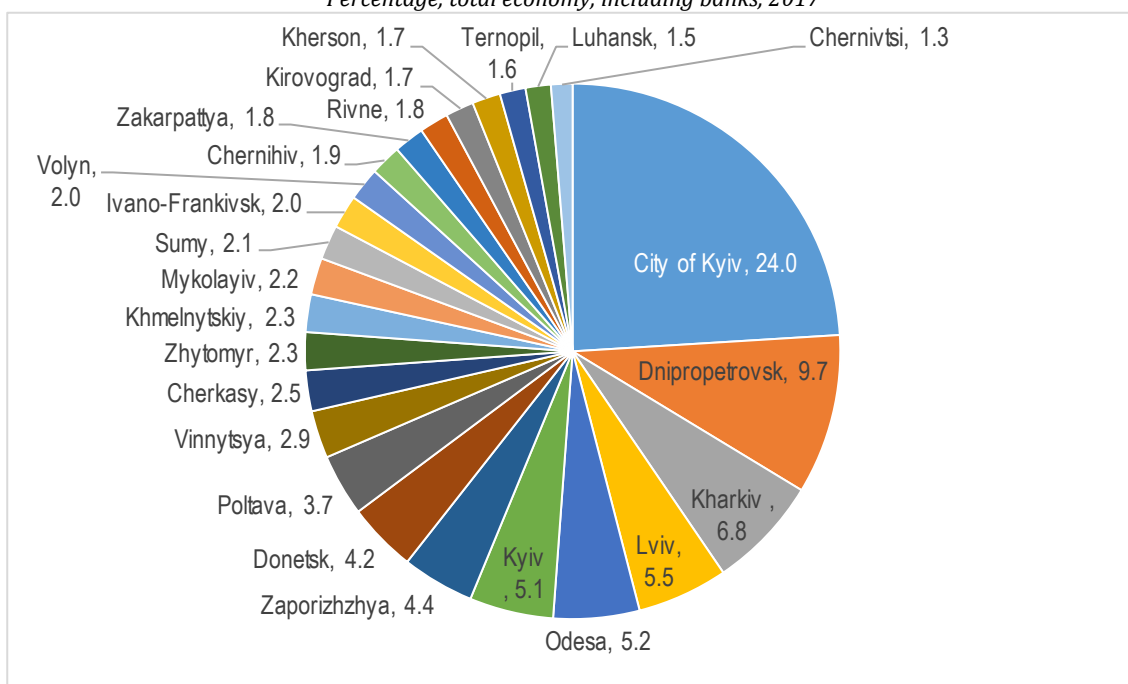
Percentage, total economy, including banks 2017



Source: State Statistics Service of Ukraine.

7.5. Number of persons employed, by region, including individual enterprises

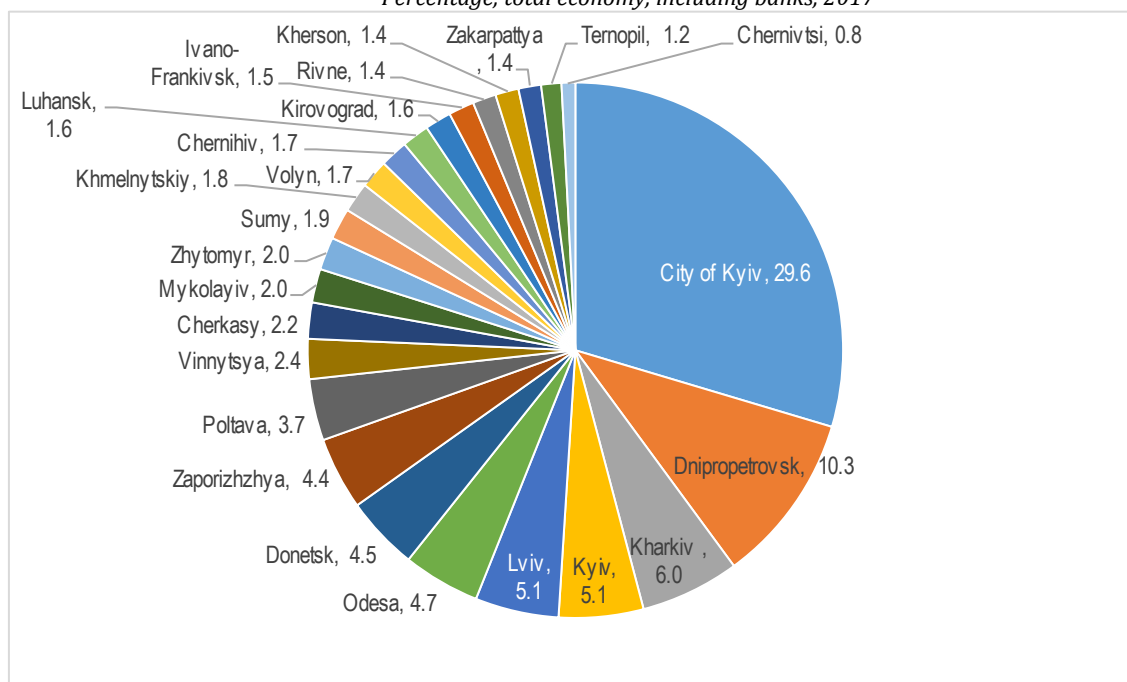
Percentage, total economy, including banks, 2017



Source: State Statistics Service of Ukraine.

7.6. Number of persons employed, by region, legal entities

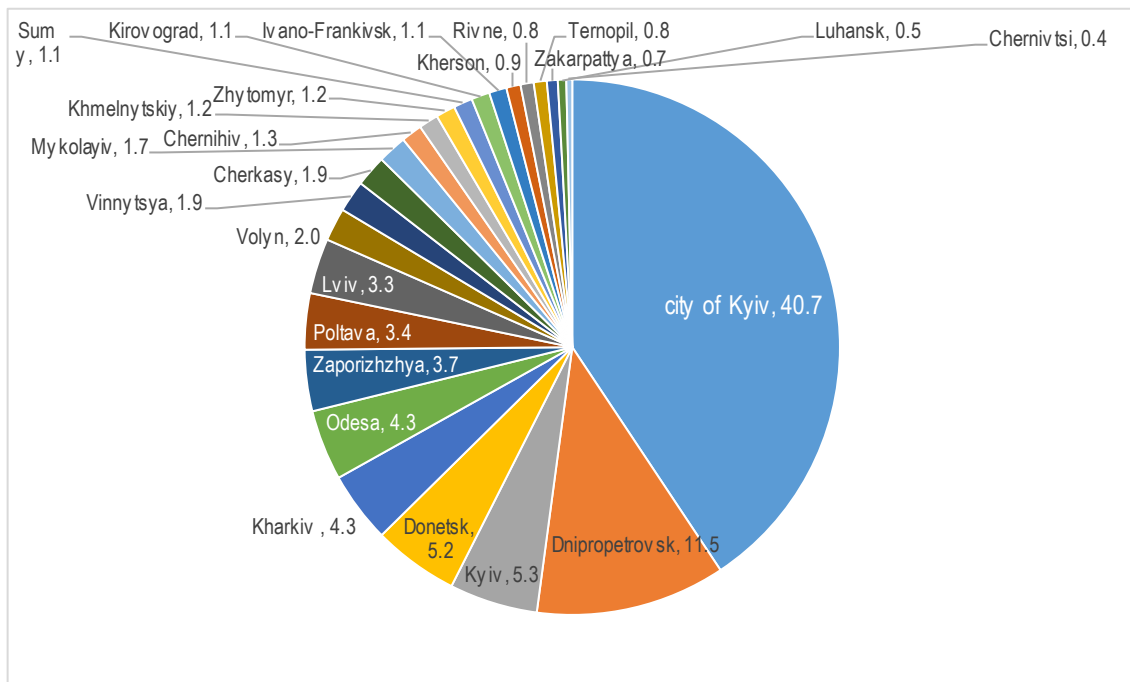
Percentage, total economy, including banks, 2017



Source: State Statistics Service of Ukraine.

7.7. Turnover by region, legal entities

Percentage, total economy, excluding banks, 2017



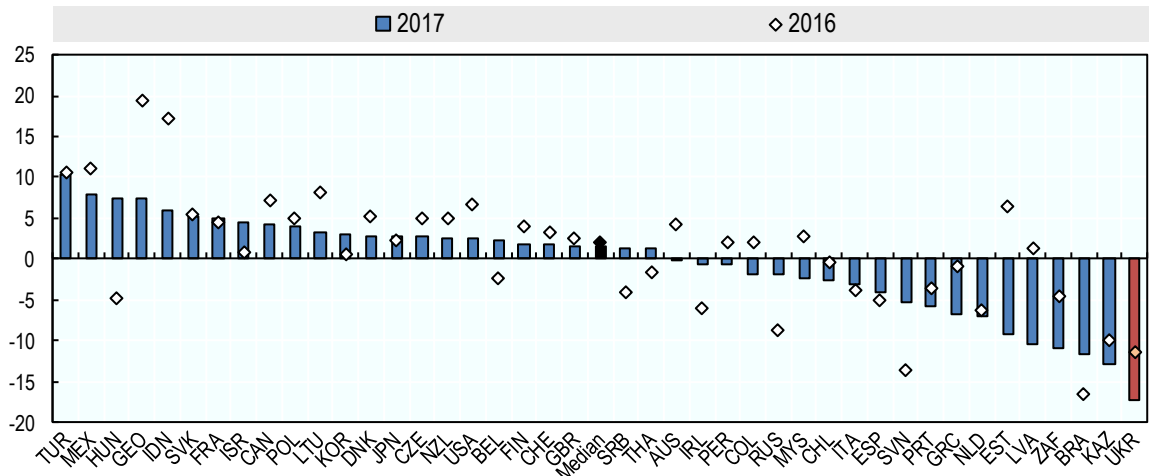
Source: State Statistics Service of Ukraine.

8. SME and corporate financing

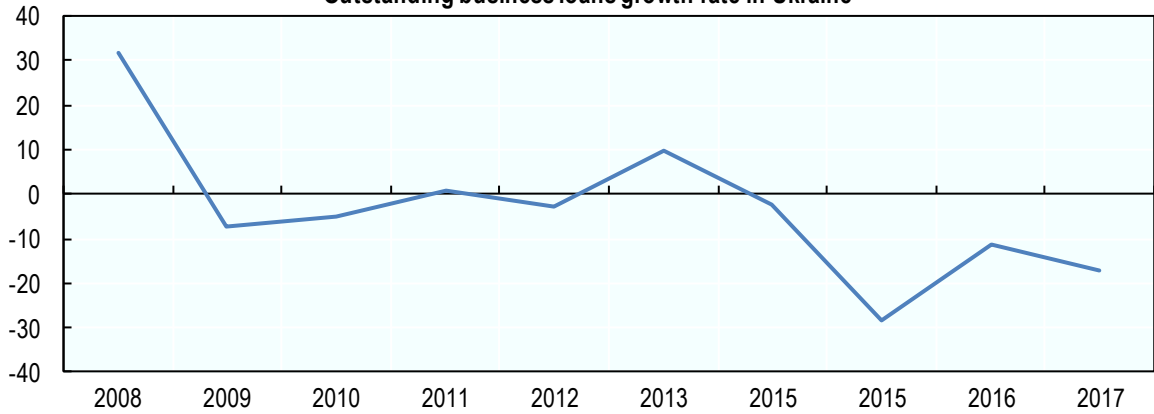
- Outstanding business loans (stock of loans) were heavily affected by three years of (2013-15) recession, four years (2014-17) of annual inflation figures over 10% and by large exchange rate fluctuations. The inflation-adjusted loan figures show a decrease of -17.4% in 2017, more than any other country participating in the OECD Financing Scoreboard. 2013 was the last year during which outstanding business loans increased in Ukraine.
- Adjusted for inflation, new business loan decreased by -20.3% in 2017, after an increase of 1.8% in 2016.
- The share of SME loans over total outstanding business loans reached 52.4% in 2017, a higher share than in most countries participating in the OECD Financing Scoreboard (and especially high compared to other middle income countries).
- 51% of outstanding business loans were long-term loans (with a maturity superior to a year) in 2018, below the Scoreboard average of 77.6%, suggesting that either demand or supply for long-term loans is subdued.
- 53.7% of all outstanding business loans were denominated in Hryvnia, followed by the US dollar and the Euro. The Agriculture, forestry and fishing and the Wholesale and retail trade sectors were among the sectors borrowing mainly in local currency in 2018. On the contrary, companies operating in the Mining and quarrying, as well as in the Electricity, gas, steam and air conditioning industries were borrowing mainly in foreign currencies. In general, the smaller the company, the more likely they are to borrow in local currency.
- Interest rates for SME loans reached 16.0% in 2017 (well above the Scoreboard median of 3.80%), following the rapid increase of the National Bank of Ukraine's interest rate between 2013 and 2015 in order to tackle inflation. On average, interest rates were higher for loans denominated in Hryvnia.
- The interest rate spread between loans to SMEs and large enterprises reached 2.50 percentage points in 2017. This relatively high spread could be explained by an elevated default rate of SMEs, or by a potential concentration of SMEs in sectors that were heavily affected by the recession.

8.1. Outstanding business loans growth, all companies

Year-on-year growth in percent, 2017

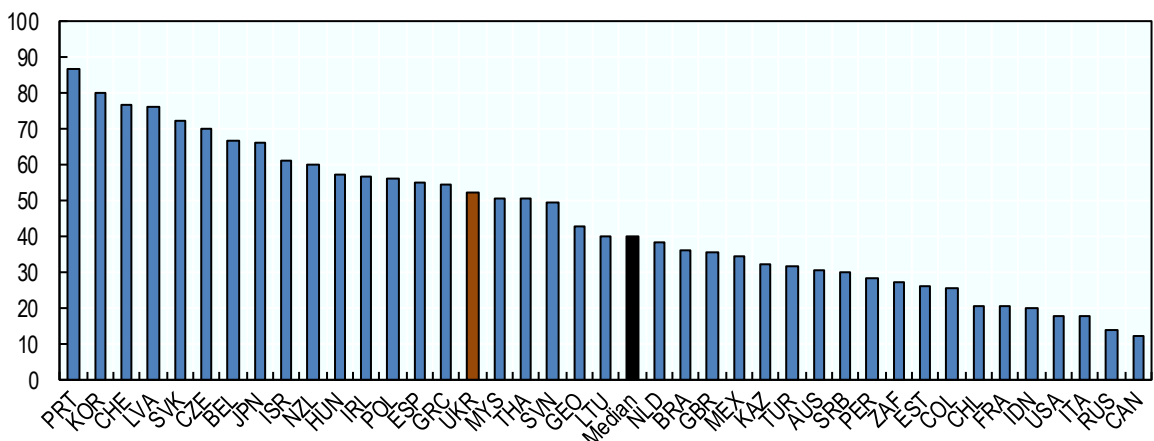


Outstanding business loans growth rate in Ukraine



8.2. SME outstanding loans as a share of total outstanding loans, 2017

Percentage

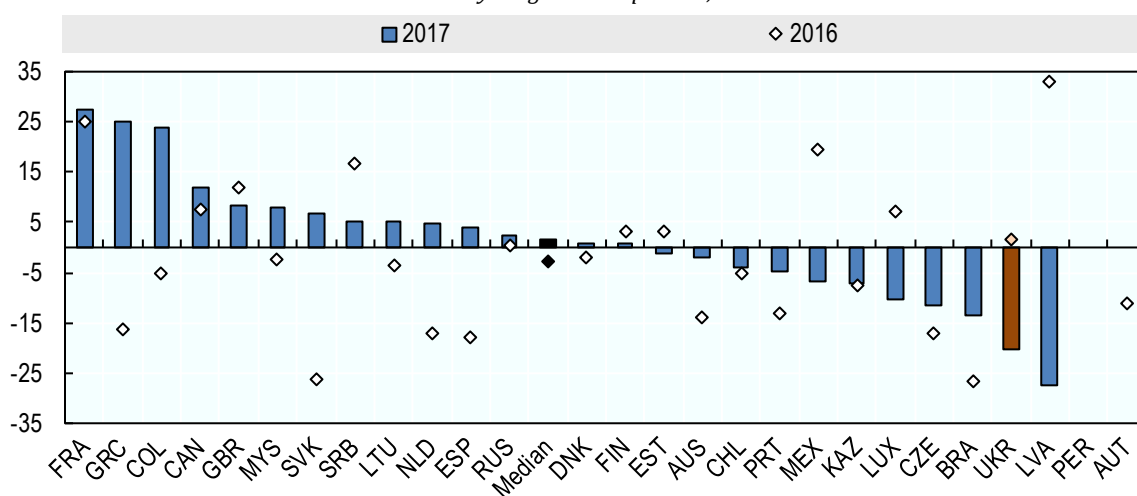


Note: Definitions differ across countries. Detailed information on sources and definitions is available in the full country profiles. Data are adjusted for inflation using the OECD GDP deflator. For non-OECD countries, the deflator was extracted from the World Bank World Development Indicators.

Source: Data compiled from the individual country profiles of Financing SMEs and Entrepreneurs 2019 and from the National Bank of Ukraine

8.3. New business loans growth, all companies

Year-on-year growth in percent, 2017



New business loans growth rate in Ukraine

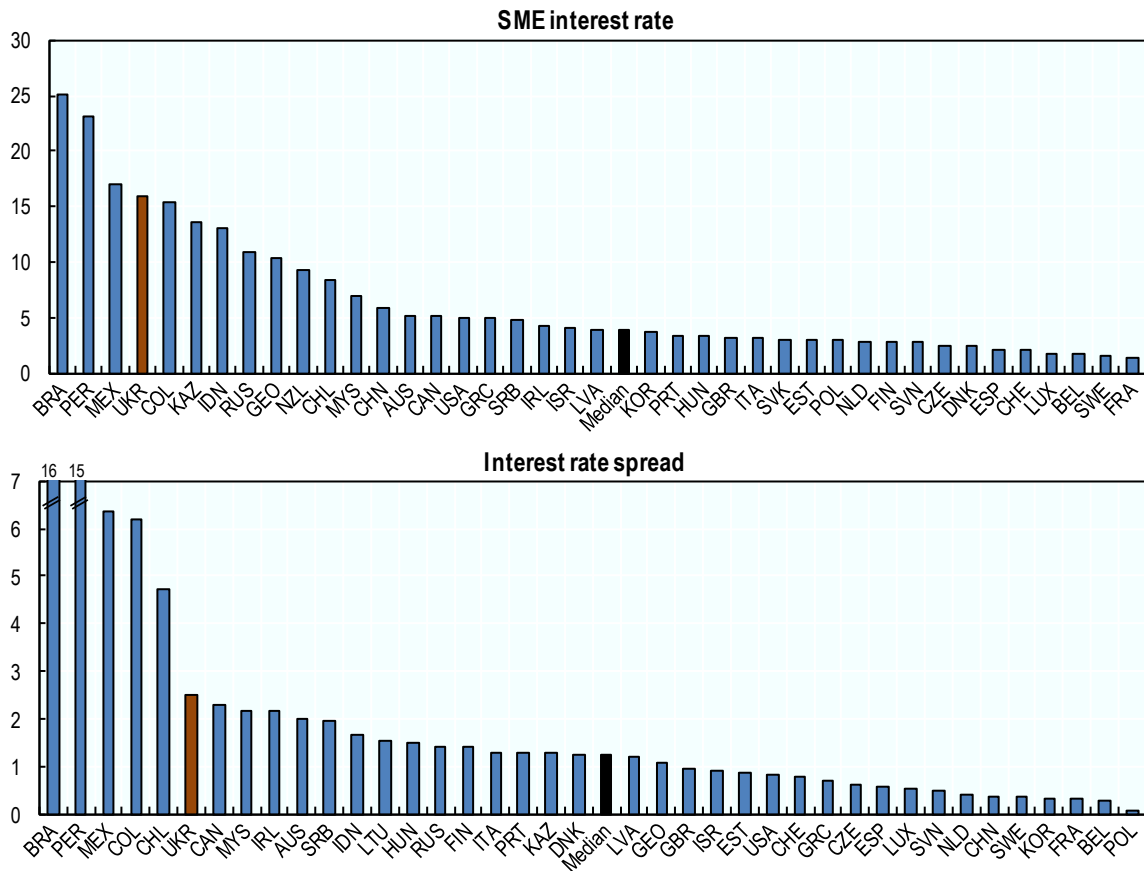


Note: Definitions differ across countries. Detailed information on sources and definitions is available in the full country profiles. Data are adjusted for inflation using the OECD GDP deflator. For non-OECD countries, the deflator was extracted from the World Bank World Development Indicators.

Source: Data compiled from the individual country profiles of Financing SMEs and Entrepreneurs 2019 and from the National Bank of Ukraine

8.4. SME interest rate and interest rate spreads between loans to large firms and to SMEs.

Percentage (first figure) and percentage points (second figure), 2017

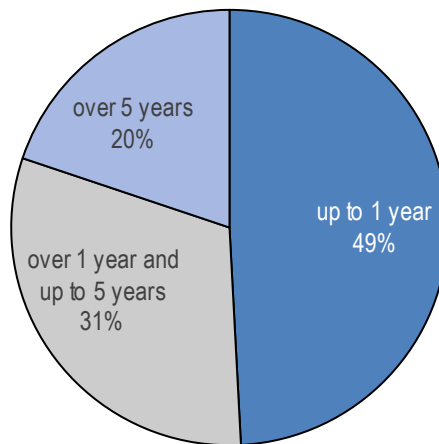


Note: Definitions differ across countries. Detailed information on sources and definitions is available in the full country profiles. The data refer to nominal interest rates.

Source: Data compiled from the individual country profiles of Financing SMEs and Entrepreneurs 2019 and from the National Bank of Ukraine

8.5. Outstanding SME loans by maturity

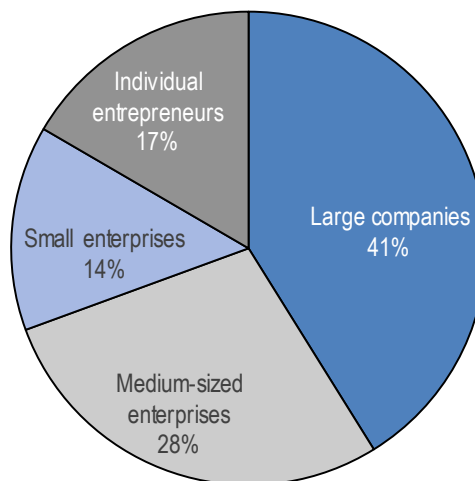
As a share, 12 months average to the end of October 2018



Source: Data compiled from the National Bank of Ukraine.

8.6. Outstanding loans by company size

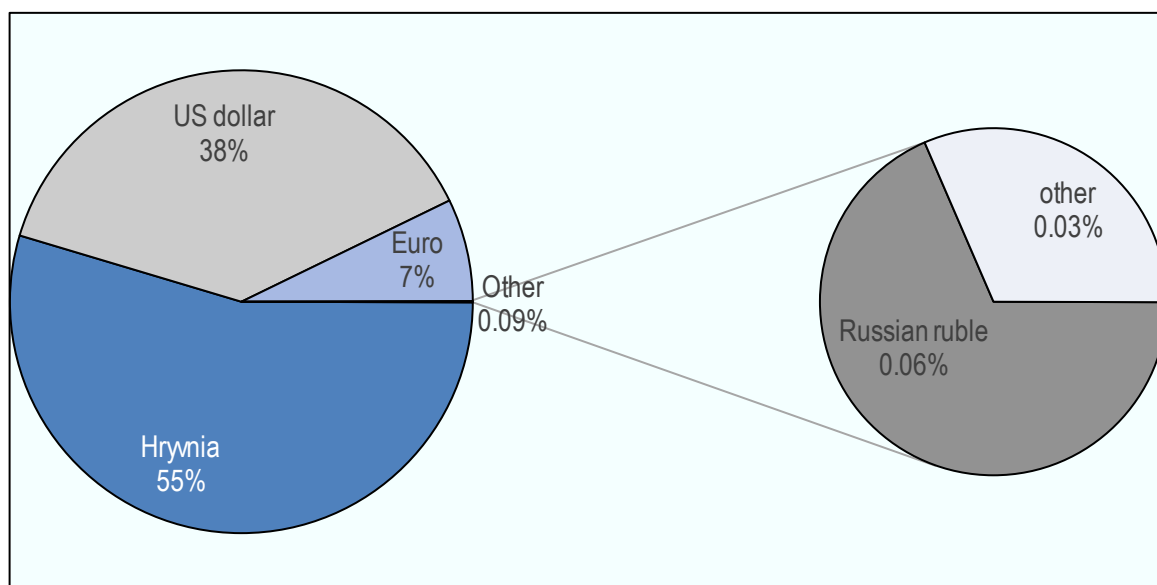
As a share of total loans, 12 month average as of the end of October 2018



Source: Data compiled from the National Bank of Ukraine

8.7. Loans to all companies, by currency

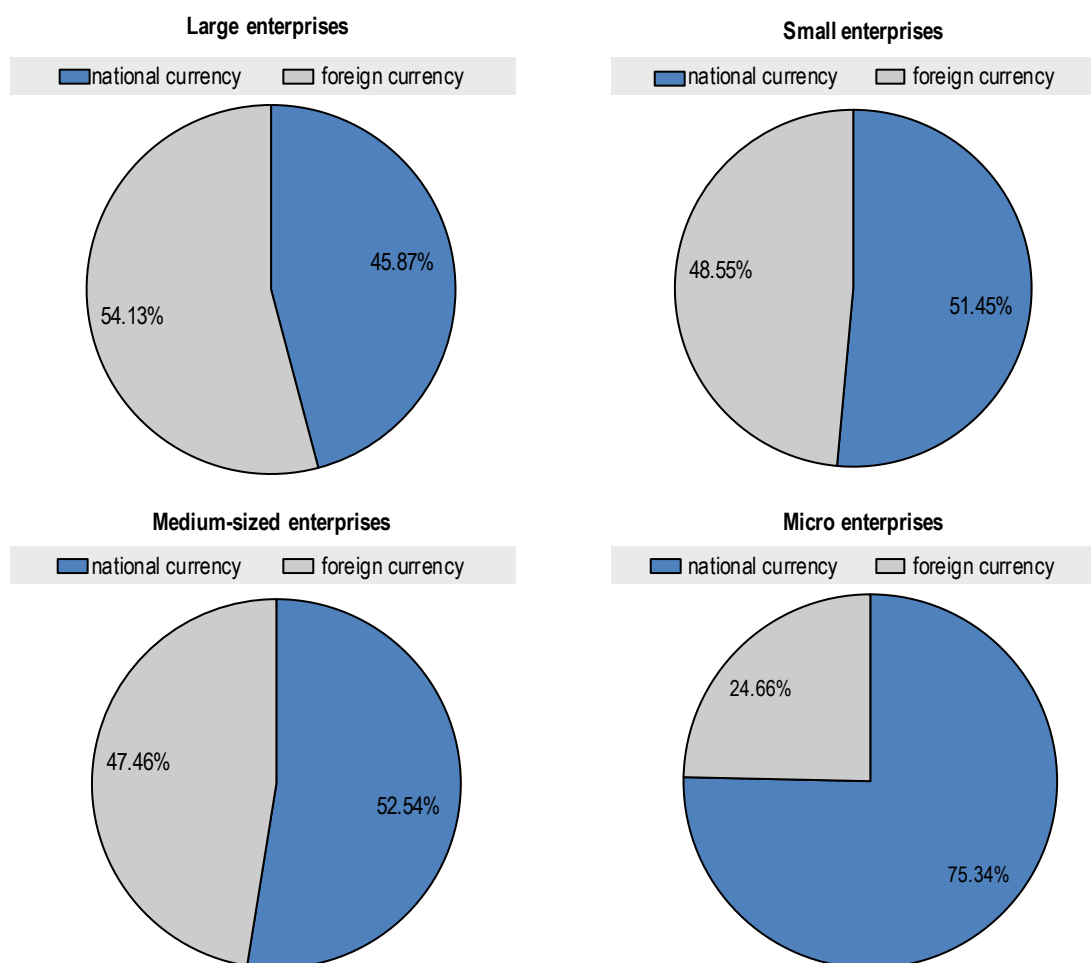
As a share of total loans, 12 month average as of the end of October 2018



Source: Data compiled from the National Bank of Ukraine

8.8. Loans to all companies, by type of currency and by company size

As a share of total loans, 12 month average as of the end of October 2018



Source: Data compiled from the National Bank of Ukraine

8.9. Total loans by sector

	millions of hryvnias	Percentage of total outstanding loans	Share of loans in local currency	Share of long term loans*
Total	890,169.02	100.00%	53.25%	19.76%
Agriculture, forestry and fishing	71,337.37	8.01%	76.14%	24.33%
Mining and quarrying	9,609.13	1.08%	17.86%	7.88%
Manufacturing	225,552.87	25.34%	27.36%	16.47%
Electricity, gas, steam and air conditioning supply	59,706.55	6.71%	19.81%	33.77%
Water supply; sewerage, waste management and remediation activities	2,932.51	0.33%	43.15%	0.21%
Construction	43,374.37	4.87%	67.34%	47.56%
Wholesale and retail trade; repair of motor vehicles and motorcycles	296,529.83	33.31%	77.05%	8.82%
Transportation and storage	40,215.55	4.52%	35.98%	15.66%
Accommodation and food service activities	2,579.45	0.29%	55.02%	12.40%
Information and communication	8,354.46	0.94%	91.21%	3.80%
Real estate activities	70,455.39	7.91%	44.12%	57.24%
Professional, scientific and technical activities	47,265.27	5.31%	47.52%	10.32%
Administrative and support service activities	10,117.35	1.14%	72.88%	8.76%
Education	18.16	0.00%	90.52%	19.00%
Human health and social work activities	1,384.21	0.16%	41.77%	46.41%
Arts, entertainment and recreation	302.61	0.03%	28.03%	2.94%
Other service activities	433.94	0.05%	86.59%	6.78%

Note: *With maturities of more than 5 years.

Source: Data compiled from the National Bank of Ukraine.

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