

UKRAINE INSIGHT:
"PUBLIC OPINION,
ECONOMY &
INVESTMENT"

Introduction

As Ukraine navigates a challenging period of war and economic recovery, public sentiment remains a crucial factor in shaping the nation’s future. This edition of our newsletter examines key topics, including public support for the government, economic conditions, foreign investments, and the business climate. Additionally, we explore how Ukrainians view potential peace negotiations and their expectations for the country’s leadership.

Stay informed as we provide a comprehensive analysis of Ukraine’s evolving landscape.

Public Support for the Government and President

As March 2025 president Volodymyr Zelensky’s approval rating stands at 63%, reflecting strong public support despite ongoing challenges.

A recent survey conducted by the Kyiv International Institute of Sociology (KIIS) between November 2024 and January 2025 reveals that 63% of Ukrainians either fully approve or tend to approve of President Volodymyr Zelenskyy's performance. Additionally, 74% perceive him as a patriot.

Public Support for the Government and President

The survey, part of the "Identity and Borders in Flux: The Case of Ukraine" (IBIF) project funded by the British Academy, included 1,600 respondents. It also highlighted that 26.1% of participants fully approve of Zelenskyy's actions as president, while 36.9% tend to approve. In contrast, 14.4% completely disapprove of his performance.

These findings indicate a slight increase in support for President Zelenskyy compared to previous polls. The survey also assessed perceptions of his personal qualities: 74% view him as a patriot, 73% consider him intelligent and knowledgeable, 60% see him as honest and trustworthy, and 65% regard him as a strong leader.

This data underscores the sustained public support for President Zelenskyy amid ongoing challenges.

Life Conditions: Average Salary, Inflation, and Unemployment Rate

Detailed statistics on current life conditions, including average salary, inflation, and unemployment rates, are not available in the provided sources. For the most accurate and up-to-date information, please refer to official Ukrainian government publications or reputable financial institutions.

On February 24, 2022, Russia launched a large-scale invasion of Ukraine by land, sea, and air. The war continues, with the most intense combat occurring in regions near the Ukraine-Russia border. In addition, missile strikes periodically target both civilian and military infrastructure across the country.

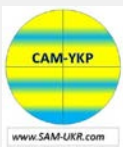
The conflict is primarily concentrated in the East, Southeast, and Northeast of Ukraine, particularly in Donetsk, Kharkiv, Zaporizhzhia, Kherson, Luhansk, Sumy, Dnipropetrovsk, and Chernihiv regions. While areas near the front lines experience severe challenges, the situation in Kyiv and western Ukraine is relatively more stable. Despite the ongoing war, essential needs such as food, water, sanitation, shelter, and heating are generally being met.

Ukraine's Resilience Amid Ongoing Challenges

Russia's invasion continues to inflict severe losses on both the population and the economy.

Since early 2022, poverty levels in Ukraine have risen by at least 1.8 million people, reaching a total of 9 million.

The country’s economy faces significant obstacles due to extensive infrastructure damage and power supply disruptions. As a result, economic growth is projected to slow to 3.2% in 2024 and further decline to 2% in 2025. Despite these hardships, both the Ukrainian government and its citizens continue to display extraordinary resilience in the face of widespread devastation.



CHALLENGES AND STRENGTHS OF UKRAINE’S PRIVATE SECTOR

Ukraine’s private sector has shown remarkable adaptability but continues to face major difficulties amid the ongoing conflict and economic instability. While exports have resumed, financial challenges remain, especially for small businesses.

Ukraine’s Financial Needs and Investment Potential

In the coming years, Ukraine will require substantial financial support, with private sector investment playing a crucial role. According to the Rapid Damage and Needs Assessment (RDNA3) published in February 2024, Ukraine will need at least \$486 billion over the next decade to fund reconstruction. The greatest needs are in housing (17%), transportation (15%), commerce and industry (14%), agriculture (12%), energy (10%), social protection and livelihoods (9%), and explosive hazard management (7%).

With necessary reforms to enhance the business climate, private investment could potentially cover about one-third of the reconstruction costs. Additionally, there are \$280 billion worth of opportunities in other sectors.

Agriculture, commerce, industry, banking, and housing already present significant investment potential. Furthermore, policy improvements and stronger integration with the European Union could encourage private sector participation in infrastructure projects and support sustainable, resilient rebuilding efforts.

Inflation Rate

In February 2025, Ukraine's inflation rate was reported at 12%.

Unemployment Rate

The war has led to significant labor shortages, with over a quarter of the workforce affected due to military mobilization and displacement. This has prompted businesses to hire more women, teenagers, and older workers to fill gaps in sectors like construction, transport, and mining.

The gini coefficient in Ukraine is forecast to amount to 0.26 in 2025.
The unemployment rate in Ukraine is forecast to 12.71% in 2025.
The unemployed people in Ukraine is forecast to 2.59m in 2025.
The employment rate in Ukraine is forecasted to 51.53% in 2025.
The total labor force in Ukraine is forecasted to 20.41m in 2025.
The labor productivity in Ukraine is forecasted to US\$5.71 in 2025.
The total population in Ukraine is forecast to amount to 38.98m inhabitants in 2025.
The number of households in Ukraine is forecast to amount to 10.63m in 2025.
The share of population in Ukraine who earns less than \$2.15 per day is forecast to amount to 0.00% in 2025.

Average Salary

- In 2021, the average salary in Ukraine reached approximately €14,300 (US\$525) per month. While more recent data is limited, it's likely that wages have been influenced by the ongoing economic situation.
- The average salary in Ukraine is 23,500 UAH, reflecting an 18% increase compared to March of the previous year. This median salary is derived from an analysis of 163,816 job postings on Work.ua over the past three months. The chart highlights the salary range that includes the median.

Economic Growth

- Despite the conflict, Ukraine's economy showed resilience with a GDP growth of 5.3% in 2023 and an estimated 3% in 2024.

International Support

In November 2024, Ukraine reached an agreement with the International Monetary Fund (IMF) for access to approximately \$1.1 billion, bringing total disbursements under the program to \$9.8 billion. The IMF projected a real GDP growth of 4% for Ukraine in 2024, with a slowdown to between 2.5% and 3.5% expected in 2025 due to infrastructure damage and labor shortages.



FOREIGN INVESTMENT IN UKRAINE

70% of Companies Plan to Invest in Ukraine Despite War

A recent survey from the **European Business Association (EBA)**, conducted in partnership with **NEQSOL Holding**, indicates that despite the ongoing war, **70% of businesses operating in Ukraine plan to continue investing**.

Investment Climate Perception

The survey revealed a **slight improvement** in perceptions of Ukraine's investment environment:

- **79%** of business leaders still view the investment climate as unfavorable, down from **84% last year**.
- Only **20%** now consider it **highly unfavorable**, a significant drop from **53% in 2022**.
- A **neutral stance** was taken by **12%** of executives (up from **7% last year**), while **9%** viewed the climate positively.

Opinions on **investment climate dynamics** remain similar to 2023:

- **49%** believe the situation has worsened.
- **39%** see no change.
- **12%** think conditions have improved.

Investment Index and Business Sentiment

The **Investment Attractiveness Index** increased slightly to **2.49 out of 5**, compared to **2.44 in 2023**, aligning with levels seen during the **COVID-19 crisis in 2020**.

Business Expectations for the Next Six Months

Looking ahead, business leaders remain cautious:

- **49%** anticipate a further decline in the investment climate.
- **33%** expect no change.
- **18%** are optimistic about improvement.

A similar trend is observed across different industries:

- **44%** foresee worsening conditions.
- **43%** predict stability.
- **13%** expect improvements.
- Challenges and Growth Opportunities
- The biggest concerns for businesses include:
 - Russia's military aggression (the primary negative factor).
 - Corruption, a weak judiciary, the shadow economy, and attacks on Ukraine's energy system.
- **81%** of companies see currency restrictions as a key challenge affecting investment attractiveness.
- On the positive side, business leaders recognize several growth factors:
 - Ukraine's EU candidate status.
 - Elimination of tariffs and quotas for Ukrainian exports.
 - A "visa-free" transport agreement with the EU.
 - Digitalization of public services.
 - Integration into the unified European electricity network.
- Business Losses and Legal Action
- More than half of surveyed companies (**54%**) reported financial losses due to the war:
 - **25%** have already sought assistance from law enforcement.
 - **11%** plan to take legal action.
 - **3%** have turned to national or international courts for recourse.
- Despite the difficulties, the commitment of companies to remain and invest in Ukraine reflects resilience and long-term confidence in the country's recovery and integration with Europe.
- <https://eba.com.ua/en/70-opytanyh-kompanij-investuvatymut-v-ukrayinu-popry-vijnu/>

Managing Foreign Business Operations in Ukraine During War

Anatoliy Kostruba, University Paris 1 Pantheon-Sorbonne (2 Overview

Foreign businesses play a crucial role in Ukraine's economy by attracting investment, creating jobs, and driving industry growth. However, Russia's full-scale invasion in 2022 severely disrupted business activities. Many companies initially halted operations but are now resuming despite ongoing challenges like security risks, infrastructure damage, and supply chain disruptions.

Conclusion

The war has significantly impacted foreign business in Ukraine, yet investment potential remains.



UKRAINIAN COMPANIES CEASING OPERATIONS POST-WAR

90% of Ukrainian Businesses Resume Operations Amid War

 Source: United Nations Development Program (UNDP), October 2023

Since Russia's full-scale invasion, 64% of micro, small, and medium-sized enterprises (MSMEs) in Ukraine initially halted or closed operations. However, most have since resumed their activities.

Key Findings

- **Business Recovery:** As of October 2023, only 9.6% of businesses that suspended operations remain at risk of closure, a significant improvement from 46.8% in June 2022.
- **Economic Impact:** MSMEs form the backbone of Ukraine's economy, representing 99.98% of businesses, 74% of jobs, and 64% of total economic value.
- **Financial Losses:**
 - The construction sector suffered the greatest financial losses.
 - Agriculture, telecom, marketing, consulting, and design experienced less impact.
 - On average, businesses reported losses of \$227,000, though some sectors were hit harder.
 - Only 9.5% of companies reported no losses, while 10% faced minor losses under \$10,000.

Regional Differences & Support Measures

- Businesses in eastern and southern Ukraine endured 1.5 times greater losses than those in the west.
- Around 25% of companies received government or international aid, which proved crucial for half of them.

Public Perception of a Ceasefire with Russia

Recent developments indicate a complex public sentiment regarding a ceasefire with Russia. President Donald Trump has threatened Russia with sanctions if it does not accept a proposed 30-day ceasefire agreement with Ukraine. The agreement, reached after extensive negotiations, includes a full halt on missile, drone, and bomb attacks. Tensions remain high as Europe backs Ukraine and pushes for a lasting peace

The public perception of a ceasefire with Russia is marked by a mix of cautious optimism and skepticism. The recent proposal for a 30-day ceasefire, which includes halting missile, drone, and bomb attacks, has sparked varying responses globally. On one hand, there is a sense of relief in the West, especially in Europe, where many are eager for a peaceful resolution to the ongoing conflict. European leaders have expressed strong support for Ukraine, urging Russia to commit to the ceasefire as part of a broader push for lasting peace.

However, skepticism lingers, particularly in the context of Russia's past actions and rhetoric. Many fear that a temporary ceasefire might only provide Moscow with an opportunity to regroup rather than work toward a sustainable peace. This is compounded by concerns that Russia may use the ceasefire as a bargaining chip to extract further concessions. In the U.S., Trump's threat of sanctions if Russia rejects the ceasefire adds another layer of complexity, with some questioning whether such measures will truly sway Moscow's actions or simply escalate tensions further.

In Ukraine, while there is cautious acceptance of the ceasefire agreement, public opinion is divided. Some view it as a step toward ending the devastating war, while others worry it may weaken Ukraine's negotiating position and allow Russia to fortify its hold on occupied territories. Ultimately, while the idea of a ceasefire offers a glimmer of hope, the uncertainty surrounding Russia's intentions and the broader geopolitical dynamics leave the public sentiment unsettled.

Public Perception of Peace Negotiations with Russia

As the conflict between Ukraine and Russia endures, discussions surrounding potential peace negotiations have intensified, reflecting a complex interplay of public opinion, international diplomacy, and strategic considerations.

Ukrainian Public Opinion on Peace Negotiations

- **Support for Immediate Negotiations:** A Gallup poll published on November 19, 2024, revealed that 52% of Ukrainians favor initiating negotiations to end the war "as soon as possible." This marks a significant change from previous years, where a majority **supported continued fighting until victory**.
- **Opposition to Exclusionary Talks:** A survey by the Rating sociological group found that 91% of Ukrainians firmly reject U.S.-Russia negotiations to end the war without Ukraine's participation. This underscores the populace's insistence on being directly involved in any peace process.
- **Willingness for Compromise:** According to a poll by the Kyiv International Institute of Sociology (KIIS) released on November 4, 2024, 63% of Ukrainians expressed readiness to endure the war as long as necessary, highlighting a resilience but also a recognition of the potential need for compromise.

CHALLENGES AND CONSIDERATIONS IN PEACE NEGOTIATIONS

Several factors complicate the path to successful peace negotiations:

- **Territorial Integrity vs. Compromise:** A survey published by ZN.ua on July 15, 2024, indicated that 44% of Ukrainians believe it's time to start official peace talks with Russia. However, there is significant opposition to ceding any occupied territories, reflecting a delicate balance between the desire for peace and the commitment to territorial integrity.
- **Historical Distrust:** Ukraine's skepticism toward Russia's intentions is rooted in historical experiences of broken promises and unfulfilled agreements. This distrust poses a significant barrier to negotiating a lasting peace.
- **Diverse International Perspectives:** Global opinions on resolving the conflict vary, with some advocating for increased support to Ukraine and others emphasizing diplomatic solutions. This divergence complicates the formation of a unified international strategy to end the war.

Conclusion

- The pursuit of peace in Ukraine is a multifaceted endeavor, influenced by evolving public opinions, complex diplomatic engagements, and deep-seated historical grievances. While there is a growing inclination toward negotiations, achieving a sustainable and just peace requires addressing the legitimate concerns of the Ukrainian people, ensuring their active participation in the process, and securing robust international support to uphold Ukraine's sovereignty and territorial integrity.

Ukrainian public opinion on peace negotiations with Russia

A March 2024 survey indicated that 43% supported peace negotiations, while 54% were against. Notably, 96% of respondents desired an end to the war that includes Russia's withdrawal from all occupied territories, including 94% of those who supported negotiations.

Analysts at the Institute for the Study of War (ISW) have highlighted that Russian ultranationalists are strongly opposed to the proposed ceasefire in Ukraine. However, Russian state-controlled media outlets seem to be presenting the initial Russian response as more moderate for domestic consumption.

On 11 March, during talks in Jeddah, Saudi Arabia, the U.S. and Ukraine agreed to a 30-day ceasefire, pending Russia's consent. The U.S. also resumed sharing intelligence and providing military support to Ukraine.

Ukrainian President Volodymyr Zelenskyy stated that the ceasefire would involve halting all hostilities, including long-range missile and drone strikes, as well as operations in the Black Sea. The ceasefire would take effect once Russia agrees to the U.S. proposal. U.S. Secretary of State Marco Rubio stressed that Russia should respond as soon as possible.

Despite this, Russian ultranationalists and officials have rejected the ceasefire. Kremlin-friendly bloggers argue that accepting the ceasefire would be seen as a betrayal and sabotage, while Lieutenant General Viktor Sobolev, a Russian lawmaker, called the proposal unacceptable, fearing it would give Ukraine time to regroup.

The ISW noted that the Kremlin has not officially commented on the ceasefire yet. Russian state media is trying to downplay the government's reaction, suggesting a more moderate tone to avoid backlash domestically. However, after the ceasefire was announced, Maria Zakharova, a Russian Foreign Ministry spokeswoman, stated that Russia might engage in talks with the U.S. in the near future. Mikhail Sheremet, another Russian official, suggested Russia could be open to negotiations but warned against being misled.

ISW's key takeaways included the agreement between the U.S. and Ukraine for a ceasefire contingent on Russia's agreement, continued European, Asian, and Oceanic support for Ukraine, and ongoing military actions, with Russia making advances in several regions. Additionally, Russian state media emphasized the government's expanded social benefits for soldiers fighting in Ukraine.

SURVEY: 91% OF UKRAINIANS OPPOSE US-RUSSIA NEGOTIATIONS WITHOUT UKRAINE'S INVOLVEMENT

UKRAINSKA PRAVDA

According to a recent survey conducted by the Rating sociological group, 91% of Ukrainians strongly reject the idea of the United States and Russia negotiating an end to the war without Ukraine's participation.

The findings suggest that this group of respondents also believes that improved US-Russia relations would primarily benefit Moscow while harming both Ukraine and the European Union.

At the same time, support for direct negotiations between Kyiv and Moscow is increasing, with 64% of Ukrainians in favor of such talks. Additionally, 81% of respondents believe that a real path to ending the war lies in reaching a compromise through negotiations involving other international actors.

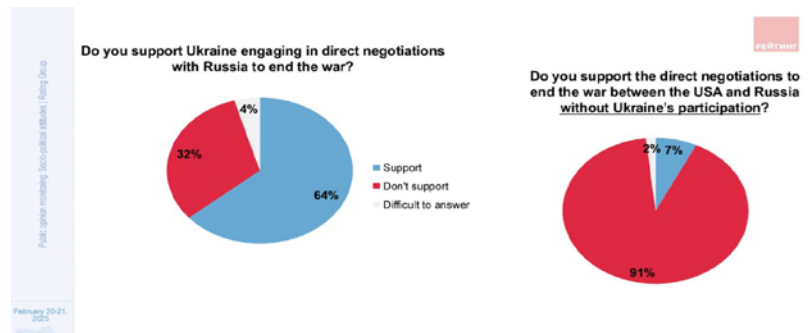
The survey was conducted on February 20-21 using computer-assisted telephone interviews, based on a random sample of mobile phone numbers. The margin of error is no more than 2.8% at a 95% confidence level.

U.S.-Ukraine Ceasefire Talks and Public Opinion on Peace

A proposed ceasefire agreement between the U.S. and Ukraine has brought the possibility of ending the three-year war through negotiations into focus. However, the final decision now rests with Russian President Vladimir Putin.

Even before Moscow responds, the positions of the involved parties are already apparent. The U.S. has suggested that Ukraine may have to relinquish some territory as part of a lasting settlement—breaking a previous taboo on negotiations involving territorial concessions. In contrast, President Volodymyr Zelenskyy has repeatedly stated that he will not compromise Ukraine's sovereignty.

Russia, on the other hand, demands that Ukraine abandon its ambitions to join NATO and accept military restrictions. However, Kyiv remains unlikely to receive the security guarantees it seeks from the U.S. before even considering such conditions.

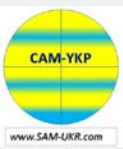


The Role of Ukrainian Public Opinion in Peace Talks

What is often overlooked is how the Ukrainian people themselves view peace negotiations. While military advances, territorial control, and global power dynamics will influence any armistice, the long-term success of a peace agreement will largely depend on whether it has support from ordinary Ukrainians. A war-weary population may accept a difficult peace, but if the settlement lacks public legitimacy, it may not be sustainable in the long run.

Tracking public sentiment throughout the war has been challenging. Most surveys rely on mobile phone polling, meaning results depend on who has service and is willing to participate. Many Ukrainians, especially in the south and east, are reluctant to answer sensitive questions due to safety concerns, particularly if they have family in occupied areas or Russia. Additionally, those living abroad or in Russian-controlled regions are often excluded from polls.

Despite these challenges, recent surveys provide key insights into how Ukrainians' views on peace negotiations have evolved since the war began in February 2022. Here are four significant findings from recent polling:



WIDESPREAD WAR FATIGUE AND PSYCHOLOGICAL STRESS

After three years of war, Ukrainians are experiencing deep psychological strain.

A December 2024 survey by the Kyiv International Institute of Sociology (KIIS) found that nearly 90% of Ukrainians had endured at least one major stressful event in the past year. Among the most common hardships were exposure to bombing or shelling (39%), separation from family (30%), the death of loved ones (26%), and serious illness of family members (23%). Only 10% reported experiencing no significant stress.

Our own surveys confirm this emotional toll. By mid-2024, 84% of Ukrainians had been directly affected by violence—whether through injury, displacement, losing loved ones, or witnessing attacks. Additionally, concerns about national war fatigue are widespread, with only 10% of respondents saying they were not worried about it.

Growing Support for Negotiations, but with Limits

As the war drags on, more Ukrainians favor diplomatic efforts to end the conflict. However, they remain firm on key principles.

A late 2024 Gallup poll showed that when presented with two options, 52% of Ukrainians preferred negotiating an end to the war as soon as possible, while 38% believed the country should continue fighting until achieving victory.

Our own surveys from 2022 to 2024 show a steady rise in support for negotiations. In 2022, only 11% backed talks; by 2024, that number had climbed to 31%. However, when asked about potential compromises, opinions were divided—around one-third supported an immediate ceasefire, while half insisted on fighting until all occupied territories, including Donbas and Crimea, were fully reclaimed.

What remains non-negotiable for most Ukrainians is the nation's sovereignty. Regardless of the hardships, the public overwhelmingly rejects any deal that would compromise Ukraine's independence.

Increasing Openness to Territorial Concessions

With rising concerns over prolonged war and diminishing Western aid, more Ukrainians are considering territorial concessions as part of a peace deal.

Surveys, including those by KIIS, indicate a gradual shift in attitudes. While most Ukrainians still want to reclaim all occupied territories, the percentage holding this view has declined—from 71% in 2022 to 51% in 2024.

However, when directly asked in mid-2024 whether Russia should be allowed to keep the territories it has occupied since 2022, 90% of Ukrainians disagreed. This suggests that any agreement recognizing Russian territorial annexations is unlikely to gain public support.

Deep Distrust of Russia and Demand for Security Guarantees

Ukrainians overwhelmingly view Russia's war as an existential threat and have little faith in Putin's intentions.

President Zelenskyy and the majority of the population insist that any peace deal must include firm security guarantees from NATO or Western allies. Given Russia's history of aggression, Ukrainians remain skeptical that a ceasefire alone would ensure lasting peace.

As discussions about a ceasefire continue, the outcome will not only be determined by military and diplomatic negotiations but also by the will of the Ukrainian people. Their resilience, concerns, and demands will shape Ukraine's future beyond the battlefield.

Conclusion

Ukraine continues to stand resilient amid ongoing challenges, with its people demonstrating remarkable perseverance in the face of uncertainty. Public sentiment remains divided on key issues, from economic hardships to the prospects of peace negotiations. While foreign investment signals cautious optimism, the business environment remains complex.

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 www.sam-ukr.com