



National Bank  
of Ukraine

# Business Outlook Survey of Vinnytsia Oblast\*

Q4 2019



\*This survey only reflects the opinions of respondents in Vinnytsia oblast (top managers of companies) who were polled in Q4 2019, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Vinnytsia oblast** in Q4 2019 showed that respondents had high expectations that the **Ukrainian economy would grow**, and that their companies would develop over the next 12 months. Inflation expectations softened. At the same time, respondents expected the hryvnia to weaken more noticeably.

**The top managers of companies said they expected that over the next 12 months:**

- **the output of Ukrainian goods and services would increase at a fast pace:** the balance of expectations was 50.0% (one of the highest figures across the regions) compared with 57.1% in Q3 2019 and 21.9% across Ukraine (Figure 1). Respondents from agricultural companies had the most optimistic expectations (the balance of responses was 62.5%)
- **prices for consumer goods and services would grow at a slower rate:** 52.4% of the surveyed companies expected the inflation rate to be lower than 10.0% (compared with 42.9% in the previous quarter and the figure of 53.8% across Ukraine). Respondents referred to production costs and the hryvnia exchange rate as **the main inflation drivers** (Figure 2)
- **the hryvnia would depreciate more pronouncedly:** a total of 85.0% of respondents (compared to 66.7% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 70.7%
- **the financial and economic standings of their companies would improve:** the balance of expectations was 23.8% (compared with 15.8% in the previous quarter and 18.6% across Ukraine) (see Table). Respondents from agricultural companies had the most optimistic expectations
- **total sales growth would decelerate:** the balance of responses was 20.0% compared with 35.0% in the previous quarter (see Table). Respondents also expected an increase in external sales (the balance of responses was 20.0% compared with 33.3% in Q3 2019). The balances of responses across Ukraine were 23.5% and 20.6% respectively
- **investment in construction and in machinery, equipment and tools would decrease:** the balances of responses were (-5.3%) for each compared with 5.3% in Q3 2019. Overall, respondents expected investment spending to rise across Ukraine, the balances of responses being 4.7% and 14.7% respectively
- **staff numbers at their companies would decrease** (such expectations have been reported for two quarters running): the balance of responses was (-19.0%) compared with (-14.3%) in the previous quarter and (-1.6%) across Ukraine (Figure 4)
- **both purchase and selling prices would increase** at a fast pace: the balances of responses were 95.2% and 71.4% respectively (compared with 90.5% and 55.0% in Q3 2019) (Figure 6). A total of 85.7% respondents cited raw material prices and energy prices (76.2% of responses) as the main sources of selling price growth (Figure 7)
- **per-unit production costs and wage costs per staff member would increase significantly:** the balances of responses were 60.0% and 85.7% respectively (compared with 75.0% and 76.2% in Q3 2019) (Figure 4 and 6).

High raw material and supplies prices, together with energy prices, **were cited as the main drags on the ability of companies to boost production** (by 76.2% and 66.7% of respondents respectively).

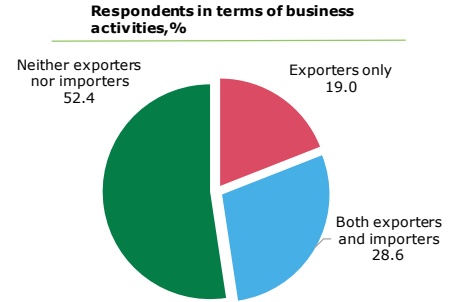
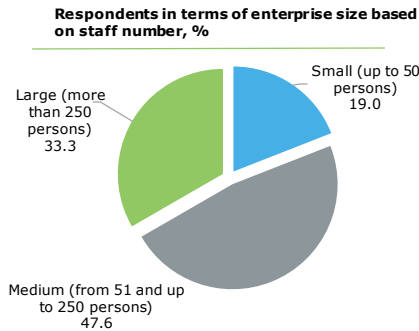
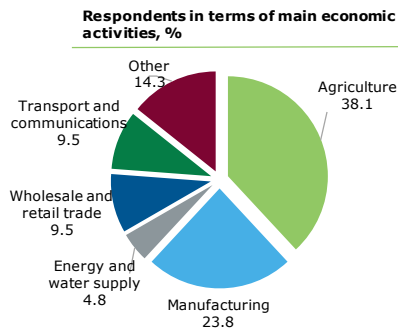
**Expectations of borrowing needs** in the near future **picked up** (Figure 8). Companies that planned to take out corporate loans (45.0% of responses) opted for domestic currency loans. Respondents said that lending standards had remained unchanged (Figure 9). Companies cited **high loan rates as the main factor that deterred them from taking out loans** (Figure 10).

**All respondents** said that they **had encountered no difficulties in effecting transactions with funds deposited in bank accounts** (96.4% across Ukraine).

**Assessments of financial and economic standings as of the time of the survey** (Figure 3)

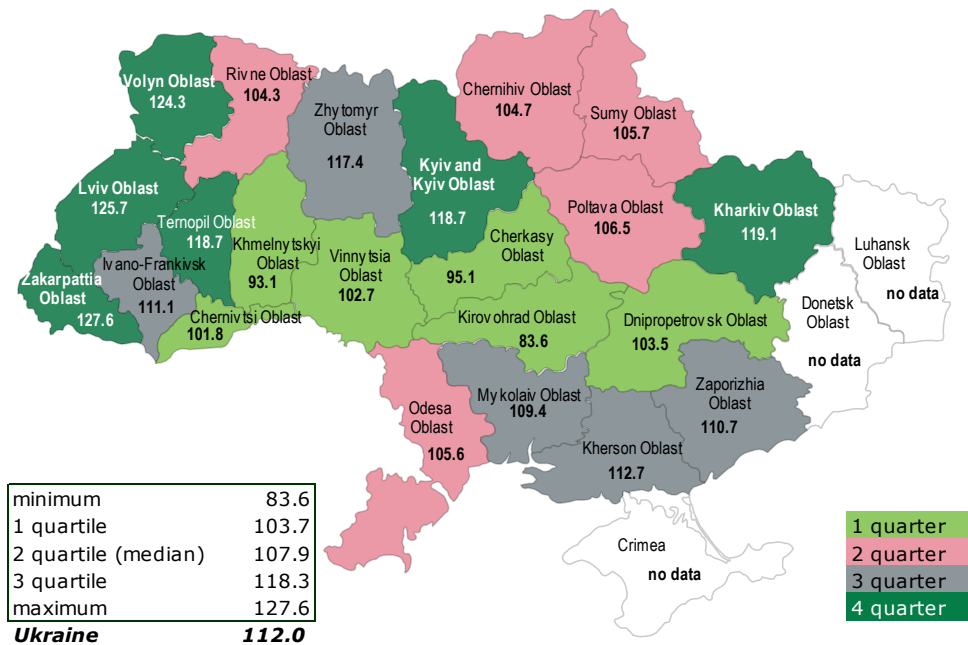
- **The current financial and economic standings of companies** improved and were assessed as **satisfactory:** the balance of responses was 0.0% (compared with (-14.3%) in Q3 2019 and 6.1% across Ukraine).
- **Stocks of finished goods remained at a level lower than the normal one:** the balance of responses was (-14.3%) (compared to (-21.4%) in Q3 2019).
- **Companies were operating on the verge of their production capacity:** the balance of responses was 0.0% compared with 5.0% in Q3 2019.

Survey Details<sup>1,2</sup>



- Period: 5 November through 2 December 2019.
- A total of 21 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture and the manufacturing industry.

Business Outlook Index for Next 12 Months in Terms of Oblasts<sup>3</sup>, %



<sup>1</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>2</sup>a median is the value of the BOI in the middle of an ordered sampled where the sample is divided into two equal-sized subgroups

Table. The Business Outlook Index of Companies in Vinnytsia Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19
Financial and economic standings	0.0	19.0	25.0	15.8	23.8
Total sales	18.2	50.0	45.5	35.0	20.0
Investment in construction	20.0	28.6	33.3	5.3	-5.6
Investment in machinery, equipment and tools	14.3	33.3	19.0	5.3	-5.6
Staff numbers	4.5	9.1	4.5	-14.3	-19.0

<sup>1</sup> This sample was generated in proportion to the contribution of each oblast and each economic activity to Ukraine's gross value added.  
<sup>2</sup> Data for totals and components may be subject to rounding effects.  
<sup>3</sup> The business outlook index (BOI) is an aggregate indicator for expected business development over the next 12 months. It is calculated using the balances of respondents' responses regarding changes in the financial and economic standings of their companies and future economic activity.

Figure 1

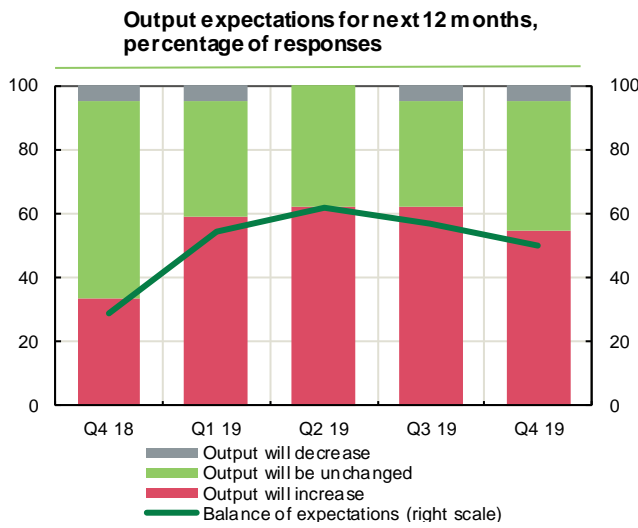


Figure 2

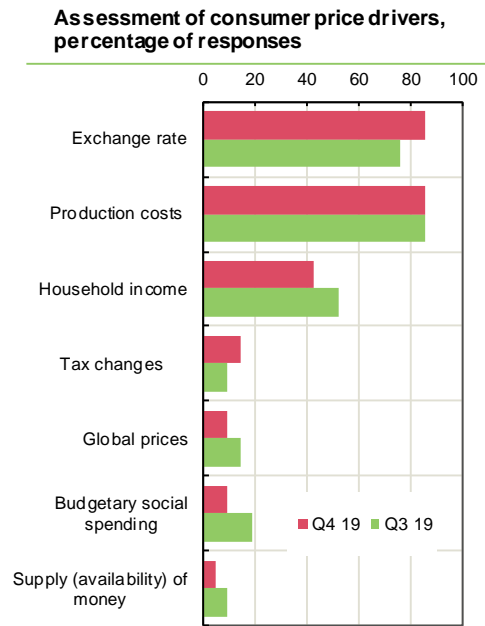


Figure 3

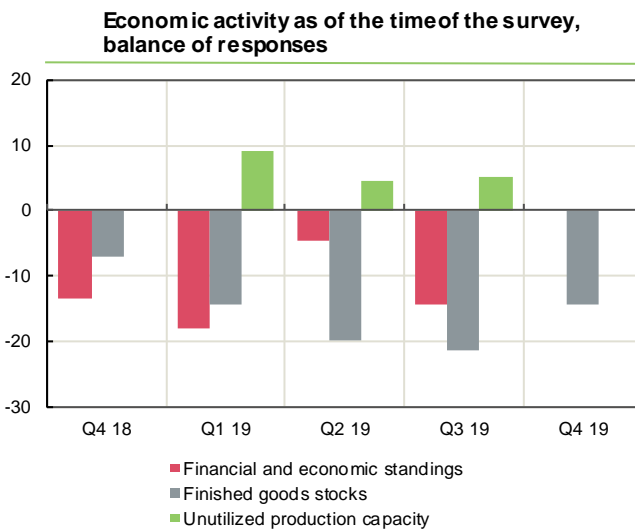


Figure 4

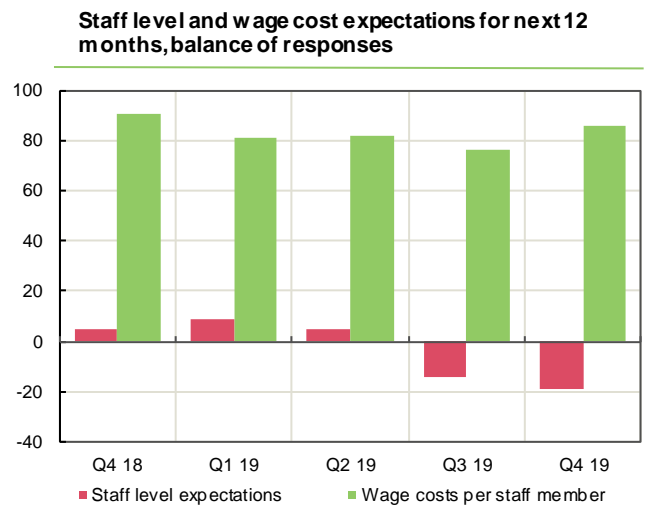


Figure 5

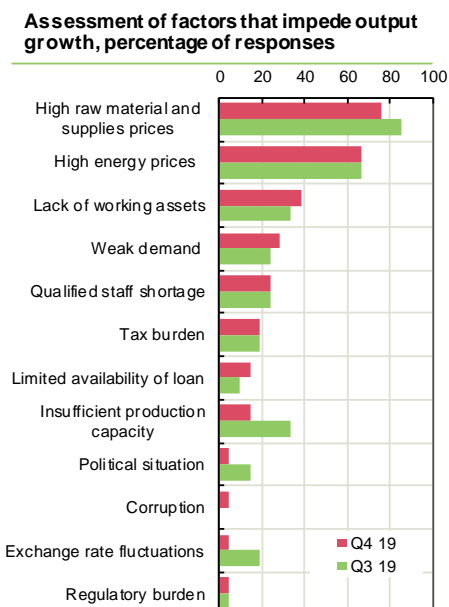


Figure 6

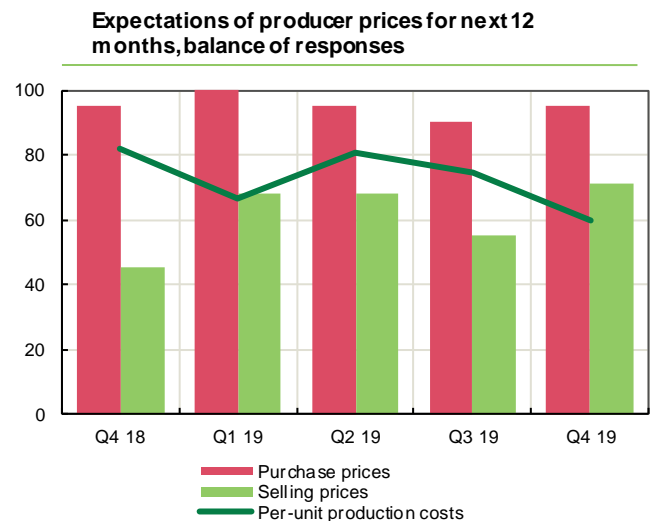


Figure 7

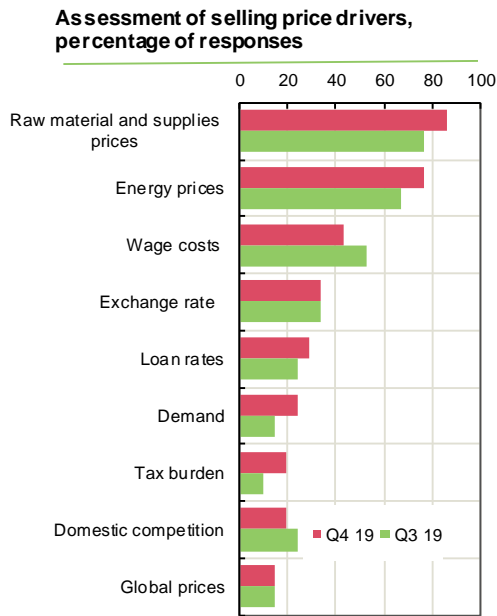


Figure 8

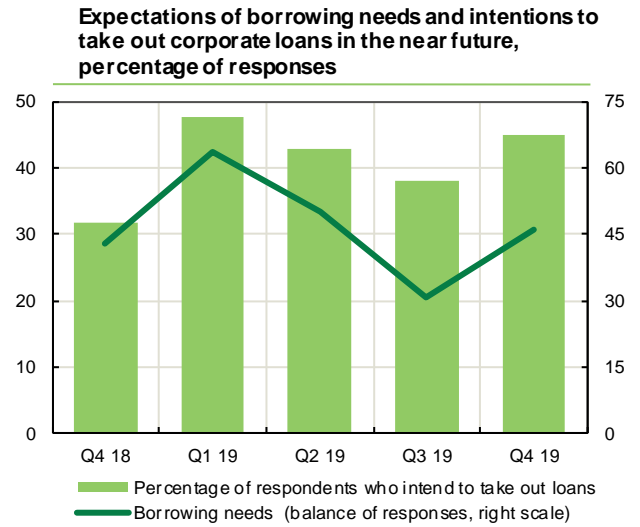


Figure 9

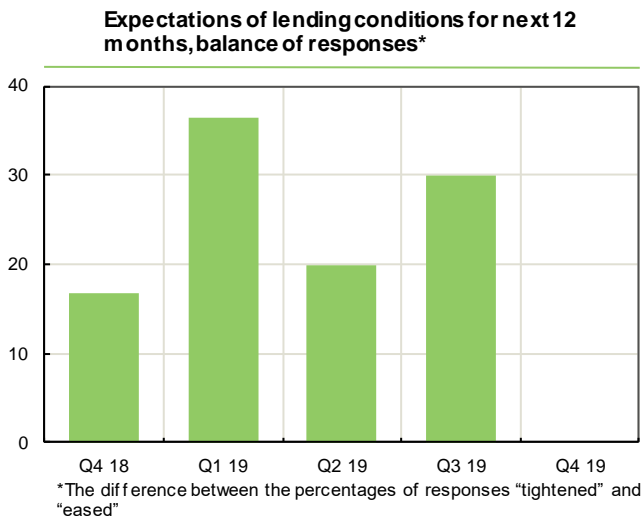
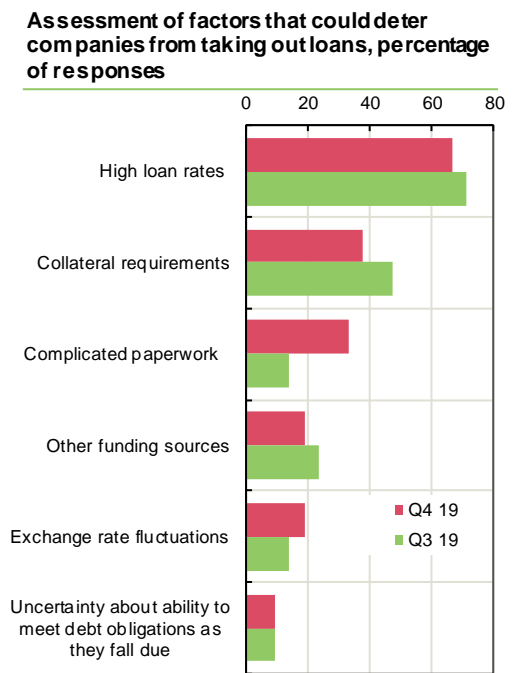


Figure 10





**Key Indicators of Social and Economic Development of Vinnytsia Oblast in 2014 – 2019**

No.	Indicators	2014	2015	2016	2017	2018	% of the same period of the previous year, unless stated otherwise																				
							2019																				
							January	January - February	January - March	January - April	January - May	January - June	January - July	January - August	January - September	January - October	January - November										
1	Volume indices of gross regional product (in previous year's prices, in percent)	104.6	97.1	106.5	101.8	106.4 <sup>2</sup>	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...					
2	Industrial production index	105.4	104.0	105.3	108.2	99.2	113.8	109.3	112.0	115.8	118.2	120.0	120.3	120.9	119.0	117.6	115.9	...	...	...	...	...	...				
3	Mining and quarrying	129.0	79.9	84.1	80.2	111.6	71.5	71.9	85.1	96.6	96.3	93.1	99.4	105.0	108.1	108.0	111.1	...	...	...	...	...	...	...			
4	Manufacturing	108.9	106.9	112.0	106.4	103.0	117.6	114.1	119.6	122.7	125.1	125.0	124.4	122.5	121.1	119.9	...	...	...	...	...	...	...	...	...		
5	Production of food, beverages and tobacco	121.6	98.6	112.9	103.4	103.8	116.8	112.3	114.5	117.8	120.1	120.9	120.7	119.7	117.8	115.8	113.8	...	...	...	...	...	...	...	...		
6	Textile production, production of clothing, leather, leather goods and other materials	91.2	100.5	103.7	106.8	94.0	114.0	114.0	106.6	104.7	102.9	102.8	103.8	102.6	100.9	100.2	99.7	...	...	...	...	...	...	...	...	...	
7	Production of wood products, paper, printing	110.6	103.3	106.3	110.3	112.4	141.0	119.2	163.4	177.7	179.4	166.6	172.3	173.5	171.1	178.8	186.2	...	...	...	...	...	...	...	...	...	
8	Production of coke and petrochemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	...	...	...	...	...	...	...	...	...	
9	Production of chemicals and chemical products	98.8	76.9	75.0	88.3	92.2	84.2	76.7	66.7	73.4	78.4	89.0	88.5	87.8	88.5	87.5	90.7	...	...	...	...	...	...	...	...	...	
10	Production of rubber and plastic products, other nonmetallic mineral products	97.7	95.0	113.9	97.5	100.6	103.5	110.4	135.3	136.2	128.5	122.8	120.7	119.0	115.5	111.7	111.0	...	...	...	...	...	...	...	...	...	
11	Metallurgical production, manufacturing of finished metal products, except machinery and equipment	86.5	97.2	97.3	115.6	97.4	135.4	174.0	181.6	188.0	190.9	189.6	185.7	184.5	183.2	182.2	186.0	...	...	...	...	...	...	...	...	...	
12	Mechanical engineering, except for repair and installation of machinery and equipment	84.3	87.1	152.7	128.3	103.2	84.8	87.9	88.0	130.1	86.5	84.9	86.5	86.0	86.8	88.8	88.0	...	...	...	...	...	...	...	...	...	
13	Electricity, gas, steam and conditioning air supply	91.5	97.3	85.6	119.3	84.4	104.8	95.9	88.7	92.9	95.2	103.8	104.4	108.5	105.7	103.1	99.0	...	...	...	...	...	...	...	...	...	
14	Agricultural production index	111.0	91.8	117.0	95.8	110.6	113.9	114.5	116.2	114.9	114.8	114.1	120.1	107.4	107.1	105.9	106.2	...	...	...	...	...	...	...	...	...	...
15	Construction production index	72.8	104.8	143.2	113.3	144.7	118.5	171.6	159.5	214.8	257.6	223.0	217.1	213.8	200.4	197.4	206.3	...	...	...	...	...	...	...	...	...	...
16	Freight turnover	102.0	100.4	96.5	108.6	99.1	87.6	88.1	93.0	96.4	97.1	97.6	97.4	95.6	107.8	96.7	99.2	...	...	...	...	...	...	...	...	...	...
17	Passenger turnover	87.6	99.8	99.9	103.0	101.5	102.9	101.9	98.8	100.5	99.7	99.1	99.5	98.0	105.8	98.5	100.0	...	...	...	...	...	...	...	...	...	...
18	Volume index of retail trade turnover (in comparable prices, in percent)	98.5	86.3	103.4	111.0	112.9	108.6	110.1	111.7	113.5	118.3	118.8	118.0	118.2	117.6	119.2	118.9	...	...	...	...	...	...	...	...	...	...
19	Profit/loss of large and medium companies before tax (UAH million) <sup>3</sup>	-1231.9	5228.7	9441.7	10004.2	1556.2	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
20	Capital investment index	77.7	102.5	102.5	140.0	137.8	...	...	127.7	...	...	112.3	...	...	90.2	...	...	...	...	...	...	...	...	...	...	...	...
21	Consumer price index (compared with December of previous year)	123.3	138.8	110.0	113.0	109.0	100.7	101.1	102.0	102.6	103.0	102.1	101.4	101.1	101.9	102.4	102.7	...	...	...	...	...	...	...	...	...	...
22	Real disposable income	91.2	86.1	105.9	114.9	108.6 <sup>2</sup>	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
23	Real wage index	94.9	81.3	111.9	128.7	115.5	112.8	113.4	113.6	112.3	111.9	112.6	112.2	112.1	112.0	112.0	112.0	...	...	...	...	...	...	...	...	...	...
24	Number of applicants per vacancy as of end of period	61	62	52	25	24	14	11	5	6	5	5	6	5	5	8	...	...	...	...	...	...	...	...	...	...	

<sup>1</sup> This information is confidential under the Law of Ukraine On State Statistics.

<sup>2</sup> Preliminary data.

<sup>3</sup> These data exclude banks' profits/losses. Data on agricultural companies engaged in plant cultivation, animal husbandry and mixed farming are only available in annual reports.

Annual data include profits/losses of large, medium, small and micro companies.

Source: Ukraine's State Statistics Service

Legend

Periods (...) - no data

Dash (-) - no events