



National Bank  
of Ukraine

# Business Outlook Survey of Vinnytsia Oblast\*

Q2 2022



\*This survey only reflects the opinions of respondents in Vinnytsia oblast (top managers of companies) who were polled in Q2 2022, and does not represent NBU forecasts or estimates

A survey of companies carried out in Vinnytsia oblast in Q2 2022 showed that against the background of the war respondents **expected that the output of Ukrainian goods and services would drop significantly over the next 12 months. They had negative expectations for the performance of their companies over that period. Inflation and depreciation expectations were high.**

#### The top managers of companies said they expected that over the next 12 months<sup>1</sup>:

- **the output of Ukrainian goods and services would drop:** the balance of expectations was (-80.0%) (Figure 1), compared to (-48.7%) across Ukraine
- **prices for consumer goods and services would grow:** the share of respondents who expected that the inflation rate would exceed 20.0% was 76.2%, the figure across Ukraine being 58.2%. Respondents referred to military actions, the hryvnia exchange rate and production costs as **the main inflation drivers** (Figure 2)
- **the domestic currency would depreciate at a fast pace:** 90.5% of respondents expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 88.9%
- **the financial and economic standings of their companies would deteriorate:** the balance of expectations was (-25.0%), the figure across Ukraine being (-17.1%). Respondents from manufacturing companies had the most pessimistic expectations (-50.0%) (see Table)
- **total sales would decrease:** the balance of responses was (-9.5%) (see Table). Respondents also expected a drop in external sales, but at a noticeably faster pace: the balance of responses was (-60.0%). The balances of responses across Ukraine were (-19.0%) and (-25.0%) respectively
- **investment in machinery, equipment, and tools and investment in construction would decrease:** the balances of responses were (-43.8%) and (-50.0%) respectively. Across Ukraine, the balances of responses were (-34.7%) and (-37.2%) respectively
- **staff numbers at their companies would drop significantly:** the balance of responses was (-42.9%) (Figure 4). Overall, across Ukraine, the balance of responses was (-29.0%)
- **both purchase and selling prices would rise at a fast pace:** the balances of responses were 95.2% and 85.7% respectively (Figure 6). Respondents referred to logistical problems, high raw material and supplies prices, energy prices, and demand as the main selling price drivers (Figure 7)
- **per-unit production costs would grow more rapidly than wage costs per staff member:** the balances of responses were 76.2% and 23.8% respectively (Figures 4 and 6).

Companies cited military actions and their consequences, high raw material and supplies prices, and energy prices **as the main drags on their ability to boost production** (Figure 5).

**Respondents said that their borrowing needs** would increase in the near future (Figure 8). The respondents who planned to take out loans (26.3% of those surveyed) usually opted for domestic currency ones. Respondents said that lending standards had tightened (Figure 9). Companies continued to cite high loan rates, other funding sources and collateral requirements as the main factors deterring them from taking out loans (Figure 10).

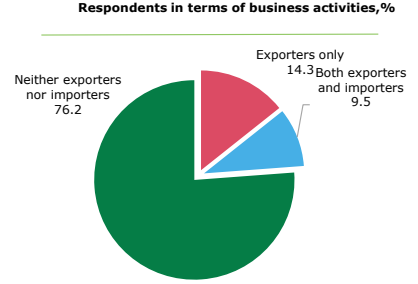
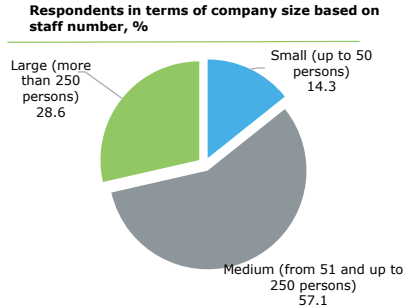
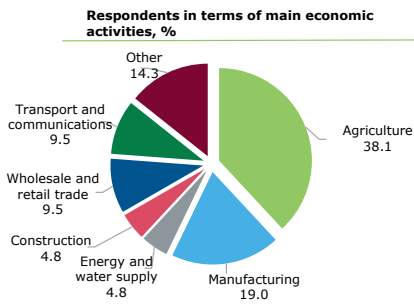
**All respondents** said that they **had encountered no difficulties in effecting transactions with funds deposited in bank accounts** (93.5% across Ukraine).

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

- **Respondents assessed their current financial and economic standings as bad:** the balance of responses was (-35.0%), the balance of responses across Ukraine being (-28.8%).
- **Finished goods stocks were assessed at lower than normal levels:** the balance of responses was (-13.3%).
- **Companies were operating on the verge of their production capacity:** the balance of responses was 0.0%.

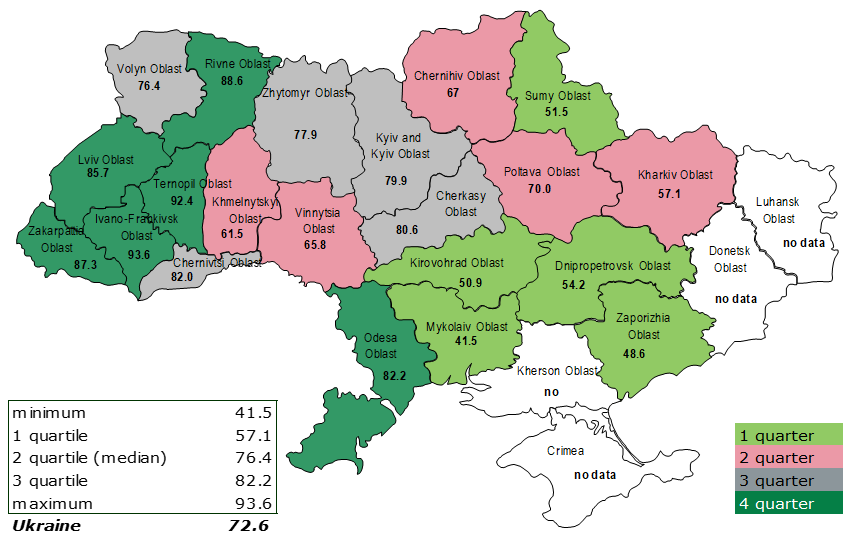
<sup>1</sup> The expectations of the oblast's companies in Q2 2022 are not comparable to their expectations in Q1 2022 (the oblast had no representative sample in Q1 2022 as the survey ended early due to the start of the war).

Survey Details<sup>2,3</sup>



- Period: 3 May through 25 May 2022.
- 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>4</sup>, %



<sup>a</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>\*\*</sup>a median is the value of the BOI in the middle of an ordered sample 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, %				
	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22
Financial and economic standings	15.0	5.3	5.3		-25.0
Total sales	38.1	28.6	30.0		-9.5
Investment in construction	19.0	11.1	4.8		-50.0
Investment in machinery, equipment, and tools	25.0	26.3	4.8		-43.8
Staff numbers	-4.8	-4.8	-9.5		-42.9

<sup>2</sup> This sample was generated in proportion to the contribution of each oblast and each economic activity to Ukraine's gross value added.  
<sup>3</sup> Data for totals and components may be subject to rounding effects.  
<sup>4</sup> The business outlook index (BOI) is an aggregate indicator for expected business performance 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

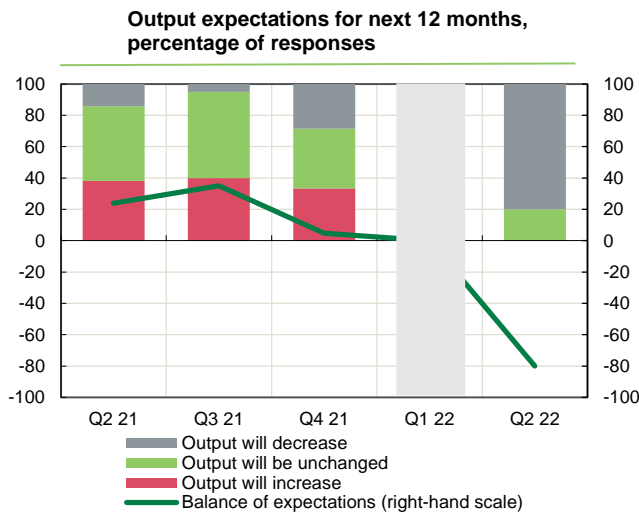


Figure 2

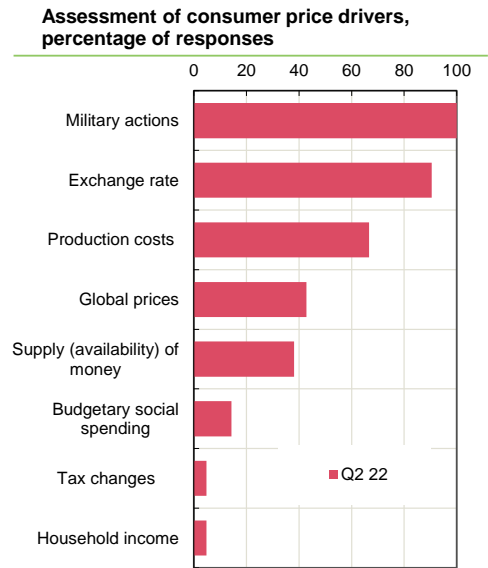


Figure 3

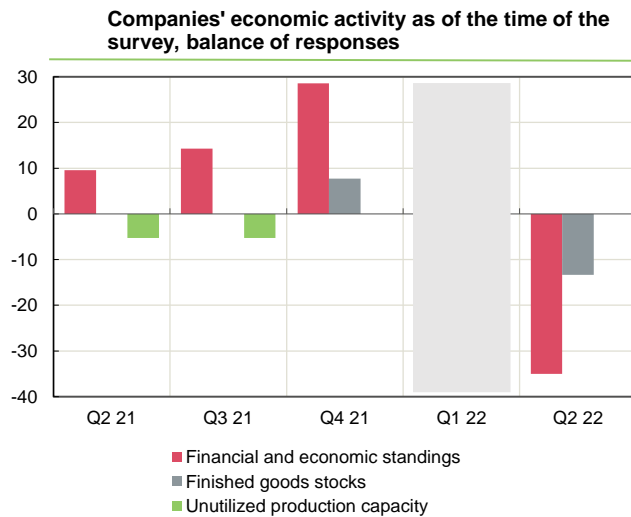


Figure 4

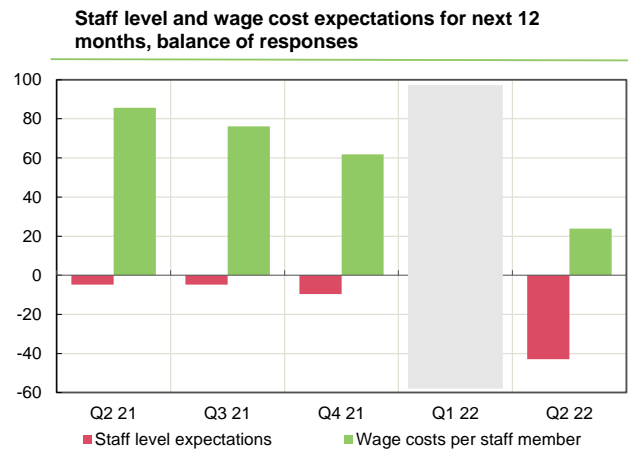


Figure 5

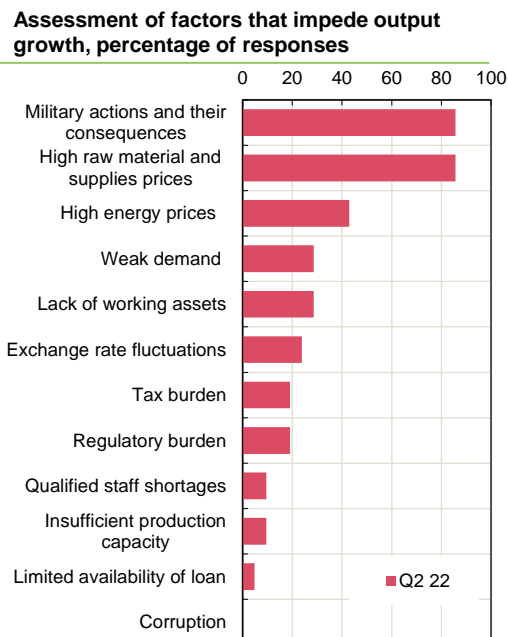


Figure 6

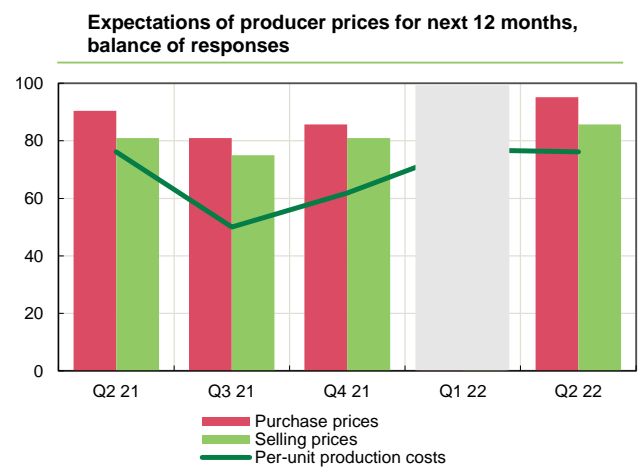


Figure 7

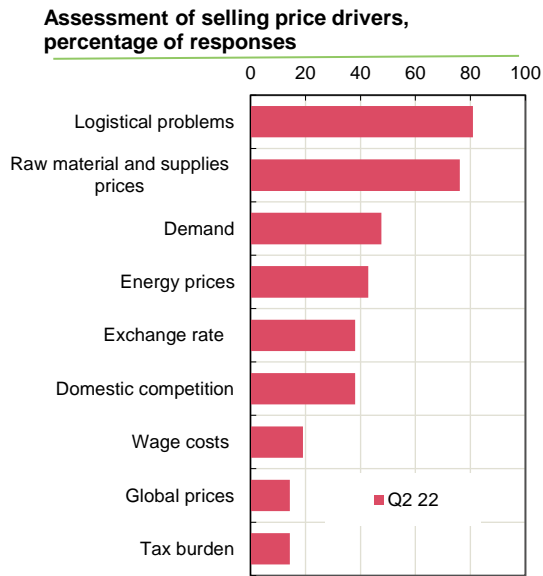


Figure 8

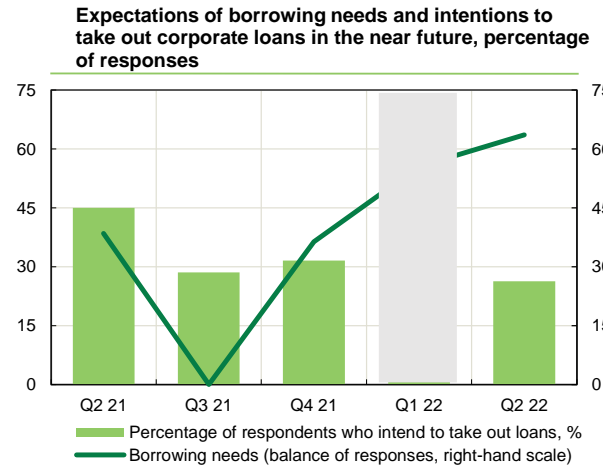


Figure 9

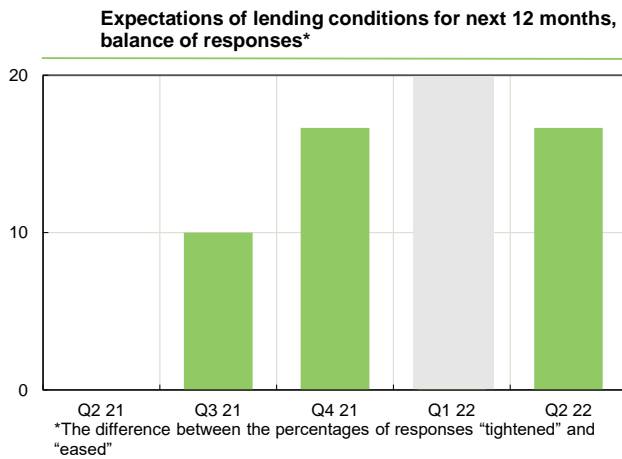


Figure 10

