



National Bank
of Ukraine

Business Outlook Survey of Volyn Oblast*

Q4 2024



*This survey only reflects the opinions of respondents in Volyn oblast (top managers of companies) who were polled in Q4 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Volyn oblast** in Q4 2024 showed that, despite the war and high raw material, supplies and energy prices, respondents continued to expect the output of Ukrainian goods and services to increase. They also had positive expectations for the performance of their companies over the next 12 months. Prices were expected to rise more quickly. Depreciation expectations remained high.

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 slower pace: the balance of responses was 58.3% (these were among the highest expectations of output growth across the regions), down from 91.7% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was (-1.4%)
- inflation would accelerate: 58.3% of respondents expected that inflation would exceed 10.0%, compared to 16.7% in the previous quarter and 53.7% across Ukraine. Respondents referred to military actions (the impact of this factor was reported to have increased), the hryvnia exchange rate and production costs as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 91.7% of respondents, as in the previous quarter, expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 92.8%
- the financial and economic standings of their companies would improve: the balance of expectations was 25.0% (these were some of the firmest expectations among the regions), compared to 41.7% in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was (-1.2%)
- total sales would increase more slowly: the balance of responses was 50.0% (compared to 66.7% in Q3 2024) (see Table). The balance of responses across Ukraine was 9.0%
- investment in machinery, equipment, and tools would rise: the balance of responses was 50.0%, as in Q3 2024. In contrast, respondents expected that investment in construction would drop: the balance of responses was (-10.0%), down from 0.0% in the previous quarter (see Table). Across Ukraine, the balances of responses were 9.3% and (-1.6%) respectively
- staff numbers at their companies would increase: the balance of responses was 8.3%, up from 0.0% in Q3 2024 (Figure 4). Overall, across Ukraine the balance of responses was (-6.6%)
- purchase and selling prices would rise: the balances of responses were 91.7% for each (compared to 91.7% and 83.3% respectively in the previous quarter) (Figure 6). Raw material and supplies prices, energy prices (the impact of this factor was reported to have increased) and wage costs were referred to as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow: the balances of responses were 91.7% and 83.3% respectively (compared to 83.3% for each in the previous quarter) (Figures 4 and 6).

Companies cited military actions and their consequences, high raw material and supplies prices, and energy prices (the impact of this factor was reported to have increase) as the main drags on their ability to boost production (Figure 5).

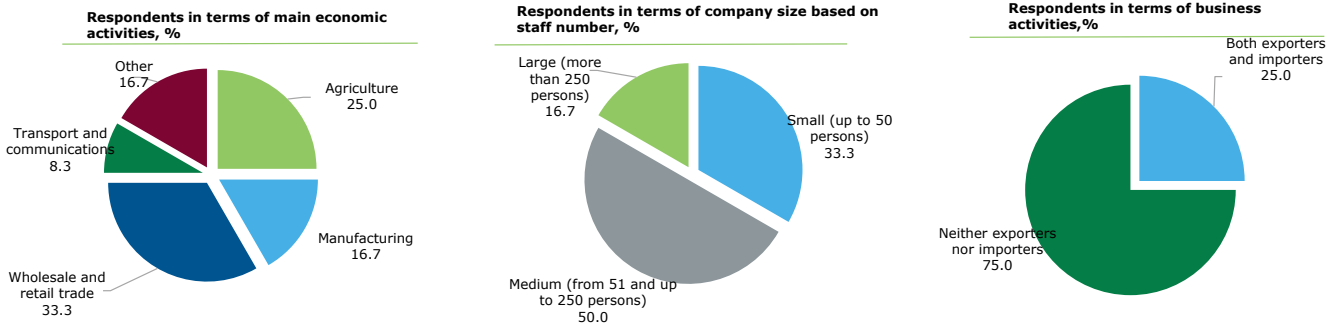
Companies said that their expectations of an increase in their borrowing needs in the near future had remained strong (Figure 8). The share of respondents who planned to take out bank loans was 45.5%. All of these respondents usually opted for domestic currency loans. Respondents cited the availability of other funding sources and high loan rates as the main factors deterring them from taking out loans (Figure 9).

91.7% of the respondents said that they had encountered no difficulties in effecting transactions with funds deposited in bank accounts (96.5% across Ukraine).

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

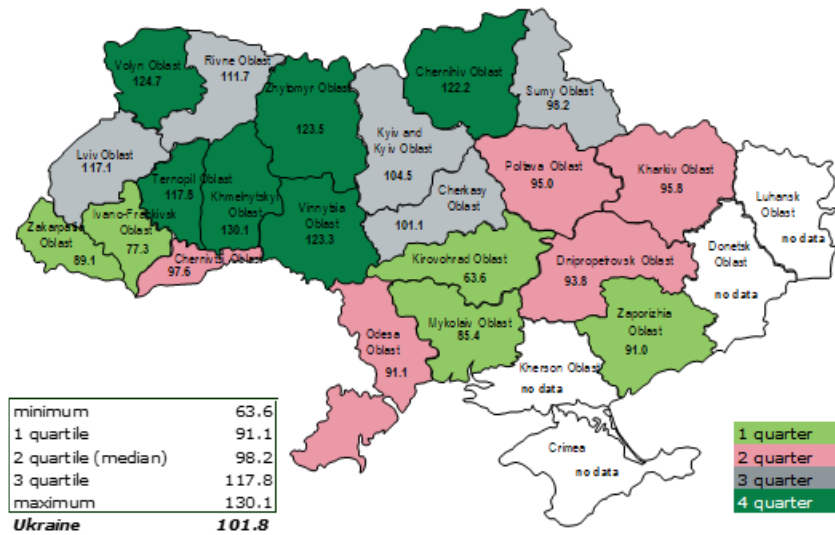
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-8.3%), compared to (-16.7%) in Q3 2024. Overall, across Ukraine the balance of responses was (-6.1%).
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-14.3%), compared to (-16.7%) in Q3 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 8.3% up from 0.0% in Q3 2024.

Survey Details^{1,2}



- Period: 31 October through 25 November 2024.
- A total of 12 companies were polled.
- A representative sample was generated on the basis of the trade sector.

Business Outlook Index for Next 12 Months in Terms of Oblasts³, %



³a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups
⁴a 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 Volyn Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Financial and economic standings	0.0	16.7	50.0	41.7	25.0
Total sales	0.0	66.7	54.5	66.7	50.0
Investment in construction	-18.2	0.0	10.0	0.0	-10.0
Investment in machinery, equipment, and tools	-18.2	25.0	40.0	50.0	50.0
Staff numbers	-25.0	8.3	8.3	0.0	8.3

¹ This sample was generated in proportion to the contribution of each oblast and each economic activity to Ukraine's gross value added.
² Data for totals and components may be subject to rounding effects.
³ 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

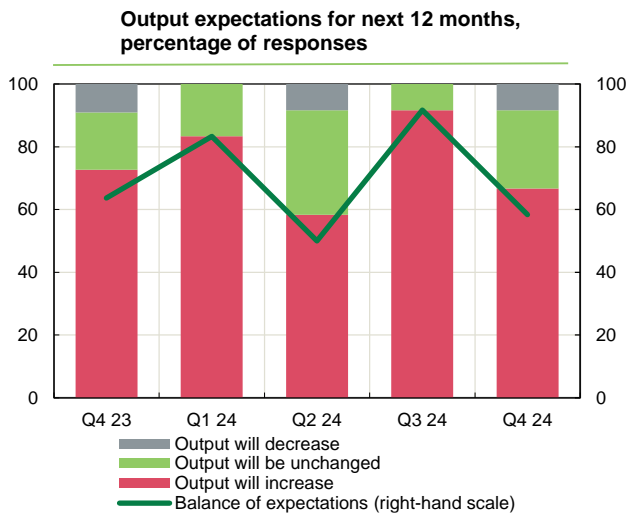


Figure 2

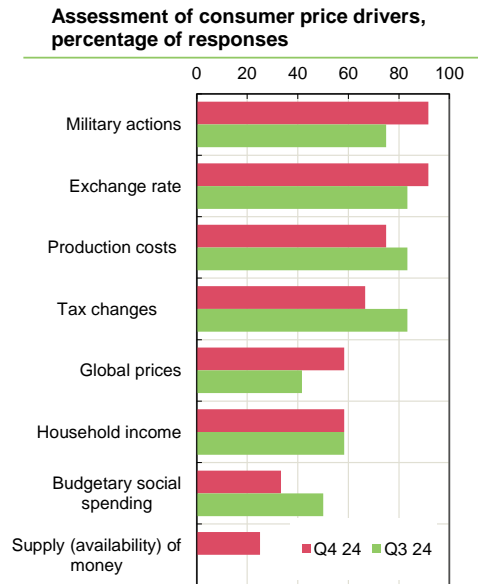


Figure 3

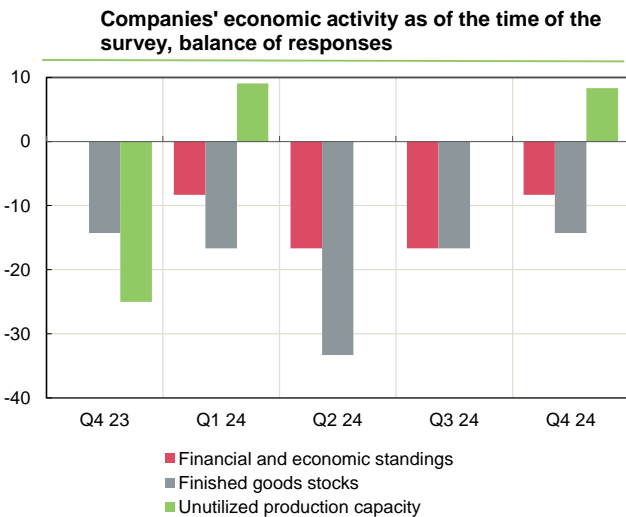


Figure 4



Figure 5

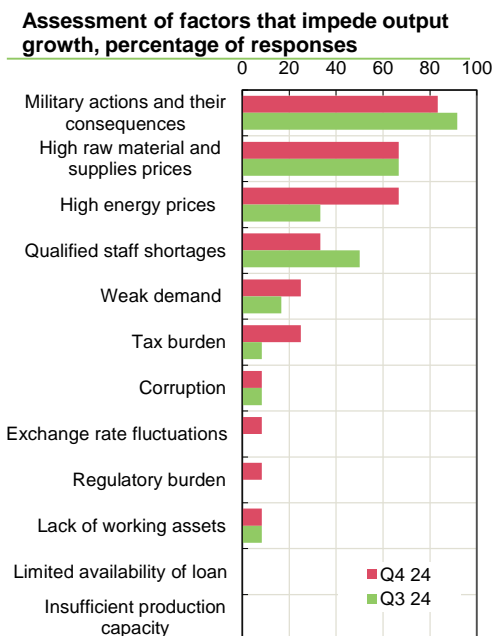


Figure 6

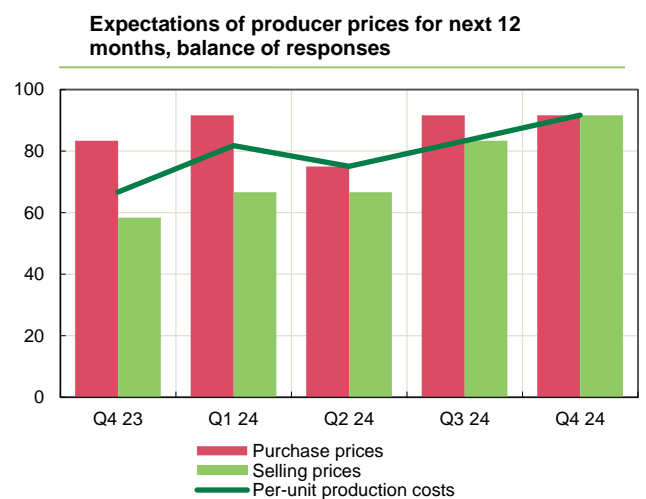


Figure 7

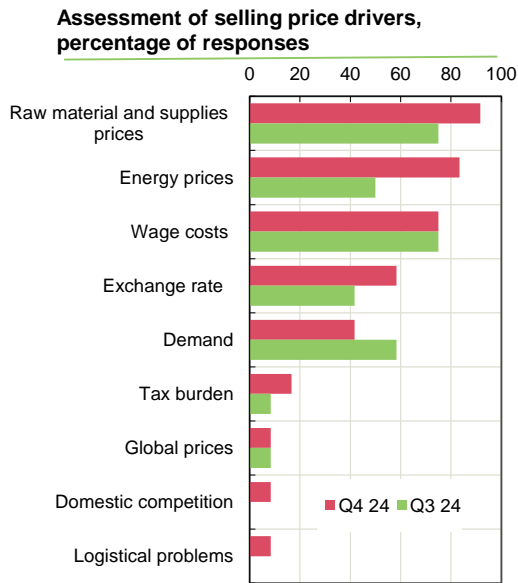


Figure 8

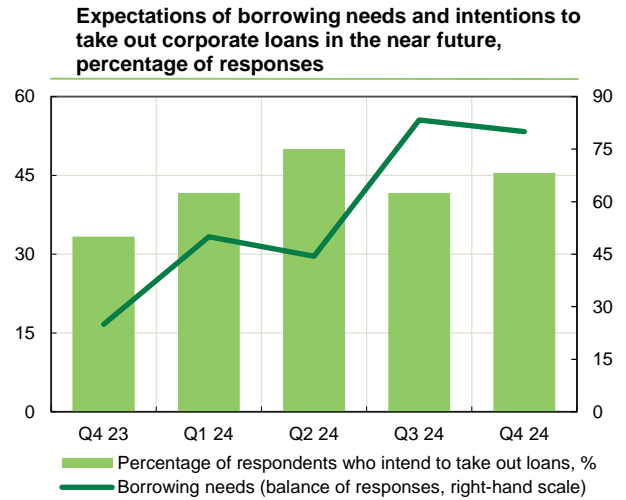


Figure 9

