



National Bank  
of Ukraine

# Business Outlook Survey of Zhytomyr Oblast\*

Q4 2021



\*This survey only reflects the opinions of respondents in Zhytomyr oblast (top managers of companies) who were polled in Q4 2021, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Zhytomyr oblast** in **Q4 2021** showed that respondents expected **a decrease in the output of Ukrainian goods and services** and had cautious expectations for their companies' performance over the next 12 months. Respondents expected prices 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 decrease:** the balance of expectations was (-30.8%) (the highest expectations of reduced production among the regions) compared to 33.3% in Q3 2021 (Figure 1). Respondents across Ukraine expected the output to increase, the balance of responses being 8.3%
- **prices for consumer goods and services would rise:** 53.8% of respondents expected that the inflation rate would exceed 7.5% compared to 38.5% in the previous quarter and 61.3% across Ukraine. Respondents continued to refer to production costs **as the main inflation driver** (100.0% of respondents) (Figure 2)
- **the domestic currency would depreciate at a fast pace:** 92.3% of respondents (as in the previous quarter) expected the hryvnia to weaken against the US dollar, with the figure across Ukraine being 72.2%
- **the financial and economic standings of their companies would remain unchanged:** the balance of expectations was 0.0%, compared to 20.0% in the previous quarter (see Table). Respondents across Ukraine expected the financial and economic standings of their companies to improve (9.7%)
- **total sales would remain unchanged:** the balance of responses was 0.0% compared to 66.7% in Q3 2021. Across Ukraine, respondents expected total sales to increase (21.8%)
- **investment in machinery, equipment, and tools would increase more slowly:** the balance of responses was 7.7%. At the same time, investment in construction **was expected decrease:** the balance of responses was (-8.3%) (compared to 45.5% for each in Q3 2021). The balances of responses across Ukraine were 19.1% та 6.9% respectively
- **staff numbers would remain unchanged:** the balance of responses was 0.0% (compared to (-7.7%) in the previous quarter). Across Ukraine, staff numbers were expected to increase moderately 2.9% (Figure 4)
- **both purchase and selling prices would rise rapidly:** the balances of responses were 100.0% and 84.6% respectively compared to 100.0% and 69.2% respectively in the previous quarter (Figure 6). Raw material and supplies prices, energy prices and wage costs were cited as the main selling price drivers (Figure 7)
- **per-unit production costs would increase more slowly, while wage costs per staff member would increase at a fast pace:** the balances of responses were 50.0% and 75.0% respectively (compared to 84.6% and 76.9% in Q3 2021) (Figures 4 and 6).

Companies cited qualified staff shortages (respondents reported a noticeable increase in the impact of this factor), raw material and supplies prices, and energy prices as **the main drags on their ability to boost production** (Figure 5).

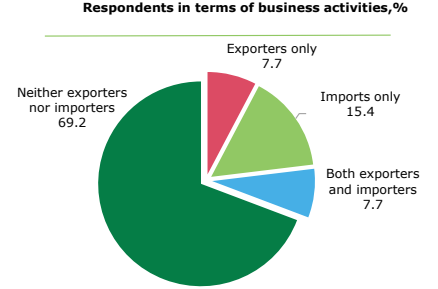
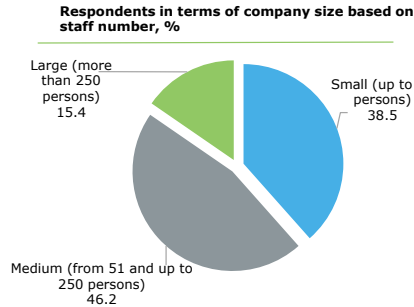
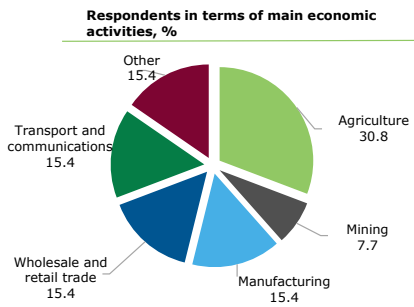
**Respondents reported lower expectations of an increase in their borrowing needs** in the near future due to there being a decrease in the share of respondents who plan to take out loans (Figure 8). The companies that planned to take out bank loans opted only for domestic currency ones. The assessments of tightness of lending conditions became lower (Figure 9). Respondents referred to other funding sources, high loan rates and collateral requirements as the main factors deterring them from taking out loans (Figure 10).

**All of the respondents** said that **they had encountered no difficulties in effecting transactions with funds deposited in bank accounts** (compared with 98.1% across Ukraine).

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

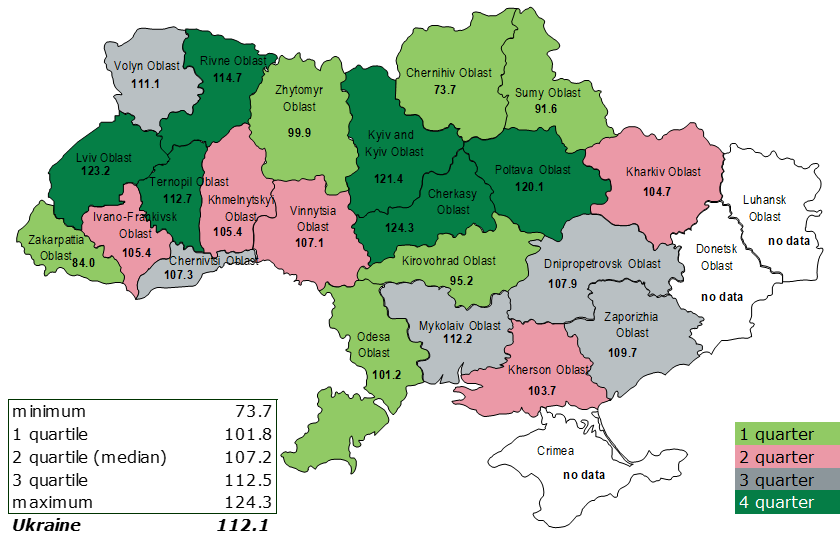
- **Companies assessed their current financial and economic standings as satisfactory** (such expectations have been reported for two quarters in a row): the balance of responses was 0.0%. Across Ukraine, companies assessed their current financial and economic standings as good, the balance of responses being 7.6%.
- **Finished goods stocks remained at a normal level:** the balance of responses was 0.0%, unchanged on Q3 2021.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 23.1% (compared to 18.2% in the previous quarter).

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



- Period: 4 November through 30 November 2021.
- A total of 13 companies were polled.
- A representative sample was generated on the basis of the agricultural sector.

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



<sup>3</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 Zhytomyr Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Financial and economic standings	0.0	38.5	33.3	20.0	0.0
Total sales	-7.1	23.1	7.7	66.7	0.0
Investment in construction	14.3	23.1	16.7	45.5	-8.3
Investment in machinery, equipment, and tools	30.8	30.8	33.3	45.5	7.7
Staff numbers	-7.1	7.7	15.4	-7.7	0.0

<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 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

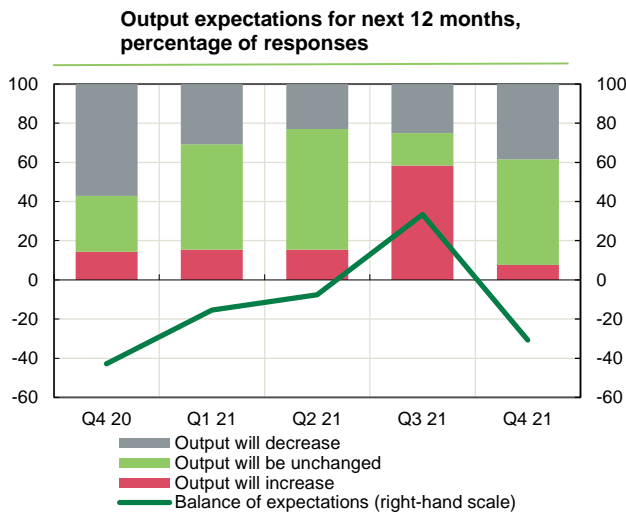


Figure 2

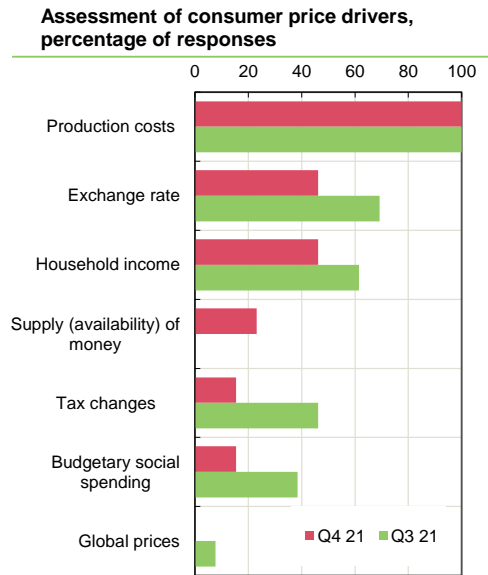


Figure 3

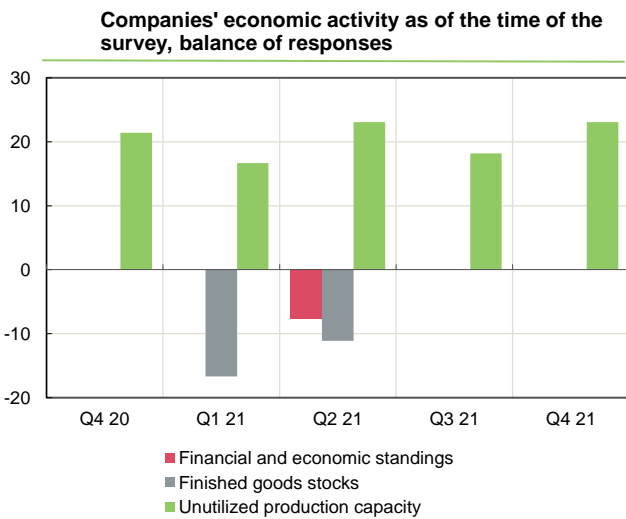


Figure 4

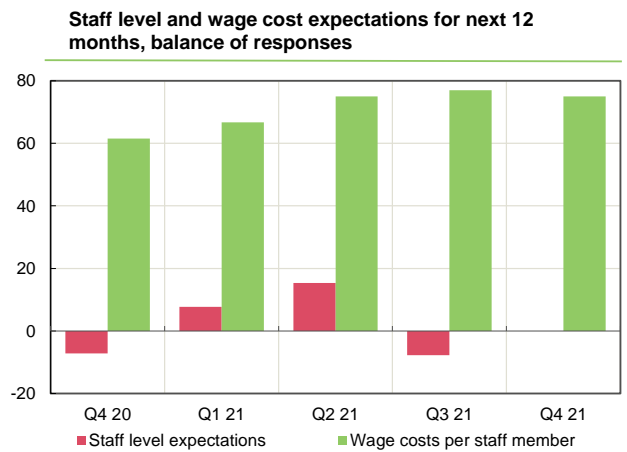


Figure 5

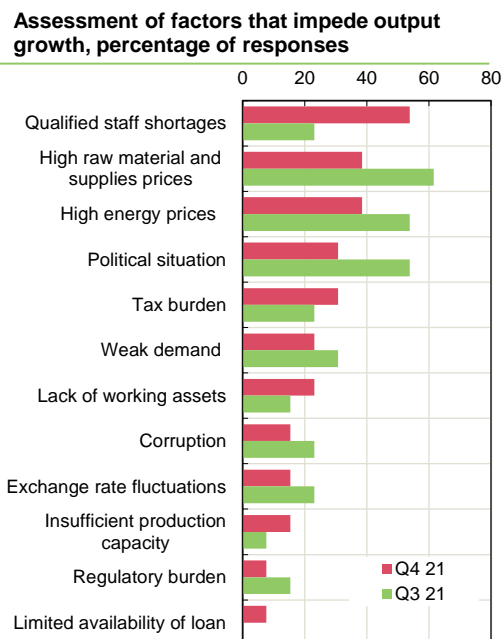


Figure 6

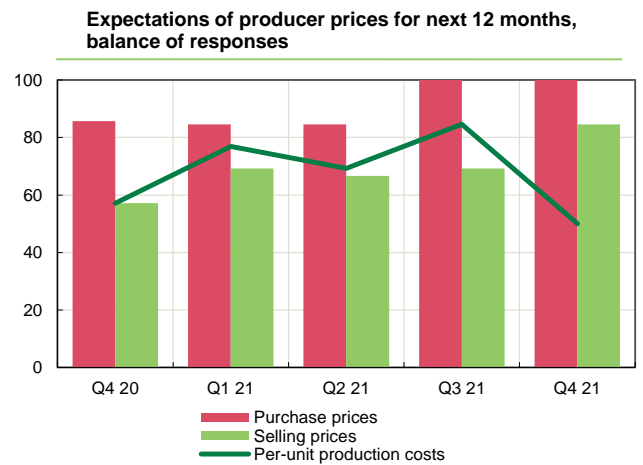


Figure 7

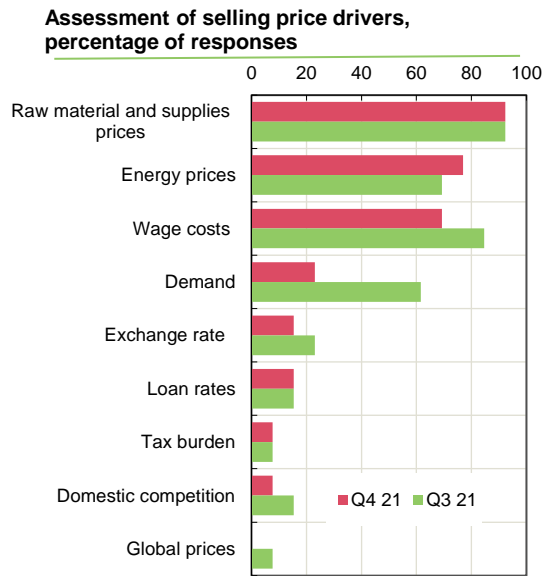


Figure 8

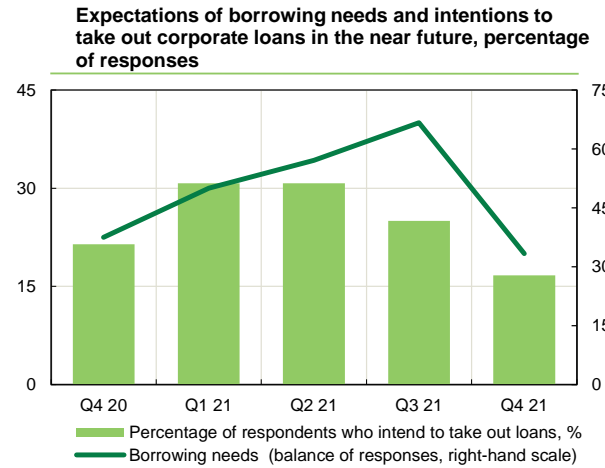


Figure 9

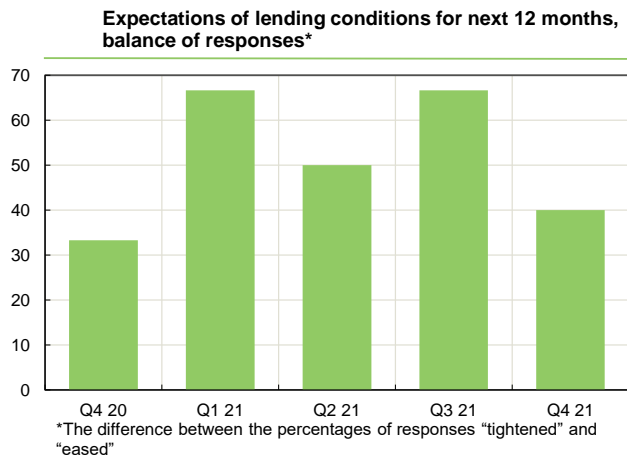


Figure 10

