



National Bank  
of Ukraine

# Business Outlook Survey of Zhytomyr Oblast\*

Q4 2024



\*This survey only reflects the opinions of respondents in Zhytomyr 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 **Zhytomyr oblast** in Q4 2024 showed that, despite the war and high energy, raw material and supplies prices, respondents **expected an increase in the output of Ukrainian goods and services**. They also had **positive expectations for the performance of their companies** over the next 12 months. Prices were expected to increase further. Depreciation expectations weakened.

#### 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 faster pace:** the balance of expectations was 61.5% (among the highest expectations across the regions), up from 38.5% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was (1.4%)
- **prices for consumer goods and services would increase:** 61.5% of respondents expected that the inflation rate would not exceed 10.0%, as in the previous quarter and compared to 46.3% across Ukraine. Respondents referred to production costs, military actions and tax changes as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate more slowly:** 84.6% of respondents expected the hryvnia to weaken against the US dollar, compared to 100.0% in Q3 2024. The figure across Ukraine was 92.8%
- **the financial and economic standings of their companies would improve:** the balance of responses was 15.4%, as in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was (-1.2%)
- **total sales would increase:** the balance of responses was 53.8%, compared to 46.2% in Q3 2024. Across Ukraine, the balance of responses was 9.0%
- **investment in machinery, equipment, and tools would increase at a faster pace:** the balance of responses was 54.5%, up from 36.4% in the previous quarter. At the same time, respondents expected that investment in construction would increase more slowly: the balance of responses was 9.1%, down from 18.2% in Q3 2024 (see Table). The balances of responses across Ukraine were 9.3% and (-1.6%) respectively
- **staff numbers would decrease:** the balance of responses was (-15.4%), down from (-8.3%) in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-6.6%)
- **purchase and selling prices would rise at a faster pace:** the balances of responses were 100.0% and 92.3% respectively, up from 84.6% and 76.9% respectively in Q3 2024 (Figure 6). Energy prices, raw material and supplies prices, and wage costs were cited as the main selling price drivers (Figure 7)
- **per-unit production costs and wage costs per staff member would rise:** the balances of responses were 76.9% and 84.6% respectively (compared to 76.9% and 84.6% in Q3 2024) (Figures 4 and 6).

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

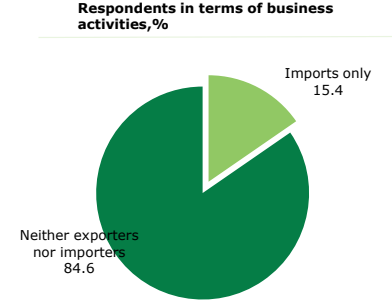
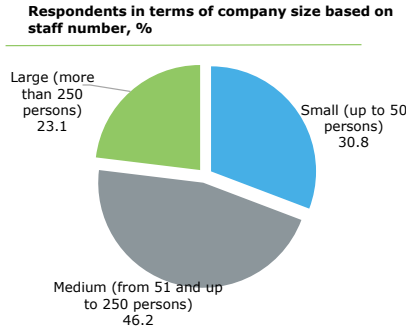
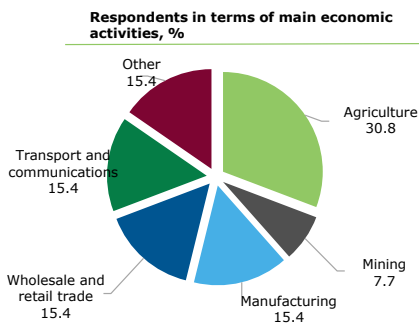
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The respondents who planned to take out loans (their share increased to 46.2% of those surveyed) opted only for domestic currency loans. Respondents said that lending conditions had eased (Figure 9). Respondents referred to the availability of other funding sources and high interest rates 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 to 96.5% across Ukraine).

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

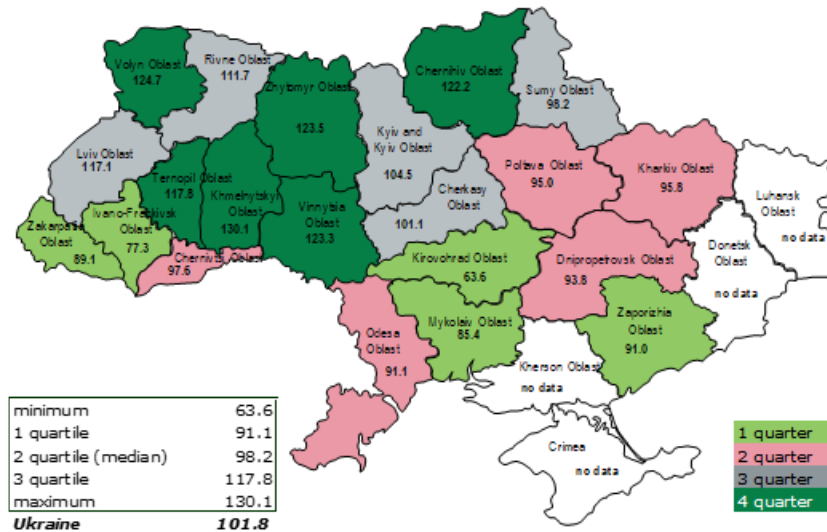
- **Companies assessed their current financial and economic standings as satisfactory:** the balance of responses was 0.0%, down from 7.7% in the previous quarter. The figure across Ukraine was (-6.1%).
- **Finished goods stocks were assessed as normal:** the balance of responses was 0.0%, compared to 22.2% in Q3 2024.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 23.1%, down from 30.8% in the previous quarter.

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



- Period: 1 November through 25 November 2024.
- 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>3</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 23	Q1 24	Q2 24	Q3 24	Q4 24
Financial and economic standings	15.4	30.8	30.8	15.4	15.4
Total sales	63.6	33.3	38.5	46.2	53.8
Investment in construction	9.1	-10.0	0.0	18.2	9.1
Investment in machinery, equipment, and tools	45.5	10.0	25.0	36.4	54.5
Staff numbers	-7.7	0.0	0.0	-8.3	-15.4

<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

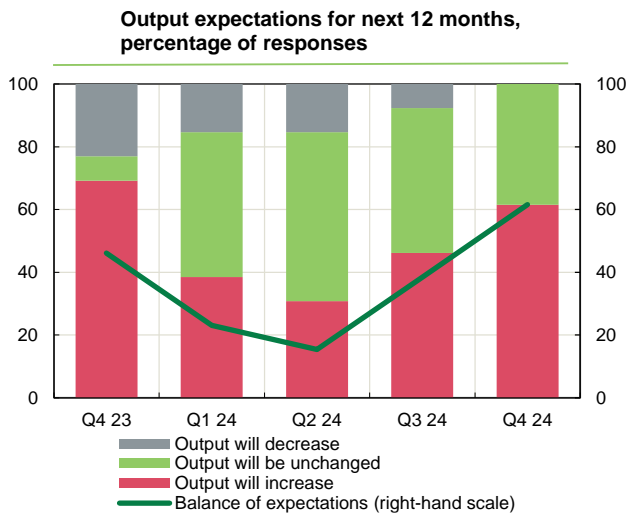


Figure 2

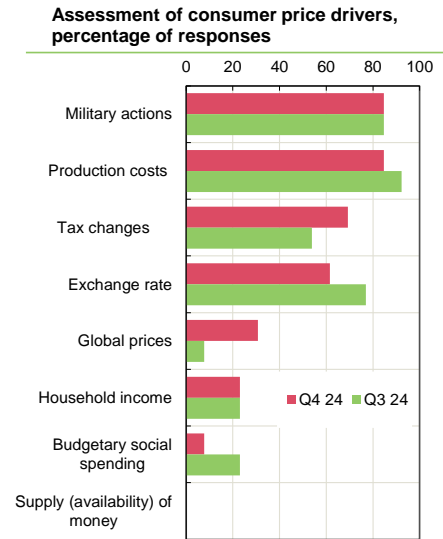


Figure 3

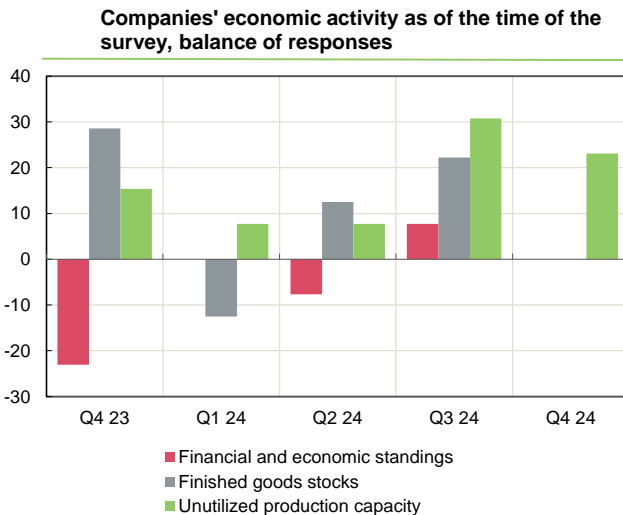


Figure 4



Figure 5

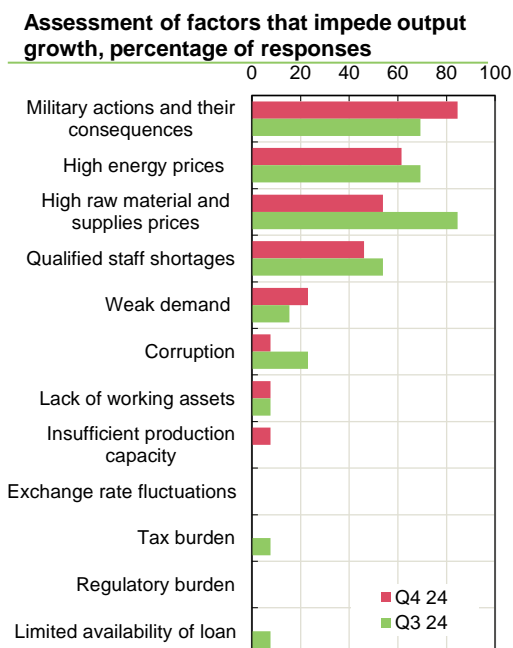


Figure 6

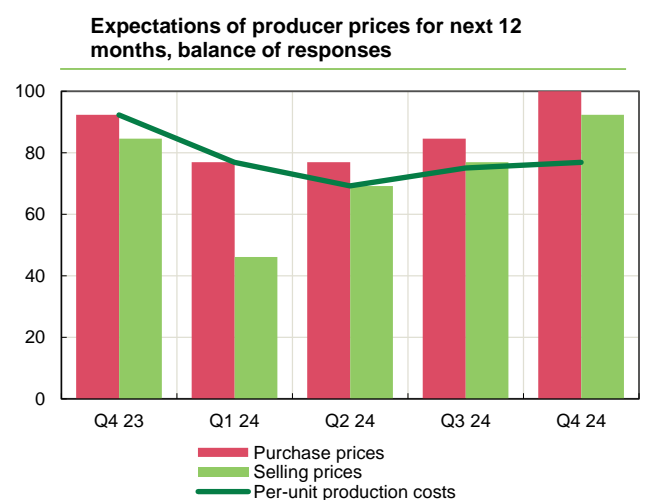


Figure 7

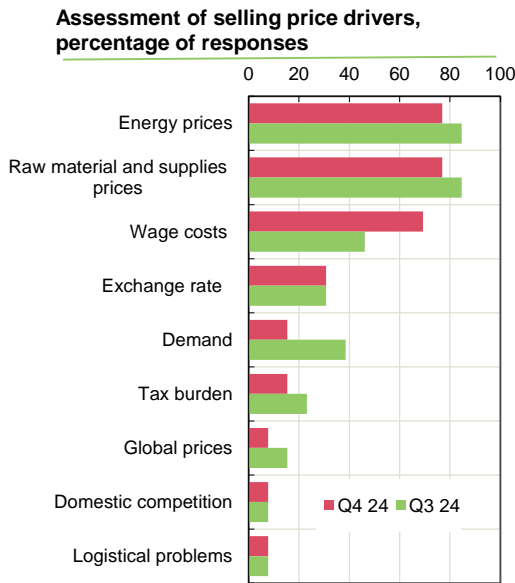


Figure 8

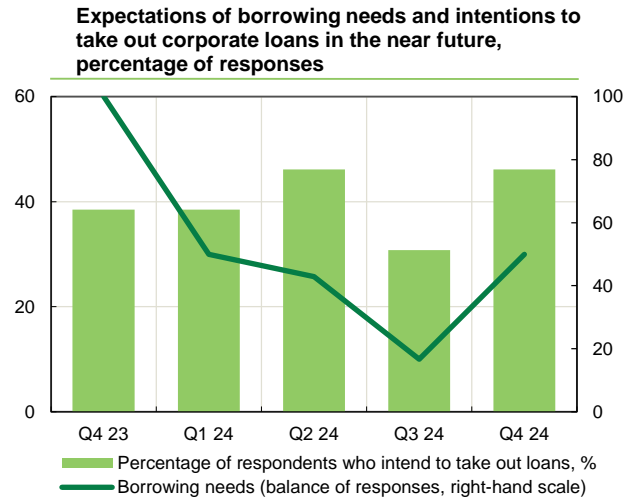


Figure 9

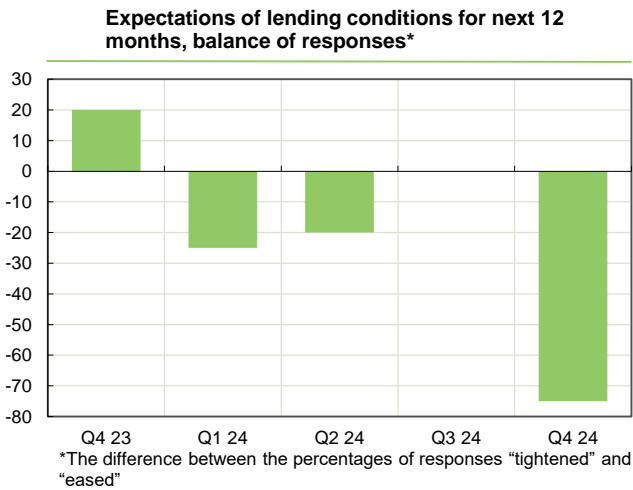


Figure 10

