

# Business Outlook Survey of Zhytomyr Oblast\*

Q2 2025



\* This survey only reflects the opinions of respondents in Zhytomyr oblast (top managers of companies) who were polled in Q2 2025, and does not represent NBU forecasts or estimates.

A survey of companies carried out in **Zhytomyr oblast** in Q2 2025 showed that, despite high raw material and supplies prices, energy prices, qualified staff shortages and the war, 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. Inflation was expected to be moderate. Depreciation expectations weakened somewhat, but still remained strong.

#### 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 expectations was 46.2%, down from 76.9% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was 9.2%
- inflation would be moderate: 53.8% of respondents expected that the inflation rate would exceed 10.0%, compared to 58.5% in the previous quarter and 58.4% across Ukraine. Respondents referred to production costs, the hryvnia exchange rate and household income (the impact of this factor was reported to have increased significantly compared to the previous quarter) as the main inflation drivers (Figure 2)
- the hryvnia would depreciate at a slower pace: 84.6% of respondents expected the hryvnia to weaken against the US dollar, compared to 92.3% in Q1 2025. The figure across Ukraine was 83.4%
- **the financial and economic standings of their companies would improve at a faster pace**: the balance of responses was 46.2% (these were the firmest expectations across the regions), compared to 23.1% in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was 2.4%
- **total sales would increase**: the balance of responses was 53.8%, as in Q1 2025. Across Ukraine, the balance of responses was 10.5%
- **investment** in machinery, equipment, and tools **would increase at a faster pace**: the balance of responses was 54.5%, up from 30.8% 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 30.8% in Q1 2025 (see Table). The balances of responses across Ukraine were 7.8% and (-0.7%) respectively
- **staff numbers would increase**: the balance of responses was 15.4%, up from 7.7% in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-4.4%)
- purchase and selling prices would rise at a fast pace: the balances of responses were 100.0% and 92.3% respectively, compared to 100.0% for each in Q1 2025 (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 100.0% and 84.6% respectively (compared to 92.3% for each in Q1 2025) (Figures 4 and 6).

Companies cited high raw material and supplies prices, energy prices, qualified staff shortages and military actions and their consequences as the main drags on their ability to boost production. The impact of hryvnia exchange rate fluctuations was reported to have increased compared to the previous quarter (Figure 5).

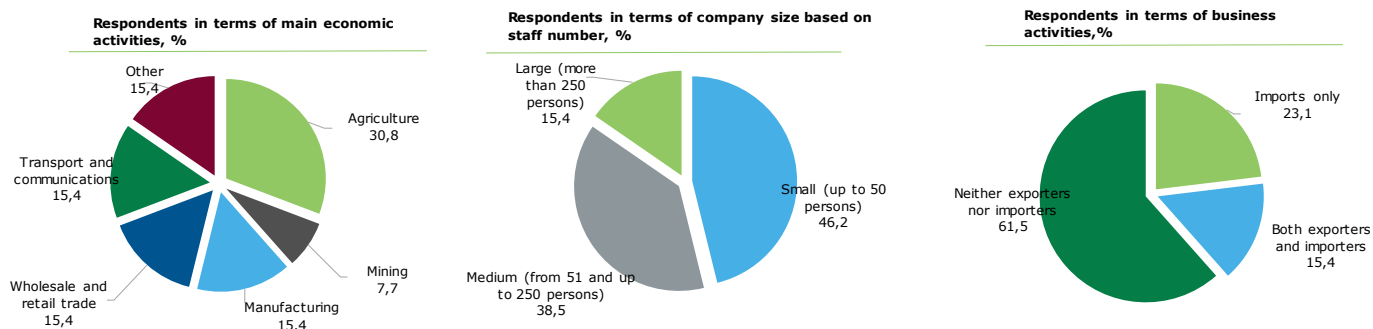
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The respondents who planned to take out loans (46.2% of those surveyed) opted only for domestic currency loans. Respondents said that lending conditions had eased (Figure 9). Respondents referred to the availability of other funding sources, 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 to 96.2% across Ukraine).

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

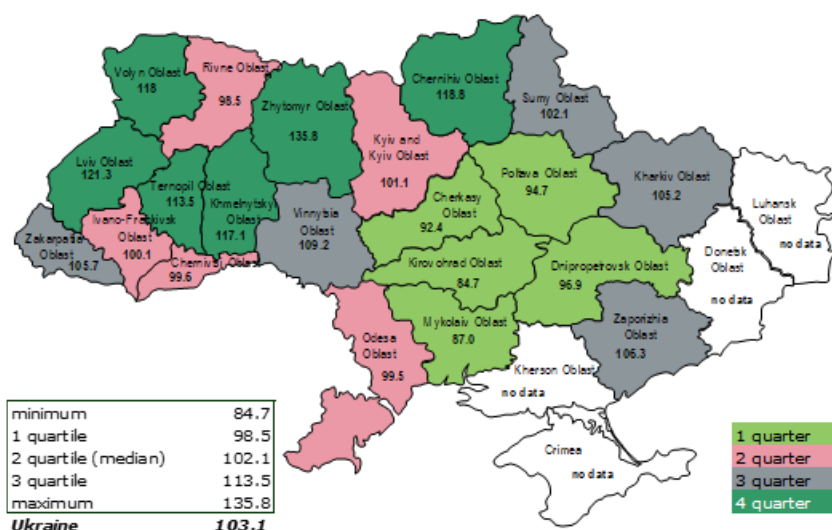
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-7.7%), as in the previous quarter. The figure across Ukraine was (-4.4%).
- Finished goods stocks were assessed at higher than normal levels: the balance of responses was 12.5%, as in Q1 2025.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 30.8%, up from 15.4% in the previous quarter.

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



- Period: 2 May through 27 May 2025.
- 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>, %



\*a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups

\*\*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, %				
	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Financial and economic standings	30,8	15,4	15,4	23,1	46,2
Total sales	38,5	46,2	53,8	53,8	53,8
Investment in construction	0,0	18,2	9,1	23,1	9,1
Investment in machinery, equipment, and tools	25,0	36,4	54,5	30,8	54,5
Staff numbers	0,0	-8,3	-15,4	7,7	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

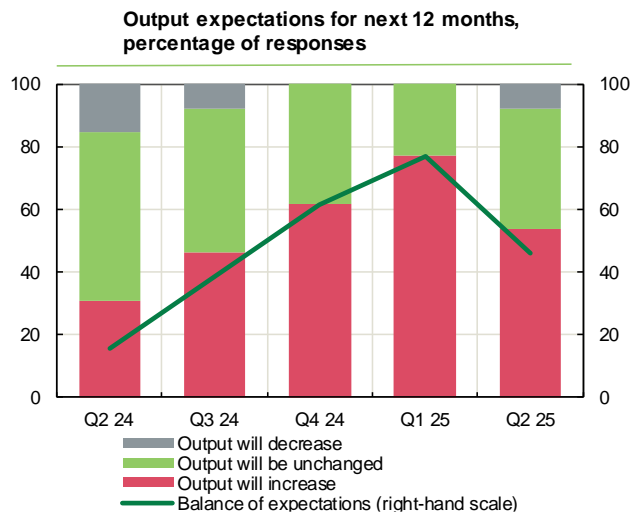


Figure 2

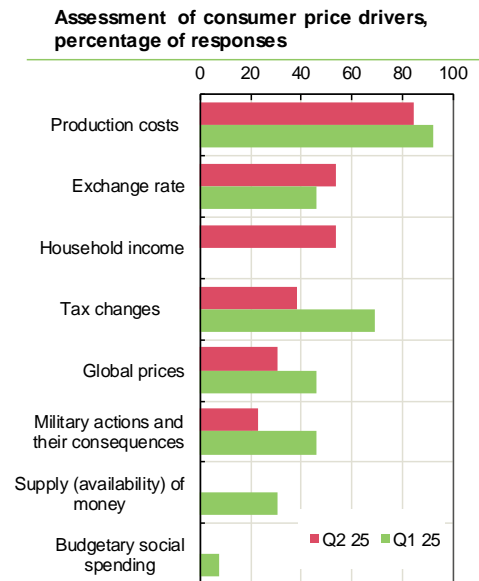


Figure 3

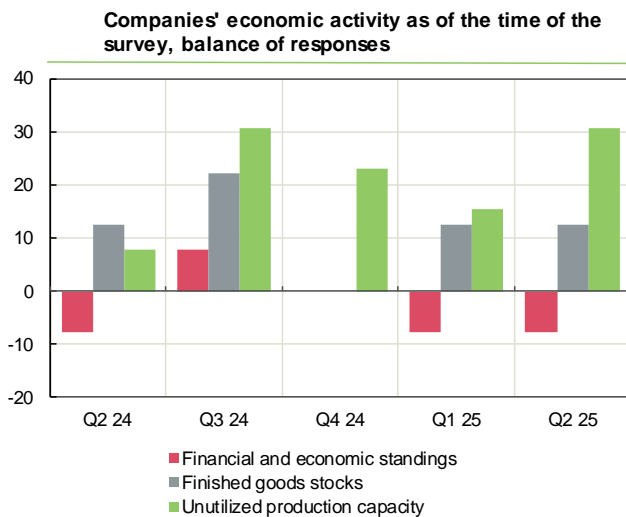


Figure 4



Figure 5

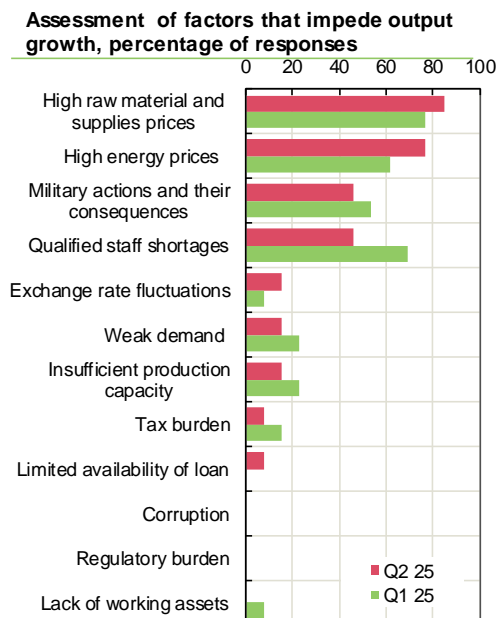
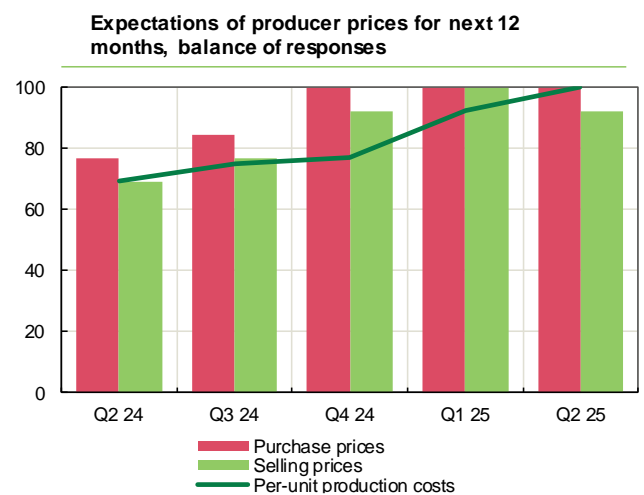
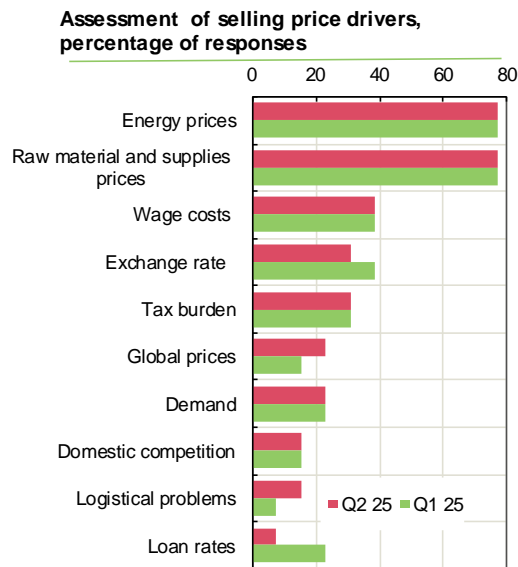


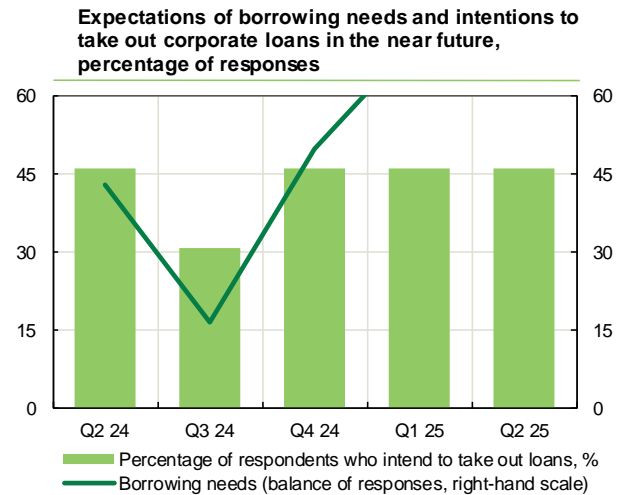
Figure 6



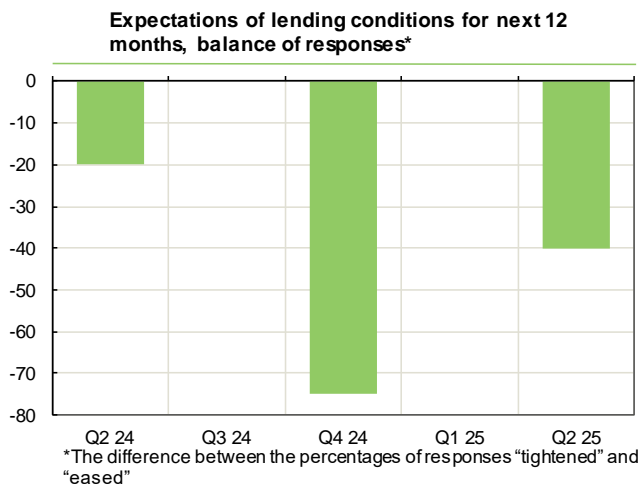
**Figure 7**



**Figure 8**



**Figure 9**



**Figure 10**

