



National Bank  
of Ukraine

## Business Outlook Survey of Ivano-Frankivsk Oblast\*

Q4 2019



\*This survey only reflects the opinions of respondents in Ivano-Frankivsk oblast (top managers of companies) who were polled in Q4 2019, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Ivano-Frankivsk oblast** in **Q4 2019** showed that respondents had high expectations that the Ukrainian economy would continue to grow. At the same time, they had moderate expectations for the development of their companies over that period. Inflation and depreciation expectations were expected to soften.

#### The top managers of companies expected that over the next 12 months:

- **the output of Ukrainian goods and services would grow:** the balance of expectations was unchanged compared to the previous quarter, at 33.3% (21.9% across Ukraine) (Figure 1)
- **prices for consumer goods and services would grow moderately:** 88.9% of respondents expected the inflation rate to be lower than 7.5% (compared with 47.1% in Q3 2019 and 53.8% across Ukraine). Respondents referred to production costs as the **main inflation driver** (Figure 2)
- **the domestic currency would depreciate at a slower pace:** 66.7% of respondents (compared with 77.8% in the previous quarter) expected the hryvnia to weaken against the US dollar, with a figure of 70.7% across Ukraine
- **the financial and economic standings of their companies would improve:** the balance of responses was 11.1% compared with 16.7% in the previous quarter and 18.6% across Ukraine (see Table)
- **total sales would increase:** the balance of responses was 27.8% compared with 22.2% in the previous quarter and 23.5% across Ukraine. External sales were expected to decrease further (the balance of responses was (-12.5%) compared with (-16.7%) in Q3 2019)
- **investment in machinery, equipment, and tools would increase:** the balance of responses was 22.2% compared with (-11.1%) in Q3 2019. Investment in construction was expected to remain unchanged: the balance of response was 0.0% compared to (-12.5%) in the previous quarter. Overall, respondents expected investment spending to rise across Ukraine, the balances of responses being 14.7% and 4.7% respectively
- **staff numbers would decrease:** the balance of responses was (-5.6%) compared with (-11.1%) in Q3 2019 and (-1.6%) across Ukraine (Figure 4)
- **both purchase and selling prices would grow:** the balances of responses were 72.2% and 55.6% respectively (compared to 72.2% and 44.4% in the previous quarter) (Figure 6). Some 61.1% of respondents said that wage costs and raw material and supplies prices were the main selling price drivers (Figure 7)
- **the growth in per-unit production costs and wage costs per staff member would accelerate:** (the balances of responses were 50.0% and 61.1% respectively) (compared to 27.8% and 50.0% in Q3 2019) (Figures 4 and 6).

A lack of working assets and the political situation (the impact of the latter factor strengthened noticeably) were cited as the **main drags on the ability of companies to boost production** (Figure 5). The impact of exchange rate fluctuation was also reported to have increased noticeably.

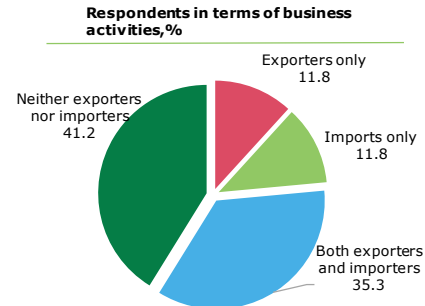
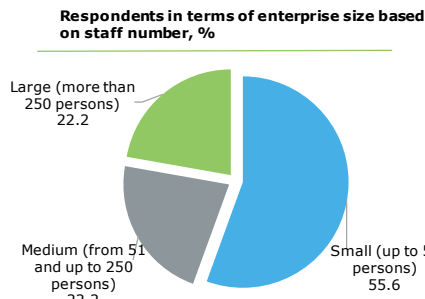
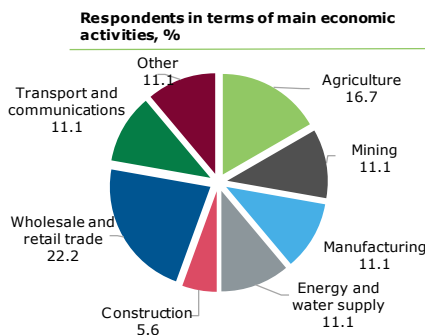
**Respondents edged down their expectations of an increase in their borrowing needs** in the near future (Figure 8). The companies that planned to take out corporate loans usually opted for domestic currency loans. Respondents said that lending conditions had softened (Figure 9). They continued to refer to **high interest rates as the main factor that deterred them from taking out loans** (Figure 10).

A total of 99.4% the respondents reported **no difficulties in effecting transactions with funds deposited in bank accounts** (96.4% across Ukraine).

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

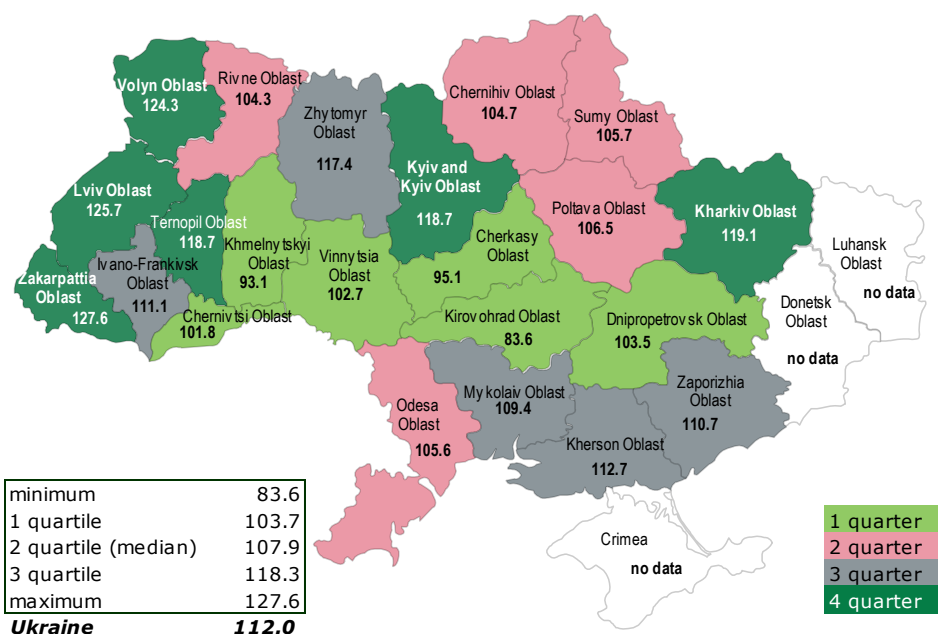
- **The current financial and economic standings of companies had improved and were assessed as good:** the balance of responses was 11.1% (compared to (-5.6%) in Q3 2019 and 6.1% across Ukraine).
- **Finished goods stocks had increased and were assessed at a level higher than the normal one:** the balance of responses was 12.5% (compared with (-14.3%) in Q3 2019).
- **Spare production capacity had decreased.** Respondents said they did not have a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was (-22.2%) compared with 11.8% in Q3 2019.

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



- Period: 4 November through 27 November 2019.
- A total of 18 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 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 sampled where the sample is divided into two equal-sized subgroups

Table. The Business Outlook Index of Companies in Ivano-Frankivsk Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19
Financial and economic standings	18.2	27.8	23.5	16.7	11.1
Total sales	27.3	47.1	33.3	22.2	27.8
Investment in construction	13.6	-6.3	-16.7	-12.5	0.0
Investment in machinery, equipment and tools	22.7	29.4	0.0	-11.1	22.2
Staff numbers	13.6	5.6	5.6	-11.1	-5.6

<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 development 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

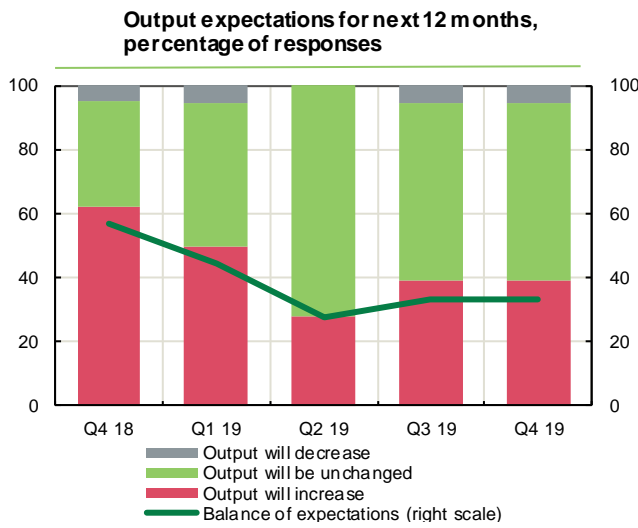


Figure 2

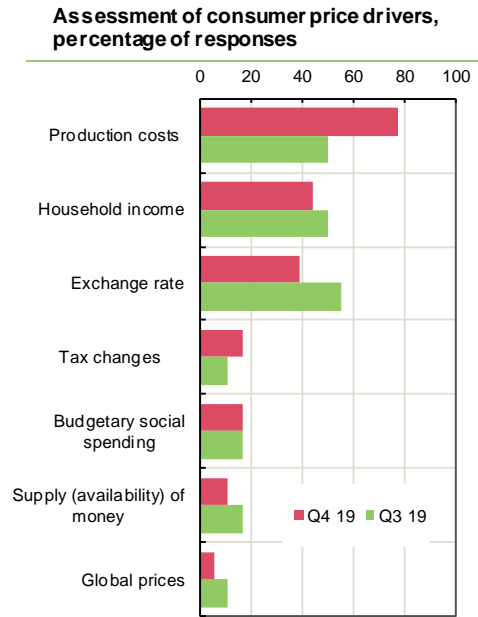


Figure 3

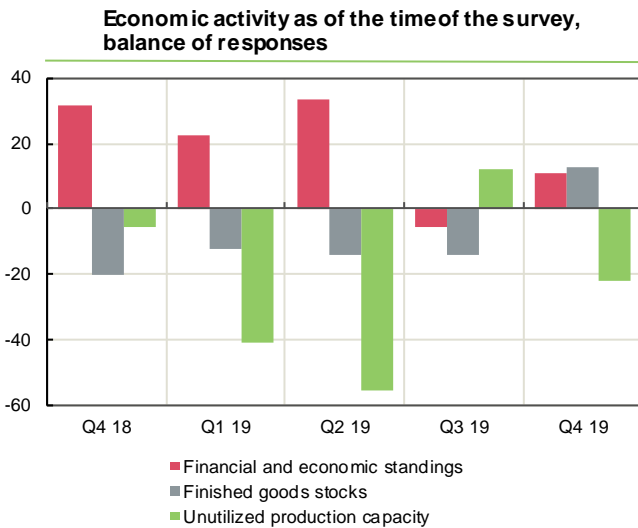


Figure 4

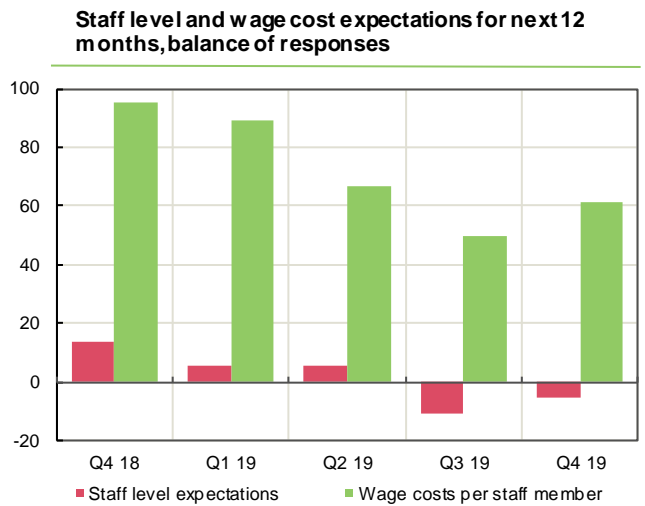


Figure 5

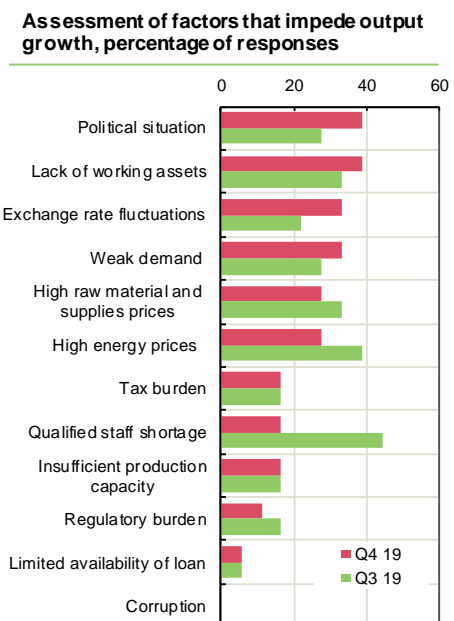


Figure 6

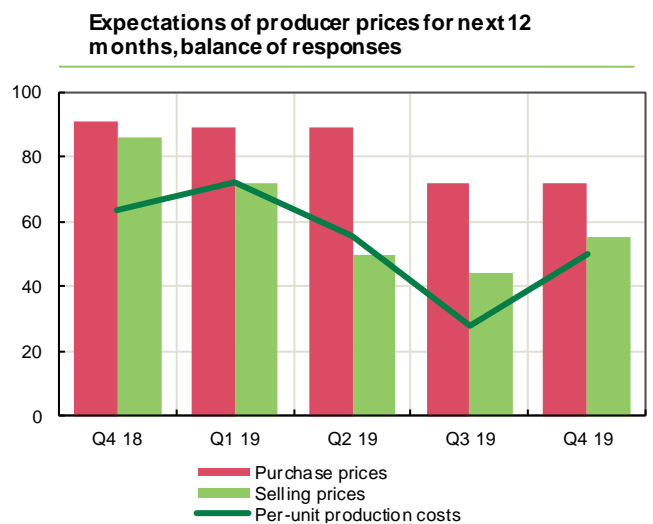


Figure 7

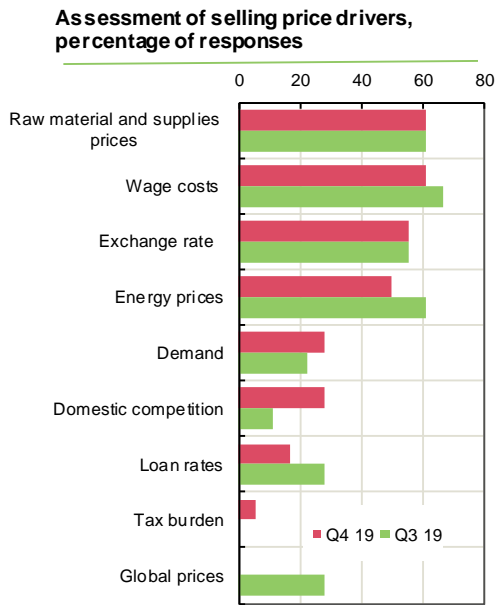


Figure 8

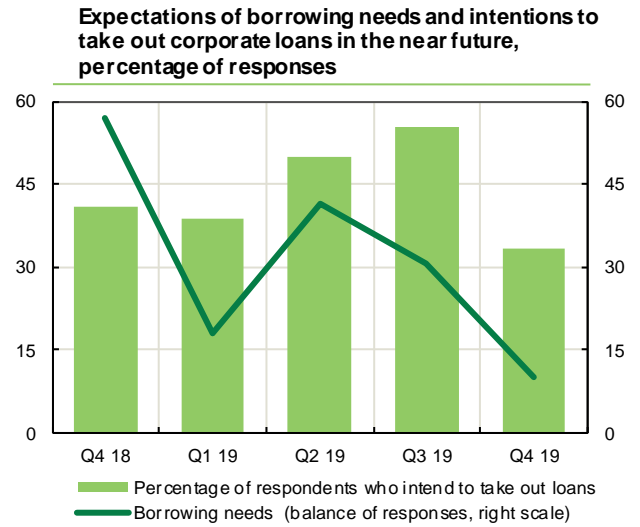


Figure 9

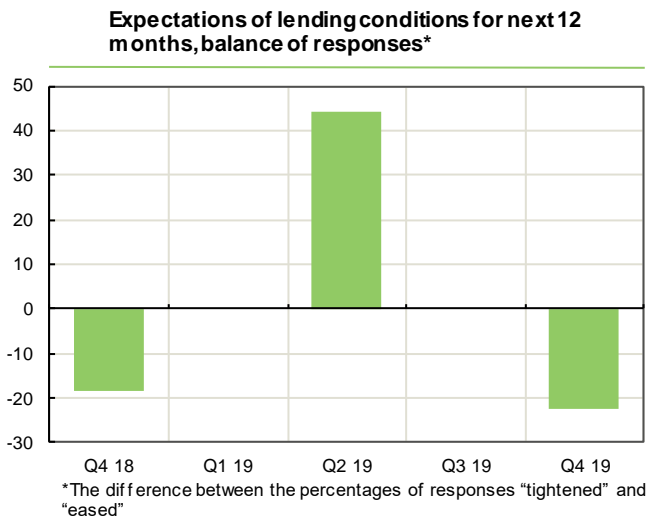
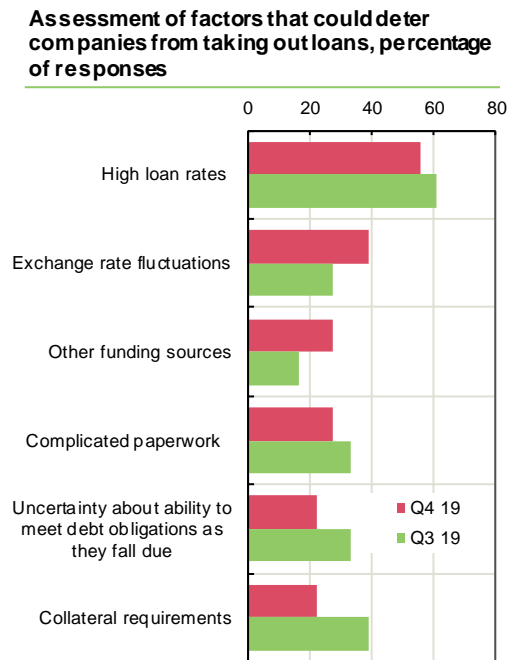


Figure 10



**Key Indicators of Social and Economic Development of Ivano-Frankivsk Oblast in 2014 – 2019**

% of the same period of the previous year, unless stated otherwise

No.	Indicators	2014	2015	2016	2017	2018	2019																
							January	January - February	January - March	January - April	January - May	January - June	January - July	January - August	January - September	January - October	January - November						
1	Volume indices of gross regional product (in previous year's prices, in percent)	97.6	92.0	99.0	107.1	105.8 <sup>2</sup>	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
2	Industrial production index	98.9	89.1	95.5	112.0	110.3	94.9	92.4	94.1	97.2	97.9	97.3	96.7	96.6	95.8	95.5	95.7	95.7	95.7	95.7	95.7	95.7	95.7
3	Mining and quarrying	95.5	90.1	96.5	115.3	105.5	102.5	103.4	103.3	103.7	103.9	103.6	103.4	102.9	102.2	102.2	102.1	102.1	102.1	102.1	102.1	102.1	102.1
4	Manufacturing	103.6	80.7	102.3	115.4	114.8	81.2	80.0	87.6	94.1	93.4	92.7	93.3	93.5	93.4	93.6	95.3	95.3	95.3	95.3	95.3	95.3	95.3
5	Production of food, beverages and tobacco	106.9	58.1	66.8	95.4	116.5	78.0	76.0	76.3	80.7	83.0	82.2	82.1	82.3	82.5	83.6	84.1	84.1	84.1	84.1	84.1	84.1	84.1
6	Textile production, production of clothing, leather, leather goods and other materials	287.0	43.3	69.1	77.3	94.0	67.1	61.0	70.9	70.5	70.1	74.1	72.3	70.4	69.5	70.4	71.9	71.9	71.9	71.9	71.9	71.9	71.9
7	Production of wood products, paper, printing	97.7	100.7	103.3	100.0	104.4	92.0	89.9	88.8	89.1	85.5	84.0	83.6	82.7	84.0	83.7	84.6	84.6	84.6	84.6	84.6	84.6	84.6
8	Production of coke and petrochemicals	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
9	Production of chemicals and chemical products	85.6	82.0	84.4	657.3	193.7	53.8	48.0	72.0	92.2	96.4	99.6	100.5	100.7	101.7	103.3	114.2	114.2	114.2	114.2	114.2	114.2	114.2
10	Production of rubber and plastic products, other nonmetallic mineral products	96.4	103.6	108.7	111.2	105.1	92.7	100.1	111.4	111.3	105.5	102.5	103.1	102.8	101.8	101.6	101.5	101.5	101.5	101.5	101.5	101.5	101.5
11	Metallurgical production, manufacturing of finished metal products, except machinery and equipment	74.9	99.2	126.6	143.9	103.8	80.4	53.4	62.8	64.7	67.8	70.7	78.6	83.2	83.9	82.3	79.5	79.5	79.5	79.5	79.5	79.5	79.5
12	Mechanical engineering, except for repair and installation of machinery and equipment	73.8	92.0	156.1	111.2	104.5	84.5	89.4	92.0	97.7	99.6	98.5	100.1	102.1	99.6	98.4	98.3	98.3	98.3	98.3	98.3	98.3	98.3
13	Electricity, gas, steam and conditioning air supply	97.2	98.1	93.4	105.4	109.5	100.7	95.1	92.5	94.6	97.0	96.5	94.1	93.9	92.3	91.0	89.7	89.7	89.7	89.7	89.7	89.7	89.7
14	Agricultural production index	106.3	95.5	101.7	104.0	101.3	102.5	101.8	101.8	101.9	102.3	102.0	101.7	100.2	100.0	100.0	99.0	99.0	99.0	99.0	99.0	99.0	99.0
15	Construction production index	69.1	106.3	103.5	134.4	117.9	88.0	112.6	122.5	126.9	97.6	83.0	88.0	90.3	94.4	95.5	99.0	99.0	99.0	99.0	99.0	99.0	99.0
16	Freight turnover	107.7	106.6	107.5	87.5	96.7	134.3	135.8	130.3	131.7	123.1	118.9	116.9	114.0	112.1	112.1	109.8	109.8	109.8	109.8	109.8	109.8	109.8
17	Passenger turnover	98.7	86.3	88.6	124.8	108.5	90.9	91.7	92.4	91.9	91.7	89.1	86.8	84.3	82.7	81.3	80.3	80.3	80.3	80.3	80.3	80.3	80.3
18	Volume index of retail trade turnover (in comparable prices, in percent)	99.8	86.7	103.4	107.3	112.6	110.8	108.9	108.2	109.5	110.7	111.2	109.8	109.2	109.1	109.1	109.3	109.3	109.3	109.3	109.3	109.3	109.3
19	Profit/loss of large and medium companies before tax (UAH million) <sup>3</sup>	-9126.5	-7186.2	-2868.6	-407.4	1017.5	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
20	Capital investment index	126.9	110.2	65.3	132.1	84.7	...	...	82.6	...	...	91.0	...	...	96.7	...	...	...	...	...	...	...	...
21	Consumer price index (compared with December of previous year)	125.0	143.4	110.9	113.7	109.1	101.1	101.7	102.6	103.8	104.9	104.4	103.6	103.1	103.7	104.4	104.7	104.7	104.7	104.7	104.7	104.7	104.7
22	Real disposable income	86.7	86.7	105.9	112.5	107.6 <sup>2</sup>	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
23	Real wage index	95.2	77.7	109.7	126.1	112.5	107.5	109.0	109.6	109.8	108.9	108.4	108.5	108.1	108.1	108.3	108.3	108.3	108.3	108.3	108.3	108.3	108.3
24	Number of applicants per vacancy as of end of period	52	27	21	9	6	5	4	3	4	3	4	4	3	4	4	4	4	4	4	4	4	

<sup>1</sup> This information is confidential under the Law of Ukraine On State Statistics.

<sup>2</sup> Preliminary data.

<sup>3</sup> These data exclude banks' profits/losses. Data on agricultural companies engaged in plant cultivation, animal husbandry and mixed farming are only available in annual reports.

Annual data include profits/losses of large, medium, small and micro companies.

Source: Ukraine's State Statistics Service

Legend

Periods (...) - no data

Dash (-) - no events