



National Bank  
of Ukraine

# Business Outlook Survey of Ivano-Frankivsk Oblast\*

Q3 2022



\*This survey only reflects the opinions of respondents in Ivano-Frankivsk oblast (top managers of companies) who were polled in Q3 2022, and does not represent NBU forecasts or estimates.

A survey of companies carried out in Ivano-Frankivsk oblast in Q3 2022 shows that despite the war respondents significantly softened their expectations of a decrease in the output of Ukrainian goods and services. Respondents reported cautious expectations for the performance of their companies over the next 12 months. They expected inflation to increase. Hryvnia depreciation expectations remained high.

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

- **the output of Ukrainian goods and services would drop more slowly:** the balance of responses was (-12.5%) compared to (-43.8%) in the previous quarter (Figure 1) and (-37.9%) across Ukraine
- **prices for consumer goods and services would rise:** 71.4% of respondents expected that the inflation rate would exceed 20.0%, compared to 38.5% in the previous quarter and 71.7% across Ukraine. Respondents continued to refer to military actions, the hryvnia exchange rate and production costs as the **main inflation drivers** (Figure 2)
- **the domestic currency would depreciate:** 78.6% of respondents (compared to 81.3% in the previous quarter) expected the hryvnia to weaken against the US dollar, with a figure of 88.8% across Ukraine
- **the financial and economic standings of their companies would remain unchanged:** the balance of responses was 0.0%, compared to (-13.3%) in the previous quarter (see Table), and (-15.1%) across Ukraine
- **total sales would increase:** the balance of responses was 31.3%, compared to (-6.3%) in the previous quarter. Overall, across Ukraine, the balance of responses was (-7.2%)
- **both investment in construction and investment in machinery, equipment, and tools would increase:** the balances of responses were 12.5% for each, compared to 0.0% and (-12.5%) in the previous quarter. Across Ukraine, the balances of responses were (-29.3%) and (-25.3%) respectively
- **staff numbers at their companies would remain unchanged:** the balance of responses was 0.0%, as in Q2 2022 (Figure 4). Across Ukraine, respondents expected that staff numbers would decrease noticeably: the balance of responses was (-25.5%)
- **purchase prices would grow rapidly** (the balance of responses was 100.0%, unchanged on the previous quarter). Respondents also expected that selling prices would grow at a fast pace: the balance of responses was 81.3%, as in Q2 2022 (Figure 6). The hryvnia exchange rate, energy prices, and raw materials and supplies prices were cited as the main selling price drivers (Figure 7)
- **per-unit production costs would rise:** the balance of responses was 87.5% (compared to 78.6% in Q2 2022). At the same time, **wage costs per staff member were expected to rise at a faster pace:** the balance of responses was 56.3% (compared to 31.3% in the previous quarter) (Figures 4 and 6).

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

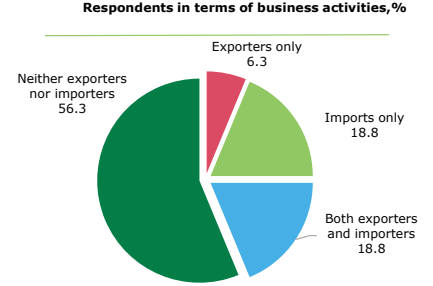
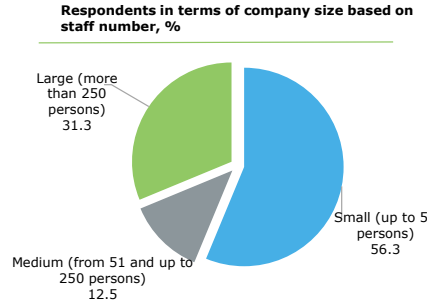
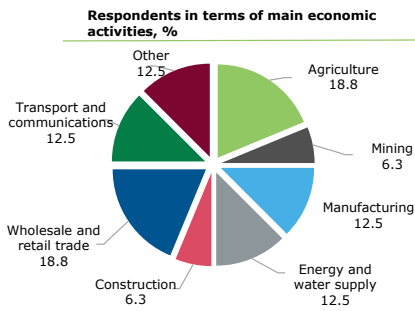
Respondents reported **higher expectations of an increase in their borrowing needs** in the near future (Figure 8). The companies that planned to take out bank loans usually opted for domestic currency ones. Respondents said that bank lending standards had tightened (Figure 9). Respondents referred to high loan rates, other funding sources, and hryvnia exchange rate fluctuations as the main factors deterring them from taking out loans (Figure 10).

**All respondents reported having no difficulties in effecting transactions with funds deposited in bank accounts** (94.1% across Ukraine).

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

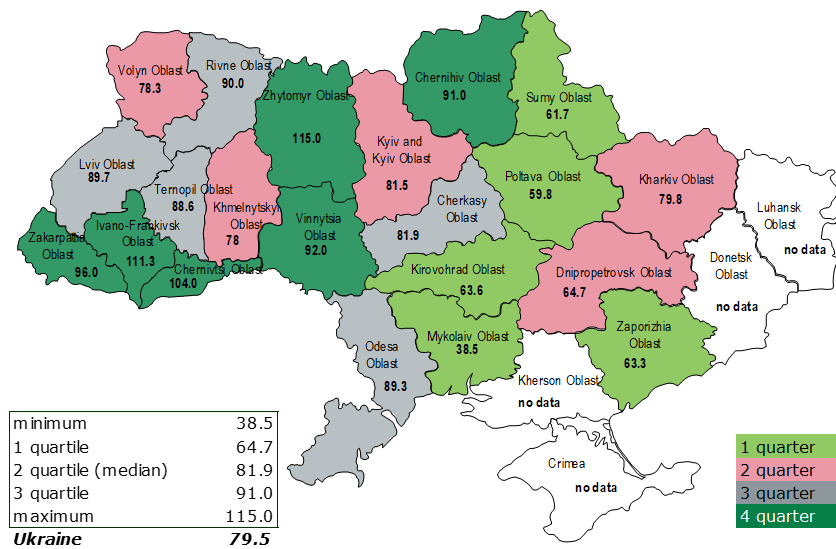
- **Respondents assessed their current financial and economic standings as satisfactory:** the balance of responses was 0.0%, compared to 6.3% in the previous quarter. Respondents across Ukraine assessed their financial and economic standings as bad (-21.8%).
- **Finished goods stocks were assessed as normal:** the balance of responses was 0.0%, compared to (-25.0%) in Q2 2022.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 6.7%, compared to (-7.1%) in Q2 2022.

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



- Period: 1 August through 25 August 2022.
- A total of 16 companies were polled.
- No economic activity was able to generate a representative sample.

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



<sup>1</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups

<sup>2</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 Ivano-Frankivsk Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Financial and economic standings	12.5	-12.5	-20.0	-13.3	0.0
Total sales	12.5	6.3	7.1	-6.3	31.3
Investment in construction	0.0	6.7	20.0	0.0	12.5
Investment in machinery, equipment, and tools	6.3	6.7	26.7	-12.5	12.5
Staff numbers	-6.3	20.0	6.7	0.0	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

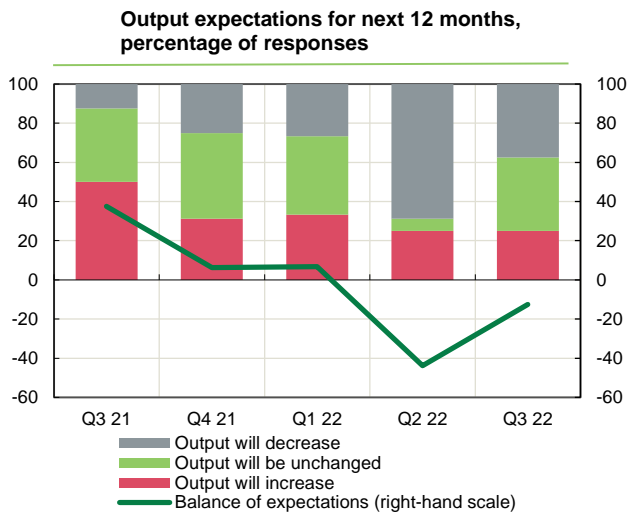


Figure 2

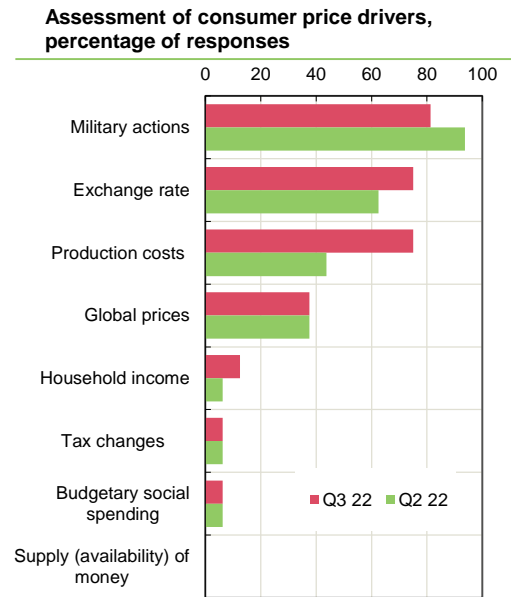


Figure 3

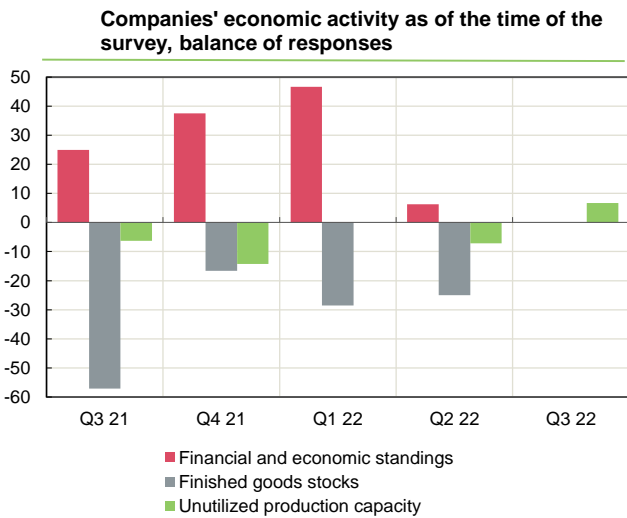


Figure 4



Figure 5

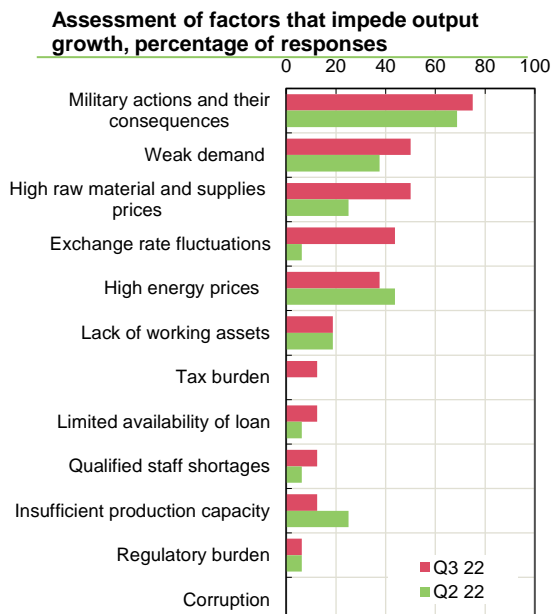


Figure 6

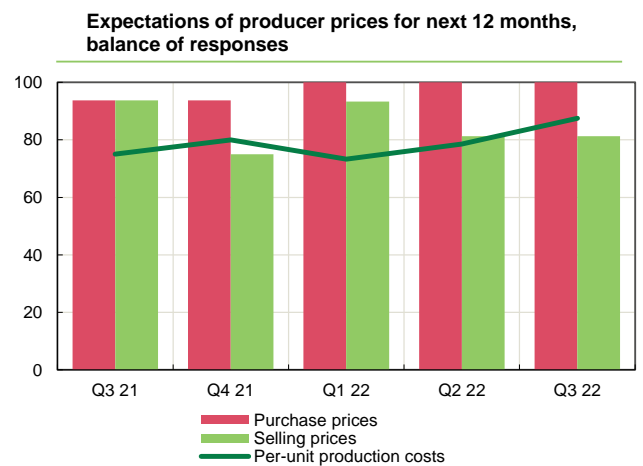


Figure 7

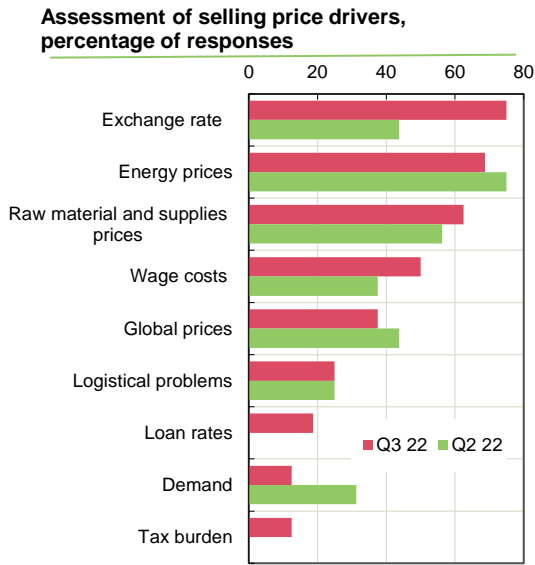


Figure 8

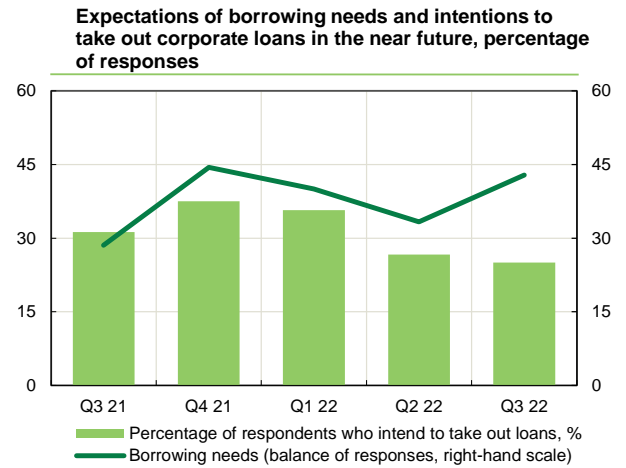


Figure 9

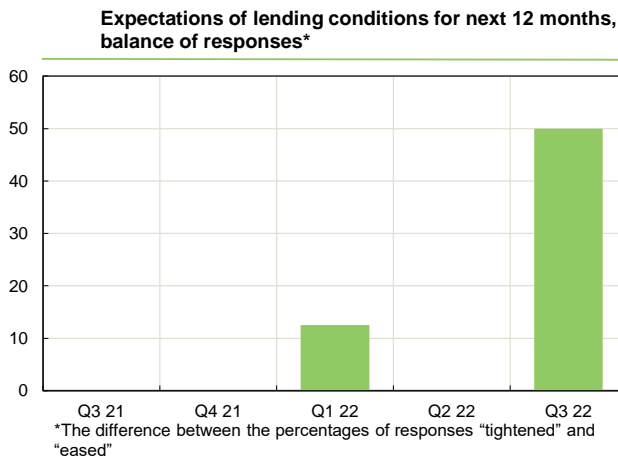


Figure 10

