

# Business Outlook Survey of Kyiv and Kyiv Oblast<sup>\*</sup>

Q2 2025



<sup>\*</sup> This survey only reflects the opinions of respondents in Kyiv and Kyiv 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 **Kyiv and Kyiv oblast** in Q2 2025 shows that, despite the war, qualified staff shortages and weak demand, respondents expected that the output of Ukrainian goods and services would remain unchanged. They reported weaker expectations for the performance of their companies over the next 12 months. Inflation and depreciation expectations were more moderate.

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

- the output of Ukrainian goods and services would remain unchanged: the balance of responses was 0.0%, compared to 12.1% in Q1 2025 (Figure 1) and 9.2% across Ukraine. The most optimistic expectations were reported by energy and water supply companies (the balance of responses was 25.0%). Meanwhile, respondents from agricultural companies reported the dimmest expectations (-16.7%)
- prices for consumer goods and services would rise: 62.9% of respondents expected that the inflation rate would exceed 10.0%, compared to 65.9% in the previous quarter and 58.4% across Ukraine. Respondents continued to refer to military actions and their consequences, the hryvnia exchange rate and production costs as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 83.7% of respondents, compared to 88.6% in the previous quarter, expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 83.4%
- the financial and economic standings of their companies would deteriorate slightly: the balance of responses was (-1.0%) (compared to 3.8% in the previous quarter and 2.4% across Ukraine) (see Table). Respondents from companies engaged in other economic activities had the highest expectations (the balance of responses was 7.7%), while agricultural companies had the gloomiest expectations (-33.3%)
- total sales and external sales would increase: the balances of responses were 12.2% and 7.2% respectively, down from 26.7% and 21.6% in the previous quarter (see Table). Across Ukraine, the balances of responses were 10.5% and 9.4% respectively
- investment in construction and in machinery, equipment, and tools would decrease: the balances of responses were (-1.6%) and (-0.5%) respectively, compared to 5.0% and 15.2% in the previous quarter (see Table). Across Ukraine, the balances of responses were (-0.7%) and 7.8% respectively
- staff numbers would decrease: the balance of responses was (-3.4%), compared to 7.2% in Q1 2025. Across Ukraine, the balance of responses was (-4.4%) (Figure 4). Respondents from energy and water supply companies had the most optimistic expectations (the balance of responses was 12.5%). The dimmest expectations were reported by respondents from trading companies (-11.3%)
- both purchase and selling prices would grow: the balances of responses were 85.8% and 66.7% respectively (compared to 91.9% and 72.7% respectively in Q1 2025) (Figure 6). Respondents from trading companies had the highest expectations of a rise in selling prices (the balance of responses was 79.2%). Respondents cited the hryvnia exchange rate, wage costs and raw material and supplies prices 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 57.3% and 51.0% respectively (compared to 64.7% and 60.6% in the previous quarter) (Figures 4 and 6).

Respondents referred to military actions and their consequences, qualified staff shortages and weak demand as the main drags on the ability of their companies to boost production (Figure 5).

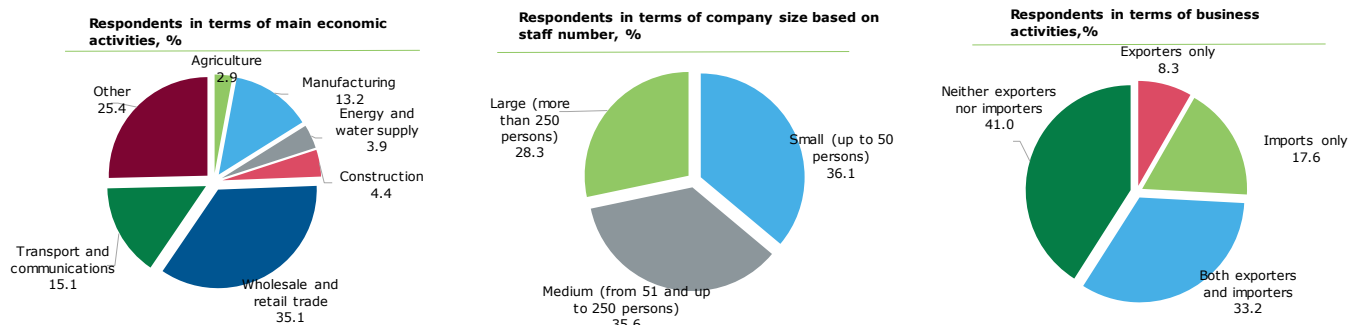
Respondents reported stronger expectations about their borrowing needs in the near future (Figure 9). The respondents who planned to take out loans (30.4% of those surveyed) usually opted for domestic currency loans. Respondents said that lending standards had improved, but still described these standards as tight (Figure 10). Companies referred to high interest rates, the availability of other funding sources and collateral requirements as the main factors deterring them from taking out loans (Figure 11).

A total of 94.6% of respondents said that they had encountered no difficulties in effecting transactions with funds deposited in bank accounts (96.2% across Ukraine).

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

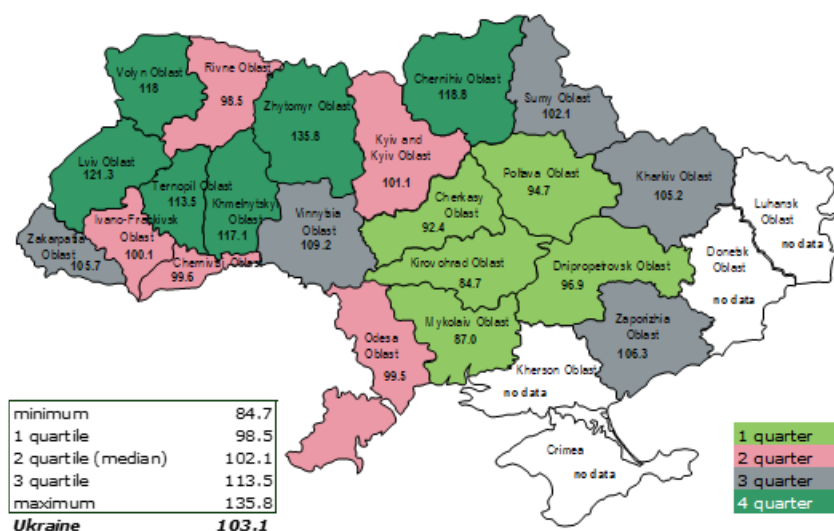
- Companies assessed their current financial and economic standings as good: the balance of responses was 3.9% (compared to 4.8% in Q1 2025), compared to (-5.3%) across Ukraine. The most optimistic assessments were reported by respondents from trading companies (13.9%).
- Finished goods stocks were assessed at a level lower than normal: the balance of responses was (-6.8%), compared to (-3.8%) in Q1 2025.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 21.7%, up from 14.0% in Q1 2025.

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



- Period: 30 April through 28 May 2025.
- A total of 205 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture, the manufacturing industry, energy and water supply, construction, trade, transport and communications, and other economic activities.

### 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 Kyiv and Kyiv Oblast and Its Components**

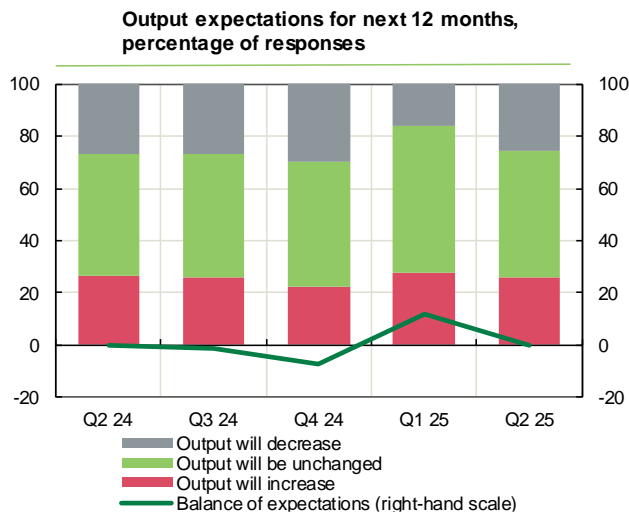
Expectations over next 12 months for	Balances of responses, %				
	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Financial and economic standings	3.4	-2.0	0.5	3.8	-1.0
Total sales	14.9	15.4	13.0	26.7	12.2
Investment in construction	-1.1	0.5	2.1	5.0	-1.6
Investment in machinery, equipment, and tools	9.7	6.4	10.0	15.2	-0.5
Staff numbers	-3.9	-5.4	-2.9	7.2	-3.4

<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.

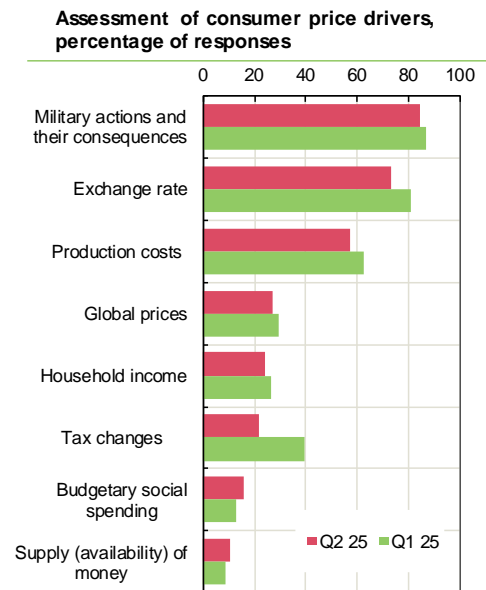
<sup>2</sup> Data for totals and components may be subject to rounding effects.

<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.

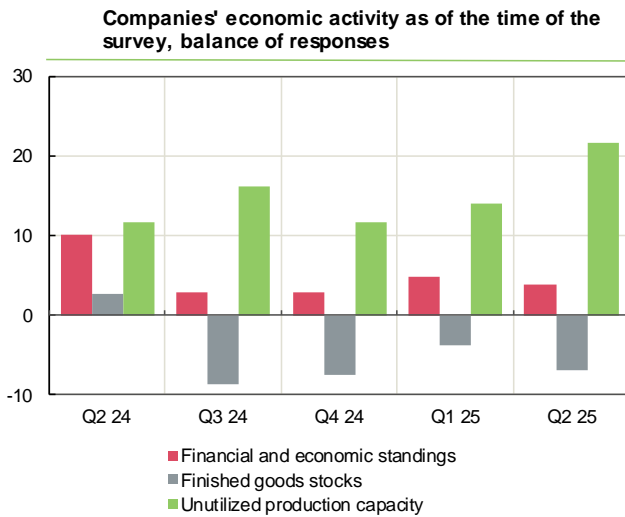
**Figure 1**



**Figure 2**



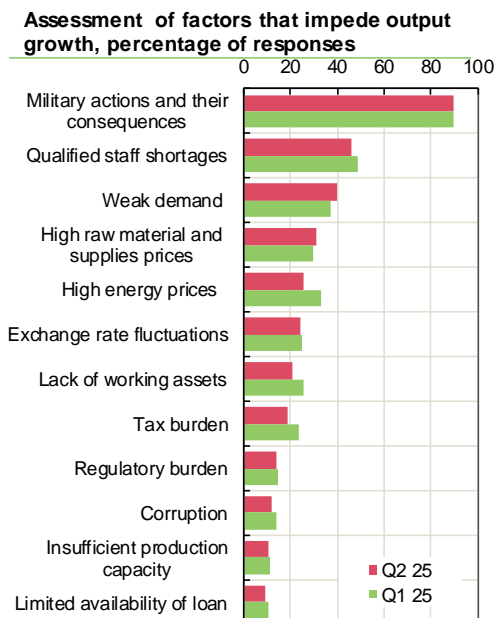
**Figure 3**



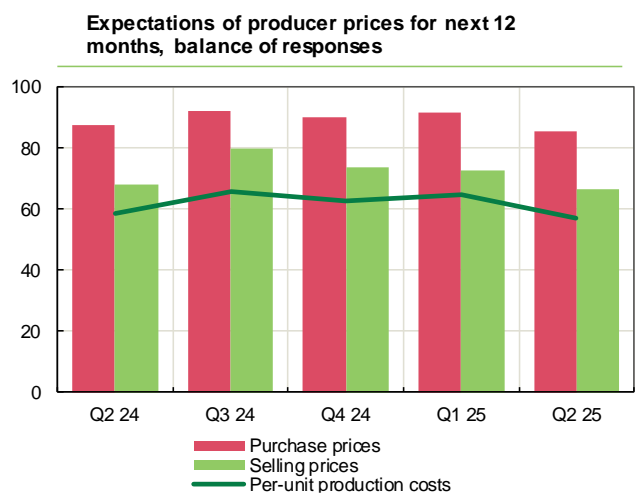
**Figure 4**



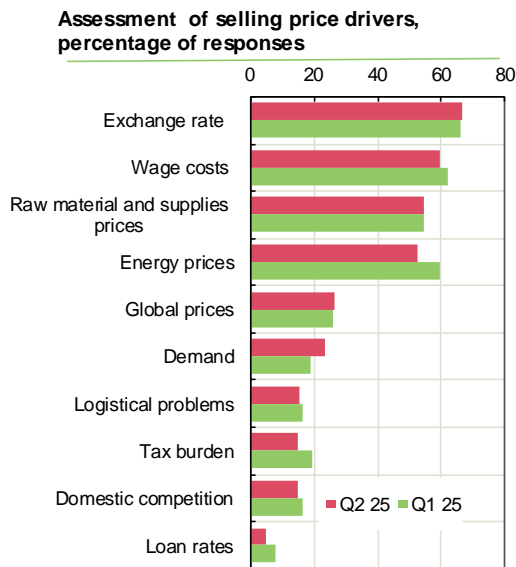
**Figure 5**



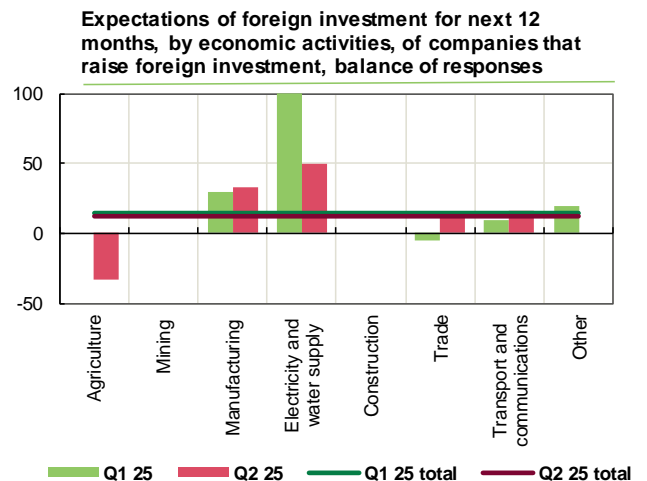
**Figure 6**



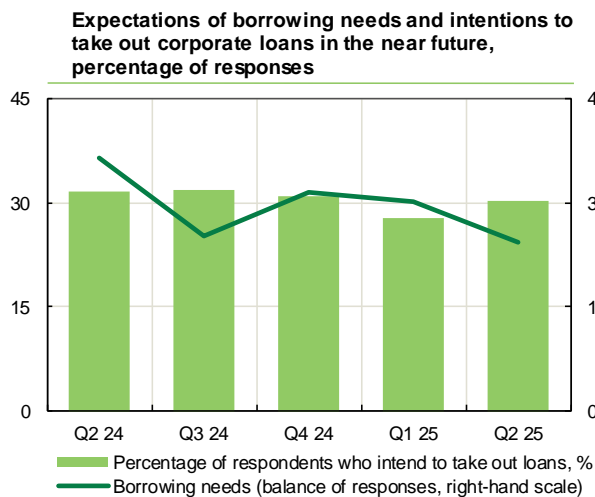
**Figure 7**



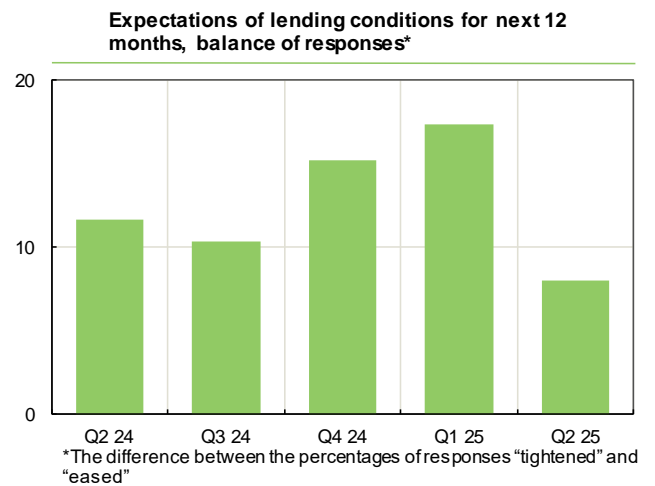
**Figure 8**



**Figure 9**



**Figure 10**



**Figure 11**

