



National Bank
of Ukraine

Business Outlook Survey of Kirovohrad Oblast *

Q1 2025



*This survey only reflects the opinions of respondents in Kirovohrad oblast (top managers of companies) who were polled in Q1 2025, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Kirovohrad oblast** in Q1 2025 showed that, on the back of the war, weak demand, high energy prices and qualified staff shortages, respondents expected that the output of Ukrainian goods and services would drop. Respondents also had negative expectations for the performance of their companies over the next 12 months. Inflation was expected to decelerate. Hryvnia depreciation expectations strengthen.

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

- the output of Ukrainian goods and services would decrease at a slower pace: the balance of expectations was (-41.7%), compared to (-58.3%) in the previous quarter (these were the dimmest expectations across the regions, and they have been reported for four quarters running) (Figure 1). Overall, across Ukraine, the balance of responses was 15.6%
- prices for consumer goods and services would grow more slowly: 58.3% of respondents expected that the inflation rate would exceed 10.0% (compared to 66.7% in the previous quarter and 60.3% across Ukraine). Respondents continued to refer to military actions, the hryvnia exchange rate and production costs as the main inflation drivers (Figure 2)
- the hryvnia would depreciate more pronouncedly: 100.0% of respondents (83.3% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 89.1%
- the financial and economic standings of their companies would deteriorate at a significantly slower pace: the balance of expectations was (-9.1%), compared to (-33.3%) in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was 4.7%
- total sales would drop more slowly: the balance of responses was (-25.0%), up from (-36.4%) in Q4 2024 (see Table). Overall, across Ukraine, respondents expected total sales to increase: the balance of responses was 20.7%
- investment in construction and in machinery, equipment and tools would drop more slowly: the balances of responses were (-36.4%) and (-25.0%) respectively, compared to (-45.5%) and (-33.3%) respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were 2.7% and 13.4% respectively
- staff numbers at their companies would decrease more moderately: the balance of responses was (-16.7%), compared to (-33.3%) in Q4 2024. Across Ukraine, the balance of responses was (-0.6%) (Figure 4)
- purchase and selling prices would rise: the balances of responses were 83.3% and 66.7% respectively, compared to 91.7% and 66.7% respectively in Q4 2024 (Figure 6). Respondents cited raw material and supplies, energy prices and wage costs (the impact of this factor was reported to have increased) as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow at a faster pace: the balances of responses were 50.0% and 58.3% respectively, compared to 41.7% and 33.3% respectively in Q4 2024 (Figures 6 and 4).

Companies cited military actions and their consequences, weak demand, high energy prices, and qualified staff shortages as the main drags on their ability to boost production. Respondents also reported a stronger impact of high raw material and supplies prices and a lack of working assets, compared to the previous survey (Figure 5).

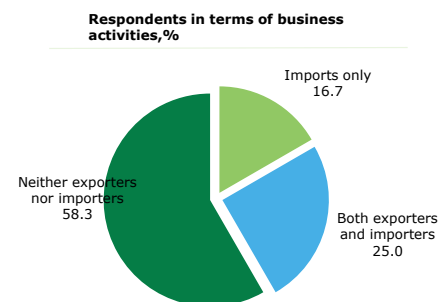
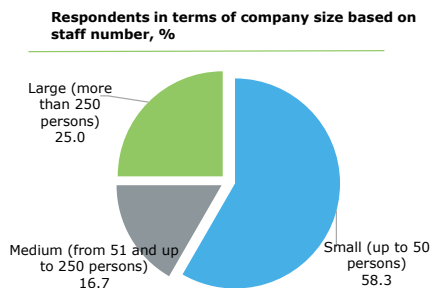
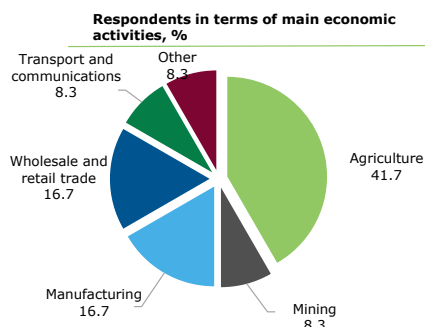
Respondents reported weaker expectations regarding their borrowing needs in the near future (Figure 8). The respondents who planned to take out bank loans (33.3% of those surveyed) opted only for domestic currency loans. Respondents said that lending conditions had tightened (Figure 9). Respondents cited high interest rates, the availability of other funding sources, and uncertainty about their ability to meet debt obligations as they fall due 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 (96.6% across Ukraine).

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

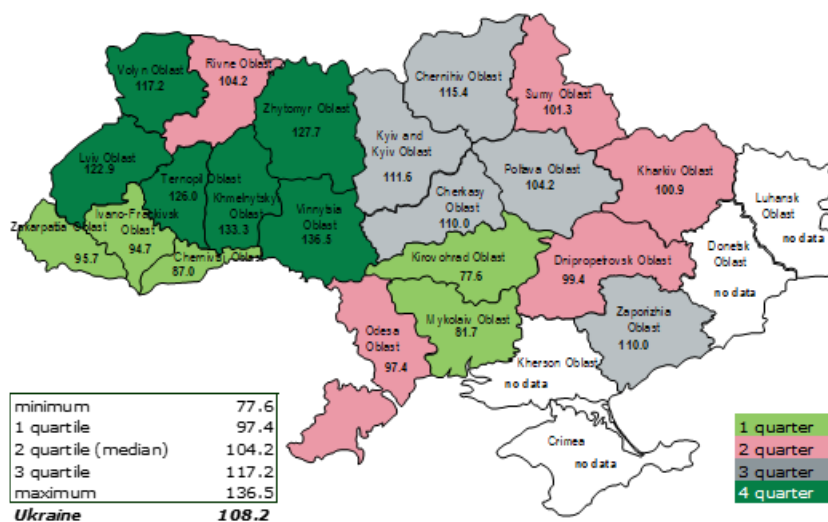
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-16.7%), compared to (-8.3%) in Q4 2024 (Figure 3). Across Ukraine, the balance of responses was (-3.4%).
- Finished goods stocks were assessed as lower than normal: the balance of responses was (-50.0%), as in the previous quarter.
- Companies said they would need additional capacity to meet any unexpected rise in demand: the balance of responses was (-25.0%), up from (-36.4%) in Q4 2024.

Survey Details^{1,2}



- Period: 3 February through 24 February 2025.
- A total of 12 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 Oblasts³, %



*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 Kirovohrad Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Financial and economic standings	-33.3	-25.0	-18.2	-33.3	-9.1
Total sales	-41.7	-8.3	-36.4	-36.4	-25.0
Investment in construction	-41.7	-25.0	-25.0	-45.5	-36.4
Investment in machinery, equipment, and tools	0.0	0.0	-16.7	-33.3	-25.0
Staff numbers	-25.0	-8.3	-16.7	-33.3	-16.7

¹ This sample was generated in proportion to the contribution of each region and each economic activity to Ukraine's gross value added.

² Data for totals and components may be subject to rounding effects.

³ 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

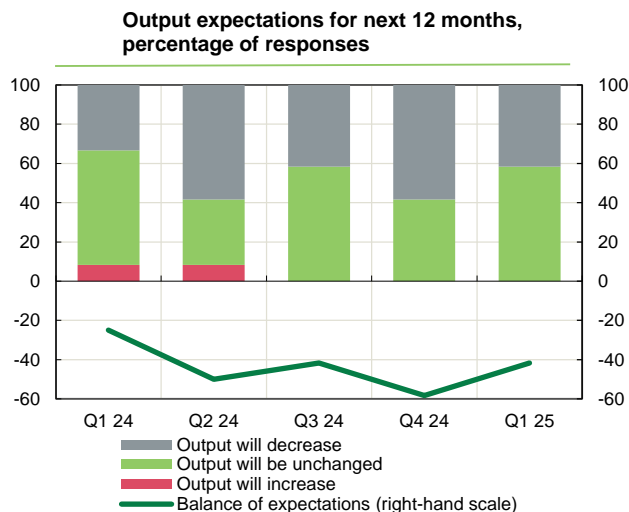


Figure 2

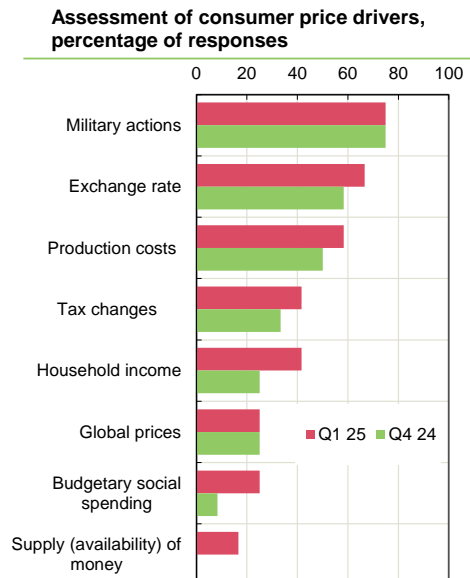


Figure 3

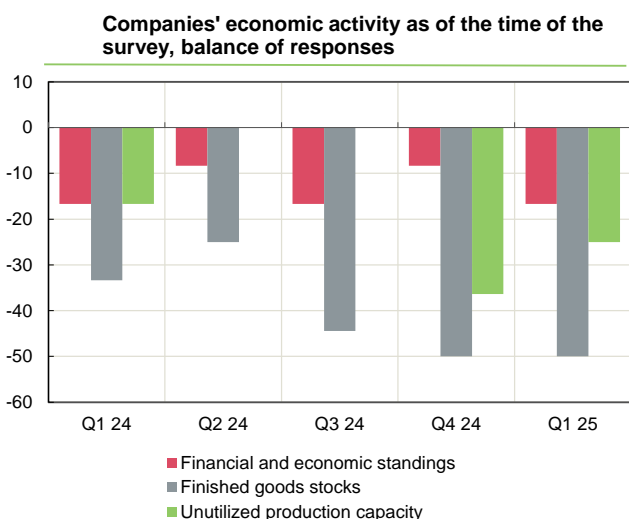


Figure 4



Figure 5

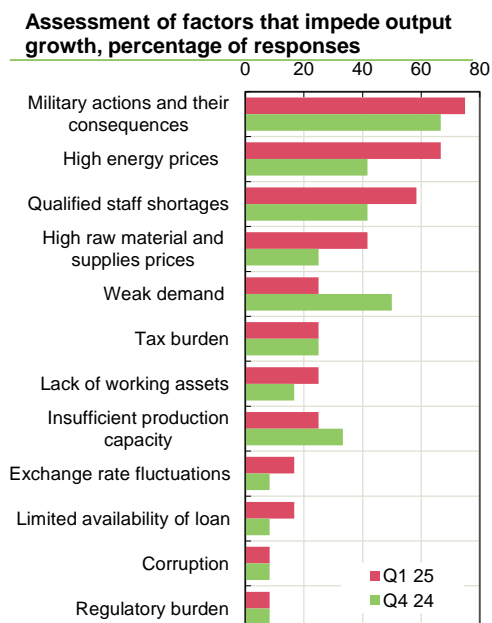


Figure 6

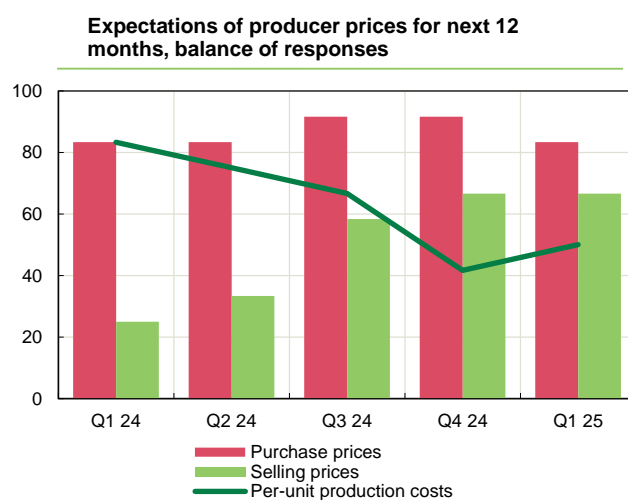


Figure 7

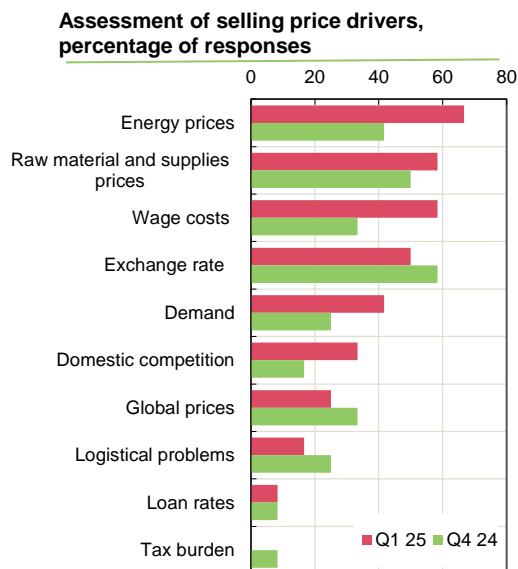


Figure 8

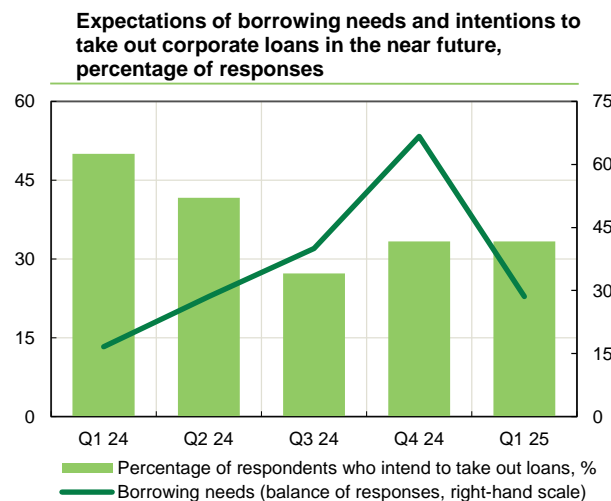


Figure 9

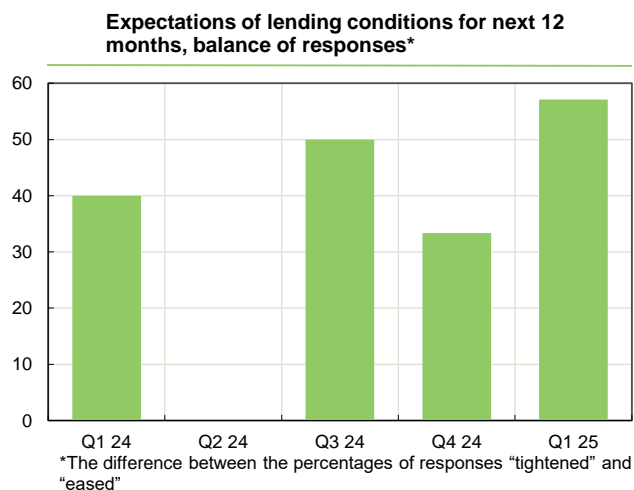


Figure 10

