



National Bank  
of Ukraine

## Business Outlook Survey of Mykolaiv Oblast\*

Q3 2021



\*This survey only reflects the opinions of respondents in Mykolaiv oblast (top managers of companies) who were polled in Q3 2021, and does not represent NBU forecasts or estimates

A survey of companies carried out in Mykolaiv oblast in Q3 2021 showed that respondents expected an increase in the output of Ukrainian goods and services over the next 12 months. Respondents reported optimistic expectations for their companies' performance over this period. Inflation expectations were high, while depreciation expectations became firmer.

**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 faster pace:** the balance of expectations was 26.7%, compared to 6.3% in Q2 2021 (Figure 1) and 21.5% across Ukraine
- **prices for consumer goods and services would continue to rise:** 62.5% of respondents (compared to 68.8% in the previous quarter) expected the inflation rate to be higher than 7.5%. The figure across Ukraine was 53.1%. Respondents continued to refer to the exchange rate and production costs **as the main inflation drivers** (Figure 2)
- **the hryvnia would depreciate more pronouncedly:** 68.8% of the respondents (compared to 50.0% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 70.7%
- **the financial and economic standings of their companies would improve:** the balance of expectations was 33.3%, compared to 0.0% in the previous quarter (see Table), and 12.7% across Ukraine
- **total sales would increase:** (the balance of responses was 33.3% compared to 43.8% in the previous quarter). External sales were expected to increase at a fast pace (the balance of responses was 80.0% compared to 33.3% in Q2 2021). The balances of responses across Ukraine were 27.7% and 23.5%
- **both investment in construction and in machinery, equipment, and tools would increase:** the balances of responses were 7.7% and 20.0% respectively, compared to 14.3% and 6.7% respectively in Q2 2021. Across Ukraine, the balances of responses were 9.7% and 19.3% respectively
- **staff numbers at their companies would remain unchanged:** the balance of responses was 0.0%, compared to (-6.3%) in Q2 2021. Companies across Ukraine expected their staff numbers to increase moderately, the balance of responses being 2.2% (Figure 4)
- **purchase and selling prices would rise** at a fast pace: the balances of responses were 93.8% and 56.3% respectively (compared to 87.5% and 56.3% in Q2 2021 respectively) (Figure 6). High 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 grow:** the balances of responses were 43.8% and 53.3% respectively (compared to 50.0% and 62.5% in Q2 2021).

Respondents continued to refer to high raw material and supplies prices, energy prices, and a lack of working assets as the **main drags on the ability of their companies to boost production** (Figure 5).

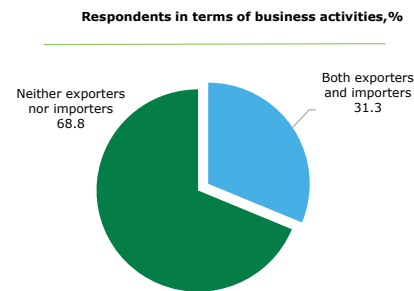
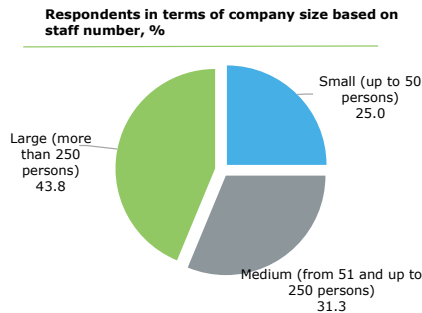
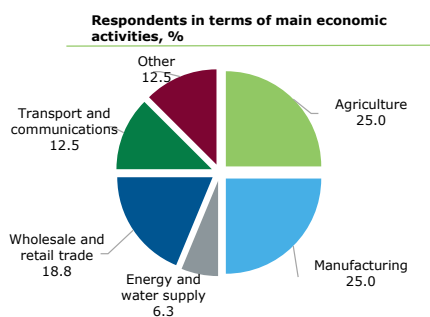
**Respondents said that their borrowing needs** would increase in the near future (Figure 8). The majority of the respondents who planned to take out bank loans (25.0%) opted for foreign currency loans. Respondents reported higher expectations of a tightening in lending standards (Figure 9). High loan rates were cited as the major factor deterring companies 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 (97.1% across Ukraine).

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

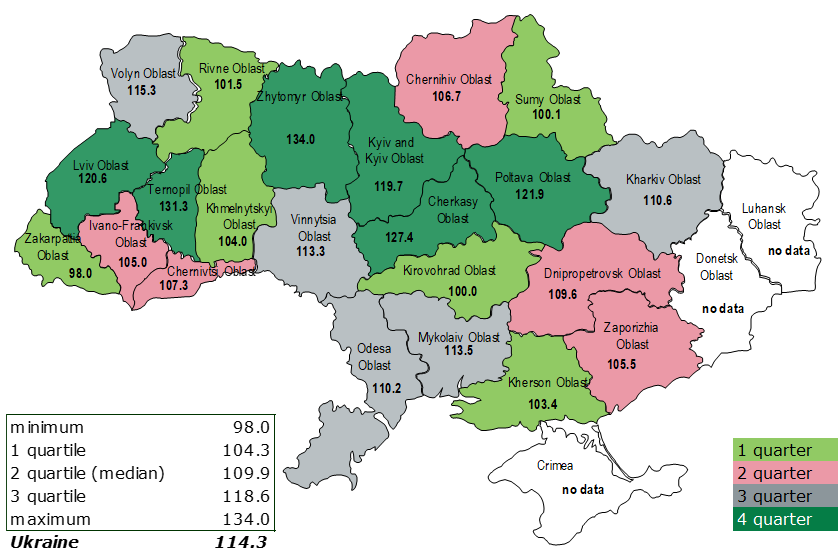
- **Companies said that their current financial and economic standings had improved and assessed them as good:** the balance of responses was 6.7%, compared to 12.5% in the previous quarter and 7.0% across Ukraine.
- **Finished goods stocks had decreased and were assessed at levels lower than normal:** the balance of responses was (-9.1%) compared to 0.0% in Q2 2021.
- **Companies had sufficient unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 33.3%, compared to 6.7% in the previous quarter.

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



- Period: 4 August through 27 August 2021.
- A total of 16 companies were polled.
- A representative sample was generated on the basis of the agricultural and manufacturing sectors.

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 Mykolaiv Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Financial and economic standings	-6.7	-12.5	0.0	0.0	6.3
Total sales	6.3	0.0	37.5	43.8	33.3
Investment in construction	-31.3	-13.3	-7.1	14.3	7.7
Investment in machinery, equipment, and tools	-18.8	-6.3	0.0	6.7	20.0
Staff numbers	-26.7	-31.3	-6.3	-6.3	0.0

<sup>1</sup> This sample was generated in proportion to the contribution of each region 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

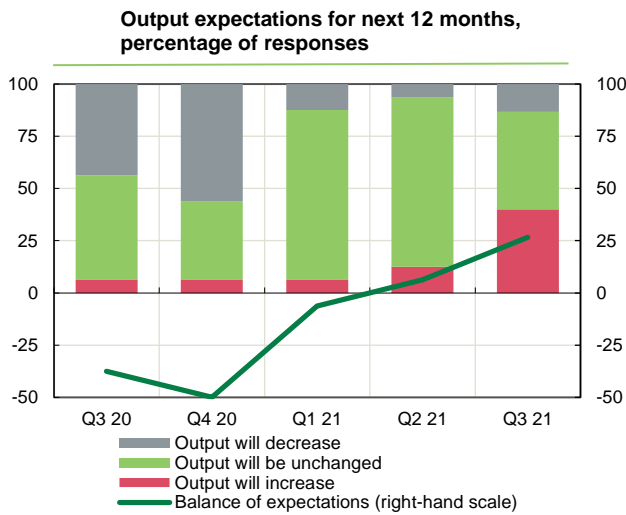


Figure 2

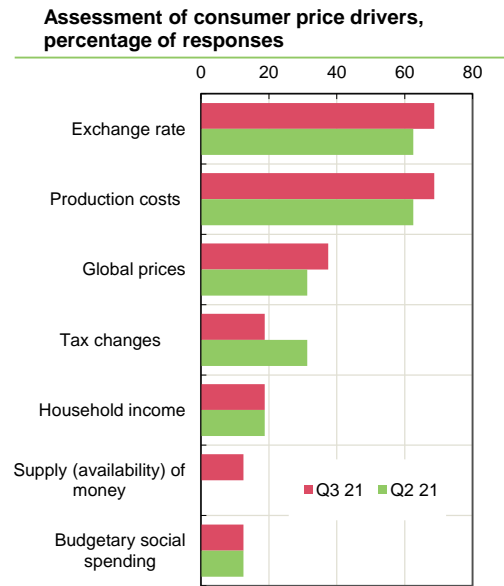


Figure 3

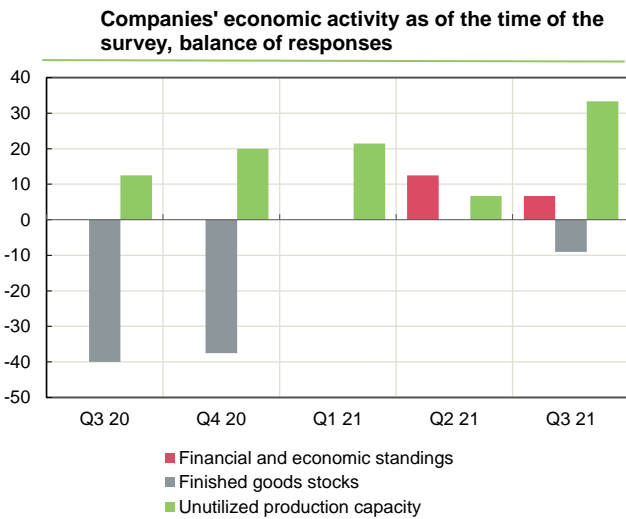


Figure 4

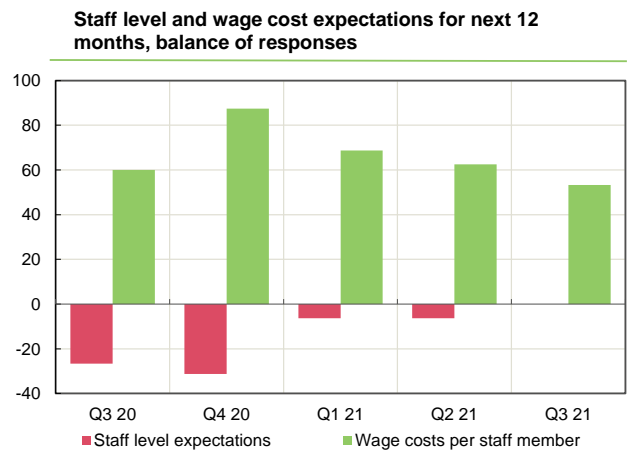


Figure 5

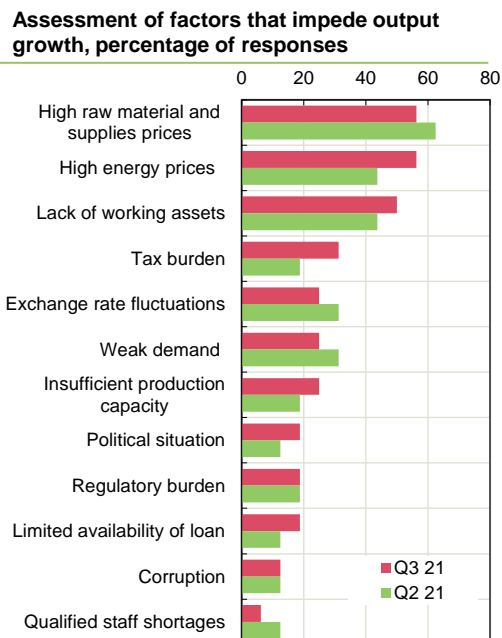


Figure 6

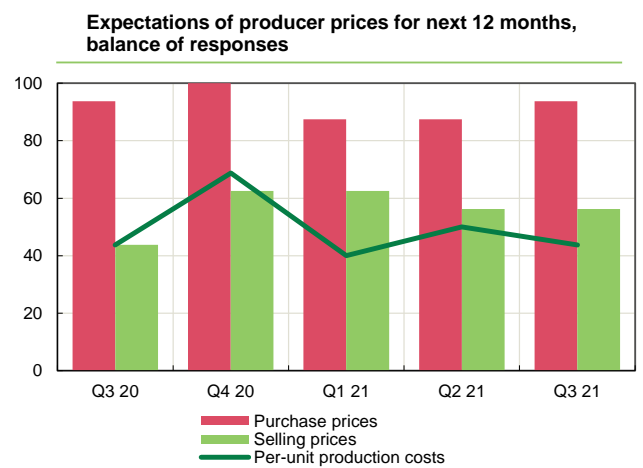


Figure 7

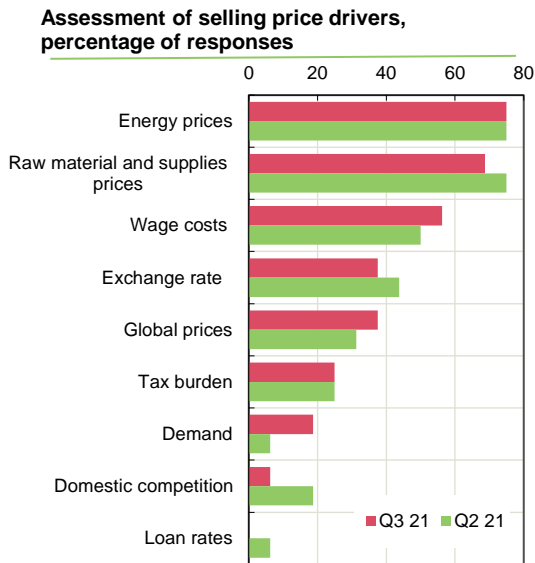


Figure 8

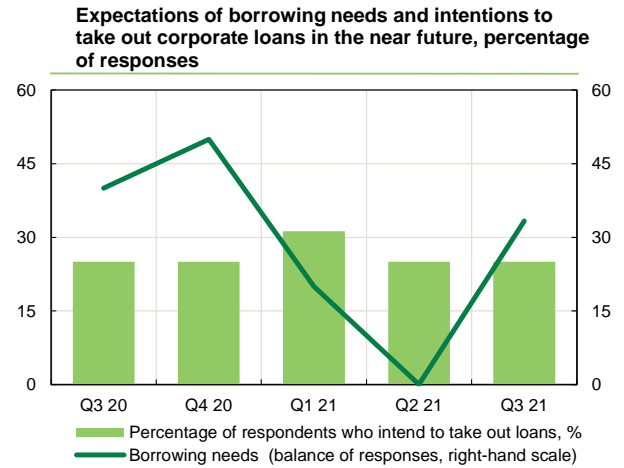


Figure 9

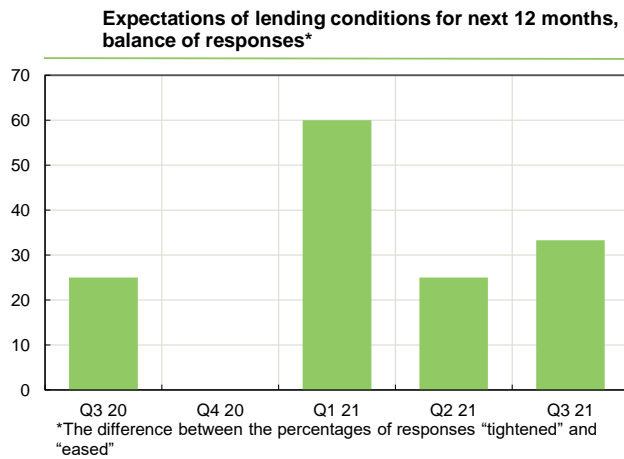


Figure 10

