



National Bank  
of Ukraine

# Business Outlook Survey of Mykolaiv Oblast\*

Q4 2021



\*This survey only reflects the opinions of respondents in Mykolaiv oblast (top managers of companies) who were polled in Q4 2021, and does not represent NBU forecasts or estimates

A survey of companies carried out in Mykolaiv oblast in Q4 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:** the balance of expectations was 25.0%, compared to 26.7% in Q3 2021 (Figure 1) and 8.3% across Ukraine
- **prices for consumer goods and services would continue to rise:** 68.8% of respondents (compared to 62.5% in the previous quarter) expected the inflation rate to be higher than 7.5%. The figure across Ukraine was 61.3%. Respondents continued to refer to production costs and the exchange rate **as the main inflation drivers** (Figure 2)
- **the hryvnia would depreciate more pronouncedly:** 75.0% of the respondents (compared to 68.8% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 72.2%
- **the financial and economic standings of their companies would improve:** the balance of expectations was 12.5%, compared to 6.3% in the previous quarter (see Table) and 9.7% across Ukraine
- **total sales would increase:** the balance of responses was 37.5% compared to 33.3% in the previous quarter. External sales were expected to increase at a significantly slower pace (the balance of responses was 42.9% compared to 80.0% in Q3 2021). The balances of responses across Ukraine were 21.8% and 20.6%
- **both investment in construction and in machinery, equipment, and tools would increase:** the balances of responses were 9.1% and 14.3% respectively, compared to 7.7% and 20.0% respectively in Q3 2021. Across Ukraine, the balances of responses were 6.9% and 19.1% respectively
- **staff numbers at their companies would decrease:** the balance of responses was (-12.5%), compared to 0.0% in Q3 2021. Companies across Ukraine expected their staff numbers to increase moderately, the balance of responses being 2.9% (Figure 4)
- **purchase and selling prices would rise at a fast pace:** the balances of responses were 93.3% and 75.0% respectively (compared to 93.8% and 56.3% in Q3 2021 respectively) (Figure 6). High energy prices, raw material and supplies prices, wage costs and exchange rate fluctuations 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 31.3% and 66.7% respectively (compared to 43.8% and 53.3% in Q3 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**. The impact of the tax burden was reported to have increased (Figure 5).

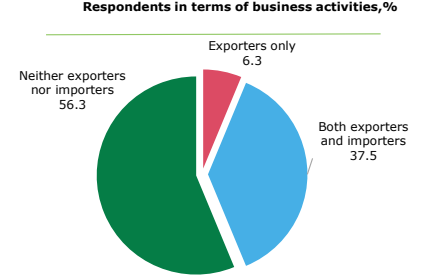
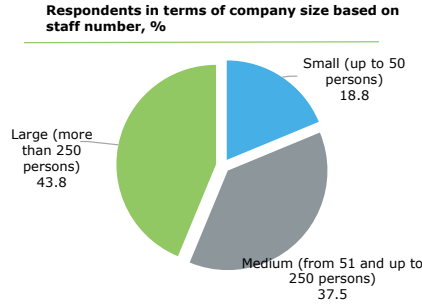
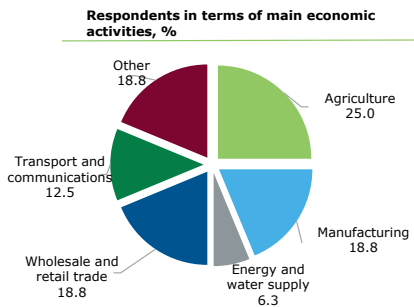
**Respondents said that their borrowing needs** would increase in the near future (Figure 8). The majority of the respondents who planned to take out bank loans (18.8%) opted for domestic currency loans. Respondents reported lower expectations of a tightening in lending standards (Figure 9). High loan 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** (98.1% across Ukraine).

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

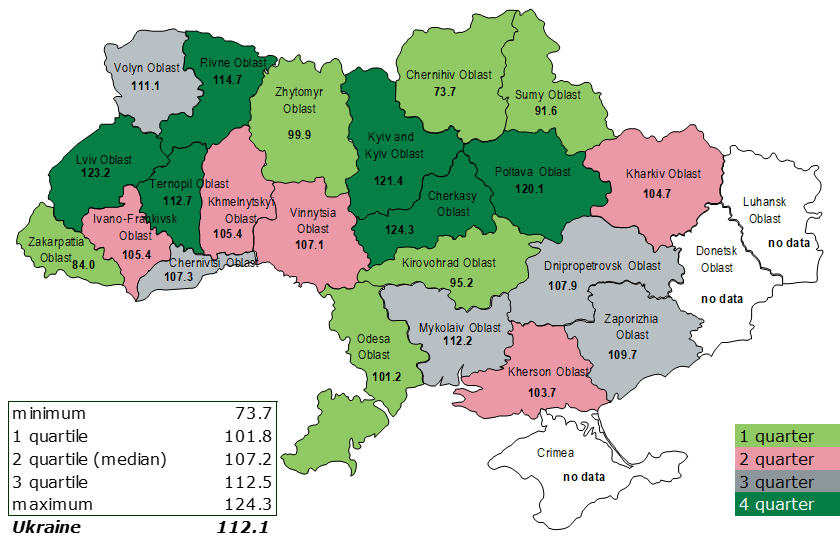
- **Companies assessed their current financial and economic standings as good:** the balance of responses was 6.3%, compared to 6.7% in the previous quarter and 7.6% across Ukraine.
- **Finished goods stocks had increased and were assessed at normal levels:** the balance of responses was 0.0% compared to (-9.1%) in Q3 2021.
- **Companies had sufficient unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 6.3%, compared to 33.3% in the previous quarter.

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



- Period: 3 November through 29 November 2021.
- A total of 16 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 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 Mykolaiv Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Financial and economic standings	-12.5	0.0	0.0	6.3	12.5
Total sales	0.0	37.5	43.8	33.3	37.5
Investment in construction	-13.3	-7.1	14.3	7.7	9.1
Investment in machinery, equipment, and tools	-6.3	0.0	6.7	20.0	14.3
Staff numbers	-31.3	-6.3	-6.3	0.0	-12.5

<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

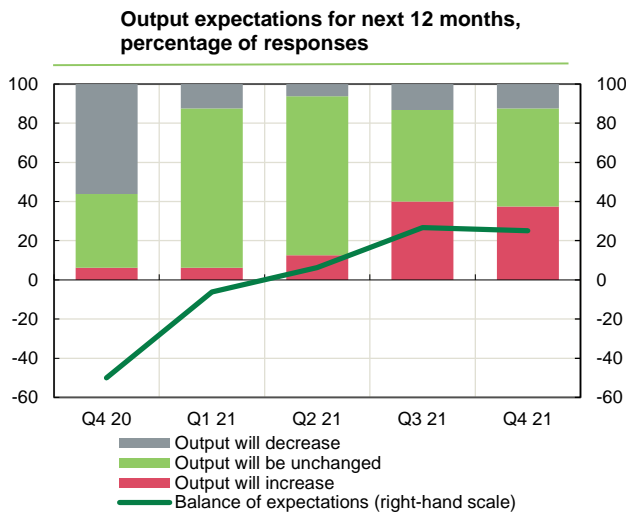


Figure 2

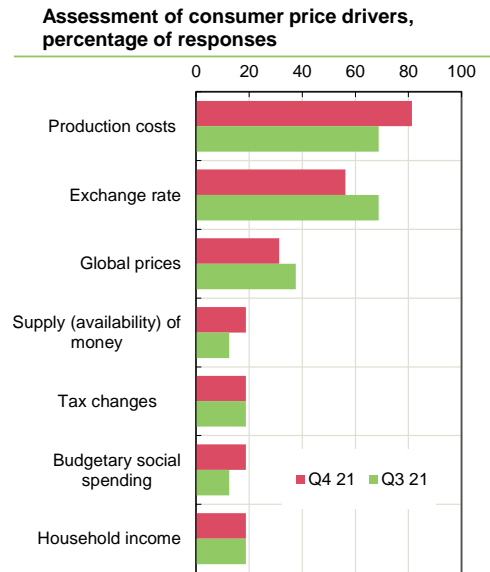


Figure 3

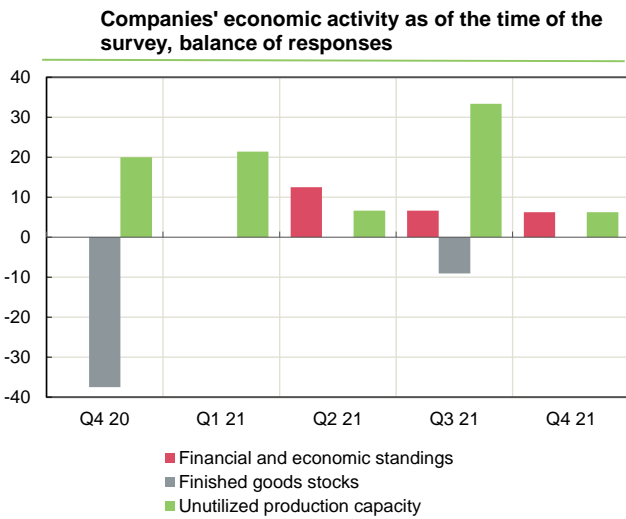


Figure 4

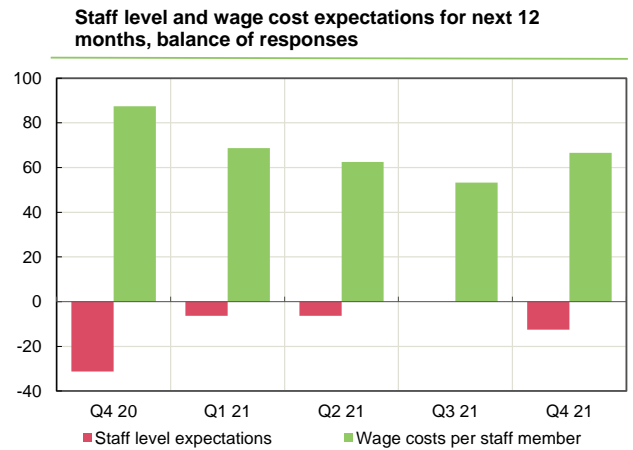


Figure 5

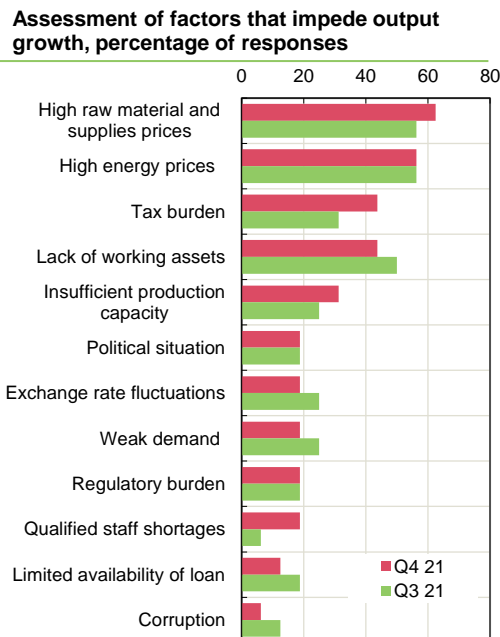


Figure 6

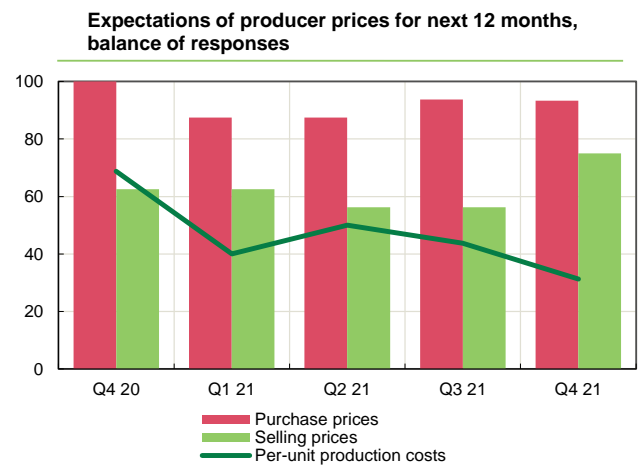


Figure 7

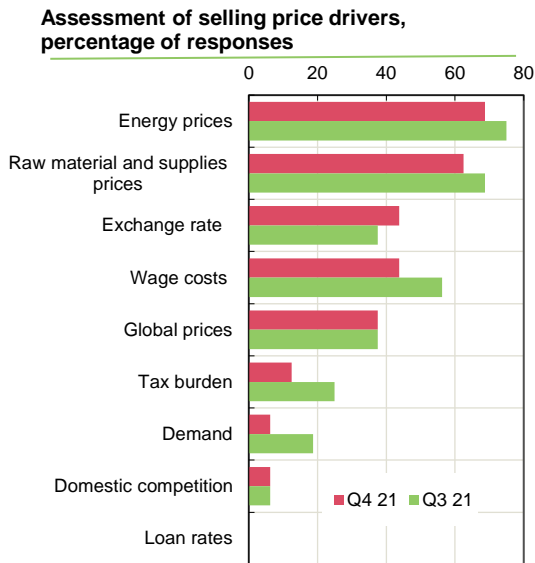


Figure 8

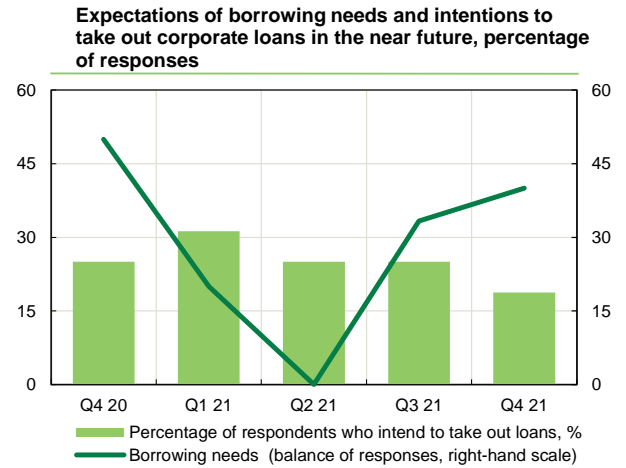


Figure 9

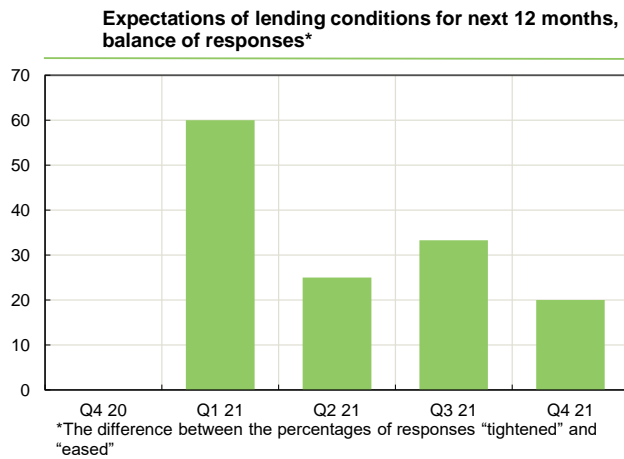


Figure 10

