



National Bank  
of Ukraine

## Business Outlook Survey of Mykolaiv Oblast\*

Q1 2022

**The survey was completed  
when the war started**



\*This survey only reflects the opinions of respondents in Mykolaiv oblast (top managers of companies) who were polled in Q1 2022, and does not represent NBU forecasts or estimates

A survey of companies carried out in Mykolaiv oblast in Q1 2022 showed that on the eve of the war respondents expected a decrease in the output of Ukrainian goods and services over the next 12 months. At the same time, respondents reported optimistic expectations for their companies' performance over this period. Inflation expectations became firmer, while depreciation expectations remained high.

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

- **the output of Ukrainian goods and services would decrease:** the balance of expectations was (-7.1%), compared to 25.0% in Q4 2021 (Figure 1) and (-1.7%) across Ukraine
- **prices for consumer goods and services would rise at a faster pace:** 78.6% 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 67.7%. Respondents continued to refer to production costs and the exchange rate **as the main inflation drivers** (Figure 2)
- **the hryvnia would continue to depreciate:** 78.6% of respondents (compared to 75.0% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 81.6%
- **the financial and economic standings of their companies would improve:** the balance of expectations was 7.1%, compared to 12.5% in the previous quarter (see Table) and 7.2% across Ukraine
- **total sales would increase:** the balance of responses was 35.7% compared to 37.5% in the previous quarter. External sales were also expected to rise (the balance of responses was 33.3% compared to 42.9% in Q4 2021). The balances of responses across Ukraine were 17.0% and 23.3% respectively
- **investment in machinery, equipment, and tools would increase:** the balance of responses was 23.1% compared to 14.3% in Q4 2021. At the same time, respondents expected that investment in construction would remain unchanged: the balance of responses was 0.0% compared to 9.1% in Q4 2021. Across Ukraine, the balances of responses were 14.3% and 0.9% respectively
- **staff numbers at their companies would increase:** the balance of responses was 7.1%, compared to (-12.5%) in Q4 2021 (Figure 4). Companies across Ukraine expected their staff numbers to increase moderately, the balance of responses being 1.5%
- **purchase and selling prices would rise** at a fast pace: the balances of responses were 100.0% and 71.4% respectively (compared to 93.3% and 75.0% in Q4 2021 respectively) (Figure 6). High energy prices, raw material and supplies prices and exchange rate fluctuations (the impact of this driver was reported to have increased compared to the previous survey) were cited as the main selling price drivers (Figure 7)
- **per-unit production costs and wage costs per staff member would grow at a fast pace:** the balances of responses were 64.3% and 71.4% respectively (compared to 31.3% and 66.7% in Q4 2021).

Respondents continued to refer to high energy prices, raw material and supplies prices and the tax burden as the **main drags on the ability of their companies to boost production**. The impact of the limited availability of loans was reported to have increased (Figure 5).

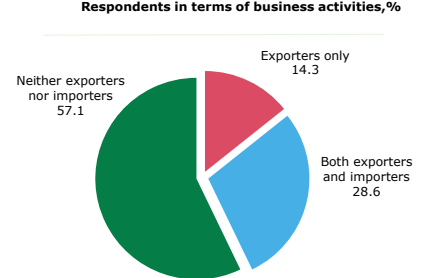
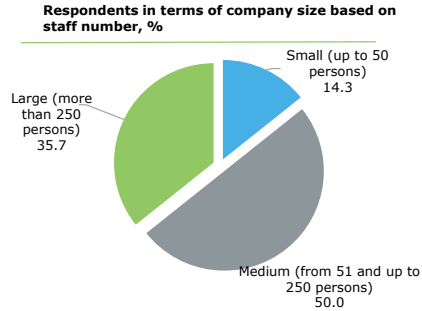
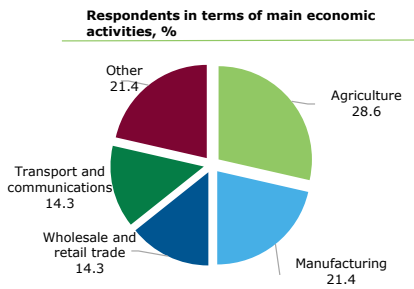
**Respondents said that their borrowing needs** would decrease in the near future (Figure 8). The majority of the respondents who planned to take out bank loans opted for domestic currency loans. Respondents said that bank lending standards had tightened (Figure 9). High loan rates were cited as the 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** (97.6% across Ukraine).

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

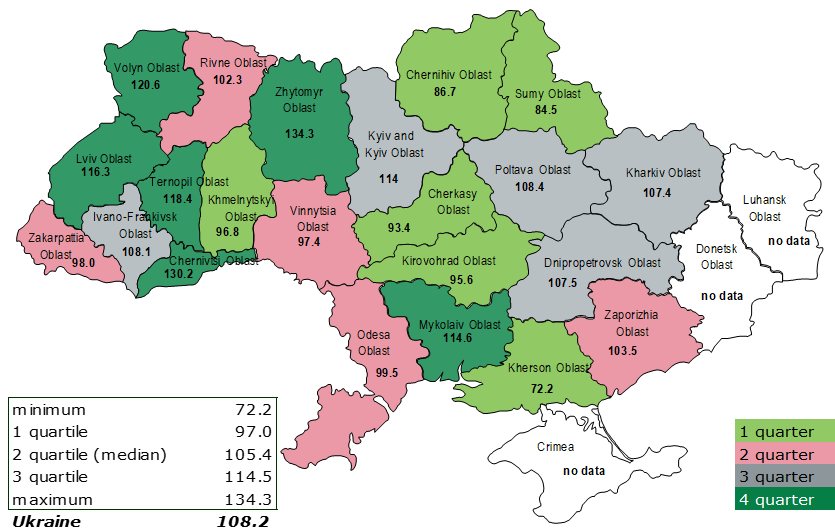
- **Companies assessed their current financial and economic standings as good:** the balance of responses was 7.1%, compared to 6.3% in the previous quarter and 6.6% across Ukraine.
- **Finished goods stocks had increased and were assessed to be at normal levels:** the balance of responses was 0.0%, as in Q4 2021.
- **Companies had sufficient unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 7.1%, compared to 6.3% in the previous quarter.

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



- Period: 1 February through 23 February 2022.
- A total of 14 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>, %



<sup>a</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>\*\*</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, %				
	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22
Financial and economic standings	0.0	0.0	6.3	12.5	7.1
Total sales	37.5	43.8	33.3	37.5	35.7
Investment in construction	-7.1	14.3	7.7	9.1	0.0
Investment in machinery, equipment, and tools	0.0	6.7	20.0	14.3	23.1
Staff numbers	-6.3	-6.3	0.0	-12.5	7.1

<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

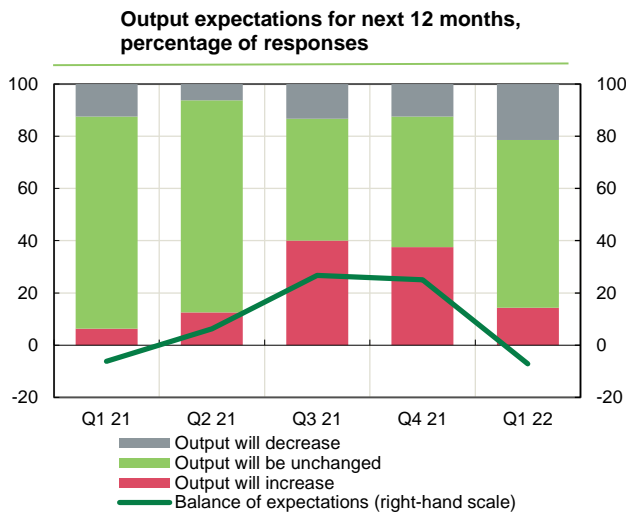


Figure 2

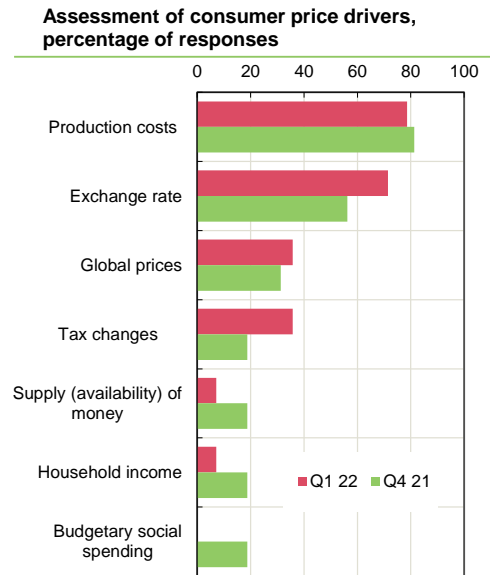


Figure 3

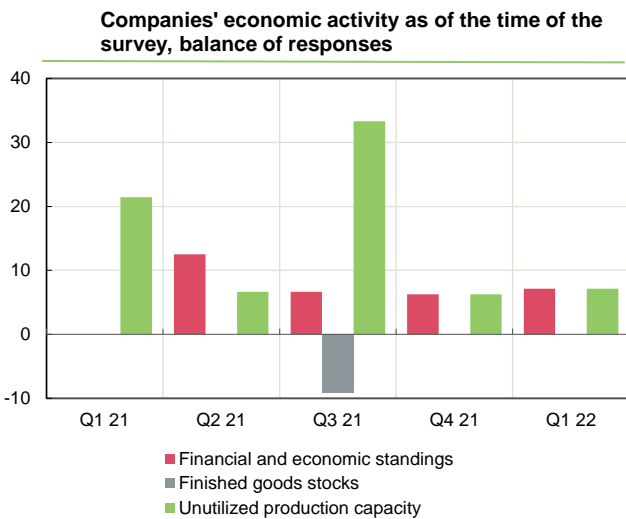


Figure 4

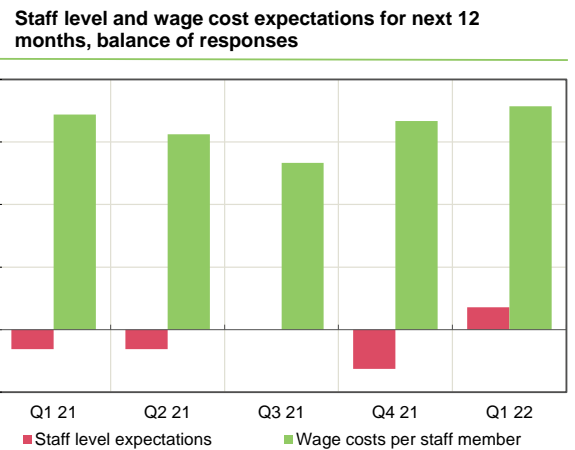


Figure 5

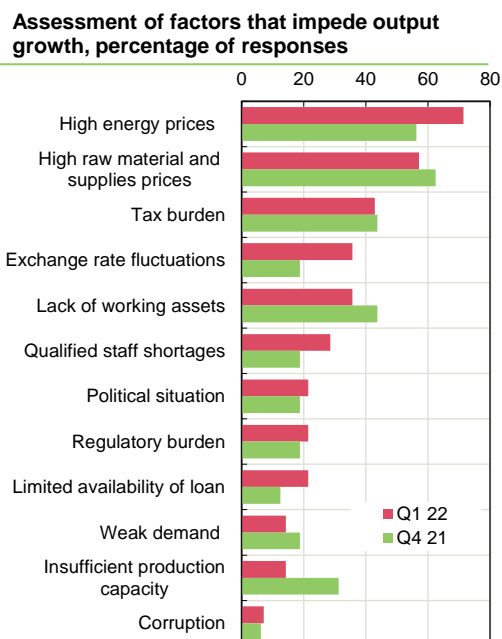


Figure 6

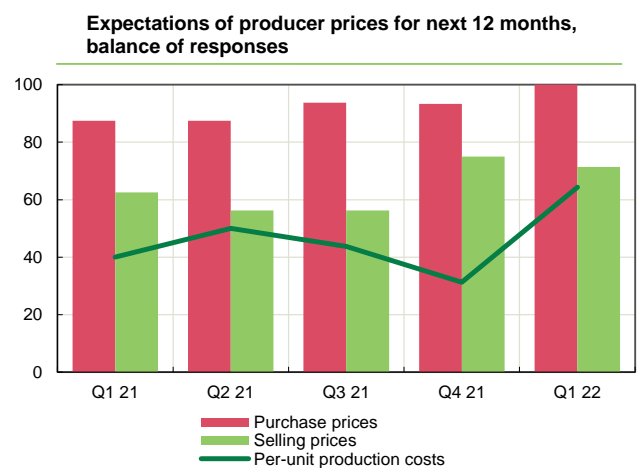


Figure 7

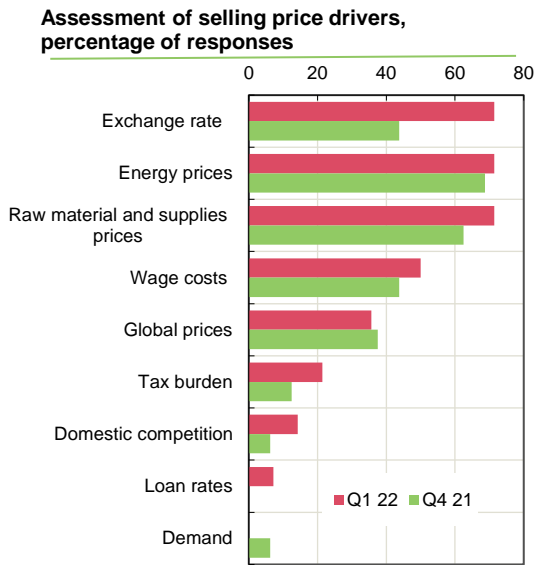


Figure 8

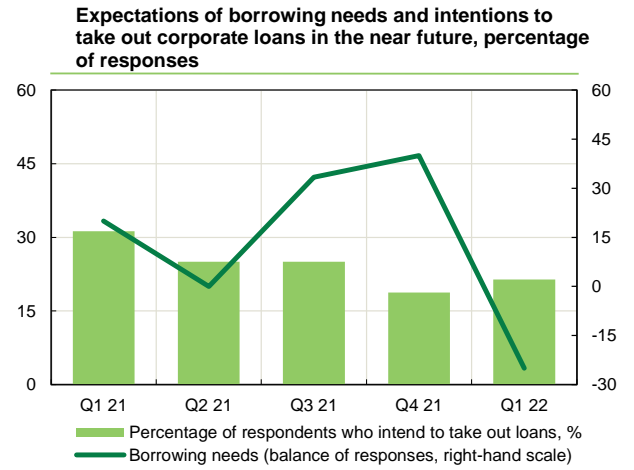


Figure 9

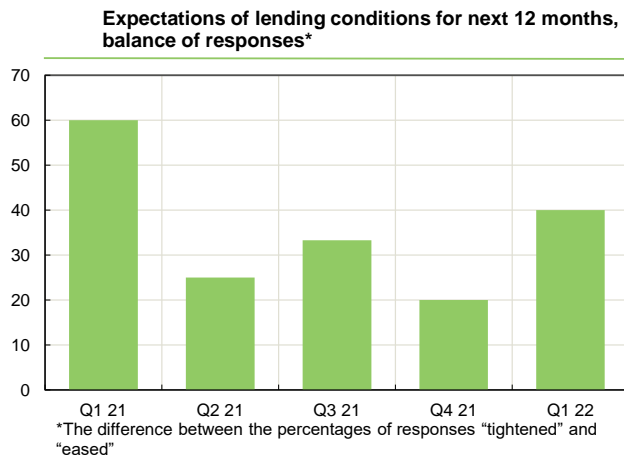


Figure 10

