



National Bank
of Ukraine

Business Outlook Survey of Mykolaiv Oblast*

Q4 2022



*This survey only reflects the opinions of respondents in Mykolaiv oblast (top managers of companies) who were polled in Q4 2022, and does not represent NBU forecasts or estimates

A survey of companies carried out in Mykolaiv oblast in Q4 2022 showed that on the back of the war and terrorist attacks respondents expected a decrease in the output of Ukrainian goods and services, albeit at a slower pace, over the next 12 months. They reported cautious expectations for their companies' performance over this period. Inflation expectations were weaker. 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 more slowly:** the balance of expectations was (-46.2%), compared to (-61.5%) in Q3 2022 (Figure 1) and (-32.3%) across Ukraine
- **prices for consumer goods and services would rise more slowly:** 61.5% of respondents (compared to 92.3% in Q3 2022) expected the inflation rate to be higher than 20.0%, the figure across Ukraine being 62.4%. Respondents referred to military actions, production costs and the exchange rate as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate:** 80.0% of respondents (down from 84.6% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 88.5%
- **the financial and economic standings of their companies would remain unchanged:** the balance of expectations was 0.0%, compared to (-46.2%) in Q3 2022 (see Table) and (-11.5%) across Ukraine
- **total sales would increase:** the balance of responses was 7.7% compared to (-46.2%) in the previous quarter. External sales were expected to remain unchanged (the balance of responses was 0.0% compared to (-60.0%) in Q3 2022). The balances of responses across Ukraine were (-7.3%) and (-6.3%) respectively
- **investment in construction and in machinery, equipment, and tools would decrease at a slower pace:** the balances of responses were (-58.3%) and (-46.2%) respectively compared to (-84.6%) and (-69.2%) respectively in Q3 2022. Across Ukraine, the balances of responses were (-26.9%) and (-16.6%) respectively
- **staff numbers at their companies would drop:** the balance of responses was (-53.8%) (the gloomiest expectations among the regions), compared to (-61.5%) in Q3 2022 (Figure 4) and (-20.1%) across Ukraine
- **purchase prices would rise** rapidly: the balance of responses was 100.0% (such expectations have been reported for four quarters running) (Figure 6). Respondents also reported intentions to raise their selling prices: the balance of responses was 69.2% (compared to 58.3% in Q3 2022). Hryvnia exchange rate fluctuations, high energy prices and raw material and supplies prices were cited as the main selling price drivers (Figure 7)
- **both per-unit production costs and wage costs per staff member would grow:** the balances of responses were 75.0% and 58.3% respectively (compared to 76.9% and 38.5% in Q3 2022 respectively) (Figure 4, 6)

Respondents referred to military actions and their consequences, high energy, raw material and supply prices (the impact of these last two factors was reported to have increased compared to the previous quarter), and a lack of working assets as the main drags on the ability of their companies to boost production (Figure 5).

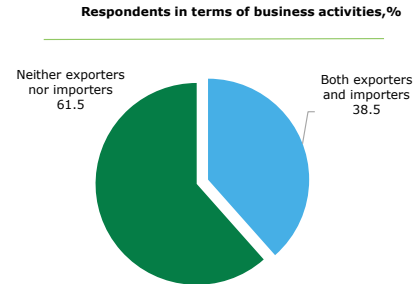
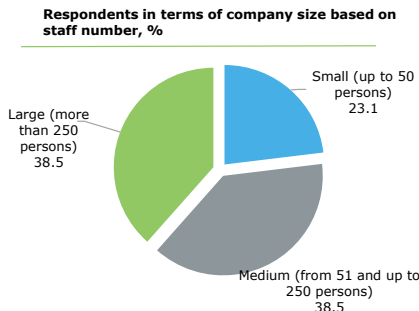
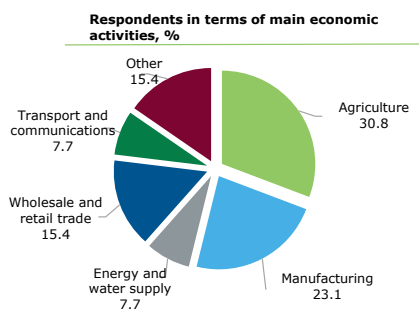
Respondents said that their borrowing needs would increase more slowly in the near future (Figure 8). All of the respondents who planned to take out bank loans opted for domestic currency loans. Respondents said that bank lending standards had tightened markedly (Figure 9). High loan rates, collateral requirements and hryvnia exchange rate fluctuations were cited as the major factors deterring companies from taking out loans (Figure 10).

91.7% of the respondents said that they had encountered no difficulties in effecting transactions with funds deposited in bank accounts (94.2% across Ukraine).

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

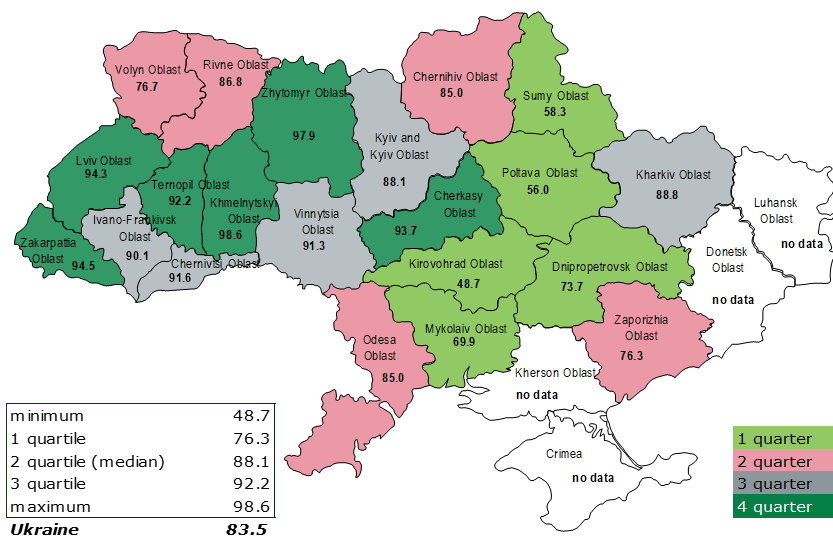
- **Companies assessed their current financial and economic standings as bad:** the balance of responses was (-46.2%), compared to (-69.2%) in the previous quarter and (-19.3%) across Ukraine.
- **Finished goods stocks were assessed to be at lower than normal levels:** the balance of responses was (-25.0%) compared to (-42.9%) in Q3 2022.
- **Companies said they would need additional capacity to meet any unexpected rise in demand:** the balance of responses was (-8.3%), compared to 8.3% in the previous quarter.

Survey Details^{1,2}



- Period: 2 November through 28 November 2022.
- A total of 13 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, %



³a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups
³**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, %				
	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Financial and economic standings	12.5	7.1	-46.2	-46.2	0.0
Total sales	37.5	35.7	-53.8	-46.2	7.7
Investment in construction	9.1	0.0	-69.2	-84.6	-58.3
Investment in machinery, equipment, and tools	14.3	23.1	-53.8	-69.2	-46.2
Staff numbers	-12.5	7.1	-69.2	-61.5	-53.8

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

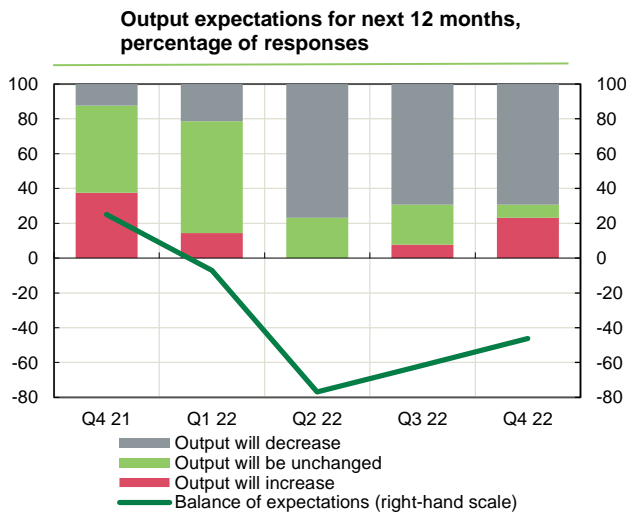


Figure 2

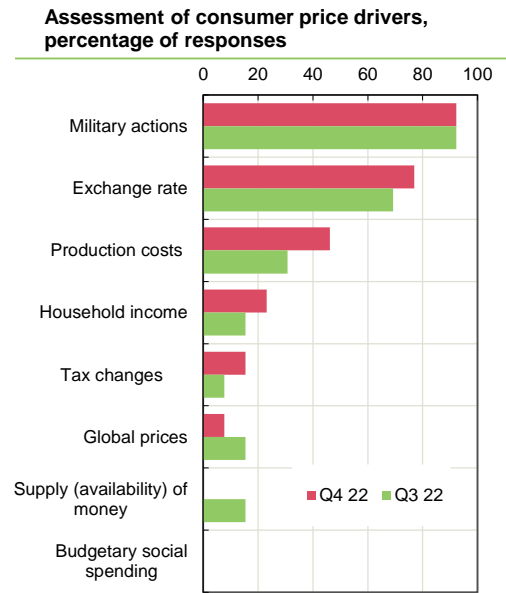


Figure 3

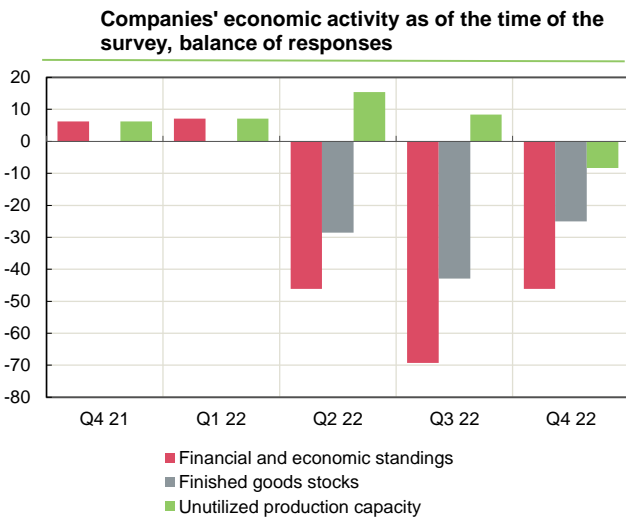


Figure 4

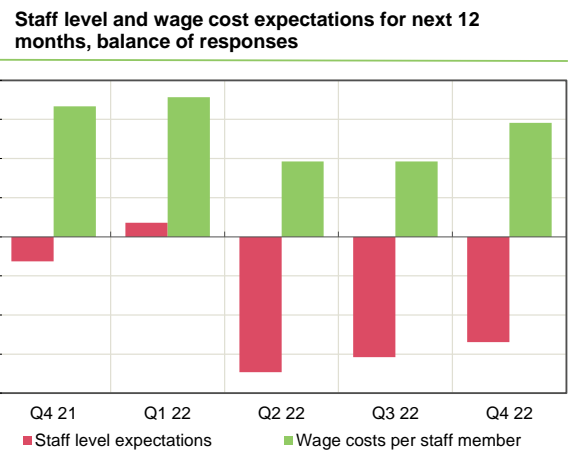


Figure 5

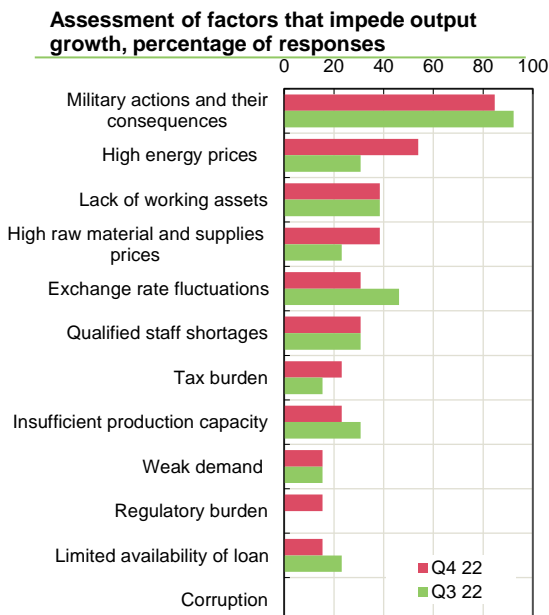


Figure 6

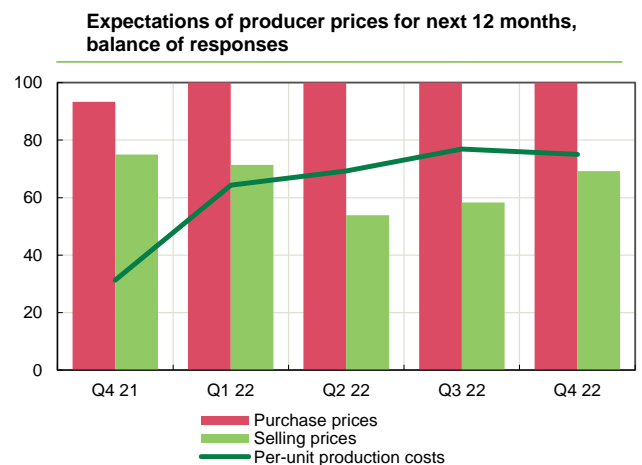


Figure 7

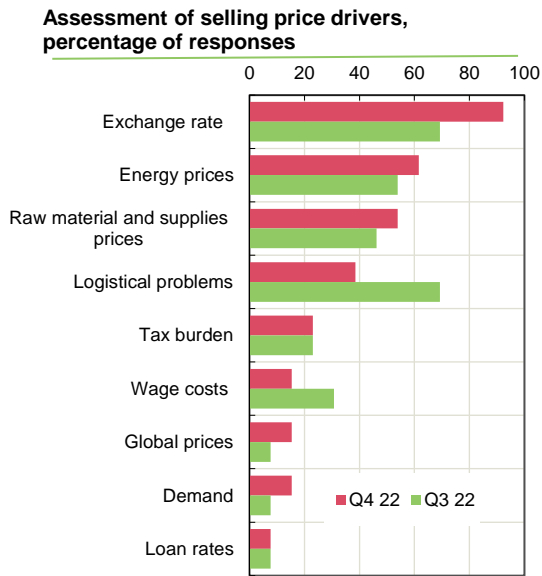


Figure 8

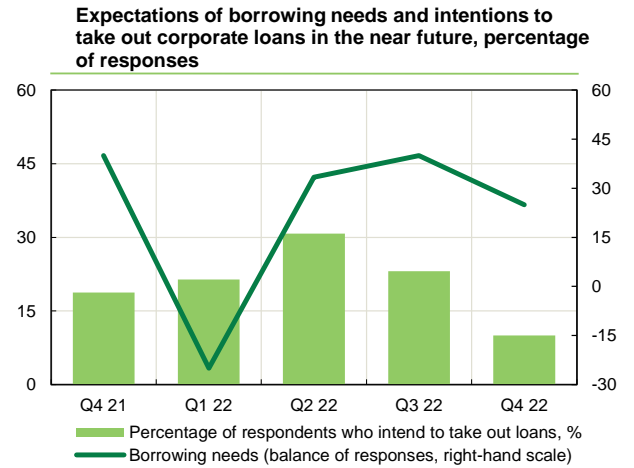


Figure 9

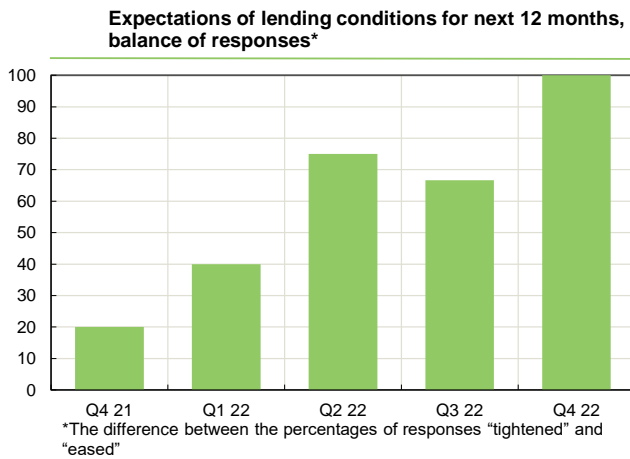


Figure 10

