



National Bank
of Ukraine

Business Outlook Survey of Mykolaiv Oblast*

Q4 2024



*This survey only reflects the opinions of respondents in Mykolaiv oblast (top managers of companies) who were polled in Q4 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Mykolaiv oblast** in Q4 2024 showed that, on the back of the war, qualified staff shortages and a lack of working assets, respondents downgraded their expectations for the output of Ukrainian goods and services, while also reporting guarded expectations for the performance of their companies over the next 12 months. Inflation was expected to decelerate. Depreciation expectations strengthened.

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 (-20.0%), compared to (-18.8%) in Q3 2024 (Figure 1) and (-1.4%) overall, across Ukraine
- prices for consumer goods and services would rise at a slower pace: 60.0% of respondents (compared to 68.8% in Q3 2024) expected the inflation rate to be higher than 10.0%, the figure across Ukraine being 53.7%. Respondents referred to production costs, military actions and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate more pronouncedly: 100.0% of respondents (81.3% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 92.8%
- the financial and economic standings of their companies would remain unchanged: the balance of expectations was 0.0%, compared to (-6.3%) in Q3 2024 (see Table) and (-1.2%) across Ukraine
- total sales would increase: the balance of responses was 6.7%, up from 0.0% in the previous quarter. At the same time respondents expected that external sales would drop: the balance of responses was (-20.0%), down from 0.0% in Q3 2024 (see Table). The balances of responses across Ukraine were 9.0% and 7.7% respectively
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-46.2%) and (-20.0%) respectively, compared to (-33.3%) and (-25.0%) in Q3 2024 (see Table). Across Ukraine, the balances of responses were (-1.6%) and 9.3% respectively
- staff numbers at their companies would decrease: the balance of responses was (-13.3%), up from (-18.8%) in Q3 2024 (Figure 4). Overall, across Ukraine the balance of responses was (-6.6%)
- purchase and selling prices would rise at a fast pace: the balances of responses were 100.0% and 87.5%, compared to 87.5% and 68.8% in the previous quarter (Figure 6). The hryvnia exchange rate, high raw material and supplies prices, and energy prices were cited as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow more rapidly: the balances of responses were 76.9% and 40.0% respectively, compared to 43.8% and 31.3% respectively in Q3 2024 (Figure 4, 6).

Respondents referred to military actions and their consequences (mentioned by 93.3% of those surveyed), qualified staff shortages and a lack of working assets as the main drags on the ability of their companies to boost production (Figure 5).

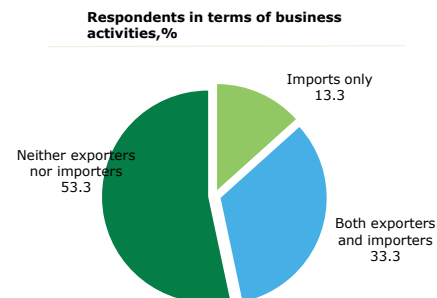
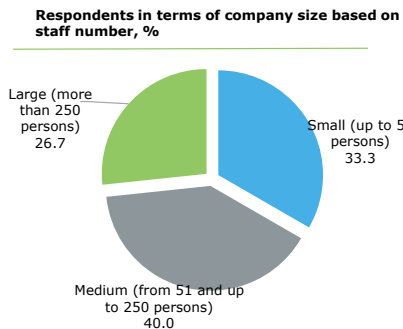
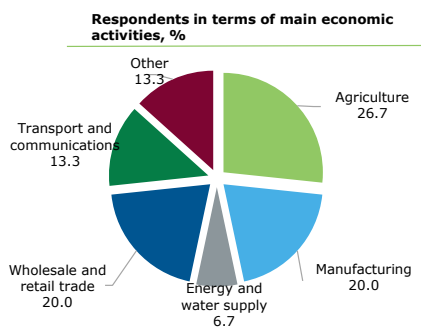
Respondents said that their borrowing needs would increase in the near future (Figure 8). The respondents who planned to take out bank loans (40.0% of those surveyed) usually opted for domestic currency loans. Respondents said that bank lending standards had tightened (Figure 9). High loan rates, complicated paperwork, collateral requirements and the availability of other funding sources (the impact of this factor was reported to have increased significantly compared to the previous quarter) were cited as the major factors 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 (96.5% across Ukraine).

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

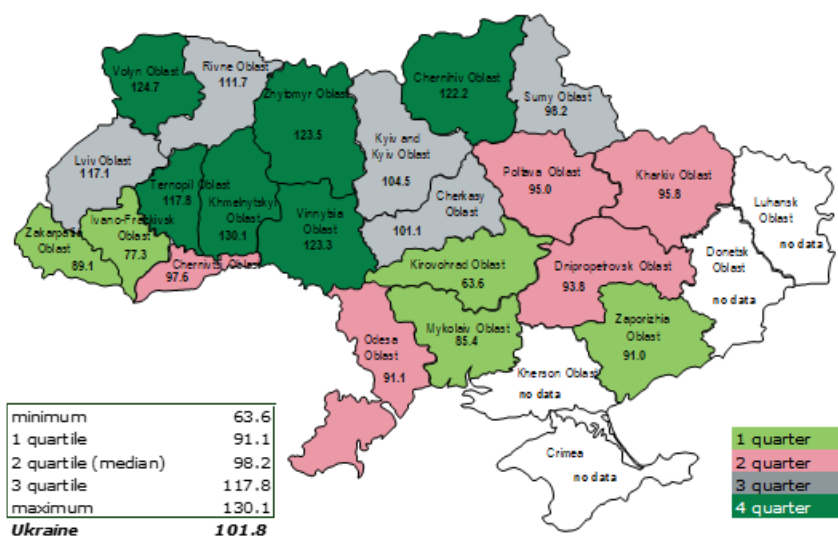
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-6.7%), compared to (-6.3%) in the previous quarter, the figure across Ukraine being (-6.1%).
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-20.0%), as in Q3 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 20.0%, compared to 25.0% in the previous quarter.

Survey Details^{1,2}



- Period: 1 November through 25 November 2024.
- A total of 15 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
^{**}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 23	Q1 24	Q2 24	Q3 24	Q4 24
Financial and economic standings	26.7	12.5	-6.3	-6.3	0.0
Total sales	13.3	6.3	-18.8	0.0	6.7
Investment in construction	-15.4	-37.5	-25.0	-33.3	-46.2
Investment in machinery, equipment, and tools	7.1	0.0	-25.0	-25.0	-20.0
Staff numbers	0.0	-6.3	-33.3	-18.8	-13.3

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

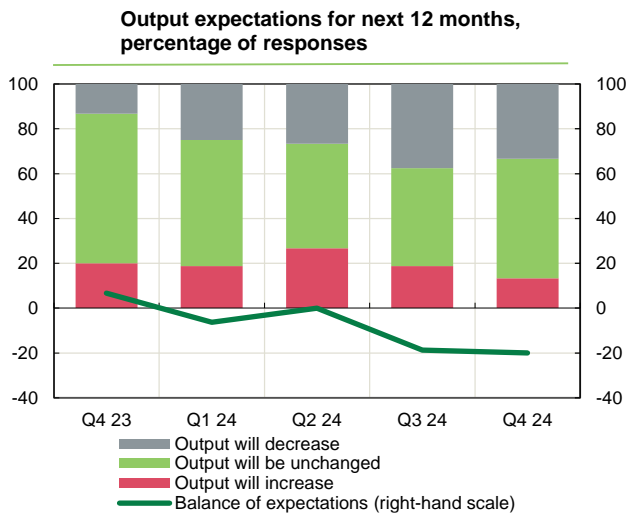


Figure 2

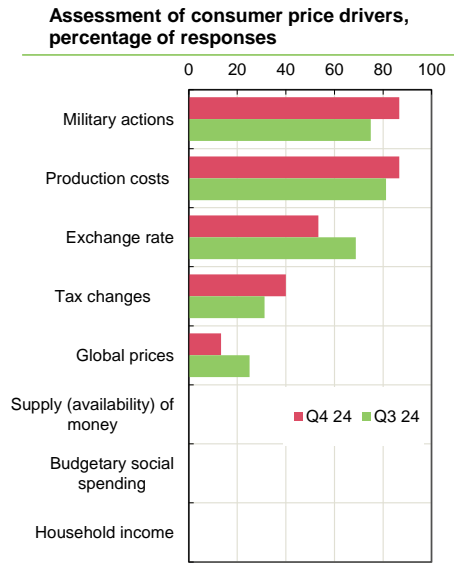


Figure 3

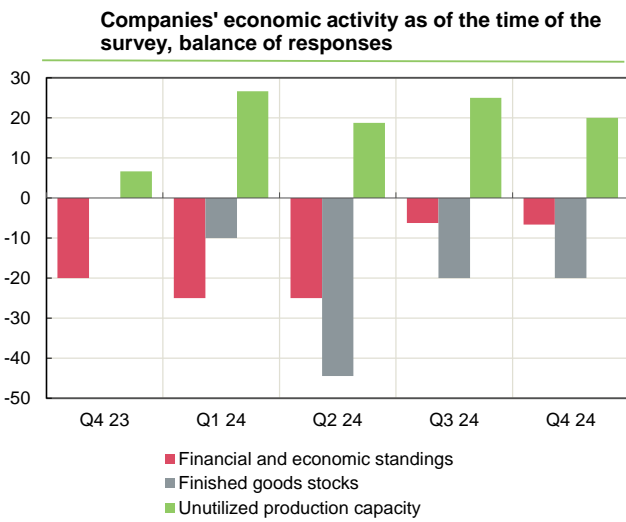


Figure 4

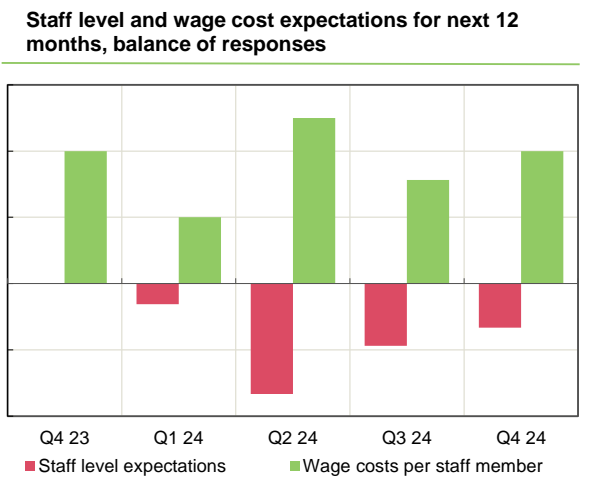


Figure 5

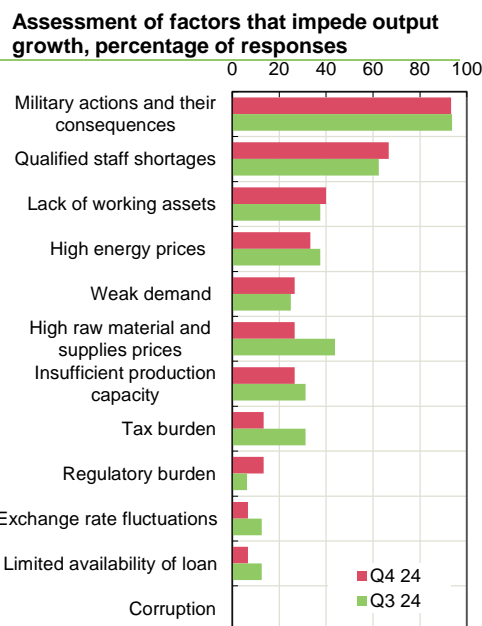


Figure 6

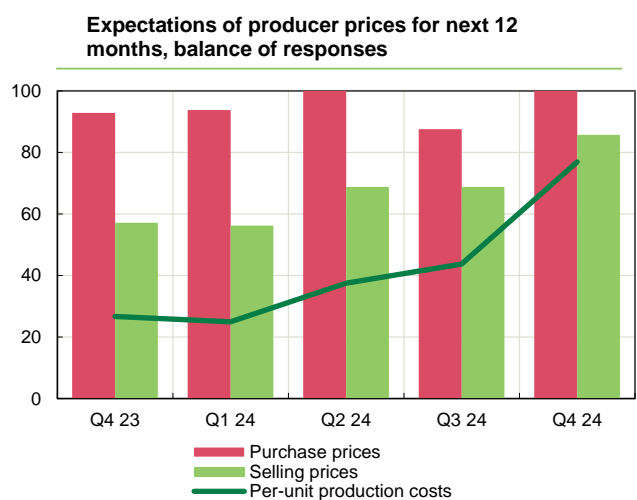


Figure 7

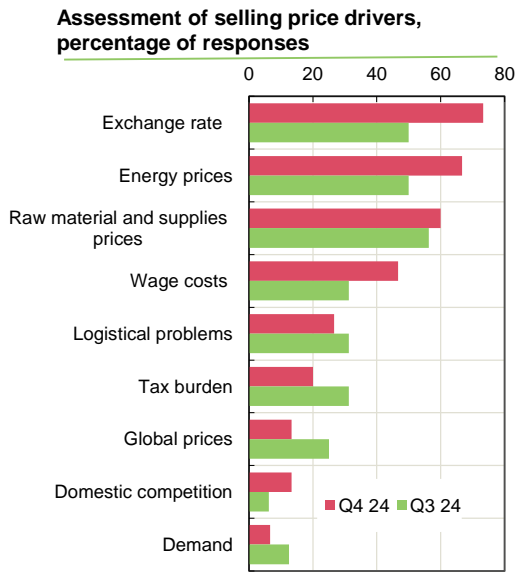


Figure 8

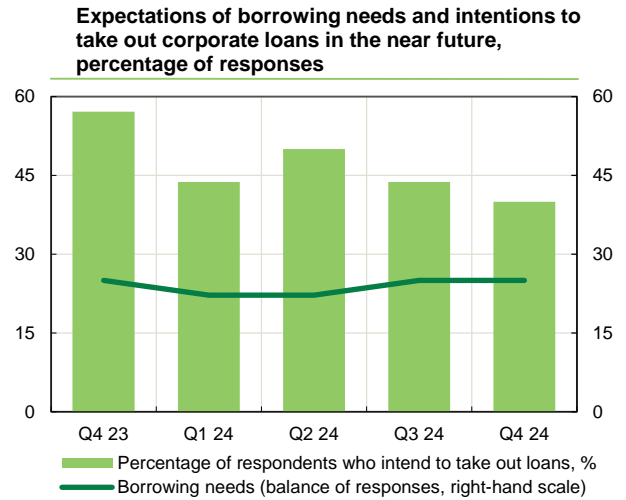


Figure 9

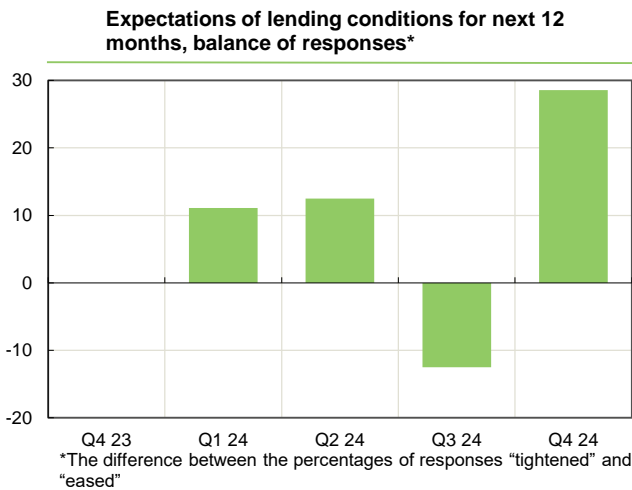


Figure 10

