

Business Outlook Survey of Ternopil Oblast^{*}

Q2 2025



^{*} This survey only reflects the opinions of respondents in Ternopil oblast (top managers of companies) who were polled in Q2 2025, and does not represent NBU forecasts or estimates.

A survey of companies carried out in **Ternopil oblast** in Q2 2025 showed that, despite the war, high prices for energy and raw materials and supplies, and qualified staff shortages, respondents expected the output of Ukrainian goods and services to grow. They had positive expectations for the performance of their companies over the next 12 months. Respondents expected that inflation would decelerate. Depreciation expectations remained strong.

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

- the output of Ukrainian goods and services would grow at a slower pace: the balance of expectations was 18.2% (compared to 36.4% in Q1 2025) and 9.2% overall across Ukraine (Figure 1)
- prices for goods and services would rise more slowly: 63.6% of respondents expected that the inflation rate would not exceed 10.0%, compared to 54.5% in the previous quarter and 41.6% across Ukraine. Respondents referred to production costs, military actions and their consequences and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 81.8% of respondents (as in the previous quarter) expected the hryvnia to weaken against the U.S. dollar, the figure across Ukraine being 83.4%
- the financial and economic standings of their companies would improve (these expectations were reported for the first time since Q2 2024): the balance of responses was 27.3%, compared to 0.0% in the previous quarter. Overall, across Ukraine the balance of responses was 2.4% (see Table)
- total sales and external sales would rise at a slower pace: the balances of responses were 10.0% and 20.0% respectively, compared to 30.0% and 40.0% in Q1 2025 (see Table). Overall, across Ukraine, the balances of responses were 10.5% and 9.4% respectively
- investment in construction and in machinery, equipment, and tools would rise more slowly: the balances of responses were 20.0% and 10.0% respectively, compared to 50.0% for each in the previous quarter (see Table). Across Ukraine, the balances of responses were (-0.7%) and 7.8% respectively
- staff numbers at their companies would remain unchanged: the balance of responses was 0.0% (as in Q1 2025) (Figure 4). Across Ukraine, the balance of responses was (-4.4%)
- purchase prices would rise at a noticeably slower pace: the balance of responses was 63.6%, compared to 100.0% in Q1 2025. Respondents declared intentions to raise their selling prices, the balance of responses being 40.0%, unchanged on the previous quarter (Figure 6). 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 rise: the balances of responses were 50.0% and 60.0% respectively, compared to 60.0% and 63.6% respectively in Q1 2025 (Figures 4 and 6).

Companies cited military actions and their consequences, high raw material and supplies prices and energy prices, and qualified staff shortages (the impact of this factor was reported to have increased) as the main drags on their ability to boost production (Figure 5).

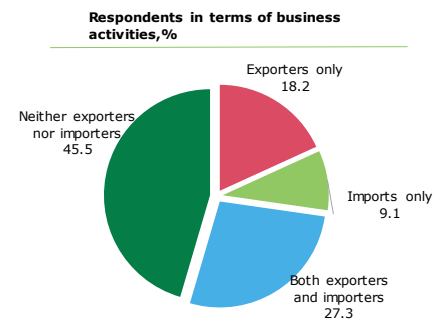
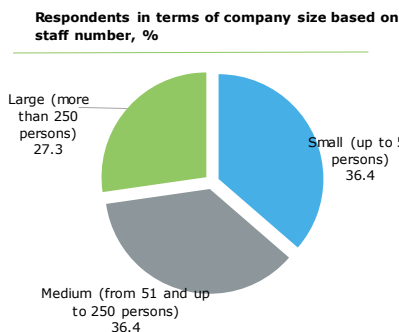
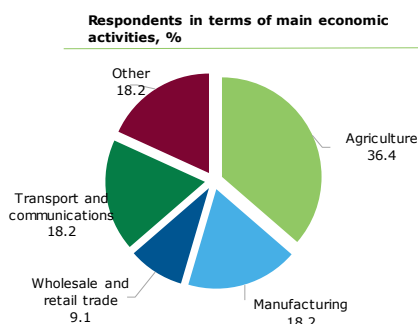
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The share of respondents who planned to take out bank loans increased to 72.7%. These respondents opted usually for domestic currency loans. Respondents said that bank lending standards had remained unchanged (Figure 9). Respondents referred to high interest rates, the availability of other funding sources and collateral requirements as the main factors deterring them 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 (96.2% 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 satisfactory: the balance of responses was 0.0%, compared to 27.3% in Q1 2025. Across Ukraine, the balance of responses was (-5.3%).
- Finished goods stocks were assessed as normal: the balance of responses was 0.0%, as in the previous quarter.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 20.0%, as in Q1 2025.

Survey Details^{1,2}

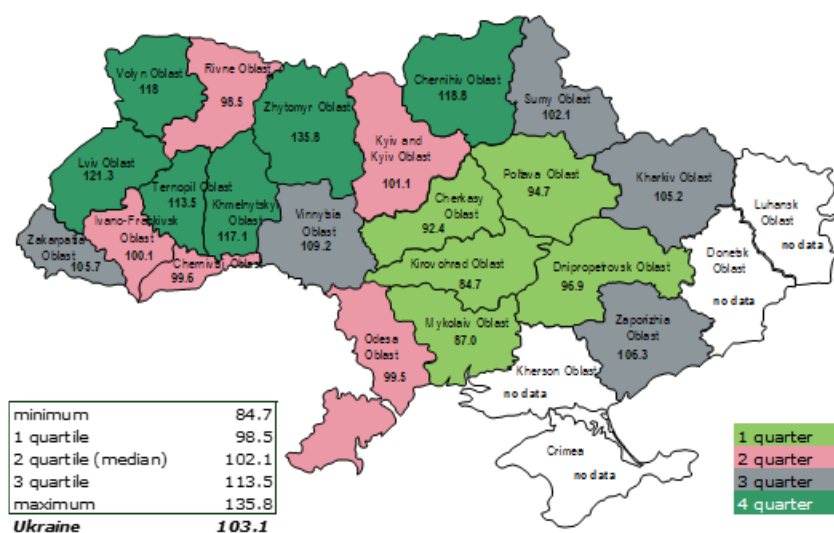


Period: 1 May through 27 May 2025.

A total of 11 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, %



*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 sample where the sample is divided into two equal-sized subgroups

Table. The Business Outlook Index of Companies in Ternopil Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Financial and economic standings	30.0	-18.2	0.0	0.0	27.3
Total sales	44.4	0.0	20.0	30.0	10.0
Investment in construction	11.1	9.1	30.0	50.0	20.0
Investment in machinery, equipment, and tools	11.1	9.1	30.0	50.0	10.0
Staff numbers	-10.0	0.0	9.1	0.0	0.0

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

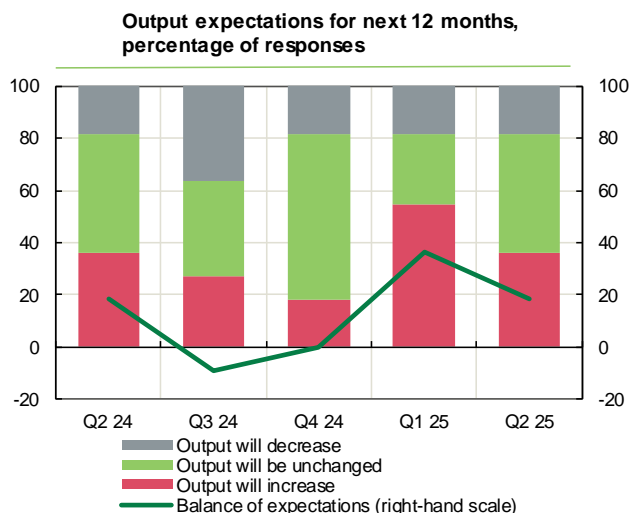


Figure 2

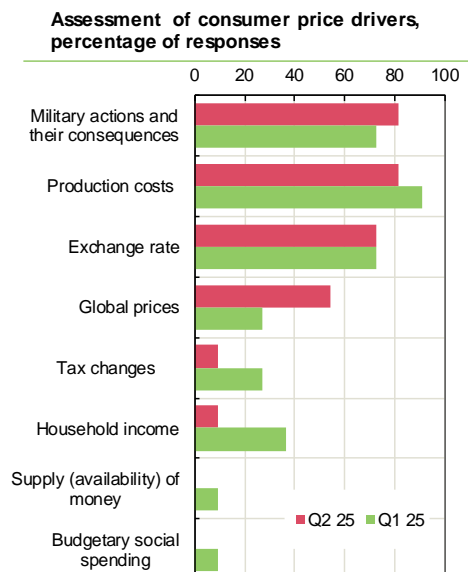


Figure 3

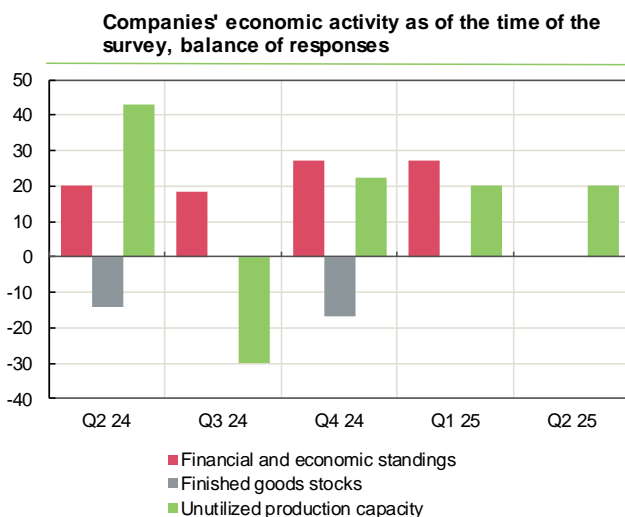


Figure 4



Figure 5



Figure 6

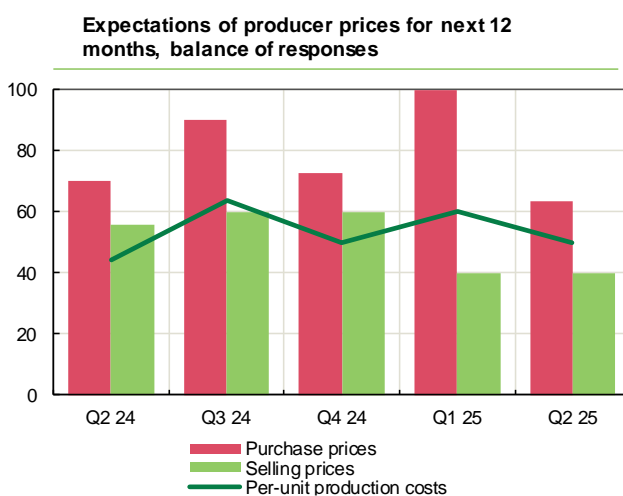


Figure 7

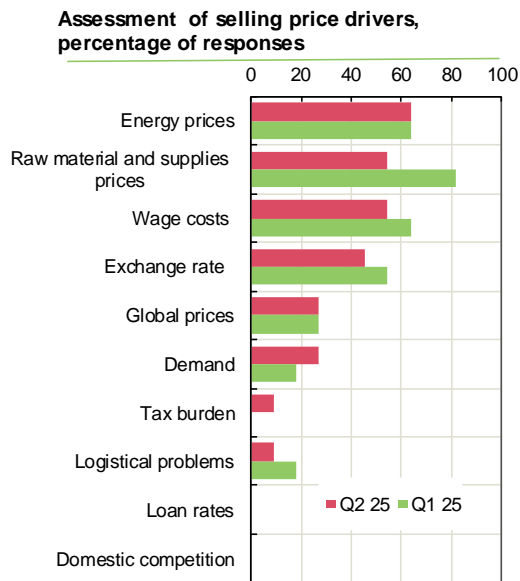


Figure 8

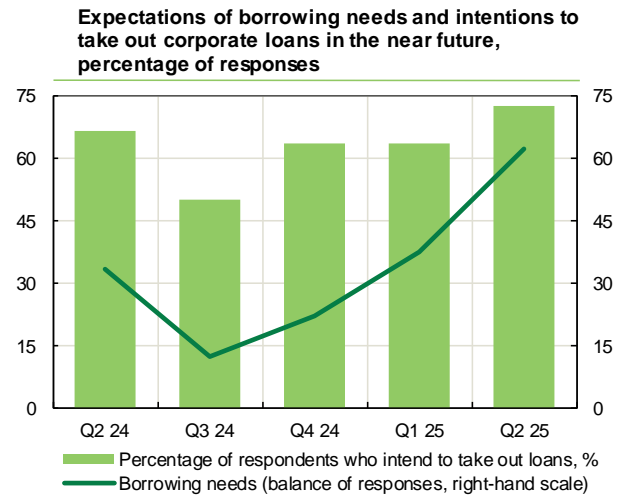


Figure 9

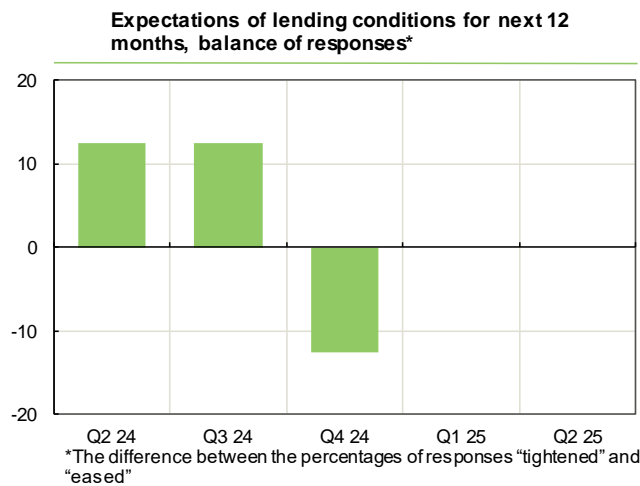


Figure 10

