

# Business Outlook Survey of Khmelnytskyi Oblast<sup>\*</sup>

Q2 2025



<sup>\*</sup> This survey only reflects the opinions of respondents in Khmelnytskyi oblast (top managers of companies) who were polled in Q2 2025, and does not represent NBU forecasts or estimates.

A survey carried out in **Khmelnytskyi oblast** in Q2 2025 showed that, despite the war, qualified staff shortages, insufficient production capacity and a lack of working assets, respondents expected that **the output of Ukrainian goods and services would increase**. They had cautious expectations about the performance of their companies over the next 12 months. Prices were expected to rise. 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 increase** at a slower pace: the balance of expectations was 28.6%, compared to 46.7% in Q1 2025 (Figure 1). Overall, across Ukraine, the balance of responses was 9.2%
- **prices for consumer goods and services would rise**: 57.1% of respondents expected the inflation rate to exceed 10.0% (compared to 60.0% in the previous quarter and 58.4% across Ukraine). Respondents continued to refer to production costs, the hryvnia exchange rate, and military actions and their consequences as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate more quickly**: a total of 92.3% of respondents (compared to 73.3% 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 remain unchanged: the balance of expectations was 0.0%, compared to 13.3% in the previous quarter and 2.4% across Ukraine (see Table)
- **total sales and external sales would increase** at a slower pace: the balances of responses were 28.6% for each, compared to 60.0% and 71.4% respectively in Q1 2025. Overall, across Ukraine the balances of responses were 10.5% and 9.4% respectively
- **investment in machinery, equipment, and tools would rise** more slowly: the balance of responses was 21.4%, compared to 46.7% in Q1 2025. Respondents expected that investment in construction would increase: the balance of responses was 35.7%, down from 46.7% in Q1 2025 (see Table). Across Ukraine, the balances of responses were 7.8% and (-0.7%) respectively
- staff numbers would remain unchanged: the balance of responses was 0.0%, down from 6.7% in the previous quarter. Across Ukraine, the balance of responses at (-4.4%) (Figure 4)
- **purchase and selling prices would rise at a slower pace**: the balances of responses were 78.6% and 57.1% respectively, compared to 100.0% and 66.7% in the previous quarter (Figure 6). The hryvnia exchange rate, wage costs, raw material and supplies prices, and energy prices were referred to 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 64.3% and 78.6%, compared to 73.3% and 86.7% in Q1 2025 (Figures 4 and 6).

Respondents said that military actions and their consequences, qualified staff shortages, insufficient production capacity and a lack of working assets (the impact of this driver was reported to have increased) were the main drags on the ability of their companies to boost production (Figure 5).

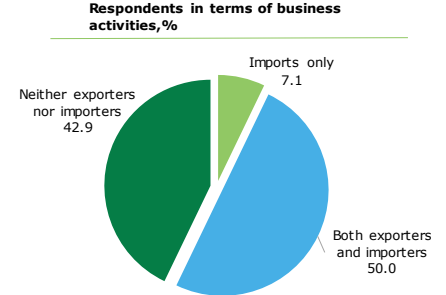
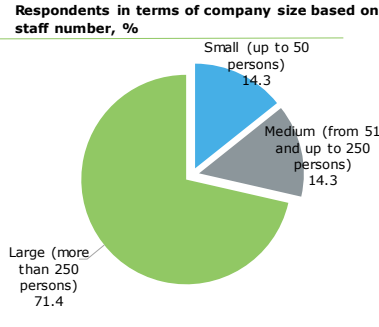
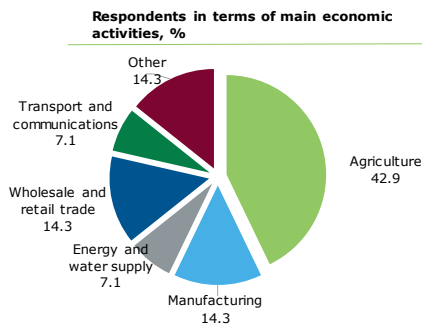
Respondents reported expectations of significantly higher borrowing needs in the near future (Figure 8). The respondents who planned to take out bank loans (57.1%) fell into two camps, with 50.0% of them opting to take domestic currency loans. Respondents said lending standards had eased slightly, but still described these standards as tight (Figure 9). Companies referred to high loan rates, the availability of other funding sources, collateral requirements, complicated paperwork and hryvnia exchange rate fluctuations 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)

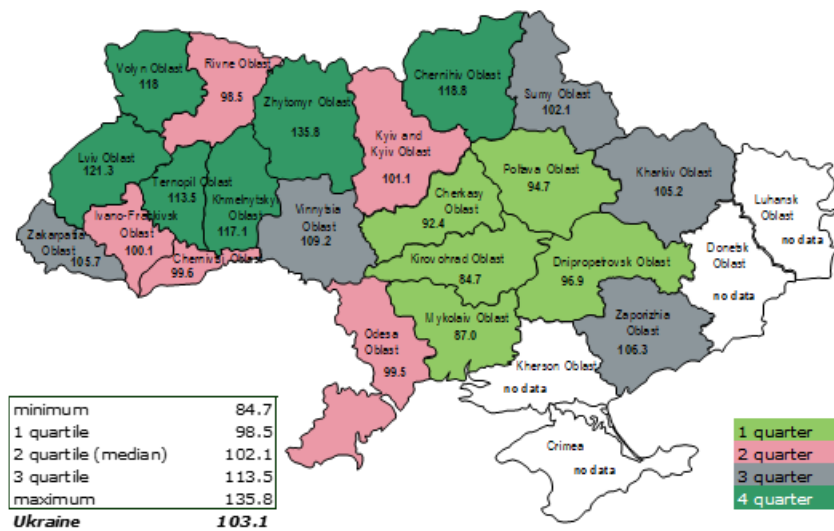
- Companies assessed their current financial and economic standings as good: the balance of responses was 42.9%, compared to 20.0% in the previous quarter. The figure across Ukraine was (-4.4%).
- Finished goods stocks had decreased and were assessed as lower than normal: the balance of responses was (-12.5%), compared 20.0% in Q1 2025.
- Companies said they would need additional capacity to meet any unexpected rise in demand: the balance of responses was (-7.7%), compared to (-6.7%) in the previous quarter.

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



- Period: 30 April through 28 May 2025.
- 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>, %



\*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 Khmelnytskyi Oblast and Its Components**

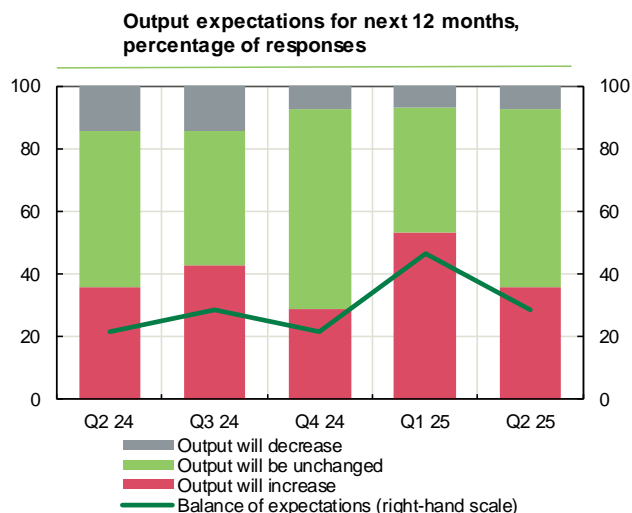
Expectations over next 12 months for	Balances of responses, %				
	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Financial and economic standings	7.1	21.4	7.7	13.3	0.0
Total sales	50.0	46.2	42.9	60.0	28.6
Investment in construction	35.7	28.6	35.7	40.0	35.7
Investment in machinery, equipment, and tools	28.6	71.4	50.0	46.7	21.4
Staff numbers	7.1	7.1	14.3	6.7	0.0

<sup>1</sup> This sample was generated in proportion to the contribution of each oblast and each economic activity to Ukraine's gross value added.

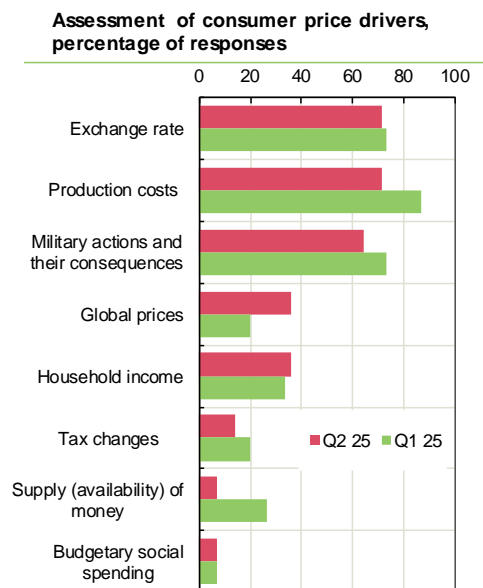
<sup>2</sup> Data for totals and components may be subject to rounding effects.

<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.

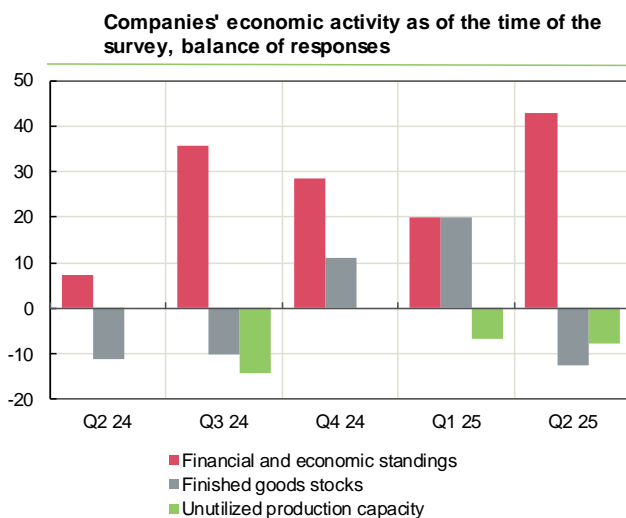
**Figure 1**



**Figure 2**



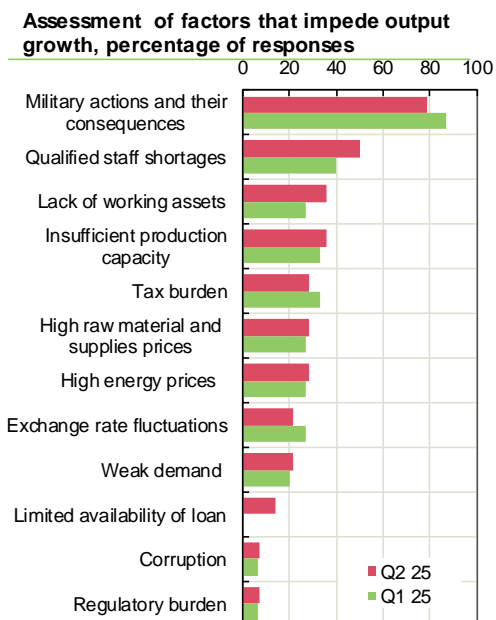
**Figure 3**



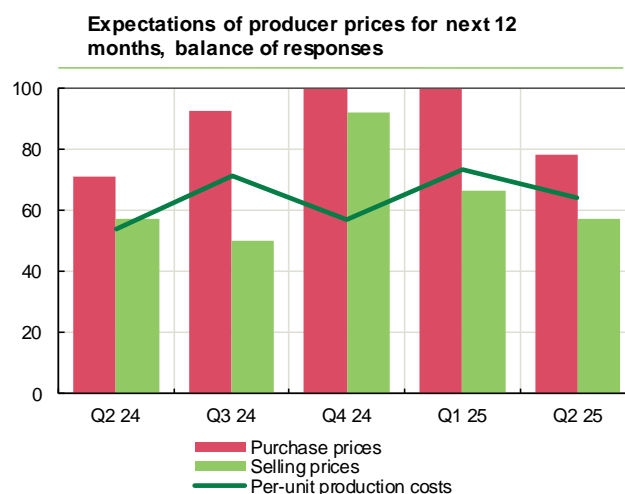
**Figure 4**



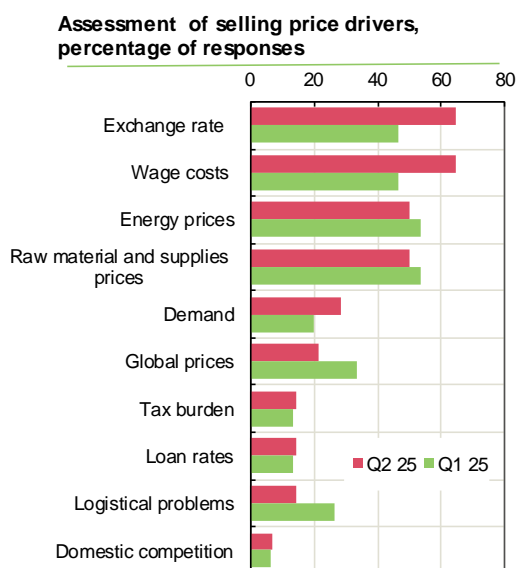
**Figure 5**



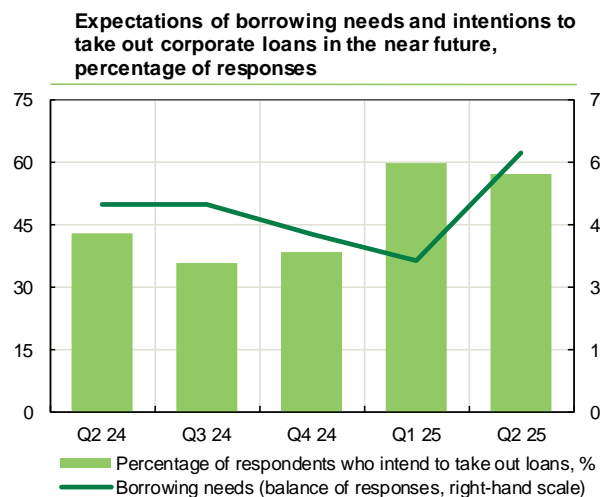
**Figure 6**



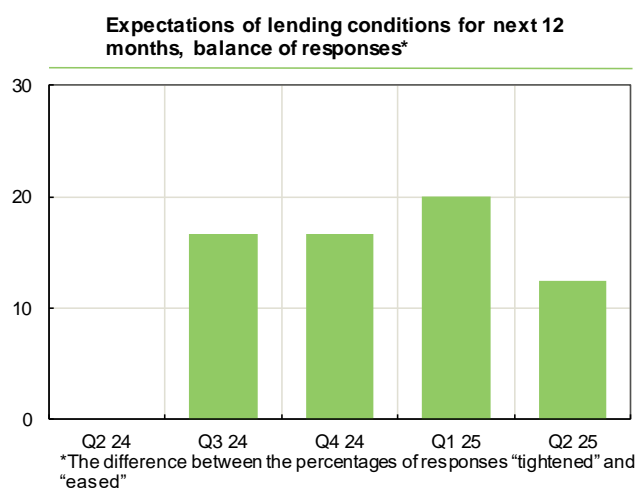
**Figure 7**



**Figure 8**



**Figure 9**



**Figure 10**

