



National Bank  
of Ukraine

## Business Outlook Survey of Cherkasy Oblast\*

Q4 2021



\*This survey only reflects the opinions of respondents in Cherkasy oblast (top managers of companies) who were polled in Q4 2021, and does not represent NBU forecasts or estimates

A survey of companies carried out in Cherkasy oblast in Q4 2021 showed that respondents expected a rise in the output of Ukrainian goods and services, and had positive expectations for the performance of their companies over the next 12 months. Respondents said they expected higher inflation. Depreciation expectations remained moderate.

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

- **the output of Ukrainian goods and services would increase:** the balance of expectations was 22.2%, as in Q3 2021 and 8.3% across Ukraine (Figure 1)
- **prices for consumer goods and services would grow at a faster pace:** a total of 52.6% of respondents expected the inflation rate not to exceed 7.5% (compared to 66.7% in the previous quarter and 38.7% across Ukraine). Respondents continued to refer to production costs as **the main inflation driver** (Figure 2)
- **the hryvnia would depreciate moderately:** a total of 38.9% of respondents expected the hryvnia to weaken against the US dollar (the lowest depreciation expectations among the regions), compared to 35.3% in the previous quarter and 72.2% across Ukraine
- **the financial and economic standings of their companies would improve more slowly:** the balance of expectations was 10.5%, compared to 25.0% in the previous quarter and 9.7% across Ukraine (see Table)
- **total sales, including external sales, would increase:** the balances of responses were 31.6% and 22.2% respectively, compared to 38.9% and (-16.7%) in Q3 2021 (see Table). Across Ukraine, the balances of responses being 21.8% and 20.6% respectively
- **investment in construction would increase more slowly:** the balance of responses was 29.4%, compared to 40.0% in the previous quarter. At the same time, respondents expected investment in machinery, equipment, and tools to grow at a faster pace: the balance of responses was 50.0%, compared to 33.3% in Q3 2021. The balances of responses across Ukraine were 6.9% and 19.1% respectively (see Table)
- **staff numbers at their companies would remain unchanged (such expectations have been reported for two quarters running):** the balance of responses was 0.0% (Figure 4). Across Ukraine, staff numbers were expected to increase moderately, the balance of responses being 2.9%
- **both purchase and selling prices would grow at a fast pace:** the balances of responses were 84.2% and 63.2% respectively (compared to 83.3% and 35.3% in Q3 2021) (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 costs per staff member would rise rapidly:** the balances of responses were 73.7% for each, compared to 70.6% and 58.8% respectively in Q3 2021 (Figures 4 and 6).

Companies named high energy prices, raw material and supplies prices, and shortages of qualified staff as **the main drags on their ability to boost production** (Figure 5).

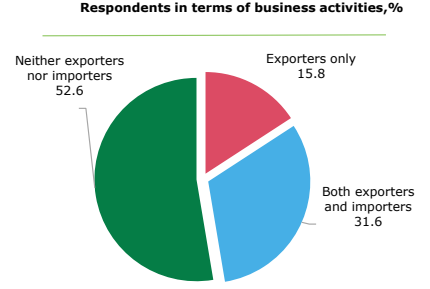
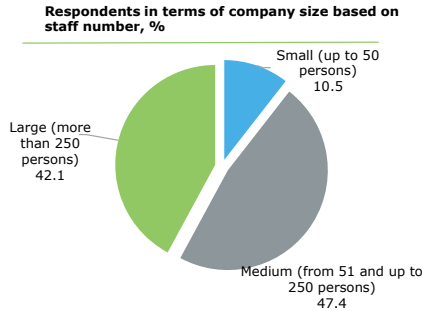
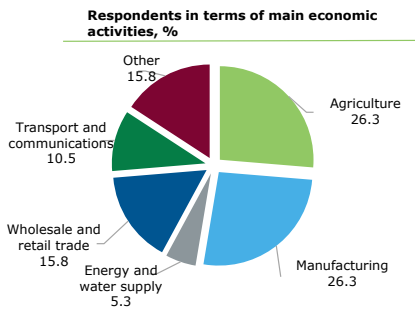
Respondents reported slightly weaker expectations of **an increase in their borrowing needs** in the near future (Figure 8). 36.8% of the respondents who planned to take out bank loans opted for domestic currency loans. Respondents said that bank lending standards had eased (Figure 9). Companies cited high loan rates as the main factor deterring them from taking out loans. The impact of hryvnia exchange rate fluctuations was reported to have increased compared to the previous survey (Figure 10).

A total of **89.5% of respondents** said they had encountered no difficulties in effecting transactions with funds deposited in bank accounts (98.1% across Ukraine).

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

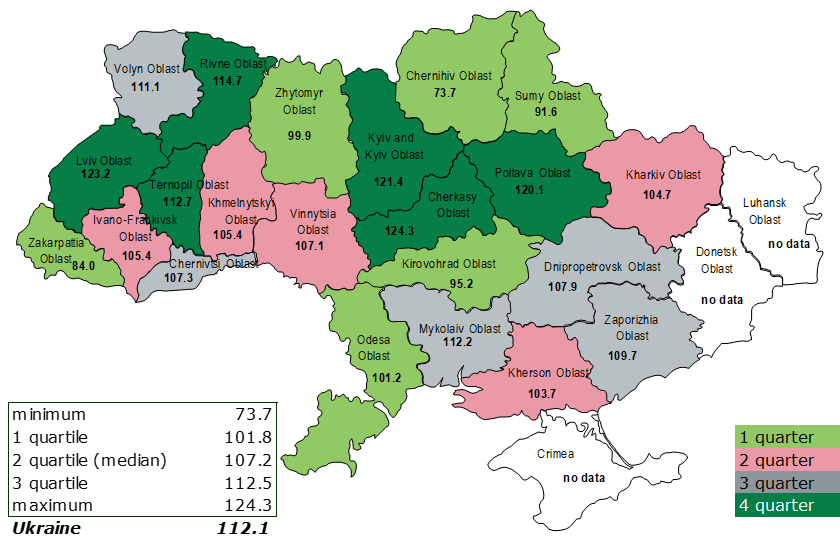
- **Companies assessed their current financial and economic standings as good:** the balance of responses was 31.6% (one of the highest figures among the regions), compared to 16.7% in Q3 2021. Across Ukraine, the balance of responses was 7.6%.
- **Stocks of finished goods had increased and were assessed as higher than normal:** the balance of responses was 16.7%, compared to (-8.3%) in Q3 2021.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 5.3%, compared to 11.8% in Q3 2021.

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



- Period: 3 November through 29 November 2021.
- A total of 19 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture and the manufacturing industry.

Business Outlook Index for Next 12 Months in Terms of Oblasts<sup>3</sup>, %



<sup>1</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>2</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 Cherkasy Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
Financial and economic standings	11.1	26.3	31.3	25.0	10.5
Total sales	0.0	22.2	26.3	38.9	31.6
Investment in construction	-6.3	12.5	21.4	40.0	29.4
Investment in machinery, equipment, and tools	0.0	20.0	25.0	33.3	50.0
Staff numbers	-10.5	0.0	11.1	0.0	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

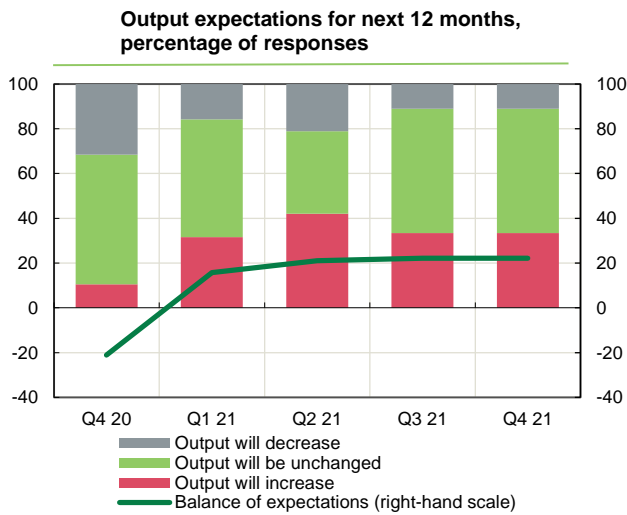


Figure 2

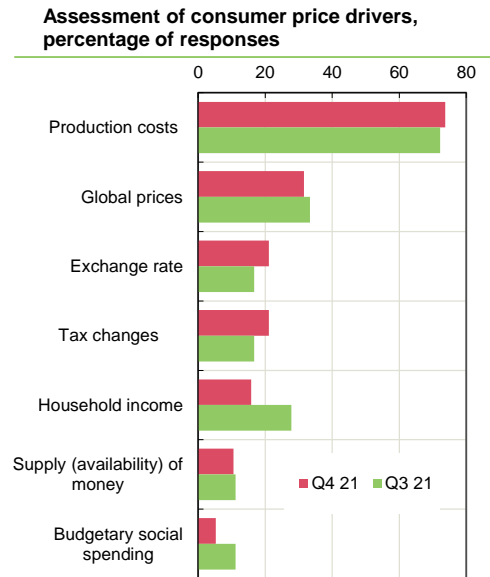


Figure 3

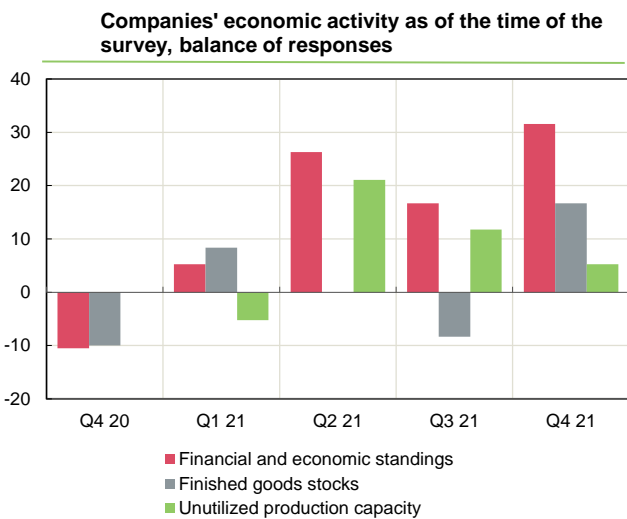


Figure 4



Figure 5

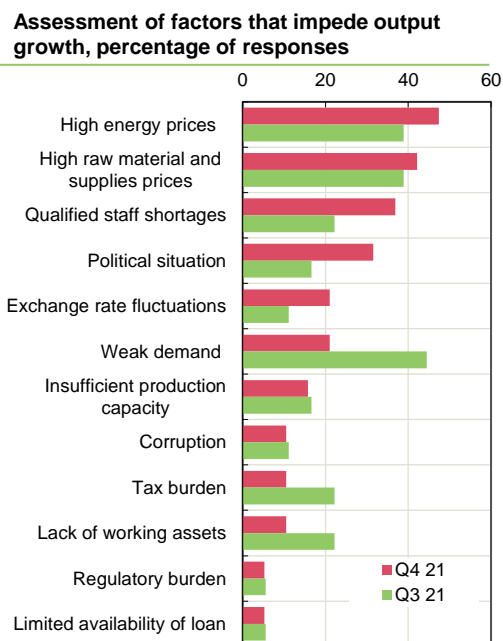


Figure 6

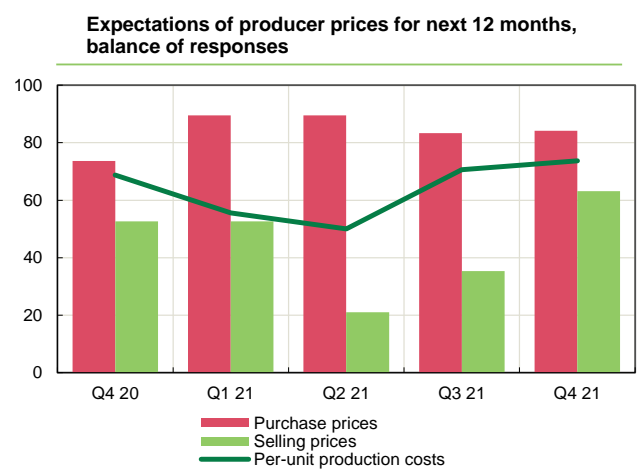


Figure 7

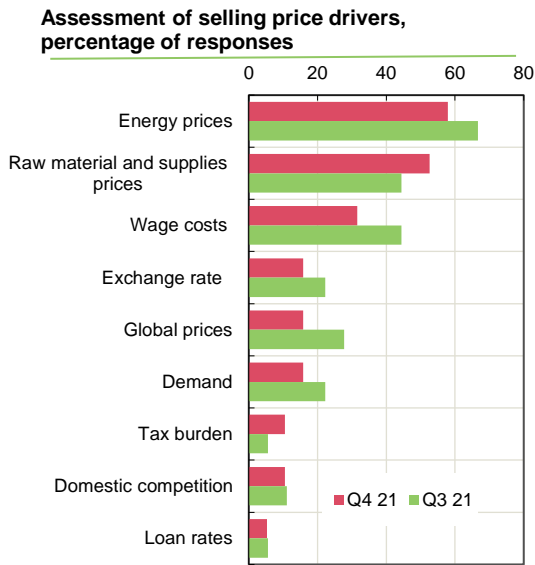


Figure 8

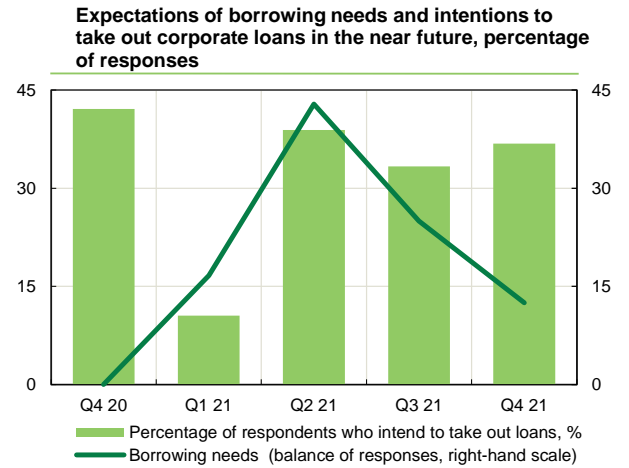


Figure 9

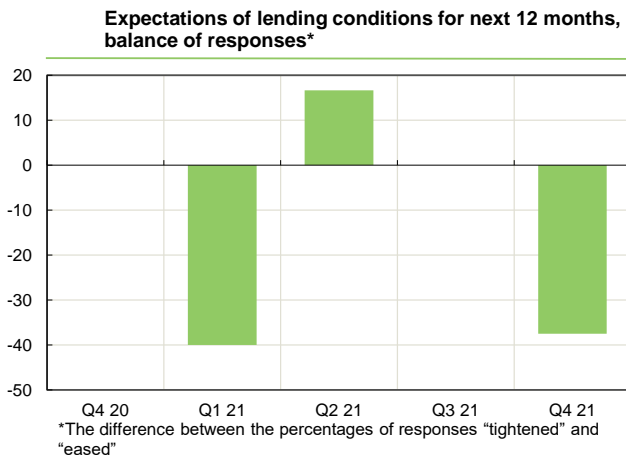


Figure 10

