



National Bank  
of Ukraine

# Business Outlook Survey of Cherkasy Oblast\*

Q2 2024



\*This survey only reflects the opinions of respondents in Cherkasy oblast (top managers of companies) who were polled in Q2 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in Cherkasy oblast in Q2 2024 showed that, despite the war, weak demand and qualified staff shortages, respondents expected growth in the output of Ukrainian goods and services over the next 12 months. They had cautious expectations for the performance of their companies over this period. Inflation was expected to be lower. 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 grow at a faster pace:** the balance of expectations was 22.2%, compared to 5.9% in Q1 2024. Overall, across Ukraine, respondents expected that the output would decrease moderately (-0.3%) (Figure 1)
- **prices for consumer goods and services would rise more slowly:** a total of 88.2% of respondents expected the inflation rate not to exceed 10.0% (66.7% in the previous quarter and 62.8% across Ukraine). Respondents referred to military actions, production costs and the hryvnia exchange rate (the impact of this factor was reported to have increased) as **the main inflation drivers** (Figure 2)
- **the hryvnia would depreciate more pronouncedly:** a total of 70.6% of respondents expected the hryvnia to weaken against the U.S. dollar, compared to 61.6% in the previous quarter and 84.9% across Ukraine
- **the financial and economic standings of their companies would remain unchanged:** the balance of expectations was 0.0%, compared to 5.6% in Q1 2024 and (-0.2%) across Ukraine (see Table)
- **total sales would increase:** the balance of responses was 11.1%, compared to (-5.6%) in Q1 2024. At the same time, respondents expected **external sales** to remain unchanged: the balance of responses was 0.0% (as in the previous quarter) (see Table). Across Ukraine, the balances of responses were 8.7% and 11.0% respectively
- **investment in machinery, equipment, and tools and investment in construction would drop:** the balances of responses were (-11.8%) and (-23.5%) respectively, compared to (-16.7%) and (-11.1%) in the previous quarter (see Table). The balances of responses across Ukraine were 5.4% and (-5.5%) respectively (see Table)
- **staff numbers at their companies would decrease:** the balance of responses was (-11.1%), as in Q1 2024 (Figure 4). Across Ukraine, the balance of responses was (-10.7%)
- **purchase prices would rise and selling prices would grow at a slower pace:** the balances of responses were 83.3% and 33.3% respectively, compared to 77.8% and 44.4% in 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 would increase, while wage costs per staff member would rise slowly:** the balances of responses were 61.1% and 44.4% respectively, compared to 55.6% and 61.1% in Q1 2024 (Figures 4 and 6).

Companies named military actions and their consequences, weak demand and qualified staff shortages as **the main drags on their ability to boost production** (Figure 5).

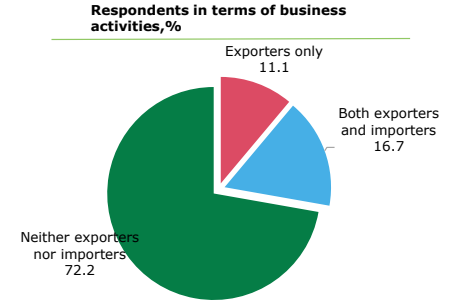
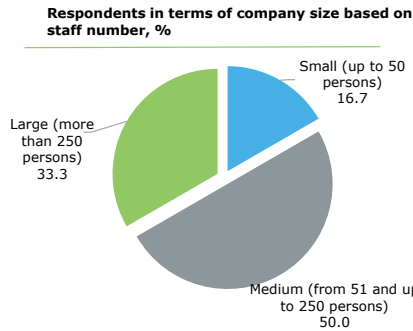
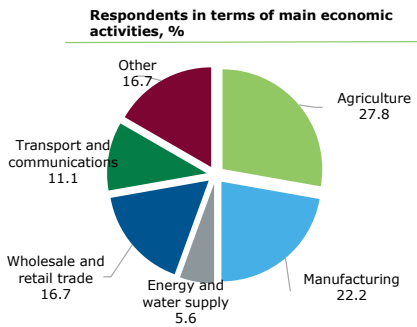
Respondents said that their borrowing needs would remain unchanged in the near future (Figure 8). The respondents who planned to take out bank loans usually opted for domestic currency loans. Respondents said that lending conditions had remained unchanged (Figure 9). Companies cited high loan rates, collateral requirements, hryvnia exchange rate fluctuations (the impact of this factor was reported to have increased), and the availability of other funding sources as the main factors deterring them from taking out loans (Figure 10).

A total of **83.3% of respondents** said **they had encountered no difficulties in effecting transactions with funds deposited in bank accounts** (96.0% across Ukraine).

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

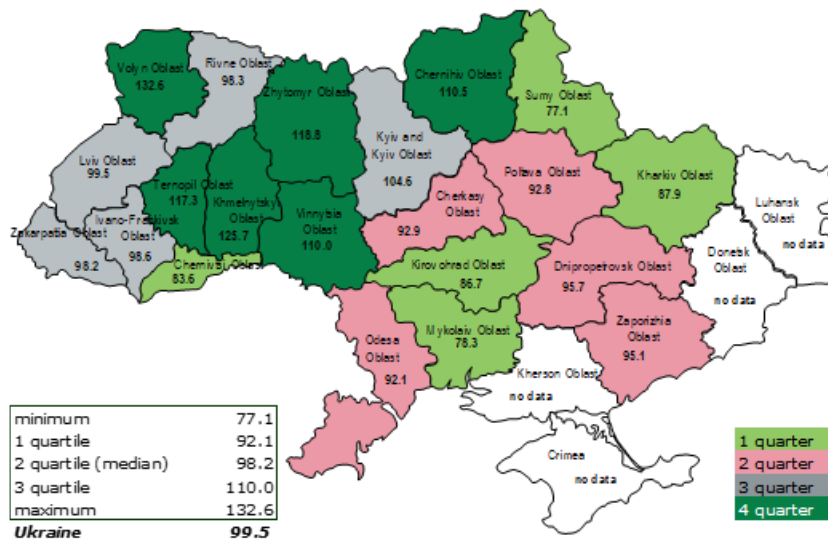
- **Companies' current financial and economic standings had improved and were assessed as good:** the balance of responses was 5.6%, compared to 0.0% in Q1 2024. Across Ukraine, companies' current financial and economic standings were assessed as bad: the balance of responses was (-4.3%).
- **Stocks of finished goods had decreased and were assessed as lower than normal:** the balance of responses was (-15.4%), down from 10.0% in Q1 2024.
- **Companies in the oblast had sufficient spare production capacity to meet any unexpected rise in demand:** the balance of responses was 11.1%, compared to 11.8% in Q1 2024.

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



- Period: 30 April through 27 May 2024.
- A total of 18 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>3</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>\*\*</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, %				
	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Financial and economic standings	-5.6	-10.5	-16.7	5.6	0.0
Total sales	-5.9	21.1	-11.8	-5.6	11.1
Investment in construction	-6.3	5.6	-12.5	-11.1	-23.5
Investment in machinery, equipment, and tools	-6.3	-5.6	-6.3	-16.7	-11.8
Staff numbers	-16.7	-15.8	-22.2	-11.1	-11.1

<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

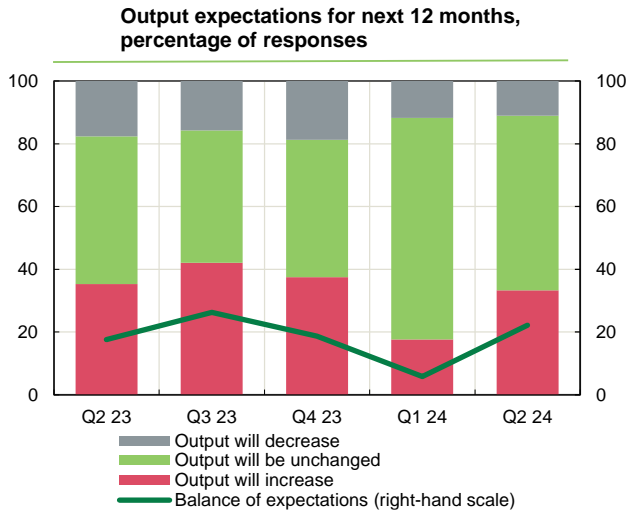


Figure 2

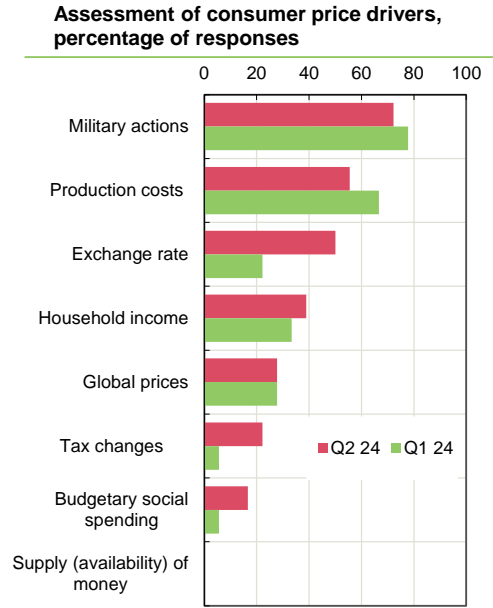


Figure 3

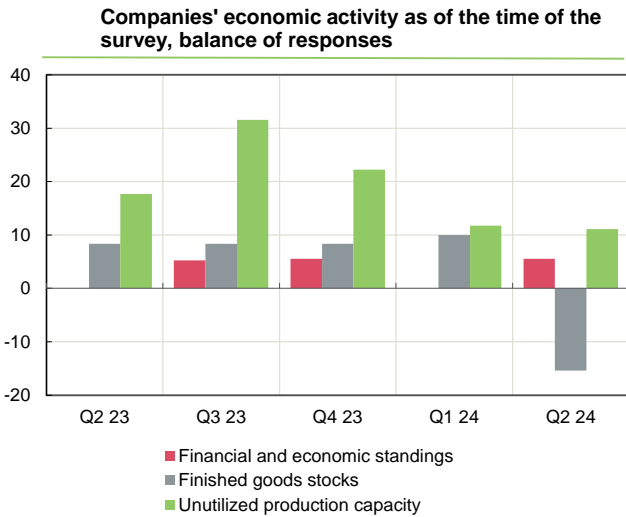


Figure 4



Figure 5

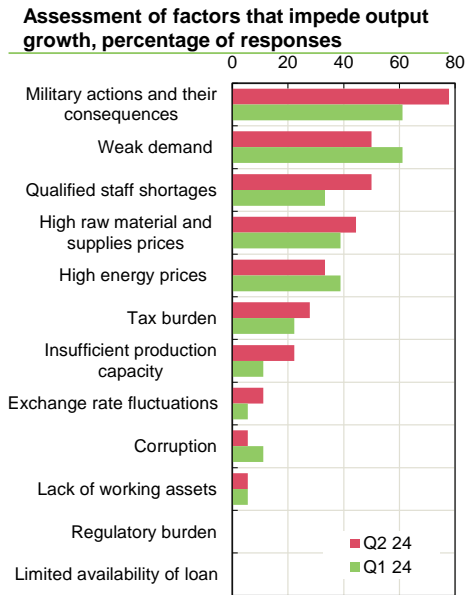


Figure 6

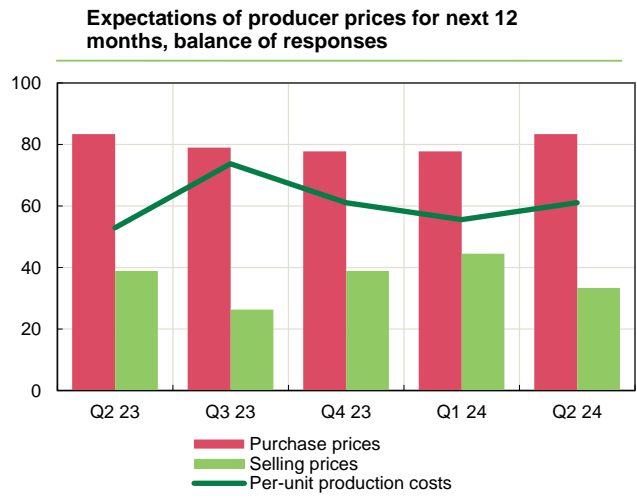


Figure 7

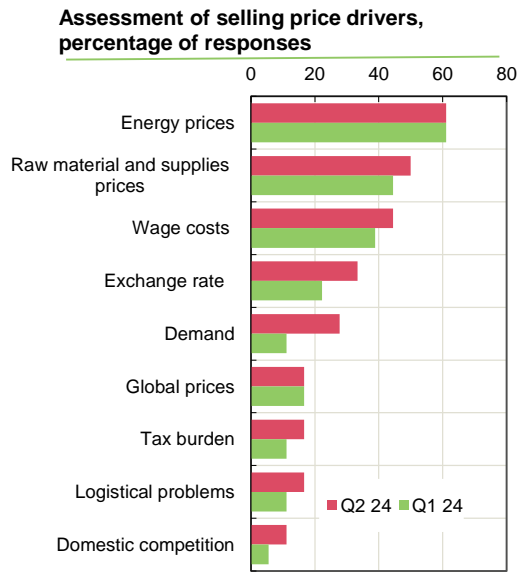


Figure 8

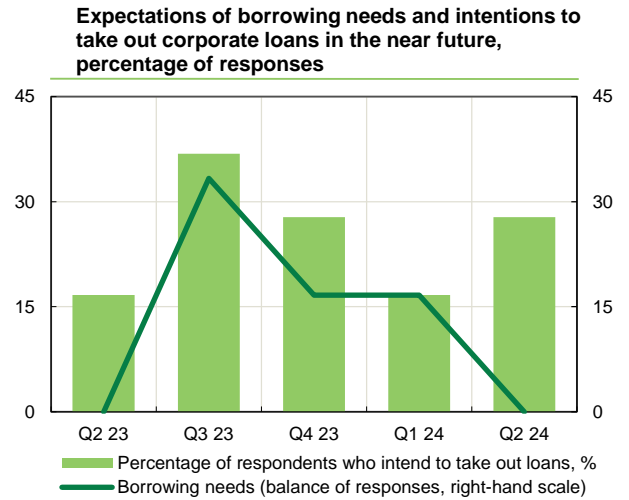


Figure 9

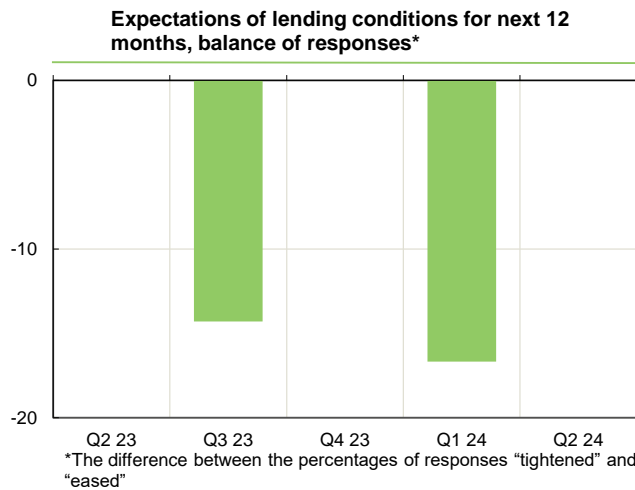


Figure 10

