



National Bank
of Ukraine

Business Outlook Survey of Cherkasy Oblast*

Q4 2024



*This survey only reflects the opinions of respondents in Cherkasy 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 **Cherkasy oblast** in Q4 2024 showed that, on the back of the war, weak demand, qualified staff shortages, a lack of working assets and weak demand, respondents downgraded their expectations for the output of Ukrainian goods and services over the next 12 months. They had dimmer expectations for the performance of their companies over this period. 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 drop: the balance of expectations was (-10.0%), compared to 11.1% in Q3 2024. Overall, across Ukraine, the balance of responses was (-1.4%) (Figure 1)
- prices for consumer goods and services would rise: a total of 55.0% of respondents expected the inflation rate not to exceed 10.0% (61.1% in the previous quarter and 46.3% across Ukraine). Respondents referred to military actions, production costs, and tax changes as the main inflation drivers (Figure 2)
- the hryvnia would depreciate more pronouncedly: a total of 80.0% of respondents expected the hryvnia to weaken against the U.S. dollar, compared to 61.1% in the previous quarter and 92.8% across Ukraine
- the financial and economic standings of their companies would deteriorate slightly: the balance of expectations was (-5.0%), compared to 11.8% in Q3 2024 (see Table). Overall, the figure across Ukraine was (-1.2%)
- total sales, including external sales, would grow more slowly: the balances of responses were 5.3% and 16.7% respectively, compared to 33.3% and 28.6% respectively in Q3 2024 (see Table). Across Ukraine, the balances of responses were 9.0% and 7.7% respectively
- investment in construction and in machinery, equipment, and tools would increase: the balances of responses were 15.0% and 5.0% respectively, compared to (-11.8%) and 5.9% respectively in the previous quarter (see Table). The balances of responses across Ukraine were (-1.6%) and 9.3% respectively (see Table)
- staff numbers at their companies would decrease: the balance of responses was (-15.0%), compared to (-11.1%) in Q3 2024 (Figure 4). Across Ukraine, the balance of responses was (-6.6%)
- purchase and selling prices would rise at a somewhat slower pace: the balances of responses were 85.0% and 55.0% respectively, compared to 94.4% and 61.1% in the previous quarter (Figure 6). Energy prices, the hryvnia exchange rate (the impact of this factor was reported to have increased significantly), and raw material and supplies prices were cited as the main selling price drivers (Figure 7)
- per-unit production costs would rise more slowly, while wage costs per staff member would rise: the balances of responses were 45.0% and 42.1% respectively, compared to 55.6% and 44.4% in Q3 2024 (Figures 4 and 6).

Companies named military actions and their consequences, qualified staff shortages, a lack of working assets (the impact of this factor was reported to have increased significantly) and weak demand as the main drags on their ability to boost production (Figure 5).

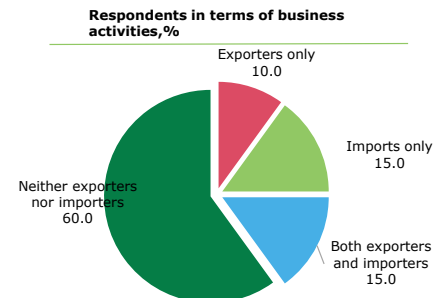
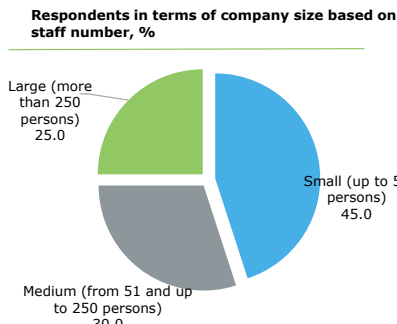
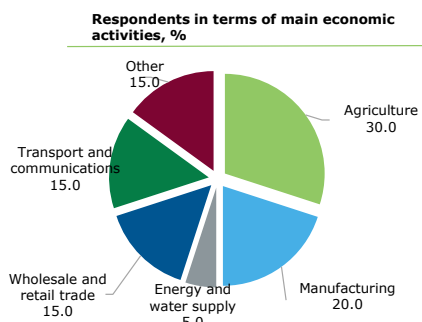
Respondents said that their borrowing needs would increase in the near future (Figure 8). The respondents who planned to take out bank loans usually opted for domestic currency loans. Respondents said that bank lending conditions had remained tight (Figure 9). Respondents cited high loan rates, the hryvnia exchange rate and uncertainty about their ability to meet debt obligations as they fall due (the impact of this factor was reported to have increase significantly) as the main factors deterring them from taking out loans (Figure 10).

A total of 80.0% of respondents said 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)

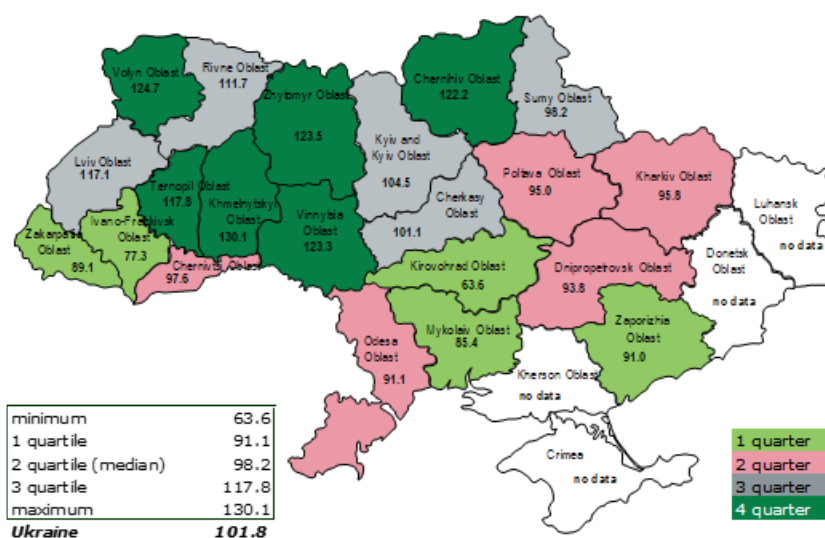
- Companies' current financial and economic standings had deteriorated and were assessed as bad: the balance of responses was (-15.0%), down from 5.6% in Q3 2024. Across Ukraine, the balance of responses was (-6.1%).
- Finished goods stocks were assessed as lower than normal: the balance of responses was (-16.7%), down from (-8.3%) in Q3 2024.
- Companies in the oblast had sufficient spare production capacity to meet any unexpected rise in demand: the balance of responses was 15.0%, up from 11.1% in Q3 2024.

Survey Details^{1,2}



- Period: 31 October through 26 November 2024.
- A total of 20 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 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 Cherkasy 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 | -16.7 | 5.6 | 0.0 | 11.8 | -5.0 |
| Total sales | -11.8 | -5.6 | 11.1 | 33.3 | 5.3 |
| Investment in construction | -12.5 | -11.1 | -23.5 | -11.8 | 15.0 |
| Investment in machinery, equipment, and tools | -6.3 | -16.7 | -11.8 | 5.9 | 5.0 |
| Staff numbers | -22.2 | -11.1 | -11.1 | -11.1 | -15.0 |

¹ This sample was generated in proportion to the contribution of each oblast 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

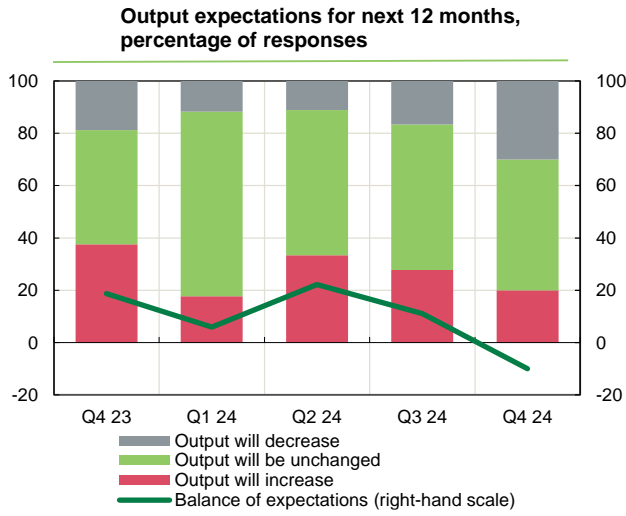


Figure 2

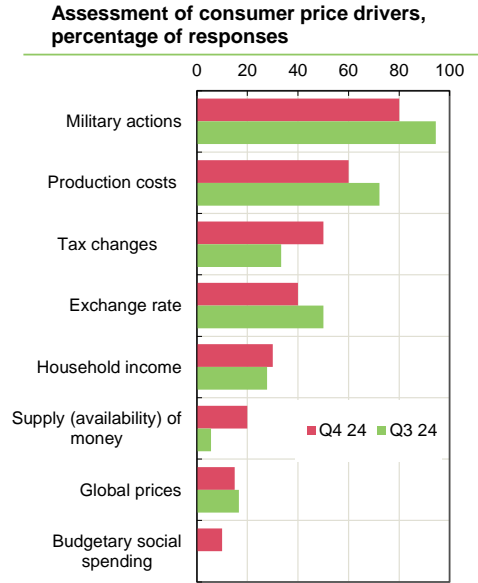


Figure 3

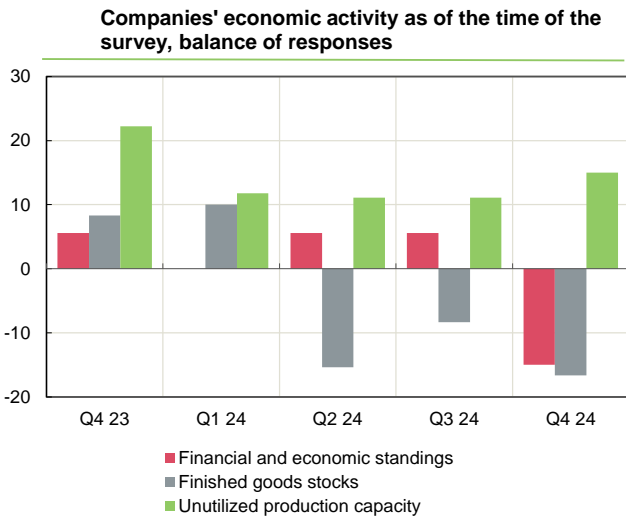


Figure 4



Figure 5

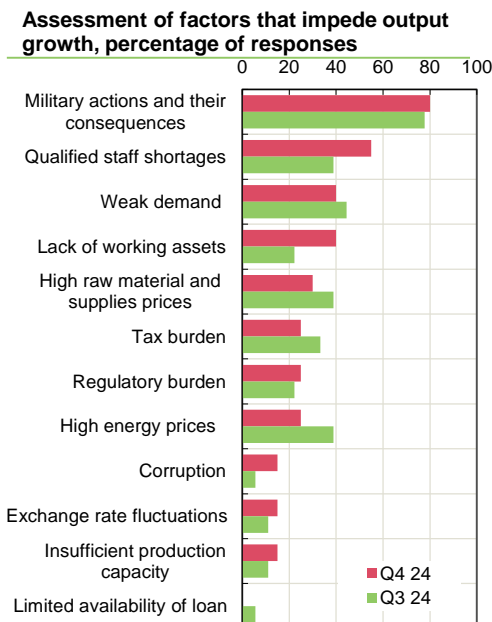


Figure 6

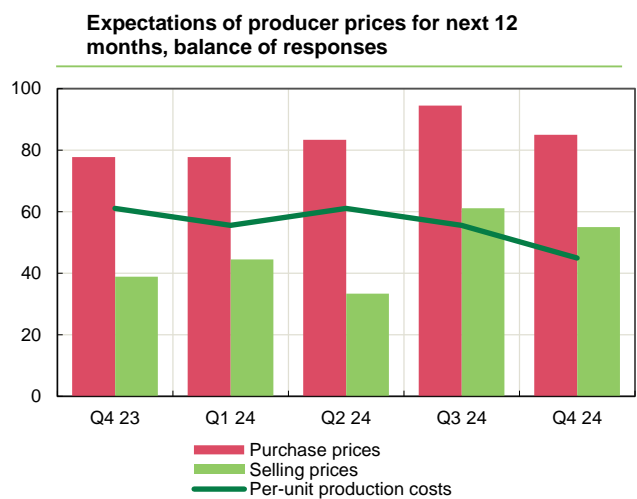


Figure 7

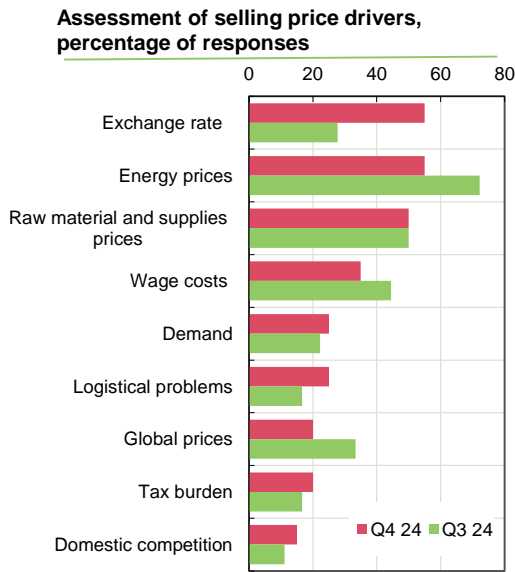


Figure 8

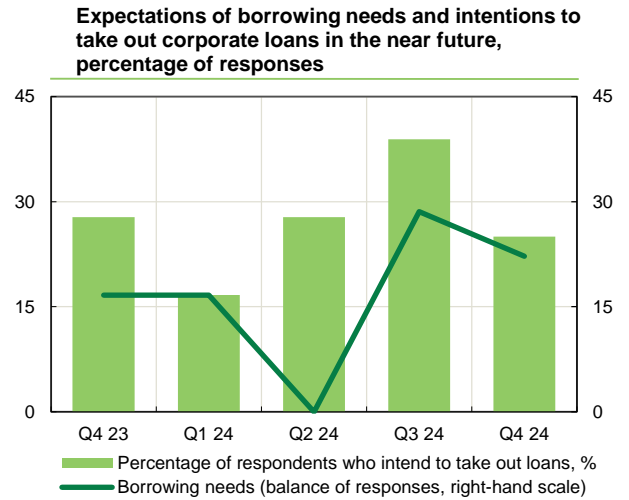


Figure 9

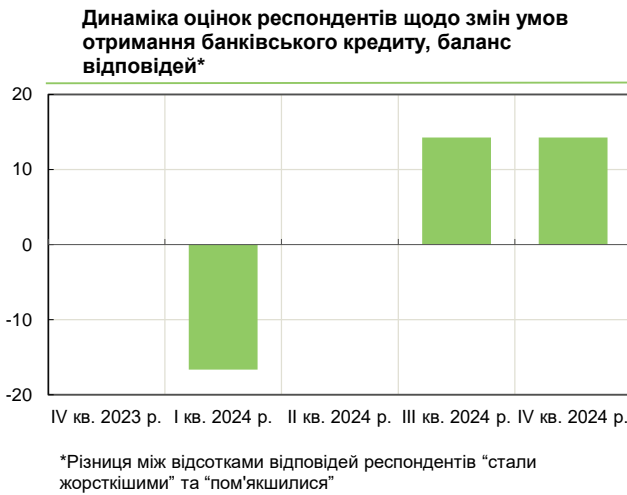


Figure 10

