



National Bank  
of Ukraine

## Business Outlook Survey of Chernivtsi Oblast\*

Q4 2021



\*This survey only reflects the opinions of respondents in Chernivtsi 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 Chernivtsi oblast in Q4 2021 showed that respondents expected that **the output of Ukrainian goods and services would increase**. They had moderate expectations for the performance of their companies over the next 12 months. Respondents expected higher inflation and a rapid depreciation of the hryvnia.

**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 36.4%, compared to 27.3% in Q3 2021 and 8.3% across Ukraine (Figure 1)
- **prices for consumer goods and services would grow quickly:** a total of 54.5% of respondents expected that inflation would exceed 7.5%, compared to 27.3% in the previous quarter and 61.3% across Ukraine. Respondents referred to production costs as the main inflation driver (Figure 2)
- **the domestic currency would depreciate rapidly:** 100.0% of respondents (the highest depreciation expectations among the regions) (compared to 36.4% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 72.2%
- **the financial and economic standings of their companies would remain unchanged,** (such expectations have been reported for two quarters running): the balance of expectations was 0.0%. Respondents across Ukraine expected their financial and economic standings to improve (9.7%) (see Table)
- **total sales would increase:** the balance of responses was 27.3%, as in Q3 2021 (compared to 21.8% across Ukraine) (see Table)
- **investment in machinery, equipment, and tools would grow more slowly:** the balance of responses was 9.1%, compared to 20.0% in the previous quarter. Respondents also reported that **investment in construction would remain unchanged:** the balance of responses was 0.0%, compared to 9.1% in the previous quarter. The balances of responses across Ukraine were 19.1% and 6.9% respectively
- **staff numbers would remain unchanged:** the balance of responses was 0.0% compared to (-20.0%) in Q3 2021. Across Ukraine, staff numbers were expected to increase moderately, the balance of responses being 2.9% (Figure 4)
- **purchase and selling prices would grow dramatically:** the balances of responses were 90.9% and 81.8% respectively (compared to 90.9% for each in Q3 2021) (Figure 6). Energy prices, raw material and supplies prices, wage costs and the hryvnia exchange rate were referred to as the main selling price drivers (Figure 7)
- **per-unit production costs and wage costs per staff member would grow at a fast pace:** the balances of responses were 70.0% and 81.8% respectively, compared to 50.0% and 54.4% in Q3 2021 (Figures 4 and 6).

Respondents referred to high energy prices, a lack of working assets, and high raw material and supplies prices as the **main drags on the ability of their companies to boost production** (Figure 5).

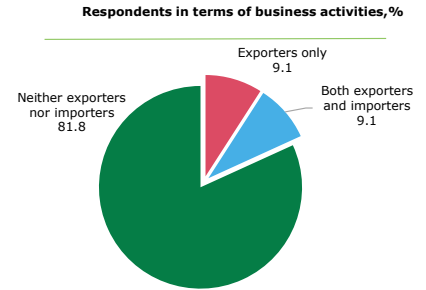
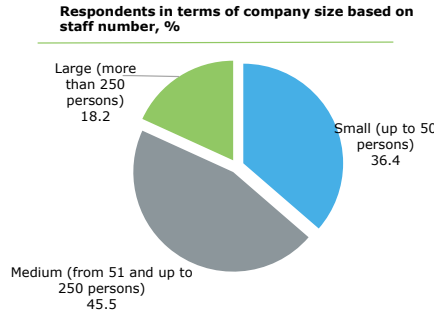
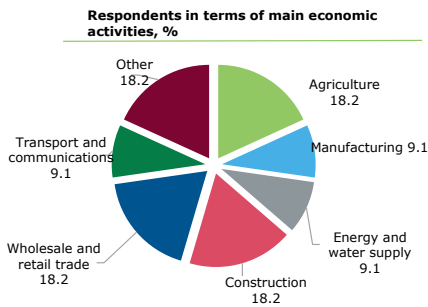
Companies planned to take out only hryvnia loans. Respondents cited high loan rates and other funding sources as the main factors deterring them from taking out loans (Figure 9).

**All of the respondents** said that 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)**

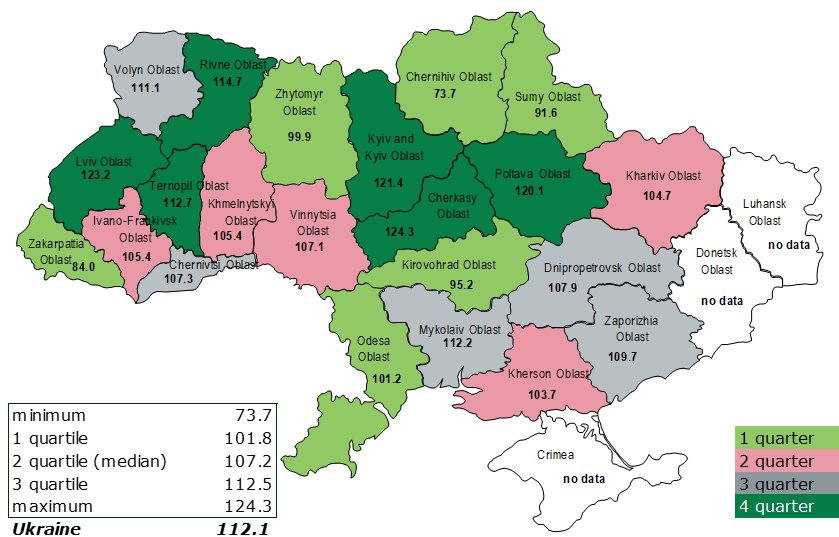
- **Companies assessed their current financial and economic standings as bad:** the balance of responses was (-9.1%) (18.2% in the previous quarter). Across Ukraine, companies assessed their current financial and economic standings as good (7.6%).
- **Finished goods stocks had been assessed as normal** for two quarters in a row: the balance of responses was 0.0%.
- **Companies had sufficient unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 18.2%, compared to 9.1% in Q3 2021.

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



- Period: 3 November through 30 November 2021.
- A total of 11 companies were polled.
- No economic activity was able to generate a representative sample.

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>3</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 Chernivtsi 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	9.1	18.2	18.2	0.0	0.0
Total sales	-18.2	18.2	18.2	27.3	27.3
Investment in construction	0.0	-10.0	22.2	9.1	0.0
Investment in machinery, equipment, and tools	0.0	11.1	40.0	20.0	9.1
Staff numbers	-18.2	-18.2	-40.0	-20.0	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

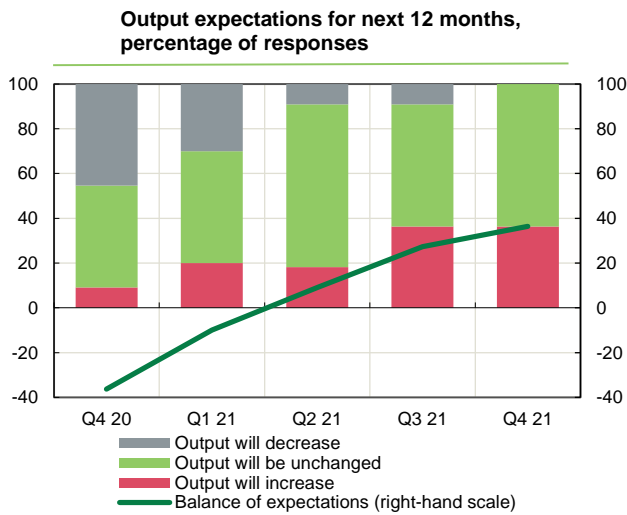


Figure 2

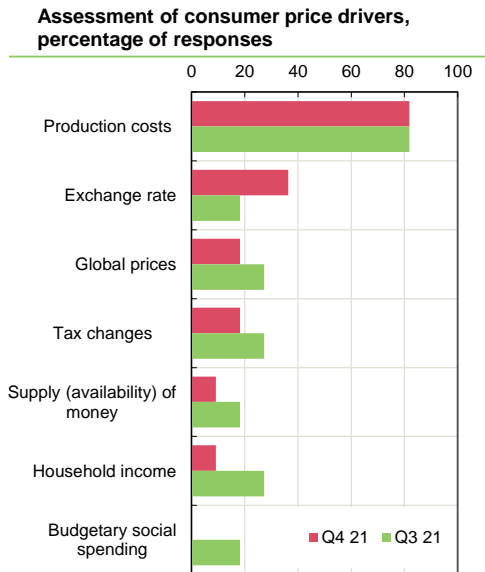


Figure 3

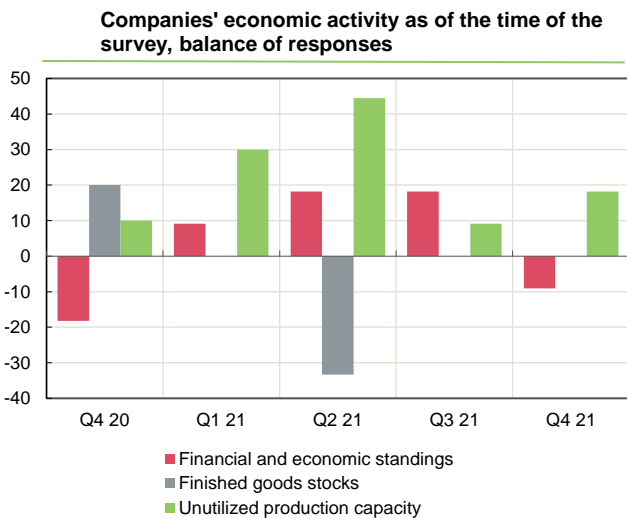


Figure 4

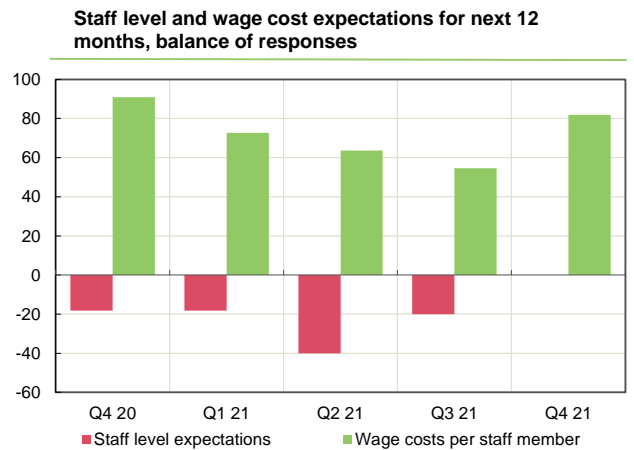


Figure 5

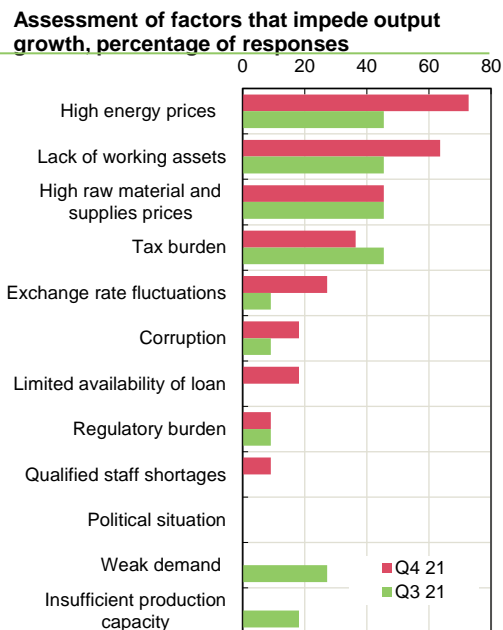


Figure 6

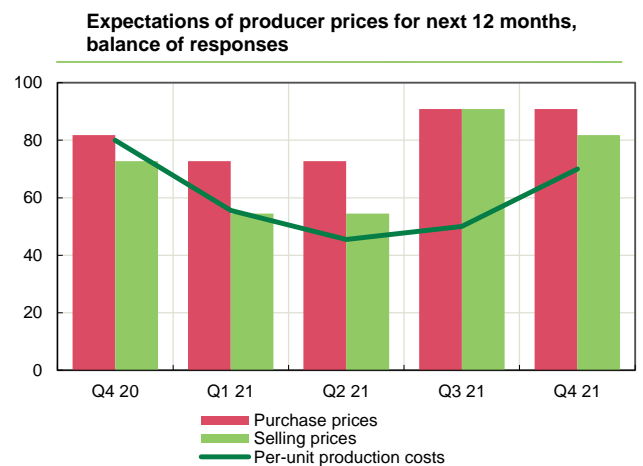


Figure 7

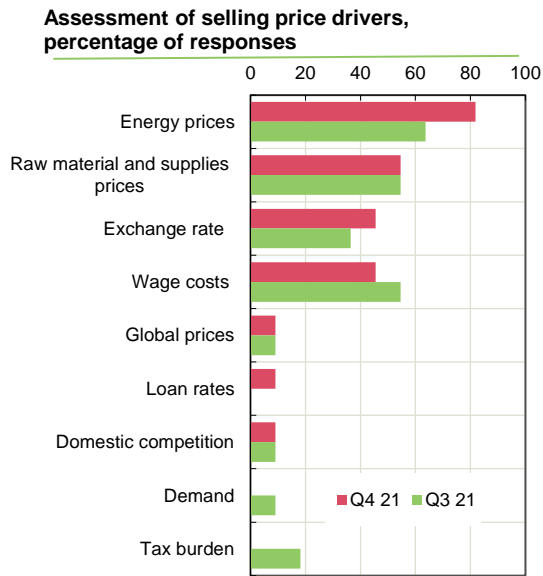


Figure 8

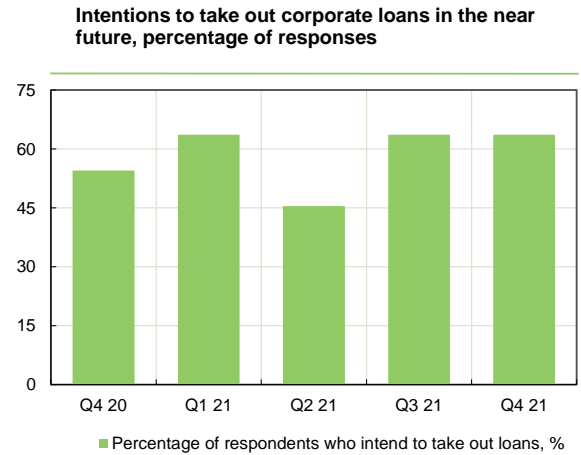


Figure 9

