



National Bank
of Ukraine

Business Outlook Survey of Vinnytsia Oblast*

Q3 2024



*This survey only reflects the opinions of respondents in Vinnytsia oblast (top managers of companies) who were polled in Q3 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Vinnytsia oblast** in Q3 2024 showed that, despite the war, high energy, raw material and supplies prices, respondents continued to expect an increase in the output of Ukrainian goods and services over the next 12 months. Respondents had positive expectations for the performance of their companies over that period. Prices were expected to rise more slowly. 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 faster pace: the balance of responses was 61.9%, compared to 19.0% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was 3.7%
- prices for consumer goods and services would grow more slowly: the share of respondents who expected that the inflation rate would not exceed 10.0% was 85.7%, up from 66.7% in Q2 2024, the figure across Ukraine being 54.5%. Respondents continued to refer to military actions and production costs (mentioned by all of the respondents), the hryvnia exchange rate and tax changes (the impact of the latter driver was reported to have increased) as the main inflation drivers (Figure 2)
- the hryvnia would depreciate at a faster rate: 85.7% of respondents expected the hryvnia to weaken against the US dollar, compared to 71.4% in the previous quarter and 88.5% across Ukraine
- the financial and economic standings of their companies would improve: the balance of expectations was 33.1% (among the highest expectations across the regions), compared to 0.0% in Q2 2024 (see Table). Overall, across Ukraine, respondents expected the financial and economic standings of their companies to deteriorate (-0.9%)
- total sales would grow at a faster pace: the balance of responses was 57.1%, compared to 20.0% in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was 10.5%
- investment in machinery, equipment, and tools would increase: the balance of responses was 44.4%, compared to 20.0% in the previous quarter. Respondents also expected that investment in construction would increase: the balance of responses was 11.1%, compared to 10.0% in Q2 2024 (see Table). Across Ukraine, the balances of responses were 7.5% and (-3.2%) respectively
- staff numbers at their companies would decrease: the balance of responses was (-4.8%), compared to 0.0% in Q2 2024 (Figure 4). Overall, across Ukraine, the balance of responses was (-10.9%)
- purchase and selling prices would rise more quickly: the balances of responses were 85.7% and 90.5% respectively, compared to 71.4% and 76.2% in the previous quarter (Figure 6). Respondents referred to high raw material and supplies prices, energy prices and wage costs as the main selling price drivers (Figure 7)
- both per-unit production costs and wage costs per staff member would grow at a faster pace: the balances of responses were 85.7% for each, compared to 66.7% for each in the previous quarter (Figures 4 and 6).

Companies cited military actions and their consequences and high energy, raw material and supplies prices as the main drags on their ability to boost production (Figure 5).

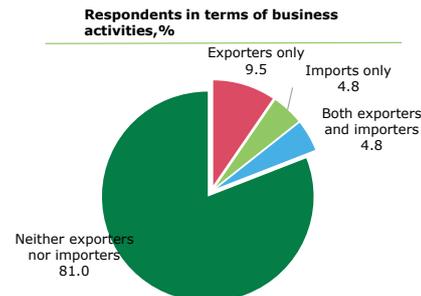
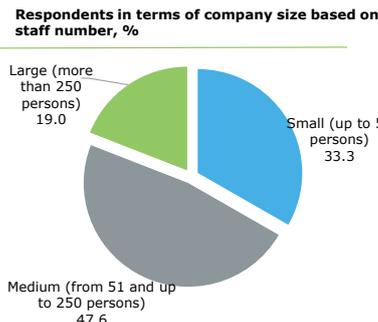
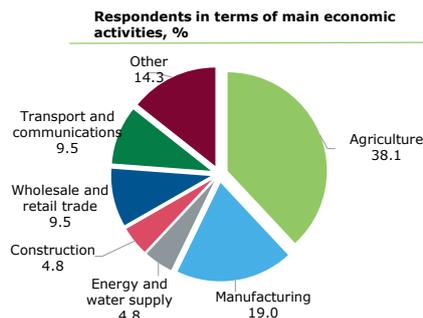
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The respondents who planned to take out loans (33.3% of those surveyed) opted only for domestic currency ones. Respondents said that lending standards had remained unchanged (Figure 9). Companies cited the availability of other funding sources, complicated paperwork and collateral requirements 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 (97.1% across Ukraine).

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

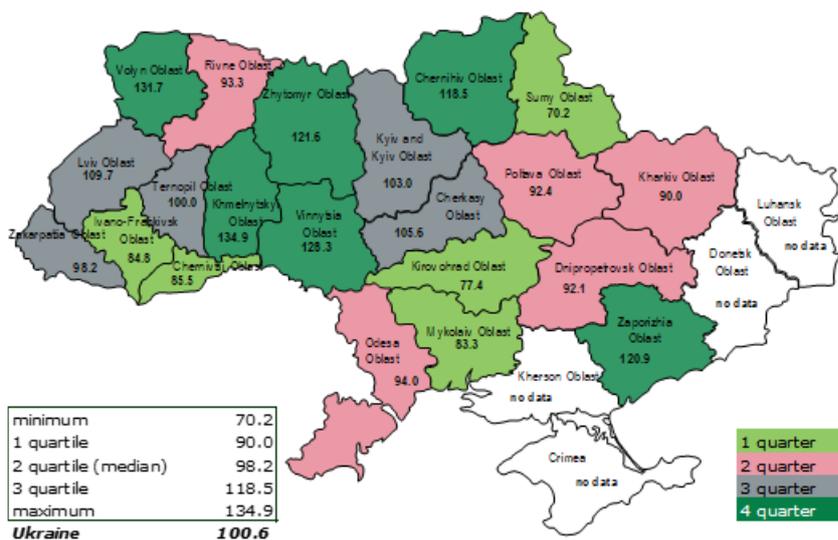
- Respondents assessed their current financial and economic standings as bad: the balance of responses was (-9.5%), compared to (-15.0%) in the previous quarter and (-6.0%) across Ukraine.
- Finished goods stocks had increased and were assessed at higher than normal levels: the balance of responses was 8.3%, compared to 0.0% in Q2 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 9.5%, compared to 10.0% in the previous quarter.

Survey Details^{1,2}



- Period: 31 July through 22 August 2024.
- A total of 21 companies were polled.
- A representative sample was generated on the basis of the agricultural sector 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
³a 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 Vinnytsia Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Financial and economic standings	19.0	9.5	4.5	0.0	33.3
Total sales	47.6	20.0	28.6	20.0	57.1
Investment in construction	5.9	5.3	22.2	10.0	11.1
Investment in machinery, equipment, and tools	47.1	26.3	27.8	20.0	44.4
Staff numbers	-9.5	-4.8	-9.1	0.0	-4.8

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

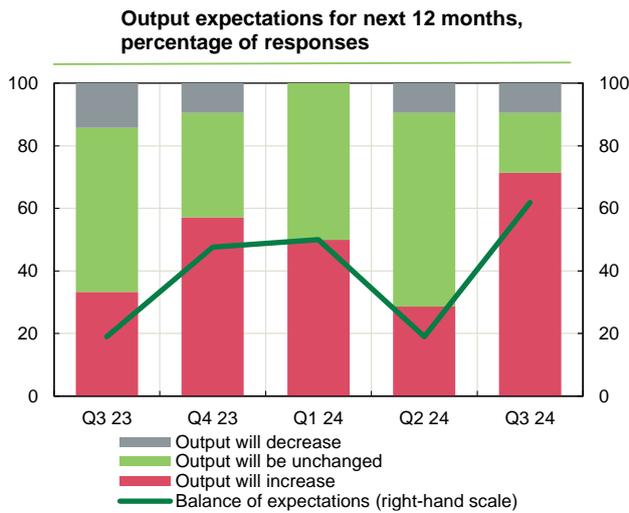


Figure 2

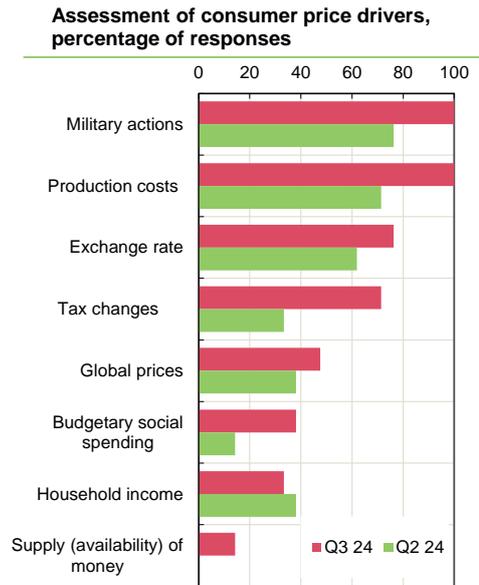


Figure 3

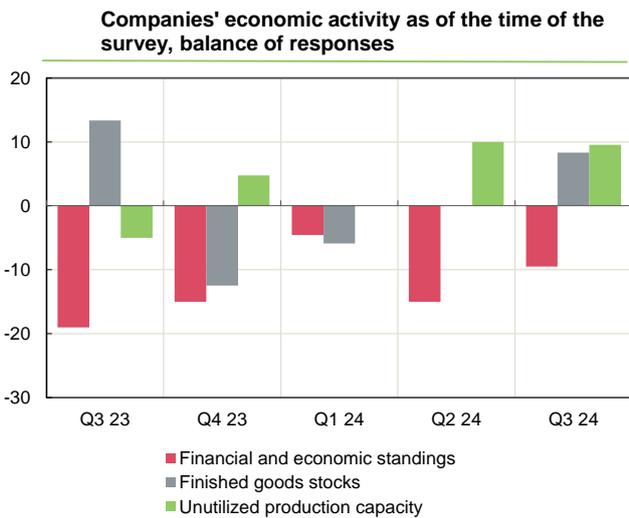


Figure 4



Figure 5

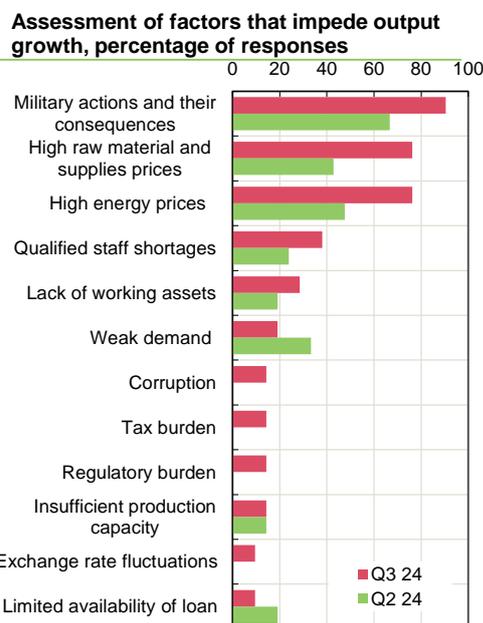


Figure 6

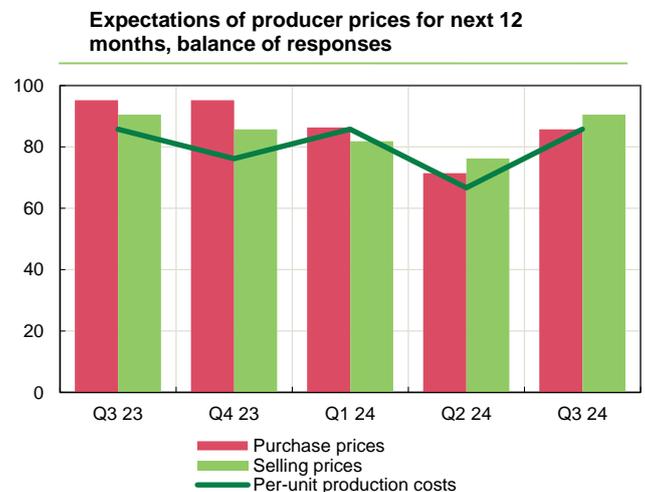


Figure 7

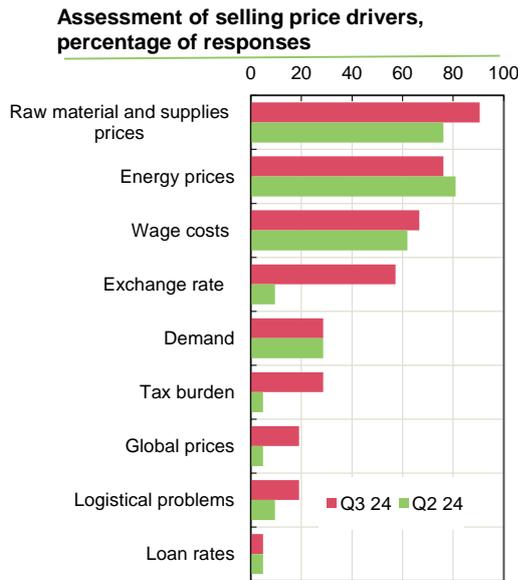


Figure 8

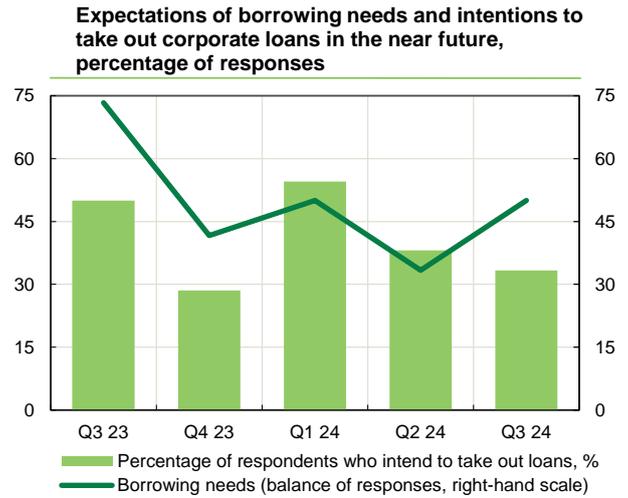


Figure 9

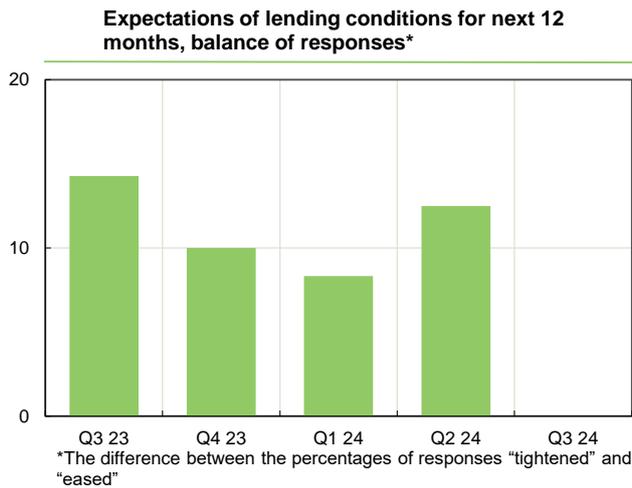


Figure 10

