



National Bank  
of Ukraine

# Business Outlook Survey of Volyn Oblast\*

Q3 2024



\*This survey only reflects the opinions of respondents in Volyn 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 **Volyn oblast** in Q3 2024 showed that, despite the war, high raw material and supplies prices and qualified staff shortages, respondents expected the output of Ukrainian goods and services to increase. They also had positive expectations for the performance of their companies over the next 12 months. Prices were expected to rise more quickly. Depreciation expectations remained high.

#### 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 responses was 91.7% (these were the highest expectations of output growth across the regions and they have been reported for five quarters in a row), up from 50.0% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was 3.7%
- inflation would increase at a faster pace: 83.3% of respondents expected that inflation would not exceed 10.0%, compared to 91.7% in the previous quarter and 54.5% across Ukraine. Respondents referred to production costs, the hryvnia exchange rate and tax changes (the impact of this factor was reported to have increased significantly compared to the previous quarter) as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 91.7% of respondents, compared to 83.3% in the previous quarter, expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 88.5%
- the financial and economic standings of their companies would improve: the balance of expectations was 41.7% (the firmest expectations among the regions and they have been reported for two quarters in a row), compared to 50.0% in the previous quarter (see Table). Overall, across Ukraine, companies' financial and economic standings were expected to deteriorate (-0.9%)
- total sales would increase at a faster pace: the balance of responses was 66.7% (compared to 54.5% in Q2 2024) (see Table). The balance of responses across Ukraine was 10.5%
- investment in machinery, equipment, and tools would increase at a faster pace: the balance of responses was 50.0%, up from 40.0% in Q2 2024. Respondents also expected that investment in construction would remain unchanged: the balance of responses was 0.0%, down from 10.0% in the previous quarter (see Table). Across Ukraine, the balances of responses were 7.5% and (-3.2%) respectively
- staff numbers at their companies would remain unchanged: the balance of responses was 0.0%, down from 8.3% 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 91.7% and 83.3% respectively (compared to 75.0% and 66.7% respectively in the previous quarter) (Figure 6). Raw material and supplies prices, wage costs and demand were referred to as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow: the balances of responses were 83.3% for each (compared to 75.0% and 72.7% respectively in the previous quarter) (Figures 4 and 6).

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

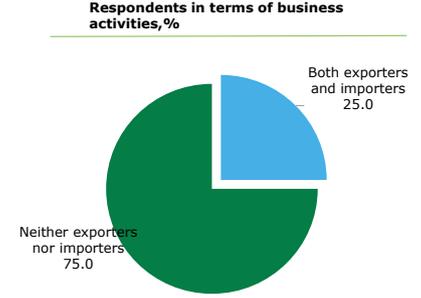
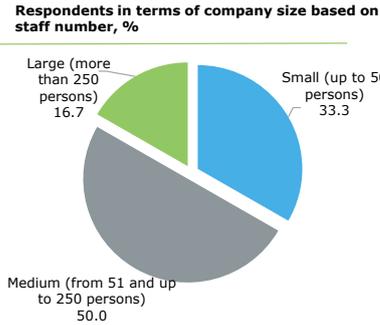
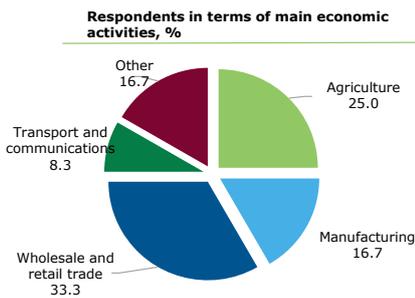
Companies reported noticeably stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The share of respondents who planned to take out bank loans was 41.7%. All of these respondents said they usually opted for domestic currency loans. Respondents cited the availability of other funding sources and high loan rates as the main factors deterring them from taking out loans (Figure 9).

91.7% 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)

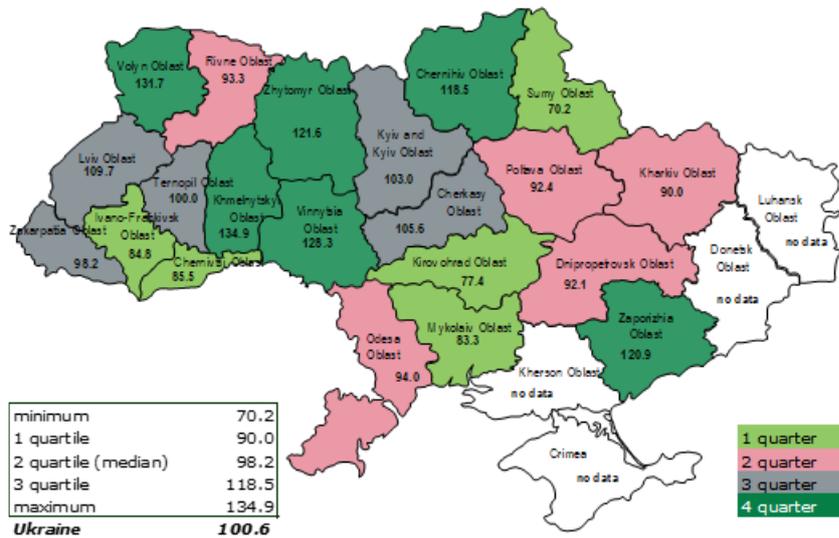
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-16.7%), as in Q2 2024. Overall across Ukraine the balance of responses was (-6.0%).
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-16.7%), compared to (-33.3%) in Q2 2024.
- Companies were operating on the verge of their production capacity: the balance of responses was 0.0%, as in Q2 2024.

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



- Period: 31 July through 22 August 2024.
- A total of 12 companies were polled.
- A representative sample was generated on the basis of the trade sector.

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



\*a 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 Volyn 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	16.7	0.0	16.7	50.0	41.7
Total sales	41.7	0.0	66.7	54.5	66.7
Investment in construction	-18.2	-18.2	0.0	10.0	0.0
Investment in machinery, equipment, and tools	9.1	-18.2	25.0	40.0	50.0
Staff numbers	-25.0	-25.0	8.3	8.3	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

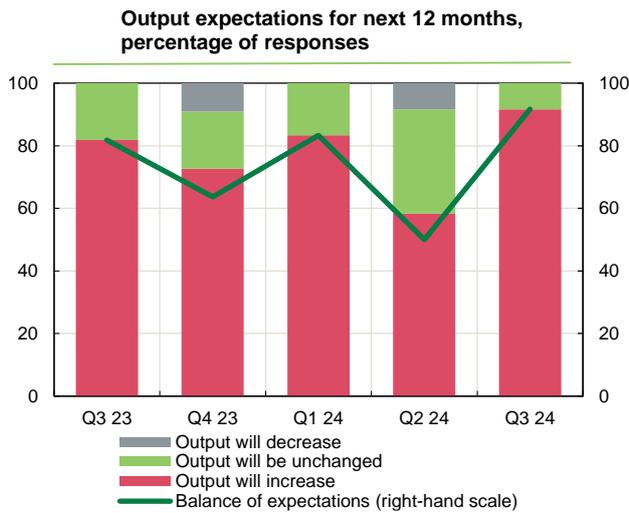


Figure 2

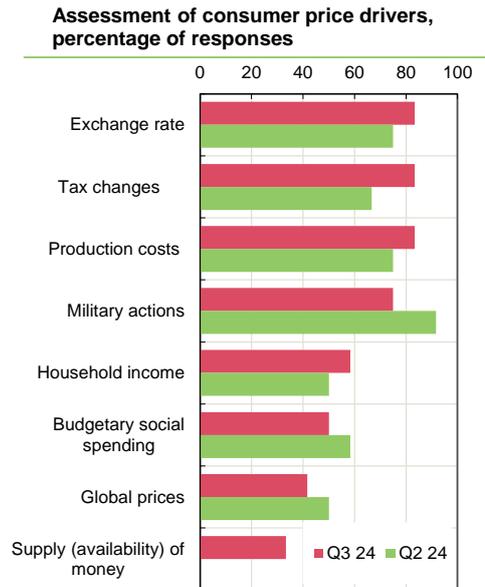


Figure 3

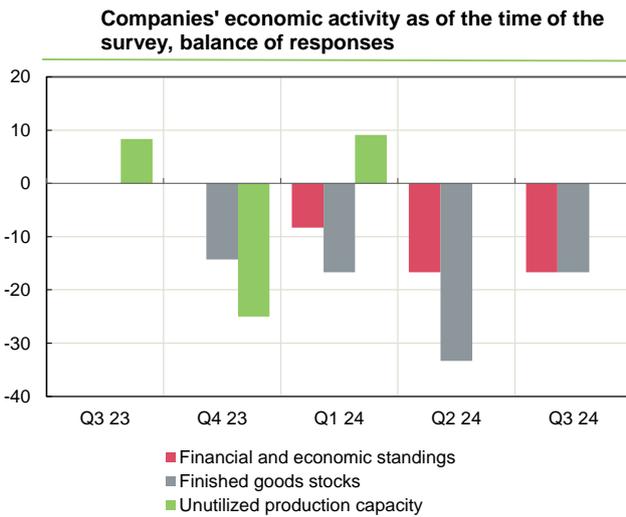


Figure 4



Figure 5

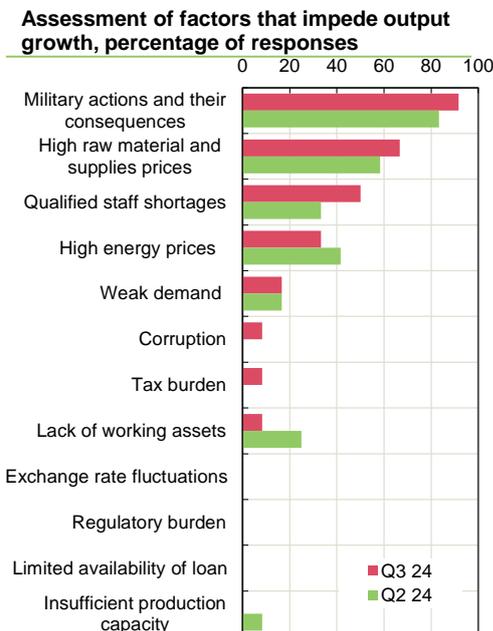


Figure 6

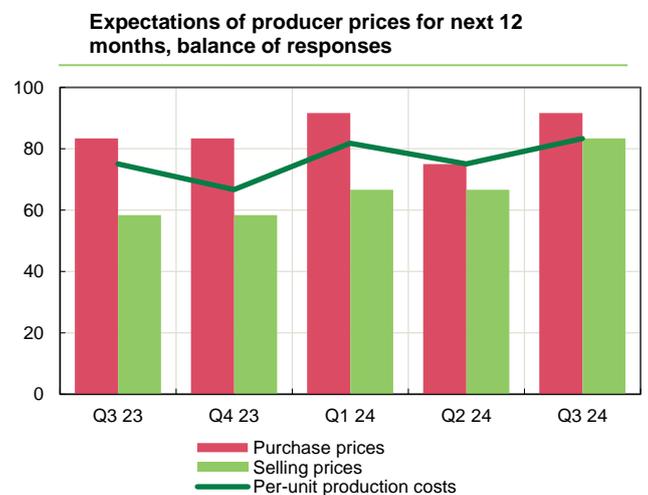


Figure 7

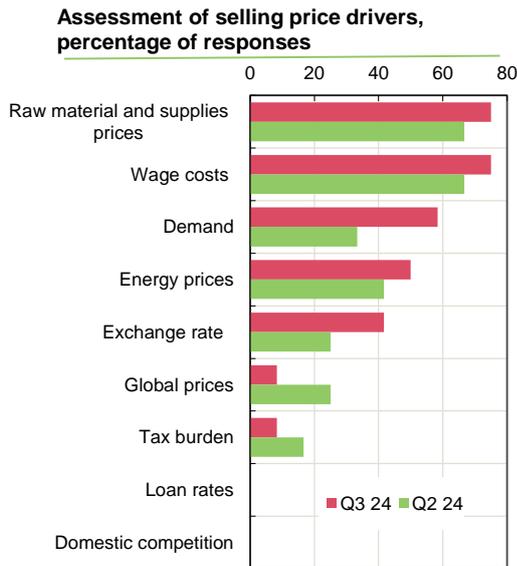


Figure 8

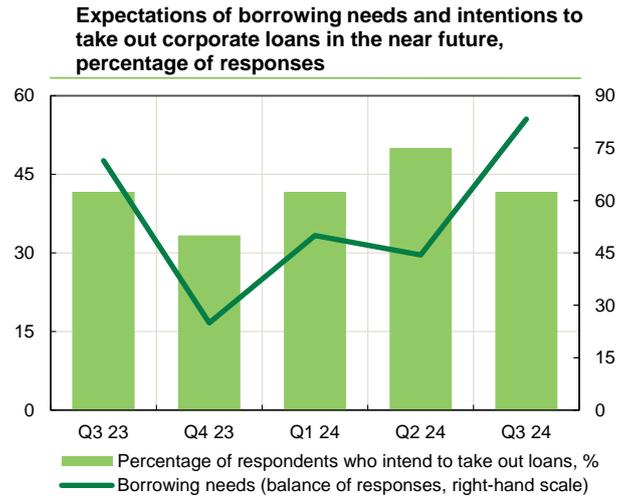


Figure 9

