



National Bank
of Ukraine

Business Outlook Survey of Dnipropetrovsk Oblast*

Q3 2024



*This survey only reflects the opinions of respondents in Dnipropetrovsk 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 **Dnipropetrovsk oblast** in Q3 2024 showed that, on the back of the war and high raw material, supplies and energy prices, respondents expected the output of Ukrainian goods and services to decrease over the next 12 months. Respondents reported gloomier expectations for the performance of their companies over this period. Respondents expected higher prices and a weaker hryvnia.

The top managers of companies said they expected that over the next 12 months:

- the output of Ukrainian goods and services would decrease: the balance of expectations was (-10.0%), compared to 0.0% in Q2 2024 (Figure 1). Overall, across Ukraine, respondents expected that output would increase (3.7%). The gloomiest expectations were reported by respondents from construction companies (-50.0%), energy and water supply, and by companies engaged in other economic activities (-33.3%) for each
- prices for consumer goods and services would rise: the share of respondents who expected that the inflation rate would exceed 10.0% was 53.8%, compared to 54.5% in the previous quarter and 45.5% across Ukraine. Respondents continued to refer to the hryvnia exchange rate, military actions and production costs as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 92.5% of respondents (compared to 93.5% in the previous quarter) expected the hryvnia to weaken against the US dollar, with a figure of 88.5% across Ukraine
- the financial and economic standings of their companies would deteriorate: the balance of expectations was (-11.1%), compared to (-3.9%) in the previous quarter and (-0.9%) across Ukraine (see Table). The most pessimistic expectations were reported by transport and communications companies (-37.5%), with optimistic expectations reported only by mining companies (5.9%)
- total sales would decrease: the balance of expectations was (-6.4%), compared to 5.2% in Q2 2024 (see Table). External sales were expected to rise at a slower pace: the balance of expectations was 3.3%, compared to 21.2% in Q2 2024. Across Ukraine, the balances of responses were 10.5% and 11.2% respectively
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-6.8%) and (-1.3%) respectively, compared to (-12.2%) and (-5.3%) respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were (-3.2%) and 7.5% respectively
- staff numbers would decrease: the balance of responses was (-13.8%), compared to (-5.2%) in the previous quarter and (-10.9%) across Ukraine (Figure 4). Manufacturing companies had the firmest expectations of staff cuts (the balance of responses was (-20.8%))
- both purchase and selling prices would rise more quickly: the balances of responses were 93.8% and 61.7% respectively (compared to 92.1% and 60.5% respectively in Q2 2024) (Figure 6). Respondents from manufacturing and trading companies reported the strongest expectations of a rise in selling prices (the balances of responses were 83.3% and 81.8% respectively). Respondents referred to high energy prices, raw material and supplies prices, and the hryvnia exchange rate as the main selling price drivers (Figure 7).
- per-unit production costs would rise at a faster pace: the balance of responses was 75.9%, up from 64.9% in Q2 2024. Respondents also expected weaker growth in wage costs per staff member: the balance of responses was 42.5% (compared to 54.5% in the previous quarter) (Figures 4 and 6).

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

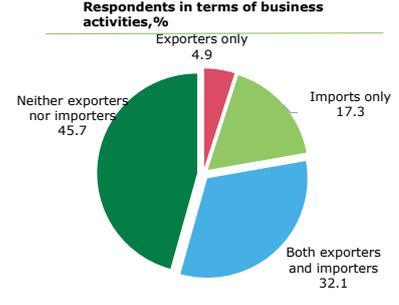
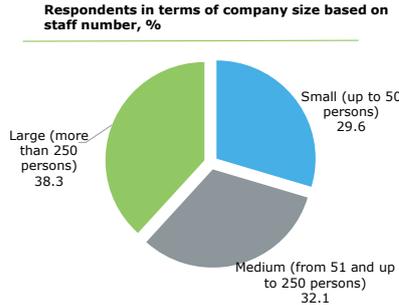
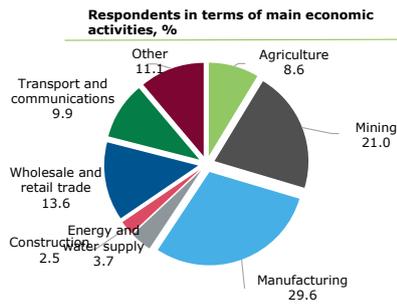
Respondents reported somewhat firmer expectations of an increase in their borrowing needs in the near future (Figure 8). The companies that planned to take out corporate loans (34.6%) usually opted for domestic currency ones. Respondents said that lending conditions had remained tight (Figure 9). Respondents referred to high loan rates, collateral requirements and the availability of other funding sources 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)

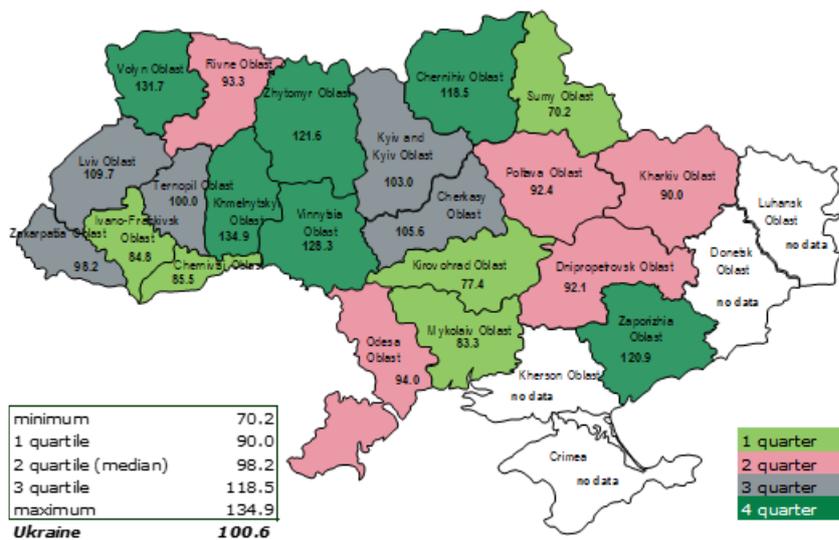
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-27.2%), compared to (-24.4%) in Q2 2024 and (-6.0%) across Ukraine.
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-9.1%), up from (-14.6%) in Q2 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 26.3%, up from 21.1% in Q2 2024.

Survey Details^{1 2}



- Period: 30 July through 27 August 2024.
- A total of 81 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture, the mining and manufacturing industries, trade, transport and communications, and other economic activities.

Business Outlook Index for Next 12 Months in Terms of Oblasts³, %



*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 Dnipropetrovsk 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	-2.5	-3.7	0.0	-3.9	-11.1
Total sales	9.0	3.7	7.8	5.2	-6.4
Investment in construction	-2.7	-13.9	-2.9	-12.2	-6.8
Investment in machinery, equipment, and tools	-2.7	-1.3	4.1	-5.3	-1.3
Staff numbers	-9.0	-5.2	-7.7	-5.2	-13.8

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

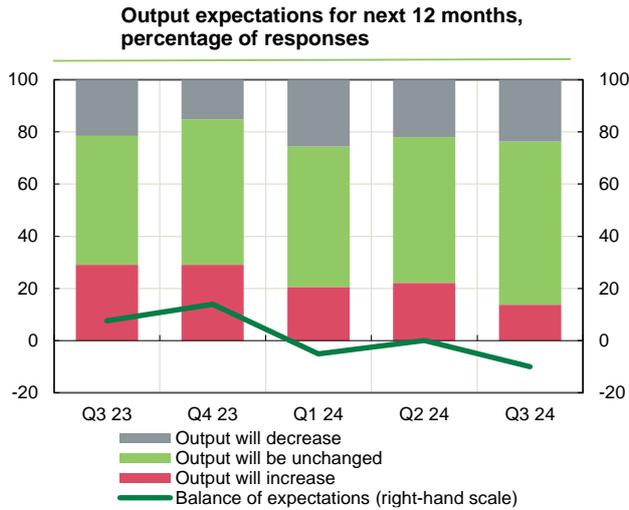


Figure 2

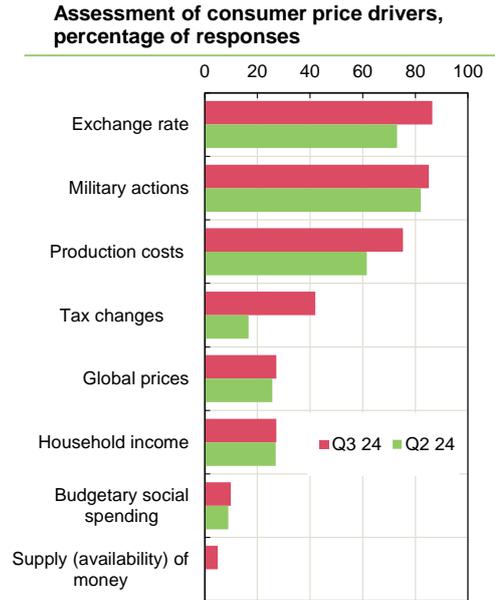


Figure 3

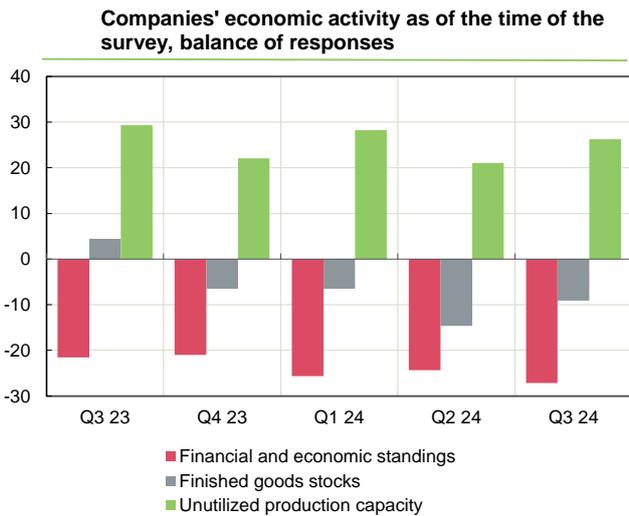


Figure 4



Figure 5

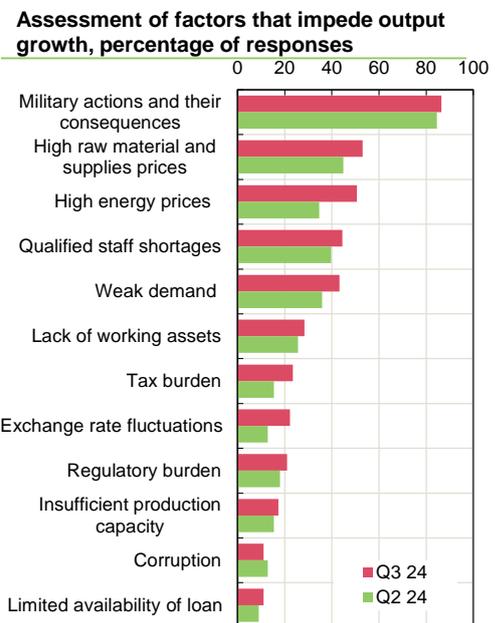


Figure 6

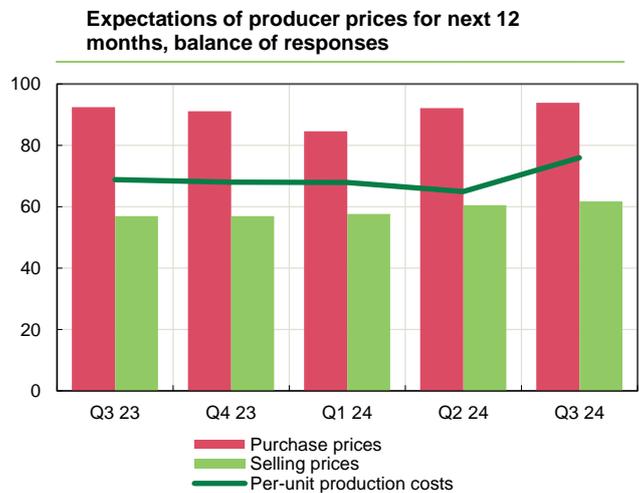


Figure 7

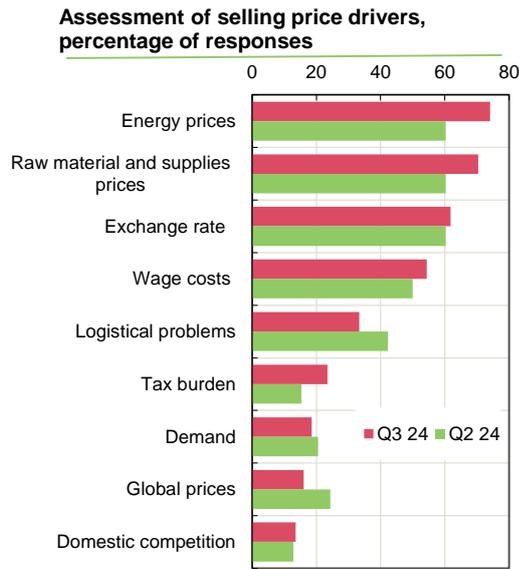


Figure 8

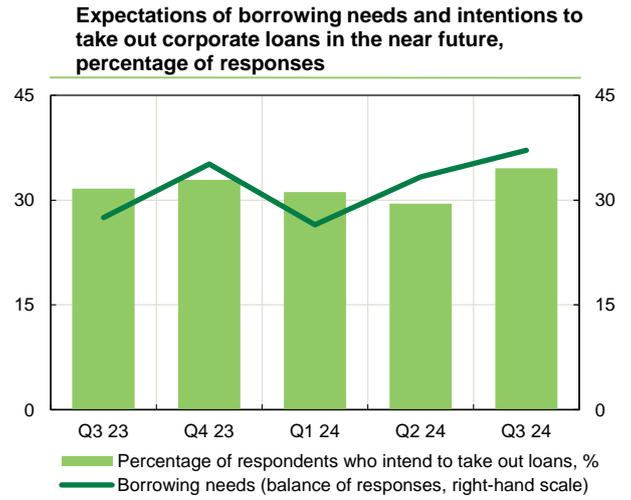


Figure 9

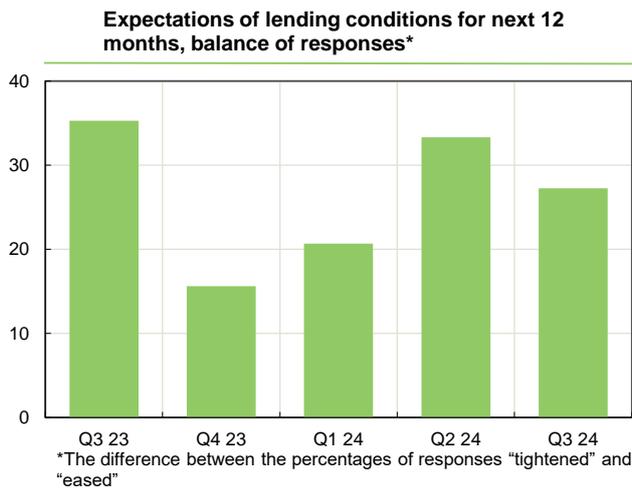


Figure 10

