



National Bank  
of Ukraine

# Business Outlook Survey of Dnipropetrovsk Oblast\*

Q1 2025



\*This survey only reflects the opinions of respondents in Dnipropetrovsk oblast (top managers of companies) who were polled in Q1 2025, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Dnipropetrovsk oblast** in Q1 2025 showed that, on the back of the war, high raw material and supplies prices and weak demand, respondents expected the output of Ukrainian goods and services to decrease at a slower pace over the next 12 months. Respondents reported gloomier expectations for the performance of their companies over this period. Inflation and depreciation expectations remained strong.

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

- the output of Ukrainian goods and services would decrease slightly: the balance of expectations was (-1.4%), compared to (-16.7%) in Q4 2024 and 15.6% across Ukraine (Figure 1). The gloomiest expectations were reported by respondents from manufacturing companies (-19.0%), meanwhile the firmest expectations were reported by respondents from trading companies (55.6%)
- prices for consumer goods and services would rise: the share of respondents who expected that the inflation rate would exceed 10.0% was 64.9%, compared to 64.6% in the previous quarter and 60.3% across Ukraine. Respondents continued to refer to military actions, the hryvnia exchange rate and production costs as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 93.1% of respondents (compared to 94.9% in the previous quarter) expected the hryvnia to weaken against the US dollar, with a figure of 89.1% across Ukraine
- the financial and economic standings of their companies would deteriorate at a slower pace: the balance of expectations was (-1.4%), compared to (-8.9%) in the previous quarter and 4.7% across Ukraine (see Table). The most pessimistic expectations were reported by transport and communications companies (-28.6%), with the most optimistic expectations reported by companies engaged in other economic activities (22.2%)
- total sales and external sales would increase: the balances of expectations were 5.5% and 13.3% respectively, compared to (-3.8%) and (-21.4%) in Q4 2024 (see Table). Across Ukraine, the balances of responses were 20.7% and 19.5% respectively
- investment in machinery, equipment, and tools would rise: the balance of responses was 1.4%, compared to 2.6% in Q4 2024. Meanwhile, respondents expected that investment in construction would drop: the balance of responses was (-5.8%), up from (-9.3%) in the previous quarter (see Table). Across Ukraine, the balances of responses were 13.4% and 2.7% respectively
- staff numbers would decrease at a significantly slower pace: the balance of responses was (-2.8%), compared to (-11.5%) in the previous quarter and (-0.6%) across Ukraine (Figure 4). Transport and communications companies had the firmest expectations of staff cuts (the balance of responses was (-28.6%)), meanwhile respondents from companies engaged in other economic activities reported the most optimistic staffing expectations (33.3%)
- both purchase and selling prices would rise: the balances of responses were 95.9% and 69.9% respectively (compared to 85.9% and 67.9% respectively in Q4 2024) (Figure 6). Respondents from trading and from manufacturing companies reported the strongest expectations of a rise in selling prices (the balances of responses were 100.0% and 90.9% respectively). Respondents referred to high raw material and supplies prices, energy prices, and wage costs as the main selling price drivers (Figure 7).
- per-unit production costs would rise: the balance of responses was 77.8%, compared to 73.7% in Q4 2024. Respondents also expected stronger growth in wage costs per staff member: the balance of responses was 60.3% (compared to 50.6% in the previous quarter) (Figures 4 and 6).

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

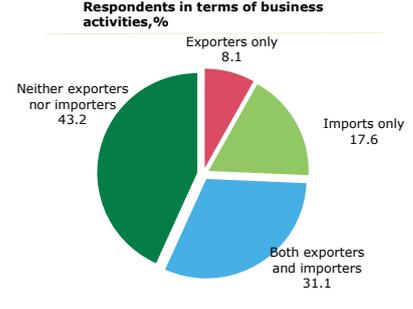
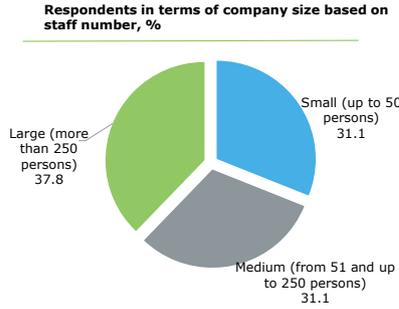
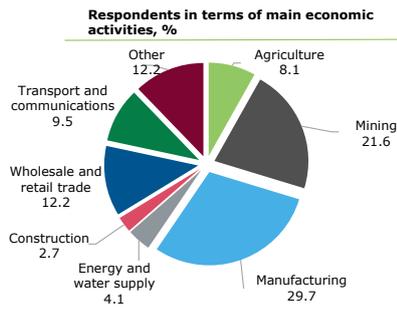
Respondents reported somewhat stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The companies that planned to take out corporate loans (24.7%) usually opted for domestic currency loans. Respondents said that lending conditions had tightened (Figure 9). Respondents referred to high loan rates, the availability of other funding sources and collateral requirements as the main factors deterring them from taking out loans (Figure 10).

97.3% of the respondents said that 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)

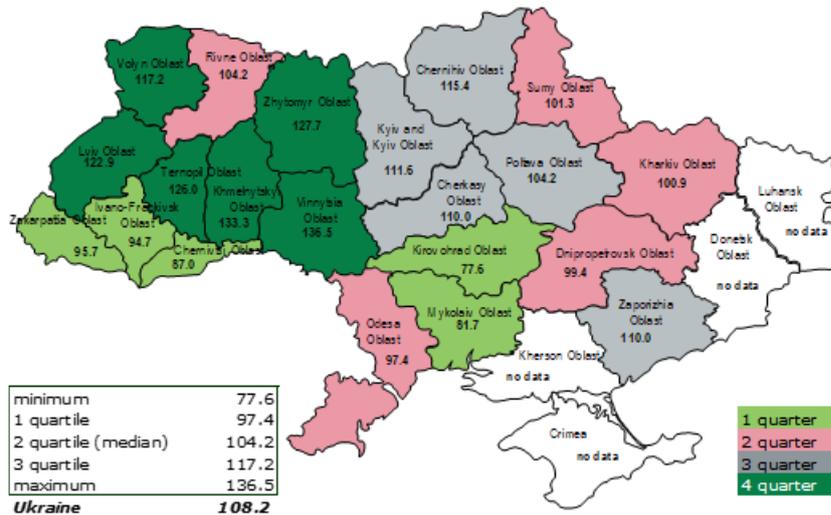
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-19.2%), compared to (-30.4%) in Q4 2024 and (-3.4%) across Ukraine.
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-25.6%), down from (-19.0%) in Q4 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 18.3%, down from 36.0% in Q4 2024.

Survey Details<sup>1 2</sup>



- Period: 3 February through 27 February 2025.
- A total of 74 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 Oblasts<sup>3</sup>, %



<sup>1</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>2</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 Dnipropetrovsk Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Financial and economic standings	0.0	-3.9	-11.1	-8.9	-1.4
Total sales	7.8	5.2	-6.4	-3.8	5.5
Investment in construction	-2.9	-12.2	-6.8	-9.3	-5.8
Investment in machinery, equipment, and tools	4.1	-5.3	-1.3	2.6	1.4
Staff numbers	-7.7	-5.2	-13.8	-11.5	-2.8

<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

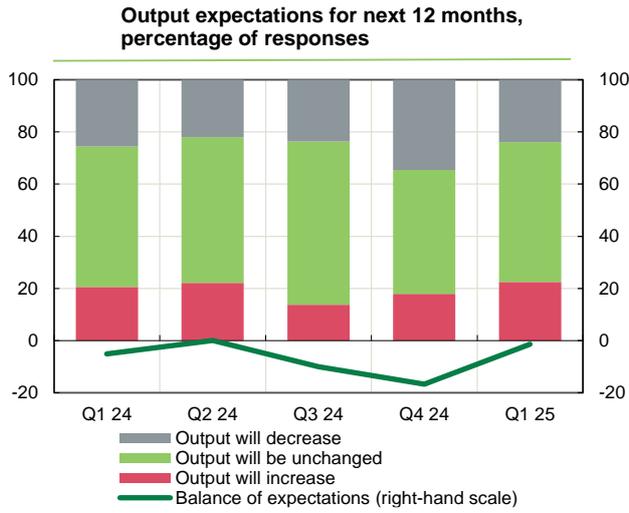


Figure 2

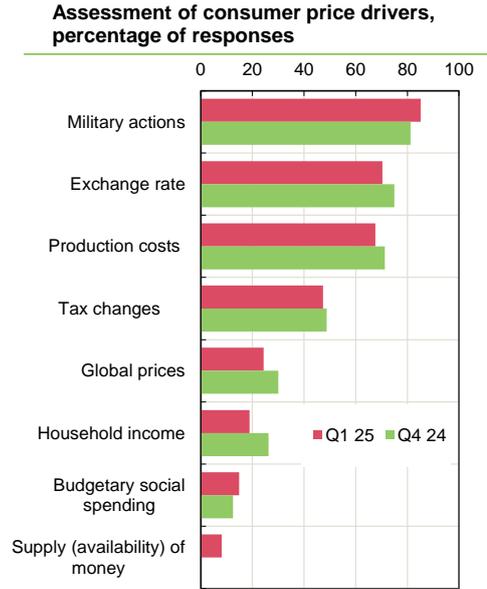


Figure 3

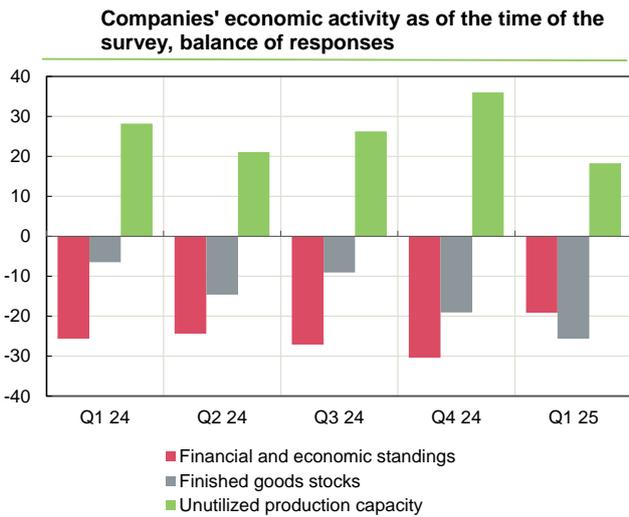


Figure 4

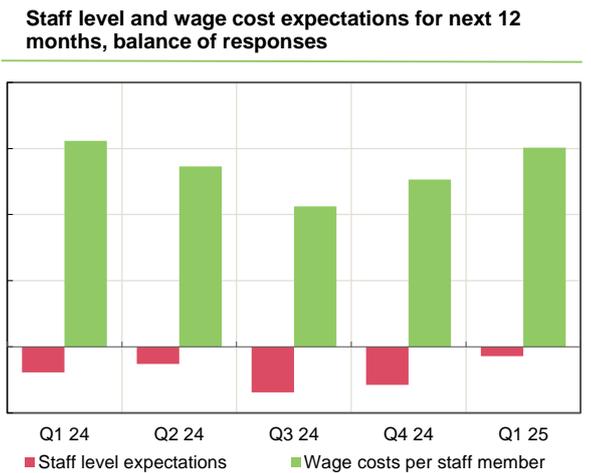


Figure 5

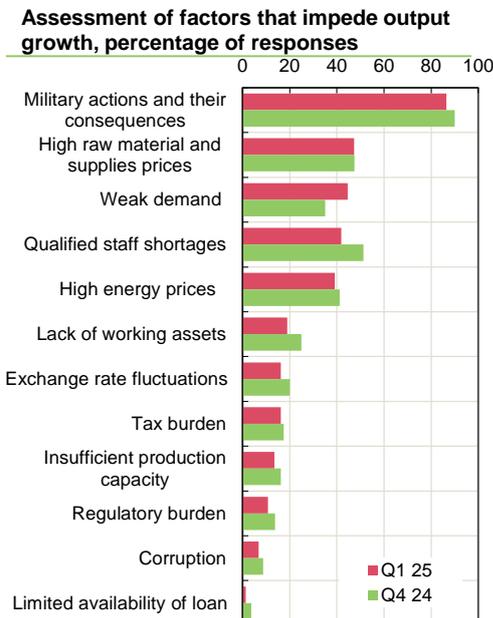


Figure 6

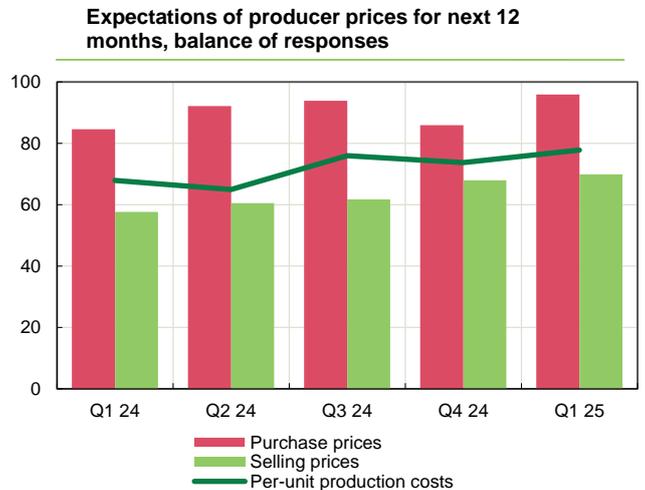


Figure 7

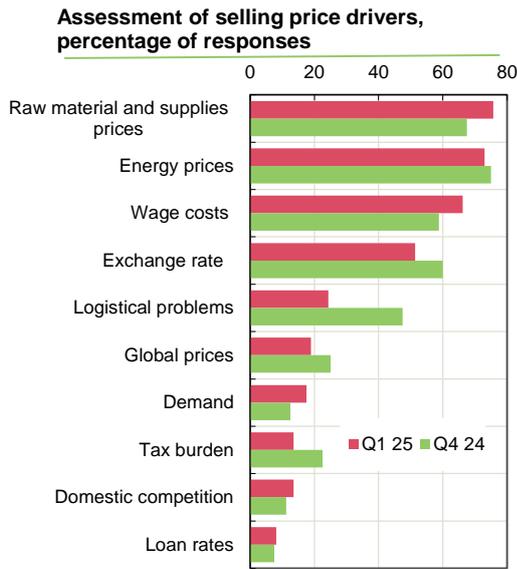


Figure 8

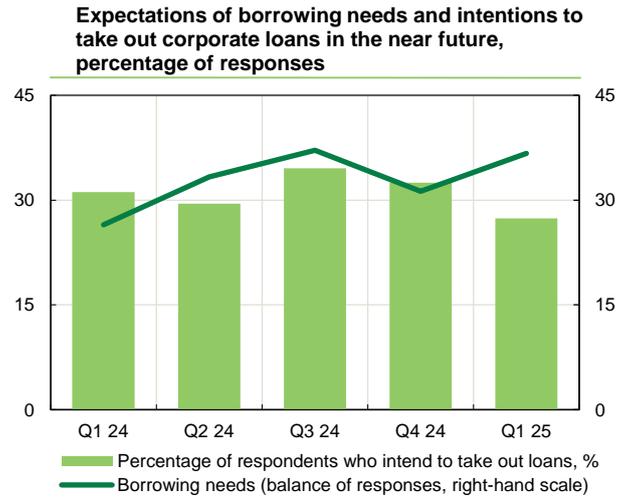


Figure 9

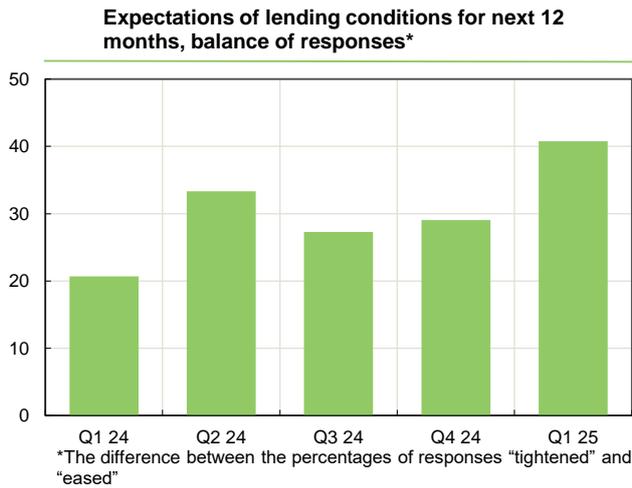


Figure 10

