



National Bank
of Ukraine

Business Outlook Survey of Zaporizhzhia Oblast*

Q3 2024



*This survey only reflects the opinions of respondents in Zaporizhzhia 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 **Zaporizhzhia oblast** in Q3 2024 showed that, despite the war, high raw material and supplies and energy prices, respondents **expected that the output of Ukrainian goods and services would increase** over the next 12 months. They also **reported positive expectations for the performance of their companies** over the same period. Prices were expected to increase more quickly. Depreciation expectations remained strong.

The top managers of companies 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 63.2% (among the firmest expectations across the regions) (compared to 15.8% in the previous quarter) (Figure 1). Overall, across Ukraine, the balance of responses was 3.7%
- prices for consumer goods and services would rise more quickly: 78.9% of respondents expected that the inflation rate would not exceed 10.0% (compared to 89.5% in the previous quarter and 54.5% 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: 94.1% of respondents expected the hryvnia to weaken against the US dollar, compared to 100.0% in Q2 2024 and 88.5% across Ukraine
- **the financial and economic standings of their companies would improve:** the balance of expectations was 26.3%, up from (-5.3%) in the previous quarter. Overall, across Ukraine, the balance of responses was (-0.9%) (see Table)
- **total sales and external sales would increase at a faster pace:** the balances of responses were 31.6% and 50.0% respectively (compared to 11.8% and 28.6% in the previous quarter) (see Table). Overall, across Ukraine, the balances of responses were 10.5% and 11.2% respectively
- **investment in construction and in machinery, equipment, and tools would increase:** the balances of responses were 21.4% and 35.7% respectively, compared to (-25.0%) and (-6.3%) respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were (-3.2%) and 7.5% respectively
- staff numbers at their companies would decrease: the balance of responses was (-10.5%) (compared to 0.0% in Q2 2024) (Figure 4). Across Ukraine, the balance of responses was (-10.9%)
- purchase and selling prices would increase: the balances of responses were 94.7% and 63.2% respectively, compared to 88.9% and 63.2% in the previous quarter (Figure 6). Raw material and supplies prices, energy prices, wage costs and the hryvnia exchange rate were cited as the main selling price drivers (Figure 7)
- per-unit production costs would grow: the balance of responses was 78.9%, compared to 73.7% in the previous quarter. Respondents expected that wage costs per staff member would rise more slowly: the balance of responses was 42.1%, compared to 52.6% in Q2 2024 (Figures 4 and 6).

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

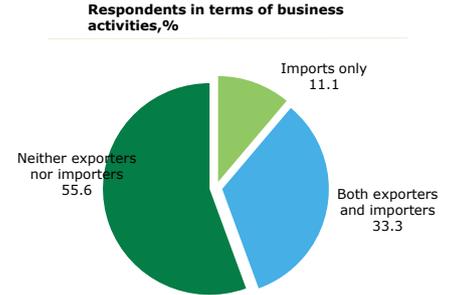
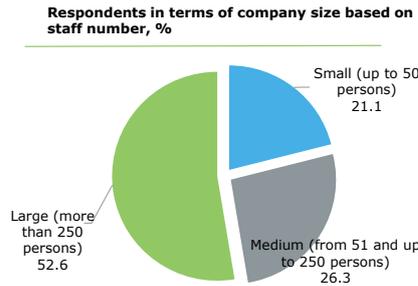
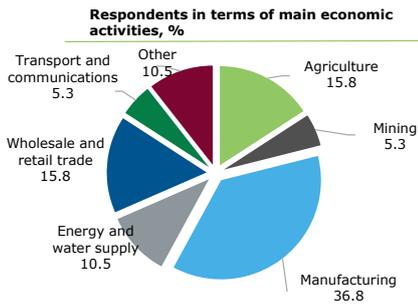
Respondents expected that their borrowing needs would increase more slowly in the near future (Figure 8). The companies that planned to take out bank loans (42.1% of those surveyed) opted mostly for domestic currency loans. Respondents improved their expectations for lending conditions, but still described these conditions as tight (Figure 9). Companies cited the availability of other funding sources, high interest rates and collateral requirements as the main factors deterring them from taking out loans (Figure 10).

89.5% 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)

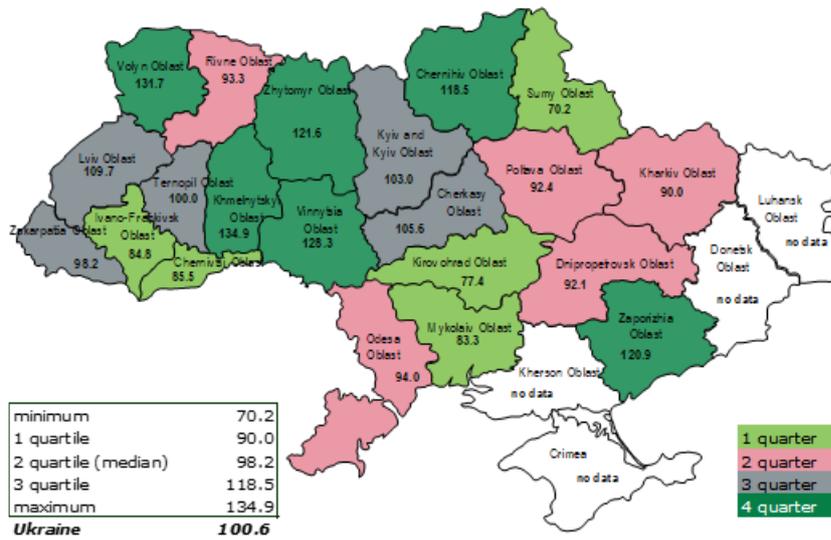
- Respondents assessed their current financial and economic standings as bad: the balance of responses was (-36.8%) (among the dimmest figures across the regions), as in the previous quarter. Across Ukraine, the balance of responses was (-6.0%).
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-33.3%) (compared to (-27.3%) in Q2 2024).
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 10.5%, compared to 11.1% in the previous quarter.

Survey Details^{1,2}



- Period: 1 August through 29 August 2024.
- A total of 19 companies were polled.
- A representative sample was generated on the basis of the manufacturing industry.

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 Zaporizhzhia 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	5.6	-15.0	0.0	-5.3	26.3
Total sales	22.2	0.0	0.0	11.8	31.6
Investment in construction	-7.1	-16.7	-13.3	-25.0	21.4
Investment in machinery, equipment, and tools	28.6	5.6	0.0	-6.3	35.7
Staff numbers	-16.7	-15.0	-16.7	0.0	-10.5

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

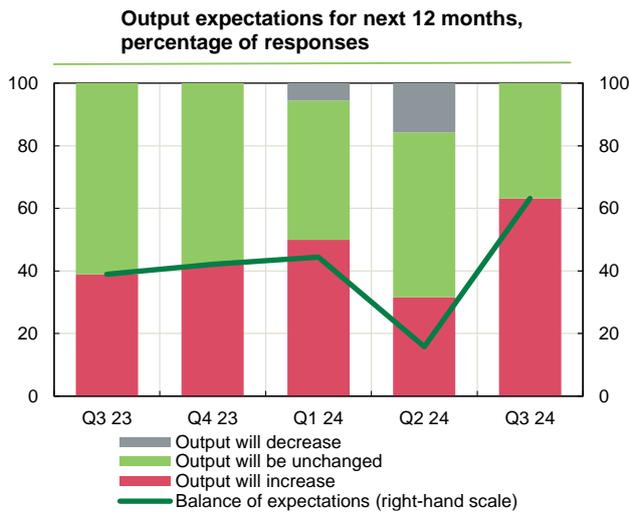


Figure 2

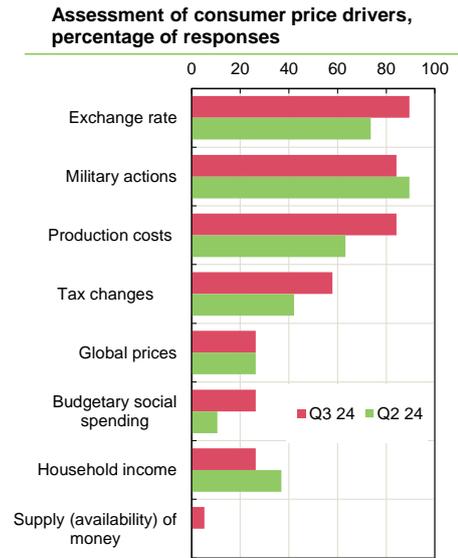


Figure 3

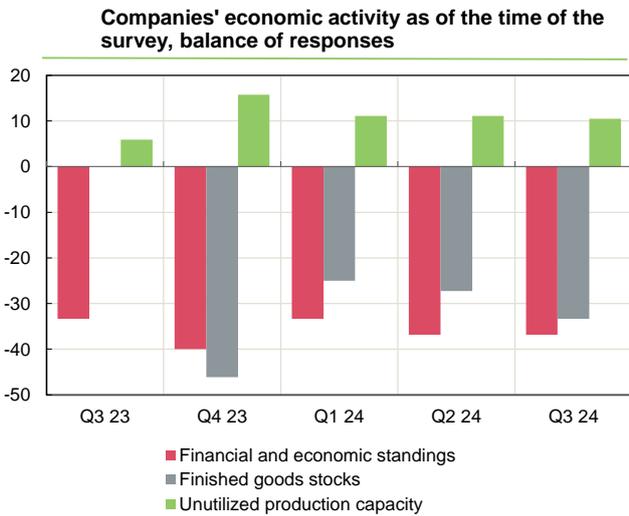


Figure 4

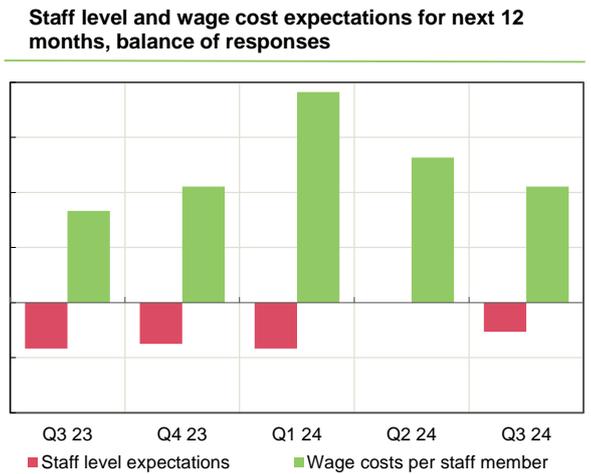


Figure 5



Figure 6

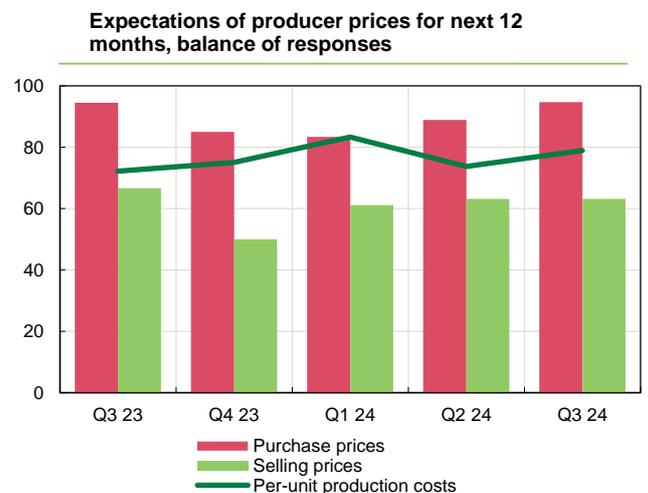


Figure 7

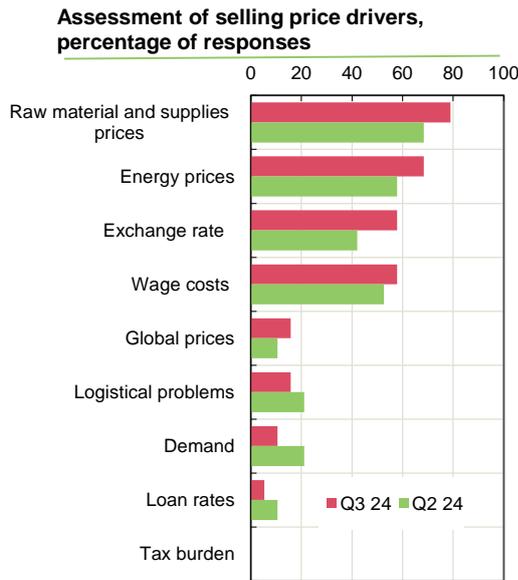


Figure 8

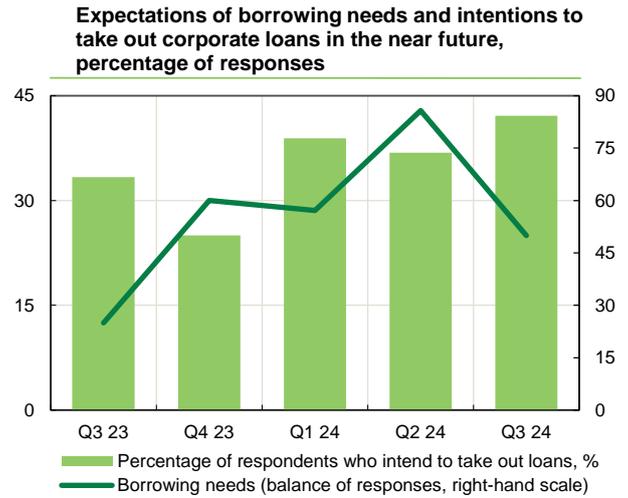


Figure 9

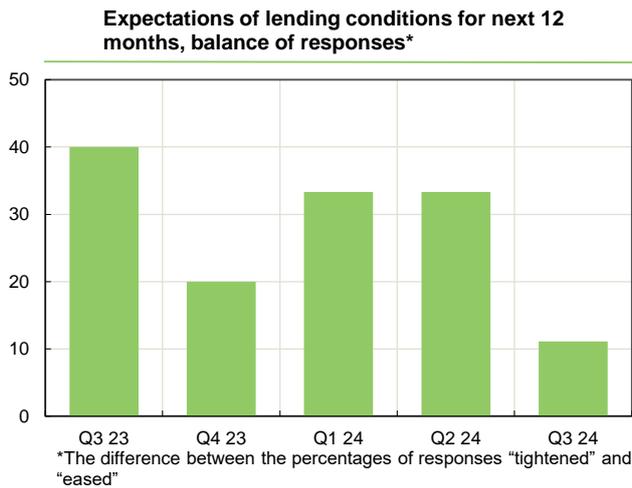


Figure 10

