



National Bank  
of Ukraine

# Business Outlook Survey of Mykolaiv Oblast\*

Q1 2025



\*This survey only reflects the opinions of respondents in Mykolaiv 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 **Mykolaiv oblast** in Q1 2025 showed that, on the back of the war, qualified staff shortages and the tax burden, respondents had guarded expectations for the output of Ukrainian goods and services. Respondents also downgraded their expectations for the performance of their companies over the next 12 months. Inflation was expected to accelerate. Depreciation expectations had weakened somewhat, but still remained strong.

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

- the output of Ukrainian goods and services would remain unchanged: the balance of expectations was 0.0%, compared to (-20.0%) in Q4 2024 (Figure 1) and 15.6% overall, across Ukraine
- prices for consumer goods and services would rise at a faster pace: 71.4% of respondents (compared to 60.0% in Q4 2024) expected the inflation rate to be higher than 10.0%, the figure across Ukraine being 60.3%. Respondents referred to military actions, production costs and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate more gradually: 92.9% of respondents (100.0% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 89.1%
- the financial and economic standings of their companies would deteriorate: the balance of expectations was (-14.3%), compared to 0.0% in Q4 2024 (see Table) and 4.7% across Ukraine
- total sales would increase: the balance of responses was 14.3%, up from 6.7% in the previous quarter. At the same time respondents expected that external sales would drop: the balance of responses was (-20.0%), as in Q4 2024 (see Table). The balances of responses across Ukraine were 20.7% and 19.5% respectively
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-41.7%) and (-14.3%) respectively, compared to (-46.2%) and (-20.0%) in Q4 2024 (see Table). Across Ukraine, the balances of responses were 20.7% and 19.5% respectively
- staff numbers at their companies would decrease at a noticeably faster pace: the balance of responses was (-35.7%) (these were the dimmest expectations across the regions), down from (-13.3%) in Q4 2024 (Figure 4). Overall, across Ukraine the balance of responses was (-0.6%)
- purchase and selling prices would rise at a fast pace: the balances of responses were 92.3% and 92.9%, compared to 100.0% and 87.5% in the previous quarter (Figure 6). High energy prices, raw material and supplies prices and the hryvnia exchange rate were cited as the main selling price drivers. The impact of global prices and the tax burden was reported to have increased compared to the previous survey (Figure 7)
- per-unit production costs and wage costs per staff member would grow: the balances of responses were 69.2% and 30.8% respectively, compared to 76.9% and 40.0% respectively in Q4 2024 (Figure 4, 6).

Respondents referred to military actions and their consequences (mentioned by 92.9% of those surveyed), qualified staff shortages and the tax burden as the main drags on the ability of their companies to boost production. The impact of hryvnia exchange rate fluctuations and the regulatory burden was reported to have increased compared to the previous quarter (Figure 5).

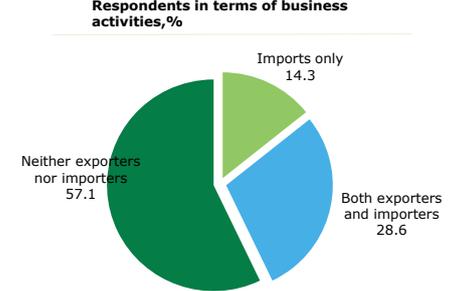
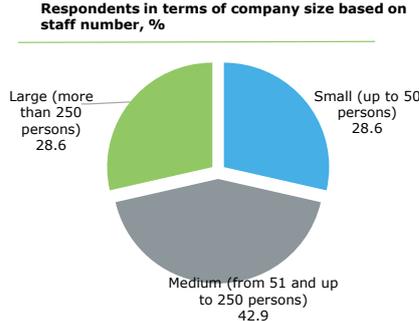
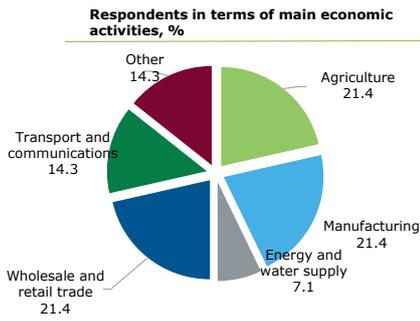
Respondents said that their borrowing needs would increase significantly in the near future (Figure 8). The respondents who planned to take out bank loans (50.0% of those surveyed) usually opted for domestic currency loans. Respondents improved their assessments of lending conditions, but still described these conditions as tight (Figure 9). High loan rates, collateral requirements, the availability of other funding sources and complicated paperwork (the impact of this factor was reported to have increased significantly compared to the previous quarter) were cited as the major factors deterring companies 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 (96.6% across Ukraine).

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

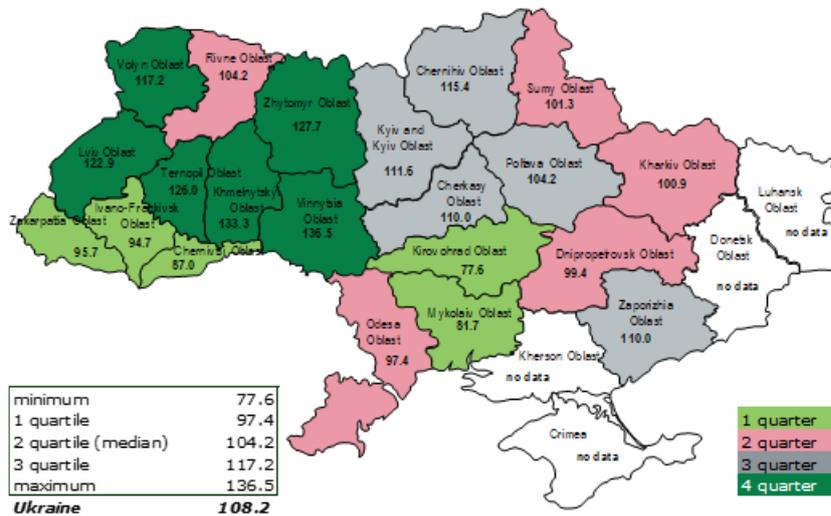
- Companies assessed their current financial and economic standings as satisfactory: the balance of responses was 0.0%, compared to (-6.7%) in the previous quarter, the figure across Ukraine being (-3.4%).
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-11.1%), up from (-20.0%) in Q4 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 14.3%, compared to 20.0% in the previous quarter.

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



- Period: 3 February through 27 February 2025.
- A total of 14 companies were polled.
- No economic activity was able to generate a representative sample.

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



<sup>3</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>\*\*</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 Mykolaiv 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	12.5	-6.3	-6.3	0.0	-14.3
Total sales	6.3	-18.8	0.0	6.7	14.3
Investment in construction	-37.5	-25.0	-33.3	-46.2	-41.7
Investment in machinery, equipment, and tools	0.0	-25.0	-25.0	-20.0	-14.3
Staff numbers	-6.3	-33.3	-18.8	-13.3	-35.7

<sup>1</sup> This sample was generated in proportion to the contribution of each region 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

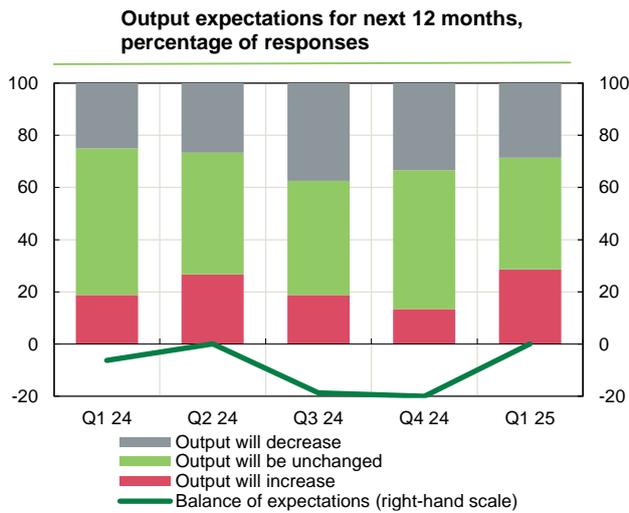


Figure 2

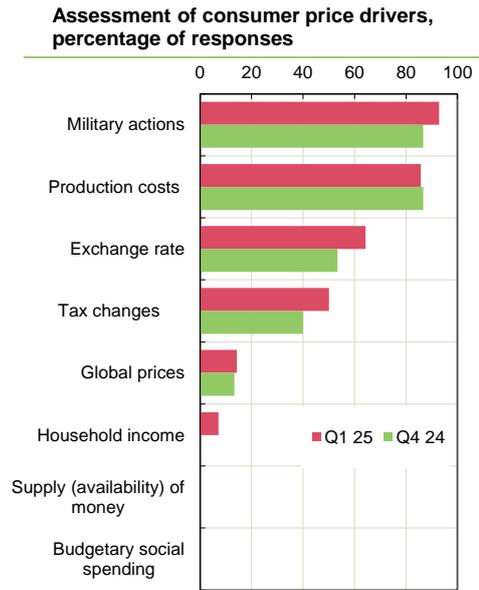


Figure 3

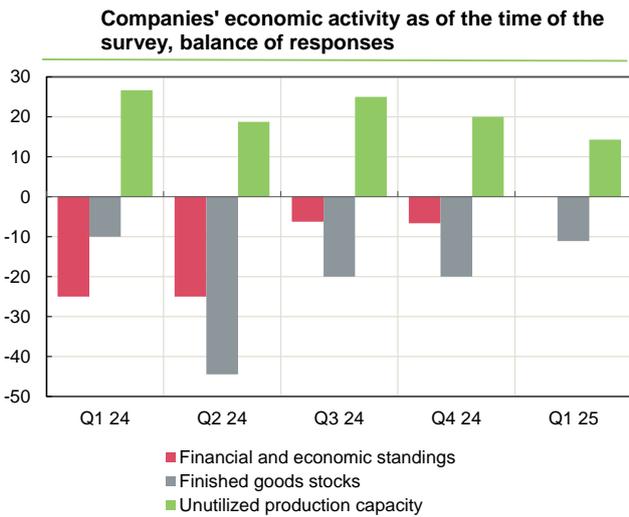


Figure 4

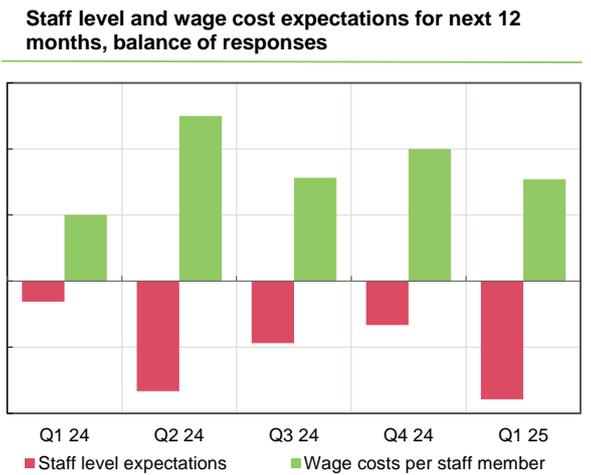


Figure 5



Figure 6

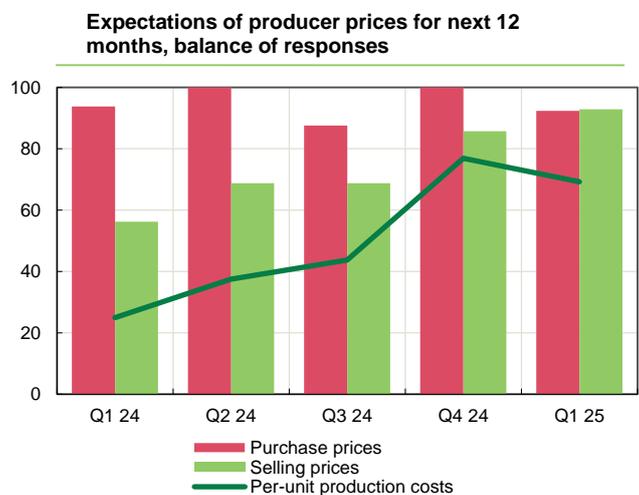


Figure 7

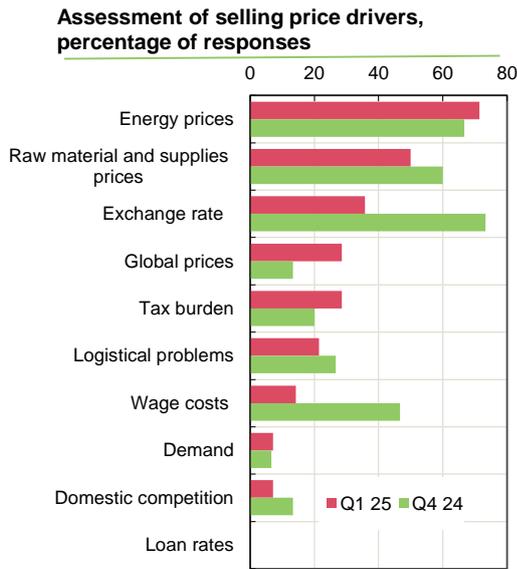


Figure 8

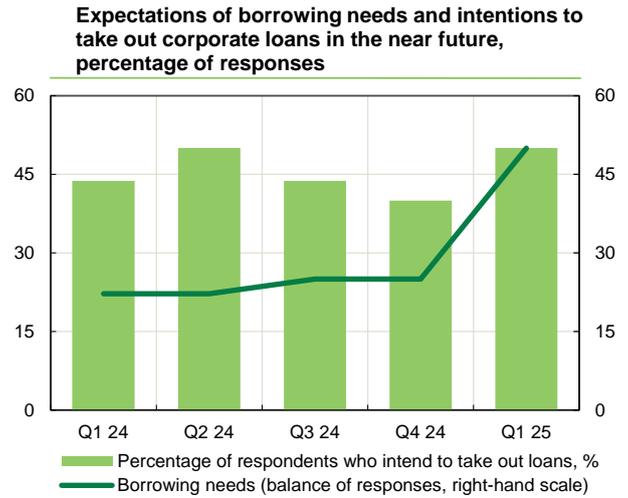


Figure 9

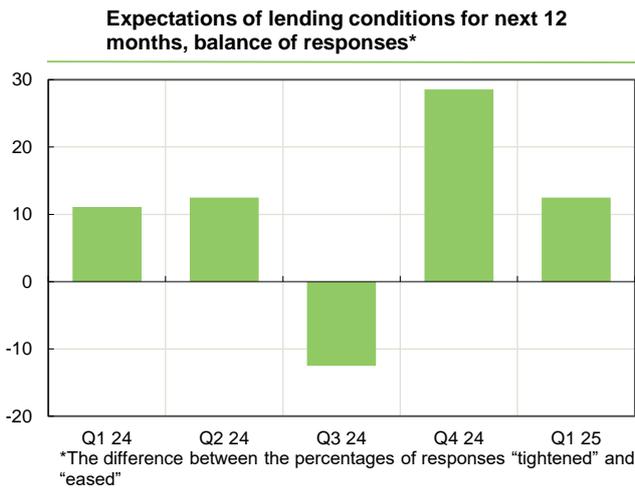


Figure 10

