



National Bank  
of Ukraine

# Business Outlook Survey of Odesa Oblast \*

Q3 2024



\*This survey only reflects the opinions of respondents in Odesa 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 **Odesa oblast** in Q3 2024 showed that, on the back of the war, qualified staff shortages and weak demand, respondents downgraded their expectations for the output of Ukrainian goods and services and for the performance of their companies over the next 12 months. Inflation was expected to accelerate. Depreciation expectations strengthened.

#### Company managers said they expected that over the next 12 months:

- the output of Ukrainian goods and services would decrease at a slower pace: the balance of expectations was (-2.7%), compared to (-10.5%) in Q2 2024 (Figure 1). Overall, across Ukraine output was expected to rise: the balance of responses was 3.7%. Respondents from transport and communications companies reported the most optimistic expectations (20.0%), while the dimmest expectations were reported by trading companies (-28.6%)
- prices for consumer goods and services would rise: 51.4% of respondents said that price growth would not exceed 10.0%, compared to 72.7% in the previous quarter and 54.5% across Ukraine. Respondents continued to refer to military actions (mentioned by 91.9% of those surveyed), the hryvnia exchange rate and production costs as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 83.8% of respondents (compared to 77.8% 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 deteriorate: the balance of expectations was (-13.3%), compared to 0.0% in the previous quarter and (-0.9%) across Ukraine (see Table). The gloomiest expectations were reported by respondents from trading companies (the balance of responses was (-42.9%))
- total sales would decrease: the balance of responses was (-13.5%), down from 0.0% in the previous quarter (see Table). Meanwhile, external sales were expected to rise: the balance of responses was 6.7%, down from 11.0%. 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 15.5% and 10.8% respectively, compared to (-5.4%) and (-2.6%) in Q2 2024 (see Table). Across Ukraine, the balances of responses were (-3.2%) and 7.5% respectively
- staff numbers would decrease: the balance of responses was (-27.0%) (among the dimmest expectations across the regions), compared to (-31.6%) in Q2 2024. Overall, across Ukraine, the balance of responses was (-10.9%) (Figure 4)
- purchase and selling prices would rise at a faster pace: the balances of responses were 97.3% and 64.9% respectively (compared to 84.2% and 42.1% respectively in Q2 2024) (Figure 6). Respondents from manufacturing and trading companies reported the firmest intentions to raise their selling prices (100.0% for each). Respondents said that energy prices, raw material and supplies prices and the hryvnia exchange rate were the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow: the balances of responses were 58.3% and 37.8% respectively, compared to 55.3% and 39.5% in Q2 2024 (Figures 4 and 6).

As in the previous quarter, companies named military actions and their consequences, qualified staff shortages and weak demand as the main drags on their ability to boost production (Figure 5).

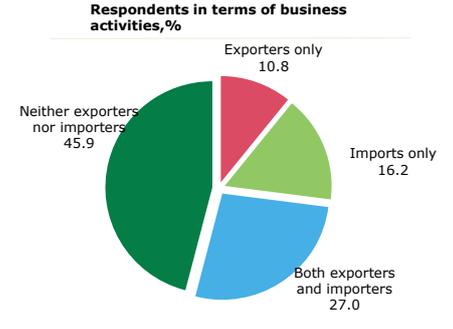
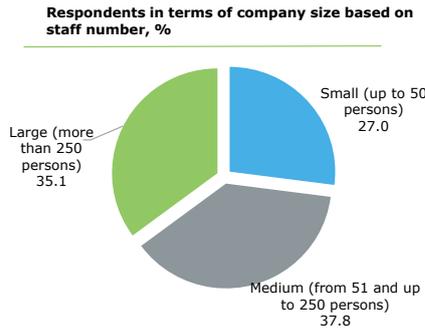
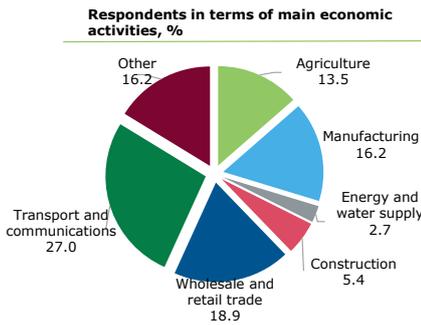
Respondents expected that their borrowing needs would increase more slowly in the near future (Figure 8). The respondents who planned to take out bank loans (29.7% of those surveyed) usually opted for domestic currency loans. Respondents said that bank lending standards had remained tight (Figure 9). Respondents also referred to high interest rates and collateral requirements and complicated paperwork as the main factors deterring them from taking out loans (Figure 10).

94.6% of the respondents in the oblast 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)

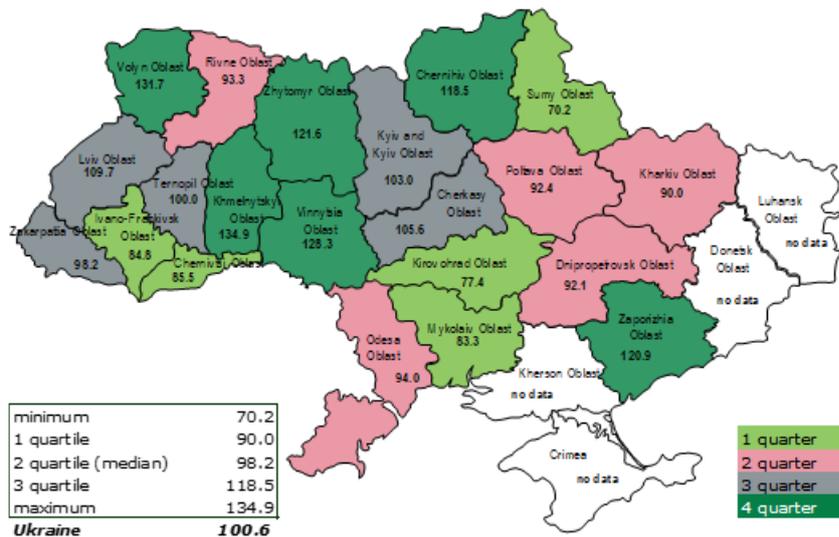
- Companies assessed their current financial and economic standings as satisfactory: the balance of responses was 0.0%, compared to 5.4% in Q2 2024 and (-6.0%) across Ukraine.
- Finished goods stocks were assessed at below their normal levels: the balance of responses was (-25.0%), up from (-38.5%) in Q2 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 21.6%, compared to 23.7% in Q2 2024.

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



- Period: 31 July through 27 August 2024.
- A total of 37 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture, manufacturing, trade, transport and communications, and other economic activities.

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>3</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 Odessa 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	5.1	2.6	7.9	0.0	-13.9
Total sales	-2.6	-18.4	5.3	0.0	-13.5
Investment in construction	-2.7	-5.4	-2.7	-5.4	13.5
Investment in machinery, equipment, and tools	10.5	-2.7	7.9	-2.6	10.8
Staff numbers	-10.3	-21.1	-10.5	-31.6	-27.0

<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

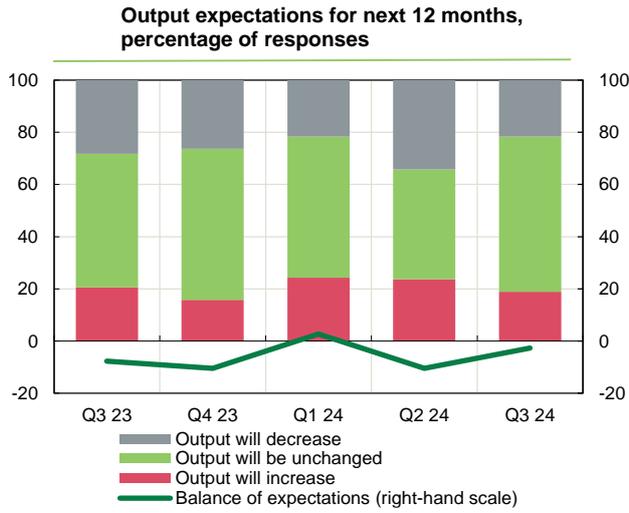


Figure 2

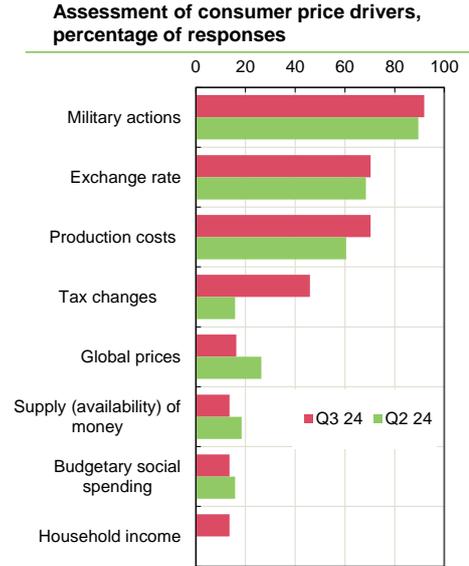


Figure 3

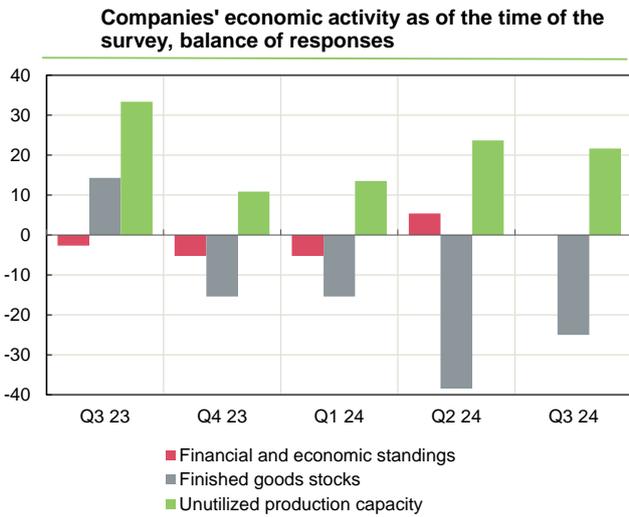


Figure 4



Figure 5

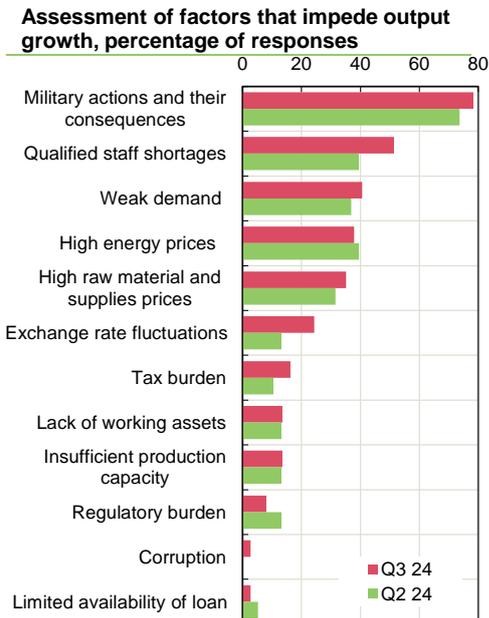


Figure 6

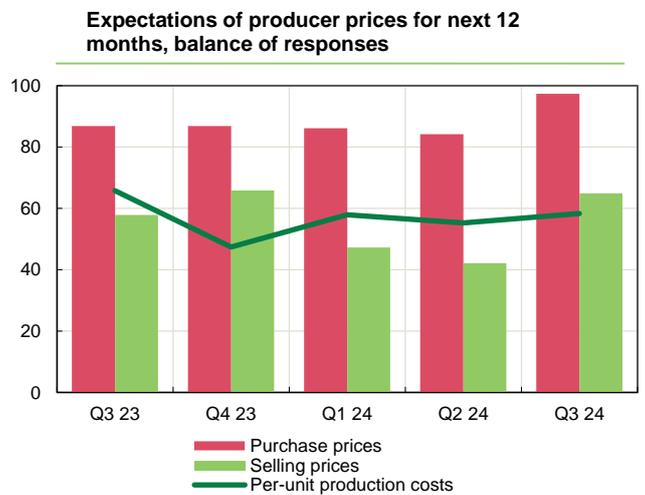


Figure 7

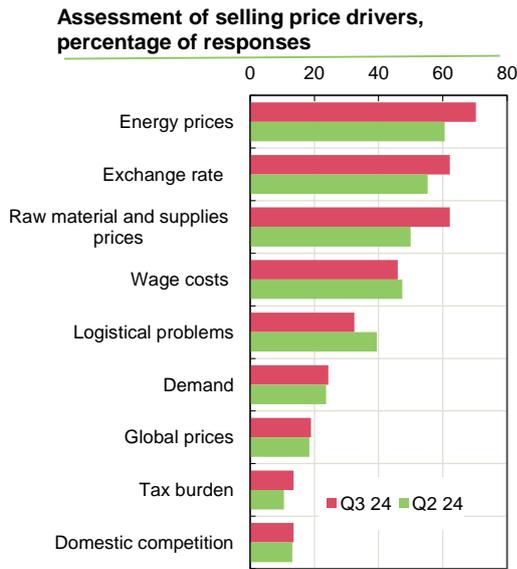


Figure 8

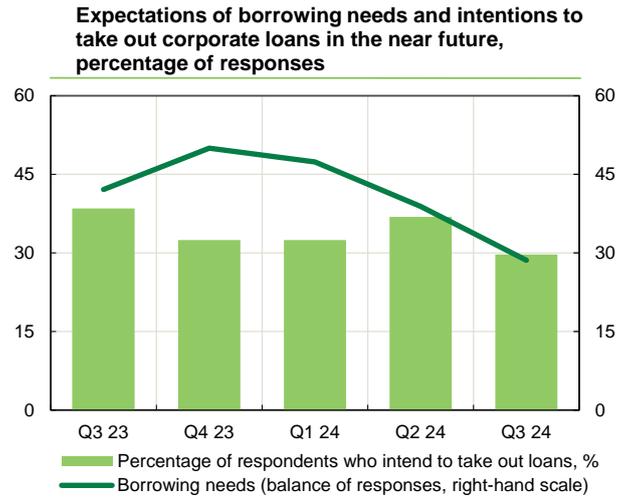


Figure 9

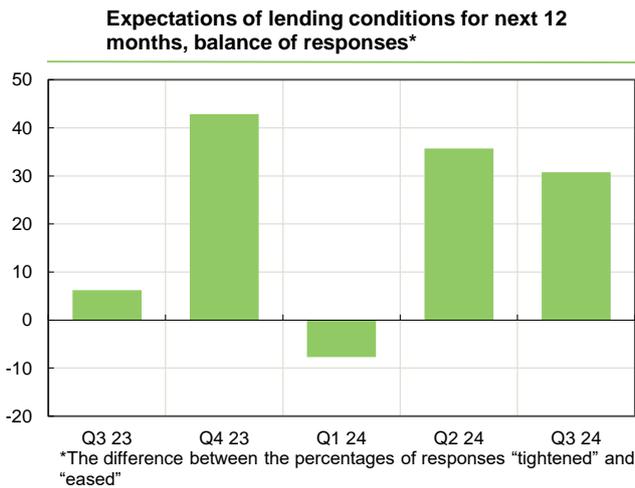


Figure 10

