



National Bank
of Ukraine

Business Outlook Survey of Rivne Oblast*

Q1 2025



*This survey only reflects the opinions of respondents in Rivne 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 **Rivne oblast** in Q1 2025 showed that despite the war, qualified staff shortages and high energy prices, respondents **expected growth in the output of Ukrainian goods and services**, they also had **optimistic expectations for the performance of their companies** over the next 12 months. Prices were expected to rise further. Depreciation expectations weakened.

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

- **the output of Ukrainian goods and services would increase at a faster pace:** the balance of expectations was 28.6%, up from 16.7% in Q4 2024 (Figure 1). Across Ukraine, the balance of responses was 15.6%
- **prices for consumer goods and services would rise:** 50.0% of respondents expected the inflation rate to be higher than 10.0%, as in the previous quarter, and compared to 60.3% across Ukraine. Respondents referred to military actions, production costs, and tax changes as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate more slowly:** 78.6% of respondents (compared to 100.0% in the previous quarter) expected the hryvnia to weaken against the US dollar, with the figure across Ukraine being 89.1%
- **the financial and economic standings of their companies would improve:** the balance of expectations was 7.1%, up from 0.0% in Q4 2024. The figure across Ukraine was 4.7% (see Table)
- **total sales, including external sales, would rise:** the balances of responses were 14.3% and 40.0% respectively, compared to 25.0% and 0.0% in the previous quarter (see Table). Overall, across Ukraine the balances of responses were 20.7% and 19.5% respectively
- **investment in construction and in machinery, equipment, and tools would decrease:** the balances of responses were (-7.7%) and 0.0%, compared to 16.7% for each in the previous quarter (see Table). Across Ukraine, the balances of responses were 2.7% and 13.4% respectively
- **staff numbers would increase:** the balance of responses was 7.1%, compared to 0.0% in the previous quarter and (-0.6%) across Ukraine (Figure 4)
- **purchase and selling prices would rise more slowly:** the balances of responses were 71.4% and 50.0% respectively (compared to 100.0% and 66.7% respectively in Q4 2024) (Figure 6). Energy prices, raw material and supplies prices, wage costs and the hryvnia exchange rate were cited as the main selling price drivers (Figure 7)
- **per-unit production costs and wage costs per staff member would rise:** the balances of responses were 50.0% and 23.1% respectively, compared to 50.0% for each in Q4 2024 (Figures 4 and 6).

Companies named military actions and their consequences, qualified staff shortages (the impact of this factor was reported to have increased), and high energy prices as the main drags on their ability to boost production. The impact of the tax burden and weak demand was reported to have increased compared to the previous survey (Figure 5).

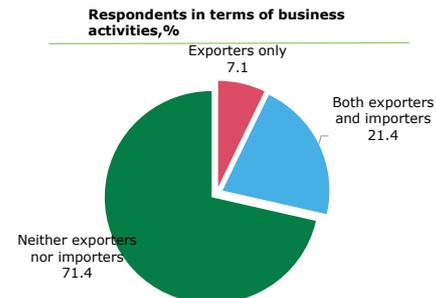
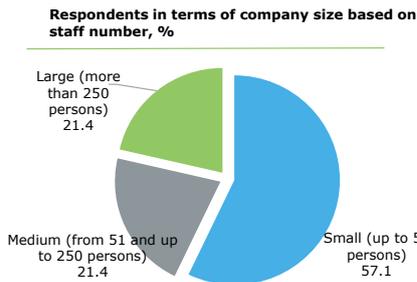
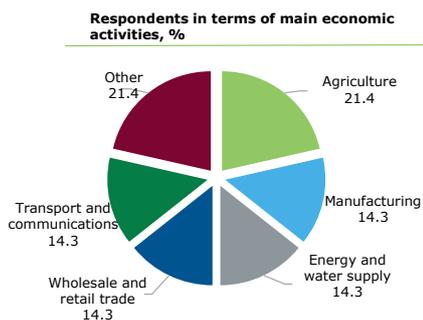
Respondents said their expectations of their borrowing needs in the near future had increased (Figure 8). The companies that planned to take out bank loans only opted for domestic currency loans. Respondents referred to the availability of other funding sources, high loan rates (the impact of this factor was reported to have increased), and collateral requirements as the main factors deterring them from taking out loans (Figure 9).

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)

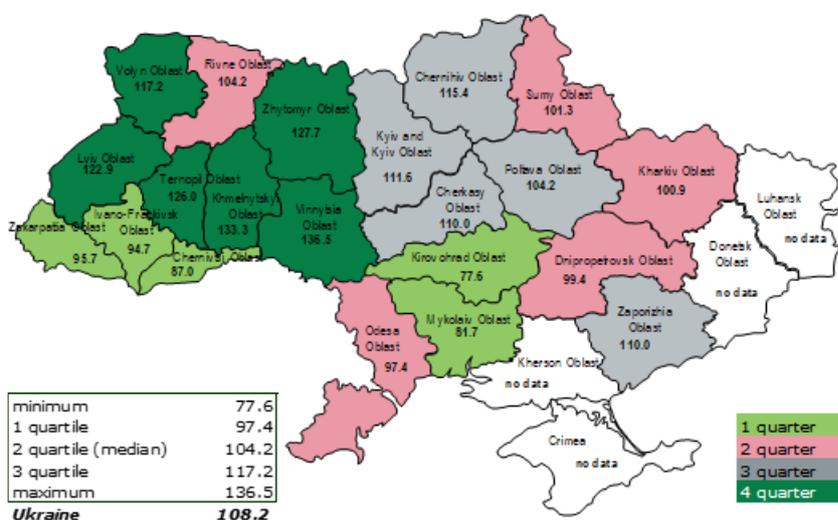
- **Companies assessed their current financial and economic standings as bad:** the balance of responses was (-7.1%), compared to (-8.3%) in Q4 2024. Overall, across Ukraine, the balance of responses was (-3.4%).
- **Finished goods stocks had decreased and were assessed at lower than normal levels:** the balance of responses was (-50.0%), compared to 0.0% in the previous quarter.
- **Companies had a sufficient amount of production capacity to meet any unexpected rise in demand:** the balance of responses was 7.1%, compared to (-16.7%) in Q4 2024.

Survey Details^{1,2}



- Period: 5 February through 26 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 Oblasts³, %



³a 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 Rivne 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	16.7	8.3	-7.7	0.0	7.1
Total sales	8.3	0.0	0.0	25.0	14.3
Investment in construction	-8.3	-16.7	-16.7	16.7	-7.7
Investment in machinery, equipment, and tools	25.0	0.0	-16.7	16.7	0.0
Staff numbers	8.3	0.0	7.7	0.0	7.1

¹ This sample was generated in proportion to the contribution of each region 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 balances of respondents' responses regarding changes in the financial and economic standings of their companies and future economic activity.

Figure 1



Figure 2

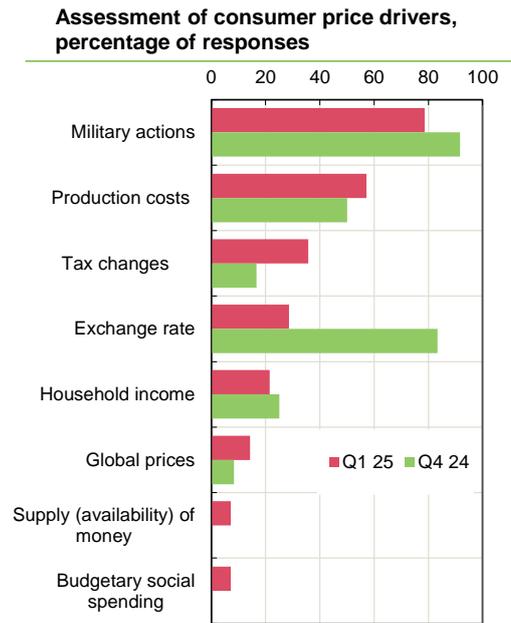


Figure 3

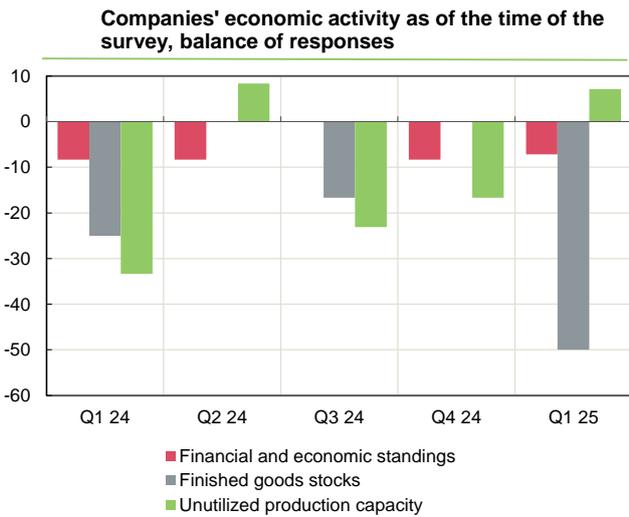


Figure 4

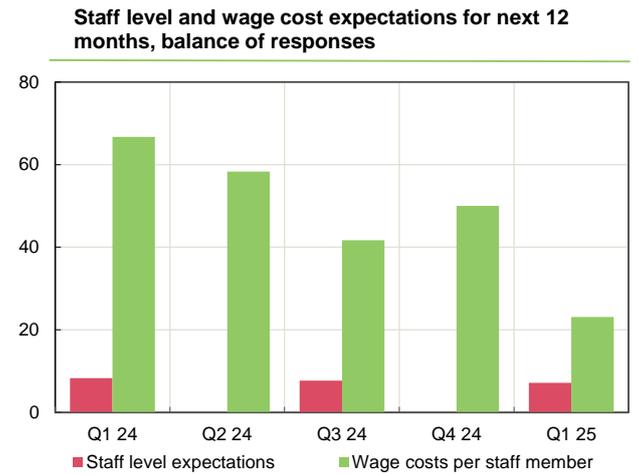


Figure 5

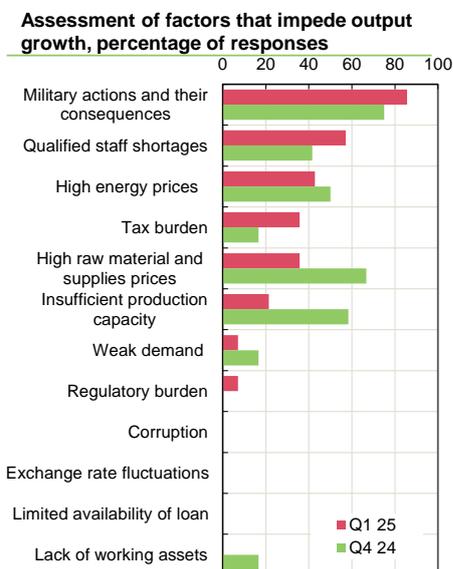


Figure 6

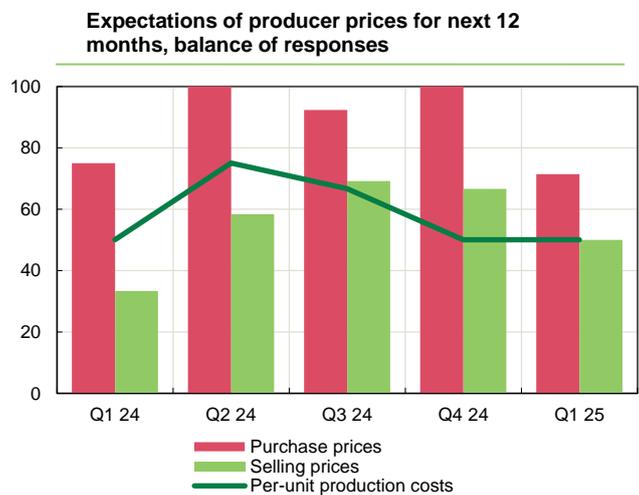


Figure 7

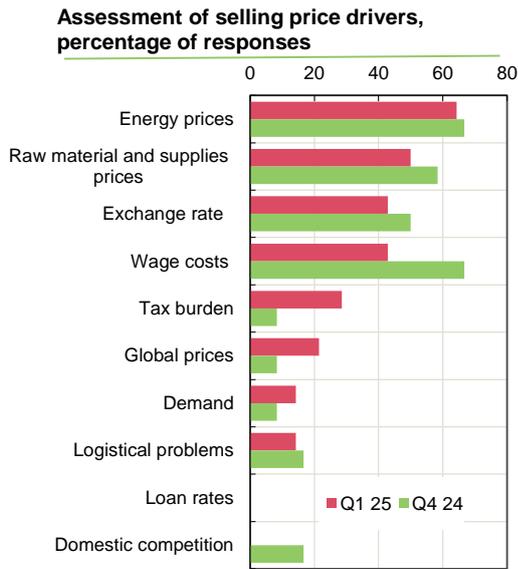


Figure 8

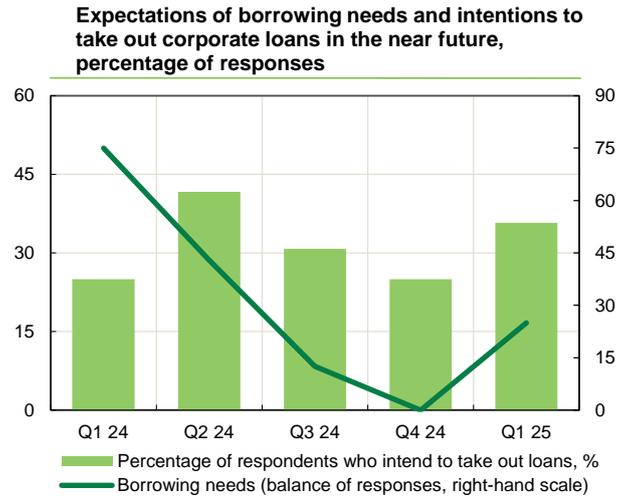


Figure 9

