



National Bank
of Ukraine

Business Outlook Survey of Ternopil Oblast*

Q1 2025



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

A survey carried out in **Ternopil oblast** in Q1 2025 showed that, despite the war, high prices for energy and raw materials and supplies, respondents **expected the output of Ukrainian goods and services to grow**. They had guarded expectations for the performance of their companies over the next 12 months. Respondents expected that prices for goods and services would rise. 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 grow**: the balance of expectations was 36.4% (compared to 0.0% in Q4 2024) and 15.6% overall across Ukraine (Figure 1)
- prices for goods and services would rise: 45.5% of respondents expected that the inflation rate would exceed 10.0%, as in the previous quarter, the figure across Ukraine being 60.3%. Respondents referred to production costs, military actions and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 81.8% of respondents (as in the previous quarter) expected the hryvnia to weaken against the U.S. dollar, the figure across Ukraine being 89.1%
- the financial and economic standings of their companies would remain unchanged: the balance of responses was 0.0%, as in the previous quarter. Overall, across Ukraine the balance of responses was 4.7% (see Table)
- **total sales and external sales would rise at a faster pace**: the balances of responses were 30.0% and 40.0% respectively, compared to 20.0% for each in Q4 2024 (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 rise more quickly**: the balances of responses were 50.0% for each, compared to 30.0% for each in the previous quarter (see Table). Across Ukraine, the balances of responses were 2.7% and 13.4% respectively
- staff numbers at their companies would remain unchanged: the balance of responses was 0.0% (compared to 9.1% in Q4 2024) (Figure 4). Across Ukraine, the balance of responses was (-0.6%)
- purchase and selling prices would rise: the balances of responses were 100.0% and 40.0%, compared to 72.7% and 60.0% in Q4 2024 (Figure 6). Raw material and supplies prices, energy prices and wage costs 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 60.0% and 63.6% respectively, compared to 50.0% and 60.0% respectively in Q4 2024 (Figures 4 and 6).

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

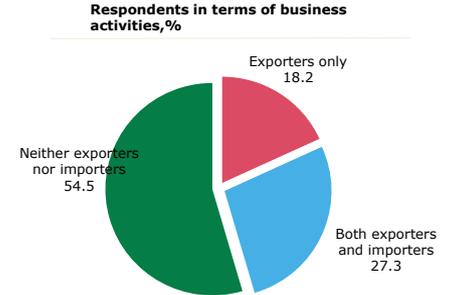
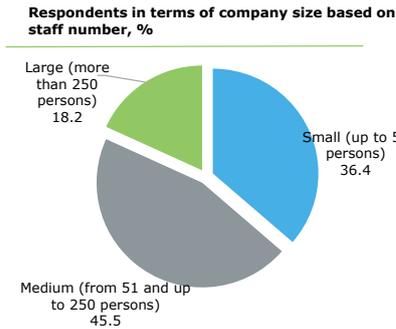
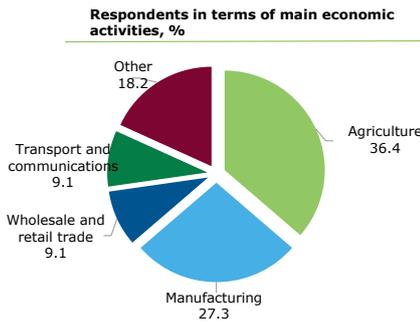
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). A total of 63.6% of respondents planned to take out bank loans, opting usually for domestic currency loans. Respondents said that bank lending standards had remained unchanged (Figure 9). Respondents referred to high interest rates, the availability of other funding sources (the impact of this factor was reported to have increased), collateral requirements and hryvnia exchange rate fluctuations as the main factors deterring them 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 good: the balance of responses was 27.3% (the firmest assessments across the regions), as in Q4 2024. Across Ukraine, the balance of responses was (-3.4%).
- Finished goods stocks were assessed as normal: the balance of responses was 0.0%, up from (-16.7%) in the previous quarter.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 20.0%, compared to 22.2% in Q4 2024.

Survey Details^{1,2}

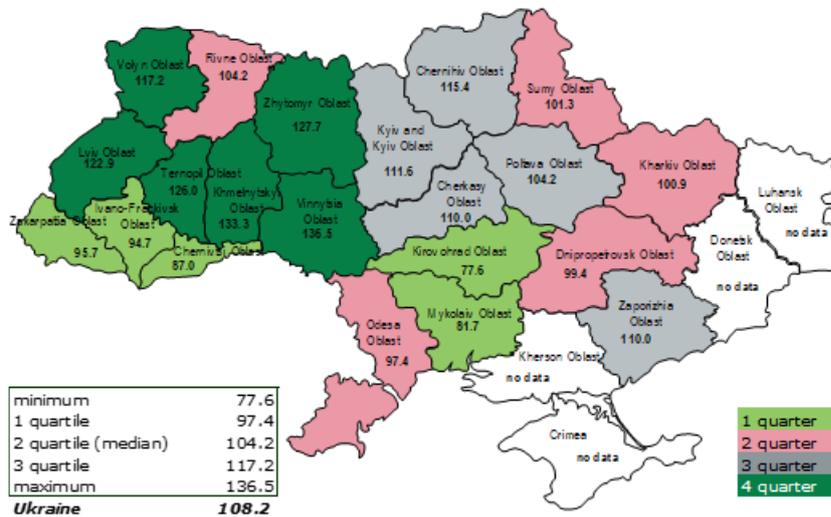


Period: 3 February through 26 February 2025.

A total of 11 companies were polled.

A representative sample was generated on the basis of the agricultural sector.

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 Ternopil 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	-10.0	30.0	-18.2	0.0	0.0
Total sales	0.0	44.4	0.0	20.0	30.0
Investment in construction	-10.0	11.1	9.1	30.0	50.0
Investment in machinery, equipment, and tools	-9.1	11.1	9.1	30.0	50.0
Staff numbers	9.1	-10.0	0.0	9.1	0.0

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 the balances of respondents' responses regarding changes in the financial and economic standings of their companies and future economic activity.

Figure 1

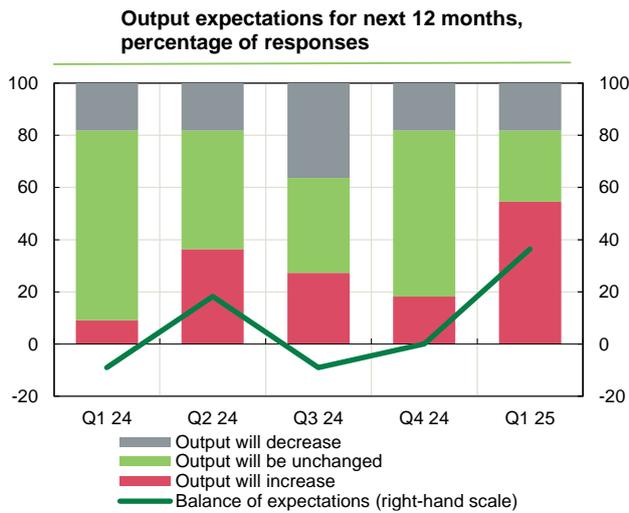


Figure 2

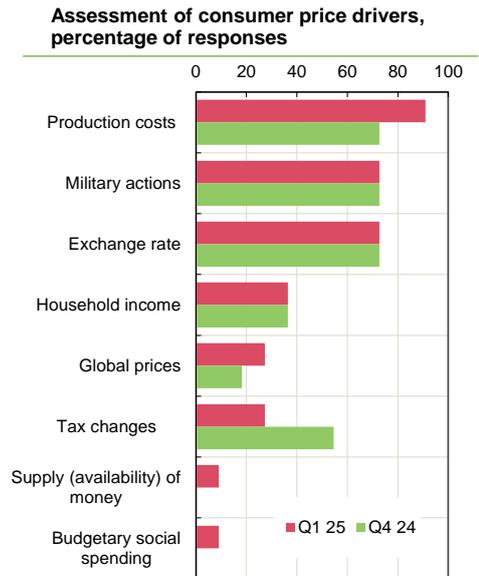


Figure 3

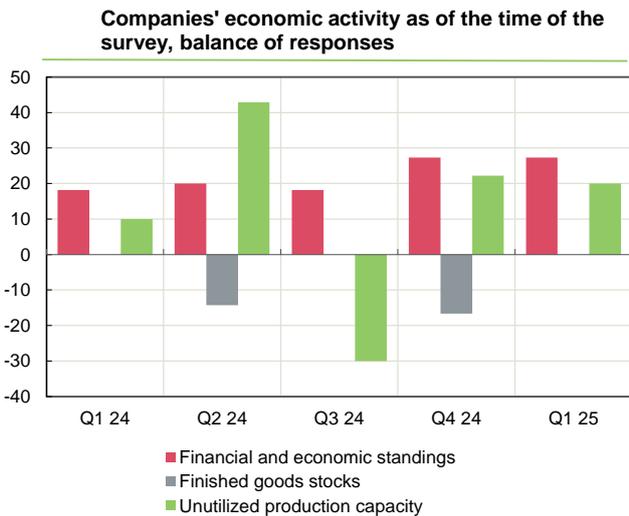


Figure 4

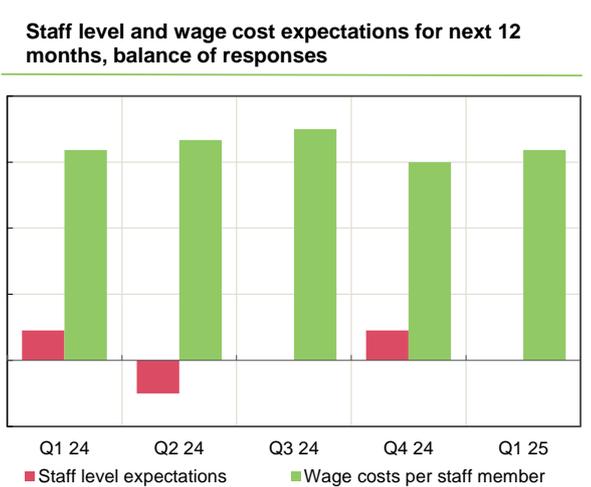


Figure 5

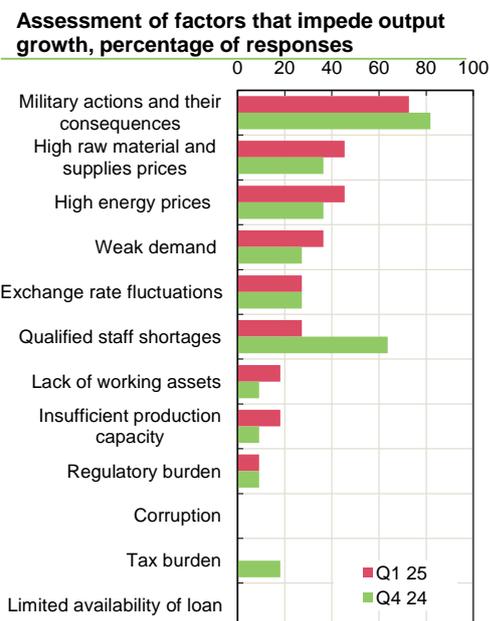


Figure 6

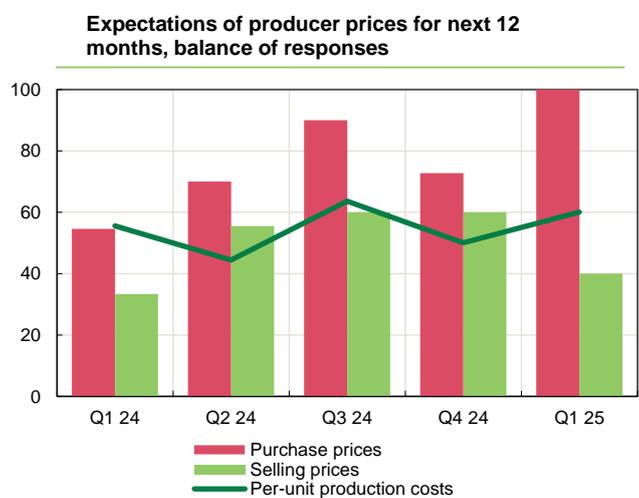


Figure 7

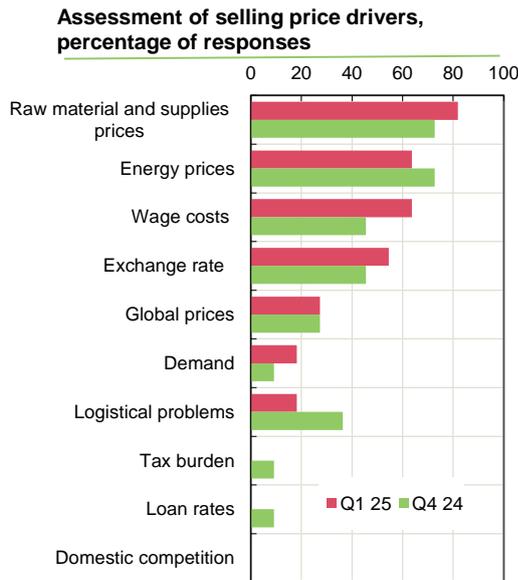


Figure 8

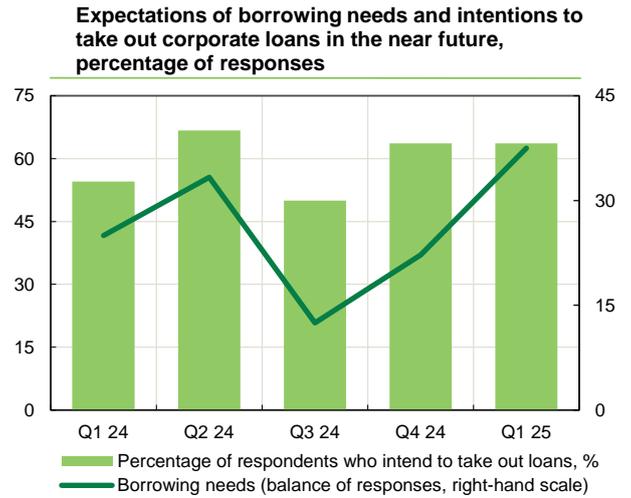


Figure 9

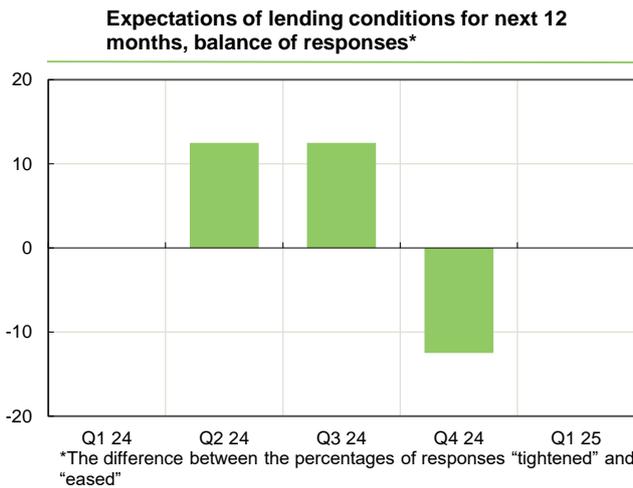


Figure 10

