



National Bank
of Ukraine

Business Outlook Survey of Kharkiv Oblast*

Q1 2025



*This survey only reflects the opinions of respondents in Kharkiv 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 **Kharkiv oblast** in Q1 2025 showed that, despite the war, qualified staff shortages and high energy prices, respondents expected that the output of Ukrainian goods and services would grow over the next 12 months. Respondents also reported optimistic expectations for the performance of their companies over that period. Prices were expected to 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 9.1%, compared to 0.0% in Q4 2024 (Figure 1). Across Ukraine, the balance of responses was 15.6%. Respondents from manufacturing companies had the most optimistic expectations (45.5%). Meanwhile, respondents from transport and communications companies had the dimmest expectations, with a balance of responses of (-28.6%)
- prices for consumer goods and services would rise: 47.7% of respondents expected the inflation rate to exceed 10.0%, compared to 54.8% in the previous quarter and 46.3% across Ukraine. As before, respondents referred to military actions, production costs and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 86.0% of respondents (89.6% 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 improve: the balance of expectations was 7.0%, compared to (-16.7%) in the previous quarter. Across Ukraine, the balance of responses was 4.7% (see Table)
- total sales, including external sales, would increase: the balances of responses were 18.2% and 23.1% respectively, compared to 0.0% and 25.0% respectively in Q4 2024 (see Table). Across Ukraine, the balances of responses were 20.7% and 19.5% respectively
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-15.9%) and (-4.5%) respectively, compared to (-6.4%) and 4.3% respectively in Q4 2024. Overall, across Ukraine the balances of responses were 2.7% and 13.4% respectively (see Table)
- staff numbers at their companies would remain unchanged: the balance of responses was 0.0%, compared to (-2.1%) in Q4 2024 (Figure 4). Across Ukraine, the balance of responses was (-0.6%)
- both purchase and selling prices would grow: the balances of responses were 86.4% and 68.2% respectively (compared to 89.6% and 68.8% in Q4 2024). Respondents from manufacturing companies had the firmest expectations of a rise in selling prices (90.9%) (Figure 6). Energy prices, raw material and supplies prices, and wage costs were referred to as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would increase: the balances of responses were 59.1% and 45.5% respectively, compared to 63.8% and 54.2% respectively in the previous quarter (Figures 4 and 6).

Respondents referred to military actions and their consequences (mentioned by 93.2% of those surveyed), qualified staff shortages and high energy prices as the main drags on the ability of their companies to boost production (Figure 5).

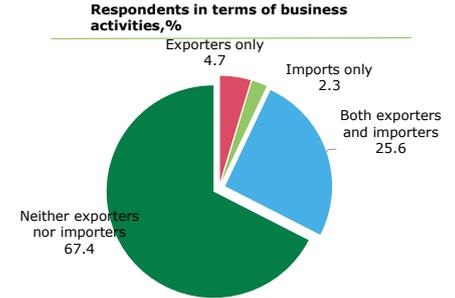
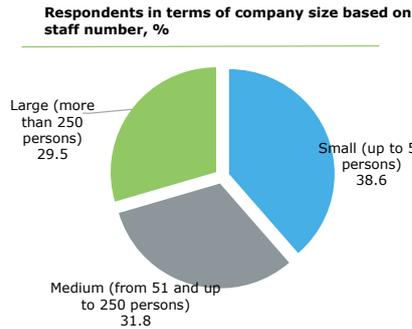
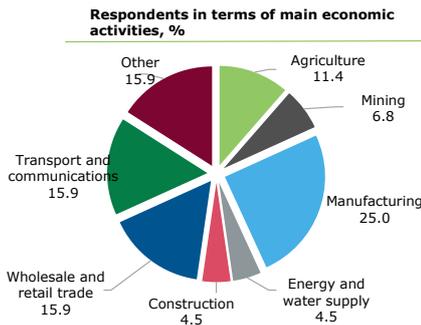
Respondents expected that their borrowing needs would rise in the near future (Figure 8). Respondents who planned to take out bank loans, opted only for domestic currency loans. Respondents said that bank lending standards had remained tight (Figure 9). High loan interest rates, the availability of other funding sources, and collateral requirements were cited as the main factors deterring companies from taking out loans (Figure 10).

97.7% 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)

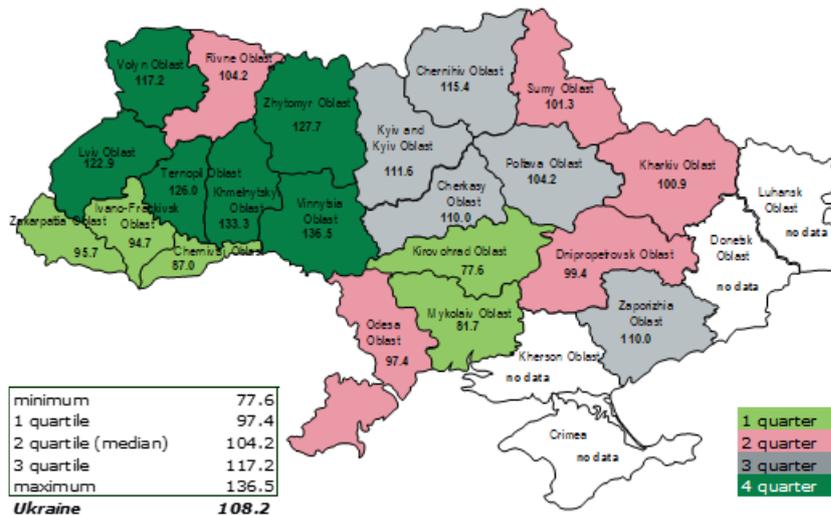
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-9.1%), compared to (-16.7%) in the previous quarter and (-3.4%) across Ukraine.
- Finished goods stocks were assessed as lower than normal: the balance of responses was (-13.6%), compared to (-5.3%) in Q4 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 18.6%, compared to 35.4% in the previous quarter.

Survey Details^{1,2}



- Period: 3 February through 3 March 2025.
- A total of 44 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 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 Kharkiv 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	-13.3	-26.7	-23.8	-16.7	7.0
Total sales	13.3	-11.1	0.0	0.0	18.2
Investment in construction	6.8	-9.3	-7.3	-6.4	-15.9
Investment in machinery, equipment, and tools	6.7	4.5	2.5	4.3	-4.5
Staff numbers	-15.6	-18.2	-21.4	-2.1	0.0

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

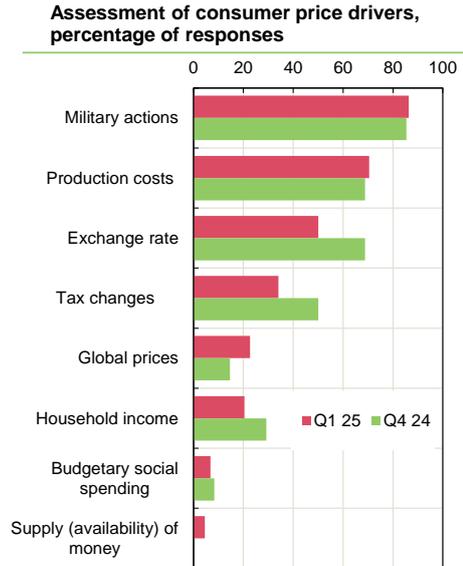


Figure 3

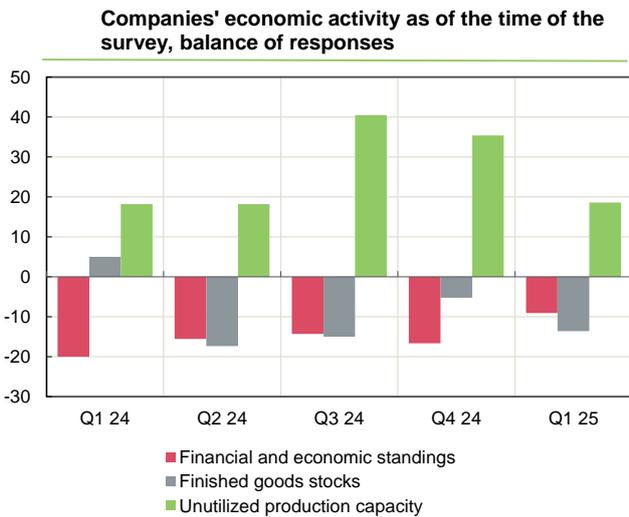


Figure 4



Figure 5

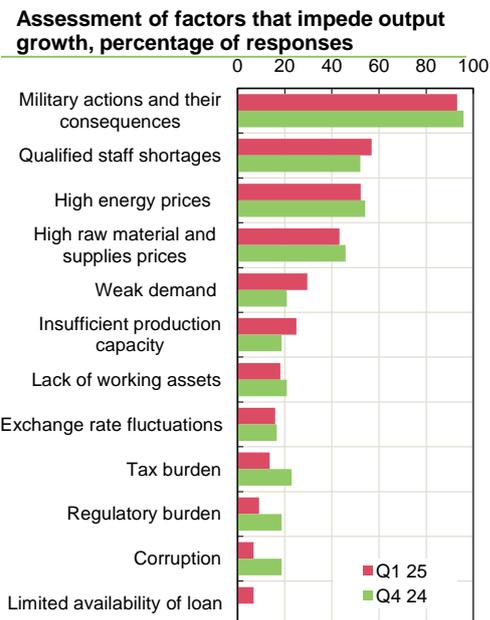


Figure 6

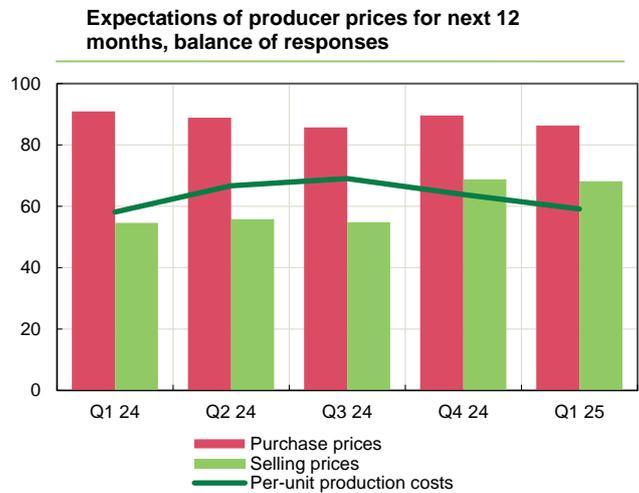


Figure 7

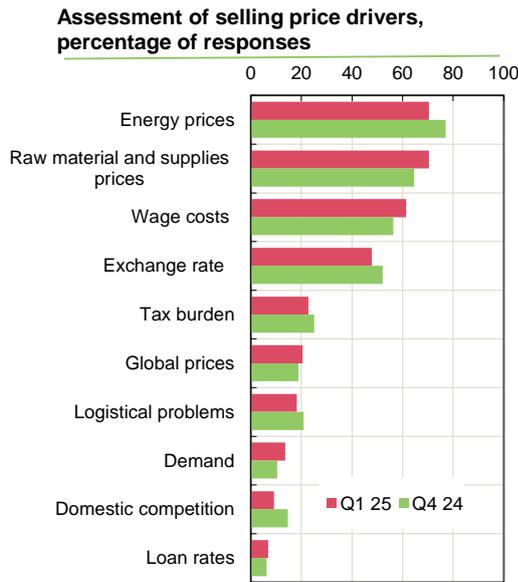


Figure 8

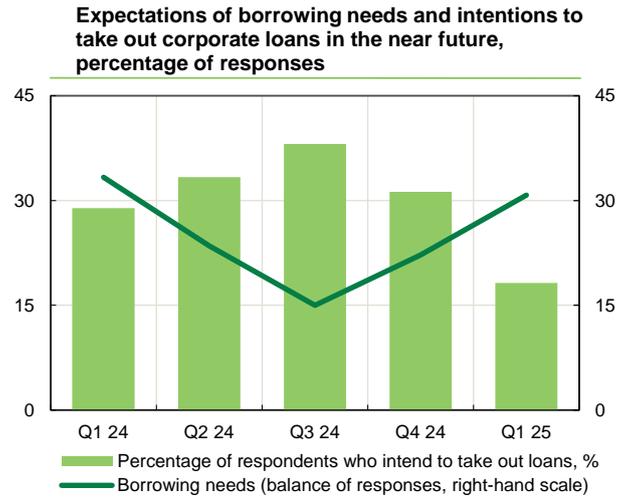


Figure 9

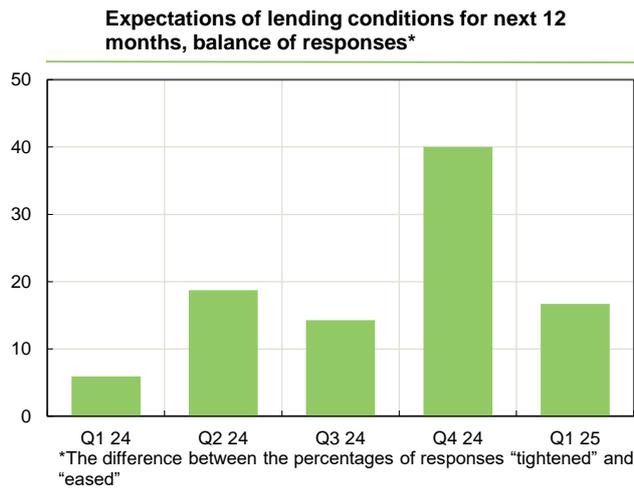


Figure 10

