



National Bank
of Ukraine

Business Outlook Survey of Khmelnytskyi Oblast*

Q1 2025



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

A survey carried out in **Khmelnytskyi oblast** in Q1 2025 showed that, despite the war, qualified staff shortages, insufficient production capacity and the tax burden, respondents expected that **the output of Ukrainian goods and services would increase**. They had **positive expectations about the performance of their companies** over the next 12 months. Prices were expected to rise more quickly. 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 46.7%, compared to 21.4% in Q4 2024 (Figure 1). Overall, across Ukraine, the balance of responses was 15.6%
- **prices for consumer goods and services would rise more quickly:** 60.0% of respondents expected the inflation rate to exceed 10.0% (compared to 38.6% in the previous quarter and 60.3% across Ukraine). Respondents continued to refer to production costs, military actions and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate more slowly:** a total of 73.3% of respondents (compared to 92.9% 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 13.3%, compared to 7.7% in the previous quarter and 4.7% across Ukraine (see Table)
- **total sales and external sales would increase at a faster pace:** the balances of responses were 60.0% and 71.4% respectively, compared to 42.9% and 33.3% respectively in Q4 2024. Overall, across Ukraine the balances of responses were 20.7% and 19.5% respectively
- **investment in machinery, equipment, and tools and in construction would rise:** the balances of responses were 46.7% and 40.0% respectively, compared to 50.0% and 35.7% respectively in Q4 2024 (see Table). Across Ukraine, the balances of responses were 13.4% and 2.7% respectively
- **staff numbers would increase:** the balance of responses was 6.7%, down from 14.3% in the previous quarter. Across Ukraine, the balance of responses at (-0.6%) (Figure 4)
- **purchase prices would rise at a fast pace:** the balance of responses was 100.0%, as in the previous quarter. Respondents expected that selling prices would rise more slowly: the balance of responses was 66.7%, compared to 92.3% (Figure 6). Raw material and supplies prices, energy prices, production costs and the hryvnia exchange rate were referred to as the main selling price drivers (Figure 7)
- **per-unit production costs and wage costs per staff member would rise at a faster pace:** the balances of responses were 73.3% and 86.7%, compared to 57.1% for each in Q4 2024 (Figures 4 and 6).

Respondents said that military actions and their consequences, qualified staff shortages, insufficient production capacity and the tax burden (the impact of the latter two drivers was reported to have increased) were the main drags on the ability of their companies to boost production (Figure 5).

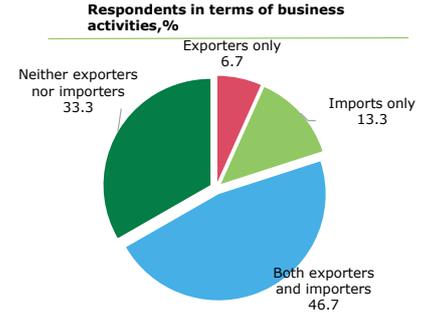
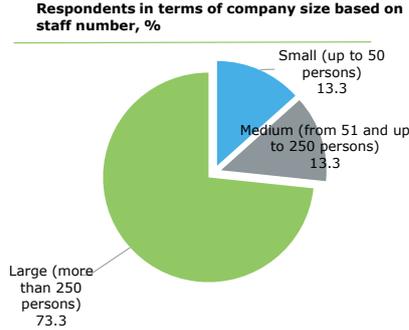
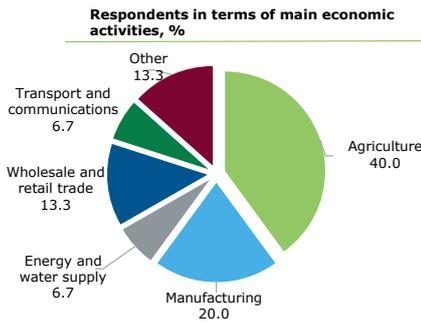
Respondents reported expectations of higher borrowing needs in the near future (Figure 8). The respondents who planned to take out bank loans (their share had risen to 60.0%) usually opted for hryvnia loans. Respondents said that bank lending conditions had remained tight (Figure 9). Companies referred to high loan rates, the availability of other funding sources, collateral requirements and complicated paperwork as the main factors deterring them from taking out loans (Figure 10).

93.3% 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)

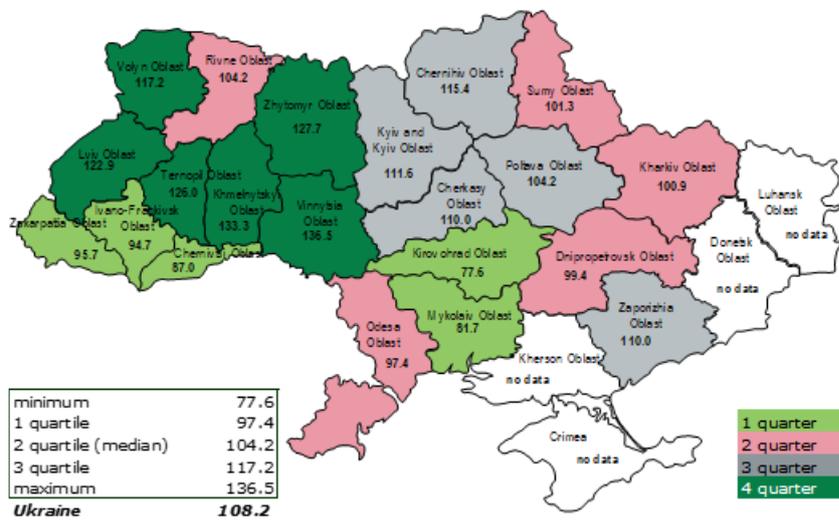
- **Companies assessed their current financial and economic standings as good:** the balance of responses was 20.0%, compared to 28.6% in the previous quarter. The figure across Ukraine was (-3.4%).
- **Finished goods stocks had increased and were assessed as higher than normal:** the balance of responses was 20.0%, compared 11.1% in Q4 2024.
- **Companies had insufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was (-6.7%), compared to 0.0% in the previous quarter.

Survey Details^{1,2}



- Period: 3 February through 27 February 2025.
- A total of 15 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 Khmelnytskyi 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	21.4	7.1	21.4	7.7	13.3
Total sales	50.0	50.0	46.2	42.9	60.0
Investment in construction	35.7	35.7	28.6	35.7	40.0
Investment in machinery, equipment, and tools	28.6	28.6	71.4	50.0	46.7
Staff numbers	0.0	7.1	7.1	14.3	6.7

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

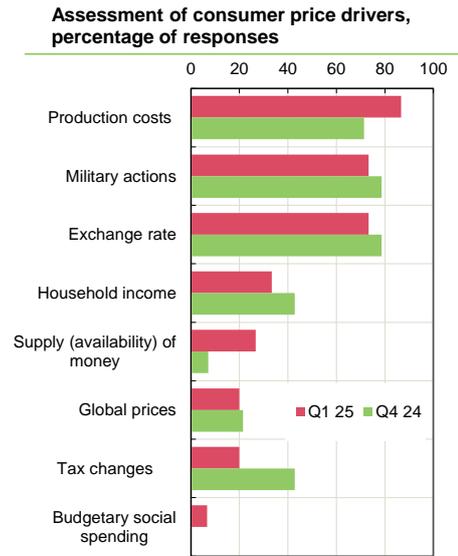


Figure 3

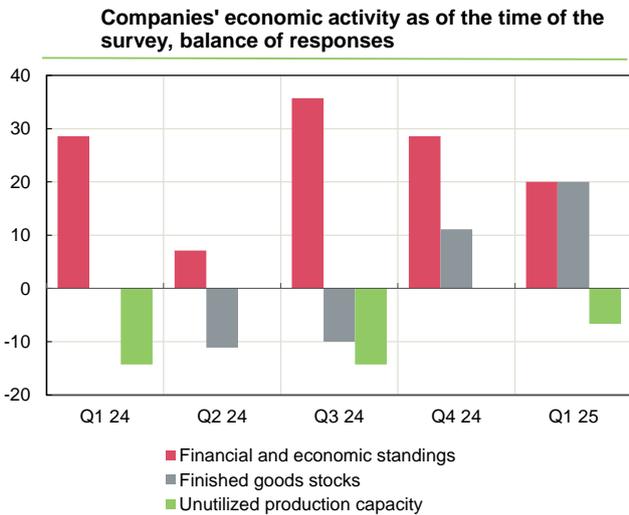


Figure 4



Figure 5



Figure 6

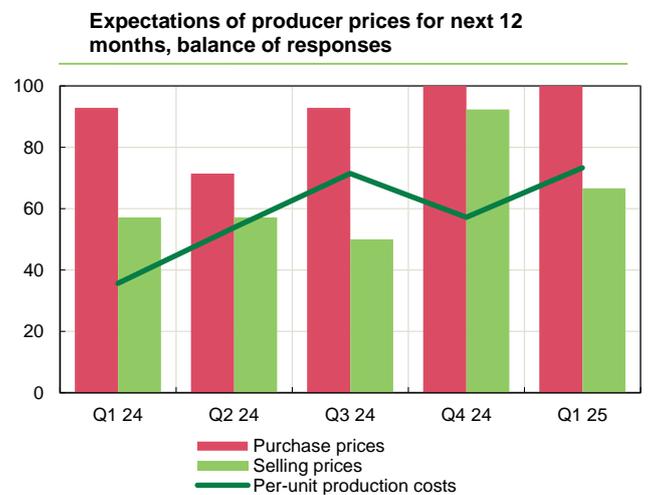


Figure 7

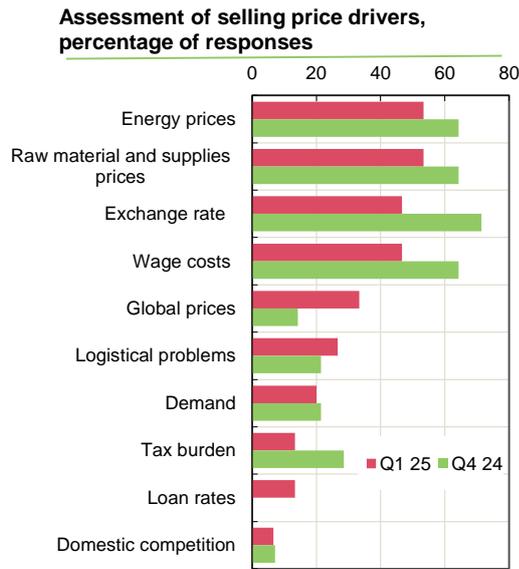


Figure 8

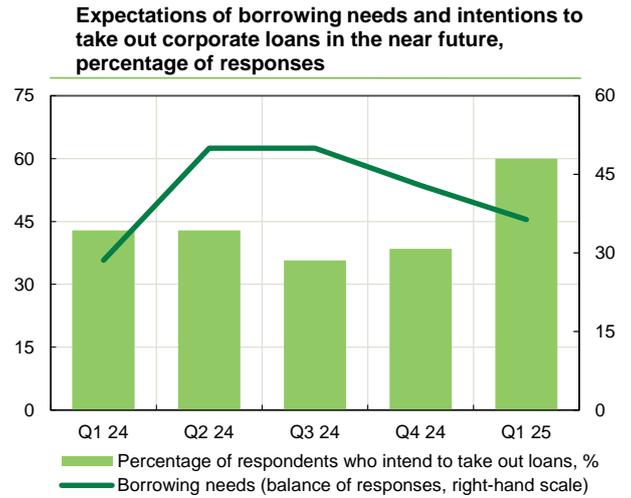


Figure 9

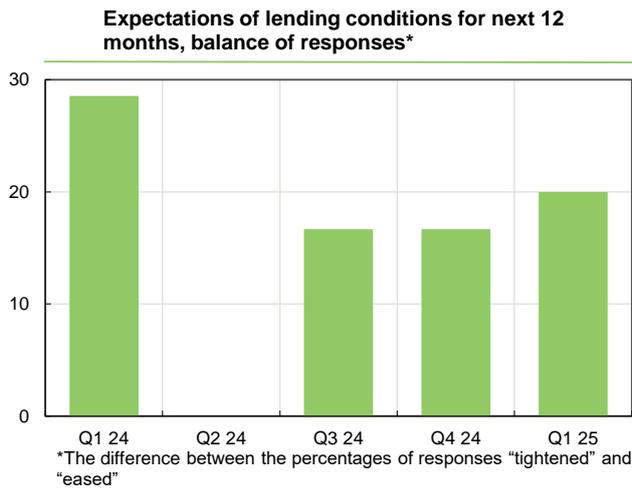


Figure 10

