



National Bank
of Ukraine

Business Outlook Survey of Chernivtsi Oblast*

Q3 2024



*This survey only reflects the opinions of respondents in Chernivtsi 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 **Chernivtsi oblast** in Q3 2024 showed that, despite the war, a lack of working assets, and high energy prices, respondents expected that the output of Ukrainian goods and services would grow. However, they continued to expect the performance of their companies to worsen over the next 12 months. Respondents expected prices to rise. Depreciation expectations strengthened.

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

- the output of Ukrainian goods and services would increase: the balance of expectations was 9.1%, compared to (-45.5%) in Q2 2024 and 3.7% across Ukraine (Figure 1)
- prices for consumer goods and services would grow: a total of 72.7% of respondents expected that inflation would not exceed 10.0%, as in the previous survey and 54.5% across Ukraine. Respondents referred to the hryvnia exchange rate, production costs, and military actions as the main inflation drivers (Figure 2)
- the hryvnia depreciation would strengthen: 100.0% of respondents (up from 90.0% in the previous quarter) expected the hryvnia to weaken against the U.S. dollar, the figure across Ukraine being 88.5%
- the financial and economic standings of their companies would deteriorate: the balance of expectations was (-9.1%), up from (-27.3%) in Q2 2024. The balance across Ukraine was (-0.9%) (see Table)
- total sales would decrease: the balance of responses was (-9.1%), same as in Q2 2024. Across Ukraine, the balance of responses was 10.5% (see Table)
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-18.2%) for each, compared to (-9.1%) for each in the previous quarter (see Table). The balances of responses across Ukraine were (-3.2%) and 7.5% respectively
- staff numbers would decrease at a slower pace: the balance of responses was (-18.2%), compared to (-27.3%) in Q2 2024. Across Ukraine, the balance of responses was (-10.9%) (Figure 4)
- purchase prices would grow more rapidly: the balance of responses was 100.0%, compared to 81.8% in Q2 2024. Meanwhile, respondents expected that selling prices would rise slowly: the balance of responses was 63.3%, compared to 72.7% (Figure 6). Energy prices, raw material and supplies prices, wage 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 quickly: the balances of responses were 54.5% and 45.5%, compared to 45.5% and 27.3% respectively in Q2 2024 (Figures 4 and 6).

Respondents referred to military actions and their consequences, a lack of working assets, and high energy prices as the main drags on the ability of their companies to boost production (Figure 5).

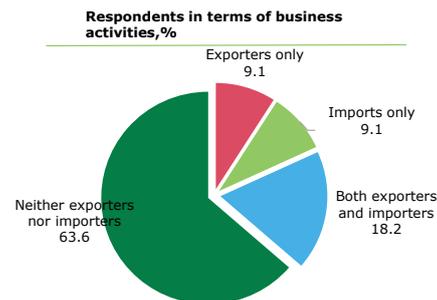
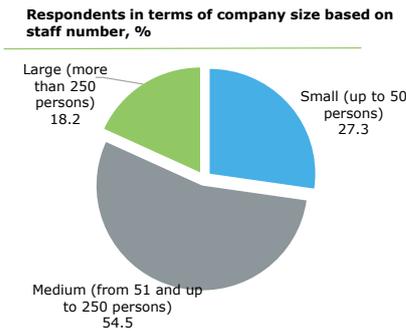
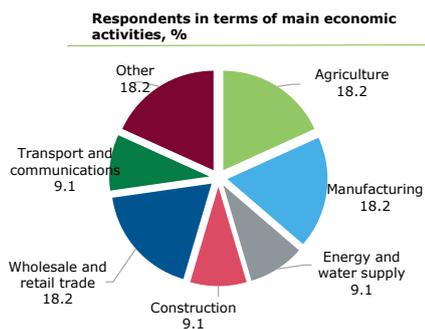
Respondents expected that their borrowing needs would increase in the near future. The respondents who planned to take out bank loans (36.4%) opted only for domestic currency loans (Figure 8). Respondents cited high loan rates, the availability of other funding sources, and strict collateral requirements 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 (97.1% across Ukraine).

Assessments of financial and economic standings as of the time of the survey (Figure 3)

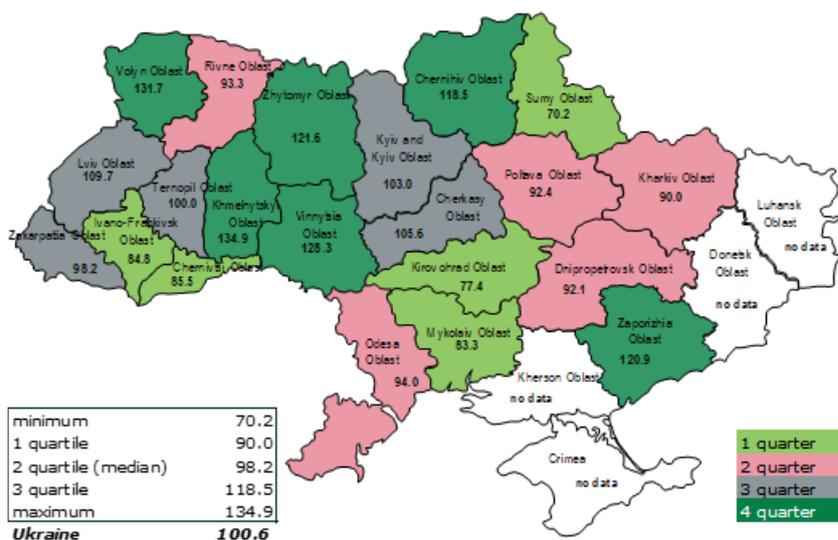
- Companies assessed their current financial and economic standings as good: the balance of responses was 9.1%, down from 54.5% in Q2 2024. Across Ukraine, current financial and economic standings were assessed as bad: the balance of responses was (-6.0%).
- Finished goods stocks were assessed as normal: the balance of responses was 0.0% (such assessments have been reported for four quarters in a row).
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 27.3%, compared to 18.2% in Q2 2024.

Survey Details^{1,2}



- Period: 31 July through 15 August 2024.
- A total of 11 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
³a 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 Chernivtsi 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	-9.1	9.1	-18.2	-27.3	-9.1
Total sales	18.2	-10.0	10.0	-9.1	-9.1
Investment in construction	9.1	-9.1	27.3	-9.1	-18.2
Investment in machinery, equipment, and tools	18.2	18.2	18.2	-9.1	-18.2
Staff numbers	-9.1	-27.3	9.1	-27.3	-18.2

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

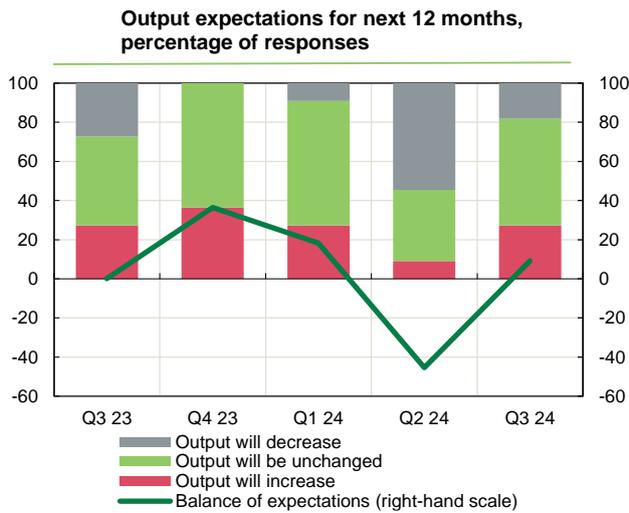


Figure 2

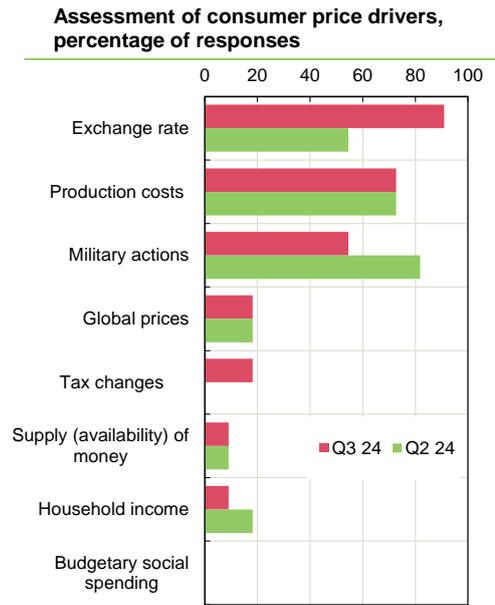


Figure 3

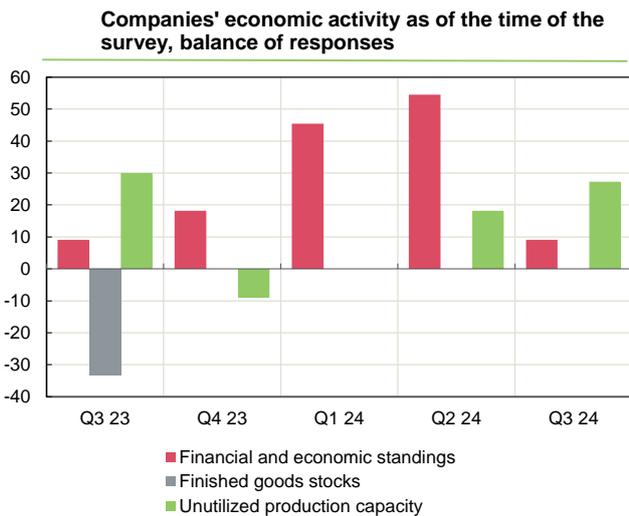


Figure 4

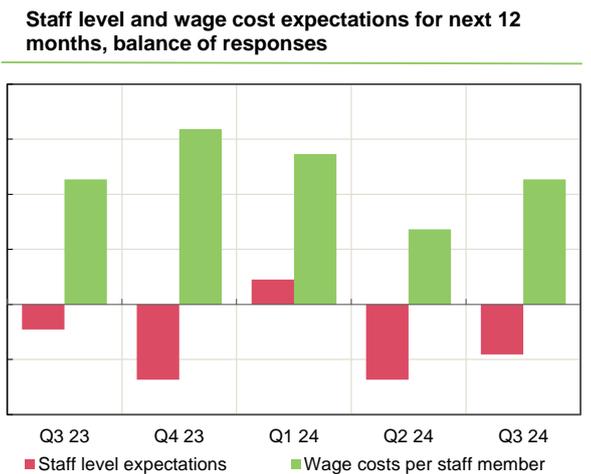


Figure 5

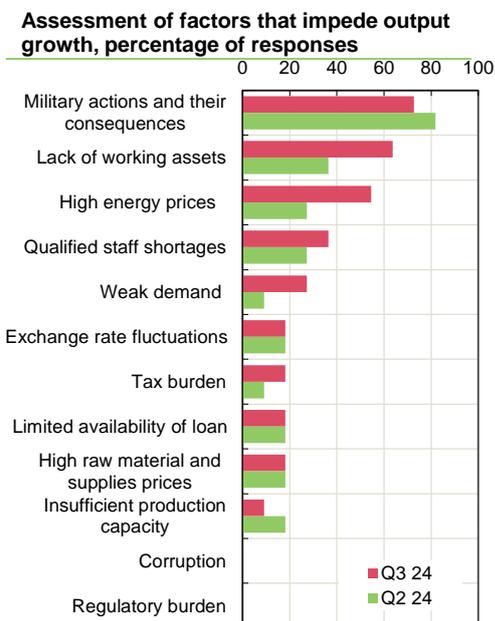


Figure 6

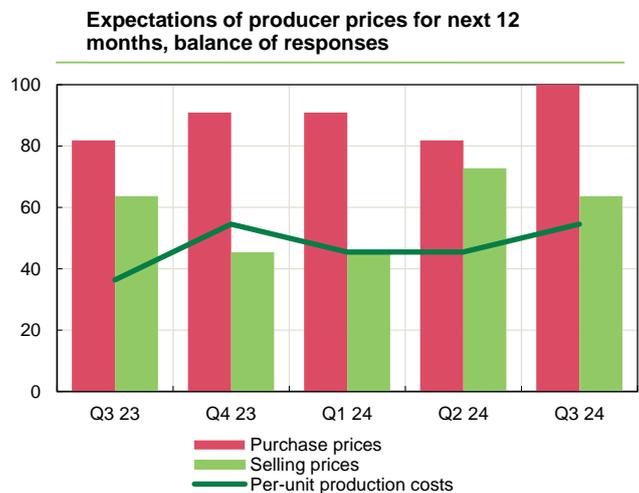


Figure 7

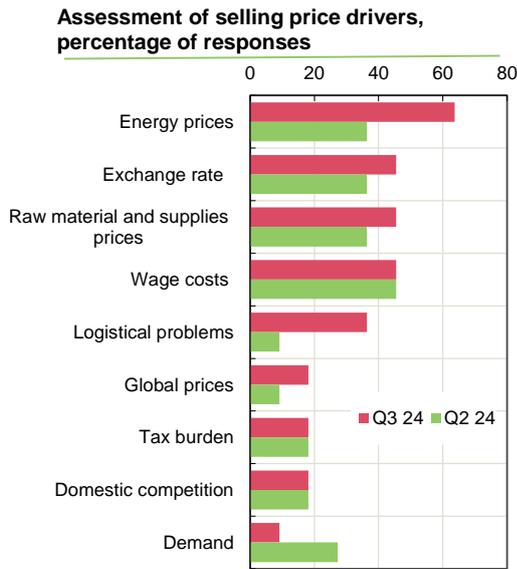


Figure 8

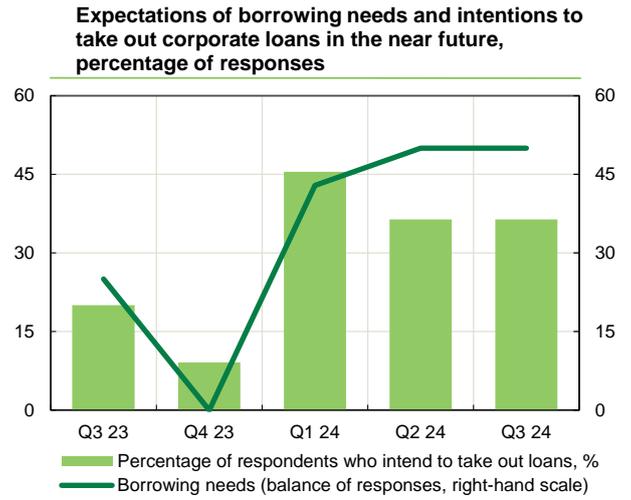


Figure 9

