National Bank
of Ukraine

Business Outlook Survey of **Chernivtsi Oblast** *

Q1 2025

*This survey only reflects the opinions of respondents in Chernivtsi 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 **Chernivtsi oblast** in Q1 2025 showed that, on the back of the war, a lack of working assets, and high energy prices, respondents reported guarded expectations for the output of Ukrainian goods and services and for the performance of their companies over the next 12 months**.** Respondents expected prices to rise more quickly. 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 drop**:** the balance of expectations was (-16.7%), compared to 0.0% in Q4 2024 and 15.6% across Ukraine (Figure 1)
- prices for consumer goods and services would grow more quickly**:** a total of 58.3% of respondents expected that inflation would exceed 10.0%, compared to 45.5% in the previous survey and 60.3% across Ukraine. Respondents referred to production costs, military actions and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate at a faster pace: 100.0% of respondents (up from 81.8% 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 deteriorate: the balance of expectations was (-8.3%), down from 0.0% in Q4 2024. The balance across Ukraine was 4.7% (see Table)
- total sales would decrease: the balance of responses was (-16.7%), down from 0.0% in Q4 2024. Across Ukraine, the balance of responses was 20.7% (see Table)
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-20.0%) for each, compared to 0.0% and (-22.2%) in the previous quarter (see Table). The balances of responses across Ukraine were 2.7% and 13.4% respectively
- staff numbers would remain unchanged: the balance of responses was 0.0%, compared to 10.0% in Q4 2024. Across Ukraine, the balance of responses was (-0.6%) (Figure 4)
- purchase and selling prices would grow: the balances of responses were 100.0% and 83.3% respectively, compared to 90.9% and 81.8% in Q4 2024 (Figure 6). Energy prices, raw material and supplies prices and wage costs (the impact of this factor was reported to have increased) were referred to as the main selling price drivers (Figure 7)
- per-unit production costs would rise more slowly and wage costs per staff member would rise: the balances of responses were 66.7% and 58.3% respectively, compared to 80.0% and 54.5% respectively in Q4 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 also said that the impact of the limited availability of loan had increased on the previous quater

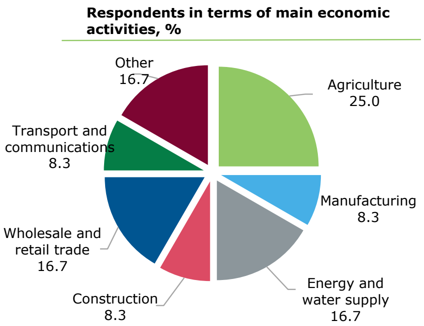
Respondents expected that their borrowing needs would increase in the near future. The respondents who planned to take out bank loans (50.0%) opted only for domestic currency loans (Figure 8). Respondents cited high loan rates, the availability of other funding sources, and uncertainty about their ability to meet debt obligations as they fall due as the main factors deterring them from taking out loans (Figure 9).

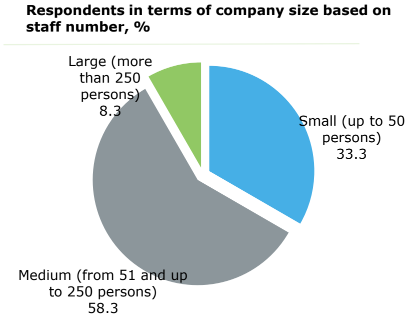
91.7% of the respondents said that they had encountered no difficulties in effecting transactions with funds deposited in bank accounts (96.6% across Ukraine).

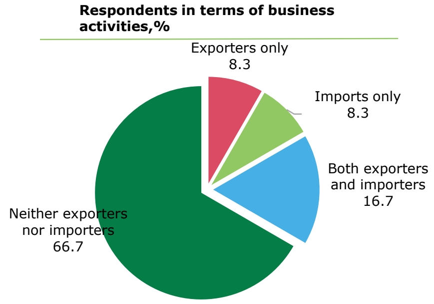
Assessments of financial and economic standings as of the time of the survey (Figure 3)

- Companies assessed their current financial and economic standings as good**:** the balance of responses was 16.7%, compared to 18.2% in Q4 2024. Across Ukraine, the balance of responses was (-3.4%).
- Finished goods stocks were assessed as lower than normal: the balance of responses was (-33.3%) (down from 0.0% in the previous quarter).
- Companies were operating on the verge of their production capacity**:** the balance of responses was 0.0%, as in Q4 2024.

Survey Details[1,2]

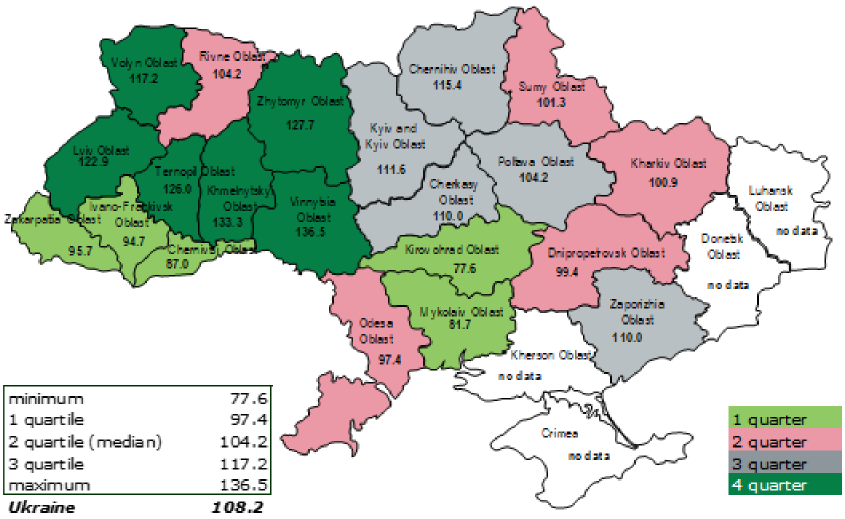






- Period: 3 February through 21 February 2025.
- A total of 12 companies were polled.
- No economic activity was able to generate a representative sample.

Business Outlook Index for Next 12 Months in Terms of Oblasts[3], %



*a 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 Chernivtsi 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	-18.2	-27.3	-9.1	0.0	-8.3
Total sales	10.0	-9.1	-9.1	0.0	-16.7
Investment in construction	27.3	-9.1	-18.2	0.0	-20.0
Investment in machinery, equipment, and tools	18.2	-9.1	-18.2	-22.2	-20.0
Staff numbers	9.1	-27.3	-18.2	10.0	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

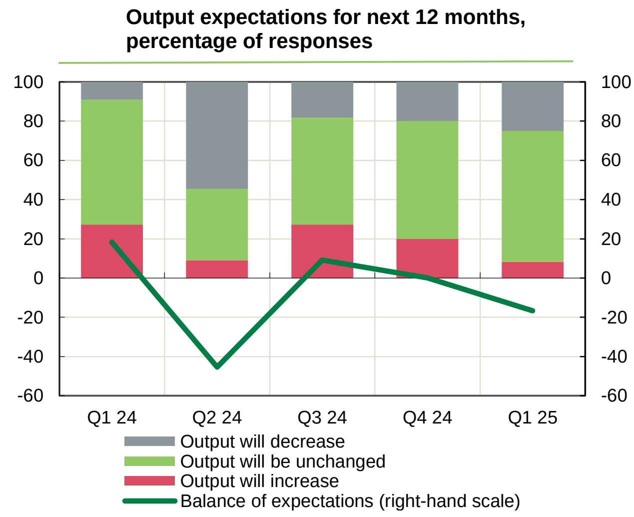


Figure 2

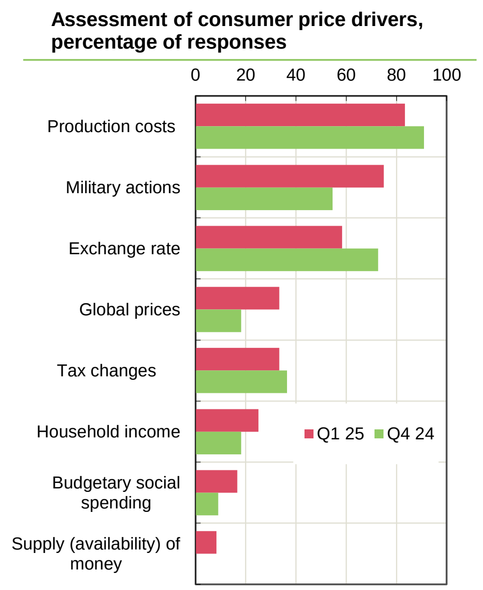


Figure 3

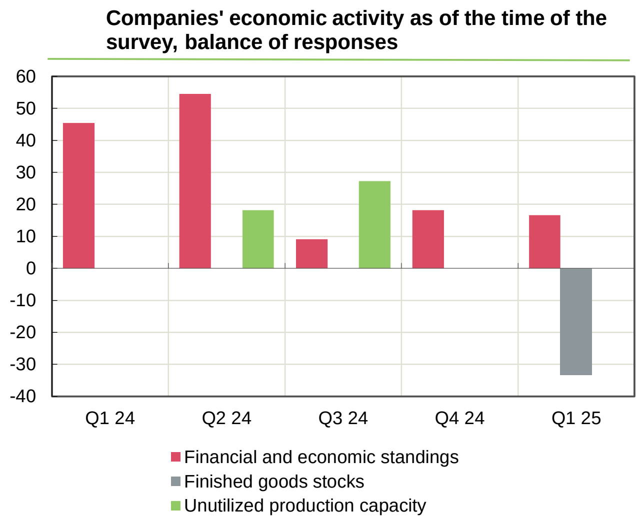


Figure 4

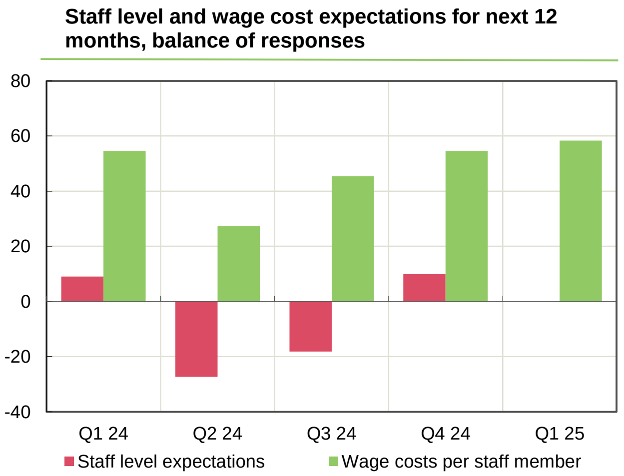


Figure 5

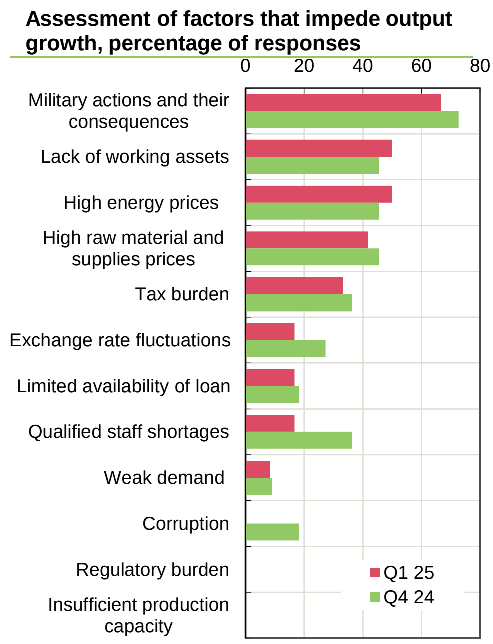


Figure 6

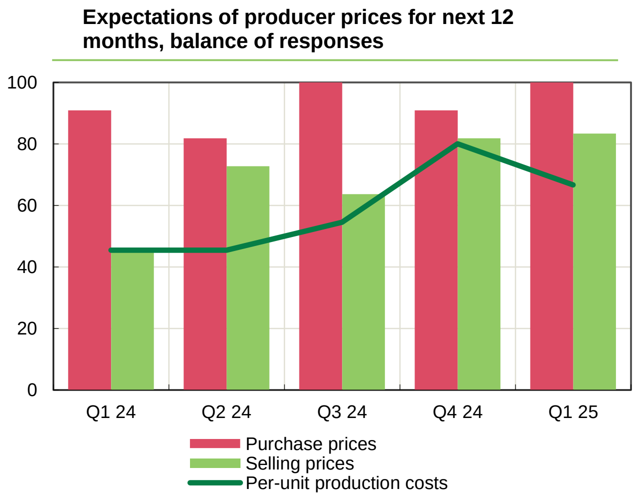


Figure 7

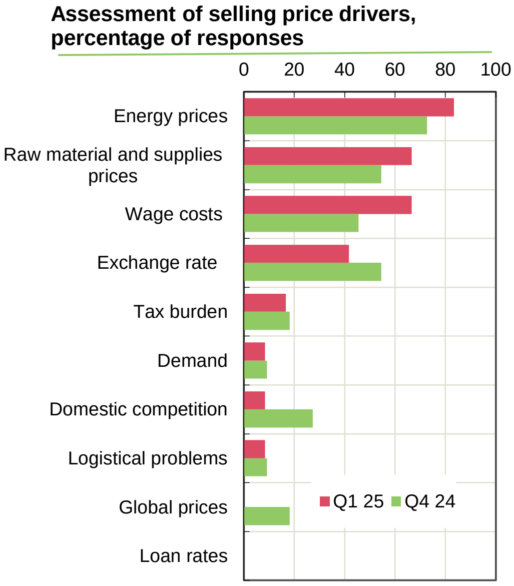


Figure 8

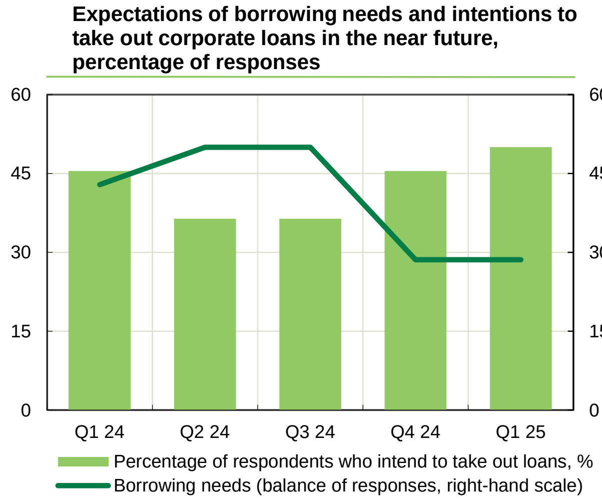


Figure 9