



National Bank
of Ukraine

Business Outlook Survey of Chernihiv Oblast*

Q3 2024



*This survey only reflects the opinions of respondents in Chernihiv 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 **Chernihiv oblast** in Q3 2024 showed that, despite the war, high raw material and supplies prices, and energy prices, respondents **expected growth in the output of Ukrainian goods and services** over the next 12 months. They reported **positive expectations for the performance of their companies** over that period. 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:** the balance of expectations was 61.5% (among the firmest expectations across the regions), up from 46.2% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was (3.7%)
- prices for consumer goods and services would rise faster: 84.6% of the respondents expected that the inflation rate would not exceed 10.0%, compared to 100.0% in the previous quarter and 54.5% across Ukraine. Respondents referred to the hryvnia exchange rate, military actions, and production costs and as the main inflation drivers (Figure 2)
- the hryvnia depreciation would weaken: 84.6% of respondents expected the hryvnia to weaken against the U.S. dollar, compared to 100.0% in Q2 2024 and 88.5% across Ukraine
- **the financial and economic standings of their companies would improve at a faster pace:** the balance of expectations was 30.8%, compared to 7.7% in the previous quarter (see Table). Overall, across Ukraine, the financial and economic standings of companies were expected to deteriorate (-0.9%)
- **total sales including external sales would increase more quickly:** the balances of responses were 46.2% and 60.0% respectively, compared to 27.3% and 50.0% respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were 10.5% and 11.2% respectively
- **investment in machinery, equipment, and tools would increase:** the balance of responses was 30.8%, compared to 33.3% in the previous quarter. At the same time, respondents expected that investment in construction would remain unchanged: the balance of responses was 0.0%, up from (-8.3%) in Q2 2024. Across Ukraine, the balances of responses were 7.5% and (-3.2%) respectively (see Table)
- staff numbers would decrease: the balance of responses was (-15.4%), down from (-7.7%) in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-10.9%)
- purchase prices and selling prices would grow: the balances of responses were 76.9% for each, compared to 84.6% for each in Q2 2024 (Figure 6). Respondents referred to energy prices, raw material and supplies prices, and wage costs as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow more slowly: the balances of responses were 53.8% and 61.5% respectively, compared to 76.9% for each in Q2 2024 (Figures 4 and 6).

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

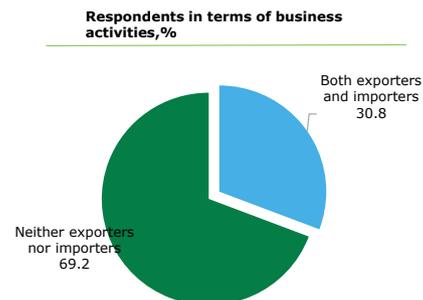
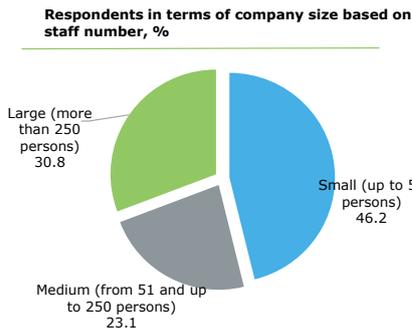
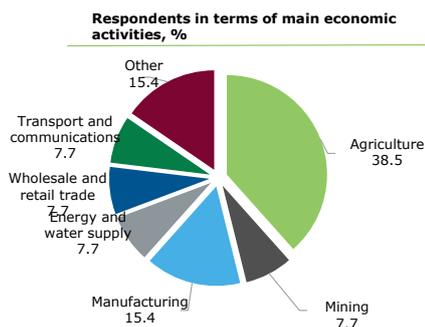
Respondents expected their borrowing needs to rise in the near future, albeit at a slower pace (Figure 8). The respondents who planned to take out bank loans (46.2%) opted only for domestic currency loans. Respondents said that bank lending standards had eased (Figure 9). Respondents cited high loan rates, the availability of other funding sources, and significant fluctuations of the hryvnia exchange rate (the impact of this factor was reported to have increased) 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 (97.1% across Ukraine).

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

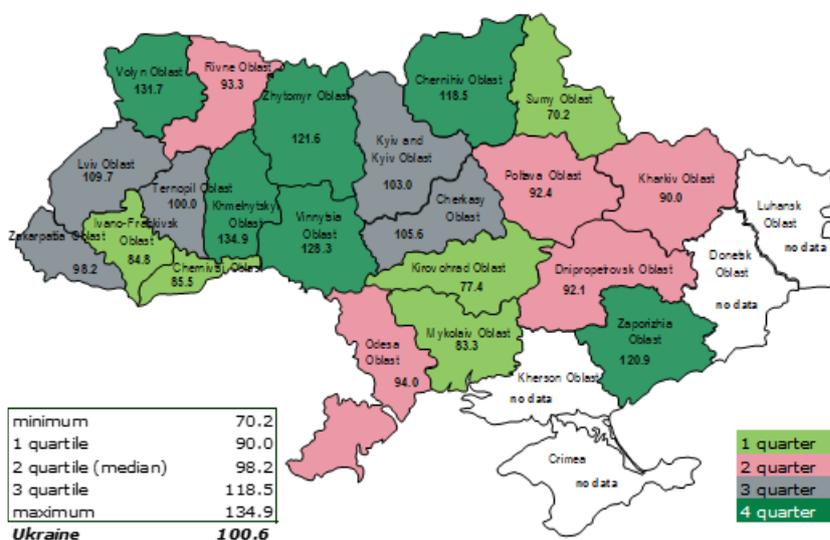
- Companies assessed their current financial and economic standings as satisfactory: the balance of responses was 0.0%, up from (-7.7%) in the previous quarter. Overall, across Ukraine, current financial and economic standings were assessed as bad (-6.0%).
- Stocks of finished goods were assessed as normal: the balance of responses was 0.0%, compared to (-12.5%) in Q2 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 25.0%, up from (-7.7%) in the previous quarter.

Survey Details^{1,2}



- Period: 31 July through 20 August 2024.
- A total of 13 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, %



*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 Chernihiv 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	30.8	25.0	23.1	7.7	30.8
Total sales	38.5	45.5	38.5	27.3	46.2
Investment in construction	11.1	-15.4	-10.0	-8.3	0.0
Investment in machinery, equipment, and tools	11.1	0.0	0.0	33.3	30.8
Staff numbers	-15.4	-7.7	-7.7	-7.7	-15.4

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

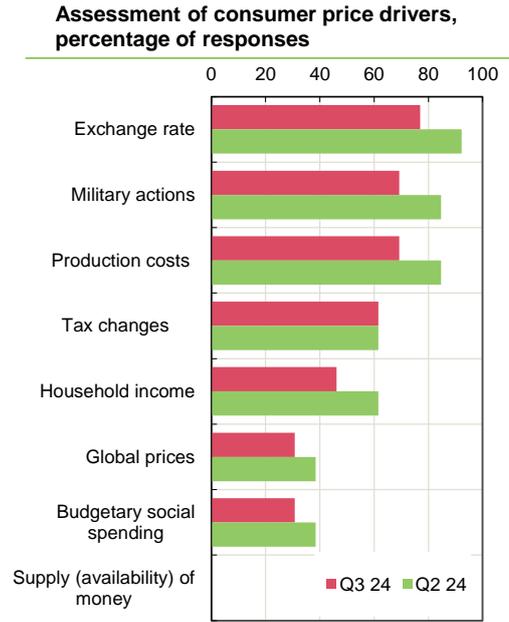


Figure 3

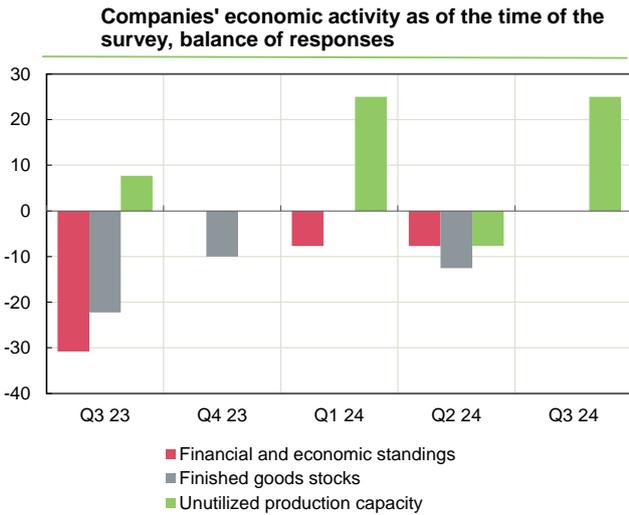


Figure 4



Figure 5

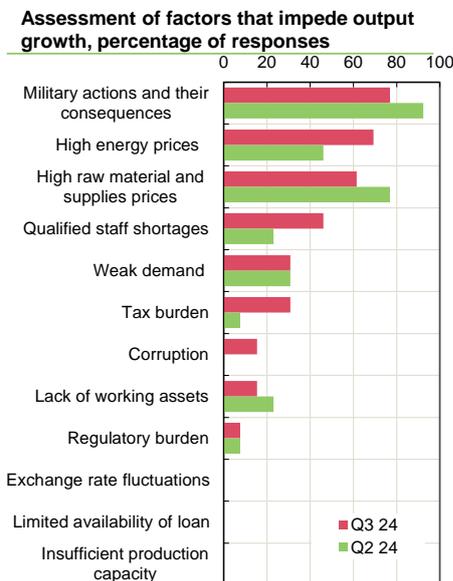


Figure 6

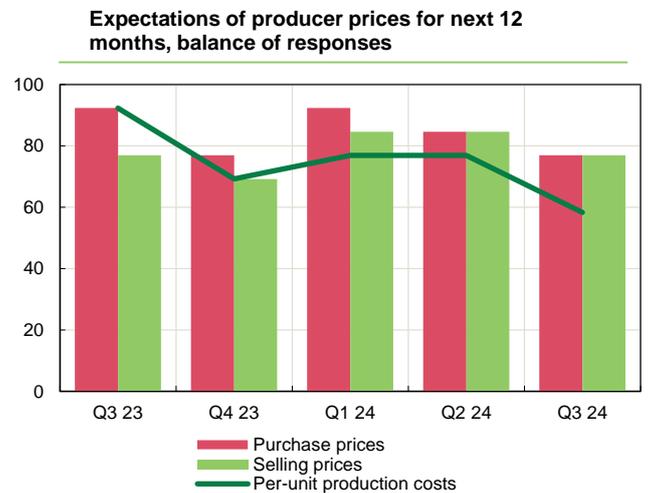


Figure 7

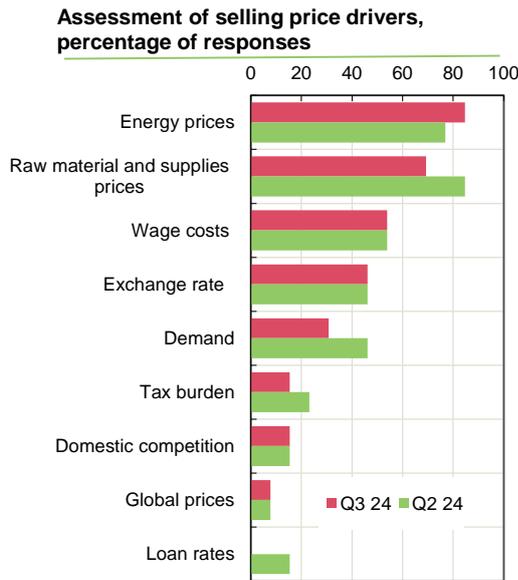


Figure 8

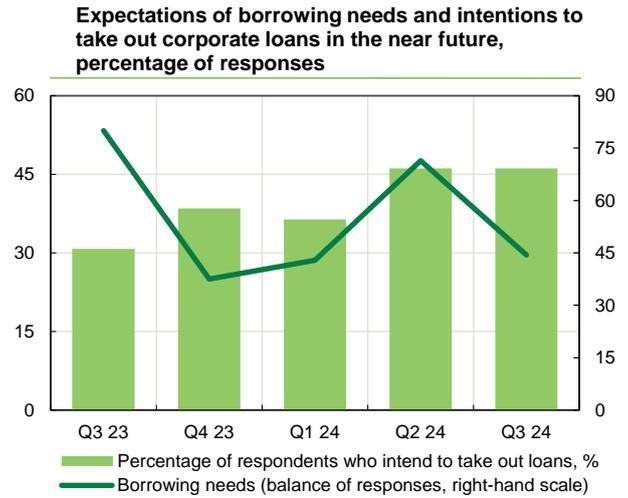


Figure 9

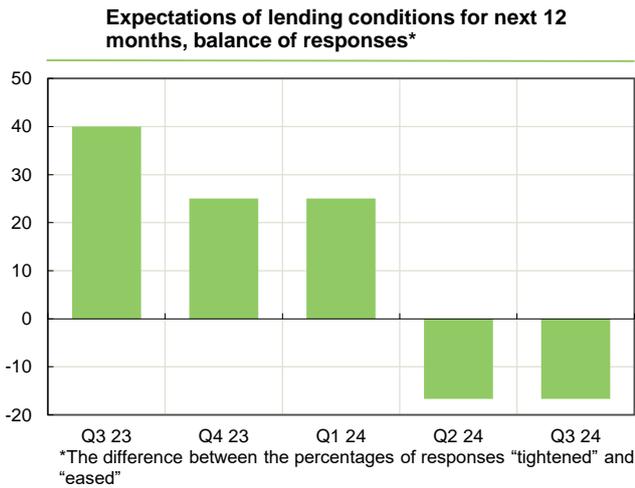


Figure 10

