



National Bank  
of Ukraine

# Business Outlook Survey of Vinnytsia Oblast\*

Q2 2024



\*This survey only reflects the opinions of respondents in Vinnytsia oblast (top managers of companies) who were polled in Q2 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Vinnytsia oblast** in Q2 2024 showed that, despite the war, high energy, raw material and supplies prices, respondents continued to expect an increase in the output of Ukrainian goods and services over the next 12 months. Respondents had guarded expectations for the performance of their companies over that period. Inflation and 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 19.0%, compared to 50.0% in the previous quarter (Figure 1). Overall, across Ukraine, respondents expected that the output would decrease moderately (-0.3%)
- prices for consumer goods and services would grow faster: the share of respondents who expected that the inflation rate would not exceed 10.0% was 66.7%, down from 77.3% in Q1 2024, the figure across Ukraine being 62.8%. Respondents continued to refer to military actions, production costs and the hryvnia exchange rate as **the main inflation drivers** (Figure 2)
- the domestic currency would depreciate at a faster pace: 71.4% of respondents expected the hryvnia to weaken against the US dollar, compared to 63.6% in the previous quarter and 84.9% across Ukraine
- the financial and economic standings of their companies would remain unchanged: the balance of expectations was 0.0%, compared to 4.5% in Q1 2024 (see Table). Overall, across Ukraine, respondents expected the financial and economic standings of their companies to deteriorate moderately (-0.2%)
- **total sales would grow:** the balance of responses was 20.0%, compared to 28.6% in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was 8.7%
- **both investment in machinery, equipment, and tools, and in construction would increase:** the balances of responses were 20.0% and 10.0% respectively, compared to 27.8% and 22.2% in the previous quarter. Across Ukraine, the balances of responses were 5.4% and (-5.5%) respectively
- staff numbers at their companies would remain unchanged: the balance of responses was 0.0%, compared to (-9.1%) in Q1 2024 (Figure 4). Overall, across Ukraine, the balance of responses was (-10.7%)
- purchase and selling prices would rise more slowly: the balances of responses were 71.4% and 76.2% respectively, compared to 86.4% and 81.8% in the previous quarter (Figure 6). Respondents referred to high energy prices, raw material and supplies prices, and wage costs as the main selling price drivers (Figure 7)
- both per-unit production costs and wage costs per staff member would grow at a noticeably slower pace: the balances of responses were 66.7% for each, compared to 85.7% and 90.5% respectively in the previous quarter (Figures 4 and 6).

Companies cited military actions and their consequences and high energy, raw material and supplies prices **as the main drags on their ability to boost production** (Figure 5).

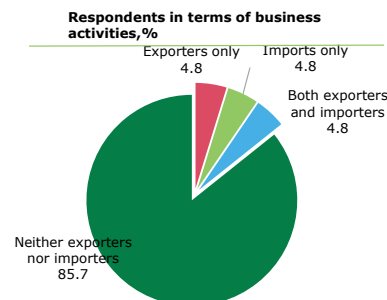
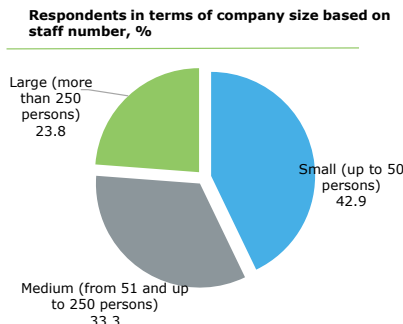
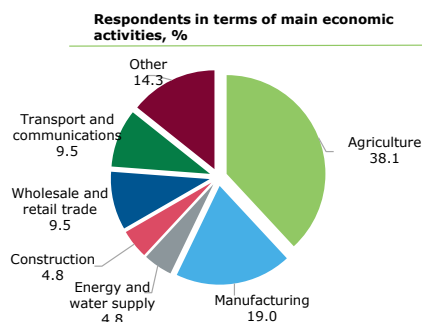
**Respondents reported weaker expectations of an increase in their borrowing needs** in the near future (Figure 8). The respondents who planned to take out loans (their share decreased to 38.1% of those surveyed) opted only for domestic currency ones. Respondents said that lending standards had remained tight (Figure 9). Companies cited the availability of other funding sources, high loan rates, complicated paperwork, and collateral requirements 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** (96.0% across Ukraine).

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

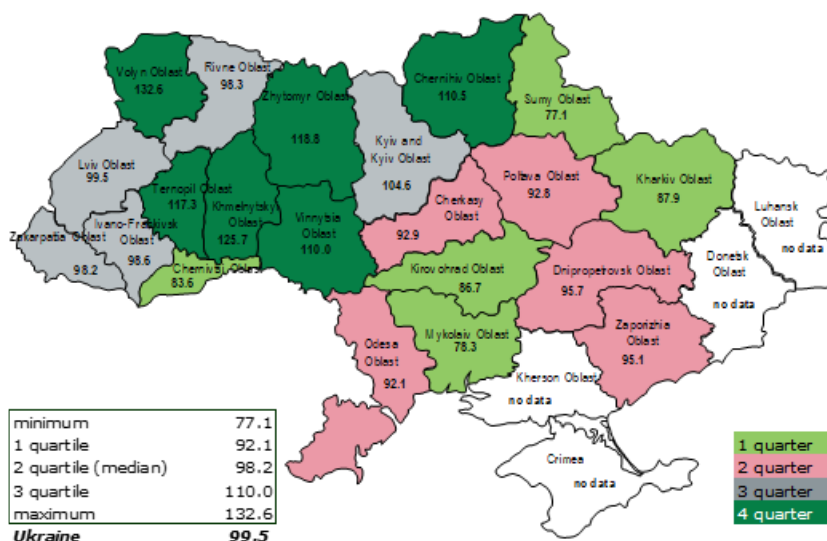
- **Respondents assessed their current financial and economic standings as bad:** the balance of responses was (-15.0%), compared to (-4.5%) in the previous quarter and (-4.3%) across Ukraine.
- **Finished goods stocks were assessed at normal levels:** the balance of responses was 0.0%, compared to (-5.9%) in Q1 2024.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 10.0%, compared to 0.0% in the previous quarter.

Survey Details<sup>1,2</sup>



- Period: 30 April through 23 May 2024.
- A total of 21 companies were polled.
- A representative sample was generated on the basis of the agricultural sector and the manufacturing industry.

Business Outlook Index for Next 12 Months in Terms of Oblasts<sup>3</sup>, %



<sup>3</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>\*\*</sup>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 Vinnytsia Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Financial and economic standings	9.5	19.0	9.5	4.5	0.0
Total sales	23.8	47.6	20.0	28.6	20.0
Investment in construction	5.6	5.9	5.3	22.2	10.0
Investment in machinery, equipment, and tools	0.0	47.1	26.3	27.8	20.0
Staff numbers	0.0	-9.5	-4.8	-9.1	0.0

<sup>1</sup> This sample was generated in proportion to the contribution of each oblast and each economic activity to Ukraine's gross value added.

<sup>2</sup> Data for totals and components may be subject to rounding effects.

<sup>3</sup> 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

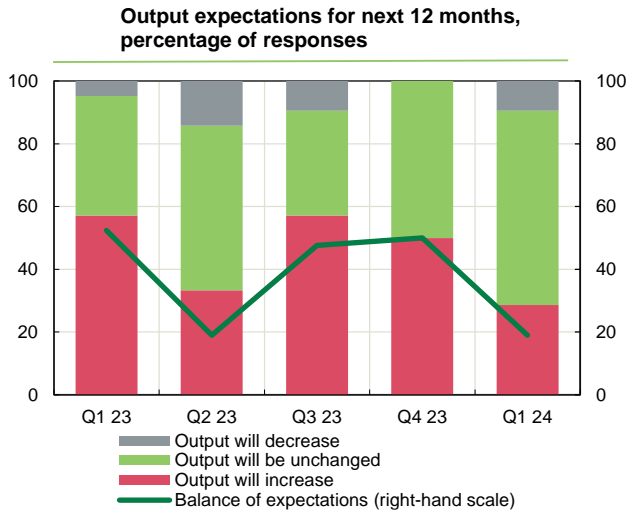


Figure 2

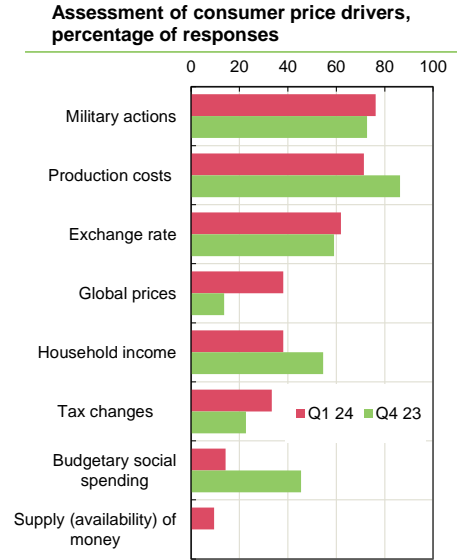


Figure 3

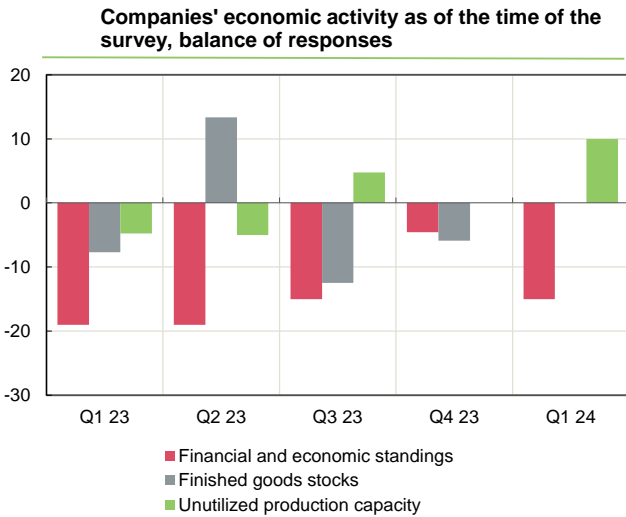


Figure 4



Figure 5

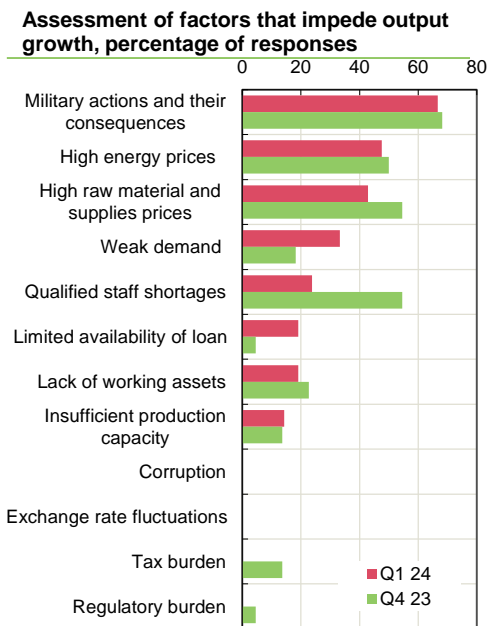


Figure 6

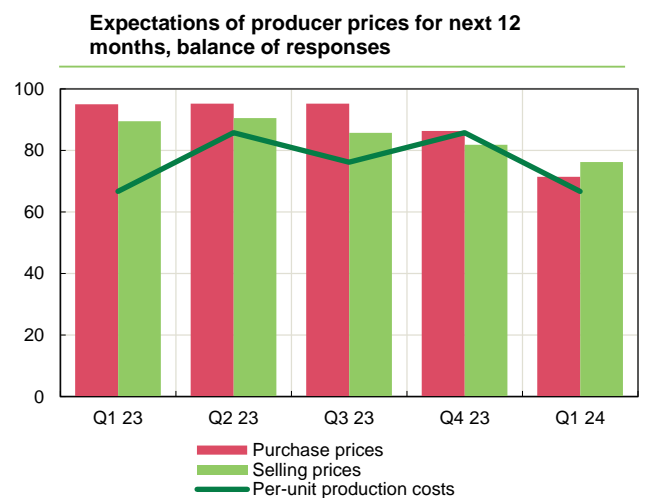


Figure 7

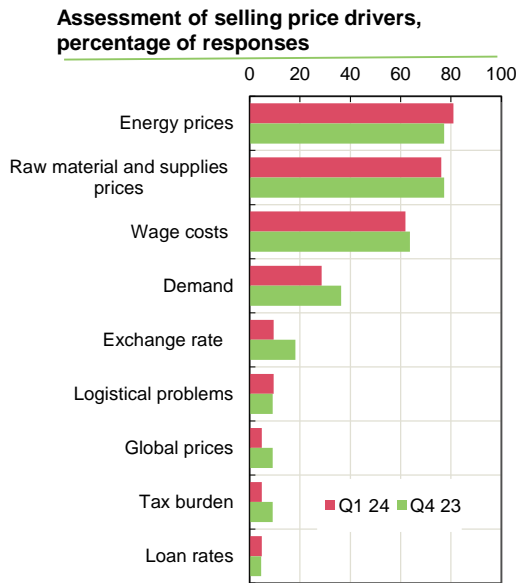


Figure 8

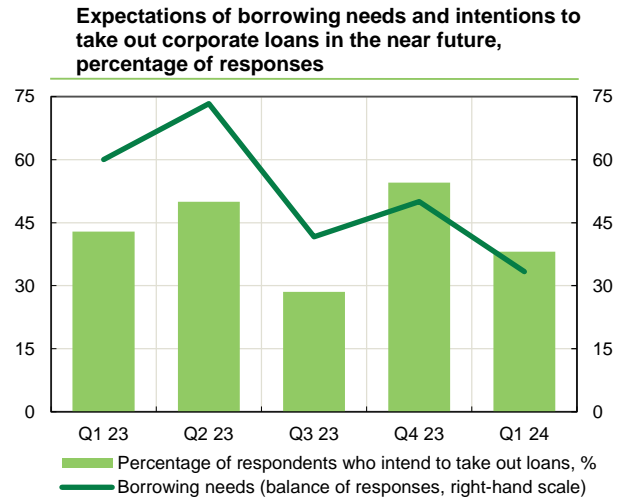


Figure 9

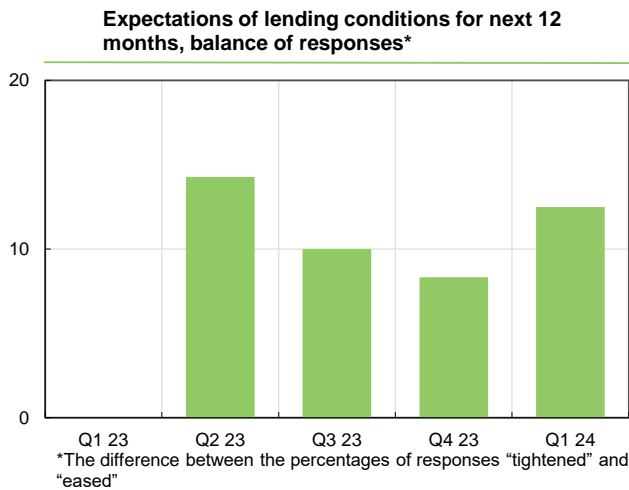


Figure 10

