



National Bank
of Ukraine

Business Outlook Survey of Volyn Oblast*

Q1 2025



*This survey only reflects the opinions of respondents in Volyn 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 **Volyn oblast** in Q1 2025 showed that, despite high energy, raw material, supplies prices, qualified staff shortages and the war, respondents continued to expect the output of Ukrainian goods and services to increase. They also had positive expectations for the performance of their companies over the next 12 months. Inflation and depreciation expectations continued to strengthen.

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 responses was 69.2%, up from 58.3% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was 15.6%
- prices for consumer goods and services would rise: 61.5% of respondents expected that inflation would exceed 10.0%, compared to 58.3% in the previous quarter and 60.3% across Ukraine. Respondents referred to production costs (the impact of this factor was reported to have increased), the hryvnia exchange rate and military actions as the main inflation drivers (Figure 2)
- the hryvnia would depreciate more markedly: 100.0% of respondents, compared to 91.7% in the previous quarter, expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 89.1%
- the financial and economic standings of their companies would improve: the balance of expectations was 15.4%, compared to 25.0% in the previous quarter (see Table). Overall, across Ukraine, the balance of responses was 4.7%
- total sales would increase: the balance of responses was 53.8% (compared to 50.0% in Q4 2024) (see Table). The balance of responses across Ukraine was 20.7%
- investment in machinery, equipment, and tools would rise: the balance of responses was 25.0%, down from 50.0% in Q4 2024. In contrast, respondents expected that investment in construction would drop: the balance of responses was (-8.3%), compared to (-10.0%) in the previous quarter (see Table). Across Ukraine, the balances of responses were 13.4% and 2.7% respectively
- staff numbers would remain unchanged: the balance of responses was 0.0%, compared to 8.3% in Q4 2024 (Figure 4), while the figure across Ukraine was (-0.6%)
- purchase and selling prices would rise: the balances of responses were 92.3% and 76.9% (compared to 91.7% for each in the previous quarter) (Figure 6). Wage costs (the impact of this factor was reported to have increased) and energy prices, raw material and supplies prices were referred to as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow: the balances of responses were 84.6% and 92.3% respectively (compared to 91.7% and 83.3% in the previous quarter) (Figures 4 and 6).

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

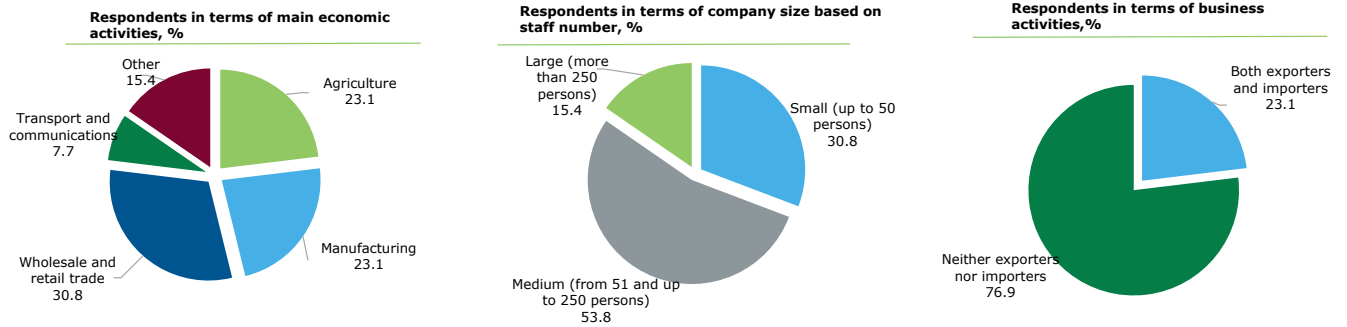
Companies continued to report strong expectations of an increase in their borrowing needs in the near future (Figure 8). The share of respondents who planned to take out bank loans was 46.2%. They preferred domestic currency loans. Respondents cited the availability of other funding sources, high loan rates 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).

92.3% 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)

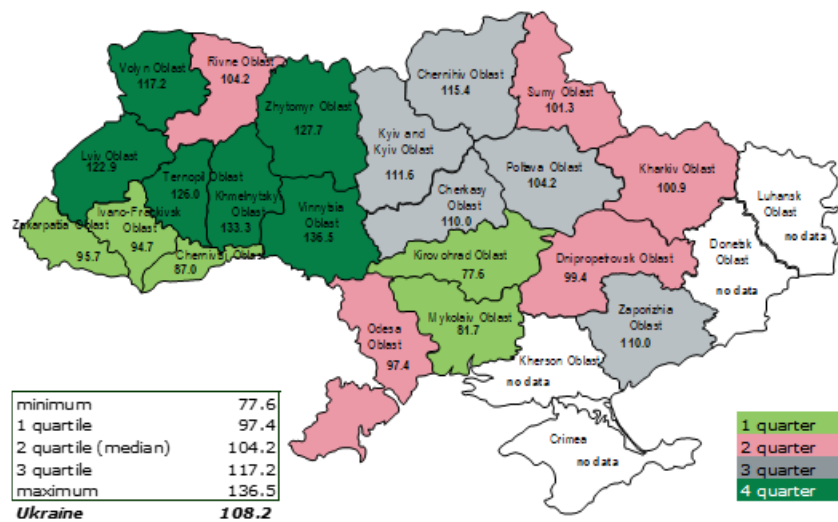
- Companies assessed their current financial and economic standings as satisfactory: the balance of responses was 0.0%, compared to (-8.3%) in Q4 2024. Overall, across Ukraine the balance of responses was (-3.4%).
- Finished goods stocks were assessed at normal levels: the balance of responses was 0.0%, compared to (-14.3%) in Q4 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 7.7%, compared to 8.3% in Q4 2024.

Survey Details^{1,2}



- Period: 3 February through 25 February 2025.
- A total of 13 companies were polled.
- A representative sample was generated on the basis of the trade 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 Volyn 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	16.7	50.0	41.7	25.0	15.4
Total sales	66.7	54.5	66.7	50.0	53.8
Investment in construction	0.0	10.0	0.0	-10.0	-8.3
Investment in machinery, equipment, and tools	25.0	40.0	50.0	50.0	25.0
Staff numbers	8.3	8.3	0.0	8.3	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

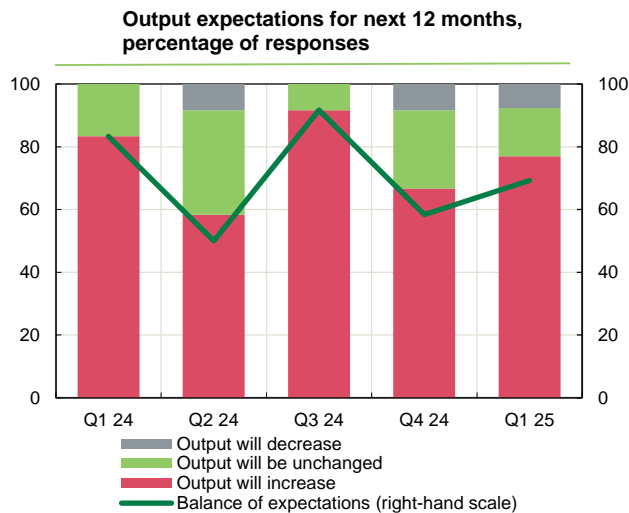


Figure 2

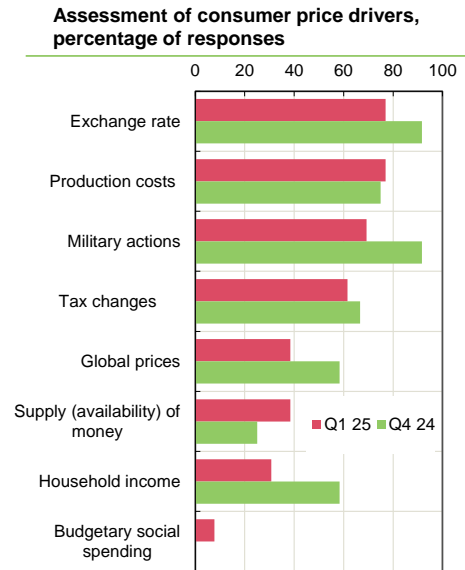


Figure 3

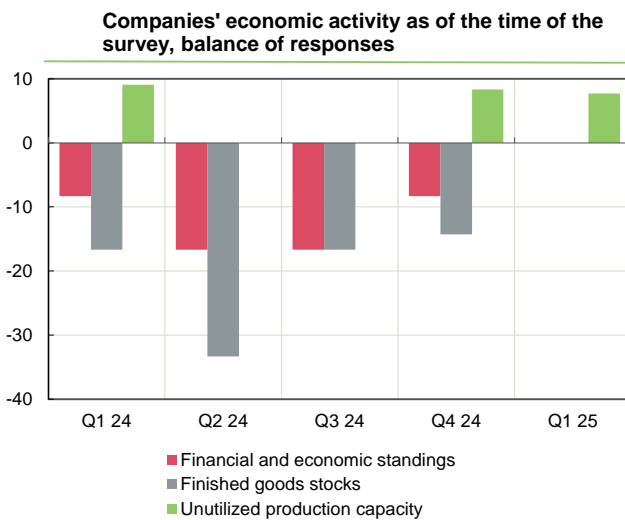


Figure 4

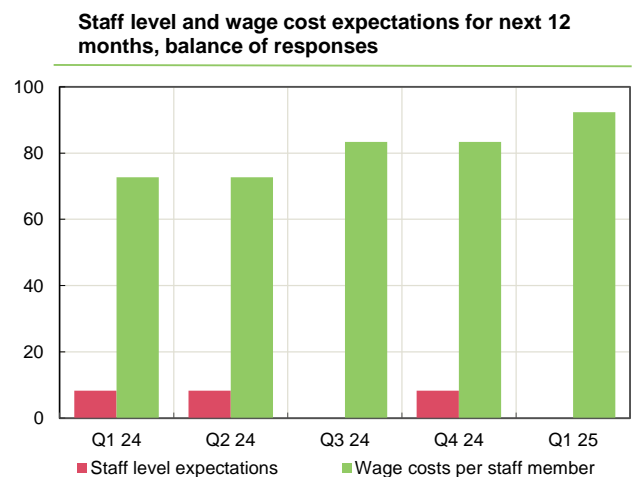


Figure 5

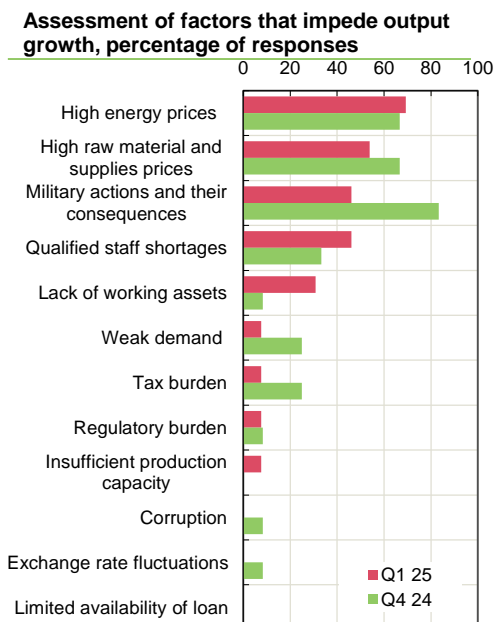


Figure 6

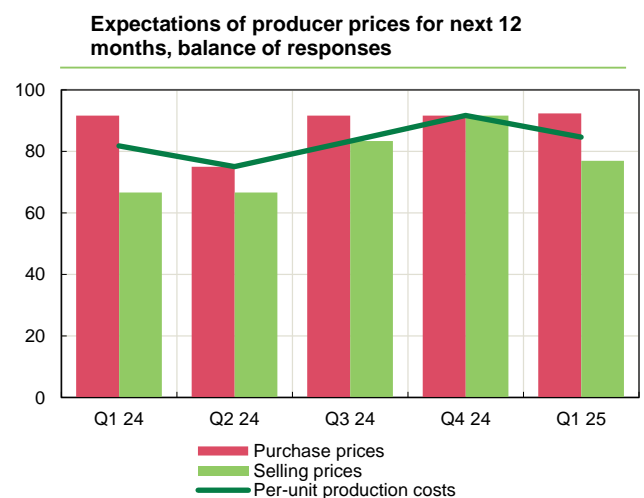


Figure 7

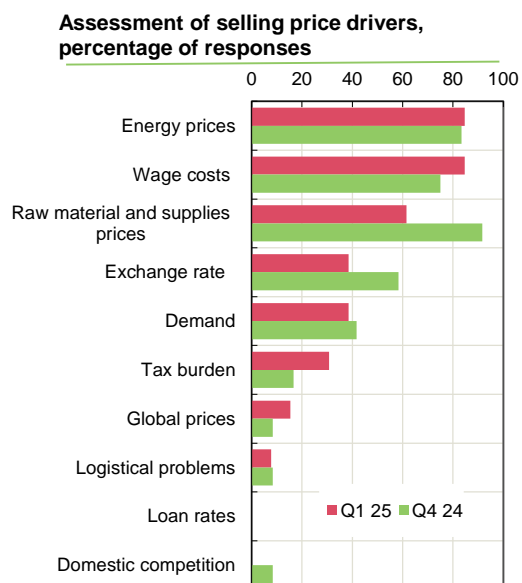


Figure 8

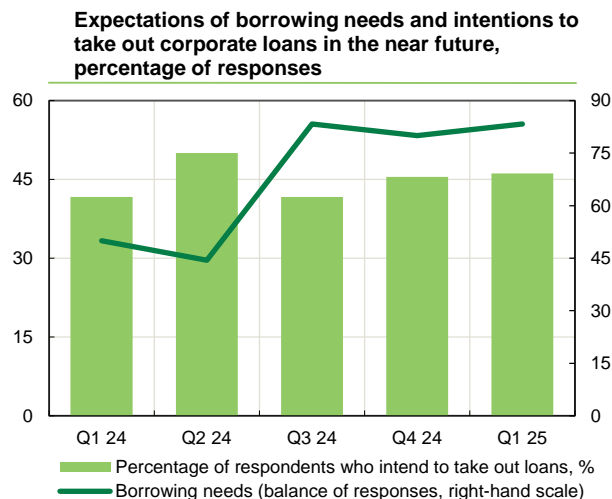


Figure 9

