



National Bank
of Ukraine

Business Outlook Survey of Zhytomyr Oblast*

Q1 2025



*This survey only reflects the opinions of respondents in Zhytomyr 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 **Zhytomyr oblast** in Q1 2025 showed that, despite the war and high raw material and supplies prices, energy prices and qualified staff shortages, respondents **expected an increase in the output of Ukrainian goods and services**. They also had positive expectations for the performance of their companies over the next 12 months. Moderate inflation was expected. 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 at a faster pace:** the balance of expectations was 76.9% (these were the highest expectations across the regions), up from 61.5% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was 15.6%
- inflation would be moderate: 61.5% of respondents expected that the inflation rate would not exceed 10.0%, as in the previous quarter, and compared to 39.7% across Ukraine. Respondents referred to production costs and tax changes as the main inflation drivers (Figure 2)
- the hryvnia would depreciate further: 92.3% of respondents expected the hryvnia to weaken against the US dollar, compared to 84.6% in Q4 2024. The figure across Ukraine was 89.1%
- **the financial and economic standings of their companies would improve:** the balance of responses was 23.1%, compared to 15.4% 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%, as in Q4 2024. Across Ukraine, the balance of responses was 20.7%
- **investment in construction would increase at a faster pace:** the balance of responses was 23.1%, up from 9.1% in the previous quarter. At the same time, respondents expected that investment in machinery, equipment, and tools would increase more slowly: the balance of responses was 30.8%, down from 54.5% in Q4 2024 (see Table). The balances of responses across Ukraine were 2.7% and 13.4% respectively
- **staff numbers would increase:** the balance of responses was 7.7%, up from (-15.4%) in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-0.6%)
- purchase and selling prices would rise at a fast pace: the balances of responses were 100.0% for each, up from 100.0% and 92.3% respectively in Q4 2024 (Figure 6). Energy prices, raw material and supplies prices, wage costs and the hryvnia exchange rate were cited as the main selling price drivers. The impact of loan rates was reported to have increased (reported by 23.1% of respondents, up from 0.0% in the previous quarter) (Figure 7)
- per-unit production costs and wage costs per staff member would rise more quickly: the balances of responses were 92.3% for each (compared to 76.9% and 84.6% in Q4 2024) (Figures 4 and 6).

Companies cited high raw material and supplies prices, qualified staff shortages (the impact of this factor was reported to have increased) and energy prices as the main drags on their ability to boost production (Figure 5).

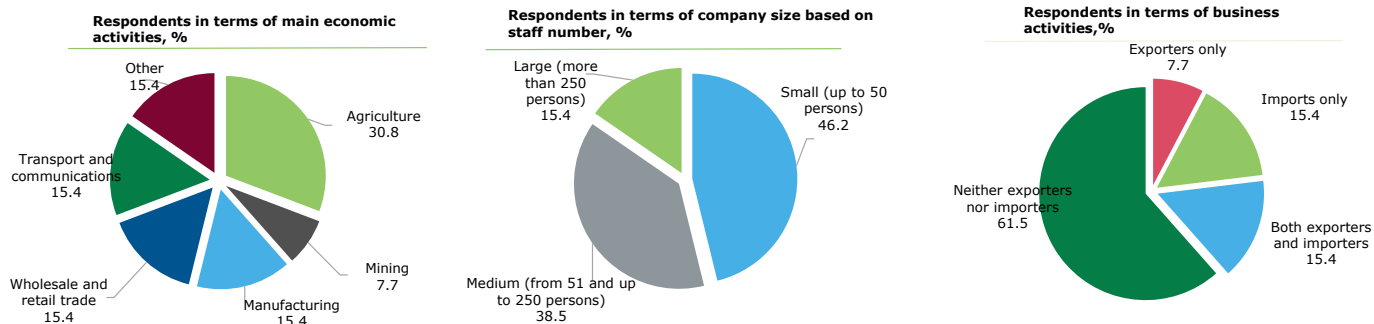
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). The respondents who planned to take out loans (46.2% of those surveyed) opted only for domestic currency loans. Respondents said that lending conditions had remained unchanged (Figure 9). Respondents referred to high loan rates, the availability of other funding sources 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 (compared to 96.6% across Ukraine).

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

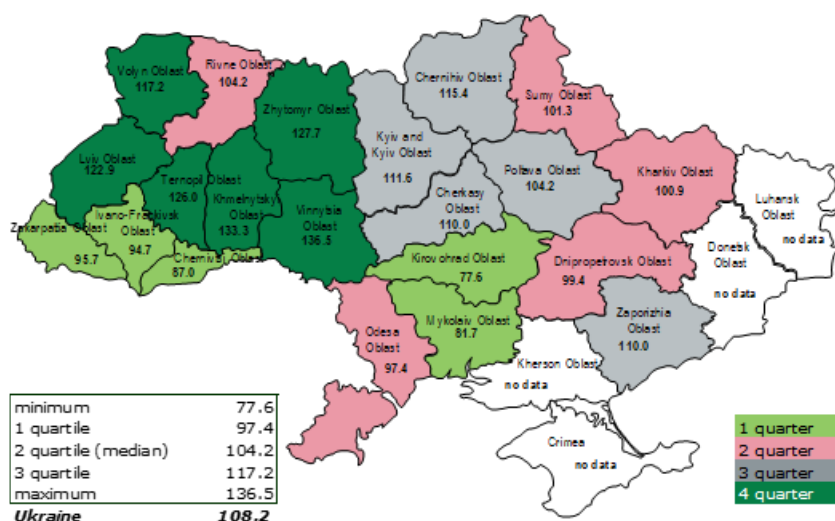
- Companies' current financial and economic standings had deteriorated and were assessed as bad: the balance of responses was (-7.7%), down from 0.0% in the previous quarter. The figure across Ukraine was (-3.4%).
- Finished goods stocks were assessed at higher than normal levels: the balance of responses was 12.5%, up from 0.0% in Q4 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 15.4%, down from 23.1% in the previous quarter.

Survey Details^{1,2}



- Period: 4 February through 25 February 2025.
- 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 Zhytomyr 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	30.8	30.8	15.4	15.4	23.1
Total sales	33.3	38.5	46.2	53.8	53.8
Investment in construction	-10.0	0.0	18.2	9.1	23.1
Investment in machinery, equipment, and tools	10.0	25.0	36.4	54.5	30.8
Staff numbers	0.0	0.0	-8.3	-15.4	7.7

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

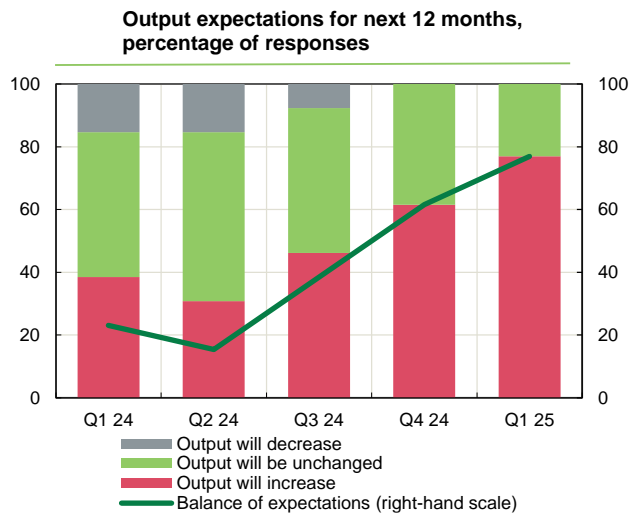


Figure 2

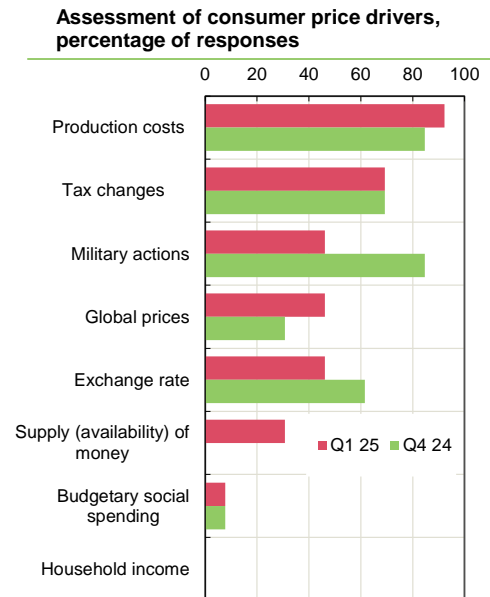


Figure 3

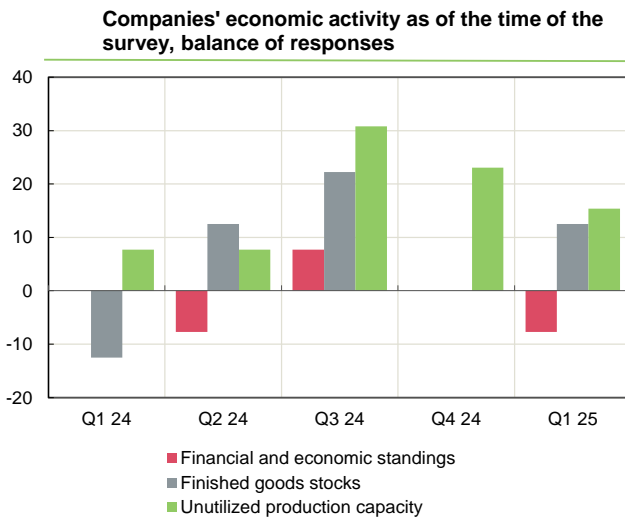


Figure 4



Figure 5

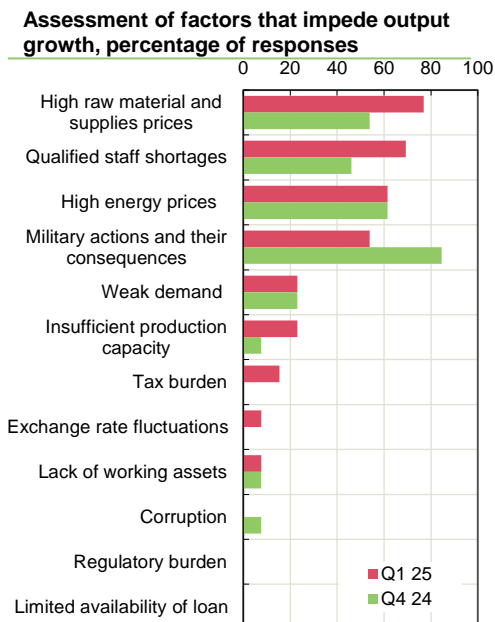


Figure 6

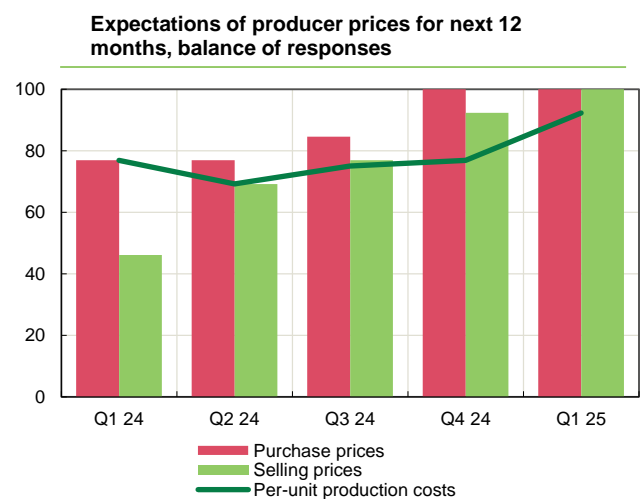


Figure 7

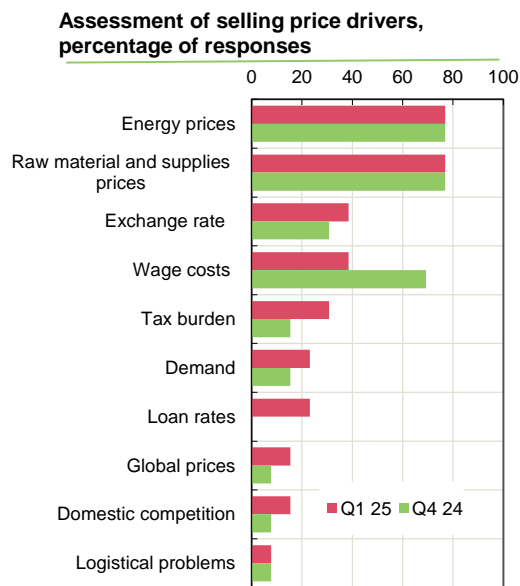


Figure 8

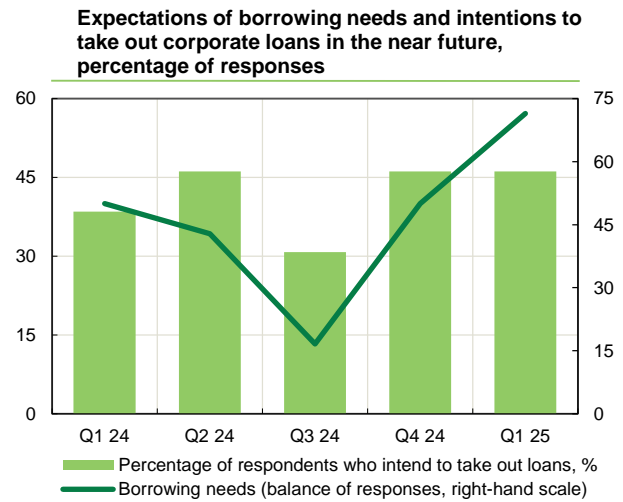


Figure 9

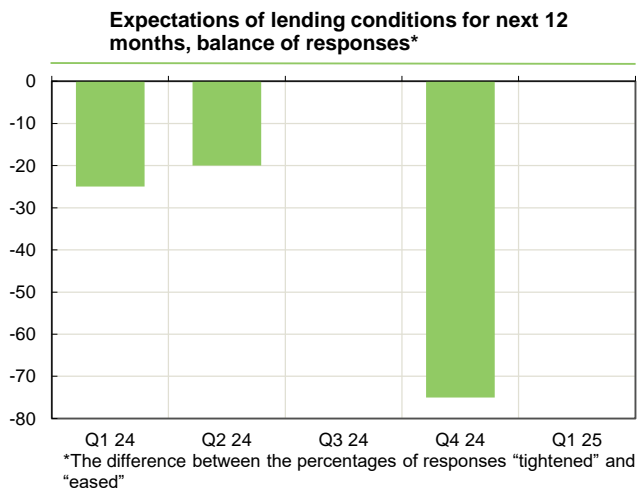


Figure 10

