



National Bank  
of Ukraine

## Business Outlook Survey of **Zakarpattia Oblast**\*

**Q1 2025**



\*This survey only reflects the opinions of respondents in Zakarpattia 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 **Zakarpattia oblast** in Q1 2025 showed that, on the back of the war, qualified staff shortages and weak demand, respondents had cautious expectations for the output of Ukrainian goods and services over the next 12 months. They had negative expectations for the performance of their companies over that period. Respondents expected that prices for consumer goods and services would continue to rise. 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 remain unchanged: the balance of expectations was 0.0%, compared to (-9.1%) in Q4 2024 (Figure 1). Overall, across Ukraine, the balance of responses was 15.6%
- prices for consumer goods and services would rise: 64.3% of respondents said that growth in the prices of consumer goods and services would not exceed 10.0% (compared to 63.6% in the previous quarter and 39.7% across Ukraine). Respondents continued to refer to military actions, production costs and the hryvnia exchange rate as the main inflation drivers. Respondents also reported a stronger impact of social budgetary spending compared to the previous quarter (Figure 2)
- the hryvnia would depreciate at a slower pace: 64.3% of respondents (down from 90.9% in Q4 2024) 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 deteriorate: the balance of responses was (-7.1%), down from 0.0% in the previous quarter (see Table). Overall, across Ukraine, the figure was 4.7%
- total sales would remain unchanged: the balance of responses was 0.0%, up from (-18.2%) in the previous quarter. At the same time, respondents expected that external sale would increase: the balance of responses was 12.5%, down from 33.3% in Q4 2024 (see Table). Across Ukraine, the balances of responses were 20.7% and 19.5% respectively
- investment in construction and in machinery, equipment, and tools would remain unchanged: the balances of responses were 0.0% for each, compared to (-9.1%) and 0.0% respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were 2.7% and 13.4% respectively
- staff numbers at their companies would decrease more slowly: the balance of responses was (-14.3%), compared to (-27.3%) in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-0.6%)
- purchase prices would grow at a faster pace, but selling prices would also rise: the balances of responses were 92.9% and 71.4% respectively, compared to 81.8% and 72.7% respectively in the previous quarter (Figure 6). The hryvnia exchange rate (the impact of this factor was reported to have increased), wage costs and high energy prices and were cited as the main selling price drivers (Figure 7)
- per-unit production costs would increase, while wage costs per staff member would rise at a slower pace: the balances of responses were 42.9% and 28.6% respectively, compared to 45.5% and 54.5% respectively in Q4 2024 (Figures 4 and 6).

Companies cited military actions and their consequences, qualified staff shortages and weak demand as the main drags on their ability to boost production (Figure 5).

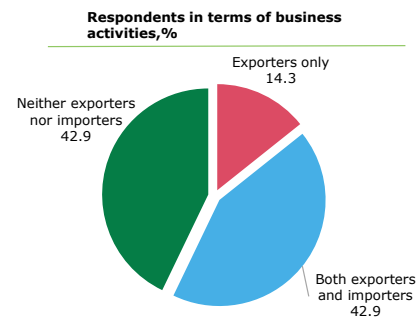
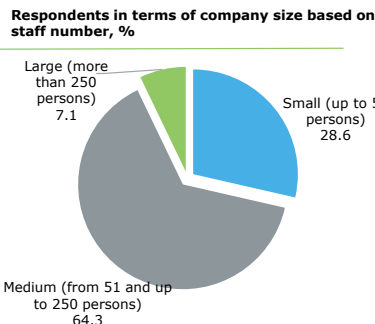
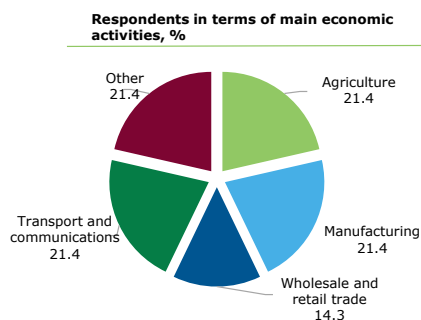
The share of respondents who planned to take out bank loans was 28.6% (Figure 8). The companies that planned to take out bank loans fell into two camps: 50.0% of them opted to take domestic currency loans. Respondents referred to the availability of other funding sources, high loan rates and uncertainty about their ability to meet debt obligations as they fall due as the main factors deterring them from taking out loans (Figure 9).

All 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)

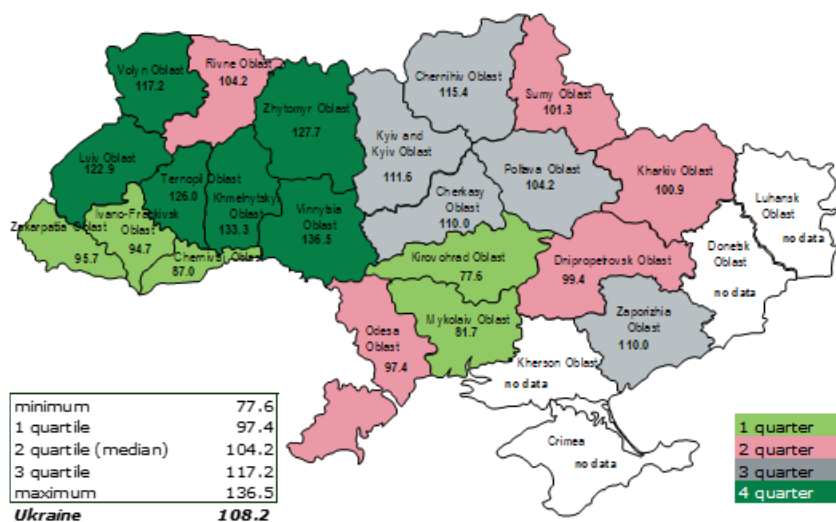
- Companies assessed their current financial and economic standings as good: the balance of responses was 7.1%, compared to 9.1% in the previous quarter and (-3.4%) across Ukraine.
- Finished goods stocks were assessed as lower than normal: the balance of responses was (-42.9%), up from (-50.0%) in the previous quarter.
- Companies said they would need additional capacity to meet any unexpected rise in demand: the balance of responses was (-7.1%), up from (-27.3%) in Q4 2024.

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



- Period: 3 February through 20 February 2025.
- A total of 14 companies were polled.
- No economic activity was able to generate a representative sample.

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



\*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 Zakarpattia 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	0.0	9.1	0.0	0.0	-7.1
Total sales	0.0	0.0	0.0	-18.2	0.0
Investment in construction	-18.2	9.1	-9.1	-9.1	0.0
Investment in machinery, equipment, and tools	-9.1	-9.1	0.0	0.0	0.0
Staff numbers	-18.2	-18.2	0.0	-27.3	-14.3

<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

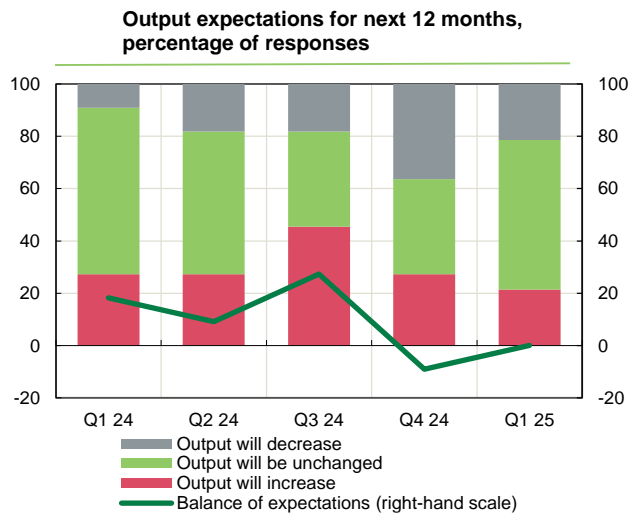


Figure 2

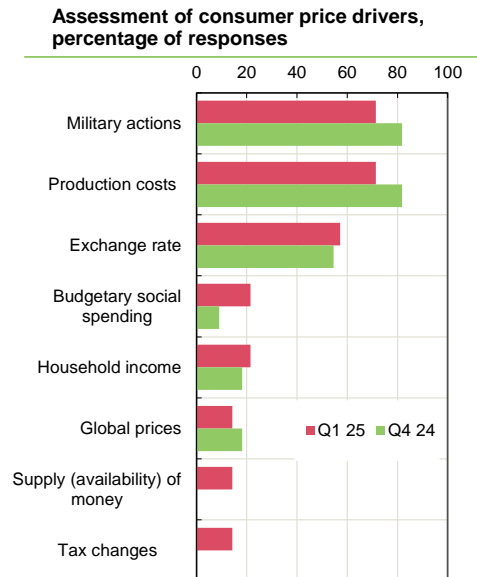


Figure 3

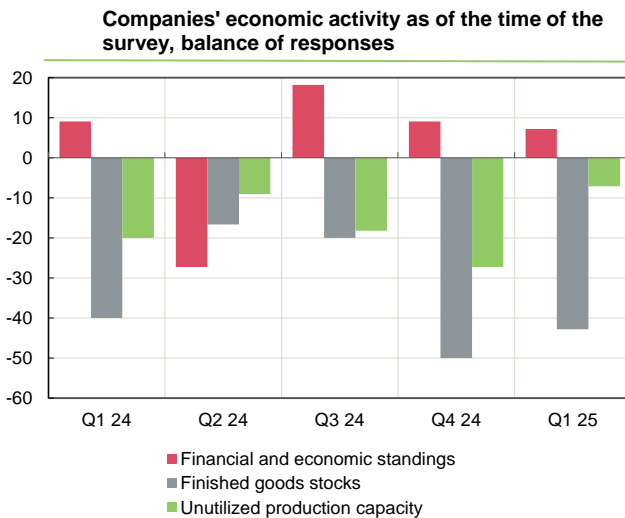


Figure 4



Figure 5

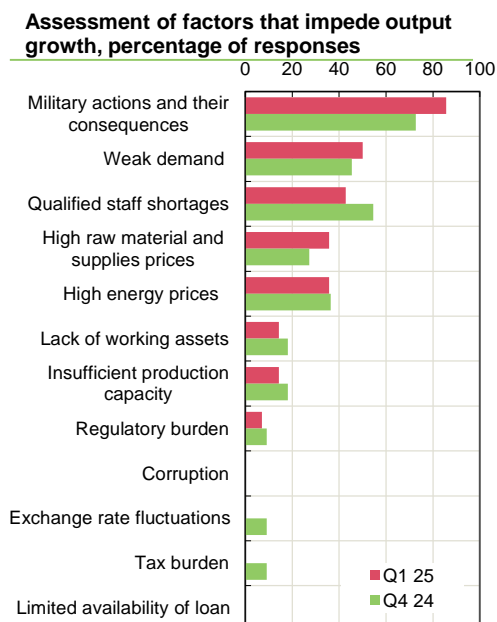
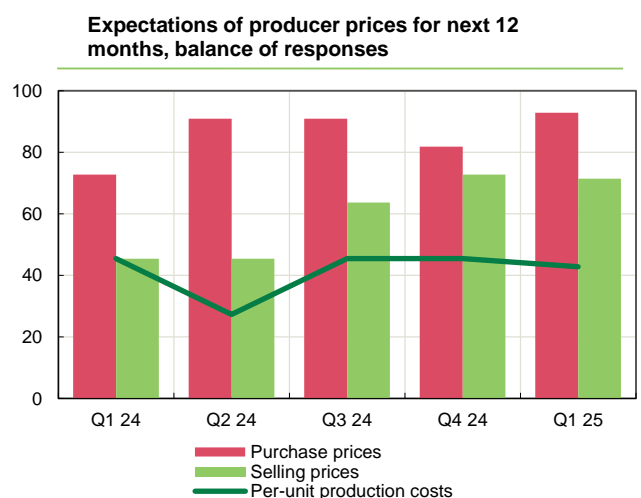
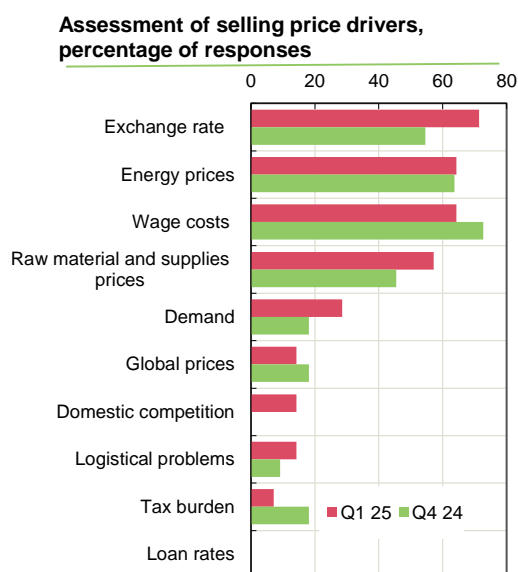


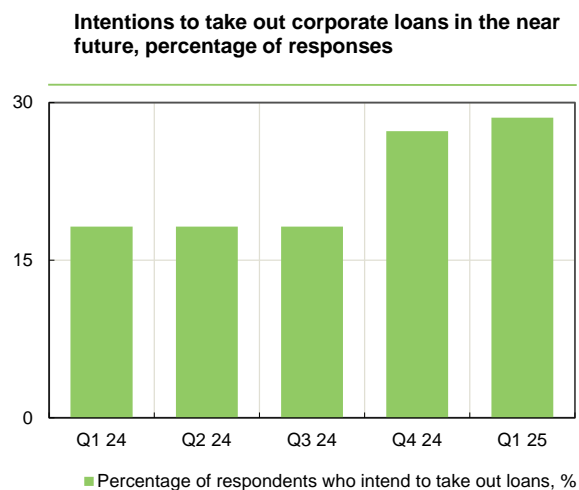
Figure 6



**Figure 7**



**Figure 8**



**Figure 9**

