



National Bank
of Ukraine

Business Outlook Survey of Lviv Oblast*

Q4 2024



*This survey only reflects the opinions of respondents in Lviv oblast (top managers of companies) who were polled in Q4 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Lviv oblast** in Q4 2024 showed that, despite the war, qualified staff shortages, and high energy prices, respondents **expected a rise in the output of Ukrainian goods and services** over the next 12 months. Respondents reported **positive expectations for the performance of their companies** over this period. Prices were expected to rise further. 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 responses was 15.8%, compared to 8.3% in Q3 2024 (Figure 1). Overall, across Ukraine, the balance of responses was (-1.4%)
- **prices for consumer goods and services would rise:** 64.9% of respondents expected that inflation would not exceed 10.0% (compared to 65.7% in Q3 2024 and 46.3% across Ukraine). Respondents continued to refer to military actions, the hryvnia exchange rate and production costs as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate more pronouncedly:** 94.6% of respondents, compared to 80.0% in the previous quarter and 92.8% across Ukraine expected the hryvnia to weaken against the US dollar
- **the financial and economic standings of their companies would improve at a faster pace:** the balance of expectations was 24.3%, up from 16.2% in the previous quarter. Overall, across Ukraine, the balance of responses was (-1.2%) (see Table). The most optimistic expectations were reported by respondents from agricultural companies (50.0%)
- **total sales and external sales would increase:** the balances of responses were 26.3% and 5.6% respectively, compared to 21.6% and 23.5% respectively in Q3 2024 (see Table). The balances of responses across Ukraine were 9.0% and 7.7% respectively
- **investment in construction and in machinery, equipment, and tools would increase:** the balances of responses were 2.7% and 18.9% respectively, compared to (-11.1%) and 13.9% respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were (-1.6%) and 9.3% respectively
- **staff numbers at their companies would increase:** the balance of responses was 13.2% (among the highest expectations across the regions), compared to 8.1% in Q3 2024 (Figure 4). Across Ukraine, the balance of responses was (-6.6%)
- **both purchase and selling prices would rise:** the balances of responses were 97.3% and 89.5% respectively (compared to 97.3% and 73.0% respectively in Q3 2024) (Figure 6). Respondents from trading, and transport and communications companies reported the firmest intentions to raise their selling prices (100.0% per each). Energy prices, the hryvnia exchange rate (the impact of this factor was reported to have increased) and raw material and supplies prices were cited as the main selling price drivers (Figure 7)
- **per-unit production costs would grow more rapidly:** the balance of responses was 73.7%, up from 61.1% in Q3 2024. Respondents expected that wage costs per staff member would increase: the balance of responses was 73.7%, compared to 73.0% in the previous quarter (Figures 4 and 6).

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

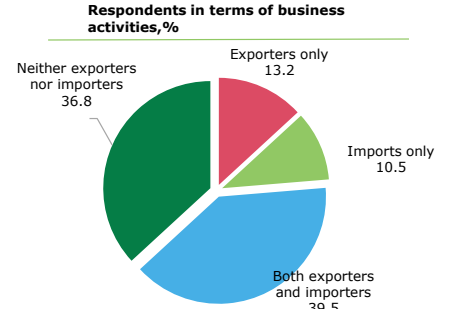
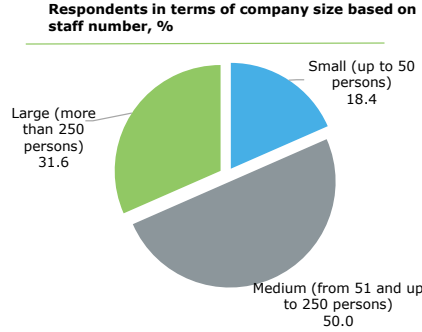
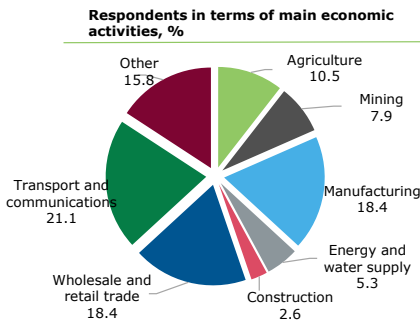
Respondents reported stronger expectations of an increase in their borrowing needs in the near future (Figure 8). Most of the respondents who planned to take out bank loans (52.6%) opted for domestic currency loans. Respondents said that lending conditions had remained unchanged (Figure 9). Respondents referred to high interest rates, other funding sources and collateral requirements as the main factors deterring them from taking out loans (Figure 10).

97.4% of respondents said that they had encountered no difficulties in effecting transactions with funds deposited in bank accounts (96.5% across Ukraine).

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

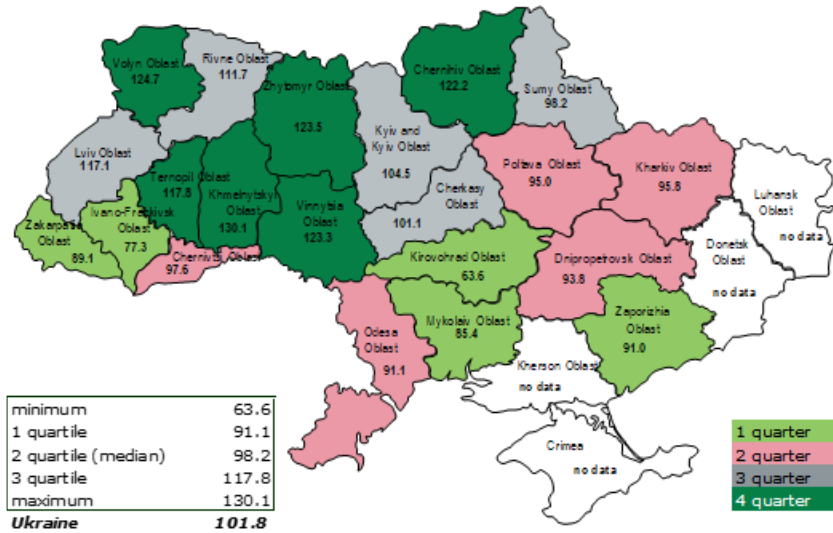
- Companies assessed their current financial and economic standings as good: the balance of responses was 5.8%, down from 10.8% in Q3 2024, compared to (-6.1%) across Ukraine.
- Finished goods stocks were assessed at lower than normal levels: the balance of responses was (-10.0%), compared to (-5.0%) in Q3 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 5.3%, compared to 11.1% in Q3 2024.

Survey Details^{1,2}



- Period: 31 October through 25 November 2024.
- A total of 38 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture, manufacturing, trade, transport and communications, and other economic activities.

Business Outlook Index for Next 12 Months in Terms of Oblasts³, %



³a 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 Lviv Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Financial and economic standings	-5.3	17.1	2.6	16.2	24.3
Total sales	7.9	5.4	5.4	21.6	26.3
Investment in construction	-12.5	-2.7	-8.1	-11.1	2.7
Investment in machinery, equipment, and tools	11.4	2.7	13.5	13.9	18.9
Staff numbers	-5.7	-5.4	-15.8	8.1	13.2

¹ This sample was generated in proportion to the contribution of each region 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

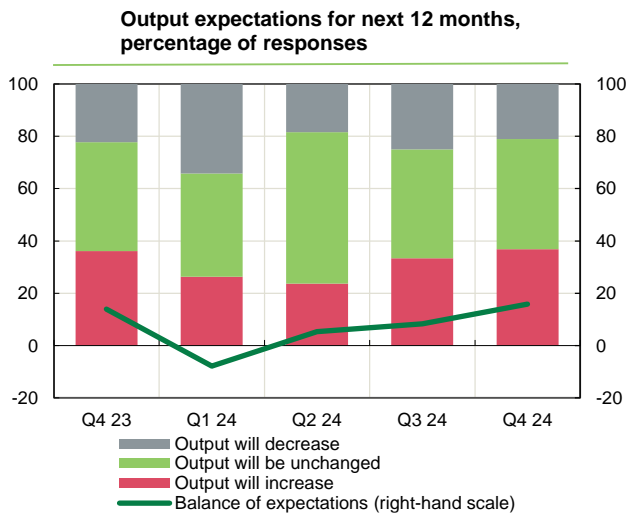


Figure 2

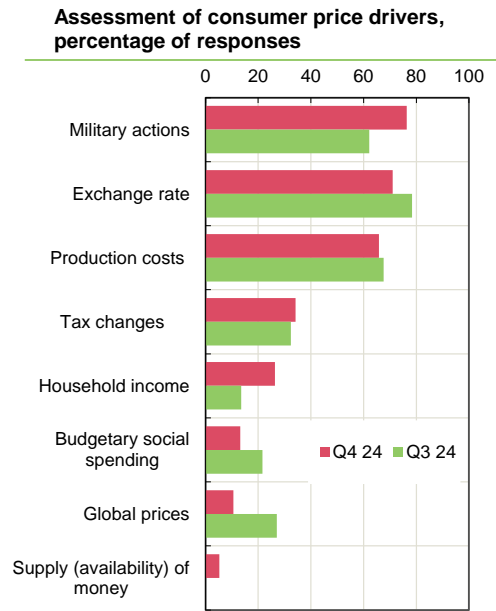


Figure 3

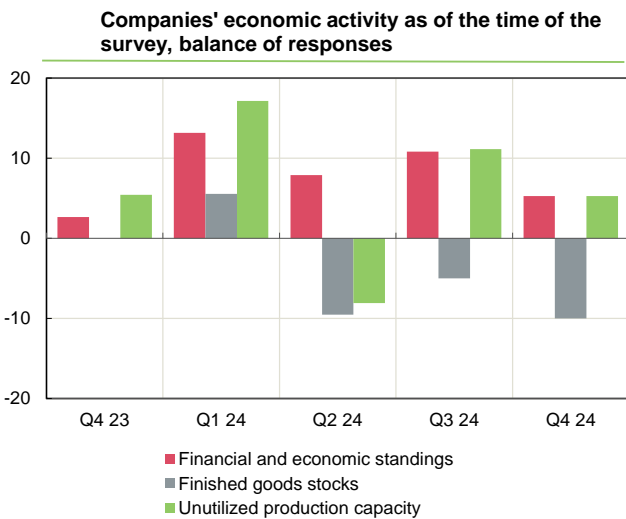


Figure 4



Figure 5

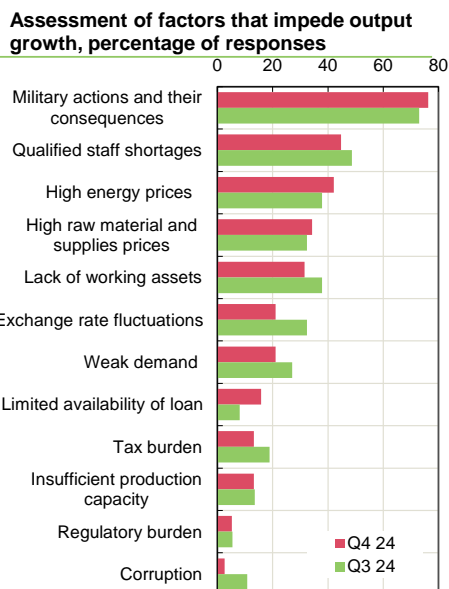


Figure 6

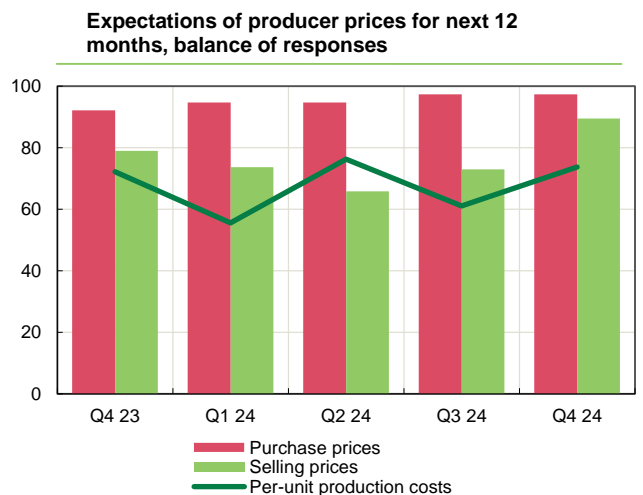


Figure 7

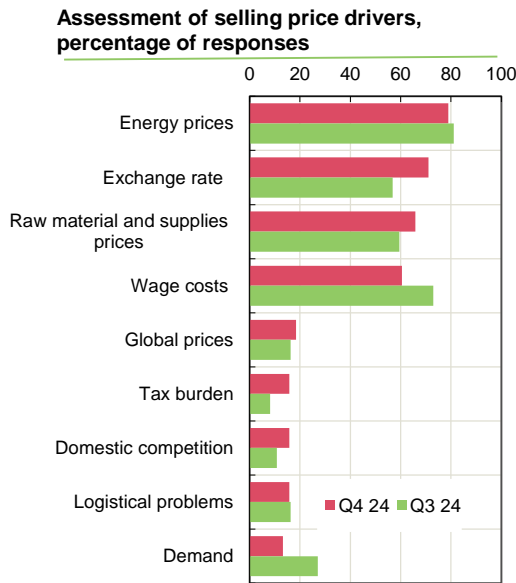


Figure 8

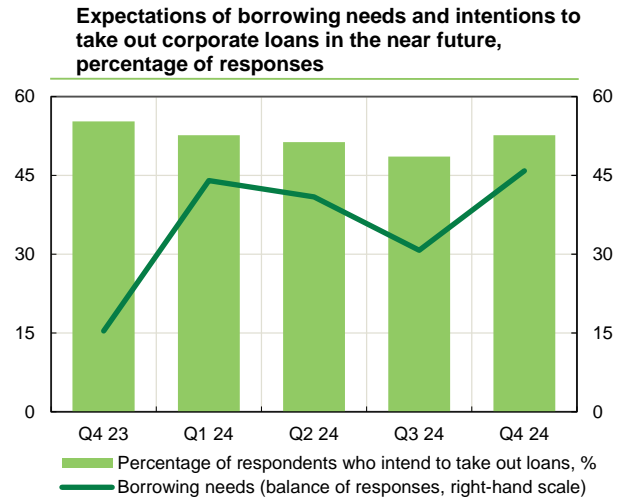


Figure 9

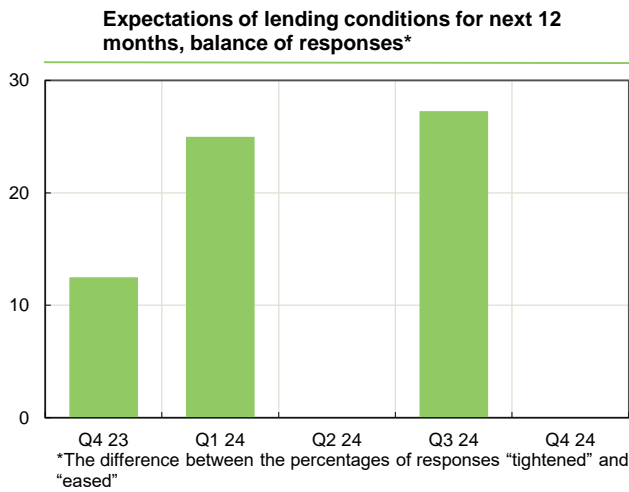


Figure 10

