



National Bank
of Ukraine

Business Outlook Survey of Mykolaiv Oblast*

Q2 2024



*This survey only reflects the opinions of respondents in Mykolaiv 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 **Mykolaiv oblast** in Q2 2024 showed that, despite the war, a lack of working assets and qualified staff shortages, respondents expected the output of Ukrainian goods and services to remain unchanged over the next 12 months. They reported dimmer expectations for the performance of their companies over this period. Inflation and depreciation expectations remained high.

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%, up from (-6.3%) in Q1 2024 (Figure 1). Overall, across Ukraine, respondents expected that the output would decrease moderately (-0.3%)
- prices for consumer goods and services would rise: 56.3% of respondents (as in Q1 2024) expected the inflation rate to be higher than 10.0%, the figure across Ukraine being 37.2%. Respondents referred to military actions, production costs and the exchange rate **as the main inflation drivers** (Figure 2)
- the hryvnia would depreciate: 87.5% of respondents (86.7% in the previous quarter) expected the hryvnia to weaken against the US dollar, the figure across Ukraine being 84.9%
- the financial and economic standings of their companies would deteriorate: the balance of expectations was (-6.3%), compared to 12.5% in Q1 2024 (see Table) and (-0.2%) across Ukraine
- total sales, including external sales, would decrease: the balances of responses were (-18.8%) and (-20.0%) respectively, down from 6.3% and 16.7% in the previous quarter (see Table). The balances of responses across Ukraine were 8.7% and 11.0% respectively
- investment in construction and in machinery, equipment, and tools would drop: the balances of responses were (-25.0%) for each, compared to (-37.5%) and 0.0% respectively Q1 2024 (see Table). Across Ukraine, the balances of responses were (-5.5%) and 5.4% respectively
- staff numbers at their companies would decrease at a faster pace: the balance of responses was (-33.3%), down from (-6.3%) in Q1 2024 (Figure 4). Overall, across Ukraine the balance of responses was (-10.7%)
- purchase and selling prices would rise at a fast pace: the balances of responses were 100.0% and 68.8% respectively, compared to 93.8% and 56.3% in the previous quarter (Figure 6). High energy, raw material and supplies prices, wage costs and the hryvnia exchange rate were cited as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow more quickly: the balances of responses were 37.5% and 50.0% (compared to 25.0% and 20.0% respectively in Q1 2024) (Figure 4, 6).

Respondents referred to military actions and their consequences (mentioned by 93.8% of those surveyed), a lack of working assets and qualified staff shortages as the **main drags on the ability of their companies to boost production** (Figure 5).

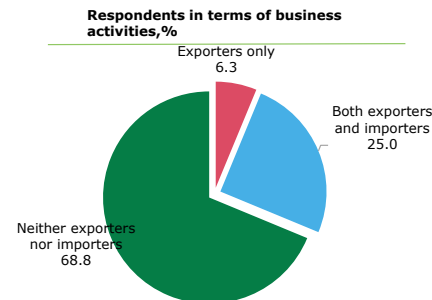
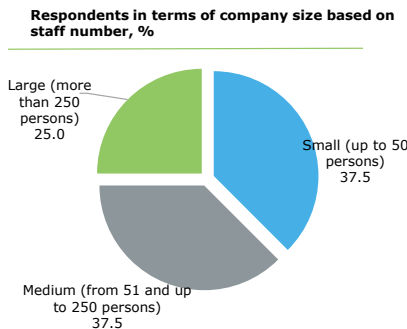
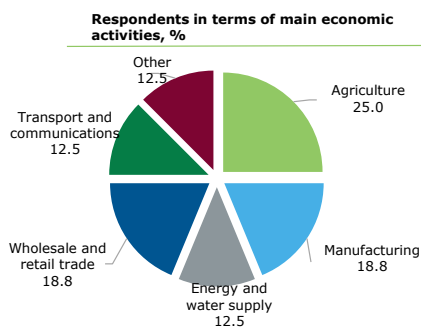
Respondents said that their borrowing needs would increase in the near future (Figure 8). The respondents who planned to take out bank loans (50.0% of those surveyed) usually opted to take domestic currency loans. Respondents said that bank lending standards had tightened (Figure 9). High loan rates, complicated paperwork, (the impact of this factor was reported to have increased significantly compared to the previous quarter) and the availability of other funding sources were cited as the major factors deterring companies from taking out loans (Figure 10).

93.8% 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)

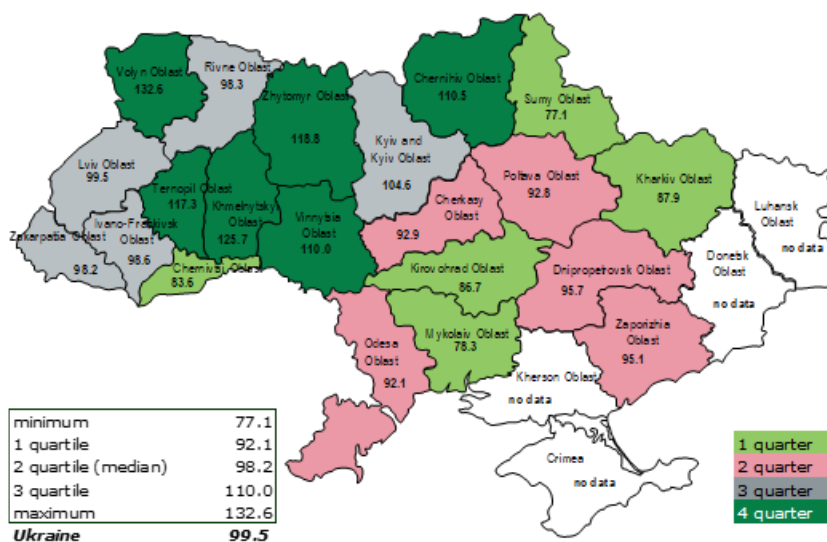
- **Companies assessed their current financial and economic standings as bad**: the balance of responses was (-25.0%), as in the previous quarter, the figure across Ukraine being (-4.3%).
- **Finished goods stocks had decreased and were assessed at lower than normal level**: the balance of responses was (-44.4%), down from (-10.0%) in Q1 2024.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand**: the balance of responses was 18.8%, compared to 26.7% in the previous quarter.

Survey Details^{1,2}



- Period: 30 April through 27 May 2024.
- A total of 16 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, %



³a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups
⁴a 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 Mykolaiv Oblast and Its Components

Expectations over next 12 months for	Balances of responses, %				
	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24
Financial and economic standings	33.3	20.0	26.7	12.5	-6.3
Total sales	40.0	13.3	13.3	6.3	-18.8
Investment in construction	0.0	-15.4	-15.4	-37.5	-25.0
Investment in machinery, equipment, and tools	-7.1	0.0	7.1	0.0	-25.0
Staff numbers	6.7	0.0	0.0	-6.3	-33.3

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

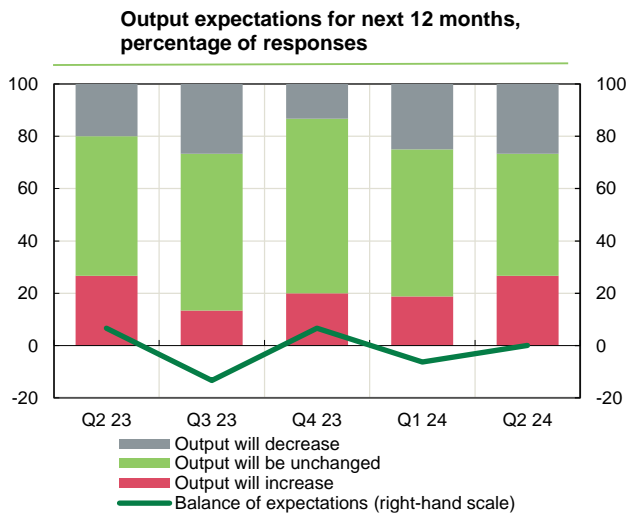


Figure 2

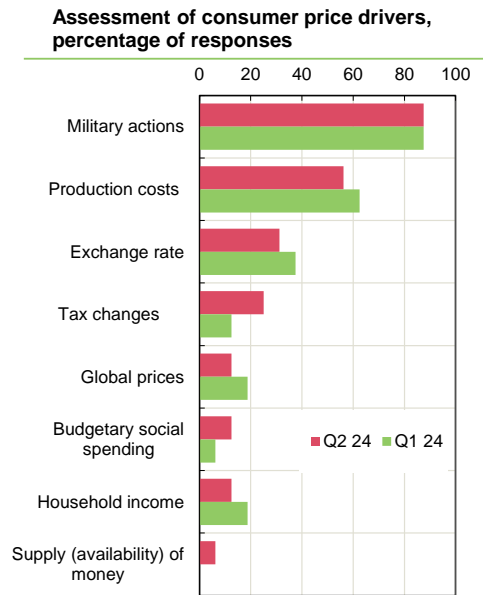


Figure 3

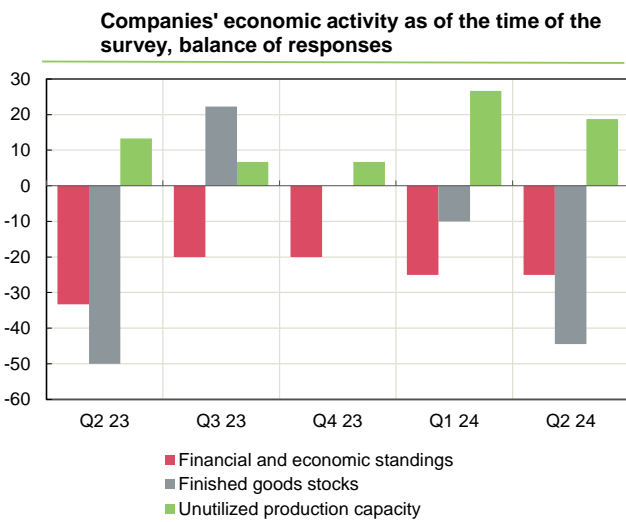


Figure 4



Figure 5

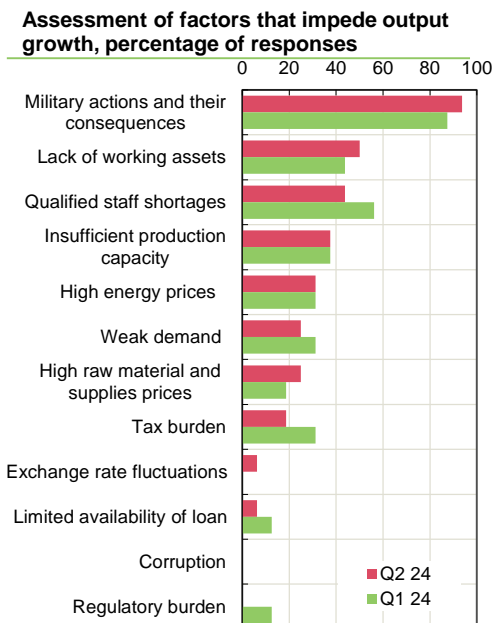


Figure 6

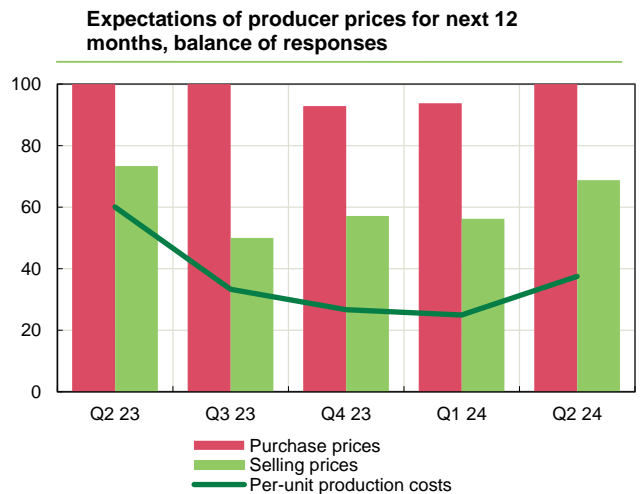


Figure 7

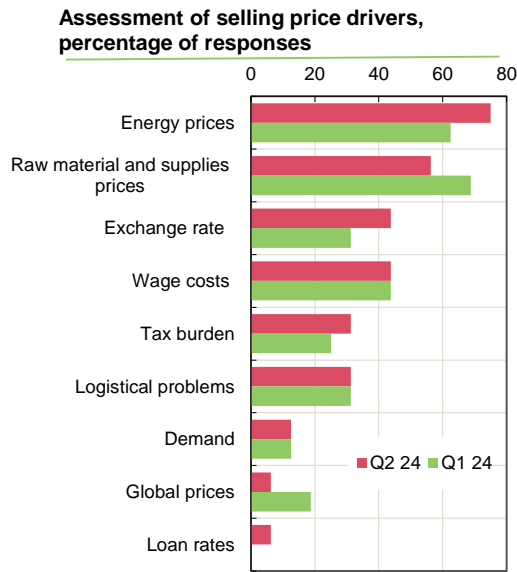


Figure 8

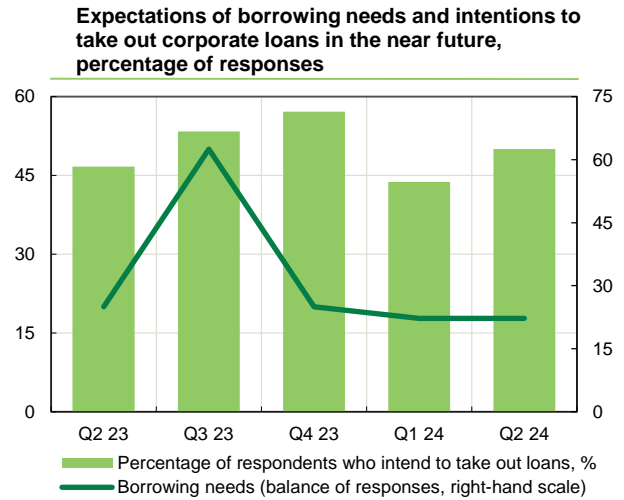


Figure 9

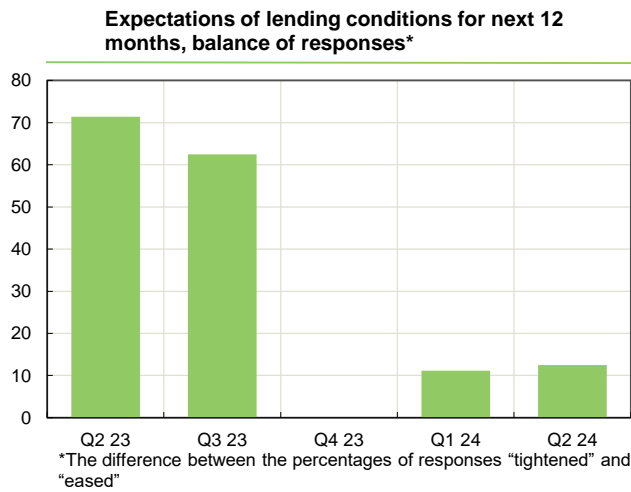


Figure 10

