



National Bank  
of Ukraine

# Monthly Business Outlook Survey

April 2024

The findings presented only reflect the opinions of the respondents, and should not be considered as NBU forecasts or assessments

Issue No.55  
Statistics and Reporting Department



# Summary

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**Businesses** have adapted to the difficult conditions of the full-scale war and **have been reporting an optimistic performance outlook for two months running. The business activity expectations index (BAEI) was 52.3 in April**, up from 52.0 in March.

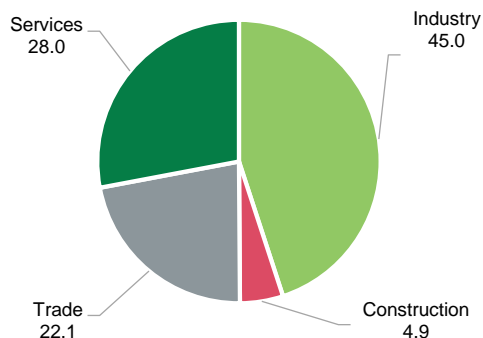
- The positive outlook for the near future resulted, among other things, from optimistic forecasts for international financing, re-established logistical chains, a seasonal revival in business activity, stronger domestic demand, and slower inflation. Damaged energy facilities, rising logistics and wage costs and shortages of qualified staff remained constraining factors.
- Construction and services companies reported the most optimistic expectations. Respondents in these sectors intended to expand construction volumes and the amount of services provided, while also expecting an increase in the number of new orders and in purchases of raw materials and supplies.
- Industrial and trading companies remained upbeat about the amount of manufactured goods, the number of new orders, including export orders, trade turnover and the amount of goods purchased for sale.
- With robust growth in purchase prices, companies across all surveyed sectors continued to declare intentions to raise their selling prices.
- Labor market conditions were unstable. Only construction companies reported intentions to expand their workforces slightly. Trading companies worsened their expectations, declaring intentions, together with other sectors, to cut their workforces somewhat.

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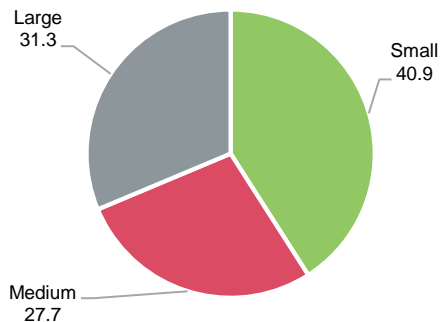
The NBU posts monthly survey results in the open data format. The data are available at the following link: <https://bank.gov.ua/ua/open-data/api-dev>

# Survey Details

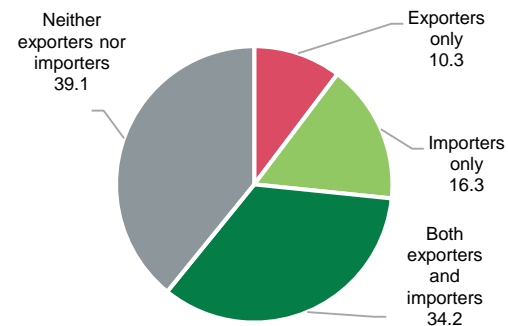
Respondents by sectors of the economy, %



Respondents by company size, %



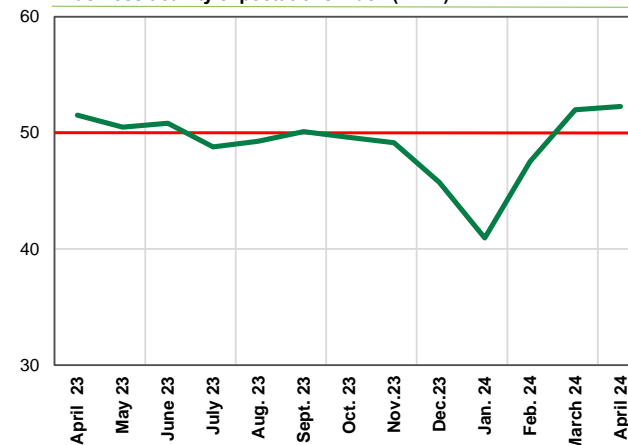
Respondents by business activities, %



- This survey was carried out from 4 April through 23 April 2024.
- A total of 447 companies were polled
- Survey horizon: change in companies' performance expectations in April compared to March

Sector	Sector's share used to calculate BAEI, %	Diffusion index (sectoral)		
		March 2024	April 2024	Change m/m
Industry	35.2	51.0	51.7	0.7
Construction	3.2	53.5	53.4	-0.2
Trade	25.8	55.1	51.8	-3.4
Services	35.8	50.6	53.1	2.5
Total	100.0	BAEI (total across Ukraine)		
		52.0	52.3	0.3

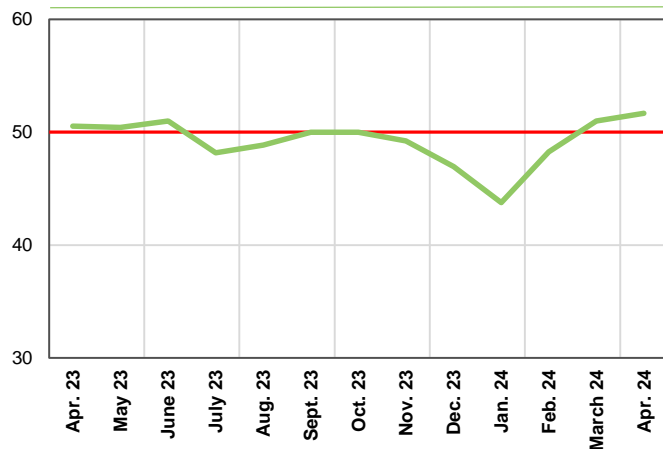
Business activity expectations index (BAEI)



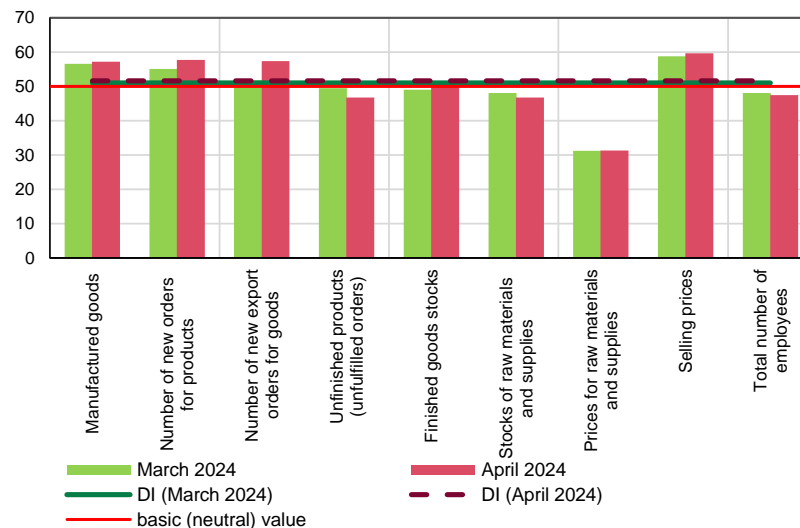
Data for totals and components may be subject to rounding effects

# Industry

Diffusion Index of Industrial Companies' Business Activity Expectations



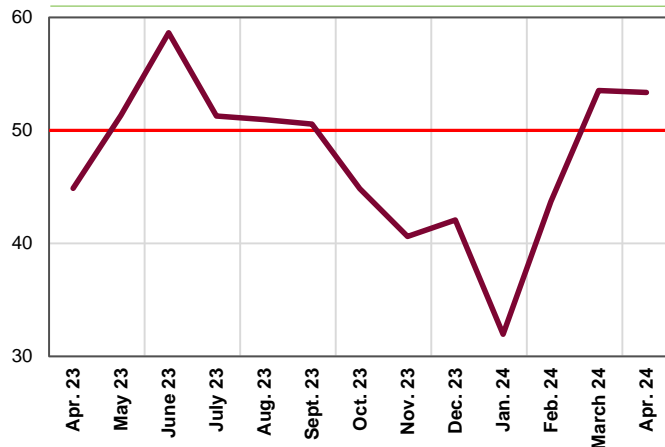
Diffusion Indices (DIs) for industrial companies' performance expectations



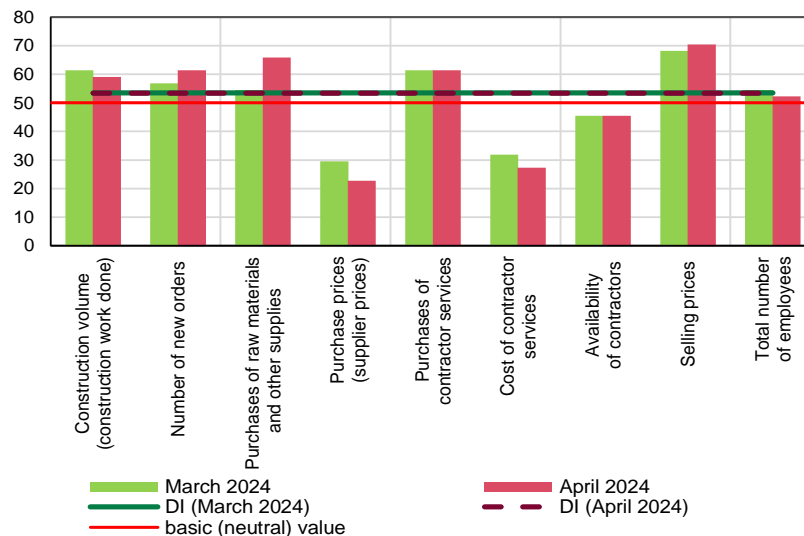
- Industrial companies continued to report a positive economic outlook for the near future, thanks to re-established logistical chains, stable consumer demand, and slower inflation. **The sector's DI was 51.7 in April**, up from 51.0 in March.
- Respondents expected a further increase in the amount of manufactured goods, the number of new orders for products and the number of new export orders, the DIs being 57.2, 57.7 and 57.4 respectively, compared to 56.6, 55.1 and 51.7 in March. Finished goods stocks were expected to remain at the previous month's level, the DI being 50.0, up from 49.0 in March.
- Respondents were slightly more pessimistic about their unfinished products and stocks of raw materials and supplies, the DIs being 46.8 for each, compared to 49.5 and 48.0 in March.
- With persisting expectations of a rise in raw material and supplies prices, companies declared intentions to raise their selling prices, the DIs being 31.3 and 59.7 respectively, compared to 31.2 and 58.8 in March.
- Companies in the sector remained downbeat about their total staff numbers, the DI being 47.5, compared to 48.0 in March.

# Construction

Diffusion Index of Construction Companies' Business Activity Expectations



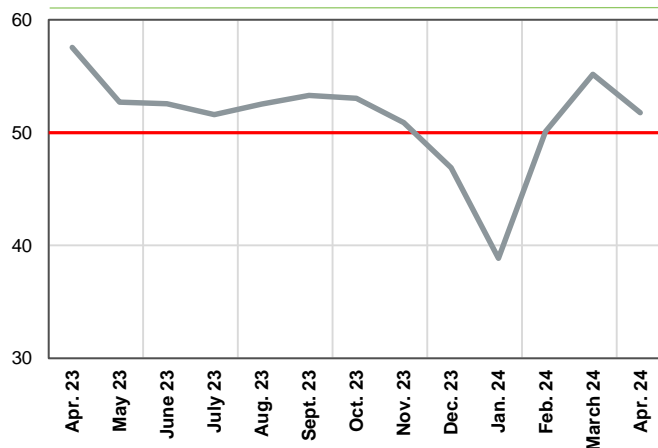
Diffusion Indices (DIs) for construction companies' performance expectations



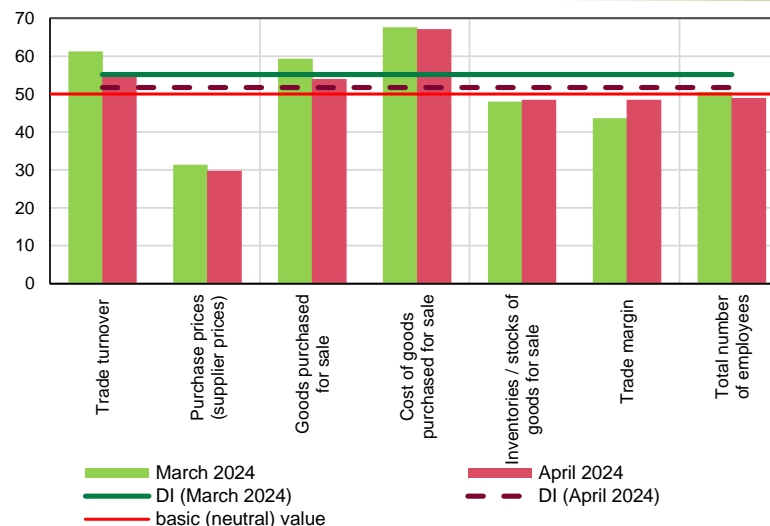
- Favorable weather conditions, stronger domestic demand, and budgetary financing to restore infrastructure supported construction, helping the sector preserve its positive economic outlook – in April, the DI was 53.4, down from 53.5 in March.
- Respondents reported stronger expectations of an increase in construction volumes, the number of new orders and in purchases of raw materials and supplies, the DIs being 59.1, 61.4 and 65.9 respectively, compared to 61.4, 56.8 and 54.5 in March.
- Despite persisting negative views about the availability of contractors and the rising costs of contractor services, construction companies continued to intend to purchase more contractor services, the DIs being 45.5, 27.3 and 61.4 respectively, compared to 45.5, 31.8 and 61.4 in March.
- Companies declared intentions to raise their selling prices on the back of faster rises in purchase prices, the DIs being 70.5 and 22.7 respectively, compared to 68.2 and 29.5 in March.
- Respondents continued to report intentions to hire more staff, the DI being 52.3, down from 54.5 in March.

# Trade

Diffusion Index of Trading Companies' Business Activity Expectations



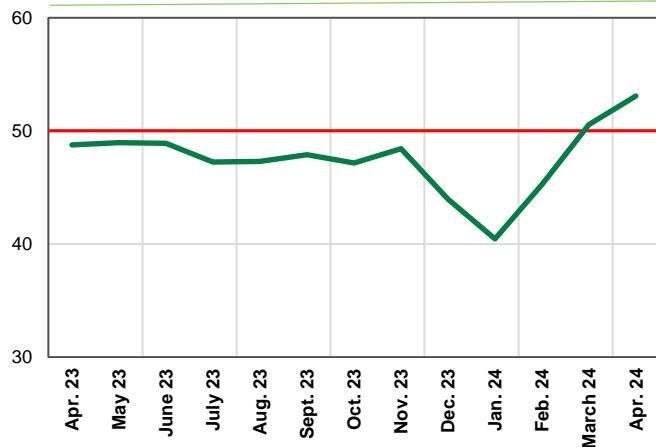
Diffusion Indices (DIs) for trading companies' performance expectations



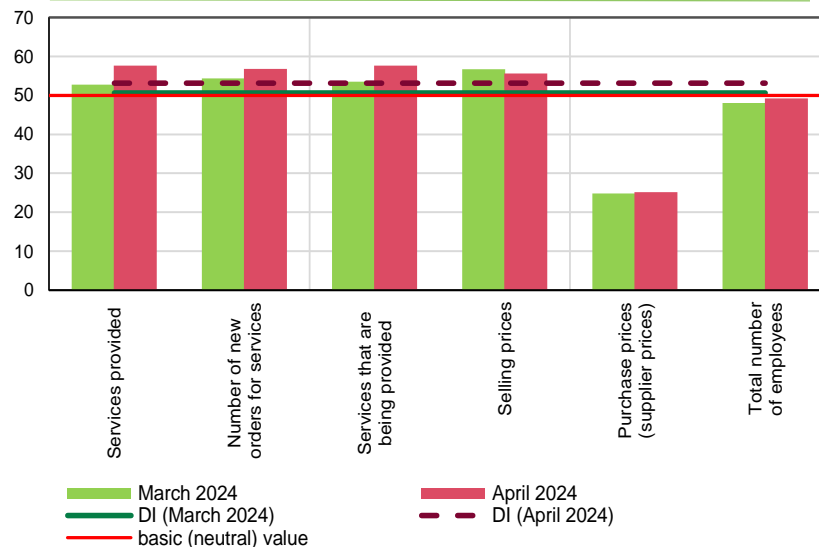
- The negative effect of rising logistics costs due to the blockade of Ukraine's western border **has somewhat weakened the positive economic outlook of trading companies. The sector's DI was 51.8 in April**, down from 55.1 in March.
- Respondents expressed less confidence in **a rise in trade turnover and the amount of goods purchased for sale**, the DIs being 54.5 and 54.0 respectively, compared to 61.3 and 59.3 in March. **Companies remained upbeat about their stocks of goods for sale**, the DI being 48.5, up from 48.0 in March.
- Respondents anticipated a stronger increase in purchase prices, while also expecting a further rise in the cost of goods purchased for sale, the DIs being 29.8 and 67.2 respectively, compared to 31.4 and 67.6 in March.
- Companies reported weaker intentions to cut their trade margins, the DI being 48.5, compared to 43.6 in March.
- In contrast to the two previous months, companies in the sector declared intentions to lay off staff, the DI being 49.0, down from 50.5 in March.

# Services

Diffusion Index of Service Providers' Business Activity Expectations



Diffusion Indices (DIs) for services companies' performance expectations



- The seasonal revival of consumer demand, the widening of the sea corridor and slower inflation helped increase the positive economic outlook of services companies, **the DI being 53.1**, up from 50.6 in March.
- Respondents were more confident about a further increase in the amount of services provided, the number of new orders for services, and the amount of services that are being provided, the DIs being 57.6, 56.8 and 57.6 respectively, compared to 52.8, 54.3 and 53.5 in March.
- Respondents continued to report firm expectations of a rise in purchase prices, the DI being 25.2, up from 24.8 in March. Companies reported intentions to raise their selling prices further, albeit at a somewhat slower pace, the DI being 55.6, down from 56.7 in March.
- Respondents softened their negative expectations about their total staff numbers, as the DI, at 49.2, came close to its neutral level, up from 48.0 in March.



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# *Annexes*

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## Data on surveys of industrial companies in April 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Manufactured goods	34	46	20
Number of new orders for products	34	48	18
Number of new export orders for goods	26	63	11
Unfinished products (unfulfilled orders)	11	71	18
Finished goods stocks	23	54	23
Stocks of raw materials and supplies	20	53	27
Prices for raw materials and supplies	39	59	2
Selling prices	22	75	3
Total number of employees	6	83	11

## Data on surveys of construction companies in April 2024

% responses

Indicator	Will increase	Will remain unchanged	Will decrease
Construction volume (construction work done)	32	55	14
Number of new orders	36	50	14
Purchases of raw materials and supplies	41	50	9
Purchase prices (supplier prices)	55	45	0
Purchases of contractor services	32	59	9
Cost of contractor services*	45	55	0
Availability of contractors	5	82	14
Selling prices	41	59	0
Total number of employees	14	77	9

## Data on surveys of trading companies in April 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Trade turnover	29	51	20
Purchase prices (supplier prices)	41	58	1
Goods purchased for sale	29	49	21
Cost of goods purchased for sale	42	49	8
Inventories / stocks of goods for sale*	19	65	16
Trade margin	9	79	12
Total number of employees	6	86	8

## Data on surveys of companies in the services sector in April 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Services provided	27	61	12
Number of new orders for services	27	59	14
Services that are being provided	25	66	10
Selling prices	16	79	5
Purchase prices (supplier prices)	50	49	1
Total number of employees	9	81	10

## Main Terms and Definitions

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- **The diffusion index (DI)** is calculated as the sum of the percentage of positive replies (indicates an increase) and half of the percentage of neutral replies (indicates no change), using the following formula:

$$DI_j = (P \cdot 1) + (E \cdot 0.5) + (N \cdot 0),$$

where **P** is the percentage of respondents that reported an increase (optimistic views)

**E** is the percentage of respondents that reported no change and

**N** is the percentage of respondents that reported a decrease (pessimistic views).

Provided that  $P + E + N = 100$

- The values of the index can range between 0 and 100:
  - a value of 50.0** indicates no change compared to the previous month
  - values above 50.0** indicate an improvement or an increase compared to the previous month
  - values below 50.0** indicate a deterioration or a decrease compared to the previous month.

The more the indices deviate from the value of 50.0, the greater the velocity of change.
- The diffusion indices were calculated using the inverse of replies regarding the following indicators: stocks of finished goods and the prices of raw materials and supplies for industry; purchase prices/supplier prices and the cost of contractor services for construction; purchase prices/supplier prices and stocks of goods for sale for trade; and purchase prices/supplier prices for the services sector. The inverse of replies means that an increase indicates pessimistic views, while a decrease indicates optimistic views.
- **BAEI** is a weighted average indicator that is calculated on the basis of each sector's share in the weight structure.



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