



National Bank
of Ukraine

Business Outlook Survey of Poltava Oblast*

Q4 2024



*This survey only reflects the opinions of respondents in Poltava 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 **Poltava oblast** in Q4 2024 showed that, despite the the war, qualified staff shortages and high energy prices, respondents expected that the output of Ukrainian goods and services would decrease at a slower pace. They downgraded expectations for the performance of their companies over the next 12 months. Inflation was expected to be lower. Depreciation expectations remained strong.

The top managers of companies said they expected that over the next 12 months:

- the output of Ukrainian goods and services would decrease at a slower pace: the balance of expectations was (-2.3%), compared to (-10.0%) in Q3 2024 and (-1.4%) across Ukraine (Figure 1)
- prices for consumer goods and services would rise more slowly: 62.5% of respondents expected the inflation rate to be higher than 10.0%, compared to 80.0% in the previous quarter and compared to 53.7% across Ukraine. Respondents continued to refer to military actions, production costs and the hryvnia exchange rate as the main inflation drivers (Figure 2)
- the hryvnia would depreciate: 100.0% of respondents (compared to 97.4% in the previous quarter) expected the hryvnia to weaken against the US dollar, with the figure across Ukraine being 92.8%
- the financial and economic standings of their companies would deteriorate slightly: the balance of expectations was (-2.5%) (compared to 0.0% in Q3 2024 and (-0.9%) across Ukraine) (see Table)
- total sales would decrease: the balance of responses was (-5.0%), up from (-10.0%) in Q3 2024 (see Table). Meanwhile external sales were expected to increase: the balance of responses was 14.3%, compared to 15.4% in the previous quarter. Across Ukraine, the balances of responses were 9.0% and 7.7% respectively
- investment in machinery, equipment, and tools would increase: the balance of responses was 8.1% compared to 5.3% in the previous quarter. Meanwhile, respondents expected that investment in construction would decrease: the balance of responses was (-13.2%), compared to (-10.5%) in Q3 2024. Across Ukraine, the balances of responses were 9.3% and (-1.6%) respectively
- staff numbers at their companies would decrease at a slower pace: the balance of responses was (-12.5%), compared to (-22.5%) in Q3 2024. Across Ukraine, the balance of responses was (-6.6%) (Figure 4)
- purchase and selling prices would grow: the balances of responses were 100.0% and 75.0% respectively, compared to 100.0% and 72.5% respectively in Q3 2024 (Figure 6). Respondents referred to energy prices, raw material and supplies prices, and the hryvnia exchange rate as the main selling price drivers (Figure 7)
- per-unit production costs and wage costs per staff member would grow: the balances of responses were 70.0% and 35.0% respectively, compared to 69.2% and 45.0% respectively in the previous quarter (Figures 6 and 4).

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

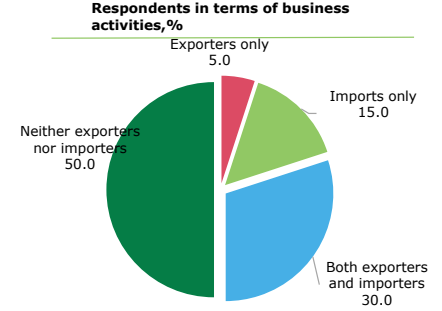
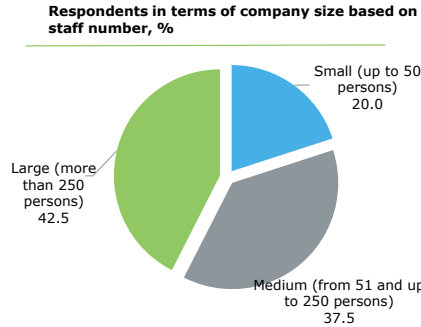
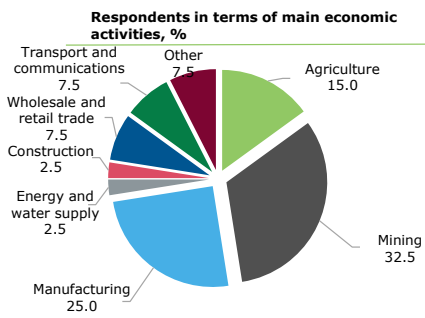
Respondents reported weaker expectations of an increase in their borrowing needs in the near future (Figure 8). 37.5% of respondents planned to take out bank loans and usually opted for domestic currency loans. Respondents said that bank lending standards had tightened (Figure 9). Respondents referred to high interest rates, the availability of other funding sources and collateral requirements as the main factors deterring them from taking out loans (Figure 10).

92.5% 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)

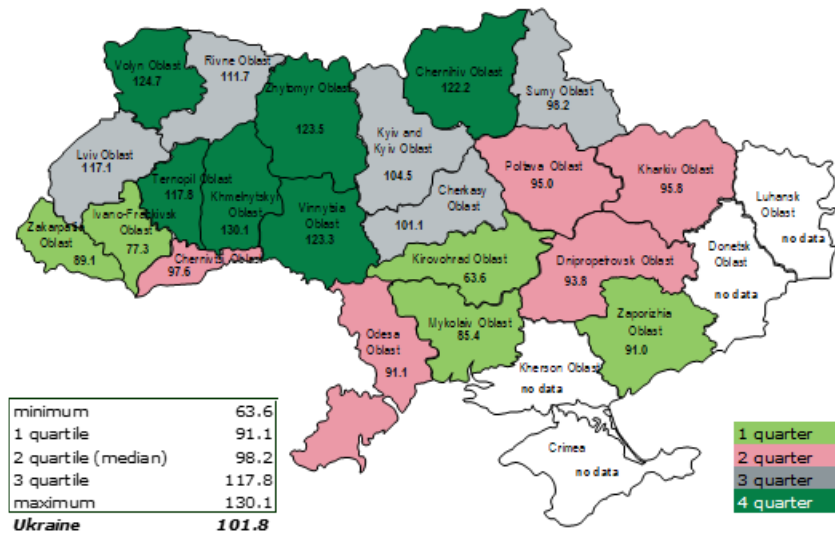
- Companies assessed their current financial and economic standings as bad: the balance of responses was (-17.5%), compared to (-35.0%) in the previous quarter. The balance across Ukraine was (-6.1%).
- Finished goods stocks remained at a level lower than normal: the balance of responses was (-20.0%), compared to (-26.9%) in Q3 2024.
- Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand: the balance of responses was 12.8%, as in the previous quarter.

Survey Details^{1,2}



- Period: 31 October through 27 November 2024.
- A total of 40 companies were polled.
- A representative sample was generated on the basis of the following economic activities: agriculture, and the mining and manufacturing industries.

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 Poltava 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	15.0	2.6	7.5	0.0	-2.5
Total sales	15.0	-5.1	0.0	-10.0	-5.0
Investment in construction	-2.6	-5.3	-13.5	-10.5	-13.2
Investment in machinery, equipment, and tools	13.2	12.5	5.3	5.3	8.1
Staff numbers	-15.0	-17.5	-35.0	-22.5	-12.5

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

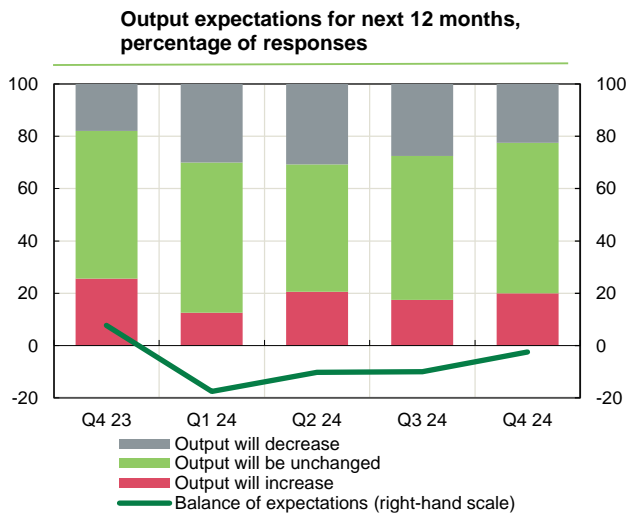


Figure 2

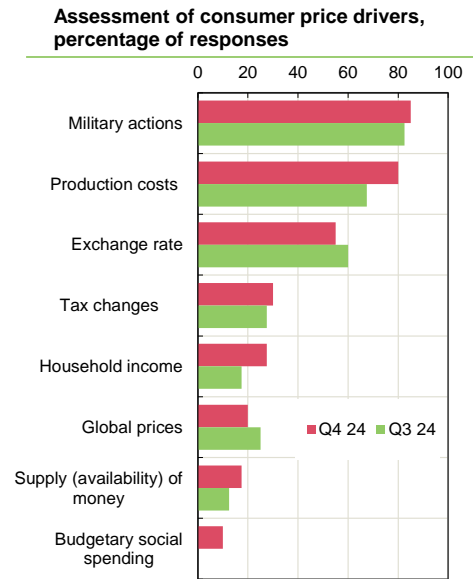


Figure 3

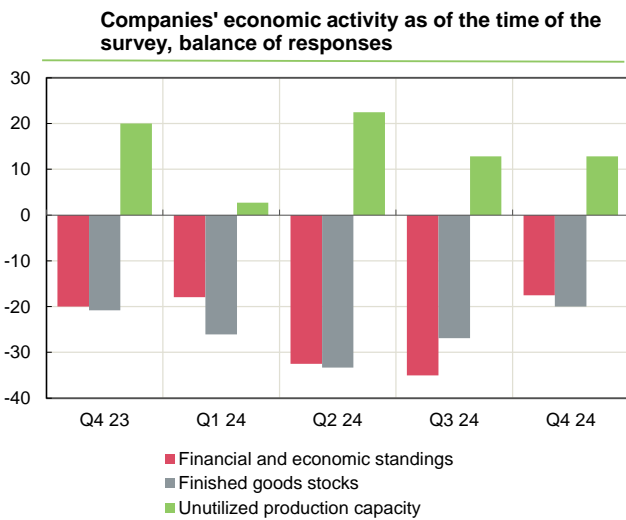


Figure 4



Figure 5

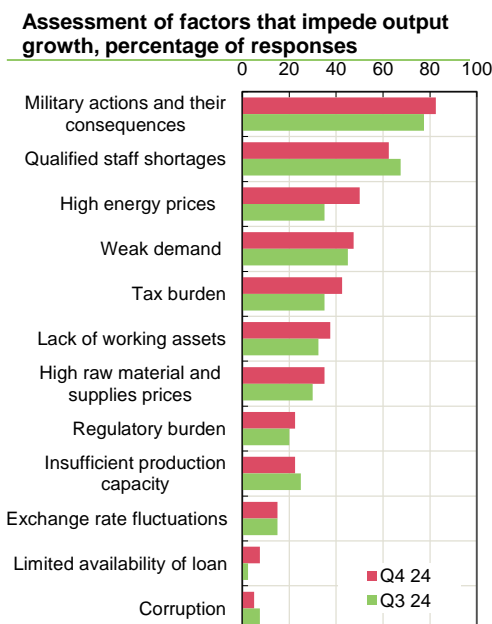


Figure 6

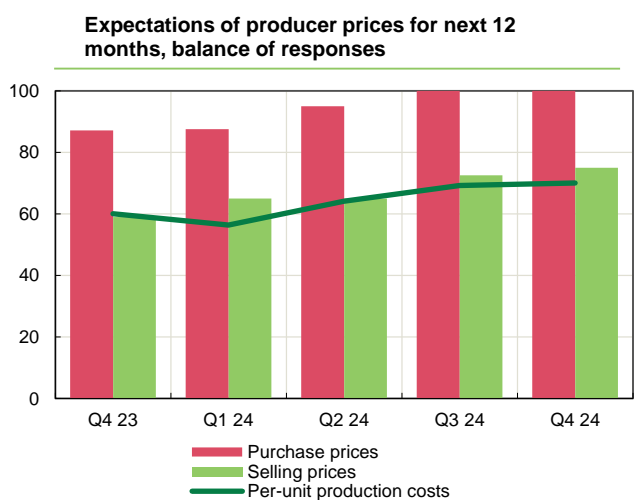


Figure 7

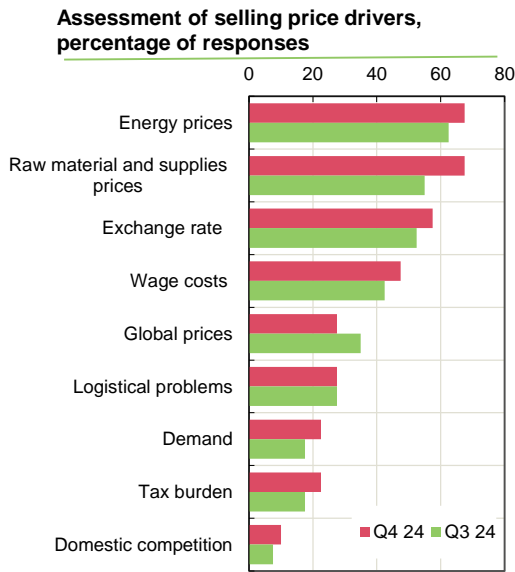


Figure 8

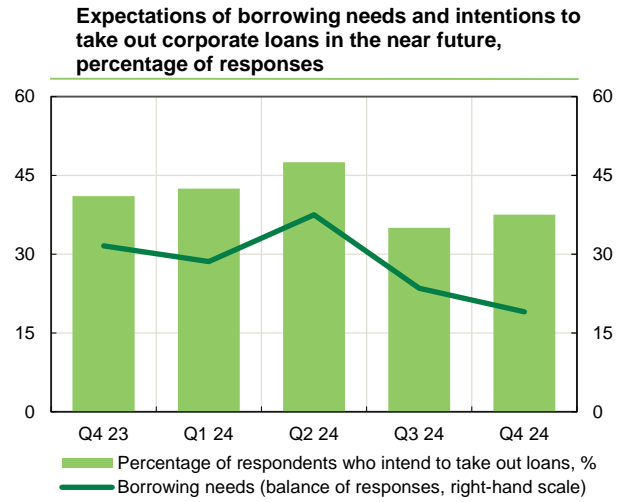


Figure 9

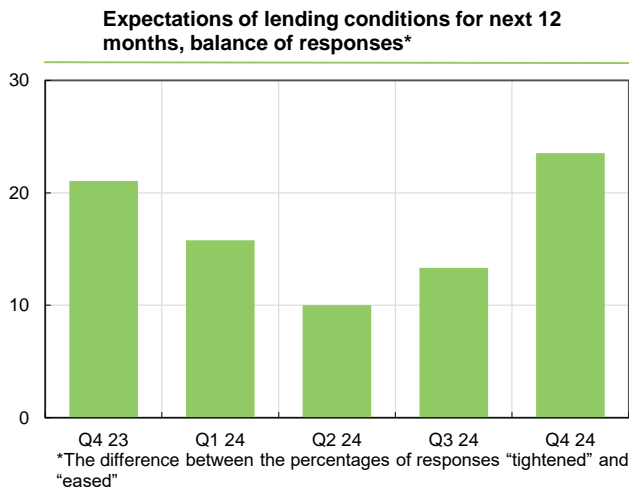


Figure 10

