



National Bank
of Ukraine

Business Outlook Survey of Chernihiv Oblast*

Q4 2024



*This survey only reflects the opinions of respondents in Chernihiv 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 **Chernihiv oblast** in Q4 2024 showed that, despite the war, high raw material and supplies prices, and energy prices, respondents **expected growth in the output of Ukrainian goods and services** over the next 12 months. They reported **positive expectations for the performance of their companies** over that period. Prices were expected to rise more quickly. 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 increase:** the balance of expectations was 69.2% (the firmest expectations across the regions), up from 61.5% in the previous quarter (Figure 1). Overall, across Ukraine, the balance of responses was (-1.4%)
- **prices for consumer goods and services would rise more quickly:** 53.8% of the respondents expected that the inflation rate would exceed 10.0%, compared to 15.4% in the previous quarter and 53.7% across Ukraine. Respondents referred to military actions, production costs and household income as the main inflation drivers (Figure 2)
- **the hryvnia would depreciate:** 84.6% of respondents expected the hryvnia to weaken against the U.S. dollar, as in Q3 2024, the figure across Ukraine being 92.8%
- **the financial and economic standings of their companies would improve:** the balance of expectations was 30.8%, as in the previous quarter (the highest expectations across the regions) (see Table). The figure across Ukraine was (-1.2%)
- **total sales, including external sales, would increase:** the balances of responses were 38.5% and 50.0% respectively, compared to 46.2% and 60.0% respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were 9.0% and 7.7% respectively
- **investment in machinery, equipment, and tools and in construction would increase:** the balances of responses were 16.7% and 25.0% respectively, compared to 0.0% and 30.8% respectively in the previous quarter (see Table). Across Ukraine, the balances of responses were 9.3% and (-1.6%) respectively
- **staff numbers would remain unchanged:** the balance of responses was 0.0%, up from (-15.4%) in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-6.6%)
- **purchase prices and selling prices would grow:** the balances of responses were 76.9% and 69.2% respectively, compared 76.9% for each in Q3 2024 (Figure 6). Respondents referred to energy prices, raw material and supplies prices, wage costs and demand (the impact of this factor was reported to have increased) as the main selling price drivers (Figure 7)
- **per-unit production costs would rise more quickly and wage costs per staff member would grow:** the balances of responses were 69.2% and 66.7% respectively, compared to 53.8% and 61.5% in Q3 2024 (Figures 4 and 6).

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

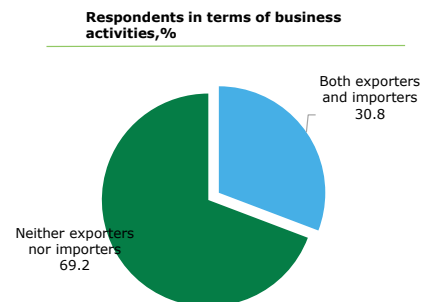
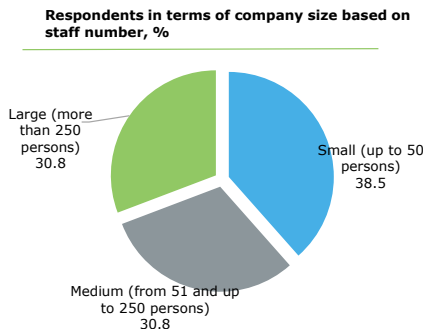
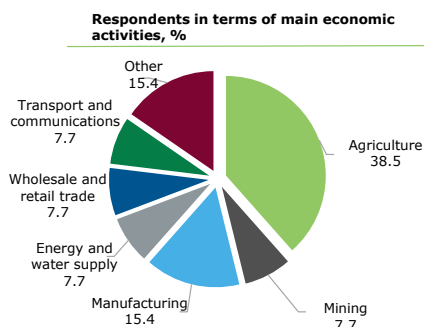
Respondents expected their borrowing needs to rise in the near future (Figure 8). The respondents who planned to take out bank loans (30.8%) opted only for domestic currency loans. Respondents said that bank lending standards had remained unchanged (Figure 9). Respondents cited high loan rates, the availability of other funding sources, the hryvnia exchange rate and uncertainty about their ability to meet debt obligations as they fall due (the impact of this factor was reported to have increased) as the main factors deterring them from taking out loans (Figure 10).

All of the 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)

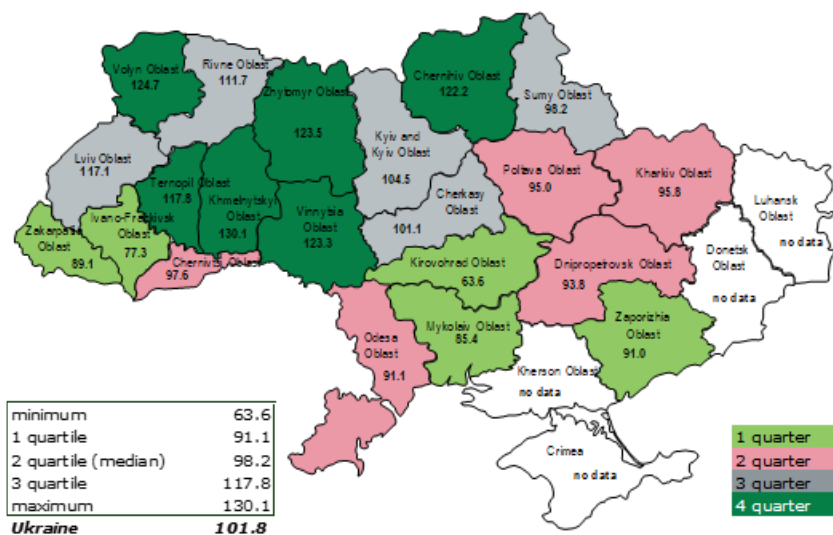
- **Companies' current financial and economic standings had deteriorated and were assessed as bad:** the balance of responses was (-7.7%), down from 0.0% in the previous quarter. The figure across Ukraine was (-6.1%).
- **Finished goods stocks had decreased and were assessed as lower than normal:** the balance of responses was (-22.2%), compared to 0.0% in Q3 2024.
- **Companies said they would need additional production capacity to meet any unexpected rise in demand:** the balance of responses was (-15.4%), down from 25.0% in the previous quarter.

Survey Details^{1,2}



- Period: 1 November through 26 November 2024.
- A total of 13 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
^{**}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 Chernihiv 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	25.0	23.1	7.7	30.8	30.8
Total sales	45.5	38.5	27.3	46.2	38.5
Investment in construction	-15.4	-10.0	-8.3	0.0	16.7
Investment in machinery, equipment, and tools	0.0	0.0	33.3	30.8	25.0
Staff numbers	-7.7	-7.7	-7.7	-15.4	0.0

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

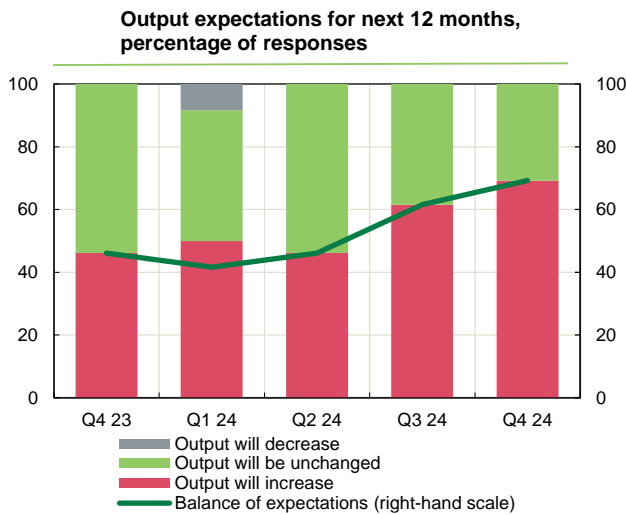


Figure 2

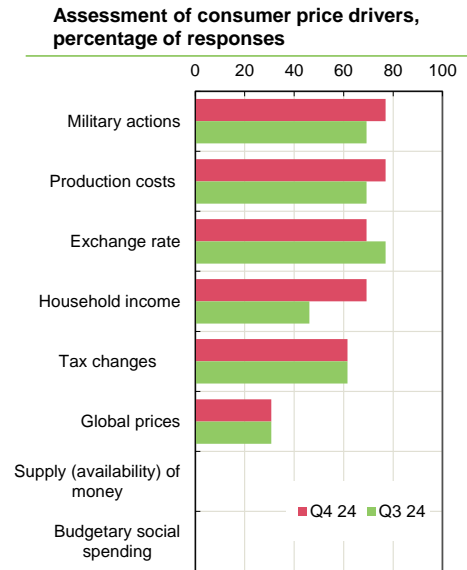


Figure 3

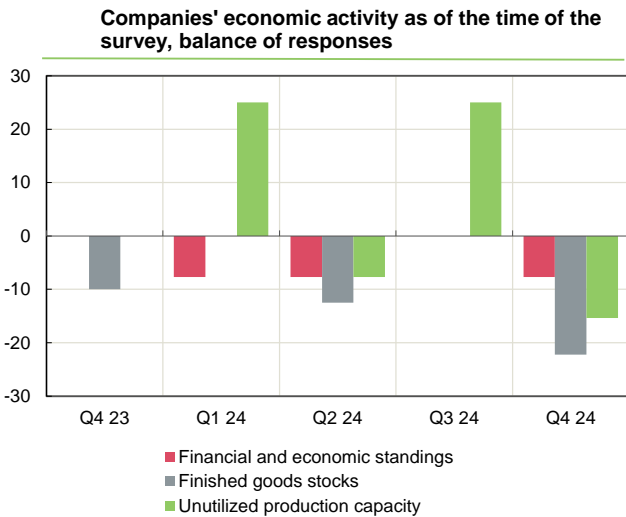


Figure 4



Figure 5

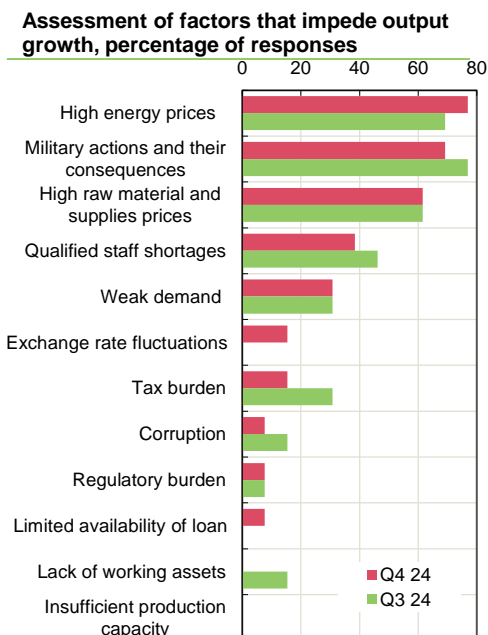


Figure 6

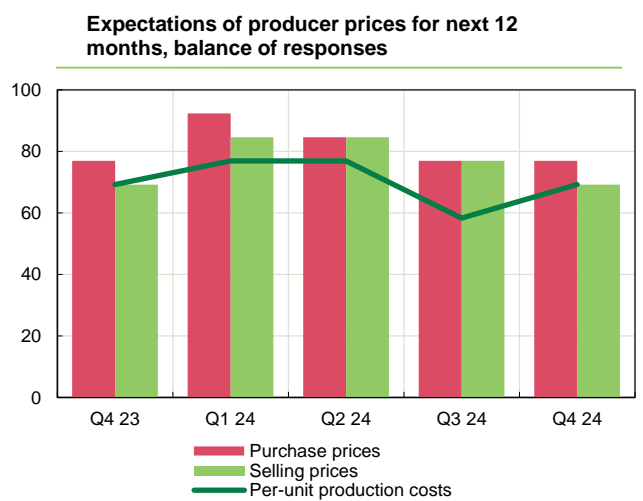


Figure 7

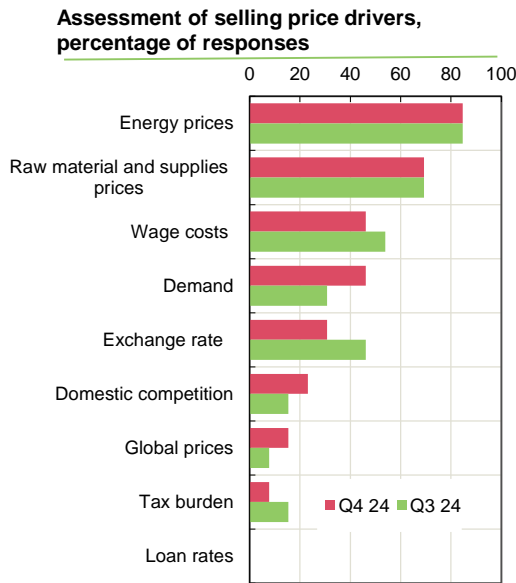


Figure 8

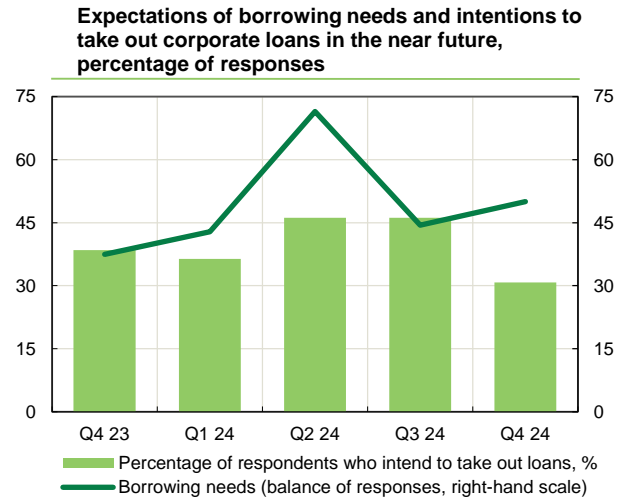


Figure 9

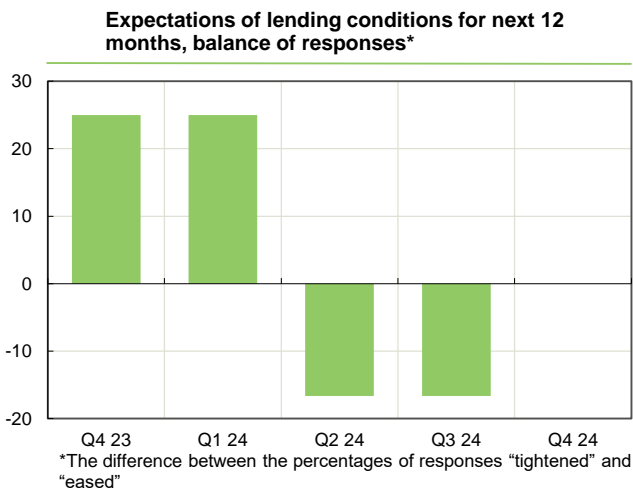


Figure 10

