



National Bank
of Ukraine

Monthly Business Outlook Survey

November 2024

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

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Statistics and Reporting Department



Summary

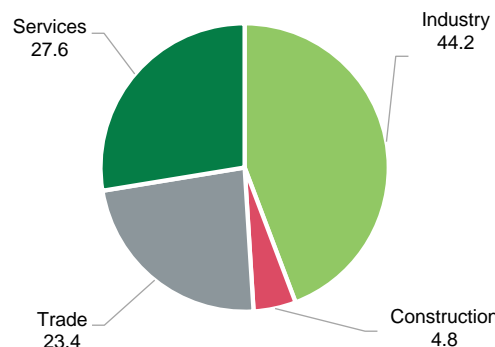
Businesses downgraded their current performance expectations. **The business activity expectations index (BAEI) was 47.2 in November**, down from 49.4 in October.

- The increased intensity of hostilities, renewed power outages due to Russian attacks on energy infrastructure, further growth in energy, labor and logistics costs for businesses, accelerating inflation, a significant shortage of skilled workers, and seasonal factors restrained economic activity and weakened the expectations of polled companies.
- Industrial, construction and services companies expected a decrease in manufactured products/services provided, the number of new orders (including export orders) for products/services. Conversely, trading companies were upbeat about their goods turnovers and purchases of goods for sale thanks to sustained domestic demand and a sufficient supply of goods.
- With weaker growth in purchase prices, companies across all sectors, apart from trade, declared intentions to raise their selling prices more slowly. In contrast, trading companies intended to raise their selling prices at a slightly faster pace.
- Labor market conditions remained challenging. Companies across all sectors continued to declare intentions to reduce their workforces, with the strongest intentions reported by services companies

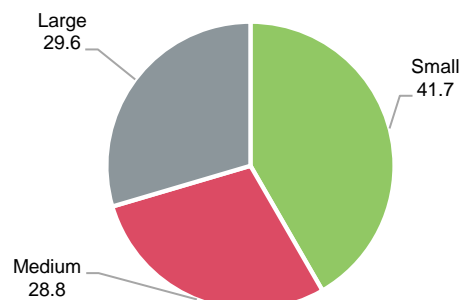
The NBU posts monthly survey results in the open data format. The data are available at the following link:
<https://bank.gov.ua/ua/open-data/api-dev>

Survey Details

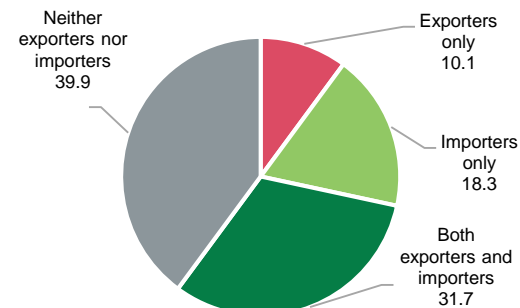
Respondents by sectors of the economy, %



Respondents by company size, %



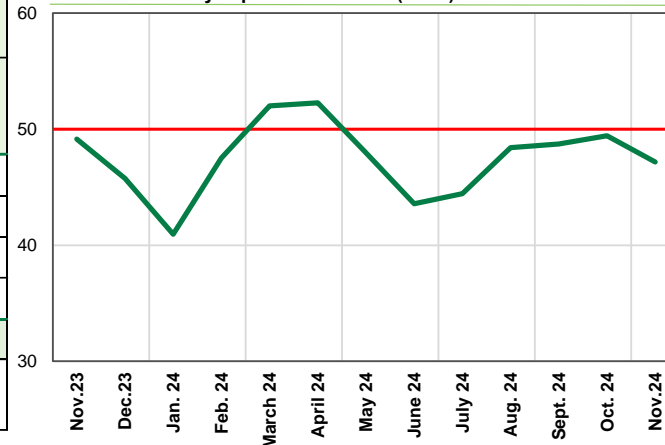
Respondents by business activities, %



- This survey was carried out from 4 November through 21 November 2024
- A total of 504 companies were polled
- Survey horizon: change in companies' performance expectations in November compared to October

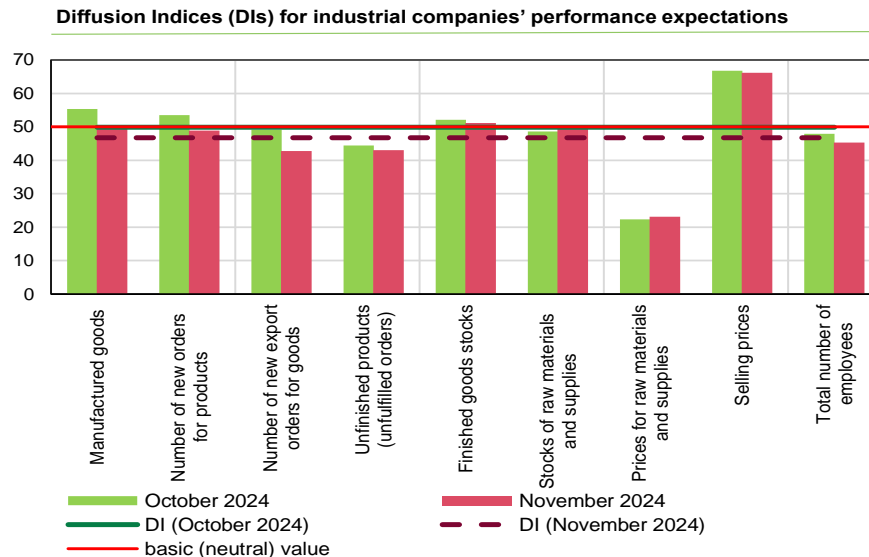
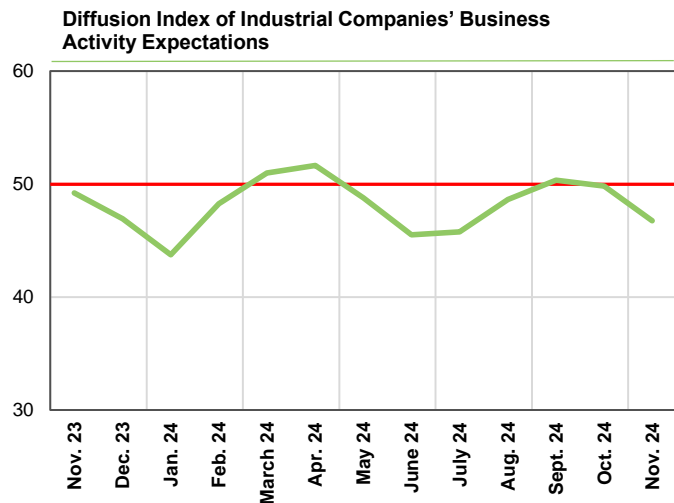
Sector	Sector's share used to calculate BAEI, %	Diffusion index (sectoral)		
		October 2024	November 2024	Change m/m
Industry	35.2	49.8	46.7	-3.1
Construction	3.2	49.6	43.6	-6.0
Trade	25.8	51.9	51.4	-0.5
Services	35.8	47.2	44.8	-2.4
Total	100.0	BAEI (total across Ukraine)		
		49.4	47.2	-2.3

Business activity expectations index (BAEI)



Data for totals and components may be subject to rounding effects

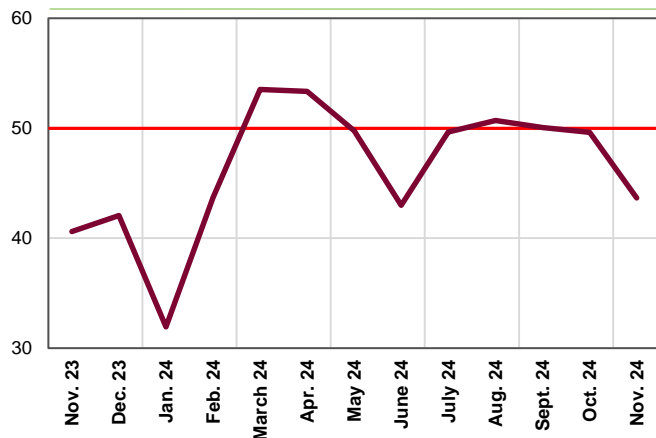
Industry



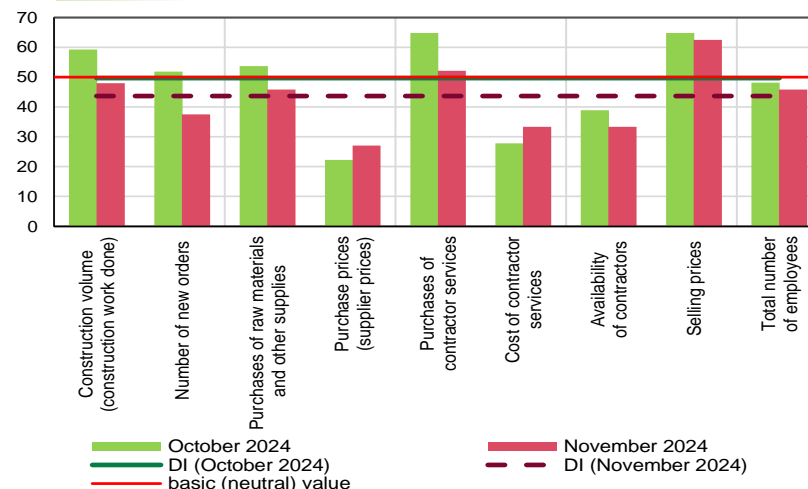
- Industrial companies downgraded their economic outlook for November amid a worsening security situation, power shortages and rising production costs. **The sector's DI was 46.7**, down from 49.8 in October.
- In contrast to the previous month, respondents expected a decrease in the amount of manufactured goods and the number of new orders for products, the DIs being 49.8 and 48.9 respectively, down from 55.3 and 53.5 in October. Respondents downgraded their expectations for the number of new export orders for products and the amount of unfinished products, the DIs being 42.8 and 43.0 respectively, compared to 49.2 and 44.4 in October.
- Respondents were more upbeat about their finished goods stocks (the DI was 51.1, down from 52.1 in October), while also **expecting an increase in their stocks of raw materials and supplies** (the DI was 50.4, up from 48.6 in October).
- On the back of weaker expectations of a rise in raw material and supplies prices, companies intended to raise their selling prices somewhat more slowly, the DIs being 23.1 and 66.1 respectively, compared to 22.3 and 66.7 in October.
- Respondents declared firmer intentions to cut their workforces, the DI being 45.3, down from 47.9 in October.

Construction

Diffusion Index of Construction Companies' Business Activity Expectations



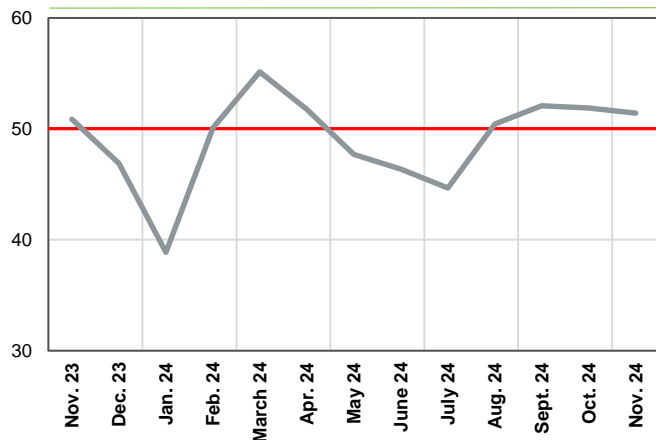
Diffusion Indices (DIs) for construction companies' performance expectations



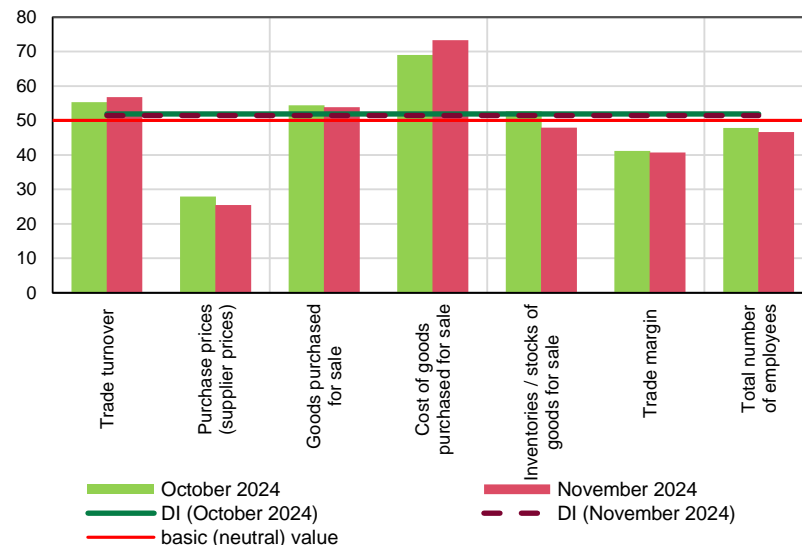
- Construction companies reported the most pessimistic economic outlook, due to a seasonal decline in the construction of roads and infrastructure and shortages of qualified staff, **the sector's DI being 43.6 in November**, down from 49.6 in October.
- Companies expected a decline in their construction volumes, the number of new orders, and in purchases of raw materials and supplies, the DIs being 47.9, 37.5 and 45.8 respectively, down from 59.3, 51.9 and 53.7 in October.
- Respondents remained upbeat**, despite downgrading their expectations significantly, **about purchases of contractor services**, amid stronger negative expectations about contractors' availability, and slower growth in the cost of contractor services, the DIs being 52.1, 33.3 and 33.3 respectively, compared to 64.8, 38.9 and 27.8 in October.
- On the back of expectations of slower growth in supplier prices, respondents reported weaker intentions to raise their selling prices, the DIs being 27.1 and 62.5 respectively, compared to 22.2 and 64.8 in October.
- Respondents continued to report intentions to reduce their workforces, the DI being 45.8, down from 48.1 in October.

Trade

Diffusion Index of Trading Companies' Business Activity Expectations



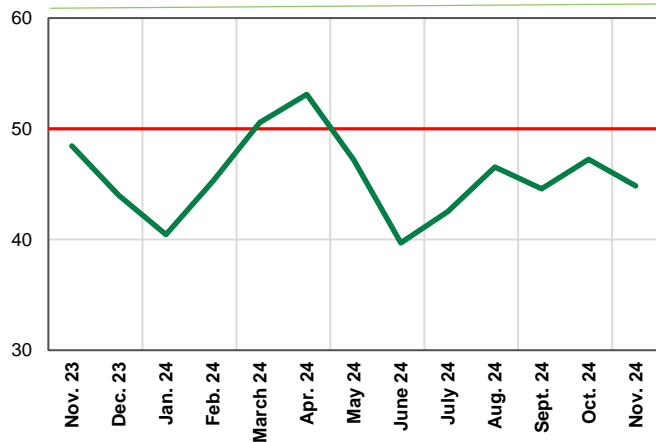
Diffusion Indices (DIs) for trading companies' performance expectations



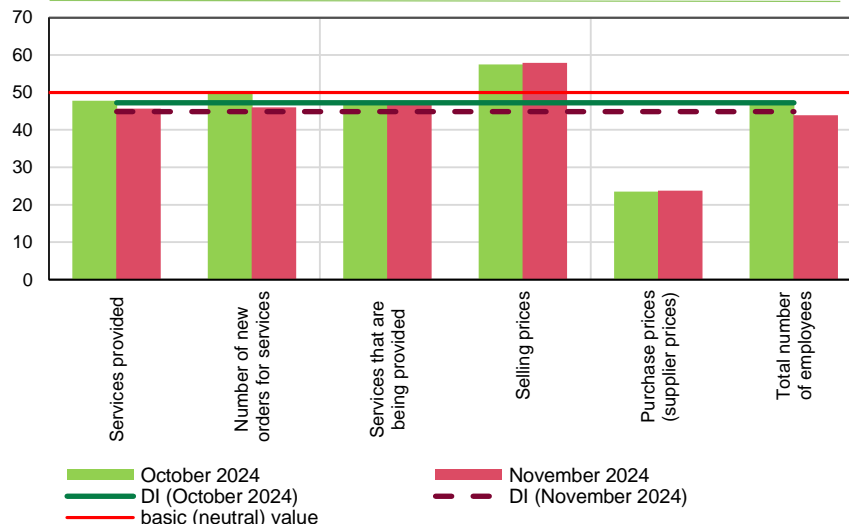
- Trading companies were the only ones across other polled sectors to report a positive economic outlook thanks to sustained domestic demand and a sufficient supply of goods. The sector's DI was 51.4 in November, compared to 51.9 in October.
- Respondents expected a further increase in trade turnover and the amount of goods purchased for sale, the DIs being 56.8 and 53.8 respectively, compared to 55.3 and 54.4 in October. Trading companies also reported positive expectations about their stocks of goods for sale, the DI being 47.9, down from 52.7 in October.
- Despite expectations of more rapid growth in purchase prices and the cost of goods purchased for sale, respondents intended to cut their trade margins further, the DIs being 25.4, 73.3 and 40.7 respectively, compared to 27.9, 69.0 and 41.2 in October.
- Respondents reported firmer intentions to reduce their workforces, the DI being 46.6, down from 47.8 in October.

Services

Diffusion Index of Service Providers' Business Activity Expectations



Diffusion Indices (DIs) for services companies' performance expectations



- Services companies downgraded their performance expectations on the back of rising logistics costs, power cuts, and shortages of qualified staff, **the sector's DI being 44.8 in November**, down from 47.2 in October.
- Companies reported dimmer expectations for the amount of services provided and the number of new orders for services, the DIs being 45.7 and 46.0 respectively, down from 47.8 and 50.4 in October. Expectations about the amount of services that are being provided remained weak, the DI being 47.1, compared to 47.0 in October.
- On the back of continued expectations of a rise in purchase prices, respondents reported intentions to raise their selling prices, the DIs being 23.7 and 57.9 respectively, compared to 23.5 and 57.5 in October.
- Services companies reported the most guarded staff expectations across all surveyed sectors, the DI being 43.9, down from 47.0 in October.



Annexes

Data on surveys of industrial companies in November 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Manufactured goods	24	51	25
Number of new orders for products	21	57	23
Number of new export orders for goods	11	63	26
Unfinished products (unfulfilled orders)	9	69	22
Finished goods stocks	18	62	20
Stocks of raw materials and supplies	23	54	22
Prices for raw materials and supplies	55	44	1
Selling prices	35	62	3
Total number of employees	7	77	16

Data on surveys of construction companies in November 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Construction volume (construction work done)	21	54	25
Number of new orders	8	58	33
Purchases of raw materials and supplies	13	67	21
Purchase prices (supplier prices)	46	54	0
Purchases of contractor services	17	71	13
Cost of contractor services*	33	67	0
Availability of contractors	0	67	33
Selling prices	25	75	0
Total number of employees	8	75	17

Data on surveys of trading companies in November 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Trade turnover	35	44	21
Purchase prices (supplier prices)	50	49	1
Goods purchased for sale	31	45	24
Cost of goods purchased for sale	54	38	8
Inventories / stocks of goods for sale*	23	58	19
Trade margin	4	73	23
Total number of employees	5	83	12

Data on surveys of companies in the services sector in November 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Services provided	19	53	28
Number of new orders for services	19	53	27
Services that are being provided	17	61	22
Selling prices	21	74	5
Purchase prices (supplier prices)	55	43	2
Total number of employees	5	78	17

Main Terms and Definitions

- **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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