



National Bank  
of Ukraine

# Monthly Business Outlook Survey

December 2024

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

Issue No.63  
Statistics and Reporting Department



## Summary

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Businesses continued to weaken their expectations for their current economic activity. **The business activity expectations index (BAEI) was 45.9 in December**, down from 47.2 in November, being practically at the level of December 2023 (45.7).

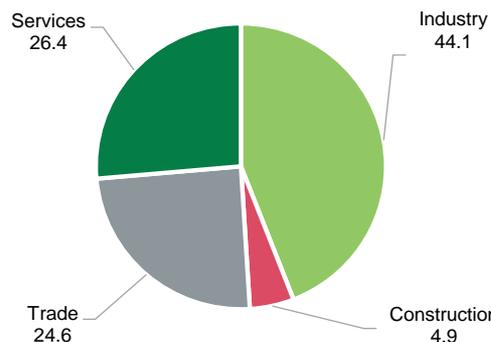
- The worsening security situation, more intense missile and drone attacks on energy facilities and the long time required to repair these facilities, further growth in energy, labor and logistics costs for businesses, accelerating inflation, declining investment demand, a shortage of skilled workers, and seasonal factors restrained economic activity and weakened the expectations of all polled sectors.
- Respondents expected a decrease in the amount of manufactured goods/services provided, construction volumes, and the number of new orders, including export orders, for goods/services. Conversely, trading companies remained upbeat about their goods turnovers thanks to sustained domestic demand and a sufficient supply of goods.
- Construction and services companies expected that purchase prices would grow at a faster pace. They also declared stronger intentions to raise their selling prices. In contrast, industrial and trading companies intended to raise their selling prices more slowly on the back of weaker growth in purchase prices.
- Despite a slight improvement in employment expectations, labor market conditions remained challenging. All surveyed sectors still reported intentions to reduce their workforces. Construction, trading and services companies intended to lay off their staff at a slower pace, while industrial companies intended to cut their staff at a slightly faster pace.

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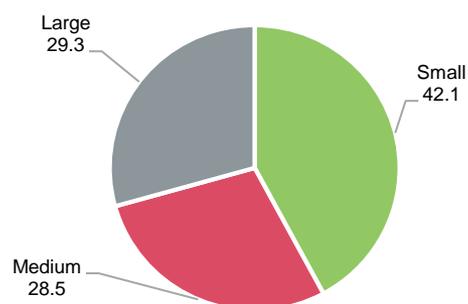
The NBU posts monthly survey results in the open data format. The data are available at the following link: <https://bank.gov.ua/ua/open-data/api-dev>

# Survey Details

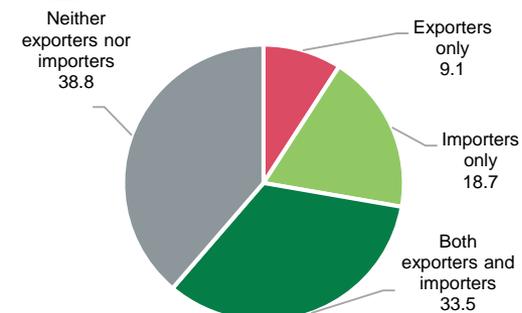
Respondents by sectors of the economy, %



Respondents by company size, %



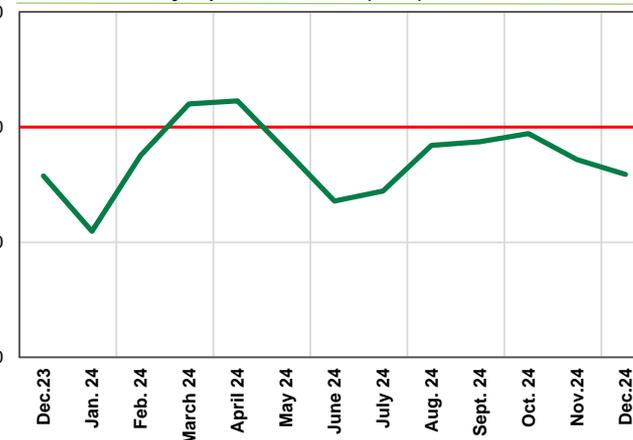
Respondents by business activities, %



- This survey was carried out from 4 December through 23 December 2024
- A total of 508 companies were polled
- Survey horizon: change in companies' performance expectations in December compared to November

Sector	Sector's share used to calculate BAEI, %	Diffusion index (sectoral)		
		November 2024	December 2024	Change m/m
Industry	35.2	46.7	44.6	-2.2
Construction	3.2	43.6	43.4	-0.3
Trade	25.8	51.4	49.9	-1.6
Services	35.8	44.8	44.5	-0.3
Total	100.0	BAEI (total across Ukraine)		
		47.2	45.9	-1.3

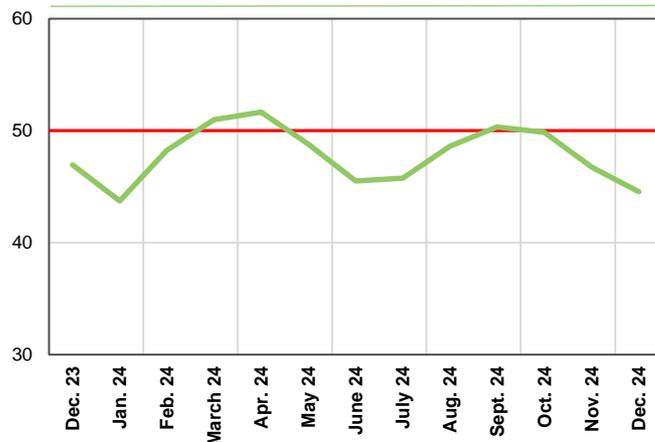
Business activity expectations index (BAEI)



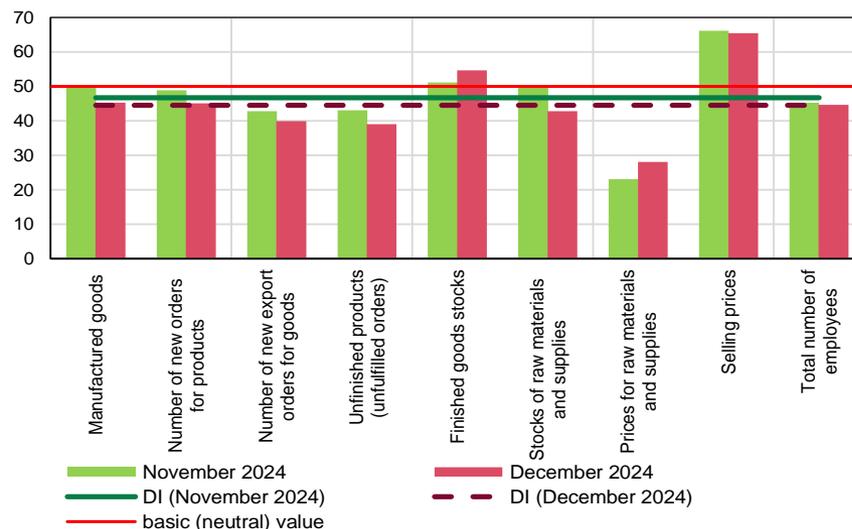
Data for totals and components may be subject to rounding effects

# Industry

Diffusion Index of Industrial Companies' Business Activity Expectations



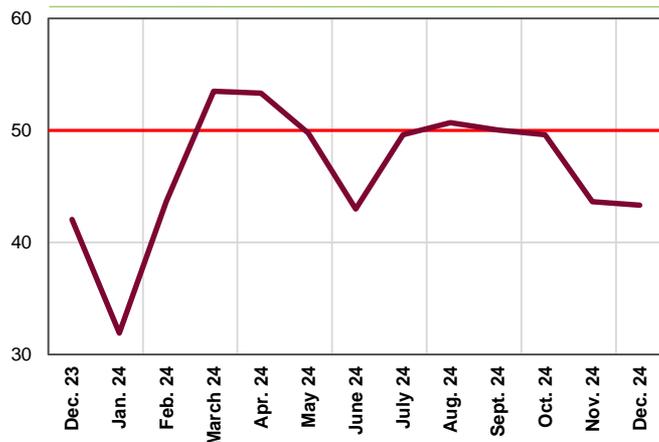
Diffusion Indices (DIs) for industrial companies' performance expectations



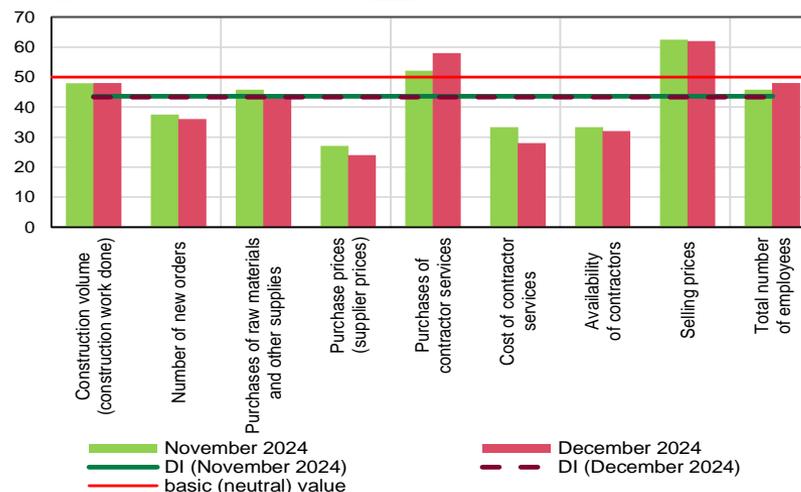
- Compared to the previous month, industrial companies reported more guarded expectations about their current performance on the back of power cuts, shortages of qualified staff, and higher production costs. **The sector's DI was 44.6 in December**, compared to 46.7 in November and 46.9 in December 2023.
- Respondents were more downbeat about the amount of manufactured goods, the number of new orders for products, including export orders, and the amount of unfinished products, the DIs being 45.3, 45.1, 39.9, and 39.1 respectively, compared to 49.8, 48.9, 42.8 and 43.0 in November.
- Respondents were more pessimistic about their finished goods stocks (the DI was 54.7, up from 51.1 in November), while also expecting a decrease in their stocks of raw materials and supplies (the DI was 42.9, down from 50.4 in November).
- With weaker expectations of a rise in raw material and supplies prices, companies intended to raise their selling prices somewhat more slowly, the DIs being 28.1 and 65.4 respectively, compared to 23.1 and 66.1 in November.
- Industrial companies reported the most guarded employment expectations among other sectors, the DI being 44.6, down from 45.3 in November.

# Construction

Diffusion Index of Construction Companies' Business Activity Expectations



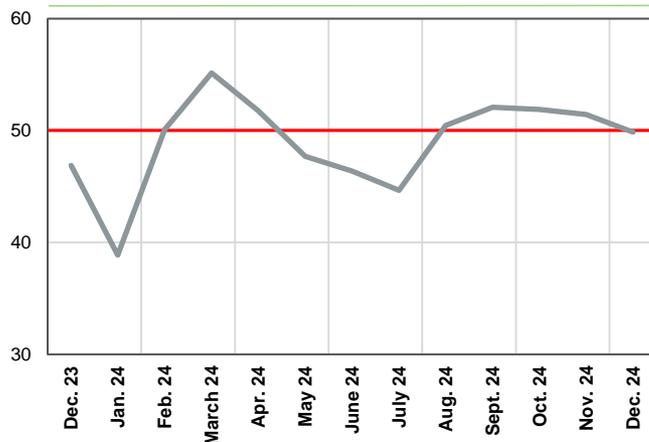
Diffusion Indices (DIs) for construction companies' performance expectations



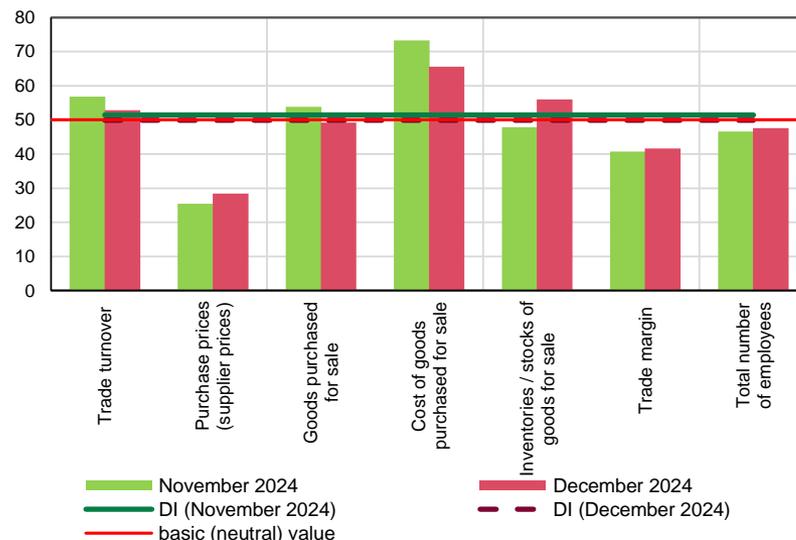
- Due to the seasonal nature of construction work and a decline in investment demand, construction companies have reported the most pessimistic economic outlook among other sectors for two months in a row, **the DI being 43.4 in December**, compared to 43.6 in November and 42.1 in December 2023.
- Companies expected a further decrease in their construction volumes, the number of new orders, and in purchases of raw materials and supplies, the DIs being 48.0, 36.0 and 44.0 respectively, compared to 47.9, 37.5 and 45.8 in November.
- Respondents improved their expectations about purchases of contractor services**, despite stronger negative expectations about contractors' availability and faster growth in the cost of contractor services, the DIs being 58.0, 32.0 and 28.0 respectively, compared to 52.1, 33.3 and 33.3 in December.
- On the back of expectations of more rapid growth in supplier prices, respondents continued to report intentions to raise their selling prices, the DIs being 24.0 and 62.0 respectively, compared to 27.1 and 62.5 in November.
- Respondents were less downbeat about their total staff numbers**, the DI being 48.0, up from 45.8 in November.

# Trade

Diffusion Index of Trading Companies' Business Activity Expectations



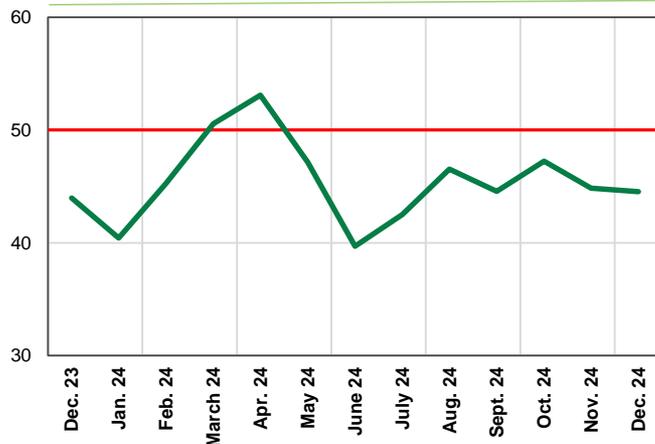
Diffusion Indices (DIs) for trading companies' performance expectations



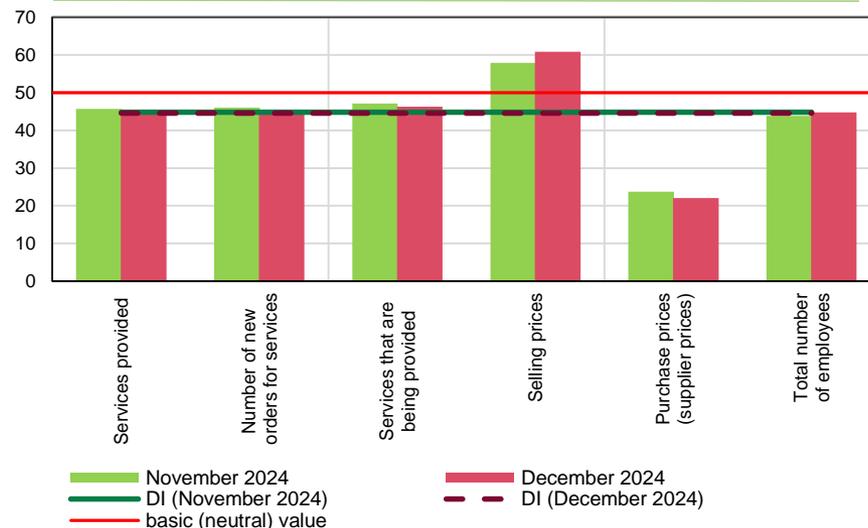
- In contrast to the previous month, trading companies reported cautious performance expectations in the face of difficult security conditions and power cuts. **The sector's DI was 49.9 in December**, compared to 51.4 in November and 46.9 in December 2023.
- Respondents were less optimistic **about an increase in their trade turnovers** (the DI was 52.8, down from 56.8 in November). They also reported modest expectations about their purchases of goods for sale (the DI was 49.2, down from 53.8 in November). Companies downgraded their expectations about their stocks of goods for sale, the DI being 56.0, up from 47.9 in November.
- With more moderate expectations of a rise in purchase prices, respondents reported weaker intentions to raise their selling prices, the DIs being 28.4 and 65.6 respectively, compared to 25.4 and 73.3 in November. Companies in the sector declared intentions **to cut their trade margins further**, the DI being 41.6, up from 40.7 in November.
- Respondents reported less firm intentions to lay off their staff**, the DI being 47.6, up from 46.6 in November.

# Services

Diffusion Index of Service Providers' Business Activity Expectations



Diffusion Indices (DIs) for services companies' performance expectations



- Services companies reported a weaker economic outlook for December, amid prolonged power cuts, shortages of qualified staff and higher business costs, **the sector's DI being 44.5 in December**, compared to 44.8 in November and 44.0 in December 2023.
- Companies expected a further drop in the amount of services provided, the number of new orders for services, and in the amount of services that are being provided, the DIs being 44.8, 45.1 and 46.3 respectively, compared to 45.7, 46.0 and 47.1 in November.
- On the back of stronger expectations of a rise in purchase prices, respondents continued to declare intentions to raise their selling prices, the DIs being 22.0 and 60.8 respectively, compared to 23.7 and 57.9 in November.
- Respondents reported less firm intentions to cut their workforces**, the DI being 44.8, up from 43.0 in November.



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# *Annexes*

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## Data on surveys of industrial companies in December 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Manufactured goods	21	48	31
Number of new orders for products	20	51	29
Number of new export orders for goods	12	57	32
Unfinished products (unfulfilled orders)	7	64	29
Finished goods stocks	17	56	27
Stocks of raw materials and supplies	16	54	30
Prices for raw materials and supplies	47	50	3
Selling prices	33	66	2
Total number of employees	4	81	15

## Data on surveys of construction companies in December 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Construction volume (construction work done)	24	48	28
Number of new orders	12	48	40
Purchases of raw materials and supplies	16	56	28
Purchase prices (supplier prices)	52	48	0
Purchases of contractor services	32	52	16
Cost of contractor services*	48	48	4
Availability of contractors	4	56	40
Selling prices	24	76	0
Total number of employees	16	64	20

## Data on surveys of trading companies in December 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Trade turnover	31	43	26
Purchase prices (supplier prices)	45	54	2
Goods purchased for sale	26	46	28
Cost of goods purchased for sale	41	50	10
Inventories / stocks of goods for sale*	18	53	30
Trade margin	8	67	25
Total number of employees	6	82	11

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

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Services provided	20	49	31
Number of new orders for services	20	50	30
Services that are being provided	18	57	25
Selling prices	24	74	2
Purchase prices (supplier prices)	57	43	1
Total number of employees	7	76	17

## 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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