



National Bank  
of Ukraine

# Business Outlook Survey of Chernihiv Oblast\*

Q4 2023



\*This survey only reflects the opinions of respondents in Chernihiv oblast (top managers of companies) who were polled in Q4 2023, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Chernihiv oblast** in Q4 2023 showed that, despite security risks and logistical difficulties with crossing the border, 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 slowly. Depreciation expectations remained high.

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

- **the output of Ukrainian goods and services would increase at a faster pace:** the balance of expectations was 46.2%, up from 23.1% in the previous quarter (Figure 1). Across Ukraine, the balance of responses was 15.2%
- **prices for consumer goods and services would rise more slowly:** all of the respondents expected that the inflation rate would not exceed 10.0%, compared to 15.4% in the previous quarter and 47.6% across Ukraine. Respondents referred to military actions (the impact of this driver was reported to have increased), production costs and the hryvnia exchange rate **as the main inflation drivers** (Figure 2)
- **the domestic currency would depreciate:** 76.9% of respondents expected the hryvnia to weaken against the U.S. dollar, compared to 69.2% in Q3 2023 and 77.4% across Ukraine
- **the financial and economic standings of their companies would improve:** the balance of expectations was 25.0%, down from 30.8% in the previous quarter (see Table). Across Ukraine, the balance of responses was 4.1%
- **total sales and external sales would increase:** the balances of responses were 45.5% and 40.0% respectively, compared to 38.5% and 40.0% in the previous quarter (see Table). Across Ukraine, the balances of responses were 10.6% and 9.7% respectively
- **investment in construction would decrease:** the balance of responses was (-15.4%), down from 11.1% in the previous quarter. At the same time, respondents expected that **investment in machinery, equipment, and tools would remain unchanged:** the balance of responses was 0.0%, compared to 11.1% in Q3 2023. Across Ukraine, the balances of responses were (-6.9%) and 6.6% respectively (see Table)
- **staff numbers would decrease more slowly:** the balance of responses was (-7.7%), compared to (-15.4%) in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-6.5%)
- **purchase prices and selling prices would grow at a slower pace:** the balances of responses were 76.9% and 69.2% respectively, compared to 92.3% and 76.9% in Q3 2023 (Figure 6). Respondents referred to energy prices, raw material and supplies prices, wage costs and logistical problems (the impact of this factor was reported to have increased) as the main selling price drivers (Figure 7)
- **per-unit production costs and wage costs per staff member would grow more slowly:** the balances of responses were 69.2% and 61.5% respectively, compared to 92.3% and 84.6% respectively in Q3 2023 (Figures 4 and 6).

Respondents referred to military actions and their consequences, qualified staff shortages and corruption (the impact of the latter two factors was reported to have increased significantly), energy prices and weak demand as **the main drags on the ability of their companies to boost production** (Figure 5).

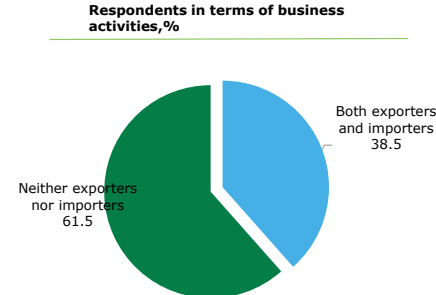
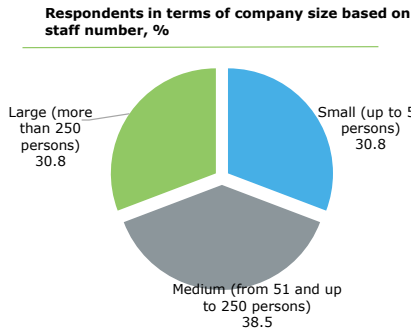
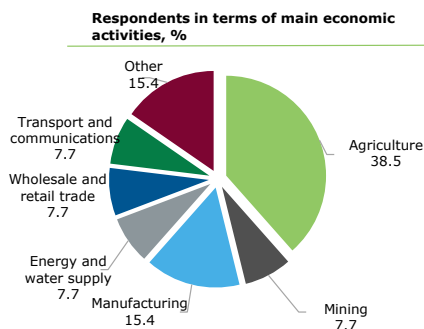
Respondents reported **significantly weaker** expectations of a rise in their borrowing needs in the near future (Figure 8). The respondents who planned to take out bank loans opted only for domestic currency loans. Respondents cited high loan rates, the availability of other funding sources and complicated paperwork (the impact of this factor was reported to have increased) as the main factors deterring them from taking out loans (Figure 9).

**All of the respondents** said that **they had encountered no difficulties in effecting transactions with funds deposited in bank accounts** (95.8% across Ukraine).

#### Assessments of financial and economic standings as of the time of the survey (Figure 3)

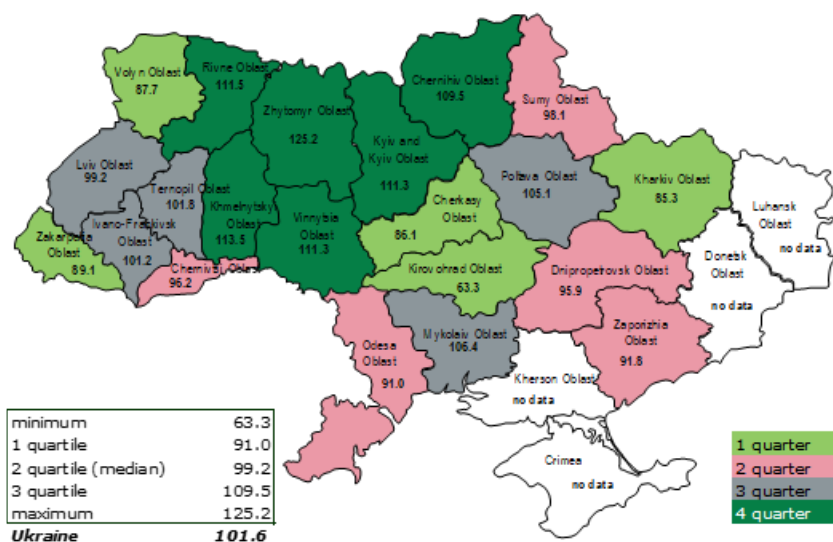
- **Companies assessed their current financial and economic standings as satisfactory:** the balance of responses was 0.0%, compared to (-30.8%) in the previous quarter. Overall, across Ukraine, the balance of responses was (-5.6%).
- **Stocks of finished goods were assessed as lower than normal:** the balance of responses was (-10.0%), compared to (-22.2%) in Q3 2023.
- **Companies were operating on the verge of their production capacity:** the balance of responses was 0.0%, down from 7.7% in the previous quarter.

Survey Details<sup>1,2</sup>



- Period: 31 October through 22 November 2023.
- 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 Oblasts<sup>3</sup>, %



<sup>3</sup>a quartile is the value of the BOI where an ordered sample is divided into four equal-sized subgroups  
<sup>3</sup>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 22	Q1 23	Q2 23	Q3 23	Q4 23
Financial and economic standings	-16.7	8.3	23.1	30.8	25.0
Total sales	0.0	41.7	38.5	38.5	45.5
Investment in construction	-25.0	-9.1	0.0	11.1	-15.4
Investment in machinery, equipment, and tools	-33.3	-18.2	-27.3	11.1	0.0
Staff numbers	0.0	-15.4	-7.7	-15.4	-7.7

<sup>1</sup> This sample was generated in proportion to the contribution of each oblast and each economic activity to Ukraine's gross value added.

<sup>2</sup> Data for totals and components may be subject to rounding effects.

<sup>3</sup> 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

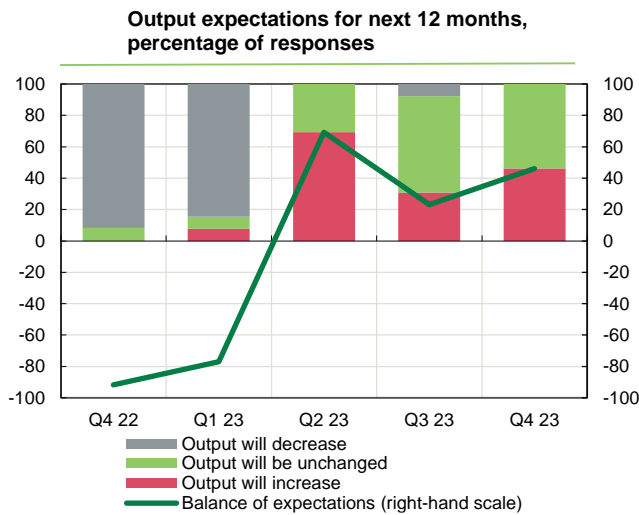


Figure 2

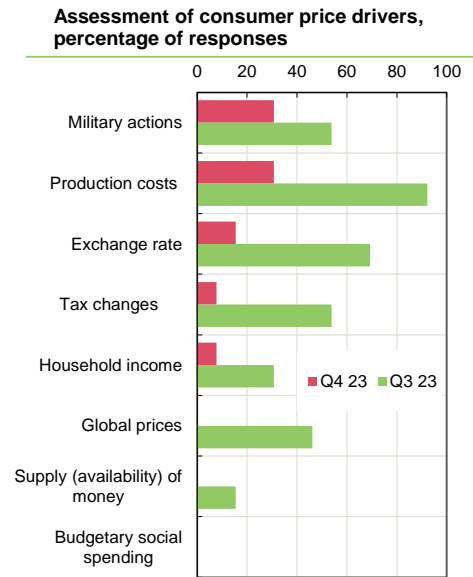


Figure 3

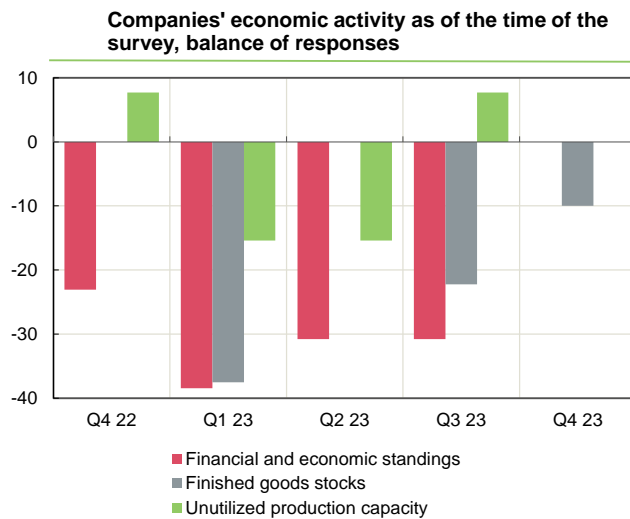


Figure 4



Figure 5

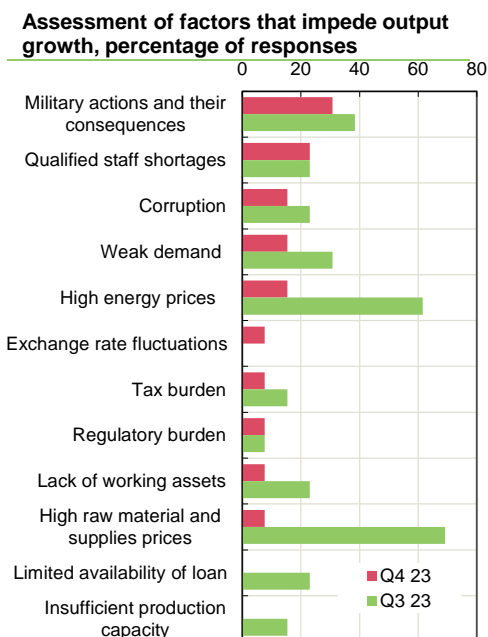


Figure 6

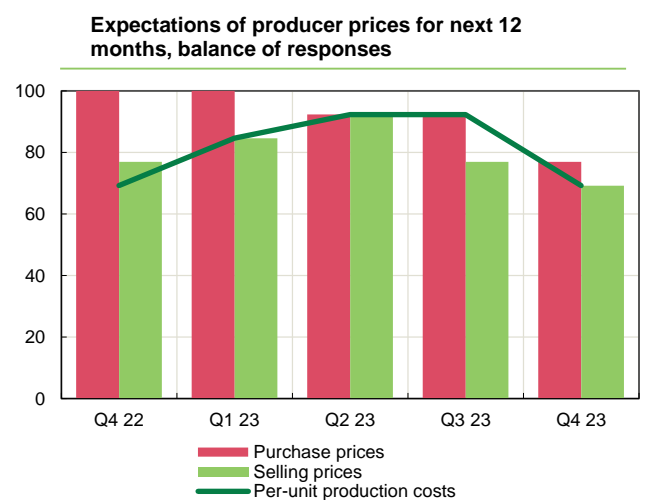


Figure 7

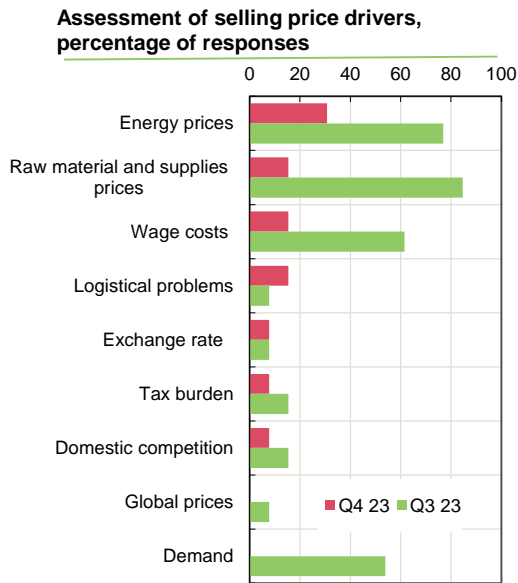


Figure 8

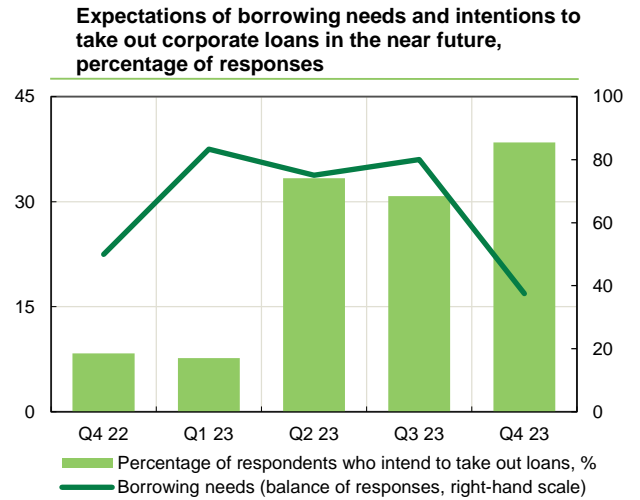


Figure 9

