



National Bank  
of Ukraine

# Business Outlook Survey of Chernihiv Oblast\*

Q1 2024



\*This survey only reflects the opinions of respondents in Chernihiv oblast (top managers of companies) who were polled in Q1 2024, and does not represent NBU forecasts or estimates

A survey of companies carried out in **Chernihiv oblast** in Q1 2024 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 faster. Depreciation expectations strengthened.

#### 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 41.7%, down from 46.2% in the previous quarter (Figure 1). Across Ukraine, the balance of responses was 8.5%
- **prices for consumer goods and services would rise more quickly:** 61.5% of the respondents expected that the inflation rate would exceed 10.0%, compared to 0.0% in the previous quarter and 51.6% across Ukraine. Respondents referred to military actions, production costs and the hryvnia exchange rate **as the main inflation drivers** (Figure 2)
- **the domestic currency would depreciate at a faster pace:** 92.3% of respondents expected the hryvnia to weaken against the U.S. dollar, compared to 76.9% in Q4 2023 and 81.1% across Ukraine
- **the financial and economic standings of their companies would improve:** the balance of expectations was 23.1%, compared to 25.0% in the previous quarter (see Table). Across Ukraine, the balance of responses was 3.7%
- **total sales would increase:** the balance of responses was 38.5%, compared to 45.5% in the previous quarter. Meanwhile external sales were expected to remain unchanged: the balance of responses was 0.0%, down from 40.0% in Q4 2023 (see Table). Across Ukraine, the balances of responses were 10.6% and 6.8% respectively
- **investment in construction would decrease:** the balance of responses was (-10.0%), up from (-15.4%) 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%, as in Q4 2023. Across Ukraine, the balances of responses were (-1.5%) and 8.3% respectively (see Table)
- **staff numbers would decrease:** the balance of responses was (-7.7%), as in the previous quarter (Figure 4). Across Ukraine, the balance of responses was (-6.3%)
- **purchase prices and selling prices would grow at a faster pace:** the balances of responses were 92.3% and 84.6% respectively, compared to 76.9% and 69.2% in Q4 2023 (Figure 6). Respondents referred to raw material and supplies prices, wage costs and the hryvnia exchange rate (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:** the balances of responses were 76.9% and 61.5% respectively, compared to 69.2% and 61.5% respectively in Q4 2023 (Figures 4 and 6).

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

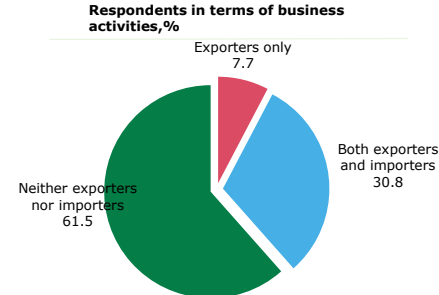
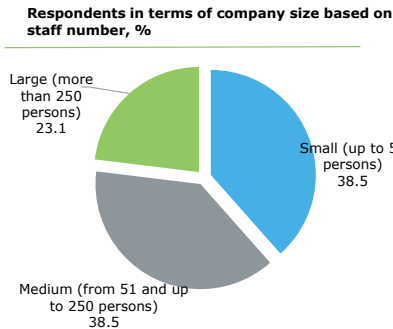
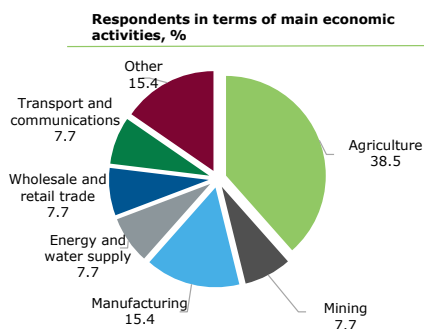
Respondents expected **a rise in their borrowing needs** in the near future (Figure 8). The respondents who planned to take out bank loans opted only for domestic currency loans. Respondents cited the availability of other funding sources, high loan rates, collateral requirements and uncertainty about 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 9).

**All of the respondents** said that **they had encountered no difficulties in effecting transactions with funds deposited in bank accounts** (96.3% across Ukraine).

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

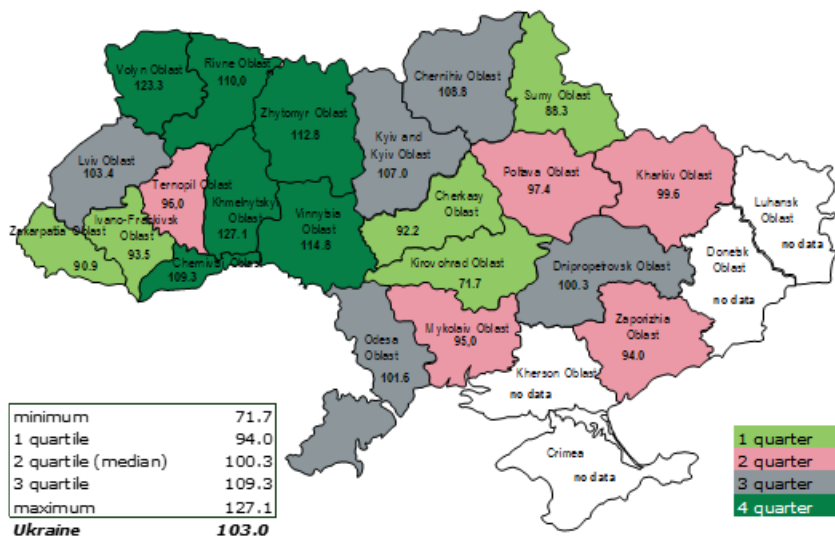
- **Companies' current financial and economic standings had deteriorated and were assessed as bad:** the balance of responses was (-7.7%), compared to 0.0% in the previous quarter. Overall, across Ukraine, the balance of responses was (-1.4%).
- **Stocks of finished goods were assessed as normal:** the balance of responses was 0.0%, compared to (-10.0%) in Q4 2023.
- **Companies had a sufficient amount of unutilized production capacity to meet any unexpected rise in demand:** the balance of responses was 25.0%, up from 0.0% in the previous quarter.

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



- Period: 31 January through 22 February 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 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>4</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, %				
	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24
Financial and economic standings	8.3	23.1	30.8	25.0	23.1
Total sales	41.7	38.5	38.5	45.5	38.5
Investment in construction	-9.1	0.0	11.1	-15.4	-10.0
Investment in machinery, equipment, and tools	-18.2	-27.3	11.1	0.0	0.0
Staff numbers	-15.4	-7.7	-15.4	-7.7	-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

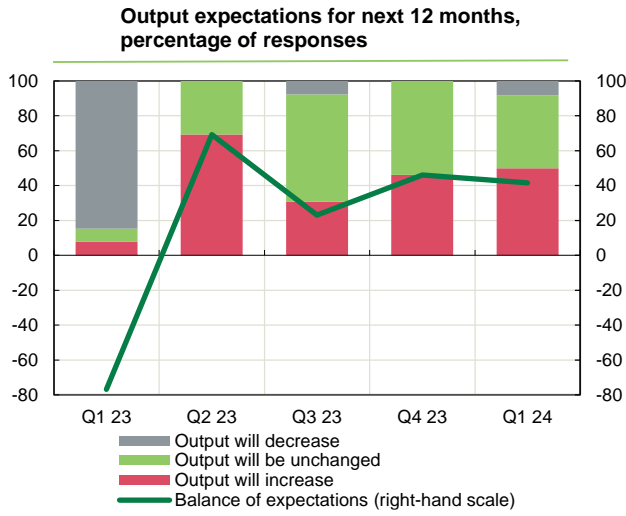


Figure 2

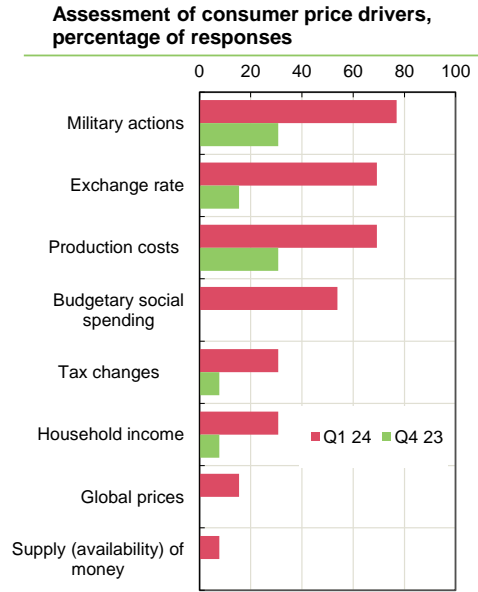


Figure 3

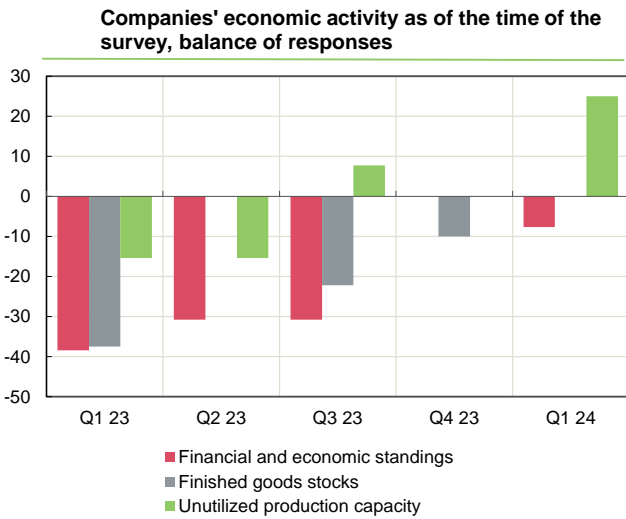


Figure 4



Figure 5

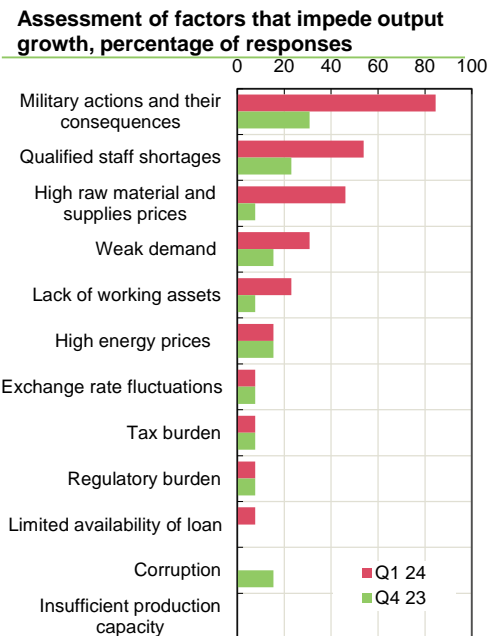


Figure 6

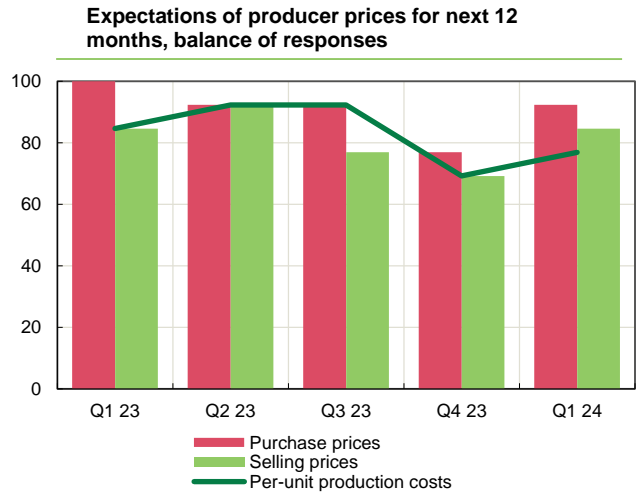


Figure 7

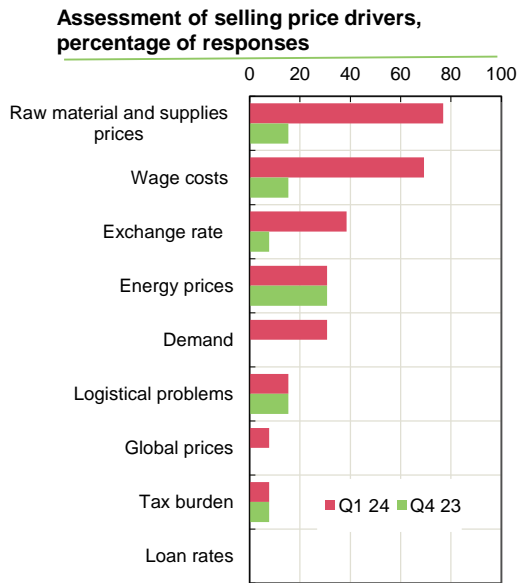


Figure 8

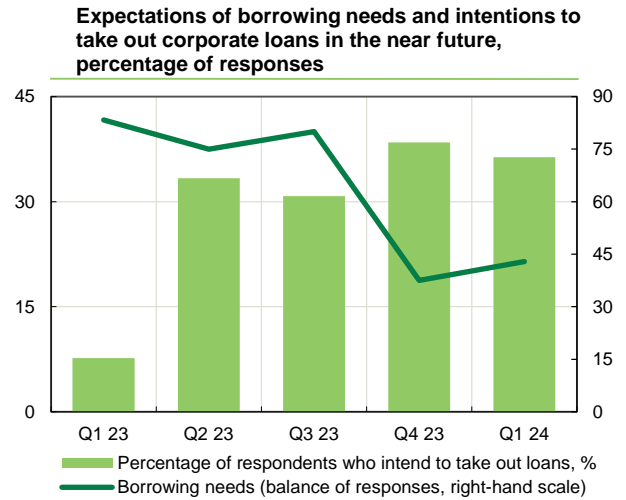


Figure 9

**Оцінка респондентами факторів, які можуть змусити підприємство уникати/відкладати використання кредитних послуг банків, відсоток відповідей**

