

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**



Quarter ends with activity and employment having the best performance in recent years

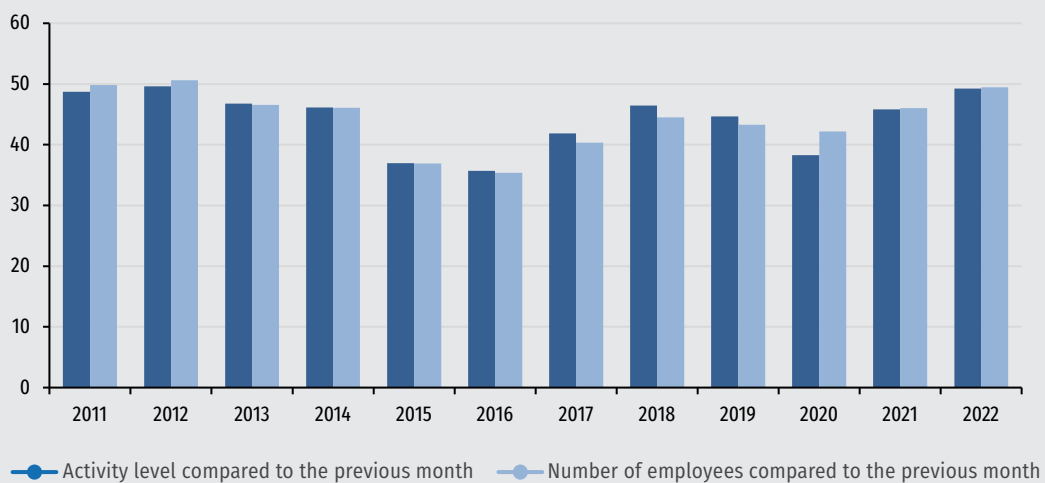
In May 2022, the Construction Industry showed relative stability compared to April. The Business Confidence Index (ICEI) showed continued optimism, supported by positive expectations for the next six months, as the assessment of the current situation remains unfavorable.

It is noteworthy that, analyzing the activity level and the number of employees over the first four months of 2022, the best performances of recent years were recorded. The activity level and employment level index averages reached the highest levels since 2012.

Capacity Utilization, although declining in April, remains at historically high levels, reinforcing the favorable scenario identified for the beginning of 2022.

Activity level and number of employees for the first quarter of the year for Construction Industry

Average of diffusion indices between January and April¹ (0 to 100 points)



¹ Figures above 50 show an increase in activity or employment compared to the previous month. Figures below 50 show a decrease in activity or employment compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN APRIL 2022

Activity and employment show best result since 2012 for the period

The performance of construction in April 2022 was positive for the period compared to recent years.

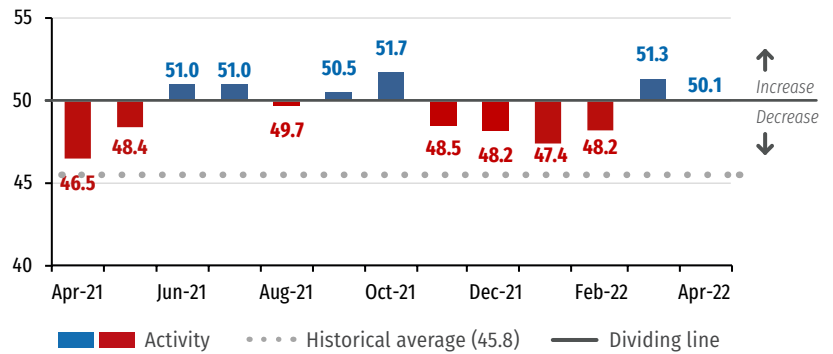
The activity level index stood at 50.1 points in April 2022, dropping 1.2 point compared to March. The value is close to the 50-point dividing line, which separates an increase from a decrease of the level of activity, indicates stability. The index had not reached a value above 50 points for the month of April since 2012, when it stood at 50.6 points.

The index for the number of employees stood at 50.7 points, representing an increase of 0.7 point compared to March. As with the activity level, the index value is the highest for April since 2012, when it had registered 51 points.

Taking the first four months of the year into account (January to April), the average value of the activity level index (49.3 points) is the highest since 2012 (49.6 points). As for the level of employees, the average (49.5 points) is also the highest since 2012 (50.6 points).

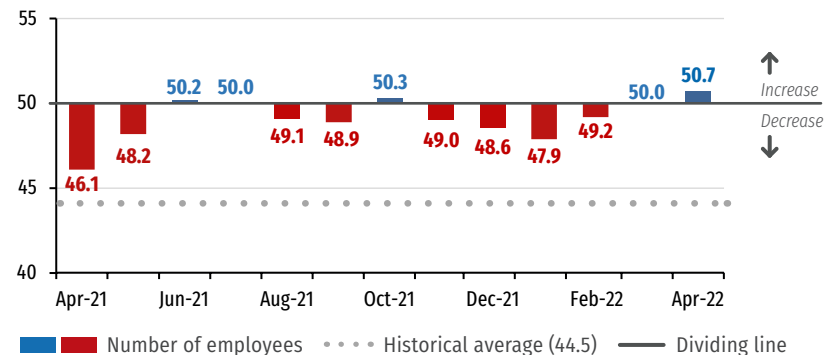
Variation of activity level

Diffusion Indices (0 to 100 points)*



Variation of the number of employees

Diffusion Indices (0 to 100 points)*



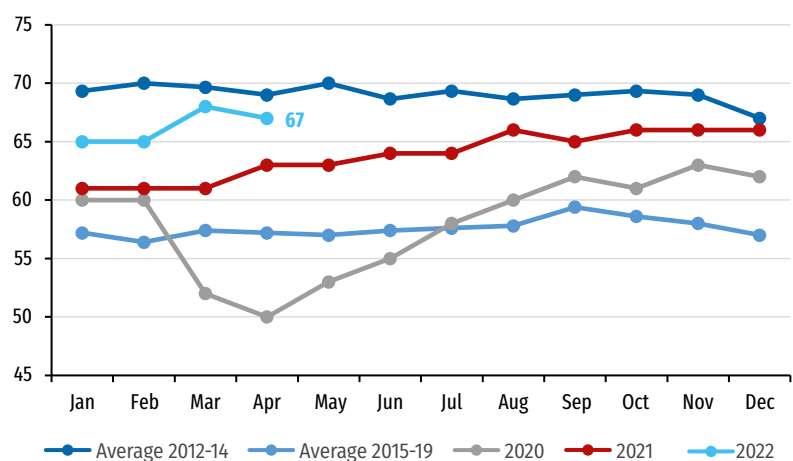
*Figures above 50 show an increase in activity or employment compared to the previous month. Figures below 50 show a decrease in activity or employment compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

Capacity Utilization remains high despite the drop in April

In April 2022, Capacity Utilization dropped 1 percentage point, compared with March, from 68% to 67%. Still, it is the highest percentage for the month since 2014 (69%).

Average utilization of operating capacity

Percentage (%)



CONSTRUCTION INDUSTRY BUSINESS CONFIDENCE INDEX IN MAY 2022

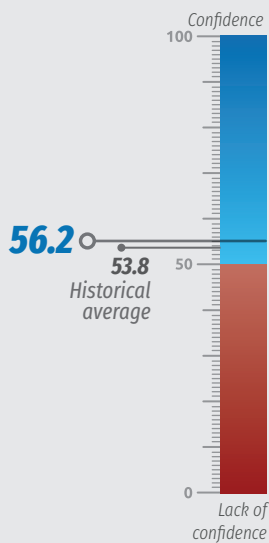
Optimism in the Construction Industry for the period is the highest since 2012

In May 2022, the Construction Industry Business Confidence Index (ICEI) edged up 0.7 point to 56.2 points. As it is above the 50-point dividing line, which separates confidence from lack thereof, the index indicates that entrepreneurs of the construction segment show confidence. The result is the best for May since 2012, when it reached 60.9 points.

The perception of entrepreneurs regarding current conditions remains negative. The Index of Current Conditions stood at 48.6 points, up 0.2 point from the previous month. Thus, as highlighted for the ICEI, the result is the best for May since 2012.

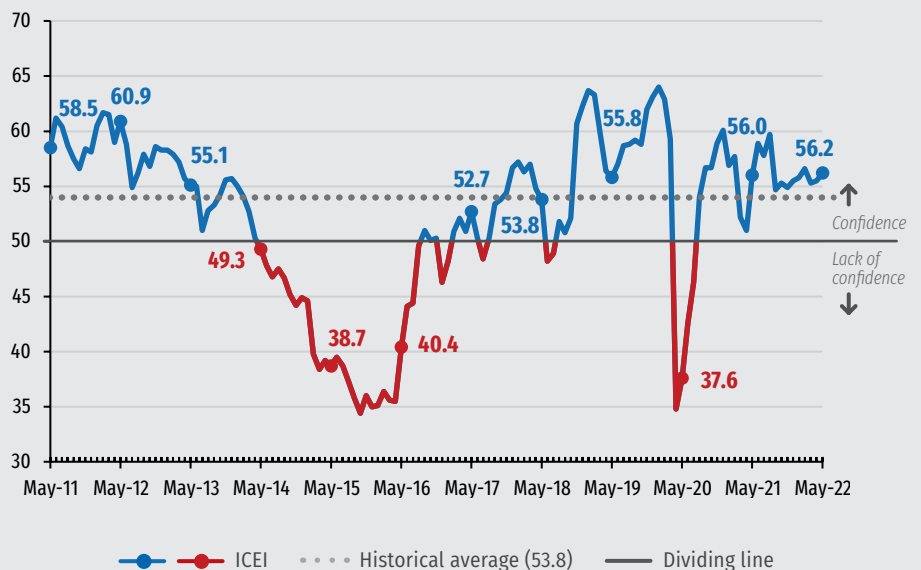
The Expectations Index edged up 1.0 point, to 60 points, remaining above the 50-point line and the historical average. That is, it shows positive and relatively high expectations.

Construction ICEI
Index (0 to 100 points)*



Historic Series

Index (0 to 100 points)*



*Figures above 50 points show entrepreneur confidence. The more above 50 points, the greater and more widespread the confidence. Figures below 50 points show entrepreneur lack of confidence. The more below 50 points, the greater and more widespread the lack of confidence.

EXPECTATIONS OF THE CONSTRUCTION INDUSTRY IN MAY 2022

Expectations remain optimistic for the coming months

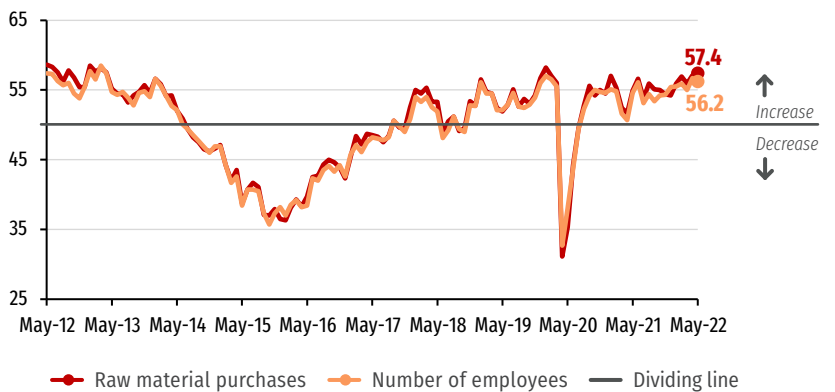
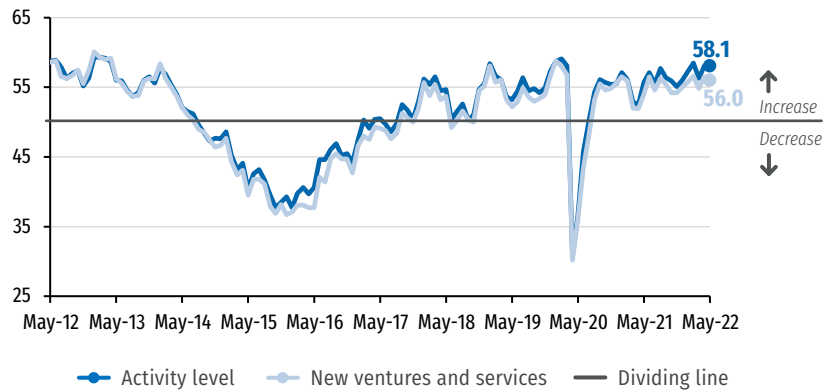
Construction entrepreneurs continue to show positive expectations for all variables analyzed. The entrepreneur expects the level of activity, the number of new ventures and services, the purchase of supplies and the number of employees to rise over the next six months.

The entrepreneur expectation index in relation to the activity level showed stability, remaining at 58.1 points, while the input and raw materials purchase expectation index edged up 0.3 point to 57.4 points.

The expectation index for new projects and services shows a slight drop in optimism, decreasing 0.5 point to 56.0 points. Likewise, expectation index for the number of employees also dropped 0.5 point, to 56.2 points.

Expectation indices

Indices (0 to 100 points)*



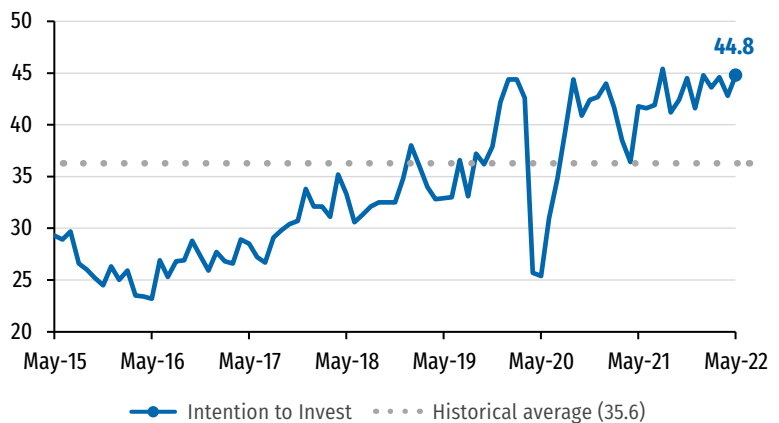
* Figures above 50 points show expectations of growth, Figures below 50 points show an expected decrease. The further away from 50 points, the greater and more widespread the expected variation.

Intention to invest rises in May

In May 2022, the Construction Industry investment intention index inched up by 2.0 points, to 44.8 points, returning to January level. This is the highest value since August 2021, when it stood at 45.4 points. With the exception of August result, the last time the index surpassed May value was in September 2014 (45 points).

Intention to Invest

Index (0 to 100 points)*



* The higher the index, the greater the industry's intention to invest.

RESULTS BY COMPANY SIZE

Construction Industry performance

	CAPACITY UTILIZATION (%) ¹			ACTIVITY LEVEL EVOLUTION INDEX ²			EFFECTIVE ACTIVITY LEVEL INDEX COMPARED TO USUAL LEVELS ³			NUMBER OF EMPLOYEES VARIATION INDEX ⁴		
	Apr-21	Mar-22	Apr-22	Apr-21	Mar-22	Apr-22	Apr-21	Mar-22	Apr-22	Apr-21	Mar-22	Apr-22
SURVEY	63	68	67	46.5	51.3	50.1	39.6	43.9	45.4	46.1	50.0	50.7
SMALL	56	62	62	42.8	52.2	49.7	35.0	43.4	43.8	45.5	50.8	50.0
MEDIUM	61	67	67	46.6	52.0	50.6	39.9	43.6	44.7	45.6	50.7	51.4
LARGE	66	70	69	47.8	50.6	50.0	41.2	44.3	46.3	46.7	49.4	50.6

Expectations of the Construction Industry

	EXPECTATION INDICES ⁴												INDEX OF INTENTION TO INVEST ⁵		
	ACTIVITY LEVEL			NEW ENTERPRISES AND SERVICES			INPUT AND RAW MATERIAL PURCHASE			NUMBER OF EMPLOYEES					
	May-21	Apr-22	May-22	May-21	Apr-22	May-22	May-21	Apr-22	May-22	May-21	Apr-22	May-22	May-21	Apr-22	May-22
SURVEY	55.7	58.1	58.1	54.0	56.5	56.0	54.9	57.1	57.4	54.6	56.7	56.2	41.8	42.8	44.8
SMALL	56.4	56.9	58.7	52.9	54.9	56.3	53.8	54.9	56.5	51.9	55.6	55.8	40.4	41.0	40.5
MEDIUM	54.7	60.8	59.4	55.3	60.1	56.9	54.1	60.8	59.0	54.6	59.8	57.7	40.4	46.5	46.3
LARGE	56.0	56.9	57.1	53.6	55.1	55.4	55.8	55.7	56.8	55.5	55.4	55.4	43.1	41.3	45.5

Construction Industry Business Confidence Index and its components

	ICEI - CONSTRUCTION ⁶			INDEX OF CURRENT CONDITIONS ⁷			EXPECTATIONS INDEX ⁸		
	May-21	Apr-22	May-22	May-21	Apr-22	May-22	May-21	Apr-22	May-22
SURVEY	56.0	55.5	56.2	47.1	48.4	48.6	60.5	59.0	60.0
SMALL	53.7	54.5	56.1	44.4	46.6	47.2	58.3	58.5	60.5
MEDIUM	58.0	57.6	57.0	48.7	50.0	49.8	62.6	61.4	60.6
LARGE	55.8	54.6	55.8	47.1	48.1	48.5	60.1	57.8	59.4

1 - Indicator varies within the range from 0% to 100%. The series started in January 2012.

2 - Indicator varies within the range from 0 to 100. Values above 50 show an increase.

3 - Indicator varies within the range from 0 to 100. Values above 50 show higher activity than usual.

4 - Indicator varies within the range from 0 to 100. Figures above 50 show a positive expectation.

5 - Indicator varies within the range from 0 to 100. The higher the value, the greater the intention to invest.

6 - The ICEI - Construction varies within the range from 0 to 100. Figures above 50 show the entrepreneur is confident.

7 - Indicator varies within the range from 0 to 100. Figures above 50 show a better situation, when compared to the last six months.

8 - Indicator varies within the range from 0 to 100. Figures above 50 show optimistic expectations for the next six months.



Technical specifications

Sample profile

419 companies, with 156 being small, 175 medium and 88 large.

Collection period

2 to 10 May 2022.

Document completed on May 18, 2022.



Learn More

For further information on sectorial and regional results, previous issues, methodology, and historical series, please visit: www.cni.com.br/e_sondconstr

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