

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**

CBIC **CNI** Brazilian National Confederation of Industry

Construction industry activity remains high

In August 2024, the use of operational capacity (UCO), which is a business assessment of how much personnel, machinery, and equipment were used in the month, compared to the total available, remained at a high level, while the indices of activity level and employment evolution recorded values much above the usual for the month. Taken together, the indices show that the business assessment, in general, is of a favorable performance of their companies in the month.

In this context, driven by a less negative assessment of the Brazilian economy, the Industrial Entrepreneur Confidence Index (ICEI) of construction recorded a significant increase in September 2024, showing higher and more widespread optimism among entrepreneurs. Confidence remains contained by the still negative assessment of current conditions, but the assessment has become less negative and the prospects, more positive. This is especially true in the indicators most linked to the future activity of the sector: the expectation indices of activity level and new ventures and services showed an increase in September.

Utilization of Operational Capacity
Percentage (%)



PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN AUGUST 2024

Stability of activity level and employment

In August 2024, the indices of activity level and employment evolution were close to the dividing line of 50 points, values much above the usual for the month. This result reveals that the business assessment, in general, is of a more favorable performance of their companies in August.

The activity level evolution index was at 49.7 points in August 2024. Although the index is lower than that recorded in July, it remains close to the dividing line of 50 points, that is, the business assessment about the activity level evolution is of relative stability compared to July.

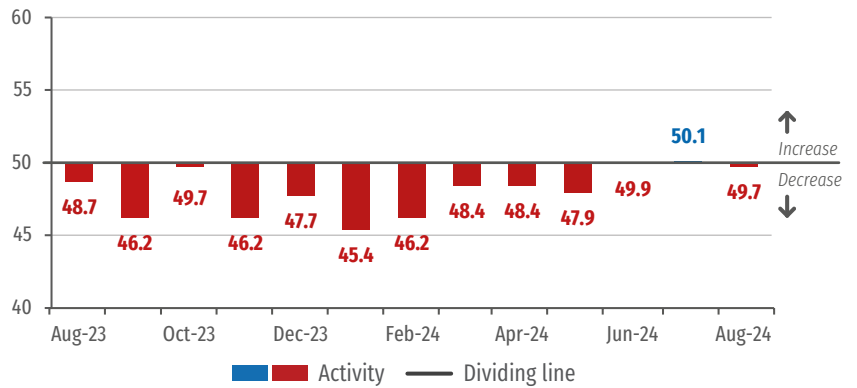
The sentiment differs among sectors. While the infrastructure works sector shows a high activity level (index of 51.4 points), the others show a decrease in activity level: building construction, with an index of 48.4 points, and specialized services for construction, with an index of 48.6 points.

The employment evolution index was at 50.1 points. The index, practically on the dividing line, shows that entrepreneurs assess that there was stability in the number of employees from July to August.

As in the evolution of the activity level, the infrastructure works sector shows a high number of employees (index of 51.7

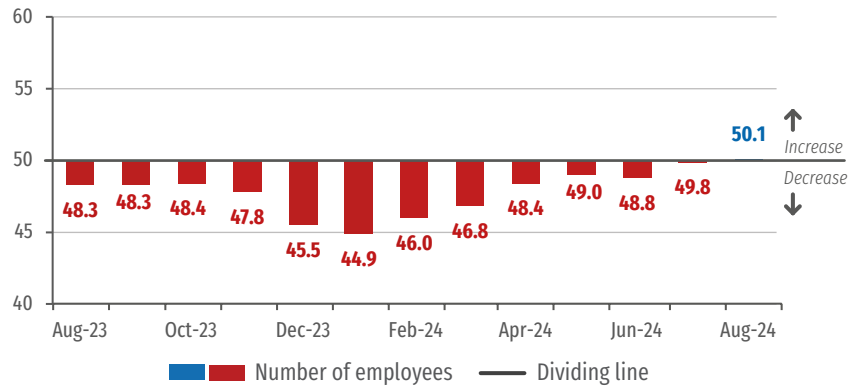
Activity level evolution

Diffusion indices (0 to 100 points)*



Number of employees evolution

Diffusion indices (0 to 100 points)*



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

points). The specialized services for construction sector, with an index of 49.7 points, shows relative stability, while the building construction sector, with an index of 48.0 points, shows a decrease in the number of employees.

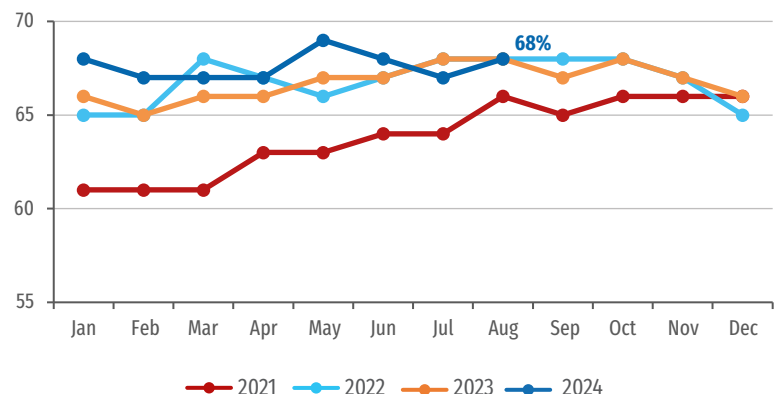
Operational capacity utilization rises in August

The operational capacity utilization (UCO) was at 68% in August 2024. The result represents a 1 percentage point increase compared to the previous month.

All considered sectors recorded an increase in UCO from July to August. The specialized services for construction sector stands out, which reached a UCO of 72%, a percentage equal to the highest ever recorded in August since the beginning of the historical series, in 2012.

Utilization of Operational Capacity

Percentage (%)



CONSTRUCTION INDUSTRY BUSINESS CONFIDENCE INDEX IN SEPTEMBER 2024

Confidence increases in September

In September 2024, the Industrial Entrepreneur Confidence Index (ICEI) of construction increased by 2.0 points, to 53.3 points. The significant monthly increase moves the ICEI away from the dividing line of 50 points, which separates confidence from lack of confidence, towards its historical average of 53.8 points. Thus, the ICEI shows that confidence is more intense and widespread among construction entrepreneurs, but still remains relatively moderate.

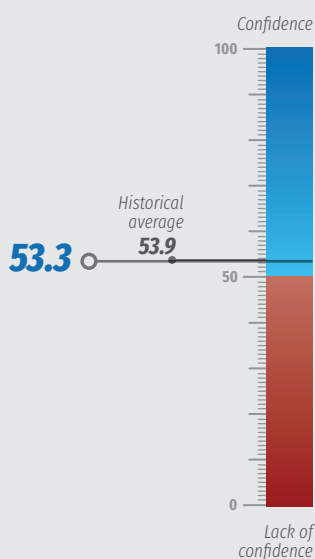
All components that make up the construction entrepreneurs' ICEI increased from August to September 2024. The improvement in the assessment of the Brazilian economy is the main reason for the increase in confidence: both the assessment of current conditions and expectations for the Brazilian economy have become less negative.

The current conditions index, which measures entrepreneurs' perception of the current conditions of the Brazilian economy and the company, rose from 47.4 points to 48.8 points. Despite the increase, the index remains below the dividing line, which reveals that entrepreneurs perceive a current situation worse than the last six months. It is noteworthy that the assessment of the company's current conditions is positive (index of 51.3 points), while the assessment of the Brazilian economy remains negative, despite the increase in the index (index of 43.8 points).

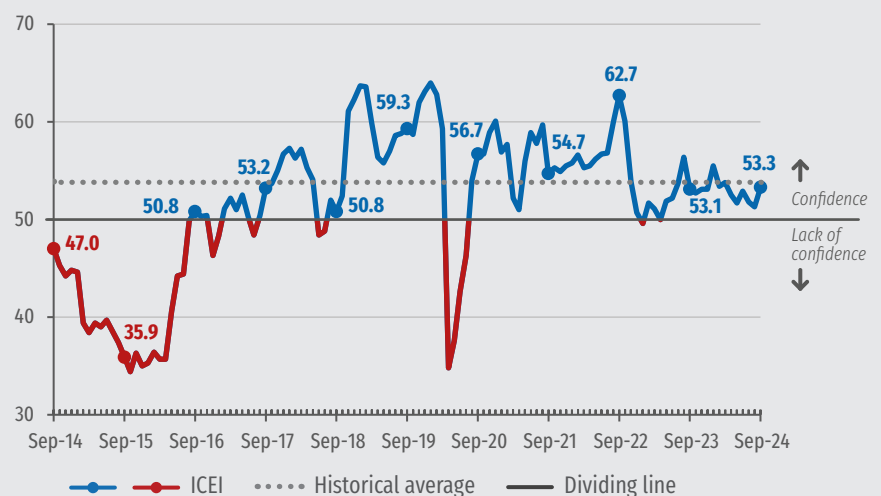
The expectation index, which measures entrepreneurs' prospects for their own company and the Brazilian economy for the next six months, rose from 53.3 points to 55.5 points in September. With the increase, the index moves away from the dividing line, revealing greater optimism among entrepreneurs. It is noteworthy that the assessment of the company's expectations is positive (index of 58.9 points), while the assessment of the Brazilian economy, despite the improvement, also remains negative (index of 48.7 points).

Among the sectors, there was an increase in the confidence of building construction entrepreneurs (the sector's ICEI reached 53.1 points) and infrastructure works (55.1 points). The ICEI of specialized services, in turn, fell from 50.9 points to 49.9 points.

Construction ICEI
Index (0 to 100 points)*



Historical Series
Index (0 to 100 points)*



*Values above 50 points indicate business confidence and the higher above 50 points, the greater and more widespread is the confidence. Values below 50 points indicate a lack of business confidence and the lower below 50 points, the greater and more widespread is the lack of confidence.

CONSTRUCTION INDUSTRY EXPECTATIONS IN SEPTEMBER 2024

Expectations remain optimistic

In September 2024, construction entrepreneurs continue with positive expectations – expectation indices above 50 points – for all variables surveyed. Optimism increased especially with regard to issues more directly related to the sector’s production: activity level and new ventures and services. The expectation of an increase in raw material purchases increased slightly, while the expectation of the number of employees did not change.

The expectation index regarding the activity level increased by 0.9 point, to 53.3 points, while the one related to new ventures and services increased by 0.8 point, to 51.7 points. The expectation index for purchases of inputs and raw materials increased only by 0.2 point, to 51.3 points, while the expectation index for the number of employees remained unchanged at 52.0 points.

None of the sectors surveyed recorded a confidence index below 50 points in September. In general, there is greater moderation of expectations in the building construction sector and more favorable expectations in the infrastructure works sector.

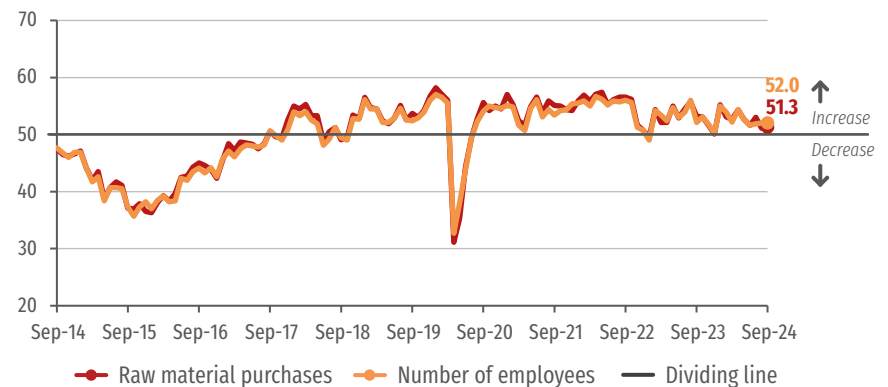
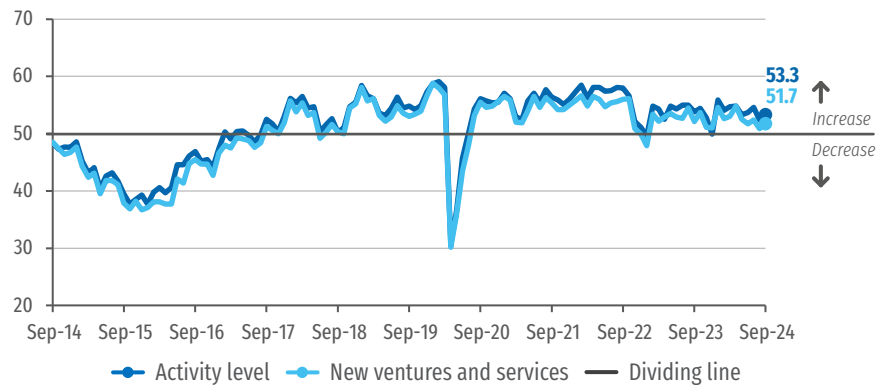
Investment intention shows a new decline

In September, the investment intention index, which measures the entrepreneur’s intention to invest in purchases of machinery and equipment, research and development, or product or process innovation in the next six months, was reduced. The index fell by 0.8 point, from 44.7 points in August to 43.9 points in September.

Despite the decline, the second consecutive one, the intention to invest remains relatively high, as the index remains far from its historical average of 37.6 points.

Expectations indices

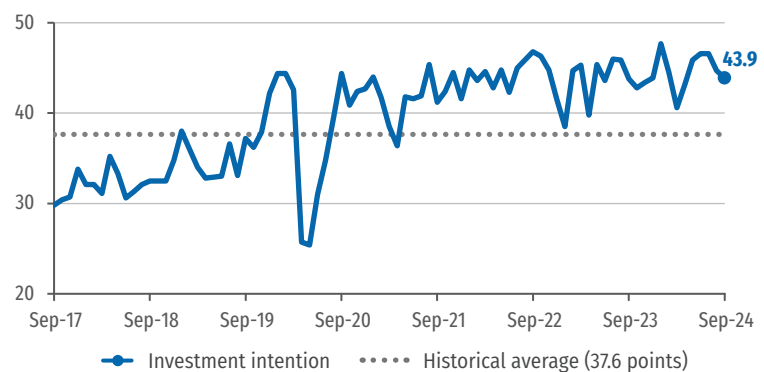
Indices (0 to 100 points)*



**Values above 50 points indicate an expectation of growth. Values below 50 points indicate an expectation of decline. The further away from 50 points, the greater and more widespread is the expected variation.

Investment intentions

Index (0 to 100 points)*



*The higher the index, the greater the industry’s propensity to invest.

RESULTS

Construction industry performance

	CAPACITY UTILIZATION (%) ¹			ACTIVITY LEVEL VARIATION INDEX ²			EFFECTIVE ACTIVITY LEVEL INDEX COMPARED TO USUAL LEVELS ³			NUMBER OF EMPLOYEES VARIATION INDEX ²		
	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24
SURVEY	68	67	68	48.7	50.1	49.7	46.1	43.4	47.2	48.3	49.8	50.1
Small	59	60	61	46.8	48.8	47.1	44.2	41.7	41.4	46.0	48.2	47.5
Medium	63	65	67	47.5	50.4	50.9	42.2	42.8	47.3	49.0	49.8	50.2
Large	74	70	71	50.0	50.4	50.0	49.0	44.3	49.3	48.7	50.4	51.0

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					
	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24
SURVEY	53.8	52.4	53.3	52.1	50.9	51.7	53.2	51.1	51.3	52.1	52.0	52.0	43.8	44.7	43.9
Small	50.6	49.0	51.0	48.2	49.2	48.4	48.8	48.6	49.4	49.8	49.6	50.4	38.0	38.2	37.1
Medium	50.7	52.4	52.0	49.2	50.8	51.5	50.3	51.6	50.6	49.8	52.0	51.5	38.5	41.5	43.0
Large	56.7	53.7	54.9	55.1	51.5	53.1	56.4	51.8	52.4	54.2	52.9	52.8	49.0	48.9	46.9

Construction Industry Business Confidence Index and its components

	ICEI - CONSTRUCTION ⁶			INDEX OF CURRENT CONDITIONS ⁷			EXPECTATIONS INDEX ⁸		
	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24
SURVEY	53.1	51.3	53.3	48.6	47.4	48.8	55.4	53.3	55.5
Small	50.6	51.1	51.4	45.1	46.4	46.7	53.3	53.4	53.7
Medium	52.4	52.1	54.2	46.9	46.9	50.2	55.1	54.7	56.2
Large	54.6	50.9	53.4	50.9	48.0	48.7	56.4	52.4	55.8

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

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

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

4 - The indicator varies within the range from 0 to 100. A score above 50 points indicates positive expectations.

5 - The 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. A score above 50 points indicates the entrepreneur is confident.

7 - The indicator varies within the range from 0 to 100. A score above 50 points indicates a better status when compared to the last six months.

8 - The indicator varies within the range from 0 to 100. A score above 50 points indicates optimistic expectations for the next six months.



Technical specifications

Sample profile

338 companies: 128 small, 137 medium and 73 large.

Collection period

2 to 11 September 2024.

Document completed on September 19, 2024.



Learn More

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



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