



INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**



Industrial entrepreneurs reveal a decrease in optimism

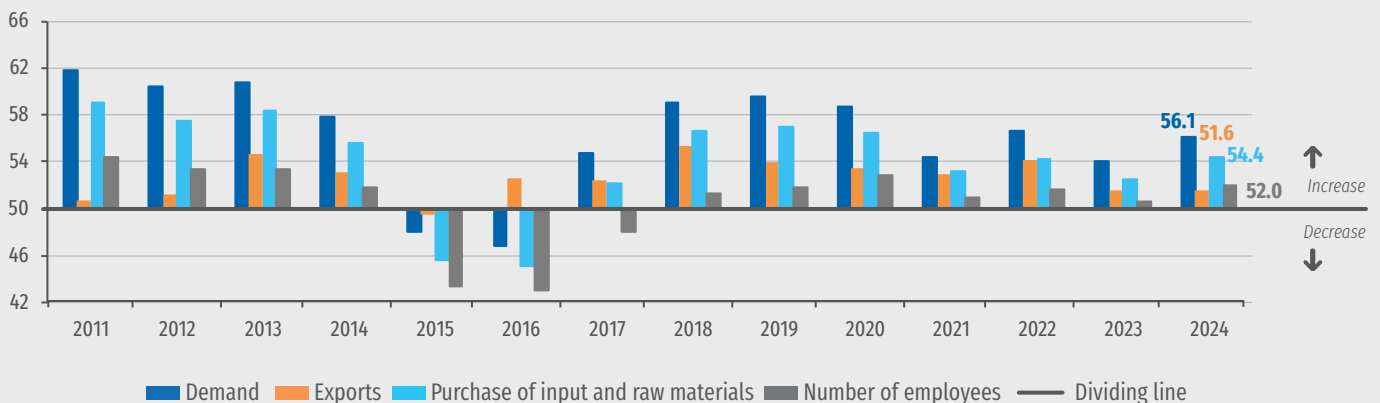
In March 2024, the expectation indices for the purchase of input and raw materials, number of employees in the sector and exports fell - only the demand expectation index remained stable during the period.

These setbacks give back part of the growth observed in the indices in the first two months of 2024. Given the indices movements, industrial entrepreneurs demonstrate less optimistic expectations than usual for the period, except for the number of employees expectations, which remain more optimistic than usual for the period.

This drop in optimism occurred even after more favorable results from the economic activity in February 2024. From January to February 2024, industrial production fell, as expected for the period. This setback, however, was milder than usual. It is also common for there to be a decline in industrial employment in February; however, in 2024, there was an increase in the number of employees in the sector.

In addition, there was a new drop in industry stocks level, which remains below the level planned by industrial entrepreneurs. Finally, the capacity utilization remained stable at 68%, which is according to the usual for February's months.

Expectation indices in March
Diffusion index (0 to 100 points)*



*A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease. The further the point score is from 50 points, the greater and more widespread the expected variation.

INDUSTRIAL PERFORMANCE IN FEBRUARY 2024

Industrial production falls in February, while employment increases

In February 2024, the industrial production evolution index reached 48.5 points. Below 50 points, the result indicates that there was a reduction in production, compared to the level of production recorded in January. This setback, however, was milder and less widespread than the decrease observed in January 2024 compared to the production of December 2023 – in the transition between January and February 2024, the index got closer to the line of 50 points.

The index is still 1.8 points above the average for February’s series values (46.7 points), indicating that the February 2024 setback was milder than that of the same month in previous years.

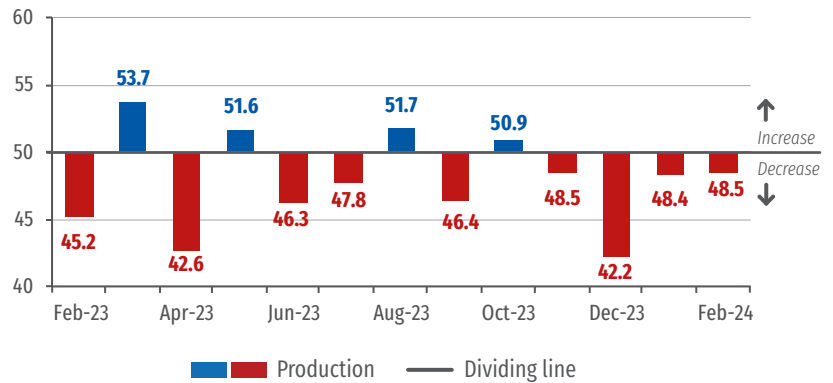
In February 2024, there was a production decline for small and medium-sized industries. The index for large industries shows that there was an increase in production in February. In relation to usual, all indices for different sized companies remain above their respective historical averages for February’s values.

The number of employees evolution index reached 50.3 points in February 2024. Above 50 points, the index signals that there was an increase in industrial employment in relation to January. The index is still 1.8 points above the average for February’s values, which is 48.5 points, that is, a decrease in employment is usually expected in February.

The result above 50 points was driven by the number of employees index for large companies, which reached 51.7 points in the month, since the indices for small and medium-sized companies revealed a decline in employment. Nevertheless, the indices for different sized companies are all above their respective averages for February’s values.

Production Evolution

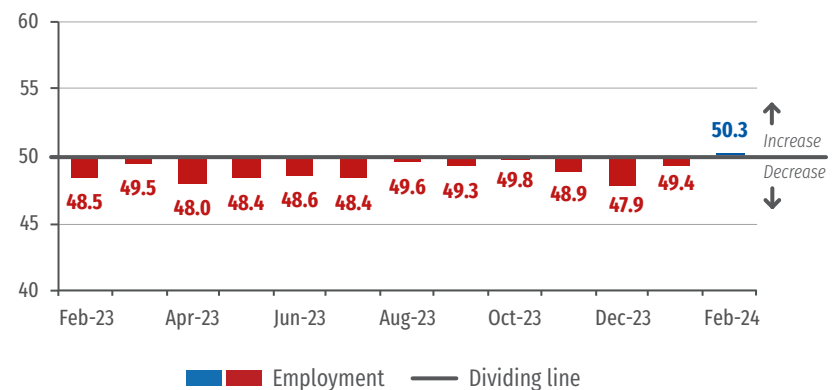
Diffusion index (0 to 100 points)*



*A score above 50 points indicates an increase in production compared to the previous month, while a score below 50 points indicates a decrease in production compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

Number of Employees Evolution

Diffusion index (0 to 100 points)*



*A score above 50 points indicates an increase in production compared to the previous month, while a score below 50 points indicates a decrease in production compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

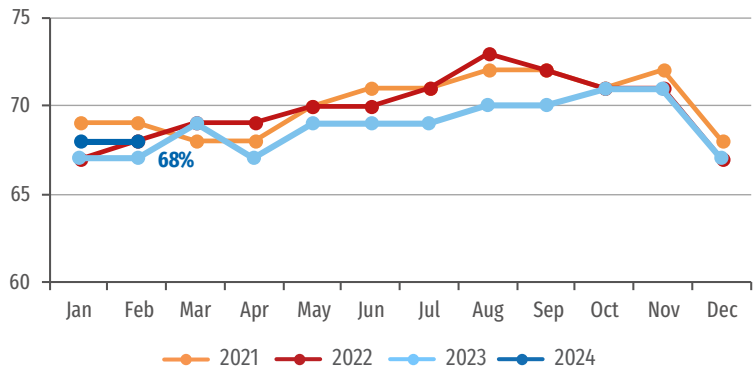
Capacity utilization remains stable in February

In February 2024, the Capacity Utilization index (UCI) remained stable at 68%. The percentage is equivalent to February’s average value, that is, the index is in accordance with what is expected for the month.

Among companies with different sizes, the indices show that, for small and large companies, the UCI is also as expected by industrial entrepreneurs in February – only the index for medium-sized companies is 1 percentage point below February’s average value.

The actual to usual capacity utilization index reached 43.8 points in February 2024, after advancing 0.5 point in relation to January’s indicator.

Capacity Utilization
Percentage (%)

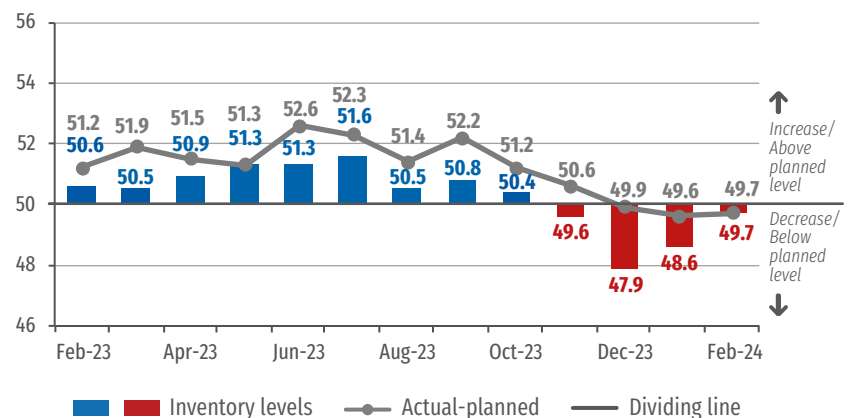


Stocks remain below the level planned by industrial entrepreneurs

The inventory evolution index reached 49.7 points in February 2024. This is the fourth consecutive month in which a stock level decline is recorded, that is, the index is below the 50 points line. It should be noted that the decline observed in the month was milder than that observed in January, signaling a reduction in the pace of inventory reduction.

The decrease observed in February was due to the small industries’ stocks level decline, since the indices for medium and large industries were higher than the index dividing line. Despite that, the index for large companies was the only one positioned below February’s average values, showing a smaller increase in stocks than the usual for the month.

Inventory evolution and actual to planned inventory evolution
Diffusion index (0 to 100 points)*



*A score above 50 points indicates an increase in inventory levels or that actual inventory is above planned levels. A score below 50 points indicates a decline in inventory levels or that actual inventory is below planned levels. The further the point score is from 50 points, the greater the change or the distance from planned levels.

In the month, the actual to planned inventory index reached 49.7 points, after increasing 0.1 point in relation to January’s result. Below 50 points, January’s index shows that the level of stocks remains below the level planned by industrial entrepreneurs – this is the third consecutive period in which no excess stocks are recorded.

INDUSTRIAL EXPECTATIONS IN MARCH 2024

Although still optimistic, expectation indices decrease in March

From February to March 2024, none of the industry's expectation indices increased: while expectations on the number of employees, exports, and purchases of input and raw materials fell, the demand expectation indicator remained stable.

Additionally, although all indices remain optimistic, almost all of them are at a lower level than that observed in March in previous years - only the number of employees expectation index are more optimistic than usual.

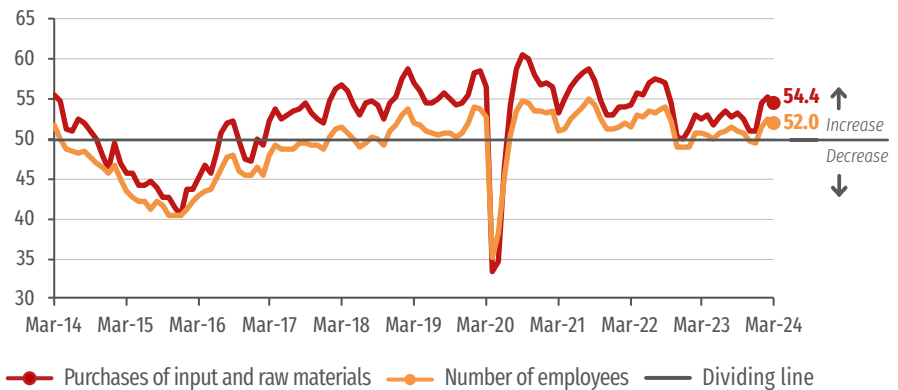
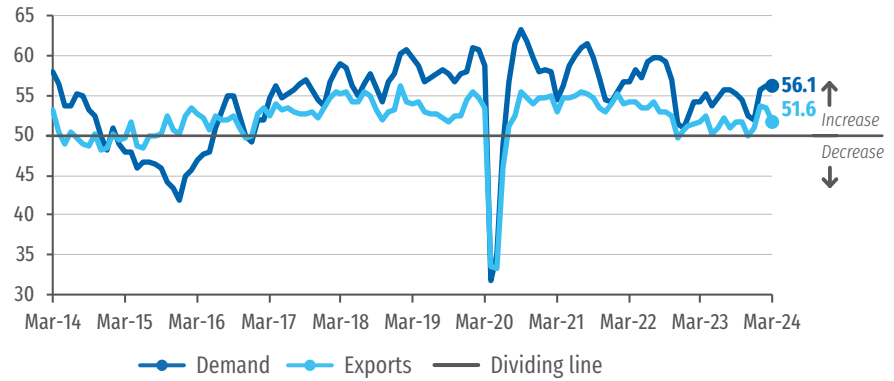
In March 2024, the demand expectation index remained at 56.1 points, a value 0.9 point below March's average values. The exports expectation index reached 51.6 points, after falling 1.8 points in relation to February's result. In March, the index is 1.2 points below the average for March months.

The purchase of input and raw materials expectation index advanced 0.8 points in the period and reached 54.4 points in March. The index also shows less optimistic expectations than usual – the month's result is 0.4 point below March's average values.

The number of employees expectation index reached 52 points in March, after falling 0.4 points in relation to February's indicator. The index is still 1.4 points above the average level observed in March of the survey's

Expectation indices

Diffusion index (0 to 100 points)*



*A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease. The further the point score is from 50 points, the greater and more widespread the expected variation.

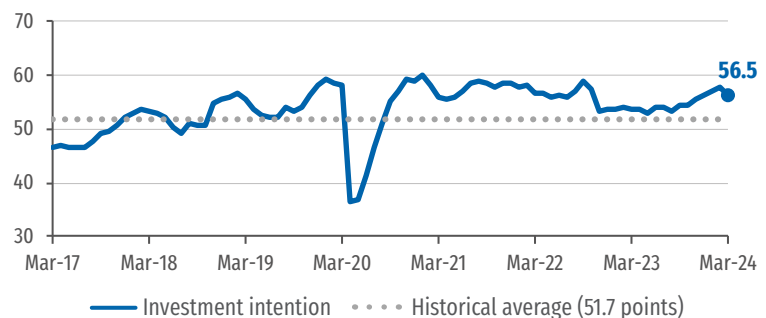
previous years, signaling more optimistic expectations than usual. It is worth noting that the decline in the indicator was due to the fall in the indices for small and medium-sized companies, since the index for large companies advanced in the period. Among different sized industries, all indices demonstrate greater optimism than usual.

The investment intention index recorded its first decline in five months

The investment intention index reached 56.5 points in March 2024, after falling 1.2 points in relation to February's index – this drop is the first in 5 months. Despite the decline, the index remains 4.7 points above the series historical average value, which is 51.8 points.

Investment intention

Diffusion index (0-100 points)*



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

RESULTS

Industry Performance

	PRODUCTION EVOLUTION			NUMBER OF EMPLOYEES EVOLUTION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24
Total	45.2	48.4	48.5	48.5	49.4	50.3	67	68	68	41.7	43.3	43.8	50.6	48.6	49.7	51.2	49.6	49.7
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	47.7	51.8	50.3	53.1	52.5	53.7	74	72	73	46.5	45.9	46.5	51.9	54.3	51.1	51.9	54.0	53.9
Manufacturing	45.1	48.4	48.5	48.4	49.3	50.2	66	68	68	41.5	43.2	43.7	50.6	48.4	49.7	51.3	49.4	49.6
BY COMPANY SIZE																		
Small ¹	40.1	44.6	43.9	46.4	47.9	48.5	60	62	61	39.1	41.3	41.0	47.2	47.7	47.1	46.4	47.0	46.4
Medium ²	42.9	47.2	46.8	47.6	49.8	49.5	65	66	67	40.3	42.2	41.9	50.8	48.7	50.4	50.8	48.8	49.7
Large ³	49.0	51.0	51.7	50.1	49.9	51.7	72	72	72	43.8	44.9	46.2	52.1	49.0	50.6	53.8	51.3	51.3

Indicators range from 0 to 100 points. A score above 50 points indicates an increase, above-planned inventories, or capacity utilization higher than usual. On the other hand, a score below 50 points suggests a decrease, lower-than-planned inventories, or a capacity utilization lower than usual.

Industrial Expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	Mar-23	Feb-24	Mar-24	Mar-23	Feb-24	Mar-24	Mar-23	Feb-24	Mar-24	Mar-23	Feb-24	Mar-24	Mar-23	Feb-24	Mar-24
Total	54.1	56.1	56.1	51.6	53.4	51.6	52.6	55.2	54.4	50.7	52.4	52.0	53.6	57.7	56.5
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	55.3	53.3	53.7	55.5	52.9	50.5	52.2	52.3	51.1	51.0	55.3	54.1	65.8	65.7	63.0
Manufacturing	54.0	56.1	56.1	51.6	53.2	51.7	52.7	55.2	54.4	50.7	52.3	51.9	53.1	57.4	56.3
BY COMPANY SIZE															
Small ¹	53.4	53.9	53.7	50.2	54.0	48.3	51.8	53.6	52.0	50.1	50.9	50.3	41.0	43.4	41.9
Medium ²	53.1	55.9	55.8	52.1	54.6	53.4	51.8	54.9	54.7	50.1	53.6	51.9	51.6	55.7	55.0
Large ³	54.9	57.2	57.4	52.0	52.4	52.4	53.5	56.1	55.4	51.4	52.6	52.9	60.9	65.9	64.6

Indicators range from 0 to 100 points. A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease.

*Indicator ranges from 0 to 100 points. The higher the index, the greater the industry's propensity to invest.

1 - Company with 10 to 49 employees. 2 - Company with 50 to 249 employees. 3 - Company with 250 or more employees.



Technical Specifications

Sample profile

1521 enterprises, including 603 small, 544 medium e 374 large companies.

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