

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**



Expectations remain positive for the construction industry

The level of activity and the number of employees in February 2024 remained at a higher level than observed in the first month of the year, despite still showing a decline. This decline is less intense and less widespread than the average recorded for previous years.

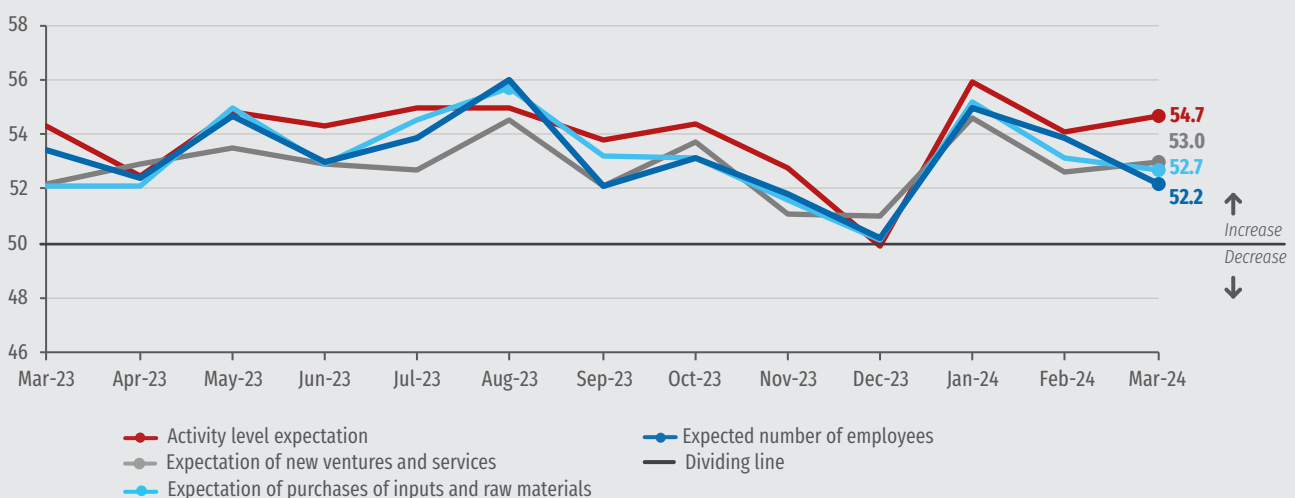
In this scenario, in March 2024, confidence and expectation indices remain at a positive level. The Construction Industry Business Confidence Index (ICEI) shows

progress due to improvement in the component measuring entrepreneurs' expectations.

Similarly, all expectation indices remained above 50 points, revealing that construction entrepreneurs continue to be confident and optimistic, with expectations of growth in activity level, new developments and services, purchases of raw materials, and the number of employees.

However, it is worth noting that the intention to invest showed a decline from February to March.

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 the expected variation

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN FEBRUARY 2024

Despite the decline, the performance of activity levels and employment is less negative than expected for February

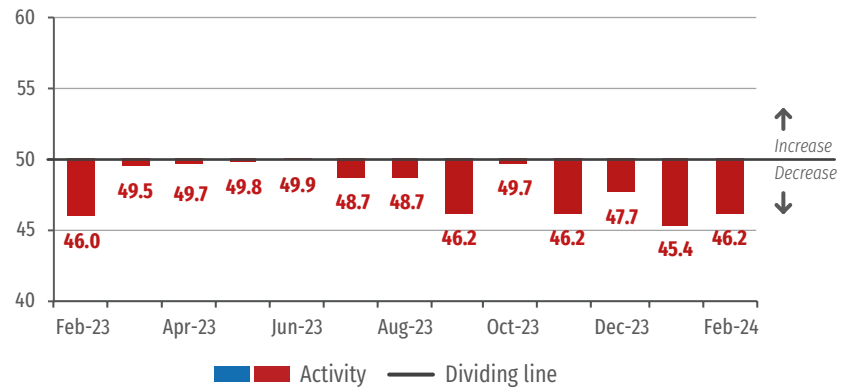
The Activity Level Evolution Index in the construction industry was at 46.2 points in February 2024. As it remained below the dividing line of 50 points, it indicates a decrease in activity level from January to February 2024.

The decrease is usual for the period, as the index tends to stay below 50 points in February. Despite this, the result can be considered positive, as it is higher than that recorded in February 2023 (46.0 points), and it is also higher than the historical average for the month (45.4 points), which means that the decline this month was less intense and widespread than that recorded in previous years. The index is also higher than that recorded in January 2024 (45.4 points).

The Number of Employees Evolution Index stood at 46.0 points in February 2024. The index is below the dividing line of 50 points and is lower than the index of February 2023 (47.6 points), indicating a more intense and widespread decline in the number of employees in this comparison. However, the decline is usual for the period, and the index in February 2024 was higher than the historical average for the month, which is 45.0 points.

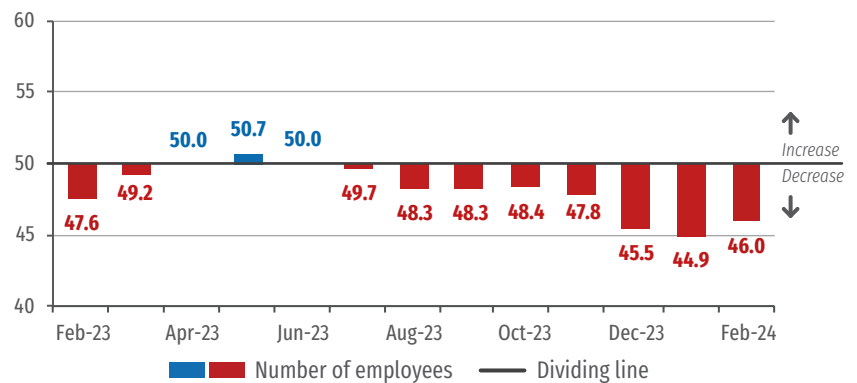
Activity level evolution

Indices (0 to 100 points)*



Number of employees evolution

Indices (0 to 100 points)*



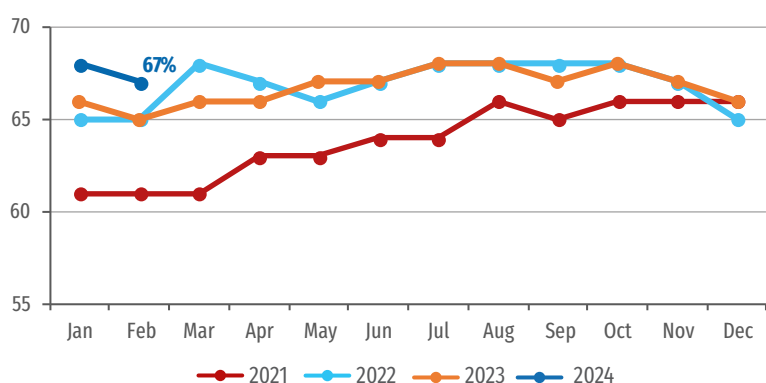
*Values above 50 indicate an increase in activity or employment compared to the previous month. Values below 50 points indicate a decrease in activity or employment compared to the previous month. The further away from 50 points, the greater and more widespread is the variation.

The utilization of operational capacity remains at a high level

The Utilization of Operational Capacity (UCO) dropped one percentage point between January and February 2024, to 67%. This percentage is 2.0 percentage points higher than the UCO of February 2023. The UCO of February 2024 is higher than the historical average for the month, which is 62.3%.

Utilization of Operational Capacity

Percentage (%)



CONFIDENCE INDEX OF THE CONSTRUCTION INDUSTRY ENTREPRENEUR IN MARCH 2024

The construction industry entrepreneur is more confident

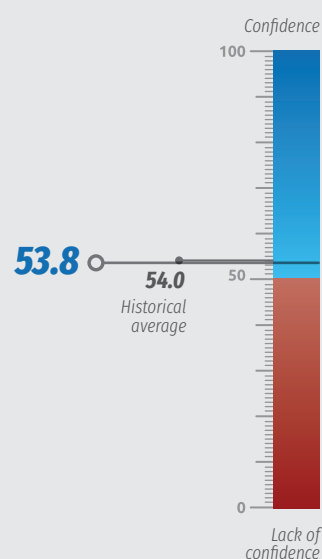
The Construction Industry Business Confidence Index (ICEI) increased 0.4 points in March 2024, reaching 53.8 points. The result reveals that entrepreneurs in the sector are more confident.

The increase in the indicator is due to the rise in the Expectation Index, a component of the ICEI that measures entrepreneurs' expectations regarding the Brazilian economy and their own company for the next six months. The Expectations Index advanced 1.2

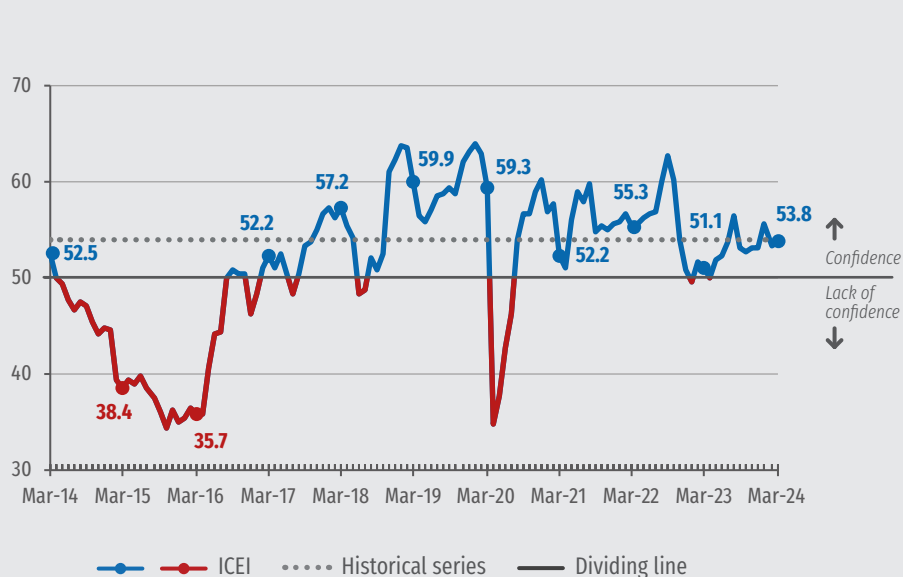
points in March 2024, reaching 57.0 points. This increase occurred mainly due to the improvement in expectations in the Specialized Construction Services sector.

The Current Conditions Index, which evaluates industrialists' perception of the current conditions of the Brazilian economy and their company, records a decrease of 1.3 points, dropping to 47.4 points in March 2024. Moving away from the dividing line of 50 points, the indicator shows that the perception of worsening current conditions has intensified. The deterioration of the index is restricted to the sectors of Building Construction and Specialized Construction Services. In the Infrastructure Works sector, the Current Conditions Index increased, although it remains in the negative territory.

Construction ICEI
Indices (0 to 100 points)*



Historic Series
Indices (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 MARCH 2024

Expectations remain positive in March

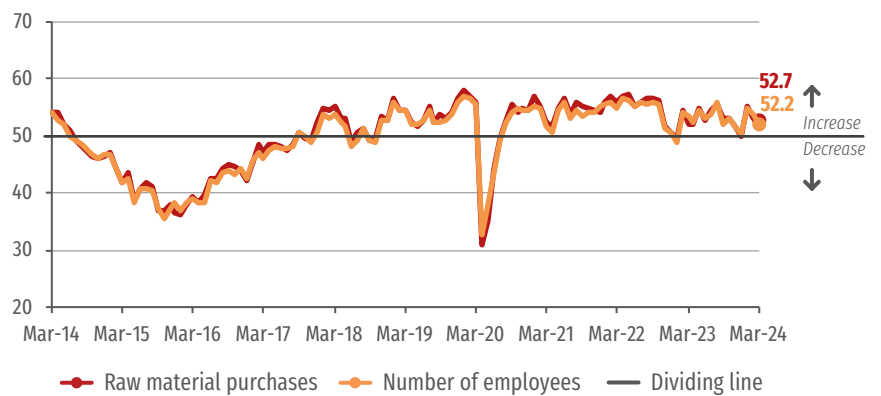
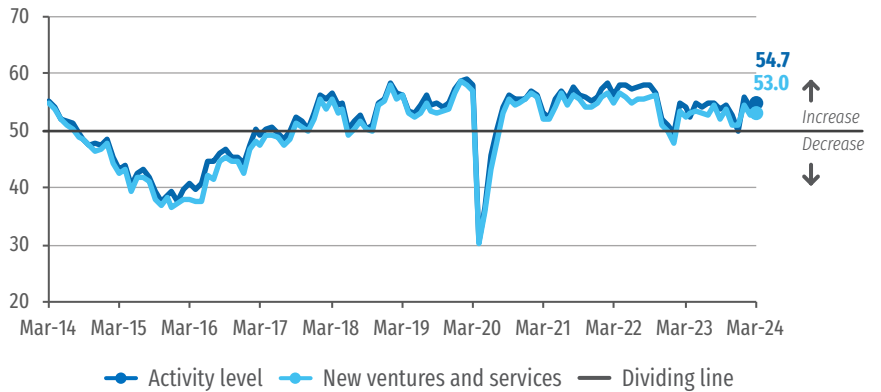
The construction entrepreneur's expectations remain in positive territory in March 2024. Despite the heterogeneous behavior among confidence indices, with advances and setbacks, all indicators remained above 50 points, indicating positive expectations for the coming months. It is worth noting that, in all cases, the indices are higher than the averages for March in previous years.

The Activity Level Expectation Index increased by 0.6 points from February to March, rising from 54.1 points to 54.7 points, while the expectation index for New Ventures and Services advanced by 0.4 points, increasing from 52.6 points to 53.0 points.

The Raw Materials Purchases Expectation Index decreased by 0.4 points, reaching 52.7 points in March, while the Number of Employees Index showed a decline of 1.7 points compared to the previous month, resulting in an index of 52.2 points from February to March.

Expectations indices

Indices (0 to 100 points)*



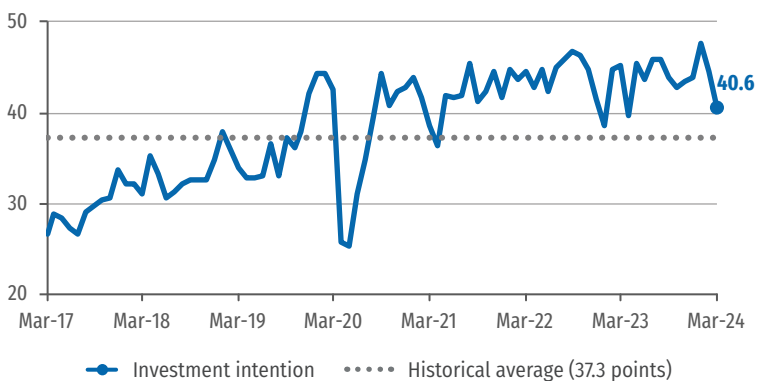
*Values above 50 points indicate an expectation of growth. Values below 50 points indicate an expectation of decline. The further away from 50 points, the greater and more widespread is the expected variation.

Intention to invest shows a decline in March

The Investment Intention Index of the construction industry showed a decline of 3.9 points from February to March 2024. Thus, the index dropped to 40.6 points, narrowing the gap between the index and the historical average of 37.3 points.

Investment intentions

Indices (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		
	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24	Feb-23	Jan-24	Feb-24
SURVEY	65	68	67	46.0	45.4	46.2	43.6	43.5	43.1	47.6	44.9	46.0
Small	62	60	58	48.2	43.9	41.6	46.3	42.3	39.8	47.7	43.9	44.6
Medium	61	65	65	45.5	45.5	44.8	41.1	43.6	40.5	46.3	48.5	45.6
Large	68	73	71	45.5	45.9	48.6	44.1	43.9	45.8	48.3	43.2	46.8

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					
	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
SURVEY	54.3	54.1	54.7	52.2	52.6	53.0	52.1	53.1	52.7	53.4	53.9	52.2	45.3	44.5	40.6
Small	54.8	51.6	55.8	52.5	50	53.8	52.3	50.0	53.6	52.6	52.4	53.4	40.5	39.8	37.6
Medium	55.4	55.1	56.7	53.3	54.0	53.4	53.8	54.5	53.8	55.1	53.4	53.4	42.5	44.3	38.5
Large	53.5	54.4	53.2	51.4	52.7	52.5	51.0	53.4	51.8	52.8	54.7	51.1	48.6	46.3	42.9

Construction Industry Business Confidence Index and its components

	ICEI - CONSTRUCTION ⁶			INDEX OF CURRENT CONDITIONS ⁷			EXPECTATIONS INDEX ⁸		
	Mar-23	Feb-24	Mar-24	Mar-23	Feb-24	Mar-24	Mar-23	Feb-24	Mar-24
SURVEY	51.1	53.4	53.8	45.8	48.7	47.4	53.8	55.8	57.0
Small	51.2	52.6	54.2	46.1	47.2	46.9	53.7	55.3	57.8
Medium	51.8	53.7	52.5	45.0	49.0	47.6	55.2	56.0	54.9
Large	50.8	53.6	54.4	46.2	49.1	47.4	53.1	55.8	57.9

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

327 companies: 125 small, 131 medium and 71 large.

Collection period

1 to 11 March 2024.

Document completed on March 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

CONSTRUCTION INDUSTRY SURVEY | English version of "Sondagem Indústria da Construção Fevereiro 2024" | Published monthly by CNI - National Confederation of Industry | www.cni.com.br | Board of Industrial Development and Economy - DDIE | Director: Rafael Lucchesi Ramacciotti | Economics Office - ECON | Executive officer: Mário Sérgio Carraro Telles | Economic Analysis Unit - GAE | Manager: Marcelo Souza Azevedo | Analysis: Paula Verlangeiro Vieira | Statistics Management | Manager: Edson Velloso | Team: Aretha Silícia Soares and Brenda Ribeiro | Dissemination Coordination - CDIV | Coordinator: Carla Gadelha | Graphic Design: Amanda Priscilla Moreira

Customer Service - Phone: +55 (61) 3317-9992 email: sac@cni.com.br

This publication may be copied freely, provided the source is always mentioned.

