

# INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

**CNI**  
Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY

## Although Industrial Activity is Losing Momentum, Expectations Remain Optimistic

As is customary for the period, industrial activity exhibited a slowdown from October to November 2023. It should be noted that the production development index displayed a slightly more intense and widespread drop than usual and was already coming off a sequence of weak results (in October, for example, production had risen less than usual for the month).

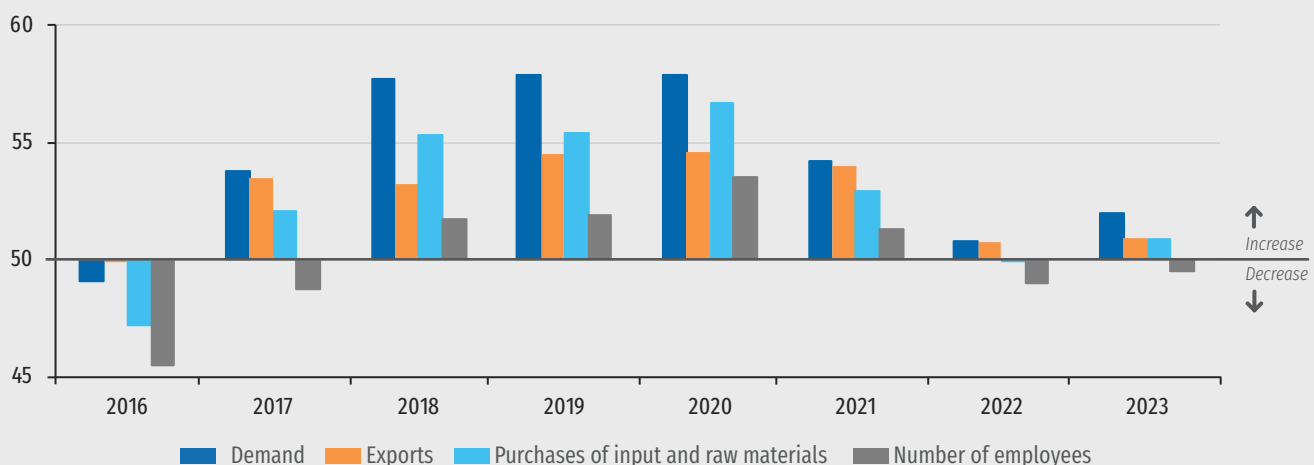
On the other hand, inventories decreased from October to November 2023. Consequently, unwanted excess stocks from previous months also declined. Additionally, although there was a decrease

expectation for the number of employees, the observed decrease in the month was less intense than expected.

For the most part, expectations fell again in December. The exception is entrepreneurs' expectations about the quantity exported, which improved from November to December and moved into the positive territory, indicating a rise in exports. Entrepreneur's expectations for demand and the procurement of raw materials remain moderate but positive.

Finally, expectations for the number of employees fell back into negative territory (in November, the outlook was stable). It should be noted, however, that expectations are less negative than usual; typically, in December, a drop in the number of employees in the industry is expected for the following six months.

**Variation for demand, exports, purchases of raw materials, and number of employees expectations for December**  
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 NOVEMBER 2023

**Industrial Production and Employment Both Decreased in November**

The industrial production evolution indicator reached 48.5 points in November 2023, indicating a reduction in the level of production compared to October, as it is below the 50-point line. Since the beginning of the year, the index has fluctuated between values above and below 50 points, alternating highs and lows in production.

For the month, the indicator was 0.4 points below the series average for November, at 48.9 points. A drop in production is to be expected for the period, but the decline observed in November was a little more significant and widespread than usual.

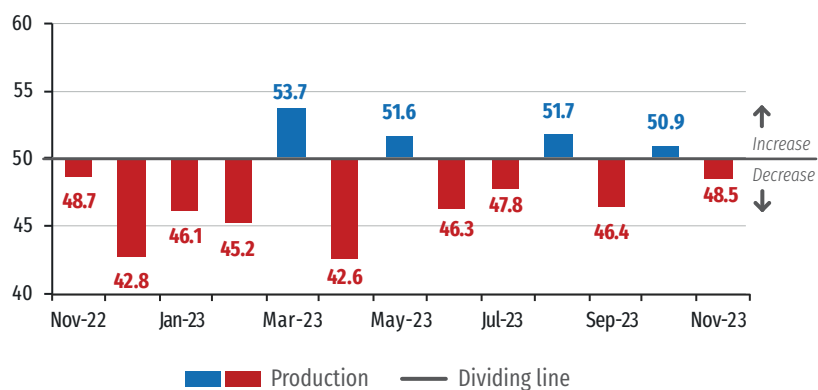
Among the indicators for companies of different sizes, all are below the 50-point line. However, while the indices for medium-sized and large companies are 0.5 and 0.7 points below the November averages, the indicator for small companies is 0.3 points above its respective average.

The Industry's number of employees variation index reached 48.9 points in November 2023. Below the dividing line, the index indicates a decrease in industrial employment compared to October 2023.

Although it indicates a reduction, the index for the month is 0.4 points above the average for the months of November in the series, at 48.5 points. The result was more positive than usual for the period, with a milder-than-expected reduction in the number of industrial workers.

**Variation of production**

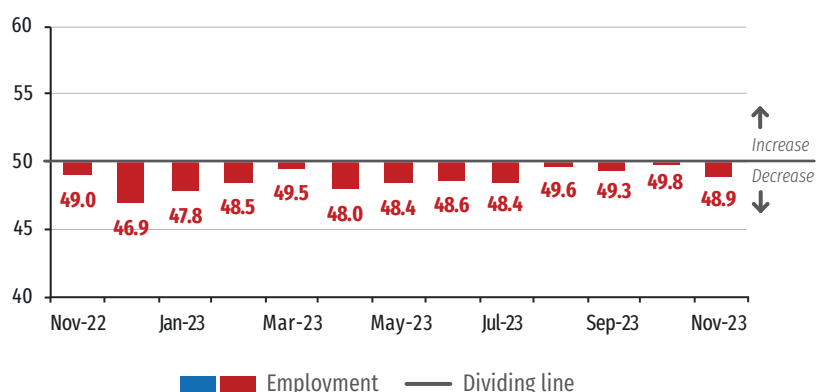
Diffusion index (0 to 100 points)\*



\*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.

**Variation in the number of employees**

Diffusion index (0 to 100 points)\*



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

Among industries of different sizes, although all the indicators are below the 50-point line, only the index for large companies is below the November average (-0.1 points); for small and medium-sized companies, the results are 1.1 and 0.8 points above their averages, respectively.

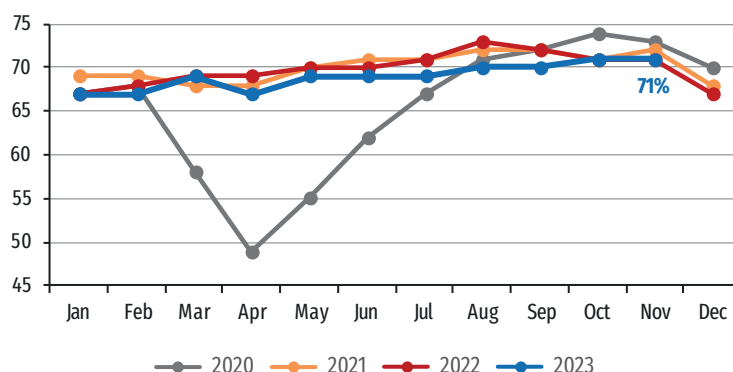
## Capacity Utilization Remains Stable in November

Capacity utilization remained stable at 71% from October to November 2023. The indicator is at the same level as the average for November in the series, indicating that the indicator is as expected for the period. The same is true for all sizes.

After advancing 0.5 points compared to the October 2023 result, the effective capacity utilization index reached 44.4 points in November. The figure is equivalent to the average for November in the series. Among companies of different sizes, the indicators for small and large companies are 0.1 and 0.4 points above their respective historical averages for November, while for medium-sized companies, they are 0.5 points below the average.

### Average capacity utilization

Percentage (%)



## Inventories Decreased in November

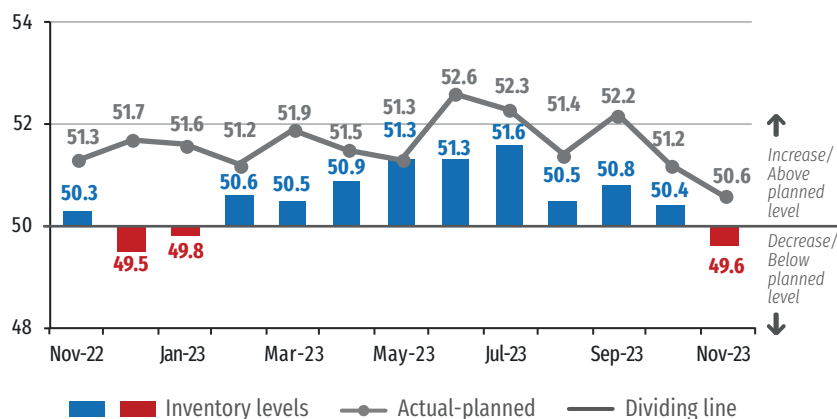
The inventory level variation index reached 49.6 points in November 2023. Below the dividing line, the result indicates a decrease in the stock of finished products from October to November.

Among companies of different sizes, the movement of the indicator is heterogeneous: only medium-sized companies have an index above 50 points in November, indicating an increase in the volume of inventories.

The actual inventories index reached 50.6 points in November 2023, after falling 0.6 points compared to the October result. This indicates that actual inventories are getting closer to what companies had planned for the period, although they remain above this level.

### Variation in inventory levels and actual inventory against the planned level

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.

## INDUSTRIAL EXPECTATIONS IN DECEMBER 2023

**Although They Remain Optimistic, Expectations Are Falling**

In December 2023, almost all the expectations indicators fell, except the expectation indicator for quantities exported, which returned to the optimistic range between months. Additionally, most of the indicators remain positive, i.e., above 50 points; the exception is the indicator for the number of employees expected to fall for the second month running.

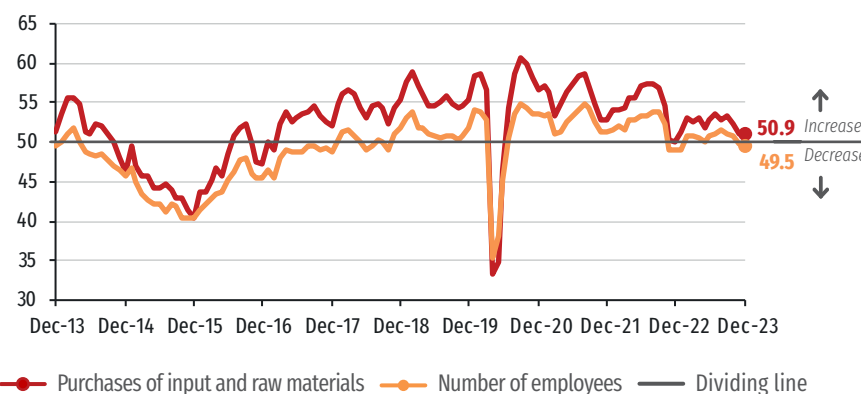
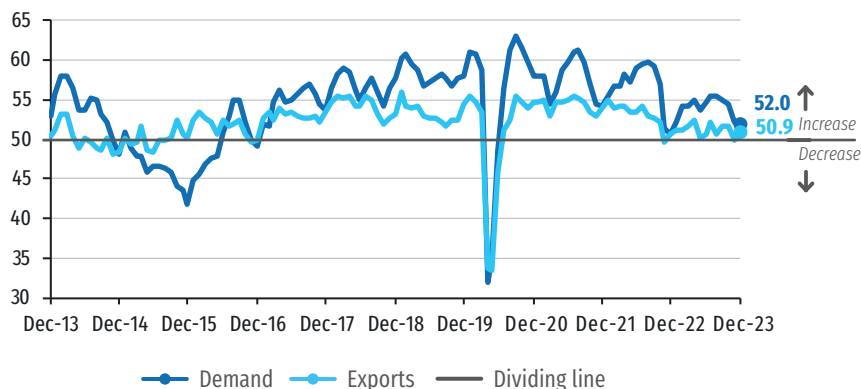
After a 0.1-point drop compared to the November result, the raw materials purchasing expectations index in December reached 50.9 points. The demand expectations indicator registered 52.0 points, down 0.3 points from the November result.

The expectation index for quantities exported reached 50.9 in December 2023, up 1.1 points compared to November 2023.

Finally, the index of expectations about the number of employees in the industry fell by 0.3 points compared to the November result, reaching 49.5 points in December 2023. Although it recorded its second consecutive result below 50 points, the indicator remains above the average for the months of December in the series (+0.6 points), so expectations are less negative than usual for the period.

**Expectation indices**

Diffusion index (0 to 100 points)\*



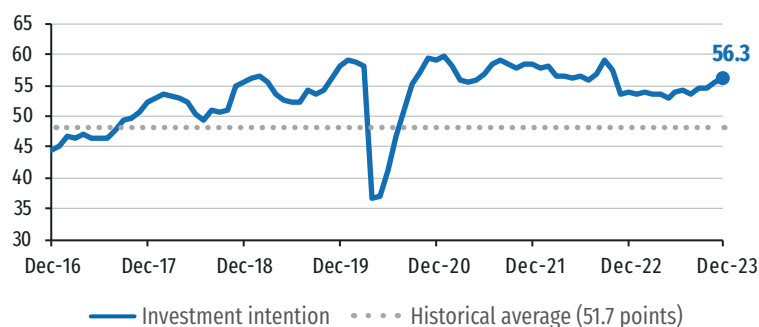
\*A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease. The further the point score is from 50 points, the greater and more widespread the expected variation.

**Industry's Investment Intention Reaches Year's High in December**

The investment intention indicator for December 2023 reached 56.3 points, after advancing 0.7 points compared to the November result (55.6 points). The indicator is 4.6 points above the series' historical average of 51.7 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 VARIATION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	Nov-22	Oct-23	Nov-23	Nov-22	Oct-23	Nov-23	Nov-22	Oct-23	Nov-23	Nov-22	Oct-23	Nov-23	Nov-22	Oct-23	Nov-23	Nov-22	Oct-23	Nov-23
<b>Total</b>	<b>48.7</b>	<b>50.9</b>	<b>48.5</b>	<b>49.0</b>	<b>49.8</b>	<b>48.9</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>45.2</b>	<b>43.9</b>	<b>44.4</b>	<b>50.3</b>	<b>50.4</b>	<b>49.6</b>	<b>51.3</b>	<b>51.2</b>	<b>50.6</b>
<b>BY INDUSTRIAL ACTIVITY</b>																		
Mining and quarrying	50.0	49.2	<b>46.2</b>	48.4	51.3	<b>51.0</b>	77	75	<b>77</b>	49.5	47.1	<b>48.2</b>	49.9	52.3	<b>54.5</b>	52.1	53.9	<b>55.7</b>
Manufacturing	48.6	50.9	<b>48.6</b>	49.0	49.7	<b>48.8</b>	71	71	<b>71</b>	45.0	43.8	<b>44.3</b>	50.3	50.3	<b>49.3</b>	51.4	51.1	<b>50.4</b>
<b>BY COMPANY SIZE</b>																		
Small <sup>1</sup>	49.4	49.8	<b>49.0</b>	48.4	49.0	<b>49.0</b>	66	65	<b>65</b>	45.5	43.8	<b>43.8</b>	48.4	48.7	<b>49.3</b>	47.7	47.8	<b>47.7</b>
Medium <sup>2</sup>	48.3	49.1	<b>48.3</b>	49.6	49.6	<b>49.1</b>	69	69	<b>69</b>	44.6	42.3	<b>43.2</b>	50.2	51.1	<b>50.5</b>	51.3	51.8	<b>50.1</b>
Large <sup>3</sup>	48.5	52.3	<b>48.3</b>	48.9	50.3	<b>48.8</b>	74	75	<b>75</b>	45.4	44.8	<b>45.4</b>	51.3	50.9	<b>49.2</b>	53.1	52.5	<b>52.3</b>

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

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

## Industrial Expectations

	DEMAND			EXPORTED QUANTITY			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INTENTION TO INVEST*		
	Dec-22	Nov-23	Dec-23	Dec-22	Nov-23	Dec-23	Dec-22	Nov-23	Dec-23	Dec-22	Nov-23	Dec-23	Dec-22	Nov-23	Dec-23
<b>Total</b>	<b>50.8</b>	<b>52.3</b>	<b>52.0</b>	<b>50.7</b>	<b>49.8</b>	<b>50.9</b>	<b>49.9</b>	<b>51.0</b>	<b>50.9</b>	<b>49.0</b>	<b>49.8</b>	<b>49.5</b>	<b>53.8</b>	<b>55.6</b>	<b>56.3</b>
<b>BY INDUSTRIAL ACTIVITY</b>															
Mining and quarrying	50.0	49.4	<b>55.3</b>	48.4	54.0	<b>55.9</b>	50.2	49.3	<b>50.3</b>	50.6	52.1	<b>52.5</b>	63.3	62.8	<b>66.9</b>
Manufacturing	50.9	52.4	<b>51.8</b>	50.7	49.4	<b>50.5</b>	49.8	51.1	<b>50.8</b>	48.8	49.8	<b>49.4</b>	53.3	55.3	<b>55.9</b>
<b>BY COMPANY SIZE</b>															
Small <sup>1</sup>	50.7	51.9	<b>50.1</b>	48.3	48.8	<b>48.3</b>	49.7	51.2	<b>50.0</b>	49.0	49.9	<b>49.3</b>	40.8	41.3	<b>43.7</b>
Medium <sup>2</sup>	50.5	52.2	<b>51.9</b>	52.9	49.9	<b>53.2</b>	49.4	50.7	<b>51.2</b>	49.0	49.7	<b>50.0</b>	51.4	53.7	<b>54.1</b>
Large <sup>3</sup>	51.1	52.6	<b>52.9</b>	50.7	50.2	<b>51.0</b>	50.2	51.0	<b>51.1</b>	48.9	49.9	<b>49.3</b>	61.5	63.7	<b>63.7</b>

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

1,596 enterprises, including 639 small-sized, 573 medium-sized, and 384 large-sized companies.

## Collection period

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

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