

# INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

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

## Inventories Fall Under Sector's Planned Level in January

In January 2024, both employment and industrial production showed a decline, albeit smaller than usual for the period. In line with those milder declines in activity, there was an increase in capacity utilization, which reached 68% in January – a level higher than usual for the month.

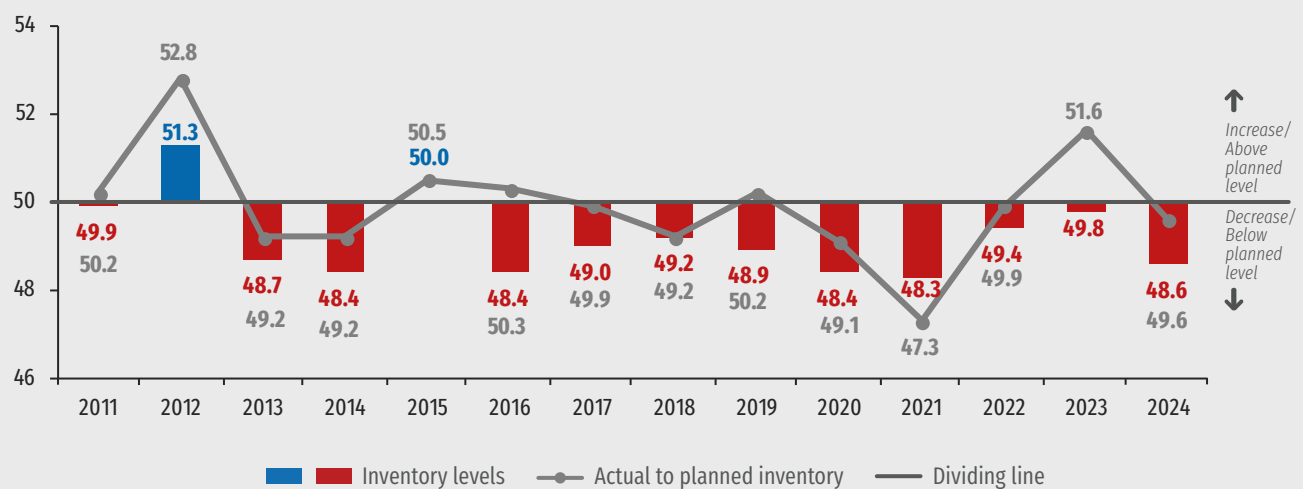
During the period, there was also a reduction in inventories volume. From December 2023 to January 2024, the indicator had its third

consecutive monthly decline, reaching a level lower than planned by industrial entrepreneurs. The decline in inventories is expected for the month, however, in January 2024, it occurred in a more intense and widespread manner than usual.

In this context, entrepreneurs show more optimistic expectations than usual for February, regarding the purchase of input and raw materials, exports and number of employees in the next six months. In relation to the demand, the sector remains optimistic, although less intensely than usual for the month.

### Inventory evolution and actual to planned inventory evolution in January

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 PERFORMANCE IN JANUARY 2024

### Industrial Production and Employment Declined in January

The production evolution index reached 48.4 points in January 2024. The result below 50 points indicates a reduction in industrial production in January compared to December 2023's production.

Although it indicates a decline, the index approached the 50-points line as months changed, that is, the reduction observed in industrial production in January 2024 was smaller than the observed in December 2023. The index is still 2.1 points above the average for January values, which is 46.3 points, indicating that, for the month, the production decline was milder than usual.

Between industries of different sizes, the results are heterogeneous: although all indices are higher than their respective averages for January values, the index for large companies reached 51 points in the month, surpassing the dividing line, that is, it shows an increase in production.

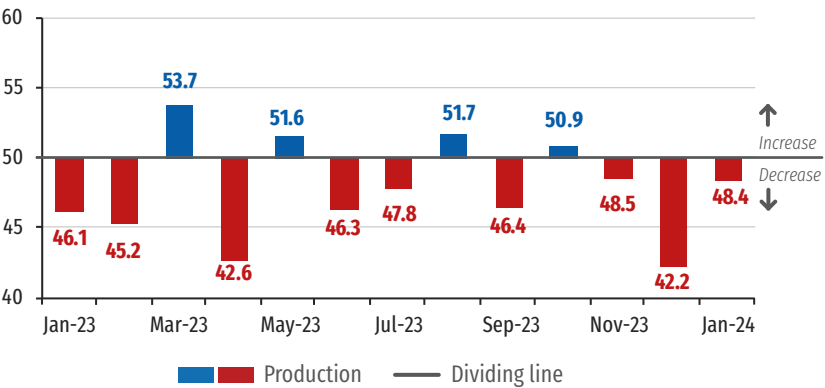
The number of employees evolution index reached 49.4 points in January 2024. Below the 50-points line, the index represents a decline in industry's employment, compared to that recorded in December 2023.

As the production evolution index, the series also got closer to the dividing line, indicating a smaller reduction in industrial employment than that observed in December.

January's result was 1.5 points higher than the average for historic January values, that is, the observed reduction was milder than usual for the month.

#### Production evolution

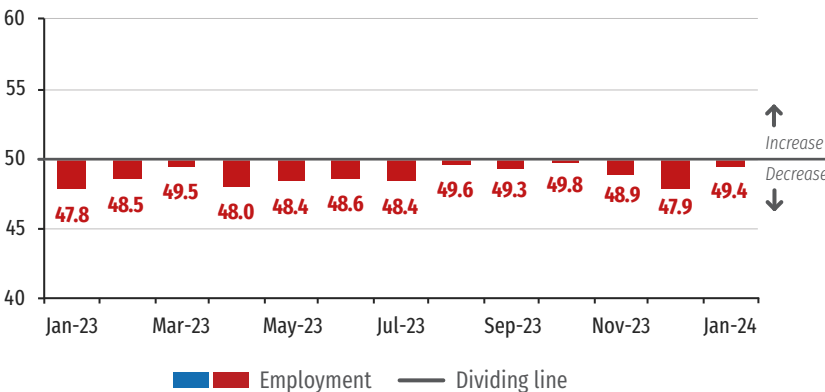
Diffusion index (0 to 100 points)\*



\*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 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.

## Average Capacity Utilization Above Usual in January

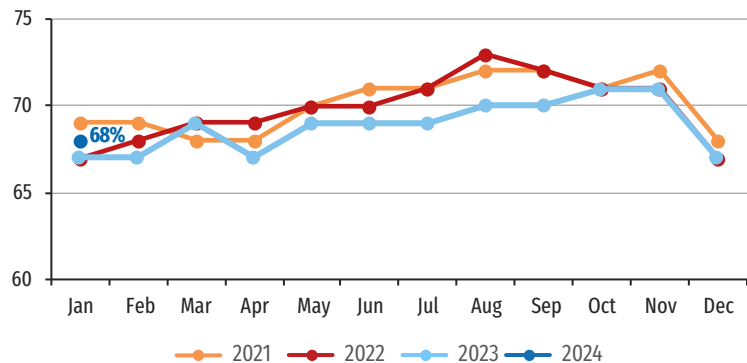
The capacity utilization (UCI) reached 68% in January, after an increase of 1 percentage point (p.p.) in relation to December 2023's result. The result is 1 p.p. above the average for January values, indicating that the UCI is higher than usual for the period.

Among different sizes' companies, the UCI is above usual for small and large companies – for medium-sized companies, the UCI is in line with what is expected by entrepreneurs.

The actual to usual capacity utilization index reached 43.3 points in January 2024, after advancing 0.9 points in relation to December 2023's result.

### Capacity Utilization

Percentage (%)



## Inventories Are Below the Level Planned by Companies in January

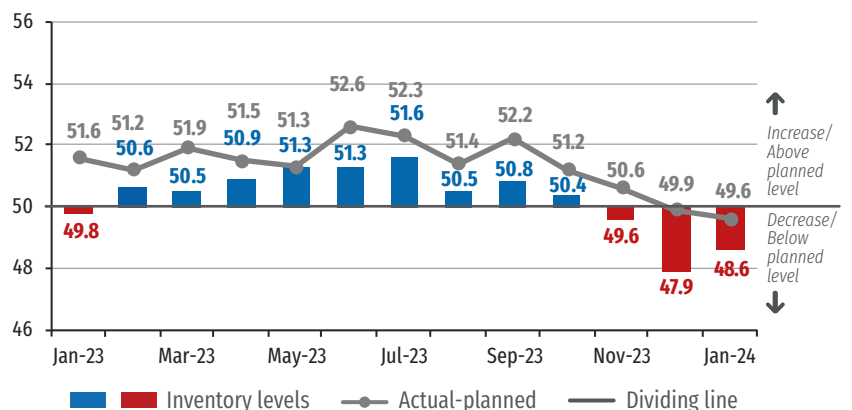
The inventory evolution index reached 48.6 points in January 2024. Below the dividing line, the result indicates that there was a reduction in inventory levels in the period, in relation to December's recorded volume. In January, the index recorded its third consecutive decline.

The result of the month is 0.6 points below the historical average for January values, that is, the reduction of inventories was more intense than usual for the period.

The actual to planned inventories index shows that, in January 2024, inventories are below the level planned by entrepreneurs. After declining 0.3 points in relation to December 2023, the index reached 49.6 points – this is the second consecutive month in which no excess of inventories is recorded.

### 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.

## INDUSTRIAL EXPECTATIONS IN FEBRUARY 2024

### Industry Entrepreneurs Maintain Optimism

In February 2024, all expectation indices remained above the dividing line, indicating optimism. From January to February 2024, only the exports expectation index declined. Additionally, all indices show more optimistic expectations than usual for the period, except for expectations regarding the demanded quantity.

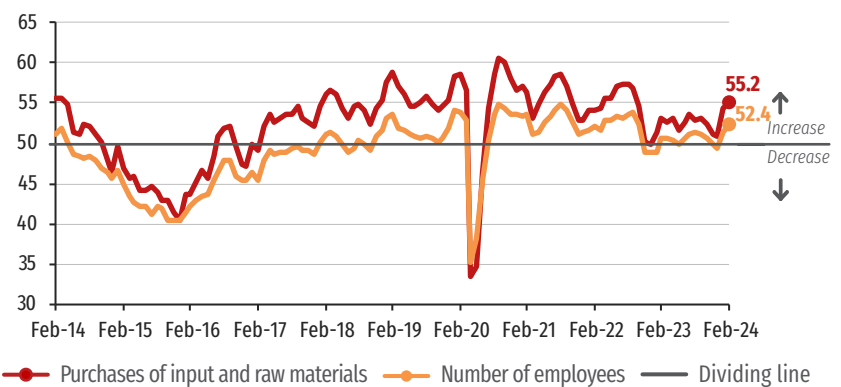
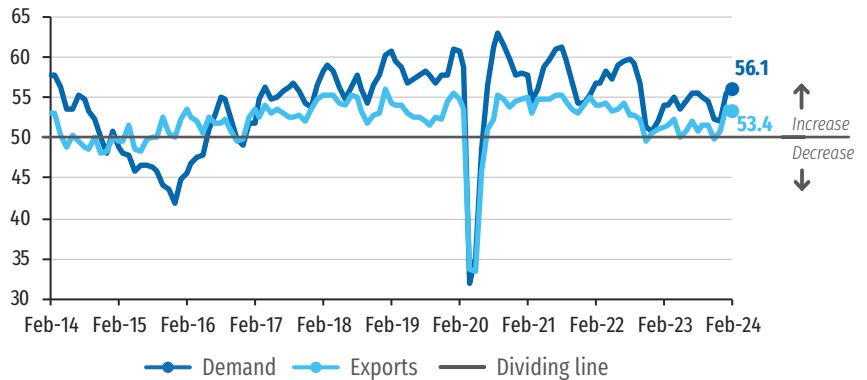
The demand expectation index reached 56.1 points in February 2024, after advancing 0.5 points in relation to the January index. The month's result reveals less optimistic expectations than usual for the period – the index is 0.9 points below the average for February values.

After advancing 0.8 points from January to February, the purchase of input and raw materials expectation index reached 55.2 points, and is 0.3 points above the average for February values. The number of employees expectation index reached 52.4 points in February, after advancing 1.1 points in relation to the result of January 2024. The index is 1.6 points above the average for February values.

The exports expectation index, in turn, showed a decline of 0.4 points in relation to January's result, reaching 53.4 points in February. Although it has declined, the index remains 0.2 points above the average

#### 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.

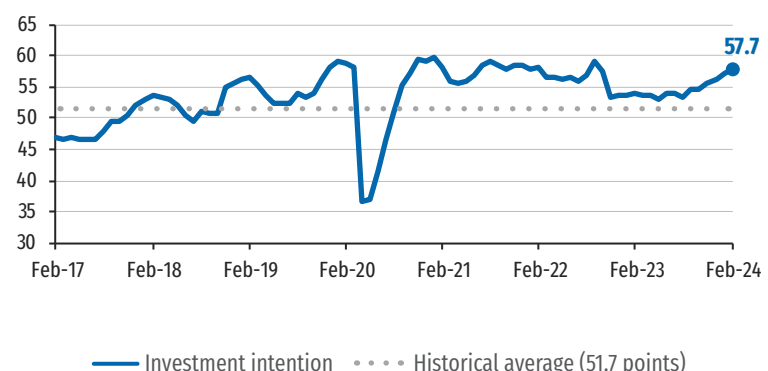
for February values. Among different company sizes, expectations on exported quantities are above the 50-points line, however, only the indicator for large industries is below its respective average for February months (-1.4 points).

### Investment Intentions Advances for the Fourth Consecutive Period

The investment intention index advanced 0.5 points from January to February 2024, reaching 57.7 points in the period. This is the highest value reached by the series since September 2022, when it recorded 59 points. The indicator is 5.9 points higher than the series historical average.

#### 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		
	Jan-23	Dec-23	Jan-24	Jan-23	Dec-23	Jan-24	Jan-23	Dec-23	Jan-24	Jan-23	Dec-23	Jan-24	Jan-23	Dec-23	Jan-24	Jan-23	Dec-23	Jan-24
<b>Total</b>	<b>46.1</b>	<b>42.2</b>	<b>48.4</b>	<b>47.8</b>	<b>47.9</b>	<b>49.4</b>	<b>67</b>	<b>67</b>	<b>68</b>	<b>42.5</b>	<b>42.4</b>	<b>43.3</b>	<b>49.8</b>	<b>47.9</b>	<b>48.6</b>	<b>51.6</b>	<b>49.9</b>	<b>49.6</b>
<b>BY INDUSTRIAL ACTIVITY</b>																		
Mining and quarrying	47.0	37.2	<b>51.8</b>	46.8	49.4	<b>52.5</b>	71	71	<b>72</b>	44.0	44.2	<b>45.9</b>	48.2	48.4	<b>54.3</b>	51.6	52.7	<b>54.0</b>
Manufacturing	46.0	42.5	<b>48.4</b>	47.8	47.9	<b>49.3</b>	67	67	<b>68</b>	42.5	42.4	<b>43.2</b>	49.8	47.9	<b>48.4</b>	51.7	49.9	<b>49.4</b>
<b>BY COMPANY SIZE</b>																		
Small <sup>1</sup>	40.7	43.1	<b>44.6</b>	46.6	47.8	<b>47.9</b>	61	63	<b>62</b>	40.3	41.4	<b>41.3</b>	46.9	46.8	<b>47.7</b>	46.7	46.6	<b>47.0</b>
Medium <sup>2</sup>	45.5	42.4	<b>47.2</b>	47.6	48.1	<b>49.8</b>	66	65	<b>66</b>	41.9	41.2	<b>42.2</b>	50.9	49.7	<b>48.7</b>	51.2	50.6	<b>48.8</b>
Large <sup>3</sup>	49.0	41.7	<b>51.0</b>	48.5	47.9	<b>49.9</b>	71	71	<b>72</b>	44.0	43.6	<b>44.9</b>	50.7	47.5	<b>49.0</b>	54.3	51.1	<b>51.3</b>

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.

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

### Industrial Expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	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
<b>Total</b>	<b>54.1</b>	<b>55.6</b>	<b>56.1</b>	<b>51.3</b>	<b>53.8</b>	<b>53.4</b>	<b>53.0</b>	<b>54.4</b>	<b>55.2</b>	<b>50.7</b>	<b>51.4</b>	<b>52.4</b>	<b>54.0</b>	<b>57.2</b>	<b>57.7</b>
<b>BY INDUSTRIAL ACTIVITY</b>															
Mining and quarrying	53.6	56.9	<b>53.3</b>	59.1	56.1	<b>52.9</b>	53.4	54.7	<b>52.3</b>	51.4	53.5	<b>55.3</b>	63.5	59.4	<b>65.7</b>
Manufacturing	54.1	55.5	<b>56.1</b>	50.8	53.7	<b>53.2</b>	52.9	54.4	<b>55.2</b>	50.7	51.3	<b>52.3</b>	53.6	57.0	<b>57.4</b>
<b>BY COMPANY SIZE</b>															
Small <sup>1</sup>	53.4	53.8	<b>53.9</b>	48.8	52.9	<b>54.0</b>	50.9	52.4	<b>53.6</b>	50.0	50.0	<b>50.9</b>	42.1	43.9	<b>43.4</b>
Medium <sup>2</sup>	52.9	55.0	<b>55.9</b>	51.6	56.0	<b>54.6</b>	52.4	53.6	<b>54.9</b>	50.0	50.6	<b>53.6</b>	50.7	55.5	<b>55.7</b>
Large <sup>3</sup>	55.1	56.8	<b>57.2</b>	52.3	53.0	<b>52.4</b>	54.3	55.9	<b>56.1</b>	51.4	52.5	<b>52.6</b>	61.7	64.6	<b>65.9</b>

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

1,714 enterprises, including 688 small, 622 medium and 424 large companies.

#### Collection period

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