

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**

CBIC

CNI
Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Despite the relatively stable performance, entrepreneurs remain optimistic

The performance of the Construction Industry in August was lower than in June and July. Activity levels remained stable and employment dropped in relation to the previous month.

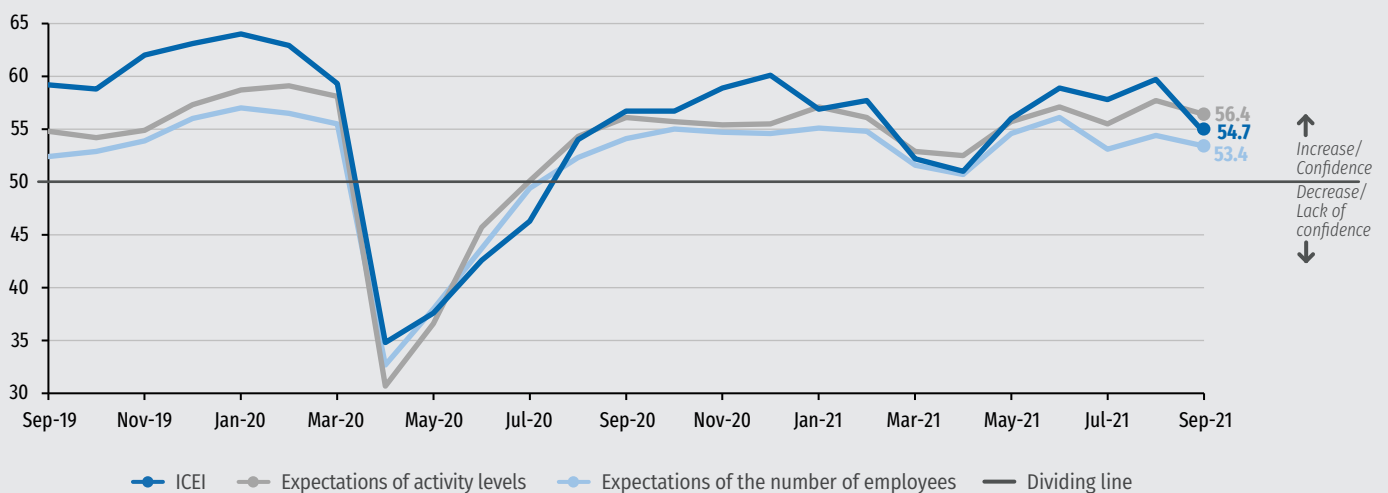
Moreover, investment intentions retreated, in line with the drop in optimism, as shown in the Construction Business Confidence Index. Despite the results slowing down the growth trend

that had been observed in the last few months, expectations remain positive and confidence is still above its historical average, reflecting the continued optimism in the sector.

The simultaneous decline in expectations, investment intentions, and confidence in September reflects the scenario of greater uncertainty, high inflation, interest rate hikes, and the unstable political scenario. Despite the worsening scenario, there is still widespread optimism among construction entrepreneurs.

ICEI Construction and Expectations of activity levels and of the number of employees

Diffusion index (0-100 points)*



* Figures above 50 points indicate confident entrepreneurs or growth expectation. The further above 50 points, the greater and more widespread is the confidence or the growth expectation. The further below 50 points, the greater and more widespread is the lack of confidence or expected decrease.

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN AUGUST 2021

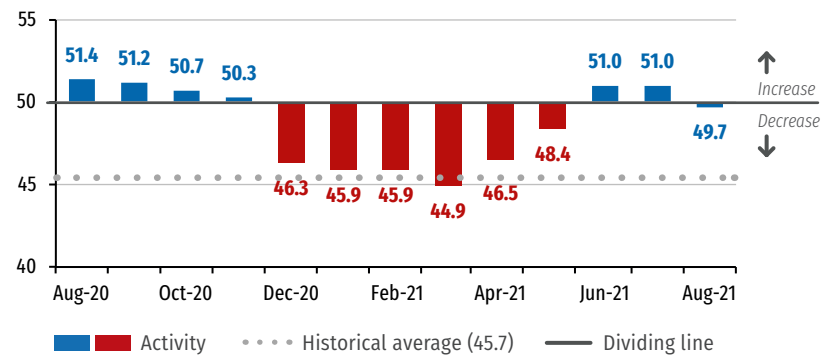
Construction performance remains relatively stable

In August, the index measuring the activity levels of the construction industry remained relatively stable. It stood at 49.7 points, very close to the 50-point dividing line between growth and decline.

The index measuring employment levels was further away from the 50-point dividing line, at 49.1 points. The index shows a moderate drop in employment since July. The fall in employment for the month breaks a two-month sequence in which employment had been stable, with levels very close to the dividing line.

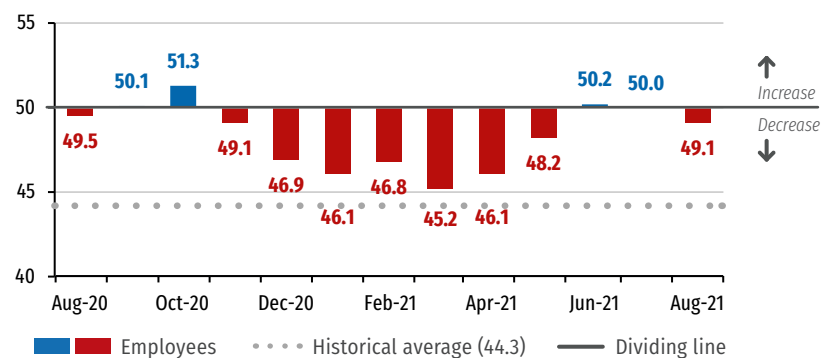
Evolution of activity levels

Diffusion index (0-100 points)*



Evolution of number of employees levels

Diffusion index (0-100 points)*



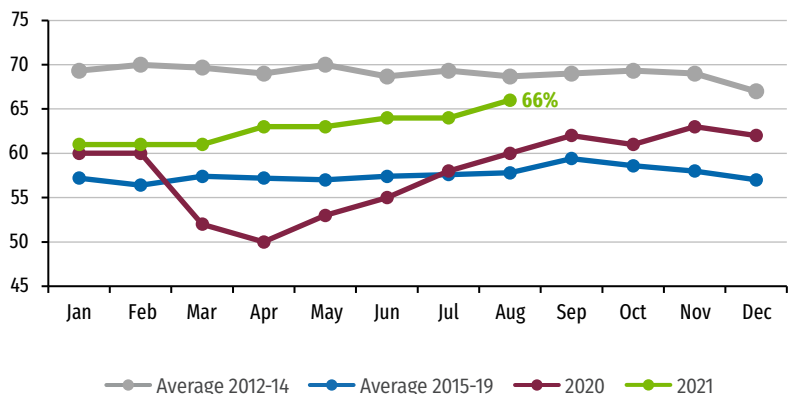
*Figures above 50 points indicate an increase in activity levels or number of employees compared to previous month. Figures below 50 points indicate a decline in activity and employment levels compared to previous month. The further away from 50 points, the greater and more widespread the change.

Operating Capacity Utilization grows

Operating Capacity Utilization increased by two percentage points in August and reached 66%. This is the highest level since 2014.

Average operating capacity utilization

Percentage (%)



CONSTRUCTION BUSINESS CONFIDENCE INDEX IN SEPTEMBER 2021

Business confidence remains positive

In September, the Construction Business Confidence Index (ICEI) dropped five points to 54.7 points. This marks the index's biggest drop since March 2021, when restrictive measures were imposed on economic activities to contain further advance of the COVID-19 pandemic.

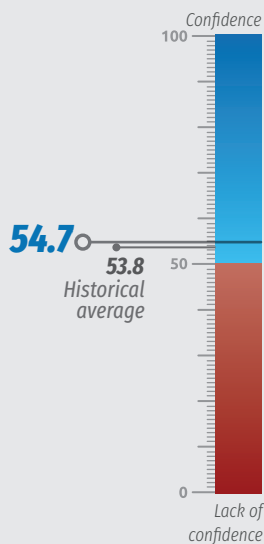
Despite the drop, confidence remains above the 50-point dividing line that separates confidence from lack of confidence and above the index's historical average. This shows that although confidence has become

lower and less widespread among entrepreneurs in relation to August, companies remain confident.

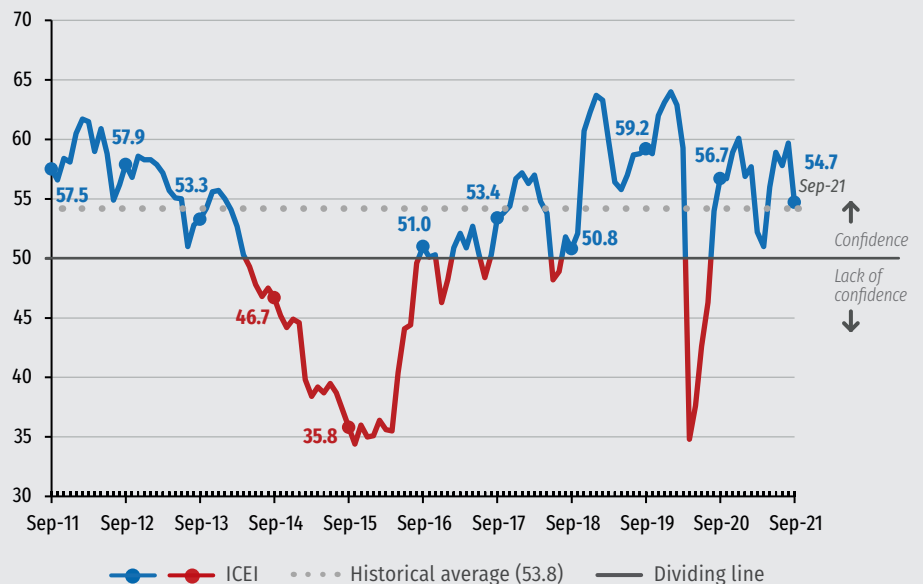
September was marked by a deterioration in the assessment of current conditions and in the expectations about the Brazilian economy. The indices measuring expectations about the company also fell, but to a lesser extent.

Between August and September, the index measuring the current conditions of the Brazilian economy dropped from 51.3 points to 42.3 points. As it now stands below the 50-point dividing line, the index reflects the transition from a positive to a negative assessment of the Brazilian economy. The index measuring the expectations about the Brazilian economy also dropped sharply, by eight points, but remains above the 50-point dividing line.

ICEI Construction
Index (0-100 points)*



Historical average
Index (0-100 points)*



*Figures above 50 points indicate business confidence, and the further above 50 points, the greater and more widespread the confidence. Figures below 50 points indicate lack of business confidence, and the further below 50 points, the greater and more widespread the lack of confidence.

INDUSTRY EXPECTATIONS IN SEPTEMBER 2021

Expectations fell in September, but remained positive

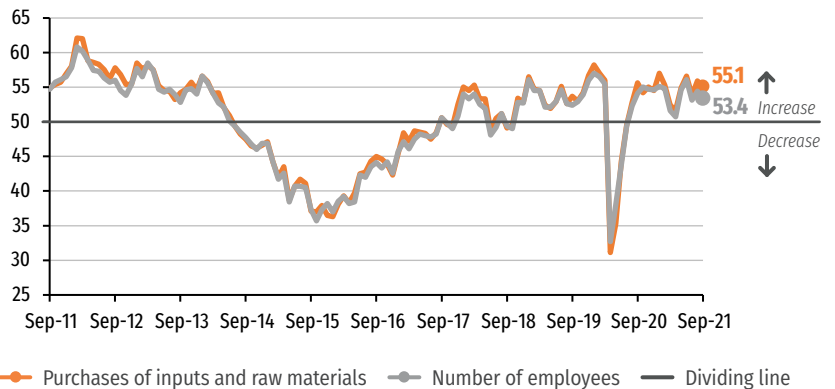
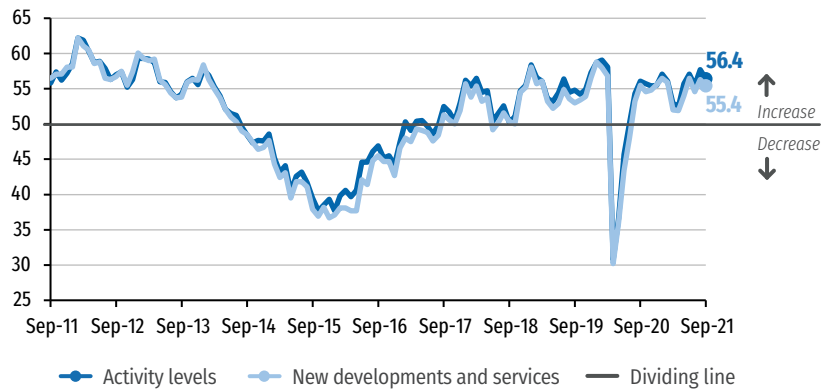
In line with the drop in confidence, the expectations of Construction entrepreneurs about the variables related to the activity also dropped, although to a lesser extent.

The indices measuring the expected level of activity, new developments, purchases of inputs and raw materials, and number of employees dropped by 1.3 points, 0.9 points, 0.8 points, and 1.0 points, respectively.

Despite the drop, all expectation indices remain above the 50-point dividing line, indicating that entrepreneurs still expect these variables to grow in the next six months.

Expectation indices

Indices (0-100 points)*



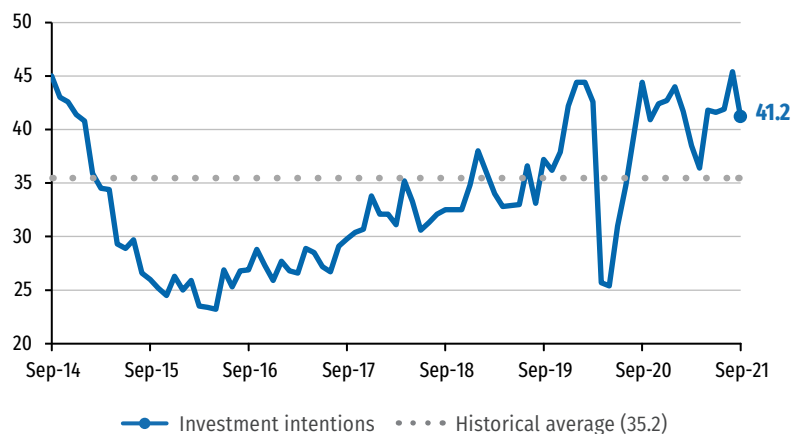
* Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

Investment intentions dropped in September

In September, the index measuring the Construction Industry's intention to invest fell 4.2 points, to 41.2 points. This is the index's biggest drop in a single month since April 2020. Despite the drop, the intention to invest remains above its historical average, which indicates that although lower than in August, it is still above the level recorded in recent years.

Investment intentions

Index (0-100 points)*



* The higher the index, the more industry is likely to invest.

RESULTS BY COMPANY SIZE

Construction industry performance

	OPERATING CAPACITY UTILIZATION (%) ¹			ACTIVITY LEVEL INDEX ²			ACTUAL-USUAL ACTIVITY LEVEL INDEX ³			NUMBER OF EMPLOYEES INDEX ²		
	Aug-20	Jul-21	Aug-21	Aug-20	Jul-21	Aug-21	Aug-20	Jul-21	Aug-21	Aug-20	Jul-21	Aug-21
CONSTRUCTION	60	64	66	51.4	51.0	49.7	38.1	44.2	44.3	49.5	50.0	49.1
SMALL	54	58	59	48.7	48.6	48.4	37.1	42.1	44.0	47.8	48.5	49.4
MEDIUM	60	62	64	49.9	52.1	51.0	37.7	44.8	43.3	48.2	51.0	49.7
LARGE	63	67	69	53.2	51.2	49.5	38.7	44.6	44.9	50.8	50.0	48.7

Expectations of construction industry

	EXPECTATIONS INDEXES ⁴												INVESTMENT INTENTIONS INDEX ⁵		
	ACTIVITY LEVEL			NEW DEVELOPMENTS AND SERVICES			PURCHASES OF INPUTS AND RAW MATERIALS			NUMBER OF EMPLOYEES					
	Sep-20	Aug-21	Sep-21	Sep-20	Aug-21	Sep-21	Sep-20	Aug-21	Sep-21	Sep-20	Aug-21	Sep-21	Sep-20	Aug-21	Sep-21
CONSTRUCTION	56.1	57.7	56.4	55.5	56.3	55.4	55.6	55.9	55.1	54.1	54.4	53.4	44.4	45.4	41.2
SMALL	56.1	57.8	56.7	55.7	55.4	55.1	55.7	55.4	55.1	54.9	54.3	53.9	41.2	39.9	37.9
MEDIUM	54.9	59.5	58.4	53.2	56.7	57.5	53.6	58.4	57.9	53.4	57.3	56.0	38.8	44.6	42.9
LARGE	56.7	56.6	55.1	56.7	56.4	54.3	56.7	54.7	53.5	54.3	52.7	51.8	48.7	47.8	41.4

Construction Business Confidence Index (ICEI - Construction) and its components

	ICEI - CONSTRUCTION ⁶			CURRENT CONDITIONS ⁷			EXPECTATIONS ⁸		
	Sep-20	Aug-21	Sep-21	Sep-20	Aug-21	Sep-21	Sep-20	Aug-21	Sep-21
CONSTRUCTION	56.7	59.7	54.7	46.1	52.4	47.6	62.0	63.4	58.2
SMALL	56.8	58.2	55.8	46.9	51.0	47.2	61.7	61.8	60.1
MEDIUM	57.6	60.4	56.8	47.7	53.6	50.0	62.5	63.8	60.2
LARGE	56.2	60.0	53.0	44.9	52.3	46.3	61.8	63.8	56.3

1 - The indicator varies in the 0%-100% interval. Series started in January 2012.

2 - The indicator varies in the 0-100 interval. Figures above 50 points indicate growth.

3 - The indicator varies in the 0-100 interval. Figures above 50 points indicate higher-than-usual activity levels.

4 - The indicator varies in the 0-100 interval. Figures above 50 points indicate positive expectations.

5 - The indicator varies in the 0-100 interval. The higher the index, the greater the willingness to invest.

6 - The ICEI - Construction varies in the 0-100 interval. Figures above 50 points indicate business confidence.

7 - The indicator varies in the 0-100 interval. Figures above 50 points values indicate a better situation as compared to the last six months.

8 - The indicator varies in the 0-100 interval. Figures above 50 points indicate optimistic expectations for the next six months.



Technical specifications

Sample profile

455 enterprises, including 172 small, 184 medium and 99 large companies.

Data collection period

September, 1-15, 2021.

Document closed by September 27, 2021.



Learn more

For more information on the survey, including sectoral results, previous editions, methodology and historical series, visit: www.cni.com.br/e_sondconstr

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