

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**



Construction Shows Increased Investment Intentions Driven by Infrastructure Works

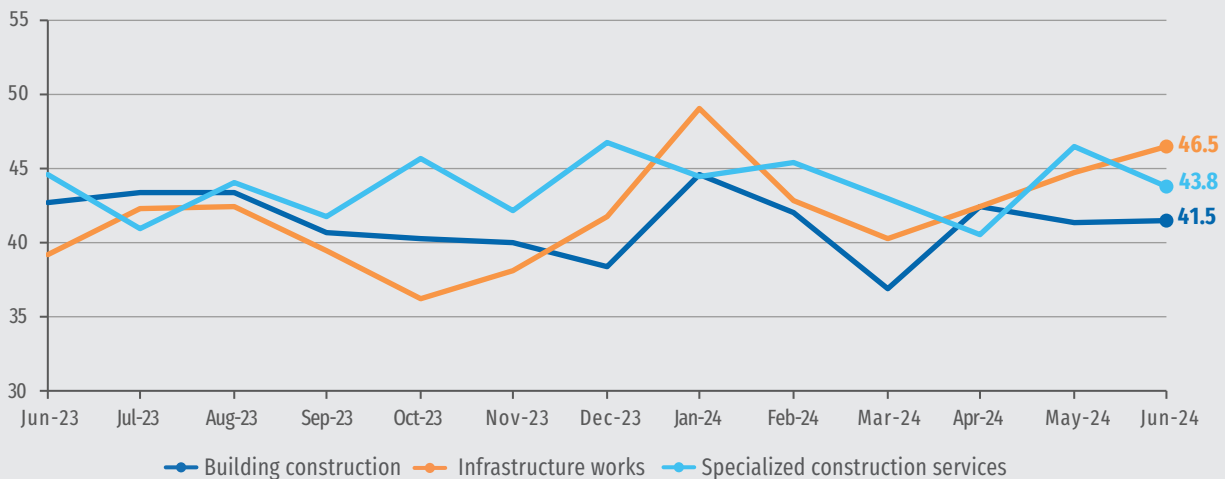
In May 2024, the Activity Level Evolution Index and the Number of Employees Evolution Index for the Construction Industry remained below the 50-point line. The Activity Level Evolution Index dropped, showing a more negative performance, while the Number of Employees Evolution Index rose and approached the 50-point dividing line.

In June 2023, the Construction Industry Business Confidence Index (ICEI) revealed

an increase in confidence among business owners compared to the previous month. At the same time, the expectations indices for the coming months regarding purchases of inputs and raw materials, new developments, and the number of employees among construction business owners showed optimism, though less intense and widespread than in May. However, expectations regarding activity levels advanced, showing more widespread optimism.

Given the positive expectations and optimism, the investment intention in the Construction Industry increased, driven by the infrastructure works segment.

Investment intention of the Construction Industry sectors
Index (0 to 100 points)*



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

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN MAY 2024

Activity Levels Show More Negative Performance

The Activity Level Evolution Index in the Construction Industry showed a decline of 0.5 point from April to May 2024, reaching 47.9 points, indicating an even weaker activity level compared to the previous month. Notably, the May 2024 index was lower than those of May 2023 (49.8 points) and May 2022 (49.5 points).

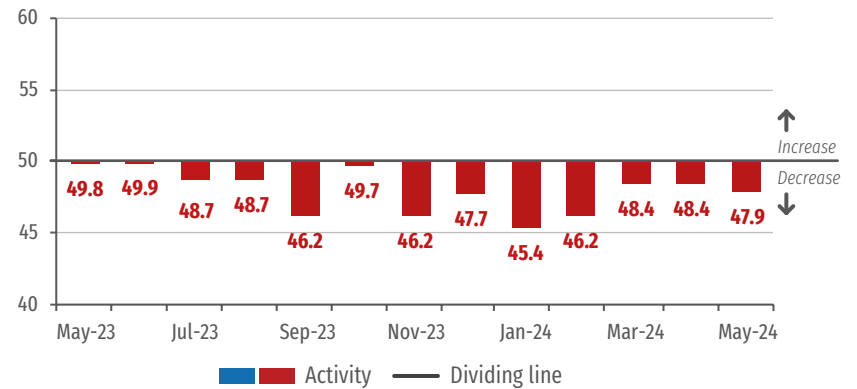
Considering the activity levels according to the Construction sectors, all sectors had indices below 50 points. Construction of buildings was the only segment to show an increase, with a 1 point rise, while Infrastructure works and Specialized construction services registered stability.

The index of the Number of Employees Evolution Index in the Construction industry rose by 0.6 point, reaching 49.0 points in May 2024. As this index remains below the 50-point dividing line, it indicates a decline in employment during the period. The May 2024 indicator was lower than that of May 2023 (50.7 points) and was almost identical to that recorded in May 2022 (48.9 points).

Sectoral behavior predominantly showed advances, with a 2.2 points

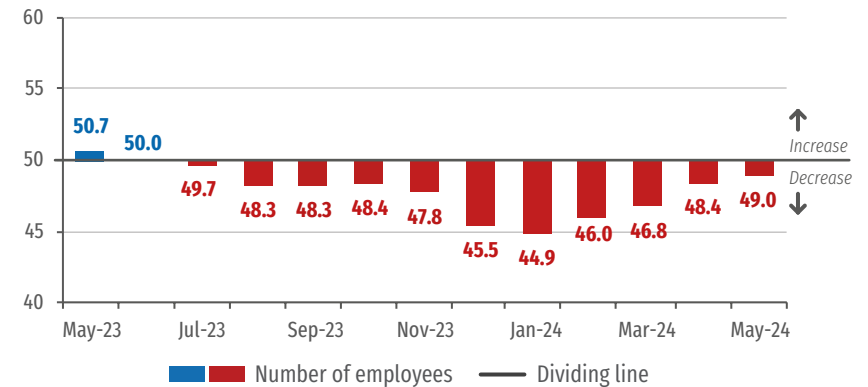
Activity level evolution

Index (0 to 100 points)*



Number of employees evolution

Index (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.

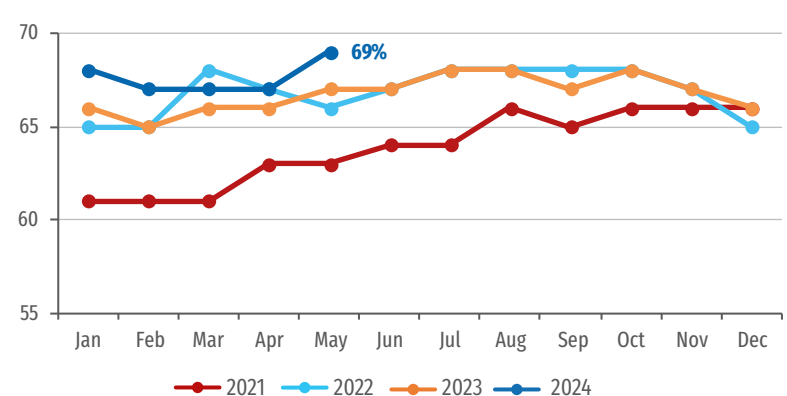
increase for Building construction and a 1.7-points increase for Infrastructure works, while Specialized construction services showed a decline of 2.1 points during the period.

Utilization of Operational Capacity Shows Increase in May 2024

The Utilization of Operational Capacity (UCO) increased by 2.0 percentage points from April to May 2024, reaching 69%. This result is not only positive but also higher than in May 2023 (67%) and May 2022 (66%).

Utilization of Operational Capacity

Percentage (%)



CONSTRUCTION INDUSTRY BUSINESS CONFIDENCE INDEX IN JUNE 2024

Confidence Increases Among Construction Entrepreneurs

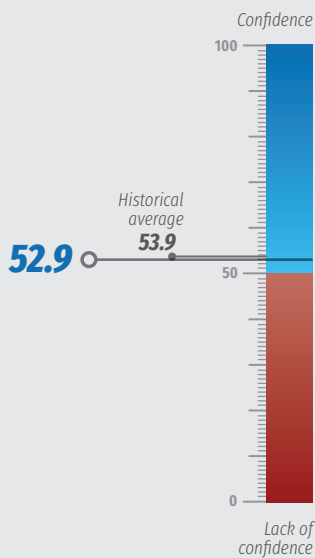
The Construction Industry Business Confidence Index (ICEI) rose by 1.2 points in June 2024, increasing from 51.7 points to 52.9 points. With this result, the Construction ICEI remains well above the 50-point threshold, indicating higher and more widespread confidence among industry entrepreneurs.

Regarding the components of the ICEI, both current conditions and expectations

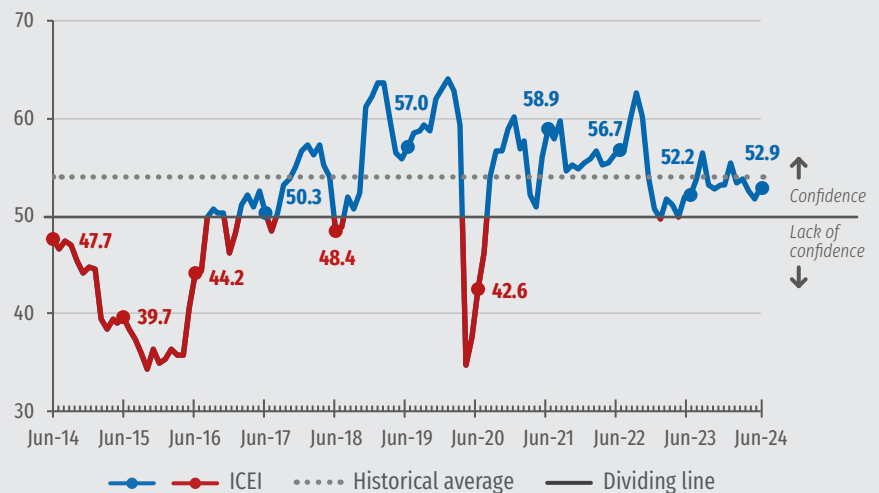
advanced during the period. The Current Conditions Index, which measures current conditions of companies and the Brazilian economy, increased by 1.0 point to 47.8 points. This indicator reflects a negative assessment of current conditions.

Meanwhile, the Expectations Index, which gauges entrepreneurs' expectations for their companies and the Brazilian economy, grew by 1.4 points to 55.5 points. In this case, entrepreneurs showed confidence, and optimism is more intense and widespread compared to the previous month.

Construction ICEI Index (0 to 100 points)*



Historical Series Index (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 JUNE 2024

Optimism for the Coming Months Remains Subdued

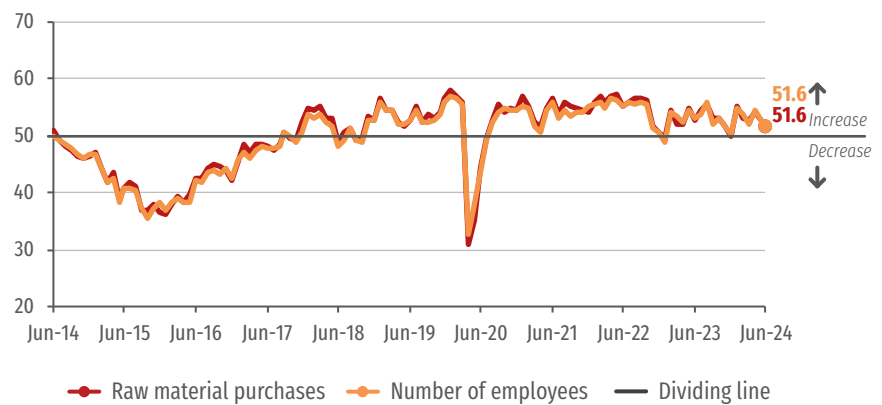
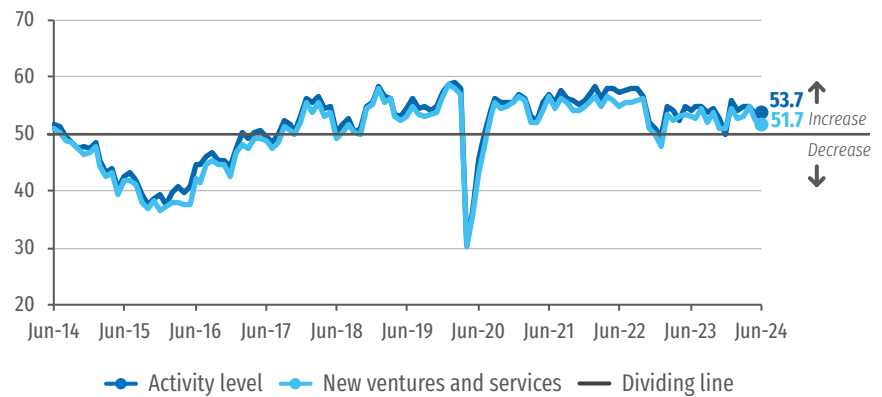
In June 2024, most of the expectation indices for the coming months in the Construction Industry declined, yet they remain above the 50-point mark. This outcome indicates positive outlooks, albeit less intense and widespread. Throughout the year, all indices have been hovering relatively close to the 50-point line.

The New Developments and Services Expectation Index decreased by 0.8 point, dropping from 52.5 points in May to 51.7 points in June 2024. The indices for expectations regarding purchases of inputs and raw materials, as well as expectations for the number of employees, showed more significant declines in optimism in June. In both cases, the indicators fell by 1.1 points to 51.6 points in June 2024.

The Activity Level Expectation Index was the only one to increase (+0.4 point), rising to 53.7 points during the period.

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.

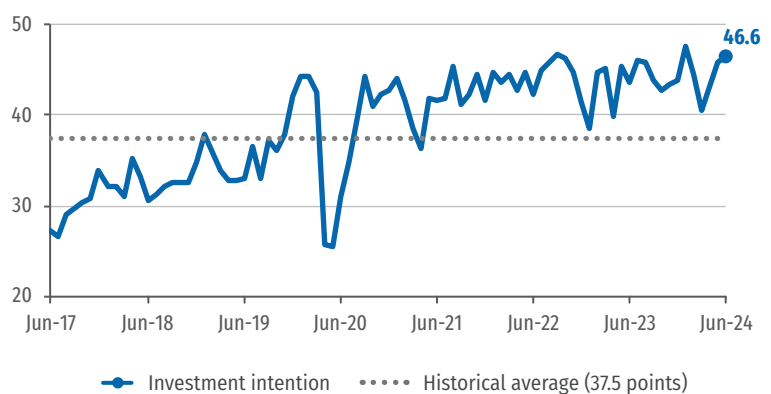
Investment Intentions Rise in June

The Investment Intention Index of the construction industry advanced by 0.7 point from May to June 2024, increasing from 45.9 points to 46.6 points. With this rise, the index remains at a high level and continues to distance itself further from the historical average of 37.5 points.

Analyzing investment intentions by sectors within companies, June saw stability in Building construction (+0.2 point), an increase in Infrastructure works (+1.8 points), and a decrease in Specialized construction services (-2.7%).

Investment intentions

Index (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		
	May-23	Apr-24	May-24	May-23	Apr-24	May-24	May-23	Apr-24	May-24	May-23	Apr-24	May-24
SURVEY	67	67	69	49.8	48.4	47.9	45.7	43.3	43.5	50.7	48.4	49.0
Small	63	61	59	46.0	46.3	48.5	45.1	41.1	41.6	47.6	45.0	45.6
Medium	65	64	67	49.7	46.8	46.8	43.5	42.0	42.3	50.0	47.9	50.2
Large	70	71	74	51.3	50.0	48.4	47.2	44.9	44.8	52.2	50.0	49.6

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					
	Jun-23	May-24	Jun-24	Jun-23	May-24	Jun-24	Jun-23	May-24	Jun-24	Jun-23	May-24	Jun-24	Jun-23	May-24	Jun-24
SURVEY	54.3	53.3	53.7	52.9	52.5	51.7	52.9	52.7	51.6	53.0	52.7	51.6	43.6	45.9	46.6
Small	53.3	53.8	53.6	51.8	53.1	51	52.2	52.2	51.5	52	51.6	50.4	40.6	41.0	39.3
Medium	55.1	53.0	54.5	51.7	52.5	54.3	53.9	52.1	53.9	53.4	52.3	52.4	42.1	42.5	43.4
Large	54.2	53.3	53.2	53.9	52.2	50.4	52.6	53.3	50.4	53.2	53.3	51.6	45.5	49.6	51.2

Construction Industry Business Confidence Index and its components

	ICEI – CONSTRUCTION ⁶			INDEX OF CURRENT CONDITIONS ⁷			EXPECTATIONS INDEX ⁸		
	Jun-23	May-24	Jun-24	Jun-23	May-24	Jun-24	Jun-23	May-24	Jun-24
SURVEY	52.2	51.7	52.9	46.8	46.8	47.8	54.9	54.1	55.5
Small	51.7	50.7	51.1	45.1	44.7	45.2	55.0	53.7	54.1
Medium	52.2	50.4	52.7	46.9	45.6	47.6	54.8	52.8	55.3
Large	52.5	52.7	53.8	47.4	48.2	48.9	55.0	55.0	56.2

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: 131 small, 133 medium and 63 large.

Collection period

1 to 12 June 2024.

Document completed on June 20, 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

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

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