

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**

CBIC **CNI** Brazilian National Confederation of Industry

Stability of activity level and number of employees in July 2024

Activity level and number of employees in the Construction Industry showed stability in July 2024. This result can be considered positive for both indicators, as they were above what was expected for July.

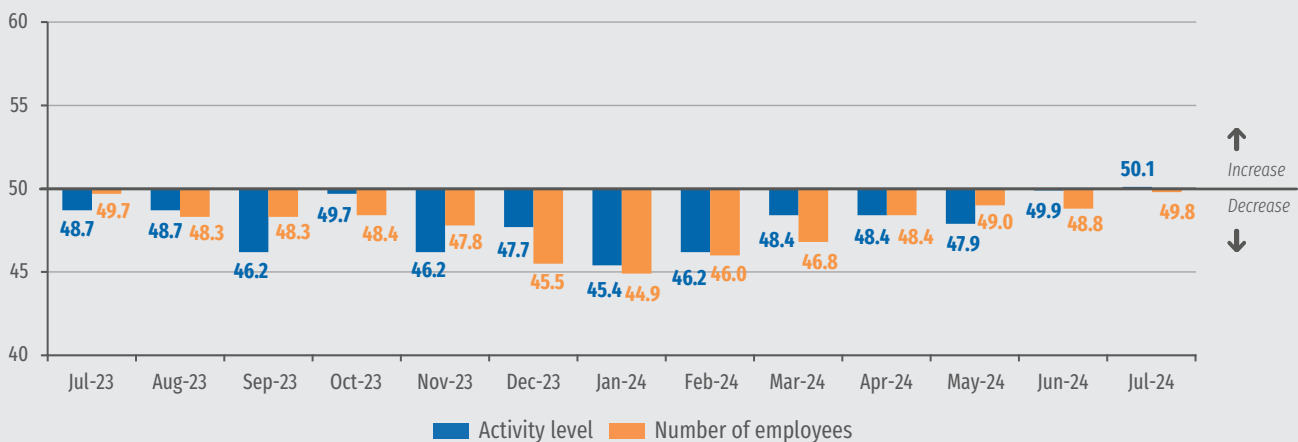
However, confidence is less intense and widespread. In August 2024, the Construction Industry Business

Confidence Index (ICEI) declined but still indicated a state of confidence among entrepreneurs.

Similarly, expectations for the next six months remain positive, though with more moderate optimism regarding activity level, new ventures and services, and the purchase of inputs and raw materials.

In line with this reduced optimism, investment intentions decreased in August 2024.

Activity level and number of employees evolution indices
Indices (0 to 100 points)*



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

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN JULY 2024

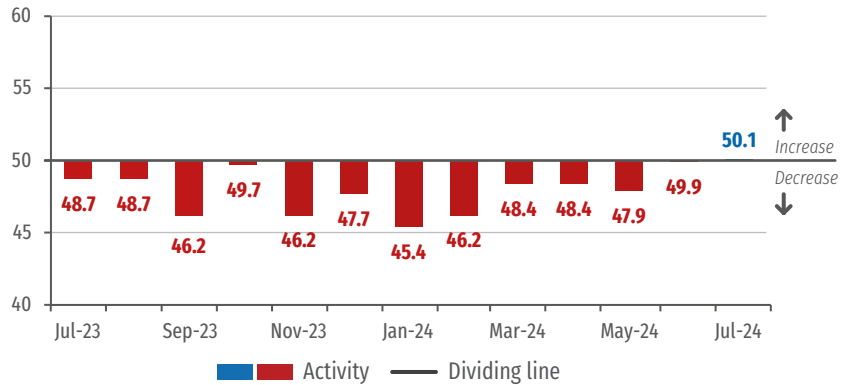
Activity level and number of employees record stability in July

In July 2024, the activity level index advanced by 0.2 point compared to June 2024, reaching 50.1 points. The indicator, slightly above the 50-point dividing line, can be interpreted as stability in the activity level compared to the previous month. This result can be considered positive, as the index was higher than usual for the month of July and broke a streak of twenty months recording values below 50 points.

The employment index stood at 49.8 points in July 2024, showing an increase of 1.0 point compared to June 2024. The index was almost exactly on the 50-point dividing line, signaling stability in employment compared to the previous month. The employment index for July 2024 was higher than usual for the month, as a decline was expected for the period.

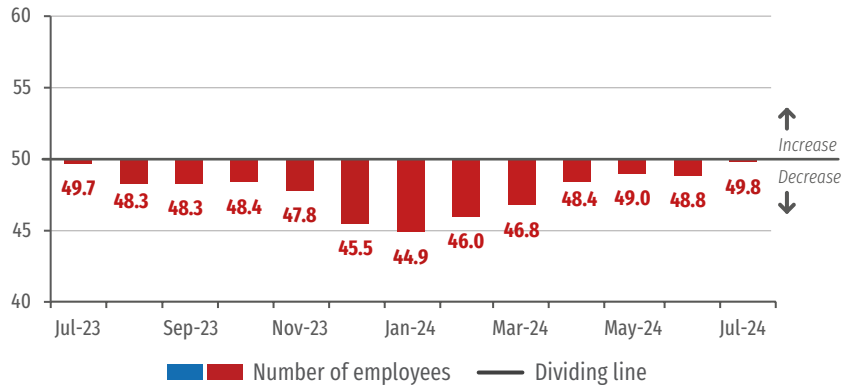
Activity level evolution

Diffusion indices (0 to 100 points)*



Number of employees evolution

Diffusion indices (0 to 100 points)*



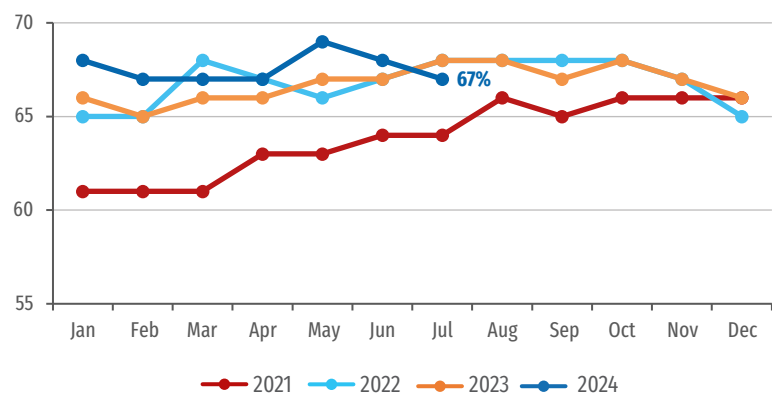
*Values above 50 indicate an increase in activity or employment compared to the previous month. Values below 50 points indicate a decrease in activity or employment compared to the previous month. The further away from 50 points, the greater and more widespread is the variation.

Operational Capacity Utilization drops in July

In July 2024, Operational Capacity Utilization (OCU) was at 67%, indicating a decrease of 1 percentage point compared to June. With this decline, the OCU was lower than the figures recorded in July 2023 and July 2022, when the index stood at 68%.

Utilization of Operational Capacity

Percentage (%)



CONSTRUCTION INDUSTRY BUSINESS CONFIDENCE INDEX IN AUGUST 2024

Business confidence declines in August

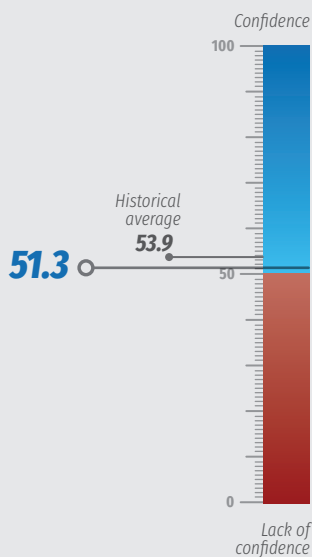
In August 2024, the Construction Industry Business Confidence Index (ICEI) dropped by 0.5 point, reaching 51.3 points. As it approaches the 50-point dividing line, which separates confidence from lack of confidence, the indicator reveals that entrepreneurs remain confident, but this confidence is less intense and widespread compared to July.

The decline in the Construction ICEI is mainly related to worsened expectations, as the assessment of current conditions improved. The Current Conditions Index, which measures entrepreneurs' perception of the current state of the Brazilian

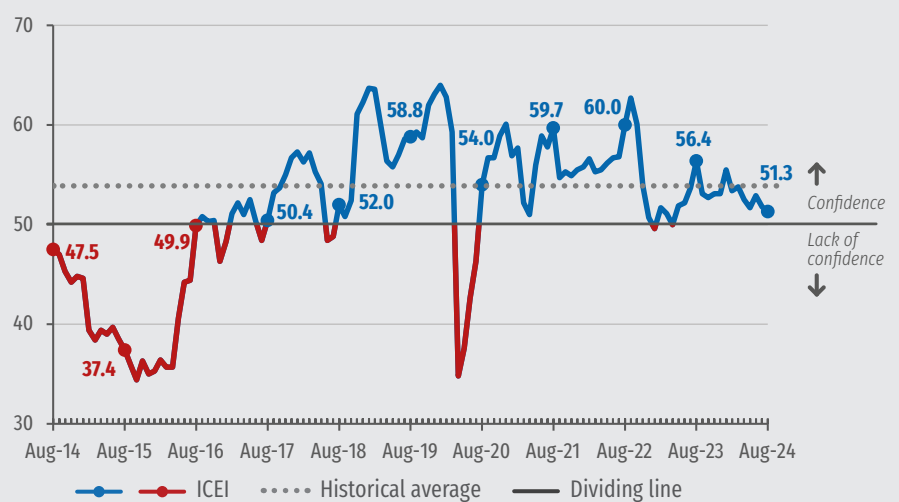
economy and their companies, rose by 1.9 points in August, reaching 47.4 points. Despite this improvement, the indicator remains in the region indicating a lack of confidence. Notably, the assessment of current conditions for companies improved, with the indicator crossing the 50-point dividing line in August. The assessment of current conditions regarding the Brazilian economy also improved but remained below 50 points.

On the other hand, the Expectations Index, which measures entrepreneurs' outlook on their companies and the Brazilian economy, fell by 1.7 points from July to August 2024. Despite this decline, the index remains above the 50-point dividing line, indicating that expectations remain favorable, though less optimistic and widespread. Expectations regarding the Brazilian economy showed a slight increase, but the index remains below the 50-point dividing line. Meanwhile, expectations regarding companies declined, but the index remains well above 50 points.

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 AUGUST 2024

Expectations remain positive but less intense and widespread

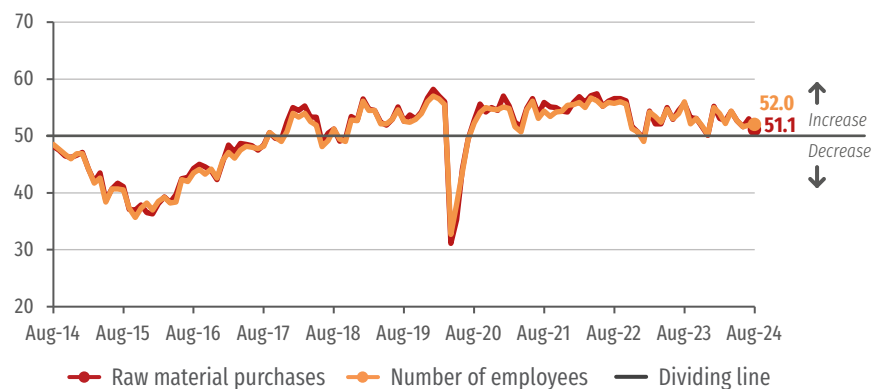
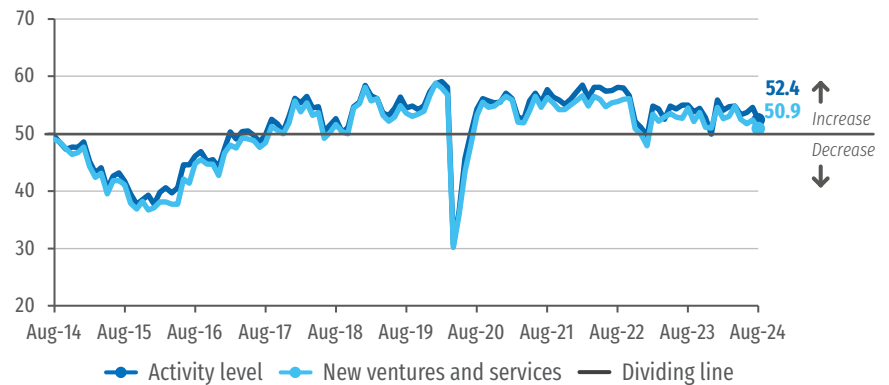
In August 2024, construction industry entrepreneurs maintained positive expectations – with results above 50 points – for all analyzed indicators. However, compared to the previous month, this optimism appears less intense and widespread, with a decline in the indicator for activity level, new ventures and services, and the purchase of inputs and raw materials. Meanwhile, expectations for the number of employees showed no change compared to July.

The expectation index for activity level fell by 2.2 points in August, the largest drop among the indices, and stood at 52.4 points. The expectation index for new ventures and services dropped by 1.5 points in August, reaching 50.9 points, approaching the 50-point dividing line. The expectation index for the purchase of inputs and raw materials declined by 1.9 points from July to August, settling at 51.1 points.

Meanwhile, the expectation index for the number of employees remained stable, with a slight increase of 0.1 points in August, reaching 52.0 points.

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.

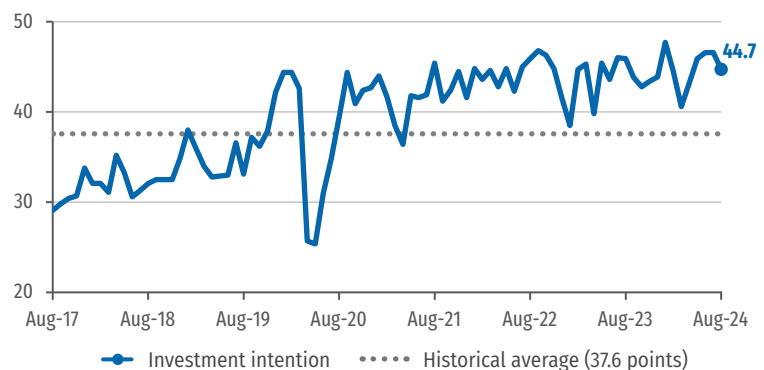
Investment intention declines in August

In August 2024, the investment intention index for the Construction Industry dropped by 1.9 points, decreasing from 46.6 points to 44.7 points. This result is lower than the figures recorded in August 2023 and August 2022, when the indicator stood at 45.9 points in both cases.

Despite this, the index remained at a high level, as the historical average of the investment intention index is 37.6 points.

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		
	Jul-23	Jun-24	Jul-24	Jul-23	Jun-24	Jul-24	Jul-23	Jun-24	Jul-24	Jul-23	Jun-24	Jul-24
SURVEY	68	68	67	48.7	49.9	50.1	46.5	42.2	43.4	49.7	48.8	49.8
Small	61	60	60	46.5	47.1	48.8	44.2	38.1	41.7	47.9	45.0	48.2
Medium	64	66	65	48.6	50.7	50.4	45.6	43.9	42.8	51.0	49.8	49.8
Large	73	73	70	49.6	50.4	50.4	47.9	42.8	44.3	49.6	49.6	50.4

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					
	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24
SURVEY	55.0	54.6	52.4	54.5	52.4	50.9	55.7	53.0	51.1	56.0	51.9	52.0	45.9	46.6	44.7
Small	53.3	53.0	49.0	52.7	51.9	49.2	51.9	52.6	48.6	51.2	50.4	49.6	40.8	37.0	38.2
Medium	54.7	53.8	52.4	52.6	52.2	50.8	53.4	52.7	51.6	53.1	52.7	52.0	42.6	40.9	41.5
Large	56.0	55.7	53.7	56.3	52.7	51.5	58.5	53.7	51.8	59.5	51.9	52.9	49.6	53.4	48.9

Construction Industry Business Confidence Index and its components

	ICEI – CONSTRUCTION ⁶			INDEX OF CURRENT CONDITIONS ⁷			EXPECTATIONS INDEX ⁸		
	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24	Aug-23	Jul-24	Aug-24
SURVEY	56.4	51.8	51.3	50.9	45.5	47.4	59.1	55.0	53.3
Small	54.7	50.0	51.1	47.6	43.6	46.4	58.2	53.2	53.4
Medium	53.8	51.9	52.1	48.9	45.2	46.9	56.2	55.3	54.7
Large	58.4	52.4	50.9	53.3	46.4	48.0	61.0	55.4	52.4

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

318 companies: 123 small, 125 medium and 70 large.

Collection period

1 to 9 August 2024.

Document completed on August 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_sondconstr



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