



INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

CNI Brazilian National Confederation of Industry

Further Progress in Industrial Activity in August

In August 2024, there was an advancement in industrial activity. Both industrial production and the number of employees in the sector increased in relation to July. It is noteworthy that this is the second consecutive month that the production and number of employees evolution indices are above 50 points.

In line with the advancement of activity, there was an increase in the industrial Capacity Utilization (UCI), which reached 72% in August. The UCI, which has been at a high level in recent months, remains

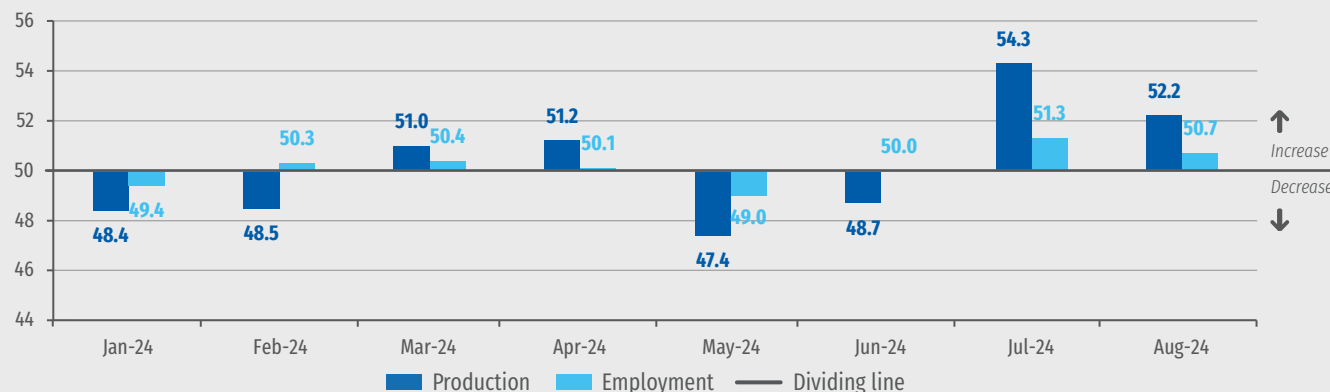
above August's average values, demonstrating a more intense use of the sector's installed capacity.

In the month, there was also a reduction in inventory levels compared to July, albeit more moderate than in previous months. Inventories remain below the level planned by the sector in August.

In this context, in September there was an increase in optimism regarding the sector's exports and a reduction in optimism on demand and purchases of input and raw materials. The expectation index on the number of employees in the sector remained stable in the month. Nevertheless, all indices continue to reveal optimism by industrial entrepreneurs and the investment intention remains elevated.

Production and number of employees evolution indices in 2024

Diffusion Indices (0 to 100 points)*



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

INDUSTRIAL PERFORMANCE IN AUGUST 2024

Industrial Production and Employment Advance for the Second Consecutive Month in August

The production evolution index reached 52.2 points in August 2024. Above 50 points, the month's indicator signals that there was an expansion of production in relation to July. This is the second consecutive month of production growth – July's 2024 index was also above 50 points.

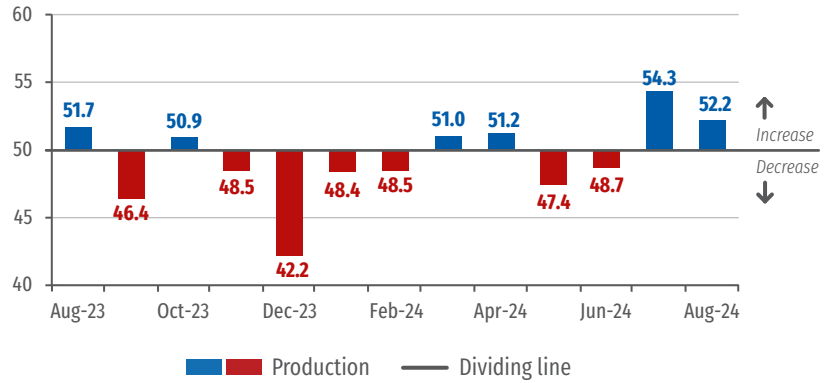
The growth in August was driven by medium and large companies, as the indices for these companies were above 50 points, while the index for small industries was below this line, revealing a decline in production in these companies. Among the regions of the country, all indices are above the dividing line of 50 points.

In August 2024, the number of employees evolution index reached 50.7 points. Above the indicator's dividing line, the month's index signals an expansion of industrial employment compared to July.

The industrial employment advancement in the month was also driven by medium and large companies, as there was a reduction in the number of employees in the sector's small companies. Among regions, there was a reduction in industrial employment in north and southeast regions and an advance in other regions.

Production Evolution

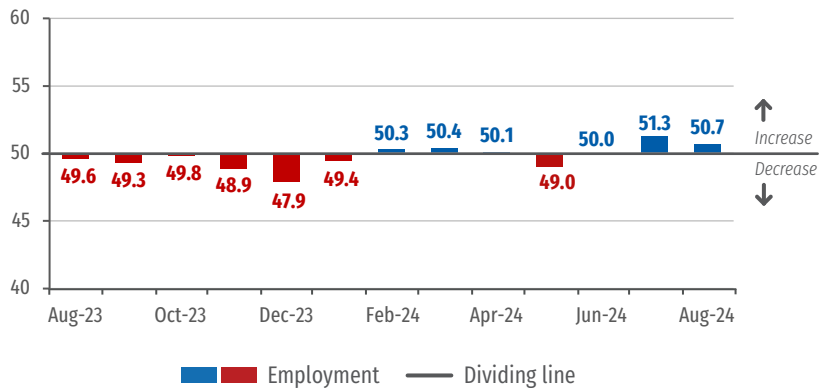
Diffusion index (0 to 100 points)*



*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.



Use of Installed Capacity Advanced in August

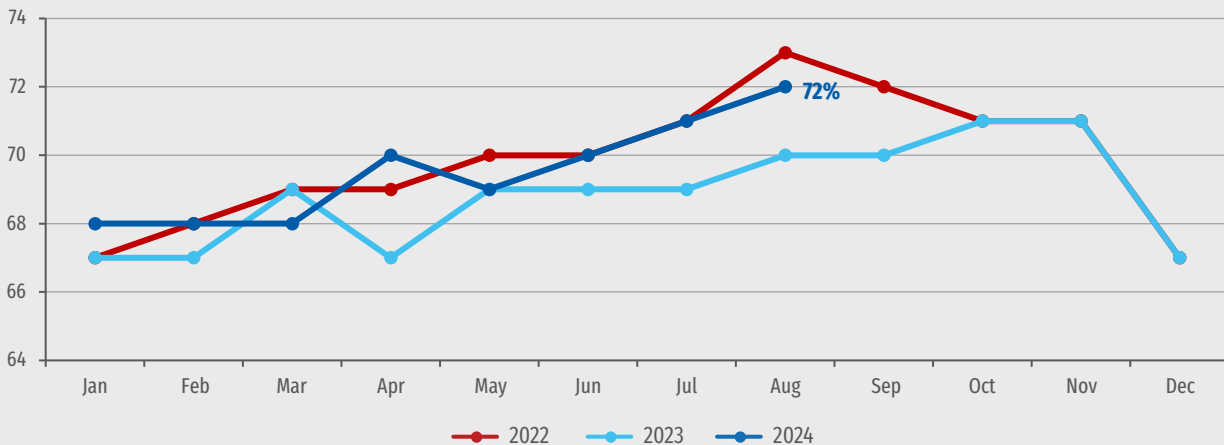
The industrial Capacity Utilization (UCI) reached 72% in August 2024, after advancing 1 percentage point (p.p.) compared to July. The UCI remains at a high level in August: in the month, the percentage of Capacity Utilization exceeds August's average values, indicating more intense use of the sector's installed capacity. The UCI has been above the monthly historical average for four months.

The UCI indices for industries of all sizes (small, medium and large

companies) recorded advances of 1 p.p. between July and August 2024. Among regions, there was UCI advance in most of them, with the exceptions of the south region, where the UCI remained stable from July to August, and the central-west region, where the UCI fell 1 p.p..

The actual to usual capacity utilization index reached 46.2 points in August, after falling 0.6 points compared to July. The decline in the actual to usual capacity utilization index is explained by the decline in the index for large companies, as there was an advance in the indices for small and medium companies. Among regions, only the indices for the north and south regions did not register a decline from July to August.

Capacity Utilization
Percentage (%)



Inventories Remain Below Sector’s Planned Level in August

The inventory evolution index reached 49.6 points in August 2024. Below 50 points, the index reveals a reduction in inventories from July to August. The index is higher than that recorded in the previous three months and, as it approaches the dividing line, reveals a more moderate and less widespread decline in inventories.

The observed reduction in inventories in August is explained by the indices for small and medium industries, which reveal a reduction in stocks from July to August – in the month, the index for large companies signals an increase in inventories.

Among regions, the reduction in inventories was observed only in the index for the north region, which

reached 43.7 points in the month, and in the index for the southeast region, which was at 49.4 points – in other regions there was an increase in inventories.

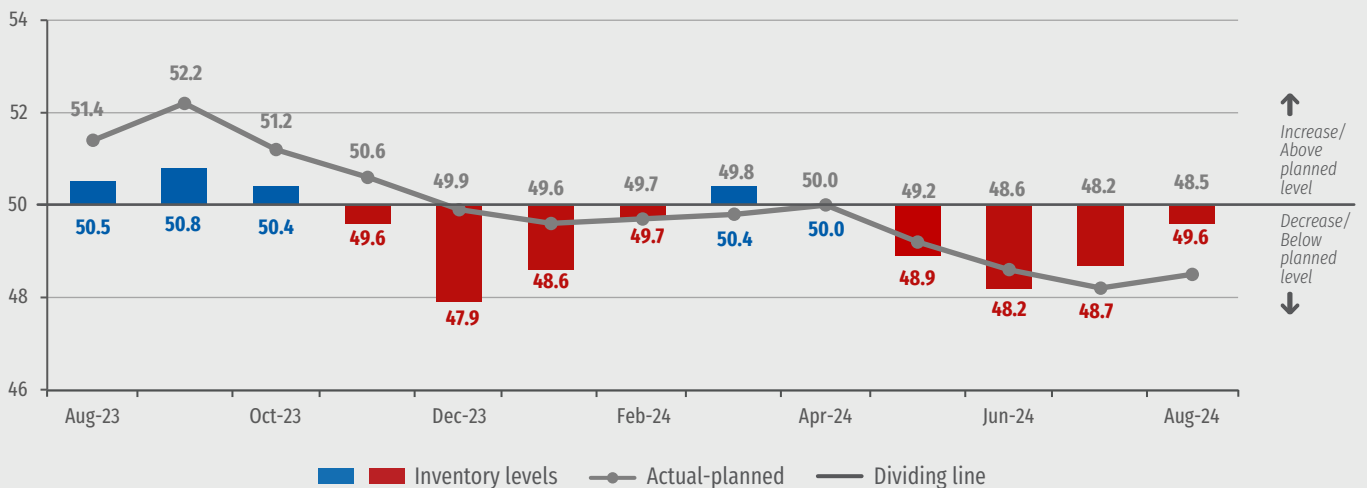
The actual to planned inventory evolution index reached 48.5 points in August, after advancing 0.3 points compared to July. Below the indicator’s dividing line, the month’s result reveals that inventories remain below the level planned by sector’s entrepreneurs. However, it is the first time that the index registers an increase – albeit moderate – after three months of decline.

The advance in this indicator is explained by the index for large industries which, after advancing 0.7 points, reached 50.1 points in August. As the index was practically on the dividing line of 50 points, it denotes inventories adjusted according to the level planned by industrial entrepreneurs.

Among regions, only the indices for the northeast and south regions did not register an advance from July to August. Despite this, all indices remain below the 50 points line.

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 SEPTEMBER 2024

Expectations Indices Reveal Optimism Moderation in September

In September 2024, expectations on demand and purchases of input and raw materials fell, revealing optimism moderation. In the month, only the expectation on exports advanced, while the expectation on the number of employees in the sector remained stable. Nevertheless, all indices remain above 50 points, revealing growth expectations.

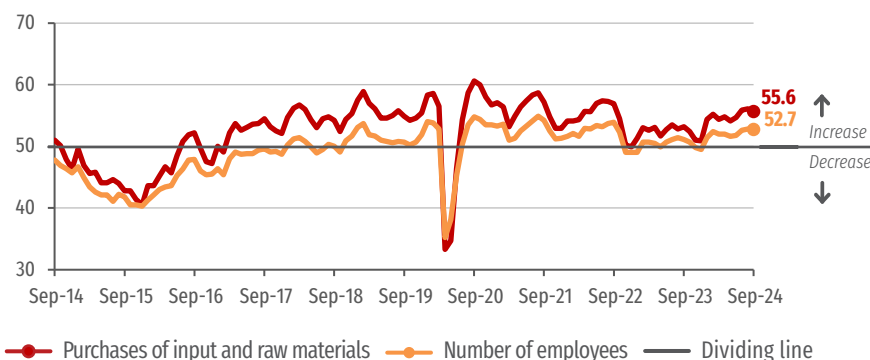
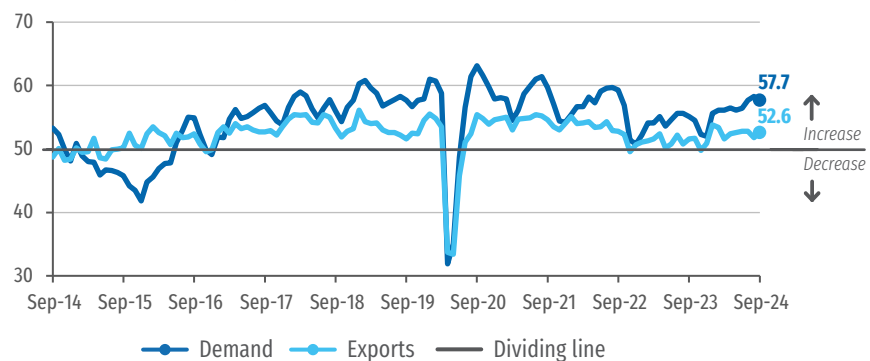
The demand expectation index reached 57.7 points in September 2024, after falling 0.6 points in relation to August. Although the decline was observed in companies of all sizes, all indices remain optimistic. Among regions, most of the indices fell – the exceptions are the indicators for the north and central-west regions –, but still, all remain above 50 points.

The purchase of input and raw material expectation index reached 55.6 points in September, after falling 0.5 points compared to August 2024. Among sizes, only the index for medium companies did not show a decline in September – in the month, the index remained stable in relation to August. Among regions, there was an expansion of optimism in the indicator for the central-west region, stability (-0.1 points) in the index for the north region, and decline in the others. Despite the declines observed in most of the indices among different sizes and regions, all indices remain optimistic.

In September 2024, the number of employees expectation index, which reached 52.7 points, remained practically stable (-0.1 points) in relation to August. Among different sized industries, the indices registered small variations: the one relative to small ones rose,

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.

the one for medium ones remained practically stable and the one for large ones fell. Among regions, the indices for north and northeast regions fell in the month, revealing a reduction in optimism. The index for the southeast region remained practically stable, while those for the south and central-west regions rose. Among sizes and regions, all indices remain optimistic.

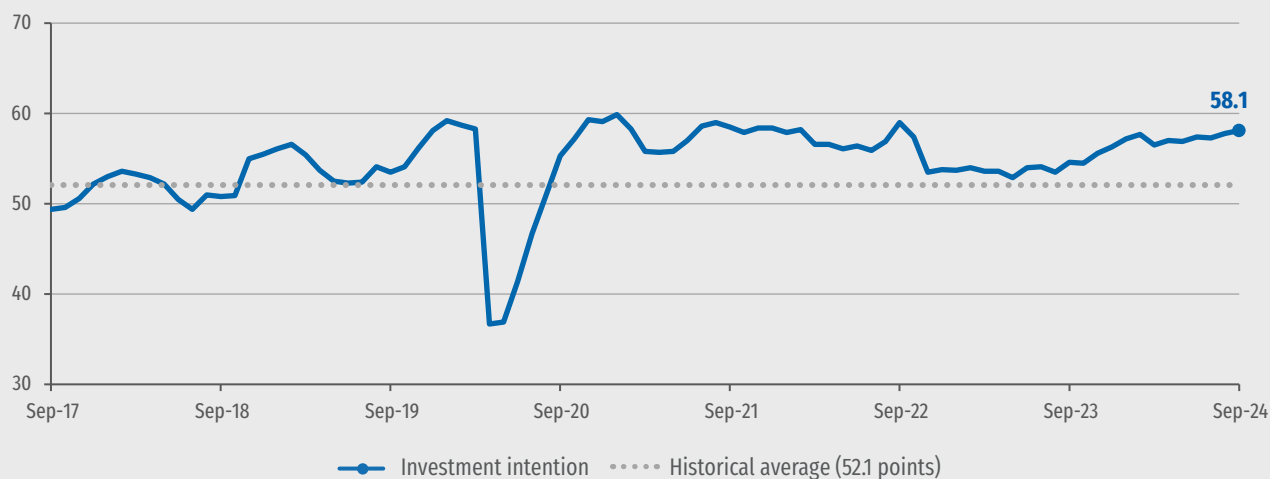
The exports expectation index, the only one to register an advance from August to September (+0.8 points), reached 52.6 points in the month. Among different sized industries, only the index for medium companies declined. Among regions, only the indices for northeast and southeast regions did not register an advance – the index for the northeast region remained stable in the transition between the months, while the index for the southeast region declined. Among sizes and regions, only the index for the south region is below 50 points, revealing pessimistic expectations.

Investment Intention Advanced in September

The investment intention index reached 58.1 points in September 2024, after advancing 0.3 points in relation to August. In the month, the index is positioned 6.0 points above the series' historical average, which is 52.1 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 VOLUION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	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	Aug-23	Jul-24	Aug-24
Total	51.7	54.3	52.2	49.6	51.3	50.7	70	71	72	44.1	46.8	46.2	50.5	48.7	49.6	51.4	48.2	48.5
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	56.5	53.6	52.0	52.9	51.0	51.7	77	72	73	46.2	44.9	45.4	47.6	49.6	50.6	54.5	51.5	55.7
Manufacturing	51.6	54.3	52.2	49.4	51.3	50.7	70	71	73	44.0	46.8	46.2	50.6	48.6	49.6	51.3	48.1	48.3
BY COMPANY SIZE																		
Small ¹	48.8	50.2	49.3	48.6	49.5	49.0	63	64	65	42.9	44.7	45.1	49.4	46.2	47.1	47.0	45.2	45.3
Medium ²	50.7	52.9	52.2	49.4	49.8	50.6	68	69	70	42.3	44.9	45.3	51.3	48.8	49.7	51.6	48.6	48.4
Large ³	53.7	57.1	53.7	50.1	53.0	51.5	75	76	77	45.6	48.9	47.3	50.6	49.9	50.7	53.4	49.4	50.1

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*		
	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24	Sep-23	Aug-24	Sep-24
Total	55.1	58.3	57.7	51.6	51.8	52.6	53.2	56.1	55.6	51.1	52.8	52.7	54.6	57.8	58.1
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	53.4	57.9	57.2	57.6	57.8	57.1	51.3	52.2	53.4	54.2	50.6	51.8	66.8	63.7	62.6
Manufacturing	55.2	58.3	57.7	51.1	51.5	52.3	53.2	56.3	55.6	51.0	52.9	52.8	54.1	57.6	57.9
BY COMPANY SIZE															
Small ¹	55.0	56.9	55.4	51.9	49.7	51.0	53.4	55.4	54.1	51.1	51.7	52.0	41.0	45.2	44.0
Medium ²	53.9	57.2	57.0	51.0	53.8	53.2	52.6	55.2	55.2	51.4	52.3	52.4	52.9	55.5	56.4
Large ³	55.8	59.6	59.3	51.7	51.8	53.1	53.4	57.0	56.5	51.0	53.6	53.2	62.3	65.3	66.0

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.

*Index 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

1,566 enterprises, including 630 small, 557 medium and 379 large companies.

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