

# CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**



## Expectations improve, but construction activity continues to fall

Activity and employment levels continued to fall in the Construction Industry in May, albeit at a slower pace than in the previous five months. Despite this result, optimism of construction entrepreneurs increased in June.

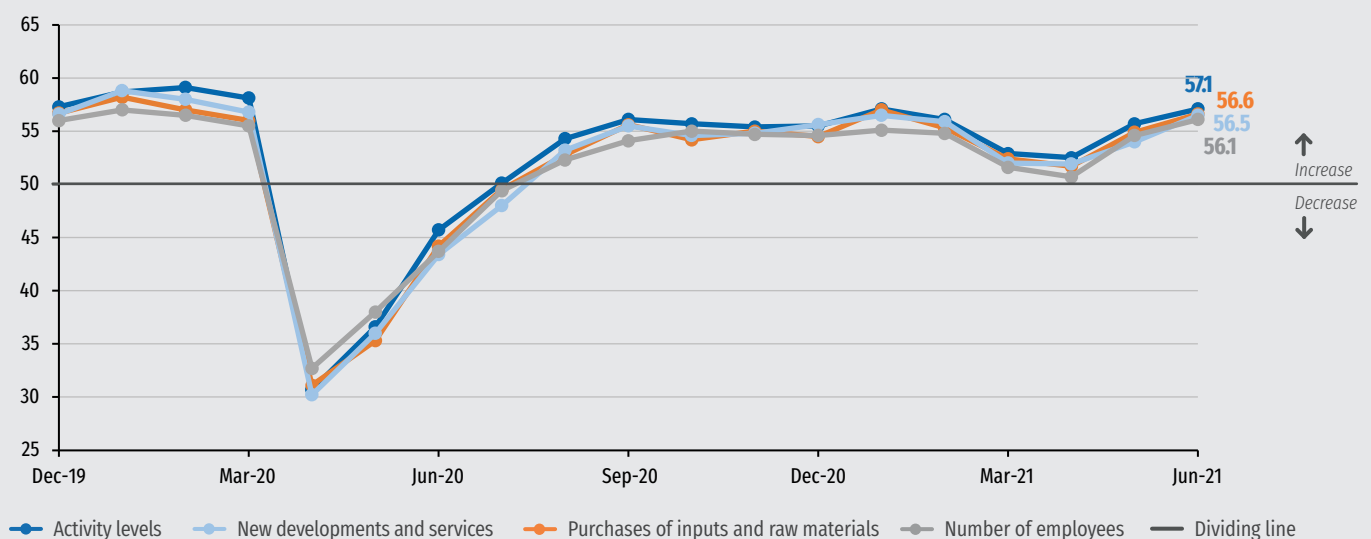
The construction business confidence index grew 2.9 points to 58.9, which

indicates stronger and more widespread confidence in the sector. This is the second consecutive increase in the index after a series of drops that had been occurring from the beginning of 2021 until April.

The indices measuring activity level, new developments, purchase of raw materials, and number of employees expectations for the second half of 2021 also improved.

### 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.

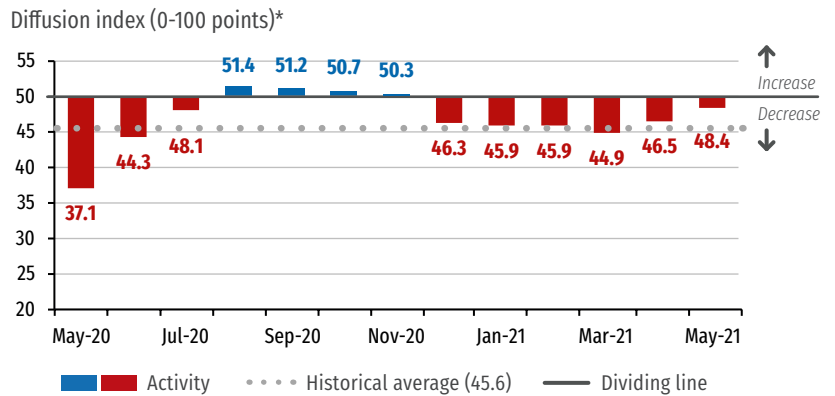
## PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN MAY 2021

### Activity and employment levels continued to fall, although at a slower pace

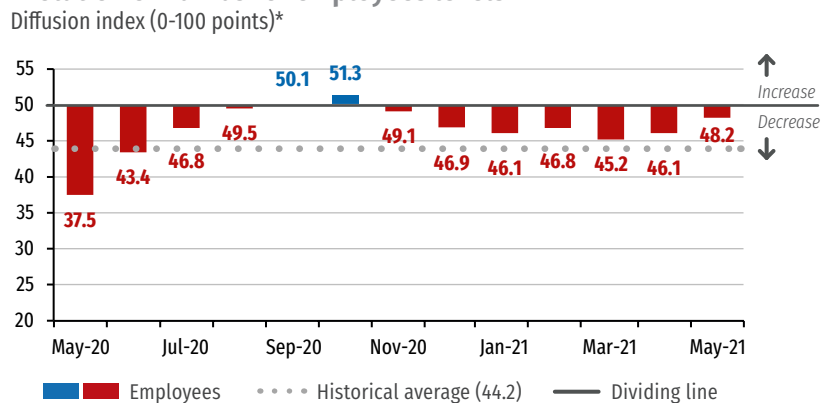
The index measuring the level of activity in the Construction Industry stood at 48.4 points in May. Since it stands below the 50-point dividing line, it indicates a decline in activity compared to the previous month, but at a slower pace than that recorded in April, when the index was at 46.5 points. This was the sixth consecutive month of decline of activity in the sector.

Similarly, the index measuring the number of employees stood at 48.2 points, indicating a drop in relation to the previous month, but at a slower pace than that recorded in April, when it stood at 46.1 points.

#### Evolution of activity levels



#### Evolution of number of employees levels

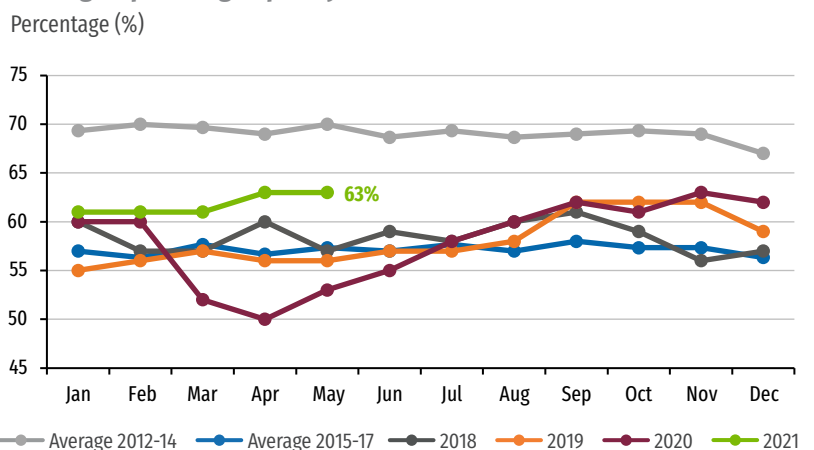


\*Figures above 50 points indicate an increase in activity levels or number of employees compared to previous month. Figures below 50 points indicate a decline in activity and employment levels compared to previous month. The further away from 50 points, the greater and more widespread the change.

### Capacity utilization remains stable

Operating Capacity Utilization remained stable at 63%. The index contrasts with the level recorded in May 2020, when the industry felt the effects of the economic crisis caused by the onset of the COVID-19 pandemic in Brazil. The Operating Capacity Utilization was at 53% in that month.

#### Average operating capacity utilization



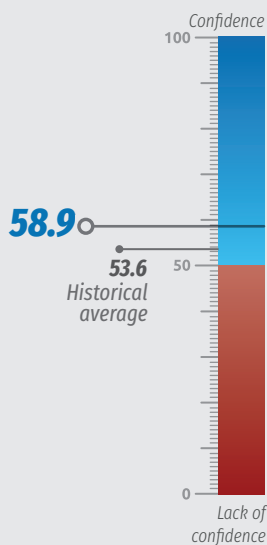
## CONSTRUCTION BUSINESS CONFIDENCE INDEX IN JUNE 2021

### Construction confidence continued to improve in June

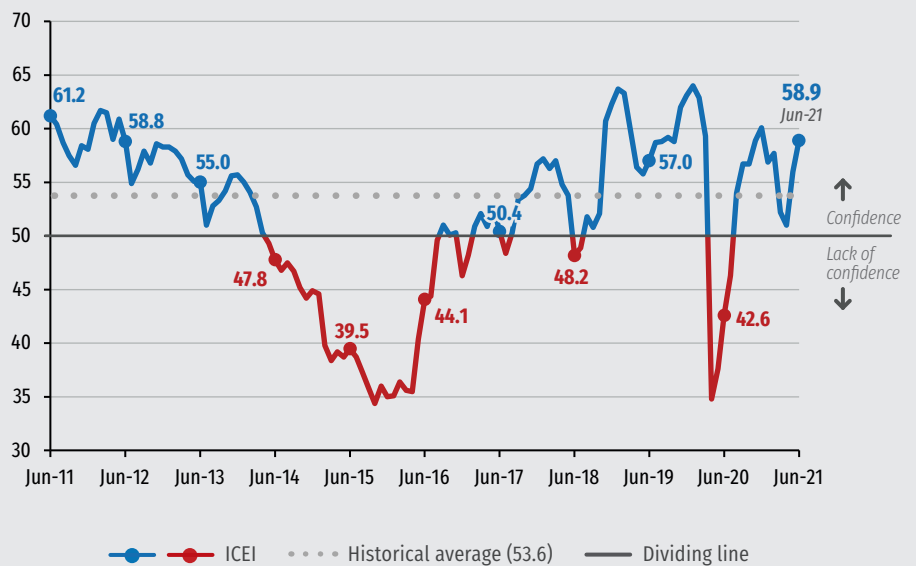
The Construction Business Confidence Index (ICEI-Construction) grew 2.9 points in June, standing at 58.9 points. This result indicates that confidence is becoming stronger and more widespread. This is the second consecutive increase in the index, reversing most of the decline that had been recorded since the beginning of 2021 until April.

The improvement in confidence in June among construction entrepreneurs was mainly due to an improvement in the perception of entrepreneurs about the current conditions of companies and of the Brazilian economy. The Current Conditions Index increased from 47.1 points to 50.9 points. When the index surpasses the 50-point dividing line, it means a transition from a negative to a positive assessment.

**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.

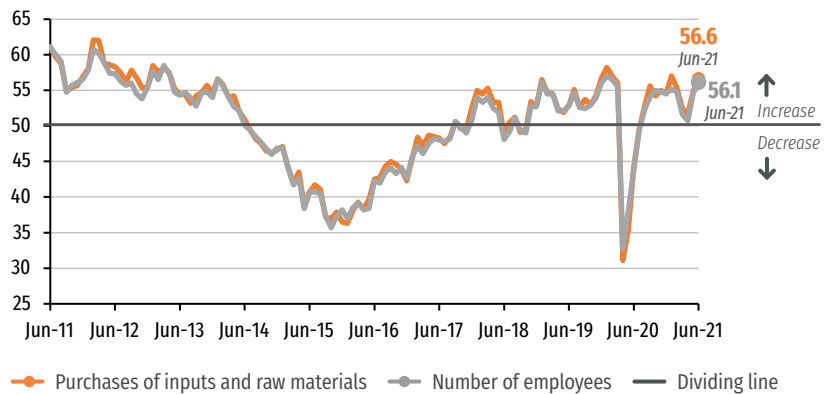
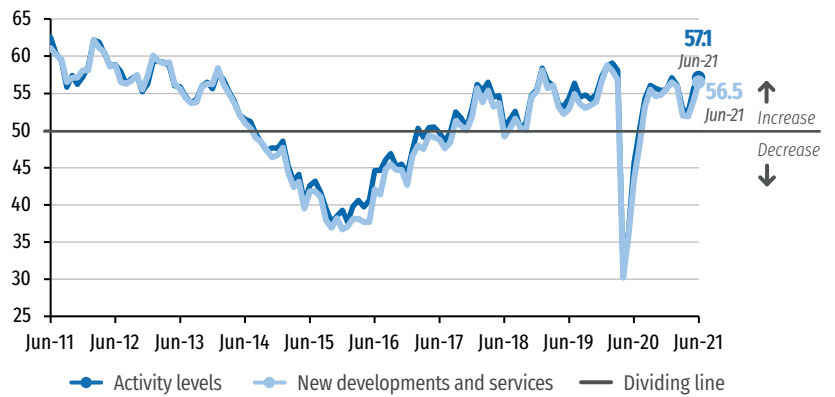
## INDUSTRY EXPECTATIONS IN JUNE 2021

### Construction industry's expectations improved in June

All the indices measuring the expectations of Construction entrepreneurs increased in June 2021. By moving further away from the 50-point line, they indicate a more widespread optimism on the expectations that, in the second half of 2021, activity levels and new developments will increase, as well as the purchase of raw materials and the number of employees in the sector.

#### Expectation indices

Indices (0-100 points)\*



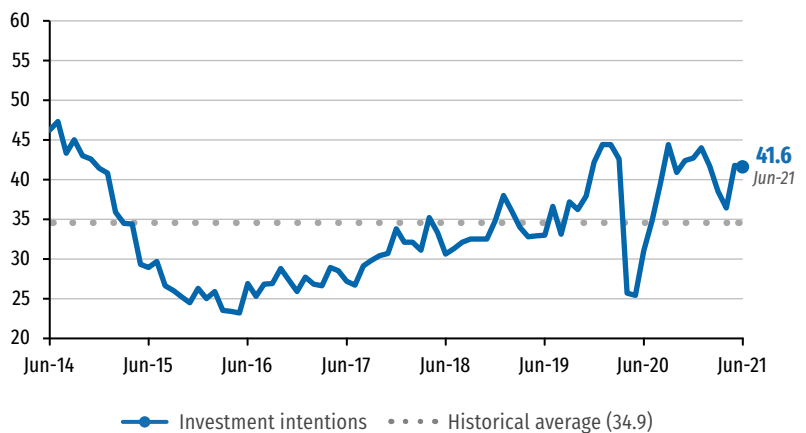
\* Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

### Intention to invest remains stable in June

The index measuring the Construction Industry's intention to invest remained stable between May and June. It dropped 0.2 points, hitting 41.6 points, a level above its historical average.

#### 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 (%) <sup>1</sup>			ACTIVITY LEVEL INDEX <sup>2</sup>			ACTUAL-USUAL ACTIVITY LEVEL INDEX <sup>3</sup>			NUMBER OF EMPLOYEES INDEX <sup>2</sup>		
	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21
<b>CONSTRUCTION</b>	<b>53</b>	<b>63</b>	<b>63</b>	<b>37.1</b>	<b>46.5</b>	<b>48.4</b>	<b>26.6</b>	<b>39.6</b>	<b>41.1</b>	<b>37.5</b>	<b>46.1</b>	<b>48.2</b>
SMALL	48	56	<b>57</b>	34.4	42.8	<b>47.8</b>	24.8	35.0	<b>40.8</b>	36.2	45.5	<b>46.8</b>
MEDIUM	50	61	<b>61</b>	33.0	46.6	<b>48.7</b>	22.5	39.9	<b>41.0</b>	36.1	45.6	<b>49.6</b>
LARGE	57	66	<b>66</b>	40.4	47.8	<b>48.4</b>	29.7	41.2	<b>41.3</b>	38.7	46.7	<b>47.9</b>

### Expectations of construction industry

	EXPECTATIONS INDEXES <sup>4</sup>												INVESTMENT INTENTIONS INDEX <sup>5</sup>		
	ACTIVITY LEVEL			NEW DEVELOPMENTS AND SERVICES			PURCHASES OF INPUTS AND RAW MATERIALS			NUMBER OF EMPLOYEES					
	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21
<b>CONSTRUCTION</b>	<b>45.7</b>	<b>55.7</b>	<b>57.1</b>	<b>43.4</b>	<b>54.0</b>	<b>56.5</b>	<b>44.2</b>	<b>54.9</b>	<b>56.6</b>	<b>43.7</b>	<b>54.6</b>	<b>56.1</b>	<b>31.0</b>	<b>41.8</b>	<b>41.6</b>
SMALL	42.6	56.4	<b>59.3</b>	41.7	52.9	<b>56.2</b>	40.2	53.8	<b>57.4</b>	41.7	51.9	<b>54.9</b>	28.8	40.4	<b>40.6</b>
MEDIUM	45.1	54.7	<b>58.6</b>	41.0	55.3	<b>58.0</b>	42.6	54.1	<b>58.1</b>	42.4	54.6	<b>58.0</b>	30.6	40.4	<b>42.2</b>
LARGE	47.1	56.0	<b>55.5</b>	45.3	53.6	<b>55.8</b>	46.5	55.8	<b>55.5</b>	45.1	55.5	<b>55.5</b>	32.0	43.1	<b>41.6</b>

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

	ICEI - CONSTRUCTION <sup>6</sup>			CURRENT CONDITIONS <sup>7</sup>			EXPECTATIONS <sup>8</sup>		
	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21
<b>CONSTRUCTION</b>	<b>42.6</b>	<b>56.0</b>	<b>58.9</b>	<b>30.1</b>	<b>47.1</b>	<b>50.9</b>	<b>48.9</b>	<b>60.5</b>	<b>62.9</b>
SMALL	41.1	53.7	<b>58.4</b>	28.2	44.4	<b>50.1</b>	47.5	58.3	<b>62.6</b>
MEDIUM	42.7	58.0	<b>59.2</b>	28.4	48.7	<b>51.6</b>	49.8	62.6	<b>63.0</b>
LARGE	43.2	55.8	<b>58.9</b>	31.7	47.1	<b>50.8</b>	48.9	60.1	<b>63.0</b>

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

462 enterprises, including 179 small, 188 medium and 95 large companies.

##### Data collection period

June, 1-14, 2021.

Document closed by June 24, 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](http://www.cni.com.br/e_sondconstr)

**CONSTRUCTION INDUSTRY SURVEY** | English version of "Sondagem Indústria da Construção Maio 2021" | Monthly Publication of the National Confederation of Industry - CNI | [www.cni.com.br](http://www.cni.com.br) | Board of Industrial Development and Economy - DDIE | Economics Office - ECON | Economics Executive Officer: Renato da Fonseca | Economic Analysis Unit - GAE | Manager: Marcelo Souza Azevedo | Analysis: Larissa Nocko and Ieda Vasconcelos (CBIC) | Statistics Unit | Manager: Edson Velloso | Team: Aretha Silicia Lopez Soares | Editing Unit - CDIV | Coordinator: Carla Gadelha | Graphic Design: Simone Marcia Broch

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