

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**

CBIC **CNI** Brazilian National Confederation of Industry

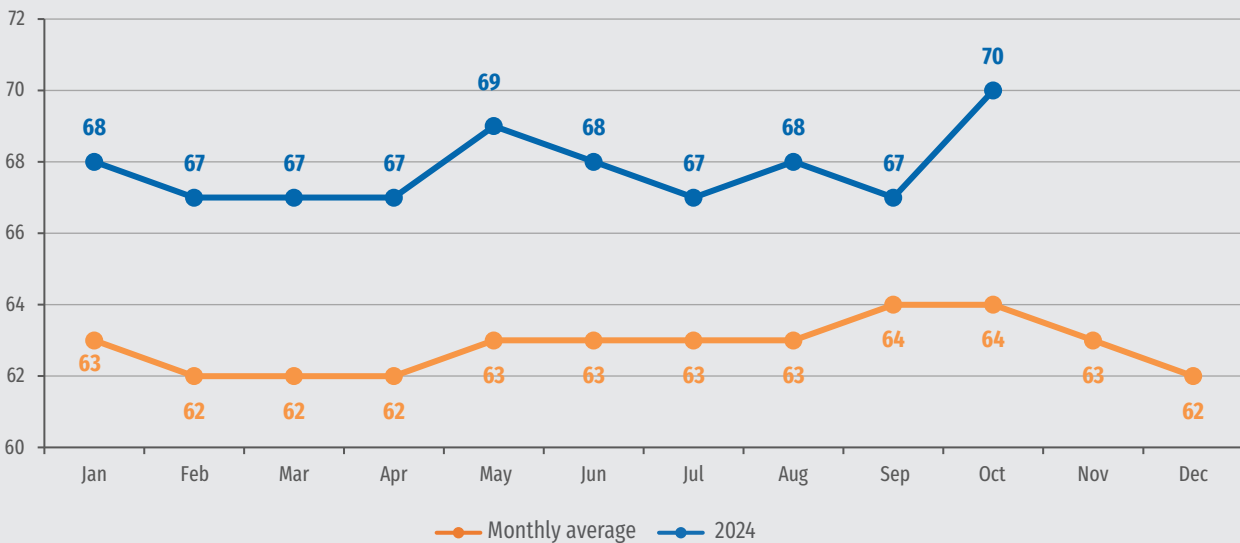
Operating capacity utilization is high

In October, construction business owners assessed that the evolution of the level of activity and the number of employees in their companies were more favorable than usual for the month. In addition, the use of operational capacity reflects the stronger performance and

recorded an increase of 3 percentage points, to 70%, the highest percentage for the month since 2013.

Despite this, business confidence became more moderate in November 2024. The Industrial Entrepreneur Confidence Index (ICEI) for construction fell 0.7 points, mainly due to the worsening of business owners' assessment of current conditions, but also due to a reduction in optimism for the next six months.

Average utilization of operating capacity
Percentage (%)



PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN OCTOBER 2024

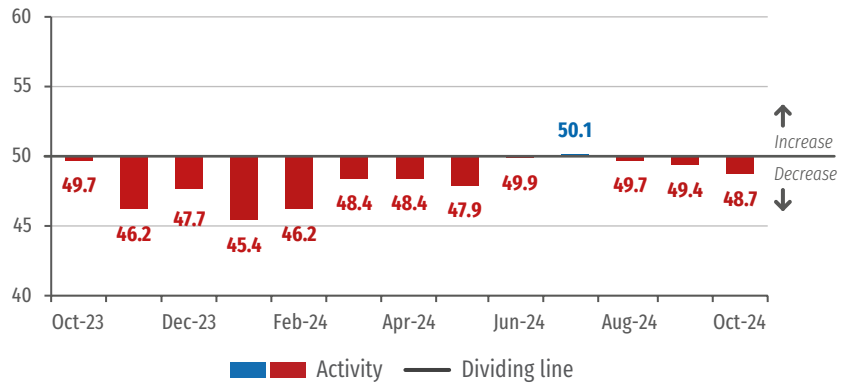
Better performance than usual for the month

The evolution index of the level of activity in the construction industry was 48.7 points in October 2024. The value is 1 point above the historical average for the month of October (47.7 points), showing that business owners assess the evolution of the sector's activity level in October 2024 as better than usual for the month.

The evolution index of the number of employees was 47.5 points in October. As it is 1.2 points above the historical average of the indicator for the month of October (46.3 points), it reveals that business owners perceive a more favorable evolution of the number of employees than usual.

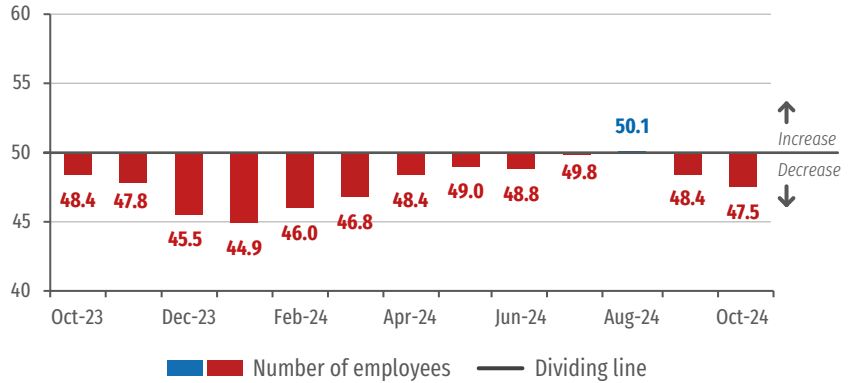
Activity level evolution

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.

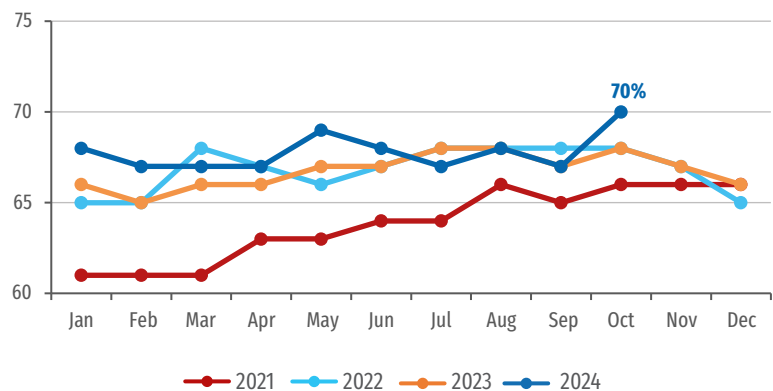
Strong increase in operational capacity utilization

The use of operational capacity (UCO) reached 70% in October 2024, after an advance of 3 percentage points compared to September. The last year in which the UCO reached 70% in October was in 2013, when it recorded 71%. The UCO of September 2024 is 6 percentage points above the average for the months of October in the series, 64%.

All sectors register UCO above the usual for the period. In the building construction sector, the UCO was 64%, compared to an average for the month of October of 61%; in infrastructure works, the UCO was 68%, compared to an average of 62%; and finally, in specialized services for construction, the UCO was 71%, compared to an average of 66%.

Utilization of Operational Capacity

Percentage (%)



CONSTRUCTION INDUSTRY BUSINESS CONFIDENCE INDEX IN NOVEMBER 2024

Business confidence declines in November

The Industrial Entrepreneur Confidence Index (ICEI) for construction fell 0.7 points from October to November 2024, to 53.8 points. As it approaches the 50-point line, the ICEI for construction reveals a reduction in construction business owners' confidence in the month.

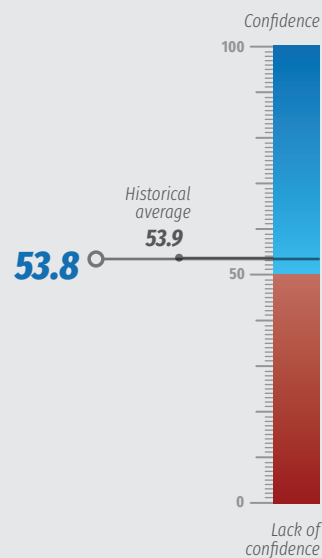
Unlike what was observed for the construction industry as a whole, the confidence of infrastructure works business owners increased, going from 51.4 points in October to 53.7 points in November. There was a decline in the other sectors: building construction (from 54.4 points to 53.0 points) and specialized services for construction (from 53.0 points to 51.1 points).

The decline in the ICEI in November was due to the worsening of business owners' assessments both in relation to current conditions and in relation to expectations.

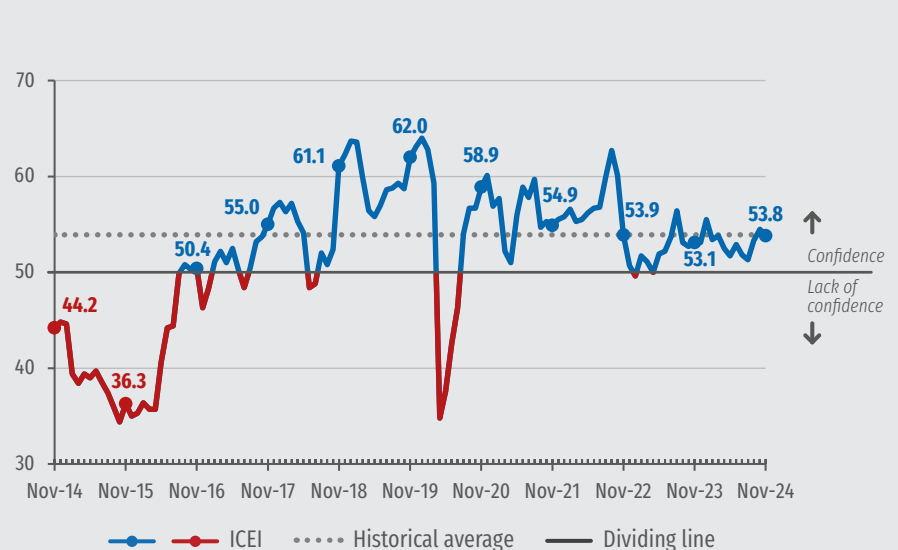
The current conditions index fell 1.1 points in the transition between October and November, virtually reversing the entire increase of the previous month and reaching 48.9 points in the month. With the drop, the index is again below the 50-point dividing line, which shows that business owners began to perceive a worsening of current conditions. The index fell for all sectors, especially building construction and specialized services for construction.

The expectations index, in turn, fell 0.5 points between October and November 2024, to 56.2 points, revealing a moderation of optimism for the next six months. Indices of all sectors continue to indicate business owners' optimism, but while a reduction in the indices of building construction (-1.4 points, to 55.5 points) and specialized services for construction (-2.0 points, to 53 points) is perceived, the infrastructure works index increased (3.9 points, to 56.7 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 NOVEMBER 2024

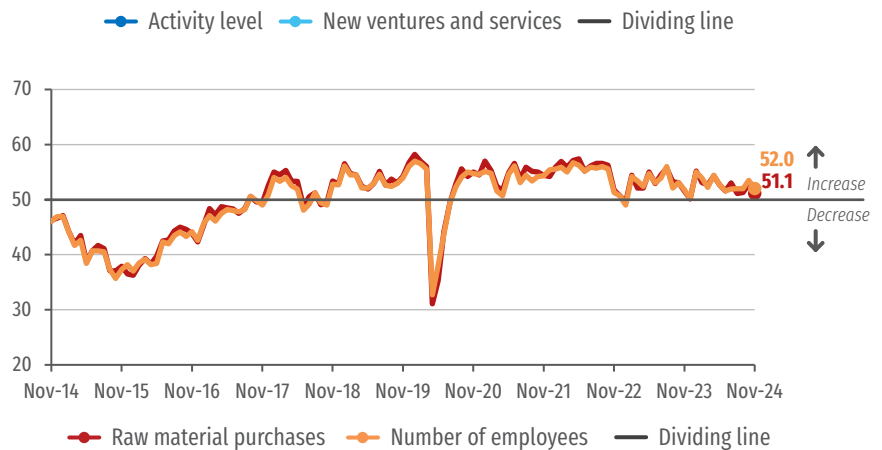
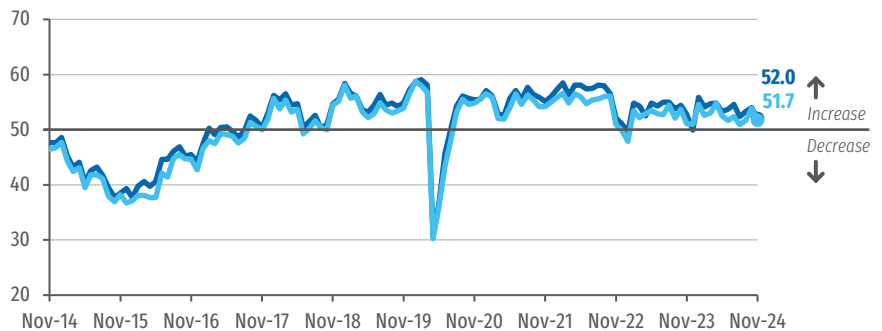
Optimism for the coming months declines in November

In November 2024, the expectation indices for the level of activity, new ventures and services, purchases of inputs and raw materials, and the number of employees declined. Except for the index related to the level of activity, the indices reversed the increases of the previous month; in the case of the level of activity, the decline in the index and, consequently, in optimism, was stronger than the increase of the previous month. Despite this, all indicators were above the 50-point dividing line, revealing an expectation of growth for the next six months.

The expectation index for the level of activity fell to 52 points in November 2024, after a drop of 2.0 points compared to October; that of new ventures and services fell to 51.7 points, after a drop of 2.2 points; the one related to purchases of inputs and raw materials was 51.1 points after a drop of 1.7 points; and the expectation index for the number of employees fell to 52 points, after a drop of 1.5 points.

Expectations indices

Indices (0 to 100 points)*



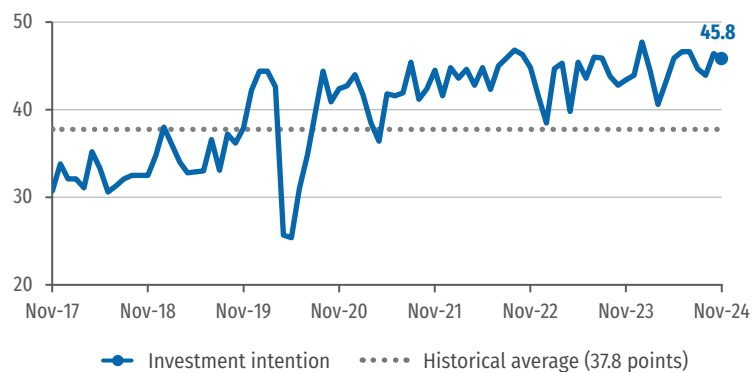
**Values above 50 points indicate an expectation of growth. Values below 50 points indicate an expectation of decline. The further away from 50 points, the greater and more widespread is the expected variation.

Investment intention declined in November

In November 2024, the investment intention index of the construction industry fell 0.6 points, to 45.8 points. The drop only partially reverses the strong advance of October, of 2.5 points, which had been recorded in the previous month. Even with the drop, the November index is 8.0 points above the historical average of the indicator, 37.8 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		
	Oct-23	Sep-24	Oct-24	Oct-23	Sep-24	Oct-24	Oct-23	Sep-24	Oct-24	Oct-23	Sep-24	Oct-24
SURVEY	68	67	70	49.7	49.4	48.7	46.5	45.7	45.1	48.4	48.4	47.5
Small	61	62	62	46.1	49.2	47.4	41.5	44.6	43.5	44.4	47.7	45.8
Medium	65	67	67	50.3	49.6	46.5	45.4	44.2	44.9	49.5	48.4	46.7
Large	72	68	74	50.7	49.3	50.4	49.0	47.0	45.8	49.3	48.6	48.5

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					
	Nov-23	Oct-24	Nov-24	Nov-23	Oct-24	Nov-24	Nov-23	Oct-24	Nov-24	Nov-23	Oct-24	Nov-24	Nov-23	Oct-24	Nov-24
SURVEY	52.8	54.0	52.0	51.1	53.9	51.7	51.6	52.8	51.1	51.8	53.5	52.0	43.4	46.4	45.8
Small	48.3	52.1	48.6	46.5	52.0	48.2	47.0	51.0	49.0	47.6	51.2	48.4	36.2	41.4	40.0
Medium	51.7	50.2	49.7	49.1	50.4	49.5	50.9	50.6	49.0	49.5	50.8	50.5	39.4	42.0	44.4
Large	55.0	56.8	54.6	54.0	56.5	54.2	53.7	54.8	53.1	54.7	55.8	54.2	48.3	50.7	48.8

Construction Industry Business Confidence Index and its components

	ICEI – CONSTRUCTION ⁶			INDEX OF CURRENT CONDITIONS ⁷			EXPECTATIONS INDEX ⁸		
	Nov-23	Oct-24	Nov-24	Nov-23	Oct-24	Nov-24	Nov-23	Oct-24	Nov-24
SURVEY	53.1	54.5	53.8	47.9	50.0	48.9	55.7	56.7	56.2
Small	50.1	52.4	51.9	46.1	47.7	47.6	52.1	54.7	54.1
Medium	51.5	52.8	52.2	46.2	49.1	46.5	54.1	54.6	55.0
Large	55.1	56.2	55.4	49.5	51.4	50.8	57.9	58.6	57.7

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

332 companies: 124 small, 143 medium and 65 large.

Collection period

1 to 12 November 2024.

Document completed on November 25, 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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