

Business Tendency Survey September 2024



In September 2024, the **Retail Confidence Index (RCI) stood at 12.2%**, which represented a decrease of **1.6 percentage points (pp) compared to the previous month (RCI August 2024: 13.8%)**. The lower retail confidence was explained by an increase of 6.3 pp in the stock level, partially offset by a rise of 1.4 pp in the perception of the current economic situation of the company or business. Meanwhile, expectations for the economic situation over the next semester remained constant compared to the previous month. Compared to the same month of the previous year, the RCI decreased by 2.9 pp (RCI September 2023: 15.1%).

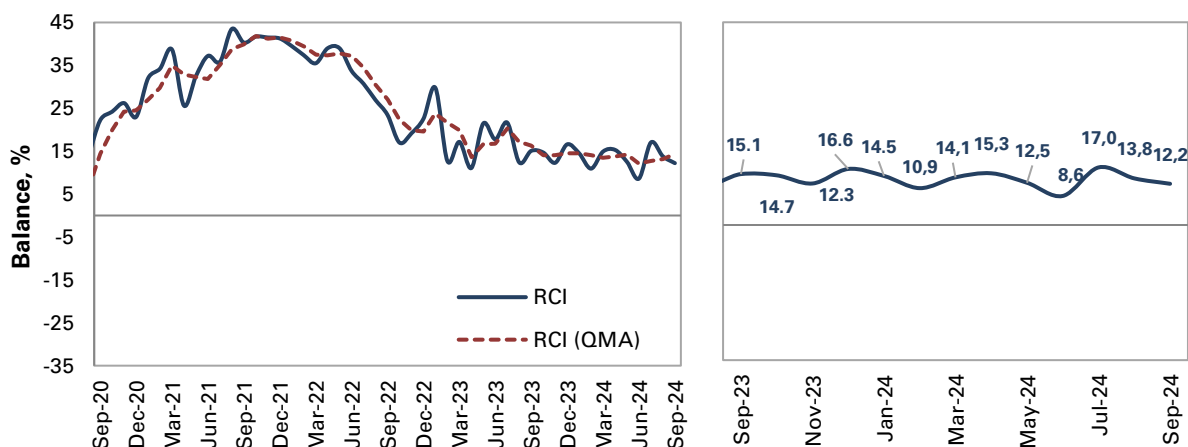
Meanwhile, the **Industrial Confidence Index (ICI) stood at 1.3% for September 2024, showing an increase of 2.7 pp compared to the previous month (ICI August 2024: -1.4%)**. The positive monthly variation in industrial confidence in September was explained by an increase of 3.5 pp in the current volume of orders, a rise of 2.4 pp in production expectations for the next quarter, and a reduction of 2.4 pp in the stock level. Compared to September 2023, the ICI increased by 0.5 pp (ICI September 2023: 0.8%).

Expectations for employment generation in the industrial sector for the next quarter increased by 3.6 pp compared to the April – June quarter (4.6% in September 2024 vs. 1.0% in June 2024) and rose by 1.3 pp compared to the same quarter of the previous year (3.3%). Meanwhile, the perception of industrialists regarding the presence of smuggling **activities stood at 7.6%, constituting an increase of 2.3 pp compared to the previous quarter (5.3%)** and a rise of 8.6 pp compared to the same quarter analyzed for the year 2023 (-1.0%).

Retail Confidence Index – RCI

In September 2024, the Retail Confidence Index (RCI) stood at 12.2%, which represented a decrease of 1.6 percentage points (pp) compared to the previous month (13.8%). Additionally, the RCI showed a reduction of 2.9 pp compared to September 2023 (15.1%). Meanwhile, the quarterly moving average stood at 14.3%, representing an increase of 1.2 pp compared to the same indicator for August 2024 (13.1%) and a decrease of 2.1 pp compared to the same indicator for September 2023 (16.4%).

Graph 1. Retail Confidence Index (RCI)



Source: Business Tendency Survey (BTS) – Fedesarrollo.

*QMA: 3 Month moving average.

The RCI comprises three elements: **the perception of the current economic situation of the company or business, the level of stock, and the expectations for the economic situation for the next semester**. The results for September 2023, August 2024, and September 2024 are presented in Table 1.

Table 1. Evolution of Retail Confidence Index Components

Component (Balance, %)	2023		2024
	September	August	September
Business current economic situation	31,6	25,4	26,8
Level of stocks	10,2	2,5	8,8
Expectations about the economic situation for the next semester	23,9	18,5	18,5
Retail Confidence Index - RCI	15,1	13,8	12,2

Source: Business Tendency Survey (BTS) – Fedesarrollo.

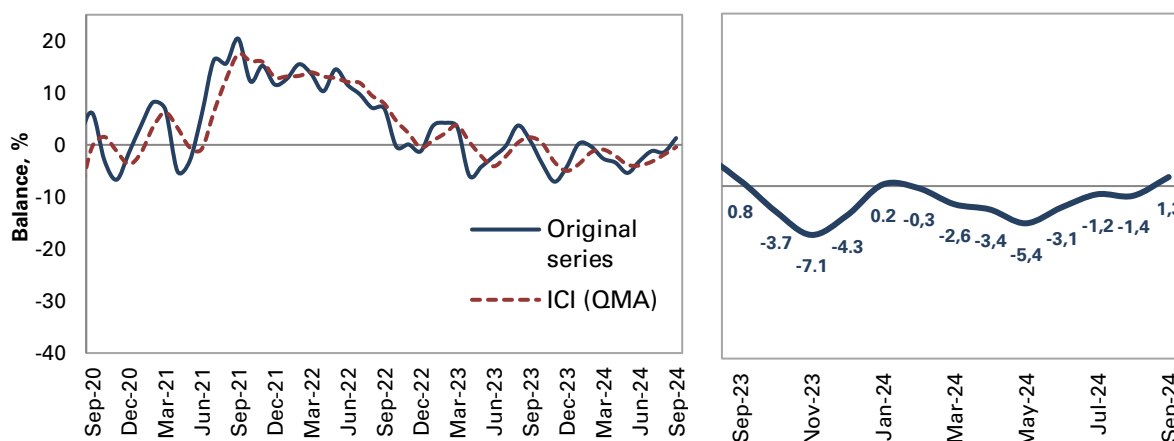
The lower confidence of retailers in September 2024 compared to the previous month was due to a 6.3 percentage point (pp) increase in the stock level, partially offset by a 1.4 pp increase in the perception of the current economic situation of the company or business. Meanwhile, expectations for the economic situation for the next semester

remained constant compared to August 2024 (18.5%). On an annual basis, the decline in retailers' confidence was explained by a 5.4 pp decrease in expectations for the economic situation for the next semester and a 4.8 pp reduction in the perception of the current economic situation of the company or business. In contrast, the stock level decreased by 1.4 pp compared to September 2023.

Industrial Confidence Index – ICI

The Industrial Confidence Index (ICI) stood at 1.3% in September 2024. With this, the ICI showed an increase of 2.7 percentage points (pp) compared to the previous month (ICI August 2024: -1.4%) and a rise of 0.5 pp compared to the same month in 2023 (ICI September 2023: 0.8%) (Graph 2). Meanwhile, the quarterly moving average stood at -0.4%, representing an increase of 1.5 pp compared to the same indicator for August 2024 (-1.9%) and a decrease of 1.9 pp compared to the same indicator for September 2023 (1.5%).

Graph 2. Industrial Confidence Index (ICI)



Source: Business Tendency Survey (BTS) – Fedesarrollo.

*QMA: 3 Month moving average.

The ICI is composed of three components: **stock level, current volume of orders, and production expectations for the next quarter**. The results for September 2023, August 2024, and September 2024 are presented in Table 2.

Table 2. Evolution of Industrial Confidence Index Components

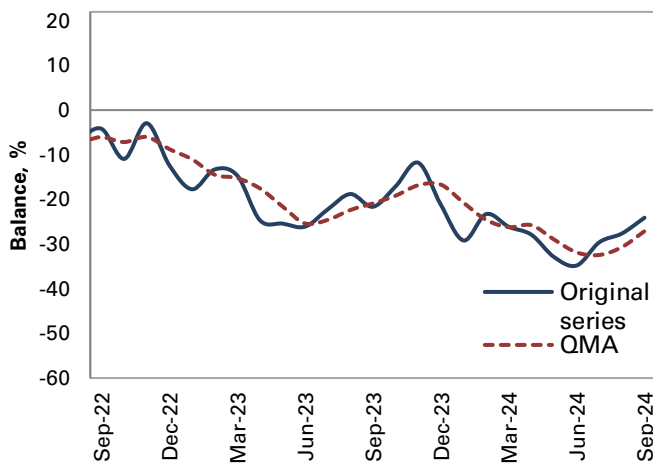
Component (Balance, %)	2023		2024	
	September	August	August	September
Level of stocks	3,2	0,8	-1,6	-1,6
Current volume of orders	-21,6	-27,6	-24,1	-24,1
Production expectations for the next quarter	27,3	24,2	26,6	26,6
Industrial Confidence Index – ICI	0,8	-1,4	1,3	1,3

Source: Business Tendency Survey (BTS) – Fedesarrollo.

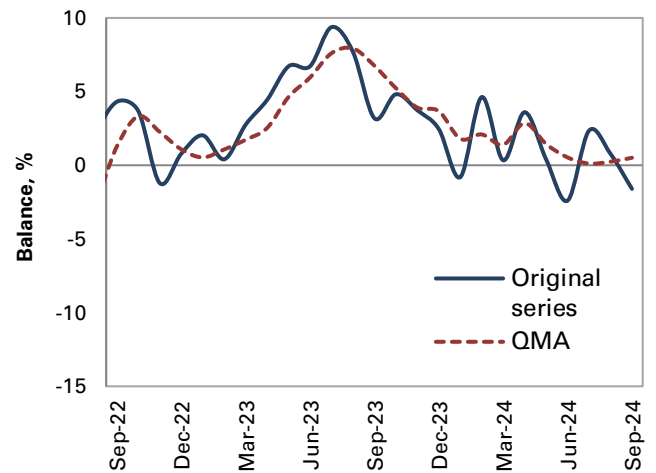
The positive monthly variation in industrial confidence in September was explained by a 3.5 percentage point (pp) increase in the current volume of orders, a 2.4 pp rise in production expectations for the next quarter, and a 2.4 pp reduction in the stock level. On an annual basis, the increase in industrial confidence was mainly explained by a 4.8 pp decrease in the stock level. However, the current volume of orders showed a decrease of 2.5 pp, and production expectations for the next quarter fell by 0.7 pp compared to September 2023.

Graph 3. Industrial Confidence Index Components

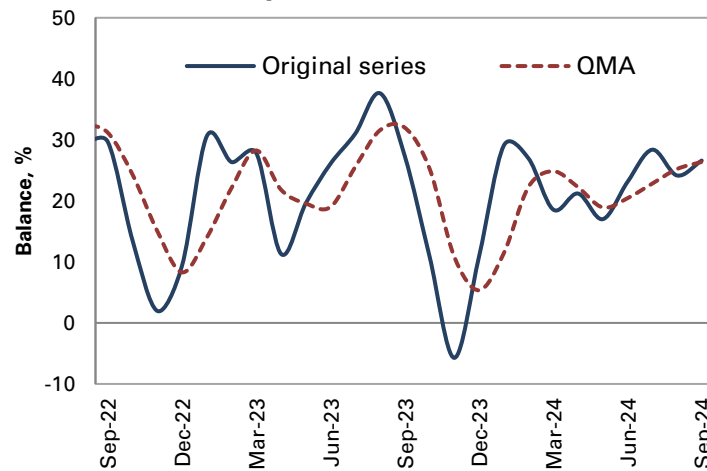
A. Current volume of orders



B. Level of stocks



C. Production expectations for the next trimester



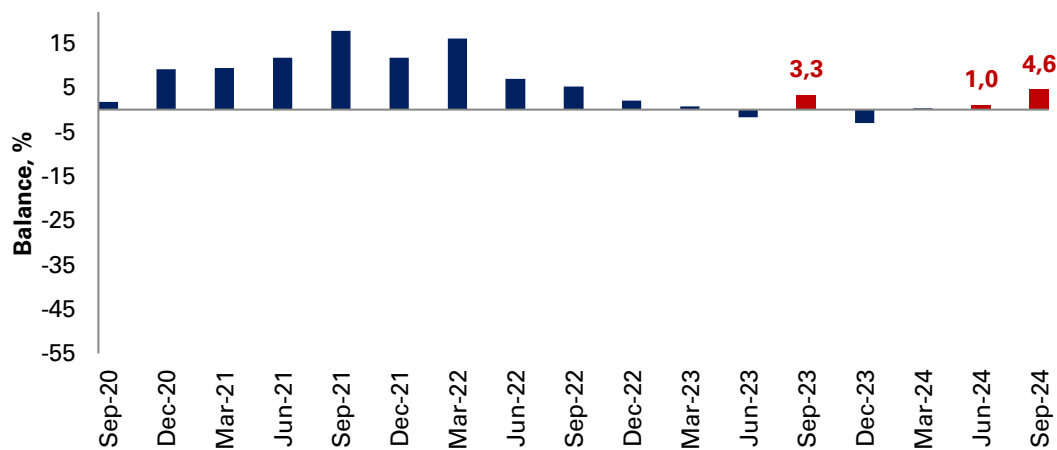
Source: Business Tendency Survey (BTS) – Fedesarrollo.
*QMA: 3 Month moving average.

Quarterly Module:

Employment Expectations and Smuggling Activities Perception¹

In September, the balance of expectations regarding the number of people employed for the next quarter stood at 4.6%, representing an increase of 3.6 percentage points (pp) compared to the previous quarter (1.0%) and 1.3 pp compared to the same quarter in 2023 (3.3%) (Graph 4). The disaggregated results show that 16.4% of respondents believe that employment generation in the industry will increase during the next quarter, around 71.8% believe it will remain the same, while 11.8% of respondents think employment will decrease (vs. increase: 12.4%, same: 76.2%, and decrease: 11.4% in June 2024).

Graph 4. Employment expectations in the industry

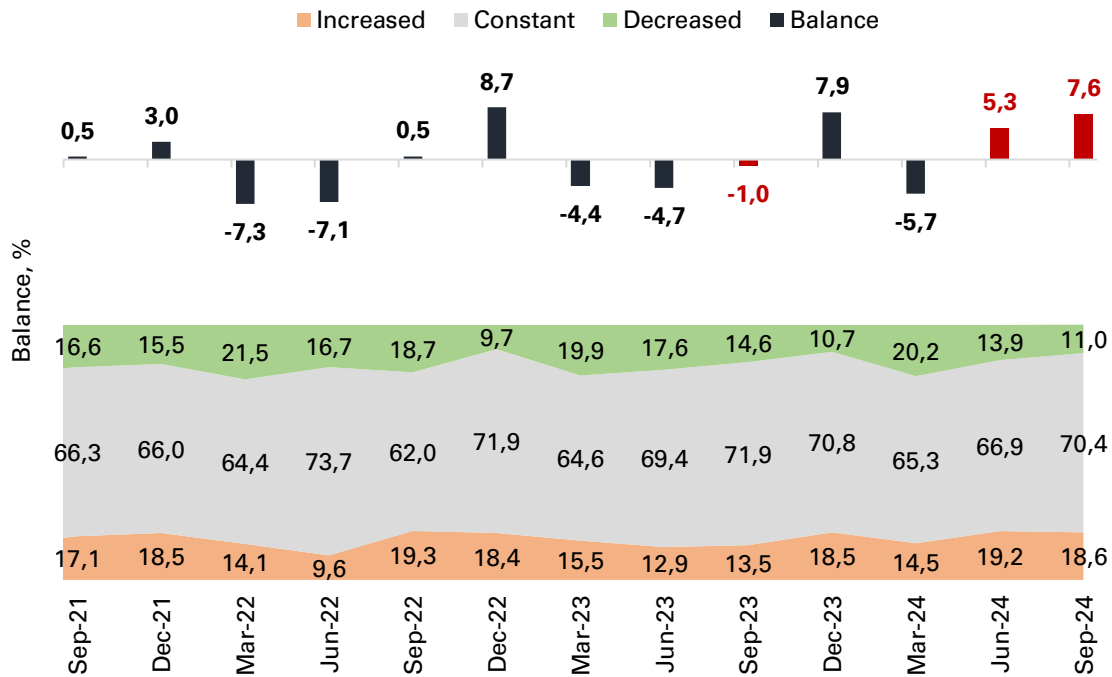


Source: Business Tendency Survey (BTS) – Fedesarrollo.

Meanwhile, the perception of entrepreneurs regarding the presence of smuggling in the industry showed a balance of 7.6% in September 2024, representing an increase of 2.3 percentage points (pp) compared to the result in June (5.3%) and an increase of 8.6 pp compared to September 2023 (-1.0%). Specifically, 18.6% of respondents stated that smuggling increased during the July – September quarter compared to the previous quarter, 70.4% indicated it remained the same, while the remaining 11.0% considered it to be lower (vs. increase: 19.2%, same: 66.9%, and decrease: 13.9% in June 2024) (Graph 5).

¹ The Business Opinion Survey includes a quarterly module that investigates entrepreneurs' perceptions regarding employment expectations and smuggling in the industry.

Graph 5. Perception about smuggling in similar activities



Source: Business Tendency Survey (BTS) – Fedesarrollo.



**Contact us if you would like to have access to
disaggregated results by region, industrial
sector and other survey questions**

+57 1 3259777 ext. 340
comercial@fedesarrollo.org.co

Published October 28, 2024

Comments to Nicolás Montoya González: nmontoya@fedesarrollo.org.co