

Business Tendency Survey December 2024



In December 2024, the **Retail Confidence Index (RCI)** stood at **20.6%**, which represented an increase of **3.0 percentage points (pp)** compared to the previous month (**RCI November 2024: 17.6%**). The higher retail confidence was explained by an increase of 4.4 pp in the expectations for the economic situation over the next semester the stock level, the fall of 5,0 pp in the level of stocks and a decrease of 0,1 pp in the perception of the current economic situation of the company or business. Compared to the same month of the previous year, the RCI decreased by 4.0 pp (RCI December 2023: 16.6%).

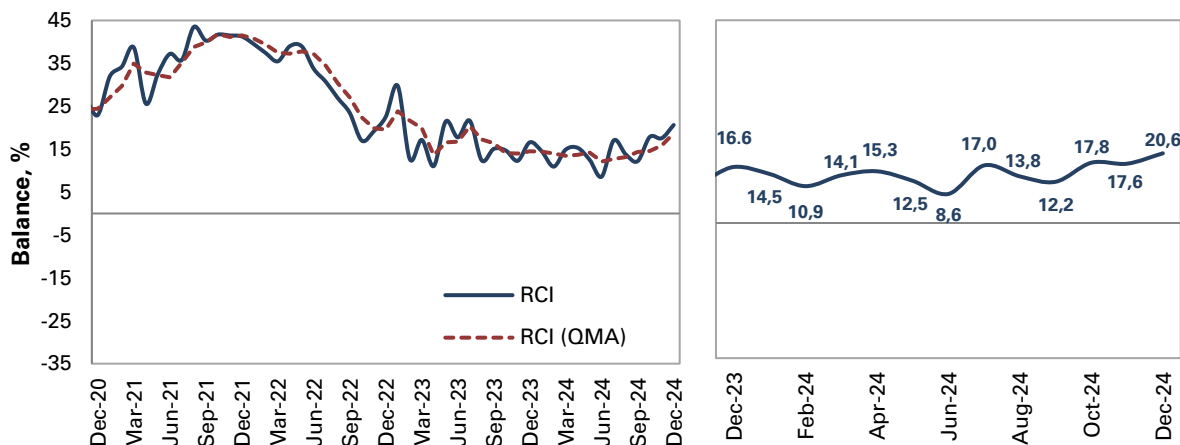
Meanwhile, the **Industrial Confidence Index (ICI)** stood at **-0.2%** for **December 2024**, showing an increase of **2.6 pp** compared to the previous month (**ICI November 2024: -2.8%**). The positive monthly variation in industrial confidence in December was explained by an increase of 12.8 pp in production expectations for the next quarter, a fall of 1,2pp in the level of stocks, and a decrease of of 5,9 pp in the current volume of orders. Compared to December 2023, the ICI increased by 4.1 pp (ICI December 2023: -4.3%).

Expectations for employment generation in the industrial sector for the next quarter increased by 1.5 pp compared to the July – September quarter (6.1% in December 2024 vs. 4.6% in September 2024) and rose by 9.2 pp compared to the same quarter of the previous year (-3.1%). Meanwhile, the perception of industrialists regarding the presence of smuggling **activities stood at 3.4%**, constituting a decrease of **4.2 pp** compared to the previous quarter (**7.6%**) and a rise of 6.8 pp compared to the same quarter analyzed for the year 2023 (-3.4%).

Retail Confidence Index – RCI

In December 2024, the Retail Confidence Index (RCI) stood at 20.6%, which represented an increase of 3.0 percentage points (pp) compared to the previous month (17.6%). Additionally, the RCI showed a rise of 4.0 pp compared to December 2023 (16.6%). Meanwhile, the quarterly moving average stood at 18.7%, representing an increase of 2.8 pp compared to the same indicator for November 2024 (15.9%) and an increase of 4.2 pp compared to the same indicator for December 2023 (14.5%).

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 December 2023, November 2024, and December 2024 are presented in Table 1.

Table 1. Evolution of Retail Confidence Index Components

Component (Balance, %)	2023		2024
	December	November	December
Business current economic situation	34,0	34,8	34,7
Level of stocks	5,4	3,0	-2,0
Expectations about the economic situation for the next semester	21,2	20,8	25,3
Retail Confidence Index - RCI	16,6	17,6	20,6

Source: Business Tendency Survey (BTS) – Fedesarrollo.

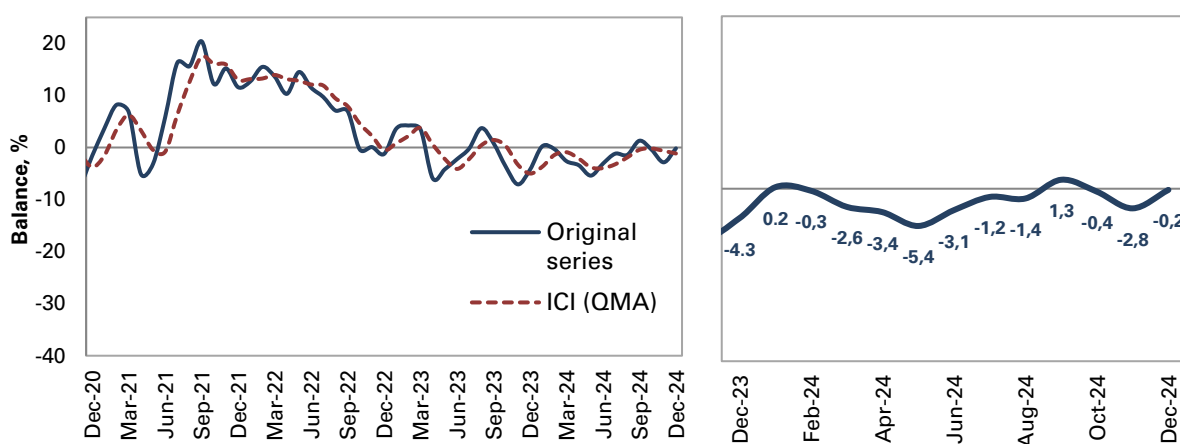
The higher confidence of retailers in December 2024 compared to the previous month was due to a 4.4 percentage point (pp) increase in the expectations for the economic situation for the next semester stock level, a 5.0 pp fall in the level of stocks, and a decrease of 0.1 pp in the perception of the current economic situation of the company

or business. On an annual basis, the rise in retailers' confidence was explained by a 0.7 pp increase in the perception of the current economic situation of the company or business, and a 4.1 rise in expectations for the economic situation for the next semester. In contrast, the stock level decreased by 7.4 pp compared to December 2023.

Industrial Confidence Index – ICI

The Industrial Confidence Index (ICI) stood at -0.2% in December 2024. With this, the ICI showed an increase of 2.6 percentage points (pp) compared to the previous month (ICI November 2024: 2.8%) and a rise of 4.1 pp compared to the same month in 2023 (ICI December 2023: 4.3%) (Graph 2). Meanwhile, the quarterly moving average stood at -1.1%, representing a fall of 0.4 pp compared to the same indicator for November 2024 (-0.7%) and an increase of 3.9 pp compared to the same indicator for December 2023 (-5.0%).

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 December 2023, November 2024, and December 2024 are presented in Table 2.

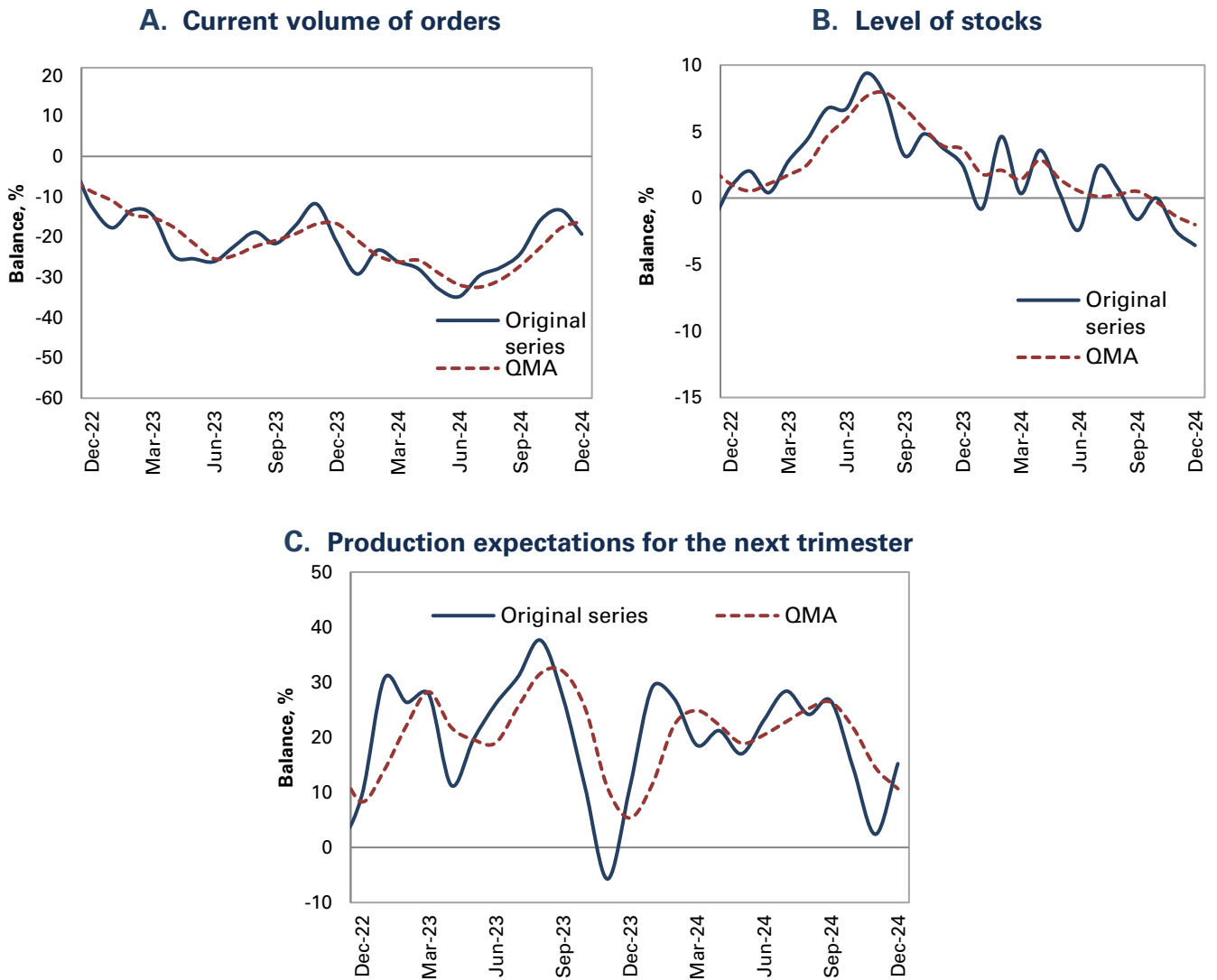
Table 2. Evolution of Industrial Confidence Index Components

Component (Balance, %)	2023	2024	
	December	November	December
Level of stocks	2,5	-2,4	-3,6
Current volume of orders	-21,2	-13,4	-19,3
Production expectations for the next quarter	10,9	2,4	15,2
Industrial Confidence Index – ICI	-4,3	-2,8	-0,2

Source: Business Tendency Survey (BTS) – Fedesarrollo.

The positive monthly variation in industrial confidence in December was explained by a 12.8 percentage point (pp) increase in production expectations for the next quarter, a 1.2 pp fall in the stock level, and a 5.9 reduction on the current volume of orders. On an annual basis, the increase in industrial confidence was mainly explained by a 6.1 pp decrease in the stock level, a rise of 1.9 in the current volume of orders and a 4.3 increase in production expectations for the next quarter.

Graph 3. Industrial Confidence Index Components



Source: Business Tendency Survey (BTS) – Fedesarrollo.

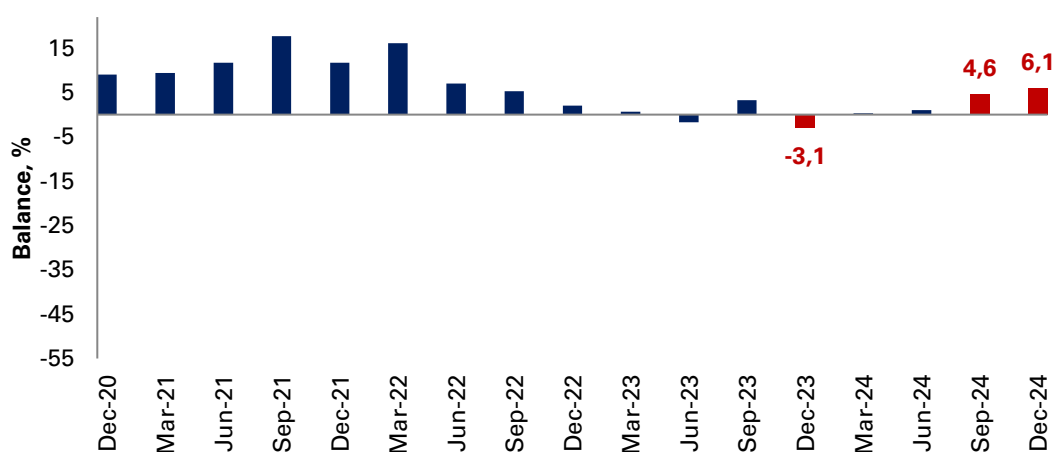
*QMA: 3 Month moving average.

Quarterly Module:

Employment Expectations and Smuggling Activities Perception¹

In December, the balance of expectations regarding the number of people employed for the next quarter stood at 6.1%, representing an increase of 1.5 percentage points (pp) compared to the previous quarter (4.6%) and of 9.2pp compared to the same quarter in 2023 (-3.1%) (Graph 4). The disaggregated results show that 14.9% of respondents believe that employment generation in the industry will increase during the next quarter, around 76.4% believe it will remain the same, while 8.8% of respondents think employment will decrease (vs. increase: 16.4%, same: 71.8%, and decrease: 11.8% in September 2024).

Graph 4. Employment expectations in the industry

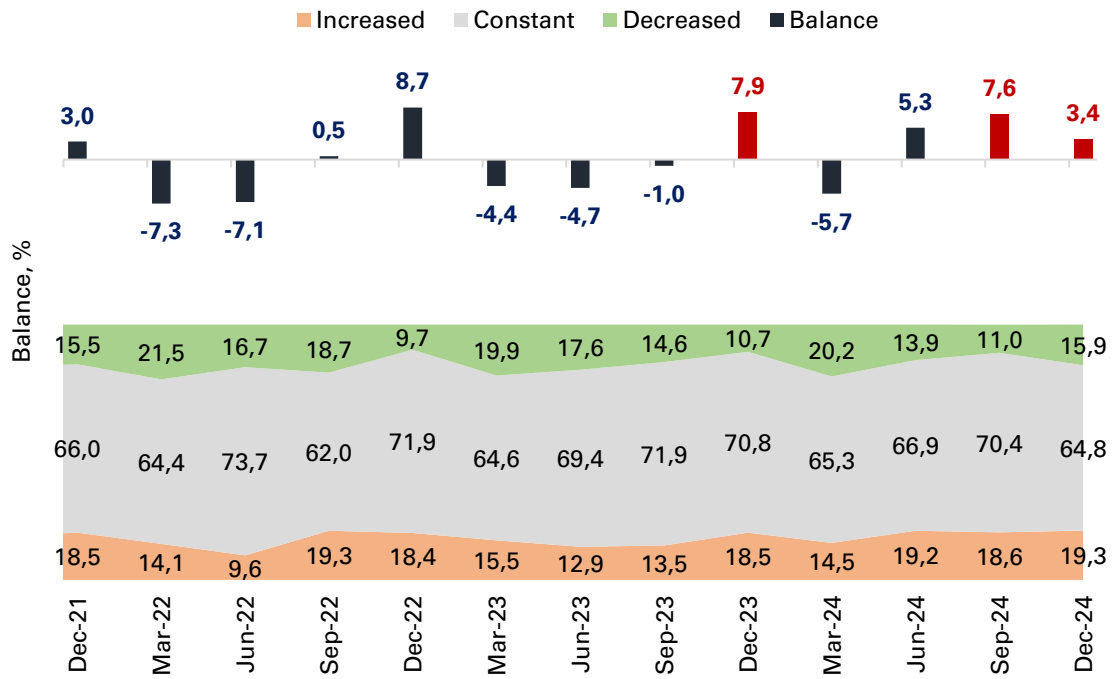


Source: Business Tendency Survey (BTS) – Fedesarrollo.

Meanwhile, the perception of entrepreneurs regarding the presence of smuggling in the industry showed a balance of 3.4% in December 2024, representing a decrease of 4.2 percentage points (pp) compared to the result in September (7.6%) and an increase of 6.8 pp compared to December 2023 (-3.4%). Specifically, 19.3% of respondents stated that smuggling increased during the October – December quarter compared to the previous quarter, 64.8% indicated it remained the same, while the remaining 15.9% considered it to be lower (vs. increase: 18.6%, same: 70.4%, and decrease: 11.0% in September 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

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