

## Business Tendency Survey June 2024



In June 2024, the **Retail Confidence Index (RCI)** stood at **8.6%**, representing a **decrease of 3.9 percentage points (pps)** compared to the previous month (**RCI May 2024: 12.5%**). The decline in retail confidence was driven by a 5.7 pps reduction in expectations for the economic situation over the next semester, a 3.4 pps decrease in perceptions of the current economic situation, and a 2.8 pps increase in stock levels. Compared to the same month last year, the RCI decreased by 9.2 pps (RCI June 2023: 17.8%).

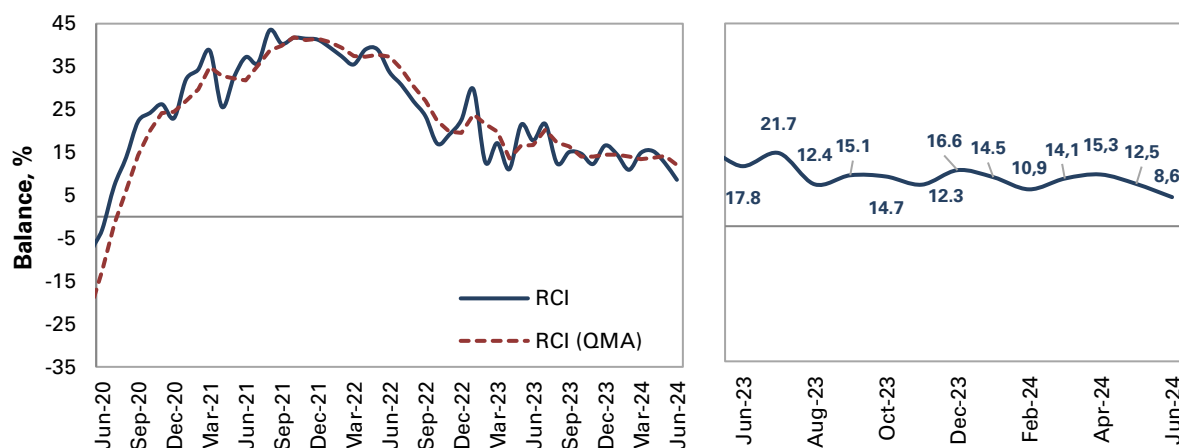
Meanwhile, the **Industrial Confidence Index (ICI)** stood at **-3.1%** for **June 2024**, showing an **increase of 2.3 pps** compared to the previous month (**ICI May 2024: -5.4%**). The positive monthly variation in industrial confidence in June was driven by a 6.1 pps increase in production expectations for the next quarter and a 2.8 pps decrease in stock levels. However, the current volume of orders experienced a 1.9 pps decrease compared to the previous month. Compared to June 2023, the ICI decreased by 0.9 pps (ICI June 2023: -2.2%).

**The expectations for job creation in the industrial sector for the next quarter increased by 0.7 pps** compared to the January-March quarter (1.0% in June 2024 vs 0.3% in March 2024) and rose by 2.7 pps compared to the same quarter of the previous year (-1.7%). On the other hand, industrialists' perception of the presence of **smuggling activities stood at 5.3%**, marking an **increase of 11.0 pps compared to the previous quarter (-5.7%)** and a rise of 10.0 pps compared to the same quarter analyzed in 2023 (-4.7%).

## Retail Confidence Index – RCI

In June 2024, the Retail Confidence Index (RCI) stood at 8.6%, marking a decrease of 3.9 pps compared to the previous month (12.5%). Additionally, the RCI showed a decline of 9.2 pps compared to June 2023 (17.8%). Meanwhile, the quarterly moving average was 12.1%, representing a decrease of 1.9 pps from the same indicator in May 2024 (14.0%) and a decrease of 4.7 pps from the same indicator in June 2023 (16.8%).

**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 June 2023, May 2024, and June 2024 are presented in Table 1.

**Table 1. Evolution of Retail Confidence Index Components**

Component (Balance, %)	2023		2024
	June	May	June
Business current economic situation	36.9	19.1	15.7
Level of stocks	9.4	-0.9	1.9
Expectations about the economic situation for the next semester	25.7	17.6	11.9
<b>Retail Confidence Index - RCI</b>	<b>17.8</b>	<b>12.5</b>	<b>8.6</b>

**Source:** Business Tendency Survey (BTS) – Fedesarrollo.

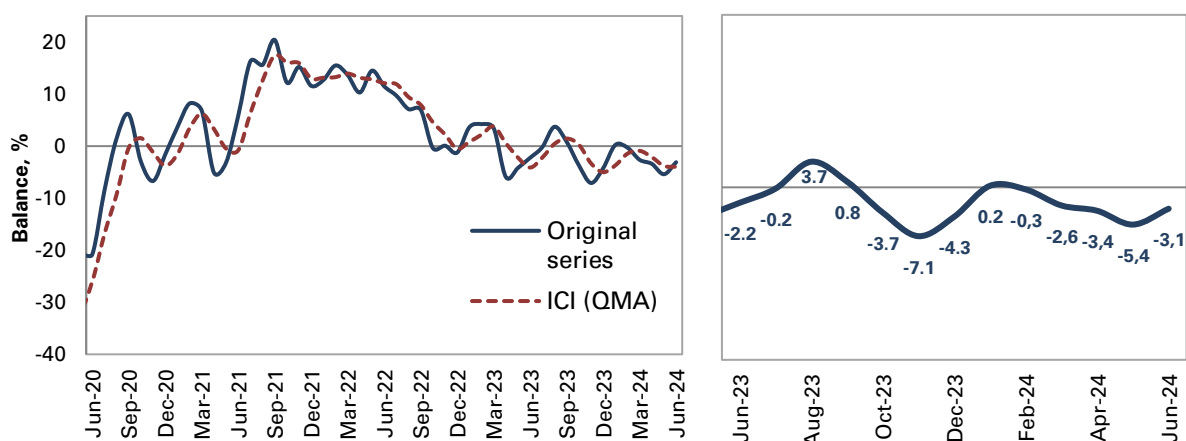
The decrease in confidence among retailers compared to the previous month was primarily due to a 5.7 pps reduction in expectations for the economic situation over the next semester, as well as a 3.4 pps decline in the perception of the current economic situation of the company or business. Additionally, stock levels showed an increase of

2.8 pps compared to May 2023. On an annual basis, the decline in retailer confidence was explained by a decrease of 21.2 pps in the perception of the current economic situation of the company or business and a decrease of 13.8 pps in expectations for the economic situation over the next semester. Furthermore, stock levels experienced an annual decline of 7.5 pps.

### Industrial Confidence Index – ICI

The Industrial Confidence Index (ICI) stood at -3.1% for June 2024. This represents an increase of 2.3 pps compared to the previous month (ICI May 2024: -5.4%) and a decrease of 0.9 pps compared to the same month in 2023 (ICI June 2023: -2.2%) (see Graph 2). Meanwhile, the quarterly moving average was -4.0%, which is a decrease of 0.2 pps from the same indicator in May 2024 (-3.8%) and an increase of 0.1 pps from the same indicator in May 2023 (-4.1%).

**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 June 2023, May 2024, and June 2024 are presented in Table 2.

**Table 2. Evolution of Industrial Confidence Index Components**

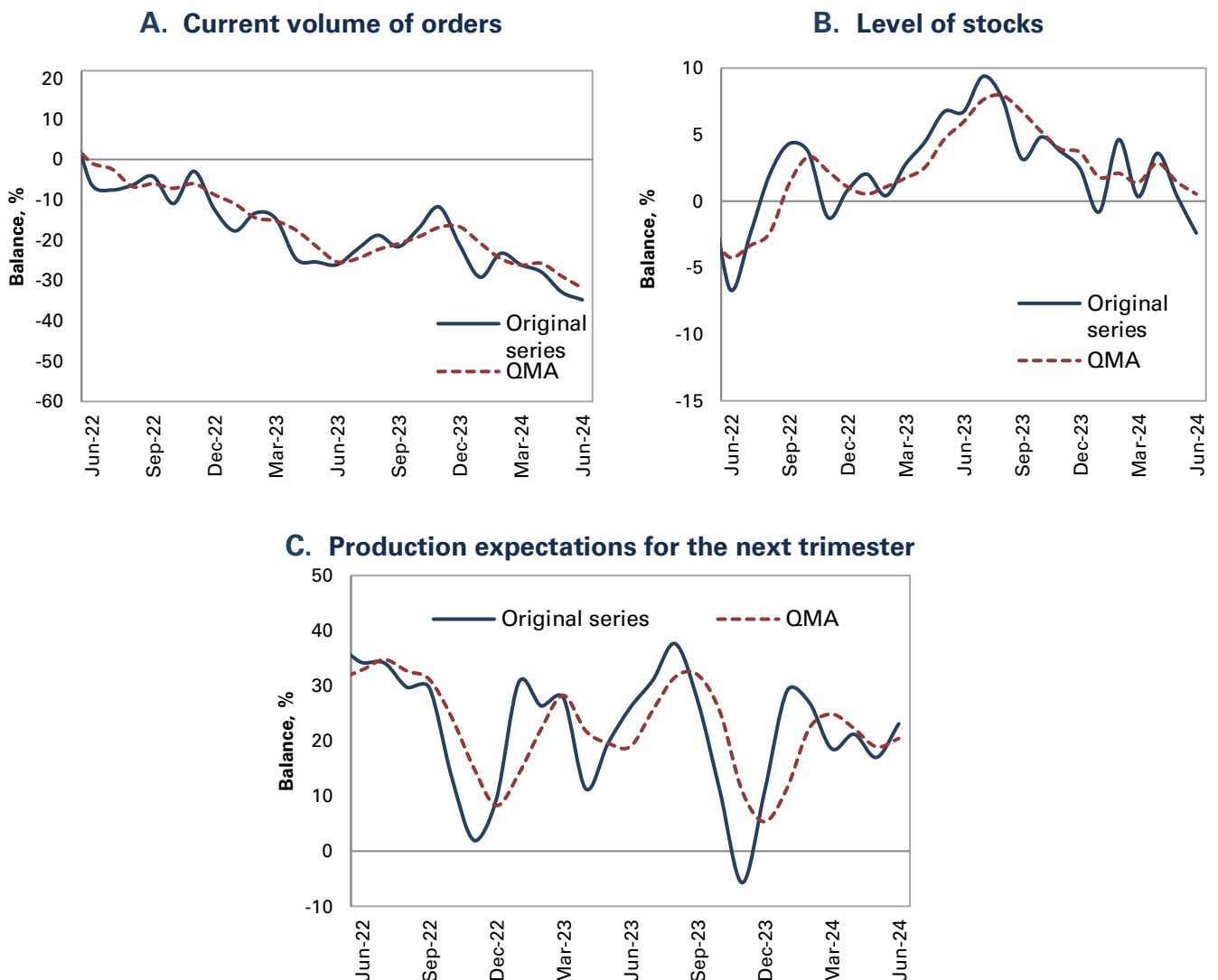
Component (Balance, %)	2023	2024	
	June	May	June
Level of stocks	6.7	0.4	-2.4
Current volume of orders	-26.1	-32.9	-34.8
Production expectations for the next quarter	26.1	17.0	23.1
<b>Industrial Confidence Index – ICI</b>	<b>-2.2</b>	<b>-5.4</b>	<b>-3.1</b>

Source: Business Tendency Survey (BTS) – Fedesarrollo.

The positive monthly variation in industrial confidence in June was explained by a 6.1 pps increase in production expectations for the next quarter, along with a 2.8 pps decrease in stock levels. Additionally, the current volume of orders saw a decline of 1.9 pps compared to May 2024.

On an annual basis, the decrease in industrial confidence was primarily attributed to an 8.7 pps drop in the current volume of orders and a 3.0 pps decrease in production expectations for the next quarter. Moreover, stock levels exhibited a reduction of 9.1 pps between June 2023 and 2024.

**Graph 3. Industrial Confidence Index Components**



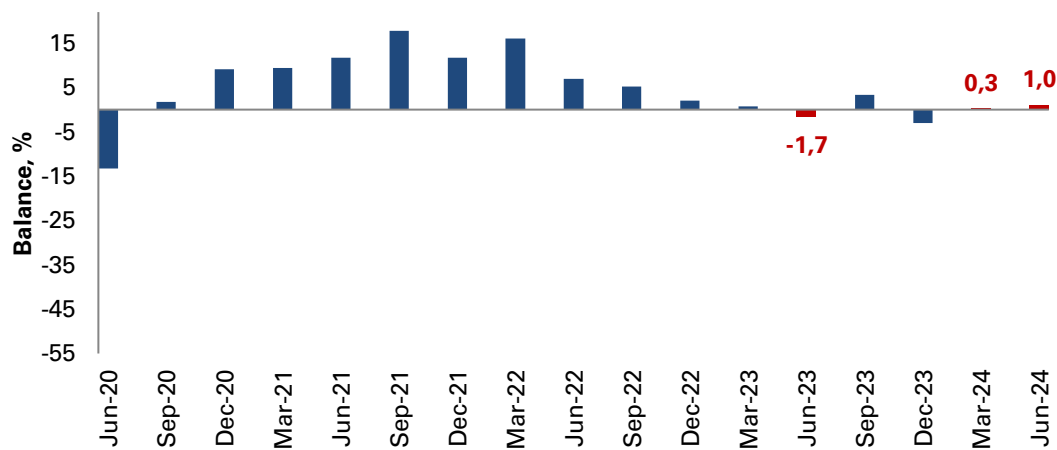
**Source:** Business Tendency Survey (BTS) – Fedesarrollo.  
\*QMA: 3 Month moving average.

## Quarterly Module:

### Employment Expectations and Smuggling Activities Perception<sup>1</sup>

In June, the balance of expectations regarding the number of people employed for the next quarter stood at 1.0%, representing an increase of 0.7 pps compared to the previous quarter (0.3%) and an increase of 2.7 pps compared to the same quarter in 2023 (-1.7%) (see Graph 4). The disaggregated results show that 12.4% of respondents believe that employment generation in the industry will increase during the next quarter, approximately 76.2% expect it to remain the same, while 11.4% anticipate a decrease in employment (compared to increase: 10.4%, same: 79.5%, decrease: 10.1% in March 2024).

**Graph 4. Employment expectations in the industry**

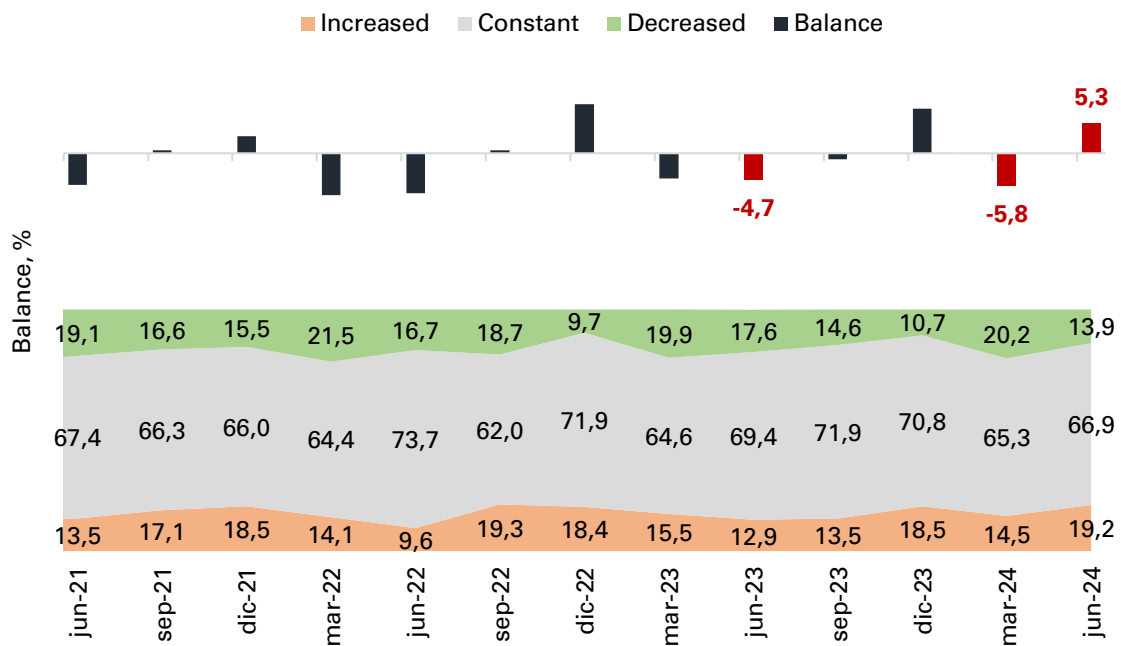


Source: Business Tendency Survey (BTS) – Fedesarrollo.

Furthermore, business perception regarding the presence of smuggling in the industry showed a balance of 5.3% in June 2024, marking an increase of 11.0 pps compared to the March figure (-5.7%) and a rise of 10.0 pps compared to June 2023 (-4.7%). Specifically, 19.2% of respondents indicated that smuggling increased in the April-June quarter compared to the previous quarter, 66.9% stated it remained the same, while the remaining 13.9% believed it decreased in similar economic activities (see Graph 5).

<sup>1</sup> 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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