Business Tendency Survey
April 2024

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In April 2024, **the Retail Confidence Index (RCI) stood at 15.3%, representing an increase of 1.2 pp compared to the previous month (RCI March 2024: 14.1%).** The increase in retail confidence was explained by a 9.7 pp decrease in stock levels and a 1.4 pp increase in expectations for the economic situation in the next semester, partially offset by a 7.3 pp decline in the perception of the current economic situation. Compared to the same month of the previous year, the RCI decreased by 4.2 pp (RCI April 2023: 11.1%).

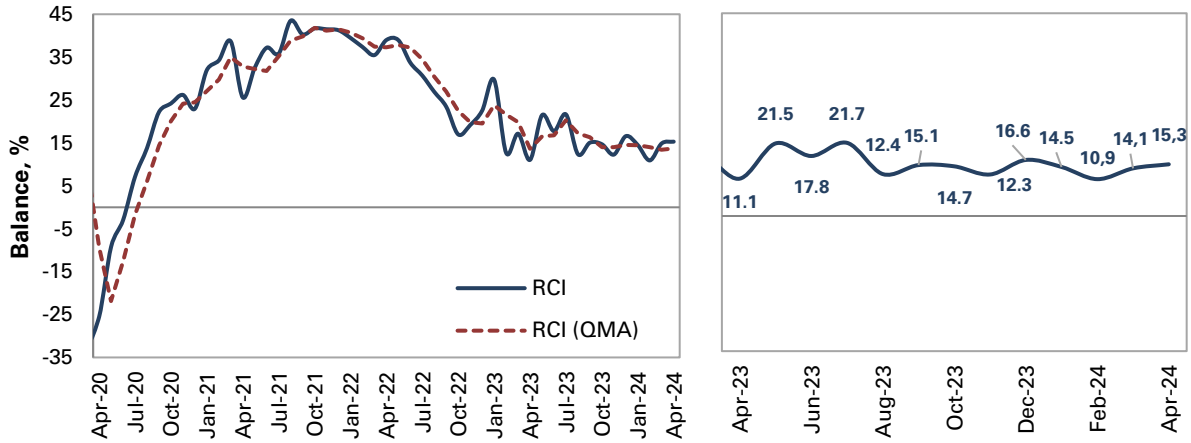
On the other hand, **the Industrial Confidence Index (ICI) stood at -3.4% for April 2024, a reduction of 0.8 pp compared to the previous month (ICI March 2024: -2.6%).** The monthly negative variation in industrial confidence in April was explained by a 3.3 pp increase in stock levels and a 1.8 pp decrease in the current volume of orders. On the other hand, production expectations for the next quarter increased by 2.6 pp compared to the previous month. Compared to April 2023, the ICI increased by 2.5 pp (ICI April 2023: -5.9%).

Regarding the **quarterly module**, in the first quarter of 2024, there was a negative quarterly variation in the profitability of export activity (-18.9 pp), the value exported in dollars (-17.1 pp), and the perception of export orders (-14.4 pp). Additionally, expectations for the value exported in dollars over the next three months fell by 0.9 pp compared to the fourth quarter of 2023. Moreover, in the first quarter of 2024, the most favorable factor for export activity was the Plan Vallejo System, while the peso-dollar exchange rate was the most unfavorable factor.

Retail Confidence Index – RCI

In April 2024, the Retail Confidence Index (RCI) stood at 15.3%, which represented an increase of 1.2 pp compared to the previous month (14.1%). Additionally, the RCI showed an increase of 4.2 pp compared to April 2023 (11.1%). Meanwhile, the quarterly moving average stood at 13.4%, representing an increase of 0.3 pp compared to the same indicator for March 2024 (13.2%) and a decrease of 0.2 pp compared to the same indicator for April 2024 (13.6%).

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 stock level, and the expectations for the economic situation for the next semester.** The results for April 2023, March 2024, and April 2024 are presented in Table 1.

Table 1. Evolution of Retail Confidence Index Components

Component (Balance, %)	2023	2024	
	April	March	April
Business current economic situation	30,8	31,6	24,3
Level of stocks	11,1	11,2	1,5
Expectations about the economic situation for the next semester	13,4	21,8	23,2
Retail Confidence Index - RCI	**11,1**	**14,1**	**15,3**

Source: Business Tendency Survey (BTS) – Fedesarrollo.

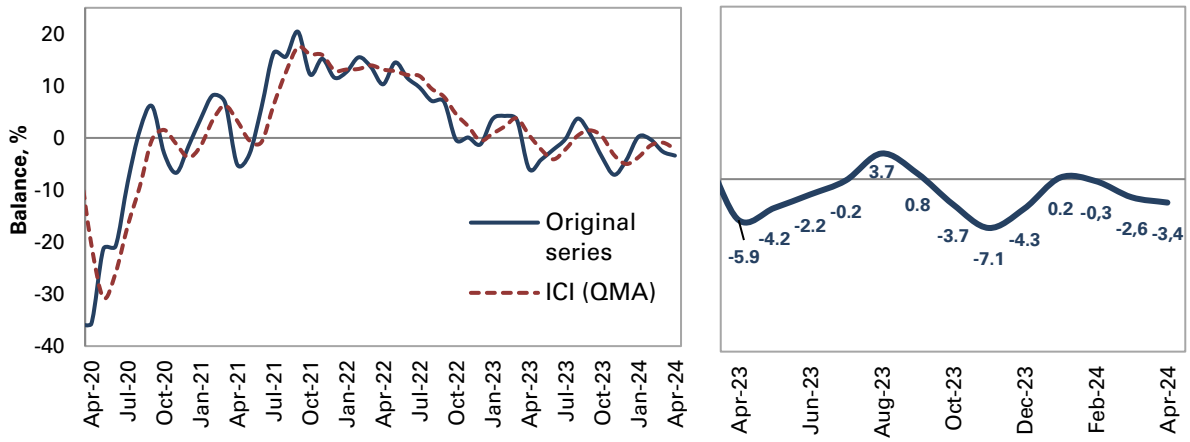
The increased confidence among retailers compared to the previous month was mainly due to a reduction in stock levels by 9.7 pp. Additionally, the expectations for the economic situation in the next semester, which increased by 1.4 pp, also contributed

positively. On the contrary, the perception of the current economic situation of the company or business decreased by 7.3 pp. On an annual basis, the increase in retailer confidence was explained by a 9.8 pp rise in expectations for the economic situation in the next semester, as well as a reduction in stock levels by 9.6 pp. Meanwhile, the perception of the current economic situation of the company or business experienced an annual decline of 6.5 pp.

Industrial Confidence Index – ICI

The Industrial Confidence Index (ICI) stood at -3.4% for April 2024. This indicates a reduction of 0.8 pp compared to the previous month (ICI March 2024: -2.6%) and an increase of 2.5 pp compared to the same month of 2023 (ICI April 2023: -5.9%) (Graph 2). Meanwhile, the quarterly moving average was -2.1%, representing a reduction of 1.2 pp compared to the same indicator for March 2024 (-0.9%) and a decrease of 2.7 pp compared to the same indicator for April 2023 (0.6%).

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 April 2023, March 2024, and April 2024 are presented in Table 2.

Table 2. Evolution of Industrial Confidence Index Components

Component (Balance, %)	2023	2024	
	April	March	April
Level of stocks	4,4	0,3	3,6
Current volume of orders	-24,7	-26,1	-27,9
Production expectations for the next quarter	11,3	18,6	21,2
Industrial Confidence Index – ICI	**-5,9**	**-2,6**	**-3,4**

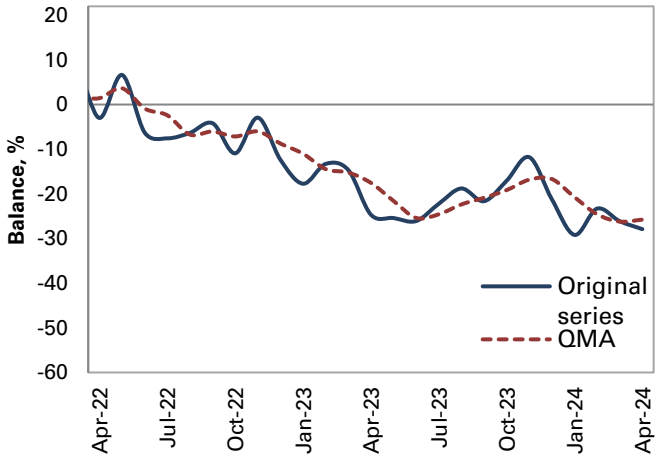
Source: Business Tendency Survey (BTS) – Fedesarrollo.

The monthly negative variation in industrial confidence in April was explained by a 3.3 pp increase in stock levels and a 1.8 pp reduction in the current volume of orders. On the other hand, production expectations for the next quarter showed an increase of 2.6 pp compared to March 2024.

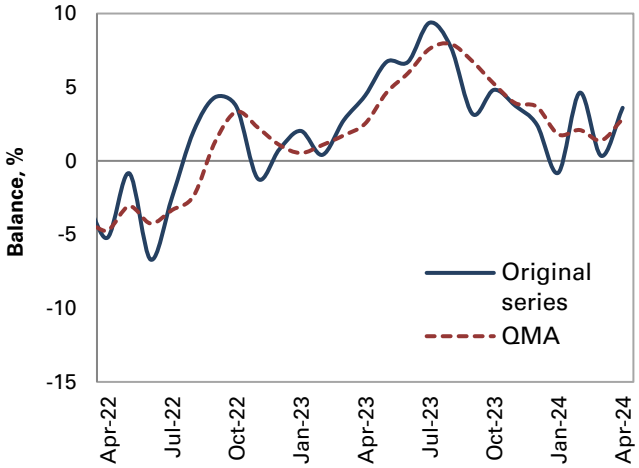
On an annual basis, the increase in industrial confidence was mainly explained by a 9.9 pp rise in production expectations for the next quarter and a 0.8 pp decrease in stock levels. Additionally, the current volume of orders showed a reduction of 3.2 pp between April 2023 and April 2024.

Graph 3. Industrial Confidence Index Components

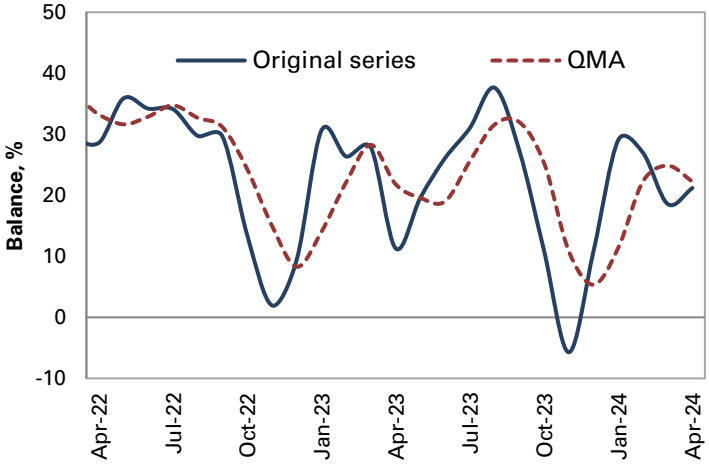
A. Current volume of orders



B. Level of stocks



C. Production expectations for the next trimester



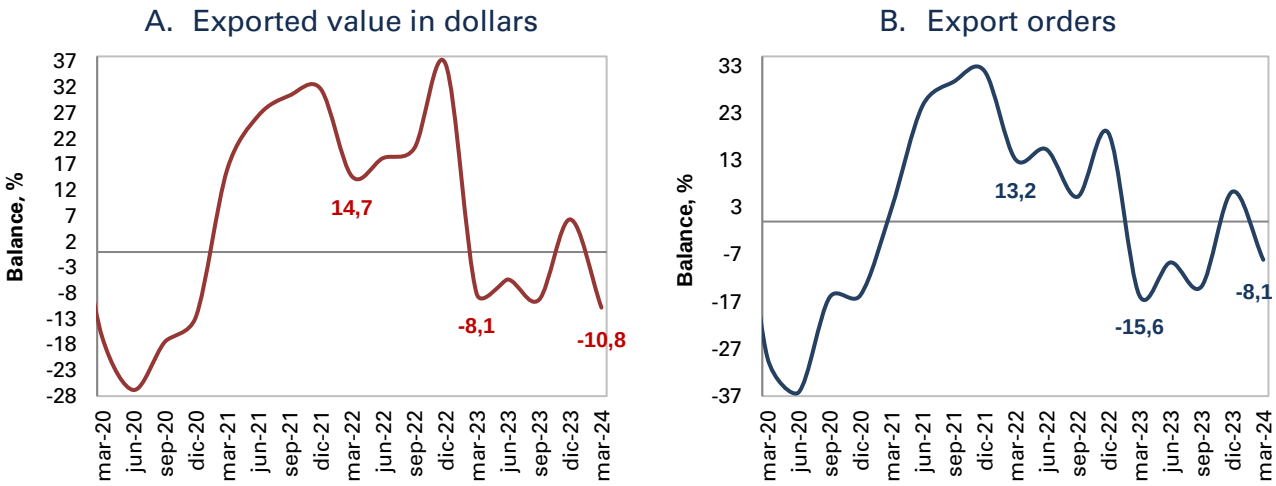
Source: Business Tendency Survey (BTS) – Fedesarrollo.
*QMA: 3 Month moving average.

Quarterly Module:

Exports[1]

In the first quarter of 2024, the balance on the value of exports in dollars was -10.8%, meaning the percentage of respondents who perceived an increase in their exports was lower than those whose exports decreased (Graph 4). This result represented a reduction of 17.1 pp compared to the fourth quarter of 2023 (6.3%) and a decrease of 2.7 pp compared to the first quarter of 2023 (-8.1%). Meanwhile, the balance of export orders was -8.1%, which represented a drop of 14.4 pp compared to the immediately preceding quarter (6.3%) and an increase of 7.5 pp compared to the same quarter of 2023 (-15.6%).

Graph 4. Value of exports in dollars and export orders

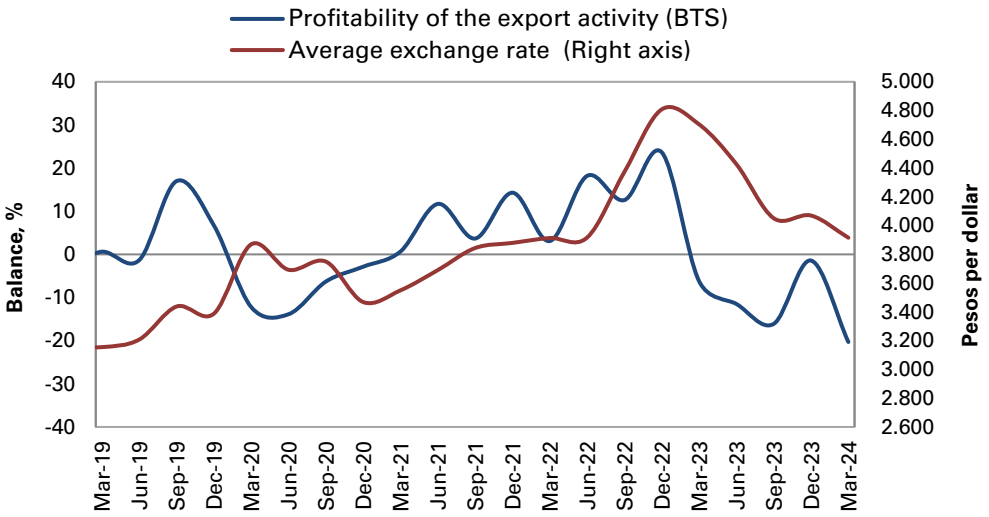


Source: Business Tendency Survey (BTS) – Fedesarrollo.

Regarding the question about the perception of entrepreneurs on the profitability of export activity, a balance of -20.3% was obtained. This means that the percentage of respondents who perceived an increase in profitability was lower than those who considered a decrease. The balance results represented a reduction of 18.9 pp compared to the previous quarter (-1.4%) and a decrease of 14.1 pp compared to the first quarter of 2023 (-6.2%). Moreover, the balance of the profitability of export activity in the first quarter of 2024 was consistent with the behavior of the exchange rate (Graph 5).

[1] Quarterly, the Business Opinion Survey includes a special module for the industrial sector in which inquiries are made about the expectations and perception of industrialists regarding the value of exports in dollars and export orders.

Graph 5. Profitability of the export activity and exchange rate



Source: Business Tendency Survey (BTS) – Fedesarrollo and Central Bank of Colombia.

For the first quarter of 2024, the most favorable factors for export activity were the Plan Vallejo System (11.1%) and Colombian information and marketing services (5.0%). On the other hand, the peso-dollar exchange rate (-29.7%) and production costs (-19.6%) were identified as the most unfavorable factors for exports. Compared to the immediately preceding quarter, the factor that showed the greatest improvement was Colombian information and marketing services, which increased by 10.2 pp. Conversely, the factor that recorded the greatest decline was international transportation, decreasing by 12.5 pp.

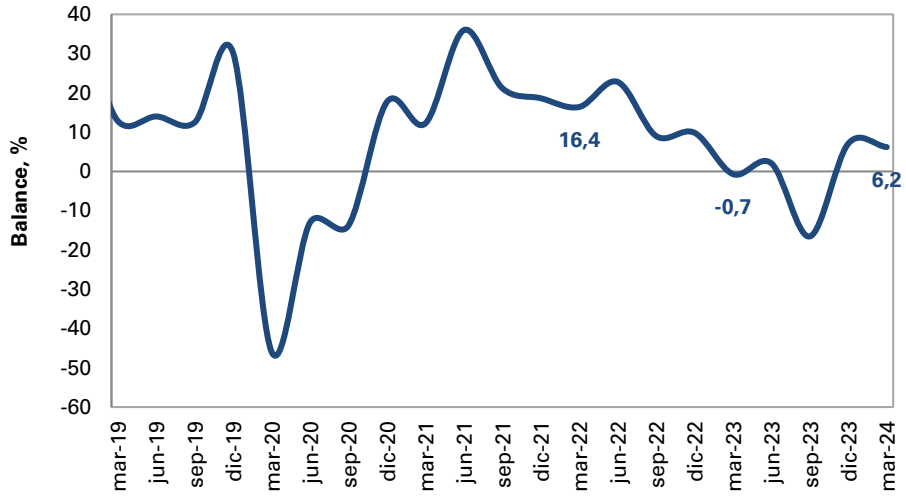
Table 3. Main factors affecting export activity

Factor (Balance, %)	2023-I	2023-IV	2024-I
Production costs	-32,2	-12,9	-19,6
Availability and cost of credit	-10,4	-14,7	-7,2
Plan Vallejo System	15,9	6,6	11,1
Export procedures in Colombia	5,7	5,8	4,2
Internal transportation in Colombia	-19,6	-12,4	-16,6
International transportation	-13,2	-6,4	-18,9
Port services in Colombia	-4,4	-9,6	-12,7
Peso-dollar exchange rate	-6,5	-27,9	-29,7
Dollar-currency exchange rate of the buyer country	3,6	0,0	-8,6
Colombian information and marketing services	5,8	-5,2	5,0
Trade policies of the purchasing countries	5,1	-1,5	1,4
Economic situation of the buyer country	-2,9	-2,2	-3,5
Competitive position in the target markets	2,9	-2,2	-7,7

Source: Business Tendency Survey (BTS) – Exports module (Fedesarrollo).

For the first quarter of 2024, the balance of exporters' expectations regarding the performance of their activity in the next three months was 6.2%, which represents a reduction of 0.9 pp compared to the previous quarter (7.1%) and an increase of 6.9 pp compared to the same quarter of 2023 (-0.7%) (Graph 6). In this question, 26.7% of respondents stated that their exports will increase in the next three months, while 20.5% believe their exports will decrease, and the remaining 52.8% expect their exports to remain the same.

Graph 6. Three-month expectations of export value in dollars



Source: Business Tendency Survey (BTS) – Exports module (Fedesarrollo)

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

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