Business Tendency Survey
May 2025

FEDESARROLLO
Centro de Investigación Económica y Social

In May 2025, **the Retail Confidence Index (RCI) stood at 21.0%, representing a decrease of 3.9 pp compared to the previous month (RCI April 2025: 24.9%).** The decline in retail confidence was explained by a 10.9 pp increase in stock levels and a 3.9 pp drop in expectations regarding the economic situation for the next semester, partially offset by a 3.0 pp rise in the perception of the current economic situation of the company or business. Compared to the same month of the previous year, the RCI increased by 8.5 pp (RCI May 2024: 12.5%).

Meanwhile, **the Industrial Confidence Index (ICI) reached 6.1% in May 2025, showing an increase of 6.4 pp compared to the previous month (ICI April 2025: -0.3%).** The positive monthly variation in industrial confidence in May was explained by a 6.7 pp increase in production expectations for the next quarter, a 6.4 pp rise in the current volume of orders, and a 6.0 pp reduction in stock levels. Compared to May 2024, the ICI rose by 11.5 pp (ICI May 2024: -5.4%).

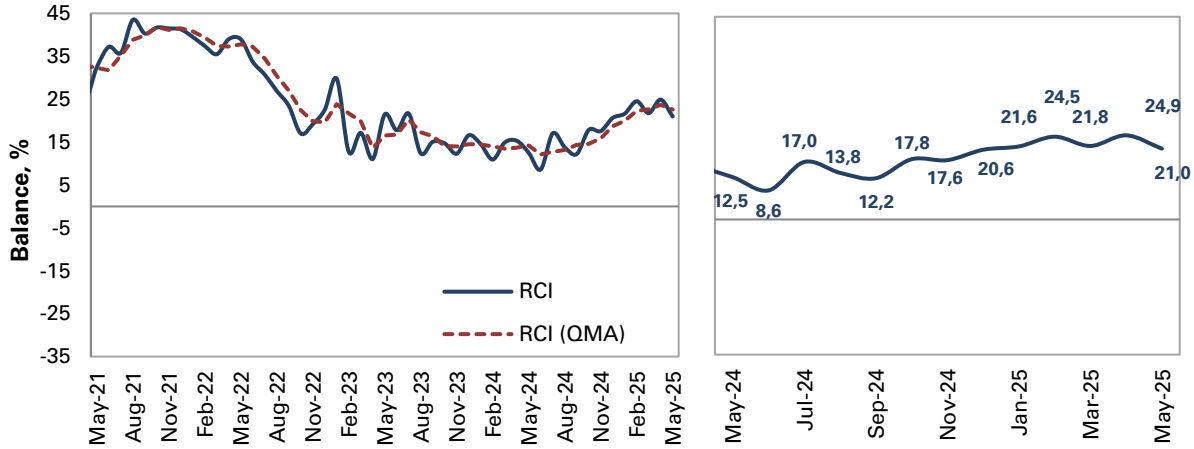
Regarding **the quarterly module, installed capacity utilization in the industry** for May was 73,0%, rising by 0,3 pp compared to February 2025. Likewise, regarding **economic and sociopolitical conditions for investment**, perceptions worsened in May for both indicators, with a 9.5 pp decrease in economic conditions and 2.9 pp in sociopolitical conditions compared to February 2025.

Finally, there was an improvement in the perception of the current economic situation of the **construction sector**, while the perception of the sector's pace worsened, and construction expectations for the next quarter deteriorated compared to the previous quarter.

Retail Confidence Index – RCI

In May 2025, the Retail Confidence Index (RCI) stood at 21.0%, representing a decrease of 3.9 pp compared to the previous month (24.9%). Additionally, the RCI registered an increase of 8.5 pp compared to May 2024 (12.5%). Meanwhile, the quarterly moving average stood at 22.6%, reflecting a decrease of 1.1 pp compared to the same indicator for April 2025 (23.7%) and an increase of 8.6 pp compared to the same indicator in May 2024 (14.0%).

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 May 2024, April 2025, and May 2025 are presented in Table 1.

Table 1. Evolution of Retail Confidence Index Components

Component (Balance, %)	2024	2025	
	May	April	May
Business current economic situation	19,1	32,0	35,0
Level of stocks	-0,9	-5,0	5,9
Expectations about the economic situation for the next semester	17,6	37,7	33,8
Retail Confidence Index - RCI	**12,5**	**24,9**	**21,0**

Source: Business Tendency Survey (BTS) – Fedesarrollo.

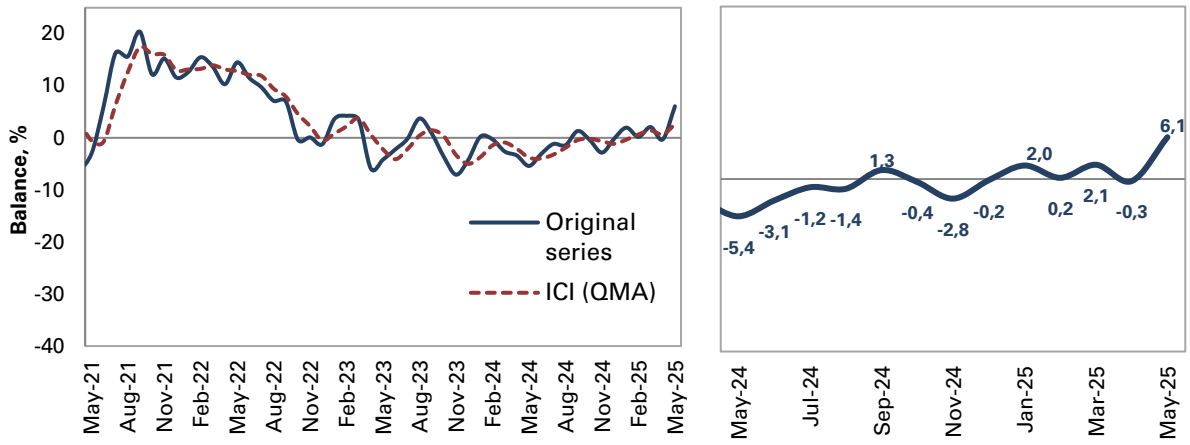
The decline in retailer confidence in May 2025 compared to the previous month was driven by a 10.9 pp increase in stock levels and a 3.9 pp decrease in expectations regarding the economic situation for the next semester, partially offset by a 3.0 pp increase in the perception of the company or business's current economic situation. On a yearly basis, the increase in retailer confidence was explained by a 16.2 pp rise in expectations for the economic situation over the next semester and a 15.9 pp increase

in the perception of the current economic situation of the company or business, partially offset by a 6.8 pp increase in stock levels compared to May 2024.

Industrial Confidence Index – ICI

The Industrial Confidence Index (ICI) stood at 6.1% in May 2025. With this result, the ICI increased by 6.4 pp compared to the previous month (ICI April 2025: -0.3%) and by 11.5 pp compared to the same month in 2024 (ICI May 2024: -5.4%) (Chart 2). Meanwhile, the quarterly moving average reached 2.6%, representing an increase of 2.0 pp compared to the same indicator in April 2025 (0.6%) and a rise of 6.4 pp compared to May 2024 (-3.8%).

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 May 2024, April 2025, and May 2025 are presented in Table 2.

Table 2. Evolution of Industrial Confidence Index Components

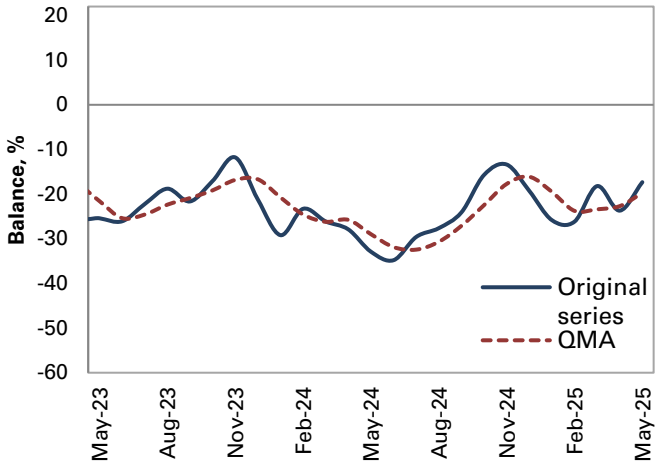
Component (Balance, %)	2024	2025	
	May	April	May
Level of stocks	0,4	0,8	-5,2
Current volume of orders	-32,9	-23,7	-17,3
Production expectations for the next quarter	17,0	23,6	30,3
Industrial Confidence Index – ICI	**-5,4**	**-0,3**	**6,1**

Source: Business Tendency Survey (BTS) – Fedesarrollo.

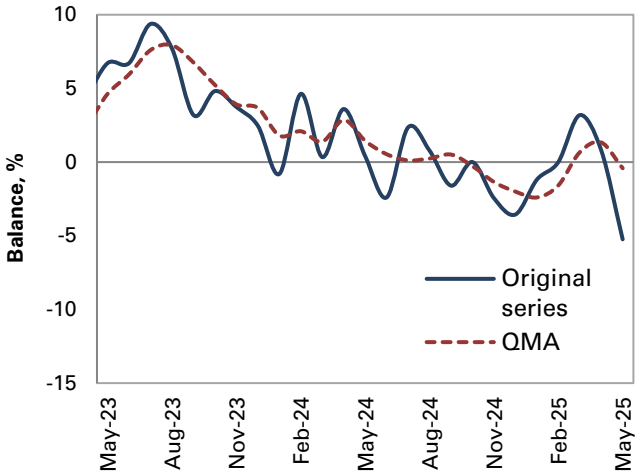
The positive monthly variation in industrial confidence in May was explained by a 6.7 pp increase in production expectations for the next quarter, a 6.4 pp rise in the current volume of orders, and a 6.0 pp reduction in stock levels. On a yearly basis, the increase in industrial confidence was mainly driven by a 15.6 pp rise in the current volume of orders, a 13.3 pp increase in production expectations for the next quarter, and a 5.6 pp decrease in stock levels.

Graph 3. Industrial Confidence Index Components

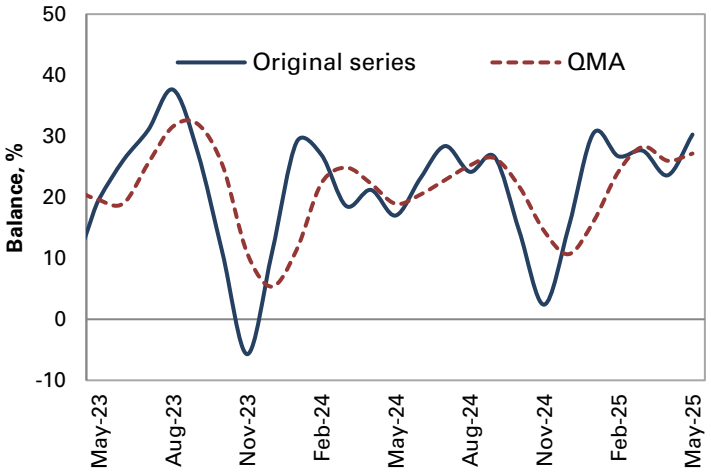
A. Current volume of orders



B. Level of stocks



C. Production expectations for the next trimester



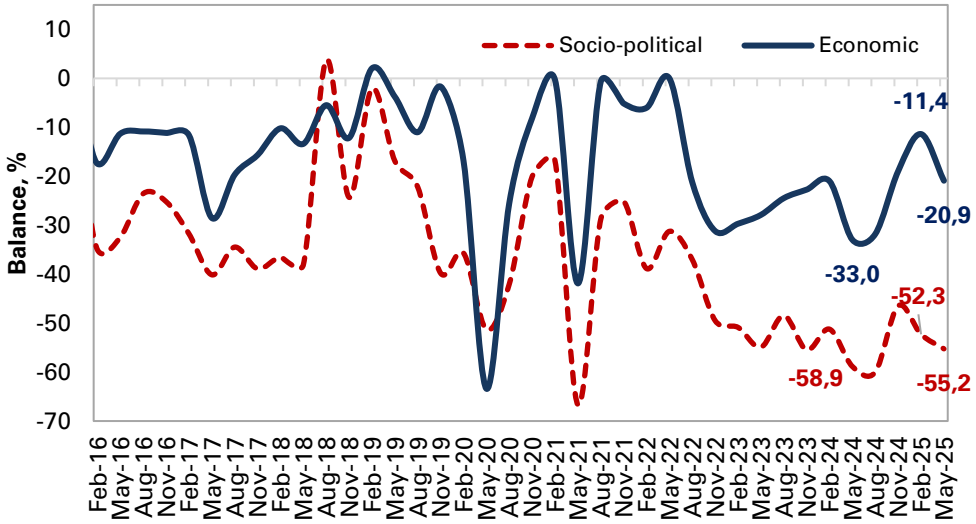
Source: Business Tendency Survey (BTS) – Fedesarrollo.
*QMA: 3 Month moving average.

Quarterly Module:

Economic and Socio-political Conditions for Investment

In May 2025, the industrial sector's balance regarding the favorability of economic conditions for investment stood at -20.9%, reflecting a deterioration of 9.5 pp compared to the February 2025 measurement (-11.4%) and an improvement of 12.1 pp compared to May 2024 (-33.0%) (Chart 4). The results show that 35.9% of respondents consider current economic conditions to be unfavorable (vs. 33.1% in the previous measurement). Meanwhile, 15.0% of business owners view current conditions as favorable (vs. 21.7% in the previous measurement), while 49.1% rate them as neutral (vs. 45.2% in the previous measurement).

Graph 4. Favorability of Current Economic and Socio-political Conditions for Investment



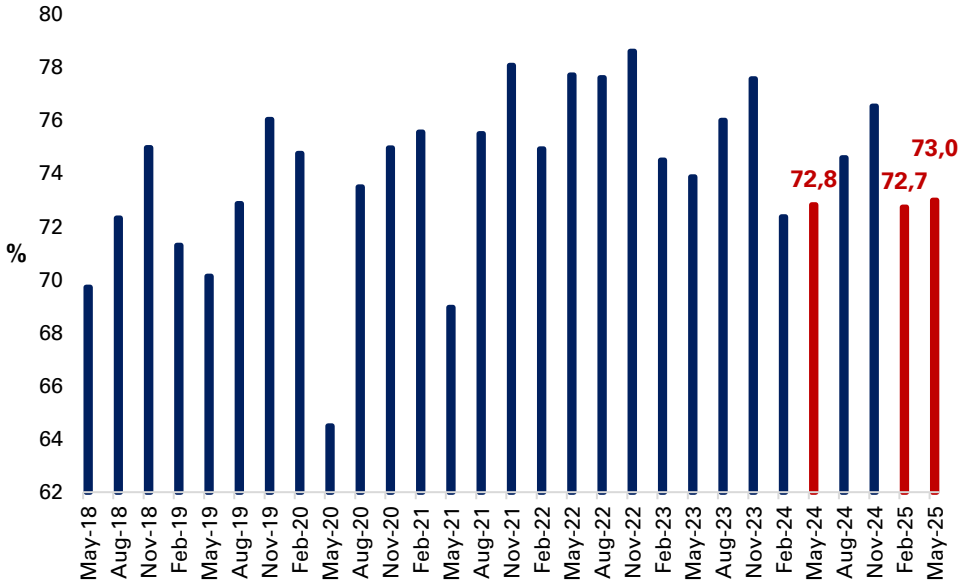
Source: Business Tendency Survey (BTS) – Fedesarrollo

Meanwhile, the balance regarding the favorability of sociopolitical conditions for investment stood at -55.2% in May, reflecting a deterioration of 2.9 pp compared to the previous quarter (-52.3% in February 2025) and an improvement of 3.7 pp compared to the same quarter of the previous year (-58.9% in May 2024). The results show that only 5.6% of respondents consider sociopolitical conditions to be favorable (vs. 7.7% in the previous measurement). Likewise, 60.8% of business owners consider current conditions to be unfavorable (vs. 60.0% in February), while the remaining 33.6% view them as neutral (vs. 32.3% in the previous measurement).

Industry Installed Capacity Utilization

In May, installed capacity utilization (ICU) in the industrial sector stood at 73.0%. Based on this result, the ICU increased by 0.3 pp compared to the February 2025 measurement (72.7%) and by 0.2 pp relative to May 2024 (72.8%) (Chart 5).

Graph 5. Utilization of installed capacity in the industry



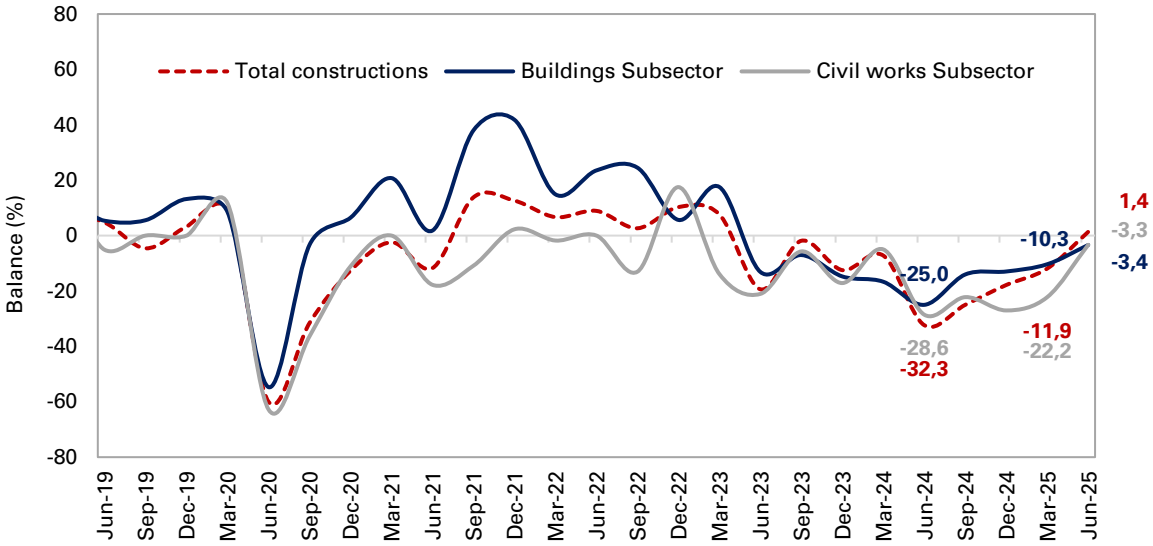
Note: The series of utilization of installed capacity was revised backwards.
Source: Business Tendency Survey (BTS) – Fedesarrollo

Quarterly Construction Survey[1]

In the second quarter of 2025, the balance of the current economic situation of companies in the construction sector stood at 1.4%, representing an increase of 13.3 pp compared to the previous quarter (-11.9%) and a rise of 33.7 pp compared to the same period in 2024 (-32.3%). Meanwhile, the balance for the buildings subsector was -3.4%, increasing by 6.9 pp compared to the previous quarter (-10.3%) and by 21.6 pp compared to the same quarter in 2024 (-25.0%). In the case of the civil works subsector, the balance of the current economic perception stood at -3.3%, representing an increase of 18.9 pp compared to the previous quarter (-22.2%) and 25.3 pp compared to the same quarter of the previous year (-28.6%) (Chart 6).

[1] On a quarterly basis, Fedesarrollo conducts a survey focused on businessmen in the construction sector, to know their perception of the current economic situation and their expectations for the future.

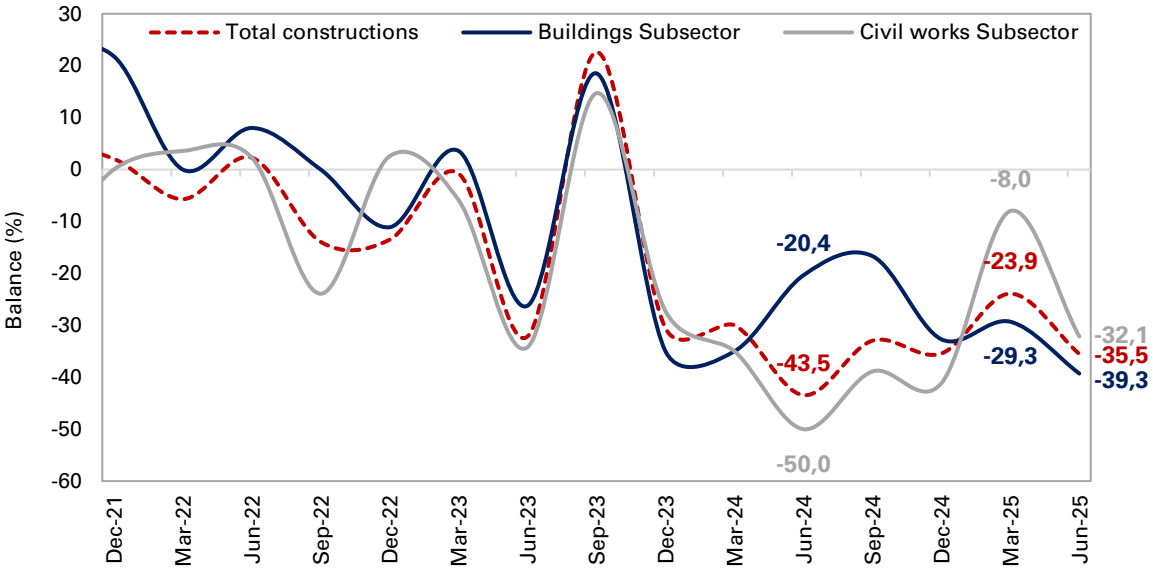
Graph 6. Current situation of companies in the construction sector



Source: Quarterly Construction Survey - Fedesarrollo.

The construction activity indicator stood at -35.5%, showing a decline of 11.6 pp compared to the previous quarter (-23.9%) and an increase of 8.0 pp relative to the second quarter of 2024 (-43.5%). A similar trend was observed in the buildings subsector, which recorded a balance of -39.3%, representing a decline of 10.0 pp compared to the previous quarter (-29.3%) and of 18.9 pp compared to the same quarter of the previous year (-20.4%). In the case of the civil works subsector, the perception of its construction pace registered a balance of -32.1%, falling by 24.1 pp compared to the previous quarter (-8.0%) and increasing by 17.9 pp relative to the second quarter of 2024 (-50.0%) (Chart 7).

Graph 7. Construction rate compared to the previous year

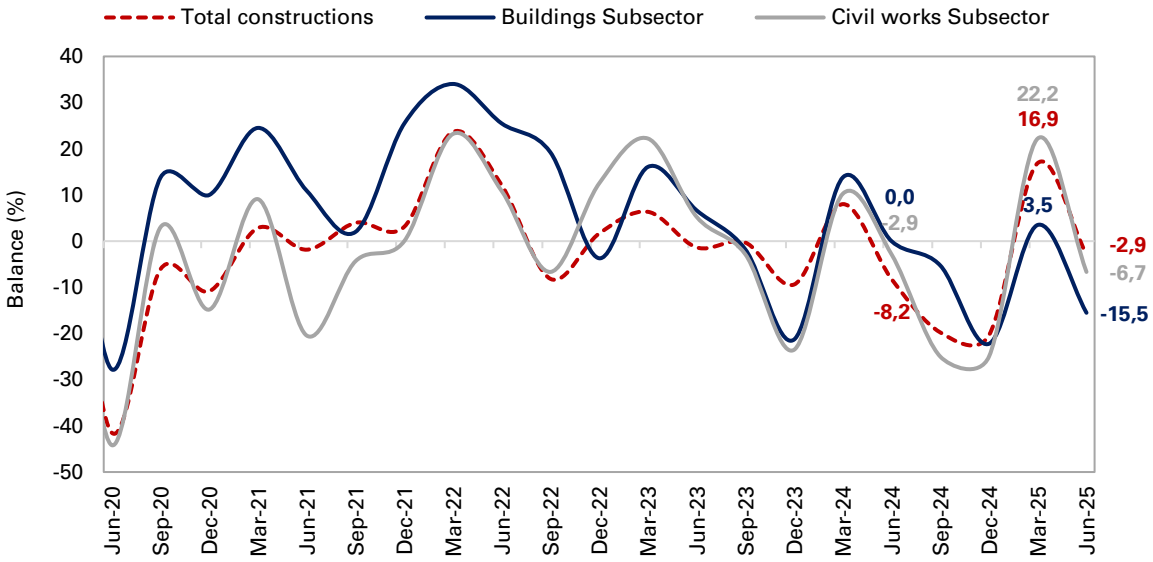


Source: Quarterly Construction Survey - Fedesarrollo.

The balance of construction expectations for the next quarter stood at -2.9%, showing a deterioration of 19.8 pp compared to the previous quarter (16.9%) and an increase of 5.3

pp compared to the same quarter in 2024 (-8.2%). In the buildings subsector, expectations registered a balance of -15.5%, representing a decrease of 19.0 pp compared to the previous quarter (3.5%) and a drop of 15.5 pp relative to the same quarter last year (0.0%). As for the civil works subsector, expectations posted a balance of -6.7%, falling by 28.9 pp compared to the previous quarter (22.2%) and by 3.8 pp compared to the same quarter in 2024 (-2.9%) (Chart 8).

Graph 8. Construction expectations for the next quarter



Source: Quarterly Construction Survey - Fedesarrollo.

FEDESARROLLO
Centro de Investigación Económica y Social

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 June 25, 2025

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