

# **BUSINESS TENDENCY SURVEY 1<sup>st</sup> QUARTER 2024: MANUFACTURING AND MINING SECTORS**



# Information collected

The survey collected information on the following variables:

- General business climate
- Capacity utilization
- Production
- Employment
- Order books

- Inventories
- Selling prices
- Supplier delivery time
- Main constraints to production

## Key statistics produced

- Capacity Utilization
- Purchasing Managers Index
- Manufacturing Confidence Index
- Mining Confidence Index

## Response rate

- The response rates were **47 percent** for manufacturing sector and **53 percent** for mining sector, with a combined response rate of **51.5 percent**.

# Capacity Utilization

First quarter 2024 capacity utilization for large manufacturing companies was **51.3 percent**, reflecting a decrease from the fourth quarter 2023 value of **56.8 percent**

For small and medium companies in the sector, capacity utilization was **42.7 percent**

The combined capacity utilization for manufacturing sector in first quarter 2024 was **44.0 percent** down from **46.1 percent** in fourth quarter 2023.

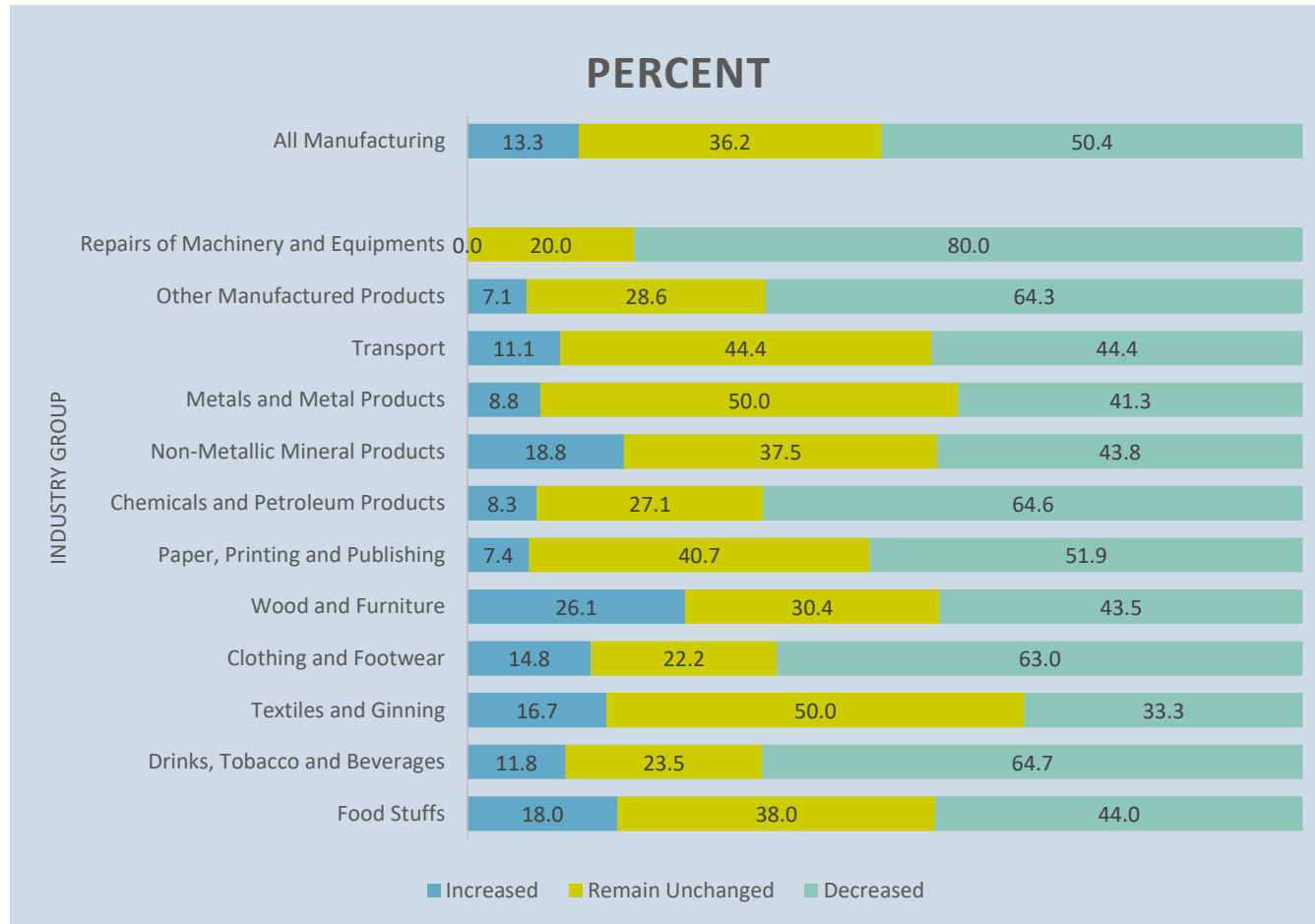
For the mining sector, capacity utilization was **50.3 percent**, up from **50.0 percent** recorded in fourth quarter 2023.

## General business climate

Of the respondents in the manufacturing sector, **18.6 percent** were more optimistic towards the general business climate in first quarter 2024.

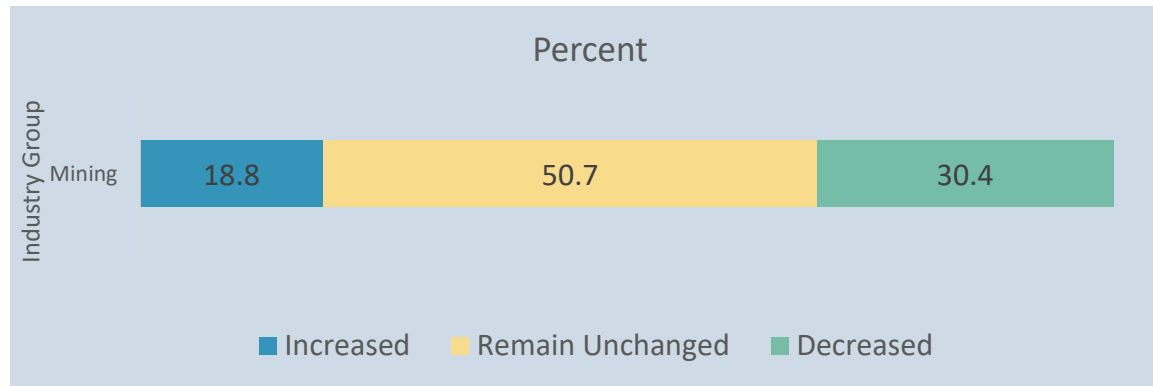
For the mining sector, **26.1 percent** were of the same view.

# Production level (Manufacturing sector)



- **36.2 percent** of respondents in the manufacturing sector, viewed production levels as having remained unchanged during first quarter 2024.
- **13.3 percent** were of the opinion that the levels had increased.

## Production level (Mining sector)



- For the mining sector, **50.7 percent** of the respondents had the perception that production levels had remained almost the same in first quarter 2024, when compared to fourth quarter 2023.



## Sentiments towards employment

- Excluding seasonal variations, more than **50.0 percent** of the respondents in the manufacturing and mining sectors reported their firms' total employment levels as having remained unchanged during first quarter 2024, against fourth quarter of 2023.

Excluding seasonal variations, all manufacturing sub-sectors had more than **50 percent** of the respondents anticipating the employment level to remain the same during second quarter 2024.

## Level of order books

Concerning first quarter 2024 level of order books, **44.3 percent** of the respondents in the manufacturing sector, had the sentiment that they were normal for the season.

In the mining sector, **81.2 percent** of the respondents were of the same view.

## Stocks of finished goods and raw materials

Sentiments towards stocks of finished goods in first quarter 2024, were such that **5.5%** of respondents in the manufacturing sector and **8.7%** in the mining sector, considered them as being **above normal for the season.**

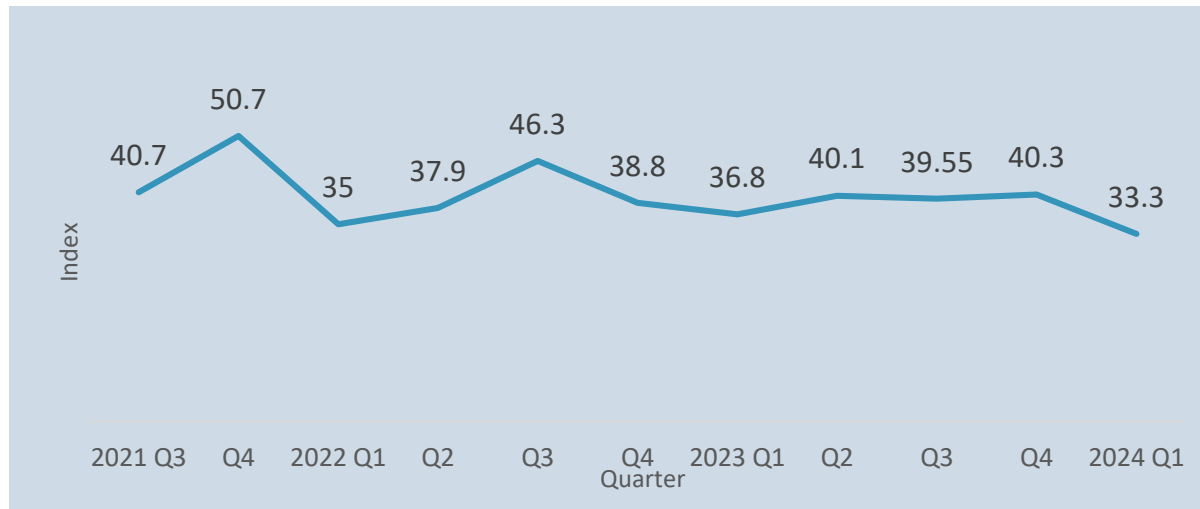
Proportions of respondents who viewed their first quarter 2024 stocks of raw materials as being above normal for the season were **4.1 percent** for manufacturing sector and **13.0 percent** for mining sector.

# Change in selling prices and supplier delivery time

The outlook for selling prices was such that **66.7 percent** of respondents in the manufacturing sector and **56.5 percent** in mining, anticipated no change in the selling prices during second quarter 2024.

In terms of supplier delivery time, **8.7 percent** of respondents in the manufacturing sector, and **14.5 percent** in the mining sector, viewed the turnaround time in first quarter 2024 as having been faster than was in fourth quarter 2023.

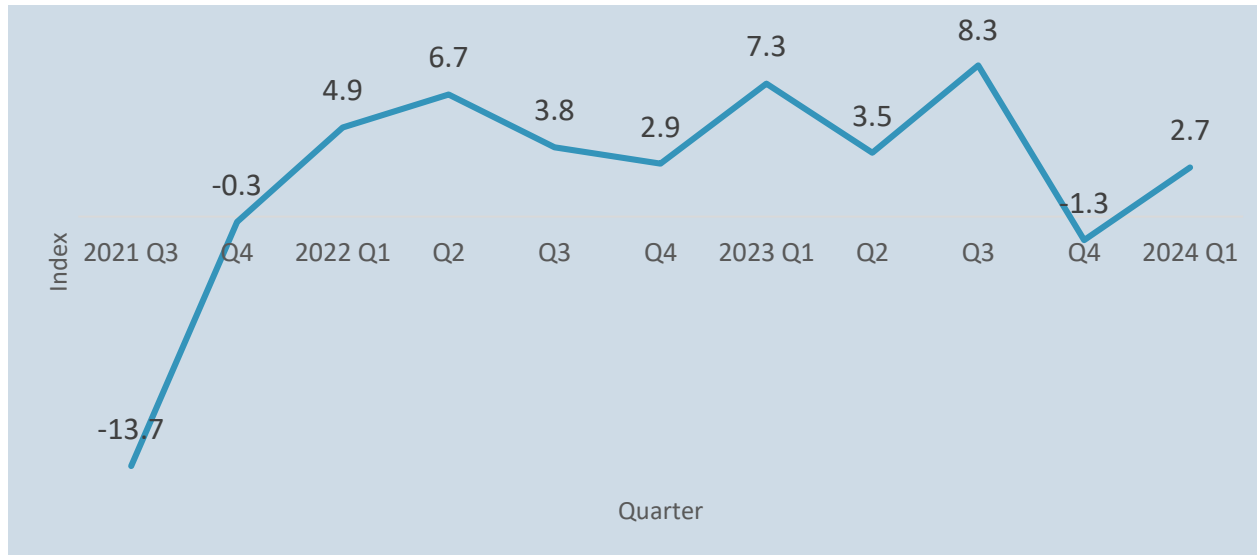
## Purchasing Managers' Index (PMI) for Manufacturing sector



The Purchasing Managers' Index (PMI) for fourth quarter 2023 was **33.3**, reflecting a **7-point** decrease from the fourth quarter value of **40.3**.

- The Purchasing Managers Index (**PMI**) is a measure of the prevailing direction of economic trends in manufacturing sector.
- Values of the Purchasing Managers Index (PMI) index range from 0 to 100, with those above 50 reflecting a direction towards expansion of the sector and below 50 signifying a contraction.
- The further away from 50 the greater the level of change.

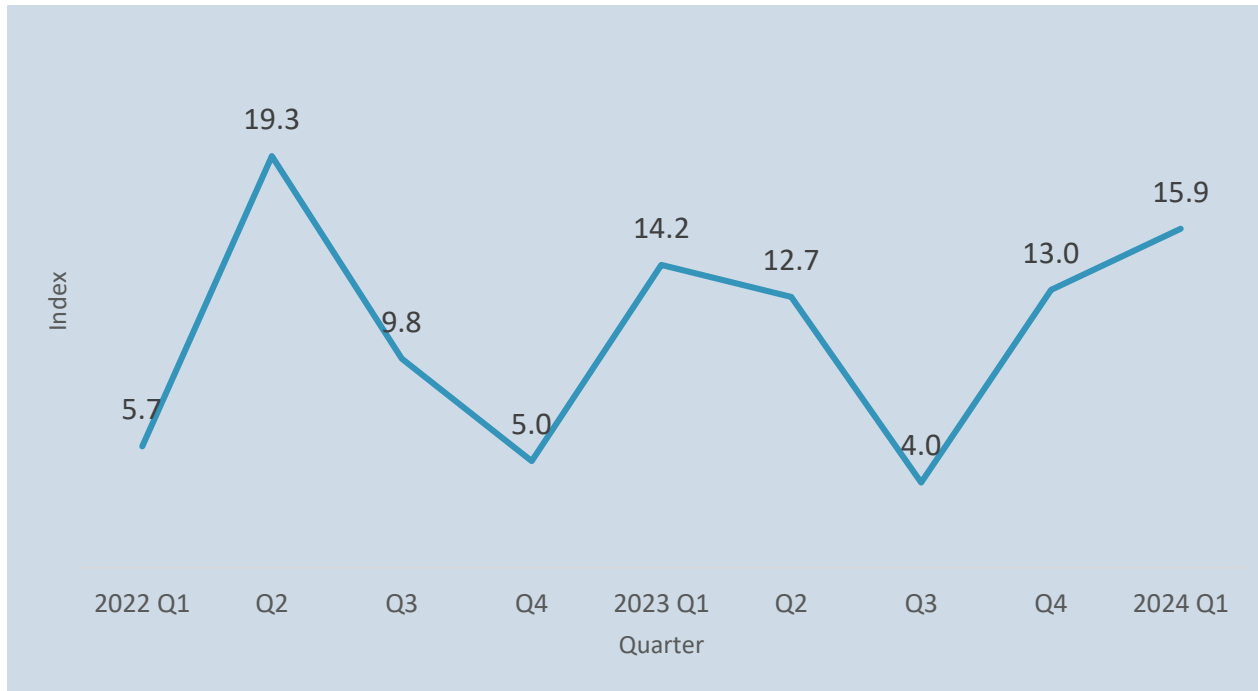
# Manufacturing Confidence Index



The Manufacturing Confidence Index increased from **-1.3** in fourth quarter 2023 to **2.7** in first quarter 2024.

- Manufacturing Confidence Index is a statistical measure used to assess the level of optimism or pessimism among manufacturers regarding the overall economic condition and business prospects within the manufacturing sector.
- A positive value reflects some optimism towards the business condition while the negative implies pessimism.

# Mining Confidence Index



The Mining Confidence Index increased to **15.9** in first quarter 2024, from **13.0** recorded in fourth quarter 2023.

## Major Constraints

Three major constraints to production cited by respondents in manufacturing sector were:

- Low demand,
- Cash flow difficulties, and
- Uncertainty towards the economic environment.

Mining sector had the following three major challenges:

- Cash flow difficulties,
- Shortage of electricity, and
- Lack of access to credit lines.