

INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**



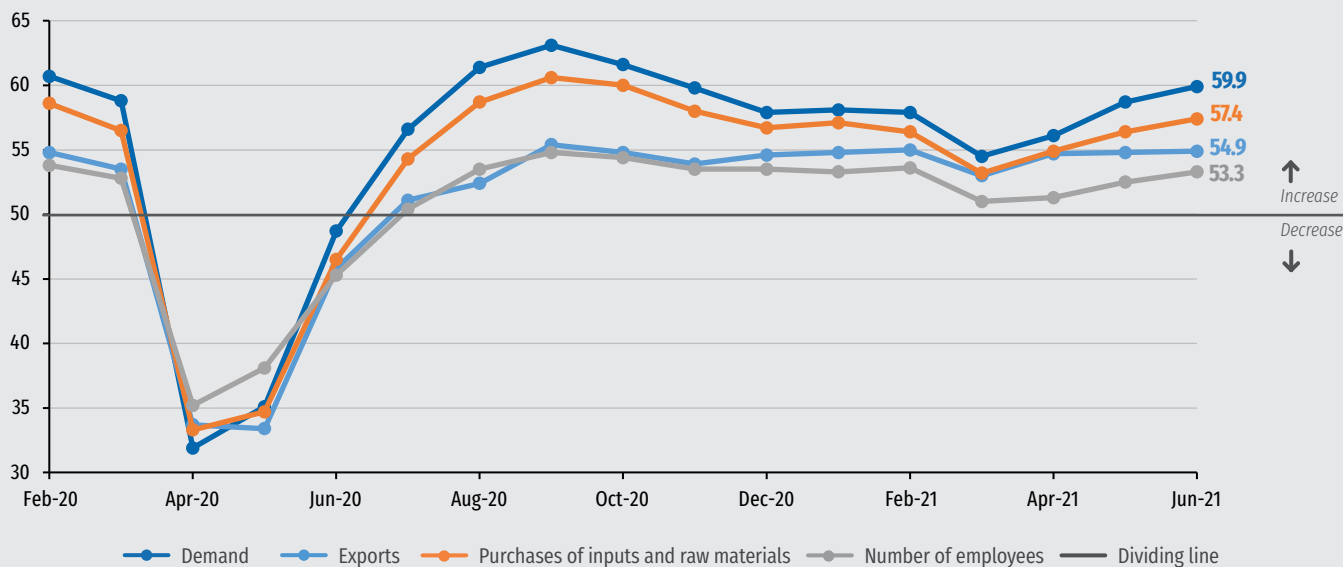
Positive performance increases optimism in Brazilian Industry

Results were positive in May. Industrial production increased after a decline in April, and employment in the industry continued to grow. Capacity utilization remains high at the highest level recorded for the month since 2014. Inventories are relatively stable and remain close to the industry’s planned levels for the second month in a row.

The positive results have boosted the optimism of industrial entrepreneurs. Optimism has been rising since March, when it had last declined amid economic activity restrictions. The June data reinforces the trend of improved expectations, although they have not yet again reached the peak recorded in September 2020.

Expectation indices

Diffusion index (0-100 points)*



*Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

INDUSTRY PERFORMANCE IN MAY 2021

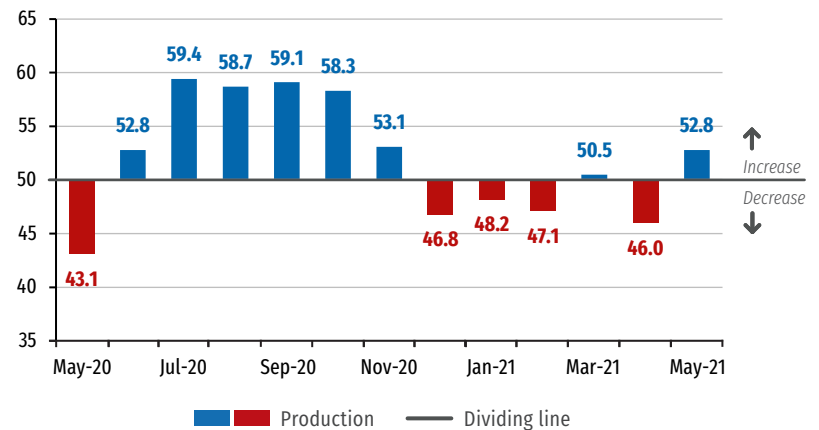
Industrial production grows in May following a decline in April

Industrial production grew in May in relation to April. The production evolution index stood at 52.8 points, above the 50-point dividing line, which indicates growth in industrial production. The index is 9.7 points above the level recorded in May 2020, and is at the best level for the month since 2017. This shows that production growth between April and May was more intense in 2021 than in previous years.

Employment in Industry increased in May. The index measuring the number of employees rose to 51.1 points, moving away from the 50-point dividing line. This marks 11 consecutive months without any drop in industrial employment.

Evolution of production

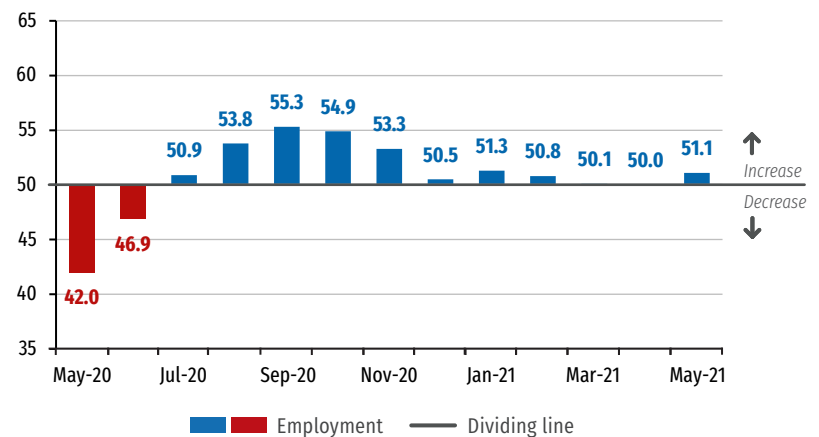
Diffusion index (0-100 points)*



*Figures above 50 points indicate a month-over-month increase in production. Figures below 50 points indicate a month-over-month decline in production. The further away from 50 points, the greater and more widespread the change.

Evolution of the number of employees

Diffusion index (0-100 points)*



*Figures above 50 points indicate a month-over-month increase in employment. Figures below 50 points indicate a month-over-month decline in employment. The further away from 50 points, the greater and more widespread the change.

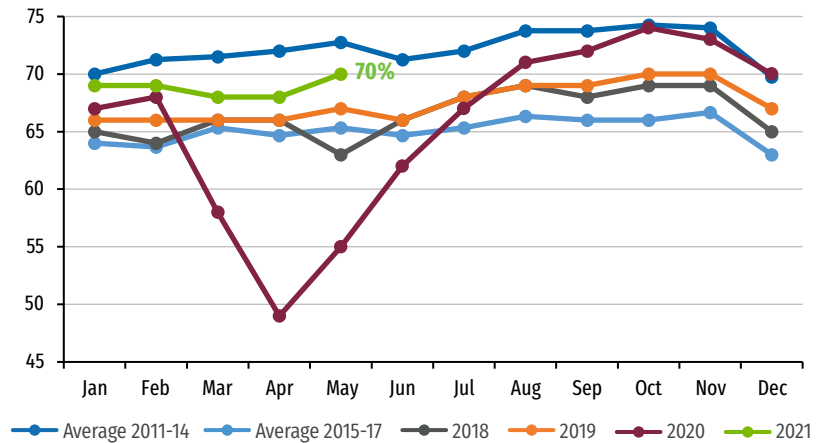
Capacity utilization is the highest for the month of May since 2014

Capacity Utilization reached 70% in May 2021, after increasing two percentage points in relation to April. The Capacity Utilization is 15 percentage points above that recorded in May 2020, which was the first month of recovery after the crisis caused by the first wave of COVID-19. The percentage is the highest for the month since 2014, when it reached 71%.

The actual-usual capacity utilization index reached 46.4 points. Albeit below 50-point dividing line, it represents an increase of 2.8 points compared to April, and is the highest level for the month of May since 2010.

Average capacity utilization

Percentage (%)



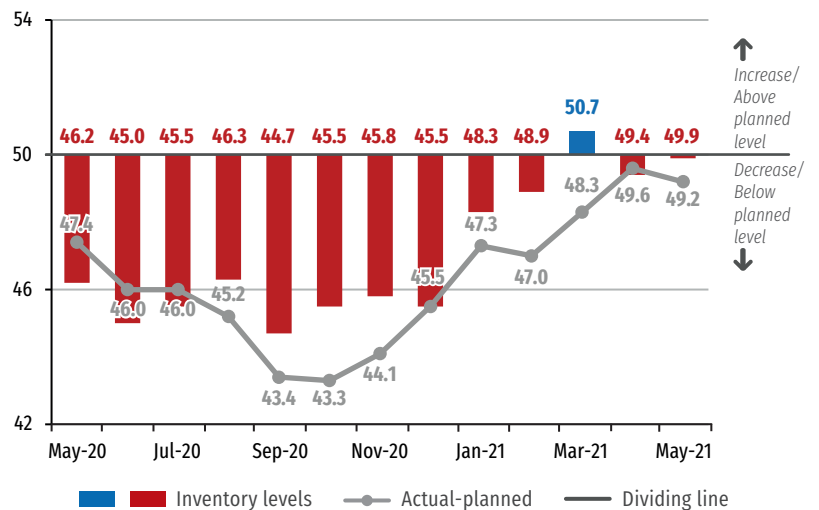
Inventories remain close to planned levels in May

Inventory levels remained almost stable in May, with the evolution of inventory level index reaching 49.9 points, close to the 50-point dividing line that separates inventory growth and decline.

Inventories have moved slightly away from the industry's planned levels. The actual-planned inventory index recorded 49.2 points in May, a drop of 0.4 points compared to April. Nevertheless, the index remains close to the 50-point dividing line, which shows that inventories are in line with planned levels. The index remaining close to the 50-point dividing line for two consecutive months indicates that the period of widespread lack of inventories, which lasted from mid-2020 to the first quarter of 2021, may be ending, and that production chains are returning to normal.

Inventory levels and actual-planned inventory levels

Diffusion index (0-100 points)*



*Figures above 50 points indicate an increase in inventory levels or that actual inventory is above planned levels. Figures below 50 points indicate a decline in inventory levels or that actual inventory is below planned levels. The further away from 50 points, the greater the change or the distance from planned levels.

INDUSTRY EXPECTATIONS IN JUNE 2021

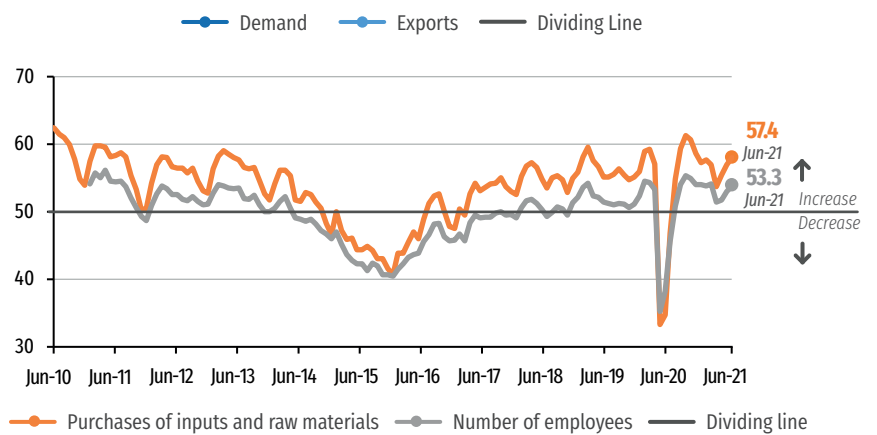
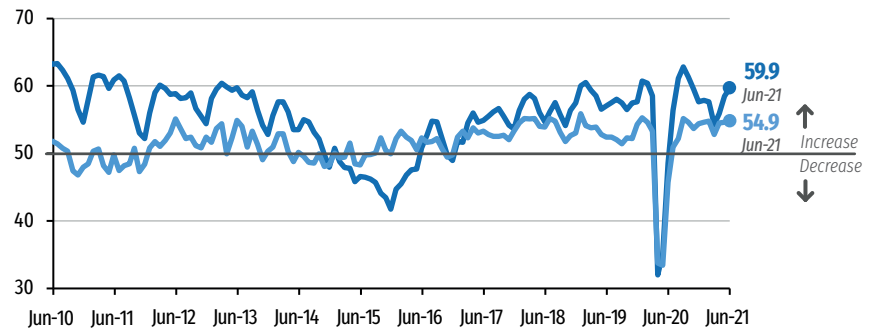
Optimism of industrial entrepreneurs increases in May

The optimism of industrial entrepreneurs about the next six months increased again in June. The index increased measuring the expected demand increased 1.2 points compared to May and is 11.2 points higher than that recorded in June 2020. This is the highest level of the index in 2021. Optimism about exports remained practically stable compared to the previous month: an increase of 0.1 point.

The index measuring expected purchases of raw materials increased 1.0 point compared to May and is also at the highest level recorded in 2021. The index measuring the expected number of employees also increased 0.8 points and remains well above the 50-point dividing line and its historical average.

Expectation indices

Diffusion index (0-100 points)*



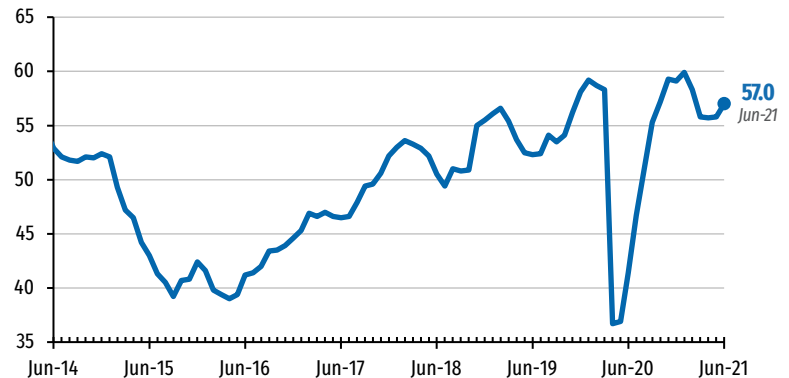
* Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

Intentions to invest grow again

The intention to invest increased in relation to May and remains above the historical average. The investment intentions index reached 57 points in June. This marks an increase of 1.2 points in relation to May. The index is now 15.6 points above the level recorded in June 2020.

Investment intentions

Diffusion index (0-100 points)*



* The higher the index, the more industry is likely to invest.

RESULTS

Performance of industry

	PRODUCTION EVOLUTION			NUMBER OF EMPLOYEES EVOLUTION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21
Total	43.1	46.0	52.8	42.0	50.0	51.1	55	68	70	29.7	43.6	46.4	46.2	49.4	49.9	47.4	49.6	49.2
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	48.4	54.4	51.4	47.4	54.5	54.6	67	79	79	42.0	50.2	51.7	48.2	44.4	46.4	48.4	48.9	50.1
Manufacturing	42.8	45.7	52.7	41.7	49.9	50.9	54	67	69	29.1	43.4	46.3	46.0	49.6	50.1	47.3	49.6	49.1
BY COMPANY SIZE																		
Small ¹	35.6	44.5	50.7	40.4	47.8	49.9	48	60	63	28.0	41.1	44.5	41.8	48.1	48.8	40.5	46.3	46.2
Medium ²	42.4	46.3	50.8	41.2	49.4	50.3	54	67	68	29.6	43.1	45.5	45.7	48.5	49.7	45.4	47.7	47.9
Large ³	47.2	46.5	54.9	43.2	51.5	52.1	58	72	74	30.5	45.2	47.9	48.6	50.6	50.6	51.8	52.2	51.3

The indicators vary in the 0-100 interval. Figures above 50 points indicate an increase in inventory levels, that actual inventory is above planned levels or that capacity utilization is above usual levels for the month. Figures below 50 points indicate a decline in inventory levels, that actual inventory is below planned levels or capacity utilization is below usual levels for the month.

1 - Company with 10 to 49 employees. 2 - Company with 50-249 employees. 3 - Company with 250-plus employees.

Industrial expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21	Jun-20	May-21	Jun-21
Total	48.7	58.7	59.9	45.8	54.8	54.9	46.5	56.4	57.4	45.3	52.5	53.3	41.4	55.8	57.0
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	47.4	60.8	62.5	48.1	59.9	55.2	44.3	58.3	56.0	47.7	53.6	53.1	52.2	62.9	65.0
Manufacturing	48.6	58.6	59.7	45.7	54.6	54.9	46.6	56.3	57.4	45.2	52.5	53.3	40.9	55.4	56.7
BY COMPANY SIZE															
Small ¹	46.1	57.1	58.9	42.3	51.0	51.0	43.2	55.0	56.9	43.2	51.5	52.6	31.5	43.0	45.8
Medium ²	48.3	57.0	59.4	44.4	55.1	55.3	46.0	54.5	57.2	44.9	51.5	53.3	39.3	52.4	52.5
Large ³	50.2	60.4	60.7	48.2	56.5	56.7	48.5	58.1	57.7	46.6	53.6	53.7	47.4	63.9	64.9

The indicators vary in the 0-100 interval. Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline.

* The indicator varies in the 0-100 interval. The higher the index, the more industry is likely to invest.

1 - Company with 10 to 49 employees. 2 - Company with 50-249 employees. 3 - Company with 250-plus employees.



Technical specifications

Sample profile

1,951 enterprises, including 768 small, 688 medium and 495 large companies.

Data collection period

June 1-14, 2021.

Document closed by June 22, 2021.



Learn more

For more information on the survey, including sectoral and regional results, previous editions, methodology and historical series, kindly visit: www.cni.com.br/e_sondaindustrial

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