

# INDUSTRIAL INDICATORS

ECONOMIC INDICATORS **CNI**

**CNI**

Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY

## Pandemic led to a decline in activity, revenues and employment in industry






In March 2020 against February, industry revenues declined in real terms by 4.8%, hours worked in production decreased by 1.8% and industrial employment dropped by 0.7%. Capacity Utilization fell 2.5 percentage points, to 76%, hitting the second lowest level in the series, second only to the 75.9% figure recorded in May 2018, during the truck drivers' strike.

The results reflect the impacts of the Covid-19 pandemic on industrial activity. With the tightening of social distancing measures in the second half of March, consumers have been unable to consume. The drop in demand had an immediate impact on sales.

In response to the drop in sales, companies reduced the pace of their operations, leading to a reduction in working hours and, consequently, in the use of installed capacity.


The fall in industrial employment also reflects a change in the scenario. Increased dismissals and consequent payments of severance pay to dismissed workers had an impact on payroll spending. Total payroll and the average income paid to industrial workers increased by 2.2% and 5.9%, respectively.

### Industrial Indicators - March 2020

		PERCENTAGE CHANGE		
		MAR20/ Seasonally adjusted	MAR20/ MAR19	JAN-MAR20/ JAN-MAR19
	<b>Real sales<sup>1</sup></b>	<b>-4.8</b>	0.3	1.4
	<b>Hours worked in production</b>	<b>-1.8</b>	-2.0	-1.2
	<b>Employment</b>	<b>-0.7</b>	-1.7	-0.8
	<b>Real total payroll<sup>2</sup></b>	<b>2.2</b>	2.1	-0.6
	<b>Real average earnings<sup>2</sup></b>	<b>5.9</b>	3.9	0.2

<sup>1</sup> Deflator: IPA/OG-FGV

<sup>2</sup> Deflator: INPC-IBGE

		AVERAGE PERCENTAGE			CHANGE IN PERCENTAGE POINTS
		MAR20	FEB20	MAR19	
	<b>Capacity Utilization</b>	Seasonally adjusted			
		<b>76.0</b>	78.5	77.3	<b>-2.5</b> p.p. Mar20/Feb20
		Original			
		<b>75.9</b>	77.3	77.2	<b>-1.3</b> p.p. Mar20/Mar19

## Sales drop by almost 5% in March

Real industry sales fell 4.8% in March in relation to February, considering the series without seasonal effects. In comparison with March 2019, real sales hardly changed, recording an increase of 0.3%.

## Real sales

Seasonally adjusted (fixed-base index: 2006 average = 100)



Deflator: IPA/OG-FGV

## Index of hours worked in production in March is the lowest in the series

Hours worked in production declined by 1.8% in March, according to the seasonally adjusted series. The seasonally adjusted indicator is the lowest in the series initiated in 2003. Compared to March 2019, hours worked in production decreased by 2%.

## Hours worked in production

Seasonally adjusted (fixed-base index: 2006 average = 100)

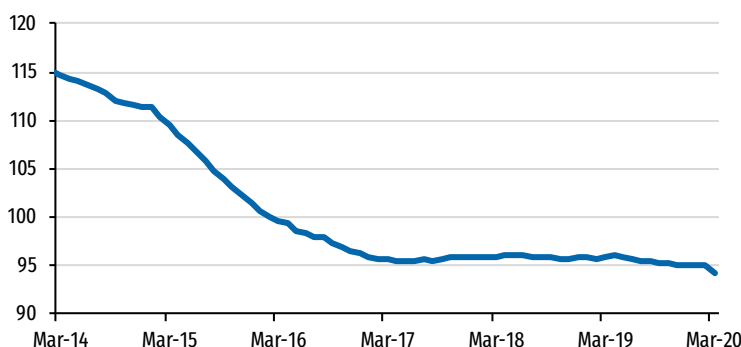


## Employment records the sharpest monthly decrease since 2016

Industrial employment declined by 0.7% in March, considering seasonally adjusted data. The monthly drop is the sharpest in the series since January 2016, when industrial employment decreased by 0.8%. Compared to March 2019, it decreased by 1.7%.

## Employment

Seasonally adjusted (fixed-base index: 2006 average = 100)

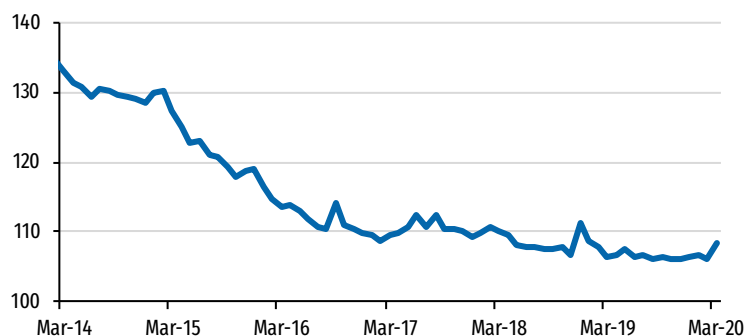


## Total payroll increases as a result of severance pay

Total payroll of industrial workers increased by 2.2% in March in the seasonally adjusted series. In comparison with March 2019, it increased by 2.1%.

## Real total payroll

Seasonally adjusted (Fixed-base index: 2006 average = 100)



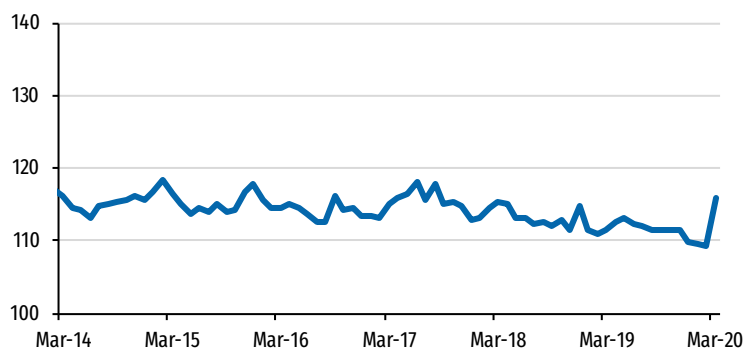
Deflator: INPC-IBGE

## Average real income also increases due to indemnities

The real average income paid to industrial workers increased by 5.9% in March, considering the series without seasonal effects. In comparison with March 2019, it increased by 3.9%.

## Real average earnings

Seasonally adjusted (Fixed-base index: 2006 average = 100)



Deflator: INPC-IBGE

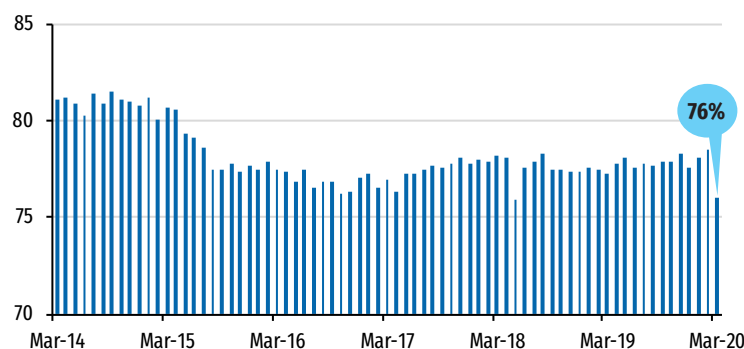
## Capacity utilization is one of the lowest in the historical series

Capacity utilization fell 2.5 percentage points in March, from 78.5% to 76%, the second lowest level in the historical series, second only to the 75.9% figure recorded in May 1988, during the truck drivers' strike.

Compared to March 2019, capacity utilization decreased by 1.3 percentage points.

## Capacity utilization (UCI)

Seasonally adjusted (Average percentage)



**Learn more**

For more information on the survey, including sectoral results, previous editions, methodology and historical series, visit: [www.cni.com.br/e\\_indindustriais](http://www.cni.com.br/e_indindustriais)

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