

# INDUSTRIAL INDICATORS

ECONOMIC INDICATORS **CNI**

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Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY






## The Industrial Sector Entered the Second Half of the Year with a Decline in Both Turnover and Hours Worked in Production

July's Industrial Indicators underscore the diminishing dynamism in industrial activity in 2023. Real turnover in the manufacturing industry, the number of production hours worked, and capacity utilization all experienced a decrease.

Employment in the manufacturing sector remained stable as it commenced in the second half of 2023. Following substantial growth in 2021 and 2022, the employment indicator lost momentum, with July 2023 employment levels matching those from January. While the wage bill and average labor income in the manufacturing industry also maintained stability in July, they have consistently shown positive variations compared to their starting levels at the beginning of the year.


These indicators reflect a manufacturing industry that continues to be impacted by tight monetary policy and an unfavorable credit environment, lacking the momentum of productive recovery witnessed in 2021 and 2022.

### Industrial Indicators - July 2023

		PERCENTAGE VARIATION		
		Jul23/ Jun23 seasonally adjusted	Jul23/ Jul22	Jan-Jul23/ Jan-Jul22
	Real revenue <sup>1</sup>	-0.9	-6.8	-1.4
	Hours worked in production	-0.2	0.2	0.6
	Employment	0.1	0.4	0.9
	Real wage bill <sup>2</sup>	0.1	2.3	4.2
	Real average income <sup>2</sup>	0.0	1.9	3.3

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

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

		AVERAGE PERCENTAGE			VARIATION IN PERCENTAGE POINTS
		Jul23	Jun23	Jul22	
	Capacity Utilization	78.2	78.5	80.6	-0.3 p.p. Jul23/Jun23
		78.2	78.3	81.6	-3.4 p.p. Jul23/Jul22

### The real turnover commences the second half of the year on a declining trend

In July 2023, the Manufacturing real revenue decreased by 0.9% compared to June for the series without seasonal effects. Compared to July 2022, the indicator decreased by 6.8%. The indicator has displayed alternating positive and negative results since the final quarter of 2022. Nevertheless, the periods of growth have proven insufficient to fully counteract the downward trends, resulting in a consistent decline throughout 2023.

### Real revenue

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



Deflator: IPA/OG-FGV

### Hours worked in production fall in July

Hours worked in industrial production decreased by 0.2% in July 2023 compared to June. The indicator continues to fluctuate with alternating positive and negative results throughout the year, maintaining a consistent level. Thus, compared to July 2022, there was a 0.2% increase.

### Hours worked in production

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



### Industrial employment was stable in July

The industrial employment indicator showed no significant change from June to July 2023, with only a 0.1% variation. Throughout the year, the series has seen occasional setbacks and minor improvements, indicating a loss of momentum without replicating the substantial gains observed in 2021 and 2022. Despite this, the series remains at a higher level than in 2022, representing a 0.4% increase compared to July 2022.

### Employment

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



### The wage bill starts the second half of the year stable

In July 2023, the real wage bill for the manufacturing industry was close to stable, up 0.1% compared to June. Over the first seven months of 2023, the indicator grew in three, fell in three, and remained stable in one. As the rises were more intense than the falls, the indicator remains at a higher level than that observed throughout 2022. Compared to July 2022, there was a 2.3% increase.

### Real wage bill

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



Deflator: INPC-IBGE

### Income remains stable in July

The real average income remained stable (0.0%) in July compared to June 2023. Over the first seven months of 2023, the indicator registered four months of decline, two of growth, and one of stability. Despite this, the advances outweighed the falls so that, compared to July 2022, the indicator shows growth of 1.9%.

### Real average income

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



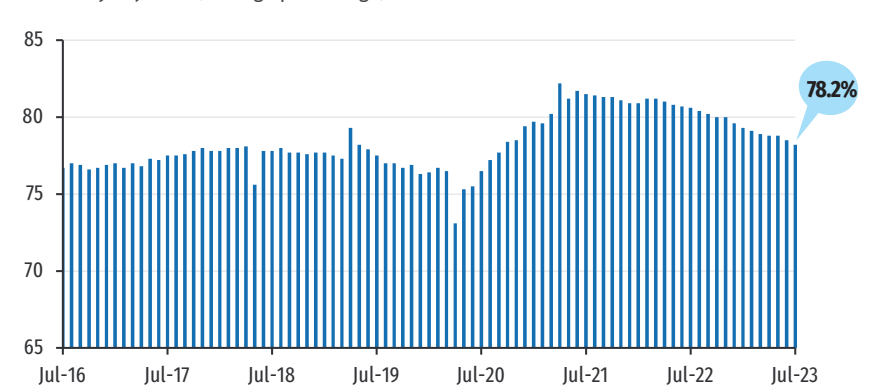
Deflator: INPC-IBGE

### Capacity utilization continues on a downward trend

The Capacity Utilization in the manufacturing industry reached 78.2% in July 2023, marking a decrease of 0.3 percentage points (p.p.) compared to June. Compared to July 2022, there was a 3.4 p.p. decrease. The result shows a continuation of the downward trend observed in the series since 2021.

### Capacity Utilization

Seasonally adjusted (Average percentage)



### Learn More

For further information on sectorial results, previous issues, methodology, and historical series, please visit: [www.cni.com.br/e\\_industriais](http://www.cni.com.br/e_industriais)

Document completed on August 30, 2023.

**INDUSTRIAL INDICATORS** | English version of "Indicadores Industriais Julho 2023" | Published monthly by CNI - National Confederation of Industry | [www.cni.com.br](http://www.cni.com.br) | Board of Industrial Development and Economy - DDIE | Director: Lytha Battiston Spindola | Economics Office - ECON | Executive Officer: Mário Sérgio Carraro Telles | Economic Analysis Unit- GAE | Manager: Marcelo Souza Azevedo | Analysis: Larissa Maria Nocko | Statistics Management- GEST | Manager: Edson Velloso | Team: Edson Velloso and Roxana Rossy Campos | Dissemination Coordination - CDIV | Coordinator: Carla Gadêlha | Graphic Design: Simone Marcia Broch.

Customer Service - Phone: +55 (61) 3317-9992 email: [sac@cni.com.br](mailto:sac@cni.com.br)

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