

PRODUCTIVITY IN BRAZILIAN MANUFACTURING

ECONOMIC INDICATORS **CNI**

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Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Productivity drops for the third consecutive quarter

In the second quarter of 2021, the seasonally-adjusted labor productivity in the manufacturing industry – measured as the volume produced divided by the number of hours worked in production – dropped by 1.6% in relation to the first quarter. Now the index is at a level close to that of the second quarter of 2020, when the crisis caused by the pandemic in Brazil began.

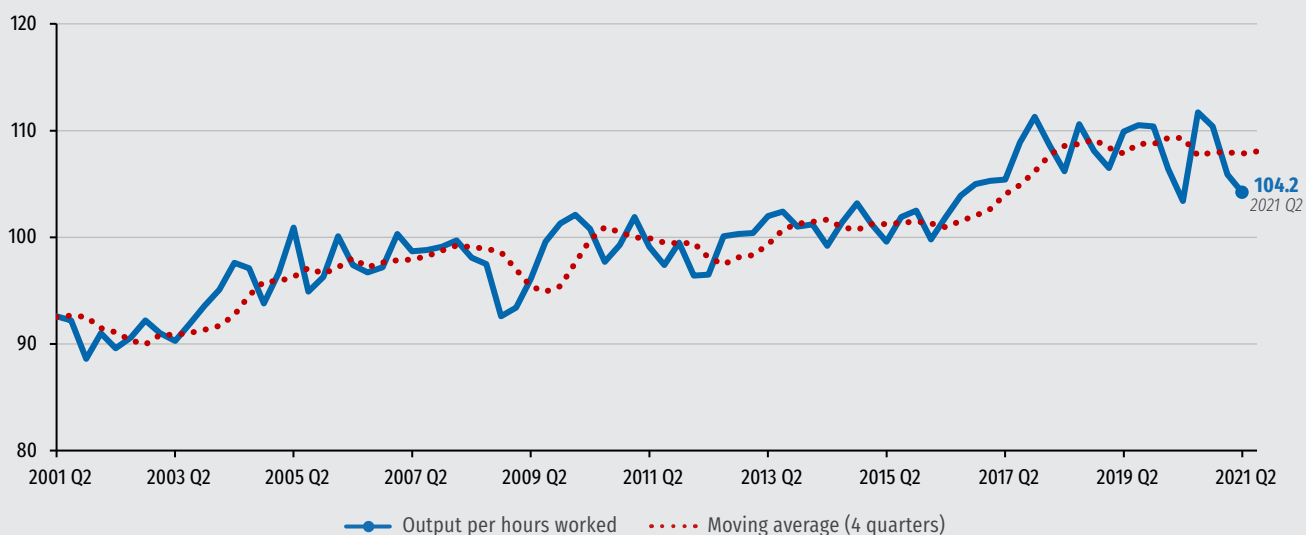
The drop in productivity in the second quarter of 2021 is the result of a 3.8% drop in the production of the manufacturing industry in the quarter, associated with a smaller drop, of

2.3%, in hours worked in production. These drops reflect the uncertainties brought by the pandemic, the difficulties arising from the shortage and high price of inputs, and the constraints in demand caused by high unemployment and declining income. These factors are not new, but they continue to affect industrial activity and productivity.

In view of the difficulties imposed by the pandemic, the evolution of productivity has been influenced mainly by the situation and not by more lasting changes, such as greater job qualification or technological innovations, which explains its strong fluctuation throughout 2020 and 2021. Productivity dropped 6.3% in the first two quarters of 2020 but recorded a strong growth (8.0%) in the following quarter. After this strong growth, productivity fell again, accumulating a drop of 6.7% in relation to that peak over the next three quarters.

Quarterly labor productivity, Brazilian manufacturing industry

Output per hours worked and moving average trend (4 quarters) – Seasonally adjusted – Index, base: 2010 average = 100



Quarterly labor productivity, Brazilian manufacturing industry

Output per hours worked

QUARTER	INDEX, SEASONALLY ADJUSTED (BASE: 2010 AVERAGE = 100)	CHANGE FROM THE IMMEDIATELY PRECEDING QUARTER, SEASONALLY ADJUSTED (%)	CHANGE FROM THE SAME QUARTER IN THE PREVIOUS YEAR (%)	CHANGE ACCUMULATED IN FOUR QUARTERS (FROM THE SAME PERIOD IN THE PREVIOUS YEAR, %)
2019-Q2	109.9	3.2	2.6	0.2
2019-Q3	110.5	0.5	0.0	-0.2
2019-Q4	110.4	-0.1	1.6	0.6
2020-Q1	106.4	-3.6	0.3	1.1
2020-Q2	103.4	-2.8	-4.9	-0.7
2020-Q3	111.7	8.0	1.4	-0.4
2020-Q4	110.4	-1.2	0.1	-0.7
2021-Q1	105.9	-4.1	-0.9	-1.0
2021-Q2	104.2	-1.6	-1.2	-0.1

Annual labor productivity, Brazilian manufacturing industry

Output per hours worked

YEAR	ANNUAL CHANGE (%)
2010	2.1
2011	-0.8
2012	-0.5
2013	2.6
2014	-0.3
2015	0.3
2016	1.8
2017	4.5
2018	0.8
2019	0.6
2020	-0.5

YEAR	ANNUAL CHANGE (%)
Last decade	
2010-2015	1.3
2015-2020	7.3
2010-2020	8.7

Source: Prepared by CNI, based on IBGE and CNI statistics.



Learn more

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