

INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

CNI
Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

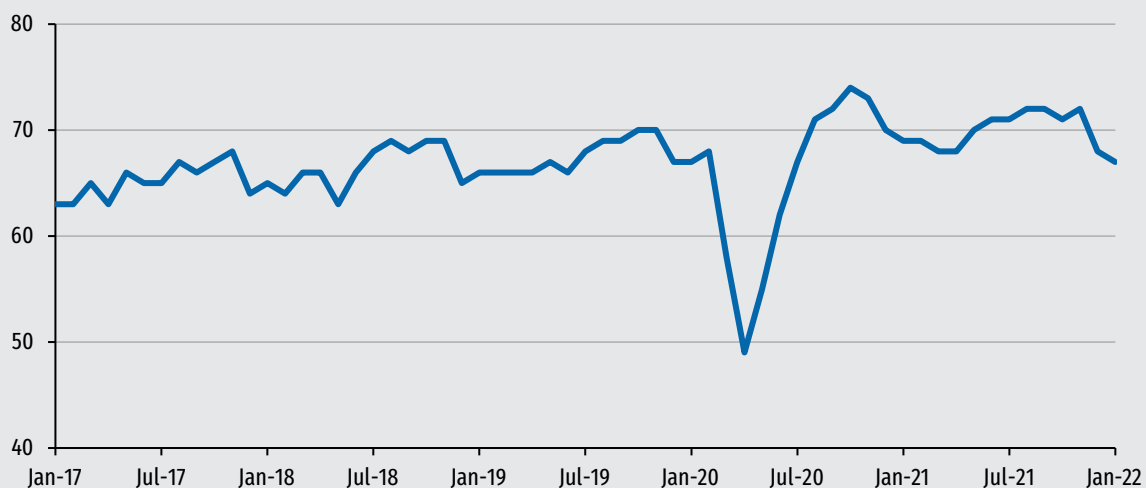
The year begins with a new slowdown in industrial activity

Industrial activity begins 2022 following the deceleration trend that marked the second half of 2021. Capacity utilization, production and employment all decreased from December 2021 to January 2022.

It is worthy of note that the inventory level for final products has remained relatively stable, duly adjusted to the level planned by the companies.

In this scenario, business expectations remain positive, albeit more conservative than in previous years. Intention to invest remains high, without significant changes in recent months.

Average capacity utilization
Percentage (%)



INDUSTRY PERFORMANCE IN JANUARY 2022

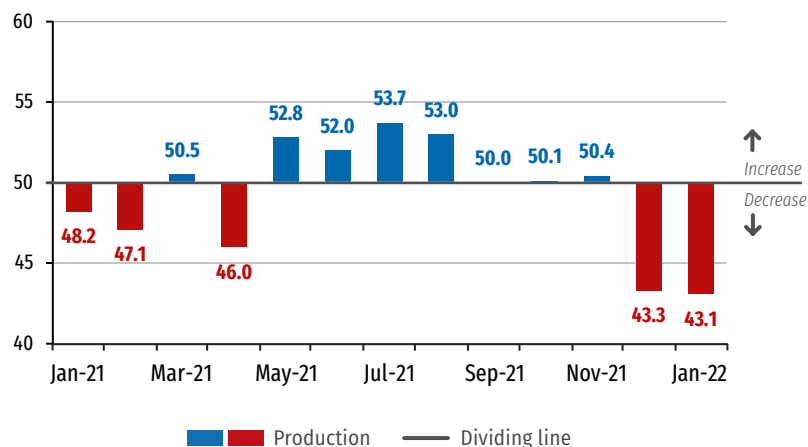
Industrial production and employment fall for the second consecutive month

Industrial production fell sharply in January 2022 when compared to December 2021. The production evolution index remained at 43.1 points, a result below the dividing line between production decline and growth. The index for January is practically the same as that of December 2021, reinforcing the downward trend in industrial production.

Industrial employment declined in January 2022 compared to December 2021. The index for the variation of the number of employees reached 48.8 points in January, which represents a fall in the number of employees, since the index was below the 50-point threshold that separates falling from rising employment.

Variation of production

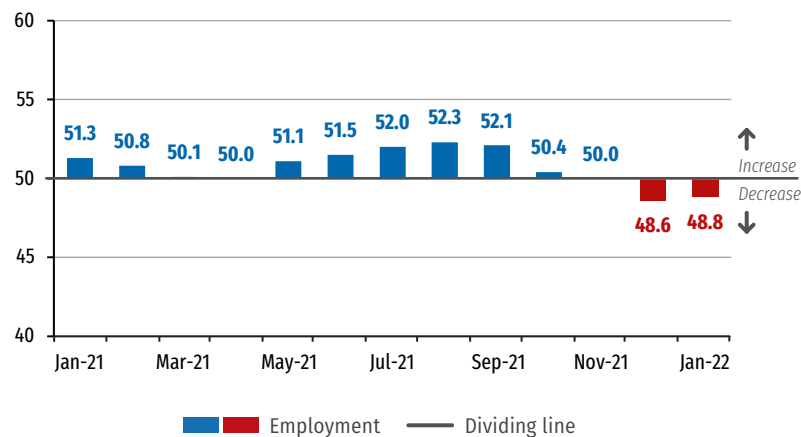
Diffusion index (0 to 100 points)*



*Figures above 50 points show an increase in production compared to the previous month while figures below 50 show a decrease in production compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

Variation of the number of employees

Diffusion index (0 to 100 points)*



*Figures above 50 points show an increase in employment compared to the previous month, while figures below 50 show a decrease in employment compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

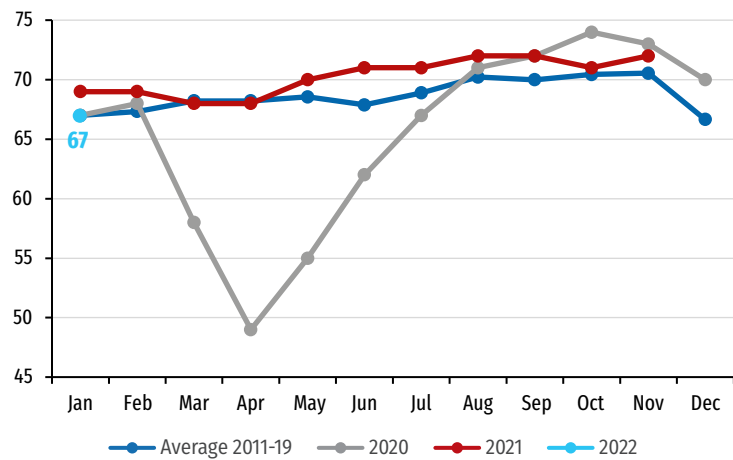
Capacity utilization continues to decline

In January 2022, the capacity utilization stood at 67%, which works out at a decrease of 1 percentage point compared to December 2021. This is the second consecutive month with a decrease in capacity utilization. The result is two percentage points lower than that recorded in January 2021 (69%) and is the same as the average recorded in January in previous years (67%).

The indicator of effective capacity utilization compared to usual levels stood at 41.4 points in January 2022. This result represents a reduction of 2.2 points compared to the previous month. This indicator is at the lowest level for the month January over the last five years.

Average capacity utilization

Percentage (%)



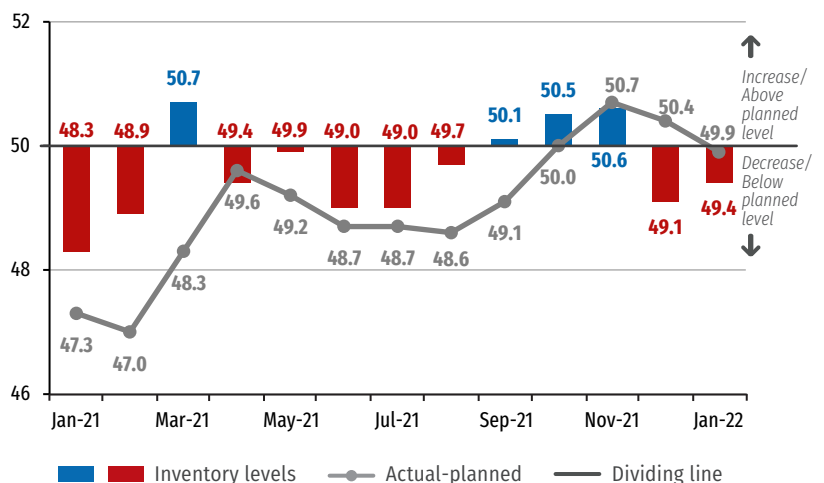
Inventories remain adjusted to planned levels

The index of the effective inventory level in relation to the planned level stood at 49.9 points in January, meaning that the effective inventory is practically at the level planned by the companies. The results have been close to 50 points since October 2021, which means that for the last four months the inventory levels have been a whisker away from what was planned by entrepreneurs.

The inventory level evolution index stood at 49.4 points, just below the 50-point dividing line, which indicates a small drop in inventory levels compared to the previous month.

Variation in inventory levels and effective inventory in relation to the planned level

Diffusion index (0 to 100 points)*



*Figures above 50 points show an increase in the inventory level or actual inventory above planned, while figures short of 50 points show a decrease in the inventory level or actual inventory below the level planned. The further away from 50 points, the greater the variation or distance from the target.

INDUSTRY EXPECTATIONS IN FEBRUARY 2022

Entrepreneurs' expectations remain cautious

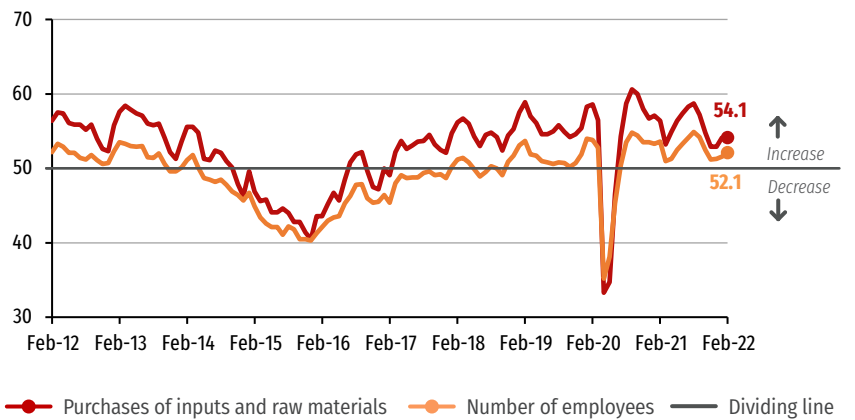
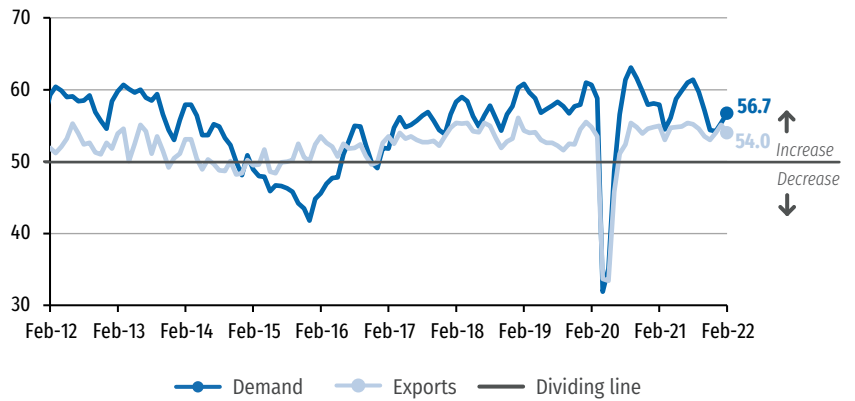
Entrepreneurs' expectations remain optimistic in February 2022, but, just like in January, optimism is cautious. All results are above the 50-point threshold, which suggests an expectation of growth over the next six months. However, all indices still rank among the lowest for February in recent years.

The indices showed different variations from January to February 2022. The expectation index for demand edged up by 1.3 points when comparing January and February, reaching 56.7 points. The index for export expectations index stood at 54.0 points, a decrease of 1.1 point in relation to January. The index for the expected number of employees reached 52.1 points, working out at an increase of 0.5 point, comparing January with February.

Finally, the index for expected purchases of inputs and raw materials was 54.1 points, the same value registered in January.

Expectation indices

Diffusion index (0 to 100 points)*



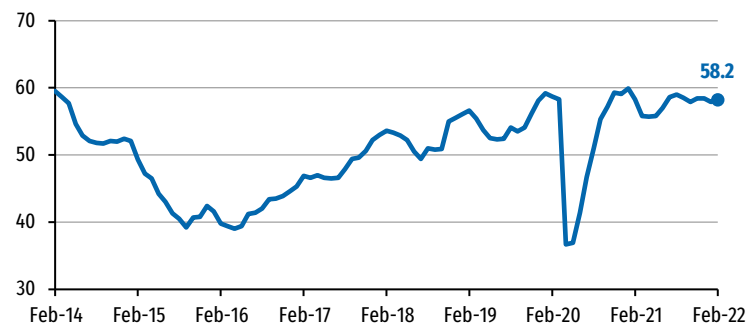
*Figures above 50 points show expectations of growth, while figures below 50 points show an expected decrease. The further away from 50 points, the greater and more widespread the expected variation.

Intention to invest remains stable

Investment intention in February 2022 remained practically unchanged, going from 57.9 points in January 2022 to 58.2 points in February 2022. Thus, it remained above the historical average of 50.9 points, which reveals a relatively high intention to invest. The index has been stable since the beginning of the second half of 2021.

Investment intention

Diffusion index (0-100 points)*



*The higher the index, the greater the industry's propensity to invest.

RESULTS

Industry Performance

	PRODUCTION EVOLUTION			NUMBER OF EMPLOYEES EVOLUTION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	Jan-21	Dec-21	Jan-22	Jan-21	Dec-21	Jan-22	Jan-21	Dec-21	Jan-22	Jan-21	Dec-21	Jan-22	Jan-21	Dec-21	Jan-22	Jan-21	Dec-21	Jan-22
Total	48.2	43.3	43.1	51.3	48.6	48.8	69	68	67	46.7	43.6	41.4	48.3	49.1	49.4	47.3	50.4	49.9
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	52.4	46.2	46.4	50.8	46.4	50.0	74	75	74	48.6	49.2	48.5	48.6	43.0	48.0	53.1	48.8	52.5
Manufacturing	48.0	43.3	43.1	51.3	48.7	48.7	69	68	67	46.6	43.5	41.2	48.3	49.3	49.5	47.1	50.5	49.8
BY COMPANY SIZE																		
Small ¹	43.6	45.9	41.3	48.5	48.4	46.9	61	63	61	42.4	43.3	40.0	45.2	47.1	45.9	43.7	46.4	45.7
Medium ²	47.6	43.4	42.8	51.2	48.4	48.4	68	66	65	45.7	42.4	40.2	47.2	50.3	49.2	46.0	50.1	49.7
Large ³	50.7	42.0	44.2	52.8	48.8	49.9	73	72	71	49.3	44.4	42.8	50.4	49.4	51.3	49.8	52.6	52.0

Indicators range from 0 to 100 points. Figures above 50 indicate an increase, above-planned inventories or capacity utilization higher than usual. On the other hand, figures below 50 suggest a decrease, lower-than-planned inventories or a capacity utilization lower than usual.

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

Industrial Expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	Feb-21	Jan-22	Feb-22	Feb-21	Jan-22	Feb-22	Feb-21	Jan-22	Feb-22	Feb-21	Jan-22	Feb-22	Feb-21	Jan-22	Feb-22
Total	57.9	55.4	56.7	55.0	55.1	54.0	56.4	54.1	54.1	53.6	51.6	52.1	58.3	57.9	58.2
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	61.0	58.0	61.1	61.7	63.3	55.0	56.9	54.3	58.2	53.2	50.7	53.8	63.1	63.4	64.1
Manufacturing	57.7	55.3	56.5	54.9	54.9	53.9	56.4	54.1	53.8	53.7	51.6	52.1	58.2	57.6	57.9
BY COMPANY SIZE															
Small ¹	57.1	54.9	56.5	53.3	53.4	51.5	55.1	54.0	54.3	52.7	52.0	52.1	46.0	46.7	48.7
Medium ²	57.8	56.1	56.7	55.4	56.9	54.2	56.3	54.2	54.3	54.1	51.7	52.7	56.3	54.4	56.2
Large ³	58.3	55.3	56.7	55.6	55.0	55.1	57.1	54.1	53.8	53.8	51.3	51.8	65.5	65.3	64.0

Indicators range from 0 to 100 points. Figures above 50 points show expectations of growth while figures below 50 points show an expected decrease.

*Indicator ranges from 0 to 100 points. The higher the index, the greater the propensity to invest in the industry.

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



Technical specifications

Sample profile

1,806 enterprises, including 760 small, 625 medium and 421 large companies.

Data collection period

February 1-10, 2022.

Document closed by February 14, 2022.



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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