

PRODUCTIVITY IN BRAZILIAN MANUFACTURING

ECONOMIC INDICATORS **CNI**

CNI
Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Productivity drops in the first quarter of 2021

In the first quarter of 2021, the seasonally-adjusted labor productivity in Brazilian manufacturing industry – measured as the volume produced divided by the number of hours worked in production – dropped by 2.5% in relation to the last quarter of 2020. This is the result of a 1.9% increase in hours worked accompanied by a 0.6% drop in production.

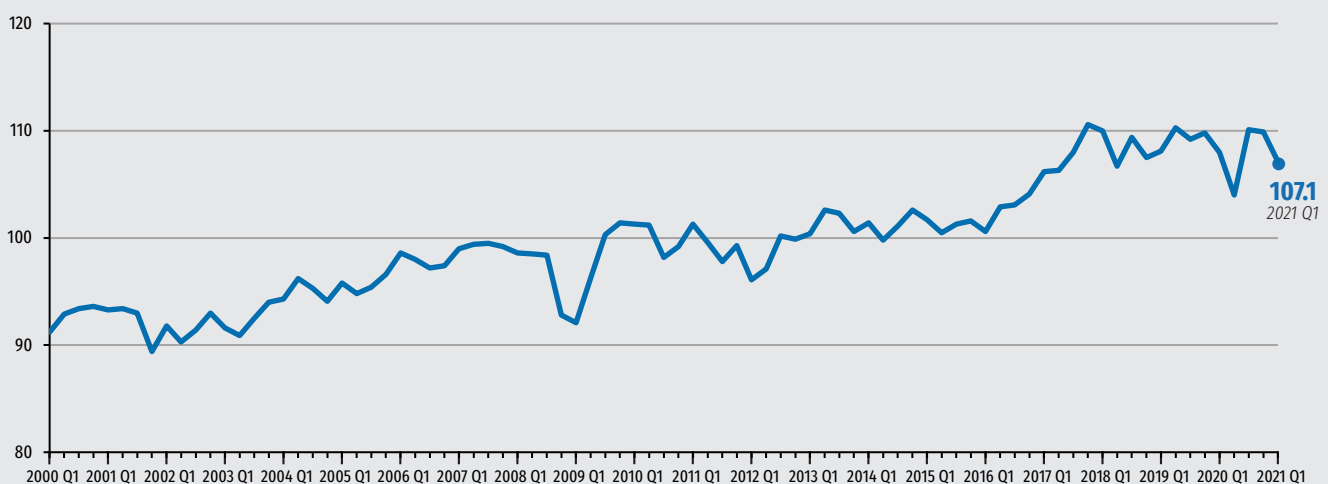
Since the beginning of the pandemic, labor productivity evolution has been influenced primarily by cyclical conditions rather than by lasting changes such as higher labor skills or technological innovations.

The uncertainty brought by the pandemic is affecting industrial productivity. This is added to the high uncertainty, to the breakdown of production chains, associated with still low inventories, rising costs and shortage of inputs and raw materials. These are difficulties that affect the companies' ability to plan and to establish their pace of production.

The divergence between hours worked and production in the first quarter of 2021 is also influenced by the expiration of the terms of the agreements signed in 2020, which allowed for vacation advances, reduced wages and working hours, and suspension of labor contracts.

Quarterly labor productivity, Brazilian manufacturing industry

Output per hours worked - 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 - Q1	108.1	0.6	-1.5	-0.3
2019 - Q2	110.3	2.0	2.6	0.2
2019 - Q3	109.2	-1.0	0.0	-0.2
2019 - Q4	109.8	0.5	1.6	0.6
2020 - Q1	108.0	-1.6	0.3	1.1
2020 - Q2	104.0	-3.7	-5.0	-0.7
2020 - Q3	110.1	5.9	1.4	-0.5
2020 - Q4	109.9	-0.2	0.0	-0.8
2021 - Q1	107.1	-2.5	-1.2	-1.2

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	CUMULATIVE 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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