

# INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

**CNI**  
Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY

## Industrial activity remained high in February only among large companies

In February, industrial activity showed a different dynamic both among large companies and among smaller ones.

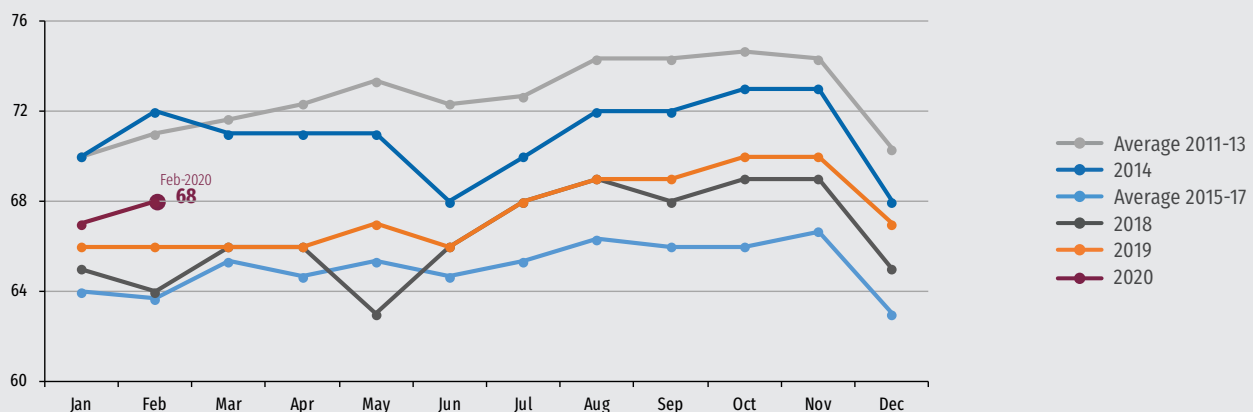
The data for large companies suggest that the more favorable recovery dynamics observed in January remains unchanged. Large companies are tending to increase their production and jobs, as in January. Capacity Utilization in large companies hit the mark of 73%, 2 percentage points above the figure in January and close to that observed in the period between 2011 and 2014.

Conversely, data for small and medium-sized companies showed a decline in production, jobs and, in the case of small companies, also in Capacity Utilization. The production evolution rates of these companies are even lower than those recorded in February 2019, that is, they show a greater decline in production in February 2020 than in the same month last year.

Expectation indices indicate a decrease in optimism between February and March. The intention to invest remained high, despite having fallen.

### Average capacity utilization rate

Percentage (%)



## PERFORMANCE OF INDUSTRY IN FEBRUARY 2020

### Production and jobs increased in February among large companies

Industrial production decreased in February in relation to January. The production evolution index amounted to 47.5 points. It is usual for production between January and February to decrease and fall below 50 points in February. In 2020, the drop in production was sharper than in 2019, but milder than between 2015 and 2018.

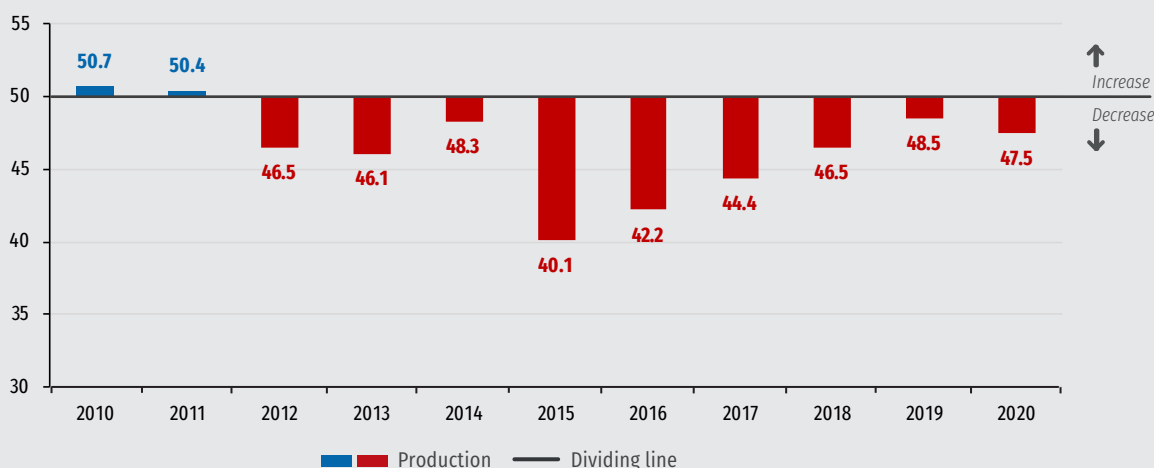
The index measuring the number of employees amounted to 50.4 points in February, suggesting a slight increase in the number of employees. The last time the index had risen in a month of February was in 2011.

**LARGE COMPANIES** - Large companies recorded an increase in their production in February (50.9-point index), unlike the rest of industry. The last time that large companies had recorded an increase in production in that month was in 2011 (51.9-point index). The production of smaller companies decreased in February: the index for small companies was 43.2 points, while the average index for medium sized ones amounted to 45.2 points. Both indices are the lowest for the month in the past three years.

Something similar was observed with regard to the number of employees. The number of employees increased only in large companies: 51.9-point index in February. The average index was 49.5 points (indicating a small decrease in the number of employees), while the index for small companies stood at 48.5 points (indicating a decrease in the number of employees).

#### Production evolution in February (2010-2020)

Diffusion index (0-100 points)\*



\*Figures above 50 points indicate a month-over-month increase in production. Figures below 50 points indicate a month-over-month decline in production. The further away from 50 points, the greater and more widespread the change.

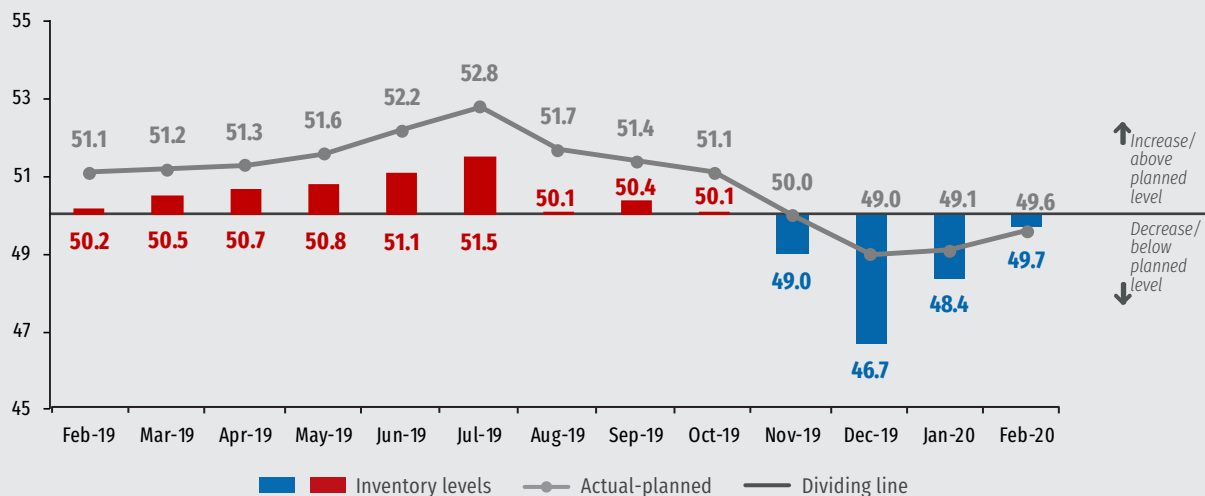
### Stable inventories

The index measuring inventory levels amounted to 49.7 points, that is, it shows that inventories remained practically unchanged during the month. The index

measuring actual-planned inventory levels remained in turn close to the 50-point dividing line, at 49.6 points. In other words, inventories remained at the levels planned by the companies.

## Inventory levels and actual-planned inventory levels

Diffusion index (0-100 points)\*



\*Figures above 50 points indicate an increase in inventory levels or that actual inventory is above planned levels. Figures below 50 points indicate a decline in inventory levels or that actual inventory is below planned levels. The further away from 50 points, the greater the change or the distance from planned levels.

## Economic activity remains above previous years

Capacity Utilization amounted to 68% in February, 1 percentage point above the figure recorded in January and 2 percentage points above that observed in February 2019. The percentage is the highest for the month since 2014, when it hit the mark of 72%.

Actual-usual Capacity Utilization amounted to 44.6 points, a decrease of 0.7 points as compared to the previous month. In comparison with February 2019, the index increased by 1.2 points.

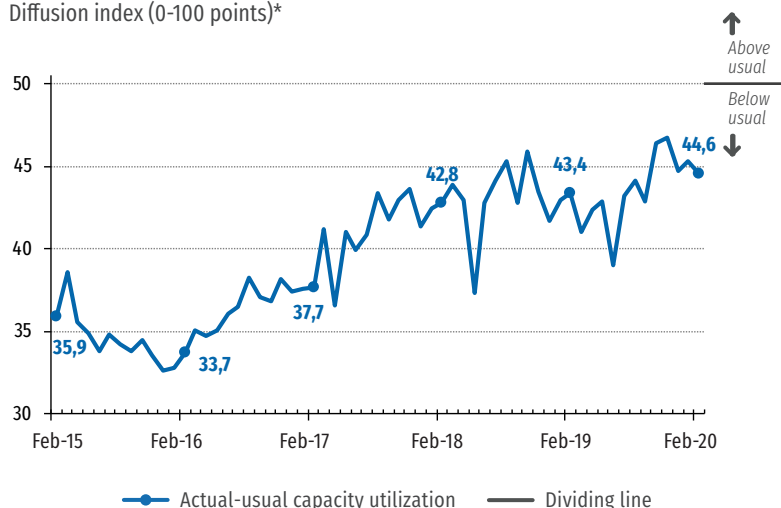
**LARGE COMPANIES** – Once again, large companies deserve special mention. Capacity Utilization in large companies increased by 2 percentage points from January to February 2020, rising to 73%. This percentage is 4 percentage points higher than that recorded in February 2019 and is also the highest for the month since 2014. This percentage is close to the pre-crisis level, 75%, observed in every month of February between 2011 and 2014. In the case of small companies, Capacity Utilization stood at 59% in February 2020,

far from the average observed in the month of February between 2011 and 2014, 64.5%.

Actual-usual Capacity Utilization reflects the same dynamic. While the index for large companies showed a small increase in February, 0.2 points, the index for medium-sized companies decreased by 1.5 points and that for small ones declined by 1.6 points. Small and medium enterprises experienced a drop in relation to February 2019, while the index for large ones increased by 2.7 points in this comparison.

### Actual-usual capacity utilization

Diffusion index (0-100 points)\*



\* Figures above 50 points indicate that capacity utilization is above usual levels for the month. Figures below 50 points indicate that capacity utilization is below usual levels for the month. The further away from 50 points, the greater and more widespread the distance from usual levels for the month.

## INDUSTRY'S EXPECTATIONS IN MARCH 2020

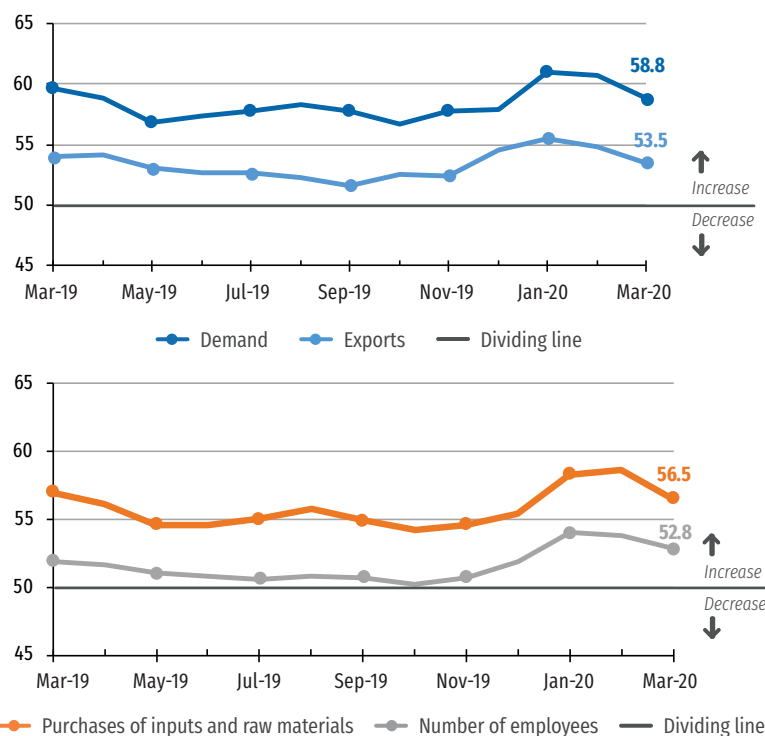
### Less optimistic expectations

Expectation indices fell from February to March. Despite this decline, all indices are still well above the 50-point dividing line, that is, entrepreneurs expect to see an increase in demand and exported quantities, as well as increases in purchases of raw materials and in the number of employees.

Compared to March 2019, most indices show a moderate decline in optimism, except for the index for expected number of employees, which suggests more optimistic prospects on the same comparison basis.

#### Expectation indices

Diffusion index (0-100 points)\*



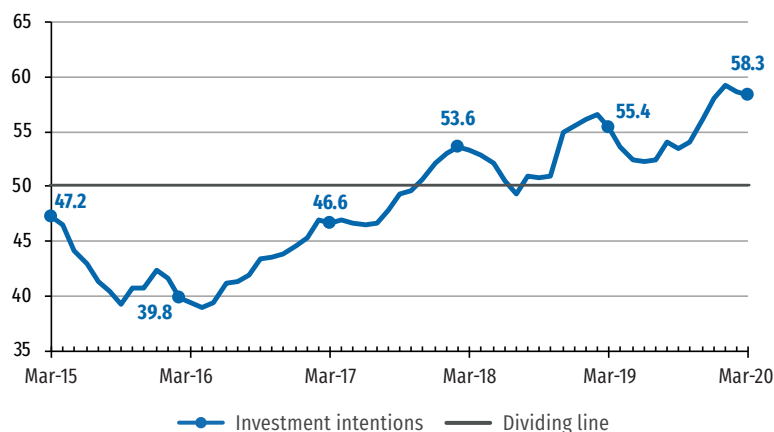
\* Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

### Intention to invest remains unchanged

The investment intention index dropped by 0.4 points between February and March, to 58.3 points. Despite this decline, the second one in a row (the index had fallen 0.5 points in February), the index indicates a high intention to invest, as it remains at a high level. Except for the figures recorded in past two months, the index is the highest since March 2014, when it reached 58.7 points. The series begins in November 2013. The index is 2.9 points higher than that recorded in March 2019.

#### Investment intentions

Diffusion indices (0-100 points)\*



\* The higher the index, the more industry is likely to invest.

## RESULTS

### Performance of industry

	PRODUCTION EVOLUTION			NUMBER OF EMPLOYEES EVOLUTION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	Feb-19	Jan-20	Feb-20	Feb-19	Jan-20	Feb-20	Feb-19	Jan-20	Feb-20	Feb-19	Jan-20	Feb-20	Feb-19	Jan-20	Feb-20	Feb-19	Jan-20	Feb-20
Total	48.5	49.9	47.5	48.9	49.7	50.4	66	67	68	43.4	45.3	44.6	50.2	48.4	49.7	51.1	49.1	49.6
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	50.3	45.7	46.3	52.1	48.1	53.8	67	72	69	44.5	51.2	46.0	51.1	44.9	45.9	54.7	51.0	49.7
Manufacturing	48.4	50.1	47.6	48.8	49.8	50.3	65	67	68	43.4	45.1	44.6	50.1	48.4	49.8	51.1	49.0	49.6
BY COMPANY SIZE																		
Small <sup>1</sup>	46.4	45.8	43.2	47.3	48.0	48.5	59	60	59	41.6	42.9	41.3	48.0	47.0	47.2	48.1	45.7	46.4
Medium <sup>2</sup>	48.1	48.8	45.2	49.2	49.0	49.5	65	66	66	42.7	43.8	42.3	50.0	48.2	48.8	50.2	48.4	48.7
Large <sup>3</sup>	49.7	52.5	50.9	49.6	51.0	51.9	69	71	73	44.7	47.2	47.4	51.3	49.1	51.4	53.1	51.2	51.7

The indicators vary in the 0-100 interval. Figures above 50 points indicate an increase in inventory levels, that actual inventory is above planned levels or that capacity utilization is above usual levels for the month. Figures below 50 points indicate a decline in inventory levels, that actual inventory is below planned levels or capacity utilization is below usual levels for the month.

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

### Industrial expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	Mar-19	Feb-20	Mar-20	Mar-19	Feb-20	Mar-20	Mar-19	Feb-20	Mar-20	Mar-19	Feb-20	Mar-20	Mar-19	Feb-20	Mar-20
Total	59.6	60.7	58.8	54.0	54.8	53.5	57.0	58.6	56.5	51.9	53.8	52.8	55.4	58.7	58.3
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	57.6	59.4	57.8	55.8	59.1	52.2	54.3	55.9	55.6	51.7	54.5	54.2	60.8	59.0	59.4
Manufacturing	60.9	61.0	60.8	54.0	54.6	53.5	57.1	58.7	56.6	51.9	53.8	52.8	55.2	58.6	58.2
BY COMPANY SIZE															
Small <sup>1</sup>	60.5	59.7	58.9	53.4	51.8	49.8	56.4	56.5	55.1	51.4	52.9	51.8	44.5	47.0	46.2
Medium <sup>2</sup>	61.3	61.0	60.8	55.3	56.8	56.1	56.8	58.3	55.8	52.4	53.4	52.4	51.8	56.8	55.4
Large <sup>3</sup>	60.7	61.6	61.5	53.7	55.2	54.0	57.4	59.8	57.6	51.8	54.5	53.5	62.7	65.5	65.8

The indicators vary in the 0-100 interval. Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline.

\* The indicator varies in the 0-100 interval. The higher the index, the more industry is likely to invest.

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



### Technical specifications

#### Sample profile

1,950 enterprises, including 787 small, 667 medium and 496 large companies.

#### Data collection period

March 2-11, 2020.

Document closed by March 19, 2020.



### Learn more

For more information on the survey, including historical series and methodology, kindly visit:  
[www.cni.com.br/e\\_sondindustrial](http://www.cni.com.br/e_sondindustrial)

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