

# INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

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

## Year begins with creation of jobs

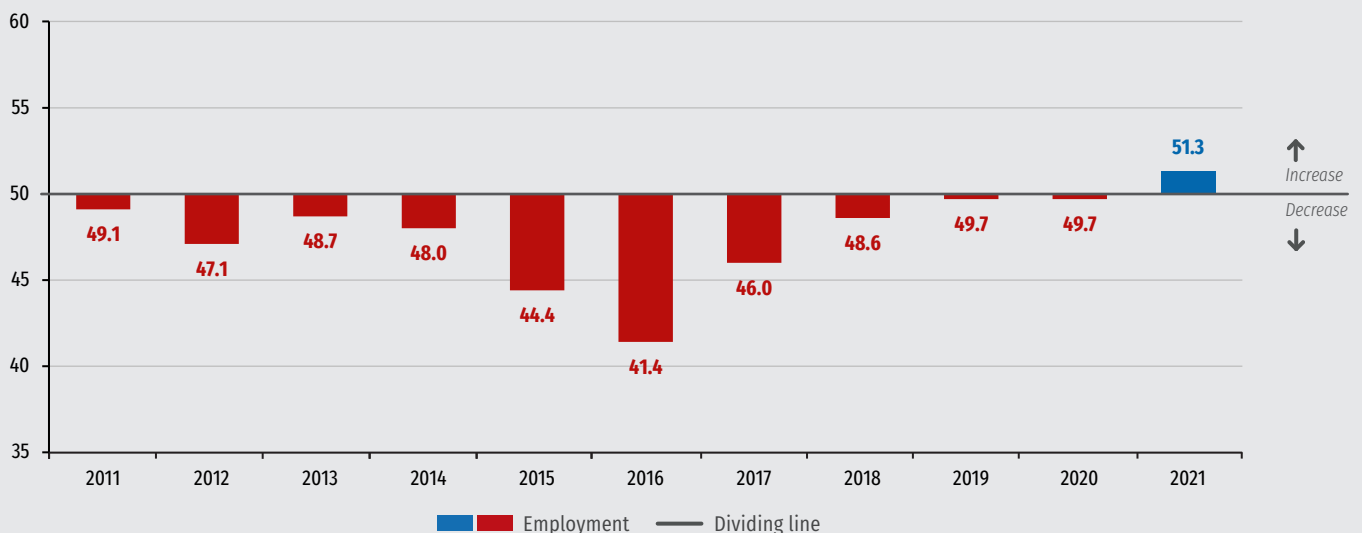
Industrial production and Capacity Utilization dropped in January 2021 in relation to December 2020, a movement that is usual for the period. Nevertheless, Capacity Utilization starts 2021 at 69%, a percentage above the one recorded in January in the last six years.

Industrial activity, which is relatively strong after recovering from the effects of the crisis, continues to bear fruit in the labor market. Contrary to the usual trend, the number of employees increased at the turn of the year. Therefore, industrial employment has accumulated seven consecutive monthly increases.

It should also be noted that inventory levels remain below planned, but the difference between actual and planned levels continues to fall.

### Evolution of the number of employees in January

Diffusion index (0-100 points)\*



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

## INDUSTRY PERFORMANCE IN JANUARY 2021

### Hiring increased in January

Industrial production dropped in January 2021 in relation to December 2020, a movement that is usual for the period. However, the number of employees in the industry increased in January 2021, contrary to the usual trend for the period.

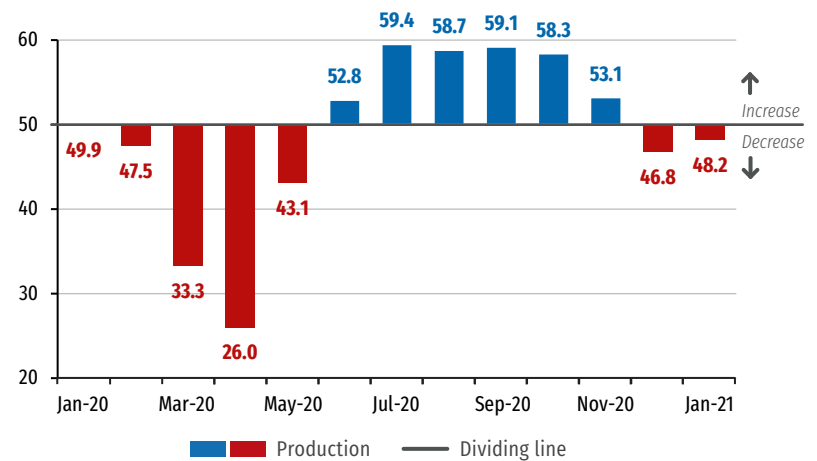
Despite a stronger drop in the transition from 2020 to January 2021 than that recorded in 2020, 2019 and 2018, the production of the last months of 2020 was also more heated. Thus, even with the drop, production remains at a relatively high level, which explains the rise in employment in January.

The production evolution index stood at 48.2 points, below the 50-point dividing line, which indicates a production decline.

The index measuring the number of employees stood at 51.3 points, above the 50-point dividing line. This is the first time this occurs in January since the beginning of the monthly series in 2011. It should also be noted that this marks the seventh consecutive month of increase in the number of employees (index above 50 points). The index also increased from December to January, which indicates a more strong and widespread increase in employment in the industry.

### Evolution of production

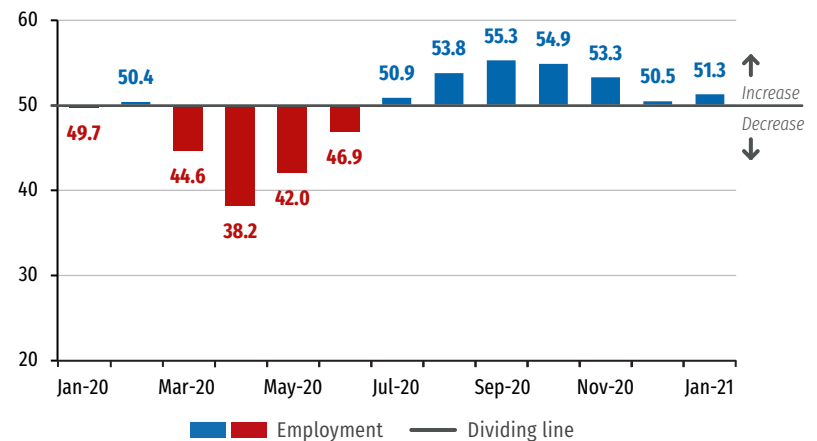
Diffusion index (0-100 points)\*



\*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.

### Evolution of the number of employees

Diffusion index (0-100 points)\*



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

## Industrial activity starts the year growing more than in previous years

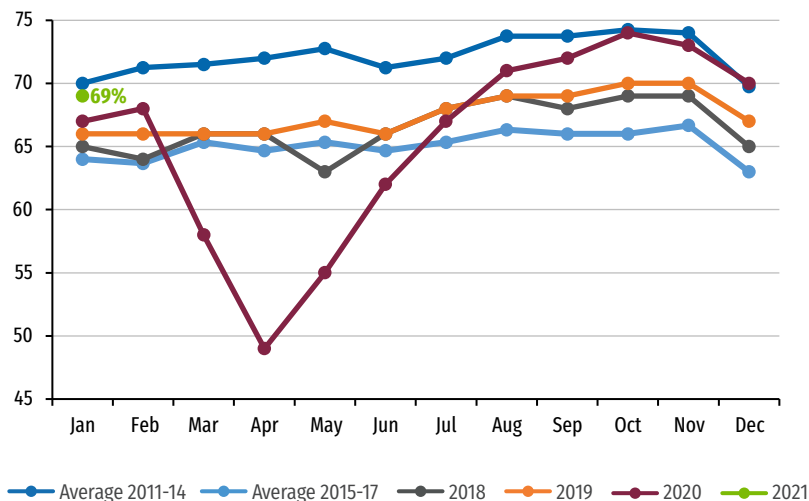
The average Capacity Utilization of the industry stood at 69% in January 2021. The index measuring Capacity Utilization is one percentage point lower than that recorded in December 2020.

Despite the drop, it is noticeable that industrial activity is stronger in January 2020, when compared to previous years. Capacity Utilization in January 2020 is the highest for the month since 2014 (last year it reached 70% in the month). When comparing with January 2020, Capacity Utilization increased by two percentage points.

The index measuring actual-usual Capacity Utilization dropped 1.2 points to 46.7 points. Despite the drop, which is usual in the December-January period, the index is the highest for the month since January 2010, when the index reached 48.3 points.

### Average capacity utilization

Percentage (%)



## Inventories have not recovered yet

In January 2021, the drop in inventories was less strong and disseminated than in previous months and the gap between actual and planned inventory levels, which was already falling, continued to decrease.

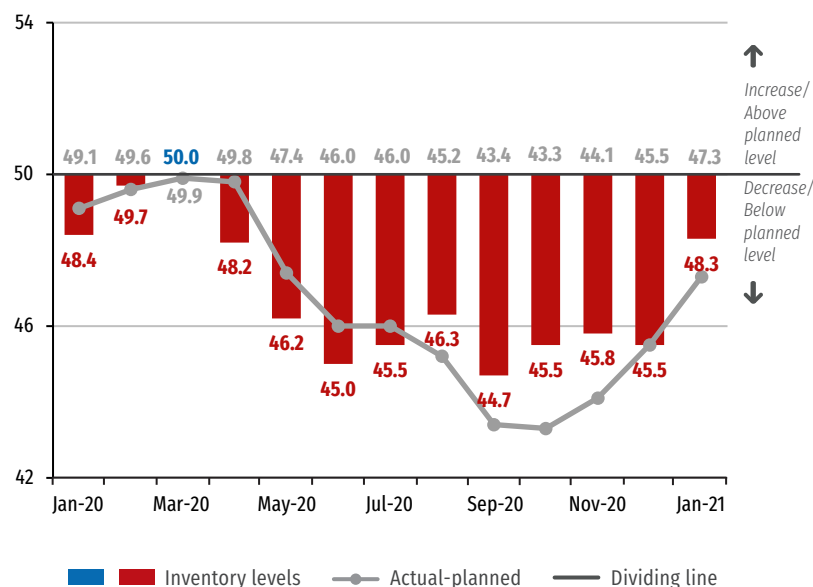
Entrepreneurs are possibly planning to work with lower inventory levels than in the past, which explains the partial adjustment between actual and planned levels, even with the drop in inventories.

The inventory index for the month was 48.3 points. This index is 2.8 points higher than that recorded in December 2020, but remains below the 50-point dividing line, which indicates a drop in inventories.

The actual-planned inventory index edged up 1.8 points, from 45.5 to 47.3 points. This is the third consecutive monthly increase in the index.

### 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.

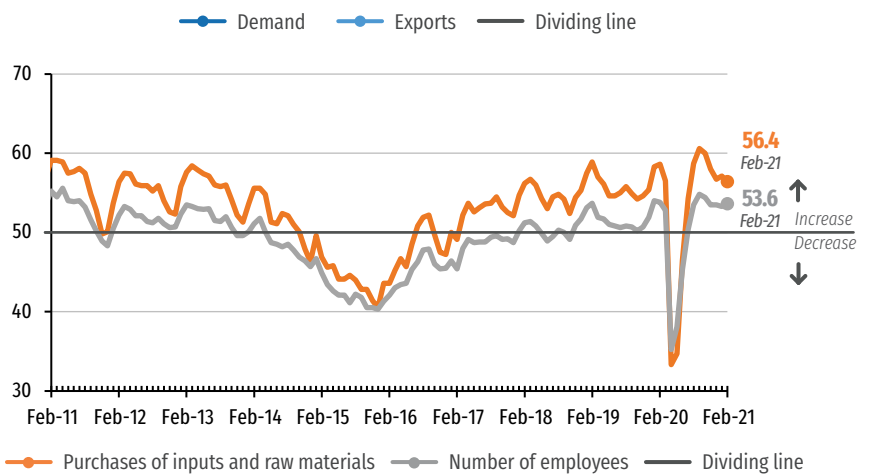
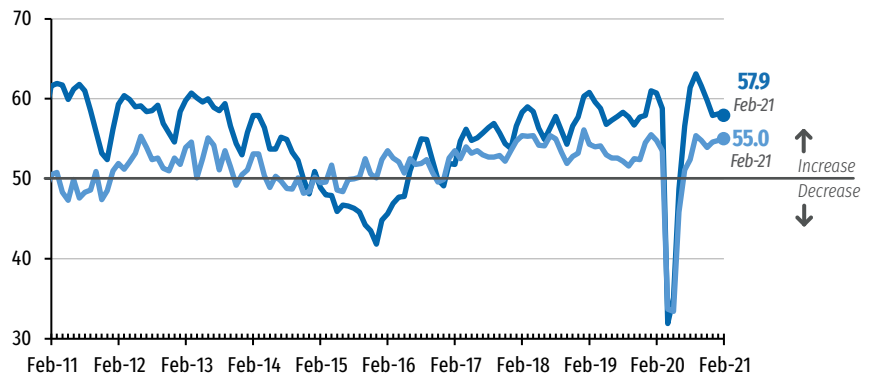
## INDUSTRY EXPECTATIONS IN FEBRUARY 2021

### Expectations varied little and remain optimistic

The expectations indexes varied little from January to February 2021, and thus remained at a high level, far from the 50-point dividing line. This indicates that entrepreneurs continue to expect growth in demand for their products and in exports, and intend to increase the purchase of raw materials and the number of employees.

#### Expectation indices

Diffusion index (0-100 points)\*



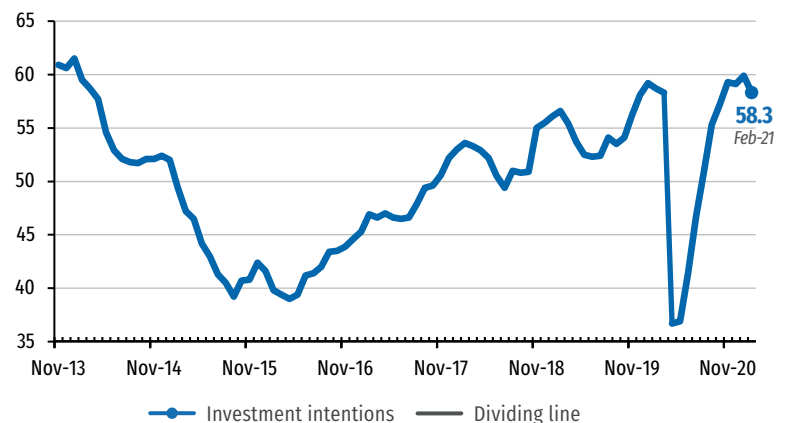
\* Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

### Intention to invest drops in February

Intention to invest retreated in February. The index measuring investment intentions fell from 59.9 points in January 2021 to 58.3 points in February 2021, a drop of 1.6 points. Compared to February 2020, the index shows little variation: a 0.4 point drop.

#### Investment intentions

Diffusion index (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		
	Jan-20	Dec-20	Jan-21	Jan-20	Dec-20	Jan-21	Jan-20	Dec-20	Jan-21	Jan-20	Dec-20	Jan-21	Jan-20	Dec-20	Jan-21	Jan-20	Dec-20	Jan-21
Total	49.9	46.8	48.2	49.7	50.5	51.3	67	70	69	45.3	47.9	46.7	48.4	45.5	48.3	49.1	45.5	47.3
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	45.7	50.9	52.4	48.1	49.8	50.8	72	73	74	51.2	49.2	48.6	44.9	45.3	48.6	51.0	51.1	53.1
Manufacturing	50.1	46.8	48.0	49.8	50.6	51.3	67	70	69	45.1	47.9	46.6	48.4	45.6	48.3	49.0	45.3	47.1
BY COMPANY SIZE																		
Small <sup>1</sup>	45.8	47.8	43.6	48.0	49.0	48.5	60	64	61	42.9	45.4	42.4	47.0	45.5	45.2	45.7	44.0	43.7
Medium <sup>2</sup>	48.8	46.9	47.6	49.0	50.9	51.2	66	70	68	43.8	48.3	45.7	48.2	45.1	47.2	48.4	44.7	46.0
Large <sup>3</sup>	52.5	46.3	50.7	51.0	51.0	52.8	71	73	73	47.2	49.0	49.3	49.1	45.8	50.4	51.2	46.6	49.8

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*		
	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21
Total	60.7	58.1	57.9	54.8	54.8	55.0	58.6	57.1	56.4	53.8	53.3	53.6	58.7	59.9	58.3
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	57.8	63.1	61.0	59.1	61.2	61.7	55.9	58.8	56.9	54.5	55.2	53.2	59.0	62.2	63.1
Manufacturing	60.8	57.9	57.7	54.6	54.5	54.9	58.7	57.1	56.4	53.8	53.2	53.7	58.6	59.6	58.2
BY COMPANY SIZE															
Small <sup>1</sup>	58.9	56.3	57.1	51.8	52.5	53.3	56.5	55.1	55.1	52.9	52.1	52.7	47.0	47.3	46.0
Medium <sup>2</sup>	60.8	57.4	57.8	56.8	55.5	55.4	58.3	56.6	56.3	53.4	53.2	54.1	56.8	57.0	56.3
Large <sup>3</sup>	61.5	59.4	58.3	55.2	55.6	55.6	59.8	58.4	57.1	54.5	53.9	53.8	65.5	67.7	65.5

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

1,801 enterprises, including 746 small, 618 medium and 437 large companies.

#### Data collection period

February 1-12, 2021.

Document closed by February 23, 2021.



### 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](http://www.cni.com.br/e_sondaindustrial)

**INDUSTRIAL SURVEY** | English version of "Sondagem Industrial Janeiro 2021" | Monthly Publication of the National Confederation of Industry - CNI | [www.cni.com.br](http://www.cni.com.br) | Board of Industrial Development and Economy - DDIE | Economics Office - ECON | Economics Executive Officer: Renato da Fonseca | Economic Analysis Unit - GAE | Manager: Marcelo Souza Azevedo | Analysis: Marcelo Souza Azevedo | Statistics Unit | Manager: Edson Velloso | Team: Aretha Silícia Soares and Priscila Garcia | Editing Unit - CDIV | Coordinator: Carla Gadelha | Graphic Design: Simone Marcia Broch  
Subscriptions: Customer Service - Phone: +55 (61) 3317-9992 - email: [sac@cni.com.br](mailto:sac@cni.com.br)  
This publication may be copied, provided that the source is mentioned.

