

# INDUSTRIAL INDICATORS

ECONOMIC INDICATORS **CNI**

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Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY

## Industrial activity is on the rise, but impacts of the crisis remain severe






Industrial activity is on the rise in May. Real revenue, hours worked in production and capacity utilization increased after recording their worst result in recent history in April.

These increases reflect the resumption of industrial activity after several industrial plants interrupted their operations in March and April, when tighter social distancing measures were taken, keeping consumers away.

The high growth rates recorded in May were not sufficient to reverse the fall in April. Real revenue remains 18.2% below the percentage recorded in February and hours worked in production declined by 15.8% on the same comparison basis. Idleness remains quite high: even though it increased by 2.6 percentage points, capacity utilization is still under 70%, which is unprecedented in the historical series of the index.


Employment remains in turn on a downward path (for the fourth month in a row), albeit at a slower pace than in the previous month. Total payroll and the average earnings of industry workers fell for the second consecutive month.

### Industrial Indicators - May 2020

	PERCENTAGE CHANGE		
	MAY20/APR20 Seasonally adjusted	MAY20/ MAY19	JAN-MAY20/ JAN-MAY19
 <b>Real sales<sup>1</sup></b>	<b>11.4</b>	-17.7	-8.1
 <b>Hours worked in production</b>	<b>6.6</b>	-18.4	-9.1
 <b>Employment</b>	<b>-0.8</b>	-4.7	-2.0
 <b>Real total payroll<sup>2</sup></b>	<b>-8.1</b>	-15.4	-4.9
 <b>Real average earnings<sup>2</sup></b>	<b>-6.5</b>	-11.3	-3.0

<sup>1</sup> Deflator: IPA/OG-FGV

<sup>2</sup> Deflator: INPC-IBGE

	AVERAGE PERCENTAGE			CHANGE IN PERCENTAGE POINTS
	MAY20	APR20	MAY19	
 <b>Capacity Utilization</b>	Seasonally adjusted			<b>2.6</b> p.p. May20/Apr20
	<b>69.6</b>	67.0	78.1	
	Original			<b>-8.5</b> p.p. May20/May19
	<b>70.2</b>	67.0	78.7	

### Industry's real revenues on the rise in May

Industry's real revenues grew by 11.4% in May, considering the seasonally adjusted series. This is the highest increase recorded since June 2018, when revenues grew by 28.6% after the end of the truck drivers' strike. This result interrupted a sequence of two declines in revenues in a row (-4.2% in March and -23.5% in April), but monthly revenues are still 18.2% lower than in February. In the year to May, real revenues are 8.1% lower than in the same period in 2019.

### Real sales

Seasonally adjusted (fixed-base index: 2006 average = 100)



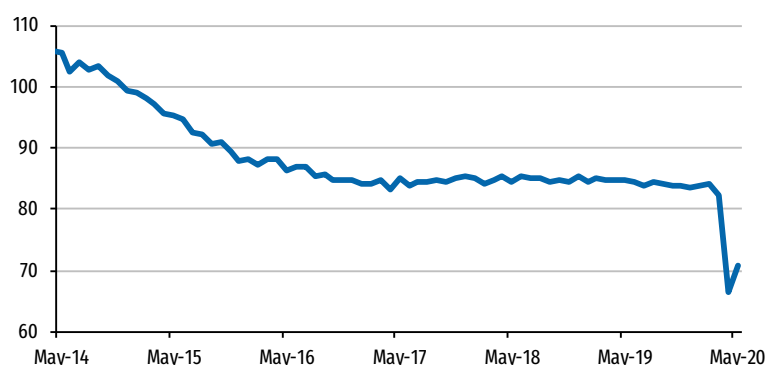
Deflator: IPA/OG-FGV

### Hours worked in production on the rise

Hours worked in production increased by 6.6% in May in the seasonally adjusted series. The monthly variation is the highest in the series, but lower than the drop recorded in the previous two-month period, of 21% (-2.0% in March and -19.4% in April). As a result, the index shows a 15.8% reduction in hours worked in production compared to February 2020. In the year to date, compared to the January-May 2019 period, hours worked in production decreased by 9.1%.

### Hours worked in production

Seasonally adjusted (fixed-base index: 2006 average = 100)

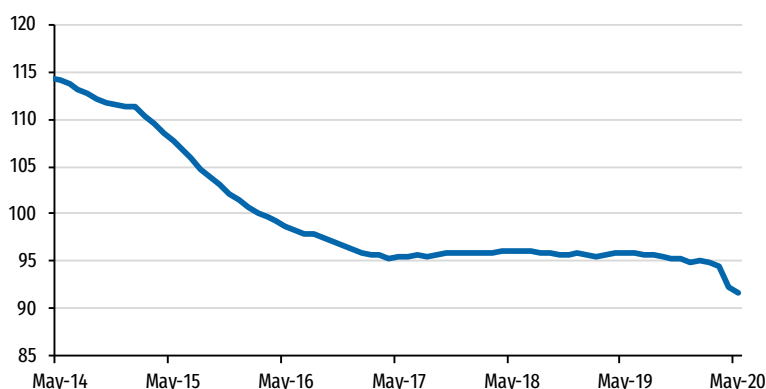


### Employment shrinks for the fourth month in a row

Industrial employment fell by 0.8% in May, considering the seasonally adjusted series. This is the fourth consecutive drop in the index, which declined by 3.6% over the four-month period. Comparing the figure for the year to May with that for the same period in 2019, employment fell by 2%.

### Employment

Seasonally adjusted (fixed-base index: 2006 average = 100)

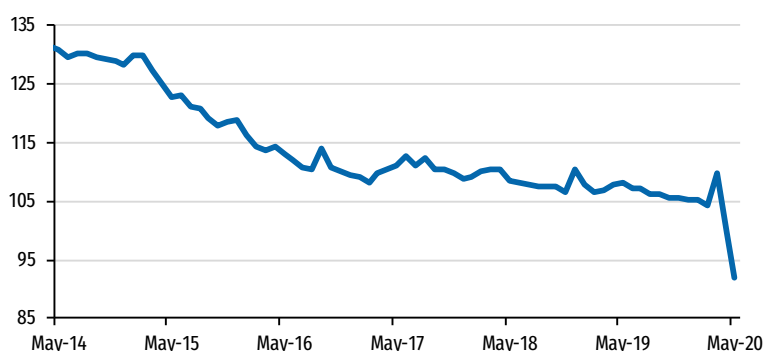


## Total payroll is down once again

The total payroll of industrial workers fell by 8.1% in May in the seasonally adjusted series. After recording an increase of 5.3% in March as a result of increased dismissals and consequent disbursements of severance payments, total payroll accumulated a drop of 16.5% in April and May. In the year to May, total payroll declined by 4.9% in relation to the same period in 2019.

## Real total payroll

Seasonally adjusted (Fixed-base index: 2006 average = 100)



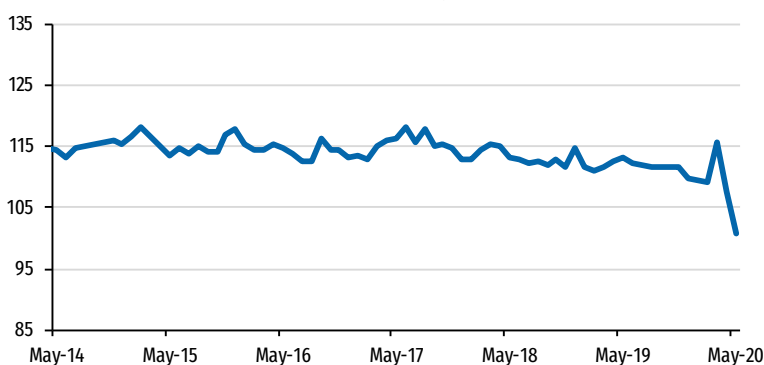
Deflator: INPC-IBGE

## Average earnings still on a downward path

The real average earnings of industrial workers fell by 6.5% in May after declining by 7% in April, considering the seasonally adjusted series. Real earnings had grown by 5.9% in March due to increased dismissals and disbursements of severance payments. Average real earnings in 2020 to May were 3% lower than in the same period in 2019.

## Real average earnings

Seasonally adjusted (Fixed-base index: 2006 average = 100)



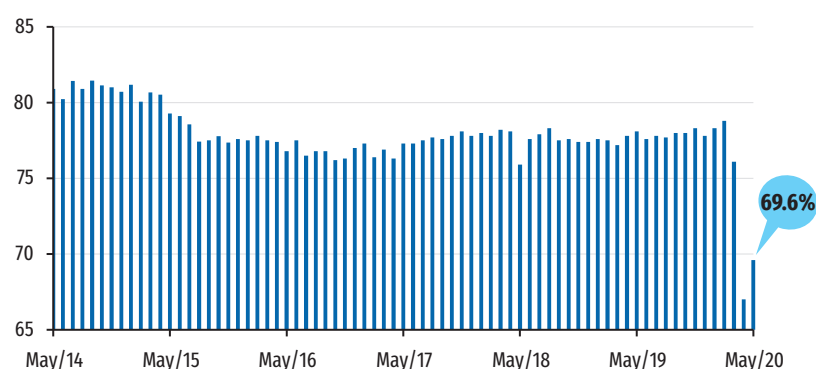
Deflator: INPC-IBGE

## Idleness remains very high

Capacity utilization rose from 67% in April to 69.6% in May in the seasonally adjusted series. This increase of 2.6 percentage points interrupted a sequence of two consecutive months on the decline, a period in which capacity utilization decreased by 11.8 percentage points. Therefore, idleness remains high. For the second month in a row, it has remained below 70%.

## Capacity utilization (UCI)

Seasonally adjusted (Average percentage)



Learn more

For more information on the survey, including sectoral results, previous editions, methodology and historical series, visit: [www.cni.com.br/e\\_indindustriais](http://www.cni.com.br/e_indindustriais)

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