

# INDUSTRIAL INDICATORS

ECONOMIC INDICATORS **CNI**

**CNI**

Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY

## April was one of the worst months ever for industry

Industrial activity in April was the lowest in industry's recent history. Real sales, hours worked in production and capacity utilization have fallen to the lowest levels ever seen in their entire historical series. Industrial employment recorded its lowest level since 2004.






As compared to March, all the indices calculated in the Industrial Indicators survey recorded unprecedented declines, the sharpest ones in their respective series.

These record drops reflect the effects of the worsening in the Covid-19 pandemic on industrial activity. The drop in demand was even sharper than in the previous month, since social isolation measures remained in effect throughout the month, unlike in March, when they were only toughened in the second half of the month.

The drop in sales was sharper and led to an even greater reduction in the production pace. As a result, April recorded the lowest number of hours worked in production and the highest idleness in production in the entire historical series.


Industrial employment also declined more in April than in the previous month. Total payroll and the average income paid to workers also fell, mainly due to the atypical increase seen in March resulting from increased dismissals and consequent payment of severance dues.

### Industrial Indicators - April 2020

		PERCENTAGE CHANGE		
		APR20/MAR20 Seasonally adjusted	APR20/ APR19	JAN-APR20/ JAN-APR19
	<b>Real sales<sup>1</sup></b>	<b>-23.3</b>	-26.4	-5.6
	<b>Hours worked in production</b>	<b>-19.4</b>	-21.8	-6.6
	<b>Employment</b>	<b>-2.3</b>	-4.0	-1.5
	<b>Real total payroll<sup>2</sup></b>	<b>-9.5</b>	-7.6	-2.3
	<b>Real average earnings<sup>2</sup></b>	<b>-6.5</b>	-3.8	-0.8

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

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

		AVERAGE PERCENTAGE			CHANGE IN PERCENTAGE POINTS
		APR20	MAR20	APR19	
	<b>Capacity Utilization</b>	Seasonally adjusted			
		<b>69.6</b>	76.2	77.8	<b>-6.6</b> p.p. Apr20/Mar20
		Original			
		<b>69.6</b>	76.2	77.8	<b>-8.2</b> p.p. Apr20/Apr19

## Sales in April were the lowest in the series

Real sales in industry declined by 23.3% in April in relation to March in the seasonally adjusted series. This was the sharpest drop seen since the beginning of the historical series, in 2003. It was the second month in a row in which sales declined, leading to a combined drop of 26.6% in March and April. In the series without seasonal adjustments, sales in April 2020 were the lowest ever recorded in the series.

## Real sales

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



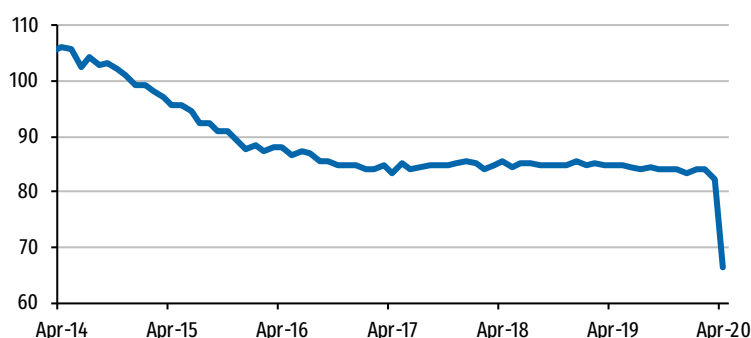
Deflator: IPA/OG-FGV

## Record drop in hours worked in production

Hours worked in production decreased by 19.4% in April compared to March, considering the seasonally adjusted series. It was also the sharpest drop ever recorded since the beginning of the historical series. Over the past two months, hours worked in production have shrunk by 21%. Considering the original series, without seasonal adjustments, the number of hours worked in April 2020 was the lowest in the series.

## Hours worked in production

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

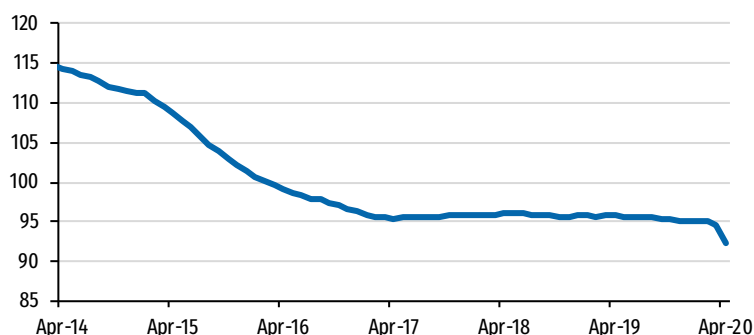


## Fall in employment in April was the steepest in the series

Industrial employment decreased by 2.3% in April against the previous month, considering the series without seasonal effects. It was the steepest monthly decline recorded in the series and the third one in a row. In the last three months, employment has decreased by 2.9%. Considering the series without seasonal adjustments, industrial employment hit its lowest level since early 2004.

## Employment

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

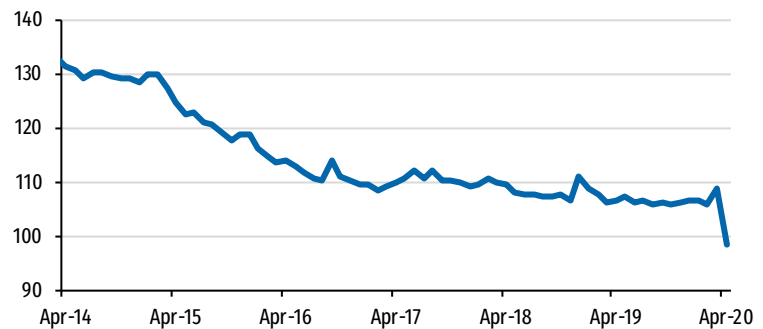


## Total payroll falls in April

The total payroll of industry workers declined by 9.5% in April compared to March in the seasonally adjusted series. It was the sharpest monthly drop in total payroll observed since the beginning of the series, in 2006. In the series without seasonal adjustments, total payroll in April was the lowest since April 2006.

## Real total payroll

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



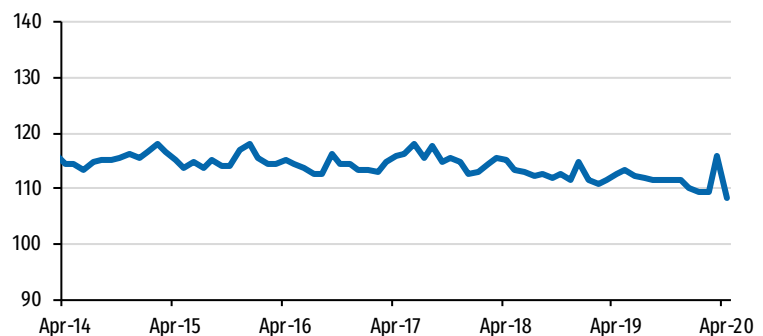
Deflator: INPC-IBGE

## Average real income paid to workers

The average real income paid to industry workers fell 6.6% in April compared to the previous month. This drop is also explained by the increase recorded in March resulting from increased dismissals and consequent payment of severance dues, which impacted payroll spending in that month.

## Real average earnings

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



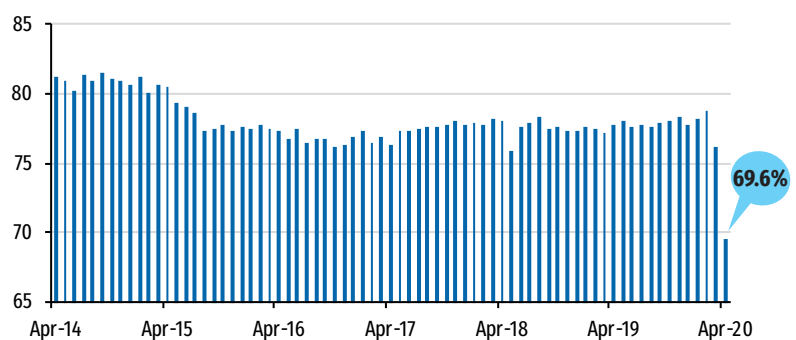
Deflator: INPC-IBGE

## Idleness in production is the highest in the series

Capacity Utilization declined by 6.6 percentage points in April compared to March, to 69.6%. It was the second drop in a row in that percentage, leading to a combined decrease of 9.2 percentage points over the last two months. Considering the series without seasonal adjustments, the percentage in April was the lowest in the series – for the first time ever, the percentage is below 70% in average for industry as a whole.

## 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\\_industriais](http://www.cni.com.br/e_industriais)

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