

INEC[®] CONSUMER CONFIDENCE INDEX



Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Consumer confidence holds steady

The Consumer Confidence Index (INEC) stood at 47.3 points in December 2019. The figure is at the same level as in September, which is up by only 0.3 points from June. This is to say that consumer confidence remained virtually unchanged across the second half of 2019.

The INEC is at an intermediate level, up by 1.1 points from its historical average of 46.2 points but below the 50-point dividing line and 2.5 points lower than the reading for December 2018.

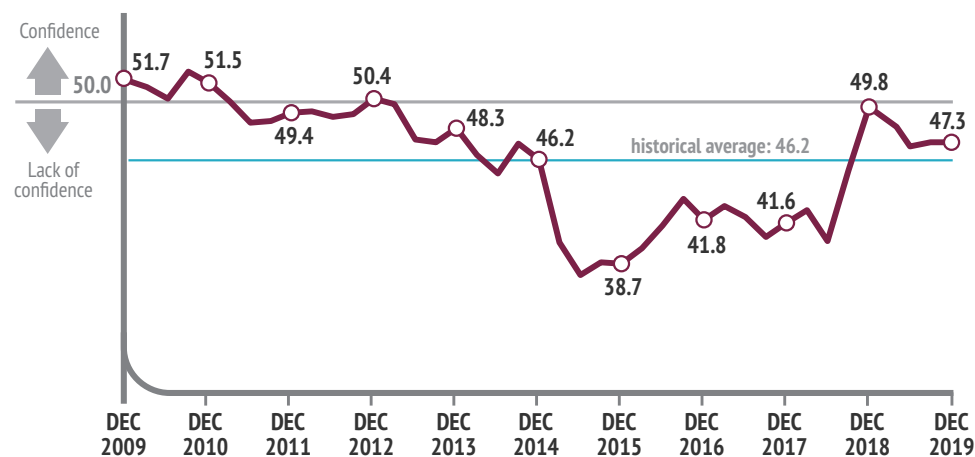
By analyzing the different consumer profiles considered in the INEC, one can see that despite

the variations, there is no general improvement (or worsening) trend in confidence, hence the stability in the INEC for the general population.

Considering the population living in cities on the outskirts of metropolitan regions, for example, the INEC experienced a significant drop of 2.9 points. The index for this group is 4.9 points lower than the figure registered in December 2018 and below its historical average. On the other hand, the INEC for those living in rural areas grew by 0.7 points to 48.2 points, standing above both its historical average (46.5 points) and the national average.

Historical series

Index (0-100 points)*



* Figures below 50 points indicate lack of consumer confidence. The further below 50 points, the more significant and widespread the lack of confidence.

INEC COMPONENTS

Inflation expectations worsen again

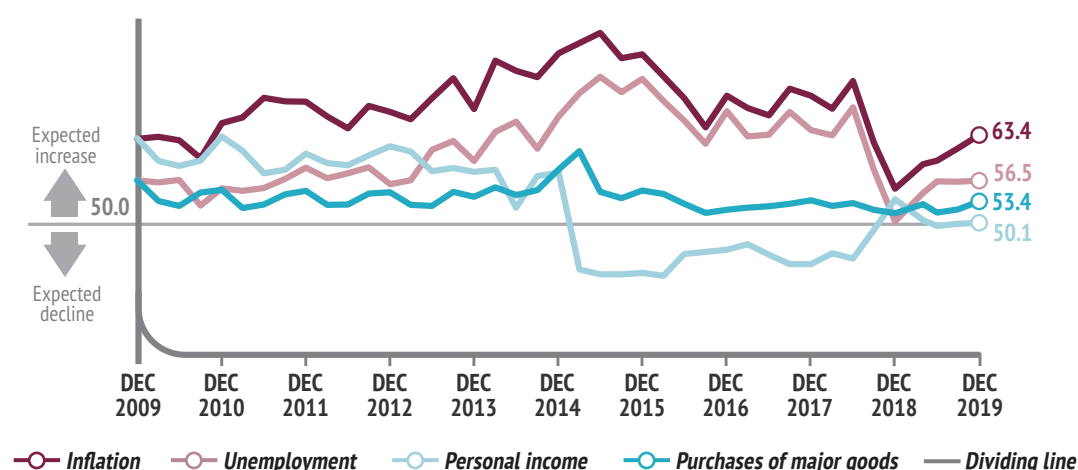
Most indices making up the INEC remained almost unchanged between September and December 2019. The indices measuring consumer financial conditions held steady, as did the indices of expected unemployment and personal income. Two of the components deserve special mention as they posted more significant variations but had an opposite influence on the INEC: the index of expected inflation, which grew by 2.1 points, and the index measuring purchases of major goods, which edged up by 1.3 points as compared to September.

The index measuring expected inflation posted its fourth consecutive increase, reflecting growing concerns of the population with prices, despite the low inflation levels in the economy. The hike in prices of specific, consumer-sensitive products is likely affecting consumer perceptions of their purchasing power as well as their expectations.

The index of purchases of major goods shows an increase in consumer willingness to consume such goods, which is usually expected for the period on account of the 13th salary, with an additional influence in 2019 due to the release of FGTS funds.

Expectations indices

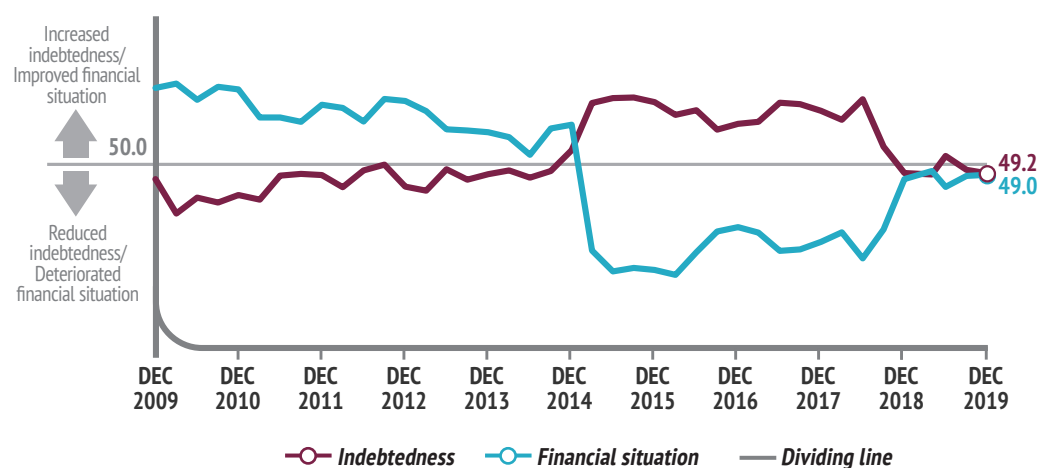
Index (0-100 points)*



* Figures above 50 points indicate an expected increase in inflation, unemployment, personal income, or purchases of major goods. The further above 50 points, the more significant and widespread the expected increase.

Financial condition indices

Index (0-100 points)*



* Figures below 50 points indicate an increase in indebtedness or a worsened financial situation. The further below 50 points, the more significant and widespread is the increase or worsening.

INEC BY CONSUMER PROFILE

While the INEC for the general population held steady in December as compared to September, one can see more significant variations when considering the different consumer profiles on the same comparison basis, but these variations ended up cancelling each other out, causing the INEC to hold steady.

Confidence among those living in outskirts of cities is low, while in rural areas it is higher

Considering the municipality status, consumer confidence in capitals and outskirts of cities is down respectively by 0.6 points and 2.9 points in December as compared to September. Apart from experiencing the sharpest drop, the INEC for those living in outskirts of cities is also the only one among the three different municipality status below the historical average. Meanwhile, the INEC for people living in rural areas shows an opposite behavior, as it posted growth and is above both its historical average and the national INEC.

MUNICIPALITY STATUS



MUNICIPALITY STATUS	DEC19	HISTORICAL AVERAGE	DEC19/SEP19	DEC19/DEC18
Capital city	46.4	45.8	↓ -0.6	↓ -3.1
Outskirts of a city	44.1	45.5	↓ -2.9	↓ -4.9
Rural area	48.2	46.5	↑ 0.7	↓ -1.9

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.

Confidence falls among the most and least educated

Confidence is down for both low-educated consumers (those who studied up to 4th grade) and those with a college degree. In addition, confidence in the first group is virtually above the historical average. In the other education groups, confidence exceeds the historical average by a larger margin.

LEVEL OF EDUCATION



LEVEL OF EDUCATION	DEC19	HISTORICAL AVERAGE	DEC19/SEP19	DEC19/DEC18
Up to 4th grade of elementary school	45.7	45.6	↓ -0.5	↓ -1.4
From 5th to 8th grade of elementary school	46.8	45.9	↑ 0.8	↓ -1.2
High school	47.8	46.6	↑ 0.4	↓ -2.8
Higher education	48.2	46.6	↓ -1.2	↓ -4.8

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.

Confidence increases in the Northeast and South

The INEC for the Northeast and South regions increased between September and December 2019, while the other regions showed a decline in confidence. Despite the increase, consumer confidence in the Northeast region is above its historical average, while in the others it is above that average. All regions show a decline in confidence as compared to December 2018, particularly the Southeast region.

REGION



REGION	DEC19	HISTORICAL AVERAGE	DEC19/SEP19	DEC19/DEC18
North/Midwest	48.8	47.2	↓ -0.5	↓ -2.1
Northeast	46.7	46.7	↑ 1.3	↓ -1.4
Southeast	46.6	45.6	↓ -0.9	↓ -3.4
South	48.3	46.0	↑ 0.5	↓ -2.7

Note: The INEC ranges from 0 to 100 points. Figures below 50 points indicate lack of consumer confidence.

Results by consumer profile

INEC	DEC/18	APR/19	JUN/19	SEP/19	DEC/19
Total	49.8	48.4	47.0	47.3	47.3
GENDER					
Male	51.1	49.9	49.2	48.6	50.0
Female	48.6	47.0	45.0	46.2	44.8
AGE					
16 to 24	51.7	49.1	48.2	49.2	48.7
25 to 34	50.6	49.5	48.6	47.8	48.1
35 to 44	49.5	48.6	45.9	47.4	46.3
45 to 54	48.7	47.0	46.1	44.3	46.9
55 or above	48.7	47.6	46.4	47.8	46.6
EDUCATION					
Up to 4th grade of elementary school	47.1	47.1	46.5	46.2	45.7
From 5th to 8th grade of elementary school	48.0	47.5	47.0	46.0	46.8
High school	50.6	48.9	47.0	47.4	47.8
Higher education	53.0	49.6	47.5	49.4	48.2
REGION					
North/Midwest	50.9	50.8	47.7	49.3	48.8
Northeast	48.1	45.9	45.3	45.4	46.7
Southeast	50.0	48.4	47.0	47.5	46.6
South	51.0	49.9	49.3	47.8	48.3
HOUSEHOLD INCOME (in minimum wages)					
Over 5	54.1	51.1	50.6	53.2	52.4
Over 2 to 5	52.1	50.4	48.8	48.3	49.3
Over 1 to 2	49.8	48.7	47.1	46.7	47.1
Up to 1	45.4	45.6	43.5	44.2	44.5
MUNICIPALITY STATUS					
Capital city	49.5	47.9	46.1	47.0	46.4
Outskirts of a city	49.0	46.7	45.7	47.0	44.1
Rural area	50.1	48.9	47.6	47.5	48.2

INEC components

INEC COMPONENTS	EXPECTATIONS				FINANCIAL CONDITIONS	
	Inflation	Unemployment	Personal income	Purchases of major goods	Financial situation	Indebtedness
Total	61.4	56.4	50.0	52.2	48.9	49.6
GENDER						
Male	59.2	54.3	50.8	52.3	49.6	47.6
Female	63.5	58.3	49.3	52.0	48.4	51.1
AGE						
16 to 24	60.7	57.6	52.3	55.8	51.5	45.8
25 to 34	63.0	57.5	52.5	54.0	51.5	50.9
35 to 44	61.5	54.7	50.3	51.1	48.8	49.7
45 to 54	62.2	57.8	46.4	48.3	43.8	52.7
55 or above	59.5	54.8	48.3	51.7	48.7	47.9
EDUCATION						
Up to 4th grade of elementary school	60.7	54.2	47.7	49.8	47.3	53.0
From 5th to 8th grade of elementary school	62.1	58.8	48.5	51.8	47.4	50.5
High school	62.2	56.9	50.6	52.9	49.1	48.7
Higher education	60.0	55.2	52.5	53.5	51.8	46.5
REGION						
North/Midwest	59.6	54.1	52.9	51.7	52.3	47.1
Northeast	62.8	58.2	46.4	51.3	46.7	51.5
Southeast	60.9	56.0	50.2	53.0	48.1	49.3
South	62.6	56.7	52.4	51.7	51.1	49.2
HOUSEHOLD INCOME (in minimum wages)						
Over 5	54.9	48.4	55.9	52.9	55.5	42.0
Over 2 to 5	61.3	56.2	51.3	53.1	50.7	47.5
Over 1 to 2	62.9	57.8	49.5	52.2	50.1	50.9
Up to 1	62.7	58.8	46.2	50.8	43.7	53.9
MUNICIPALITY STATUS						
Capital city	62.6	58.4	51.2	52.7	47.9	48.8
Outskirts of a city	63.2	57.9	49.9	53.9	49.4	49.9
Rural area	60.7	55.3	49.4	51.6	49.3	49.7



Technical specifications

Survey conducted by the Ibope Inteligência institute.
Number of interviews: 2000 in 127 municipalities.
Data collection period: December 05-08, 2019.



Learn more

For more information on the survey, including previous editions, methodology and historical series, visit: www.cni.com.br/e_inec