

INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**



Industrial inventories approach planned levels

Industrial activity has slowed down in April in comparison to March, a behavior expected for this period of the year. Nevertheless, it remained above the level recorded in previous years. Employment in industry remained stable for the second consecutive month, a ten-month streak without drops.

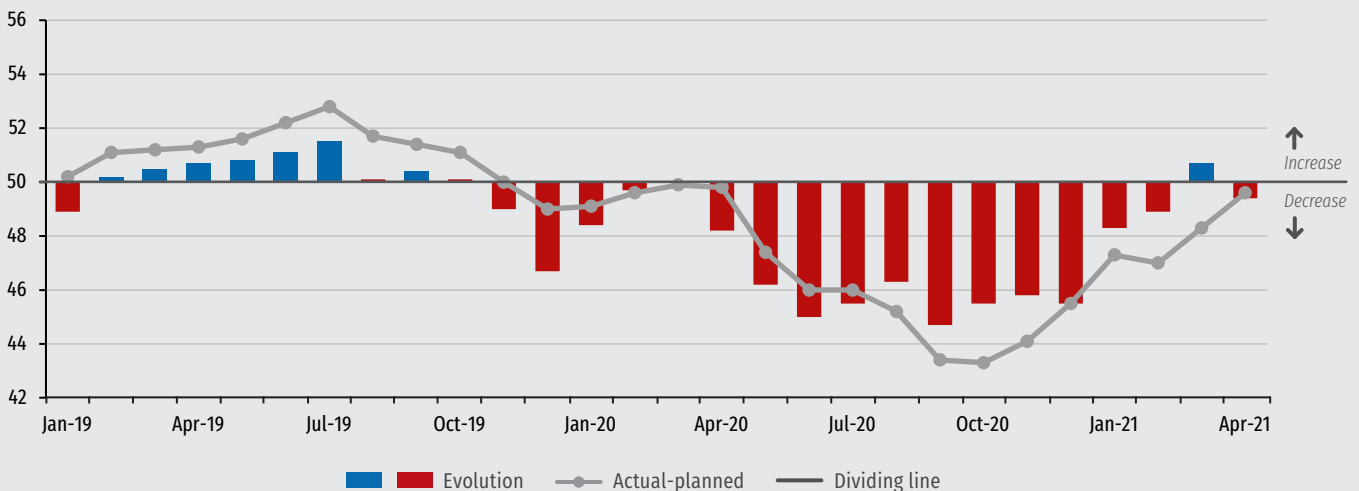
It should be noted that after a long period of adjustment, industry ended April with

an actual inventory level close to the planned levels. Since the beginning of the recovery in activity after the crisis caused by the pandemic, industrial inventories have fallen steadily. Inventories reached critical levels in September and October 2020 and had been increasing, but until March, they were still well below planned levels. This mismatch is affecting the supply of inputs and raw materials and disrupting industrial activity.

Entrepreneurs also show greater optimism, with expectations for increased demand and prospects for more hiring and increased purchases of raw materials.

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 PERFORMANCE IN APRIL 2021

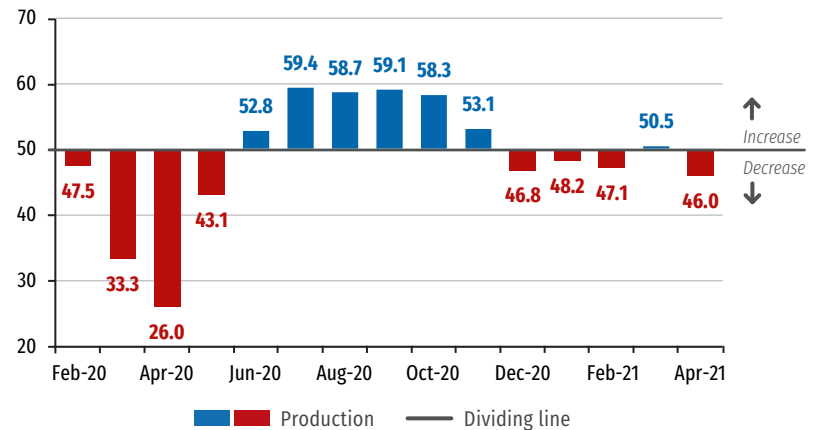
Employment in industry has a ten-month streak without drops

Industrial production retreated in April in relation to March. The production evolution index stood at 46.0 points, below the 50-point dividing line, which separates production growth from decline. April is usually a month of weaker industrial activity in comparison to March, with the index below 50 points. The index in April 2021 exceeds the level recorded in the same month of 2020, when industrial activity was practically stopped due to the pandemic, but is lower than the level recorded in April of 2019 and 2018.

The index measuring the number of employees stood at 50.0 points in April, showing employment stability between March and April 2021. It is the second consecutive month that the index remains close to the 50-point dividing line and the tenth consecutive month that the index does not show a drop in employment in industry.

Evolution of production

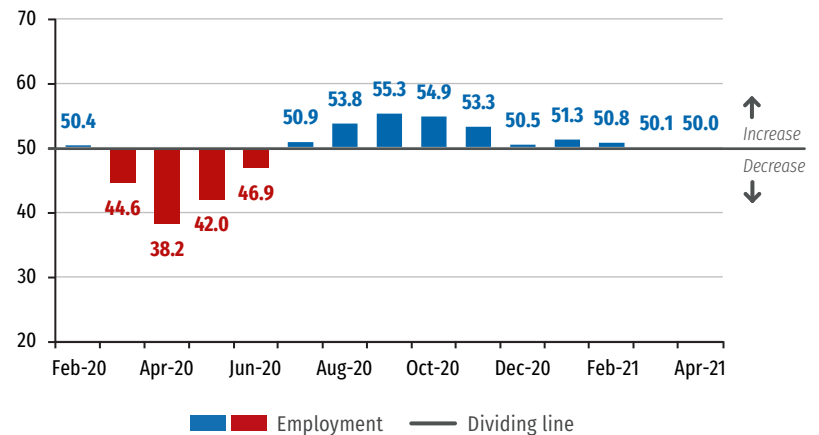
Diffusion index (0-100 points)*



*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.

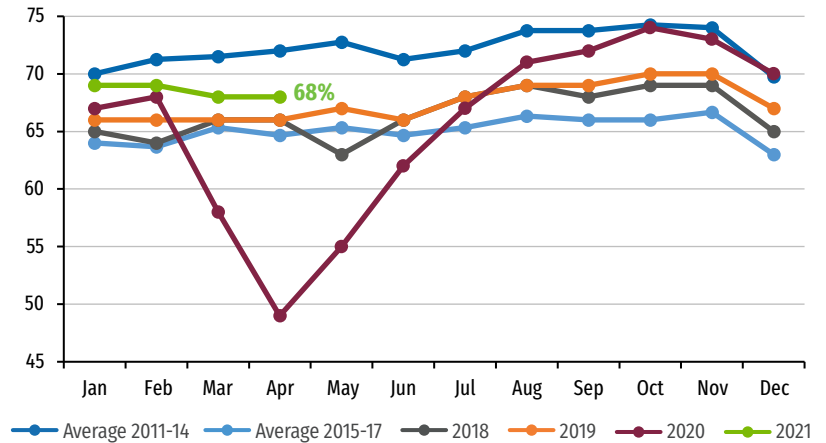
Industrial activity is still higher than in previous years

Capacity Utilization stood at 68% in April 2021, the same percentage recorded in the previous month. Since August 2020, Capacity Utilization has remained at a high level when comparing to the last five years. The percentage recorded in April 2021 is the highest for the month since 2014, when it reached 71%.

The actual-usual capacity utilization index dropped 1.3 points, to 43.6 points. Despite the drop, this is the highest level for the month since 2013, when it was 46 points.

Average capacity utilization

Percentage (%)



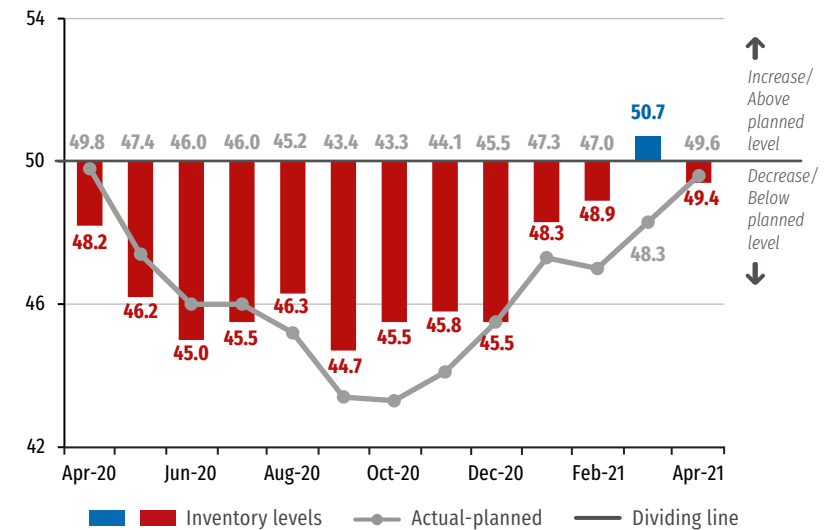
Inventories are closed to planned levels

After a long period of adjustment, the inventory level has come closer to the industry's planned levels. The actual-planned inventory index had been well below the 50-point dividing line since May 2020, indicating inventories below planned levels. This index reached a critical level in September and October 2020 and had been increasing since then, but still indicated low inventory levels. By reaching 49.6 points in April 2021, it shows that this adjustment is almost over.

Inventory levels dropped slightly between March and April. The inventory level index stood at 49.4 points.

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 MAY 2021

Entrepreneurs remain optimistic

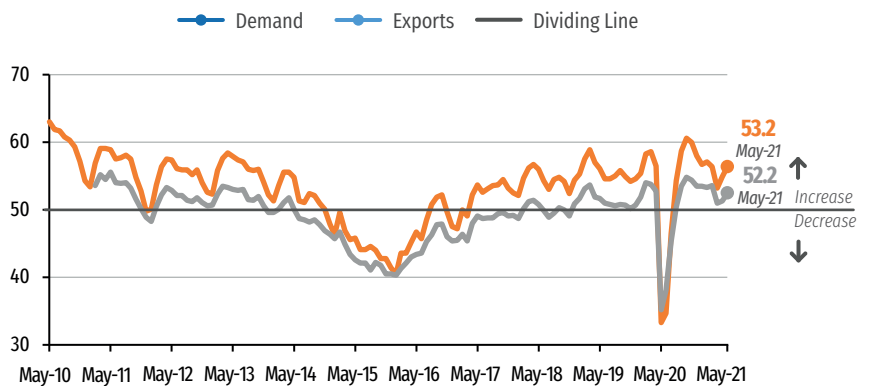
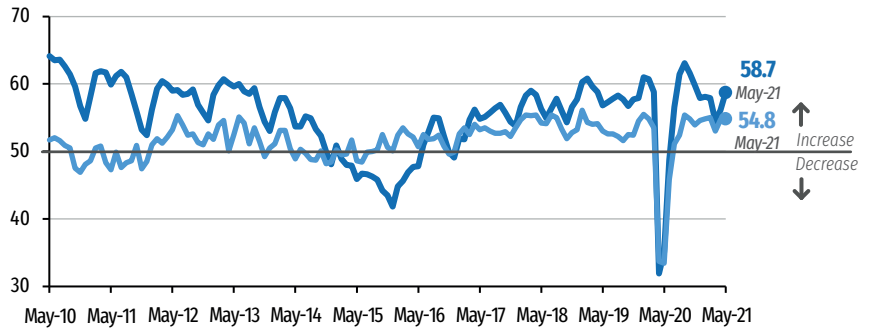
Industrial entrepreneurs remain optimistic about the next six months. The index measuring the expected demand increased by 2.6, to 58.7 points. This is the highest level in 2021 so far, showing that entrepreneurs are more optimistic than in the previous months of the year.

The index measuring expected purchases of raw materials increased by 1.5 points, to 56.4 points, while the index measuring the number of employees increased by 1.2 points, to 52.5 points. These indices show that entrepreneurs are expecting to purchase more raw materials and increase hiring.

The index measuring the expected export volume remained practically stable (up 0.1 point) at a level that shows expectations of increased exports. The index went to 54.8 points, above the 50-point dividing line.

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.

Intentions to invest remain stable

The investment intentions index has remained practically stable for three months. It was at 55.8 points in March, fluctuated to 55.7 in April, and returned to 55.8 points in May. Despite being at a lower level than the peak of 59.9 points reached in January 2021, the index remains above the historical average of 50.2 points.

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		
	Apr-20	Mar-21	Apr-21	Apr-20	Mar-21	Apr-21	Apr-20	Mar-21	Apr-21	Apr-20	Mar-21	Apr-21	Apr-20	Mar-21	Apr-21	Apr-20	Mar-21	Apr-21
Total	26.0	50.5	46.0	38.2	50.1	50.0	49	68	68	23.9	44.9	43.6	48.2	50.7	49.4	49.8	48.3	49.6
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	43.0	54.3	54.4	46.0	50.3	54.5	67	75	79	40.5	49.2	50.2	50.7	51.7	44.4	50.4	48.5	48.9
Manufacturing	25.2	50.4	45.7	37.9	50.1	49.9	48	68	67	23.2	44.8	43.4	48.1	50.6	49.6	49.8	48.2	49.6
BY COMPANY SIZE																		
Small ¹	24.0	45.1	44.5	36.1	47.5	47.8	43	60	60	22.3	40.3	41.1	41.5	46.1	48.1	41.0	44.0	46.3
Medium ²	26.9	50.8	46.3	37.7	49.7	49.4	50	67	67	24.6	44.1	43.1	46.7	50.3	48.5	47.6	47.6	47.7
Large ³	26.6	53.1	46.5	39.5	51.6	51.5	51	73	72	24.3	47.6	45.2	52.3	53.1	50.6	55.4	50.8	52.2

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*		
	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21	May-20	Apr-21	May-21
Total	35.1	56.1	58.7	33.4	54.7	54.8	34.7	54.9	56.4	38.1	51.3	52.5	36.9	55.7	55.8
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	43.1	62.7	60.8	46.1	63.6	59.9	44.6	59.3	58.3	45.1	52.3	53.6	52.8	64.6	62.9
Manufacturing	34.6	55.9	58.6	32.8	54.3	54.6	34.2	54.8	56.3	37.7	51.3	52.5	36.2	55.3	55.4
BY COMPANY SIZE															
Small ¹	34.0	55.0	57.1	30.2	51.9	51.0	32.5	52.7	55.0	35.7	49.5	51.5	25.4	42.1	43.0
Medium ²	36.3	55.4	57.0	33.9	54.0	55.1	35.7	54.0	54.5	37.6	50.4	51.5	35.2	52.2	52.4
Large ³	35.0	57.1	60.4	34.8	56.4	56.5	35.3	56.4	58.1	39.5	52.7	53.6	43.5	64.2	63.9

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

1,783 enterprises, including 704 small, 634 medium and 445 large companies.

Data collection period

May 3-12, 2021.

Document closed by May 19, 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

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