

# INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

**CNI**

Brazilian National Confederation of Industry  
THE FUTURE OF INDUSTRY

## Industrial Activity Continues to Slow Down

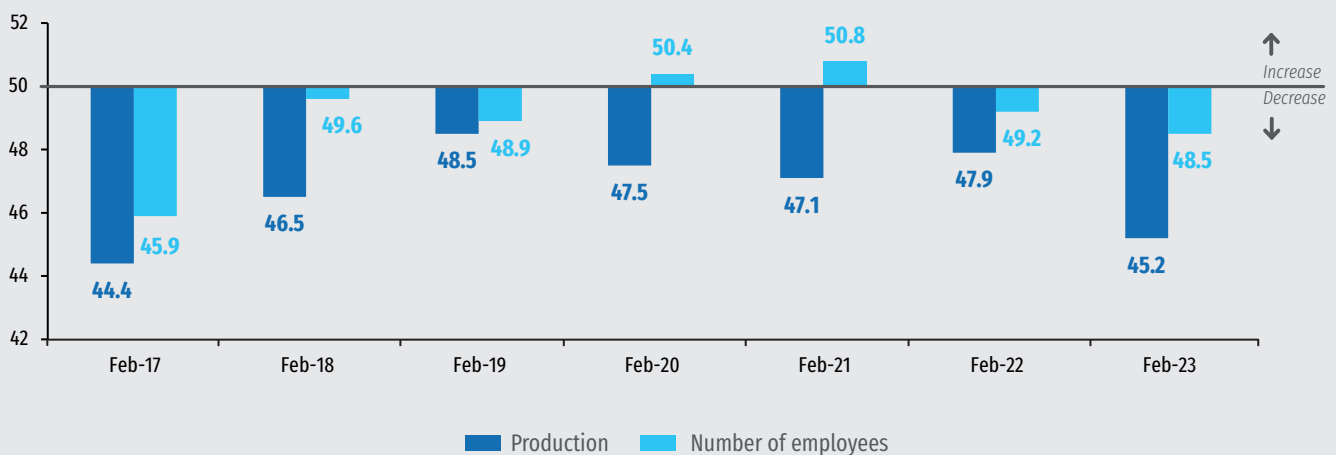
The production and employment indices for February 2023 indicate that industrial activity continues to slow down. The number of employees, and especially production, declined in the transition from January to February, as is usual for the period. However, the drop in production and employment observed in 2023 was more intense than in previous years.

Inventories, on the other hand, remain higher than planned by entrepreneurs, indicating weaker-than-expected demand and, thus, more challenges for increasing industrial activity.

In this scenario, entrepreneurs maintain their optimism, although exercising some caution. The expectation indices showed little variation in the transition from February to March 2023 and remain lower than usual for the period. Similarly, the investment intention index remains stable, yet at a relatively high level, above the historical average.

### Variation of production and number of employees

Diffusion index (0-100 points)\*



\*A score above 50 points indicates an increase in production or in the number of employees compared to the previous month. A score below 50 points indicates a decrease in production or in the number of employees compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

## INDUSTRIAL PERFORMANCE IN FEBRUARY 2023

### The Drop in Production from January to February 2023 Was More Severe Than in Previous Years

The industrial production rate declined from January to February 2023. The production variation index stood at 45.2 points, below the 50-point dividing line that separates a decrease from an increase in production.

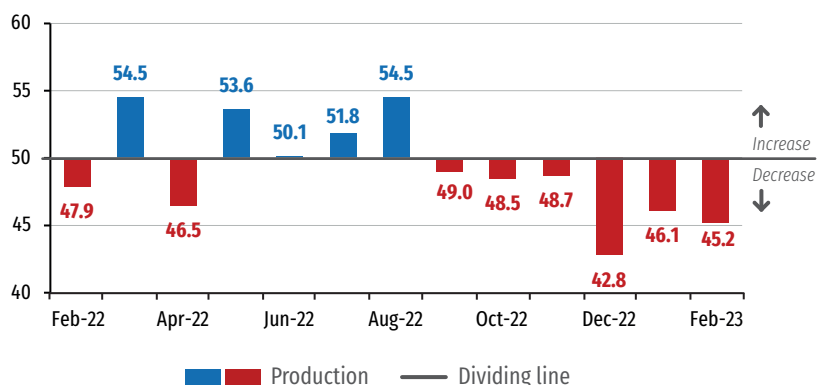
This pattern is expected for the month, as production typically declines from January to February. However, the drop seen in 2023 was more intense and widespread than in the same period of previous years, as the index is the lowest for the month since 2017. Furthermore, the index is lower than the historical average for the month, of 46.5 points.

Industrial employment also registered a drop in the passage from January to February 2023. The number of employees variation index stood at 48.5 points, below the dividing line that separates falling employment from rising employment.

This result is slightly lower than the same month in previous years, so the drop in employment from January to February 2023 was a little more severe than in recent years.

#### Variation of production

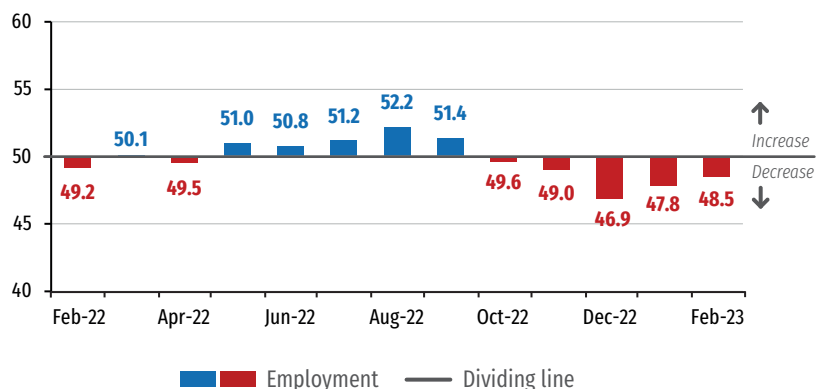
Diffusion index (0 to 100 points)\*



\*A score above 50 points indicates an increase in production compared to the previous month, while a score below 50 points indicates a decrease in production compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

#### Variation in the number of employees

Diffusion index (0 to 100 points)\*



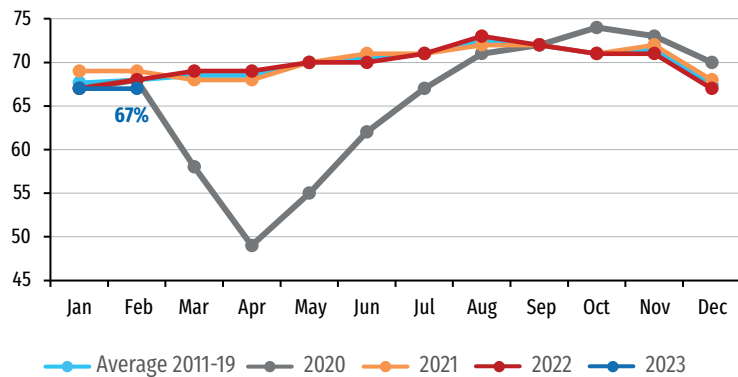
\*A score above 50 points indicates an increase in employment compared to the previous month, while a score below 50 points indicates a decrease in employment compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

## Capacity Utilization Remains Stable

Capacity Utilization stood at 67% in February 2023, the same percentage as in the previous two months. The percentage is lower than those recorded in the same month from 2020 to 2022; however, these were years with exceptional industrial activity for the period. The capacity utilization from February 2023 is close to the historical average for the month (67.5%).

### Average capacity utilization

Percentage (%)



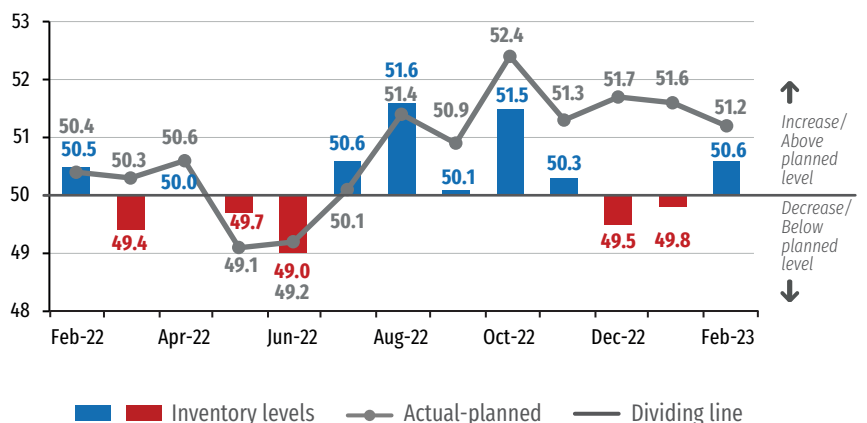
## Inventory Levels Remain Higher Than Planned by Entrepreneurs

In February 2023, the inventory level variation index stood at 50.6 points, above the dividing line that separates a decrease from an increase in inventories. The index points out that there was a rise in stocks between January and February 2023.

The effective inventory level compared to the planned inventory level index reached 51.2 points in February 2023. Although slightly lower than the one registered in January 2023 (51.6 points), the index is still above the dividing line, which means that the entrepreneurs perceive that the level of inventories of final products at the end of the month was above planned.

### Variation in inventory levels and actual inventory against the planned level

Diffusion index (0 to 100 points)\*



\*A score above 50 points indicates an increase in inventory levels or that actual inventory is above planned levels. A score below 50 points indicates 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.

## INDUSTRIAL EXPECTATIONS IN MARCH 2023

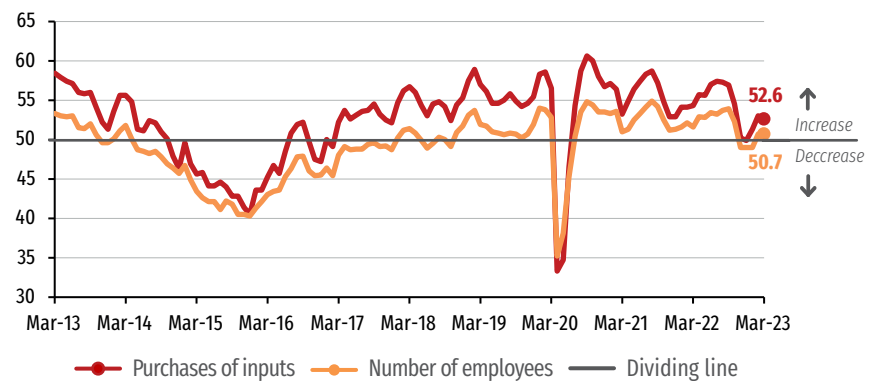
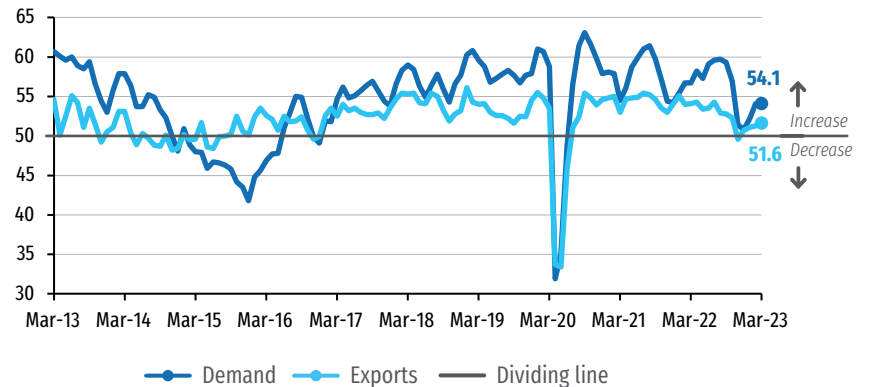
### Moderate Optimism From Entrepreneurs

From February to March 2023, the expectation indices for the next six months changed little. The demand and the number of employees expectation indices are unchanged, the inputs purchase expectation index dropped 0.4 points, and the exported quantity expectation index rose 0.3 points.

All indices remain above 50 points, which means that businessmen continue to have optimistic expectations. However, in general, the indices are lower than their respective historical averages, which means that optimism is more moderate than usual. The exception is the number of employees expectation index, which is slightly above the historical average.

#### Expectation indices

Diffusion index (0 to 100 points)\*



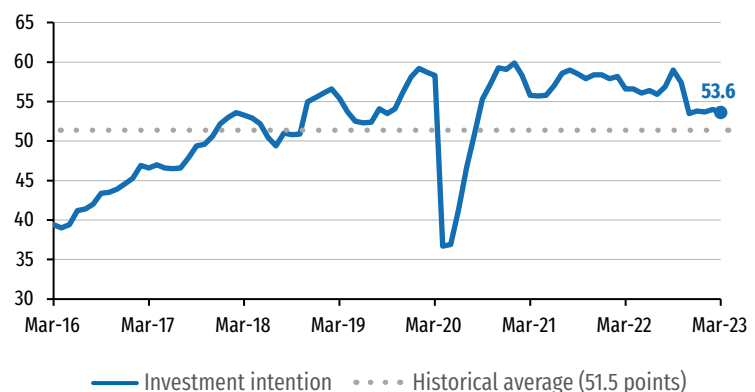
\*A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease. The further the point score is from 50 points, the greater and more widespread the expected variation.

### Intention to Invest Remains Stable

The intention to invest index stood at 53.6 points in March 2023, 0.4 point lower than in February. Since November the index has been oscillating just below 54.0 points. Nevertheless, the index is still above the historical average of 51.5 points, which reveals a higher than usual intention to invest.

#### Investment intention

Diffusion index (0-100 points)\*



\*The higher the index, the greater the industry's propensity to invest.

## RESULTS

### Industry Performance

	PRODUCTION EVOLUTION			NUMBER OF EMPLOYEES EVOLUTION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	Feb-22	Jan-23	Feb-23	Feb-22	Jan-23	Feb-23	Feb-22	Jan-23	Feb-23	Feb-22	Jan-23	Feb-23	Feb-22	Jan-23	Feb-23	Feb-22	Jan-23	Feb-23
<b>Total</b>	<b>47.9</b>	<b>46.1</b>	<b>45.2</b>	<b>49.2</b>	<b>47.8</b>	<b>48.5</b>	<b>68</b>	<b>67</b>	<b>67</b>	<b>43.0</b>	<b>42.5</b>	<b>41.7</b>	<b>50.5</b>	<b>49.8</b>	<b>50.6</b>	<b>50.4</b>	<b>51.6</b>	<b>51.2</b>
<b>BY INDUSTRIAL ACTIVITY</b>																		
Mining and quarrying	50.9	47.0	<b>47.7</b>	51.3	46.8	<b>53.1</b>	76	71	<b>74</b>	47.1	44.0	<b>46.5</b>	47.0	48.2	<b>51.9</b>	50.5	51.6	<b>51.9</b>
Manufacturing	47.8	46.0	<b>45.1</b>	49.1	47.8	<b>48.4</b>	67	67	<b>66</b>	42.9	42.5	<b>41.5</b>	50.6	49.8	<b>50.6</b>	50.4	51.7	<b>51.3</b>
<b>BY COMPANY SIZE</b>																		
Small <sup>1</sup>	44.5	40.7	<b>40.1</b>	47.7	46.6	<b>46.4</b>	62	61	<b>60</b>	41.4	40.3	<b>39.1</b>	48.6	46.9	<b>47.2</b>	47.8	46.7	<b>46.4</b>
Medium <sup>2</sup>	47.2	45.5	<b>42.9</b>	48.8	47.6	<b>47.6</b>	67	66	<b>65</b>	42.4	41.9	<b>40.3</b>	51.8	50.9	<b>50.8</b>	50.0	51.2	<b>50.8</b>
Large <sup>3</sup>	50.0	49.0	<b>49.0</b>	50.1	48.5	<b>50.1</b>	72	71	<b>72</b>	44.2	44.0	<b>43.8</b>	50.7	50.7	<b>52.1</b>	52.0	54.3	<b>53.8</b>

Indicators range from 0 to 100 points. A score above 50 points indicates an increase, above-planned inventories, or capacity utilization higher than usual. On the other hand, a score below 50 points suggests a decrease, lower-than-planned inventories, or a capacity utilization lower than usual.

1 - Company with 10 to 49 employees. 2 - Company with 50 to 249 employees. 3 - Company with 250 or more employees.

### Industrial Expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF INPUTS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	Mar-22	Feb-23	Mar-23	Mar-22	Feb-23	Mar-23	Mar-22	Feb-23	Mar-23	Mar-22	Feb-23	Mar-23	Mar-22	Feb-23	Mar-23
<b>Total</b>	<b>56.7</b>	<b>54.1</b>	<b>54.1</b>	<b>54.1</b>	<b>51.3</b>	<b>51.6</b>	<b>54.3</b>	<b>53.0</b>	<b>52.6</b>	<b>51.6</b>	<b>50.7</b>	<b>50.7</b>	<b>56.6</b>	<b>54.0</b>	<b>53.6</b>
<b>BY INDUSTRIAL ACTIVITY</b>															
Mining and quarrying	57.9	53.6	<b>55.3</b>	56.4	59.1	<b>55.5</b>	55.5	53.4	<b>52.2</b>	51.4	51.4	<b>51.0</b>	64.7	63.5	<b>65.8</b>
Manufacturing	56.6	54.1	<b>54.0</b>	54.1	50.8	<b>51.6</b>	54.1	52.9	<b>52.7</b>	51.7	50.7	<b>50.7</b>	56.2	53.6	<b>53.1</b>
<b>BY COMPANY SIZE</b>															
Small <sup>1</sup>	55.6	53.4	<b>53.4</b>	52.5	48.8	<b>50.2</b>	53.7	50.9	<b>51.8</b>	51.7	50.0	<b>50.1</b>	45.5	42.1	<b>41.0</b>
Medium <sup>2</sup>	56.2	52.9	<b>53.1</b>	54.6	51.6	<b>52.1</b>	54.3	52.4	<b>51.8</b>	52.5	50.0	<b>50.1</b>	54.4	50.7	<b>51.6</b>
Large <sup>3</sup>	57.6	55.1	<b>54.9</b>	54.7	52.3	<b>52.0</b>	54.5	54.3	<b>53.5</b>	51.1	51.4	<b>51.4</b>	63.3	61.7	<b>60.9</b>

Indicators range from 0 to 100 points. A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease.

\*Indicator ranges from 0 to 100 points. The higher the index, the greater the industry's propensity to invest.

1 - Company with 10 to 49 employees. 2 - Company with 50 to 249 employees. 3 - Company with 250 or more employees.



### Technical specifications

#### Sample profile

1,637 enterprises, including 653 small, 563 medium and 421 large companies.

#### Collection period

March 1-9, 2023.

Document completed on March 15, 2023.



### Learn more

For further information on sectorial and regional results, previous issues, methodology, and historical series, please visit: [www.cni.com.br/e\\_sondindustrial](http://www.cni.com.br/e_sondindustrial)

**INDUSTRIAL SURVEY** | English version of "Sondagem Industrial Fevereiro 2023" | Published monthly by CNI - National Confederation of Industry - CNI | [www.cni.com.br](http://www.cni.com.br) | Board of Industrial Development and Economy - DDIE | Director: Lytha Battiston Spindola | Economics Office - ECON | Executive officer: Mário Sérgio Carraro Telles | Economic Analysis Unit - GAE | Manager: Marcelo Souza Azevedo | Analysis: Marcelo Souza Azevedo | Statistics Management | Manager: Edson Velloso | Team: Brenda Ribeiro | Dissemination Coordination - 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.

