

# INVESTMENTS IN **INDUSTRY**

# 2022-2023



Brazilian National Confederation of Industry  
**THE FUTURE OF INDUSTRY**





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# INVESTMENTS IN **INDUSTRY** **2022-2023**

ECONOMIC INDICATORS **CNI**

BRASÍLIA-DF  
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## EXECUTIVE SUMMARY

### For the third year in a row, planned investment among large companies decreases.

The survey for 2023 revealed that the percentage of planned investment fell for the third consecutive year. At present, 68% of large manufacturing companies indicate having investment plans, which is a lower percentage compared to 2022 (75%) and 2021 (82%).

According to the majority of companies, around 38% of the investments planned for 2023 are aimed at improving the production process.

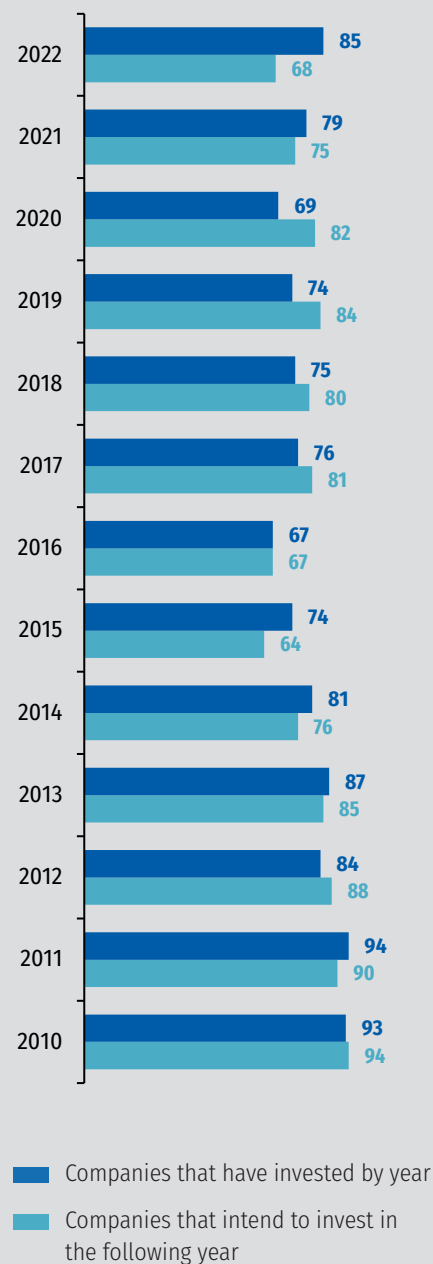
The survey indicates an increase in the percentage of companies that made investments in 2022 compared to 2021. In 2021, 79% of companies reported making investments, whereas in 2022, the percentage rose to 85%. This percentage has not surpassed the 80% threshold since 2014.

Nevertheless, a decrease in the percentage of companies that executed their planned investments was observed. In the previous edition, the percentage of companies that invested was 62%, whereas, in this edition, it dropped to 50%. The uncertainties surrounding the Brazilian economy and the rise in input costs, which have limited available resources for investments, were identified as the main obstacles to investment.

The survey revealed that investments were primarily focused on machinery and equipment, whether it be acquisition, maintenance, or updates.

**Chart 1 - Companies that have invested and companies that intend to invest**

Share (%) of total answers



# 1 INVESTMENT IN 2022

## The Ratio of Companies That Invested Is the Highest Since 2014

*However, only half of them executed the investment as planned, which could be attributed to economic uncertainties and input costs.*

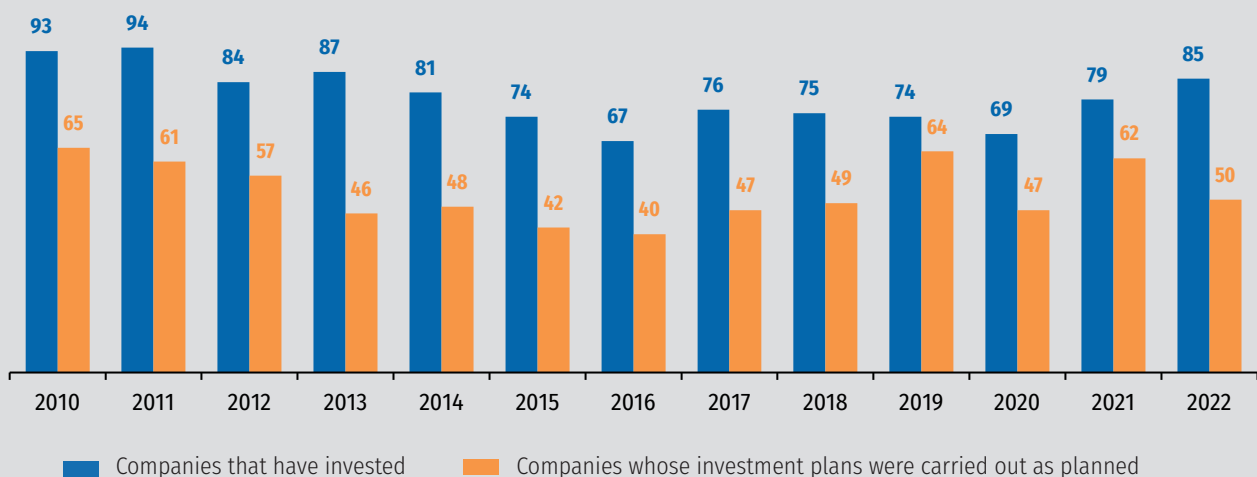
Among the large industrial companies, 85% indicated their intention to invest in 2022. This figure represents a 6-percentage point increase compared to the previous edition. This percentage has not surpassed the 80% threshold since 2014.

It is worth noting that among the companies that expressed their intention to invest in 2022 in the previous edition of the survey<sup>1</sup> and participated in this edition, 93% confirmed their investments in the previous year.

However, despite a significant number of companies reporting investments in 2022, there was a decrease in the percentage of respondents stating that the investments were executed as planned. Among the companies with investment plans, half of them indicated that the investments were carried out according to the initial plans.

**Graph 2 - Companies that have invested and investments made as planned**

Share (%) of total (realized investment) and total valid answers among companies that had plans to invest (realized as planned)



<sup>1</sup> NATIONAL CONFEDERATION OF INDUSTRY. Industry Investments 2021-2022. Brasília: CNI, 2022. Available at <[https://static.portaldaindustria.com.br/media/filer\\_public/72/93/72935442-cd3f-4a58-afb4-08b55256924c/investimentosnaindustria\\_2021\\_2022.pdf](https://static.portaldaindustria.com.br/media/filer_public/72/93/72935442-cd3f-4a58-afb4-08b55256924c/investimentosnaindustria_2021_2022.pdf)>



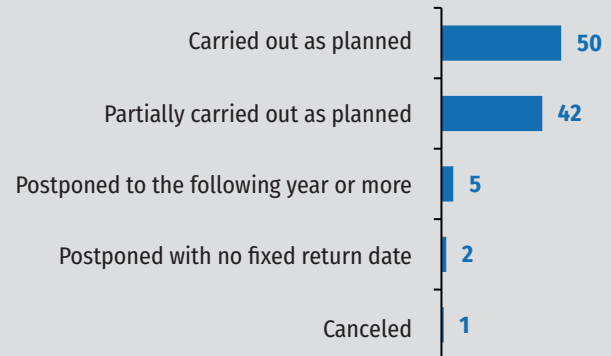
The primary obstacle to investment, as indicated by the companies, was the uncertainties surrounding the Brazilian economy. This was cited by 85% of the companies whose investment plans were either fully or partially implemented in 2022. Among the companies, 43% considered the uncertainties of the Brazilian economy as a significant obstacle, while 42% viewed it as a minor obstacle.

Another significant hurdle, which also exceeded the 80% threshold, was the increase in input costs. This obstacle was reported by 83% of the survey respondents. For 49% of the participants, the rising input costs, limiting available resources to invest, constituted a significant obstacle. For 34% of the entrepreneurs, this issue was a minor obstacle.

At the opposite end, a significant portion of companies did not consider obstacles in the acquisition or use of land (83% stated this was not

**Graph 3 - Status of investment planned for 2022**

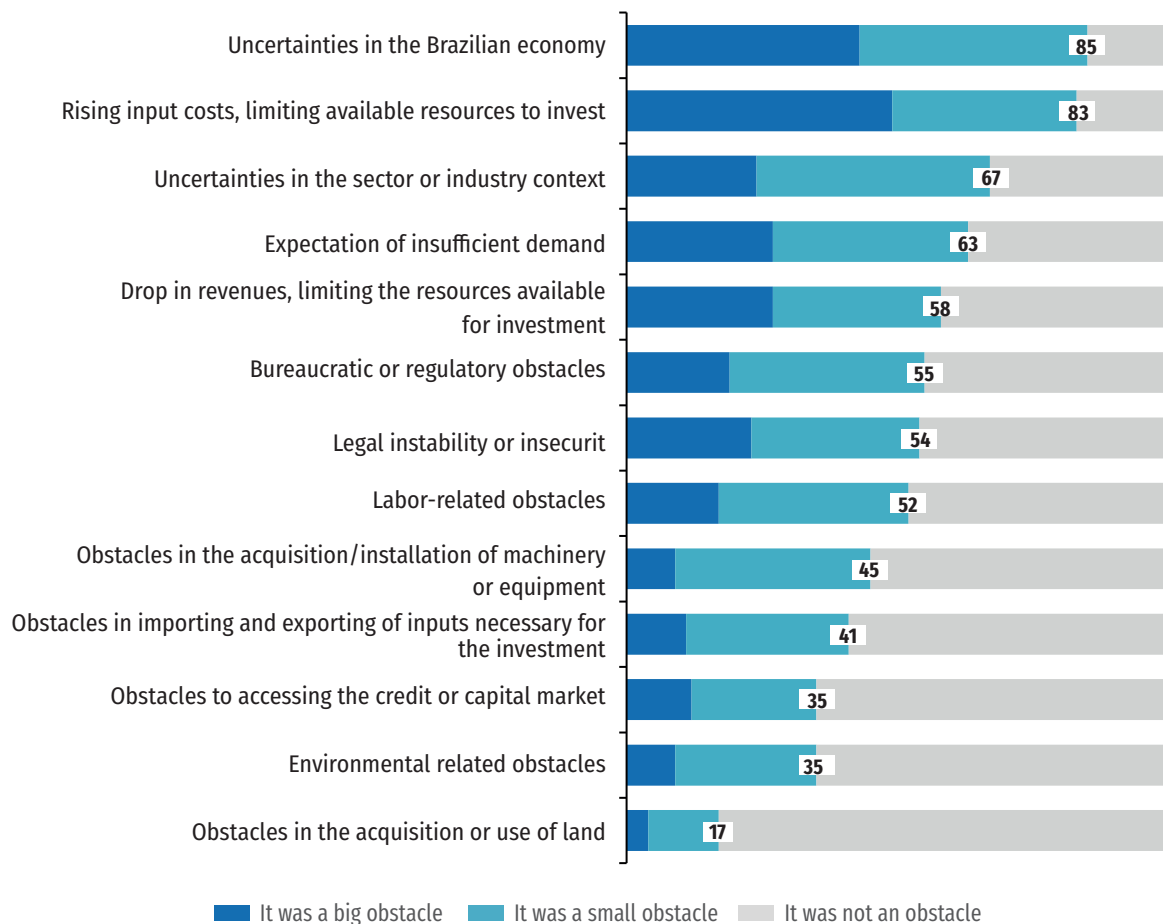
Percentage (%) of valid responses from companies that had plans to invest



an obstacle), in accessing credit or capital markets (65%), and related to the environment (64%) as hindrances to their investments.

**Chart 4 – Obstacles to investment in 2022**

Percentage (%) of valid responses from companies that had plans to invest



## Investments Were Concentrated in Machinery and Equipment

*The majority of the investments were made in Brazil*

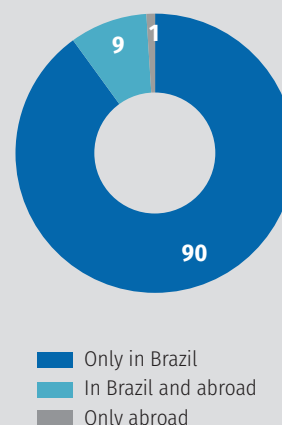
Regarding the type or nature of the investments made in 2022, the three most commonly cited categories by respondents had very similar percentages: maintenance/upgrading of machinery or equipment (81% of companies that invested, either fully or partially, as planned), acquisition of new machinery or equipment (80%), and construction, maintenance, modernization, or acquisition of plants (79%).

In addition to the aforementioned investment types, investments related to staff training also surpassed the 50% mark, as indicated by 55% of the companies as their investment focus in 2022.

Approximately 90% of the companies stated that their investments were made exclusively in Brazil, while 9% reported making investments domestically and abroad. Only 1% of the total investments made in 2022 took place exclusively abroad.

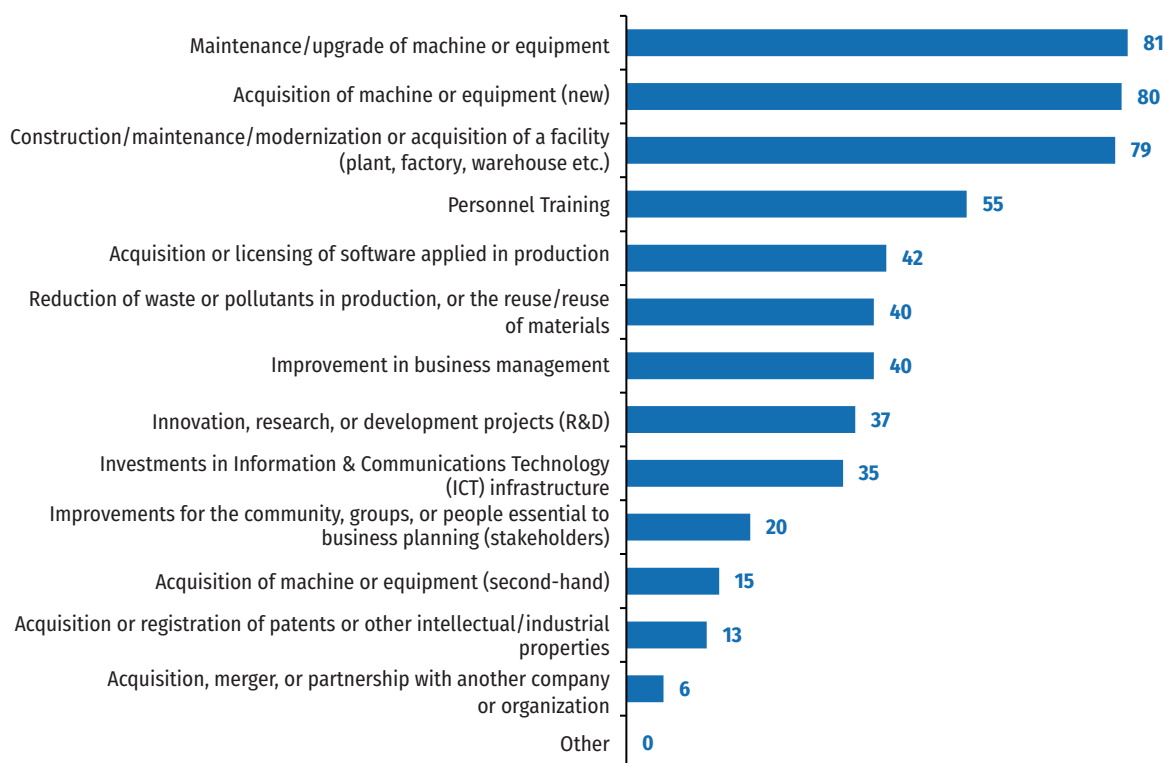
**Graph 5 - Location of the carried-out investments**

Percentage (%) of valid responses from companies that had plans to invest



**Graph 6 - Type or nature of the investment**

Percentage (%) of valid responses from companies that had plans to invest\*.



\* In the survey the entrepreneur is asked to mark all the types/natures of investments made. Thus, the sum of the percentages exceeds 100%.

# Own Resources Remain the Main Source of Investment Financing

*The banking sector accounts for 23% of funding sources*

Brazil's large companies persist in relying on their resources as the primary financing source for investments, with 71% of the investments in 2022 being self-financed. Throughout the history of this survey, which has been conducted since 2010, self-financing has consistently been identified as the main funding source according to the companies surveyed.

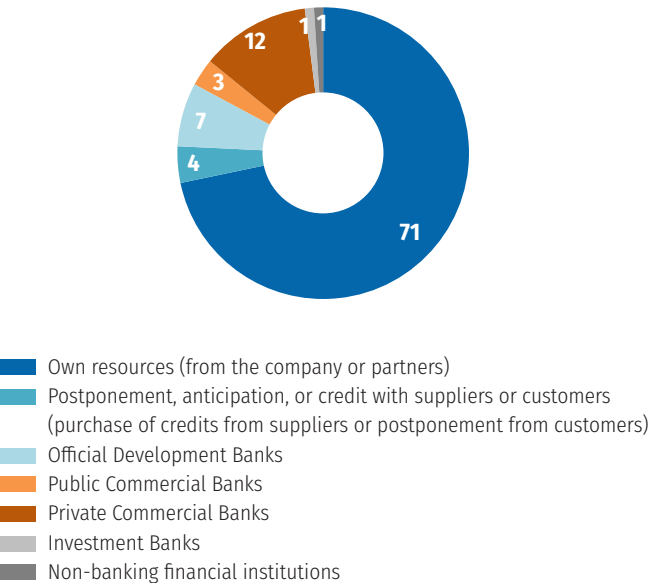
The banking sector accounted for 23% of the total investments made in 2022. Specifically, private commercial banks provided 12% of the

overall investment financing. Following the aforementioned sources, official development banks accounted for 7% of the total investment financing, followed by public commercial banks (3%), and investment banks (1%).

In this edition, the survey examined the demand for foreign sources of financing for investments: 86% of the companies that invested stated that they did not seek foreign sources, while 14% explored alternatives outside the domestic market.

**Graph 7 - Sources of financing for the investment carried out**

*Average percentage (%) considering valid answers from companies that invested*



**Graph 8 - Search for foreign sources of financing for the investment made**

*Percentage (%) of valid responses from companies that had plans to invest*



# 2 INVESTMENT IN 2023

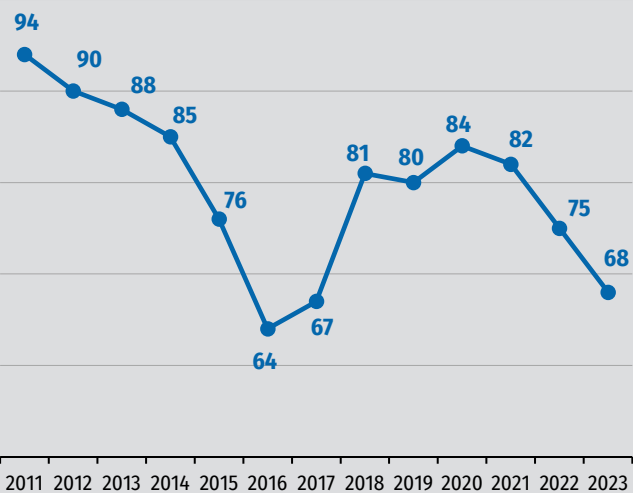
## The Intention to Invest Has Declined for the Third Consecutive Year

*Improving the current production process remains the primary objective among those who have investment plans*

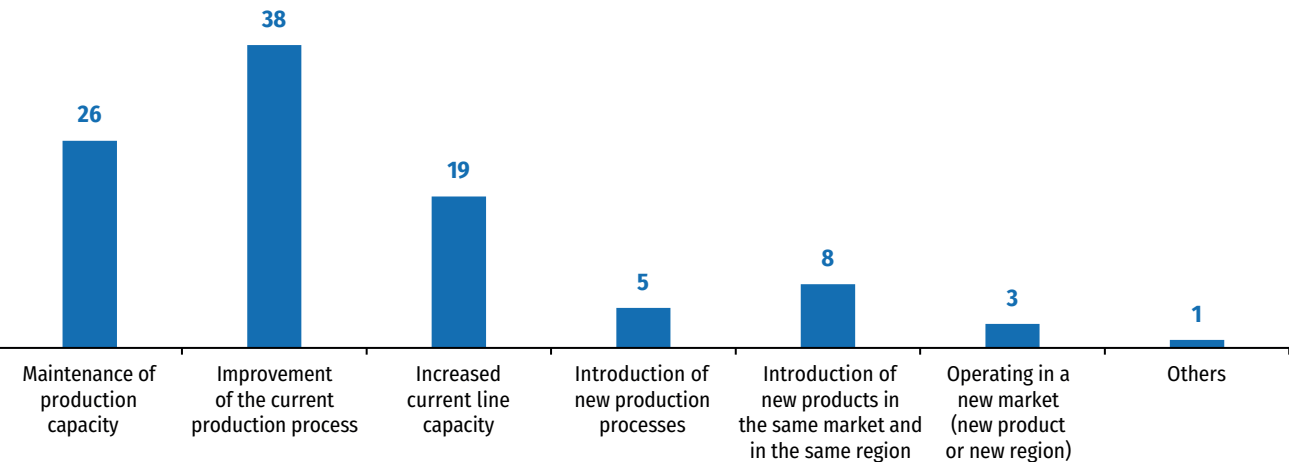
The percentage of total companies that intend to invest has decreased. In 2023, 68% of companies have expressed their intention to invest, which is 7-percentage points lower than the figure recorded in the previous year's survey. It marks the third consecutive year of decline in this indicator.

The main goal of the planned investment was to improve the production process, according to the companies (38% of the companies that intended to invest). The second main objective identified is maintaining productive capacity, accounting for 26% of responses, surpassing the objective of increasing the capacity of the current line (19%) for the second consecutive year. Therefore, one notices a posture of the business community to focus more on improving productivity than on expanding its production capacity.

**Graph 9 - Companies intending to invest in 2023**  
Percentage (%) of total answers



**Graph 10 - Main purpose of the planned investment**  
Percentage (%) of companies that intend to invest

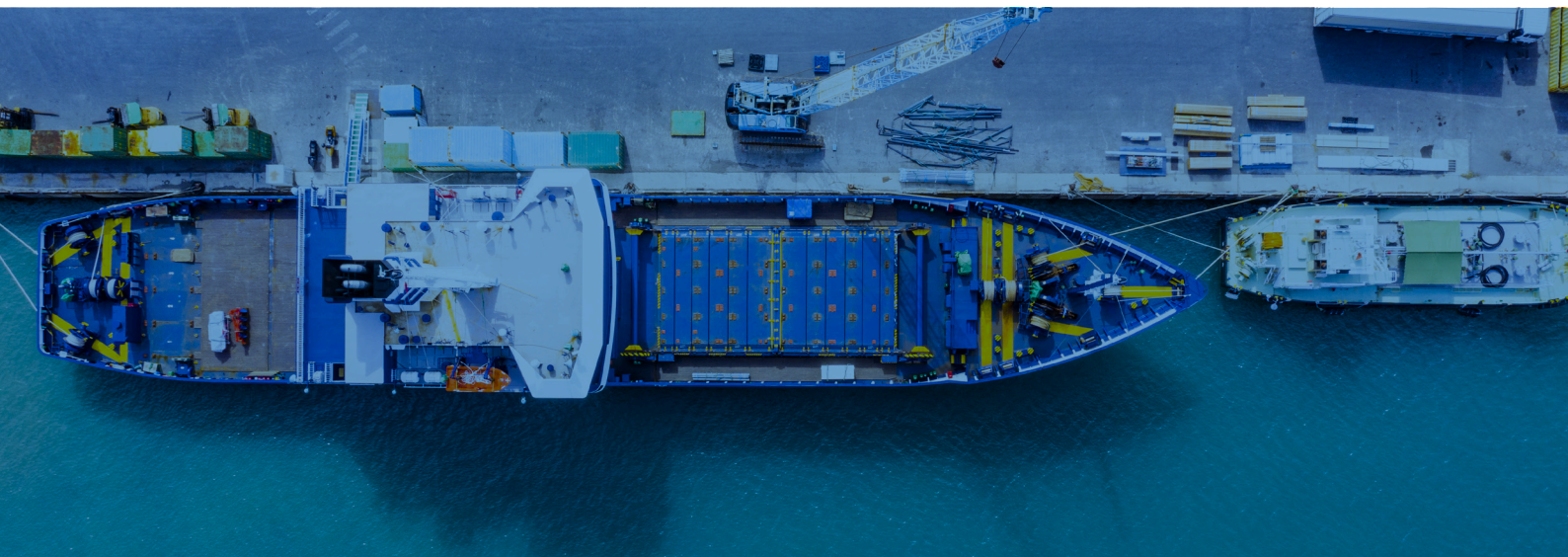
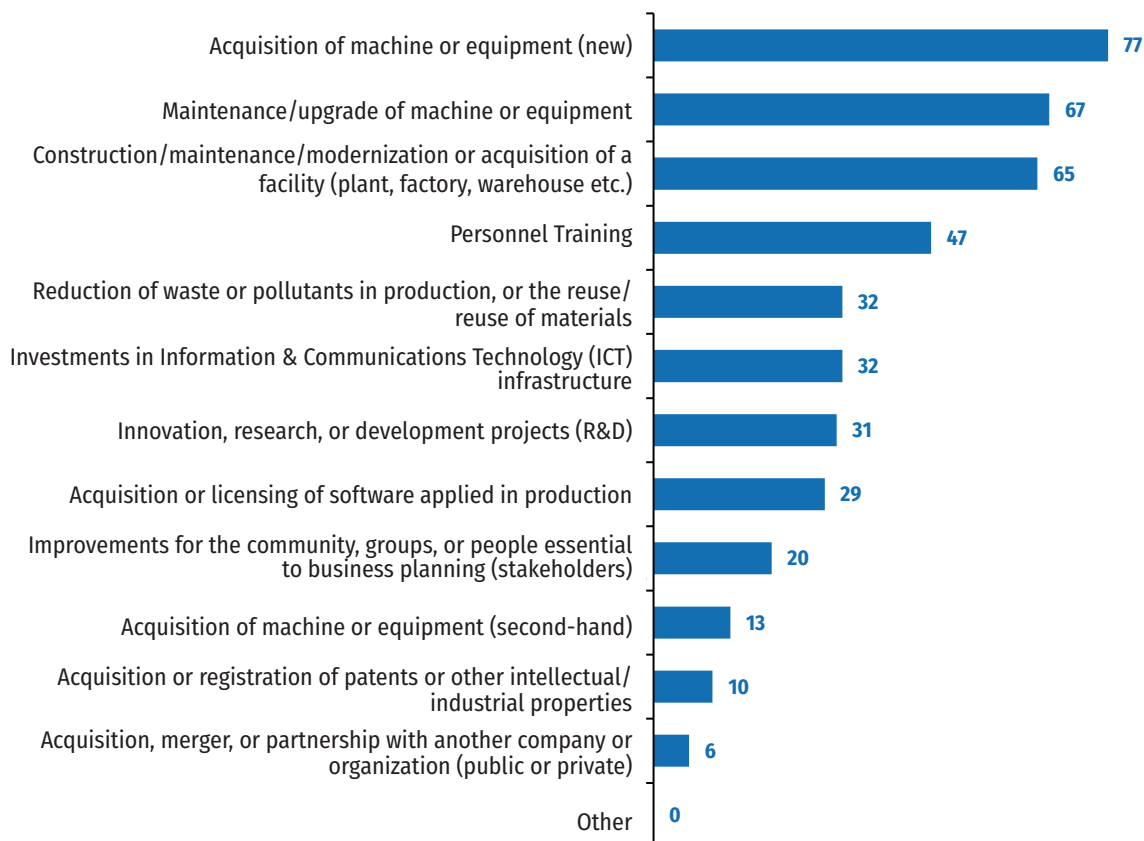


The most commonly mentioned type or nature of planned investment among large industry companies was the purchase of new machinery or equipment, indicated by 77% of the respondents. Maintenance

or upgrade of machinery or equipment was indicated by 67% of the companies, while construction, maintenance, modernization, or acquisition of a facility was indicated by 65% of the respondents.

### Graph 11 - Type or nature of the planned investment

Percentage (%) in the total of valid answers of the companies that intend to invest





# The Majority of Companies State That They Will Utilize Their Resources to Finance the Investment

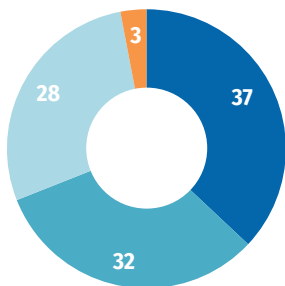
Only 14% of companies plan to seek foreign sources of financing for their planned investment

For 69% of the companies, the planned investment for 2023 will be financed primarily or entirely by their resources. This figure is consistent with the main source of financing for the investments made in 2022, where 71% of the investments were financed using their resources.

In this issue, respondents were asked if their company intends to seek foreign sources for the planned investment. 86% of the companies indicated that they do not have intentions to seek foreign sources, while 14% expressed their intention to explore financing options beyond domestic sources.

**Graph 12 - Sources of financing for the intended investment**

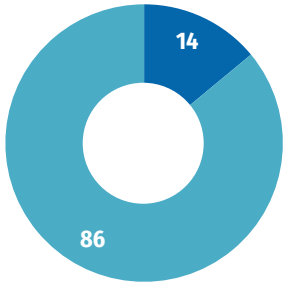
Percentage (%) in the total of valid answers of the companies that intend to invest



- Own resources only
- Mainly own resources
- Mainly third-party resources
- Third-party resources only

**Graph 13- Search for foreign sources of financing for the planned investment**

Percentage (%) in the total of valid answers of the companies that intend to invest



- Intends to seek foreign sources of financing
- Does not intend to seek foreign sources of financing



## The Domestic Market Is the Primary Focus of the Investments Planned for 2023

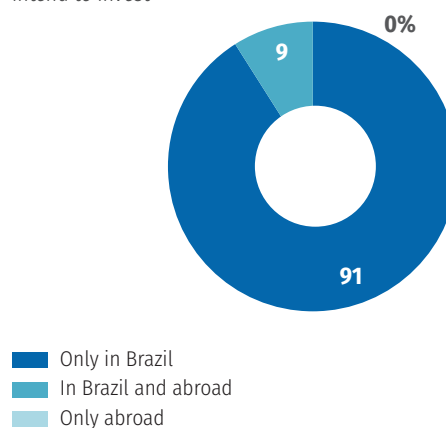
*The majority of the planned investments for 2023 will be directed to Brazil*

When asked about the location of the planned investments, 91% of the respondents indicated that they will exclusively take place within Brazil. For 9% of the companies, the planned investments will be made both in Brazil and abroad. No respondents reported that the planned investments will take place only abroad.

The domestic market remains the primary investment target for large industries. Among the respondents, 27% have an exclusive focus on the domestic market for their planned investments in 2023, while 41% have a primary focus on the domestic market.

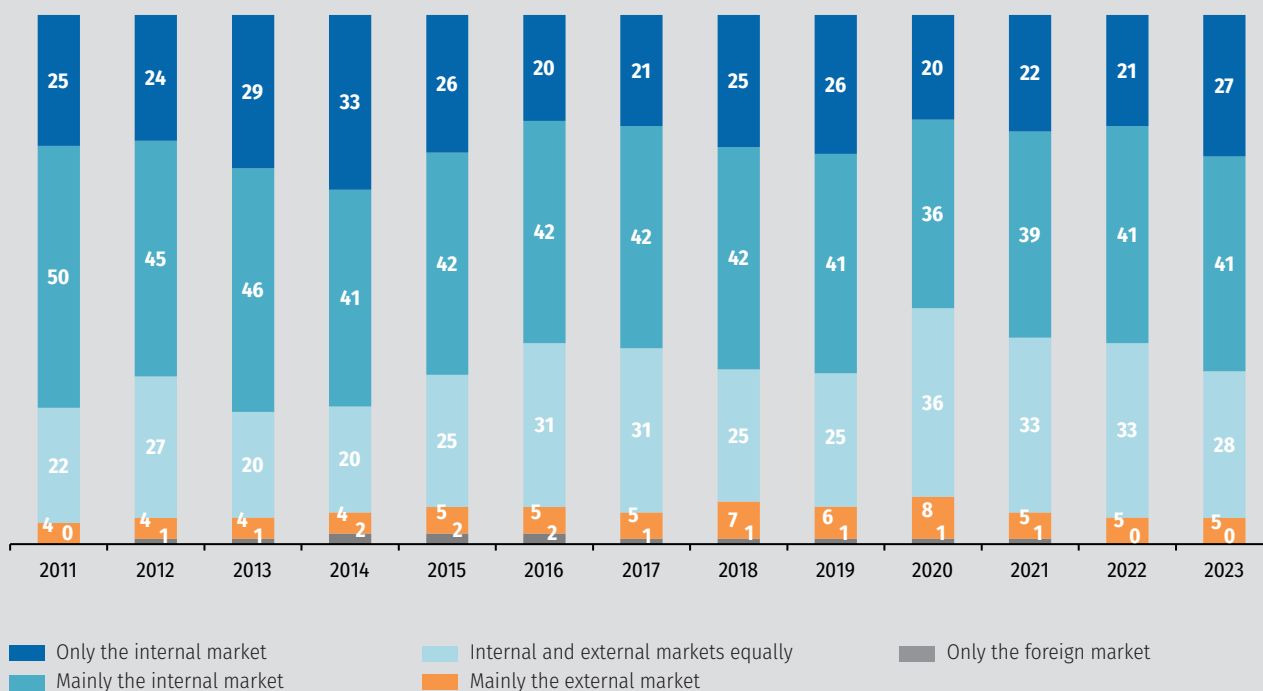
**Chart 14 - Location of planned investments**

*Percentage (%) in the total of valid answers of the companies that intend to invest*



**Graph 15 - Target market of the planned investments (domestic or foreign)**

*Percentage (%) in the total of valid answers of the companies that intend to invest*





## TECHNICAL SPECIFICATIONS

*The survey was conducted with 485 large companies from January 3-13, 2023.*



## LEARN MORE

*For more information on the survey, including historical series and methodology, kindly visit: [www.cni.com.br/e\\_investindustria](http://www.cni.com.br/e_investindustria)*



*Document prepared on May 15, 2023.*

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