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INDUSTRIAL INDICATORS

ECONOMIC INDICATORS CNI

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THE FUTURE OF INDUSTRY

Manufacturing Kicked Off the Year with Positive Developments

In January 2023, manufacturing indicators showed improvement in the number of hours worked in production, the real wage bill, and employment. However, real sales declined for the fifth consecutive month, reflecting the greater uncertainty that marked the last months of 2022. The average income of workers also registered a decline. Capacity utilization remained stable compared to December 2022.

Manufacturing also starts the year with indicators at a higher level than the one presented in January 2022. Employment, hours worked, wage bill, and average worker income are in a better position compared to where they started in 2022.

While the indicators associated with the labor market continue to rise, revenue shows a widespread decline among the manufacturing sectors. It reflects a context of caution in the acquisition of capital goods associated with the beginning of the new political cycle, particularly in the capital goods sector.

Industrial Indicators - January 2023

	PERCENTAGE VARIATION		
	Jan23/Dec22 seasonally adjusted	Jan23/ Jan22	Jan-Jan23/ Jan-Jan22
Real revenue[1]	**-0.9**	-1.1	-1.1
Hours worked in production	**0.5**	3.2	3.2
Employment	**0.5**	1.0	1.0
Real wage bill[2]	**1.5**	7.8	7.8
Real average income[2]	**-0.3**	6.6	6.6

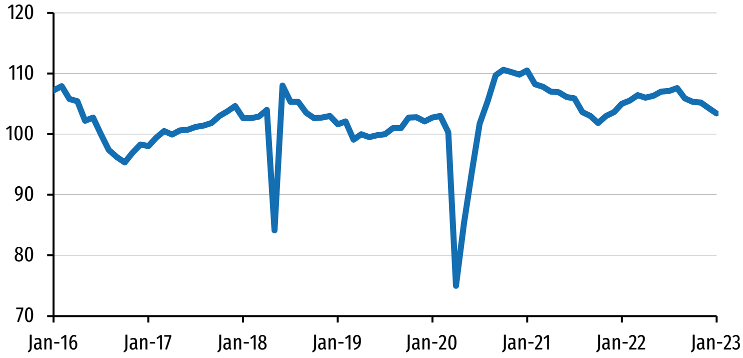
1 Deflator: IPA/OG-FGV
2 Deflator: INPC-IBGE

		AVERAGE PERCENTAGE			VARIATION IN PERCENTAGE POINTS
		Jan23	Dec22	Jan22	
Capacity Utilization	Seasonally adjusted	**79.7**	79.7	80.9	**0** p.p. Jan23/Dec22
	Original	**76.9**	76.7	78.4	**-1.5** p.p. Jan23/Jan22

Revenue drops for the fifth consecutive month

In January 2023, the real revenue of manufacturing dropped by 0.9% compared to December 2022 for the series without seasonal effects. After reviewing the data received by companies[1], we can see a downward trend in revenue, which fell for the fifth consecutive month. There is a 1.1% decrease compared to January 2022.

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

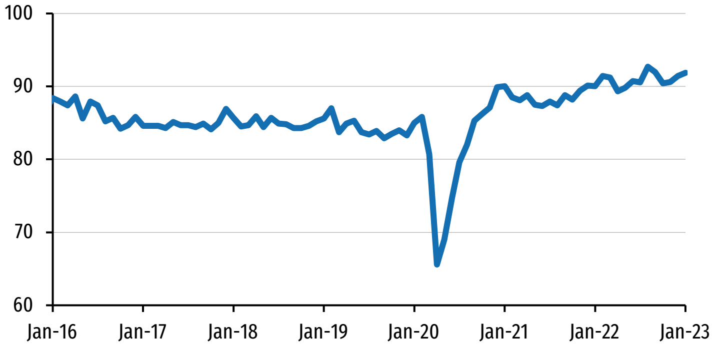


Deflator: IPA/OG-FGV

The hours worked in production started the year on a high note

In January 2023, the number of hours worked in production grew by 0.5% compared to December for the series without seasonal effects. It's worth noting that the indicator accumulated a 2.5% decline in September and October 2022 but recovered some of this loss between November 2022 and January 2023, rising by 1.7%. Thus, while the recent increases suggest a warming of the activity level, they were not sufficient to recover the level of hours worked in production achieved in August 2022. There is a 3.2% growth in hours worked compared to January 2022, indicating a positive trend in the labor market.

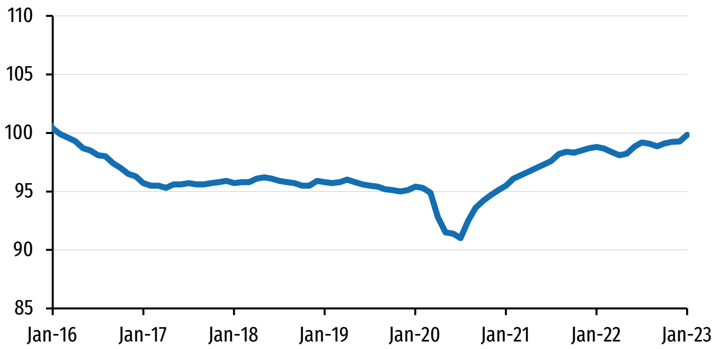
Hours worked in production
Seasonally adjusted (Fixed base index: 2006 average = 100)



Industrial employment advanced in January

Industrial employment grew by 0.5% in January 2023 compared to December 2022 for the series without seasonal effects. This increase comes after five months of relative stability. There is a 1.0% increase compared to January 2022.

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



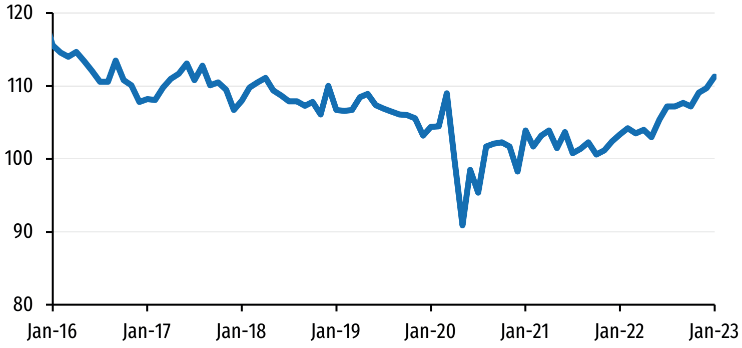
[1]The revision of data received by large companies in the sample has caused the Real Revenue series to be recalculated between May and December 2022.

Wage bill increases for the third consecutive month

In January 2023, the manufacturing real wage bill increased for the third month in a row by 1.5% compared to December 2022 in the series without seasonal effects. Between November 2022 and January 2023, the wage bill accumulated a growth of 3.8%. Compared to January 2022, there is a 7.8% increase.

Real wage bill

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



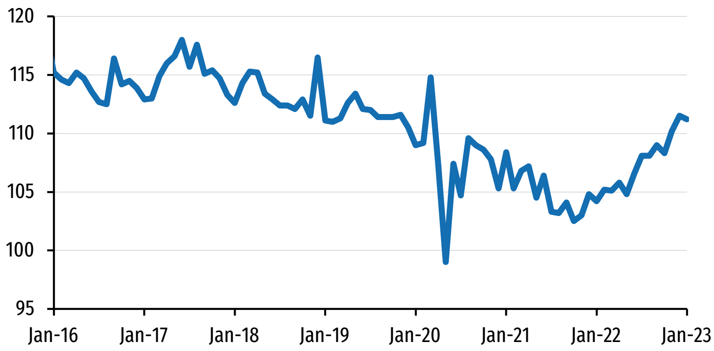
Deflator: INPC-IBGE

Average income drops in January

The real average income of manufacturing workers decreased by 0.3% in January 2023 compared to December 2022 for the series without seasonal effects. Although the indicator dropped in the month, it has been rising for two consecutive months, accumulating a growth of 3.0% in the last two months of 2022. Compared to January 2022, there was a 6.6% growth.

Real average income

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



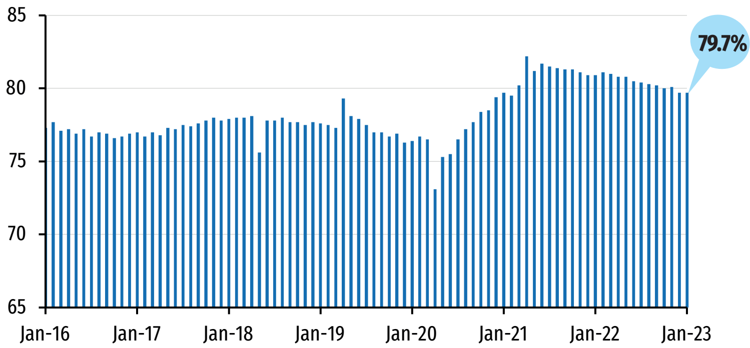
Deflator: INPC-IBGE

Capacity Utilization remains stable in January

Capacity Utilization remained stable compared to December 2022, starting the year at 79.7% for the series without seasonal effects. Throughout 2022, the series has exhibited a gradual downward trend, resulting in a 1.5 percentage point decrease if compared to January 2022.

Capacity Utilization

Seasonally adjusted (Average percentage)



Learn More

For further information on sectorial results, previous issues, methodology, and historical series, please visit: www.cni.com.br/e_indindustriais

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Customer Service - Phone: +55 (61) 3317-9992 email: sac@cni.com.br

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