



PERFORMANCE OF BRAZILIAN INDUSTRY



National Confederation of Industry
Brazil
CNI. THE STRENGTH OF THE BRAZILIAN INDUSTRY

Brazil's share in world industrial production falls more strongly

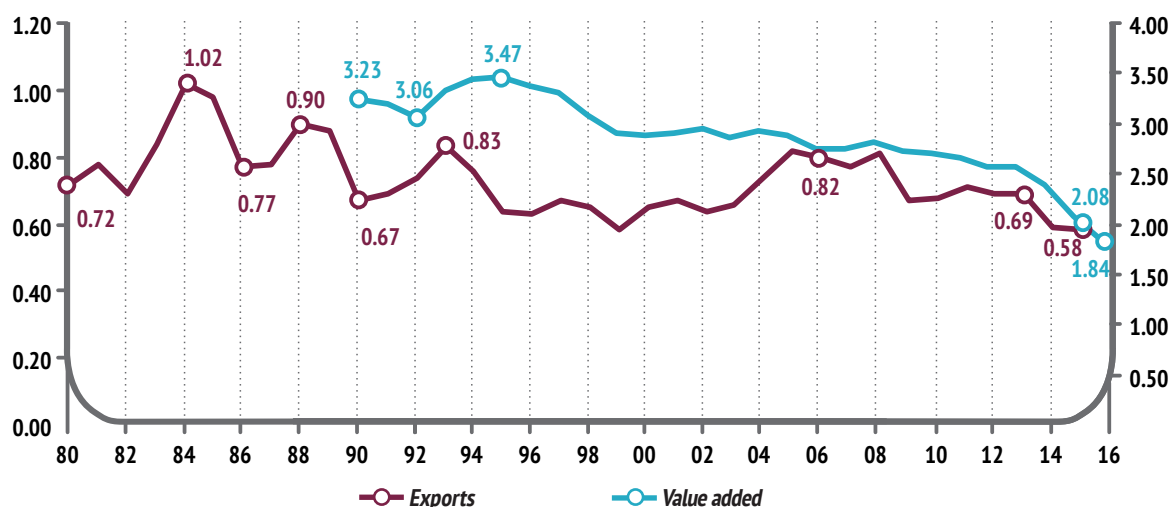
Brazilian industry's share in world manufacturing value added experienced a further decline in 2015 while the country's share in world manufacturing exports held virtually steady in the period.

Brazil's share in world manufacturing exports reached 0.58% in 2015, remaining almost stable as compared to 2014, when it amounted to 0.59%. With respect to world manufacturing value added, Brazil's share decreased by 0.31 percentage points during the same period, down from 2.39% to

2.08%.¹ The downward trend continued in 2016: the Brazilian share fell to 1.84% (-0.24 percentage points).

Since the late 1990s, Brazil's share in world manufacturing value added has been trending downward. However, the pace of decline has accelerated since 2014 as a result of the domestic economic crisis, which reached its peak in 2015 and 2016. Compared with 1996, the Brazilian share fell by 1.53 percentage points in 20 years.

Brazil's share in world manufacturing exports and in world manufacturing value added (%)



Source: Prepared by CNI based on WTO and UNIDO statistics.

¹ The shares have been revised due to the revision of value added data conducted by UNIDO, which affected the entire historical series.



INTERNATIONAL COMPARISON

Brazil shows worst production performance among trading partners

Between 2014 and 2016, Brazil's share in world manufacturing value added shrank by 0.55 percentage points (from 2.39% to 1.84%), the largest decline as compared to its main trading partners². Japan posted the second worst performance (-0.46 percentage points), followed by the United States (-0.30 percentage point). The US and Japan remain among the top three world producers of manufactured goods (behind China), even though their shares are down respectively to 15.9% and 8.73% in 2016.

China and South Korea were the only countries for which a decline in their share of global value added was not observed. The Chinese share grew from 22.55% in 2014 to 23.46% in 2015, while South Korea's share held virtually steady as it rose from 3.06% to 3.07% during the same period. In 2016, China's industry continued to gain market share at the same pace (+0.90 percentage points) while the Korean industry posted growth again (+0.03 percentage points), according to UNIDO estimates.

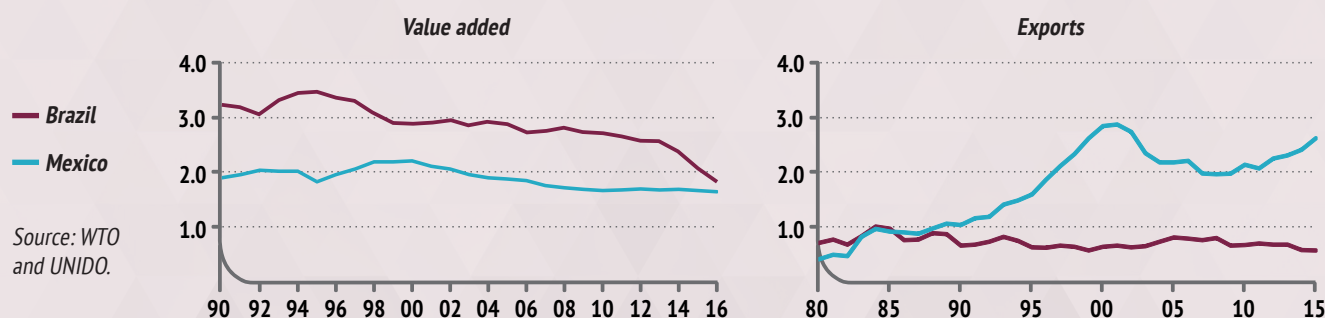
Brazilian industry loses race for Mexico's industry

In contrast to the Brazilian case, Mexico's share in world manufacturing exports began to recover in 2012 and has continued to grow ever since. In 2015, the Mexican share reached 2.64%.

With regard to its share in world manufacturing value added, Mexico has been accumulating

losses, but to a lesser degree than Brazil. As a result, Brazil's advantage is diminishing: in 2016, the Brazilian share amounted to 1.84% while Mexico's share stood at 1.66% – the difference of 0.18 percentage points is the lowest recorded in the entire series, which started in 1990.

Share in world manufacturing exports and in world manufacturing value added – Brazil and Mexico (%)



In terms of performance in world exports of manufactured goods, China stands out. Between 2014 and 2015, China increased its share by 0.84 percentage points to 18.14%. The US industry recorded the second largest increase in the period, regaining share in world exports: after falling from 9.26% in 2012 to 9.15% in 2014, the country's share rose to 9.52% in 2015 (up by 0.37 percentage points). Mexico posted the third largest increase

(0.21 percentage points), up from 2.43% in 2014 to 2.64% in 2015. Compared with 2011, Mexico has accumulated growth of 0.56 percentage points.

The recovery in the German share of world exports seen in 2014 was not sustained. Germany's share experienced the sharpest drop in recent years: down from 10.08% in 2014 to 9.72% in 2015 (decline of 0.36 percentage points).

² These are as follows: United States, Argentina, China, Germany, Mexico, Japan, France, Italy, South Korea, the Netherlands, and the United Kingdom.



Share in world manufacturing value added, 2010 prices, Brazil and major trading partners

Share (%) and cumulative change (percentage points)

YEAR	BRAZIL	UNITED STATES	ARGENTINA	CHINA	GERMANY	MEXICO	JAPAN	FRANCE	ITALY	SOUTH KOREA	THE NETHERLANDS	UNITED KINGDOM
SHARE (%)												
2006	2.74	20.03	0.64	12.56	7.42	1.86	10.83	3.00	3.60	2.54	0.97	2.56
2015	2.08	16.27	0.67	23.46	6.33	1.68	8.95	2.33	2.41	3.07	0.78	1.89
2016	1.84	15.99	0.63	24.36	6.29	1.66	8.73	2.30	2.36	3.10	0.77	1.84
CUMULATIVE CHANGE (PERCENTAGE POINTS)												
2006-2016	-0.90	-4.04	-0.01	11.80	-1.13	-0.20	-2.10	-0.70	-1.24	0.56	-0.20	-0.72
2015-2016	-0.24	-0.28	-0.04	0.90	-0.04	-0.02	-0.22	-0.03	-0.05	0.03	-0.01	-0.05

Source: Prepared by CNI based on WTO and UNIDO statistics.

Share in world manufacturing exports, Brazil and major trading partners (%)

Share (%) and cumulative change (percentage points)

YEAR	BRAZIL	UNITED STATES	ARGENTINA	CHINA	GERMANY	MEXICO	JAPAN	FRANCE	ITALY	SOUTH KOREA	THE NETHERLANDS	UNITED KINGDOM
SHARE (%)												
2005	0.82	9.71	0.16	9.31	11.22	2.19	7.27	5.00	4.28	3.43	3.61	3.96
2014	0.59	9.15	0.17	17.30	10.08	2.43	4.75	3.57	3.44	3.89	3.27	2.76
2015	0.58	9.52	0.13	18.14	9.72	2.64	4.61	3.39	3.23	3.98	3.17	2.81
CUMULATIVE CHANGE (PERCENTAGE POINTS)												
2005-2015	-0.24	-0.19	-0.03	8.83	-1.50	0.45	-2.66	-1.61	-1.05	0.55	-0.44	-1.15
2014-2015	-0.01	0.37	-0.04	0.84	-0.36	0.21	-0.14	-0.18	-0.21	0.09	-0.10	0.05

Source: Prepared by CNI based on WTO and WTO statistics.

Why keep track of Brazilian industry's performance in the world?

Brazil's share of world production and exports of manufactured goods reflects the importance of Brazilian industry in the world. The country's performance on these indicators vis-à-vis other countries reflects the competitiveness of its industry. A more competitive industry will account for a greater share of world production and will export more.



Learn more

For more information, including the methodology and data tables, kindly visit:

www.cni.org.br/e_industrianomundo