

PERFORMANCE OF BRAZILIAN INDUSTRY

ECONOMIC INDICATORS **CNI**

CNI
Brazilian National Confederation of Industry
THE FUTURE OF INDUSTRY

Brazilian Industry Has Ascended Two Positions in the Global Ranking of Industrial Exports

The performance of Brazil's manufacturing industry in the world during 2022 yielded positive outcomes in exports. This improvement not only enhanced its overall performance, but also led to a rise of two positions in the global ranking. This stands in contrast to the trends observed in the country in recent years. In terms of industrial production, Brazil's share and global ranking remained nearly unchanged from the previous year.

Brazilian exports achieved unprecedented levels, contributing to an increased share of global exports of manufactured goods. According to estimates from CNI, this share grew from 0.84% in 2021 to 1.05% in 2022. Consequently, Brazil is poised to advance two positions in the ranking, shifting from 28th to 26th place, surpassing Sweden and Indonesia.

Concerning the global production of manufactured goods, Brazilian production maintained its share almost unchanged, holding at 1.20% in 2022 compared to 1.21% in 2021, as reported by the United Nations Industrial Development Organization (Unido). Thus, Brazil retained its 16th position in the global ranking.

Within Brazil's 11 key trading partners¹, China exhibited notable performance in both production and worldwide exports of the manufacturing industry in 2022. Despite a moderate decline of 0.04 percentage points (p.p.) and 0.88 p.p. in production and exports, respectively, compared to 2021, China remained the top performer.

Regarding exports, the United States is anticipated to lead among partners in 2022, showcasing a modest growth of 0.73 p.p. compared to 2021. In the same comparison, Brazil (+0.21 p.p.), India (+0.27 p.p.), Mexico (+0.23 p.p.), Argentina (+0.08 p.p.) and Italy (+0.04 p.p.) are expected to register marginal increases in their shares of global exports.

Despite moderate declines in 2022 compared to 2021, China (-0.04 p.p.) and the United States (-0.33 p.p.) maintained their leading positions in the ranking of the largest producers in the manufacturing industry. Both countries held onto their 1st and 2nd places, respectively.

Performance Indicators for the Brazilian manufacturing industry (%)

	2021	2022
 Share of global manufacturing industry exports	0.84%	1.05%*
 Share of added value in the global manufacturing industry	1.21%	1.20%

Source: prepared by CNI based on Comtrade and UNIDO statistics.
Note: *The share of world exports in 2022 is a CNI estimate.

¹ The 11 analyzed trade partners of Brazil are: Argentina, China, South Korea, France, Germany, Italy, Japan, Mexico, the Netherlands, India and the United States. For more information on the methodology by main partners, please visit: <https://www.portaldaindustria.com.br/estatisticas/producao-na-industria/>.

EXPORT PERFORMANCE

Brazil Has Elevated Its Share of Global manufacturing Industry Exports, Resulting in a Climb of Two Positions in the Ranking

The performance of Brazil in global manufacturing industry exports witnessed a notable increase in 2022, as indicated by estimates from CNI. Anticipated to rise from 0.84% in 2021 to 1.05% in 2022, the country's export share reflects a significant growth trajectory. This upward trend is poised to arrest the decline in Brazil's share of global exports of manufactured goods, a trend that commenced in 2012 and is currently at its peak.

By 2022, Brazil is expected to secure the 26th position globally for exports of manufactured goods, marking a positive trajectory in its international standing. This position marks a notable advancement of two places in the ranking compared to the previous year, as Brazil surpasses both Indonesia and Sweden.

Considering the total value of world exports, CNI's estimate indicates a slight reduction of 0.44% in 2022,² diverging from the trend observed in 2021, which witnessed a substantial increase of 24.74%. In the case of Brazil, the surge in exports during 2021 exceeded the global average (24.74%), with the country achieving a remarkable growth rate of 26.53%. The growth projection for Brazilian exports in 2022 stands at 23.44%, a significant deviation from the overall result of -0.44% for the same period.

Examining Brazil and its 11 primary trading partners in 2022, the United States is anticipated to increase its share of global exports of manufacturing goods by a modest 0.73 p.p. compared to 2021, securing the largest share among these partners. Conversely, marginal increases in shares are projected for Brazil (+0.21 p.p.), India (+0.27

p.p.), Mexico (+0.23 p.p.), Argentina (+0.08 p.p.) and Italy (+0.04 p.p.) in the same comparison. On the flip side, a decline in shares is anticipated for the other countries³ over the same period, except South Korea, which is expected to maintain a constant share.

According to CNI estimates, the United States experienced an ascent from 8.07% in 2021 to 8.80% in 2022. In the global ranking, the United States is poised to retain its position as the second-largest exporter, trailing behind China, which is expected to account for 18.21% of world exports.

China is anticipated to experience a moderate reduction in its share between 2021 and 2022, experiencing the most substantial drop of 0.88 p.p. among the 11 partners. Concurrently, Germany and Japan are expected to witness slight declines in their respective shares, with reductions of 0.28 p.p. and 0.18 p.p. over the same period. Despite these reductions in shares, China is poised to maintain its leading position in the ranking of the world's largest exporters of manufacturing goods, while the subsequent countries will retain their positions as third and fourth in the ranking.

Brazil's share of global manufacturing industry exports (%)



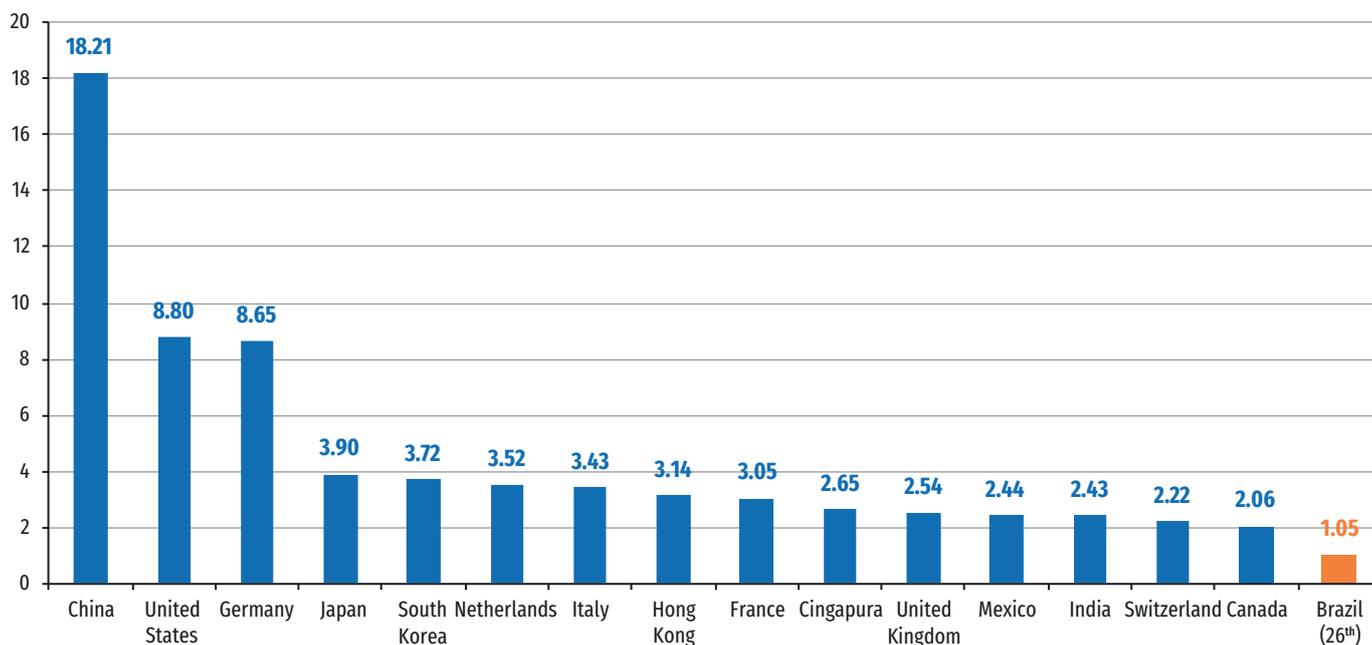
Source: prepared by CNI based on OCDE and Comtrade statistics.
*Note: CNI's estimate.

² As of the time of writing this study, there was no available data for all the world's countries in 2022. Therefore, the value of world exports for those countries without data was estimated based on 2021 data reported by Comtrade, using forecasts from the IMF Outlook Database (Oct./2023).

³ China, Germany, Japan, the Netherlands, and France.

Share of global manufacturing industry exports: the 15 largest exporters and Brazil*

*Estimate in 2022 (%)



Source: prepared by CNI, based on Comtrade statistics.

* Note: data collected in Oct./2023; calculations are based on current export values and estimates in 2022.

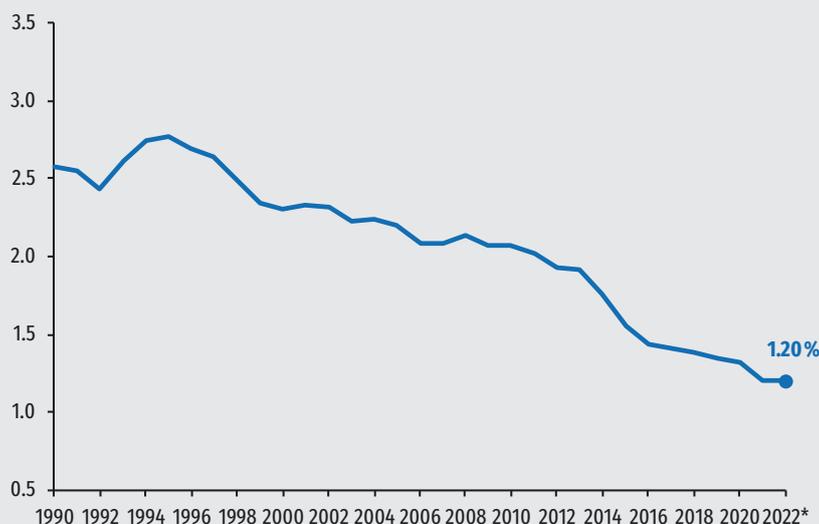
INDUSTRY PERFORMANCE

Brazil Sustains Its Global Share and Position in the World Industrial Production Ranking

The Brazil's share of global manufacturing industry production remained nearly unchanged from 1.21% in 2021 to 1.20% in 2022. Despite this stability, the current percentage represents the lowest in the historical series starting in 1990, with Brazil maintaining its steadfast position as the 16th in the world ranking.

Brazil has experienced a prolonged downward trend in its share of global manufacturing industry production since 1996, a trend that persisted into 2022 without reversal. Although the country remained among the top 10 industrial producers until 2014, a subsequent decline occurred between 2014 and 2016. This decline was attributed to the recession and the devaluation of the real, resulting in Brazil losing positions to Mexico and Indonesia. Later, in 2018 and 2019, it was overtaken by Taiwan and Russia, and in 2021 by Turkey and Ireland. In 2022, Brazil was

Brazil's share of added value in global manufacturing industry (%)



Source: prepared by CNI, based on UNIDO statistics.

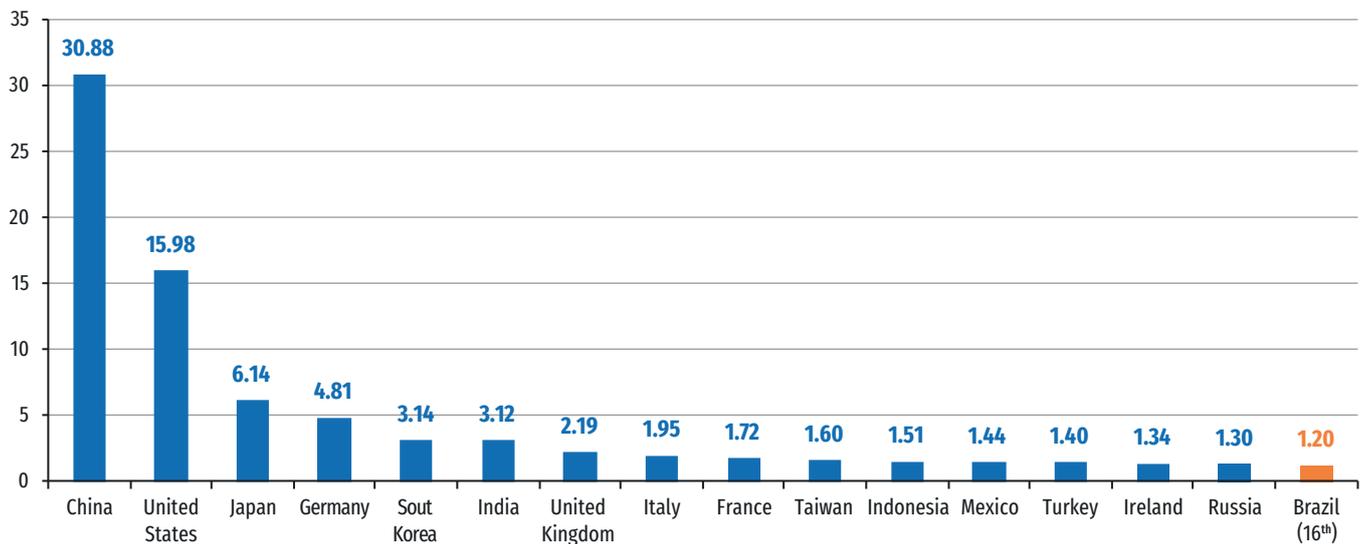
unable to reverse its trend and maintained its 16th place in the global ranking.

Compared to Brazil and its 11 primary trading partners, India exhibited the most substantial increase in the added value of the global manufacturing industry between 2021 and 2022, with a modest growth of 0.13 p.p., the highest among the partners. Additionally, those countries that displayed marginal increases in their shares during the same period were: Italy (+0.03 p.p.), the Netherlands (+0.02 p.p.), and Japan (+0.01 p.p.). Argentina remained stable, maintaining the same share in 2022 as in 2021, at 0.48%.

The United States experienced a marginal decline of 0.33 p.p. in production between 2021 and 2022, marking the most significant drop among the 11 partners. The United States' share of the added value of the global manufacturing industry decreased from 16.31% in 2021 to 15.98% in 2022. Even so, it still ranks second in the world.

Alongside Brazil and the United States, China, Germany, South Korea, France and Mexico experienced minor declines in their shares of added value in the **global manufacturing** industry between 2021 and 2022. Despite these decreases, the impact on the ranking was minimal, as China retained its leadership in the world ranking, and the other countries maintained positions of 4th, 5th, 9th, and 12th in the list of the largest manufacturing industries, respectively.

Share of added value in the global manufacturing industry: the 15 largest producers and Brazil in 2022 (%)



Source: prepared by CNI, based on UNIDO statistics.



Share of added value in the global manufacturing industry (2015 prices), Brazil and main trading partners

Share (%) and accumulated change (p.p.)

YEAR	BRAZIL	CHINA	GERMANY	UNITED STATES	JAPAN	NETHERLANDS	ITALY	FRANCE	INDIA	SOUTH KOREA	MEXICO	ARGENTINA
2012	1.93	23.05	5.88	18.41	7.94	0.74	2.38	2.27	2.39	3.30	1.72	0.86
2020	1.32	30.31	4.99	16.42	6.61	0.68	1.83	1.76	2.92	3.17	1.44	0.54
2021	1.21	30.92	4.88	16.31	6.13	0.67	1.92	1.73	2.99	3.15	1.45	0.48
2022*	1.20	30.88	4.81	15.98	6.14	0.69	1.95	1.72	3.12	3.14	1.44	0.48
Cumulative change (p.p.)												
2012-2022*	-0.73	7.83	-1.07	-2.43	-1.80	-0.05	-0.43	-0.55	0.73	-0.16	-0.28	-0.38
2021-2022*	-0.01	-0.04	-0.07	-0.33	0.01	0.02	0.03	-0.01	0.13	-0.01	-0.01	0.00

Source: prepared by CNI, based on UNIDO statistics.

Share of global manufacturing industry exports, Brazil and main trading partners

Share (%) and accumulated variation (p.p.)

YEAR	BRAZIL	CHINA	GERMANY	UNITED STATES	JAPAN	NETHERLANDS	ITALY	FRANCE	INDIA	SOUTH KOREA	MEXICO	ARGENTINA
2012	1.02	13.94	9.06	9.35	5.17	3.29	3.33	3.58	1.84	3.76	2.09	0.40
2020	0.83	18.34	9.46	8.31	4.33	3.53	3.44	3.17	1.87	3.69	2.51	0.23
2021	0.84	19.09	8.93	8.07	4.08	3.55	3.39	3.07	2.16	3.72	2.21	0.20
2022*	1.05	18.21	8.65	8.80	3.90	3.52	3.43	3.05	2.43	3.72	2.44	0.28
Cumulative change (p.p.)												
2012-2022*	0.03	4.27	-0.41	-0.55	-1.27	0.23	0.10	-0.53	0.59	-0.04	0.35	-0.12
2021-2022*	0.21	-0.88	-0.28	0.73	-0.18	-0.03	0.04	-0.02	0.27	0.00	0.23	0.08

Source: prepared by CNI, based on OECD and Comtrade statistics.

*Note: CNI's estimate.



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