
After Three Months of Decline Search for Credit Rises 5.2% in Brazil

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Brazilian companies search for credit has grown 5.2% in the month of April over March. This is shown in the Serasa Experian Index. The month was of recovery as the accumulated result for the first four months of the year, there was a reduction of 8.4% in demand for credit when compared to the same period in 2008. When compared to April last year, the reduction was even greater, 13%.

The Brazilian region that had the greatest growth in demand for credit was the North. Companies in northern Brazil expanded their search for funds by 18.5% when compared to March this year. In the Southeast there was growth of 7.1% over the previous month. There was also growth in the South, 3%, Midwest, 0.9% and Northeast, 0.1%.

According to a research, the reduction in Industrialized Product Tax (IPI) for motorcycles and household appliances explains a good part of the elevation of demand.

The production of this kind of product is located mainly in the two regions - the North and Southeast - where there was greatest growth. Micro and small companies were the ones that expanded their search for financing the most, up 5.6% in April when compared to March.

Industry was the main highlight in elevation of demand for company credit in April, with growth of 7.8% over the previous months. Trade grew 5.6% and the service sector grew 3.9% in terms of demand for credit.

In the accumulated result for the first four months of the year, the reduction in demand for credit was 8.6% in industry, 8.5% in trade and 8.4% in services.

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