

## Cars Lead Brazil's 8.3% Annual Growth

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The Brazilian industrial production increased 8.3% in 2004 in comparison to 2003. This was the best rate since 1986. The positive performance reached 21 of the 27 industrial activities and the four goods categories (producers' goods, hard goods, intermediary goods and non-durable goods).

The good numbers were valid for 57 of the 66 sub sectors analysed by the Monthly Industrial Research of the Brazilian Institute for Geography and Statistics (IBGE).

The information for 2004, released February 10, shows that the greatest contribution for the industrial growth came from the manufacture of automotive vehicles (29.2%), foods (11.3%) and refining of oil and production of alcohol (14.6%).

According to the IBGE, in the first sector, the highlights were automobiles and heavy trucks, while in the other two segments the items of greatest impact were the sugar cane products and crystal sugar in the food industry and alcohol in the sector of oil refining and alcohol production. These three fields together represent more than half (53%) of the global rate of 8.3%.

Still according to the IBGE research, the production of consumer hard goods in 2004 (cars and home appliances) was 21.8% greater than in 2003. For producers' goods (machinery and equipment) it increased by 19.7%, for intermediary goods (inputs for the industry) by 7.4% and for consumer non-durable goods (foods, beverages, clothes and shoes) by 4%, emphasising, according to the institute, "the idea that end of year sales were relevant in the industrial activity for the month of December."

### Salaries

The performance of the Brazilian industrial production confirms the recuperation of salaries, influenced by the increase in the number of jobs in the market. The statement is from the coordinator of Industry at the IBGE, Sílvia Salles.

According to him, the other factor which contributed for this performance was the increase in exports, particularly in the automobile sector since, according to the National Association of Vehicle Manufacturers (Anfavea), there was a 17.8% increase in the number of light vehicles exported last year.

The economist believes that this year the tendency for increase in the industrial production will be maintained and that there will be a greater expansion in demand, mainly in the production of foods for the foreign market.

In Brasília, capital city of Brazil, the minister of Finance, Antonio Palocci, said that the industrial performance in 2004 is a good sign of the country's recuperation. "Brazil is recuperating in a balanced way," stated the minister.

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Translated by Silvia Lindsey