

Brazil's Supermarkets on Recovery Path

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The real value (discounting inflation) of supermarket sales in February and the first two months of 2005 rose in comparison with the figures registered in 2004.

According to results announced by the Brazilian Supermarket Association (Abras), nominal sales grew 18.08% in January and 10.23% in February, compared with the same months last year.

Performance in real terms amounted to 9.94% and 2.65%, respectively. Cumulative growth over the first two months of 2005 was 6.26% above that of the first two months of 2004.

Despite this positive seasonal comparison, supermarket sales fell for the second month in a row. In January the decline was 27.66% relative to December, which had logged in a growth peak of 34.94% relative to November.

For Abras, the positive seasonal outcome "is largely due to favorable economic conditions, with the increase in employment and the improvement in the population's purchasing power," and it confirms "the tendency for the sector's recovery, which began, modestly, in the second quarter of 2004."

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