

Capital Goods Lead Brazil's Little Growth

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After two months of downturn, industrial production in Brazil was up 1.5% in March, compared with February. In relation to March, 2004, the sector grew 1.7%, a positive result, but the smallest since December, 2003.

The data from the monthly industrial survey of the Brazilian Institute of Geography and Statistics (IBGE), released yesterday, also show that in the quarterly comparison, industry in Brazil has registered steady positive results since the end of 2003, despite the decelerating pace of growth demonstrated since the end of last year. The sector grew 3.9% in the first quarter of this year.

According to the study, industrial growth between February and March was sustained by the capital goods sector (5.4%), with the increase in machinery and equipment production.

In comparison with March, 2004, the expansion was led by the durable consumer goods sector (13.9%), with increases in automobile (11.3%), domestic appliance (7.4%), and cell phone (54.6%) production.

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