

Negative Results in Food and Fuel Drag Retail Sales Down in Brazil

Contributed by Christiane Ribeiro
Tuesday, 14 June 2005

The volume of retail sales in Brazil in April rose 3.40%, and earnings, 11.82%, compared with April, 2004. These data are contained in the Monthly Commercial Survey, released today by the Brazilian Institute of Geography and Statistics (IBGE).

In relation to March of this year, sales volume was down 0.23%, but revenues were up 0.76% for merchants around the country.

In the view of IBGE technical staffers, April's results, in comparison with those of March, may have been influenced by the drop in workers' average real monthly income, which, according to the Monthly Employment Survey for April, decreased 1.8% in relation to March.

Increased activity in the textile, clothing, and footwear sector, up 13.72%, prevented an even greater decline in retail sales volume in the month-to-month comparison.

According to the IBGE, the decline was propelled by negative results in the hypermarket, supermarket, and food and beverage sector (-0.47%) and in the area of fuels and lubricants (-1.14%).

In the comparison with April, 2004, the 3.4% rise in sales volume is mainly the result of a 23.93% increase in furniture and home appliance sales and a 14.77% increase in textile, clothing, and footwear sales.

The greatest negative impacts came from hypermarkets, supermarkets, food, beverages, and tobacco (-1.22%), and fuels and lubricants (-9.94%).

On this relative basis, April was the 17th straight month in which the rate was positive, but, as the IBGE informed, it represents the smallest growth since December, 2003, when sales volume rose 3.21%.

So far this year, retail sale volume has registered a cumulative increase of 5%, and earnings, 12.30%. Over the past 12 months, the increase in sales volume amounts to 8.22%, while earnings are up 13.73%.

Agência Brasil