

## Furniture and Appliances Boost Brazil's Retail Sales

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Retail sales in Brazil grew 2.67% in May in comparison with May, 2004. The increase amounted to 0.40% in comparison with April of this year.

The Monthly Commercial Survey, released today by the Brazilian Institute of Geography and Statistics (IBGE), shows that retail sales around the country were up 4.51% in the first five months of this year and 7.52% over the 12-month period ending in May.

Earnings in the sector rose 10.72% in comparison with May, 2004, and 2.19% in comparison with April, 2005.

The segments that contributed the most to May's results were furniture and home appliances (18.03%) and hypermarkets, supermarkets, food, beverages, and tobacco (1.23%).

The director of the survey, economist Reinaldo Pereira, attributes the increase in furniture and home appliance sales, which also stand out in the comparison between May and April of this year (2.08%), to the continuation of store credit and to personal loans with installment payments withdrawn directly from paychecks.

"With regard to the hypermarket segment, the growth in sales was mainly the result of the increase in the employment level detected by the IBGE's Monthly Employment Survey," Pereira pointed out.

The fuel and lubricants segment (-7.26%) registered its fifth consecutive negative result.

In Pereira's opinion, "the decline is related to the price of gasoline and alcohol fuels, which have been experiencing above-average price adjustments in terms of inflation and, consequently, a reduction in consumption."

With regard to the broad retail sector, which includes sales of vehicles, motorcycles, auto parts, and construction materials, the increase in sales in comparison with May, 2004, was 1.76%.

Between January and May of this year, the increase in sales amounted to 3.55%, and earnings in the sector were up 12.81%.

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