

Brazilian Companies Leave Urban Centers and Move to Interior

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The majority of legally constituted companies in Brazil are still concentrated in the great urban centers, but according to the 2003 Central Record of Companies, released by the Brazilian Institute of Geography and Statistics (IBGE), many entities are moving to the interior or capital cities of other states.

The justification is the market saturation in the great cities, associated to fiscal incentives offered by other regions.

The study shows that, from 1996 to 2003, the southeastern region was the only one with a drop in the number of established companies, going from 57% to 52.2%.

São Paulo and Rio de Janeiro were the states responsible for this loss (3.2 percentage points and 1.9 percentage point, respectively).

The states of Minas Gerais and Espírito Santo (also in the southeast) increased their participation, but didn't manage to compensate the losses accounted to Rio de Janeiro and São Paulo.

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