
After 9% Growth in 2007, Construction in Brazil to Expand 10% This Year

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Brazil's civil construction sector grew 9% last year and should grow another 10% this year. The figures are part of a survey commissioned by the Brazilian Union of the Civil Construction Industry (Sinduscon). In the first quarter this year alone, sales of construction material grew 8.5% over the same period in 2007.

The good phase that the Brazilian economy is going through and the higher purchasing power of Brazilians are the main causes for the segment's performance.

The middle class, according to the Sinduscon, is partly responsible for boosting the segment. Expenditure on housing among Brazilian families has been growing every year, according to the survey.

Another important contributing factor to this chain of products and services is the fact that approximately 15% of Brazilian households are unfinished, not to mention those that require constant maintenance work. The launch of real estate enterprises also collaborates for that figure to increase.

In the first quarter of 2008, the Sinduscon has already recorded small increases in cost of the main inputs for the sector, but stock depletion, according to the union, is unlikely to happen this year.

Civil construction was the sector of the Brazilian economy that recorded the highest increase in job positions, in February, in comparison with the same period last year. The expansion rate was almost 400%.

In February 2007, 5,522 new positions were created in the sector, whereas in February 2008, the volume grew to 27,574. The data were culled from the General Records Office for Employment and Unemployment (Caged), which was disclosed by the Brazilian Ministry of Labor.

The previous record for the sector was established in 2006, when 14,993 positions were created. "Despite the previous records, civil construction posted the best result ever, virtually twice as much as 2006," stated the minister of Labor, Carlos Lupi.

Compared with February 2007, all of the productive sectors posted growth. In absolute terms, the sector that created the highest number of new jobs was services. Of the 204,963 job positions created last month, 74,441 were in services.

"The expansion in number of job positions in the services sector is mostly due to the return to schools," he explained. The education sector single-handedly created 31,489 new positions.

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