

Industry Grows Over 10% in Santa Catarina, Brazil. Above Country's Average

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Brazil's industry sales grew 8.4% in the first half of this year over the same period last year. In the same comparison, sales of industries in the state of Santa Catarina registered further growth, of 10.3%. Despite the performance above the national average, industries of the state of Santa Catarina posted a reduction in hours worked.

In June, the reduction was 0.29% when compared to May, and in the accumulated result for the first five months of the year, the level was 1.42% below the result for the first six months of 2007.

The indices for industries from the state of Santa Catarina were presented at the offices of the Federation of Industries of the State of Santa Catarina (Fiesc) by Renato da Fonseca, executive manager at the Research, Evaluation and Development Unit of the National Confederation of Industries (CNI), and by Fiesc president Alcantaro Corrêa.

The level of use of the installed capacity grew to 83.3% in June, boosted by greater industrial activity. This expansion contrasts with the reduction registered in May.

Instability of the index in May and June, not considering seasonal results, does not, however, modify the trajectory of stability observed since the fourth quarter of 2007. In Santa Catarina the index rose from 83.78% in the first half of last year to 83.94% in the same period this year.

Fonseca said that the elevation of use of installed capacity is generally seen as inflationary pressure, that industry cannot cope with demand. However, he pointed out that although the use of installed capacity in the country is rising within the figures analyzed by the CNI, the index has advanced less than production and sales in recent months, and has been practically stable since the end of 2007.

This shows, according to the economist, that investment made by industries, mainly since 2006, is starting to mature, causing them to produce more without increasing use of capacity and therefore reducing the risk of inflation.

The president at Fiesc also commented the growing inflation. Corrêa said that he recently visited the United States and noticed that the largest economy in the world is also suffering price hikes, as well as living the real estate crisis.

"But they are getting by, and this also creates opportunities. Sales of houses have dropped, but many people are redoing their homes, which creates new demand," he said.

CNI