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National inferences from regional indicators

Table 6.1 – Central Bank Index of Economic ActivityBrazil and regions^{1/}

Itemization	%				
	2010			2011	
	May	Aug	Nov	Feb	May
Brazil	1.7	0.3	1.1	1.0	1.3
North	1.8	0.2	0.6	2.0	0.9
Northeast	3.1	0.6	1.2	0.8	2.6
Southeast	1.4	1.0	1.4	1.3	1.4
South	1.9	1.0	0.1	1.5	-0.1
Central-West	2.1	0.3	1.9	0.6	0.1

Source: BCB

1/ Seasonally adjusted 3-month period/previous 3-month period % variation.

Table 6.2 – Sales volume indexBrazil and regions^{1/}

Itemization	Percentage change				
	2010			2011	
	May	Aug	Nov	Feb	May
Retail sector					
Brazil	2.1	2.3	1.8	1.6	1.6
North	5.1	2.2	3.4	1.6	1.1
Northeast	3.5	1.3	3.2	1.2	3.0
Southeast	1.7	2.3	1.8	2.0	2.1
South	1.0	2.6	1.7	0.3	0.9
Central-West	2.8	1.7	2.0	2.0	0.3
Broad trade					
Brazil	4.7	1.5	3.0	1.7	2.7
North	7.9	1.2	2.8	2.2	-0.8
Northeast	6.9	0.2	3.5	1.8	2.2
Southeast	3.4	0.4	4.0	1.0	2.4
South	7.0	0.4	3.2	2.7	1.0
Central-West	7.1	0.4	5.6	2.0	0.3

Sources: IBGE and BCB

1/ Seasonally adjusted 3-month period/previous 3-month period % variation.

Table 6.3 – Financial system credit operations^{1/}

May 2011

	R\$ billion								
	Balance			% growth					
	C ^{2/}	I ^{3/}	Total	3 months			12 months		
				C ^{2/}	I ^{3/}	Total	C ^{2/}	I ^{3/}	Total
Brazil	947	640	1 587	3.7	4.7	4.1	21.0	23.2	21.8
North	30	29	59	6.0	4.5	5.3	29.9	24.3	27.1
Northeast	108	84	193	4.1	5.0	4.5	25.5	26.7	26.0
Southeast	583	314	897	3.3	4.9	3.8	19.3	23.3	20.7
South	161	132	292	3.8	4.6	4.1	21.9	21.9	21.9
Central-West	65	81	146	5.3	4.1	4.6	23.0	20.8	21.8

1/ Credit operations over R\$5,000.00

2/ Corporations.

3/ Individuals.

Major Brazil's economy indicators continued to show an expanding activity in the second quarter of 2011. Growth trajectories differed by region, demonstrating the specificities underlying their productive structures. Thus, while the South, Central-West and North regions evinced signs of deceleration, the Northeast economic activity was more robust.

The seasonally adjusted Central Bank Economic Activity Index – Brazil (IBC-Br) increased 1.3% in the 3-month period ended in May, compared to that closed in February, when it had grown by 1% in the same type of comparison, as shown in Table 6.1. This outcome mostly reflected the greater dynamism observed in the Northeast region in comparison to the South and North regions. It should be highlighted that the falloff observed in the Southern economy was partly influenced by the slowdown in industrial activity, especially in the textile, apparel and accessories sectors.

Domestic consumption, evinced by the trajectory of retail sales, continues to play a decisive role in the maintenance of the country's domestic economic activity, as indicated in Table 6.2. Accordingly, in the 3-month period ended in May, national retail sales grew 1.6%, in comparison to the 3-month period up to February. Growth rates were more accentuated in the Northeast, 3%, and in the Southeast, 2.1%.

The country's total credit operations expanded 4.1% in the 3-month period ended in May^{1/}, driven by the 4.7% rise observed in the segment of individuals and 3.7% in the segment of corporations, according to Table 6.3. In twelve months, the country's stock of credit grew 21.8%, arising from respective expansions of 23.2% and 21% in the segments of individuals and corporations.

1/ Credit data analyzed in this Regional Bulletin do not correspond to those disclosed by the Monetary Policy and Credit Operations Press Release, considering that, on the regional level, available information refers to credit operations above R\$5,000 only.

Table 6.4 – Financial system default rate^{1/}

May 2011

	Default rate			Growth in p.p.					
	C ^{2/}	I ^{3/}	Total	3 months			12 months		
				C ^{2/}	I ^{3/}	Total	C ^{2/}	I ^{3/}	Total
Brazil	1.9	3.9	2.7	0.2	0.2	0.1	-0.2	-0.8	-0.5
North	2.9	4.9	3.9	-0.2	0.2	-0.1	-0.6	-1.1	-0.9
Northeast	2.2	4.9	3.4	0.2	0.4	0.2	-0.1	-0.7	-0.4
Southeast	1.7	3.9	2.5	0.2	0.2	0.1	-0.2	-0.8	-0.4
South	2.1	3.1	2.5	0.1	0.0	0.1	-0.2	-0.8	-0.5
Central-West	2.3	3.9	3.2	0.3	0.1	0.2	-0.2	-1.2	-0.8

1/ Credit operations over R\$5,000.00 with at least one overdue installment exceeding 90 days.

2/ Corporations.

3/ Individuals.

Table 6.5 – Industrial productionBrazil and regions^{1/}

Itemization	Participation ^{2/}	2010					2011		%
		2010			2011		2011		
		Apr	Jul	Oct	Jan	Apr	Apr		
Brazil	100.0	3.6	-1.1	0.4	0.2	1.4			
North	5.9	1.8	-1.4	-1.1	3.5	0.3			
Northeast	9.5	3.0	-2.8	-2.6	-4.2	4.4			
Southeast	62.7	2.2	0.1	1.0	-0.4	2.2			
South	18.5	5.0	-0.5	-1.4	0.6	-1.1			
Central-West	3.5	3.5	-3.6	5.5	-3.9	3.4			

Source: IBGE and BCB

1/ Seasonally adjusted 3-month period/previous 3-month period % variation.

2/ Percentage of the Cost of Industrial Transformation (VTI) in 2007.

Table 6.6 – Formal jobs creation^{1/}

Itemization	2010					2011		Thousand
	2010			2011		2011		
	May	Aug	Nov	Feb	May	May		
Brazil	869.5	694.2	589.9	25.4	617.0			
North	30.0	38.6	23.4	-1.5	17.0			
Northeast	55.3	147.6	196.4	-28.9	-1.9			
Southeast	570.0	364.0	230.9	8.5	440.1			
South	145.9	103.1	131.5	32.8	108.1			
Central-West	68.4	41.0	7.8	14.5	53.6			

Source: MTE

1/ Refers to the 3-month period ending in the specified month.

Table 6.7 – Unemployment rate

Itemization ^{1/}	2010			2011		%
	2010			2011		
	May	Aug	Nov	Feb	May	
Brazil	7.4	6.9	6.0	5.9	6.4	
Northeast	10.4	10.7	9.2	8.7	9.0	
Southeast	7.0	6.4	5.7	5.6	6.0	
South	5.3	4.6	3.7	3.7	4.5	

Source: IBGE

1/ Refers to the 3-month period ending in the specified month.

The analysis of credit operations by region reveals that more significant 12-month growth rates were observed in the North, 27.1%, and in the Northeast, 26%. It should be mentioned the performance of payroll-deducted and housing credit modalities in the household segment and working capital and guaranteed account in the business segment. In the Southeast, which accounts for 56.5% of the country's total credit operations, the 12-month growth rate closed at 20.7%, the lowest among all the regions.

It should be noted that the growth of credit stock took place in a context of a slight increase of delinquency rates in the 3-month period comparison and a decrease in the 12-month comparison, as indicated in Table 6.4. The most accentuated growth rates in the 3-monthly comparison, taking into account total credit operations, were observed in the Northeast and Central-West regions, whereas, in the 12-monthly comparison, the most significant falloffs were observed in the segment of individuals, particularly in the Central-West and North regions.

Overall industrial output increased 1.4% in the 3-month period ended in May, against the previous period ended in February. The regions have shown different performances, as observed in Table 6.5. The most outstanding performances occurred in the Northeast and Central-West regions, for respective growth rates of 4.4% and 3.4%, recovering from the negative outcome registered in the previous 3-month period. At the same time, the South region's industrial sector, which is more dependent on external markets, dropped 1.1% during that same period.

In the formal labor market, the number of new job openings continued to increase in the 3-month period ended in May, although at a lesser pace than in the same period of the previous year. Therefore, it has followed a trajectory more consistent with the slowdown in the activity level of Brazil's economy. According to Caged/MTE data, 617,000 workers were hired in the country in the period under analysis, as against 694,200 in the same period of the previous year. Of this total, 440,100 positions were made available in the Southeast region.

The ongoing job generation corresponded to a drop in the unemployment rate, which closed at 6.4% during the 3-month period ended in May, against 7.4% in the equivalent 2010 period, according to the PME survey released by the IBGE (Table 6.7). This plunge was a result of respective falloffs of 1.4 p.p., 1.1 p.p. and 0.9 p.p. in the Northeast, Southeast and South regions.

Table 6.8 – Regional trade balance – FOB

Daily average – January-June

Region	US\$ mil					
	Exports		Imports		Balance	
	2010	2011	2010	2011	2010	2011
Total	725.1	954.1	661.0	849.5	64.1	104.6
North	43.6	72.8	46.0	57.1	-2.5	15.8
Northeast	62.6	68.3	61.1	79.5	1.5	-11.2
Southeast	404.7	544.6	372.4	477.3	32.4	67.3
South	139.5	175.9	140.6	184.7	-1.1	-8.8
Central-West	64.3	79.1	38.5	46.5	25.7	32.6
Others ^{1/}	10.4	13.4	2.3	4.4	8.1	8.9

Source: MDIC/Secex

1/ Refer to operation not categorized regionally.

Table 6.9 – IPCA3-month change^{1/}

Itemization	Weighting factor	%					
		2010			2011		
		Jun	Sep	Dec	Mar	Jun	
IPCA							
Brazil	100.0	1.00	0.50	2.23	2.44	1.40	
North	4.2	0.92	0.12	2.77	1.67	1.19	
Northeast	14.8	1.37	0.01	2.49	2.15	1.32	
Southeast	57.6	0.98	0.49	2.13	2.61	1.41	
South	16.3	0.74	0.93	2.09	2.39	1.65	
Central-West	7.1	1.02	0.88	2.48	2.32	1.07	
Free prices							
Brazil		1.17	0.50	2.79	2.42	1.27	
North		0.90	-0.23	3.50	2.40	0.57	
Northeast		1.37	0.05	3.08	2.12	1.27	
Southeast		1.19	0.58	2.68	2.55	1.25	
South		1.03	0.63	2.67	2.29	1.59	
Central-West		1.24	0.92	2.77	2.36	1.03	
Regulated prices							
Brazil		0.59	0.50	0.89	2.48	1.72	
North		1.00	1.11	0.72	-0.44	3.05	
Northeast		1.36	-0.10	1.04	2.20	1.44	
Southeast		0.52	0.28	0.86	2.74	1.75	
South		-0.02	1.76	0.54	2.70	1.79	
Central-West		0.53	0.80	1.78	2.23	1.15	

Source: IBGE and BCB

1/ Refers to the 3-month period ending in the specified month.

As a result of more significant gains in export prices, as compared to imports, the trade balance has evolved positively in the early months of the year. In this scenario, the average daily trade surplus increased 63.1% in 2011 first half-year, in relation to the same period in 2010, according to Table 6.8. The Southeast region's trade surplus, which accounted for 86.3% of the country's outcome during that period, stemmed from 28.2% growth in daily imports and 34.6% under daily exports. In this latter case, this was primarily a consequence of the 29.2% rise in prices. In the opposite sense, there was a reversal in the trade balance in the Northeast region, which has been under the effect of increased imports, a movement consistent with the rising activity level in the region.

The slowdown in consumer price indices that took place in the quarter ended in June, in relation to the previous quarter, partly reproduced the effects of seasonal factors, involving the food group and the exhaustion of the impacts of tariff increases on transportation (Table 6.9). The decline in inflation has occurred in all of the country's regions, particularly in the case of the Central-West region. There, the inflation rate partly reflected a lesser variation of nontradables and smaller impacts on regulated prices, particularly interstate bus fares and air fares.