

6

National inferences from regional indicators

In the second half of 2011, the economic activity trajectory followed a more moderate pace in several sectors of the country's distinct geographic regions. This movement, which took place in a framework of deteriorating international outlook and stock adjustments in key domestic industrial segments, has been confirmed by major economic indicators.

According to Table 6.1, the seasonally adjusted IBC-Br dropped 0.3% in the quarter ended in November, as against the quarter ended in August, when it had fallen 0.4% in the same comparison basis. This performance reflected lower growth rates in all of the country's regions, highlighting the sharp declines in the Northeast, from 2.4% to 0.3%, and in the Central-West, from 2.2% to 1% and, in the south, from 2.2% to 0.6%.

In spite of a slowdown at the margin, retail trade sales continue to fuel the pace of economic activity. Thus, according to Table 6.2, retail sales expanded 1.1% in the country in the quarter ended in November, in comparison with the quarter ended in August, when expansion had closed at 1.4% in the same comparison basis. Retail sales remained stable in the Central-West region, expanded by 0.6 p.p. in the Southeast, and decreased in the other regions.

In November, credit operations above R\$5 thousand registered a quarterly expansion of 5.6%, reflecting expansions of 5.4% in the segment of individuals and 5.7% in the segment of corporations, as shown in Table 6.3. In twelve months up to November, the credit stock expanded 19.4%, with respective increases of 22.4% and 17.4% in the segments of individuals and corporations.

The most significant regional 12-month growth rates took place in the Northeast, 23.6%, and in the North, 22.4%, especially with regard to the modalities of payroll-deducted loans and housing credit in the segment of individuals and working capital and guaranteed account in the segment of

Table 6.1 – Central Bank Index of Economic Activity

Brazil and regions^{1/}

Itemization	%				
	2010 Nov	2011 Feb May		Aug Nov	
Brazil	1,7	1,1	0,5	-0,4	-0,3
North	0,6	1,8	1,1	1,6	0,7
Northeast	1,3	0,7	2,2	0,6	0,3
Southeast	1,5	1,0	1,3	0,0	-0,2
South	0,9	1,1	0,2	2,2	0,6
Central-West	2,0	0,7	0,3	2,2	1,0

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

National result does not necessarily represent the average of regional results.

Table 6.2 – Sales volume index

Brazil and regions^{1/}

Itemization	Percentage change				
	2010 Nov	2011 Feb May		Aug Nov	
Retail sector					
Brazil	2,3	1,3	1,5	1,4	1,1
North	4,1	1,5	1,0	1,8	0,5
Northeast	3,3	1,2	2,5	1,1	0,0
Southeast	2,0	1,7	1,9	0,8	1,4
South	1,8	0,1	1,1	0,9	0,6
Central-West	2,2	1,9	0,0	1,2	1,2
Broad trade					
Brazil	3,8	1,7	1,6	0,2	-0,2
North	3,5	1,9	-3,0	3,7	-0,4
Northeast	5,4	1,0	1,1	0,6	-0,4
Southeast	4,4	0,2	2,1	0,2	0,6
South	3,5	1,5	1,7	1,5	-0,7
Central-West	5,9	1,7	-0,1	0,1	-0,2

Sources: IBGE and BCB

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

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

November 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	1 044	718	1 762	5,7	5,4	5,6	17,4	22,4	19,4
North	34	33	67	9,0	4,1	6,5	22,2	22,7	22,4
Northeast	122	96	218	6,7	5,4	6,1	22,6	25,0	23,6
Southeast	638	352	990	5,2	5,2	5,2	14,9	22,6	17,5
South	179	147	326	6,4	5,9	6,2	20,4	21,3	20,8
Central-West	72	90	162	5,4	5,8	5,6	22,1	21,0	21,5

1/ Credit operations over R\$5,000.00

2/ Corporations.

3/ Individuals.

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

November 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	2,0	4,2	2,9	0,1	0,3	0,2	0,2	0,2
North	2,2	5,4	3,7	-0,1	0,5	0,1	-0,6	0,4	-0,2
Northeast	2,1	5,5	3,6	0,0	0,4	0,2	0,2	0,3	0,2
Southeast	1,9	4,2	2,7	0,2	0,3	0,2	0,3	0,2	0,3
South	2,1	3,5	2,7	-0,0	0,3	0,1	0,2	0,1	0,1
Central-West	2,2	4,0	3,2	0,1	0,2	0,2	0,0	-0,2	-0,1

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					
		Nov	Feb	May	Aug	Nov	Nov	Feb	May	Aug	Nov	
Brazil	100,0	0,9	-0,1	0,9	-0,7	-2,2						
North	5,9	-1,4	3,2	1,1	2,0	0,8						
Northeast	9,5	-2,3	-3,9	3,2	-0,8	-1,3						
Southeast	62,7	1,5	-0,8	1,9	-1,1	-3,4						
South	18,5	-0,8	0,7	-0,5	4,2	-1,5						
Central-West	3,5	6,0	-2,7	3,0	8,0	1,2						

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	Thousand				
	2010		2011		
	Nov	Feb	May	Aug	Nov
Brazil	589,9	25,4	617,0	546,4	378,0
North	23,4	-1,5	17,0	39,7	27,4
Northeast	196,4	-28,9	-1,9	127,0	139,4
Southeast	230,9	8,5	440,1	268,4	118,2
South	131,5	32,8	108,1	60,6	101,8
Central-West	7,8	14,5	53,6	50,7	-8,9

Source: MTE

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

corporations. In the Southeast, which accounted for 56.2% of the country's total credit operations, 12-month expansion came to 17.5%, the smallest growth rate among all the country's regions.

Default rates in credit operations above R\$5 thousand increased at the margin in all of the country's regions, as shown in Table 6.4. In 12-month terms, the sharpest expansion occurred in the Southeast region, 0.3 p.p., as against declines in the North, 0.2 p.p., and Central-West regions, 0.1 p.p.

The country's industrial output decreased by 2.2% in the quarter ended in November as compared with the quarter ended in August, when it had dropped by 0.7%, according to Table 6.5. This trajectory reflected slowdown in all of the country's regions, especially in the South, where the 4.2% growth rate was reverted to a 1.5% decline, and in the Central-West, where industrial growth rate moved downward from 8.0% to 1.2%.

The creation of formal jobs slowed down in the quarter ended in November as against both the quarter ended in August and the same period of 2010, a trajectory consistent with the country's more moderate pace of economic activity growth. According to Caged/MTE data, 378 thousand workers were hired in the country in the quarter under analysis, as compared to 589.9 thousand in the same 2010 period, highlighting the 139.4 thousand vacancies made available in the Northeast.

The unemployment rate, which continues to follow a downward trajectory, closed the quarter ended in November at 5.7%, as compared with 6.1% in the quarter ended in August and 6.0% in the same 2010 period, according to a PME survey released by the IBGE (table 6.7). The annual decline is consequent upon reductions of 1.6 p.p. in the Northeast and 0.1 p.p., in the South, and in the Southeast.

In 2011, the trade balance surplus expanded significantly, especially reflecting increased export prices. The average daily trade surplus totaled US\$118.7 million in the year, as against US\$80.3 million in 2010, according to table 6.9. During that period, the most important were the daily trade surplus increase in the Southeast, 55.9%, accounting for 70.5% of the country's annual trade surplus. On the other hand, in the Northeast region, the annual trade deficit rose 211.8%.

Table 6.7 – Unemployment rate

Itemization ^{1/}	%				
	2010		2011		
	Nov	Feb	May	Aug	Nov
Brazil	6,0	5,9	6,4	6,1	5,7
Northeast	9,2	8,7	9,0	8,1	7,6
Southeast	5,6	5,6	6,1	5,8	5,5
South	3,6	3,7	4,5	4,4	3,5

Source: IBGE

^{1/} Refers to the 3-month period ending in the specified month.**Table 6.8 – Regional trade balance – FOB**

Daily average – January-December

Region	US\$ million					
	Exports		Imports		Balance	
	2010	2011	2010	2011	2010	2011
Total	804,4	1 020,1	724,2	901,4	80,3	118,7
North	60,2	83,1	50,7	58,7	9,5	24,4
Northeast	63,2	75,0	70,1	96,2	-6,8	-21,2
Southeast	460,1	581,3	406,4	497,6	53,7	83,7
South	148,0	182,8	156,2	196,3	-8,2	-13,6
Central-West	62,2	82,9	40,3	51,9	21,9	31,0
Others ^{1/}	10,7	15,0	0,4	0,6	10,3	14,4

Source: MDIC/Secex

^{1/} Refer to operations not categorized by region.**Table 6.9 – IPCA**3-month change^{1/}

Itemization	Weighting factor	%					
		2010		2011			
		Dec	Mar	Jun	Sep	Dec	
IPCA							
Brazil	100,0	2,23	2,44	1,40	1,06	1,46	
North	4,2	2,77	1,67	1,19	0,50	1,29	
Northeast	14,8	2,49	2,15	1,32	1,12	1,63	
Southeast	57,6	2,13	2,61	1,41	1,04	1,36	
South	16,3	2,09	2,39	1,65	1,07	1,54	
Central-West	7,1	2,48	2,32	1,07	1,36	1,67	
Market prices							
Brazil		2,79	2,42	1,27	1,11	1,68	
North		3,50	2,40	0,54	0,66	1,75	
Northeast		3,08	2,12	1,27	1,08	2,02	
Southeast		2,68	2,55	1,25	1,14	1,55	
South		2,67	2,28	1,59	1,06	1,61	
Central-West		2,77	2,36	1,03	1,40	1,90	
Regulated prices							
Brazil		0,89	2,48	1,72	0,94	0,92	
North		0,72	-0,44	3,10	0,05	-0,03	
Northeast		1,04	2,20	1,44	1,20	0,66	
Southeast		0,86	2,74	1,75	0,83	0,93	
South		0,54	2,69	1,79	1,13	1,35	
Central-West		1,78	2,23	1,15	1,28	1,26	

Source: IBGE and BCB

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

The acceleration of consumer price indices in the last quarter of 2011, as compared to the quarter ended in September, may be explained by seasonal factors and especially reflected growth in market prices, affected by price increases in the group of nontradables, particularly in the North and Northeast regions. Meanwhile, regulated prices remained relatively stable in the last quarter of the year.