Projections for GDP growth in 2026

The Gross Domestic Product (GDP) growth forecast for 2026 increased from 1.6% to 2.0%, with upward revisions to estimates for the economy's three major sectors and for domestic demand.

The GDP growth forecast was raised from 1.6%, as presented in the March 2026 Monetary Policy Report (MPR), to 2.0%. The revision mainly stems from the positive surprise in 2026Q1 results and the improved outlook for agriculture and mining. It also reflects the expectation of higher dynamism in domestic demand and in sectors more sensitive to the economic cycle, largely associated with fiscal and credit stimulus measures. Nevertheless, in a context of contractionary monetary policy and low levels of slack in production factors, the prospect of a moderate growth in 2026Q2 and throughout the second half of the year remains. Even though its most evident effects on the Brazilian economy so far have been concentrated on prices, the conflict in the Middle East is also increasing uncertainty surrounding growth projections.

By sector, the upward revision in the GDP growth projection reflects improved estimates for the performances of agriculture, industry, and services. The expected expansion in agriculture grew from 1.0% to 1.7%, mainly driven by the Brazilian Institute of Geography and Statistics' (IBGE) revised estimates for agricultural production, particularly the upward revisions to forecasts for the crops of soybeans, corn, and coffee.[1]

In industry, the growth forecast was revised from 1.2% to 2.3%, reflecting improved estimates for all of its segments. The revisions for mining and construction were mainly influenced by better-than-expected performance in 2026Q1. As for mining, the performance in early 2026 was driven by oil and gas production, which tends to remain at high levels throughout the year. In manufacturing, although 2026Q1 results were close to expectations, the upward revision to the annual forecast reflects both more favorable early signs in 2026Q2 and the expectation that stimulus measures implemented after the previous MPR – particularly credit measures targeting the automotive sector – will help sustain demand and production for the remainder of the year.

The growth forecast for the services sector was revised from 1.7% to 1.9%, influenced by positive surprises in 2026Q1 data, particularly in the segments of information services and real estate activities. Conversely, forecasts for transport and for financial intermediation services were revised downward, in line with a weaker-than-expected performance in 2026Q1. The growth forecast for trade, in turn, was revised upward, in line with more favorable outlooks for manufacturing and household consumption.

Still from a supply-side perspective, the projection for less cyclical sectors was raised from 1.8% to 2.1%, mainly as a result of positive revisions in mining and real estate activities, partially offset by a reduced estimate for financial intermediation services. Among the sectors more sensitive to the economic cycle, however, the revision was more significant, from 1.4% to 2.0%, which points to the prospect of a stronger economic growth compared with the scenario outlined in the March 2026 MPR.[2]

From the demand-side perspective, the upward revisions to projections for household consumption – from 1.4% to 2.1% – and gross fixed capital formation (GFCF) – from 0.5% to 1.5% – stand out, both influenced

1/ According to the Systematic Survey of Agricultural Production (LSPA – IBGE).
2/ Classification of sectors as more or less cyclical, as discussed in several MPR editions. Activities classified as less cyclical are agriculture; mining; financial activities, insurance, and related services; real estate activities; and public administration, defense, health and education, and social security.

by better-than-expected results in 2026Q1 and the expected effects of fiscal and credit stimulus measures. Conversely, expectations of a steeper path for interest rates tend to mitigate this impulse.

Growth forecasts for exports and imports were raised from 2.5% to 3.0% and from 1.0% to 2.0%, respectively. The rise in exports mainly reflects expectations of stronger growth in shipments of primary goods, in line with increases in growth projections for agriculture and mining, while the increase in imports is linked to expectations of stronger growth in manufacturing and household consumption. Given the updated projections, the contributions of domestic demand and the external sector to GDP growth in 2026 are estimated at 1.8 p.p. and 0.2 p.p., compared with 2.0 p.p. and 0.3 p.p. in 2025, respectively.

Table 1 – Gross Domestic Product

Year to date

% growth

Itemization	2024	2025	2026[1]	
			Previous	Current
Agriculture	-3.7	11.7	1.0	1.7
Industry	3.1	1.4	1.2	2.3
Mining	0.5	8.6	4.0	7.0
Manufacturing	3.9	-0.2	0.5	1.5
Construction	4.4	0.5	1.0	1.5
Utilities (EGAER)[2]	1.0	-0.4	1.0	1.2
Services	3.8	1.8	1.7	1.9
Trade	3.8	1.1	1.2	2.0
Transport and storage	1.9	2.1	1.7	0.8
Information services	6.1	6.5	4.0	6.0
Financial and related services	5.5	2.9	3.0	2.0
Other services	5.3	2.0	1.7	2.0
Real estate	3.1	2.0	1.7	2.4
Public admin., health, and education (APU)	1.7	0.5	1.0	1.0
More cyclical components	4.2	1.4	1.4	2.0
Less cyclical components	1.7	3.7	1.8	2.1
Value added at basic prices	3.1	2.4	1.5	2.0
Taxes on products	5.7	1.7	1.6	2.0
GDP at market prices	**3.4**	**2.3**	**1.6**	**2.0**
Household consumption	5.1	1.3	1.4	2.1
Government consumption	2.0	2.1	2.0	2.0
Gross Fixed Capital Formation	6.9	2.9	0.5	1.5
Exports	2.8	6.2	2.5	3.0
Imports	15.6	4.5	1.0	2.0

Sources: IBGE and BCB

1/ Estimated.

2/ Electricity and gas, water, sewage, waste management activities.