CEPAL – Economic and Fiscal Outlook for Brazil

June 2022
Pandemic Shock and Recovery
“V”-shaped recovery in GDP

Seasonally adjusted GDP

Projections
Robust growth in services

*Services industry - Seasonally adjusted (Average 2012=100)*

Annualized growth rate of 15.2% since May/20

Source: IBGE
Capital goods production at highest pace since 2015

Industrial Production – Capital Goods, seasonally adjusted series (average 2012=100)

22% growth between April/2020 and March/2022

Source: IBGE, Pesquisa Industrial Mensal (PIM).
Labor market continues to recover

*Unemployment rate (seasonally adjusted, % of labour force)*

Lowest level since feb/16

Source: IBGE
Fiscal Outlook
Pandemic spending withdrawn as restrictions ebbed

2010-2022

Source: STN, RARDP 1o bim, PLDO23
Tax revenue increased

*Federal Revenues have been exceeding market expectations*

Source: RFB, Prisma Fiscal
Best primary fiscal balance since 2014

Primary Balance of Federal Gov. (% GDP)

Source: Central Bank of Brazil.
Strong reduction in public debt in 2021

Distribution of annual changes in debt to GDP ratio since 1981 for G20 countries, including some debt default cases

Source: IMF
Structural fiscal balance in 2021 of 2.37% of GDP

Primary Balance adjusted for cycle and non-recurrent fiscal events: 2.37% of GDP
Conventional Fiscal Balance: 0.75% of GDP
Market revising down projections for end-2022 public debt

Projeções da Dívida Bruta do Governo Geral (%PIB)

Fonte: Prisma Fiscal
Public debt will continue to decline (official Treasury projection)

Source: BCB, STN.
Structural reforms key to sustainable economic growth
For further information, access the website of the Secretaria de Política Econômica: