

The pandemic effect in the Production of Statistics in Brazil – The FGV case

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Summary

- Data Collection after the pandemic: problems and opportunities
- Brazilian economic context
- Surveys: testing questions after the pandemic



Impact of the Covid Crisis on the Production of Statistics

Data Collection of Prices

Statistical institutes permanently seek to use the latest technologies and technologies.

The covid-19 pandemic challenged all methods used before.

The key point to be considered in the modern production of price statistics is the access to larger and digitalised databases granting:

- More reliability
- More agility
- Access to quantity information

The pandemic accelerated the movement towards this new paradigm

Challenges 1 - Online collection of price data after the pandemic

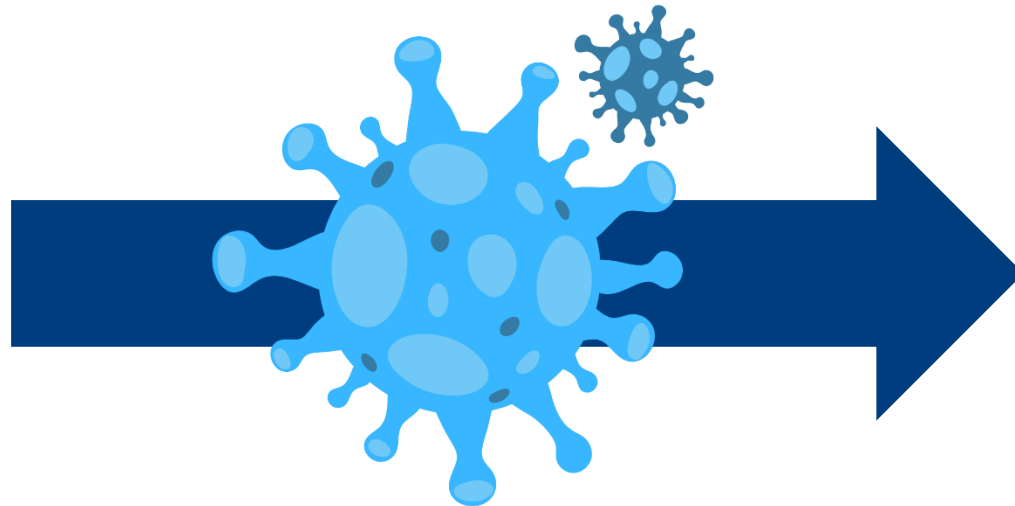
Before the Pandemic:

41%

of the index weighting structure was already covered by online collection.

5%

of the index weighting structure already had online prices incorporated into the index' calculation



During the Pandemic:

57%

of the index weighting structure was already covered by online collection.

12%

of the index weighting structure already had online prices incorporated into the index' calculation

Future:

Maximum expansion of collection via:

- Scanner Data
- Web Scraping

Sectors Covered by Web Scraping Collection

BEFORE the Pandemic:



FLIGHT TICKETS
14,076,248
Sept/18



RENT
29,641,311
Dec/18



NEW AND USED CARS
22,963,825
Dec/18



ELECTRO-
ELECTRONICS
4,997,164
Dec/18



FOOD
20,874,334
Apr/19



FUEL
334,637
Apr/19



PHARMACY
15,576,333
Sept/19



RIDESHARING
APPLICATION
95,064
fev/20

Started being covered DURING the Pandemic:



PERFUMERY AND
COSMETICS
12,848,18
Mar/20



HOTELS
371,124
Mar/20



TICKETS
118,811
Mar/20



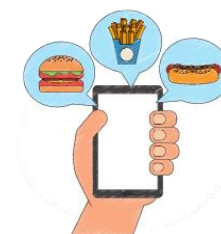
MOTORCYCLES
104,567
Mar/20



APPAREL
2,953,203
May/20



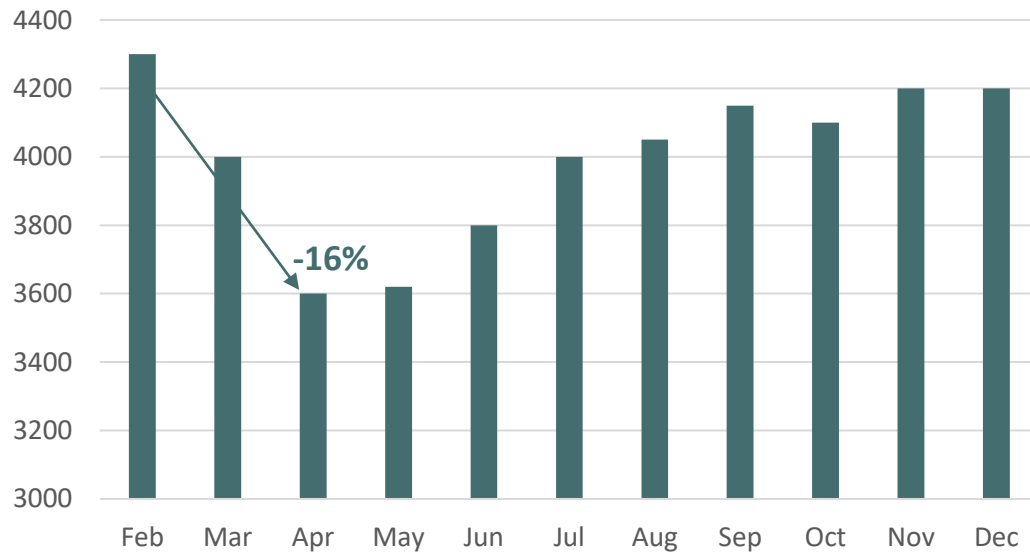
CAR RENTAL
38,745
May/20



EATING OUT
4,464,439
Mar/21

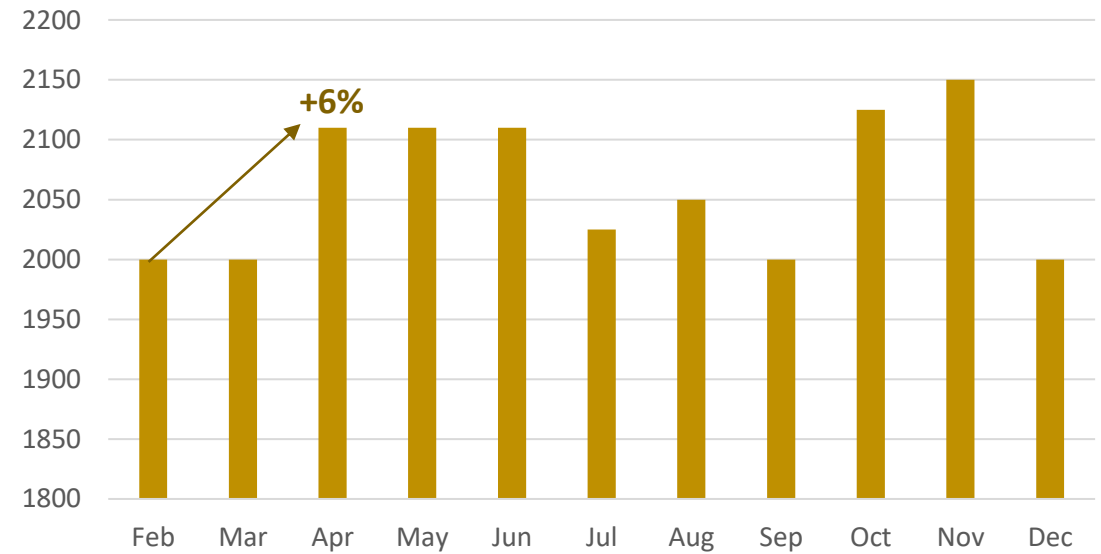
Challenges 2 – Survey data Collection during the pandemic

Business Surveys - Number of questionnaires



Web (mainly) and telephone

Consumer Survey - Number of questionnaires



Telephone

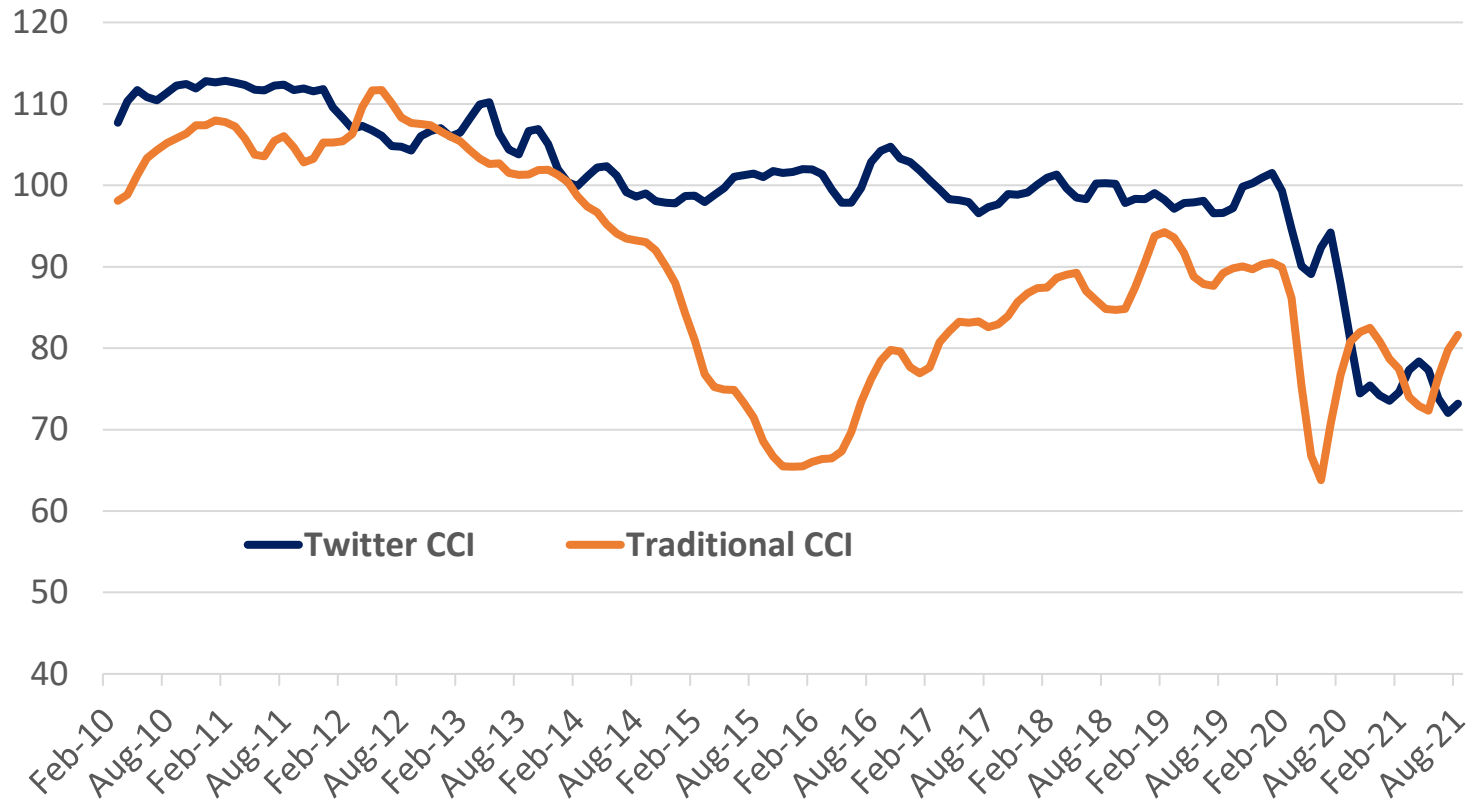


Challenges 3 – Demand for more (and faster) survey information

Changes...

- FGV started to produce **flash versions** of all surveys
- Investment in producing alternative methods for generating statistical information:
Twitter CCI
- **Additional timely questions** were added to the surveys: quite popular but not all of them are related to the *core* topic of the tendency surveys (economic cycles) - Guidelines

Opportunities 1 – Twitter CCI: results to be improved





Opportunities 2 – New Questions

- Questionnaires had been reduced to the core questions two year prior to the pandemic
- Questions related to the questionnaire of the EU Harmonised System were kept
- Monthly choice of subjects and questions are determined as part of an agenda:
 - t-21 days: topics are defined after discussions within the Institute
 - t-14 days: first version of questionnaire
 - t-7: revised version of questionnaire
- Some questions may remain as quarterly topics



Brazilian Macro Context

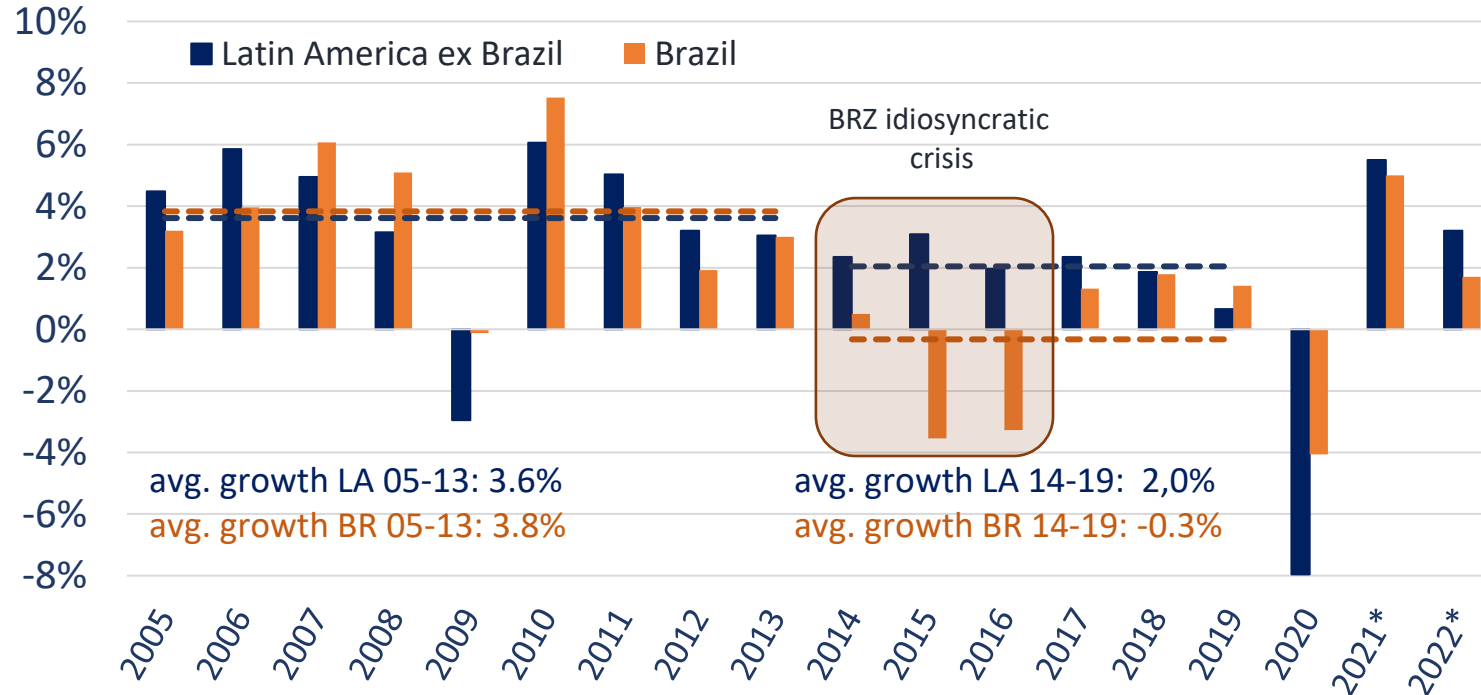
The Brazilian dream and fall

Real anual GDP growth (%) and average growth



2009

2013



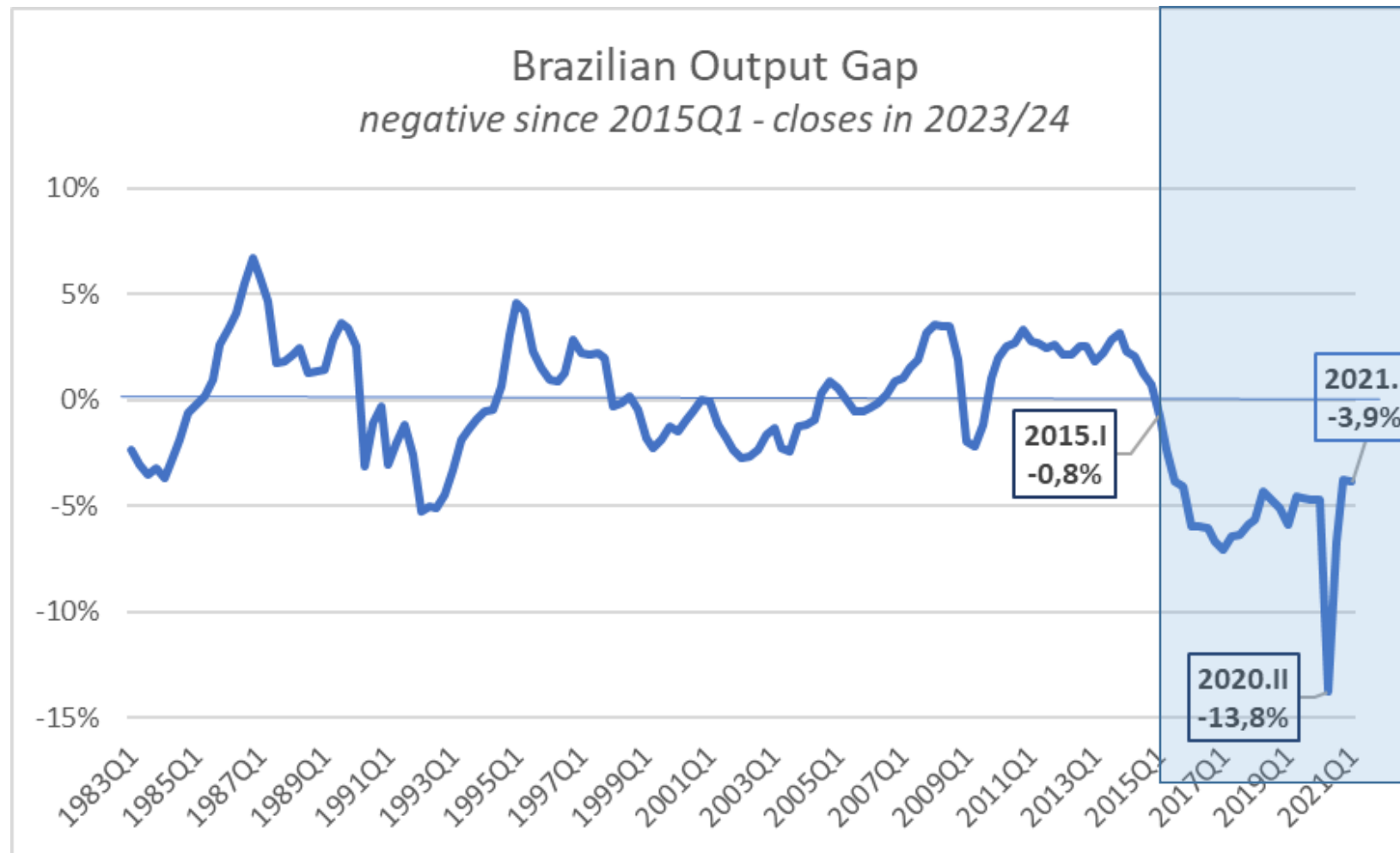
Idiosyncratic Crisis

- Worsening fiscal situation
- Other Macro adjustments
- Corruption scandals

Source: IMF / FGV (LA GDP and forecasts) / IBGE

Output Gap may reach 10 Years in negative territory

Real anual GDP growth (%) and average growth



Source: FGV IBRE

Present situation has worsened (again) in the short term

Favourable factors

- * *Terms of Trade*
- * *Vaccination has accelerated*

Unfavourable

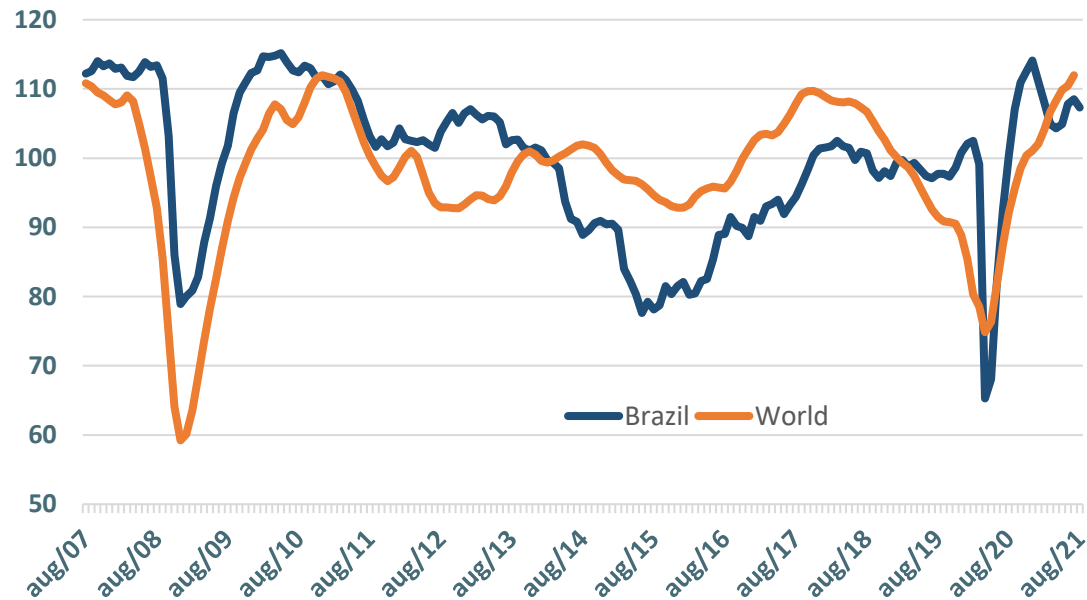
- * *Political Uncertainty*
- * *High inflation: 9,7% in August (12m)*
- * *High Unemployment (14%)*
- * *Risk of Energy Rationing*
- * *Long run: Fiscal situation still unsolved*

Manufacturing and Consumer Confidence – Two different tales

All series converted to average = 100; standard deviation = 10. Base period = 07/2010 to 06/2015

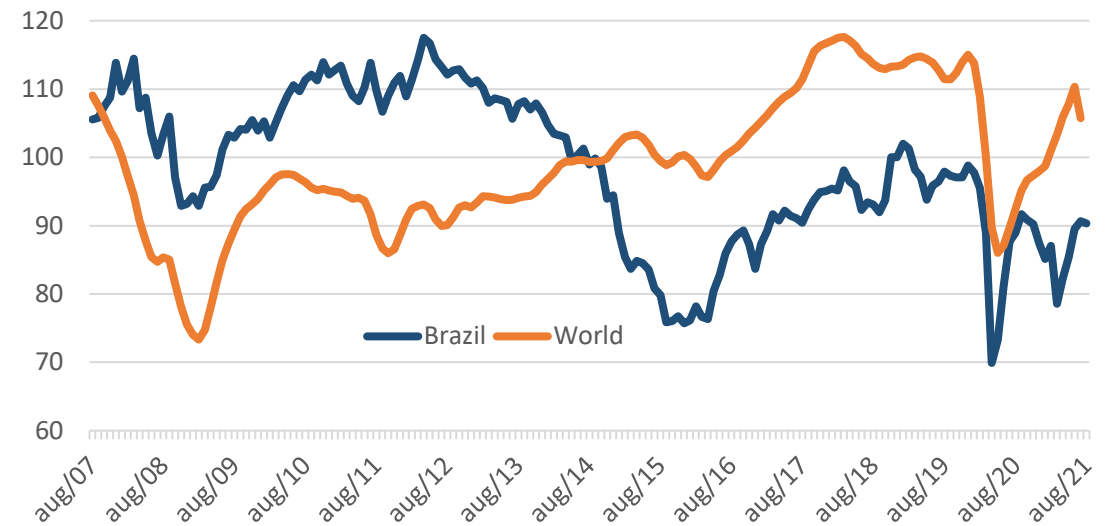
Brazilian Manufacturing Confidence

not so far from the World



Brazilian Consumer Confidence

far Away from the rest of World



Factors influencing lower Consumer Confidence:

- Unemployment
- Inflation
- Uncertainty (*capturing non economic factors*)



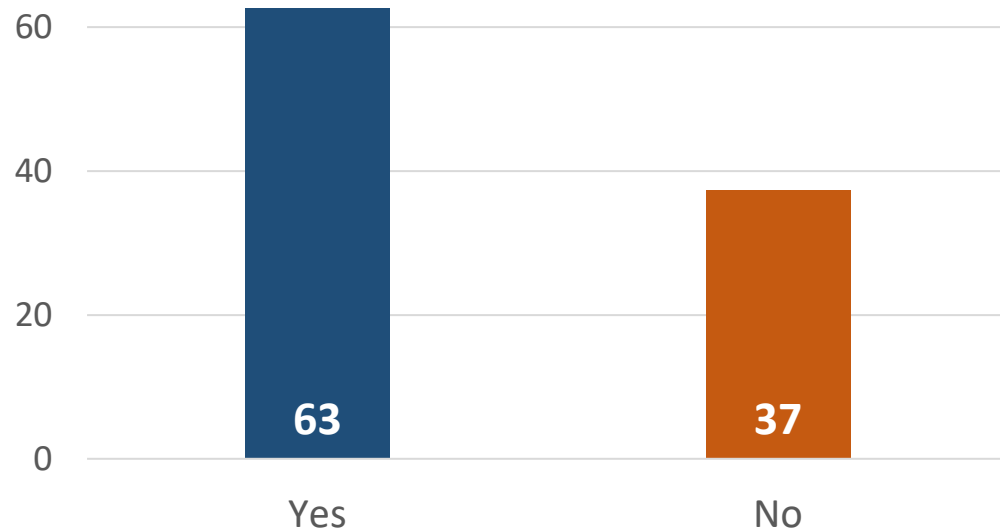
Business Surveys - Questions introduced after the pandemic:

- Emergencial measures to protect employment and income
- Credit
- Problems related to Inputs and/or Raw Materials
- E-commerce

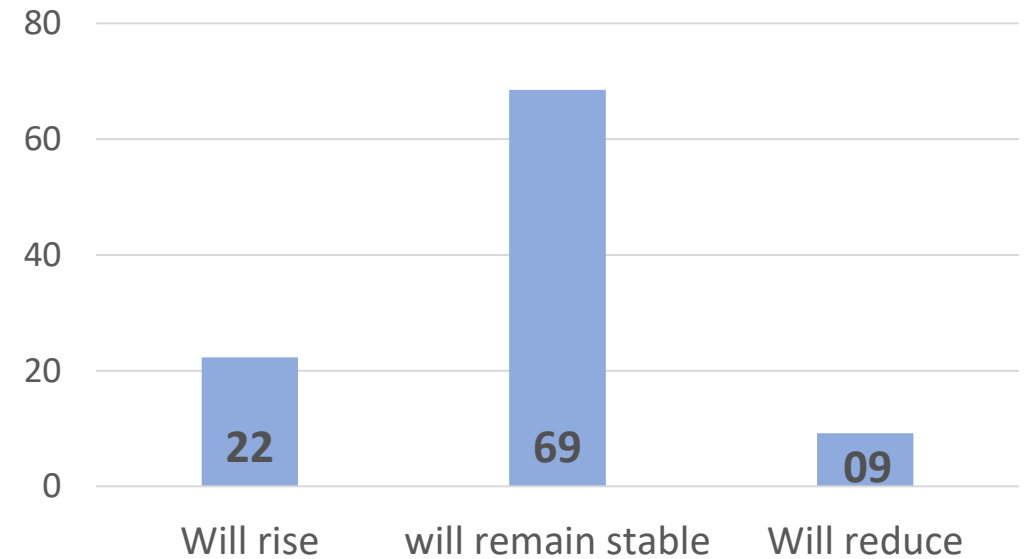
Questions related to the firm's workforce

December/2020, as % of total

Has the firm resorted to any government employment or income maintenance programme?



...What do you expect to happen with the firm's workforce six months after the quarantine period* ?

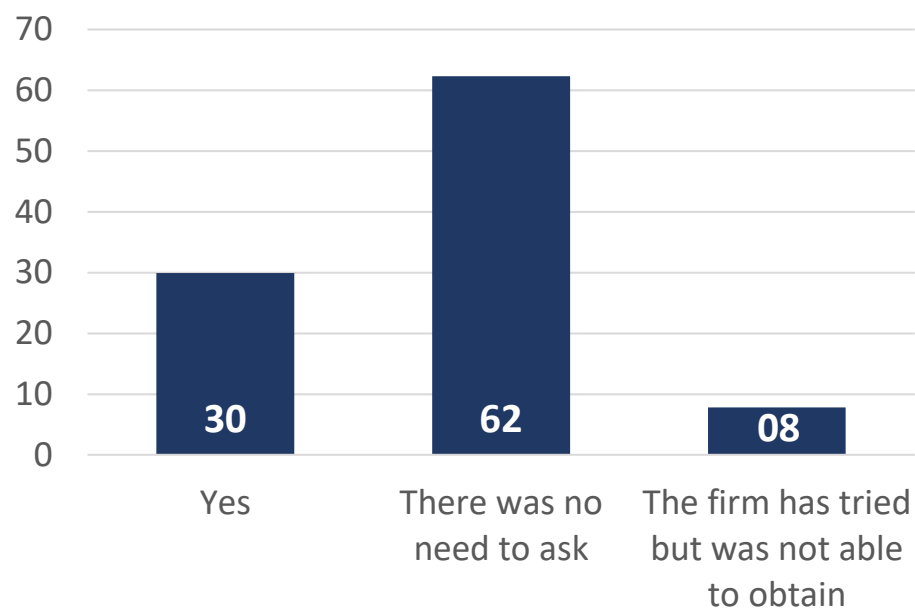


- Quarantine refers to the period in which firms that resorted to the employment/income maintenance Programmes wouldn't be able to fire employees.

Questions about credit

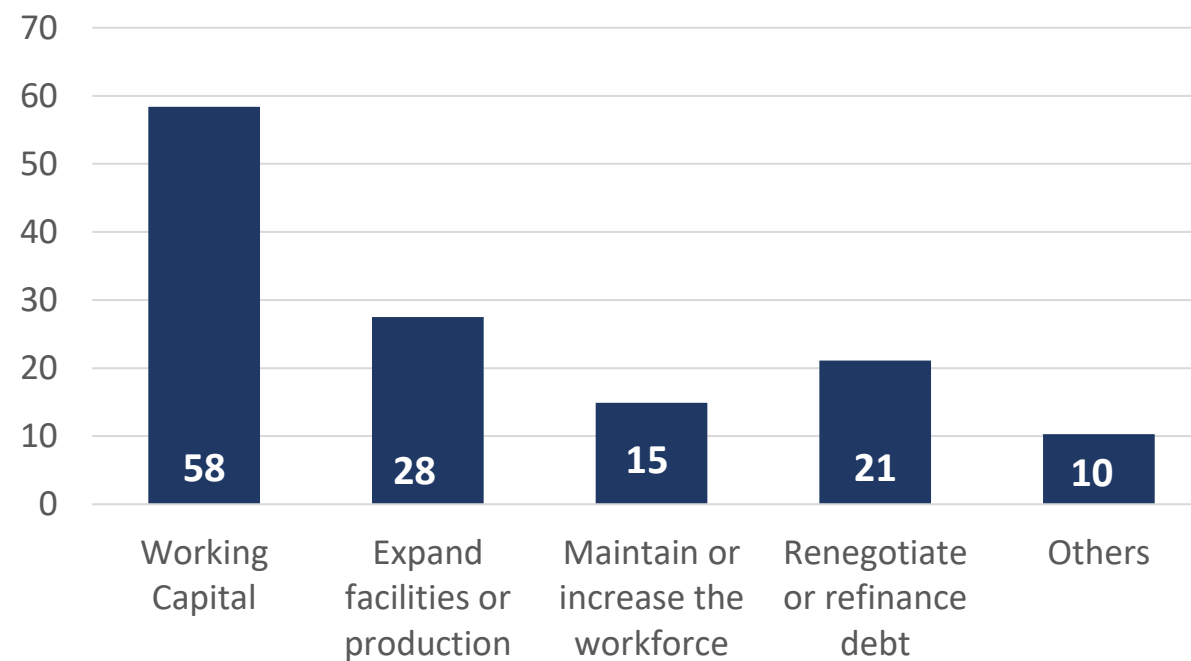
Mar/2021, as a % of the total

Has the company obtained credit in the last 6 months?



In March 2021, 62.3% of companies did not need to obtain credit and almost 30% answered yes.

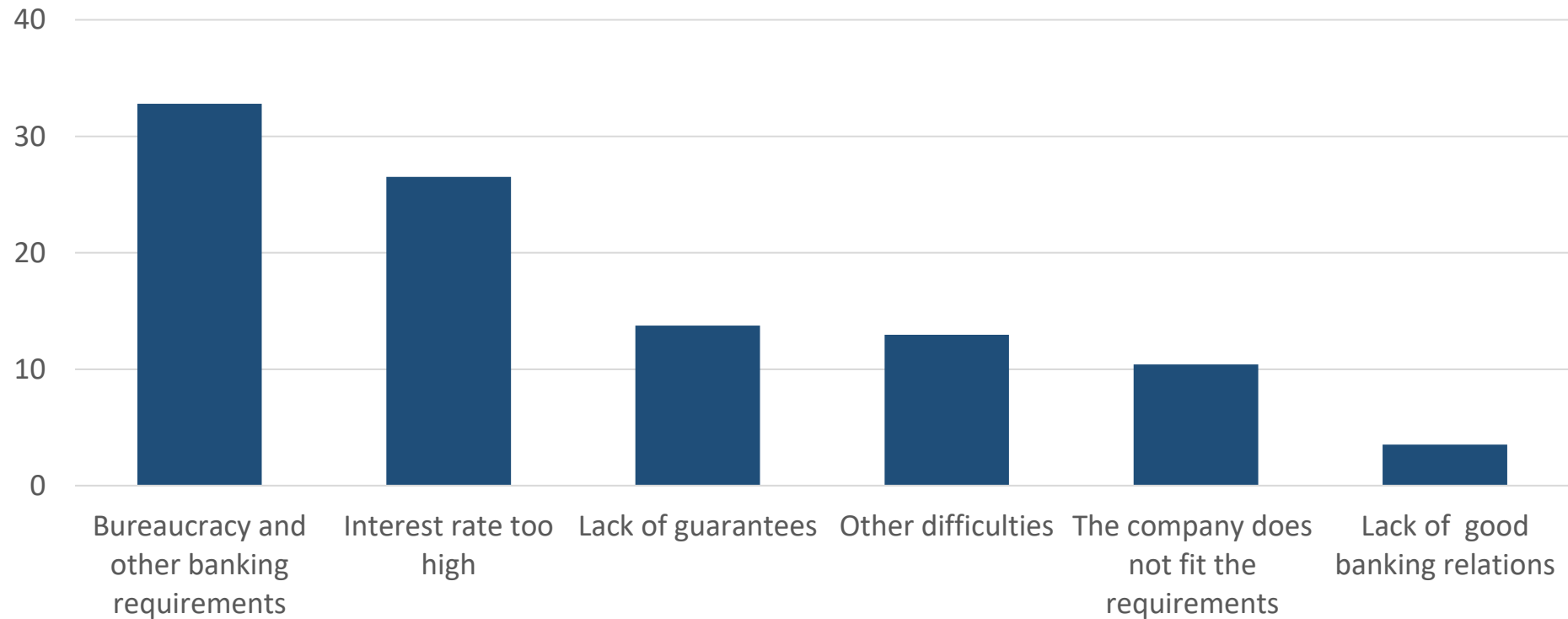
For what purpose?



For the 30%, the main purpose was working capital

Main reasons for not obtaining credit

Mar/2021, as a percentage of total

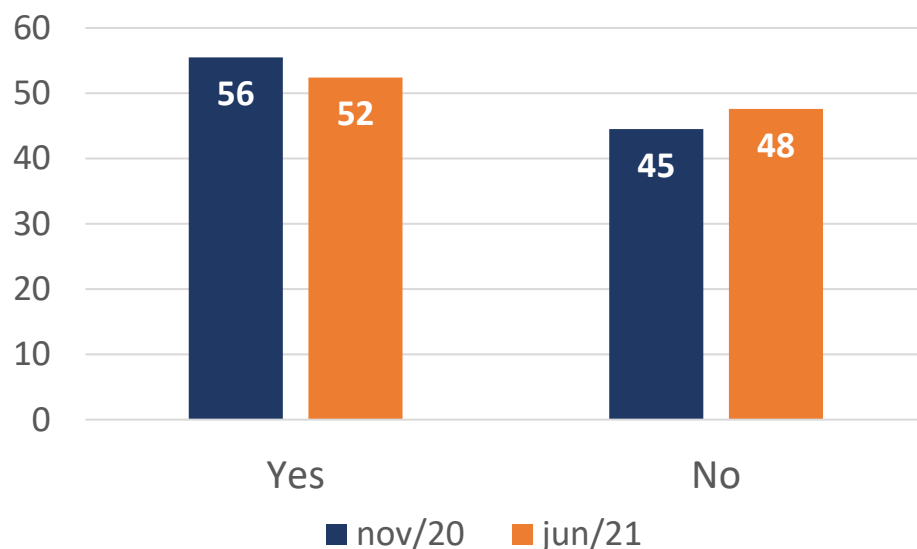


In March 2021, 65.7% of companies had no difficulties obtaining credit

Difficulties in obtaining inputs and/or raw materials

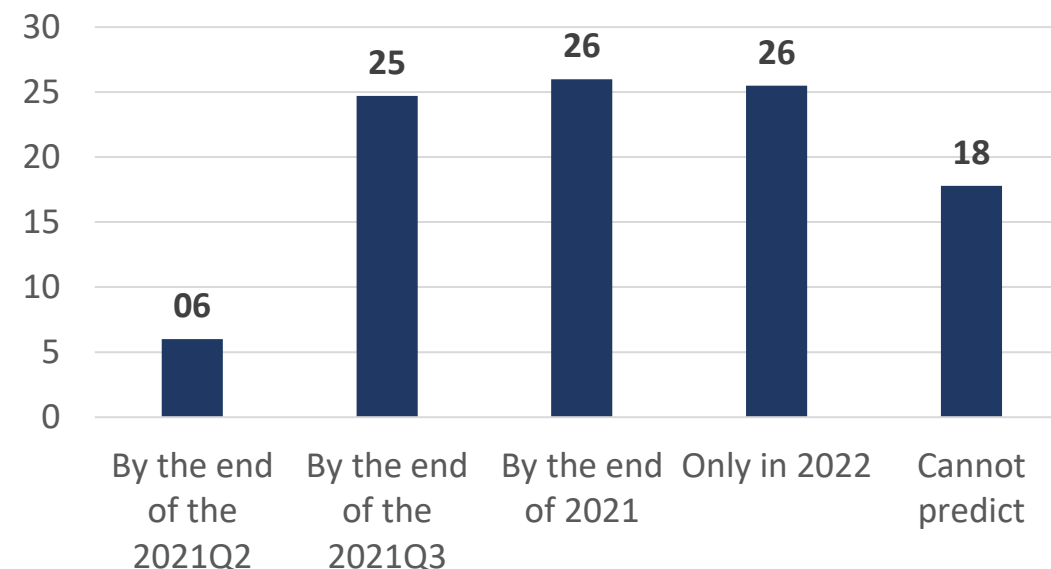
November/20 & June/2021, as % of total

Is the company facing difficulties in obtaining inputs and/or raw materials needed for production at the moment?



In the end of 2020, over half the (weighted) firms was having difficulties in obtaining inputs and/or raw materials. The result practically didn't change in 2021.

When does the firm believe that the provision of raw materials and intermediate goods will normalise ?



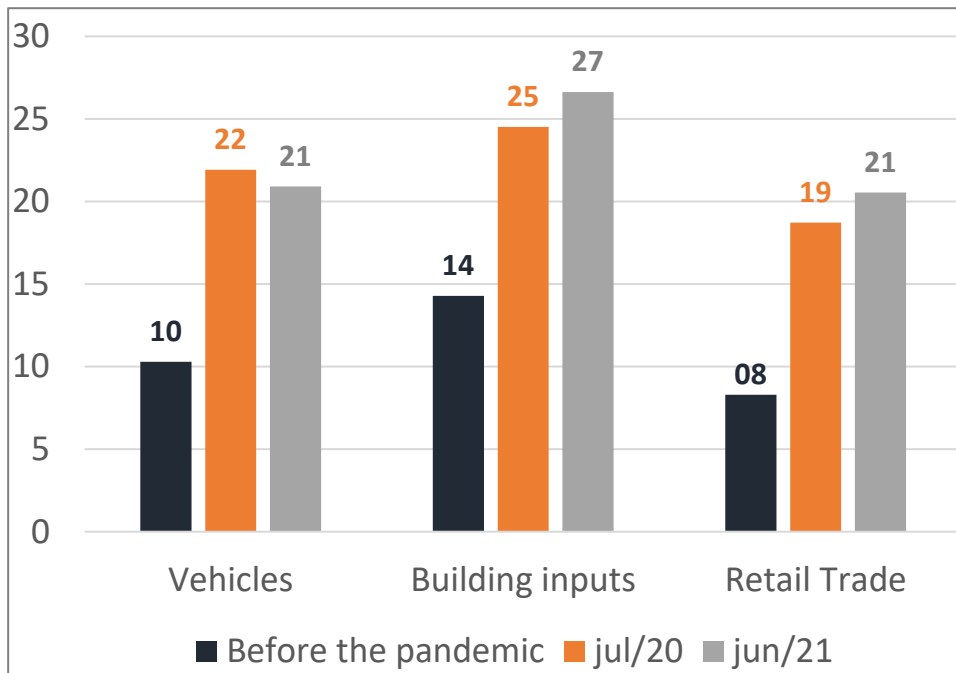
In jun/21, firms were quite divided on the time that the provision of raw materials and intermediate goods will occur.

* There was also a question on the reasons for the difficulties in obtaining inputs and raw materials

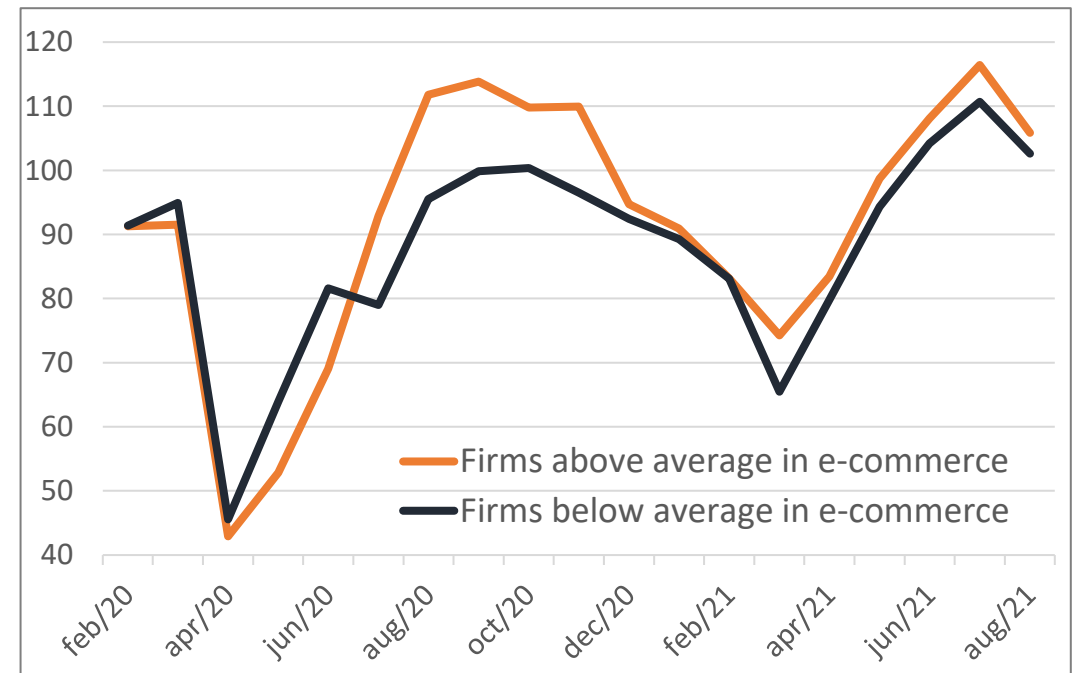
Understanding E-commerce (may turn into continuous question)

November/20 & June/2021, as % of total

E-commerce sales as percentage of total sales



Present Situation Index for firms according to the use of e-commerce (e-commerce sales as % of total sales in the trade sector)



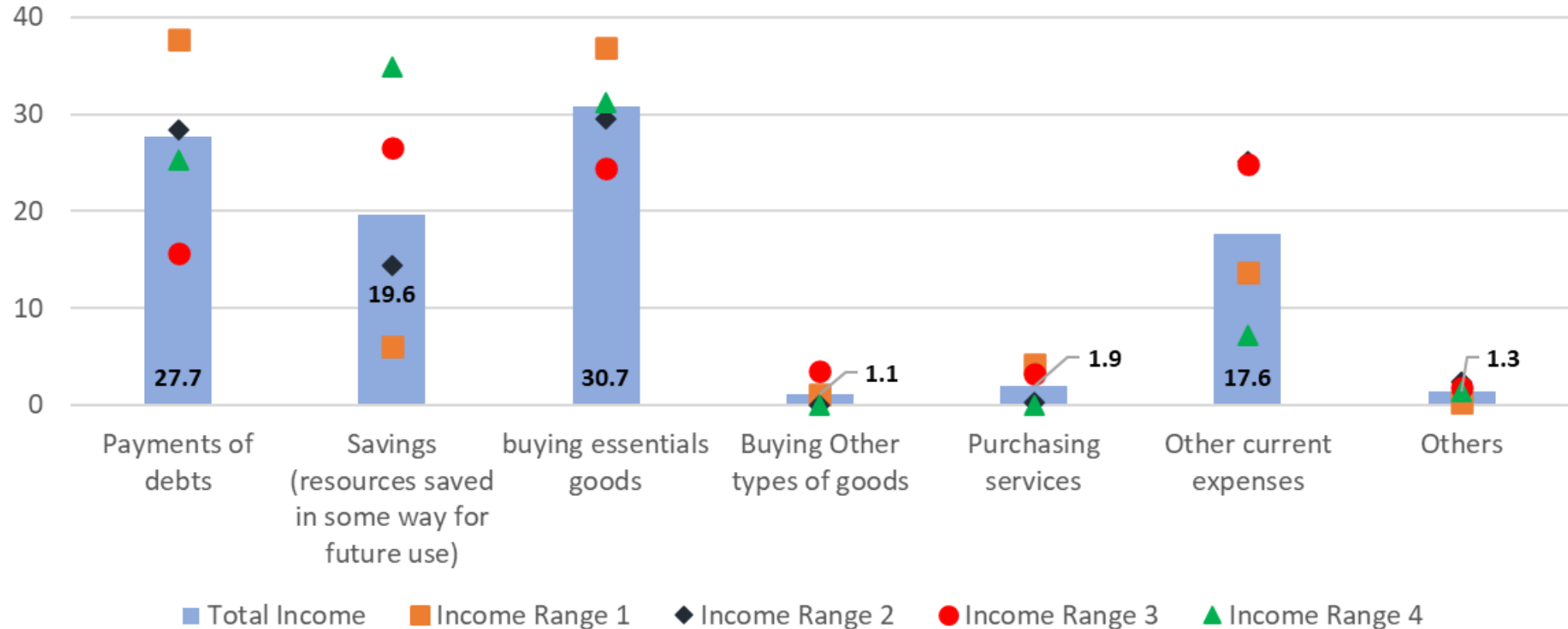


Consumer Surveys - Questions introduced after the pandemic

- Household spending, debt, default
- Emergencial transfers
- Precautionary savings

Ad Hoc Question: How emergencial (direct) transfers have been used?

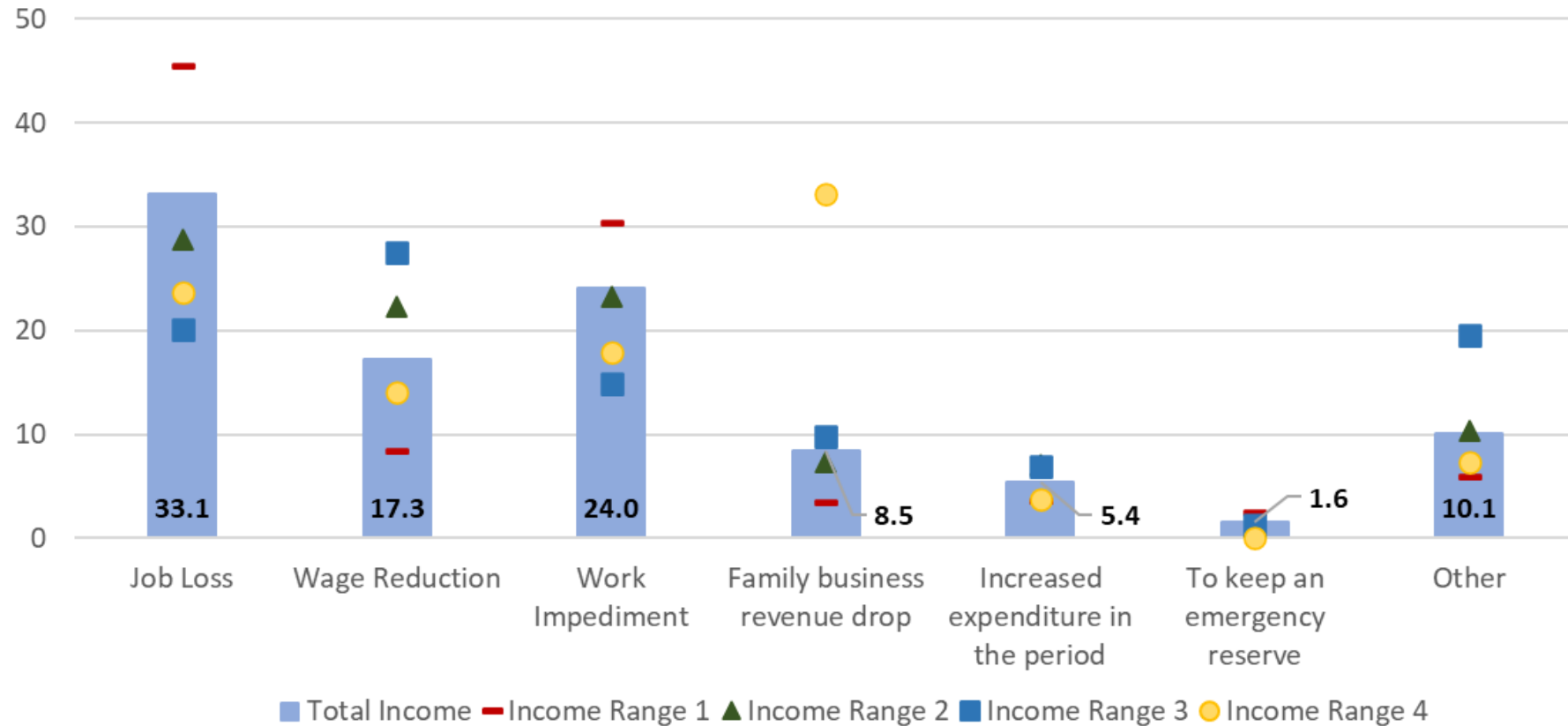
September/2020



Consumers used additional income transferred by the government to buy essential goods and pay off debts

Ad Hoc Question: Main reason for delaying debt payments during the crisis

June/2020

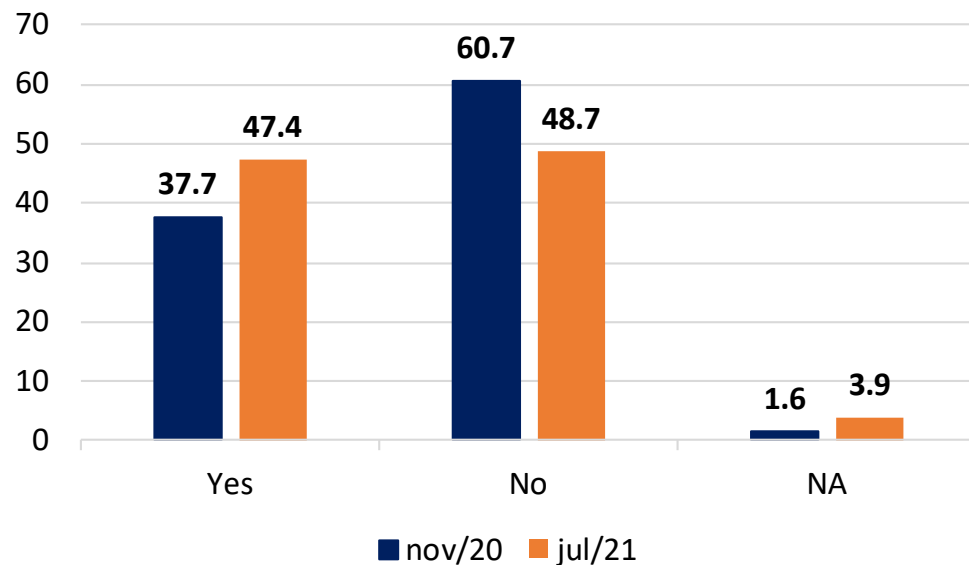


45% of the lowest income families had their family finances worsened due to unemployment. Among high income families, over 30% showed a drop in revenue from family businesses.

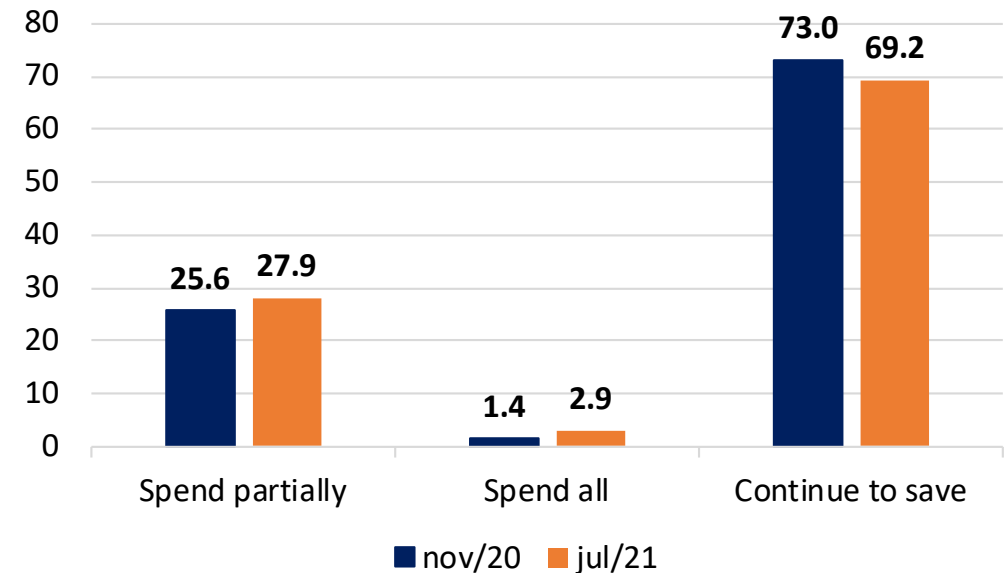
Ad Hoc Repeated Question: Spending destination of precautionary savings

November/20 and July/21

Have you been saving due to fear of the pandemic ?



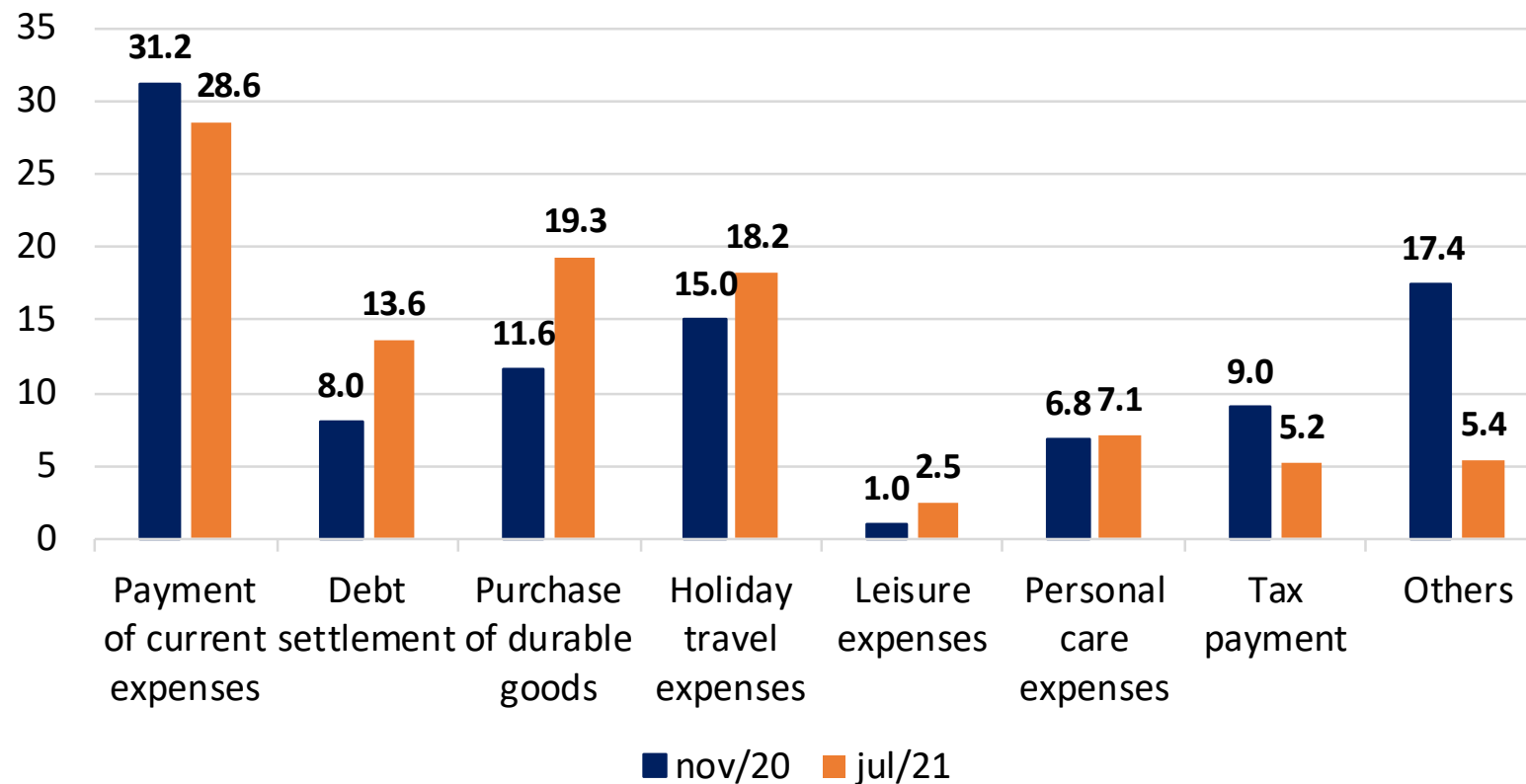
What do you intend to do with the saved resources?



Between late 2020 and mid-2021, more consumers started to save

Ad Hoc Repeated Question: Main destination of precautionary savings

November/20 and July/21

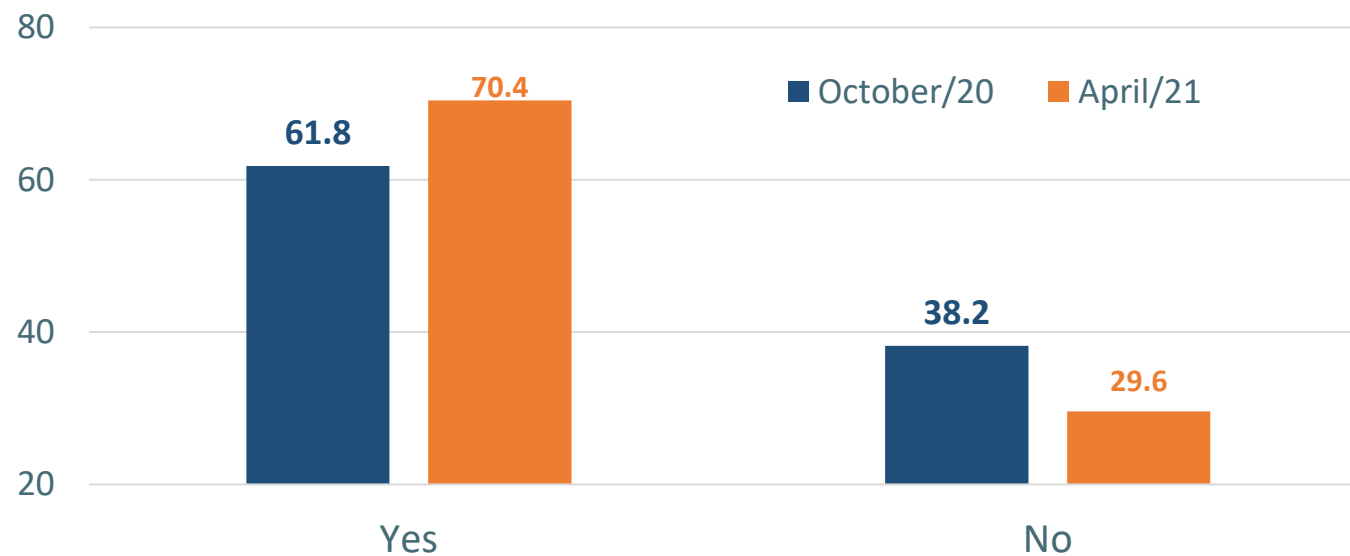


Payment of current expenses continue to be the main destination of precautionary savings. *Purchase of durable goods, holiday travel expenses* and *debt settlement* increased in 2021.

Ad Hoc Repeated Question

October/20 & April/21

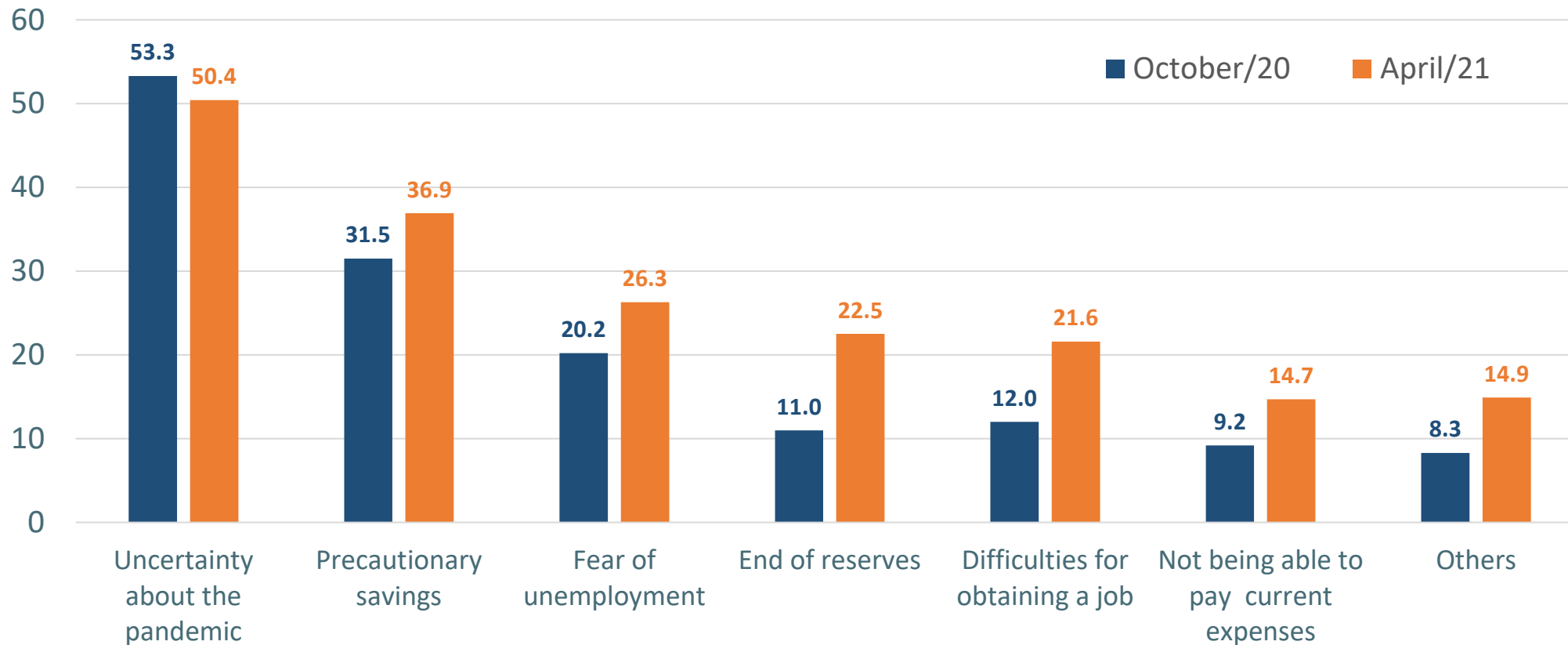
Have you been postponing purchases because of the pandemic ?



Ad Hoc Repeated Question

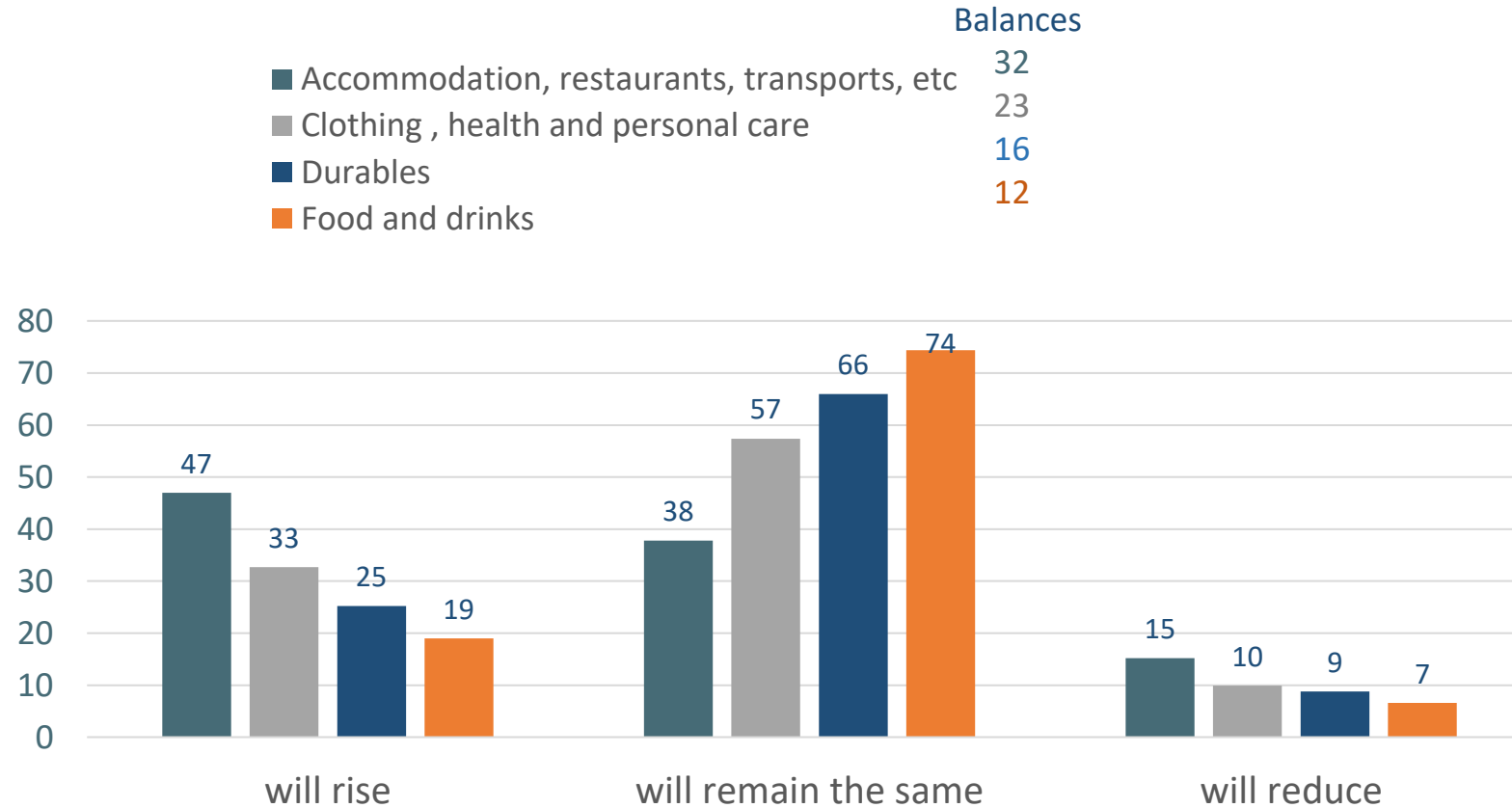
October/20 & April/21

Which factors are leading to the postponement of purchases of goods and services ?



By the time the majority of Brazilians are already vaccinated against covid-19 what do you expect will happen to your consumption of.....

June/2021





Thank you !



 fgv.br/ibre

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