

ECONOMY

Third consecutive fall in industrial employment

The labor force in industry fell 0.2% in July compared to June, and 0.8% compared to June in 2012, said the government statistics agency IBGE. In the first seven months of 2013, total employment in industry declined by 0.8% compared with the same period a year earlier. (September 11)

Industry plans to invest less

In August the share of Brazilian companies planning to invest more in the next 12 months reached its lowest level in a year, the Getulio Vargas Foundation's Industry Investment Survey found. Only 34% of companies surveyed planned to invest more, down significantly from 51% in May. Those who expected to invest less rose from 15% to 17%. (September 12)

Retail sales surged in July

Seasonally adjusted retail sales exceeded expectations by growing

1.9% in July, pushing the year-on-year figure from 1.7% in June to 6 percent. Sales were the highest since January 2012, when they hit 2.8%. (September 12)

Economic activity drops in July

The central bank's economic activity index declined a seasonally adjusted 0.33% in July from June, the bank said on Friday. Economic activity contracted less than expected as retail sales offset some of the steep decline in manufacturing. (September 13)

Unemployment down to 5.3%

Unemployment stood at 5.3% in August, down from 6% in June, according to IBGE. However, the decline is partly due to a reduction in the economically active population. Although employment grew, the labor market is no longer as vigorous as a year ago. In the second half of last

year, employment grew between 2.5% and 3% year-on-year, while employment grew 0.9% from July to August 2013. Per capita income, estimated at US\$862, reversed the previous month's downward trend to rise to 1.7% in August. Compared to August 2012, incomes grew by 1.3%. (September 26)

Stock exchange up in September

The Ibovespa index ended September at 52,338 points, up 4.6% from August. Market capitalization of the 364 companies listed on the BM&FBOVESPA in September was R\$2.40 trillion, compared to R\$2.30 trillion in August. (October 3)

Consumer prices rise

The rise in the official consumer price index for September was 0.35%, and 5.86% for the 12 months through September, as food inflation eased after a steep increase in late 2012, IBGE reported. (October 9)

POLITICS

Silva and Campos join forces

Unable to register a new party to support her run for president, former Senator Marina Silva has joined up with the PSB (Brazilian Socialist Party), which already has a presidential candidate, Pernambuco Governor Eduardo Campos. Silva appears willing to run for vice president on the Campos ticket. Considering that Silva got 19.6 million votes (19%) in the 2010 election and is currently second in the polls, the alliance gives the Campos candidacy considerable muscle. The alliance increases the likelihood of a run-off in the election; polarization is likely to be fierce. (October 5)



Former Senator Marina Silva and Pernambuco governor Eduardo Campos

PSB leaves President Rousseff's cabinet

Political party PSB resigned from the two cabinet posts it held—National

Integration Ministry and the Ports Secretary—though it is still likely to vote with the governing coalition. The move gives PSB head Eduardo

Photo: João Cruz/ABr.

Campos more independence to run for president. (September 17)

President Rousseff's popularity is returning

September polls showed restoration of some of President Rousseff's popularity, and as for intention to vote, no other candidate was able to capitalize on the June protests. Rousseff (PT) rose from 30% to 38% in voter preference for the

2014 presidential race, Marina Silva dropped from 22% to 16%, Senator Aécio Neves (PSDB) from 13% to 11% and Pernambuco Governor Campos (PSB) from 5% to 4%. (September 26)

Senator Neves advocates for private investment

During a lecture to businesspeople in São Paulo, Senator Aécio Neves (PSDB), a likely candidate for president in 2014,

said that an efficient government, meritocracy, and private investment are critical for Brazil's economic development, explaining that "we will be ready to resume growth when the public sector understands that the private sector is not an enemy to be fought; it is an essential partner to leverage investments." He also advocated reducing Brazil's 39 ministries by half. (September 30)

INTERNATIONAL

President Rousseff reacts to NSA spying

At the UN general assembly President Dilma Rousseff accused the US National Security Agency (NSA) of violating international law by its indiscriminate collection of personal information on Brazilian citizens and economic espionage targeted at Brazil's strategic industries. Because of the NSA incident, President Rousseff had earlier canceled what would have been the first state visit of a Brazilian president to the U.S. in nearly two decades. Despite



Photo: Roberto Suckert Filho/PR

President Dilma Rousseff at the opening of the 68th United Nations assembly

many shared values, mutual distrust continues to hinder

deeper engagement between the two countries. (September 24)

ECONOMIC POLICY

Oil royalties to be reserved for education, healthcare

President Rousseff signed into law a bill that earmarks all royalties from the country's huge off-shore reserves for spending on public education and healthcare. The law calls for 75 percent of royalties from deep sea oil to be spent on public education and 25 percent on healthcare. (September 10)

Federal revenues grew in August

Federal revenues totaled R\$84 billion in August, up 2.7% compared to the same month last year, adjusted for inflation; revenues for

the year reached R\$722 billion, an increase above inflation of only 0.79% over the same period of 2012. However, the government sacrificed R\$51 billion in taxes due to tax exemption programs—almost 72% more than in the same period last year. (September 23)

Central Bank policy rate hits 9.5%

As expected, the Brazilian central bank has raised the policy interest rate by 50 bps to 9.5%. The Monetary Policy Committee vote was unanimous. The central bank seems determined to continue monetary tightening. (October 9)

JUDICIARY

Supreme Court accepts appeals of convicted former officials

By 6 votes to 5, the justices agreed to hear the appeals of former officials of President Lula (2003–10) who were convicted of corruption in October 2012. Of the 25 convicted, 12 will have their sentences re-evaluated, opening the possibility that former Minister José Dirceu, former PT treasurer Delúbio Soares, and former mayor João Paulo Cunha will avoid prison. (September 18)