

Strike of truck drivers leave trail of billions of losses throughout the country



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With protests in the end, the crisis of shortages begins to be reversed, but effects in the economy still will last for a long time; losses with the strike exceed R \$ 75 billion

Cleide Silva, O Estado de S.Paulo 31 May 2018 | 03h00

Despite some points of protest still scattered throughout the country, the truck stoppage gives clear signs that it has come to an end. In all states, life begins to return to normal rhythm. The table of shortages begins its reversion: the fuel is arriving at the stations, the food goes back to the supermarkets. The effects of the crisis caused by the protests, however, must last for a long time.

TROOPS In several parts of the country, military personnel had to be fired to ensure that drivers safely evacuated areas of concentration of protesters. Photo: HELVIO ROMERO | CONTEUDOUS STAY Not all sectors have a loss assessment. Those who have already made these accounts shows that the loss will be accounted for in the billions. The number of sectors consulted by the State already reaches at least R \$ 75 billion in losses. + Market reports to BC fear of contagion of truckers strike in economic activity

But the impact on the economy will be much greater. Economists already take into account the effects of the strike on the downward revisions they have been making to GDP performance. The number, which was close to 3% at the beginning of the year, is now 2%. And there are other effects. The government fears that the driver's stoppage will pave the way for other strikes that have a strong impact in the country. Oil tankers have already followed this path.

Losses. Preliminary projections of several segments of the economy after a ten-day strike by truck drivers point to losses of more than R \$ 75 billion. In some cases, the damage may still increase even after the movement ends, depending on the type of activity, the resumption may take from one week to 20 days.

There is also concern about how things will turn out. "We do not know yet, for example, how the freight increase will be priced," says José Carlos Martins, president of the Brazilian Chamber of Construction Industry (Cbic). "It gives shivers just thinking."

The industry estimates that it has stopped generating R \$ 3.8 billion so far, and it will take two to three weeks to fully resume activities. + Central government has a primary surplus of R \$ 7,187 billion in April

The National Confederation of Shopkeepers (CNDL) estimated that the trade and services areas ceased to bill about R \$ 27 billion between days 21 and 28. "The disruption caused by the widespread lack of supply, which can cause even greater damage to the country, such as increased unemployment, lack of food, stocks, low sales flow and damage to economic development are clear," says the president of Fecomércio de Minas Gerais, Lúcio Emílio de Faria Júnior.

Supermarkets account for R \$ 2.7 billion in losses. For fuel distributors, the losses already amount to R \$ 11.5 billion.

Slow back. With fewer roadblocks and the slow return of fuel supplies, some companies are resuming operations. + Weak GDP and inflation below target

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Of the 167 poultry, egg and pig production units that were stationary throughout the country, 46 restarted activities on Wednesday, reports the Brazilian Association of Animal Proteins (ABPA). The companies of the sector accumulate losses of R \$ 3 billion and lost 70 million birds, killed by lack of ration. With part of the supply resumed, the mortality must end.

According to the Brazilian Association of Meat Exporters (ABIEC), the beef cattle production chain stopped moving between R \$ 8 billion and R \$ 10 billion.

The milk producers lost R \$ 1 billion, part of this with the disposal of more than 300 million liters of milk. The Confederation of Agriculture and Livestock of Brazil (CNA) estimates that producers in general must take from six months to a year to restructure. + 'Until the end of the week, the situation will normalize', says president of Raízen

The textile sector estimates losses of R \$ 1.8 billion and, until Wednesday, still had about 70% of companies stopped or about to stop. The Brazilian Association of the Textile and Apparel Industry (Abit) predicts that it will take at least 20 days for the situation to be normalized.

Cars. In the automotive industry almost all factories have been shut down since Friday. The president of the National Association of Automobile Manufacturers (Anfavea), Antonio Megale, says that "most will resume production gradually from Monday." Fiat units in Minas Gerais and Jeep in Pernambuco operate again on Thursday. Result confirms resumption, but uncertainty increases Anfavea did not report losses, but, based on the average production of vehicles in April, about 51 thousand vehicles are no longer manufactured.

The result of this month could interrupt a sequence of 18 months of high in the inter-annual comparison. Until Tuesday the sector's sales had fallen 11% compared to April (to 192,800 units), but still should surpass the volume of May of 2017, of 195.6 thousand units. The chemical industry adds R \$ 2.5 billion in loss of billing and calculates in ten days the period for resumption of activities.

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