

Update 20: Brazil - Expects Worst Recession as Economy Contracts by 1.5% in Q1 2020

- Brazil's economy contracted by 1.5 % in first quarter of 2020, its worst rate since 2015, amid COVID-19 pandemic
- This is due to 2% reduction in household consumption, which constitutes around two-third of total demand
- National debt and public deficit reported record high in April due to increased government spending
- Service sector and industrial production decreased by 1.6% and 1.4%, respectively
- Economic crisis is expected to be severe in second quarter, when COVID-19 restrictions began to be applied
- This may lead to significant economic contraction and the worst recession ever
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments

Source(s)

<https://www.lanacion.com.ar/el-mundo/coronavirus-economia-brasil-sufre-mayor-contraccion-2015-nid2371279>

<https://www.infobae.com/america/agencias/2020/05/29/brasil-espera-una-historica-recesion-tras-su-pib-caer-15-en-el-primer-trimestre/>

Targets Affected:

Brazil

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

May 28, 2020

High

Update 19: Sao Paulo, Brazil - Plans to Reopen Certain Businesses Starting June 1 Amid COVID-19 Pandemic

May 23, 2020

Immediate

Update 18: Brazil - Reports Second Highest COVID-19 Cases Worldwide, Totaling 330,890

May 19, 2020

Immediate

Update 17: Brazil - Reports Third Highest COVID-19 Cases Worldwide, Totaling 254,220

May 13, 2020

High

Update 16: Brazil - Sao Paulo Announces Opening of Certain Businesses; COVID-19 Death Toll Exceeds 12,000, with 881 Cases Reported in Last 24 Hours

May 4, 2020

Immediate

Update 15: Brazil - Reports 4,588 COVID-19 Cases in Last 24 Hours, Exceeds 100,000

April 30, 2020

Immediate

Update 14: Brazil - Extends Travel Restriction of Foreigners for One Month

April 27, 2020

Immediate

Update 13: Brazil - Reports 3,379 Confirmed COVID-19 Cases in Last 24 Hours, Totaling 61,888

April 22, 2020

High

Update 12: Brazil - Anticipates Economic Contraction by 5.2% in 2020 Amid COVID-19 Pandemic

April 18, 2020

Immediate

Update 11: Brazil - Confirmed COVID-19 Cases Increases to 33,682 with 2,141 Deaths

April 12, 2020

High

Update 10: Brazil - Public Sector Deficit Reaches 7% of GDP as Coronavirus Deaths Mount

April 10, 2020

Immediate

Update 9: Brazil - Reports 141 COVID-19 Related Deaths in Last 24 Hours, Totaling 941

April 6, 2020

Immediate

Update 8: Brazil - Reports Over 11,000 Confirmed COVID-19 Cases, Nearing 500 Deaths

April 1, 2020

Immediate

Update 7: Brazil - Increase in Confirmed COVID-19 Cases

March 26, 2020

Immediate

Update 6: Brazil - Massive Spike in COVID-19 Cases with Maximum Deaths Reported in Sao Paulo

March 24, 2020

Immediate

Update 5: Brazil - Restricts Entry of Foreigners Amid Rapid Spike in COVID-19 Cases

March 21, 2020

Immediate

Update 4: Brazil - Declares COVID-19 State of Emergency; Warns of Healthcare Collapse

March 20, 2020

Immediate

Update 3: Brazil - Coronavirus Infection Cases Continues to Rise

March 18, 2020

Immediate

Update 2: Brazil - Steep Rise in
Coronavirus Infection Cases

March 11, 2020

Immediate

Update 1: Brazil - Surge in Coronavirus
Infection Cases

Feb. 27, 2020

Low

Brazil - Coronavirus Infection Cases -
Sao Paulo

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.