

SMALL INDUSTRY OVERVIEW

ECONOMIC INDICATORS **CNI****CNI** Brazilian National
Confederation
of Industry

Problem of insufficient internal demand gains importance among small industries

In the first quarter of 2025, the main problems of small manufacturing industries were firstly, high tax burden, secondly, insufficient internal demand, and thirdly, lack or high cost of raw materials, with emphasis on insufficient internal demand which rose from 6th to 2nd place, compared to the previous quarter.

Also in the first quarter of 2025, the main problem for small industries in the construction industry was high interest rates, followed by high tax burden and

insufficient internal demand, also highlighting insufficient internal demand which rose from 9th to 3rd place in the ranking of main problems.

In addition, small industries report a lack of confidence: the confidence index of this size of industrial company in April 2025 is the lowest since June 2020. Small industries also have more pessimistic prospects for the next six months in relation to the performance of their businesses, compared to April of last year.

Regarding financial situation, small industries reported a worsening in the first quarter of 2025, compared to the last quarter of last year.

Performance, financial situation, prospects and confidence indices of the small industry

Diffusion indices (0-100 points)

Performance*



Q4 2024

46.8

Q1 2025

44.7

Historical
average

44.0

Prospects*



Mar-2025

48.2

Apr-2025

47.7

Historical
average

46.9

Financial
situation*

Q4 2024

42.0

Q1 2025

40.6

Historical
average

38.7

Confidence
Index - ICEI**

Mar-2025

46.5

Apr-2025

45.6

Historical
average

52.5

*The higher the index, the better the performance of the small industry in the month, the better the financial situation of the small industry in the quarter or the more positive are the prospects of the small industry businessman in the month.

**Values above 50 points indicate businessman's confidence and the higher the index, the more widespread is the confidence. Values below 50 points indicate lack of businessman's confidence and the lower the index, the greater and more widespread is the lack of confidence.

PERFORMANCE OF SMALL INDUSTRIES IN THE FIRST QUARTER OF 2025

Small industries record performance similar to that of 2024 in the first quarter

The performance index of small industries fell in the 1st quarter of 2025, compared to the 4th quarter of 2024, a movement that is usual for the period.

With this, the average performance index of the 1st quarter of 2025 was 44.7 points, a performance similar to that of

the 1st quarter of 2024, when the average index was 44.3 points.

The indicator is calculated considering a weighting between the volume of production, effective use of installed capacity in relation to the usual and the evolution of the number of employees. The higher the index, the better the performance in the period.

Small Industry Performance Index

Index (0 to 100 points)*



*The higher the index, the better the performance of the small industry in the month.

Note: The small industry performance index is a weighted average of the performance indices of the small extractive, manufacturing, and construction industries.



FINANCIAL SITUATION OF SMALL INDUSTRY IN THE FIRST QUARTER OF 2025

Financial conditions of small industries record worsening

In the 1st quarter of 2025, the financial situation index of small industries fell 1.4 points, to 40.6 points, indicating worse financial conditions at the beginning of this year, compared to the 4th quarter of 2024. Despite the drop, the index is close to that recorded in the 1st quarter of last year: 40.5 points.

The index takes into account satisfaction with the operating profit margin and with the financial situation, in addition to the evaluation of the ease of access to credit. The higher the index, the better the financial situation of small businesses.

Small Industry Financial Situation Index

Index (0 to 100 points)*



*The higher the index, the better the financial situation of the small industry in the quarter.



MAIN PROBLEMS OF SMALL INDUSTRY IN THE FIRST QUARTER OF 2025

Problem of insufficient internal demand gains importance among small industries

In the first quarter of 2025, the main problem faced by small manufacturing industries was the high tax burden, pointed out by 39% of companies. Next comes insufficient internal demand, pointed out by 26.5%, and lack or high cost of raw materials, pointed out by 25.3%.

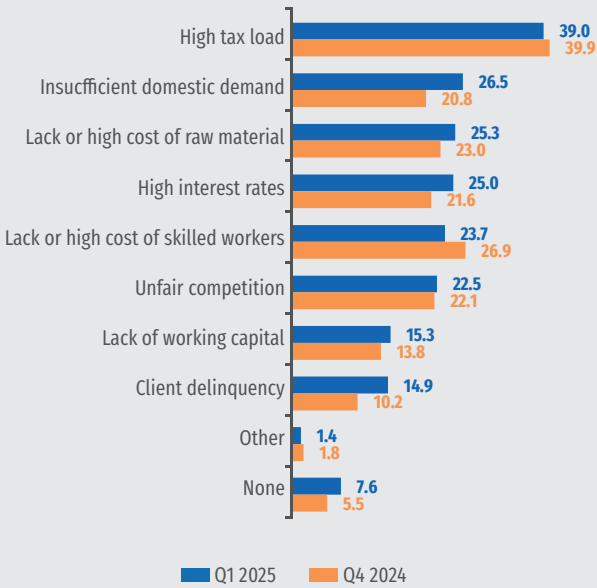
In the case of small construction industries, high interest rates lead the ranking of main problems, pointed out by 39% of companies. Next, in 2nd and 3rd place, are high tax burden (pointed out by 29.7% of companies) and insufficient internal demand (marked by 23.7% of companies).

However, it should be noted that the problem of insufficient internal demand was the problem that gained the most importance between the 4th quarter of 2024 and the 1st quarter of 2025, both for small manufacturing industries and for construction.

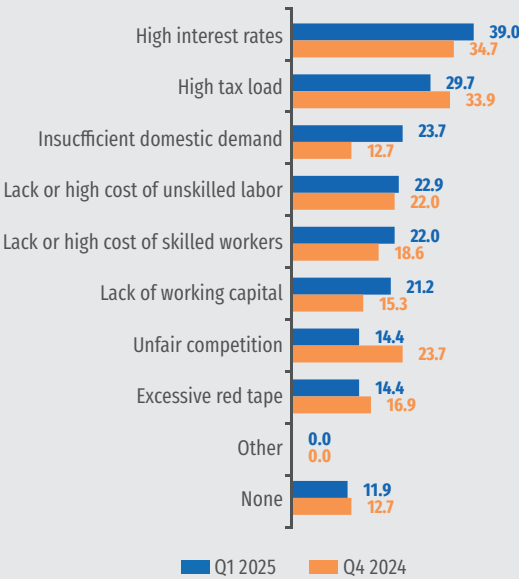
Among small manufacturing industries, the problem rose from 6th to 2nd place in this period, and among small construction industries, from 9th to 3rd place.

Main problems faced by Small Scale Industry*
Percentage (%)

Manufacturing



Construction



*For the question regarding the main problems, a list of answer options is presented to the businessman. The businessman can choose to indicate up to three answer options.

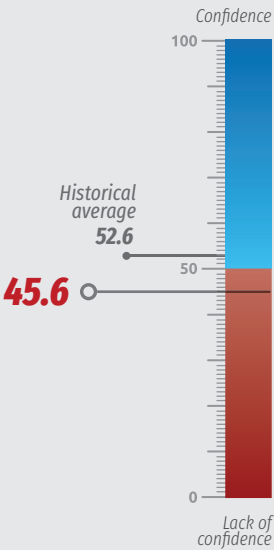
CONFIDENCE AND PROSPECTS OF SMALL INDUSTRY IN APRIL 2025

Confidence of small industries continues to decline

The Industrial Entrepreneur Confidence Index (ICEI) of small industries fell 0.9 points in April 2025 and stands at 45.6 points.

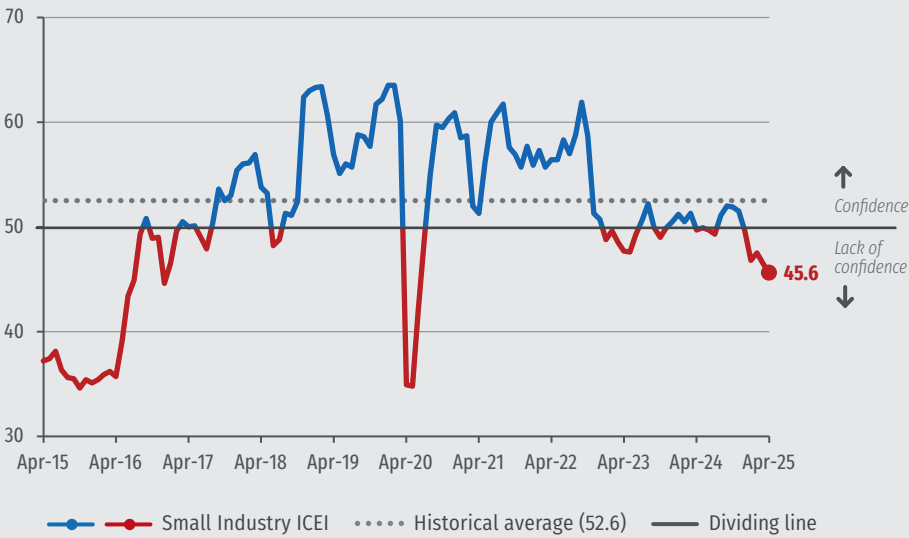
Below 50 points for the 5th consecutive month, the April ICEI indicates a lack of confidence from small industries. This index is on a downward trend and has already accumulated a drop of 6.4 points since October 2024.

Small Industry ICEI
Index (0 to 100 points)*



Historic Series

Index (0 to 100 points)*



*Values above 50 points indicate businessman's confidence. The further above 50 points, the greater and more widespread is the confidence. The further below 50 points, the greater and more widespread is the lack of confidence.



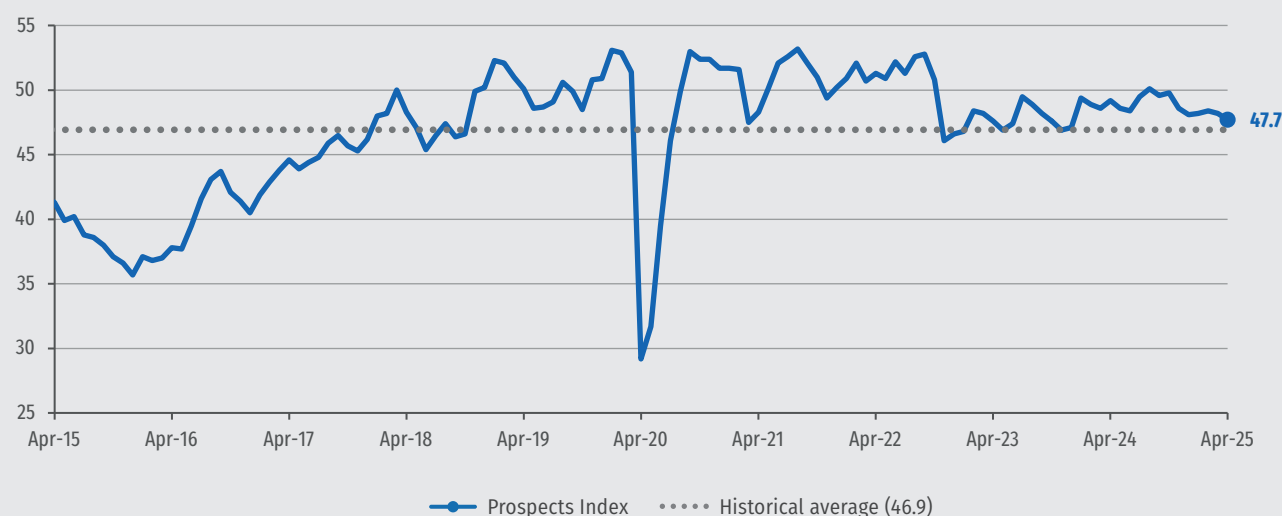
Small Industries Show More Pessimism in April 2025

The index of prospects for small industries, which captures the expectations of these companies regarding performance variables of their own business, fell 0.5 points in April 2025 and stands at 47.7 points.

The level is 1.5 points lower than in April 2024, when it was at 49.2 points, thus demonstrating that small industries are more pessimistic in April 2025, compared to April 2024.

Small Industry Prospects Index

Index (0 to 100 points)*



*The higher the index, the more positive the prospects for the small business entrepreneur.



Technical specifications

The Small Industry Overview is a quarterly publication, generated from the results of CNI's Industrial Survey, Construction Industry Survey, and Business Confidence Index (ICEI).

Document completed on May 6, 2025.



Learn More

The research methodology and the historical series of the indices of Performance, Financial Conditions, Perspectives, the main problems, and the ICEI of small-scale industry are available at www.cni.com.br/e_ppi

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