

# SMALL INDUSTRY OVERVIEW

ECONOMIC INDICATORS **CNI**

**CNI** Brazilian National Confederation of Industry

## Problem of worker shortage grows among small industries

In the third quarter of 2024, problems involving the lack of workers rose from third to second place among the main problems of small businesses. In the case of the manufacturing industry, the lack of skilled workers gained importance, pointed out by 29.8% of companies, while among small construction industries, the problem is the lack of unskilled workers, pointed out by 25%. The first place in both rankings is still occupied by the high

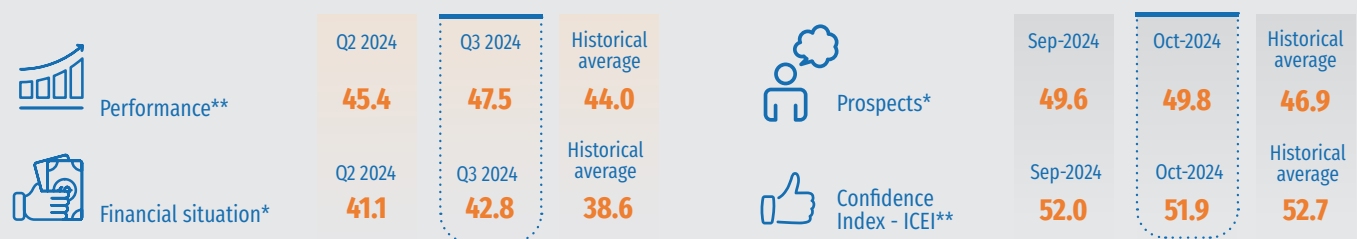
tax burden, pointed out by 42.5% of small manufacturing industries and 37.5% of small construction industries.

In terms of performance, small industries had a positive third quarter of 2024, warmer than the third quarter of last year. The financial situation of small industries also shows more positive in the third quarter of this year, compared to the same period last year.

The confidence and prospects of small industries remained stable in October 2024, both remaining at positive levels or above the historical average.

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

Diffusion indices (0-100 points)



\*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 THIRD QUARTER OF 2024

# Small industries have a warmer third quarter in 2024

The performance index of small industries started the 3rd quarter of 2024 with a significant increase, going from 45.3 points in June to 47.7 points in July, and remained relatively stable for the rest of the quarter, registering 47.5 points in September.

With this, the average performance index for the 3rd quarter of 2024 was

47.5 points. It is a positive result, significantly above the historical average of the index, which is 44 points. It is also a better result compared to the average result of the 3rd quarter of 2023, which was 45.5 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 THIRD QUARTER OF 2024

# Financial conditions of small industries improve in the third quarter of 2024

The financial situation index of small industries stood at 42.8 points, an increase of 1.7 points in the third quarter of 2024, indicating an improvement in the financial conditions of small industry entrepreneurs.

The index is 4.2 points above its historical average of 38.6 points, showing that the current financial situation is more

favorable than usual. In particular, the financial situation also appears more positive in this third quarter of 2024 compared to the third quarter of 2023: the index registered 42.8 points in the third quarter of 2024, compared to 41.4 in the same quarter of 2023.

The index takes into account satisfaction with the operating profit margin and with the financial situation, as well as 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 THIRD QUARTER OF 2024

# High tax burden and lack of workers are main problems of small industries in the third quarter

For Brazilian small manufacturing and construction industries, the high tax burden and the lack or high cost of labor were the most frequent problems faced in the third quarter of 2024.

Of the small manufacturing industries, 42.5% state that the high tax burden was one of the three main problems faced in the quarter. In small construction industries, this percentage is 37.5%.

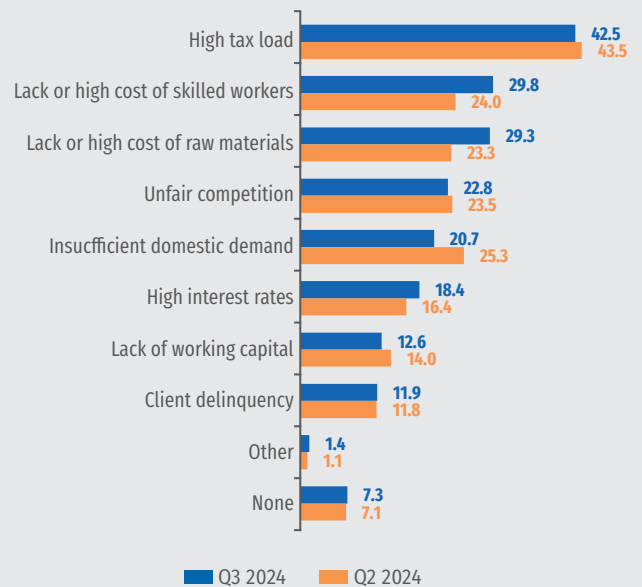
Problems involving the lack of workers rose from third to second place among the main problems of small industries in the manufacturing and construction industry. In the case of small manufacturing industries, the lack is of skilled workers, pointed out by 29.8% of companies, while among small construction industries, the lack is of unskilled workers, pointed out by 25%.

For small manufacturing industries, the lack or high cost of raw materials is the third most frequent problem, indicated by 29.3% of companies. In small construction industries, the third main problem is high interest rates, affecting 24.2% of companies.

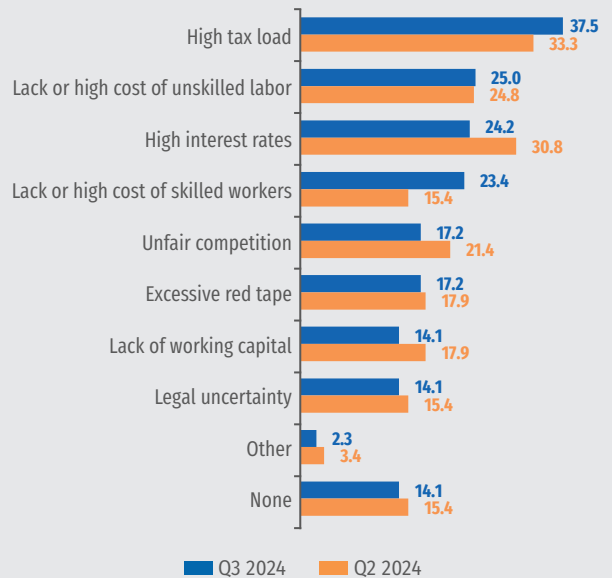
## Main problems faced by Small Scale Industry

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.



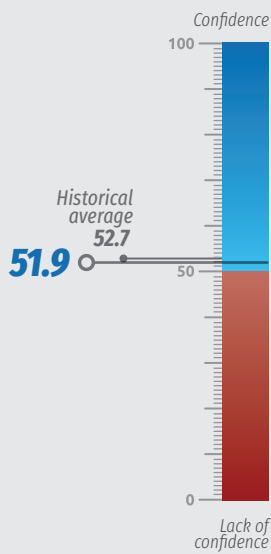
CONFIDENCE AND PROSPECTS OF SMALL INDUSTRY IN OCTOBER 2024

# Confidence of small industries remains stable in October

Small industries recorded stability in the Industrial Entrepreneur Confidence Index (ICEI) in October. The ICEI of these companies varied -0.1 point, from

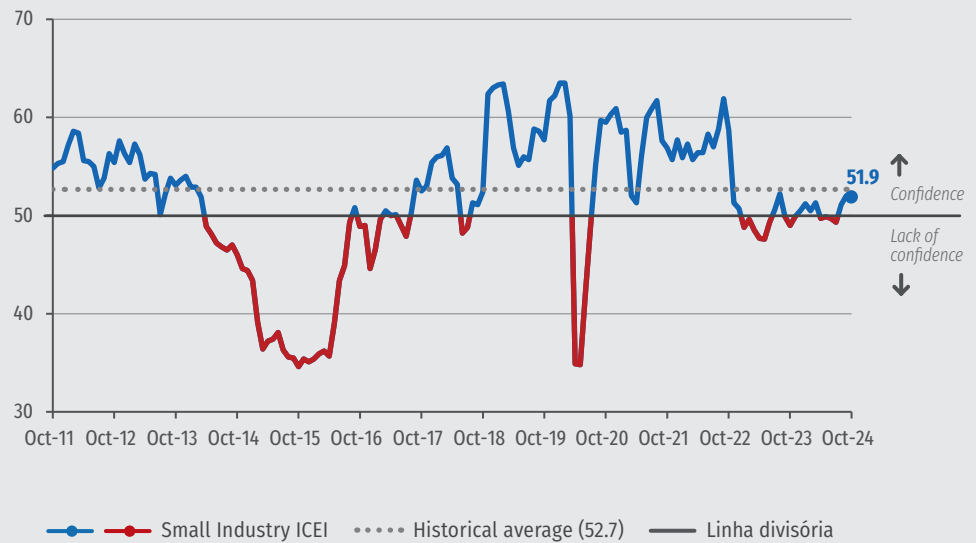
52.0 points to 51.9 points between September and October. The index remains above the dividing line of 50 points, indicating that small industries remain confident.

**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.



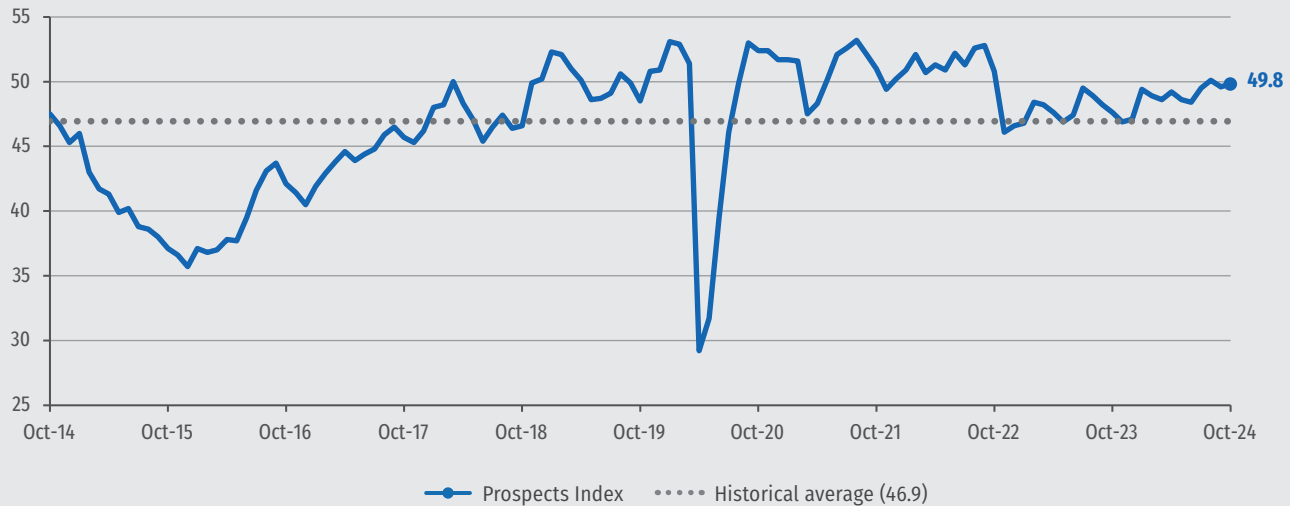
# Prospects of small industries remain

The prospects index of small industries, which captures the expectations of this size of company for the next six months,

remained stable in October, varying 0.2 points to 49.8 points. Still, the level is positive, as it is above the historical average of the index, which is 46.9 points.

## 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).

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### 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](http://www.cni.com.br/e_ppi)

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