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CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS CNI

CBIC | CNI Brazilian National Confederation of Industry

Construction expectations worsen across the board

Construction industry business expectations deteriorated across the board in July 2026. All expectation indicators declined and crossed below the 50-point threshold, indicating expectations of a decrease in the activity level, purchases of inputs and raw materials, the number of employees, and new ventures and services over the next six months.

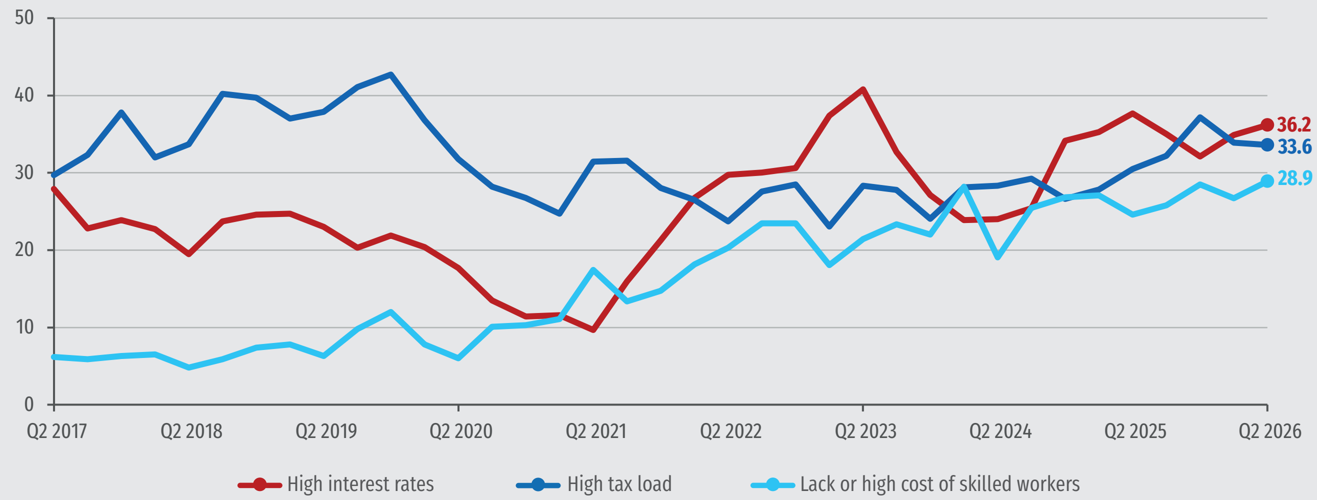
At the same time, the Construction Industry Business Confidence Index (ICEI) declined again, mainly reflecting the deterioration in expectations regarding companies' own performance.

In the second quarter of 2026, the main problems faced by the Construction Industry remained virtually unchanged. High interest rates continued to rank as the sector's main obstacle, followed by the high tax load. The lack or high cost of skilled workers moved into third place, surpassing the lack or high cost of unskilled workers.

During the same period, financial conditions in the Construction Industry remained significantly unfavorable, despite showing moderate signs of improvement. Difficulties in accessing credit decreased, and satisfaction with operating profit improved slightly, while perceptions of the financial situation remained virtually stable. Nevertheless, all indicators remained below the 50-point threshold. At the same time, the perceived increase in input and raw material prices became less intense, although costs continued to put pressure on companies in the sector.

Main problems faced by Construction Industry in 2026's quarter

Percentage of all Construction Industry companies that identified the problem as one of the main problems faced in the quarter (%)*



*In the survey, the business owner is asked to mark up to three items that constituted real problems for their company. Therefore, the sum of the percentages exceeds 100%.

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN JUNE 2026

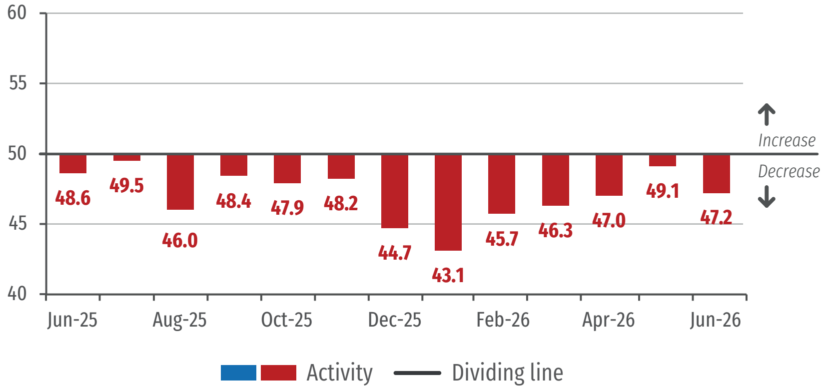
Activity level and employment indices decline again

The Construction Industry's activity level index fell by 1.9 points between May and June 2026, from 49.1 points to 47.2 points. Despite the decline, the indicator remained 0.5 point above the average for June, of 46.7 points.

The number of employees evolution index in Construction, in turn, fell by 0.6 point in June 2026, from 48.5 points to 47.9 points. Nevertheless, the indicator remained 1.9 points above the average for June, of 46.0 points.

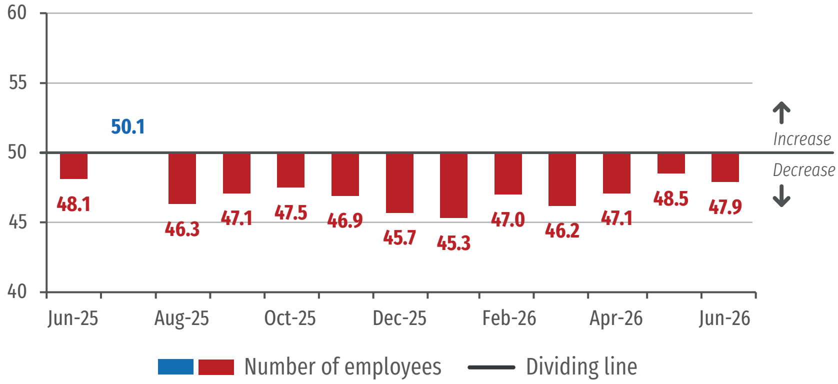
Activity level evolution

Indices (0 to 100 points)*



Number of employees evolution

Indices (0 to 100 points)*



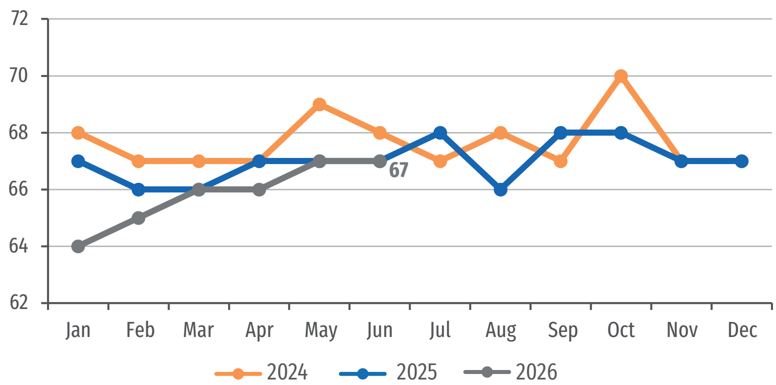
*Values above 50 indicate an increase in activity or employment compared to the previous month. Values below 50 points indicate a decrease in activity or employment compared to the previous month. The further away from 50 points, the greater and more widespread is the variation.

Utilization of Operational Capacity remains stable

In June 2026, the Construction Industry's utilization of operational capacity (UCO) remained stable at 67%. The indicator stood at the same level recorded in the same month of 2025 and 1.0 percentage point below the level recorded in 2024. As a result, utilization of operational capacity accumulated an increase of 3.0 percentage points in the first half of the year.

Utilization of Operational Capacity

Percentage (%)



FINANCIAL CONDITIONS OF THE CONSTRUCTION INDUSTRY IN THE SECOND QUARTER OF 2026

Financial conditions remain weak despite isolated improvements

The ease of access to credit index increased by 1.6 points in the second quarter of 2026, rising from 37.7 to 39.3 points. Despite the increase, the indicator remained well below the 50-point threshold, showing that Construction Industry business owners continued to perceive significant difficulties in accessing credit.

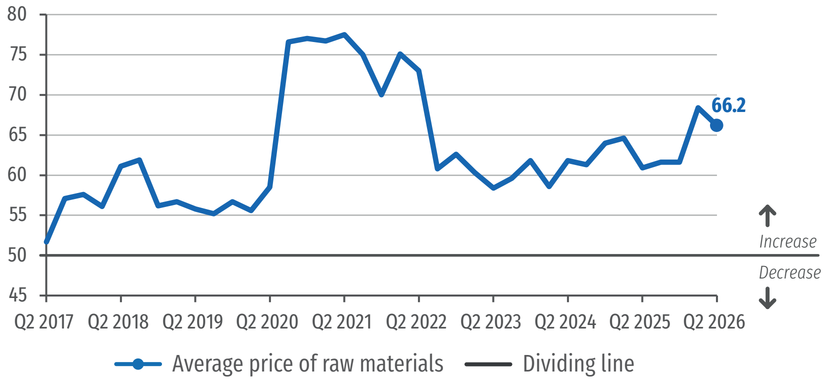
The satisfaction index with operating profit, in turn, increased by 0.4 point between the first and second quarters of 2026, from 41.3 points to 41.7 points. Nevertheless, the indicator remained far below the 50-point threshold, indicating that dissatisfaction with operating profit remained widespread among companies in the sector.

The financial situation satisfaction index of entrepreneurs in the Construction Industry varied by 0.2 point between the first and second quarters of 2026, from 45.0 points to 45.2 points. Following this slight variation, the indicator remained below the 50-point threshold, showing that dissatisfaction with the financial situation continued to prevail among Construction Industry business owners.

Finally, the input prices and raw materials index fell by 2.2 points in the second quarter of 2026, from 68.4 points to 66.2 points. Although the indicator declined, it remained well above the 50-point threshold, showing that business owners continued to perceive increases in input and raw material prices, albeit less intensely and less broadly than in the previous quarter.

Profit margins and financial situation satisfaction

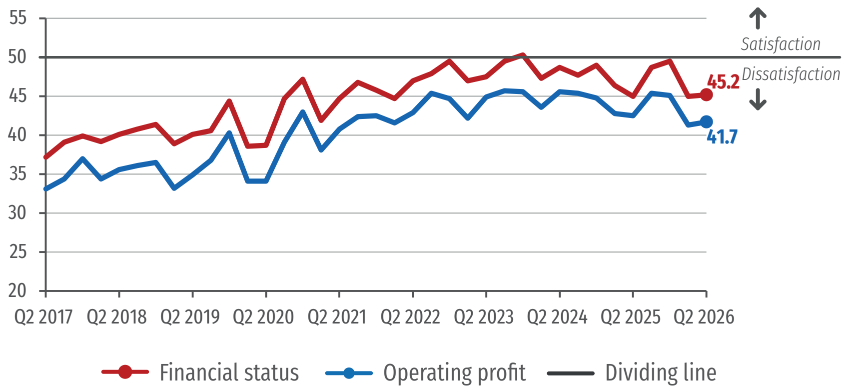
Indices (0 to 100 points)*



*Values above 50 indicate satisfaction with the operating profit margin and the financial situation. Values below 50 indicate dissatisfaction with the operating profit margin and the financial situation. The further away from 50 points, the greater and more widespread is the satisfaction or dissatisfaction.

Credit access ease

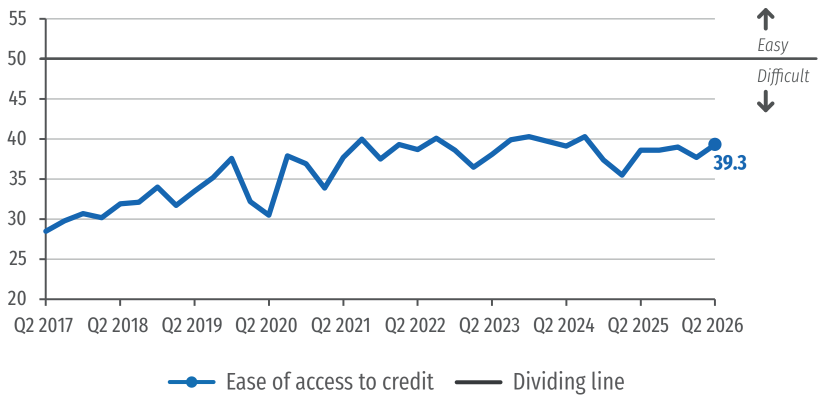
Indices (0 to 100 points)*



*Values above 50 indicate ease of access to credit. Values below 50 indicate difficulty in accessing credit. The further away from 50 points, the greater and more widespread is the difficulty or ease of access to credit.

Raw materials average price

Indices (0 to 100 points)*



*Values above 50 indicate an increase in the prices of inputs and raw materials compared to the previous quarter. Values below 50 points indicate a decrease in the prices of inputs and raw materials compared to the previous quarter. The further away from 50 points, the more intense and widespread is the variation.

CHALLENGES FACING THE CONSTRUCTION INDUSTRY IN THE SECOND QUARTER OF 2026

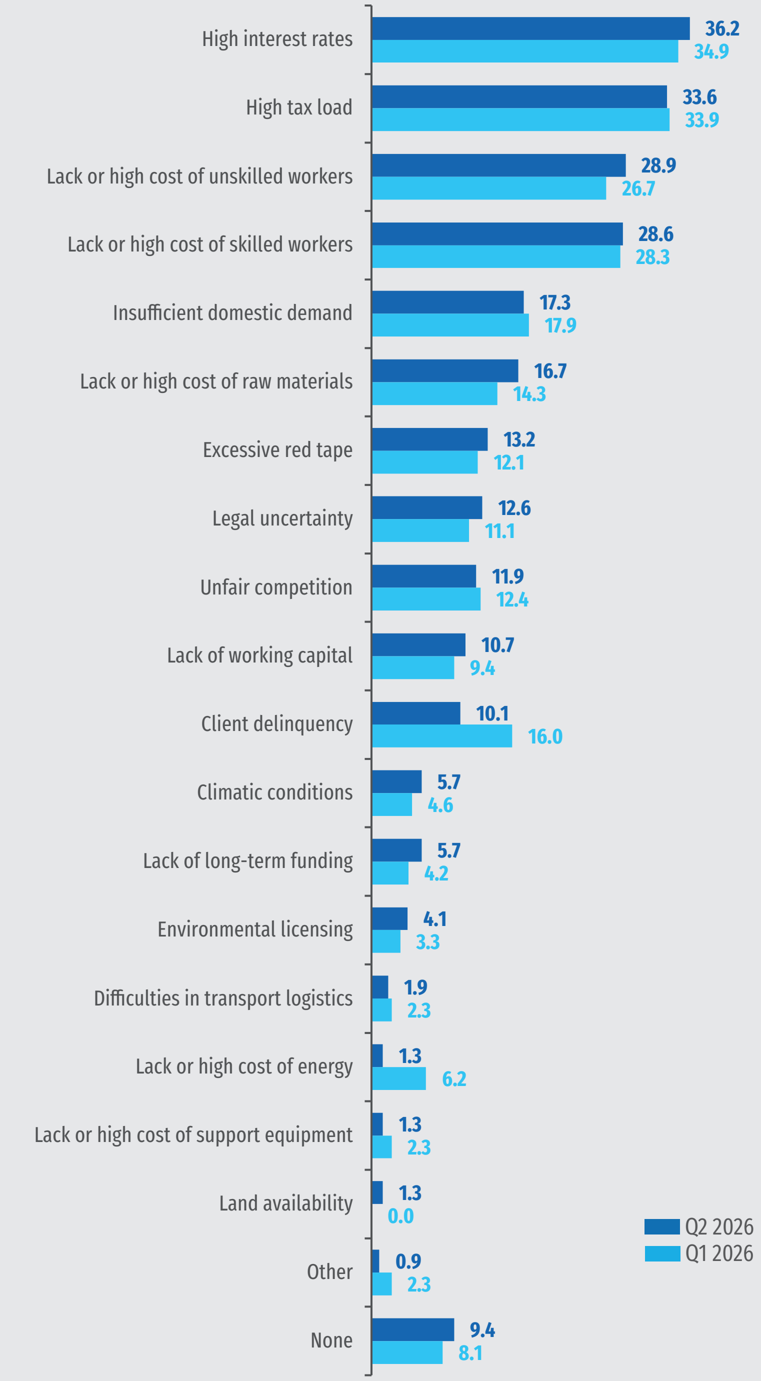
High interest rates remain the Construction Industry's main problem

In the second quarter of 2026, high interest rates remained in first place among the main problems faced by the Construction Industry. The percentage of responses identifying this problem increased by 1.3 percentage points, from 34.9% to 36.2% of companies. The high tax load remained in second place, accounting for 33.6% of responses.

The lack or high cost of skilled workers moved into third place, accounting for 28.9% of responses, switching positions with the lack or high cost of unskilled workers, which ranked next with 28.6%. Therefore, the four main problems faced by the Construction Industry remained the same as in the previous quarter.

Among the main changes during the quarter, the percentage of responses identifying excessive red tape increased from 14.3% to 16.7%, while the percentage identifying a lack of working capital rose from 11.1% to 12.6%. Conversely, the lack or high cost of raw materials recorded the largest decrease, falling from 16.0% to 10.1% of responses.

Main problems faced by Construction Industry in 2026's quarter
Percentage (%)*



*In the survey, the business owner is asked to mark up to three items that constituted real problems for their company. Therefore, the sum of the percentages exceeds 100%.

CONSTRUCTION INDUSTRY BUSINESS CONFIDENCE INDEX IN JULY 2026

Deteriorating expectations reduce Construction Industry business confidence

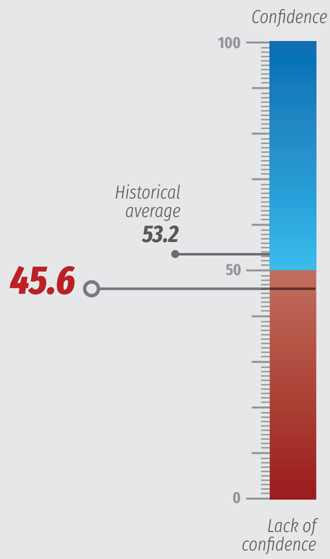
The Construction Industry Business Confidence Index (ICEI) fell by 2.1 points between June and July 2026, from 47.7 points to 45.6 points. Following the decline, the indicator moved further below the 50-point threshold, indicating a more widespread lack of confidence among Construction Industry business owners.

The deterioration in the index was driven mainly by the decline in business expectations. The Expectations Index fell by 2.6 points, from 49.8 points to 47.2 points. The result primarily reflected the deterioration in expectations regarding companies' own performance, as the Company Expectations Index fell by 2.8 points to 51.4 points, indicating weaker optimism among business owners. At the same time, expectations regarding the Brazilian economy also deteriorated. The Expectations of Brazilian Economy Index fell by 2.1 points to 38.9 points, reflecting increased pessimism regarding the economic environment.

The Current Conditions Index fell by 1.1 points in July 2026, from 43.5 points to 42.4 points. The indicator therefore remained below the 50-point threshold, signaling that assessments of current conditions continued to be negative. The result reflected a deterioration in perceptions of both companies' current conditions, whose index fell by 1.4 points to 45.6 points, and the current conditions of the Brazilian economy, whose index declined by 0.7 point to 35.9 points.

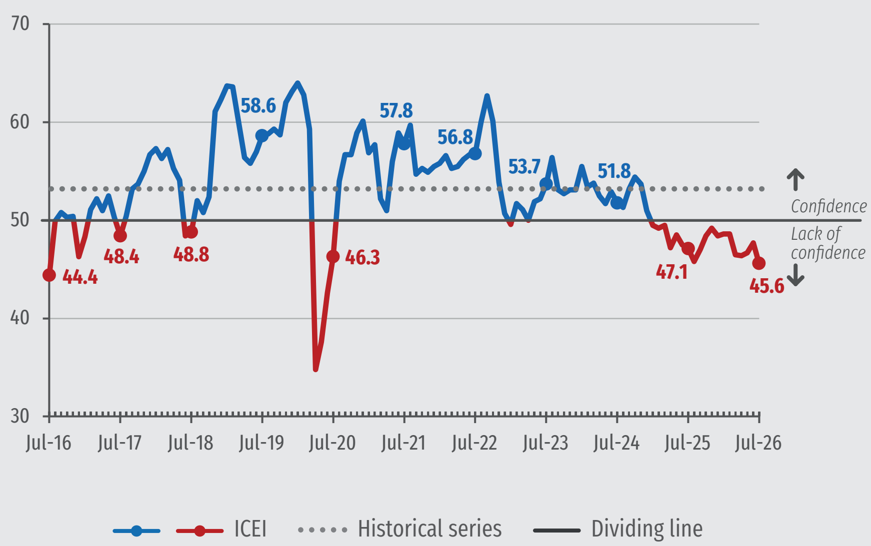
Construction ICEI

Indices (0 to 100 points)*



Historic Series

Indices (0 to 100 points)*



*Values above 50 points indicate business confidence and the higher above 50 points, the greater and more widespread is the confidence. Values below 50 points indicate a lack of business confidence and the lower below 50 points, the greater and more widespread is the lack of confidence.

CONSTRUCTION INDUSTRY EXPECTATIONS IN JULY 2026

Business expectations turn negative in July

In July 2026, all Construction Industry expectation indices declined and crossed below the 50-point threshold, indicating expectations of a decrease over the next six months. This was the first time since April 2020, at the beginning of the Covid-19 pandemic, that all four indicators simultaneously moved from positive to negative territory.

The raw materials purchase expectation index recorded the largest decline among the indicators, falling by 4.5 points, from 52.8 points to 48.3 points. As a result, the indicator crossed below the 50-point threshold for the first time since September 2025, indicating expectations of reduced purchases of inputs and raw materials over the next six months.

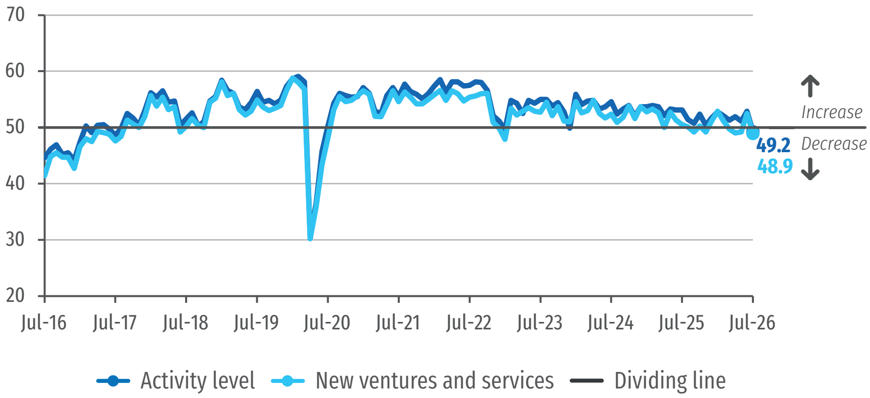
The activity level expectation index, in turn, fell by 3.7 points, from 52.9 points to 49.2 points. By crossing below the 50-point threshold, the indicator began to signal expectations of a decline in activity for the first time since December 2023.

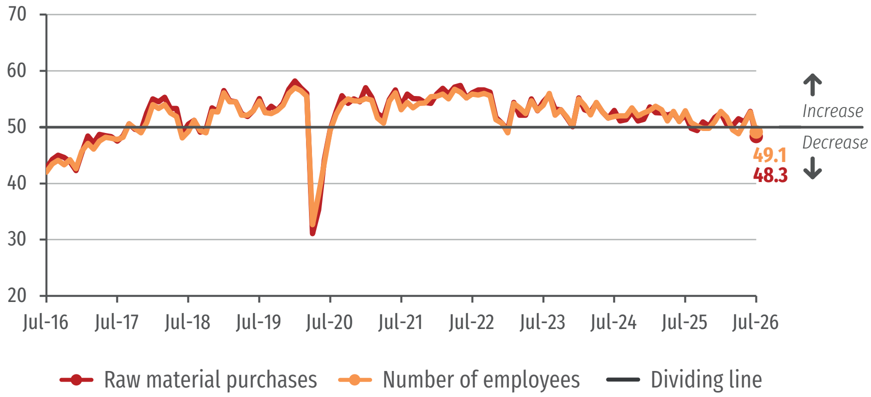
Similarly, the expectation index for the number of employees fell by 3.6 points, from 52.7 points to 49.1 points, while the new ventures and services expectation index also declined by 3.6 points, from 52.5 points to 48.9 points.

In both cases, the indicators crossed below the 50-point threshold, indicating expectations of a decrease in employment and in the launch of new ventures and services over the next six months.

Expectations indices

Indices (0 to 100 points)*





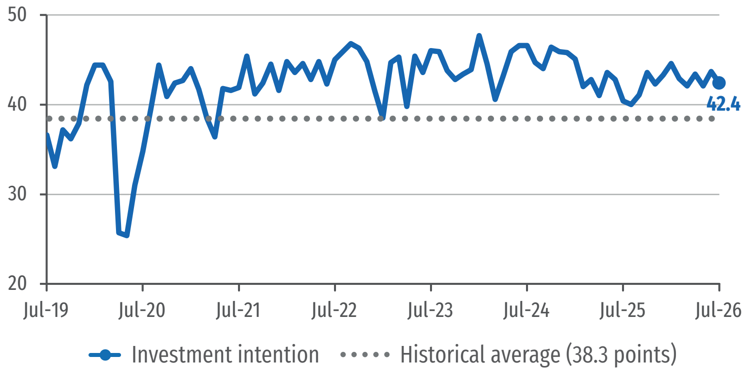
*Values above 50 points indicate an expectation of growth. Values below 50 points indicate an expectation of decline. The further away from 50 points, the greater and more widespread is the expected variation.

Investment intention declines again after increasing in the previous month

The Construction Industry investment intention index fell by 1.3 points in July 2026, from 43.7 points to 42.4 points. The indicator therefore reversed part of the increase recorded in the previous month but remained above its historical average of 38.4 points.

Investment intentions

Indices (0 to 100 points)*



*The higher the index, the greater the industry's propensity to invest.

RESULTS

Financial status in the quarter

	OPERATING PROFIT MARGIN			AVERAGE PRICE OF RAW MATERIALS			FINANCIAL STATUS			ACCESS TO CREDIT		
	Q2 2025	Q1 2026	**Q2 2026**	Q2 2025	Q1 2026	**Q2 2026**	Q2 2025	Q1 2026	**Q2 2026**	Q2 2025	Q1 2026	**Q2 2026**
Survey	**42.5**	**41.3**	**41.7**	**60.9**	**68.4**	**66.2**	**45.0**	**45.0**	**45.2**	**38.6**	**37.7**	**39.3**
BY SIZE												
Small[1]	41.1	38.4	**40.6**	60.4	66.6	**63.1**	43.4	43.8	**44.2**	33.7	35.4	**31.9**
Medium[2]	41.9	38.9	**38.4**	61.2	67.8	**65.2**	44.9	42.6	**42**	42.3	41.8	**37.4**
Large[3]	43.4	43.7	**44**	60.9	69.4	**67.9**	45.7	46.8	**47.4**	38.3	36.1	**43.1**

Indicators range from 0 to 100 points. A score above 50 points indicates satisfaction with the operating profit margin and financial status, easy access to credit, or an increase in the average price of raw materials. A score below 50 points indicates dissatisfaction with the operating profit margin and financial status, difficult access to credit, or a decrease in the average price of raw materials.
1 - Company with 10 to 49 employees. 2 - Company with 50 to 249 employees. 3 - Company with 250 or more employees.

Main problems in the Construction Industry

	GENERAL			SMALL			MEDIUM			LARGE		
	Q1 2026	Q2 2026		Q1 2026	Q2 2026		Q1 2026	Q2 2026		Q1 2026	Q2 2026	
Items	%	%	Position	%	%	Position	%	%	Position	%	%	Position
High interest rates	34.9	**36.2**	1	37.1	**37.8**	2	28.9	**32.6**	1	42.9	**40.3**	1
High tax load	33.9	**33.6**	2	42.2	**42.9**	1	33.6	**27.3**	4	19.0	**29.9**	3
Lack or high cost of skilled workers	26.7	**28.9**	3	19.8	**26.1**	4	31.3	**30.3**	2	30.2	**31.3**	2
Lack or high cost of unskilled workers	28.3	**28.6**	4	31.0	**31.1**	3	28.1	**29.5**	3	23.8	**22.4**	4
Insufficient domestic demand	17.9	**17.3**	5	11.2	**10.9**	11	24.2	**20.5**	5	17.5	**22.4**	4
Excessive red tape	14.3	**16.7**	6	13.8	**20.2**	5	14.1	**15.9**	6	15.9	**11.9**	7
Unfair competition	12.1	**13.2**	7	10.3	**13.4**	6	17.2	**15.2**	7	4.8	**9.0**	11
Lack of working capital	11.1	**12.6**	8	11.2	**12.6**	7	7.8	**12.9**	8	17.5	**11.9**	7
Legal uncertainty	12.4	**11.9**	9	13.8	**11.8**	8	8.6	**9.1**	9	17.5	**17.9**	6
Client delinquency	9.4	**10.7**	10	7.8	**11.8**	8	11.7	**9.1**	9	7.9	**11.9**	7
Lack or high cost of raw materials	16.0	**10.1**	11	18.1	**11.8**	8	15.6	**7.6**	11	12.7	**11.9**	7
Lack of long-term funding	4.6	**5.7**	12	1.7	**5.0**	12	3.9	**6.1**	12	11.1	**6.0**	13
Environmental licensing	4.2	**5.7**	12	2.6	**3.4**	13	4.7	**6.1**	12	6.3	**9.0**	11
Difficulties in transport logistics	3.3	**4.1**	14	4.3	**2.5**	14	3.1	**5.3**	14	1.6	**4.5**	14
Lack or high cost of support equipment	2.3	**1.9**	15	3.4	**1.7**	16	2.3	**1.5**	15	0.0	**3.0**	15
Climatic conditions	6.2	**1.3**	16	9.5	**2.5**	14	4.7	**0.0**	18	3.2	**1.5**	16
Lack or high cost of energy	2.3	**1.3**	16	3.4	**1.7**	16	1.6	**0.8**	17	1.6	**1.5**	16
Land availability	0.0	**1.3**	16	0.0	**1.7**	16	0.0	**1.5**	15	0.0	**0.0**	18
Other	2.3	**0.9**	-	4.3	**0.0**	-	1.6	**0.8**	-	0.0	**3.0**	-
None	8.1	**9.4**	-	7.8	**7.6**	-	7.0	**12.9**	-	11.1	**6.0**	-

Note: In the survey, the entrepreneur is asked to mark up to three items that were real problems for his or her company. Thus, the sum of the percentages exceeds 100%.

RESULTS

Construction Industry performance

	CAPACITY UTILIZATION (%)[1]			ACTIVITY LEVEL VARIATION INDEX[2]			EFFECTIVE ACTIVITY LEVEL INDEX COMPARED TO USUAL LEVELS[3]			NUMBER OF EMPLOYEES VARIATION INDEX[2]		
	Jun-25	May-26	Jun-26	Jun-25	May-26	Jun-26	Jun-25	May-26	Jun-26	Jun-25	May-26	Jun-26
Survey	**67**	**67**	**67**	**48.6**	**49.1**	**47.2**	**43.2**	**43.3**	**42.9**	**48.1**	**48.5**	**47.9**
Small	58	61	**60**	44.5	48.7	**46.7**	39.1	41.5	**41.1**	43.7	45.1	**45.2**
Medium	64	63	**62**	48.8	48.5	**47.2**	41.4	41.0	**40.2**	49.0	47.4	**47.9**
Large	73	72	**73**	50.0	49.6	**47.4**	45.8	45.3	**45.2**	49.2	50.4	**48.9**

Expectations of the Construction Industry

	EXPECTATIONS INDICES[4]												INDEX OF INTENTION TO INVEST[5]		
	ACTIVITY LEVEL			NEW VENTURES AND SERVICES			INPUT AND RAW MATERIAL PURCHASE			NUMBER OF EMPLOYEES					
	Jul-25	Jun-26	Jul-26	Jul-25	Jun-26	Jul-26	Jul-25	Jun-26	Jul-26	Jul-25	Jun-26	Jul-26	Jul-25	Jun-26	Jul-26
Survey	**53.1**	**52.9**	**49.2**	**50.5**	**52.5**	**48.9**	**52.2**	**52.8**	**48.3**	**52.9**	**52.7**	**49.1**	**40.4**	**43.7**	**42.4**
Small	48.9	52.1	**51.3**	48.1	50.2	**51.1**	49.4	49.2	**50.0**	48.5	50.4	**49.2**	33.7	40.7	**41.0**
Medium	51.0	52.6	**48.5**	50.0	50.9	**46.8**	51.6	51.1	**46.9**	51.8	51.7	**48.3**	36.2	42.0	**38.0**
Large	55.9	53.4	**48.9**	51.6	54.2	**49.3**	53.5	55.1	**48.5**	55.1	54.2	**49.6**	45.3	45.8	**45.5**

Construction Industry Business Confidence Index and its components

	ICEI – CONSTRUCTION[6]			INDEX OF CURRENT CONDITIONS[7]			EXPECTATIONS INDEX[8]		
	Jul-25	Jun-26	Jul-26	Jul-25	Jun-26	Jul-26	Jul-25	Jun-26	Jul-26
Survey	**47.1**	**47.7**	**45.6**	**42.3**	**43.5**	**42.4**	**49.6**	**49.8**	**47.2**
Small	44.7	46.9	**47.6**	39.3	41.4	**43.3**	47.5	49.7	**49.8**
Medium	47.0	47.9	**46.2**	41.3	43.9	**42.1**	49.8	49.9	**48.2**
Large	48.1	47.9	**44.5**	44.0	44.1	**42.2**	50.1	49.9	**45.6**

1 - The indicator varies within the range from 0% to 100%. The series started in January 2012.
2 - The indicator varies within the range from 0 to 100. Values above 50 show an increase.
3 - The indicator varies within the range from 0 to 100. Values above 50 show higher activity than usual.
4 - The indicator varies within the range from 0 to 100. A score above 50 points indicates positive expectations.
5 - The indicator varies within the range from 0 to 100. The higher the value, the greater the intention to invest.
6 - The ICEI – Construction varies within the range from 0 to 100. A score above 50 points indicates the entrepreneur is confident.
7 - The indicator varies within the range from 0 to 100. A score above 50 points indicates a better status when compared to the last six months.
8 - The indicator varies within the range from 0 to 100. A score above 50 points indicates optimistic expectations for the next six months.

Technical specifications

Sample profile
321 companies: 121 small, 132 medium and 68 large.

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