

INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

CNI Brazilian National
Confederation
of Industry

High tax load remains as the biggest challenge faced by Industry throughout the year of 2025

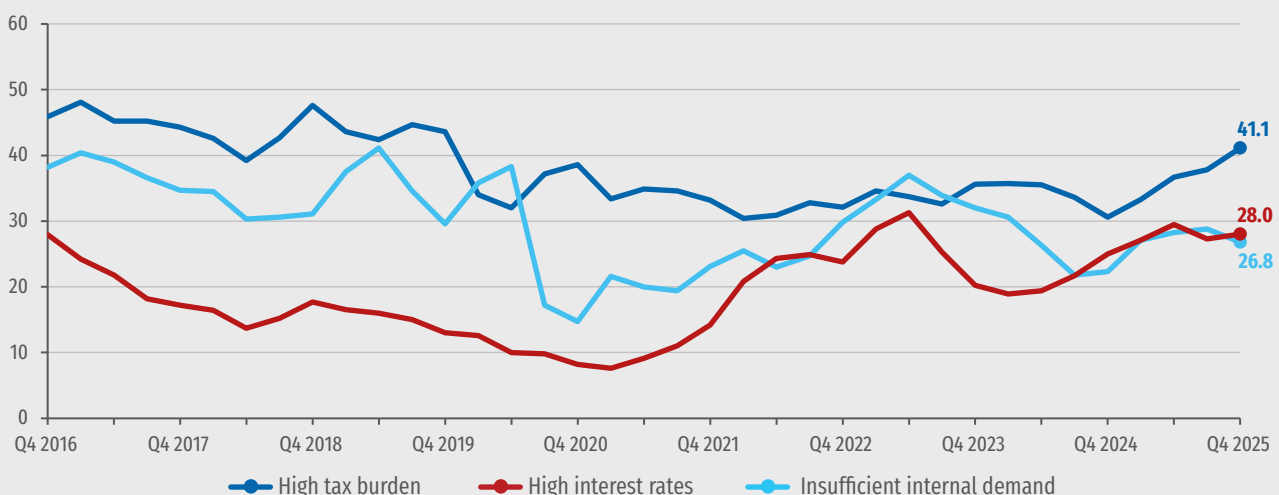
In December 2025, industrial activity retreated compared to the previous month, a typical movement for the period. However, it is worth noting that in December 2025, both industrial production and employment in the sector showed more intense decline than in the same month in previous years. Additionally, the Capacity Installed Utilization (UCI) also decreased, sitting at a lower level than observed in the two previous years. Furthermore, stocks fell, but industrial entrepreneurs still pointed to an inventory level above planned at the end of 2025.

In the fourth quarter of 2025, entrepreneurs highlighted, among the main problems faced by the sector, the high tax load, which commonly tops the ranking of main problems, high interest rates, and insufficient domestic demand.

Despite this, the evaluation of entrepreneurs on the financial conditions of the industry became less negative in the fourth quarter of 2025. Entrepreneurs no longer reported dissatisfaction with their company's financial situation that exceeded the line of 50 points, as well as progress in perceiving dissatisfaction with operational profit and greater ease of access to credit – although the latter still registered that difficulty was considered considerable.

Main problems faced by the Industry

Percentage of total industrial companies that point to the issue as one of the main challenges faced during the quarter (%)*



*In the survey, the entrepreneur is asked to mention up to three real problems for his or her company. Thus, the sum of the percentages exceeds 100%.

PERFORMANCE OF THE INDUSTRY IN DECEMBER 2025

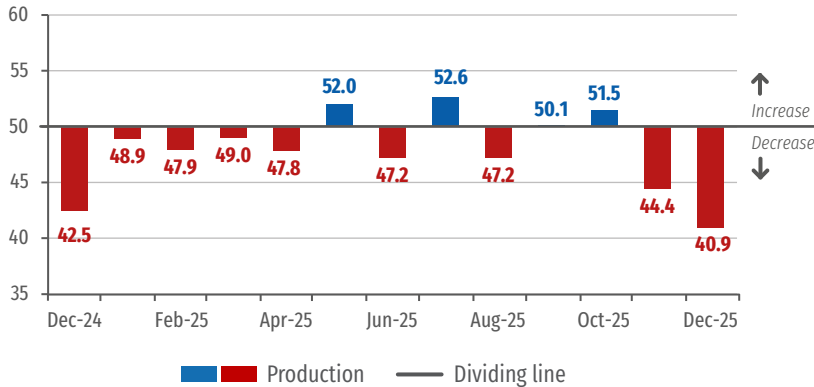
Decline in production and employment

The industrial production index fell to 40.9 points in December 2025. This decline in production from November to December is usual, but in 2025, it was especially intense and widespread: the index of industrial production for December 2025 is the lowest since 2018.

In December 2025, the number of employees evolution index stood at 46.9 points. Below 50 points, the indicator revealed a reduction in employment from November to December 2025. Although it's usual to see a decline in employment during this period of the year (indices below 50 points in December every year), the contraction observed in December 2025 was more pronounced than in the two previous years.

Production evolution

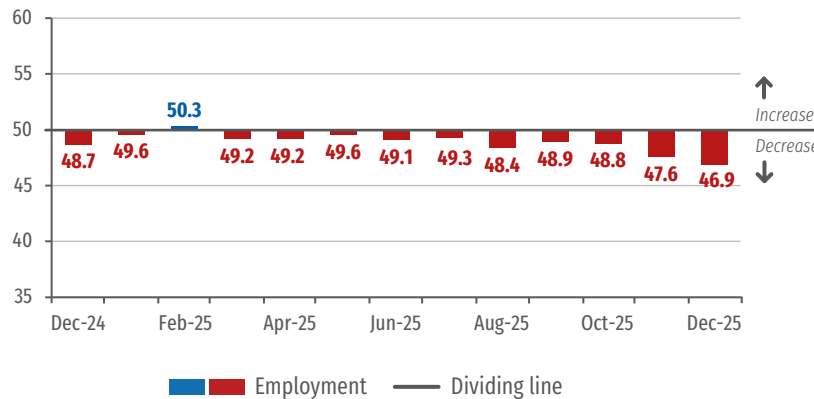
Diffusion index (0 to 100 points)*



*A score above 50 points indicates an increase in production compared to the previous month, while a score below 50 points indicates a decrease in production compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

Number of employees evolution

Diffusion index (0 to 100 points)*



*A score above 50 points indicates an increase in employment compared to the previous month, while a score below 50 points indicates a decrease in employment compared to the previous month. The further the point score is from 50 points, the greater and more widespread the variation.

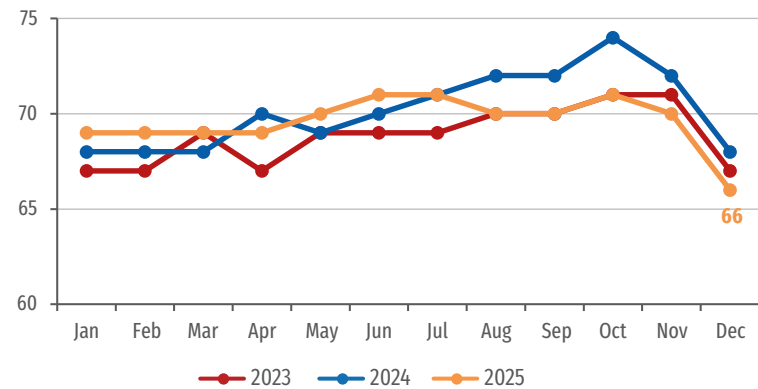


Decrease in Installed Capacity Utilization in December is the lowest since 2017

In December 2025, Capacity Installed Utilization (UCI) stood at 66%. On a monthly basis, UCI declined by 4 percentage points compared to November, when it had reached 70%. Although this drop is typical for the period, the result is the lowest for the month since 2017, when UCI stood at 64%.

Capacity Utilization

Percentage (%)



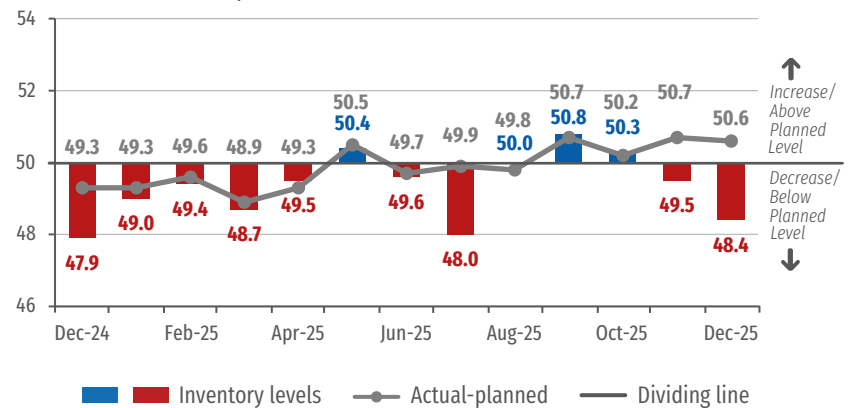
Despite the decrease in the month, stock levels are above the planned level

The industrial inventories decreased from 49.5 points to 48.4 points between November and December 2025. With the decrease, usual for the period, the index deviated from the dividing line of 50 points, indicating a more intense and widespread decrease in final products' inventory during the period.

At the same time, the effective inventory index against usual levels remained little changed (-0.1 point), staying at 50.6 points in the month. Since the index remains above 50 points, the result indicates that there is still an excess of stock levels compared to the planned level by companies, despite the more intense decrease in inventory.

Inventory evolution and actual to planned inventory evolution

Diffusion index (0 to 100 points)*



*A score above 50 points indicates an increase in inventory levels or that actual inventory is above planned levels. A score below 50 points indicates a decline in inventory levels or that actual inventory is below planned levels. The further the point score is from 50 points, the greater the change or the distance from planned levels.

FINANCIAL CONDITIONS OF THE INDUSTRY IN THE FOURTH QUARTER OF 2025

The industry saw less negative financial conditions in the fourth quarter of 2025

The satisfaction index with the financial situation of the industry showed an increase of 1.2 points from the third to the fourth quarter of 2025, passing from 48.9 to 50.1 points. This means that the industry's companies have left showing dissatisfaction with their financial situation.

In the same direction, the satisfaction index with operational profit rose 0.9 point in the fourth quarter of 2025, reaching 44.5 points. Although the third quarter index revealed that industry entrepreneurs continue to be dissatisfied with operational profits, the improvement from the previous quarter indicates a reduction in dissatisfaction.

The ease of access to credit index increased by 0.6 points, from 40.3 to 40.9 points. This represents the second consecutive increase in the index, which reached its highest value of the year. However, the index remains far below the dividing line, revealing great difficulty in accessing credit, even with the improvement between quarters indicating a perception of reduced difficulty.

Finally, the index of evolution of the average price of raw materials showed a variation of +0.1 point, passing from 55.2 to 55.3 points in the fourth quarter of 2025. Since the index remains above the dividing line of 50 points, it indicates that entrepreneurs still perceive an increase in prices of inputs and raw materials. It's worth noting that the index had recorded values above 60 points in the last quarter of 2024 (64.2 points) and the first quarter of 2025 (62.4 points), indicating a less intense and less widespread price increase.

Average price of raw materials

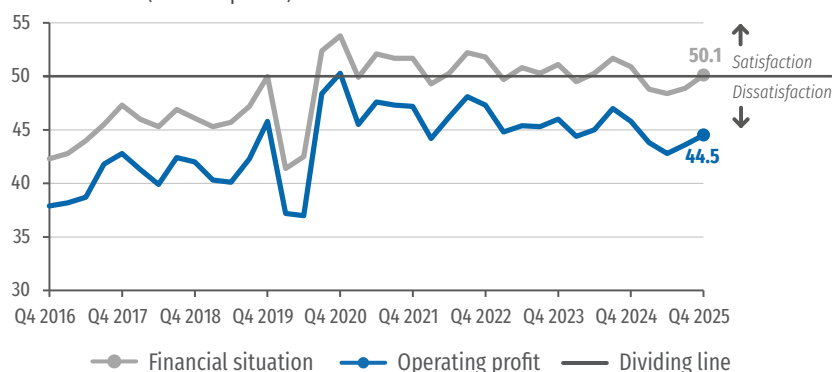
Diffusion index (0 to 100 points)*



*The index ranges from 0 to 100. A score above 50 points indicates an increase in the price of raw materials. A score below 50 points indicates a decrease in the price of raw materials.

Satisfaction with operating profit and financial situation

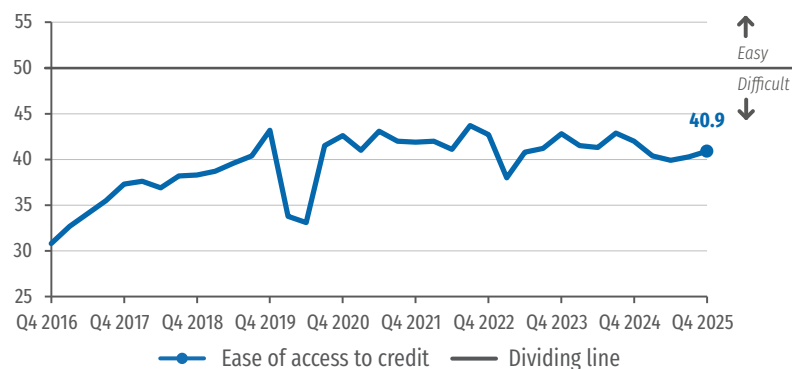
Diffusion index (0 to 100 points)*



*Satisfaction indices range from 0 to 100. A score above 50 points indicates satisfaction. A score below 50 indicates dissatisfaction.

Ease of access to credit

Diffusion index (0 to 100 points)*



*The index ranges from 0 to 100. A score above 50 points indicates easy access to credit. A score below 50 points indicates difficult access to credit.

CHALLENGES FACED BY THE INDUSTRY IN FOURTH QUARTER 2025

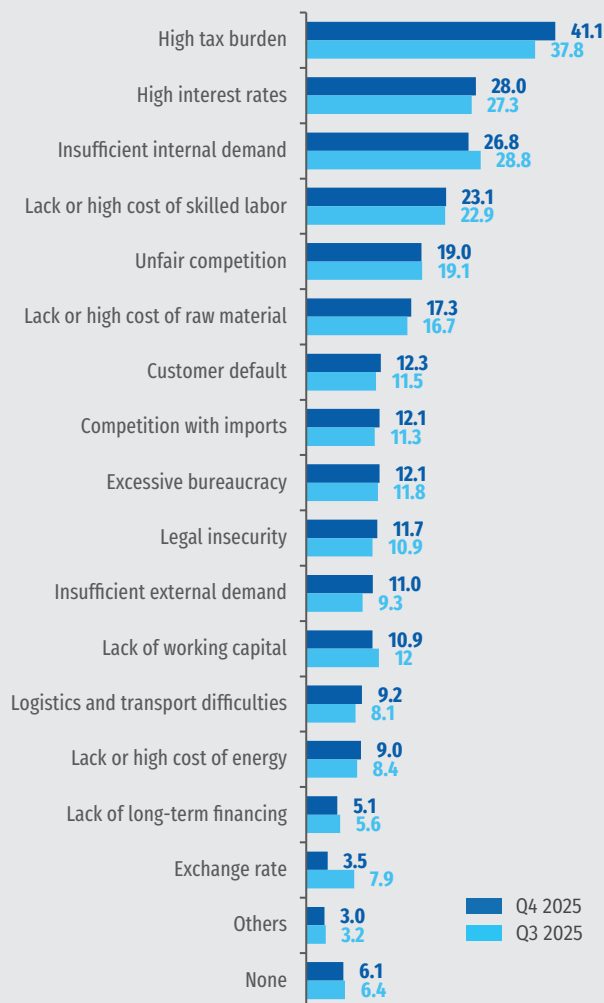
High tax load, high interest rates and lack of demand top the list of main problems

In the fourth quarter of 2025, the three main challenges faced by Brazilian industries remain the same as in the previous trimester. Maintaining their top spot, the high tax load is pointed out by 41.1% of the industries. Ranking second place is occupied by elevated interest rates (28%), and insufficient internal demand takes third place (26.8%) with a change in ranking from the previous trimester.

These problems occupy the top three positions in the main challenges ranking throughout all quarters of 2025.

In the fourth position is the lack or high cost of skilled workers, pointed out by 23.1% of the companies.

Main problems faced by the Industry in the quarter
Percentage of total industries (%)*



*In the survey, the entrepreneur is asked to mention up to three real problems for his or her company. Thus, the sum of the percentages exceeds 100%.

INDUSTRY EXPECTATIONS FOR JANUARY 2026

Expectations improve in January

All indices of expectations improved in the transition from December 2025 to January 2026, a typical move for this period.

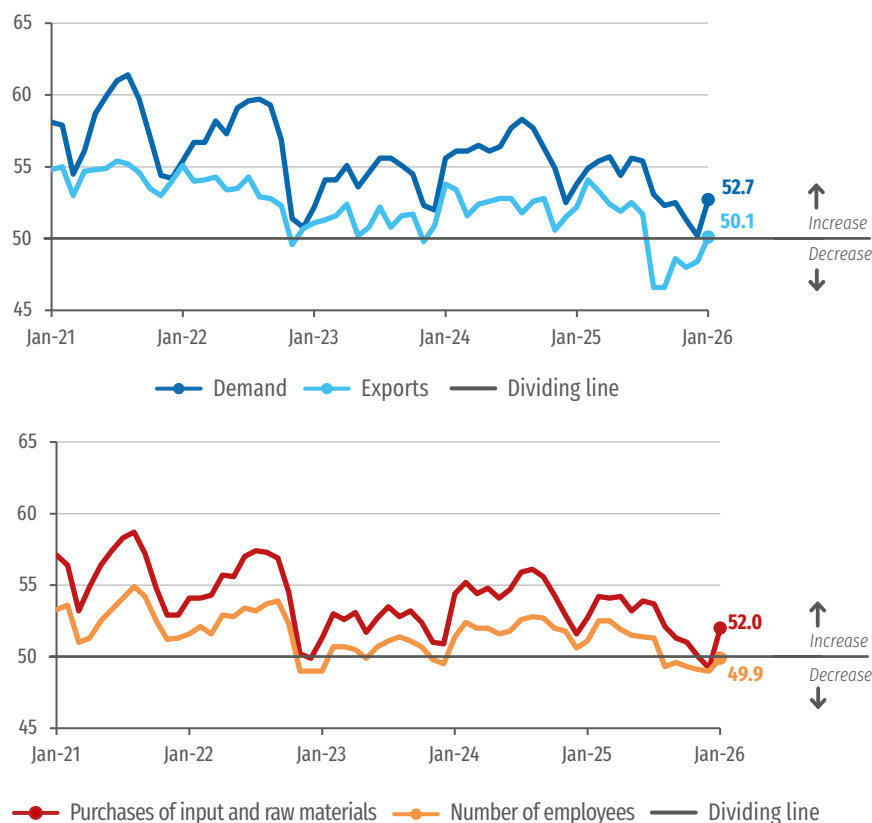
The index of expectation of demand increased by 2.5 points in January 2026, moving from 50.2 points to 52.7 points. The index was hovering near the dividing line and now has moved away from it, indicating that the expectation of moderate demand in the next six months has shifted to a more pronounced increase.

The expectation for the purchase of input and raw materials showed the largest improvement in the transition from December 2025 to January 2026, by 2.8 points, moving from 49.2 points to 52.0 points. Crossing the dividing line of 50 points, the expectations of entrepreneurs that previously pointed towards a decrease in purchases of raw materials and inputs for the next six months now indicate an increase in the rate of these acquisitions over the same period.

In contrast, the expectation index for the number of employees showed an increase of 0.9 point, moving from 49.0 in December to 49.9 points in January 2026. Although the index has remained below the dividing line of 50 points for six months, the increase in January brings it back near the dividing line.

Expectation indices

Diffusion index (0 to 100 points)*



*The indices vary from 0 to 100. Values above 50 indicate an expectation of growth. Values below 50 indicate an expectation of decline.

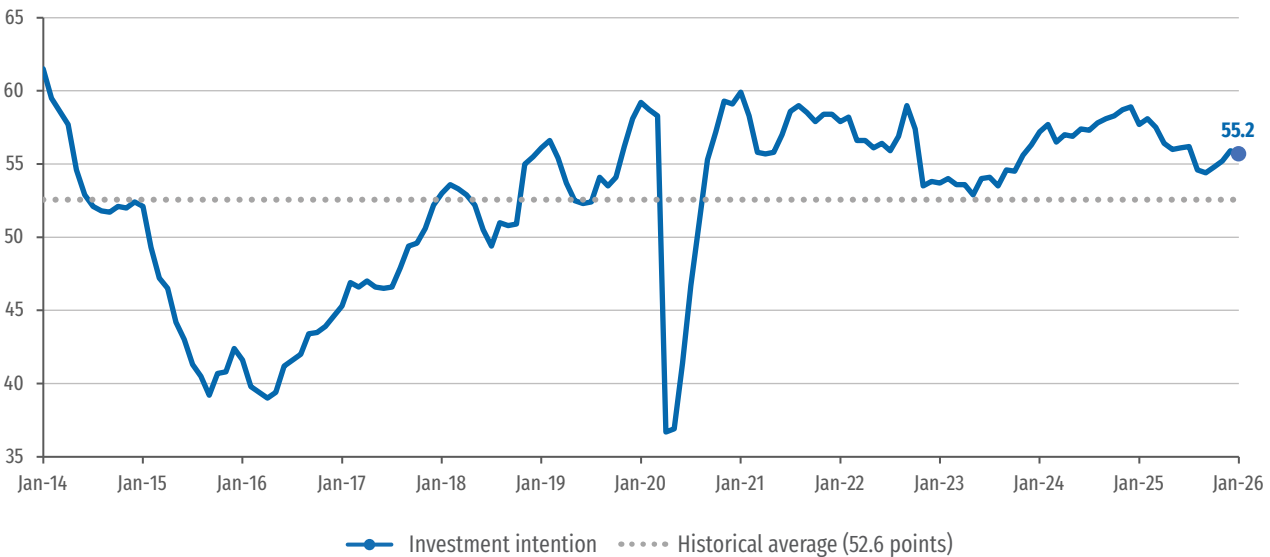
Finally, the index of expectation for export quantity showed an increase of 1.7 points, moving from 48.4 points in December 2025 to 50.1 points in January 2026. With this second consecutive increase, the index has broken above the dividing line of 50 points since August 2025. As a result, the index of expectation for export quantity over the next six months, previously largely negative, has shifted towards maintenance.

Industry's investment intentions shows slight decrease

The investment intention index for the industrial sector showed a 0.2 point drop from December to January 2026, moving back down from 55.9

points to 55.7 points. After interrupting its three consecutive high streaks, the indicator starts the year 2.0 points below the value recorded in January 2025, when it marked 57.7 points.

Investment intention Diffusion index (0-100 points)*



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



RESULTS

Financial conditions in the quarter

OPERATING PROFIT MARGIN				AVERAGE PRICE OF RAW MATERIALS			FINANCIAL SITUATION			ACCESS TO CREDIT		
	Q4 2024	Q3 20-25	Q4 2025	Q4 2024	Q3 20-25	Q4 2025	Q4 2024	Q3 20-25	Q4 2025	Q4 2024	Q3 20-25	Q4 2025
Total	45.8	43.6	44.5	64.2	55.2	55.3	50.9	48.9	50.1	42.0	40.3	40.9
BY INDUSTRIAL ACTIVITY												
Mining and quarrying	46.5	45.4	45.9	59.3	57.8	55.1	51.3	56.1	50.5	48.0	44.8	47.0
Manufacturing	45.7	43.6	44.4	64.4	55.2	55.3	50.8	48.6	50.0	41.8	40.1	40.7
BY COMPANY SIZE												
Small ¹	42.7	41.4	43.0	64.3	58.3	56.6	46.0	45.1	45.6	38.8	37.6	36.9
Medium ²	44.7	43.2	43.8	65.5	56.1	56.0	50.2	48.5	49.3	42.5	39.8	41.8
Large ³	47.9	45.0	45.6	63.4	53.2	54.3	53.6	51.0	52.7	43.3	42.0	42.5

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 Industry

	GENERAL			SMALL			AVERAGE			LARGE		
	Q3 2025	Q4 2025		Q3 2025	Q4 2025		Q3 2025	Q4 2025		Q3 2025	Q4 2025	
Items	%	%	Position	%	%	Position	%	%	Position	%	%	Position
High tax burden	37.8	41.1	1	40.7	41.6	1	36.5	45.4	1	34.6	34.1	1
High interest rates	27.3	28.0	2	26.4	26.9	3	27.1	25.0	3	28.9	33.8	2
Insufficient internal demand	28.8	26.8	3	26.1	23.5	4	29.6	28.7	2	32.2	29.9	3
Lack or high cost of skilled labor	22.9	23.1	4	25.3	28.4	2	23.9	21.3	4	17.5	16.8	5
Unfair competition	19.1	19.0	5	22.7	23.3	5	17.1	17.3	5	15.7	14.0	8
Lack or high cost of raw material	16.7	17.3	6	18.0	19.1	6	18.0	17.1	6	12.7	14.6	6
Customer default	11.5	12.3	7	15.3	16.7	7	9.6	10.1	12	7.5	7.9	14
Competition with imports	11.3	12.1	8	10.5	11.5	10	10.4	12.5	9	14.2	12.8	9
Excessive bureaucracy	11.8	12.1	8	11.7	11.6	9	11.6	14.3	7	12.0	10.1	11
Legal insecurity	10.9	11.7	10	8.8	8.7	12	11.0	13.2	8	14.5	14.6	6
Insufficient external demand	9.3	11.0	11	5.3	6.7	14	11.6	11.6	10	13.0	17.4	4
Lack of working capital	12.0	10.9	12	14.7	14	8	10.2	8.1	14	9.9	9.8	12
Logistics and transport difficulties	8.1	9.2	13	6.4	7.3	13	8.8	10.5	11	10.2	10.7	10
Lack or high cost of energy	8.4	9.0	14	10.3	10.9	11	7.8	10.1	12	6.0	4.3	16
Lack of long-term financing	5.6	5.1	15	4.6	4.5	15	5.5	3.9	15	7.5	7.6	15
Exchange rate	2.7	3.5	16	1.5	1.3	16	2.7	2.6	16	4.8	8.5	13
Others	3.2	3.0	-	1.7	1.6	-	4.3	4.2	-	4.2	3.7	-
None	6.4	6.1	-	6.1	4.5	-	6.7	5.9	-	6.3	9.1	-

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

RESULTS

Industry Performance

	PRODUCTION EVOLUTION			NUMBER OF EMPLOYEES EVOLUTION			CAPACITY UTILIZATION (%)			ACTUAL-USUAL CAPACITY UTILIZATION			INVENTORIES LEVELS EVOLUTION			ACTUAL-PLANNED INVENTORIES		
	Dec-24	Nov-25	Dec-25	Dec-24	Nov-25	Dec-25	Dec-24	Nov-25	Dec-25	Dec-24	Nov-25	Dec-25	Dec-24	Nov-25	Dec-25	Dec-24	Nov-25	Dec-25
Total	42.5	44.4	40.9	48.7	47.6	46.9	69	70	66	43.4	43.1	40.9	47.9	49.5	48.4	49.3	50.7	50.6
BY INDUSTRIAL ACTIVITY																		
Mining and quarrying	44.0	45.1	43.4	53.2	48.1	49.5	70	71	68	41.6	45.4	44.2	52.7	48.7	46.4	51.2	47.6	48.0
Manufacturing	42.5	44.5	40.9	48.6	47.5	46.8	69	70	66	43.5	43.0	40.8	47.7	49.5	48.4	49.2	50.8	50.7
BY COMPANY SIZE																		
Small ¹	44.0	46.6	41.8	48.2	48.1	46.6	64	65	61	43.9	44.3	41.3	47.7	48.0	45.4	46.2	46.7	46.7
Medium ²	42.7	44.6	41.6	49.1	46.3	47.3	68	68	65	42.3	42.7	41.2	49.9	50.4	49.8	49.4	49.8	50.3
Large ³	41.6	43.2	40.0	48.7	48.0	46.9	73	74	70	43.7	42.7	40.6	46.9	49.8	49.1	50.7	53.1	52.8

Indicators range from 0 to 100 points. A score above 50 points indicates an increase, above-planned inventories, or capacity utilization higher than usual. On the other hand, a score below 50 points suggests a decrease, lower-than-planned inventories, or a capacity utilization lower than usual.

1 - Company with 10 to 49 employees. 2 - Company with 50 to 249 employees. 3 - Company with 250 or more employees.

Industrial Expectations

	DEMAND			EXPORTS VOLUMES			PURCHASES OF RAW MATERIALS			NUMBER OF EMPLOYEES			INVESTMENT INTENTIONS*		
	Jan-25	Dec-25	Jan-26	Jan-25	Dec-25	Jan-26	Jan-25	Dec-25	Jan-26	Jan-25	Dec-25	Jan-26	Jan-25	Dec-25	Jan-26
Total	53.8	50.2	52.7	52.2	48.4	50.1	52.7	49.2	52.0	51.1	49.0	49.9	57.7	55.9	55.7
BY INDUSTRIAL ACTIVITY															
Mining and quarrying	53.3	55.1	56.2	55.4	59.4	56.3	46.9	52.2	55.3	54.3	49.0	50.1	57.7	59.3	58.4
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Medium ²	53.0	49.0	52.8	53.5	50.3	51.5	51.3	49.1	52.0	50.4	49.0	50.5	55.2	54.0	54.1
Large ³	55.0	51.0	52.7	52.6	48.9	50.6	54.2	49.7	52.4	52.2	49.2	49.8	65.8	64.2	63.9

Indicators range from 0 to 100 points. A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease.

*Indicator ranges from 0 to 100 points. The higher the index, the greater the industry's propensity to invest.

1 - Company with 10 to 49 employees. 2 - Company with 50 to 249 employees. 3 - Company with 250 or more employees.



Technical Specifications

Sample profile

1,341 enterprises, including 552 small, 459 medium and 330 large companies.

Collection period

January 5 to 14, 2026.

Document completed on January 23, 2026.



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