

# INDUSTRIAL SURVEY

ECONOMIC INDICATORS **CNI**

**CNI** Brazilian National Confederation of Industry

## High tax burden and high interest rates lead the ranking of main problems in the industry

In the first quarter of 2025, the main problems faced by the industry were, firstly, the high tax burden and, tied in second place, the problems of high interest rates and insufficient domestic demand. It is noteworthy that the lack of skilled workers, which rose to the fourth position in the ranking of main problems and has been slowly gaining greater importance in the ranking over the last five years.

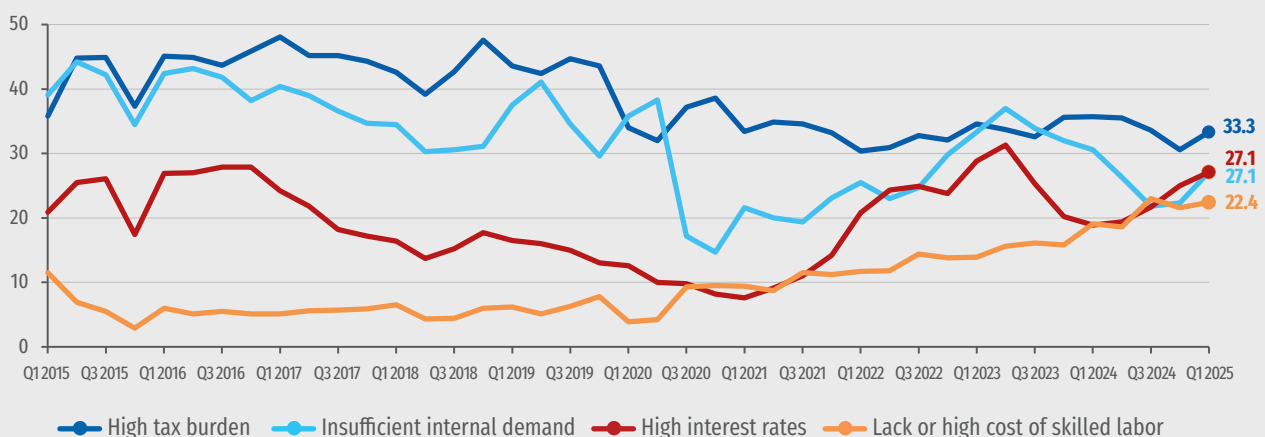
In addition, in the first quarter of 2025, industrial entrepreneurs reported greater dissatisfaction with financial conditions, compared to the fourth quarter of 2024.

From February to March in 2025, the industry recorded a drop in production and employment, in the worst performance of these indicators for a month of March in the last five years.

Despite the relatively weak performance in the month, the use of the industry's installed capacity in March was one percentage point above that recorded in the same month of 2024, as was the case in the other months of 2025, revealing that the sector's activity remains relatively high. In addition, the industry's finished product inventories fell in March and moved further below the level planned by industrial companies, suggesting the possibility of increasing future production with the aim of replenishing stocks.

### Four main problems of the industry in the first quarter of 2025

Percentage of total industrial companies that point out the problem as one of the three main ones faced in the quarter (%)



## PERFORMANCE OF THE INDUSTRY IN MARCH 2025

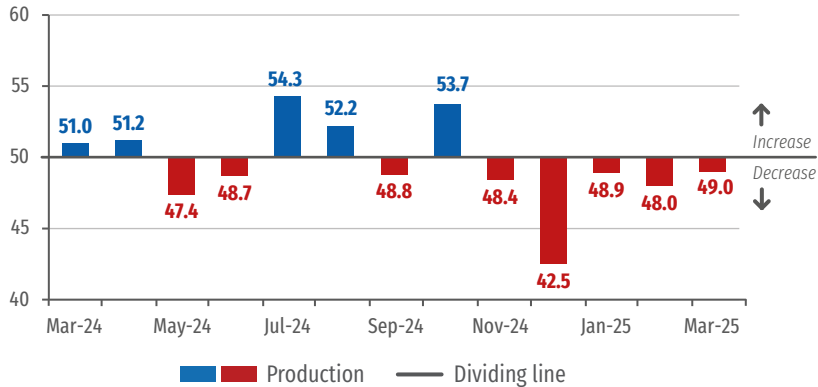
### Industrial activity performance reduces in March

The production evolution index was 49.0 points in March. Below the dividing line of 50 points, it indicates a perception of a decrease in production compared to February, in the view of entrepreneurs. Usually, the index is above the dividing line in March, indicating an increase in production; the last year in which the index was below 50 points in March was 2020.

The employment evolution index was 49.2 points in March. Below the dividing line of 50 points, it indicates a perception of a decrease in the number of industry employees compared to February. Although relatively close to 50 points, the index is the lowest for March since 2020.

#### Production Evolution

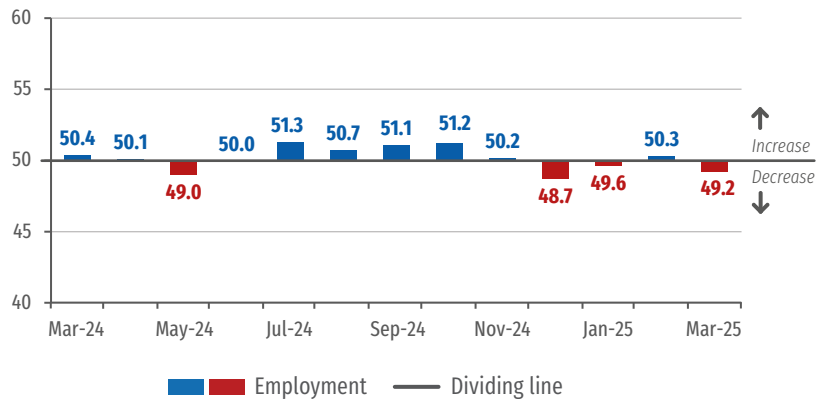
Diffusion index (0 to 100 points)\*



\*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.

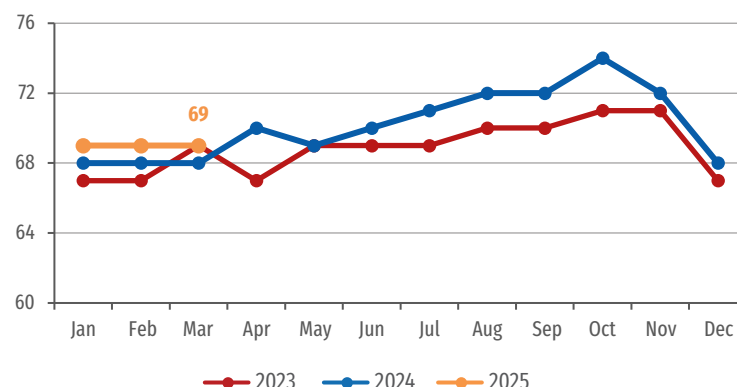


## Use of installed capacity in 2025 continues to surpass 2024

In March 2025, the use of installed capacity (UCI) remained unchanged at 69%. The value is one percentage point higher than the UCI recorded in March 2024. Throughout the first quarter of 2025, the use of capacity exceeded that recorded in the same period of 2024.

### Capacity Utilization

Percentage (%)



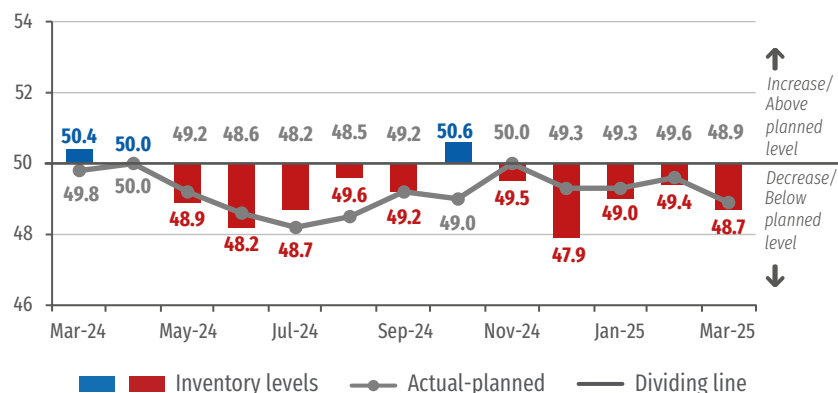
## Industry's finished product inventory falls and moves away from the level planned by companies

In March 2025, the inventory level evolution index was 48.7 points, significantly below the dividing line of 50 points, indicating a contraction in industry stocks compared to February.

With the fall in stocks, the actual-planned stock index, which compares the level of stock of industrial companies observed at the end of the month to the level of stock planned (or desired) by companies, fell from 49.6 points in February 2025 to 48.9 points in March 2025. As it moves away from the dividing line of 50 points, it shows that industry stocks ended March even further below what was planned by companies.

### 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 1<sup>ST</sup> QUARTER OF 2025

### Industry sees worsening financial conditions in the first quarter of 2025

In the first quarter of 2025, the satisfaction index with the financial situation of the industry fell 2.1 points, from 50.9 points to 48.8 points. As it crossed the dividing line of 50 points to a value below this line, the index shows a transition from satisfaction to dissatisfaction of industrial companies with their financial situation, from the fourth quarter of 2024 to the first quarter of 2025.

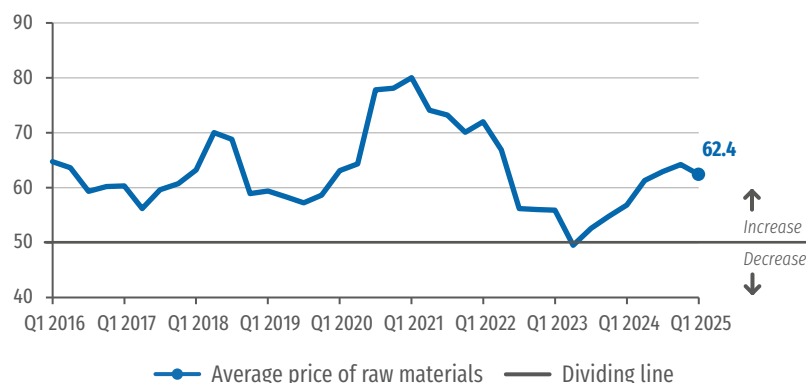
The satisfaction index with operating profit fell 2.0 points between the fourth quarter of 2024 and the first quarter of 2025, from 45.8 points to 43.8 points. As it moves further below 50 points, the index reveals a deepening dissatisfaction with operating profit.

In the same direction, the industry points to a decrease in the ease of access to credit. The ease of access to credit index fell 1.6 points, from 42 points to 40.4 points, demonstrating greater difficulty for the industry in obtaining financing in the first quarter of 2025, compared to the fourth quarter of 2024. The index is the lowest since the first quarter of 2023.

The average price evolution index of raw materials fell 1.8 points to 62.4 points in the first quarter of 2025. As the index remains above the dividing line of 50 points, it indicates that the perception of entrepreneurs is of rising prices of inputs and raw materials, but the fall of the index compared to the fourth quarter of 2024 shows that the perception of entrepreneurs is of a less intense and widespread price increase than in the previous quarter.

#### Average price of raw materials

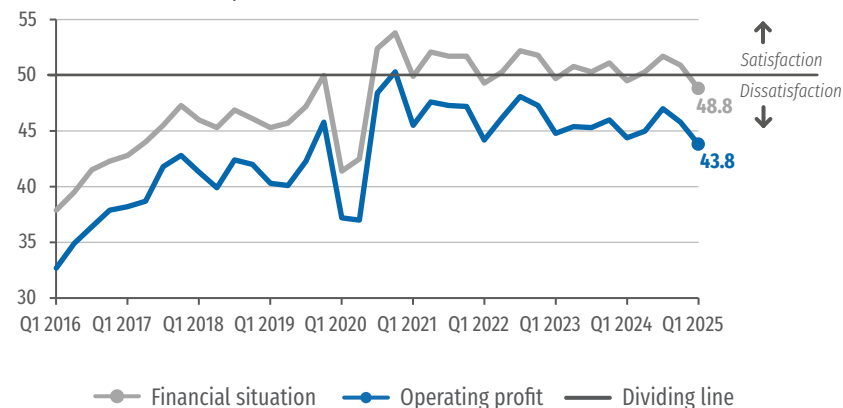
Diffusion index (0 to 100 points)\*



\*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

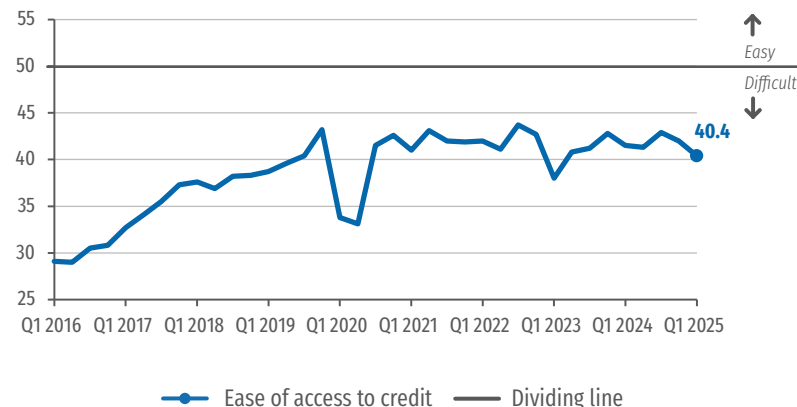
Diffusion index (0 to 100 points)\*



\*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.

## PROBLEMS FACED BY THE INDUSTRY IN THE 1<sup>ST</sup> QUARTER OF 2025

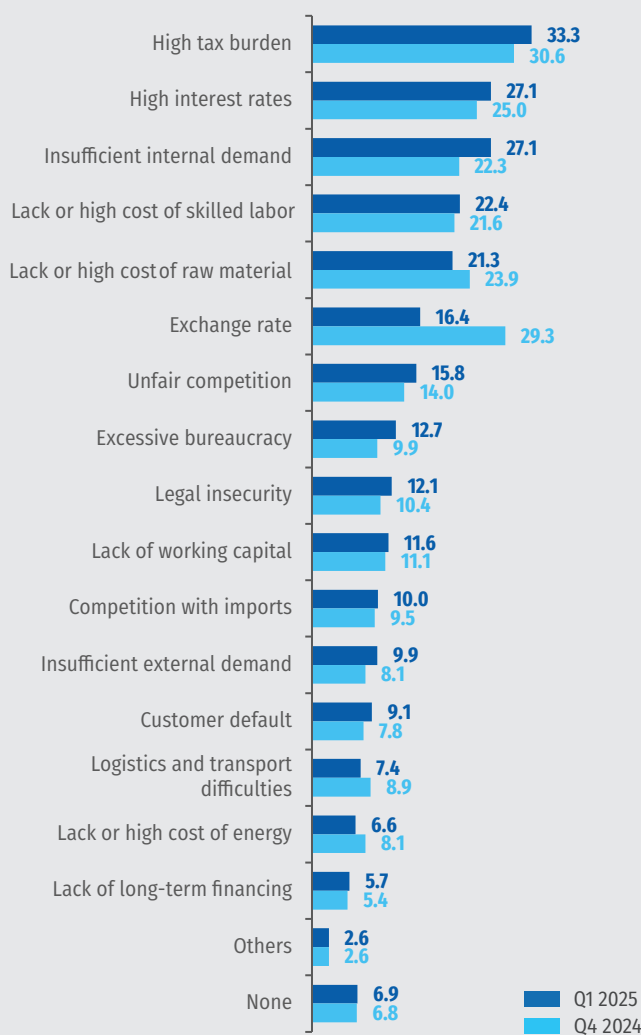
### Concerns about lack of demand and high interest rates increased in the quarter

In the first quarter of 2025, the main problem faced by the Brazilian industry was the high tax burden, pointed out by 33.3% of the companies. High interest rates and insufficient domestic demand also grew and are now tied for second place, with 27.1% of industrial companies pointing out these problems. The problem of insufficient domestic demand rose from fifth place to a tie for second place between the fourth quarter of 2024 and the first quarter of 2025, while the interest rate moved from third position to a tie for second place in the same period. It is important to differentiate that while the percentage of companies pointing out insufficient domestic demand is below its historical average, the opposite occurs with the percentage of companies pointing out high interest rates.

In fourth place is the problem of lack or high cost of skilled workers (pointed out by 22.4% of companies). Between the fourth quarter of 2024 and the first quarter of 2025, this problem rose from 6th to 4th place in the ranking of main problems. This problem has been persistently growing in the ranking of main problems of the industry over the last five years.

On the other hand, a problem that fell significantly in the ranking of main problems of industrial companies was the exchange rate, which moved from 2nd to 6th place between the fourth quarter of 2024 and the first quarter of 2025.

**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 IN APRIL 2025

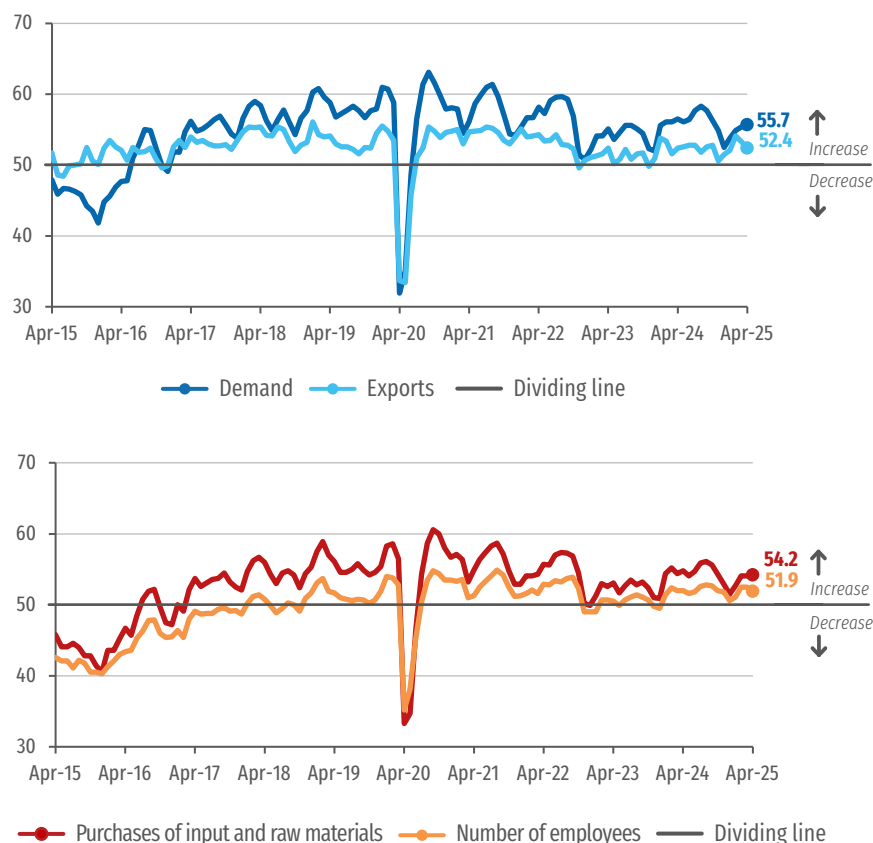
### Export expectations retreat, but remain positive

In April 2025, the expectation index of Brazilian industrial entrepreneurs for the volume of exports from their companies over the next six months fell, as did the expectation index for the number of employees. The expectation indices related to demand and the purchase of raw materials remained practically stable in the same period.

Despite the fall in the expectation indices for exports and the number of employees, all entrepreneurs' expectations remain positive. That is, entrepreneurs expect an increase in demand, the purchase of inputs and raw materials, exports, and the number of employees over the next six months.

#### Expectation indices

Diffusion index (0 to 100 points)\*



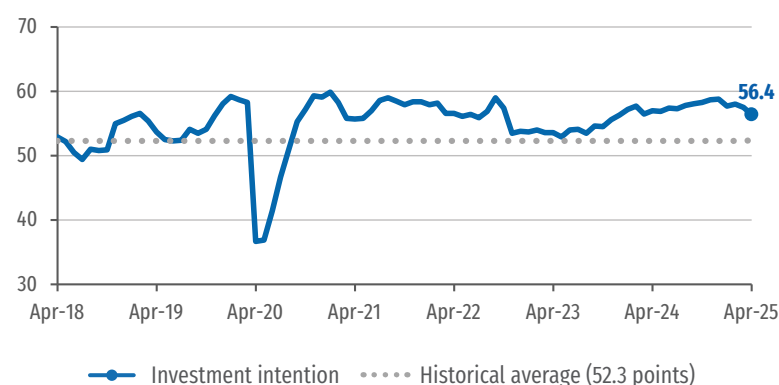
\*A score above 50 points indicates expectations of growth, while a score below 50 points indicates an expected decrease. The further the point score is from 50 points, the greater and more widespread the expected variation.

### Industry's investment intention falls for the second consecutive month

In April 2025, the industry's investment intention index fell for the second consecutive month: a drop of 1.1 points, to 56.4 points. Over the last two months, the industry's investment intention has accumulated a decline of 1.6 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		
	Q1 2024	Q4 2024	Q1 2025	Q1 2024	Q4 2024	Q1 2025	Q1 2024	Q4 2024	Q1 2025	Q1 2024	Q4 2024	Q1 2025
<b>Total</b>	<b>44.8</b>	<b>46.0</b>	<b>44.4</b>	<b>55.9</b>	<b>54.8</b>	<b>56.8</b>	<b>49.7</b>	<b>51.1</b>	<b>49.5</b>	<b>38.0</b>	<b>42.8</b>	<b>41.5</b>
<b>BY INDUSTRIAL SEGMENT</b>												
Mining and quarrying	51.1	53.0	<b>47.1</b>	57.3	56.9	<b>55.2</b>	58.6	54.4	<b>50.8</b>	46.7	48.3	<b>45.0</b>
Manufacturing	44.6	45.8	<b>44.2</b>	55.9	54.8	<b>56.9</b>	49.4	50.9	<b>49.4</b>	37.5	42.5	<b>41.3</b>
<b>BY SIZE</b>												
Small <sup>1</sup>	40.5	42.0	<b>39.8</b>	59.0	56.7	<b>57.7</b>	44.0	45.9	<b>43.8</b>	33.7	39.4	<b>37.6</b>
Medium <sup>2</sup>	43.3	45.2	<b>42.3</b>	57.4	55.7	<b>57.5</b>	48.8	50.3	<b>48.3</b>	39.1	42.4	<b>42.3</b>
Large <sup>3</sup>	47.7	48.5	<b>47.7</b>	53.6	53.4	<b>56.0</b>	53.0	54.0	<b>52.9</b>	39.5	44.6	<b>43.0</b>

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		
	Q4 2024	Q1 2025		Q4 2024	Q1 2025		Q4 2024	Q1 2025		Q4 2023	Q1 2024	
<b>Items</b>	<b>%</b>	<b>%</b>	<b>Position</b>	<b>%</b>	<b>%</b>	<b>Position</b>	<b>%</b>	<b>%</b>	<b>Position</b>	<b>%</b>	<b>%</b>	<b>Position</b>
High tax burden	30.6	<b>33.3</b>	<b>1</b>	39.5	<b>38.3</b>	<b>1</b>	34.1	<b>34.4</b>	<b>1</b>	24.4	<b>30.3</b>	<b>1</b>
Insufficient internal demand	22.3	<b>27.1</b>	<b>2</b>	21.1	<b>26.8</b>	<b>2</b>	24.1	<b>32.2</b>	<b>2</b>	22.0	<b>24.5</b>	<b>3</b>
High interest rates	25.0	<b>27.1</b>	<b>2</b>	21.8	<b>24.7</b>	<b>3</b>	23.5	<b>25.3</b>	<b>3</b>	27.4	<b>29.3</b>	<b>2</b>
Lack or high cost of skilled labor	21.6	<b>22.4</b>	<b>4</b>	26.2	<b>22.9</b>	<b>5</b>	23.5	<b>23.2</b>	<b>4</b>	18.4	<b>21.8</b>	<b>5</b>
Lack or high cost of raw material	23.9	<b>21.3</b>	<b>5</b>	22.3	<b>24.3</b>	<b>4</b>	27.2	<b>23.2</b>	<b>4</b>	23.0	<b>18.9</b>	<b>6</b>
Exchange rate	29.3	<b>16.4</b>	<b>6</b>	19.3	<b>8.2</b>	<b>11</b>	25.0	<b>13.2</b>	<b>7</b>	36.6	<b>22.1</b>	<b>4</b>
Unfair competition	14.0	<b>15.8</b>	<b>7</b>	21.6	<b>22.4</b>	<b>6</b>	14.8	<b>13.9</b>	<b>6</b>	9.8	<b>13.6</b>	<b>9</b>
Excessive bureaucracy	9.9	<b>12.7</b>	<b>8</b>	10.5	<b>11.0</b>	<b>9</b>	12.6	<b>10.2</b>	<b>10</b>	8.1	<b>14.9</b>	<b>7</b>
Legal insecurity	10.4	<b>12.1</b>	<b>9</b>	9.0	<b>6.6</b>	<b>13</b>	11.9	<b>11.9</b>	<b>8</b>	10.3	<b>14.9</b>	<b>7</b>
Lack of working capital	11.1	<b>11.6</b>	<b>10</b>	13.6	<b>15.5</b>	<b>7</b>	10.7	<b>11.5</b>	<b>9</b>	10.0	<b>9.8</b>	<b>12</b>
Competition with imports	9.5	<b>10.0</b>	<b>11</b>	8.0	<b>7.9</b>	<b>12</b>	7.8	<b>9.7</b>	<b>11</b>	11.1	<b>11.2</b>	<b>11</b>
Insufficient external demand	8.1	<b>9.9</b>	<b>12</b>	4.8	<b>5.9</b>	<b>14</b>	6.9	<b>7.6</b>	<b>14</b>	10.3	<b>13.0</b>	<b>10</b>
Customer default	7.8	<b>9.1</b>	<b>13</b>	10.2	<b>14.6</b>	<b>8</b>	6.9	<b>8.9</b>	<b>12</b>	7.0	<b>6.4</b>	<b>14</b>
Logistics and transport difficulties	8.9	<b>7.4</b>	<b>14</b>	6.1	<b>4.4</b>	<b>16</b>	9.6	<b>7.6</b>	<b>14</b>	10.0	<b>8.8</b>	<b>13</b>
Lack or high cost of energy	8.1	<b>6.6</b>	<b>15</b>	12.5	<b>10.4</b>	<b>10</b>	7.4	<b>8.6</b>	<b>13</b>	6.2	<b>3.7</b>	<b>16</b>
Lack of long-term financing	5.4	<b>5.7</b>	<b>16</b>	5.1	<b>4.9</b>	<b>15</b>	6.5	<b>5.2</b>	<b>16</b>	4.9	<b>6.4</b>	<b>14</b>
Others	2.6	<b>2.6</b>	-	1.8	<b>1.5</b>	-	2.0	<b>3.0</b>	-	3.3	<b>2.9</b>	-
None	6.8	<b>6.9</b>	-	5.9	<b>7.7</b>	-	5.4	<b>6.3</b>	-	7.9	<b>6.9</b>	-

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		
	Mar-24	Feb-25	Mar-25	Mar-24	Feb-25	Mar-25	Mar-24	Feb-25	Mar-25	Mar-24	Feb-25	Mar-25	Mar-24	Feb-25	Mar-25	Mar-24	Feb-25	Mar-25
<b>Total</b>	<b>51.0</b>	<b>48.0</b>	<b>49.0</b>	<b>50.4</b>	<b>50.3</b>	<b>49.2</b>	<b>68</b>	<b>69</b>	<b>69</b>	<b>43.8</b>	<b>44.7</b>	<b>43.6</b>	<b>50.4</b>	<b>49.4</b>	<b>48.7</b>	<b>49.8</b>	<b>49.6</b>	<b>48.9</b>
<b>BY INDUSTRIAL ACTIVITY</b>																		
Mining and quarrying	47.0	50.1	<b>51.2</b>	50.1	54.8	<b>52.1</b>	74	71	<b>71</b>	46.5	44.2	<b>42.5</b>	53.2	50.4	<b>51.5</b>	57.7	54.8	<b>55.5</b>
Manufacturing	51.0	47.8	<b>48.8</b>	50.4	50.1	<b>49.1</b>	68	68	<b>69</b>	43.7	44.7	<b>43.7</b>	50.3	49.3	<b>48.5</b>	49.6	49.4	<b>48.6</b>
<b>BY COMPANY SIZE</b>																		
Small <sup>1</sup>	46.4	44.4	<b>45.4</b>	47.5	48.2	<b>47.7</b>	62	62	<b>62</b>	40.7	42.8	<b>41.6</b>	47.4	47.4	<b>46.2</b>	45.8	45.7	<b>44.7</b>
Medium <sup>2</sup>	50.4	48.0	<b>48.2</b>	50.7	49.9	<b>49.6</b>	67	68	<b>67</b>	43.4	43.4	<b>42.8</b>	51.1	50.2	<b>49.6</b>	49.6	49.8	<b>49.3</b>
Large <sup>3</sup>	53.6	49.7	<b>51.2</b>	51.7	51.5	<b>49.8</b>	72	72	<b>73</b>	45.6	46.3	<b>45.1</b>	51.6	49.9	<b>49.4</b>	51.8	51.4	<b>50.7</b>

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*		
	Apr-24	Mar-25	Apr-25	Apr-24	Mar-25	Apr-25	Apr-24	Mar-25	Apr-25	Apr-24	Mar-25	Apr-25	Apr-24	Mar-25	Apr-25
<b>Total</b>	<b>56.5</b>	<b>55.4</b>	<b>55.7</b>	<b>52.4</b>	<b>53.3</b>	<b>52.4</b>	<b>54.8</b>	<b>54.1</b>	<b>54.2</b>	<b>52.0</b>	<b>52.5</b>	<b>51.9</b>	<b>57.0</b>	<b>57.5</b>	<b>56.4</b>
<b>BY INDUSTRIAL ACTIVITY</b>															
Mining and quarrying	56.7	55.7	<b>52.6</b>	50.0	59.0	<b>52.4</b>	52.0	58.7	<b>52.7</b>	55.2	56.3	<b>53.3</b>	65.7	62.9	<b>56.5</b>
Manufacturing	56.4	55.3	<b>55.7</b>	52.4	53.0	<b>52.2</b>	54.8	53.9	<b>54.2</b>	51.9	52.4	<b>51.8</b>	56.7	57.2	<b>56.4</b>
<b>BY COMPANY SIZE</b>															
Small <sup>1</sup>	54.6	53.5	<b>54.0</b>	50.0	53.0	<b>50.3</b>	53.1	51.9	<b>52.1</b>	50.0	50.5	<b>50.1</b>	42.7	43.2	<b>41.0</b>
Medium <sup>2</sup>	55.8	55.9	<b>55.6</b>	54.1	54.2	<b>53.9</b>	53.8	53.8	<b>54.1</b>	51.9	52.5	<b>52.3</b>	57.1	55.9	<b>55.1</b>
Large <sup>3</sup>	57.8	56.1	<b>56.5</b>	52.7	52.9	<b>52.7</b>	56.1	55.3	<b>55.3</b>	53.1	53.5	<b>52.6</b>	64.0	65.5	<b>64.8</b>

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

1,522 enterprises, including 608 small, 538 medium and 376 large companies.

#### Collection period

April 1 to 10, 2025.

Document completed on April 22, 2025.



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