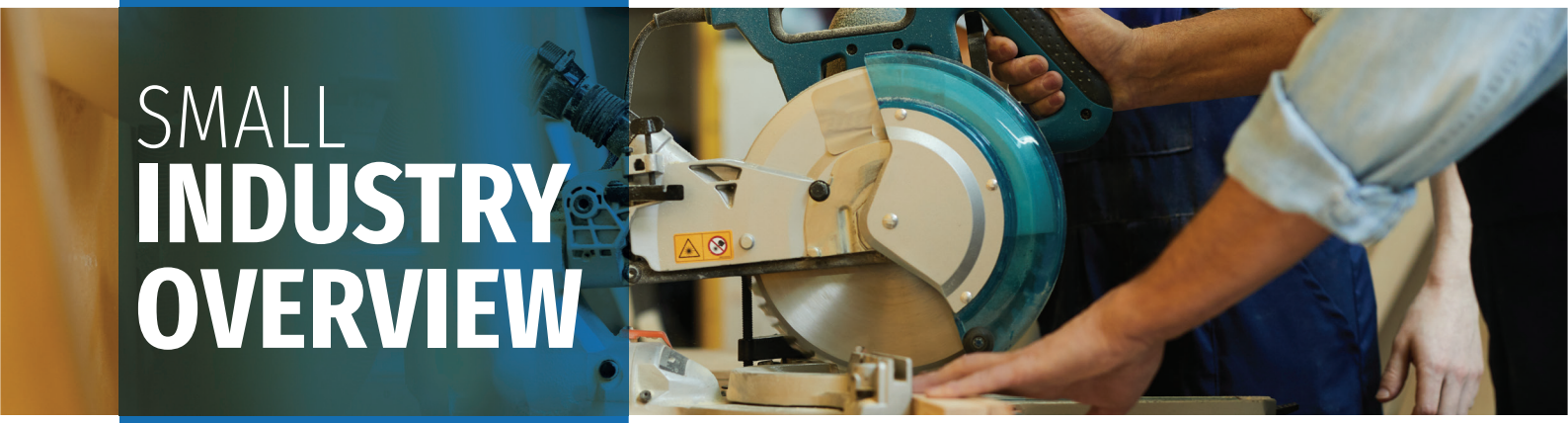
SMALL INDUSTRY OVERVIEW



ECONOMICINDICATORS CNI

CNI Brazilian National Confederation of Industry

Confidence among small-scale industries remains in negative territory for 23 months

The Industrial Entrepreneur Confidence Index (ICEI) for small-sized businesses registered 46.8 points in October 2026, remaining below the 50-point threshold for 23 consecutive months.

Meanwhile, the Performance and Financial Situation Indices for small-scale industries both fell by 0.9 point in the third quarter compared to the second quarter of 2026. The former declined from 45.2 to 44.3 points, while the latter fell from 39.4 to 38.5 points. Both indicators remain close to their historical averages, but below their respective historical averages for the third quarter.

The Prospects Index, which registered 46.6 points, also remained close to its historical average of 47.1 points, having fluctuated around this level since September 2025. Unlike the Performance and Financial Situation Indices, it recorded a slight increase compared to the previous month, indicating moderate expectations among entrepreneurs.

The main problem cited by small-sized companies in the third quarter of 2026 continued to be the high tax

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

Diffusion indices (0-100 points)

Performance*	Q3 2025	Q3 2026	Historical average
	46.3	44.3	44.2
Financial situation*	**Q3 2025**	**Q3 2026**	**Historical average**
	41.0	38.5	38.8

Prospects*	Oct-2025	Oct-2026	Historical average
	46.8	46.6	47.1
Confidence Index - ICEI**	**Oct-2025**	**Oct-2026**	**Historical average**
	46.7	46.8	52.0

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

burden, both in manufacturing and construction industries. Insufficient domestic demand stood out in both industrial segments: in manufacturing, it moved from sixth to second place in the ranking, increasing by 3.7 percentage points; in construction, it advanced from eleventh to sixth place, increasing by 4.5 percentage points. In construction, high interest rates remained the second main problem.

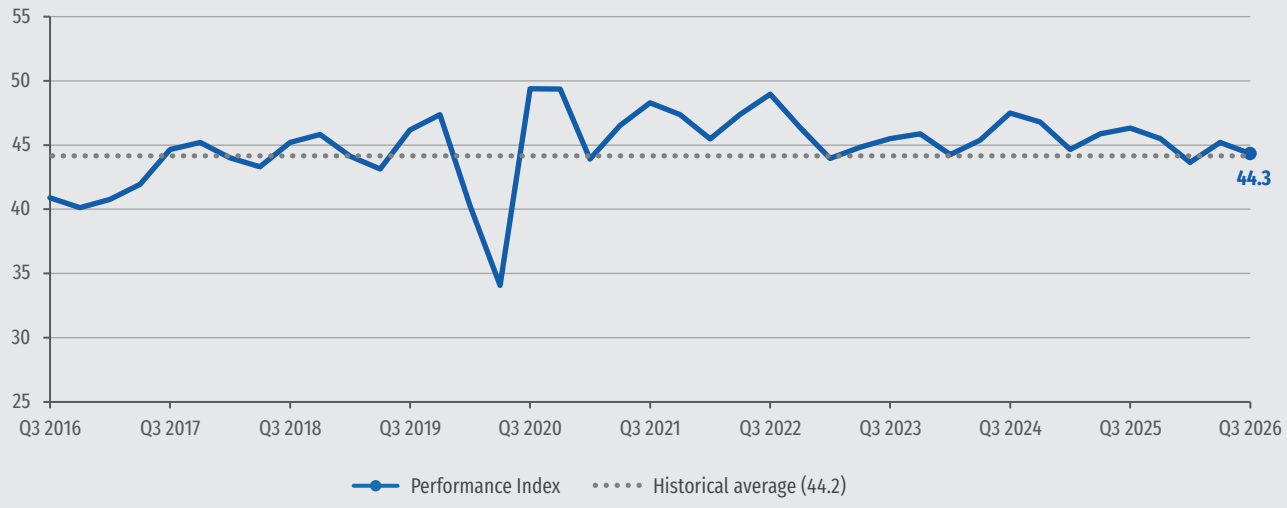
PERFORMANCE OF SMALL INDUSTRIES IN THE THIRD QUARTER OF 2026

Small Industries Performance Index falls 2 points compared to the same period of 2025

In the third quarter of 2026, the Small Industries Performance Index registered an average of 44.3 points, a decline of 0.9 point compared to the previous quarter and 2 points compared to the same quarter of 2025. As a result, the indicator moved closer to its historical average of 44.2 points, although it remained below the historical average for the third quarters, which stands at 45.5 points.

The indicator is calculated using a weighted average of the production volume evolution index, or activity level in the case of the construction industry, effective installed capacity utilization relative to usual, or effective operational capacity utilization relative to usual in the case of the construction industry, and the employment evolution index. 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 quarter.
Note: The small industry performance index is a weighted average of the performance indices of the small extractive, manufacturing, and construction industries.

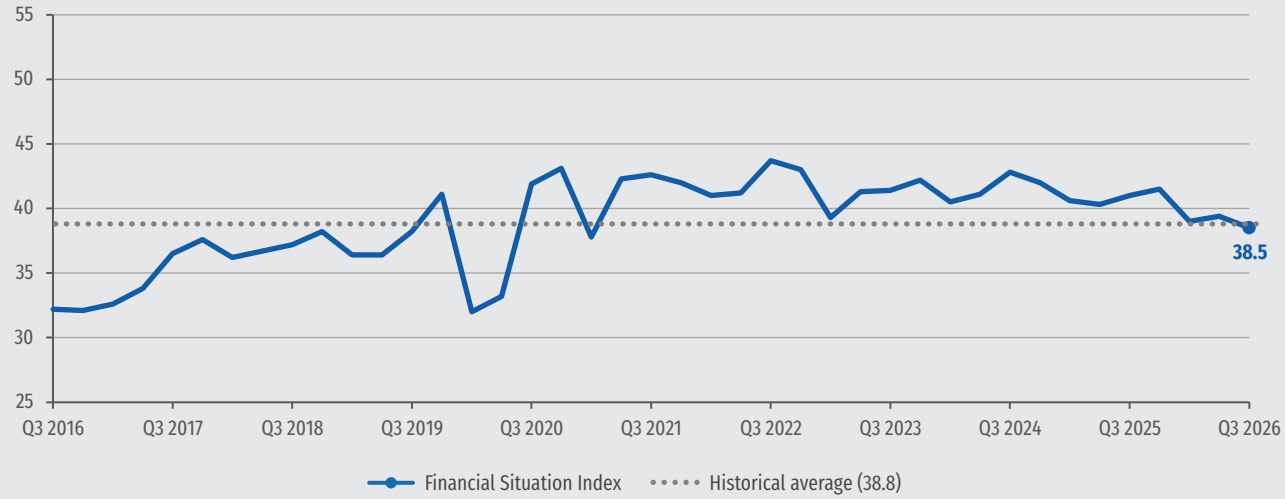
FINANCIAL SITUATION OF SMALL INDUSTRY IN THE THIRD QUARTER OF 2026

Financial Situation Index for small-scale industries records its lowest level since the first quarter of 2021

In the third quarter of 2026, the Financial Situation Index for small-scale industries registered 38.5 points, a decline of 0.9 point compared to the previous quarter and 2.5 points compared to the third quarter of 2025. In historical terms, the index stood 0.3 point below its average of 38.8 points, recording its lowest level since the first quarter of 2021.

The index is calculated by combining the satisfaction indices for operating profit margin and financial situation, as well as the ease of access to credit index. 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 FOR SMALL INDUSTRY IN THE THIRD QUARTER OF 2026

High tax burden remains the leading concern, while insufficient domestic demand gains importance in both industrial segments

In the third quarter of 2026, the main problem faced by small-scale industries, both in manufacturing and construction, continued to be the high tax burden. The issue gained importance compared to the previous quarter in both segments, with mentions increasing from 37.3% to 41.0% in manufacturing and from 42.9% to 43.6% in construction.

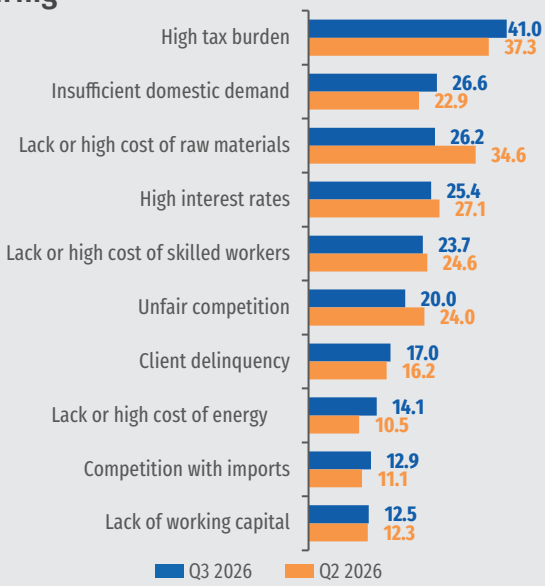
In manufacturing, insufficient domestic demand stood out, moving from sixth to second place in the ranking, with mentions increasing from 22.9% to 26.6%. In third place was the lack or high cost of raw materials, a problem faced by 26.2% of small-sized companies in the third quarter, compared to 34.6% in the previous quarter. This was followed by high interest rates, which ranked fourth, mentioned by 25.4% of entrepreneurs, down from 27.1% in the previous quarter.

In construction, high interest rates remained in second place, with mentions increasing from 37.8% to 39.3%. Labor-related issues also remained among the main obstacles faced by small-sized construction companies. The lack or high cost of unskilled labor continued to rank as the third main problem, with a slight decline in mentions from 31.1% to 29.1%. On the other hand, the lack or high cost of skilled workers recorded a slight increase in mentions, rising from 26.1% to 27.4%, and ranking fourth.

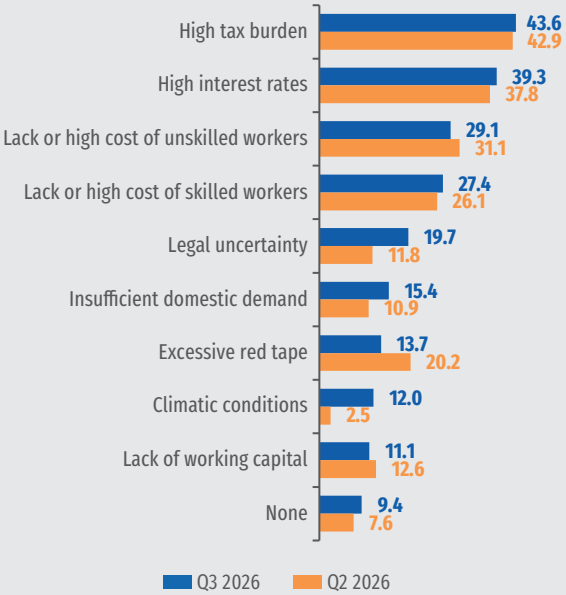
Main problems faced by Small Scale Industry*

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.

Other changes among the problems faced by small-sized companies also stood out. In manufacturing, the lack or high cost of skilled workers and unfair competition (informality, smuggling, etc.) lost importance, each falling one position in the ranking. The latter also recorded a 4-percentage-point decline during the period. In construction, two other problems stood out, each advancing five positions in the ranking: legal uncertainty moved from tenth to fifth place, increasing by 7.9 percentage points, while insufficient domestic demand advanced from eleventh to sixth place, increasing by 4.5 percentage points.

To gather information on the main problems, a list is presented to small industry entrepreneurs, from which they may indicate up to three items that represented the biggest problems faced by their companies in the reference quarter. For this reason, the sum of percentages may exceed 100%.

CONFIDENCE AND PROSPECTS OF SMALL INDUSTRY IN OCTOBER 2026

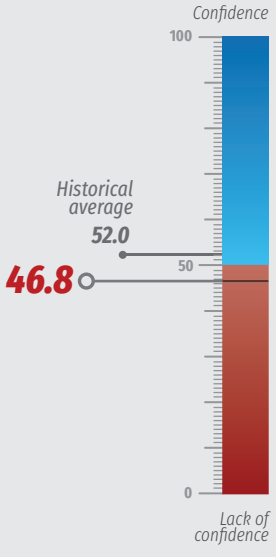
Lack of confidence persists among small-scale industries for 23 months

The ICEI for small-scale industries has followed a predominantly downward trend throughout 2026, registering 46.8 points in October. Despite this, the index recorded a slight increase compared to September, rising from 44.4 to 46.8 points. The lack of confidence remains persistent, as the index has stayed below the 50-point threshold for 23 consecutive months, and intense, given that it stands 5.2 points below its historical average of 52.0 points.

The index takes into account small-scale industry entrepreneurs' assessment of their companies and of the Brazilian economy, both in terms of current conditions and expectations for the next six months. Values above 50 points indicate business confidence. The further above 50 points the index is, the greater and more widespread confidence is. The further below 50 points the index is, the greater and more widespread the lack of confidence is.

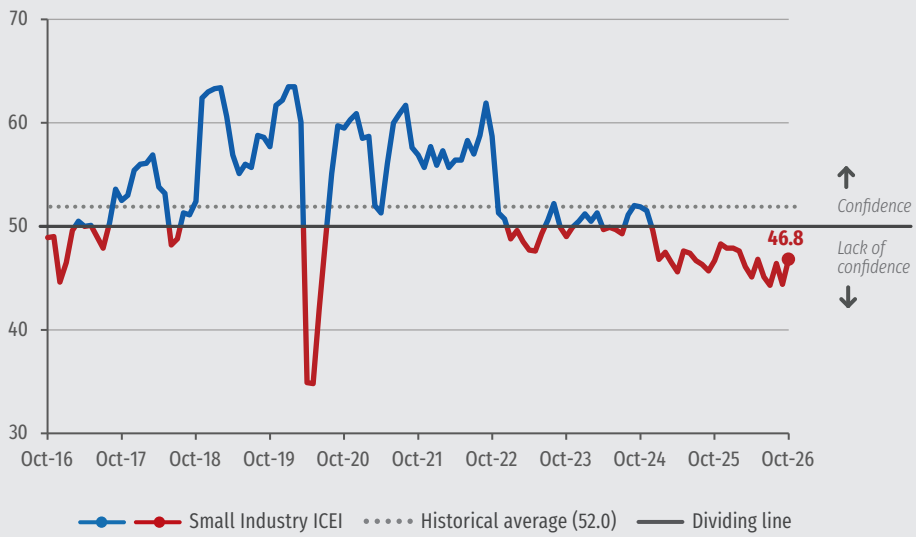
Small Industry ICEI

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-sized entrepreneurs' expectations remain moderate amid low Confidence

The Small Industry Prospects Index, which captures these companies' expectations regarding the performance of their own businesses over the next six months, registered 46.6 points in October 2026. The indicator recorded particularly negative prospects in September, when it reached 45.9 points, but has continued to fluctuate around 47 points since September 2025. Therefore, small-scale industry entrepreneurs continue to show moderate expectations.

The index is calculated using a weighted average of investment intention over the next six months and expectations regarding demand, or activity level in the case of the construction industry, and the number of employees for the same period. The higher the indicator, the more positive the prospects for small business entrepreneurs.

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), publications from the National Confederation of Industry (CNI).

Document completed on October 29, 2026.

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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