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MBB

Although a higher volume of sales is expected for the year, it is early to talk about the opening a second shift at Mercedes-Benz plants in Brazil. According to Philipp Schiemer, president of Mercedes-Benz Brazil and CEO of Latin America, observe how the market reacts over a year marked by elections and recurrent discussions around reforms:

"With one shift we only managed to meet the volume of orders that we currently have, besides with the refurbished factory we improved production levels. Capacity is not a problem. However, in order to open another turn it is necessary to wait and see how the market behaves with the political picture. We hope that reforms will ensure growth."

But he did not rule out increasing production in the second half: "If it confirms a growth rate that guarantees the projected 30%, it is very possible to happen from July".

Currently both the ABC Paulista and Juiz de Fora plants, where the Actros model is produced and the welding and painting operations of the cabins are made, operate in one shift. Schiemer added that it is possible to produce 40 thousand vehicles/year, in a mix made up of 70% of trucks and 30% of bus chassis.

The announced hirings will begin in early April. With the new posts, the São Bernardo plant now has 8 thousand employees, and 700 in Minas. The account also takes into consideration the return of 350 employees who were on a lay-off basis to work in both factories.

EXPORTS - Although the company sees more sales opportunities in the domestic market in 2018, the plans for exports in the region of Latin America that motivated the company to apply money in

expansion and modernization of the factory. Schiemer highlighted Mercedes-Benz's participation in the foreign market, above all the sales performance of the Atego mid- and light-weight model line.

With the new factory, which brings in its concepts of Industry 4.0, the company expects to increase the number of exports and start producing here, for example Euro 6 engines, which demand updated production line with the most recent one in terms of processes and automation, according to Schiemer: "Investing in a more modern line raises the quality standard of vehicles."

Expectations for exports are high, and this year, 40% of production is expected to be destined to the foreign market, the same range recorded in 2017, when vehicle exports in the country hit record volume monthly. In 2014, exports accounted for 10% of production.

Scania and Volvo, which in recent years transformed their factories into export platforms, have recently operated with a 40% share of production for exports. Argentina is the main destination for the M-B vehicles produced here, the president said. The company also supplies Euro 5 engines to Germany and to the United States.

There is a work in progress to search for new markets, which involves regions in Latin America, Asia and the Middle East itself: "We need to get back opportunities abroad, but we must first reduce the share of companies that have been in these markets for some time, as is the case of Chinese companies in the Middle East, for example".

THE FACTORY - The new production line of Mercedes-Benz in São Bernardo do Campo, which was built with part of the investment applied in the last five years by the company in the country - R$ 1 billion from 2013 to 2017 -, it is considered the most modern design of all Mercedes Benz units in the world, Schiemer said: "It is natural that every newest line in the group is the most modern. This one in São Bernardo counted on the collaboration of teams of other units".

Although it is already in operation, the executive said that the unit could also consume part of the investment of R$ 2.4 billion announced until 2022. A smaller part, since much of the contribution

will be used for the development of new products.

In a space where the logistics area used to work, the company built a single line where all the models will be manufactured: Axor will be produced in the new line from June. First the production was done in two lines, in another building, where the mounts of light and medium were divided.
The unit was designed according to industry concepts 4.0: connected machines and components and new levels of automation. Examples of applications that are present in the new plant are the remote access to production and sales data. New machine and tools decreased the average vehicle production time by 15%, from 100 hours to 85 hours.

The line is also flexible, that is, it can produce any model independent of the configuration that has been defined at the time of purchase. Automation is also another highlight. Automatically guided vehicles, AGV, carry parts and chassis throughout the production. There are 66 people working in both the ABC factory and Minas Gerais.

STEEL - Recurrent theme in the national industry this year the possibility of increasing the price of steel, the main input of the automotive sector, by the largest world producers seems not to worry Mercedes-Benz so much: "The ads of input surcharge in China and in United States does not affect us. The increase in steel in the domestic market last year and earlier this year, yes, they reflected in our operation."

Philipp Schiemer stated that, apart from special alloys applied at specific points on the vehicle chassis, the steel used in the production is national. However, he did not rule out the use of steels from markets that practice what he called "more competitive prices". WE

Auto parts exports grow 30,4% in Jan-Feb

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Brazilian exports of auto parts in the first two months to 162 markets grew by 30.4% compared to the same period last year and totaled US$ 1.2 billion. The data are from Mdic, consolidated by Sindipeças, and were released on Friday, 23, by the entity.

"It should be noted that the accumulated result in the two months was more strongly influenced by the growth of exports in January, whose variation reached 38.7% in relation to the same month of the previous year, as in February, when the increase was lower, 23%, although significant for the period."

At US$ 2.2 billion in the first two months auto parts imports grew 13.4% compared to the same period in 2017. In this case, the increase in external acquisitions in February, 15.7%, was more significant for the overall result than the variation observed in January, 11.4%. The trade deficit accumulated in January and February declined 1.9% in relation to the same period of last year.

The importance of Argentina continues as the main destination for exports of Brazilian auto parts, representing 30.3% of the total, is up 34.1% over the first two months of 2017. The United States, with a 19% share in the total, increase of 33.4% in the two months, Mexico, with 8.1% of total participation and growth of 20.5% in the bimester and Germany, with 7.3% and 34.7%, respectively.

Sindipeças also highlighted the increase in sales, compared to the first two months of 2017, for Angola, a rise of 1 thousand 494%, for India, 130.7% for Uruguay, 68.4%, and for Sweden, with a 65% expansion.

Regarding the purchases made by the sector, China continues to be the main trading partner, with a 13.5% share of total imports of auto parts and an increase of 27.3% in relation to the first two months of 2017. WE

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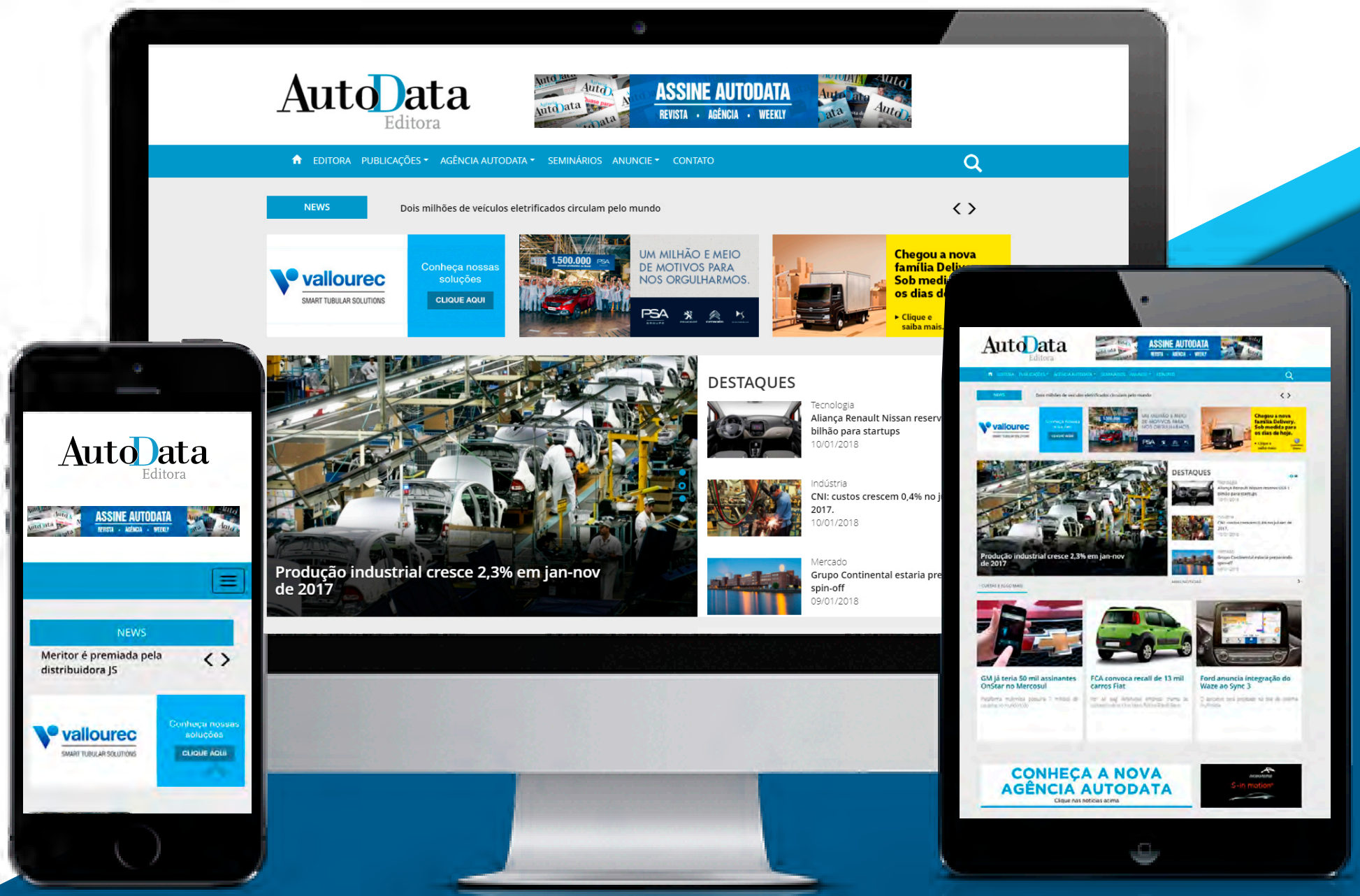

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Agência AutoData

CNH Industrial trusts Brazil and the region

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The last years were challenging for companies operating in Brazil. With a controversial political scenario investors and consumers lost confidence in the country and the consequence was a drop in domestic sales and production, which led to unemployment - not to mention inflation and rising interest rates. But even with all the adverse scenario of recent years, the president of CNH Industrial for Latin America, Vilmar Fistarol, guarantees that the company did not stop investing in the country:

CNH

"The matrix has always believed in Brazil and the region and has maintained investments. We now have a set of elements that make us believe that we will have positive moments ahead. The exchange has less volatility than before, macroeconomics is playing its part, credibility is returning It is a slow process, but we are seeing signs of recovery, and we believe in the development of the country and the region."

Gradually the Brazilian economy begins to show signs of recovery but some issues still need to be solved for business to advance. The main producer of the Brazilian economy agribusiness has not had the same performance when it comes to buying machinery and equipment: "The agriculture business is going well. The harvest goes well and the prices are good too. That should be good for investing in modern equipment, but it's still not what's happening."

According to Fistarol a good part of the Brazilian producers are expecting definitions on interest rate of the next harvest plan. The claim - and expectation - of the agricultural sector is that there is a fall in rates, especially since the Selic is at its lowest level. While there is no definition of interest producers prefer not to invest in new equipment: "We have been a month of Agrishow and sales are very bad."

Case and New Holland Group companies, which also operate in the agricultural sector, have chosen to hold production believing market resumption, "but if there are no signs of a pick-up, it will be difficult. The limit is Agrishow to resolve this situation."

Another aggravating factor is the expectation of a crop failure in Argentina, which should reduce sales to wool: "Argentine producers are holding purchases due to the crop failure. Here

they are holding on because of the harvest plan."

Construction - With the stoppage of the infrastructure works, the sector saw sales of construction machinery seriously decrease in the last three years. According to data from the Association of Equipment Manufacturers (AEM), in 2011, 29 thousand 330 units were marketed and, last year, 7 thousand 600 units, a 75% drop.

"The same infrastructure investment plan has been announced three times, but nothing is happening. All you have are small things and they represent little to the industry. It is necessary to resume work so that the sector can grow again."

According to Fistarol there is huge potential for this sector in Brazil, considering that the country has great needs for infrastructure works, but due to the lack of investments stands: "We have hope because the potential is immense, but everything is asleep because there are no resources for this".

Buses - But the bus sector shows signs of recovery: "The bus sector is driven by governments and this may reflect a very positive year. But if there will be investment, in fact, it is still a doubt."

He said Iveco, the bus truck and defense arm of the group, has recently won a bid from the Minas Gerais government to provide 1.8 thousand units, and nine hundred buses that will be delivered by the end of May.

One of the good points for the good performance of the sector is Refrota, a program of renewal of public urban public transport route, which provides for the release of R$ 3 billion by the federal government to finance the assembly of about 10 thousand new buses to renew the fleet - which means that 10% of the urban and metropolitan bus fleet would be renewed, considering that today the fleet in operation is 107 thousand vehicles.

Trucks - The truck sector, which has started to show signs of recovery in the year, should

continue rising, Fistarol said: "The demand for trucks should grow 30% more than last year, but we are still talking about a very low base".

Last year, the sector closed with production of 83 thousand 44 units, against 60 thousand 482 in 2016. In the first two months of this year, 14 thousand 475 units were produced.

The ideal, in the CNH president's point of view is that the Brazilian market will reach something like 100 thousand units per year, which will be possible in 2019-2020 in its projections: "Even so, it will represent the use of only 25% of the installed capacity in the country, whose total is 400 thousand units per year."

In the second half of last year Iveco reported results obtained in exports: in the last three years they grew 236%. In the first half of 2017, more than 1 thousand 700 Iveco cargo and passenger vehicles were exported, up 144% over the same period last year.

Investment - Last year, during Fenatran, the company presented its new options for the Daily and Tector lines, Daily and Hi-Way custom series, because of Iveco's 20-year anniversary in Brazil and announced the US investment $ 120 million for the development of new products over a 24-month period from the second half of 2017 through the first half of 2019.

In 2016, CNH Industrial, through Case IH, announced its biggest launch in recent years in Brazil, the Axial-Flow Series 130, a new line of harvesters with FPT electronic engines, machines that have up to twice the power reserve. US$ 40 million was invested in the project development, field testing and the preparation of an exclusive assembly line at the Sorocaba, SP plant.

In 2016 and 2017 CNH Industrial announced the nationalization of twelve models of hydraulic excavators, a project in which R$ 73 million was invested to create the new excavator assembly line in Contagem, MG, in engineering projects and other such as selection of component suppliers and validation tests. With electronic engines there is a 14% reduction in fuel consumption, on average, compared to previous models. WE

MWM: 4.3 million engines in 65 years.

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MWM has reached the mark of 4.3 million engines produced, "serving the most varied applications in the vehicular, agricultural, construction, energy generation, industrial and maritime segments in Brazil and around the world" in 65 years of history . The information was released on Tuesday, 27.

MWM's engines range from 2.8 to 7.2 liters, "meet the strictest emissions standards and are developed by Brazilian engineering, tested and validated at the company's technology center located in the Santo Amaro district of São Paulo, which guarantees customers high level of nationalization and customization to meet the most varied needs."

MWM has a "wide portfolio of spare parts, with more than 18 thousand items", divided by its three lines of spare parts: genuine parts, master parts and optional. And it has a distribution network with more than eight hundred points in Brazil and worldwide. This year the company estimates to launch 350 new items.

José Eduardo Luzzi, president of Navistar Mercosul, owner of MWM and International brands, said that achieving 4.3 million engines produced is another "valuable milestone for the company and that drives the company to go beyond":

"Over more than six decades MWM has achieved important milestones, conquering new customers, opening national and export markets, improving our supply network and investing in technology. Today we offer the market complete and highly customized solutions in diesel engine worldwide: it is our tradition it is our DNA. Achieving the 4.3 million engine milestone in 65 years of history reinforces our commitment to customers, partners, employees and industry evolution." WE

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Ipiranga and Chevron join Iconic

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Since December, Iconic has been in operation, a joint venture between Ipiranga and Chevron in the area of lubricants. The CEO Leonardo Linden said: "The new business is characterized by the merger of the Ipiranga and Chevron lubricants businesses in Brazil, with the objective of strengthening its operations, generating efficiency and solid foundation for further growth."

According to him, the company's activities include development, production, distribution and marketing of lubricants, greases, fluids and coolants, which will generate benefits for consumers, dealers and distributors, originated by "best operational practices and greater capillarity."

Just because it exists Iconic has already captured a share of about 23% of the national market for finished lubricants, according to data released by ANP, the National Petroleum Agency, combining the sales of the Ipiranga and Texaco product line: "Thus, the company occupies a prominent place in the sector and strengthens the performance of its two brands in the competitive Brazilian segment of lubricants and greases."

The new company has "three manufacturing units, one of the largest private laboratories in Latin America and about seven hundred specialized professionals."

"With a broad portfolio of approximately 1 thousand 300 products at points of sale throughout the country, the company will take over and preserve the production and marketing of the products of the recognized brands Ipiranga and Texaco, increasing its capacity to supply different channels and applications."

Regarding exports, Linden noted that "Iconic's scope is currently limited to Brazil and selective operations in Bolivia, Paraguay and Uruguay. We operate in all regions of Brazil, seeking to strengthen our brands of Ipiranga and Texaco products already recognized by the market." WE

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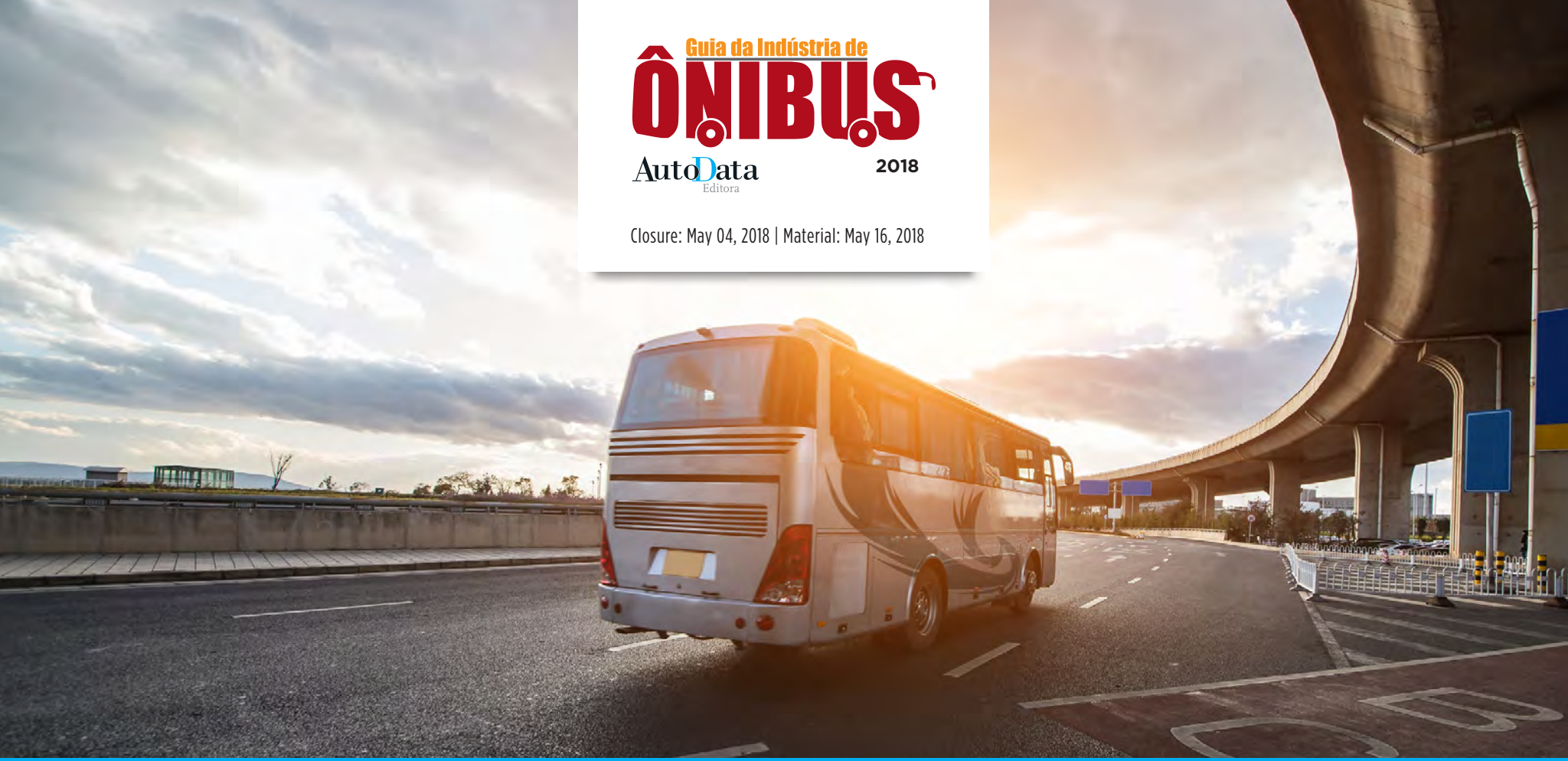

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Obviously it will also bring the complete datasheets of all the chassis and bodywork manufactured by each of these companies

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