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Tire exports increase

[AutoData newsdesk](#) | redacaoad@autodata.com.br

Anip, the National Tire Industry Association revealed exports during the third quarter of 2016 have increased. Between July and September, the tire manufacturers shipped abroad 3.3 million units, an increase of 15.9% when compared to the 2.8 million units shipped abroad during the same period last year. In a press release, the association highlighted the increase in shipments of tires for light trucks, which totaled around 1 million units during the period.

Although exports recorded growth, the association said that the exchange rate variation continues representing one of the main bottlenecks for the low competitiveness of the national product. "What may sound like good news for the economic recovery of the country is, in fact, worrisome,

because it strengthens the imports of tires that contribute to the increase of the liability generated by the non-fulfillment of the targets for disposal of scrap tires by trading companies and distributors of imported tires, determining an increase in unfair competition,” noted Alberto Mayer, President of the association, in a press release.

According to the association’s report, the total sales of tires in the third quarter remained stable when compared to the same period last year. Between July and September, the manufacturers delivered 17.9 million tires, the same volume registered a year before. Sales to the automakers, however, which totaled 3.5 million units, were 4.4% lower when compared to the 3.6 million units sold during the same period last year. Still according to the association, the third quarter was marked by the drop in sales to automakers in three major segments: two wheels (-31.2%), cargo (-12.7%) and passenger vehicles (-0.5%).

The sector also saw sales to the after-sales market drop by 3%, totaling 11 million units, against 11.4 million units sold in the third quarter of 2015.

“Although registering milder falls, the numbers remain negative as a reflection of the national socio-economic scenario,” says the President of the association. “It is worth to highlight that we’re comparing 2016 with a bad scenario in 2015, with numbers that were lower than the ones in the previous years.”

In the first nine months of the year, the sector registered a 1.5% drop in tire production when compared to the same period in 2015, due to the economic crisis. The ratio remained negative for the replacement market (-2.2%) in the year-to-date comparison.

The Anip report showed that the scenario experience during the third quarter of this year is the same as the one seen six years ago, that is, the investment of more than R\$ 15 billion made at the time was never recovered. In 2010, almost 19 million units were sold. Six years later, the industry registers the sale of approximately 18 million tires.

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Auto Show visited by 715 thousand

AutoData newsdesk | redacaoad@autodata.com.br

This year's edition of the São Paulo International Auto Show ended last Sunday, 20, after ten days of crowded pavilions and corridors and traffic access to the São Paulo Expo complex in the southern region of the city, which housed the event created in 1960 for the first time.

More than 715,000 people visited the exhibition, which brought together 34 brands and 540 vehicles within the 90,000 m² space, according to the organizers. Approximately 30% of the public, close to 200,000, came from other localities and were responsible for bringing R\$ 320 million into the city's economy. The organizers estimate that the event generated more than 30,000 direct and indirect jobs.

Even with the free shuttle service between subway stations and the São Paulo Expo, and the 4500



Salão do Automóvel

covered parking spaces and another 1000 spaces in the open area, it was not easy to gain access to the complex located adjacent to the Imigrantes highway. The road linking the Capital to the coastal cities had heavy traffic from the accumulation of vehicles around the complex.

Paulo Octávio Pereira de Almeida, Vice President of Reed Exhibitions Alcantara Machado, organizer of the event, said there were close to 1200 hours of interactive activities, particularly in the 20000 m² outer area. A total of 35,000 test-drives were conducted in just eight days, virtually double the amount registered in the 2014 edition of the show at the Anhembi Exhibition Pavilion, which housed the shows since the beginning of the 70's.

The executive said that the show in São Paulo «was the most connected auto show in the world, with more than 757,000 Facebook fans, and live coverage, with videos on Snapchat and Twitter.”

We are proud with this Auto Show. The event reached our expectation of being the best edition in history. We are certain the Brazilian passion for the automobile is more alive than ever,» Antonio Mann, President of Anfavea, stated in a press release.

The São Paulo International Auto Show once again demonstrated the strength of the domestic industry and the sector of imported vehicles. Based on the comments made by the visitors, we have seen that consumers are eager for new cars. I hope the economy get back in gear quickly,» stated José Luiz Gandini, President of Abeifa, the Brazilian Association of Importers and Manufacturers of Motor Vehicles.

Volkswagen wants to be the leader in electro-mobility

AutoData Newsdesk | redacaoad@autodata.com.br

After announcing a recovery plan last week, which includes cost reduction and the elimination of 30,000 jobs worldwide, Volkswagen begins its global repositioning strategy. The brand created the Transform 2025 + program, which sets out the basis of the future of the brand regarding new models, and includes plans to become the global leader in electro-mobility.

According to Herbert Diess, President of the Volkswagen brand, the objectives are high and the strategy is ambitious. "We want to benefit from the change to move Volkswagen to the leadership in the new automobile industry," he said in a statement. "In the next few years, Volkswagen will change radically. Few things will remain as they are."

The new reorientation of the brand will have three phases. At first, up to 2020, the company will restructure its business with greater supply of SUVs, while developing new skills. Next, up to 2025, the automaker intends to become the leader in electric cars and, here, the strategy also aims to expand its revenue base through new mobility services. Next, the objective of the brand is to play a leading role in the "new world of mobility until 2030".

The company informs that in the future, the electro-mobility will be part of the core of the Volkswagen brand. "Starting in 2020, we will be launching our biggest offensive in electronic mobility: as a mass manufacturer, we intend to play a key role in the discovery of the electric car," Diess stated. "We are not aiming for niche products, but at the heart of the automobile market. In 2025, we want to sell 1 million electric cars per year and be the world market leader in the segment. Our future electric cars will be the new brand of Volkswagen."

To help cover the costs of the development of electric cars and new mobility technologies, in addition to the agreement with the workers to cut about 30,000 jobs in the world, the transition

to the electric car will be financed, in part, by the elimination of more than € 2.5 billion in costs related to the dismantling of some conventional models, while the annual investment budget will remain stable at about € 4.5 billion.

The brand's new strategy also calls for the development of the company's own digital platform. As a result, the company hopes to move closer to more of its customers, enabling the development of new potential revenues with a wide range of services. By 2025, Volkswagen hopes to have around 80 million active users worldwide, providing the company services sales revenues of around € 1 billion per year by 2025.

A relevant part of the new strategic program has a focus in the United States, where Volkswagen intends to stop being a niche supplier to take on the role of a volume producer. "We will intensify our activities significantly in the United States, with a focus on major segments in the country, large SUVs and sedans, where we will expand our range," Diess says. "In a second step, we will take our new electric cars to North America and, in the coming years, we will be making considerable investments in electric infrastructure."

In China, Volkswagen plans to strengthen its leadership position with launches of SUVs and electric vehicles. In other big markets such as India, South America and Russia, the focus will be on vehicles that offer fuel economy.

With the new direction, the brand expects a significant increase in sales revenue over the next 10 years, as well as improvements in profitability. According to the company, the operating margin should double from about 2% to in 2015 to 4% in 2020, with a further increase to 6% by 2025. [WE](#)

Mobi, more economical

AutoData Newsdesk | redacaoad@autodata.com.br

Fiat officially launched on Wednesday, 23, the Mobi Drive, the version of the subcompact equipped with the new Firefly three-cylinder 1.0 engine. With manual transmission, the model becomes the most economical aspirated 1.0-liter in Brazil, ensures the automaker. Official data indicate 13.7 km/l consumption in the city and 16.1 km/l on the road, when fueled with gasoline, and 9.6 km/l and 11.3 km/l, respectively, with ethanol.

Fiat denies any delay, but the three-cylinder engine was expected by the dealers at the launch of the subcompact in the first semester. The low consumption would be a strong sales argument for a car characterized by the carmaker as essentially urban. The Firefly three-cylinder 1.0, however, made its debut in the Uno, only in September.

The Mobi Drive, first revealed at the São Paulo Auto Show, is far from being an entry-level product. Fiat has positioned the version, the only one of the hatchback's portfolio that will have the three-cylinder 77 hp, in the price range next to the least expensive Uno.

The Drive version is priced from R\$ 39.9 thousand, R\$ 1400 more than Like, which is equipped with the four-cylinder 1.0.

A second configuration of the Mobi Drive is scheduled for next year: with a five-speed Dualogic automated transmission, and consumption, according to the automaker, slightly lower than the manual version. With this transmission, the Mobi Drive makes 9.8 km/l and 11.1 km/l when fueled with ethanol, and 14 km/l and 15.8 km/l with gasoline.

The other versions of the subcompact, says the automaker, will continue being equipped with the old 1.0 75-hp four-cylinder Fire engine. The manufacturer, however, claims to have improved its efficiency by up to 5%.

The Mobi Drive finally brings, as an option, the system Live On, presented in April, at the occasion of the launch of the hatchback, which through an exclusive application, turns the smart phone into a Multimedia Center. The car comes equipped from factory with electric steering and air conditioning, an LCD screen on the dashboard, front door electric windows and electric door locks, among other features.

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Toyota is the biggest winner of the 2016 AutoData Award

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Over 200 guests attended the ceremony of the delivery of the 2016 AutoData Award – The Best of the Automotive Industry Thursday night, 24, at the Burlesque Paris 6, in São Paulo. Toyota was the biggest winner of the 17th consecutive edition of the AutoData Award, one of the most coveted awards in the automotive sector. Besides taking the title of Company of the Year, nominated among all the winners of the twelve categories by a Council of Notables comprising Alencar Burti, André Beer, Luiz Carlos Mello and Francisco Bueno, it also won as The Best Passenger and Light Commercial Vehicles Manufacturer, and its President, Steve St. Angelo, was chosen Personality of the Year.

This year, 45 companies competed for the Award, previously chosen by AutoData's reporters from 12 categories, in addition to four vehicles and the Personality of the Year. The purpose of the award is to motivate companies and their leaders to continuously search for innovation and efficiency to the automotive industry in its processes and products.

The winners of the 2016 AutoData Award were chosen by direct vote of the readers of the AutoData magazine and AutoData News Agency, and the participants of the Outlook 2017 Congress, held October 17 and 18, in São Paulo.

The winners of the 2016 AutoData Award

Passenger and Light Commercial Vehicles Manufacturer

Toyota is still striding away from the crisis. It maintained itself stable throughout 2015 and even obtained an increase in market share, despite the market's 20% overall drop. Due to this performance, it confirmed and inaugurated its engine plant in Porto Feliz, São Paulo, a project that consumed investments of approximately R\$ 580 million, and completed the expansion of the plant in Sorocaba, also in São Paulo, where it produces the Etios, enabling it to expand supply of the model by 50%, from 84 thousand to 108 thousand units/year.

Commercial Vehicles Manufacturer – Mercedes-Benz

The German automaker, one of the largest manufacturers of commercial vehicles in Brazil, is celebrating 60 years of uninterrupted activities in the country. The brand is one of the historical leaders of the Brazilian market in virtually every segment in which it operates and, this year, confirmed its return to manufacturing cars in the country. The company celebrated its anniversary by confirming its belief in the future of the Brazilian market and its plans for the future.

Agricultural and Construction Machinery Manufacturer – John Deere

John Deere announced R\$ 80 million in investments in Brazil to nationalize tractors and construction machinery that it already sells in the Brazilian market as imported products. The models it plans to produce in Brazil are 700J, 750J and 850J. Production is planned to begin in 2018, in Indaiatuba, São Paulo. The unit will be expanded by about 3000 m² to receive the new models.

Systems Supplier - ZF

Since October 2015, ZF has operated a program that aims to promote improvements at its strategic suppliers that, according to the company, are capable of evolving in management, productivity and competitiveness. The ZF Suppliers Development Program covers 25 Tier 2 and 3 partners, and is divided, at first, into two modules: financial and production. The first is performed by professionals from IEL, while the second is by its own professionals.

Parts and Components Suppliers - Maxion Wheels

Maxion Wheels, one of the largest manufacturers of wheels in the world, opened its new aluminum wheel plant in Limeira, SP. The new unit, which consumed investments valued at R\$ 120 million, is located next to manufacturing unit that produces steel wheels for light vehicles. In its first phase, the plant will have capacity to produce 800,000 wheels/year, and, by 2018, it could reach 2 million units, doubling, in practice, its current production capacity of the product.

Engine Manufacturer – MWM Motores

MWM Engines remains steadfast in its strategy to expand the foreign business to dribble, at least in part, the retraction in domestic sales. This year, in one of its biggest business, it closed a deal with South Korean company Doosan Infracore, manufacturer of engines, where the Asian company will offer the Acteon 4.8-liter in its distribution network, intended for power generation. The five-year agreement provides for the sale of 2,500 annual engines to the market in South Korea. MWM is consolidated as one of the major exporters of the automotive sector. In 2015 its exports increased

30%. This year, the forecast calls for an increase ranging between 10% and 15%. To reach this goal, the company is betting on traditional markets such as South Korea, Indonesia, Turkey and Egypt

Bus Body Builder – Marcopolo

By means of a mega-merger, which was announced at the end of 2015, Marcopolo incorporated the activities of its competitor Neobus, forming a single company that now accounts for more than 50% of the production of bus bodies in Brazil. The incorporation was the final phase of a business deal that started in 2007, when 39% of the shares of San Marino, owner of the bus company's brand, were acquired by Marcopolo. In its new phase, the management of the companies continued as separate industrial and commercial brands and their products were independently sold in the market. The old controllers of Neobus assumed the position of shareholders of Marcopolo and remained ahead of the management of the brand's operations.

Road Implements Manufacturers – Randon

Randon Implements put into practice at the beginning of 2016 a new stage of its productive and corporate reorganization, bringing its product lines closer to the main consumer markets. Within this strategy one of the targets was the light vehicle segment. The company has decided to concentrate all production of the models in this segment at its manufacturing unit in Guarulhos, SP, in order to gain competitive scale and be close to its main consumer pole.

Quality and Partnership – Bosch

Bosch is one of the systems suppliers that invests the most and is betting on production and quality control. As a result, the company is constantly present in the awards ceremonies of most of the automakers established in Brazil. With constant investments in processes and technology, the company has also been constantly mentioned in the latest editions of the AutoData Award. This is the third year that the Bosch comes between the first and the fourth position of the AutoData Ranking of Partnership and Quality. This year it reached the third position.

MANAGEMENT – Audi and Ford Trucks

To resume its production activities in Brazil, Audi opened a new phase with new administrative headquarters in São Paulo, assigning priority to more interaction of professionals who work there with the goal of translating a new working mentality in the country. The new São Paulo Office is home to 150 employees - more than twice what it was two years ago – and it works seamlessly, with several innovations, most set in their own space. The goal is to make it clear that Audi is a modern

enterprise, open-minded, with all working interconnected and satisfied with what they do.

Ford Trucks launched an unprecedented service in the after-sales area: the maintenance contract for used trucks. The program offers fleet owners an option that, until then, was only available only for brand new vehicles. Similar to what already happens with new vehicles, in the case of the used ones the program can be contracted with or without the inclusion of parts of natural wear and tear and with predetermined monthly payments and nationwide service.

Technological Innovation – Volvo

Understanding that the partnership with its customers extends beyond the simple sale of trucks and buses, Volvo began offering carriers the Dynafleet onboard resource that enables management of the fleet through pillars such as consumer and positioning performance. The data obtained are transformed into reports and, from them; it is possible to find solutions to the recurring deficiencies on the routes. Access to information can be done by computers, tablets or smart phones.

Exporter – Scania

Scania is consolidating itself as the largest exporter of trucks and buses in the country. Its exports are expected to grow 30% over the past year and may reach US\$ 1 billion/year. With this new international policy, the company began to sell its products manufactured in Brazil in 22 countries, including the Middle East, Russia and South Africa. This growth reflects the automaker's worldwide policy of market integration, whereby subsidiaries experiencing delicate moments like these faced by Brazil, are recruited to meet demand from new countries. To meet the new demand, the company will produce in Brazil trucks equipped with Euro 6 engines, which are not yet required here.

Passenger Vehicle – Volkswagen Golf Generation 7

Light Commercial Vehicle – Fiat Toro

Truck – Volkswagen Constellation 19.330 Titan

Bus – Volvo B310R

Personality of the Year – Steve St. Angelo



Dana agrees to acquire Brevini Division

[AutoData newsdesk](#) | redacaoad@autodata.com.br

Dana announced a definitive agreement to acquire the power transmission and fluid business of Italy-based Brevini Group. According to the deal, Dana plans to buy an 80% stake in the operation, with an option to buy the remaining 20% by 2020. The transaction was valued at € 325 million, which includes € 100 million in net debt. The deal will be paid in cash, and the existing debt should be refinanced in the future. The acquisition doesn't include Brevini's Wind Power Division and is subject to customary regulatory approvals. The deal should be completed by early 2017.

The acquisition allows Dana to increase its product portfolio, particularly in the off-road segment. According to the American company, the deal adds technologies to track vehicles, doubling the market served by Dana for off-road transmission systems, and also provides a platform of proven technologies that can be leveraged in the light and commercial vehicles segments, where it is active, helping accelerate the initiatives of hybridization and electrification.

“Brevini is a strong and well-managed company that shares Dana’s commitment to serve customers with advanced technologies that offer exceptional performance and durability,” stated James Kamsickas, President and CEO of Dana, in a press release. “For a long time we have admired Brevini’s exceptional products, its focus on the customer and their culture, which are some of the most pertinent reasons for the acquisition – at this very opportune time in the off-road Division businesses.”

With the acquisition, Dana complements the portfolio with a wide range of planetary reduction hubs, planetary reduction boxes; hydraulic pumps, motors and valves, as well as electronic control systems. “The Brevini product line is a perfect complement to Dana’s current offerings, helping us to increase supply in the construction, mining, material handling and other off-road equipment,” stated Aziz Aghili, President of drive train off-road technologies. “Brevini technology portfolio will increase the number of patents and patents pending for Dana’s off-road business by 33%, which will allow us to offer our clients a full range of power transmission systems.”

In a statement, Dana reinforced that “customers of both companies will benefit from the combination of the two complementary organizations, since the agreement creates a stronger and more diverse company, able to better suit their needs.”

Founded in 1960, Brevini Group employs approximately 2300 people. It has manufacturing and engineering operations in China, Germany and Italy, and a network of 30 sales offices – one of them in Brazil, in Limeira, SP - and nine service centers around the world. The business being acquired registered sales of € 388 million in 2015.

Dana was founded in 1904 and employs more than 23 thousand people in 25 countries, on six continents. In 2015, Dana generated sales of nearly US\$ 6.1 billion.

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