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GM sets meeting with suppliers

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GM sets meeting with suppliers

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Photo: Christian Castanho.

São Paulo – The suppliers of General Motors Mercosul are being called by the president Carlos Zarlenga to a meeting on Monday, 28, to know what “sacrifice” they will need to make so the company’s future investment plan become concrete in the region. Some partners considered as strategic by the executive will hold private conversations on Wednesday, 23, and Thursday, 24, and the others will meet the proposals next week.

The supply chain was one of the four pillars listed by the company’s management to collaborate with its investment plan, pre-approved by the headquarters with one condition: to make a profit. Zarlenga also knocked on the governor of Sao Paulo’s door, who showed willing to help through the release of ICMS credits, from the dealers chain, which agreed to cut a percentage point of its profitability, and from the workers, with whom it opened negotiations on Tuesday, 22.

Each pillar will need to contribute in some way, making sacrifices. It is unclear exactly what Zarlenga will ask auto parts manufacturers, although it is expected to involve reduction of costs and losses due to lack of quality.

A former GM executive who asked not to be identified told AutoData that the relationship of manufacturers with their suppliers has never been easy, but it has always reached a mutual agreement. In the case of GM, these relations are traditionally more complicated, what can hinder an understanding between the parties in the meetings that are being requested by Zarlenga.

The latest investment cycle, which starts to take shape this year in the form of products derived from the platform GEM (Global Emerging Markets) has already caused changes in the group of suppliers that are physically close to the plant in Gravataí, RS. Continental and Arteb, which used to supply the cockpit and headlamps for Onix and Prisma, left the supplier park to make way to Reydel and SL Automotive.

The workers of the factory in São José dos Campos, with whom the board met on Tuesday, 22, in the afternoon, presented a proposal with 28 points, which includes increase of working hours, adoption of time banking, outsourcing in all the factory, end of chartered transport, intermittent journeys and other items, according to the metalworkers' union - who did not like the content.

“The workers were outraged with the proposal”, said the vice president Renato Almeida. “We are against the withdrawal of rights, we will continue with the negotiation process, but the final decision will be up to the workers”.

On the other hand, a source consulted by AutoData said that the negotiations with workers are already well advanced.

The same source affirmed that the possibilities of closing factories or even leaving the region are not on the negotiating table. The fight now is for new investments.

Leandro Alves collaborated

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Projections point to a decrease of 15% in the Argentine market

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São Paulo – The projections of the consulting company Abeceb indicate that the Argentine market will close another year with a decrease in sales, reflex of the struggle to get out of the lethargy in the economic sphere. The estimate is to end the year with 570 thousand units sold, which would represent a decrease of 15% compared to last year's volume, 681.8 thousand units.

Franco Roland, an economist of Abeceb, told AutoData that although some local automakers work with the possibility of sales at the range of 700 thousand units, the mood in the market is less optimistic regarding the issue: "The projection at that level was made in a scenario that the



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country can react well to the measures promoted by the government, which is still seen here as uncertain”.

In an interview granted to the Argentine press last week, Pablo Di Si, the president of Volkswagen for the region of South America, pointed sales in at the range of 700 thousand units this year. He also said that there will be a negative scenario in the first half, with a possible recovery in the next one.

According to Roland, however, the gradual evolution expected by the industry in the second half “will not be enough to reverse the scenario in the accumulated results in the year.”

Last year, Argentina sold 681.8 thousand units in the domestic market, according to data released by Adefa, a result which is 23% lower than the one obtained in the previous year, in 2017, when the market experienced heating in the dealerships. The picture was reversed in the second half of last year, when the sales indicator started to decrease reflecting the crisis that pushed the consumer away.

The expected retraction for this year will produce negative impacts on the production of vehicles compared to the volume that left the lines last year, even facing the expectation of higher exports to Brazil, which, unlike Argentina, goes through a market heating. Data from Abeceb show that 480 thousand vehicles are expected to leave the Argentine production lines, less than produced in 2018, 488 thousand units. The projection represents a decrease of 6%.

Export, on the other hand, is the indicator of the Argentine automotive sector whose projection points upwards. The volume of shipments expected for the year is around 300 thousand units, which will represent 11% growth over last year’s export volume, if it becomes concrete. **WE**

In 2018, sales increased 15% in Chile

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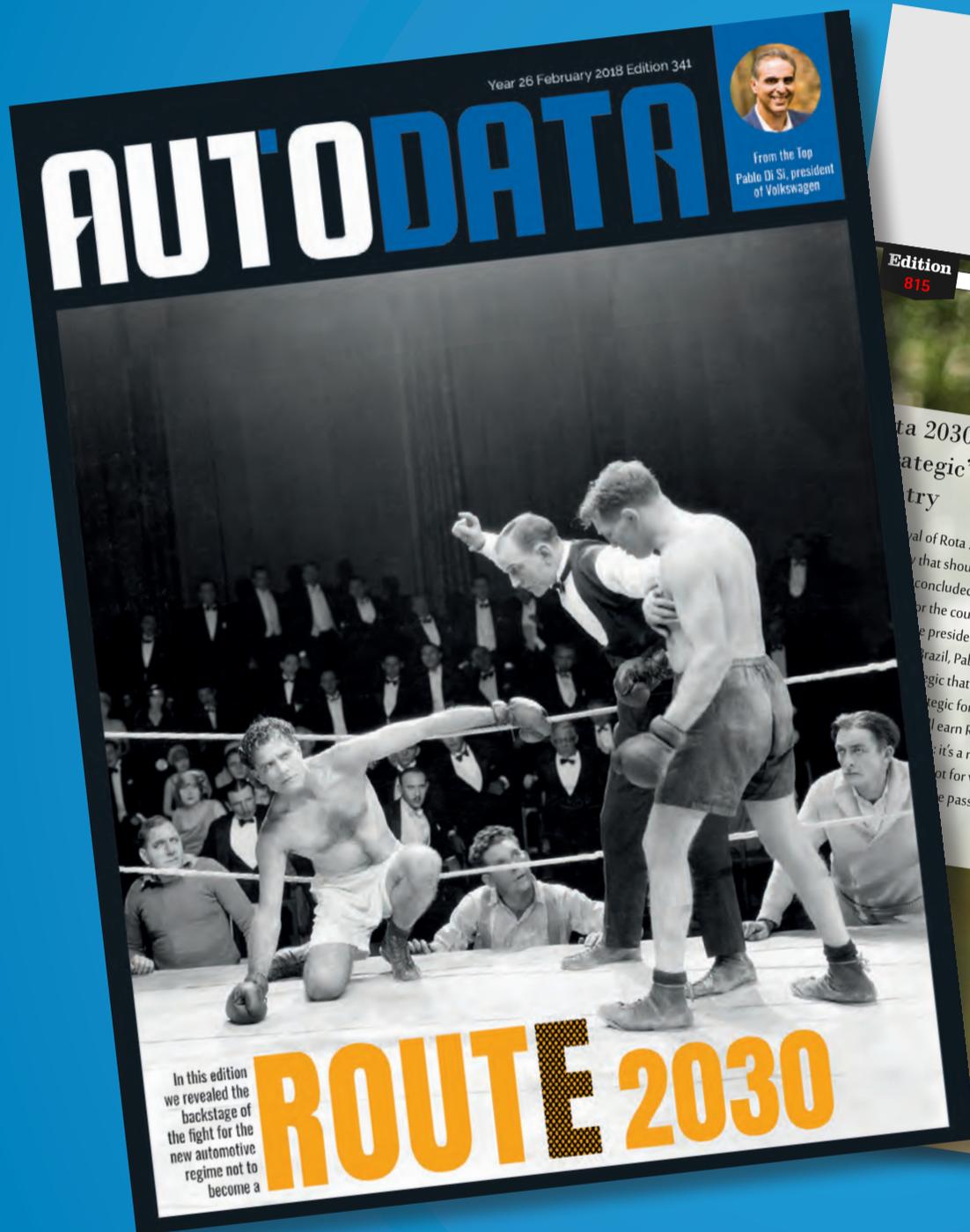
Vehicle sales in Chile reached 417 thousand 38 units in 2018, an increase of 15.6% compared to the previous year, according to figures released by Anac, an association that represents the automotive sector in the country. Considering sales by segment, 379 thousand 771 cars and light commercial vehicles were sold, representing 91% of the market. Sales of trucks and buses reached 37 thousand 267 units.

Chevrolet was the leader regarding sales of cars and light commercial vehicles, with 36 thousand 166 units, followed by Suzuki, which sold 33 thousand 238 units, and Hyundai, which was in third place with 32 thousand 710 sales. The fourth position was occupied by Kia, which sold 32 thousand 432 units, followed by Nissan, with 30 thousand 535 units.

Mercedes-Benz ended the year as the leader in the truck segment with 2 thousand 226 units sold, and Chevrolet comes in second with 1 thousand 501 sales, followed by Volvo, with 1 thousand 123 units. Scania got the fourth place, with 1 thousand 99 units sold, and Volkswagen stayed in fifth place, with 1 thousand 30 units.

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Trade and services will drive the light segment

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Sao Paulo - The road implement sector projects even stronger growth this year, after increasing 28% last year - with a low base of comparison, it is true - to 45 thousand 522 units.

The truck industry itself expects acceleration in the light and medium segments, after growth was sustained by the heavy market in 2018. According to Anfavea's vice president, Luiz Carlos Moraes, the recovery of the economy, especially in the trade and service sectors, will help resume a larger volume of business in the lighter segments.

For the economist Isabela Tavares, of Tendências Consultoria, the population will consume more



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in 2019: “The recovery of formal employment is also expected for the year and will help increase consumer’s confidence and household consumption, especially in the area of durable goods. With this, the segment of light implements is expected to keep growing, after a significant recovery last year”.

In this scenario, the road implements companies also project similar growth for the segment. Osmar de Oliveira, partner-director of 4Truck, believes in growth from 25% to 35% for the light line. José Carlos Spricigo, CEO of Librelato, projects a 30% increase, with sales reaching 58 thousand units, while Luiz Carlos Cunha Junior, commercial director of Truckvan, expects market of up to 60 thousand units in the light line, due to the resumption of the automotive industry and the repressed demand that still exists in the market.

The director of Truckvan believes that demand will be stronger in segments such as durable goods, beverages, food, processed products and construction, with the last one growing at a slower pace than the others. Cunha Júnior says that the expectation is to sell around 900 units this year, a 50% increase over last year - thanks to a higher market demand and the company’s production capacity, which will be higher this year.

Oliveira, from 4Truck, sees expansion possibility in areas such as e-commerce and pharmaceutical products. He calculates a 20% increase in company’s sales, reaching 750 units. To support higher demand in the year, the company will invest around R\$ 2 million to expand production capacity, automate the production line and strengthen cash flow to support the operation growth.

The CEO of Librelato expects that the segments of infrastructure, construction and beverage will heat deals. The company works with a scenario of sales which is similar to last year because, according to Spricigo, its focus is on the heavy segment.

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Ford workers await meeting with Watters

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Sao Paulo – Workers of Ford Sao Bernardo do Campo, Sao Paulo, protested on Tuesday morning, 22, to ask for new investments from the company's management. According to the Metalworkers' Union of the ABC region, an agreement set with the company in March 2017 provided discussions about new projects until November this year, period that there is stability for all employees.

In a meeting, the 2,8 thousand workers decided to maintain the act until February 18, when a meeting is scheduled with the president Lyle Watters.

Currently, the Taboão unit produces the New Fiesta and the Ford trucks line.

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Photo: Adonis Guerra/SMABC.

Corolla was the best-selling car in 2018

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The Toyota Corolla was the best-selling light vehicle in the global market in 2018, according to a survey by Focus2Move. Even with the decrease of 1,7% in sales last year compared to 2017 the sedan had 1 million 181 units sold, 100 thousand more models than the second place, the pickup truck Ford F Series, with 1 million 80 thousand units.

Another Toyota completes the podium, the SUV RAV4, with 837,6 thousand units sold. It was slightly ahead of the Honda Civic, which registered 823,2 thousand units traded.

The third best-selling model of 2017, the Volkswagen Golf, went to sixth place last year. With a 10.3% decrease in sales, it registered 789,5 thousand units sold - and was surpassed by the SUV Tiguan, by the way, which assumed the position of best-selling VW in the world.

Check the world's best-selling models, according to Focus2Move:



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1	Toyota Corolla	1 million 181 thousand 445
2	Ford F Series	1 million 80 thousand 757
3	Toyota RAV4	837 thousand 624
4	Honda Civic	823 thousand 169
5	VW Tiguan	791 thousand 275
6	VW Golf	789 thousand 519
7	Honda CR-V	747 thousand 646
8	VW Polo	725 thousand 463
9	Toyota Camry	661 thousand 383
10	Chevrolet Silverado	651 thousand 90