

AutoData

NEWS AGENCY WEEKLY EDITION

Edition
823

Weekly Brazilian automotive industry news | 4.2 to 4.7.2018 Year XII

**Truck market expands 50%
from January to March**

[More on pg. 4](#)

**Production increases 14.6%
in the first trimester**

[More on pg. 6](#)

**Sale of machinery falls, but
projection for the year is high**

[More on pg. 8](#)



Exports: best trimester in history.

Exports of vehicles recorded a volume of 180.2 thousand units in the quarter, a record performance. Shipments were 3.3% higher than in the same quarter of 2017, according to data released by Anfavea on Thursday 5.

[More on pg. 2](#)



Exports: best trimester in history.

Allex Chies | allex@autodata.com.br

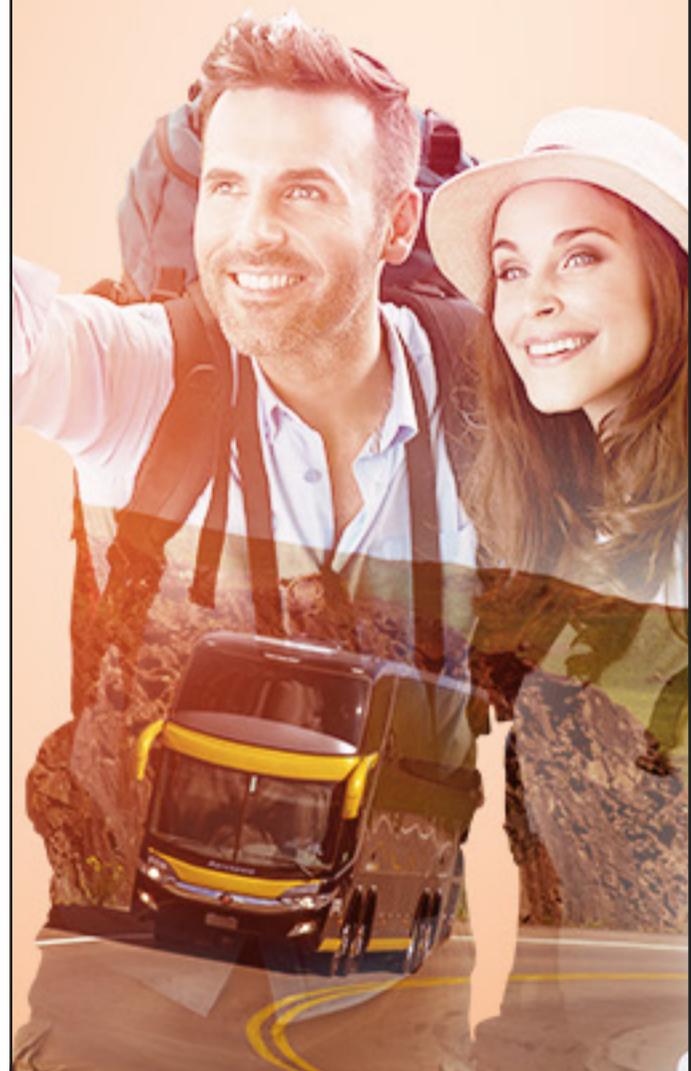
Exports of vehicles recorded a volume of 180.2 thousand units in the quarter, a record performance. Shipments were 3.3% higher than in the same quarter of 2017, according to data released by Anfavea on Thursday 5.

For the president Antônio Megale, the record breaking in the first quarter shows that exports have been gaining strength in Brazil and reaffirms the possibility of a new record breaking until December, this time in the accumulated of the year.

Anfavea's expectation of exports for the year shows volume of 800 thousand units, 5% more than last year's volume, 762 thousand units. The main destinations of Brazilian vehicles in the period were Argentina, Colombia, Peru and Mexico.

#IAmMovedBy
Experiences

There's something that awakens your emotions. And whenever you may need, Marcopolo will be there to keep that moving.



More than people,
we move feelings.

Social Networking:
/OnibusMarcopolo

In terms of value, exports in the quarter resulted in US\$ 4 billion, 88 million 797 thousand, up 22.3% compared to the same quarter last year, US\$ 3 billion, 344 million, 487 thousand. In March value was the best month since October 2013: US\$ 1 billion 575 million 400 thousand.

The largest volume of exported vehicles was light vehicles: of the 180 thousand 820 units exported, 170 thousand 403 were light vehicles. This represents a growth of 2.1% in relation to the same quarter of the previous year.

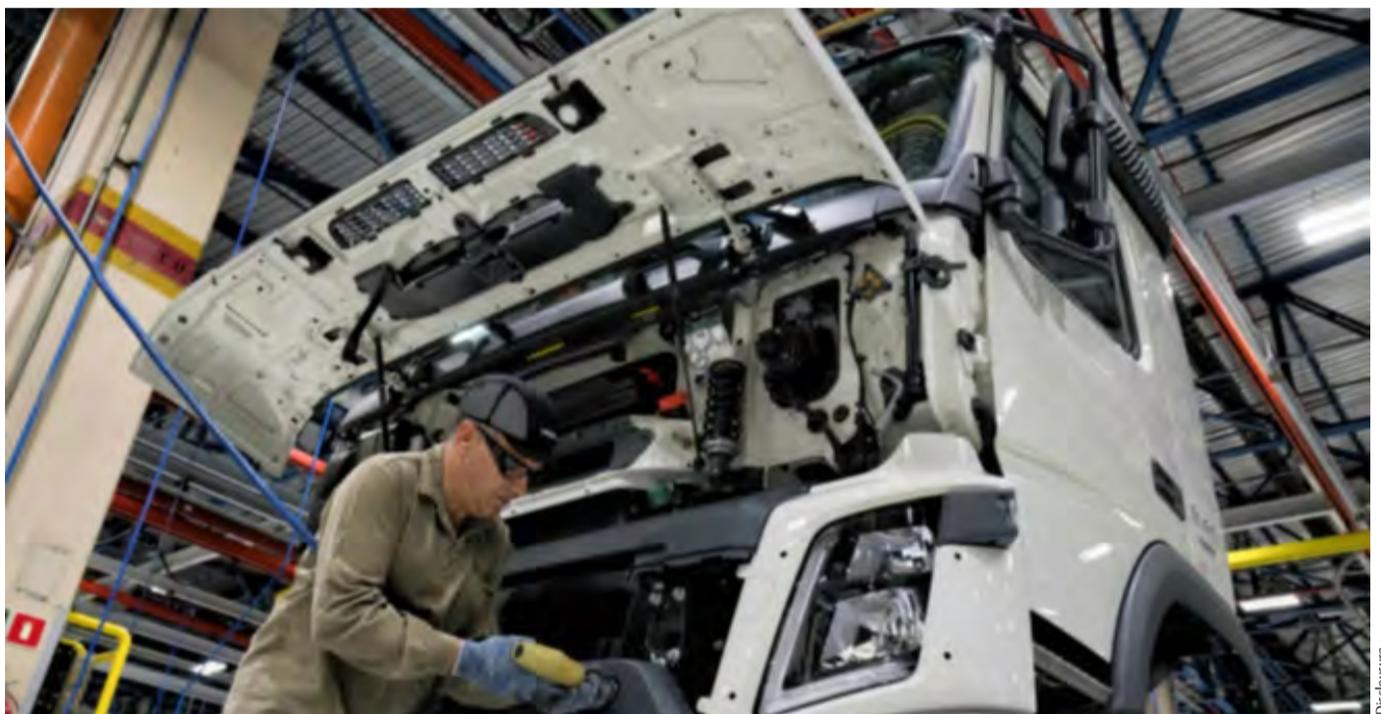
The second segment that most exported was of trucks, 7 thousand 332 units, 25.3% more than the volume registered in the same quarter last year. Highlight for the semiheavy ones: 2 thousand 902 units, 44.2% more than in the same period of 2017.

In the bus segment the increase in exports in the quarter was 51.2% in exports, with 2 thousand 473 units. The largest number of units was urban buses, with 1 thousand 812 units, an increase of 71.9% compared to the same period last year.

And the agricultural machinery segment experienced a significant increase in its exports, 2 thousand 889 units in the quarter, compared to 2 thousand 120 in the same quarter last year - growth of 27%. **WE**

Truck market expands 50% from January to March

Bruno de Oliveira | bruno@autodata.com.br



The truck market reached the end of the first quarter better than it was in 2017, a trend paved by the resumption of investments in some sectors, which motivated the renewal of the fleet, and also a record harvest. If at the end of March last year sales fell by 26.3%, the picture is now different: a 50.4% increase in sales and an expectation of revision of projections for the segment.

Although it is recognized that 2017 is a low base of comparison, manufacturers are encouraged by the possibility of the

market warming in the face of opportunities linked to the level reached by GDP and the improvement of banks' lending spirit. Given this scenario there has been an increase in production and it is already said that it is not only supported by exports, as has happened up to now. In the quarter the lines produced 55% more than in the same period of last year, according to data released by Anfavea on Thursday, 5.

The accelerated growth in the truck market, however, may not be accompanied at the

same pace by the distribution network and, more seriously, represent a greater demand than the capacity of the supply chain can meet with the structure that many auto parts companies created. On Tuesday, 3, Fenabreve addressed the issue and expressed concern about a possible lack of trucks, especially heavy trucks, available for sale.

The segment, by the way, is one of the fastest growing in terms of sales volumes: in the quarter growth of 89.8% in the plates, reaching a volume of 6 thousand 401 units.

The concern is shared by manufacturers to a greater or lesser extent. For MAN Latin America there is in fact the fear of the mismatch of production with supply. For Ricardo Alouche, its sales director, there is a number of initiatives that the company leads in order to detect and help its suppliers meet their demands:

“There is fear, a discomfort. The market from 2011 to 2016 decreased more than 70%, of course the chain had to adjust. We started a work in the fourth trimester that will last until the end of the first half with suppliers. We still have production bottlenecks, but there is no missing piece. There are occasional difficulties with either supplier”.

About the difficulties Alouche noted that “when demand increases rapidly the supplier

which comes back from the crisis needs to hire and buy material, and he behaves cautiously because there is a risk that demand will fall again. To minimize the process we call meetings and share market views. Last year we only worked with 60% of a single shift. Today the situation has improved: five days a week with overtime and one shift. This shows a solid scenario”.

Mercedes-Benz, which closed the trimester as the company that sold the biggest number of heavy vehicles - 1,937 units, up 87% - was more cautious on the issue. According to Roberto Leoncini, its sales vice president, it is still too early to make this projection: “We have to wait for a more sustainable evolution of the market. Mercedes-Benz is regularly servicing its customers’ requests in the face of this recovery scenario. We are prepared to meet larger volumes in the future”.

In the case of Volvo, the second company that sold the most heavy trucks in the quarter, 1 thousand 612 units, up 78.5%, the company had to expand its capacity in February to meet growing demand and try to shorten the delivery their trucks. According to his press office, delivery times vary from 60 days to 120 days, depending on the model.

He said in a statement: “In the case of Volvo FH, the most sought after heavy model, that deadline can reach 120 days”. **WE**

Production increases 14.6% in the first trimester

Marcio Stefani | marcio@autodata.com.br

The pace of the automotive sector remains strong and the automakers installed in Brazil closed March, and the first quarter of the year, celebrating new positive numbers of production. In all, according to data from Anfavea released on Thursday, 5 thousand 267.4 vehicles were manufactured in the month, up 25.3% in relation to February and 13.5% compared to March of last year.

In the first quarter, 699.6 thousand vehicles were produced, a volume that is already very close to the average recorded over the last ten years of 718 thousand units in the period. This result for 2018 represented growth of 14.6% in relation to the 610.7 thousand units manufactured in the same period last year.

Of the total produced in March, 254.6 thousand were light vehicles, 9.9 thousand trucks and 2.8 thousand buses. In the quarter, 668.3 thousand were light, 24.4 thousand trucks and 6.8 thousand buses. The highlights of the first three months were mainly commercial vehicles, with growth of 55.1% in trucks and 67.4% in buses compared to the same period last year.

“Until now, everything indicates that we will continue to maintain this growth throughout the year,” said Anfavea’s president Antônio Megale. “This should happen relatively easily this year to our goal of once again surpassing the 3 million mark of vehicles manufactured in one year.”

But... will suppliers be able to keep up with the same pace of growth of automakers throughout the year? Megale evaluated that “this would be a good problem to be solved”.

Another good news also linked to the growth of production refers to the fact that the level of employment in the automakers is growing. In March, it used 131.2 thousand workers in the production lines, an increase of 0.6% compared to February, when 130.4 thousand people were being occupied.

WE

AUTODATA NEWS AGENCY

THE MOST COMPLETE AUTOMOTIVE DAILY NEWSLETTER



CALL US TO SIGN:

(11) 5189-8900

www.autodata.com.br

Agência
AutoData

Sale of machinery falls, but projection for the year is high

Caio Bednarski | caio@autodata.com.br

Sales of agricultural and road machinery reached 7 thousand 523 units in the quarter, against 9 thousand 298 in the same period last year, down 19.1% - which is lower each month, since in the first two months the decrease was more than 30%, according to figures released by Anfavea on Thursday, 5.

According to Antônio Megale, president of the entity, even with the fall in the quarter the expectation of the sector is very good: “The big crop announced and the good price of commodities are some factors that make us believe that the year will be very good”.

In March, 3 thousand 521 machines were sold, compared to 3 thousand 564 in the same month of last year, down 1.2%. In comparison with February, when 2 thousand 939 units were traded, there was a 46.8% increase.



Another factor that animates the machinery segment is the BNDES decision to revise the amounts that will be allocated to financing programs for agricultural and road machinery, up 2% from the amount allocated last year. For the vice president Alfredo Miguel Neto “the increase is still low, but it is already a positive sign”.

Miguel Neto also pointed out that the vehicle sector could be influenced positively by some events in other countries, such as the dispute between China and the United States regarding surcharges in several imported products and the drought in Argentina, which is expected to affect production there.

The expectation of the entity is so good for the sector that in the coming months there will be a revision of some projections for the year and that of agricultural and road machinery will probably be up. Currently, Anfavea’s projection is for expansion of 3.7% in sales, 11.8% in production and 9.9% in exports.

Production - The production of agricultural machinery in the quarter already shows positive numbers, with 11 thousand 998 units, against 11 thousand 884 in the same period of last year, a high of 0.9%. Anfavea expects this volume to continue growing month by month.

In March, 5 thousand 360 machines left production lines, up 0.4% compared to the same month last year. In relation to February, when 3 thousand 905 units were produced, there was an increase of 37.3%.

Exports - With falling domestic sales and rising production sales to other countries have been another way for companies in the industry. In the first quarter, 2 thousand 889 machines were shipped, compared to 2 thousand 120 in the same period last year, up 31.7%.

In March, 1 thousand 190 units were exported, up 15.1% compared to the same month last year. In comparison with February, growth was 27.5%.

WE

Honda to operate in Itirapina in 2019

AutoData Newsroom | redacao@autodata.com.br



Honda announced on Tuesday, 3, a change in its car production process in Brazil, which will follow next year to the new factory - which has never been in operation - from Itirapina, SP, which offers capacity for 120 thousand units/year. The one in Sumaré, SP, which housed the production of automobiles, will be consolidated as a center for the production of engines and components, automotive development, strategy and business management of the company.

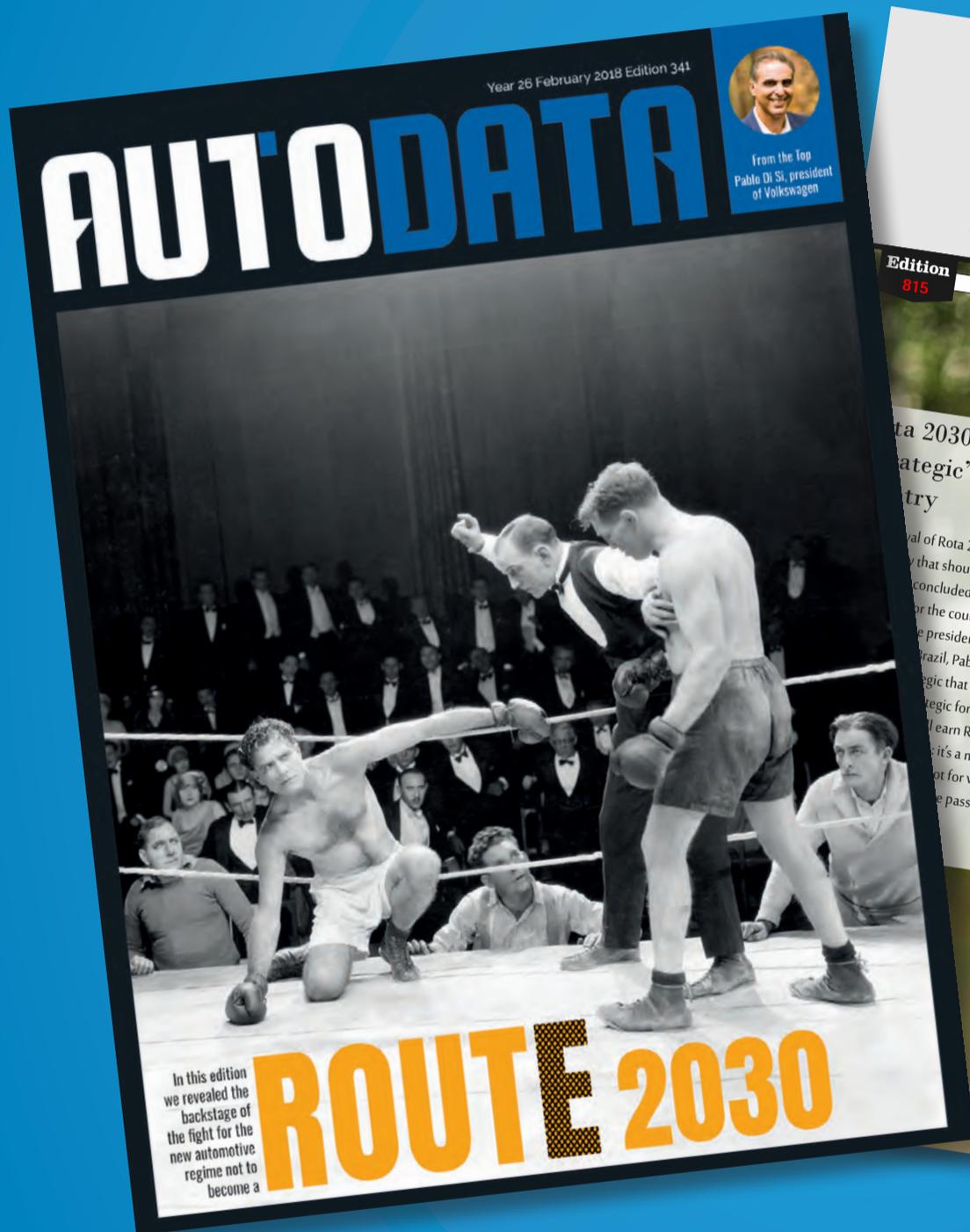
The change will occur gradually starting in early 2019, with conclusion scheduled

for 2021. The company's intention is to "strengthen the structure of automobile production to ensure the sustainability of its business for the future, based on the current scenario", even with the projected recovery of the market.

The company said in the statement that the Itirapina unit has up-to-date technologies, "resulting from a more modern project and therefore more efficient from a productivity point of view, with greater flexibility to meet the technological demands for upgrades" in its product line.

WE

DO YOU NEED MORE INFORMATION ABOUT AUTOMOTIVE BUSINESS IN BRAZIL?



READ AUTODATA!

www.autodata.com.br

AUTODATA

Average daily sales may exceed 10 thousand units in April

Marcio Stefani | marcio@autodata.com.br

Vehicle sales continued to grow and recover, and totaled 207.4 thousand units in March, a 32.2% increase compared to the February result and 9.6% over the same month last year, at a pace of 9 thousand 800 units sold in 21 business days. In the accumulated quarter of January-March 545.5 thousand vehicles were licensed, 15.6% more than the result of the same period of 2018, 472 thousand units.

Of the total sold in March, 200 thousand 400 cars and light commercial vehicles, 5.9 thousand trucks and 1 thousand buses, and in the quarter were sold 528.2 thousand light, 14.5 thousand trucks and 2.7 thousand buses. The highlights were again commercial vehicles, which registered growth of 50.4% and 54.2% in trucks and buses in the period.

Anfavea's president, Antônio Megale, said he expects the pace of sales in April to be higher than in March:

"The volume sold in the first days of the month indicates that we can have a daily

average sales above 10 thousand units in April. The important is that, once achieved, this will be the first time a volume like this will be recorded in the first months of the year since 2015".

Still considering future expectations, Megale believes that this average monthly sales can be maintained, and even exceeded, by the end of the year: "It's hard to make some kind of forecast right now. But I think we can get very close to 11 thousand units a month still in 2018".

The reasons for the strong sales pace, both in March and in the trimester, remain the same: political economy, more accessible credit, and increased consumer and industry confidence.

In terms of inventories, the sector closed March with 230.7 thousand units, of which 150 thousand were in the yards of the concessionaires and 80.7 thousand in the automakers. This volume corresponds to 34 days of production and was considered normal by Anfavea.

WE

Sales in Colombia fall in March

Bruno de Oliveira | bruno@autodata.com.br



The number of vehicle sales returned to negative in Colombia in March, reversing the figure recorded in February. A total of 19 thousand 572 units were sold, down 7% from March last year, 21 thousand 491. The data were released by the manufacturers' association, Andemos, on Wednesday, 4.

The result, however, was considered positive by the market, which took into account the smallest number of business days in March this year: the holy week celebrations, which in 2017 was celebrated in April, coincided with March. The parliamentary elections also took place last month and influenced the least amount of sales days.

In the first quarter of the year, the volume sold was 3.3% less than in the first quarter of 2017, 54 thousand 369 units. The entity highlighted the sales performance in the quarter of the truck segments, up 26.4%, and heavy trucks, 6% more than in the quarter last year.

WE



HERE IT COMES THE MOST COMPLETE REFERENCE GUIDE TO THE PASSENGER TRANSPORT MARKET!

The **2018 AutoData Bus Industry Guide** will be the main commercial reference guide published this year for this important segment of the Brazilian automobile industry, bringing relevant information regarding all chassis and bodywork manufactured in the country and also the entire production and commercial chain of this segment.

Editorially this Guide will provide a wide analysis of the future technological trends of the bus industry and its economic and commercial perspectives, as well as the complete profile of this important industrial segment.

Besides, with specific reference to the production chain, it will bring complete files of all automakers and bodybuilders, with factory locations, production capacity, commercial director and dealer network or representatives.

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

DISTRIBUTION TO:



Passenger transport companies



Production chain (assemblers, body builders, distributors and representatives)



Direct and indirect suppliers (raw materials, auto parts, services, etc.)



Government, financial companies, consultancies, entities, unions, press, etc.



Subscribers and advertising agencies

CALL US TO ADVERTISE:

Tel.: (11) 5189-8900 | E-mail: comercial@autodata.com.br