

# AutoData

NEWS AGENCY WEEKLY EDITION

Edition  
819

Weekly Brazilian automotive industry news | 3.5 to 3.10.2018 Year XII

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# Anfavea: investments can be revised

Gilmara Santos | [gilmara@autodata.com.br](mailto:gilmara@autodata.com.br)

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For him, the approval of the program is critical for manufacturers to continue investing in technology. "Since Inovar-Auto the automotive industry has done its part to reduce the



emission of pollutants with investments in technology. But if the market is not open to further breakthroughs this may lead the companies to rethink their investments here”.

In his presentation, the manager of Anfavea also mentioned the case of the premium segment automakers, which without specific rules for low volume production could also revise their plans in relation to Brazil.

According to Megale Rota 2030 was not announced by a division on the subject in the governmental sphere. “We began our discussions with all ministries, but at the end of the year the Treasury disagreed. We know that it is difficult in the election year to prestige one particular sector, but we will continue to fight for the program to be approved in this government”.

The president understands that one of the possibilities on the table for Rota 2030 is its approval by parts. If this happened, the focus would be on the areas of energy efficiency, safety and research and development.

He also said that during Inovar-Auto the industry invested billions in P&D, which contributed to improving the energy efficiency of vehicles. “We saved R\$ 7 billion a year with fuel”.

Regarding the tax issues of the program, which were particularly questioned by the Treasury, Megale commented that for a ceiling of R\$ 1.5 billion of fiscal renunciation companies would invest three times more. “The industry generates about R\$ 40 billion per year in revenue and about four times more in taxes”.

Megale mentioned an option offered by the Treasury, which the incentive to P&D for the automotive industry would come by the Lei do Bem or Law of Goods, which slashes income tax on profit. “But when companies record negative results there would be no benefit”, he said.

He made it clear in his presentation at the AutoData event that “last year we had two meetings with the President of the Republic, and we were told that Rota 2030 would be approved.

Companies invested by believing in that. We need to be clear about rules and predictability”. **WE**

# For Abeifa, Route 2030 only comes out next year

Gilmara Santos | [gilmara@autodata.com.br](mailto:gilmara@autodata.com.br)



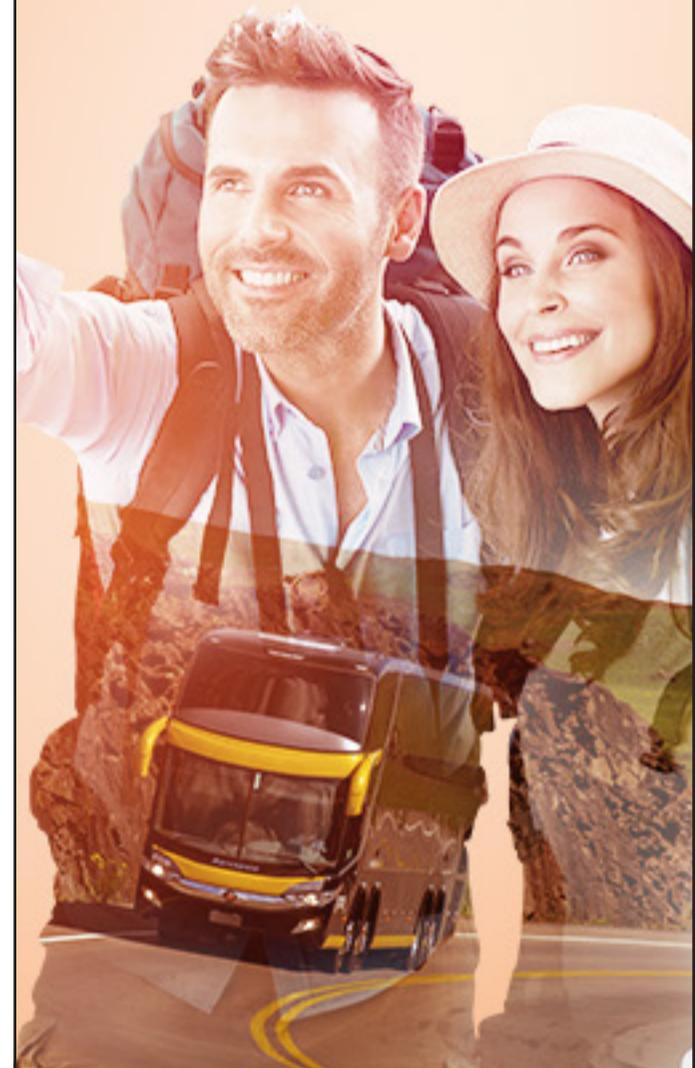
The exchange is now the main obstacle to the importation of vehicles in the Brazilian market, said the president of Abeifa, Brazilian Association of Importers and Manufacturers of Automotive Vehicles, José Luiz Gandini, in a presentation at the AutoData Seminar Megatrends in the Automotive Sector - The Challenges of 2018 With or Without the Route 2030 on Monday, 5, in São Paulo, Capital.

“The dollar is an aggravating factor. In 2011 the exchange rate was R\$ 1.67 and today reached R\$ 3.25, a 95% increase. In the same period the vehicles rose 21%. It’s impossible to go back to the 2011 numbers.”

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In addition to the dollar, the entry of Inovar-Auto in 2012, he said, had a major impact on the sector's results. That year, around 199 thousand were sold, compared with 29 thousand last year. Thus the share of the domestic market fell from 5.82% to 1.37%, the number of concessionaires decreased from 850 to 450 units and direct jobs from 35 thousand to 14 thousand. And the tax collection went from US\$ 4.1 billion to US \$ 400 million in the period.

"Taking the brake on the quota of 4 thousand 800 units per year of Inovar-Auto brand makes us optimistic, but we have the dollar issue and the Import Tax, which do not allow us to get a competitive price."

About Rota 2030, Gandini assured that Abeifa "definitely supports" the program: "We participated in almost 100 meetings in Brasilia on the subject, but it is important that it be given with an isonomic treatment for all participants in the chain." Gandini, meanwhile, is to publish the regime for the next government: "We want it to be as short as possible, but I think it will not be out this year."

WE



# For Sindipeças, suppliers are prepared to increase the demand

Ana Paula Machado | [redacao@autodata.com.br](mailto:redacao@autodata.com.br)

The auto parts industry is ready to support the growth of vehicle production this year. This is the vision of the president of Sindipeças, Dan Ioschpe. According to him, companies including the ones from the weakest links in the chain, Tier 3, have invested in recent years to meet production above three million vehicles.

“What can happen is that Tier 3 vendors may be able to take more time to meet the scheduling of the automakers if there is an order increase, they have a longer time, but I do not see it as a bottleneck. This deterioration of which some people say does not seem evident to us. In the year 2017, for example, we saw more companies joining Sindipeças than leaving. We grew 4% in the

number of associates”, said Ioschpe during a speech at the AutoData Seminar Megatrends in the Automotive Sector - The Challenges of 2018 With or Without the Route 2030, which occurred on Monday, 5, in São Paulo, Capital.

The president of Sindipeças also emphasized that the proof that the segment is prepared to meet the growth of vehicle production is the utilization of installed capacity, which now stands at 70%. “We are on the same level as in 2015, not so high. Auto parts, as well as automakers, have also prepared for a production of five million to six million vehicles five years ago. This was the scenario foreseen at that time. So for a production of three million units, we are qualified.”

Sindipeças estimates an 11% growth in the volume of vehicles manufactured this year in Brazil - this index, however, should be revised soon. According to Ioschpe the orders of the automakers were higher than estimated in the first months of this year. “The projection of 11% growth was a scenario of last year, which is expected to reach 20%, and we will be ready to meet that demand.”

Ioschpe also said that the Rota 2030 program, whose publication was originally scheduled to take place at the end of last year, could have some points already published this year, to give more predictability to the automotive sector. “The points that have already been set could be published earlier, such as the question of energy efficiency and safety, because the market can be invaded by a range of products with a lower level of technology than that determined by Inovar-Auto. But the government is a complex entity.”

WE

# Automotive sector can explore customs regime for greater competitiveness

Caio Bednarski | [caio@autodata.com.br](mailto:caio@autodata.com.br)

**H**ow to be competitive in the future is an issue that all companies involved in the automotive industry must face. The opinion is from Fernando Magri, director of Thompson Reuters, speaker of the AutoData Seminar Megatrends of the Automotive Sector - The Challenges of 2018 with or without the Route 2030, on Monday, 5, in São Paulo, Capital. He highlighted that companies will need to adapt to the changes that will come in the global automotive sector in the coming years.





“The automotive industry is one of the few that the industry is global. A car receives components that are made in many countries of the world, and with that, optimizing the logistics is a question that will make difference in the future. But it is necessary to understand how this can be done.”

The speaker pointed out that in Brazil, for example, there are fourteen special customs regimes that are little explored by companies and that could improve the competitiveness of local products abroad. This is the case of Recof, which allows the importation of inputs without tax cost. “There are mechanisms in Brazil to increase the competitiveness of companies, but many do not explore the special regimes.”

Regarding trade barriers Magri understands that they have come to stay and will be increasingly present, such as the surcharge for importing steel in the United States. For the speaker, however, this can be “a shot in the foot”, because instead of boosting the US steel industry, can make the importation of a ready vehicle is cheaper than local production. Britain’s exit from the EU block should also become a trade barrier in the future, he added.

“I believe that in the future the companies that will lead the way will be those that can make the technological innovations accessible to the consumer, without major ruptures with their past.” **WE**

# Brazil needs to define its energy matrix, experts say

Ana Paula Machado | [redacao@autodata.com.br](mailto:redacao@autodata.com.br)



**B**razil needs to define, soon, its public policies for energy efficiency not to lose the technology train. This was the theme of the panel Engines / Electrification - What to Expect from the Future in Brazil, part of the AutoData Seminar Megatrends of the Automotive Sector - The Challenges of 2018 With or Without Route 2030, held on Monday, São Paulo, Capital.

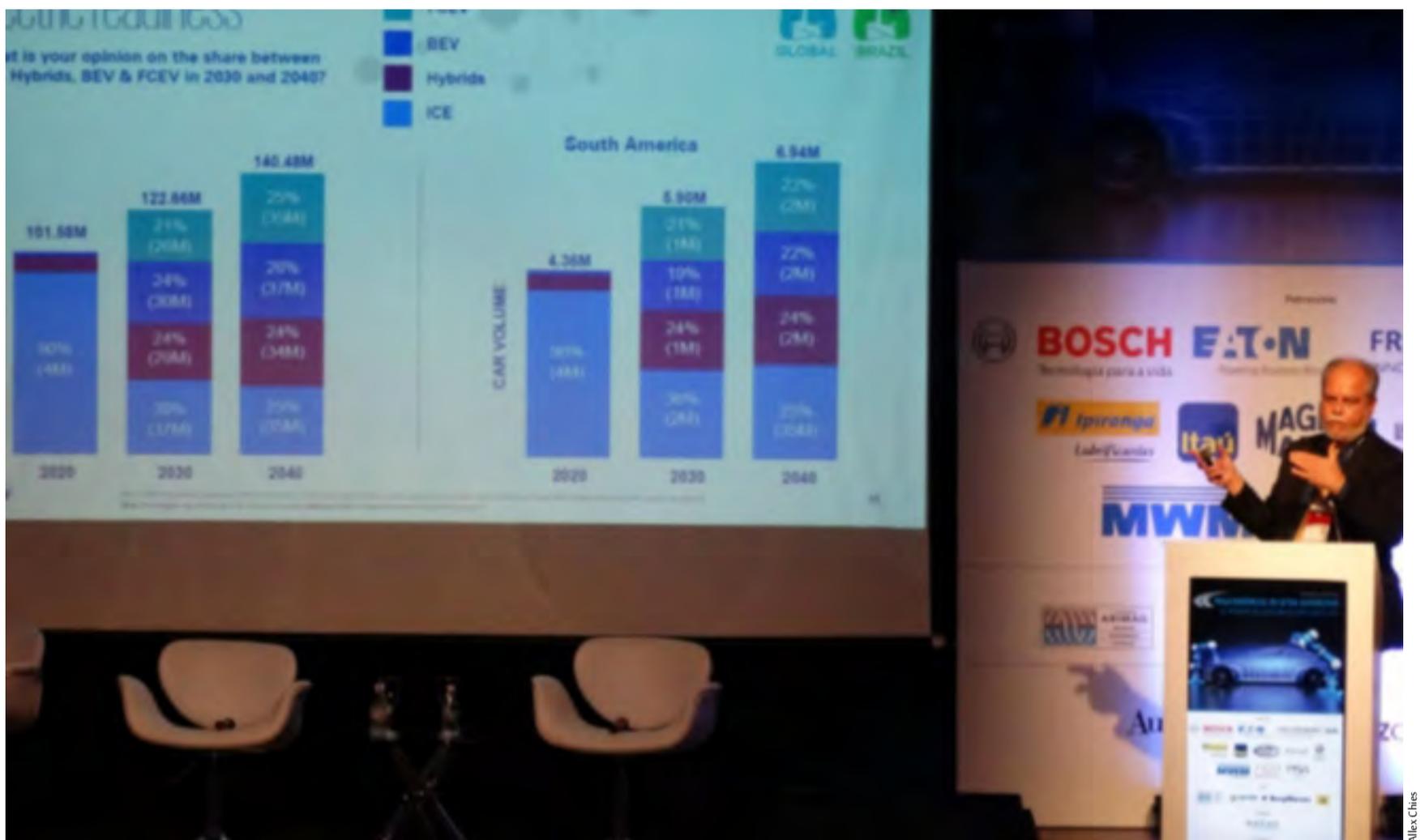
The president of Unica, Sugar Cane Industry Union, Elizabeth Farina, said: "the congress has already approved a 43% reduction in CO2 levels by 2030. There is a timetable for this. So we already know where we want to go. Now we have to define what will be the energy matrix for the

use of land, electricity and fuels. And ethanol can contribute to these three areas. I hope that Brazil can define this opportunity: we need to define public policies.”

The president of CAO Montadora and SAE Brasil, Mauro Correia, said that predictability and rules in public policies are necessary for the development of new technologies in Brazil. “Brazil needs to choose how it wants to enter this global game. In the investment decision-making process in developing research, companies think of the market as a whole, to gain scale, not individual solutions for each region.”

Bosch’s president for Latin America, Besalio Botelho, understands that the development of electrification technology is accelerating in the world, but it is not necessarily a viable solution for all regions: “Brazil has taken an important step in this matter of fuel . We have to make noise. We already have a viable alternative, which is ethanol. We need to define what the energy matrix will be. “

Marco Silva, president of Nissan in Brazil, added that today there is no single answer regarding vehicle propulsion technologies that each region of the world should develop. The executive believes that electrification is a trend, but it is necessary to define the best solution for Brazil: “Electric motor is a trend, but we do not know which is the most viable for Brazil. It may be, for example, a hybrid that uses ethanol. There is no single answer to propulsion technology”. **WE**



## 2040: All powertrains will have their space.

Caio Bednarski | [caio@autodata.com.br](mailto:caio@autodata.com.br)

The automotive sector is changing rapidly and that will be the case in the next few years. In this way it will be fundamental to try to understand what the future of the industry will be, and a study by the KPGM consultancy, presented by its director Ricardo Bacellar at the AutoData Seminar Megatrends of the Automotive Sector - The Challenges of 2018 With or Without Route 2030, held on Monday, 5, in São Paulo, Capital, gives good clues:

“The opinion of industry executives has changed over the last three years, the survey points out. Most of the respondents now bet on the fuel cell as the flagship of the future of motorization, 33% and, no longer in the electric, 22%.”

In the opinion of the interviewees of the global survey the main obstacle to the electric vehicles will be the infrastructure, an issue that is little discussed compared to the subject of the vehicles themselves - and no one knows for sure how to solve it. For the interviewees, both executives and consumers, the responsibility for the infrastructure of recharging stations should lie with the automakers.

Bacellar highlights that growing confidence in fuel cell engines is an excellent opportunity for Brazil to show that Ethanol can be used in place of hydrogen, with the advantage of the country dominating the entire production cycle of the raw material that will be used. "We have the solution ready and this will be a very good business opportunity for us."

In his speech, he said that "in the future all power technologies will have space, one will not kill the other. It's not a race to bet on a single horse." The survey data states that by 2040 the global fleet will be 140.5 million vehicles, 25% powered by fuel cell, 26% electric, 24% hybrid and 25% internal combustion.

For the development of new technologies Bacellar says that the main barrier is still the investment needed. The solution can be a group of companies investing together, reducing the individual cost while continuing to compete in the market.

The survey also highlights the need for companies to create new business models to generate revenue without relying only on vehicle sales. Some alternatives are already being discussed: "Cars offer a lot of consumer data that is not used by automakers but needs to be evaluated for future business models. If this is not done, other companies outside the industry will."

As an example, the director highlighted the mobility and car sharing companies that use the products of the automakers to generate a new business model that is quite profitable, as well as the Sem Parar system, which was sold last year for \$ 4 billion. "It is necessary for the automotive sector to understand this scenario of new business platforms from a vehicle."

Bacellar also mentioned technology companies as Qualcomm, Nvidia and LG: "In the past, nobody thought that the automakers would negotiate with these companies and today they are already involved in the development of the new business, bringing the vehicle to the technologies of the future. LG, for example, provides 60% of Chevrolet Bolt's components." **WE**

# Mercedes-Benz sees risk of missing parts. FCA does not.

Ana Paula Machado | [redacao@autodata.com.br](mailto:redacao@autodata.com.br)

The alert comes from Mercedes-Benz's director of purchases, Eroses Berbetz: There may be a lack of parts in the supply if commercial vehicle sales grow above the 30% forecast for this year. According to him, importing components can be a one-time resource to support this volume increase:

"Some, and not all, suppliers are working within a margin to meet just that demand for 30% production increase. But we have, inside the company, the philosophy of staying very close to the suppliers. So we can anticipate these movements," said the executive during panel The New



Trends in Automotive Purchasing, part of the AutoData Seminar Megatrends of the Automotive Sector - The Challenges of 2018 With or Without the Route 2030, held on Monday, 5, in São Paulo, Capital.

FCA's purchasing director, Antonio Filosa, who split the panel with his colleague from M-B, does not see this risk: "Our suppliers are already prepared for market growth. In any case, if we happen to notice that there is some risk of shortages, we can help them accelerate some kind of productive investment."

The executive, however, is leaving the position in the area of purchases of FCA, in which will be replaced by Luis Santamaria. That's because Filosa already accumulated the position with the company's general directorate in Argentina and will now also assume responsibility for the Alfa Romeo and Maserati brands in Latin America.

Filosa pointed out that, like M-B as an example, FCA maintains constant monitoring and relationship with suppliers. There are two programs in the company that focus on improving the competitiveness of partners and, consequently, the company itself: Value Optimization Product Center, VOP, and Supplier Integration Management, SIM.

"Our goal is to expand these programs to more suppliers and other automotive areas. We want to take the good things in these models to the whole region," said the executive, adding that in Goiana, PE, at the Jeep Automotive Hub, 88 suppliers are already participating in the VOP.

At Mercedes-Benz the practice is similar, according to Berbetz: the automaker closely monitors the financial health and management of the partners. "It's a primary job." **WE**

# Sales in the two months grow more than the Anfavea's project to 2018

Leandro Alves | [leandroalves@autodata.com.br](mailto:leandroalves@autodata.com.br)



If it was not the shortest month of the year and the carnival, sales in the domestic market would register a larger volume than in January of 2018. In total, there were four working days less in February and sales totaled 156 thousand 905 vehicles, retraction of 13, 4%, according to data from Anfavea released on Tuesday, 6.

Even so the president Antonio Megale celebrated the performance. "We are on a growth path, and

that's what matters." Compared to February 2017, the increase in sales was 15.7%.

Megale also underscored the daily average of 8 thousand 700 units traded as an important reference for projecting the next months: "The market is spinning at almost 9 thousand units per day, which is a very interesting performance for the industry."

With this rhythm, the president of Anfavea believes that for the next few months sales tend to reach 200 thousand units/month, a volume considered more suitable for the expectations of ending the year with 2 million 502 thousand units: "This year I believe that we will not down this level."

The reasons for the continued growth of the internal market are the same: the economy is still detached from political issues, credit is becoming a more interesting modality for the acquisition of high value-added goods, such as automobiles, and even the segment of trucks begins to recover customers who have postponed purchases in recent years. Not even the second-semester elections come as a factor of uncertainty for domestic sales, in Megale's point of view.

In the bimester, 338.2 thousand cars, light commercial vehicles, trucks and buses were traded, an increase of 19.5% over the same period of last year. It is important to highlight that the accumulated result so far is above the projected growth of Anfavea to 2018, which is 11.7%. At the moment we will not make any revision of the sales expectation. But I can say that I'm optimistic. **WE**

# Production does not fall from 200 thousand/month this year

Leandro Alves | [leandroalves@autodata.com.br](mailto:leandroalves@autodata.com.br)

The same reason that made sales fall below performance in January explains February production: the lowest number of business days [18], when 213 thousand 500 vehicles were manufactured, a small drop of 2.1% over the first month of the year and an increase of 6.2% over the same period of 2017.

However, Anfavea's expectation is that both domestic sales and exports establish a new pace for factories: "I do not think we are going to go down from 200 thousand units a month this year," says Antonio Megale, the company's president.

In the bimester 432 thousand units were produced, a volume close to the industry average in the last decade, which is 443 thousand vehicles for this period. Considering the first two months of 2017, production growth this year is 15%.

Faced with positive expectations Antonio Megale evaluates the possibility of delays in the delivery of parts on assembly lines, which would be punctual. "We are aligned with Sindipeças' vision on this issue. Yesterday at the AutoData seminar, President Dan Ioschpe said that this would not be a bottleneck, but a possible difficulty in Tier 3. But we will work to prevent this from happening."

Another good news is the resumption of jobs, in a slow but steady move month by month, according to Anfavea. In February the industry used 130, 4 thousand workers, increase of 1.1% compared to January, when 129 thousand people occupied in the production. "It's a small variation, we are recovering the staff board in the factories one by one".

# Exports in the bimester hit a record of 112.7 thousand units

Caio Bednarski | [caio@autodata.com.br](mailto:caio@autodata.com.br)

Exports in the automotive sector continued to rise, with 66 thousand 314 units shipped in February, an increase of 42.9% compared to the previous month, according to data released by Anfavea on Tuesday. Same month last year, there was a small drop of 1.2%, but in the accumulated of the year the sector hit another record of exports, with 112 thousand 712 sold to other countries, against 105 thousand 143 in the same period of the previous year.

For Antonio Megale, president of Anfavea, the new record in the first two months shows the strength that exports have gained in Brazil and reaffirms the possibility of a new record breaking at the end of 2018, surpassing the 745 thousand units shipped last year. "Trade agreements are increasingly strengthening exports," the president said.

About the main importers of Brazilian vehicles, Argentina is the first to receive 74% of the volume exported, followed by Mexico, 7%, Chile, 6%, Uruguay, 4%, Colombia, 3% and Peru, 3%. "Of these countries, it is necessary to highlight the 65% growth of exports to Chile

and that the agreement with Colombia still does not reflect in the numbers, but we expect that to happen in the coming months," Megale said.

In terms of values, exports were 1 billion 479 million 527 thousand in the month, being the best February in history. In comparison with January, the increase was 43.1%. In relation to the same period last year, the increase was 23.7% and in the accumulated of the year the increase was of 24.8%, being also the best bimester in history. According to Anfavea, a number of factors were responsible for this growth, such as higher shipments, new markets and more attractive products.

**Trucks** – There were 2 thousand 702 units exported, 44.9% up compared to January. Comparing with the same period last year, the expansion was 27.3% and in the accumulated growth was 43.3%.

The main destination of the national trucks was Argentina, followed by Chile, Russia, Peru and Colombia.

WE

# Trucks start year with a rise and reaffirm growth projection of 25% in the year

Caio Bednarski | [caio@autodata.com.br](mailto:caio@autodata.com.br)

**T**he truck segment follows the recovery started in the second half of last year. In the year, 8 thousand 601 trucks were traded, a 54.7% increase compared to the first two months of last year and a 54.6% increase compared to the same month of 2017.

In February, however, there was a decrease: with 4 thousand 400 units, the segment had a 11.4% drop in relation to the previous month, justified by four fewer business days, according to data released by Anfavea, an entity that represents the automakers.



Marco Antonio Saltini, vice president of Anfavea, said that growth in the first two months reinforces the projected 25% increase in sales for the year. For President Antonio Megale, constant growth and projection for a GDP growth of 2.5% to 3% are factors that will also help in the expansion of the sector.

The production of trucks was 7 thousand 768 units in February, expansion of 46.2% compared to the same month last year and 15.8% in comparison with January. In the accumulated 14 thousand 475 vehicles left the production lines, against 9 thousand 796 in the first two months of last year, expansion of 47.8%. "The rise in truck production in the first two months shows the country's economic evolution," said Megale.

Exports totaled 2 thousand 770 units in February, up 27.3% from the same month last year and 44.9% compared to January. In the accumulated of the year were 4 thousand 567 vehicles embarked, against 3 thousand 187 in the same period of the last year, expansion of 43.3%. The main importer of the national trucks was Argentina, followed by Chile, Russia, Peru and Colombia.

**Buses** – Bus sales in the two months were 1 thousand 719 units, compared to 932 in the same period last year, up 84.4%. In February, 871 units were sold, compared to 428 in the same month last year, a 103.5% increase. In comparison with the previous month there was growth of 2.7%.

The production of buses in the bimester was 4 thousand 53 units, against 2 thousand 427 in the same period of last year, a 67% increase. In February there were 2 thousand 108 buses produced, up 8.4% in comparison with January and 55.2% in comparison with the same month last year.

Sales to other countries were 1 thousand 147 units in the year to date, up 35.5% compared to the same period in 2017. In February, 850 units were exported, compared to 577 in January, up 47.3% and of 27.8% in relation to the same month of the previous year. **WE**

# Sales of agricultural and road machinery start at low levels, but projection for the year is good

Caio Bednarski | [caio@autodata.com.br](mailto:caio@autodata.com.br)

**A**t the beginning of the year sales of agricultural and road machinery did not go very well, with 4 thousand 3 units sold, down 30.2% compared to the first two months of last year. In February, 2,4 thousand units were traded, an increase of 49.7% over January and a 22.5% drop in relation to the same month of the previous year.

Alfredo Miguel Neto, vice president of Anfavea, who is responsible for the segment, believes that the low volume in February was still impacted by the problems in the BNDES system, which was not operating for approximately fifteen days in January and the change in the grace period, which was twelve months, and shortly thereafter returned to fourteen months.



Even with the result of the first bimester, the agricultural sector expects the year to be very good: “I believe that in the next Anfavea’s conference we will already show the revised projections, because of some factors such as the confidence and profitability of growers, price of commodities and investments that will be announced in macrologistics,” said the vice president.

The 2018/2019 Safra Plan also has good expectations for the sector, as the Ministry of Agriculture has already announced that the new plan will reduce interest rates for producers and with this, more investments in capital goods must happen. “We expect the transition to the next Safra Plan to be smooth, with no unexpected changes and enough resources through the year beginning July 1st, because resource instability and variation in the rules creates a lack of confidence in producers”.

“We also need that the BNDES operating system do not suffer any impact when the Safra Plan year turns, as has happened in other years, so it does not affect the sector’s turnover and that the shortage be maintained in fourteen months throughout the plan”.

The production in February was 3 thousand 911 units, up 43.6% compared to January. About to the same month last year, there was a 10% drop, which Anfavea credits the issue of last year’s supersafra. In total, 6 thousand 635 units came out of the production lines, up 1.4% compared to the first two months of last year.

As exportações foram de 1 mil 757 no acumulado do ano, contra 1 mil 167 unidades no primeiro bimestre do ano passado, alta de 50,6%, justificada pela maior demanda de máquinas rodoviárias de construção nos Estados Unidos. Em fevereiro foram 982 unidades embarcadas, contra 775 no primeiro mês do ano, alta de 26,7% e, na comparação com o mesmo mês do ano passado, a expansão foi de 32,2%.

Exports totaled 1 thousand 757 in the year to 1 thousand 167 units in the first two months of last year, up 50.6%, due to the increased demand for road construction machinery in the United States. In February, 982 units were shipped, against 775 in the first month of the year, up 26.7% and, compared to the same month last year, the expansion was 32.2%. **WE**

# Renault expects Route 2030 to define new investments

Gilmara Santos | [gilmara@autodata.com.br](mailto:gilmara@autodata.com.br)

With the inauguration of the aluminum injection plant on Tuesday, 6, Renault completed another stage of an investment cycle of R\$ 3 billion, with only R\$ 400 million remaining, which will be applied this year in the expansion of the engine factory. A new investment cycle of the manufacturer in Brazil could already be announced, however, the company is awaiting definition of Rota 2030 to make new contributions in the coming years. Luiz Pedrucci, president of Renault of Brazil, spoke about the impact of the lack of clarity in the rules for the automotive sector:



“We have closed a cycle of investments, but today we are not clear about the rules and therefore we have to be prudent to define the new investments and the best way. Without Rota 2030, there is risk of investing in the wrong direction.”

During the solemnity at the aluminum injection factory, which was attended by Marcos Jorge de Lima, interim minister of the MDIC, Ministry of Development, Industry and Foreign Trade, Pedrucci took the opportunity to say that “the decision of the new investment cycle was awaiting of what will be established by Rota 2030”. Following that, Olivier Murguet, President of Renault for Latin America, reinforced the need for a definition of the Route for the country to attract investments:

“To define the new investment cycle, we have to know the rules of the game and Rota will give those definitions.”

The executives’ appeal did not work. The minister, who spoke next, simply said, “I know you guys want answers, but unfortunately I do not have answers.”

At the end of the ceremony, AutoData tried to talk to the minister. Advisers tried to avoid the contact by saying that the government representative would be late for a flight. Walking quickly with the minister, it was possible to ask about the reasons for the postponements, since he himself had affirmed the intention of the Presidency to approve Rota 2030 until the end of February. Once again the minister Marcos Jorge was evasive: “I’ve said everything in my speech.”

The fact is that without a definition the country runs the risk of losing investments, according to the president of Anfavea, Antonio Megale, during the AutoData seminar held on Monday, 5.

At the press conference after the inauguration of the new plant, Pedrucci did not rule out that investments that could be made in Brazil, can go to other countries, such as Argentina and Colombia:

“We run the risk of losing some projects to another country.” He recalled, for example, that last week Colombia began exporting the Duster to Argentina. Before the Argentines received the Brazilian model. This has no connection with Rota 2030, but with competitiveness of that country in relation to Brazil. It serves, however, to show that there is also competition among regional factories and, without Rota, Brazil may be at a disadvantage in this scenario. **WE**

# Importers will bet on niche markets to grow

Caio Bednarski | [caio@autodata.com.br](mailto:caio@autodata.com.br)



**A**beifa, the entity that represents importers in the Brazilian market, held the first press conference of the year on Wednesday, 7, to talk about the results of the first two months, the expectation for the year and Rota 2030. Abeifa expects 40 thousand units to be sold, a goal considered daring by the president José Luiz Gandini, because even without the Inovar-Auto super IPI, it will not be easy for importers to compete in the local market:

“The rise of the dollar with the modernization and evolution of the domestic industry complicates the competitiveness of imports in some segments, especially large ones, where domestic vehicles have more attractive prices and leave no room for imported ones. Therefore, to achieve this year’s projections, the associated brands will focus on niche markets, such as compact, medium and large SUVs, minivans and the luxury segment.”

Gandini also highlights the need for the dealers network to reorganize in the coming months, because in the period of Inovar-Auto, this number fell from 850 points of sale in 2011 to 450 in 2017, with direct jobs coming from 35 thousand to 14 thousand, in the same period. "With the end of Inovar-Auto and with that, the end of quotas and the super IPI for importers, we will be reborn in the market and we need to reorganize ourselves in the coming months."

Regarding sales, 2 thousand 577 units were traded in February, a 52.8% increase compared to the same month last year and a total market share of 1.69%. In comparison with January, the expansion was 6.3%. In the first two months of the year, 5 thousand 2 units were sold, an increase of 37.8% over the same period last year.

Imported by Anfavea - While the members of Abeifa sold 2 thousand 577 units in February, those associated with Anfavea shipped 18 thousand 395 imported vehicles in February, a volume 12.4% lower than in January. In comparison with the same month last year there was a 28.1% increase and in the accumulated of the year the expansion was of 26.3%, with 39 thousand 384 units sold.

**Rota 2030** - The executive also spoke about Rota 2030, an automotive program that will succeed Inovar-Auto and, as AutoData anticipated on Monday, 5, in Abeifa's view the possible approval of the program will be in 2019. "If Rota 2030 is not approved until April, I believe that it will be for next year, since the ministers who will be candidates in the elections must leave the ministries until the 6th, with that, on the 7th the interim will take the lead, who will not be inside the discussions and , until they understand everything that is at stake, we will arrive in the election period, delaying again the decision on the program, because after the decisions of the polls the new ministers will assume their positions".

"For importers the lack of definition of Rota 2030 this year does not change anything, because the new program will not have different rules for us, it will only charge targets for energy efficiency and safety, for example, and this we have already attended. We defend the program because it will also bring predictability to our sector".

WE

# Renault inaugurates block and aluminum head production

Gilmar Santos | [gilmar@auttodata.com.br](mailto:gilmar@auttodata.com.br)



Renault Group inaugurated on Tuesday, 6, the CIA, Curitiba Aluminum Injection, in São José dos Pinhais, PR, which will produce blocks and 1.6 SCe engine heads. The unit had an investment of R\$ 350 million and is part of a cycle of R\$ 3 billion that began to be contributed by the manufacturer seven years ago. To conclude this cycle, another R\$ 400 million is being invested in the expansion of the engine plant.

The new factory has the capacity to produce 500 thousand pieces per year and will no longer import the products from Japan. The production of the blocks and heads will be, at least for the

moment, only for 1.6 SCe engines, which represent 60% of models produced in the country.

Besides CIA, Ayrton Senna Complex also has production units for passenger cars, light commercial vehicles and engines.

Luiz Pedrucci, president of Renault of Brazil, said that the inauguration shows the company's confidence in Brazil: "Renault is a company that believes in Brazil. Therefore, we maintained our investments in the country without any change, even in periods of economic instability, which allowed us to renew and expand our product range and strengthen our structure."

Also attending the opening ceremony, Olivier Murguet, President of Renault for Latin America, talked about the growth in market share of the brand's products: "We went from a 5% stake to almost 8%. Brazil is a fundamental part of our participation in Latin America".

The manufacturer closed 2017 with 7.7% market share and the goal is to reach 10% of participation until 2022, according to Pedrucci.

The new plant has 14 thousand m<sup>2</sup> and annual production capacity of 250 thousand blocks and 250 thousand 1.6 SCe engine heads. About 100 professionals work at CIA in two shifts. The unit is the only head injection line in the Renault Group.

The work for the construction of the new industrial plant was attended by approximately two thousand people, including teams from the Renault-Nissan-Mitsubishi Alliance of 11 countries, focused on building a modern and sustainable factory.

The CIA plant is composed of 165 state-of-the-art machines from 11 countries, including Japan, Korea, France, Spain, Germany and Brazil.

The components produced in the CIA have as final destination Curitiba Motors, where the propellers that equip the vehicles of the company are manufactured. Founded in 1999, the unit has already produced about 3.8 million engines, having already exported approximately 40% of that total.

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# Shares of companies related to the automotive sector are highlighted in the Stock Exchange

Gilmara Santos | [gilmara@autodata.com.br](mailto:gilmara@autodata.com.br)



Rafael Matsumaga/Fotos Públicas

The shares of companies related to the automotive sector have appreciated significantly in the last 12 months. The exclusive survey done by Comdinheiro for AutoData shows that some companies showed a return over 130% in 12 months, while in the period the Ibovespa, the main index of the Brazilian Stock Exchange B3, did not reach 30%.

Filipe Ferreira, analyst at Comdinheiro and responsible for the survey, explains that the

automotive sector is one of the first to feel the effect of the crisis: "It is a very sensitive sector both for the worsening and for the improvement of the economy."

The study showed the return on the shares of five companies linked to the automotive sector that are listed on B3. These are: CSN, Gerdau, Marcopolo, Randon and Usiminas. The survey takes into account the price on March 1st.

In the survey, Usiminas had the best performance in the period with a return of 137.42% in twelve months. Followed by Randon, with appreciation of 108.25%. Marcopolo shares rose 50.72% in the period and Gerdau shares, 31.83%. Only CSN recorded a 12-month negative return with shares falling 17.38%. The Ibovespa, on the other hand, had its value in 29.65%.

According to Vicente Koki, chief analyst at DMI, the automotive sector will be very important in the process of recovering the economy: "The actions of the suppliers related to this sector had good increase in the Stock Exchange".

In addition to the companies analyzed by Comdinheiro, Koki also raised five other companies related to the sector: Fras-le increased by 30.6%, lochpe appreciated 56%, Mahle Metal Leve returned 7%, Plascar up 73% and Tupy registered growth of 38%.

"As ações refletem o bom ou mau desempenho das companhias, queda de taxa de juros, aumento do crédito e a maior confiança das famílias, que tendem a adquirir mais bens, devem refletir no mercado e ampliar os retornos dos papéis".

"Shares reflect the good or bad performance of companies, falling interest rates, increased credit and higher confidence of families, that tend to buy more goods, should reflect in the market and increase the returns of the papers."

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