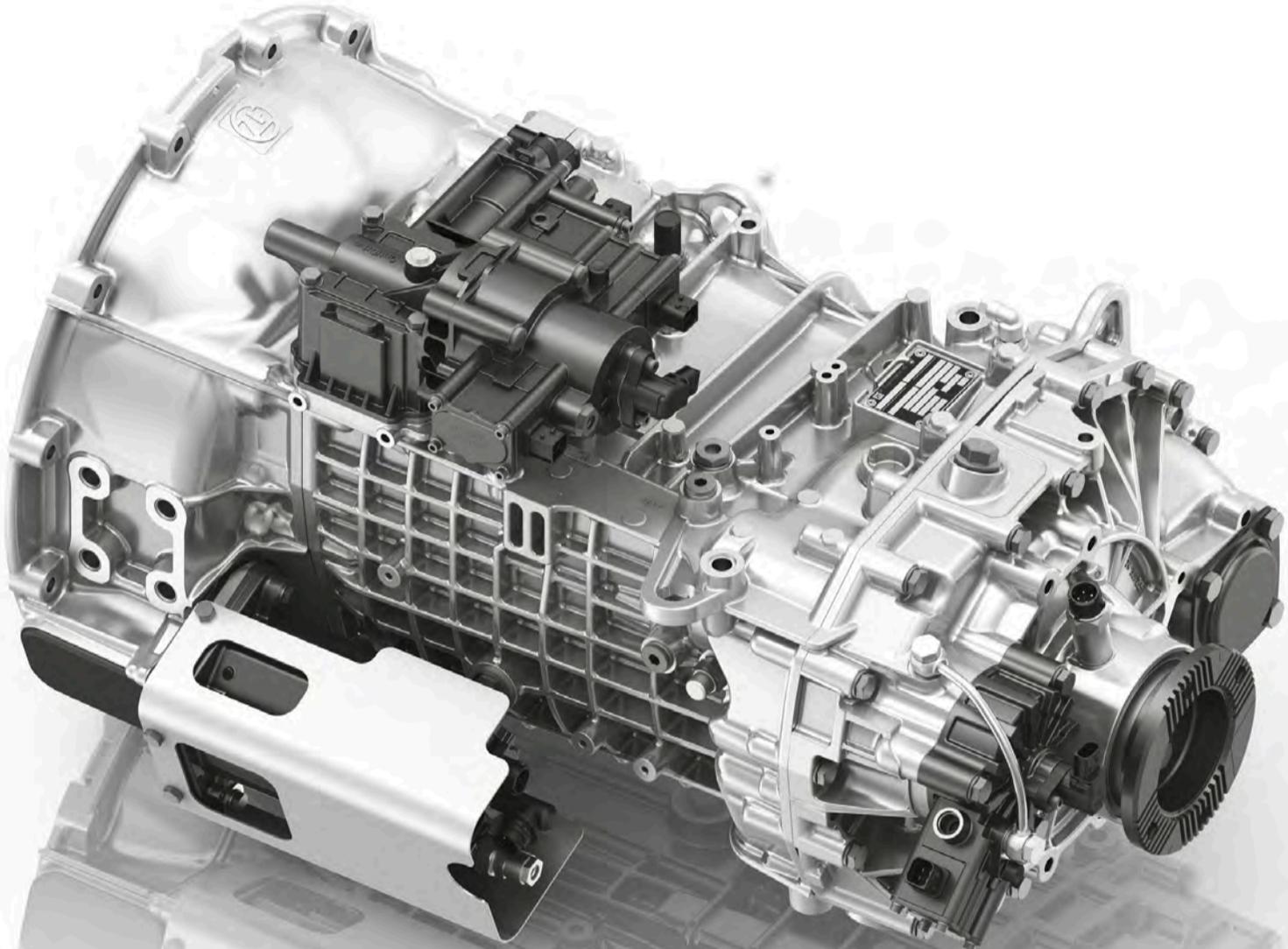


AutoData

NEWS AGENCY WEEKLY EDITION

Edition
749

Weekly Brazilian automotive industry news | 09.19 to 09.23.2016 Year XII



Brazilian transmissions

ZF, manufacturer of transmission systems and chassis technology, continues its plan announced two years ago to increase local content, and locally produce the Traxxon 12 and 16-speed transmission box at its plant in Sorocaba, state of São Paulo, based on an investment program valued at R\$ 100 million. The AS EcoTronic 9-speed shift should also be produced locally as part of the plan to increase local content...

[More on pg. 2](#)

In the hands of the MDIC

[More on pg. 4](#)

Mercedes-Benz should have testing grounds in Brazil

[More on pg. 5](#)

Ford Brazil assigns return to profit as a priority

[More on pg. 7](#)

Brazilian transmissions

Décio Costa, de Hannover, Alemanha | decio@autodata.com.br



ZF, manufacturer of transmission systems and chassis technology, continues its plan announced two years ago to increase local content, and locally produce the Traxxon 12 and 16-speed transmission box at its plant in Sorocaba, state of São Paulo, based on an investment program valued at R\$ 100 million. The AS EcoTronic 9-speed shift should also be produced locally as part of the plan to increase local content.

“The first deliveries to customers in Brazil should happen in 2018, in tandem with the vehicle manufacturers’ future product launches,” revealed Wilson Brício, president of ZF South America, during a press conference with Brazilian journalists at the Hanover Auto Show, in Germany, on Thursday, 22. “We are taking the most modern automated transmissions in the world to the Brazilian market.”

In order to introduce the second 9-speed box, the company is conducting an additional investment valued at R\$ 5 million, since it will basically use the same line where the Traxxon should be produced.

The company says the trend of applying automated transmission boxes is evident, not only in the heavy trucks category, but also in the medium and semi-heavy segments. Brício believes Brazil is following the same route as Europe, a market where 70 percent of truck production leaves the plants with automated transmission boxes. "Currently in the country, automated transmissions are already common in the heavy category, but are starting to gain strength among the medium and semi-heavy segments."

According to the executive, the 16-speed Traxxon should be the most efficient choice for long-distance routes due to the country's topographic characteristics, while the 9-speed should be used in medium trucks with double velocity.

Overall, ZF also announced it is close to concluding the acquisition of the commercial vehicles brake system manufacturer Haldex, from Sweden. According to the CEO of ZF, Stefan Sommer, the approval from the shareholders of the German conglomerate is still needed. "We would also like to make this acquisition happen, a belief we probably also share with Haldex," he stated during the press conference on Wednesday, 21.

ZF is exhibiting its most recent developments under the overarching theme of "See, Judge, and Act". The concept is present in its Innovation Truck, a model equipped with autonomous technologies. The integration of sensors allows the company to elaborate a prototype capable of receiving the environment and acting on its own when faced with emergencies.

According to Frederik Staedler, the engineer responsible for the area, a partnership with Wabco enabled the introduction of assistance systems in steering and brakes, capable of stopping the truck while avoiding obstacles. "The Innovation Truck is our vision of the future, and we believe that braking alone does not avoid collision."

WE

In the hands of the MDIC

Redação AutoData | redacaoad@autodata.com.br

The automotive sector is starting to move its pieces in order to obtain from the new government a definition of a longer term industrial policy as soon as possible. On Wednesday, 21, for example, nothing less than 19 industry and labor organizations from the sector delivered the Vehicle Sustainability Program to the ministry of Industry, Foreign Trade, and Services. The program includes objectives of fleet renewal and incentives to the autoparts recycling chain.

Among others, leaders from Anfavea, Sindipeças, Anfir, Anip, Fabus, Fenabrave, Fenauto, Simefre, and from the National Confederation of Metalworkers and from the Steel and Iron Scrap industry association were present in the meeting with the minister, Marcos Pereira.

The structuring of a vehicle fleet renewal program has been discussed with the government for years. According to Antonio Megale, president of Anfavea, such a program would stimulate not only the

removal of old and polluting vehicles from the streets as well as the productive chain itself, through the natural recycling of autoparts and increased traffic safety.

“The Vehicle Sustainability Program could be one of the vectors of growth recovery in Brazil. Our sector has the potential to leverage the Brazilian economy, stated the president of Anfavea after the meeting in Brasília, DF. Leaders calculate the entire automotive chain accounts for approximately 10% of the industrial GDP in the country, and more than 5 million jobs.

According to José Roberto Nogueira, representative of the ABC Metalworkers Union, the Vehicle Sustainability Program should also motivate increased labor qualification and generation of jobs. “In our understanding, this will be essential for the success of the program. We should be paying attention to these issues or continue to import in large quantities, which eliminates the number of job positions in Brazil,” he stated.

WE

Mercedes-Benz should have testing grounds in Brazil

Décio Costa, de Hannover, Alemanha | decio@autodata.com.br



Simão Salomão

The president of Mercedes-Benz Brazil, Philipp Schiemer, took advantage of the Hanover Auto Show to announce investments valued at R\$ 70 million for the construction of the company's testing facilities, which should operate in an area of 1.3 million square meters in the city of Itacemápolis, in the state of São Paulo, next to the company's recently-inaugurated passenger vehicle plant.

"It will be the most modern and complete development center in Latin America," stated Schiemer. "The testing grounds will provide more agility to develop products not only for Brazil, but also for other international markets, as well as optimize our development logistics, which has, up-to-date, forced us to use tracks from third parties."

According to Schiemer, the testing grounds should be ready by the end of 2017, and be compatible with the group's grounds in Germany. The choice for Iracemápolis occurred because there is plenty of space for the construction of the track. "The track is specifically for the development of trucks and buses, but could eventually also be used for automobiles."

The executive also provided information about the company's activities in 2016 and, although he regrets the current environments of the heavy segments market in the country, revealed that the company's performance is not positive from a general perspective. According to him, Mercedes-Benz closed the first eight months of this year with a 28.7% market share in the trucks segment, "a ratio we had not reached for a good time, and the trend is for more growth."

Schiemer places a good number of chips on the renewal that was made during the last quarter of last year, with the local production of the Actros and the changes in the Atego platform, which enabled increased comfort and resistance by introducing the Atron chassis. "As a result, we also rationalized the production line, making it less complex."

In times of skinny cows, Schiemer places bets on exports and remembers that Africa and the Middle East are gateways for growth, in addition to Latin America. He said that the company should export 500 units in 2016, and grow in 2017.

WE



**AWARD
WINNING
PERFORMANCE**
GKN do Brasil
are proud to be
recognised by
Toyota for their
award-winning
"Quality Excellence
Performance",
for the third
consecutive year.

To find out more, visit:
www.gkndriveline.com



Ford Brazil assigns return to profit as a priority

Márcio Stéfani, from Bahia | marcio@autodata.com.br



The return of the Irishman Lyle Watters to Brazil, to lead Ford's South American subsidiary, shows a clear and priority mission: rapidly reduce losses the vehicle manufacturer has accumulated in the country, especially during the past two years. With a career in the financial area - he was financial director of Ford Brazil between 2008 and 2011, and was acting as the company's CFO in Europe responsible for the vehicle manufacturer's positioning and strategic development - the executive already envisions how much time it will take for the company to return to profitability.

"It is no secret to anyone that we have worked with negative results in Brazil. We need to know how to deal with this reality and rapidly reduce these losses, if possible, reverting the situation already in 2017," he stated, adding that, according to his plans, 2018 should be the year in which the vehicle manufacturer will

certainly be operating profitably.

Watters gave his first interview to the press during the launch of the 2017 Fusion line, on Tuesday, 20, in Salvador, in the state of Bahia. The new president of Ford South America listed five strategic activities that should be rapidly implemented or intensified in the region, for the objective to be achieved.

They are: further strengthening the brand in the market; keep the focus on the customer,

including the launch of new products during the coming years; introduce a policy that enables local production costs to be placed at a more efficient and competitive level; work with increased equilibrium between demand and supply, not only from the vehicle manufacturer's side, but also from the suppliers; and, finally, play permanent attention to the signals from the market that should allow increased integration with the benefits generated through the vehicle manufacturer's global resources.

Regarding the short-term perspectives of the Brazilian market, Watters said he returned to Brazil only the five weeks ago. However, he emphasized that there are various signals that enabled him to believe that the worst phase of the current crisis may be starting to stay behind, according to his first conversations with the company's Brazilian executives.

"We are starting to perceive some turnaround signals, but we cannot forget that we are perhaps experiencing the worst economic crisis this country has ever seen since the great depression," he stated.

The new president of Ford South America said the company is working with an estimate of 2.1 million vehicles for the Brazilian market in 2016, and should begin a constant recovery process starting next year. "We believe in a market of 2.2 million units in 2017, and 2.6 million units in 2018.

WE