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Promise: third shift to return to the Volkswagen Anchieta plant.

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This value is part of a R\$ 7 billion package destined for the company's operations in Brazil up to 2020.

When the production line reaches full speed, VW should open a third work shift:

“Within two or three months we will open the third shift, but we will not hire. We have between 200 and 300 employees in layoff status. Before hiring, we will use all of the alternatives.”

According to the ABC metalworkers union, 687 workers were placed in layoff status this month.

Today, the plant has a workforce of approximately 8000 employees, on two work shifts. The Saveiro is produced at the unit, and the assembly of the New Polo has already begun. Powels said that two models of the new MQB platform will be assembled in the unit. Two others, an SUV and a pickup, will be produced in São José dos Pinhais, PR: “The complete renewal of our line should happen by 2020. It begins with the New Polo. For the past eighteen months we have been working to build this new Volkswagen.”

The resources practically have already been spent with the development of the New Polo and the Virtus, with the preparation of the line to receive the new vehicles and the local production of parts. According to the executive, the company plans to have a local content ratio of 75% in the New Polo: “We import electronic components because Brazil does not offer the scale of production necessary for this equipment. We also bring the transmission from Argentina.”

He added that the collective work agreement signed at all VW units in Brazil enabled the investments to be made here: “They are five-year agreements focused in the future. They expanded flexibility and productivity. This shows a greater maturity in the relationship between the company and its employees.”

Market - This new company, according to him, represents its bet to gain market share in the Brazilian market, where VW currently occupies an uncomfortable third position. Powels has already stated that this is not where the company belongs to be: “2017 will mark the turning of the page for Volkswagen here.”

Powels said that sales of passenger and light commercial this year should grow between 5% and 7%, adding that in 2018 they should grow another 8%: “The market will be better; we will not have a miracle, since the recovery will be gradual. We will be prepared to gain market share with the new products: the New Polo will arrive in November, and the Virtus is scheduled for the first quarter of next year.”

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Toyota should increase exports 14% this year

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In a scenario of low sales, Toyota has been operating in the opposite direction as the other manufacturers. This year, production output is expected to increase 2.5% when compared to last year, driven by exports, which are expected to grow 14%. Toyota is currently the seventh biggest exporting company in Brazil.

According to Steve St. Angelo, CEO for Latin America and Caribbean and chairman of Toyota Brazil and Argentina, 50,000 cars should be exported by the Brazilian unit in 2017, against 44,000 units shipped abroad in 2016. From this total, 42,000 units will be delivered to Argentina, including 60% of Corolla and 40% of Etios models.

In 2014, the company began exporting to Paraguay and Uruguay, and, in 2016, to Peru. This year, the company began shipping to Costa Rica and Honduras. The same process is due to happen with Colombia still this year, based on the commercial agreement closed between the two countries in July.

Brazil receives almost half of the vehicles produced by the Toyota unit in Argentina. That facility underwent a remodeling effort valued at US \$800 million, which is gradually increasing production from 90,000 to 150,000 vehicles/year. This year, production is expected to reach 100,000 cars, with shipments of 45,000 units to Brazil. In November, the plant will begin production of the Innova, an eight-seater minivan for the Argentinean market.

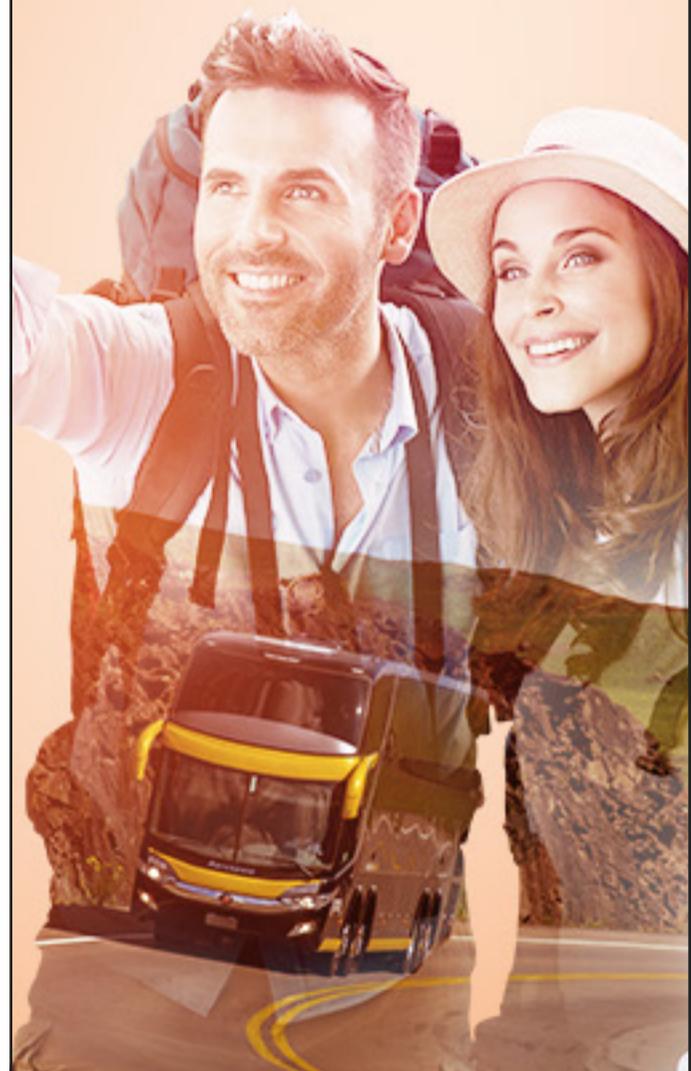
There is no magic formula for the company's good performance, recognized St. Angelo: "We do not have a recipe. We are after sustainable growth with a certainty that our customers are satisfied. It is not easy to be profitable in Brazil. For each project, we develop a business plan to increase our performance."

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Gradually, the company has more than doubled its market share in the Brazilian market in the past five years, moving from 3.2% in 2012 to 8.9% nowadays.

Toyota is the sales leader in the hybrid vehicles segment with its Prius model - between January and June, sales of the Prius registered a growth of 460% when compared to the same period last year: "The volume is low in Latin America because people are still becoming aware of the benefits of hybrid vehicles for the environment and for fuel consumption. Unlike electric vehicles, hybrid vehicles do not need an infrastructure to recharge the battery."

Visitor Center - Toyota inaugurated on Friday, 11, its Visitor Center at the facility in São Bernardo do Campo, SP. The initiative is part of the São Bernardo ReBorn project, which began in 2015 and consumed investments valued at R\$ 70 million to revitalize the unit, which was inaugurated in 1962 - the company's first unit outside Japan.

With investments valued at R\$ 5 million and an area of 750 m², the building offers visitors a travel through the company's interactive timeline. The center includes iconic vehicles, such as the Bandeirantes and a unit of the first generation of the Corolla produced in 1968, a driving simulator of the Prius, and an auditorium for 100 persons. There will be monitored visits open to the public one the facility is inaugurated, in January 2018.

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8.14 to 8.19.2017



What an automated transmission can do for the Iveco Tector trucks

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The export performance of the semi-heavy Tector truck throughout Latin American markets drove Iveco to trace a more aggressive project to expand its market shares in the region. The expansion plan is based on a version equipped with an automated transmission, launched on Tuesday, 15, in Sete Lagoas, in the state of Minas Gerais.

The vehicle is already under production at the local plant and should arrive at the dealers within the next two weeks. It joins the manual version of the company's semi-heavy products portfolio, which was responsible for the increase in exports last year, according to Marco Borba, the company's vice president: "We believe that the automated version can help us grow in these markets. More importantly, it should open space in other new markets."

According to Iveco, 1.7 thousand trucks were shipped abroad during the first semester of the year, representing an increase of 144% when compared to the same period last year. Borba recognized that the small base volume of exports resulted in such an expressive ratio, but highlighted that it can increase further due to demand from Iveco's main markets outside Brazil: Argentina, Chile, Colombia, and Uruguay.

In Argentina, where the company has a manufacturing facility in Córdoba, the 16-ton segment - in which a 4 x 2 version of the Tector is included - is among one of the fastest growing, according to company figures, which registered sales of 2341 semi-heavy units. During the first semester of this year alone, the volume was higher, 4133 units. This has driven the positive projections for sales of the new version.

The Tector equipped with the automated transmission will also be produced in Argentina, with the same configurations as the Brazilian vehicle, as well as in the heavy version of the model, which is exclusive for the country. The decision to maintain production of the model in both countries, stated Borba, occurred because of issues linked to the policies in each country about local content in the relationship with financing: "This happens because of the Finame demands for local content. In Argentina, the same thing occurs. Therefore, in the case of the Tector, we will have to maintain production of the model in both countries."

Córdoba focuses on heavy vehicles, above 16 tons. Brazil produces the entire portfolio, which includes the light line in the Daily van platform, the heavy vehicles, which include the Tector and the Hi-Way heavy families, and buses.

The Tector trucks produced in Argentina and Brazil are equipped with the Eaton automated transmission, produced in Valinhos, SP, which will export to Iveco Argentina. The engine is supplied by FPT, which belongs to the CNH Industrial Group.

The engine of the Tector produced in Sete Lagoas has 300hp and complies with Euro 5 emissions norms.

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Rota 2030 scheduled for November only

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The Minister of Industry, Foreign Trade, and Services said on Monday, fourteen, that the new automotive sector industrial policy, Rota 2030 program, should be presented within the next two or three months - when launched, on April 18, the expectation was for it to be concluded by August.

“We will be able to increase the competitiveness of the companies and the country, as well as the value of production with the Rota 2030.”

According to him, discussions between the segment and the government are based on five topics: promoting the competitive integration into global value chains; improve the business environment; energy efficiency; vehicle safety; and increase of Brazilian production.

Rota 2030 will succeed Inovar-Auto, the industrial policy that is scheduled to terminate by the end of this year. To enable project to be implemented in January 2018, it would need to obtain approval by September, since there are phases being proposed that should be informed to the productive sector up to ninety days before coming into effect. The president of Volkswagen, and its CEO for South America, David Powels, said he does not believe that the launch of the new industrial policy will take place in November:

“We are working very strongly at the working group level, as well as the other vehicle manufacturers. It will be difficult to conclude these discussions within the coming three months. However, the positive point from the Rota 2030 program is that the industry wants to be sure about the future. It is searching for predictability to invest. This plan should be in effect for fifteen years, and this will provide such safety.”

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