

AUTO DATA



From the Top
Miguel Jorge,
of Barral M Jorge

AUTODATA CONGRESS

What most importantly
has been said in the most
important event of the sector

SCANIA LAUNCH

Great structure to show
new trucks, engines and
ways to sell them

TYRANNOSSAURUS CROSS



It just wants to be the greatest
predator of its species, but the
rivals already sharpen their
claws and teeth. It's a new era
in the compact SUVs jungle.

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Disclosure/VW

The youngest compact SUV wants to come and devour its opponents. It was launched at Salão do Automóvel in São Paulo, but will get to the dealerships only in the second trimester of 2019.

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Disclosure/Jeep

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END OF CHAT

The most relevant and irrelevant headlines of the month, handpicked by our editors

Guiding light

Marcos Rozen, editor

“There will be growth next year independent of who wins the election, unless the new government does some great non-sense in the economy.”

Overall, this was one of the main comments we heard from executives in interviews for the production of the Perspectives 2019 edition last month and during the AutoData Congress Perspectives 2019 as well, held between the first and second round.

The election is decided and the new government team starts to show indications of how it intends to run things from January 2019 - and some of them are very important from the economic point of view, such as the probable merger of the ministries of industry, treasury and planning and a review of Brazil's relations with Mercosur.

In this edition we try to bring to the reader, since now, a first perception of what these initiatives could represent for our industry. For this, we heard the best source possible: Miguel Jorge, a man of great experience as minister of industry and as an executive in the automotive sector as well.

Even though many things can happen until the beginning of the new mandate, this is our journalistic role: to serve as a kind of guiding light in this still unclear environment of what is about to come for the next four years from 2019.

More than right, anyway, is that the new year will see a new fierce battle in the fastest growing market segment (the compact SUV) with the arrival of VW T-Cross: that's why it is on our cover feature. But we also draw your attention to other important launches of Scania and Caoa Chery besides a complete survey about the credit scenario for vehicle financing in Brazil.

To all, our desire for a good reading.

Correction: In the article 2019 It Will Depend on Argentina, edition 349, page 116, we said that Iveco's projection for the coming year is an increase of 5% to 10% regarding truck sales in Brazil. This estimate is for the total domestic market and not for the particular company, as was written on the text.



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OH DEAR LORD...

Jose Luiz Gandini calls (worried) and tries to dissociate Kia of Brazil, and its management, from that shameful show provided by former motorsport champion whose name I cite here so that there is no doubt, a certain Emerson Fittipaldi - by the way in note E Emerson, who would have thought it..., published in this session in edition 349 of AutoData. All that Kia did, reported Gandini, was to hire the former champion for two events, related to the Stinger GT, as it had already done, in identical terms, the Kia of America. And the former champion had not informed anyone of his willingness to engage in political proselytism, Gandini swore. Would it have been an eventual outbreak of brucellosis?

OH DEAR LORD... 2

But it is incredible that an already very old advertising boy - really old, by the way - has the courage to take that kind of public attitude. For a person who has already rented his own image to transnational companies, it is simply laughable any alleged ignorance of compulsory behavior on occasions like those: he knows the dress code very well, and obviously everything else, including compliance. Anyway, it is that horrible attitude of a person who judges himself above good and evil. It makes perfect sense.

OH DEAR LORD... 3

What is left, now, as Gandini's speech was accepted, is to keep an eye on the public signals that the former champion will send to show that he managed to escape from the ruins of his business, for which neither rich friends nor financial institutions were willing to endow profitability. Even worse: if this happens, who wouldn't bet on a shady deal?



Disclosure/Kia Motors



Disclosure/FCA

APOLITICAL? NO WAY!

Also Anfavea, a middle-aged lady with a certain habit of cultivating a youthful appearance, which was formerly well-known as The Powerful One, did not escape to step on the mud - and in two similarly electoral episodes, which shows that historical experiences are not exactly transmitted from father to son inside the entity on Indianapolis Avenue. There are no more guardians of the history there or of good

manners. First: in Brasília, DF, in a meeting with... political reporters, which the entity is not used to, its president Antônio Megale admits that the automotive sector already knows the PT (a political party) way and that the other candidate was unknown. The reporters left lunch with the conviction that the vehicle industry would support "the already known" one. There was a rush and it was necessary to release the note the following day, and go through an internal and external stress: the entity is apolitical, has no candidates... no way!

APOLITICAL? NO WAY! 2

The second episode was even worse than throwing the president at the piranhas and, for this reason, it is suspected that it was a set up. It was like this: the other candidate's campaign calls for entities presence that represent the Brazilian exporter world to show his claims - and a director of Fiat Chrysler Automobiles was there, Antônio Sérgio Martins Mello, also director of AEB, the Foreign Trade Association of Brazil. The reporters received his FCA visiting card and he was dismissed after the photo and claiming nothing, apparently considered normal those circumstances. And the photo won the media soon, with caption text announcing new support for that campaign - including Anfavea's support, of which Antônio Sérgio has the position of vice president. More rush again with the reaffirmation of the note: the entity is apolitical and etc... Just rubbish.

APOLITICAL? NO WAY! 3

These are two inconceivable episodes, implausible for the profile of the beloved Anfavea, discreet, almost somber. Where is your historical accumulated institutional experience, your peculiar way of acting, to say we are here, to potentials powers? I know two or three former directors who, if they were around, wouldn't have allowed the two episodes even over their dead bodies. For the sake of history it is worth remembering when an executive of the same company carried out the attempted agency entities and companies in the automotive sector in supporting the candidate of that time. After much effort, believe me, only the donation of a Ferrari F40 for one and a miserable Elba station-wagon to another was ascertained. It has been vaguely heard a talk of a couple trip to Paris, of an unexpected toothache, of a solitary visit to the bank and of an urgent return, also solitary, to Brasília with a briefcase on the lap... The end of this process generated the only competitive advantage that the automotive sector knew at the time, known as Uno Mille - remember? But this is only the fertile imagination of those who have nothing else to do, right?

Composure

Ricardo Martins:
Does anyone
know?



By Vicente Alessi, filho

Suggestions, criticism,
comments, offenses
and the like for this column
can be directed to the email
vi@autodata.com.br

Depending on the process and the design

Miguel Jorge was certainly the Minister of Development, Industry and Foreign Trade who knew the automotive industry best: he held the position from 2007 to 2011, after thirteen years at Autolatina and Volkswagen. Since then, he has been a senior partner at Barral M

Jorge Consultores Associados and is also an adviser to Volkswagen Trucks and Buses.

There would be, therefore, no one better to point out what may happen in the automotive sector next year before the circumstances faced by the industry with the definition of the presidential election.

In this exclusive interview, he pondered the circumstances of the probable incorporation of MDIC with the ministries of Treasury and Planning, the change of focus regarding Mercosur, Rota 2030, and more.

Check out the main excerpts from the conversation.

One of the main new government's proposals is to unite the MDIC to Treasury and Planning. Does it seem a good idea?

There is some resistance from some sectors. At first it can't be condemned, it will depend on how the process will be, the design. It is clear that you can't have a single minister for the three bureaus, there would need to be some kind of supervisory minister and deputy ministers, or executive secretaries, for each area. There will be no structural change in terms of staff, because they can't be dismissed, there will be no relevant savings at this point, everyone is stable: they will only leave by choice, retirement or death. What can be positive is that the MDIC essentially studies policies that depend

on the Treasury, the ministry's funding is very low, it's practically everything for the staff. If you have someone there who decides something related to industry and commerce and already makes the Treasury apply it, there is an unquestionable advantage because it is very difficult to discuss anything with the Internal Revenue Service today.

In the words of the probable Minister of Economy the MDIC represents "a trench of the first war, where those who have lobby gets incentive and who does not get Refis". What impacts does this type of point of view have on the Brazilian automotive sector? Do you believe that Rota 2030 is at risk?



“Obviously you can’t have one single minister for the three bureaus [MDIC, Finance and Planning], there would need to be some kind of supervisory minister and deputy ministers, or executive secretaries, for each area.”



He said a silly thing about this Refis issue, it has nothing to do with MDIC; it has to do with the Treasury. Rota 2030 today is a Congress problem not a ministry problem, the question of the Northeast, of the Midwest is in it... There may be an understanding, an initiative from Congress, to put some other kind of subsidy. For example: the payroll exemptions, an absurd from the previous government. The relief was originally for just the IT sector that worked basically on legal person scheme (when the person

doesn't pay taxes), everyone were legal persons, and much of them still are. At the time, Argentina established IT legislation that was very advantageous and several companies could go there, removing the taxes was a way to hold these guys here (in Brazil), only this segment, and suddenly in 58 segments. The MDIC, at the time, was against it. This initiative was not from MDIC, much of it came from Congress. We need to be very careful about that.

Are you for or against incentives for the automotive industry?

When I was a minister I received the people from Anfavea three times. For me it was easier, I know the automotive industry well, I would tell my colleagues, including some that I had worked with: 'Boy, do not tell me that because I know it's not like that.' At that stage there was no incentive for the automotive industry. After I left the ministry the Inovar-Auto emerged, which in my view was a mistake, due to the benefits that were given. When there were crisis in which the market fell by half we were producing almost 2 million and suddenly that was reduced to 800 thousand, and inside a scenario like this I understand that it is okay to give some kind of incentive. But when there are thirty, forty industries competing like today, people with 2% market share, you can't give any incentives: if it is not competent, it has to close. It is not acceptable for Brazil to have the number of automotive industries it does, there is no country that has so many brand as there are here, it does not make sense.

Has the industry in Brazil become used to asking for protection and incentives for the government?

Yes, it is shocking. 80% of the meetings we had with industry sectors were held to ask for some kind of protection. No

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one has ever been there to present an industrial plan for growth, job opening, modernization. That is why the industry lost relevance, was surpassed by agribusiness and services, it has been 40% of GDP once and now accounts for something like 17%. I used to say, and irritated a lot of people with this: 'You have to mirror in agribusiness because it changed when it lost the incentives and today is the largest of this area in the world.'

But agribusiness still has a lot of incentive.

Not compared to what the USA has in terms of incentive for example. And the agribusiness has been through a big modernization process, something that has not been seen in the automotive industry.

Can it be understood, then, from the probable future Minister of Economy's speech, that negotiations involving incentives for the automotive industry will end?

I believe so, and it should end. You have to stimulate investment. As there is a huge taxation all businessmen pay tax only via company, legal entity, and nothing as private individuals. I often say that the only businessman who pays income tax in Brazil is Silvio Santos. It

"When I was a minister, I received Anfavea and it was easier for me, I would say to my colleagues, including some that I had already worked with: 'Boy, do not tell me that because I know it's not like that'."

is necessary to create some kind of process in which the entrepreneur is stimulated to produce, and this will only happen when protectionism diminishes. Competition alone can make the entrepreneur move, it is not the subsidy or the incentive. We have this problem. There is an old but still present phrase: the company may go bad but the businessperson always goes well.

Isn't Rota 2030 positive for bringing predictability, particularly with regard to energy efficiency, for example?

I think so, and I think that part is going to happen in Congress, but a few things still need to be said, to indicate in advance what the energy efficiency indexes will be, which will be voted exactly. Otherwise it is a vault. In my time as a



minister, for example, I called Inmetro to create what later became the vehicle labeling program, and at that time, one of the Anfavea companies became very angry with me. But it happened, it was approved.

And the incentive for R&D foreseen in the program?

As far as R&D is concerned, there is a few companies applying resources in this area, Rota is good from this point of view, but there must be assistance, it is no use to establish an objective and then no one is sure of what was actually done, how much was actually spent on that. There is also the work issue: when we made an agreement with the companies some time ago [by reducing the IPI tariff, to combat the global crisis effects], it was mandatory to maintain the employment level it was forbidden to fire people. There was no incentives offsetting due to maintenance or employment increase in Inovar-Auto, and it is not in Rota 2030 as well and should be. There have been conversations about industry modernization, automation, but it is necessary to requalify the workers, there are people who will retire and who will need to be replaced. Not to mention the safety items: there is even a schedule but it is very long,

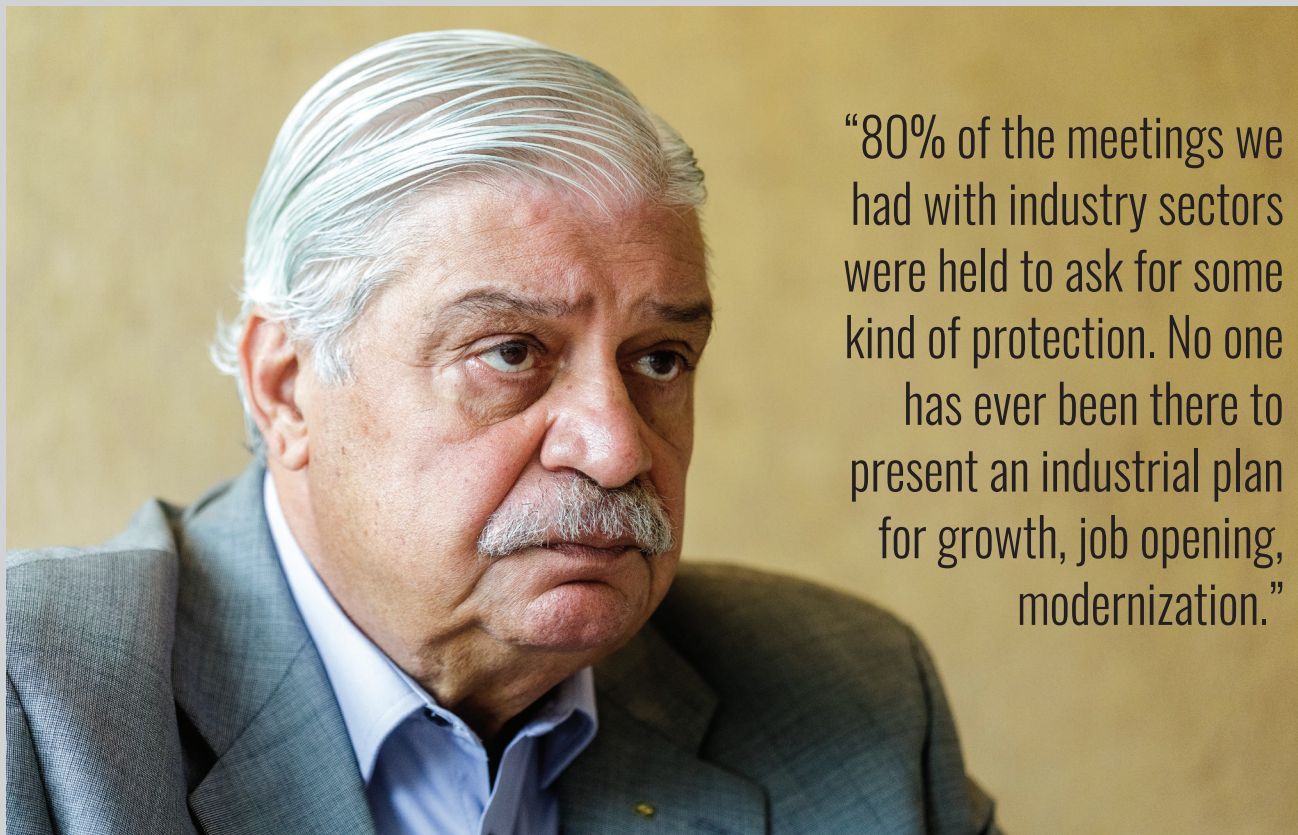
everything is very far ahead and the technologies already exist.

What about the incentive question for the North, Northeast and Midwest regions of Brazil?

Yes, I understand that it is necessary to create some incentive for a factory to be installed (for example) in Goiana, Pernambuco [the case of FCA], whether for cars or cookies. It is a region with less industrial culture, less wealth, less infrastructure, larger investments will be necessary in several areas, in training etc. But what has to exist, and does not exist, is a deadline for this. And when the deadline ends it has to end, it can't be extended. That's not right. If you couldn't be competitive within the planning you presented to the government and the government granted to you... you can't extend the deadline indefinitely. How many times will this be extended?

What about Mercosur? The future president and the probable Ministry of Economy criticized the current operation form of the block. Are there any threats to the negotiations with the European Union?

I believe there is an evaluation error. Mercosur is Brazil, Argentina, Uruguay and Paraguay, there is nothing of ideo-



“80% of the meetings we had with industry sectors were held to ask for some kind of protection. No one has ever been there to present an industrial plan for growth, job opening, modernization.”

logical bias in this. Venezuela entering it was silly, and it did not even really enter, nothing happened, it meant nothing. The difficulty is that by the Mercosur regiment a country can't make a bilateral agreement without the approval of the congresses in the other countries, which is crazy, and nothing is ever approved. What has to change is the regiment. And we can't say 'let's review this question with Argentina, Chile is more important', because it is a wrong reasoning. The Chilean market has only 2 million consumers and it is one of the most competitive markets in the world. There are 40 brands only for trucks, everything comes much cheaper from Asia via Pacific Ocean, while Brazil has to go down to Argentina and go up by Paso de Los Libres, which snows six months during the year and no one passes it. This is not acceptable. The original idea of Mercosur was to make regional agreements, bloc by bloc, with NAFTA, the Andean bloc, with the European Union itself. Al-

though this has never happened, Brazil will never be able to make an agreement with the European Union alone, it does not matter to them, comparing the size of the markets there and here (in Brazil) it would not make any sense.

In general, would you say that you are optimistic or pessimistic?

I am cautiously optimistic, because it is not clear yet what the new president really thinks. As for the probable future Minister of Economy, he is a person of the financial area, knows this area well but has nothing to do with the industry. But if there are people below him, responsible for their respective areas (including the industry) there is a good possibility. I believe there is a favorable expectation, for a change, it is always positive. I do not really like to talk about market, because 80% of it is speculative, but if you realize that spirit of change, something new, outside the political tradition... it can be an advantage. ■

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T-CROSS WANTS TO BE T-REX



The beast is new and will come hungry. And it is bringing an army of five hundred people that were in layoff in São José dos Pinhais.

By the end of next year first quarter, workers who were temporarily removed by Volkswagen in São José dos Pinhais, PR, will return to their jobs. Since mid-2017, the company has been taking turns in groups of five hundred metallurgists, out of 2,5 thousand

tion for the new model production consumed R\$ 1.4 billion of the R\$ 7 billion invested by VW in Brazil until 2020. São José dos Pinhais has gained a completely new area to house the manufacturing of the T-Cross body: 239 robots with state-of-the-art technology and laser welding equipment were installed in the 5,5 thousand m² of the building expansion.

factory workers, while finalizing the factory's preparations for the T-Cross production, its first Brazilian SUV.

It was the solution found by the company to keep all workers in the period because the it knows that will need them to leverage production of the sport utility vehicle. Inaugurated in 1999 to produce VW Golf and Audi A3, the Volkswagen Group's unit in Paraná is known as Audi's factory in the region, even after a period of almost ten years without producing models with the four-ring emblem - they returned to the line in 2015. The VW Fox and Golf and the Audi A3 Sedan and Q3 are manufactured there, with volumes far below the installed capacity of 160 thousand vehicles/year.

The pace will rise with the new SUV of the group, although its president Pablo Di Si does not reveal the model production expectation for the first year. His goal is to put T-Cross on the SUVs podium in the Brazilian market - which would require a minimum volume of 5 thousand units per month, having the performance of rivals in recent months as base. Besides Brazil, the factory will supply the dealerships of the other Latin American countries, starting with Argentina two or three months after its launch in Brazil.

The investments for the unit's adapta-

Modifications in the painting area allow T-Cross to receive a second color on the body - VW surrendered to consumer's demand for another tone at the top. A brand new equipment for of wax application in the cavities (to ensure extra protection against corrosion) was installed in the area.

The unit also received the technologies available in the Volkswagen Group to modernize focusing on the application of Industry 4.0 innovations. According to the company it will be possible to reduce the adjustment time of the tools in the stamping and improve the ergonomics in the final assembly, besides the application of new technologies in processes of all the productive areas.

Just like the Golf, T-Cross is manufactured on the global MQP platform, acronym in German for modular transverse matrix. Besides making the production process more flexible, this architecture allows sharing the structural basis for models of several segments, generating synergies.

SUVS' ATTACK

As it is the segment that gains more relevance in the Brazilian market of light vehicles, the SUVs deserve a special attention from Volkswagen in its investment plan. There will be five new SUVs launched in the country and T-Cross is the second: the first was the Tiguan Allspace, imported from Mexico, with capacity for seven people.

Di Si does not hide his anxiety for the arrival of T-Cross, a fundamental piece to take back the leadership of the Brazilian



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market - an objective that he does not have the modesty to hide. In recent interviews the president of VW for Brazil and Argentina said that "the fight will be good" with the new SUV launch.

Until September, compared to the first nine months of 2017, sales of sport utility vehicles increased 26% in the Brazilian market, compared to an average increase of 8% in the total market without the SUVs.

That's why VW did not save on the mystery and to create expectation for the model's launch. It gradually revealed details of the design and specifications. Weeks before the São Paulo Auto Show the T-Cross finally had all its lines revealed in simultaneous events that gathered in Amsterdam, Holland, European journalists, in São Paulo, Brazil, Latin American reporters and in Shanghai, China, Asian journalists.

BUT SALES IN BRAZIL, ONLY IN APRIL.

Present at the presentation to Latin American journalists, Jürgen Stackmann, who is part of VW's global sales, marketing and after-sales board, has projected that SUVs will account for 40% of Volkswagen's worldwide sales in the future.

«This year, VW car sales increased 2.9% until September around the world, while its SUVs jumped 43.2%. The Tiguan is the world's best-selling Volkswagen model in the segment.»

The expectation is that T-Cross sales will grow until making it the second position in the SUVs global ranking of the brand. And it's in Latin America that the VW executives believe they can achieve greater success because compact models, such as T-Cross, gain market share every day.

Without going into details, Di Si said that the SUVs' attack in the Latin American market will continue next year with the production start of Tarek, slightly smaller than Tiguan and slightly larger than T-Cross, in the factory of General Pacheco, Argentina. The plan is to put the model on the market from the first quarter of 2020.

MADE FOR THE REGION

The T-Cross that has been produced in pre-series in São José dos Pinhais is 10 mm higher than the European model and is 88 mm longer on its wheelbase. They are in all 4 thousand 199 mm long and 1 thousand 568 mm height, wheelbase of 2 thousand 651 mm.

"We will also offer only for Brazilian consumers, air conditioning in the rear seats, as well as USB inputs for these occupants, besides an optional sunroof", said Di Si. "It's not something that came from our head: we identified these needs in clinics with consumers of Brazil."

The engines of the model commercialized in Brazil will be all TSI, equipped



EQUAL BUT DIFFERENT
The Brazilian T-Cross is slightly different from other global markets to meet local requirements: only in Brazil it has AC vent in the rear seats, for example.

with turbo and direct injection. The 250 TSI Total Flex is 1.4, generates up to 150 hp with ethanol and will only be offered with a Tiptronic six-speed automatic transmission. Another engine, the 200 TSI Total Flex 1.0 reaches 128 hp with ethanol and can receive manual or automatic transmission.

Di Si also said that the supply of infotainment items will be greater than the

competition. An 8-inch touchscreen multimedia system will bring together audio, navigation and artificial intelligence: "Only T-Cross will have the IBM Watson", a sort of cognitive manual that answers the driver's questions about the vehicle.

The T-Cross will come out of the painting line in eight colors: white, black, silver, gray, red, blue, orange and bronze. Optionally, the ceiling can be in the black color or panoramic, formed by two glass panels.

Safety items include seven airbags and a wide range of driving assistance systems such as ESC (electronic stability control), HHC (Hill Hold Control) HBA, which assists in emergency braking situations, EDS (Electronic Dynamic System), tire pressure monitoring and post-collision automatic braking.

The versions and prices will be released only in the commercial launch. Until then, the other competitors get ready: they gain strength and sharpen teeth and claws. The fight promises to be wild. ■

Long live Fox

One of the last-longing automobiles of uninterrupted production on the same platform in the Brazilian industry, the Volkswagen Fox, is far from retirement. Produced since 2003 in São José dos Pinhais, the model has had the number of versions and catalog complexity reduced little by little in recent years due to the arrival of novelties in the house, such as the new generations of Gol and Polo. Today, the dealers offer Fox only in two versions, Connect, with manual and automatized transmission options, and the Xtreme, manual only, without



optional features. But in September, an unexpected order came to the directors of the factory: to expand Fox's production. The president of Volkswagen, Pablo

Di Si, said: "Dealers ask us for more Fox. We simplify the portfolio, we reduced the color portfolio and the consumer still wants to buy it. Then, long live Fox".



RIVALS SHARPEN TEETH AND CLAWS

The first Renegade and HR-V restyling is timid, with greater efforts in connectivity. The price plan led each one to a different way.

The Ford Ecosport has always been the dominator, the true T-Rex of the compact SUVs, even reigning almost alone in the jungle since its launch, in 2003. That era ended in 2015, when two fierce competitors arrived and dominated the field, the Jeep Renegade and the Honda HR-V. Today, the two models have fought a fierce battle over consumer preference in the segment that earns the largest share of total sales, leaving EcoSport alone.

But the time to change has come to stay competitive in this competition that advances more and more. And neither Jeep or Honda was daring in the half-life facelift: the idea was to advance more in connectivity (an obligation nowadays) than in aesthetic features for both.

The real difference is in the brands' plan for market establishment. Jeep is betting on its brand identity, related to adventures and the off road universe, while Honda aims on the urban profile.



Disclosure/FCA

The price table also shows different objectives: if Renegade had a reduction of up to R\$ 8 thousand in the entry version, Honda increased the values of the four HR-V versions by up to R\$ 3 thousand.

These changes in pricing are more related to the arrival of new competitors than to the inclusion or removal of equipment in both vehicles. According to FCA's commercial director Tania Silvestri, "Renegade's entry version price reduction will serve customers who wish to enter the SUV segment but are currently looking for options in hatches and sedans."

The new prices, he estimates, could increase the entry-level share of the current 25% of the product's sales mix to something above 40%. "The competition in the segment is very hard and tends to get

even harder from next year. By bringing new customers to Renegade we design a strategy to keep them in the brand even after a few years".

Regarding Honda, the brand is well aware of its customer profile and the attributes valued of HR-V. For the company, its compact SUV has become more "refined" on the 2019 line, which justifies the price raise. Pedro Rezende, general manager of communication, claims: "It is the best-selling Honda in Brazil, with values that have consolidated its success in the market and are a reference for the customer".

The company, however, does not reveal its sales ambition, but the limitation of its factory total production in Brazil to 125 thousand units/year shows that there is no room for significant growth in volume.

Lower prices here...

The restyling of the Jeep model followed the rule: if it ain't broke, don't fix it. The front design was subtly altered, particularly the grille, with the Jeep's traditional seven vertical slots placed slightly lower. The Limited and Trailhawk versions have won LED headlamps that boost the lighting range by 50% according to the company. And all versions have gained front bumpers with greater approach angle and new-designed aluminum wheels of

17, 18 or 19 inches.

On the inside, slight console and panel renovation: the greatest novelty is the 8.4-inch touch screen multimedia in the Longitude, Limited and Trailhawk versions, compatible with Apple and Android smartphones. The Sports version (the entry-level model) received a simpler multimedia system with a 5-inch screen. Renegade's trunk has been resized and gained extra 47 liters, total of 320 now. The

trunk lid has also received discreet modifications to ease its opening.

The engines remain the same. The 4x2 Sport, Longitude and Limited versions are still equipped with the 1.8 flex of 139 hp with manual or six-speed automatic transmission. The 2.0-liter 170 hp engine powered by diesel with nine-speed automatic transmission is available in the 4x4 Longitude and Trailhawk versions.



Sport 1.8 Flex MT5

R\$ 78,5 thousand, reduction of R\$ 7 thousand

Sport 1.8 Flex AT6

R\$ 84 thousand, reduction of R\$ 8 thousand

Longitude 1.8 Flex AT6

R\$ 97 thousand, same price of 2018 version

Limited 1.8 Flex AT6

R\$ 103,5 thousand

Longitude 2.0 Diesel AT9 4x4

R\$ 125,5 thousand

Trailhawk 2.0 Diesel AT9 4x4

R\$ 136,4 thousand

The segment's sales ranking until September points to Honda as the vice leader with almost 10%, below the 12% reached a year ago, when it led the segment. The arrival of T-Cross and other competitors may take another position from Honda, even with the 2019 line novelties.

Renegade has a tough climb to face though: it was the third a year ago but today it is only the fifth best seller, with 9%. The new pricing scheme intends to raise its market share to something

closer to 10%, but it will not be easy.

The Jeep also faces production limitations due to the sales success of the SUVs' leader, the Compass, as well as the pickup truck Fiat Toro: all three models share the same Renegade line in Goiana, PE, which already runs at the limit of 250 thousand units per year. According to Silvestri, the crisis in Argentina can help move more units to the Brazilian market: "We produce to several countries and we can relocate production to meet the demands". ■

...and higher prices over there.

Honda did not significantly change the HR-V 2019 line: in addition to discreet visual change the model received new sound insulation, which will have a "more refined" performance with the suspension and transmission recalibration, according to the company.

The front grille has been redesigned, especially the chrome finish that supports the Honda logo on a more horizontal way. New seats on the car interior, longer and with larger lumbar support, besides subtle changes in finish and cup holders. Exclusive to the EXL

version, the new 7-inch screen multimedia system connects Apple and Android phones. The company compares the operation of the new HR-V EXL car multimedia with a tablet. The LX and EX versions offer an audio system with a 5-inch screen, USB and Bluetooth connections.

HR-V LX	R\$ 92,5 thousand, a raise of R\$ 2,3 thousand
HR-V EX	R\$ 98,7 thousand, a raise of R\$ 1,6 thousand
HR-V EXL	R\$ 108,5 thousand, a raise of R\$ 3 thousand



Disclosure/Honda

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Caoa Chery takes shape in Jacareí



Three models have already been produced in the Paraíba Valley region: QQ won the companion of Tiggo 2 and, now, Arrizo 5.

Two hundred people from the Jacareí region, in Vale do Paraíba, countryside of São Paulo, have recently gained a new routine: they wake up in the morning, have breakfast and go to the Caoa Chery factory in the city. They work on the production of two new products: the compact SUV Tiggo 2 and the sedan Arrizo 5.

Another 150 colleagues are expected to strengthen the team soon, according to Márcio Alfonso, CEO of the company: "It depends on the market pace after the elections. If we follow this growth route we will hire more".

Although the productive areas continue to seem oversized for the opera-

tion, the advance of activities is notable compared to the movement that existed soon after the official factory inauguration (August of 2014), it seemed almost none.

Altogether there are six hundred workers, who make the structure of the body (which arrives stamped from China), the painting and the final assembly, in addition to the engines assembly.

Part of the 4,5 thousand welding points is made by robots and another part by people. After assembly, the body goes to the painting and, from there, to the final assembly process. Many QQ items, Tiggo 2 and Arrizo 5, the three models that occupy the Jacaré lines, are still imported: "We are in the process of nationalizing parts and components. We want to double the number of parts purchased here in Brazil, reaching 520, and have at least sixty local suppliers. Today we have 28".

More companies have joined the base with Arrizo production: Michelin, Aptiv, Continental, Coplac, Colorfull, Eqmax and Pancron are new partners. There is a desire to further expand local purchases, especially for the CVT transmission, imported by Aisin from China.

The powertrain deserves a different place, although only for the assembly. Blocks, heads, crankshafts and other ite-

ms arrive disassembled from China for the QQ and Tiggo 2 models and are applied to Arrizo, in which the Brazilian operation basically adds only the items connected to the flex fuel system.

Four years ago the Chinese executives, still without the partnership, were talking about 100 thousand to 120 thousand units in the factory in 2018 - the real volume will be around 10% of that goal. For the next year, Caoa is talking about selling 34 thousand units.

YES, THE SEDANS

Despite what has been said about SUVs the truth is that the segment which received more novelties in 2018 was the sedans such as Fiat Cronos, Toyota Yaris and VW Virtus.

Sedan sales, also because of this, were 11% higher until September compared to the same period last year, representing around 26% of the total sold in Brazil. Arrizo 5 arrives to try to take at least part of this cake.

The model offers a generous equipment list in the RX catalog, entry model: keyless engine start, onboard computer, electronic air-conditioning, car multimedia with 7-inch screen compatible with Android Auto and Apple Carplay, rear backup camera with parking sensor, ramp start and 16-inch alloy wheel. The RXT version comes with 17-inch wheels, sunroof, side airbag and leather.

Alfonso understands that the Arrizo 5 "offers a very interesting item package at an attractive price. We can bother the leaders".

The engine is the 1.5 liter flex with turbocharger, 150 horsepower, and the only CVT transmission as option.

The goal is to sell five hundred units a month in the first few months of its launch, at São Paulo Auto Show. The Caoa Chery chain already has seventy points of sale: "I believe we can reach more than a hundred by the end of the year". ■

YES, SIR. BRAZILIAN
The new Caoa Chery sedan started being produced with 28 Brazilian suppliers. The plan is to more than double this volume, reaching seventy.



Disclosure/Caoa Chery

From the hangar to the streets



Scania prepares a two-month event to present its new generation of trucks, production starts next February

Scania chose the shore of São Paulo, more precisely the city of Guarujá, to present the new line of heavy trucks that will produce in São Bernardo do Campo, ABCD region of São Paulo, from January next year.

At the place, an old and historic military base, founded in 1922 to protect the port of Santos, the automaker has reformed and adapted two hangars that will receive, by the middle of December, approximately four thousand people - journalists, dealers, suppliers and customers, of which 2 thousand transporters are from Brazil

and seven hundred from Latin America.

Only the launch will consume investment of R\$ 43 million. It will be possible to know all the technical details of the new truck, as well as the whole structure of services to be offered by Scania from now on. There will be 37 available trucks of several models - road, off road and city trucks - for tests to be realized by the invited transporters in conditions of use.

This new generation of trucks, which Scania itself considers and calls it «the best of all times», marks a new industrial and commercial cycle of the brand in Latin



Disclosure/Scania

America, making its vehicle line absolutely up-to-date with Europe and consolidating its largest investment ever made in Brazil, R\$ 2.6 billion by the end of 2020.

The expectation is that all the work done in São Bernardo do Campo for the arrival of the new trucks will transform the Brazilian plant into the most modern truck factory in Latin America. «A premium vehicle needs to be produced in a premium factory», says Christopher Podgorski, president and CEO of Scania Latin America.

According to the executive, the deve-

lopment of this new line demonstrates the concern of Scania in anticipating the main market trends for a transport with less impact to the environment and, at the same time, with greater efficiency and profitability. «We are putting a unique business tool in the market that unites technology, design, efficiency, innovation, customization and sustainability and is able to meet today's demands since it is ready for the future.»

There is no lack of reasons for such excitement. The factory in the ABC region was completely redesigned to receive the new trucks, completely different from the previous line. «We turned everything upside down. There is not one single screw from the old truck», ensures Alexander Vlaskamp, vice president of truck marketing and sales.

One of the highlights is the new cab welding unit which, according to Podgorski, is «a completely renovated factory representing the state of the art in Industry 4.0». 75 robots share space with new production and assembly lines. The new trucks have six hundred new parts, which brought fourteen new suppliers.

For Silvio Munhoz, its sales director, «this is not just a new truck. We are one step ahead of the industry in terms of profitability in our customers' businesses and in sustainability». Roberto Barral, vice president of commercial operations, says he is «sure that with this new line we will revolutionize transportation in Latin America».

The cabins are totally new on the inside and on the outside as well and, adding all the operational advantages, the total diesel savings generated, according to company information, could be up to 12%. «Only the new engines equipped with high-pressure technology will guarantee up to 8% reduction in fuel consumption», Podgorski calculates, arguing that «the best fuel liter is the one that is never consumed». The other 3% to 4% will be gua-

ranteed by the aerodynamics of the new trucks added to the operators training.

The propellers will also have new features: 220, 280, 320, 410 and 500 horsepower. Also, Brazil is receiving the global launch of the new 540 horsepower engine. Another important launch is the 7-liter engine for the semi-heavy segment.

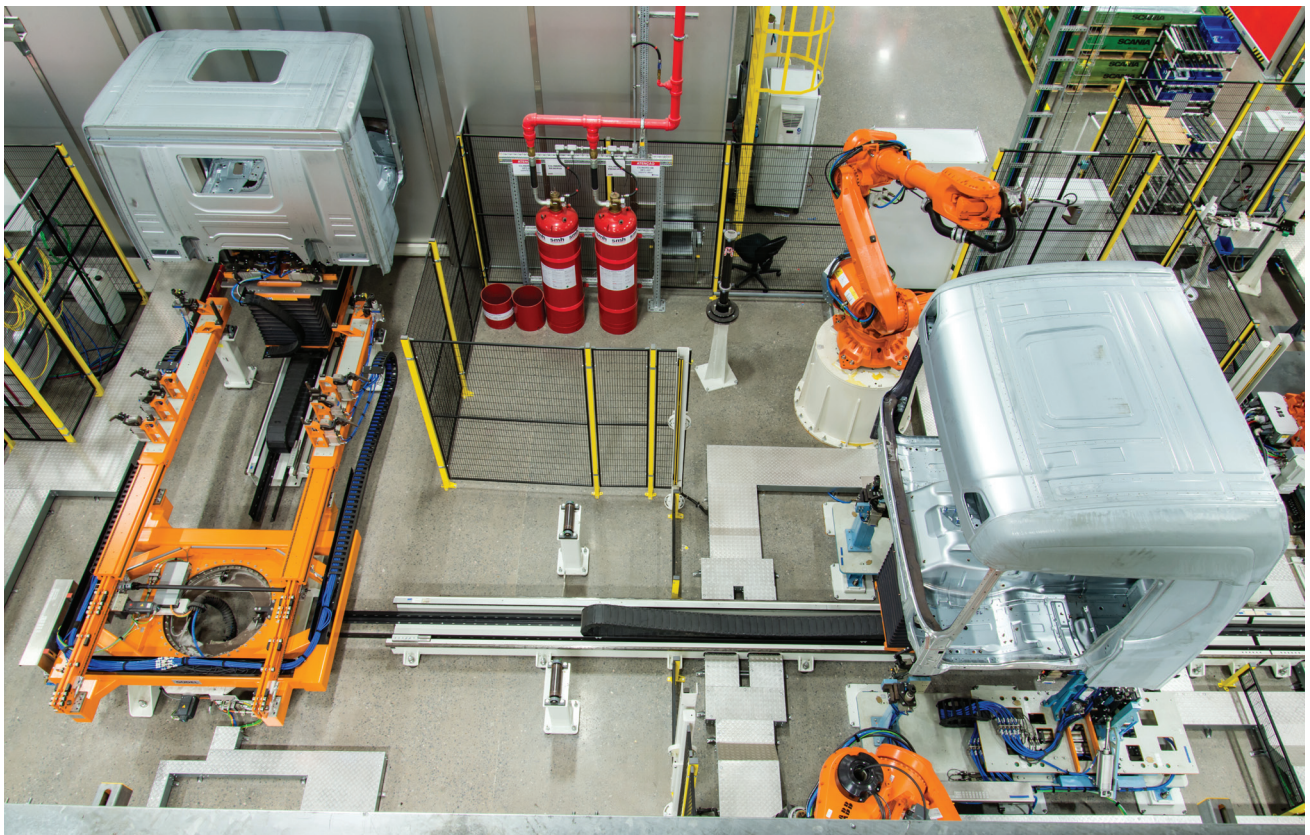
In terms of alternative fuels the new generation comes with three new engines powered by CNG/biomethane with 280, 340 and 410 horsepower. «We offer them here and now, in other words, the

alternatives that are feasible for the actual market moment», says Podgorski, anticipating that new trucks are already ready for electrification and automation when needed.

But the truck is not the only the novelty of this launch. The new generation will start to be offered to the market in the TMA concept, Taylor Made for Application. There will be more than five hundred configurations for up to 38 transport applications, with nineteen options in the cabins that, added to the new engine power, will make Scania one of the manufacturers with the biggest number of options in the heavy and semi-heavy trucks.

At this moment, the last adjustments are being made at the factory to start the new trucks' definitive production in the first days of February next year, the same month planned for the delivery of the first units - according to Scania, three hundred units have already been sold only in the first two days of the event. ■

New trucks' production has a new welding area inside the factory in São Bernardo do Campo, developed from the best precepts of the Industry 4.0





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and Components

Marcos de Oliveira, CEO of Iochpe-Maxion


Disclosure/Iochpe-Maxion

Brazilian, a Corinthians fan, has been president and CEO of Iochpe Maxion S/A since April 2014, responsible for all the company's operations in the world. He joined the company in September 2012 as corporate vice president. Before that, he was the president of Ford Brazil and Mercosur, since 2006. Started his career in 1984, where he was the president of Ford México operation from 2001 to 2004. Graduated in Engineering from FEI and post graduate degree in management from Faap.

1

With so many ups and downs in the Brazilian economy it is impressive that Iochpe-Maxion achieves its centennial in 2018. What is the secret?

Resilience. The Iochpe family was able to give the company the vision and strategic ability to reinvent itself over time. In 2008, for example, the administration realized that it was necessary to expand borders to grow, act internationally and not only in Brazil.

2

How global is Iochpe-Maxion today, exactly?

75% of our production and sales volumes are currently concentrated abroad, with approximately 36% in Europe, 30% in the United States and 9% in Asia. The remaining 25% is in South America, with Brazil accounting for the largest share.

3

How is the company getting ready for the automotive industry's profile changing, including electrification and autonomous driving?

There was a large study to determine the future paths of the industry some time ago. Today our auto parts presence is concentrated in wheels and structural elements, like chassis, items that will certainly be present in the vehicles of the future independent of their motorization; electric, fuel cell, etc. In the case of the wheels in particular, as long as there are no flying cars, we can say that the market will continue in an important way. And even flying cars will probably need a landing gear, so business still has to be maintained.

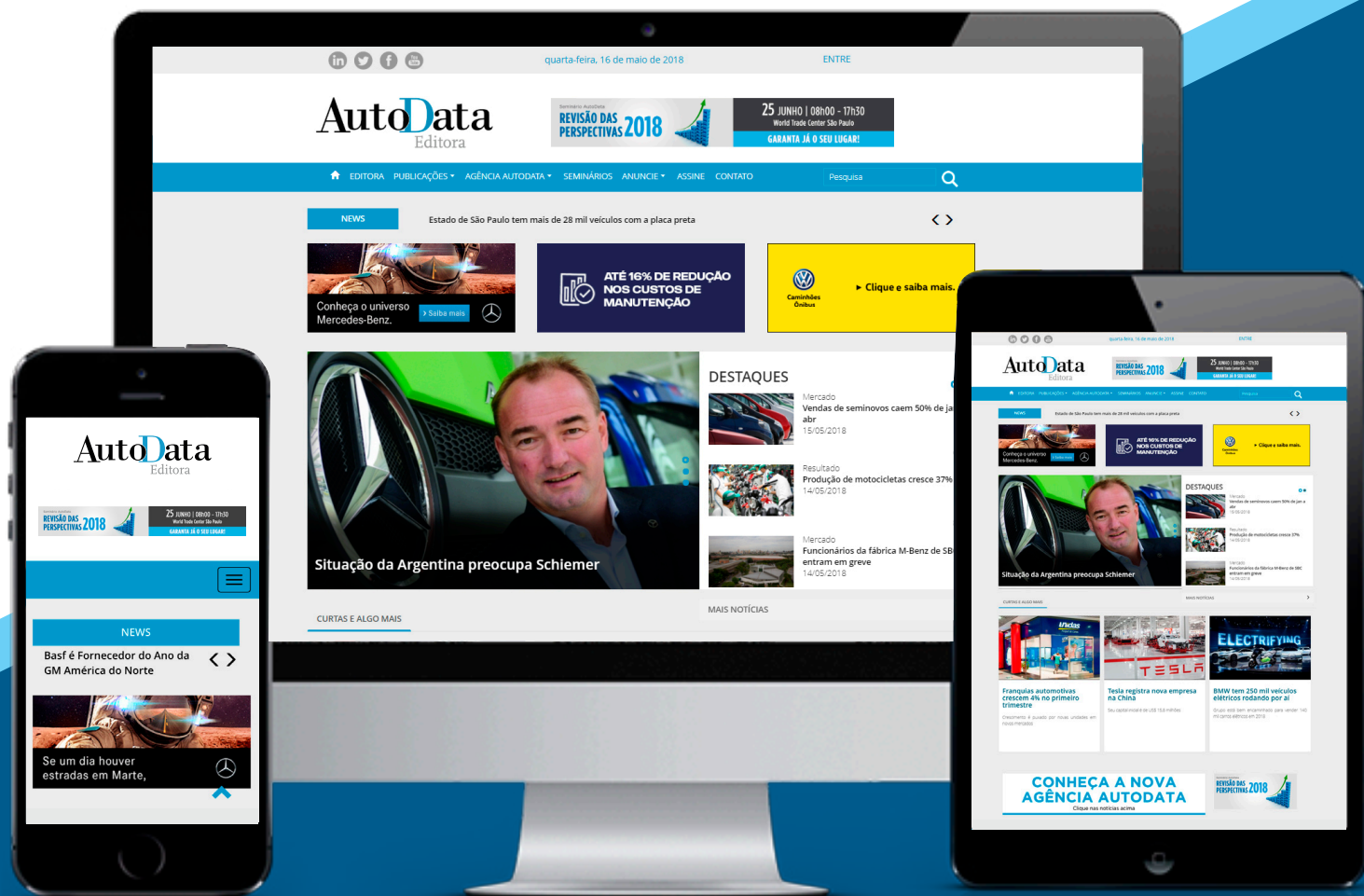
4

As a Brazilian multinational, with shares in the stock exchange, Iochpe-Maxion's balance sheet is consolidated in Reais. Doesn't that complicate things globally speaking, especially in the face of the exchange rates in Brazil?

No, because we have a kind of natural hedge: just as the assemblers usually do, we produce where we sell. Then the materials purchase and the product sales occurs in in local currency most times.

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LET 2019 COME!



Photos: Rafael Cusato

AutoData Congress Perspectives 2019 received the most important executives of the automotive sector: relevant and indispensable information for the coming year's planning on stage.

The nearly 1 thousand both days' participants of the AutoData Congress Perspectives 2019, held in mid-October at Hotel Transamérica in São Paulo, were able to enjoy a wide range of valuable information provided by some of the most important executives of the Brazilian automotive sector - not only for next year but also for the following ones.

The event, which is the most relevant and traditional of its kind in Brazil, gathered almost forty professionals (in three stages) of all segments, from the light to heavy vehicles, from agricultural machinery to motorcycles, who pointed out numbers, indexes and trends, as well as their respective analysis. Check out next some of the main statements from the event's speakers: ■



“We projected low-two-digit in the domestic market growth and production more or less in the same proportion, maybe slightly below two digits.”

Antônio Megale,
president of Anfavea



“We registered decreases that were worse than the GDP in the crisis years, and it is natural, then, to grow above it. In 2019, we will cross the R\$ 100 billion in revenues [in auto parts].”

Dan Ioschpe,
president of Sindipeças



“The current situation leads us to believe that there is no reason to expect a market below 2.6 million units next year.”

Antonio Filosa,
president of FCA for
Latin America



“We expect to maintain the framework already seen in the domestic market in 2018, with growth trend. The Brazilian started to buy vehicles again.”

Pablo Di Si,
president of
Volkswagen South
America



“Considering Brazil and Argentina as a whole, we don't see a crisis scenario next year.”

Carlos Zarlenga,
president of General
Motors Mercosur



“The market is expected to grow from 5% to 10% since there is no trust level deterioration and Selic and risk to invest in Brazil remain at current levels.”

Rogelio Golfarb,
vice president of Ford



“The market will grow next year and our intention is to keep the steady evolution we have registered so far.”

Alejandro Botero,
commercial vice
president of Renault



“As in 2018, direct sales of 2019 will also push the increase upwards: they are expected to grow 12.8% while retail sales are expected to rise only 3.4%.”

Miguel Fonseca,
executive vice
president of Toyota



“Next year the market will grow, but at a slow pace. Our progress will come from new models, the chain advancements and the quality increase in services.”

Mauro Correia,
president of Caoba



“Growth will depend on political definitions, but I believe the market will evolve regardless of the elections outcome.”

José Luiz Vendramini,
commercial director
of Nissan

The vision of the dealership chains



“Growth will happen if our rulers do everything right. We can’t have any accidents on the road.”

João Batista Saadi,
president of Assobens
(Mercedes-Benz)

“Sales growth will be percentually lower than in 2018, but there will be an increase in already heated segments, such as the SUVs.”

Luiz Eduardo Guião,
president of Assobrav
(VW)

“It will take us 10 years to get back to the 2013 sales level, but there will be growth in 2019.”

Carlos Sponchiado,
president of Abrac
(Chevrolet)

“My perception is for growth, but it will depend on what the new president will do during his first few months in office.”

José Maurício Andreta
Júnior, vice president of
Fenabrave

Systems suppliers



“We are living a good moment and we will start 2019 at the same pace as in 2018.”

Besaliele Botelho, president of Bosch (on the left)

“We built our planning based on a conservative growth scenario, since there are uncertainties on the horizon.”

Marcello Lucarelli, director of Continental’s
commercial vehicle unit (in the middle)

“Trucks and buses production is expected to grow 8% in 2019 no matter how small the investments in infrastructure, the Argentine crisis and the indebtedness of the city halls are.”

Amaury Rossi, Eaton business director (on the right)

Trucks



“Production is expected to grow again next year, but at a double-digit pace, while exports will be sideways.”

Roberto Cortes, president of VWCO



“Despite the uncertainties, we will keep growing. If there is no disaster we will have a 10% to 20% increase in the truck market in 2019.”

Philipp Schiemer, president of Mercedes-Benz



“We are optimistic. The market increase may be higher than 10%, depending on the decisions that the future government will take.”

Ricardo Barion, sales and marketing director of Iveco



“Our projection is 20% up. But for this, the economy will have to continue basically in the way it is today.”

Bernardo Fedalto, director of truck sales of Volvo



“We estimate an increase of 10% to 20% next year, driven by agricultural production and the families’ higher consumption.”

Sílvia Munhoz, commercial director of Scania



“The market should keep on the growth route, but the business profitability will need to grow together with it.”

João Pimentel, general director of Ford Trucks

Buses



“Economy growth, investments in infrastructure, fleet renewal and public transport appreciation give potential for a new increase.”

Jorge Carrer,
executive bus sales
manager for VWCO

“We are committed to the challenge of growing more than the market in 2019, around 15%.”

Sílvio Munhoz,
commercial director
of Scania

“We are optimistic for 2019: rising GDP, controlled inflation, stable interest rates and expectation of improvement in school bus sales.”

Walter Barbosa, bus
commercial director
of Mercedes-Benz

“We expect investments focused on fuel issues and alternative traction, such as the natural gas.”

Humberto Spinetti,
commercial director
of Iveco Bus

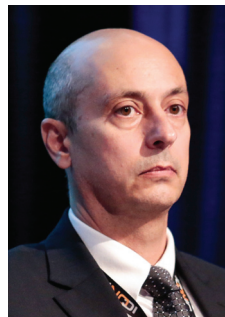
“2018 was a year of recovery and the expectation is to keep advancing in 2019, from 10% to 15%.”

Gilberto Vardânega,
commercial director
of Volvo Bus

Agricultural and Highway Construction Machinery

“The expectation is to advance from 5% to 10%, or even more if there are reforms and financing policies.”

Thiago Wrubleski, planning
and commercial director
of CNH Industrial



“We believe that the private sector purchases can offset an expected decrease in the public sector.”

Roberto Marques, sales
director of John Deere

“It is possible that there will be impacts due to the new pollutants emissions rule entering to force, with purchases anticipation.”

Alexandre Vinícius de Assis, key
account director of AGCO



“We believe in growth. We foresee an increase of two sustainable digits in the next two years.”

Luiz Marcelo Daniel,
president of Volvo CE

Diesel engines



“Truck sales are based on GDP. If it reaches 2.5% we will have 20% growth.”

José Eduardo Luzzi,
president of MWM



“The commercial vehicles market has shown growth because 2017 represents a low base, just like 2018 will be compared to 2019.”

Maurício Rossi, commercial director
of Cummins



“Although Argentina has pulled exports downwards there are important crops in other countries where we operate.”

Marco Rangel,
president of FPT

Credit



“Default is under control and credit is available, but the consumer still needs to regain confidence.”

Luiz Montenegro,
president of Anef

Motorcycles



“For 2019, we estimate growth of at least 5%, which would already be good enough.”

Marcos Fermanian,
president of Abraciclo



“Consortium volumes grew 8% until August and are expected to grow more in 2019, especially in trucks.”

Paulo Roberto Rossi, executive
president of Abac



“The dealership chain is still adapting to a lower volume and the sector faces high freight cost.”

Oscar Pires de Castro Neto,
director of Yamaha

FINANCING GROWS ABOVE MARKET

Supply of credit, once again, will be essential to sustain a new increase in vehicle sales in Brazil next year

If everything goes well until the end of the year and Anfavea's growth projection of 13.7% is confirmed, the amounts related to the release of funds for vehicle financing will close above that.

The expectation is for a 16% increase compared to 2017, and this in a more conservative scenario designed by Anef, the national association of financial companies linked to the vehicle manufacturers of Brazil. Luiz Montenegro, its president, estimates: "In a more optimistic scenario, it is possible that this evolution reaches the 20% range."

In terms of value, this would represent the total of R\$ 117 billion to R\$ 120 billion, the best result in the last five years: "If we consider that GDP should grow only 1.4%, it's an amazing performance."

According to Montenegro, the advance in financings is a positive indicator



The five most financed models

Source: B3



Disclosure/Chevrolet

1º Onix

79 898



Disclosure/Hyundai

2º HB20

46 808



Disclosure/Ford

3º Ka

36 277



Disclosure/Renault

4º Kwid

33 211



Disclosure/VW

5º Polo

32 308



Disclosure/Novo Banco

for the automotive industry: "Since our financial balance involves all types of vehicles (new and used) a reaction in our segment is usually an indicator of a future increase in 0 KM vehicle sales".

DEFAULT DECREASES

The credit recovery in the automotive sector came after a dramatic moment along with the crisis of 2014 - the inflection of the economy and unemployment increase led many consumers to default. The first signs of a slight recovery emerged only last year, but were established this year.

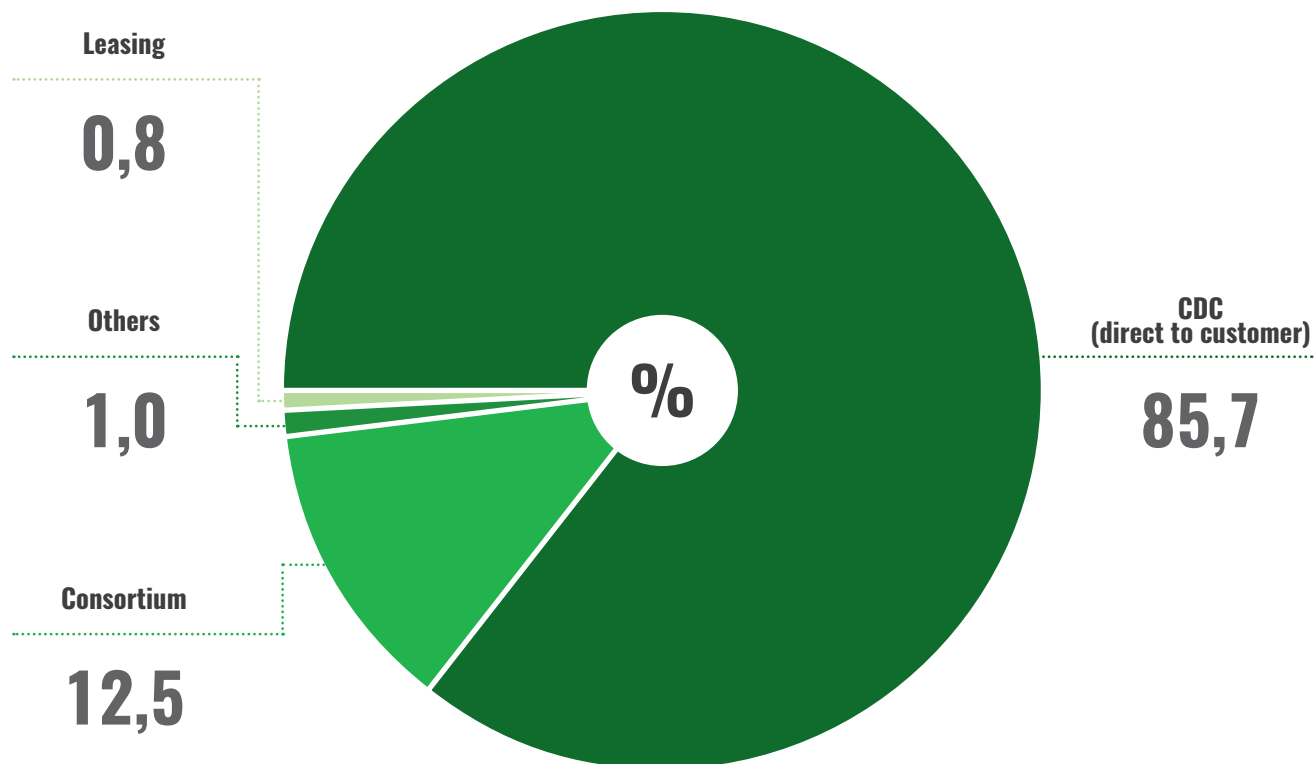
According to Anef, the default rate fell mainly due to a reorganization of the vehicle financing portfolios made by the financial market after the recession peak. At the end of 2016, the payment delay index of more than ninety days in the installments of vehicles financing via CDC (direct to customer) was at 4.6% and today it is at 3.5%.

According to Montenegro, the approval volume of forms in some manufacturer banks is currently at the range of 75%, a very reasonable index.

"Yes, there was a time of a greater restriction, but customers are much more aware of their capacity for indebtedness today. In 2012 and 2013 this notion was low and the banks were on the wave of optimism. After a long learning process

Vehicle financings by modality

In September of 2018. It includes light, heavy vehicles and motorcycles. Source: B3



the financial market today assists the client in their credit proposal and provides assistance in financial education, financing calculation, terms and installment values that the buyer can pay."

Regarding financing plans the down payment is currently varying from 20% to 50%. The interesting thing is that the amount has been very similar for a small car and for a compact SUV in terms of value, in other words, who buys a model from this segment finances a higher value, which enables more resources to be released: "The compact SUVs' success has undoubtedly raised the average ticket for Brazilian cars, which has contributed to this resource increase in the financing industry".

In terms of time period, there has been a slight growth: today it is in the average of 43 months while it was 42

months a year ago: "Although it seems little, it is enough to reduce the installments value and, this way, allow access to more expensive models."

THE RETURN OF THE SIXTY MONTHS

The big novelty in the credit industry is the return of financing in sixty months. But for Montenegro, "five years seems like a long time for a financing, and the market is not so stable to allow that confidence in the long term".

With regard to released values, new vehicles move the majority of resources, while the used ones stay in the lead in quantity. According to Anef, for each new car financed, other 4,3 used and semi-new vehicles are sold by credit.

The average vehicle financing interest rate in October ranged from 1% to 3.94% per month, comparing all banks,

according to Central Bank of Brazil. Anef reports that the companies linked to the automakers have an average interest rate of 1.38%, while the overall market average is at 1.78% per month.

The big banks, such as Itaú, Bradesco, Santander and Banco do Brasil, lead the financing ranking, since they hold almost half the portfolios of each automaker – in other words, each automaker bank has half of its own vehicles financings on average, even (usually) offering more advantageous conditions. The big banks, thanks to their capillarity, dispute the sum of half the portfolios of all brands that operate in Brazil and are still the main financiers of the used vehicles segment.

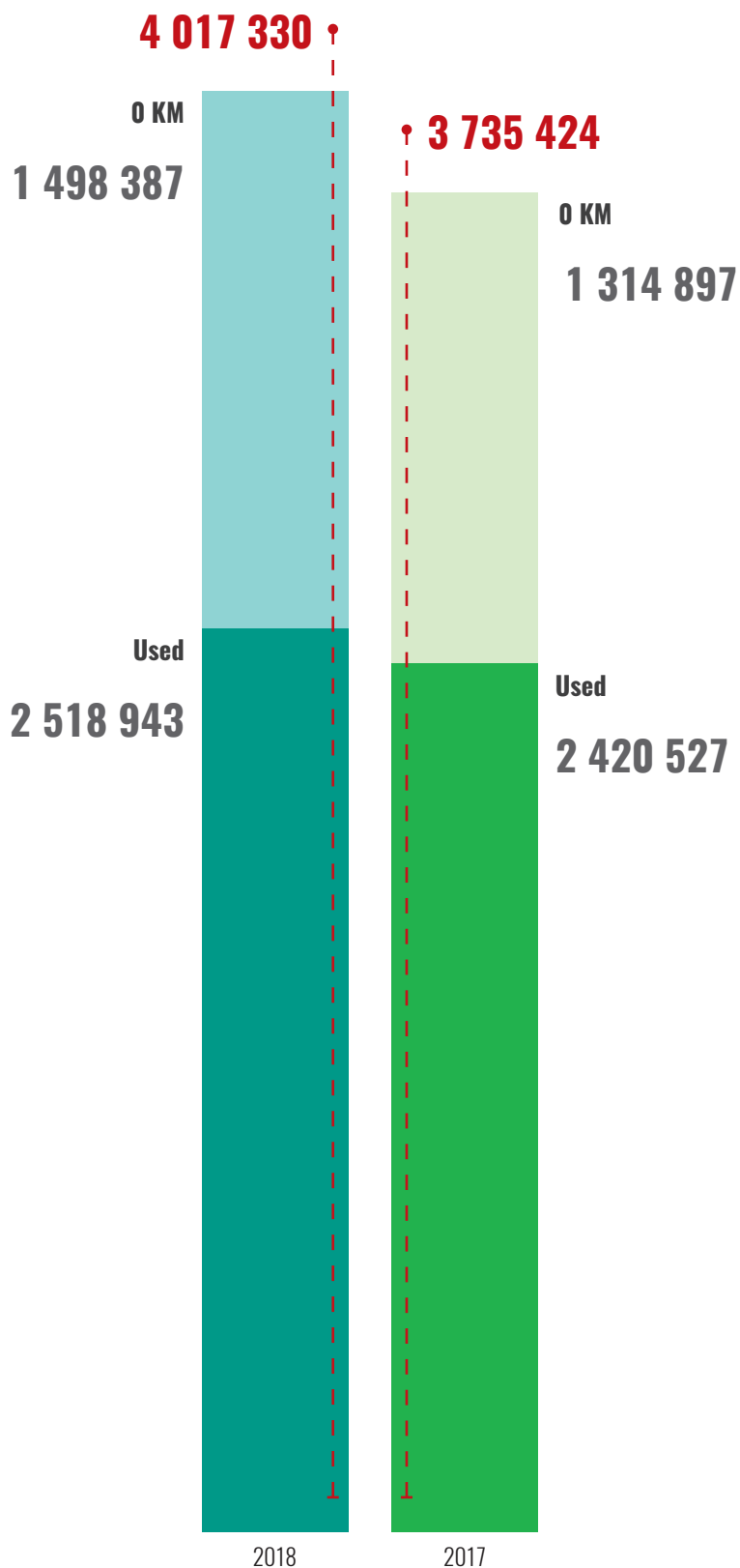
Itaú Unibanco, for example, reached R\$ 3.5 billion in concession of credit for vehicle financing in Brazil only in the second trimester this year, 54% over the same period of 2017. The average value of these operations was of R\$ 31,8 thousand, with an average financing term of 41 months and an average down payment percentage of 39%.

According to its director Rodnei Bernardino de Souza, the institution made deep analysis to understand the customers purchase process and from there created specific products and services ranging from the vehicles search on the internet to the sale process in stores and dealerships: "This is why we registered a higher growth than the market average which also benefited from a more favorable scenario, with a gradual recovery and increased consumer confidence to contract a long-term credit."

Banco do Brasil, on the other hand, celebrates the results of the mobile hiring service of vehicle financing via the bank's app, with monthly rates starting at 0.93%. Since its launch in September 2015, R\$ 1.9 billion has been released in signings by the channel, which already represents 67% of all line's operations. On the app, customers can find (for example) the

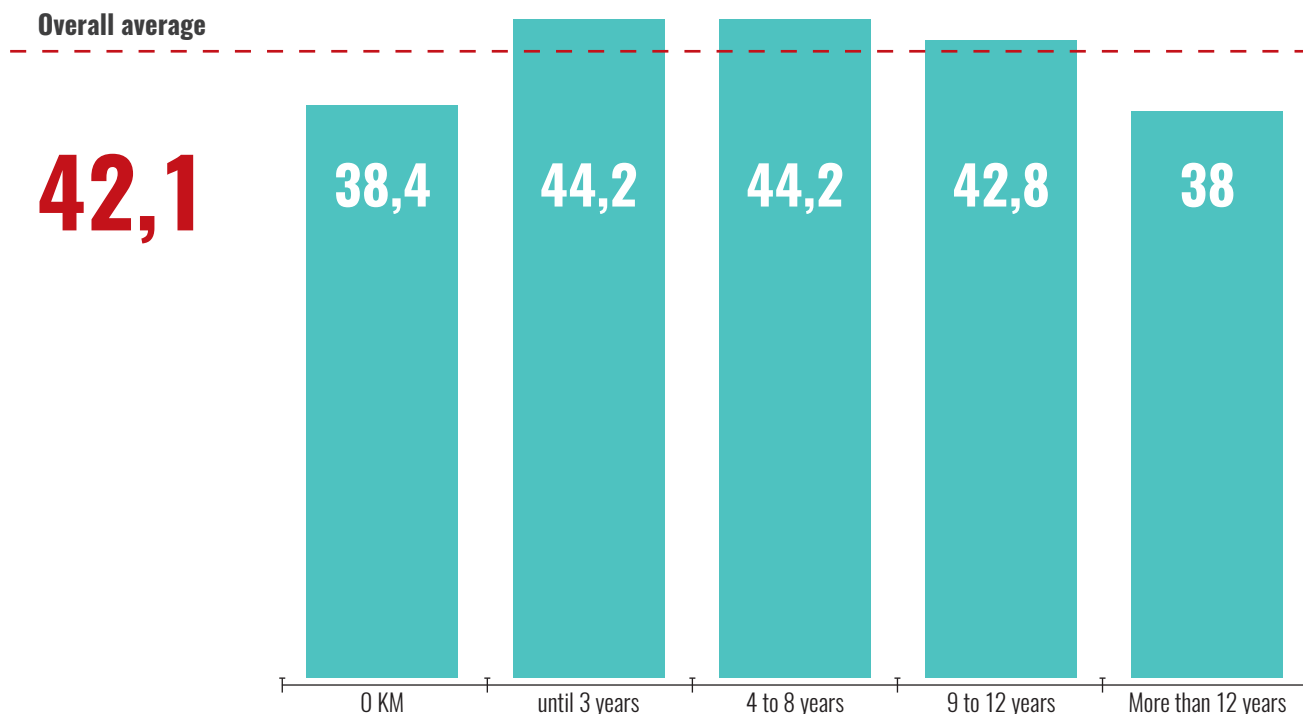
Volume of vehicle financings

Annual comparative until September. It includes light, heavy vehicles and motorcycles. Source: B3



Average financing term x vehicle's life time

In months, September 2018. Only automobiles. Source: B3



possibility to finance 100% of the vehicle's value in up to sixty months with a 180 day grace period, and the system works even on weekends. The average financing ticket is R\$ 40 thousand.

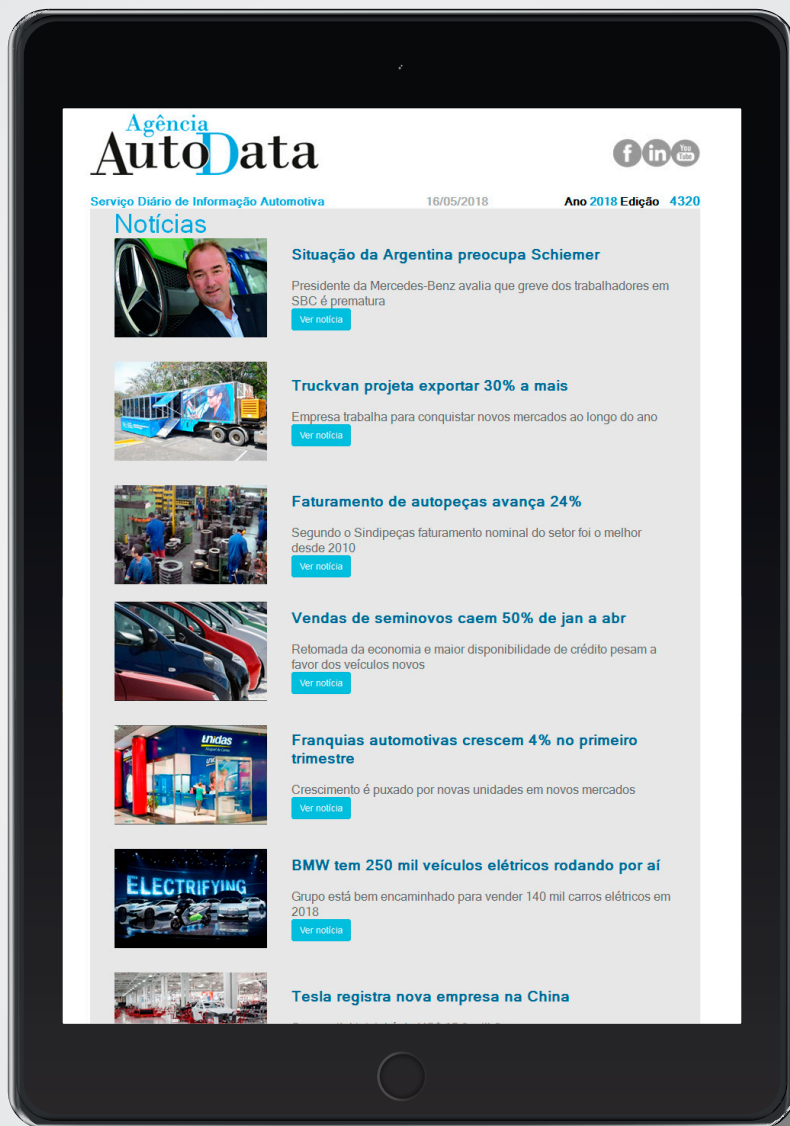
PACCAR BANK

Although the large banks that dominate the market have its own financial operation, it is still strategic for most vehicle manufacturers, although some have signed partnerships with traditional banks such as Bradesco or Itaú – the case of Banco Fidis, from FCA, under the Fiat and Jeep brands.

The most recent case to enter this sector is from DAF Trucks, a Netherlands-based brand controlled by Paccar, with a factory in Paraná. It has just entered the last stage of the creation of Banco Paccar, which is expected to start operations in the first half of 2019. João Petry, director of financial services at DAF, affirms that "Paccar Financial is an opportunity to expand access to credit. Our differentials will focus on customers and their specific business needs, with a specialized truck financing team and a high level agility in demands".

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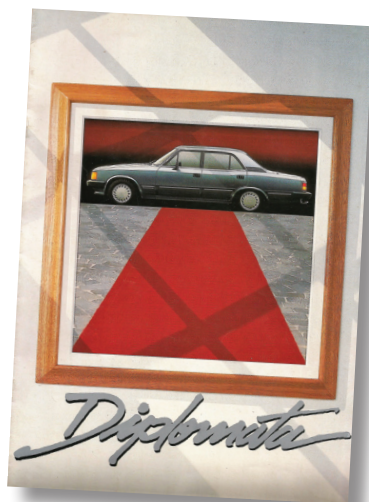
O carro certo
no tempo certo
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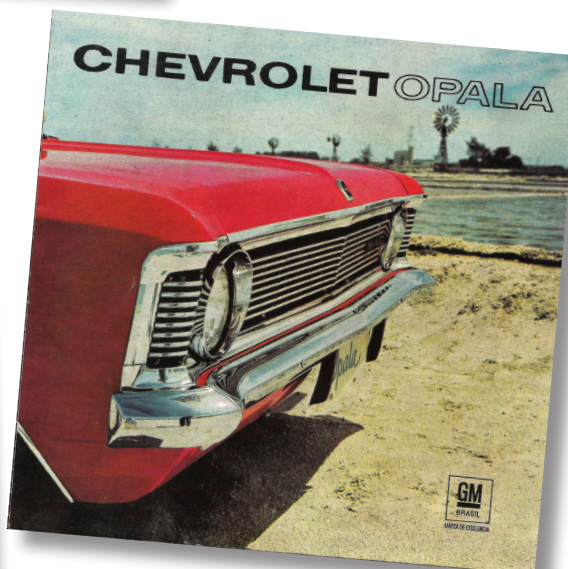
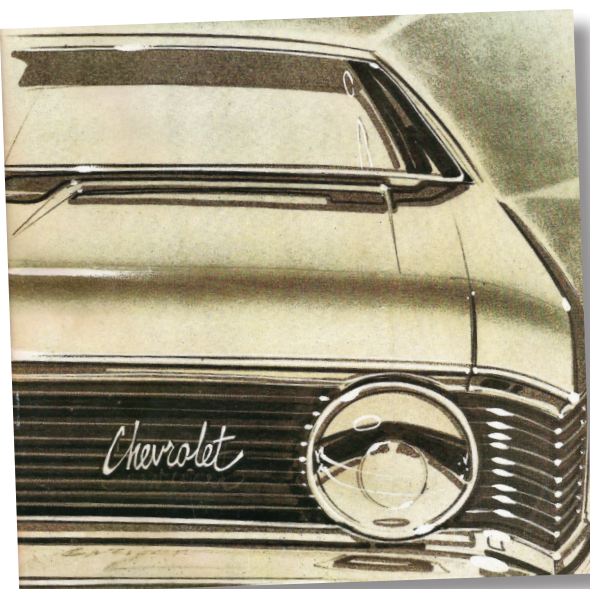
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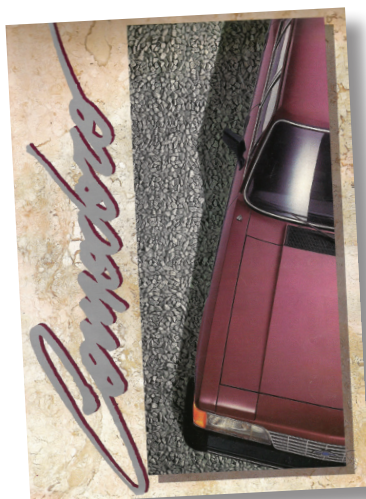
And it was indeed the right car, at the right time, at the right place

HISTORIC MOMENT
November 19th, 1968
was the day that changed
General Motors Brazil
forever: Chevrolet Opala
was launched.



Opala, the first automobile manufactured by General Motors in Brazil, celebrates 50 years idolised by a legion of fans





MILLIONAIRE
Nearly one million Opala models were produced in Brazil from 1968 to 1992. It left production lines to give way to Omega, breaking many fans' hearts – the so-called 'Opaleiros'.



THE PIONEER
Until 1968, GM had only produced trucks and commercial vehicles in Brazil: no one had ever seen a made in Brazil Chevrolet automobile. Caravan arrived in 1975.



TYPICALLY BRAZILIAN
Opala was the first global GM vehicle to combine an European body with an American engine. And so its name came from: mixture of Opel with Impala.

SPORTS VERSION
The SS version was born in 1971 and remained until 1980. But the luxury versions were indeed fundamental: Comodoro, from the 1975 line and Diplomata, 1980.



Everything started with some araucarias

The family was one of the forty that arrived in Brazil in **1912** from Bessarabia (now Moldova) linked to Russia. It was an initiative from the Jewish Colonization Association, founded in London in 1891 to promote and assist the emigration of Jews to colonies in the South America, notably Brazil and Argentina, and the North America. The association, also known by the acronym ICA, acquired a farm in Rio Grande do Sul, in Quatro Irmãos town, where the Ioschpe family went.

One of the main activities promoted there by the association was the wood exploitation, by the abundance of araucarias (a genus of evergreen coniferous trees) in the region. For no other reason, Iochpe-Maxion was born as the Engenho D'água sawmill, an initiative from Gregorio Ioschpe in **1918**.

Another member of the family (Salomão) also started working in the wood sector in **1937**. And so Iochpe emerged in **1938**, Brother & Sons, whose members were Gregório, Miguel, Moyses, Salomão and Israel, part of the Iochpe Group. Its main activity was the wood commercialization, beams and pine logs.

Iochpe-Maxion reaches the incredible mark of one century of existence as the biggest Brazilian auto parts company - but a lot has happened in the middle of the way



The first strategic entrepreneurial vein of the family could already be noticed in Brazil: realizing that the araucarias began to become rare in the region, the company went to a new segment. This way, the lochpe Group created Sagrisa in **1956**, for fruit growing: apples, peaches and peas as well as its industrialization in jam, conserved and canned products. The first effective entry into the automotive sector emerged from there: Auto Agrícola appeared in the same year, a Massey representative in Rio Grande do Sul for sales of tractors and agricultural machinery.

A new leap in **1968**. With the creation of Banco lochpe de Investimentos, the group enters the financial sector. And ten years later it purchases Indústria de Máquinas Agrícolas Ideal, from Santa Rosa, RS, becoming a manufacturer.



Within the automotive area, the most important step in this history was taken in **1983**, when the lochpe Group bought the Brazilian operation of Massey Ferguson Perkins, a manufacturer of agricultural machinery and engines. And the capital was opened the following year, with the São Paulo stock exchange share offer.

In **1989**, the importance of the industrial and automotive sector in business was definitely consolidated by the creation of the Maxis brand, which encompassed all the Massey, Perkins and Ideal businesses - at the same time lochpe left the financial sector. And that same year, the lochpe Foundation was created, whose greatest result is still the Formare (a social professional education program for low-income young people).

Another important step in the automotive industry was the purchase of the FNV (in **1990**), Fábrica Nacional de Vagões, from Minas Gerais, a former state company that was producing wheels and side rails for passenger and commercial vehicles at that time, two segments which lochpe-Maxis operates in today.

Another step took place in **1992**, when the company negotiated with Fumagalli the acquisition of a production line of wheels without tire chambers, a novelty for tractors, trucks and buses in Brazil.



Disclosure/lochpe-Maxis

And in **1994**, another purchase: Eluma Autopeças, from Contagem, MG, this time. In that same year, the group's name changed to Iochpe-Maxion, confirming the importance of the automotive sector in the company's general businesses.

The agricultural division's closedown took place in **1996** with the sale of the assets to AGCO, which already was the global owner of the Massey Ferguson brand.



And in **2000**, the railway area gained an association with Amsted, forming Amsted-Maxion, dedicated to the development and production of cargo wagons and their components. In 2003, the division acquired the activities of Cobrasma.

In **2008**, the first big international leap with the inauguration of a factory in Nantong (China) for the production of steel wheels for commercial vehicles: production capacity of 600 thousand wheels/year for the European and Asian markets.



2009 saw the purchase of Fumagalli and its plants in Limeira, SP, and in San Luis Potosi, Mexico. And half of Argentina's Montich S.A., the Argentinean manufacturer of side rails, chassis and stamping for commercial vehicles.

But everything happened in **2012**, a historic year: the purchase of Hayes Lemmerz, a traditional global manufacturer of steel and aluminum wheels, with seventeen factories in the world, and Grupo Galaz/Inmagusa, a traditional Mexican manufacturer of side rails for commercial vehicles in the US market. With this internationalization the businesses were divided in Maxion Structural Components and Maxion Wheels – arm that inaugurated a new aluminum wheels factory in Limeira, in **2016**.

This **2018**, Iochpe-Maxion reaches its centennial as the biggest Brazilian auto parts company with an annual income at the range of R\$ 7.5 billion (last year's number) and 31 factories in fourteen countries, four in Brazil and 15 thousand employees. Although effectively internationalized, the operations remain centralized in Brazil. ■

DPASCHOAL RECYCLES 1

The DPaschoal automotive services chain released its recycling numbers last year: more than 1.2 million tons were divided into nine items: rubber, counterweight, plastic, cardboard, oil packaging, cleaning cloth, various irons, paper and tire chips. 689 thousand products were separated into items such as tire, shock absorber, tray, battery, steering box, inner tube, chassis/disc/drum brake, cylinder, filters, driveshaft, lamp, canvas, car jack, spring and wheel, plus 212 thousand liters of lubricating oil sent to re-refine process.

DPASCHOAL RECYCLES 2

The chain offers the Eco Control program to customers: information via mobile and e-mail about the process of recycling their tires and replaced batteries can be sent, from leaving the stores to the actual recycling process. In one year, 552 thousand tires and almost 24 thousand batteries had their information disclosed through the system.



Disclosure/DPaschoal

ADEFA ELECTS

Hernán Vázquez, president of Volkswagen Argentina, was elected as the new president of Adefa, an association equivalent to Anfavea in Argentina, for the 2018/2019 biennium. He succeeds Luis Fernando Peláez Gamboa, of Renault, now vice-president, and will be accompanied by César Luis Ramírez Rojas of Scania, as general secretary.

NEW LAB

Fundação Santo André (FSA) inaugurated the first laboratory dedicated to studies in the ABCD region of São Paulo, scientific research and weld development with a focus on the automotive industry. The area was developed in partnership with ABB, SSAB and Air Liquide. The activities will be guided by engineering professors from the FSA and other universities, in graduation and post graduation.

MAGNETI MALELLI

Magneti Marelli was sold by FCA for € 6.2 billion to the Japanese Calsonic Kansei. The deal still needs to be approved by European bodies and is expected to give origin to the seventh largest systems supplier in the world. The new company is expected to be called Magneti Marelli CK and will have operations in Europe, Japan, Americas and Asia, in addition to a long-term supply contract with FCA. The CEO will be the current chairman of Calsonic Kansei, Beda Bolzenius, while Magneti Marelli's chairman, Ermanno Ferrari, will be part of the new company's board.



By Marcos Rozen

Suggestions of issues for this section can be directed this the email rozen@autodata.com.br



Disclosure/Meritor

MOLINA

Nathalia Molina is Meritor's new director of Human Resources for South America. Four years in the company, promoted: former manager of the area.



Disclosure/Meritor

SOUZA

Rafael Borges de Souza, Meritor's new purchasing director. Ten years in the company, always in the area: until then, senior purchasing manager.



Disclosure/ALD

REIS

Pedro Reis is the new CEO of ALD Automotive Brazil, a specialist in management and fleet outsourcing. Born in Portugal, 16 years in the company. Formerly, CFO for Brazil and Latin America.

RS 6,7 MILLION FOR RECHARGING

BNDES, the National Bank for Economic and Social Development of Brazil, has approved R\$ 3.4 million and R\$ 3.3 million for two electric vehicle recharge network projects in Brazil. The funds will come from BNDES Funtec, a non-returnable fund directed to applied research projects, technological development and innovation. The initiatives were selected in a public call in 2016 and will be developed by two units of Embrapii, the Brazilian Agency for Research and Industrial Innovation: CPqD Foundation (Center for Research and Development in Telecommunications) and the CERTI Foundation (Centers of Reference in Technologies).

THE BEST IS FORTY YEARS OLD

Rodovia dos Bandeirantes (SP-348) celebrated its 40th anniversary on October 28. As some kind of gift it was considered the best highway in Brazil for the seventh consecutive year according to research by the National Confederation of Transport (CNT). D. Pedro I and SP-340 got the second place, which form the Campinas-Jacareí highway, followed by SP-225, which connects Bauru and Itirapina.

THE BEST IS FORTY YEARS OLD 2

Bandeirantes (built in 26 months) was the first Brazilian highway conceived within the motorway concept. Originally named Via Norte, it was renamed five months before its inauguration by order of the governor of São Paulo at that time. There are 160 kilometers in total connecting São Paulo to Via Anhanguera at the surroundings of Cordeirópolis, 500 thousand trips a day. Managed by CCR AutoBAN since 1998.

TCM FROM SÃO PAULO AUTHORIZES IT

The Court of Auditors of São Paulo authorized the city hall to perform the bid for the new bus transportation system in the capital, with recommendations for adjustments. The bidding, originally scheduled for 2013, has been suspended several times and should represent up to 14 thousand new buses to the city in the coming years.



Disclosure/CCR



Disclosure/Michelin

MICHELIN LAUNCHES

Michelin launched the tire Primacy 4 in the Brazilian market. According to the company, the tread brings a new design with a sculpture bottom with a squarer standard, which improves performance in wet braking. The compound is also new and allows up to 10 thousand kilometers more than its main competitors, according to Michelin's calculations.

JLR ARRIVES IN PARÁ

Jaguar Land Rover inaugurated its fortieth dealership in Brazil, in Belém, Pará. Grupo Raviera's store is the first in that state and the third in the North region - Palmas, in Tocantins, and Manaus, Amazonas. Area of three thousand m², new and semi-new vehicles showroom and workshop.



Disclosure/JLR



Disclosure/VW

100.000 motores 1.4l TSI para exportação
Outubro/2018
Fábrica de São Carlos
Volkswagen do Brasil

100 THOUSAND MADE IN BRAZIL

The VW engine factory in São Carlos, SP, celebrates the milestone of 100 thousand 1.4l TSI engines produced for export: they are shipped to the Puebla plant in Mexico to equip Jetta and other vehicles sold in the United States. The volume is only a third of the total contract, which goes until 2020. Altogether, São Carlos has produced more than 11 million engines since its inauguration in 1996.

VOLVO CARS RECORD

Volvo Cars celebrates sales record in Brazil: just before the end of October, it had accumulated 5 thousand 224 units sold in 2018, surpassing its best annual result in 2011 of 5 thousand 122 units until then. The goal for the year is 6.5 thousand units.

FORD GRAPHENE

Ford guarantees that it is the first automotive manufacturer to use graphene in parts: fuel lines covering, pumps and engines, such as acoustic insulation in the Mustang and F-150 models. According to the manufacturer, the material is "light and incredibly tough, 200 times stronger than steel". Tests made by Ford and suppliers of internal lining foam mixed with graphene brought 17% of noise reduction, 20% improvement in mechanical properties and 30% in heat resistance.

61 400 000

Brazilians are in default, according to Serasa Experian's survey for September. In all, they owe

R\$ 274 000 000 000,00

considering that the average is of 4 debts for each CPF (Individual Taxpayer Registration Number)

“We need this quick duplication because the BR-381 highway has already earned the nickname ‘the death highway’.”

Argument used by a federal deputy of Minas Gerais to defend supplementation to the 2019 budget for works on highways and railways, during a hearing in the Chamber of Deputies in Brasília, DF.

50,9

was the Industrial Entrepreneur Trust Index (ICEI) in October, according to FIEMG (Federation of Industries of the State of Minas Gerais). The number is 4.2 points lower than a year ago.

“The cost of steel in the United States is above any other place in the world.”

Joe Hinrichs, Ford's global president of operations, criticizing the country's policy of creating barriers to raw material imports.

The British site Confused.com, specialized in vehicle insurance, conducted a survey with 2 thousand users from its website asking what would discourage them from acquiring an electric vehicle today. It was possible to mention more than one reason.

72%

indicated the low number of EV charging stations

61%

mentioned the time to recharge the battery and

59%

marked high price of the vehicle.