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VW's Chairman meets new entry-level car

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VW's Chairman meets new entry-level car

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"We have to decide. It would be an additional vehicle to the plan of twenty launches [which Volkswagen has scheduled until 2020]", affirmed the executive giving an interview to reporters at the factory. Diess said that the product, compact, would compete in the same segment as Gol and would be exported to other markets if its production were approved.

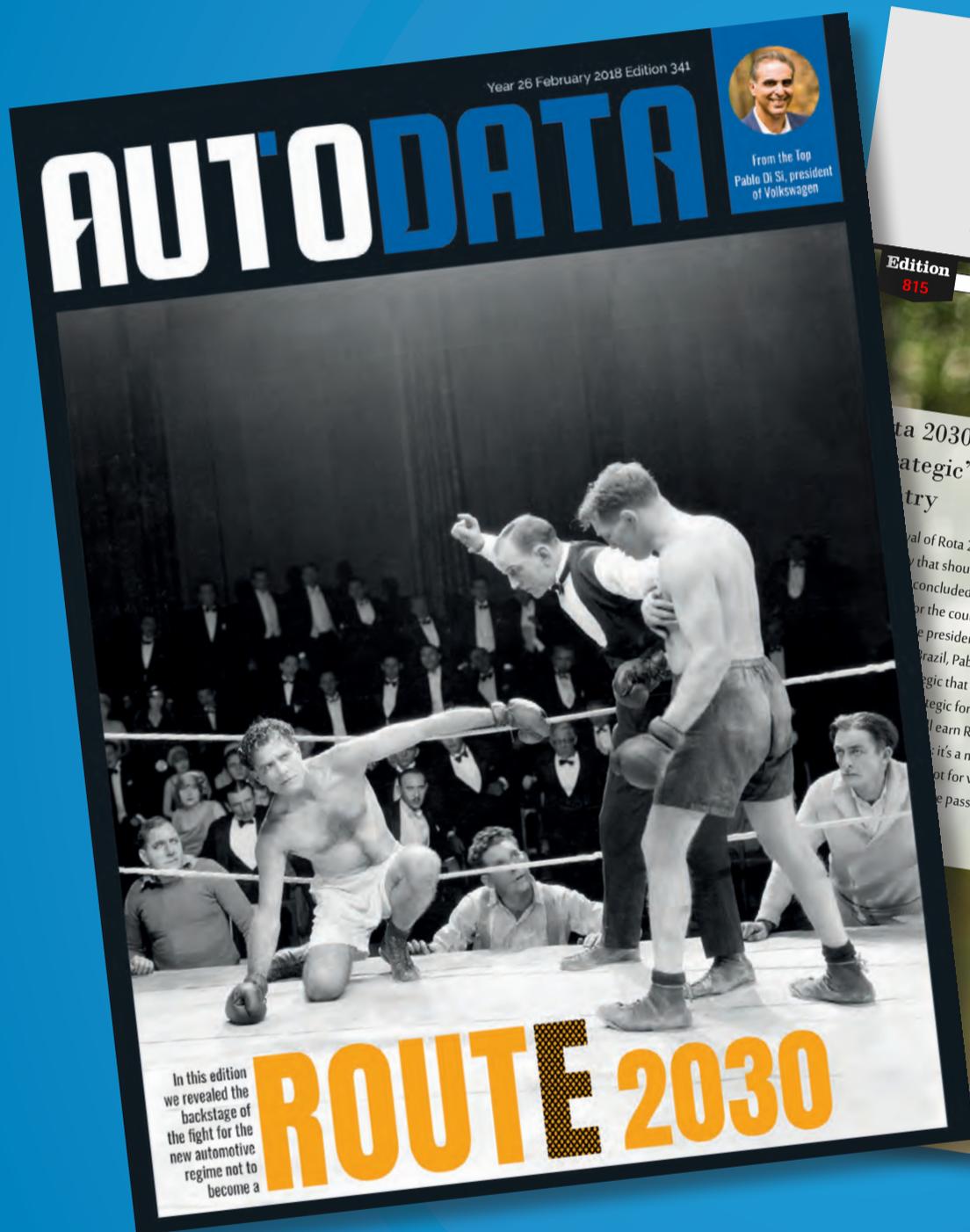
The president of Volkswagen spent the Tuesday, 14, meeting with dealers, unions and the company's board of directors in the region. Along with him other members of the global board were present - and they all returned to Germany during the night.

Diess returns to the headquarters with the expectation of seeing local operations, which have been in the red since 2016, return to profitability. "If it is not this year, it will be next year", he said, confident in the result of the vehicles' attack. In the first half of 2019, the launch of T-Cross is scheduled, an SUV that brings great expectation to the executives - and dealers - of the brand.

One of the meetings of the day was with the dealers, with whom the company negotiates a size reduction. According to Diess, the meeting was very positive: "They reported that they were in a desperate situation. They had lost confidence in the brand, the relationship with the management was not good. Now that what we promised was fulfilled, they are very happy with the efforts that were made".

The executive also mentioned the memorandum of understanding signed with Ford recently. But he did not bring any news: he explained that the two companies are studying synergies to share development costs for light commercial vehicles. **WE**

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Hyundai produces 1 million vehicles without a plan for expansion

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Disclosure

São Paulo - A new record for the Brazilian automotive industry was broken by Hyundai Motor, which reached, in less than six years, the mark of 1 million units produced in Piracicaba, SP. Of this volume, 940 thousand were from the HB20 family and 60 thousand Creta SUV.

The productive capacity of the unit, limited to 180 thousand units per year, did not allow that the record to be reached before. All Hyundai models that leave Piracicaba are sold by

the dealers' chain - only a small part is exported to Bolivia, Paraguay and Uruguay.

To expand this volume, follow the market resumption and continue to grow, Hyundai would need to invest in the factory to expand production capacity. But according to its executive director of sales and marketing, Angel Martinez, this will not happen any time soon:

"In the short term we have don't have plans to expand the Piracicaba plant, but we are always studying how to extract more from current production capacity. We increased daily production from 34 to 36 last year".

Martinez recognized that without the factory expansion, Hyundai's current market share is threatened: "We know that if the market continues to grow, we will not be able to maintain our share. This is a risk we are facing at the moment".

The limit of the production capacity has disturbed the company, which already had 10% market share and now holds 8%:

"This drop was due to the difficulty we had in keeping up with the market increase at the time. Because of our production capacity we cannot increase our dealer network. The current number, 212 stores, meets our sales expectation, but we would like to have about twelve units more. "

Next Goal - Another important mark that Hyundai will achieve is 1 million vehicles sold in Brazil, foreseen for September. To celebrate it, the company presented the 1 Million commemorative version for the HB20, HB20S and Creta models, limited to 4,5 thousand units, during the annual conference with the dealers on Tuesday, 14. **WE**

Iochope-Maxion grows 26% in the semester

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Disclosure

São Paulo – The Brazilian multinational, Iochope-Maxion, manufacturer of automotive wheels and structural systems for light and heavy vehicles, closed the first half with revenues of R\$ 4.5 billion, 26% higher than the same period of last year. The result was driven by performance in the domestic and international markets, boosted by the appreciation of the dollar.

A quarter of the invoiced revenue came from its Brazilian operations, which contributed with R\$ 1.1 billion in the semester, a 33.4% increase over the January-June of 2017 result. The international revenue grew 23.9% in the period, to US \$ 3.4 billion - eliminating the exchange variation, the increase of the invoicing was of 14.1%.

The recovery of the Brazilian industry of light and heavy vehicles, combined with the diversified international operation help to understand the company's semester results, which has 31 factories

spread across fourteen countries. In November, lochpe-Maxion will complete 100 years and the expectation is to close the commemorative year with good results, according to its president, Marcos de Oliveira - who, however, did not tell his revenue expectations.

“What I can say is that the result of the first half gives an indication of how the performance will be until the end of the year”, he affirmed in a news conference on Tuesday morning in São Paulo. “We have good prospects for the Brazilian market, where we are advancing in the segment of aluminum wheels [that have greater added value]”.

The wheel business, known in the market as Maxion Wheels, represented 82% of global revenue in the half year. The company supplies steel and aluminum wheels to the main Brazilian car makers, light commercial vehicles and commercial and steel vehicles for agricultural machinery.

In 2016, Maxion inaugurated in Limeira, SP, a factory dedicated to the production of aluminum wheels, with the capacity to produce, without major investments, 2 million wheels per year. At this first moment, however, it is limited to 800 thousand units per year waiting for demand of the Brazilian market.

Oliveira said the company is the global leader in the supply of steel wheels, with almost 18% of the market share to automakers - its share in the aftermarket is very low. The great jump in the market was in 2012 when it acquired Hayes Lammerz and its seventeen factories and consolidated its internationalization project, started in 2008 with the construction of steel wheels factory in China.

The other business of the holding, Maxion Structural Components, accounted for 18% of revenue, an index that, according to Oliveira, is below normal: “As the Brazilian truck market has fallen in recent years this division lost share in the market. In normal conditions it would answer for about 22% of the revenue.

The structural component division has invested in the expansion of heavy vehicles stamping capacity in the United States. About wheels there are expansions in Europe, North America - and the construction of a new factory of light alloy products in India, where Maxion Wheels already has two steel wheel production units for light and heavy vehicles: it is the market that, according to Oliveira, presents greater growth potential for the next years.

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With new president, DAF achieves its goal

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São Paulo - Since January in Brazil, the vice president of business development at DAF Trucks, a Mexican mechanical engineer, Carlos Ayala was named the new president of the Brazilian subsidiary, succeeding Michael Kuester, who returns to Seattle, United States, to integrate the board of Paccar, DAF's owner.

Ayala comes to continue the still small, but growing and solid, operation based in Ponta Grossa, PR. And with a clear goal, he did not hesitate to repeat to reporters in an interview on Thursday night, 16, in São Paulo: closing the year with a 10% share in truck sales over 40 tons.



Disclosure

“Currently our share, throughout the year, is 7.2%. In July we surpassed, for the first time, the 10% of sales in the segment, an important achievement for us”.

Last month, 275 DAF trucks were sold in the Brazilian market, which, in the company accounts, guaranteed 10.2% market share and fourth place in the segment in which it competes. The 35 dealerships spread across Brazil sell two models, which generate different configurations: the CF and the XF, which account for 25% and 75% of sales, respectively.

Ayala’s proposal is to keep the pace of growing slowly, but solidly. An important point, he said, is the strengthening of the aftermarket, because there is no point in growing the circulating fleet without spare parts. Today there are about 3,5 thousand DAF trucks circulating throughout Brazil and there is a need to strengthen the maintenance network especially in the North and Northeast of the country, where the next dealerships and authorized service stations should be located.

“An important fact is that 40% of customers who buy new trucks already have DAF models in their fleet. This demonstrates the capability and quality of our products.”

Although seeking sustainable growth, Ayala does not hide that there are other ambitions for the Brazilian operation. A new investment plan is under discussion with the headquarters, which the executive declined to comment on - but he has hinted that possibly it will involve new models, perhaps even in lower segments.

At the same time DAF runs to nationalize components, an accelerated plan due to the dollar increase. On average, today, the index of nationalization of the models in Brazil is around 60%, which is the minimum required by BNDES (National Bank for Economic and Social Development) for the Finame (Agency for Industrial Financing) lines. **WE**

Sales reach 114 thousand units in fifteen days

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Disclosure

São Paulo - Vehicle sales in the first half of August reached 114 thousand 974 units, according to data from Renavam. The volume sold during the period represents a growth of 15.6% over the sales of the first half of July.

The performance in the fifteen days indicates daily average sales of 10,4 thousand vehicles in the eleven business days of the fortnight. The concessionaires' expectation is that August registers the best sales performance of the year, although most of the purchases are the result of direct sales.

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