

AutoData

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Cumulative production grows 20%

The automotive sector is on the road to resuming growth: in the first four months of the year, production reached 965 thousand 865 units, a 20.7% increase compared to the same period of last year, according to figures released by Anfavea on Monday Thursday, 7.

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AutoData Seminar

REVISION OF THE PERSPECTIVES 2018

JUNE 25

08h00 to 17h30
WTC São Paulo



THE RETURN OF THE POSITIVE NUMBERS

The automotive sector is already celebrating the return of positive production and sales statistics. It is a recovery moment. And knowing exactly what the new trends are projected across all segments and being able to plan for the new market demands in this second half will be vitally important to business from now on.

AutoData invited 23 important executives from the automotive sector to the traditional Revision of the Perspectives (Revisão de Perspectivas) seminar to discuss this new and important business environment we are already living in Brazil.

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CHECK BELOW WHO ARE THE EXECUTIVES(*) INVITED AND MAKE YOUR REGISTRATION FOR THIS IMPORTANT SEMINAR OF AUTODATA:



Antonio Megale
President of Anfavea



George Rugitsky
Counselor of Sindipeças



Roberto Cortes
President of MAN



Marco Silva
President of Nissan



Ana Theresa Borsari
General Manager of Peugeot/Citroen



Miguel Fonseca
Vice - President of Toyota



Gustavo Luis Schmidt
Vice - President of VW



Antônio Baltar Jr.
Director of Ford



João Pimentel
Director of Ford Trucks



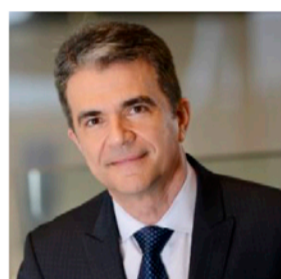
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Vice - President of Iveco



Roberto Leoncini
Vice - President of M-B



Bernardo Fedalto
Director of Volvo



Luiz Marcelo Daniel
President of Volvo CE



Paulo Beraldi
Director of Valtra/AGCO



Roque Reis
Director of CNHi



Roberto Marques
Director of John Deere



Luis Pasquotto
President of Cummins



José Eduardo Luzzi
President of MWM Motores



Marco Rangel
President of FPT Industrial



Besalier Botelho
President of Bosch



Wilson Bricio
President of ZF



Antônio Carlos Galvão
President of Eaton



Fernando Machado Gonçalves
Itaú Economist



Márcio Stéfani
Publisher of AutoData

(*) Executives still subject to confirmation.

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Cumulative production grows 20%

Caio Bednarski | caio@autodata.com.br

The automotive sector is on the road to resuming growth: in the first four months of the year, production reached 965 thousand 865 units, a 20.7% increase compared to the same period of last year, according to figures released by Anfavea on Monday Thursday, 7.

According to Antônio Megale, the growth in the accumulated "was very good" and, following this pace, should reach the projection of expansion of 13.2% that is expected by the entity until December.

In April production totaled 266 thousand 111 vehicles, a 40.4% increase compared to the

same period last year: "This is the eighteenth month in which production registered growth in comparison with the same month of the previous year," he recalled. Megale.

In the comparison between March and April production was stable, with a slight reduction of 0,5%.

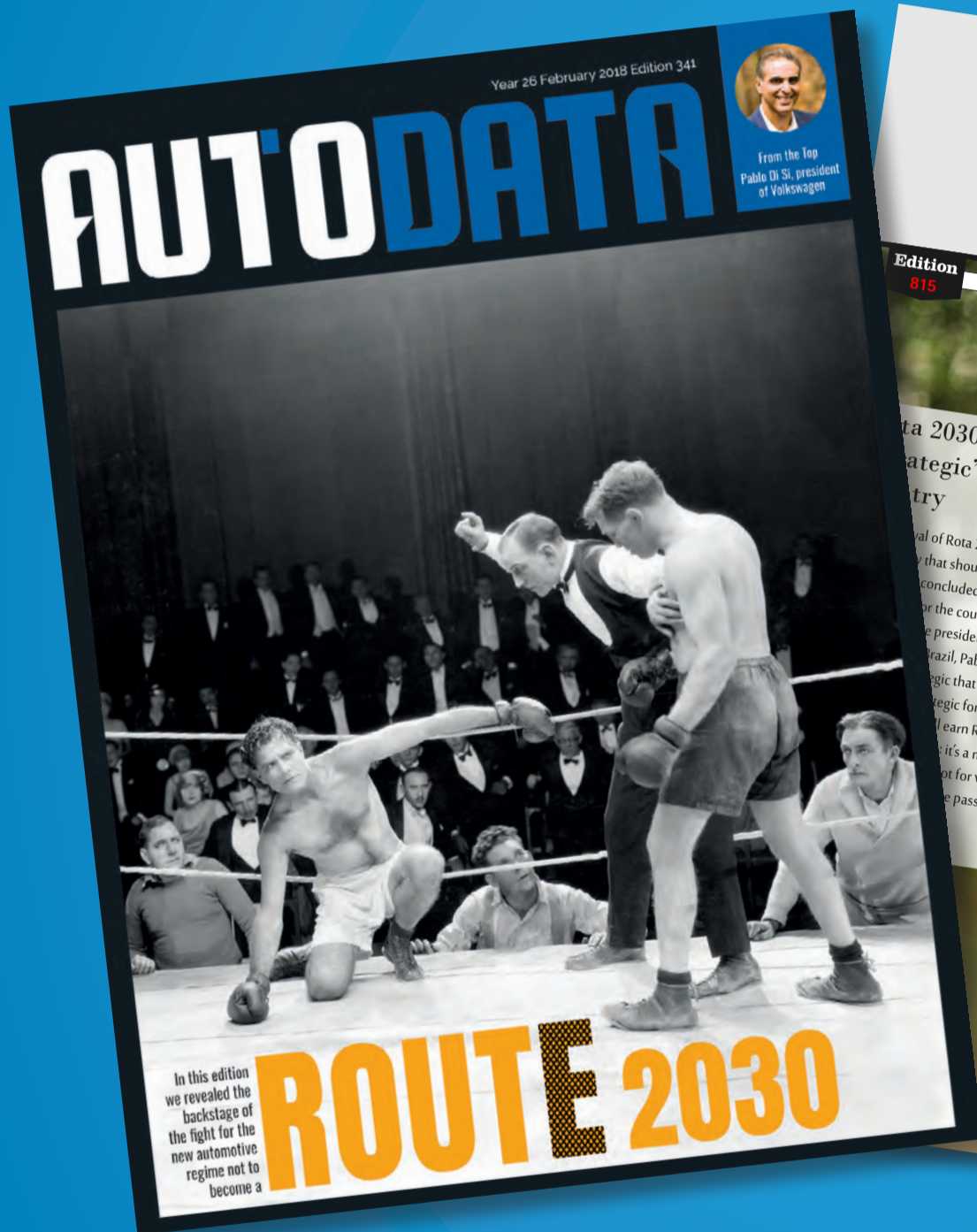
Job creation grew 4.1% compared to the same period last year - and remained stable, up 0.4%, compared to the previous month: "The resumption of jobs is happening with eyedroppers, but it's the beginning. One more note: only three of our associates are still with employees in layoff and PPE".

Even with this slow growth, the president of Anfavea was confident about the growth in the number of jobs in the coming months: "Some associates have opened another production shift, and with that, I believe they should hire in the coming months".

He also considered the number of stocks stable on April 30: 330 thousand units, for 32 days.



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Exports: April was the second best month in history.

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April was the second best month in the history of Brazilian vehicle exports, according to data released by Anfavea on Monday, 7. 73 thousand 152 vehicles were exported, an increase of 19.5% compared to the same period of the year last quarter, and compared to March, there was an 8.4% growth.

In the accumulated amount were 253 thousand 359 shipments, against 235 thousand 646 units in the same period of last year, growth of 7.5%. According to President Antônio Megale, the



rise in the quarter was relevant: "The volume of exports in the period far exceeded the average shipments of the last ten years, 153 thousand vehicles".

Despite the positive results, the sector has hit the alert because of the rise in the dollar and the interest rate in Argentina, Brazil's main trading partner in the automotive sector: "We are worried and cautiously analyzing the situation, because the volatile and higher interest rates in Argentina may affect Brazilian exports. But so far, there has been no change in corporate planning".

With respect to the main destinations of domestic vehicles, Argentina accounted for 75% of the volume exported, with Mexico second, 7%, Chile, 5%, Uruguay, 4%, and Colombia, 3%.

Flex Case - Brazil-Argentina vehicle trade agreement, predicted that every US\$ 1.50 that was exported by Brazil, US\$ 1 goes for imports. With a crisis of recent years in the Brazilian market and a resumption of sales in Argentina, this network was unbalanced, reaching US\$ 2 exported to each US\$ 1 imported, causing discomfort. Faced with this situation, Megale said that treatment is needed with longer deadlines for countries to go beyond export and import countries.

According to him the ideal would be the free commerce of the two countries, so that did not generate problems for the industry. The executive also believes in the unification of markets in the future, an issue that has already been discussed in an AutoData seminar, so that a vehicle made in Brazil or Argentina can be presented in both countries without the need for changes or adaptations.

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Sales exceeded 10 thousand units per day in April

Bruno de Oliveira | bruno@autodata.com.br

The average vehicle sales in April met the expectations of the industry, which projected, in March, a result above 10 thousand units per day. According to an Anfavea report released on Monday, 7, retail sold 217.3 thousand units last month, which, taking into account the 21 business days in the period, resulted in 10.3 thousand units/day.

The volume of vehicles sold corresponded to a 38.5% increase compared to the result of April last year, when the concessionaires delivered 156.9 thousand vehicles. Compared to March, April sales were 4.8% higher. The result for April in sales was the best recorded by the sector since April 2015, when 219.4 thousand units were sold.

Year-to-date sales reached 762.8 thousand units, 21.3% more than sales from January to April last year. The positive performance, driven mainly by the arrival of new models to the market, sales campaigns and maintenance of the economic framework - low interest rates and controlled inflation - should show a slower pace in the second half, according to Antônio Megale, Anfavea's president:

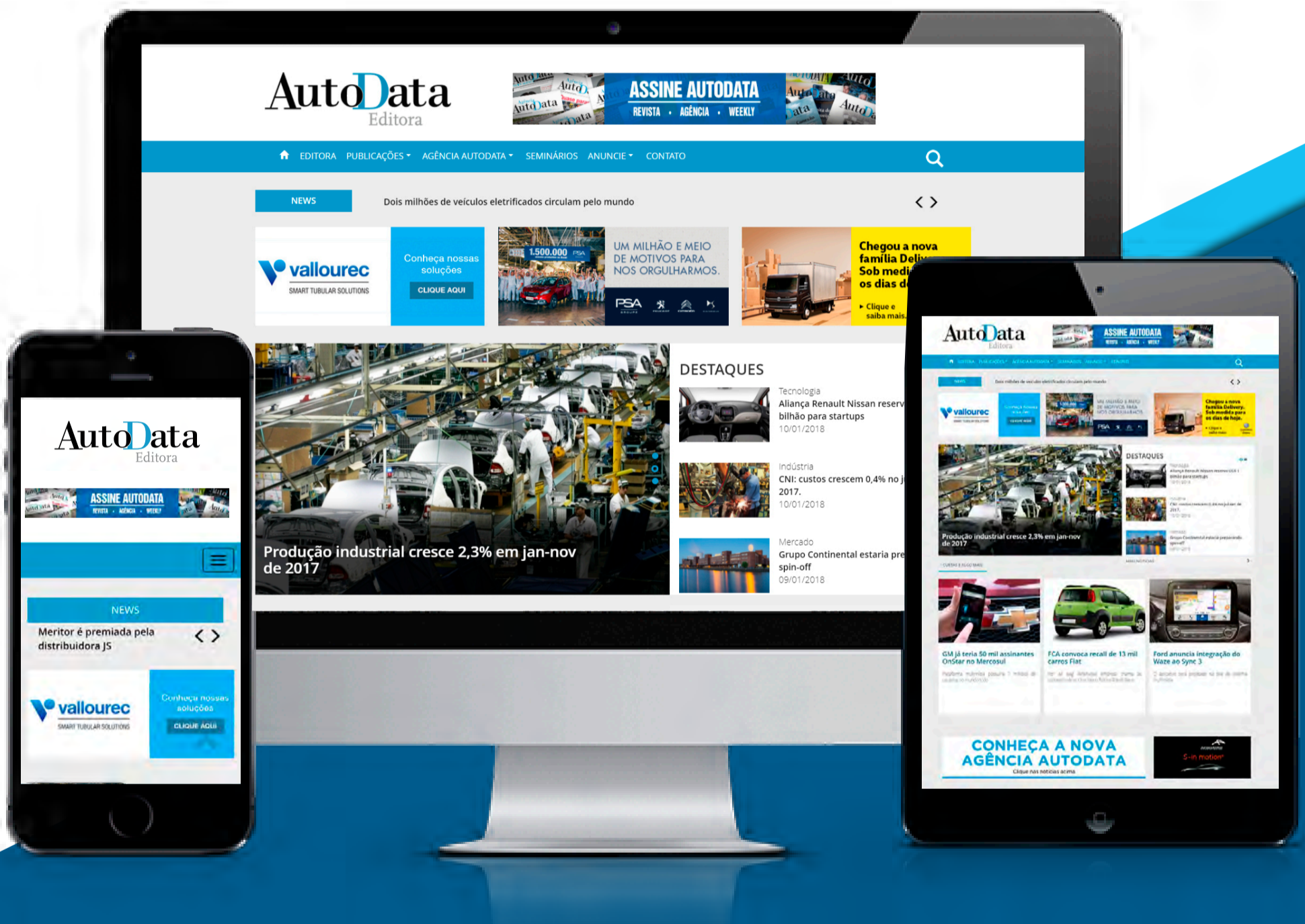
"Even because of this we decided not to revise our projections for the year yet. Even though numbers may show an evolving scenario, factors like elections should slow the pace of sales in the second half. Historically, in the years in which such events occur, volumes fall".

By motorization the vehicles with power comprised of 1 thousand and 2 thousand cm³ of displacement were the majority until April in the licenses, 401 thousand 969 units, 18% more. The vehicles equipped with an engine of 1 thousand cm³ of cc of displacement were 218 thousand 195 units, or 34.9% of the car license plates. Above 2 thousand cm³ of displacement were 10 thousand 44 units, 2.4% more.

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Sale of trucks takes up level of 2015

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The truck market has maintained the pace of growth seen in the first quarter and reaches April with a high in domestic sales. According to the balance sheet of Anfavea, released on Monday, 7, were sold in the accumulated of the year 20 thousand 697 units, 57.6% more than in the same period last year. The heavyweights lead sales and accounted for a 45% share of the licenses in the period.

Although 2017 is considered a low base

of comparison, manufacturing companies remain confident that performance represents, in fact, the resumption. According to Luiz Carlos Gomes de Moraes, vice president of Anfavea, the challenge to be faced by industry in the year "we must maintain the prospect of growth facing some obstacles that will come":

"Bank credit is still tight and inhibits fleet renewal. And the readjustment of diesel is **WE**

also something that worries the industry". Anfavea has projected 24.7% growth in sales of heavy vehicles compared to 2017 for the year. There are companies, more optimistic, that have already signaled a little higher, 30%, a scenario they believe is possible due to possible purchases made on the basis of demand for grains and minerals transportation.

Sales of heavy trucks reached 9 thousand 298 units, 98.7% more than the volume sold in the same quarter last year. Mercedes-Benz was the manufacturer that registered the highest volume sold, 2 thousand 780 units, more than double what was sold in the same four-month period of 2017, 1 thousand 192.

As happened last year the competition remains fierce in the heavyweight segment. After Mercedes-Benz the company that sold the most during the quarter was Volvo, with 2 thousand 429 units, 92.6% more. Scania is followed by 2 thousand 845 units, an increase of 88.3%.

In the semi-heavy ones, up to April, 4 thousand 627 units were sold, a 38.4% growth in market led by MAN Latin America. In the light trucks were 3 thousand 743 units registered and growth of 22.6% compared

to the same four-month period last year. In this niche, MAN was also the company that registered the highest volume of sales against the competition, a direct influence of the commercial performance of the new Delivery family.

Antônio Megale, president of Anfavea, said that the idle capacity of the sector is still high despite the increase in sales compared to last year, a 70%: "Production is still dependent on the demand for exports, in which the industry is going very good. But there is more room to occupy in the factories and, in that sense, the production of the truck industry still pulls the production of the whole industry down".

Up to April 33 thousand 529 trucks left the country installed in the country, a volume that represented growth of 54.9% compared to the same period of 2017. Similar scenario is the one of buses sales: from January to April were manufactured 10 thousand 186 units, high 81.7%.

In the first four months of the year, 10 thousand 67 units of trucks were exported, 21% more than in January-April 2017. Bus shipments totaled 3 thousand 126 units in the same period, representing growth of 47.6 %.

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Anfavea to revise machine projections up

Allex Chies | allex@autodata.com.br

Anfavea's vice president, Alfredo Miguel Neto, said that the entity will review the internal sales projections of the agricultural and road machinery segment. According to him, the goal should be at least double - in January the estimate was 3.7%, to 46 thousand units.]

"The confidence of the agricultural sector demonstrates that the producer has the will to invest and safety for this. The price paid for soybeans is premium, corn and cotton are also priced well. Seeing the result of Agrishow, and depending on the announcement of the Safra Plan, which can happen at any moment, we will recover these two periods and we will make a new projection".

In April, sales of the segment registered growth of 26.4%, totaling 4 thousand 142 units - compared to 3 thousand 278 units in the same month last year. The data were released on Monday, 7, at a news conference.

Despite the increase, in the accumulated

of the year the result is still a fall due to the beginning of the year not very encouraging: - 7.2% compared to the same period of 2017. This year, from January to April, 11 thousand 667 machines were marketed against 12 thousand 576 in the same period of last year.

Production and exports - The production of agricultural machinery in April was 5 thousand 997 units, down 5.1% compared to March results. In comparison with the same month last year there was a rise of 1.9%. In the accumulated of the year 17 thousand 97 machines were produced, high of 1.3% over the first four months of last year, when 16 thousand 884 were produced.

Exports totaled 3 thousand 998 machines in the accumulated of the year, compared to 3 thousand 158 in the same quarter last year, up 26.3%. In April, 1 thousand 104 units were shipped against 957 in the same month last year, up 15.4%. In relation to March, there was a decrease of 6.1%, 1 thousand 176 units.

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VW sales in South America grow 8%

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In a balance sheet released on Wednesday, 9, Volkswagen announced the growth of its sales in South America, especially in Brazil, its main regional market. There were 142 thousand 900 vehicles sold in the region in the first four months. The result represents an increase of 8.6% compared to the same period in 2017. In Brazil, during the period, 90.4 thousand vehicles were sold, growth of 14.9%.

Performance in Brazil was the second best recorded by the company in the period: it surpassed the growth seen in larger markets, such as Germany and China, where it increased 9.4% and 8.8%, respectively. It was only below

the market growth in Russia - 20%.

Global sales made by the company, in the four months, reached 2 million 44 thousand 900 units, a jump of 7.1% in comparison with the same period last year.

The company's April numbers in South America showed the sale of 42.1 thousand vehicles.

They represented a 32.2% increase in the region compared to the month of the previous year. In Brazil, 28 thousand 800 vehicles were delivered, an increase of 43.3%. The company credited growth in the region in the statement to the "considerable popularity of Polo and Virtus models".

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Argentina has four-month period positive sales

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Vehicle sales in Argentina are growing at a pace compared to last year's performance. Up to April, 290 thousand 495 units were registered in the neighboring country, and Brazil's main trading partner in the automotive sector, a volume that exceeds 13.8% in the first four months of last year.

According to a balance released by Adefa, the association of manufacturers installed in Argentina, released on Friday, 4, dealers sold in April less than in March, despite the positive performance in the accumulated of the year: 72 thousand 748 units, 8.6 % below the previous month. However, compared to the volume sold in April 2017, the performance was better: up 6.8%.

Of the total sold from January to April, cars were 230 thousand 708 units, which meant an increase of 19.9% compared to the same period last year. A downward trend in sales of utilities: the Argentine market consumed 59 thousand 787 light commercials, a volume that represents a decrease of 4.7% compared to the first four months of 2017.

The most sold model in the first four months of the year, according to data from Acara, the association that groups the Argentine dealers, was the Toyota Etios: 13 thousand 982 units. The model was ahead of the Chevrolet Onix, 13 thousand 890 units sold, and Ford Ka, 13 thousand 416 units.

In exports, the scenario was positive, although the performance of April was lower 28.2% than that seen in March. 77 thousand 245 units were shipped in the four-month period, a 31.4% increase compared to the same period in 2017. Brazil was the destination of 69.9% of the exported Argentine vehicles. Central American markets absorbed 7.2% of exports. Peru, Chile and Colombia, in sequence.

Argentina aims to export 300 thousand vehicles this year, which would mean a 43% increase compared to the volume shipped last year. If you reach the goal, it will be the best result since 2014, when 357 thousand 827 units were sold abroad.

The growth maintenance in domestic and foreign markets has increased the production volume of factories in the neighboring country. In the first four months 156.4 thousand vehicles left Argentina, 20.4% more than the volume produced from January to April 2017. In April, production was 45 thousand 802 units, down 7.8% relation to March. In comparison with April last year, high of 21.4%.

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