# Auto ata NEWS AGENCY WEEKING EDITION

Edition

Weekly Brazilian automotive industry news | 09.08 to 09.11.2015 Year XII



#### Goodbye, Anhembi: Brazil Auto Show 2016 will take place at São Paulo Expo.

The most traditional event of the Brazilian automotive sector, and one of the most important in the world, the International São Paulo Auto Show, has packed its bags. Next year's 29th edition will no longer take place... More on pg. 3

Renault expects more than sales from the Sandero R. S.

Renault is diversifying
- re-strengthening
- the offer of the
Sandero versions in
Brazil. Starting this
month, the brand's...

More on pg. 5

Honda: the only one to grow in the Brazilian market.

Among the ten brands with the biggest sales volumes of passenger and light commercial vehicles in the Brazilian market...

More on pg. 8

After dismissals,
Ford workers
go on strike
The workers at
Ford unanimously
approved to cross
their arms for an and
determined period

More on pg. 10

regarding...

of time as a protest



#### Goodbye, Anhembi: Brazil Auto Show will take place at São Paulo Expo.

Alzira Rodrigues and Marcos Rozen | redacaoad@autodata.com.br



he most traditional event of the Brazilian automotive sector, and one of the most important in the world, the International São Paulo Auto Show, has packed its bags. Next year's 29th edition will no longer take place at the Anhembi Pavilion in the northern region of the state capital. Instead, it will move to the São Paulo Expo, formerly know as Imigrantes Export Center, in the southern region of the city.

Reed Exhibitions Alcantara Machado, the event's

promoter, has been meeting with vehicle manufacturers and automotive sector associations that usually participate in the event to communicate the change.

The information was revealed by two sources directly linked to automotive sector companies to two AutoData Editora journalists, at different occasions, exclusively. Contacted, Reed Exhibitions stated, through its press relations Department on Wednesday, 9, that "the Auto Show is confirmed at Anhembi."

GL Events, which leases the São Paulo Expo, did not return a request for an interview made by AutoData news agency.

The change has its merits: for years, exhibitors and especially the visiting public complained about the infrastructure at Anhembi. Constant criticisms have been made about the space being small, particularly for parking, in addition to the heat inside the pavilion, which does not have air-conditioning.

In addition, there was a global convergence: Reed Exhibitions, of British origin, is the biggest international partner of GL Events, a company founded in France. In Brazil, this partnership was nonexistent until now for the Auto Show, one of Reed's biggest events in the country, since the Anhembi Pavilion is administered by São Paulo Tourism, a company belonging to the city.

The change is also the result of a major reform that is currently underway at the new location — including a change in the name of the establishment. The breaking of the ground for the expansion of the São Paulo Expo took place in June. The project calls for investments of approximately US\$ 100 million, and is scheduled to be concluded in 2017. The space is being upgraded through a reform of the existing 40,000 m<sup>2</sup> pavilion and the construction of another 50,000 m<sup>2</sup> of exhibition area and a 10,000 m<sup>2</sup> convention center, as well as the construction of a garage building for 4.5 thousand vehicles, which, according to the organizers, will be the biggest covered parking lot in Brazil. The latter is expected to be ready still by the end of this year. As a comparison, the Anhembi Pavilion has a total of 76,000 m<sup>2</sup>.

The GL Events group took over the concession of the convention center in 2013 for a period of 30 years. The concession was signed by the government of the state of São Paulo, which owns the area. The construction of a new access for vehicles for the complex is also included in the project.

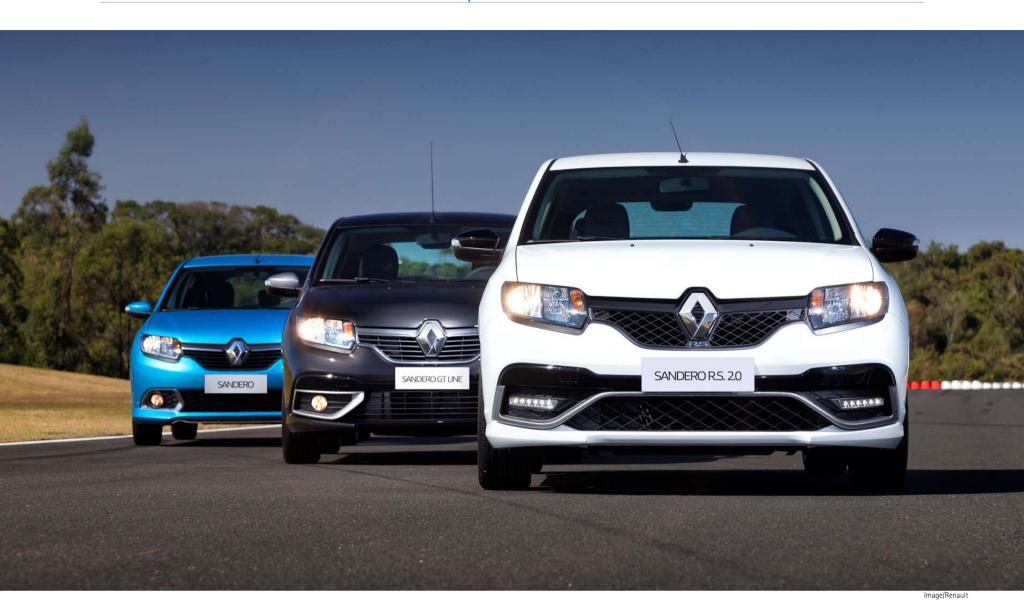


According to the sources, the organizers say the new address for the São Paulo International show has advantages such as easy access to the public, given its proximity to the Congonhas city airport and the Santos-Imigrantes Line 2-Green subway station, complete climate control system and Internet Wi-Fi service.

The change of address also caused a change in the dates for the event: the show will now take place between November 10 and 20, 2016.

The 28th edition of the Auto Show, which took place for 11 days in October and November of last year at the Anhembi Pavilion, gathered 756,000 people - the maximum capacity, which had already occurred in 2012. At the time, there were 84 exhibitors, representing 41 brands, with 547 vehicles exhibited, including 150 new product launches.

This will be only the second change in address of the São Paulo International Auto Show, which had its first edition at the Ibirapuera Park in 1960. The first edition at the Anhembi Pavilion occurred in 1970 and, since then, the location remained as the headquarters WE of the event.



#### Renault expects more than sales from the Sandero R. S.

George Guimarães, from Paulínia | gguimaraes@autodata.com.br

Renault is diversifying - re-strengthening - the offer of the Sandero versions in Brazil. Starting this month, the brand's dealers will be offering two additional versions: the R.S. 2.0 and the GT Line. Now, the consumer has five options of the hatchback, the brand's best-selling model in Brazil, with sales of 51.9 thousand units between January and August of this year.

Alone, the Sandero represented more than 40% of everything Renault sold during the period, including commercial vehicles. Therefore, it is responsible for

the good performance of the brand, which advanced 0.2 percentage points in the market that dropped approximately 20.4% between January and August - the brand's sales dropped 18.1% during the period.

Since its presentation at the end of 2007, and especially since the sensitive reformulation it underwent last year, the Sandero gained an increasingly relevant role at Renault, rapidly overcoming the aging Clio, the entry-level model, and the Logan, the pioneer hatchback of the Sandero family. Applying changes to



it, therefore, now requires a lot more attention by the vehicle manufacturer.

This is why the company's marketing department chose the hatchback to now launch its traditional R.S. - Renault Sport - division in Brazil. The division was created during the first half of the 1970s through a merger of the competition departments from Alpine and Gordini. Since then, it has been accountable for the development of the brand's sport versions.

The Sandero R.S., which is produced in the state of Paraná, is the result of a joint team effort from the French division with the Renault Latin America engineering and design department. It is equipped with imported 150 hp engine and mechanical six-speed transmission, responsible for enabling the hatchback

to accelerate from 0 to 100 km/h in eight seconds and reaching a maximum speed of 202 km/h.

With the exception of the 17-inch wheelbase, the Sandero R.S. does not offer any optional items. More than additional sales, it has the mission of strengthening for Brazilians the brand's image of performance and technology, which has been worked on for the past years in the sport field, especially through the creation of teams or the supply of engines to Formula 1 competitions.

Indeed, Bruno Hohmann, marketing director, believes the new version should account for only 150-200 units in sales per month, against approximately 300 units of the GT Line, which does not offer any optional item, but offers all of the main safety and

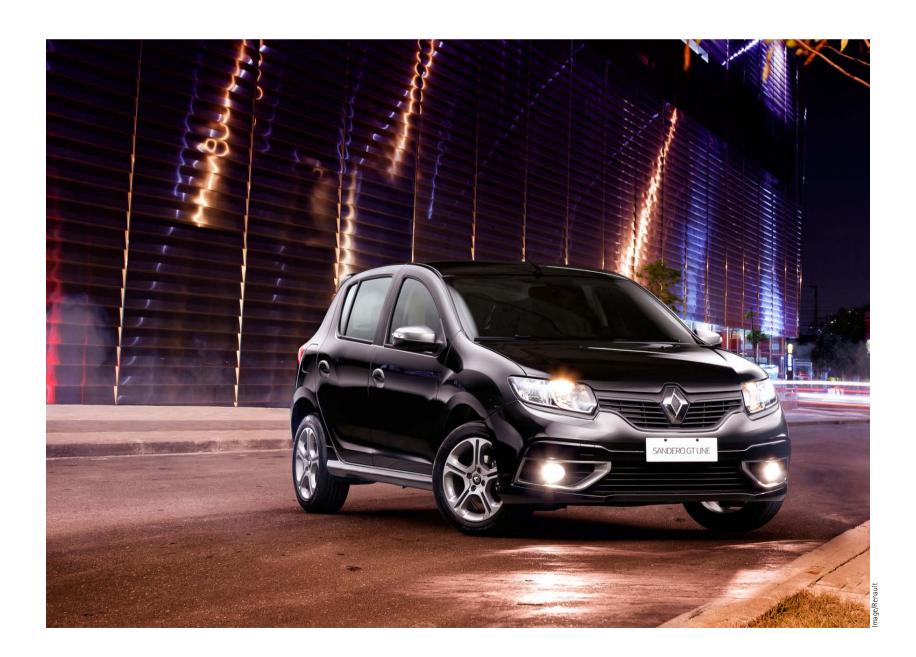
comfort features, including digital air-conditioning and multimedia navigation system. If this vision becomes true, the R.S. should account for not even 3% of the sales of the Sandero.

The sport vehicle, however, could achieve good sales abroad. Renault should export the version to Argentina this year, and later on, to other countries in Latin America. It is also studying the possibility of shipping it to Mexico, revealed Hohmann, who admits the RS division - which makes its debut in Latin America with the Sandero - can develop other products for the region.

It is not a mere cosmetic job, according to the vehicle manufacturer. In order to receive the R.S. logo,

the sports division worked on the engine, suspensions, brakes, and, of course, on the design of the Sandero. The admission and exhaust - with double exhaust tips - were expanded and disc brakes were included in all four wheels. The sport version is the first Sandero to be equipped with the ESP and the EPHS, electric-hydraulic steering system, in addition to three driving modes that can be selected by pressing a button on the panel.

Of course, there are many specific aesthetic adornments such as sleeves, deflectors, and the spoilers, as well as exclusive grids and lanterns. The front and rear bumpers have also been changed and the interior follows the formula of wrap-around seats, aluminum pedals and more visible finishing.



### Honda: the only one to grow in the Brazilian market.



Image/Hond

André Barros | andreb@autodata.com.br

mong the ten brands with the biggest sales volumes of passenger and light commercial vehicles in the Brazilian market, only one did not register a negative performance between January and August of this year when compared to the same period in 2014: Honda, 8th in the ranking.

Driven by the success of the HR-V sport utility, which was launched in April, the manufacturer from Sumaré, state of São Paulo, registered an impressive

17.9% growth in sales, in a period when total domestic sales dropped 20.4%. As a result, its market share increased from the 3.9% registered in August of last year, to 5.8%, that is, almost 2 percentage points.

Nevertheless, Honda was unable to move into the next position in the ranking of passenger and light commercial vehicles since its closest competitors also performed above the market, although registering drops in sales. Send in sales, Toyota registered a slight drop of 0.3%, but gained a 1.3 percentage points in market share, jumping to 7%.

Changes occurred between the 5th and 6th positions: Hyundai overcame Renault after a drop of 8.8% in sales, when compared to the 18.1% drop in the number of models licensed by the French vehicle manufacturer. The South Koreans closed August with an 8% market share, against 7.1% from Renault - market share: 1.1 percentage points and 0.1 percentage point, respectively.

At the front of the pack, which was led by Fiat, despite a drop of 32% in sales volume during the period, and a 3.1 percentage-points market drop, changes when compared to the end of August 20 14 Also Took Pl.: General Motors closed in the second position with a 15.5% market share and a drop of

28.9% in sales, while Volkswagen dropped to the third position, with a 15.2% market share and a sales drop of 31.8% in the number of vehicles licensed. Both lost market shares: GM last 1.8 percentage points, while VW lost 2.5 percentage points.

Ford maintained itself in the fourth position and gained market share while dropping only 5% in sales during the period. It closed with a 10.7% market share, a gain of 1.7 percentage points.

Closing the ranking, Nissan, 9th, with a drop of 4.8%, and a gain of 0.4 percentage points, closing with a market share of 2.4%; followed by Mitsubishi, 10th in the ranking, despite a drop of 22.2% in volume during the period, however, closing ahead Citroën, which had been in the ninth position at the end of August 2014.

Light Vehicles - Domestic Sales (January-August)

					Source: Anfavea
	Vehicle Manufacturer	YTD/15	YTD/14	% Change	Market Share
	Total	1 691 774	2 124 598	-20,4%	
1º	Fiat	310 825	457 168	-32,0%	18,4%
2°	GM	261 890	368 236	-28,9%	15,5%
3°	Volkswagen	256 407	375 944	-31,8%	15,2%
4º	Ford	181 373	191 091	-5,1%	10,7%
5°	Hyundai	135 800	148 910	-8,8%	8,0%
6°	Renault	120 576	147 234	-18,1%	7,1%
7°	Toyota	118 161	118 531	-0,3%	7,0%
8°	Honda	98 758	83 785	17,9%	5,8%
90	Nissan	40 850	42 902	-4,8%	2,4%
10°	Mitsubishi	29 291	37 644	-22,2%	1,7%

## After dismissals, Ford workers go on strike

Alzira Rodrigues and André Barros | redacaoad@autodata.com.br

The workers at Ford unanimously approved to cross their arms for an and determined period of time as a protest regarding the 200 dismissals the vehicle manufacturer announced on Wednesday, 9, at the Taboão plant located in São Bernardo do Campo, state of São Paulo. They want the company to rehire the metalworkers that were dismissed and discuss the implementation of the PPE, Employment Protection Program, at the plant.

The ABC Metalworkers Union says the strike should continue until the vehicle manufacturer opens negotiations. In an interview to AutoData news agency,

the president of the union, Rafael Marques, said he is surprised with the company's decision. According to him, there was an agreement closed in March that guaranteed job stability to the metalworkers up to 2017.

At the occasion, a voluntary dismissal program was opened. The VDP was accepted by 230 workers. At the time, the outsourcing of the logistics sector was also agreed in order to allow the company to reduce its cost and maintain the jobs. One month ago, the VDP was reopened and an additional 130 workers joined the program - the target was 330. The difference came from





the dismissals announced on Wednesday, 9.

In a press release, Ford alleged it is adjusting production to slower automotive demand. "As part of this effort, the vehicle manufacturer is reducing its workforce at the plant in São Bernardo do Campo."

Marques said the company alleges it has an excess of 280 workers and is planning a new reduction in the production rhythm starting in February of next year - the plant currently produces trucks and the New Fiesta hatchback. According to him, the best way to resolve the situation is the PPE:

"One can't argue against the company because nobody is certain the economy will improve. However, if they do not want to discuss naturally, they will do it because of the strike. We are moving towards the negotiation of a PPE."

The president of the ABC Metalworkers Union said that five agreements have already been closed at the base of the union, which has 87,000 workers - since January, according to him, 5000 union members have been dismissed. Marques believes that, by the year, 20 PPE agreements will have been closed, encompassing 50% of the total number of workers represented by the union.

During the past two weeks, such an agreement has been under negotiation at Volkswagen's Anchieta plant in São Bernardo do Campo. Currently, 2.6 thousand workers are on lay off and the trend is for them to return in November with a new work plan and lower salaries due to the agreement. The union, however, is not in a hurry: there is an agreement in place that guarantees job stability at the plant up to 2019.

This stability began in 2013 and would have been valid up to 2017. However, it was postponed because the company called the union to negotiate new conditions at the beginning of the year. At the occasion, a VDP program was implemented and accepted by 790 workers. At the same time the agreement contained a clause that enabled the implementation of the PPE should the mechanism be created by the government.

Marques said Volkswagen alleges it has an excess of 2.6 thousand workers - the exact amount of workers who are on lay off - and believes that everything is moving towards a PPE agreement. "We will negotiate with calm. But we may close something even before the return from layoff."

# Vehicle production in Argentina grows in August

AutoData Newsdesk, with Tiempo Motor | redacaoad@autodata.com.br

Production of vehicles in Argentina registered the second monthly growth when compared to the same months last year, according to information from Tiempo Motor, AutoData news agency's editorial partner in that country, based on figures provided by the local vehicle manufacturing industry association, Adefa. Total production reached 49,048 units in August, an increase of 7.1% when compared to the 45.8 thousand units produced during the same month in 2014.

The positive moment of the market in Argentina has contributed to the growth of production at the local plants, since the major commercial partner of the neighboring country is exactly Brazil, which is experiencing economic and political crisis. Between January and August of this year, the Brazilian market registered a drop of 21.4%, which represents 476.2 thousand units, when compared to the same period last year - a volume that exceeds the Argentinean automotive industry's production output.

Between January and August, the vehicle manufacturers established in Argentina delivered 364.5 thousand units, a drop of 9.7% when compared to the first eight months of last year, when production totaled 403.5 thousand units. Exports, which totaled 175.5 thousand units during the first eight months, registered

a drop of 21.3% when compared to the 222.9 thousand vehicles shipped abroad during the same period last year. In August, 21.4 thousand units were shipped abroad, representing a drop of 22.2%. Brazil is the major market for vehicles produced in Argentina, accounting for 77.3% of total exports. Mexico, with 4.7%, and Australia and New Zealand, each with 3.5%, are other relevant markets for the local vehicle manufacturers.

In August, vehicle wholesale sales totaled 59.6 thousand units, an increase of 16.6% when compared to the same month last year - this was the fourth month in a row to register an increase. During the first eight months of the year, however, there was a drop of 1%, representing total sales of 407.7 thousand units.

At the retail level, things change a bit: in August, there was a drop of 6.4%, totaling 54.7 thousand vehicles. When compared to July, there was a 9.9% drop - the average daily number of vehicles licensed, however, increased to 2733 units in August, against 2686 units licensed/day during the first eight months of the year.

Between January and August of this year,
Argentineans acquired 432.4 thousand vehicles,
representing a drop of 14% when compared to the same
period in 2014.

AutoData News Agency Weekly Edition is produced by AutoData Editora Ltda. Rua Verbo Divino, 750 Chácara Sto. Antônio - São Paulo SP Brazil CEP 04719-001 Phone +55 11 5189.8900. Editor: Marcos Rozen. André Barros, sub-editor. Translations: Brazil Business Associates Ltda. Graphic Project: Romeu Bassi Neto. Art: Danilo Boccoli and Romeu Bassi Neto. Associated Team: George Guimarães, Márcio Stéfani, S Stéfani and Vicente Alessi Filho. Responsible Journalist: Vicente Alessi, filho MS SJPESP 4 874. Editorial agreements: Tiempo Motor (Argentina) and Flash de Motor (Venezuela). The copying and/or distribution without previous permission are strictly forbidden.