

AutoData

NEWS AGENCY WEEKLY EDITION

Edition
798

Weekly Brazilian automotive industry news | 9.18 to 9.23.2017 Year XII



Sales during first half
of the month total
91.6 thousand units

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[More on pg. 2](#)

**DAF studies the production
of a new cabin**

[More on pg. 4](#)

SsangYong is back

[More on pg. 6](#)

**Agreement with Colombia not
moving forward**

[More on pg. 8](#)



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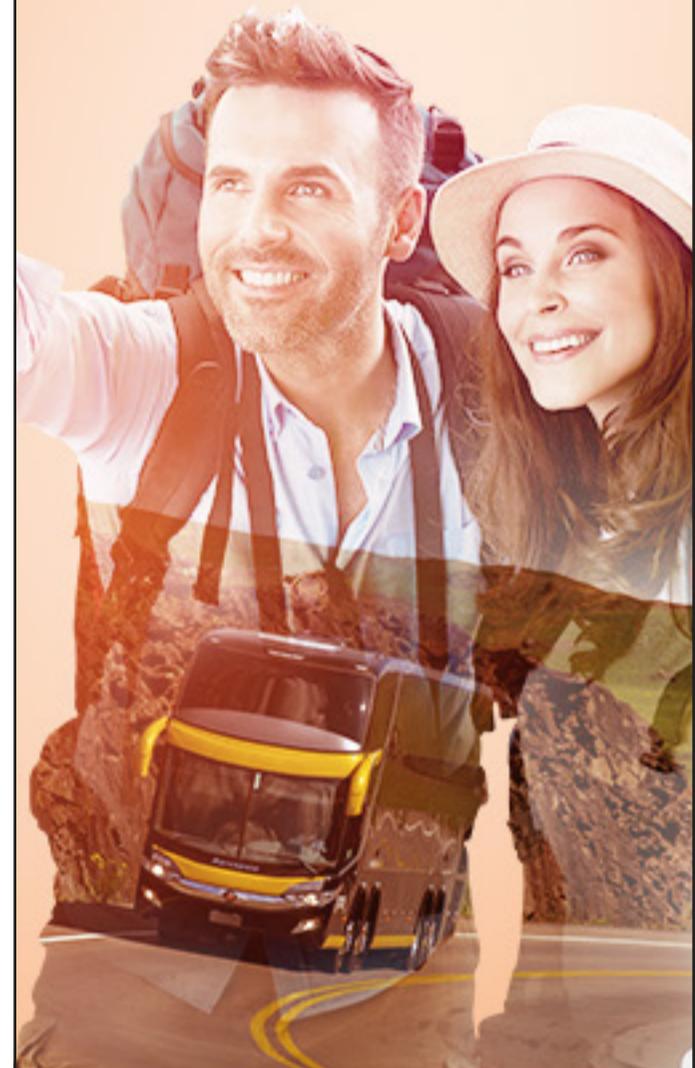
With this average, in addition to the commercial efforts by vehicle manufacturers during the past days to accelerate sales, sales volume this month should be similar to August, according to the source. Last month, 216,534 vehicles were sold, the best volume registered since December 2015.

August vehicle registrations increased 17.75% when compared to the same month last year.

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Between January and August, according to Fenabrave, 1,420,662 units were licensed, representing an increase of 5.33% when compared to the first eight months of last year.

The result of the period drove vehicle manufacturers to review, for the second time this year, their projections for vehicle license registrations. The most current hypothesis is that 2.2 million vehicles will be licensed in Brazil this year, representing an increase of 7.3% when compared to 2016.

In the passenger and light vehicles segment, General Motors remains the leader with 219,414 units licensed up to August, 13% above the volume registered during the same period last year. FCA registered sales of 170,238 Fiat and Jeep vehicles, an increase of 4.45%. In the 3rd position in the market, Volkswagen closed the period with sales of 138,888 vehicles.

The light commercial vehicles segment registered a 1.3% growth in sales volume between January and August of this year when compared to 2016: 201,862 vehicles against 199,212 units in 2016. **WE**

DAF studies the production of a new cabin

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Signs that the market of heavy vehicles is no longer dropping, visible through the sector's sales volume performance between January and August, positioned DAF, a truck manufacturer, face to face with an impasse: take advantage of the moment to bring a new cabin for its vehicles and search for more market with this new offering, or wait for the adoption of the Euro 6 norm in the country to then upgrade its portfolio.

According to Luís Gambim, the company's commercial director, the most probable scenario is that

the cabin should arrive configured to receive the engine that complies with the current legislation, Euro 5. The executive did not provide details about when it would be launched here, but stipulated a minimum period of time before the component can be produced locally: "We need, at least, two years to develop the production of a new cabin in the country. It requires supplier certification and the approval of changes for the Brazilian market, it takes that long."

The company is considering the risk involving local production of the cabin with an Euro 5 engine. Market projections indicate the Euro 6 norm should go into effect by 2022, that is, two years after the eventual arrival of the new cabin: "There is such a risk, but the lack of predictability makes us believe that the Euro 6, in 2022, is a hypothesis. We cannot interrupt our growth because of this type of scenario."



Luís Gambim

Divulgação

Gambim believes the arrival of the new European cabin should consolidate the company's current plan for Brazil. The company plans to increase its market share from the current 4% level, to 7% by 2019, and fill production at its plant in Ponta Grossa, in the state of Paraná, which is now at 25% of its capacity: operating on one work shift, the company is producing 5 trucks per day, when this volume could be 23 units per shift. Gambim says the market currently offers demand for output of seven trucks per day, up to December.

It is a first step, according to the executive, towards more market share, after a period in which the company was focused on building its dealer network in the country and introducing its products to the market. By August, sales efforts resulted in contracts with 13 groups of investors, which generated the current network of 21 dealers and 7 authorized points of service.

This effort represented a considerable improvement in domestic sales this year: during the first eight months of the year, 536 trucks were sold, an increase of 30.3% when compared to same period in 2016, according to data from Anfavea.

According to Adcley Souza, director of dealer development, a new store was just born in Uberlândia, in the state of Minas Gerais, on Thursday, 21, which required investments of R\$ 2 million: "Expansion is part of our business plan, which has the objective of being present in the routes of our customers."

Three additional authorized service stations were added recently to the DAF network: Ji-Paraná, in the state of Rondônia; Recife, in Pernambuco, and Rio de Janeiro, RJ.

The company plans to have 45 stores in its network by 2022 to meet the fleet of DAF trucks that should grow above the current level of 2000 units. This is because there are plans to reach average annual sales of 20,000 units within the coming 5 years. Currently, the average number of trucks licensed per year is around 1.2 thousand units: "We want to arrive at the end of the year with average monthly sales of 120 trucks."

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SsangYong is back

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SsangYong

Venko Motors, a national operator of imports, exports, and management for the automotive sector, closed a deal with SsangYong and is now responsible for the South Korean brand's sales and after-sales activities. Today, the priority is to structure the operation and regain the prestige of the old owners by offering premium services. The second step, in November, will come with the arrival of a fleet of four models for presentation to the public.

Sales should begin during the first quarter of 2018.

SsangYong experienced two distinct moments in Brazil: from 1995 to 1998 and, later, from 2001 to 2015. During both periods, the company registered total sales of 16,511 units, to the same clients that should now be handled by the newly born SsangYong Motors do Brasil. The president of the company, Gérson Pitorri, stated, "These customers will now become our responsibility. We are importing parts and will offer them premium services, including the reevaluation of the warranty period, on a case-by-case basis, since we believe that the satisfaction of these customers

should enable us to take an important step towards the recovery of the brand's image."

The construction of the brand began in February, with the signing of the contract with the South Korean vehicle manufacturer, product certification processes, and the formation of the dealer network. Today, SsangYong do Brasil has 15 dealers, mostly composed of past representatives. By the end of the year, plans call for a total of 30 and, by 2018, 50 points of sales and services to the customers.

"We assigned priority to quality work by the authorized dealer network, since our new standard for products, and our new positioning in the country, will be one of superior category."

New products - The portfolio will be composed of four models: the Actyon Sports pickup and the Korando - both already known here - and the new Tivoli and XLV, which have been restyled: "These are renewed products that are positioned in the fastest growing segments in the domestic market, SUVs and pickups."

Still without a lot of information about products and pricing, the importer believes that it can compete with the leaders of these segments because of the good acceptance in other markets, such as Europe and Chile, according to the director of operations, Marcelo Fevereiro:

"The Tivoli and XLV SUVs recently received awards in the European market. In the region, we have a good acceptance in Chile, where we sold 7000 units last year."

He expects sales during the first year in Brazil to total 3000 units.

SsangYong is experiencing a period of growth in the world. In 2016, the company registered sales of 116,000 units. This year, the estimate calls for sales of 169,000 units. Jong Dee Lee, director of exports at headquarters, says Europe is the major destination of Korean products, accounting for 24,000 units last year, while 11,000 vehicles were shipped to Latin America.

"Our capacity in South Korea is capable of meeting the growing demand that is being expected in the Brazilian market, since we came to stay for a long time."

The contract between Venko and SsangYong is for 10 years, renewable for periods of 5 years. **WE**

Agreement with Colombia not moving forward

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Brazil already signed the Complimentary Economic Agreement of the Mercosul with Colombia. However, the fact that the agreement is defined and signed does not mean that it is valid and companies can already prepare to export. After the definition of how sales from one country to the other will occur, it is necessary to internalize the agreement: governments must create decrees, which undergo some local bureaucracy, so the agreement can be delivered to Aladi, the Latin American Integration Association, to be recognized and become official.

Currently, the agreement between Brazil and Colombia is in such phase, awaiting the required processes so it can then be delivered to Aladi. According to Anfavea, however, the process does not have any specific deadlines and it could take some time, as it is not simple: as a result, it is not known when exports will be carried out and begin to benefit the local industry.

Toyota eyes Colombia - In July, Toyota expected to begin exporting the Corolla, Brazil's best-selling medium sedan, to Colombia: according to Miguel Fonseca, the company's executive vice president, "shipments will begin in the 2nd semester, more precisely, in September."

However, with the internalizing of the agreement and Anfavea's position, and no date to begin exports, the company's plans have not been implemented.

Despite the delay from the internalizing process, and Anfavea's position that volume and versions that should be exported to Colombia have not yet been defined, the issue is, nevertheless, being treated internally by the responsible areas, since the company is interested in the Colombian market and had already intended to be currently exporting. The plans for 2017 call for an increase in sales to other countries of 6.4%.

Currently, the Corolla sold in Colombia is imported from the United States.

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