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The vehicles market began 2016 at a slow pace. According to a retail source heard by Autodata News Agency, 69,987 passenger and light commercial vehicles, trucks, and bus chassis have been licensed in Brazil up to Friday, 16, representing a drop of 43% when compared to the number of vehicles licensed during the first 10 working days of last year.

Retailers expect the month to close with anywhere between 160,000 and 170,000 units licensed, the smallest volume for a month of January since 2007, which registered sales of 152.9 thousand units.

During the first 15 days, average daily sales totaled 7.0 thousand units, well below the average of 8-9 thousand units registered during the past months. At the current rhythm, the month should close with sales of 140.0 thousand units - but retailers believe this volume should increase in the coming days.

There is a rumor that has been injecting a certain amount of optimism into the distribution sector, despite the weak numbers registered during the first days of 2016. According to a source, the government is studying ways of stimulating credit for vehicle purchases through official banks. A package of non-tax related incentives for credit to the sector, and home appliances, should be announced in the coming days.

Weak quarter - At the press conference held earlier this year, the president of Anfavea, Luiz Moan, warned that the first months of the year could offer increased negative performance in the domestic market. This is because, between January and March

of last year, average daily sales stood at 11.0 thousand units, well above the rhythm the market has become accustomed to during the past months and, according to Moan, will continue throughout 2016.

"We should not be scared when this happens. The base of comparison will be swollen."

Lack of models - Many vehicle manufacturers returned to production only this week, after a long period of collective vacation leaves to adjust inventory to the size of the market. Some most sought-after models are already becoming rare at the dealers and, according to a source, may go into waiting lists until production lines return to their normal rhythms. **WE**



Delphi has a new president for South America

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Paulo Santos



Luiz Corrallo

Delphi announced on Monday, 18, changes in command for South America. Luiz Corrallo, current president for South America and executive director of the Powertrain and Aftermarket divisions, will retire in March.

The executive will be succeeded by Paulo Santos, who is currently executive director of Delphi Electro/Electronic Architecture.

Corrallo has been at Delphi for 30 years, and has a professional career of 41 years. He became president at the end of 2012, when he succeeded Gábor Déak.

At the time, Paulo Santos returned to Delphi after four years at Omron, a manufacturer of automotive components.

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Land Rover to inaugurate Brazil plant during beginning of second quarter

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Image/JLR

Jaguar Land Rover will conduct the inauguration ceremony of its unit in Itatiaia, state of Rio de Janeiro, in the beginning of the third quarter: April or May, depending on the agendas of the executives and government authorities.

The fact is that the schedule and investments of the British-origin vehicle manufacturer in Brazil remain untouched: R\$ 750 million to produce up to 24,000 vehicles per year, starting with the Evoque, followed shortly after by the Discovery Sport - the first

pre-series units have already left assembly the line in southern Rio de Janeiro.

Everything is being duly witnessed by Frank Wittemann, the new president of the company for the operation in Latin America and the Caribbean, succeeding Terry Hill, who is already packed to travel to China. Both were in São Paulo on Tuesday, 19, in a hotel in the southern region of the city, to discuss the company's plans in Brazil, in the presence of Dmitri Kolchanov, director of international markets, their boss.

Wittemann is still in the country: shortly after the meeting, he should fly back to Moscow, Russia, where he still lives, taking on the position effectively only after two weeks, in February, shortly before the carnival period, still relying on Hill's assistance.

The executive confesses that, for the meantime, he possesses almost no knowledge regarding the peculiarities of the Brazilian market. However, he has abundant experience in emerging markets: he has been in Russia for the past eight years, three years working for the Volkswagen Group, and five years working for Jaguar Land Rover. Between September and December, he coordinated a Working Group that restructured the manufacturer's business in China.

"The potential of the Brazilian market is enormous, and this is why we're here," he stated. The plant in Itatiaia will be Jaguar Land Rover's first unit outside Europe.

According to Kolchanov, the unit will not possess all of the productive phases when inaugurated. "We will fulfill all of the legal phases included in the Brazilian legislation, but the production process at the plant will evolve throughout time." As a result, JLR will follow the same route as BMW in Araquari, in the state of



Santa Catarina, but different than the one chosen by Mercedes-Benz in Iracemápolis, in the state of São Paulo, which is expected to be inaugurated in March, with a complete operation, stamping and painting.

Once again, JLR executives did not hide the production of the Jaguar model in Itatiaia, the XE, despite not confirming: "First, our objective is to fulfill production of two SUVs. Later, within a production expansion plan, this is one of the possibilities we can adopt," stated Kolchanov.

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FCA, the vehicle manufacturer that issued the most recalls in Brazil in 2015

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A report by the country's National Consumer Secretariat, Senacon, linked to the Ministry of Justice, divulged on Wednesday, 20, states that FCA, Fiat Chrysler Automobiles, was the vehicle manufacturer that conducted the most recalls in 2015 in Brazil: 16. The calculation takes into account the recalls conducted by the Chrysler, Dodge, Fiat, and Jeep brands.

Mercedes-Benz followed in the second position with 10 recalls, followed by Volkswagen and Jaguar Land Rover with eight each, BMW and Honda Automobiles, with seven each, and Ford and Toyota, with six each.

General Motors conducted five recalls last year. Mitsubishi conducted three, as well as Caoa Group, which included the brands Hyundai and Subaru. Audi, Nissan, Porsche, PSA Peugeot Citroen, and Volvo conducted two recalls, each.

In 2015, according to Senacon, Bentley, Ferrari, Lifan, Renault, and Suzuki conducted only one recall each.

The number of passenger and light commercial vehicles affected by 89 recalls, according to the report, totaled 2.7 million units. Two recalls affected 1.7 thousand trucks, while 23 recalls affected 102.5 thousand motorcycles.

Overall, recalls of automobiles accounted for slightly more than 68% of the total, while recalls of

motorcycles accounted for almost 18% of the total amount of recalls conducted in Brazil in 2015.

According to the Ministry of Justice, almost 2.5 million automobiles, that is, 91.5%, were recalled due to risks of lesions or lacerations. Another 200,000 units, 8.5%, underwent recall due to potential fire hazards.

In the press release, Senacon stated that the number of total recalls in Brazil broke a record in 2015 - 130, when compared to 120 in 2014, and 109 in 2015. According to Juliana Pereira, national consumer secretary, 26 recalls were determined by Senacon - when the vehicle manufacturers do not conduct the recall voluntarily. "The protection of health and consumer safety is a state issue and, therefore, a priority to the Secretariat, which monitors the international and national news agencies, as well as international systems of recalls and product safety networks on a daily basis."

According to her, the increase in the number of recalls "occurred because of the more strategic monitoring and increased engagement of the consumer defense organs with the Metrology and Sanitary Vigilance authorities, in addition to the partnerships developed with regulating agencies and authorities." The secretary added that "it is important to educate society to the fact that the recall is conducted because there is a concrete risk of damage to the consumer's physical integrity."

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VW upgrades plant in São José dos Pinhais

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The models of Fox and Golf families are now produced in the same assembly line within Volkswagen's plant in São José dos Pinhais, in the state of Paraná. This was difficult to imagine given the differences between both models - including at the time of development. However, this was made possible due to investments made by the company in the unit, which, in addition to a new welding area, gained innovative assembly technology.

The new Golf is produced within an MQB strategic

concept, modular transversal matrix. Developed by the VW Group last decade, the vehicle production architecture standardizes the manufacturing processes throughout the company's plants, establishing, for example, a common assembly sequence, enabling a reduction in the amount of time needed for each model in the lines, as well as economy of scale.

The MQB is the most modern concept within the VW Group. It also allows the sharing of a structural base

for the development of vehicles of different segments, following the precepts of low weight and using more specific materials, such as high resistance steel.

For the Golf and Fox to be able to share a line, the company modified the Fahrwerk area, in the assembly phase. That is where the engine, transmission, and suspension are added to the body. São José dos Pinhais was given a new Fahrwerk area that, in addition to allowing the entry of two models, offers even higher precision to the process and enables traceability of all of the screws used in the phase - providing increased reliability to the quality of the process.

The area has three major processes: first, the assembly of the engine, with the transmission, with all of the peripherals of the motor set, followed by the pre-assembly of the chassis, and the union of the sets to the body.

According to Volkswagen, in a press release, more than 60 containers with screwing robots, screwing machines, fuses, assembly plaques of the motor set, plaque elevators, transfer tables, manipulators and

electronic control systems came from Germany to be used in the new Fahrwerk.

Other renovations - The changes and upgrades did not take place solely in the assembly area. The Framing sector received equipments that offer a 30% savings on energy consumption when compared to the previous processes. It possesses 168 last generation robots, laser welding, an Ecoframer - equipment capable of making the geometry of the body with a precision of tenths of a millimeter - and 145 servo-pneumatic clamps used in the welding process.

More modern robots were installed in the new painting area for applying PVC, Primer and Varnish, which guarantee the quality excellence of the production process.

“The production of the New Golf is another signal of Volkswagen’s longtime commitment to the country. Even with this challenging economic scenario, we maintained our investments in the development of new products,” stated David Powels, president of Volkswagen do Brasil, in a press release. **WE**



BorgWarner begins local production of extra-heavy truck components

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BorgWarner began production of variable speed electronic viscous transmissions for extra-heavy vehicles at its plant in Itatiba, in the state of São Paulo. Previously imported from Germany, the Visctronic, as it is called, is for trucks used in the distribution, construction, and long-haul sectors.

Visctronic for heavy vehicles has been produced in Brazil since 2012, but not yet for the extra-heavy segment.

According to the company's press release, the manufacturing of the product in Brazil complies with

"the efforts of its customers, the vehicle manufacturers, to fulfill the Inovar-Auto norms through the use of efficient fuel consumption technologies produced locally for a number of applications."

Visctronic uses calibrated software to communicate with the engine's electronic units and response continuously to the demands of the vehicle based on temperature, speed, or cargo. As a result, the engine functions in a more efficient form, offering more power with less fuel consumption, emitting fewer pollutants.

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Subaru opens a dealer inside a hotel

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Subaru prepared a new initiative for, in principle, this first quarter: it set up a mini-dealer in the lobby of the Sheraton Hotel WTC, located in the southern region of the city of São Paulo, Brazil, where it will be showcasing its models next to a decorated cabin containing the Subaru visual identity, where the salespeople and a sales manager will be available to talk to the visitors.

It is slightly more than what we are accustomed to seeing in shopping centers, events, and movie theaters, where vehicle manufacturers place an automobile and a receptionist, only to pass the model's information, without conducting sales. In this space, sales are enabled, although the sales itself will be processed in a nearby dealer.

"We set up a sales point within WTC," stated Flávio Padovan, Subaru's director-general in Brazil. "The behavior of the Brazilian consumer has changed. He no longer has time to go to a dealer. This is why it is important to be where he is."

Subaru's target public is in the WTC. The reader that follows Autodata Seminars, Workshops, and Congresses, are familiar with the complex, which is composed by the Sheraton Hotel, the office building, the WTC events center and the D&D Shopping. Approximately 900 events

per year are conducted there, where 450,000 people circulate. According to calculations of senior management of the WTC, 54,000 executives work in offices in the proximity.

The initiative was made in partnership with the senior management of the complex and the value of the investment is being kept a secret by Padovan, as well as target sales figures. "It is important to be here, not only to sell. Within the market's current scenario, it is important to be close to the consumer, and the public that frequents the WTC is compatible with our consumer."

The mini-dealership began its operations on Monday, 18, and should remain active for at least the next 90 days - but Padovan believes it should be renewed.

Performance - Last year, Subaru sales increased 46% when compared to 2014, totaling 1639 units, moving in the opposite direction of the market, which dropped 26.6%. Although optimistic with the brand's performance, Padovan did not wish to reveal his projections. "We are going to grow. I do not know how much, but we will."

Regarding the market in general, the executive believes in the projections divulged by Anfavea, of a drop of 7.3% in sales.

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