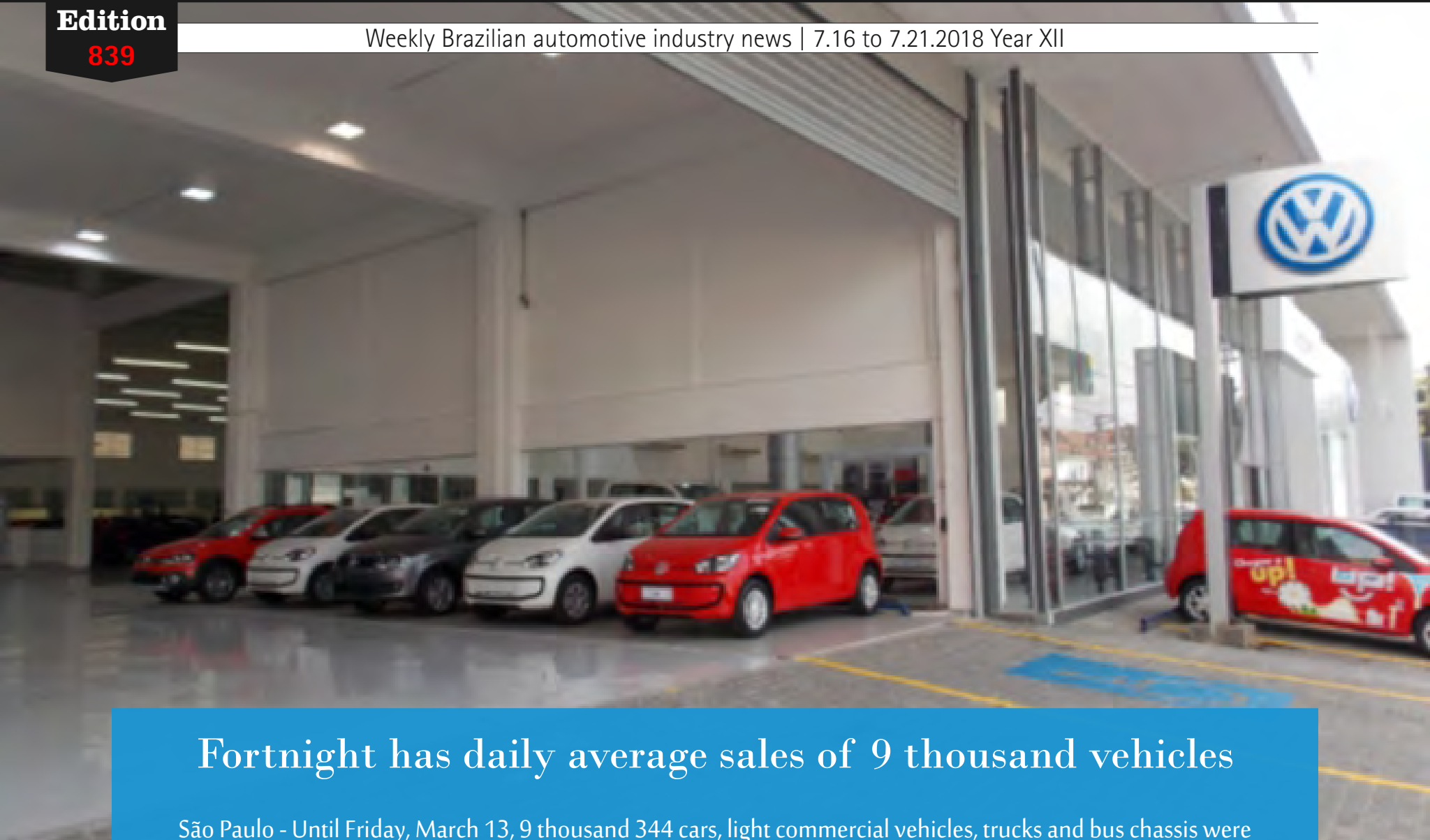


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**R\$ 500 million to receive
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with start-stop system**

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**Argentina to receive
Fiat Uno again**

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Disclosure

Fortnight has daily average sales of 9 thousand vehicles

André Barros | andrebarros@autodata.com.br

São Paulo - Until Friday, March 13, 9 thousand 344 cars, light commercial vehicles, trucks and bus chassis were registered during the month, AutoData was informed by a source linked to the automotive sector. In the first ten business days of the month, the average daily number of registrations surpassed a little bit more than 9 thousand units.

It was a start of month with a rhythm similar to June, when the average was 8,9 thousand units with eleven working days - affected, still, by the truckers' strike. In May, the first fortnight had an average of 10.7 thousand vehicles registered.

Other factors contributed to this registration rhythm in the 9 thousand units range: two games of the Brazilian national team on weekdays and the holiday on July 9 in the

State of São Paulo - Detran did not operate that day.

There are still 12 working days left until the end of the month, which, with the same rhythm as the first half, would reach around 200 thousand licenses. But the source affirmed that the retail expectation is a faster market in the coming days. The projection is to sell from 220 thousand to 225 thousand vehicles in July.

If retailers' estimates are reached July it will be the best month of sales in 2018, surpassing 217.3 thousand units of April. Addition: the Brazilian market for vehicles has not reached the level of 220 thousand vehicles sold in the same month since December 2015, when 227.8 thousand units were registered.

Bruno de Oliveira collaborated

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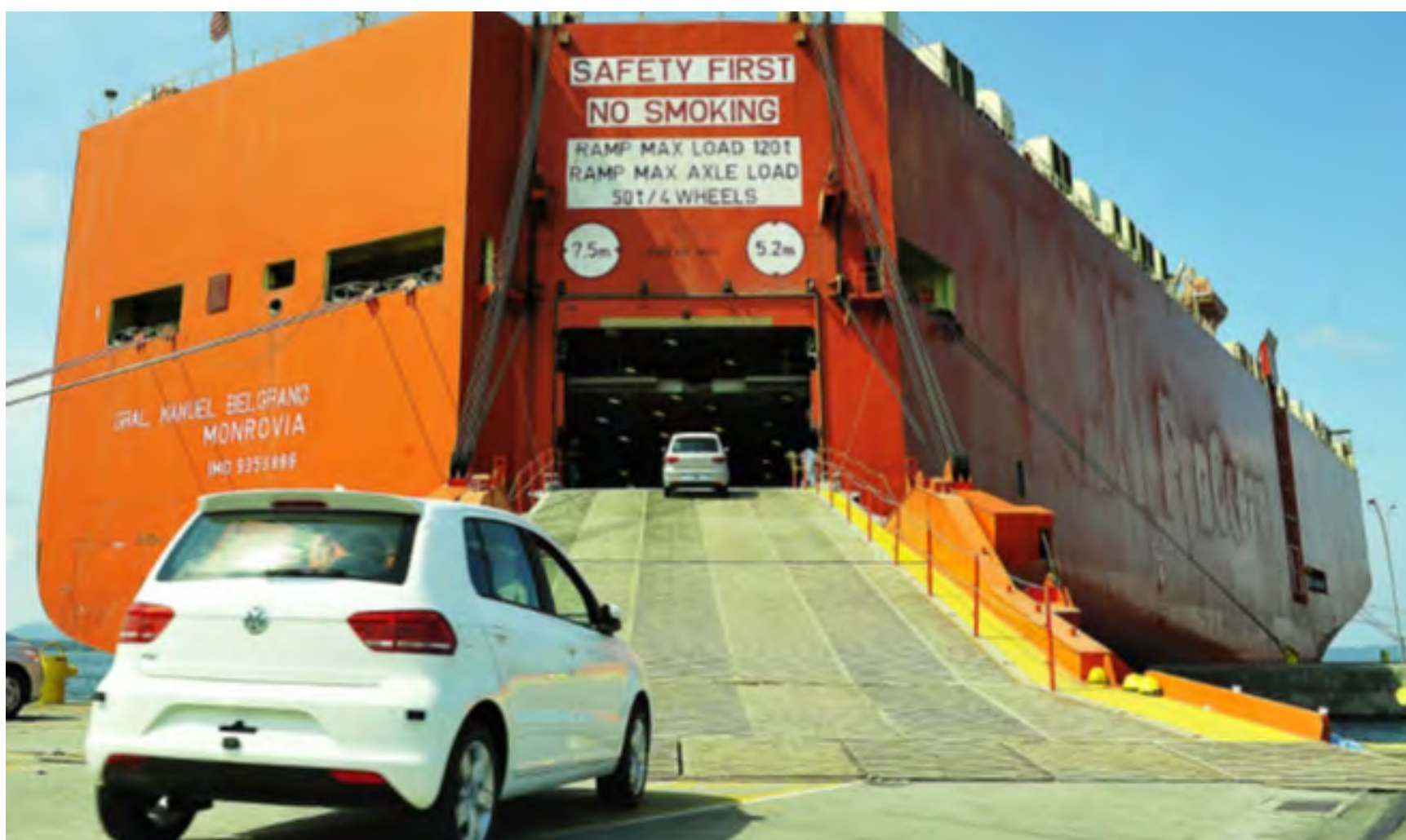
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R\$ 500 million to receive in export credit

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Disclosure

São Paulo — Manufacturers of vehicles and auto parts may receive more than R\$ 500 million in tax credits through Reintegra, the federal program that does not charge several export sectors. The amount corresponds to the period from January 2016 to the first quarter of this year. Considering the other areas of the national economy, the amount to be repaid reaches R\$ 9.5 billion.

According to Rogério Borili, vice president of Becomex, the tax management company responsible for the survey, it is in progress in the automakers and in the systems suppliers' procedures that make

viable the access to the values that correspond to the external operation of each company. What may be a problem in the way, said the executive, is the compilation of information with the government:

“The legal departments of the companies are working on the matter because they are credits that can pay other taxes. On the other hand, many have not yet been able to receive the amounts they are entitled to because of the complexity of the data export verification process”.

Borili said that, recently, a single automaker got R\$ 20 million of the total of R\$ 70 million of the amount it has the rights to receive: “It is an important mechanism for a sector of the economy that comes from a period of crisis. There is still a lot of still money, resources that could already be applied in the operation of the companies installed here”.

Reintegra is a mechanism created by the government to return a portion of the paid taxes in the production chain to companies that export manufactured goods, which can have again, in whole or in part, the tax residue existing in its production chain.

In May, the government decided to reduce the aliquot of the program as a way to compensate losses with lower taxes over diesel. From 2%, set for the year, the aliquot fell to 0.1%. With this, “the expectation before the strike was that the tax rate would be adjusted upwards in 2019, 3%, which will not happen anymore,” Borili recalled, adding that there would be taxes on tributes for exporters.

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Disclosure

Zen bets on more vehicles with start-stop system

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Brusque, SC – The manufacturer of auto parts Zen foresees business opportunities in the field of energy efficiency with the new policy for the automotive sector, Rota 2030, released in the beginning of the month.

Although the plan still lacks regulations and definitions, the president of the company Gilberto Heinzelmann told AutoData on Thursday, 19, that he believes that, just as happened with the three-cylinder engine at the time of Inovar-Auto, automakers will work on the application of the start-stop system in vehicles produced here as a way to reach the levels of efficiency required by Rota 2030, which have not yet been established.



According to him, there are great chances for the company to achieve growth in short-term sales volume with the offer of components for this system, which already happens nowadays both for the OEM car market, through systems suppliers customers, and for aftermarket:

“It is evident that Rota 2030 contemplated the auto parts sector more than the last policy. With an eye on the future ahead, we expect to consolidate as a supplier of auto parts to a system that should dictate the new trend of energy efficiency in Brazilian vehicles. “

In the United States, the main market in terms of volume due to contracts with Ford and General Motors, the company already provides a kit for starter engines specific to vehicles with a start-stop system: “In Brazil and other markets the components will arrive soon. The most important is that the product exists and is manufactured in Brazil. “

If the scenario which the company drew is confirmed, the demand for the components will give more strength to an operation that is already above the standard seen in the auto parts segment: the factory production installed in Brusque, SC, works in three shifts with about 1 thousand employees to comply with, above all, the requests from the foreign market.

Heinzelmann said that the commercial performance seen in the first half of the year caused the company to revise the growth rhythm to 2018. If in 2017 the projection for the year was 20% higher in annual comparison, in July the prognosis is that the revenue in 2018 grow 30% because of the “new markets and launches announced for the period”.

Currently, of the vehicles produced in Brazil, the Fiat Argo and Uno models, the Renault Logan and Sandero, and the Jeep Compass and Renegade are equipped with the start-stop system. **WE**

Argentina to receive Fiat Uno again

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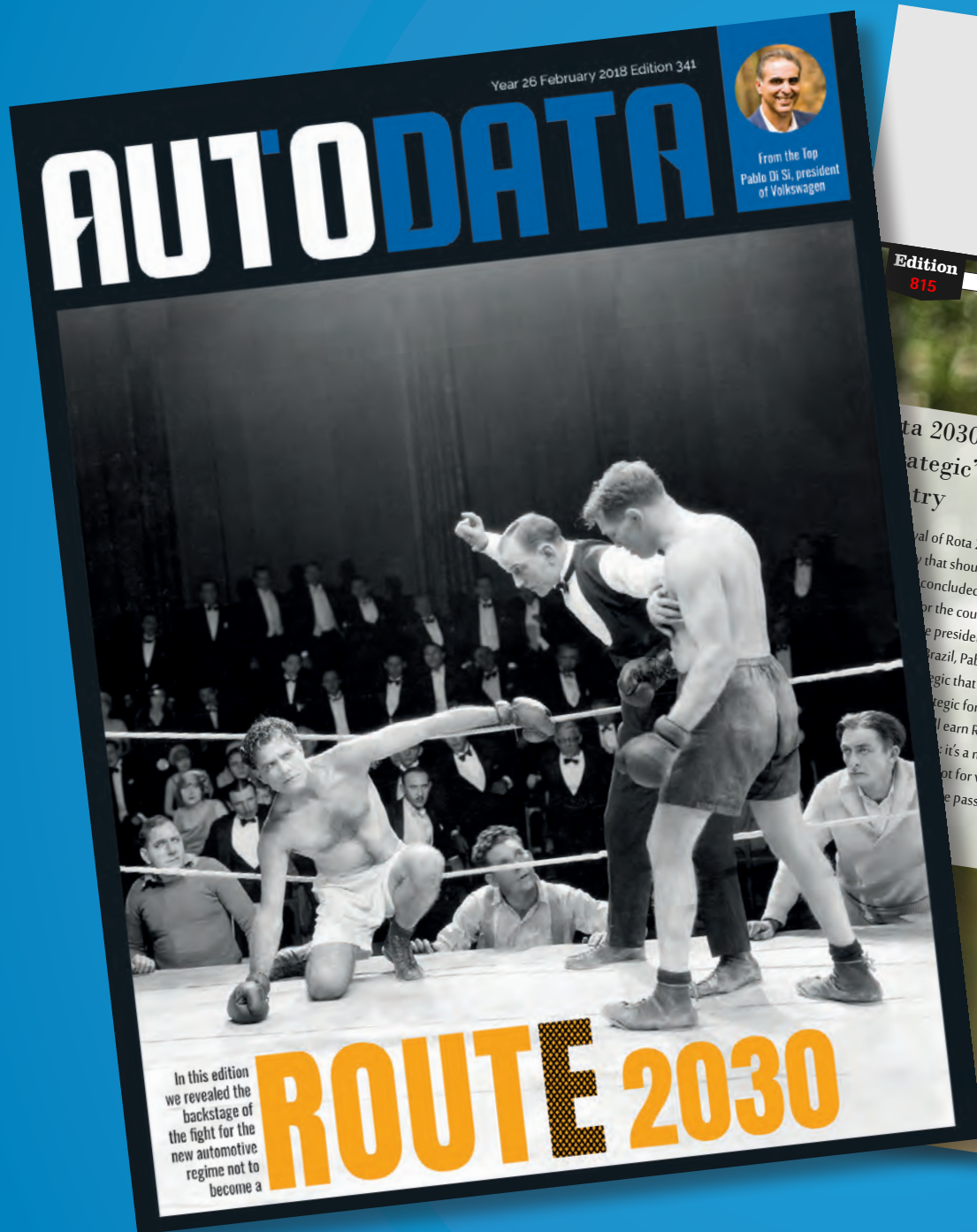
São Paulo - FCA will once again export the compact Fiat Uno, produced in Betim, MG, to Argentina. The company has confirmed new shipments by the end of the month - the process was stopped last year. With the resumption of these exports eight is the number of models produced here and sent by FCA to Argentina: Fiat Argo, Fiorino, Mobi, Strada and Toro and the Jeep models Compass and Renegade, these produced in Goiana, PE.

Imports of the Fiat Cronos model, produced in

Cordoba, Argentina, could have opened space for another model in the commercial chain maintained by the two countries. The company, however, did not specify the reason for the return of Uno's exports.

In the Brazilian market, Uno was the forty-third best-selling vehicle in the first half, with 4 thousand 761 units, according to Renavam data. In the entry vehicles it was the seventh best sold until June, 1 thousand 166 units, which guaranteed a market share of 2.78%. **WE**

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Electro Motors starts to assemble electric vehicles in Goiás

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Disclosure

São Paulo - Electro Motors announced the assembly of electric vehicles produced in China at a factory installed in Goianésia, GO. The investment in the unit was R\$ 80 million, and since the beginning of the operation, on June 20, through Wednesday, 18, the company has stocked 350 motorcycles to be sold as from September.

This is the first stage of a compromise signed with the local city hall. The second, and perhaps more important, is the assembly of electric cars, a step planned by the company to be given in the first half of 2020. Until then, according to President Cadu Barbosa, another R\$ 380 million will be invested in a new factory:

“We are starting with a smaller structure, 5 thousand square meters, which are sufficient for the

assembly of motorcycles and some commercial models that form our offer. In 2020, with the start of the cars' assembly, we should go to a larger space, also in Goianésia, of 300 thousand square meters. "

He said that the assembly operation of electric vehicles here will be done by two different companies, although they have Brazilian capital and share the partners in their structures. Electro Motors is responsible for the assembly of four models of motorcycles and two models of cars, a VUC and a compact, which will arrive in November.

Another four electric models will be in charge of Zotye do Brasil, a company founded in 2015 by the same owners of Electro Motors. In this case, a sale and assembly concession obtained in 2014 is put into practice with Zotye, a Chinese-based automaker, which is valid for twenty years.

The model is similar to that used by HPE to produce Mitsubishi vehicles also in Goiás, but in a factory installed in Catalão. Cadu Barbosa said that other municipalities were sought to set up a factory, but Goianésia was chosen for "offering competitive tax incentives and for having in the state, policy for electric vehicles".

100% electric models will arrive to Brazil through it: the compact E200, the SUV T300, the sedan Z500 and hatch YUN100. Barbosa said that the vehicles will arrive in Brazil through the port of Itajaí, SC, and that a formation process of a brands' stores chain is in progress.

Testing of vehicle homologation in Brazil is also under way. According to Barbosa, the models are being tested in a ground installed in Limeira, SP. In the case of the Electro models, its development is came from a partnership with a Chinese automaker, which he did not inform.

The operation of the two companies should benefit from the new industrial policy, Rota 2030, which projects, among other initiatives, the stimulation of the production and the sales of electric vehicles in Brazil. Currently BMW, Ford and Toyota sell hybrid and electric vehicles in the Brazilian market.

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