

# AutoData

## NEWS AGENCY WEEKLY EDITION

**Edition**  
**770**

Weekly Brazilian automotive industry news | 3.1 to 3.4.2017 Year XII

### Increased production should drive purchases

The 2016/2017 harvest is usually considered a catalyst for the resumption of growth in the industry that caters to the agribusiness production chain, which closed last year with 21% lower revenues in comparison to the previous year, with R\$ 86 million.

More than increasing sales of machinery and equipment by 10.7%, according to industry's projection for 2017, the harvest should cause a movement of acquisitions and strategic alliances...

**More on pg. 8**



**Vehicle sales down 6.3%  
in first two months**

**More on pg. 3**

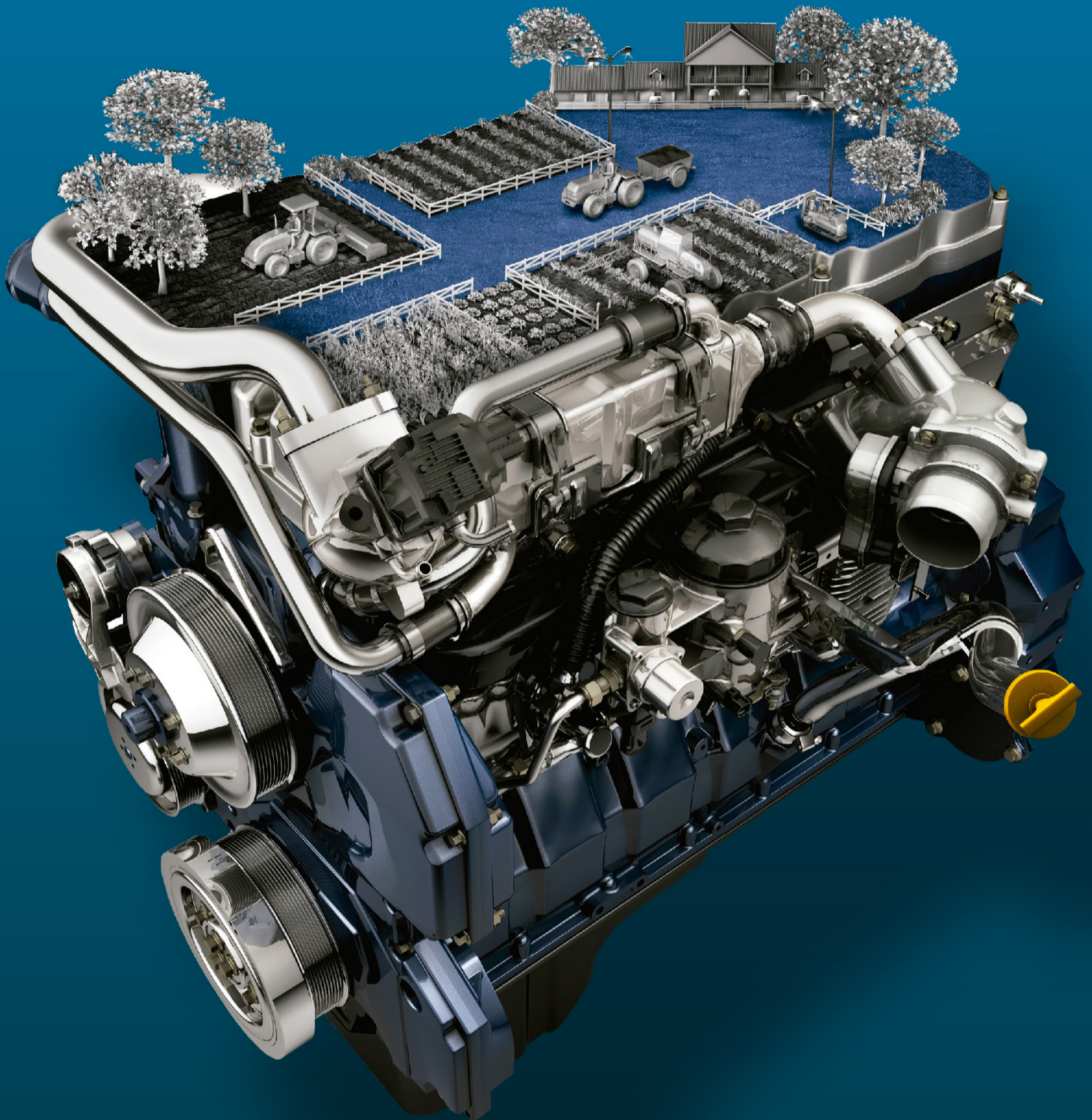
**Increased production should  
drive purchases**

**More on pg. 6**

**More than 230 thousand  
vehicles on recall since  
December**

**More on pg. 10**

# MWM ENGINES CULTIVATING PROGRESS



- CUSTOMIZED SOLUTIONS FOR EACH CLIENT
- MORE THAN 4.2 MILLION ENGINES PRODUCED SINCE 1953
- DEVELOPMENT AND ENGINEERING CENTER
- WIDE PORTFOLIO OF GENUINE PARTS
- LOCAL OPERATION
- WORLDWIDE PRESENCE
- EXPORT TO MORE THAN 45 COUNTRIES

VEHICULAR • INDUSTRIAL • AGRICULTURE • CONSTRUCTION • GENSET • MARINE



[mwm.com.br](http://mwm.com.br)



# Vehicle sales down 6.3% in first two months

Ana Paula Machado | [anamachado@autodata.com.br](mailto:anamachado@autodata.com.br)

Vehicle sales fell 7.59% in February in comparison with the same month last year. According to Fenabrave, the federation of dealers in the country, 135,663 units were licensed in January. During the first two months of the year, the total was 282,871 vehicles, a 6.36% drop when compared to the same period last year.

The commercial vehicles segment continues to present the biggest drops in the number of vehicles licensed. Last month, sales totaled 3,258 trucks and buses, while sales for the two first months of



the year totaled 6,905 units, representing drops of 30.87% and 33.05%, respectively. Truck sales in January and February totaled 5,551 units, a drop of 32.04% when compared to the same period last year.

According to Fenabreve, General Motors continues to lead in the passenger and light vehicles segment, with a 17.53% market share in February, followed by Fiat, with 14.29%, and Volkswagen, with a market share of 13.02%. Hyundai, closed the month of February in the fourth position in the ranking, with a market share of 9.04%, followed by Ford, with 8.99%, and Toyota, with 8.40%.

During the first two months of the year, GM continued ahead of the competitors, with 18.43% of sales, followed by Fiat, with 14.05%, Volkswagen, 12.82%, and Ford, with a 9.28% market share. Hyundai closed the period in the fifth place, with 8.79%, and Toyota remained in sixth place with 8.70%.

The Onix, from GM, was the best-selling car in January and February, with sales of 25.880 units. The HB20 was the second most wanted model by consumers, with sales of 13.883 units. The Ford Ka accumulated 12.843 licensed units in January and February, closing in the third position in the Fenabreve ranking. The VW Gol, with 9.637 units sold, closed in the fourth position.

The light commercial vehicle sales champion, year to date, was the Fiat Strada pickup, with 7,700 units licensed, followed by another Fiat model, the Toro, with 6,840 units. The VW Saveiro closed the period in the third place in the Fenabreve ranking, with 5,907 units sold. The Toyota Hilux, fourth, with 4.579 units licensed.

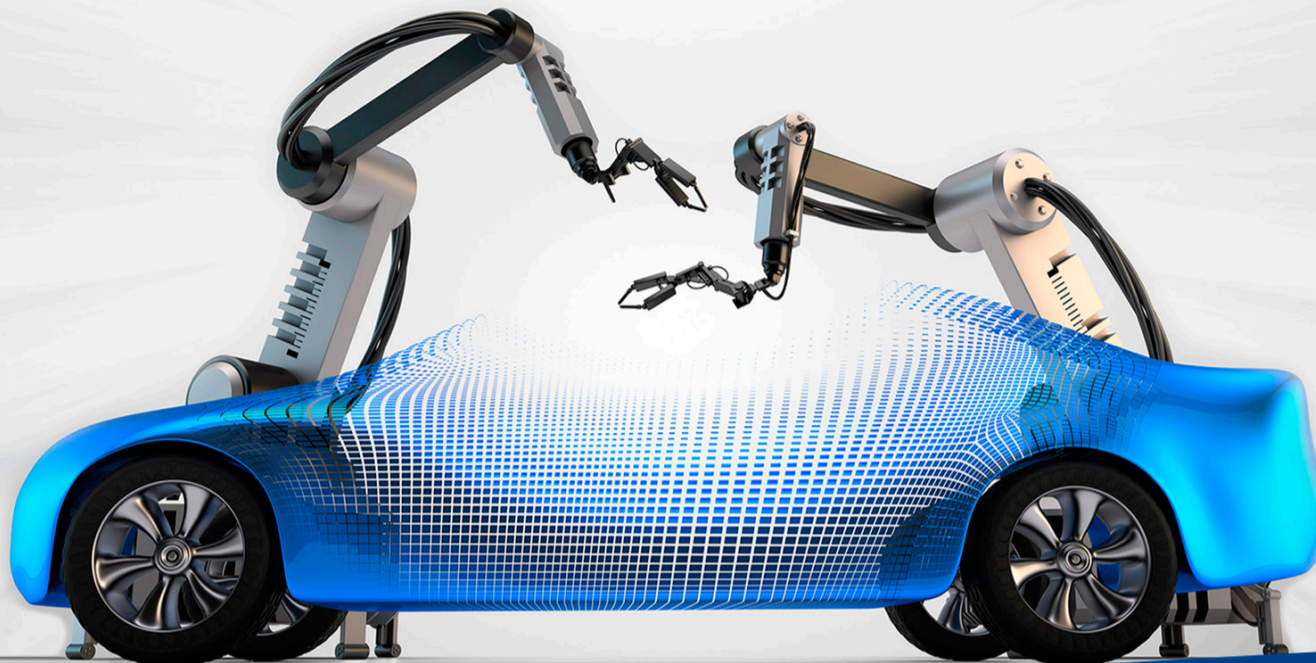
WE

SEMINÁRIO AUTODATA

# OS NOVOS DESAFIOS

## DA INDÚSTRIA

# AUTOMOTIVA BRASILEIRA



Os principais desafios empresariais que serão obrigatoriamente enfrentados nos próximos anos para que o Brasil possa garantir um lugar de destaque entre os maiores produtores de veículos do mundo, serão analisados e debatidos no Seminário “Os Novos Desafios da Indústria Automotiva Brasileira”, que AutoData promoverá, em São Paulo.

Este será um encontro muito importante, pois debaterá os caminhos que a indústria automotiva brasileira obrigatoriamente terá que trilhar para voltar a brilhar no futuro próximo. Já estão confirmadas as presenças de diversos executivos e empresários importantes como palestrantes deste evento, tais como: Margarete Ganidini (Diretora do Departamento das Indústrias para Mobilidade e Logística do Ministério (MDIC)), Antonio Megale (Presidente da Anfavea), Antonio Filosa (Diretor Geral da FCA Argentina e Diretor de Compras da FCA Latam), Philipp Schiemer (Presidente da Mercedes-Benz do Brasil), Besalier Botelho (Presidente da Robert Bosch), Dan Ioschpe (Presidente do Sindipeças) e Ricardo Bacellar (Diretor da KPMG).

Confira nossa programação no site: [www.autodata.com.br/seminarios](http://www.autodata.com.br/seminarios)

## GARANTA JÁ SEU LUGAR NESTE IMPORTANTE ENCONTRO!

- **Quando:** 13/03/17
- **Horário:** 08h00
- **Onde:** WTC São Paulo
- **Endereço:** Av. das Nações Unidas, 12551 - Brooklin Novo - São Paulo - SP

### INSCRIÇÕES

Tel.: (11) 5189-8900

[www.autodata.com.br/seminarios](http://www.autodata.com.br/seminarios)

#### PATROCÍNIO DIAMANTE



**TRUCKPAD**

O Aplicativo que Conecta o Caminhoneiro à Carga

#### PATROCÍNIO OURO



#### APOIO



CENOGRAFIA  
ecoeficiente



**BOSCH**  
Tecnologia para a vida

**DELPHI**



**GERDAU**

Empresas



**USIMINAS**



Eberspächer

**SCHULZ**



# New president of Jaguar Land Rover sees opportunities in a smaller market

Ana Paula Machado | [anamachado@autodata.com.br](mailto:anamachado@autodata.com.br)

On his last visit to Brazil, in 2007, still at Peugeot Citroën, Frédéric Drouin found a market that celebrated annual sales of more than 2.5 million vehicles. The country, at that time, was the apple of the eyes of manufacturers installed here and many others who wanted to be here to bite a piece of that cake. Now, Drouin has a new challenge as President of Jaguar Land Rover for Latin America, a position he has just taken over.

In addition to a different market reality, he now runs a company of high-end luxury products and has to meet the much more sophisticated and demanding public that wants to consume locally made Land Rovers, and imported, in general.

But Drouin sees opportunities in the reality he found:

“There is a lot to do to adapt the business to the new condition of this market. On my first pass through here, in 1997, everybody was

happy with sales of 1 million vehicles. Today, everybody’s frustrated. Spirits are not the best.”

The first step, he said, is to create strategies to bring consumers to the dealers.

Jaguar Land Rover will launch on Monday, 6, a five-year service program for its clients: “It is a way to attract this consumer. Many choose another manufacturer, despite having conditions to maintain a luxury vehicle like ours. The reason for this can be the fear of having costly maintenance or even fear of violence in big cities.”

The new service plans include basic revisions for a fixed price. Called the Jaguar Land Rover Care, the plans start at R\$ 2,990, according to the model. The revisions must occur at the dealer network and includes the replacement of the engine oil, engine oil filter, and fuel filter, for vehicles with diesel engines, air filter, brake fluid and labor.

Drouin does not estimate how much of the initiative can be converted into sales, but he believes that there is potential to attract more customers and, in addition, retain those that already have a Land Rover or a Jaguar in the garage: "This consumer is more demanding and the service should be more customized."

What should represent support for this tactic of attracting customers is the new dealerships to be opened later this year: in Palmas, TO, in São José dos Campos, SP, and São Paulo: "We have room to grow in Brazil."

The company currently has 36 resellers in the country.

In addition to the maintenance plan with extended deadline, the company also offers factory armor for security-conscious consumers. Jaguar Land Rover established partnerships last year with two companies specializing in service, Guardian and Carbon.

**Predictability** – In 2016 the premium car manufacturers sold 47 thousand vehicles in the country. Jaguar Land Rover registered sales of 7,458 units, representing a 15.8% share of the luxury market in Brazil. Most of that volume, according to its president, was assembled in the Itatiaia, RJ.

"I believe the market will not grow this year. There will be stability and the recovery will begin next year. But everything will also depend on the new industrial policy for the sector. It is important that the new Inovar-Auto is implemented. We need clear rules and predictability."

The Brazilian plant still lacks painting and body shop lines. For the meantime, parts of two models are being assembled in Itatiaia, Evoke and Discovery Sport, imported from other company units abroad. The company invested R\$ 750 million in the facility, which has a production capacity of 24,000 vehicles per year. Last year, Land Rover produced approximately 4.8 thousand vehicles at the facility, which should complete one year of operation in June: "Our factory is not operating in a satisfactory manner. But it is important to have production in the Brazilian market. All the competitors are here."

Drouin said the Itatiaia plant was designed to cater to the domestic market and that any decision on exports will only be taken after the publication of the country's new industrial rules: "We need predictability. The new rules should be long-term, at least ten years. That way we will be able to better plan our business in Brazil."

WE



# Increased production should drive purchases

Bruno de Oliveira | [bruno@autodata.com.br](mailto:bruno@autodata.com.br)

**T**he 2016/2017 harvest is usually considered a catalyst for the resumption of growth in the industry that caters to the agribusiness production chain, which closed last year with 21% lower revenues in comparison to the previous year, with R\$ 86 million. More than increasing sales of machinery and equipment by 10.7%, according to industry's projection for 2017, the harvest should cause a movement of acquisitions and strategic alliances.

In the field of strategic alliances, experts point to the current time as favorable for companies that provide infrastructure equipment and fertilizers. According to Fernando Alves Meira, a partner at Pinheiro Neto Advogados and coordinator of the business area at this law firm, companies that operate in these two segments left the crisis with more capital because the biggest names are multinationals and, therefore, currently are looking at acquisition and partnership options for the coming years.

“Unlike companies that operate in the sugar-alcohol segment, which have been affected by the economic crisis and the scandals at Petrobras, companies that produce any type of equipment or machines seek to invest in opportunities to expand their portfolios.”

A recent example of this move was AGCO's 35% acquisition of the Brazilian company Kepler Weber. AGCO has in its portfolio brands of agricultural machinery, such as Massey Fergusson and Valtra, as well as others that are active in specific segments of the chain, such as GSI, which produces silos for grain storage, where Kepler Weber operates.

Publicly traded on the São Paulo Stock Exchange, Kepler Weber has been trying to re-establish itself in the market after registering, in the third quarter of 2016, revenues of R\$ 120.9 million, which represented a drop of 40% when compared to 2015. The company's net debt, up to September last year, was R\$ 70.4 million. AGCO registered its best operating results in South America, as shown in the balance sheet in the fourth quarter of 2016: sales increase of 63.6%, US\$ 308 billion, when compared to US\$ 188.3 billion. Year-to-date sales were 4.3% higher when compared to those of 2015: US\$ 2.094 billion.

França Jr., a consultant that specializes in agribusiness, highlights AGCO's synergy and the expansion strategy to outside the gate:

"Kepler currently holds 55% of the storage market, but finds it difficult to grow amid a recovery scenario. AGCO saw an opportunity of synergy, strengthening its share in storage and diversifying its portfolio. As a result, you can supply on more than one front in future demands."

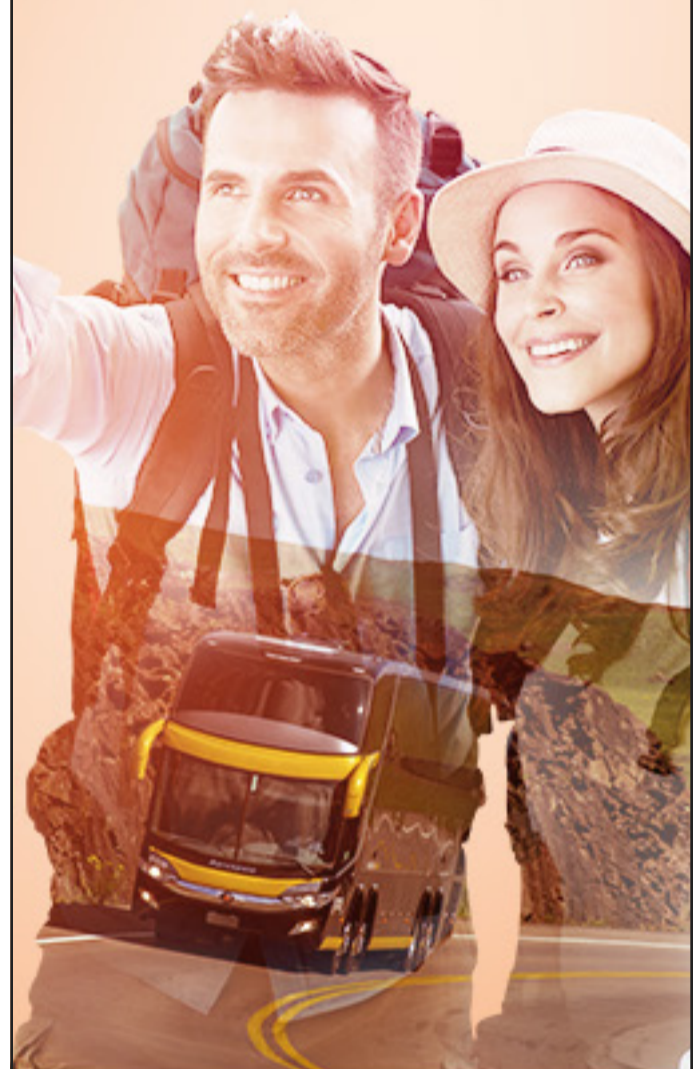
Another factor that motivated the deal, according to the consultant, is the storage deficit that exists in the country, and the business with AGCO can enable Kepler Weber to have more investment power to expand capacity. Currently, Brazil has 17.7 thousand registered warehouses on Conab, the national supply company, resulting in a capacity of 152 million tons. With the projection of the crop this year reaching 215.3 million tons, 63.3 million ton will have no place to be stored before the domestic consumption or export.

WE

#IAmMovedBy

## Experiences

There's something that awakens your emotions. And whenever you may need, Marcopolo will be there to keep that moving.



More than people,  
we move feelings.

Social Networking:  
**/OnibusMarcopolo**



**Marcopolo**

# More than 230 thousand vehicles on recall since December

Bruno de Oliveira | [bruno@autodata.com.br](mailto:bruno@autodata.com.br)

The inconsistencies of the job market and the economic and financial difficulties of autoparts manufacturers are blamed for the recall processes in the automotive industry. Specialists lost their jobs and companies do not replace them — consequently losing quality control standard. Result: many recalls.

In addition, the constant adjustments of production at the vehicle plants in Brazil, such as temporary suspension of the employment contract, layoffs and job protection program, and one has a more complete picture of the recall: between December and February, 231,243 vehicles presented some type of manufacturing defect.

SAE Brazil Advisor, the Society of Automotive Engineers, Francisco Nelson Satkunas says recalls should increase in the next few months because dismissals and layoffs taking place in the entire national industry will affect the quality control processes which vehicle components undergo here.

According to Satkunas, defects will be focused “on the parts submitted by suppliers that belong to Tier 2 and 3 groups, namely, those that supply to the closest suppliers of the automakers.” The engineer says that “the lack of manpower and the shadow of unemployment are affecting the quality processes, and this will cause impact, in the medium term, on the quality of vehicles.”

In the last three months, of the 32 recall campaigns issued by companies, defect in the airbag system was listed as the most recurring failure. According to data compiled by the Procon Foundation, the defect will drive 107,891 vehicles to the dealers for repairs.

Nissan's vehicles were the most recalled between December 2016 and February of this year, with a total of 69,318 units. Honda followed, with 34.530 units. Lastly, Renault closed the list of recalls due to the airbag system, with 3,820 vehicles.

A major supplier of airbag systems is Takata. This week, the company pleaded guilty to criminal charges as part of a deal that also involves the payment of US\$ 1 billion to the United States Department of Justice. The problem with the airbag was announced to the market in 2013.

Since 2010, 2,140,273 vehicles were recalled due to defective airbags. Worldwide, this volume has already reached 30 million units. It is estimated that the total number of cars that should be affected by the Takata system repairs will reach 120 million.

Among the main recall campaigns of the last three months, are defects in airbags, with eight campaigns, electrical system, six campaigns, fuel system, five, seat belt, four, traction system, braking system, two. Electrical items, steering systems, seats and signaling had one recall campaign each.

Between December of last year and January, there were 32 recall campaigns in the country, involving ten occurrences. Drawing a parallel with the total number of vehicles sold in the country in the same period, the volume represents 47.45% of the total, 487.242 units, according to figures from Fenabrave, the national association of dealers.

WE