

Edition 716

Weekly Brazilian automotive industry news | 11.23 to 11.27.2015 Year XII



Honda is The Company of the Year of the AutoData 2015 Award

Approximately 200 guests attended the ceremony of the AutoData 2015 Award - The Best of the Automotive Sector on Wednesday evening, 25, at the Milenium Convention Center, in southern São Paulo.

Honda was the biggest winner...

More on pg. 2

Sindipeças against higher import tariff for steel

Sindipeças delivered a document to the federal government where it divulges its position against an increase in the import tax for steel, which is currently...

More on pg. 4

Goodyear to increase exports to the US and Mexico

Goodyear plans to increase the volume of tires shipped to the United States and Mexico from its plant in Americana, in the state of São Paulo...

More on pg. 6

The new generation of the Citroën Aircross arrives

Prices and diversity of options and versions are the basis for the confidence of PSA
Peugeot Citroën
Group to guarantee longer life...

More on pg. 8

Honda is The Company of the Year of the AutoData 2015 Award

AutoData Newsdesk | redacaoad@autodata.com.br



Approximately 200 guests attended the ceremony of the AutoData 2015 Award - The Best of the Automotive Sector on Wednesday evening, 25, at the Milenium Convention Center, in southern São Paulo.

Honda was the biggest winner of the 15th edition of the AutoData Award: The Company of the Year award, chosen from a list composed of the winners of the 16 business categories and a council of notables composed by Alencar Burti, André Beer, Luiz Carlos Mello, and Francisco Bueno.

The vehicle manufacturer will also be taking the trophies in the Passenger and Light Commercial Vehicle Manufacturer and Sustainability categories.

The Personality of the Year award was given to Stefan Ketter, from FCA Fiat Chrysler Automobiles - which also celebrated the victory of the Jeep Renegade in the Passenger Vehicle category.

During the event, the organizers of the AutoData Award also honored Waldey Sanchez, owner of a brilliant career in the Brazilian automotive sector who, in the middle of last year, left the position of president and CEO of Navistar International for the Mercosul.

The AutoData Award is one of the most important and disputed recognition of company and individual efforts in the Brazilian automotive sector. The event is conducted annually in a pioneering and uninterrupted form since 2000. It is informally recognized within the automotive sector as its Oscar. The winners were chosen by the subscribers of AutoData Magazine, AutoData News Agency, and the participants of the AutoData 2016 Outlook Congress, which took place last year and São Paulo.

The winners of the AutoData 2015 Award - The Best of the Automotive Sector

Company of the Year	Passenger and Light Commercial Vehicle Manufacturer
Honda	Honda
Commercial Vehicle Manufacturer	Agricultural and Construction Machinery Manufacturer
Mercedes-Benz	Case Construction
Systems Supplier	Supplier of Parts and Components
Continental	Federal Mogul
Engine Manufacturer	Bus Body Builder
MWM Motores	Marcopolo
Road Implements Producer	Quality and Partnership
Randon	Magneti Marelli
Management	Technological Innovation
Agrale	MAN
Entrepreneurship	Exporter
BMW	Pirelli
Marketing Strategy	Sustainability
Mercedes-Benz	Honda
Passenger Vehicle	Light Commercial Vehicle
Jeep Renegade	Fiat Strada
Truck	Bus
Volvo F Line	Volksbus 9.160 OD
Imported Vehicle	Personality of the Year
BMW i3	Stefan Ketter, FCA

Sindipeças against higher import tariff for steel

Alzira Rodrigues | alzira@autodata.com.br

Sindipeças delivered a document to the federal government where it divulges its position against an increase in the import tax for steel, which is currently being analyzed by the ministries of Development, Industry and Foreign Trade, and Finance.

The president of the association, Paulo Butori, stated on Wednesday, 25, that a possible raw material tariff above the manufactured products, such as in the case of automotive parts, "would generate an

unprecedented distortion." According to him, the measure would reduce competition and provide "comfort" to the Brazilian steel industry in the sense of even higher price increases.

Still according to Butori, this could generate a risk of higher automotive parts imports. "If steel increases, suppliers will have to renegotiate prices with the vehicle manufacturers and, in turn, they can assign preference for parts brought in from abroad instead of





paying more internally." According to the president of Sindipeças, CSN has just increased its prices by 9.75%, and Usiminas, between 6% and 10%.

Steel import tariffs currently vary between 8% and 14%, and the government is studying an increase of 50%, which would increase these rates from 12% to 21%. On average, automotive parts have an import tax of 16%.

Ten industry associations, including Sindipeças, met at the headquarters of the Brazilian machinery industry association, Abimaq, on Wednesday, 25, to discuss the government's studies to increase the steel import tariffs. Butori says there is consensus the measure would harm the Brazilian industry.

The president of Abimaq, Carlos Pastoriza, issued a press release in which he considered the

proposal a "debacle". According to him, "if the price of the imported (product) increases, the value of the locally produced similar will also accompany such movement."

Today, steel foreign trade registers a surplus. From a total production of 37 million tons/year, Brazil exports 11 million tons, according to data supplied by Sindipeças. Imports, on the other hand, total 8 million tons.

The document divulging Sindipeças' position contrary to the increase in the import tariffs for steel was delivered to the seven ministries composing the Foreign Trade Chamber, Camex: Development, Industry and Foreign Trade, Civil House, Foreign Relations, Finance, Agriculture, Feedstock and Supply, Planning, Budget and Management, and Agrarian Development.

Goodyear to increase exports to the US and Mexico

Marcos Rozen | rozen@autodata.com.br



oodyear plans to increase the volume of tires shipped to the United States and Mexico from its plant in Americana, in the state of São Paulo, in the coming months. The information was revealed to AutoData news agency by the director-president of the Brazilian operation, Henry Dumortier, during the launch of the new line of tires for commercial vehicles in São Paulo.

The executive did not inform the volumes, but

explained that today's shipments to both countries in North America from Brazil are very small, and that the plan to increase the export rhythm significantly to these markets is underway and should begin in the coming months. "The current exchange rate is favorable for us."

As a result, the share of export revenues within the Brazilian Goodyear unit should also increase. Once again, the executive did not divulge any numbers, but

revealed that approximately 60% of today's revenues derived from domestic sales to the aftermarket, followed by OEM, and finally, foreign shipments.

The Brazilian tires set to arrive soon in the US and Mexican markets are for passenger vehicles, with a high degree of technology, starting at 16-inch rim size, and should be destined to the aftermarket, stated Dumortier.

The executive added that he is confident in the recovery of the Brazilian market. "We will continue to invest and launch new products. We are in the country to grow. We are not looking at this year only, but at the scenario up ahead, and growth will certainly return. And, when this happens, we will be stronger."

KMax Line - Goodyear presented on Tuesday, 24,

at its headquarters in São Paulo, a new line of tires for commercial vehicles, KMax, which replaces the 600 series. It is composed of three models for trucks and buses: S, D Traction, and Extreme.

According to the truck manufacturer, these tires are already on sale in the European market. They were reworked by the Brazilian unit for two years, for adaptations to the local needs. The result, according to Goodyear, was a gain in range between 5% and 15% before replacing or retreading the tires in the same comparison with the previous similar models, depending on the model and usage.

The new tires gained technologies to avoid wear and an additional two years in warranty, which now totals seven years.



The new generation of the Citroën Aircross arrives



Vicente Alessi, Filho, from Porto Real, Rio de Janeiro | vi@autodata.com.br

rices and diversity of options and versions are the basis for the confidence of PSA Peugeot Citroën Group to guarantee longer life to the career of the new Aircross, which was presented on Tuesday morning, 24, and should be at the dealers already at the end of this week. The Aircross already has, in Brazil, a career of more than five years, with sales of more than 50 thousand units.

Paulo Solti, director-general of Citroën in Brazil,

did not risk any estimate for the performance of the car in 2016. He blamed this on the difficult context in which the country finds itself and preferred not to use his crystal ball. However, he believes that Citroën should achieve the same 1.3% market share that it should register this year. That is, Solti, and the president of the group for Latin America, Carlos Gomes, are extremely conservative in their projections - whatever positive result outside of the current stability would be a reason for joy.



The car became more attractive, more imposing, particularly in the front, with renewed grid and bumper - thanks to the future-looking optical set LED lights, a Citroën signature.

For all five versions, the engines are 1.5 L, with 83 hp and 93 hp when fueled by gasoline and ethanol, and 1.6 L, 115 hp and 122 hp in the same relation.

Everything starts with the Start and Live versions, which replace their correspondents of the C3 Picasso model. The Start 1.5 manual transmission costs R\$ 49,990. The Live 1.5 manual transmission is priced at R\$ 53,960, while the 1.6 Live automatic is priced at R\$ 58,990. These are versions provided with a reasonable dose of technological gadgets and comfort, but what places them apart at the first sight is the absence of the spare tire glued at the rear door.

For both of these versions, considered entry-

level, but not less charming, Citroën executives believe they should account for 30% of the overall mix of the five versions. However, running the risk of arriving at 40% - if this happens, marketing, sales, and the company's industrial infrastructure will not be caught by surprise: they are already to grow the production mix.

The other two versions increase in price and offers of technological inspiration and comfort - and status. The Aircross 1.6 Feel manual transmission is priced at R\$ 58,990, the 1.6 Feel automatic is priced at R\$ 63,290, and the 1.6 Shine automatic is priced at R\$ 69,290.

What transcends this financial architecture is that the prices were maintained, as well as the three-year warranty regardless of kilometers driven, and fixed price revisions.



Image/Iveco

Iveco: exporting trucks has once again become a good business.

André Barros, from Mendoza, Argentina | andreb@autodata.com.br

here was a time, not so far away, when Argentina was seen by vehicle manufacturers as a natural base for exports to Latin America. Investments were made based on this strategy - the Volkswagen Amarok was sent from Europe, Toyota invested in the recently-launched new Hilux to be delivered to the entire region and, General Motors placed a new generation of the Cruze at its plant in Argentina to supply neighboring markets, just a few of the examples.

Now, the scenario has changed. US dollars are missing in Argentina, which also suffers from an official

exchange rate that is different from the one that is adopted in practice, and Brazil has gained competitiveness through the devaluation of its currency. Add to this a retracted domestic market, with increased idle capacity at the lines, and the result is visible: exporting vehicles produced in Brazil has become a good business.

At Iveco, which has its plant in Sete Lagoas, in the state of Minas Gerais, is operating slightly above half of this installed capacity, and exporting has become a possible and welcome solution. "Today, we have conditions of competing on the same level with any

operation in the world. Our products are aligned in terms of quality with those produced at other plants," stated Vilmar Fistarol, president of CNH Industrial for Latin America, the company that controls, among others, the Iveco brand.

According to the executive, Brazil has once again become competitive because of the exchange rate and it may be able to conquer new markets, especially in Latin America. He lamented the fact that the country has lost space in the past years. "However, with the dollar at R\$ 1.70, and even below this rate, how could we compete in the foreign markets?"

Fistarol was in Mendoza, Argentina, for the launch of the Iveco Ecoline family in that country, which, starting January 1, 2016, will have new rules for emissions, equivalent to the Euro 5. The trucks produced in Argentina, therefore, will be the same ones as those that are produced in Sete Lagoas. Nevertheless, the president of CNH Industrial believes that the export base for the region in the coming years should be Brazil.

The first fruits have already been reaped. According to Marco Borba, vice president of Iveco Latin America, Iveco truck exports increased 400% between January and October. "We shipped 460 units to almost every country in the region. With this exchange rate, we have an opportunity to work and I see the market's accepting the Brazilian product will. A good vehicle with a competitive cost opens doors."

Borba bases himself in export growth to fulfill the gap open by the drop in domestic truck sales. The executive does not believe that 2016 will be much

better than 2015, although he does not project the sales volume should be above the one registered this year. "We should close the year with sales ranging between 75,000 and 80,000 trucks," he believes - and his calculations include sales of the models starting at 3.5 tons, such as the Daily.

According to the president of Iveco, the PSI Finame line, which leveraged truck sales during the past years, should not be renewed and the market will have to adapt itself again to the regular Finame, with rates indexed to the TJLP. However, he complains about the government's delay and indecision in officially announcing the financing for 2016:

"Our suppliers need 6 months to program production. We are at the end of the year and we do not know how the market will function 2 months from now. A hostile business environment is created."

Fistarol mentions another problem that affects the truck industry in Brazil: tighter margins and profitability at risk. According to the president of CNH Industrial, the current market affects long-term planning: "If it continues as it is, with the consumer buying price, they will take a step back. We have not managed to increase price this year, despite a general increase in costs. Who will invest in a market where there is no return?"

In any event, the executive continues to be confident in Brazil and confirmed investments valued at R\$ 650 million announced by Iveco in April - when, according to Fistarol, the scenario was different. "The industry has to adapt itself. We have arrived at a time when it will adjust itself, or, adjust itself. And it will adjust itself."

AutoData News Agency Weekly Edition is produced by AutoData Editora Ltda. Rua Pascal, 1693 Campo Belo - São Paulo SP Brazil CEP 04719-001 Phone +55 11 5096 2957. 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.