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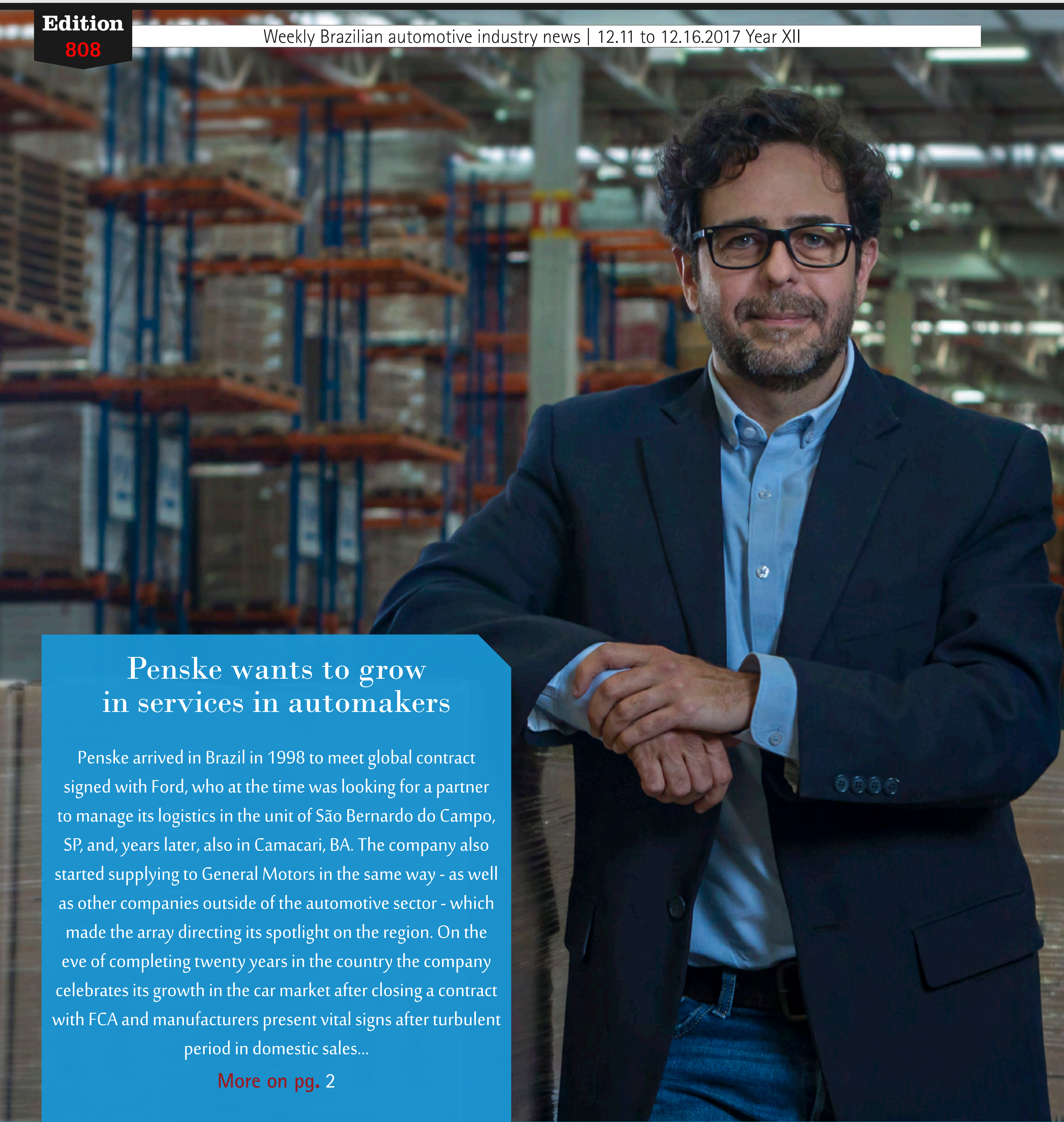

Penske wants to grow in services in automakers

Penske arrived in Brazil in 1998 to meet global contract signed with Ford, who at the time was looking for a partner to manage its logistics in the unit of São Bernardo do Campo, SP, and, years later, also in Camacari, BA. The company also started supplying to General Motors in the same way - as well as other companies outside of the automotive sector - which made the array directing its spotlight on the region. On the eve of completing twenty years in the country the company celebrates its growth in the car market after closing a contract with FCA and manufacturers present vital signs after turbulent period in domestic sales...

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Penske wants to grow in services in automakers

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Penske

Penske arrived in Brazil in 1998 to meet global contract signed with Ford, who at the time was looking for a partner to manage its logistics in the unit of São Bernardo do Campo, SP, and, years later, also in Camacari, BA. The company also started supplying to General Motors in the same way - as well as other companies outside of the automotive sector - which made the array directing its spotlight on the region. On the eve of completing twenty years in the country the company celebrates its growth in the car market after closing a contract with FCA and manufacturers present vital signs after turbulent period in domestic sales.

"I can say that we suffer less than other automotive suppliers since our operations in Brazil is focused primarily on the logistics operation of the parts manufacturers, and in 2017 the

replacement segment helped keep volumes," said Paulo Sarti, CEO for South America. "It did not mean, however, that we have not been pressured to renegotiate prices with customers."
Its two largest customers, Ford and GM, promoted adjustments in its operations in order to cut costs and, in fact, what looked like a supply contract review turned out to be an opportunity to offer services with higher added value.

In 2017 the consumer invested in the maintenance of vehicles and the aftermarket piggybacked on the growing demand for parts. After three years of shrinkage the billing after-marketing end the year with an increase of 19% compared to 2016, the estimate of Sindipeças after shrinking 28% from 2014 to 2016.

As manufacturers began to seek options that could provide operational efficiency Penske added, to its offer in Brazil, the logistics service provider called LLP its acronym in English, and which in practice is a kind of advice to manufacturers in respect the whole transport operation and component storage: "companies are willing to focus on what they do best and delegate the management of other areas who have more experience. Although the service is something new brings interesting margins compared to the rest of our offer. "

The long-standing action with manufacturers, coupled with the favorable environment for investments that could bring some benefit from the point of view of cost reduction, were the factors that paved the way for the LLP Penske. Three years ago the market was already established in Ford and GM plants:

"It became an adherent to the market solution because many companies began to seek mechanisms to reduce their operating costs as falling sales. The logistics area is strategic and therefore managed to enter service in the major automakers. "

Sarti revealed that Nissan and FCA could be the next customers LLP: "We are participating in competition to provide service to these companies."

Resumption- Penske historically operates in Brazil on two fronts: the transport of parts for production facilities and distribution centers to the concessionaires, and the overall management of the logistics of vehicle manufacturers. To support its main sources of revenue he has a contract with a network of about thirty carriers throughout the country. With aftermarket maintaining the structure and functioning without reducing their size, Penske had room to plan your operation in order to keep up with a possible increased demands in the industry, the company's main second in South America in terms of revenue, second only to the electronics.

In 2015 the company launched the Galileo Plan, a package of goals and investments to be made by 2020. The Brazilian subsidiary received funds for training employees and improvements in information technology area, considered the main asset of the company - which has no assets, in practice, it takes care of the management of the fleet of its partners and carriers of third-party logistics structure.

Structure to the recovery of the sector is a need expressed frequently by customers that are vehicles manufacturers, Sarti said: "Today the main fear of the companies is that their supply chain can not keep up with rapid growth by which to pass. In this scenario we decided to prepare for when that time comes. "

An enhanced IT area, and renewed the offer of its services, Penske realized that he has enough muscle to seek new contracts in the automotive sector. The first one was closed with the FCA in the first half and, according to the president, may represent the company's revenue growth in the region by 50%, another of the Galileo Plan goals.

Sarti told that the contract provides that, at first, Penske is responsible for transporting the manufacturer of spare parts in the country. For the following years the company will advance in other FCA operations that are still in progress: "It's a company that is growing, there are plans for expansion in Betim, with the arrival of new models on the assembly line, construction of distribution centers. We accompany their evolution in logistics ". WE

Arteb receives Q1, Ford's worldwide certification

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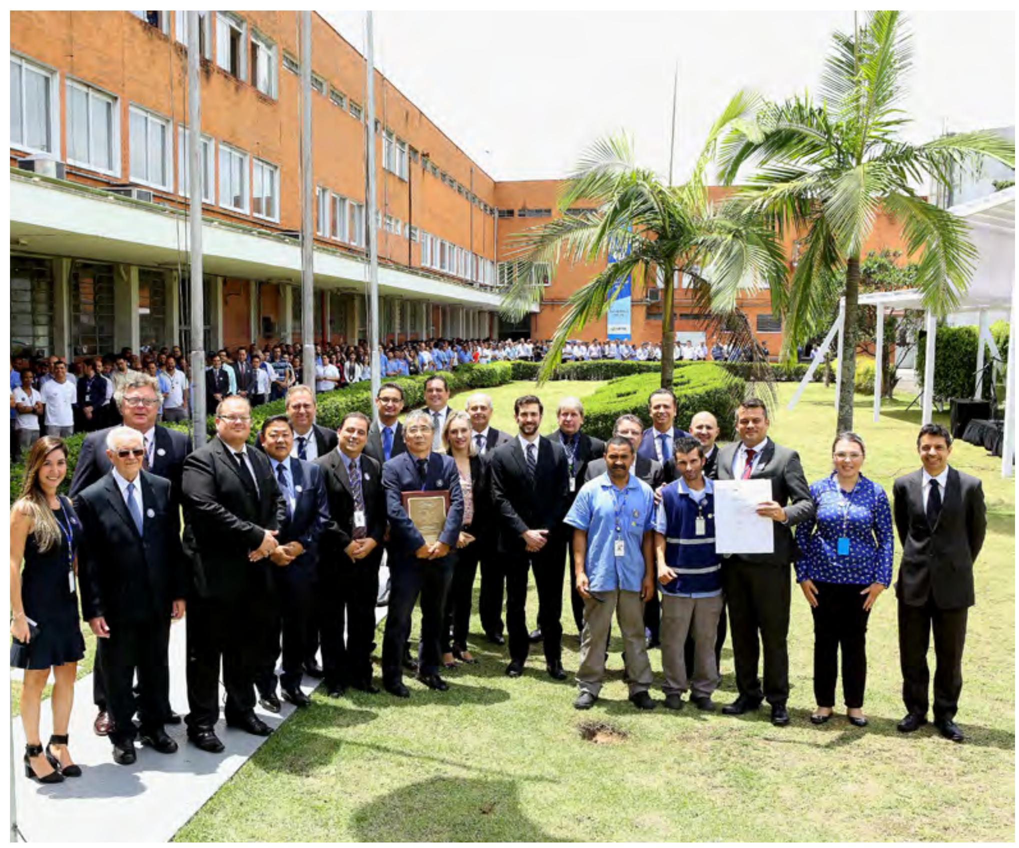
The Arteb, Brazilian industry of lighting systems for the automotive industry, received the Q1 certification from Ford for its São Bernardo do Campo factory, SP. The certificate is recognized worldwide by the automaker and accredits Arteb to provide products to any of its units in the global market.



Arteb

The ceremony Q1 board certification was held on December 5th in São Bernardo, and met several executives of Ford and board, management and employees of Arteb. On that occasion the representatives of the automaker visited Arteb operation, which occupies 32,000 square meters in size, and also met Arteb Tech, division dedicated to the advancement of LED lighting.

Mauro Andreassa, senior manager of Ford plants in South America, said that with the Q1 Arteb will be even more robust: "The Arteb becomes now a worldwide supplier not only more only to Brazil. It competes globally and must have an overall quality. "

To Édson Brasil, vice president of Arteb Group, with certification Q1 the company "is further strengthened and prepared to continue growing in Latin America, because it has wide annual production capacity installed to meet a market demand of up to 4 million vehicles. "

WE

Forum highlights daily average of truck sales as an important variable

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Average daily sales of trucks, which doubled over the year - out of 153 units in January to 319 in November, a figure that tends to keep in December - is one of the main variables for executives sales of manufacturing companies start to have a more optimistic view on the results of 2018. The projections, exposed during a panel held at Autodata Commercial Vehicle Forum in Caxias do Sul, RS, on Tuesday, 12th are growth 15% to 20%.

The panel met George Carlotto, south regional manager of MAN, Osvaldo Ramos, sales and marketing manager at Ford, Bernardo Brandão, marketing manager of Iveco, Marco Domingues, Scania truck business manager and Alcides Braga, president of Anfir. The event brought together just over a hundred participants.

Braga estimated sales of around 70,000 units for 2018, divided into 29 thousand to 30 thousand towed vehicles and 40 thousand to 45 thousand bodies on chassis, up 20% on the figures for 2017 to be similar to the previous year. The heavy segment, which already operates with positive numbers, should grow around 5% already this year, while the light line, still very dependent on the recovery of the urban economy, close to 11% drop.

The president of Anfir believes some measures, necessary to support the resumption of sales, as the largest presence of Finame in financing the sector, the existence of renewal program of the fleet through the vehicle inspection and encouraging the use of automatic suspension. Also demanded greater involvement of industry in the adoption of measures under discussion in Congress, such as pension reform: “We can not work in such a hostile environment.”

Carloto, from MAN, who also expressed support for the adoption of political and tax reforms, considered disturbing the current idleness of 75% in installed capacity in the sector, estimated at 400,000 units. Also recorded a lag of 20% to 30% on current prices of the products with cost increases in recent years: “Since 2012, when it entered the Euro 5 technology, it can no longer update prices in line with cost increases generally”.

On the numbers this year, he estimated a double-digit high in domestic sales in 2018.

Osvaldo Ramos, from Ford believes in growth of 18%, based on projection of the financial system of a 6% increase in investment in the coming year. For him domestic sales should stay at 60 thousand units, mainly supported by heavy models in terms of agribusiness. The light and medium segments will depend on the most effective resumption of the urban economy:

“The reduction in interest rates is helping a lot in return of business confidence in investing. With lower interest rates it is possible that the sector is less dependent on financing from BNDES. I believe customers will use more of the CDC, leaner and less bureaucratic operation. “

Brandão, from Iveco, cited that the indicators show the return of customer confidence, as the increase in traffic flow for granted roads, favored by low inflation and interest rates. Designed difficulties for the resumption of construction, but highlighted the positive numbers in agriculture, industry and retail. The estimate of Iveco’s growth from 5% to 10%, but there is already movement to revise for 15% to 20%. The projected is an average daily sale of three hundred units for next year.

The executive also highlighted the gap in production costs with transfer prices. According to him during the period from 2011 to 2016 there was an increase in costs of 10% due to the adoption of Euro 5, 40% inflation and 74% by exchange rate fluctuation. Since the adjustments were limited to 18% in the lightweight models, 2% in semi-heavy and 6% in heavy: “There is a very strong dam in prices.”

Domingues, from Scania, indicated sales of 38,000 units in the models above 16 tons, segments in which the automaker operates. The number represents an increase of 10% to 15% of the estimated for this year. He said it has increased the demand for price quotes for fleet owners, while retail remains stagnant. WE

Brazil and Argentina agree to standardize their vehicles

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The governments of Brazil and Argentina pledged on Sunday 10th during the WTO event, the World Trade Organization in Buenos Aires, to jointly create legislation that aims to standardize the vehicles that are exported from one country to another and adopt measures to eliminate barriers in bilateral trade in other sectors.

In practice, manufacturers would no longer adapt their models to the needs of the neighbor procedure known in the domestic market as tropicalisation. According to the ministry, both parties will try to formalize a document in 2018, which marks the beginning of the technical work.

The intention of the partners, besides reducing costs and obstacles in bilateral trade, is to increase the competitiveness of their products and facilitate their access to global markets. With the measure, countries signal for a walk hand in hand toward the business block of interest to Mercosul, such as Europe, for example. The ministry, through a statement that "the work will require an extensive technical schedule of operation of the two countries, with no deadline set for the implementation of regulatory convergence."

Sharing the same vehicles will facilitate its acceptance in countries with stricter rules in the security field, according to Antonio Jorge Martins, a professor at FGV Getúlio Vargas Foundation and an expert in automotive industry: "More than conform their products to become less complex bilateral trade that play, Brazil and Argentina should tailor their vehicles in a second stage, the advanced markets needs. Acting collectively is more competitive. "

A joint action is something desired by both sides of the industry and it was not uncommon, this year, for company presidents and Anfavea to point to the unification as a way to increase local competitiveness. General Motors, the largest manufacturer of the Brazilian market has consolidated the operation of the two countries and named the Argentinian Carlos Zarlenga to drive the company's business in the region. In June, during the seminar Autodata Trends and Business, the executive has signaled to the benefits that would be achieved if countries acted together: "You have to see Brazil and Argentina as a single market. Uniquely it improves efficiency policy. "

The construction of Rota 2030, the new policy for the automotive sector to replace the Innovar-Auto, had in mind the design to create mechanisms that narrowed the relations of Brazilian and Argentinian companies. In August, as anticipated Autodata, Antonio Megale, president of Anfavea, said the two sides discussed the harmonization of technical legislation for the sector of each country:

"Think of a regional industry is important even for the free trade negotiations between Mercosul and the European Union."

The Argentinian side reciprocity of Brazilian intentions occurred, perhaps indirectly, and the measures of his government to increase the amount of alcohol in the naphtha which moves most Argentine cars. With this scenario the FCA was confident in the ability to increase sales of its vehicles flex there, increasing the volume of its exports. According to João Irineu Medeiros, director of regulatory affairs of the FCA in July, "Our flex engines can work with a mixture ranging from 22% to 90% ethanol. With 20% it is possible to embark vehicles that do not require calibration. " WE

Goiás announces JAC factory in Itumbiara

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JAC

JAC Motors and the government of Goias will sign on Monday, the 18th, at the seat of government, the letter of intent for the installation of a car factory in Itumbiara. The company acquired the disabled Suzuki plant, whose production was interrupted in May 2015 before moving to Catalão, also in Goiás. The planned investment on the assembly line is $ 120 million.

The information is the State Development Secretary Francisco Pontes, who will attend the signing of the document alongside local authorities and representatives of JAC. The deal will be formalized on 18th lasting four months, according to Bridges.

When contacted by this reporter, JAC Motors has not confirmed the information, although he says that they are looking for a place to settle. His press office said the company has been committed to Camaçari, Bahia, where he arrived to lay foundation stone in 2012, when sales in the Brazilian market were still high. At the time, the manufacturer has announced an investment of $ 1 billion to produce 100,000 cars a year.

However, in late 2011, with the Brazilian government's announcement to increase by 30 percentage points the IPI for imported cars through Innovar-Auto, and the market going into decline in the following years, the plans of JAC in the region shrunk - in 2016, the goal was to invest in R$ 200 million in the region to produce 20,000 cars a year by 2017, which did not happen. The land granted by the government of Bahia was returned.

With the announcement of the new plant, ends a fight between states for the installation of JAC. Goiás won the race and was also in the running Rio de Janeiro, Rio Grande do Sul and Bahia. The Goias government did not reveal whether they were offered tax benefits for the region chosen, but said the automaker's decision weighed the fact Goiás have become an automobile hub in recent years.

The state will have a total of four manufacturers: JAC, Suzuki, Mitsubishi and CAOA, riding some models of Hyundai and, from 2018, also will manufacture Chery vehicles. The negotiation of the CAOA with the Chinese company involved investment of U$2 billion, as anticipated Autodata in November.

Barriers - The announcement of the new plant comes amid a discussion involving JAC and the federal government about the tax benefits granted to the company by Innovar-Auto between 2013 and 2014. By not having taken the role of the construction of the plant in Camaçari, the government demanded the return of benefits and the Ministry of Development, Ministry of Industry, Trade and Services, came to cancel the license of the company in the industrial program.

For being one of the first companies to join the Innovar-Auto under the command of Sérgio Habib Corporation, SHC, it was granted the possibility to exempt up to 4,800 vehicles per year the 30 points of IPI, a bonus already used. If you do not install a factory until 2017, the company will have to pay the bill for each vehicle sold in the period. WE

Sindipeças revises projection and growth should be 22%

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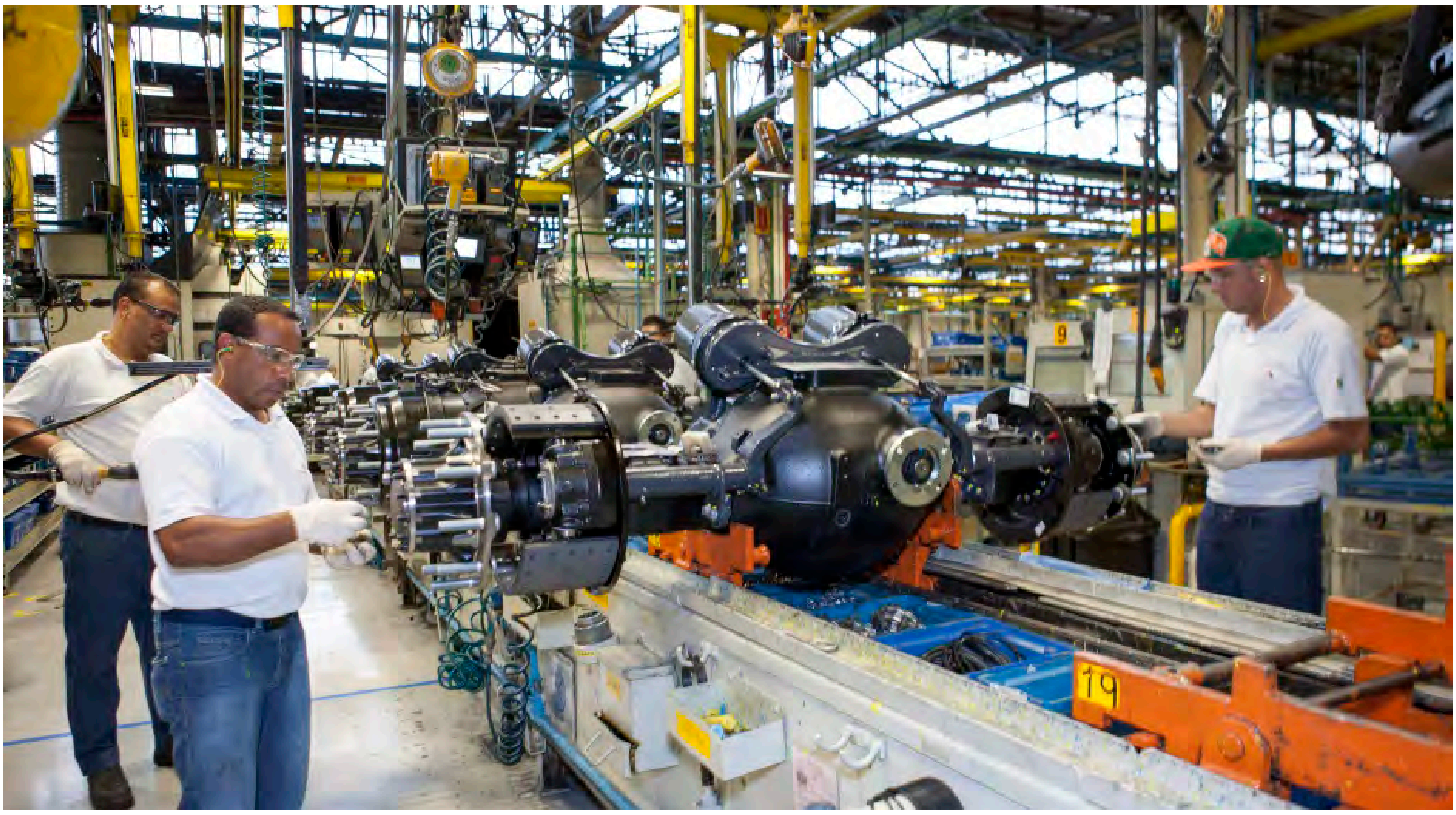

Meritor

The improved performance of the economy had Sindipeças revise upwards the projection industry revenue growth this year, which designs, now, sales of $ 76.9 billion, up 22% compared to last year. Sindipeças began in 2017 with R$69 billion revenue perspective, 6% high in relation to 2016. The chairman Dan Ioschpe presented the data on Wednesday the 13th:

"We started the year with more conservative view and were reviewing over the months. By mid-year we projected a growth of 10% then we talked about 19% to reach the current projection of 22%. "

For the next year he said the projection is slightly better than the beginning of the year, with high expectations of 7.4% compared to 2017, "We must overcome the mark of R $ 82.6 billion in revenue ".

The data presented also show an increase in investments made by companies. The perspective is to close the year with R$ 1 billion 870 million investment, up 19.1% compared to last year. For 2018 the projection is an increase of 34.4% to R$ 2 billion 520 million.

With regards to jobs Dan Ioschpe noted that the recovery was lower than the level of activity. This would be reflected in "the increased automation, productivity and technology in business." The consolidated number of employees is 164,600, up 1.5% this year compared to 2016. The projection is that in 2018 the number of jobs will reach 172,800, an increase of 5% compared to this year.

The trade balance continues with negative R$ 5.4 billion, but a positive factor was the advance in exports this year, "Qualitatively we are going in the right direction."

This year exportation grew 12.8% compared to last year. For next year is projected to increase 6.5% on the results of 2017. Imports advanced 8.4% this year compared with last year and expectations are high of 20.9% in 2018 against 2017.

"We are also moving forward in other markets, with exports to Arab, European countries, besides the traditional destinations such as Mercosul and the United States. This diversification is very important. "

The main destination of Brazilian auto parts exportation is Argentina, with 30% of the total, followed by the United States, Mexico, the Netherlands, Germany, Chile and Colombia.
The capacity utilization is still well below the pre-crisis period: "There is an improvement but there is a significant spare capacity, with 32%."

In October 2013 best time for the sector, the idle capacity of the companies was 24.5%. WE

Caxias lost 25,000 jobs with the crisis. Number will not be recovered.

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The crisis of the past three years has led to a situation up until now unprecedented in Caxias do Sul, RS economy, the second largest polo metal mechanic in the country. 25,000 jobs were lost, most in the metal industry, where the automotive industry participates with 75 % of revenues and 40% of hand-employed work. The overall number of jobs in the city fell from 183,000 in 2013 to 158,000 in December. This year there was a slight improvement, reaching 160,000 in October. The industry generally accounts for about 50% of the numbers.

At a panel on the future of Caxias do Sul economy that has strong dependence on heavy automotive industry, held at Autodata Forum Commercial Vehicles on Tuesday, 12th, the president of Randon Companies, David Randon, warned about that difficulty, the city again have the same number of jobs of the past. Because, according to him, production volumes as of 2013 will not be repeated in the short term. He said that the crisis has forced the adoption of measures to make companies more competitive, including greater use of automation. "Only then we will gain productivity and hence competitiveness to conquer overseas markets," he said.

Francisco Gomes Neto, CEO of Marcopolo, reinforced the view of Randon advocating for significant investments in innovation, productivity and quality to ensure its growth. He said the bus body manufacturer intensified actions in these areas and achieved gains in efficiency and cost reduction. "With this, combined with strong business strategies, resumed overseas markets that we lost to competitors from other countries and conquer new," he maintained. The executive pointed out that due to the crisis, the company reduced the picture in 4000 people. This year already rehired around four. Also pointed out that, despite the crisis, there were no cutting social benefits to employees.

Leandro Mantovani, president of Keko Accessories, from Flores da Cunha, said that the company reduced its frame from 470 to 320 employees, but has started rehiring. He noted that the organization always contributed resources in innovation, as it softened the impact of the crisis. Keko already has around 30% of its revenue associateded with new product revenue. "We suffered like all businesses, but the adoption of previous innovative actions and strong performance in the SUV market, that not decreased as in trucks, made possible to control the situation."

Confidence in a better year - The chairman of Randon Companies, David Randon, projects growth of 15% to 20% next year, in line with the vision of truck manufacturers. He noted, however, to be essential the approval of reforms, such as Social Security, for the country to have a sustainable development. "It is expected that politicians start thinking in the country and set aside only their interests," he charged.

He considered, however, that the business sector to do its part, especially the automotive industry suppliers. According to him, it is necessary to explore new markets. "Regardless of size, they should invest in exports. The Chinese are a good example: they began copying the Japanese, but invested in upgrading and now have worldwide presence with quality products and competitiveness, "exemplified.

Francisco Gomes Neto confirmed that Marcopolo has a good order backlog for the first quarter of the year, which has not happened in recent years. He believes that all semester will behave positively. The second, because of the elections, is still unknown. Still high estimates of 10% to 15% in 2018. Mantovani, from Keko Accessories, does not believe in further advances of 20%, as the company had in previous years. Sustainable designs high, around 3% to 4%.

Luciano Beltrame, Eaton plant director of Caxias do Sul, noted that the company is in the city for 12 years after having acquired the operation of the Pigozzi Cipolla, specializing in serving the agricultural sector. He pointed out that the unit is receiving the company's attention to even expand their market niches. "In addition to competition with the market, it also fought over projects with other units of the group," he said. In an area of 40 000 m² built, the plant produces transmissions and components for agricultural tractors, combines and sprayers. WE

CNI: industry will pull economic growth in 2018.

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The Brazilian economy seems to have left behind the recession, concluded the Conjectural Information, released on Thursday, 14th, the CNI, National Confederation of Industry. According to the study the Brazilian economy will grow 1.1% this year and the industry will have expanded by 0.2%. The expectation is that 2018 will be slightly better, with GDP growth of 2.6% and 3% industrial GDP.

The automotive industry plays a key role in the recovery: Anfavea forecast for this year is up 25% in production compared to last year, and Sindipeças also has positive expectations, with growth of 22%.

Ford Trucks said in a statement issued on Thursday, 14th who will review the production planning, for larger volumes: he expects a market growth in the first quarter of 2018. The projection is to increase by more than 45% the volume trucks mounted compared to the last trimester of this year.

Carlos Gasquez, national sales manager for Ford Trucks, said "since October the industry returned to the sales level of 5000 trucks per month and should close the fourth quarter with a growth of 35% over the same period last year. So is expected to close in 2017 at the same level of last year and return to growth in 2018, which led us to resize the production program. "

Robson Braga de Andrade, president of CNI, said, "it is essential to create the conditions for the reactivation of private investment, which requires the deepening of structural reforms aimed at improving the business environment and the competitiveness of enterprises."

According to the survey of CNI investment item will close 2017 with a decrease of 2.1%, the fourth consecutive annual decline. For 2018 the projection is to increase by 4%. But in order for the item household consumption to grow 1.3% this year, driven mainly by the fall in inflation, which apparently protected income. For 2018 the projection is that consumption to grow 2.8%.

The Conjectural Information CNI estimates that, in the short term, "the pace of growth of the economy will be moderate: there will be a gradual improvement in the employment and income growth in a low inflation scenario and reduced interest."

Ten years after the global crisis - The study also makes assessment of the performance of Brazil after the financial crisis that erupted with the collapse of the US subprime mortgage system in July 2007. According to the report Brazil even went ahead in the quest for economic rehabilitation but lacked fuel to sustain the pace of acceleration: "With that the country ended up growing less than the world average."

According to the IMF, International Monetary Fund, from 2010 to 2016, after the most acute moment of the crisis, world GDP grew by 3.8% per year on average. In the same period the developed countries grew 1.9% per year and developing 5.4% per year. The average growth in Brazil was 1.4% per year. In recent years, including the IMF forecasts for 2017 and 2018, the picture is even worse: from 2014 to 2018 the world economy is expected to grow 3.5% per year while Brazil shows the average drop of 0.9% per year. Thus the country will be in the 183 places in the ranking of 190 economies assessed by the IMF.

In the evaluation from CNI Brazil lost the race for the bet because of growth in consumption to stimulate the economy without encouraging increased productivity and competitiveness: "A few years after the crisis it was already possible to see signs of maladjustment in this model. Inflation gravitated above the target ceiling, the twin deficits, negative balance in the external accounts and negative nominal balance in the public accounts, growing, investment was dwindling and the industry could not lead the growth. " WE

Brazil wants to strengthen trade

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Brazil took another ministerial conference of the World Trade Organization to strengthen its trade relationship with Australia, Ecuador, Spain, India, Mexico and the UK, with meetings organized by the Minister of Industry, Trade and Services in Buenos Aires, Argentina, on Wednesday, 13th.

New trade agreements can contribute to vehicle exports. This is the case, for example, in Australia, which has, more local production. During the talks with the Minister of Trade and Investment of Australia, which was also attended by the Minister of Foreign Affairs, aimed to strengthen the dialogue to expand trade and facilitate contributions.

The report of Autodata asked the ministry about the possibility of vehicle sales to Australia, but the ministry did not confirm the information until the publication of this report. But the Australian minister said that "we understand that there are many opportunities in Mercosul", demonstrating that there is an interest in advancing the negotiations, according to the MDIC.

With the UK conversations were made with the Minister of Commerce, who agreed on the need to direct efforts to facilitate the expansion of trade. The conversation with the secretary of Spain's trade, was around the Mercosul agreement with the European Union, with the Brazilian minister noting that many efforts are being made to improve the supply to the EU, making it clear that now depends on the Europeans to have the agreement signed in 2018.

With the representative of Ecuador the Brazilian minister coordinated discussions concerning barriers to trade, questioning the position on measures taken against exports of over one hundred domestic products. The Ecuadorian Minister of Foreign Trade pondered the import of some products from his country, such as shrimp and bananas. Both sides pledged to internally evaluate the issues discussed. WE

Rota 2030: 15 days to the end of the year and many uncertainties

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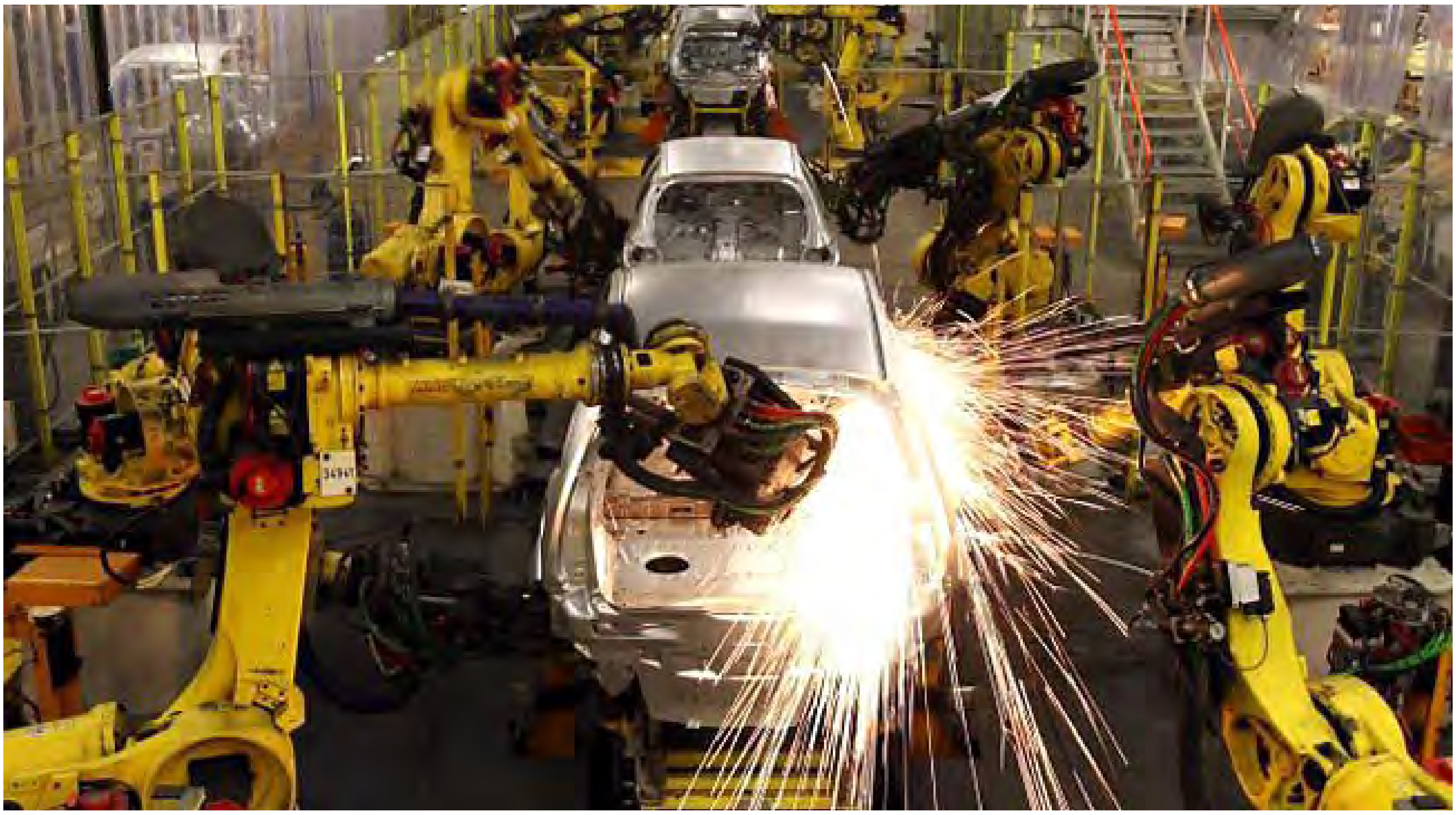

AD

15 days prior to the end of the year and also the end of Innovar-Auto, with a backdrop of uncertainty surrounding the automotive sector, one does not know if we will have Route 2030 in effect by January 1st, as it was spoken over year. If the program is not approved this year, the automotive industry will return to work as it was in 2012, without taxation for imported and no incentives for companies that invest in their factories and research and development centers in Brazil.

Within many uncertainties there are those who ensure that the Rota 2030 will be approved by December 31st, the case of Antonio Megale, president of Anfavea, who closely followed much of the meeting to discuss the program: “There is no reason to panic. I am convinced that a new regulatory framework for the sector will come out. The president himself assured us that”, the executive said during the ceremony of Autodata Award. Megale also made similar statements in last collective interview at Anfavea on 6th.

The AEA, Automotive Engineering Association, was invited to be the technical support arm to Rota 2030 and does not usually give an opinion on issues that are not technical, but accompanies the status of approval of the program closely, and sources close to the association, also say the conversations taking place in Brasilia indicate that Rota 2030 will be approved this year, even if as an interim measure as regulatory framework.

The other side - On the side of those who believe that the approval of Rota 2030 will be for next year are importers, and Abeifa, association representing importers, has stated that it is prepared to work without worrying about the extra IPI fees from the 1st of January next year, showing little concern for a possible approval of the program by the end of this year.

The director of one of the companies associated with Abeifa ensures that the program will not come this year because the Ministry of Finance gave a deadline the 10th of December to Rota 2030 be ready to be approved by the Treasury, which did not happen and, therefore, would be for 2018.

For Dan Ioschpe, president of Sindipeças, the approval by the end of the year is not the most important: “The good thing is to do something well done, regardless of the time.” In the executive’s vision, the ideal would be tax credits for those who invest in R & D, without excluding auto parts companies such incentives, which in his view is not correct. WE

Automotive sector will grow double digits in 2018

Gilmara Santos | gilmara@autodata.com.br

The Brazilian automotive market will again grow two-digits next year. This evaluation is by Fabio Braga, director of operations of the expert advice research on the industrial sector, JD Power of Brazil: "We have reached rock bottom in 2016, with a significant drop in production and sales. This year we initiate the resumption of the recovery and must grow from 9% to 10%. It is expected that next year we will have growth above 10%. "

The projection of the firm meets the forecasts made by the automotive industry itself. In the statement released last week, showed that Anfavea vehicle production was up 27.1% from January to November compared to the same period last year, with 2 million 486 thousand units coming off the production lines - against 1 million 956 thousand in the same period 2016.

The growth in sales in the eleven months of this year exceeded projections of the entity. The daily average of 6 thousand 680 units recorded in January led the industry to project growth of 4% by the end of the year. With the improvement of some economic indicators, such as lower interest rates and increased consumer confidence, the average was increasing and the entity revised its projection to 7.3%, which was seen as positive for a pit after-year background. But from August on the performance took sales to exceed 200,000 units monthly, and the industry, with a month of sales still ahead, admits that 2017 sales will exceed the 2.2 million units envisioned.

To Fabio Braga, the SUV segment will continue to be the apple of the eyes of the industry, as happened this year, with models representing 22% of vehicle sales compared to 18% last year, according to the Fenabrave. "This is a segment that has been increasingly competitive."

Small compact models, which represent about 27% of the market and remained stable compared to last year, are expected to continue with a good sales volume. "Small compact will continue with a good volume, probably leading, but with lower participation." WE

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