

AUTODATA



From the Top
Antonio Filosa,
FCA

TOYOTA YARIS

THE YOUNGEST SON IS THE MIDDLE ONE



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Respect for the reader is not negotiable

Marcos Rozen, Editor

In this section we said more than once that the reader is our number one priority, and to prove that we are not paying lip service we sometimes reveal some things behind the scenes of our work. Now, this is the case again.

When we request interviews with executives of companies in the automotive sector to produce our news reports, sometimes, as an exception, there is as a request by the respective communication department to have them done by e-mail, instead of a face-to-face or telephone conversation when it is not possible for the source to attend our request on the available time.

This exception, however, eventually ended up as a rule. In many cases, even the executives themselves did not even know that they were searched by us: in a lazy office routine, many press offices began to impose interviews only by e-mail, which they themselves answered naively believing that, this way, would have greater control over the responses and, therefore, about what would be published. In this way they have usurped their executives' right of opinion.

As an internal formula they started replacing the understandings of their spirited professionals with ready-made statements, usually shallow, insipid and pasteurized, such as "we create solutions that fully attend the needs of our customers with all quality and technology", which can be used to define from an automotive manufacturer to a factory of homemade ice cream sold in a beach cart.

This, of course, ended up undermining the quality of our texts and, consequently, the information we passed on to readers. And in this month lived in an absolutely unusual situation: a press office had the audacity of changing deliberately the questions we had formulated so that the answers would fit better with those they intended to convey.

Faced with such a situation, and in total respect to the reader, AutoData has decided that our editorial staff will no longer accept interviews by e-mail with our journalists: only by phone or in person. We are sure that this way will better fulfill our mission of not only informing but also providing and presenting contents that guide important discussions and decisions on the issues that afflict the national automotive sector.

Is it interesting to whom, after all, to suppress what our executives think?



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AUTOLATINA IS JUST A MEMORY

After Ford and Volkswagen, through their headquarters, disclose the agreement of intentions regarding future potential collaboration of their commercial vehicle areas so that past experience, Autolatina, exercised in Brazil and Argentina, would come back to people's minds - the experience and the results, of course. What matters, however, is that the world is different from that of the mid-1980s. The companies, for example, do not declare themselves pretending a society, as was the case of Autolatina, this is why the purchase or exchange of shares would not have any sense. Neither would delimit geography - or where things will happen - for the present case of this agreement of intentions.



Disclosure/VW

AUTOLATINA IS JUST A MEMORY 2

From everything I heard after the dissolution of Autolatina none of the companies felt exactly harmed by that association: they felt satisfied by the results and, equally, by its end. Ford had its balance sheet reinforced, Volkswagen had the engine factory of São Carlos, which was made rapidly, and the plant of trucks and buses of Resende, RJ, project concluded somewhat reluctantly due to autocratic initial decision of Iniaki Lopez on board of a nice romance - are, today, two successful projects.

AUTOLATINA IS JUST A MEMORY 3

Getting upset by the creation of Autolatina, as these nine years were running, executives and young executives of both companies, who already had a certain future and a certain perspective in sight and that were stirred in the most diverse ways, as are the facts generated by unexpected events. Some left the company, others had their career cluttered. But who felt, for real, the end of Autolatina was the Volkswagen Dealers: because of the investments in Resende and in São Carlos the portfolio was stuck and that new so desired vehicle took more than two years to emerge...

DISTINCT REFERENCES

During the AutoData Review of Perspectives Seminar, a conversation with an automaker director with one of his dealers was caught in the act. After greetings, the dealer recognizes that he does not understand the reactions to the reality of the economy and politics in Brazil: the movement in his store in Jardins (a noble area) lost, in two months, 40% of movement, and his East Zone store (poor region) had only lost 5%.

DISTINCT REFERENCES 2

The dealer credited the different situations to the quality of information of both publics. In the Jardins, afraid of the future ahead, took some kind of consumption out of their necessity basket. And the customers of the East Zone of the city, less informed in theory, would not feel their job at risk and, consequently, maintained their plans for purchasing a 0 KM car.

DISTINCT REFERENCES 3

Probably the heart of the question is the interpretation of the information released by several means in our day to day. The increase of dollar, for example, stops sales in Jardins and does not say much thing to the residents of the East Zone neighborhoods, presidential race so far without perspectives embarrasses car sales in Jardins but still does not sensitize the future of the customer of the East Zone.

MODERNITIES

"Oh!!!! The company now has compliance policies", he told me, very enthusiastic, a high-level executive. "It is clear now to everyone how far we can go and with what tools. Everyone knows how to behave in the face of circumstances that eventually emerge." Many levels of management of this company dedicated themselves to the compliance issue for more than a year and another point of politically correct has been conquered. A few years later the news emerge: fraud-smelling attitudes, cluttered sales, questionable quality, illegal evidences regarding payments to dealers, crisis in internal relations, fight for power, super-salaries, infernal competition for promotions, results at any cost. The last one: the crisis that already separated supervisors, managers and directors gets to the shop floor.

MODERNITIES 2

But... what about the compliance, which foresaw ready-made answers to all the questions? Oh, well. What should have been the attitude from internal regulations chosen by the company itself couldn't make it a better place. I tried to understand the descending process, and I was not surprised to realize the strength of the relation of human factor with power: compliance was worth to many down there and nothing to the big guys above. In other words, these policies, when are not respected by a company as a whole, are an excellent recipe for the disaster - and seriously endanger the result.



By Vicente Alessi, filho

Suggestions, criticisms, comments, offenses and the like for this column can be directed to the email vi@autodata.com.br

Coming for everything

The 44-year-old Neapolitan Antonio Filosa has recently assumed the presidency of Fiat Chrysler Automobiles, or simply FCA, for Latin America, succeeding Stefan Ketter - with whom he worked directly in the conception and construction of the factory in Goiana, PE. And coming for everything, expression that he used during exclusive interview by AutoData granted in the presidency wing, in Betim, MG, where he will be based.

Antonio, as he prefers to be called, is a true *alfisti* - which configures as an excellent attribute. In

addition to that, he graduated in engineering from the Polytechnic Institute of Milan and management from Dom Cabral Foundation, of Minas Gerais. He arrived at Fiat Group in 1999 and accumulates works in units of the company in Spain, the United States, Italy, Argentina and, of course, Brazil.

In Betim he was a manager of internal logistics, strategic planning and purchasing, besides being an assistant director of manufacturing. He became director of purchases for Latin America and general director of FCA Argentina.

He represented, as the region's

main executive, Latin America at FCA Capital Markets Day, sitting in the first row of executives who watched the FCA's strategic plan release for the next five years by Sergio Marchionne himself (see on page 44).

In this interview he details the actions for the region within this universe, which represents an investment of R\$ 14 billion - considering the premises that the expected Rota 2030 will bring to the industry at some moment. In the eventual change of these premises there will be revaluation for validation of this investment, he assured.

Stefan Ketter, when he was the leader of FCA Latin America, preferred to be based in São Paulo, Capital, while you chose Betim. Is there any specific reason for this?

Since its transformation, in 2009, with the fusion of the operations, FCA's entire strategy has gone from single-brand to multi-brand, from mono-production to multi-production, such as Goiana, in Pernambuco, which is perhaps the best FCA factory globally speaking. To make this strategy happen, commercially, we strengthened the regional offices and clearly São Paulo is important, it represents the largest market in Brazil for SUVs and needs a greater presence as the Jeep headquarters. But when we talk about FCA in Latin America the headquarters is and has always been Betim. I travel a lot, to São

Paulo, Pernambuco, Argentina, but the headquarters is here, in Betim.

Tell us what your main mission will be in the position...

Ketter has transformed the company into multi-brand, in FCA. Today we are clearly FCA, our DNA has transformed. My mission will be to continue this process starting from a very strong industrial base, very rooted, with unique values that the brands have and from there to develop business plans that strengthen our presence and the leadership of the results in the region. In Brazil the process is already established and needs to be developed, in Argentina it started a little later and now it needs to be accelerated, and in March we opened a regional office for the rest of Latin America, which encompasses





“We did not get a check, but a business plan that is based on some premises. If the premises change the business plan changes as well.”

fifteen markets. The largest are Chile, Peru and Colombia but there are several others, with very different requirements and very distinct and characteristic customers, even smaller, where we will go with the FCA philosophy. We will continue to be multi-brand, perhaps even a little bit more, we will continue to be multi-production, and we have a long way to go to develop within this philosophy.

And in this concept, what results will you be demanded by the headquarters?

The main objective is to develop a business that is guided by leadership of results. This means to generate value for all parties: final customer, with products having the highest quality possible, which in our conception is a basic feature, and surprising from a technological and competitive point of view. For the shareholders, with profitability, putting into practice a business plan that allows Jeep to consolidate in the SUVs in Latin America and to Fiat start entering segments of greater profitability and fast growth, as the commercial vehicles. For suppliers and dealers, integrating a business environment in which everyone can expand in a sustainable way. And for our people, our employees, giving stability and qualification growth, possibility to explore research and development, continuous integration. This is the FCA mission for the next years.

And in numbers what will it mean?

We have bases to project a two-digit margin in five years. In Latin America the margin will be relatively close to North America, even with lower volume.

How much of the global investment will stay in Brazil?

Of the € 45 billion in the next five years in the world, Latin America will have R\$ 14 billion. But this will depend on the finalization of the good convergen-



ce environment with the federal and state governments that we are having. With this done, we have the ambition to bring innovative vehicles to Fiat and Jeep and even think of something more. For Fiat innovation will be in terms of new vehicles, with three new commercial models, a deep range renovation, rationalization of the productive chain in Betim, growing in production volume up to 650 thousand units/year in 2022, attracting suppliers for technological innovations. In Pernambuco we must expand capacity: if federal and regional convergence of economic and political environment occurs, we plan to increase capacity up to 350 thousand a year, consolidating our presence in SUVs. For this we will need more suppliers installed in Goiana, and we are already talking with some about this.

Why do you need to take new suppliers to Pernambuco?

There is no industry like ours, very intense in terms of investment, which is not based on location. If you do not produce locally you invest in factory capacity and still spend money on logistics inefficiencies. We must have local production. When you come to a place you have to come for everything, as the Brazilians say. In other words: come with the full package, with everything, skilled labor, technology, resources, innovation and suppliers. There is no local production in this industry: without this, it is equivalent to spending money twice.

What is the location rate of FCA factories in Brazil today?

70% in Pernambuco and 95% in Betim.

And how many suppliers are installed in the factory?

In Pernambuco we have seventeen suppliers installed in the complex, which account for half of these 70%. The ideal, of course, is to reach 100%, but it is not

always possible. But it is possible to get close to that.

What are your market projections?

For this year 2 million 480 thousand cars and light commercial vehicles. In 2022 it will reach 3 million, always with a faster growth in SUVs, which will reach more than 15% share in Latin America. That is why we will need more capacity in Goiana, since we are already operating at maximum.

“There is no industry like ours, very intense in terms of investment, which is not based on location. Otherwise you invest in factory capacity and still spend money on logistics inefficiencies.”

In your opinion will Rota 2030 be released this year?

Rota 2030 represents exactly one of those good convergence conversations we participated in and one of the investment premises. We designed this investment based ourselves exactly on these assumptions. We are close to them, and not only those of Rota 2030. When the premises are completely fulfilled we will implement this investment. I am optimistic and I believe that the premises will not change. If they change, we will need to understand what kind of impact it will have, and we have not done anything in this direction yet. I am sure that the vision of governments and companies is towards industrial development and, optimistically, I believe that we will realize this investment in

technology, innovation, products and capacity. I think we're close, getting closer and closer.

But, then: no Rota 2030, no investment?

We did not get a signed check with the value of the investment but a business plan that based on these assumptions. If the premises are changed the business plan changes as well.

Within the FCA's plan how many launches are expected?

Twenty-five, in Brazil and Latin America. Some with local production and others imported. Some will be completely brand new products, from scratch, and some completely renovated that will keep their names, such as Mobi. We will have a new Mobi. The vehicles will be heavily renewed.

What about Argentina?

There was a very strong devaluation of the peso, which generated strong exchange rate instability and led to a negotiation with the IMF. Argentina has a political leadership very oriented to marketing, headed by the president Mauricio Macri, who has good global credibility for his entrepreneurial past, is a politician of important business visions. This allowed Argentina access to US\$ 50 billion in credit, eleven times the amount the country would have been allowed in the IMF. It is a historical negotiation. We believe that this fact, combined with a new set of political and economic interventions, will help restore the stability that the country has lost in the last six months. As an immediate impact we reduced our projections: in October of last year we believed in a domestic market of 950 thousand units and now we see something from 850 thousand to 900 thousand units. A good part of these 100 thousand lost vehicles would come from Brazil, and therefore an impact should occur here as well.

“In Argentina we estimated a domestic market of 950 thousand units and now we see something from 850 thousand to 900 thousand. Part of these 100 thousand lost vehicles would come from Brazil.”



Will these 100 thousand units be recovered in 2019?

In the emerging markets the reactions are always stronger, positive and negative as well. I understand that in 24 months you can think of a recovery, but it will depend on what will happen there for the next three to six months.

Fiat was the market leader in Brazil for ten years. When do you estimate this recovery, without Jeep?

We are leaders as FCA, this was a planned and built objective. Fiat is the brand that had the best growth in retail from March. If we only consider Fiat in 2020 we can take the lead again. Our goal is to make FCA the regional market leader, not only in Brazil. In Argentina, this year, we are already in the Top 3 and closed last year very close to it. In the other Latin American countries FCA is gaining market share, we are close to 3% and we have the ambition to grow throughout the year.

A profile change is evident regarding the Fiat brand in Brazil. Will it remain or Fiat will go back to compete harder in the entry segment?

Some Fiat's precepts will never change, such as the Italian style design, the audacity, the innovation. We will not leave the entry range of the market, but we will advance more in other segments of the market.

What is your expectation about the future, especially because of the presidential election in October?

I hope that the Brazilian political leadership understands that a country in search for evolution and development must pay attention to the markets, the industry, and we are open so it happens. The Brazilian has guts, motivation, always stands out in global teams, competence. A policy directed to the market can help boost these improvements. ■

THE YOUNGEST SON IS THE MIDDLE ONE

The Yaris mission: customers who leave Etios but still cannot afford a Corolla

Nothing less than two decades after being seen for the first time, at a Geneva Motor Show, Yaris finally appeared in the national market as a vehicle produced in Brazil. So much time has passed that the model now is no longer an entry-level vehicle: it has grown and gained premium compact hatch and sedan status in the same line of Polo, Virtus, Argo and Cronos, just to mention the latest models in this market range.

Produced in the same factory built in Sorocaba, SP, to manufacture Etios, now the Toyota entry model, Yaris inherited many benefits from its younger brother, reveals Celso Simomura, vice president of purchasing: "Around 70% of the suppliers of the Yaris are the same for Etios".

Toyota invested R\$ 1 billion to produce the model in Brazil. Yaris reaches the market with 75% of national content already, divided by 72 suppliers, six of them have never worked with Toyota before. Two of them were installed inside the supplier's plant, located a few kilometers from the



Sorocaba factory: they are NAL do Brasil, responsible for the LEDs of the most equipped versions of the model, and Hilex, which produces transmission cables.

The proximity of the factory was another point well thought by the automaker when selecting the suppliers - and this concern was still justified with the recent truckers' strike, which interrupted the production of the entire Brazilian automotive industry at the end of May.

According to Simomura, 63 of the 72 suppliers of Yaris are in the State of São Paulo - there are five more in Minas Gerais, three in Paraná and one in Rio Grande do Sul: "From 70% to 80% of the auto parts volume comes from the supplier park in Sorocaba."

Toyota plans to produce 78.6 thousand Yaris per year, distributed in 46.2 thousand hatches and 32.4 thousand sedans.

All content will be directed to the domestic market because, at first, there is no plan for exports. Toyota believes that Brazilians will demand all the production,



Twenty years later...

The year was 1998 and walking through the aisles of the Geneva Motor Show, today the AutoData publisher, Márcio Stéfani found something curious: in one corner of the Toyota's booths was exposed, without any fanfare, a 1.0 engine compact model. There it was a car named Yaris which the engine intended to meet the profile of the Brazilian market - but the model would be launched firstly in Japan, a company common practice.

About a year later the phone rings at AutoData newsroom: A US consultant from Toyota was looking for more information about the local market to prepare the launch of Yaris here. Personally attended, he heard that the compact maybe would not make sense to our market at that moment by decreases as a reflection of the international crisis of Asia and Russia, which caused a strong devaluation of our currency.

It was clear that continuing with Corolla, manufactured in Indaiatuba since the end of that year, sounded more logical.

Coincidence or not Yaris comes to Brazil only now, twenty years later. An important detail: that consultant subscribed to AutoData and followed as a faithful reader for more than a decade.

Christian Castanho



Disclosure/Toyota

Map of the suppliers



The Brazilian Yaris is already born with a nationalization index of 75%, thanks to its relative, Etios. But six of the suppliers are new in Toyota.



even with the opening of the third shift in Sorocaba, which now has the capacity to deliver 160 thousand vehicles a year.

INTERMEDIATE MODEL

Although Yaris is the youngest, the model can be considered a sort of middle child in Toyota's portfolio. This profile is absolutely clear on the price list: Yaris will fill exactly the gap that goes from the most complete Etios to the simpler Corolla.

Little by little Toyota prepared the market for this strategy. At the launch of the new Corolla models the most basic versions disappeared. After the launch of Yaris it was time to the top versions of Etios leave the catalog.

So, now Etios hatch goes from R\$ 48,4 thousand, in its manual version X, up to R\$ 60 thousand in the X Plus automatic. The Yaris hatch XL manual, entry version of the middle child, costs R\$59,6 thousand and the most complete version, automatic XLS, R\$ 77,6 thousand.

Regarding the sedan models, Etios' prices are from R\$ 53,2 thousand to R\$ 62,8 thousand. Yaris, from R\$ 64 thousand to R\$ 80 thousand. Corolla, from R\$ 90 thousand.

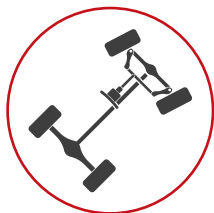
In the accounts of Toyota, the A [sub-compact] and B [compact] market segments represent 62% of the sales in Brazil. By dividing this slice of pizza, hatches and sedans B account for the largest share of 44% of the registrations. Models A like Mobi and Up! have 10% of the market and the remaining 8% are derivatives with hybrid features, such as the recently launched Ka Freestyle.

The most important Toyota launch in 2018 was positioned on the top shelf of the compact models. Maurílio Pacheco da Silva Neto, product manager, divided this large and competitive market share into two categories: B core and B premium.

And for the company's accounts premium B-models registered a 47% increase in sales from January to April, adding 131.7 thousand units: "We will seek customer's

The 72 suppliers of Yaris

Chassis



Allevard
Bosch
Bosch Brakes
Bridgestone
Cooper
Dunlop
Fagor
Faurecia
Hutchinson
GKN
Jtekt
Mangels
Maxion
Metagal
NSK
Pirelli
Rassini
Stabilus
Sumiriko
Tenneco
Trelleborg
ZF Lemforder

Interior



Boshoku
Component
Eldorado
Formtap
Iber Olef
Intertrim
JSP
Mueller
Pecval
Sanko
Takata
Toyota Gosei
TRBR
Triospuma

Stamped



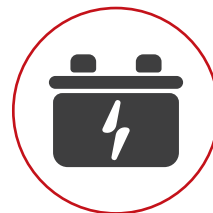
Aisin
Barossi
Bosal
Brose
Budai
Gestamp
GKT do Brasil
Johnson Matthey
Kanjiko
Scorpions

Body



3M
ABC Group
AGC
Autoneum
Brady
Henkel
Hilex
Honda Lock
ITW
Kautex
Nitto Denko
Olsa
Pilkington
U-shin

Electric



Casco
Continental
Denso
Enertec
Fujitsu
Inergy
NAL
Sanoh
Stanley
Sumidenso
Valeo
Yazaki

retention from the upper Etios range and those who were not able to purchase an entry-level Corolla"

Yaris comes with two engine options, both VVTi: 1.3 and 1.5 liter, flex. They have the same engines of Etios with some added improvements, such as new exhaust system and re-calibration. Final result was 3 hp more in both cases - 101 hp in the 1.3 model and 110 hp in the 1.5.

The automaker's goal is to market 6 thousand units per month. The customers have ten options on the catalog; five hatch and five sedans. Aside from the XL, entry-model, they all bring imported CVT

transmission. And only the hatch version has a 1.3 liter engine, in the XL versions, manual and CVT transmissions.

For Silva Neto the best-selling version will be the XL Plus Tech - R\$ 69,6 thousand hatch, R\$ 74 thousand sedan. The model has multimedia system with AM/FM radio with MP3, USB and Bluetooth input and Toyota Play - system that transmit smartphone applications in touch screen. The entry version already offers electric steering, air conditioning, on-board computer, commands on the steer, stability control, start-ramp assistant, electric windows, door locks and external mirrors. ■

FORESEEING EVEN THE CENTRAL BANK



Photos: Christian Castanho

Speakers of the AutoData Seminar Revision of the Perspectives 2018 brought forward the scenario that culminated in the reduction of GDP projection by the CB two days after the event

The audience at the AutoData Seminar Revision of the Perspectives 2018, held at the WTC São Paulo, last Monday of June, was not surprised when, two days after the event, the Central Bank revealed new and less optimistic projections for the GDP: the inflation quarterly report estimates a 1.6% increase for the Brazilian economy this year, against 2.6% predicted in the same report released in March.

Neither was the Brazilian Economic Outlook, revealed on the same day by IPEA, the Institute of Applied Economic Research, pointing to an estimate of 1.7%

for the same GDP instead of the 3% of the end of the first trimester.

There was no surprise for the participants precisely because these indexes converged with the understanding of several participants of the event promoted by AutoData. Others, however, work with more optimistic perspectives, particularly in commercial vehicles – the concerns here, on the other hand, also exist but are distinct, such as the reaction speed of the supply chain.

Check out some of the main statements from the speakers.



“There will be downward revision of about 5% in our exports projections because of the situation in Argentina and Mexico. The domestic market probably won’t be lower than the 11.7% projected at the beginning of the year: if there is a change, it will be around 13%. So, production is expected to remain relatively stable, perhaps with growth slightly lower than the projected in January, of 13.2%.”

Antonio Megale, president of Anfavea



“We had to redo our projections after the truck drivers’ strike because dealers reported around 20% lower movement in stores. Customers’ trust has dropped and, from now on, they will wait to make purchasing decisions. Our growth forecast for sales was reduced from 4% to 5%. I believe that the market will be at 2 million 450 thousand units.”

Marco Silva, president of Nissan



“Not that the retail is bad, but the direct sales surprised everyone by the fastest rhythm. Rental companies are creating new model lines, incorporating vehicles from other ranges, such as SUVs.”

Gustavo Schmidt,
sales vice-president of Volkswagen

“The volumes of sales and exports have grown above expectations and this is something to follow closely so that nothing escapes our possibilities. The important is to have a structured operation.”

Ricardo Bastos,
director of Toyota

“We still live a moment of uncertainties, but before any prognosis we need to focus on larger volumes as we work with the sales of higher value vehicles.”

Mauro Correia,
president of Caoa Manufacturer



“Our production will increase 40% compared to 2017, and 68% of the total volume will be exported. We have just inaugurated an export line at the São Bernardo do Campo factory, an investment of R\$ 15 million. It functions as a sequenced, streamlined, full production line, but produces, instead of ready-made trucks and buses, our kits for exportation.”

Christopher Podgorski, president and CEO of Scania Latin America



“The confidence index of the industry has decreased a lot in the last month, regarding the customer and the industrial production as well: we have even noticed, moreover, some companies receiving smaller orders than those that arrived before the truck drivers’ strike.”

George Rugitsky,
counselor of Sindipecas

“It will be necessary to evaluate how we can absorb this new cost related to the return of payroll tributes.”

Amaury Rossi,
business director of Eaton

“The return of payroll tributes will have impact in our costs. We will need to adapt to this new reality to follow the resumption of the automotive sector. This government decision shows their lack of experience in negotiations during a strike.”

Osias Galantine,
commercial director of Aethra

We are **TOP 3** in **AutoData** Ranking of Quality and Partnership

This award is the result of **Continental's** commitment and strict partnerships with our employees, suppliers, partners and customers. They are the ones who make **Continental** a reference in the automotive industry.

We are very proud of being among the three best companies in **AutoData Ranking** of Quality and Partnership.



Alexandre Refosco, from Quality Team



“In some sub-segments, such as the extra-heavy, sales have increased more than 100%. But this is not a totally optimistic view: we are, actually, on a low level.”

Ricardo Alouche, vice president of sales, marketing and aftermarket of MAN Latin America



“We could have grown even more. We cannot accept more orders because the supply chain does not follow the rhythm.”

Alcides Cavalcanti, truck sales manager of Volvo



“We lost production during the truck drivers’ strike which we will not be able to recover. It’s time to invest in people.”

João Pimentel, director of truck operations of Ford



“The rock bottom was in the beginning of last year. Now the market is gradually recovering.”

Walter Barbosa, director of bus sales and marketing at Mercedes-Benz



“We must be careful until the end of the year because of the upcoming elections. Anyway, I do not believe that it would disrupt sales: the market must grow 30% or even a little more.”

Marco Borba, vice president of sales and marketing at Iveco



“We expect new investments to resume growth because the expansion in the first semester was due to public bidding. We have grown, but the basis of comparison is weak.”

Roberto Marques,
sales director of John Deere



“With the modernization of rural producers, the demand for more modern machinery, which work more efficiently, must increase in Brazil. And we already have the technologies available.”

Roque Reis,
commercial director of CNHi



“Sales of agricultural machinery are expected to grow around 5%, boosted by a harvest that, even large, probably will not exceed last year’s record.”

Alexandre Vinicius de Assis,
commercial director of
AGCO



“Our construction machinery sales increased 40% in the first half, but the second is expected to be slightly less heated, resulting in a 30% increase.”

Luiz Marcelo Daniel,
president of Volvo CE



“Production is currently focused on the foreign market, especially Latin America. Once the resumption in the sector consolidates we imagine greater demand in the domestic market, but not in the second half yet.”

Amauri Parizoto,
sales and marketing director of FPT

“Growth until May was due to last year’s low base, and will not be maintained until December because the second semester of last year was better.”

Luís Pasquotto,
president of Cummins

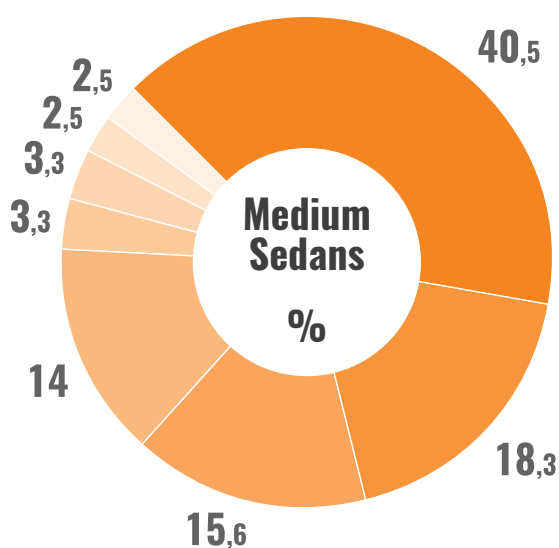
“We had to adapt to the reality of the market taking opportunities in the aftermarket because truck sales are still recovering. We see the second semester carefully in terms of sales.”

José Eduardo Luzzi,
president of MWM

THE BRAZILIAN, THIS SEMI-CONSERVATIVE CUSTOMER

The behavior of a 0 KM customer is still traditional, which helps to explain why some models sell so well and others so poorly despite similar features

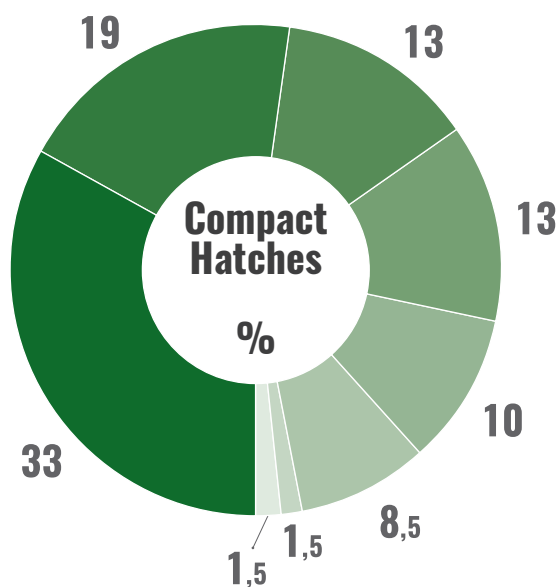
Two examples of disparity in sales in the Brazilian market



Corolla	24 267
Civic	10 976
Others	9 357
Cruze	8 361
Jetta	1 977
Focus Sedan	1 971
Sentra	1 527
C4 Lounge	1 515

It is impossible not to notice: analyzing the Brazilian sales ranking by model, it is clear that some models have absolutely divergent performances from their competitors, whether up and down, despite technical and market characteristics strictly similar between the models.

A good example is Corolla. Until May, according to Renavam figures provided to Fenabrave, Toyota had no less than 40.5% of the medium sedan segment, one of the most competitive segments of the market. With that, the car practically ignored at least half a dozen competitors with ex-



Onix	73 403
HB20	42 128
Others	29 472
Polo	29 165
Argo	22 499
Sandero	18 955
208	3 465
C3	3 173

cellent predicates, such as Civic, which had to be satisfied with 18.3% of sales of this segment, and Cruze, 14%. And models such as Jetta, Focus Sedan, Sentra and C4 Lounge registered minimum shares, at 3% market share.

Another positive highlight is Onix, which simply dominates one-third of the extremely disputed range of compact hatches, making other models such as HB20, Sandero and even the new Polo and Argo fight for the remaining two-thirds. Fiesta and March have rates close to 3% and the brothers 208 and C3 half of it, each.

According to market specialists it is not just a specific characteristic of the local buyer that creates this scenario, but a group of characteristics.

ALWAYS THE SAME

For Roger Armellini, current sales and service manager and former marketing manager at Toyota, the average Brazilian standard for the purchase of a 0 KM model can be considered conservative. For one simple reason: "The customer here is not mature in terms of cars per capita, the customer is conservative. This happens a bit because the person who buys a new car is essentially that one who always buys, there is not much new people entering the market".

Antônio Jorge, coordinator of the MBA Automotive of FGV (Getúlio Vargas Foundation), agrees with this vision: "In general, the Brazilian buyer is a traditionalist, prefers safety".

Rafael Davoli, general director of the group that brings his last name and that for sixty years has dealerships in the Vale do Paraíba and North Coast region of São Paulo, sees it in a different way: "The buyers may be conservative, but at the same time they let themselves be seduced for novelties. The Renegade and Compass Jeeps and Hyundai Creta are good examples of this".

Gallo Cristiano, manager market research & value proposition of FCA for Latin

America, goes in the same direction: "The Brazilian customers have shown themselves much more open. We can say, for example, the success of the delivery apps. This way we observe that the attitude is changing and, yes, the customer has been becoming gradually less conservative".

Amos Lee Harris Jr, a consultant at UniAuto, Automotive University, and author of books about vehicles market, such as *Automóvel: Quer Vender?* (Automobiles: Do you want to sell?), coincidentally nowadays he lives in the same region of Davoli, in Vale do Paraíba. And he points out another characteristic of the national customer that helps explain a certain traditionalist profile:

"Here in the region if the person has to pay tolls to go to the dealership, this person will not go. Crossing the border to Rio de Janeiro, then, no way. This way, the brands that have more dealerships, like the big ones, end up doing better."

Another point that experts show is that the customer here is still very concerned about the resale value. And this ends up by creating a spiral that, when it is strong, is very difficult to be broken: the car that sells a lot sells even more because popularity gives it greater ease in reselling and, therefore, better profitability.

SYMBIOSIS
Believe it: Hilux helps Toyota sell more Corolla. On the other hand the Civic does not have a pickup truck to serve as a friend



Disclosure/Toyota



Disclosure/GM

THAT'S HOW IT WORKS
 The Chevrolet Onix is the perfect example of a car that the more it sells, the more it sells

And in the meantime, what sells little sells even less because resale tends to be more difficult and, therefore, lower value.

And at this point one of the successes of Corolla, according to Armellini, begins to be explained: "We seek to preserve this item and not to exceed limits of direct sales or to the fleet owners. This keeps the brand's value".

Davoli adds more pepper to the sauce: "Apart from the resale value, it weighs heavily on insurance prices and car revisions, especially at the time of buying a new car after living with higher values in the model that will be changed. For this reason we have identified buyers of premium vehicles that are returning to the medium sedans: the client calculates and realizes that with the difference of these items sometimes they can pay the college for their son".

For Jorge, of FGV, Hyundai is an example of how an automaker that enters a new segment can solve the problem well: "It was the first of the high volume brands to offer a warranty of five years, which helps a lot to raise the resale value at the moment of changing a car".

Harris Jr. disagrees a little bit: for him the resale is losing relevance with regard to the purchase decision: "What the customer really wants even today is comfort and mechanical reliability."

Cristiano, from FCA, sees the issue in a similar way: "Certainly it is still a reason

taken into account by the consumer when choosing the vehicle, but it is not on the list of the most relevant ones."

BEING LIKE SHEEP

Based on his understanding, the UniAuto consultant shares interesting vision to explain the remarkable numbers of Corolla in the Country: Hilux.

"The Toyota's pickup truck has a reputation for being unbreakable and ends up transferring that image to the sedan of the brand. Honda does not have a pickup truck to transfer the reliability of the Civic".

Armellini, from Toyota, agrees: "The image of reliability and quality of Hilux ends up by overflowing to our other vehicles".

Confirming the logic of a more conservative average profile, the Brazilians also tends to follow a certain behavior of being like sheep when deciding on this or that new model to put into their garage. Jorge says: "There is a kind of a general unconscious thing to point out that if a lot of people buy a certain vehicle it is good and, likewise, if it sells little it is because it is bad. It's a normal trend and not just with cars".

Armellini continues: "Sometimes it's more like sociology than market analysis".

A true fact is that apparently the Brazilian is no longer taken by a prominent item that decides the purchase without any doubts, such as design and price, for example, have represented in the past: the power of the whole package is currently much more solid. Cristiano, from FCA, attests that "there is no item that stands out in a dislocated way when facing the motivations of a purchase. The decision is motivated by several combined aspects, whether rational or emotional, varying in weight and priorities".

For Armellini, "the purchase is never 100% emotional or 100% rational".

It is formulated, then, a simple and practical recipe for a certain model to sell very, very well in the Brazilian market: just sell them much earlier. ■

The production of a quality car calls for quality partnerships.

*The New Toyota Yaris uses the C-EPS system produced in
Brazil with the state-of-the-art Japanese technology.*



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Henry Visconde, of Eurobike

President of the Eurobike group, exclusive importer of McLaren Automotive in Brazil, which the first dealership has just been inaugurated in São Paulo. The company also sells vehicles from other premium brands like Audi, BMW, BMW Motorrad, Mini, Jaguar, Land Rover and Porsche, acting in São Paulo, capital, Ribeirão Preto, SP and Brasília, DF. He is also the current president of Assoaudi, Brazilian Association of Audi Suppliers.

1

Can the fact of Eurobike inaugurating the first McLaren dealership in Brazil, with a vehicle offer in the range of R\$ 2 million, be seen as a sign that the Brazilian market in the premium segment has returned to pre-crisis levels, at least about the customer's trust in this type of vehicle?

No, it can't. It turns out that when we started the project with McLaren the market was in a much better situation. We were named then as official importer, and there was a defined timetable: we decided to keep it. Compared to 2014 and 2015 there was stabilization on the numbers of the segment, but not an improvement. On the other hand, since McLaren cars are very exclusive and there was no official offer of these models in Brazil, there is a demand for the first moment that has been attended.

2

The Brazilian McLaren dealership has a new area for semi-new vehicles destined to vehicles offered as part of payment. Is this behavior more typical of the Brazilian market or it repeats in other markets?

In the premium market things work in the same way of the other market segments, with a used car or a semi-new model as part of payment for a okm car. It is normal here and in other countries. The process is the same, whatever the type of segment: only the values of the trades change, obviously.

3

Three of the brands that Eurobike represents have opened factories in Brazil in recent years. Has this changed the relationship between the dealers with these brands?

Yes, it has changed. The construction of a factory in Brazil, theoretically, is part of a long-term project and this gives more confidence to the dealers in the relationship with the brand. When a factory is built the dealer works with expectation of volume increase, but this has not happened yet because of the crisis: the factories are 50% idle. However, they all have a long-term vision and local factories strengthen the commitment of the automakers with our market.

4

So, would you say that they are satisfied with the decision of becoming local manufacturers?

Yes, they are satisfied, but it is good to remember that the estimated business expectation when the factories were under construction was about twice the volume that happens today. There was an increase in the dealers and everyone had to restructure. The expectation is that this situation will reverse and the presence of the factories will be justified.

5

The premium segment customer is naturally more demanding in terms of technological sophistication in all the ways. As a distribution specialist for this segment, how do you see the future of the business?

The change in the vehicle sales model is inevitable and will happen faster than others from the past. We have to prepare ourselves. There will be a moment of transition in which the two models will live together. The online sale is a reality and it is already happening from the first contact with the dealership, through websites or social media. We will need to understand the customer even better and deal with the digital issue efficiently and quickly because it has become fundamental in the process. We must also pay attention to the mobility issue and the use of the car as a service tool. It is a world trend and it will happen in Brazil as well.

6

Can we believe in evolutions in the dealers network, like sales and Internet services, changes in the experience of purchase etc. getting to the premium segment first?

The process of change is for all brands. The experience of the customer inside the dealership will be more and more important. In our Audi store in São Paulo, capital, for example, there is a cafeteria to give to the customers more comfort and freedom in case they need to wait for a while. In the case of super sports vehicles, the relationship with the customer is different: they are more handcrafted cars and their buyers highly value exclusivity and technology. Whatever the brand or the dealership profile, we have to provide a unique experience to the customer.

7

Premium brands work globally in a strong technological evolution of their products, such as 100% electric, autonomous vehicles etc. How will Brazil fit in this context in your opinion, particularly in commercial terms and practical use?

This represents the need of changes in dealerships. The premium brands are already demanding alterations for 2019 here in Brazil, like express charging stations for the electric vehicles. The technical training is more complex too. Theoretically the electric engine will require less maintenance, but special care will be needed to manipulate it. A special attention to digital transformation and the connectivity will also be needed. ■

The award of the awarded



Christian Castanho

AutoData's Ranking of Quality and Partnership reaches the fifth edition reinforcing its importance and uniqueness in listing the best automotive suppliers of Brazil

AutoData revealed, in June, the 2018 edition of its Ranking of Quality and Partnership, which reaches the fifth edition already.

In a totally new way the ranking brings together, in a practical and direct way, the qualification of suppliers that have stood out in the automotive sector from the most significant analysis possible: realized by the

suppliers' own customers - or, the automobile manufacturers.

To make the analysis more wide-ranging and with more regularity the Ranking considers the awards granted and disclosed by the main vehicle manufacturers of Brazil in the last three years, in other words, from 2015 to 2017. In this wide calculation the awards promoted by twelve companies of

AutoData Quality and Partnership Ranking 2018

several segments were considered - Caoa, FCA, Ford, General Motors, Honda, Hyundai, John Deere, MAN, Mercedes-Benz, PSA Peugeot Citroën, Toyota and Volkswagen.

This way the ranking can point out the list of the thirty companies that received the highest number of awards from the automakers in this period, including the relevance of each prize distributed to the suppliers, on a scale of points similar to the same used in Formula 1 (see the complete point table on page 39).

For Mauro Correia, president of Caoa Manufacturer, the AutoData Quality and Partnership Ranking represents "an important reference of the results of each company because it works as a direct reference within a single universe, which all suppliers are inserted in. Developing this list is a significant initiative because it makes the good work done by the best ones public from an objective analysis".

Overall, data were tabulated from nothing less than 239 companies that received any kind of acknowledgments from automakers installed in Brazil in the last three years.

The top ten were Maxion Wheels, NGK, Continental Group, ZF, G-KT, Casco, Panasonic, Aisin, 3M and NSK. Representatives of this suppliers received commemorative plaques at a ceremony held during the AutoData Seminar Revision of Perspectives, in the WTC São Paulo auditorium at the end of June (see page 24).

In addition to that, the top four; Maxion Wheels, NGK, Continental Group and ZF, are automatically qualified for the AutoData Awards for the Best Companies of the Automotive Industry in the category of Quality and Partnership.

And so they will compete among themselves, now, for the votes of the readers and participants of AutoData events in which is considered by the market as the Oscar of the Brazilian automotive industry under the analysis of economy and business. ■

Ranking	Company	Points
1st	Maxion Wheels	54
2nd	NGK	48
3rd	Grupo Continental	44
4th	ZF	36
5th	G-KT	34
6th	Casco	32
7th	Panasonic	30
8th	Aisin	30
9th	3M	30
10th	NSK	30
11th	thyssenkrupp	26
12th	Aethra/Flamma	24
13th	lochpe Maxion	24
14th	Axalta	24
15th	Pioneer	24
16th	Mahle	24
17th	Zanettini Barossi	22
18th	Pirelli	22
19th	Valeo	22
20th	Schulz	22
21th	Yazaki	22
22th	Pilkington	22
23th	Itaesbra	20
24th	Bleistahl	20
25th	Litens	20
26th	Michelin	20
27th	Bosch	18
28th	Stabilus	18
29th	GKN	18
30th	Basf	18

THE WAY TO THE TOP

As Maxon Wheels, Continental, NGK and ZF were on the top of the AutoData ranking of Quality and Partnership they were automatically classified to the AutoData 2018 Award



Christian Castanho

Although being present in the AutoData ranking is an excellent result for any supplier, four companies deserve even greater prominence: Maxon Wheels, Continental Group, NGK and ZF, in the following order and, therefore, have automatically qualified to compete for the AutoData Award in the category of Quality and Partnership.

We now present the revenue of each company for this exceptional qualification.

THERE IS NOTHING LIKE BEING GLOBAL

Maxon Wheels has once again earned the benefits from the strategy of becoming a true Brazilian multinational: the company appeared in the AutoData Quality and Partnership ranking when received the world's best supplier award by the hands of Volkswagen in 2015 - the last three years

are considered for the elaboration of the table. Only this merit earned 16 points for the company [check the complete criteria for scoring in the table].

Besides that, Maxon Wheels accounted 36 more points for nine victories in categories of some automakers: three from General Motors, two in 2016 and one in 2017, one from FCA in 2015, two from PSA in 2015 and 2016, and three from Honda, one in 2015 and two in 2017. And two more points for having received a certificate, from Caoa Manufacturer, in 2016. Total: 54.

Valter Sales, director of sales and marketing, affirms that "Maxon Wheels is proud of the first place in the AutoData Quality and Partnership Ranking of 2018. Certainly this is the result of a consistent work of our teams that are dedicated,

tirelessly, to the pursuit of excellence in everything they do."

In second place was NGK, a constant presence in prizes granted by the vehicle manufacturers to its suppliers. So its 48 points came, fifty-fifty, from receiving awards of company of the year and being the winner in some categories. In the first case 24 points were from three awards, two of them prominent in General Motors, with a two-time championship referring to 2016 and 2017, and one from Honda in 2015. The other half came from six nominations in categories, divided into one from General Motors in 2016 and five from Honda, one in 2015, three in 2016 and one in 2017.

Célio Takata, OEM sales director at NGK of Brazil, believes that the company "is totally focused on quality and partnership with the customer regarding the product and the service as well. Our position in the ranking is a recognition that our work policy is right".

GOOD PARAMETER

The third-place of the AutoData's ranking is celebrated by the Continental Group, with 44 points: eight for being prominent in the General Motors in 2016 and another 36 points from nine categories: four from GM, two in 2016 and two in 2017, two from Ford in 2017, one from Honda

in 2017, one from Mercedes-Benz in 2015 and one from MAN in 2017.

For Roberto Celli, Continental's Director of Quality, the ranking elaborated by AutoData "is very interesting for considering the last three years, this way offering a complete analysis. Our main goal is customer satisfaction and the table is a good parameter, it shows that we are on the right track for excellence. Quality is the base of our business".

Closing the top-4 group: ZF, which at 36 points guaranteed participation in the AutoData Award for the Best Companies of the Automotive Industry of 2018. The classification was guaranteed thanks to eight nominations in categories: one from General Motors in 2017, one from Honda in 2015, four from Toyota, one in 2015, two in 2016 and one in 2017, one from Mercedes-Benz in 2016 and one from MAN in 2017. The company also complemented its score with two more certificates, both from Toyota, conquered in 2016 and 2017.

Michel Haddad, marketing manager at ZF South America, reveals that "it is a great honor for the entire ZF Group to receive this important and already traditional award of the automotive segment. Being recognized for quality and partnership of the automotive industry inspires us to continue on the track to search innovative mobility solutions".

THE SCORE CRITERIA OF THE AUTODATA RANKING
 World Prize: 16 points
 Company of the Year: 8 points
 Category: 4 points
 Certificate: 2 points

The x-ray of the four leaders on the table

Position	Company	Points	World Prize	Company of the Year	Category	Certificate
1st	Maxion Wheels	54	16	0	36	2
2nd	NGK	48	0	24	24	0
3rd	Grupo Continental	44	0	8	36	0
4th	ZF	36	0	0	32	4

Closely, not everything is the same

Originally from England, Pilkington, one of the oldest and most traditional glass companies in the world, started float glass manufacturing in Brazil in 1974 and, in mid-2006, was acquired by the Japanese group Nippon Sheet Glass.

Today, celebrating 100 years of history, the NSG Group has become one of the world's biggest manufacturers of technology for glass and glazing products for the Automotive, Architecture and Technical Glass industry. The Group employs around 27 thousand employees, has important operations in all continents, with 26 float glass lines worldwide and sales in more than 100 countries.

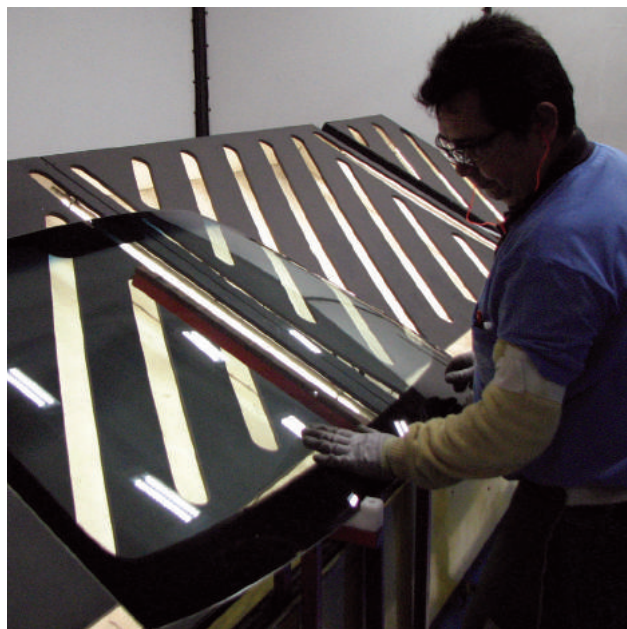
Pilkington's owner, the NSG Group, occupies a prominent position in raw material production and finished product processing as well. Developing solutions based on advanced technologies, the Group supplies to the world's largest vehicles manufacturers.

The AutoData Quality and Partnership 2015-2017 Ranking awards all the technical and commercial work present in the relationship with customers. A solid partnership, built since the beginning of operations in Brazil.

The Pilkington automotive line of products supplies the market in South America, mainly to Argentina and Brazil, where leaders the segment with almost 50% of shares in this market.

Although many can think that glass may always seem the same, Pilkington brand's greatest feature is the ability to meet all of its customers' needs. A complete package that includes development, supplying, service and technical support to automakers.

Pilkington provides a special service for Ford in Camaçari, Fiat in Betim, Toyota in Sorocaba and

Imagem/Pilkington

Volkswagen in Taubaté and São José dos Pinhais, which is the JIT (just in time) and the glass sequencing in the automakers' assembly lines. Pilkington has the production sequence of each vehicle and sends the glass according to this sequence, giving greater agility in production and eliminating the need to stock materials.

Also, the company has as the disposal of customers, its engineering department for the development of projects. This team elaborates the co-design of the glasses from the chassis of the vehicles and designs the glasses to the manufacturers.

And in a market where all the windows look "the same", offering a cutting edge technical support service with a qualified engineering support team makes all the difference. This know-how and value generation throughout the supply chain bring to the company recognition from its customers.

Satisfaction of customers translated into awards

Pirelli, in Brazil for almost 90 years, offers to the customers a wide variety of solutions always seeking to deliver the maximum in terms of performance and safety combined with comfort. The result of continuous investment in research and development is the consolidation of the brand as a leader in the memory and heart of Brazilians. The victory in important awards such as AutoData's 2018 Quality and Partnership, which represents customer's satisfaction with Pirelli's products and services, confirms the constant chase of delivering the best and most modern of the segment to the market.

In Brazil, the tire manufacturer has manufacturing units in Gravataí (RS), Campinas (SP), Santo André (SP) and Feira de Santana (BA), where the production line with technology 4.0 began to be applied in 2017. The result of the investment there was the creation of Pirelli's first 4.0 technology pole in Latin America, with new digitized processes and the use of advanced technologies.

In addition to offering the largest and most complete range of products for the market, Pirelli has the largest commercial chain with more than 2 thousand points of sale all over Brazil and is used in practically 50% of the vehicles produced in the automakers with national production.

The customized products for each new vehicle also explain this leadership and technological innovation. The "Perfect Fit" concept is the solution for the production of specific tires to each vehicle, marked and

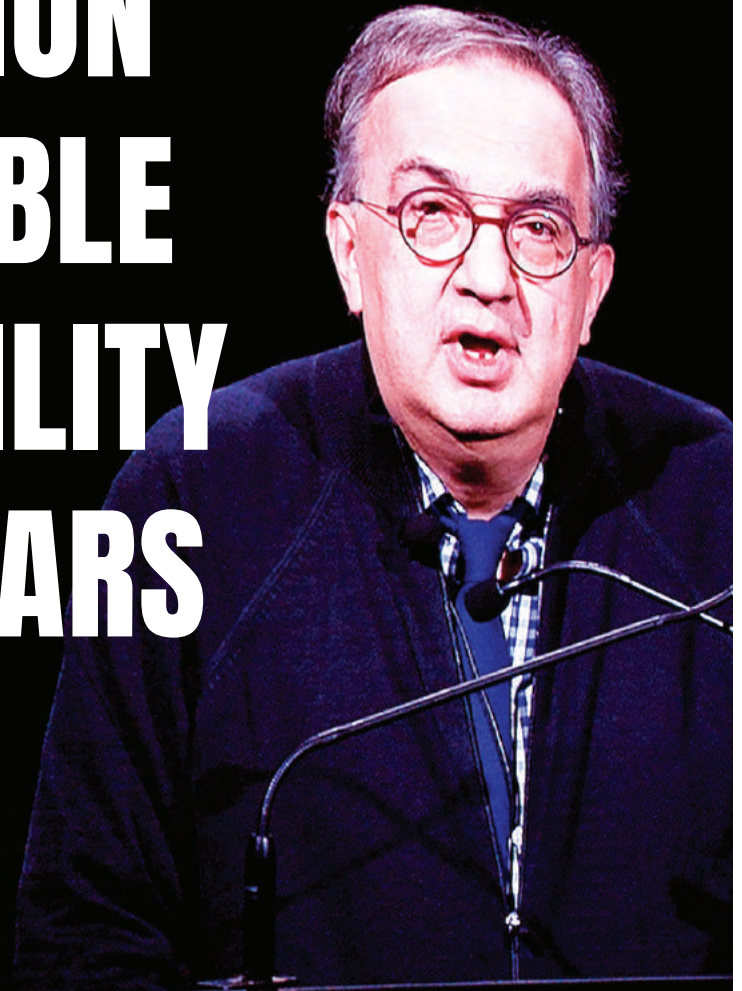


identified by the strictest technical requirements of the automakers. Its partners in this solution are the most prestigious brands in the Premium and Prestige segments, such as Audi, Ferrari, Lamborghini, McLaren, Porsche, BMW, Mercedes-Benz, among others.

On two or four-wheel races, Pirelli also operates an open-air high-tech laboratory transferring to the products used day by day all the learning acquired from categories such as Formula 1, World Superbike, Stock Car, just to name a few of more than 250 competitions in which the brand operates all over the world.

Besides the streets and roads, Pirelli is active in arts from the Bicocca Hangar in Milan, Italy, to the world's most famous calendar, the Pirelli Calendar, where the leading names in art, fashion and entertainment are portrayed in exclusive photo shoots. In Brazil, the manufacturer sponsors the maintenance of the Christ the Redeemer statue, invests in the Inhotim Institute, the Pinacoteca do Estado, in São Paulo, and several others, bringing the brand to the hearts of the Brazilians.

THE MISSION IS TO DOUBLE PROFITABILITY IN FIVE YEARS



Fiat Chrysler Automobiles global plan indicates as main objective until 2022 the search for greater profitability in luxury brands

The mismatched blue tie in the checkered shirt of a not so comfortable Sergio Marchionne regarding his suit during the opening speech of an event named FCA Capital Markets in June, in Italy, says a lot about what is about to come in the next five years in the company's horizon.

The tie, itself, represents first all the accomplished mission of putting the company on its feet from 2009 when Fiat decided to keep 35% of Chrysler shares. After almost a decade of distrust over the results of adjustments in the structure of companies and brand's finances, in addition to a long modernizing process of the factories and formalizing FCA as a group in 2014, it is time to figure out the performance. And look forward.

Knowing and openly averse to formal clothing, and especially the tie, Marchionne, FCA's CEO and main articulator of this transformation, used the accessory as an icon to tell the world's financial agents, gathered in a large area of Balocco's proving ground, in Vercelli, near Milan, that the plan designed in the past is the endorsement of what is about to come.

"Oscar Wilde once said that a nice tie knot is the first serious step in life. Applying this spirited old maxim to FCA, I would say that we definitely conquered the right to be taken seriously."

It was the CFO Richard Palmer, one of the most speculated executives to succeed Marchionne in 2019, to translate in numbers the reason why FCA should be

taken seriously in the global automotive game: he presented plans and projections for the next five years with positive cash flow and detailed the adjust in the profit expectation before the taxes this year, reduced from € 8.7 billion to € 8.2 billion due to the exclusion of Magneti Marelli - the last piece in the consolidation of the group - from the financial balance. "This result reflects progress related to the € 6.6 billion of 2017 and a solid FCA position. Magneti Marelli is ready for a spin-off."

The solid financial position, according to Palmer, allows the execution of big investments focused on vehicles of the more profitable brands. Jeep, Alfa Romeo, Maserati and Ram are in the center of FCA's global strategy and will have the biggest share of the € 45 billion in investments for the five years.

The idea is to occupy new segments for the company and renew the main vehicles adding value with new technologies such as electric motors, hybrid plug-in, total connectivity and level 2 and 3 autonomous systems. According to the company's calculations, 78% of revenues will come from the new vehicles - considering all brands, there will be nineteen brand-new vehicles.

Until 2022, confirming FCA's great expectations for the success of its plan, earnings are expected to rise from the current 6.8% of net revenue to a range that goes from 9% to 11%, which would mean, in values, from € 13 billion to € 16 billion in a revenue of € 145 billion.

According to Palmer "all regions will

Many car covers to remove in the next 5 years



All figures exclude Magneti Marelli business.



“The plan is robust and demonstrates that we are not thinking of selling the company.”

John Elkann, council president of FCA

contribute with profitability and interesting margins. We will also have costs reduced by € 10 billion, of which 60% of this value is from savings in purchases and 40% from process improvements. All this will allow the consolidation of FCA as a large and important global group”.

JEEP AS A SYNONYM FOR SUV

Not by chance FCA, paying attention to customers' preference in the world for the SUVs, will use public recognition of the Jeep brand to boost sales in this market

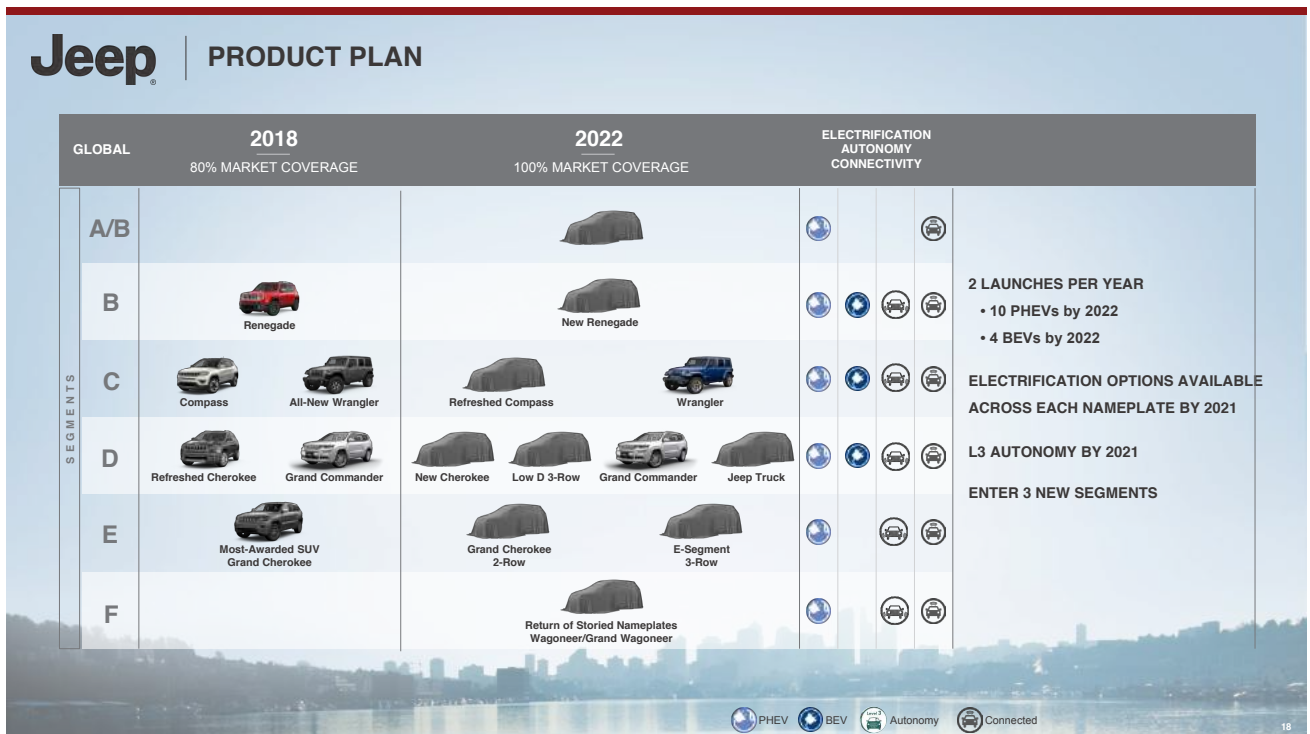
segment. Michael Manley, president of Jeep, attests that “customers' dynamics have changed our vehicle priorities. The customer seeks authenticity”.

The bet is that global demand for SUVs must surpass from 32 million units this year to 37 million in 2022. In this period nine Jeep launches are planned and FCA intends to participate in three new segments with the development of a compact SUV, smaller than Renegade, another one with a third row of seats, for up to seven occupants - that will be produced in the factory of Goiana, PE - and a pickup truck. Predictions of launch dates for these vehicles were not presented.

Besides the new brand-new products, hybrid plug-in and totally electric vehicles will be sold. Only from Jeep, there will be fourteen models with these motorization technologies, ten hybrids and four electrics.

In Europe, FCA will eliminate the diesel engine of the portfolio, not only in Jeep but also in other brands. Only commercial

Jeep's schedule of world launches



vehicles intended specifically for urban transport activities will stay out of this decision.

According to Manley, now, in 2018 of every seventeen SUVs sold in the world one will be Jeep. And five years from now he expects this ratio to be one in twelve: "We aim at the success of our new vehicles

and customer's recognition so that, in the future after 2022, in every five SUVs sold one will bring the Jeep logo."

TEAMWORK

The event FCA Capital Markets Day featured an extensive and rich agenda of presentations. The prominent participation

Premium-orities

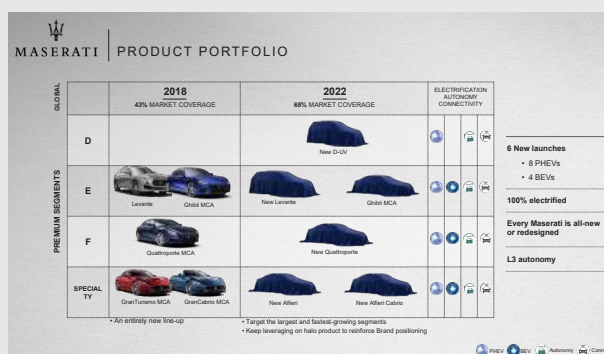
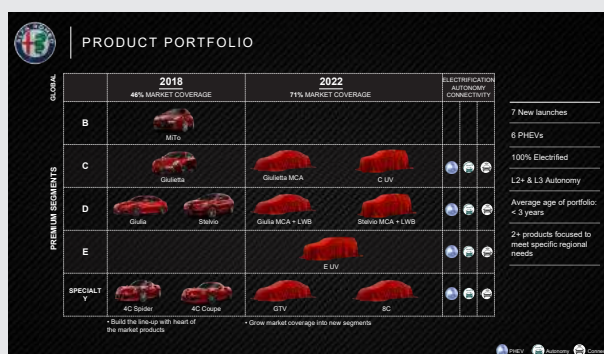
In addition to Jeep, the premium brands Alfa Romeo, Maserati and RAM are prominent in FCA's planning. The reason is simple: their vehicles occupy highly profitable segments and have opportunities for growth in several regions. At the end of the five year period, 80% of revenues is expected to come from these brands - currently 65%. On the other hand, Fiat and Chrysler are expected to operate only in profitable markets such as in the United States, in case the case of Chrysler, and Europe and Latin America in the case of Fiat.

Although sales volumes below the main brands of FCA, Alfa Romeo and, more than others, Maserati, will have special attention. A new generation of hybrid and electric vehicles, with all the style and luxury characteristic of these two brands, will dispute the preference of Porsche and Tesla consumers, besides having relevant participation in the largest premium vehicle market in the world: China.

RAM, on the other hand, will have a difficult mission: to climb in the most competitive pickup truck market in the world, the United States. Until 2022 FCA plans to take its brand, totally centered in this segment, to be the sales vice-leader - today the company is the third.

Much is expected of the new RAM 1500, launched in March, to compete with rivals from Ford and Chevrolet. The expectation is that this new RAM 1500 will also be offered in Latin America.

In addition to the 1500 RAM Heavy Duty, which will be presented in January 2019, and a new version of medium pickup truck complete the portfolio that intends to raise global sales from the current 770 thousand units to 1 million by 2022.



of each of the top executives of the brands in FCA during the eight-hour convention showed that it was a jointly developed plan as a team. Antonio Filosa, president of FCA for Latin America, confirmed that all senior executives have done the job together.

Marchionne, obviously, was always the center of attention and the spokesman of the press conference, which lasted more than an hour. In every moment he made it clear that the plan for the next five years

couldn't have been created only by himself. And that his mission since he assumed Fiat, and then FCA, was to develop a strong, healthy and, mainly profitable automotive business model.

Once again, Marchionne used in his speech a great writer to translate what he built. He appealed to Ernest Hemingway: "There is nothing noble in being superior to your fellow men. True nobility lies in being superior to your former self." ■

For Fiat and Chrysler there is only America left

"The space of Fiat in Europe will be redefined. We will act in a new position because it will be very difficult to obtain profitability. In Latin America, we have a historic position with Fiat. And we believe that Chrysler does not have potential to be a global brand."

This little was everything that Sergio Marchionne revealed about what will happen to until then main two FCA brands, ironically the companies that name the group. The focus of the meeting in Balocco and the synthesized testimonial from the CEO show that the time for Fiat to face the hard reality that the time to generate profitability to survive has come.

And the same goes for Chrysler, with some relevance only in the US market.

For now it is possible to see that Fiat will remain strong in Latin America, especially in Brazil and Argentina, where it concentrates factories and has on the agenda an extensive list of launches. In Europe the company will act only in some niches but it is still too early to



know the next steps around there.

President of FCA for Latin America since March, Antonio Filosa is the mission leader in the region. He participated in the announcement of the global planning until 2022, sitting in the first row of executives during the presentation in Balocco, and assured that part of the € 45 billion of total investment will be applied in a new cycle of Fiat in Brazil (see the details in From the Top, page 12). Fiat will have three brand-new models produced in Latin

America until 2022. And all three will hit the sports utility vehicle range: an SUV with a third-row of seats for up to seven people, another compact SUV, smaller than the Jeep Renegade, and another brand-new model, in the entry-model market segment – possibly a car with adventurous characteristics. Nothing has been confirmed yet, but it is expected that they will be produced at the factory in Betim, MG. The plant should also receive the new generation of the Strada pickup truck, which is almost ready. Fiat's planning foresees leadership resumption of sales in the Brazilian market only in 2020: "The new vehicles' portfolio of the brand is fantastic and will drive us there." Filosa, however, is talking about taking the lead in Brazil in 2018 already, adding in this account, conveniently, the Jeep sales: "Until May, we have achieved an 18.8% market share with the FCA Group brands, an interesting position to be leaders this year and also in 2019".

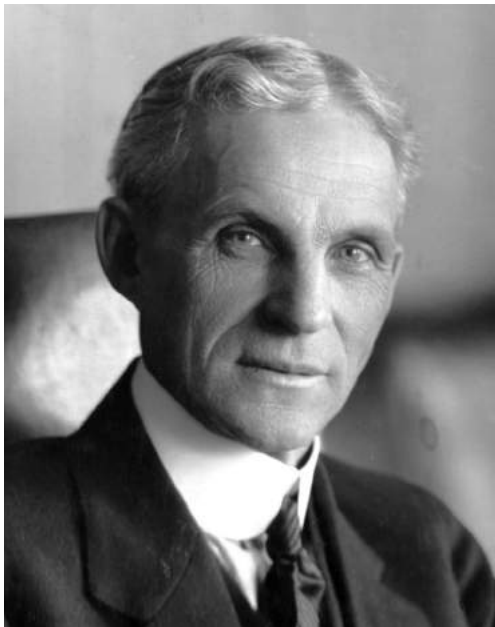
**“MAGNETO DE OURO 2016/2017” BOSCH:
AN ACHIEVEMENT THAT LET US PROUD AND
REINFORCES A SUCCESSFUL PARTNERSHIP.**



Zanettini, Barossi S/A

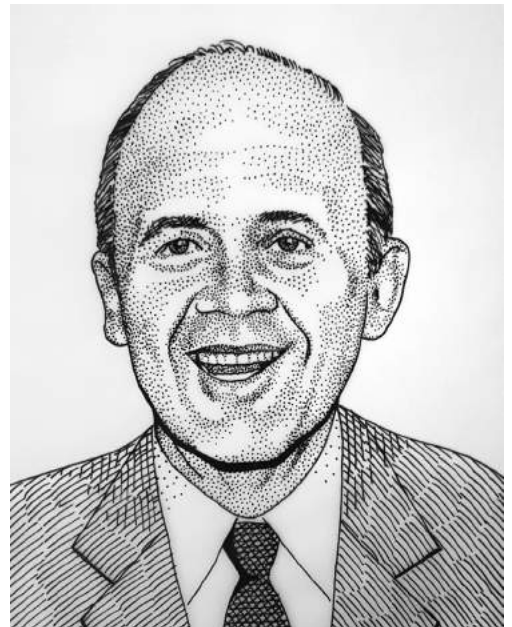
Av. Carioca, 446 - São Paulo

BRING FORD BACK OR PRAISE LOPEZ



Disclosure/Ford

Productive revolution of the electrics puts systems suppliers in check: they will grow even more or lose many businesses. Mid-term like today hardly will resist.



Arquivo AD/Arte de Aldo Ambrósio

That revolutions in the productive system occur very, very slowly in the automotive industry everyone knows: it is good to remember that the concept of the assembly line as we know today is more than a hundred years old.

In addition to automation, which by itself did not change the productive logic, just by switching men for machines, the only big transformation we have seen in recent times at this point was the birth of systems suppliers companies in the 1990s - and time went by for something around twenty-five years.

The vision of the systems suppliers was born essentially from the Spanish José Ignacio López de Arriortúa, the Iñaki Lopez or Super-Lopez, hated by some, loved by

others and owner of a controversial career like few inside the industry. For him it would be possible to transfer all responsibility of the manufacturer production to third parties that would also be responsible for managing the suppliers chain that came below them. These manufacturers would only responsible for developing vehicles, the design, marketing and sales. And that's it.

It was the extreme opposite of Henry Ford's logic, the same person who founded Ford and invented the assembly line and, in the early days, applied as a solution to lower the costs of internal production of absolutely all the components of an automobile.

What we have today is a mixture of the-

se two aspects: the automakers stopped making a huge contingent of components internally, delegating this responsibility to third companies, in the form of receiving full automotive systems, but did not give up some things, such as engines, for example, and did not completely delivered the assembly process, although in many cases much of it occurs in the form of direct works of the systems suppliers inside the factory.

It is also good to remember that Brazil is the main exponent of the systems suppliers' birth with the inauguration, in 1996, of the Volkswagen Trucks and Buses factory in Resende, RJ, the pioneer in working within the modular consortium concept.

NO ONE KNOWS FOR SURE

The concept of systems suppliers today has become so vast that it is very difficult to define exactly which and how many they are.

Frédéric Sebbagh, President and CEO of Continental, tries to summarize: "Systems suppliers are companies that do not only manufacture auto parts, but also groups of components that operate together to fulfill a specific function in the vehicle". In other words: every auto parts manufacturer that provides a... system.

But there are systems that fit into larger systems, and even these fit into even larger ones. Within this complex concept

one single company can act as a systems supplier for the automaker, as a supplier for another systems supplier or even as a systems supplier for another systems supplier - everything at the same time.

To complicate it there are systems suppliers that have their own suppliers to manufacture their systems, while others do it by producing everything internally, depending on the specialty. Both, at least technically, are systems suppliers.

To calculate exactly the volume of systems suppliers acting in Brazil, therefore, is an inglorious task. For Carlos Abdalla, Bosch Latin America's marketing, communications and institutional relations manager, "it's hard to talk about numbers because there are many different types of suppliers acting in the domestic automotive industry".

Bosch itself has a large supplier chain with more than three hundred suppliers to produce its automotive systems.

Continental, on the other hand, does not reveal the number of suppliers, but the volume of systems that the company produces offers a good idea of its greatness: fuel injection systems, brakes, electronics, chassis, infotainment, suspension and more.

For the same reason is also difficult to calculate sales and billing indexes of systems suppliers separately. But Sindipeças's statistics bring at least one important part:

Auto parts: evolution of the revenue in 2017.

Source: Sindipeças



the association divides the results by market segments, which one of them represents sales of suppliers to other suppliers, and in practice it means the negotiations involving the purchases of systems suppliers.

In Brazil businesses grew 20% last year compared to 2016, one of the best evolution indexes, only losing for the automakers' business, with a 33% increase in the same comparison, and beating exports for good margin in dollars, with 13 % of increase in the period, and in the aftermarket, with 9%. Even so, the share is still very small in the whole cake representing only 3.5% of the business compared to 62% of sales to automakers, 19% for export and 15.5% for aftermarket, always according to Sindipeças (The National Association of Brazilian Auto Parts manufacturers). However, it is good to mention that the item with the highest index involves the sale of systems and isolated auto parts for the automakers as well.

WHAT THE FUTURE HOPES

Although Bosch, Continental and others also develop and even produce systems for more technologically advanced vehicles such as electrics and autonomous, nothing guarantees that their

participation will be bigger in the future inside the production of vehicles scenario - and nothing guarantees that it will be smaller as well. What seems extremely clear is that this will change but no one knows which way.

"The format of systems suppliers' performance today has already reached the limit", believes George Rugitsky, counselor at Sindipeças. "We are in the middle of a transition. The 2025 vehicle is already being developed and it will be a different one, with a smaller number of auto parts, extraordinarily simplified".

It means that there are apparently two very well-defined and really opposite ways ahead: return to the Ford's style, with the automakers bringing everything inside or, Lopez's style, with the production totally outsourced.

It is a fact, says the counselor, "that the reality we have today of the automaker-systems suppliers relationship will be put to test by the changes that will come. The solutions will be very diverse, each will choose a path. Some will be winners and other will be losers".

What points in the direction of Ford is that as the vehicle will be simpler and with a much smaller number of auto parts, bringing the production into the company's

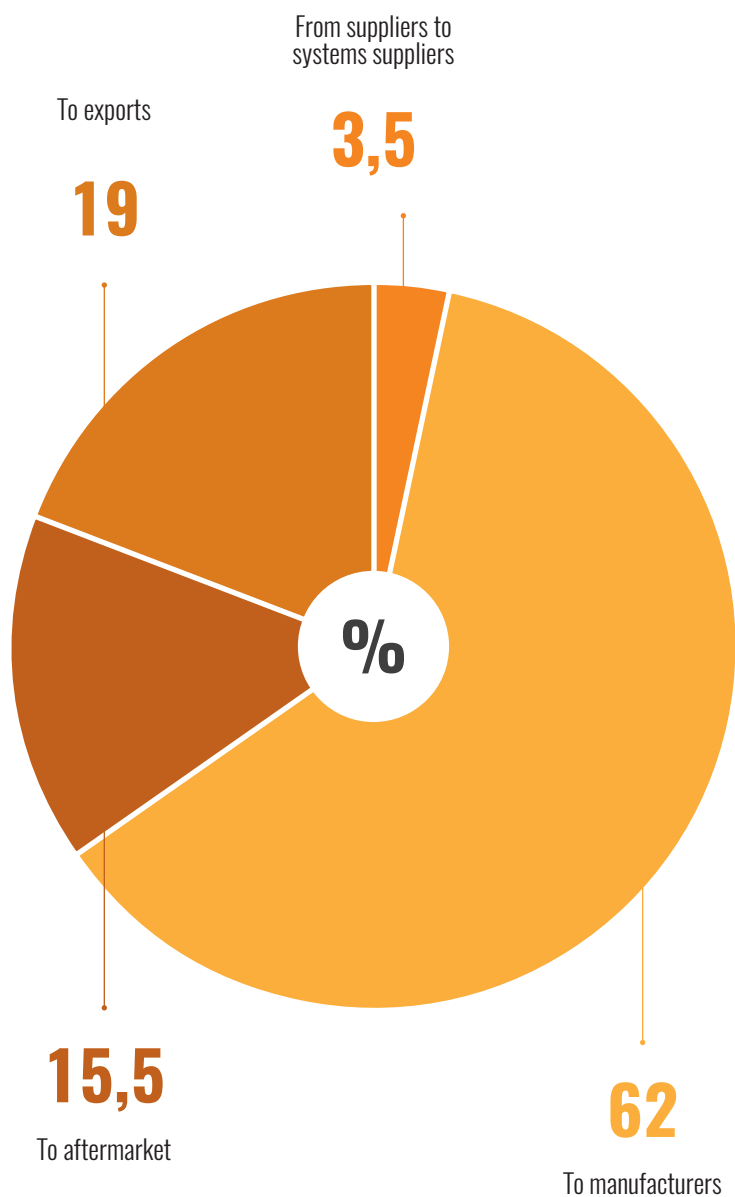


HYPER CONNECTED NETWORK

Automotive systems like these depend on a series of companies interconnections that do not always do business together by their own will.

Suppliers' revenue distribution by segment

Source: Sindipeças



facilities would be easier and especially more controllable especially regarding the development of a new technology, not so dominated as the combustion engine yet. Besides that, incomes linked to mobility as a whole and not just to the vehicle itself are foreseen, and this way, having full control of the process can be more interesting even probably more expensive.

And what pulls to Lopez's side is the

ease of systems suppliers to develop the technologies and take productive problems as their own responsibility, which should not be few. And in Brazil, in a very interesting way, the logic of income linked to mobility as a whole and no longer just about selling the vehicle also fits well.

THE TROUBLES OF TODAY

Another issue that seems evident for the future is that nowadays the systems suppliers' chain became so linked and depending on each other that, as a domino effect, when one falls down all the others fall as well: something here needs to be adjusted.

A very common case today is the automaker to solicit an increase of requests to a systems supplier and to receive no as an answer because a sub-supplier, that the automaker itself hired, negotiated price and capacity, cannot meet the new demand. And then, is it the systems supplier's or the automaker's fault? It depends on the type of agreement but, in this specific case, yes it is the automaker's fault.

Logics so difficult and similar are linked to quality problems, especially those requiring recalls, and price increases. No one usually wants to pay the bill, especially when there are four, five, six people sitting at the table to address the issue.

It's a mixture of suppliers until the final destination inside the automaker, which in turn is present as a negotiator in several intermediate stages, that managing the intricacies within the process is more and more complex and delicate. And as the level of demand grows more and more, the links are not always able to handle the pressure - and when one falls, the others fall as well.

For these and other reasons "there will certainly be a redefinition of the systems suppliers' role from the mass production of electric vehicles", affirms Rugitsky. It remains to be seen who will have more strength - the disciples of Ford or Lopez.



A special month for many

Bosch, CNH Industrial, Moto Honda and MWM took advantage of June to realize their annual ceremonies of recognition to suppliers

It was a June of celebration for several suppliers, such as Bosch, CNH Industrial, Moto Honda and MWM Motores: the four companies promoted their annual recognition events to the best partners.

Moto Honda awarded seventeen companies in seven categories during a ceremony held in Manaus, AM, the city that houses its factory. It is one of the most traditional awards of this kind in the Brazilian automotive industry, reaching now nothing less than the thirty-sixth edition - the first happened in 1982.

According to Fausto Massami Tanigawa, General Manager of Purchases of Moto Honda of Amazonia, nowadays the manufacturer has about 130 direct suppliers and more than five hundred indirect. Last year the company produced more than 713 thousand motorcycles in Manaus and

Best Suppliers Moto Honda of Amazônia 2017

Excellence in Quality and Delivery

**Alux | Amemiya | Axalta | Bosal | Cosan | Dow Brasil
Nachi | NGK | Parker Hannifin | Usiminas**

Evolution in Quality and Delivery

Wabtec

Merit in expenses

Alux

Best company in environmental actions - Sustainability Award

Keihin Tecnologia | MTR Topura Fastener

Industrial Excellence

Usiminas

Localization with Competitiveness and Innovation Award

Galutti Automotive | G-KT | Neumayer Tekfor

Excellence in Quality and Delivery - Parts Division

Honda Lock

Suppliers Excellence Awards CNH Industrial 2017

for this year the projection is to increase this volume by 8%.

The executive, although he does not reveal specific indexes, says that there is room for nationalization increase, especially on motorcycles with more powerful engines- and this will be sought, particularly, in the companies that already supply Moto Honda today.

THE FIRSTS OF THE FIRST ONE

On the other hand, CNH Industrial unified, for the first time, the suppliers' recognition of all its brands - Iveco, Case, New Holland, FPT and Magirus. The celebration was held in Belo Horizonte, MG, and 16 companies were awarded, with a special highlight for Tenneco, named Supplier of the Year.

All companies with annual sales over R\$ 1 million to the manufacturer were eligible - considering the total supply to the ten CNHi factories in Latin America. This way, the list of competitors had 249 participants, which represents about 18% of the total suppliers in the region and obtained, together, R\$ 3,7 billion of invoiced revenue only with the businesses for CNHi.

These companies were evaluated in 11 categories, in which the top three were ranked and the best of them was considered the winner. For Vilmar Fistarol, president of CNH Industrial for Latin America, "it is fundamental to recognize the suppliers who walk by our side and support us in fulfilling strategies and demands".

In the special Sustainability category, unlike the others, the registration was voluntary: each supplier presented a project that they considered valuable in this area. 38 projects were evaluated and those considered the top three in each subcategory were selected, Environment and Social Responsibility.

Supplier of the Year
Tenneco Automotive

Quality
Schaeffler

Deliveries
Rassini-NHK

WCM – World Class Manufacturing
Alfagomma

Optimization in Product Cost
Magno Peças

Logistics in Transportation
Sada

Technology and Information
Tenneco Automotive

Capex
JS Ferramentaria

Indirect Materials and Services
Massima Alimentação

Parts & Service
Daido

Commercial Partnership
Titan Pneus

Best Supplier Argentina
Musian Canciani

Sustainability:

Environment
Truck Bus | Continental | Dana

Social Responsibility
Fênix Soluções Ambientais | Titan Pneus | Bruning

Bosch Regional Supplier Award 2018

Products and Services

**Andreani Logística | Brasiliense Comissária de Despacho
Empresa de Transportes Covre | Iscar do Brasil**

Parts and Components

**Arim Componentes | PPE Fios Esmaltados
Rudolph Usinados | Sulbras Moldes e Plásticos
Zanettini Barossi**

Automotive Aftermarket

Indústrias Tudor de Baterias

Mário Sérgio Fiorante, vice president and general manager of Tenneco's exhaust systems division in South America, celebrated: "It is the result of the dedication and the commitment we have with our customers".

Meanwhile, MWM Motores reached the sixth edition of its Supplier Award, in a ceremony held in its own factory, in the neighborhood of Santo Amaro, São Paulo capital.

The manufacturer uses the Global Supplier Rating System process (GSRS) to evaluate items such as quality, delivery and flexibility, technological capability and performance in the development of new products, commercial attitude and cost reduction contribution of each supplier. And from this analysis the eligible companies for recognition are defined.

As example of the previous edition, MWM awarded in addition to the productive suppliers its logistics service providers. In total, nine companies were honored.

José Eduardo Luzzi, president and CEO of MWM Motores, affirmed that the objective is "to continuously seek, in a joint process, excellence in products and services". Leandro Brasil Araujo, purchasing mana-

ger, adds that "the recognition process is meritocratic and transparent, in which all suppliers engage in bringing results to all involved, from the final customer to the supplier itself".

GOLDEN MAGNETO

Also in June, now in Campinas, in São Paulo's countryside, Bosch delivered its Gold Magneto to ten suppliers for standing out in performance and quality in the categories Products and Services, Auto Parts and Components and, for the first time, Aftermarket. The event sets the annual meeting of Bosch Latin America suppliers.

Giuliano Ampudia, director of Purchases, Quality and Supplier Development, explains that during these meetings, knowledge rounds and discussions about economic, market and processes improvement scenarios are put into practice. "And we have the opportunity to present our purchasing, quality and logistics action plans, besides promoting debates to encourage new ideas that can bring benefits to both sides."

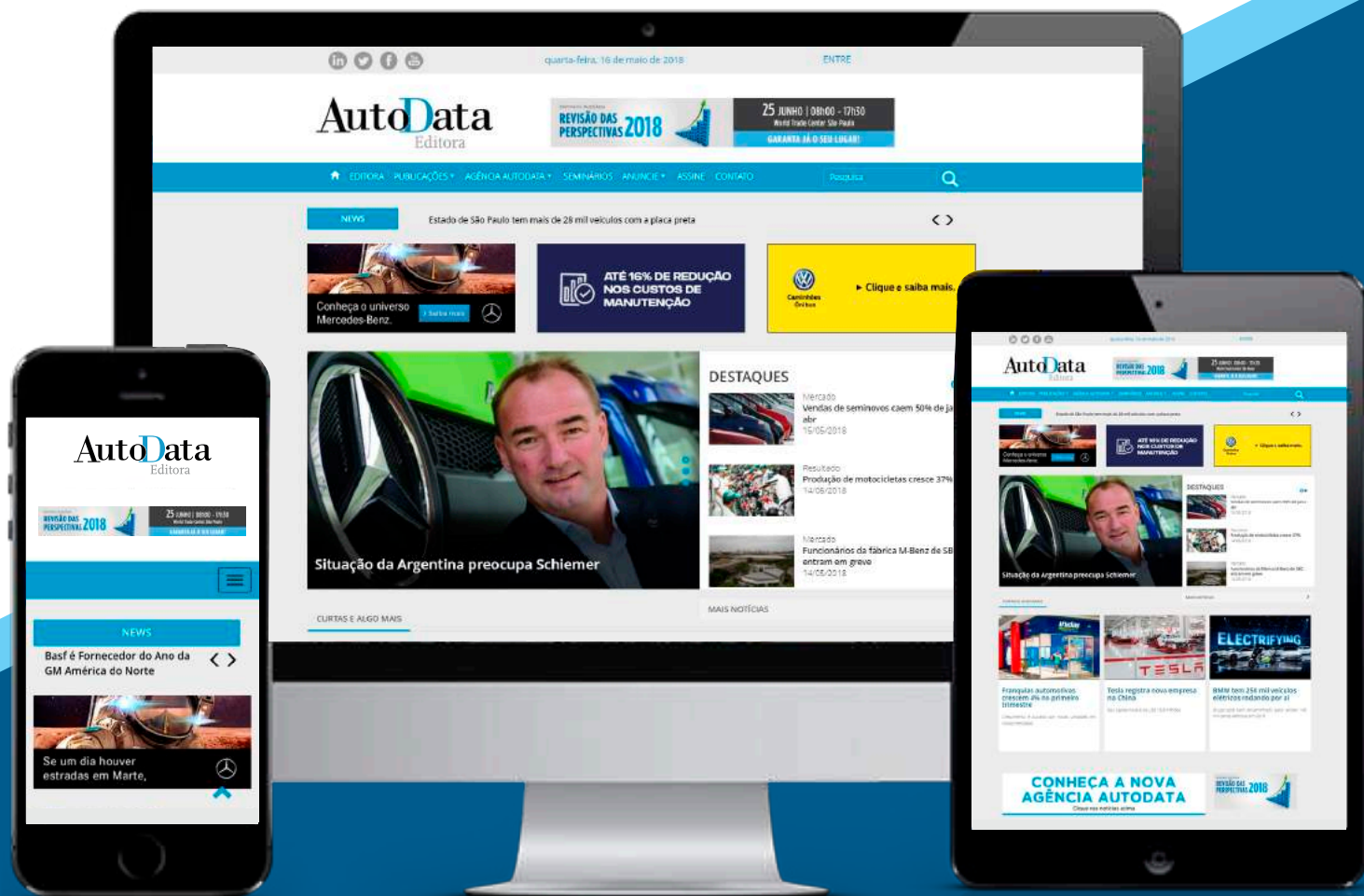
The main criteria evaluated by Bosch to indicate the winners were quality, competitiveness, delivery, logistics, commercial partnership, project management, punctuality, innovation and social and environmental management. ■

MWM Motores Supplier Award 2018

**Fupresa | ID Armazéns Gerais | Metalac SPS
Metalúrgica Cartec | Metalúrgica Riosulense
Metalúrgica Schadek | Patrus Transportes Urgentes
thyssenkrupp Metalúrgica Campo Limpo
TUP Tecnologia em Usinagem de Precisão**

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SCHAEFFLER

Schaeffler has launched eighty FAG's light wheel bearings for the national aftermarket destined to several automobiles and light commercial vehicles applications. The brand's portfolio covers more than 90% of the fleet of these vehicles in Brazil today.

RENAULT OUT, HONDA IN 1

The Red Bull F1 team will use Honda's engine from the 2019 season, replacing the current Renault. For Takahiro Hachigo, president of Honda Motor, the partnership will allow "to get closer to the goal of winning races and championships". Honda already supplies engines for the Red Bull team B in the world championship, the Toro Rosso.



Disclosure/Toro Rosso

RENAULT OUT, HONDA IN 2

It's good to remember that Honda's return to F1 was via McLaren in 2015 after two years of preparation. The partnership, one of the victorious ones in the history of the main category of motorsport world, ended in fiasco: was switched by Renault this 2018.

VALEO CHALLENGE

The Valeo Innovation Challenge reaches the fifth edition: an opportunity for students from all over the world to create companies linked to automotive innovation, with a total award of € 200 thousand. Of more than 1 thousand teams registered this year only nine reached the final round, which will take place on October 11 in Paris.

FLEXIBLE SCANIA

Scania celebrates the milestone of 1,5 thousand activations of its flexible maintenance program since the beginning of the offer in Brazil, at the end of last year. By the calculations of the manufacturer, the initiative provides a reduction by up to 16% in costs and a 20% increase in vehicle availability.



By Marcos Rozen

Suggestions of issues for this section can be directed this the email rozen@autodata.com.br



Disclosure/VW

VW ANNUAL REPORT

Volkswagen of Brazil has launched the 6th edition of its Corporate Responsibility Report, which details its actions in this area, contemplating sustainability and transparency. The publication highlights advances, achievements and challenges of last year in terms of market, operations, socio-environmental issues, governance and management. On www.vw.com.br/pt/volkswagen/sustentabilidade.html.

GOOD FOR MIT

Latin Ncap released results of new tests with three models: Mitsubishi Eclipse Cross, which received five stars in protection for adults and three for children, and Renault Sandero and Logan, which achieved the score of only one star for adults protection and three stars for kids.



Disclosure/Latin Ncap



Disclosure/Ford

FORD HYBRID SERVICE

Ford presented two new hybrid models for service in the United States: the Fusion Hybrid Taxi sedan and the Police Interceptor sports utility vehicle. The sedan can get a 17 km/l consumption and the police vehicle is the first hybrid SUV approved for police pursuits of the industry.



Disclosure/Schneider Electric

MATIAS

Marcos Alvarenga Matias is the new CEO of the Brazilian subsidiary of Schneider Electric. Before, president in the Andean Zone. He reports to Tania Cosentino, president in South America.



Disclosure/BMW

HOFMANN

Mathias Hofmann assumed the direction of the BMW Group factory in Araquari, SC. He succeeds Carsten Stoecker, who was in the position since April 2016, and now will work at the engine factory in Munich, Germany.



Disclosure/ID Logistics

DEL AMONICA

Sandra Del Amonica arrives at ID Logistics to strengthen the commercial area. She accumulates 15 years of experience in this area, with passages at Ceva Logistics and FM Logistic.



Disclosure/Hyundai

LEE

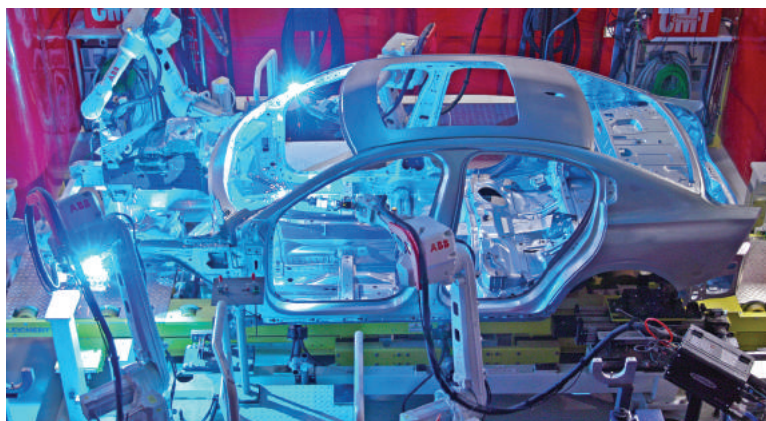
William Lee left the presidency of Hyundai Motor Brazil to assume the newly-created Hyundai North American regional office, in Fountain Valley, California, United States.



Disclosure/Hyundai

JIN

Eduardo Jin succeeds William Lee as president of Hyundai Motor Brazil. Until then, responsible for the administrative division of Kia Motors in India, a position that he also worked on during Hyundai's Brazilian operation from 2010 to 2016.



Disclosure/Volvo

BORN IN THE USA

Volvo Cars inaugurated its first factory in the United States, in Charleston, South Carolina. The unit starts production of the new S60 sedan in the second half and from 2021 will also be responsible for manufacturing the next generation of the XC90 sports utility vehicle. The models will be destined to the local domestic market and exports as well. Capacity of 150 thousand units/year, an investment of more than US\$ 1 billion.

MARCOPOLO AND FÊNIX

Marcopolo has named Fênix Group as its new representative in Argentina. The new partner will be responsible for vehicles' sales, aftermarket services and technical assistance in its market and will commercialize, initially, coach buses produced in Brazil.

FORD-VW COMMERCIAL VEHICLES

Volkswagen and Ford signed a memorandum of agreement to create a global strategic alliance aimed at "joint development of a variety of commercial vehicles", according to a statement. The potential alliance would not involve financial contributions or share exchanges, according to the companies. Inevitable here, but not useless, to remember Autolatina.



Disclosure/Total Lubrificantes

TOTAL WANTS TWENTY MORE

Total Lubrificantes of Brazil plans to inaugurate twenty express oil change stations until December. The company has 56 units in São Paulo, Rio de Janeiro, Minas Gerais, Paraná and Distrito Federal. The business model is centered on partnerships with stores already in operation.



Disclosure/VW

VIRTUAL LAB

Volkswagen of Brazil inaugurated a virtual reality laboratory at the Anchieta plant in São Bernardo do Campo, SP. According to the company, the unit represents a more advanced stage in simulation of new jobs and vehicle prototypes: technology allows planning and validating future installations, productive processes and new products in a virtual environment with precision level never imagined before.



Disclosure/Pirelli

FROM THE SERIES 'WE NEED IT!'

Pirelli launches, in partnership with Ixoost, a wireless high-definition speaker with Bluetooth system for smartphone connection: identical design of Formula 1 tires, in small size. For nothing more nothing less than 2.4 thousand euros, or something around R\$ 10.5 thousand. This price is for sales in Italy and tax amounts must be added. Oh! And also the freight cost.

R\$ 342 000 000 000 1%

is the estimated value of expenditures on fossil fuel subsidies in Brazil, in the form of tax breaks and direct expenditures, from 2013 to 2017, according to a survey by the Institute for Socioeconomic Studies, the Inesc. This value is equivalent, in the annual average, to

of the Brazilian GDP, according to the same study.

“It’s necessary that our leaders realize that there is no mobility solution for medium and large centers that does not involve the development of rail transport”

Roberta Marchesi, superintendent of ANPTTrilhos, National Association of Passenger Rail Operators

23% 18,5%

was the SUVs’ share of the total 0km vehicles financings from January to May.

Was the share of entry-model vehicles in the same comparative. Data by B3.

“The truck drivers’ strike opened a window of opportunity to discuss the logistics in Brazil again, something urgent and necessary”

Guto Ferreira, president of ABDI, Brazilian Agency of Industrial Development.

“The executive board of Volkswagen and Audi has complied with Rupert Stadler’s request to temporarily keep him away from his duties.”

Excerpt from Audi’s press release published after the CEO was arrested by request of the German court, which accuses him of fraud and false testimony in the Dieselgate investigation process.

132 400

Was the total number of workers in the automobile manufacturers until May. They were 127 thousand one year ago. Data by Anfavea.

“A Harley-Davidson should never be produced in another country. If they move, it would be the beginning of the end. They will be taxed like never before!”

Donald Trump on Twitter, about the decision of the motorcycle manufacturer to transfer its production destined to Europe from the United States to Thailand, as a reaction to the over taxation of US motorcycles in the European Community, in turn, a response to the surtax of European steel and aluminum in the United States.