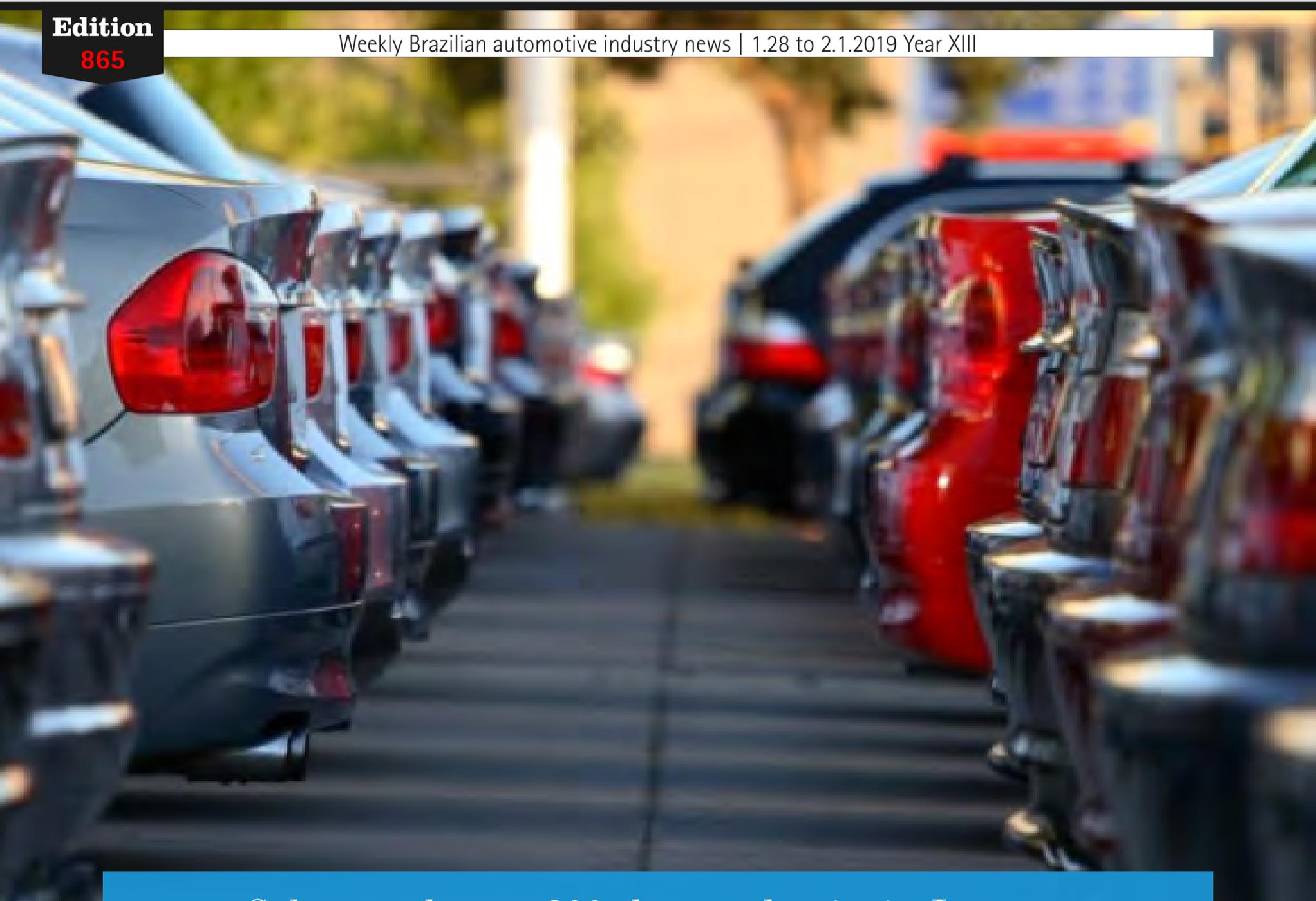


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Sales get close to 200 thousand units in January

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R\$ 120 million factory
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Sales get close to 200 thousand units in January

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Sao Paulo - The Brazilian vehicle market registered, in January, 199 thousand 814 vehicles sold according to preliminary data from Renavam. The volume represents a 10% growth compared to vehicles registered in January last year. It was the best result for the month since 2016, when the dealers sold 155 thousand 300 units.

Compared to December, when 254,7 thousand units were sold, there was a reduction of 20%.

With 21 working days in the month, the

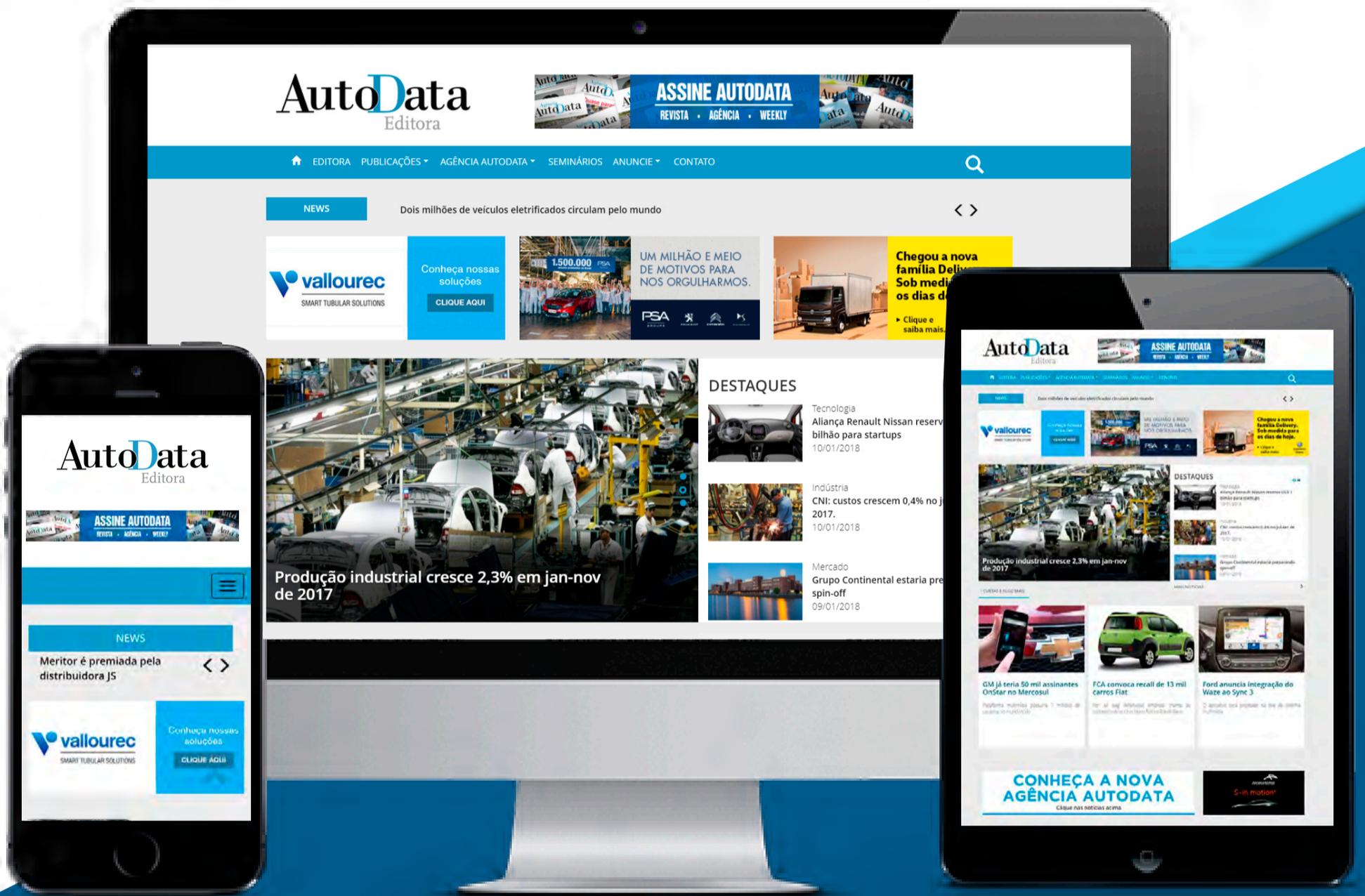
average daily sales was of 9,5 thousand vehicles. In December, a month with a traditionally faster pace due to the celebrations and the thirteenth salary, this average stood at 12,3 thousand units, the best since 2014.

Until wednesday, 30, January's pace was at 8 thousand units/day (a source in the industry told AutoData) but what accelerated business in the last days was business planning based mostly on direct sales. On Thursday, 31, for example, 15 thousand vehicles were sold, of which 60% were direct sales, according to the source.

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Luiz Carlos Moraes, of Mercedes Benz, will preside Anfavea

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Sao Paulo – The difficulties to understand the single slate in the election for Anfavea’s new board of directors generated, by itself, the solution: in the name of the unity, both slates presented were withdrawn and a new one will be submitted to the electoral bureaucracy of the entity, having Luiz Carlos Gomes de Moraes as president, the director of corporate communications and institutional relations of Mercedes-Benz Brazil, and Fabrício Biondo as first vice president, the vice president of communication, external and digital relations of PSA Group for Latin America.

It is not known yet if the principle of rotation will continue to be applied, which is the cause of misunderstandings that have opened the door for (for the first time in Anfavea's history) two slates in the dispute and in some degree of litigation. Moraes was registered as a candidate for the first vice president of the slate headed by Rogelio Golfarb of Ford, and Biondo occupied the same position in the one that had Ricardo Martins, of Hyundai, as candidate for president.

The principle of rotation involves the rotation itself, by the presidency and the first vice-presidency of Anfavea, only representatives of Volkswagen, Ford, Mercedes-Benz, FCA and General Motors. This has created disaffection over the last ten years, with representatives of companies newcomers questioning the way in which the rotation process was realized and arguing for equity.

It is said, behind the scenes, that Luiz Moan, of GM (elected president in 2013) would have received only 70% of the valid votes - which already showed the way to dissent.

Sources that do not want to be identified told **AutoData** that the history and tradition of the entity does not allow the feeling of winners and losers, and that the solution, of the third slate, was very well received.

The president Antonio Megale did not want to get into the issue, keeping his magistrate position:

"We live in new times, different times, and so we must face the reality of Anfavea's election. The debates were open, we held workshops to better clarify the issues. And what we have is an Anfavea more united than ever, an extremely strengthened Anfavea from the internal cohesion point of view".

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Sindipeças will hold elections in February

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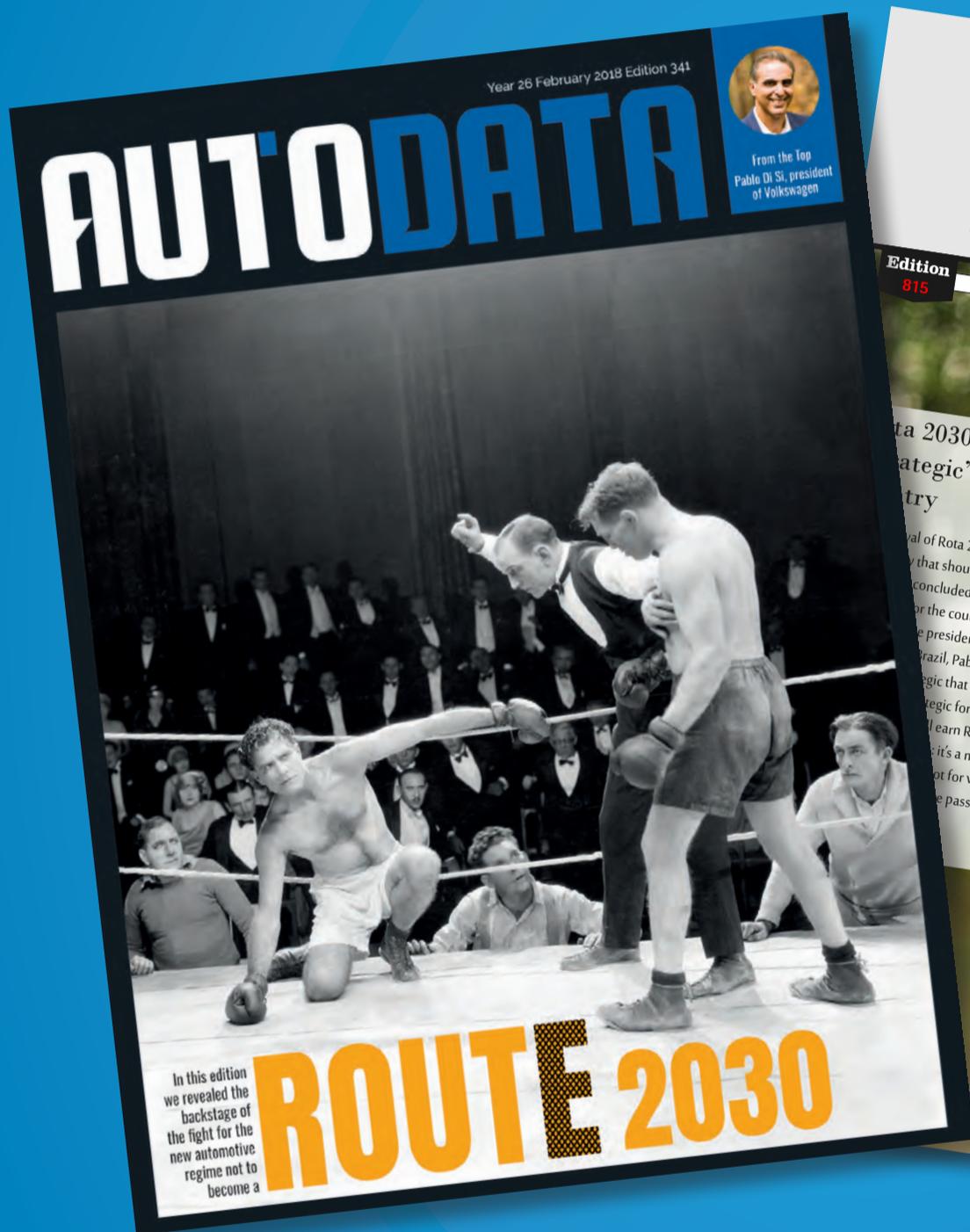


Photo: Rafael Cusato.

Sao Paulo – The current president, Dan Ioschpe, is a candidate for re-election (in a single slate) for the direction of Sindipeças (The National Association of Brazilian Auto Parts Manufacturers) and Abipeças (The Brazilian Association of the Auto Parts Industry). The voting will define the board that will manage both entities in the three-year period of March 2019 until March 2022.

The elections are scheduled for February 13, at the entity's headquarters in Sao Paulo, and its regional affiliates in Bahia, Minas Gerais, Parana, Rio de Janeiro, Rio Grande do Sul and Santa Catarina. **WE**

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Henniges inaugurates R\$ 120 million factory in Jundiai

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Jundiai, SP - With an investment of approximately R\$ 120 million, Henniges Automotive built its factory in Jundiai, SP, for the production of rubber seals to supply, initially, one of the vehicles of GEM - Global Emerging Markets, name of the platform that is base of General Motors' new generation of vehicles scheduled to hit the market in the second semester.

The first unit of the American company in Latin America was inaugurated on Thursday, 31, but it is already operating, according to Larry Rollins, the company's global vice president of operations: "We are in production testing and GM is also testing the components produced at this initial stage".



Disclosure.

Henniges's projection indicates that the regular supply to GM starts from July, with production reaching the maximum capacity in one shift until November. At first, only one of the GEM models will receive the components produced in Jundiá, but the company is already seeking other contracts - including other models of the platform.

"We decided to concentrate production to support GM's demand. But this doesn't prevent us from exploring other opportunities in Brazil and we are already negotiating with other companies because the factory has the capacity for that".

With 10 thousand m² of built area, the factory will generate from 75 to 100 jobs this year, but the expectation is that 300 employees will be hired until 2021, when the content that is now imported from Mexico will be localized. The unit will produce seal parts for the trunk, vehicle structure, glass runs and windshield wiper cowl grille. The raw material will be supplied by the Brazilian company Zanaflex, which produces the rubber blend with the formula requested by Henniges.

According to Rollins, the choice for Jundiá happened because of the good relationship that the company had with the City Hall since the beginning of negotiations. The executive added that the city is medium-size, clean and has a decisive factor: a local college that the company plans to create partnership in the coming years to develop a technical course which will qualify professionals to work at the factory.

Globally, the company headquartered in Michigan, United States, has been present in the market for more than 100 years, with 19 factories spread across four continents: North America, South America, Europe and Asia. It also produces anti-vibration systems for vehicles and some components for construction. The main customers in the automotive sector are BMW, FCA, Ford, Mercedes-Benz, Renault and some joint ventures in China.

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Continental projects growth based on launches

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Disclosure.

Sao Paulo - After the elections for Brazil's president and with Rota 2030 becoming a law Continental's president, Frédéric Sebbagh, got more comfortable to talk about the growth projection of 5% to 10% regarding the company's production in 2019 released last year during the Congress AutoData Perspectives 2019. According to him, the heated market for vehicles and new business in the automakers where Continental's automotive arm serves in Brazil will sustain a positive scenario.

If the process of approving the reforms envisaged by the current government evolves, the picture may be even better: "Overall, we see the macroeconomic scenario in a positive way, which confirms the projections made last year regarding 2019. The business scenario with the

manufacturers of cars and commercial vehicles is favorable and may be even better with the adjustments promised by the new economic team”.

Sebbagh mentioned the GEM (Global Emerging Markets) platform as an example of new business, which General Motors is expected to use in Brazil this year: “There will be technology on-board the models, and we have an offer that meets these needs of the automaker in that sense. Electronic components have an interesting scope”.

GM is an old Continental’s partner in the region. The company was one of the first to incorporate the industrial condominium that the automaker maintains in Gravataí, RS, where its models of greater volume are produced, the Chevrolet Onix and Prisma.

Last year, Continental stopped operating at the place but it continues as a supplier. The executive said that the sector goes through transformations, and this was one of the factors that led the company serve the automaker in a new way. Continental will be the supplier of tires, refrigeration elements, air conditioning and powertrain in the GEM project.

Continental also supplies the other automakers that operate in Brazil, and said that the last years have been marked by negotiations aimed at improving the chain’s operational efficiency. In the case of GM, which last week reported that new investments in the country involve (among other things) conversations with the main suppliers, there will be a meeting this week about a new platform, Sebbagh said.

“Over the years the commercial relation has been marked by constant negotiations with all the customers. I don’t see at this moment what happens to GM as something similar, it will be different. For now, we will wait to see how the questions that the company will raise will be translated”.

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Cooper Standard studies new factories

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Disclosure.

Sao Paulo - Cooper Standard, a manufacturer of fuel delivery systems, brake, fluid and rubber and plastic seals, is looking for a place to install a new production unit in the State of Sao Paulo. The possibility of closing new supply contracts this year encourages the CEO Jürgen Kneissler, who believes he has a good chance of being appointed to a great contract in the next two months.

“We will need a new plant to meet the demand for this project because the unit in Varginha, in Minas Gerais, is small and we don’t have physical space to expand”.

The executive, who had lunch with journalists on Tuesday, 29, said that the intention is to buy the building of an old company in the countryside of Sao Paulo to take advantage of the built area and

the strategic location: “We can’t confirm the city, but after the appointment release I believe that we will start working in two months to adapt the new unit and start production next year”.

Recently the company has inaugurated a plant in Sao Bento do Sul, SC, where it will produce tubes that take the turbo gas to the engine to serve GEM - Global Emerging Markets, the new generation of GM models. Therefore, at least one of the new vehicles will have a turbocharged engine, scheduled to be launched in 2020. The unit will also work with the T-Cross and Tarek lines, the new Volkswagen SUVs which will be launched later this year, and the new projects with Renault.

Last year, the company worked on the project to build a factory in Divina Pastora, SE, ending its operation at Ford’s manufacturing complex in Camaçari, BA. According to the executive, it was not possible to advance negotiations with the union, which promised to stop the factory if Cooper Standard closed its operations: “Approximately ninety employees would leave and because of that, the union hindered negotiations. For this year, the expectation is to solve the issues and start works so that the operations in Sergipe begin next year, to serve FCA and Ford”.

With an eye on the construction of two factories in Brazil, the company projects growth of 25% in the year, with revenues reaching R\$ 450 million. If it happens, the company will reach the breakeven point. Throughout the year, the company also intends to invest R\$ 25 million in capital goods and, if it builds both factories, the value will be much higher.

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