

AutoData

NEWS AGENCY WEEKLY EDITION

Edition
722

Weekly Brazilian automotive industry news | 01.25 to 01.29.2016 Year XII



January sales should close 100 thousand units below

If the most optimistic expectations of the retailers come true, the vehicles market in Brazil should close with a drop of 39% when compared to the same month last year. According to preliminary Renavam data obtained by Autodata Newsdesk...

[More on pg. 2](#)

Chevrolet Onix begins 2016 at the leadership

The Chevrolet Onix held on to the title of best-selling model in the Brazilian market in January. One day away from closing the sales figures...

[More on pg. 3](#)

Roberto Cortes: January heavy truck sales don't react.

Truck sales continued very weak during the first month of 2016. According to information revealed exclusively to Autodata news agency...

[More on pg. 4](#)

Sector default rate closes the year at 4.1%

The delay in vehicle financing payments by individuals closed last year at 4.1%, the same ratio registered in November. According...

[More on pg. 6](#)

January sales should close 100 thousand units below

André Barros | andreb@autodata.com.br

If the most optimistic expectations of the retailers come true, the vehicles market in Brazil should close with a drop of 39% when compared to the same month last year. According to preliminary Renavam data obtained by Autodata Newsdesk, approximately 127 thousand passenger and light commercial vehicles, trucks, and bus chassis were licensed up to Tuesday, 26, representing a daily average of 7.5 thousand units.

A source told Autodata the retail sector is projecting January's volume should close 100 thousand units below the same month's performance

last year. January 2015 closed with sales of 253.8 thousand units. In order to reach 153.8 thousand units, the average daily number of vehicles licensed in the country would need to jump from 7.5 thousand units to 8.7 thousand units during the three last working days of January - sales usually increase during the last days of the month.

This forecast is even below the estimates revealed to Autodata Newsdesk at the end of the first half of the month. At the time, retailers estimated between 160 thousand and 170 thousand vehicles would be licensed in January.

Although the first reaction to a 39% drop is one of concern, the month's performance is in line with the market during the past months. The retailers forecast of approximately 154 thousand units would take the market back to 2007, when, during the first month of the year, 152.9 thousand vehicles were licensed.

The last months have already registered similar volumes to their equivalents in 2007: in December 2015, 227.8 thousand units, against 242.2 thousand units in 2007. In November and October, volumes dropped even further, to levels registered in 2006.

Last year, 2.569 million vehicles were licensed, against 2.463 million units in 2007.

The president of Anfavea, Luiz Moan, stated during a press conference earlier this year that the basis of comparison would be swollen: the first quarter of 2015 was good, compared to the performance of the remainder of the year.

WE



Onix begins 2016 where it closed in 2015: at the leadership.

André Barros | andreb@autodata.com.br



The Chevrolet Onix held on to the title of best-selling model in the Brazilian market in January. One day away from closing the sales figures - with only Friday's volume, the 29th, left to calculate - 12,079 units of the hatchback produced in Gravataí, state of Rio Grande do Sul, have been licensed, with a considerable gap ahead of second-ranked Hyundai HB20.

The model produced in Piracicaba, state of São Paulo, moved into the second position, at least in January, with 8519 units licensed, displacing the Fiat Palio, which registered 7459 units licensed. That is, the same players remained as the top three, with a change only in the second position.

The plurality of the top 10 ranking shows how much the Brazilian market is pulverized. The list is

composed of eight brands, with only Chevrolet, with the Onix and fourth-ranked Prisma, with 5085 units licensed, and Fiat, with the Palio and tenth-ranked Strada, with 3703 units licensed, positioning two models each.

The Jeep Renegade won its own battle for the leadership position in the sport-utility segment, closing in the fifth position with 4556 units sold, against its major rival, the Honda HR-V, which closed in the ninth position, with 3911 units licensed.

Ford, with the Ka in the sixth position, representing 4004 units licensed, and Volkswagen, with the seventh-ranked Fox, and its 3992 units licensed, each have one model in the top 10 list, as well as Toyota, manufacturer of the eighth-ranked Corolla, which registered sales of 3,943 units.

WE

Roberto Cortes: January heavy truck sales don't react.

Marcos Rozen | rozen@autodata.com.br

Truck sales continued very weak during the first month of 2016. According to information revealed exclusively to Autodata news agency by Roberto Cortes, president of MAN Latin America, sales in January are keeping the same average, repeating the performances registered in November at December, which represented two of the three weakest months last year.

November was the worst month in 2015, with only 4.7 thousand units, fruit of a new imbroglio involving the Finame PSI financing line, which, at the time, expired

prematurely. December was slightly better, but registering sales of only 5.6 thousand trucks, the third worst performance in the year, ahead only of February's 5.2 thousand units.

The number of trucks this month, therefore, should not go too far beyond 5 thousand units. Since January's performance was the best last year, with 7.7 thousand units sold, the drop in the annual comparison should be relevant once again, above the 30% level.

Not even the stability of the sales figures during





the quarter animates Cortes, since “the level is very low.” The executive blames the macroeconomic scenario and current credit policy for the situation.

At least inventories are at levels that do not represent “any absurdity,” according to him, a reflection of production stoppages and vacations leaves at the end of last year. MAN’s facility in Resende, state of Rio de Janeiro, is operating from Monday to Thursday for the entire month - in 2015, this schedule was used every two weeks.

Mexico - With little optimistic domestic sales, the way out has been to look to the foreign markets, and, in this segment, MAN is quite optimistic about its operation in Mexico, which is also run by Cortes.

Foreign bus sales, for example, registered a growth of 22% last year when compared to 2014, which provided the company with an additional 1.7 percentage points in

market share, which now stands at 13.3%. In the micro-bus segment, it is the leader, with almost a 60% market share resulting from the offering of two models, eight and nine tons.

According to the president of MAN LA, the strategy there has been similar to Brazil: offer customized products that are adapted to local situations and condition - Mexico has always suffered the influence of the US market in its offer of commercial vehicles. “Slowly, we are gaining, similar to what happened with the bus and Delivery truck lines, an initiative that was later copied by competitors. I believe we have the same opportunity now, with the Constellations, which were launched there last year.”

MAN’s plant in Mexico is located in Querétaro, where it assembles Volksbus SKD kits shipped from Resende, adding a few local and European parts, as well as some VW truck models.

WE

Sector default rate closes the year at 4.1%

André Barros | andreb@autodata.com.br

The delay in vehicle financing payments by individuals closed last year at 4.1%, the same ratio registered in November. According to preliminary data divulged by the Brazilian Central Bank on Wednesday, 27, the automotive sector's default rate closed 2015 with an increase of 0.2 percentage points when compared to the previous year.

Although the economic crisis affected the sector and the Brazilian economy, the default rate did not vary significantly throughout the year, remaining stable between December 2014 and August of last year at 3.9%. The ratio registered a slight increase only in September, reaching 4.1%.

Despite a slight setback in October, payments in arrears began increasing in November, but remained at 4.1% in December, despite the increase in the interest rates by the banks, which followed the evolution of the Selic.

In an interview to Agência Brasil, the head of the Central Bank's Economic Department, Tulio Maciel, stated that selectivity and caution of the banks at the time of offering credits have helped to maintain the rate of default under control - according to the Central Bank, families registered a default rate of 4.2%, stable when compared to November, but still 0.5 percentage points above 2014, while the rate of default on credit to companies grew 0.7 percentage points last year, reaching 2.6%.

"Even during a retraction in activity, the default rate is relatively well-behaved."

WE



Image/Archive



Comil closes plant in Lorena, state of São Paulo

Marcos Rozen | rozen@autodata.com.br

Comil closed its plant in the interior of the state of São Paulo, in the city of Lorena, in the Paraíba Valley region, which had been inaugurated only two years ago. The unit produced urban models at the facility. Production was transferred to the company's unit in Erechim, state of Rio Grande do Sul.

In a press release, the company stated that "the end of production activities at the plant in Lorena (is) necessary due to the unprecedented crisis in the bus market. Throughout the past months, the company, employees, and the union adopted a number of

initiatives in an attempt to overcome or minimize the strong impact of the economic instability, with a view to maintaining the industrial activity. Unfortunately, these were not enough to offset the brutal drop in the bus market and the resulting reduction in production volume, which made the plant's industrial activities unsustainable."

The release goes on to say that Comil "is engaging all efforts to minimize impacts from the decision and guarantee the fulfillment of all of the social and labor commitments. Some employees will be maintained

in order to conduct transition activities and asset conservation.”

The company added that the unit in Erechim continues operating regularly.

According to information provided by the president of the Lorena Metalworkers Union, José Luis Azevedo, when the employees showed up to work on Thursday, 28, they were called in for a meeting with company representatives, who informed them about the end of activities at the unit. There is still no information about how the process of dismissing the 220 employees will take place: the union was called in for a meeting at the plant on Friday morning, 29.

Comil's Lorena facility, according to him, once employed up to 400 workers, but was currently operating with slightly more than half.

The plant was inaugurated in December 2013, with the presence of the state governor. It was the result of an investment valued at R\$ 110 million and took one and a half years to be built. At the time, the company expected to generate 500 direct and 1000 indirect jobs, with an annual production of 12 buses per shift, doubling its capacity for this type of vehicle.

At the time, the company issued a press release concerning the inauguration of the unit in which it stated that “the Lorena facility was planned to produce high-quality urban vehicles, equipped with an innovative manufacturing system, making it the most modern bus production unit in Latin America.” The company's CEO, Silvio Calegari, at the time, stated that “the characteristics of the plant enables it to meet the growth in demand for buses up to 2016, driven by important events such as the 2014 World Cup and the Olympic Games, which are already demanding improvements in the transportation of people in the big cities.”

According to information from Fabus, Comil produced 2129 buses last year, representing a 34.7% drop when compared to the 3107 units produced in 2014. In 2015, the company produced 1121 urban buses, representing a drop of 16% when compared to the 1445 units produced in 2014. Export figures registered an increase last year: totaling 592 units, an increase of 71% when compared to the 189 urban buses shipped abroad during the previous year, an increase of slightly more than 900% when compared to the 18 buses shipped abroad in 2014.

WE



Volkswagen Brazil switches vice president of operations

Autodata Newsdesk | redacaoad@autodata.com.br

Volkswagen do Brasil announced on Friday, 28, a change in the position of VP of operations, responsible for the vehicle production process, including stamping, body set up, painting, final assembly, and logistics.

Antonio Pires, a 58-year-old Portuguese citizen, will succeed Otto Joos, a German citizen who was nominated director of the Volkswagen components plant in Braunschweig, Germany - he has been at the VW Group since 1979, and was nominated for the position in Brazil in early 2011.

This will be the second time Pires will pass through the Brazilian unit: he was executive manager of manufacturing at the Anchieta plant in São Bernardo do Campo, in the state of São Paulo, in 2006, and became director of the São José dos Pinhais plant, in the state of Paraná, the following year, where he remained for a period of three years.

The executive, a mechanical engineering graduate from Instituto Superior Técnico de Lisboa, was director of the Volkswagen Autoeuropa plant in Palmela, Portugal. He has been in the Group for more than 20 years. He also worked at Volkswagen Navarra, in Spain.

WE



Volkswagen and Senai offer mechatronics course in Brazil

Autodata Newsdesk | redacaoad@autodata.com.br

Twenty students entered the classroom at the Volkswagen Senai Training Center to participate in the first mechatronics course that has the same professional qualification level as those offered in Germany. The initiative is a partnership between the vehicle manufacturer and six suppliers - Grob, Kostal, Mahle, Thyssen Campo Limpo, Thyssen Elevadores, and ZF - and the government of Germany, through the country's Ministry for Cooperation and Economic Development.

The pilot project calls for the addition of a third year to the Senai course, which is located at the Volkswagen Anchieta plant, in São Bernardo do Campo, in the state of São Paulo. Among the 20 students, those that completed the first two years with the best performance within Senai Anchieta were offered a job by Volkswagen Brazil, in addition to employees from the partner suppliers.

The course curriculum is composed of theoretical and practical classes - an exclusive mechatronics laboratory will receive the students for practical exercises, which proposed 80% of the hours/class of the third year.

It was assembled for the course and has job position simulators that are identical to the ones used in Germany for the mechatronics curriculum.

One of the advantages of the course is that the Mechatronics diploma is recognized by the German government for those who meet the performance required by the country and are certified by the Brazil-Germany Chamber of Commerce and Industry. In order to achieve this, students will have to take tasks applied by the Technical Committee, which is coordinated by the Chamber.

In addition to the diploma, the student will receive from Senai a certificate of Technical Specialist Developer Integrator of Automated Manufacturing Systems.

In a press release, the human resources vice president of Volkswagen Brazil, Holger Rust, highlighted the company's pioneering efforts. "This is a brand-new initiative that is extremely innovative. Even despite the current challenging economic scenario, Volkswagen do Brasil continues investing in the young workers with an eye to the future."

WE