



**September was the best month for 2020, but ANFAVEA's projections are still pointing to an uncertain scenario with year-end sales drops of 31%**

**São Paulo, October 7<sup>th</sup>, 2020** – The Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA) announced the sector's results for September, the best month of the year in terms of production and sales. September also secured the best quarter of 2020, after the negative record results from the second quarter, highly impacted by the new coronavirus. After this positive market reaction, ANFAVEA reviewed its year-end projections, indicating a slightly better scenario than the one presented in June, at the height of the pandemic.

Despite the recovery from the recent months, the revised year-end projections are still pointing to strong declines in all indicators. The new estimated production for 2020 is 1,915 million units, the worst year since 2003, and down 35% over 2019. Domestic market sales should reach 1,925 million units, a decline of 31% compared to 2019 and the worst result since 2005. The revised projection for exports is 284 thousand units, 34% less than previous year, and the worst volume since 1999. The estimates for the agricultural and road machines segment are better, with 5% growth in sales, but 4% decrease in production and 31% drop in exports.

"September results are a relief, but we are still very cautious about the near future. The current positive performance is credited to the enormous and temporary cash injection made by the government through the emergency aid, which made the economy turn faster than expected", explains the President of

ANFAVEA, Luiz Carlos Moraes. "Even if fourth quarter results are similar to the third, our sector will still have a dramatic drop in all of its 2020 performance indicators", explains Luiz Carlos.

September figures consolidated the recovery of the third quarter, bringing some relief to the entire automotive chain. The production of 220.162 vehicles was 4.4% higher than August's, but 11% lower than September 2019. The accumulated nine months period of 2020 showed a 41.1% decrease when compared to the previous year. Domestic market licensing in September was of 207.710 units, an increase of 13.3% over the previous month, but a decrease of 11.6% over the same month in 2019, and an accumulated drop of 32.3% in the year.

Even with the current quarter recovery, production numbers failed to repeat the good results of the initial months of this year, due to the poor exports performance, projecting for 2020 the worst century results. In September 30.519 vehicles were exported, up 8.5% over August and down 16.7% over September/2019, representing a 38.6% shrinkage in the year.

For the last quarter, ANFAVEA expects similar results like September. "If in one hand we can see positive signs, such as the reduction of covid's fatalities, higher interest in individual transport and the traditional yearend volume increase, on the other there are risks such as the reduction of federal aid, fall in income level, high unemployment and inflation rise", said Luiz Carlos Moraes.

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