



## Lack of semiconductors is preventing production volumes to return to pre-pandemic levels

**São Paulo**, 8<sup>th</sup> **June 2021** – 192.8 thousand vehicles were produced in May, just 1% higher than April, according to the Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA). Since January, production levels have been between 190 thousand and 200 thousand, indicating a technical ceiling caused not by lack of demand, but by the global supply crisis of semiconductors.

"This problem, which should go on until the initial months of 2022, is responsible for the temporary standstill of part of our factories, some for short periods others longer", explains ANFAVEA's President Luiz Carlos Moraes, emphasizing that this issue affects several industrial sectors, but the automotive in particular, since a single vehicle can have up to 600 semiconductors in its electronic motorization systems, transmission, safety, comfort, entertainment, etc.

While production struggles, the licensing of 188.7 thousand units in May represented an increase of 7.7% over the previous month, with emphasis on the 11.5 thousand trucks, the best result in the segment since December 2014. Exports increased even more: 37 thousand vehicles were shipped, 9.1% more than in April. In the first five months, vehicle licenses reached 891.7 thousand and exports 166.6 thousand.

## Industrial policy and the nation's vision of the future

In Luiz Carlos Moraes opinion, the semiconductor crisis reveals a challenge that needs to be faced by Brazil. "The United States and European countries understood the warning signal and are already developing industrial policies in order to locally produce these electronic components, which are the basis of the entire 5G technological revolution, Internet of Things, automation and others already underway", says the President of ANFAVEA.





"The automotive sector and other industries are increasingly dependent on these components in order to take a further technological steps, attract investments in research and development, generate technical and academic knowledge and high-quality jobs. We're already late, and this requires urgency and a great vision of the future from our leaders", completes Moraes.

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