



The Brazilian automotive industry presented a slight recovery in August, only now reaching levels that without the pandemic, would have been achieved in May

São Paulo, September 4th, 2020 - The Brazilian automotive industry results in August were the best since the beginning of the covid-19 pandemic, indicating that the highest point of the crisis was limited to the second quarter. In comparison to July, the production of vehicles (210,9 thousand units), presented a growth of 23,6%, while licenses (183,4 thousand) grew 5,1%, and exportation (28,1 thousand) fell 3,4%. However, when compared with August 2019 volumes, these three numbers registered declines bigger than 20%, indicating a long road to recovery to pre-pandemic levels.

Comparing the accumulated numbers up until August, the situation between 2020 and 2019 is even more unfavourable. The licensing (1.166,7 thousand) decreased 35%, exportations (176,7 thousand) shrank 41,3% and production (1.110,8 thousand) plummeted 44,8%, repeating volumes from almost two decades ago. "It is as if we had lost 3 months of internal sales and almost four months of production", say Luiz Carlos Moraes, ANFAVEA's President. "If wasn't for the pandemic, by mid-May we would've already reached August levels", adds Moraes, highlighting the impressive losses in automotive sector.

The truck segment, despite the 15,3% sales retraction in August (8,1 thousand units) compared to July, shows a less dramatic situation in the year, with a decrease of 14,9% in sales and 17,8% in exports. Production presented an impressive decrease of 36,6%.

The agricultural and road machinery segment, is the least affected by the pandemic, due to the good results of agribusiness. Internal market showed a slight sales drop of 2,7% in the month, but in the accumulated, the result reached 28.500 units, 1,8% over the same period in 2019. However the cumulative drop of 33,9% in exportation

harmed production, which retreated 21,5% during the first eight months of this year.

“We have been warning about the lack of competitiveness of our country way before the pandemic, but the situation is even more urgent now. The global vehicle market will probably shrink from 91 million units in 2019 to less than 75 million in 2020, generating unprecedented idleness in the global industry. Only attacking the causes of ‘Brazil Cost’ we’ll be able to avoid a dramatic shrinkage of Brazilian automotive sector”, says Luiz Carlos Moraes.

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