Press Release

DECREASING TREND FOR THE AUTOMOTIVE INDUSTRY PRODUCTION IN ITALY IN JANUARY, WITH THE NINETEENTH NEGATIVE SIGN IN ROW (-2.1%)

Also the car production keeps slowing down (-7%) and the concern includes the consequences of the currently health emergency on the productive level in the next months, with the flection of the request and the risk of recession for the economy, in an already challenging moment for the sector

Turin, March 10th 2020 – In January 2020, According to ISTAT data, the **Italian automotive industry production in the overall[1]** register a trend of decrease of 2.1%, in slowdown for the nineteenth month in row, but in increase respect to December 2019 (+3.5%). In the whole 2019 the trend of variation has been of -9.6%.

Looking at the **each productive field of the sector**, the manufacturing of vehicles (Ateco Code 29.1), see its index in slowdown of 4.1% in January 2020 respect to the same month of 2019; the one related to the manufacturing of bodies for vehicles, trailers and semitrailers (Ateco Code 29.2) grow of 4.2%, in the end the one related to the manufacturing of components and accessories for vehicles and their engines[2] decreases of 0.6%, in growth of -17.2% registered in December 2019.

According to ANFIA data, in January 2020 the **national car production** in Italy register a slowing down of 7%, confirming the negative trend already registered in the whole 2019.

The trend of the automotive production is located in a contest where the overall of the Italian industry production is in slowdown for eleven months in row, even if in January **the index of the industrial production in the overall**[3] decreases of 0.1% respect to the trend level.

The **overall of the industry orders** (with the only exception of the Manufacture field), shows a trend of growth of 6% in December (last data available), thanks to a national market increased of 12.6% (-3.6% the international part) and also the situation level registers a growth of 1.4%. In the overall of the fourth trimester of 2019 the situation growth is about 1,9%. It is registered, instead, a decrease of 1.9% at trend level in the overall of 2019 (+0.2% the national part and -4.9% the international one).

[1]Ateco Code 29: production of cars, car bodies, trailers and semitrailers and production of components and accessories for vehicles and their engines.

[2]Ateco Code 29.3, tires are not included.

[3]Corrected for the calendar effect: working days have been 21 in January 2020 against 22 of January 2019 (Manufacture field is not included). **Since the beginning of 2018, the index of the industrial production published by ISTAT, based on 2015=100 (until the past month it was based of 2010=100).**

"In January 2020, the Italian industry production is stable respect to last year levels (-0.1%), considering also that this month counted 21 working days respect to 22 of January 2019 – says **Gianmarco Giorda, Director of ANFIA.** *What concerns is the consequences of the current situation of health emergency on the production levels in the next months, at risk of recession. The predictions for the GDP growth in Italy, were already revised downward before the recent measures to prevent the spread of contagion, that started from the most productive regions of the country, and for the first three months the negative variation is hard to quantify. The same considerations are valid for the automotive productive supply chain, since in January the trend of slowdown continues respect to last year which registered a negative closing also for the car production in Europe, (-5%). The assignment of 7.5 billion of Euro released by the Italian Government, which has to be approved yet, is the first step of a plan of action which need to be quickly elaborated to deal with this crisis and to prevent permanent losses at the productive system of the Italian economy and to the employment.*
Beyond this situation arose in the first months of 2020, it has to be reminded that the automotive components field was already living a period of decrease at productive level, given by a slowdown of the national orders but also a decrease of export[4], that in November 2019 (last data available) registered a trend of decrease of 5.9%, with a strong slowdown of the value of exportations to Germany (-6.3%) and Great Britain (-18.4%)".

In the **automotive sector** in the overall, **orders[5]** are in slowdown of 0.2% in December, with an inner part in increase of 2.9% (-4.3% on the international markets). In the cumulate of 2019, orders decrease of 9.9%, especially because of an inner part in slowdown of 13% (-5.8% the ones of the international markets).

The decrease of the orders is one of the factors which impact on the trend of the **components production**, that after the strong double figures in December, limit the slowdown of 0.6% in January.

In particular, for the **production of components and accessories for vehicles and their engines** orders register an increase of 2% in December (-1.1% for the national market, +5% for the international market), but they close the cumulate of 2019 with -7.6% (-13.3% national market and -2% the international one).

In December 2019, (last data available), the value of the **export of vehicles** from Italy is about 1.64 billion of euro, the 1.9% less respect to the same month of 2018, the 4.4% of the total exported. The import of cars, instead, values, 2.56 billions of Euro in slowdown of 4.5%, representing the 7.9% of the total imported in Italy. The United States of America still represent, in terms of value, the first country as destination for the export of vehicles from Italy with a share of 16%, followed by France and Germany, respectively with a share of 15% and of 13%.

[4]Source: ISTAT – Exportations of the components supply chain (Ateco Code 29.3), which does not include components of the other economic activities, for examples tires which are included in the Ateco Code Ateco 22 instead "Rubber goods".
[5]Unrefined Data The update data for January will be published by ISTAT on March 18th 2020.

The **income[6] of the automotive sector** in the overall, in the end, presents a negative variation of 3.1% in December (-8.6% the national income and +6.5% the international one). In the whole 2019, the income is in slowdown of 7.8% (-11.7% the national income and -2.4% the international one).
The **income of industry** (with the only exception of the Manufacture sector) registers an increase of 1.7% in the month (+1.2% on the national market and +2.9% on the international ones) and it closes with -0.3% in the period January-December 2019 (-0.3% the national market and -0.2% the international ones).

In the end, the **income of the production of components and accessories for vehicles and their engines** presents an increase of 5.1% during December, thanks to an inner part in increase of 5% and an international one of +5.3%. From January to December 2019 the index of the income registers a slowdown of 5.5% instead, with an inner part in slowdown of 11.9% (+0.9% the international income).

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ANFIA – Italian Association of the Automotive Industry – is one of the leading Italian Trade Associations, members of CONFINDUSTRIA.
Born in March 1912, over these one hundred years, ANFIA mission has always been to represent the interests of its associate members and ensure effective communication between the Italian motor vehicle industries on the one hand, and the Public Administration and Italian political bodies on the other, with regard to all technical, economic, fiscal, legal, statistical and quality-related issues referred to the automotive sector. The Association is structured in three product-based Groups, each one chaired by a President. Components: motor vehicle parts and components manufacturers; Car Coachbuilders and Designers: companies working in the sector of design, engineering and style of motor vehicles and/or parts and components for the automotive sector; Motor vehicles: motor vehicles manufacturers in general, including trucks, trailers, camper vans, special means of transport.

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