Press Release

ALSO JULY REGISTERS A DOUBLE-DIGIT SLOWDOWN FOR THE ITALIAN AUTOMOTIVE PRODUCTION (-13.3%), EVEN IF SOFTENING RESPECT TO JUNE (-39.4%)

First positive sign of 2020 for the index of the motor vehicles production (+3.4%), consistent with the 4% increase in car production volumes underlined by ANFIA as preliminary data. The final balance of the first 7 months remains however heavy and worries also the contractions of production and export of components

Turin, September 10th 2020 – In July 2020, according to ISTAT data, the **Italian automotive production in its overall[1]** registers a trend of decrease of 13.3%, while it close the first seven months of 2020 with -35.8%.

Looking at the **each productive field of the sector**, the manufacturing of vehicles[2] (Ateco Code 29.1) sees the same index in growth of 3.4% in July 2020 respect to July 2019, first negative sign of the current year, while decreases of 36.8% in the cumulate 2020 respect to the same period of 2019; the one related to the manufacturing of bodies for vehicles, trailers and semitrailers (Ateco Code 29.2) decreases of 21.2% during the month and of 32.2% in the cumulate, while the one related to the manufacturing of components and accessories for vehicles and their engines[3] decreases of 26.6% during the month and of 36.5% in the cumulate.

According to ANFIA data, in July 2020 the **national car production** in Italy, shows for the first time since the beginning of the year, a positive variation: +4%. The production in the first seven months of the year, instead, decreases of 48% respect to the same period of 2019.

The trend of the automotive production is located in a contest where the overall of the Italian industry production is in decrease in the last 17 months in row: also in July 2020, in fact, the **index of the industrial production in the overall**[4] registers a slowdown of 8%, in decrease of 16.8% in the first seven months of the year, at the trend level.

The **overall of the industry orders** (with the only exception of the Manufacture field), show a decrease trend of 11.8% in June (last data available), with decreases on both markets (-10.1% the inner part and -14.3% the international one). The last sectors with

[1]Ateco Code 29: production of cars, car bodies, trailers and semitrailers and production of components and accessories for vehicles and their engines. (tires are not included).
[2]Ateco Code 29.3, tires are not included.
[3]Ateco COde 29.3, tires are not included.
[4]Corrected for the calendar effect: working days have been 23 in July like in July 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).**

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positive variation are the pharmaceutical industry (+10.9%) and **the means of transport sector** (+6.3%).
In the first semester of 2020, the trend of decrease is of 20.9% (-21.7% the inner part and of -19.7% the international one).

The **income of industry** (with the only exception of the Manufacture sector) is in slowdown of 13.8% during the month (-13.2% on the national market and -14.9% on the foreign ones) and it closes with -19% in the period from January to June 2020 (-19.9% the national market and -17-5% the foreign one).

"*The second half of 2020 opens with a July still in a double-digit trend of decrease for the Italian automotive industry production(-13.3%), but less strong than the contraction showed in June (-39.4%) and with a first positive sign, the first of 2020, registered by the car manufacturing index (+3.4%), consistent with the 4% increase for the car production volumes registered as preliminary data -* **says Gianmarco Giorda, Director of ANFIA***. At the economic level, the automotive production levels of July grew of 54.9%. This happens in the context of an overall industrial production (with the only exception of the Manufacture field) which also decrease at the trend level in July (-8%), with slightly signs of recovery respect to the -13.7% in June, with a growth in the economic terms (+7.4%).*

For the automotive industry, the final balance for the first 7 months of the current year remains obviously heavy, with production in decrease of 35.8% with volumes of cars produced 48% lower than in the same period of 2019, volumes that in the UK are -40%, in Spain -38% in the first half of the year, in Germany -36% in the first 8 months, in respect to some of the major European countries.

Which is worrying is the data relating to the production of Italian automotive components, whose index decreases of 26.6% in July and 36.5% in the progressive 2020, with significant contractions for the orders, especially for the national market. In May (last data available), also the export of components decreased strongly (-41%; -23% to Germany, the first destination country), although less serious than the fall in April (-74%), and it closes the period January-May 2020 with -29% (-24% to Germany), while it keeps a positive balance.

If for the Italian car market there are already good chances of recovery, thanks to the incentive measures introduced by the recent 'August Decree' - the eighth month of the year closed with -0.4% respect to -20% in Germany and France, -10% in Spain and -6% in the UK - which once it will be entered into force it could support the industrial production, there is still a lack of an adequate stimulus to the restart of the light commercial vehicle market and, above all, a plan of structural and strategic actions in support the industrial transition and in general to benefit the evolution of the sector, which it should be defined in the Recovery Plan".

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For the **automotive sector** in its overall, **orders**[5] registers a trend of decrease of 8.2% in June, with an inner part in decrease of 6.5% and an international one of -10.4%. In the first six months of 2020 orders decrease of 31.3%, with an inner part in slowdown of 32.5% (-30% the foreign markets).

For the **production of components and accessories for vehicles and their engines**, orders register a decrease of 27.8% in June (-32.3% the national market, -23.5% the foreign one), and of 30.3% in the cumulate (-34.7% the national market and -26,4% the international one).

In June 2020 (last data available), however, the **value of the export** of vehicles from Italy is about 1.5 billion of Euro, the 20,5% less respect the same month of 2019, which means the 4.2% of the total exported, while the import values 1.6 billion of Euro (-45%) which means the 5.3% of the total imported in Italy. France represent, in terms of value, the first country as destination for the export of vehicles from Italy with a share of 16.6%, followed by Germany and the U.S.A., respectively with a share of 16.5% and of 16.3%.

The **income of the automotive sector** in the overall, in the end, presents a negative variation of 35.7% in June (-42% the national income and -26.1% the foreign). In the first semester of 2020, the income decreases of 36.9% (-40.4% the national income and -32.4% the foreign one).

In the end, **the income of the production of components and accessories for vehicles and their engines** presents a decrease of 27% in June, (-34.6% the inner part and -19.7% the international one). In the first six months of 2020 the index of the income registers a slowdown of 32.5%, with an inner part in slowdown of 37.6% (-27.9% the foreign income).

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ANFIA – Italian Association of the Automotive Industry
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

[5] Unrefined Data. The update data for May will be published by ISTAT on September 18th 2020.

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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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The Automotive Production Chain in Italy
5.529 companies
274.000 employees (direct and indirect), more than 7% of the employees in the Italian manufacturing sector
105.9 billion Euros of turnover, which means 11% of the Italian manufacturing sector turnover and of 6.2% of the Italian GDP
76.3 billion Euros of tax levy of motorization

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