



## Press Release

### **ANOTHER STRONG SLOWDOWN FOR THE ITALIAN AUTOMOTIVE PRODUCTION INDUSTRY IN MAY, WHEN PRODUCTION ACTIVITIES RESTARTED AFTER THE CLOSING GIVEN BY THE MEASURES AGAINST THE COVID-19 OUTBREAK: -48.6%**

*Turin, July 10<sup>th</sup> 2020* - In May 2020, according to ISTAT data, the Italian automotive production in its overall<sup>1</sup> registers a trend of decrease of 48.6%, while it closes the first five months of 2020 with -39.6% (-36.9% the variation trend in the first four months).

Looking at the each productive field of the sector, the manufacturing of vehicles<sup>2</sup> (Ateco Code 29.1) sees the same index slowing down of 50.8% in May 2020 respect to May 2019, while it decreases of 44.4% 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 37.3% during the month and of 38.7% in the cumulate, while the one related to the manufacturing of components and accessories for vehicles and their engines<sup>3</sup> decreases of 47.7% in the month and of 36.7% in the cumulate.

According to ANFIA data, in March 2020 the national car production in Italy registers a decrease of 84% respect to the volumes of May 2019. The production in the first five months of the year reduced of 54% 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 fifteen months in row, also in May 2020, in fact, the index of the industrial production in the overall<sup>4</sup> registers a double-digit decrease, -20.3%, in slowdown of 19.3% from January to May 2020, at the trend level. All the main sectors of the economic activities register trends of decrease, the most relevant is the manufacture of means of transport (-37.3%).

The overall of the industry orders (with the only exception of the Manufacture field), show a trend of decrease of 49% in April (last data available), with decrease on both markets (-53% the inner part and -43.6% the international one). The larger negative variation has been noticed for the means of transport sector (-71.2%).

In the first four months of 2020, the trend of decrease is of 19.7% (-2.6% the inner part and -17.1% the international one).

The income of industry (with the only exception of the Manufacture sector) is in slowdown of 45.1% in the month (-46.5% on the national market and -42.6% on the

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<sup>1</sup>Ateco Code 29: production of cars, car bodies, trailers and semitrailers and production of components and accessories for vehicles and their engines.

<sup>2</sup>As "vehicles" are meant cars and heavy and light commercial vehicles.

<sup>3</sup>Ateco Code 29.3, tires are not included.

<sup>4</sup>Corrected for the calendar effect: working days have been 20 in May 2020 against 22 in May 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).

international ones) and it closes with -17.1% the period from January to April 2020 (-18.5% the national market and -14.4% the international market).

*"Between the last week of April and the first of May, almost all production activities in the Italian automotive supply chain restarted after the closing given by the measures against the COVID-19 outbreak - at least for those who did not belong to the services supply chain which are considered essential - although at a very slow pace, paying the consequences of the stop of the supply chain and demand in crisis for all sectors - said Gianmarco Giorda, Director of ANFIA. Production levels in May are in strong slowdown respect to the same month of last year.*

*In Italy, in the first half of 2020 the car market almost split in half respect to the same period in 2019, with only 584,000 registrations (-46%), while the light commercial vehicles sales reached 61,600 units (-36%). According to data from the national automotive associations, the first half of the year also saw a double-digit decrease in the other major European countries: -48.5% in the UK, -51% in Spain, -39% in France - the only one of the major markets to regain the positive sign in June (+1.2%) - and -34.5% is Germany. Light commercial vehicles see a contraction of 38% in the enlarged EU market to EFTA and the U.K. It is no coincidence that the index of the car production, no longer zeroed as in the previous month, has more than split in half in May (-50.8%) and closed the progressive trend to -44.4%, decreases are also strong in the production of components - 47.7% in the month and 36.7% in the cumulate - and orders in this specific sector, decrease of 76.9% in April.*

*After a long dialogue with parliamentarians and government representatives, an incentive scheme for the purchase of new Euro 6 cars with CO<sub>2</sub> emissions from 61 to 110 g/km, including scrapping premiums, was approved a few days ago by the Chamber of Deputies and now awaits the approval of the Senate. The incentives for electrified cars already in force have also been increased. These measures - concludes Giorda - represent only the first step of a long-term industrial policy plan that should be urgently defined, so as to be ready in the autumn, and that will help the supply chain in the transition to the new technological paradigms, with support for investments in production, R&D and human capital that risk slowing down. On this, Italy is lagging behind its European competitors".*

For the **automotive sector** in its overall, **orders**<sup>5</sup> register a trend of decrease of 77.9% in April, with an inner part in slowdown of 75.2% with an international one of -81.2%. In the first four months of 2020, orders decreases of 32.1%, with an inner part in slowdown of 34.1% (-29.8% on the international markets).

For the **production of components and accessories for vehicles and their engines**, orders register a decrease of 76.9% in April (-79.1% the national market, -75% for the international markets), and of 26.3% in the cumulate (-31.4% the national market and -22.1% the international markets).

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<sup>5</sup> Unrefined Data. The update data for May will be published by ISTAT on July 17th 2020.



In April 2020 (last data available), however, the value of the **export of vehicles** from Italy is about 231 millions of Euro, the 86% less respect to the same month of 2019, which means the 1% of the total exported, while the import of cars values 549 millions of Euro (-81%) and the 2.3% 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 18%, followed by Germany and the U.S.A, respectively with a share of 17% and of 7%.

The **income<sup>6</sup> of the automotive sector** in the overall, in the end, presents a negative variation of 87% in April (-84% the national income and -90.5% the international one). In the first four months of 2020, the income decreases of 32.7% (-35.5% the national income and -29.3% the international one).

In the end, the **income of the production of components and accessories for vehicles and their engines** presents a decrease of 82.6% during April, (-86.7% the inner part and -79.1% the international one). In the first four months of 2020 the index of the income registers a slowdown of 29.1%, with an inner part in decrease of 33.6% (-25.4% 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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#### **The Automotive Production Supply 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 billions of Euro of income, which means 11% of the total of the production in Italy and of 6.2% of the Italian GDP

76.3 billions of Euro of tax levy of motorization

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