Press release

MORE MODERATE GROWTH (+8.7%) FOR THE ITALIAN AUTOMOTIVE INDUSTRY MANUFACTURING INDEX IN JULY 2021, COMPARED TO A JULY 2020 THAT WAS STILL DOWN IN DOUBLE DIGITS (-15.3%), BUT WITH A RECOVERY IN THE MOTOR VEHICLE MANUFACTURING SECTOR, WHICH IS NOW REVERSING THE GROWTH TREND OF RECENT MONTHS

In July of this year, production volumes in the automotive sector were 7.9% lower than the pre-pandemic levels of July 2019, while in 2021, they were down 8.1% compared to the same period in 2019.
According to preliminary ANFIA data, passenger car production dropped by double digits in the month, closing at -29% compared to July 2020 and -26% compared to July 2019

Turin, 10th September 2021 - In July 2021, according to ISTAT data, **production in the Italian automotive industry as a whole[1]** grew by 8.7% compared to July 2020 (but fell by 7.9% when compared to July 2019), while in the first seven months of 2021 it increased by 47.9% (-8.1% compared to January-July 2019).

Looking at the **sector's manufacturing segments**, the motor vehicle manufacturing index[2] (Ateco code 29.1) fell by 7.4% in July 2021, after +39.1% in June 2021, and increased by 50.2% in the first seven months of 2021 compared to the same period in 2020. The motor vehicle body, trailer, and semi-trailer manufacturing index (Ateco code 29. 2) increased by 22% in the month and 34.6% cumulatively. In comparison, the manufacture of parts and accessories for motor vehicles and their engines[3] grew by 27.7% in July and 51.3% in January-July 2021.

According to preliminary data from ANFIA, **domestic car production** is down 29% in the month but up 50% in the first seven months of 2021 compared to the same period in 2020. Compared to 2019, however, the number of cars produced was down 26% in July and 22% in January-July 2021.

Automotive manufacturing has been part of the overall Italian industrial production growth since March 2021, after 24 months of negative results. In July 2021, the **index for total industrial production[4]** closed at +7% compared to July 2020 (but at -1.9%

[1] Ateco code 29: manufacture of motor vehicles, manufacture of bodywork for motor vehicles, trailers and semi-trailers and manufacture of parts and accessories for motor vehicles and their engines (excluding tyres).
[2] " Motor vehicles " means passenger cars and light and heavy commercial vehicles.
[3] Ateco code 29.3, does not include tyres.
[4] Corrected for calendar effects: there were 22 working days in July 2021 compared to 23 in July 2020 (excluding Construction). As of 2018, industrial production indices are published by ISTAT using the new reference base 2015=100 (until last month the base was 2010=100).

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compared to July 2019) and was up 17.9% in the first seven months of the year (down 2.2% compared to the first seven months of 2019).

Turnover in industrial production in the strict sense (excluding Construction) was up 28.5% in June, the latest figure available (+27.6% in the domestic market and +30.2% in foreign markets) and closed the first six months of 2021 at +29.3% (+31.7% in the domestic market and +24.9% in the foreign market).

"In July 2021, Italian automotive manufacturing continued to grow on a year-on-year basis, albeit at a lower rate (+8.7%) than in the previous month", commented **Gianmarco Giorda, Director of ANFIA**. *It is worth noting that in July 2020. However, automotive output overall still showed a sharp double-digit drop (-15.3%). The vehicle manufacturing sector had recorded its first positive sign of the year since the Covid crisis, +1.7%, witnessing an initial recovery in domestic car production. In July 2021, however, the manufacturing of motor vehicles reversed the upward trend recorded in recent months and closed with a negative figure (-7.4%). Production figures for the sector in the seventh month of the current year are 7.9% lower than in 2019, and the final year-to-date figure is also down (-8.1%) compared to January-July 2019.*

The sharp drop in car production in July 2021 may have been influenced by the expected demand-side effect of refinancing purchase incentives in the 61-135 g/km CO_2 range, which happened at the beginning of August. The continuing problems with the semiconductor supply chain - which subsequently led to assembly plants not being able to reopen at the end of August - as well as one fewer working days than in July 2020, may also have had an impact.

With the end of the summer period and the vital contribution of current demand-support measures - including the recent refinancing of the Ecobonus for cars in the 0-60 g/km CO_2 range, welcomed by the industrial sector committed to the transition to electrification and awaiting the definition of a national strategic plan for the reconversion of the industry - we are confident that manufacturing numbers will gradually rise in the autumn".

In January-May 2021 (latest data available), exports of motor vehicles (new cars and industrial vehicles) from Italy were worth €7.22 billion, while imports were worth €11.81 billion. In terms of value, Germany is the top destination country for Italian car exports, with a 16.2% share, followed by France (15.7%) and the United States (14.7%).
In the same period, exports of automotive components were worth €9.47 billion, with a positive trade balance of €2.48 billion.

Italian Association of Automotive Industry (ANFIA)

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Turnover in the automotive sector[5] overall, on the other hand, increased by 50.2% in June (latest data available), with domestic sales up 68.6% (foreign sales up 27.7%). In the January-June 2021 period, turnover increased by 62.3% (+78.8% for domestic turnover and +42.8% for foreign turnover).

Finally, **turnover from parts and accessories for motor vehicles and their engines** increased by 36.6% in June (+46.3% in the domestic market and +28.8% abroad). In the first half of 2021, the sales index for this segment increased by 50.5%, with the domestic market growing by 65% and foreign sales by 39.3%.

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ANFIA – Italian Association of the Automotive Industry

Founded in March 1912, over its hundred years, ANFIA's 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, regarding 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 chaired by a President. Components: motor vehicle parts and components manufacturers; Car Coachbuilders and Designers: companies are working in the sector of design, engineering, and style of motor vehicles and parts and components for the automotive industry; Motor vehicles: motor vehicles manufacturers in general, including trucks, trailers, camper vans, unique means of transport.

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The Automotive Production Chain in Italy

5,546 companies
278,000 employees (direct and indirect), more than 7% of the employees in the Italian manufacturing sector
106.1 billion Euros of turnover, which means 11% of the Italian manufacturing sector turnover and 6.2% of the Italian GDP
76.3 billion Euros of tax levy of motorisation

[5] Raw data. Data updated to June will be published by Istat on 22nd September 2021.