ANFIA
Associazione Nazionale Filiera Industria Automobilistica

FOCUS ITALY

2019

Report on the Italian Automotive Industry

DEPARTMENT OF STUDIES AND STATISTICS

The Italian automotive industry during 2019

Index

Edited by ANFIA - Department of Studies and Statistics, ph. +39 011 5546526
M. Saglietto, Manager: m.saglietto@anfia.it

Release date: May 22, 2020

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.

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

The Italian automotive industry during 2019

Italy’s Economic Outlook

The year 2019. In 2019 the Italian GDP stood at €1,787,664 and was up 1.2% over the previous year in terms of market prices. By volume, GDP increased by 0.3%[1]. This was the smallest recorded growth for the second consecutive year among all European countries.
ISTAT's report shows that, in terms of volume, domestic demand in 2019 showed a growth of 1.4% in gross fixed capital investment and 0.2% in Domestic consumption. As far as foreign trade is concerned, exports of goods and services increased by 1.2% and imports fell by 0.4%.
National demand, excluding stockpiles, made a positive contribution to the growth of GDP by 0.4 percentage points. Net foreign demand added 0.5 points, while the movement of stocks contributed 0.6 points.
At a sectoral level, in construction their added value increased by 2.6% in volume terms and 0.3% in service activities; it decreased in agriculture, forestry and fisheries (-1.6%) and manufacturing in the pure sense (-0.4%).
The primary balance (net debt less interest) as a ratio to GDP was +1.7% (+1.5% in 2018).
General government net borrowing, measured as a ratio to GDP, was -1.6 %, compared to -2.2 % in 2018.

At the beginning of the year, projected growth for 2020[2] and 2021 was estimated at +0.3% and +0.6% respectively, however, with the Covid-19 pandemic, which first broke out in China, followed by Italy and then spread throughout the world, triggered a process of re-evaluation of these estimates. This was brought about by the progressive slowdown in both commercial and industrial activities, leading up to a complete standstill, except for essential activities, causing a domino effect throughout the world.
Despite the measures taken to contain the epidemic and to stabilise economic activity, the Covid-19 emergency has weakened many economies during 2020. Globally, "*The Great Lockdown*" will result in a contraction of GDP which, according to the IMF's (International Monetary Fund) April estimates, will fall by 3% in 2020, a worse result than that caused by the 2008-2009 financial crisis. This estimate is based on an economic scenario where the pandemic is over by the first half of 2020, allowing for a gradual recovery in business activities. Nevertheless, there are still some downward risks, should a longer timeframe be needed. The IMF analysis shows that the economic fallout depends on factors that may impact in ways that are difficult to predict, including the course of the pandemic, the intensity and effectiveness of containment efforts, the extent of supply disruptions, the impact of the drastic tightening of global financial market conditions, changes in spending patterns, behavioural changes (people avoiding shopping centres and crowded places as well as the limited use of public transport), the effects on confidence and commodity price instability. According to IMF projections for 2020, the largest shrinkages will happen in the Eurozone, with a 7.5% drop, the USA with a 5.9% drop and China with an increase of 1.2% (the pre-epidemic forecast was +6%, January 2020). The Italian economy will suffer the biggest slump at -9.1% (-9.5% according to the European Commission's forecasts) also as a result of the recession or near recession that Italy was in before the health emergency. The impact that the epidemic has had on the health system and economic activities of our country, whose finances were already weak, has been enormous. For 2021, Italy is expected to recover by 4.8% according to the IMF and 6.5% with the European Commission’s figures.

Concerning **industrial production** (excluding construction), after the increase of 3.6% in 2017, there was a slowdown in the second half of 2018, up to November and December when it showed an increase of 2.8% and 5.7% respectively. Throughout 2018, production grew by only 0.7% compared to 2017, while for 2019 there was a 1% decrease, with a worsening in the last quarter of the year[3].
The performance of the automotive sector contributes significantly to the results of the country's manufacturing as a whole. After increases of 3% in 2016 and 4.4% in 2017, industrial automotive production recorded drops of 3.3% in 2018 and 9.6% in 2019.

In 2019 the **Italian trade in goods**[4] (imports and exports) was worth €898.8 billion (+0.8% compared to 2018): €475.8 billion of exports (+2.3%) and €422.9 billion of imports (-0.7%). This generated a positive balance of €52.9 billion (compared to €39.3 billion in 2018), increasing to €91.4 billion net of energy products. EU markets accounted for 56% of all exports (+1%), with a trade surplus of €15.6 billion, while the remaining 44% went to non-EU markets (+3.9%) resulting in a positive balance of €37.3 billion.

The main target markets were: Germany (€58.1 billion, -0.1%), France (€49.8 billion, +2.4%), USA (€45.6 billion, +7.5%), Switzerland (€26 billion, +16.6%), ahead of the UK (€24.9 billion, +4.7%) and Spain (€24 billion, -0.7%). Trade in goods with Germany generated a trade deficit of €11.5 billion, while the trade balance with the US remained positive at €28.6

[1] Istat press release of 2/3/2020, linked values for 2015 as a reference year

[2] European Commission forecasts

[3] Istat data as of May 2020

[4] Data present in the ISTAT foreign trade archives as of 29.5.2019

billion, Switzerland at €15.1 billion, the UK at €14.3 billion and France at €13.2 billion. It is also worth mentioning that the number of companies exporting to Switzerland had steadily grown over the year with trade generating a surplus for Italy of more than €15 billion in 2019.

GFCF (Gross fixed capital formation) grew at a fairly high rate during the economic recovery years: +4% in 2016, +3.2% in 2017 and +3.1% in 2018. However, in 2019 the drop in industrial production led to a slowdown in investment which grew by only 1.4%. Capital investment in machinery and equipment grew by 0.2% and investment in transportation by only 0.4%.

Consumption expenditure by residential and non-residential households grew by 0.5% in 2019 owing to an increase of 0.1% in the consumption of goods and 0.9% in the use of services. Household spending on durable goods grew by 2.7% and non-durable goods by 0.1%, while expenditure on semi-durable goods fell by 2.3%. Household expenditure on transport showed zero growth in 2019.

The **propensity to save for Italian households** in the second quarter of 2019 was 8.9% of disposable income, up 0.8 percentage points compared to the previous quarter. This figure has been calculated by ISTAT as the percentage ratio between gross savings and disposable income, net of what was set aside for pension funds.

In 2019 the **country's tax burden** rose to 42.4% from 41.9% in 2018. **Public debt** stood at 134.8% in 2019, the same as in 2018. With the contraction of GDP and the increase in deficit due to the Covid-19 crisis, Italy is facing an escalation in public debt which - according to the International Monetary Fund's estimates - could jump by more than 20 points this year, from 134.8% of GDP in 2019 to 155.5% in 2020.

The **employment rate** for 2019 rose to 59 % (15-64 years). **Unemployment** dropped to 10% while youth unemployment was 31% (15-24-year-olds)[5]. Employment figures were down slightly in March 2020 and the **marked fall in unemployment was associated with strong growth of inactivity.**

1st quarter of 2020. Istat estimates that in the first quarter of 2020 gross domestic product (GDP), measured in linked values with 2015 as the reference year and seasonally adjusted, decreased by 4,7% compared to the previous quarter and by 4,8% in year-on-year terms. According to preliminary estimates, in the first quarter of 2020 GDP contracted by an abnormal amount due to the economic effects of the current health emergency and the containment measures which were adopted.
This preliminary estimate, although provisional in nature, has been based on assessing the performance of components within the supply chain and on a limited number of short term indicators; this added value indicates a marked and widespread drop in all economic activities, which will be particularly noticeable in the manufacturing and tertiary sectors.
Since the beginning of monitoring activities began during the first quarter of 1995, GDP has never fallen by such an unprecedented amount.

GDP AND EXPENDITURE COMPONENTS
Years 2015-2019, annual percentage changes

Aggregates	chained volumes -reference year 2015				
	2015	2016	2017	2018 (a)	2019 (a)
Gross Domestic Product	+0,8	+1,3	+1,7	+0,8	+0,3
Imports of goods and services (fob)	+6,5	+3,9	+6,1	+3,4	-0,4
Final Consumption Expenditure	+1,3	+1,1	+1,2	+0,7	+0,2
- Households final consumption expenditure	+1,9	+1,3	+1,5	+0,9	+0,4
Gross Fixed Capital Formation	+1,8	+4,0	+3,2	+3,1	+1,4
- Dwellings	-1,4	0,0	+1,5	+2,8	+2,6
- Macchinary and equipment and weapon system	+1,6	+6,2	+4,7	+2,9	+0,2
- Transport equipment	+22,5	+16,8	+13,7	+8,4	+0,4
- Intellettual property products	+5,1	+6,5	+1,1	+2,1	+0,8
Exports of goods and services (fob)	+4,3	+1,9	+5,4	+2,3	+1,2

(a) provisional data

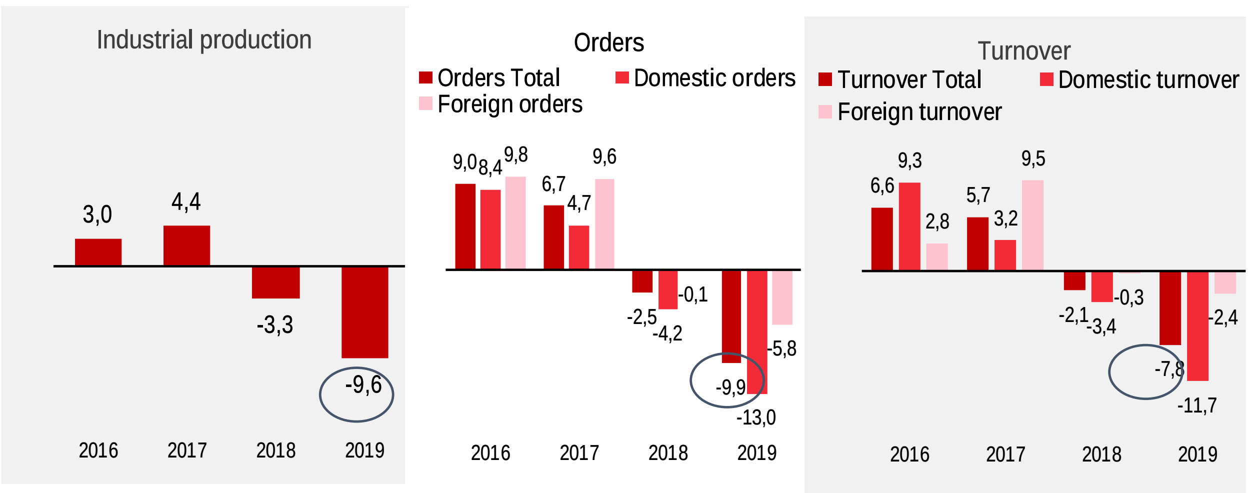
[5] ISTAT's DEF 2020 Statistics Review

The Italian automotive supply chain

The year 2019. The **automotive industrial production index** (which includes cars and their engines, bodywork and semi-trailers, along with automotive components and parts), when adjusted for calendar factors, showed **a downward trend of 9.6% in 2019.**
The automotive industry contributed to the contraction of industrial production as a whole (excluding construction), which closed the year at -1% in 2019 compared to 2018.
The automotive sector recorded the following results by manufacturing activity: -13.9% for the manufacturing of motor vehicles, +6.7% for the manufacturing of bodies for motor vehicles, trailers and semi-trailers, -7.9% for the manufacturing of parts and accessories for motor vehicles and their engines.
The automotive industry (Ateco code 29) has recorded downward trends since July 2018, with double-digit decreases in November (-13.3%) and December (-12.3%). It is mainly the manufacturing of motor vehicles that continues to suffer double-digit declines from October 2018 to October 2019, while the manufacturing of components and accessories, while recording a negative trend compared to July 2018, showed a significant downturn in the second half of 2019. For the Italian components supply chain, in addition to the drop in orders from domestic manufacturers, there was also a drop in the number of orders from foreign manufacturers, which are supplied by Italian companies and have significant orders in the major European markets.
On average for 2019, **orders and turnover** in the automotive sector fell by 9.9% and 7.8%, respectively, with the domestic market reporting a more pronounced decline (-13% for orders, -11.7% in turnover).

1st quarter of 2020. **Industrial production** largely recorded an increasingly negative trend in the first 3 months of the year: **January -0,2%, February -2,3% and March -29,3%. The first quarter closed at -11.3%.** The suspension of non-core production activities (starting from 12th March) led to the collapse of manufacturing in the 3rd month of the year. The closure measures enforced affected manufacturing in a particularly significant way: almost two-thirds of industrial companies were shut down and more than 59% of employees had to be furloughed. The re-opening of production plants which were closed in the so-called 'Phase 1 period' [6], did not restart until 27th April and for some commercial activities not until 4th May (Phase 2), included vehicle dealerships.
The **automotive industry as a whole** recorded the following drops in production by months: -2% in January, -1.2% in February and **-55.8% in March. The first quarter closed at -21.6%.**
In January 2020, orders grew for the automotive industry (+9.2%), however as early on as February there was a drop of 7.2%, which was more significant overseas (-7.8%). In February, the Covid-19 epidemic had already hit China and production activities in the Hubei region, an important industrial area which includes the manufacturing of motor vehicles came to a halt.

AUTOMOTIVE INDUSTRY - INDUSTRIAL PRODUCTION, TURNOVER AND ORDERS
Annual percentage changes



Source: ISTAT, Updating April 2020

[6] The Prime Ministerial Decree of 9th March ordered a tight lockdown (Phase 1); the Prime Ministerial Decree of 26th April (Phase 2) the scheduled reopening of activities that were closed in Phase 1.

The Italian automotive industry during 2019

Vehicle production in numbers. According to ANFIA's findings among manufacturers, domestic production of motor vehicles grew between 2014 and 2017, from 698 thousand units to 1.14 million, whereas it dropped in 2018 by 7% to 1.06 million vehicles and again in 2019 by 14% to 915 thousand. Over the last 5 years, average annual production was more than one million vehicles (1.05 million), 43% more than the production of the previous five years, from 2010 to 2014, which recorded an annual average of 731 thousand vehicles built during the financial crisis. In 2019, 66% of motor vehicles produced in Italy were destined for export markets.

Domestic production of cars in 2019 totalled 542,000 units, 19.5% less than in 2018 and 54% of these were for the export market. From 2015 to 2019 the number of diesel-engine cars produced in Italy fell by 8 percentage points, from 30% to 22% of total domestic production which represented a drop of 41% over the four years. Production of petrol-powered cars also dropped by 12% in terms of volumes, while its market share rose from 62% in 2015 to 66% in 2019. For gas-fuelled cars, there was a considerable fall in the number of methane cars manufactured (-80%), with a drop to 1% of the market, however, there was an increase of 150% for LPG cars, which rose to 11% market share.

Some 373,000 commercial vehicles, trucks and buses also left Italian factories, a decrease of 4% compared to 2018. This is a crucial output for both employment and foreign trade. For the production of light commercial vehicles, Italy is an important manufacturing hub, with historic sites such as Fiat Professional (renewed agreement with PSA on the Sevel Sud production site until 2023), Iveco and Piaggio. In 2019 more than 312 thousand light commercial vehicles left Italian factories (-3.8% on the number produced in 2018), this was behind France with 527 thousand (+6.5%) and Spain with 524 thousand (+5.6%). In the last five years, production of VCL's averaged 326 thousand units per year in Italy which was an all-time high.

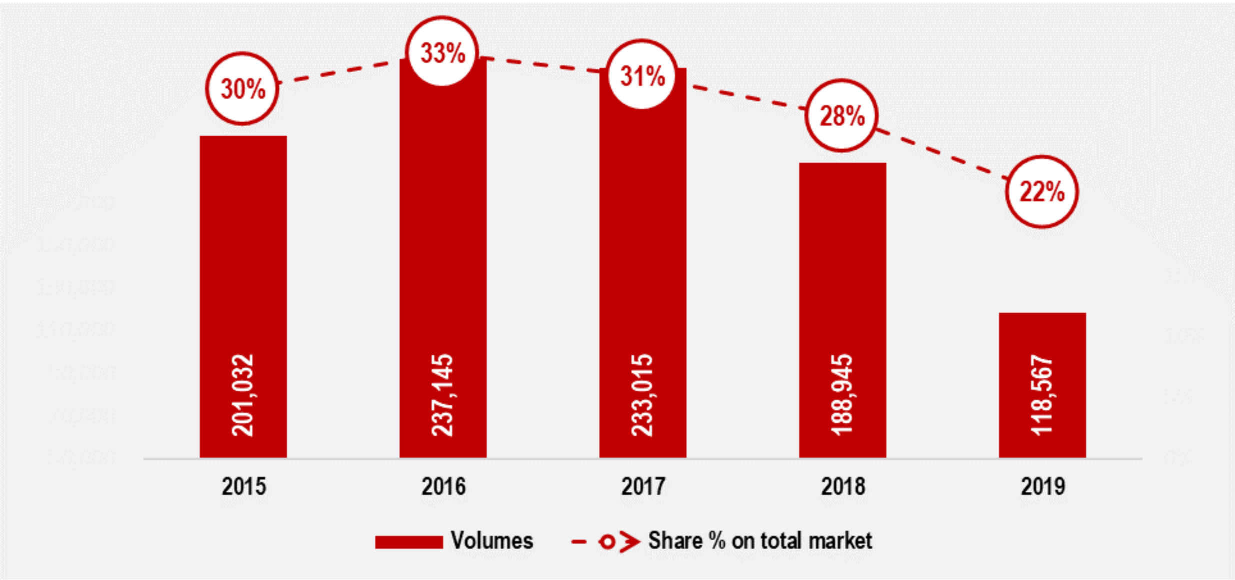
In 2019, some 60,000 trucks were built (-5.6%). The national average annual production, from 2017 to 2019, was over 63 thousand units. This was a record number that had never been achieved before. Iveco is the leading company in the truck sector and has been present in Italy since 1975.

Domestic bus manufacturing is almost at zero: from an annual average between 2000 and 2008 of almost 2,600 buses (it was more than 5,700 during the previous decade), this figure has fallen to just under 500 buses during the last three years 2017-2019, due to the post-2008 economic and financial crisis. This situation reflects the lack of government planning to determine both the quality and quantity of Local Public Transport services in keeping with the increase in demand for mobility and the need to decongest city traffic, thus creating a valid alternative to private transport similar to many other European countries. The lack of demand for LPT buses has meant that the bus industry has suffered a critical setback.

Commercial vehicles, rigid trucks, trailers and semi-trailers sector is made up of a large number of manufacturers specialised in vehicles fitted with specialist equipment and fittings, ranging from cold weather to environmentally friendly vehicles, tanks, cranes and elevating platforms, etc. This sector also boasts niche products that are highly valued internationally. The industrial sector for the manufacturing of bodies for motor vehicles, trailers and semi-trailers (Ateco Code 29.2) has recorded significant manufacturing growth over the last four years: +26.3% in 2016, +13.1% in 2017, +5.2% in 2018 and +6.7% in 2019.

Other sectors, however, have seen a fall over the last two years: Automotive Manufacturing (Ateco 29.1) -5.9% in 2018 -13.9% in 2019; Automotive Parts and Components Manufacturing (Ateco 29.3) -2.2% in 2018 and -7.9% in 2019.

DOMESTIC PRODUCTION OF DIESEL CARS
YEARS 2015-2019, volumes and share on total market



The Italian automotive industry during 2019

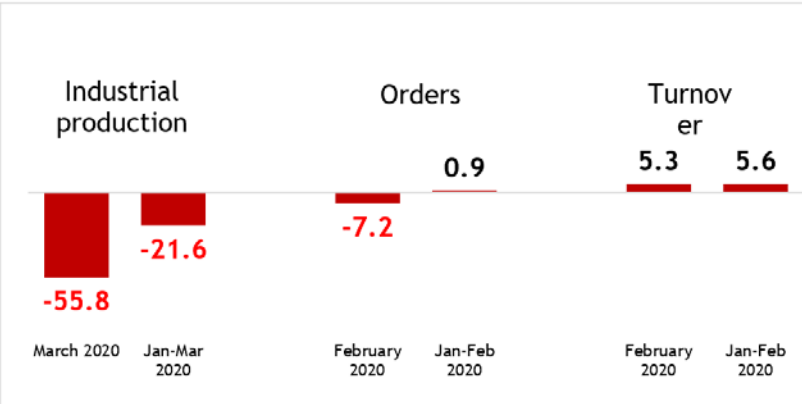
1st quarter of 2020. **In the first 3 months of 2020, domestic motor vehicle production shrank by 24.3% as a result of the forced shutdown that came into effect on 12th March** (Prime Ministerial Decree of 9th March).
Since the beginning of the year a total of 180,367 vehicles have been built, 116,250 of which have been exported (24.5% less than in January-March 2019). Factories did not reopen until 27th April and therefore the results in the fourth month of 2020 were almost zero.
In the period January to April 2019 production was 330 thousand vehicles, the loss in the first four months of 2020 has been estimated to be approximately 150 thousand units, while the recovery in May was also slow.
For the economy as a whole, the speed of recovery will depend largely on factors relating to the evolution of the pandemic, its possible shift from a serious infection to a seasonal form of influenza, the availability of a vaccine and the widespread immunisation of the population. For the automotive sector, there is talk of a slow recovery that will begin to emerge during the second half of the year. **The demand for cars, and therefore manufacturing, is expected to take longer to recover than in the previous crisis of 2008-2009.**
At a global level, the socio-economic crisis resulting from the pandemic will have a significant impact on the automotive market. The drop in wages, fear of job losses, rising unemployment and the reduction in household spending will all have an impact on the demand for cars, as well as the impact on the sector in terms of supply chain interruptions and production stops. Both in Italy and in the major European markets the stock of vehicles that have accumulated during the months of lockdown, together with the slow restart of the market, are further slowing down the restart of industrial production. Italy is more exposed than other countries because of its heavy public debt and as such has limited spending capacity.
The drop in global demand is likely to wipe out production capacity of Italian component companies competing internationally, given that countries that have a motor industry will try and focus on domestic resources and favour them instead of looking elsewhere.

FCA BUSINESS PLAN. FCA's business plan, presented in November 2018, foresaw the launch of 13 new models or restyling of existing models, as well as new engines with the widespread use of hybrid and electric technology, during the period 2019-2021. The mild-hybrid versions of the Fiat Panda and Fiat 500 were launched in February 2020, while the electric Fiat 500, to be produced at the Mirafiori plant in Turin using a dedicated platform from March 2020. This will have a range of 320 kilometres and a maximum speed of 150 kilometres per hour, a 42 kWh lithium-ion battery capable of powering a 118 hp engine. The Jeep Compass plug-in hybrid version will be produced from the first half of 2020 at the Melfi plant together with the Jeep Renegade.

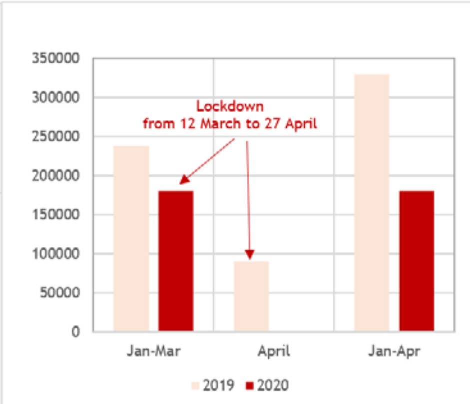
The year 2019 will be remembered as the year in which the alliance between FCA and PSA was announced, leading to the formation of the fourth largest group in the world with almost ten million vehicles being built and the second-largest car manufacturer in Europe (behind VW Group). Work on the merger project between FCA and PSA is progressing according to plan and is on schedule.

Among the measures adopted by the Italian Government to ensure the liquidity of companies during the management of the Covid-19 crisis was the approval of State-guaranteed loans for FCA of up to €6.3 billion over 3 years. The funds are intended 'exclusively for the Group's Italian activities and to support the automotive sector in Italy'. FCA Chairman, John Elkann pointed out that we are "at the beginning of a new era of innovation within our sector, due to the threefold innovation initiatives of connected, clean and autonomous cars. Companies and countries that act decisively today to seize the opportunities of this evolution will be the ones that will be successful. It is for this reason that the strategic reasons for the merger of the two companies, FCA and PSA, and their employees is stronger than ever".

ITALY-AUTOMOTIVE INDUSTRY
Annual percentage changes



ITALY-MOTOR VEHICLE PRODUCTION
Volumes



ANFIA – Department of Studies and Statistics

The Italian automotive industry during 2019

Motor vehicle trade. The large negative balance in motor vehicle trade was caused by the strong penetration of foreign manufacturers in the Italian market, which for passenger cars represented 76% in 2019, unlike the car markets of France and Germany where foreign manufacturers' penetration was much lower.
French groups accounted for 26% of the Italian passenger car market and German brands for 25% (with Ford Europe at 31%). Also for other types of vehicles (trucks, buses, trailers and semi-trailers), the presence of foreign manufacturers in Italy remains extremely high.
French brands have a 57% share of the passenger car market in France and German brands have 70.3% of the market in Germany. As far as Germany is concerned, it should be pointed out that 1/3rd of the demand for new cars were sold as Company Cars, in fact, they are very widespread and represent an important element of company benefits, a factor that allows for rapid movement of the market, requiring the "export" of used cars. Significant numbers of German used cars end up in the neighbouring markets of Eastern Europe. Poland, for example, has a very limited market of new cars and a substantial market in imported used cars: in 2019 this market totalled 929,000 used car registrations for the first time in Poland, 89% of these cars were more than 4 years old and more than 35% were VW, Audi, Ford or BMW brands.
Returning to the Italian trade, during 2019 the number of new cars imported into Italy stood at 1,872,139 (-4.1% compared to 2018) with a value of €30.3 billion (1% less than in 2018), while exports were 736,372 (-13.8%) with a value of €16.5 billion (down 7.0%), these amounts generated a negative trade balance of approximately €13.8 billion, compared to €12.9 billion in 2018 (ANFIA using ISTAT Foreign Trade data, product processing (NC8)/SH Harmonised System). This increase in trade deficit was due in part to a fall in the number of diesel passenger cars exported as a consequence of the reduction in demand for diesel cars within the EU.

The trade in new cars. In terms of numbers, During 2019, there were 1,706,116 new cars imported into Italy (down 4%) and 478,800 exported from Italy (down 14.7% compared to 2018). The main destination market for export was the USA, with a 20% share and around 34% lower volumes compared to the numbers exported in 2018, while exports to the EU area accounted for 70% (-5.5% change in numbers).
In terms of value, Over the same period, imports of new cars were worth €26 billion (-0.9%) and exports €11.7 billion (down 7.4%), generating a negative balance of €14.2 billion. The US market (which is affected by intra-company transfers) was worth 26% of the total export value of new cars, giving a positive trade balance of €3.1 billion.
Italian exports to the EU of new cars account for 51% (of which the major markets accounted for 36%), while the value of imports from the EU represented 86%.
The value of non-EU exports represented 49% (26% USA; 5.3% Japan; 3.8% China; 3.2% Switzerland; 1.4% South Korea; 1% Australia).
A total of 31% of cars destined for foreign markets were diesel-powered, almost 149,000 units, down 9% compared to 2018, while the number of imported diesel cars totalled 658,000 units, down 28% with a share of 38.6% of the total number of imported cars.

Trade of new trucks and buses: In terms of numbers, in 2019 there were 166,023 new industrial vehicles imported into the country (-5.1%) and 257,572 exported (-12.1%).
A total of 62% of imported trucks and buses came from the EU and, outside the EU, 28.5% were built in Turkey. Of the exported vehicles, 87% were exported to EU countries, while outside the EU a small share was destined for Switzerland (2.3%), Turkey (1.5%), Russia (1%) and Morocco (1%), all the other countries made up less than 1%.
In terms of monetary value, imports of new commercial vehicles were worth €4.3 billion (-1.8%) and exports €4.75 billion (-5.9%) over the same period, generating a positive balance of €448 million. The EU market was worth 85% of the total value of all exports and 74% of all imports. Sales of trucks and buses were worth €1.22 billion (a positive balance of €402 million) in France, followed by €551 million in Germany (negative balance of €197 million), €496 million in the UK (positive balance of €442 million) and €322 million in Poland (positive balance of €261 million).

Trade of parts and components. In 2019, the value of exports from the automotive components sector by product code (which also includes intra-company transfers) fell by 2.3% compared to 2018, totalling €21.97 billion and worth 4.6% of total Italian exports, while imports were worth €15.44 billion (3.7% of total imports) and down 2.1%. Although exports were fairly constant during the whole of 2019 (-2.6% in the first quarter, -1.6% in the second, -1.9% in the third and -3% in the fourth), imports fell during the third quarter by 6.8% and 2.5% in the fourth, in contrast with the growth, albeit slight, in the first two quarters of the year (+0.2% in the first quarter and +0.6% in the second). Trade in the sector produced a positive trade balance of approximately €6.53 billion (-2.7%), compared to €6.71 billion in 2018. The fall in imports of Italian components came after the previous six years of growth, while exports shrank after four consecutive years of increase.
Exports in all sectors of the market fell: engines worth €4.03 billion (-6.4%), electrical components worth €1.9 billion (-0.8%), tyres and rubber parts worth €1.33 billion (-0.3%), mechanical parts worth €14.68 billion (-1.4%) and sound systems worth €14.83 million (-36%). Exports to EU28 countries were worth €16.04 billion (-0.1%) and accounted for 73% of all component exports. This resulted in a trade surplus of €4.71 billion (+4% compared to 2018).

The Italian automotive industry during 2019

Exports to the EU28 countries are broken down as follows:

- €12.7 billion with EU15 destinations and a 57.9% share of total exports; giving a positive balance of €4.6 billion (+3%)
- €3.3 billion (-0.4%) with EU13 destinations and a 15.1% share; giving a positive balance of €85 million (+214.5%).

Export to non-EU countries was €5.93 billion (-8%), accounting for 27% of all component exports and producing a positive balance of €1.82 billion (-17%).
Ranking exports for the top 10 countries of destination sees Germany in 1st place with €4.63 billion (+3% the trend change) and a 21% share of total exports; followed by France (-7%, share 10.5%), United Kingdom (0.4%, share 8%), Spain (+2%, share 7%), USA (-8%, share 6%), which overtook Poland (+0.1%, share 6%), Turkey (-10%, share 4%), Austria (+0.7%, share 3%), Brazil (+36%, share 2.6%) and the Czech Republic (-7%, share 2.6%). It should also be noted that there was a sharp drop in exports of components to two countries where the FCA Group's European production presence is well established: Turkey 10% and Serbia 33%.

Imports were worth more than €15.4 billion (-2% compared to 2018).
The EU28 accounted for 73% of the total value of parts and component imports with €11.3 billion (-1.7%), broken down as follows:

- €8.1 billion (-1.5%) from EU15 with a 52% share of total imports
- €3.23 billion (-2.2%) from EU13 with a share of 21%

The value of imports from non-EU countries totalled €4.11 billion (-3.4%). The top five non-EU importing countries appear in this order: China, Turkey, the United States, Japan and Tunisia.
The ranking of imports by country of origin sees Germany again in 1st place, €3.9 billion (-4%) and a share of 25% of the total, followed by France (+1.8% and 11.5% share), Poland (-0.8% and 9% share), which together account for 46% of total imports. China (+0.4% and 7% share), Spain (-0.3% and 5% share), Czech Republic (5% and 4% share), Turkey (-1.5% and 4% share), USA (-21% and 3% share), UK (+13% and 3% share) and Romania (5% and 2% share) follow.

	IMPORT	EXPORT	BALANCE
	NEW MOTOR VEHICLES		
Units	1,872,139	736,372	-1,135,767
Value in billion EUR	30.3	16.5	-13.8
	PARTS AND COMPONENTS		
Value in billion EUR	15.4	22	+6.5

It is unmistakable how important the Italian automotive components supply chain is, which according to 'l'Osservatorio della Componentistica'[7], is worth €49 billion in turnover, employees 158,700 people in 2,200 companies (2018 data).

TRADE IN NEW VEHICLES AND COMPONENTS
ANFIA based on ISTAT data

	IMPORT	EXPORT	BALANCE
	NEW MOTOR VEHICLES		
Units	1,872,139	736,372	-1,135,767
Value in billion EUR	30.3	16.5	-13.8
	PARTS AND COMPONENTS		
Value in billion EUR	15.4	22	+6.5

Italian components

€49 billion in turnover,
158,700 employees
2,200 companies

[7] The 2019 edition of the Osservatorio, produced by ANFIA, Chamber of Commerce for Industry, Craftsmanship and Agriculture of Turin and Ca' Foscari University of Venice

The demand for motor and towed vehicles

Motor vehicles. The demand for motor vehicles, after the low point of 2013 (just 1.42 million vehicles registered), gradually recovered but has never reached the pre-crisis record levels of 2.78 million units. In Italy, the economic crisis has been more severe than in other major European markets and the recovery has been slower.
The pick-up in demand started at the end of 2014 and remained healthy until the second half of 2018 when it progressively slowed down and closed the year at 2.12 million with a fall of 3.2% on 2017 sales.
In 2019, the motor vehicle market closed the year at 2018 levels, +0.5%, thanks to the resilience of the light vehicle sector (+0.6%), while the industrial vehicle market fell by 7%.
The market for towed vehicles, on the other hand, recorded growth in light trailers of 3.3% and a fall of 7.1% for heavy trailers/semi-trailers.

Cars. In the first half of 2018, the market for new passenger cars fell year-on-year by 1.4%, followed by falls of 5.4% in the second half and 3.4% in January-June 2019, finally recovering to 5.7% in the second half of 2019.
2019 closed at +0.3% with 1,917,106 new registrations.
In 2019, segments A/B fell by 2% with a share of 39%, small-medium (segment C) fell by 10.4% with a share of 10%, mid-size (segment D) fell by 14% with a share of 2.3% and MPVs stood at 5.2% with a share of 16.3%. SUVs of all sizes grew by 10% with a share of 40%, highlighting the appreciation of this type of car among motorists.
Giving to the method of purchase, it appears that 55% of new registrations were made out to private owners or individuals (-0.1%) and 45% to companies (+0.9%). Close to 1 in 4 of all cars sold were registered to rental companies.
The Governments Financial Budget for 2020 contains the regulations that redefine the benefits associated with company cars. The legislation indicated by the Government establishes the following: as of 1st July 2020, vehicles with CO2 emissions of up to 60 g/km will be taxed at 25% of the amount corresponding to a distance of 15,000 kilometres, a calculation based on the kilometric cost provided for in the ACI tables, those from 61 to 160 g/km will be taxed at 30% (percentage unchanged compared to current legislation). For vehicles with CO2 emissions between 161 and 190 g/km, the taxation will rise to 40% in 2020 and 50% from 2021, while for vehicles exceeding 190 g/km it will rise to 50% in 2020 and 60% from 2021. It is hoped that these measures will at this point provide an incentive for companies to fringe benefit BEV and PHEV passenger cars to make them more accessible to workers and boost the market and the sustainability of these types of vehicles.
Sales of alternative fuel cars totalled over 301 thousand, an increase of 19%. The market for *eco-friendly* cars reached 16% of the market share, the result of which was: hybrid cars (+34%, and 6% share), pure electric (+113% and 0.6% share), LPG (+9%) and methane (+3%). Gas-fuelled cars accounted for 9% of the market. Battery-powered cars and plug-in hybrids (17,000) represented 0.9% of the market and were mainly bought by companies. Only 31% of new electric cars sold (15% in 2018) and 18% of plug-in hybrids (20% in 2018) are privately owned.
With the ecobonus, which has been in place since 1st March 2019, average monthly sales of rechargeable cars during 2019 rose to 1,596 from 800 in 2018. This is an environmental measure that aims to complement existing European legislation on air and environmental quality. The ecobonus scheme offers incentives for car purchases with emissions of up to 70 g/km of CO2, in practice plug-in electric and hybrid cars (with a purchase price of up to 50,000 euros, excluding VAT). For 2019 the financial resources that were available for the scheme were €60 million and for 2020[8] and 2021 up to €70 million along with a lowering of CO2 emission to 60 g/km plus the inclusion of the scrapping of Euro 0 cars within the bonus.
Diesel car registrations fell by 22%, from 56.5% in 2017 to 39.8% in 2019. By contrast, registrations of petrol-powered cars increased in 2019 (+26%), whose share rose to 44.5% of the market (it was 31.9% in 2017).
In 2019, the North-West regions recorded 31% of the market share (with volumes in line with those of 2018), the North-East regions 33% (volumes slightly up on 2018, +0.6%), Central regions up 21% (+2% increase in volumes), while those in the South and Islands 15% (the only area in decline, -2% volumes).
The Fiat Chrysler Automobiles Group (including Maserati) recorded a 10% drop in sales with 454,000 new registrations and 24% market share. Fiat Panda was the best-selling model in Italy with 137,000 new registrations, followed in 2nd place by Lancia Y with 59,000, 4th place was taken by Fiat 500X with 42,500, 5th place by Jeep Renegade with 41,600 and 7th place by Fiat 500 with 40,000.

Since 2007, which was a record year for sales with around 2.5 million new cars sold, the market has suffered a steady drop in terms of volumes, reaching 1.3 million new registrations in 2013, at the levels of 30 years earlier. The average annual sales figures for the last decade 2010-2019 was 1.7 million cars compared to 2.3 million the previous decade (2000-2009).

[8] In 2020, the fund available also covers L-category vehicles

The Italian automotive industry during 2019

The drop in average sales volumes was caused mainly by the financial crisis that peaked in 2012-2014 but was also due to the evolution of mobility geared towards the use of a vehicle rather than its ownership, a trend that has been caused by the cost of maintenance and heavy tax burdens related to a vehicle and by the legal system that restricts movement in urban areas. The car, however, remains the most widely used means of transport in daily travel life, due in part to the lack of an efficient and alternative public transport system throughout the country.

January to April 2020. Since 12th March, the measures set out in the Prime Ministerial Decree of 9/3/2020 have taken effect, opening the so-called 'Phase 1' with the restriction on movement of people, the suspension of manufacturing activities and non-essential commercial services.

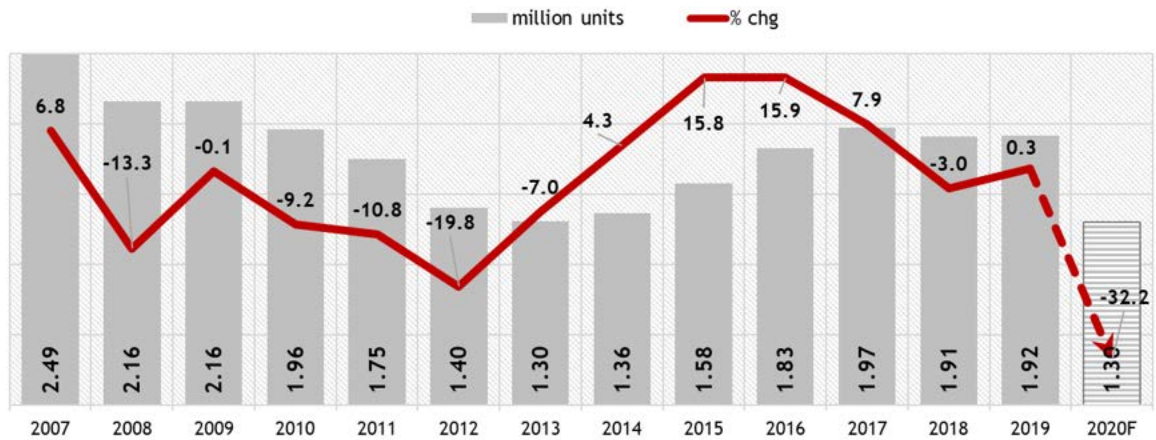
The closure of car dealerships and sales networks throughout the country, along with the interruption to the registration processes caused by the suspension of activities at the local Motor Registration offices has led to a drastic reduction in the number of new car registrations which totalled 28,396 in March (-85%) and 4,293 in April (-98%). During the first 4 months of the year, the market fell by half with just under 352,000 cars sold.

On 4th May, 'Phase 2' began, which allowed the gradual reopening of manufacturing and commercial activities, putting behind us the toughest 50 days following World War II for our economy. However, the reopening of dealerships alone will not be enough to restart the market nor in turn the automotive manufacturing supply chain. Given the current situation of uncertainty, which will affect both consumer and business confidence, along with the weakening of the economy and the labour markets, it is likely that there will be a fall in consumer purchasing power.

By the end of 2020, the market is likely to lose between 500 and 600 thousand cars: a very heavy drop for the automotive industry and its related service sectors. ANFIA has made some proposals to support the sector, including an increase in the Ecobonus 2020 fund to continue promoting BEV and PHEV cars along with an extension of the current bonus (in force for cars up to 60 g of CO_2/km) and to also include alternative fuel cars with CO_2 emissions from 61 to 95 g/km, in line with policies to direct the market towards low environmental impact technologies and following the objectives set by European regulations. Also, given the vast number of cars in stock held by dealers and manufacturers during the lockdown, to prevent their eventual disposal as a result of preventing the restarting of production and to give an immediate boost to recovery sales at a time when consumer confidence is low, we believe that it would be extremely effective if individuals and companies were given an incentive to purchase the cars in stock that were manufactured before the lockdown.

The necessary steps of social distancing to avoid possible contagion will affect workers' weekday movements, many of which will be using alternative means of transport rather than public transport (bikes, motorbikes, scooters on short trips and cars on medium-long trips). The Italian car fleet still numbers 12.8 million with emissions above Euro 4, representing 32% of all cars on the road. Sustainable wide-ranging mobility can and should be considered during this historical period, investing in intermodal infrastructures and efficient and modern mobility systems, favouring the renewal of the fleet both privately and publicly owned. We need to invest in affordable, sustainable mobility to get started again.

ITALIAN NEW CAR REGISTRATIONS
Million units and annual % changes



The Italian automotive industry during 2019

Commercial and industrial vehicles.

Freight, vans, lorries and trailers market. The upturn in the economy over the last three years has been accompanied by a slow recovery in freight traffic in general, however, the amount of freight lost over the recession years has not been recuperated over these 'recovery years'.

Looking at road haulage traffic, the quantities of goods handled during 2018 (the last figures recorded by ISTAT) by all means of transport showed an increase compared to the volumes seen in 2017.

In 2018 road transport handled 920.7 million tonnes of goods, an increase of 4% against 2017 and 124.9 billion tkm, an increase of 4.4%. When it came to transportation ownership, proprietary transport accounted for 7.2% of the tonnage and 2.3% of the tkm, while third-party freight accounted for 92.8% of tonnage and 97.7% of tkm.

There was a decrease in both the volume of goods carried in tonnes (-8.5%) and in tkm (-7.4%) by company-owned transportation compared to 2017. On the contrary, third party transportation saw an increase in both tonnage (+6.9%) and tkm (+5.2%).

Finally, 97.4% of the tonnes handled were domestic transportation and 2.6% were international, while 89.4% of the tkm were carried out as domestic transport and 10.6% as international transport.

The years of economic recovery, between 2015 and 2018 contributed to the recovery of the freight transport sector and the market for new vans and trucks. The increase in sales of goods transport vehicles was also supported by national measures to support investments such as super depreciation, Sabatini law and the increasing financial allocation provided by the investment decree and used by haulage companies to renew their fleets. The challenges of freight transport in the coming years will focus on reducing polluting emissions (Dust+Oxides) and greenhouse gases; increasing road safety and reducing road congestion; as well as improving the profitability of transportation (TCO).

The market for new light commercial vehicles (LCV), although slowed down during the second half of the year, closed positively in 2019 (+3.5%). The truck market, on the other hand, recorded a downward trend (-7.5%) and so did towed vehicles (-7.1%). The negative trend shown during the early months of 2020 is of considerable concern to the sector and reinforces the importance of adopting a strategy of sustainability in freight transport that guarantees the effective and rapid spread of alternative fuel vehicles, accompanied by appropriate fiscal tools to optimise its logistics.

Commercial vehicles <3500 kg ptt (LCV). The LCV market shrank from an average of around 176,000 new registrations per year during 2009-2011 to 110,000 in the following three years (2012-2014). Sales recovered in the following years (2015-2017) and returned to their average annual levels (175 thousand) before the financial crisis years. In the two years 2018-2019, 185,000 VCL's per year were registered. During the second half of 2019, however, the LCV market slowed down and grew by only 0.2%, suffering drops in November (-11%) and December (-2.6%).

There were approximately 188,000 registrations in 2019 (+3.5%). The share of alternative fuel vehicles grew by 34.4% in 2019 with about 12,500 vehicles sold, representing 6.7% of the market. A total of 84% of electric vehicles sold were in the "van/mini cargo" segment, with 874 units. Italy, in terms of registered numbers, remains in 5th place in the EU/EFTA market behind France (478 thousand), United Kingdom (366 thousand), Germany (around 305 thousand) and Spain (215 thousand).

Medium-heavy trucks >3500 kg ptt. In 2019 more than 23,000 medium and heavy vehicles were registered as sold showing a fall of 7.5% compared to 2018. The trend was slightly positive during the first half of the year (+1.1%), with 14,000 trucks, of which 40% were registered in May and June, while the second half of the year closed with an 18% drop.

If we analyse by macro weight classes, average trucks (with ptt from 3,501 to 15,999 kg) accounted for 19.6% of the market (-6.6% compared to 2018), while heavy trucks (with ptt greater than or equal to 16,000 kg) accounted for 80.4% of the market (-7.8% compared to 2018). Analysing 2019 by category we can see that rigid trucks represented 53.5% of the market (-0.4%) and road tractors 46.5% (-14.6%).

Alternative fuel vehicles grew by more than 400 units (+6.7%), with 1,574 units sold, of which 1,492 were fuelled by gas, achieving a market share of 6.4% (4.5% in 2018); among this, it is worth mentioning the performance of the LNG vehicle market with 1,050 units (+50.6%) sold almost exclusively by Iveco. The importance of natural gas as alternative traction in heavy transportation continues to be of particular interest.

ANFIA would like to stress that LNG is the best sustainable solution available for long-distance freight transportation in the short term. For the further deployment of this technology - to benefit the competitiveness of the industry and logistics services related to road transport with heavy vehicles in our country - it is essential, to continue to encourage haulage companies to purchase LNG as a means of transportation and, above all, to expand the supply infrastructure throughout the country. At the beginning of March 2020, Federmetano drew up a map of LNG (Liquefied Natural Gas,) fuel distribution plants throughout the country, with 69 natural gas distributors supplying liquid methane for heavy vehicles in March 2020 and a further 40 planned for the future.

In the EU/EFTA in 2019 more than 400,000 trucks with ptt over 3500 kg (+0.9% on 2018) were registered, of which approximately 322,000 had ptt equal to or over 16000 kg (+0.2%). Italy was the 6th European market, after Germany (98 thousand registrations), UK (58 thousand), France (56 thousand), Poland (28 thousand) and Spain (24 thousand) and ahead of the Netherlands (15 thousand).

Trailers and semi-trailers >3500 kg ptt. For the sector regarding trailers and semi-trailers with ptt over 3,500 kg, 14,416 thousand vehicles were registered in 2019, which was 7.1% less than in 2018. The trailer segment accounted for 9.6% of the total towed vehicle market (-3.2% compared to 2018 and 1,386 units) and was dominated by Italian manufacturers with 87% share (-6.4%). The semi-trailer segment accounted for 90.4% of the towed vehicle market (-7.5%, 13,030 units, down 1,061 compared to 2018) and Italian manufacturers had a share of 38% (2.2%). Overall, national manufacturers account for 42.6% of the total towed vehicle market, representing 6,146 units (-3% compared to 2018), while foreign manufacturers hold 57.4% of the market, amounting to 8,270 units (-10% compared to 2018).

Passenger transportation and the bus market. Local public transport (LPT) is struggling to become competitive compared to private means of transport and only the previous financial crisis led to a slight shift towards the use of public transport. In other European countries where there is a bus industry, industrial policies have been adopted to develop public transportation and mobility in general. These policies, on the one hand, help to make the sector key to a modern and efficient society and, on the other, safeguard the local industry. This has not happened in Italy, where the severe drop in industrial production reflects the wider scale of the crisis that the entire LPT sector is experiencing. Investing in collective passenger transportation during the last decade would have offered not only a fleet of "younger, safer and more efficient" vehicles but would have also contributed to creating a sustainable mobility model that today local authorities are forced to pursue as a result of urgent needs. Italy risks heavy fines due to continuously violating air quality standards and therefore needs substantial investments to renew its bus fleet and tackle the areas most affected by polluting emissions caused by road traffic.
The bus market in 2019 recorded a drop of 3.3% compared to 2018 with over four thousand registrations (almost 150 units less) and a monthly average of 360 buses. This performance showed a drop in the first half of the year (-6.6%) and a slight recovery during the second half, which closed with a year-on-year growth of just 0.3%.
Based on ANFIA's market segmentation figures, city and intercity buses/midibuses accounted for 51.1% of the overall market, touring coaches/midibuses for 19.7%, minibuses for 15.6% and school buses for 13.6%. The city bus/midibus segment grew by only 0.4% compared to 2018 and accounted for 33% of the market, while the intercity bus/midibus segment decreased by 25.7% and accounted for 18% of the market. Touring buses/midibuses fell by 1.7%, accounting for 19.7% of the market. In contrast, the minibus segment saw an increase of 11.4%, accounting for 15.6% of the market, while school buses were the segment that showed the highest growth trend, +12%, and accounted for 13.6% of the market.
Of the buses registered in 2019, 85.3% were diesel, 7.3% methane, 7.1% hybrid/electric (239 more buses than in 2018) and 0.3% LNG.

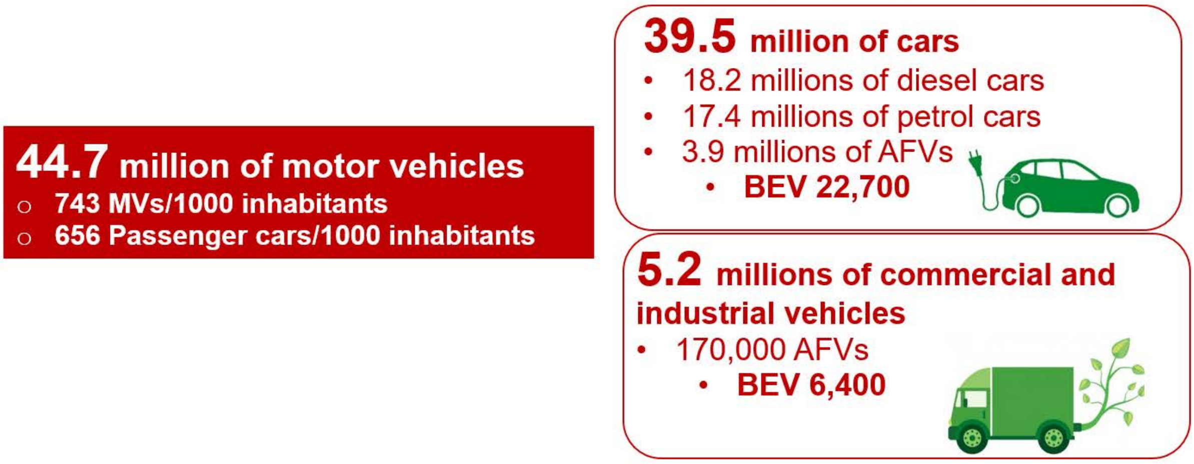
January to April 2020. The coronavirus emergency during these months and the consequent measures to contain the epidemic have had a considerable impact on the road haulage and logistics sector throughout Italy, firstly by slowing down or preventing its activity, and secondly by highlighting its central role in the procurement and distribution of health and primary goods, demonstrating the strategic importance of this sector both economically and socially.
The figures for the Italian market in March and April for heavy trucks and trailers and semi-trailers were affected by the impact of the emergency measures adopted, including the closure of dealerships and sales networks throughout Italy since 11th March. Moreover, registration procedures were halted as a result of the suspension of activities carried out by provincial motorisation personnel. After an initial two-month drop of 4%, sales of light commercial vehicles fell during the following two months of March (-71%) and April (-89%). The first quarter of 2020 saw 34,000 new commercial vehicles registered, down by 44%, or more than 27,000 fewer new registrations than in the previous year.
Over the first two months of 2020, there were 4,013 registrations for new trucks issued, which was 56 less than in the first two months of 2019. The market then fell by 34% in March and 62% in April. In the first quarter, there were 6,300 new trucks sold, down 26% on January-April 2019.
The market performance of towed vehicles over 3500 kg marked a 21% decrease in the number of registrations issued during the first two months of 2020. This was then followed by a 60% drop in March and a 71% drop in April. The first quarter of the year, with approximately 3,500 new registrations, lost 47% of the market compared to a year ago.
From January to February 2020 there were 826 registrations issued for new buses with ptt over 3500 kg, representing an increase of 18.5%. In March, the bus market lost 10% of the market and in April 32% compared to a year ago. Despite these drops, from January to April the bus market maintained its positive position of +1.4% and almost 1,400 new registrations were issued.
To encourage the continuation of production and to prepare for the necessary recovery of the market, priority must be given to the immediate activation of investment aid by road haulage companies, using the funds already allocated by the Fiscal Decree Law (12.9 million euros for each of the years 2019 and 2020) and by the Budget Law 2020 (approximately 120 million euros for the renewal of the fleet in several areas between 2020 and 2021).

Vehicles in use

According to figures published by ACI, as of 31st December 2019, there were 39,545,232 cars registered with the PRA, of which 1,198,672 were temporary transfers (meaning cars that are not currently on the road). Based on fuel type, 46% of the fleet runs on petrol, 44% on diesel and 9.9% on alternative fuels (9.3% in 2018).
Alternative fuelled cars, totalling 3,896,923, showed an increase of 7.9% and were broken down as follows: 2,574,287 gasoline-LPG (6.5% share), 965,340 gasoline-Methane (2.4% share), 22,383 electric battery-powered (+0.1%), 316,209 petrol hybrids (0.8%), 18,359 diesel hybrids (0.1%) and other 6,195. As of 31 December 2019, the largest fleet of electric cars is located in Trentino Alto Adige with 5,606 units (about a quarter of the total electric car fleet in Italy), whilst both gasoline hybrids and diesel hybrids are found in Lombardy with 92,825 (29.4%) and 3,842 (21%) respectively.
The decline in sales during the crisis years and the reduction in average volumes sold have contributed to the ageing of the fleet, which now has an average age of 14 years and 2 months for petrol cars, 9 years and 10 months for diesel cars, while the total age for all cars is 11 years and 5 months.
The figures, however, for dual-fuelled cars, are slightly lower: the average age of petrol LPG cars is 9 years and 6 months, while for petrol-methane cars it is 9 years and 5 months.
Passenger cars over 20 years of age, which are thought to circulate less, account for 17.7% of the fleet with 28.7% of those running on petrol and 7.1% running on diesel. If we consider only those cars with more than 20 years of age, 75.9% of them are petrol driven and 17.9% are diesel, while only 6.2% of them have eco-friendly fuel.
The percentage of cars registered before 1993 (mostly Euro 0) in the total number of cars by region is higher in the south of Italy than in the north. In Italy, cars registered before 1993 account for 9.7% of the total number of cars registered.

Among the vehicles registered in the PRA: some 100,149 were buses, 4,178,066 freight trucks, 190,303 road tractors for semi-trailers, 751,005 specific/special vehicles and 405,398 freight and specific trailers/semi-trailers. Altogether there are 44,764,755 motor vehicles in circulation today in Italy.

VEHICLES IN USE

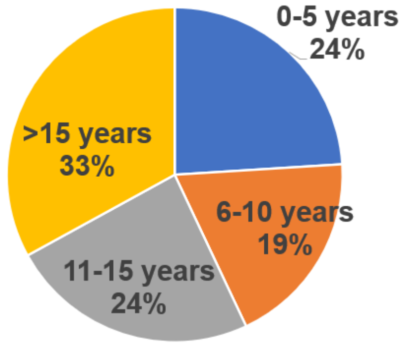


Source: ACI

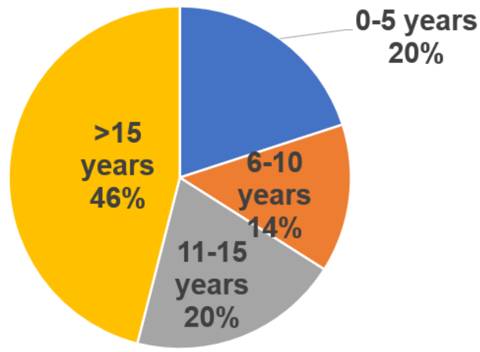
The Italian automotive industry during 2019

VEHICLES IN USE BY AGE
In %

Passenger cars



Commercial and Industrial vehicles



VEHICLES IN USE BY TYPE AND POWER SUPPLY

	Petrol	Petrol/LPG	Petrol/CNG	Diesel	Hybrid Petrol-El.	Hybrid Diesel-El.	BEV	Others	Not id.	Total
Passenger cars	**18,174,338**	**2,574,287**	**965,340**	**17,467,776**	**316,209**	**18,359**	**22,728**	**519**	**5,676**	**39,545,232**
Goods lorries	194,917	49,506	92,324	3,833,512	1,042	837	5,243	24	661	4,178,066
Special Vehicles	20,939	7,229	5,637	716,343	56	21	650	5	125	751,005
Road Tractors	157	41	1,850	187,963	1	1	28	1	261	190,303
Buses	443	297	4,729	93,960	8	126	537	12	37	100,149
Total CVs	**216,456**	**57,073**	**104,540**	**4,831,778**	**1,107**	**985**	**6,458**	**42**	**1,084**	**5,219,523**
Total MVs	**18,390,794**	**2,631,360**	**1,069,880**	**22,299,554**	**317,316**	**19,344**	**29,186**	**561**	**6,760**	**44,764,755**

VEHICLES IN USE BY STANDARD EMISSIONS, IN %

	Passenger cars	Goods lorries	Road tractors	Special vehicles	Buses
Ante Euro 4	32%	53%	37%	61%	55%
Euro 4	27%	18%	4%	15%	10%
Euro 5	18%	14%	28%	13%	18%
Euro 6	23%	15%	31%	11%	17%

Ante Euro 5	59%	71%	41%	76%	65%
Euro 5-6	41%	29%	59%	24%	35%

Automotive industry figures[9]

The automotive industry as a whole (manufacturing + services) has more than 201,000 active companies, which invoice €335 billion, invest more than €13 billion and employ 1.23 million people who receive more than €26 billion in wages and salaries. The turnover of the automotive sector (manufacturing + services) was worth 19.5% of the GDP for 2017.
In terms of industry, the automotive sector employs 274,000 people across 5,529 companies and has an annual turnover of €105.9 billion.
Services directly related to vehicles, such as car dealerships, vehicle maintenance and fuel distribution employ 424,000 people and have a turnover of €166 billion. The automotive industry directly employs 174,922 people and 99,435 indirectly, totalling 274,357 people.
A total of 956,662 people are employed in the automotive services sector. In detail, car dealerships employ 100,484 people, maintenance and repair of motor vehicles 195,189, component trade for motor vehicles at both wholesale and retail level 64,709, the selling of fuel for motor vehicles 51,060 and rental market 12,651. Altogether, 424,903 employees are engaged in activities relating to the use of motor vehicles. Road passenger transport companies employ 155,326 people and road haulage companies 331,965. Finally, there are 35,278 people employed by road, motorway, bridge and tunnel construction companies.
These figures show just how important the "automobile" product in the broadest sense of the term represents an indispensable lever for the economy of Italy, something that can be found in all car manufacturing countries.
This sector consumes large amounts of capital and today employs considerable manpower. Technological innovations and digitalisation contribute to the transformation and sustainable evolution of the mobility of people and goods.
Both the automotive industry and services related to the use of vehicles and transport are invested in this process, through new products (electrified and connected vehicles; new components and materials) and new industrial processes to achieve them (industry 4.0, robotics, automation, IA, IoT, etc.), new models and mobility systems (sharing, v2X, autonomous driving), which require not only huge private and public investments and specialist professional skills but also a significant change in public behaviour.
A revolution that must be inclusive and that must support the sustainability of our social fabric.

As estimated by ANFIA in its 2018 Economic report, the tax burden on motorisation was expected to increase further by 1.5% to €76.3 billion. The use of a vehicle accounts for 79% of the tax revenue on motorisation, while ownership accounts for 9% and the purchase of the vehicle for 12%.

ITALY: AUTOMOTIVE SECTOR, Employment 2017	
Direct Manufacturing	**175.000**
Indirect Manufacturing	99.000
Direct & Indirect automotive manufacturing employment	**274.000**
Services and construction	957.000
Total automotive employment	**1.231.000**

[9] Data from 2017, latest ISTAT data collection

The Italian automotive industry during 2019

The automotive industry (secondary sector)

YEAR 2017*

Companies	Direct Manufacturing[1]	2017	units	2.206	0,6% on	total manufacturing[3]
	Indirect Manufacturing[2]	2017	units	3.323	0,9% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	units	5.529	1,4% on	total manufacturing
People employed	Direct Manufacturing[1]	2017	units	174.922	4,7% on	total manufacturing
	Indirect Manufacturing[2]	2017	units	99.435	2,7% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	units	274.357	7,3% on	total manufacturing
Production value	Direct Manufacturing[1]	2017	billion EUR	62,68	6,6% on	total manufacturing
	Indirect Manufacturing[2]	2017	billion EUR	25,07	2,7% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	miliardi di EUR	87,75	9,3% on	total manufacturing
Turnover	Direct Manufacturing[1]	2017	billion EUR	79,20	8,2% on	total manufacturing
	Indirect Manufacturing[2]	2017	billion EUR	26,68	2,8% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	billion EUR	105,88	11,0% on	total manufacturing
			billion EUR		6,2%	GDP at market prices
Value added at factor cost	Direct Manufacturing[1]	2017	billion EUR	14,45	6,0% on	total manufacturing
	Indirect Manufacturing[2]	2017	billion EUR	7,46	3,1% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	billion EUR	21,91	9,1% on	total manufacturing
Gross fixed capital formation	Direct Manufacturing[1]	2017	billion EUR	2,56	8,3% on	total manufacturing
	Indirect Manufacturing[2]	2017	billion EUR	0,74	2,4% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	billion EUR	3,30	10,8% on	total manufacturing
Purchase of goods and services	Direct Manufacturing[1]	2017	billion EUR	67,49	9,1% on	total manufacturing
	Indirect Manufacturing[2]	2017	billion EUR	20,23	2,7% on	total manufacturing
	Total Manufacturing Direct&Indirect	2017	billion EUR	87,72	11,9% on	total manufacturing
R&D expenditure[4]	Direct production chain	2017	billion EUR	1,5	1,9%	of the turnover of the direct production chain (79,2 billion EUR) =15% R&D expenditure in the manufacturing sector.
Tax burden on motorisation		2018	billion EUR	76,29	16%	of totale tax revenues

* new ISTAT base data

[1] Ateco 29

[2] Manufacture of products selected by ANFIA attributable to the automotive sector

[3] Ateco 2017 activities C = Total Manufacturing

[4] intra-muros

ANFIA - Department of Studies and Statistics