Economic-Cyclical Observatory of the Italian and European auto Market.

Analysis of trends in 2015 – Executive Summary

For the second year in a row and after six years of losses the European car market ended in progress: 14,202,024 units registered in the EU + EFTA, 9.2% more than in 2014. To be underlined the progress started already in the last quarter of 2013 and continued throughout the period, with 28 consecutive monthly increases. Nevertheless, the market volumes take us back of nearly two decades. And probably tot values representing the physiological demand of the European markets in these days, in the absence of adequate sales support and in the presence of a severe reduction in income and consumption that are slow to recover, not to mention the impact of the scandals on emission control that from Volkswagen are spreading like wildfire.

In Italy in particular (Figures 1 to 6), where since 2011, the market continued to decline gradually and without a break until 2013 on volumes that have brought us back to the levels of the late '70s of the last century (see Fig. 5), in 2014 the trend reversed ensuring a higher total volume of 4.4% in 2014, and 15.8% in 2015 with 1,574,872 units registered. Despite the progress of the 2014 and 2015 one certainly cannot say that the Italian market is out of the crisis, a crisis linked to the dramatic fall of income and consumption also linked to the dramatic austerity policy of the past years that has blocked investment and GDP, peaking at unsustainable levels the tax burden on businesses and households. Without special efforts by the Government in the current year the market is expected to increase by no more than 6/7%. In 2015 the FCA Group's share rose to 29.52% against 27.56% in 2014. Even if in progress the car market weakness is paradigmatic of the crisis in which the Italian economy has sunk with years of austerity , illustrated by a few parameters: GDP rose by a mere 0.7% (0.1% in Q4), unemployment down to 11.4% (37.9% among young people), but still above eurozone average, the purchasing power of households slightly uphill, but still set back, according to Nomisma, to the level of 25 years ago, industrial production down by another 0.9% in the year, the tax burden grown to 41, 4%. To this must we must add, with regard to the car in particular, a tax burden out of control, cost of fuel to the highest European levels, mitigated only by the collapse of oil prices, rising costs for insurance and tolls.

The market of environmentally friendly vehicles (Figure 7 to 10). The sharp fall of the price of traditional fuels has produced a significant drop in gas vehicles, dropped in fact by 9,6% of the market at the end of 2015. Among other alternative powered vehicles the electric and hybrids are growing and represent today about 13% of "green" vehicles", with a 1.7% share of the total market.

Diesel share recovered last year and closed the year with a 55.6% share. The petrol cars, increasing too, ended the year at 31.1%.

In Europe (EU + EFTA) (Figures 11 to 13bis) If 2014 was the year of change, started however already in the second half of 2013, 2015 has confirmed the trend: Figure 11 shows the monthly sales volumes of the last 5 years and it is immediately evident that when with the 2nd quarter of 2013 the GDP in Europe has started to rise again also the sales trend has started to rise, particularly evident in Britain. The crisis that hit the industry for six years was thus transformed into a shooting month after month, until the end of the year, closed with 14,202,024 units registered. To be underlined the case of Spain that, thanks to government incentives, after increasing registrations by 18.4% in 2014, the year when the European total had risen only by 5.4%, has increased by another 20.9% last year. An example that perhaps the Italian government should follow.

As for the future forecasts are contradictory, generally anticipating increases by 5%.

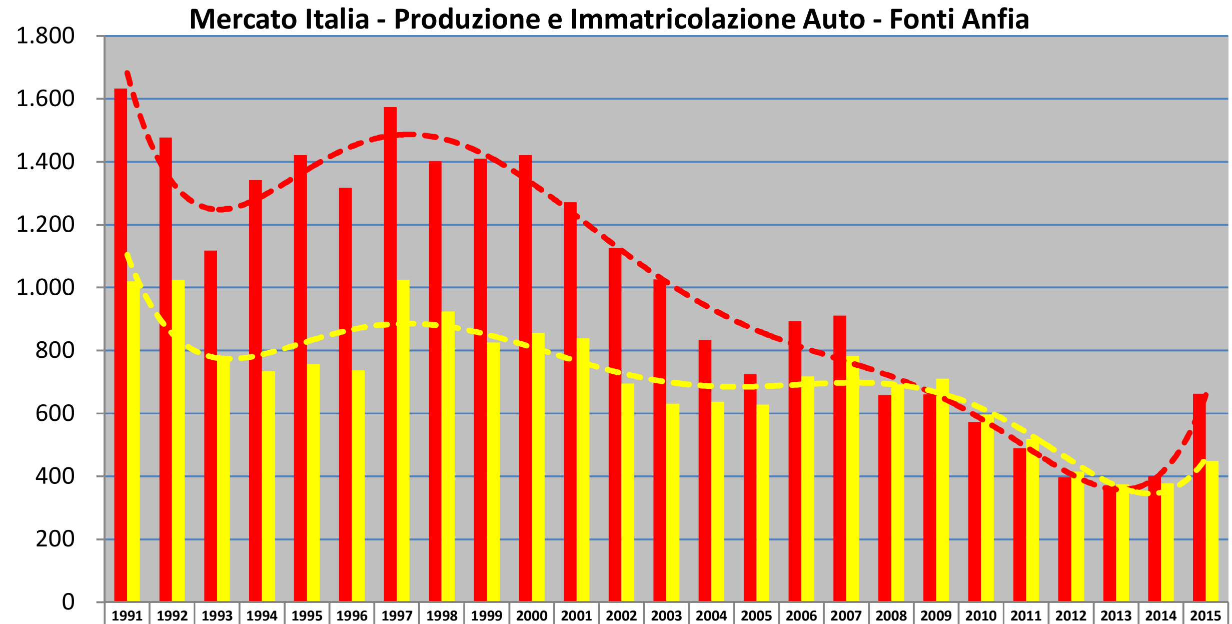
Positive note for the FCA Group that increased its share to 6.1%, compared with 5.9% in 2014.

Production levels (Figures 14 to 16) were closely related to the market demand, which has been consistently negative for many years. In Western Europe the production of passenger cars, which increased in 2011 only by 2.6%, decreased by 9% in 2012, stabilizing at that level in the following year. About 3.7% increase in 2014, and an estimated rise of about 6% last year on the basis of an extrapolation on the OICA first-half of the year's figures. In Italy the production of passenger cars increased again last year and closed at 663,139 units, 65% more than in 2014.

Mobility of people (Figures 17 and 18) The latest figures published by Eurostat for 2013 show similar trends in Europe and in Italy. In both areas the private car dominates (even though declining both in Italy and in Europe), providing about 80% of the mobility of persons; slight increases of rail, both in Europe and in Italy. Use of busses remains stable in Europe but instead increases significantly in Italy.

Emilio di Camillo – february 2016 - http://www.centrostudisubalpino.it

Figura 16- Italy – Production and registrations of national brands.

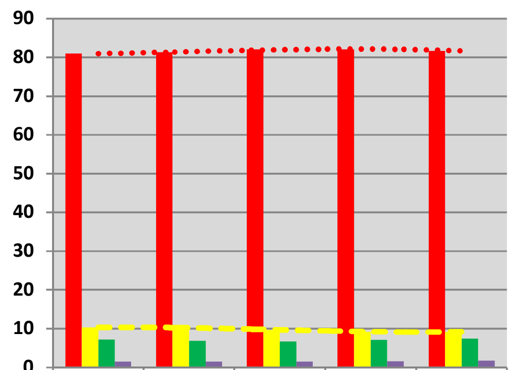


	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Produzione	1.633	1.477	1.117	1.341	1.422	1.318	1.574	1.402	1.410	1.422	1.272	1.126	1.026	834	725	893	911	659	661	573	490	397	370	401	663
Immatric	1020	1024	778	734	757	737	1024	924	826	856	839	695	631	638	628	718	782	692	711	596	519	416	374	378	448

5) Mobility of people

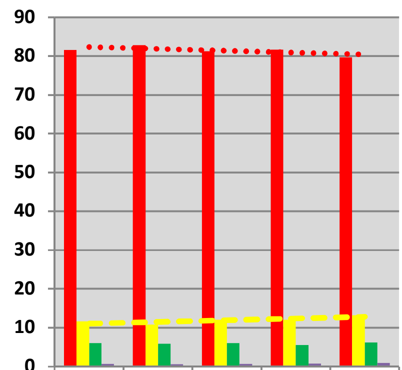
Gli ultimi dati pubblicati dall'Eurostat (2015) mostrano andamenti differenti in Europa e in Italia. In entrambe le aree l'auto privata domina in assoluto, garantendo circa l'80% della mobilità delle persone; però cala sensibilmente in Italia a favore degli Autobus; tende a salire leggermente la ferrovia sia in Italia che in Europa . Stabile negli ultimi anni l'utilizzo degli autobus in Europa, che aumenta invece significativamente in Italia.

Figura 17- Europe – Shares of modes Source - Eurostat



	1995	2000	2005	2010	2013
Cars	81	81,4	82,1	82,1	81,7
Busses	10,3	10,2	9,7	9,2	9,2
Rail	7,2	6,9	6,7	7,1	7,4
Tram/Metro	1,5	1,5	1,5	1,6	1,7

Figura 18- Italy – Mode shares – Source Eurostat



	1995	2000	2005	2010	2013
Cars	81,6	82,8	81,2	81,7	79,7
Busses	11,6	10,8	12,1	12	13,2
Rail	6,1	5,8	6	5,5	6,2
Tram/Metro	0,7	0,6	0,7	0,8	0,9