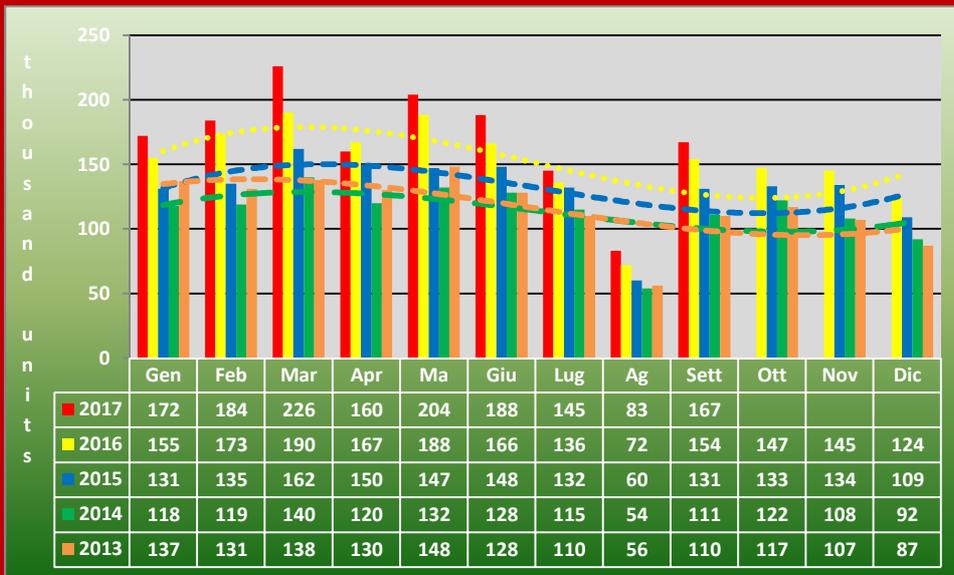


## Italian Car market: September 2017 registrations

Remains sizeable car registrations rise on the Italian market: +8.1% with 166,956 units registered in September. The final figure for the first nine months shows an increase of 8.1% to 1,533,710 units.

Registrations monthly trend. ('000 units) Source Min. Trasporti/Anfia/Unrae



Anfia emphasizes the "positive sign even in September for the automotive market, albeit with growth smaller than that recorded in August, also because of a working day less in the past month (21 days against 22 in September 2016). It is, in any case, the higher volumes, for this month, from 2009, when the market

exceeded 190,000 units. Also the closure of the quarter was good, with volumes 9% higher than in the similar quarter of 2016.)".

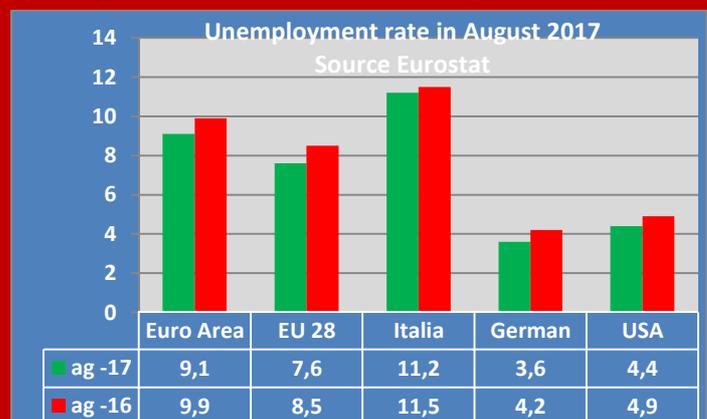
In Unrae's opinion: the market continues to give excellent signs of health and public interest towards our private sector and mobility, but we must point out that the phenomenon of selfregistrations, aimed to support the market shares, begins to acquire important boundaries, making it more difficult to correctly predict 2018 forecast."

From an analysis conducted by our statistics dept. it is apparent that the level of inventory of cars selfregistered at the dealer network has reached 168,000 units, accounting for more than a month of sale.

"Nevertheless," continues Unrae – we face a period of good opportunities for the renewal of the Park thanks to the convergence of availability of fresh product on the network along with very strong promotions, such as to make irresistible the urge to replace an old car through the Km 0".

The market seems to be able to maintain its growth potential at the end of the year around 8-9%".

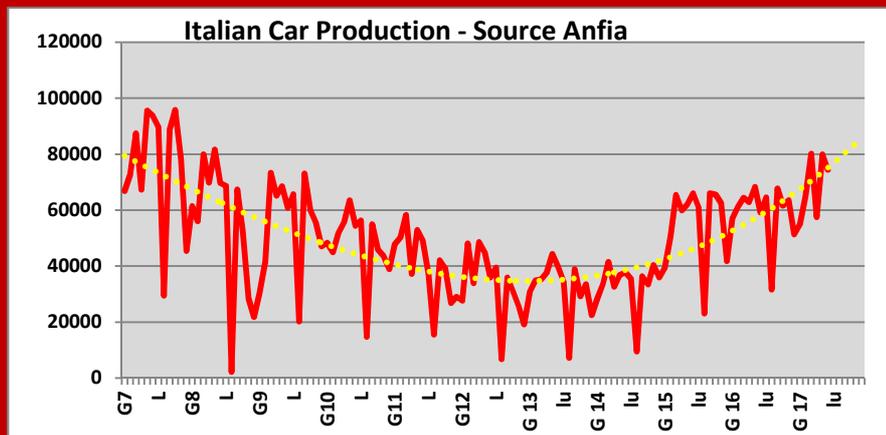
After the summer phase, which marked the important progress in controlling the flow of emigrants from Libya and the improvement of the general economic picture, also underlined by the rise in Moody's rating, last week, as "Il



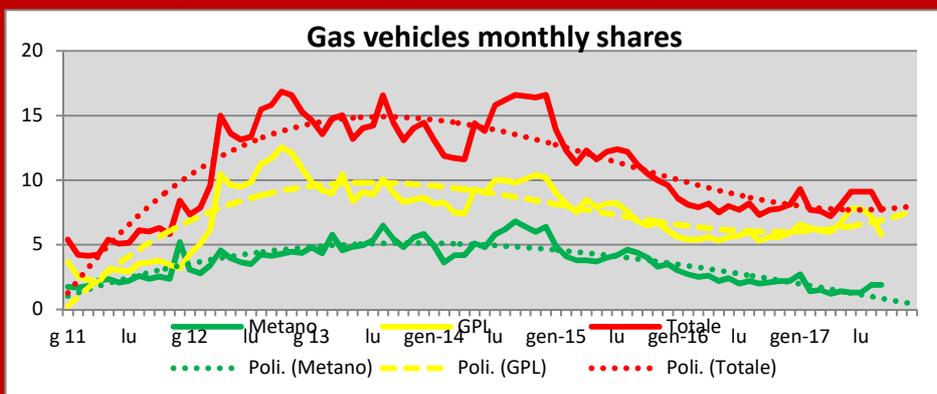
Messaggero” pointed out, was presented the DEF (Financial Document), which, as it is well-known, revises GDP growth estimates and all macroeconomic indicators, thanks to the most favorable economic cycle and the effects of the reforms launched with the Government of Renzi. The new scenario implies a value of about 20 billion for 2018 activities, of which 15.7 billion to disable safeguard clauses, i.e. VAT increases and excise taxes. The rest will be split between the need to refinance renewal of public employment contracts and growth measures, although a big slice will go for the incentives for stable employment of young people. Little will remain for other pro-growth measures, in particular for the desired stop at the increase in retirement age.

For the rest, we are back to the usual political debate in a framework that remains uncertain as to the real reforms the country needs to consolidate the economic results achieved in recent months. The major parties seem to try again this month to agree on a valid electoral system for both the Chamber and the Senate. Mr Gentiloni's government continues to promise tax cuts and employment-related initiatives, and data seems to play in its favor: in August, unemployment fell slightly to 11.2% compared to 11.3% in the month before and 11.5% a year ago. Substantially stable youth unemployment: 35.1% in August against 35.4% in July, but well below 37.3% in July of last year.

But no concrete solution is yet to come with the long-term problems affecting our economy, which remain virtually unchanged, such as a decisive reduction in public spending to revive consumption and investment with a substantial reduction in fiscal pressure.



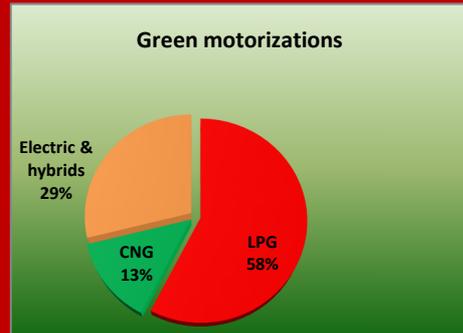
So, as repeatedly emphasized in the past, the biggest push for further increases in private car sales comes from the need to replace old cars, already postponed during the crisis years. As regards the automotive industry as a whole, a positive note for Italy is the continuation of the trend of increased car production. According to data collected by ANFIA among the manufacturing companies, growth in the first half of the year was 10.5%. The share of gas vehicles dropped to 7.7%, compared with 9.1% last month, and 7.3% last year,



mainly due to LPG downturn: the contribution of CNG continues to improve. Along with electric and hybrid, the share of alternative fuel-based vehicles is 11.3% in September. In the month, diesel rose to 57.8% (but was 57.5%

in September 2016). In the first nine months, it was 56.8%, in line with the first nine months of last

year. Gasoline sales rose to 30.8% in the month (32% in first nine months, compared with 33.1% in the same period last year). far as ecodesigned vehicles are concerned, the proportions of the various alternatives in the year continue to move in favor of the electricity.



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