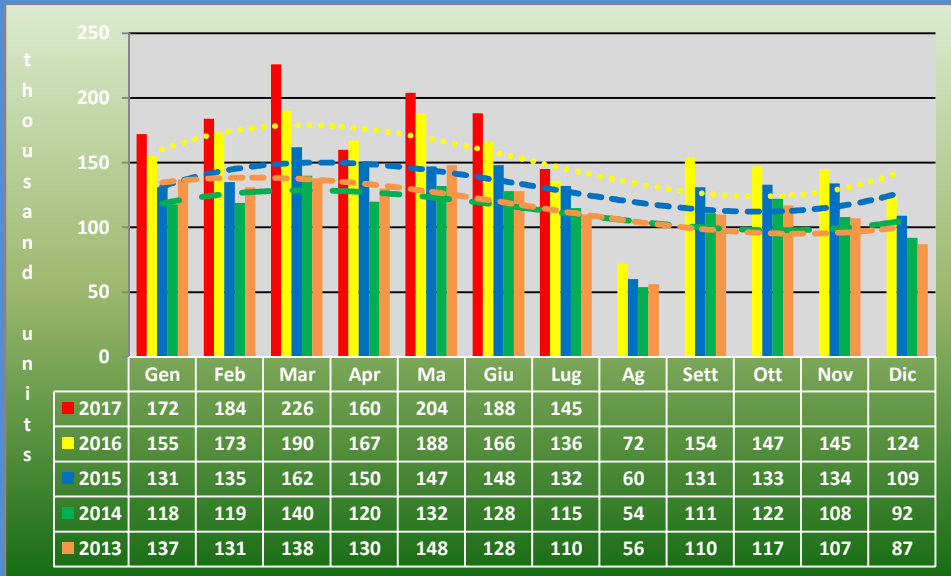


**Italian car market: registrations in July 2017**

Slows down in July the demand for new cars: +5.9% in the month, with 145.363 registered vehicles. The figure for the first seven months continues to show a very positive sign, with growth of 8.6% to 1.282.353 units.

Monthly Sales trend. ('000 units) Source Min transport / Anfia / Unrae



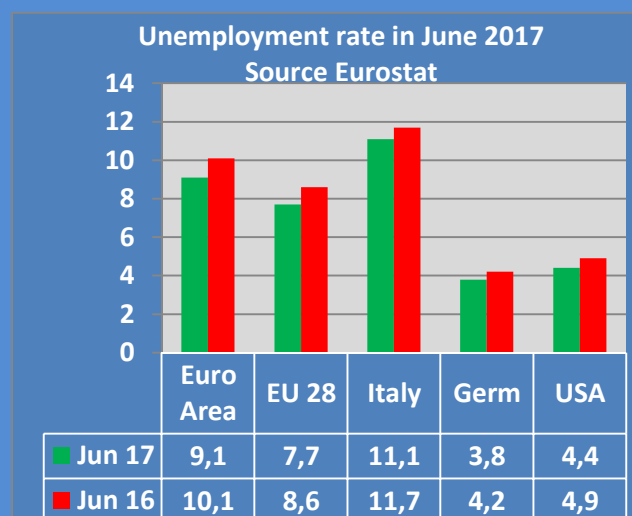
Anfia points out that "after the double digit growth recorded in June, the market, while slowing down its rhythm, keeps the positive sign in July. This month, which counted the same number of business days of July 2016 (21), has the best result in terms of volumes since 2010 when it exceeded 153,000 units.

According to Unrae,

"The market seems to have been affected by the registration's effort of recent months, denounced by the decline in sales in the private channel. This drop could have two justifications: one for the exit of the KMO cars from the dealers to the final customer, the other, in the greater use of the private rental channel. "

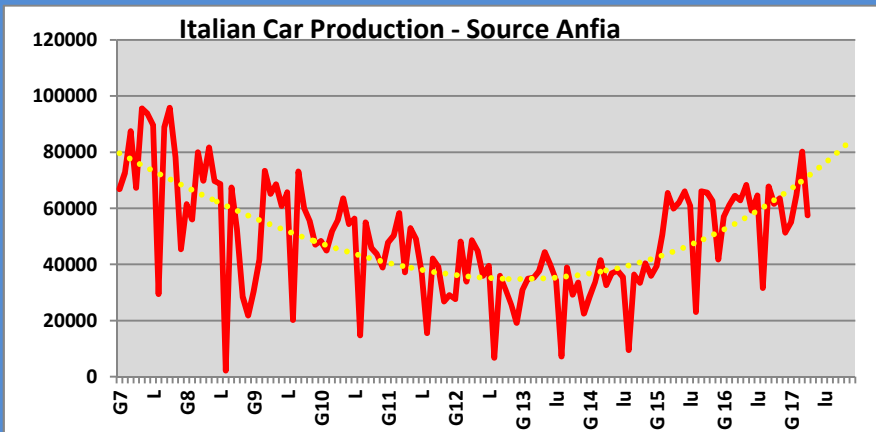
The market seems to be able to keep its growth potential unchanged at year-end around 8-9%.

However, there is still great uncertainty over the political, institutional and economic picture: avoided the risk of elections in the fall, the major parties seem to try again in September to agree on an electoral system, valid for both the Chamber of deputies and the Senate. On the other hand, the IMF has revised upwards Italy's growth rates for the current year, bringing GDP growth to 1.3%. Mr Gentiloni's government continues to promise tax cuts and employment initiatives, and data seems to be in his favor: in June, unemployment fell to 11.1%, compared to 11.3% in the previous month and 11.7% a year ago. Youth unemployment also fell: 35.4% in June compared with 36.5% in May and 37.3% a year ago.



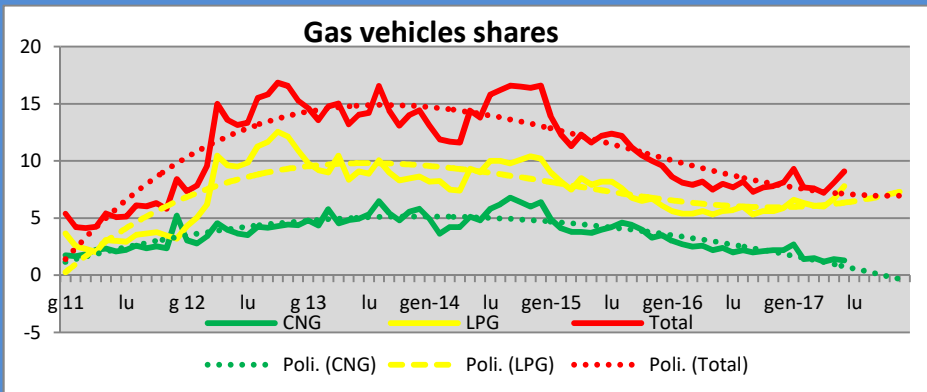
**But no concrete solution is yet in sight to come to terms with the long-term problems affecting our economy**, which remain virtually unchanged, such as a decisive reduction in public spending to revive consumption and investment with a substantial reduction in fiscal pressure.

So, as repeatedly stated in the past, the biggest push for further increases in private car sales comes from the need to replace old cars, which have already been postponed during the crisis years.



Regarding the automotive industry as a whole, a positive note for Italy is the continuation of the trend of increase in car production. According to data collected by ANFIA among the manufacturing companies, in the first four months cumulative growth was of 5%.

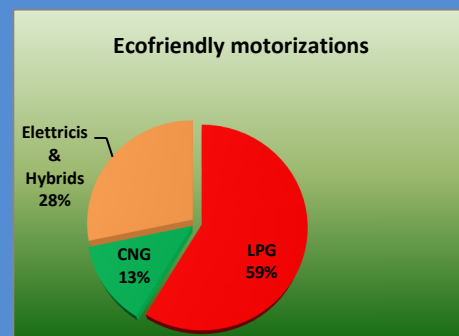
**The share of gas vehicles rose by 9.1%,** compared to 7.8% last year but, as last month, it was only due to the rise in the share of LPG; CNG did not exceed 1.3%.



Along with electrics and hybrids, the share of alternative fuel-based vehicles was at 12.8% in July. In the month, diesel dropped to 56% against 59.1% a year ago. (In the first seven months the cumulative share stood at 56.6%, in

line with the first seven months of last year). Gasoline sales rose to 31.1% in the month (32.3% in the first seven months, compared to 33.6% in the same period last year).

As far as eco-friendly engines are concerned, the proportions of the various alternatives in the year continue to move in favor of the electricity that goes far beyond the CNG values over the period. Improved the GPL share.



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