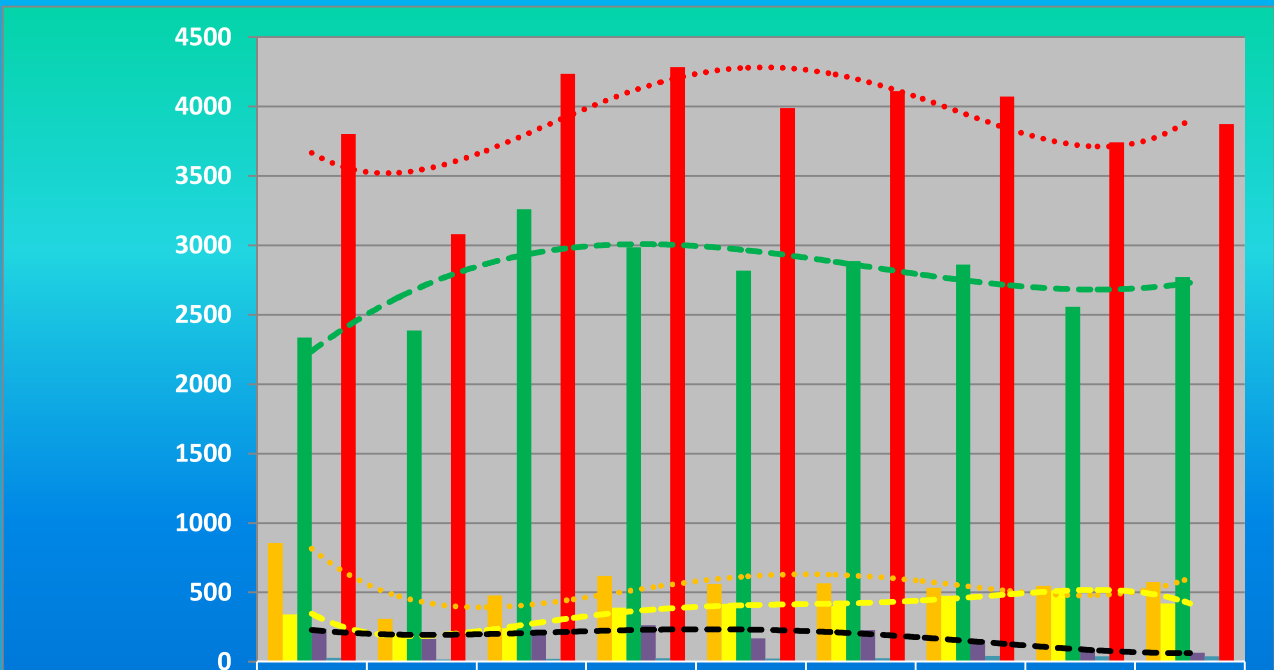
World production of Medium and Heavy Trucks in 2016

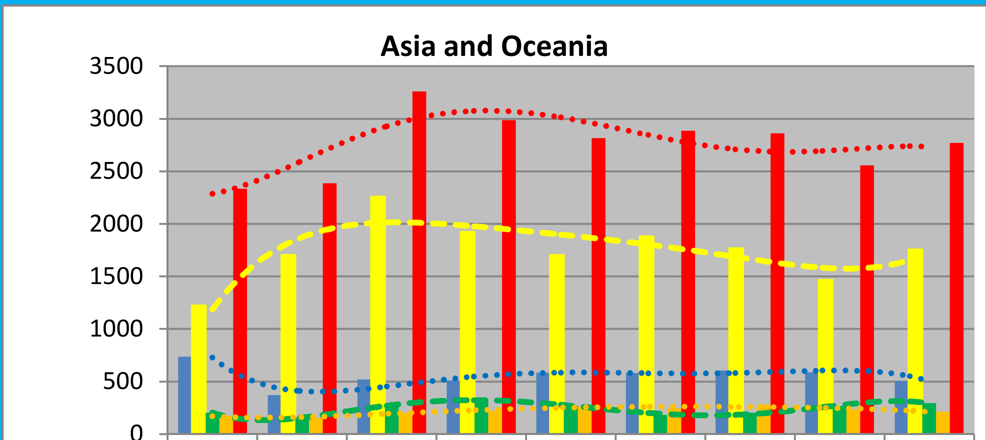
Sources: CSS calculations based on data and estimates of OICA and ACEA *; Figures in thousands of units

Introductory Note***: compared to the previous editions of this annual report we have used, in addition to the OICA data, those of Acea origin. On this basis the EU data, and then those of Europe, have been updated since 2011, since OICA from that date ceased to update the data of Germany, France, Holland, Sweden and Argentina.***

World Production of medium and heavy trucks, which had been contracting since 2011, and had recovered somewhat in 2013, has started to shrink again in 2014 (-1%) and especially in 2015, a decline of 8.2%, despite the brilliant performance of the NAFTA. Slight recovery last year mainly due to the rise of Asia and Europe; descend NAFTA and South America.



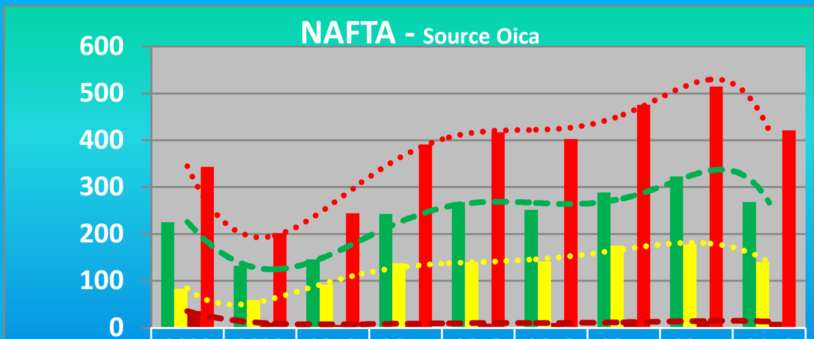
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Europe*	856	310	479	618	560	565	534	547	576
Nafta	343	203	243	391	417	403	476	515	421
Asia	2335	2386	3260	2985	2817	2887	2861	2556	2771
South America	239	164	232	264	169	229	158	82	65
Africa	29	17	22	26	25	26	43	41	41
Total World	3802	3080	4236	4284	3988	4110	4072	3741	3874



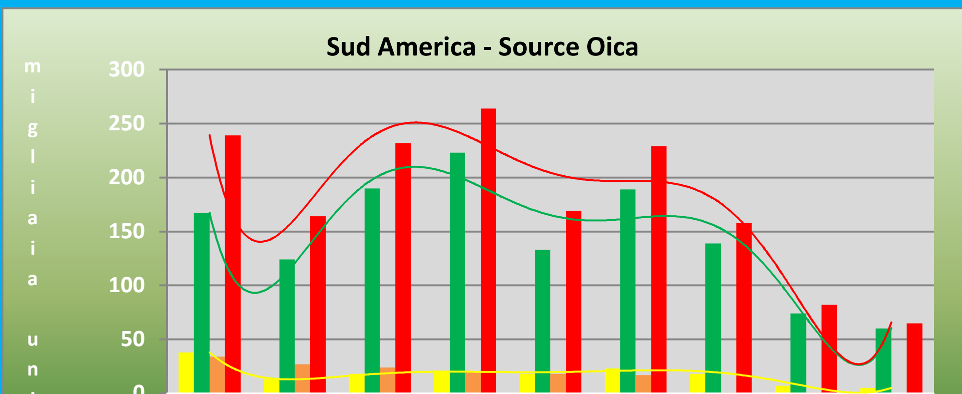
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Japan	735	372	521	512	583	580	605	587	506
China	1225	1704	2259	1924	1704	1882	1770	1467	1757
India	203	155	276	326	270	183	205	267	294
Others Asia	172	155	205	223	260	242	281	235	214
Total Asia	2335	2386	3261	2985	2817	2887	2861	2556	2771

Looking in more detail the individual geographic areas up again China, with an increase of 19.7%, and India with an increase of 9.9%. Increased also Pakistan (+ 51.1%), the Philippines (+ 32.4%) and Vietnam (+ 33.7%). Indonesia still down by 9.1%, while South Korea has lost 15.6%. Continues to lose Japan (-13.8%). Overall in 2016 Asia Pacific area earn 8.5%.

Sharp fall of production in the NAFTA area, as a result of the decline of sales in the US in 2016. In the year down all countries, particularly Mexico (-21.1%) and the USA (-16.7%).



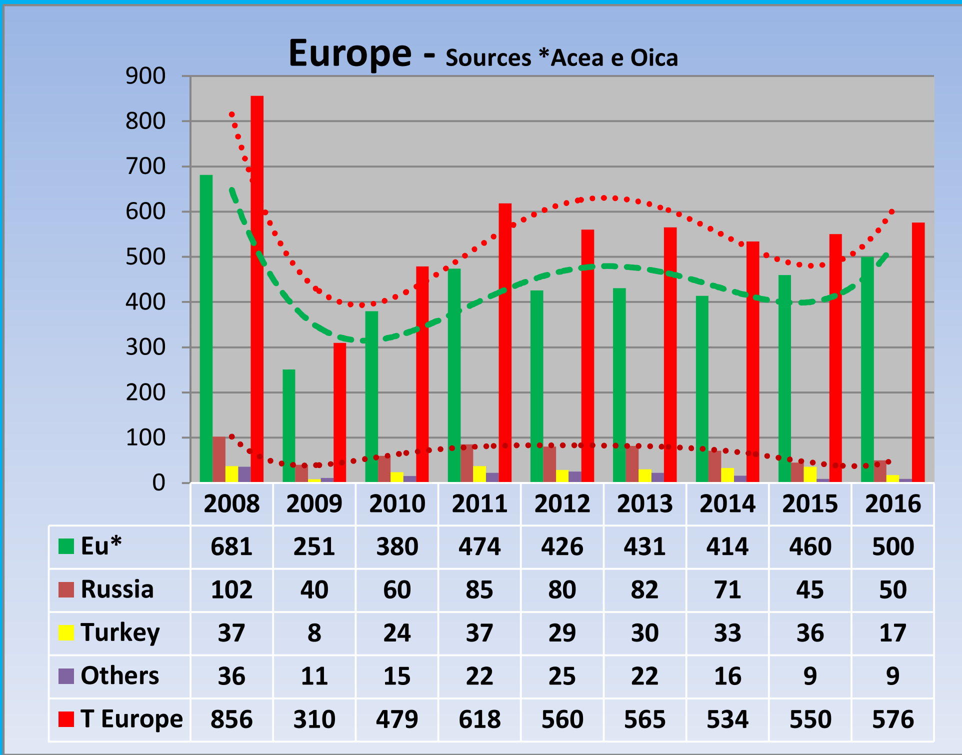
	2008	2009	2010	2011	2012	2013	2014	2015	2016
USA	225	132	146	243	268	252	289	323	268
Messico	83	59	92	138	140	141	175	178	140
Canada	35	11	6	10	9	10	12	14	13
T. Nafta	343	202	244	391	417	403	476	515	421



	2008	2009	2010	2011	2012	2013	2014	2015	2016
Argentina	38	13	18	21	18	23	18	7	5
Brasile	167	124	190	223	133	189	139	74	60
Altri	34	27	24	20	18	17	1	1	
Totale	239	164	232	264	169	229	158	82	65

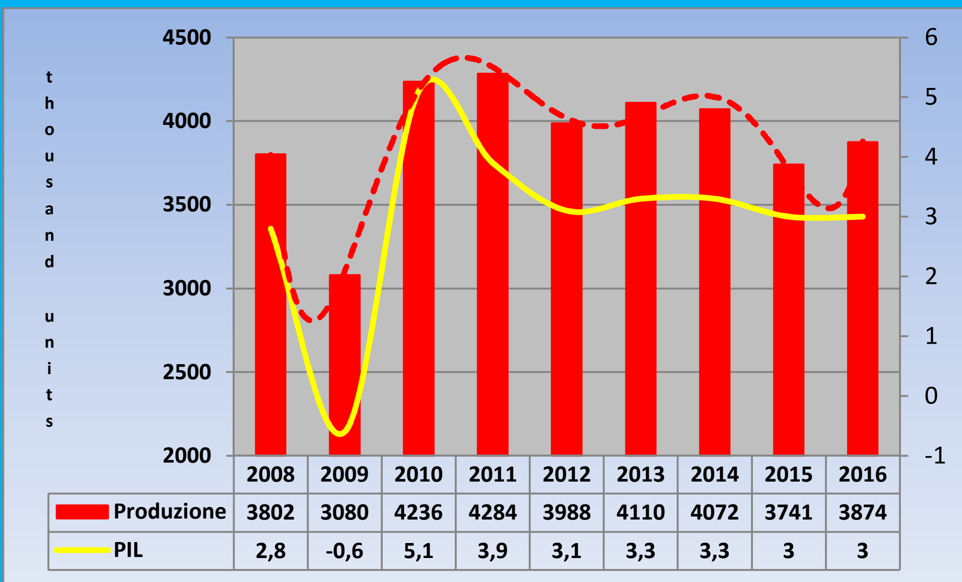
In confirmation of the severe economic crisis of the countries of South America continues to fall in that area the production of medium and heavy trucks, notably down by 18.3% in Brazil, after the loss of 47.1% in 2015 and 26.5% in 2014. The figure of Argentina is estimated since this year Oica has not published its data. Overall the area lost 20.7%.

According to our estimates, and in parallel with the strong recovery of the truck market, increase of just over 8.7% of EU production. Slight recovery in Russia (+11.2%) and collapse of Turkey, down by 51.5%. Overall Europe shows good progress after that of 2015, increasing by 4.7%.



	2008	2009	2010	2011	2012	2013	2014	2015	2016
Eu*	681	251	380	474	426	431	414	460	500
Russia	102	40	60	85	80	82	71	45	50
Turkey	37	8	24	37	29	30	33	36	17
Others	36	11	15	22	25	22	16	9	9
T Europe	856	310	479	618	560	565	534	550	576

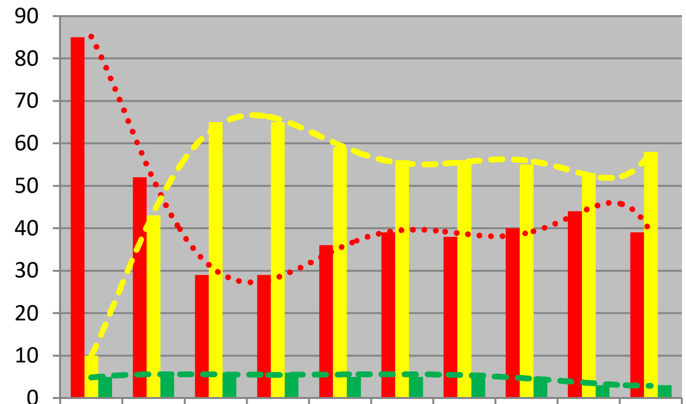
Interesting to note that since 2008 the trends of GDP and world production were almost parallel (coefficient of correlation 0.94), which makes us predicts that only with the recovery of GDP growth production will return to the values before the global crisis. According to OECD forecasts, published in early March, this will happen only from 2017.



	2008	2009	2010	2011	2012	2013	2014	2015	2016
Produzione	3802	3080	4236	4284	3988	4110	4072	3741	3874
PIL	2,8	-0,6	5,1	3,9	3,1	3,3	3,3	3	3

Location of production.

In the decade 2000-2010 the localization of production volumes has radically overturned, moving from the three traditional areas (Europe, NAFTA and Japan) in Asia, particularly in China. In practice the three major areas together fell from 85% in 2000, to 29% in 2010, to rise again from 2011 to 44% in 2015; new descent last year to 39%. Asia, excluding Japan, arrived in 2010 to represent two thirds of world production (including Japan, the Asian continent accounted for 77% of world production). Since 2011, however, the trend was slightly reversed for the recovery of the big three traditional areas, but above all of the NAFTA area in 2012 and then in 2014 and 2015, while China dropped by 35% between 2011 and 2015. The sharp fall NAFTA and the resumption of China last year have again changed the situation. China remains by far the world's largest producer, accounting for 45% of the trucks produced in the world and over 63% of those produced in Asia-Oceania. In practice almost half of the heavy truck production in the world comes from some Chinese factory, but it remains, for the moment, in the Far East. But until when?



	2000	2008	2009	2010	2011	2012	2013	2014	2015	2016
Europa,Nafta,Giappone	85	52	29	29	36	39	38	40	44	39
Asia (ex Giapp).	10	43	65	65	59	56	56	55	53	58
Altri	5	5	6	6	5	5	6	5	3	3