OICA Round Table
"The World Auto Industry: Situation and Trends"

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Italy: the automobile sector – Key figures

EMPLOYMENT

Manufacture of Motor Vehicles

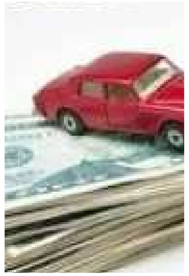
(including indirect manpower): 1 million people,

a skilled workforce

R&D INVESTMENTS

€ 2 billion,

the automotive industry is among the largest investors in R&D



TAX REVENUES

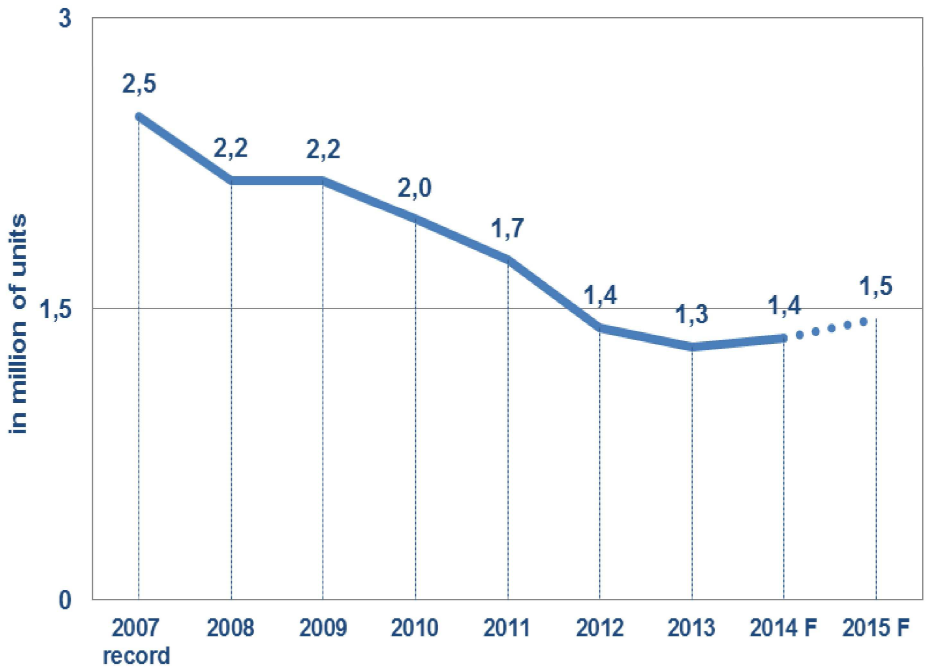
From Motor Vehicles

€ 70.5 billion, 16.5% on domestic fiscal revenues,

a vital source of government revenue

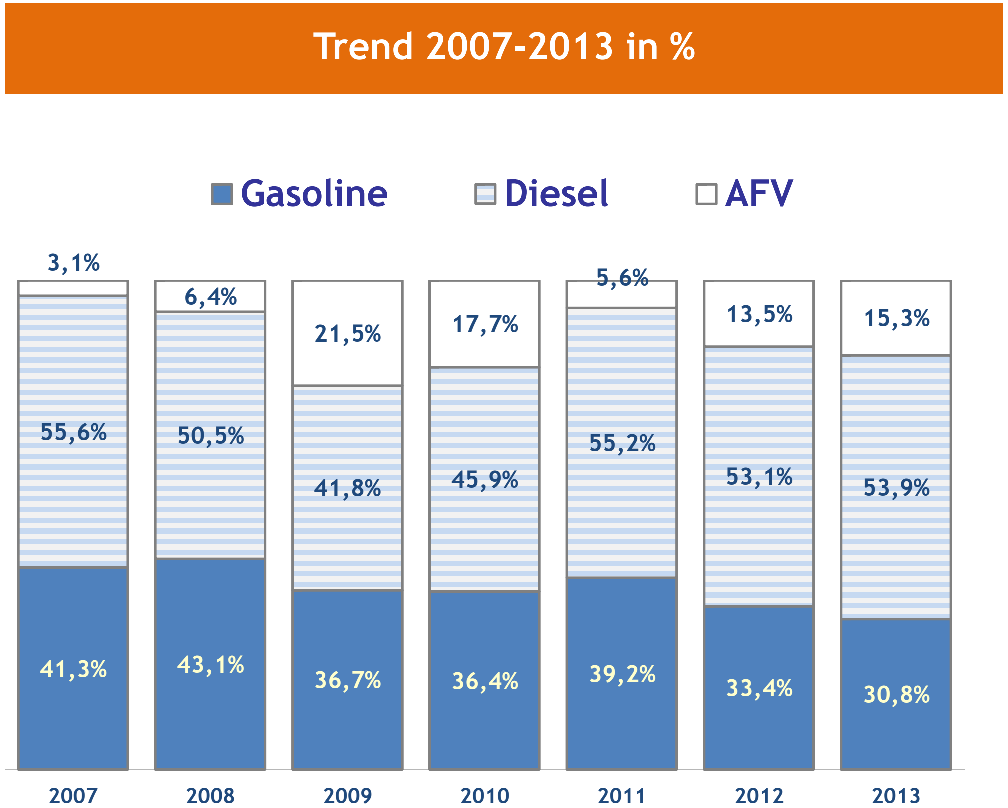
Italy- New car registrations

Annual trend 2007-2015F



Since 2007, record year in terms of sales (around 2.5 million new cars), the market has undergone a constant decline in volumes to arrive at 1.3 million registrations in 2013 . Car new registrations to **private owners** went down in terms of both volumes and share; at the end of 2013 the household expenditure fell to 61.9% of the total market and to 58.7% in the first half of 2014. **Rental system** has accelerated on the domestic new car market, posting a record incidence of 18%. However, **an unfavorable fiscal burden has weighed on the whole sector, in comparison with the other European countries.**

Italy- New car registrations by fuel



The increase in fuel prices and the generalized fall in consumption (petrol and diesel included) pushed buyers towards alternative motorizations; the sales of these vehicles, therefore, increased in terms of market share from 5.6% in 2011 to **15.3% in 2013**. In particular, **LPG** and **CNG** motorizations obtained a market share of 8.9% and 5.2%, respectively, in 2013.

Hybrid cars represented 1.2% of the market with over 15,000 units; **864** electric cars were registered in 2013; **diesel car market** attained 53.9% of the total new registrations, with 703,000 units.

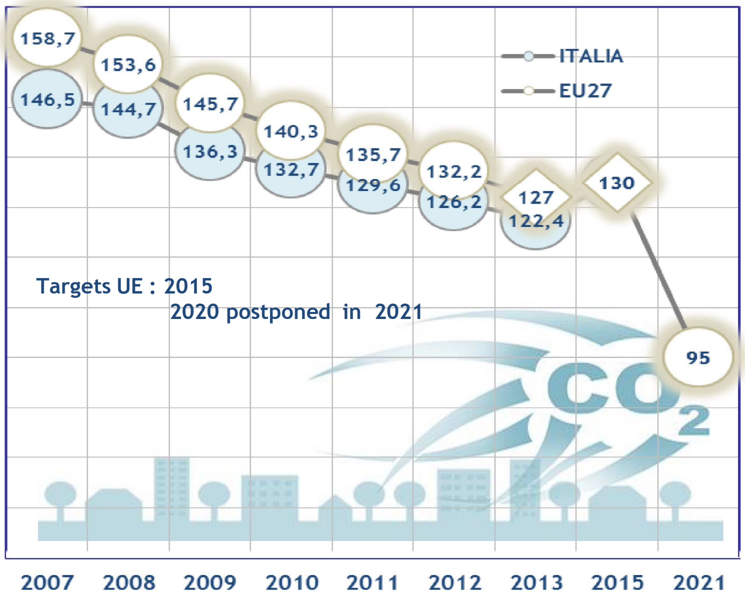
AFV – New registration cars
Comparison UE28 / Italy

New car registration: AFV (excl.Hybrids) in units and % on total market

By type	UE28*	Italy
E85	4.372	
Electric	24.173	864
LPG	130.433	115.555
CNG	81.574	68.019
Plug-in hybrid (petrol and diesel)	31.105	261
Biodiesel	3	
AFV total (excl. hybrids)	**271.660**	**184.699**
share % on total new car market	**2,3%**	**14,2%**
Total new car market	**11.860.861**	**1.304.844**

*source:EEA

Average emmissions of CO_2 g/km of new car sold



The average CO2 emissions that can be attributed to registrations recorded in Italy in 2013 were classified among the lowest ones. Italy obtained its best result in comparison with other European countries considered, in any case, more committed in terms of environment, like Belgium, Sweden, Austria, Luxemburg and Finland.

Italy: LPG / CNG models – Best sellers

Year 2013

LPG	Models
1	Lancia Ypsilon
2	Opel Corsa
3	Fiat Panda
4	Fiat Punto
5	Ford Fiesta
6	Fiat 500
7	Nissan Qashqai
8	Dacia Sandero
9	Peugeot 207
10	Opel Meriva

CNG	Models
1	Fiat Panda
2	Fiat Punto
3	Lancia Ypsilon
4	Fiat Qubo
5	Opel Zafira
6	Fiat 500L
7	Fiat Doblo
8	Seat Mii
9	Volkswagen Touran
10	Volkswagen Passat

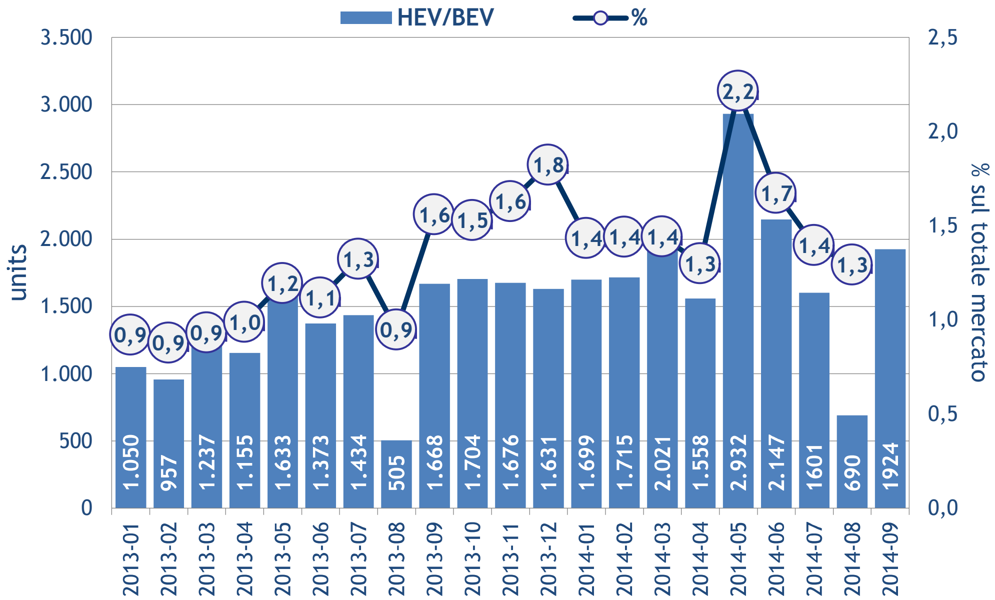
On September 2014, the sales points, **with LPG pumps**, were 3,509.

On July 2014, the **distributors of CNG** were 1,024.

The cars in use at the end of 2013 by LPG were 1,944,000 and by CNG were over 774,000, which represent 7.4% on total registered cars.

Italy: New car registrations of HEV/BEV

HYBRIDS/BEV CARS monthly trend 2013-2014



Electric cars by type sold since 2012

Car sold	2012	2013	Jan/Sept 2014
BEV	529	864	771
EXTENDED RANGE	100	49	71
PHEV	41	261	139

In 2013 the BEV car market totaled 864 units (up by 65%). The possibility to take of the advantage of a thorough research network is an element that will favor its diffusion, provided that the present criticalities (relating to costs and technologies) be overcome. As a whole, 606 electric refuelling pumps are present in Italy, in 72 provinces, and they are installed on roads and in public access areas and this number is still growing.

At the end of year 2013 the Hybrids/BEV cars were 45.400, only 0.1% of car parc.

Italy: Measures for the mobility

Incentive measures for total low emission level vehicles:

The BEC (low emission total) measure has been re-confirmed (based on State contributions offered in case of low level emission vehicles with CO2 not exceeding 120 g/km. This measure has already proved efficient in March to December 2013, with the objective of promoting sustainable mobility in the period 2013-2015. Unfortunately the public funding has not been confirmed for the year 2015.

An interesting news on the matter is that some recent ministerial decrees have authorized the refuelling of methane and CNG in self-service mode, as it has already occurred in the Major European countries since time, and also through multi-dispensers installed in the service stations. This measure, provided also thanks to an intense activity from our Association, is intended to encourage investments on the distribution network of the above two types of fuels. Moreover, this measure, as soon as it becomes more and more widespread, will favor the diffusion of alternative motorizations (methane and CNG), with subsequent advantages towards the replacement of the vehicles in use as for both environment and consumption efficiency, beside reinforcing the industrial sector that develops this kind of technologies and that to this date already represents a thorough Italian excellence.

From 2009 to 2013 fuel consumption went down by 25% as for super petrol and 12% for diesel, whereas it went up by 38% as for LPG. **However, despite the deceleration in consumption, the tax revenue grew in the same period, going up by 21.9%.**
This tax revenue fell then in 2013 on 2012, decreasing by 2.1%.
On 1st September 2014, the fiscal incidence on the average fuel price at the pump was equal to 60% as for petrol, 56.4% as for diesel and 37.2% as for LPG. To that date, the average tax free price was quite higher than the average European's for both petrol and diesel.

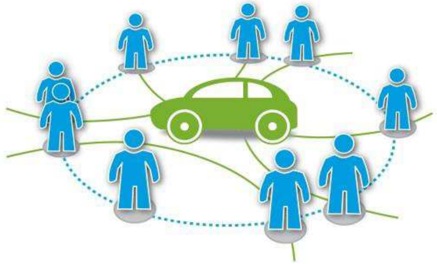
It is very important that the taxation on LPG and CNG fuels does not increase.

CARS IN USE AND MOBILITY

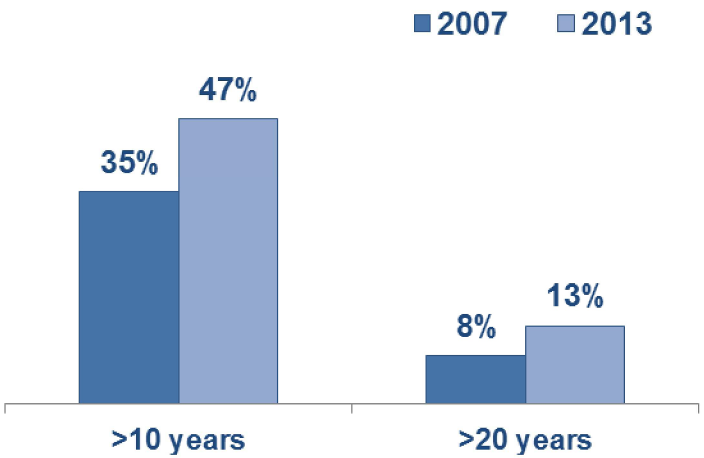
Cars in use at the end of 2013:

36,962,934 (%chg -0.3%)

The reduction in car sales determined a constant decrease in the replacement rate (from 6.3% in 2007 to 3.9% in 2013), creating a gradual ageing of the car park.



Cars in use by age



In Italy the motor vehicle mobility represents almost all the displacement demand (more than 82%).

Italians generally prefer to use the car.

Some changes are occurring:

- new consumption habits, linked to the progressively ageing population and alternative mode transport like low-cost flights, high-speed trains, rental , car sharing.

Today lots of buyers (young people or citizen live in cities) are more interested in the car use rather than in its ownership.

Boom of car sharing in 2013 with 130,000 registered users and 200,000 in 2014.

Thank you for your attention