

PRESS RELEASE

State of affairs and outlook of automotive parts and components industry in view of Autopromotec 2011 **2010 witnessed the first signs of recovery for the automotive components industry**

Turin, 20th April 2011 – In this scenario of hesitant, patchy global recovery, the watchword for the global automotive industry remains “change”, in an effort to strike a balance between the need to help reduce the environmental impact of mobility and dependence on oil as an energy source on one hand and, on the other hand, the need to rise up to the challenge of increasingly harsh competition in the sector.

The international economic crisis is still taking its toll on the automotive components industry, whose overall domestic 2010 turnover is estimated at around 39-40 billion Euro (nearly +5% compared to 2009, that had witnessed a 16% drop compared to 2008). The first signs of OE sales recovery are mainly due to export products as opposed to products for the local market. Export sales of automotive parts and accessories in the period January-September 2010 amount to about 12 billion Euro (+25.7% compared to the same period in 2009), making for a trade balance of over 4 billion Euro (+45.2% compared to the same period in 2009).

“2010 recorded a growth compared to the previous year also in the aftermarket sector – Riccardo Buttafarro, Coordinator of the Aftermarket Work Panel of the ANFIA Components Group stated.- According to the Aftermarket Barometer, an internal statistic survey of the ANFIA Components Group that monitors monthly market trends in terms of consolidated sales and sales by product families, aftermarket components sales grew by 5.6% compared to 2009 (when a sales fell by 5.4% compared to 2008), although the different product families record significantly different growth rates, with undercar components experiencing a two-figure growth (+14.8%), followed by consumables at +4.6% and engine components at +3.5%”.

The Italian parts market¹ (at the list prices stated by car makers) is worth 12.5 billion Euro, 7 billion of which are accounted for by mechanical and electronic parts, while the remaining 5.5 billion reflect body parts. Looking at the offer side of the market, car makers’ spare parts account for nearly 40% of the domestic sector, whereas OE suppliers (original or equivalent spare parts) represent a 45% share and the remaining 15% is made up of manufacturers of adaptable spare parts².

Key trends in European automotive R&D are dictated by the great challenge of reducing CO₂ emissions and consequently fuel consumption. Improving fuel efficiency involves rethinking all vehicle compartments, from engine technology through to material selection, so as to reduce weight. As a result, engines are becoming increasingly smaller, lighter, more efficient, the offer of small-capacity turbo engines is increasing, while stop & start and valve control systems are becoming increasingly popular. This, along with the increasing number of alternative-drive vehicles put into the market, has been - and still is - strongly affecting automotive repair techniques, as it requires significant efforts (in terms of product information, training and dedicated equipment) to bring after sales operator skills up-to-date so as to offer vehicle owners appropriate technical service.

“The changing mix of drive technologies requires an unprecedented mix of maintenance and repair services, that calls for new skills and specializations – Buttafarro added -. In order to revive the aftermarket sector, the investment in training efforts must be supported – starting now – by promoting a customer-care oriented approach in the repairer network. This approach involves offering an integrated mix of different activities and – above all – a consolidation of parts manufacturers and distributors, a strategy that still seems to be regarded with scant enthusiasm in Italy. In our country, business size remains a problem. Companies are not big enough to compete at best on international markets.

¹ Figures do not include: tyres, lubricants, coatings, accessories, shop tools

² In the specific “bodywork” sector, car makers hold a higher-than-average share on average

Consolidating means bringing together synergistic activities with great benefits in terms of business and significant cost savings”.

“These and many other topical issues will be discussed during the 2011 edition of Autopromotec, the most industry-focused trade show of automotive equipment and aftermarket, whose 24th biannual edition will be held in the Fair District of Bologna on 25-29 May 2011 – Renzo Servadei, Managing Director of Promotec, Autopromotec organizers, declared. - Noteworthy among the show’s new events – Servadei added – is AutopromotecEDU, an arena for in-depth discussion of specific issues of the automotive after sales and service sector, ranging from maintenance to unconventional marketing, from safety to standards and regulations, through to future market trends”.

“Another significant new initiative within the oncoming Autopromotec edition – Servadei concluded – is Autopromotec Industrial Vehicles Service, a project focused on the truck sector, with a dedicated exhibition trail, a dedicated heavy duty vehicles service and maintenance exhibitors guide and a special logo identifying exhibitors of truck equipment, components and parts inside the halls. This initiative reflects the growing attention for goods transport vehicle service in view of the oncoming implementation of the Euro VI emission limits for heavy duty vehicles that will enter into force as of 31 December 2012 for type-approval requirements and as of 31 December 2013 for all newly-registered vehicles”.

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ANFIA

With over 280 member companies accounting for a yearly turnover of nearly 60 billion Euro and a workforce of approximately 130,000, ANFIA – the Italian Association of the Automotive Industry – ranks among the largest trade associations members of CONFINDUSTRIA, the Italian employers’ federation.

ANFIA represents the interests of its members with national and international public and private institutions, conducts research into and identifies solutions for technical issues, economic, fiscal, law, statistics and quality matters in the automotive industry.

The Association comprises 9 Product Category Groups, each headed by its own Chairman and Managing Board: *Buses, Motor Vehicles, Sports and Special Cars, Car Coachbuilders, Industrial Vehicles Coachbuilders, Components, Tyres, Motor Caravan Manufacturers, Trailers.*

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AUTOPROMOTEC

Autopromotec, the most industry-focused trade show of automotive equipment and aftermarket, a key event for the whole industry, will be held in the Fair District of Bologna on 25-29 May 2011. The event, now at its 24th biannual edition, spans all sectors of the automotive aftermarket industry.

Autopromotec is the single most important opportunity for manufacturers to meet face-to-face with internal buyers.

Promotec S.p.A.

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