

Italy

Capital: Rome
Population: 59,448,163(2007 estimate)
GDP:* \$1.888 trillion (2007 estimate)
Currency: Euro
Language: Italian



Summary

In Italy, sales of new vehicles are reducing in this moment. Several factors are to be considered: the end of the national environmental incentives to buy new, less polluting, vehicles; the economic slowdown (and the higher interest rates); the higher fuel prices. The only exception refers to light commercial vehicles sector. Anyway, it is important to highlight that 2007 was an exceptional year as regards new cars sales (about 2,500,000).

Italian market	2008 1 st quarter	2007 1 st quarter	% variation
Cars	867,207	945,150	- 8.24
Light commercial vehicles	87,122	79,767	+ 9.22
Motorcycles	141,428	155,657	- 9.15

Current Demand

The following paragraphs highlight the subsectors with potential in Italy:

Passenger Vehicles

In Italy, there are very few 'made in U.S.A.' passenger vehicles, (in particular some SUVs are imported directly from the US). On the contrary, there are lots of passenger vehicles, and light commercial vehicles 'made in Europe' (or 'in Asia') and sold under U.S. brands (Ford, GM, Chrysler). As the business press is highlighting, the exchange ratio Euro / \$ might push U.S. manufacturers to expand their sales of U.S. manufactured vehicles, to add to their current offer. In this case, compliance to EU regulations is obviously to be considered. Last but not least, interesting niche opportunities might be available for environmentally friendly vehicles.

Motorcycles

Some U.S. motorcycles (mainly Harley/Buell, Polaris / Victory, and Vectrix) are sold in Italy. Considering the relevance of the Italian motorcycles market, there might be some room for other top quality brand. Top quality is, more than price, 'the' competitive factor, and the strong competition posed by local, European, and Japanese brands can be faced only by focusing on it (the low end of the market is more or less saturated by East Asian and local brands)

Hybrid Vehicle Components

ZEVs and hybrid vehicles are getting interest in Italy (e.g. Toyota Prius, but also U.S. Tesla and Vectrix motorcycles). There might be opportunities for manufacturers of this kind of components in the market too.

Aftermarket Accessories & custom products

Car customizing is expected to grow in the market in 2008. According to estimates, in 2007 the customization market was worth more than 1,200 million Euros, 30% in the car audio and entertainment sector, 40% in the tire sector and 30% in the tuning. For this reason, companies operating in many of the sub-sectors of the auto accessories and tuning sector may find interesting opportunities in the market.

Current Demand (continued)

Aftermarket: Mobile Electronics & Technology

The car audio and video/car entertainment sub-sectors present the most important opportunities. One of the latest crazes for Italians is info-mobility, and many car owners are installing satellite navigators, (even on compact cars). Tools as navigators are quickly spreading into the consumer goods market, and are now available in most of the department stores. From dashboard GPS to fleet management solutions, the market is growing, and many U.S. manufacturers are already present here.

Moreover, some opportunities will also arise for new-to-market companies offering cutting-edge new products. In sum, the market is growing and may be of real interest for U.S. manufacturers (some of the most important U.S companies are already present).



Aftermarket: Testing Equipment

The higher frequency of periodic compulsory motor vehicle inspections and stricter pollution control regulations in Italy have forced the replacement of parts and the use of more modern service equipment than was common some years ago. Furthermore, as the electronic systems on cars become increasingly sophisticated, service shops have to invest in new equipment and technologies to provide suitable maintenance. New European standards on auto servicing, have opened some interesting prospects for independent repair professionals, who will be entitled to receive from car manufacturers any technical information and training needed to repair any kind of automobile.

Services: Engineering and Consulting

Local, and European, competition is strong. But it is possible that very interesting niches be found (e.g. in the racing sector). Opportunities might be available also when dealing with big manufacturers. Recently CS Italy was able to allow a U.S. company to supply a specific designing tool to the major Italian trucks manufacturer IVECO.

U.S. engineering and consulting companies able to support 'state of the art' services will probably find interesting opportunities. Moreover, even though competition is not generally based on price, they may also lever on current Euro / \$ exchange rate.

Trade Events

AUTOMECHANIKA Rome

Jan. 31st thru Feb. 3rd, 2008

<http://www.automechanikaroma.com/automechanikaroma/brick/home-en>

OIL&NONOIL (Modena, Italy)

Apr. 13th through 15th, 2008

http://www.oilnonoil.it/en/news_e.htm,

EICMA (Milan, Italy)

Nov 4-9, 2008

Type: International Motorcycle Exhibition

<http://www.eicma.it/moto/en>

AUTOPROMOTEC (Bologna, Italy)

May 20th thru 24th, 2009

http://www.autopromotec.it/index_en.php

Available Market Research

Italy: Garage Repair and Maintenance Equipment (Aug 2007)

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