Report on the Italian Automotive Industry 2024

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INTRODUCTION

The Italian automotive industry stands as a prominent player on the European stage, holding the sixth position globally in production volume. In 2022 alone, it churned out 796,394 vehicles, constituting 1% of the world's total production. Of these, passenger vehicles accounted for 60%, commercial vehicles for 40%, and buses a mere 0.1%.

Despite a slight decline in the production of light vehicles to 770,000 in 2023, projections suggest a rebound to 870,000 by the decade's end. Notably, Iveco commands a staggering 90% share of the heavy vehicle market in Italy, particularly in truck production.

Integral to the Italian economy, the automotive sector contributed €100.6 billion in 2021, with vehicle and component exports reaching €38 billion. Its significance is further underscored by its 5.6% share of the country's GDP and its representation of 11.5% within the manufacturing sector, employing 272,000 individuals across 5,439 firms.

The industry is bifurcated into two primary sectors: original equipment manufacturers (OEMs) and small to medium-sized component manufacturers (Tiers). OEMs operate 26 plants nationwide, including 6 dedicated to component manufacturing.

According to ANFIA Association, the automotive components industry in Italy, in 2022, included 2,167 companies, employing around 167,000 workers, with a turnover of €56 billion. These entities specialize in intricate components and undertake mechanical tasks such as turning, milling, stamping, or treatments. Notably, there has been a notable increase in production among these Tiers, with subcontractors (SUB) and specialized component manufacturers (SPEC) witnessing growth rates of 10.9% and 10.7%, respectively, from 2021 to 2022[1].

In alignment with global trends toward sustainability, the industry has embarked on initiatives to foster more eco-friendly mobility systems. Approximately 80% of Italian automotive companies have adopted environmental policies, with a heightened focus on electric vehicles (EVs) and sustainable transportation R&D. In 2022, plug-in hybrid and electric vehicles comprised 23% of production, amounting to 113,000 units, a figure expected to triple by 2026.

[1] Source: Osservatorio sulla componentistica automotive italiana, 2023 edition. Annual study of ANFIA and Torino Chamber of Commerce

AUTOMOTIVE REGIONS

1. PIEMONTE

This region stands out as a leading hub in the Italian automotive sector and ranks among the top 5 "automotive-intensive" regions in Europe. In this region, along with Lombardia, 70% of all assembly line workers in Italy are concentrated. Turin province boasts the distinction of being the sole Italian province hosting a complete production chain, spanning from vehicle design to final assembly. In Cuneo and Asti provinces, numerous component manufacturers thrive. The industry in this region operates with cutting-edge technology, both in product innovation and manufacturing processes. Stellantis, a major player in the automotive industry, has one of its main factories here, supported by several Tier suppliers providing parts, machinery, and services.
Furthermore, this area hosts significant research centers like the Centro Ricerche Fiat (CRF) and **Dumarey Automotive Italia**, where groundbreaking work on low-emission engines and electric motors is underway.

2. EMILIA ROMAGNA

Emilia-Romagna, often referred to as Italy's "Motor Valley," is renowned for housing iconic brands like Ferrari and Lamborghini. Beyond these renowned companies, the region excels in research and development within the automotive sector. With a workforce of around 20,000 individuals employed in the automotive components and engineering, design and styling companies, Emilia-Romagna serves as a key economic engine in Italy. The Cluster ER Mechatronics Motoristica plays a pivotal role in this ecosystem by fostering innovation and collaboration among businesses, aiming to enhance regional competitiveness and create employment opportunities.
Additionally, the University of Motor Vehicles in Emilia-Romagna (MUNER) emerges as a center of excellence, attracting talent and closely collaborating with leading companies to shape the next generation of automotive engineers. Together, these components position Emilia-Romagna as a hub of the Italian automotive industry, with a vision for an innovative and sustainable future.

3. LOMBARDÍA

In Lombardy, particularly in the province of Brescia, there is a wealth of specialists in component manufacturing, owing to the region's extensive history of expertise in metallurgy and advanced metalworking skills. The Lombardy government, in collaboration with the EU, supports the automotive sector in developing the next generation of products, integrating the Internet of Things into transportation systems, and simultaneously reducing production emissions and emissions from vehicles themselves.

This support is further bolstered by the Lombardy Mobility Cluster, an organization dedicated to fostering the development of a competitive industry through research and innovation.

4. ABRUZZO

The Abruzzo Automotive Cluster is an institution aimed at connecting industry stakeholders to advance technology through the exchange of skills and knowledge in machinery and innovative processes. This organization comprises businesses, government agencies, major manufacturers, SMEs, research centers, and universities. Headquartered in Val di Sangro, colloquially referred to as the "automotive and mechatronic valley," the cluster has been involved in national, European, and even international research endeavors. Currently, it is engaged in 20 collaboration projects with external partners to modernize processes and products. One such project is EMERGE, where they are experimenting with 5G to develop intelligent transportation systems in partnership with the University of L'Aquila.

5. TRENTINO

In the South Tyrol region, industrial activity thrives as well. The Mechatronics Center in Trento was established for product testing and development, alongside research on efficient systems. It serves as a hub for computer technology, electronics, and mechanical engineering, driven by a consortium of local businesses that collectively generate annual revenues of €49 million. HIT, or the Hub for Innovation in Trentino, is another institution dedicated to fostering regional economic growth through the transfer of advanced technologies between research centers and businesses, while also supporting local startups in the automotive sector.
Trentino Sviluppo, the governmental agency responsible for establishing HIT and the Mechatronics Center, oversees six business innovation centers, supervising over 100 companies and nearly 1,000 employees.

AUTOMOTIVE OEMs

There are 26 factories of OEMs in the country, 4 of them with the capacity of producing motors and electrical batteries, then Stellantis has 3 additional factories to manufacture components such us transmission gears and more.

1. STELLANTIS

Stellantis stands as the dominant force in Italy's automotive landscape and ranks among Europe's largest automotive conglomerates, originating from France and now holding the esteemed position as the world's fourth-largest car manufacturer. The expansive Stellantis portfolio encompasses renowned brands like Alfa Romeo, Citroen, Dodge, Fiat, Jeep, Lancia, Maserati, Opel, Peugeot, and more.

Since 2022, Stellantis has launched two significant initiatives in Italy aimed at electrifying its value chain and reducing its carbon footprint. Teaming up with Punch Powertrain, the company is ramping up production of future-generation electrified dual-clutch transmissions (eDTC) for hybrids and plug-in hybrid electric vehicles (EVs). The first initiative unfolds at the Mirafiori Complex, where substantial upgrades are underway to align with the company's ambitious production goals, slated to commence by late 2024. Concurrently, Stellantis aims to transform this plant into the nucleus of its Circular Economy Hub, focusing on vehicle reconditioning, repurposing, and remanufacturing parts. This endeavor is poised to bolster recycling revenues tenfold within the next six years.

Furthermore, Stellantis is dedicated to electrifying its facilities in the Piemonte and Turin Manufacturing District, which includes implementing the STLA Medium electric platform and establishing a third European battery cell manufacturing plant. Progressing towards this objective, Stellantis plans to repurpose the Termoli engine and gearbox plant into the envisioned battery factory between the end of this year and the beginning of 2025. Although temporary layoffs are anticipated starting in 2024, it's anticipated that the full workforce of 2,000 will be reinstated by 2030, coinciding with the new gigafactory reaching its full capacity of 120GWh. The gigafactory is slated to commence operations in 2026, with Stellantis also striking a deal with unions to provide employees with a six-month training opportunity in Douvrin, France.
Noteworthy is Stellantis's investment in battery technology, exemplified by the inauguration of the Battery Technology Center in Turin, backed by a €40 million R&D investment. As the sector leader, commanding 88% of national production, Stellantis aims to achieve a production milestone of one million vehicles by 2030.

Between 2018 and 2022, Stellantis injected a total of €5 billion into its Italian operations, prioritizing employee training and academic collaborations to counteract declining production figures. Despite setbacks like the pandemic, semiconductor shortage, and the Ukraine conflict, which led to a 2.6% decrease in car production and a 30.4% drop in van production, Stellantis is striving to rebound and surpass pre-2020 levels, leveraging technological advancements for greater competitiveness.

Stellantis Invests in Italian Industrial Footprint Transformation to Develop Sustainable Activity | Stellantis
Stellantis to start conversion of Italian plant to gigafactory in 2024 | Automotive News Europe (autonews.com)
Production from Stellantis Italy plants to fall for fifth year due to chip crisis-union | Reuters

2. PININFARINA

Pininfarina, established in 1930, epitomizes Italian craftsmanship and luxury vehicle design. While initially rooted in artisanal traditions, the company has evolved into a purveyor of timeless automotive elegance. Predominantly renowned for crafting engines for esteemed brands like Mitsubishi, Volvo, and the iconic Ferrari, Pininfarina has maintained a celebrated partnership with Ferrari since 1951.
Exploring innovative horizons, Pininfarina is currently delving into the realms of fully electric and hydrogen-powered vehicles for its future lineup. Following the economic downturn of

2008, the company underwent a change in ownership, with Mahindra Group acquiring it in 2016. Subsequently, Pininfarina shifted its focus from mass car production to concentrate on design endeavors.
Within its facilities, Pininfarina has crafted bodies for illustrious automobiles such as the Cadillac Allante, Alfa Romeo Brera, and Peugeot 406 Coupe. However, these facilities have remained dormant for years, and the outlook for Pininfarina's automotive manufacturing growth appears bleak.

We Move Dreams - Pininfarina
How Pininfarina Became A World Leader in Car Design (moneyinc.com)
This Tour Of The Abandoned Factory That Once Built The Allante And Testarossa Is Fascinating (motor1.com)

3. DR Motor

Founded in 2006 and headquartered in Macchia d'Isernia, DR Motors is a new player in the automotive industry, rapidly expanding its production capabilities to nearly 40,000 vehicles per year. Despite its recent establishment, the company has experienced remarkable growth, particularly after the pandemic, boasting a portfolio of 17 models.
In 2023, DR Motors achieved significant success in Italy, selling 32,650 new cars and capturing a market share of 2.1%. This impressive performance allowed the brand to surpass well-established names like Mini, Volvo, and Alfa Romeo, demonstrating a remarkable 34% year-on-year growth.
The company's strategy involves rebadging Chinese Chery vehicles for the European market. To meet the increasing demand, DR Motors recently expanded its production capacity by adding four assembly lines, poised to produce over 50,000 cars annually starting in 2025. Moreover, the company has upgraded its capabilities to include the production of electric cars and has made enhancements to its design and R&D departments.
However, DR Motors is currently facing scrutiny due to questions surrounding the origin of its cars. Despite this challenge, the company is projected to achieve record revenues of $74 million in 2024, with further growth anticipated to reach $84 million by 2028.

DR MOTOR Models, Photos, Specs & Engines (2007-2020) - autoevolution
Italian firm DR set to become major European player | Autocar
Chery picks DR Motor to oversee debut of minicar in Europe | Automotive News (autonews.com)
DR (Passenger Cars) - Italy | Statista Market Forecast

4. PIAGGIO

Founded over 140 years ago, this Italian motor company boasts a rich history that spans from aircraft and railway production to the creation of the iconic Vespa scooter. Today, it stands as a key player in the global motorcycle market, housing renowned brands such as Aprilia and Moto Guzzi.

With three strategic locations in northern Italy, including Mantova for commercial operations, Pontedera (near Pisa) for manufacturing and headquarters, and Scorze (in the Venice province) for Aprilia motorcycles, the company maintains a strong presence in the region.

The latest innovation to emerge from the Piaggio factory is "Kilo," an AI-driven tool designed to optimize assembly line efficiency. Developed by the company's R&D department, Piaggio Fast Forward, Kilo is an autonomous robot capable of navigating predetermined routes whil carrying loads of up to 130kg. Currently undergoing testing at the Moto Guzzi facility, Piaggio plans to deploy these robots to its overseas factories in the near future.

Profile | Piaggio Group
PFF kilo - Piaggio Fast Forward
History (piaggio.com)

5. LAMBORGHINI

In 1963, Lamborghini transitioned from producing tractors to crafting luxury cars, igniting a fierce rivalry with Ferrari for dominance in the realm of Italian luxury vehicles. The hallmark of Lamborghini's allure lies in its exclusive limited edition models, exemplified by the Sian FKP37, the pioneering commercial car utilizing supercapacitors for enhanced hybrid efficiency.

The pinnacle of Lamborghini's success came in 2023, with record-breaking sales exceeding 10,000 units and generating a staggering 2,663 million EUR in revenue. With an impressive return on sales of 27.2%, the operating profit soared to 723 million euros.

Headquartered in Sant'Agata Bolognese, Lamborghini currently boasts a lineup of three models: the Huracan, powered by a V10 engine, spends up to 40 minutes navigating 23 stations; the Revuelto model, a super sports V12 hybrid High-Performance Electrified Vehicle and the Urus, equipped with a twin-turbo V8 engine. Notably, Lamborghini's manufacturing process relies heavily on skilled technicians and engineers, with minimal robotic intervention. Only two robots are employed in the entire plant, tasked solely with dropping off the body and rotating the car. Furthermore, engines are sourced from suppliers but meticulously assembled in-house by Lamborghini craftsmen.

Committed to advancing sustainability, Lamborghini has invested 1.8 billion EUR over the past two years to develop a hybrid lineup. This initiative aims to equip current models with hybrid gas-electric options by year-end, marking the largest investment in the company's history. However, critics question the company's ambition, citing the absence of plans for fully electric models.

Financials | Lamborghini.com
Company | Lamborghini.com
How Lamborghini Are Made: Factory Tour, Pics, Prod. Process | Digital Trends
Lamborghini to invest at least 1.8 billion euros in path towards electrification - paper | Euronews
The Lamborghini Revuelto Debuts in Sant'Agata

6. IVECO

Iveco stands out as a premier manufacturer of commercial vehicles and vans, offering a diverse range of products including buses, vans, fire-fighting vehicles, and trucks. In 2023,

Iveco's Industrial Activity surged to 818 million EUR, marking a 5.2% increase compared to 2022, with the most significant growth seen in sales of buses, trucks, and engines. In 2024 Iveco gears up for a new phase, introducing fresh models across all truck segments while maintaining its stronghold in the bus market. To uphold its leadership, Iveco is set to make substantial investments in the production of next-generation electric buses.
A few years back, Iveco made the strategic decision to relocate bus production to Italy after a decade-long hiatus. This strategic move was fueled by funds from the EU Recovery Plan, particularly in the aftermath of the pandemic. The objective was clear: to develop a fleet of low-emission, electric, and hydrogen-fueled public transport vehicles. The manufacturing plant was established in Foggia, where buses are assembled utilizing body frames sourced from other European facilities. Additionally, engineering and manufacturing activities for electric batteries are centralized in Turin.

Iveco is a leading manufacturer of commercial vehicles and vans.
Iveco Group 2023 Full Year Results | Iveco Group
Iveco to make low emissions buses in Italy | Reuters

7. FERRARI

Ferrari describes itself as the embodiment of the Italian automotive spirit, representing a blend of racing heritage, enduring passion, and unmatched human achievement, crafting iconic vehicles that transcend time.

Transparent in its financial dealings, Ferrari openly publishes its financial records for the past 8 years on its website, providing insight into its fiscal trajectory. Notably, there has been a consistent decrease in net industrial debt, currently resting at 207 million EUR in 2023, except a debt resurgence in 2020 likely attributed to the pandemic. Concurrently, net profit has reached a record high of 939 million EUR, with revenue totaling 5,095 million EUR in 2023.

Since its inception in 1947, Ferrari has maintained its headquarters, factory, and R&D department in Maranello. The facility has expanded over the years to encompass a vast 165,000 square meters, employing approximately 1,300 workers. In 2023, Ferrari achieved a milestone by producing 13,221 units, propelled by heightened demand stemming from the introduction of new models like the SF90 Stradale and Purosangue. Despite this success, Ferrari remains committed to maintaining a balance between exclusivity and market presence, opting to limit production. Each Ferrari undergoes a meticulous 3-month assembly process, involving hand-built engine casting in-house, robotic valve assembly by "Romeo and Juliet," and meticulous attachment of mechanical parts by skilled technicians.

Looking ahead, Ferrari is dedicated to achieving carbon neutrality by 2030, guided by two primary pillars. Firstly, through innovation, with a planned investment of 1.4 billion EUR in researching alternative fuels, electric car batteries, and enhancing efficiency. Secondly, by fostering environmental consciousness, implementing sustainable programs, and streamlining production processes. To kickstart this initiative, Ferrari has invested 500 million EUR in its Maranello and Modena plants, aiming to create 250 jobs and pioneer new technologies such as electrification and low-impact propulsion systems, with a portion of the investment subsidized by the Italian government, amounting to up to 106 million EUR.

About us | Ferrari Corporate
Key metrics | Ferrari Corporate
Sustainability | Ferrari Corporate
How Many Cars Does Ferrari Make A Year? (experienceferrari.com)
Inside the top secret factory where new Ferraris are born | WIRED

AUTOMOTIVE TIERS

In Italy, automotive component companies can be divided into three types. There are multinational corporations with production facilities serving both the domestic and European markets. Original Equipment Suppliers (OES) work directly with vehicle manufacturers, supplying parts for production lines. Then, there are small and medium-sized enterprises that produce original equipment parts and /or the aftermarket or operate as subcontractors. These subcontractors specifically the ones specialized in processes experienced a significant growth of 14.2% in revenue between 2021-2022 and the trend has continue to date. Vehicle manufacturers wield significant bargaining power over their suppliers, who bear the brunt of costs and uncertainties associated with technological innovations. Consequently, automotive manufacturers have gradually separated their component production activities.
Dashboard: Componentistica automotive | Camera di commercio di Torino (camcom.it)

The association ANFIA, Associazione Nazionale Filiera Industria Automobilistica- www.anfia.it, is the biggest association of the sector integrating 470 members.
Members directory: ANFIA - Associazione Nazionale Filiera Industria Automobilistica - ANFIA - Associazione Nazionale Filiera Industria Automobilistica

SOURCES:
Camera di Commercio Industria Artigianato e Agricoltura di Torino: Dashboard: Componentistica automotive | Camera di commercio di Torino (camcom.it)
ANFIA, www.anfia.it