Press release no.15/2018

**Italian production: tractors in declining, turnover overall stable**

*Demand in France and elsewhere in Europe are weighing on* Made in Italy *tractor exports expected to decline to a total of 11.9% by the end of the year. As a consequence, also national production is dropping. Turnover is stable in the gardening sector and components are showing sound 19% growth to offset the tread for tractors, other machinery and implements to lead to an outlook of production valued at € 11 billion by the close of the year, in line with the 2017 levels.*

Sales of agricultural machinery recorded, in the course of 2018, a decline in many important markets and this leads to a reduction in trade but also a decline in production. The Italian industry, which ranks first in the world in terms of production capacity and breadth of range, and which has the two main outlets in Europe and the United States, sees the "geography" of exports significantly change. While in 2017 the expansive phase of the agricultural economy had pushed Italian exports towards Europe as well as towards the United States - explained FederUnacoma president Alessandro Malavolti during the press conference held this morning in Bologna on the eve of EIMA International - the ISTAT data on trade for the first six months of 2018 show very different trends.

Exports rose by 17.8% in value and on the other side, France, the leading country for the delivery of *Made in Italy* machinery, reported a decline of 11.6% due to a decrease of demand. In line with last year, exports to Germany slipped by 0.3% whereas the drop for Turkey came to 20.6% due to the devaluation of the currency which made foreign merchandise more expensive.

Forecasts for the end of the year point to a global Italian downturn of 11.9% for tractors and 2.4% lower for agricultural machinery and implements and growth only for incomplete tractors and tractor parts of 3.1%. Overall, the value of Italian exports is expected to move from € 5.2 billion in 2017 to less that € 5 billion in 2018 for a decline of 4.2%. Malavolti went on to note that because exports account for the largest part of Italian turnover in the sector, or 70% of production. Lower demand abroad for some machinery types has had an impact on the Italian industry production.

By the end of the year, tractors should reach a value of € 1.8 billion, down by 8.3% in 2017 and other agricultural machinery could decline to 4.9 billion against € 5 billion last year, down by 1.8%. Only tractor parts are remaining stable and could come to € 895 million, up by 0.6% over 2017. In total, the production of these machines should decline by 3.1% with the value of € 7.57 million compared to € 7.82 last year.

These figures should be compensated for by the growth of the components sector, estimated at € 2.7 billion or a 10% and the increase and stable trend for the production of gardening and groundskeeping machinery with a value of € 800 million. All considered, the Italian industry should finish the year with turnover of € 11 billion, in line with the previous year’s achievement.

**Bologna, November 6, 2018**