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**Agricultural machinery: sales down in the main markets**

***Uncertainty related to the conflicts in Ukraine and the Middle East, the increase in purchase prices and the increase in interest rates are slowing down the market, which between January and July reported declines in Europe, the United States, India and Turkey. Registrations are also down in Italy.***

The European tractor market closed the first seven months of 2024 with a decline of 11.4% compared to the same period last year. These are the indications from recent surveys by CEMA (the Committee for European Agricultural Machinery).

According to the data released by the Committee - presented this morning in Rome during the EIMA International 2024 press conference, held at the Italian Trade Agency (ICE) headquarters - for the months considered, sales of agricultural tractors exceeded 125,000 units, with a diversified trend depending on the power classes. In fact, those with the greatest decrease were mainly above 37 kW, seeing a drop of 9% (with approximately 114,000 vehicles sold), while the low-power range, i.e. those up to 37 kW, showed good performance, increasing by 4.5% with 58,600 newly registered vehicles.

The drop in sales affected the greater part of European countries, albeit with some notable exceptions. Considering only the main national markets, the trend sees substantial stability in Germany, whose nearly 18,500 units registered remains at the same volumes as in 2023, and there was an upswing in Spain. Following a complicated 2023, the Iberian market has in fact reported an uptick in purchases, which grew by 9.9% between January and July (4,600 vehicles). The trend in France and Great Britain was not as positive: while the French market managed to contain losses to 4.9% (17,400 units), the British fell by 11.7% (just over 7,700 newly registered vehicles).

As regards the Italian market, registrations in July indicate a 15.3% decrease for tractors (just over 9,800 units), and combine harvesters also closed in the red (-35.5% at 200 units), tractors with loading platforms (-20.3% at 330 units), and telescopic handlers (-18.7% with a total of 612 units) while trailers saw a decrease limited to 1.9% (just under 4,800 units). In Italy, the problem of increasing costs is compounded by the wait for the continuation of the various incentive measures (reallocation of PNRR-Next Generation funds, Transition 5.0, the second tranche of the Innovation Fund).

Finally, as regards the trend of non-European markets, the data seem to confirm the unfavorable economic situation for two of the main countries: in the sales statistics updated to July, in fact, the United States reported an 11.9% decline in tractor sales, and India saw a decline, again for tractors, of 8.7%.

The downturn in the European market and in the main foreign markets - as was explained during the conference - depends on cyclical factors, see in particular the increase in the price of vehicles due to the growth in production, transport and logistics costs, and in general from the uncertainty caused by geopolitical variables and the ongoing conflicts in Ukraine and the Middle East, yet demand remains potentially high. “The forecasts for the period from 2024 to 2027 - explained the President of FederUnacoma, Mariateresa Maschio, during the press conference - indicate an average annual increase of 4.9% worldwide for the tractor market. The trend for other types of vehicles is no different, and is expected to grow by 5.4% annually by 2027”.

**Rome, September 10, 2024**