*Press Release*

**Tractors, the economy and geopolitics are holding back the market: -12.9% in 2023**

***Sales of tractors dropped to 17,613 units. The medium-power ranges in particular are losing ground. Minus signs also for telescopic handlers (-3.4%) and trailers (-8.1%). On the other hand, combine harvesters (+10.2%) and tractors with loading platforms (+15.9%) bucked the trend. The downturn was due to economic and geopolitical factors. FederUnacoma: demand for tractors is worth more than 70 thousand units, but is largely satisfied by obsolete second-hand vehicles.***

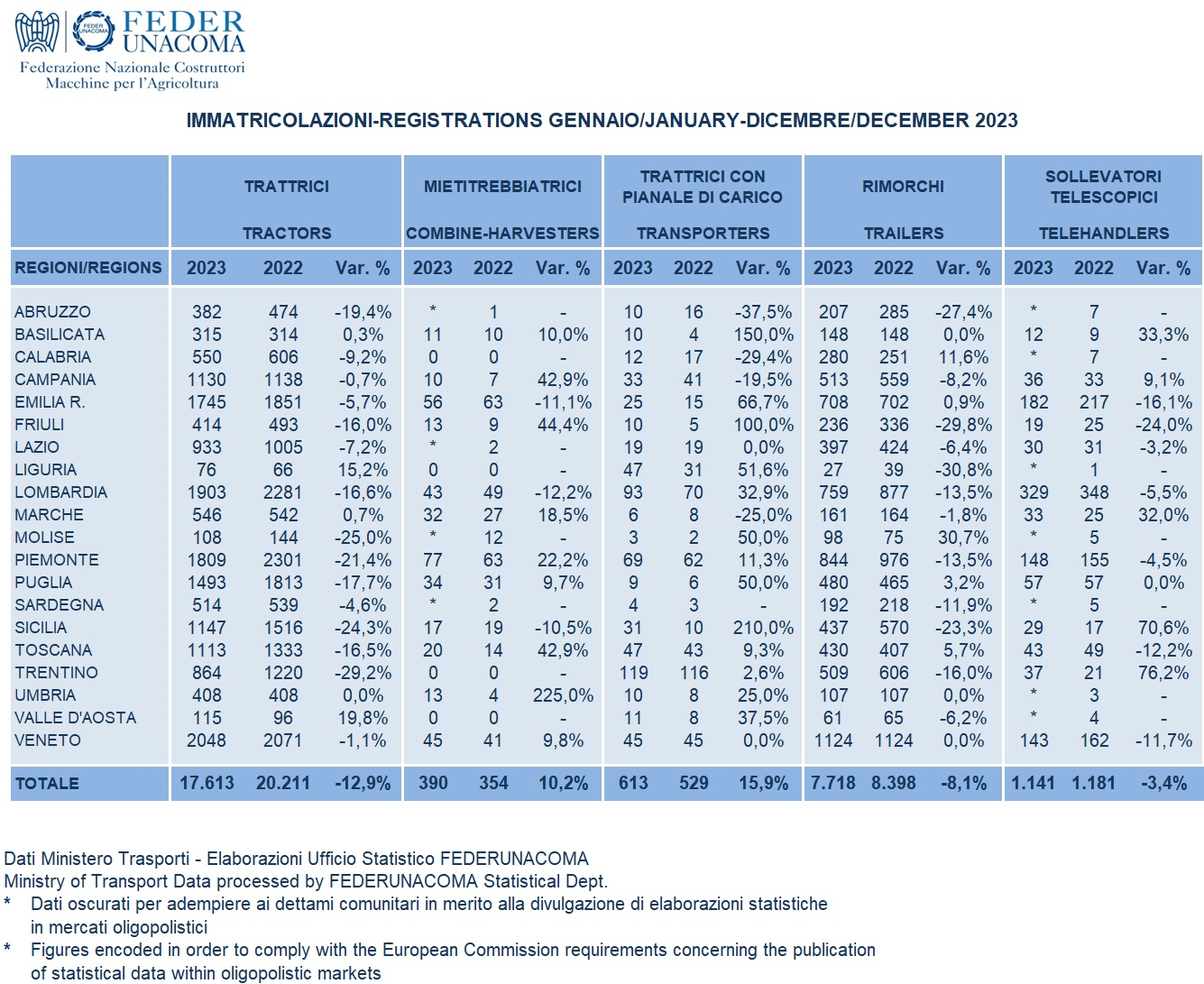
The unfavourable economic situation, combined with the delay in public incentives for the purchase of latest-generation agricultural machinery, will slow down the growth of the domestic tractor market in 2023 after the high sales volumes of the two-year period 2021/2022. Registration data - processed by FederUnacoma on the basis of registrations provided by the Ministry of Infrastructures and Transport - show a 12.9% drop for tractors, with 17,613 vehicles registered (they were 20,211 in 2022). The drop mainly affected medium-power models, from 57 to 130 kW (-23%), while low-power models from 20 to 56 kW (-5%) and ranges above 130 kW (-14%) recorded smaller contractions. The 0-19 kW class, on the other hand, saw registrations increase by 63%. The incremental trend is also due to a recent amendment to the Highway Code, which - explains the manufacturers' association - has allowed non-professional operators to register agricultural machinery.

With regard to other types of machinery, the contraction in sales also characterised trailers, which fell by 8.1% to 7,718 registered units compared to 8,398 in 2023, and telehandlers, which, however, did not deviate from the previous year's volumes (-3.4%) at 1,141 units (40 less than 2023). Compared to the performance of the sector as a whole, both combine harvesters and flatbed tractors bucked the trend. The former saw an increase in sales of 10.2%, with a total of 390 units compared to 354 in 2022; the latter, on the other hand, rose by 15.9%, from 529 to 613 vehicles sold.

In 2023, the market trend was affected above all by cyclical variables, such as inflation and the rise in interest rates, and by an increase in geopolitical tensions (see the new military conflict in the Middle East), as well as, as mentioned above, by uncertainty due to the delay of public funds for the purchase of innovative machinery. On the other hand, the drop in sales is not associated with a slowdown in demand, which remained dynamic even in a particularly unstable year. Data on registrations of new tractors (17,613) and second-hand machines (57,782, equal to +8.1% over 2022) show that the Italian agro-mechanical sector expresses a demand of approximately 70,400 vehicles (in line with 2022, but well above the pre-pandemic years), and that this is mainly satisfied with the purchase of second-hand, obsolete vehicles that are not able to meet the production needs of a modern and sustainable agriculture.

Incentive programmes therefore play a fundamental role in the renewal of the fleet, especially in a scenario like the current one, characterised by great uncertainty. "In the coming months, a possible worsening of the economic situation and the geopolitical framework, coupled with a new flare-up in prices - FederUnacoma concludes - could further slow down sales, while the full implementation of the new facilitation tools (RDP, NRRP, Nuova Sabatini, ISI-Inail agriculture notice, Innovation Fund) and the easing of the credit crunch could give the market a boost."

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