



Italy: the challenges after the recovery

In 2021, Italian GDP increased by 6.6% compared to the previous year (**Tab. 1**). This was the result of the measures introduced by the Italian Government to contrast the pandemic crisis and, more particularly, to sustain investment and consumption.

Table 1 – Macroeconomic data and forecast for Italy (% Var. at constant price)

	2020	2021	2022	2023
GDP	-9.0	6.6	2.8	1.9
Family consumption	-10.6	5.2	2.3	1.6
Gross fixed capital formation	-9.1	17.0	8.8	4.2
Exports	-13.4	13.3	6.7	3.7
Imports	-12.1	14.2	8.5	3.8
Unemployment rate	9.2	9.3	8.4	8.2

Source: Istat (June 2022)

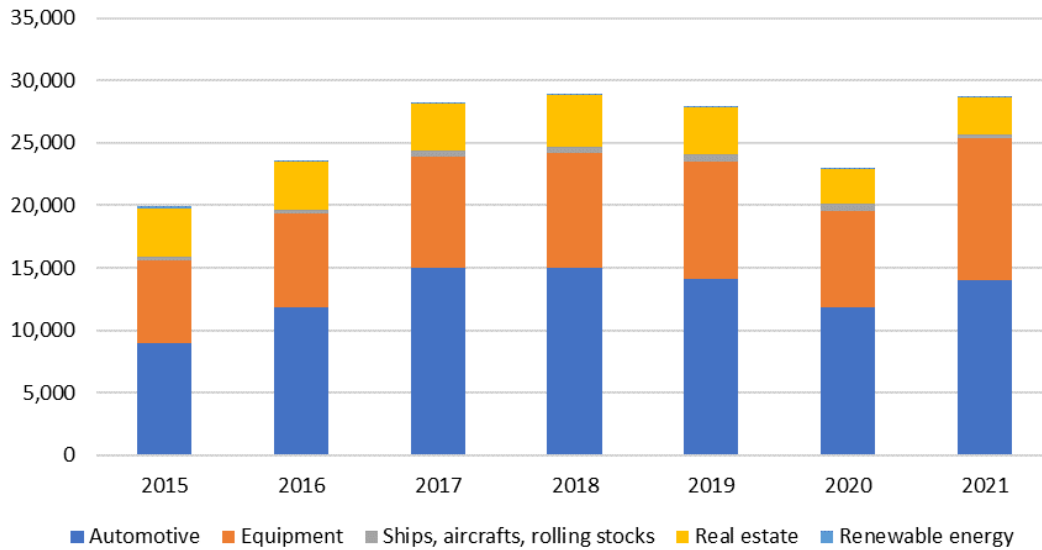
At the end of the year, more than 612 thousand new leasing contracts had been signed, with about 27.8 billion euro of new financing. The total leasing new business volume saw a +25,6% increase as respect to the previous year and a +3% growth if compared with the pre-pandemic volume (**Tab. 2** and **Chart 1**). Positive trends were observed in all the main segments. Equipment finance leasing, with a volume of 10.2 billion euro of new financing, saw the most relevant increase (+59,9%).

Tab. 2 – New Leasing Business (values in thousand euros)

	2021		% Var.	
	Number	Value	Number	Value
Car Financial Leasing*	64,276	2,685,261	-0.8%	2.7%
Car Operating L./LT Renting*	256,124	6,856,111	20.5%	26.0%
Commercial vehicle Financial Leasing*	30,488	1,127,673	-9.8%	-7.3%
Commercial vehicle Operating L./LT Renting*	39,831	871,514	19.1%	23.9%
Industrial vehicle leasing	23,056	2,450,373	29.3%	34.7%
AUTOMOTIVE	413,775	13,990,932	14.2%	18.6%
Equipment Finance Leasing	115,033	10,256,713	33.2%	59.9%
Equipment Operating Leasing	80,098	1,180,260	-7.9%	-10.5%
EQUIPMENT	195,131	11,436,973	12.5%	47.9%
SHIPS, AICRAFTS AND ROLLING STOCKS	249	291,389	-43.0%	-53.9%
Real estate	2,645	1,788,761	12.8%	19.8%
Real estate under construction	626	1,175,124	-2.0%	-4.3%
REAL ESTATE	3,271	2,963,885	9.7%	9.0%
RENEWABLE ENERGY	138	88,602	79.2%	273.0%
TOTAL	612,564	28,771,781	13.6%	25.6%

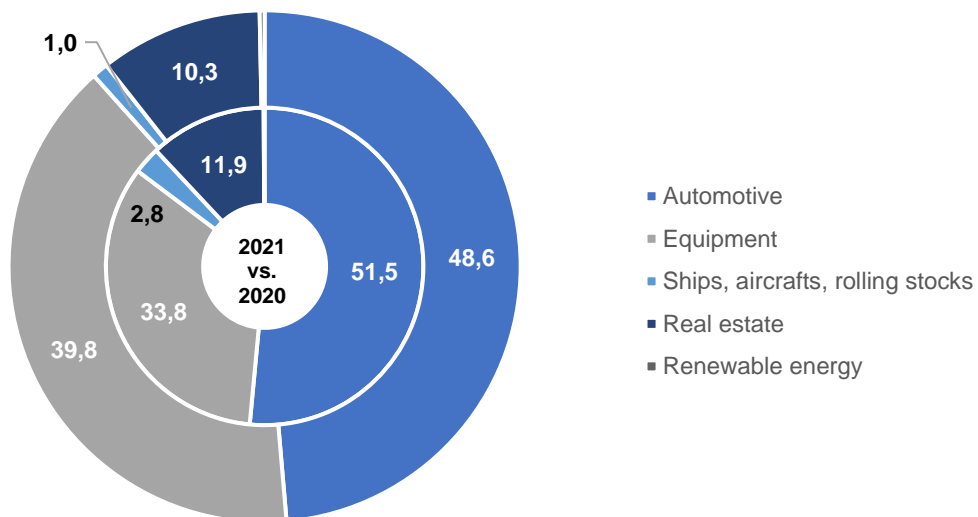
(*) Source: Assilea processing on UNRAE data for the automotive sector

Chart 1 – Leasing contract trends (new business volumes in billion euro)



Equipment leasing share on total new business grew by 6 percentage points to 39.8% of the total, while the automotive sector weight declined below half of the total new business. Real estate leasing increased its importance to 10% of the sector, thanks to the slight recovery registered in the real estate market and in investment of the productive sector, which led to an increase in commercial real estate transactions (**Chart. 2**).

Chart 2- Breakdown of leasing contracts by sector in 2020 (value of new contracts)



Leasing recovery was influenced by the Italian fiscal policy that promoted investment growth and incentives to the green car sector. Investment increase was very high (+17.0%) (**Table 3**) and above the Euro Area average (+4.3%).

Tab. 3 – Italian gross fixed capital formation (billion euro at constant prices)

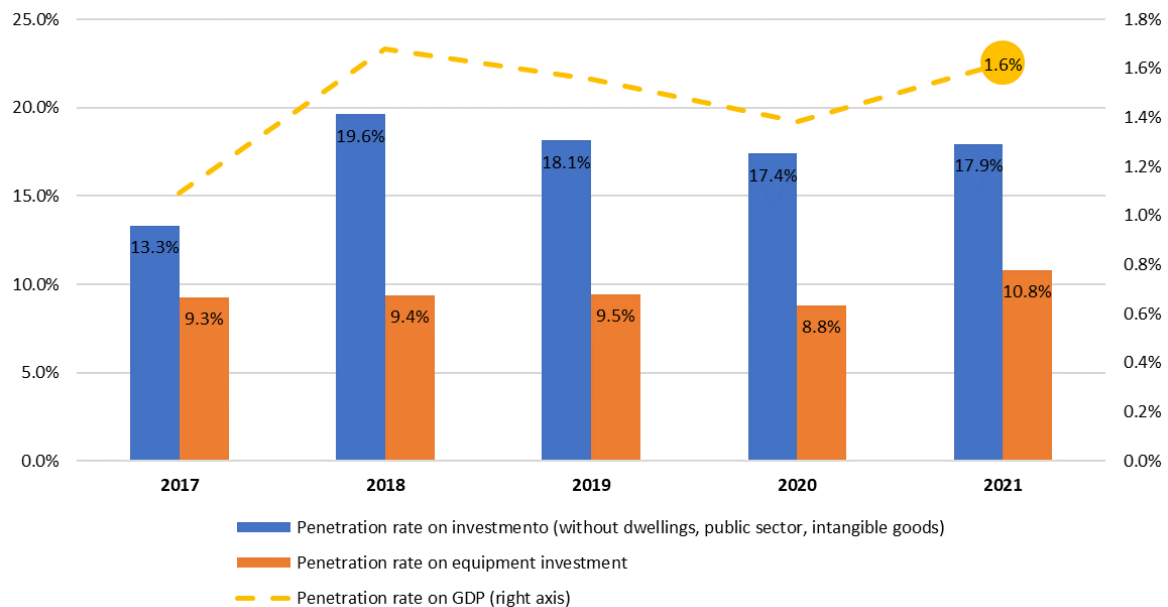
	2021	% Var. 21/20
Real estate	158,597	22.3
- Commercial R.E.	77,767	18.7
Equipment	100,443	19.5
Means of transport	19,230	10.2
Other	55,743	2.3
Total investment*	334,086	17.0

(*) Totals could differ from the sum, for rounding effects.

Source: Istat

Leasing penetration rate on GDP grew from 1.4% in 2020 up to 1.6% in 2021. Leasing penetration rate on equipment investment overcame 10%, with a peak of 17.9% of penetration rate on private investment on tangible goods (this rate is calculated not considering dwellings and public sector investment), **Chart. 3**.

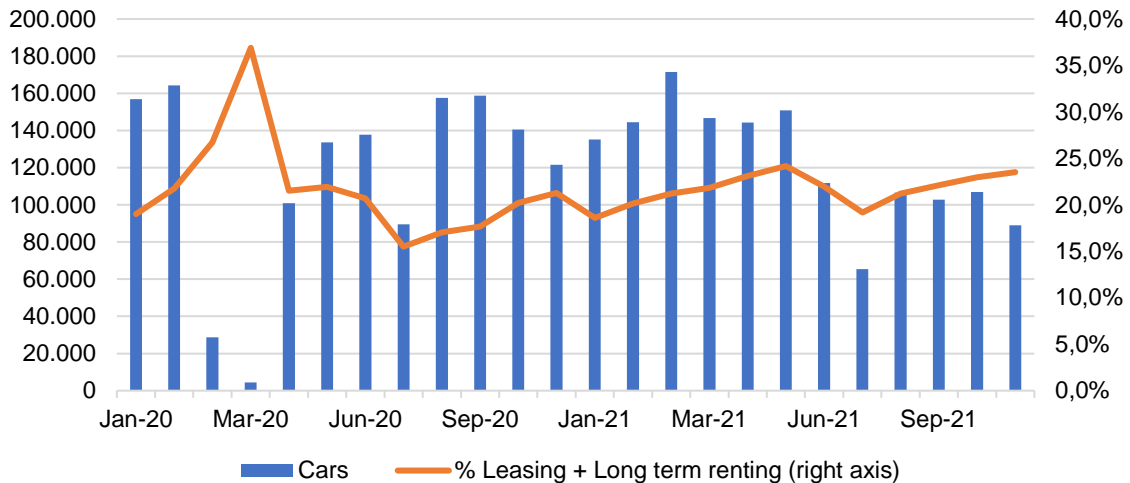
Chart 3 – Leasing penetration rate on GDP and investment



Source: Assilea and Istat

In the automotive sector, leasing saw a decline of the new business volume trend during the year, due to the decrease observed in total new car registrations. Notwithstanding that, lease sector (financial leasing and long-term renting) maintained an average 20% penetration rate on monthly car registrations (**Chart. 4**). A sharp increase was observed in industrial vehicle leasing (+34.7%).

Chart 4 – New cars registration and lease penetration rate



Source: Assilea and UNRAE

In 2021, business car registrations increased by 8.8%. In this segment, long term renting represented around 46% of the total, with 11% of short-term renting share and a decreasing portion of financial lease (6.2%), over the total, with a remaining 36.2% of company owned cars. Market share of hybrid electric vehicles (HEV), plug-in electric vehicles (PHEV) and battery electric vehicles (BEV), increased from 20.3% in 2020 up to 38.3% in 2021. One “green car” out of four in 2021 was financed with lease. The only HEV cars represented around 27% of the total new leased cars (**Chart. 5**).

Chart 5 – New leased cars by powertrain



Source: Assilea and UNRAE

Equipment leasing increased by 47.9% in 2021, compared with the previous year. Subsidies for SMEs investment (“Nuova Sabatini”) led to an increase in equipment investment. The access to those subsidies was possible through both banking credit and financial leasing. 66.5% of “Nuova Sabatini” investment were financed with leasing and a great part of them was on smart manufacturing and Industry 4.0 machinery.

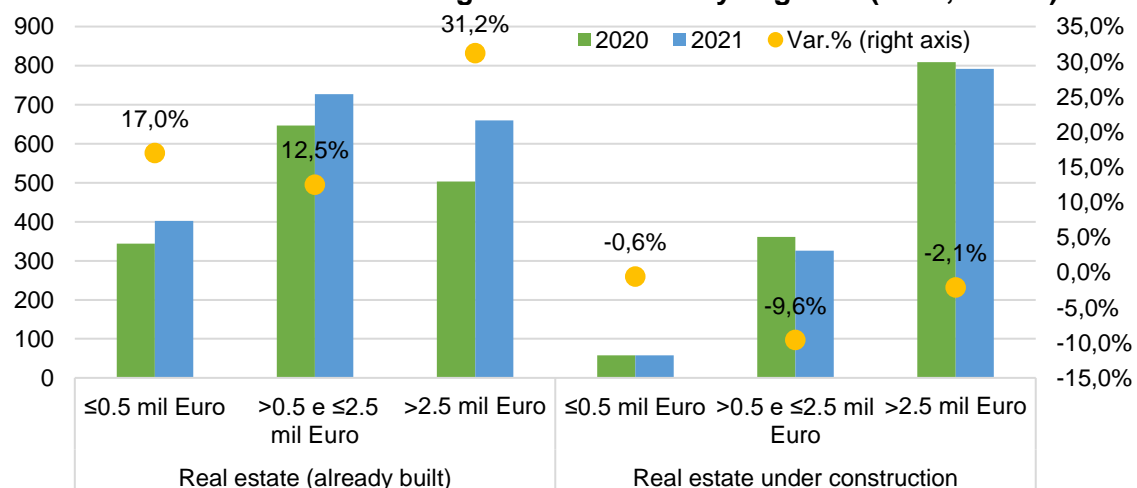
Tax incentives for residential energy efficiency investment led to an important growth of the building sector. Therefore, leasing to construction machinery was the first equipment leasing segment in 2021, by new business volume, representing around 15% of the new total business of this segment. Machinery for agriculture, forestry and fishing was the second one (13.2%). The agriculture sector experienced a very intensive growth in the last five years with a growing penetration of leasing in agriculture machinery. The quick recovery of manufacturing sector led to an increase of the weight of leasing in machine tools investment, both in machine tools for the removal of metal-mechanical material and machine tools for the deformation of metal-mechanical material.

Real estate leasing new business increased by 9.0% in 2021, compared to the previous year. In Italy, real estate leasing does not finance residential real estate, but mainly industrial buildings, commercial retails and outlets, offices, hotels and other premises. Leasing as a mean of finance is highly used by SMEs for investment to expand their production capacity, also bigger investments are financed with leasing for major productive plants and commercial real estate.

Leasing of real estate assets that are under construction represents one third of the sector and saw a 4.3% decline if compared to the previous year. The main segment of “big ticket” transactions (≥ 2.5 mil. €) saw a 2.1% decrease in new business volumes.

On the contrary, new transactions increase in not residential building (+19% if compared to the pre-pandemic data) led to an important growth in the real estate leasing new business regarding buildings no more under construction (+19.8%), with high performances in all the different segments (**Chart. 6**).

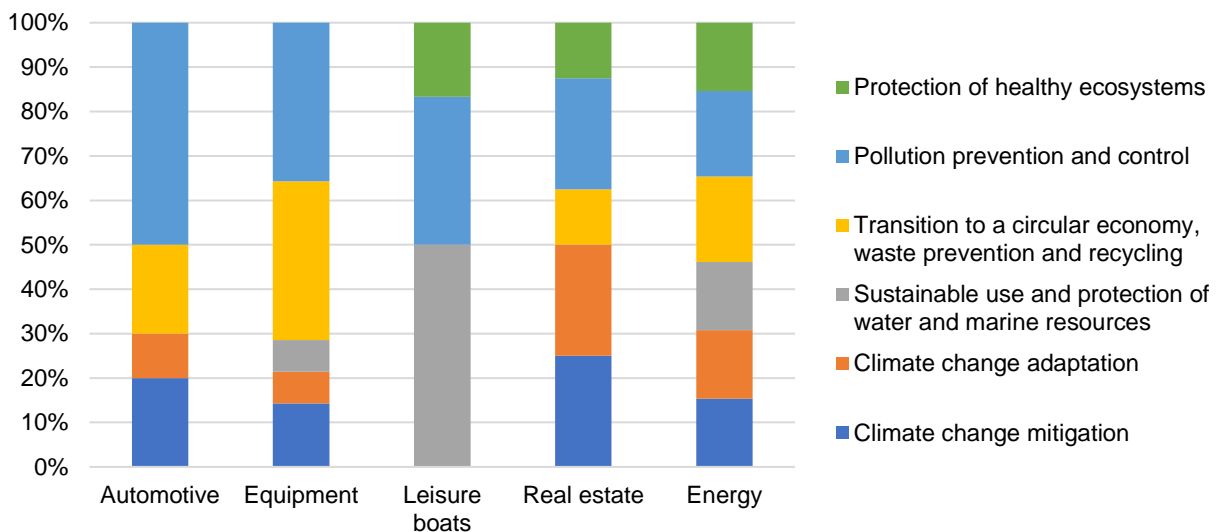
Chart 6 – Real estate new leasing business trend by segment (mil €, % var.)



A sharp increase was observed in leasing of plants for the energy production from renewable energy sources. That segment, which is called “energy leasing”, saw a 273.8% increase in new business in 2021, even if the dimension of this sector is still little. Leasing on ships, aircrafts and rolling stocks, on the contrary, had a strong decline (-71%).

The challenges that the sector faces in a changing economic contest are linked to the investment opportunities in the field of sustainability and digitalization. In **Chart 7**, the figures about the importance of environmental objectives in the different leasing segments are presented, according to the results of a 2021 survey among Assilea’s members.

Chart 7 – The importance of environment objectives in the leasing segments 2022 trend



Source: Assilea’s survey; Autumn 2021.

Sustainability and digitalization are the key factors for the future development of the new business, not only in the automotive and in the equipment lease sector, but also in the real estate and in the infrastructure one.

Uncertain economic and geopolitical environment, shortage of raw materials and energy sources, further increases in interest rates are the main threats for the future increase in investments and in leasing new business.

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The full report (in Italian) is available [here](#)