

Back in The **Race**

After a devastating downturn that required government intervention to reverse, the North American auto industry is on course again, and Italian equipment and machinery manufacturers are along for the ride.



A few years ago, Italian machinery company **Prima Industrie S.p.A.** (www.primaindustrie.com), headquartered in Collegno, Italy, was selling between 20 and 25 3-D laser metal-fabrication machines a year to the global auto market. This year, it will deliver about 100. It's a reflection of what's happening in the North American auto sector — companies are coming back, and they are stronger than when they went down.

As producers along the auto supply chain increase production, they are taking advantage of new technologies and improved benefits of Italian-made industrial machinery and equipment. In turn, Italian machinery and equipment makers are supporting the more streamlined and flexible operations that the industry has adopted.

For example, Prima recently completed redesign of its main product, Rapido, and rebranded it Rapido Evoluzione 2. According to Carl Bryant, who heads automotive sales for **Prima North America Inc.** (www.prima-na.com) the upgrade included lots of technical enhancements, the most significant being a choice of laser sources. In addition to Prima's traditional CO2 laser, buyers have the option to purchase

Pirelli Tire North America



Pirelli of Milan is one of many Italian equipment and machinery companies involved in the North American auto supply chain that is building new capacity to serve climbing auto sales. Here, at the 2010 Los Angeles Auto Show, Pirelli shows off its Scorpion Zero tires on a Ford Edge Sport.

the machine with a fiber laser (2kW, 3kW or 4kW). Additionally, Prima increased linear speeds and accelerations to the point where machines now have a maximum tooltip velocity of 175 meters per minute.

"It's very, very fast," Bryant said. "The thing moves around incredibly fast. This required a new base, which was engineered with a granite casting, the largest synthetic granite casting produced in Europe and specially designed by us. It really allows us to push the envelope for speed and performance from a dynamics standpoint."

Bryant said all of this has become necessary because of the growing popularity of hot-stamped steel components in the automotive field. To make a hot-stamped steel component, parts makers take a boron steel blank and form it in a die at an elevated temperature; and then it is controlled cooled so that the material comes out four times stronger.

"This helps the OEMs reduce weight and improve crash stability," Bryant explained. "It is a process that began at Volvo about 12 years ago, but it's now become popular across all makes and models."

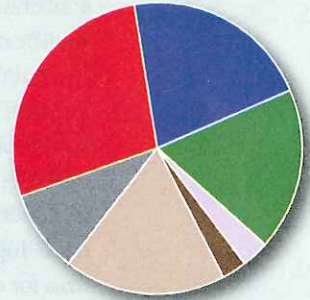
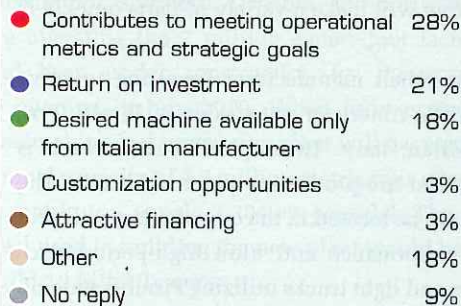
Currently, all Prima's 3-D laser machines are made at its Italian headquarters in Collegno just outside of Turin, Italy. However, to better serve the expanding North American market, Prima will begin final assembly operations at a site in Minneapolis in the second quarter of 2011. The machine parts will still come from Italy, although the company purchases its 3D lasers in the United States, including from a sister company, Convergent Lasers.

New Equipment Makes Auto Companies More Competitive

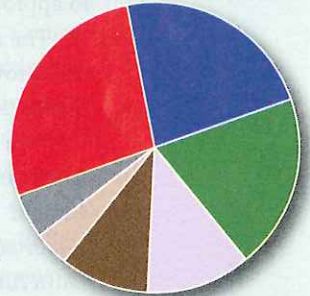
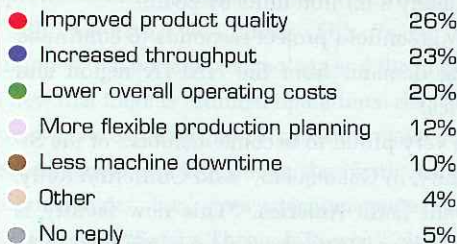
North American auto industry leaders say the top three benefits of investing in new plant equipment are a higher quality product (26 percent); increased throughput (23 percent); and lower overall operating costs (20 percent). And of those companies that use Italian-made industrial machinery, most say the biggest benefit they derive from it is help in meeting strategic and operational goals.

These and other findings from the 2011 Auto Industry Awareness Study are available at www.industryweek.com/machinesitalia-research2011.

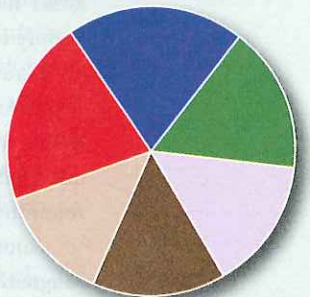
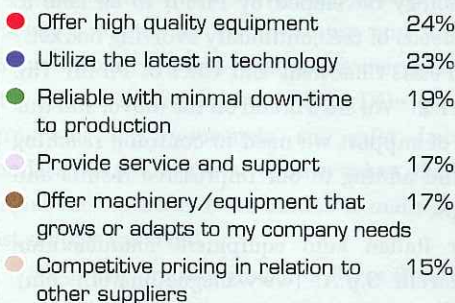
Why did you choose an Italian manufacturer to meet your company's needs?



From your perspective, what is the biggest benefit from the purchase of new equipment?



What is your general perception of Italian suppliers of machinery and equipment? Percent indicating "yes" to each statement are presented.



Bryant said customers who prefer Prima machines want one of the two types of lasers it offers — which are easier to use and maintain than alternatives — and/or they want a machine with CNC capabilities because it reduces waste and inventory. Changeover from one part to another takes 15 minutes, and parts can be designed and adjusted with advanced software before production, instead of making iterations in post-production.

“Our customers don’t like to bank up hundreds and hundreds of parts and just have them sitting around,” Bryant said. “They need to be dynamic in the way that they changeover. The flexibility to have a machine that will make a variety of parts quickly is significant.”

Another Italian manufacturer investing to serve growing North American auto sales is **Pirelli Tyre S.p.A. of Milan, Italy** (www.pirelli.com), which is building its first tire-production plant in Mexico. The new factory, to be located in the city of Silao, will produce high-performance and ultra high-performance tires for cars and light trucks utilizing Pirelli’s state-of-the-art manufacturing technology.

The facility will be operational in 2012. Targeted daily production capacity is 10,500 tires, with an annual capacity of 3.5 million units in 2014, increasing to approximately 5 million units by 2015.

The new greenfield project responds to continued and growing demand from the NAFTA region and Latin America.

“We are very proud to become members of the Silao community, in Guanajuato,” said Guillermo Kelly, CEO of Pirelli Latin America. “This new facility is important because it complements our production in Latin America. The new factory location is also crucial as it will allow us to better serve both our Mexican customers and the NAFTA region. This is a significant investment for our customers as we will feature the latest technology developed by Pirelli to be able to supply the needs of the continually evolving market.”

Mauro Pessi, Chairman and CEO of Pirelli Tire North America: “We are a brand on the move, and this is the type of support we need to continue reaching our goals and adding to our impressive results and relationships.”

Another Italian auto equipment manufacturer, **Magneti Marelli S.p.A.** (www.magnetimarelli.com), headquartered in Corbetta, Italy, has announced it

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Prima North America

will invest \$15 million in its Sanford, N.C., facility to improve production on both plastic and metal manufacturing lines.

The money will cover three new production lines for all of its powertrain production systems, which include die casting, machining and assembly in addition to plastic molding. Magneti Marelli also expects to add up to 65 jobs to its existing workforce of 290, according to a Jan. 4th news release from the Lee County Economic Development Corp. Magneti Marelli’s powertrain group makes a variety of engine performance parts, including air-intake manifolds, throttle bodies in both aluminum and plastic, and fuel rails.

One of the reasons Italian companies such as Magneti Marelli are expanding in the North American auto industry, according to Massimo Denipoti, president of the Detroit-based **Italian-American Alliance for Business and Technology** (www.iaabt.org), is **Fiat’s** (www.fiat.com) recent purchase of 25 percent of Chrysler.

“Most of our members have seen increased orders in the last few months mainly thanks to the recovering economy, help from local governments, and the involvement of Fiat with Chrysler. Some of them were already supplying to Fiat in Italy, and they found themselves in a good position to supply the American market.”