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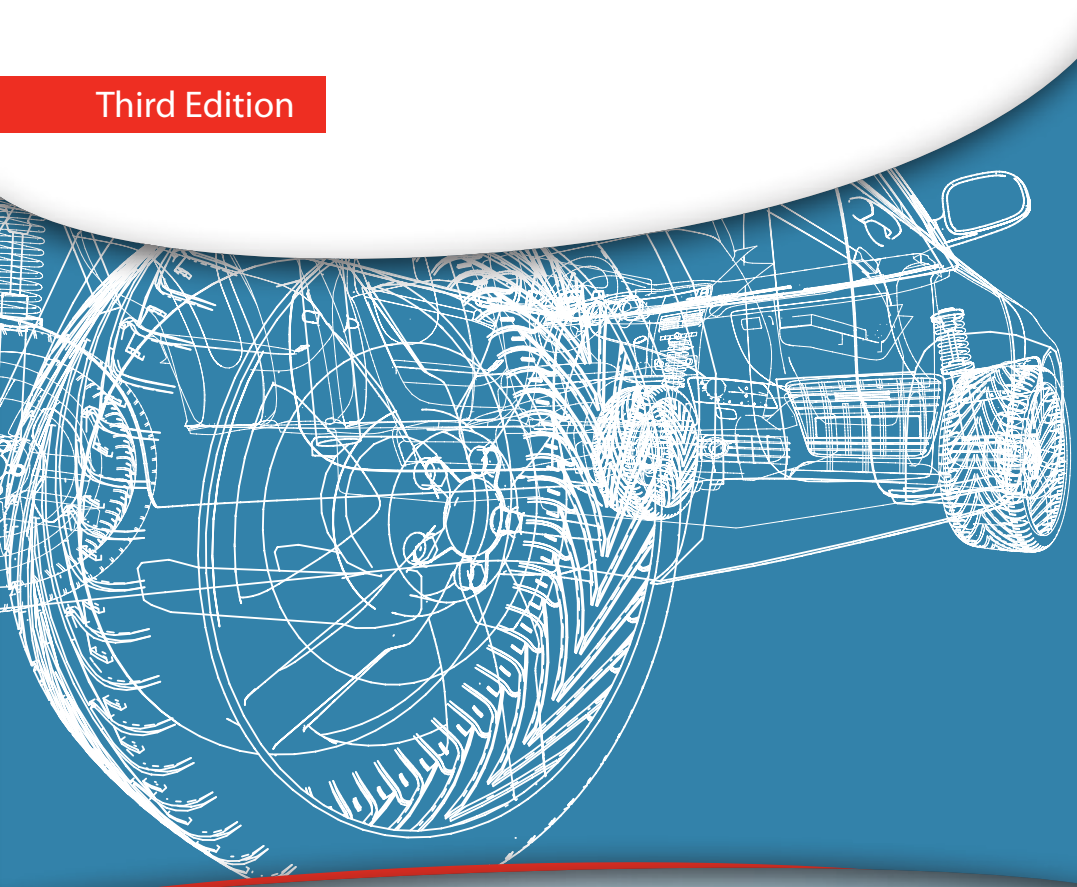
U.S. COMMERCIAL SERVICE
United States of America
Department of Commerce

Automotive Resource Guide

A Reference for U.S. Exporters

Third Edition



U.S. Department of Commerce | International Trade Administration | U.S. Commercial Service

Auto International Association

The Auto International Association, a segment of the Auto Care Association, provides resources to capitalize on your import and/or export focused initiatives, providing you with the networking opportunities and the latest, most relevant information concerning import/export segment of the industry. Our business is becoming more borderless every day—a rapidly-growing segment of the global economy. The Auto International Association works to support international regulations and treaties that assist the industry's efforts to reach customers everywhere, and break down trade barriers in emerging markets. The association has an ever-increasing presence in the international automotive community, identifying and promoting international business opportunities for our members.

Learn more about the Auto International Association at www.autocare.org.

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Automotive Resource Guide

A Reference for U.S. Exporters

Third Edition

This book made possible with support from

Welcome to the third edition of the *Automotive Resource Guide: A Reference for U.S. Exporters*. This guide is designed to help U.S. companies, especially small and medium-sized enterprises, to identify markets where U.S. automotive products or services are likely to succeed. It offers foreign market intelligence, such as market entry, industry trends, main competitors, trade barriers, statistical data as well as additional resources to help increase your international sales.

Additionally, this edition includes a new section—"Used and Remanufactured Automotive Products"—to address the distinctive market challenges and opportunities for this rapidly growing sector.

Today, improvements in trade finance, the Internet, free trade agreements, and U.S. government programs have dramatically increased access to markets worldwide, making it easier and less risky for U.S. firms to export. In fact, the automotive industry is one of the largest manufactured goods export sectors in the United States. In 2013, the total American export of automotive parts reached USD 77. 3 billion—an over 80 percent increase since 2009!

Our nation's companies are known throughout the world for high-quality, innovative goods and services, after-the-sale customer service, and sound business practices. As many U.S. automotive firms seek new opportunities, they find that conducting international business offers unique challenges. This resource guide is one step toward ensuring that you have the information you need to grow your business.

We hope you find this *Automotive Resource Guide* helpful in achieving your company's export goals. As a government resource for U.S. companies, our team relies on your comments and needs to hear whether we are serving you well. If this information is useful to you, please share your experience by e-mailing me directly.

We look forward to assisting you!

Eduard Roytberg
Global Automotive Team Leader
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SANDS EXPO - LAS VEGAS, NV

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NOVEMBER 4 - 6, 2014 | NOVEMBER 3 - 5, 2015 | NOVEMBER 1 - 3, 2016

Introduction

What Can the U.S. Commercial Service Do for You?

The U.S. Commercial Service (CS) is the export promotion arm of the U.S. Department of Commerce's International Trade Administration. Our global network of more than 1400 trade professionals is located throughout the United States and in U.S. Embassies and Consulates in more than 70 countries. Whether you are looking to make your first international sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities to increase your bottom line.

Our Services

The CS Automotive and Ground Transportation Team works to address issues and trade opportunities specific to the strong and growing automotive sector, and to ensure you have the information you need to grow your business. This resource guide is just one of the ways we can provide the information you need to set priorities and plan for business growth. To learn more about how we can help you, visit ***export.gov/industry/auto***.

For more information on how CS can help your business increase its international sales, please contact your local CS office. A list of offices appears at the back of this guide and at ***export.gov/usoffices***.

Market Intelligence

- Analyze market potential and foreign competitors
- Obtain useful information on best prospects, financing, laws, and cultural issues
- Conduct background checks on potential buyers and distributors

Business Matchmaking

- Connect with pre-screened potential partners
- Promote your product or service to prospective buyers at trade events worldwide
- Meet with international industry and government decision makers in your target market(s)

Trade Counseling

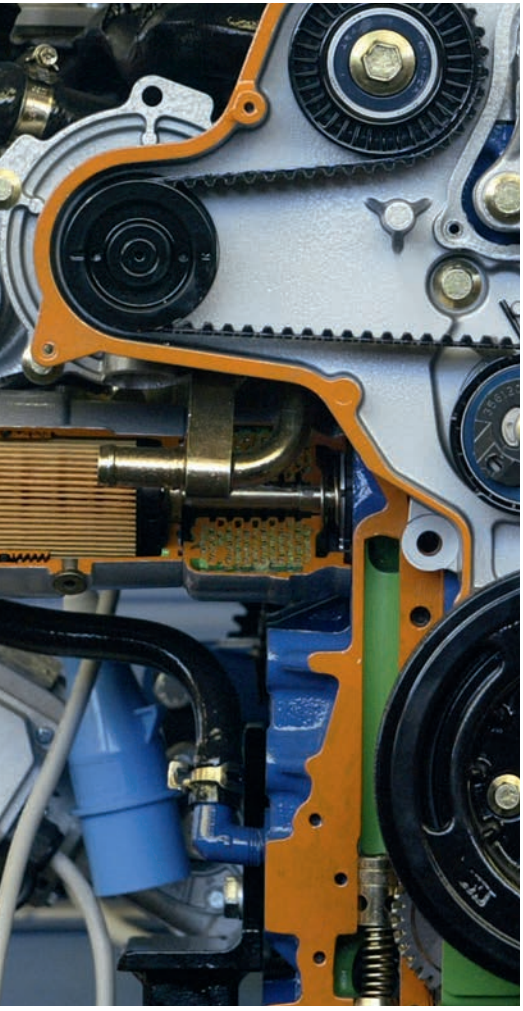
- Develop effective market entry and sales strategies
- Understand export documentation requirements and import regulations of foreign markets
- Navigate U.S. government export controls, compliance, and trade financing options

Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests
- Access U.S. government trade advocacy for your foreign government procurement bids

Big R
ReMaTecUSA
Las Vegas, NV November 1 - 3, 2014

The No. 1 reman show in North America



- **Total focus**
  Only products, solutions and services related to remanufacturing are on display.
- **Global scope**
  International exhibitors and overseas trade missions.
- **Latest trends and developments**
  APRA seminars and informative mini sessions in the ReMaTec Theatre.
- **Grow your business**
  Connect with US and foreign buyers/decision makers.
- **Co-located with ATRA's Powertrain EXPO**
  At Rio All-Suite Hotel & Casino, Las Vegas.

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How To Use This Guide

The Resource guide is divided into three main categories:

- A market research section for each country
- Automotive subsector reference charts/matrices
- Statistics, codes, and U.S. government resources

Market Research

The market research section explanation includes summaries, opportunities, and barriers within each country's markets.

Reference Charts

The subsector reference chart provide ratings for countries in each of 16 automotive subsectors. It is intended to provide a quick reference for which subsectors have the most potential for success in a given market.

The used/remanufactured reference chart is an overview of each country's restrictions and quotas on used and remanufactured automotive parts, as well as trade prospects and import duties.

Statistics, Codes, and Resources

Ten years of export data let you quickly see how markets have changed over the past several years.

A list of common export codes provides an easy reference when you need to export your products.

Finally, additional U.S. government resources can help you find additional guides, data, and support for your export programs.

Additional Information

The ratings and information in this guide represent the experiences and opinions of the commercial specialists responsible for the automotive sector at U.S. embassies and consulates worldwide. Subsector categories are broad and may not all apply to every product within them. Our clients are encouraged to further research the market for a particular product or service. Additional barriers to entry (political turmoil, change in import duties, etc.) may be discovered once a market is further explored. Information in this guide is accurate as of publication date. CS has offices in more than 70 countries, and not all countries are represented in this guide; If you are interested in exporting to a market not listed here, please contact your nearest local CS office. A list of offices is available at ***trade.gov/cs***.

Argentina

Summary

Argentina is one of the top three car manufacturers for Latin America along with Brazil and Mexico. It was the world's 23rd largest vehicle producers in 2012, according to the International Organization of Motor Vehicle Manufacturers.

U.S. exporters interested in the Argentina automotive market will find it a challenging market to penetrate. Argentina is primarily a closed market in the automotive sector due to the Bilateral Auto Pact between Brazil and Argentina.

Exporting vehicles to Argentina results in high import taxes and will significantly raise the price of the car. Additionally, in 2013 luxury cars were levied internal taxes of up to 50 percent. Exports of car parts to Argentina are expected to become more difficult, as the local industry is becoming progressively more protected.

In contrast, automotive aftermarket industry experts are optimistic with regards to the sales of auto parts and services. This optimism is based not only on the growing number of vehicles in transit, but also on the high level of average investment that takes place when sales of new cars decrease.

Market Entry

Recent controls have made exporting goods from any country to Argentina more difficult as the Argentine Government has implemented more processes that Argentine importers must complete in order to import goods into the country. For more information about the several Argentine government regulations that U.S. companies should be aware of as they access the Argentine market, please visit ***bit.ly/P54i8r***.

Statistics

Capital:	Buenos Aires
Population:	42,610,981 (est. 2013)
GDP (est.):	USD 755.3 billion (2012)
Currency:	Peso (ARS)
Language:	Spanish

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The importation of cars and auto parts is also being affected by the new government regulations. The number of cars authorized for importation is expected to be reduced by 20 percent in 2014. Likewise, the importation of auto parts is estimated to decrease, as the Argentine government executes its plan for import substitution in this important subsector.

Current Market Trends

Production grew in 2013 to 791,007 from 764,495 vehicles in 2012 (+3.5 percent), however the future is uncertain. The drop in production that started during the last months of 2013 is expected to continue, mainly as a result of a lower level of sales to Brazil, Argentina's main export client.

In the domestic market, sales are expected to decrease as well, due to the reduction in the number of cars authorized for importation, coupled with the aforementioned recently imposed internal tax on high-end vehicles.

According to a private report, there are approximately 11 million vehicles circulating in Argentina. With a country population of around 40 million, this figure represents an average of one vehicle per family. Out of this 11 million, 86.7 percent are cars, 9.7 percent are light trucks and 3.6 percent are heavy trucks.

In the last years, there has been a significant growth of cars converted to CNG power. The last statistics reflect that 15 percent of the total vehicle fleet are CNG-converted cars, 51 percent exclusively use gasoline, and the remaining 34 percent use diesel oil. Only 250 vehicles are hybrid (gasoline/electric).

Total new vehicles registered reached 955,023 units in 2013 (locally produced and imported) versus 841,173 in 2012.

The average age of circulating vehicles is 13 years, a significant reduction from 18.5 years registered in 2011.

Car sales are expected to decrease in 2014, due to the reduction in the number of units authorized for importation, coupled with the aforementioned recently imposed internal tax on high end vehicles of up to 50 percent, which is cause of serious complaints from industry businesspeople.

In contrast, automotive aftermarket industry experts are optimistic with regards to the sales of auto parts and services. This optimism is based not only on the growing number of vehicles in transit, but also on the high level of average investment that takes place when sales of new cars decrease.

Remanufactured Automotive Parts

In general, Argentina prohibits imports of used auto parts. However, there is an exception to this prohibition. Certain used parts may be imported if they have been rebuilt by the original manufacturer (or the supplier which produced the OE part). They may also be overhauled in Argentina, with a previous authorization by the National Institute of Industrial Technology (INTI).

Prices for remanufactured parts in the local market are the same as for new parts, and are not differentiated from the original when sold to the end-user. At the same time some boxes bear a label stating that they are remanufactured, so there is no intent to mislead or defraud the consumer.

Vehicles in the Argentine fleet are predominantly metric. For this reason, exports of U.S.-origin equipment to the local auto parts remanufacturing industry should be designed for both metric and the U.S. equivalent.

Main Competitors

There are nine major manufacturers present in Argentina:

- Fiat
- Ford
- General Motors
- Honda
- Mercedes-Benz
- PSA Peugeot-Citroen
- Renault
- Toyota
- Volkswagen

All of them have home offices in other countries such as Germany, Italy, France, Japan, and the United States.

Currently, nine OEMs are active in Argentina, mostly producing automobiles and trucks of European design. In 1991, Argentina and Brazil signed the "Automotive Industry Cooperation Agreement" which allows for the integration of production but limits imports of automobiles and parts from third countries.

The top six brands in Argentina in the category "Cars and Light Trucks" and their respective market shares are:

- Volkswagen (17.15 percent)
- Renault (15.34 percent)
- Chevrolet (15.23 percent)
- Ford (12.57 percent)
- Fiat (11.36 percent)
- Peugeot (10.7 percent)

Even when 2013 registered a historical record of sales of used cars with over 1,800,000 units, industry analysts believe that the new internal taxes on luxury cars will also negatively impact the sales of used vehicles.

Current Demand

Best prospects for high performance and or tuning products, are wheels, exhaust systems, suspension systems, lights and body parts which, as indicated above, are adequately supplied by Argentine and Brazilian manufacturers. It is important to bear in mind that Brazilian imports enter Argentina free of duties because of the MERCOSUR customs agreement.

Low-end buyers, who strongly favor third party rather than OEM products, dominate the market for replacement parts. More and more, parts are manufactured locally or in Brazil. Aftermarket parts imports consist, again, of low cost Asian imports or high quality hoses, belts, filters, batteries, light bulbs, brake pads, a/c compressors, air bag systems and other electronic from the U.S. and Europe.

Some selected U.S. brands have a solid reputation in Argentina, yet the market presence of American auto accessories is low. This situation is not only due to the resulting high landed costs, but also to the small size of the import market.

Online advertising and shopping for cars and auto accessories is an established practice. However, given the stricter control on imports that has been taking place since the end of 2013, online shopping has become riskier, as products may be intervened or delayed in Customs by the corresponding government authorities, resulting in significantly higher costs.

Another category to be considered is commercial trucks. There is a growing interest in truck accessories and enhancements, such as chrome wheel covers, spoilers, horns, trucker comforts, gadgets and stylish add-ons.

Barriers

As a general rule, used automobiles, parts or components cannot be imported into Argentina. Restrictions have always existed, historically, on imported automobiles.

Argentina and its MERCOSUR partners established a Common External Tariff (CET) on goods originating in non-member countries. Some categories of goods, such as automobiles, have a CET of up to 35 percent.

As explained above, there are several Argentine government regulations that U.S. companies should be aware of as they access the Argentine market. For more information, please visit ***bit.ly/P54i8r***.

Trade Events

Salón del Automovil

June 2014 • Buenos Aires, Argentina • ***elsalondelautomovil.com.ar***

The biggest car show in Argentina, featuring over 110 exhibitors and near 300 units on the floor. It has been ranked among the top 10 car exhibitions worldwide, with over 500,000 visitors.

Australia

Summary

Growth in Australia's aftermarket has averaged in excess of 3 percent over the past 10 years. According to the World Trade Atlas 2013, the United States is the leading supplier, accounting for 16.8 percent of imports (USD 409 million), while Japan is the second most important supplier; 15.3 percent market share (USD 332 million). Excellent opportunities exist in Australia for U.S. exporters in the Automotive Industry.

Market Entry

The U.S.-Australia Free Trade Agreement (FTA) eliminated tariffs on 99 percent of U.S. exports to Australia. Providing the products can be classified as automotive items of minimum 51 percent U.S. content, they will not be subject to any customs tariffs under the Australia-U.S. Free Trade Agreement. Documentation stating the Rules of Origin, however, should accompany the shipment of goods.

Current Market Trends

The U.S. is currently the leading supplier of automotive parts and accessories to Australia with USD 409 million exported from the U.S. to Australia in 2013. This represents 16.8 percent of the market. In the next two or so years, China will overtake the U.S. as the leading country supplier of automotive parts and accessories to the Australian market.

Statistics

Capital:	Canberra
Population:	22,262,501 (est. 2013)
GDP (est.):	USD 986.7 billion (2012)
Currency:	Australian Dollar (AUD)
Language:	English

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8708 Parts and Access For Motor Vehicles (Headings 8701–8705)							
	(USD Millions)			% Share			% Change
Rank/Country	2011	2012	2013	2011	2012	2013	2012–13
World	2112.4	2354.7	2180.6	100	100	100	-7.4
1. United States	390.5	478.9	409.9	18.5	20.3	16.8	-14,4
2. Japan	363.4	401.5	332.6	17.2	17.1	15.3	-17.2
3. China	252.1	276.1	309.7	11.9	11.7	14.2	12,2
4.Thailand	151.0	214.9	220.0	7.1	9.1	10.1	2,3
5. Germany	201.7	209.9	195.4	9.5	8.9	8.9	-6,9

Used and Remanufactured Automotive Parts

There are no restrictions or conditions placed on the importation of remanufactured, re-built, and/or used motor vehicle parts. This applies to all parts. In addition, there are no quotas or other limitations on the importation of remanufactured parts. All parts, whether new, used, or remanufactured are treated the same by Australian Customs.

While Australia is a relatively small market, it is also a competitive one. There is a well-established manufacturing industry and import community for both original equipment and aftermarket automotive parts. The commonly held view is that prospects for suppliers of imported remanufactured parts would be rated as fair to good.

Main Competitors

In 2012, 1,112,032 new passenger cars, SUVs, and commercial vehicles were sold in the local market—a 10.3 percent increase over 2011 sales. By brand, Toyota leads the market with 19.6 percent market share, followed by GM Holden (10.3 percent market share). The top selling passenger vehicle in 2012 was the Mazda 3 (44,1288 units), followed by the Toyota Hilux (40,646), Toyota Corolla (38,799) and the GMHolden Commodore (30,532). There are three automotive vehicle manufacturers in Australia; Ford has announced that it will cease production of motor vehicles in Australia in 2016, and Holden will follow by shutting all Australian manufacturing plants by 2017. It is highly anticipated that Toyota will follow the lead of the U.S.-based manufacturers, although no announcement has been currently made.

Current Demand

Traditionally, replacement parts were a prominent part of the industry, and while they still remain a necessity, replacement parts are continuing to be less important to the industry. The best prospects are in the specialty equipment market and the performance sector for

passenger vehicles. Additionally, the motorcycle market, trucking industry and SUV market all offer good opportunities for U.S. exporters.

The performance market in Australia is niche, however, performance, racing and tuning businesses turnover USD 450 million annually. This comprises 10 percent of the total independent automotive aftermarket, which is in turn a part of Australia's USD 5.3 billion accessories and parts industry. The best prospects are engine modifications, turbos, superchargers, and brake and clutch improvements. An interesting emerging market is the 'green' performance area, where customers buy products that enhance fuel economy, while also improving performance. Parts and accessories for the SUV market, the trucking industry, and motorcycles are proving increasingly popular. In 2012, 115,488 motorcycles, ATVs, and scooters were sold locally, representing a 5.4 percent increase over 2011 sales numbers. In 2012, 43,539 road motorcycles were sold, with Honda leading the charge (8,783 units). European and U.S. manufacturers also recorded strong growth in 2012—Aprilia (up 58 percent on 2011 sales figures), BMW (up 24 percent), Harley Davidson (up 22 percent), Ducati (up 21 percent), and Moto Guzzi (up 17 percent).

In general, Australians always seek quality, unique, innovative, and/or environmentally friendly products for the Automotive Industry.

Barriers

The Department of Infrastructure, Transport, Regional Development, and Local Government (***infrastructure.gov.au***) governs the Australian Design Rules (ADRs). The ADRs are national standards for vehicle safety, anti-theft and emissions. The ADRs are generally performance based and cover issues such as occupant protection, structures, lighting, noise, engine exhaust emissions, braking and a range of miscellaneous items. The current standards, the Third Edition ADRs, are administered by the Australian Government under the Motor Vehicle Standards Act 1989. The Act requires all road vehicles, whether they are newly manufactured in Australia or are imported as new or second hand vehicles, to comply with the relevant ADRs at the time of manufacture and supply to the Australian market.

A Goods and Services Tax (GST, similar to VAT) of 10 percent is applied to all products and services sold in Australia. The 10 percent GST is applicable to the entire landed cost of the goods, including insurance, shipping, etc. While the responsibility to pay GST to the Australian Taxation Office lies with the supplier, the consumer ultimately bears the GST cost. The importer will pay the GST to the Australian Customs Service (***customs.gov.au***).

Standards Australia (***standards.org.au***) is the nation's peak non-government standards organization. The Commonwealth Government put this organization in place to meet Australia's need for contemporary, internationally-aligned standards and related services.

Trade Events

International Truck, Trailer, and Equipment Show

April 3–6, 2014 • Melbourne, Australia • ***trucktrailershow.com.au***
The largest truck and trailer show on the Australian trade show calendar.

Sydney Motorcycle & Scooter Show

November 2014 • Sydney, Australia • ***australianmotorcycleexpo.com.au***
The latest motorcycles, scooters, ATVs, products, and services.

Australian Automotive Aftermarket Expo (AAAE)

April 16–18, 2015 • Melbourne, Australia • ***aaaa.com.au***
Biannual. The largest event of its kind, featuring parts, accessories, tools, and equipment. Also incorporates Collision Expo.

Queensland Truck Show

May 14–17, 2015 • Brisbane, Australia • ***truckshow.com.au***
Biannual. Attracts over 35,000 attendees.

Austria

Summary

Austria, with a population of 8.2 million, is one of the most densely motorized countries in the world. In the year 2012, just short of 7 million motor vehicles were registered here, including 4.6 million passenger vehicles, 730,400 motorcycles, 417,000 commercial and heavy duty vehicles and 9,500 buses. The average passenger vehicle is under 8 years old, and the average lifespan is 9.5 years. The average distance driven per vehicle and year is estimated to be between 10–12,000 kilometers and falling.

According to a recent report by Austria's leading bank, the automotive sector in Austria was worth 32 billion Euros (USD 41 billion) in 2012, a figure that does not include original parts manufacturing for export. This figure is expected to grow at the (modest) rate of inflation over the coming years.

Sector Overview, 2012

	# Players	Sales Volume	Trend
Auto/truck sales	3,600	USD 25.7 billion	Consolidation, multiple-automaker contracts
Auto/truck repair	4,300	USD 5.3 billion	Consolidation, shrinking margins, increasing advantage of automaker contract
Aftermarket sales	1,300	USD 4.9 billion	Consolidation, internationalization, shrinking margins
Motorcycle sales	400	USD 640 million	Consolidation, multiple-maker contracts
Filling stations	1,600	USD 4.1 billion	Declining numbers, shrinking margins

Source: Verband der freien KFZ-Teile-Fachhändler (vft.at, access 10/2013)

Statistics

Capital: Vienna
Population: 8,221,646 (est. 2013)
GDP (est.): USD 398.6 billion (2012)
Currency: Euro (€)
Language: German

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Market Entry

U.S. exporters should note three important characteristics about the Austrian automotive market: diesel engines play an important role, powering 56 percent of all passenger vehicles and 95 percent of commercial vehicles; there are very few U.S. vehicles on the road here, only 0.56 percent of 2012 newly registered automobiles were imported from the United States and fewer than 2 percent of the vehicles on the road were made in the U.S.; and strict regulations govern the manipulation of standard vehicle parameters, making most "personalization" products either illegal or subject to a lengthy and expensive approval process.

CS Vienna can help U.S. exporters enter the Austrian market. Here are some market entry tips:

- Make sure that your products make sense for the cars that are on the road in Austria, and that you have taken care of all the necessary safety and marking requirements.
- Remember to calculate the import duty and the VAT into your dealer pricing offer—these will make your product more expensive at the wholesale/retail level.
- Austria is a small and risk-averse market. Requiring large turnover volumes or significant initial minimum purchase quantities could scare off a potential partner.

Current Market Trends

Market trends in the passenger vehicle sector are difficult to pinpoint, but the general direction toward fuel economy and "green" vehicles is undeniable. Newly registered vehicles (2012) have an average of 136 grams of CO_2 per kilometer, compared to the 167 grams/kilometer average in 2002. The number of registered hybrid vehicles is another case in point. In 2002, there were none; in 2012, there were over 11,000.

Current market trends in the commercial vehicle sector are centered around saving fuel and making the best possible use of time and vehicle capacity. Some of the best prospects in this sector are lightweight plastic bumpers and cabin parts, aluminum wheels, aerodynamic body parts and spoilers, fuel-saving tires, brake and transmission parts, and on-board electronics. Of increasing interest is the optimization of driver behavior. Personal coaching and training services for drivers, as well as telematics systems, are gaining popularity to the extent that they can increase productivity and improve fuel economy.

Though the largest segment of the motorcycle market is mopeds and scooters (299,000 registered vehicles in 2012), it is also shrinking (in 2002 there were 310,000 and 390,000 in 1992). The fastest-growing segment encompasses motorcycles with an engine size between 51cc and 125cc, with 193,000 registered vehicles in 2012, up from 114,000 in 2002 and 1,000 in 1992). Part of the reason for this change is a relaxation of license requirements in 2009, enabling drivers with a Class-B license (standard issue for passenger vehicles) to drive 125cc motorbikes after 6 hours of practice.

The aftermarket in Austria is undergoing a difficult structural transformation. Industry experts point to sinking profits, competition from new vehicle dealerships and international (especially German) distributors, and the increasingly high level of standard features in new vehicles. The recent bankruptcies of two well-known parts wholesalers seem to demonstrate that smaller and mid-sized businesses are increasingly unable to compete with larger aftermarket players, which can take advantage of efficiencies that are out of reach for smaller firms. The role of venture capital investments in the large European wholesalers is considered to be a catalyst in the process.

Growth in the aftermarket sector is estimated to be at the rate of inflation (under 2 percent), and there is little hope that it will emerge from that modest range. The two trends identified within this environment are:

- The expectation that an increased demand for remanufactured parts could be in the pipeline, as these parts are both "green" and promise higher margins.
- High-tech accessories with higher profit margins may also see growth.

Used and Remanufactured Automotive Parts

Used

The market for used automotive parts is estimated to be marginal and of little interest for U.S. exporters. Used parts are built into vehicles that are close to end of life, and must be very inexpensive to compete with what could be purchased from a junk dealer or through informal channels. Long transport distances plus import duties are likely to price U.S. items out of the market. Furthermore, as less than 2 percent of registered automobiles and trucks in Austria are of U.S. make, the used parts available in the United States will not match parts in demand here.

Remanufactured

The prospects for U.S. remanufactured parts here are weak. In total, the remanufactured market is estimated to make up only around 5 percent of the total aftermarket, with parts currently coming exclusively from within Europe. The price difference is 30 percent-50 percent compared to new, but includes the stipulation that the broken part be sent in and determined salvageable. This process works through a "deposit payment" system, whereby the end customer pays a deposit on the broken part—should the old part not be reparable, the deposit is lost. According to one expert, this is the case around 30 percent of time.

The reason this segment is so small is that demand is limited to older vehicles, and those driving very old vehicles are more likely to shop for a used part at a junkyard or through informal channels than look for a remanufactured part, especially when the broken part may not be salvageable.

The most important factor influencing the viability of this market for U.S. firms is that only around 2 percent of the vehicles on the road here are made in the United States. Parts from the

U.S. market are different than those in demand here. In addition, because the remanufactured business depends heavily on transportation, the transport distances plus import duties are likely to price U.S. items out of the market.

Main Competitors

Most of the passenger vehicles on the road in Austria are European. Of newly registered vehicles (2012), 18 percent were V.W., 6.5 percent were Skoda, 6 percent were Audi and 4 percent were Seat, thus 34 percent of new vehicles registered in Austria were made by the Volkswagen group. Other leaders were Renault/Peugeot (9.3 percent), Ford Germany (6.4 percent), and Opel Germany (5.7 percent). U.S.-made cars accounted for less than 0.6 percent of all newly registered vehicles in 2012, and most of those 2,000 automobiles were either Jeeps (874) or Mercedes M Class (766).

Markets in the commercial and heavy duty sectors are divided into weight classes. V.W. dominates the largest sub-market, for vehicles up to 3.5 tons, with almost 30 percent market share, followed by Renault/Peugeot (17 percent) and Ford Germany (13 percent). The smaller market for mid-size vehicles (3.5–15 tons) is split three ways between Iveco (27.5 percent), MAN (25.8 percent) and Mercedes (25.4 percent). The largest vehicles, weighing in at over 15 tons, are overwhelmingly made by MAN (36 percent), followed by DAF (16.5 percent) and Mercedes (14.2 percent).

With 15 percent total market share, Vespa is the undisputed leader in the Austrian motorcycle market, followed by Honda (8 percent), Ride (6.8 percent), Derbi (5.6 percent) and KTM (made in Austria) at 5.5 percent. The only significant U.S. competitor is Harley Davidson, which ranks 16th in total and holds just under 3 percent market share.

The Austrian automotive aftermarket is split between German/European (OEM) manufacturers and distributors on the one hand, and very low-priced products sourced from Asia and other low-price countries on the other. Specific information on leading competitors according to sector and product are not available.

Current Demand

Demand for new motor vehicles is cyclical and rising slowly. The average number of new vehicles registered between 2003–12 was 440,000 annually, compared to an average of 395,000 between 1993–2002.

New Registrations, 2012	
All motor vehicles	464,023
Passenger cars	336,010
Heavy duty vehicles	38,097
Motorcycles and scooters	46,047
Buses	9,546
Agricultural vehicles	8,318
Trailers	28,094

Source: WKO Fahrzeugindustrie (wko.at/fahrzeuge, access 10/2013)

On the aftermarket in general, demand is weak and growth higher than the rate of inflation is not expected. There is a race to the bottom in replacement parts as well as in most accessories and car care products prices. This is a result of several factors, including the falling number of kilometers driven per year and the high quality of newer model vehicles. Niche opportunities exist for high-tech accessories, and, in the commercial vehicle aftermarket, products and services that enable fleet managers to increase productivity and save fuel.

Electric vehicles have an interesting niche market in Austria. Absolute numbers are still very low, with only 1,400 cars registered in total in 2012 (there are no statistics available for other vehicles), but there are several subsidized projects that aim to integrate EVs into Austria's public transportation network that are certainly worth investigating.

Barriers

The two most important market access issues for U.S. products have to do with marking and safety testing requirements and the Austrian vehicle code. The question of marking and safety testing is a complex one.

There are three main categories of products:

- Products for which a European law or directive has established a harmonized minimum standard.
- Products for which there is no European standard, and thus by default the national standards apply.

- Products for which no European or national minimum requirements apply at all. For the supplier, the trick is figuring out which category his product falls into.

Products that do not fall within the scope of a European standard must meet Austrian national standards. As a general rule, Austrian standards are higher than European standards. This category of product is the most difficult to get certified, partly because the most difficult to standardize products are "left over" and have not yet been harmonized, and partly because the Austrian bureaucracy is characterized by a frustrating lack of transparency.

Trade Events

Autozum

January 2015 • Duesseldorf, Salzburg, Austria • ***autozum.at***
Biannual. Emphasis on aftermarket products and business solutions; over 300 exhibitors and 23,000 visitors.

Belgium

Summary

Historically the automotive industry has been an important part of the Belgian economy. In recent years two manufacture plants from Renault and Opel (GM) closed their doors. Three car manufactures remain with production and assembly units. Their 10,766 direct employees yield an average annual output of 483,616 vehicles (fig. 2010), with an estimated total value of €7 billion, but Ford Europe announced the closing of its factory in Belgium as of 2014, a move which has implications within the whole industry chain.

The Belgian car market (with more than 4 million cars) is a replacement market. The fleet market is an important factor in the Belgian car fleet. Company cars are widely used as an extralegal benefit for employees. Only 6.6 percent of the Belgian population cannot afford a car. The export ratio for assembled vehicles exceeds 90 percent in Belgium, which further emphasizes the international character of this industry.

Belgian New Vehicle Sales (Febiac), 2010–13

(# Vehicles)	2010	2011	2012	2013
Passenger Vehicles	547,347	572,211	486,737	486,065
Light Commercial Vehicles (<3.5 tons)	52,509	61,428	54,608	53,419
Heavy Commercial Vehicles (3.5–16 tons)	2,051	1,970	1,715	1,434
Heavy Commercial Vehicles (>16 tons)	5,598	7,913	6,759	6,221
Buses		716	701	765
Motorcyles	26,440	27,024	25,276	22,152
Trailers			7,748	7,239

Statistics

Capital: Brussels
Population: 10,444,268 (est. 2013)
GDP (est.): USD 427.2 billion (2012)
Currency: Euro (€)
Language: French, Dutch, German

Contact

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Current Market Trends

Different public and private initiatives are underway to facilitate the use of electrical cars. Incentives for electrically chargeable vehicles are now applied. Electric mobility will make an important contribution towards ensuring sustainable mobility. For public use on the short term hybrid petrol/electrical and even full electrical solutions seem to be the feasible way towards green hydrogen/electric propulsion.

Strong efforts are made to promote alternatives. Belgium is at the origin and in the middle of the hydrogen pipe network between France and the Netherlands. This is an important asset for combined (Flemish-Dutch) government support for developments around this energy carrier. Hydrogen powered cars have been successfully tested and a major Belgian retailer wants to invest € 600,000 in research and infrastructure for the use of hydrogen powered forklifts in their distribution center.

However, advanced conventional technologies, engines and fuels will further play a predominant role for years to come.

According to Febiac (the federation for the Auto industry in Belgium) the sales will be affected by the macroeconomic situation. The expectation is a slight improvement of the car segment towards 490,000 new cars due to a slight increase in the replacement of company cars. With the increasing fuel prices, the selling proposition will be more than ever focused on real usage costs. Consciousness on the environmental effect of personal transport is strongly rising but in the end it comes down to the user friendliness and the cost per km.

Barriers

In order to sell products in the Belgian market, U.S. exporters must meet the CE mark requirements applicable to their goods. The CE mark certifies that the products have met the EU health, safety, and environmental requirements. Once a manufacturer has earned a CE mark (some can self-certify, others require certifying agents), it may affix the CE mark to its product. The product may then be marketed throughout the EU. For more information, please visit ***export.gov/cemark***.

Packaging must be translated into French, Dutch and German. Non-metric measuring units, poor translations and/or graphics often insufficiently address European cultural differences. Typically, U.S. exporters can entirely miss the point by using Canadian French translations for material used in France and Belgium. Therefore, both the advertising material and the retail packaging should always be the responsibility of the local importer.

Brazil

Summary

With annual sales of 3.8 million units in 2013, Brazil is currently the fourth largest world market for automobiles, behind China, USA and Japan. Industry sources expect Brazil's market to double its size by 2025, with significant sales increase in Korean, Japanese and Chinese brands. The domestic production of automobiles, including buses and trucks is expected to reach 5 million units in 2017, much of which will be exported.

Net sales revenue of the automobile industry in Brazil is about USD 84 billion, which corresponds to nearly 19 percent of the country's GDP. Despite the increasing presence of new OEMs in the market, sales of Fiat, Ford, GM and VW models account for 67 percent of the total market.

The domestic demand for automobiles has drastically increased in the past years, from 1.6 million in 2005 to 3.8 million in 2013, as government programs and economic stability increased consumer spending and raised large portions of the population upwards in the consumer market. Credit availability and government incentives to the automotive sector were also essential for the market growth. The ratio of inhabitants per vehicle in Brazil dropped from 11 at the end of the nineties to 5.5 currently, confirming that there is room for significant market growth.

Market Entry

Imports of pre-owned products, including automobiles, are not allowed in Brazil. The major automobile brands are present in the market through local production or exclusive commercial representatives, most of which are members of the Brazilian Association of Imported Automobiles (ABEIVA, ***abeiva.com.br***). The OEMs established in Brazil are responsible for nearly 40 percent of the supply of imported vehicles, which they ship from their plants abroad to complement their line of products. Most of their imports are from Argentina and Mexico, with whom Brazil has automotive free trade agreements.

Statistics

Capital:	Brasília
Population:	201,009,622
GDP (est.):	USD 2.394 trillion (2012)
Currency:	Real
Language:	Portuguese (Brazil)

Contact

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Imported vehicles are required to comply with The Automotive Vehicle Air Pollution Control Program (PROCONVE), which validates imported vehicles and engines. Locally manufactured, as well as imported automobiles are also required to obtain the License for Use of Motor Vehicle Configuration (LCVM). As of January 2012, vehicles produced and imported in Brazil are required to comply with the emission standards established by PROCONVE's P-7 phase, which corresponds to the Euro V standards.

The Brazilian Metrology Institute (INMETRO) requires certification for various automotive parts.

Because of the importance of the automotive industry to Brazil's economy, its job creation capacity and the political influence of the OEMs, government policies have traditionally protected Brazil's domestic auto industry from international competition. As an example, in 2011 the Brazilian Ministry of Industry, Trade and International Trade, increased the tax on industrial products on imported automobiles outside of the Mercosul trade zone, by thirty percent points. In some cases, higher IPI, the 35 percent import tax and other related taxes, increase the price of imported cars by over 100 percent. The effect of higher prices of imported vehicles is reflected in the 35.2 percent reduction in sales of imported cars in 2012 and 13.4 percent in 2013, after having reached a record level of 853,000 units in 2011. Sales of the Chinese models Chery and JAC, as well as the Korean Kia, were the most hurt. On the other hand, domestic purchases of imported luxury models as BMW, Land Rover and Audi increased by 30 percent in 2013. It is important to note that that the import statistics do not include purchases from the Mercosur countries and Mexico, with whom Brazil has free trade agreements; as well imports of those OEMs that have manufacturing plants in Brazil. In 2011, VW, GM, Ford and Fiat, which have all manufactured automobiles in Brazil for many years, were responsible for 37 percent of the supply of imported vehicles. These OEMs complement their line of locally produced vehicles with imported models, mostly from Argentina and Mexico.

The domestic demand for automobiles consists mostly of basic hatch and mid-size models, in contrast to the USA market, which has high demand for mid-size and luxury sedans.

Current Market Trends

The automotive industry in Brazil is predominantly driven by the domestic market. The "Made in Brazil" models usually feature low embedded technology, yet are among the most expensive in the world. Most of the innovations in the industry are related to the introduction of embedded electronics, safety and design equipment.

In order to further stimulate the automotive industry and attract investments, in October 2012, the Brazilian Government issued a program, known as the Inovar Auto (Decree 7819), designed to support the automotive industry's technology development, innovation, safety, environmental protection, energy efficiency and quality improvement. In order to benefit from tax reduction incentives, OEMs are expected to invest in research and development in Brazil and to achieve production of more economical, lower priced and safer vehicles. The

Inovar Auto program is valid until December 2017, and benefits both those OEMs that have already established manufacturing plants in country and other international OEMs whose new production plant projects have been approved by the government. Companies that apply for Inovar Auto commit to having their Made-in-Brazil models achieve increased energy efficiency levels (i.e. an average drop of 12 percent in fuel consumption).

Inovar Auto requires that several production processes be performed in Brazil and also establishes local content requirement for automotive parts. There are currently discussions about the implementation of an Inovar Autoparts program, which will, among other items, consist of financial support to local automotive parts manufacturers and include measures to attract direct investments to the sector. According to the National Automobile Industry Association (ANFAVEA), the process of tracking the origin of imported automotive parts is expected to initiate in the next few months. This should help Brazil's auto parts industry identify the OEMs needs and allow them to substitute imported parts with local production.

The Inovar Auto program initiated a new investment cycle in the automotive sector in Brazil, through which the industry will produce world class, high value-added products. Some of the expected results of the program are that the OEMs will increase their investments in high productivity equipment and processes, which allow lower energy consumption; and in precision measurement and testing equipment, quality standard certifications, training, and increased use of light materials, so as to reach the emission reduction target of 18.84 percent of CO_2/km. It is also expected that OEMs will increase the amount of automobile project designs in Brazil.

As far as automobile safety is concerned, legislation of 2009, determined that as of January 2014, all vehicles made in Brazil be equipped with air bags and ABS brakes. To comply with these safety requirements and introduce the new security devices, the tier 1, 2, and 3 suppliers, which include companies like Bosch do Brasil, Continental and TRW have invested from USD 250–400 million.

The industry is also evaluating new propulsion technologies, which include the use of flex fuel engines in hybrid vehicles and application of ethanol in fuel cells. In order to develop technologies for producing electric and hybrid vehicles in Brazil in 2017, ANFAVEA requested temporary tax exemption on a limited number of imported electric and hybrid automobiles, as well as on repair parts, until 2016. Some developments are underway to introduce electric vehicles in Brazil:

- In 2013, Renault sold six units of the 100 percent electric Kangoo Z.E. (furgão) to FEDEX in Brazil. Renault had already sold one Kangoo Z.E. to CPFL Energia. In 2013, Renault sold 42 electric cars worldwide. The electric models are manufactured at Maubeuge Construction Automobile (MCA) in France.
- In 2013, Eletra, a 30 year old Brazilian company that manufactures electric vehicles for trolleys (air), as well as hybrid buses (engines and batteries), together with Mitsubishi,

manufactured the first Brazilian electric bus, battery powered with 200 km autonomy. The bus will run in the São Paulo metropolitan region, on a bus line managed by the concessionaire Metra. The bus was built on a MB chassis. Induscar/Caio built the bus body and WEG produced the electric engines. Mitsubishi Heavy Industries built and maintains the battery and recharge station technologies.

- The Chinese company BYD is expected to invest USD 100 million in an electric bus production plant.

Used and Remanufactured Automotive Parts

Used

Imports of used cars and automotive parts are not allowed in Brazil. However, imports of antique cars, which are those of 30 + years of age, for cultural and collection purposes, are authorized. The legislation on the subject is Rule 235 of December 7, 2006 (Portaria 235 of December 7, 2006).

Imports of antique cars are also subject to the environmental license granted by the Brazilian Environmental Institute (IBAMA), IN IBAMA 17/2002.

Remanufactured

The Brazilian government imposes a series of restrictions on the importation of used equipment and importation of used parts and accessories. Regulation n.370 (Portaria) of the Brazilian Ministry of Industry, Commerce and Tourism dated November 28, 1994 establishes the rules and regulations for importing these products into Brazil and also applies to imports of used or remanufactured auto parts.

According to the regulation, imports of remanufactured parts will only be authorized when the remanufacturing is performed by the original manufacturer. The imported remanufactured part must have the same guarantee as new parts and the importer must present a statement prepared by the appropriate Brazilian manufacturer association stating that these parts are not produced in Brazil. The import license, commercial invoice and the packaging must indicate that the product being imported is remanufactured. The manufacturer must also provide the prices of new products identical to the ones being imported.

For import purposes, imported remanufactured and used auto parts are treated equally. The regulation applies to remanufactured or used parts of machinery, auto parts, airplane parts, etc.

There are no quotas or limitations on these parts, nor any special treatment or conditions.

Remanufactured/rebuilt parts are considered to be used parts. Engine remanufacturing in Brazil is well developed, according to the National Council of Engine Refurbishers (Conaren).

According to the Brazilian Association of Auto Parts Manufacturers (Sindipeças), auto parts remanufacturing activity faces serious problems because of the large number of non-qualified people who perform the service, whose sales reach billions of dollars. Products such as clutch disks, filters, bearings and shock absorbers are among the most affected by the piracy. The prospects for imports of U.S. remanufactured parts into Brazil are extremely limited because of the restrictions imposed on imports of used products into the country. As far as U.S. equipment for auto parts remanufacturing, according to the National Council of Engine Refurbishers, the sector is aiming to increase productivity and is constantly investing in small equipment and tools.

Main Competitors

Increased taxes on imported vehicles and Inovar Auto Program incentives, are attracting substantial automotive investments. Industry experts reported that eight OEMs (Audi, BMW, Chery, Foton, JAC, Land Rover, MB and Sinotruck) will build their first automobile plants in Brazil from 2014–16, which corresponds to investments of RUSD 5 Billion (USD 2.12 billion), whereas the already established Fiat, Honda and Nissan will build new plants.

There are currently approximately 40 automobile manufacturing plants in Brazil:

- Automobille Plants: (Toyota, Ford, GM, VW, Fiat, Mitsubishi, Hyundai, Peugeot, Citroen, Mercedes Benz, Renault, Nissan, Honda);
- Truck Plants: (Mercedes Benz, Agrale, Iveco, Ford, International, MAN, Scania, Volvo);
- Bus Plants: (Agrale, Iveco, MAN, Mercedes Benz, Scania, Volvo and the newly established DAF Trucks).

Nearly all Brazil-made cars are flex fuel, and run on ethanol, gasoline, or any combination of the two fuels.

Brazil's automotive parts industry, consists of Brazilian owned (27 percent of the sales value) and internationally owned (73 percent of the sales value) companies. There is a significant presence of U.S. automotive parts suppliers, including Delphi , Visteon, TRW , Dana, Arvin-Meritor, Cummins Engines, MWM-Diesel, and Eaton.

Current Demand

The 0.9 percent drop in domestic demand for automobiles in 2013, as compared to 2012, interrupted a 10-year succession of sales booms. The Automobile Industry Association estimates for 2014 are that domestic sales will increase by 1.1 percent, local production will grow by 0.7 percent, exports will increase by 2.1 percent and as a result of the automotive policies in place, imports will continue their downward path. Credit restriction, lower income growth rates, the 2014 World Cup in Brazil, presidential elections in October, and Carnival

holidays in March, instead of February, were some of the factors attributed to the expected low sales growth rate.

The record grain crop, stimulated domestic demand for trucks in 2013. Sales of trucks were 154,549 units, 11.1 percent over 2012. Demand for Extra Heavy models (i.e., cargo above 45 metric tons), increased by 45 percent. Sales of buses increased by 14.3 percent in 2013, reaching 32,918 units. The Brazilian Government's "Investment Support Program," which offers attractive financing terms for purchases of capital good, such as trucks and buses is an important incentive to the industry in Brazil.

Barriers

There are no trade barriers for imports of automobiles or automotive parts in Brazil. Nevertheless, the high import tax and the increased Tax on Industrial Products (IPI), significantly reduce the competitiveness of imported vehicles and parts in the market, and the policies in place clearly discourage imports.

Taxes are calculated in a cascade effect, based upon the CIF value: (FOB price + freight+ insurance+ other port expenses). The import tax is 35 percent; Tax over Industrial Product is 55 percent; State Tax: 18 percent in Sao Paulo; Social Contribution Taxes: 11.6 percent.

Trade Events

International Automobile Show (Salão Internacional do Automóvel)

October 30–November 9, 2014 • São Paulo, Brazil • ***salaodoautomovel.com.br***
Biannual. The latest automobile models; attracts significant numbers of automobile fans.

Automec Heavy and Commercial (Automec Pesados & Comerciais)

April 1–5, 2014 • São Paulo, Brazil • ***10times.com/automec-pesados-comerciais***
Displays technologies and equipment for truck and bus manufacturing, truck related products and services, batteries and auto electronics, engines, body parts, and more.

Automec

April 2015 • São Paulo, Brazil • ***automecfeira.com.br/en/home***

Bulgaria

Summary

In 2007, Bulgaria entered into the European Union and into the U.S.-EU trading relationship. The signing of the U.S.-Bulgarian Defense Cooperation Agreement provided further evidence of the deepening of the strategic political and military partnership between Bulgaria and the United States. Ratification of the Double Taxation Treaty and introduction of flat 10 percent tax in 2008 contributed to further optimism in the future bilateral business relations between both countries.

Market Entry

Bulgarian market is receptive of US goods and services. A number of investment incentive programs recently implemented include tax breaks in the newly created industrial zones and significant government assistance corresponding to the level of investment. Finding a good local representative is key to successful market entry strategy. Conducting due diligence before selecting a representative is also essential. The U.S. Commercial Service can assist with market research, contact facilitation, and contact evaluation. For more information about entering the Bulgarian market, please visit ***bit.ly/1ouyqUS***.

Current Market Trends

Almost 18 percent of the cars registered in Bulgaria are older than 10 years. Since 2000 Bulgarian families prefer to buy cars not older than 10 years. Now almost 70 percent of Bulgarian families own a car and almost 80 percent of the firms with business activities have motor pools, which depending on their activities, consists of cars, vans, minibuses, jeeps, and light trucks.

The automotive aftermarket and collision repair car business is one of the fastest growing in Bulgaria. The growth of imports leads to the need for more sophisticated service and car body repair equipment, both mechanical and electronic, paint products and application methods at an affordable price. The

Statistics

Capital:	Sofia
Population:	7,305,000
GDP:	USD 51.03 billion
Currency:	Bulgarian Lev
Language:	Bulgarian

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official distributors of all new car models maintain warranty service and repair stations within their company structures. The new, sophisticated electronic car equipment requires special analyzers, testers and expert skills to deal with it.

Best sales prospects include aftermarket consumables, including oil and air filters, wiper blades, rubber blades, hoses, gaskets and rings, engine parts, brake parts, exhaust system parts, car body parts, accessories such as wheel covers, car/truck bed covers, car batteries, exterior accessory lights, auto security products such as alarms, steering wheel locks, service equipment for electronic diagnosis, monitoring, testing and analyzing, wheel balancing, tire changing, oil changing, battery chargers, quick repair kits, tools, paints and auto cosmetics. More information about the Bulgarian car market, please visit ***bit.ly/1ig4kHs***.

Used and Remanufactured Automotive Parts

Used

Most of the cars in Bulgaria have an average age of 15 years, which translates into constant demand for automotive aftermarket products and consumables. Second-hand parts dealers are preferred by most people because they are easily accessible and affordable. Their prices in many cases may be as low as 80 percent of the ones sold by official importers.

Remanufactured

The overall European remanufacturing industry is growing steadily, showing far higher growth rates than the largely stagnating automotive aftermarket as a whole. As the automotive industry is looking for cost effective alternatives, remanufactured spare parts are 30–40 percent cheaper for the end customer than a new part, and often have the same warranty terms. Besides being cost-effective, remanufactured parts protect the environment and prevent CO_2 emissions as remanufacturing requires less energy than manufacturing new parts. The core operations in most of the remanufacturing companies on the Bulgarian market are rebuilding starters, alternators and automobile parts and selling them at home and abroad.

Main Competitors

Volkswagen is one of the main competitors on the Bulgarian automotive market with 2648 cars sold for 2012, which accounts for 11,5 percent of total sales in Bulgaria.

Toyota Motors sold 2069 cars or 9,0 percent of the total sales. Dacia kept its remarkable growth rate and therefore is also one of the main competitors with 1977 cars sold (8.6 percent). Other main players are Skoda, Ford, Great wall, Peugeot, Renault, Kia, Opel, Citroen, Chevrolet, BMW, Audi and Mercedes, with percentage of sales varying from 7.6–2.9 percent.

Automotive Imports by Brand								
Rank	Brand	Dec	2012	Half	Q3	Nov	Dec	2013
1	Volkswagen	290	2.648	11.1%	10.5%	13.6%	12.3%	11.5%
2	Toyota	119	2.069	9.0%	10.3%	9.5%	5.0%	9.0%
3	Dacia	237	1.977	7.8%	8.5%	12.3%	10.0%	8.6%
4	Skoda	232	1.757	6.6%	8.4%	8.2%	9.8%	7.6%
5	Ford	149	1.592	6.3%	8.0%	6.8%	6.3%	6.9%
6	Great Wall	283	1.461	4.4%	6.0%	6.5%	12.0%	6.3%
7	Peugeot	170	1.425	6.4%	5.7%	6.0%	7.2%	6.2%
8	Renault	116	1.289	5.7%	6.3%	4.9%	4.9%	5.6%
9	Kia	120	1.215	5.1%	5.9%	5.0%	5.1%	5.3%
10	Opel	86	1.085	4.6%	5.6%	4.4%	3.6%	4.7%
11	Citroen	75	1.019	4.4%	5.1%	3.8%	3.2%	4.4%
12	Chevrolet	71	830	3.8%	4.3%	2.4%	3.0%	3.6%
13	BMW	95	775	2.9%	3.7%	3.8%	4.0%	3.4%
14	Audi	90	685	2.8%	3.1%	2.5%	3.8%	3.0%
15	Mercedes	28	677	4.1%	2.1%	2.0%	1.2%	2.9%

Current Demand

With a population of 7.3 million, Bulgarian market indicates relatively high rate of passenger car ownership of 632 per 1,000 inhabitants, similar to the ratio in Poland and Czech Republic.

The demand for secondhand cars is predominant due to the low purchasing power of the population (the average income in Bulgaria is 33 percent of the EU average). Following the entrance of Great Wall Motors in Bulgaria, the local component sector is expected to gain momentum, possibly attracting other foreign investors to the market and easily sustaining the 7–9 percent annual growth registered during the last couple of years in this segment. For more information about the Bulgarian market demand, please visit ***bit.ly/1mZuPTv***.

Barriers

High initial capital requirements, government policy and regulations (including compliance issues), proprietary products and knowledge, access to suppliers of parts, distribution costs, and marketing costs can all be considered barriers.

Although the barriers to new companies are substantial, established companies are entering new markets through strategic partnerships or through buying out or merging with other companies.

Trade Events

Volkswagen Club Fest

March • Sofia, Bulgaria • ***vwclub.bg/fest/en-event.html***
Organized by the Club of Volkswagen Supporters in Bulgaria, with the support of Porsche BG Ltd. and Inter Expo Center Sofia.

BMW and MINI Expo 2014

April 11–13, 2014 • Sofia, Bulgaria • ***bit.ly/MRiHDj***
Certified second-hand vehicles.

Autotech 2014

September 29–October 4, 2014 • Plovdiv, Bulgaria • ***bit.ly/1gVjBbk***
international exhibition of transport and auto service equipment.

Motor Show—Plovdiv 2014

September 29–October 4, 2014 • Plovdiv, Bulgaria • ***bit.ly/NBIu3m***
One of the most popular events during the Autumn Technical Fair. Includes all car brands imported to Bulgaria, as well as the world's top-selling car models.

Available Market Research

- Automotive Report Bulgaria, ***bit.ly/1hQDguP***

Canada

Summary

Canada Motor Vehicle Sales, 2012–13			
(Units)	2012	2013	% Change
Passenger vehicles	759,795	770,000	1.3
Light Trucks	915,880	973,600	6.3
Motorcycles	50,545	50,000	0
Total Canadian Sales	1,726,210	1,793,600	3.9

Source: Desrosiers (2013 annualized based on January–November actual data); Motorcycle and Moped Industry Council (2013 estimated)

Market Entry

After the United States, Canada represents the second largest automotive market in North America. Sales in Canada surpassed the pre-recession peak reaching a record high of more than 1.7 million units sold in 2013. The relationship that Canadian and U.S. production facilities have forged over the years makes Canada the largest industry trading partner for the U.S. With the North American automotive industry's rebound, sales of new vehicles in Canada continue to grow, with unit sales rising four percent in 2013. Roughly USD 20 billion in automobile and light duty motor vehicles were exported to the Canadian market, representing approximately 25 percent of total U.S. auto exports. Not shown in above exports of Automobiles and Light Duty Motor Vehicles are U.S. Original Equipment Manufacturers (OEMs) sales to Canada of U.S. vehicles assembled in Canadian assembly lines.

Statistics

Capital: Ottawa
Population: 35,158,300 (2013)
GDP: USD 1.60 trillion (2013)
Currency: Canadian Dollar
Language: English, French

Contact

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Current Market Trends

Canada Motor Vehicle Sales, 2012–13					
NAICS Code	Description	U.S. to Canada (USD Millions)	% of Canada Total Imports	% of U.S. Exports to Canada	% Change 2012–13
33611	Automobiles and Light Duty Motor Vehicles	20,377	59	24	9
33612	Heavy Duty Trucks	4,590	83	53	-4
33621	Motor Vehicle Body and Trailer	3,546	94	53	9
33631	Motor Vehicle Gasoline Engines and Engine Parts	4,940	74	50	-13
33632	Motor Vehicle Electric and Electronic Equipment	1,209	36	32	-8
33633	Motor Vehicle Steering and Suspension Components	2,003	71	51	-1
33634	Motor Vehicle Brake Systems	1,084	60	50	-9
33635	Motor Vehicle Transmissions and Power Train Parts	3,680	64	44	6

Source: Statistics Canada—U.S. Census Bureau—U.S. International Trade Statistics 2013 annualized—based on 2012/2013 January–Octoberf actual data

Used and Remanufactured Automotive Parts

Used

Canada Customs does differentiate between new or used vehicles of certain types but the tariff is generaly equal. All vehicles must comply with Canadian safety standards and regulations.

Remanufactured

There are no restrictions or regulations specifically governing the importation of remanufactured, rebuilt, or used motor vehicle parts imported into Canada and Canada Customs Tariff does not differentiate them. There are no quotas, limitations, special conditions treatment of remanufactured, rebuilt, or used vehicle parts coming into Canada from the United States. Most automotive parts originating from the United States that meet NAFTA rules of origin are exempt from duty. For further clarification contact Revenue Canada, Customs, Excise.

Additional invormation is available via the Canada Border Services Agency (***bit.ly/1cFzIY7***). 2014 Customs Tariff data is available at ***bit.ly/1cdDSeM***.

All statistical data are shown under the broad category of automotive parts. There are no official statistics on remanufactured automotive parts market in Canada. Based on various industry sources including the Canadian branch of the Automotive Parts Rebuilders

Association (APRA), remanufactured automotive parts are mainly electrical products (e.g., starter motors, alternators, etc.) and are estimated at between 10–15 percent of the automotive aftermarket valued at USD 19.4 billion.

Due to the increased complexity, high tech nature and cost of these electrical products, U.S. companies with the resources, technology, and economies of scale to rebuild large volume will find a competitive advantage in exporting these products to the Canadian market. There is currently a large number of small local rebuilders of automotive parts in Canada. Given the labor intensive nature of this activity and Canada's relatively lower labor cost as compared to the U.S., remanufacturing of automotive components has become an important niche market in Canada. Canadian rebuilders are particularly strong in parts for non-North American vehicles.

Main Competitors

All the major world automotive manufacturers are present in the Canadian market with strong head offices handling the supply chain and well-developed dealership networks. American vehicles of the three OEMs (General Motors, Ford, and Chrysler) continue to maintain the dominant combined market share of 44.7 percent of total units sales in Canada; each of them has a significantly better position than the fourth player, Toyota, with 11 percent and fifth, Honda with 9 percent share of all units sold in Canada. Other relevant importers are Hyunday with 8 percent and Nissan with 4 percent market share. While American automotive sales retain a majority in Canada, market trends indicate significant inroads for Asian manufacturers—including aftermarket and component parts, in addition to passenger vehicles and trucks.

Manufacturing in Canada is historically very strong, covering considerably more than the local market needs and supplying currently approximately 16 percent of North American market.

The 2013 annualized numbers for manufactured vehicle units are:

- Passenger Cars—960,256
- Light Trucks—1,388,808
- Total—2,349,064

There are 5 OEMs with Ontario assembly lines. Locations and percent share of market include:

- General Motors—Oshawa & Ingersoll (27)
- Ford—Oakville (11)
- Chrysler—Brampton & Windsor (24)
- Toyota—Cambridge & Woodstock (21)
- Honda—Alliston (17)

The Canadian automotive manufacturing sector is very strong for the Tier 1 and Tier 2 manufacturers levels. There are more than 10 significant Tier 1 manufacturers. Many of them are global players, including U.S. manufacturing locations.

- Magna International Inc.
- Linamar Inc.
- Martinrea International Inc
- AGS Automotive Inc.

The U.S.-Canada automotive sector is highly integrated and interconnected. On average, an automotive part may cross the border seven times until the finished vehicle comes off the assembly line.

Current Demand

After the 2008–10 slow down, the automotive sector rebounded and continued to be strong. After the 5.7 percent increase in 2012, the unit sales have shown a four percent increase in 2013. Despite increased competition in the passenger vehicle sector, the United States continues to maintain its dominance within the light and heavy-duty truck market, retaining 45 percent of the Canadian market share.

Canada's continued recovery from the late 2000's recession presents the opportunity for the growth of the automotive sector. After suffering a decline in 2009, Canada's GDP increased at an average of 2.46 percent between 2010–12. This has been illustrated by the increase in auto sales over this time. Canada's economy continues to grow steadily, the Canadian central bank forecasts further GDP annual growth rates of 2.5 percent for 2013 and 2014. This should position the automotive sector well for further growth in sales figures and units sold.

Statistics Canada reports that there are more than 26 million registered vehicles (cars, trucks, motorcycles, buses, etc.). on Canada's roads. Considering the maintenance they require, there are very good prospects for U.S. companies in the automotive aftermarket sector. This industry continues to be robust, containing an estimated USD 19.4 billion in retail value at a steady growth rate of 2–3 percent annually based on the increasing volume of vehicles on the road. The largest automotive aftermarkets are those of Ontario and Quebec, which account for USD 6.2 billion and USD 3.5 billion of business respectively.

There are several trends that will positively affect the market share of the aftermarket within the Canadian auto sector. Registrations for light vehicles in Canada have increased steadily in the past decade or so, from a base of 17.1 million vehicles in 2000 to 22 million in 2010. The increase in sales of light trucks are even promising to the aftermarket, since they have longer lifespans than passenger cars, but necessitate higher maintenance costs.

Not only is the number of vehicles on the road increasing, but they are lasting longer as well. Better vehicle quality has led to an increased lifespan for vehicles on the road, reaching its current average of 11.5 years in Canada. In terms of mileage, vehicle lifespans have increased from 100,662 in 1960 to today's well over 140,000 miles. The combination of a higher volume

of vehicles and their increasing lifespan indicates a significant opportunity for the automotive aftermarket. The minimum dollar spent for maintenance on each car older than 12 years increased well over USD 1,000 per year.

On top of this, technological advances have led to increasingly complex vehicles that require new aftermarket products to meet demand. The quantity of imported vehicles into Canada continues to grow while manufacturers are producing more light vehicles on a single platform. This will allow the aftermarket to reduce inventory costs as tools and parts will be standardized.

Barriers

There are no barriers in the bilateral trade in the automotive sector. Most automotive parts originating from the United States that meet NAFTA rules of origin are exempt from duty. Also, manufacturing and safety standards for vehicles created for each respective market are practically identical.

There are however some differences in certain standards and regulations that have an economic impact. Consequently, the two nations have been working to harmonize manufacturing and safety standards. By 2014, over 60 percent of such standards are aligned. Nevertheless, there is room for improvement.

Trade Events

Canadian International Automotive Show

February 15–24, 2015 • Toronto, ON, Canada • ***autoshow.ca***
Canada's largest automotive show, held annually.

TRUCK WORLD

April 10–12, 2014 • Toronto, ON, Canada • ***truckworld.ca***
Canada's trucking industry show.

Available Market Research

- Canada—USD 680 Million Investment in Ford Plant, Oakville ON. (11/04/2013)
- Canada—Waterloo Region Transit Expansion Project 2013 (04/29/2013)
- Canada—Medium and Heavy Duty Truck Market 2013 (04/16/2013)
- Canada—Automotive Aftermarket 2013 (April 2013)
- Canada—Government Automotive Innovation Fund Renewed with Further USD 250 million (March 2013)

Chile

Summary

Demand for auto parts in the Chilean market is related to growth in the overall automobile sector. Chile, with nearly 17 million people, and 3.5 million vehicles, has the fourth-highest rate of motorization in Latin America registering 4.7 people per vehicle. Uruguay (2.3 people per vehicle) is the country with most vehicles per person followed by Argentina (3.8 people per vehicle) and Paraguay (3.9 per/veh.). Chile does not produce or assemble vehicles. In 2013, automobile sales in Chile set a new record with 378.240 new vehicles, an 11 percent growth compared with the 340,216 units sold in 2012. There are currently 3.5 million cars on the road in Chile with around 2 million of those in the Santiago Metropolitan Region.

As there is no appreciable local production of auto parts (only a 10 percent), all parts and accessories are imported.

Importing used motor vehicle parts is allowed, however Chilean Customs tends to carefully question such imports with an apparent eye toward whether they will be used to assemble used vehicles or a significant portion of a used vehicle once in the country (see Import Restrictions below). Such investigations hamper the importation process of used motor vehicle parts.

Market Entry

Chile has a flat 6 percent import duty. However as the U.S-Chile Free Trade Agreement (FTA) concludes its tenth year, trade in products and services continue to be a resounding success. The FTA was signed and implemented in January 1, 2004, and duties have been reduced to zero on 99 percent of U.S. exports to Chile with all remaining tariffs to be phased out by 2015. A certificate of origin is required, which can be extended by the exporter, the manufacturer, or the importer.

Statistics

Capital:	Santiago
Population:	17,216,945 (est. 2013)
GDP (est.):	325.8 billion (2012)
Currency:	Chilean peso
Language:	Spanish

Contact

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In 2012, bilateral trade between the United States and Chile reached USD 28 billion, an over 400 percent increase over bilateral trade levels before the U.S.-Chile FTA was implemented. U.S. exports to Chile in 2012 reached a record USD 18.9 billion while imports from Chile reached USD 9 billion.

The Chilean market has already over 60 international vehicle brands, including:

- Chevrolet
- Ford
- Chrysler
- Hyundai
- Kia
- Sangyong
- Subaru
- Daihatsu
- Toyota
- Mazda
- Subaru
- Mitsubishi
- Honda
- Suzuki
- Renault
- Nissan
- Peugeot
- Citroen
- Fiat
- Alfa Romeo
- Volkswagen
- Mercedes Benz
- BMW
- Audi
- Seat
- Mahindra
- Proton
- Skoda
- Volvo
- Saab
- Rover
- Jaguar

China is also securing market share, with brands including:

- Chery
- GreatWall
- Yuejin
- DongFeng
- Hafei
- Shineray

It is important to differentiate between brand and country of origin. Five percent of U.S. manufactured automobiles were sold in Chile during 2013, while U.S. brands account for 21 percent of the market.

As for heavy trucks, 9 percent of the market is manufactured in the U.S. but 36 percent of 2013 import of trucks account for U.S. brands.

Current Market Trends

Demand for auto parts in Chile is strongly related to auto sales. Knowing that they might be keeping their car for longer, consumers may try to look for quality and will be willing to pay more for a replacement part that will last. Cars with 10 years old or more represent 43 percent.

In the diverse market for auto parts, no single brand name has a significant market share due to heavy competition and the wide variety of automobile brands available. Renault-Nissan, Toyota, Hyundai, Daimler-Chrysler and Peugeot are top-selling auto parts brands, but none represent more than 5 percent of the total market.

Market trends in the passenger vehicle sector tend toward smaller, lighter vehicles to increase fuel efficiency. Also, 4x4 type of vehicles are very popular due to the diverse geography and types of roads.

Used Automotive Parts

Import of used motor vehicle parts is allowed; however, Chilean customs tends to heavily question such imports with an apparent eye toward whether they will be used to assemble used vehicles or a significant portion of a used vehicle once in the country (see Import Restrictions). Such investigations hamper the importation process of used motor vehicle parts.

Main Competitors

South Korea has been the principal source of automobiles in Chile since 2007. Together with Japan, the two Asian powers represent 58 percent of the local automobile market and there has been a trend towards importing more vehicles of Asian origin.

The Chinese automobiles and parts brands such as Chery, GreatWall, Yuejin, DongFeng, Hafei, and Shineray have also made an insurgence, giving the Chilean consumer even more choice in an already well diversified market. Because the Chinese products may be less expensive, these new imports combined with a fairly recent Chile-Chinese FTA, will be a growing force in the market.

The market size for automotive parts in Chile during 2012 was an estimated 766 million. U.S. market share is approximately 26 percent.

Imports of Auto Parts by Country, USD

Country	CIF	percent CIF
USA	199,305,920	26.01
China	189,896,680	24.78
Japan	64,556,194	8.42
Brazil	54,845,138	7.16
South Korea	46,713,337	6.10
Germany	39,502,444	5.15
Italy	21,200,437	2.77
France	14,284,874	1.86
Spain	10,306,826	1.34
Others	125,700,258	16.40
Total	766,312,108	21,944

Current Demand

Chile's economy has experienced solid average annual GDP growth of 3.9 percent in the last five years (2008–12) and 4.7 percent in the last 10 years (2002–12) and has become the region's leader in terms of income per capita, allowing its population to purchase higher priced goods. As all auto parts are imported, the major disruptions in demand were due to exchange rate fluctuations. Despite the growth recorded in numbers of cars sold through 2013, the ratio of used-to-new car sales has remained fairly constant for the past five years (new car sales represent approximately 48 percent of used car sales). Also, prices were held in check thanks to the favorable tariff policy and to the relatively weak U.S. dollar in recent years. In addition, the introduction of new Chinese brands in the market helped satisfy the demand for lower-priced products.

Barriers

In Chile the importation of used vehicles is prohibited. Exceptions include the importation of off-the-road vehicles, used ambulances, armored cars, mobile homes, prison vans, street and highway cleaning vehicles, cement-making vehicles, funeral hearses, fire-fighting vehicles, motor homes, off-road transportation vehicles, and other similar vehicles for special purposes, different from common transportation vehicles. These used vehicles pay a 9 percent import duty plus VAT.

Trade Events

Feria Internacional de Transporte (FENATRAN)

May 14–18, 2014 • Santiago, Chile • ***fenatran.cl***
Trucks, buses, and commercial vehicles.

Salón del Automóvil

October–November, 2014 • Santiago, Chile • ***salondelautomovil.cl***
Biannual; international passenger vehicles.

Available Market Research

- Passenger vehicles and auto parts industry overview, 2013

Colombia

Summary

Colombia is a major player in the regional automotive market, the Colombian automotive sector has experienced a decrease of 7 percent from 2012 (315,980 units) to 2013 (293.846), despite this decline, 2013 was the best third year of auto sells in the Colombian industry. As of October 2013, auto parts showed USD 3.155 million, considerably lower compared to the same period of 2012, where the sale of auto parts stood at USD 3.393 million.

Among the reasons related to this reduction are:

- New technologies have made auto parts last longer.
- Not every sale is accounted for, due to competition and discounts.
- Increase in the sale of illegal used auto parts.
- Smuggling: contraband automotive parts are worth close to USD 2 billion and the used parts business (not necessarily stolen) is worth close to USD 500 million.

At the begging of 2013 there were 9.3 million vehicle units in the country, according to data from the Ministry of Transportation. Out of those, 507,355 registered for transportation (freight and passengers). The automotive sector contributes to 6.2 percent of the country's GDP and employs about 2.5 percent of the country's population. Colombia currently ranks as a third in automobile manufacturing in Latin America. In addition, after Brazil, Colombia is the second largest motorbike producer in the region, with annual output of 515,000 motorbikes.

Statistics

Capital:	Bogotá
Population:	47,121,089 (est.)
GDP (est.):	USD 366 billion (2012)
Currency:	Colombian Peso (COP)
Language:	Spanish

Contact

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Market Entry

- Secure an agent, representative, or distributor in Colombia, which requires a contract that meets the provisions of the Colombian Commercial Code.
- Focus on formality, personal relationships, and trust when negotiating agreements and contracts.
- Perform direct marketing and personal visits to potential buyers supported by Internet communications, as well as printing and distribution of materials to prospective customers, which are essential.
- Keep good after-sales service arrangements, which are important in Colombia, not only in the original buying decision, but also in maintaining the sales relationship.
- Consider the product's quality, financing, and price, supported by extensive advertising campaigns, which play an important role in a Colombians' buying decision.

Current Market Trends

As stated by a research conducted by BBVA in 2013, Colombia's vehicle stock will increase by 3.5 million vehicles between 2010 and 2020, doubling current levels, with 7.9 percent annual growth. A number of international auto manufacturers currently produce vehicles in Colombia.:General Motors (GM), Renault, Mazda Motors, and Daimler Colombia. 83 percent of total Colombian vehicles are for private use; 14 percent are in public service and 3 percent are for official use.

The annual production of automotive parts in Colombia is equivalent to USD 1.068 billion, of which 47 percent is exported (USD 499 millions) to Venezuela, Ecuador, the United States, Germany, and South Africa. Imports represented USD 4.059 billion, concentrated in the areas of tires (12 percent), chassis (2 percent), and filters (2 percent). Origin countries are the United States (16 percent), China (14 percent), Japan (8 percent), and India (7 percent).2

Used and Remanufactured Automotive Parts

Used

Colombia does not allow import of used vehicles or motorcycles. The Andean Automotive Policy bans imports from other countries of used cars, trucks, motorcycles and buses, as well as new vehicles from previous years. The imports of used auto parts from other countries is also banned.

Remanufactured

With the implementation of the FTA with the U.S., Colombia is accepting remanufactured auto parts listed under Chapter Four, Rules of Origin and Origin Procedures, Section A—Rules of Origin, ANNEX 4.18.

Main Competitors

Approximately 68 brands and some 267 models are found in the market. The biggest seller is Chevrolet, followed by Renault. Hyundai is in the third place. KIA and Nissan have grown at a fast rate in recent years. Imports from China represent 6.6 percent of the total.

In 2012, 40 percent of vehicles were produced nationally. The other 60 percent were imported from South Korea, Mexico, India, Japan, Ecuador, China, and the United States. The high import percentage represents good opportunities for all imported parts and accessories, especially for the U.S. products, which are very well known nationwide.

More than 106 countries compete to supply the Colombia automotive parts market. The U.S., Brazil, Japan and China have the highest market shares. The U.S. and Brazil compete with quality and state-of-the-art products, while the Asian countries have obtained larger market share pursuing a low price strategy and offering correspondingly low quality.

Current Demand

The vehicle stock in Colombia is around 4.3 million units (not including motorcycles), a ratio of one unit for each 10 inhabitants. This can be lower than other economies such as Chile and Argentina. Nevertheless, automotive demand has increased in the past years due to the positive economic development of medium-size cities: Medellín and Cali increased their share of national sales by 8.1 percent between 2006–12. Bogotá (46 percent), Medellín (13.1 percent) and Cali (9.4 percent) account for 68.5 percent of the national market.

Barriers

Under the FTA agreement which entered into effect on May 15, 2012, some parts and auto parts (which were previously at 13 percent in average) currently have zero tariff to enter into the Colombian market. Some other parts fall under staging baskets from five years to 10 years tariff reduction.

With this implementation Colombia is accepting re-manufactured auto parts listed under Chapter Four, Rules of Origin and Origin Procedures, Section A—Rules of Origin, ANNEX 4.18

There are no limitations on the types of vehicle models imported, and no special import permits are required. However, imported vehicles must be registered with the Colombian government prior to shipment. Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles.

Colombia has required gas emission/evaporation control systems (to reduce gasoline tank and carburetor emissions) and a gas emission control system or positive ventilation valve (to control crankcase gas emissions) on all gasoline engine motor vehicles imported into or assembled in Colombia since January 1, 1994.

Trade Events

Salon Internacional del Automovil

November 19–30, 2014 • Bogota, Colombia • ***salondelautomovil.com***

Exhibition of over 1000 recent models of the most globally-recognized brands of cars, as well as commercial vehicles and related automotive products.

Feria de las 2 Ruedas 2014

May 1–4, 2014 • Medellín, Colombia • ***feria2ruedas.com***

The most important international Motorcycle industry event in Colombia. Includes more than 300 national and international exhibitors.

Feria Auto Partes 2014

June 4–6, 2014 • Medellín, Colombia • ***feriaautopartes.com***

Colombia's second largest automotive industry show. Manufacturers, importers, wholesalers, retailers, and representatives from Colombia and abroad.

Costa Rica

Summary

Costa Rican Automotive Market, 2011–14				
(USD Millions)	2011	2012	2013	2014 (proj.)
Total Market Size	311.5	335.4	357.6	390.8
Total Local Production	77.9	78.2	75.0	86.25
Total Exports	57.8	66.8	73.4	80.0
Total Imports	291.4	324.0	356.0	384.5
Imports from the U.S.	74.8	82.5	90.7	98.0

Source: Total Local Production—Estimated, importers/distributors of local producers; Total Exports/Total Imports/Imports from U.S.—Costa Rican Customs Directorate

Local production is limited to small electrical and metal parts, batteries, electrical copper cable, hydraulic seals, filters (air/gasoline), steel leaf springs, aluminum and steel wheels, windshields, carpets, hoses, mufflers, bus bodies, and tires. Major U.S. competitors in this sector are China, Japan, Mexico, South Korea, Brazil, Taiwan, and Germany.

Total imports in this sector are expected to increase in 2013 by 10 percent over the previous year to about USD 356 million.

The consensus within the local automotive parts industry is that the sector will grow at an annual rate of 5–10 percent from 2013–15. The surge on the imports of used low cost vehicles from Asian countries during the last three years led to an increase in auto parts imports from China, which reduced the U.S. market share by two percent from 2011. As a result, industry sources indicate that the U.S. share of the import market is expected to continue to decrease in market share, although in total imports from the U.S., had a major increase in imports for 2013–15.

Statistics

Capital: San Jose
Population: 4,805,295 (2012)
GDP: USD 45.15 billion (2012)
Currency: Costa Rican colones
Language: Spanish

Contact

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Current Market Trends

The number of cars in Costa Rica has more than doubled since 2000 to an estimated of 2,500,000 cars. The average Costa Rican car is from 1997.

Many of the cars on Costa Rican roads are imported as "used" from the United States, as they have extras that are not standard in new cars found in Costa Rica, as well as a lower price tag. This trend is receding due to good promotion of new vehicles and better support from the local banking system for the new cars. The automobile 10-day fair, Expo Auto, organized by the Chamber of New Car Importers (AIVEMA), has been very successful in past years helping new car dealers do a lot of business in one place.

Costa Rican importers of automotive parts and accessories purchase their products in the U.S., although a significant portion of these items are not of U.S. origin.

According to several Costa Rican importers of automotive parts, good sales opportunities continue for virtually all categories of products in this sector. High quality, durability, availability and an assortment of vehicle parts, and fast delivery are the main factors for increasing U.S. sales of these products. Chinese-made products continue to be the second option for the Costa Ricans when importing auto parts.

Used and Remanufactured Automotive Parts

The Costa Rican Government does not impose any non-tariff barriers on the importation of remanufactured, rebuilt, and/or used motor vehicle parts. Costa Rican tariffs do not distinguish between used auto parts, rebuilt auto parts, or new parts. Tariffs on motor vehicle parts are calculated based on the c.i.f. (cost-invoice value, insurance, and freight) value. The above applies to all motor vehicle parts.

There are no quotas or limitations, nor special treatment or conditions on remanufactured, rebuilt, and/or used motor vehicle parts in Costa Rica.

There is a very strong preference for new automotive parts, although some end-users purchase used or remanufactured parts because of the price difference factor. Remanufactured/rebuilt parts are not considered to be either new or used, but are distinguished to be a third category. Between the remanufactured/rebuilt parts and the used parts, the preference in Costa Rica seems to be for remanufactured/rebuilt parts. Again, new parts are preferred and trusted as a first choice above either used or rebuilt.

The prospects for U.S. remanufactured parts suppliers is reasonably good. There is some reconstruction of used vehicle parts in Costa Rica for radiators, crankshafts, generators, brakes, clutches, and the like.

Trade Events

Expo Automotriz

May 30–June 1, 2014 • Belen, Heredia, Costa Rica • ***expoautomotriz.net***

Costa Rica's main event for auto parts and auto improvement distributors, featuring the latest products available.

ExpoMovil

February • Belen, Heredia, Costa Rica • ***aivemacr.com***

The largest trade show for new cars, motorcycle sales, and some accessories.

Croatia

Summary

Croatia is the former Yugoslavia's second largest vehicle market, both in terms of market share and number of vehicles per capita. Over the long term, Croatia therefore has significant market growth potential. In July 2013, Croatia became the 28th member of the EU, and since then all EU regulations are applied in Croatia.

There is no domestic vehicle production and Croatia relies on imports for its supply of passenger vehicles. Croatia does produce and ship engines and tractors—industries that could form the basis of a strong parts and components manufacturing sector in the future. Some firms have begun to acknowledge Croatia's potential for supplying the regional autos manufacturing sector.

Croatian new passenger vehicle sales as of end-October 2013 were down by 15 percent at 24,158 units. Looking on a monthly basis, passenger vehicle sales for the month of October 2013 were up by 10 percent at 2,194 units. Predictions are that the decline for whole year will be 12 percent at 27,597 units. Forecasts for 2014 see something of recovery.

There is a fairly even split between petrol and diesel engine vehicles, with 51.9 percent of vehicles sold over the first 10 months of the year being petrol engine and 48 percent diesel engine. Most new vehicles are bought in the region surrounding the capital, Zagreb. Vehicles in Croatia are in average 11 years old. Only four new electric vehicles were sold in Croatia over the January–October 2012 period.

Market Entry

Best strategy for companies that want to sell in Croatia is to find a local partner as distributor/agent or to establish representative office. Foreign vehicle manufacturers have representative office, while spare parts and vehicle cosmetics are mostly sold through distributors or agents.

Statistics

Capital:	Zagreb
Population:	4,475,611 (est. 2013)
GDP (est.):	USD 79.69 billion (2012)
Currency:	Croatian Kuna
Language:	Croatian

Contact

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Current Market Trends

Volkswagen remains the dominant player with a 4,141 vehicles (17.1 percent market share) during the first 10 months of 2013. Combined market shares of Volkswagen Group (Volkswagen, Audi, Porsche, Seat and Skoda) accounts for over 25 percent of all Croatian new passenger vehicle sales. In second place is Opel on 2,489 units (10.3 percent) followed by Peugeot on 1,773 (7.3 percent).

The majority of the highest selling manufacturers in the Croatian market are European (VW, Opel, Peugeot, Renault, Skoda and Citroen). However, the two Korean manufacturers Hyundai and Kia, as well as the US automakers Ford and Chevrolet are also represented within the top 10. Ford was 9th placed with sales at 1,012 vehicles (4,.2 percent) followed by 10th placed Chevrolet with sales at 912 vehicles (3.8 percent).

In 2013 there were 1,464,374 vehicles, compared to 1,483,532 in 2012.

There is scope for new vehicle sales in Croatia to grow at a more rapid pace, as the benefits of EU members hip (such as an influx of structural funds, greater levels of foreign direct investment and a likely boost to consumer and business confidence) combine to drive forward the economy, and by extension new vehicle sales forecasts predict 5 percent growth in new passenger vehicles sales per year from 2014–17.

Used Automotive Parts

Recession has caused decline in sales of new passenger vehicles, and made used vehicles more attractive. Furthermore, EU membership made process of purchasing used vehicles from EU countries more attractive because there are no import duties. It is important to notice that used vehicles are subjected to the same CO_2 standards as new vehicles.

Used vehicles market has approximately tripled the sales of new personal vehicles. It is estimated that 60,000 used personal vehicles were sold in 2012. It is expected that the sale of used vehicles will grow, but there is no statistical data available.

Main Competitors

Main competitors on Croatian market are mostly German (Volkswagen, Opel) and French (Peugeot, Renault) vehicle manufacturers, with two South Korean competitor—Hyundai and Kia. In terms of higher price vehicles, most preferred are German origin Audi, BMW and Mercedes-Benz.

Barriers

There are no trade restrictions on imports of vehicles and automotive components from the United States, other than import duties. However, U.S. imports face strong competition from

imports from the other European Union countries since automotive components produced in the EU can be imported into the Croatia duty-free.

Croatia entered European Union on July 1, 2014, and adopted the EU's common external tariff rates. Tariff assessment and all other customs procedures take place at the first port of entry into the EU. Value Added Tax (VAT) on all goods with Croatia as final address is paid to Croatia. VAT is now 25 percent on most products and services.

EU membership has also led to the abolition of import duties on used vehicles. This could now see greater numbers of used vehicles imported into Croatia, with the risk that Croatians will prefer to buy second-hand vehicles imported from elsewhere in Europe rather than new vehicles. However, the government has taken steps to curtail this threat by announcing new green taxes that are based on the amounts of CO_2 emitted by imported vehicles, as well as their price. In order to be sold in Croatia, all personal vehicles should comply with EU regulations which are mainly focused on CO_2 emissions. The European Union first introduced mandatory CO_2 standards for new passenger vehicles in 2009 (Reg (EC) 443/2009). Under the Regulation, average CO_2 emissions from vehicles should not exceed 130 grams CO_2 per km by 2015. The European Parliament (EP) and member state negotiators reached an informal agreement on new rules to achieve the 2020 CO_2 emission target of 95 g/km for new vehicles. Under the new agreement, which must be approved by both the European Parliament and Council to enter into force, 95 percent of new vehicles must meet the 95 g/km mandatory target by 2020, and 100 percent by 2021.

Available Market Research

- BMI Croatia Autos Report 2013

Czech Republic

Summary

Due to massive foreign direct investments in the last two decades, the Czech Republic and Slovak Republic have become the major car manufacturers in the Central/Eastern European region (CEE). Leading Czech automotive companies are SKODA AUTO/Volkswagen, Toyota-Peugeot-Citroen (TPCA), Hyundai, Tatra (trucks), Iveco and SOR (buses), and Zetor (tractors). While in its entirety the CEE region's automotive production has represented roughly 10 percent of global personal car production and 5 percent of utility vehicle production, the Czech vehicle production is as follows:

Production of Personal Vehicles, 2011–13

(Number of Vehicles)	2011	2012	2013
Skoda Auto/Volkswagen	673,127	656,306	639,889
Toyota-Peugeot-Citroen (TPCA)	270,705	214,915	185,124
Hyundai	251,146	303,035	303,460
Others	3	11	0
Total	1,153,483	1,174,267	1,128,473

Though the financial crisis hit the Czech automotive industry strongly, the production of personal vehicles fell only 3.9 percent, and bus production even increased by 14.4 percent (3,691 buses) in 2013.

Market Entry

Excellent opportunities exist for U.S. automotive suppliers interested in selling parts to local auto plants or to the aftermarket. However, tapping into local supply chains can be both a costly and time consuming process.

Statistics

Capital: Prague
Population: 10.17 million
GDP: USD 196.072 billion
Currency: Czech Crown (CZK)
Language: Czech

Contact

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Finding a good local partner is the key to successful entry into the Czech market. The quickest way into the market is to find a distributor with an existing distribution network that may welcome a new U.S. product that supplements an existing line. The best distributors work closely with their foreign suppliers to develop strategies tailored to the nuances of the local market, drawing on the distributor's knowledge of local pricing strategies, promotion techniques, and competition. In most cases, one distributor can provide coverage throughout the entire country for a related line of products.

Larger U.S. firms might want to consider establishing joint manufacturing facilities in the Czech Republic to provide Just-In-Time (JIT) inventory to large clients in the Czech Republic, or neighboring Germany, Poland, and the Slovak Republic.

The U.S. Commercial Service helps American companies explore business opportunities here. Due to the importance of building person-to-person relationships in this market, we recommend that U.S. executives visit Prague themselves, using CS assistance or by joining a trade mission. Executives may wish to combine their first visit to Prague with introductory visits to other nearby countries in the Central European region, such as the Slovak Republic, Poland, or Hungary. Please contact us for more information.

Current Market Trends

SKODA AUTO's goals have been to produce 1.5 million cars by the year 2018. Both TPCA and Hyundai have planned production increases, however, the crisis has put all these plans on hold indefinitely.

Used and Remanufactured Automotive Parts

Used

All motor vehicles to be registered in the Czech Republic must meet European and Czech technical and safety standards. Differences in American and European requirements can represent significant expanses to comply for all imported American cars. In addition, all new used car owners must pay an "ecological tax" for a future environmental-friendly disposal of CZK 5000 (USD 220) and emission-based fees (emissions stated by car's logbook):

Imported vehicle registration:

- Registration Fee—CZK 800 (USD 40)
- Mandatory Technical Checkup—CZK1500 (USD 75)

Ecological tax emissions limit/fee:

- Not complying—CZK 10,000 (USD 500)
- Comply with EURO 1—CZK 5,000 (USD 250)

- Comply with EURO 2—CZK 3,000 (USD 150)
- Comply with EURO 3—CZK 0 (USD 0)

Remanufactured

There are no trade restrictions on imports of cars and automotive components from the United States, other than import duties. Import duties on cars were lowered on January 1, 1999, from 18.1–17.1 percent for imports from non-EU countries and from 7.24 percent to 3.42 percent for imports from EU countries.

All auto-parts imported to the Czech Republic must comply with the criteria given by the producer of the car for which the part is to be used. It is the obligation of the importer to obtain these criteria from car manufacturers. If given criteria are met, Czech Government authorities have no special requirements as to whether the part is new, used or remanufactured; all receive the same treatment.

Most imported automotive parts need no approval before being sold in the Czech Republic, although some parts must meet EU standards and obtain approval from the Ministry of Transportation and Communications. These parts include active and passive safety equipment, such as safety belts, lighting equipment, mirrors, glazing, brake systems and exhaust systems. There are no quotas or limitations on these parts. Approvals can be only issued to a Czech entity—a subsidiary of a foreign firm or a Czech business partner. Applications should be addressed to the Ministry of Transportation and Communications.

Main Competitors

U.S. imports face strong competition from imports from the other European Union countries, since automotive components produced in the EU can be imported into the Czech Republic duty-free. Nevertheless, import duties on automotive components have been generally low, ranging from 3.0–6.3 percent. Some foreign auto-parts producers use this advantage and import components into the Czech Republic from their European production sites.

Current Demand

All official vehicle imports into the Czech Republic are registered by the Car Importers Association (CIA, ***portal.sda-cia.cz/?lang=en***), which is an association of official exclusive accredited importers of different vehicle makes. All imports, identified only down to the car manufacturer, can be found on their website.

Barriers

There are no trade restrictions on imports of cars and automotive components from the United States, other than import duties. However, American exporters must be aware that each new type of imported product is subject to certification for quality and safety in conformity with

the relevant EU regulations. The certification process requires that a sample from the planned import batch of the product be tested and approved by a notified body anywhere in the EU.

Trade Events

MOTOSALON 2014

March • Czech Republic • ***bvv.cz/en/motosalon***

The International Fair of Motorcycles, Motorcycle Accessories, and Clothing, organized by the BVV Trade Fairs Brno and the Car Importers Association.

MOTOCYKL 2014

March • Prague, Czech Republic • ***motocykl-praha.cz***

Exhibition of motorcycles, quad bikes, and accessories; international annual custom bike exhibition. Part of the official world championship of custom bike building organized by AMD.

Available Market Research

- Automotive Update for 2012
- Motorcycles 2013
- Alternative Fuel Vehicles 2013

Denmark

Summary

The Danish Automotive industry presents many opportunities for U.S. firms. The retail market shows a trend of growth despite a highly competitive market due to a large number of competitors, and a high threat of substitute transport methods from the well-developed public transport system and bikes. Denmark also has a small manufacturing sector, as well as internationally active suppliers of automotive industry related products. One of the new and upcoming subsectors is the electric vehicle market and its supporting industries, where Denmark's desire to be on the forefront of green technology makes it a market full of future potential. As a result, while the market has some obvious barriers to entry discussed below, it also presents a number of opportunities waiting to be explored.

Market Entry

It is recommended that the Danish market be entered through a Danish or Nordic distributor who knows the business environment and the distribution channels. In order to find the correct partner, the Copenhagen Commercial Service can help tailor a service that will help find the partner that fits individually based needs and preferences.

Current Market Trends

With the obstacles mentioned below, along with high oil prices, best prospects in the retail automotive market in Denmark lie within the small to medium sized personal vehicles. As gas prices average roughly USD 2.30 per liter, and with the high taxes on cars, combined with the high ceiling on the progressive income tax, most are reluctant to purchase new vehicles and consequently the average life of cars in Denmark is high.

Statistics

Capital:	Copenhagen
Population:	5,556,452 (est. 2013)
GDP (est.):	USD 213.6 billion (2012)
Currency:	Danish Krone
Language:	Danish

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Furthermore, as large tax breaks are given to people who purchase and drive electric cars, the Danish market presents a remarkable incentive for switching to electric cars. However, despite the ground being paved by firms such as tesla, E-on, and others in the industry, the electric market has yet to take a significant hold in Denmark creating opportunity for U.S. firms to enter the market.

Recently the market for these small to medium sized personal vehicles has been on the rise seeing roughly 7000 more cars sold in the period of January–November 2013, compared to the same period of 2012. This trend has been predicted to continue its positive growth trends in the foreseeable future.

Electric Vehicles and Supporting Industry

Denmark has a long tradition of being on the forefront of green technology, and continues to strive towards providing a better future for the planet. One of the effects of this focus is a keen interest from both the public and private sector in developing the EV market.

On the public side, Danish politicians and public institutions have devoted a number of resources, and provided several incentives to both consumers and businesses, in order to promote the development of the EV market. For example, the Danish government provides a number of significant reductions to fees imposed on cars in Denmark if they are electric, such as the complete elimination of the weight fee. Furthermore the government has recently announced that they will be subsidizing public, and private, electric vehicle projects to a value of USD 5.5 mil in the near future.

The private sectors interest is shown in a number of ways, as they are the ones who are in charge of the entire market ranging from the cars to the charging networks.

Denmark currently has 20 available electric car models on the market from a variety of producers such as Tesla, BMW, Renault and Volkswagen. 8 of those models were introduced in 2013, and another 8 models from Telsa, BMW, Nissan, and Audi are planned to join the market in 2014. Since 2010 there have been over 1500 registered personal electric vehicles in Denmark. Apart from the personal vehicle models there are also a number of vans, busses and other electric vehicles on the market vehicles.

To meet the "on the road" charging needs of the electric cars in Denmark, there are a number of "Elbil Operatører" (electric car operators) on the market, which control the charging station infrastructure.

Some of the key operators on the Danish market are Clever A/S and CleanCharge Solutions ApS, which each own their own networks of charging stations around Denmark. Another key player on the market is the newest entrant, E.on. E.on joined the market in September 2013 after the acquisition of the now bankrupt Better Places' over 700 charging stations in Denmark.

The Danish market for EV Charging Stations is one that shows a keen interest by international and domestic players, and the electric car market as a whole has the backing of both public and private sectors signaling a strong potential in the future.

Main Competitors

Denmark enjoys competition from the same brands as present in most of Europe, with brands from Asia, Europe and the United States. Some of the largest by sales volumes are Volkswagen, Ford and Toyota.

Within spare parts, OEM producers gain large profits. Aftermarket spare parts are also available and are sold through some retail channels as well as directly from some repair shops.

American products are generally perceived well, and as they are often competitive on price they should have a chance in the market place.

Current Demand

Over the past couple of years fuel economy has been a growing topic of concern for both private and corporate purchases of vehicles. This demand can be seen in trends of growth in the average fuel economy of cars which has gone up by 38 percent, or 6.1 km, on average from 2006–13.

Traditionally the Danish fleet has been comprised of older and smaller cars due to a reluctance to buy new cars. This means that the Danish market is open for aftermarket sales of spare parts and add-on solutions.

Barriers

The Danish Automotive market has several issues and obstacles that U.S. firms need to be aware of when entering the market. Some of the largest obstacles are the taxes imposed on vehicles, the existing alternatives to personal automotive transport, the density of competition in the market, and the high ceiling on the progressive income tax which leaves a smaller disposable income for purchasing vehicles.

The issue of taxes on vehicles is one that occurs both during the buying of the car as well as fees involved with owning the car. In Denmark there is an initial registration tax of 105 percent on the first USD 14,900 and 180 percent on the remaining price. On top of that there is a 25 percent VAT tax on the vehicles. Other fees to be considered in the market are the "weight tax" (electric cars are exempted), "fuel tax," and a "particle emissions tax."

The alternatives presented by the public transport system and the culture of biking mean that the Danish transportation market is not monopolized by the automotive industry. The competition provided by these alternatives help to further effects of the direct competition generated by dense local competition across the subsectors.

Trade Events

Transport 2015

March 19–22, 2015 • Herning, Denmark • ***transport2015.dk***

One of the largest biannual transportation trade shows in Denmark. The 2013 exhibitors list featured a wide variety of firms, including A/S Dansk Shell, Michelin Nordic AB, and Trafikstyrelsen (The Danish Transport Authority).

Available Market Research

- Sales trends within the automotive industry, compiled by Danmarks Statistik (***bit.ly/1jWaSIo***)
- Transport habits—a report by the Danish Technical University on the transport habits of Danes.
- Sales statistics from The Danish Car Importers showing statistics, 2007–13

El Salvador

Summary

El Salvador is net importer of vehicles, automotive aftermarket products and accessories. There are over 700,000 vehicles registered in the country; from which approximately 50 percent are concentrated in the capital city of San Salvador. U.S. products are well perceived and represent approximately 30 percent of the market share. In CAFTA-DR, the Free Trade Agreement that entered into force in El Salvador in 2006, most import tariffs for automobiles and light trucks are reduced in a 10 years phase.

Market Entry

There are no restrictions to import auto parts or accessories to El Salvador. Importers, distributors, and end users are receptive to U.S. automotive products due to their quality, warranty, and geographic proximity. Nevertheless, the industry is extremely price sensitive. Some products (such as cleaning products for cars) need to be registered at the National Medicine Directorate (Dirección Nacional de Medicamentos, DNM). Also, vehicles older than 8 years; and buses older than 15 years cannot be imported into the country.

Current Market Trends

The market for auto parts is divided in three: the private sector, the public transportation companies, and the government. Auto repair shops have an important role in decision making for purchasing parts and accessories for their clients in any of the above three categories of end users. The private sector includes all the consumers that provide maintenance to their vehicles as well as private and cargo companies that need their fleets working in the best shape possible.

Currently, 90 percent of used vehicles purchased in El Salvador are imported from the United States and are bought directly from salvaged car auctions to be

Statistics

Capital:	San Salvador
Population:	6.3 million
GDP:	USD 23.86 billion (2012)
Currency:	U.S. Dollar (USD)
Language:	Spanish

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repaired locally and then sold. These cars require continuous maintenance and replacement services. Mechanic and repair shops are frequently purchasing parts and accessories from local automobile parts importers, and equipment sometimes is imported directly for use in their shops.

Automotive accessories are a niche market in El Salvador. "Tuning" is now a term very well-known; this esthetic and engine modification of vehicles has become a true passion for many vehicle owners. In addition, El Salvador has a racing track, known as "El Jabalí, for vehicles and motorcycles which have 3.250 km of length, 10–12 meters of width, 46 pits, and a control towel of 6 floors. The track is recognized by the Automotive International Federation (Fédération Internationale de L'Automobile, FIA).

Public transportation companies own 13,700 vehicles. Currently, the Government of El Salvador is developing the first phase of the Metropolitan System for Public Transportation in the Metropolitan Area of San Salvador (SITRAMS) approximately 40 articulated buses will be imported from Brazil for this new system. The first phase of the project has been planned to provide transportation to 160,000 people daily and will be 7.2 kilometers long.

Used and Remanufactured Automotive Parts

Used

There are no restrictions on the importation of remanufactured, rebuilt and/or used motor vehicles parts. They are treated the same as new products. Import duties in El Salvador for new, used, and remanufactured parts range from zero to one percent. Duties are described in the Central American Tariff System (SAC) and enforced by Customs authorities. All products pay a 13 percent VAT.

Although, all automotive parts are treated the same as new parts, used, remanufactured and rebuilt parts are at a cost advantage. Unlike new parts, the importers of used, remanufactured, and rebuilt parts do not have to show an invoice from the manufacturer to calculate the 13 percent value added tax (VAT); VAT on this type of parts is estimated by customs authorities and is often underestimated, reflecting an import VAT tax benefit. Importers of new parts complain about this practice, claiming that many new parts are imported in used parts containers.

Remanufactured

Public transportation (buses) and heavy duty transportation (trucks) are the main end users of remanufacture parts. Remanufacturers also import and distribute new parts, some of which are used as replacement parts in rebuilt engines. The parts are mainly imported from the U.S., Mexico, and Japan. Remanufacturers explained that a good portion of their customers buy imported used engines locally and have them remanufactured. Approximately 15 remanufacturers exist in El Salvador, half of which are well known in the country and are aware of the Automotive Parts Remanufacturers Association (APRA).

The importation of rebuilt or remanufactured engines and parts in El Salvador is done by bus and heavy equipment distributors such as Caterpillar (tractor-trailers, construction equipment, and buses), Mercedes-Benz (buses), Navistar (International 7.3 engines for vans, buses, and Ford trucks) and MAN diesel engines, among others.

Remanufactured parts and used parts are sold through new parts distributors as well as through smaller shops in the city center. The primary parts distributors which sell used and remanufactured parts in many cases do not carry them as a separate line of products, but rather in packages. For example, a brake system kit might include a remanufactured spare part. Rebuilt or remanufactured parts which are in heavy demand in the country are brake and clutch systems, and engines for heavy duty transportation and imported used vehicles from the U.S.

Main Competitors

The Salvadoran market of auto parts is highly competitive; main competitors are: China, Japan, Taiwan, Colombia and Brazil.

Current Demand

The Salvadoran automotive sector was highly impacted by the worldwide recession in 2009 and has been recovering slowly throughout the years. According to the Salvadoran Association of Vehicle Distributors (Asociacion Salvadoreña de Distribuidores de Vehiculos, ASALVE), approximately 12,000 new vehicles were sold in 2013, representing an increase of 12 percent compared to 2012 statistics; however, the industry still hasn't achieve the growth of 2007. The country low economic growth is one factor that affects the industry.

There is no local production of auto parts and accessories. Salvadorans focus more on repairing and less in providing preventive maintenance to their vehicles; the importation of used and refurbished parts is becoming more common. Importation of used tires has been increasing over the years. In addition, poor maintenance of streets and roads; increase in environmental awareness; high prices of gasoline and diesel creates a need for auto parts and products to make engines more efficient.

Best prospect products: tires, accessories, engines, filters, accumulators, wheels, radiators, sound systems, alarms, mufflers, tire repair, electronic diagnostics, lubricants, tire balancing, compressors, clutches, steering wheels, batteries auto paint, shop equipment, lifters, cleaning products.

Barriers

There are no trade barriers for the importation of automotive products into El Salvador.

Finland

Summary

Finland, with a population of 5.4 million, had about 3.0 million passenger cars registered in 2012. In 2012, 111,251 passenger cars were sold in Finland. The drop from 2011 was -11.8 percent, which can be partly explained by higher taxation and economic downturn. 3,852 were directly imported from the United States, representing 3,46 percent of Finland's overall passenger car imports. However, the total number of U.S. passenger cars in the market is considerably higher due to U.S. car manufacturers' imports from the European Union (EU) area. In 2013, passenger car sales in Finland declines down to 103 450, which is 7 percent less than a year before.

Number of Automobiles Registered in Finland

Type of Vehicle	2011	2012	Change (percent)
Passenger cars	2,958,568	3,036,618	2.6
Vans	361,499	375,059	3.7
Trucks	122,673	128,080	4.4
Buses	14,185	14,885	4.9
Special vehicles	12,463	12,293	-1.0
Total	3,566,935	3,469,388	2.8

Source: Statistics Finland/Trafi

Market Entry

The technical requirements in EU regulations make it challenging to import non-EU vehicles into Finland. In Finland, the "single approval" is the only way to enter the market. However, it is time consuming and expensive, due to the

Statistics

Capital: Helsinki
Population: 5,266,114 (est. 2013)
GDP (est.): USD 250.1 billion (2012)
Currency: Euro (€)
Language: Finnish

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fact that many technical tests are required to prove that the vehicle meets EU requirements. The requirements inside "single approval" vary country by country in the EU. In Finland, EU approval is always mandatory for some vehicle parts, such as lights.

Current Market Trends

The most important factors for choosing and buying a new car for Finns are driving characteristics, appearance, durability, driving comfort, standard of equipment, and collision safety. The energy tax reform that was introduced at the beginning of 2011 favours fuels that contain biological components. Energy taxation on transport fuels is based on energy content and CO_2 emissions. This has encouraged buyers to choosing low-emission cars.

Due to weather conditions, the best sales prospects for automotive parts and accessories are all kinds of devices that improve traffic safety. Also car tax based on carbon dioxide emissions has raised consumers interest in buying more environmental friendly cars.

Breakthrough of electric cars will be postponed until future. Cold climate restricts the usage by shortening driving distance. Finland, Norway, Iceland and Sweden are developing a RekkEVide project to start testing electric cars in Nordic conditions.

The amount of diesel cars has been rising since 2008 together with import of used cars.

Outlook for sales on new and exchange cars is recovering and looks promising compared to year 2012, but the age of cars has been rising steadily in the past years. In 2012 it was 10,6 years as in 2011 it was 10,4 years. This has been due to the economic downturn but also to the fact that cars last longer.

The number of personal hybrid vehicles has grown in Finland in the past seven years from 360 in 2007 to 7317 in June 2013. Percentage wise it is still a low number, but it is getting more popular.

The sales of original equipment manufacturers' (OEM's) automotive parts and accessories are closely related to the sales of automobiles of these manufacturers. Since the United States market share of new cars sold in Finland is not significant, the same applies to automotive parts and accessories.

Used and Remanufactured Automotive Parts

Used

There are no restrictions or conditions placed on the importation of used motor vehicle parts in Finland. There are no quotas or limitations on used motor vehicle parts and no special treatment or conditions apply.

Remanufactured

There are no restrictions or conditions placed on the importation of remanufactured and rebuilt motor vehicle parts in Finland. Remanufactured parts are not treated differently from used parts. These conditions apply to all remanufactured, rebuilt, and/or used motor vehicle parts imported to Finland.

There are no quotas or limitations on remanufactured and rebuilt motor vehicle parts and no special treatment or conditions apply.

Remanufactured/rebuilt parts are considered used parts.

The same Customs fees applies to both used and new parts.

There is some remanufacturing of automotive parts performed in Finland.

Prospects for U.S. remanufactured parts suppliers are not too promising. According to the Finnish customs statistics, the value of U.S. motor vehicle parts (CN 8708) exports to Finland was € 26,8 million for 2012, representing a 39 percent decline from the same period in 2011. Customs fees range from 4–6 percent depending on the part. In addition to Customs fees there is a 24 percent value added tax (VAT) that applies to used motor vehicle parts.

Main Competitors

U.S. suppliers generally face strong competition from European suppliers. In 2012, Germany was Finland's number one supplier of passenger cars (27.6 percent), followed by the United Kingdom (13.8), France (8.8 percent), and Japan (5.8 percent).

Current Demand

Currently, imports of automobiles from the United States are about 3–4 percent of total imports. U.S.-made products, such as steering systems, brake systems and parts, transmission systems, chassis and body parts have some sales potential in Finland. Alloy wheels, accessories, chemicals and lubricants also have market potential in Finland.

As the market is developing, local experts mostly agree that the next products with increasing demand in Finland will be ATV (All-Terrain-Vehicle) aftermarket products. At the moment, there are only a handful of dealers who sell ATV equipment and supplies. Sales of products such as winches, tires and rims, and spare parts and supplies are expected to increase in the years to come.

Barriers

The adoption of a tax on passenger cars based on carbon dioxide emissions at the beginning of 2008 has turned out to be an effective method of guiding buyers of new vehicles to choosing low-emission cars. The guidance effect is the result of car taxation: the higher the CO_2

emissions, the higher the car tax. This explains the drastic drop of US made cars by -46 percent from 2008–09.

Car tax was raised by about two percent in Finland as of April1, 2012. The most significant change affected the tax rate schedule. In the new schedule, the minimum tax is 5 percent and the maximum 50 percent. The car tax raises the price of motor vehicles significantly in Finland. Its share of an average passenger car with average CO_2 emissions is about 25 percent of the retail price in 2012. For more information, please visit ***autotuojat.fi/en/taxation***.

Trade Events

Car & Garage

January • Helsinki, Finland • ***bit.ly/NBTkX4***

The latest information and expertise in auto repair; exhibits, presentations, and seminars.

Motorcycle Show

January–February • Helsinki, Finland • ***bit.ly/1igjuMG***

The largest motorcycle show in the Nordic countries. Riding gear, spare parts, and more.

American Car Show & Tuning Car Show & MC Heaven

April 18–21, 2014 • Helsinki, Finland • ***bit.ly/1ouN1jp***

Luxurious and historical American cars.

France

Summary

With 1.9 million registrations in 2012, and an estimated 1.8 million registrations in 2013, France should record a 6 percent decrease in passenger vehicle registrations. As of March 2013, Europe's top vehicle manufacturing countries have seen 18 consecutive months of decreasing vehicle registrations. The industry outlook is therefore very prudent for 2013, due to a reduction in the value of incentives for purchases of small and "green" vehicles and the economic situation in France and southern Europe as a whole.

Nevertheless, on a worldwide scale, French car manufacturers are much more successful. French automotive parts manufacturers accompanying OEMs in their global development also benefit from the high potential of emerging countries, allowing them to stabilize their turnover despite negative results in Europe. This tendency will continue in the future. However, the foreign production of vehicles by French or European OEMs does not cover the huge drop they are facing in domestic markets.

France Automobile Market, 2011–13

(USD Thousands)	2011	2012	2013 (est.)
Total Market Size	30,941	24,828	23,829
Total Local Production	33,953	27,068	32,903
Total Exports	29,073	25,317	24,297
Total Imports	26,061	23,077	22,148
Imports from the U.S.	717	662	672

Source: FIEV (French Vehicle Suppliers Association)

Fiscal year 2012 ended with French automotive equipment manufacturers posting sales of EUR 22.33 billion (VAT included) (USD 24.82 billion), representing a 13.4

Statistics

Capital: Paris
Population: 65,951,611 (est. 2013)
GDP (est.): USD 2.291 trillion (2012)
Currency: Euro (€)
Language: French

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percent year-on-year drop in sales from French plants. This reduction is equivalent to 2009 levels, the low point of the past twenty-five years. This is set within the context of a 12 percent decline in production of light vehicles in France. French car manufacturers are very much impacted by production overcapacity in southern Europe; it is an ongoing problem which also affects French automotive parts manufacturers.

Automotive suppliers are responsible for nearly 75 percent of the manufacturing cost of a passenger vehicle produced in France. The remaining 25 percent is attributed to assembly. French-based components suppliers provide 70 percent of their production to French car makers' operations in France or abroad.

In 2012, Original Equipment Manufacturers (OEM) auto parts sales were valued at approximately USD 17.6.billion, a 13.3 percent decrease compared to 2011. Sales to the aftermarket (Original Equipment Suppliers and Independent Automotive Market) decreased by 14.5 percent to total approximately USD 3.2 billion in 2012.

The 2012 French trade balance for automotive equipment ended with a EUR 1.74 billion surplus, representing a 19.8 percent decline from 2011, in which 2011 already suffered a 14 percent fall from 2010. As Europe (mainly Germany, Spain, Italy and the U.K.) remains France's principal foreign trade, with 80 percent in imports and 71.1 percent in exports, nevertheless, this is a decline of 6.1 percent and 4.5 percent respectively. This indicates that component manufacturers are increasingly supplying international customers with parts produced in non-European operations.

Outside of Europe, France's main clients are in China, NAFTA countries, Central and South America and Maghreb. France's main suppliers outside of the E.U. are in Japan, Maghreb and in NAFTA countries.

Exports to the United States were USD 812 million in 2012, a 10.9 percent fall from 2011. Imports to the United States account for USD 662 million, a 0.4 percent decline as well.

The main categories of automotive parts include included in these figures are: powertrain equipment (43.4 percent), vehicle interiors (26.8 percent), body components (14.7 percent), tire-to-road components (10.7 percent) and equipment for measurements, diagnostics and repairs (4.4 percent). This equipment is sold to the OEM market and the aftermarket, which includes the OES (Original Equipment Suppliers) and the IAM (Independent Market) markets.

Companies within the French Vehicle Equipment Industry are under pressure to achieve productivity gains in order to maintain competitiveness; therefore, significant rescaling of production has resulted in a decrease in workforce by 7.3 percent to 79,044 as of December 31, 2012.

Despite global growth in the light vehicles industry, primarily from emerging markets, the French market is unlikely to achieve an upturn in the short to medium term. This trend is

not specific to France, but also countries including Germany where manufacturers are also experiencing decreasing sales. 80 million light vehicles were globally produced in 2012, a 6 percent increase from 2011. This also set a new production record by percentage increase. Europe was the only geographic area that experienced a decrease (5.4 percent). France alone declined 12.3 percent between 2011 and 2012. Further detailed, the light vehicles market consists of passenger cars and light commercial vehicles. France experiences a 12.9 percent and 8.6 percent decline respectively between 2011 and 2012.

Market Entry

Participation by U.S. companies in French trade shows is one of the best means of finding customers in France and throughout Europe. U.S. manufacturers not yet represented in the European market, or those who wish to present new products, should consider exhibiting at international French trade fairs.

U.S. exporters must comply with EU and national legislation when it concerns type approvals of vehicles and parts.

- If the car component is covered by a UNECE (United Nations Economic Commission for Europe) Regulation, then it requires pre-market type approval and specific marketing ("e" marking). For more information, please visit ***bit.ly/NBTXjr***.
- If the product is not covered by a UNECE Regulation, then member state legislation may be applicable.
- For aftermarket components that need a source of energy, it could be regulated under 2004/104/EC (pre-market type approval) or 2004/108/EC (CE marking for electromagnetic compatibility and wireless function).
- Products which do not fit any of the above categories may fall within the scope of other EU legislation, depending on their components.

In France, the Standardization and accreditation body is AFNOR (***afnor.org/en***).

The French standardization system is based on a network of experts from all business sectors who sit on the different standardization commissions. Their role is to bring their expertise and knowledge to guarantee the quality. The standardization commissions are convened by 25 sector-based standardization bureau or by AFNOR, which is also responsible for overall coordination. On an international scale, AFNOR defends French interests as a member institute of the European and international standardization associations (CEN and ISO respectively). AFNOR's influence on these international groups is both technical and strategic, essential for French companies as 90 percent of French standards apply worldwide.

Standards are drafted by the sector-based Standardization Bureau (BNS) appointed by AFNOR, or by AFNOR itself in areas common to a large number of sectors or in sectors for which there is no approved BNS. Certification is pronounced by AFNOR for documents with standard

status. Their certification as French standards is attested to according to the level at which they were drafted by prefixes such as "NF ISO" (international standard applied in France), "NF EN ISO" (French standard of international origin applied in Europe and France), "NF EN" (French standard of European origin) and "NF" (purely French standard). The standards are published by AFNOR.

AFNOR provides an online directory of automotive standards at ***bit.ly/1igjWdN***.

TEC (Transatlantic Economic Council) principals identified in 2011 more focused cooperation on the development of globally-relevant, voluntary e-vehicle standards, global technical regulations in the UNECE, and battery safety and transport.

Testing Requirements

For further information on trade regulations, customs and standards please see the Country Commercial Guide for France 2013 (***1.usa.gov/1cytbUp***).

Labeling

Nearly every vehicle component must be certified for safety as specified under the various directives relating to automobiles. The number along with an '"E" shown in the rectangle on the label indicates the particular Member State in which the approval process was conducted. For France, the labeling is E4. A "base approval number" must also be provided adjacent to this certification. This four-digit number will correspond to the directive and type of device in question.

A similar marking is an 'E' surrounded by a circle, which applies to the testing of headlight lamps, brake light lamps and turning signal lamps of all vehicles seeking EU market entry. These include consumer vehicles, low-volume production trucks, light and heavy goods vehicles, trailers, motorcycles, cranes, agriculture and forestry tractors, and special-purpose and off-road vehicles.

A law of December 31, 1975 made the use of French compulsory in the designation, offer, presentation, and advertising(written or spoken) the user manuals, scope and warranty terms, as well as invoices or receipts.

Customs Duties and VAT

Custom duties for automotive parts and accessories imported from the United States to France are between 3 percent and 4.5 percent. See Parts and Accessories of the motor vehicles of headings 8701–8705 in the Commission Regulation (EC) No 1549/2006 for tariff rates (***bit.ly/1jWc3HX***).

No customs duties are levied on imports from European Union (EU) countries. As of January 1, 2013, the French value-added tax (VAT) increased from 19.6 percent to 20 percent. This VAT is applied to all imports, including European and French suppliers. Trade restrictions or other

non-tariff barriers (such as quotas) do not exist, but all equipment has to comply with French (and/or European) safety regulations and technical standards.

The Import Control System (ICS) was developed by the European Commission for the lodging and processing of Entry Summary Declarations (ENS), and for the exchange of messages between national customs administrations and between them and economic operators and with the European Commission. Further details are explained at ***bit.ly/1kB6H7J***.

Obligations related to ICS (Import Control System) come into force on January 1, 2011, at which time, operators were required to transmit the data requirements for the purpose of safety and security prior to entry into the European Union customs territory. Further information is available at ***bit.ly/1njrnQl***.

As of December 2013, discussions continue between the U.S. and the European Union on the TTIP Free Trade agreement (Transatlantic Trade and Investment Partnership). If an agreement is reached, it could result in a boost of exports of vehicles and parts for both France and the United States along with new job creation in the automotive sector.

Current Market Trends

At the end of 2013, Bolloré Group launched its BlueLy carsharing project in Lyon., France. This project essentially duplicates Paris' Autolib carsharing service that was introduced two years ago. Bolloré Bluecars are the "vehicle of choice" for Autolib in France. Paris carsharing service Autolib, the largest vehicle sharing service in the world that exclusively uses electric cars, completed two full years of operation. 40,000 Parisians currently subscribe to Autolib and almost all of them bought a 1-year subscription plan.

As of 2013, France was the leading electric car market by volume in Europe. It is worth noting that German EVs from BMW and Volkswagen are now available to German consumers. There remains a large EUR 6,300 cash incentive (USD 8,591) for buying an EV in France.

Aftermarket sales continue to make up approximately 16 percent of total automotive equipment sales in France in 2012 reaching more than EUR 2.5 billion (USD 3.29 billion). In this sector, powertrain equipment such as thermal engine equipment, engine components and transmission systems constitute 47 percent of all aftermarket sales. While most aftermarket product categories experienced a decline between 2011 and 2012, climate control components recorded steady growth. As electrical components in cars increases, following the EV market growth, the frequency and value of repairs in this segment will increase.

The market of remanufactured parts is also a potential growth sector. In effort to reduce costs, insurance companies are considering utilizing remanufactured parts over more expensive replacement parts. Opel has released a statement that the production of parts in remanufacturing requires less expensive raw materials, up to 85 percent less energy and generates less waste.

Used and Remanufactured Automotive Parts

The market for remanufactured/rebuilt/used parts is currently developing. This market is expected to grow as stricter legislation is put in place to limit final vehicle waste. Furthermore, in an effort to reduce costs, insurance companies are now considering utilizing remanufactured parts over more expensive replacement parts. Because of an increase in the age of cars currently on the roads in France, and budget restrictions that currently face the majority of French families, this initiative will help develop this market in the coming years.

Actors in this market must organize themselves in order to respond to European (and French) requirements regarding

- The "traceability" of the spare parts (manufacturing origin—on which vehicle—which model, which year, etc.)
- The quality of spare parts reused (controls put in place—if the part still match with security requirements DIR/2001/95/CE), 3) the capability to provide a 1 year guarantee to customers.

Altogether, the used and remanufactured spare parts market represents a turnover of 1.7 billion Euros in France. Remanufactured spare parts represent 70 percent of this turnover. It is approximately a market of 10 billion Euros in Europe (which represents 10 percent of the total spare parts market in Europe and 2 percent for France).

Since July 1, 2011, OEMs in France are legally required to have an end of life vehicle recycling network at their disposal, which is organized uniformly across the country. In partnership with different actors such as recycling companies, scrap yards, auto parts distributors, OEMs have created the INDRA organization. INDRA is a network of authorized ELV centers which meet legal requirements for the benefit not only of manufacturers, but also insurers, the French Government, regional local authorities and the general public. INDRA's management-distribution network ensures the effective handling of ELVs in the best possible environmental conditions as well as the resale of spare parts (***bit.ly/1mZDQfb***).

The remanufactured spare parts market is mainly dominated by Tier I auto parts suppliers (the same suppliers who manufacture new parts) such as BOSCH, VALEO, and ZF. These suppliers have started to develop their own network of used spare parts collection (in partnership with distributors of spare parts affiliated with their distribution network), which will allow them to reuse raw material and offer lines of remanufactured spare parts to customers. This system allows suppliers to benefit from an efficient spare parts recovery process which in turn permits the reuse of quality raw materials.

Some spare parts, such as starters, alternators and injectors, proposed by garages in France are for the majority remanufactured parts.

There are no restrictions or conditions placed on imports of remanufactured, rebuilt, and/or used vehicle parts in France. Remanufactured/rebuilt vehicle parts are treated as new parts. However, local actors are already implemented and fairly well-organized, which requires that U.S. remanufactured parts or used parts exporters, be highly price competitive to find success in this market.

Barriers

The main challenge for U.S. products when exporting to France is to go through the mandatory European approval and certification process.

Trade Events

EQUIPAUTO

October 2015 • Paris, France • ***en.equipauto.com***
Biannual. International exhibition of after-sales equipment and services for all vehicles.

SOLUTRANS

November 17–21, 2015 • Lyon, France • ***solutrans.eu***
Biannual exhibition of haulage and urban transportation equipment.

Germany

Summary

With more than 43.4 million passenger cars and 2.5 million trucks on German roads in 2013, Germany is the largest market in the EU for automotive products. Average annual employment in the German automotive industry in 2012 increased by 3.1 percent to 742,200. The automotive industry is still the most important manufacturing industry sector in Germany, accounting for roughly 20 percent of Germany's total industrial sales. Compared with the rest of Europe, the German passenger car market in 2012 proved very stable. New passenger car registrations totaled just short of 3.1 million. While private vehicle sales (38.2 percent market share) decreased by 8 percent in 2012 to 1.2 million units, business registrations (1.9 million) in remained stable and accounted for just under 62 percent of the total passenger car market.

In 2012, Germany's automotive industry generated about USD 441 billion (+1.6 percent) in annual revenue. The automotive parts and accessories sector accounted for USD 84.5 billion (-1.1 percent). Although vehicle sales in many European markets are decreasing, Germany's automotive industry is still expecting growth due to an increasing presence in foreign markets, especially in North and South America as well as Asia (China and India). German OEMs produced a total of roughly 13.6 million vehicles (+5 percent) worldwide in 2012, whereas 8.2 million vehicles (+11.5 percent) were produced in foreign markets/sites.

The German automotive industry has recovered quickly from the 2008 economic crisis due to its strong commitment to innovation and continuous investments in R&D, which accounts for approximately USD 24 billion annually. More than one third of total R&D-spending in Germany stems from the automotive industry and approximately 3,650 patents are filed each year. Many of the industry's technological advances and innovations are produced by suppliers and external engineering service specialists. Currently, much attention and resources are devoted to (not limited to) R&D of environmentally friendly technologies,

Statistics

Capital:	Berlin
Population:	80.5 million
GDP (est.):	USD 2.66 trillion (2012)
Currency:	Euro (€)
Language:	German

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lightweight materials and components, electronics and electronic components, telematics and infotainment, as well as safety and comfort & convenience technology.

Market Entry

U.S. exporters must comply with EU and national legislation when it concerns type approvals of vehicles and parts. The Federal Motor Transport Agency (KBA) is Germany's responsible body for road safety and type approval for vehicles and vehicle parts in Germany. For more information please contact U.S. Commercial Service Frankfurt.

Current Market Trends

In its annual report 2013, the German Association of the Automotive Industry (VDA) summarized a global trend that is especially true for German manufacturers and suppliers: "The German automotive industry is wherever the markets are." Facing a challenging environment and increasingly international markets, the German automotive industry responded with a twin-track strategy. In addition to its traditionally strong exports, expansion of foreign production is ever increasing. In 2012, German OEMs and suppliers produced over 13.6 million vehicles in more than 70 countries. With 8.2 million foreign-produced passenger cars, more vehicles were produced abroad than at home (5.4 million) for the third time in succession since 2010. While famous for its success as an export nation, Germany is also open for imports. Foreign-manufactured vehicles currently account for around a third of German new registrations (excluding vehicles from German OEMs manufactured abroad).

The change in the segment structure of the German market continued in 2012. Once again, the most dynamic group was the SUV segment (+28 percent in sales). Moreover, the number of vehicles with an alternative drive train (i.e. CNG, mild and plug-in-hybrids and battery electric vehicles) is also increasing. While absolute sales numbers are still low, growth rates show a promising outlook for this segment. As a response to strict regulation by the European Commission, German OEMs are starting to offer more and more low-/zero-emission vehicles in order to meet stricter requirements (emission cabs) for their fleets. Further indicators in support of increasing growth potential for vehicles with alternative drive train technology are an ever increasing cost of ownership due to increasing fuel prices, limited parking space in urban environments, a rising number of environmental zones (restricted access for older vehicles with high emissions), commitment by policy makers to increase the market share of zero emission transportation, as well as an overall positive image of environmentally friendly technology in the public.

Current Demand

Supplier companies whose OEM customers construct vehicles primarily for the Western European market must expect a difficult commercial situation due to the effects of the euro

debt crisis. The decisive factor for manufacturers and suppliers is to maintain a high level of innovation as a response to current challenges presented by structural changes in the automotive industry which resulted in a redistribution of the respective share of OEMs and suppliers in the value-creation chain.

Due to the nature of Germany's success as a leading automotive technology provider and its sophisticated market structure, access to Germany's various automotive sub-sectors is difficult. However, market opportunities exist for numerous technological innovations and applications. Due to increasingly strict EU regulation and policy, especially regarding emission control, opportunities arise as manufacturers and suppliers are adapting to the regulatory requirements. Consequently, new technologies and business models are developed, tested and implemented. Business opportunities exist especially in high-tech sectors such as new and lightweight materials and components, electronics and electric components, alternative drive technology and new vehicle designs, safety and telematics & infotainment, as well as innovative (urban) mobility concepts. Additionally, due to the expansion of international manufacturing, German OEMs are seeking to increase the share of local sourcing. Due to the importance of existing and future consumer markets in North and South America, opportunities for U.S. suppliers may arise with the expansion of manufacturing capacities by German OEMs in respective markets. However, selection of new suppliers is subject to an extensive pre-qualification process.

Limitations exist in the automotive aftermarket. It is difficult for U.S. companies to enter Germany's very sophisticated market, for warranty concerns as well as fierce global competition impose high barriers for NTM manufacturers and products. Opportunities are very limited especially for product groups such as lubricants, additives, care products, as well as certain mass market IAM parts and accessories. Most NTM companies should be prepared to make large investments in marketing and/or local sales staff in order to gain market shares, which will only be achieved through displacement of competitors. Distributors and agents are reluctant to take on new products and brands, unless the product's USP is strong and the foreign manufacturer shows commitment to invest in the product development in Germany.

Best prospects include:

- Power train and chassis
  - Lightweight and innovative materials
  - Emission control
  - Efficiency enhancing technology such as downsized and electric/turbo-charged engines
  - Clean diesel
  - Electrification of the drive train
  - Energy production/storage
  - Grid integration of battery electric vehicles
- Safety technology
  - Rear and front cameras
  - Adaptive control
  - Real-time monitoring
  - Collision warning
  - Usage data transmission
- Telematics and infotainment
  - eCall
  - Navigation
  - Car-to-x communication
  - HMI systems
  - Real-time traffic information
  - Connectivity and social media
  - Communication interfaces
- Comfort and convenience
  - Adaptive lighting
  - Driver assistance
  - Automated driving
  - Remote access
  - LED/ambient lighting
  - Laser technology
- Integrated mobility services and innovative business models
  - Car sharing
  - Peer-to-peer/ ride sharing
  - Integrated public transport
  - Multi-modal mobility platforms
  - Smart parking
  - Financial services

Trade Events

Tuning World Bodensee 2014

May 1–4, 2014 • Friedrichshafen, Germany • ***tuningworldbodensee.de/twb-en***
International exhibition event for car tuning, car lifestyle, and the club scene.

Automechanika 2014

September 16–20, 2014 • Frankfurt, Germany • ***bit.ly/1fbwL1a***
The world's largest trade fair for automotive parts and equipment, as well as workshop equipment and services.

IAA Commercial Vehicles

September 25–October 2, 2014 • Hanover, Germany • ***iaa.de/en***
The world's leading trade fair for mobility, transportation, and logistics.

International Supplier Fair (IZB) 2014

October 14–16, 2014 • Wolfsburg, Germany • ***www.izb-online.com/en***
The leading European trade fair for the automotive supplier industry.

eCarTec Munich

October 21–23, 2014 • Munich, Germany • ***ecartec.de/en/ecartec-munich***
International trade fair for electric and hybrid mobility, including powertrain and electronics, energy storage, energy and infrastructure, and electric vehicles.

Essen Motor Show 2014

November 29–December 7, 2014 • Essen, Germany • ***www.essen-motorshow.de/en/ems***
Features aftermarket parts and accessories, including tuners, rims, exhaust pipes, paint, films, and much more.

IAA Passenger Vehicles

September 17–27, 2015 • Frankfurt am Main, Germany • ***iaa.de/en***
A comprehensive automotive industry show for everybody who develops, manufactures, or uses passenger cars. Large supplier presence. Over 300 exhibitors.

Associations

- German Association of the Automotive Industry (VDA), ***vda.de/en***
- Association of Independent Distributors of Automotive Parts in Germany (GVA), ***gva.de***
- Federal Association of Manufacturers and Importers of Automobile Service Equipment (ASA), ***www.asa-verband.de***
- German Federation for Motor Trades and Repairs (ZDK), ***kfzgewerbe.de***
- German Engineering Association (VDMA), ***vdma.org/en_gb***
- German E-Mobility Association (BEM), ***bem-ev.de***
- German Electrical and Electronic Manufacturers' Association (ZVEI), ***zvei.org/en***
- Germany Trade and Invest (GTAI), ***gtai.de***

Guatemala

Summary

The Guatemalan market for automotive parts, accessories and service equipment continues to grow steadily. Over seventy percent of the vehicle imports into Guatemala in 2013 were used cars; the remaining estimated percent belongs to new car imports. In average, Guatemalans keep their automobiles for 5–7 years before purchasing a newer model. Because of the large number of used vehicles on the roads every day, there is a continuous maintenance and replacement services need in the Country. In 2013 a law to tax the first license was implemented. This discouraged Guatemalans to purchase new vehicles, or at least, not until they are accustomed to the new regulation. New vehicle importers said that they were not sure of reaching the 10 percent increase in new vehicle imports that was set at the beginning of 2013.

Market Entry

The most promising subsectors within the industry include aftermarket products such as:

- Bumpers
- Spoilers
- Tail lights
- Wheels
- Sound systems
- Alarms
- Tires
- Batteries
- Suspension kits
- Mufflers
- Filters
- Chips
- Exhaust systems
- Brakes
- Windshield wipers
- Spark plugs
- Wheel covers
- Steering wheels

Other promising products include service equipment such as:

- Lifts
- Tire repair
- Electronic diagnosis
- Tire balancing
- Compressors
- Equipment and tool

Statistics

Capital:	Guatemala City
Population:	14,373.427 (est. 2013)
GDP (est.):	USD 52.7 billion (2013)
Currency:	Guatemalan Quetzal
Language:	Spanish

Contact

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Several categories of products enjoy special preference among Guatemalan buyers if they are U.S. brands:

- Belts
- Oil
- Fuel and air filters
- Brake fluid
- Brake pads
- Shock absorbers
- Sealed beams
- Spark plugs and related cables

Current Market Trends

Security

The use of high tech security systems, alarms, GPS and others is growing in the market but at a very slow rate. It is estimated that only 3 percent of the vehicle market might have an interest in GPS systems.

Accessories and Customizing

Very popular, but extremely price sensitive. U.S. products are expected to compete with Asian prices in this niche. Car stereos, lamps, wheels are popular and manufactured in Asia.

Services

Guatemala is known for its labor intense auto shops and low labor cost culture, hence it looks like automated service shops, sophisticated equipment, consulting and services in general, is only for a very small percentage of the market which services high end customers. It seems that the Country will continue doing manual repairs and services for the near future.

Vehicle Types in Use

As of December 2013, there were 2,562,925 vehicles in the country:

- Buses, Microbuses—3.9 percent
- Cars—23.5 percent
- SUVs, panels, small vans—10.8 percent
- Trucks, cargo transportation—5.3 percent
- Motorcycles—33.7 percent
- Pick-ups—20.3 percent
- Tractors, mini-tractors—4 percent
- Jeeps—8 percent
- Other (industrial use, etc.)—1.5 percent

The number of vehicles that Guatemala imports has been increasing at 7 percent rate in the past two years.

It is a fact that the imports of motorcycles has increased in the past three years and expects to continue doing so. Indian and Asian brands enjoy the majority of share in this market due to competitive prices. Spare parts are then, a major necessity to cover this growing market.

In order to meet the demand of spare parts and accessories to cover the market it is interesting to understand who the major players in the Country are. Guatemala's vehicle park is dominated by Asian brands such as:

- Toyota
- Suzuki
- Hyundai
- Mitsubishi
- Nissan
- Kia
- Mazda
- Isuzu
- Bajaj

U.S. brands such as Ford, Honda, Chevrolet, International, Freightliner and Dodge are also players in the park and tend to grow in market share as they become more price competitive.

Main Competitors

Asian manufacturers are entering aggressively into the market with low priced products. Nearly sixty five percent of the cars circulating in Guatemala represent Asian brands followed by American and European brands. U.S. brands participation has grown, so this is a clear indication that U.S. brands continue to enjoy a good reputation and acceptance in the local market.

Current Demand

There are more than 100 spare parts and service agents in the country. Due to the large demand for aftermarket products and service tools and equipment, the majority of these agents and distributors, whether they are large size companies or a small entrepreneur, are always open to new alternatives to offer their customers. It is very important to note that this market is completely price driven and that Asian brands are well positioned in the market, so the innovative, unusual products are a good opportunity for US manufacturers as long as the prices remain competitive. Equipment is sold to local mechanic shops, service stations and gas stations.

Automotive parts importers have to keep up with the demand from local importers of used cars, who need parts to repair sometimes, severely damaged cars.

Barriers

There are no significant barriers for importing parts into Guatemala.

Hungary

Summary

Europe is the second largest region of vehicle and engine manufacturers after Asia, 3 percent of the European GDP is provided by this industry. Hungary is a proud member of this group. The market for automobiles in Hungary has robustly expanded since the mid-1990s. Hungary is home to major automotive components industry as well as to some assembly plants, which altogether run to approximately 10 percent of the GDP. Currently, there are 3.1 million passenger cars registered in Hungary with an average age of a little more than 12 years, so there is still a large growth opportunity in the replacement of the old vehicles. Although sales have dropped sharply in the past years due to the global financial crisis which impacted Hungary, too, demand for less expensive, smaller engine, compact cars looks promising. The automotive aftermarket also remains promising for U.S. exporters.

Market Entry

There are no special restrictions on the imports of remanufactured parts or used automotive products in Hungary and remanufactured parts are allowed to be imported without any quota, numerical or value limitations. Remanufactured trade prospects including potential sale of remanufacturing equipment and supplies in Hungary is also strong both for U.S. and non U.S.-made vehicles. The average import duty rate for used and/or remanufactured parts stands at 3 percent versus 3.5–4 percent on an average for other automotive products. For a rate of duty on specific automotive parts, the individual Harmonized Tariff Schedule number must be applied upon importation. In addition, while the rate of duty may be relatively low, additional taxes such as value-added tax and other local taxes (registration tax) may increase import costs substantially.

Hungary has adopted the EU's common external tariff rates since it joined the EU in 2004. Tariff assessment and all other customs procedures take place at the first port of entry into the EU. However, Hungary still collects the Value Added Tax

Statistics

Capital:	Budapest
Population:	9,939,470 (est. 2013)
GDP (est.):	USD 198.8 billion (2012)
Currency:	Hungarian Forint
Language:	Hungarian

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(VAT) on all goods with Hungary as a final destination. VAT is 27 percent on most products and services.

For imported cars, registration tax has to be paid for and it is obligatory to have a third-party liability coverage for all vehicles on the roads in Hungary. The amount of the registration tax depends on the environmental ranking of the car, the engine size, the type of fuel and the age of the car. The Environmental Product Fee (Green Tax) is applied on the production, sale, importation or intra-EU acquisition of certain items, such as lubricating oils, tires, cooling equipment and refrigerants, batteries, electric appliances and electronic equipment.

Current Market Trends

The vehicle manufacturing sector became a vital source of foreign direct investment (FDI) for the Hungarian economy at the beginning of the 1990s. The market, including the production of motor vehicles, associated parts, trailers and other transport vehicles, shares nearly 25 percent of the industrial output. A network of suppliers and components manufacturers has also developed and continues to expand, however domestic network is rather weak compered to the Western-European standards (Suzuki has currently an estimated 30 percent of domestic supply ratio, while Audi and Opel have 5 percent ratio each).1 Suppliers from the EU, the US and Japan have also established operations in Hungary, and thus Hungary became home to large automotive assembly plants such as Audi, Mercedes-Benz, Opel and Suzuki.

The years of 2008 through 2010 were the weakest business years of the crisis in the automotive industry`s point of view. It had a share of 45.4 percent within the sales of the processing industry while producing an added value of 2.8 billion EUR in Hungary.2 In 2013, the production output of the automotive industry increased by 12.3 percent in the first half of the year according to Central Statistical Office.3 Greenfield investment of Mercedes-Benz in Kecskemet, the enlargement of the Audi factory in Győr and the Opel factory in Szentgotthard represent are the three basic pillars of the development of automotive industry. Suzuki factory in Esztergom has also a siginificant role, it employs 2,800 people at present but the company can not utilize its production capacity. The projection of Opel Szentgotthárd involves production of 336 thousand diesel and gasoline engines. Further significant growth is expected in the Hungarian automotive manufacturing sector, the vehicle production capacity is estimated to increase by 525 thousand pieces by 2014.

Main Competitors

Foreign-owned domestic manufacturers dominate sales in the Hungarian automotive industry and about 95 percent of cars produced in Hungary are exported. On the market of newly registered passenger cars the leader is Opel with 16 percent share, followed by Skodal with 14.3 percent and by Ford with 13.7 percent in 2013. Based on PwC survey the average price of cars sold was HUF 4.4 million in 2012.

Current Demand

There are a little over 3 million cars registered in Hungary, a number which has continuously increased in the past years (it would take about 56 years for the 3 million cars in Hungary to be exchanged for new ones). The ownership still remains well below the levels of EU27 countries. Hungary is considered a one-car market, with most households keeping a single car to serve the needs of the entire family (30 cars per 100 people). Small and medium-sized cars dominated sales before the global financial crises, eighty percent of cars sold in Hungary are either in the compact class, or in the lower medium class. At the beginning of 2013, small car segment declined by 24.1 percent and executive car sales dropped by 23.11 percent while the most significant improvement was registered in sport cars with 16 percent and SUVs with 24.7 percent increase.

In 2013 56,500 new cars were registered in the Hungarian market, which shows a 7 percent increase compared to the 53,639 registered new cars in 2012. This is a significant improvement which puts Hungary into the leading position in the European Union. The Hungarian market differs from the European average regarding the use and favour of car brands. The most significant growth in sales was achieved by Opel, Suzuki and Fiat in Hungary but these brands show rather a decreasing tendency in other European countries. On the other hand, Ford and Skoda are the leading models among sales to businesses. The Hungarian Vehicle Importers Association (MGE) is forecasting a 10 percent growth in sales in new cars for 2014.

Less expensive, gasoline engines dominate the market: while in Western Europe about half of all passenger vehicles are diesel powered, in Hungary this share is only about twenty percent.

There are roughly 147 000 motorcycles in Hungary and mopeds account for over 50 percent of the market. In the past years the sales of the market declined dramatically due to the crises, but the decrease has been showing slower tendency in 2014. The leading brand is Suzuki. The average age of motorbikes in Hungary is over 10 year and is predicted to remain far above the EU average, ensuring strong demand for spares and maintenance services. Performance and tuning parts make up a growing, but still relatively small part of aftermarket sales.

Practically all of the major international oil and gas manufacturers—such as Shell, Agip, OMV, Lukoil and Avia—own and control filling stations in Hungary selling their own automotive maintenance products. Engine oil is the largest segment in the lubricants market followed by gear and hydraulic oil.

Barriers

Products have to comply with European safety regulations and technical standards.

The metric system of weights and measures is standard in Hungary.

Trade Events

AMTS—Auto, Motor and Tuning Show

March 21–23, 2014 • Budapest, Hungary • ***amts.hu/en***

Hungary's main automotive event. The season-opening festival fills five pavilons of Budapest Fair Center, Hungary's largest exhibition venue. More than 1,000 unique exhbited vehicles of 11 countries on 80,000 m^2 of exhibition space.

India

Summary

India's automotive industry is one of the most significant and fast growing sectors of the economy, averaging 20 percent annual growth. The growth is driven by a young population and an expanding middle class with a currently low, but rapidly growing rate of motor vehicle ownership. The automobile and components industry is a priority sector for the Government of India (government of India). The government of India projects the market will reach USD 145 billion by the year 2016. Indian agents and distributors actively seek opportunities to market U.S. technologies in the domestic market.

Market Entry

U.S. companies in the automotive industry could be in an advantageous position due to brand recognition, quality of products, and superior technology.

In the automotive manufacturing sector, several U.S. firms such as Ford have captured sizeable market share and have expanded successfully throughout the country. Their success has been based on low manufacturing costs, adaptability of products to Indian market preferences and brand image.

In the auto component sector there is a high demand for imports of gears, gear boxes, gear axles, ball screws, drive axles with differentials, radiators, clutches and parts, speed changers including torque converters, engines used for propulsion, mounted brake linings, and other engine parts. In this sector, U.S. companies have an advantage over third country firms in terms of technology and brand recognition, and could be very successful if they enter the market with competitive prices.

In the automotive aftermarket, U.S. companies have vast potential for growth. Currently, this sector is highly unorganized and there are no major national retailers for aftermarket products. The booming demand for aftermarket products

Statistics

Capital:	New Delhi
Population:	1,220,800,359 (est. 2013)
GDP (est.):	USD 4.761 trillion (2012)
Currency:	Indian National Rupee (INR)
Language:	Hindi, English

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could be satisfied with U.S. superior technologies, high quality products and brand recognition if the prices are adequate for the Indian market.

Some of the specific trends in the aftermarket business in India include:

- Growth in vehicle sales, vehicle population, replacement parts and aftermarket products
- Huge demand for vehicle servicing, repairs and maintenance
- Non vehicle manufacturers are getting into automotive service business
- Branded service networks being set up both by vehicle manufacturers and other players
- Fuel stations adding to the servicing and aftermarket network
- Expansion of service networks by vehicle manufacturer
- Increased customer awareness on vehicle maintenance
- Emergence of one-stop-shop for vehicle owners to meet their needs like servicing, spares, accessories, insurance, warranty, etc., under one roof

It is crucial for U.S. firms to maintain competitive prices vis-à-vis other domestic and international players while entering the Indian market.

Current Market Trends

In the year 2012, India produced 20 million vehicles, making its passenger car and commercial vehicle manufacturing industry ranked at 157th in the world in terms of vehicles per capita. Therefore, opportunities in automotive industries will continue to grow, and it is estimated that by 2016 it will reach the USD 145 billion mark.

India is also the world's largest small car producer and the 3rd largest exporter of passenger cars in Asia. The main Indian players in this industry are Tata Motors, Maruti-Suzuki, Mahindra and Mahindra, Eicher Motors, Force, Hindustan Motors, Premier, and Asia Motor Works.

A mature Indian automotive industry sector has been expanding via local manufacturing. Several leading non-U.S. players include Hyundai, Suzuki, Mitsubishi, Toyota, BMW, Nissan, Volkswagen, Skoda, Mercedes Benz, Fiat, Renault, and Volvo, which compete with local companies. U.S. firms with the biggest presence in this market are Ford, General Motors, and Chevrolet.

To support and sustain the anticipated growth in the automotive industry, the government of India launched the "Automotive Mission Plan (AMP), 2006–16." According to the plan, the government of India has accorded the highest priority for the automobile and components industry sector.

The AMP envisions that India emerges as the worldwide destination of choice for the design and manufacture of automobiles and auto components by 2016. The plan also projected

the sales revenue of the automotive sector reaching USD 122–159 billion by 2016 from USD 34 billion in 2006. The government of India allows 100 percent foreign investment in the automobile and parts industry. The AMP is also a clear sign that the government of India considers the automotive sector of the most significant, and that U.S. companies could benefit from the unprecedented growth of this industry.

Main Competitors

U.S. firms successfully compete in the maturing Indian automotive industry, which has been expanding via local manufacturing. Main domestic competitors are Tata Motors, Maruti-Suzuki, Mahindra and Mahindra, Eicher Motors, Force, Hindustan Motors, Premier, and Asia Motor Works. Competing non-U.S. firms include Hyundai, Suzuki, Mitsubishi, Toyota, BMW, Nissan, Volkswagen, Skoda, Mercedes Benz, Fiat, Renault, and Volvo. As the automotive manufacturing market matures, it is expected that the areas of opportunities for U.S. companies will be in the automotive components, automotive aftermarket and green technologies. Global automobile manufacturers including Ford, General Motors, and Toyota have set up their international purchasing offices in India to source components for their global operations. India is also fast becoming the global hub for automotive R&D center. General Motors, Daimler Chrysler, Bosch, Suzuki, and Johnsons Control, among others, have set up their development center in India.

Current Demand

The market is so large and diverse that a large number of players can be absorbed to accommodate buyer needs. The auto component sector not only has global players looking to invest and expand but leading domestic component companies are also pumping in huge sums into expanding operations. An auto park is coming up near Hyderabad with investments worth over USD 409.30 million from around 34 automotive ancillary units. This is in addition to a USD 245.59 million Greenfield project being set up by MLR Motors near the park. To cater to these upcoming investments and projects, all technology focused products for the OEM segment is expected to be in great demand in the country.

Indian automobile companies are also looking for products and technologies to improve fuel efficiency and emission standards. The GOI is considering implementing tough safety and security norms for the vehicles manufactured in India, leading to opportunities for safety products such as car protection during collision, etc. Once government initiatives on vehicle safety regulations are implemented, rapid growth in the safety electronics segment is also to be expected, offering opportunities for U.S. safety system manufacturers. The electric and hybrid vehicle market is another segment offering opportunities for the U.S. suppliers.

The aftermarket is not well organized and aftermarket companies are scattered throughout the country. They are usually small-sized traders selling products to end users and retail customers. Major trading companies import products from neighboring countries and distribute them to the retail segment. The Indian aftermarket companies deal with a range of automotive

products manufactured in the country and/or imported from neighboring countries in the region. Price, rather than performance, is the major factor in retail purchase decisions. India is an extremely price sensitive market. There will be opportunities in the aftermarket segment if the U.S. companies adjust their price accordingly.

Indian automobile manufacturers continue to import critical components and systems from foreign companies. According to a report by The Automotive Component Manufacturers Association of India (ACMA), imports of auto components reached USD 6.8 billion, amounting to 35 percent of the component industry turnover. Gears, gear boxes, gear axles, ball screws, drive axles with differentials, radiators, clutches and parts, speed changers including torque converters, engines used for propulsion, mounted brake linings, and other engine parts are major items imported in the country. ACMA projected that the imports of critical components will continue for the next several years.

Barriers

U.S. companies seeking to enter the Indian automotive market could face a variety of institutional, infrastructure and legal challenges:

Import Duties

U.S. exports for the automotive industry (vehicles, components, aftermarket) will face high import duties (80–120 percent) from the GOI.

Tax Structure

Indian tax structures for the automotive industry vary on a state-to-state basis. Therefore, it is vital for U.S. companies to be cognizant of the particular taxing system of each state in which they wish to operate.

Weak Infrastructure

In India, airports, ports, railways, and roads are not at pair with the infrastructure conditions in the U.S. Numerous major cities are not interconnected through highways, the number and quality of ports is poor, and transportation costs between regions could be extremely high. It is important for U.S. firms to be mindful of possible infrastructure and logistical voids before operating in India.

Legal

The Indian legal system greatly differs from the U.S' in terms of content, speed and accuracy. For instance, cases involving U.S. companies can take up to decades to resolve, if they do not get lost in the system's bureaucracy. Furthermore, international arbitrage decisions are commonly violated by Indian businesses, sometimes without negative consequences for

the local firm. Therefore, it is vital for U.S. companies to be extremely aware of the state and central legal systems in India, and to find reliable partners to avoid legal issues. In addition, all U.S. firms must abide by The Foreign Corrupt Practices Act of 1977 and make it clear to Indian counterparts that might not be aware of this federal law.

Intellectual Property Rights (IPR)

IPR violations are common in India and poorly penalized. This issue can be problematic mostly for firms in the automotive aftermarket, which would not like their products to be easily copied or pirated. Therefore, U.S. companies should be aware of this issue and devise strategies to avoid the negative effects of IPR violations.

Currency Fluctuations and Fuel Prices

In 2013, the U.S. Dollar significantly appreciated against the Indian Rupee. A weaker rupee meant a sharp decrease of Indian imports, including imports in the automotive market and aftermarket. Simultaneously, rising import prices propelled numerous firms in various industries to manufacture their products in India. Fuel prices could also have a positive or adverse effect in the automotive industry. For instance, on August 2013 the Indian car market suffered a historic drop in sales of 19 percent. However, this drop in sales is expected to be part of a broader cycle which will eventually show market grow in the upcoming years.

Trade Events

Automotive Testing Expo 2014

March 19–21, 2014 • Chennai, India • ***testing-expo.com/india***

Over 120 exhibitors. Technology covering test simulation, NVH analysis, engine/emissions testing, vehicle dynamics testing, materials testing, and every aspect of automotive test and evaluation.

Autoserve 2014

November 14–16, 2014 • Chennai, India • ***ciiautoserve.in***

Garage equipment including cleaning systems, engine tuning, repair and maintenance tools and equipment, paint booth manufacture, accessories, and more. Featured pavilions for tires, batteries, accessories, and decorations, as well as auto part products and services.

Israel

Summary

The Israeli automotive industry is solely dependent on European and Asian imports having no manufacturing base of its own. Industry sources predicted that from 2011, the number of motor vehicle deliveries would average 240,000 units per annum, but this has not materialized. In 2013 only 225.297 units were delivered, an increase of 9.9 percent over 2012. Of the 2.6 million cars on Israeli roads, U.S. market share has remained flat at 3.2 percent, but U.S. manufacturers are making serious inroads in the market place with the introduction of smaller more fuel efficient vehicles such as the Ford Focus. The bulk of vehicle imports come from Europe (46.9 percent) and Asia (38.2 percent)—South Korea 19.2 percent and Japan 13 percent (Turkey 11.6 percent).The top four brands in Israel are Hyundai, Toyota, KIA and Skoda. The average age of vehicles is 6.9 years and rate of motorization 342.4 vehicles per. 1,000 residents.

In April 2013, the Israeli government approved the Ministry of Transportation's proposal to adopt the Zelekha Committee recommendations from 2012, which sets out regulations governing the operation of parallel importers that are unassociated with the vehicle manufacturers, and the sale and trade of used vehicle parts. The new bill also allows personal importers the possibility of importing up to 20 vehicles a year including vehicles that have already been registered overseas, and temporary regulations (until 2015) which allows a business or individual to import two vehicles a year for business or personal use.

Despite the Ministry of Transportation's efforts to reduce costs, the cost of car ownership has been steadily rising in Israel. It increased by an average of 0.5 percent every year between 1999 and 2009, and now averages NIS 1,458 (USD 394) a month. Part of the reason costs are so high, are the high taxes on vehicles and gasoline, and the high cost of replacement parts and repairs. Despite OECD directives, taxes on new cars in Israel are among the highest in the world (83 percent) and 18 percent VAT, which industry sources blame as the main factor

Statistics

Capital:	Jerusalem
Population:	8.1 million
GDP:	USD 274.5 billion
Currency:	Israeli new Shekel (NIS)
Language:	Hebrew

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preventing the car market from reaching its full potential. In 2009, the Israeli government introduced tax incentives on imports of electric vehicles and hybrids in order to help reduce carbon emission gases, but in a move to raise declining state revenues, the Ministry of Finance has "raised the bar" on discounts allowed for more fuel-efficient "green cars," meaning cars that previously qualified will no longer qualify under the new regulations, further raising the price of cars.

Market Entry

Partnering up with a reputable local representative who has excellent contacts in the industry, proven reliability, loyalty, technical suitability and after-sales service capability is a key factor to success in selling and maintaining a continued presence in the Israeli market. U.S. companies need to be aggressive in their pursuit of business opportunities and maintain an active in-country presence.

The most common approach used by exporters is to obtain a local importer/distributor. Distributors will import on their own account, carry sufficient stock to satisfy ongoing demand or to use for demonstration, maintain their own sales organization, supply spare parts and maintain a service division, if applicable.

Current Market Trends

Israel's Green Tax reform went into effect on August 2, 2009. The reform sets tax incentives aimed at reducing vehicular air pollution. The reform comes in the wake of the recommendations of a Green Tax Committee, which included representatives of the Ministries of Finance, Transportation, National Infrastructure and Environmental Protection.

The tax reform largely relates to changes in purchase taxes imposed on new motor vehicles weighing less than 3.5 tons. For the first time, tax rates on vehicles will be linked to the level of pollution emitted by these vehicles. Relatively clean vehicles will enjoy a significant tax benefit and lower sales prices while polluting vehicles will cost more in the wake of the reform.

The tax group of each vehicle model is based on:

- Air pollution testing of each car model before it is approved for use in Israel, or in Europe or in the United States. The test results provide information on the following pollutant emissions: carbon monoxide (CO), hydrocarbons (HC), nitrogen oxide (NO_x), particulates (PM) and carbon dioxide (CO_2).
- Factoring of the emission data of each model by means of a "green grade." The grades are divided into 15 groups of pollution that form the basis for tax credits, with group 1 representing the cleanest vehicle group and group 15 the most polluting.
- Setting the tax benefit for each group according to its pollution level. The tax benefit is granted after uniform taxing of all vehicles at a rate of 90 percent (except hybrid cars and

electric cars). The rate of benefit ranges from 15,000 shekels (USD 3,950) for relatively clean vehicles to 0 shekels for the most polluting group.

The new tax structure will make cleaner and smaller cars less expensive by thousands of shekels, while the cost of polluting cars will increase significantly in order to incentivize the public to purchase more environment friendly cars. Taxes will go down for most of the smaller family cars that cost up to 120,000 shekels (USD 31,600), the benefit of which, the Taxation Department. Hope will flow to the consumer.

Used and Remanufactured Automotive Parts

Israel's Ministry of Transportation (MOT) authorizes imports of remanufactured rebuilt, and used motor vehicle parts on a case by case basis. For critical automotive systems components including steering systems, braking systems, and drive train, the MOT will authorize only imports of new parts. Even for new parts, only from its list of specific manufacturers may those parts be imported. MOT considers remanufactured and reconditioned parts as used.

Israel's parts remanufacturing industry is active and well-developed. Workshops all over the country specialize in repairing and rebuilding parts for vehicles on the roads. A criminal network of auto thieves and so-called chop shops in the Palestinian areas also adds to the supply of used auto parts both in Palestine and Israel.

U.S. suppliers of remanufactured, reconditioned, and rebuilt auto parts face daunting challenges in Israel's market. The MOT approval process restricts imports and helps foster a strong domestic remanufacturing business sector. Prospects for rapid growth of U.S. exports in this sector are dim.

Main Competitors

The majority of cars in Israel are from Europe and the Far East. Israelis in general and leasing companies, in particular, that are the main buyers, prefer compact, reliable and fuel efficient vehicles. With it has come a flood of Asian made aftermarket products, which are far cheaper than American and European products. Historically these products were far more inferior but over the years their quality has greatly improved making it more difficult for American products to compete in this very price sensitive market.

Current Demand

Israeli importers are always on the lookout for quality products at competitive prices—usually in that order. Market demand is greatest for:

- Car security and anti-theft devices—anti-theft electronic systems, locking devices
- Car body—bumpers, radiator grills, hood and trunk lids, wings, front and rear lamps (i.e., the parts most vulnerable in car accidents)

- Service parts—disc brake pads, shock absorbers, front suspension parts, filters for oil and lubrication, air conditioning parts
- Replacement service parts—tires, fan belts, water hoses, water pumps, brake components, engine and transmission components, electrical components, undercarriage items that need replacing at the end of the warranty period
- Vehicle accessories—car care products, polish, wax, upholstery spray
- Water-coolants (Glycol) for radiators
- Electronic accessories—TV screens for the rear seats, GPS systems, sound systems etc.
- Universal lubricants—well-known brand names of high-grade oils, lubricating, glycol, wax. The market demands well-known brand names

Barriers

Despite the existence of an FTA between the United States and Israel, American products still encounter non-tariff barriers, which limit the use of American made OEM products to vehicles made according to U.S. standards In recent years, after-market products are now being accepted without hindrance on the basis of certificate of origin and manufacturers' declaration. CS Israel and the U.S. Trade Representative are engaging the Ministry of Transportation in an effort to reverse remaining restrictions on American made products.

Italy

Summary

Italy is one of the main European markets for cars, light commercial vehicles, and motorcycles.

Italian Automobile Market, 2011–12		
(Number of Vehicles)	2011	2012
Cars	1,765,000	1,403,000
Light commercial vehicles	195,000	133,000
Mopeds <50 cc	74,000	52,000
Motorcycles >50 cc	260,000	206,000

Market Entry

Participation in Italian trade shows is one of the best ways for finding customers, agents and distributors. U.S. exporters need to comply with both European Union (EU) and Italian legislation. Italy applies the CCT (Common Customs Tariffs of the EU), which generally is in the form of ad valorem duty rates.

Current Market Trends

Italy is one of the largest European markets for the automotive sector. In 2012 new vehicles' registrations accounted for 1.53 million vehicles (1.4 million cars); vehicles' stock totaled 42.4 million vehicles (37.1 million cars) and production equaled 672,000 vehicles (397,000 cars).

Italy is a leader in the use of LPG and methane fuels. Many car models are bi-fuel (gasoline/LPG or gasoline/methane). The hybrid and electric markets are growing, albeit slowly: 29 hybrid models (98 versions, including the Cadillac Escalade) and

Statistics

Capital: Rome
Population: 61,482,297 (est. 2013)
GDP (est.): USD 1.813 trillion (2012)
Currency: Euro
Language: Italian

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13 electric models (33 versions) including Chevrolet Volt, Ford Focus Electric, Tesla Model S and Tesla Roadster, are sold in the market.

Sales of new vehicles dropped in 2013 compared to 2012. The market for used vehicles declined too. The impact of the economic crisis severely hit both the passenger and the light commercial vehicles sectors. At the same time, the new national, and regional, 'environmental' financial incentives are mainly supporting the purchase of new, less polluting vehicles to reduce both pollution and the economic impact of the crisis on the automotive sector.

Used and Remanufactured Automotive Parts

Used

Information on this market is scarce. The EU Directive 2000/53 relative to out-of-use vehicles, has been implemented in the Italian law by decrees 209/2003 and 205/2010, and allows the trade of used spare parts recovered when vehicles are dismantled. If spare parts impact the vehicle's safety (brakes, steering wheels, suspensions, transmission), their trade is allowed after making their servicing as stated by the Italian Road Code.

The servicing of the component is done by the shop that installs the component itself. The shop is fully responsible of the revision operation. The warranty for used spare parts is limited to one year, whereas new parts have a warranty of two years.

Remanufactured

Imports into Italy of remanufactured, rebuilt and/or used motor vehicle parts are subject to the same rules and requirements applicable to new equipment (such as, the placement of the 'CE' mark, when required).

In Italy, there are neither restrictions nor conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts. Remanufactured parts are not treated any differently than used parts. This applies to all motor vehicle parts. There are no quotas or limitations on these parts nor are they subject to special conditions. The practice of remanufacturing/rebuilding motor parts in Italy has existed for the past 25 years.

Autopromotec 2013, the major international exhibition of automotive equipment and aftermarket products, reconfirmed the trend of remanufactured original parts. Their use continues to spread also in delicate components like those in steering and brake systems: pumps, calipers, cylinders as well as electric steering columns and electromechanical steering boxes. Also particularly flourishing is the turbocharger segment that has not suffered from the crisis thanks to the technological evolution dictated by the Euro directive. Here, too, as well as new turbochargers there is a vast range of remanufactured components that cost half as much as a new part. Not to mention remanufactured engines: booths at the Bologna fair also displayed remanufactured valves for exhaust gas recirculating (EGR) systems. There is a very

good reason for this development: for end-users, on average remanufactured part costs 60 percent less and the quality is totally comparable with a new part.

Helped by the economic situation and slower renewal of vehicles on the road, the demand for remanufactured car and truck parts is growing constantly. The economic crisis has slowed down renewal, especially for commercial and industrial vehicles, the average age of which has increased in the space of five years from 5.3–6.3 years and, in parallel, there are older vehicles in circulation.

Following a 2013 speech by Fernand J. Weiland, APRA Europe President, on "Automotive Regeneration in Europe," it appears that in Italy remanufacturing activities are performed by some companies that are extremely professional, which coexist with other less professional businesses. Italian consumers are still skeptical about remanufactured parts offering the same warranties as new parts, since the former may not accomplished accurately and do not meet the expectations. Today remanufactured parts are proposed directly from vehicle manufacturers thanks to a better capacity of companies to renew products and to a lower cost. Moreover, the laws on environmental safeguard, have played a major role as well as the number of available models.

Requirements for more frequent periodic compulsory motor vehicle inspections is expected to stimulate sales of new spare parts and components and, by extension, sales of remanufactured/rebuilt quality parts (especially on older vehicles).

It should also be noted that past government incentives for the purchase of new motor vehicles in exchange for the scrapping of cars over 10 years old created a surplus in spare parts. Used/remanufactured parts at lower prices, therefore, are also more readily available.

Companies Involved in Remanufacturing

There are currently approximately over 200 companies remanufacturing or rebuilding automotive parts/components in Italy. These include large companies that both produce mainly new parts/components and refurbish used parts as well as smaller 'shop-type' companies that specialize in remanufacturing.

It is interesting to notice that Fiat Industrial's offer of remanufactured parts, initially composed of engines and transmissions, has been expanded over time to include turbines, cylinder heads, starter motors and alternators, in addition to injectors and pumps, power units and hydraulic components, and now includes a/c compressors, brake pumps and linkage components; product families which the market seems to guarantee considerable potential for development.

Trends in Repairing Automobiles

In 2012, Italians spent 26.9 billion Euros for the maintenance and repair of their vehicles. This figure outnumbers the expense for purchasing new vehicles (26.5billion Euros). There has

been a 10.5 percent decrease compared to 2011. It's one of the effects of the recession, which also cuts necessary expenses, such as the maintenance and fixing of vehicles. In Italy, there were 85,326 car repair workshops were in 2012, while the circulating car fleet was 41,321,577 units (one car repair shops every 484 vehicles). According to the Autopromotec Observatory, this ratio is appropriate to the needs of the circulating car fleet. As for the specializations, there were 44,631 mechanics in 2012: from the beginning of 2013, a new classification groups together mechanics and car electricians (8,435 in 2012) to form a new category "mechatronics." In 2012 there were 22,373 car body shops , 6,194 tire dealers and 3,693 e car dealers' repair shops. All these categories summed up to a total of 85,326 car repair shops in 2012, with an increase of 1 percent over 2011. Among the other activities linked to the car aftermarket, there were 7,297 car inspection centers, 21,276 service stations and 5,664 car washing plants. In 2012, 9.4 percent of the car repair shops' income (2.5billion Euros) came from car inspections (the car inspection activity is done by those private car repair shops authorized to carry out this service by the government).

Best Prospects

The request for remanufactured products concerns all components (mechanical, mechatronic and electronic). There is also a demand for complete reconditioned/rebuilt engines for heavy trucks and commercial vehicles.

Damaged or defective tires are also remanufactured. Retreaded tires that are considerably cost-effective compared to new tires because about 70 percent of the product's original material is recouped; this is also how the remanufacturing process lowers CO_2 emissions by 30 percent.

Main Competitors

U.S. manufacturers face strong competition by local, European and Asian manufacturers in all subsectors in the automotive sector. The major local OEMs are FIAT (cars and light commercial vehicles) and Piaggio (for two-wheel vehicles, also electric) and Micro-Vett and Ducati Energia (for electric vehicles).

Current Demand

Motorcycles

Italy is the largest European market for new motorcycles (over 50 cc) and the second largest European market for new mopeds (under 50 cc). 206,000 vehicles over 50 cm^3 were sold (59,000 motorcycles and 147,000 scooters) in 2012. Italy has the largest number of motorized 2-wheel vehicles in Europe (8.6 million).

Some U.S. motorcycles (mostly Harley-Davidson) are sold in Italy. Considering the importance of the Italian motorcycles market, there might be some room for other top quality brand. Top quality is, more than price, 'the' competitive factor, and the strong competition posed by local,

European and Japanese brands can be overcome by focusing on it (the low end of the market is more or less saturated by East Asian and local brands). Both aftermarket (e.g. tuning) and apparel/accessories manufacturers can find interesting opportunities in the local market.

Hybrid Vehicle Components

Alternative fuels vehicles represent a sizable share of the Italian car market (15.2 percent of the total). In fact, almost 185,000 alternative fuels vehicles (Gasoline/LPG, Gasoline/CNG, CNG, Gasoline/Electric and Electric) were sold in the 2013 January–November period. "Electric-only" vehicles represent a small quota of the market (about 800 vehicles sold in this period). However, hybrid vehicle sales exceeded 13,000 units. For these two categories, 2013 figures were higher than in 2012 and 2011. Electric and hybrid vehicles are in general imported. Gasoline/LPG, Gasoline/CNG, CNG vehicles make up 14 percent of the market (over 170,000 units).

The FIAT Group mostly produces small size engine vehicles. FIAT decided to comply with the EC-directives regarding the CO_2 emissions by focusing mainly on CNG and LPG powered vehicles (Italy is the leading European country for CNG-powered vehicles with over 700,000 units circulating)

Electric 2-wheel vehicle sales in 2012 totaled 1,100 units in 2012 (up 44 percent over 2011). This sector may offer interesting opportunities to U.S. manufacturers. There might be opportunities also for manufacturers of components.

Aftermarket: Mobile Electronics and Technology

The car audio and video/car entertainment subsectors present some interesting opportunities. Navigators have quickly spread into the consumer goods market, and are now available in most of the department stores. From dashboard GPS to fleet management solutions, the market is growing, and many U.S. manufacturers are already present here. Moreover, some opportunities will also arise for new-to-market companies offering cutting-edge new products. In sum, the market may be of interest to U.S. manufacturers (some of the most important U.S. companies are already present).

Aftermarket: Testing Equipment

The higher frequency of periodic compulsory motor vehicle inspections and stricter pollution control regulations in Italy have forced the replacement of parts and the use of more modern service equipment than was common some years ago. Furthermore, as the electronic systems on cars become increasingly sophisticated, service shops have to invest in new equipment and technologies to provide suitable maintenance. New European standards on auto servicing have opened some interesting prospects for independent repair professionals who will be entitled to receive from car manufacturers any technical information and training needed to repair any kind of automobile.

Services: Engineering and Consulting

Local and European competition is strong. But it is possible that very interesting niches can be found by U.S. high tech consultants (e.g. in the racing sector). Opportunities might be available also when dealing with big manufacturers. U.S. engineering and consulting companies able to support 'state of the art' services will probably find interesting opportunities. Moreover, even though competition is not generally based on price, they may also lever on current Euro/USD exchange rate.

Barriers

Access to market is regulated by EU rules and regulations.

Trade Events

Motodays

March • Rome, Italy • ***motodays.it***
Motorcycles, scooters, and mopeds.

My Special Car

May 9–11, 2014 • Rimini, Italy • ***myspecialcar.it***

APRA—European Remanufacturing Symposium

May 22–24, 2014 • Rimini, Italy • ***bit.ly/1qfOfTb***

Oil & Nonoil—S&TC

May 27–29, 2014; October 7–8, 2015 • Verona, Italy; Rome, Italy • ***bit.ly/MUpjR8***
An exhibition devoted to the entire fuel and gas depot and transport industry.

Klimamobility

September 18–20, 2014; September 24–26, 2015 • Bozen, Italy • ***fierabolzano.it/klimamobility***
Sustainable mobility.

EICMA

November 4–9, 2014 • Milan, Italy • ***www.eicma.it/en***
The world's largest motorcycle sector fait; includes an area devoted to sustainable mobility.

Ecomondo

November 5–8, 2014 • Rimini, Italy • ***en.ecomondo.com***
Italy's largest show dedicated to sustainable energy and mobility.

Motor Bike Expo Show

Verona, Italy • ***motorbikeexpo.it/inglese***

Special motorcycles, customization, and accessories.

Autopromotec

May 20–24, 2015 • Bologna, Italy • ***www.autopromotec.com/en***

One of the largest European aftermarket shows. Focus on transportation issues, especially freight and logistics.

Available Market Research

- Automotive Parts and Service Equipment (2011), ***1.usa.gov/1fdNbWT***
- Motorcycle and Moped Market (2011), ***1.usa.gov/NGkagx***
- Motorcycles: European Market Briefs (2013–14)

Japan

Summary

The automobile industry, which is one of the Japanese economy's core industrial sectors, is influenced by various factors including the global economy, exchange rate fluctuation, natural disasters, and government incentive programs. However, automobile production is expected to grow in the long run in order to meet the global demand for Japanese autos on the basis of existing sales networks and future technologies, with emerging economies holding the best growth prospects.

As a result, opportunities for U.S. auto parts manufacturers to conduct business with Japanese auto manufacturers are increasing. Key areas of current market trends include modularization, environmental technologies (including electric, hybrid systems and fuel cells), and safety. U.S. auto parts manufacturers with state-of-the-art technologies in the areas of "next-generation" transportation systems, transportation safety, traffic accident reduction, theft-resistance, and electronic components should consider entering this market.

Due to a shrinking domestic market because of Japan's aging/shrinking population, and the need for contingencies and diversification in the supply chain in order to respond in the case of natural disasters, Japanese auto manufacturers are shifting more and more manufacturing overseas, whether as wholly-owned subsidiaries or as joint ventures, in the United States, Europe, Southeast Asia, China, and recently Russia and other countries with emerging markets. Even so, Japanese auto makers maintain many key R&D and decision-making functions at their headquarters in Japan. No clear pattern has yet emerged for how best to approach these firms with new business prospects in light of these changes. As such, U.S. firms wishing to conduct business with Japanese auto manufacturers should consider how best to approach the firms—whether through their headquarters in Japan, through their overseas operations, or both.

Statistics

Capital:	Tokyo
Population:	127,253,075 (est. 2013)
GDP (est.):	USD 4.704 trillion (2012)
Currency:	Japanese Yen
Language:	Japanese

Contact

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Market Entry

Japanese auto manufacturers have maintained "keiretsu relationships" under which they deal almost exclusively with other Japanese auto parts manufacturers by building close personal and business relationships. On one hand, this competition-free keiretsu transaction was the source of cost competitiveness of the Japanese auto manufacturers, while it has gradually revealed its own downside. In order to survive global competition and a high Yen rate, firms have been expanding toward a more keiretsu-free procurement environment. This may enable U.S. auto parts manufacturers to enter the market.

Current Market Trends

Japanese government standards for improved environmental performance and safety have impacted the auto and auto parts industry in significant ways, as illustrated by increasing cases of specification changes in auto-parts materials.

Modularization

Modularization enables auto manufacturers to streamline assembly lines, reduce assembling man-hours, and speed up auto production. This occurs when auto parts manufacturers, referred to as "Tier 1" suppliers, take over the work of parts assembly previously performed by auto manufacturers themselves. Modularized parts are delivered to auto manufacturers.

Environmental Technologies

Changing consumer awareness and regulatory pressures all point to the need for new ways of building and operating automobiles. The need to ensure sustainable growth is accelerating demand for new power development and recycling technologies. Automobiles will be forced to meet increasing demands for exhaust gas reduction, fuel performance enhancement, noise reduction, resource-conservation, and recyclability.

Safety

Automakers are under pressure to upgrade the strength of outer panels, equip vehicles with multiple air-bags to protect drivers, passengers, and even pets, enhance accident-preventing technologies and reduce congestion while decreasing the distance between vehicles at high speeds. The Japanese government has organized an Active Safety Vehicle (ASV) promotion deliberation system aimed at developing safer vehicles by upgrading the sophistication of automotive functions with the use of electronics technology, and reducing human error and misjudgment in driving. Electronic control technology is an indispensable factor in ASV and, as the technology progresses, electronics-related industries can expect to enjoy a substantial increase in demand.

Used and Remanufactured Automotive Parts

Regardless of the country of origin, sales of remanufactured motor vehicle parts and remanufacturing equipment in Japan are close to nonexistent, but there might be possible future potential.

In the past, Japanese consumers have not embraced remanufactured/rebuilt parts; their preference has been to replace the original equipment parts with new parts from the OE supplier. This is slowly changing as younger consumers realize remanufactured parts are just as durable as OE parts, and they are less expensive, as well as environmentally friendly.

Since most consumers currently have their vehicles repaired or inspected at a Japanese vehicle dealer or dealer-controlled garage, the parts replaced are normally sourced from OE parts suppliers. As the Japanese repair industry is slowly deregulated, and more independent garages are utilized by consumers, there is a possibility of shifting away from OE replacement parts, and more use of non-OE (both Japanese and imported) parts; thus opening the market to U.S.-made remanufactured parts.

In the past, the average age of the motor vehicle fleet in Japan was about five years. Today, Japanese consumers are keeping their vehicles longer (averaging nearly 10 years) which will require more repairs (however, original equipment parts tend to last longer than they did 10 years ago.) In addition, the average number of miles driven per year by the auto consumer has been rising for a number of years.

Lastly, there is a movement in Japan to recycle more products. Both the government of Japan and environmental groups will emphasize to Japanese consumers their responsibility to save natural resources, and the Japanese public will be made aware of the advantages of using remanufactured parts versus new parts.

Main Competitors

Japanese auto manufacturers include:

- Daihatsu Motor Co., Ltd.
- Fuji Heavy Industries Ltd.
- Hino Motors, Ltd.
- Honda Motor Co., Ltd.
- Isuzu Motors Limited
- Mazda Motor Corporation
- Mitsubishi Fuso Truck and Bus Corporation
- Mitsubishi Motors Corporation
- Nissan Diesel Motor Co., Ltd.
- Nissan Motor Co., Ltd.
- Suzuki Motor Corporation
- Toyota Motor Corporation.

The leading Japanese auto parts manufacturers ("Tier 1" suppliers) include:

- Aisin AW Co., Ltd.
- Aisin Seiki Co., Ltd.

- Calsonic Kansei Corporation
- Denso Corporation
- Jatco Ltd.
- Koyo Co., Ltd.
- NOK Corporation
- NSK Ltd.
- NTN Corporation
- Sumitomo Wiring Systems, Ltd.
- Tokai Rika Co.
- Toyoda Gosei Co., Ltd.
- Yazaki Corporation.

Japan also has countless specialized "Tier 2" and "Tier 3" suppliers.

Current Demand

Japanese auto parts manufacturers are required as never before to compete on cost, develop differentiating products (including modularizing and designing capabilities), and upgrade the operating efficiency of their domestic production base.

Japanese auto manufacturers are proceeding with the research and development of the Next Generation Vehicles (NGV) such as Electric Vehicles (EV), Plug-in Hybrid Vehicles (pHV), Hybrid Vehicles (HV), Hydrogen Vehicles, Fuel Cell (FC) Vehicles, Clean Diesel Vehicles, and Compressed Natural Gas (CNG) Vehicles. HV and EV are especially gaining increasing attention. The more widespread use of NGV will largely depend on auto manufacturers' resolution of a number of technological issues (for FC and Hydrogen Vehicle, for example) and on the expansion of the fuel/energy supply infrastructure.

Intelligent Transport Safety (ITS) uses cutting-edge information and communications technologies to network data between people, roads, and vehicles to reduce road congestion, accidents and improve traffic flow. The Japanese government has been promoting ITS development and announced ITS development guidelines to achieve progress in three basic areas: safety and security, fuel efficiency and environmental protection, and comfort and convenience. Current R&D is focused on fuel conservation driving control technology, autonomous driving control technology, driving situational recognition, position recognition technology, and inter-vehicle communication technology.

The development of EV and ITS, combined with emerging safety and environmental requirements, is forecast to further accelerate the computerization of automobiles. The proportion of electrical components in the cost of manufacturing is rising.

Barriers

There are no specific obstacles for U.S. auto and auto parts manufacturers to conduct business in Japan.

Trade Events

International Auto Aftermarket Expo
March 12–14, 2014 • Tokyo, Japan • ***auto-mobi-expo.jp***

Automotive Engineering Exposition
May 21–23, 2014 • Yokohama, Japan • ***expo.jsae.or.jp/english***

Techno Frontier
July 23–25, 2014 • Tokyo, Japan • ***www.jma.or.jp/TF/en***

CEATEC Japan
October 7–11, 2014 • Chiba, Japan • ***www.ceatec.com/en***

Automotive World
January 2015 • Tokyo, Japan • ***automotiveworld.jp/en***

Tokyo Auto Salon
January 2015 • Chiba, Japan • ***tokyoautosalon.jp/?lang=en***

Available Market Research

- Japan Automobile Manufacturers Association publications, ***jama-english.jp/publications***

Jordan

Summary

The Jordanian automotive market is growing around 7 percent annually. Currently there are 1,263,754 registered vehicles from all types with a U.S. market share of 5 percent. In 2013, Jordan imported around171 thousand vehicles, as which, about 112 thousand vehicles were re-exported. Only 60 thousand vehicles entered the Jordanian market, of which more than 43 thousand were used and 16 thousand new vehicles. The Hybrid automotive market is recovering after the Jordanian Government's decision to reduce taxes on them to 25 percent. In 2013 more than fourteen thousand Hybrid cars entered the Jordanian market, six times more than 2012.

Currently, the total market size for the automotive market (vehicles of all types) is around USD 646 million with a U.S. market share of 13 percent reaching USD 83 million. As for the spare parts (new and used), the market in Jordan is around USD 100 million, of which USD 15 million is imported from the U.S.

In 2013, the automotive market witnessed for the first time a decrease in used cars entering the market by 23 percent, while the market of the new cars increased by 6 percent. The main reason behind the change is the government decision to ban the entry of vehicles alder than five years from the year of manufacturing.

The spare parts market did not change much since 2012; used spare parts are still the main source for vehicle maintenance in particular for used cars owners, while official car dealers are offering maintenance packages to attract new car owner to use their workshops.

Market Entry

U.S. products still enjoy preferential treatment under the U.S.-Jordan Free Trade Agreement (FTA), which entered into force in 2001. The FTA eliminated duties and

Statistics

Capital:	Amman
Population:	6.388 billion
GDP:	USD 31 billion
Currency:	Jordanian Dinar (JOD)
Language:	Arabic (official), English

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commercial barriers to bilateral trade in goods and services originating in the United States and Jordan.

U.S. companies interested in entering the Jordanian market are advised to establish business agreements with local representatives. Local distributors usually use Letters of Credit (L/C) when dealing with foreign suppliers of equipment. A grace period of 30–90 days is granted to local distributors to settle their accounts.

In order to take advantage of the benefits for U.S. goods under the FTA, U.S. exporters need to understand how to determine that their goods are originating or qualify for preferential duty treatment under the U.S.-Jordan FTA Rules of Origin, and specifically claim FTA treatment for each qualified shipment. Visit ***ustr.gov*** for more information.

Current Market Trends

Continued growth in the automotive market in Jordan will reflect on the spare parts and services market in general. The increase of the U.S. market share in this sector will offer a window of opportunity for U.S. manufactures and suppliers to export their products and services to the Jordanian market.

A good prospect is the Hybrid vehicles market. In 2013 the number of Hybrid cars increase six times. in 2012 Jordan imported around 2,500 Hybrid cars, while in 2013, the number was 14,000 cars. This means that the aftersales market for these types of vehicles will grow and all kind of spare parts, equipment and services will be needed specially knowing that most of the used Hybrid cars, even the Japanese models such Toyota and Nissan, are imported from the U.S.

The big governmental entities that own large fleets of vehicles and equipment such as the armed forces, police, the Ministry of Public Works and the large municipalities (such as Amman and Zarqa), usually have central workshops for the maintenance and repair of such vehicles. Such entities are also potential end users, especially for the larger sized vehicles (e.g., buses, trucks and construction vehicles)

Used and Remanufactured Automotive Parts

According to the Jordan Automobile Agents and Automotive Parts and Accessories Association, there are no restrictions or conditions placed on the importation of remanufactured, rebuilt and/or used parts. All types are treated the same, but the status of goods must be declared in the purchase invoice (new, remanufactured, used).

There are no quotas or limitations on importation of these parts.

Remanufactured/rebuilt parts each are considered as described (new is new, used is used and rebuilt is rebuilt).

The prospect for U.S. remanufactured parts is growing as U.S. made vehicles are increasing in the Jordanian market.

Used part values are determined by individual customs inspectors depending on the parts' condition. Remanufactured part values are determined by invoice valuations.

Jordan's parts remanufacturing industry is not developed; however, used parts are widely available.

Market prospects for remanufactured, rebuilt, and/or used motor vehicle parts are promising. There is potential for establishing a remanufacturing industry in Jordan.

Main Competitors

The Jordanian market is dominated by used Korean cars reaching 60 percent of the market. That means that the U.S. products' main competitors are Asian made products, particularly from China. However, additional competitors will increase because Jordan has signed Free Trade Agreements with Canada and Turkey. Furthermore, the Jordan-EU Partnership Agreement will enter into full implementation in the Spring of 2014, which will eliminate all duties on products made in the EU including automotive spare parts and equipment.

Current Demand

Major Jordanian Imports Related to Spare Parts, 2012

H.S. Code	Item Description	Value (USD)
870810900	Bumpers and parts thereof	4,180,927
870829900	Other parts and accessories of bodies (including cabs)	4,296,919
870830900	Brakesand servo-brakes; parts thereof	7,445,796
870870900	Road wheels and parts and accessories thereof	3,804,597
870891000	Radiators and parts thereof	5,428,220
870893000	Clutches and parts thereof	2,538,987
870899910	Other parts and accessories for new cars	14,474,463
870899920	Other parts and accessories for used cars	23,880,686
870899990	Other parts and accessories thereof	48,394,203

The above categories were mainly identified based on the value of imports in 2012. However, some equipment that have relatively low value of imports is believed to have good future potential. This is especially true with the advancement in the car manufacturing industry and the more extensive use of electronics and high tech systems in cars today. With awareness

and regulation on environmental issues increasing, the market for environmentally-friendly equipment is growing accordingly.

On the equipment side, U.S. companies need to be aware that Jordan is almost exclusively metric. Gauges indicate grams, liters, Newton's meter, atmospheres, etc. Fittings and connectors are also metric. Electric tools sold in Jordan must be 230 volts with a 50 MHz frequency.

Barriers

The Jordanian Government prohibits the imports of vehicles older than five years from the year of manufacturing. It also prohibits imports of trucks older than one year from the year of manufacturing except if it was to replace an old truck with a newer one, it can be five years old from the year of the manufacturing.

Jordan also restricts used tires from being imported.

Kazakhstan

Summary

Kazakhstan's car market has been rapidly growing since the country's independence and currently presents good sales opportunities for U.S. suppliers of new cars and service equipment. Car supplies from the U.S. grew sharply in 2007–10 due to the introduction of new legislation banning imports of right-hand drive cars from Japan and the strengthening of the Euro relative to the dollar. The Customs Union (CU) of Russia, Kazakhstan, and Belarus implemented new unified customs tariffs and non-tariff regulations as of January 1, 2010. More than 5,000 tariffs were raised to meet those in Russia (among them foodstuffs and equipment). The CU Customs Code took effect as of July 1, 2010 in order to regulate the resulting integrated customs zone. This situation is expected to change and potentially improve after Kazakhstan's planned WTO accession (potentially in 2014).

Market Entry

New-to-market suppliers interested in the market should find capable agents or distributors who are knowledgeable about both importing and distribution. Local dealers have expressed interest and a willingness to act as agents and/or distributors for U.S. exporters of used and new cars. However, they note that a potential U.S. supplier must be competitive to succeed in this market.

Current Market Trends

New cars sales grew by 70 percent to 165,710. The Kazakhstan car market in 2012 was the fastest-growing in the world, posting a 114.9 percent increase and surging up as the world's 50th car market. The Russian producer, Lada, further improved its dominion with a share near 40 percent.

Statistics

Capital:	Astana
Population:	16.9 million
GDP:	NEED TOTAL GDP
Currency:	Kazakhstani Tenge (KZT)
Language:	Kazakh, Russian

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Following a 6 percent decline in 2011, car manufacturing rose by 20 percent in 2012 to 4,183 units. However, imports cover more than 90 percent of the demand for light vehicles in Kazakhstan.

- Light vehicle sales, 2009–12:
  - 2009—18,853
  - 2010—21,560
  - 2011—42,200
  - 2012—48,327
- Light vehicle production, 2009–12:
  - 2009—1,242
  - 2010—3,701
  - 2011—3,494
  - 2012—4,183

Used cars account for almost 90 percent of current imports, with 70 percent of cars older than seven years. Kazakhstan has recently banned imports of cars older than ten years and there are expectations that the import regime will be further tightened and imports of cars over seven years old will be limited.

Sales of cars and light commercial vehicles in Kazakhstan, according to the Association of Kazakhstan Auto Business, increased by 60.6 percent to 15,732 units in November 2013. For the first eleven months of 2013 car market of Kazakhstan grew by 78.6 percent and it was 139,153 cars. Specialists of the Kazakhstan Automobile Business Association noted that according to the results of 2013 Kazakhstan takes 4th place in the rating of the world's fastest growing car markets. Another global rating on the volume of sales in all countries showed that Kazakhstan is on 47th place out of 100, compared with 54th position held a year before. It gives experts the ground to be optimistic about the development of the local market and expect its further growth.

The undisputed leader in the Kazakh market is Russian brand Lada, which had 37.8 percent of car sales in Kazakhstan in November – 5,950 vehicles of Russian and local Ust-Kamenogorsk assembly (+36.1 percent). Toyota got the second place with the index of 1200 sold vehicles (+54.4 percent). The third place is kept by UZ-Daewoo, sales of which increased by 19.9 percent and they were 1173 cars. Hyundai showed a slightly less result—1145 vehicles, which is 2.4 times higher than a year ago. KIA still closes the Top-five of leaders—Korean brand cars were sold in the amount of 1093 units (growth—2.1 times).

- Top three brands of cars sold in Kazakhstan:
- Lada—5,950 units, +36.1 percent
- Toyota—1200 units, +54.4 percent
- UZ-Daewoo—1173 units, +19.9percent

Car Sales, November 2013								
Rank YTD	Brand	May	YTD 2013	Q4 2012	Q1 2013	Apr 2013	May 2013	YTD 2013
1	Lada	4,319	19,166	39.8%	36.8%	35.9%	32.7%	35.6%
2	Daewoo	957	4,478	8.8%	9.3%	7.4%	7.2%	8.3%
3	Kia	1,108	4,367	5.2%	8.4%	7.2%	8.4%	8.1%
4	Hyundai	1,015	4,002	5.2%	7.1%	7.9%	7.7%	7.4%
5	Toyota	1,153	3,665	7.7%	5.7%	7.2%	8.7%	6.8%
6	Chevrolet	920	3,650	5.7%	6.2%	7.7%	7.0%	6.8%
7	Gaz	594	2,591	4.7%	4.9%	5.0%	4.5%	4.8%
8	Nissan	482	2,395	4.7%	5.2%	3.7%	3.6%	4.4%
9	Renault	533	1,481	1.3%	2.1%	2.7%	4.0%	2.7%
10	Uaz	346	1,461	2.1%	2.8%	2.6%	2.6%	2.7%

Used and Remanufactured Automotive Parts

Used

The launch of the Customs Union in 2010, which removed customs barriers with Russia and Belarus, is another factor driving the market by reducing the cost of Russian made cars to Kazakhstani consumers. Kazakhstan is also plans to join the World Trade Organization (WTO) in 2014, which will result in substantially lower customs duties on cars from WTO member states. Starting 2010, increased import duties for the used cars drastically decreased their sales in Kazakhstan. Increase in the income of population and introduction of new car market dealers attracted more customers to purchase new vehicles rather than imported used ones. Kazakhstan has recently banned imports of cars older than ten years and there are expectations that the import regime will be further tightened and imports of cars over seven years old will be limited.

Remanufactured

Having no special regulations for the importation of remanufactured, rebuilt, and used motor vehicle parts in Kazakhstan, there is still a need in a certificate of origin issued by an appropriate American certifying agency for any imported good. All goods imported into Kazakhstan must be declared to Kazakhstani Customs within 15 days. Foreign companies wishing to import any equipment into Kazakhstan must fill out a customs declaration through a customs broker licensed by the State Customs Committee. Kazakhstani Customs does not differentiate between remanufactured and used automotive parts. Remanufactured/rebuilt parts are considered to be used parts. Remanufactured auto parts are treated differently from used parts only by end users.

The information given above relates to all types of motor vehicle parts, regardless of manufacturing origin, year of production, or model. There is a calculable demand for spare parts such as wheel suspension (under frame parts), front basket (vehicle) body, headlights, motors and gear boxes. U.S. remanufactured parts may be in demand (for example transmissions) provided that guarantees are in place.

Customs duties are charged on most goods imported into Kazakhstan from non-Customs Union countries. Imported goods originating from countries with which Kazakhstan has entered into special customs unions or treaties granting preferential treatment, however, are either fully or partially exempt from customs duties. Import duties on auto goods range from 0 percent to 20 percent of customs value.

Main Competitors

The main competition is accumulated in the segment of cars, which cost about 10-16 thousand US dollars, since it is the most promising and fast-growing segment. In 2017, Kazakhstan's market will reach its full capacity of about 350 thousand cars. After 2017, the volatile demand will reach about 5–10 percent depending on macro and microeconomic factors.

There are 11 official dealers representing over 40 car brands in Kazakhstan. The key players are Astana Motors with 33 percent market share, Mercur Auto with 28 percent share, Toyota Center Zhetysu with 20 percent, and Bibek Auto with 8 percent.

Astana Motors represents seven brands, including Toyota, Hyundai, Subaru, Mitsubishi, Honda and BMW. Mercur Auto represents over ten brands, including UzDaewoo, VW, Ford, Audi, Volvo, Porsche, and Land Rover. Toyota Center Zhetysu—Toyota and Bipek Auto—Russian-made cars and locally assembled Chevy Niva, Scoda, and Chevrolet.

Current Demand

The dealers of the sphere are eager to diversify and expand the car models represented including U.S.-manufactured cars. The increasing value of the EUR in relation to the USD is a positive factor to introduce the US brands in Kazakhstan car market. Some of the currently represented US brands in Kazakhstan include Chrysler-Jeep-Dodge and Ford. However, there is a limited number of GM vehicles, including Hummers, sold through the gray market, and likewise various models of Cadillac can be seen on the streets. Kazakhstan's car market is open and welcomes the new dealers/companies who are interested in it.

Barriers

The establishment of the Customs Union with Russia and Belorussia in 2010 introduced new customs duties and control procedures for importers from non-CU countries. The cost of importing has gone up due to an increase in import duties and fees for registration, as well as new licensing requirements for numerous goods.

Trade Events

AutoWorld Astana
May 13–15, 2014 • Astana, Kazakhstan • ***autoworld.kz/en***

Transit—Kazakhstan
May 20–22, 2014 • Astana, Kazakhstan • ***transitkazakhstan.kz***

Expo-Russia Kazakhstan
June 11–13, 2014 • Almaty, Kazakhstan • ***bit.ly/1hOTq4D***

Auto Show
October 9–12, 2014 • Almaty, Kazakhstan • ***bit.ly/1hOTAsE***

Kazavtodor—KazTraffic 2014
November 19–29, 2014 • Astana, Kazakhstan • ***bit.ly/1m3wLcu***

Korea, Republic of

Summary

Korea Automotive Parts and Accessories Market, 2011–14				
(USD Millions)	2011	2012	2013 (est.)	2014 (proj.)
Total Market Size	31,612	30,296	27,859	26,920
Total Local Production	49,752	49,992	48,549	48,603
Total Exports	23,088	24,615	25,707	26,800
Total Imports	4,948	4,919	5,017	5,117
Imports from N. America	476.4	402.1	N/A	N/A

Source: Unofficial estimates based upon Korea Automotive Industry Cooperative Association reports. Imports from N. America includes both the U.S. and Canada.

In 2013, Korea manufactured 4,521,429 automotive vehicles, making it the fifth largest car manufacturer in the world after Japan, the U.S., China, and Germany. The total size of the automotive parts market was estimated at USD 30.3 billion in 2012 which is a 1 percent drop from 2011. The OEM market segment accounted for about 94 percent of total market demand and the aftermarket approximately represented remaining 6 percent.

Market Entry

Korean consumers depend highly on OEM's aftersales service networks (i.e. Hyundai Motors' and/or Kia Motors' Auto Q). It is more common for Korean car owners to get their car serviced by an OEM-affiliated shop than by independent auto shops. As a result, U.S. suppliers need to be aware of the competitive environment and the limited distribution channels. Products need to offer technological advantages that the competition does not have. They also need to educate end-users about the advanced features of their products, since Korean car owners simply rely on the OEM-affiliated shop to "make as new." It is strongly

Statistics

Capital: Seoul
Population: 50,423,955 (est. 2014)
GDP (est.): USD 1.161 trillion (2013)
Currency: Korean won
Language: Korean

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recommended to partner with a qualified and capable Korean distributor who maintains its existing sales network to serve end-users. Exhibiting at local automotive trade shows can be a useful platform to explore the market and gain exposure to end-users.

Cooperating with Hyundai and Kia Motors in the U.S. or with U.S. parts suppliers with a manufacturing base in Korea is highly recommended. Hyundai Motors and Kia Motors have plants in Alabama and Georgia. A good working relationship with Hyundai and/or Kia in the U.S. will help them enter the Korean market. Alternatively, major auto parts suppliers have a manufacturing base in Korea, which include Delphi, Visteon, American Axle, TRW, Borg Warner, Johnson Automotive Controls, etc.

For the aftermarket, U.S. companies are recommended to supply through existing channels that include OEM's after-sales service networks, automotive service franchises, independent auto service shops, etc

Current Market Trends

Global competition in the auto industry is forcing Korean OEMs to expand their outsourcing practices of auto parts beyond the Korean peninsula. Similar to how cars manufactured by Toyota USA has more U.S. content than some of the Detroit Three, Hyundai and Kia will follow this similar path as they expand American operations.

In Korea, the market share of imported vehicles accounted for 12.1 percent of all vehicles in 2013. The market share of imported vehicles is projected to increase because prices for U.S. and European cars are getting more competitive due to the KOR-US FTA and EU FTA.

Used and Remanufactured Automotive Parts

A committee of Korean National Assembly submitted a proposal which includes utilizing substitute parts and components due to excessive price of parts and components of imported vehicles for their after sales service. The proposal also includes re-manufactured parts and components. The law has been passed and will be effective from January 2015.

Main Competitors

Imports decreased to USD 4.92 billion in 2012 from USD 4.95 billion in 2011. This accounts for 16.2 percent of the total market demand (USD 30.3 billion; see table above). The weak Japanese Yen versus the South Korean Won stymied global market share for Korean manufacturers. When looked at on a Korean won basis, the market has experienced a nominal 3 percent decrease overall. Domestic Korean suppliers and transplants of non-Korean part suppliers in Korea are dominant in the Korean market with their established business with OEMs.

European auto makers are main competitors to U.S. auto makers while Chinese part and accessory manufacturers are the main competitors to U.S.

Locally produced OEM parts and accessories generally cover for local vehicles and aftermarket while foreign made parts and accessories generally cover aftermarket of imported vehicles in order to meet performance standard and warranty service.

Current Demand

For OEMs:

- Vehicle Diagnostic Systems
- Electronic control systems
- Hybrid cars, fuel cell cars, and other low-emission related technologies

For the aftermarket:

- Vehicle Diagnostic Systems
- Replacement parts for imported vehicles
- High-end car audio systems/components
- High-performance automotive chemicals, such as wax and rust-proofing solutions

Barriers

Korea has very rigid automotive safety and environment control standards. Finished automotive products that are being widely used in other advanced countries are often times found to be not in conformity with Korean regulations. That being said, since Korea-U.S. FTA ratification, the tariff on automotive parts and accessories which are new or used is zero percent.

Most of imported parts and accessories are subject to observe self-certificate procedure but some engine parts are subject to test of accredited Korean test agency.

Trade Events

Automotive Week

March 27–30, 2014 • Ilsan, South Korea • ***automotiveweek.co.kr***
Auto maintenance and repair service; automotive customization.

Korea Auto Parts & Auto-related Industry Show (KOAA Show)

October 28–30, 2014 • Ilsan, South Korea • ***koaashow.com***
Automotive parts and components: engine systems, power train, suspension, steering, body and exterior, interior and HVAC, chemicals, tuning equipment, and more.

Seoul Motor Show

April 2015 • Seoul, South Korea
Biennial event for motor vehicles.

Kuwait

Summary

Kuwait is a significant importer of new and used American automobiles and ranks as eighth largest U.S. export market for automobiles worldwide.

Automobiles, Light Trucks, Van and Utility Vehicles, 2011–14				
(USD Billions)	2011	2012	2013 (est.)	2014 (proj.)
Total Market Size	2.9	3.2	3.5	3.8
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	2.9	3.2	3.5	3.8
Imports from U.S.	0.9	1.05	1.2	1.4

Source: The United States Census Bureau (census.gov)

Automotive Parts and Supplies Market, 2011–14				
(USD Millions)	2011	2012	2013 (est.)	2014 (proj.)
Total Market Size	156	172	188	208
Total Local Production	0	0	0	0
Total Exports	0	0	0	0
Total Imports	156	172	188	208
Imports from U.S.	76.8	63.1	62	63

Source: The United States Census Bureau (census.gov)

Statistics

Capital: Kuwait City
Population: 3.4 million (est. 2013)
GDP (est.): 153.4 billion (2012)
Currency: Kuwaiti Dinar
Language: Arabic (official), English

Contact

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Market Entry

Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 102 billion barrels—about 7 percent of world reserves. Petroleum accounts for nearly half of GDP, 95 percent of export revenues, and 95 percent of government income.

Kuwait has done little to diversify its economy, in part, because of this positive fiscal situation, and, in part, due to the poor business climate and the historically acrimonious relationship between the National Assembly and the executive branch, which has stymied most movement on economic reforms.

In 2010, Kuwait passed an economic development plan that pledges to spend up to USD 130 billion over five years to diversify the economy away from oil, attract more investment, and boost private sector participation in the economy.

Current Market Trends

The low cost of fuel combined with local tastes and preferences buttress demand for large-sized automobiles. With U.S. automobile exports to Kuwait valued at around USD 1.05 billion in 2012, this is the single largest niche for U.S. exporters in Kuwait's consumer market. The penetration of U.S. vehicles is higher in Kuwait than in other GCC countries. Kuwait's private sector imports an estimated 90,000 and 110,000 cars per year. Of those, Kuwaiti consumers import approximately 1,600 GM full-size Sports Utility Vehicles (SUV), with the rest of the SUV market filled with other U.S., European, and Japanese branded cars. The total number of American-made vehicle imports in 2012 is estimated at 25,000. Kuwait is also an excellent market for high-end luxury automobiles. Due to strong GDP and high per capita income, demand on American automotive vehicles and automotive parts by individuals, private and public sectors is expected to grow on an average of 10 percent in 2013 and 2014 respectively.

Current Demand

Kuwait is a lucrative market for large sized SUVs with heavy-duty shock absorbers, transmissions, cooling and air conditioning systems and tires that meet extreme temperatures and road conditions. Luxury automobile manufacturers will also find Kuwait to be an excellent market. Given Kuwait's leading position in supply chain and logistics services to Iraq and Afghanistan, companies such as Chrysler are selling large volumes of trucks to serve logistics companies serving U.S. and coalition forces in the region. Most auto dealers note that the utility vehicle market demonstrates tremendous volume growth. The low and subsidized price of gasoline in Kuwait—between USD 0.80–0.86 per gallon depending on type—propels sales for SUVs and other large engine/gas hungry vehicles.

Trade Events

The Kuwait International Fair (KIF)

December 14–20, 2014 • Mushrif, Kuwait • ***kif.net***

SEMA Middle East

March • Abu Dhabi, UAE • ***sema.org/middleeast***

The premier automotive specialty products trade event in the world. Hosting 30–40 companies specializing in specialty equipment. The show will be attended by selected delegates from Qatar, Saudi Arabia, UAE, and Kuwait.

Latvia

Summary

Latvian automotive industry is dominated by European, Japanese, and Korean car brands. The main barriers for U.S. manufactured vehicles are the significant transportation costs, as well as burdensome registration/licensing procedures.

Market Entry

Market entry strategy varies from industry to industry and should be considered in the context of the U.S. company's overall approach toward the EU. Business agents are commonly used. Businesses, and especially small and medium-sized enterprises (SMEs), wishing to enter the market should contact the U.S. Commercial Service for guidance, and may wish to consider a visit to Latvia.

Main Competitors

Due to the country's small size, if a company is considering doing business only in Latvia, local labeling requirements could prove costly relative to the potential customer base. Many companies focus on Latvia as part of the broader Baltic region or EU market. Because the market is small, it can be quickly saturated, and it can be difficult to keep business secrets.

American products face strong competition in the Latvian market from EU countries and the Commonwealth of Independent States (CIS). Due to historical trade relations, companies from Scandinavian countries and Germany approach the Latvian market with greater confidence.

Entrenched government bureaucracy and moderately high levels of corruption are impediments to the growth of U.S. trade and investment in Latvia. Some concerns exist regarding the protection of intellectual property.

Statistics

Capital:	Riga
Population:	2,178,443 (est. 2013)
GDP (est.):	USD 37.88 billion (2012)
Currency:	Euro
Language:	Latvian

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Trade Events

Motorcycle 2014

March 28–30, 2014 • Riga, Latvia • ***bit.ly/1cly5so***

Several brands and models of motorcycles, scooters, and ATVs, as well as a collection of historical motorcycles. Motorcycle spare parts, clothing, and accessories; information about repair and tuning; expert advice; biker clubs.

Auto 2014

April 11–13, 2014 • Riga, Latvia • ***bt1.lv/auto/index_eng.htm***

The largest automotive industry trade fair in the Baltic States. Geared toward car enthusiasts and automotive professionals.

Malaysia

Summary

There is almost no bilateral trade in automobiles between U.S. and Malaysia. The U.S. exports effectively zero cars to Malaysia, and it also imports zero cars from Malaysia. The total industry volume (TIV) of motor vehicles sold in Malaysia for the year 2012 registered 627,753 units against 600,123 units registered in 2011. Passenger vehicle sales totaled 552,189 units—represents 88 percent share of the TIV in 2012. As at June 2013, the number of vehicles sold in Malaysia was 313,488 units. Note that Malaysia uses right hand drive vehicles, but vehicles drive on the left hand side of the road.

Market Entry

Local manufacturers Proton (established in 1983 and produced its first car in 1985) and Perodua (established in 1993 and produced its first car in 1994) have dominated the Malaysian car market for more than 10 years. Currently, the two companies, along with foreign makers that assemble their vehicles here, account for 90 percent of the cars sold in Malaysia. Besides Proton and Perodua, national cars currently also include Naza group's Naza Ria and Naza Citra and Inokom's Atos.

Current Market Trends

U.S. investments in the Malaysian automotive industry are relatively small. Ford had a joint venture plant in Malaysia that assembled Ford cars and also other makes such as BMW and Mazda. However, Ford has recently sold the entire equity to its local partner. Delphi Automotive Systems and TRW Automotive have a plant each in Malaysia. Delphi manufactures wire harness, and TRW manufactures steering gear and suspension parts. Ford Malaysia has been selling a few thousand (annually) Ford motor vehicles (CBUs from Philippines, and CKD packs from Japan and Thailand) in Malaysia in the last few years. Hicomobil Sdn Bhd, which imports and distributes Chevrolet cars, has been selling a few thousand (annually) CBUs of Chevrolets imported from Thailand and South Korea in the last few years.

Statistics

Capital:	Kuala Lumpur
Population:	29,628,392 (est. 2013)
GDP (est.):	USD 506.7 billion (2012)
Currency:	Malaysian Ringgit
Language:	Bahasa Malaysia, English, Chinese, Indian

Contact

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Main Competitors

Malaysia is the only country in Southeast Asia producing its own cars, but its policy of protecting the national carmakers (Proton and Perodua) has discouraged foreign car manufacturers to set up plants in the country. However, as stated in the National Automotive Policy (unveiled in March 2006), the Malaysian government wants the local car industry to have two strong national car-makers in Proton and Perodua, complemented by a number of foreign vehicle manufacturers (potentially with local joint-venture partners) who would upscale their assembly operations and at the same time rationalize the models assembled, to drive sustainable industry linkage.

Current Demand

There are opportunities for U.S. companies with technology and expertise to help local manufacturers Proton and Perodua to upscale their assembly operations and rationalize the models assembled.

Emphasis are given to high value-added manufacturing activities using latest and high technology. The opening up of Manufacturing License (ML) for manufacturing and assembling activities in the selected segments particularly for luxury cars and hybrid/electric vehicles will encourage new investments and expansion of existing investments in the country. Currently, the hybrid/electric segment is still very new and has the potential to be promoted and developed in this region. With the appropriate incentives offered by the Government, Malaysia would be able to attract OEMs to move their operations into Malaysia.

Barriers

Malaysia has a big market for automobiles with more than half a million units sold per year. To ensure that Malaysian participation in the local auto industry, an Asian material content policy, preferential treatment, high excise duties, import duties of about 30 percent (non-ASEAN) and Approved Permits (APs) policies implemented to "protect the fledgling" local producers. The issuance of the latter only to "...'qualified' local personnel... and companies..." is to ensure foreign companies cooperating with local partners.

However, measures have already been undertaken to reduce trade barriers, as the government is forced to abolish Open APs by December 31, 2015, while Franchise AP will be phased out by December 31, 2020 due to its obligations in the World Trade Organization (WTO) and in the ASEAN Free Trade Agreement (AFTA).

Duties are however defined separately for Motor Cars, Four Wheel Drive Vehicles, others (like MPVs and Vans and Commercial Vehicles) and whether the cars are from ASEAN or non-ASEAN countries. The duties can vary and depend on the engine capacity as well as if the car was imported in CBU (Completely Built Up), CKD (Completely Knocked Down) or MSP (Multi-

Sourcing Parts) form. Irrespective of the form of import, local taxes (Excise Duties and Sales Taxes) are imposed even on cars from ASEAN countries

Another physical barrier, which is a legacy issue, is the right-hand drive configuration of all vehicles used in Malaysia. There are some units of left-hand drives but the infrastructure does not cater to these owners.

Trade Events

Automechanika Kuala Lumpur

March • Kuala Lumpur, Malaysia • ***automechanika.messefrankfurt.com***
Parts and systems, accessories and tuning, repair and maintenance, IT and management, and service stations/car washes.

Mexico

Summary

Mexico remains the eighth largest vehicle producer in the world, with 2.9 million cars. It is also the fifth largest auto part producer worldwide with 75 billion dollars. Recent investments by established automakers and new OEMs have increased business opportunities throughout the country. It has also attracted its tier one- and second supplier base. The forecast is to reach four million vehicle produced by 2014 with new players in the field and an expansion of car manufacturing.

Market Entry

The best way to enter into the Mexican market is through representation or regional distribution. It is easier to serve OEMs in Mexico if the U.S. exporter serves them in the United States and has already been issued a supplier number. The aftermarket industry continues to grow— the average Mexican consumer owns a 17-year-old vehicle. Import of used vehicles is restricted through local regulations. More information is available through the online Market Research Library.

Current Market Trends

Mexico expects to capture USD 230 million in automotive investment. Leading states are Puebla, Estado de Mexico, Aguascalientes, Guanajuato, Sonora, Coahuila, Chihuahua, Morelos, and San Luis Potosi. Expansion plans were fundamental to local automakers such as General Motors, Ford, Chrysler, Volkswagen, Nissan, and Honda. The new players are Mazda, BMW, and Audi.

Assembly plants producing new parts are now requiring that their suppliers be as close to them as possible, reduce inventory volumes and facilitate just-in-time delivery. This shift has forced many U.S. first- and second-tier suppliers to move locally so they can produce at lower costs, reduce freight and handling expenses, and deliver parts and components very quickly.

This trend opens a new field of opportunity to U.S. suppliers of production machinery and equipment, materials, pre-assembled components, molds and

Statistics

Capital:	Mexico, D.F.
Population:	116,220,947 (est. 2013)
GDP (est.):	USD 1.788 trillion (2012)
Currency:	Mexican peso (MXN)
Language:	Spanish

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tooling, cutting tools, automation process equipment, raw materials, engineering and design, finished parts, and accessories sold through local representatives or distributors.

Used and Remanufactured Automotive Parts

Used

According to NAFTA, used vehicles older than 10 years were to be imported into Mexico from the United States duty-free beginning in 2009. However, new decrees were issued by Mexico, reducing the importation of used vehicles into Mexico through regulations and requirements. These revised measures were adopted by local governments and private vehicle associations in Mexico in response to concerns about older used vehicles such as higher pollution generation, fuel efficiency limitations, higher maintenance costs, low mechanic conditions, reduction of new car sales, as well as the inherent difficulty in tracking and identifying older used vehicles involved in criminal actions or violations. The combination of these factors and others, forced the Mexican government to put in place some requirements to control the importation of older used vehicles.

Remanufactured

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, discontinued, out of specification, and/or used motor vehicle parts in Mexico, except complete engines. The only condition or restriction on these types of imports to Mexico is that when they are imported to be sold to the final consumer at auto-parts stores, they should have a label on the product, packaging, publicity, promotion, invoice, and warranty that indicates that they are remanufactured or rebuilt; which is Mexican form 017-SCFI. This is the only difference in treatment compared to used auto parts. This applies to all motor vehicle parts.

There are no quotas or limitations on these parts. There is no deferential treatment given for remanufactured, rebuilt, or used parts from the treatment given to new parts.

The used/remanufactured auto parts market is highly developed in Mexico. There are several remanufacturing companies, especially for water pumps, alternators, starter motors, air conditioning compressors, carburetors, fuel injection systems, and some suspension parts. Most of these remanufactured or rebuilt parts are sold through auto parts stores.

The used auto parts market is very large. Many firms all over Mexico buy totaled vehicles and strip them to sell the different parts.

Main Competitors

Mexico has around 1,500 auto parts companies. Out of this number, 70 percent are foreign companies and the remaining are Mexican companies. 31 percent of these foreign companies are Japanese, followed by 26 percent from the United States and 23 percent from Germany. In the import market share by country, auto parts come from the United States, followed by China, Japan, and Germany respectively.

Current Demand

In the aftermarket, there are business opportunities for spare parts for gasoline and diesel engines, transmissions and parts, collision repair parts, electric parts, maintenance and repairing equipment. Trends in car manufacturing include smaller sized-cars and increased fuel efficiency. The market has not matured for electric or hybrid vehicles. OEM are looking for engineered parts, lighter materials, green oriented products and any other tooling or equipment that can improve cycle times and processes along with tool shops.

Barriers

There are no major barriers to the importation of spare parts and equipment if they comply with NAFTA Rules of Origin. Products qualifying as North American under NAFTA must use NAFTA Certificate of Origin to receive NAFTA exemption of duties.

Only North American products, as defined by the rules of origin, are eligible for duty-free status when entering Mexico.

Trade Events

Expo Reparación Automotriz

March • Mexico City, Mexico • ***exporeparacionautomotriz.com***
Maintenance, repair, and collision.

PAACE Automechanika

July 16–18, 2014 • Mexico City, Mexico • ***bit.ly/1fQz227***
The leading automotive trade show in Mexico and Central America. Annual, draws thousands of attendees from the automotive industry. Showcases include parts and systems, accessories and tuning, repair and maintenance, IT and management, service stations, and car washes.

Expo Rujac

September 3–5, 2014 • Guadalajara, Jalisco • ***rujac.net***
Spare parts expo. Thousands of attendees every year.

Automotive Meetings

2015 • Queretaro, Mexico • ***www.automotivemeetings.com***
International business convention for the automotive industry. OEMs and local spare part companies participate on a trade show floor and at B2B meetings.

Available Market Research

- Mexico: Automotive Repair and Maintenance Equipment (2012)
- Regulations for the Importation of Used Vehicles and Trucks into Mexico (2013)
- Mexico: Trends in the Aftermarket Industry (2013)

The Netherlands

Summary

The Netherlands abides by strict policies environmental and safety standards. U.S. products taking these measures into account will find ample opportunities on the Dutch Market, which is dominated by imports as the Dutch are very receptive to U.S. products. With nearly 8 million registered passenger vehicles, the Netherlands is the seventh largest automotive market in Europe.

Market Entry

As a member of the European Union, both EU and national legislation apply.

Current Market Trends

Safety and environmental concerns drive many decisions behind mobility in The Netherlands. As such, the Dutch government promotes the use of environment-friendly vehicles with tax breaks, subsidies and other incentives. Electric and hybrid vehicles are becoming increasingly popular. Technologies to reduce harmful emission enjoy positive attention.

As The Netherlands becomes more densely populated and the roads more congested, transportation by motorcycle is enjoying a boost.

Last but not least, car customizing continues to be popular. Dutch regulations on specialty equipment and customized cars are a grey area. Customized cars tend to be tolerated, as long as vehicle modifications do not jeopardize safety.

Current Demand

In a market where interest in car customizing continues to grow, opportunities exist for U.S. manufacturers of high quality and price competitive audio equipment (HS-852721910, HS-852721990); Alloy wheels (HS-870870500), wooden trimmings (HS-442010190), seat covers (HS-630493000) and other interior and exterior car accessories for European cars.

Statistics

Capital:	Amsterdam
Population:	16,805,037 (est. 2013)
GDP (est.):	USD 718.6 billion (2012)
Currency:	Euro (€)
Language:	Dutch

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Customizing cars remains a hot trend. Several models are customized most often in the Netherlands: Alfa Romeo, Audi, BMW, Chrysler, Citroën, Daewoo, Fiat, Ford, Honda, Hyundai, Kia, Lexus, Mazda, Mercedes, Mini, Mitsubishi, Nissan, Opel, Peugeot, Renault, Rover, Seat, Škoda, Smart, Subaru, Suzuki, Toyota, Volkswagen, and Volvo.

Alarm systems also continue to be a booming market. In the short term a dramatic increase is expected in the use of computers, software, data storage on diskettes, in-car navigation, electronic maps (CD-ROM), infrared blind-spot detectors, radar enhanced cruise control (HS-903289900), and head up display of speed/distance.

In addition, in 2010, the aftermarket expects half of all maintenance and repair services to be electronic; currently, 40 percent are. A quarter of current universal garages will not be capable of performing the required work on cars older than three years. Availability and accessibility to technical information is a major issue to the aftermarket. The rate of technological advancement in passenger cars and trucks is expected to continue increasing, making good accessibility to technical information, universal testing and diagnostic equipment, software, tools, and training a critical element to companies in the automotive industry.

Suppliers are increasing their efforts to reach consumers. As a result, the number of retail chains is increasing quickly. The 2007 market report on "Automotive Parts and Services Equipment" offers an overview of the type and number of retail chains in the Netherlands.

Trade Events

AutoRAI 2015

April 17–26, 2015 • Amsterdam, Netherlands • ***autorai.nl***
Amsterdam Motor Show geared towards car enthusiasts.

ReMaTec2015

June 14–16, 2015 • Amsterdam, Netherlands • ***rematec.com***
The world's largest trade exhibition for automotive and heavy duty remanufacturing.

ICoR 2015—International Conference on Remanufacturing

June 15–16, 2015 • Amsterdam, Netherlands • ***www.remanufacturing-conference.com***
Academic conference on remanufacturing in various industries.

World Remanufacturing Summit 2015

June 16–17, 2015 • Amsterdam, Netherlands • ***remansummit.com***
Leading summit that connects academic and industry executives on remanufacturing.

BedrijfsautoRAI 2015

October 20–24, 2015 • Amsterdam, Netherlands • ***bedrijfsautorai.nl***
Leading platform for sustainable road transport.

New Zealand

Summary

Repair work and vehicle maintenance spur New Zealand's aftermarket automotive parts and accessories sales. In 2012, New Zealand's automotive parts and accessories imports totaled USD 331.5 million an increase of 6.3 percent on the previous year. After Australia, the United States is New Zealand's largest import source of aftermarket automotive parts and accessories.

New Zealand imports most of its motor vehicles. The national fleet consists of approximately 4.3 million vehicles, of which approximately 2.8 million vehicles are passenger vehicles. (Source: Land Transport Safety Authority). New and pre-used vehicles from Japan make-up a significant part of the national fleet. Toyota Corolla is the the most popular passenger vehicle make followed by Suzuki Swift. In 2012, the mean age of New Zealand passenger vehicles was 13.81 years (trucks 13.95 years). New Zealand is a right-hand drive nation—the steering wheel fits on the right-hand side of the vehicle.

U.S. motor vehicle brands sold in New Zealand include include Chrysler, Ford, General Motors (branded as Holden), and truck brands Freightliner, Kenworth, Mack, Peterbilt and Western Star. Petrol vehicles dominate the national fleet.

Market Entry

- The Land Transport Safety Authority offers information on vehicle standards at ***www.ltsa.govt.nz***.
- Goods must comply under the Consumer Guarantees Act 1993 and Fair Trading Act 1996.
- Automotive parts and accessories tariffs range from 5–10 percent. New Zealand Customs offers a working tariff online; visit ***www.customs.govt.nz*** for more information.

Statistics

Capital:	Wellington
Population:	4.5 million (2013)
GDP:	USD 169.7 billion (2012)
Currency:	New Zealand Dollar (NZD)
Language:	English, others

Contact

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- All goods imported into New Zealand attract a 15 percent Goods and Services Tax (GST).
- There are no importing licensing requirements.
- New Zealand measurement is metric.

Current Market Trends

Key trends in the local aftermarket automotive parts and accessories sales are partly a result of Government initiatives and flow down from the automotive retail industry. Trends include:

- The New Zealand Government's Safer Journeys Action Plan 2013–20 which aims to accelerate the exit of older, uneconomic and unsafe cars as well as improving the performance of the national fleet through initiatives such as in-service emissions testing (***saferjourneys.govt.nz***).
- High fuel costs means fuel efficiency is important to consumers. In New Zealand the number of hybrid vehicles is growing fast. Energy efficient and environmentally friendly motoring fits the New Zealand psyche.
- Consumers/trade are increasingly ordering online for automotive parts and accessories.
- Women are more involved in buying, driving and maintaining motor vehicles.

Used and Remanufactured Automotive Parts

Used

New Zealand allows for reconditioned or used parts to be used, provided they are within safe tolerance of the vehicle manufacturers' original equipment specifications.

Remanufactured

Remanufactured/rebuilt parts are considered as "used parts" and a cost effective alternative to purchasing new parts.

Main Competitors

New Zealand's automotive parts and accessories market is a combination of local component manufacturers and importers. When the last motor assembly plant closed in New Zealand in 1999, the automotive component industry developed export markets in order to remain profitable. In 2012, New Zealand's auutomotive parts and accessories exports totaled USD 85 million. Approximately half of New Zealand's automotive exports depart for Australia. New Zealand's core capability lies in the manufacture of original equipment and spare parts.

In 2012 the key suppliers of automotive parts and accessory imports to New Zealand were:

- Australia (15.6 percent)
- United States (15 percent)
- Japan (13 percent)
- Germany (11.3 percent)

(Source: Statistics New Zealand)

Current Demand

Repairs and maintenance will continue to spur demand for the remainder of 2013/14 in response to a combination of New Zealand's aging fleet and annual inspections for on-road vehicles for safety compliance. Motor vehicles in New Zealand are required to comply with many of the vehicle safety standards applied in the U.S., Europe, Australia, or Japan; whichever are applicable to the particular vehicle at the time of manufacture.

Barriers

There are no trade barriers against U.S. products and services.

Trade Events

CRC Speedshow

July 20–21, 2014 • Auckland, New Zealand • ***speedshow.co.nz***

New Zealand's leading annual trade event showcasing new cars, motorcycles, motorsport, and classic vehicles. New for CRC Speedshow 2014 is a dedicated truck and 4WD exhibition hall. CRC Speedshow includes a large area for automotive accessories and suppliers.

Nigeria

Summary

Vehicle sales in Nigeria are growing rapidly, with automakers seeing double-digit growth over the past year. To try to capture a greater share of demand, vehicle manufacturers are looking to expand retail dealerships while some of the more adventurous are taking a stab at local assembly. The government has taken steps to support domestic production, but investors say that without greater protections for the nascent industry, further development may be challenging. The market for used cars and trucks has grown significantly in the past 20 years averaging more than 10 percent annually and with the United States as the key supplier. For both the new and used cars category, Japanese brands with a preference for Toyota are seen for its reliability and fuel efficiency. Mack dominates the truck segment because of its perceived ruggedness and durability. Opportunities exist for car care products, diagnostic tools as well as auto body repair products and kits. In October 2013, the Nigerian government granted approval for changes to the import duty regime on vehicles to encourage local manufacture and create jobs. Fully Built Unit (FBU) cars now attract a duty of 70 percent and buses 35 percent. Local assembly plants can import FBU cars at 35 percent duty and commercial vehicles at 20 percent duty. This policy went into effect October 9, 2013, and applies to vehicles with bills of lading dated after January 10, 2014.

Market Entry

The best way for U.S. manufacturers and suppliers to penetrate the Nigerian market is to utilize the extensive knowledge, industry contacts and services the benefits of the U.S. Commercial Service with the extensive knowledge, industry contacts, and services of the U.S. Commercial Service.

Current Market Trends

Over the past 20 years, used cars and trucks have become very popular in Nigeria. Low household incomes impacted by unfavorable macroeconomic factors and

Statistics

Capital:	Abuja
Population:	174,507,539 (est. 2013)
GDP (est.):	USD 266 billion (2012)
Currency:	Naira (N)
Language:	English (official), Igbo, Yoruba, Hausa

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lack of auto financing loans from banks have been responsible for this trend. With new vehicle prices stretching beyond the reach of a large section of the population, fairly used automobiles have become the better alternative. As a result of this massive consumption shift, three out of the four car and truck assembly plants in Nigeria were gradually forced to shut down operations due to low consumer patronage and increased manufacturing costs. Imports have thus, continued to fill the supply gap with new vehicles coming from assembly plants in South Korea, South Africa, the United Arab Emirates and Europe. An Oxford Business Group report published in 2013 shows that Nigeria imports nearly all the cars on its roads with an average of 50,000 new and 150,000 used vehicles entering the country each year. The United States currently leads as the key supplier of used automobiles with a market share of about 70 percent. Europe had controlled this segment throughout the 90s until early 2000 when foreign exchange variations made European imports competitively more expensive. Moreover, Nigerian used car buyers prefer the extra luxury and features U.S. import cars are loaded with. More than 80 percent of the used vehicles shipped from the United States are Japanese brands, especially Toyota and Honda. These are in high demand due to consumer perception of their reliability and fuel efficiency. The Nigerian used car market is currently saturated therefore, to gain price competiveness, local dealers and individual buyers are sourcing vehicles mainly from auto auctions, salvage yards and private sellers.

Used and Remanufactured Automotive Parts

The growing market for used cars and trucks has also significantly increased demand for used parts. According to the President of the Nigerian used spare parts dealers association, the country imports nearly USD 100 million worth of used vehicle spare parts every year. The United States also controls much of this market segment. Used engines, transmissions, motor body, replacement parts and even service parts are sold in most major cities. Used parts dealers primarily source their merchandise from junk/salvage yards.

Main Competitors

Major competitors include Japan, South Korea, the UAE, China, and European countries like Germany and Belgium.

Current Demand

According to the U.S. Census Bureau, the United States exported new and used cars worth USD 1.09 billion in 2013. The Toyota brand dominates the marketplace, accounting for up to 70 percent of imports, although other Asian products like Honda, Nissan, Mitsubishi, Kia and Hyundai have a strong presence in Nigeria. Demand for American makes is generally low but Ford Motors, which announced in September 2012 that it would introduce more than five new models to the Nigerian market, including the Fusion, Edge, Escape, Ranger and Focus, is now gradually gaining consumer acceptability. With respect to heavy duty trucks, there is a huge demand for used equipment. American brands are generally well received because of

their perceived ruggedness and durability. However, Mack is the most popular and preferred truck in Nigeria with a market share of more than 60 percent. Older models occupy top place in the preference chart. Compared to other American brands, Mack's success has been driven principally by the availability of its spare parts and technical versatility of local mechanics in its repairs and maintenance. Due to the bad state of most Nigerian roads, buyers are very keen about trucks with spring suspensions. Enormous opportunities exists for other U.S. truck manufacturers, however, willingness to make significant investments in after-sales support, spare parts supply and technical training is required.

Barriers

In October 2013, the government of Nigeria imposed a duty of 70 percent on cars and 35 percent on buses. This new import duty regime is expected to impact adversely on U.S. automotive exports.

Trade Events

Lagos International Motor Fair & Nigeria Auto Spare Parts Expo

May 4–8, 2014 • Lagos, Nigeria • ***lagosmotorfairng.com***

Major local and international vehicle manufacturers, brand representatives, and policy makers involved with Nigeria's and West Africa's road transport and automotive business.

Norway

Summary

Around 3 million cars and vans were registered in Norway as of 2013. Of this, almost 2.5 million were private cars. This corresponded to 481 passenger cars per 1,000 inhabitants. The EU average was 486.

About 2,500 automobile repair shops are located throughout the country, employing close to 15,000 people. Very few of those specialize in U.S. FMVSS cars. Some North American built EU type approved automobiles, such as Jeep, still remain a relatively small share of the total market. Other niche vehicles, such as Chevy Volt are also selling through their Opel brand Opel Ampera. Ford, on the other hand, is doing well with their world car segments.

For Tesla Motors, Norway is the largest market outside the U.S.

Norway has no domestic production of automobiles. Automobiles are regarded as an important revenue sector for the Norwegian Government, heavily taxed and often retailed at about 200–300 percent above invoice costs for the larger and heavier models. Japanese and European suppliers are dominating the automobile market and this also influences Norway's automotive aftermarket and its demand for parts and accessories. The automobile importers/sales/service organizations are handling about 60 percent of the parts (less for accessories), while members of the Association of Norwegian Wholesalers of Automotive Parts and Accessories account for the rest.

Market Entry

The market is open for EU-type approved vehicles, parts and tools. CM marking may apply on certain categories of tools. As a general rule, most that is approved at an EU level is approved in Norway.

Statistics

Capital:	Oslo
Population:	5,096,000 (2014)
GDP:	USD 274.1 billion (2014)
Currency:	Norwegian kroner (NOK)
Language:	Bokmal Norwegian

Contact

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In addition, The Norwegian vehicle directory also allows for imports of FMVSS vehicles in "original state." An active Am-car group takes advantage of this opportunity by importing around 500+ cars annually.

Current Market Trends

Norway follows the trend of accommodating for "world cars," thus parts and tools that serves this market.

Used and Remanufactured Automotive Parts

Used

There is a very limited market for used automotive products.

Remanufactured

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt and/or used motor vehicle parts in Norway. Remanufactured parts are not treated differently from new or used parts. There are some sales of U.S. remanufactured parts, but Norwegian dealers are buying the parts from the U.S., and are not offering any return service, and are not doing and refurbishing themselves. This option is therefore less advantageous than in the U.S.

There are no customs duties levied on automotive parts imported to Norway.

All automotive parts are subject to value added tax (vat) at a rate of 25 percent of the import value—invoice costs plus freight costs. This applies to all types of automotive parts, whether or not they are new, remanufactured, rebuilt, or used. In general, remanufactured/rebuilt parts are considered used parts. However, there would not be a significant difference in the way they were treated if they were considered new.

There are no quotas or limitations on these parts. There are no special treatments or conditions. With regard to remanufactured/rebuilt braking system parts, specific quality standards may apply.

Even though there are few or no specific quality standards in place for remanufactured/rebuilt automotive parts, all products must be of such a quality that they pass bi-annual regular motor vehicle tests ("EU-test"). Should inspectors at required motor vehicle tests find that a part is of such an inferior quality that it jeopardizes vehicle safety standards, they will require that the part be replaced.

Since automobiles and the use of automobiles (annual road taxes, registration taxes, gasoline taxes, etc.) are taxed heavily, the prospects for remanufactured parts, as a less expensive alternative to new and original parts, are good, as long as they are adapted to the market demands, and particularly to Japanese and European makes.

U.S. suppliers of filters and shock absorbers are already well entrenched in this market, but there is always an active interest in what U.S. suppliers may offer in the fields of automobile parts and accessories.

Remanufactured automotive parts are already imported and sold on the Norwegian market. The Association of Norwegian Wholesalers of Automobile Parts and Accessories reports that at least two Norwegian companies import remanufactured parts.

Trade Events

Oslo Motor Show 2014

October 10–12, 2014 • Oslo, Norway • ***messe.no/en/oslo-motor-show***

Palestinian Territories

Summary

The Palestinian market is relatively small and the number of registered vehicles was around 150,000 at the end of 2012. That same year the total number of newly registered vehicles was 13,659. Ford and GM have exclusive dealers in the area and Chrysler is expected to begin sales in April, 2014. Buses are not available because they do not meet European standards, as for trucks it is completely dominated by European makes such as Mercedes and Volvo and other European brands. OEM parts are very expensive and at times hard to find. Spare parts come mostly from China and Turkey.

Market Entry

Smaller-scale models in the range of 1600–2000 cc engines are best suited for the market because they consume less gas, while customs and licensing fees on these models are generally lower. One liter of gas currently costs around USD 2.20

Current Market Trends

There is demand for used cars that are competitively priced; used cars up to three years old are allowed to be imported into the Palestinian Territories. American made cars manufactured in Korea by GM are being marketed successfully because they are competitively priced and come in smaller sized engines. Korean made cars such as Kia and Hyundai are gaining market share. Commercial banks are now very active in providing loans to salaried employees in the Palestinian Territories to purchase new cars; the loans are payable over a five years period. There has been a surge in the number of used car importers (199); imports come mainly from Germany, the United Arab Emirates, and Jordan. Hybrid cars could gain market share as Palestinian Authority plans to reduce Purchase Tax from 10 percent to 0 percent. Purchase Tax on other cars is 75 percent and could go down to 50 percent.

Statistics

Capital:	Jerusalem
Population:	4.3 million
GDP:	USD 10.30 billion (2012)
Currency:	Israeli Shekel, Jordan Dinar, U.S. Dollar
Language:	Arabic

Contact

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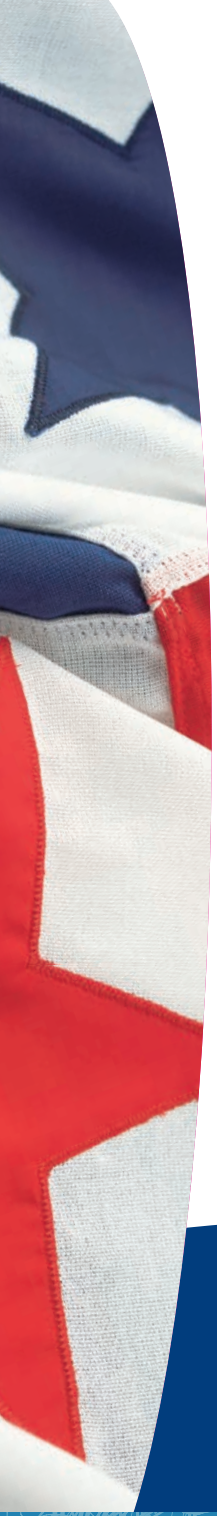
VW is number one in number of cars sold followed by Kia, Skoda, Hyundai and Peugeot, while 54 percent of registered vehicles run on gas and 45 percent on diesel.

Main Competitors

Korean, German, and French companies.

Barriers

The Palestinian Authority (PA) and Israel are in a customs union, which means that any product that comes into the PA areas must meet the standards and entry requirements that apply to Israel. With regards to cars, trucks and buses Israel follows European standards and the Palestinian Authority has to conform, as well.



Panama

Summary

In 2013 Panamanian automotive sale hit a historical record. Passenger car and commercial vehicle sales totaled 56,142 units, an increase of 16 percent compared over 2012. Hyundai earned the top sales position with an 18 percent of the market share, followed by Toyota with 17 percent, Kia (12 percent), Nissan (11 percent) and Suzuki (4 percent).

Around 1,000,000 vehicles presently circulate in the Republic of Panama, of which 70 percent are passenger vehicles, 22 percent are pick-up trucks and commercial work vehicles; buses and microbuses account for about 6 percent of the market and other vehicles represent approximately 2 percent. Panama is ninth among the top ten countries of number of vehicles per capita in Latin America.

The supply of automobiles and automobile parts in Panama is determined by the level of imports. Recent progress in liberalizing foreign trade in the country through the implementation of Free Trade Agreements, together with customs related practices for vis-à-vis the import of used vehicles has favorably impacted the supply of new vehicles.

The factors driving the demand for automobile sales and parts: included an increased average income for the population; a high degree of urbanization; lower expected price of vehicles, and better provision of roads in the country.

Market Entry

Price, service, brand awareness and quality are the principal factors influencing most local parts purchases. Parts stores are usually located in several well-known "parts" streets that facilitate price and assortment comparison by local consumers.

In general, automotive parts competition is intense, with a broad range of quality and prices to choose from. A major factor affecting competition is the one-step distribution channel from importer/wholesaler direct to the end user, practiced

Statistics

Capital:	Panama City
Population:	3,559,408 (est. 2013)
GDP (est.):	USD 36.25billion (2012)
Currency:	Panamanian balboa
Language:	Spanish

Contact

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by the larger multi-store operators. Although the market has not yet reached saturation level, several large importers have overstocks of fast-moving parts and have further reduced prices to lower their inventories.

Successful brands invest in seminars and product training, merchandising material, promotional campaigns and catalogs in Spanish with vehicle applications and OEM cross-references. It is important to have catalogs updated with the correct vehicle models and specifications sold in this market as they frequently differ from those in the U.S. Efforts should be made to educate counter salespersons and end-users as to parts compatibility and usage; e.g., many technicians will use Japanese spark plugs for Japanese and Korean cars, German plugs for European cars and U.S. plugs for U.S. cars.

The import climate for automotive parts is positive. Import duties are either zero or low for U.S. parts, and customs clearance is relatively fast and straightforward. Additionally, Panama has a dollar-based economy, good transportation infrastructure and telecommunication systems, modern ports and excellent access to shipping and air transport.

U.S. products enjoy a reputation for high quality, and are well accepted. There are no regulations, technical or safety standards for automotive parts.

In general, import duties on vehicle parts, lowered with the implementation of the Free Trade Agreement October 28, 2012. Ad valorem import duties are levied on the CIF value plus a 5 percent value-added tax.

Current Market Trends

Sales of passenger vehicles to individual consumers and businesses, roughly at equal levels, account for most transactions. Sales are expected to increase again this year, spurred by growth in construction, tourism and canal related activities, and nurtured by a relatively stable economy.

The traditionally open Panamanian market makes for a vehicle mix that is very different from other countries, with a preference for subcompact and compact passenger cars primarily operated in congested city driving conditions. Deteriorating road and traffic conditions and the large influx in recent years of vehicles with more sophisticated technology require higher quality and more sophisticated parts. The vehicle accident rate is at an all-time high with an average of 100 collisions daily, which bodes well for body parts and collision repair equipment.

Used and Remanufactured Automotive Parts

Panama has no restrictions on the importation of remanufactured, rebuilt and/or used motor vehicle parts. The customs office does not make a distinction between used and remanufactured parts.

The above applies to all motor vehicle parts.

There are no quotas or limitations on these parts, nor any special treatment or conditions.

Import duties on vehicle parts in general has lowered as part of the Free Trade Agreement which went into effect October 28, 2012. A 5 percent value-added tax is also applied on the total value of the product (c.i.f. value plus import duty).

The market for used and remanufactured vehicle parts is becoming stronger, because there is an increasing awareness that such products represent a good option. This is especially true in the case of commercial vehicles (cargo and passenger transportation).

Main Competitors

New automobile imports by origin: Japanese 69 percent, Korean 17 percent, U.S. just under 6 percent and European 5 percent.

Toyota used to be the leading brand in sales. In 2013, Hyundai became the leader, capturing 18 percent of the market, followed by Toyota (17 percent) and Kia (12 percent). U.S. brands such as Ford are becoming more popular in the country, and are expanding their presence in the market by appointing two or more distributors.

Competition is intense. Parts imports from the Far East, especially Japan, Korea and Taiwan, account for 60 percent of total imports due to their low cost and the predominance of Japanese and Korean cars in the market. Of that share, about 20 percent enter Panama via the Colon Free Trade Zone and inventories maintained to service a number of Latin American markets. Nevertheless, imports from the U.S. continue to be significant at 35 percent, which include U.S. exports to both U.S. and foreign made parts, due to quick delivery times, product assortment and diversity of suppliers, competitive freight costs and payment conditions.

Current Demand

Sub-sectors offering the best market opportunities include servicing equipment, passenger and light truck tires and tubes for heavier trucks, buses and equipment, passenger vehicle body parts and collision repair equipment.

Good prospects for U.S. exports include engine parts, pumps, filters, batteries, ignition parts, spark plugs, lamps, body parts, brake parts, shock absorbers, exhaust components and used or remanufactured parts especially for buses, dump trucks and other commercial vehicles.

Trade Events

Latin America & Caribbean Tyre Expo

July 9–11, 2014 • Panama City, Panama • ***latintyreexpo.com***

Direct access to the Latin American and Caribbean tire dealers in a personal setting that forges long-lasting commercial and personal ties.

Latin Auto Part Expo

July 9–11, 2014 • Panama City, Panama • ***latinpartsexpo.com***

The most important automotive event in Panama. Organized by the Panamanian Association of Automobiles Distributors (ADAP).

Panama Motor Show

October 2–12, 2014 • Panama City, Panama • ***adap.com.pa***

The most important automotive event in Panama. Organized by the Panamanian Association of Automobiles Distributors (ADAP).

The Philippines

Summary

The Chamber of Automotive Manufacturers of the Philippines (CAMPI), Truck Manufacturers Association (TMA) and the Association of Vehicle Importers and Distributors (AVID) reported that 2013 marked a significant achievement for the Philippine automotive industry—breaching the 200,000 mark in vehicle sales. A total of 210,000 units of passenger cars and commercial vehicles were sold in the Philippines in 2013.

Vehicle Sales from CAMPI and TMA, 2012–13

Vehicle Type	2012	2013	change (percent)
Passenger Vehicles	48,328	61,083	26.39
Commercial Vehicles	108,321	120,200	10.97
Total	156,649	181,283	15.72

Source: Chamber of Automotive Manufacturers of the Philippines (CAMPI), Truck Manufacturers Association (TMA)

Vehicle Sales from AVID, 2012–13

Vehicle Type	2012	2013	change (percent)
Passenger Cars	16,284	16,143	0.86
Light Commercial Vehicles	12,116	15,256	26
Total	28,400	31,399	15.72

Source: Association of Vehicle Importers and Distributors (AVID)

The continued improvement in the country's economy, increased consumer confidence, introduction of new vehicle models, and attractive promotion

Statistics

Capital: Manila
Population: 105,720,644 (est. 2013)
GDP (est.): USD 431.3 billion (2012)
Currency: Philippine Peso (PHP)
Language: Filipino

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packages are expected to continue the upward trajectory of the auto industry for 2014. In addition, sustained remittance from the Philippine overseas foreign workers (OFW) contributes significantly to vehicle sales.

Market Entry

U.S. automotive aftermarket companies should have local agents or distributors to help them enter the Philippine market. The distributor or agent must be familiar with local regulations, have access to key customers, and have the capability to provide after-sales support. It is important to note that automotive lubricants and fuel additives must secure the necessary permits from the Philippine Department of Environment and Natural Resources (DENR) and the Department of Energy (DOE). Duties and tariff apply to vehicle and aftermarket product imports. Detailed information on specific tariff information is available from CS Philippines (contact information listed below).

Current Market Trends

The Philippine market is generally very price sensitive. The average Filipino's primary consideration when purchasing a vehicle is fuel cost, number of passengers, and parts availability. Light commercial vehicles (LCV) with diesel engines are generally preferred because of savings in fuel cost (diesel vs. gasoline) and the capability to carry more passengers and luggage.

According to AVID, the 2013 increased LCV sales was led by Subaru's Forester and Chevrolet's Trailblazer. These two LCV's competitive pricing and attractive financing packages are seen as the reasons behind their strong sales numbers. The all-new Ranger was Ford's best-selling model in the Philippines for 2013. The Ranger's 2013 sales soared by 237 percent to 4,691. The Toyota Vios continues to dominate the passenger car segment. The Vios is the equivalent of Yaris in the U.S.

The average vehicle lifespan in the Philippines is 15 years, which accounts the high demand for replacement and maintenance parts. The accessories market is expected to decline slightly because automotive dealers are already including accessory upgrades in their marketing promos.

The Ford assembly facility that opened in 1997 closed its doors on December 31, 2012. The iconic Harley-Davidson opened its first dealership in the Philippine in March 2013.

Used and Remanufactured Automotive Parts

Note that remanufactured products are referred to as "rebuilt" products in the Philippines.

The Bureau of Import Services (BIS), an office under the Philippine Department of Trade and Industry (DTI), gathers data, facilitates importation, and implements import regulations on

selected items. The BIS issues the Certificate of Authority to Import (CAI) or Release Certificates for the importation of new, used and remanufactured motor vehicles and parts.

Used and remanufactured engines and motor parts are generally freely importable if used for replacement purposes only. This means that automotive traders will import these parts and sell it to the end-users as replacement for existing units.

Trucks and Buses

All truck parts, including engines and chassis, are freely importable if these will be used for replacement purposes. However, prior authorization from the BIS is required for importation of completely-knocked-down (CKD) trucks, buses and Special Purpose Vehicles (SPV) for rebuilding purposes. The importer-rebuilder has to be accredited with the BIS before it can import.

The Philippines has a rebuilding program for used trucks and buses. BIS handles the accreditation of all importer-rebuilders to ensure that it has the technical capability and adequate facilities to carry out truck-rebuilding activities. All importation of chassis, engines, body and cabin/cowl shall be for the sole purpose of rebuilding and not for individual sale. BIS import clearance is required. Once trucks are rebuilt (or remanufactured) in the U.S., it is already considered a completely-built-unit (CBU) exported to the Philippines.

Cars and Motorcycles

The BIS requires importers to apply for import authority for the following parts and accessories of vehicles: dashboards, doors, fenders, floor boards, grilles, hoods, running boards, luggage compartments, luggage racks (exterior), running boards, radiator cowlings, trunks/trunk lids, visors, wings, mudguards, and floor mats (other than of textile material/rubber). Bodies (including cabs and body shell) and chassis fitted with engines are also regulated.

Regulation

EO 156 provides the regulation for used vehicle importation.

For cars:

- Prohibited except for the personal use of a returning resident or immigrant and covered by an authority to import issued under the No-Dollar Importation Program of EO 156. Such vehicles cannot be resold for at least three years.

For trucks:

- Below Gross Vehicle Weight (GVW) of 2.5 tons—importation is prohibited per EO 156
- With GVW of 2.5–6 tons—regulated; secure import permit from BIS
- With GVW of above 6 tons—freely importable; liberalized

For buses:

- Below GVW of 6 tons—importation is prohibited per EO 156
- With GVW of 2–6 tons—regulated; secure import permit from BIS
- With GVW above 12 tons—freely importable; liberalized

Special purpose vehicles:

- Freely importable

Best Prospects

There is a strong demand for used engines from the U.S., particularly for Yaris engines. Majority of the taxi fleets in the Philippines use Toyota Vios, the Philippine version of the Yaris. Taxi fleet companies are among the largest used parts customer in the Philippines. There is also a strong market for U.S. trucks on the island of Mindanao (the second largest and southernmost island of the Philippines). Large U.S. tractor heads are used to haul agricultural produce from the fields and processing plants to ports located around the province to be exported. Philippine SMEs prefer to buy remanufactured/rebuilt vehicles for delivery/hauling operations over brand new vehicles because of cost-considerations. However, the U.S. faces stiff competition from other Asian countries.

Main Competitors

Japan continues to dominate the Philippines' motor vehicle industry. Based on data from CAMPI, Japanese car maker Toyota Motors Philippines Corp. led the industry with a 41 percent market share in 2013. Mitsubishi Motors came in second with 24 percent. Honda (7.37 percent), Ford (7.37), and Isuzu (7.33) complete the top five.

The U.S. is best known for automotive tools and equipment used for engine diagnostics, battery testing, machine/shop fabrication, paint and body works, and the like. U.S. brands are preferred for their precision, reliability, and superior quality.

American tires, car care products, oils, additives, and lubricants are preferred in the market. However, cheaper brands are making it challenging for U.S. products to compete in this market. Competitively priced Chinese replicas of aftermarket parts and components are dominating the market for the same reason. Australia's Iron Man brand of 4x4 accessories also provides tough competition for American companies.

Current Demand

Aftermarket products in high demand are suspension parts, shock absorbers, brake pads, spark plugs, transmission and engine oils. Filipino car owners are expected to spend on the following automotive accessories: stepping boards, rear bars, carriers, and high end bulbs and accessories for 4x4 vehicles.

Barriers

The Philippines continues to face challenges related to smuggling and counterfeit parts, car care products, oils and lubricants. Executive Order (EO) 156 was created primarily to stop the importation of used cars. New vehicles sales showed significant growth since the implementation of EO 156 in 2007. However, news reports have indicated that importation of used vehicles still continue in a free port in Northern Luzon1. Importers have also noted that counterfeit spare parts that are almost half the price of genuine parts continue to thrive.

The ASEAN Free Trade Area (AFTA) was signed by ASEAN member countries in 1992. AFTA is a trade agreement within ASEAN that will eliminate tariffs between member countries. AFTA took full effect in 2010. With the implementation of AFTA, tariffs on vehicles and parts imported from other ASEAN countries will be abolished. This puts CBU's from the U.S. at a price disadvantage with their 30 percent tariff rate.

Trade Events

Transport Show 2014

May 22–25, 2014 • Pasay City, Philippines
A show for all car enthusiasts; trade and retail booths on automotive products and services; car competition/display.

Philippine International Motor Show 2014 (PIMS5)

September 18–21 • Pasay City, Philippines • ***campiauto.org***
Featuring the newest car and automotive models, services, and technologies.

Manila Auto Salon 2014

November 20–23, 2014 • Pasay City, Philippines
Focused on the automotive aftermarket industry.

Poland

Summary

The Polish automotive market has been growing significantly in recent two decades. The number of vehicles registered in Poland increased from 9 million in 1990 and 18 million in 2006 to 25 million in 2012 (including 19 million passenger cars). Some experts state that these numbers might be too high and that the real number of passenger cars in Poland might be 4 million less. The problem is caused by the current system of registration of vehicles which is not able to fully track the number of cars that go to scrap.

The majority of the vehicles are old. 20 percent of them were between 6–11 years old, over 23 percent were over 12–15 years old while almost 30 percent were 16–25 years old. The relatively new cars from 0–2 years old and 3–5 years old accounted to 3.8 percent and 6.9 percent respectively. In 2012 there were four times more cars over 25 years old than new cars up to 2 years old.

Typically, Poles buy much smaller cars (with engine capacity up to 2,000 cc) than Americans and tend to keep them longer. Diesel fuel engines are more popular in Poland (4.33 million in 2011) and unlike in the United States, cars are almost exclusively equipped with manual gearboxes. Recent estimates show that over 2 million passenger cars were converted to LPG.

Poland is still one of the biggest producers and exporters of passenger cars, buses and parts. It is estimated that 98 percent of Polish production is exported. About every seventh bus and every twentieth passenger car manufactured in the EU is made in Poland. However, for the last four years Polish car factories were downsizing production of passenger cars. The decline has been estimated at 23 percent.

The leading local producers are Fiat Auto Poland (348,500 cars produced in 2012), GM Opel (125,300), FSO SA (153,310), and Volkswagen Poznan (78,000). The total production lowered from 637,200 in 2011 to 540,000 passenger cars in 2012.

Statistics

Capital:	Warsaw
Population:	38.3 million (2012)
GDP:	USD 489.8 billion (2012)
Currency:	Polish Zloty (PLN)
Language:	Polish

Contact

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The neighboring Czech Republic observed only a slight drop in production in 2012 (1.7 percent, 1.17 million cars) while the Slovak Republic's production increased by 40 percent to 900,000 cars.

Production of Passenger cars and LD Vehicles, 2011–12

Manufacturer	2011	2012
Fiat Auto Poland	446,800	348,480
GM Opel	174,000	125,000
Volkswagen	199,600	162,000
Others	0	20
Total	820,400	635,800

Source: Automotive Yearbook 2013—Polish Automotive Industry Association

Market Entry

There are some good opportunities in Poland for U.S. exporters of automotive products including passenger cars, car parts for OEMs and for aftermarket and car accessories.

U.S. companies interested in expansion to the Polish market should find a good local partner in order to be successful—either an established distributor with some complementary product lines or a joint venture partner for a joint distribution or production. They might also consider establishing their own local presence.

U.S. firms interested in exporting should consider participating in trade shows in Poland (listed below) or major European trade shows like Automechanika in Frankfurt, Germany, Equipauto in Paris, France, Eicma in Milan, Italy, and others. Polish firms visit those shows regularly. European automotive shows seem to be more important to Polish companies than Polish trade shows, which lack popularity and do not show the whole picture of the local market.

U.S. exporters of vehicles, parts and accessories must comply with EU and national legislation.

Current Market Trends

Passenger Vehicles and Motorcycles

There is a visible interest in Poland in importing new and used passenger cars from the United States. Some of the new vehicles imported from the United States are significantly cheaper than the same or similar models sold in Poland. The price differences for used cars are even bigger. ATVs, SUVs, and vans enjoy the biggest demand. In 2008 Poles imported as many as almost 24,000 vehicles from the United States, but the number decreased significantly to only 6,200 in 2013. The number of imported cars from the U.S. depends on the exchange rate of

Polish Zloty (PLN) and US Dollar. In 2008 the exchange rate was as low as 2 PLN/USD while in 2013 it is 3.10 PLN/USD. The similar situation is observed on the motorcycle market.

U.S. exporters must comply with EU and national legislation. Currently, to register a car imported individually from a non-EU country, the car has to be modified in order to meet the EU specs (lights, exhaust etc.). The cost of the changes is about USD 2,000. Then the car has to pass a technical approval, which costs USD 40.

Other sectors

The interest in car tuning and styling has grown over the last 10 years. Many Poles consider the U.S. to be the trend setter when it comes to styling and tuning their vehicles. The most popular car brands for styling and tuning are European and Japanese models including: Renault, VW, Toyota, Honda, Suzuki, Subaru, BMW, Citroen, and Nissan.

Styling and tuning products are imported by either small, specialized importers of such products or by large car parts importers (styling and tuning products accounts to only 1 percent of their turnover). The majority of companies specializing in styling and tuning are small family firms with only a few employees. They usually have an online shop since a significant portion of sales in this sector is done through the internet. There are also a growing number of garages offering styling and tuning services. Some of the high-end well-known tuning service providers like Brabus and Carlsson, are already present on the Polish market.

There is also a significant interest in repair and diagnostic equipment for service stations. The demand for this equipment is driven by Polish regulations requiring all automobiles to pass a technical inspection three years after the initial date of sale. The next inspection is done after two more years and then on annual basis. Another important factor increasing the sales of automotive service equipment is the huge import of used cars, of average age 8 years or older, from the EU countries since Poland joined the EU on May 1, 2004. These cars often need urgent repair, some of them having been in crashes and imported for repair in Poland.

There is a good potential market in Poland for U.S. made car parts. Especially for passenger cars with European specifications, accessories, engine parts, body parts, and air conditioning systems.

There are also opportunities in Poland for U.S. made audio equipment, amplifiers, radar sensors, navigation systems, as well as high-tech alarms.

Electric cars are too expensive to be popular in Poland. Unlike in other countries, Polish government does not offer any incentives to owners of such vehicles. According to the official statistics, there were only 30 electric cars registered in Poland in 2012 and 35 in 2011. The number of hybrid cars registered in these two years was also limited—752 in 2012 and 826 in 2011.

Used and Remanufactured Automotive Parts

There are no restrictions placed on the import of used or remanufactured car parts into Poland. Remanufactured and used parts are subject to the same regulations that apply to the import of new parts.

Remanufactured parts are still seen in Poland as of lower quality, but this approach is changing. People start to see the benefits of using remanufactured parts—for their financial and environmental benefits. Also insurance companies press for the use of remanufactured parts in cars for repair.

There are no quotas for remanufactured/rebuilt and used car parts.

The sales prospects for U.S. remanufactured parts are relatively limited. The most promising markets are truck fleet owners, public transportation companies, and other similar end-users.

Some car and parts manufacturers (including Opel, Peugeot, Bosch or Mercedes) offer remanufactured parts at their authorized service stations under their original logo. At the same time they voice their concerns about the low quality of remanufactured parts offered by independent distributors.

Several Polish firms specialize in remanufacturing of parts and are members of APRA Europe. The leading ones are owned by the major importers of car parts; for example, Lauber Co. Ltd. (***lauber.pl***) is owned by Inter Cars SA, the biggest independent aftermarket parts importer in Central and Eastern Europe (***intercars.com.pl***). Another major importer, Fota SA (***fota.pl***) owns Expom Kwidzyn (***expom-kwidzyn.pl***).

Main Competitors

U.S. exporters face strong competition from imports from European Union firms. Vehicles and parts manufactured in the EU can be imported to Poland with no duty, while similar products imported from non-EU countries are subject to customs duty. U.S. firms compete also with many suppliers from Asia, who usually offer inexpensive parts and components of much lower quality than the original parts.

Often U.S. firms are present on the Polish market through their European subsidiaries or local joint ventures.

Current Demand

In 2012, more than 657,000 used vehicles were imported to Poland, 0.4 percent more than in 2011. The volume of used vehicle imports is stable. Secondhand import is dominated by old vehicles.

In 2012, import of automotive products into Poland amounted to 16.80 billion USD and was 3.9 percent lower than in 2011. Passenger cars (5 billion USD) and car parts and accessories (6.5

billion USD) lead that statistics. Exports of automotive products in 2011 reached 27.5 billion USD and dropped in 2012 by 5 percent (to 26.2 billion USD).

In 2012, the automotive sector accounted for 8.6 percent of total Poland's imports and 14.4 percent of total exports.

Barriers

There are no restrictions in import of passenger cars and parts from the United States. However, they need to meet EU regulations and be certified accordingly.

Information on the EU regulations can be found at ***bit.ly/1fu0jY3***.

Information from the CS European Union office can be found at ***export.gov/europeanunion***.

Custom Duties and Taxes

Custom duties for automotive parts and accessories imported from the United States are between 3 percent and 4.5 percent.

There are no customs duties on imports from European Union (EU) countries. The VAT in Poland is 23 percent. The VAT is applied to all imports, including European and local suppliers. Some products seen as luxury are subject to an excise tax—for cars its level depends on the size of the engine—3.1 percent for cars up to 2 cc, 18.6 percent for cars with engine capacity over 2 cc.

Trade restrictions or other non-tariff barriers (such as quotas) do not exist.

The U.S. and the European Union is negotiating the TTIP Free Trade agreement (Transatlantic Trade and Investment Partnership). The agreement is expected to be ready in 2015/2016. If the TTIP agreement is reached, it will increase the trade between the U.S. and the EU, including Poland.

Trade Events

Motor Show

March 27–30, 2014 • Poznan, Poland • ***motorshow.pl/en***
Poland's largest auto show. Family cars, luxury limousines, sport coupes, SUVs, special-purpose vehicles, campers, and motorcycles; parts and components; tuning and accessories.

Automotive Technology Fair

March 27–30, 2014 • Poznan, Poland • ***ttm.mtp.pl/en***
Poland's largest show for garage and diagnostic equipment, including repair and diagnostic devices, tools, accessories, workshops, and spare parts.

Portugal

Summary

Portugal has been showing sustained signs of recovery in economic activity with domestic demand indicators slowly increasing and export performance remaining strong registering the highest export growth within the EU15 between Q2 2011–Q2 2013.

According to the latest data, the automotive sector in Portugal is slowly recovering with vehicles sales in January 2014 reaching 10,899 units, an increase of 31.9 percent compared with January 2013.

The automotive sector in Portugal with an annual turnover of around 7 billion euros, and delivering around 160.000 passenger cars, light and heavy commercial vehicles per year, the auto sector continues to be a core sector of the Portuguese economy. It represents about 4 percent of total GDP with a workforce of around 41.000 people and is one of the main exporting Portuguese sectors.

Portugal hosts 5 major car manufacturers—Toyota/Salvador Caetano, PSA Peugeot Citroen, Mitsubishi Trucks, Isuzi/VN Automoveis and Volkswagen AutoEuropa—and over 175 automotive supplier companies.

Portugal exports 97.8 percent of the total vehicles produced and 80.5 percent of total automotive components produced in the country. The automotive components industry has grown 200 percent over the past 15 years and presently Portugal is supplying carmakers with batteries, glass, plastic molds, interiors, tires, metal works, cables and harnesses, car seats and electronics.

Market Entry

U.S. exporters must comply with EU and national legislation when it concern type approvals of vehicles and parts.

Statistics

Capital:	Lisbon
Population:	10,799,270
GDP:	USD 260.7 billion
Currency:	Euro (€)
Language:	Portuguese

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Current Market Trends

Motorcycles

U.S. motorcycles such as Harley-Davidson, Buell, Polaris and Vectrix are sold in Portugal. As fuel prices keep climbing, Portuguese are looking into other means of transportation such as scooters and motorcycles.

Hybrid Vehicles

Zero emissions vehicles (ZEV) and hybrid vehicles are still attracting some curiosity, in 2013 a total of 1994 hybrid vehicles were sold. These vehicles include: Toyota Prius, Honda Civic Hybrid, Lexus LS, GS and RX Hybrid, Segway, Vectrix among others.

Portugal benefits from the first nationwide, fully interoperable electric mobility system, where any user can charge any vehicle at any of the more than 1,100 charging points. An emerging cluster around new mobility concepts and services in Portugal is attracting the partnership of large corporations.

Portugal is also one of the top lithium producers in Europe with an estimate reserve of 2–10 million tons of lithium to be explored in the near future.

Aftermarket Accessories

The market for automotive accessories and specialty equipment in Portugal has been growing slowly and distribution channels largely consist of small importers. Although it is a market fairly small compared to neighbouring Spain, it is an ideal market for product acceptance studies, serving as a gateway to enter other European markets as well as African markets.

Acceptance of U.S. products and new technology in Portugal is very high and well received by local companies. Portuguese over the past years have become fans of a wide range of products such as, passive and active security systems, automotive eco-friendly solutions, diagnostic and testing tools, as well as car entertainment systems. In general, all products with cutting-edge technology can be placed into the Portuguese market. As a rule, Portuguese are ready to take into consideration new products and pay extra money for something that is, or seems to be, new and innovative.

Main Competitors

U.S. suppliers generally will face strong competition from European suppliers.

Barriers

Import duty tariffs are in-line with EU but VAT (value added tax) in Portugal is currently 23 percent. U.S. exporters must also be aware that imported products are subject to certification for quality and safety in conformity with the relevant EU regulations.

Romania

Summary

Romanian Motor Vehicle Market, 2012–13		
(EUR Millions)	2012	2013 (est.)
Total Market Size	1,450	1,320
Total Local Production	3,100	3,800
Total Exports	2.628	3,400
Total Imports	1,282	1,150
Imports from U.S.	1.04	1.3

Source: Unofficial estimates.

Romania ranked second among the 10 largest car manufacturing countries in Europe by ratio of cars made to new cars sold (10-to-1), according to the European Automobile Manufacturers' Association (ACEA) and the International Organization of Motor Vehicle Manufacturers (OICA). Romania is behind the Slovak Republic (16-to-1), while in the Czech Republic the ratio is lower (7-to-1). Romania manufactured almost 304,000 cars in the first nine months and sales of new cars stood at 48,400, a 6-to-1 ratio according to Association of Automotive manufacturers and Importers (APIA). Its production growth rate reached 20 percent, the fastest in Europe, driven by Dacia, which is headed to a new all-time high of 343,000 cars, and by Ford, who despite the production shutdowns in September and October is headed towards 60,000 cars. Taking the appreciation of the exporting rhythm within this realm into account, Romania comes out top with a 300 percent rate in 2007–13.

Despite having two large car plants, the local car market lost almost 80 percent of sales in the last five years, as Romanians preferred to buy mostly used vehicles imported from Western Europe. The secondhand market will reach 200,000 cars this year, compared with 60,000, the estimated volume of new car sales.

Statistics

Capital: Bucharest
Population: 21,790,479 (est. 2013)
GDP (est.): USD 277.9 billion (2012)
Currency: Romanian New LEU (RON)
Language: Romanian

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The ratio of cars made to cars sold is shrinking fast in Western Europe and stands at less than one in most countries. The only exceptions are Germany (1-to-2) and Spain (2-to-5). In France, UK, Belgium and Italy, sales of cars exceed production. Compared with 2008 (when new vehicle sales hit a record in Romania), in 2013 new car sales decreased by 78 percent while imports of second hand cars decreased only by 30 percent. New car sales over 2012–13 were expected to represent the new peak auto sales in Romania, as large fleets change every four years. These sales were actually made, but without reaching the level of 2008 in new vehicle sales.

The establishment of environment stamp based on EO 9/2013 that blocked the used car sales; as a result, the companies wishing to renew their fleet postponed any purchases, blocked new car sales and encouraged customers to focus again on second hand cars imported through informal intermediaries. (Environment stamp value is lower for older cars and ineffective pollution control systems—non Euro or Euro1, knowing that beginning with 2014, Euro 6 will apply to new vehicles). This tax has negatively influenced the operational leasing market. The amendment of the Tax Code also created a problem coupled with delays in applying this amendment. Another bill that generated concern was the insolvency act, contrary to economic desire, being in favor of insolvency. With regard to leasing capability, the forecast for 2014, stagnation or a slight increase of 0.5 percent is expected. This type of financing is very important, since 85 percent of new car registrations in Romania are represented by sales to companies. It is worth mentioning that due to economic and legislative issues, which determined a cautious attitude towards new car acquisitions, competition has increased and unfortunately, Romania became a market focused only on price.

Market Entry

U.S. exporters must comply with EU and national legislation when it concern type approvals of vehicles and parts.

Current Market Trends

The Romanian automotive industry has been one of the most profitable sectors of the economy in recent years and has been attracting increasing foreign investor interest. Opportunities in the automotive market have yet to be fully exploited by companies already operating within the region, or still considering their entry into this marketplace. Auto components manufacturing has moved out of mature economies into the strong growth Romanian economy. Local production is mainly export oriented and serves many of the top car brands worldwide. It should be noted that approx. 91 percent of Romania's car production was exported, which is why Romania's auto industry continued to contribute significantly to reducing Romania's trade deficit.

Main Competitors

U.S. suppliers generally will face strong competition from European suppliers.

Dacia was Romania's best-selling car brand after the first 11 months of 2013, with 20,599 units sold (33.2 percent of total), followed by Volkswagen (6,927 units/11.2 percent), Skoda (4,956 units/8 percent), Renault (3,661 units/5.9 percent), Ford (3,367unități/5.4 percent) and Opel (2,546 units/4.1 percent).

The Dacia Logan is Romania's best-selling car, followed by Sandero, Duster, Skoda Octavia and Volkswagen Golf.

Current Demand

The Romanian automotive industry has been one of the most profitable industries of the economy in recent years and has been attracting increasing foreign investor interest. Opportunities in the automotive market have yet to be fully exploited by companies already operating within the region, or still considering their entry into this marketplace. Auto components manufacturing has moved out of mature economies into the strong growth Romanian economy. Local production is mainly export oriented and serves many of the top car brands worldwide. In Romania there are 278 Cars/1000 inhabitants, versus the European average of 477 cars/inhabitants. Romania's car park amounts to 5.3 mil cars and the average car age is 12.7, Romania having the 2nd oldest car fleet in EU after Bulgaria.

Best-in-class cars sales. After the first 11 months of 2013, only the B-class cars sales reported an increase (0.9 percent), all other car classes, (except for F-class) reported a decrease ranging from 1.1 percent to 31 percent. Thus, volume cars sales dropped under the market average (C-Class (C -1.1 percent and monovolume cars—7.2 percent), while sales of lower A-class and the ones of the upper classes—(D, E, SUV), are lower than the market average (25 percent -31 percent A, D and E classes and -17 percent SUV).

By type of fuel, the share of diesel engines cars increased in 2013, accounting for 53.3 percent of the market after the first 11 months, compared to 50.8 percent recorded in 2012. Another aspect is the extent to which the diesel engine is currently on sale in terms of brands. Considering this criterion, eight out of the top 10 car brands recorded diesel car sales of over 50 percent (three of them even over 80 percent), a situation which is maintained as regards car brands too, where eight of the models recorded an increase of over 50 percent in case of diesel cars within the same brand.

With regards to the sales of light commercial vehicles (LCV and minibuses), a stronger market decline (-15.6 percent) could be noticed—is almost entirely due to the lack of vehicles from domestic production on the market—and to the fact that over 45 percent of the market is covered by the first three brands (Dacia, Ford, Renault).

Trade Events

SIAB—Bucharest International Motor Show

2015 • Bucharest, Romania

Passenger cars, LCVs, spare parts and accessories, lubricants, tires, and services.

Russia

Summary

Although the Russian automotive market stopped growing in 2013 after the post-crisis continuous recovering growth of 2010–12, Russia is still demonstrating the best automotive sales results in Europe. Despite decreasing car and LCV market growth rates opportunities are significant for aftermarket products, specialty equipment and aftermarket services.

Market Entry

- Perform detailed market research to identify specific sector opportunities.
- Establish a local presence or select a local partner for effective marketing and sales distribution in Russia. Due diligence is a must.
- Maintain a long-term timeframe to implement plans and achieve positive results.
- Use the experience of other, successful U.S. companies in the market. The local American Chamber of Commerce has over 850 members and is a valuable resource.
- Be prepared to offer financing to Russian buyers. Both the U.S. Export-Import Bank (Eximbank) and Overseas Private Insurance Corporation (OPIC) have programs to address these needs.
- Be prepared also to establish a well thought out budget plan and include in the entry strategy advertising, market promotion and regular visits to the major cities in Russia.

Statistics

Capital:	Moscow
Population:	142,500,482 (est. 2013)
GDP (est.):	USD 2.022 trillion (2012)
Currency:	Russian ruble (RUB)
Language:	Russian

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Current Market Trends

Car Sales in Russia, 2008–13						
(Thousands of Units)	2008	2009	2010	2011	2012	2013 (est.)
Domestic	700	380	650	730	750	550
Domestic Assembly by Foreign Makes	580	360	630	1,070	1,300	1,350
New Imports	1,500	680	620	850	810	650
Used Imports	395	20	40	50	200	150
Total	3,175	1,440	1,950	2,700	3,060	2,700

Source: AEB, PWC, Rosstat, own estimates

Although, the car market is expected to shrink about 10 percent in 2013, the dollar size of the market is expected to be as high as last year at about USD 80 billion, which means that the cost of average car sold in Russia in 2013 will approach USD 30,000.

Russia's car fleet grew 5.1 percent in 2012 and reached 36.9 million vehicles, including 13.67 million (37 percent of the fleet) of LADA, 1.4 million of GAZ (3.8 percent), 3.1 million of Toyota (8.4 percent), 1.5 million of Nissan (4 percent), 1.2 million of Chevrolet (3.25 percent), 1.08 million of Ford (2.9 percent), 1.03 million of Hyundai (2.8 percent) and 970,000 of VW (2.6 percent). However, still the rate of car ownership in Russia is only 35 percent of the U.S. rate.

The domestic assembly of foreign makes is the largest and most stable of market segments. All major foreign OEMs have manufacturing facilities in Russia, including Ford, GM, Toyota, Hyundai, Kia, Renault-Nissan, VW, BMW and PSA. Reportedly, Fiat is also looking for a site to set up an assembly plant in Russia. Foreign truck assembly projects in Russia include MAN, Volvo, Scania and Renault Truck and MB Trucks. The major obstacle to successful development of foreign assembly projects in Russia is the lack of local component suppliers.

The estimates of the size of the component market in Russia vary, but most experts agree that it was over USD 50 billion in 2012, including over USD 20 billion of OEM supplies and about USD 30 billion in the aftermarket. Industry experts believe that the OEM supplies market will grow fast and become comparable with the aftermarket, which will grow at a slower pace to achieve the same level by 2015.

Used and Remanufactured Automotive Parts

Used

There are no restrictions on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in Russia. The Russian Customs Code clearly distinguishes between new and used vehicles (a vehicle is considered used three years after the date of manufacture irrespective

of mileage). At the same time, the Customs Code makes no distinction between new or used parts and components for vehicles. Most parts, components and equipment for cars are listed in Group 87 "road vehicles" under sections 8708–8714 of the Customs Tariff of the Russian Federation. The average customs tariff for these items ranges from 5–15 percent. The absence of restrictions on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in Russia and the absence of distinction between new or used parts and components for vehicles applies to all motor vehicle parts. There are no quotas or limitations on the importation of motor vehicle parts unless they are listed as dual-purpose items and are restricted for use for export control reasons.

Remanufactured

Remanufactured/rebuilt parts are considered new. However, customs officials may require fully documented proof that certain parts are remanufactured, thus explaining their low declared Customs value (in cases when these parts cost less than new parts). Practically every manufacturing plant in Russia has a shop dedicated to repairs of equipment. Numerous service centers are partially engaged in rebuilding broken parts. Russia has no centralized remanufacturing industry or associations of enterprises engaged in this activity. A concerted effort was never made to raise remanufacturing to a federal program status. Therefore Russia's remanufacturing industry may be rated as partially developed.

Main Competitors

The Russian auto industry represents a major force in the domestic economy. AutoVAZ, which is partnering with Renault, still remains the largest Russian car manufacturer. It was recently announced that Renault, which holds 25 percent of its joint venture shares, will acquire equity control of AutoVAZ by the end of 2013. AutoVAZ sales in Russia in 2012 dropped 7 percent to 537,625 vehicles, while their total sales result was 608,205 (over 70,000 were vehicles exported). GAZ Group continues partnerships with VW and GM assembling Skoda and Chevrolet vehicles. Sollers has a joint venture with Ford. This joint venture includes Sollers manufacturing assets in Tatarstan and the Ford assembly plant near St. Petersburg. Sollers continues to cooperate with Korea's Ssang Yong to assemble the Rexton, Kyron and Actyon SUVs. KAMAZ, the largest heavy truck manufacturer in Russia continues to cooperate with Daimler. They operate JV assembly of Mitsubishi Fuso trucks and Mercedes highway tractors.

Although major international automotive OEMs are already active in the Russian market, international component manufacturers have remained cautious about establishing manufacturing operations. So far, only a few international component manufacturers have set up facilities or announced their plans to establish manufacturing in Russia. The most well known companies in this list include Johnson Controls, Leer, Tenneco, Cummins, Bosch, ZF, VDO, Magna, Siemens, Nokia, and Michelin. Recently, new local production projects have been announced by Stadco, Hyundai Mobis, Bosal, Grupo Antolin, Takata Petri, Cadence Innovation, Asahi Glass, Denso, Faurecia,Vista Group and some others.

In the aftermarket, the main competitors are Chinese and EU exporters. Domestic industry is competitive only in few aftermarket subsectors.

Current Demand

Engine and engine components, steering components, brake system components, power train components, tires, interior components, electronics, new car dealerships. The best opportunities for U.S. firms are in the establishment of local manufacturing facilities or the formation of joint ventures with Russian firms and the supply of components to foreign vehicle assembly projects in Russia or Tier-1 suppliers. Another good prospect is to supply upgraded equipment and technology to Russian manufacturers. Opportunities also exist in the licensing and transferring of modern technology to Russian component manufacturers. Aftermarket sales of replacement parts and accessories are dynamic, with high customer receptivity to U.S. products. Many U.S. brand names are very well known and sold in Russia, however marketing expenses for new brand building can be significant.

Barriers

Import taxes on used cars and trucks along with the recycling fee make export of used cars and trucks to Russia prohibitive.

In summer 2012, Russia completed World Trade Organization (WTO) negotiations and formally entered the WTO. In order to protect local manufacturers and assemblers from import competition, the Russian government introduced a recycling fee for all imported vehicles, and promised to later introduce the same for domestically manufactured cars and trucks. However, as this fee is imposed only on imports the EU has initiated a case against Russia in the WTO requiring Russia to either cancel the fee or impose it on all vehicles.

Import tariffs on components, accessories, specialty and garage equipment are moderate.

Trade Events

Automechanika Moscow (formerly Moscow International Motor Show)

August 25–28, 2014 • Moscow, Russia • ***mims.ru/en-gb***

The largest and best-known automotive aftermarket industry trade show in Russia. The show is a joint effort of the British company ITE and German Messe Frankfurt.

Interauto

August 28–31, 2014 • Moscow, Russia • ***eng.interauto-expo.ru***

Saudi Arabia

Summary

Saudi Arabia is the largest country in the Middle East in terms of population and has the largest overall vehicle market. The strength of Saudi Economy and continued population growth in recent years led to 4 percent yearly growth in the number of all types of vehicles imported into the Kingdom of Saudi Arabia. Every household has on an average, 1 passenger vehicle. This is true across urban, provincial, and rural Saudi Arabia. Sedans are the most popular passenger vehicles (75 percent) followed by 4 wheel drive vehicles (4x4s, 20 percent) with ownership of 4x4s higher in rural areas (27 percent own a 4x4). The average age of vehicles is 6.4 years with 42 percent of vehicles manufactured in 2001 or later. Larger local households own American brands, while relatively smaller local households buy European brands. People with lower education levels and incomes buy Korean brands. More than 340,000 cars, trucks and vans are annually imported into Saudi Arabia, including used cars and buses.

Market Entry

There have been signs from several multinational automobile assemblers in the past year that Saudi might be developing a viable small-scale production hub. In August 2012 chairman of Indian automaker Tata Motors, Ratan Tata, suggested that Tata's, Jaguar, land Rover (JLR) subsidiary might establish a vehicle assembly plant in Saudi Arabia. Isuzu and Volkswagen's Audi subsidiary were also looking at the prospects of automobile manufacturing in Saudi Arabia. Interest in automobile manufacturing sector was sparked when industry learned that the Saudi Arabia mining firm Ma'aden, in a joint venture with Alcoa, reported plans to open a USD 10.8bn aluminum plant in the country, which would provide competitively priced aluminum for use in vehicle production. A smelter and rolling mill is expected to start operations at Ras Al Khair in 2014, while an alumina refinery is expected to start operation end of 2014.

Statistics

Capital:	Riyadh
Population:	26,939,583 (est. 2013)
GDP (est.):	USD 921.7 billion (2012)
Currency:	Saudi Riyal
Language:	Arabic (official)

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There is greater completion, however, in the market for spare parts. Sizeable volumes of automotive imports are re-exported to neighboring countries such as Sudan, Yemen, Djibouti, Ethiopia, and Eritrea. Secondhand cars imported into the country must be less than five years old, and second-hand heavy vehicles can only be imported if they are less than 10 years old, according to government directives issued in June 2009.

The government is also seeking investors for a project to begin production of SUVs. A prototype for vehicle was built by students at King Saud University in Riyadh, the capital. The students received technical support from Western car firms. The vehicle is currently called the Ghazal-1 and is specifically designed to cope with the local dry and dusty climate and rocky desert terrain. The first vehicle was rolled out in June 2010, and the plan is eventually to produce 20,000 of vehicles a year. Subsequently, the King Abdulaziz City for Science and Technology unveiled its own prototype, a saloon car called the Aseela, at the Riyadh Auto Show in Last December.

Current Market Trends

The economic recovery, which started a few years ago, will likely boost the demand to around 360,000 units, valued at USD 6.3 billion.

Saudi Arabia has a large secondhand market. The market for second-hand vehicles is largely sourced from the United States and to a lesser extent from Germany. Demand for second-hand vehicles has been shrinking annually by an average four percent due to the availability of financing and leasing options and a higher purchasing power. Currently, industry sources estimate that close to 70,000 units are being imported every year but expect that figure to come down to 50,000, especially for passenger cars and SUVs. For used cars, the United States and Germany still lead in used car sales to Saudi Arabia, while Japan retains a relatively good share of this market. GM, Ford, and Chrysler's Jeep brands are among the most popular vehicles in Saudi Arabia.

The strength of the Saudi economy, reflected in a higher per capita income, led to the increasing popularity of luxury cars and premium automobiles. In addition, Saudis have always opted for large SUVs that can accommodate large families. The market for GMC Suburbans and similar sized SUVs has remained relatively unaffected by the fluctuations in the economy.

Used and Remanufactured Automotive Parts

Used

Saudi Arabia will still commands the largest automotive market for used parts in the Middle East. There are over 350 dealers in Saudi Arabia supplying automotive parts for U.S. Japanese, European Australian and Asian automobiles in Saudi Arabia. U.S. companies command a leading position in the supply of transmission steering, suspension, and braking components

and parts. There are so many restrictions on used parts, they must be remanufactured and properly packed before they get into Saudi Arabia.

Remanufactured

Remanufactured/rebuilt parts are considered as used and the customs duty is 12 percent ad valorem.

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicles parts in Saudi Arabia. Saudi Arabia does not prohibit importing such parts. Some local firms do import used and remanufactured auto parts and both are treated under the category of used parts. This applies to all vehicle parts.

There is no Saudi standard in effect for used and remanufactured auto parts. No quota or limitations on imports of these parts or any special treatment or conditions are in effect.

Saudi Arabia has one of the highest per capita spending on vehicles in the world. The kingdom imported more than 275,000 cars in 1997 valued at USD 10.9 billion and an additional USD 2.3 billion worth of auto parts and accessories. Official figures indicate that Saudi Arabia remains the largest car market among countries of the Gulf Cooperation Council which includes Saudi Arabia, Qatar, Kuwait, Bahrain, Oman, and the United Arab Emirates. There are an estimated four million vehicles in the kingdom.

Saudi Arabia is the largest and most sophisticated car market in the Near East. With the projected downturn in the economy, however, industry sources expect that new car sales will slump. Consequently, car age is estimated to increase from five to 10 years. With this increase in automobile life, the market for remanufactured/used auto parts is expected to expand. The owners of vehicles over seven years old prefer to buy remanufactured/rebuilt parts such as alternators, electric starters, water pumps, transmissions, engines and engine parts, torque converters, front wheel drive axles and carburetors.

Main Competitors

Over the years, U.S. manufacturers have witnessed their market share steadily eroding to Japanese and South Korean car manufacturers, especially Japanese companies, which have consistently enhanced their share of the Saudi automotive market, especially for passenger cars. Japanese brands account for two-thirds of the new vehicle market, Toyota alone has a 40 percent market share. American brands account for less than a third of the market. Korean brands have been growing over time, while the share of European brands has been declining. Dammam is the only place where American brands close the gap with Japanese brands.

The higher value of the Euro and the Yen against the U.S. Dollar has little effect on the share of European and Japanese car sales, which control nearly 70 percent of the market. Japan, the U.S., Australia, Germany, and South Korea are the key players in the Saudi automotive market representing more than 90 percent of all vehicle imports.

U.S. companies command a leading position in the supply of transmission, steering, suspension, and braking components and parts. The favorable U.S. dollar exchange rate against the Euro and Japanese Yen is boosting the U.S. market share. Nonetheless, Japanese car manufacturers and spare parts suppliers still command the lion share of the Saudi market at more than 40 percent. There are a number of local factories that manufacture filters, radiators, and batteries, exhaust systems, and converters.

Current Demand

A number of joint manufacturing vendor have been established in recent years providing high-volume, fast-moving car components, especially filters, oils and fluids, batteries and brakes. The government aims to encourage further development of components manufacturing as part of its strategy to develop more industrial production in Saudi Arabia. Car parts are one of the five priority sectors targeted by the Ministry of Commerce and Industry's industrial clusters strategy.

Saudis become more demanding and look for more passenger cars/vans safety and luxury features. They look for branded wheels, chrome plated wheels, screen monitors, DVD players, amplifiers, loud speakers, airbags, door beams, and anti lock breaking systems. Most of Saudis prefer to buy American cars specially the MPVs, SUVs, and Jeeps. The Coupes, Sports Cars, Roadsters, Grand Tourers, Super Cars and Convertibles, Chevrolet Lumina, Chrysler, Voyager, Ford, GMC Safari is dominant in the market.

Best prospects include:

- Service equipment
- Body and chassis parts
- Transmissions and spare parts
- Auto oil, lubricants, and chemicals
- New and used American cars/sedans
- Car/vehicle accessories

Barriers

For all exports to the Kingdom of Saudi Arabia a Conformity Assessment Programme has been implemented. All products require a Certificate of Conformity (CoC) to enable them to be cleared through Saudi Customs. Intertek Company supports The Ministry of Commerce and Industry (MoCI) in Saudi Arabia by being a service provider for its Conformity Assessment Programme. By Ministerial Decree no. 6386 (see enclosed), every consignment of imported goods must be accompanied by a CoC. These Certificates have to be issued by the authorized body in the country of origin; According the Saudi Ministry of Commerce and Industry, the CoC is to be issued for each delivery. Therefore, the C0C should accompany all consignment of imported goods except for those prohibited or exempted.

- A detailed commercial invoice, with full accurate descriptions and preferably the HS Code for each item.

- A Certificate of Origin attested by a competent authority, generally the shipper's local chamber of commerce, and needs to be created by the shipper prior to export.
- Every consignment of imported goods must be accompanied by a CoC from an authorized inspection agency. Intertek is authorized to issue the CoC. They are needed to ensure customs clearance of shipments and confirm that the products comply with the relevant Saudi technical regulations and national, regional or international standards.
- All imported consignments must bear a non-removable indication of origin. Those that do not will be held by Saudi Customs and the Importer will be asked to take corrective action or provide an undertaking that the offence will not be repeated. Failure to do so could result in a fine or goods being returned to their country of origin. For full details, read the complete Circular by Saudi Customs on Country of Origin Marking.
- To clear an imported shipment into Saudi Arabia, the Saudi customs request a list of documents for all commercial shipments:
  - Commercial invoice.
  - Certificate of origin.
  - Certificate of conformity.
  - Insurance certificate (if goods are insured by the exporter).
  - Bill of lading (or airway bill).
  - Steamship (or airline) certificate.
  - Packing list.
  - If applicable, other documents may be required, depending on the goods.

All foreign investment into Saudi Arabia requires a license from the Saudi Arabian General Investment Authority (SAGIA), which must be renewed annually or biannually, depending on the sector. While SAGIA is required to grant or refuse an investment license within 30 days of receiving a complete application, bureaucratic impediments arising in other ministries sometimes delay the process. Companies can also experience bureaucratic delays after receiving licenses from SAGIA, for example in obtaining a commercial registry or in purchasing property.

Trade Events

Riyadh Motor Show 2014

November 2014 • Riyadh, Saudi Arabia

Jeddah Motor Show 2014

October 26–30, 2014 • Jeddah, Saudi Arabia

Auto-care & Transport Arabia (ATA)

March • Jeddah, Saudi Arabia

Slovak Republic

Summary

With only three car manufacturers, the Slovak Republic is the largest producer of automobiles per capita in the world (181). Altogether 980.000 cars were produced in the Slovak Republic in 2013 which is a 5.8 percent increase compared to FY 2012. Automotive production represents about 30 percent of the Slovak Republic's GDP and 26 percent of the Slovak Republic's exports.

In 2012 there were over 250 Tier 1 and Tier 2 auto suppliers in the Slovak Republic, providing parts and subassemblies to clients throughout Europe and beyond.

Market Entry

In order to survive in the big competition, it is necessary to have good quality people, enough financial resources and proper technologies to meet the changing trends (hybrid, electric, solar, hydrogen, and autonomous cars).

Excellent opportunities exist for U.S. automotive suppliers interested in selling parts to local auto plants. the automotive aftermarket. as well as to companies experienced in education/training and R&D/test production activities.

The Slovak Republic has difficulty in finding experienced electronic and technical engineers, technologists, designers, quality controllers, logisticians, purchasers and maintenance people who speak at least one foreign language. Specialists for IT and managerial positions are in high demand.

The development of applied R&D (innovative materials, components, complex solutions, and adjacent processing and recycling of waste) is essential for the automotive industry. In the Slovak Republic, there is excellent potential for penetration into the R&D activities of the large automobile corporations in specific segments. Integration of Slovak research workstations into R&D of cars, development of components, aggregates, technologies for car production, and car assembly must be consistent.

Statistics

Capital:	Bratislava
Population:	5.488.339 (est. 2013)
GDP (est.):	USD 90.32 billion (2013)
Currency:	Euro
Language:	Slovak

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Finding a good local partner and building person-to-person relationships in the Slovak market is the key to successful. The quickest way is to find a local distributor with an existing distribution network ready to expand his existing product portfolio with a new U.S. product. Local partners have unique knowledge of native culture and language. market nuances and price policy of the Slovak market. In most cases one distributor provides coverage throughout the entire country and in some cases reaches out to neighboring countries. particularly the Czech Republic. Larger U.S. firms might want to consider establishing joint venture manufacturing facilities in the Slovak Republic to provide high quality products Just-In-Time (JIT).

Current Market Trends

VW Slovak Republic in Bratislava in 2013 used its production capacity 105 percent (*418.595 units—not FY 2013 data). (Models: VW Touareg. Audi Q7. VW up!. Škoda Citigo and SEAT Mii)

PSA Slovak Republic in Trnava used 72 percent of its production capacity (248,405 units) in 2013. (Models: Citroën C3 Picasso and Peugeot 208)

KIA Motors Slovak Republic in Zilina used 97 percent of its production capacity (313.000 units) in 2013. (Models: cee'd, cee'd_cw, pro_ cee'd GT, pro_ cee'd, Sportage, and Venga)

All three car manufacturers are expanding their production since 2011 and are currently exporting primarily to the EU markets (mainly Germany, Italy, France, the Netherlands, Great Britain,the U.S., Russia, and China). The exotic export markets include Taiwan and Uruguay.

Used and Remanufactured Automotive Parts

Used

Importation of used products is regulated by law Notice NR. 15/1998 issued by the Ministry of Economy concerning conditions for official approval for import and export of products and services.

There are no country specific restrictions on importation of used motor vehicle parts in the Slovak Republic.

Companies importing motor vehicle parts do not need an import license. Only importation of motor oils or car, bus, and truck tires—new, used, or retreaded—requires a license from the Ministry of Economy.

Remanufactured

There are no restrictions on importation of remanufactured or rebuilt motor vehicle parts in the Slovak Republic. Remanufactured parts are treated the same way as used parts. This applies to all motor vehicle parts.

Generally, there are no quotas or limitations on these parts or special conditions for their importation. However, remanufactured parts would be treated differently if they were purchased for use in military or police vehicles.

Remanufactured/rebuilt parts are considered used according to the Ministry. This sector is underdeveloped in the Slovak Republic.

All imported motor vehicle parts need technical certification.

The Slovak market likely would not be attractive for remanufactured parts because approximately 99 percent of all motor vehicle parts are imported by distributors who are authorized by the automotive manufacturers. Industry sources believe that remanufactured parts suppliers would have difficulty finding distributors to handle their products. Only 1 percent of auto replacement parts is imported by other suppliers, according to the Association of the Automotive Industry. (The imports of parts are through the vehicle importers. Many of these parts are remanufactured. but are packaged with the vehicle manufacturer's logo.)

Main Competitors

Active in the market are well known enterprises from all around the world such as Johnson Controls, Tower Automotive, Honeywell, Getrag Ford, Faurecia, Bosch, TRW, Visteon, Yazaki, HBPO, Magna, Osram, Hella, Valeo, Bourbon Fabi, Kuester, Hyundai, BASF, Trim Leader, Matador Continental, Molpir, Kinex, INA, and ZVL Auto.

Current Demand

Most Purchased Car Brands in the Slovak Republic, 2013

	Passenger Cars		Sport Utility Vehicles	
Rank	Brand	Market Share	Brand	Market Share
1	Škoda	19.93 percent	Fiat	24.57 percent
2	Volkswagen	9.71 percent	Peugeot	14.86 percent
3	Hyundai	8.09 percent	Citroen	14.29 percent
4	KIA	7.54 percent	Renault	10.36 percent
5	Peugeot	6.46 percent	Volkswagen	9.16 percent

Source: Slovak Automotive Industry Association

In the category of luxury cars, Slovaks prefer BMW. Mercedes-Benz and Audi. In general. the most demanded models are Skoda Citigo, Skoda Fabia 2 Combi, Skoda Octavia 3, VW Passat Variant, BMW R5, BMW R7, BMW R6, Skoda Yeti, and Skoda Roomster,

N2 market (trucks up to 12 tons) is dominated by IVECO. MAN and RENAULT Trucks. Compared to FY 2012 N2 category recorded a 16 percent sales decrease in 2013, while N3 category sales (trucks over 12 tons) represented mainly by Volvo, Mercedes-Benz, and MAN grew in 2013 by 14 percent.

Barriers

There are no trade restrictions on imports of cars and automotive components from the United States other than import duties. However. U.S. imports face strong competition from imports from the other European Union (EU) countries since automotive components produced in the EU can be imported into the Slovak Republic duty-free. Non-EU automotive components carry a duty rate of 10 percent.

American exporters must be aware that each new type of imported product is subject to certification for quality and safety in conformity with the relevant EU regulations. The certification process requires that a sample from the planned import batch of the product be tested and approved by a notified body anywhere in the EU.

The Slovak Customs Directorate offers calculators of duty rates according to HS codes and also informs about restrictions: ***bit.ly/1hTTVha***.

Trade Events

Bratislava's Motorshow

April 8–13, 2014 • Bratislava, Slovak Republic • ***bit.ly/1fM8Uvc***
Presentation of cars sold in the Slovak market; public view of exciting collector's vehicles.

Motocykel

March • Bratislava, Slovak Republic • ***bit.ly/1lGsJGp***

Autoshow Nitra

October 16–19, 2014 • Nitra, Slovak Republic • ***bit.ly/1gZ0L2W***
Motor vehicles, accessories, and garage and servicing equipment.

Available Market Research

- Automotive Suppliers Survey 2013
- Automotive Aftermarket Product Categories 2013
- Car Dealers Survey Slovak Republic 2012

South Africa

Summary

The automotive industry, regarded as the leading manufacturing sector in South Africa, contributed (in total) 7.0 percent to the country's GDP in 2012. South Africa was ranked 25th in respect of global vehicle production with a market share of 0.64 percent in 2012. Significant investment programs driven by export plans have been implemented by all the Original Equipment Manufacturers (OEMs) since the commencement of the Motor Industry Development Program (MIDP) in 1995. Capital expenditure by the OEMs from 1995–2012 amounted to USD 4.42 billion. Under the MIDP, 2,411,277 left and right hand drive vehicles have been exported to global markets. Major OEMs include General Motors, Ford, Mazda, BMW, Mercedes, Nissan, Renault, Volkswagen, and Toyota. The Automotive Production and Development Program (APDP) implemented in 2013 has replaced the (MIDP).

OEMs and official dealers and repair specialists work closely together to provide maintenance and repair services. They also cooperate to ensure warranty service, driver safety, environmental protection, spare parts availability and information about technical improvements. South Africa had a vehicle parc (number of registered vehicles) of 10.61 million at the end of December, 2012, of which 6.11 million, or 57.6 percent, comprised passenger cars. The broader South African automotive industry incorporates the manufacture, distribution, servicing and maintenance of motor vehicles and components. In terms of the trade which supports this industry, there are approximately 4,600 garages and fuel stations (with the majority having service workshops as well) plus a further 1,898 specialist repairers; 1,374 new car dealerships holding specific franchises; an estimated 1,696 used vehicle outlets; about 292 vehicle component manufacturers, together with about 150 others supplying the industry on a non-exclusive basis; 1,508 specialist tire dealers and retreaders; 483 engine re-conditioners; 167 vehicle body builders; 2,907 parts dealers and around 220 farm vehicle and equipment suppliers.

Statistics

Capital:	Pretoria
Population:	48,601,098 (est. 2013)
GDP (est.):	USD 592 billion (2012)
Currency:	South African Rand (ZAR)
Language:	English, others

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Market Entry

U.S. firms entering this market must contend with a typically mature and competitive market The interests of American automotive corporations are well represented in South Africa. Ford Motor Company and General Motors are long established, leading automotive producing corporations in South Africa. Moreover, most of the top American automotive parts suppliers are represented in South Africa, including Johnson Controls, Lear, TRW Automotive, Tenneco, Federal Mogul, Delphi, Visteon, and ArvinMeritor, amongst others. All of these companies have built strong business links between their South African operations and other international stakeholders, including the United States. These established business links enhance the potential for mutually beneficial trade between the United States and South Africa.

The value of total automotive exports from South Africa to the U.S. increased by a significant 145 percent from ZAR 1.96 billion in 2000 to ZAR 4.8 billion in 2001 when AGOA was implemented. AGOA, however, is not just a one-way benefit program but a mutually beneficial initiative for both the U.S. and South Africa as economic benefits also accrue to the US as a result of the trade arrangement.

Under AGOA, trade in automotive products between the United States and South Africa has grown substantially in recent years as American consumers benefit from the reduced import duties while imports of vehicles, original equipment components as well as replacement parts into South Africa have also increased substantially. The trade balance in automotive products, however, remains substantially in favor of South Africa. The United States has become one of South Africa's biggest automotive export destinations and constitutes South Africa's second largest automotive trading partner.

Market entry for specialty equipment and accessories is favorable for U.S. exporters. South African Wholesalers and retailers are seeking to expand their product range and welcome opportunities to establish distributor agreements with U.S. firms. The South African Government does not have stringent laws prohibiting foreign/international automotive performance and accessory commodities.

Current Market Trends

The nature of the South African vehicle parc had changed under the MIDP. The benefit for South Africa has been a reduction in retail prices in real terms, as well as a much larger variety of choice. Being part of the global market, South Africa is fully utilizing its access to new models in the domestic market. According to Response Group Trendline Smart/NAAMSA, 19 passenger car brands with choices between 356 model derivatives and 12 LCV brands with choices between 173 model derivatives were available in South Africa in 1995 in the domestic market. This compared to the 52 brands and 2 159 passenger car model derivatives and 29 LCV brands and 519 model derivatives in 2012, the biggest ratio compared to its market size in the world. In-roads into the domestic market by imports, initially by the Koreans, have latterly been followed by the Indians.

In respect of Africa's regional integration agenda, South Africa remains important for the development of the region. Since South Africa is a catalyst for the future growth and development in sub-Saharan Africa, any reduction in trade in automotive products could have negative implications for growth and development in the Southern African region. Increased trade between South Africa and the U.S., in the longer term, will create improved opportunities and demand for U.S. technical expertise, credit and markets and will also focus on incremental trade and investment opportunities between the two countries.

Automotive Parts

A diverse range of OEM components, parts and accessories are manufactured by about 400 automotive component suppliers, including 120 first tier suppliers, in the country. These suppliers are represented by the National Association of Automotive Component and Allied Manufacturers (NAACAM).

Specialty Equipment

There has been a rapid growth in demand for automotive specialty equipment and accessories in South Africa. This growth can be attributed to the higher disposable income within specific segments of the South African population. Since 2001 the activity of accessorizing and improving performance of vehicles has transformed from a hobby to a fully-fledged culture of fierce competition. In the race to individualize and distinguish their vehicles from others, enthusiasts constantly seek innovative, authentic specialty components with little regard to price. In this lucrative sector, South Africans often follow trends set in the United States and are highly receptive to U.S. brands.

Used and Remanufactured

South Africa applies strict controls to the importation of used vehicles and import permits are issued only in very specific and defined circumstances.

Strict control measures ensure that only a limited number of legal import permits are issued to allow used vehicles into SA. In terms of current legislation, used vehicles qualifying for an import permit include those for returning residents and immigrants, vintage cars, racing cars, donated vehicles for welfare organizations and adapted vehicles for persons with physical disabilities. Without a legal import permit, imported used vehicles cannot be registered on the National Information Transport System (NaTIS) while the system also combats stolen and non-complying vehicle registrations.

Import Control Guidelines pertaining to the importation of used or second-hand vehicles, trucks, buses, taxis, coaches, engines, gearboxes, differentials and used or second-hand spares for heavy duty trucks can be found at:

For more information on restrictions applied to remanufactured automotive products, please visit ***bit.ly/1oyjk0G***.

Main Competitors

South Africa maintains a strong focus on the sourcing of components in the domestic market and the development and deepening of the local component supplier industry. It's deemed important because it reduces the risks associated with exchange rate fluctuations and logistics costs. The OEMs perceive increasing local sourcing levels in South African manufactured vehicles as a prerequisite for establishing a more sustainable production base. A large portion of the automotive imports comprises original equipment components, which are subsequently exported as CBUs after significant value adding processes. Original equipment component imports by the OEMs amounted to R 51.4 billion in 2012 in line with increased vehicle production.

The table below indicates that imports of original equipment components originated mainly from Germany, Japan and Thailand, with the U.S. in fifth place:

Original Equipment Component Import Market Share, 2008–12

Country	2008	2009	2010	2011	2012
Germany	36%	35%	38%	37%	35%
Japan	25%	22%	22%	24%	25%
Thailand	9%	11%	9%	9%	12%
Brazil	7%	8%	6%	6%	6%
United States	3%	3%	2%	4%	3%
Sweden	1%	1%	3%	3%	3%
China	1%	1%	1%	1%	2%
United Kingdom	4%	3%	3%	3%	2%
Czech Republic	1%	2%	3%	3%	2%
Spain	2%	3%	5%	3%	2%
Other	11%	11%	8%	7%	8%
Total Value (R Billion)	48.1	30.0	37.9	43.8	51.4

Source: AIEC, SARS

Current Demand

The combination of a growing new vehicle market, increasing vehicle population and an emerging black middle class has led to a demand of specialty equipment, thus the rapid increase of specialty auto centers, dyno-tuning centers and accessory importers and retailers around South Africa. To satisfy the demands of enthusiasts, owners of these establishments continually seek to import and establish distributor agreements with foreign companies.

Although there has been an influx of world-renowned brands into the South African accessory, sound and performance market, there has also been an influx of cheap alternatives imported from the East. Counterfeit and inferior products are seen as a "very serious problem" in South Africa.

Majority of the performance products are imported directly from the United States, United Kingdom, Italy and Germany. However, these imports may not necessarily be purchased from the manufacturer and without any exclusivity and/or distributor agreements. This scenario leads to "rogue distributors" and fierce competition amongst wholesalers and smaller retail, customizing and performance shops. South African companies are interested in acquiring U.S. distributorships, however, U.S. companies seldom reply to their inquiries or the U.S. company's minimum requirement to ship is too large for the South African importer. This leaves the South African importers without much choice but to engage U.S. agents who consolidate and ship U.S. specialty products that are purchased from third parties to them.

Barriers

The South African automotive industry enjoys significant advantages compared with many other exporting countries. Its flexibility in producing short runs, abundance of raw materials combined with the expertise, advanced technology and established business relationships of parent companies ensures that the South African industry increasingly adds value to the global strategies of parent companies. South Africa's eight commercial ports have expanded facilities to handle automotive exports and imports, enabling the country to act as a trading hub in and out of sub-Saharan Africa. In addition, this allows the meeting of logistical requirements to service Europe, Asia and the U.S. Trade agreements significantly contribute towards reducing regional barriers, enhancing production networks and increasing market access. In this regard South Africa's free trade agreements with the European Union, the European Free Trade Area (EFTA), the Southern African Development Community (SADC) as well as the African Growth and Opportunity Act (AGOA) with the USA and the preferential trade agreement with Mercosur, enable the country to position itself as the privileged link between these regions and Africa.

Trade Events

Automechanika Johannesburg 2015

May 6–9, 2015 • Johannesburg, South Africa • ***automechanikasa.co.za***

South Africa's leading international trade fair for the automotive industry, targeting trade visitors from the sub-Saharan region. Auto parts, car wash, workshops, and filling-station equipment; products and services, accessories, and tuning.

Johannesburg International Motor Show 2015 (JIMS)

October 14–25, 2015 • Johannesburg, South Africa • ***jhbmotorshow.co.za***

Biennial. A comprehensive automotive exhibition and automotive lifestyle event, runs in conjunction with the Johannesburg Truck and Bus Show and Auto Shop. Serving sub-Saharan Africa and South Africa.

Spain

Summary

Passenger Vehicles

Spain is the second largest automobile manufacturer in the European Union (EU) and 11th largest automobile manufacturer in the world. The top EU automobile manufacturers in 2012 were Germany with a production of 6,311,103 vehicles, followed by Spain with a production of 2,353,682 vehicles and France with a production of 2,294,889 vehicles. More than three out of every four passenger cars manufactured in Spain were exported from January to July 2013. In 2012 there were 27,480,341 registered vehicles in use in Spain. Despite the economic crisis that Spain has gone through in the past 5–6 years there has been growth in the economy leading to much progress. The new plan put into action late October of 2013 PIVE will contribute to the growth in the automotive industry. This plan will provide prospective buyers who own a car of 10 years or older 2,000 euros (USD 2,750), 1,000 euros from the government and 1,000 euros from the car dealership) to buy a more efficient and ecologic car. The total government aid for this plan is 70 million euros (USD 100 million). It is estimated that the fiscal impact would be a gain of 1.500 million euros. The plan PIVE has both social and economic benefits for Spain.

Specialty Vehicles in Spain

There has been very little competition in the Spanish market as there have been very few companies that have been fully dedicated to the adaptability of vehicles. Since the new European laws where enforced there has been a great number of new companies dedicated exclusively to specialty vehicles or others that only dedicated part of their work to this and have recently decided to have full dedication to the adaptation of all types of vehicles.

Statistics

Capital:	Madrid
Population:	47,370,542 (est. 2013)
GDP:	USD 1.34 trillion (2012)
Currency:	Euro (€)
Language:	Spanish

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Hybrid Vehicle Components

Currently, automobile manufacturers are working on several projects to develop alternative propulsion systems, some of them using derivate of petroleum as diesel or bio-diesel. Creating vehicles with electrical propulsion, and generating electricity by diesel or natural gas engines or new hydrogen motors.

Substitution of Traditional Combustibles				
	2005	2010	2015	2020
Bio-combustibles	2	6	7	8
Natural gas	-	2	5	10
Hydrogen	-	-	2	5
Total	2	8	14	23

Source: Libro Blanco del transporte—Comisión CE

Aftermarket Accessories, Custom Products and Parts, and Components

Spanish visitors to the annual SEMA and AAPEX trade shows in Las Vegas, at its highest attendance was 160 companies. Despite the financial crisis a delegation of 40 Spanish firms attended the trade show in 2012. Spain has over 20 magazines devoted to tuning and aftermarket accessories including, but not limited to, AutoMAX, Europneus, FLASH-tuning, GTI Mag, Maxi Tuning, and Tuners 100 percent Lifestyle Magazine.The aging automobile fleet coupled with strict government inspections and increased market competition should result in 10–15 percent market growth. Growing demand for U.S. imports will also boost U.S. presence by 10 percent in the next few years.

Market Entry

In order to enter the Spanish market, the most effective way would be to partner with a local company to act as the local representative. In such a competitive sector, establishing a partnership with a local company can help establish market entry and obtain insight to the local environment.

Current Market Trends

Car customization, known as 'tuning" among Spaniards, has become an increasingly popular trend. This subsector is highly influenced by the United States.

Main Competitors

There are not many competitors in this sector; this is an opportunity for the US market to expand into Spain in the various automotive sectors. In the auto repair and maintenance market, the majority of end-users still consider quality and price as the most important factors

governing purchasing decisions. Training and after-sales support services are two other factors that influence purchasing decisions among Spanish automobile repair professionals and owners alike.

Current Demand

One third of Spain's automobiles have been operating for over 10 years. With a large number of outdated automobiles, there is a growing need for properly-equipped auto shops that can meet the demand for repair and maintenance services.

The rapid and steady growth of the automotive and aftermarket sector in Spain, combined with the solid reputation of U.S. automotive repair and maintenance equipment, should enable U.S. manufacturers to maintain and improve their position within the local market. Projections indicate that imports into Spain of automotive and aftermarket products from the United States will increase five percent over the next three years, as highly technical and computerized equipment (mainly diagnostic and electronic equipment) becomes a standard feature of repair shops.

Industry association representatives are optimistic about growth in the repair and maintenance equipment market despite the challenging economic climate. The aging of existing automobiles, stricter enforcement of government technical inspections, and structural changes aimed at market competition and consumption will encourage market demand for auto repair and maintenance equipment. These factors are expected to boost the total market size in the next few years and make it one of the most attractive sectors in the automotive industry.

Barriers

Insurance companies have also taken advantage of the rise in the tuning market. The more a car is modified, the more money that has been invested in the car. As a result, insurance companies have created personalized plans for those with modified cars. In some cases, the insurance company covers repairs on modifications made to the car. This presents a barrier in the market because the popularity of the customization of vehicles may reduce due to the risk of higher insurance rates.

Trade Associations

- ACEM (Association des Constructeurs Européens de Motocycles), ***acem.eu***
- ANFAC (National Association of Automobile and Truck Manufacturers), ***anfac.es***
- SERNAUTO (Spanish Association of Equipment Manufacturers for the Automotive Industry), ***www.sernauto.es***
- SEMA (Specialty Equipment Market Association), ***sema.org***
- Cámaras (Spanish Foreign Trade Statistics), ***customs.camaras.org***

Taiwan

Summary

Taiwan's automotive sector in general is dominated by Japanese with a market share over 85 percent. Taiwan has a relatively strong in the aftermarket sector. The market for U.S. automotive products is declining.

Taiwan's automotive and auto parts sectors generated US USD 13 billion in 2011 and employed 110,000 workers. New car sales in Taiwan grew to 378,000 units, but remained below historical highs and utilized only about half of the production capacity on assembly lines. Nearly every domestic manufacturer has formed a joint venture with foreign brands to leverage R&D spending and assemble complete knock-downs of popular models designed by Toyota, Mitsubishi, Nissan, Ford, Honda, and others. Only two companies, China Motor Corp. and Luxgen Motors, produce vehicles with their own brands for the local market. Imports held 25 percent of the domestic market, with lower tariffs making foreign car pricing more competitive. Facing a small, saturated consumer market and increasing imports, Taiwan manufacturers are turning to exports to grow sales. Shipments to foreign markets have climbed from nearly nothing in 2005 to 16 percent of domestic production in 2011. Meanwhile, exports in Taiwan's historically strong auto components sector exceeded US USD 6 billion, a record high, driven partly by a large increase in shipments to mainland China. Authorities are looking to electric vehicles and electronic components as a key area for future growth.

As the market is dominated by Japanese car, no additional information is available for Taiwan. For questions, please contact us.

Market Entry

Of Taiwan's 378,000 total new vehicles sold in 2011, nearly 92,000 vehicles, or 25 percent, were imported. Mercedes Benz was the top imported brand in the first six months of 2012, followed by Toyota, Volkswagen, BMW, Lexus, and Suzuki. Taiwan has historically used import quotas and high tariffs—30 percent on all

Statistics

Capital:	Taipei
Population:	23,373,517 (est. 2013)
GDP (est.):	USD 977.8 billion (2014)
Currency:	New Taiwan dollar
Language:	Mandarin Chinese

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foreign cars—to protect local automakers. Authorities lowered the average import duty to 17.5 percent in January 2011 in accordance with Taiwan's 2001 WTO accession agreement. Note that by comparison, the U.S. import tariff on passenger cars is currently 2.5 percent, Korea's is 8 percent, and mainland China's is 25 percent. As a result, importers now compete more closely on price with local manufacturers, and competition has become increasingly fierce, according to Economic Ministry officials.

Current Market Trends

Domestic companies, with support from authorities, have recently begun to leverage Taiwan's expertise in high technology to promote the development of more specialized automotive electronics and intelligent electric vehicles (iEV). The Executive Yuan in 2010 approved an "Intelligent EV Development Strategy and Action Plan" focused on creating pilot programs across Taiwan to develop electric vehicles and related technology. Authorities have allocated a budget of more than US USD 300 million to promote the program, and hope to expand the role of Taiwan companies in the global automotive electronics and iEV supply chain and establish Taiwan as a test market for the commercialization of electric vehicles, according to economic officials in the Industrial Development Bureau.

Main Competitors

Taiwan's five largest automakers by 2011 market share were Kuozui Toyota Motors (46 percent), Mitsubishi partner China Motor Corp. (17 percent), Yulon Nissan Motors (16 percent), Ford Lio Ho (11 percent), and Honda Taiwan Co. (6 percent). Only the Honda plant is a wholly-owned subsidiary of a foreign company; all others are at least partially owned by a foreign partner. For example, Ford owns 70 percent of Lio Ho in Taiwan, and Mitsubishi owns 25 percent of China Motor Corp.

The top five automakers in Taiwan include:

- Kuozui-Toyota (36 percent share)
- CMC-Mitsubishi (20 percent share)
- Yulon-Nissan (20 percent share)
- Lio Ho-Ford (12 percent share)
- Honda (6 percent share)

Only two manufacturers in Taiwan sell vehicles under their own brand. China Motor Corp. (CMC) produces the Freeca and Veryca model light commercial trucks, designed specifically for the Taiwan market and sold with a CMC logo on the vehicles. Yulon Motors in 2009 announced that it would manufacture three vehicle models, a minivan, an SUV, and a sedan, under Taiwan's own Luxgen brand. Luxgen vehicles for the Taiwan market are designed and assembled domestically using mostly imported parts; only some panels and telematic equipment are manufactured in Taiwan.

Current Demand

Taiwan has a total population of 23 million, with an estimated 75 percent living in densely populated urban areas. Personal vehicle ownership in 2010 averaged 26 cars per 100 people, according to Economist Intelligence Unit, compared with 35.8 per 100 in Korea, 58.9 per 100 in Japan, and more than 81 cars per 100 people in the United States. Despite low vehicle ownership per capita compared with neighboring economies, economic officials and auto industry representatives in Taiwan widely viewed the small domestic auto market as saturated, with little room for significant growth.

Thailand

Summary

As the ASEAN regional manufacturing base, Thailand offers major opportunities to suppliers and service providers that support the automotive production chain. Hosting nearly every major world assembler and their networks of suppliers, Thailand produced a total of nearly 2.5 million vehicles in 2013 with exports accounted for 1.2 million or about 44 percent of the total production in 2013. One-ton pickups and passenger cars are the two products assembled in Thailand, with light-trucks accounting for 54 percent and passenger cars 44 percent. Following the success in becoming the world major production base of light trucks, eco-car, once called the ACES (Agile, Clean, Efficient, and Safe) has been targeted as Thailand's next product champion.

Thailand's domestic car market is the largest in the region, totalling 1.33 million in 2013. Japanese products are most popular—a combined sale of the top 10 Japanese brands is close to 1,189,242 units. Meanwhile, the other 14 non-Japanese brands sold a total of 141,430 units. Chevrolet and Ford lead the non-Japanese segment with sales totalling 56,389 and 51,223 units in 2013.

Market Entry

American manufacturers interested in supplying to the auto industry in Thailand will need to develop their relevance to the platforms selected for assembly in Thailand. Moreover, new-to-market manufacturers can enhance their access to the assemblers and their supplier networks in Thailand by building upon the existing relationships the have elsewhere.

Current Market Trends

The eco-car, with a 1,300 CC engine and maximum gas consumption of 5 liters per 100 km, meets Euro 4 emission standards and UNECE Reg 94 and Reg 95 passenger safety standards for front and side impact is the Thai government target for the

Statistics

Capital:	Bangkok
Population:	67,448,120 (est. 2013)
GDP (est.):	USD 662.6 billion (2012)
Currency:	Thai Baht
Language:	Thai

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country's manufacturing industry to expand on. Investment plans from Toyota, Honda, Suzuki and Nissan have already been approved for investment promotion privileges under this new eco-car program. AutoAlliance also has a new investment plan for its Ford-Mazda B car and Tata for its one-ton pickup. These new investment plans are expected to add 863,000 vehicle units to local production over the next couple of years. New vehicle products and expansion of assembly capacity provide increasing opportunities for parts manufacturing and all other supporting industries. High potential areas include molds and die casting, molds for plastic injection, automotive electronic components, and alternative fuel engine and component technologies.

One-ton pickups continued to be the most popular vehicles in Thailand with a 44 percent share of the market in 2013. Small passenger car is the second most popular with a market share of 42 percent. Other types of vehicles in the market included SUV, MPV, and medium-sized passenger cars. Thai mass consumers tend to follow the Japanese trends while the upper end consumers follow the German. American is most competitive in the SUV and 4x4 trucks segment. Because the majority of vehicles sold in Thailand are assembled in the country, they are normally made on platforms specific to this market and region. In most cases, vehicles assembled in Thailand are based on platforms other than that of vehicles sold in the U.S., despite being advertised as the same model. Thus, parts and accessories exporters targeting the Thai market are required to have complete and updated information of the vehicles they target to sell parts and accessories to.

Used and Remanufactured Automotive Parts

There are no restrictions, quotas or limitations on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in Thailand. They are subject to an average 30 percent duty rate, the same rate that applies to new parts.

The above conditions apply to all used, remanufactured/rebuilt motor vehicle parts.

Extremely limited market opportunity exists for U.S. remanufactured vehicle parts in Thailand. The vehicle market in Thailand has always been dominated by Japanese makes. Used parts required in the market are parts of Japanese cars of models made for Asia. Thus, mass market for U.S. remanufactured parts does not exist. Japan and more recently Taiwan are the major sources of supply for imported used parts into Thailand.

Main Competitors

Japanese manufacturers dominate the market and have a combined market share of 89 percent. The five best selling brands are Toyota (37.5 percent share), Honda (18 percent share), Isuzu (17.3 percent share), Mitsubishi (8.8 percent share) and Nissan (8.3 percent share) They all have assembling operations in Thailand that manufacture for both domestic and export

markets. Ford/Mazda, General Motors, BENZ, BMW, Hino also have local manufacturing facilities for both markets.

Toyota leads in both the one-ton pickup and passenger car segments, while Isuzu comes in second for the one-ton pickup segment and Honda for the passenger car segment. Despite the majority of the vehicle market being controlled by only a few manufacturers, Thailand continues to attract producers of well-known brands from around the world. There are close to 40 makes available to Thai consumers.

Current Demand

Industry projects a slight increase in vehicle production, estimating an output of 2.55 million units in 2014. Meanwhile, domestic market is expected decline from the 2013 market to total at 1.2 million. However, industry expects the market to grow at 3–6 percent in 2015.

Barriers

Thailand's automotive policies and regulations have traditionally promoted free competition and foreign investment in local production. Incentives are given to global investment to promote establishment of the local manufacturing industry. Meanwhile, tariff structures are designed to protect the local industry by imposing high tariff rates on Completely Built Units (CBUs) and finished parts. Despite the tariff barriers structured to promote growth in the local industry, other non-tariff barriers do not exist to hinder automotive imports.

Trade Events

Bangkok International Motor Show 2014 Thailand

March 24–April 6, 2014 • Nonthaburi, Thailand • ***bangkok-motorshow.com***
A consumer show for automobiles and accessories. Primary focus on the end-user market.

Thailand International Motor Expo 2014

November30–December 10, 2014 • Nonthaburi, Thailand • ***motorexpo.co.th***
A consumer show for automobiles and accessories. Primary focus on the end-user market.

Turkey

Summary

Turkey's position at the crossroads of Europe and Asia and Turkey's Customs Union agreement with the EU make it an ideal location to penetrate markets in Central Asia, the CIS and the Caucasus for automotive manufacturers. Most international vehicle producers already have production in Turkey. Presently, there are 19 international vehicle producers in the Turkish market including; Ford, Toyota, Renault, Fiat, Chrysler, Opel, Honda, Hyundai, Peugeot, MAN, Mercedes, Isuzu, Mitsubishi, through joint/venture partnerships with local firms, direct investment, or license agreements.

The Turkish automotive parts/service equipment industry has expanded as Turkish automotive production and imports have increased. Auto parts increased by 10 percent compared to the year before, making 2013 a record year. Tractor production decreased by 4 percent, commercial vehicle production decreased by 1 percent and automobile production increased by 10 percent in 2013. A total of 1,166,043 vehicles were produced in 2013. As a result of this trend, automotive exports ranked first in total exports ahead of the traditional exports such as textiles and apparel. Turkey produces spark plugs, carburetors, fuel injection systems, and several transmission parts. This sector provides parts for new vehicles as well as the existing Turkish automobile fleet that exceeds 10 million units. Of the locally produced parts industry, 90 percent either are used in the production of vehicles that are exported or directly go to world part market.

Currently, the number of motorcycles per 1,000 persons in Turkey is much lower compared to other countries: Turkey—20, Bulgaria—50, Greece—80, Italy—170. This clearly shows the potential of growth in the motorcycles market in Turkey. American companies are encouraged to consider this young and growing market very closely.

Statistics

Capital:	Ankara
Population:	80,694,485 (est. 2013)
GDP (est.):	USD 1.142 trillion (2012)
Currency:	Turkish Lira (TRY)
Language:	Turkish

Contact

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Market Entry

American products compete with European products that maintain price advantages because of lower transportation and logistics expenses, and zero customs duties. Turkey is also a member of the EU Customs Union. In addition, American companies compete with cheap Asian products. In some segments of the industry, such as automotive chemicals and lubricants, the easiest way for an American supplier to overcome the freight disadvantage is to supply its products in bulk and have the products repackaged for retail in the local market. They may also bring products in a concentrated form, add ingredients and then package them in Turkey. This is how most American companies are successful in the market.

Major procurements are realized by private business. However, large fleets of vehicles owned by the municipalities and the central government, also define the sector.

Suppliers' agents play an essential role in marketing and sales. In fact, because of the complicated import procedures, it is almost impossible to sell without a competent agent in the country. In Turkey, agency/representation/distributor agreements are private contracts between agents and their foreign suppliers. There are no unusual regulations, which govern commission rates, termination, etc. However, in the automotive aftermarket sector, a commission rate of 5–10 percent is most common. Representatives provide pro forma invoices to the importers, including their commission in the price, and expect the foreign supplier to reimburse the commission amount to their account after the sale is realized.

Current Market Trends

Passenger Cars

86 percent (below 1600cc engine size increased 21,5 percent and among 1600 and 2000 cc motor size decreased 7,9 percent) of the total vehicles market is in the A,B, and C segment, which have smaller engines, and therefore lower taxes. Twenty six percent is in the D,E, and F segments with larger engine sizes. The C segment has a 51 percent (stick with percent or make it percent throughout) market share, the highest among all segments. The highest demand is for sedan types with 44,6 percent and hatch backs follow with 37,9 percent. 58,8 percent of the total passenger car market is made up of diesel vehicles. The market for diesel engines is booming. Automatic transmission vehicles reached 38,9percent. Turkish consumers have a special interest and respect for U.S. vehicles, especially SUVs.

Commercial Vehicles

Turkish consumers seek commercial vehicles with low fuel consumption and trucks that are able to carry heavy payloads and tractor-trailer units. Large 1.5 ton pick-up trucks are among the best prospects. More than one-third of the commercial vehicles market is sustained by imports. The market for vehicles with carrying capacities below 3.5 tons is expanding. Opportunities exist for manufacturers of vans (50 percent of the market) and pick-up trucks (50 percent of the market).

Trucks and Pickups

The seven sisters (no longer together)-Mercedes, Volvo, Scania, Iveco, Renault, DAF, and MAN) dominate the imported truck market. Volvo, Scania, Renault and DAF strictly import. The remaining companies manufacture domestically and import products.

Buses

DaimlerChrysler-Mercedes, MAN, BMC and TEMSA are the major bus manufacturers and importers for the Turkish market. Though the domestic bus market is sluggish, Turkey exports buses to Europe, Russia, the CIS and China. Mercedes Benz Turkey holds a 48 percent market share for municipal buses. The majority of the sales in the motorcycles market are in the lower engine size, including scooters. In the auto chemicals market, the semi-synthetic lubricants, which are used in diesel engines and high-performance products, have had increased sales. The light commercial vehicles market is also increasing in Turkey, and this increase results in an increase of mineral and semi-synthetic lubricants used in such vehicles. Turkish agents may help American exporters with the import and certification procedures, customs, and conducting promotional campaigns. Market share of buses increased 127.3 percent according to average last 10 years with purchasing by municipality.

Tires, brake linings, gearboxes, and clutches are the major imported items in the parts industry. Generally, imported parts are used in supplying imported vehicles and to OEMs for vehicles to be exported, or, where there is no local production, such as for CV drive shafts, catalytic converters and tapered roller bearings. Imports are also found when production shortages occur. Examples include power steering hydraulic systems, bearings, and v-belts. Parts, which need to be replaced frequently because of poorly maintained roads, heavy traffic, traffic accidents, and poor fuel quality, can also be considered as "best prospects." Examples include: shock absorbers, brakes, clutches, rings, filters, bumpers, lights, and signaling equipment.

Used and Remanufactured Automotive Parts

According to the Under Secretariat of Foreign Trade of the General Directorate of Imports, the importation of used or reconditioned parts for automobiles and/or vehicles is not permitted in Turkey. The Turkish Government only permits limited importation of used equipment or machinery. Items permitted for importation are listed and published in the official Gazette. Used or reconditioned parts for automobiles and/or vehicles are noticeably absent from this list.

Main Competitors

Turkish consumers have a special interest and respect for U.S. vehicles. The first vehicles in Turkey were American in the 1950s. European vehicles started dominating the market later. Vehicles from Asian countries are now available everywhere in Turkey. American vehicles, especially the SUVs, have a good reputation.

In June, new commercial vehicle registrations continued their downward trend, declining by 4.8 percent with a total of 149,996 units recorded in the EU*. All segments were down, from -4.2 percent for vans to -14.0 percent for buses and coaches. Looking at the major markets, Spain (+14.7 percent) and the UK (+3.7 percent) expanded in June, while Germany (-7.1 percent), France (-9.3 percent) and Italy (-13.1 percent) faced a downturn. Over the first six months of the year, demand for new commercial vehicles reached 832,093 units, or 6.9 percent less than in the first half-year of 2012. The UK was the only market to post growth (+7.2 percent), while downturn ranged from 6.0 percent in Spain to -9.4 percent in France, -10.2 percent in Germany and -19.5 percent in Italy.

Current Demand

There is a wide variety of vehicle models available in Turkey. In addition to the large number of models manufactured in Turkey, a significant large number of models are imported. Almost all the models from every brand have a good market in Turkey. Number of Passenger Car sales: 664.655 units (2013) Number of Light Commercial Vehicles sales: 188.728 units (2013).The market for vehicles with carrying capacities below 3.5 tons is expanding. Opportunities exist for manufacturers of vans (50 percent of the market) and pick-up trucks (30 percent of the market).

According to Uludag Automotive Industry Exporters' Union, Turkey's automotive industry achieved export goal of USD 5.1 billion in the first quarter of 2013. Of the total exports, USD 1.666 billion were generated from passenger cars, up 1.5 percent yearly, USD 941 million from special purpose vehicles, USD 215 million from buses, and USD 97 million from other vehicles. In March, exports to Belgium, the U.K. and the U.S. increased respectively 50 percent, 28 percent and 18 percent yearly.

According to Uludag Automotive Industry Exporters' Union, Turkey's automotive total sub-industry which produce tube and tyre, emergency plastic windshield, engine, accumulator and others, export USD 9.06 billion in 2013. In 2013, total basic automotive industry which include autobus, midibus and minibus, automobile, lorry and pickup truck, tractor and other, export USD 12,49 billion. Total export of Turkey's in automotive industry is USD 21,56 billion in this year.

Turkey has a promising motorcycle market and exceeded 13 million units. Currently, the number of brands existing in the Turkish market reached 220, including BMW, Yamaha, Honda, Suzuki, Kawasaki, Triumph, KTM, Harley, Vespa, Piaggio, Gilera, Derbi, Motoguzzi, Honda, Jinlun, Skyteam, Aeon, SYM, FYM, Suzuki, MV Agusta, Cagiva, Husqvarna, and some Chinese ones.

All of the major international petroleum refiners are present in the Turkish auto chemicals and lubricants market. Companies such as Castrol-BP, Shell, Exxon-Mobil, Texaco, Total, M-Oil are present and offer the full range of motor oils, lubricants and fuel additives. Additionally, firms

that are only involved in the lubricants business also operate in the Turkish market, such as the Fuchs, a German company. Domestic production is met by several large producers and 100 additional small to medium-sized companies involved in the car care market.

Barriers

The Turkish import regime prohibits the importation of remanufactured, rebuilt, used, reconditioned vehicles and parts. Only the current year or the following year models/newly manufactured parts can be imported.

Trade Events

Otomotiv

November 27–30, 2014 • Istanbul, Turkey • ***bit.ly/1kHHfxD***
Auto parts sales and maintenance expertise and personnel for the entire Eurasian region.

Automechanika Istanbul

April 10–13, 2014 • Istanbul, Turkey • ***bit.ly/1i59X8B***
Approximately 600 exhibitors, about 25 percent international exhibitors. Auto parts sales and maintenance expertise and personnel for the entire Eurasian region.

Tractor Subcontracting

January • Istanbul, Turkey • ***tractorsubcontracting.com***
Turkey's largest and most important show for the agriculture sector. Advanced technology for the farming industries; product demonstrations, advertising and networking with hundreds of exhibitors.

Eurasia Moto Bike Expo

February • Istanbul, Turkey • ***motobike.com.tr/eng***
Entertainment, knowledge, tools, and exhibitions related to two-wheelers, mopeds, carts, and similar vehicles. Product and services information about the latest models of bikes. Motor races, stunt shows, and workshops.

Available Market Research

- Motorcycle market
- Passenger and commercial vehicle market

United Arab Emirates

Summary

The UAE relies on imports, with virtually the entire supply of car and light vehicles being imported. Barring a couple of truck units assembling CKD components and armored vehicles factories, there is no serious automotive manufacturing activity taking place in the UAE.

According to media reports, the UAE's automobile sector remains in the fast lane, as the country ranked top globally with more than 25 percent sales growth in 2012. Following the buoyant growth in 2012, the industry players are estimating that the UAE's total industry volume will reach 380,000 vehicles in 2013 compared to 305,000 vehicles in 2012 and 243,000 sold in 2011.

Accordingly, they are estimating a growth of 27 percent year-on-year basis in 2013 for new vehicle sales in the UAE and an average of nearly 9 percent during the five-year period to 2017. This is due to favorable macroeconomic conditions and household spending, increased access to vehicle financing and the migration from neighboring countries and the region.

The market is broadly divided between around 80 percent for passenger cars and 12 percent for trucks and 8 percent for vans and buses. The Japanese manufacturers lead the UAE automobile market with over 60 percent market share, with Toyota Motor maintaining its dominance in the market. The luxury segment contributed around 12 percent to the UAE's total industry volume with 17 percent growth annually.

Tariffs

The tariff applied to cars is five percent customs duties on value of the vehicle plus one percent insurance plus cost of the shipment. For trucks, the customs duty is 12 percent.

Statistics

Capital:	Abu Dhabi
Population:	7.891 million (2011)
GDP:	USD 360.2 billion (2011)
Currency:	Emirati Dirham (AED)
Language:	Arabic (official), Persian, English, Hindi, Urdu

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Taxes

No VAT, luxury tax or special consumption tax exist on vehicles.

Market Entry

All cars and buses entering UAE have to abide by safety regulations issued by the Emirates Authority for Standardization and Metrology (ESMA). In addition, the following rules must be adhered to:

- Head restraints in all seats and air bags for the driver and the front passenger are compulsory for all passenger cars and buses with capacity up to 22 passengers.
- Safety belts and Anti Braking System (ABS) are required in all new vehicles. Extra seats in the aisles are prohibited for any motor vehicle with a riding capacity of four people or more.
- Every vehicle must have an alarm to notify when drivers exceed speed limit of 120 km in cars and 100 km on buses.

In addition, all vehicles must be exported from the country of manufacture and steering wheels must not be modified. There must be no damages on the vehicle's outer body and must be accident free.

Local Standards Requirements

GSO Standards tests for motor vehicle spare parts:

- Motor vehicle spare parts (draft)

GSO Standards tests for multipurpose tires:

- Multipurpose tires—general requirements
- Multipurpose vehicles tires standards
- Multipurpose vehicles tires (testing methods)

Current Market Trends

The UAE automotive industry's growth is driven by a number of factors, including increasing quality awareness, high spending power, and wide offerings of automotive products across international brands. According to industry estimates, in the first half of 2013, UAE companies imported most from Japan (50 percent), followed by USA (13 percent) and then South Korea (6 percent).

During the corresponding period, vehicle re-exports grew by 13 percent. Iraq is the top destination for cars re-exported from Dubai, accounting for 10 percent, followed by Libya and Iraq (8 percent each).

Used and Remanufactured Automotive Parts

Used

Passenger Cars

As a regional trade hub supporting intense international business activity, the UAE presents an extremely competitive business landscape for American companies in this sector. Many successful U.S. firms already in business in the region rely on technological advantage and quality assurance in addressing current demand and facing foreign competition.

Regulations

- All vehicles must be conformity to the UAE standards and their steering wheels must not be modified.
- There must be no damage on the vehicle outer body.
- The UAE does not allow import of vehicles that have been subject to accidents such as submerging, fire, collision, rollover, etc. Also, vehicles previously used as taxicabs or by police are not allowed to be imported.
- Vehicles may only be exported to companies (having commercial registration for business activities in vehicle sale and import) and to individuals with a valid residence authorization, if the importer is not a citizen of any of the GCC States.

Required Documents

- Proof of vehicle ownership and invoice attested by the local chamber of commerce in the U.S.
- Export declaration of the customs administration in the U.S. The invoice and the certificate of origin shall be attached to the export declaration.
- A document issued by Police in the U.S. indicating that the vehicle is not wanted for any criminal investigation.

Best Prospects

The UAE companies are increasingly eyeing to buy U.S. products to cater to the growing demand for used car market sector, specifically targeting –

- Classic car buyers
- Modified vehicles buyers
- Performance vehicle buyers

Parts and Components

Currently there is demand for new parts for all three categories. However, with increased preference for modified, enhanced-performance vehicles, that sector should continue growing in the future.

Local Standards Requirements
GSO Standards tests for retreaded tires are available at ***bit.ly/1cJHKoi***.

Remanufactured
Importation of reconditioned/used auto parts is not allowed for sale in the UAE, unless reconditioned by the original manufacturer. The reseller is not allowed to claim that the part is the same as an original part. There is no difference in the treatment between remanufactured and used auto parts. This applies to all motor vehicle parts.

Remanufactured/rebuilt parts are generally considered used or semi-used and are reflected in the pricing. Normally, the warranty period will not be the same as the original, if offered.

Used, not remanufactured, parts usually carry no warranty.

Local industry sources believe that there could be potential as there are a number of American cars sold within the UAE and also a number of used American cars are re-exported to other neighboring countries through the UAE Rebuilding of parts in the UAE is limited to auto mechanics offering their clients an extra service in their maintenance of cars.

The 5 percent import duty for new parts also applies to remanufactured or used parts. The use of the company logo as well as the original packing design is not allowed for reconditioned/used parts. As there is a complete difference in packing from the original, advertising costs for resellers of reconditioned/used parts are higher even though the quality of the product is similar. It will not be easy to lend credibility to reconditioned/used parts in this market and a lot of effort would need to be put into the process of establishing a brand.

Main Competitors

Passenger Cars
Toyota Motors remained the dominant player with 36.6 percent market share. Nissan is second with a market share of 16.9 percent, followed by Mitsubishi (7.6 percent), Hyundai (6.5 percent) and Ford (4.2 percent). Kia was sixth with a market share of 3.8 percent followed by BMW, Honda, Lexus and Chevrolet, taking the seventh, eighth, ninth and tenth positions respectively.

Commercial Vehicles
With major infrastructure and housing projects being planned, this sector will experience continued growth. Truck approvals are conducted at the GCC level by the GCC Standards Organization which is based in Riyadh, KSA. The product should be first approved by GSO before the truck CAN be exported to GCC countries, including the UAE.

U.S. truck manufacturers or exporters can contact the GCC Standardization Organization (GSO) Conformity Assessment Department for approval.

Parts and Components

UAE's strategic positioning and economic conditions has lead the country to become a regional hub for car parts and vehicle components in the entire Middle East and GCC. As a result, the UAE has become a key player in the car parts trade within the Gulf region and has positioned itself as a major re-export center.

According to media reports, the auto spare parts trade contributed around USD 9.89 billion or 3.33 percent of Dubai's total foreign trade in 2011. Imports amounted to USD 5.85 billion and exports to USD 4.02 billion. The country imported about 28 percent of auto parts and accessories from Japan, 13 percent from China and 11 percent from South Korea during the first half of 2013.

The UAE re-exports auto parts to GCC, African countries, Afghanistan, Iraq and the Indian Subcontinent.

Current Demand

UAE companies often display interest in launching new products so as to command a leading position in the market. Consequently, there is an interest and appetite for quality niche products, e.g., RVs, specialty vehicles, etc.

Parts and Components

There is a general demand for original spare parts made in the U.S. for American, German and Japanese cars. Other categories where opportunities exist include:

- 4WD Accessories
- Body parts, including grills, lights, etc.
- Decorative trim
- Spark plugs
- Valves for passenger cars, trucks and buses
- Wireless power tools
- Anti-glare glass film
- Tires for cars, trucks, and buses

Barriers

The UAE's trade policy has been consistent with its obligations under the WTO. There are few trade barriers, viz. automotive parts should not contain asbestos, and products should not have been manufactured or transited through Israel.

Trade Events

Middle East Motor Tuning Show (MEMTS) 2014

March • Sharjah, UAE • ***memts.com***

Luxury and sport cars, modern design, and trends in car customization.

Automechanika Middle East (AMME) 2014

June 3–5, 2014 • Dubai, UAE • ***automechanikadubai.com***

The region's largest and most comprehensive trade and networking exhibition for the automotive aftermarket from the fields of automotive parts, car washing, workshop/filling-station equipment, IT products and services, accessories, and tuning.

Available Market Research

- Investment Opportunities in the Automotive Sector in RAK: A sector study on the automotive sector in the UAE with a regional perspective

United Kingdom

Summary

The UK is one of the 10 largest motor-vehicle manufacturers in the world and has the second largest new car market in Europe after Germany. The UK produced 1.58 million vehicles in 2012 and car sales jumped 10.8 percent in 2013. The UK is home to seven volume car manufacturers, eight commercial vehicle manufacturers, 10 bus and coach manufacturers and eight major premium and sports car producers.

The automotive industry significantly contributes to the UK economy accounting for USD 89.8 billion in turnover in 2012. With more than 700,000 jobs dependent on the industry, it accounts for 10 percent of total UK exports and invests USD 2.7 billion each year in automotive R&D. The industry plays an important role in the UK's trade balance, with vehicle manufacturers exporting around 80 percent of production. More than 40 manufacturers build in excess of 70 models of vehicle in the UK supported by around 2,500 component providers and some of the world's most skilled engineers. UK automotive investment announcements exceeded USD 4 billion in 2013, reinforcing some industry analysts' suggestions that the UK could break its all-time car output records within the next four years.

Around 2,350 UK companies regard themselves as 'automotive' suppliers (42 percent tier one, 19 percent tier two, 34 percent tier one and two). Of all UK suppliers, over 70 percent manufacture their products in the UK. Dealers, distributors, and independent repair stations are the main suppliers of automotive parts, fittings, and services.

Market Entry

Partnering with an existing UK distributor or manufacturer is the most effective method for U.S. companies to enter the UK market.

Current Market Trends

There were 35.2 million vehicles licensed for use on the roads in Great Britain on 30 September, 2013, of which 29.2 million were cars. The total number of licensed

Statistics

Capital:	London
Population:	63.26 million
GDP:	USD 2.44 trillion
Currency:	Pound Sterling (£/GBP)
Language:	English

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vehicles has increased over the long term, but the rate of increase slowed down somewhat in the mid-2000s, and slowed further at the onset of the recession in 2008–09.

There have now been nine consecutive quarters with year-on-year increases in vehicle registration. The number of new registrations in 2013 is the largest figure since 2007, but it is still 10 percent less than the number in 2007.

The number of licensed vehicles and number of vehicles registered for the first time continue to be affected by the general economic climate in Britain and further afield. New registrations remain lower than they were before the recession of 2008–09 began, so the licensed vehicle stock, while continuing to grow, is growing more slowly.

However, while new car registrations across the European Union as a whole fell by 8 percent in 2012 according to manufacturers' data, the UK was the only major EU market to show growth. This put the UK as the second largest new car market in Europe, after Germany

The prevailing economic situation has a noticeable influence on trends in the number of licensed vehicles, especially commercial vehicles. The numbers of licensed goods vehicles and buses and coaches tend to be more affected by the fluctuations of the economy than other vehicle types. The numbers of licensed HGVs, buses and coaches, and motorcycles have been on a generally downward trend since the recession of 2008–09, and the rate of increase in other types of vehicles has slowed.

The used car market value reached a new record level of USD 62 billion in 2012, having risen steadily from 2008's figure of USD 53 billion. UK used car volumes fell during the height of recession to 6.3 million in 2009, edging up to 6.7 million units in 2011 before reaching 7.1 million in 2012.

Used and Remanufactured Automotive Parts

Used

There are no restrictions placed on the importation of used motor vehicle parts into the UK. There are no quotas or limitations, special treatment or conditions applicable to the importation of used motor vehicle parts.

Remanufactured

The remanufacturing industry is well developed within the UK. Overall, the market for replacement parts whether remanufactured or rebuilt is relatively static as original parts continue to last longer. Best prospects for U.S. suppliers are for rotating electric motors (starters and alternators) and for friction products such as brakes and clutches, though the brake market largely concentrates on commercial vehicles.

There are no restrictions on the importation of remanufactured or rebuilt motor vehicle parts of any kind and there are no quotas or limitations, special treatment or conditions applicable

to the importation of remanufactured or rebuilt motor vehicle parts. Remanufactured/ rebuilt parts are considered by H.M. Customs and Excise to be new parts and rates of duty are determined as such.

Main Competitors

The UK automotive sector is very diverse. There are more than 40 companies manufacturing vehicles in some of the most productive plants in Europe. These include 11 of the world's global vehicle and engine manufacturers—Aston Martin, BMW (MINI and Rolls Royce), Ford, General Motors (Vauxhall), Honda, Jaguar Land Rover, Lotus, MG, Nissan, Toyota and Volkswagen (Bentley)—as well as specialist brands, such as McLaren and Morgan, and Triumph motorcycles. Ford and Vauxhall were the two largest suppliers of cars to the UK market in 2013. This was followed by Volkswagen, Nissan and Audi. The presence of strong premium and niche vehicle producers in the UK mean that the UK is second in the world to Germany for premium vehicles.

There are also major manufacturers of commercial vehicles including Leyland Trucks, Dennis Eagle, Wright Bus, Optare and Alexander Dennis. Construction, agriculture and other specialist equipment makers include Case New Holland, Caterpillar, JCB, Komatsu, Perkins, Terex and Twaites. The UK is fourth in the world for construction equipment and the second largest net exporter of construction equipment.

Current Demand

Since 2008, the UK market has seen a shift away from the upper medium segment towards smaller cars in the mini and super-mini segments, as well as the MPV and dual purpose segments. Change in buying patterns has been driven by the demand for smaller, more fuel efficient models, as well as the greater versatility provided by Dual Purpose and MPV segments. Dual purpose sales overtook upper medium volumes in 2013 to become the third largest segment. The super-mini segment remains the largest by volume, with a market share in 2013 of 35.9 percent.

U.S. exporters should explore opportunities for sales of test and inspection equipment for use in garages and service stations that are authorized to undertake stringent annual checks mandated by legislation. These include laser and optical alignment systems and diagnostic equipment for engine, fuel, emissions and electronic systems that are used in specialized service and repair facilities. In addition, OEMs are continually looking for innovative new products, particularly those that focus on providing fuel economy and reduced emissions.

Electric Vehicles

Registrations of hybrid and plug-in cars rose 20.5 percent in 2013 to 32,715 units. In 2011, plug-in vehicles (pure electric, plug-in hybrids and range extenders) accounted for 4.5 percent

of combined plug-in and hybrid sales; this increased to 11 percent in 2013. Within the past two years the number of plug-in models on sale has increased from six to 17.

Barriers

The EU is the main source of legislation concerning the motor industry, and many of the changes being introduced are aimed at harmonizing the rulings concerning motor-vehicle safety and pollution throughout the EU. The standardization of automotive parts and equipment is an important development for the industry because it makes the parts acceptable for use by vehicle manufacturers in any EU country. This has greatly increased competition within the industry, and has helped to make the supply of automotive parts and equipment an international activity.

Trade Events

Automotive Engineering Show 2014

November 11–12, 2014 • Birmingham, England • ***ukautoengineering.com***
The UK's only 100 percent dedicated show and open conference for automotive body, chassis, power train, and supply chain engineering.

Classic Motor Show 2014

November 15–17, 2014 • Birmingham, England • ***necclassicmotorshow.com***
The biggest and most popular classic car exhibition in the UK. Over 1500 cars from all eras and showcasing a myriad of makes and models.

Autosport International 2015

January 8–11, 2015 • Birmingham, England • ***autosport-international.com***
A showcase event for the UK and European motorsport industry, including elements from every area of motorsport, including karting, Formula One, and the aftermarket.

Available Market Research

The most comprehensive automotive market research in the UK is available for free from the Society of Motor Manufacturers and Traders (SMMT), ***smmt.co.uk***.

Uruguay

Summary

A booming economy has been driving record sales of new automobile units. Annual sales increased from 25,000 units in 2008 to 57,000 units in 2013. Sixty-one different brands are available to the Uruguayan consumer, mostly U.S. and European brands assembled in neighboring Brazil and Argentina. Low-cost Chinese-origin vehicles entered the market in 2008 and now command almost 24 percent of total sales. These, however, are mostly low-cylinder vehicles with rudimentary engine and security devices. Brazilian-made Chevrolets lead sales with 15 percent of the market, followed by Volkswagens and Fiats (also assembled in Brazil). Similarly, sales of new buses and trucks increased from 2,900 units in 2008 to 3,700 units in 2013. Uruguay has a small but incipient automotive industry geared almost entirely towards exports. In 2013, Uruguay exported a total of USD 255 million worth of vehicles and USD 275 million in auto-parts. Most of these exports make use of trade agreements with neighboring Brazil and Argentina. While imports of used vehicles are prohibited, there are no restrictions on the imports of used or remanufactured auto-parts. Because of the huge increase in sales of new vehicles, demand for spare parts has diminished.

Market Entry

Due to MERCOSUR agreements and an FTA with México, vehicles manufactured in Brazil, Argentina and México enjoy preferential tax treatment. There is a ban on the imports of used vehicles, motorcycles, busses, trucks (of up to 1.5 ton cargo capacity), chassis, and auto-bodies. Allowances are made for classic and sport-cars of over twenty years. The ban is renewed every 180 days by a Ministerial Decree and backed by strong local lobby. The current prohibition expires in February 2014 but it is expected it will be renewed. During 2014, the Government may prohibit the import of vehicles that do not incorporate security elements such as air-bags, ABS, head-rests, and seat-belts.

Statistics

Capital:	Montevideo
Population:	3.3 million (2012)
GDP (est.):	USD 50 billion (2013)
Currency:	Uruguayan Peso
Language:	Spanish

Contact

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Current Market Trends

Low-cost Chinese-made vehicles entered the market in 2008 and now command a 24 percent market share. These vehicles, however, lack the security standards of same models exported to other, more demanding markets. Vehicles with smaller motors (as the Chinese brands) enjoy lower import taxes. Brazilian-made Chevrolets still continue to lead sales but market share fell from a high of 27 percent in 2010 to 15 percent in 2013.

Used and Remanufactured Automotive Parts

Used

By a Presidential Decree that is renewed every six months, the import of used cars and trucks is not allowed. There are no restrictions on the import of used/refurbished auto parts.

Remanufactured

The importation of remanufactured, rebuilt, and/or used motor vehicle parts is not prohibited in Uruguay. Such imports, however, are rare and are judged by Customs on a case-by-case basis, with no clear criteria specified.

Main Competitors

String competition comes from China. However, record-high accidents and fatalities are forcing the Government to impose higher security measures which will increase the final cost of these vehicles. Spare parts made in Brazil dominate the market and enter Uruguay tariff-free.

Current Demand

It is expected that the yearly record sales of automobiles will taper off in the next few years as the current trend is unsustainable in the long run. As the pool of vehicles ages, demand for spare parts should increase.

Barriers

Exemplified by the availability of 61 brands and almost 900 different models in a market of 3.2 million people (up from 24 brands and 380 models in 2005), there are currently no imposed barriers to selling new automobiles and/or new or used spare parts. Taxes can constitute almost 50 percent of the final price of a new vehicle.

Trade Events

Prado International Agro-Industrial Fair

September 3–14, 2014 • Montevideo, Uruguay

Uruguay's major trade fair. Attracts almost 500,000 people over 11 days. Includes displays of cars, buses, and trucks.

Subsector Reference Chart

Rating Definitions

1 Little to no probability of success for U.S. exporters

2 More challenges than opportunities

3 More oportunities than challenges

4 Very high probability of success for U.S. exporters

	Passenger Vehicles	Trucks	Buses	Motor-cycles	Specialty vehicles	Hybrid Vehicle Components	Remanufactured parts	Aftermarket Accessories & custom products	Aftermarket Chemicals & lubricants	Aftermarket Parts & components	Aftermarket Mobile Electronics & Technology	Aftermarket: Testing Equipment	Original Equipment: Tools & Testing Equipment	Services: Maintenance & Repair	Services: Engineering & Consulting	Services: Logistics & Transportation
Argentina	1	2	2	2	1	1	0	2	2	2	2	1	1	1	1	2
Australia	2	2	2	3	3	3	3	4	2	3	3	3	2	2	2	3
Austria	1	1	1	2	3	2	1	1	1	2	3	2	2	2	2	2
Belgium	2	2	1	4	3	2	2	3	2	3	3	2	2	2	3	3
Brazil	2	2	1	2	2	1	1	2	2	2	3	3	3	1	3	2
Canada	4	4	3	2	4	1	2	3	2	4	4	3	3	1	1	2
Chile	1	3	1	3	2	2	2	2	1	2	3	2	2	2	2	2
Columbia	3	3	3	3	2	3	2	3	3	3	3	2	3	2	3	2
Costa Rica	2	2	2	3	1	2	–	3	3	4	3	3	2	1	2	2
Croatia	3	2	2	3	2	2	2	4	4	2	3	2	2	2	2	3
Czech Republic	2	1	1	3	2	3	2	3	2	2	4	1	2	3	3	2
Dominican Republic	3	3	2	2	1	2	4	3	3	3	2	3	3	1	1	1
El Salvador	3	3	2	3	3	2	2	3	3	3	3	2	2	1	1	2
Denmark	2	2	2	2	3	3	2	2	2	2	3	2	2	2	2	2
Finland	1	1	1	2	1	2	–	3	3	3	3	3	3	2	2	2
France	2	2	1	2	1	2	2	2	1	1	2	1	1	2	1	1
Guatemala	3	3	3	4	2	1	2	3	3	4	1	2	2	1	3	3
Germany																
Hungary	2	2	1	2	2	2	3	3	3	3	3	3	2	3	2	3
India	2	2	2	2	3	2	1	3	4	4	4	4	3	2	3	3
Israel	3	2	2	2	2	3	3	3	3	3	3	3	3	3	3	2
Italy	1	1	1	3–4	2	3–4	3–4	3	1	2–3	3–4	3–4	2	3	3	2
Japan	2	1	1	2	2	1	1	3	3	3	2	2	2	1	1	1
Jordan	3	2	2	3	1	3	3	2	3	3	3	3	3	3	1	2
Kazakhstan	3	2	2	2	1	1	1	3	3	3	2	2	2	1	1	1
Kuweit	3	2	2	3	2	3	3	3	2	3	4	2	2	2	4	2
Latvia	2	1	1	4	2	2	2	2	2	2	2	2	2	2	2	3
Malaysia	1	1	1	2	1	1	-	2	3	2	3	3	2	1	4	2
Mexico	4	3	3	2	-	1	2	2	2	4	2	4	4	2	2	2
The Netherlands	3	2	2	3	3	3	3	3	2	3	4	3	2	2	3	2
New Zealand	2	3	1	3	3	2	2	2	2	3	2	2	1	2	2	2
Nigeria	4	4	2	1	1	1	2	3	4	4	4	4	4	3	3	3
Norway	2	2	1	3	1	2	2	2	3	3	2	2	2	1	1	1

Rating Definitions **1** Little to no probability of success for U.S. exporters **2** More challenges than opportunities **3** More oportunities than challenges **4** Very high probability of success for U.S. exporters	Passenger Vehicles	Trucks	Buses	Motor-cycles	Specialty vehicles	Hybrid Vehicle Components	Remanufactured parts	Aftermarket Accessories & custom products	Aftermarket Chemicals & lubricants	Aftermarket Parts & components	Aftermarket Mobile Electronics & Technology	Aftermarket: Testing Equipment	Original Equipment: Tools & Testing Equipment	Services: Maintenance & Repair	Services: Engineering & Consulting	Services: Logistics & Transportation
Palestinian Territories	4	2	2	3	1	2	2	3	4	3	1	2	2	2	1	2
Panama	3	4	2	3	2	2	2	4	4	4	4	2	3	3	2	3
Philippines	3	2	2	2	2	2	4	3	3	3	3	4	4	3	3	1
Poland	3	1	1	3	2	2	2	2	2	3	4	3	3	2	2	2
Portugal	2	2	2	3	2	4	2	3	1	3	3	3	2	2	2	2
Romania	2	2	1	3	2	1	–	3	3	2	3	2	2	2	3	3
Russia	1	2	2	3	3	1	2	3	2	3	4	2	2	3	2	2
Saudi Arabia	4	3	3	2	1	1	1	4	4	4	3	3	3	3	4	4
Slovak Republic	2	1	1	3	2	3	2	3	2	2	4	1	2	3	3	2
South Africa	2	2	2	3	4	3	3	4	2	3	3	3	3	3	2	2
Spain	2	1	1	2	2	3	1	4	2	3	3	2	1	1	1	1
Sweden																
Taiwan	2	2	2	2	2	1	1	1	3	2	1	2	3	1	2	2
Thailand	1	1	1	4	3	3	1	3	2	2	2	3	2	3	2	2
Turkey	3	2	2	4	4	3	1	3	2	3	4	3	3	3	3	3
United Arab Emirates	4	3	2	4	4	2	2	4	4	3	4	3	3	1	1	2
United Kingdom	2	2	2	3	2	2	2	2	2	2	3	2	1	2	2	2
Uruguay	2	2	1	3	3	2	2	3	3	3	3	3	3	2	2	2

Used/Reman Reference Chart

	Used Automotive Products Import Restrictions	Remanufactured Automotive Products Import Restrictions	Restrictions on Only Some Used Autos or Parts	Restrictions on Only Some Remanufactured Products	Quotas or Value Limitations For Used Goods	Quotas or Value Limitations For Remanufactured Goods	Used Treated Same as New	Remanufactured Treated Same as New or Used?	Used Trade Prospects	Remanufactured Trade Prospects	Used Average Duty (%)	Remanufactured Average Duty (%)
Argentina	Yes	Yes	Yes	Yes	No	No	No	Used	None	None	18*	16*
Australia	No	No	No	No	No	No	Yes	New	Fair	Fair	0*	0*
Austria	No	No	No	No	No	No	Yes	Yes	Poor	Poor	4.50	4.50
Brazil	Yes	Yes	No	No	No	No	No	No	None	None	N/A	N/A
Canada	No	No*	No	No	No	No*	Yes	Yes*	Fair	Fair*	0	0
Chile	No	No	No	No	No	No	No	Used	Fair*	Fair	0*	0*
Colombia	Yes	*	*	*	*	*	*	*	*	*	*	*
Costa Rica	Yes*	No	Yes*	No	No	No	No*	Yes	Poor	Poor	Varies	Varies
Croatia	No	No	No	No	No	No	Yes	Used	Poor	Poor	[1]	[1]
Czech Republic	No	No	No	No	No	No	No	No	Fair	Poor	10	10
Dominican Republic	No	No	Yes	No	No	No	No	Used	Good	Good	0	0
El Salvador	No	No	Yes	No	No	No	Yes	New	Fair	Fair	0–1	0–1
Finland	No	No	No	No	No	No	Yes	Used	Fair	Fair	3–5	3–5
France	No	No	No	No*	No	No	Yes	New	Fair*	Fair	3–4.5*	3–4.5
Guatemala	No	No	No	No	No	No	No	N/A	Fair	Fair	N/A	N/A
Israel	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Poor	Poor	0[2]	0[2]
Italy	No	No	No	No	No	No	Yes	Used	Poor	Fair	N/A	N/A
Japan	No	No	No	No	No	No	Yes	New	Poor	Poor	0	0
Jordan	No	No	No	No	No	No	Yes	Used	Fair	Fair	0[3]	0[3]
Kazakhstan	Yes	No	Yes	Yes	No	No	No	New	Poor	Fair	30	20
Republic of Korea	No	No	No	Maybe	No	No	Yes[4]	New[4]	Poor	Poor	0	0
Latvia	No	No	No	No	No	No	Yes	New	Fair	Fair	[1]	[1]
Malaysia	Yes	Yes*	Yes	Yes*	No	No	No	Used	None	None	N/A	N/A
Mexico	No	No	Yes	Yes	No	No	Yes	Yes	Fair	Fair	3	3
Netherlands	No	No	No	No	No	No	Yes	Used	Fair	Fair	5	5
New Zealand	No	No	No	No	No	No	Yes	Yes	Fair	Fair	5–10	5–10
Nigeria	No	No	No	No	No	No	No	Used	Good	Fair	20	20
Norway	No	No	No	No	No	No	Yes	New	None	Fair/ Poor	25	25
Palestinian Territories	No	No	Yes	Yes	No	No	Yes	New	Poor	Poor	[1]	[1]

	Used Automotive Products Import Restrictions	Remanufactured Automotive Products Import Restrictions	Restrictions on Only Some Used Autos or Parts	Restrictions on Only Some Remanufactured Products	Quotas or Value Limitations For Used Goods	Quotas or Value Limitations For Remanufactured Goods	Used Treated Same as New	Remanufactured Treated Same as New or Used?	Used Trade Prospects	Remanufactured Trade Prospects	Used Average Duty (%)	Remanufactured Average Duty (%)
Panama	No	No	No	No	No	No	No	Used	Poor	Poor	*	*
The Philippines	Yes	Yes	Yes	Yes	No	No	No	Used	Fair	Fair	30[5]	30[5]
Poland	No	No	No	No	No	No	No	New	Poor	Poor	3–4.5	3–4.5
Russia	No	No	No	No	No	No	Yes	Yes	Poor	Poor	15	15
Saudi Arabia	Yes*	Yes*	Yes*	Yes*	Yes	Yes	Yes	Varies*	Varies*	Varies*	5	5
Slovak Republic	No	No	No	No	No	No	No	Used	Fair	Fair	10	10
South Africa	Yes	Yes	Yes	Yes	No	No	No	Used	Fair	Fair	20	20
Spain	No	No	No	No	No	No*	Yes	New	Fair	Fair	20–30[6]	20–30[6]
Thailand	No	No	No	No	No	No	No	Used	Poor	Poor	30	30
Turkey	Yes	Yes	Yes	Yes	Yes	Yes	No	Used	None	None	N/A	N/A
United Arab Emirates	Yes*	Yes*	No	No	No	No	No	Varies*	[7]	[8]	5	5
United Kingdom	No	No	No	No	No	No	Yes	Yes	Fair	Fair	4.5[9]	4.5[9]
Uruguay	No	No	No	No	No	No	No[10]	[10]	Fair/ Poor[11]	Fair/ Poor[11]	*	*

* May be subject to special conditions. Contact local CS office for details.

1 Unavailable or unknown.
2 For U.S.-made products.
3 Sales tax—16 percent.
4 With regard to levied tariff.
5 Plus 12 percent value-added tax.
6 Of C.I.F. value.
7 Poor for domestic sale, fair for re-exports.
8 Fair for sale domestically, good for re-exports.
9 Plus 20 percent value-added tax.
10 Different customs valuations apply.
11 Few U.S.-made vehicles in market.

Export Statistics

New Passenger Vehicle Exports, 2004–13 (USD)										
Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Worldwide Exports—Total										
WORLD	23,626,344,548	25,774,943,880	32,582,135,388	39,215,631,031	39,786,218,192	24,221,663,619	34,605,192,383	41,138,923,059	47,959,230,901	52,305,478,340
TPP	18,478,900,158	19,959,634,503	21,164,848,220	24,401,628,440	22,170,699,378	14,945,486,773	20,554,696,772	22,254,580,580	24,030,128,766	25,837,419,426
NAFTA	18,004,234,404	19,540,313,246	20,422,284,024	23,325,109,451	20,862,218,642	14,318,841,327	19,418,069,089	20,596,513,031	21,966,401,481	23,377,792,041
GCC	913,847,168	1,876,720,147	2,824,254,411	3,428,251,556	5,233,991,919	2,285,155,304	4,413,434,327	5,105,484,762	7,553,174,881	7,649,558,065
EU27	3,241,769,745	2,312,837,391	6,283,005,302	8,166,070,872	9,027,817,682	5,053,133,143	4,706,359,177	6,839,719,890	7,595,025,404	6,525,403,591
Worldwide Exports by Country										
Canada	14,586,202,033	15,891,397,650	17,257,378,473	19,836,510,985	17,245,097,382	12,532,410,861	16,812,956,316	17,690,863,176	18,665,725,856	20,079,258,864
China	55,685,409	161,017,174	364,718,717	375,609,941	603,605,058	635,717,384	2,573,817,171	3,992,870,444	4,583,814,525	7,197,748,305
Germany	2,319,268,698	1,562,517,944	4,645,336,414	5,373,393,202	6,928,043,929	4,319,256,334	3,581,487,110	5,016,202,484	5,755,490,045	4,638,194,442
Saudi Arabia	367,898,449	598,821,715	1,329,302,213	1,360,298,116	2,286,951,225	1,140,811,010	2,437,328,128	2,926,484,172	4,266,651,113	4,072,044,917
Mexico	3,418,032,371	3,648,915,596	3,164,905,551	3,488,598,466	3,617,121,260	1,786,430,466	2,605,112,773	2,905,649,855	3,300,675,625	3,298,533,177
UAE	246,153,862	654,484,563	643,584,334	1,021,041,361	1,616,813,303	505,273,139	940,452,465	1,018,195,082	1,545,698,609	1,841,385,457
Australia	194,428,315	134,544,143	283,231,532	474,511,287	533,145,283	263,428,782	462,916,601	724,733,353	951,629,364	1,308,597,002
United Kingdom	458,913,562	181,311,495	805,386,659	895,225,540	844,169,338	469,056,191	786,938,130	1,154,293,282	1,194,881,671	1,179,535,706
Russia	75,648,347	119,488,088	155,026,617	330,477,622	612,282,669	12,823,658	73,430,080	235,213,574	616,327,586	1,109,076,371
Kuwait	203,931,165	370,950,131	463,000,481	498,092,132	577,337,009	343,631,338	538,439,611	627,544,209	736,073,025	808,953,876
Republic of Korea	39,290,112	76,935,453	105,615,721	215,222,172	199,542,506	92,777,930	283,640,422	316,900,450	502,081,337	629,872,941
Chile	37,316,555	87,663,961	119,862,478	141,987,214	242,388,401	131,646,344	339,978,713	413,004,031	407,483,294	517,794,654
Japan	204,634,568	167,273,018	288,127,937	311,184,973	363,245,703	152,116,654	178,614,822	304,925,727	457,995,355	405,937,442
Oman	29,761,438	118,157,800	107,967,626	165,728,947	325,749,691	91,629,429	183,398,628	227,290,468	385,246,956	358,608,367
Qatar	39,546,542	91,844,018	204,056,481	274,449,810	281,928,989	114,044,429	198,138,994	200,547,154	392,312,396	356,983,440
South Africa	181,093,082	395,521,888	184,176,836	271,024,744	222,587,998	95,630,644	172,569,370	238,198,915	263,428,926	264,000,189
Colombia	8,455,324	24,459,507	59,163,622	71,295,150	63,404,528	49,105,288	89,019,153	107,695,738	159,524,774	244,137,336
Bahrain	26,555,712	42,461,920	76,343,276	108,641,190	145,211,702	89,765,959	115,676,501	105,423,677	227,192,782	211,582,008
Switzerland	32,769,809	52,044,117	49,586,920	49,575,615	28,340,768	20,717,454	40,649,229	99,303,389	130,510,251	191,909,269
Nigeria	13,814,280	9,780,409	23,630,000	64,061,278	120,085,237	102,444,700	96,030,897	150,753,809	191,879,324	188,332,712
Italy	50,029,690	58,237,002	137,589,894	455,499,941	264,662,202	66,156,379	60,698,876	281,028,321	186,970,959	174,718,044
Brazil	8,336,069	16,826,587	22,566,829	39,280,779	87,489,587	71,121,088	171,224,981	209,238,201	160,252,737	167,897,442
Israel	22,253,147	23,178,312	58,696,368	112,114,507	161,027,802	94,542,559	148,102,859	216,915,097	109,869,847	129,877,272
Peru	4,262,569	7,887,918	13,033,322	19,742,881	37,537,550	29,942,753	90,939,796	93,877,076	122,662,314	122,051,300
Iraq	37,180,475	23,886,106	166,251,316	34,386,364	18,167,522	28,647,662	21,849,135	65,079,726	97,392,079	119,847,280
Argentina	7,347,256	9,347,913	20,071,662	35,874,731	56,801,083	43,481,521	57,757,312	54,343,130	105,256,736	107,793,492
Ecuador	3,377,474	9,446,190	35,199,459	26,972,652	25,614,657	74,178,230	153,515,859	74,010,969	87,713,478	98,733,183
Panama	13,361,224	16,767,384	23,396,383	35,018,821	60,441,069	37,031,525	64,730,270	64,301,872	92,737,016	98,359,804
Lebanon	42,167,076	29,237,810	46,910,940	74,761,642	100,249,165	66,289,580	88,640,217	62,223,001	87,565,519	93,865,283
Hong Kong	22,118,150	38,355,640	16,574,075	18,945,902	24,936,808	17,408,697	75,624,158	95,465,801	86,137,162	86,518,646
Dominican Republic	24,714,103	37,950,890	47,272,360	57,061,906	54,304,190	54,351,476	133,554,794	95,565,227	91,374,671	76,545,138
France	63,203,156	45,243,633	91,643,098	227,703,375	132,904,095	15,669,427	38,192,532	98,377,334	115,837,814	72,465,978
Venezuela	15,852,648	138,992,715	403,362,872	638,248,409	146,167,746	17,857,064	25,612,058	20,059,184	127,773,003	65,497,320
Mongolia	385,067	728,707	574,968	1,287,914	3,775,061	1,305,655	2,405,425	11,032,247	225,115,730	9,107,540

New Passenger Vehicle Exports, 2004–13 (USD)

Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
U.S. Exports—Total										
WORLD	1,215,083	1,267,065	1,446,966	1,651,511	1,581,760	1,009,042	1,389,622	1,586,985	1,805,595	1,941,038
TPP	992,370	1,024,553	1,017,168	1,103,608	989,991	696,399	887,779	934,930	978,821	1,029,241
NAFTA	971,762	1,004,905	986,944	1,059,754	941,359	672,145	841,884	870,615	902,891	940,429
GCC	59,665	97,896	118,713	135,380	197,040	88,516	168,382	191,739	273,223	271,647
EU27	111,911	75,273	198,784	266,260	249,861	136,203	133,220	206,090	227,448	196,191
U.S. Exports by Country										
Canada	757,193	779,219	791,830	855,253	749,959	571,065	712,756	729,049	743,477	786,612
China	1,994	6,499	14,120	12,046	23,896	25,065	89,066	125,356	152,051	231,214
Mexico	214,569	225,686	195,114	204,501	191,400	101,080	129,128	141,566	159,414	153,817
Saudi Arabia	26,841	31,652	52,760	52,591	83,573	42,865	90,672	104,811	145,327	139,035
Germany	72,279	46,529	133,909	151,863	178,939	112,017	97,228	145,593	168,522	135,030
UAE	15,020	35,215	29,692	39,481	59,432	19,800	35,851	39,794	61,443	69,096
Russia	4,038	5,662	7,740	13,951	24,222	567	2,412	7,550	21,935	48,300
Australia	8,217	5,434	10,081	16,714	16,606	8,947	16,378	25,453	30,914	43,970
United Kingdom	15,706	5,835	25,617	30,023	22,078	12,756	21,373	34,857	35,896	36,342
Kuwait	11,888	17,962	19,977	21,459	24,496	14,259	22,643	26,844	29,090	29,825
Republic of Korea	1,822	3,020	4,022	8,865	9,028	4,559	12,303	12,525	20,079	24,677
Chile	2,318	5,114	6,771	8,028	13,020	6,621	16,024	17,923	17,709	21,730
Japan	8,398	7,775	11,285	13,170	12,877	5,538	6,838	12,860	18,575	15,237
Oman	1,794	6,007	4,622	6,839	12,915	3,473	7,312	8,779	14,579	13,215
Qatar	2,428	4,769	8,276	10,274	10,419	4,450	6,973	7,278	13,836	12,591
South Africa	4,737	4,995	7,759	10,609	7,460	3,793	6,853	9,638	10,398	11,235
Colombia	310	1,497	3,314	3,629	3,197	2,239	4,432	4,631	6,991	10,603
Nigeria	1,230	1,054	1,359	3,363	6,407	5,770	5,713	8,524	10,385	9,556
Bahrain	1,694	2,291	3,386	4,736	6,205	3,669	4,931	4,233	8,948	7,885
Benin	726	259	368	430	613	964	3,455	4,700	4,166	7,683
Brazil	303	691	1,030	1,662	3,295	2,255	7,871	8,216	6,805	6,278
Switzerland	1,615	2,481	2,735	2,666	1,098	912	1,552	3,641	4,100	6,133
Italy	2,356	2,635	6,799	19,425	9,842	2,963	2,795	10,552	7,136	6,102
Ecuador	100	435	1,806	1,434	1,713	3,210	7,266	4,115	4,424	4,971
Peru	225	458	641	984	1,670	1,378	4,361	3,972	4,939	4,670
Iraq	525	391	7,556	1,305	754	460	1,057	3,089	3,517	4,572
Israel	1,081	803	2,783	4,976	7,268	3,956	6,093	8,012	3,761	4,431
Lebanon	4,170	3,081	3,172	4,434	5,323	3,186	4,461	3,568	4,187	4,414
Argentina	431	480	807	1,592	2,423	1,649	2,350	2,346	4,281	4,235
Panama	656	892	1,122	1,486	2,401	1,514	2,487	2,491	3,498	3,657
Dominican Republic	1,368	3,181	2,759	2,921	2,628	3,668	7,471	5,027	4,343	3,535
Guatemala	2,730	2,854	2,396	1,488	1,709	2,115	3,027	3,348	4,106	2,847
France	2,527	2,269	5,182	10,690	5,052	728	1,715	3,776	4,125	2,602
Mongolia	14	23	16	44	122	46	74	393	10,563	321

Used Passenger Vehicle Exports, 2004–13 (USD)

Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Worldwide Exports—Total										
WORLD	9,109,637,535	7,418,872,296	6,311,639,167	9,773,196,287	6,593,702,414	4,368,095,457	3,376,228,669	2,063,681,065	1,008,254,972	720,868,682
TPP	1,510,384,630	1,480,125,753	1,179,189,702	2,074,263,833	1,797,577,828	1,299,454,729	899,677,260	632,048,775	335,779,528	293,909,268
NAFTA	922,244,744	934,471,975	714,413,715	1,663,226,330	1,518,516,037	1,105,771,676	697,882,714	489,368,110	265,286,383	236,882,305
GCC	1,223,917,065	973,825,011	1,043,214,551	1,264,703,756	653,733,827	545,893,360	541,883,737	360,136,861	196,243,395	147,150,997
EU27	1,627,575,565	1,245,048,815	990,000,016	2,888,852,966	1,890,762,600	1,130,559,458	852,023,816	504,466,560	229,203,293	111,016,745
Worldwide Exports by Country										
China	15,528,470	67,740,778	120,370,281	237,167,455	256,302,552	241,310,794	416,310,461	926,498,139	702,457,486	915,152,422
Nigeria	33,054,760	72,480,438	120,186,088	253,841,470	503,365,093	392,351,337	484,442,848	652,756,604	760,553,695	832,216,136
UAE	59,748,879	91,617,434	145,561,898	191,989,936	481,139,261	370,949,522	414,745,510	554,362,857	709,334,989	646,522,473
Mexico	394,207,541	521,983,057	606,535,683	616,177,947	613,637,472	265,945,312	291,764,334	291,347,230	309,329,265	548,750,557
Canada	95,160,569	175,899,657	499,235,993	902,338,090	1,049,588,858	448,468,403	642,707,641	630,897,514	501,120,735	444,486,204
Jordan	12,153,766	50,528,433	61,337,312	41,571,492	156,161,000	333,097,730	287,402,932	200,196,158	308,303,280	406,975,121
Saudi Arabia	238,914,907	396,697,163	337,464,656	400,565,006	675,183,995	566,597,118	460,107,071	538,844,808	651,404,397	391,525,395
Benin	18,222,557	43,001,802	69,861,017	188,918,115	365,018,926	194,702,827	294,612,461	387,145,827	343,172,918	304,691,469
United Kingdom	78,388,792	103,919,246	129,363,354	150,418,406	205,974,344	103,450,993	143,628,803	184,854,797	200,268,429	283,002,725
Germany	118,361,956	190,095,051	209,233,356	394,510,206	833,130,947	266,099,615	321,740,622	384,727,420	243,216,216	202,617,114
Japan	107,430,262	143,657,362	126,652,514	103,409,320	142,241,901	112,032,877	172,803,718	257,237,630	283,896,093	185,350,132
Lithuania	45,001,590	97,747,272	163,652,249	260,793,605	273,620,480	117,271,413	201,263,736	390,881,717	171,925,299	179,204,640
Ghana	12,300,676	17,788,578	15,457,504	26,901,884	41,478,383	45,587,577	68,249,744	120,648,849	156,446,745	176,475,407
Lebanon	64,799,212	77,323,199	86,846,957	156,239,913	416,003,504	523,256,725	410,556,885	257,964,898	189,602,099	170,742,704
Taiwan	27,270,994	30,072,991	14,043,511	18,405,891	18,712,169	33,668,520	81,468,923	168,744,662	152,333,751	159,406,547
Dominican Republic	31,882,912	117,495,408	108,181,346	171,326,537	178,758,998	194,484,686	240,186,753	212,971,254	161,473,802	151,659,327
Netherlands	24,502,961	44,368,932	55,731,560	115,284,480	216,814,663	131,155,949	158,536,100	152,419,531	115,218,380	150,172,841
Libya	71,000	2,945,943	31,412,176	31,296,486	73,250,796	106,351,715	84,430,734	23,926,702	165,391,949	140,596,545
Georgia	7,718,668	25,388,949	45,490,431	85,979,211	136,592,282	50,824,013	54,512,612	120,935,591	95,613,540	134,282,837
Hong Kong	47,834,178	101,179,968	97,436,334	99,665,649	163,525,354	169,760,060	292,925,455	473,541,086	246,866,190	127,279,708
Cambodia (Kampuchea)	20,241,765	29,457,296	43,008,276	83,502,676	100,141,568	81,785,897	93,234,280	110,178,448	131,388,489	123,167,413
Finland	117,571,431	155,396,281	304,528,541	507,389,274	707,091,710	46,231,737	127,597,268	235,452,275	167,033,678	122,281,234
Yemen (Sana)	580,715	1,411,005	2,532,242	6,775,861	19,020,019	41,540,435	57,883,637	36,829,385	67,296,654	102,622,643
Turkey	8,974,528	8,364,790	3,915,347	3,642,465	17,029,157	39,052,233	40,462,301	47,714,583	130,933,844	88,884,321
Russia	31,137,650	67,861,123	103,537,000	170,495,791	219,792,956	24,351,635	48,276,333	102,953,569	121,105,934	77,247,083
Australia	12,693,041	17,910,640	20,031,878	47,083,022	65,901,503	46,327,908	78,326,537	82,889,951	72,031,132	70,416,399
Kuwait	58,607,161	49,674,482	55,859,260	51,361,482	85,191,860	81,773,916	80,238,001	107,483,693	94,995,854	62,674,679
Chile	3,493,650	14,616,620	18,298,168	20,651,180	53,110,295	35,719,285	57,244,477	60,528,946	65,022,991	57,957,109
Republic of Korea	5,658,223	11,635,208	28,388,255	68,307,724	71,030,890	31,479,096	40,601,163	39,484,807	38,323,315	42,937,922
Guatemala	14,907,376	19,053,691	26,280,314	27,218,865	29,314,136	27,999,180	36,643,208	50,197,029	45,973,239	41,153,937
Costa Rica	23,623,099	27,675,604	23,984,395	31,367,596	40,196,627	20,607,737	30,033,943	43,558,859	43,085,592	33,953,810
Togo	2,933,505	7,256,847	11,793,518	29,076,863	52,324,923	26,258,510	33,176,564	45,140,438	38,413,289	28,875,719
Mongolia	288,850	747,759	37,500	795,870	5,927,539	2,190,914	10,807,370	61,221,482	55,631,801	25,429,007
Vietnam	9,946,029	10,260,609	13,652,354	74,538,225	111,972,453	238,426,792	193,816,771	148,062,599	53,588,647	23,613,822

Used Passenger Vehicle Exports, 2004–13 (USD)

Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
U.S. Exports—Total										
WORLD	735,096	668,698	594,060	825,433	613,206	458,538	404,344	279,211	155,487	125,987
TPP	100,812	107,068	100,057	162,804	159,535	152,284	135,379	111,676	68,006	65,318
NAFTA	75,552	82,424	76,148	134,610	142,206	139,120	121,645	100,965	61,101	60,387
GCC	121,123	102,162	105,004	134,019	80,740	64,835	68,098	48,028	26,991	20,534
EU27	89,646	75,308	67,628	174,252	135,628	84,127	70,192	43,393	17,683	8,943
U.S. Exports by Country										
Mexico	51,566	53,887	50,420	77,799	92,077	102,967	100,042	80,508	49,640	48,743
Saudi Arabia	38,353	35,094	50,051	73,314	47,041	38,896	48,756	33,804	20,666	16,358
Canada	23,986	28,537	25,728	56,811	50,129	36,153	21,603	20,457	11,461	11,644
Costa Rica	10,040	6,224	4,256	7,558	6,184	4,697	5,080	4,055	4,189	5,020
Japan	8,570	5,997	5,132	5,104	4,051	5,478	6,619	6,584	5,507	3,799
Kuwait	5,728	4,467	4,702	4,986	3,428	4,067	3,920	5,206	4,489	3,406
Cambodia (Kampuchea)	16,388	16,189	15,192	16,932	17,149	9,874	7,728	7,290	3,559	3,383
Honduras	7,241	6,391	5,938	5,427	5,620	3,589	2,005	3,796	3,806	2,808
Dominican Republic	21,978	26,653	22,865	23,598	22,862	14,655	17,172	4,464	1,649	2,677
Guatemala	16,830	11,133	8,810	7,886	8,092	7,198	4,334	3,449	4,476	2,107
United Kingdom	4,115	3,071	2,223	4,242	4,663	3,392	4,202	3,913	1,942	2,093
Germany	16,983	15,302	16,166	41,147	19,179	10,942	14,998	9,539	2,368	1,703
Nigeria	78,807	56,542	45,050	50,404	25,388	13,239	9,104	3,881	1,393	1,386
El Salvador	3,508	3,102	2,791	2,881	4,405	5,007	1,899	2,239	1,570	1,317
Finland	9,396	5,980	3,037	40,580	33,421	20,480	12,463	8,811	5,256	1,306
Hong Kong	14,216	10,653	8,208	10,029	8,429	12,530	15,747	8,034	2,075	1,133
Netherlands	8,973	9,152	8,062	10,673	6,453	3,584	3,024	1,930	1,160	851
Ghana	20,272	12,140	7,316	7,646	4,973	3,156	2,511	1,534	573	825
Australia	4,575	4,198	2,949	5,646	3,305	1,952	1,904	1,445	610	621
UAE	75,409	61,464	48,857	54,370	29,785	21,412	15,109	8,722	1,749	604
Benin	72,993	55,934	31,556	54,436	29,896	10,202	7,093	3,112	1,139	320
Lithuania	32,253	21,952	15,191	34,828	36,364	23,170	15,242	7,399	2,212	266
Jordan	20,397	28,321	26,980	13,504	4,867	7,468	8,269	2,550	1,592	265
Lebanon	24,716	40,715	50,446	39,371	16,121	8,708	8,072	7,854	2,250	257
Chile	6,673	4,912	4,359	9,842	3,765	3,222	2,561	612	204	166
China	17,257	9,857	8,362	9,190	8,019	4,440	2,421	1,026	482	139
Russia	4,169	2,052	1,253	12,261	12,059	8,534	6,582	2,994	724	139
Taiwan	5,557	2,624	1,243	634	605	544	1,270	1,317	429	95
Togo	7,118	5,522	3,847	7,985	4,484	1,724	1,030	462	147	54
Liberia	3,316	2,030	1,582	888	840	824	1,055	283	43	37
Yemen (Sana)	5,195	8,265	6,882	3,263	1,008	482	255	33	85	16
Turkey	2,909	2,858	2,959	936	165	291	897	187	38	10
Georgia	12,881	6,384	5,848	13,905	8,906	5,234	3,189	715	35	9
Libya	4,722	13,470	14,233	10,758	4,366	4,110	324	10	0	0

Truck Exports, 2004–13 (USD)

Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Worldwide Exports—Total										
WORLD	4,395,694,326	5,426,531,269	5,935,995,829	5,748,737,948	5,793,971,836	3,598,084,096	4,822,178,382	6,152,527,112	6,972,806,894	6,576,780,312
TPP	3,764,670,386	4,733,247,052	5,165,338,186	4,709,366,284	4,217,097,622	2,708,667,459	4,062,721,557	5,214,072,028	6,011,778,522	5,854,442,936
NAFTA	3,528,139,919	4,421,060,667	4,888,143,398	4,337,666,813	3,717,043,733	2,467,196,490	3,686,342,132	4,702,174,067	5,404,674,110	5,394,749,871
GCC	54,670,619	45,875,406	58,747,208	67,812,786	185,150,189	124,524,830	105,146,634	114,165,472	114,486,915	104,084,250
EU27	170,790,674	127,469,173	132,236,647	149,035,122	207,305,556	35,232,306	47,595,173	37,304,988	29,411,822	23,711,847
Worldwide Exports by Country										
Canada	3,382,355,591	4,252,724,868	4,737,594,581	3,998,756,226	3,542,690,146	2,373,990,164	3,547,576,942	4,559,709,783	5,171,083,126	4,955,137,062
Mexico	145,784,328	168,335,799	150,548,817	338,910,587	174,353,587	93,206,326	138,765,190	142,464,284	233,590,984	439,612,809
Australia	165,348,377	189,081,332	179,703,116	216,160,782	216,517,266	64,864,255	137,825,902	227,846,129	348,085,444	274,430,896
South Africa	64,220,978	106,714,888	123,137,644	161,289,027	179,001,608	52,403,694	76,219,950	155,371,013	146,210,296	131,282,206
Chile	45,314,069	65,343,117	69,709,884	58,443,584	118,330,774	48,354,160	136,264,473	182,633,638	132,035,123	90,738,687
Nigeria	10,071,052	22,339,217	29,553,179	53,869,720	154,927,773	143,707,385	85,951,413	111,363,436	115,696,262	81,973,049
Peru	384,129	9,662,585	6,406,574	21,991,301	30,782,343	7,437,205	26,513,805	36,392,624	43,556,693	51,293,797
China	22,351,620	5,385,737	7,724,501	16,439,942	11,413,633	13,720,582	53,306,040	35,552,464	76,134,051	48,436,311
UAE	16,051,218	16,684,669	14,318,109	24,570,988	99,427,680	34,809,672	34,857,390	40,512,081	26,612,614	45,115,968
Saudi Arabia	21,390,606	13,747,171	18,988,274	24,479,622	53,670,253	60,065,520	45,844,565	37,605,193	69,633,035	43,235,524
Colombia	12,835,543	60,498,286	28,292,105	29,010,132	22,344,008	13,311,075	17,228,257	31,262,050	33,945,906	38,721,129
Ecuador	10,156,687	17,974,025	11,645,350	16,891,299	44,211,192	20,704,461	34,877,551	61,566,645	72,749,183	34,674,557
Panama	5,625,556	11,987,574	12,739,918	25,638,555	28,125,876	21,980,739	28,818,857	32,773,231	31,932,076	24,280,502
New Zealand	14,786,371	23,249,912	13,612,498	14,885,594	18,207,412	5,220,716	16,849,852	26,166,885	28,252,270	21,657,722
Guatemala	16,335,622	15,919,274	13,245,820	9,101,850	10,391,403	11,009,042	11,545,976	10,395,565	16,950,965	20,677,627
Costa Rica	5,630,347	8,411,268	14,202,118	20,617,129	23,618,539	9,996,157	9,633,449	8,868,373	14,640,340	13,472,708
Dominican Republic	7,582,746	11,909,885	16,147,977	18,088,583	18,468,213	10,242,055	14,741,169	14,331,229	9,139,500	12,226,324
Mozambique	2,255,710	6,150,175	6,780,280	9,080,961	15,112,268	17,588,226	16,610,407	33,047,221	13,538,152	11,417,920
El Salvador	10,735,539	7,351,705	5,575,055	3,872,582	3,419,184	6,614,572	4,162,938	2,144,061	6,841,598	11,396,418
Namibia	211,711	403,563	729,519	1,210,427	4,181,512	6,725,757	10,061,394	12,054,049	12,983,008	10,702,384
Honduras	4,886,803	5,372,002	7,577,854	12,920,242	13,847,367	13,072,978	10,794,415	4,708,681	9,643,321	9,741,396
Singapore	468,055	163,675	314,475	1,847,045	2,520,066	6,682,002	11,571,527	14,353,355	21,697,396	9,694,089
Philippines	846,862	3,215,882	1,056,914	1,521,191	1,592,494	4,701,862	3,013,808	3,052,101	7,390,115	9,183,927
Russia	19,861,736	34,167,945	69,969,664	172,244,676	209,820,224	6,889,386	4,600,214	32,502,064	27,414,233	8,746,917
Vietnam	6,003,822	1,449,164	2,271,770	19,495,445	48,009,539	88,440,995	41,342,913	19,793,323	31,450,290	8,309,382
Israel	9,378,062	15,179,700	11,846,507	21,501,181	11,942,278	16,419,928	21,323,322	20,547,427	10,701,312	7,560,399
Bolivia	171,586	365,213	440,850	1,707,487	4,297,661	6,994,700	3,857,946	4,453,057	7,901,807	7,556,068
Venezuela	17,484,245	63,014,130	71,389,898	98,696,800	91,847,760	8,485,914	6,698,788	9,922,032	72,045,587	7,145,066
Germany	21,523,450	14,815,591	17,771,001	54,378,103	97,252,322	9,301,621	18,036,461	11,234,684	7,788,088	5,764,306
Kuwait	15,098,354	11,378,407	16,790,765	13,330,533	15,400,745	13,375,067	12,754,622	14,406,245	7,468,655	4,485,417
Ghana	2,148,866	1,666,945	1,172,914	672,607	3,265,219	1,238,911	3,702,553	3,789,163	8,111,582	4,091,773
Jordan	2,691,462	2,273,069	10,061,747	15,951,380	6,907,539	2,362,902	2,395,302	3,520,814	10,869,856	3,704,133
Morocco	1,251,047	341,332	425,502	1,186,545	4,626,289	32,894,633	38,819,344	26,242,363	10,013,253	1,934,000
Trinidad and Tobago	863,615	2,424,994	2,813,739	514,042	3,596,211	2,014,236	3,760,817	2,544,180	6,957,921	1,927,223

Truck Exports, 2004–13 (USD)										
Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
U.S. Exports—Total										
WORLD	110,781	122,646	118,100	123,521	125,494	84,187	103,261	116,753	122,837	135,198
TPP	74,485	88,831	91,224	89,315	75,267	53,499	75,072	87,927	93,607	107,226
NAFTA	69,152	83,572	85,531	80,489	63,667	46,148	68,703	79,970	84,521	101,248
GCC	1,989	1,732	1,723	1,946	6,660	4,778	4,284	4,116	3,477	3,563
EU27	8,708	3,570	3,508	5,860	6,735	1,063	1,451	1,219	1,194	1,209
U.S. Exports by Country										
Canada	62,839	76,984	80,932	69,610	59,313	43,426	65,129	76,431	78,235	78,679
Mexico	6,313	6,588	4,599	10,879	4,354	2,722	3,574	3,539	6,286	22,569
Nigeria	948	1,859	2,059	3,088	7,968	8,098	5,398	5,437	6,235	5,334
Australia	3,019	2,641	3,775	5,007	4,587	1,223	1,793	3,260	3,732	2,858
Guatemala	2,883	3,092	1,461	611	717	998	768	590	1,141	2,188
UAE	874	734	329	588	3,830	2,403	2,066	1,924	929	1,908
El Salvador	1,715	1,310	545	242	283	594	351	178	770	1,718
South Africa	1,289	1,797	2,745	2,565	2,927	978	1,090	1,666	1,471	1,377
Chile	1,043	1,078	1,201	913	2,091	1,157	1,909	2,498	2,423	1,335
Saudi Arabia	804	616	718	787	1,905	1,545	1,334	1,130	2,046	1,247
Panama	450	526	669	1,292	1,442	1,272	970	1,172	1,168	1,188
Honduras	777	737	542	773	1,016	1,104	635	435	689	937
China	2,524	182	183	481	129	358	1,049	683	1,497	877
Colombia	505	4,246	840	526	439	309	378	591	587	777
Nicaragua	335	302	100	59	152	209	131	147	268	771
Costa Rica	1,126	1,099	899	1,224	1,129	678	636	562	654	713
Namibia	20	38	80	91	298	431	775	934	759	703
Peru	19	188	177	449	748	202	417	534	674	661
Mozambique	168	451	494	545	819	1,000	1,046	1,702	693	590
Philippines	34	133	54	33	96	147	91	214	385	554
Ecuador	153	302	201	238	539	429	503	822	852	496
Dominican Republic	1,465	581	651	620	733	430	568	526	440	472
Singapore	124	10	12	31	44	99	218	285	553	397
New Zealand	343	465	312	407	539	109	454	519	499	374
Russia	1,260	2,005	3,327	6,652	7,514	324	210	1,564	1,208	370
Vietnam	611	178	99	725	1,742	3,871	1,361	699	1,139	259
Bolivia	10	10	26	66	243	367	195	178	280	231
Venezuela	474	1,324	1,406	2,322	2,546	212	210	282	1,232	219
Germany	1,480	648	811	2,387	3,160	301	591	295	361	204
Israel	281	466	344	490	295	426	361	505	233	168
Ghana	136	175	48	38	257	77	203	129	301	132
Kuwait	264	281	440	362	485	515	547	580	243	122
United Kingdom	1,744	834	728	587	405	122	160	159	203	101
Haiti	543	355	266	92	187	45	293	88	198	52

Auto Part Exports, 2004–13 (USD Millions)

Importer	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	% of World 2013	% Change 2012–13
Country Groups												
WORLD	53,416	55,654	59,234	62,036	57,629	42,861	58,345	67,755	74,993	77,318	100.0%	3.1%
APEC	46,239	47,574	50,234	52,334	47,384	35,525	49,046	57,113	64,324	66,833	86.4%	3.9%
FTA Countries	43,952	45,405	47,578	49,416	44,862	33,830	46,505	53,955	60,907	62,431	80.7%	2.5%
NAFTA	42,028	43,258	45,073	46,713	42,055	31,640	43,353	49,861	56,172	58,175	75.2%	3.6%
EU27	4,709	5,174	5,640	5,699	5,546	3,562	4,692	5,295	5,011	5,172	6.7%	3.2%
MERCOSUR	1,098	1,344	1,561	1,710	1,984	1,414	1,779	2,065	2,129	1,835	2.4%	-13.8%
ASEAN	380	431	500	572	614	481	658	804	995	993	1.3%	-0.2%
GCC	335	341	411	631	690	648	725	818	899	961	1.2%	6.9%
Selected Countries												
Canada	30,773	31,818	32,281	32,816	28,163	19,552	25,897	28,417	31,831	31,585	40.9%	-0.8%
Mexico	11,255	11,440	12,792	13,897	13,892	12,089	17,456	21,444	24,341	26,591	34.4%	9.2%
China	638	625	818	1,134	895	939	1,286	1,537	1,591	2,283	3.0%	43.5%
Germany	1,238	1,362	1,570	1,562	1,688	1,245	1,551	1,705	1,636	1,721	2.2%	5.2%
Australia	769	778	878	928	925	687	1,085	1,388	1,935	1,473	1.9%	-23.9%
Japan	1,535	1,453	1,751	1,743	1,548	835	1,310	1,436	1,485	1,341	1.7%	-9.7%
Brazil	564	555	602	725	842	554	941	1,075	1,017	1,085	1.4%	6.7%
United Kingdom	1,000	847	874	998	1,023	597	922	1,114	1,063	953	1.2%	-10.3%
Korea	468	562	571	518	417	303	491	804	706	795	1.0%	12.6%
Venezuela	397	627	761	748	882	673	654	787	970	552	0.7%	-43.1%
Chile	126	155	207	260	336	289	409	508	565	546	0.7%	-3.4%
United Arab Emirates	95	93	124	228	258	247	306	393	500	543	0.7%	8.6%
Russia	31	47	117	125	244	53	95	261	288	493	0.6%	71.2%
France	596	626	652	748	716	461	586	512	468	470	0.6%	0.4%
Belgium	346	297	391	412	408	318	448	550	519	425	0.5%	-18.1%
Hong Kong	88	81	101	101	118	122	147	249	277	396	0.5%	43.0%
Singapore	149	156	239	259	357	254	347	423	434	377	0.5%	-13.1%
Thailand	97	97	79	110	116	88	127	167	327	376	0.5%	15.0%
Italy	132	129	139	159	169	140	193	247	267	334	0.4%	25.1%
Netherlands	312	368	361	362	281	202	232	280	229	318	0.4%	38.9%
South Africa	77	105	164	266	255	183	256	346	355	316	0.4%	-11.0%
Saudi Arabia	169	169	219	261	275	274	273	291	288	308	0.4%	6.9%

Source: United States Department of Commerce, Bureau of the Census, Foreign Trade Division.
TPIS Database: USHS EXPORTS, Revised Statistics for 1989–2012.

Export Codes

Automotive Parts Schedule B (U.S. Export) Codes

HS Code	Description
4009120020	BRAKE HSES W/FIT FR 8701.2,8702-8705,8711,NT REINF
4009220020	BRAKE HOS W/FIT FOR87012,8702-8705,8711,REIN W/MTL
4009320020	BRAKE HOS W/FIT FOR87012,8702-8705,8711,REIN W/TXL
4009420020	BRAKE HOS W/FIT FOR87012,8702-8705,8711,REIN,NESOI
4009500020	BRAKE HOSES W/FITTINGS FOR 8701.2, 8702-8705, 8711
4011100010	Radial tires of a kind used on motor cars
4011100050	Pneumatic tire, exc radial, use motor cars, nesoi
4011101000	RADIAL TIRES OF A KIND USED ON MOTOR CARS
4011105000	PNEUMATIC TIRE, EXC RADIAL, USE MOTOR CARS, NESOI
4011200005	Radial tires used on light truck, on-the-highway
4011200010	Tires, exc radial, use lt truck, on hwy, nesoi
4011200015	Radial tire use bus/truck, exc lt truck, on hwy
4011200020	Tire, exc radial, use bus, exc lt truck, nesoi
4011200025	Radial tire, use bus/truck, rim >=40.6 cm diameter
4011200030	Tire, exc radial, use on bus, rim >=40.6 cm
4011200035	Radial tire, use on bus, exc use on rim >=40.6 cm
4011200050	New pneumatic tire, rub for bus/trk off-hwy, nesoi
4011201005	NEW RADIAL TIRES, ON-THE-HIGHWAY, LIGHT TRUCKS
4011201015	NEW RADIAL TIRES,ON HWY,BUSES/TRUCKS,EXC LT TRUCKS
4011201025	NEW RADIAL TIRE,OFF HWY,BUS/TRUCK,RIM DIA>/=40.6CM
4011201035	NEW RADIAL TIRES,OFF HWY,BUS/TRUCK,RIM DIAM<40.6CM
4011205010	NEW TIRES,EXC RADIALS,ON HWY,LIGHT TRUCKS
4011205020	NEW TIRES,EXC RADIAL,ON HWY,BUS/TRUCK,EXC LT TRUCK
4011205030	NEW TIRES,EXC RADL,OFF HWY,BUS/TRUCK,RIM D>/=40.6C
4011205050	NEW TIRES,EXC RADL,OFF HWY,BUS/TRUCK,RIM DM<40.6CM
4012105020	RETREAD TIRES, RUB, FOR ON-THE-HWY TRUCK & BUS
4012106000	RETREAD TIRE, RUB, EXC ON-THE-HWY TRK & BUS, NESOI
4012110000	RETREAD TIRE, RUBBER, USED ON MOTOR CARS
4012120000	RETREAD TIRES OF RUBBER, USED ON BUSES OR TRUCKS
4012190000	RETREADED TIRES OF RUBBER, NESOI
4012200000	USED PNEUMATIC TIRES OF RUBBER
4013100010	INNER TUBES, OF RUBBER, USED ON MOTOR CARS
4013100020	INNERTUBES, OF RUBBER, USED ON TRUCKS AND BUSES
4013900000	INNER TUBES, OF RUBBER, NESOI

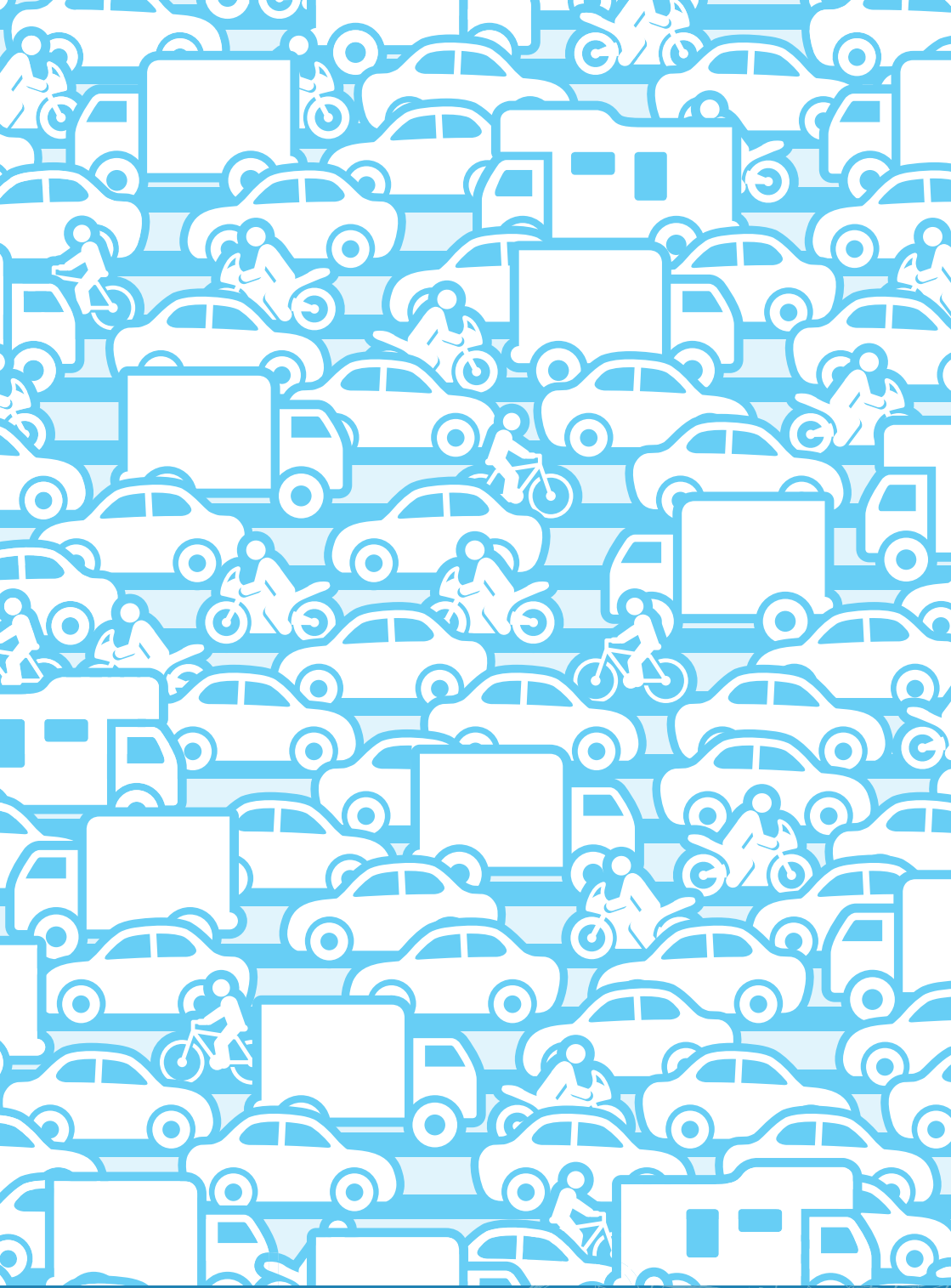
HS Code	Description
4016995010	MECHANIC ARTICLE FOR MOTOR VEHICLE, VULCANIZED RUB
6813100000	BRAKE LININGS A PADS, ASBESTOS, OTH MINRLS, CELULS
6813200000	FRICTION MATERIAL AND ART. THEROF CONT. ASBESTOS
6813810000	BRAKE LININGS A PADS ETC NOT CONT ASBESTOS
6813890000	OTH FRICTION MATERL ETC NOT CONT ASBESTOS
6813900000	OTH FRICTION MATERL, ASBESTOS, OTH MINRLS, CELLULS
7007110000	TOUGHND SAFETY GLS OF SIZE A SHAPE FOR VEHCLS ETC
7007211000	WINDSHIELDS OF LAMINATED SAFETY GLASS
7007215000	LAMINATED SAFETY GLASS FOR VEHCLS, EXC WINDSHIELDS
7009100000	REAR-VIEW MIRRORS FOR VEHICLES
7320100000	LEAF SPRINGS AND LEAVES THEREFOR, OF IRON OR STEEL
7320201000	HELICAL SPRINGS SUITBLE FR MOTOR-VEHCL SUSP IR/STL
8301200000	LOCKS OF A KIND USED ON MOTOR VEHICLES, BASE METAL
8302103000	HINGES AND PARTS FOR MOTR VEHCLS IR/ST, ALUM, ZINC
8302300000	OTH BS METL MOUNTNGS FTTNGS ETC FOR MOTOR VEHICLES
8407342000	Sp-ig eng f rd tr, bus, auto, truck, ov 1000 cc
8407342030	SPARK-IG ENG F RD TR,BUS,AUTO,TRUCK,(1000-2000 CC)
8407342090	SP-IG ENG F RD TR, BUS, AUTO, TRUCK, OV 2000 CC
8408202000	COMP-IGN ENG FR PROP VEH CH87,RD TR,BUS,AUTO,TRUCK
8409914000	PARTS F SPARK IGN ENG F RD TR, BUS, AUTO OR TRUCKS
8409994000	PARTS F DIESEL ENG F ROAD TR, BUS, AUTO, TRUCK
8413301000	FUEL-INJECTION PUMPS FOR COMPRESSION-IGNITION ENGS
8413309000	FUEL,LUBRICAT OR COOLING MED PUMPS,EXC FUEL-INJECT
8413911000	PARTS OF FUEL-INJECTION PUMPS FOR COMP-IGNIT PUMPS
8413919010	PARTS,FUEL,LUBRIC OR COOL MED PUMPS,EXC FUEL-INJET
8414308030	COMPRESSORS, REFRIG & AIR COND, FOR MOTOR VEHICLES
8414593000	TURBOCHARGERS AND SUPERCHARGERS, FAN TYPE
8414596040	FANS, NESOI, SUITABLE FOR USE WITH MOTOR VEHICLES
8414598040	Fans and blowers for motor vehicles
8415200000	AUTOMOTIVE AIR CONDITIONERS
8415830040	Automotive air conditioners
8421230000	OIL OR FUEL FILTERS FOR INTERNAL COMBUSTION ENGINE
8421310000	INTAKE AIR FILTERS FOR INTERNAL COMBUSTION ENGINES
8421394000	CATALYTIC CONVERTERS

HS Code	Description
8425490000	JACKS, NESOI; HOISTS USED FOR RAISING VEHICLES
8426910000	LIFTING MACHINERY DESIGNED FOR MOUNTING ON ROAD VE
8431100090	PARTS OF WINCHES, CAPSTANS AND JACKS
8482101000	BALL BEARINGS WITH INTEGRAL SHAFTS
8482105044	RADIAL BEARIN,SNGL ROW,HAV OUT DIAMTR OF 9 - 30 MM
8482105048	RADIAL BEARIN,SNGL ROW,HAV OUT DIA OF 30 - 52 MM
8482200020	TAP ROLL BRG, CUP&CONE ASSM AS SET,WHL HUB,FLANGED
8482200030	TAP ROLL BRG, CUP&CONE ASSM AS SET,WHL HUB,NOT FLD
8482200040	TAP ROLL BRG,CUP&CONE ASSMB AS SET,CUP DIA LT102MM
8482200060	TAP ROLL BRG,CUP&CONE ASS AS SET,CUP DIA GT 102MM
8482200070	TAP ROLL BRG,CONE ASS SEPARA,CUP DIA GT 102 MM
8482200080	TAP ROLL BRG,CONE ASS SEPARA,CUP DIAM GT 102 MM
8482400000	NEEDLE ROLLER BEARINGS
8482500000	OTHER CYLINDRICAL ROLLER BEARINGS
8483101020	CAM/CRANKSHAFT F SPARK IGN ENG F VEHICLES OF CH 87
8483103010	CAM/CRANKSHAFTS FOR VEHICLES OF CHAPT 87, NESOI
8507100050	Lead-acid batteries, new, 12 volts
8507100060	BATTERIES, LEAD-ACID, PISTON ENGINE, 12V, GT 6 KG
8507904000	LEAD-ACID STORAGE BATTERY PARTS
8507904050	PARTS FOR LEAD ACID STORAGE BATTERIES
8511100000	SPARK PLUGS FOR INTERNAL COMBUSTION ENGINES
8511200000	IGNITION MAGNETOS; MAGNETO-DYNAMOS; MAGNTC FLYWLS
8511300040	DISTRIBUTORS
8511300080	IGNITION COILS FOR INTERNAL COMBUSTION ENGINES
8511400000	STARTER MOTORS AND DUAL PURPOSE STARTER-GENERATORS
8511500000	GENERATORS FOR INTERNAL COMBUSTION ENGINES, NESOI
8511802000	VOLTAGE REG 6, 12, 24 V, FOR INTERNL COMBUSTN ENG
8511806000	INTERNAL COMBUSTION ENGINE IGNITION EQUIP, NESOI
8511906020	DISTRIBUTOR CONTACT (BREAKER POINT) SETS (PARTS)
8511908000	INTERNAL COMBUSTION ENGINE PARTS, NESOI
8512202000	LIGHTING EQUIPMENT FOR MOTOR VEHICLES
8512204000	VISUAL SIGNALING EQUIPMENT FOR MOTOR VEHICLES
8512300000	ELECTRICAL SOUND SIGNALING EQUIPMENT FOR MTR VHL
8512300030	RADAR DETECTORS OF A KIND USED IN MOTOR VEHICLES
8512300050	SOUND SIGNALING EQUIPMENT FOR MTR VHL/CYCLES
8512402000	MOTOR VEHICLE DEFROSTERS AND DEMISTERS
8512404000	MOTOR VEHICLE WINDSHIELD WIPERS
8512902000	SIGNALING EQUIPMENT PARTS FOR MOTOR VEHICLES/CYCLE

HS Code	Description
8512905000	LIGHTING EQUIPMENT PARTS OF MOTOR VEHICLES/CYCLES
8512908000	WINDSHIELD WIPERS/DEFROSTERS/DEMISTER PARTS
8517120020	RADIO TELEPHONES FOR INSTALLATION IN MOTOR VEHICLE
8519812000	CASSETTE TAPE PLAYERS FOR MOTOR VEHICLES
8525201000	RADIO TRANSCEIVERS, CITIZENS BAND (CB) TYPE
8525206000	Transmission appar incorporating receivers,nesoi
8525209020	RADIO TELEPHONES FOR INSTALLATION IN MOTOR VEHICLE
8525209050	TRANSMISSION APPAR INCORPORATING RECEIVERS,NESOI
8525601010	RADIO TRANSCIEVERS, CITIZENS BAND (CB)
8527190000	RADIOBROADCAST RECEIVERS, BATTERY TYPE, NESOI
8527210000	RADIOBRDCST RECV FOR MOTOR VEHC,COMBO AND REC/REP
8527290000	RADIOBROADCAST RECEIVERS FOR MOTOR VEHICLES NESOI
8531800038	RADAR DETECTORS OF A KIND USED IN MOTOR VEHICLES
8531809038	RADAR DETECTORS OF A KIND USED IN MOTOR VEHICLES
8536410005	AUTOMOTIVE SIGNALING FLASHERS, FOR VOLTAGE LT=60V
8539100020	SEALED BEAM LAMP UNITS UNDER 15.24 CM
8539100040	SEALED BEAM LAMP UNITS 15.24 CM OR OVER
8544300000	INSULATED WIRING SETS FOR VEHICLES SHIPS AIRCRAFT
8707100020	BODIES FOR PASSENGER AUTOS OF HEADING 8703
8707100040	BODIES FOR OTHER VEHICLES OF HEADING 8703
8707905020	BODIES FOR VEHICLES OF SUBHDG 8701.20
8707905040	BODIES FOR VEHICLES OF HEADING 8702
8707905060	BODIES FOR VEHICLES OF HEADING 8704
8707905080	BODIES FOR VEHICLES OF HEADING 8705
8708100010	STAMPINGS OF BUMPERS AND PARTS, HEAD 8701 TO 8705
8708100050	BUMPERS AND PARTS, NESOI, OF HEADINGS 8701 TO 8705
8708210000	SAFETY SEAT BELTS FOR VEHICLES IN 8701 TO 8705
8708290010	STAMPINGS OF BODIES OF 8701 TO 8705
8708290025	Truck caps
8708290050	Pts and accessories,nesoi,of bodies hdg 8701,8705
8708290060	Pts and accessories,nesoi,of bodies hdg 8701,8705
8708295025	TRUCK CAPS FOR VEHICLES OF HEADINGS 8701 TO 8705
8708295070	PTS AND ACCESSORIES,NESOI,OF BODIES HDG 8701,8705
8708295170	PTS AND ACCESSORIES,NESOI,OF BODIES HDG 8701,8705
8708300010	MOUNTED BRAKE LININGS OF MOTOR VEH OF HD,8701,8705
8708300050	BRAKES AND SERVO-BRAKES,PARTS, OF 8701,8705
8708310000	MOUNTED BRAKE LININGS OF MOTOR VEH OF HD,8701,8705
8708390000	BRAKES AND SERVO-BRAKES,PARTS, OF 8701,8705

HS Code	Description
8708401000	GEAR BOXES SUBHD 8701.20, HDG 8702 OR 8704
8708401110	GEAR BOXES FOR VEHICLES OF HEADING 8703
8708401150	GEAR BOXES SUBHD 8701.20, HDG 8702 OR 8704
8708402000	GEAR BOXES FOR VEHICLES OF HEADING 8703
8708403500	GEAR BOXES FOR VEHICLES,NESOI,OF 8701 TO 8705
8708406000	GEAR BOXES FOR VEHICLES,NESOI,OF 8701 TO 8705
8708408000	PARTS AND ACESSORIES FOR GEAR BOXES
8708500050	DRIVE AXLES WITH DIFFERNTL FOR VEHICLES,NESOI
8708504110	DRIVE AXLES WITH DIFFERNTL FOR VEHICLES,NESOI
8708504150	NON-DRIVING AXLES AND PARTS FOR VEHICLES,NESOI
8708507200	PARTS AND ACESSORIES FOR DRIVE AXLES
8708600050	NON-DRIVING AXLES AND PARTS FOR VEHICLES,NESOI
8708700050	ROAD WHEELS AND PRTS FOR VEH NESOI,OF 8701,8705
8708800050	SUSPENSION SHOCK ABSORBERS FOR VEHICLES, NESOI
8708805000	SUSPENSION SHOCK ABSORBERS FOR VEHICLES, NESOI
8708807000	PARTS AND ACESSORIES FOR SUSPENSION SYSTEMS
8708915000	RADIATORS FOR VEHICLES, NESOI
8708918000	PARTS AND ACESSORIES FOR VHCL RADIATORS
8708925000	MUFFLERS AND EXHAUST PIPES FOR VEHICLES, NESOI
8708928000	PARTS AND ACESSORIES FOR MUFFLERS
8708935000	CLUTCHES AND PARTS FOR VEHICLES, NESOI
8708945000	STEERING WHEELS,STEERING COLUMNS,STEERING BOXES,VE
8708948000	PARTS AND ACESSORIES FOR STEERING WHEELS
8708950000	AIRBAGS FOR MOT VEH FOR HDS 8701 TO 8705, PARTS
8708990045	Slide-in campers for motor vehicles
8708990050	Parts and acessories,nesoi,for vehicles,nesoi
8708990070	Double flanged wheel hub units
8708990090	Parts and acessories for vhcls 8701 to 8705, nesoi
8708990095	Parts and acessories,nesoi,for vehicles,nesoi
8708995800	DOUBLE FLANGED WHEEL HUB UNITS INCRP BALL BEARINGS
8708996100	AIRBAGS FOR SUBHEAD 8701.20, HEADINGS 8702 TO 8705
8708998015	DOUBLE FLANGED WHEEL HUB UNITS NOT INC BALL BEARIN
8708998030	SLIDE-IN CAMPERS SUBHD 8701.20, HEADG 8702 TO 8705
8708998075	PARTS AND ACESSORIES FOR VHCLS 8701 TO 8705, NESOI
8708998115	DOUBLE FLANGED WHEEL HUB UNITS NOT INC BALL BEARIN
8708998130	SLIDE-IN CAMPERS SUBHD 8701.20, HEADG 8702 TO 8705
8708998175	PARTS AND ACESSORIES FOR VHCLS 8701 TO 8705, NESOI
8716900000	PARTS,NESOI,OF TRAILERS,SEMI-TRAILERS;VEH NESOI

HS Code	Description
8716905000	Parts,nesoi,of trailers,semi-trailers;veh nesoi
9029100000	REVOLUTION COUNTERS, PRODUCTION COUNTERS, ETC
9029205000	SPEEDOMETERS & TACHOMETERS, NOT FOR CIVIL AIRCRAFT
9029900000	PTS FOR REVOLUTION COUNTERS, ODOMETER, ETC
9104000000	INST PANEL CLK & CLK SIMLR,FOR VEHICLE,AIRCRFT,ETC
9401200000	SEATS OF A KIND USED FOR MOTOR VEHICLES
9401901000	Seat parts of a kind used for motor vehicles
9401901010	SEAT PARTS FOR MTOR VEHICLS,OF LEATHR,CUT TO SHAPE
9401901080	SEAT PARTS OF A KIND USED FOR MOTOR VEHICLES,NESOI
9403901000	PARTS OF FURNITURE USE FOR MOTOR VEHICLES



Resources

export.gov
Learn about export basics, including identifying your market, developing an export plan, conducting market research, and more.

CS Global Automotive Team: *export.gov/industry/auto*
Industry-specific trade events, export research, newsletters and more.

Follow us on Twitter: *@cs_autoteam*
The latest trade leads, information on upcoming trade events and more.

ITA Office of Transportation and Machinery: *1.usa.gov/1it3nuC*
Automotive trade data, industry trade reports, and automotive informational sites.

Trade Finance Guide: *export.gov/tradefinanceguide*
Concise, two-page chapters offer the basics of numerous financing techniques, from open accounts, to forfeiting, to government assisted foreign-buyer financing.

A Basic Guide to Exporting: *export.gov/basicguide*
Whether your firm is new to exporting or in need of a refresher on the latest ideas and techniques, this comprehensive guide provides the nuts-and-bolts information you need to meet the challenges of the world economy.

Export Programs Guide: *export.gov/exportprogramsguide*
Details about more than 100 programs offered by 20 different federal agencies.

Free Trade Agreements: *export.gov/fta*
Over 80 percent of U.S. automotive parts exports in 2013 were to Free Trade Agreement (FTA) countries. Learn how FTAs can help make exporting easier for you

Help with Trade Problems: *export.gov/tradeproblems*
Review of U.S. government programs to help U.S. exporters resolve trade barriers.

Exporting a Motor Vehicle: *1.usa.gov/1rFqbJ4*
Learn about the requirement for exporting used, self-propelled vehicles.

Passenger Vehicles—Industry & Trade Report: *1.usa.gov/1fK3z2R*
Trends in consumption, production and trade, as well as an analysis of factors affecting industry trends and competitiveness in domestic and foreign markets.

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Contacts

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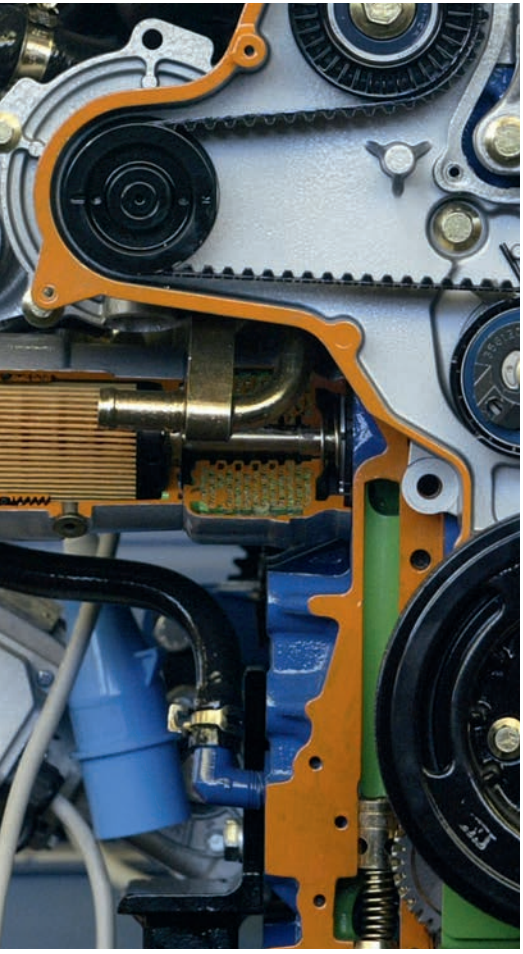

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