

# COMPILATION OF FOREIGN REMANUFACTURED PARTS IMPORT RESTRICTIONS



*Office of Automotive Affairs  
Basic Industries  
International Trade Administration  
US Department of Commerce*

OCTOBER 1999

# Table of Contents

INTRODUCTION ..... 1

REMANUFACTURING SUMMARY TABLE ..... 4

EXPLANATION OF HEADINGS ..... 10

ARGENTINA ..... 12

AUSTRALIA ..... 12

AUSTRIA ..... 13

BAHAMAS ..... 13

BAHRAIN ..... 14

BARBADOS ..... 14

BELGIUM ..... 16

BELIZE ..... 17

BOTSWANA ..... 17

BRAZIL ..... 18

BURKINA FASO ..... 19

CAMBODIA ..... 20

CAMEROON ..... 20

CANADA ..... 22

CHILE ..... 23

CHINA ..... 23

COLOMBIA ..... 23

COSTA RICA ..... 24

CZECH REPUBLIC ..... 27

DENMARK ..... 28

DOMINICAN REPUBLIC ..... 29

EL SALVADOR .....29

ETHIOPIA .....32

FINLAND .....32

FRANCE .....33

GHANA .....33

GREECE .....34

HONDURAS .....34

HONG KONG.....35

INDONESIA.....35

ISRAEL .....35

ITALY .....36

JAMAICA .....38

JAPAN .....40

JORDAN.....41

KAZAKHSTAN.....41

KUWAIT.....43

KYRGYZSTAN.....44

MADAGASCAR .....44

MALI.....45

MEXICO.....45

MOLDOVA .....46

MOZAMBIQUE .....51

NEPAL .....52

NETHERLANDS .....52

NEW ZEALAND.....53

NIGER.....	53
NORWAY.....	54
OMAN.....	57
PAKISTAN.....	57
PANAMA.....	58
PHILIPPINES.....	58
POLAND.....	59
RUSSIA.....	61
SAUDI ARABIA.....	62
SINGAPORE.....	63
SLOVAKIA.....	65
SOUTH AFRICA.....	66
SWEDEN.....	67
SWITZERLAND.....	68
THAILAND.....	70
TUNISIA.....	71
TURKEY.....	72
UNITED ARAB EMIRATES.....	72
UGANDA.....	73
UKRAINE.....	73
UNITED KINGDOM.....	77
URUGUAY.....	78
UZBEKISTAN.....	79
VENEZUELA.....	80
YEMEN.....	82
ZIMBABWE.....	82

APPENDIX A: Parts Export Data.....	84
APPENDIX B: Cable Requesting Information from U.S. Embassies .....	88
APPENDIX C: Listing of Countries by Region of the World .....	91

APPENDIX D: Addresses for U.S. Export Assistance Centers ..... 92



## INTRODUCTION

Remanufactured automotive parts represent an estimated \$60-75 billion industry worldwide. Based upon an estimate by the U.S. Automotive Parts Rebuilders Association (APRA), \$35 billion in remanufactured vehicle parts plus associated equipment and supplies were marketed in the United States in 1998.

Since domestic demand for remanufactured automotive parts in the United States has begun to show little annual growth, it is imperative that U.S. parts remanufacturers and the associated equipment and supplier industry look outside the United States for increased sales opportunities. This report is designed to give the U.S. parts remanufacturing industry a starting point for determining which areas of the world show potential growth for the industry and some of the limitations, costs, and other information regarding the parts remanufacturing industry in individual countries. (A table showing total U.S. imports, exports, and trade balance in automotive parts is at Appendix A.)

Much of the information in this report was gathered from the commercial sections of the various U.S. Embassies throughout the world. (A copy of the cable requesting specific information regarding the remanufactured parts industry is located at Appendix B.) Responses were received from 81 U.S. embassies, representing over 75 percent of the total number of countries with U.S. embassies having a Department of Commerce (DOC) commercial officer. In addition, it was estimated these countries represent over 95 percent of the world's motor vehicle fleet and potential parts replacement market.

In order to obtain a thorough understanding of the information in this document, the reader should be mindful of certain general comments applicable to the body of the report. For example, prospects for remanufacturing machinery and supplies may be different than for parts because U.S.-made vehicles may not be sold in that particular country. Also, just because U.S.-made vehicles, both "Big Three" and Japanese/German transplants, are not sold in a country does not necessarily mean many of the parts are not interchangeable with those on similar vehicles made in Japan, Germany, Brazil, etc. Thus, the "Trade Prospects" column in the following chart is somewhat subjective, and the reader should read the entire country profile to obtain a complete picture of market prospects.

One often-cited comment regarding the valuation of remanufactured parts is that customs in a specific country will many times question the valuation of the parts because they believe the importer has undervalued the parts on the importation documentation in order to pay lower duties. The "Average Rate of Duty" column

is not a weighted average, but the average of the highest and lowest duty given by each DOC post for automotive parts. For the current rate of duty for any specific automotive part, contact the DOC Trade Information Center (800-USA-TRADE).

For more detailed information, the first point of contact should be the Export Assistance Centers located in virtually every state. The U.S. Department of Commerce, U.S. Small Business Administration, and the Export/Import Bank of the United States have formed a unique partnership to establish these centers. These offices provide a one-stop-shop, which provide U.S. businesses export marketing and trade finance support. Trade specialists in these centers help firms: 1) identify the best markets for their products, 2) develop an effective marketing strategy based on information gathered from overseas commercial offices, 3) facilitate the implementation of these strategies, and 4) assist with trade finance programs available through federal, state, and local sources and private-sector sources. For the address and phone number of the center nearest to your location, see Appendix D.

This document is updated periodically and every attempt is made to ensure its accuracy. However, due to the numerous sources of information/data and changing laws and regulations in the various countries, the Office of Automotive Affairs cannot guarantee the accuracy of all of the material contained in this document.

If there are any specific questions regarding this report, please contact the Office of Automotive Affairs, Automotive Parts and Suppliers Division, phone: (202) 482-1418, fax: (202) 482-0719, e-mail: James\_McElroy@ita.doc.gov or Dr. Robert O. Reck, Director, Auto Parts and Suppliers Division, e-mail: Robert\_Reck@ita.doc.gov. This document is also available on the National Trade Data Bank (NTDB) and the home page of the Office of Automotive Affairs: <http://www.ita.doc.gov/auto>.

REMANUFACTURING SUMMARY TABLE

Country	Restrictions on Imports of Reman. Parts	Only Certain Reman. Parts Restricted	Any Quotas or Limitations	Reman. Parts treated as new, used or all the same	Trade Prospects	Average Rate of Duty
Algeria	None	No	None	N/A	Fair	13%
Argentina	Yes	Yes (1)	Yes	Used	Poor	28%
Australia	None	No	None	Same	Good	8%
Austria	None	No	None	New value	Good	5%
Bahamas	None	No	None	Used	Good	N/A
Bahrain	None	No	None	Same	Poor	N/A
Barbados	None	No	None	Same	Good	30%
Belgium	None	No	None	Used	Fair	5%
Belize	None	No	None	Used	Good	30%
Botswana	None	No	None	Same	Fair	27%
Brazil	Yes	Yes (1)	Yes	Used	Poor	18%
Burkina Faso	None	No	None	Used	Fair	N/A

US Department of Commerce, Office of Automotive Affairs Remanufactured Parts Global Report

Country	Restrictions on Imports of Reman. Parts	Only Certain Reman. Parts Restricted	Any Quotas or Limitations	Reman. Parts treated as new, used or all the same	Trade Prospects	Average Rate of Duty
Cambodia	Yes	Yes ( 2)	None	Used	Poor	N/A
Cameroon	None	No	None	Used	Poor	30%
Canada	None	No (3)	None	Used	Good	0% (3)
Chile	None (4)	No	None	Used	Good	11%
China	Yes	All	N/A	Used	None	25%
Colombia	Yes	All	N/A	Used	None	13%
Costa Rica	None	No	None	Neither	Good	5%
Czech Rep.	None	No	None	Same	Poor	4.5%
Denmark	None	No	None	Same	Fair	N/A
Dominican Republic	None	No	None	Used	Good	5%
Ecuador	None	No	None	N/A	Fair	20%
Egypt	None	No	None	Used	Good	10%
El Salvador	None	No	None	Same	Good	N/A

US Department of Commerce, Office of Automotive Affairs Remanufactured Parts Global Report

Country	Restrictions on Imports of Reman. Parts	Only Certain Reman. Parts Restricted	Any Quotas or Limitations	Reman. Parts treated as new, used or all the same	Trade Prospects	Average Rate of Duty
Ethiopia	None	No	None	Same	Good	N/A
Finland	None	No	None	Used	Fair	5%
France	None	No	None	Same	Fair	5%
Germany	None	No	None	Same	Good	5%
Ghana	None	No	None	Same	Good	N/A
Guinea	None	No	None	(5)	Good	20%
Haiti	None	No	None	Same	Good	N/A
Honduras	None	No	None	Same	Good	1%
Hong Kong	None	No	None	Same	Poor	0%
Hungary	None	No	None	Same	Fair	9%
Indonesia	Yes	All	N/A	Used	None	25%
Israel	Yes	All	N/A	Used	None	8%
Italy	None	No	None	Same	Fair	5%
Jamaica	None	No	None	Same	Good	25%

US Department of Commerce, Office of Automotive Affairs Remanufactured Parts Global Report

Country	Restrictions on Imports of Reman. Parts	Only Certain Reman. Parts Restricted	Any Quotas or Limitations	Reman. Parts treated as new, used or all the same	Trade Prospects	Average Rate of Duty
Japan	None	No	None	Same	Good	0%
Jordan	None	No	None	Rebuilt	Fair	N/A
Kazakhstan	None	No	None	Used	Fair	0.2%
Kuwait	None	No	None	Used	Good	4%
Kyrgyzstan	None	No	None	Same	Poor	0%
Madagascar	None	No	None	Used	Fair	10%
Malaysia	None	No	None	Same	Fair	25%
Mali	None	No	None	Used	Fair	N/A
Mexico	None	No (6)	None	Used	Good	(3)
Moldova	None	No	None	Same	Fair	15%
Mozambique	None	No	None	Same	Poor	12.5%
Nepal	None	No	None	Same	Poor	12.5%
Netherlands	None	No	None	Same	Fair	5%
New Zealand	None	No	None	Used	Good	12%

US Department of Commerce, Office of Automotive Affairs Remanufactured Parts Global Report

Country	Restrictions on Imports of Reman. Parts	Only Certain Reman. Parts Restricted	Any Quotas or Limitations	Reman. Parts treated as new, used or all the same	Trade Prospects	Average Rate of Duty
Niger	None	No	None	Same	Fair	N/A
Norway	None	No	None	Used	Fair	0%
Oman	None	No	None	Used	Fair	5%
Pakistan	Yes	All	N/A	Used	Poor	N/A
Panama	None	No	None	Same	Good	9%
Philippines	None	No	None	Same	Fair	10%
Poland	Yes	Yes	None	Same	Fair	8%
Russia	None	No	None	Same	Fair	10%
Saudi Arabia	None	No	None	Used	Good	12%
Singapore	None	No	None	Same	Fair	0%
Slovakia	None	No	None	Same	Poor	N/A
South Africa	Yes	Yes	Yes	Used	Poor	15%
South Korea	Yes	Yes	Yes	Same	Fair	8%
Spain	None	No	None	Same	Fair	5%

US Department of Commerce, Office of Automotive Affairs Remanufactured Parts Global Report

Country	Restrictions on Imports of Reman. Parts	Only Certain Reman. Parts Restricted	Any Quotas or Limitations	Reman. Parts treated as new, used or all the same	Trade Prospects	Average Rate of Duty
Sweden	None	No	None	Same	Fair	3%
Switzerland	None	No	None	New	Fair	(weight based)
Thailand	None	No	None	Same	Fair	40%
Tunisia	None (8)	No	None	Used	Fair	40%
Turkey	Yes	All	N/A	N/A	None	6%
U.A.E.	Yes	Yes (1)	None	Used	Fair	4%
Uganda	None	No	None	Same	Fair	11%
Ukraine	None	No	None	Used	Fair	5%
United Kingdom	None	No	None	New	Fair	5%
Uruguay	None	No	None	N/A	N/A	9%
Uzbekistan	None	No	None	Same	Poor	N/A
Venezuela	None	No	None	Same	Good	10%
Yemen	None	No	None	Used	Fair	N/A
Zimbabwe	None	No	None	New	Fair	15%

1. Remanufactured parts imported by original vehicle manufacturer allowed.
2. Imports of parts for right-hand drive vehicles are prohibited.
3. NAFTA rules of origin may apply to remanufactured parts originally produced outside of the U.S., Mexico, and/or Canada and will affect the duty rate.
4. Importers of remanufactured and used parts have experienced problems with Customs entering their parts in this country.
5. Used equipment is assessed a higher rate of duty than new.
6. Rate of duty is same whether country considers parts new or used or rebuilt.
7. Permit required for remanufactured engines.
8. No restrictions, but discouraged by country government.

N/A: Not Available

## EXPLANATION OF TABLE HEADINGS

### Restrictions on Imports of Remanufactured Parts:

This is a request for any types of restrictions on the imports of remanufactured parts such as a total ban, certain manufacturers/importers (original equipment (OE) v.s. non original equipment) banned, etc.

### Only Certain Remanufactured Parts Restricted:

Some countries will not allow certain parts (new or used) to be imported or apply additional regulations to particular parts. In many cases, these are the more complex, higher-value components such as engines and transmissions.

### Quotas or Limitations:

This question addresses whether there is a numerical or value limitation or quota on remanufactured parts in a particular country.

### Remanufactured Parts Treated as New, Used, or All the Same:

A few countries impose a lower rate of duty on used and/or remanufactured parts. Other countries question the valuation of remanufactured/used parts because they believe the importer is undervaluing the part. (Note: this does not address the same issue as question 1.)

### Trade Potential:

Good: Relatively high number of U.S.-made vehicles in country and few, if any, barriers.

Fair: Some U.S.-made vehicles in country and/or good potential for sale of remanufacturing equipment and/or supplies.

Poor: Neither of above, but possible future potential.

None: No potential.

Trade prospects depend many factors such as: number of U.S.-built vehicles and/or major components, such as engines, in fleet; whether Japanese/EU models in fleet can use some/all of the same parts as used in U.S. market; if U.S.-made remanufacturing equipment and supplies is included; and if the market is closed to remanufactured parts but not equipment.

Rates of duty:

Rate in column is the non-weighted, average duty. For a rate of duty on a specific automotive part, the individual Harmonized Tariff Schedule number must be used. In addition, while the rate of duty may be very low, additional taxes such as value-added, customs, and other taxes may increase import costs substantially. Many individual country profiles will include this information.



## **ARGENTINA**

In general, Argentina prohibits imports of used auto parts. However, there appears to be an exception to this prohibition—remanufactured parts may be imported if they have been rebuilt by the original manufacturer (or the supplier which produced the OE part).

Ford, GM, and Chrysler apparently do market remanufactured parts, which are imported into Argentina in boxes with their name (e.g. Ford) prominently displayed. From the Argentine Customs' perspective, the parts are not truly distinguishable from new ones. According to our sources, the original manufacturer certifies that the part is covered by a guarantee, and that it was remanufactured by them.

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.



## **AUSTRALIA**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, 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.

For additional information:

Mr. Bruno Mascitelli, Commercial Specialist,  
Foreign Commercial Service  
American Consulate General  
553 St. Kilda Road  
Melbourne, Victoria 3004 Australia  
Tel: 61-3-9526-5927  
Fax: 61-3-9510-4660  
E-mail: [Bruno.Mascitelli@mail.doc.gov](mailto:Bruno.Mascitelli@mail.doc.gov)



#### AUSTRIA

There are no restrictions or conditions for the import of remanufactured parts. Official statistics do not differentiate between new, used, and remanufactured parts. There are no special quotas, duties, or exemptions granted these parts. Remanufactured parts are in a category of their own, called "new value" or "exchanged" parts.

The market for passenger car remanufactured parts is well developed and is, in fact, an integral part of the manufacturer-affiliated repair stations' business. Interestingly, it is the manufacturers that dominate the industry here. The market for truck and other vehicle remanufactured parts is underdeveloped. Therefore, domestic production may not be justified by the small volume of the market. On the other hand, it is assumed that many Austrian companies cross the border and buy remanufactured parts in Germany.

The prospects for U.S. remanufactured parts here are difficult to assess. Since most of the cars on the road (51%) were built in Germany, replacement parts would have to be compatible with the German-built VWs, Opels, and Fords that are the Austrian market leaders. A second factor would be price competitiveness, as remanufactured parts are, of course, a low-price alternative in car repair. Access to the auto repair garages would be another element of the equation, as the market share of manufacturer-affiliated garages here is over 60%.

The current warranty on remanufactured parts is a legally mandated six months, but an extension to one year warranty is expected in 2002. There are currently no standards or testing to ensure the quality of used or remanufactured parts.



**BAHAMAS**

There are no restrictions placed on the importation of remanufactured, rebuilt and/or motor vehicle parts in the Bahamas. Used vehicle parts are examined prior to entry and duty payment.

There are no quotas, limitations, or other conditions related to vehicle parts.

Remanufactured/rebuilt parts are considered used and there are no restrictions placed on their importation.

Remanufactured/rebuilt motor vehicle parts are, therefore, considered a good

market for the Bahamas. The majority of vehicles on Bahamian roads are American-made. There is a large market for second-hand U.S. vehicles, although these can only be sold through

h local  
dealers  
. Import  
tariffs,  
while  
high,  
are  
nondis  
crimina  
tory.  
In  
1997,  
the  
Baham  
as  
import  
ed \$  
64.2  
million  
dollars  
in  
motor  
vehicle  
s, parts  
and  
access  
ories  
from  
the  
U.S.  
There  
was no  
distinct  
ion on  
what  
percent  
age of  
the  
import  
s were  
used/re

manu-  
factured  
parts.



## **BAHRAIN**

There are no restrictions placed on the importation of remanufactured, rebuilt and/or used motor vehicle parts into Bahrain.

There are no quotas or limitations on remanufactured, rebuilt, and/or used auto parts into Bahrain. No special treatment or conditions apply.

Bahrain does not have a separate legal category for remanufactured/rebuilt parts.

Bahrain is not a large potential market for used or remanufactured vehicle parts. According to the Central Statistics Organization, Bahrain has a population of 643,000, of which 391,000 are Bahrainis and 252,000 are expatriates. There were 141,000 registered private and public vehicles as of 1997. Most car owners resort to local agents for the purchase of spare parts. There also is a large auto junk yard in Bahrain from which people can obtain spare parts free of charge.



## **BARBADOS**

Barbados is open to the import of remanufactured, rebuilt and used motor vehicle parts. Auto imports, particularly reconditioned Japanese cars, have been soaring and with this has come a booming market in used parts. U.S. companies should be aware that in Barbados cars and trucks are right-hand-drive, and the vast majority of vehicles on the road are Japanese badged.

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt and/or used motor vehicles parts in Barbados. Remanufactured parts are not treated any differently from used parts or new parts. This policy applies to all motor vehicles parts.

There are no quotas, limitations, special treatment or conditions on the importation of remanufactured, rebuilt and/or used motor vehicles parts

Vehicle parts' suppliers in Barbados import genuine, non-genuine and used vehicles parts. There are approximately ten published local suppliers of used vehicle parts including one from Trinidad.

Strictly C.V. Joints, a subsidiary of Whites Corporation, is currently the only company in Barbados that remanufactures constant velocity joints (CVJs) locally. The parts are from Jamaica, U.S. and local sources and are remanufactured at the plant locally. The equipment for remanufacturing CVJs is purchased from Chicago. The company is considering expanding during 1999 to engine parts and likely will be in the market for remanufacturing parts equipment. Crane Equipment, another supplier of used engines and parts for commercial vehicles, currently purchases remanufactured diesel engine parts for their company vehicles. Parts are purchased from the United States.

There is a market for certain remanufactured or used vehicle parts for both gasoline and diesel-powered vehicles. These parts would be engine parts, constant velocity joints, clutch plates, ball joints and alternators. For commercial vehicles there would be a need for complete engines as well. The final price of the remanufactured or used vehicle part to the retailers is important, since it will be compared against the price for a genuine part, used part and non-genuine part.

All motor vehicle parts imported into Barbados are subject to a 30% import duty, a 1% environmental levy and a 15% value added tax.

The contact for Strictly C.V. Joints is:

Strictly C.V. Joints  
Quarry Road  
Arthur Seat  
St. Thomas, Barbados  
Mr. Kirk White, Manager  
Phone: 246-425-4534



## **BELGIUM**

The only restrictions on remanufactured, rebuilt, and used motor vehicle parts are that, whether old or new, remanufactured or rebuilt parts must bear the CE Marking. (The CE Marking is a marking on the product which indicates that the manufacturer has conformed to all the obligations required to meet applicable legislation. This applies to all products regulated by European health, safety and environmental product legislation.) The only difference in treatment between remanufactured and used parts is in the manner they are marketed. These conditions apply to all motor vehicle parts.

There are no quotas or limitations on remanufactured, rebuilt, or used parts and no special conditions for such parts.

Remanufactured and rebuilt parts are considered used parts and are not treated any differently than used parts.

The market is limited in Belgium because cars manufactured in the U.S. represent one percent of the total car market. However, the European models of American car manufacturers often share parts with their American counterparts.

Ford, GM and Chrysler have a strong presence in the Belgian car market. However, sales are overwhelmingly compact to mid size models made in their European plants, few of which are sold in the U.S. For example Ford Europe makes the Mondeo (Contour's "sister"), Escort, Ka, Fiesta, Focus and Transit Van. Production of the Scorpio (Taurus in the U.S.) is now discontinued; GM makes various types of Opel, called Vauxhall in the UK. However, Chrysler is very successful with its diesel powered Voyager assembled in Austria, as well as with the Jeep. All these cars may have parts that are identical to those used for cars assembled in the U.S. There also is a potential for U.S.-made parts for Japanese cars, since Japanese cars are more prevalent in Belgium.

One association in Belgium covers the engine remanufacturing industry. It procures parts jointly for its 14 members:

Motor Service Belgium  
Parc Industriel 10b  
1440 Wauthier-Braine  
Tel: 32/2/366-0680  
Fax: 32/2/366-0772  
Contact: MR. Philip Merten



## **BELIZE**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and used motor vehicle parts in Belize. Remanufactured parts are not treated differently from used parts. This local customs policy applies to all motor vehicle parts. There are no quotas or limitations on any of these parts.

All three categories of parts are treated the same way. In other words, the import duty on remanufactured, rebuilt, and used motor vehicle parts is the same for all three items (30 percent plus 15 percent value added tax). What matters is the price shown on the original commercial invoice, which is the value the Belize Customs Department generally uses to determine the chargeable duty on the items. In other cases, when the valuation unit suspects that the products are under-invoiced, the Customs Department then uses product catalogs to determine the value the goods.

Recent trade figures indicate a growing market in Belize for remanufactured, rebuilt, and used motor vehicle parts.



## **BOTSWANA**

The Botswana Government does not impose restrictions on the importation of remanufactured, rebuilt or used motor vehicle parts into the country. For purposes of calculating duty rates, remanufactured or used parts are treated as new parts. The Botswana Customs Department applies the same rates of duty and tariffs for all motor vehicle parts irrespective of age. Duty rates range from zero percent to 54 percent. The U.S. Embassy in Botswana can provide a full list of duty rates by article description if requested. (See Appendix D for contact point.)

Quotas or limitations may be imposed on certain new capital machinery which qualifies for rebates. Used goods are not subject to rebates, hence exempt from this restriction. Like all other business operations in the country, importers of used motor vehicle parts must have valid trading licenses and import permits issued by the Ministry of Commerce and Industry. We can identify no non-tariff barrier to trade in motor vehicle parts in Botswana.

Botswana has two major vehicle assembly plants (Hyundai and Volvo) which are the principal suppliers of parts. The balance is mostly made up of imports from South Africa; produced in South Africa or originating in Europe. U.S. goods can

compete only if less expensive than comparable spare parts already on the market, a difficult prospect due to higher shipping costs. External trade data indicate that the market for motor vehicle parts is slowly growing, with imports for 1998 (Jan - Sept) accounting for about \$43.2 million, an increase of about 10 percent over the same period in 1997. Available data does not differentiate between old and new motor vehicle parts, making it difficult to assess the market for used parts.



## **BRAZIL**

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). There are about 3,500 companies in this activity all over Brazil, of which about 40 have a national quality certificate provided by the Brazilian Institute of Automotive Quality (IQA). This number is expected to grow to 100 in the near future. The sector is composed mostly of small companies (annual revenues ranging from \$50,000 to \$80,000).

A number of large multinational companies such as Sachs Automotive, Luk, and Dana are in the business of remanufacturing clutches in Brazil.

According to the Brazilian Association of Auto Parts Manufacturers (Sindipecas), the auto parts remanufacturing activity faces serious problems because of the large number of non-qualified people that illegally perform the service. These illegal operators sales reach billions of dollars. Sindipecas is currently discussing the problem with the Ministry of Justice in Brazil and expects measures to attenuate the companies losses. Fast moving 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.

The president of Conaren, is Jose Arnaldo Laguna. He may be contacted at:

Retifica Laguna Ltd.  
Ribeirao Preto, Sao Paulo  
Phone: 55/16/629-4545  
Fax: 55/16/629-4240

The financial strength of the international companies in the clutch remanufacturing business appears to represent an attractive market for U.S. equipment manufacturers.



## **BURKINA FASO**

Burkina Faso does not have any restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts. Remanufactured parts are not treated differently from used parts.

The above applies to all motor vehicle parts.

There are no quotas or limitations on these parts. There is no special treatment or conditions on these parts.

Prospects for U.S. remanufactured parts or remanufactured parts equipment suppliers are limited in Burkina Faso because there are few U.S. cars in use in Burkina Faso. Most vehicles here have been manufactured in either in Europe or Japan.



## CAMBODIA

There are currently no restrictions or conditions imposed on imports of remanufactured, rebuilt and/or used motor vehicle parts into Cambodia, except for parts of right-hand drive motor vehicles.

Remanufactured/rebuilt parts are treated the same as used parts. They are not subject to quotas or other limitations.

Cambodia places some restrictions on imports of certain kinds of products, including right hand drive cars, either new or used.

According to the 1997 socio-economic survey, 1.1 percent of Cambodia's 1.89 million households own a motor vehicle. Annual imports of automobiles of all kinds into Cambodia are estimated to be between 2,000 and 5,000 units. Customs officials believe that at least 70% of the vehicles imported into Cambodia are right hand drive. Since the Cambodian Government is trying to totally eliminate the use of right-hand drive motor vehicles in Cambodia by the year 2001, there is potential for the export of remanufactured, rebuilt and/or used motor vehicle parts that could be used to convert right-hand drive cars into left-hand drive cars.



## CAMEROON

There are no restrictions on used equipment imported into Cameroon, and all inspection operations of products entering the country have been transferred to an International Customs Control Organization (SGS). However, remanufactured equipment from the U.S. is often penalized through over-valuation since many unscrupulous importers underestimate the value of their goods to reduce custom duties.

Market prospects and outlook:

In addition to a growing market for parts and accessories of vehicles of various models that are fraudulently imported from Nigeria, official statistics from the government put the country's total import of motor vehicle parts, including used, at \$5,000,000 in 1996. Major suppliers are France with annual exports of \$3,000,000 and Japan with \$2,000,000. Imports of such products from the United States amounted to \$322,000 in 1996.

The import duty on vehicles and/or parts of vehicles not exceeding one liter with one driving axle is listed in the external tariffs at 30 percent. Importers of

automotive equipment and parts are also required to pay a Customs inspection fee of 0.95 percent for import lots valued above \$4,000. A value added tax of 18.7 percent is also assessed by the government after sales.

Lack of after sale services:

Finding qualified distributors with the capability of servicing American models (with automatic transmissions, electronic systems, etc) reportedly had been a major concern for owners of U.S. cars before the year 1990, as customers had to place their orders themselves through European branch offices and wait several months for delivery.

In recent years, three leading importers and distributors of European/Japanese vehicles and parts have extended their activities to represent U.S. models which resulted in an increase in the demand of U.S. manufactured vehicles, including sport vehicle and trucks, in the Cameroonian market place. Addresses of such companies are provided below.

Business climate:

A comprehensive look at Cameroon's commercial environment using economic, political and market analysis could be found in the country commercial guide (CCG). Country commercial guides are available for U.S. exporters from the National Trade Data Bank's cd-rom or via the Internet. Please contact 1-800-STAT-USA for more information. CCG can be accessed via the world wide web at <http://www.stat-usa.gov> ; <http://www.state.gov>; and <http://www.mac.doc.gov>.

Contacts:

Nicolas Saba, general manager  
Sidem  
B. P. 769  
Douala  
Cameroon  
Tel: (237) 42-76-19/42-76-21  
Fax: (237) 42-76-20

Emmanuel Nono, general manager  
Renault - Sodac SA  
B.P. 1368  
Yaounde, Cameroon  
Tel: (237) 23-08-11 / 23-12-33

Fax: (237) 22-39-81

Mr. Christophe Martial, marketing manager  
Globauto SA.  
B.P. 3634  
Douala  
Cameroon  
Tel: (237) 42-43-51/42-43-33  
Fax: (237) 42-43-36



## **CANADA**

There are no restrictions or regulations specifically governing the importation of remanufactured, rebuilt or used motor vehicle parts imported into Canada. Canada Customs does differentiate between rebuilt, remanufactured, used, or new automotive parts. 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  
1 Front Street, West  
Toronto, Ontario, Canada Msj 2x6  
Tel: 416/973-8022 or 416/973-6413

Since Canada Customs does not differentiate between new, rebuilt, remanufactured, or used vehicle parts there are no official trade statistics for these categories. 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 and varied expert opinions, including the Canadian branch of the Automotive Parts Rebuilders Association (APRA), the Canadian remanufactured automotive parts market is estimated at between \$3-4 billion or an estimated 10-13 percent of the total Canadian automotive parts and accessories market valued at \$31.3 billion in 1997. According to sources surveyed, there is high demand for remanufactured automotive aftermarket electrical products (e.g., starter motors, alternators, etc.). 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 are currently more than 800 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.



## CHILE

Importation of used vehicles into Chile is not allowed by law. Importation of remanufactured, rebuilt and/or used motor vehicle parts is not prohibited in Chile. However, this type of importation is generally heavily questioned by Custom authorities who are concerned that these parts will be used to assemble used cars or significant portions of used cars once in the country. Such investigations hamper the importation process. Importers of used vehicle parts will probably experience difficulties with the Chilean Custom authorities.



## CHINA

According to information provided by the State Administration of Machinery Industry (SAMI) and the Department of Machinery and Electronics Products Import Administration, remanufactured parts, rebuilt parts and used parts are all considered as "used parts" in China. In rare cases (parts for antique cars, for example), special permission to import may be given. The potential importer must submit a petition to SAMI describing the proposed use and reason for importation. All other imports of used parts are banned.

The average rate of duty for new parts is 25 percent, but it has been reported that the few aftermarket/remanufactured parts allowed into China are assessed a higher rate of duty.



## COLOMBIA

As a general rule, imports of remanufactured, rebuilt, and/or used motor vehicle parts are not authorized in Colombia.

There are no statistics regarding imports of used or rebuilt automotive parts and accessories, but large volumes of contraband have been confiscated by Colombian Customs authorities at various major Colombian ports and airports.

However, according to industry sources, a few specialty auto shops are able to import some remanufactured parts in order to rebuild and/or overhaul engines or repair radiators, as well as other parts that are difficult to find in the market or are too expensive for the end-users. No statistics are available for these imports.

According to data gathered by ASOPARTES-- the local association of automotive parts and accessories importers, dealers, and retailers. Illegal importation of remanufactured/used auto parts and accessories is estimated at approximately \$4.0 million per year.

There are not any prospects for imports of U.S. remanufactured parts or for remanufactured parts and equipment in the short or long-term.



## **COSTA RICA**

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. Data on local remanufacturing is not readily available; neither the Costa Rican Statistics and Census Bureau nor the Costa Rican Chamber of Industries were able to provide information.

The following list provides examples of duty rates of representative products in the automotive parts industry (see "Note" following list for a more complete explanation of how total duty/tax is calculated):

Costa Rican Harmonized System Number	Product Categories	Ad valorem Duty	Total Duty/Taxes
8708.80.00.90	Suspension shock absorbers	9 percent	42.78 percent
8708.31.00.90	Brakes and parts	9 percent	42.78 percent
8708.93.00.90	Clutches and parts	9 percent	42.78 percent
4010.00.00.00	Transmission/ fan belts	1 percent	15.26 percent
4016.93.00.00	Seals, gaskets, washers	5 percent	19.78 percent
8413.30.00.00	Oil, gasoline pumps	1 percent	15.26 percent
8413.81.00.90	Water pumps	1 percent	15.26 percent
8483.00.00.00	Transmission parts	1 percent	15.26 percent
8544.30.00.00	Ignition wiring sets	7 percent	22.04 percent
8708.00.00.00	Body accessories	9 percent	42.78 percent
8708.60.00.90	Drive axles	9 percent	42.78 percent
7007.21.10.00	Windshields	7 percent	46.22 percent
7009.10.00.00	Automotive mirrors	5 percent	43.51 percent
8511.00.00.00	Motor parts	1 percent	43.79 percent
8708.99.00.00	Other	10 percent	44.08 percent

Costa Rican Harmonized System Number	Product Categories	Ad valorem Duty	Total Duty/Taxes
	automotive parts (unassembled), not else classified		

NOTE:

The total import tax paid on automotive parts is calculated on the CIF value and is the cumulative sum of:

1 to 10 percent ad-valorem (applied against CIF value; known in Costa Rica as "D.A.I.")

0 to 25 percent consumption tax (applied against total cumulative sum of CIF value, plus the ad-valorem tax)

1 percent Law 6946 tax (applied against CIF value)

13 percent sales tax (applied against total cumulative sum of CIF value, plus the ad-valorem tax, plus the consumption tax, plus Law 6946 tax)

Example of calculation of total duty and taxes:

Product: 8708.93.00.90 Clutches and parts (third item in above table)

Product CIF value: \$ 100.00

Step 1: Ad valorem tax:  
 9% of CIF value:  $0.09 \times \$100 = \$ 9.00$

-----  
 Total CIF value, plus ad valorem tax: \$ 109.00

Step 2: Consumption tax:  
 15% of above total:  $0.15 \times \$109 = \$ 16.35$

Step 3: Law 6946 tax:  
 1% of CIF value:  $0.01 \times \$100 = \$ 1.00$

-----  
Total CIF value, plus ad valorem tax,  
plus the consumption tax, plus  
Law 6946 tax: \$ 126.35

Step 4: Sales tax:  
13% of above total:  $0.13 \times \$126.35 = \$ 16.43$

-----  
Total duty and taxes: \$ 42.78



## CZECH REPUBLIC

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% to 17.1% for imports from non-EU countries and from 7.24% to 3.42% for imports from EU countries.

Import duties on automotive components have been generally low, ranging from 3.2% to 7.3% in 1998, and were lowered again on January 1, 1999, to 3.0% - 6.3%. Automotive components produced in the EU can be imported into the Czech Republic duty free. Some foreign auto parts producers use this advantage and import components to the Czech republic from their European production facilities.

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:

Ministry of Transportation and Communications  
Road Traffic Section (Odbor Silnicni Dopravy)

Technical Section (Oddeleni Techniky)  
Contact person: Mr. Josef Pokorny  
Tel.: 00420-2-2303-1203  
Fax: 00420-2-2303-1259

U.S. imports face tough competition from imports from EU countries, which benefit from lower import duties due to the association agreement between the Czech Republic and the EU.



## **DENMARK**

There are no restrictions on the import of remanufactured, rebuilt, and/or used motor vehicle parts in Denmark. Remanufactured parts, as well as used parts, are listed in Danish import and export statistics simply as parts. However, remanufactured parts do not appear in the Danish production statistics. Such parts simply do not constitute a statistical entity.

The above applies to all motor vehicle parts.

There are neither quotas, limitations nor any special treatment or conditions that apply to such parts.

Prospects are not promising for U.S. suppliers of remanufactured parts, planning to export to Denmark. Potential U.S. exporters parts can expect fierce competition from an existing, well established local industry. The country hosts a considerable and advanced automotive remanufacturing industry which serves not only the home market, but has considerable exports to other European countries. For some of the major Danish companies in this industry, the export share approaches 90 percent. The type of remanufactured products in which Danish companies are particularly strong are the following:

- ⇒ Starter motors
- ⇒ Generators
- ⇒ Electronic engine control and monitoring devices
- ⇒ Other electronic control and monitoring devices
- ⇒ Clutches
- ⇒ Brake parts
- ⇒ Hydraulic components
- ⇒ Axles and drive shafts
- ⇒ Automatic and manual transmissions

⇒ Engines

Prospects may be more promising for U.S. suppliers of parts for the remanufacturing industry, but prospects immediately become less promising even in this segment if a U.S. supplier is unable to provide references as being a current supplier to major European original equipment manufacturers (OEM's).



**DOMINICAN REPUBLIC**

There are no restrictions to the importation of remanufactured, rebuilt and/or used motor vehicle parts in the Dominican Republic.

This applies to all motor vehicle parts.

There are no quotas or limitations on the importation of remanufactured, rebuilt, and/or used motor vehicle parts.

In the Dominican Republic, import taxes levied on used motor vehicle parts are lower than those applicable to new ones. Other than this, remanufactured, rebuilt and/or used motor vehicle parts are treated the same as new motor vehicle parts.

The market for remanufactured, rebuilt and/or used motor vehicle parts is partially developed in the Dominican Republic. It is mainly dedicated to engines and transmissions due to the high price of new ones.

There is a significant market for used automotive spare parts. In the Dominican Republic there is a tendency to overextend the useful life of the vehicles to avoid purchasing a new one. It is estimated that 25 percent of the total car population has been in use for more than 10 years. Furthermore, since 1994 the importation of used cars from the U.S. has increased 215 percent due to reductions on the import taxes applicable to used automobiles. These vehicles must be repaired within a few years after their introduction to the Dominican Republic and require frequent repairs. Other reasons for the receptiveness for used products is the low income of the majority of Dominicans. Car owners (especially those dedicated to public transportation) are forced to buy used automobile spare parts.



**EL SALVADOR**

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.

Customs regulations apply to all motor vehicle parts.

There are no quotas or limitations on the importation of such parts.

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% 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.

Remanufacturers in El Salvador expect an increase in demand for remanufacturing motor services in the next two years as environmental and transportation regulations on motor vehicle emissions come into force. Public transportation(buses) and heavy duty transportation (trucks) are currently their main customers and are expected to double when laws enter into effect. 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 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.

The commercial section can provide contact lists for remanufacturers of new or used automotive parts distributors. Complementary information about Customs and automotive parts and service equipment is included in the El Salvador country commercial guide, available on the Internet at: [www.usinfo.org.sv](http://www.usinfo.org.sv). Commercial officer phone (503) 278-4444 ext. 2452.

Information about tariffs in the Central America region, automotive parts turnover rates in the Central America region, vehicle and auto parts import statistics, can be obtained from the Federation of Central American Importers of Parts and Vehicles, FEDICAR. International associations are welcomed as members for an annual fee and, in some cases, information is shared if officially requested from associations or through Embassies. Information is not available for individual companies. The headquarters of FEDICAR is located in Costa Rica:

Jorge Enrique, Executive Director Pena  
(506) 256-8426; fax (506) 222-8168  
E-mail: [aipacr@sol.racsa.co.cr](mailto:aipacr@sol.racsa.co.cr).  
[www.zurqui.com/crinfocus/fedicar/auto.html](http://www.zurqui.com/crinfocus/fedicar/auto.html).



## **ETHIOPIA**

Ethiopia has no restrictions pertaining to the importation of remanufactured and/or used motor vehicle parts. Ethiopia does not distinguish between remanufactured parts and used parts and has no prohibitions on importing either of them. Ethiopian companies or individuals may apply to the Ministry of Trade and Industry for a license to import "spare parts" and may obtain foreign currency from the commercial banks to buy these parts without making any reference to whether the parts are new, used, or remanufactured.

The market for remanufactured or rebuilt motor vehicle parts is promising. There are a number of car dealerships in Addis Ababa, including representatives for Ford and General Motors, as well as many Japanese and European car-makers. Because of the high import tax on new cars and vehicles, Ethiopians typically drive older vehicles and maintain them for as long as possible. There are spare parts stores and vehicle repair shops in most towns in Ethiopia that are linked with equipment and parts suppliers in the capital city of Addis Ababa. The U.S. Embassy can provide a listing of these suppliers to U.S. firms in the automotive parts remanufacturing industry.



## **FINLAND**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used 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, rebuilt, and/or used 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 (HS 8708) exports to Finland was \$16.2 million for the period of January-October 1998, representing a 39 percent decline from the same period in 1997. Customs fees range from 4-6 percent depending on the part. In addition to Customs fees there is a 22 percent value added tax (VAT) that applies to used motor vehicle parts.



## **FRANCE**

There are no restrictions or conditions placed on the imports of remanufactured, rebuilt, and/or used vehicle parts in France. Remanufactured/rebuilt vehicle parts are treated as new parts.

These conditions apply to all imported remanufactured, rebuilt and/or used motor vehicle parts.

There are no quotas on remanufactured, rebuilt, and/or used vehicle parts and no special conditions levied.

The market for remanufactured/rebuilt parts is partially developed. This market is expected to increase as stricter legislation is implemented limiting final vehicle waste. The French market for remanufactured/rebuilt parts represents an export opportunity for U.S. companies, as demand continues to grow for these products in the aftermarket. The number of in-country remanufacturers is increasing, promoting a cost-driven market. U.S. remanufactured parts exports need to be highly price competitive to enter the market.



## **GHANA**

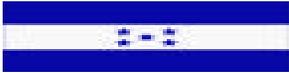
Ghana treats all imported automotive parts as "New" except for value. There is no differential import treatment for remanufactured, rebuilt, and/or used motor vehicle parts. Sometimes there is a variance over the value of these parts. When Ghana Customs doubt the suppliers invoice price, they may make their own estimate of value. Ghana has no restrictions or specifications for the type or age of used automobile parts imported into the country.

Used motor vehicle parts easily form about 70 percent of automobile parts imported into Ghana. Parts of Japanese and German automobiles make up the bulk because their vehicles are the most popular. U.S. used parts for these makes have good prospects in the Ghanaian market. There is a growing demand for new and used American automobiles which may cause a rise in demand for used parts. The relatively low level of income makes used parts more attractive to Ghanaians.



## **GREECE**

Greece has no special regulations regarding remanufactured automotive parts. Remanufactured parts are imported mainly for heavy equipment and trucks. Interest for U.S. remanufactured parts is limited because there is a small number of U.S.-made vehicles in Greece.



## **HONDURAS**

According to the Customs and Tax Division, there are no restrictions or quotas for the importation of remanufactured, rebuilt, and/or used motor vehicle parts to Honduras. Importation tariffs for such motor vehicle parts are the same as those applied for new products. Appraisal for remanufactured, rebuilt, and/or used motor vehicle parts is carried out at any port of entry in the country. The import tax paid for such products is 1% of its c.i.f. price. For used motor vehicles, a maximum depreciation of five years is applied, which represents 75% of its original fob price.

Interest by local importers to acquire remanufactured, rebuilt, and/or used motor vehicle parts has increased during the last three years. The demand for used motor vehicles (pick-ups, trucks, buses, trailers, and utility type vehicles) has also increased. Honduras imports American and Japanese used vehicles and parts primarily from the U.S. The lowering of tariff barriers and an increasing population in the main cities (caused by urban migrations) are the main factors boosting the demand of remanufactured, rebuilt, and/or used motor vehicle parts.

For further assistance from the Customs and Tax Division, contact Dr. Mario Silva at (504) 238-6790 or send a fax at (504) 220-0861. For assistance from the American Embassy Honduras Commercial Service Office, please contact Daniel Peters, Economic and Commercial Officer and/or Irene Lucia Caso, Commercial Specialist at (504) 238-5114 or send a fax at (504) 238-2888, e-mail address [commserv@hondudata.com](mailto:commserv@hondudata.com).



## HONG KONG

According to the Hong Kong Customs and Excise Department there are no duties, restrictions or conditions on the importation of remanufactured, rebuilt, or used motor vehicle parts in Hong Kong. The Hong Kong Government considers chassis, however, as motor vehicles under the Motor Vehicles Ordinance, Chapter 330, Laws of Hong Kong, and chassis, therefore, are subject to duties. (When importing chassis, the importer must file an application with Customs declaring the details)

The remanufactured parts market is underdeveloped in Hong Kong.



## INDONESIA

The Government of Indonesia (GOI) prohibits importation of all remanufactured, rebuilt, and/or used motor vehicle parts.

According to the Association of Indonesian Automotive Industries, (Gaikindo), significant amounts of such motor vehicle parts have been imported illegally as scrap by individuals and sold in the domestic market.

GOI sources indicate that no changes in these prohibitions are anticipated.



## ISRAEL

Israel's Ministry of Transportation limits imports of remanufactured, rebuilt and used motor vehicle parts. A vigorous domestic parts rebuilding industry supplies domestic demand. Our assessment of prospects for U.S. suppliers is pessimistic.

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. Vehicle repair shops are also active in Gaza and the West Bank. 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. While U.S. vehicles retain a significant market share, competition from Europe and East Asia have eroded U.S. share measured as the total number of U.S. autos and trucks on the road. 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.



## **ITALY**

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 afforded special treatment or subject to special conditions.

With regard to duty rates, import regulations, or other factors, Italy has the distinction of being one of the few countries in Europe with a stable market for remanufactured/rebuilt motor vehicle parts. The practice of remanufacturing/rebuilding motor parts in Italy has existed for the past 25 years. While in the 1960's, every electric and mechanical part was usually rebuilt or reconditioned (given the high cost of raw materials), there is today a tendency - encouraged by automobile manufacturers - to recommend the use of new parts rather than remanufactured ones. This is especially true for parts involving less complex production techniques, and which are usually available from low-cost producers in the Far East. At the same time, refurbishing is now generally performed on high-quality parts, whose production is more complex and expensive and which require a more skilled workforce.

Italy currently has the highest auto density in the world and one of the oldest circulating auto fleets in Europe, with 36.2 million vehicles on the road.

Aftermarket sales of motor vehicle parts/components represent 26 percent of overall market demand. The spare parts market is estimated to have risen by 3 percent during 1997 (latest figures available), while the aftermarket for non-original components (not supplied by auto makers' part producers) has remained stable. This situation is due in part to warranty and other requirements, such as that only so-called manufacturers' approved parts may be used on vehicles.

There is also a recycled market valued at close to roughly \$500 million.

The increasing reliability of components could result in a slowdown in the growth of the aftermarket (including that for remanufactured components). However, recently issued 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 recent government incentives for the purchase of new motor vehicles in exchange for the scrapping of cars over ten years old, have 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 100 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.

Trends in repairing automobiles:

The typical Italian driver, who in the past has been disinclined towards auto maintenance, appears now to be more interested in maintaining his automobile. However, he/she insists that his/her car be equipped with quality spare parts and be repaired quickly and at a reasonable price. There are over 60,000 auto repair and service shops in Italy, either owned by car dealers or operated as independent entities.

According to a recent survey carried out by a Bologna-based institute specialized in automotive market research ('Osservatorio Automotor'), only 37 percent of car owners turn to car dealers' service facilities after their motor vehicle's warranty period expires. The majority of car owners then turn to independent repair shops.

Auto owners tend to patronize such repair shops not only for their lower cost, but also because these are widespread throughout the country, are located in more accessible locations, and often offer faster service. These shops are also the most likely to offer and use remanufactured and rebuilt parts.

Best prospects:

Remanufactured auto parts products with the best prospects in Italy are parts such as drive shafts and constant velocity joints. There is also a demand for complete reconditioned/rebuilt engines for heavy trucks and commercial vehicles, as well as electrical parts for both heavy and light vehicles.

Imports:

There are occasional, limited, imports of remanufactured/rebuilt parts into Italy. However, no single automotive subsector shows significant import flows of such equipment.

The sources for this report were local customs officials, the Italian Automotive Parts Association (Anfia - Gruppo Parti) and industry experts.



## **JAMAICA**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt or used auto parts into Jamaica. In general, used items are treated in the same way as new ones as far as policy is concerned. However, the older or remanufactured items could come in for greater scrutiny to determine whether they conform to the various environmental, safety or other standards.

There are periodic reviews which result in restrictions being introduced in specific cases. One recent and very notable case is that of automobiles: in April of 1998, Jamaica's motor vehicle policy was amended to allow for licensed used car dealers to import automobiles no older than four years old and light commercial vehicles no older than five years old. This amendment came through the Ministry of Commerce and Technology.

Certain restrictions apply to used tires. A spokesperson from the Jamaica Bureau of Standards referred to a regulation which would allow each individual to import no more than five used tires. This represents the nominal number of tires for personal use.

Other restrictions on used items have to do with environmental and standards issues. Over the past few years, announcements have been made concerning restrictions on items such as refrigerators, fans, stoves and items which do not stick to guidelines specified under the Montreal Protocol. These guidelines also affect motor vehicles with regard to the quality of the exhaust coming from the tailpipe.

Jamaica's automobile/auto parts sector has been one of the more dynamic areas in the nation's economy. Since the liberalization of Jamaica's automobile sector in 1993, there has been a growing number of used car imports - particularly from Japan. For example in 1993, approximately 12,000 of the 19,000 vehicles imported were new. In 1994, only 6,000 of the 26,000 motor vehicles imported were new. This trend continued through to 1998 when there were obvious signs of saturation in the automobile import market. There is still, however, a large demand for various types of parts and automobile accessories.

Useful contacts for information on the requirements for the importation of used and/or refurbished equipment are :

Ministry of Commerce and Technology  
36 Trafalgar Road  
Kingston 10  
Jamaica  
Phone: (876) 929-8990

Jamaica Bureau of Standards  
6 Winchester Road  
Kingston 10  
Jamaica  
Phone: (876) 926-3140 to 5  
Fax : (876) 929-4736  
Email: [jbs@cwjamaica.com](mailto:jbs@cwjamaica.com)

Natural Resources Conservation Authority  
53 1/2 Molynes Road  
Kingston 10  
Jamaica  
Phone: (876) 923-5125

The monitoring of imports into Jamaica is managed by the Jamaica Bureau of Standards. Policy in this area is determined by the Ministry of Commerce and Technology. Spokespersons at these two entities were interviewed to obtain much of the above information.



## **JAPAN**

There are no restrictions or conditions placed on the imports of remanufactured, rebuilt, or used automotive parts into Japan. Remanufactured/rebuilt parts are treated the same as new parts. However, all parts, whether new or remanufactured, must meet all safety and/or emission standards set by the Ministry of Transportation.

These conditions apply to all remanufactured, rebuilt, and/or used motor vehicle parts.

There are no quotas on remanufactured, rebuilt, or used motor vehicle parts and no special conditions levied.

The rate of duty on virtually all parts, new or remanufactured, is zero.

The sales potential for remanufactured motor vehicle parts and remanufacturing equipment in Japan is very good. 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 will likely be a gradual shift 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 lightweight motor vehicle fleet in Japan was about five years. Today, Japanese consumers are beginning to keep their vehicles longer (averaging almost seven years) which will require more repairs. (However, original equipment parts tend to last longer than ten 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.



## **JORDAN**

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).

Restrictions or conditions placed on the importation of motor vehicle parts apply to re-manufactured, rebuilt and/or used parts.

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 limited (since Jordan has a small number of U.S.- made vehicles).

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.



## **KAZAKHSTAN**

Kazakhstan does not have any special regulations for the importation of remanufactured, rebuilt, and used motor vehicle parts. However, for any imported good, a certificate of origin issued by an appropriate American certifying agency is

needed. 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 are customs duties for importing automotive parts in the amount of the customs duty - 0.2 percent of total customs value of goods and a value added tax of 20 percent. However, there are no limitations for importing spare parts.

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.

Interested U.S. firms, wishing to obtain additional information and establish business contacts might find it useful to contact:

Olg Romanov, Director  
Sergey Kravchenko, Manager  
Aga Trade Incorporated  
Address: 18 Kunayev Street  
Almaty 480016, Kazakhstan  
Phone: 7 (3272) 33-78-88, 33-05-01  
Fax: 7 (3272) 33-03-38  
E-mail: Agakaz(A) Kaznet.Kz

Michael Zemtsov, President  
Almaty Jeep (official Chrysler dealer)  
299a Tole Bi Str., Almaty, Kazakhstan  
Tel: 7 (3272) 23-17-04  
Fax: 7 (3272) 23-21-45, 23-17-04

Tun Tencel, Sales and Marketing Manager  
Ram Auto almaty Ltd. (Exclusive Ford dealer)  
157b Suyunbay Avenue, Almaty, Kazakhstan  
Tel: 7 (3272) 30-00-18, 30-00-38

Fax: 7 (3272) 30-00-58

Contacts at the U.S. embassy Almaty, Kazakhstan:

Michael Lally, Senior Commercial Officer  
Ainash Mukanova, Commercial Clerk  
U.S. Commercial Service  
U.S. Embassy, Almaty  
Address: 531 Seyfullin Prospect, 3rd floor  
Almaty 480091, Kazakhstan  
Phone: 7 (3273) 58-79-18, 58-79-20  
Fax: 7 (3272) 58-79-22  
E-mail: oalmaty@doc.gov



## **KUWAIT**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, or used motor vehicle parts in Kuwait. However, few remanufactured parts are currently being imported, due to local preferences/demands.

This applies to all motor vehicle parts.

There are no quotas or limitations on these parts.

Remanufactured/rebuilt parts are considered as used parts in Kuwait.

Refurbished and rebuilt parts constitute an estimated 10-15 percent of the total aftermarket of approximately \$ 250 million. There are approximately 900,000 vehicles in Kuwait. It will be difficult for U.S. suppliers of remanufactured parts to compete in the Kuwaiti market for the following two reasons. First, the high car accident rate in Kuwait (second highest in the world) produces a significant amount of scrapped cars, which are taken to salvage yards and become the major source for used spare parts. Imported remanufactured parts are substantially more expensive than the parts available from these scrap yards. Secondly, there is a very strong demand in Kuwait for new OEM spare parts made by automakers.

Additional information: transmissions and engines are among the leading rebuilt and reconditioned items being imported by Kuwait. Currently, the custom duties imposed on both new and used parts are 4 percent of their c.i.f. value. However,

due to the declining economy, it is possible that the government of Kuwait will raise the rate to 8 percent for revenue enhancement purposes.



## **KYRGYZSTAN**

Currently, there are no restrictions or special terms on the importation of used motor vehicle parts to Kyrgyzstan. All parts, whether used/remanufactured/rebuilt or new, imported into the country are treated similarly. This applies to all motor vehicle parts.

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

Remanufactured/rebuilt and/or new parts are subject to obligatory safety certification (to obtain a list of products, operations, and services for obligatory safety certification, contact embassy).

There is no association which deals with the purchase/sale of used/remanufactured/rebuilt or new motor vehicle parts. Only private individuals are involved in importing used motor vehicles and their parts into the country. This trade comes mainly from Germany. Because the National Statistical Committee does not track the market for the equipment in question, it is difficult to evaluate prospects for remanufactured parts/equipment suppliers into the country.

However, if a company intends to import used/remanufactured/rebuilt motor vehicle parts, it is strongly recommended to specify this in agreements and other documents.



## **MADAGASCAR**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in the country, and remanufactured parts are equally treated as used parts. This applies to all motor vehicle parts.

There are no quotas or limitations on these parts. Remanufactured/rebuilt parts are considered used parts. Imports of remanufactured parts are underdeveloped in the country.

As there is only one distributor of American vehicles in the country (Chevrolet), the market for remanufactured/rebuilt, and/or used motor vehicle parts is small. However, American suppliers may have good prospects for supplying parts for used 4x4 vehicles such as Jeep Cherokee and Ford sport utilities.



**MALI**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used vehicle parts in Mali. Remanufactured parts are treated likewise.

This applies to all motor vehicle parts.

There are no quotas or limitations on these parts. There are no special treatments or conditions.

Remanufactured/rebuilt parts are considered used parts when imported.

U.S. remanufactured parts or remanufactured parts equipment suppliers may enter the market as long as prices approximate those of used parts or equipment.

Used equipment and used parts have boomed in the market for the past 10 years, and prospects for remanufactured parts or equipment appear to be good. Malian buyers, however, are very price sensitive and the pricing of these goods is a key marketing decision.



**MEXICO**

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in Mexico, except complete engines.

The only condition or restriction on these type 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 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.

Only remanufactured or rebuilt automotive engines require a previous import permit from the Mexican Department of Commerce (SECOFI). Other parts do not require import permits, however, some parts may have import duties.

There is no differential treatment 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. There are many firms all over Mexico that buy totaled vehicles and strip them to sell the different parts.

Rebuilt motors, automatic transmissions, electronic parts such as computers and fuel injection systems represent the best market prospects in Mexico for U.S. remanufactured parts and equipment suppliers.



## **MOLDOVA**

According to government decision Number 739 from July 6, 1998, the Moldovan Ministry of Transportation merged with the Ministry of Communication and Information and formed a Ministry of Transportation and Communication (MTC). Within the newly established Ministry, the Department for Automobile and Naval Transportation supervises the sectors of remanufacturing of motor parts for automobiles.

Another agency, the Department of Mechanization and Agricultural Services of the Ministry of Agriculture, has similar responsibilities for technical supervision of agricultural machinery in general, and for parts refurbishment in particular.

The third state organization involved in the sector is the State Office, which maintains a fleet of automobiles for government and parliament officials and related organizations. The Transportation Division within the State Office is responsible for the administration and technical maintenance for these automobiles.

At present, the regulatory system over parts refurbishment in Moldova is unclear because of many factors. One factor is that the privatization process transferred many enterprises of the sector into private ownership and made them less controlled by the Ministries. Another reason might be the partial system collapse

after break-up of the Soviet Union. In addition, local government authorities were preoccupied with major economic problems which lessened their attention to the sector. These and other reasons led to the current situation, in which information on the sector is almost unavailable. No statistics which would give a clear characterization of the sector are available. Statistics on both the proportion of Russian-made and western automobiles and the origin of parts imported into Moldova is not currently available.

On January 29, 1999, a meeting was held with Eugeniu Datco, Chief of the Direction for Automobile and Naval Transportation of MTC, who provided some guidance on the sector and its current situation. Datco stated that since the merging of the Ministries it is very difficult to collect any information, and for this sector in particular. Motor parts remanufacturing was not a widely developed industry in Moldova, but during the Soviet times there was a strictly controlled system. In a centralized manner, all used motor parts were collected and sent to the parts remanufacturing enterprises. There used to be five enterprises of that kind supervised by the Ministry. At present, these enterprises are partially privatized, which changed the extent of the Ministry's supervision over the enterprises. Regardless of their ownership status, the enterprises continue to render services for automobile repair. Unfortunately, they do not receive many orders for parts remanufacturing .

During the last six years, automobile trade became a very profitable business in Moldova, especially those imported from Germany, Poland, and Hungary. Along with automobiles, the same companies imported parts for these vehicles. As a result, there has been less demand for remanufactured parts. Another reason might be the collapse of the centralized system of used parts collection. Last, but not least, development of small service stations replaced the enterprises on the market. Many western car manufacturers such as BMW, Opel, and Volkswagen have established a Moldova- wide network of repair shops, which provide a broad range of services for automobiles' technical maintenance, including parts replacement and their partial remanufacturing.

Import procedures:

#### A. Parts certification

On February 3, a meeting was held with Constantin Sirf, Director Division for Certification of Agricultural Machinery, Automobiles, and Parts from the Moldovan Department for Standards and Technical Supervision. During the meeting, Mr. Sirf stated that all goods imported into Moldova should be certified by the Moldovan Standards Department. Refurbished motor parts for automobiles

and agricultural equipment fall under the General Requirements for Standardization in Moldova. To certify the part, a U.S. supplier has to present a number of documents such as a certificate of conformity to international standards, a certificate of origin, a copy of the contract for the goods supply to Moldova, and transportation documents. Based on these documents and payment of a certification fee, a Moldovan Certificate of Conformity will be issued. Mr. Sirf also informed that to date, the department has no records on direct imports of remanufactured motor parts for automobiles from the United States to Moldova. (A complete report on the certification procedures in Moldova is available at the home page of the Business Information Service of the Newly Independent States (BISNIS) of the Commerce Department. Interested parties are advised to contact country specialist or certification specialists of BISNIS office or to visit BISNIS home page.

For more information on Moldovan certification procedures please contact:

Constantin Sirf, Director  
Division of Agricultural Machinery,  
Automobiles, and Parts Certification  
Department for Standards and Technical Supervision  
28/2 Coca Str., Office 305  
Chisinau, 2039, Moldova  
tel: [3732] 750454, 750460  
fax: [3732] 750581

Customs requirements:

According to the information provided by the legal department of the Moldovan Customs Department, remanufactured and used motor parts for automobiles fall into the same category as new parts in the General Customs Register. A customs duty of 15 percent and a customs procedure fee of 0.25 percent of the parts' cost, as well as a value added tax of 20 percent, will be applied to all categories of motor parts imported into Moldova. For more information on customs procedures please contact:

Dorin Purice  
Senior Specialist  
Moldovan Customs Department  
65 Columna Str.,  
Chisinau, 2012, moldova  
tel: [3732] 549486

Prospects for U.S. companies:

Since there are no statistics available on the percent of U.S.-made automobiles imported into Moldova, it is difficult to estimate the market potential for those American companies which are currently interested in importing remanufactured motor parts from the United States. Mr. Datco from the MTC stated that this information would become available by April 1999.

According to Datco, a major potential for U.S. companies in this sector would be the revitalization of the existing enterprises which currently provide repair services and remanufacture parts for Soviet-made automobiles. Since the Russian-made cars continue to dominate the market, and the import of Russian automobiles into Moldova continues to grow, investment into these enterprises along with reviving the system of parts collection throughout Moldova may result in a profitable business.

Another export opportunity for U.S. companies, also suggested by Datco, is the export of used buses and minivans to Moldova. The director noted that Moldova has a need for large and medium capacity buses and minivans for intercity routes and for transportation within the Chisinau and other municipalities. At present, Moldova has a total of 1800 buses providing these services and at least 30 percent of them need to be replaced. Unfortunately, because of the economic situation in the country, the Ministry is not able to do so, but is willing to act as a guarantor for those U.S. companies which will sell the buses to the Moldovan companies currently involved in transportation services. According to Datco, it might be a mutually beneficial cooperation for the Ministry and the U.S. companies, since the Ministry will be able to solve the long-standing problem of intercity and municipal transportation and U.S. companies will find a new export market. It will also generate business opportunities for other U.S. companies interested in export of remanufactured and used motor parts for buses and minivans.

MTC provided a list of enterprises that render automobile repair and motor parts remanufacturing services:

Remo Joint Stock Society (used to be the  
Chisinau Enterprise for Automobile Director  
Codita Str., 5, Chisinau, 2018, Moldova  
tel: [3732] 554348  
fax: [3732] 557380

Recar Joint Enterprise for Automobile Repair N.2)  
Contact person: Petru Berzoi, Director

Bucuria St., 1, Chisinau, 2004, Moldova  
tel: [3732] 741469  
fax: [3732] 751574

Peresecino Enterprise for Automobile Repair  
Fedor Hriptievschi, Director  
Eminescu Str., 15, Peresecino Village,  
Orgeev Region, Moldova  
tel: [373-] 4-75-30  
fax: [373-] 2-43-38

Tiraspol Enterprise for Automobile Repair  
contact person: n/a  
Ukrainian Str., 1, Tiraspol, Moldova  
tel: [373-233] 3-24-61

Aside from the above enterprises, there is a transportation enterprise of the state office of Moldova. According to its statute, the enterprise was established to render repair services to government agencies and related organizations. After the Soviet Union's collapse, the enterprise was privatized and began to render repair services for a fee, but maintained its major mandate of servicing government automobiles. The enterprise also performs minor refurbishment of motor parts.

Chisinau Enterprise for Automobile Repair of  
State Office  
Victor Guzun, Engineer Chief  
Bucuria Str., 18, Chisinau, 2004, Moldova  
tel: [3732] 748597  
fax: [3732] 748553

Contact information:

For more information on the motor parts remanufacturing for automobiles please contact:

Eugen Datco  
Chief Direction Automobile and Naval Transportation Ministry of  
Transportation and Communication of Moldova  
#134 Stefan Cel Mare Str.,  
Chisinau, 2012, Moldova  
tel: [3732] 221001; 241033  
fax: [3732] 241553; 546564  
E-mail: secretary@mci.gov.md

For information on motor parts remanufacturing for agricultural machinery please contact:

Vasile Bumacov  
General Director  
Department of Mechanization and Agricultural Services  
Ministry of Agriculture and Food  
162 Stefan Cel Mare Str.  
Chisinau, 2004, Moldova  
tel: [3732] 248025  
fax: [3732] 237518



## MOZAMBIQUE

A meeting was held with Intertek Testing Services, the designated agent responsible for the pre-shipment inspection of imports into Mozambique. Intertek informed us that Mozambique imposes no special treatment or conditions on foreign remanufactured, rebuilt, or used motor vehicle parts. As with new vehicle parts, customs duties are based on the cost of the part which Intertek validates. The customs tariff for used parts is the same as for new parts (12.5 percent).

The Mozambican market for U.S. remanufactured, rebuilt, and used motor vehicle parts is quite small at this time. Very few vehicles survived the war years that followed Mozambique's independence from Portugal in 1975 and lasted until a peace accord was signed in 1992. With peace came the restructuring and opening of the economy, and new vehicle imports began to flow in, especially since 1995. The high percentage of new vehicles on the road at this time and low cost new parts from Asia have so far precluded the development of a used parts market. We would expect, however, that a used parts market will begin to develop within the next couple of years.



## NEPAL

The market for all types of personal motor vehicles is extremely limited in Nepal. It is a poor country with extremely low per capita income and limited purchasing power. Almost 70 percent of Nepal is covered with high mountains, with only about 6,000 miles of driveable roads. Out of this, only about 2,000 miles has been black topped. Those who can afford personal means of transportation are largely confined to the middle and upper classes of half a dozen cities and towns. Seventy percent of the total numbers of vehicles in Nepal are in the capital city of Kathmandu. Even there, however, buses and trucks are the principal means of public and goods transportation for both long and short distances.

In addition, the Government discourages imports of used and reconditioned vehicles by imposing additional tariffs on used vehicles. Importation of vehicles more than five years old is not allowed. Furthermore, the Department of Transport Management normally refuses to register reconditioned vehicles even though they were manufactured within the last five years, if they do not meet relatively strict pollution criteria. In contrast, there are no special restrictions on imports of used automobile spare parts; either rebuilt or cleaned used parts. According to Nepal's Custom's Tariff Schedule, parts and accessories of vehicles are levied duties ranging from 5-20 percent.



## NETHERLANDS

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in the Netherlands. Remanufactured automotive parts are treated as new parts with import duties ranging from between 2-5 percent.

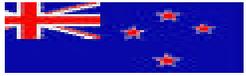
These conditions apply to all remanufactured, rebuilt, and/or used motor vehicle parts imported into the Netherlands.

There are no quotas or limitations on remanufactured, rebuilt, and/or used motor vehicle parts and no special treatment or conditions levied.

Remanufactured, rebuilt, and/or used motor vehicle parts are considered new parts.

There is very little remanufacturing of automotive parts performed in the Netherlands.

The Dutch market offers good prospects for remanufactured automotive parts with competitive pricing and on-time delivery agreements. The remanufactured parts equipment segment is underdeveloped because of very little remanufacturing of automotive parts in the Netherlands. This creates a lucrative market for U.S. remanufactured parts.



## NEW ZEALAND

New Zealand has no restrictions on the importation of reconditioned or used auto parts.

Reconditioned or used parts may be used provided they are within safe tolerance of the vehicle manufacturers' original equipment specifications.

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. Repairs must maintain compliance with the standards in effect at the time of manufacture.

Remanufactured/rebuilt parts are considered as "used parts".

Prospects for U.S. remanufactured parts or for remanufactured parts equipment suppliers are limited but improving. Japan has long been a major source of motor vehicles, with other models imported by New Zealand from Europe and Australia.

Trucks and specialist vehicles, e.g. hot rods, had until the mid-90s been the only U.S. vehicles imported into New Zealand. Since the mid-90's, a small number of U.S.- built vehicles have entered this marketplace (five models to date).

The main reason why New Zealand has not imported more U.S. motor vehicles is due to local driving conditions. New Zealand motorists drive on the left-hand side of the road -- steering wheels are positioned on the right-hand side of the vehicle. However, right-hand drive vehicles manufactured by General Motors in Australia under the "Holden" trademark, and Ford vehicles maintain a popularity in New Zealand.



## **NIGER**

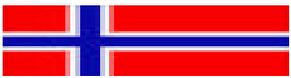
There are no restrictions or conditions placed on the importation of remanufactured, rebuilt and/or used motor vehicle parts in Niger. This applies to all motor vehicle parts. Remanufactured/rebuilt parts are considered used. There are good prospects for U.S. remanufactured parts and equipment in Niger.

Regulations for importation of used/refurbished parts or equipment to Niger are the same as those for new parts or equipment. Businesses which are duly recorded and recognized as importer-exporters by the Niger Chamber of Commerce are allowed to import used parts or equipment.

Custom fees are based on the standard c.i.f. value of the items.

The parts market in Niger is small but there are opportunities since virtually all parts are imported. Niger imported more than \$15 million of vehicles and parts in the first six months of 1998. There is no parts remanufacturing industry in Niger.

Buyers are accustomed to dealing with used and remanufactured parts which are of a lower quality imported from Nigeria. A significant percentage of passenger and transport vehicles sold in Niger are imported as used. The majority of vehicles in Niger are originally of Japanese manufacture. There are significant numbers of sport utility vehicles, again primarily Japanese. Because there is limited competition in the auto parts market, the local retail prices tend to be high. There are opportunities to increase the U.S. presence in this market which is currently supplied by primarily European firms. Companies interested in working in Niger should be prepared to provide product information in French and provide quotes fob Lome, Togo or Cotonou, Benin.



## **NORWAY**

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 no customs duties levied on automotive parts imported to Norway.

All automotive parts are subject to value added tax (vat) at a rate of 23 per cent 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. This applies to all parts.

There are no quotas or limitations on these parts. There are no special treatments or conditions.

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.

With regard to remanufactured/rebuilt braking system parts, specific quality standards are expected to be implemented soon.

Even though there are no specific quality standards in place for remanufactured/rebuilt automotive parts, all products must be of such a quality that they pass regular motor vehicle tests. 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.

There are about 3.2 million vehicles registered in Norway, of which 1.7 million are passenger cars. About 2,500 automobile repair shops are located throughout the country, employing close to 15,000 people. 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 per cent above invoice costs. 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 per cent of the parts (less for accessories), while members of the Association of Norwegian Wholesalers of Automotive Parts and Accessories account for the rest.

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. North American automobiles, such as Chrysler min-vans, Chrysler Stratus and Neons, Jeeps, Chevrolet vans, Suburbans, Blazers, Astros and pick-ups have gained important shares in their market segments, but still remain a relatively small share of the total market.

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.

Points of contact:

Autobransjens Leverandorforening  
(Association of Norwegian Wholesalers of Automobile Parts and Accessories)  
Contact: Mr. Hroar Braathen, Managing Director  
Address: Stasjonsveien 59, n-1940 Bjorkelangen  
Tel: (47) 63 85 55 60, fax: (47) 63 85 64 90

Norges Bilbransjeforbund  
(Norwegian Association of Motor Car Dealers and Service Organizations)  
Contact: Mr. Erik Hoiem, Managing Director  
Address: Drammenveien 97, P.O. box 7628 Skillebekk, N-0205 Oslo  
Tel: (47) 22 60 12 90, fax: (47) 22 56 10 50

Bilimportorenes Landsforening  
(Norwegian Automobile Importers= Association)  
Contact: Mr. Finn Tandberg, Managing Director  
Address: Okernveien 99, P.O. box 71 Okern, N-0508 Oslo  
Tel: (47) 22 20 20 06, fax: (47) 22 54 21 40

Motorimportorenes Landsforening  
(National Association of Motor Importers)  
Contact: Mr. Jan Evensen, Managing Director  
Address: Huitfeldtsgate 15, N-0253 Oslo  
Tel: (47) 22 43 04 20, fax: (47) 22 55 15 60

Norwegian Tyre Importers= Association  
Contact: Mr. Hroar Braathen, Managing Director  
Address: Stasjonsveien 59, N-1940 Bjorkelangen  
Tel: (47) 63 85 55 60, fax: (47) 63 85 64 90

American Car Club of Norway  
Contact: Mr. Stein Bromstad, Managing Director

Address: . P.O. box 6006, N-7003 Trondheim  
Tel: (47) 22 59 66 00, fax: (47) 72 89 60 10

Royal Ministry of Transport and Communication  
Norwegian Roads Administration (Statens Vegvesen)  
Norwegian Roads Directorate (Vegdirektoratet)  
Address: Grenseveien 99, N-0663 Oslo  
Tel: (47) 22 07 35 00, fax: (47) 22 07 34 93  
(This is the regulatory approval authority for type approval,  
technical requirements and CE mark)



## OMAN

There are no known Omani Government restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts. We do not know of any differing treatment between used and remanufactured parts.

This applies to all vehicle parts.

We do not know of any quotas or limitations on these parts.

Remanufactured/rebuilt parts are considered as used, and the imposed customs duty is fixed at 5% of the value of the imported new or used part.

Oman has a population of 2.3 million and 356,620 registered vehicles, most of which are less than 10 years old. Therefore, there is not a large potential market for used or remanufactured car parts. Most buyers of used or remanufactured parts obtain these from the neighboring U.A. E. , which is the leading exporter to Oman (though, mostly re-exports).



## PAKISTAN

The imports of used/remanufactured motor vehicle parts are banned both because of lobbying by the local automotive parts manufacturers and because of unfair practices adopted by some importers, who have attempted to import used/remanufactured parts free of customs duty by tampering with them to give them the appearance of scrap.

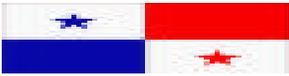
The only exception to this regulation is the imports of used/refurbished cylinders for compressed or liquified gas for motor vehicles, which is allowed subject to the

proof of a safety certificate issued by the Department of Explosives, Government of Pakistan.

There is no quota system on these parts.

All used and remanufactured motor vehicle parts are considered and treated as old (used) parts. U.S. exporters considering exporting to this market are advised to contact the Pakistan Ministry of Commerce to determine if any amendments have been made to the government of Pakistan's import policy, allowing the import of used/remanufactured automotive parts.

The absence of high precision parts manufacturers, lower costs for used/remanufactured automotive parts and the existence of many maintenance/repair facilities will make Pakistan a good market for used/remanufactured automotive parts, provided that the ban, currently imposed on imports, is removed.



## **PANAMA**

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 (remanufactured, rebuilt, and/or used), range from 3% to 15% of the c.i.f. value. A 5% 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).



## **PHILIPPINES**

The Bureau of Import Services (BIS), part of the Philippine Department of Trade

and Industry, regulates the importation of automotive parts, including remanufactured and/or used motor parts. Motor parts, new or remanufactured, are treated as the same.

The BIS requires importers to apply for import authority for the following motor parts: dashboards, doors, fenders, luggage racks, grilles, hoods, running boards, plate brackets, visors, radiator cowlings, trunks/trunk lids, mudguards, floor boards, and floor mats (other than of textile material/rubber).

Importation of bodies (including cabs and body shells) and chassis fitted with engines for vehicles weighing below 6 tons is not allowed. Completely knocked-down (ckd) parts are subject to a 10 percent duty rate, up from 7 percent in 1998.

Key contact at the BIS is:  
Ms. Gemma Sarmiento, Senior Specialist  
Bureau of Import Services, Import Action Division  
Department of Trade and Industry  
3rd floor, Oppen bldg., 349 Sen. Gil Puyat Avenue  
Makati City, Philippines

Market prospects for U.S. remanufactured parts in the Philippines:

Due to the Asian economic crisis, the Philippine automotive industry has been adversely affected. Car sales dropped 57 percent in 1998, from 75,810 units in 1997 to 34,453 units in 1998. Industry experts forecast that the auto market may not recover for several years. 1999 projected sales will be at the same level as in 1998.

Similarly, sales of used/remanufactured auto parts decreased by almost 60 percent in 1998. Japan dominates the used auto parts market, accounting for almost 80 percent of the total market. Major used auto parts distributors are not expecting any increase in their 1999 sales performance. They project a further 20-30 percent decline.

## **POLAND**

There are restrictions placed on the importation of remanufactured/rebuilt car parts into Poland. The importer must apply for a "B" certificate if the part is listed in the Published Order of the Director of the Polish Center for Research and Certification (PCBC) dated March 28, 1997. The importation of

remanufactured/rebuilt parts is treated differently from the importation of used parts.

Remanufactured/rebuilt parts are subject to the same regulations that apply to the importation of new parts.

Restrictions apply only to those parts that are listed in the PCBC order.

There are no quotas for remanufactured/rebuilt and used car parts.

Remanufactured/rebuilt car parts are treated by law as new parts. As stated above, there are no regulations banning the import of used parts, however the Ministry of Economy strongly discourages imports and trade in used parts that are listed in the PCBC Order because they may represent a threat to the user of the vehicle in which they are installed. In the event of an accident, the supplier of the used parts and the owner of the vehicle bear full responsibility for any damage the use of the part might have caused.

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.

Additional information provided by the Ministry of Economy:

- ⇒ There is a system for compulsory certification of some automotive parts in Poland resulting in the issuance of a "B" safety certificate. The list of the parts is provided in the order of the Director of Polish Center for Research and Certification dated March 28, 1997.
- ⇒ the certification system in Poland is consistent with a universal system presented in guide ISO/IEC NR 28, which is used in many countries.
- ⇒ during the process of certification, the Certification Body checks whether the product meets required specifications.
- ⇒ remanufactured/rebuilt parts are subject to compulsory certification for a "B" safety mark (the same requirement for new parts subject to certification).
- ⇒ remanufactured/rebuilt and used parts not listed in the PCBC order are not subject to any restrictions and trade in these products takes place according to standard trade regulations.



## RUSSIA

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 to 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.

The only quota on motor vehicle parts is mentioned in the Presidential Decree dated February 1998 that provides tax breaks and financial incentives for joint production projects in the auto industry. The decree sets up two conditions: a minimum of \$250 million investment from a foreign partner and a minimum 50 percent Russian content in components after five years of operation. This Decree only affects sales to auto assembly plants which are operating under incentives granted by the Decree.

Remanufactured/ rebuilt parts are considered new. However, Russian 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. There are innumerable cases when one truck is dismantled so that its parts can be used to repair another.

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.

The prospects for U.S. remanufactured parts or for remanufactured parts equipment suppliers in Russia are good. There are several factors that may contribute to this:

- ⇒ a huge Russian fleet of trucks, buses and light vehicles is aging fast;
- ⇒ the auto manufacturers are focused on producing new cars, and the supply of spare parts is limited.
- ⇒ low salaries and living standards ensure constant demand for cheaper low-end products;
- ⇒ sharp devaluation of the local currency against the dollar (following the August 1998 financial crisis) made imported goods prohibitively expensive. Comparatively cheaper remanufactured parts may therefore be more desirable;
- ⇒ high tariffs on imported new vehicles limit such vehicles as a significant source of auto parts in Russia.

Please direct any further questions to:

David Knuti, Commercial Officer ([dknuti@cs.doc.gov](mailto:dknuti@cs.doc.gov))  
or Mmichael Nikoulichev, Commercial Asst.  
([Mnikoulichev@cs.doc.gov](mailto:Mnikoulichev@cs.doc.gov)), fax: 011-7-095-737-5033.

## SAUDI ARABIA



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

Remanufactured/rebuilt parts are considered as used, and the Customs duty is 12 percent ad valorem.

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 \$10.9 billion and an additional \$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 ten 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.

On October 13-16, 1991, CS Riyadh organized and escorted a 25 member Saudi delegation representing 22 firms to the Automotive Parts Rebuilders Association show in Nashville, TN. . One of the Saudi participants was Saudi Automotive Services Company (SASCO) a joint stock company with an authorized capital of approximately \$150 million. SASCO offers comprehensive services to vehicles and their users, including major service complexes in the major cities, auto rescue, rest areas (fuel, repair, accommodation, and mini-markets) in strategic locations on the Kingdom's 100,000 km of major highways. SASCO operates full service vehicle repair workshops, providing all types of repairs for cars, heavy trucks and buses. During the show Mr. Abdullah M. Madani, an official of SASCO, met with the officials of Coleman Taylor. After the show, SASCO and Coleman Taylor established a joint venture to remanufacture automotive transmissions and alternators under the SASCO brand name, across the Kingdom and throughout the Gulf. The company also markets automotive spare parts, both imported and refurbished by SASCO in its plant facilities. The initial investment made by SASCO on this venture was \$12 million. A team of 10-12 engineers from Coleman Taylor visited and trained the SASCO technicians. Since then several purchases of parts and transmissions have been made between SASCO and Coleman Taylor.

## SINGAPORE

Remanufactured and used motor vehicle parts (other than chassis fitted with engines, and car bodies) are classified as parts and accessories of motor vehicles under the HS heading 87.08 of the Singapore Trade Classification and Customs Duties 1996. There are no restrictions or conditions placed on the importation of such goods.

These motor vehicle parts are non-dutiable goods and no payment of customs duty is required. However, the importation of motor vehicle parts are subject to 3%

goods and services tax (GST) of the c.i.f. (cost, insurance and freight) value of the goods.

GST is payable only if the goods are imported into Singapore for domestic consumption. Those destined for transshipment or re-export elsewhere in the region are not subject to GST. A GST payment permit must be declared through the Electronic Tradenet System (a form of electronic data interchange system for customs declaration) for the importation of the motor vehicle parts. U.S. exporters may appoint a local forwarding agent to declare the permit on their behalf. Otherwise, their agents/distributors or business associates in Singapore may undertake the declaration on behalf of the U.S. exporters.

Assessment of prospects for remanufactured automotive parts in Singapore:

Despite rising car sales last year, the car population in Singapore still fell for the first time since the 1985 recession. There were 370,804 passenger cars on the roads here as at the end of last year, down 2,541 cars or 0.7% from 373,345 in the previous year. Overall, Japanese cars dominate the Singapore market. The Japanese claimed the top four spots in car sales last year with Honda leading the pack, followed by Nissan, Toyota and Mitsubishi in that order. We believe, therefore, that U.S. auto parts suppliers will do well here if they can cater to the needs of these Japanese car owners at a competitive price.

U.S.-made automobiles are starting to make in-roads into the Singapore market. Ford, GM and Chrysler have begun introducing their right-hand-drive cars in Singapore. We believe this is an area where American auto parts suppliers will be in the best position to support the range of American automobiles here (among them are Ford Laser, Mondeo, and Taurus; Opel Tigra, Vectra and Omega; and Chrysler's Cherokee).

U.S. auto parts suppliers should also expect stiff competition from locally based automotive component manufacturers. Many automotive-related multinational corporations have integrated Singapore into their global strategies to help them gain and maintain their competitive edge. Their activities, range from product design and development, procurement, production and distribution, to regional technical support and the development of zone management. Among the corporations with one or more of such functions here include Delco, Rockwell, BMW, Volvo, Fiat, Robert Bosch, Honda, Toyota and Nippon Gasket Company. GM, Ford, Chrysler, and Mercedes also maintain regional headquarters in Singapore.

While prospects for U.S. auto parts suppliers do exist in Singapore, the main issue is the competitiveness of the American products vis-a-vis other foreign-made auto parts, particularly from Japan. Although the prospects for sales of auto parts in Singapore is limited because of its small market size, it should be noted that a substantial percentage of imports are re-exported to countries in the region. Singapore is very much a sophisticated regional distribution hub, extending as far as India, Australia, China, and other countries in Asia.



## **SLOVAKIA**

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 restrictions on importation of remanufactured, rebuilt, and/or used motor vehicle parts in Slovakia. Remanufactured parts are treated the same way as used parts. This applies to all motor vehicle parts.

Companies importing motor vehicle parts do not need an import licence. Only importation of motor oils or car, bus and truck tires - new, used or retreaded- requires a license from the Ministry of Economy.

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 Slovakia.

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 manufacturers logo.)

For more information, please contact:

Ministry of Economy of the Slovak Republic  
Mierova 19, 827 15 Bratislava  
tel: 421 7 4854 2160, fax: 421 7 4342 3919,  
Contact person: Mr. Dusan Novotny, Director of the Licensing  
Department.



## **SOUTH AFRICA**

Although in principle there are no restrictions regarding the importation of remanufactured, rebuilt and/or used motor vehicle parts, certain conditions apply.

The importation of remanufactured/rebuilt/used motor vehicle parts is limited to:

- ⇒ gasoline engines > 3,000 cc
- ⇒ diesel engines > 3,500 cc
- ⇒ transmissions for motor vehicles and micro-buses
- ⇒ any other motor vehicle part of which its original is not manufactured in South Africa.

All remanufactured/used motor vehicle parts are assessed on a case-by- case basis by the import/export control division of the Department of Trade and Industry (DTI).

Remanufactured/rebuilt motor vehicle parts are considered as used parts by DTI and therefore the same conditions apply.

According to NAACAM (National Association of Automotive Component and Allied Manufacturers) prospects for the U.S .- remanufactured parts equipment suppliers are marginal. There may, however, be a slight niche market for remanufactured rare motor vehicle parts, those of which its original is not available or manufactured in South Africa, like specialist collector cars, such as a 1956 Chevrolet.

The import/export division of DTI will only consider applications submitted directly by companies who are genuinely interested in exporting the above mentioned motor vehicle parts into South Africa, and who will submit the following information:

- ⇒ detailed description of the parts they wish to import
- ⇒ tariff code
- ⇒ value

Contact details for DTI:

The Director  
Import & Export Control  
Department of Trade and Industry  
Private Bag X192  
Pretoria 0001  
Republic of South Africa  
tel: (27)(12) 310-9908  
fax: (27)(12) 322-7408

Contact details for NAACAM:

Mr. Clive Williams  
Executive Director NAACAM  
(National Association of Automotive Component  
and Manufactures)  
P.O. Box 1398  
Bedfordview 2008  
Republic of South Africa  
tel: (27)(11) 454-0250  
fax: (27)(11) 454-0320  
e-mail: [clive@naacam.co.za](mailto:clive@naacam.co.za)



**SWEDEN**

There are no technical restrictions or regulations for the import of new or remanufactured motor vehicle parts to Sweden at the present time. Nor are there any import quotas or limitations for these kinds of articles from the U.S. to Sweden.

A customs duty and a value-added tax (vat) have to be paid to the Customs on every import occasion. The value-added tax is 25% of the sum of the export value, freight and insurance from the country of export to Sweden and the customs duty. The customs duty is a percentage of the sum of the export value, freight and insurance from the country of export into the European Community.

The different duty rates are listed in the Integrated Tariff of the European Community. For example, new and remanufactured automobile engines have a

rate of 4.2 percent. Parts for these engines have a rate of 2.7 percent. The rate depends on the classification according to the Harmonized System.

Regarding the market for remanufactured parts, we have been informed that the European market is not as developed as the one in the U.S.

In Sweden, there are only a few companies in this sector. The biggest one is UBD, Svedala which specializes in brake and hydraulic components (brake calipers, master cylinders, and clutch cylinders). They sell to the car manufacturers (for the aftermarket) as well as to the independent market. UBD employs about 100 people with a turnover of about \$ 10 million. It has factories in Sweden and in Poland and sales offices in Germany, England and France. Sweden accounts for 50% of the company's turnover.

The second largest firm is Ingemar Jacobsson Bjornlunda which remanufactures starters and alternators. It is about a quarter of the size of UBD. Otherwise there are only a few, small firms in this sector. For example, there is a small company in Gothenburg that remanufactures turbo- chargers. The vehicle manufacturers (Volvo, Saab and Scania) remanufacture larger components (engines and transmissions).

The type of remanufactured products that are mostly imported are clutches and driveshafts. As UBD has 85% of the market for remanufactured brake and hydraulic components, there may be little room for increased imports in this sector.



## **SWITZERLAND**

There are no import restrictions and/or import barriers in place in Switzerland that would exclude remanufactured or rebuilt automobile parts. Switzerland considers remanufactured or rebuilt parts to be motor vehicle parts which have been fully reconditioned to original factory specifications. Remanufactured or rebuilt auto parts are treated by Swiss Customs authorities as new auto parts and are hence subject to import/duty fees and value-added-tax payments. Used parts are viewed as having been removed from a vehicle and no additional value has been added, with the exception of cleaning and conducting a general overhaul.

All automobile parts, e.g. remanufactured or rebuilt, are permitted to be imported into Switzerland (they are treated as new automobile parts).

There are no quotas or limitations on remanufactured/rebuilt automobile parts.

Large automakers represented in the Swiss market can obtain used auto parts easily. On the other hand, automobile owners/dealers of high quality U.S. collectible/vintage cars appear to have difficulty purchasing used auto parts (the number of U.S. suppliers is limited). Given a fair amount of interest in used auto parts destined for collectible/antique/vintage cars, U.S. suppliers, who are considering tapping into the Swiss market, are encouraged to advertise in a magazine called *Classic and Sports Car* in order to enhance their visibility (there are no Swiss magazines that exclusively cater to dealers/end-users of antique cars). Swiss end-users/dealers are often subscribers to the magazine, published in the United Kingdom. The address, telephone/fax numbers are as follows:

Classic and Sports Car=  
Classic and Sports Car Advertising  
38-42 Hampton Road  
Tedington, Tw11 0ge  
United Kingdom  
Tel: (+44-181)943-5800  
Fax: (+44-181)943-5927

While imports from EU and EFTA countries are duty free, U.S. and non-EU shipments are assessed a minimal customs duty fee. To compute the duties owed, customs authorities utilize the Harmonized System (HS). The duty, on average, is approximately 50 cents to 65 cents per kilogram, and is levied in 100 kilogram-increments of the gross dutiable weight. The gross dutiable weight encompasses the actual weight of the commodities and their packing material, inclusive of any fixed material and supports placed on the goods.

In addition, the value-added-tax is imposed on auto parts, at a rate of 7.5 percent of the value of the imported goods. The base value for assessing the vat is computed as follows: duty plus invoice cost (as declared by the U.S. supplier) plus transportation cost.

Further information pertaining to import tariffs may be obtained from the Federal Customs Administration, headquartered in Bern, Switzerland.

Eidgenoessische Oberzoll Direction  
(Federal Customs Administration)  
Division Tarif- und Aussenhandelsstatistik  
Monbijoustrasse 40  
P.O box  
3003 Bern, Switzerland  
Tel: (+41-31)322-6511  
Fax: (+41-31)322-7872

Web site: <http://www.ezv.admin.ch>

If any additional information is needed, please contact:

Zurich America Center  
Mr. Sandor Galambos  
U.S. and Foreign Commercial Service  
Dufourstrasse 101  
8008 Zurich, Switzerland  
Tel: (+41-1)422-2372  
Fax: (+41-1)382-2655  
E-mail: [sandor.galambos@mail.doc.gov](mailto:sandor.galambos@mail.doc.gov)



## **THAILAND**

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 42% 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, demand 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. However, a gradual demand for U.S. remanufactured vehicle parts in Thailand is likely to develop over the next few years with the recent entry of Chrysler, Ford and GM.



## TUNISIA

According to the Tunisian Ministry of Commerce, there are no statutory prohibitions on the imports of used/refurbished equipment, including automobile parts. However, imports of used automobile equipment via regulated channels are virtually non-existent. The GOT discourages used equipment importation of any type, preferring new items backed by guarantees and after-sales service. For foreign trade purposes, remanufactured, rebuilt, and used parts are treated alike.

The information above applies to all types of motor vehicle parts.

There are no quotas or limitations now in effect.

Remanufactured and rebuilt parts are considered used. Imports of new parts are subject to technical control carried out by the National Standards Institute (Institute National de la Normalisation et de la Propriete Inoustrielle - INNORPI). New equipment is released from Customs when INNORPI approval has been granted. Used equipment is subject to control by the Ministry of Industry and is released when Ministry approval has been granted. For Customs purposes, duties are calculated on C.I.F. value and no distinction is made between new or used equipment. Automobile parts generally carry Customs duties of 38 - 43 percent and an 18 percent value-added tax.

There is a strong demand for all types of vehicle parts in Tunisia. Although there are an estimated 775,000 vehicles on the road (including 446,000 private automobiles), the average age is 10.3 years. Official imports of automobile parts (HS Chapter 8708) in 1997 were valued at approximately \$90 million. Because of the relatively high cost of spare parts imported through regulated channels, a flourishing parallel market has developed. The parallel market supplies new, remanufactured, and used parts from a variety of foreign sources. Unfortunately, some of these parts are counterfeit and this has caused some problems.

Given the difficulty of assessing the practical ease of entry via official channels and the general Tunisian preference for new items, the Tunisian market is not currently well suited for remanufactured/rebuilt/used automobile parts. Prospects for U.S. companies appear rather limited at the present time.



## **TURKEY**

According to the Under Secretariate 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.

## **UNITED ARAB EMIRATES**

Importation of reconditioned / used auto parts are not allowed for sale in the U.A.E. 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.

The original manufacturer is only allowed to recondition the auto part.

The embassy has been told remanufactured/rebuilt parts are considered used or semi-used and is 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 U.A.E. and also a number of used American cars are re-exported to other neighboring countries through the U.A.E. Rebuilding of parts in the U.A.E. is limited to auto mechanics offering their clients an extra service in their maintenance of cars.

Other useful information:

- ⇒ the 4% import duty for new parts does not differ for 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 building market

awareness of the quality of the product unless there is a big difference in the pricing.

⇒ if the volume and value of trading is low you could get away with selling reconditioned/used auto parts in this market. Local agents may object strongly when sale of such parts affects their business.



## UGANDA

The only outright restriction on importation is for used tires, which require special clearance from the Ministry of Tourism, Trade, and Industry to import. Taxes for new and used parts are the same. Both types of parts are assessed the following duties: 7 to 15 percent import duty, 17 percent VAT, 4 percent withholding tax, and 2 percent import commission. Some parts such as clutch disks and plates require an extra 10 percent excise duty.

There are no quotas or other limitations.

Remanufactured/rebuilt parts are considered to be used parts.

In Uganda, there is no established used parts industry.

Prospects are limited because there are very few American cars operating in Uganda (although Ford has recently opened a distributorship and GM has a distributorship for Isuzu). American parts are considered expensive and not applicable to the mostly Japanese cars on the market.



## UKRAINE

In 1998, Ukrainians owned an estimated 600,000 vehicles. Of the imported automobiles, it is estimated that 84 percent are used vehicles. The large percentage of used foreign cars in the Ukrainian automotive market can be attributed to the low income of Ukraine's population and the low quality and high cost of new cars produced locally. In April 1998, restrictions were introduced on the importation of used cars, that limit the age of the used cars to no more than five years old. The 1998 regulation also introduced a minimum customs value for used cars of \$5,000 per each imported vehicle.

The most common new and used automobiles imported into Ukraine are: Nissan, Peugeot, Suzuki, Fiat, Renault, Toyota, Volkswagen, Audi, Honda, Mercedes-Benz, Citroen, Ford, Mitsubishi, Volvo, BMW, Mazda, Hyundai, Chrysler, GM, Saab, Subaru, Isuzu, Kia, Skoda, and Opel. Most of these brands

have authorized dealers, which have their own repair and maintenance centers in the major cities of Ukraine. Used foreign cars are also imported from European countries, such as Germany, Holland, and the Baltic and Scandinavian countries. Imports from the U.S., and American cars in general, are rare. The most popular used brands are those of Russian, German, and Japanese manufacturers.

#### Service and maintenance:

Service of foreign cars is primarily done at service centers and shops in Ukraine. Ukrainian dealers of foreign cars are opening service centers throughout Ukraine to promote new brands and increase sales. Such centers are also primary suppliers of spare parts for various car models. Because many used imports are continuing to age, Ukrainian automotive businesses see the potential for growth of the automotive parts market in the next few years.

There are no pertinent restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor parts into the Ukraine. Ukrainian commercial regulation does not differ between rebuilt or new spare parts. The Harmonized Schedule has no item subdivisions for new, rebuilt, or remanufactured automobile parts.

However, some new parts are subject to certification. Such parts are:

- ⇒ spark-ignition internal combustion piston engines;
- ⇒ compression-ignition internal combustion engines (diesel or semi-diesel);
- ⇒ parts of engine cylinder, piston and gas-gearing engine mechanism;
- ⇒ fuel injection systems (including electronic) and their elements, which are used with spark-ignition internal combustion piston engines;
- ⇒ intake air filters for internal combustion engines;
- ⇒ lubricating oil or fuel filters for internal combustion engines;
- ⇒ fuel filters for diesel internal combustion engines;
- ⇒ carburetors;
- ⇒ high-pressure fuel pumps and injectors;
- ⇒ lubricating system pumps for internal combustion engines;
- ⇒ combustion gas filtering systems for spark-ignition internal combustion engines;
- ⇒ combustion gas filtering systems for compression-ignition (diesel) internal combustion engines;
- ⇒ mufflers and engine exhaust systems;
- ⇒ clutches, gears, and parts thereof;
- ⇒ gear drive shaft couplings (including universal joints) and parts thereof;
- ⇒ bumpers;
- ⇒ spring suspension (rigging);

- ⇒ shock absorbers (dampers);
- ⇒ ball-and-socket joints and rubber or metal hinges and joints;
- ⇒ suspension and steering gear parts;
- ⇒ wheels;
- ⇒ valves for wheels;
- ⇒ parts for wheel mounting and bolting, including plain and decorative axle caps;
- ⇒ electrical ignition or starting equipment of a kind used for spark-ignition internal combustion engines (Ignition distributors, spark plugs, ignition coils, transistor commutators, microprocessors, controllers);
- ⇒ generators (dynamamos) and rectifiers;
- ⇒ starters and starter relays;
- ⇒ electrical system equipment for outside lightning, visual and audio signaling, power and fuel feeding;
- ⇒ sound signaling equipment;
- ⇒ outside visual signaling and lighting equipment;
- ⇒ door and trunk handles and knobs, parts and accessories of the car's outer body, door hinges;
- ⇒ safety glass, consisting of toughened (tempered) or laminated glass of size and shape suitable for automobiles;
- ⇒ single-stage compression equipment.

There are no quotas or limitations imposed on either new or used automotive parts. The customs duty, depending on the type of part, ranges from zero to 10 percent. In addition to any customs duty, an importer of automotive parts will incur the following expenses:

- ⇒ 20 percent vat and 0.2 percent customs fee (from the announced customs value);
- ⇒ \$20.00 for the declaration form;
- ⇒ \$15.00 for each supplement declaration form (Optional, in case there are more than three types of parts being imported);
- ⇒ \$20.00 per hour for the customs officer to inspect the commodity, if it is not at the customs check-point.

Importers of automotive parts should process a customs declaration and pay all customs duties and fees in advance, or before the commodity enters the customs check-point at the Ukrainian border. The importer of the automotive parts should also present the following items to customs: (1) a contract with the Ukrainian customer; (2) an invoice for the imported commodity; (3) a transport bill of landing; and (4) a certificate of commodity's origin. However, the best way to bypass customs procedures is to utilize the services of a Ukrainian customs broker.

Remanufactured/rebuilt parts are considered used parts. Although, according to the commercial legislation, used motor parts do not require certification, customs may ask for some certificate from a Ukrainian certifying body verifying that the used or remanufactured parts are in a condition fit for use in vehicle repair. American firms are recommended to contact the certification agencies listed in the contact information chapter below to get all necessary paperwork prior to shipping to Ukraine.

Remanufacturing of motor parts in Ukraine is not well-developed and is limited to small repair, car service and maintenance centers. Large car/truck fleets usually perform such services themselves, thus disposing of the vehicles no longer able to be repaired and maintaining their aging automotive fleet. Automotive shops and car maintenance centers buy parts directly from individuals or private owners of obsolete or disposed cars, or at automotive flea-markets in major Ukrainian cities. It is hard for owners of foreign cars to find individual parts in small Ukrainian cities or towns, because spare parts traders usually trade in components rather than particular parts. The market for automotive parts is currently in flux, as many gas stations are trying to open full-service and maintenance centers.

Both remanufactured parts and remanufactured equipment would sell in Ukraine. Potential customers for parts could be automotive shops, repair centers, gas stations, and trading companies. The best method for entering the Ukrainian market is to contract with a local wholesaler to supply large quantities, because freight costs can reduce the venture's commercial viability. Equipment for remanufacturing parts could also be sold to car service centers and small repair shops. Through various U.S. Department of Commerce programs and export promotion services, post would be pleased to help U.S. firms wishing to enter the Ukrainian market.

Contact information:

Agency for the Certification of Automotive Vehicles,  
Derzhavtotrans Ndi Proekt  
Anatoliy Mykhaylovych Redzyuk, Chairman  
57, Prospekt Pobedy  
Kyiv 252113, Ukraine  
Tel: (380-44) 458-4743, 458-4742  
Fax: (380-44) 456-0111, 458-4744

Agency for the Certification of Metal, Woodworks, and Products  
of Machine Building  
Mykola Ivanovych Bobyr, Chairman

37, Prospekt Pobedy  
Kyiv 252056, Ukraine  
Tel/fax: (380-44) 241-7656

Andrew Bihun, Senior Commercial Officer  
Bela Babus, Commercial Officer  
Commercial Service  
U.S. Embassy - Kiev  
7, Kudriavsky Uzviz  
Kyiv 254053, Ukraine  
Tel: (380-44) 417-1413, 417-2669  
Fax: (380-44) 417-1419



## **UNITED KINGDOM**

There are no restrictions placed on the importation of remanufactured, rebuilt and/or used motor vehicle parts into the U.K. The European Union recently backed away from plans to allow vehicle manufacturers to copyright industrial designs for their component parts across the EU. It was decided that such legislation would curb competition and consumer choice. In the U.K. the remanufacturing industry is well developed. 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, rebuilt and/or used motor vehicle parts of any kind.

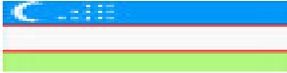
There are no quotas or limitations, special treatment or conditions applicable to the importation of remanufactured, rebuilt and/or used motor vehicle parts.

Remanufactured/rebuilt parts are considered by H.M. Customs and Excise to be new parts and rates of duty are determined as such.



## URUGUAY

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.



## UZBEKISTAN

There are no restrictions or conditions placed on the importation of remanufactured, rebuilt and/or used motor vehicles in Uzbekistan. No distinction is made in Uzbekistan between remanufactured and used motor vehicle parts.

The latter applies to all motor vehicle parts.

There are not any quotas or limitations on these parts and no special treatment or conditions are observed.

Remanufactured/rebuilt parts are considered used. Although there are no serious restrictions on importing remanufactured rebuilt and used parts equipment supplies into Uzbekistan, the market prospects for U.S. remanufactured parts is not particularly promising at least for the next few years. One of the main barriers is the currency convertibility problem, which makes importing goods cumbersome in general. At present, the only American brand represented in Uzbekistan in the automotive sector is an authorized General Motors distributor. The GM distributor has a dealership located in the central part of Tashkent. In 1996, its hard currency license was revoked and the company has had to wind down its operations. Currently, most American-made vehicles in Uzbekistan are imported from Kazakstan, along with parts and supplies. We believe that the relatively high price of American cars and parts, compared to locally made Daewoo products, severely limit the potential for American exports in this sector.

Contact information for Uzdaewoauto and Uzautoprom:

Mr. Jakhongir Mavlany - Director of Sales and Planning  
Department of Uzdaewoauto  
Tel: [998](712)67-70-44, [998](71)185-30-04  
Fax: [998](712)67-70-60, 67-70-49

Contact information for the Commercial Service:

U.S. companies interested in obtaining more information about the automotive market in Uzbekistan are encouraged to contact the Commercial Service of the U.S. Embassy. For those U.S. companies interested in additional information about how the Commercial Service can assist your business or answer specific questions about the auto market, direct your inquiries to:

Mr. Jack Tucker - Senior Commercial Officer  
Ms. Umida Khaknazar - Bisnis Representative  
Tel: [998](71)120-67-05, 120-67-06  
Fax: [998](71)120-66-92  
E-mail: [umida@abc.freenet.uz](mailto:umida@abc.freenet.uz)



## **VENEZUELA**

Venezuela has no restrictions against the import of used or rebuilt automotive parts or components. The imports of complete used automobiles, trucks and buses are prohibited, however. There are no import duty advantages for parts and used or rebuilt parts pay the full duty rate. There are no special licenses or permits but rebuilt parts must adhere, like new ones, to quality standards imposed on some items by the Venezuelan Standards Institute, Covenin. In all cases it is advisable that exporters, through their contacts in Venezuela, inquire with Covenin whether such standards of obligatory compliance exist for any particular product since new standards could have been imposed or existing ones eliminated or modified.

Neither the trade nor the end-user will consider a rebuilt component or part as new and, in fact, most end users will refuse to have a rebuilt part installed in a vehicle unless a new part is unavailable. The situation is somewhat different among taxi or truck owners, but even these will prefer a locally rebuilt part or component over an imported one, usually turning in their faulty part to have it rebuilt.

Imports of used, rebuilt or remanufactured components are small and consist mainly of heavy engine blocks and transmissions, both automatic and manual. There are some imports of components for very old vehicles. Most imports are made through salvage yards and are based on specific orders from customers which are unable to locate a part in scrapped vehicles.

The rebuilding of components is done by numerous companies in Venezuela, and their work is generally deemed of good quality. Such companies overhaul engines, transmissions, carburetors, alternators and starter motors, pumps, brake drums and disks. In many cases, the overhaul of a component is done at a repair shop which

only sends the component to an overhaul plant for the machining (grinding, honing, planing, etc.) but does the dismantling and re-assembly in house.

All overhaul plants are basically job-shops and there is no mass production of overhauled components. In general, it can safely be said that end users feel they take a risk when they install an overhauled part, especially an imported one. Claims of warranty are generally considered non-enforceable and mainly an advertising argument. Repair shops warn customers against buying an imported remanufactured component and usually offer to find a used part and have it rebuilt by them or by an outside rebuilder.

Local rebuilders are generally small and employ fewer than 20 employees. Their machinery is mainly of U.S. or Italian origin and many of such enterprises are owned or are managed by Italian immigrants. In view of the relatively small total vehicle population of the country, about 2.5 million, with relatively small numbers for each model, brand or model year, series production of remanufactured components is not deemed economically feasible, even if the resistance by end users could be overcome.

The machine shops purchase their equipment through the dealers of such products and manufacturers of equipment used for the overhaul of automotive components should attempt to locate a distributor and not approach the end users because these require locally supported warranty and service.

We are told that there is no demand for reconditioned spare parts, such as those for front ends, suspensions, CVJ-s, universal joints, bearings and similar. Salvage yards report some business for such used parts in good condition from customers unable to locate such a part for old vehicles but also emphasize that customers will not accept an imported reconditioned part and prefer to wait until they or someone locates a new original part. There are people who make a business traveling to the U.S. for the sole purpose of locating parts for old vehicles for their customers.

There appears to be a steady market for kits and components used in rebuilding parts, such as carburetor kits, brake cylinder kits and similar which are mostly bought by the garages. Engine rebuilding parts such as valves, valve springs, gaskets, bearings, pistons and piston rings, etc. are available from parts houses and from local manufacturers. Brand name products are much preferred. Many such imports recently come from Brazil but there appears to be a preference among customers to install so-called original parts, namely those made by the automobile manufacturer or bought by it for the vehicles this manufacturer produces.



## YEMEN

There are no restrictions on the importation of remanufactured, rebuilt, and/or used motor vehicle parts to Yemen, other than that they be in "good condition." The customs tariff on these parts is valued equally with new imported spare parts.

This applies to all motor vehicle parts.

There are no quotas.

Remanufactured/rebuilt parts are considered used parts and are treated differently in terms of selling value and quality by the importers and customers

The prospect for U.S. remanufactured parts is still minimal given the current paucity of US-manufactured vehicles in Yemen. However, prospects may brighten over the next several years as the newly established local General Motors, Ford and Chrysler/Jeep dealerships increase sales. Some SANAA auto-parts importers expressed interest in selling US-origin used spare parts.

Japan has eighty percent of the Yemeni auto-parts market and used parts are also imported from Japan for motor vehicles manufactured to Middle East specifications and standards.



## ZIMBABWE

There are no restrictions or conditions on the importation of remanufactured, rebuilt or used motor vehicle parts in Zimbabwe.

Remanufactured parts are not treated differently from new ones. The customs duty is between 90-100 percent, depending on the engine size, 25 percent import tax and 15 percent surtax if they are small vehicles and 25 percent customs duty and 15 percent surtax if they are heavy-duty trucks.

This applies to all motor vehicle parts, though only 15 percent customs duty and 15 percent surtax if they are completely built engines. Other parts are assessed different levels of duty depending on their description; the duty may be as little as 5 percent for some parts.

There are no quotas or limitations on these parts and there are no conditions or special treatment for such parts.

Rebuilt/remanufactured parts are considered new and are not treated differently. They are also charged the same rate of duty as new parts.

Rebuilding/remanufacturing is underdeveloped in Zimbabwe.

Prospects for remanufactured parts, especially for trucks, are good.

A large number of used international trucks and parts are currently being imported into Zimbabwe, primarily from Japan but also from the U.S. Zimbabwe employs the British, right-hand drive system and in the past few years they have come to constitute 30-40 percent of the country's truck fleet.

## **APPENDIX A: Parts Export Data**

(May also be found on Office of Automotive Affairs Homepage:  
[www: ITA.DOC.GOV/AUTO](http://www.ITA.DOC.GOV/AUTO))

**blank**

**blank**



## **APPENDIX B:**

### **Cable Requesting Information from U.S. Embassies**

Subject: Regulations for importation of remanufactured, rebuilt, and/or used motor vehicle parts and the market prospects for such products.

1. This is an action cable and has been cleared by both Commerce and State.
2. Background: the U.S. automotive parts remanufacturing industry was estimated to account for about \$30-35 billion in sales in 1998. The world market is estimated to be over \$65 billion. Recently the president of the U.S. Automotive Parts Rebuilders Association (APRA), Mr. William Gager, asked the Office of Automotive Affairs if it had any information regarding which countries prohibit and/or otherwise restrict imports of remanufactured motor vehicle parts. Specifically, he stated his members are unable to export their products to Brazil, Argentina, and Colombia. Mr. Gager wanted to know which other countries did not allow remanufactured parts into their markets, and also which countries might be the best prospects for his members= products.
3. For the purposes of this request, we consider remanufactured or rebuilt parts to be motor vehicle parts which have been fully reconditioned to original factory specifications. Used parts would be parts which have been removed from a vehicle and no additional value added has been performed with the exception of cleaning. However, we assume all countries treat remanufactured or rebuilt parts as used. If this is not correct for any particular country, please state how used and remanufactured parts are treated differently (rate of duty, importation allowed/not allowed, etc.)
4. This request is somewhat similar to the action cable sent to all posts ( r 301606z apr 98) by Mr. John Bodson. However, that request is related to used equipment and not auto parts. We are aware that in many countries, a used product, such as a vehicle, may be treated differently from a used part for a vehicle, such as an engine or water pump. Wherever possible, we have used the information each post provided to Mr. Bodson, but little data/information were found specifically for used motor vehicle parts.
5. In addition to information concerning outright bans, differing rates of duty, or other conditions on the importation of remanufactured auto parts, the U.S. parts remanufacturing industry is seeking information concerning the structure and status of each country=s parts remanufacturing industry. For example, if the remanufacturing industry is well developed, its emphasis would be on selling equipment, supplies, and possibly components for remanufacturing replacement parts. However, if very little rebuilding is occurring in a particular country, remanufactured parts exported from the U.S. would be a more lucrative area.
6. Please respond to the questions (and any additional information/data you might provide) as follows:

- A. Are there any restrictions or conditions placed on the importation of remanufactured, rebuilt, and/or used motor vehicle parts in your country? Are remanufactured parts treated differently from used parts? Does this apply to all motor vehicle parts, or just certain parts? Which ones?
- B. Are there any quotas or limitations on these parts? Any special treatment or conditions?
- C. Are remanufactured/rebuilt parts considered used or new parts, or are they treated any differently from either?
- D. Is the remanufactured parts market fully, partially, or underdeveloped in your country?
- E. What are the prospects for U.S. remanufactured parts or for remanufactured parts equipment suppliers in your country?

7. OAA has conducted extensive research in the above areas and has determined this information is not available through any published sources. Unless we can gather the data/information through each individual post, we will not be able to help our remanufacturing industry. Your assistance is extremely important in order for us to aid the U.S. automotive parts remanufacturers in their efforts to increase their market opportunities outside North America. (APRA members produce remanufactured parts, components for remanufactured vehicle parts, and machinery and supplies used in the remanufacturing process.)

8. Please respond to: James R. McElroy, at USDOC, cable code 6120/ITA/TD/BI/OAA. If possible, please provide an initial response by February 26, 1999.

9. This cable cleared by USFCS/OIO

10. Minimize considered.

(Origin: 6120/ita/td/oaajmcelroy)

## APPENDIX C: Listing of Countries by Region of the World

<u>Africa</u>	<u>Near and Middle East</u>	<u>Europe</u>	<u>South America</u>
Algeria		Austria	Argentina
Botswana	Bahrain	Belgium	Brazil
Burkina Faso	Israel	Czech Republic	Chile
Cameroon	Jordan	Denmark	Columbia
Egypt	Kazakhstan	Finland	Ecuador
Ethiopia	Kuwait	France	Uruguay
Ghana	Kyrgyzstan	Germany	Venezuela
Guinea	Nepal	Hungary	
Madagascar	Oman	Italy	<u>North/Central America</u>
Mali	Pakistan	Moldova	Belize
Mozambique	Saudi Arabia	Netherlands	Canada
Niger	United Arab Emirates	Norway	Costa Rica
South Africa		Poland	El Salvador
Tunisia	Uzbekistan	Russia	Honduras
Uganda	Yemen	Slovakia	Mexico
Zimbabwe		Spain	Panama
	<u>Caribbean</u>	Sweden	
<u>Asia and Australasia</u>	Bahamas	Switzerland	
Australia	Barbados	Turkey	
Cambodia	Dominican Republic	Ukraine	
China	Haiti	United Kingdom	
Hong Kong	Jamaica		
Indonesia			
Japan			
Malaysia			
New Zealand			
Philippines			
Singapore			
South Korea			
Thailand			

## APPENDIX D

### Addresses of U.S. Export Assistance Centers

(May also be found at: [WWW:ITA.DOC.GOV/USC/DOMFLD.HTML](http://WWW:ITA.DOC.GOV/USC/DOMFLD.HTML))