

Compilation of Foreign Motor Vehicle Import
Requirements

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Office of Transportation and Machinery

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Introduction

The Compilation of World Motor Vehicle Import Requirements is designed to provide motor vehicle exporters with market data and worldwide automotive import restrictions for the major automotive markets around the world.

The U.S. Department of Commerce, Office of Transportation and Machinery, Automotive Industries Team, collects, compiles, and disseminates the information available in this document. However, it should be noted that the assistance of Commerce's country specialists (MAC) and overseas representatives (USFCS) played an important role in making this document possible.

This document is updated periodically and every attempt is made to ensure its accuracy. Due to the numerous amounts of information sources and changes in countries' import requirements, the Office of Transportation and Machinery cannot guarantee the accuracy of all the material contained in this document.

The global automotive qualitative data is graciously supplied courtesy of Auto Strategies International Inc. Phone: 216.581.6323; Fax: 216.581.8551; email: [*gene@autostrat.com*](mailto:gene@autostrat.com)

This document is also available on the Office of Transportation and Machinery's homepage: <http://www.ita.doc.gov/auto>.

LEFT-HAND DRIVE MARKETS

Anguilla	Mauritius
Antigua	Montserrat
Australia	Mozambique
Bahamas	Namibia
Bangladesh	Naunu
Barbados	Nepal
Bhutan	New Zealand
Botswana	Norfolk Islands
British Virgin Islands	Pakistan
Brunei	Papua New Guinea
Cayman Islands	Pitcairn Island
Channel Islands	St. Helena
Christmas Island	St. Kitts and Nevis
Cooke Islands	St. Lucia
Cocos Island	St. Vincent
Cyprus	Seychelles
Dominica	Singapore
Falkland Islands	Solomon Islands
Fiji	Somalia
Grenada	South Africa
Guyana	Sri Lanka
Hong Kong	Surinam
India	Swaziland
Indonesia	Tanzania
Ireland	Thailand
Isle of Man	Tonga
Jamaica	Trinidad and Tobago
Japan	Turks and Caicos Islands
Kenya	Uganda
Kiribati	United Kingdom
Lesotho	Virgin Islands (U.S.)
Macao	Zambia
Malawi	Zimbabwe
Malaysia	
Malta	

Top Markets for U.S. New Car and Light Truck Exports

	2008	2009	2010
Canada	775,514	579,759	718,983
Mexico	213,321	112,078	140,420
Saudi Arabia	102,520	55,262	115,070
China	26,263	28,757	99,694
Germany	189,002	113,713	99,416
United Arab Emirates	65,841	21,365	39,603
Kuwait	32,015	17,757	30,603
United Kingdom	23,268	13,053	22,019
Chile	13,950	7,276	16,859
Australia	17,584	9,334	16,735

Top Markets for U.S. Used Car Exports

	2008	2009	2010
United Arab Emirates	58,997	54,457	68,557
Nigeria	53,202	47,164	59,708
Benin	55,442	32,068	57,066
Mexico	78,489	51,462	55,172
Canada	86,507	41,392	47,510
Lebanon	40,466	52,056	42,097
Saudi Arabia	73,591	51,055	35,719
Lithuania	47,943	21,999	31,661
Jordan	14,278	28,440	30,304
Dominican Republic	26,129	25,264	29,085

NORTH AMERICAN COUNTRIES SURVEYED:

NAFTA

Motor vehicle trade between the United States, Canada, and Mexico is bound by the terms of the 1994 North American Free Trade Agreement (NAFTA): <http://www.mac.doc.gov/nafta/naftatext.html>. Specific coverage of the automotive sector is contained in Annex 300A of Chapter 3: <http://www.sice.oas.org/trade/nafta/anx300a1.asp>. In addition, an exporter's guide may be accessed by clicking on the "NAFTA" tab of the U.S. Commerce Department's Trade Information Center website at: <http://www.trade.gov/td/tic/>.

CANADA: -- New Motor Vehicle Registrations (in units)

	2006	2007	2008
Personal Use Vehicles	863,161	859,003	894,506
Commercial Use Vehicles	803,166	831,535	779,639
Total Motor Vehicles	1,666,327	1,690,538	1,674,145

Source: Auto Strategies International Inc.

The Canadian government maintains a website for importers of motor vehicles at: <http://www.tc.gc.ca/eng/roadsafety/safevehicles-importation-index-443.htm>

The Canadian Border Services Agency also maintains a webpage with pertinent information for motor vehicle importers: <http://www.cbsa-asfc.gc.ca/publications/pub/bsf5048-eng.html> Many of the details from this webpage are found below.

Regulations governing automotive trade between the United States and Canada were first liberalized by the Canada-U.S. Automotive Trade Products Act of 1965, and further relaxed by the Canada-U.S. Free Trade Agreement of 1989, before being subsumed into the NAFTA in 1994.

Duties:

There are no customs duties on Canadian imports from the United States of motor vehicles or of automotive parts that meet the NAFTA rule of origin (in essence, 62.5 percent of the value of the vehicle must originate within NAFTA). Vehicles and components that do not comply with the rule of origin are subject to a 6.1 percent duty.

Taxes:

All Canadian imports are also subject to sales taxes applicable at the moment of clearing customs, "goods and services tax" (GST) or "harmonized sales tax" (HST) depending by province. They are calculated on the sum of the customs-valued import and applicable duty.

The current applicable taxes are:

Province	NL	NS	PE	NB	QC	ON	MB	SK	AB	BC
GST rate	n/a	n/a	5%	n/a	5%	n/a	5%	5%	5%	n/a
HST rate	13%	15%	n/a	13%	n/a	13%	n/a	n/a	n/a	12%

Source: Registrar of Imported Vehicles (RIV)

Air conditioners designed for use in vehicles are subject to an excise tax of CD \$100. The excise tax on fuel-inefficient vehicles ranges from CD \$1,000 to CD \$4,000, which applies to passenger vehicles calculated based on the weighted average of fuel consumption rating. The heavy vehicle weight tax was repealed as of March 20, 2007. Further information on excise taxes on automobiles can be found at <http://www.cra-arc.gc.ca/E/pub/et/etsl64/etsl64-e.html>

Safety and Emissions Compliance:

Vehicles 15 years old or more based on the date of manufacture, or buses manufactured before January 1, 1971, are no longer regulated under Canada Motor Vehicle Safety Standards (CMVSS) by virtue of their age and exempt from the Registrar of Imported Vehicles (RIV) registration. While Transport Canada does not regulate the importation of such vehicles, they must still meet provincial/territorial safety and licensing requirements.

Vehicles less than 15 years old, or buses manufactured on or after January 1, 1971 may be imported provided that they are modified to comply with CMVSS (<http://www.tc.gc.ca/eng/acts-regulations/regulations-crc-c1038.htm>) and must be entered into RIV program upon crossing the border. These vehicles must also comply with the provincial/territorial safety and licensing requirements.

A list of admissible vehicles can be found at:

<http://www.tc.gc.ca/eng/roadsafety/safevehicles-importation-usa-index-445.htm>.

Admissible vehicles (excluding competition vehicles, snowmobile cutters, and all terrain vehicles) must be certified by original equipment manufacturers (OEMs) to all applicable U.S. Federal Motor Vehicle Safety Standards (FMVSSs). Vehicles modified from their original state other than regular maintenance may not be imported. Also, confirmation of no outstanding recalls on vehicles is required before the inspection form can be released by the RIV.

The RIV Program assures that qualifying vehicles are modified, inspected, and certified to meet Canadian safety standards. The RIV Program registration fee is \$195 Canadian in all provinces. In Quebec there is an additional Quebec Sales Tax (QST) charged (8.5 percent of the value including the GST).

For further information on the RIV program see website at:

www.riv.ca/english/html/about_riv.html. Livingston International administers the RIV program on behalf of Transport Canada and can be reached at 1-888-848-8240, Fax: (416)-626-0366.

MEXICO: New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	684,347	653,637	579,065
Commercial Use Vehicles	585,783	570,457	552,795
Total Motor Vehicles	1,270,130	1,224,094	1,131,860

Source: Auto Strategies International Inc.

The NAFTA supplanted Mexico's Automotive Decrees on light and heavy vehicles, providing for the staged elimination of Mexican tariffs, local content requirements, market access restrictions, import trade balancing requirements, and market share restrictions. With only the two exceptions noted below, all barriers have been eliminated on imports from the U.S. that meet the NAFTA rule of origin.

Tariffs:

- Mexican import duties on cars and trucks produced in the United States or Canada that meet the NAFTA rule of origin were reduced to zero on January 1, 2003, one year ahead of schedule.
- Mexico maintains a 30 percent tariff for new vehicles, and 50 percent tariff for used vehicles on U.S. and Canadian vehicles not meeting the NAFTA rule of origin and on vehicles from all other countries that do not have an FTA with Mexico. Mexico has also signed 12 FTAs with 44 countries, including such major markets as Japan and the EU member states. See a complete list of Mexico's free trade partners at: http://www.economia.gob.mx/swb/en/economia/p_Tratados_Acuerdos

Taxes:

- The Mexican Value Added Tax (VAT) is 11 percent for vehicles that are registered in the Northern border region (within 60 miles of the border). The VAT for the remainder of the country is 16 percent. The VAT is assessed on the sum of the customs value of the vehicle, plus import duty and the customs processing fee of 0.8 percent of the customs value.

Rule of Origin:

- The NAFTA rule of origin is a regional content measurement that establishes the minimum criteria that products must meet in order to qualify for preferential tariff treatment between the U.S., Canada, and Mexico.
- As of January 1, 2002, at least 62.5 percent of a passenger car or light truck's net cost must be of value originating in North America. All other vehicles must reach 60 percent North American content to qualify for zero duty rates.
- There is an additional, special category for vehicle manufacturers setting up a new plant, or significantly retooling an existing plant, to produce a class or size of vehicle not previously produced at that plant. This provision allows for 50 percent regional content to meet rule of origin requirements, for a period of either two or five years (two years for production of a new type of vehicle at an existing plant, five years for a new type of vehicle in a new plant), beginning on the date the first prototype vehicle is produced in the (qualifying) plant.

Used Vehicles:

- As originally negotiated, NAFTA allowed Mexico to continue to restrict imports of used vehicles until January 1, 2009, when a 10-year phase out based on vehicle age would commence, subject to new requirements.
- To qualify, an imported used vehicle must be between five and ten years old (changed in 2009 – the NAFTA phase out schedule of the ban will begin in 2009), and manufactured in the NAFTA region (the U.S., Canada or Mexico). The vehicle can be for use by the importer for up to twelve months without the requirement of an import license.
- A new modification includes that the resale in Mexico of imported used cars is permitted. Therefore, companies or proprietors can now import an unlimited number of used vehicles as long as they are registered at the Padron de Importadores, which is Mexico's official importers registry and have an RFC (Federal Taxpayer's Registration). In addition, they are mandated to provide import records on a monthly basis to the Mexico Government Entity of Taxation (SAT).
- The process for the registration and importation of an imported used vehicle into Mexico is as follows:
 1. Confirm that the vehicle meets the requirements stated in the NAFTA agreement:
 - a. The vehicle must not be older than 10 years. It is estimated that vehicle age will be reduced from 10 to 6 years old by 2013.
 - b. The vehicle must have been manufactured within the NAFTA region (the U.S., Canada or Mexico).
 2. Assemble the following documents:
 - a. Title
 - b. Document stating value of the vehicle
 - c. Name of the person legalizing the vehicle
 - d. Copy of the customs official's identification
 - e. Copy of the purchase receipt
 - f. Vehicle Identification Number of a NAFTA country
 - g. 10% base tariff, plus 3% in border zone
 - h. ISAN tax
 - i. Tenencia tax (Vehicle Usage Annual Tax) will be removed in 2012
 - j. DTA payment (Custom's Paperwork Fee)
 - k. Reference price: If the reference price is higher than the price listed on the shipping invoice, the seller will be required to pay a deposit for the difference. If the seller can justify that the vehicle is properly valued on the shipping document price within three months; the deposit will be returned.
 1. 16% IVA (Value Added Tax) in the interior of Mexico, or 11% in the border zone
 3. Retain the services of an authorized Mexican customs broker in the customs area where the importation procedure is to be performed. The customs broker will work with a Mexican customs agent to complete the transaction.

4. If the Mexican customs agent determines that the vehicle does not meet the criteria, the registration process will be terminated.
5. If the Mexican customs agent determines that the vehicle meets the criteria, the following taxes and fees must be paid to Mexican customs.
 - a. General Importation Tax – 10 percent of the value of the vehicle
 - b. Customs Handling Duties – 0.8 percent of the value of the vehicle
 - c. *ISAN – New Vehicle Tax – 50-100 percent of the value of the vehicle
 - d. Value Added Tax (IVA)
 - i. 11 percent of 30 percent of the value of the vehicle if the importer lives within 25 miles of the U.S.-Mexico border
 - ii. 16 percent of 30 percent of the value of the vehicle if the importer lives beyond 25 miles of the U.S.-Mexico border
6. Pay all taxes and fees at a designated bank and obtain the receipt necessary to continue the customs procedure.
7. Present the customs broker with payment receipt. The customs broker will work with the Mexican customs agent to receive all documents necessary to complete the process, and to receive the hologram registration sticker.
8. Pay the customs broker. Fees vary broker to broker on a competitive basis.

Other restrictions:

- Used vehicles of a condition which are restricted or prohibited from circulating in their own country of origin, will be prohibited from importation into Mexico.

More details found at:

http://www.aduanas.gob.mx/aduana_mexico/2008/vehiculos/141_15074.html

SOUTH/CENTRAL AMERICAN AND CARIBBEAN COUNTRIES SURVEYED:

ARGENTINA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	327,632	414,410	441,032
Commercial Use Vehicles	142,602	170,013	182,082
Total Motor Vehicles	470,234	584,423	623,114

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 21.5 percent.
- The tariff applied to trucks ranges from 15.5-21.5 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from 1.5-19.5 percent (most in the 15.5-19.5 percent range).

Taxes:

- Value Added Tax (VAT): cars (21 percent); trucks (10.5 percent)
- An additional "advanced" VAT of 6-8 percent (based on CIF value plus the duty and the import statistics fee of 10 percent)
- Various provincial sales taxes
- Duty Surcharge (0.5 percent)
- Statistical tax (3 percent)
- A 3 percent advanced profit tax, charged on the custom value of goods

Other Measures:

- Not Applicable

Local Content/Regional Content Requirements:

The Governments of Argentina and Brazil allow local automakers to import a certain number of cars and trucks from each other duty-free. This quota is adjusted each year by the respective Governments. As of January 1, 2008, this "flex-program" is based on a ratio of Brazil (1.00) to Argentina (1.95).

Import Restrictions:

- Import ban on used vehicles
- Import license required
- Foreign vehicles which do not have a domestic equivalent are subject to import quotas. This quota system limits imports to a percentage of total domestic production (for example, in 1994 this quota was 10 percent). The rights of the quotas are auctioned off, and the bidder willing to pay the most amount above the average duty wins the quota. However, dealers can bid on a portion of the quota allotment by offering to pay an additional import duty over the regular 20 percent. Individuals may also participate, along with dealers, in special periodic quota allotments, under

the same bidding system. Both individuals and dealers are limited to two imported vehicles per year. Assemblers who also import vehicles are also committed to maintain a higher level of exports than imports.

- Products including automotive parts – appears to be those classified under the two digit HS codes 82 and 83 - have limited ports of entry according to the 2010 NTE which points to this regulation:
<http://www.infoleg.gov.ar/infolegInternet/anexos/130000-134999/131847/norma.htm>
- Beginning in late 2010, Argentina began requiring luxury automobile importers to meet a one-for-one trade balancing requirement where imports of the vehicles must be offset with equivalent value exports from Argentina.
- In February 2011, the country started requiring a significant list of automotive parts apply for import licensing requirements. The licenses are not automatically granted. Even if granted the licenses can take significant time to process:
http://www.buyusainfo.net/docs/x_5274375.pdf
- The import of used, rebuilt or remanufactured automotive parts is banned with the exception that Original Equipment Manufacturers (vehicle assemblers) can import and market remanufactured parts to service their own products.

Membership in Trade & Economic Agreements:

- MERCOSUR member
- ALADI
- Andean Community
- Chile (auto only)
- Bolivia
- Ecuador
- Mexico (auto with quota)
- European Community
- India
- Egypt
- WTO (no CKD bindings)

BOLIVIA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	430	271	402
Commercial Use Vehicles	2,006	2,998	4,677
Total Motor Vehicles	2,436	3,269	5,079

Source: Auto Strategies International Inc.

Tariffs:

- Bolivia has a three-tier tariff structure. Capital goods designated for industrial development may enter duty-free; non-essential capital goods are subject to five percent tariffs; and most other goods are subject to 10 percent tariffs. Heavy trucks greater than or equal to six tons are considered capital goods and are subject to five percent tariffs. All other automotive goods are subject to 10 percent tariffs.

Taxes:

- Bolivia levies a 14.94 percent effective value-added tax and a 10 percent specific consumption tax on car sales.
- Imported goods are also subject to customs warehouse fees (which vary with volume) and customs brokers' fees of up to two percent of the CIF price.

Other Measures:

- Bolivia requires pre-shipment valuation inspections.

Regional/Local Content:

- There are no regional or local content regulations or restrictions.

Import Restrictions:

- Bolivia prohibits the importation of cars over five years old, diesel vehicles with engines smaller than 4,000 cubic centimeters, and all vehicles that use liquefied petroleum gas.

Membership in Trade and Economic Agreements:

Andean Community
 MERCOSUR associate member
 Chile
 Mexico
 European Community
 WTO

BRAZIL - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	1,457,338	1,897,872	2,111,902
Commercial Use Vehicles	587,027	748,383	896,922
Total Motor Vehicles	2,044,365	2,646,255	3,008,824

Source: Auto Strategies International Inc.

Tariffs:

- The import tariff applied to cars and trucks is 35% percent.
- The import tariff for auto parts (HTS 8407-08 and 8708) ranges from 14 to 20%.

Camex Resolution 71 of September 14, 2010, reduced the import tariffs on 116 automotive parts that are not produced in Brazil to two percent. The list of products was

compiled by the National Association of Automobile Manufacturers (ANFAVEA) and the National Association of Automotive Parts Manufacturers (SINDIPECAS). The list of products is available in the link:

http://www.mdic.gov.br/arquivos/dwnl_1284644336.pdf.

Taxes:

Brazil's tax burden is heavy. The import tax and all taxes below are calculated in a cascade over the product's CIF price. These taxes are applicable to both imports and domestic sales of automotive products:

- Import Tax
- Tax over Industrial Products – IPI, ranges from seven to 25% (25% on armored luxury models) and from zero to four percent on trucks
- The Social Contribution Tax – PIS/PASEP: 2%
- Other Social Taxes – Cofins: 9.6%
- ICMS is the State Tax, which varies by state. It is 18% in Sao Paulo.

Import Restrictions:

- The Foreign Trade Department of the Brazilian Ministry of Industry, Development and Foreign Trade does not authorize imports of used vehicles, with the following exceptions: antique vehicles (30 years old +) for cultural or collection purposes; as imports that result from donations; and inherited vehicles or automobiles imported by diplomatic mission staff members.
- Brazil maintains an import licensing requirement for the import of used goods. The license requires government approval. Approval is generally withheld, resulting in an effective ban on the import of most covered products. The requirement is applied to remanufactured goods and “core” inputs for the remanufacturing process.
- In mid-May 2011, the Brazilian government also placed restrictions on imported vehicles by requiring import licenses with government approval. Approval can currently take up to 60 days.

Local/Regional Content Requirements:

- The Governments of Argentina and Brazil allow local automakers to import a certain number of cars and trucks from each other duty-free. This quota is adjusted each year by the respective governments. As of January 1, 2008, this “flex-program” is based on a ratio of Brazil (1.00) to Argentina (1.95).

Other Measures:

- The importer needs to request from the Brazilian Environmental Institute (IBAMA) a License for Use of Vehicle Configuration (LCVM), proving that the imported vehicle complies with the emission and noise level standards. The National Transit Department (DENATRAN) also requires a Certificate of Compliance with the National Transit Legislation.

- Portaria 445 was issued in 2010. It created requirements for compliance of automotive wheels (steel and aluminum) and also mandates that certification for automotive wheels should be made by a Product Certification Organization, as accredited by INMETRO.
- On July 21, 2011, Brazil published Portaria 301. It requires mandatory certification of some automotive aftermarket parts. The products affected by the regulation include: suspension parts, mufflers, electric fuel pumps for diesel engines, horns or similar equipment, rings, bushing, and lighting.

Membership in Trade & Economic Agreements:

- Mercosul Automotive – Mexico (ACE – 55)
- MERCOSUR member
- Regional Tariff Preference among the ALADI countries (PTR 04)
- India
- etc.

CHILE -- New Motor Vehicle Registrations (in units)

	2006	2007	2008
Personal Use Vehicles	130,896	142,202	136,175
Commercial Use Vehicles	121,409	142,084	149,788
Total Motor Vehicles	252,305	284,286	285,963

Source: Auto Strategies International Inc.

The United States and Chile implemented a Free Trade Agreement (FTA) on January 1, 2004.

Tariffs:

- All new imported motor vehicles and automotive parts coming from non-treaty countries are assessed Chile's uniform tariff rate of six percent, based on the CIF value (see Various Trade Arrangements).
- Used automotive parts coming from non-treaty countries are assessed an additional tariff surcharge equal to 50 percent of the tariff.
- While the FTA provides an opportunity for cores used in remanufactured products to qualify under origin requirements, remanufactured automotive products are specifically excluded.

Taxes:

- Value Added Tax (VAT) of 19 percent, charged on the sum of the CIF value and the amount of the duty. This tax is chargeable to the importer, not the foreign supplier. (Imports by Chilean Government offices and Armed forces are not subject to import duties or taxes.)

Other Measures:

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

Import Restrictions:

- In Chile the importation of used vehicles is prohibited. Chile does allow imports of used ambulances, funeral hearse cars, fire-fighting vehicles, street cleaning vehicles, irrigation vehicles, towing vehicles, television projection equipment vehicles, armored commercial vehicles, workshop vehicles, cement making trucks, prison vans, radiological equipment vehicles, motor homes, off-road transportation vehicles, and other similar vehicles for special purposes, different from common transportation vehicles. These used vehicles pay a 9 percent import duty plus VAT. Fire-fighting vehicles are not subject to import duties, and pay the VAT on the CIF value only. A vehicle is considered new if: 1) It is of the current year; or The model is of the last year but the importation occurred before April 30th, and 2) the vehicle has no more mileage than that required to transport the vehicle from the factory to the point of sale and according to customs it corresponds to a first transaction vehicle (i.e., the invoice is from the distributor or the factory). Special laws allow tax-exempt new/used car imports by persons returning from exile or returning after living abroad (for one complete year or more) for studies or work after a determined number of years. People domiciled in two domestic free trade zones, Iquique in the north and Punta Arenas in the south may also import used cars. Imports in these areas are exempt from customs duties and VAT. (See Various Trade Arrangements).
- Automotive investment in Chile is governed by the "Automotive Statute", which allows any car assembly company to operate in Chile. The Statute establishes a 13 percent minimum of local content in vehicles assembled from completely knocked-down (CKD) kits and 3 percent for vehicles assembled from semi-knocked down (SKD) kits. Local vehicle assemblers and part manufacturers benefit from Article 3 of Law 18,483, which exempts imported auto parts and components from customs duties if the importer exports parts and components of specific, certified quality worth the same amount ex-factory. If exported alone, the parts must include in country value-added of at least 50 percent. If they are built into vehicles that are assembled in Chile and then exported, then the value-added component must be at least 70 percent. (This law is being replaced by a new law called the Arica Law which gives incentives to establish in the Arica industrial free trade zone for any manufacturing plant)
- An import report to the Central Bank is required, free of cost, for shipments above US\$500, CIF for statistical record keeping purposes.
- In the Metropolitan Area gasoline powered vehicles under 2,700 Kgs., need to comply with TIER1 Federal/EURO III; diesel powered vehicles under 2,500 Kgs., must comply with TIER California 1/EURO IV. Vehicles over 2,700 Kgs., but under 3860 Kgs., must comply with EPA 91. Buses must follow EPA 98/EURO III. Trucks must abide with EPA 94/EURO II. As of October 2011, new emissions requirements were being developed.

Membership in Trade & Economic Agreements:

- United States
- Canada
- European Union
- Central America
- Panama
- Korea
- Mexico
- MERCOSUR
- Argentina
- Ecuador
- Peru
- New Zealand
- Singapore
- Brunei
- Japan
- Bolivia
- Colombia
- Venezuela
- ALADI
- WTO
- GATT
- China
- India

COLOMBIA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	113,118	142,070	118,410
Commercial Use Vehicles	65,500	76,509	67,128
Total Motor Vehicles	178,618	218,579	185,538

Source: Auto Strategies International Inc.

Tariffs:

- The import tariff applied to cars is 35 percent.
- The import tariff applied to trucks is 15 percent.
- Automotive parts (HTS 8407-08 and 8708) tariffs range between five to 15 percent.
- Complete Knock Down Kits can qualify for zero tariffs under the Andean Automotive Policy.
- Upon approval and implementation of the U.S.-Colombia Trade Promotion Agreement, 53percent of U.S. industrial exports will receive duty-free treatment. Tariffs on another 23percent of exports will be eliminated over five years and the remaining 24percent over ten years. Tariffs on priority automotive products,

including large-engine 4x4 vehicles, engines, brakes, shock absorbers, and other autoparts will be phased out immediately upon implementation of the agreement.

Taxes:

- VAT is assessed on the F.O.B. value plus applicable duties:
 - Four-wheel-drive vehicles (20 percent)
 - All other cars (25 percent); unless the F.O.B. value plus tariff is greater than or equal to US \$30,000, in which case the VAT is 35 percent.
 - Ambulances and hearses (16 percent)
- Since January 1996, all imports and sales of automotive parts and accessories transacted in Colombia are subject to a 16 percent value-added tax (IVA). Some parts pay 20, 25, and 35 percent IVA. This tax applies to both locally produced goods and imports and, in the case of imports, is assessed on top of the CIF value and import tariff.

Other Measures:

- There are no limitations on the types of models imported, and no special import permits are required. However, imported vehicles must be registered with the Colombian government prior to shipment. Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles.
- Colombia has required gas emission/evaporation control systems (to reduce gasoline tank and carburetor emissions) and a gas emission control system or positive ventilation valve (to control crankcase gas emissions) on all gasoline engine motor vehicles imported into or assembled in Colombia since January 1, 1994.
- Colombia has required catalytic converters to be installed on imported and locally produced vehicles since January 1, 1995.
- Colombia is distributing gasoline with 10 percent ethanol to comply with Law 693 of 2001 (for environmental protection) since November 2, 2005.

Regional/Local Content:

- Under the Andean Automotive Policy, a regional/local content scheme was established so that vehicles and parts could be traded amongst all three countries duty-free. For example, the 1995-96 minimum requirement was set at 30 percent for automotive parts and passenger vehicles with a capacity of up to 16 persons and merchandise transport vehicles of a total weight of 4.5 tons (Category 1), and at 15 percent for other types of vehicles (Category 2).
- To enjoy the privilege of importing CKD material with a 3 percent import duty, assemblers must incorporate local content of 33 percent for Category 1 vehicles and 18 percent for Category 2.

Import Restrictions:

- The Andean Automotive Policy bans imports from other countries of used cars, trucks, and buses, as well as new vehicles from previous years. It also bans trade in these vehicles among the member nations.

- Imports of remanufactured, rebuilt, and/or used motor vehicle parts are not authorized. Colombia will eliminate its prohibition on the importation of U.S. remanufactured automotive goods upon entry into force of the U.S.-Colombia Trade Promotion Agreement.

Membership in Trade & Economic Agreements:

- Andean Community Member
- ALADI
- CARICOM
- Panama
- El Salvador
- Nicaragua
- Guatemala
- Honduras
- Costa Rica
- Mexico
- Chile
- MERCOSUR
- European Community
- Group of Three
- WTO (no truck, CKD or automotive parts bindings)
- Pending- CFTA with United States

COSTA RICA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	8,010	11,085	10,910
Commercial Use Vehicles	11,600	20,135	22,384
Total Motor Vehicles	19,610	31,220	33,294

Source: Auto Strategies International Inc.

Tariffs:

- passenger cars – one to -15 percent (generally 15 percent)
- trucks and buses – zero to -15 percent (generally 15 percent)
- automotive parts – one to -10 percent (generally 10 percent)
- Costa Rica held a nation-wide referendum that ratified its participation in the CAFTA-DR Free Trade Agreement on October 7, 2007. The country must still take the necessary steps to implement the agreement. Many U.S.-origin automotive parts will receive immediate tariff elimination when the agreement comes into force. Virtually all remaining automotive parts will be subject to back weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years). Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to the same back weighted tariff phase out.
- Find more information on the CAFTA-DR at:
http://www.ustr.gov/Trade_Agreements/Regional/CAFTA/Section_Index.html

Taxes:

- New and used automobiles are also taxed heavily, ranging up to 54 percent of the assessed (not actual) value of the car, depending upon the age of the vehicle. Taxes on imported products are calculated on a cumulative basis and generally include: a) Ad valorem tax or duty --applied against CIF (cost, insurance & freight) value, (also known in Costa Rica as "D.A.I.")--duty rates currently range from one to 10 percent for motor vehicle parts; b) Consumption tax --applied against total cumulative sum of CIF value, plus the ad valorem tax --tax rates currently range from zero to 25 percent for motor vehicle parts; c) Law 6946 tax --applied against CIF value -- currently one percent for all products; and, d) Sales tax --applied against total cumulative sum of CIF value, plus any ad valorem tax, plus the consumption tax, plus Law 6946 tax currently 13 percent for all products.
- The potential taxes on imported vehicles can be viewed at:
<http://www.hacienda.go.cr/autohacienda/Autovalor.aspx>

Other Measures:

- To calculate tariffs and taxes on used vehicles, Costa Rica uses values reported by the U.S. N.A.D.A. Official Used Car Guide. This reference pricing for automobiles disadvantages U.S. models versus Korean models in the Costa Rican market. U.S. vehicle values are based upon NADA Blue Book values while Korean values are based upon an individual Korean company's publication which understates Korean car prices.
- Costa Rican law requires the exclusive use of the metric system but, in practice, accepts U.S. and European commercial and product standards.

Import Restrictions:

- The Government of Costa Rica prohibits the importation of used tires without rims.

Membership in Trade & Economic Agreements:

- Central American Common Market
- CAFTA
- Mexico
- Dominican Republic
- Panama
- Association of Caribbean States
- WTO
- GATT
- Canada
- Chile
- Singapore
- United States

DOMINICAN REPUBLIC - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	6,577	7,971	4,642
Commercial Use Vehicles	16,783	22,247	15,559
Total Motor Vehicles	23,360	30,218	20,201

Source: Auto Strategies International Inc.

Tariffs:

- passenger cars, trucks and buses – eight to – 20percent (generally 20percent)%
- automotive parts – eight to 14 percent (generally 8percent)%
- The CAFTA-DR Free Trade Agreement was implemented in March 2007. Many U.S.-origin automotive parts received immediate tariff elimination. Virtually all remaining automotive parts were subject to a five year tariff phase-out in five equal stages (20 percent per year). Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to five to 10 year tariff phase-outs.

Taxes:

- Vehicles are generally subject to the Luxury Tax (Impuesto Selectivo al Consumo). It is a consumption tax for luxury imports or “non-essential” goods that ranges between 15 and 60 percent. The tax is calculated on the CIF price.
- There is a 17 percent tax on the first matricula (registration document) for all vehicles.
- The Dominican Republic assesses all imported new and used passenger vehicles (except pick-up trucks) with a variable ISC, and an eight percent sales tax. The tariff amount is not included in the calculation of the ISC; however, the sales tax is assessed on the sum of the vehicle's value plus the tariff plus the ISC. The table below explains the rates:

Dominican Republic ISC Tax Table

Price U.S. \$	Basic-R.D. \$	(%)* (%)	Marginal Excess
0 - 7,000	0	0	0
7,001 - 10,000	0	0	15
10,001 - 14,000	5,625	(4)	30
14,001 - 20,000	20,625	(12)	45
20,001 - 26,000	54,375	(21)	60

26,001 - 32,000	99,375	(30)	80
32,001 and above	---	(45)	---

*The percentages in parentheses indicate what the basic tax rate is for vehicles priced at the beginning of each range (using an exchange rate of 12.8 RD\$/US\$). The second percentage applies to the excess over the beginning value of the range. As an example, a car priced at US \$12,000 would be subject to the basic amount of RD \$5,625 or US \$439, plus the marginal amount of US \$600 (30 percent of US \$2,000, the excess over US \$10,000) = a total ISC of US \$1,039.

- The system uses published official list prices for automobiles, instead of price lists supplied by the manufacturer, to determine the value upon which the ISC is based.
- The decree depreciates the value base for each model year of a car's age up to seven years according to the following scale: vehicles one year older than the current model year, five percent depreciation; two years older, 10 percent depreciation; three years older, 15 percent depreciation; four years older, 20 percent depreciation; five years older, 30 percent depreciation; six years older, 40 percent depreciation; seven years older or more, 50 percent depreciation. Thus, for a used car two years older than the current model year, the DR will deduct 10 percent from that model's new car price and use the resulting value as the base from which to calculate the tariff and ISC.

Import Restrictions:

- The import of automobiles and light trucks (under five tons) over five years old is prohibited under law no. 147 of December 27, 2000. This provision is, however, frequently overlooked.
- The import of vehicles five tons or heavier, over 15 years old, is prohibited under law no. 12-01 of January 17, 2001.

Membership in Trade & Economic Agreements:

- Association of Caribbean States
- Costa Rica
- Honduras
- Nicaragua
- El Salvador
- Panama
- United States
- WTO (no automotive parts bindings)
- GATT

ECUADOR - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	47,504	38,072	45,957
Commercial Use Vehicles	62,551	58,918	78,261
Total Motor Vehicles	110,055	96,990	124,218

Source: Auto Strategies International Inc.

Tariffs:

- As a member of the Complementary Convention in the Automotive Sector and/or Andean Automotive Policy with Colombia and Venezuela, Ecuador shares common external automotive tariffs of 35 percent for automobiles, 10 percent for trucks and buses (15 percent for the other members), and a concession rate of three percent for CKD kits available to assemblers participating in the regional/local content scheme (see below).
- Automotive parts (HTS 8407-08 and 8708) are subject to customs duties ranging from five to 15 percent.

Taxes:

- VAT: 12 percent for vehicles and automotive parts
- Special tax: 5.15 percent (Special Consumption Tax – ICE) + 25 percent uplift (Commercialization Margin)
- Special Contribution: .5 percent (Childhood Development Funds FODINFA)

Non-Tariff Measures:

- Not Applicable

Regional/Local Content:

- Under the Andean Automotive Policy, a regional/local content scheme was established for a five-year period so that vehicles and parts could be traded amongst all three countries duty-free. For example, the 1995-96 minimum requirement was set at 30 percent for automotive parts and passenger vehicles with a capacity of up to 16 persons and merchandise transport vehicles of a total weight of 4.5 tons (Category 1), and at 15 percent for other types of vehicles (Category 2).
- To enjoy the privilege of importing CKD material with a 3 percent import duty, assemblers must incorporate local content of 33 percent for Category 1 and 18 percent for Category 2.
- The regional content requirement was 24.8 percent in 2000 and was set to increase to 34.7 percent by 2009.

Import Restrictions:

- The Andean Automotive Policy prohibits imports from other countries of used cars, trucks, and buses, as well as new vehicles from previous years. It also bans trade in these vehicles among the member nations.

- Import of CKD's is subject to a quota assignment by the National Automotive Commission and regulated by the automotive development law. Importation is limited to those brands having a distributor and/or an authorized concessionary in the country to guarantee an adequate supply of spare parts.

Other Measures:

- Importers require a “Conformity Certificate” provided by INEN (Ecuadorian National Standards Institute). Once obtained, it is presented for approval to the central bank.
- Every automobile (CDU) must come with a technical report verifying it complies with applicable environmental standards.
- There are no regulations concerning engine emissions, safety, or noise.
- Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles.
- There are no requirements or standards for parts imports, nor are there labeling requirements.
- The chaotic customs systems, creates disincentives to import goods through formal channels, and incentives for contraband. Many auto parts, for example, enter disguised as other goods that carry lower (or zero) customs duty.

Membership in Trade & Economic Agreements:

- Andean Community Member
- ALADI
- Cuba
- Uruguay
- Paraguay
- MERCOSUR
- WTO (no automotive parts bindings)
- GATT

EL SALVADOR - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	4,828	4,938	4,129
Commercial Use Vehicles	8,891	11,946	8,432
Total Motor Vehicles	13,719	16,884	12,561

Source: Auto Strategies International Inc.

Tariffs:

- passenger cars – one to-30 percent (generally 25percent)%)
- trucks and buses and automotive parts – one percent–
- El Salvador was the first country to implement the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR). Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most

automobiles and light trucks are subject to back-weighted 10-year tariff phase-outs (most of the tariff cut occurs in the last several years).

Taxes:

- 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 these parts are estimated by customs authorities. These estimates can undervalue the goods giving them an import vat tax benefit. Importers of new parts complain about this practice, claiming that many new parts are imported in used part containers.

Other Measures:

- The amount set forth in the commercial invoice is used to determine the tariff assessment for vehicles. If there is doubt about the accuracy of the stated price, El Salvadorian Customs assesses its own value. For valuation of used cars, Customs uses N.A.D.A., Edmund's, and the Truck Blue Book.

Import Restrictions:

- El Salvador maintains restrictions on the import of motor vehicles older than eight years and on buses and trucks older than 15 years (from Article 1 of Decree No. 357 dated April 6, 2001). El Salvador may retain this restriction under CAFTA-DR.

Membership in Trade & Economic Agreements:

- CACM - Central American Common Market
- Association of Caribbean States
- Dominican Republic
- Panama
- United States
- Chile
- Argentina
- Ecuador
- Peru
- Mexico
- Taiwan
- Colombia
- WTO
- GATT

GUATEMALA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	14,313	11,006	8,663
Commercial Use Vehicles	17,819	19,291	15,830
Total Motor Vehicles	32,132	30,297	24,493

Source: Auto Strategies International Inc.

Tariffs:

- passenger cars – (five passengers or less) 20 percent, (six to nine passengers) 15percent
- trucks and buses – five to-10 percent
- automotive parts – 20 percent

- The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) was implemented with Guatemala on July 1, 2006. Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back-weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Other Measures:

- Many importers report that Guatemalan customs arbitrarily assigns values to imported products.
- In Guatemala City, model year restrictions exist preventing the operation of buses in the city by denying permits to use them.

Membership in Trade & Economic Agreements:

- CACM - Central American Common Market
- Association of Caribbean States
- Dominican Republic
- Panama
- United States
- Chile
- WTO
- GATT

HONDURAS - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	2,387	2,597	2,486
Commercial Use Vehicles	9,060	14,054	13,239
Total Motor Vehicles	11,447	16,651	15,725

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 3.4 percent.
- The tariff applied to trucks is 6.8 – 10.2 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is zero percent.

- The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) was implemented with Honduras on April 1, 2006. Most U.S.-

origin automotive parts received immediate tariff elimination when the agreement came into force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Taxes:

- A general 12 percent sales tax is applied to most products. Trucks are exempted from this tax.
- A Special Consumption/luxury tax on new cars is 10 percent.

Import Restrictions:

- Under the Financial Balance and Social Protection Act (Article 7 of Decree No. 194-2002 from May 15, 2002), imports of ground motor vehicles over seven years old and passenger buses over thirteen years old are prohibited, except for those considered to be classic collectible cars. The CAFTA-DR agreement does not address this trade restriction.
- Imports of right-hand drive vehicles are also prohibited.

Local/Regional Content Requirements:

- There are no local/regional content requirements.

Other Measures:

- There are no import licensing requirements for imports of vehicles and auto parts.

Membership in Trade & Economic Agreements:

- CAFTA-DR (U.S.-Central America-Dominican Republic Free Trade Agreement)
- CACM – Central American Common Market
- Association Agreement European Union- Central America
- WTO
- FTA Central America - Panama
- FTA Central America –Chile
- FTA CA3-Colombia
- FTA CA3- México
- FTA Central America – Dominican Republic
- FTA Honduras-El Salvador-Taiwan
- FTA Honduras-Canada (Negotiation completed. Pending ratification in Congress)

JAMAICA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	1,870	2,011	1,539
Commercial Use Vehicles	3,581	4,447	4,075
Total Motor Vehicles	5,451	6,458	5,614

Source: Auto Strategies International Inc.

Tariffs:

- passenger cars –five to-40 percent
- trucks and buses – zero to-10 percent
- automotive parts – zero to-25 percent

Other Measures:

- Import licensing is required for some motor vehicles and parts. An import license for motor vehicles can be granted every three years in the case of a private importer. The number of vehicles that may be imported by a dealer is not limited. Car dealers must meet a number of preliminary conditions: they must be approved and certified by the Ministry of Commerce and Technology and registered under the Companies Act 1965, offer guarantees to clients, and maintain spare parts facilities and stocks. Inspection and re-certification of dealers are made annually by the Ministry of Commerce and Technology.

Import Restrictions:

- The age of motor vehicles that can be imported was reduced in April 2003 from four to three years for cars and from five to four years for light commercial. Special waivers are available for older cars.

Membership in Trade & Economic Agreements:

- CARICOM - Caribbean Community and Common Market
- Association of Caribbean States
- Dominican Republic
- Colombia
- Venezuela
- WTO
- GATT

NICARAGUA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	3,591	2,997	1,814
Commercial Use Vehicles	4,468	5,451	4,328
Total Motor Vehicles	8,059	8,448	6,142

Source: Auto Strategies International Inc.

Tariffs:

- passenger cars – five to -10 percent
 - trucks and buses – zero to five percent
 - automotive parts – five to 10 percent
- The Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) was implemented with Nicaragua on April 1, 2006. Most U.S.-origin automotive parts received immediate tariff elimination when the agreement came into

force. Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to back-weighted 10 year tariff phase-outs (most of the tariff cut occurs in the last several years).

Taxes:

- Although the 1997 tax law eliminated many special tax exemptions, investors still express frustration at the arbitrary and centralized decision making in taxation and customs procedures.
- Tariffs and import taxes for most used goods are not assessed on a CIF/bill of lading basis, but rather on a "reference price" determined by Customs at the time of entry inspection. This reference price can be significantly higher than the actual amount paid by importers. Presentation of a bill of sale (or other evidence of purchase price) certified by a Nicaraguan consular official is often, but not always, accepted by Customs inspectors as proof of the value of used goods.
- A luxury tax is levied through the selective consumption tax (IEC) on many items. Cars with large engines (greater than 4000 cc) face an IEC tax of 25 percent. Vehicles with smaller engines are charged between zero and three percent IEC tax.

Other Measures:

- The government has established a mandatory registration for importers (RNI). Importers claim that the RNI creates additional costs, since they must be cleared by several agencies that have nothing to do with many importer's commercial activities (i.e., the tax agency, Nicaraguan customs, the electricity distribution company, and the ENITEL telephone company).
- The Consumer Protection Law enacted in 1995, as well as its regulations promulgated in 1999, introduced product labeling standards and consumer rights to Nicaragua. While most U.S. products will likely meet Nicaraguan regulations by following U.S. guidelines, the following should be noted: the label must list product origin, contents, price, weight, production date, and expiration date.
- Although information is required to be in Spanish, historically Nicaragua has not enforced its language requirements.

Import Restrictions:

- The Ground Transportation Law (2005/524) prohibits the import of motor vehicles that are more than 10 years old.

Membership in Trade & Economic Agreements:

- CACM - Central American Common Market
- Association of Caribbean States
- Dominican Republic
- Panama
- United States
- Chile
- Argentina
- Ecuador

- Peru
- WTO
- GATT

PANAMA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	14,152	17,791	18,022
Commercial Use Vehicles	14,944	20,981	21,877
Total Motor Vehicles	29,096	38,772	39,899

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to new cars is 18 percent of the CIF value if is less than USD \$20,000.
- The tariff applied to new cars is 23 percent of the CIF value if is between USD \$20,000 and USD \$25,000.
- The tariff applied to new cars is 25 percent if the cost exceeds USD \$25,000.
- The tariff applied to trucks is 10 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is between 5-15 percent.

Taxes:

- Value Added Tax is seven percent.

Import Restrictions:

- There are no import restrictions on new or used cars and trucks into Panama.

Local/Regional Content Requirements:

- There are no Local/Regional contents required for Panama.

Other Measures:

- Panama requires legalization of documents for products shipped by surface transportation. See the Guatemala section for an explanation of this procedure.
- Some auto parts import volume is limited.

Membership in Trade & Economic Agreements:

- Association of Caribbean States
- Costa Rica
- Honduras
- Nicaragua
- El Salvador
- Dominican Republic
- United States
- Canada
- Mexico

- Colombia
- Chile
- WTO
- GATT

PARAGUAY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	3,103	4,347	6,015
Commercial Use Vehicles	5,357	8,301	14,071
Total Motor Vehicles	8,460	12,648	20,086

Source: Auto Strategies International Inc.

Tariffs:

- Motor vehicle tariffs currently range from 10 to 20 percent depending on engine displacement.
- Truck tariffs range from 10 to 16 percent.
- Automotive parts (HTS 8407-08 and 8708) range from zero to 19.5 percent (most in the 10-16 percent range).

Taxes:

- A transfer tax is applicable on all auto sales, and a separate registration fee is also charged in addition to any applicable municipal vehicle tax.

Other Measures:

- Not Applicable

Regional/Local Content:

- For trade among the MERCOSUR countries, all products that have at least 60 percent regional content are traded among these countries with a 0 percent import tax, although trade is not free. Only Paraguay allows imports of MERCOSUR made vehicles with 0 percent import tariff without restriction.

Import Restrictions:

- Not Applicable

Membership in Trade & Economic Agreements:

- Ecuador
- MERCOSUR
- Andean Community
- European Community
- Chile
- Egypt
- Bolivia
- India

- Mexico
- WTO
- GATT
- ALADI

PERU - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	11,805	14,998	31,383
Commercial Use Vehicles	16,461	28,765	44,374
Total Motor Vehicles	28,266	43,763	75,757

Source: Auto Strategies International Inc.

Tariffs:

- Under the U.S. – Peru Trade Promotion Agreement, tariffs are on most U.S.-made automotive goods will be phased out in a 10-year period, declining by 10 percent per year.
- The tariff applied to pick-up trucks, both diesel and gas, with maximum cargo of five tons is to be reduced from seven percent to tariff free by 2019.
- The tariff applied to other vehicles varies between tariff free and 12 percent (reaching tariff free by 2019).
- The tariff for auto parts (HTS 8407-08 and 8708) is between zero and 12 percent (all tariff free by 2014) with most already facing no tariffs.

Taxes:

- Value Added Tax (VAT) is 19 percent and is broken into two parts:
 - General Sales Tax is 17 percent
 - Municipal Promotion Tax is two percent
- Selective Consumption Tax for imported new cars and light trucks is 10 percent of the C.I.F. value and the tariff amount.
- Selective Consumption Tax for imported used vehicles is 30 percent%.
- All other imported vehicles and automotive parts are exempt from the Selective Consumption Tax.

Import Restrictions:

- Imports of used tires and automotive parts are banned.
- Age restrictions allow for importation of diesel engines for passenger and cargo vehicles that are two years old and less. Other used vehicles, excepting used diesel engines, must be five years or less.
- Importation of the following used vehicles with diesel engines is prohibited:
 - Vehicles with under four wheels
 - Passenger vehicles with eight seats or less (not counting driver)
 - Passenger vehicles with eight seats or more (not counting driver) but weighing less than five tons of weight
 - Trucks weighing less than 12 tons

- Mileage restrictions prohibit importation of spark ignition engine vehicles that reach the following mileage (kilometers) at time of nationalization:
 - Trucks (all sizes) – 31,068 miles (50,000 km)
 - Passenger vehicles with 8 seats or less (not counting driver) – 49,709 miles (80,000 km)
 - Passenger vehicles with 8 seats or more but weighing less than five tons – 55,923 miles (90,000 km)
 - Passenger vehicles with eight seats or more weighing over 5 tons – 186,411 miles (300,000)
 - Trucks weighing under 3.5 tons – 55,923 miles (90,000 km)
 - Trucks weighing between 3.5 tons and 12 tons – 186,411 miles (300,000 km)
 - Trucks weighing over 12 tons – 372,822 miles (600,000 km)
- Mileage restrictions prohibit importation of diesel engine vehicles that reach the following mileage at time of nationalization:
 - Passenger vehicles with 8 seats or more weighing over five tons – 124,274 miles (200,000)
 - Trucks weighing over 12 tons – 248,548 (400,000 km)
- All imported vehicles must have a Vehicle Identification Number (VIN).
- Importation of a vehicle damaged in a car accident is prohibited.
- The position of the steering wheel must have been manufactured on the left side. Importation of a car whose steering wheel is on the right or whose steering wheel has been moved to the left is prohibited. Vehicles entering the ports of Ilo and Matarani for reconditioning are exempt.
- Emissions cannot exceed current legal maximum.
- The following exceptions are not bound to the quality standards:
 - Public sector donations
 - National Diplomatic Services imports
 - Age requirement is not waived for foreign administrative personnel or employees of Diplomatic Missions, Consular Offices, Representatives and Offices of International Organizations that are authorized by the Peruvian government
 - Vehicles that fall between the national subheadings of 8703.21.00.10 and 8703.90.00.90 must be at least 35 years old to be considered for collection purposes. These vehicles may be imported for repair purposes but may not be done in CETICOS or ZOFRATACNA.

Other Measures:

- Require a Unique Customs Declaration (carried out in Peru), an invoice, bill of lading/airway bill.
- Insurance is optional
- Used vehicles requires the Type-Approval number and vehicle details according to the National Vehicle Regulations as well as the VIN on the Unique Customs Declaration

- New vehicles imported by someone other than the filer of the Type-Approval are required to provide proof by the manufacturer or Peruvian representative that the vehicle to be nationalized corresponds to the Type-Approval. A Certificate of Conformity can also be presented.
- Imported used vehicles require a verifying inspection.
- Remanufactured products currently must be sanctioned by their original manufacturer and be certified by remanufacturer. A number of specific remanufacturing processes must have taken place.

Membership in Trade & Economic Agreements:

- Andean Community
- Latin American Integration Association
- Free Trade Agreements with United States, Canada, Singapore, EFTA, Thailand, Japan, Mexico, Korea, Central America and China

URUGUAY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	8,935	9,127	13,903
Commercial Use Vehicles	8,412	7,559	12,191
Total Motor Vehicles	17,347	16,686	26,094

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 23 percent.
- The tariff applied to trucks ranges from seven to eight percent.
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from zero to 21 percent (most in the eight to 21 percent range).

Taxes:

- Value Added Tax (VAT): 22 percent
- Special Tax: up to 100% depending on fuel (highest for Diesel)
- (Note: To illustrate, a gasoline-powered vehicle valued at \$10,000 at port of origin pays approximately an additional amount of \$6,528 if sourced from a MERCOSUR-member country or \$10,254 if sourced elsewhere. If diesel-powered, a vehicle valued at \$10,000 at port of origin pays an additional amount of \$13,528 if sourced from MERCOSUR, and \$18,864 if sourced elsewhere.)

Local Content/Regional Content Requirements:

- Regional Content Requirements: For the MERCOSUR countries (Brazil, Argentina, Uruguay and Paraguay) all products that have at least 60 percent regional content (30 percent of which must be from Argentina) to be traded duty free.

Import Restrictions:

- Import ban on used vehicles.

Membership in Trade & Economic Agreements:

- MERCOSUR
- ALADI
- Ecuador
- Mexico (auto with quota)
- Andean Community
- European Community
- Bolivia
- Chile
- Egypt
- India
- Israel
- WTO
- GATT

Uruguay has a Bilateral Investment Treaty (BIT) with the United States. Uruguay also has BITs with Australia, Belgium, Canada, Chile, China, Czech Republic, Finland, El Salvador, France, Germany, Great Britain, Hungary, Israel, Italy, Luxembourg, Malaysia, Mexico, Portugal, The Netherlands, Panama, Poland, Romania, Spain, Sweden, Switzerland, and Venezuela. A BIT with Armenia is pending ratification.

The Ministry of Foreign Affairs indicates that Uruguay has Double Taxation Agreements with Argentina, Chile, Germany, Hungary, Israel, Norway, Panama, Paraguay and Switzerland. However, several of these agreements deal with air transportation.

VENEZUELA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	182,089	260,041	141,382
Commercial Use Vehicles	152,648	211,455	127,284
Total Motor Vehicles	334,737	471,496	268,666

Source: Auto Strategies International Inc.

Tariffs:

- As a member of the Complementary Convention in the Automotive Sector and/or Andean Automotive Policy with Colombia and Ecuador, Venezuela shares common external automotive tariffs ranging from 20-35 percent for automobiles (most are at 35), five to 35 percent for trucks and buses (most are at 15; 10 percent for Ecuador), and a concession rate of three percent for CKD kits available to assemblers participating in the regional/local content scheme (see below).
- Automotive parts (HTS 8407-08 and 8708) tariffs range from five to 15 percent.

Taxes:

- VAT 14.5 percent, based on price of vehicle: CIF value, plus duty paid, plus customs fee
- Transfer/local customs and service tax (five percent), based on CIF value
- Customs handling fee (two percent), based on CIF value

Other Measures:

- Local assemblers are free to assemble vehicles of any model and are also allowed to import vehicles. However all local assemblers are subject to a "Foreign Exchange Program."
- There are no labeling, marking or packaging requirements. Since there is some resistance by end users against non-identifiable manufacturers or countries of origin, it is advisable to print on the package or label the name of the manufacturer and his address or at least "Made in the USA". In the case of generic parts, it is helpful to list the automobile brands, model and model years for which the component is applicable.
- Luxury Tax: 10 percent over \$30,000.
- Article 10 of the new auto regime (published on October 31, 2007) requires all vehicles, both import and assembled in Venezuela, to run on natural gas and gasoline interchangeably. Minister of Popular Power for Energy and Petroleum (MENPET) and President of Petroles de Venezuela S.A. (PDVSA) Rafael Ramirez, has said all new vehicles sold in Venezuela after January 1, 2008 must have a pre-installed natural gas converter kit. MENPET and PDVSA have imported 50,000 natural gas converter kits and will distribute them to assemblers for free. Despite vehicle sales reaching nearly 500,000 in 2007, Ramirez said PDVSA only plans on importing 100,000 kits in 2008. He added that if there was a need for more kits, PDVSA would import more. Importers and assemblers report that the dual use requirement is impossible to meet by July 1 and will in fact take years to meet because vehicles and production lines must be redesigned. Diesel engines cannot use natural gas because their method of igniting fuel cannot be altered.
- The October 2007 auto regime also imposes strict import quotas which are drastically lower than 2007 imports. Each company must submit a plan by November 30, 2008. Included in this quota is a prohibition on importing vehicles with motors larger than 3 liters.
- Strict foreign exchange controls are causing severe problems in the auto industry, restricting importation of parts and equipment.

Regional/Local Content:

- Under the Andean Automotive Policy, a regional/local content scheme was established so that vehicles and parts could be traded amongst all three countries duty-free. For example, the 1995-96 minimum requirement was set at 30 percent for automotive parts and passenger vehicles with a capacity of up to 16 persons and merchandise transport vehicles of a total weight of 4.5 tons (Category 1), and at 15 percent for other types of vehicles (Category 2).
- To enjoy the privilege of importing CKD material with a three percent import duty, assemblers must incorporate local content of 33 percent for Category 1 and 18 percent for Category 2.

- The regional content requirement in 2000 was 24.8 percent, and will increase to 34.7 percent by 2009.

Import Restrictions:

- The Andean Automotive Policy prohibits imports from other countries of used cars, trucks, and buses, as well as new vehicles from previous years. It also bans trade in these vehicles among the member nations.
- Venezuela legislation published on October 31, 2007 limits vehicle imports to 219,000 units for 2008. The new auto import regime requires importers to solicit a license from the Ministry of Light Industry and Commerce (MILCO) for authorization to receive foreign exchange for the importation of assembled vehicles. According to the new policy, the approval of these licenses depends on "national need, the capacity of national production, model cost, historic sales, and the efficient use of fuel."

Membership in Trade & Economic Agreements:

- Andean Community Member
- ALADI
- CARICOM
- Chile
- Costa Rica
- El Salvador
- Guatemala
- Guyana
- Honduras
- Nicaragua
- Trinidad and Tobago
- Andean Community – MERCOSUR
- Andean Community - European Union
- Group of Three
- WTO (no parts bindings)
- GATT

MIDDLE EAST COUNTRIES SURVEYED:

IRAN- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	884,083	1,081,889	1,084,389
Commercial Use Vehicles	160,341	182,094	204,344
Total Motor Vehicles	1,044,424	1,263,983	1,288,733

Source: Auto Strategies International Inc.

- **U.S. companies are not allowed to export goods and services to Iran as outlined by Executive Orders 12613, 12957, and 12959.**
- In early 1992, Iran lifted its 10-year ban on automobiles.
- Individuals are now allowed to import permitted makes including: Mercedes Benz, BMW, Volkswagen, Peugeot, Volvo, Mitsubishi, Honda, Subaru and Toyota.

ISRAEL - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	96,426	142,864	145,168
Commercial Use Vehicles	33,937	48,349	47,442
Total Motor Vehicles	130,363	191,213	192,610

Source: Auto Strategies International Inc.

- There are no import duties on U.S. motor vehicles.
- 83 percent sales tax on all vehicles powered by conventional combustion engines.
- 30 percent sales tax on hybrids (through 2012, then it will be raised).
- 10 percent sales tax on electric vehicles (until 2014, then it will be raised).
- 16 percent VAT.
- 1.5 percent port tax on motor vehicles.
- Israel adheres to European motor vehicle standards but most U.S. lighting and safety standards are accepted as well.
- By the end of 2011, the Israel Ministry of Transport will allow the importation of most American made vehicles with standard headlights.
- The "green" car tax reform, which came into effect in August 2009, provides incentives for buyers of low-polluting vehicles. Under the reform, the purchase tax rate on a vehicle will be directly linked for the first time to emission levels. Vehicles are split into 15 groups that form the basis for tax credits, with the first representing the cleanest vehicle group and the 15th the most polluting. The tax benefit is granted after applying the new standard purchase tax rate of 83 percent. The benefit ranges from NIS 15,000 (US\$3,900) for relatively clean vehicles to zero for the most polluting group.

JORDAN - Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	18,214	19,003	23,864
Commercial Use Vehicles	19,330	24,967	36,365
Total Motor Vehicles	37,544	43,970	60,229

Source: Auto Strategies International Inc.

Tariffs:

- Because of the U.S. FTA with Jordan, no tariffs applied to cars and trucks.
- The tariff for auto parts (HTS 8407-08 and 8708) is zero percent for American made and 10-30% from other countries.

Taxes:

- Sales Tax is 16 percent on all type of vehicles except farming tractors, it is zero percent.
- Special Tax: Passenger Vehicles 56 percent, Pick Ups 30 percent, Pick Up (manufactured within the continental USA, Certificate of origin clearly states that it is manufactured in the USA, shipped from a USA Port and most importantly its rear bed length is at least 50 percent or more than its wheel base) zero percent, Vans 30 percent, Trucks less than 4.5 tons 30 percent, Trucks more than 4.5 tons zero percent, Farming tractors zero percent.
- Income tax: two percent for all type of vehicles.

Import tips:

- Imports of used automobiles are allowed with no age limitation; however, personal vehicles imported cannot be more than 10 years old.
- Imports of used spare parts are allowed with no age limitation.
- In order to get the full 15% exemption, vehicles must have engines that have 1600cc capacity or less, must have 3-point safety driver/passengers seat belts, outside rear view mirrors, inside rear view mirror, collapsible steering wheel column and a minimum driver's airbag.
- Calculations are based on CFR values of vehicle converted to Jordanian Dinar. (JD1 = \$1.41)
- There are also additional fees such as inspection fees by Customs Dept. and Registration Dept. Furthermore, fees are paid for inspection of vehicles at Aqaba Port. Total amount of fees does not usually exceed JOD 50.-/vehicle. (\$70)

Import Restrictions:

- Imports of used trucks older than three years are not allowed.
- Vehicles tinted windows should not exceed 10 percent.
- Imports of used tires are not allowed except for retreading purposes.

Other Measures:

- An import license is required for imports of vehicles and auto parts to Jordan.

Membership in Trade & Economic Agreements:

- Jordan signed a Free Trade Agreement (FTA) with the U.S. and now it is fully implemented.

SAUDI ARABIA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	233,882	262,487	268,952
Commercial Use Vehicles	184,528	219,607	51,758
Total Motor Vehicles	418,410	482,094	539,428

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 10 percent.
- The tariff applied to trucks is 10 percent.
- The tariff for radiators, filters and nails is 12 percent, all other spare parts is five percent.

Taxes:

- No VAT or other taxes added to sales price.

Import Restrictions:

- Imports of remanufactured, rebuilt, and/or used motor vehicle parts are not authorized.
- The import of automobiles and light trucks (under five tons) over five years old is prohibited under law since 2005.

Local/Regional Content Requirements:

- No local content regulations or import restrictions.

Other Measures:

- None

Membership in Trade & Economic Agreements:

- Saudi Arabia signed a Trade Investment Framework Agreement with U.S. in July 2003
- Saudi Arabia joined the World Trade Organization (WTO) in December 2005

UNITED ARAB EMIRATES (UAE) - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	130,426	142,398	174,060
Commercial Use Vehicles	96,067	159,680	196,523
Total Motor Vehicles	226,493	302,078	370,583

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is five percent (five percent customs duties on value of the vehicle + one percent insurance + cost of the shipment).
- The tariff applied to trucks is 12 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) is four percent (custom duty @ four percent on total CIF value. However, Customs may charge different increased percentages according to commodities).

Taxes:

- No VAT.
- Special tax depending on fuel type – N.A.
- Luxury tax – N.A.
- Special Consumption tax – N.A.

Import Restrictions:

- The vehicle must be in conformity to the State standards and its steering wheel must not be modified.
- There must be no damages on the vehicle's outer body. If damage occurs at the arrival port, a certificate from the competent authorities is required to be submitted accordingly.
- Vehicles that have been subject to accidents such as drowning, fire, collision, rollover, etc., are not allowed to be imported.
- Vehicles used as a taxicab or by police are not allowed to be imported.
- The importer's residence authorization (Residency) must be valid if the importer is not a citizen of any of the GCC States.
- It is permissible to import more than one vehicle per year if the importer does not have a commercial registration legalizing business activity in vehicle sale and import.

Procedure:

- Submit the required documents including the certificates issued by the traffic department from the country of export and shipping documents to customs.
- Pay customs duties.
- Customs will view the vehicle in order to ascertain that the value given in the export declaration is correct. If the value is inconsistent with that of the invoice, one will have to pay the duties based on the customs estimation.
- After paying the customs duty, one will be given a certificate of registration addressed to the Traffic & Licensing Department.
- Approach the Traffic & Licensing Department to register the car locally.

Local/Regional Content Requirements:

All cars and buses entering UAE beginning in model year 2013 will have to abide by safety regulation imposed by the Emirates Authority for Standardization and Metrology (ESMA), viz.:

- Head restraints in all seats and air bags for the driver and the front passenger compulsory for all passenger cars and buses with capacity up to 22 passengers.
- Anti Braking System (ABS) to be installed in all new vehicles as well as safety belts.
- Extra seats in the aisles prohibited for any motor vehicle with a riding capacity of four people or more.
- Every vehicle should have an alarm to notify when drivers exceed speed limit of 120 km in cars and 100 km on buses.

Other Measures:

Required Documents:

- Original invoice (for new cars).
- Original Certificate of Origin (for new cars).
- Export declaration for the vehicle from the customs department in the country of export.
- Certificate of vehicle export from the traffic department in the country of export.
- Valid vehicle insurance certificate.
- Copy of identification document of the importer or a copy of trade license if the importer is a business person.

Membership in Trade & Economic Agreements:

- Gulf Cooperation Council Customs Union
- GCC and Singapore
- GCC and European Free Trade Area (EFTA)

Proposed FTA:

- GCC and Australia
- GCC and India

ASIA, ASEAN AND OCEANIA COUNTRIES SURVEYED:

EAST ASIA

JAPAN - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	4,611,732	4,400,297	4,227,643
Commercial Use Vehicles	1,097,774	953,348	854,592
Total Motor Vehicles	5,709,506	5,353,645	5,082,235

Source: Auto Strategies International Inc.

Tariffs:

- Import duties on motor vehicles have been waived indefinitely since 1978.

Taxes:

- Japan currently levies a five percent consumption tax on vehicles. This tax was increased from three percent in April 1997.
- In addition to the consumption tax, there is an annual automobile tax, which increases by engine size, ranging from 29,500 to 111,000 yen. An additional 10 percent tax is levied on vehicles used for 13 years (11 years for diesel vehicles) or longer.
- Japan maintains no local content requirements or quantitative restrictions.
- Japan assesses an acquisition tax on the acquisition of an automobile, whether new or used, based on the purchase price. This tax is five percent of the purchase price for private cars and three percent for commercial and mini-vehicles. (Incentives granted for eco-friendly cars such as 100 percent cut, 75 percent cut or 50 percent cut. This measure is scheduled to end on March 31, 2012.)
- Japan also levies tonnage tax according to vehicle weight at each vehicle inspection. The tonnage tax for passenger cars is 5,000 yen per year for each 0.5 ton of gross vehicle weight. (Incentives granted for eco-friendly cars such as 100 percent cut, 75 percent cut or 50 percent cut. This measure is scheduled to end on April 30, 2012.) A heavier tax is levied on vehicles used for 18 years or longer (6,300 yen per 0.5 ton for private passenger cars).
- These taxes apply to both domestic and imported vehicles.

SOUTH KOREA- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	668,281	703,526	741,341
Commercial Use Vehicles	495,973	515,809	413,742
Total Motor Vehicles	1,164,254	1,219,335	1,155,083

Source: Auto Strategies International Inc.

On June 30, 2007 the United States and South Korea signed a landmark Free Trade Agreement (FTA). This agreement will offer new opportunities to U.S. automotive

exporters by removing tariff barriers, addressing the most pressing non-tariff barriers present today, and creating mechanisms for dealing with any future non-tariff barriers. Under the FTA, Korea has codified solutions to standards barriers, such as its Ultra Low Emission Vehicle regulation and problems with the implementation of its self-certification system. Korea will eliminate the discriminatory aspects of its Special Consumption and Annual Vehicle Registration Taxes, and will reduce existing tax rates. Korea has also committed to not impose any new engine displacement taxes and to maintain the nondiscriminatory application of these taxes. Finally, to address past problems with anti-import campaigns, Korea committed that it is not its policy to discourage the purchase or use of U.S. goods or services.

To prevent future non-tariff barriers from becoming issues, the agreement includes a provision to create an Automotive Working Group, which will provide a specialized “early warning system” to address regulatory issues that may develop in the future. Korea agreed not to adopt technical regulations that create unnecessary barriers to trade, and to cooperate to harmonize standards. Perhaps the most progressive provision to address future problems comes in the area of dispute settlement. The agreement contains an innovative process for settling disputes on auto-related measures within six months after they arise. If a panel finds a violation of an auto-related commitment or the nullification/impairment of expected benefits, the complaining Party may suspend its tariff concessions on passenger cars and assess duties at the prevailing MFN rate (i.e., may “snap-back” any tariff reductions provided by the FTA).

In 2010, the Obama Administration engaged the Korean government to renegotiate the automotive terms of the agreement to provide improved market access for U.S. auto companies. The new text focuses on safety and environmental standards, regulatory transparency and tariff changes. The full texts of the 2007 Agreement and the 2010 legal texts can be found on-line at:

http://www.ustr.gov/Trade_Agreements/Bilateral/Republic_of_Korea_FTA/Final_Text/Section_Index.html

However, until the FTA goes into force, U.S. exports will continue to operate under the conditions set in the 1998 Memorandum of Understanding Regarding Foreign Motor Vehicles in the Republic of Korea (1998 U.S.-Korea Auto MOU), which was negotiated to improve access for foreign motor vehicles in the Korean market. The MOU resulted in changes to Korea’s automotive trade regime and described further commitments into the future. The current state of Korea’s import requirements is described below.

Tariffs:

- Passenger vehicles are assessed an applied tariff rate of eight percent. The applied tariff rate for commercial vehicles is ten percent.
- Per the 1998 MOU, The Korean Government agreed to notify the World Trade Organization (WTO), within 30 days of entry into force of the MOU, that it would lower its bound tariff rate on passenger vehicles from 80 percent to its current applied

rate of eight percent, constraining the Korean Government's ability to raise this tariff rate in the future.

- The applied tariff rate for most automotive parts and components is eight percent or lower.

Taxes:

- The taxes described below are calculated cumulatively, but several are applied as percentages of other automotive taxes. Due to the complexity of the multiple tax categories and rates and the methodology for calculating tax rates on various values of the vehicle, more detailed information than is contained in this report can be obtained from the Office of Transportation and Machinery.
- The Korean Government imposes eight different taxes on passenger cars, which are assessed on the C.I.F. value of the vehicle plus the eight percent tariff. Three of the taxes are based on engine displacement. The Korean engine displacement taxes are currently applied such that a disproportionate financial burden falls on vehicles with larger engines (over 2,000cc).

Taxes Levied at the Purchase Stage:

- At the purchase stage, the following three taxes are levied: 1) *special consumption tax* (a percentage of the C.I.F. value of the vehicle plus duty, based on engine displacement), 2) *education tax* (30 percent of the special excise tax), and 3) a 10 percent *value added tax* (VAT), calculated on the vehicle value inclusive of the special consumption tax and the education tax.
- The special consumption tax is based on engine displacement, with the following rates:

0-800 cc	zero percent
801-2000 cc	five percent
2001cc and over	10 percent

Taxes Levied at the Registration Stage:

- At the registration stage, the Korean Government levies the following three taxes: 1) *registration tax* (five percent of the retail price before VAT), 2) *acquisition tax* (2% of the retail price before VAT) and 3) *subway bond* (based on engine displacement).
 - The subway bond is another tax based on engine displacement. The engine displacement categories and rates are calculated as a percentage of the retail price as follows:

Below 1000cc	four percent
1001cc-1600cc	nine percent
1,601cc-2000cc	12 percent
2,001 and over	20 percent

Sport utility vehicles: five percent (regardless of engine size)

Taxes Levied at the Ownership Stage:

- The Korean Government also assesses two taxes at the ownership stage: 1) *annual vehicle tax* (based on engine size), 2) *annual vehicle education tax* (30 percent of the annual vehicle tax).
 - The annual vehicle tax is based on engine displacement with the following rates:

800cc and below	80 Won/cc
801cc-1,000cc	100 Won/cc
1,001cc-1,500cc	140 Won/cc
1,501cc-2,000cc	200 Won/cc
over 2,001cc	220 Won/cc

Other Measures:

Standards and Certification Procedures:

- The Korean Government maintains a self-certification system for motor vehicle safety standards.
- U.S. vehicle manufacturers continue to encounter problems on a periodic basis with individual safety and emissions regulations due to less than transparent standards development processes, and/or standards that deviate from international norms.

Bias Against Imported Products:

- In the past, pervasive anti-import sentiments limited marketing opportunities and intimidated potential customers of foreign vehicles in Korea.
- At the time of the signing of the 1998 MOU, the Korean public feared that purchasing an imported passenger vehicle would risk subjecting them to public backlash and scrutiny by the Korean Government. This perception stemmed from the Korean Government's past support for campaigns and programs that discouraged the purchase of imported products. For example, in December 1996 and early 1997, the National Tax Office (NTO) engaged in broad action directed at lessees of imported autos. Though withdrawn after complaints by foreign governments, the threat of tax audits for lessees of imported cars had a chilling effect on sales of imported vehicles.
- As a result of severe economic downturn, a resurgence in early 1997 of frugality campaigns launched by civic organizations ostensibly to reduce conspicuous consumption and ameliorate Korea's trade deficit, frequently deteriorated into the fomenting of anti-import bias among the average consumer. While domestic sales declined generally due to the economic downturn in Korea, imports of vehicles fell precipitously in great part as a result of this bias. An increase in vandalism and other forms of discrimination against U.S. and other foreign vehicles was also reported.
- In recent years, these problems have been dramatically reduced and Korean consumers' acceptance of imported vehicles is on the rise. Nevertheless, fear of a resurgence in a time of future economic recession remains a concern.
- As part of its commitments in the 1998 MOU, the Korean Government will continue and reinvigorate efforts to address effectively and expeditiously such instances of anti-import activity and to preclude discrimination against foreign motor vehicles.

- The Korean Government has also engaged in public activities to promote the equal treatment of foreign and domestic motor vehicles through such means as direct outreach to civic groups, in an attempt to improve the environment for sales of foreign motor vehicles.

SOUTH/SOUTHWEST ASIA

INDIA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	771,747	897,694	957,611
Commercial Use Vehicles	976,359	1,084,603	989,773
Total Motor Vehicles	1,748,106	1,982,297	1,947,384

Source: Auto Strategies International Inc.

The automotive industry of India is categorized into passenger cars, two wheelers, commercial vehicles and three wheelers, with two wheelers dominating the market. More than 75 percent of the vehicles sold are two wheelers. Nearly 59 percent of these two wheelers sold were motorcycles and about 12 percent were scooters. Mopeds occupy a small portion in the two wheeler market, however, electric two wheelers are yet to penetrate.

Duties and Taxes:

- **Customs Duty:** In India, the basic law for levy and collection of customs duty is Customs Act 1962. It provides for levy and collection of duty on imports and exports, import/export procedures, prohibitions on importation and exportation of goods, penalties, offences, etc.

The basic tariff applied to cars is 60 percent. (Overall duty is 100 percent)

The basic tariff applied to trucks is 10 percent.

The basic tariff for auto parts (Chapter 84 and 87) is 7.5 percent.

For a detailed schedule of the customs duty, please click here:

<http://www.cbec.gov.in/customs/cst-2k11-12/cst1112-idx.htm>

- **Basic Excise Duty:** This is the duty leviable under First Schedule to the Central Excise Tariff Act, 1985 at the rates mentioned in the schedule.
- **Special Excise Duty:** This is the duty leviable under second schedule to the Central Excise Tariff Act, 1985 at the rates mentioned in the schedule. At present this is leviable on very few items.
- **National Calamity Contingent Duty (NCCD):** Normally known as NCCD. This duty is levied as per section 136 of the Finance Act, 2001, as a surcharge on specified goods.

- Excise Duties and Cesses leviable under Miscellaneous Act: On certain specified goods, in addition to the aforesaid duties, prescribed rate of excise duty and cess is also leviable.
- Education Cess on excisable goods is levied in addition to any other duties of excise chargeable on such goods, under the Central Excise Act, 1944 or any other law for the time being in force.

For a detailed schedule of the excise duty, please click here:

<http://www.cbec.gov.in/excise/cxt-2011-12/cxt1112-idx.htm>

Import Restrictions:

- Import of remanufactured, rebuilt, and/or used motor vehicle parts are not permitted.

Emission norms:

- In tune with international standards to reduce vehicular pollution, the central government unveiled the standards titled 'India 2000' in 2000 with later upgraded guidelines as 'Bharat Stage'. These standards are quite similar to the more stringent European standards and have been traditionally implemented in a phased manner, with the latest upgrade getting implemented in 13 cities and later, in the rest of the nation. Delhi(NCR), Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Ahmedabad, Pune, Surat, Kanpur, Lucknow, Solapur, and Agra are the 13 cities where Bharat Stage IV has been imposed while the rest of the nation is still under Bharat Stage III.

Fuel Specification:

- The Fuel Quality plays a very important role in meeting the stringent emission regulation. The fuel specifications of Gasoline and Diesel have been aligned with the corresponding European Fuel Specifications for meeting the Euro II, Euro III and Euro IV emission norms. The use of alternative fuels has been promoted in India both for energy security and emission reduction Delhi and Mumbai have more than 100,000 commercial vehicles running on CNG fuel. India is planning to introduce Biodiesel, Ethanol Gasoline blends in a phased manner and has drawn up a road map for the same. The Indian auto industry is working with the authorities to facilitate the introduction of alternative fuels. India has also setup a task force for preparing the Hydrogen road map. The use of LPG has also been introduced as an auto fuel and the oil industry has drawn up plans for the establishment of Auto LPG dispensing station in major cities.

Membership in Trade & Economic Agreements:

- Japan
- Korea
- ASEAN
- PTA with SAARC Nations
- Malaysia

- Thailand
- India-EU BTIA
- Canada
- Australia
- New Zealand

Other agreements can be found at www.commerce.nic.in

NEPAL

- An import license is required.
- The import duty is levied at around 94 percent on public carriers and around 117 percent on mini-buses (customs duty of 25 percent on public carriers and 40 percent on mini-buses, 32 percent excise duty on the gross of Invoice Value + Customs Duty, 1.5 percent local development tax on invoice value, 5 percent special tax on invoice value, and 13 percent value added tax (VAT) on the gross of invoice value + additional duties and taxes).
- The import duty on other vehicles is around 176 percent (80 percent customs duty, and additional duty and taxes as applicable on mini-buses and public carriers).

PAKISTAN- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	44,580	35,523	29,819
Commercial Use Vehicles	16,478	15,273	13,175
Total Motor Vehicles	61,058	50,796	42,994

Source: Auto Strategies International Inc.

Pakistan - Customs Duties and Taxes on Motor Vehicles

Customs Duties

Following is the schedule of customs duties, assessed on the C&F value of new vehicle imports:

Passenger Cars:	Type	Customs Duty
	Up to 800 cc	50 percent
	801cc-1000cc	55 percent
	1001cc-1500cc	60 percent
	1501cc-1800cc	75 percent
	1801cc and above	90 percent

According to Business Monitor International, for commercial vehicles, “The general tariff regime in Pakistan is 20 percent on CKD buses and trucks; and 60 percent on compressed natural gas (CNG) trucks and 20 percent on CBUs for buses.” In addition, CKD-kit bus imports have been exempted from customs duty.

Taxes

- A 15 percent General Sales Tax (a VAT tax), is assessed on all motor vehicles (personal, commercial, CKDs, and CBUs).

Other Measures

Vehicles as Personal Gifts and Baggage:

- Pakistan permits the importation of motor vehicles as a personal gift, or as personal baggage accompanying a returning Pakistani after a residence abroad. Siblings are also now covered under the gifting scheme. The schedule of duties is listed in Appendix G of the Import Trade and Procedure Order, 2002-2003 (www.paksearch.com).

Exemption from Customs Duties:

- The Government of Pakistan exempts custom duty on the import of certain categories of motor vehicles by diplomats, tour operators/travel agents and privileged organization/offices/agencies as defined under Customs Rules and Procedures 2002-2003 (www.paksearch.com).

Investment Measures:

- On a case-by-case basis, with the permission of the Government of Pakistan, organizations engaged in infrastructure projects such as petroleum, gas, refinery, CNG, LPG, energy conservation, environment and safety control are exempt from duties and taxes on vehicles not manufactured locally.

Local Content Requirements:

- Pakistani companies, which manufacture automobiles, must comply with local content requirements. Within a specified time period the Pakistani plant must adhere to a specific local content ratio on the production line. The local content requirements vary for different types of vehicles and are determined by the Engineering Development Board of Pakistan (EDB). Further information may be obtained on EDB’s website: <http://www.engineeringindustry.info>.

Safety and Emissions Standards and Certification Procedures:

- Pakistan does not have regulations concerning automobile safety and emissions standards and certification procedures. All U.S. and European vehicle specifications are accepted.

Membership in Trade & Economic Agreements:

- Malaysia
- China

- Sri Lanka
- WTO

ASEAN

Ten countries currently form the membership of the Association of South East Asian Nations (ASEAN). These countries include Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), the Philippines, Singapore, Thailand and Vietnam. These countries belong to the ASEAN Free Trade Area (AFTA), under which all internal tariffs on manufactured products have been lowered to 0-5 percent, as applied by the common effective preferential tariff (CEPT).

The main trade scheme in ASEAN that has an impact on automotive trade within the region is the AICO (ASEAN Industrial Cooperation). Under the AICO scheme, approved companies are eligible to benefit immediately from the AFTA zero to five percent preferential tariff rate, for trade in approved items. In the automotive sector this applies to completed vehicles, parts, half-finished goods and materials. In order to qualify, products must have 40 percent ASEAN content and demonstrate resource sharing between participating companies. In addition, ASEAN members are required to abolish the localization schemes in each country as well as the import tariff exemptions and local capital requirements.

INDONESIA -- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	8,404	25,544	47,323
Commercial Use Vehicles	308,270	479,881	593,732
Total Motor Vehicles	316,674	505,425	641,055

Source: Auto Strategies International Inc.

Tariffs:

- Tariffs on Completely Built-up (CBU) passenger vehicles range from 65, 70 and 80 percent depending on engine displacement.
- A 45 percent tariff is applied to CBU Commercial vehicles.
- CBU Pickup trucks and buses tariff rates range from 5, 40, 45 percent depending on engine size.
- Tariffs on non-passenger car kits are a uniform 25 percent.
- Tariffs on auto components and parts imported for local assembly of passenger cars and minivans are a uniform rate of 15 percent.

Taxes:

- In addition to the duty and luxury tax, Indonesia applies a 10 percent Value Added Tax (VAT).
- Luxury Tax Chart inserted below for applied rates:

PP 41/2005 dated 25 Oct 2005

Category	Engine Size	Luxury Tax	
		Old (%)	New (%)
Sedan	cc < 1.5	30	30
	1.5 < cc < 3.0 (P) 2.5 (D)	40	50
	cc > 3.0 (P) 2.5 (D)	75	75
MPV (4x2)	cc < 1.5	10	10
	1.5 < cc < 2.5	20	25
	2.5 < cc < 3.0 (P)	40	50
	cc > 3.0 (P) 2.5 (D)	75	75
SUV (4x4)	cc < 1.5	30	30
	1.5 < cc < 3.0 (P) 2.5 (D)	40	50
	cc > 3.0 (P) 2.5 (D)	75	75
Commercial	GVW 0.5 tons (P/D) all cc	20	25
Double Cabin			
4x2 and 4x4			

Note:

CBU (Completely Built Up)

CKD (Completely Knocked Down)

Lt (Liter)

Import Bans and Quotas:

Used vehicles and automotive parts imports are prohibited.

MALAYSIA -- New Motor Vehicle Sales (in unit)

	2006	2007	2008
Personal Use Vehicles	366,719	379,639	425,955
Commercial Use Vehicles	124,049	107,537	122,237
Total Motor Vehicles	490,768	487,176	548,192

Source: Auto Strategies International Inc.

Taxes/Tariffs:

- 10 percent sales tax is applied to all imported vehicles.
- See below for tax and tariff details.
- Import duty for vehicles with at least 40 percent ASEAN content is zero percent.

The government amended the automotive tax regime in 2004 and again in 2005 to meet

its commitments under the ASEAN Free Trade Agreement (AFTA). Under Malaysia's National Automotive Policy (NAP) introduced in March 2006, the tax regime was further streamlined, resulting in the overall reduction in tax rates on most motor vehicles, both imported and locally produced. The import duty of ASEAN CBUs has been removed in 2009.

A) Motor Cars (Including Station Wagons, Sports Cars and Racing Cars)								
	IMPORT DUTY						LOCAL TAXES	
	CBU		CKD		MSP		CBU & CKD	
Engine Capacity (cc)	MFN	ASEAN CEPT	MFN	ASEAN CEPT	MFN	ASEAN CEPT	Excise Duties	Sales Tax
< 1,800	30%	0%	10%	0%	10%	n.a	75%	10%
1,800 - 1,999	30%	0%	10%	0%	10%	n.a	80%	10%
2,000 - 2,499	30%	0%	10%	0%	10%	n.a	90%	10%
Above 2,500	30%	0%	10%	0%	10%	n.a	105%	10%

B) Four Wheel Drive Vehicles								
	IMPORT DUTY						LOCAL TAXES	
	CBU		CKD		MSP		CBU & CKD	
Engine Capacity (cc)	MFN	ASEAN CEPT	MFN	ASEAN CEPT	MFN	ASEAN CEPT	Excise Duties	Sales Tax
< 1,800	30%	0%	10%	0%	10%	n.a	65%	10%
1,800 - 1,999	30%	0%	10%	0%	10%	n.a	75%	10%
2,000 - 2,499	30%	0%	10%	0%	10%	n.a	90%	10%
Above 2,500	30%	0%	10%	0%	10%	n.a	105%	10%

C) Others (MPV & VAN)								
	IMPORT DUTY						LOCAL TAXES	
	CBU		CKD		MSP		CBU & CKD	
Engine Capacity (cc)	MFN	ASEAN CEPT	MFN	ASEAN CEPT	MFN	ASEAN CEPT	Excise Duties	Sales Tax
< 1,500	30%	0%	NIL	0%	NIL	n.a	60%	10%
1,500 - 1,799	30%	0%	10%	0%	10%	n.a	65%	10%
1,800 - 1,999	30%	0%	10%	0%	10%	n.a	75%	10%
2,000 - 2,499	30%	0%	10%	0%	10%	n.a	90%	10%

Above 2,500	30%	0%	10%	0%	10%	n.a	105%	10%
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D) Commercial Vehicles								
	IMPORT DUTY						LOCAL TAXES	
	CBU		CKD		MSP		CBU & CKD	
Class	MFN	ASEAN	MFN	ASEAN	MFN	ASEAN	Excise Duties	Sales Tax
		CEPT		CEPT		CEPT		
All	30%	0%	NIL	0%	NIL	n.a	NIL	10%

Notes: MFN: Most Favored Nation
MSP: Multi-sourcing parts
NA: not applicable

National Car Policy:

Currently the importation of motor vehicles are based on an Approved Permit (AP) system requiring an import approval permit/license which limits imported total market volume for complete built-up units (CBU). However in line with Malaysia's international commitment, the Approve Permit (AP) system will be terminated as follows:

- Open AP for used vehicles (commercial, passengers and motorcycles) to be terminated by 31st December 2015

Import Bans and Quotas:

- An approval permit (license) is required for imports of motor vehicles, which effectively acts as a quota limiting the number of vehicles imported.

ASEAN Free Trade Area (AFTA):

- Malaysia was granted an extension until 2008 to meet AFTA CEPT rate for all manufactured products internal tariffs.

Investment Requirements:

- Foreign investors may retain up to 100 percent equity if the new investments expand existing investment in manufacturing concerns.
- Malaysian companies must be 30 percent Bumiputra (native Malay) owned.

PHILIPPINES - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	38,479	41,213	44,425
Commercial Use Vehicles	61,062	76,690	80,024
Total Motor Vehicles	99,541	117,903	124,449

Source: Auto Strategies International Inc.

This information is from the Philippine Board of Investments (BOI) and several other industry sources.

Tariff:

Table 2 illustrates CBU tariff on under specific ASEAN Harmonized Tariff Nomenclature (AHTN) codes.

Note: The AHTN is an 8-digit commodity nomenclature adopted by the ten ASEAN member countries on January 1, 2002. It is based on the Harmonized System (HS) and involves the alignment of the national tariff nomenclature of each member country with the AHTN.

Table 2: CBU Tariff

AHTN heading	Tariff	Description	Tariff Based On
87.02	15% to 20%	Motor vehicles for the transport of ten or more persons	Passenger capacity and gross vehicle weight (GVW)
87.03	30%	Cars and other motor vehicles principally designed for the transport of persons	Engine displacement
87.04	20% to 30%	Motor vehicles designed for the transport of goods	Gross vehicle weight (GVW)
87.11	30%	Motorcycles	Engine displacement

Source: Board of Investments (BOI), Department of Trade and Industry (DTI)

The tariff rate for the assembly of motor vehicles falling under AHTN heading nos. 87.02, 87.03, 87.04 and 87.11 is from zero to one percent. It is dependent on the type of engine used. Table 3 illustrates the difference on tariff for the assembly of alternative fuel vehicles (zero percent) and the conventional vehicles (i.e., gasoline/diesel engines) with one percent.

Table 3: CKD/ KD Tariff

AHTN heading	Description	Tariff
87.02, 87.03, 87.04 and 87.11	Components, parts and/or accessories imported from one or more countries for assembly of vehicles by participants in the Motor Vehicle Development Program (MVDP) with certificate from the Philippine Board of Investments (BOI) for the assembly of hybrid (electric and gasoline/diesel), electric, flex-fuel (bio-ethanol and bio-diesel) and compressed natural gas (CNG) vehicles.	0%

87.02, 87.03, 87.04 and 87.11	Components, parts and/or accessories imported from one or more countries for assembly of vehicles by participants in the MVDP with a certificate from the BOI.	1%
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Source: Board of Investments (BOI), Department of Trade and Industry (DTI)

Taxes:

- A 12 percent VAT is assessed on the domestic sale of all goods, including motor vehicles and automotive parts and components.
- Excise taxes on motor vehicles are assessed and levied based on the net manufacturer/importer's selling price. Table 4 shows the corresponding excise tax levied on motor vehicles.
- Commercial vehicles, except for pick-up trucks, 4X4 vans and Asian Utility Vehicles (AUVs), are not subject to the excise tax.

Table 4: Excise Tax Rates

Net Manufacturer's Price / Importer's Selling Price	Excise Tax
Up to Philippine Peso (PhP) 600 Thousand (approx US\$14,285)	2%
Over PhP600 Thousand to PhP1.1 Million (approx US\$14,285 to US\$26,190)	PhP12,000 (approx US\$285) + 20% of value in excess of PhP600 Thousand
Over PhP1.1 Million to PhP2.1 Million (approx US\$26,190 to US\$50,000)	PhP112,000 (approx US\$2,267) + 40% of value in excess of PhP1.1 Million
Over PhP2.1 Million	PhP512,000 (approx US\$12,190) + 60% of value excess of PhP2.1 Million

Notes: Exchange Rate used: US\$1 = PhP42.00 / Source: Republic ACT (RA) 9224

Import Restrictions:

Section 3 of Executive Order 156 indicates that:

The importation into the country of all types of used motor vehicles is prohibited, except for the following:

- A vehicle that is owned and for the personal use of a returning resident or immigrant and covered by an authority to import issued under the No-Dollar Importation Program. Such vehicles cannot be resold for at least three (3) years;
- A vehicle for the use of an official of the Diplomatic Corps and authorized to be imported by the Department of Foreign Affairs;
- Trucks, excluding pick-up trucks:
 1. With GVW of 2.5 – 6.0 tons covered by an authority to import issued by the Department of Trade and Industry (DTI).

2. With GVW above 6.0 tons.
- Buses:
 1. With GVW of 6-12 tons covered by an authority to import issued by DTI.
 2. With GVW above 12 tons.
 - Special purpose vehicles, namely; fire trucks, ambulances, funeral hearses/coaches, crane lorries, tractor heads or truck tractors, boom trucks, tanker trucks, tank lorries with high pressure spray gun, reefers or refrigerated trucks, mobile drilling derricks, transit/concrete mixers, mobile radiological units, wreckers or tow trucks, concrete pump trucks, aerial/bucker flat-form trucks, street sweepers, vacuum trucks, garbage compactors, self loader trucks, man lift trucks, lighting trucks, trucks mounted with special purpose equipment, all other types of vehicles designed for a specific use.

Other Measures:

The importation of used trucks, buses, and special purpose vehicles is regulated and monitored by the DTI. It requires an import license from the Bureau of Import Services (BIS), DTI.

Membership in Trade and Economic Agreements:

- Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA)
- Japan-Philippines Economic Partnership Agreement (JPEPA)
- Trade and Investment Framework Agreement (TIFA) with the U.S.

SINGAPORE - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	103,513	85,010	72,751
Commercial Use Vehicles	11,753	8,153	8,170
Total Motor Vehicles	115,266	93,163	80,921

Source: Auto Strategies International Inc.

Tariffs:

- Singapore does not apply any tariffs to vehicles or components.

Taxes:

- The excise tax on all vehicles is 20 percent of Open Market Value (OMV)
- Registration fee: S\$140 (Sing dollars)
- Additional Registration Fee (ARF): 100 percent of OMV
- Road Tax - Singapore levies a road tax on vehicles, which is based on engine displacement. There are five categories for this tax: less than or equal to 600cc, 601cc – 1000cc, 1001cc – 1600cc, 1601cc – 3000cc and above 3000cc. Tax is determined by a graduated formula, with larger engine sizes charged a higher tax rate (for additional details, see the Singapore Land Transport Authority’s web page at <http://www.onemotoring.com.sg>)

- Special Tax - A petrol duty is imposed to encourage fuel conservation and discourage excessive use of vehicles that may contribute to congestion and pollution. However, there is currently no equivalent duty imposed on diesel. Hence, a Special Tax is levied on diesel vehicles to make up for the absence of a fuel duty. The Special Tax is payable in addition to the Road Tax of the vehicle.

The quantum of the Special Tax for diesel cars takes into account the higher particulate matter (PM) emissions of diesel vehicles. The Special Tax for a non-Euro IV compliant diesel car is six times its Road Tax. In recognition of improved emission standards of Euro-IV diesel cars, the Special Tax rate for these diesel cars was reduced from four times the road tax to \$1.25 per cc with effect from 1 July 2008. The Special Tax structure seeks to narrow the difference in the cost of fuel consumption (including petrol duty) between a Euro-IV diesel car and a petrol car.

- Special Tax is payable in addition to the Road Tax for CNG, petrol-CNG & diesel cars.

THAILAND - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	191,763	170,118	226,805
Commercial Use Vehicles	490,398	461,133	388,465
Total Motor Vehicles	682,161	631,251	615,270

Source: Auto Strategies International Inc.

Tariffs:

Motor Vehicles:

- Pick-ups are assessed a 40 percent import duty.
- Passenger cars are assessed an 80 percent import duty.
- Heavy-duty trucks and buses are assessed a 40 percent import duty.

Automotive Parts and Components:

- CKD kits (passenger cars, pickups and sport utility vehicles) are assessed a 30 percent import duty.
- Vehicle components which are not brought in as CKD material (i.e. service parts/missing/damaged parts) are subject to 0- 30 percent duties
- The tariff on raw materials ranges from 0-10 percent.

Taxes:

- The excise tax is computed under the following formula:

$$\frac{\text{Vehicle Price (including tariff)} \times \text{Excise Tax Rate}}{1 - (1.1 \times \text{Excise Tax Rate})}$$

- The municipal tax is 10 percent of the amount of the excise tax.
- The VAT is 7 percent times the price including tariff, excise tax and municipal tax.

Import Bans:

- Ban on used vehicles
- Ban on buses with 30 seats and over

Membership in Trade & Economic Agreements:

- AFTA
- JTEPA
- ACFTA
- TAFTA
- TIFTA

VIETNAM - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	381	2,455	6,354
Commercial Use Vehicles	9,132	17,689	20,723
Total Motor Vehicles	9,513	20,144	27,077

Source: Auto Strategies International Inc.

Taxes:

- The Special Consumption Tax (SCT) for vehicles is 50 percent for vehicles with five seats or less, 30 percent for those with six to 15 seats, and 15 percent for those with 16 to less than 24 seats.
- The SCT for both Completely Knocked-down vehicles (CKD) and Completely Build-up vehicles (CBU) are harmonized (effective January 1, 2004).
- The provision on SCT reduction for local auto assembler has been eliminated.
- The Value Added Tax (VAT) is five percent for all vehicles.

Tariffs:

- CBU MFN rate is 70 percent for all vehicles.
- CKD ASEAN Free Trade Area (AFTA) Common Effective Preferential Tariff (CEPT) rates are 0 or 5%, going to 0% by 2012 for all vehicles.
- CBU passenger cars are still on the GE list. The latest proposal of CEPT Roadmap to reduce AFTA rates for CBU passenger cars which is approved by the Prime Minister is:
 - CBU vehicles with 10 to 30 seats: 20 percent (2007) and five percent (2009)
 - CBU vehicles under 10 seats 20 percent (2008) and five percent (2010).
- CKD MFN rates, scheduled to increase five to 10 points per year, appear to be holding at 25 percent and rising for passenger cars and PPV and 15 percent and rising for minivans/bus, pickups, and trucks equal or less than five tons
- MFN rate for all used autos and trucks not exceeding five tons is 150 percent.

Prohibitions:

- Beginning in 1998, Vietnam had a prohibition on the importation of used passenger vehicles. The ban has since been phased out.

OCEANIA

AUSTRALIA- New Motor Vehicle Sales (in units)

2006	2007	2008		
Personal Use Vehicles	598,394	637,019	596,765	
Commercial Use Vehicles	364,272	412,963	415,399	
Total Motor Vehicles	926,666	1,049,982	1,012,164	

Source: Auto Strategies International Inc.

Motor vehicle trade between the United States and Australia is bound by the terms of the U.S./Australia Free Trade Agreement, which went into effect on January 1, 2005. The agreement can be found on the web at:

http://www.ustr.gov/Trade_Agreements/Bilateral/Australia_FTA/Section_Index.html

The automotive terms are outlined below. The terms for goods not qualifying under the agreement are also described in a following section.

Tariffs under the FTA:

For those motor vehicles that meet the necessary rule of origin to qualify for preferential treatment under the FTA, the following tariff rates apply:

- Australian tariffs on U.S. vehicles in the light truck passenger segment – including four-wheel drive, SUVs, minivans, and pickup trucks – were eliminated immediately on implementation. This includes the vast majority of U.S. vehicle exports to Australia.
- Australian tariffs on imported U.S.-built passenger cars were reduced from 15 percent to eight percent on implementation, and were phased down on a linear basis to zero percent in 2010.

Rule of Origin under the FTA:

Details of the Rules of Origin can be found at the Australian Customs Website:

<http://www.customs.gov.au/webdata/resources/notices/ACN04039.pdf>

- The agreement uses the “net cost” method of calculating origin, which does not include most post-production costs, such as sales promotion, marketing, after sales service costs, royalties, shipping and packing costs, and non-allowable interest costs. The Agreement sets a minimum “net cost” regional value content

of 50 percent for automotive products, (sourced from the United States and Australia) in order to enjoy duty-free treatment.

Used cars under the FTA:

- To ensure that the agreement is not used to allow third-party used cars to be transshipped through either party, in addition to meeting the automotive rule of origin, passenger vehicles will be required to pass a ‘change in tariff classification’ test – which ensures that the vehicle underwent manufacturing processes in one of the two parties.
- All used vehicles must also obtain quarantine clearance from the Australian Quarantine and Inspection Service (AQIS) after the vehicle has arrived at the port of entry. This is to prevent the entry of diseases, noxious weeds and insect pests into Australia. Quarantine authorities inspect all vehicles on arrival and may require them to be properly cleaned. This is usually done by steam cleaning. All exporters should remove all soil and any other matter from the vehicle (including the underside) prior to exportation to Australia. For more information visit the AQIS website:

<http://www.daff.gov.au/aqis/import/vehicles-machinery/motor-vehicles>

For vehicles not meeting the rule of origin under the FTA, the following terms apply:

The Australian government maintains web pages regarding motor vehicle import procedures and requirements. The main link can be found at:

<http://www.customs.gov.au/site/page4371.asp>

Tariffs:

- New and used passenger motor vehicles, campervans/mobile homes, and their components are presently subject to a five percent customs duty.
- New and used commercial and all-wheel drive vehicles and their components are duty free.
- Used passenger vehicles more than 30 years old are exempt from customs duties.
- Import duty is collected on the vehicle’s “customs” value as determined by Australian Customs Service (ACS). Generally, ACS includes all arms-length expenditures to acquire ownership/title to the vehicle in a foreign country. However, international shipping and related insurance costs are not included. Alternative valuation methods may be employed at the discretion of ACS.

Import Tax:

- Used vehicles imports also are subject to a specific additional charge of \$12,000 Australian, unless a waiver is granted for approved “specialty or enthusiast” vehicles (a.k.a. “collector cars”). This tax is applicable to all used vehicles, even those qualifying for preferential treatment under the FTA.

- Used vehicles imported for personal use, or models that do not compete with locally assembled vehicles, and for which fewer than 25 units are to be imported annually, usually are exempt.

Taxes:

- A 10 percent federal goods and service tax (GST) is levied on the assessed value of all imported new and used vehicles, inclusive both of applicable customs duties and international freight and insurance charges.
- Passenger vehicles designed to carry a load of less than two metric tons and fewer than nine passengers are subject to a federal luxury car tax (LCT). To establish the taxable basis, compute the sum of the following: ACS derived value of the import, international shipping and insurance charges, applicable Customs duties, and GST. A tax of 10/11 * 33 percent is collected on any amount of that sum above the taxable threshold, currently \$57,446 Australian.
- For an illustrative example of Australian automotive taxes see: <http://www.customs.gov.au/site/page4371.asp#duty>
- Note: Australian-assembled vehicles are also subject to the GST and LCT, but have no Customs duty included in their taxable basis.

Other Measures:

Prior Approval:

- Importers must submit a formal request for “Import Approval” to the Department of Transport’s Vehicle Safety Standards Branch prior to a vehicle’s entry into Australian territory. Payment of \$50 Australian fee must accompany each application, which may include multiple vehicles of the same model.

Duty Waiver:

- Until 2005, local vehicle assemblers could claim an import duty credit equal to 25 percent of the value of their production of motor vehicles, engines and engine components, multiplied by the relevant tariff rate, plus 10 percent of the value of new investment in plant and equipment. Local component producers could claim a credit equal to 25 percent of the value of their investment in plant and equipment and of 45 percent of the value of investment in R&D. The total value any firm may claim in any year was limited to five percent of its total local sales. The credits could be applied by the firm--or traded to other importers--as payment of customs duty on vehicles or components they import. This program is to be reduced beginning in 2006 and terminated in 2015.

Vehicle Safety and Emissions Requirements:

- All imported vehicles must be modified to comply with Australian Design Rules (ADRs) regarding safety, emissions and anti-theft measures. Details can be found at: http://www.infrastructure.gov.au/roads/motor/design/adr_online.aspx. If import volume exceeds 100 new vehicles per year, destructive testing (e.g., crash test) may be required.

- The ADRs require that with only a few exceptions, left-hand drive vehicles, regardless of the scheme under which imported, must be converted to right-hand drive prior to licensing for road use.
- Beginning May 3, 2003, up to 100 examples of specific vehicle models listed on the “Specialist and Enthusiast Vehicles Scheme” (see: <http://www.infrastructure.gov.au/roads/motor/sevs/index.aspx>) may be imported by Registered Automotive Workshops (RAWs) without being subject to the full requirements of the ADR. Australian residents must contract with a RAW, or become one in order to import registry-listed vehicles.
- Vehicles produced prior to July 1989 may be subject to earlier versions of ADRs, subject to state enforcement. To be licensed for use on public roads, the vehicle must meet the safety regulations of the state or territory in which it will be registered.
- A “Personal Import” program allows one vehicle per year to be imported by an individual of legal driving age without proof that it meets the ADR, provided that the vehicle has been owned and used abroad by the import applicant for a continuous period of at least 12 months. The applicant must be either an Australian citizen or permanent resident, or must have applied for either status.

NEW ZEALAND - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	76,804	77,454	73,397
Commercial Use Vehicles	23,182	25,014	23,933
Total Motor Vehicles	99,986	102,468	97,330

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars ranges from free to 10 percent depending on engine size.
- The tariff applied to trucks is zero.
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from zero to five percent.

Taxes:

- A Goods and Services (GST) of 15 percent is levied on all sales transactions in New Zealand. The tax is based on the landed value of the motor vehicle and is collected by New Zealand Customs.

Import Restrictions:

- New Zealanders drive on the left-hand side of the road (steering wheel on the right.) Left Hand Drive vehicles can be imported into New Zealand but restrictions are enforced for road use. A light vehicle less than 20 years old cannot generally be registered unless it has been issued with a permit issued by the NZ Transport Agency (NZTA). Website: www.nzta.govt.nz/resources/factsheets/12a/category-a.html

Local/Regional Content Requirements: none required

Other Measures:

- All vehicles must comply with New Zealand's safety standards before they can be registered for use on New Zealand roads. The approved standards are listed in this New Zealand Transport Agency link: www.nzta.govt.nz/vehicle/classes-standards/list.html
- Used vehicle imports from the United States must meet a range of approved standards before they can be registered for use on New Zealand roads:

[Proof of ownership](#) - deregistration or change of ownership papers or a USA certificate of origin plus an invoice, bill of sale or receipt, etc.

[Emissions standards](#) - an Environmental Protection Agency (EPA) label or a statement of compliance that includes

[Frontal impact standards](#) - it appears on New Zealand's list of compliant vehicles, an [FMVSS \(US Federal Motor Vehicle Safety Standards\) plate](#) or a [statement of compliance](#).

[Fuel consumption](#) - fuel consumption certificate.

[Heavy-vehicle brake standards](#).

[Overall standards](#) - an FMVSS plate or a [statement of compliance](#).

- Similar to petrol and diesel vehicles, hybrid or plug-in electric hybrid vehicles must comply with New Zealand's emissions and safety standards. Fuel consumption is required for a light vehicle, other than a motorcycle. A battery electric (powered wholly by electricity) vehicle must meet the appropriate safety standards, but not the emissions or fuel consumption requirements.

Membership in Trade & Economic Agreements:

New Zealand and Australia trade through a Closer Economic Relationship (CER), which is a free trade agreement eliminating all tariffs between the two countries. The rules of origin under the CER do not, however, permit products to enter Australia duty free from New Zealand unless the products are of at least 50 percent New Zealand origin.

Additionally, the last manufacturing process must be carried out in New Zealand. The enactment of the Free Trade Agreement between Australia and the United States on January 1, 2005, removed any tariff disadvantage to U.S. firms that choose to re-export products from New Zealand to Australia. Website: <http://www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Australia/index.php>

New Zealand concluded a Closer Economic Partnership (CEP) agreement with Singapore that entered into force on January 1, 2001. Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Singapore/index.php

New Zealand concluded a concluded a CEP agreement with Thailand that entered into force on July 1, 2005. Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Thailand/index.php

New Zealand concluded an FTA with China that entered into force on October 1, 2008. Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/China/index.php

New Zealand and Malaysia signed an FTA October 26, 2009, but is yet to enter into force. Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Malaysia/index.php

New Zealand concluded work on an FTA with the Gulf Cooperation Council (GCC) on October 31, 2009, but the agreement has not yet been signed. Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Gulf-Cooperation-Council/index.php

New Zealand concluded a CEP with Hong Kong, which entered into force on January 1, 2011: Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Hong-Kong/index.php.

A Free Trade Agreement between New Zealand, Australia and the Association of South East Asian Nations (ASEAN) was signed on February 27, 2009. Website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Asean/index.php

The Trans-Pacific Strategic Economic Partnership Agreement (TPP, previously known as the “P4”) between Brunei Darussalam, Chile, New Zealand and Singapore was signed in 2005. In 2010, the United States, Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam began negotiating a regional Asia-Pacific trade agreement called the Trans-Pacific Partnership (TPP), with the objective of shaping a high-standard, broad-based regional agreement. This agreement will create a potential platform for economic integration across the Asia-Pacific region, and a means to advance U.S. economic interests with the fastest-growing economies in the world. Details about the original “P4” TPP Agreement can be found on website: www.mfat.govt.nz/Trade-and-Economic-Relations/Trade-Relationships-and-Agreements/Trans-Pacific/index.php

New Zealand is also currently negotiating separate FTAs with India and Korea, as well as a block trade agreement with Russia, Belarus, and Kazakhstan.

AFRICAN COUNTRIES SURVEYED:

SOUTH AFRICA- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	426,822	384,431	295,064
Commercial Use Vehicles	219,744	228,277	193,947
Total Motor Vehicles	646,566	612,566	489,011

Source: Auto Strategies International Inc.

Tariffs:

- 32 percent on light vehicles (passenger cars and light trucks) and heavy duty trucks
- 20 percent on most automotive parts

Taxes:

- AD VALORUM duty on all vehicles (approximately 2 percent – depending on value)
- 14 percent value added tax (VAT)
- Imported used car values reflect their depreciated value, up to a limit of 45 percent (if purchased brand new and up until 4 years old = 60 percent)

Import Restrictions:

- Strict control measures ensure that only a limited number of legal import permits are issued to allow used vehicles into SA. In terms of current legislation, used vehicles qualifying for an import permit include those for returning residents and immigrants, vintage cars, racing cars, donated vehicles for welfare organizations and adapted vehicles for persons with physical disabilities. Without a legal import permit, imported used vehicles cannot be registered on the National Information Transport System (NaTIS) while the system also combats stolen and non-complying vehicle registrations. All vehicle-manufacturing plants have also been linked online to the system to facilitate the collation of data of vehicles produced. Government and industry are engaged in various actions and initiatives to effectively combat the illegal import of used vehicles into SA. The focus of the task teams has been extended to also include imported new vehicles not complying with the SA Bureau of Standards compulsory vehicle specifications as well as illegal registrations on the NaTIS. In this regard, the SABS Letter of Authority (LOA) was introduced in 2000 as a means of certification of compliance with SABS standards. The LOA has been instrumental in combating the increasing levels of imports of non-compliant vehicles that tend to have sub-standard safety features to the detriment of road safety. In addition, SABS homologation is the procedure to ensure that all new vehicle models comply with the relevant SA legislation, standards and specifications, as well as codes of practice, for motor vehicles intended for use by the public on public roads. The process for homologation must be carried out before any motor vehicle model is introduced into the SA market. This prevents the need to withdraw a motor vehicle model before it enters the market and reduces the possibility of resultant legal action against the supplier. A homologation process is also required in respect of motor vehicle tires.

Local/Regional Content Requirements:

- South Africa's Phase VI local content program for the automotive manufacturing sector sets a value-based minimum local content level of 55 percent for South African built vehicles. The value of exported parts or vehicles can count for five percent of the local content requirement. In addition, the Phase VI local content program allows vehicle manufacturers to import original equipment free from the excise duty. (Previously, the program required all manufacturers to attain 66 percent local content measured by weight.) The Phase VI program induces companies to reach a local content value of 75 percent.

Other Measures:

- The major hindrance to investment is probably the uncertainty as to whether government auto policy will call for integration of the existing assemblers into a smaller, more efficient industry.

EUROPEAN UNION (EU):

The EU Motor Vehicle Framework Directive 2007/46/EC (MVFD) covers a broad range of vehicles, including trailers, buses and special purpose vehicles. The approval process involves interaction with different bodies prior to bringing cars into the EU market. Typically, a national (member state) approval authority conducts assessments for EU-wide ‘type approvals’ whereas designated technical services are in charge of testing and certification. The process affects entire vehicles as well as components such as rearview windows, steering wheels and axles among others. The latter are covered in separate directives.

For mass-produced vehicles, the process is referred to as ‘whole-vehicle type-approval’. Manufacturers of vehicles seeking ‘whole-vehicle type-approval’ design a prototype, apply for type approval and upon receipt of approval, produce the vehicle in series, using approved components where required.

Limited-import vehicles need to obtain individual approval. For example, someone wishing to import a car bought in the United States into the EU would need to obtain approval for that single vehicle. The process for individual approval is very similar to that for type-approval with a few exceptions (e.g. no destructive testing).

EU type approval will be recognized throughout the EU. One approval authority typically exists per country, and a manufacturer may work with any of them. Typically the approval authority is the Ministry of Transportation or Mobility. A body called a ‘technical service’ performs or supervises the tests called for in the relevant regulations. Certificates of conformity accompany type-approved vehicles, and an affixed marking designates approved components.

Some automotive parts/components are covered by separate EU automotive legislation. For example, a catalytic converter is covered by EU legislation numbers 1998/77 and 2002/80 as well as UN ECE R103. Such products have to be type approved prior to bringing them on the EU market. Type approval testing/certification for the EU market can be done in the United States, using the services of, among others, TUV Rheinland (German) or VCA (British). Their websites are http://www.tuv.com/us/en/automotive_inspections.html and <http://www.vcana.com/>

Aftermarket products such as lubricants, electronic accessories or tuning parts are not covered by EU automotive legislation. Depending on the type of product, other EU legislation is relevant:

- Lubricants: chemical legislation REACH
- Electronic accessories: low voltage and electromagnetic compatibility, restriction on the use of hazardous substances (RoHS) and waste of electrical and electronic components (WEEE)
- Others, such as bicycle racks or rescue kits: the general product safety directive applies.

Weblink: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:263:0001:0160:en:PDF>

Questions? Please contact Sylvia Mohr, U.S. Mission to the European Union, Brussels, Belgium (sylvia.mohr@trade.gov)

AUSTRIA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	308,594	298,182	293,697
Commercial Use Vehicles	41,291	44,031	42,303
Total Motor Vehicles	349,885	342,213	336,000

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in Austria. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT: 20 percent
 - (Autos for the handicapped and electric vehicles are exempted from VAT)
- Vehicle registration tax (paid once and based on fuel consumption
 - Since July 1, 2008, this tax includes an emissions element. For every gram of CO₂ that exceeds 180 grams/km, a tax of 30 euro is collected.
 - On January 1, 2010, an additional tax of 25 euro per gram of CO₂ over 160grams/km was added.
 - On March 1, 2011, the tax was amended again to add 25 euro per gram/km exceeding 160grams/km, plus an additional 25 euro per gram/km exceeding 180grams/km, and another 25 euro per gram/km exceeding 220grams/km.
- A 30 percent acquisition tax is collected on vehicles with engines 2,000cc and over
- Annual vehicle tax
 - Passenger cars (based on kilowatt)
 - Commercial vehicles (based on weight)

Import Restrictions: none

Local/Regional Content Requirements: none

Other Measures:

- New and used vehicles that are not EU tested and approved can be approved on an individual basis by the owner in the province where the car is registered (“Einzelgenehmigung”). The car must be brought to an approved testing facility along with title, sales contract, proof of customs payment, complete technical data (including exact exhaust values), and a photo of the vehicle against a white

background. The auto will then be modified to conform to EU and Austrian regulations. This procedure can be quite problematic if any technical data is missing or parts cannot be located, taking up to 6 months. Costs depend on the amount of modification necessary to bring a vehicle into compliance.

Membership in Trade & Economic Agreements:

- European Union
- WTO
- EFTA

BELGIUM & LUXEMBOURG - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	576,975	576,130	588,306
Commercial Use Vehicles	76,378	86,523	87,322
Total Motor Vehicles	653,353	662,653	675,628

Source: Auto Strategies International Inc.

Belgium

- The European Union tariffs are in force in Belgium. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21 percent (assessed on the effective invoice price at the time of sale of the vehicle)
- Registration Tax (applied to new cars, minibuses and motorcycles, not commercial vehicles), based on age and fiscal horsepower/engine size, and assessed on invoice price. (This tax increases steeply for cars with larger engines, and diesel engines pay more.) On second-hand vehicles, the registration tax is generally 25 percent (only when non taxable vendor).
- Total acquisition tax for cars 2,000cc and over: 25 percent
- Ownership tax
 - Passenger cars (based on cylinder capacity)
 - Commercial Vehicles (based on weight and axles)
- Road tax (based on engine size)
- Annual liability premium
- Energy tax which affects the price of gasoline

Luxembourg:

- The European Union tariffs are in force in Luxembourg. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 15 percent
- No vehicle registration tax
- Total acquisition tax for cars 2,000cc and over: 15 percent
- Ownership tax

- Passenger cars (based on CO2 emissions)
- Commercial vehicles (based on weight and axles)

The Luxembourg agency responsible for establishing and enforcing safety and road-worthiness requirements for autos, trucks and motorcycles is the Societe National de Controle Technique (SNCT). This agency is responsible for both national and EU type approval. SNCT's registration department allows new vehicles to enter into service if they are covered by a EU whole vehicle type approval and accompanied by a valid certificate of conformity as specified in Annex IX of EU Directive 92/53.

BULGARIA- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	33,477	41,528	43,758
Commercial Use Vehicles	10,978	11,842	11,842
Total Motor Vehicles	44,455	53,370	55,600

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Belgium. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 20 percent
- Registration tax: None
- Total acquisition tax for 2,000cc and over car: 20 percent
- Ownership Taxes:
 - Passenger cars: based on kilowatt
 - Commercial vehicles: based on weight and axles

CYPRUS - New Motor Vehicle Sales (in units):

	2006	2007	2008
Personal Use Vehicles	21,684	28,308	19,891
Commercial Use Vehicles	5,882	9,452	8,709
Total Motor Vehicles	27,566	37,760	28,600

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Cyprus. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 15 percent
- Registration tax: based on cylinder capacity and CO2 (2,000 cc=CYP 4,000)
- Total acquisition tax for cars 2,000cc and over: 35 percent
- Ownership tax
 - Passenger cars (based on cylinder capacity and CO2)
 - Commercial vehicles (based on weight and axles)

THE CZECH REPUBLIC - New Motor Vehicle Sales (in units)

	2006*	2007*	2008*
Personal Use Vehicles	263,979	262,841	246,153
Commercial Use Vehicles	77,571	90,941	90,941
Total Motor Vehicles	341,550	353,782	337,094

Source: Auto Strategies International Inc.

*Sales numbers are for the entire former Czechoslovakia area.

- The European Union tariffs are in force in the Czech Republic. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 20 percent
- Imported vehicle registration:
 - Registration Fee CZK 800 (\$49)
 - Mandatory Technical Check-up CZK1500 (\$214)
- Ecological Tax
 - *Current*: For cars manufactured before 2000 - emission-based fees are to be paid (emissions stated by car's logbook).
 - *Future*: The same will be applied for cars manufactured before 2006 as of 2013:
 - Emissions limit / Fee:

Not complying	CZK 10,000 (\$588)
Comply with EURO 1	CZK 5,000 (\$294)
Comply with EURO 2	CZK 3,000 (\$176)
Comply with EURO 3	CZK 0 (\$0)
- Ownership tax
 - Passenger cars (none)
 - Commercial vehicles (based on weight and axles)

DENMARK - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	156,915	162,779	150,144
Commercial Use Vehicles	69,114	63,040	41,466
Total Motor Vehicles	226,029	225,819	191,610

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Denmark. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 25 percent
- Vehicle registration tax (based on price)

The tax is based on the landed cost plus VAT. For the first 79,000 Danish Kroner (DK), the tax is 105 percent and for the remaining landed value, 180 percent.

- Ownership tax
 - Passenger cars (based on fuel consumption and weight)
 - Commercial vehicles (based on weight)

The Danish government body responsible for establishing and enforcing national and EU auto, truck and motorcycle requirements, and type approval is the Traffic Safety Division within the Danish Ministry of Justice in Copenhagen.

FINLAND - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	145,719	125,682	139,611
Commercial Use Vehicles	20,982	22,316	21,632
Total Motor Vehicles	166,701	147,998	161,243

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in Finland. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT 23 percent
- The vehicle registration tax percent is gained from carbon dioxide emission (g/km) by adding 0.122 percent for every g/km exceeding 60 g/km to 4.88 percent. Tax minimum is 12.2 percent and maximum 48.8 percent.

Import Restrictions:

Only passenger cars with catalytic converters are allowed to be imported into Finland. An imported car or motorcycle needs to be inspected and registered prior to use. A tax decision from the customs is required for the registration. Customs' authorization is also required before the vehicle can be moved within Finland.

In September 2002, Finland agreed to a European Court of Justice ruling to remove its 30 percent tax on imported used cars, falling into step with Europe's drive to form a single car market. This has boosted used car imports to Finland, especially from Germany.

For additional information on import tariffs, taxes and regulations please contact the Finnish Customs Information Service at http://www.tulli.fi/en/contact_us/Questions.jsp.

Membership in Trade & Economic Agreements:

Finland joined the European Union on January 1, 1995, which means that Finland complies with trade agreements that the EU has made with third countries. Finland is

also a member of the European Free Trade Association, and the European Economic Area.

For a list of trade agreements with the EU and its member states, as well as concise explanations, please visit http://tcc.export.gov/Trade_Agreements/index.asp.

FRANCE - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	2,000,562	2,064,999	2,050,282
Commercial Use Vehicles	498,389	519,644	523,431
Total Motor Vehicles	2,498,951	2,584,643	2,573,713

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in France. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT 19.6 percent
- Special tax depending on CO2 emissions (friendly environmental bonus/malus tax on new vehicles and CO2 surtax on used vehicles) as well as engine power.
- Taxes on company fleet vehicles depending on CO2 emission from 480 (120g/km) to 1,410 Euros (141g/km).
- Registration tax from 200 (151 to 155 g/km) to 2,600 (above 240 g/km).

Import Restrictions:

- No import restrictions.
- Specific requirements through customs for vintage cars, trucks, replicas, specific trucks and non-registered vehicles.

Other Measures:

- Super-bonus of 5,000 Euros for the acquisition of a clean vehicle (- 60 g/km of CO2 emission)

Membership in Trade & Economic Agreements:

- EU member

GERMANY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	3,467,961	3,148,163	3,090,040
Commercial Use Vehicles	304,433	334,116	334,999
Total Motor Vehicles	3,772,394	3,482,279	3,425,039

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Germany. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 19 percent
- No vehicle registration tax
- Total acquisition tax for cars 2,000cc and over: 19 percent
- Ownership tax
 - Passenger cars (based on cylinder capacity and exhaust emissions)
 - Commercial vehicles (based on weight, pollution and noise)
- German government encourages the use of electrically powered cars by giving tax incentives to purchasers of cars with this feature

GREECE - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	267,646	279,182	267,295
Commercial Use Vehicles	26,690	27,026	25,570
Total Motor Vehicles	294,336	306,761	292,865

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Greece. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 23 percent
- Vehicle registration tax (based on engine size and emissions: five to 50 percent)
- Luxury tax: zero to 40 percent
- Total acquisition tax for cars 2,000cc and over: 59 percent
- Ownership tax
 - Passenger cars (based on cylinder capacity and horsepower)
 - Commercial vehicles (based on payload)

Greece also applies a high and complex special consumption tax (SCT) to motor vehicles. The SCT effectively raises the retail price of a small car to 250 percent of C.I.F. value and of a large car to 600 percent.

Due to the formation of the EU's single internal market, the Government of Greece is being pressured to reduce its high taxes.

The Greek agency responsible for both national and EU type approval for all vehicles is the Directorate of Vehicle Technology within the Ministry of Transport and Communications in Athens.

HUNGARY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	184,756	171,793	153,278
Commercial Use Vehicles	22,779	23,984	23,984
Total Motor Vehicles	207,535	195,777	177,262

Source: Auto Strategies International Inc.

Tariffs:

- The tariff HS 8702 applied to both new and used cars is 10 percent.
- The tariff applied to heavy-duty trucks for HS 8703 and 8704 ranges between 16-22 percent.
- The tariff for special purpose vehicles under HS 8705 is 3.7 percent.
- The tariff applied to automotive parts and components HS 8707 and 8708 ranges between 3 and 4.5 percent.

Taxes:

- VAT: 25 percent
- Vehicle registration tax, based on age, engine size and emissions is imposed on imported cars. For a typical car – for example, one that has an engine size between 1,100 –1,400 cm³, with EURO 4 ranking – the registration tax is HUF 722,000 (\$ 3,820). If the vehicle is of EURO 8 ranking the registration tax is only HUF 361,000 (\$ 1,910).
- Ownership Taxes: Passenger cars: based on weight and horsepower
Commercial vehicles: based on weight and pollution
- Special “Weight Tax” levied by local authorities annually ranges between HUF 20,000 and HUF 38,000 (\$ 105 - \$ 180)
- Total acquisition tax for 2,000cc and over car: 20 percent
- Annual liability premium

Other:

- Average age of cars: 11.3 years (2010)

Import Restrictions:

- Import of used passenger vehicles older than four years and commercial vehicles older than six years is prohibited. However, specialized older vehicles may still be imported after passing a special technical test.

IRELAND - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	178,766	186,335	151,607
Commercial Use Vehicles	46,857	49,838	34,013
Total Motor Vehicles	225,623	236,173	185,620

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Ireland. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21 percent
- Vehicle registration tax based on CO2 emissions (14-36 percent)
- Total acquisition tax for cars 2,000cc and over: 57 percent
- Ownership tax
 - Passenger cars (based on cylinder capacity)
 - Commercial vehicles (based on weight)

Gasoline and insurance are extremely expensive and heavily taxed in Ireland.

ITALY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	2,357,591	2,493,105	2,161,680
Commercial Use Vehicles	249,179	293,140	269,676
Total Motor Vehicles	2,606,770	2,786,245	2,431,356

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in Italy. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT: 20 percent
- Registration tax (based on kilowatt/weight/seats)
- Special tax depending on fuel type: NO
- Ownership tax: Passenger cars (based on kilowatt)
- Luxury tax: Over 125Kw (170Cv)
- Special Consumption tax: NO
- Vehicle registration tax (IPT 151-196 euros)

Import Restrictions: NO

Local/Regional Content Requirements: NO

Other Measures: NO

Membership in Trade & Economic Agreements: EU, WTO

LATVIA:

- The European Union tariffs are in force in Latvia. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21 percent
- Registration tax (based on CO2 emission)
- Tax on cars and motorcycles- tax shall be paid when the car or motorcycle is registered in Latvia for the first time. Tax rate shall depend on age and engine capacity of the car or motorcycle. Tax rate for cars with engine capacity starting from 3001 cubic centimeters and more is significantly higher.
- Ownership tax
 - Passenger cars (based on weight)
 - Commercial vehicles (based on weight and axles)

LITHUANIA:

- The European Union tariffs are in force in Lithuania. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 21 percent
- No vehicle registration tax
- Ownership tax
 - Passenger cars (none)
 - Commercial vehicles (not available)

MALTA -- New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	7,469	8,568	5,631
Commercial Use Vehicles	1,293	1,869	1,287
Total Motor Vehicles	8,762	10,437	6,918

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Malta. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 18 percent
- Vehicle registration tax based on price, CO2 emissions, and vehicle length
- Total acquisition tax for 2,000cc and over car: 93 percent
- Ownership tax
 - Passenger cars (based on cylinder capacity)
 - Commercial vehicles (not available)

POLAND - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	253,466	300,838	314,263
Commercial Use Vehicles	109,045	149,053	149,053
Total Motor Vehicles	362,511	449,891	463,316

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in Poland. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT: 23 percent
 - Excise tax based on engine size (up to 2000 cc – 3.1 percent, over 2000 cc – 18.6 percent)
 - Vehicle registration tax based on cc 3.1-18.6 percent. Total registration cost is approx. 200 - 250 PLN (85 USD).
 - Ownership tax
 - Passenger cars (none)
 - Commercial vehicles
 - from 3.5 ton to 5.5 ton – 748.25 PLN;
 - from 5.5 ton to 9 ton – 1,248.28 PLN;
 - from 9 ton to 12 ton – 1,497.92 PLN;
 - over 12 ton – 2,848.57 PLN
- Buses up to 30 seats – 1,747.56 PLN
Buses over 30 seats – 2,209.40 PLN

There is a scrap fee of 500 PLN for all types of vehicles.

PORTUGAL - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	194,702	201,816	213,389
Commercial Use Vehicles	70,472	74,790	61,738
Total Motor Vehicles	265,174	276,606	275,127

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in Portugal. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT: 23 percent
- Vehicle Registration Tax (ISV) based on cylinder capacity and CO2 emissions
- Ownership tax (Annual Circulation Tax - IUC)
 - Passenger cars registered between 1981 – July 2007 based on cylinder capacity and CO2 emissions and age
 - Passenger cars registered since July 2007 based on cylinder capacity and CO2 emissions
 - Commercial vehicles based on weight, axles and type of suspension

Portugal, like other European countries, also maintains a progressive tax, based on engine size and CO2 emissions. Vehicles Registration Tax is also subject to VAT (i.e.: car's base price + ISV + VAT). A reduced rate of 10 to 50 percent may be applied depending on a range of aspects such as weight, usage of LPG fueled vehicles, hybrid vehicles and motor homes. Imported used vehicles must pay ISV, however when imported from a European Union country a reduced rate ranging between 20 and 55 percent may be applied based on age. The reduced rate is applied to the total amount of tax to be paid. Electric vehicles are exempted from ISV and IUC.

The Institute for Mobility and Land Transport (IMTT) is the government agency responsible for supervising and regulating the automotive sector in Portugal. The Portuguese Automotive Association (ACAP) is a public non-profit utility association representing the automotive industry covering a wide range of activities such as import, trade and after-sale services of automotive vehicles, agricultural and industrial machinery, tires, spare parts and accessories, camping and caravanning trailers, motorcycles and other sectors connected to the transportation trade activity.

ROMANIA - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	256,364	315,657	270,995
Commercial Use Vehicles	40,798	49,075	49,075
Total Motor Vehicles	297,162	364,732	320,070

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Romania. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 24 percent
- Registration tax: based on cc, emissions and CO2 (2,000cc = \$3500 - Euro4, \$460- Euro5)
- Total acquisition tax for 2,000cc and over new car: two percent
- Ownership tax
 - Passenger cars (based on cylinder capacity)
 - Commercial vehicles (based on weight and axles)

SLOVENIA:

- The European Union tariffs are in force in Slovenia. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 20 percent
- Vehicle registration tax based on price and CO2 emissions
- Total acquisition tax for 2,000cc and over car: 29 percent
- Ownership tax
 - Passenger cars (none)
 - Commercial vehicles (not available)

SPAIN - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	1,634,630	1,614,835	1,161,176
Commercial Use Vehicles	454,016	324,463	201,367
Total Motor Vehicles	2,088,646	1,939,298	1,362,543

Source: Auto Strategies International Inc.

- The European Union tariffs are in force in Spain. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).
- VAT: 18 percent
- Vehicle registration tax (CO2 emissions)
- Ownership tax
 - Passenger cars (based on horsepower)
- Commercial vehicles (based on payload)
- Total acquisition tax for 2,000cc and over car: 28 percent

In Spain, the agency responsible for national and EU motor vehicle type approval is the Direccion General de Tecnologia y Seguridad Industrial within the Ministerio de Industria y Energia (Ministry of Industry and Energy) in Madrid.

SWEDEN - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	282,766	306,799	253,982
Commercial Use Vehicles	47,194	51,923	47,477
Total Motor Vehicles	329,960	358,722	301,459

Source: Auto Strategies International Inc.

Tariffs:

- The European Union tariffs are in force in Sweden. They range from 5.3 to 22 percent (passenger cars- 10 percent; electric motor cars- 12.5 percent; trucks- 11-22 percent).

Taxes:

- VAT: 25 percent
- No registration tax
- Special tax depending on fuel type N/A
- Luxury tax N/A
- Special Consumption tax N/A

Sweden maintains non-restrictive import licenses, as well as stringent safety and emission standards.

Under certain conditions, Swedish producers receive a rebate of all duties paid on imported components incorporated into a vehicle that is to be exported.

UNITED KINGDOM - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	2,344,864	2,404,007	2,131,795
Commercial Use Vehicles	386,968	395,612	353,463
Total Motor Vehicles	2,731,832	2,799,619	2,485,258

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is based on cylinder capacity.
- The tariff applied to trucks is based on cylinder capacity and weight.
- The tariff for auto parts (HTS 8407-08 and 8708) is 2.7 percent and 4.2percent.

Taxes:

- VAT: 20 percent.
- The cost of yearly vehicle tax for cars is split into 13 bands depending on CO2 emissions. It ranges from \$0 for vehicles up to 100 CO2 emissions (g/km), to \$1600 for vehicles over 255 CO2 emissions (g/km). Motorcycles are taxed by cylinder size, and light goods vehicles are taxed by weight.
- Vehicle tax rates for buses, general haulage and recovery vehicles, and private heavy goods vehicles are based on seating capacity and pollution class. For example, a 10-17 seat bus is taxed at \$264 per year and a 62 seat and over is \$800. However for a reduced pollution bus of 62 seats and over the rate is \$264.

Import Restrictions:

- Vehicles imported from the U.S. must be registered and taxed with the UK's Driver and Vehicle Licensing Agency (DVLA) and must pass European Type Approval tests.

Legislation:

End-of-Life-Vehicles (ELV): The ELV directive aims to reduce the amount of waste from vehicles (cars and light goods vehicles) when they are finally scrapped. Future investments in ELV will ensure that by 2015 95 percent of new vehicles will be fully recyclable.

New car CO2 regulation: In 2008, legislation committing vehicle manufacturers to specific CO2 emission targets for new car registrations was passed. Subject to their individual targets, vehicle manufacturers will have to comply with new car average CO2 emission targets of 130g/km CO2 by 2015 and 95g/km CO2 by 2020.

Van CO2 regulation: In February 2011, the European Commission agreed to an initial CO2/km emissions target for vans and LCVs. From 2017, vans and LCVs will be required to meet an emissions target of 175g/km CO2 (phased in annual compliance levels of 70%, 75% and 80% respectively between 2014-2016), with all manufacturers reaching the 100% target emissions levels from 2017 onwards.

WEEE (Waste Electrical and Electronic Equipment Directive). The WEEE Directive aims to minimize the impact of electrical and electronic goods on the environment, by increasing re-use and recycling and reducing the amount of WEEE going to landfill.

Membership in Trade & Economic Agreements:

- NAFTA, EU, WTO

EUROPEAN FREE TRADE ASSOCIATION:

NORWAY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	109,164	129,195	110,617
Commercial Use Vehicles	49,243	53,008	42,630
Total Motor Vehicles	158,407	182,203	153,247

Source: Auto Strategies International Inc.

- Import duties on motor vehicles range from 5.3-28 percent:
 - three percent: passenger car, based upon C.I.F. value
 - 12-28 percent: trucks and buses
- On January 1, 1996 the Norwegian Government implemented a complicated taxation system for all automobiles when registered in Norway for the first time, “engangsavgift”. The system was based on weight, maximum engine capacity (kW) and stroke volume of the automobile. This tax system placed a higher burden on larger vehicles and vehicles with larger engine sizes. In 2007, CO2 emissions replaced stroke volume. Since then the CO2 variable gains more momentum in the tax equation every year, favoring smaller cars and engines and penalizing heavy cars with large engines.

- VAT: 25 percent of the amount comprising customs value, customs duty and import tax.
- Automobiles using CFC air-conditioning equipment cannot be imported.
- Norway will be implementing the new EU Directive for type approved vehicles, probably late 2011. This will make it more difficult to single approve FMVSS-vehicles not type approved for the EU market.
- Electric cars are not subject to any tax at all, can drive in commuting lanes, park and charge batteries for free and drive through toll stations without paying.

CENTRAL AND EASTERN EUROPE/ ASIA MINOR:

ALBANIA:

- There are no local content, export requirements or import restrictions.
- Until January 1991, private ownership of automobiles was prohibited in Albania. Since the restriction was lifted, used cars have been imported from Yugoslavia, Greece and other West European countries to meet Albanian consumer demand.
- Financing remains a substantial obstacle to auto sales.

TURKEY - New Motor Vehicle Sales (in units)

	2006	2007	2008
Personal Use Vehicles	363,603	341,812	353,166
Commercial Use Vehicles	345,617	570,643	580,092
Total Motor Vehicles	709,220	912,455	933,258

Source: Auto Strategies International Inc.

Tariffs & Taxes:

- Passenger cars – 10 percent
- Trucks and buses – 3.5-22 percent
- Special Consumption Tax (10-37 percent for passenger cars under 1600cc; 10-84 percent for cars above 1600cc).
- VAT:18 percent
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from zero to 6.2 percent.

Import Restrictions:

- The Turkish import regime prohibits importation of remanufactured/rebuilt/used/reconditioned vehicles. Only the current year or the following year models are allowed to be imported.
- The same rule applies for parts, too. The Turkish import regime also prohibits importation of remanufactured/rebuilt/used/reconditioned parts. They can only be imported to be used as iron scrap in the iron and steel production.

Local/Regional Content Requirements:

- There are no restrictions for local content levels. One may even go up to 100 percent imports and just do the assembling.

Other Measures:

- The current regulation asks for 20 after-sale service network in seven different geographic regions in Turkey for vehicles imports. Distributor needs to prove this network with a document at the customs during importation. Ministry of Industry and Trade provides such a document.

Membership in Trade & Economic Agreements:

GATT
WTO
UNECE
SECI
ECO
D-8
IMF
BSEC
COMCEC
KEI
EFTA
STA
DTO
OECD
CCT
IDA
WEF

COMMONWEALTH OF INDEPENDENT STATES:

RUSSIA – New Car Sales (in units)

	2006	2007	2008
Personal Use Vehicles	2,108,941	2,614,838	2,831,967
Commercial Use Vehicles	807,262	1,084,411	1,084,411
Total Motor Vehicles	2,916,203	3,699,249	3,916,378

Source: Auto Strategies International Inc.

Tariffs:

- The customs duty on new cars is currently 30 percent.

Taxes:

- Imported vehicles must also pay an 18 percent VAT tax which is calculated on the sum of the C.I.F. value plus the tariff.
- In 2009, the Russian government introduced new prohibitive import taxes on used cars and trucks; as a result the sales of used vehicles in Russia drastically reduced and currently constitute a little fraction of what it used to be before 2009.

Other:

- Russia has maintained for several years an auto-industry investment incentive program (Decree 166), which grants custom preferences on imported auto components in exchange for investors' commitment to meet certain local content and vehicle output targets. As a result of these incentives, many foreign OEMs including Ford, GM, Hyundai, Nissan, Peugeot-Citroen, Renault, Suzuki, Toyota and Volkswagen have established manufacture or assembly operations in Russia. However, in December 2011, Russia introduced a revised incentive program that exceeds Decree 166 in scope, by significantly increasing the number of automobiles each manufacturer must produce annually in Russia (from 25,000 to 350,000), raising the local content requirement from 30 to 60 percent, and citing an array of specific value-added assemblies (e.g., powertrains) that must be included in the local content in order to benefit from the tariff privileges.
- The Ministry of Industry and Trade is responsible for negotiations with potential investors in component projects.

Membership in Trade & Economic Agreements:

- Russia is a member of the customs union with Belarus and Kazakhstan