Compilation of Foreign Motor Vehicle Import Requirements

United States Department of Commerce
International Trade Administration
Office of Aerospace and Automotive Industries

July 2008

TABLE OF CONTENTS

Table of Contents	2-4
Introduction	5
Countries that drive on the left side of the road	6
<u>North American Countries Surveyed</u>	7-10
Canada	7
Mexico	8
<u>South/Central America & Caribbean Countries Surveyed</u>	11-38
Argentina	11
Bolivia	12
Brazil	13
Chile	16
Columbia	18
Costa Rica	20
Dominican Republic	21
Ecuador	23
El Salvador	25
Guatemala	26
Honduras	27
Jamaica	28
Nicaragua	29
Panama	30
Paraguay	32
Peru	33
Uruguay	34
Venezuela	36
<u>Middle East Countries Surveyed</u>	39-40
Iran	39
Israel	39
Kuwait	40
Saudi Arabia	40
United Arab Emirates	40
<u>Asia, ASEAN and Oceania Countries Surveyed</u>	41-62
East Asia	41-46
China and Hong Kong	41
Chinese Taipei (Taiwan)	41
Japan	42
Korea	43

South/Southwest Asia	46-49
India	46
Nepal	47
Pakistan	47
ASEAN	49-57
Burma	49
Indonesia	50
Malaysia	51
Philippines	54
Singapore	55
Thailand	56
Vietnam	57
Oceania	57-62
Australia	57
New Zealand	61
<u>African Countries Surveyed</u>	63-69
Algeria	63
Burkina Faso	63
Egypt	63
Ghana	64
Ivory Coast	64
Kenya	65
Madagascar	65
Morocco	66
South Africa	66
Tunisia	67
Zimbabwe	69
<u>European, Asia Minor and CIS Countries Surveyed</u>	70-89
European Union	70
Austria	72
Belgium and Luxembourg	73
Bulgaria	74
Cyprus	74
Czech Republic and Slovakia	74
Denmark	75
Estonia	75
Finland	76
France	76
Germany	77
Greece	77
Hungary	78
Ireland	78
Italy	79
Latvia	79

Lithuania	79
Malta	80
Netherlands	80
Poland	81
Portugal	81
Romania	82
Slovenia	82
Spain	82
Sweden	83
United Kingdom	83
European Free Trade Association	
Norway	85
Switzerland	85
Central and Eastern Europe/ Asia Minor	
Albania	86
Turkey	86
Commonwealth of Independent States	
Russia	88
Ukraine	89

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 Aerospace and Automotive Industries, 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 Aerospace and Automotive Industries 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*

This document is also available on the Office of Aerospace and Automotive Industries' homepage: http://www.ita.doc.gov/auto.

COUNTRIES OF THE WORLD THAT DRIVE ON THE LEFT SIDE OF THE ROAD

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

NORTH AMERICAN COUNTRIES SURVEYED:

NAFTA

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

CANADA: - New Motor Vehicle Registrations (in units)

	2003	2004	2005
Personal Use Vehicles	864,989	820,013	845,222
Commercial Use Vehicles	760,061	755,092	785,088
Total Motor Vehicles	1,625,050	1,575,195	1,630,310

Source: Auto Strategies International Inc.

The Canadian government maintains a web site for importers of motor vehicles at: http://www.tc.gc.ca/acts-regulations/general/m/mvsa/regulations/mvsrg/010/mvsr12.html

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 transactions are also subject to a "goods and services" tax (GST) of 5 percent, which is collected on the sum of the Customs-valued import and applicable duty. Vehicles with air conditioning and vehicles weighing more than 4,425 pounds are subject to an excise tax of $100 Canadian.

Safety and Emissions Compliance:
Most vehicles less than 15 years old (actual date of manufacture, not the "model year"), or buses manufactured on or after January 1, 1971, that exhibit a certification plate attesting compliance with U.S. federal motor vehicle safety and emission standards may be imported, so long as any recall notices issued subsequent to manufacture have been satisfied. These vehicles must be entered into Canada's Registrar of Imported Vehicles

(RIV) Program upon crossing the border. 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 charged (7.5 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. All vehicles must be brought into conformity with Canadian safety and emissions regulations within 45 days of entry (See: http://www.tc.gc.ca/acts-regulations/general/m/mvsa/regulations/mvsrg/toc_mvsrg.htm.) Vehicles older than 15 years from the applicable date of manufacture that have U.S. certification may be imported without following the RIV procedure, but must comply with road safety requirements of the province in which registration is sought.

MEXICO: - New Motor Vehicle Registrations (in units)

	2003	2004	2005
Personal Use Vehicles	744,588	824,007	904,113
Commercial Use Vehicles	384,044	453,383	548,360
Total Motor Vehicles	1,128,632	1,277,390	1,452,473

Source: Auto Strategies International Inc.

The North American Free Trade Agreement 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 20 percent tariff on U.S. and Canadian vehicles not meeting the NAFTA rule of origin and on vehicles from all other countries not meeting preferential trade arrangements. Mexico has also signed 12 Free Trade Agreements covering trade with 43 countries, including such major markets as the United States, Canada, Japan and the EU member states (see listing at: http://www.economia.gob.mx/?NLanguage=en&P=2113).

Taxes:

- The Mexican Value Added Tax (VAT) is 10 percent for vehicles that are registered in the Northern border region. The VAT for the remainder of the country is 15 percent. The VAT is assessed on the sum of the Customs value of the vehicle, plus import duty, plus 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.
- However, starting August 25, 2005, the Mexican government began allowing the importation of used vehicles into Mexico for use by the importer. The move came four years ahead of the 2009 date originally agreed upon under NAFTA.
- To qualify, an imported used vehicle must be between ten and fifteen years old (changed in 2008 to be only those ten years old – 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 must also be for use by the importer – resale in Mexico of imported used cars is not permitted.
- 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 be 10 years old.
     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
  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. New Vehicle Tax – 50-100 percent of the value of the vehicle
d. Value Added Tax (IVA)
    i. 10 percent of 30 percent of the value of the vehicle if the importer lives within 25 miles of the U.S.-Mexico border
    ii. 15 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.

SOUTH/CENTRAL AMERICAN AND CARIBBEAN COUNTRIES SURVEYED:

ARGENTINA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	254,839	460,207	561,992
Commercial Use Vehicles	133,998	247,847	321,685
Total Motor Vehicles	388,837	708,054	883,677

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:

A mechanism of multiple compensations exists under the authority of Decree 939 of 2004 which approved and regulates the Additional Protocol #14 to the 2002 Economic Cooperation Agreement (ECA) between Argentina and Brazil. Article 13 of the ECA established a bilateral quota system until December 31, 2005. Argentina has extended it sine die.

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. In addition, assemblers who import vehicles are also committed to maintain a higher level of exports than imports.

- Import quotas and licensing are no longer required per Decree 939 of 2004.

- Bilateral Quota System: 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).

- 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)

	2003	2004	2005
Personal Use Vehicles	540	388	535
Commercial Use Vehicles	1934	1,890	2,454
Total Motor Vehicles	2,474	2,278	2,989

Source: Auto Strategies International Inc.

Tariffs:
- Bolivia has a three-tier tariff structure. Capital goods designated for industrial development may enter duty-free; nonessential capital goods are subject to 3 percent tariffs; and most other goods are subject to 10 percent tariffs. Heavy trucks greater than or equal to 6 tons are considered capital goods and are subject to 5 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 2 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:

- Both new and used vehicles (other than left-hand drive) may be imported.

Membership in Trade and Economic Agreements:

Andean Community
MERCOSUR associate member
Chile
Mexico
European Community
WTO

BRAZIL - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,167,940	1,318,648	1,311,101
Commercial Use Vehicles	300,850	380,434	493,295
Total Motor Vehicles	1,468,790	1,699,082	1,804,396

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 35 percent.
- The tariff applied to trucks ranges from 14-35 percent (most at 35 percent).
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from 0-19.5 percent (most in the 14-19.5 percent range).
- Auto manufacturers with plants in Brazil that are under the Brazilian Automotive Program import at reduced tariff rates, 24.5 percent for passenger vehicles and 22.5 percent for commercial vehicles.
- In December 1999, Brazil ended the import quota system which allowed automobile manufacturers and some independent importers to import 50,000 automobiles per year at a reduced tariff (23 percent in 1999).
- Import Taxes for trading within the Mercosul region are not subject to import tariff.

- Automobile and part manufacturers established in Brazil that benefited from import tariff reductions granted by the automotive program that expired in 1999, continue to enjoy a 40 percent reduction on the import tariff rate on imports of automotive parts.

Taxes:

- Import taxes are charged on the CIF value of the good:
  Vehicles: 35 percent
  Automotive parts: 14, 16, and 18 percent (levels to be reached by 2006).

- The IPI (Industrial Product Tax) is a federal tax applicable to imported and locally manufactured products and varies according to the product. The IPI for auto parts ranges from 4 to 16 percent and for automobiles ranges from 5 to 25 percent. For example:

Vehicle category/ engine displacement	Current Tax rate
Automobiles up to 1000 cc	10
Automobiles up to 100 HP	25
Automobiles of up 127 HP	25
Automobiles of over 127 HP	25
Light commercials 4X4 (pick ups)	10
Diesel light commercials 4X2	10

Source: ANFAVEA (National Association of Automobile Manufacturers)

IPI is charged on the CIF price plus the import duty. It is not a cost item per se, because the paid value represents a credit to the importer. When the product is sold to the end-user, the importer debits the IPI, which is included in the final price of the product and is paid for by the end-user.

- The ICMS (Merchandise Circulation Tax) is a state tax, which varies according to the state, but ranges from 17-25 percent. The most common ICMS in the state of Sao Paulo is 18 percent and is charged on the CIF price plus the IPI. The ICMS is also assessed on locally-made goods. Although importers must pay the ICMS to clear customs, it is not an actual cost item per se, because -- similar to the IPI tax -- the paid value represents a credit to the importer. When the merchandise is sold to the end-user, the importer debits the ICMS, which is included in the final prices and is paid by the end-user.

- PIS/CONFINS: Contribution of 8.26 percent.

- Port Taxes and Costs:
  Compulsory Contribution to Custom Broker's Union
  2 percent of CIF, or minimum of $140, maximum of $280
  Customs Broker Average $700
  Terminal Handling Charges Up to $400 per container

Merchant Marine Tax 25 percent of ocean freight
Warehousing and Foremanship 0.65 percent of CIF

- Port and warehousing fees: vary according to the port or airport and on the period of time required to release imports from customs. These fees usually add up to 2 to 4 percent of the CIF price. Smaller ports outside Sao Paulo and Rio de Janeiro are usually less expensive than the ones in those states.

Other Measures:
- An import license is required for imports of most vehicles and some auto parts. Import licenses are issued by the Brazilian Foreign Trade Secretariat (SECEX) and take approximately two weeks to obtain. They are valid for 60 days.

Local/Regional Content Requirements:
- The Brazilian Automotive Program requires established automobile manufacturers to source 60 percent of all auto parts locally, whereas "newly-established" manufacturers are required to source 50 percent locally during the first three years of production and 60 percent thereafter.

- Bilateral Quota System: 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).

- A mechanism of multiple compensations exists under the authority of Argentine Decree 939 of 2004 which approved and regulates the Additional Protocol #14 to the 2002 Economic Cooperation Agreement (ECA) between Argentina and Brazil. Article 13 of the ECA established a bilateral quota system until December 31, 2005. Argentina has extended it sine die.

Import Restrictions:
- Imports of used automobiles into Brazil are not allowed under any circumstances, and special authorization is required for the import of used parts.

- Brazil also has a ban on diesel passenger car imports, but still exports diesel cars to Argentina. Argentina is also currently considering a similar ban on imports and production of diesel passenger cars. There is a possibility this ban will be extended to the entire MERCOSUR region; however, this has yet to be determined under the CAP negotiations.

Membership in Trade & Economic Agreements:
- MERCOSUR member
- ALADI
- Andean Community
- European Community
- Suriname

- Bolivia
- Egypt
- India
- Chile (auto with quota)
- Mexico (auto with quota)
- WTO

CHILE -- New Motor Vehicle Registrations (in units)

	2003	2004	2005
Personal Use Vehicles	60,214	76,144	128,373
Commercial Use Vehicles	61,323	85,760	120,140
Total Motor Vehicles	121,537	161,904	248,513

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 6 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.

Taxes:
- Value Added Tax (VAT) of 19 percent are 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.)
- Luxury tax: eliminated as of January 1, 2007.

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 $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

Membership in Trade & Economic Agreements:

- United States
- Canada
- European Union
- Central America
- Korea
- Mexico
- MERCOSUR
- Argentina

- Ecuador
- Peru
- New Zealand
- Singapore
- Brunei
- Japan
- Bolivia
- Colombia
- Venezuela
- ALADI
- WTO
- GATT
- Pending agreements with China and India

COLOMBIA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	72,282	99,110	117,842
Commercial Use Vehicles	34,359	40,928	47,269
Total Motor Vehicles	106,641	140,038	165,111

Source: Auto Strategies International Inc.

Tariffs:

- As a member of the Complementary Convention in the Automotive Sector and/or Andean Automotive Policy with Venezuela and Ecuador, Colombia shares common external automotive tariffs of 35 percent for automobiles (and Complete Knock Down (CKD) kits which do not meet the minimum assembly requirements), 15 percent for trucks and buses (10 percent for Ecuador), and zero tariff for CKD kits available to assemblers participating in the regional/local content scheme (see below).
- Automotive parts (HTS 8407-08 and 8708) tariffs range between 5 – 15 percent.
- The United States and Colombia signed the U.S. – Colombia Trade Promotion Agreement on November 22, 2006. The Agreement has not yet been approved by the U.S. Congress. Tariffs on priority automotive products, including large-engine 4x4 vehicles, engines, brakes, shock absorbers, and other auto parts will be phased out immediately upon implementation of the agreement.
- Find more information on the trade agreement at: http://www.ustr.gov/Trade_Agreements/Bilateral/Colombia_FTA/Section_Index.html

Taxes:

- VAT is assessed on the C.I.F. value plus applicable duties:
  - -- Four-wheel-drive vehicles (20 percent)
  - -- All other cars (35 percent); unless the C.I.F. value plus tariff is greater than or equal to US $35,000, in which case the VAT is 45 percent.
  - -- Ambulances and hearses (14 percent)

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 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
- Chile

- MERCOSUR
- European Community
- Group of Three
- WTO (no truck, CKD or automotive parts bindings)

COSTA RICA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	5,861	7,080	8,197
Commercial Use Vehicles	7,537	10,316	10,264
Total Motor Vehicles	13,398	17,396	18,461

Source: Auto Strategies International Inc

Tariffs:

- passenger cars – 1-15 percent (generally 15 percent)
- trucks and buses – 0-15 percent (generally 15 percent)
- automotive parts – 1-10 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 1 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 0 to 25 percent for motor vehicle parts; c) Law 6946 tax --applied against CIF value -- currently 1 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
- United States
- Mexico
- Dominican Republic
- Panama
- Association of Caribbean States
- WTO
- GATT

DOMINICAN REPUBLIC - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	2,611	3,435	7,997
Commercial Use Vehicles	6,351	7,465	20,465
Total Motor Vehicles	8,962	10,900	28,462

Source: Auto Strategies International Inc

Dominican Republic:

Tariffs:

- passenger cars – 8-20 percent (generally 20 percent)
- trucks and buses – 8-20 percent (generally 20 percent)
- automotive parts – 8-14 percent (generally 8 percent)
- 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 5 year tariff phase out in 5 equal stages (20 percent per year). Some U.S.-origin vehicles received immediate tariff elimination, but most automobiles and light trucks are subject to 5 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.
- 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, 5 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
- GATT
- WTO (no automotive parts bindings)
- GATT

ECUADOR - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	27,797	34,314	51,458
Commercial Use Vehicles	27,707	31,400	45,321
Total Motor Vehicles	55,504	65,714	96,779

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 3 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 5 to 15 percent.

Taxes:
- Value Added Tax (VAT): 12 percent for vehicles and automotive parts
- Special consumption tax (ICE): This tax varies depending on the vehicle's price according to the following table:

Vehicles up to 3.5 tons – Type I	ICE Tax
Pick-ups and Vans	5%
Vehicles priced up to $20,000	5%
Vehicles priced between $20,000 and $30,000	15%
Vehicles priced between $30,000 and $40,000	25%
Vehicles priced at more than $40,000	35%
Other Vehicles - Type II	**ICE Tax**
Motorcycles, quads (all terrain vehicles-ATV)	15%

- Note: The ICE is applied after a 25 percent uplift (Commercialization Margin) (i.e., if a vehicle costs $20,000 customs will add 25 percent to that value and then 15 percent of the corresponding ICE tax as per the above table)
- Fodinfa tax: 0.5 percent (applied on CIF value) (this fee is called the FODINFA, a children development fund fee, applied to all imports)
- Corpei Tax: 0.025 percent (applied on FOB value) (This fee goes to CORPEI, the Ecuadorian Exports Promotion Corporation).
- Additional fixed customs fees may apply, but they will likely be negligible.

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 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 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 system creates disincentives to import goods through formal channels and incentives for contraband. Many auto parts, for example, enter disguised as other goods that carry a lower (or zero) customs duty.

Membership in Trade & Economic Agreements:

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

EL SALVADOR - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	4,012	4,182	5,200
Commercial Use Vehicles	9,377	8,619	9,796
Total Motor Vehicles	13,389	12,801	14,996

Source: Auto Strategies International Inc

Tariffs:

- passenger cars – 1-30 percent (generally 25 percent)
- trucks and buses – 1 percent
- automotive parts – 1 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 percent 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
- WTO
- GATT

GUATEMALA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	12,172	13,478	14,824
Commercial Use Vehicles	14,150	16,636	17,140
Total Motor Vehicles	26,322	30,114	31,964

Source: Auto Strategies International Inc

Tariffs:

- passenger cars – (5 passengers or less) 20 percent, (6-9 passengers) 15 percent

- trucks and buses – 5-10 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 cuts occur in the last several years).

Other Measures:
- Many importers report that Guatemalan customs arbitrarily assign 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)

	2003	2004	2005
Personal Use Vehicles	1,713	1,501	1,446
Commercial Use Vehicles	6,900	7,381	7,321
Total Motor Vehicles	8,613	8,882	8,767

Source: Auto Strategies International Inc

Tariffs:
- passenger cars – 15 percent
- trucks and buses – 5-10 percent
- automotive parts – 5-10 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 15 percent sales tax is assessed on new cars.

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 ten 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 refurbished and right-hand drive vehicles are also prohibited.

Membership in Trade & Economic Agreements:

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

JAMAICA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,614	1,744	1,025
Commercial Use Vehicles	2,523	2,748	2,738
Total Motor Vehicles	4,137	4,492	3,763

Source: Auto Strategies International Inc

Tariffs:

- passenger cars –5-40 percent
- trucks and buses – 0-10 percent
- automotive parts – 0-25 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
- Colombia
- Venezuela
- WTO
- GATT

NICARAGUA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,670	2,212	3,433
Commercial Use Vehicles	3,112	3,675	4,937
Total Motor Vehicles	4,782	5,887	8,370

Source: Auto Strategies International Inc

Tariffs:

- passenger cars – 5-10 percent
- trucks and buses – 0-5 percent
- automotive parts – 5-10 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 specific consumption tax (IEC) on 609 items. The tax generally is lower than 15 percent. The IEC for domestically produced goods is based on the manufacturer's price and for imported goods it is based on CIF. 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:

- Nicaragua restricts the import of vehicles older than seven years (Article 112 of Decree No. 453 from May 6, 2003). The CAFTA-DR agreement does not remove this restriction.

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)

	2003	2004	2005
Personal Use Vehicles	7,958	9,809	9,997
Commercial Use Vehicles	10,180	11,009	11,554
Total Motor Vehicles	18,138	20,818	21,551

Source: Auto Strategies International Inc

Tariffs:

- Panama assesses new passenger car duties based on the vehicle's CIF value.
- From USD 0 to 5,000 is assessed a 15 percent tax.
- From USD 5,001-12,000 is assessed 15 percent tax.
- From USD 12,001-14,500 is assessed 18 percent tax.
- Over USD 14,500 is assessed a 20 percent tax.
- Pick-up trucks, all other trucks for the transport of merchandise, small buses, and chassis with engines pay a flat tariff of 10 percent.
- 4x4 trucks range from 15-18 percent. Four-wheel-drive vehicles duties are also based on CIF value, from $0 to $12,000, a 15 percent tariff is assessed; from $12,001 not exceeding $18,000 is assessed at 15 percent. Startinf from USD 18,000 and all others assessed 18 percent tax.
- Ambulances, hearses, prison vans, and all other special purpose vehicles pay a flat 10 percent duty.
- Truck tariffs range from 5-10 percent depending on the weight. Ten percent for dump trucks, 8 percent for all other diesel trucks weighing less than 5 tons, 5 percent for trucks from 5 to 20 tons, and 10 percent for trucks more than 20 tons.
- Decree 56, issued by Panama's Cabinet Council, allows partial duty exemptions of automobiles, buses, and repair parts for taxi and bus operators. Taxi operators ("selectivos") are exempt from 95 percent of duties on new cars valued at USD 7,000 or less and 75 percent on used cars under five years old. They are allowed to import up to 12 new tires at 95 percent off of regular import duties. Bus operators can import up to 18 tires. Bus operators ("collectives") receive import exemptions ranging from 80 percent on six- to ten-year-old buses to 95 percent on new buses.
- Parts tariffs range from 0-15 percent (HTS numbers 8707-08).
- Parts such as air brakes, diesel motors, differentials, and transmissions receive import exemptions of 95 percent, but are subject to quantity limitations.

Other taxes:

- Panama assesses a Value Added Tax (VAT) of 5 percent.
- Law 61 of December 26, 2002, created the Selective Consumption Tax. Beginning April 1, 2003, a 5 percent tax is added to the sale price of new cars if the CIF value is above $15,000 for passenger cars and $18,000 for 4X4.

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)

	2003	2004	2005
Personal Use Vehicles	590	951	1,119
Commercial Use Vehicles	2,400	4,314	4,891
Total Motor Vehicles	2,990	5,265	6,010

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 0-19.5 percent (most in the 10-16 percent range).

Taxes:

- A transfer tax is applicable on all auto sales and a separate registration fee is 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)

	2003	2004	2005
Personal Use Vehicles	5,429	4,886	7,543
Commercial Use Vehicles	4,578	6,794	11,871
Total Motor Vehicles	10,007	11,680	19,414

Source: Auto Strategies International Inc.

Tariffs:
- Trucks, buses and minibuses for public transport have a four percent tariff.
- The tariff applied to cars is 12 percent.
- Automotive parts (HTS 8407-08 and 8708) are subject to customs duties ranging from 4 to 12 percent. Most are four percent.
- President Bush signed the U.S. – Peru Trade Promotion Agreement into law on December 14, 2007. The agreement enables U.S.-origin automotive parts to receive tariff elimination. Some U.S.-origin vehicles will receive immediate tariff elimination, but most automobiles and light trucks are subject to 10 year tariff phase-outs (tariff is reduced 10 percent of original tariff each succeeding year).

Taxes:
- 19 percent Vat Added Tax (VAT)
- Imported new cars and light trucks are subject to a Selective Consumption Tax (SCT) of 10 percent based on the sum of the C.I.F. value and the tariff amount.
- Imported used vehicles are subject to an SCT of 30 percent.
- All other imported vehicles and automotive parts are exempt from the SCT. Automotive parts are not subject to the consumption tax.

Other Measures:

- New or used vehicles with right-hand steering gear entering through the southern ports of Ilo and Matarani, which are reconditioned locally are exempt from the SCT. (Reconditioning refers to converting the steering gear to the left side.)

Import Restrictions:

- Bans on used vehicles are based on age: Peru does not allow the entry of used personal use vehicles that are more than 5 years old and does not allow the entry of used commercial vehicles that are more than 8 years old.

Membership in Trade & Economic Agreements:

- Andean Community (does not participate in Automotive program with Colombia, Ecuador and Venezuela)
- ALADI
- Chile
- MERCOSUR
- European Community
- WTO (no auto tariff bindings)
- GATT

URUGUAY - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	2,289	2,940	4,077
Commercial Use Vehicles	1,124	2,375	3,511
Total Motor Vehicles	3,413	5,315	7,588

Source: Auto Strategies International Inc.

Tariffs:

- The tariff applied to cars is 23 percent.
- The tariff applied to trucks ranges from 7 to 8 percent.
- The tariff for auto parts (HTS 8407-08 and 8708) ranges from 0-21 percent (most in the 8-21 percent range).

Taxes:

- Value Added Tax (VAT): 22 percent
- Special Tax: up to 100 percent 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 trade among 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) are traded duty free among these countries.

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
- WTO
- GATT

In November 2005, Uruguay and the United States signed a Bilateral Investment Treaty (BIT), which was subsequently ratified by both legislatures and entered into force on November 1, 2006. 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 as of December 2007.

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)

	2003	2004	2005
Personal Use Vehicles	44,290	85,798	141,887
Commercial Use Vehicles	29,673	67,076	95,395
Total Motor Vehicles	73,963	152,874	237,282

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), 5-35 percent for trucks and buses (most are at 15; 10 percent for Ecuador), and a concession rate of 3 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 5 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 (5 percent), based on CIF value
- Customs handling fee (2 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)

	2003	2004	2005
Personal Use Vehicles	548,284	715,278	582,894
Commercial Use Vehicles	40,412	107,611	82,455
Total Motor Vehicles	588,696	822,889	665,349

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)

	2003	2004	2005
Personal Use Vehicles	76,635	103,023	116,770
Commercial Use Vehicles	26,218	31,434	36,036
Total Motor Vehicles	102,853	134,457	152,806

Source: Auto Strategies International Inc.

- There are no import duties on U.S. motor vehicles
- 78 percent sales tax. By 2013, it will reach 60 percent of the cost of the car.
- 15.5 percent VAT
- 1.5 percent port tax on motor vehicles
- Israel accepts European motor vehicle standards, but not those of the United States. Most U.S. lighting and safety standards are accepted, however, headlamp standards are still a problem. Lead free gasoline is now becoming more readily available.
- All new automobiles with engines over 2,000 cc's must run on unleaded gasoline.
- Beginning January 1, 1996, the Israeli government began using a car's value, rather than its engine size, as the basis for income tax valuation. Similarly, engine size no longer forms the basis for car registration fees. The 2,000 cc engine size ceiling for government fleet procurement was also eliminated.
- The tax credit on ABS braking systems and air bags has been reduced to NIS 1,200.
- Starting in 2010, all new cars will be required to have an Electronic Stability Control (ESC) system.

KUWAIT- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	47,235	48,162	50,213
Commercial Use Vehicles	45,664	44,240	55,551
Total Motor Vehicles	92,899	92,402	105,764

Source: Auto Strategies International Inc.

- There is a 5 percent import tariff on motor vehicles (part of Gulf Cooperation Council (GCC) Customs Union rate—applied to all non-originating GCC products).
- Imports of motor vehicles more than five years old are restricted.
- Unleaded gasoline is difficult to find, causing problems with U.S.-built cars with catalytic converters.
- In 2006, there was the introduction of a conformity assessment system

SAUDI ARABIA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	151,649	180,638	209,203
Commercial Use Vehicles	146,445	155,835	198,374
Total Motor Vehicles	298,094	336,473	407,577

Source: Auto Strategies International Inc.

- No local content regulations or import restrictions
- 12 percent tariff on motor vehicles, based on C.I.F. value
- Imported vehicles, new or used, must be equipped to operate on leaded gasoline; therefore cars should not be equipped with catalytic converters.
- Historically, Saudi Arabia has not enforced their vehicle standards. However, the officials of Saudi Arabian Standards Organization (SASO) have reported that they intend to increase enforcement of their vehicle standards.

UAE- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	66,760	81,535	102,571
Commercial Use Vehicles	59,816	78,160	85,062
Total Motor Vehicles	126,576	159,695	187,633

Source: Auto Strategies International Inc.

- No local content regulations or import restrictions on vehicles.
- A 4 percent tariff on motor vehicles, based on C.I.F. value is applied.

ASIA, ASEAN AND OCEANIA COUNTRIES SURVEYED:

CHINA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	2,428,405	2,554,294	3,161,546
Commercial Use Vehicles	2,545,555	2,395,406	2,385,625
Total Motor Vehicles	4,973,960	4,949,700	5,547,171

Source: Auto Strategies International Inc.

China and Hong Kong:

- Auto tariffs are 25 percent
- Auto Part tariffs are currently between 10-14 percent
- On March 31, 2006, the United States and the European Union filed a trade case against China. The case alleges that China is taxing certain combinations of parts that it considers to be a whole car, the higher whole car rate, rather than the lower rate applied to auto parts.
- China applies a 17 percent VAT.
- China instituted a new excise tax on April1, 2006. Rates range from 3 percent for cars with engines less than 1.5 liters to 20 percent for cars with 4 plus liters.

CHINESE TAIPEI - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	242,321	268,288	277,092
Commercial Use Vehicles	171,593	157,312	175,038
Total Motor Vehicles	413,914	425,600	452,130

Source: Auto Strategies International Inc.

Tariffs:

Motor Vehicles:

- Chinese Taipei assesses a 30 percent import tariff on passenger cars and trucks with an engine displacement of 3,500 cc or less.
- Other commercial vehicles are assessed a 42 percent tariff, except for refrigerated and insulated trucks.
- Chinese Taipei uses the invoice price of a vehicle as the basis for calculating the tariff-paying value.

Automotive Parts and Components:

- Automotive parts import tariff rates range from as high as 25 percent for certain internal engine parts to as low as 3.5 percent for ignition wiring sets. The average auto-parts and Completely-Knocked-Down (CKD) component import tariff is between 15-19 percent

Taxes:
Motor Vehicles:
- For vehicles with a displacement of 2,000cc or less, the commodity tax is 25 percent. However, vehicles at 2,001cc or more, the commodity tax is 30 percent.
- The commodity tax for commercial vehicles is 15 percent.
- Chinese Taipei's license plate tax ranges from under $100 for passenger vehicles with an engine displacement of 500cc or less, to over $5,500 for a passenger vehicle with an engine displacement between 6,601cc-7,800cc. Most U.S.-built passenger vehicles pay between $400- $2,500.

Import Bans:
- Import of used vehicles for other than personal use is prohibited.
- Import of diesel vehicles (except Jeeps) and two-stroke engine cars are prohibited.

JAPAN: - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	4,460,019	4,768,131	4,748,409
Commercial Use Vehicles	1,368,164	1,085,250	1,103,658
Total Motor Vehicles	5,828,183	5,853,381	5,852,067

Source: Auto Strategies International Inc.

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

Taxes:
- Japan currently levies a 5 percent consumption tax on vehicles. This tax was increased from 3 percent in April of 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.
- 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 5 percent of the purchase price (3 percent for commercial and mini-vehicles. Exempted for vehicles purchased for 500,000 yen or less.)
- Japan also levies tonnage tax according to vehicle weight at each vehicle inspection. The tonnage tax for passenger cars is 6,300 yen per year for each 0.5 ton of gross vehicle weight. The tax for truck varies from 4,400 to 6,300 yen per year.
- These taxes apply to both domestic and imported vehicles.

SOUTH KOREA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	596,819	857,977	913,550
Commercial Use Vehicles	741,950	579,167	520,521
Total Motor Vehicles	1,338,769	1,437,144	1,434,071

Source: Auto Strategies International Inc.

On June 30, 2007 the United States and South Korea signed a landmark Free Trade Agreement (FTA). This agreement, if passed by Congress, 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. Korea will eliminate duties on key priority passenger vehicles immediately. 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). The full text of the agreement can be found at:
http://www.ustr.gov/Trade_Agreements/Bilateral/Republic_of_Korea_FTA/Final_Text/Section_Index.html

However, until that agreement 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 Aerospace and Automotive Industries.
- The Korean Government imposes eight different taxes on passenger cars, which are assessed on the C.I.F. value of the vehicle plus the 8 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	0 percent
801-2000 cc	5 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* (5 percent of the retail price before VAT), 2) *acquisition tax* (2 percent 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	4 percent
1001cc-1600cc	9 percent
1,601cc-2000cc	12 percent
2,001 and over	20 percent

<u>Sport utility vehicles:</u> 5 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.

INDIA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	657,881	839,693	907,938
Commercial Use Vehicles	435,480	535,523	570,820
Total Motor Vehicles	1,093,361	1,375,216	1,478,758

Source: Auto Strategies International Inc.

Tariffs:

- Automobiles currently have a standard duty of 100 percent
- **Additional Duty**: An additional duty of 24 percent, also known as the countervailing duty, is also applicable. Additional duty or CVD is equivalent to the excise duty on similar articles produced locally, and is levied on the C.I.F. value of the vehicle *plus* all other duties of custom other than antidumping duties.
- **Education tax**: An education tax of customs is levied on all items imported into India. It is chargeable at 3 percent on the aggregate duties of customs (except safeguard, antidumping and countervailing duty).
- The total effective duty on the import of CKD units is 44 percent, and for SKD and CBU, approximately 164 percent
- The basic customs duty on most auto parts is 10 percent.
- The Central Board of Excise and Customs ruled January 21, 1998, that CKD/SKD kits, which are taxed at the same rates as CBUs, are eligible for a credit for the full additional duty as they are considered inputs for manufacture. However, if the kits contain all of seven essential parts, components or sub-assemblies (engine, gear box, chassis, transmission, body/cab, suspension system, front/rear axles), the kits are treated as a finished motor vehicle for purpose of assessing customs duties.
- India's auto tariffs are not bound in the WTO.
  (Please refer: www.cbec.gov.in, chapter 87)
  - Certain importers are eligible to import vehicles without a license, but on a foreign exchange neutrality basis, meaning that no foreign exchange is permitted to leave India to finance the import. Categories of eligible importers include:
    - Persons settling permanently in India
    - Foreign nationals married to Indian nationals

Foreign nationals working in India
Foreign firms, companies and institutions established in India
Companies incorporated in India having foreign equity
Journalists/correspondents of foreign news agencies
Indian firms executing contracts abroad
Charitable and missionary institutions
Physically handicapped persons
Honorary consuls of foreign governments

- The Government of India prescribes the requirements and conditions under which the eligible importers listed above may bring vehicles into India.

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 plus 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 plus 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)

	2003	2004	2005
Personal Use Vehicles	76,596	41,969	38,875
Commercial Use Vehicles	23,281	28,734	31,400
Total Motor Vehicles	99,877	70,703	70,275

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 1000cc	75%
	1,001-1,500cc	100%
	1501-1800cc	125%
	Other	200%

Commercial Vehicles:(Buses, vans and Coaches
Transporting 10 or more passengers) 20%

Completely Knocked Down: Kits (CKDs)	All	35%
Completely Built Units (CBUs)	All	35%

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. 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).

Prohibited Import Items:

HS Code	Description
8710.0000	Tanks and other armored fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles.

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.

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 less developed countries of Vietnam, Laos, Burma and Cambodia have longer phase in periods (Vietnam in 2006, Laos and Burma in 2008, and Cambodia in 2010).

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 0-5 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.

BURMA -- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	30,700	33,500	36,500
Commercial Use Vehicles	319	392	270
Total Motor Vehicles	31,019	33,892	36,770

Source: Auto Strategies International Inc.

For imported vehicles, customs duties ranging from 1-40 percent are levied depending on the type of vehicle (e.g. 1 percent for ambulances, 30 percent for the vehicles between 1500 cc and 2000 cc, and 40 percent for the vehicles between 2000 cc and 3000 cc.).

Exceptions to the de facto import ban are made for:

a) Foreign investment companies and joint ventures with government organizations with official recommendation from the Myanmar Foreign Investment Commission and approval/permission from the Trade Policy Council.
b) Diplomats of foreign missions.

c) Anyone with special import permission from the Trade Policy Council.

Preexisting regulations allow the import of only certain vehicles, including:

a) Passenger buses with a capacity of 24 passengers and more, trucks of three tons and above, and heavy-duty vehicles for business use. None may be older than seven years.
b) Pick-up type (inclusive of mini-truck below 3 tons) and mini-buses with the capacity of the carrying 10 passengers and more. These must have been manufactured during the past five years.
c) Saloon cars, sedans, vans, and mini-buses to be utilized for trade. None may be older than three years.

Used Vehicle Bans (All vehicles should be reconditioned):

The import of used parts is currently banned. To import reconditioned vehicles, the vehicles must meet safety requirements and only after the following six conditions have been met: tested engine; replaced necessary parts; overhaul of breaks, repaired to meet safety standards; the vehicle body must be in perfect condition; cleaned interior; new battery and tires; and inspection must be done by an authorized agency.

INDONESIA -- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	38,925	79,321	82,000
Commercial Use Vehicles	315,704	403,747	452,000
Total Motor Vehicles	354,629	483,068	534,000

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 units)

	2003	2004	2005
Personal Use Vehicles	334,593	380,568	400,835
Commercial Use Vehicles	160,582	107,037	150,207
Total Motor Vehicles	495,175	487,605	551,042

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 5 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 reduced to 5 percent.

Passenger Car (with effect from March 22, 2006)

CKD Engine Capacity	**Import Duty ASEAN/Non-ASEAN**	**Excise Duty**	**Sales Tax**
<1800cc	0% / 10%	75%	10%
1800 - <2000	0% / 10%	80%	10%
2000 - <2500	0% / 10%	90%	10%
2500 - 3000	0% / 10%	105%	10%
>3000	0% / 10%	125%	10%
CBU Engine Capacity			
<1800	5% / 30%	75%	10%
1800 - <2000	5% / 30%	80%	10%
2000 - <2500	5% / 30%	90%	10%
2500 - 3000	5% / 30%	105%	10%
>3000	5% / 30%	125%	10%

MPV/Van (with effect from March 22, 2006)

CKD Engine Capacity	**Import Duty ASEAN/Non-ASEAN**	**Excise Duty**	**Sales Tax**
1500 and below	0% / 0%	60%	10%
>1500 - <1800	0% / 10%	65%	10%
1800 - <2000	0% / 10%	75%	10%
2000 - <2500	0% / 10%	90%	10%
2500 - 3000	0% / 10%	105%	10%
>3000	0% / 10%	125%	10%
CBU Engine Capacity			
1500 and below	5% / 30%	60%	10%
>1500 - <1800	5% / 30%	65%	10%
1800 - <2000	5% / 30%	75%	10%
2000 - <2500	5% / 30%	90%	10%
2500 - 3000	5% / 30%	105%	10%
>3000	5% / 30%	125%	10%

4WD (with effect from March 22, 2006)

CKD Engine Capacity	**Import Duty ASEAN/Non-ASEAN**	**Excise Duty**	**Sales Tax**
<1800cc	0% / 10%	65%	10%
1800 - <2000	0% / 10%	75%	10%
2000 - <2500	0% / 10%	90%	10%
2500 - 3000	0% / 10%	105%	10%
>3000	0% / 10%	125%	10%
CBU			

Engine Capacity			
<1800	5% / 30%	65%	10%
1800 - <2000	5% / 30%	75%	10%
2000 - <2500	5% / 30%	90%	10%
2500 - 3000	5% / 30%	105%	10%
>3000	5% / 30%	125%	10%

Motorcycle (with effect from March 22, 2006)

CKD Engine Capacity	Import Duty ASEAN/Non-ASEAN	Excise Duty	Sales Tax
150 and below	0% / 0%	20%	0%
>150 - 200	0% / 0%	30%	0%
>200 - 250	0% / 5%	35%	10%
>250 - 500	0% / 5%	35%	10%
>500 - 800	0% / 10%	40%	10%
>800	0% / 10%	50%	10%
CBU Engine Capacity			
150 and below	5% / 30%	20%	0%
>150 - 200	5% / 30%	30%	0%
>200 - <250	5% / 30%	35%	10%
>250 - 500	5% / 30%	35%	10%
>500 - 800	5% / 30%	40%	10%
>800	5% / 30%	50%	10%

National Car Policy:

- On January 7, 2007, the upper limits on excise taxes for most vehicle categories were reduced to 105 percent from 125 percent.
- The Malaysian Government also implemented the industrial adjustment fund, which allowed tax deductions for vehicle manufacturers with components sourced from locally registered components manufacturing companies.

Import Bans and Quotas:

- An approval permit (license) is required for imports of motor vehicles, which limits importers total market volume for completely built-up units (CBUs), effectively acting as an import quota.

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)

	2003	2004	2005
Personal Use Vehicles	24,321	33,277	35,631
Commercial Use Vehicles	68,015	54,798	61,432
Total Motor Vehicles	92,336	88,075	97,063

Source: Auto Strategies International Inc.

Tariffs:

- CBU tariffs on motor cars and other motor vehicles principally designed for the transport of persons (Tariff Heading 87.03) are based on engine displacement; motor vehicles designed for the transport of goods (Tariff Heading 87.04) – on gross vehicle weight (GVW); motor vehicles for the transport of ten or more persons (Tariff Heading 87.02) – on passenger capacity and GVW; motorcycles (Tariff Heading 87.11) – on engine displacement
  - 30 percent for motor vehicles falling under Heading 87.03
  - 20 percent to 30 percent for motor vehicles falling under Heading 87.04
  - 30 percent for motorcycles (Heading 87.11)
  - 15 percent to 20 percent for motor vehicles falling under Heading 87.02
- CKD/ KD tariffs
  - 3 percent for the assembly of vehicles falling under Heading 87.03
  - 1 percent for the assembly of vehicles falling under Headings 87.02, 87.04 and 87.11
- Under Executive Order No. 397, s. 2004 – 0 percent on CKD/KD parts for the assembly of hybrid motor vehicles and motor vehicles with engine displacement not more than 1,000 cc. *(Note: EO 397, s.2004 shall be effective for a period of one year only, subject to review)*
- Under Executive Order No. 419, s. 2005 *(Note: EO 419, s.2005 shall be effective for a period of one year only, subject to review)*
  - +5 percent on motor vehicles falling under Heading 87.02
    - 8702.10 – with cylinder capacity exceeding 3200 cc
    - 8702.90 – with cylinder capacity exceeding 2100 cc
  - +5 percent on motor vehicles with cylinder capacity exceeding 2100 cc falling under Heading 87.03
  - +5 percent on motor vehicles with cylinder capacity exceeding 3200 cc falling under Heading 87.04
  - +5 percent on motorcycles with cylinder capacity exceeding 250 cc
- Under Executive Order No. 488, s.2006 – 0 percent on CKD/KD parts for the assembly of hybrid (electric and gasoline/ diesel), electric, flex-fuel (bio-ethanol and bio-diesel) and compressed natural gas (CNG) vehicles.

Taxes:

- Excise taxes on motor vehicles are assessed and levied based on the net manufacturer's/importer's selling price. Vehicles with a net manufacturer's/importer's selling price of:

- 600,000 pesos and below, the tax is 2 percent;
    - Over 600,000 to 1.1 million pesos, the tax is 12,000 pesos plus 20 percent of the amount in excess of 600,000 pesos;
    - Over 1.1 to 2.1 million pesos, the tax is 112,000 pesos plus 40 percent of the amount in excess of 1.1 million pesos; and
    - Over 2.1 million pesos, the tax is 512,000 pesos plus 60 percent of the amount in excess of 2.1 million pesos.

- A 12 percent VAT is assessed on the domestic sale of all goods, including motor vehicles and automotive parts and components.
- Commercial vehicles, except for pick-up trucks, 4 x 4 vans and Asian Utility Vehicles (AUVs), are not subject to the excise tax.

Other Measures:

- Executive Order 418, s. 2005 imposes an additional specific duty of 500,000 pesos on the importation of used motor vehicles falling under Headings 87.02, 87.03 and 87.04, except for used motor vehicles exempt from the general import prohibition under EO156, s. 2002.
- On February 20, 2006, the Supreme Court issued a ruling declaring that Article 2, Sec. 3.1 of EO 156 is valid insofar as it applies to the Philippine territory outside the presently fenced-in former Subic Naval Base area, and void with respect to its application to the secured fenced-in area in former Subic Naval Base are.

  The Supreme Court also clarified that "used motor vehicles that come into the Philippine territory *via* the secured fenced-in former Subic Naval Base area may be stored, used or traded therein, or exported out of the Philippine territory, but they cannot be imported into the Philippine territory outside of the secured fenced-in former Subic Naval Base area."

SINGAPORE - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	59,868	90,287	101,678
Commercial Use Vehicles	26,840	33,300	32,540
Total Motor Vehicles	86,708	123,587	134,218

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.
- Registration fee: $140 Sing dollars
- Additional Registration Fee (ARF): 100 percent of Open Market Value (OMV)

- 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)

THAILAND- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	179,005	209,110	188,211
Commercial Use Vehicles	354,171	416,916	515,221
Total Motor Vehicles	533,176	626,026	703,432

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:

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

- 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

VIETNAM - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	10,838	11,520	7,682
Commercial Use Vehicles	20,004	15,832	21,999
Total Motor Vehicles	30,482	27,352	29,681

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 6 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 5 percent for all vehicles

Tariffs:

- CBU MFN rate is 90 percent for all vehicles
- CKD ASEAN Free Trade Area (AFTA) Common Effective Preferential Tariff (CEPT) rates are 0 or 5 percent, going to 0 percent 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 5 percent (2009)
    - CBU vehicles under 10 seats 20 percent (2008) and 5 percent (2010).
- CKD MFN rates, scheduled to increase 5 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 5 tons
- MFN rate for all used autos and trucks not exceeding 5 tons is 150 percent

OCEANIA

AUSTRALIA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	588,511	589,985	608,804
Commercial Use Vehicles	321,300	365,244	379,465
Total Motor Vehicles	909,811	955,229	988,269

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 8 percent on implementation, and will be phased down on a linear basis to 0 percent by 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/site/page.cfm?u=4270.

- 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 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 on http://www.daffa.gov.au/aqis

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 at: http://www.customs.gov.au/site/page.cfm?u=4781 and at http://www.customs.gov.au/webdata/resources/files/importguidePrivOwnMV.pdf the following summarizes significant aspects of Australia's regulations and requirements.

Tariffs:

- New and used passenger motor vehicles, campervans/mobile homes, and their components are presently subject to a 10 percent customs duty. Tariffs are scheduled to be cut to five percent on January 1, 2010.
- 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 are also subject to a specific additional charge of $12,000 Australian, unless a wavier 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 25 percent 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 25 percent is collected on ninety-one percent of any amount of that sum above the taxable threshold, currently $57,009 Australian.
- 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 Wavier:

- 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, plus10 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 45 percent of the value of investment in R&D. The total value any firm may claim in any year was limited to 5 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 Registrations (in units)

	2003	2004	2005
Personal Use Vehicles	73,024	74,755	77,825
Commercial Use Vehicles	27,847	24,037	25,623
Total Motor Vehicles	100,871	98,792	103,448

Source: Auto Strategies International Inc.

The Government of New Zealand maintains a web site providing complete information on import entry requirements for motor vehicles at: http://www.ltsa.govt.nz/importing/index.html. The following is a brief synopsis of key issues.

Tariffs:

- The import duty for motor vehicles, except motor homes and ambulances, was reduced to zero on December 1, 2000. The latter two categories are charged customs duties at the rate of 17.5 percent.

Taxes:

- A 12.5 percent goods and services tax (GST), is levied upon all sales transactions in New Zealand, including automobiles. The tax is based on the landed value of the vehicle, including all purchase, registration, shipping and insurance costs (as well as all taxes and duties paid in the selling country, unless those charges have been rebated prior to the vehicle's arrival in New Zealand); NZ customs duties, if any; less a depreciation deduction for a private importer's prior ownership and use abroad of the vehicle. The GST on imports is collected by the New Zealand Customs Department at the time of entry.

Other Measures:

Right Hand Drive:

- Left hand drive vehicles are permitted entry. However, they cannot be registered for use on public roads until converted to right-hand drive, except for a vehicle imported for personal use by the importer-owner. Both the vehicle and the individual importer are subject to several additional requirements (see: http://www.ltsa.govt.nz/factsheets/12.html).

Safety Standards and Certification Procedures:

- Vehicles must have proof of compliance with the safety standards either of Australia, the EU, Japan, or the United States, before they may be registered for use on public roads.

- Phytosanitary regulations require either pre-shipment or post-arrival inspection and certification that imported used vehicles are free of regulated pests, including gypsy moths, larvae, or eggs. Charges for inspection and sanitizing are borne by the importer.

AFRICAN COUNTRIES SURVEYED:

ALGERIA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	34,091	68,735	44,628
Commercial Use Vehicles	31,339	48,057	53,186
Total Motor Vehicles	65,430	116,792	97,814

Source: Auto Strategies International Inc.

- 15 percent tariff on all motor vehicles
- 17 percent VAT on motor vehicles
- In 1990, automakers were allowed to set up dealerships in Algeria, so private imports made by Algerians paying hard currency were stopped.
- Only war veterans and Algerian migrant workers returning to Algeria are allowed to import vehicles.
- All imported vehicles for onward sale must be less than 3 years old.
- Beginning in early 2003, the Government of Algeria began a program to implement strict and regular inspection standards for both commercial and personal use vehicles.

BURKINO FASO - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	134	94	95
Commercial Use Vehicles	278	247	374
Total Motor Vehicles	412	341	469

Source: Auto Strategies International Inc.

- 49 percent import duty on motor vehicles, based on value
- No local content regulations
- No import restrictions

EGYPT - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	63,217	72,761	104,221
Commercial Use Vehicles	23,007	24,920	29,356
Total Motor Vehicles	86,224	97,681	133,577

Source: Auto Strategies International Inc.

- Import duties on motor vehicles range from 40-160 percent, based on engine displacement:
  40 percent: engine displacement less than or equal to 1 liter
  55 percent: engine displacement between 1-1.3 liters

100 percent: engine displacement between 1.3-1.6 liters
135 percent: engine displacement between 1.6-2.0 liters
160 percent: engine displacement over or equal to 2.0 liters

- A sales tax is also levied on motor vehicles that ranges from 10-45 percent, based on engine displacement:
  10 percent: engine displacement up to 1.6 liters
  20 percent: engine displacement between 1.6-2.0 liters
  45 percent: engine displacement over 2.0 liters

GHANA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,063	1,094	1,610
Commercial Use Vehicles	2,446	3,383	3,988
Total Motor Vehicles	3,509	4,477	5,598

Source: Auto Strategies International Inc.

- 10 percent import duty on all motor vehicles
- No local content requirements
- No export performance requirements
- Import ban on vehicles older than 10 years old (implemented in June 1998)
- Sales tax on all motor vehicles, based on engine size:
- 0 percent: vehicles with engines under 1900cc
- 15 percent: vehicles over 1900cc
- Additional 17.5 percent special tax on vehicles over 2500cc

IVORY COAST - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,366	1,721	1,256
Commercial Use Vehicles	1,041	1,504	1,263
Total Motor Vehicles	2,407	3,225	2,519

Source: Auto Strategies International Inc.

- Import Duty on New and Used Cars: 44.28 percent total
  - This includes 20 percent customs duty, 1 percent for statistical fee, 18 percent for VAT, 1 percent for community solidarity fee, .5 percent for Ecowas community fee, and 3.78 percent for other fees
- There are no restrictions on the import of used cars. However, used cars that are more than 10 years old are charged $356 by the trade ministry, with an additional $24 added for each subsequent year beyond 10.

KENYA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,473	1,448	864
Commercial Use Vehicles	7,542	9,639	8,734
Total Motor Vehicles	9,015	11,087	9,598

Source: Auto Strategies International Inc.

- 50 percent import duty on motor vehicles, based on the C.I.F. value
- 40 percent sales tax
- 25 percent import duty on components for vehicle assembly
- No local content requirements exist, but components manufactured locally may not be imported.
- No export requirements
- An import license accompanied by a 100 percent refundable prior import deposit is required.
- Importing medium and heavy-duty commercial vehicles with a 3-ton or more load capacity is prohibited unless they are completely dismantled and contain no components that may be produced locally.
- Importers have been directed to seek 90 to 180 days credit overseas.
- Import protection is accorded to local producers of the following automotive components: sealers, adhesives, batteries, tires, tubes, paints, flat glass, canvas, soft trim, upholstery, insulation, radiators, exhaust systems, leaf springs, spare wheel carriers, seat frames, wiring harnesses, and brake linings.

MADAGASCAR - Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	217	94	131
Commercial Use Vehicles	1,502	1,914	1,927
Total Motor Vehicles	1,719	2,008	2,058

Source: Auto Strategies International Inc.

- 40-80 percent import duty on motor vehicles, depending on the type of vehicle and based on CIF value
- No local content regulations
- No import restrictions
- 20 percent VAT

MOROCCO - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	36,939	32,192	32,375
Commercial Use Vehicles	26,227	37,006	36,356
Total Motor Vehicles	63,166	69,198	68,731

Source: Auto Strategies International Inc.

- 45 percent import duty on all motor vehicles
- No local content regulations
- No import restrictions
- 12.5 percent sales tax
- VAT based on engine size
- 19 percent VAT on vehicles under 1800cc
- 30 percent VAT on vehicles over 1800cc

SOUTH AFRICA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	247,259	301,151	376,845
Commercial Use Vehicles	121,211	148,443	187,955
Total Motor Vehicles	368,470	449,594	564,800

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)

Non-Tariff Measures:
Local Content:
- 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 5 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:

- 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.

Importation of Used Vehicles:

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 on line 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-complying 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 process of homologation is also required in respect of motor vehicle tires.

TUNISIA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	10,159	11,388	15,598
Commercial Use Vehicles	11,790	15,733	13,541
Total Motor Vehicles	21,949	27,121	29,139

Source: Auto Strategies International Inc.

- 17.5 percent import duty on all motor vehicles
- All imported vehicles must be less than 3 years old
- All taxes and duties must be paid in convertible currency
- 0.25 percent sales tax

- 15 percent PFI duty
- 19 percent VAT
- Consumption tax, based on engine size
- 11-25 percent consumption tax on vehicles under 900cc
- 207-256 percent consumption tax on vehicles larger than 2500cc

Recent Tunisian tax reforms (under the "Loi de Finances" 2003) generated three fiscal regimes for the acquisition of cars:

➢ In general, the fiscal regime remains unchanged, maintaining low prices on the less powerful models.

➢ The new "preferential fiscal regime," which entered into force in January 2003, relates to purchases of cars locally assembled or imported via authorized agents.

➢ FCR ("Fin de Changement de Résidence," or End of Change of Residence) status, which allows returning Tunisian émigrés to bring their foreign-purchased automobiles back with them duty-free.

General present fiscal regime:

Car size	Consumption tax (Customs) in percent	Accumulated taxes (ConsumptionTaxes + VAT+ Other local indirect taxes) in percent
1000 –1300 cc	55	85
1301 –1500 cc	100	140
1501 – 1700 cc	125	170.5
1701 – 2000 cc	170	225
Larger than 2400	295	N/A

Source: Value-Added Tax (VAT) Code

Preferential fiscal regime:

Car size	Consumption tax (Customs)	Accumulated taxes (Cons.Taxes + VAT+ Other local indirect taxes)
1000 –1300 cc	20	42.8
1301 –1500 cc	45	73.2
1501 – 1700 cc	55	85
1701 – 2000 cc	80	115
2300 - 2400 cc	140	N/A

Source: Journal Officiel de la République Tunisienne (Official State Gazette) (12/17/02)

The "*preferential fiscal regime*" was implemented to combat growing parallel market imports (and a notable increase in illegal commercial practices). As a result, lower car prices within the authorized dealers' networks should render them more competitive and thereby increase tax receipts in the long run.

In addition, the Government hopes to lighten the demand pressure on smaller-engine cars, which are the only type of vehicle benefiting from the special tax discount under the implementation of the new "*preferential fiscal regime*".

ZIMBABWE - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,130	960	981
Commercial Use Vehicles	3,693	2,744	3,221
Total Motor Vehicles	4,823	3,704	4,202

Source: Auto Strategies International Inc.

- 60 percent import duty on motor vehicles
- All imported vehicles must be less than 4 years old
- No local content regulations
- The maximum value of an imported vehicle without a general import license has been increased from $1,500 to $4,500
- Vehicles can only be resold after 1 year of ownership.

EUROPEAN UNION (EU)

Enlargement
The European Union (EU) expanded from 15 to 25 members on May 1, 2004, with the accession of 10 Central and Eastern European and Mediterranean countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia). The EU is currently composed of 27 member states, with the addition of Bulgaria and Romania in 2007.

Collective Trade Barriers

No local content regulations or import/export requirements are maintained by any of the EU member states.

Tariff Rates

Motor vehicle imports from non-EU and non-EFTA countries are subject to common external tariffs (CET) that range from 5.3 to 22 percent.

Passenger Cars:
10 percent: passenger cars
12.5 percent: electric-motored cars

Trucks:
The CET for diesel- and gas-engine trucks is either 11 or 22 percent, depending on the vehicle engine capacity.

11 percent: diesel or semi-diesel trucks with an engine capacity of 2.5 liters and below; gas-engine trucks not exceeding 2.8-liter engine capacity

22 percent: diesel or semi-diesel trucks with an engine capacity exceeding 2.5 liters; gas-engine trucks exceeding 2.8 liters

Dump trucks are subject to either a 6 or 17 percent duty, depending on engine capacity

6 percent: dump trucks with an engine capacity of 2.5 liters and below
17 percent: dump trucks with an engine capacity exceeding 2.5 liters

All trucks made specifically for the purpose of transporting highly radioactive materials are subject to a 5.3 percent CET.

EU's Single Internal Market ("EC-92")
and the Type-Approval Directive

The EU's single internal market became official on January 1, 1993. Part of the "EC-92" effort includes the initiative to remove technical barriers to the free movement of products within the EU. The program's greatest impact on the automotive sector has been in the area of standards. The EU Commission has attempted to harmonize automotive technical and environmental standards between the member states. EU legislation also covers noise and particulate emissions, as well as safety. For example, as of January 1, 1993, all motor vehicles in the EU must have a catalytic converter.

In addition, the EU's type-approval directive (EU Council Directive 92/53) eliminates the need for national type-approval requirements by establishing one set of rules for automobiles and their parts throughout the EU. This directive aims to clarify the type-approval procedure for motor vehicles, separate technical units (i.e., trailers), and components. It simplifies the documentation, designates the type-approval number on a separate technical unit as certification of conformity, and defines vehicles, separate technical unit(s), and component(s). Certificates of conformity, as specified in Annex IX of EU Directive 92/53, will be required in order for an automobile to enter into service. For component approvals, an approval issued under relevant regulations of the U.N. Economic Commission for Europe (UNECE) is recognized as equivalent to an approval granted under comparable EU legislation.

In March 1992, the EU Council formally adopted the few remaining pieces of component-related legislation necessary to make whole-vehicle type approval a reality for passenger cars. In June 1992, EU member state officials approved the adoption of EU legislation creating a single system for certifying that passenger cars meet safety and other technical requirements. The legislation established a EU type-approval system to replace the twelve member state national schemes.

In 1996, the EU type-approval system became mandatory. Vehicles with EU type-approval can be marketed anywhere in the Community. Therefore, a vehicle need only receive type-approval certification in one EU country to be accepted in all other member countries. To receive type-approval, products may either be brought to a testing facility or manufacturers may opt to maintain their own approved, on-site equipment. Nevertheless, U.S.-and EU-origin automobiles must still be certified to this single set of rules by an authorized member state agency. A similar system was adopted for type-approval of two and three wheeled vehicles, and became effective on January 1, 1994. Should you need further information or would like to obtain these addresses, please contact the Department of Commerce: European Union Affairs Office at (202) 482-5279.

Value-added taxes (VAT)

As part of the establishment of the single internal market, the EU member states have also begun to harmonize their VAT rates into a narrow band of approximately 15 percent. Until that time, VAT rates are country-specific, and in some cases, sector-specific; the rates fluctuate between standard, reduced and luxury VAT rates. However, standard VAT rates are generally applied to vehicles throughout the EU. EU VAT rates currently range from 15 to 25 percent. VAT rates for each EU member are listed below:

VAT Rates

Austria	20%	Greece	18%	Poland	22%
Belgium	21%	Hungary	25%	Portugal	19%
Cyprus	15%	Ireland	21%	Slovakia	19%
Czech Republic	19%	Italy	20%	Slovenia	20%
Denmark	25%	Latvia	18%	Spain	16%
Estonia	18%	Lithuania	18%	Sweden	25%
Finland	22%	Luxembourg	15%	United Kingdom	17.5%
France	19.6%	Malta	18%		
Germany	16%	Netherlands	19%		

EU-Japan Voluntary Restraint Agreement (VRA)

In anticipation of fully opening EU markets to Japanese competition in the year 2000, the EU and Japan agreed in 1991 to an orderly transition period under a VRA. From January 1993 to December 1999, motor vehicle exports from Japan to the EU were restricted in relation to total EU market sales. Japanese access to the EU market after this period became unlimited.

EUROPEAN COUNTRIES SURVEYED:

AUSTRIA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	298,465	311,292	307,915
Commercial Use Vehicles	34,731	40,992	39,023
Total Motor Vehicles	333,196	352,284	346,938

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- Automobiles must be approved for sale in Austria in accordance with EU regulations. This approval can be granted in any EU country. Most vehicles are approved for EU sale in the EU country of entry, where the vehicle is then tested.
- VAT: 20 percent (autos for the handicapped and electric vehicles are exempted from VAT)
- Vehicle registration tax (paid once and based on fuel consumption; maximum of 16 percent). Starting July 1, 2008, this tax was amended to include an emissions element that is not capped at 16 percent. For every gram of CO^2/kilometer that exceeds 180 grams, a tax of 30 euros will be collected. On January 1, 2010, the cut-off point will be reduced to 160 grams/kilometer.

- Total acquisition tax for 2,000cc and over car: 30 percent
- Annual vehicle tax
    - Passenger cars (based on kilowatt)
    - Commercial vehicles (based on weight)

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

	2003	2004	2005
Personal Use Vehicles	502,564	532,991	528,605
Commercial Use Vehicles	66,566	73,808	79,570
Total Motor Vehicles	569,130	606,799	608,175

Source: Auto Strategies International Inc.

Belgium:

- EU-wide tariff and non-tariff barriers mentioned above
- 21 percent VAT (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 2,000cc and over car: 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:

- EU-wide tariff and non-tariff barriers mentioned above
- 15 percent VAT
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 15 percent
- Ownership tax
    - Passenger cars (based on CO_2 emissions)
    - Commercial vehicles (based on weight and axles)
- The Luxembourg agency responsible for establishing and enforcing safety and road-worthiness requirements for autos, tucks 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)

	2003	2004	2005
Personal Use Vehicles	18,793	45,240	32,338
Commercial Use Vehicles	7,901	10,967	12,400
Total Motor Vehicles	26,694	56,207	44,738

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- 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)

	2003	2004	2005
Personal Use Vehicles	15,138	28,039	19,315
Commercial Use Vehicles	10,787	10,008	6,857
Total Motor Vehicles	25,925	38,047	26,172

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 15 percent
- Registration tax: based on cylinder capacity and CO2 (2,000 cc=CYP 4,000)
- Total acquisition tax for 2,000cc and over car: 35 percent
- Ownership tax
    - Passenger cars (based on cylinder capacity and CO2)
    - Commercial vehicles (based on weight and axles)

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

	2003	2004	2005
Personal Use Vehicles	316,995	292,655	384,893
Commercial Use Vehicles	45,827	48,662	56,795
Total Motor Vehicles	362,822	341,317	441,688

Source: Auto Strategies International Inc.

Czech Republic:

- EU-wide tariff and non-tariff barriers mentioned above

- VAT: 19 percent
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 19 percent
- Ownership tax
    - Passenger cars (none)
    - Commercial vehicles (based on weight and axles)

<u>Slovakia</u>:

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 19 percent
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 19 percent
- Ownership tax
    - Passenger cars (none)
    - Commercial vehicles (based on weight and axles)

<u>**DENMARK** - New Motor Vehicle Sales (in units)</u>

	2003	2004	2005
Personal Use Vehicles	93,901	121,472	146,780
Commercial Use Vehicles	35,233	49,944	62,210
Total Motor Vehicles	129,134	171,416	208,990

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 25 percent
- Vehicle registration tax (based on price). The tax is based on the landed cost plus VAT. For the first 62,700 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.

<u>ESTONIA</u>:

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 18 percent
- No vehicle registration tax
- Ownership tax
    - Passenger cars (none)
    - Commercial vehicles (based on weight and axles suspension)

FINLAND - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	147,419	142,642	148,161
Commercial Use Vehicles	18,331	22,099	19,960
Total Motor Vehicles	166,250	164,741	168,121

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 22 percent
- Vehicle registration tax (28percent: 650 euro (petrol); 450 euro (diesel))
- Ownership tax
  - Passenger cars (based on time, weight)
  - Commercial vehicles (based on weight, axles)

Only passenger cars with catalytic converters are allowed to be imported into 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 is expected to boost used car imports to Finland, especially from Germany.)

FRANCE - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	2,009,246	2,013,709	2,067,789
Commercial Use Vehicles	432,344	459,851	480,122
Total Motor Vehicles	2,441,590	2,473,560	2,547,911

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 19.6 percent
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 19.6 percent
- Ownership tax
  - Passenger cars (none)
  - Commercial vehicles (weight, axles and suspension)

GERMANY - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	3,229,953	3,266,826	3,342,122
Commercial Use Vehicles	264,502	283,401	272,776
Total Motor Vehicles	3,494,455	3,550,227	3,614,898

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 19 percent
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 16 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 lead-free gas by giving tax incentives to purchasers of cars with these features

GREECE - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	257,293	289,753	269,733
Commercial Use Vehicles	20,710	26,225	25,540
Total Motor Vehicles	278,003	315,978	295,273

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 19 percent
- Vehicle registration tax (based on engine size and emissions; 2,000cc equals 40 percent Euro 4)
- Total acquisition tax for 2,000cc and over car: 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)

	2003	2004	2005
Personal Use Vehicles	241,249	207,055	201,093
Commercial Use Vehicles	47,358	44,116	39,880
Total Motor Vehicles	188,607	251,171	240,973

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 20 percent
- Vehicle registration tax, based on age and engine size (i.e., 2,000cc equals 20 percent)
- Ownership tax
    - Passenger cars (based on weight)
    - Commercial vehicles (based on weight)
- A registration tax is imposed on imported used cars, averaging six percent. Owners of cars with a “EURO 2” ranking or worse – and cars older than 10 years – are subject to the highest registration tax. For a typical car – for example, one that has an engine size between 1,100 –1,400 cm3, a Euro 4 ranking and runs on gasoline (not diesel) – the registration tax is HUF 722,000 ($ 4,500).
- In addition, local authorities assess an annual “Weight Tax,” which ranges between HUF 18,000 and HUF 30,000 ($ 112 - $ 190).
- Most automobiles require an import license and special permit from the Hungarian Ministry of Economic Affairs. There is still a global quota on consumer goods, which includes new and used cars and minivans. In 1998, the Hungarian government granted import licenses for 68,000 new and 63,000 used cars.
- As of May 1, 1995, the Hungarian government implemented a new consumption tax for passenger cars, based on engine size (10 percent for cars below 1.6 liters, rising to 20 percent for all other models).
- Native Hungarians are prohibited from importing used passenger vehicles older than 4 years and commercial vehicles older than 8 years. However, specialized older vehicles may still be imported after passing a special technical test.

IRELAND - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	145,339	154,141	171,732
Commercial Use Vehicles	45,543	34,411	41,974
Total Motor Vehicles	190,882	188,552	213,706

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above

- VAT: 21 percent
- Vehicle registration tax (based on engine size)
    - Below 1,400cc: 22.5 percent
    - Between 1,400-1,900cc: 25 percent
    - Above 1,900cc: 30 percent
- Total acquisition tax for 2,000cc and over car: 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)

	2003	2004	2005
Personal Use Vehicles	2,251,307	2,258,861	2,234,174
Commercial Use Vehicles	202,100	222,015	222,778
Total Motor Vehicles	2,453,407	2,480,876	2,456,952

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 20 percent
- Vehicle registration tax (IPT 150.81 euros)
- Total acquisition tax for 2,000cc and over car: 21 percent
- Ownership tax
    - Passenger cars (based on kilowatt)
    - Commercial vehicles (based on kilowatt, pollution)

LATVIA:

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 18 percent
- No vehicle registration tax
- Ownership tax
    - Passenger cars (based on weight)
    - Commercial vehicles (not available)
- The 10 percent import tax on non-EU vehicles is likely to erode the market share of manufacturers that do not operate production bases in the EU

LITHUANIA:

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 18 percent
- No vehicle registration tax
- Ownership tax
    - Passenger cars (none)

- Commercial vehicles (not available)

MALTA- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	8,109	7,181	7,299
Commercial Use Vehicles	1,981	1,956	1,559
Total Motor Vehicles	10,090	9,137	8,858

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 18 percent
- Vehicle registration tax based on engine size (i.e., 2,000cc equals 65 percent)
- Total acquisition tax for 2,000cc and over car: 93 percent
- Ownership tax
    - Passenger cars (based on cylinder capacity)
    - Commercial vehicles (not available)

THE NETHERLANDS - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	488,977	483,885	465,196
Commercial Use Vehicles	90,992	109,433	80,411
Total Motor Vehicles	579,969	593,318	545,607

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 19 percent
- Vehicle registration tax (based on price and CO_2 emissions: 45.2 percent: 1,540 euros (petrol); 328 euros (diesel))
- Total acquisition tax for 2,000cc and over car: 57 percent
- Ownership tax
    - Passenger cars (based on weight and province)
    - Commercial vehicles (based on weight)

Additionally, manufacturers or importers of passenger cars have to pay a special consumption tax (SCT) of 18-27 percent, depending on the price of the vehicle.

A sales tax of 45.2 percent is also assessed on the net value, less an adjustment based on fuel type.

There is a 10 percent luxury tax calculated on the gross value of a vehicle older than 90 months.

POLAND- New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	487,739	325,486	246,692
Commercial Use Vehicles	60,114	109,138	100,772
Total Motor Vehicles	547,853	434,624	347,464

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 22 percent, calculated on the C.I.F. price plus customs duty and excise tax
- Excise tax based on engine size (up to 2000 cc – 3.1 percent, over 2000 cc – 13.6 percent)
- No vehicle registration tax. Total registration cost is approx. 200 PLN (85 USD).
- Ownership tax
    - Passenger cars (none)
    - Commercial vehicles

      from 3.5 ton to 5.5 ton – 662.29 PLN;
      from 5.5 ton to 9 ton – 1,103.81 PLN;
      from 9 ton to 12 ton – 1,324.57 PLN;
      over 12 ton – 2,527.70 PLN

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

PORTUGAL - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	189,551	197,584	203,373
Commercial Use Vehicles	73,187	76,611	75,097
Total Motor Vehicles	262,738	274,195	278,470

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 20 percent
- Vehicle registration tax (based on cylinder capacity and CO2 emissions)
- Ownership tax
    - Passenger cars (based on cylinder capacity)
    - Commercial vehicles (based on weight, axles and suspension)

Portugal also maintains a special progressive tax, based on engine size and CO2 emissions. A discount of 10 to 50 percent may also be applied depending on a variety of aspects such as for example weight, usage of hybrid vehicles and motor homes. Imported used vehicles benefit from a 10 to 80 percent discount depending on the vehicle age. This discount is applied to the total amount of tax to be paid.

Portugal has both a private and government agency that are responsible for establishing and enforcing auto, truck and motorcycle requirements. The private agency is called the Associação do Comercio Automóvel de Portugal (ACAP) and the government agency is called the Instituto da Mobilidade e dos Transportes Terrestres, I.P. (IMTT). Both are located in Lisbon.

ROMANIA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	98,609	145,120	215,532
Commercial Use Vehicles	24,745	35,821	40,882
Total Motor Vehicles	123,354	180,941	256,414

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 19 percent
- Registration tax: based on emissions (2,000cc=700 Euro 4)
- Total acquisition tax for 2,000cc and over car: 22.5 percent
- Ownership tax
  - Passenger cars (based on cylinder capacity)
  - Commercial vehicles (based on weight and axles)

SLOVENIA:

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 20 percent
- Vehicle registration tax based on cc: for 1.8-2.5 cc is 107.70 Euros
- Motor Vehicle purchase tax: 5 percent
- Ownership tax
  - Passenger cars (none)
  - Commercial vehicles (not available)

SPAIN - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,381,681	1,616,180	1,649,292
Commercial Use Vehicles	333,085	275,277	329,195
Total Motor Vehicles	1,714,766	1,891,457	1,978,487

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 16 percent
- Vehicle registration tax (based on engine size)

    - below 1,600cc (petrol) 7 percent
    - above 1,600cc (petrol) 12 percent
    - below 2,000cc (diesel) 7 percent
    - above 2,000cc (diesel) 12 percent
- 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)

	2003	2004	2005
Personal Use Vehicles	261,048	264,246	274,301
Commercial Use Vehicles	34,169	37,371	41,807
Total Motor Vehicles	295,217	301,617	316,108

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 25 percent
- No vehicle registration tax
- Total acquisition tax for 2,000cc and over car: 25 percent
- Ownership tax
    - Passenger cars (based on CO2 emissions and weight)
    - Commercial vehicles (based on weight and axles)

There is a scrap fee assessed for passenger cars and vans.

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)

	2003	2004	2005
Personal Use Vehicles	2,579,050	2,567,269	2,439,717
Commercial Use Vehicles	366,151	389,923	385,969
Total Motor Vehicles	2,579,050	2,567,269	2,439,717

Source: Auto Strategies International Inc.

- EU-wide tariff and non-tariff barriers mentioned above
- VAT: 17.5 percent
- No vehicle registration tax
- Annual tax (145 British pounds)
- Ownership tax
  - Passenger cars (based on CO_2 emissions)
  - Commercial vehicles (based on weight and axles)

European type-approvals are enforced in the U.K. by the Vehicle Certification Agency (VCA), a Department in the Ministry of Transport. During the type approval process, the VCA coordinates with motor manufacturers on vehicles currently in production. Appointed test houses carry out the inspections and tests on behalf of the VCA. National type approvals on vehicles already in service are carried out by the vehicle inspectorate, an executive agency of the Department of Transport. They enforce the heavy goods vehicle (HGV) test and the Ministry of Transport test for cars, motorcycles and light vehicles. Tests are carried out by appointed HGV test stations and commercial garages respectively.

EUROPEAN FREE TRADE ASSOCIATION:

NORWAY - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	89,921	115,645	109,907
Commercial Use Vehicles	31,317	38,407	42,681
Total Motor Vehicles	121,238	154,052	152,588

Source: Auto Strategies International Inc.

- Import duties on motor vehicles range from 5.3-28 percent:
  3 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 imported automobiles. The system is based on value, weight, maximum engine capacity and stroke volume of the automobile. This tax system places a higher burden on larger vehicles and vehicles with larger engine sizes.

- VAT: 23 percent of the amount comprising customs value, customs duty and import tax

- Passenger cars are subject to an additional tax that is based on the weight of the vehicle. The first 1150 kg are taxed at Norwegian Kroner (NOK) 23.35/kg, the next 250 kg are taxed at NOK 46.7/kg, and any remaining weight over 1,400 kg is taxed at NOK 93.4/kg.

- Effective January 1, 1997, the Norwegian Government introduced a 100 percent taxation fee for all expensive models of automobiles, with expensive being defined as those vehicles with C.I.F. exceeding NOK 175,000 (USD 24,000). The fee covers 100 percent of the value above NOK 175,000.

- Automobiles using CFC air-conditioning equipment cannot be imported.

SWITZERLAND - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	268,892	267,476	257,549
Commercial Use Vehicles	24,096	25,265	24,568
Total Motor Vehicles	292,288	292,741	282,117

Source: Auto Strategies International Inc.

- Import duties are based on the weight of the vehicle and engine capacity and range from 12-15 francs per 100 kilograms.

- VAT: 7.5 percent of the value of the imported vehicle. This tax is levied at the border or port of entry.

- A 4 percent consumption tax is assessed on all vehicles.

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)

	2003	2004	2005
Personal Use Vehicles	245,890	461,376	448,649
Commercial Use Vehicles	218,414	365,144	408,782
Total Motor Vehicles	464,304	865,520	857,431

Source: Auto Strategies International Inc.

Tariffs:

As of 2008, Turkey remains a candidate country for full EU membership. Nevertheless, as a transition, in January 1, 1996 Turkey adopted a new import regime. The new regime applies the EU's common external tariff for third country imports and provides zero duty rates for non-agricultural items of EU/EFTA origin. The automotive industry was considered a "sensitive" industry. In this area, the EU agreed to a delay in the application of the common external tariff for five years, until the end of 2000. Turkey maintained higher customs duties for automotive imports during this period and Turkey decreased these rates each year, and reached the common external tariff by the end of 2000. According to this agreement, customs duties applied as of 2003 are as follows:

Passenger Cars*:

Engine Size (in cc)	Vehicles with Gasoline Engines (% x CIF value)	Vehicle with Diesel Engines (% x CIF value)
0-1500	10	10
1500-1600	10	10
1600-2000	10	10
2000 and above	10	10

* A passenger vehicle is defined as "a vehicle with a higher capacity to hold passengers than transporting goods."

Commercial Vehicles:

Transportation Capacity	Vehicles with Gasoline Engines (% x CIF value)	Vehicle with Diesel Engines (% x CIF value)
0-5 tons		
0-2500cc	10	10
2500cc and up	22	22
5-20 tons	22	22
20 tons and up	22	22

Taxes:

Value Added Tax (VAT):

Passenger Cars: 18 percent, based on CIF value

Commercial Vehicles: 18 percent, based on CIF value

Special Consumption Tax

Engine Size	Passenger Cars	Commercial Vehicles
0-1600 cc	27%	4%
1601-200 cc	46%	4%
above 2000 cc	50%	4%

This tax is calculated over retail price that includes CIF price plus VAT. This tax replaced all other taxes that were paid previously.

Other Measures:

Turkey's liberalized foreign trade regime permits the unrestricted import of foreign made vehicles. The only restriction is the age: the imported vehicle should either be manufactured in the year it is imported, or should carry the next year's model. Document to show the age of the vehicle is only valid for six months. Any document older than six months is not valid.

If a company plans to import vehicles exceeding a certain amount of units (currently 75) for sales purposes, it needs to obtain a Maintenance, Repair and Service Certificate from the Turkish Minister of Industry and Commerce prior to import. Importer needs to establish at least 20 efficient service stations in seven geographic regions in Turkey and keep sufficient spare parts. All these stations have to receive quality certificates from the Turkish Institute of Standards. A Recent law states that both local manufacturers and importers have to run and operate at least one service station themselves. The Ministry does not give a certificate unless it believes that the whole service station network is satisfactory, both in quality and quantity.

COMMONWEALTH OF INDEPENDENT STATES:

RUSSIA - New Motor Vehicle Sales (in units)

	2003	2004	2005
Personal Use Vehicles	1,069,797	1,520,579	1,697,335
Commercial Use Vehicles	292,482	322,572	318,330
Total Motor Vehicles	1,362,279	1,843,151	2,015,665

Source: Auto Strategies International Inc.

- The customs duty on all cars, new and used, is currently 25 percent.

- Imported vehicles must also pay a 20 percent VAT tax which is calculated on the sum of the C.I.F. value plus the tariff plus the excise tax, a 5 percent excise tax and a freight cost of 0.15 percent.

- Some vehicles may also be subject to a luxury tax of as much as 70 percent. Vehicles purchased through a Russian-based dealership but ordered for a specific individual are assessed duties under the individual, not company, tariff regime.

- In 1998, President Yeltsin signed a decree (#135) that exempted foreign automakers from custom duties and some taxes for automobiles and parts, contingent upon a minimum investment commitment and domestic-content targets for vehicle production undertaken by these automakers in Russia. In 2005, the Russian government replaced decree #135 with a decree #166, which allowed OEMs investing in Russia-based production to more gradually achieve 30 percent localization within seven years of operation. The government decision envisages that import taxes will be either abolished (engines, power trains, exhaust systems, and body parts) or cut to as low as three percent (starters and spark plugs) for components supplied to assembly projects. In 2006, the Russian government modified the decree (566 decree) to allow tier-1 component manufacturers to import tax-free components under the condition to achieve 30 percent localization within 40 months. 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.

- Russia also permits the importation of used cars. Used cars, two or more years old, imported by companies are assessed a 40 percent tariff instead of 46 percent tariff, plus excise tax plus VAT. Individuals importing used cars pay the same tariff of about 4 dollars per cc of engine displacement.

UKRAINE:

- In Ukraine there are two tariff rates for motor vehicles - Special and General.

- Special rates apply to goods coming from 30 most favored nations (including the U.S.), as well as from 145 developing countries. Special rates of duty are paid by "legal" entities. Legal entities are those groups identified by the Ukrainian government as having special status (government entities).

- General rates apply to all goods imported by individuals (private entities) that exceed the value of $1,400 (1994).

- Commercial vehicles are assessed a special tariff rate of between 10-30 percent and a general tariff rate of between 20-40 percent.

- Buses are assessed a special tariff rate of 0 percent and general tariff rate of 30 percent.

- Passenger cars are assessed a special tariff rate of 0 percent and a general tariff rate of 20 percent.

- In addition, all goods must pay a 20 percent VAT.