



U.S. Commercial Service Quarterly Automotive Newsletter - Winter 2013

CONNECTING YOU TO GLOBAL MARKETS

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Focus on: Mexico

Mexico ranks as the world's eighth most important automotive producer and third in the Americas after the United States and Brazil. It is the 4th largest exporter. Last year, Mexico produced 2.68 million cars. However, 83 percent of its production is devoted to exports and just 17 percent for the local market. Less than one million cars are sold in Mexico each year. Lack of financing and fiscal incentives as well as high taxation rates reduce local new car purchases. The average lifespan of a vehicle in Mexico is much greater than in the United States. Therefore, there are many opportunities in replacement parts as well as new technologies to keep automotive repair and maintenance businesses operating as efficiently as possible.

Local automakers or OEMs purchase from both foreign and local suppliers. In the case of large equipment, it is normally purchased by their headquarter office overseas when they set up the plant. In the case of indirect equipment, it is easier

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for them if the potential supplier has a distributor in Mexico who may already have business relations for related products with them. [Read the full report.](#)

Trade Events:

USA Pavilion at PAACE Automechanika Mexico City (July 10 -12, 2013):

<http://www.paaceautomechanika.com>

B2B Automotive Meetings: Connect with Automakers, Tier 1 Suppliers Operating Facilities in Mexico (November 11-15, 2013):

<http://www.automotivemeetings.com/mexico/>

Recognizing Export Achievement

Six SEMA members were awarded the U.S. Department of Commerce's prestigious Export Achievement Certificate to recognize their increase in exports in an award ceremony at the 2012 SEMA Show's International Happy Hour. On the photo (courtesy of [SEMA](#)): From left to right (front row): Kenneth Merritt, Bushwacker; Ben Mizban, T-Rex; (second row from left) Kim Ziebell, Bushwacker; Ed Rossi, Injen Technology; David Borla, Borla Performance. Back row: Rick Trudo, SCT; Kevin Floody, K&N; Ron Delgado, Injen Technology; and Andrew Edlefsen, U.S. Department of Commerce.





Calendar of Upcoming Events

For most updated information, please visit:

<http://export.gov/industry/auto/keyevents/index.asp>



Date	Location	Event
December 11–14, 2012	Shanghai, China	Automechanika Shanghai 2012. Join the USA Pavilion. Learn more.
January 16–18, 2013	Tokyo, Japan	Automotive World 2013 is the place where you can promote your advanced automotive technology to the growing Japanese and Asian automotive manufactures and their parts suppliers. Automotive World consists of 3 different shows: International Automotive Electronics Technology Expo; EV and HEV Drive System Technology Expo; and Automotive Weight Reduction Expo. More on this show. For exhibiting information, please contact David Thomas at (203) 840–5420, dthomas@reedexpo.com
April 9 –11, 2013	Moscow, Russia	16th Russian Automotive Forum – The premier international gathering for the Russian automotive industry. The Automotive Specialists from the U.S. Embassy in Russia will be attendance to counsel any interested U.S. exporters. More on this forum.
April 11–13, 2013	Sydney, Australia	Australian Automotive Aftermarket Expo 2013 – Hosted every two years by the Australian Automotive Aftermarket Association (AAAA), the 2013 Expo will attract over 11,000 automotive decision makers from Australian and South East Asian markets. More on this show.
April 11–14, 2013	Istanbul, Turkey	Automechanika Istanbul 2013. Join the USA Pavilion at one of Euroasia’s major shows for the automotive industry. More on this show.
May 8–11, 2013	Johannesburg, South Africa	Automechanika Johannesburg 2013 – South Africa’s Leading International Trade Fair for the Automotive Industry targeting Trade Visitors from the Sub-Saharan Region. More on this show.
May 22–26, 2013	Bologna, Italy	Autopromotec 2012 is the leading biennial event in Europe and is a unique showcase for the garage, auto repair, diagnostic and servicing equipment sector, as well as a marketplace for a range of complementary industry products. More on this event.
June 11–13, 2013	Dubai, UAE	Automechanika Middle East 2013 is the leading event for the rapidly developing automotive aftermarket in the wider Middle East and Africa. This trade event covers the full range of parts for motor vehicles, as well as components for the drive, chassis, body, electrics and electronic groups, equipment for vehicle service and repair, bodywork repair and painting, tires, batteries and performance systems. More on this show.
June 16 – 18, 2013	Amsterdam, Netherlands	ReMaTec 2013. Join the USA Pavilion at this premier networking event for the remanufacturing industry which includes players in the automotive, industrial and heavy duty aftermarket sectors. More on this show.
July 10–12, 2013	Mexico City, Mexico	PAACE Automechanika Mexico 2013. Join the USA Pavilion at Mexico and Central America’s most important trade event for the Automotive Aftermarket. More on this show.



Market Research

Our specialists abroad develop market research to help you evaluate markets for your automotive products and services. Research ranges from short reports on areas of opportunity to detailed market and sector reports. Below are a few examples of our recent market research reports available at NO COST. Download them from our website – <http://export.gov/mrktresearch/>– or contact [your local trade specialist](#) and ask for latest reports.

Turkey: Passenger and Commercial Vehicles Market

Turkey is a strategic market for automobile manufacturers in the region due to its growing domestic market, membership in the EU Customs Union, and being a gateway to Europe, Central Asia, and the Middle East markets. All these attracted foreign companies to invest in Turkey to easily access to the EU, benefiting from the cheaper labor costs and close location to Europe. Presently, there are 19 international vehicle producers in the Turkish market including; Ford, Toyota, Renault, Fiat, Chrysler, Opel, Honda, Hyundai, Peugeot, MAN, Mercedes, Isuzu, Mitsubishi, through joint venture (JV) partnerships with local firms, direct investment, or license agreements. [Read the full report.](#)

*Join the USA Pavilion at
**Automechanika Istanbul
2013.** For more
information, please
contact:
Patrick Hope, Tel:
815.316.2380
patrick.hope@trade.gov*

European Union: E – Vehicle Policies and Requirements

As a new and emerging market segment, the European e-vehicles¹ sector may offer substantial opportunities for U.S. exporters. President Obama has set a goal to have one million electric vehicles on US roads by 2015. The EU has set an equally ambitious goal of getting 6 million e-vehicles on the road by 2020. Studies from the European Commission (EC) and other sources indicate that by 2020 e-vehicles will represent between 1% and 5% of cars sold annually in the European Market. [Read the full report.](#)

Austria: Motorcycle Market Brief 2012

In 2010, there were 696,714 motorcycles registered in Austria. The Austrian motorcycle market is dominated by European and Japanese manufacturers: Yamaha, Piaggio, KTM, and BMW being perfect examples. Most motorcycles sold and registered are either at 50cc or between 50cc and 125cc; the demand for mopeds and scooters as commuter and city transportation is greater than that for leisure and sport bikes, segments which typically consist motorbikes greater than 125cc. Within the latter two segments, though, one American company (Harley-Davidson) has consistently performed well within Austria, ranking 7th in the over 125cc segment and 8th in the over 50cc segment in 2010 (domestic producer KTM and nearby German BMW ranked 1st and 2nd, respectively). [Read the full report.](#)



Making Free Trade Agreements Work for You

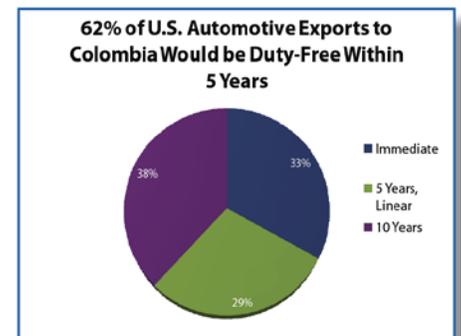
The U.S.–Panama Trade Promotion Agreement: Opportunities for the U.S. Automotive Sector

The U.S. automotive sector accounted for \$71 million in U.S. exports to Panama over 2008–10 (average) or 3 percent of total U.S. industrial exports to Panama. Estimated duties paid on exports of U.S. autos and auto parts to Panama from 2008 to 2010 were over \$23 million. Over 88 percent of U.S. exports of autos and auto parts to Panama would receive duty-free treatment immediately upon implementation of the U.S.–Panama Trade Promotion Agreement. [Read the full report.](#)



The U.S.–Colombia Trade Promotion Agreement: Opportunities for the U.S. Automotive Sector

Colombia is the 27th largest market for U.S. automotive exports. Estimated duties paid on exports of U.S. automotive products to Colombia were over \$122 million from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements. Approximately 62 percent of U.S. automotive exports to Colombia would receive duty-free treatment within five years of implementation of the U.S.–Colombia Trade Promotion Agreement; Colombian automotive tariffs currently average 17.4 percent, ranging up to 35 percent. [Read the full report.](#)



For more information on U.S. Free Trade Agreements, please visit:
www.export.gov/fta

In the News...

The Exporting Angle: Government groups spread the word at Automechanika about U.S. exporting assistance that can change your business.

By: Michael Willins, October 23rd, 2012

Source: Aftermarket Business World

During September's Automechanika show in Frankfurt, Germany, various agencies were on hand to serve as liaisons between foreign businesses and U.S. manufacturers trying to increase their exports. Supporting U.S. firms were members of the U.S. Small Business Administration, U.S. Census Bureau and the U.S. Commercial Service, a trade promotion arm of the U.S. Department of Commerce's International Trade Administration. The U.S. Commercial Service has 129 offices in 82 countries, offering companies market intelligence, trade counseling, business matchmaking and advocacy/commercial diplomacy support.

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Michael Thompson, Director, Trade Fair Certification, with the U.S. Commercial Service, said the Department of Commerce has unified efforts among various agencies to support companies like those exhibiting in Germany. Of the 4,593 Automechanika exhibitors, 145 came from the United States. The U.S. government spent the entire show coordinating meetings between U.S. automotive industry firms and international business reps.

Speaking with Advanstar Automotive Group at the show, Thompson says the government's goal for an event like Automechanika, is to bring added value to U.S. exhibitors seeking export options.

Ryan Hollowell, international trade specialist with the Export Assistance Center (EAC), says the government coordinated more than 237 appointments during Automechanika. Hollowell says some manufacturer clients are simply testing the waters - examining potential markets for their first exporting ventures. Others are seasoned exporters who want to explore relationships in new parts of the globe.

It's essential early on to measure the readiness of companies interested in international trade. The goal is to find the right foreign partners and to make sure the manufacturer is prepared to handle exporting challenges. Once the early intake process is completed, the government shares that information with targeted market contacts in foreign countries. After those connections are made, discussions turn toward market intelligence. And no punches are pulled during the process. "If there is no potential in a given country for a specific product, our contacts will tell manufacturers that," says Hollowell.

Once product interest is established, potential partners, such as distributors, are identified for the exporting firm. The U.S. government helps vet foreign partners to make sure they are suitable, but in the end, exporters determine their final partners.

"We've given you these hot leads, now it's your job to move forward," says Hollowell.

To read the full article, please [click here](#).



Automotive Spotlight

During the EICMA Motorcycle Trade Fair (November 15-18, 2012) in Milan, U.S. Commercial Service's Milan office led an intensive effort to present the police version of Brammo's 100% electric motorcycle to an expanding list of Italian law enforcement organizations. The Ashland, Oregon-based Brammo demonstrated the motorcycle to cycle officers from Venice and senior Milan officers.

The current law enforcement model is roughly equivalent to a 250cc gas bike, sports a range of 80 miles on a charge, and is prewired to accept a range of police lighting configurations.

If you're interested in exhibiting in next year's EICMA show, please contact

Andrea.Rosa@trade.gov or visit:

<http://www.eicma.it/en/>

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The individuals pictured, from left to right are:

Corrado Capelli, President of the Italian Motorcycle Association (ANCMA); Unnamed BRAMMO Electric Motorcycles Representative; Vincent Marazita, North American Representative of the EICMA Trade Fair; Andrea Rosa, Commercial Specialist, CS Milan; Pierfrancesco Caliani, General Director of ANCMA and of the EICMA Trade Fair; Greg Lemhouse, Global Fleet Sales Manager, BRAMMO Electric Motorcycles; Kyle Scott, Consul General, US Consulate General Milan; Michael Richardson, Principal Commercial Officer, CS Milan; Domenico Monopoli, Senior Officer, Milan Municipal Police Motorcycle Drivers; Officer Stellini, Milan Municipal Police Motorcycle Drivers.

Trade Leads

- Mumbai **India** police department is looking for supplier of bullet proof tires. For more information, please contact: Sham.Shamsudeen@trade.gov
- **Egyptian** Firm is interested in importing 1000 truck tires from U.S. The required size is 12.00R24. For more information, please contact: cherine.maher@trade.gov
- The **UAE** company is looking to import motor oils and range of lubricants from the U.S. for automotive applications in east Africa region. For more information, please contact: Ashok.Ghosh@trade.gov
- NY based company is looking for 35 pieces of new or refurbished Caterpillar equipment for export to Addis Ababa, **Ethiopia**. For more information, please contact: dlr@davidlross.com (cc: Ryan.Hollowell@trade.gov)
- The buyer in **Vietnam** is looking for used heavy-duty Freightliner or International trucks with Detroit or Cummins engines (Quantity:7 units. Age: Units manufactured in 2008 or later). For more information, please contact: Triet.Huynh@trade.gov
- **Saudi Arabian** company looking for US suppliers for GM & Ford Genuine Spare Parts. The company is looking for long-term business relation. For more information, please contact: abuelgasim.mukhtar@trade.gov
- Subaru **Uruguay** needs spare parts for automatic transmissions suitable for Subaru, and other-brand vehicles. [Click here for more information.](#)
- **Polish** company interested in regular purchases of spare parts for U.S. made cars. [Click here for more information.](#)

Billions of dollars worth of international projects are funded every year through the World Bank and the various multilateral development banks (MDBs). [Learn more about these Opportunities](#)

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