



U.S. Commercial Service Global Automotive Team Quarterly Newsletter - Spring 2014

CONNECTING YOU TO GLOBAL MARKETS

Look South: Latin America's Automotive Aftermarket

The United States' 11 [FTA partner countries](#) in Latin America offer a unique combination of similar language and business cultures, low or zero tariff rates on merchandise, and reduced market access barriers in areas such as intellectual property rights, standards, and customs procedures. These countries have made clear commitments to opening their markets and integrating supply chains with the United States. U.S. suppliers of automotive aftermarket products are benefitting! U.S. FTA's in Latin America cover Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Peru. Key demand indicators for automotive parts and supplies include:

- Latin America's growing middle class means greater opportunity for the auto industry.
- There are 93,894,000 vehicles registered in Latin America.
- Mexico forms the second-largest export destination for U.S. auto parts.
- Panama's free trade agreement puts U.S.-produced automotive after parts at a competitive advantage vis-à-vis major competitors.
- Poor to fair road infrastructure necessitates constant vehicle safety checks and replacement parts.
- Colombia's geographic location with ports on both the Atlantic and Pacific Ocean is an advantage as it provides easy access for exports and imports.

Among Central America, South America and the Caribbean, these markets are especially attractive for U.S. exporters of automotive parts and supplies. Find a market analysis about the opportunities in each of these countries via the links below.

[Colombia](#)
[Costa Rica](#)
[Dominican Republic](#)
[El Salvador](#)

[Guatemala](#)
[Honduras](#)
[Mexico](#)
[Panama](#)

To take advantage of these valuable opportunities, the U.S. Department of Commerce is supporting the [Auto Care](#)

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[Association](#) (formerly Automotive Aftermarket Industry Association) – the association behind the prominent AAPEX show in Las Vegas, at the first-ever [Latin Auto Parts Expo](#) in Panama City, July 9–11, 2014. The Expo is tailored to the OE and aftermarket parts business and is attracting buyers from South America, Central America and the Caribbean. Over 35 US exhibitors are confirmed to date. The U.S. Commercial Service at the U.S. Embassy in Panama will provide a market briefing and support a networking reception to maximize business development opportunities for U.S. exhibitors.

Trade Event:

Latin Auto Parts Expo

Panama, Republic of Panama, July 9–11, 2014

- Direct access to the Latin American and Caribbean OEM, Replacement Parts, Aftermarket Parts, Automotive Remanufactured Parts, and Tuning Markets
- FREE Seminars featuring industry leaders
- Market Briefing by the U.S Commercial Service and U.S Embassy in Panama
- Networking reception offering the opportunity to forge long-lasting commercial and personal relationships

Learn more: <http://www.latinpartsexpo.com/> or contact Kellie.Holloway@trade.gov



ATLAPA Convention Center

Panama, Republic of Panama, July 9–11, 2014

SEMA Holds its Third Middle East Business Development Conference

In March, the Specialty Equipment Market Association (SEMA) held its third annual SEMA Middle East Business Development Conference in the United Arab Emirates. This event is held with the support of the International Trade Administration's (ITA) Market Development Cooperator Program (MDCP), as SEMA received an MDCP award in 2011. Forty-two U.S. specialty parts companies representing 21 states exhibited at the Middle East Motor Tuning Show in Sharjah and met with specialty parts buyers from throughout the Middle East. U.S. Consul General to Dubai, Robert Waller and Sheikh Marwan Bin Rashid Al Mualla, Chairman of the Emirates Motor Sports Federation, participated in an opening ceremony of SEMA's pavilion at the show. In addition, U.S. participants spent a day visiting specialty parts retail shops and garages in Dubai and Sharjah, and received a market briefing from Ashok Ghosh of the U.S. Consulate in Dubai, Wasif Shah of the U.S. Consulate in Jeddah, and Xavier Muthu of the U.S. Embassy in Kuwait City. Liz Couch of ITA's automotive team and SEMA's MDCP team leader also participated in the event. Photo courtesy of SEMA.



DAS Brown Speaks at 2014 MEMA Legislative Summit

In March, Deputy Assistant Secretary (DAS) for Manufacturing, Chandra Brown, spoke at the Motor & Equipment Manufacturers Association's (MEMA) annual Legislative Summit in Washington, DC. During the presentation, DAS Brown discussed Commerce's activities related to international trade, workforce training, innovation, and increasing U.S. automotive manufacturers' competitiveness. These activities include the National Export Initiative, the President's National Network for Manufacturing Innovation, the Manufacturing Extension Partnership, Investing in Manufacturing Communities Partnership, the Trans-Pacific Partnership Agreement, and the Transatlantic Trade and Investment Partnership. She also discussed efforts to improve the accessibility of U.S. Government data and recommended that attendees contact their U.S. Export Assistance Centers for export-related questions. Also presenting at the Summit, Secretary of Energy Ernest Moniz announced enhancements to the Department of Energy's Advanced Technology Vehicle Manufacturing (ATVM) Loan Program, including clarified eligibility for component suppliers, improved responsiveness, and a revised application process. Photo courtesy of MEMA.



Recognizing Export Achievement

Deputy Assistant Secretary for Manufacturing, Chandra Brown, presented six U.S. specialty equipment manufacturers with the U.S. Department of Commerce's prestigious Export Achievement Certificate at an award ceremony during the 2013 Specialty Equipment Manufacturers Association (SEMA) Show. Recipients awarded for their increase in exports included: Royal Purple of Porter, Texas; Stillwater Designs & Audio of Stillwater, Oklahoma; Keystone Automotive Operations of Exeter, Pennsylvania; Gibson Performance Exhaust of Corona, California; Dee Zee of Des Moines, Iowa; and, MCM Custom Vehicles of Trussville, Alabama. Also present during the presentation were Nate Shelton, SEMA Chairman and Linda Spencer, SEMA's Senior Director of International Trade & Government Affairs. Photo courtesy of SEMA.



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Upcoming Events

Our worldwide network of automotive specialists in U.S. Embassies and Consulates, and across the U.S., is dedicated to assisting U.S. companies increase exports of U.S. automotive products and services internationally. In that effort, we invite you to participate in the following key events supported by the U.S. Commercial Service. For most updated information, please visit: <http://export.gov/industry/auto/keyevents>



Compete, Win, and Grow Your Business through Exporting. The U.S. Commercial Service is proud to announce this unprecedented national series of conferences to help U.S. business compete, win, and grow in the international marketplace.

Looking to penetrate new overseas markets and boost your bottom line through exports? Then reserve your place now at a **DISCOVER GLOBAL MARKETS** event in 2014. [Learn more.](#)

Cargo Week Americas: Expo Carga 2014 – Mexico City, Mexico (June 3–5, 2014) U.S. companies interested in the Mexican transportation, cargo and logistics industry should plan to participate. USA is this year’s “Guest Country”. [More on this trade show](#) or contact Adrian.Orta@trade.gov.

Auto Parts Fair – Medellin, Colombia (June 4–6, 2014) This is a national fair that has been hosted since 2010 bringing together international visitors and exhibitors from Argentina, USA, Ecuador, Guatemala, Mexico, Panama, Peru, Turkey, Venezuela, Taiwan, China, and France. Featured product categories are engine parts, brakes, suspension, electrical and bodywork, luxury, accessories, tires, lubricants, and products for maintenance and beautification. [More on this show.](#)

Automechanika Middle East 2014 – Dubai, U.A.E. (June 3–5, 2014) Join the USA Pavilion at 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.](#) To schedule appointments with our Commercial Specialists at the show, please [complete this form.](#)

Latin Auto Parts Expo – Panama City, Republic of Panama (July 9–11, 2014) The show is tailored to the OE and aftermarket parts business and targets buyers from Central and South America and the Caribbean. [More on this expo.](#)

PAACE Automechanika Mexico 2014 – Mexico City, Mexico (July 16–18 2014). Join the USA Pavilion at Mexico and Central America’s most important trade event for the Automotive Aftermarket. [More on this show](#) or contact Monica.Toporkiewicz@trade.gov and Monica.Martinez@trade.gov.

Automechanika Frankfurt 2014 – Frankfurt, Germany (September 16–20, 2014). Join the USA Pavilion at the world’s largest automotive trade show. Held bi-annually in Frankfurt, the event draws thousands of attendees in the automotive industry from around the world. Held with the support of important industry associations, Automechanika has become a growing platform for the automotive business in the German and European markets. [More on this show.](#)

Making Free Trade Agreements Work for You

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.

Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR): Opportunities for the U.S. Automotive Sector

The CAFTA–DR region was the 14th largest U.S. export market in the world in 2013, and the third largest in Latin America behind Mexico and Brazil. The market for automotive spare parts and services, in the Dominican Republic is estimated to grow by **12 percent** over the next three years. The demand for these products is linked to the aging car population (vehicles older than five years represent 97 percent of the total Dominican vehicle population), the growth in total vehicle population (an annual rate of increase of 4 percent), and the relatively deteriorated condition of Dominican roads. Statistics from the Department of Economic Studies of the Internal Revenue Directorate indicate that, as of February 2013, there were 3.1 million vehicles circulating in the Dominican Republic. Out of this total vehicle population, 51.3 percent are motorcycles (mainly of Chinese manufacturing), 22.8 percent are automobiles, 10.2 percent are SUV's, 12.3 percent are trucks and pick-up trucks, and the remainder are buses.

Prior to the free trade agreement, DR automotive tariffs averaged around 20%. Many of these tariffs have drastically diminished or have been eliminated; the majority of U.S. automotive exports to the DR will receive duty-free treatment by 2015. [Read the full report.](#)

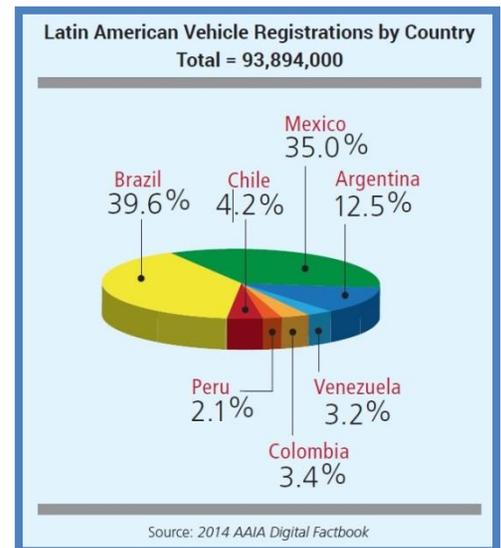
What's in demand in Latin America?

air conditioning	automotive & LED lighting	electrical systems & batteries
GPS systems	friction & brake systems	new & remanufactured replacement parts
cooling systems	engine & transmission parts	suspension & front end systems
diagnostic systems	machine shop equipment	service & installation equipment
hand tools	computer systems & software	paint, body & retail warehouse fixtures
waxes & polishes	chemicals & chemical fluids	high performance auto parts & enhancers
undercar	equipment and tools	HD sound & video systems

Recognizing the strong market growth trends, with **over 40% of US exports going to the Americas**, and with those exports growing faster than our trade with the rest of the world, we strongly encourage U.S. automotive aftermarket suppliers to join influential events in the region including the [Latin Auto Parts Expo](#) in Panama City, [PAACE Automechanika](#) in Mexico City, and the [Auto Parts Fair](#) in Bogota. To capitalize on promising market growth trends, and for more information about any of these promising opportunities please visit the [Global Automotive Team](#) website.

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

Coming Soon!
Global Automotive Resource Guide profiling worldwide market trends, contacts and intelligence to guide strategic business development decisions. See past copy [here](#), and watch for the 2014-2015 release!
Check for updates at:
www.export.gov/industry/auto



Trade Leads

To ensure timely response and follow up, please copy [your local trade specialist](#) when pursuing any of the following leads.

- A **Libyan** firm is looking to buy a 2014 International Model 7400 SFA 6x6 w/Front Driving Axle truck and parts. Please contact Fathi.Hamid@trade.gov for more information.
- The following four trade leads are all from companies in **Turkey**. Please contact Berrin.Erturk@trade.gov for more information.
 - **Pasa Classic Cars**: This is a well-known classic car supplier in the Turkish market, and also provides repair/maintenance to classic cars. They are looking to connect with a) U.S. classic car sellers, b) classic car parts wholesalers and manufacturers.
 - **ERG San Group**: This firm sells original Ford parts for passenger cars to the industry through its 600 sub dealers located in different parts of the country. It is currently importing them from EU suppliers, and is looking for U.S. wholesalers that can sell original Ford parts for passenger cars. It is one of the large wholesalers in the aftermarket.
 - **Akcin Oto**: This is a “spot” buyer for original auto electric parts/accessories for VW vehicles. They are looking for large wholesalers in the United States.
 - **MS Ithalat-Sinan Sahinler**: This firm is looking for US ceramic paint coating “Quartz” suppliers. This is to keep the paint of the vehicles unharmed from bird dirt, small collisions, dust, etc.
- A **Nigerian** firm is looking for a supplier of Honda ST 1300 Police Patrol Motorcycles and is interested in purchasing over 200 units. Please contact Chamberlain.Eke@trade.gov 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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