

# INTERNATIONAL BULLETIN September 2011

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### **Editorial**

David Croxson Head of International, SMMT



#### Survive and thrive in the crisis by trading internationally

http://www.freshbusinessthinking.com/tv/?Mode=Ondemand&PID=268

As was widely expected the Bank of England has cut the 2011 growth forecast for the UK by 0.3% to 1.5%. UK manufacturing data released by the Office for National Statistics has added to fears over the state of the UK economy.

Despite a 1.8% increase in May the data fell by 0.4% in June, going against analysts predictions that there would be an increase in June with a widening gap in the UK's trade deficit in goods and services, up from £4 billion in May to £4.5 billion in June.

David Kern, chief economist at the British Chambers of Commerce (BCC), said."While the government perseveres with implementing its tough fiscal programme, everything must be done to support the manufacturing recovery and ensure there are no setbacks."

SMMT Chief Executive Paul Everitt. reporting on July data said "Economic growth remains fragile but thanks to a strong export market, automotive manufacturing continues to outperform the broader economy". Paul adds: "SMMT expects vehicle and engine production to continue to rise fuelled by demand in the fast growing BRIC economies, as well as mainland Europe and the US. The UK industry is globally recognised for its high quality, innovative design and exceptional reliability. Vehicle manufacturing is forecast to grow steadily, with a continued focus on export markets. "

SMMT International maintains close links with UKTI, the principal government agency tasked with responsibility for supporting both inward investment and global trade development. UKTI supports many of the events and activities we arrange. The recent spending review, however, requires substantial cuts to its budget, with the likely loss of a number of the 2,300 employees who work in London, Glasgow and "Posts" in around 100 overseas locations. This resource available for UK business is unequalled by any other country. Currently UKTI's plans for 2012 are being reappraised following the appointment of the new UKTI CEO. Changes are anticipated in both Tradeshow Access Programme funding programme and the Advanced Engineering Sector Group strategy – we will keep you informed as any changes are announced.

Nick Baird, the newly appointed UKTI Chief, formerly Director-General Europe and Globalisation at the Foreign Office will shortly take up his new post as head of UKTI. Mr Baird's appointment follows the launch in May this year of "Britain open for business" – UKTI's new five year strategy.

This second 5 year UKTI Strategy document together with the Foreign and Commonwealth Office seven-point Charter aims to support international business, champion UK business overseas and attract investors to the country.

UKTI claims that nine out of 10 UKTI customers are SMEs and every £1 it spends helping exporters yields £22 for the economy. Last October, its Gateway to Global Growth programme for SMEs won it an award for best trade promotion body in the developed world.

The UKTI strategy forms a key element of the government's Plan for Growth to help the UK remain economically competitive and will see UKTI adopt a more entrepreneurial approach to deliver growth. As part of this, UKTI will actively seek out overseas investors, help UK companies expand into overseas markets and work more closely with key British companies. UKTI is targeting services at innovative and high growth SMEs to encourage more companies to export, and help existing exporters reach more high growth and emerging markets.

In formulating our SMMT International business plan for 2012 we have tried to align ourselves both with UKTI strategy and the Automotive Council strategy of developing the UK supply chain as far as we are able with the resources at our disposal.

In 2012 the SMMT International team are planning some 18 activities and events including trade shows in India, Middle East, Russia, Germany; missions to Russia, USA and China and a number of UK based networking events focusing on international issues and opportunities with themed topics presented by invited speakers. We are also exploring the possibility of taking exhibitor groups to SAE Sao Paolo in October and Automechanika Shanghai towards the end of 2012 if there is sufficient interest.

We have seen considerable interest this year in companies participating in SMMT led groups at a range of events and we are optimistic that this trend will continue with real export growth continuing over the next 12-18 months as UK products grow increasingly competitive and quality and established brands are sought in the increasingly wealthy emerging markets of Turkey, India, Russia, China and Brazil.

In addition to the recent positive vehicle manufacturing news, many of the UK exporting SMEs we meet up with are positive about their own prospects and we are currently analysing the general responses we received from those completing our International Survey which we hope to collate and report on further in a following International Bulletin.

SMMT is working closely alongside UKTI promoting UK business abroad and helping attract investment to the UK and making sure UK business can increase their exports to a worldwide audience – all vital if we are to rebuild our economy.

#### THE SOCIETY OF MOTOR MANUFACTURERS AND TRADERS LIMITED SMMT, 71 Great Peter Street, London SWIP 2BN T +44 (0)20 7235 7000 F +44 (0)20 7235 7112 Web www.smmt.co.uk

# Personal Export Sales Group:

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**Design Engineering Group:** Tuesday 29 November 2011

Friday 9 December 2011

Speakers: Martin Carney - Alcar Ltd Kaler Hurcan - ISPAT UK Ltd

Turkey - Automotive market and business opportunities

Global Market overview of low cost trucks and hybrid and electric trucks and buses Speaker: Sarwant Singh - Frost & Sullivan Ltd

Our next IBG meeting, chaired by Richard Long of BorgWarner will be held at Great Peter

We have invited guest speakers to present on two topics that we hope will be of interest to members and our meetings are open also to non members who are SMMT member prospects. The meeting will close at 12:30 followed by an informal networking buffet lunch in the reception area. This meeting will be a useful opportunity to visit the new SMMT building and network with export interested businesses from across the membership.

# Tuesday 29 November 2011

## **International Business Group**

Street on 21 September starting at 10:00am.

### 71 Great Peter Street London SW1P 2BN All telephone numbers and email addresses remain unchanged. Please ensure that all correspondence is sent to the above address.

The Society of Motor Manufacturers and Traders Limited

SMMT's new London premises and registered office address are:

SMMT now operates from its new premises.

# **Key Dates**

**SMMT Group Meetings** 

**IMPORTANT NOTICE** SMMT's NEW ADDRESS

**Customs and Tariffs Working Group:** 

Wednesday 14 September 2011 Wednesday 7 December 2011

### International Business Group:

Wednesday 21 September 2011

The topics to be presented are:

We will also be reviewing our 2012 SMMT International trade show events plan and seeking views on markets / topics for future Export Market Research Scheme (EMRS) market surveys and trade missions that we hope to organise with UKTI support next year.

If you would like to attend please contact Pat Shaw at <u>pshaw@smmt.co.uk</u>. Tel. 020 7344 9260.

### **International Market - Special Feature**

#### MEXICO UP-DATE

As SMMT published its report *Mexico's Automotive Industry* in late 2008, the vehicle and component makers based in Mexico were beginning to feel the effects of the global financial crisis. At that time, there was a wide range of opinions – from broad optimism to deep gloom - about how the economic downturn would impact on the industry in Mexico.

Two-and-a-half years later, report author Pat Shaw returned to her native Mexico to reassess how the automotive sector is faring today.

#### Over the edge.....

Over the last two decades, the automotive industry has become a key cog in Mexico's manufacturing-based economy. It now accounts for around 18% of manufacturing GDP and 23% of manufacturing exports, as well as providing employment for more than 10% of sector's workforce. Automotive products are Mexico's No 1 foreign exchange earner, ahead of the oil and petroleum industry.

But its success has been largely based upon demand from the USA. Almost 90% of vehicle and component exports are destined for the American market.

When demand in America was ravaged by the fall-out from the global financial crisis, the initial effects on the auto industry in Mexico were grim. In 2009, light vehicle production slumped 28%, from 2.1 million to 1.5 million units. None of the major VM's escaped a double-digit fall in production numbers. In the component sector, results were even worse, with an average market decline of 30%.

In a naturally optimistic country, the more pessimistic predictions seemed to be coming true.

#### .....and up the other side

Remarkably, 2010 saw a dramatic change of fortune, as all the indicators turned upwards. Light vehicle production for the year topped 2.17 million (plus another 86,000 heavy commercials), and component sales were worth an estimated \$62 billion. These figures represent not only a significant recovery from the dark days of 2009 but also an increase on the levels recorded at the end of 2008.

Whilst employment levels fell, automotive productivity actually rose, and it is apparent that very few facilities in Mexico were actually closed – a marked contrast to the widespread shake-out taking place in the USA. Magna International, who has maintained 29 plants in Mexico whilst – over the last five years – closing 48 facilities in the USA and Canada, is perhaps typical of tier one suppliers attracted by lower operating costs in Mexico. AAM and TI Automotive are other examples of major component makers who have recently opened new facilities. Certainly, Mexico appears to have weathered the rationalisation within the auto industry better than her NAFTA partners.

The upward trend has continued into 2011, with AMIA (the vehicle manufacturers' association) reporting that January to March was the best quarter ever for vehicle sales. The future also looks bright, with the announcement of a significant number of major automotive investments:

- Mazda will build a new 140,000 capacity assembly plant at Salamanca, to be operational from 2013
- Honda plans to open a new 200,000 capacity facility at Celaya, Guanajuato in 2014
- VW is building an engine plant at Silao, to supply 330,000 units per annum to both Puebla in Mexico and Chattanooga in the USA. The German automaker is also introducing a new Beetle model at Puebla
- Nissan will conduct a \$600 million up-grade of their Aquascalientes and Cuernavaca factories in preparation for three new production models, commencing with the Micra
- Toyota is reportedly investigating various locations for a new engine plant

The fact that these investments come from Japanese and European automakers indicates that, whilst the USA remains the destination of most export sales, it is no longer than source of the bulk of the automotive investment flowing into Mexico.

In the wider Mexican economy, the business indicators also look relatively stable. The national fiscal deficit is calculated as only 2.5% of GDP – low by current global standards. GDP itself grew by 5.5% in 2010, and the government is predicting further growth of 4.1% in 2011 – in line with the levels being achieved before the financial crisis. Inflation in the first quarter remained slightly below the predicted figure of 3.9%.

Internationally, the Mexican government continues to negotiate new free trade agreements. From 1 April 2011, a new FTA with Japan came into operation. Mexico is also focusing on expanding business with other Latin American markets. There is now free trade in automotive products with Mercosur countries, and a separate FTA has recently been concluded with Columbia. From an admittedly low base, Mexican vehicle exports into Central and South America grew by over 100% in the first quarter of 2011.

#### The domestic Mexican market

The domestic market demand has contributed little to the revival of Mexico's automotive sector. Those record production figures for the first quarter of 2011 were driven by export shipments, whilst domestic sales languished 20% below the levels seen in January 2008.

Mexico's internal economy is at a stage where it might be expected to support annual sales of 18 new units per 1,000 residents. This would equate to 1.8 million light vehicle sales per annum. In reality, the figure for 2010 was only 820,406. Much of the shortfall is taken up by the importation of used vehicles from the USA. Last year, 426,000 such vehicles legally entered the Mexican market. An incalculable number of illegal imports – the "carros chocolate" – also slipped across the border.

The Mexican government has been slower than other administrations in introducing measures to stimulate the domestic market. However, they have announced that the vehicle ownership tax will be suspended from the end of 2011, and thereafter repealed, and they have also introduced a guarantee mechanism for automotive loans.

Nissan is the domestic market leader, with a 24% share and four models (the Tsuru, Tiida, Sentra and Chasis Largo) in the top-ten listing. GM has three top-selling models in the Aveo, Spark and Chevy, and the listing is completed by the VW Jetta (Classico and Nueva variants) and the Mazda 3. The preponderance of small, economical cars is clear.

Ineffective licensing procedures make it difficult accurately to assess the total Mexican vehicle parc. Local sources estimate a total of 30 million vehicles, of which 6 million have been imported from the USA. They also put the average vehicle age at 16 years. The absence of a national MoT equivalent discourages owners from replacing, or servicing, their vehicles on a regular basis

Nevertheless, a venerable vehicle parc, coupled with demanding local driving conditions, means that there is a substantial and fragmented aftermarket in Mexico. At the lower end, it is very cost conscious and served by small local garages and workshops. But there is also a growing upper segment of the market, where more sophisticated vehicles and engines require modern diagnostic and servicing tools.

#### More of the same?

In many ways, the current structure and trends within the automotive industry in Mexico remain unchanged from the patterns that were apparent before the downturn of 2009. If anything, the local low cost base has strengthened Mexico's position as a preferred manufacturing location for the NAFTA region. There are also signs that Mexico is benefitting from increased automotive demand in South American markets.

Security concerns appear not to have deterred a fresh round of automotive investments, although there has been some movement southwards, away from the more troubled border states, where labour shortages are another potential difficulty.

The depressed state of the domestic auto market remains a concern. Mexico should be able to generate enough internal demand to cushion the local industry against a downturn in the US economy, but, to date, this has not proved to be the case. The government has been slow to implement measures to stimulate the local market. The remission of ownership tax only takes effect at the end of this year – long after the tax incentives and scrappage schemes offered in many mature and developing markets. Industry leaders also complain bitterly that the government does too little to reduce the flow of used vehicle imports – both legal and illegal – from the USA.

Nevertheless, some trends identified in the 2008 report have taken a fresh direction. For example, the anticipated arrival of Chinese automotive investors has not materialised. Both FAW and Geely have shelved plans for vehicle assembly plants in Mexico, and the Chinese VM's appear to have shifted their attention to Brazil where they see a significant local market demand for economically priced vehicles.

There is also some evidence that new-energy vehicle production in Mexico may develop more rapidly than initially anticipated. This is – again – not driven by domestic demand or infrastructure availability, which, despite a pilot plan to introduce 500 electric taxis into Mexico City, remain negligible, but by the changing requirements of the American market. Hybrid versions of the Ford Fusion and the Chevrolet Captiva are already built in Mexico, and, when Nissan's Mexican plants start (in 2013) to supply the NV200 replacement vehicle for the New York taxi fleet, they will eventually include an electric option in the product range.

#### **Opportunities in Mexico**

The new raft of investments in assembly and engine plants presents opportunities to supply both equipment for those facilities and components for the vehicles that they will produce. This is particularly relevant when those vehicles are the similar to models already built in the UK – for example, the Honda CR-V and the Nissan Micra.

The Mexican auto industry continues to resemble an inverted pyramid, which has grown from the top down rather than upwards from a native engineering base. Growth is driven by high levels of investment at the VM and tier one levels, with major weaknesses at the tier two and three levels. It is significant to hear Honda seeking to recruit suppliers at all levels; but they, like Volkswagen, are primarily interested in *existing* suppliers from other markets, who are prepared to locate and manufacture in Mexico.

There are also business opportunities in the aftermarket, particularly for equipment and parts to service the more modern segment of the vehicle parc. It is notable that only approximately \$7 billion (equivalent to 11%) of Mexican-manufactured automotive components are destined for the local aftermarket. The vast majority goes to the OEM's or is exported. As a result, suppliers into the Mexican aftermarket are competing not with indigenous producers but with the same international rivals that they encounter in other countries. If they are competitive in those other markets, they should be able to tackle Mexico. UK companies attending the recent PAACE Automechanika exhibition reported that they had met potential customers who were pleasantly surprised to find that the British products were more cost-competitive than they have initially expected.

#### PAACE /Automechanika

In July 2011, SMMT led a small British exhibitor group to PAACE Automechanika, which is billed as "the most important automotive trade show in Mexico and Central America". Largely organised and run by its German parent company, the show is not actively backed by the local component makers' association – INA – who staged their own event, restricted to domestic manufacturers and companies from free-trade partners, earlier in the year. Perhaps as a result of this split, the event focused more on vehicle maintenance and repair than on component production.

It was, nevertheless, busy and well attended, and proved a good forum for suppliers seeking to find new distributors and agents. British exhibitors reported a good range of potential contacts, from both Mexico and other Latin American markets.

#### **Events**

#### International Events held in the UK



#### Low Carbon Vehicle 2011

Event date: 7 &8 September 2011 Attend UKTI/Cenex low carbon vehicle event in Corby in September where you will have the opportunity to showcase your technologies and capabilities in the field of low carbon vehicles and fleet carbon reduction. For more information: UK - LCV 2011 (Automotive)

#### **London Chamber Events**

#### Vietnam: the New Asian Tiger - Business Briefing

Event date: 12 September 2011 Guest speakers Paul Smith, Executive Chairman Outsourcing, Harvey Nash plc, Neil Wynn-Jones, International Trade Adviser, UK Trade & Investment London

#### **Explore Pakistan's Potential**

Event date: 7 October 2011 At High Commission for Pakistan, 35-36 Lowndes Sqaure, London SW1X 9JN Guest speakers HE Adam Thomson, British High Commissioner to Pakistan, HE Wajid Shamsul Hasan, Pakistan High Commissioner to the UK For more information for both events: **contact:** Ruma Deb **tel:** 020 7203 1949, **email:** rdeb@londonchamber.co.uk

#### London Chamber of Commerce Training Courses

Tuesday 20 September - Export Documentation Essentials Tuesday 18 October - Incoterms 2010 Rules (half day) Tuesday 25 October - Documentary Letters of Credit Thursday 10 November - Appointment and Management of Agents and Distributors **Download full course details** 

#### Serbia Now: Positive Prospects for Trade

Event date: 20 October 2011 At EBRD, One Exchange Square, London EC2A 2JN Guest speakers include Alexander Brooks, Head of UK Trade & Investment, British Embassy, Belgrade. For more information for both events: **contact:** Annabel Fogden **tel:** 020 7203 1967 **email:** afogden@londonchamber.co.uk website: www.londonchamber.co.uk//ittc

#### Lithuanian Incentives for UK businesses

27 September at HBJ Gateley Wareing, Birmingham

28 September at University of Warwick, Coventry

29 September at Taylor Wessing, Cambridge

British Manufacturing companies as well as other enterprises considering investing in R&D, near shoring or developing a cost-effective production abroad, are invited to learn about availability and access to cash grants by the Lithuanian Government and the EU Structural Funds.

For more information:

Invest Lithuania

email: anastasia@ccbaltic.eu

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### **Trade Events**

#### International Events held abroad

#### London Chamber Trade Missions:

Nigeria and Ghana - Lagos and Accra Event date: 18-28 September 2011 Multi-Sector Trade Mission to West Africa Sponsored by UK Trade & Investment

#### Vietnam - Ho Chi Minh and Hanoi

Event date: 14 -18 November 2011 Multi-Sector Trade Mission to Vietnam Sponsored by UK Trade & Investment

For more information for both events: **contact:** Annabel Fogden, World Trade team **tel:** 020 7203 1967 **email:** afogden@londonchamber.co.uk

#### Azerbaijan: Middle East Association Multi-Sector Trade Mission to Baku

Event date: 18-22 September

The UK is the largest foreign investor in Azerbaijan, and there are over 150 UK companies represented in the country. Azerbaijan has undertaken effective reforms, simplifying business registration, lowering corporate tax, increasing efficiency, and facilitating new ventures. It has a well developed infrastructure and low cost skilled labour force. The mission has the full support of the British Embassy in Baku, the Azeri Embassy in London, and the European Azerbaijan Society. It is kindly supported by BMI. For more information: **contact:** Feride Alp-Walter, The Middle East Association **tel:** 020 7839 2137 **email:** CT Group Travel (mea@ctgrouptravel.co.uk **web site:** www.the-mea.co.uk

#### Italy, Venice: 16 International Congress for Battery Recycling (ICBR) 2011

Event Date: 21-23 September 2011

Congress will focus on: Update of battery legislation worldwide, Safety issues & transportation regulations, Recycling efficiency, The great future of LEU, EHV, PEHV and EV battery systems, The success of Li-Ion batteries technologies, Country reports on collection and recycling, Best available technologies for battery recycling For more information:

web site: http://www.eurobat.org/events



#### Russia: Low Carbon Technologies, Moscow

Event date: 29 September 2011

UK Trade & Investment (UKTI) is hosting a one-day event in the British Embassy in Moscow to highlight British expertise in Low Carbon Technologies and Services. Each company taking part should expect 12-14 tailored one-2-ones with potential customers. A similar event in Portugal last year was extremely successful and generated many useful contacts. For more information: contact: Christine Lumsden: tel: 020 7824 1920 email: uktimissions@britishexpertise.org

#### Mexico: The 7 International Conference for Sustainable Transport organised by CTS Event date: 3-5 October 2011

The 7 International Conference for Sustainable Transport is a forum in Latin America that brings together scientific, commercial, academic and political figures around the pressing issues of Transportation, Urban Development and Climate Changes.

Main three key topics will be:

Low-carbon Urban Development. Climate Change Policies. Sustainable Mobility Solutions

contact: Fabiola Olivares

email: folivares@ctsmexico.org web site: <u>http://congresotransportesustentable.org/</u>

#### Romania - TIB (Industrial Equipment & Automation)

Event date: 5 October 2011

TIB (Industrial Equipment & Automation) is a major event in the advanced engineering sector. TAP support is available for this event.

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contact: Karen Finegold - Engineering Industries Association tel: 020 7298 6455 email: KFinegold@aol.com

# India - 16th Asia Pacific Automotive Engineering Conference in Chennai (Automotive)

Event date: 6-8 October 2011

The 16 Asia Pacific Automotive Engineering Conference (APAC) is being held for the first time in India. TAP support is available for this event.

This is a networking opportunity and is an excellent platform for business promotion and to showcase new technologies.

contact: Maya Sivakumar

tel: + 91 44 4219 215 1

email: maya.sivakumar@fco.gov.uk

web site: www.apac16.org

#### USA – Trade Mission: Seizing P3 Infrastructure Opportunities

Event date: 11 October 2011

UKTI is leading a delegation of UK companies to the US to explore P3 opportunities in public and private sector consulting, construction, engineering, operations and maintenance and rail and water.

## SMMT supported event

#### France: EquipAuto, Paris

Event date: 11-15 October 2011

SMMT, in association with UKTI, is pleased to present the UK pavilion at Equip Auto 2011, the largest show in Europe for equipment for all vehicles. Early applicants may qualify, where eligible, for a limited number of UKTI Tradeshow Access Programme (TAP) grants. **contact:** Ruta Aisthorpe

email: raisthorpe@smmt.co.uk

# China: UKTI North West Market Visit to Shanghai and Shenzhen / Guangzhou (Multisector)

Event date: 15 October 2011

With the support of the North West Regional Development Agency (NWDA) and ERDF, UKTI North West are inviting North West businesses to join a market visit to Shanghai and Shenzhen / Guangzhou in October.

#### **China: Advanced Manufacturing Summit**

Event date: 17-20 October 2011 Attend UKTI/CBBC's summit in Beijing in October and highlight your capability in the aerospace and automotive sectors. **contact**: John Strang **email**: john.strang@ukti.gsi.gov.uk

#### Belgium: European Electric Vehicle Congress

Event Date: 26 – 28 October 2011 Location: Brussels/Belgium

A conference, gathering the different actors, from industry, research institutes, NGO's and public authorities, would therefore be very helpful to develop a roadmap for sustainable urban mobility technology.

With respect to society, transportation systems should meet basic human needs for health. With respect to the economy, transportation systems should provide cost-effective technologies. It should also support vibrant, sustainable economic activity. Finally, with respect to the environment, transportation should make use of land in a way that has little or no impact on the integrity of ecosystems.

It should use energy sources that are essentially renewable and produce no more emissions than can be accommodated by the planet's restorative ability. EUROBAT will be speaking at the opening session of this event. For more information: <u>http://www.eevc.eu/</u>

#### India - Technology Partnering (Advanced Engineering)

Event date: 7-11 November 2011 Meet major companies in India's aerospace and automotive sectors at their offices and be introduced to their supply chain **contact**: Eileen Barnett **email**: eileen.barnett@ukti.gsi.gov.uk

#### Germany - Professional Motorsport World (PMW)

Event date: 15 November 2011 Professional Motorsport World (PMW) is a major event in the motorsport sector. TAP support is available for this event.

### SMMT supported event

# Turkey Otomotiv 17<sup>th</sup> International Automotive Supply Industry Components Accessories & Service Equipment Exhibition

Event date: 24-27 November 2011

SMMT is pleased to be working in collaboration with the organisers to introduce our first UK pavilion group at this year's exhibition.

Although there are no UKTI grants available for exhibitors we have negotiated a special exclusive package price that presents a substantial discount from the standard prices and with significant added value in the support and profile provided to UK exhibitors. SMMT's low cost package will enable you to take full advantage of this high-growth market providing a window of opportunity to showcase your products alongside and network with other like-minded UK companies to enhance your presence and profile at this event.

The SMMT UK pavilion at Otomotiv Istanbul presents a real value for money opportunity for UK suppliers to meet with key Turkish industry professionals and for your company to both build new contacts and find out essential market information about the Turkish sector's production requirements.

contact: Ruta Aisthorpe

email: raisthorpe@smmt.co.uk

#### Spain - Smart City Expo & World Congress 2011 (Multi-Sector)

Event date: 29 November 2011 Opportunity to promote your low carbon products and services to a high profile international audience during the inaugural Smart City Congress in Barcelona.

#### USA: International Motorsport Show (IMIS)

Event date: 1 December 2011 International Motorsport Show (IMIS) is a major event in the motorsport sector. TAP support is available for this event.

#### Brazil: Market Visit to Brazil (Multi Sector)

Event date: 3 December 2011

Brazil is simply too big a market to ignore. It has the largest economy in Latin America by GDP, and is expected to be the 5th largest in the World by 2016

#### Canada: Market Visit (Multi Sector)

Event date: 3 December 2011 Canada offers excellent opportunities to UK businesses. Not only is it a financially stable market, but it is an important trade and investment partner for British companies.

#### USA: Performance Racing Industry (PRI)

Event date: 8 December 2011

Performance Racing Industry (PRI) is a major event in the motorsport sector. TAP support is available for this event.

### SMMT supported event

#### China: Automechanika Shanghai

Event date: 7-10 December 2011

Automechanika Shanghai is Asia largest trade fair for automotive parts, accessories, equipments and services, with a record of 3,115 exhibitors and 50,561 trade buyers in 2010.

contact: Sarah Thevenet
email: sthevenet@smmt.co.uk

### SMMT supported event

#### India: Auto Expo Show, New Delhi

Event date: 7-12 January 2012

SMMT has nine UKTI Trade Access Programme (TAP) grants available for next year's Auto Expo Show. Each is worth £1,400 to support exhibitor costs at the event. The Auto Expo Show is the key event for the Indian automotive industry and attracts the main businesses and stakeholders in vehicle manufacturing and component supply. Grants are available to eligible UK companies.

contact: Sarah Thevenet

email: <a href="mailto:sthevenet@smmt.co.uk">sthevenet@smmt.co.uk</a>

# Italy, Modena: Motorsport Expotech (Mechanical Electrical & Process Engineering, Automotive)

Event date: 2-3 February 2012 Motorsport Expotech is a major event in the motorsport sector. TAP support is available for this event. Closing date: 29 December 2011 **contact**: Alicia Warden - Motorsport Industry Association **tel**: 02476 692600 **email**: alicia.warden@the-mia.com

### SMMT supported event

#### USA: EVS 26 : Los Angeles

#### Event date: 6-9 May 2012

The International Electric Vehicle next convenes in Los Angeles between 6 - 9 May 2012, and SMMT is planning a varied programme of activities to ensure that UK-based companies have a high profile at this key global forum for low carbon vehicle technologies. Our plans include a "one-stop shop" exhibitor package, a showcase seminar, plus top-class networking opportunities and company visits.

Although May 2012 might still seem far away, the EVS programme is likely to be heavily over-subscribed, and early booking is essential. Companies wishing to present papers at the main symposium must submit abstracts no later than 30 September.

To register your interest in joining all or part of the UK group programme, please **contact** Pat Shaw at SMMT on <u>pshaw@smmt.co.uk</u> now.

## SMMT supported event

#### Germany : Automechanika Frankfurt, Germany

Event date: 11-16 September 2012 SMMT in association with UKTI present the UK pavilion group at Automechanika Frankfurt 2012 Germany. Registration for the UK pavilion is now open. **contact**: Ruta Aisthorpe **email**: raisthorpe@smm.co.uk

## **Trade Support Initiatives**

#### Helping you do business

#### **Automotive Supplier Finder**

SMMT provides a free to user service to find UK suppliers. <u>www.autosupplierfinder.com</u>. You can also have your company details listed free of charge and receive enquiries and requests for information and quotation automatically.

# Gateway to Global Growth - a UKTI service which helps exporters diversify into new markets

Gateway to Global Growth is a free service to experienced exporters which offers a 12 month programme of strategic support tailored to your needs to help grow your company's business overseas. Solutions could be complex, requiring both UK Trade & Investment services and those offered by other public or private sector organisations. Gateway is designed to help you achieve your objectives in a number of ways.

It offers a strategic review with an experienced International Trade Adviser to assess trade development needs and construct a next steps action plan; guidance and mentoring from export professionals and support on specialist subjects. It also includes access to UK Trade & Investment's international network; assistance with market research, language and culture and networking opportunities to learn from other exporters.

Find out more about the main features of Gateway

Download an information pack [pdf format] with more details of the scheme and customer testimonials

Gateway helps you to maximise the opportunity and reduce the risk in entering new markets; overcome barriers to new and difficult markets; develop company skills and save time and money in achieving international trade goals.

**Open to** SMEs with 2-10 years export experience or innovative companies Global Growth offers a single route to a wide range of guidance and support from UKTI and others to help take your company to a new level of international success

Take the first step, and contact your local International Trade Team to find out more about all of UKTI's services, and their suitability for your business. You'll find a <u>list of UKTI</u> regional offices here, or use our postcode searcher, labelled as "Contacts in your Region" on UKTI export landing page

# Tradeshow Access Programme (TAP) – Reintroduction of Solo Show Support for Non TAP Group Exhibitions – 2011/12

The Solo Show Support element of TAP was suspended following a cut in the TAP budget this financial year. However, UKTI are now in a position to make a small amount of funding available to support solo grants between now and the end of this financial year.

UKTI are reintroducing Solo support in line with UKTI strategic priorities. This means that Solo grants may be offered to eligible SMEs to exhibit at non TAP group supported trade fairs in high growth and emerging markets or to businesses currently involved in UKTI's Passport to Export and Gateway to Global Growth (G3) initiatives who wish to exhibit at non TAP group overseas exhibitions anywhere in the world. Further information on these initiatives and on high growth and emerging markets can be found on the UKTI web site. www.ukti.gov.uk

Apart from the restrictions set out above, the Solo Show Support terms & conditions, eligibility and application process timescales remain unchanged from those operated in 2010/11. This also means the support will be limited to one grant per eligible business per financial year.

Solo Show Support can offer businesses additional valuable support at non TAP group exhibitions.

#### Looking for new Business partners & suppliers?

The Enterprise Europe Network is your local point within a network of 600 contact points covering entire Europe and beyond. Launched in 2008, the Enterprise Europe Network is the official EC business support network for business cooperation and technology transfer, providing organizations with access to technology transfer for technological cooperation, research, licensing, manufacture and joint venture agreements. Working through local business organizations, Enterprise Europe Network can help you:

- Develop your business in new markets
- Source or license new technologies
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Market and sell your products abroad, identify appropriate partners through Enterprise Europe Network Business Cooperation Database. Businesses are global in their outlook, whether it is to increase sales opportunities or to reduce costs or risks to compete more effectively.

Expand overseas markets to European and international markets including South America and the USA. Access thousands of partnership opportunities, save time and resources, select the relevant partners from our tailored search.

To receive free entry into the database please contact your local Enterprise Europe Network office. <u>http://www.enterprise-europe-network.ec.europa.eu/about/branches</u>

## **International Business Opportunities**

#### **Business opportunities from UKTI website**

#### Austria – Digital Tachographs

http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/163340.html?null

# Tender for supply of digital tachographs for busses for an Austrian governmental organisation.

An Austrian governmental organisation is tendering for the supply of 88 digital tachographes type 1318 and 43 tachographs type 1324. Total value: EUR 185 800.

#### Austria – Bus Data Systems

http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/181700.html?null

#### Public tender for supply of data systems for buses.

An Austrian transport provider is tendering for the supply of 2000 data systems for buses. Please note that tender documents will be only available in German.

#### Lebanon - Electricity Test Vans

http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/176860.html?null

# A local distributor is looking for electricity test vans for the underground testing of high voltage cables.

The testing equipments should be able to perform the following functions:

- Cable AC Testing and sheath DC testing
- Cable VLF-0.1 Hz or 0.01 Hz Testing
- Cable ageing diagnosis (PD, TD)
- Cable and sheath Faults Pre-location
- Pin-pointing of cable and sheath fault
- Measurements and testing for pilot cable
- Fiber optic welding and testing equipments

# Mexico – Opportunities for Existing Suppliers of Components and Materials to VW <a href="http://www.ukti.gov.uk/uktihome/item/180980.html">http://www.ukti.gov.uk/uktihome/item/180980.html</a>

Automotive giant Volkswagen has begun production of the new Beetle model in Puebla, and will be looking to existing VW suppliers to meet increased demand for components and materials.

With 15,000 workers and a yearly production of around 400,000 vehicles the Volkswagen Puebla plant is the largest automotive factory in Mexico, producing the Jetta as well as the new Beetle.

This increased activity is expected the lead to significant additional demand for automotive components and materials.

Existing suppliers VW looking to expand their operations into Mexico should register their interest with UKTI for advice on Mexico-specific procedures.

#### Mexico – Tier 1-4 Suppliers for Honda Automotive

#### http://www.ukti.gov.uk/uktihome/item/183220.html

Japanese automotive giant Honda is looking for Tier 1-4 suppliers for its new plant in Celaya, Mexico.

Specialising in building fuel-efficient subcompact cars and engines, the plant will be located just 210 miles away from another Honda facility in the State of Guanajuato. The plant is also expected to assemble the next-generation Honda Fit (hybrid and electric) for the United States, Mexico and Canada.

Honda is looking for automotive companies with a technological edge in fuel efficiency and low carbon components, and automotive suppliers already supporting Honda around the globe.

The positioning within a well established network of automotive component suppliers could also benefit any British automotive supplier to expand its sales to other OEMs (Honda's new plant is located exactly half-way between two Nissan assembly plants).

#### Mexico - Automotive Component Manufacturer seeking Tier 2-4 Suppliers http://www.ukti.gov.uk/uktihome/item/180880.html

An international automotive company opening a new manufacturing plant in Mexico is looking for British tier 2–4 suppliers.

This producer of valves, pipes, exhaust systems, cooling systems, hydraulics, hydrogen technology, SCR and engine components for commercial vehicles, passenger vehicles and cargo trucks, this company numbers some of the world's leading car manufacturers among its clients.

#### Mexico - Supply of Car Parts, Lubricants and Spare Parts

#### http://www.ukti.gov.uk/uktihome/item/179360.html

A new Mexican company is looking to buy lubricants and spare parts for light automobiles. The company services the Nuevo Leon market, offering products from French TOTAL as well as filters and tyres from other brands. Its backers have more than 30 years in the automotive market, and are looking to expand into new products.

This company is looking for accessories and spare parts for light automobiles, including lubricants, filters, tyres, brake pads, brake linings, wheel rims, mufflers, shock absorbers and car suspension systems.

#### Mexico – Supply of Engine Filters for Automotive Industry

http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/176500.html?null

A Mexican filter manufacturer is looking for potential UK suppliers of air filters for **car** engines.

Established for over 20 years, this company specialises in air filters for the automotive industry. Although they manufacture 90 per cent of their products, their air filters for car engines are imported from overseas.

They are currently looking for UK suppliers of these filters, with a view to improving quality and expanding their range of products.For more information, register your interest with our team in Mexico.

#### Sweden – British Collectors' Items

http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/168260.html?null

Opportunity for British suppliers of collector's items with an emphasis on motor memorabilia to supply new Swedish web shop.

The British Motor Meet held in Hjo, Sweden at the beginning of July is a meeting point for anglophile car enthusiasts. British cars (around 120) are showcased and many different activities are organised during the 2 day meet.

The website of this meet has several thousand visitors each year and the organiser of the event is now planning to link this website to a web shop. The web shop will focus on British collector's items with an emphasis on what is typically British.

The website is as of now in the planning stage and they are looking for suppliers in the UK to get it all started. Products could range from motor memorabilia to souvenirs and teapots.

#### Trinidad and Tobago - Five Ambulances Required

#### http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/182360.html?null

A regional health authority is inviting tenders for the purchase of five ambulances.

Tender documentation is available for a non-refundable fee of TT\$200.00.Tenders must be accompanied by the following:

- Valid Income Tax Certificate
- Valid VAT Clearance Certificate

Both of these should be dated not more than six months prior to the date of the close of tenders.

- Certificates of Registration and Continuance (as applicable)
- Copy of SWRHA's receipt for the procurement of the Tender Documents
- Declaration of Origin of Goods Form
- Tenderers are also asked to submit in their proposal a statement indicating clearly the country of manufacture of the product(s) they are offering

#### Turkey - Motorsport Engine and Transmission Package

http://www.ukti.gov.uk/pt\_pt/export/sectors/advancedengineering/businessopportun ity/175320.html?null

#### Complete engine and transmission package for racing cars.

A Turkish racing car producer is looking for possible suppliers of complete engine and transmission package at a range of 150-250 HP for their production of racing cars.

### **Enterprise Europe Network International Opportunities**

For further information contact <a href="mailto:raisthorpe@smmt.co.uk">raisthorpe@smmt.co.uk</a>

**Korean** Company specialized in manufacture of die cast automotive parts is looking for trade intermediary services and offers to act as a subcontractor and original equipment manufacturer. **Ref: 20110629020** 

**Lithuania** Company specialized in manufacturing of transport (trailers, semi-trailers, bodies) and metal structures/building construction (steel, stainless steel, aluminium) is looking for trade intermediary (agents, representatives, distributors) and is offering sale / acquisition of a complete company or a part of it, reciprocal production and subcontracting activities. **Ref: 20110728010** 

Russian company specialized in production of mouldings (sealants) for automobile glass is looking for trade intermediaries. Ref: 20110721061

**Slovakia** Company dealing mainly with production of brake clutch cylinders, components for tractors, passenger cars and trucks is offering subcontracting.**Ref: 20110704027** 

**Turkey** Automotive component marketing company is looking for trade intermediaries for its products. **Ref: 20110715003** 

### **Global News Round-up**

#### Brazil

#### New industrial policy announced – August 2011

New industrial policy - further protecting domestic sectors - potentially affects UK interests in life sciences, defence and ICT, renders JVs more attractive and underlines opportunities in science and innovation as well as education.

This full online edition with links is available at:

http://www.ukti.gov.uk/uktihome/item/179500.html

#### China

#### Volkswagen to raise FAW JV stake

*Tuesday 26 July 2011, justauto.com* Volkswagen Group has reportedly reached agreement with Chinese local partner FAW Group to increase its holding in their car-making joint venture to 49% from 40%. [...]

Last month approval was granted by the Chinese government for Volkswagen to build two more vehicle assembly plants in China, working with its two local partners.

#### Jaguar Land Rover sells 18,508 vehicles in H1 2011

Thursday 28 July 2011, justauto.com

JLR sold 18,508 vehicles in China in the first half of 2011, up 48% year on year. Bob Grace, director of operations, said he was confident about the future and expects China to become JLR's second largest market.

#### Search engine firm inks BMW deal

#### Monday 8 August 2011, justauto.com

Baidu, China's largest search engine, has signed an agreement with BMW to provide its search services in some of the German automaker's vehicles. BMW and Baidu will work to develop a platform that will enable car owners to read email, views maps and other information in their vehicles in China, Baidu said in a statement cited by Reuters.

#### GM launches new low-cost brand

#### Tuesday 9 August 2011, justauto.com

General Motors has rolled out the first car under its newly created Baojun brand in China. The move is seen as a direct challenge to indigenous carmakers which have generally cornered the market in smaller cities and townships with affordable models.

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#### July sales up 2.2%

#### Wednesday 10 August 2011, justauto.com

Vehicle sales in China grew 2.2% year on year in July to 1.28m units, state media said. However, sales were down more than 11% from June, when they reached 1.44m units. The The China Association of Automobile Manufacturers warned last month that sales in China would hit the brakes this year with forecast growth of 5% in 2011, down from an earlier forecast of 10-15%.

#### July vehicle export tally 73,300 units

#### Tuesday 16 August 2011, justauto.com

China exported 73,300 vehicles in July, nbd.com.cn reported, via Gasgoo.com, citing the China Association of Automobile Manufacturers. The tally was off 12.73% from June but up 57.7% year on year. Passenger vehicles accounted for 44,800 of the month's export volume.

#### Rent a BYD voltsmobile at Hertz

#### Tuesday 16 August 2011, justauto.com

The Hertz rental car group has added the BYD E6 to its fleet. This is the first time that the global car rental company has added a new energy vehicle (NEV) to its fleet of cars in China, *China Car Times* noted.

#### Visteon to invest in Chery HVAC subsidiary

#### Monday 22 August 2011, justauto.com

Visteon Corporation has announced its intention to invest in Wuhu Bonaire Auto Electrical Systems Co., Ltd. (Bonaire), a subsidiary of Chery Technology and a major supplier of climate products to Chinese vehicle manufacturer Chery Automobile Co., Ltd.

#### BYD reports big profit and revenue declines

#### Tuesday 23 August 2011, justauto.com

BYD has reported an 89% decline in profits and 11% fall in revenue year-on-year in the first half of 2011. [...] Analysts say that the dip to BYD's performance was expected due to increased competition and slower demand at the low-end of the Chinese market where BYD sells most of its models.

#### Government may backtrack on EV targets

#### Tuesday 23 August 2011, justauto.com

Beijing appears to be rethinking its electric vehicles strategy as it becomes increasingly clear that its targets for mass-producing EVs in China are unrealistic, reports the Financial Times. [...] Chinese premier Wen Jiabao recently questioned China's road map towards alternative vehicles in a Communist Party journal and the FT said analyst now expect Beijing to shift its focus to hybrids and other vehicles that can reduce fuel consumption.

#### GM increases investment in India

Wednesday 27 July 2011, justauto.com

General Motors (GM) in India is planning to invest more than INR 22bn (US\$500m) by the end of 2012. The investment will be utilised to ramp up the production capacities of its existing plants at Halol in Gujarat and Talegaon in Maharashtra.

#### Ford confirms second car and engine plants

Thursday 28 July 2011, justauto.com

Ford said it would spend US\$1bn building a second vehicle assembly and engine plant in the State of Gujarat to meet growing local and export demand.

#### Car sales off 16% in July

#### Wednesday 10 August 2011, justauto.com

Indian car sales slid almost 16% year on year in July, their biggest drop in nearly three years, as high interest rates kept buyers out of showrooms, data showed on Wednesday.

#### Rubber imports increase on duty cut

Friday 12 August 2011, justauto.com

Imports of rubber into India, the world's second-biggest consumer, provisionally rose 11.97% year on year to 20,127 tonnes in July as tyre makers cashed in on lower customs duties, the state-run Rubber Board said in a statement.

#### 2014 Audi A4 may offer NGV version

#### Friday 19 August 2011, ngvjournal

While the OEM has recently introduced the new A6 into Indian market, local car enthusiasts are on the lookout for new A4, which is expected to have a natural gas engine option. [...] It is worth recalling that Indian drivers are asking for more NGV options of premium cars, while demand for CNG kits for this kind of vehicles has increased 25-30 percent in the last few months.

#### Mahindra topples Tata as India's biggest automaker

Saturday 20 August 2011, Automotive News Europe

Mahindra & Mahindra Ltd., toppled Tata Motors Ltd. as India's biggest automaker by market value after slumping passenger car demand dragged down Tata's shares.

#### Slowdown in the Indian passenger car market causes production cutbacks

#### Monday 22 August 2011, supplierbusiness.com

Passenger car demand in India has fallen away dramatically recently, and has seen market leader Maruti Suzuki to cut monthly production in August and offer higher discounts. The domestic market is a matter of concern for Indian-based automakers as higher fuel costs and interest rates are likely to keep new vehicle sales under pressure for some time to come. This could lead to more automakers resorting to production cutbacks and increased discounts in a bid to boost sales.

#### Force Motors enters personal vehicles segment with SUVs

Tuesday 23<sup>rd</sup> August 2011, justauto.com

Force Motors has announced its entry into the personal vehicles segment with the launch of its sports utility vehicle in Mumbai on 19 August. The vehicle costs INR 1.07m (US\$ 23,350). The SUV features driver information system, cruise control, audio control mounted on steering and dual AC vents for each row. Lotus Engineering of the UK fine-tuned the ride and handling.

#### **Mexico**

Honda will open a new car-assembly plant in Mexico in 2014 to reduce costs and meet North American demand for small cars.

The \$800 million factory (£489m) will produce around 200,000 cars per year, employing 3200 workers from the surrounding Guanajuato area.

The plant will be Honda's eighth in North America and will add to the company's existing Mexican production of 60,000 vehicles per year. This brings the total production for Canada, the US and Mexico up to 1.83 million units from the current 1.63 million. The production facility will "meet the growing need for fuel-efficient, sub-compact vehicles made in North America for the region," the company said.

The exchange rate is pushing Honda's rivals into the region as well. Mazda recently announced plans to build a new car factory in Mexico and Hyundai is talking to southern US states about building a new plant.

#### Russia

#### Peugeot will collect the new sedan to Russia

According to "Finmarket," which makes reference to Bernd Shanttsa - Director General for Operations, produced in Ukraine, Russia and CIS at the plant, located in Kaluga, a Japanese concern Mitsubishi in cooperation with the French PSA Peugeot Citroen are going to start producing a new sedan, which will start the game in the "budget" segment. Peugeot will collect the new sedan for RossiiVeroyatnee all, is meant sedan, which will create a platform for Peugeot 308/Citroen C4. In addition, the French do not have to create the model "discover America", because on the basis of Citroen C4 has long sedan made in China, and last year, Peugeot 408 model, which is a sedan based on the basis of the Peugeot 308, was demonstrated in the Middle Kingdom . In Kaluga, in addition, the new sedan is scheduled to begin assembly and other models, but Mr. Shantts does not tell us about what is about. All these cars will be produced "in cooperation with the concern Mitsubishi. Since the company PSA Peugeot Citroen set guite an ambitious goal to increase its stake in the Russian market by 2014 from the current 2.7 percent to 6 percent and sales growth up to two hundred thousand cars. To read full story go to http://www.russia-autonews.com/auto-news/2011/08/14/peugeot-will-collect-the-new-sedan-torussia.html

#### Uzbekistan

#### GM Uzbekistan increases sale of cars in Russia by 36 percent

GM Uzbekistan sold 54,081 cars in Russia in January-July 2011, which is 36 percent more than the figure of the same period of 2010, Automobile Manufacturers Committee of the Association of European Businesses said.

The GM Uzbekistan sold 8,954 cars (a 21-percent increase) on the Russian market in July 2011. Including in January-July 31,470 Nexia cars (a 38-percent increase) and 22,611 Matiz minicars (a 34-percent increase) were sold.

The sales of Nexia cars in July 2011 grew by 25 percent and Matiz cars - by 15 percent to 3,581 units. This full online edition with links is available at: <u>http://pda.trend.az/en/1918949.html</u>

# **World Trade Organisation Notifications**

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Here are the outlines of the additional WTO Notifications that have been published since the last edition of the International Bulletin. For a full list of automotive updates go to <a href="https://www.smmt.co.uk/international">www.smmt.co.uk/international</a> or contact <a href="https://docs.org/docs.org/docs.org/list/doc

#### USA

#### G/TBT/N/USA/644

#### 12 August 2011

This document responds to petitions for reconsideration of a final rule issued by this agency on 14 June 2010. This final rule amended the electrical shock protection requirements to facilitate the development and introduction of fuel cell vehicles (a type of electric-powered vehicle) and the next generation of hybrid and battery electric powered vehicles. This document addresses issues raised in the petitions for reconsideration relating to the scope and applicability of the standard, the definitions in the standard, the retention requirements for electric energy storage/conversion systems, the electrical isolation requirements, the test specifications and requirements for electrical isolation monitoring, the state-of-charge of electric energy storage devices prior to the crash tests, a proposed protective barrier compliance option for electrical safety, the use of alternative gas to crash test hydrogen fuel cell vehicles, and a proposed low-energy compliance option for electrical safety.

#### USA

#### G/TBT/N/USA/173/Add.1

#### 12 August 2011

New Car Assessment Program (NCAP); Safety Labeling

New passenger vehicles manufactured on or after 1 September 2007 must be labelled with safety rating information published by the National Highway Traffic Safety Administration (NHTSA) under its New Car Assessment Program (NCAP). This information is required by

statute to be part of the Monroney (automobile price sticker) label. Effective beginning in model year 2011 passenger vehicles, NHTSA enhanced the NCAP ratings program to include, among other things, the incorporation of an overall vehicle score that is derived from the vehicle's frontal crash, side crash, and rollover resistance ratings. This final rule amends NHTSA's regulation on vehicle labelling of safety rating information to reflect the enhanced NCAP ratings program.

The final rule is effective 29 August 2011. Petitions for Reconsideration: If you wish to petition for reconsideration of this rule, your petition must be received by 12 September 2011.

# THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

#### G/TBT/N/TPKM/104

#### 12 August 2011

For vehicles of categories L, M and N equipped with In-Vehicle Information and Communication System (IVICS), the IVICS shall comply with the requirements of the Vehicle Safety Testing Directions.

#### USA

#### G/TBT/N/USA/164/Add.3

4 August 2011

Federal Motor Vehicle Safety Standards; Air Brake Systems - response to petitions for reconsideration.

On 27 July 2009, NHTSA published a final rule that amended the Federal motor vehicle safety standard for air brake systems by requiring substantial improvements in stopping distance performance on new truck tractors. In response, the agency received eight petitions for reconsideration. The agency has already responded to most of the issues raised in the petitions. This document responds to the one outstanding issue raised in the petitions, stopping distance performance requirements at lower initial speeds. Based on testing results and our concern that the current requirements might not be practicable, NHTSA is slightly relaxing the stopping distance requirement for typical loaded tractors tested from an initial speed of 20 mph by increasing the distance from 30 feet to 32 feet and for unloaded tractors tested from an initial speed of 20 mph by increasing the distance from 28 feet to 30 feet. We believe no other changes are necessary. This final rule is effective 1 August 2011. Petitions for reconsideration must be received not later than 12 September 2011.

#### USA G/TBT/N/USA/431/Add.1

#### 8 August 2011

Amendment to Standard for All-Terrain Vehicles; Notice of Proposed Rulemaking The Consumer Product Safety Improvement Act of 2008 ("CPSIA") required the Consumer Product Safety Commission ("Commission", "CPSC", or "we") to publish, as a mandatory consumer product safety standard, the American National Standard for Four-Wheel All-Terrain Vehicles Equipment Configuration, and Performance Requirements, developed by the Specialty Vehicle Institute of America (American National Standard ANSI/SVIA 1-2007). We did so on 14 November 2008, 73 FR 67385. ANSI/SVIA has since issued a 2010 edition of its standard. In accordance with the CPSIA, we propose to amend the Commission's mandatory ATV standard to reference the 2010 edition of the ANSI/SVIA standard.

DATES: Written comments must be received by 11 October 2011.

#### SOUTH AFRICA G/TBT/N/ZAF/139 8 August 2011

This specification covers the requirements for vehicle models of categories O1 and O2 designed or adapted for operation on a public road at speeds greater than 40 kph, including new vehicle models and vehicle models that have not previously been registered or licensed in South Africa.

Category O1 single axle trailers, other than semi-trailers, with a maximum mass not exceeding 0,75t;

Category O2 trailers other than category O1, with a maximum mass not exceeding 3,5t.

#### SWEDEN G/TBT/N/SWE/112

#### 19 July 2011

The Act (2011:319) on fuels is amended by a clarification that states that petrol or diesel fuel used for research and development or restocking is allowed to be sold regardless of the fact that the petrol or the diesel fuel does not meet the environmental standards set out in the law. The Act is also amended by a definition of research and development as well as a definition of restocking. The environment class is related to the taxation of the fuel. The Act is therefore also amended by a clarification that states that in a case where it is not possible to place the petrol or the diesel fuel in a certain environment class then the petrol or the diesel fuel is a other petrol or other diesel fuel.

### **JCC Customs Information Papers**

Here are the summaries of the JCC CIPs that have been published since the last edition of the International Bulletin. For a full list of relevant automotive updates contact <u>dcroxson@smmt.co.uk</u>

#### **Customs Information Paper (11) 71**

#### Customs Warehousing-simplified notification for frequent temporary removals

Clarification of the conditions of temporary removal from Customs Warehouse and introduction of simplified notification requirements for frequent removals and return of multiple items

#### **Customs Information Paper (11) 69**

#### Syria Tariff Preference: Withdrawal of Notice Rules of Origin Notice Number 829 Relevant toall involved with importing goods from, or exporting goods to Syria

#### **JCCC Customs Newsletter 32**

# Issues in the Customs and International Trade area July 2011 Edition Contents

#### **Reports from EU/ International meetings**

Customs Code Committee, Tariff & Statistical Nomenclature Section – Statistics Sector: April and July Meetings

Customs Code Committee - Tariff & Statistical Nomenclature Section - Tariff Classification

- World Trade Organisation Panel Report Implementation on 1 July 2011
- Mechanical and Miscellaneous Sector 63<sup>rd</sup> Meeting (23<sup>rd</sup> & 24<sup>th</sup> June 2011)
- Agriculture and Chemical Sector Meeting (14 16th June 2011)
- Textile Sector 61<sup>ST</sup> Meeting (6/7 June 2011)

#### **Reports on projects**

- Authorised Economic Operators quick update
- Planned Launch of HMRC / Trade produced Export Best Practice Guide

#### **Changes in Customs**

- Alterations to Customs Notices
- Anti Dumping Duty Measures
- List of Customs Information Papers (CIPS)
- EU-South Korea Free Trade Agreement

What is it? - A C21?

# Joint Customs Consultative Committee JCCC Consultation Paper 18 Proposed amendments to Customs Civil Penalties

The draft legislation is now available and HMRC welcomes comments on the proposed amendments. In line with the Government's Tax Consultation Framework a four week consultation period has now commenced. The Legislation can be found at: <u>HM Revenue & Customs: Draft legislation</u>

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#### **Customs Information Paper (11) 67**

#### Tariff Preference: South Korea - More about Approved Exporter Applications

The requirement to become an approved exporter, for preferential origin purposes, in order to be able to issue the necessary proof of origin for goods exported under the preferential trade arrangements in the EU-South Korea FTA

**Relevant to** Exporters who wish to benefit from the marketing opportunities provided by the new reciprocal EU-South Korea Free Trade Agreement (FTA), which entered into force on a provisional basis on 1 July 2011

#### **Customs Information Paper (11) 66**

**Tariff Preference: Cumulation EC - The Western Balkan Countries Matrix Update** The matrix shows exactly which countries have signed up with which other countries in terms of Free Trade Agreements relevant to All involved with importing/exporting using the Tariff Preference regime

#### **Customs Information Paper (11) 65**

**Presenting Standard Individual Export Licences for Goods moving within the EU** A change in procedures on how to present a SIEL to HMRC when the goods are moving within the EU relevant to Exporters, Freight Agents etc, who hold/check Standard Individual Export Licences (SIELs) for goods moving to any EU destinations

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