# INTERNATIONAL BULLETIN March 2013

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#### **MEETING REMINDER!**

#### The next IBG Meeting 26 March

will have speakers on Central Eastern Europe. Speakers are: the Hungarian Investment and Trade Agency (HITA), Embassy of Romania, Slovak Automotive Trade Association, SKODA Czech Republic, Eurasia Group, UKTI CEE and Uzbekistan Embassy.

#### The next Customs and Tariffs Meeting 13 March

will have HMRC key presentations: Angela Nagarajah – VAT Projects , Business Manager speaking on the NOVA Project John McManus – ECSM Deputy Director Angela Shephard - ECSM ECOPPP HMRC speaking on key developments and strategic and longer term directions and aims of HMRC

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Editorial David Croxson Head of International, SMMT



#### Blat, Wasta, Guanxi, Pistolão!

#### How's the etymology of your global network, old boy?

Sophisticated networking started perhaps in Greek and then Roman society, but has since been developed extensively in all the global empires that followed.

We now even have daily invitations to join "virtual networks" that extend across the globe in the new empire of the world-wide web via *Facebook, Linked In* and *Twitter*. Shortly, I fear, we will not have time for businesss – we will be fully absorbed with just maintaining our networks!

For years it was all quite familiar for the average British exporter. The UK and the British Empire operated on the simple network of former pupils of a particular public school or university – the so called Old Boys Network (now required of course with equal opportunity to offer inclusion to the Old Girls Network).

In USA, as a former British colony, exporters found a very similar scholastic based alumnus association that played a strong part in building relationships and making introductions providing a network of both social and business connections among the alumni of various prestigious universities, colleges, schools, fraternity and sorority groups.

Such networks are often held responsible for the high proportion of former pupils and graduates of these schools and universities in UK and USA even today who find themselves in high status positions in government, business, the professions, civil service, banking and media, and it is equally the case in the majority of Western European nations.

Trading in USA and Western Europe therefore has required no new understanding of how social and business networks operate – the language may change and not be understood but the culture is the same and is understood.

Even in India they largely followed the British Empire by having its own network based on schools and universities.

But when you start to go to many other markets across the globe the network becomes harder to join and to understand.

In Russia, rather than school or university it was the failures of The State Planning Committee in the early 1900s that was largely the reason they developed *"Blat"*. The word is primarily used to describe business relationships when people provided a favour in exchange for another favour, relying on people with connections.

In the Middle East *"Wasta"* also refers to using one's connections or influence to get things done. The system evolved to preserve the social structure of the tribe. It allowed for the leadership to distribute the tribe's wealth as they deemed in their wisdom and experience would preserve peace and harmony.

In China the social and business network is more complex and little understood by the average western business person. *"Guanxi"* describes more than just a relationship or network of influence. It is still very much a central concept in Chinese society and has wider cultural implications and moral obligation to maintain the relationship alongside maintaining face.

It is a personal connection between two people in which one is able to prevail upon another, or to be prevailed upon, to perform a favor or service or exert influence on behalf of oneself or another. *Guanxi* can be used to describe a network of contacts, in which an individual can call upon the network when something needs to be done, or it can simply refer to the state of general understanding between two people, often implicitly understood and requiring no explicit specific discussion or request to enact.

It is still the custom for Chinese people to cultivate an intricate web of "*Guanxi*" relationships, which may expand in a large number of directions, and involves lifelong relationships. Reciprocal favours are the key factor to maintaining one's "*Guanxi*" network, failure to reciprocate is considered an unforgivable offence. The more you ask of someone the more you owe them.

Even today the strong importance of "*Guanxi*" in Chinese culture must be recognised and those from Western countries who trade regularly with China may need to improve their cultural awareness of "*Guanxi*".

Incidentally and to complete the revue of BRIC countries, in Brazilian Portuguese it is called *"Pistolão"*. But I think, from my research, this editorial is not perhaps the best place to explain further the etymology underlying the origin of that particular social favour.

It is clearly the same the whole world over - It's not what you know, it's who you know. And as those of you who know me never tire of hearing (??) "Contacts make Relationships - Relationships make Opportunities". But you do have to take time to understand both the language and the culture of whatever network it is that you need to be part of in different countries around the World.

I'm off now for training from our Communications Manager on using Facebook, Twitter and Linked In – a whole new network, language and culture for me I'm afraid! Watch out then for my future plea for my network to "Follow Me on Twitter!"

# **Key Dates**

### **SMMT International Group Meetings 2013**

#### **Customs and Tariffs Working Group:**

Wednesday 13 March 2013 Wednesday 26 June 2013 Thursday 28 November 2013

International Business Group: Tuesday 26 March 2013 Thursday 4 July 2013 Thursday 28 November 2013

Personal Export Sales Group: Friday 21 June 2013 Friday 6 December 2013

#### International Business Group

International Business Group meetings are open to Members and non Members and provide an excellent, convivial networking opportunity with the opportunity to listen to expert presenters on topical matters related to international trade and international markets. There is no attendance fee. The next IBG (26 March) will have speakers on Central Eastern Europe. Speakers are: the Hungarian Investment and Trade Agency (HITA), Embassy of Romania, Slovak Automotive Trade Association, SKODA Czech Republic, Eurasia Group, UKTI CEE and Uzbekistan Embassy.

If you would like to attend IBG meetings, please contact Pat Shaw at pshaw@smmt.co.uk.

#### Customs & Tariffs Working Group Meeting

CTWG provides a discussion forum for Members and non-Members to gather to consider issues arising from the tax and duty on import and export of automotive vehicles, components and products and to listen to presentations on associated topics derived from international trade and for Members to share market experience, data and information. To register to attend please contact David Croxson at <u>dcroxson@smmt.co.uk</u>

#### Personal Export Sales Group Meeting

PESG provides a discussion forum for vehicle manufacturer Members and non-Members engaged in the sale export / import of vehicles from and to the UK subject to special registration and tax /duty rules for diplomatic and military personnel in global markets and to interface with relevant government departments and agencies to facilitate the administrative arrangements. To register to attend please contact David Croxson at <u>dcroxson@smmt.co.uk</u>

#### SMMT Meet the Buyer event

#### Thursday 23 May in the West Midlands (UK)

This year SMMT is opening the event to buyers from outside the UK, it is an excellent opportunity for global vehicle manufacturers to meet world class UK suppliers in a series of 'speed-meetings' tailored to buyer's requirements. We are looking for overseas purchasing teams who are interested in sourcing products from the UK. You can also register your interest in attending as a supplier.

To register to attend please contact Rob Morbin | rmorbin@smmt.co.uk | 0207 344 9165 Website: <u>http://www.smmt.co.uk/members-lounge/member-services/business-opportunities/meet-the-buyer/#meet-the-buyer-2013</u>

#### **Regional SME Support Roadshows**

SMMT has announced a series of SME Support Roadshows to take place across the UK throughout March. The SME Support Roadshows will provide companies with an opportunity to gain a better understanding of various funding schemes and support services that are available in their region. Events will be supported by BIS, TSB, UKTI, AMSCI, MAS and local LEPs.

- Wales, Wednesday 6 March
- North West, Thursday 7 March
- West Midlands, Thursday 21 March (To follow SMMT Open Forum)
- North East, Wednesday 27 March

Contact Rob Morbin on morbin@smmt.co.uk for full details.

# **SMMT International events**

# **Book Now!**

# SMMT supported event

# Automechanika Istanbul, SOLD OUT!

#### *Turkey, 11 – 14 April 2013*

Contact: Ruta Aisthorpe E-mail: raisthorpe@smmt.co.uk | Tel: 020 7344 9231

SMMT is organising a UK exhibitor group to Turkey's leading Automotive Trade Fair, covering all sections of the industry. If you are interested in exhibiting at the show, please contact Ruta Aisthorpe.

# SMMT supported event

#### Autopromotec, Bologna, last space remaining! Italy, 22-26 May 2013

# Contact: Ruta Aisthorpe | E-mail: raisthorpe@smmt.co.uk | Tel: 020 7344 9231

Autopromotec, held every two years in Bologna, Italy, is the most specialised international trade show for automotive equipment and aftermarket products. Sectors include quality spare parts, tyres and accessories, garage equipment and tooling, body & repair products, car wash equipment and diagnostics. SMMT took a successful delegation to the last event and are hoping fro similar success in 2013.

As part of an exclusive offer to participating exhibitors, SMMT is offering free tours of the manufacturing plants to Ferrari, Lamborghini and Ducati

# SMMT supported event

# Industry and Academia Partnership Visit to Brazil June 2013 (tbc)

# Contact: Pat Shaw,| E-mail pshaw@smmt.co.uk | Tel: 0207 344 9260

June 2013 is the provisional date for SMMT's proposed business group visit to Brazil, where strong consumer demand, a supportive government and a raft of new investments are all sustaining strong growth in the automotive sector.

However, the present boom has led to skill shortages within the industry, and a recognised need to boost the volume and quality of local R&D work. Particular opportunities now exist for the delivery of industrial and academic programmes to raise local engineering skills, improve production efficiency, and address environmental issues through technology innovation.

# SMMT supported event

#### Supply Chain Business Visit to Mexico Mexico July 2013

# Contact: Pat Shaw,| E-mail pshaw@smmt.co.uk | Tel: 0207 344 9260

Automotive production in Mexico is poised for strong growth, on the back of a recovering North American market, and substantial local investments by global VM's and their tier 1 component suppliers. However, there are still significant capability gaps within the 2<sup>nd</sup> and 3<sup>rd</sup> tiers of the Mexican supply chain, which present good opportunities for UK component manufacturers. There are many routes into the market, including direct exporting (Mexico has a free trade agreement with the EU), green field investment, or local "sheltering" – i.e. licensed manufacturing through a Mexican partner. SMMT will be working closely with UKTI on a project to help UK companies to understand and exploit these different business models. The programme will culminate in a targeted group visit to key automotive centres in Mexico, scheduled for beginning of July 2013.

# SMMT supported event

#### Global Automotive Component Supplier Expo (GACSE) , LAST SPACE remaining! Stuttgart, Germany, 4-6 June 2013

http://www.globalautomotivecomponentsandsuppliersexpo.com/

Contact: David Croxson | E-mail dcroxson@smmt.co.uk |Tel: 0207 344 9230

SMMT plans to return for a second year at GACSE with a prominent UK pavilion (which you can view on the <u>GACSE homepage</u>). The 2012 expo provided visitors with a unique opportunity to forge relationships with leading companies as well as new players from all around the world. With exhibits from approximately 60 countries. The automotive components and is held alongside Engine Expo, Automotive Interiors Expo and Vehicle Dynamics Expo, making **Global Automotive Components and Suppliers Expo** one of the largest, most comprehensive exhibitions dedicated to OEM opportunities in Europe.

# SMMT supported event

#### Automechanika Middle East, LAST SPACE remaining! UKTI GRANTS of up to £2500! Dubai, UAE 11-13 June 2013

#### http://www.automechanikame.com

Contact: David Croxson| E-mail dcroxson@smmt.co.uk | Tel: 0207 344 9230

Automechanika Dubai got off to a great start in 2013. Due to increased demand, the original plan of expanding the show by one hall was re-evaluated to have two additional halls instead of one bringing it to a total of 11 halls. The high demand for exhibition space reflects the positive development of the industry and the value of Automechanika Dubai.

SMMT will again be taking a group of companies to exhibit on a UK pavilion. Automechanika Middle East 2012 presented over **1,300** exhibitors from over 55 countries spread over 9 halls. With an increase of **21%** in space over the last edition; the exhibition is proud to receive the support of 32 international trade associations and the presence of **22** official country pavilions.

# SMMT supported event

#### Automechanika MIMS Moscow, LAST SPACE remaining! UKTI GRANTS of up to £2500! Russia, 27 – 30 August 2013

**Contact:** Ruta Aisthorpe E-mail: raisthorpe@smmt.co.uk | Tel: 020 7344 9231 The Society of Motor Manufacturers and Traders (SMMT) in association with UKTI, is proud to present the UK pavilion at Automechanika Moscow 2013, the largest automobile aftermarket show in Russia. MIMS and Automechanika Moscow now at one platform. This exhibition is the number one event in the international industry of automotive equipment, components and services. It has gained recognition with the professionals worldwide

# SMMT supported event

# Equip Auto

#### France, 16-20 October 2013

Contact: Sarah Thevenet | E-mail: <u>sthevenet@smmt.co.uk</u> | Tel: 0207 344 9233

An international and biannual exhibition of after-sales equipment and services for all vehicles, Equip Auto is one of the industry's key B2B events.

It brings together manufacturers, distributors and repairers from the automotive markets who are seeking new products, services and partners. The event hosts 1,800 exhibitors, 75% from abroad, across 120,000 m<sup>2</sup> of indoor and outdoor demonstrations and exhibition area with125,000 visitors, including 30% from abroad from over 130 countries.

# SMMT supported event

#### British Group at EVS27, Barcelona November 2013

Contact: Pat Shaw | E-mail pshaw@smmt.co.uk | Tel: 0207 344 9260

The World Electric Vehicle Symposium & Exhibition (EVS27) - the premier world forum for all forms of low carbon vehicle technologies – will next be staged in Barcelona between 17 – 20 November 2013. Following up the highly successful British presence at EVS26 in Los Angeles, SMMT is again planning a co-ordinated programme of activities to promote British low carbon expertise and products to a global audience.

Our plans include a prominent UK pavilion within the exhibition hall, with individual exhibitor pods and shared refreshment and meeting areas, a technology showcase seminar, and a major networking event. We expect that there will be strong demand for spaces within the UK exhibitor group, and recommend early booking to secure your place.

# SMMT supported event

#### Automechanika Shanghai UKTI GRANTS of up to £2500! China, 10 - 13 December 2013

**Contact:** Sarah Thevenet | **E-mail:** <u>sthevenet@smmt.co.uk</u> | **Tel:** 020 7344 9233 Following positive feedbacks from UK Exhibitors at the first SMMT led UK Pavilion at Automechanika Shanghai, we will be taking again a group of UK Exhibitors to this growing show. A limited number of TAP grants are available from UKTI to support you exhibiting at the show. To register your interest in exhibiting, please contact Sarah Thevenet.

# **Trade Events**

# International events held UK

# India: Route to the Indian Market: Opportunities for UK Manufacturing SMEs *Friday 8th March* in London

# Monday 11th March in Manchester and,

# Thursday 28th March in Birmingham

The UKIBC, together with PwC, are holding a series of insightful seminars entitled 'Route to the Indian Market: Opportunities for UK Manufacturing SMEs'.

Join us at one of these seminars to discover key areas of collaboration for UK advanced engineering and manufacturing SMEs in the expanding Indian market. These seminars will present you with an excellent networking opportunity with our experts and delegates who are also interested in expanding into the Indian market.

There are still places available to join us at this event, so if you would like to attend please use the link below to register. We look forward to seeing you there.

Registration link – Route to the Indian Market: Opportunities for UK Manufacturing SMEs

# India: Meet the expert 18 March 2013

#### Location: UKTI International Trade Centre, Rayne sway, Derby

As part of our extremely popular series of business development visits to the region, we are delighted to announce this visit for March 2013.

Sudipto Sen, our Trade & Investment Officer at the British Deputy High Commission in India will be visiting the UKTI East Midlands offices on Monday 18<sup>th</sup> March 2013. Sudipto is looking forward to meeting with British companies who wish to explore the many opportunities that exist in this region.

For more information or to secure your place please contact Lilly Clements at <u>lilly.clements@uktiem.co.uk</u> or call 01332 826420.

#### Explore Asia: your path to success

#### 19 March 2013

#### Location: Intercontinental Hotel, Westminster, London

Whether you are new to Asia, or already experienced in the region, UKTI Asia Task Force events provide a unique opportunity to engage with the right experts from across Asia and business, bringing together on-the-ground knowledge and research with practical advice on how to access the business opportunities available to UK companies in Asia.

Join our UKTI Asia Task Force Linkedin group and benefit from promotional registration offers for our London event.

Click here to book now

# Doing Business in Asia: Meet the Experts 20 March 2013

#### Henry Ford College, Loughborough University, Loughborough, LE11 3TL There is an attendance fee of £35+VAT per delegate

Explore how you can succeed in Asia this March.

There has never been a better time to explore new markets for your business and this March you can explore the opportunities in 12 Asian markets with UKTI. Discover how demand for UK expertise is growing throughout the region and what it takes to succeed.

Whether you are new to Asia, or already experienced in the region, this event will provide a unique opportunity to engage with the right experts from across Asia and business, bringing together on-the-ground knowledge and research with practical advice on how to access the business opportunities available to UK companies in Asia.

- Opportunity to book one to one meetings with UKTI Directors and Deputy Director for advice on prospects for your business in: China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam.
- Learn secrets to success from East Midlands' based companies who have found the
  opportunities, overcome the challenges and are benefiting from doing business in
  Asia.

• Interactive market briefing clinics to develop your understanding of the business environment and find out what it's really like to do business in this dynamic region.

Book now to secure your place and make session selections to tailor your day at www.businessinasia.co.uk/events

Contact: Simon Grandidge, Marketing & Events Manager UK Trade & Investment East Midlands General Enquiries: 0845 052 4001

#### Visit of Moscow City Hall Transport Authority Russia 15-30 April 2013 London UK

Opportunity for UK companies to meet-decision makers from Moscow Government and introduce their products and services to the delegates during an inward mission in April 2013.

Introducing UK expertise in sustainable / low carbon public transport to the senior decision makers of Moscow City Hall Authority. The delegation is supposed to be led by Deputy Mayor on Transport.

UK Companies will have chance to meet decision makers from the Moscow Government and introduce their products and services to the delegates.

Moscow Administration plans a major overhaul and modernisation of its public transport systems spending over £44Bn on transport development during the period 2012-2016. In December 2010 Moscow Government introduced its new programme "Development of Moscow Transport Infrastructure 2012 – 2016". Total numbers of passenger traffic in Moscow annually attains 10 billion people with 80% of that figure carried by public transport. The following Departments are responsible for the Transport modernisation: parking space, taxi infrastructure, metro, passenger rail, transport modelling, ITS and i-services, tariff solutions, road traffic management, transport infrastructure, truck logistics, public shuttle network, cycle and water taxi, LRT/BRT, management model, state companies restructuring, smart ticketing, MosgorTrans.

Moscow administration will visit London to familiarise themselves with UK expertise and to identify potential business partners in the following areas:

- Public transport development strategy
- Interchange hubs
- Traffic management
- PPP in transport mechanisms and conditions
- Post Olympics experience in managing traffic flows: lessons learned

Event Organiser: UKTI Moscow Main Contact: Svetlana Bukanova Tel: +7 (495) 956 7452 Email: svetlana.bukanova@fco.gov.uk

Alternative Contact: Olga Makarchuk Tel: +7 (812) 320 3223 Email:<u>Olga.Makarchuk@fco.gov.uk</u>

# **MIA Motorsport Industry Association**

# **International Overseas Events**

USA Business Development Visit to Charlotte, Indianapolis & West Coast 17 May 2013 Location: Charlotte NC, Indianapolis IN, West Coast USA Click here for more information about this event. Click here to register your interest in this event.

SEMA Show 2013 5 November 2013 - 8 November 2013 Location: Las Vegas Convention Center, Las Vegas, Nevada Click here to register your interest in this event.

# Professional Motorsport World

12 November 2013 - 14 November 2013 Location: Cologne, Germany Click here to register your interest in this event.

# International VIP Reception at PRI Show

12 December 2013 Location: Indianapolis, Indiana, USA

Click here to register your interest in this event.

#### Performance Racing Industry Show 12 December 2013 - 14 December 2013

Location: Indianapolis, Indiana, USA

Click here for more information about this event.

Click here to register your interest in this event.

# International Trade Events by others

# held abroad (Listed by country)

# **UKTI Events**

UKTI runs a range of events for exporters, including seminars in the UK, trade missions to overseas markets and support for attendance at overseas trade shows.

#### Other overseas events in the automotive sector

Below is a selection of key automotive events in the next 12 months. For an even more extensive range of events visit: <u>www.biztradeshows.com/automotive</u>.

Australian Aftermarket Expo 11 – 13 April 2013, Sydney http://www.aftermarketexpo.com.au

The Australian Auto Aftermarket Expo and co-located Collision Repair Expo held at the Melbourne Exhibition Centre from 12 to 14 May exceeded expectations by attracting 12,625 trade visitors to the largest aftermarket trade show held in the Victorian capital. Most of the 10,000 people who registered as Australian Auto Aftermarket Expo visitors were also educated and entertained by the co-located Collision Repair Expo.

There are separate organising committees responsible for the two Expos (one representing the aftermarket accessories, equipment and parts sector, and the other representing the collision repair industry) and both Expos are co-ordinated for the industry by the Australian Automotive Aftermarket Association (AAAA).

AAAA Executive Director Stuart Charity said the organising committees praised both industry sectors for their extraordinary support of the trade shows. "The 2011 Expos set attendance records - 20% up on the Melbourne Expos in 2007 and 50% up on the Sydney Expos in 2009. The 12,625 attendance figure for the 2011 Expos is remarkable when you realise that there are only an estimated 15,000 aftermarket mechanical and collision repair workshops in the whole of Australia," he said. Attracting over 10,000 visitors from the automotive industry, the Expo showcases 1000s of automotive aftermarket and spare parts, accessories, tools and equipment from the industry's leading companies and brands.

China, The China Business Conference 2013 14 March 2013, London http://www.cbbc.org/cbbc\_calendar/event/view?id=364

Rapid economic growth, urbanisation, increasing personal wealth and ambitious Chinese companies will see China's influence around the world continue to grow and opportunities for new partnerships with the UK emerge. The China Business Conference 2013 will explore where such partnerships lie and the implications for British business. See below for a draft programme and all speakers confirmed so far.

Full day tickets are GBP120 +VAT for members, GBP170 +VAT for non-members. Book now to avoid disappointment.

# Germany, EuroCarBody 2013 - 15th Global Car Body Benchmarking Conference 22-24 October, 2013 - Bad Nauheim, Germany

https://www.automotive-circle.com/Conferences/EuroCarBody-2013 English/German simultaneous translation

This event offers a leading forum for modern series car body engineering international elite to examine the development, performance and production processes for car bodies of new series models planned for the European market. Development, material and production concepts of the car bodies will be introduced in detail. Results presented will then be discussed with the speakers directly at the body-in-white. All car bodies thus presented will be available for viewing during the entire conference.

As part of the conference documents, the participants will be provided with the standardised benchmark data for all car bodies displayed, with standardised tabular information including weights, parts, materials, joining technology and key production performance figures. Contact: Annika Beutner

E mail: <u>annika.beutner@vincentz.net</u> Automotive Circle International Tel: +49 511 9910-377

Hungary, AutoSEE (South East Europe) 14 - 15 May, 2013, Budapest

Organized by InterContinental Bucharest at Bucharest, Ilfov, Romania, the AutoSEE (South East Europe) is characterized as one of the most featured exhibition which displays various items/services of the automobile industry sector. AutoSEE is the leading production, sourcing and supply chain event for the automotive sector bringing together an audience of senior executives from Czech Republic, Slovak Republic, Poland, Serbia, Hungary and Romania with this year a special focus on new business developments in Hungary. The 2 day conference is taking place at the Novotel Centrum, Budapest on 14 -15 May 2013 with 3 site visits to Videoton, Knorr-Bremse and Audi on 14th and 17th May.

India, Automotive Engineering Show 6-8 June 2013, Chennai http://www.aes-show.com/

The event, 7th in the series, centres sharply on automotive manufacturing processes, and is perhaps the only tradeshow in the world with the 'automobile factory' as its focal point. It concentrates on vehicle and Tier 1 auto-component companies as users / buyers / visitors and companies providing technologies, "manufacturing enablers" as exhibitors / sellers.

Japan, International Auto After market Expo. 13-15 March 2013 http://www.auto-mobi-expo.jp

The 11th International Auto After market EXPO 2013 </>
is to be held at the Tokyo Big Sight. Organised by The International Auto Aftermarket Expo Steering Committee and supported by a

wide range of Japanese trade associations and Government agencies including Ministry Of Economy, Trade and Industry, JAMA and JETRO.

It features exhibitors of auto parts, car trading and distribution, maintenance and repair, car detailing, safety and security, business proposal and support, eco-related, promotional tools and signs etc..

#### Japan, JSAE Automotive Engineering Expo 2013 22-24 May 2013, Yokohama

Since its inauguration in 1992, the Automotive Engineering Exposition has been held annually at PACIFICO YOKOHAMA along with the Technical Paper Presentation. In recent years, we welcome as many as 400 exhibitors which range from four/two-wheel automobile manufacturers to auto-parts/material suppliers, system component suppliers, testing/measurement equipment makers, IT/software companies and associations/organizations related to automotive industry. Ride and drive activites have also proved very popular.

Kenya, 16<sup>th</sup> Autoexpo east Africa 2013 Nairobi 29 April – 1 May 2013 http://www.expogr.com/kenyaauto/index.php

Held at Kenyatta International Conference Centre (KICC) Nairobi Kenya Autoexpo is Africa's biggest international automotive, spare parts and accessories trade exhibition

#### Poland, Motor Show 4-7 April 2013, Poznan http://www.motorshow.pl/en/

Motor Show Poznan is a major trade show which brings together the best models of cars and vehicles under one roof. The event will present special sessions for VIPs, such as the VIP Motor Show day and Motor Show VIP night. The event has special discounted rates for families, which should encourage families to come along with motor enthusiasts. For more information how to exhibit please contact Ruta Aisthorpe on <u>raisthorpe@smmt.co.uk</u>

#### Poland, Auto Moto Show 14 - 16 June, 2013, Sosnowiec

Auto Moto Show-Sosnowiec is a premier exhibition on automotive equipments, parts, components, accessories, technologies and services related to the automotive industry. The event will offer a prefect market place for international and local manufacturers & suppliers to showcase their latest products & services to potential buyers in Katowice.

Visitor profile: Decision Makers from Manufacturing & Processing Industries, Engineering, R & D and Products Development, Vehicle & Auto Parts Traders & Distributors, Automotive Workshops, Petrol Companies & Stations, Automotive R&D Service Providers, System Integrators & Consultants, Automotive Business Investors and Entrepreneurs, Agents, Importers, Exporters and Wholesalers.

#### Russia, 16<sup>th</sup> Russian Automotive Forum 9-11 April 2013, World Trade Centre Moscow http://www.adamsmithconferences.com/event/automotive-industry-russia

One of the distinctive features of the upcoming Russian Automotive Forum in 2013 will be the first ever organised in Russia specialised exhibition dedicated to OEMs and their suppliers, including Tier 1, 2 and 3, as well as government authorities, industrial parks, service providers and equipment manufacturers. The specialised exhibition will provide even more opportunities for constructive and successful dialogue between all participants of the forum and will demonstrate achievements of over 100 exhibitors from 30 countries. For more information how to exhibit please contact Kamran Mehdiyev on +44 (0) 20 7017 6795 or kamran.mehdiyev@informa.com

South Africa, Automechanika Johannesberg 8-11 May 2013 http://www.automechanikasa.co.za/

Last time more than 400 companies put on indoor and outdoor displays that covered a gross display area of 18,500m<sup>2</sup>, making it the biggest inaugural Automechanika aftermarket trade fair since the brand went global 13 years ago. Parts and systems, accessories and tuning, repair and maintenance, IT and Tuning, Safari and off-road vehicles.

South Korea, KOAA Show 14 -15 November 2013, Seoul http://www.koaashow.com/english/infocenter/notice\_view.php?TT=1&no=335&page=1

KOAA Show is the largest exhibition for auto parts and automotive-related industries in Korea. Organized by the Automotive Industry Globalization Foundation (AIN Global Foundation), KOTRA and SAE International, the event brings together a large number of international participants and buyers from across the world. Korea Autoparts & Auto-related Industries Show will demonstrate an extensive range of auto products, including auto-electronic, car care products for the car owners, as well as interior and exterior products.

#### Taiwan, The third Taiwan International Electric Vehicle Show 10-13 April 2013, Tapei http://www.evtaiwan.com.tw/en\_US/index.html

Taiwan has accumulated a vast pool of experience, knowledge and advantages from its highly developed ICT which it is bringing to the race to create green technologies.

In 2013, EV Taiwan joins all the strengths of domestic manufacturers showcasing their latest products and EV technologies for the emerging electric vehicle industry.

EV Taiwan held with Motorcycle Taiwan, Taiwan AMPA and AutoTronics Taipei, is a key event that aims to give buyers the best of Taiwan's vertical integrated vehicle industry.

In 2012, in conjunction with Motorcycle Taiwan, 716 visitor5s attended - 31% from Japan, 8% each from USA and China, Malaysia 5%, Philippines, Hong Kong, Indonesia 3% each and Singapore, Australia and Brazil 2% each with 32% others from a range of different countries.

The Taiwan EV show features: Electric Vehicles (e-cars, e-motorcycles, e-scooters, other e-vehicles), Drive and Motor Systems, Energy Storage Technology, Energy & Recharging Infrastructure, Test Systems& Services

There will be an International forum, Test rides, New product launches, Procurement Meetings, Opening Ceremony, etc organized by The Bureau of Foreign Trade, Ministry of Economic Affairs (MOEA), Taiwan External Trade Development Council (TAITRA), Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) and Taiwan Transportation Vehicle Manufacturers Association (TTVMA).

#### *Tanzania, Autoexpo Africa 2013 Dar-es-Salaam 6-8 June 2013* http://expogpfairs.com/ca/

Africa's biggest international automotive, spare parts and accessories trade exhibition

#### USA, Electric & Hybrid Vehicle Technology Expo 17 - 19 September 2013, Detroit, Michigan http://www.evtechexpo.com

Electric & Hybrid Vehicle Technology Expo is the showcase for electric and hybrid vehicle technology and innovation. Based in Detroit, Michigan, the capital of EV manufacturing in America. Electric & Hybrid Vehicle Technology Expo (Evtechexpo) will highlight advances right across the powertrain and across a wide range of vehicles from passenger and commercial to off-highway industrial vehicles. For more information and discounted cost please contact Toby Walters, Exhibition Manager Smarter Shows Ltd. Email: toby.walters@smartershows.com

# **Industry Support Initiatives**

#### **UKTI EXPORT TRADE SUPPORT**

Useful links

Contact your local international trade team

More about OMIS and other UKTI services for exporters

#### **TAP GRANTS**

#### The UK Government is increasing its support to UK Exporters!

The UK Government, through UK Trade & Investment, is increasing its support to UK Exporters through a range of new activities and additional funding support for the next two years, starting on 1st April 2013.

UKTI intends to deploy an additional £19m in both 2013/14 and 2014/15 that will be allocated to support training for new exporters and export vouchers, Trade Show Access Programme (TAP) and other exhibition and mission support. This additional funding approximately doubles the value of UKTI programmes of Mid-Sized Businesses and SMEs.

With regard to the new Trade Access Programme (TAP) scheme, this means that UK Exporters will be able to benefit from 12 TAP grants (and not 6 as under the current scheme), which must include at least six participations in the emerging and high growth markets, the twelve TAP Grants being counted from 1st April 2009.

A new exporter will also be able to apply for a TAP Grant of up to £2,500 for particular events in the emerging and high growth markets, provided they are exhibiting for the first time at this event.

UKTI classifies the following markets as "emerging and high growth":

Brazil, China, Colombia, Egypt, India, Indonesia, Malaysia, Mexico, Qatar, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, Thailand, Turkey, UAE, Vietnam and Honk Kong.

We are delighted that UKTI is recognising the value of our UK Exporters and has implemented for the first time a two-years funding programme to facilitate your overseas activities.

#### **OPEN TO EXPORT**

Open to Export is a free online business community for busy exporters designed to bring you best practice knowledge and advice, helping you to successfully enter new markets and operate overseas. Currently there is over 2500 pieces of content from 109 different organisations and content is growing daily so you can:

- Explore potential international opportunities for your business
- Get bespoke answers from experts and other experienced exporters
- Access practical insights on important overseas issues
- Connect with experienced UK businesses and service providers

- Find relevant products, services and events
- Share your expertise with other companies looking to go global

Find support at www.opentoexport.com and help your business successfully grow overseas.

# NOVA - Notifying HMRC and paying VAT on vehicles brought into the UK – changes coming

From 15 April 2013, vehicles entering the country for permanent use on UK roads will have to be notified to HMRC within 14 days and any VAT due paid or 'secured'. Until this is done it will not be possible to register or licence a vehicle with the DVLA/DVA.

A new online system called Notification of Vehicle Arrivals (NOVA) will support this change. Find out more at <u>hmrc.gov.uk/nova</u>

#### **HEADSTART – Far East**

UKTI and UKABC have partnered with the British Chambers of Commerce in Singapore, Thailand and Indonesia to launch a new service for SMEs. For a nominal fee, the 'Headstart' service offers practical in-market support including facilitated access to local business networks, access to office space in the local British Chamber of Commerce and signposting to longer-term office space in the market. It was formally launched in London, 18 October 2012. www.ukti.gov.uk/headstart

#### **UK-ASEAN Business Council (UKABC)**

The UKABC provides UK business, looking to or already active in the region, with greater insights into ASEAN's high growth and emerging markets. We work with the UKTI network of overseas offices to promote business opportunities in ASEAN to UK companies, as well as providing them with informative and practical market intelligence. The UKABC also works to put ASEAN decision makers in front of UK companies to maximise business opportunities, and represent UK business' views in contacts with ASEAN and its member states. Helping UK companies to do business with ASEAN:

- Supporting UK businesses new to ASEAN
- Access to economic & commercial information
- Providing networking & business opportunities
- Engage with ASEAN political & commercial leaders
- Access service partners to quickly & efficiently convert business opportunities

For more information, visit www.ukasean.com

#### FAR EAST

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

### Extracts from some recent news sources

#### CHINA: PSA sees China turning into biggest market as Europe weakens

26 February 2013, Automotive News Europe

PSA/Peugeot-Citroen predicts China will overtake France as its biggest market as early as 2015, as the automaker increases the number of dealerships and expands into smaller Chinese cities.

PSA expects to boost sales in China this year by 22 percent to 540,000 vehicles, excluding its upscale DS line, said the head of the automaker's Asian operations, Gregoire Olivier.

#### CHINA: Automobile production jumps 51.17% in January – CAAM

26 February 2013, by Graeme Roberts, justauto.com

According to the China Association of Automobile Manufacturers (CAAM), local auto production was 1,964,500 units in January, an increase of 10.06% month on month and 51.17% year on year.

Production of passenger cars was 1,621,200 units, up 53.88% year on year; the output of commercial vehicle was 343,300 units, up 39.58%.

#### CHINA: Nissan launches new high-end model ahead of other countries

26 February 2013, by Graeme Roberts, justauto.com

Nissan Motor has launched a new model of its high-end Teana [Maxima, Cefiro] sedan in China, a world premiere that underlines the increasing weight of the Chinese market for the Japanese automaker.

#### CHINA: Cadillac starts XTS assembly in Shanghai

26 February 2013, by Graeme Roberts, justauto.com

Cadillac has started production of the new XTS luxury sedan in China. Shanghai joins Oshawa, Ontario, as an assembly location for the XTS, marking the brand's biggest step in its expansion since arriving in China in 2006.

#### CHINA: Shanghai-GM leads passenger car market in January

# 22 February 2013, by Graeme Roberts, justauto.com

Automotive sales in China jumped 46.38% year on year to 2,034,500 units in January 2013. The passenger car market grew 48.68% to 1,725,500 units in the month, while bus and truck sales increased 34.75% to 309,000 units.

#### CHINA: Zetsche aims to lift Mercedes' China sales 50% by 2015

#### 22 February 2013, Automotive News China Daimler CEO Dieter Zetsche aims to raise Mercedes-Benz's brand sales in China by 50 percent to 300,000 units by 2015.

#### FRANCE: PSA Peugeot Citroën Full Year 2012 Financial Results

13 Feb 2013, Automotiveworld.com Full Year 2012 Results

- Group revenues down 5.2% to €55.4 billion. Automotive Division revenues down 10.3%.
- Consolidated recurring operating loss of €576 million despite a very tough environment, with a recurring operating loss of €1,504 million for the Automotive Division.
- Net loss, Group share of €5,010 million after an impairment charge of €3,009 million in respect of the global value of the Automotive Division assets under the application of IAS 36 and €879 million in application of IAS 12, to reflect the deterioration of the European market, with no impact on the Group's solvency or its liquidity.
- Negative free cash flow of €1,387 million
- Net debt at 31 December 2012 reduced by €211million to €3,148 million, with an Automotive Division net debt1 reduced by €712 million to €1,256 million.

Further analysis: <u>http://www.automotiveworld.com/news-releases/psa-peugeot-citroen-full-year-2012-financial-results/</u>

#### **GERMANY: BMW Group starts the year with record sales**

#### 08 Feb 2013 Automotiveworld.com

The BMW Group continued its positive momentum into the new year with sales increasing by 9.9% in January. A total of 123,276 BMW, MINI and Rolls-Royce brand vehicles were delivered to customers (prev. yr. 112,164).

"We made a successful start to the new year, selling more BMW Group vehicles than ever before in the month of January. We remain true to our strategy of balanced sales across the globe by achieving growth on all continents last month," said Ian Robertson, Member of the Board of Management, Sales and Marketing BMW. "Looking ahead, we expect the headwinds in Europe to remain, however we are confident of healthy sales growth in other regions, especially Asia and the Americas. With new models arriving this year to enhance our already successful portfolio, we are aiming for further growth in BMW Group worldwide sales in 2013 and are targeting a new all-time high for the third consecutive year," added Robertson. **BMW** reported the strongest January in its history. Sales climbed 11.5% to 107,276 (prev. yr. 96,184) units, the first time that over 100,000 BMW vehicles were delivered worldwide to customers in that month. The growth drivers were the BMW 3 Series with 29,053 vehicles sold (22,708/+27.9%) and the BMW X1, with volumes soaring 57.8% to 11,753 units delivered (prev. yr. 7,446). The BMW X3 also continued to be in high demand with 10,230 vehicles delivered to customers (9,348/+9.4%). The BMW 1 Series reported solid gains with 14,222 units sold (13.073/+8.8%) and the BMW 5 Series continued to perform well with sales climbing 6.4% to 23,049 vehicles (prev. yr. 21,665). BMW 6 Series sales increased by 22.4% to 1,354 units (prev. yr. 1,106).

In January, **MINI** worldwide sales reached 15,864 vehicles (15,768/+0.6%), a new all-time high for that month. The MINI Countryman recorded 11.3% growth, with a total of 6,261 deliveries (prev. yr. 5.625). In its fourth largest market of China, MINI sales jumped by 20.3% to 1,800 vehicles (prev. yr. 1,496). The introduction of the MINI Paceman is expected to bring further momentum to global sales as of spring.

The BMW Group made gains in volume on all continents in January. In Asia, deliveries climbed 18.4% to 43,114 (prev. yr. 36,422) vehicles. The double-digit growth continued in Mainland China, with a total of 30,397 (prev. yr. 26,505) vehicles delivered last month – an increase of 14.7%. Other Asian markets, such as Japan (3,250/+19.0%) and South Korea (2,790/+32.9%), also reported significant rates of growth.

A total of 25,021 (prev. yr. 24,419) vehicles were delivered to customers in the Americas in January, an increase of 2.5%. In the US, company sales increased by 2.3% to 20,195 units (prev. yr. 19,739) in the month under review.

The BMW Group also achieved growth in Europe last month, where a total of 50,594 deliveries were reported, an increase of 8.0% on the previous year (46,831). In Germany the company could report a 9.9% increase with a total of 18,709 (prev. yr. 17,028) BMW Group vehicle registrations. BMW Group sales in Russia climbed 39.8% in the month under review to 2,311 vehicles (prev. yr. 1,653).

BMW Motorrad deliveries reached a total of 4,818 (5,237/-8.0%) vehicles. Husqvarna Motorcycles supplied a total of 587 vehicles (544/+7.9%) to the Husqvarna dealer network in January.

Further analysis: http://www.automotiveworld.com/news-releases/bmw-group-starts-the-yearwith-record-sales/

#### INDIA: SUV tax hike spooks investors

#### 28 February 2013, by Graeme Roberts, justauto.com

Shares in Mahindra & Mahindra, India's biggest utility vehicle manufacturer, fell as much as 1.4% on Thursday (28 February) after the country's finance minister proposed increasing excise duty on sports utility vehicles (SUVs).

#### **INDIA: Datsun plant planned for Chennai**

#### 25 February 2013, by Chris Wright, justauto.com

The Renault Nissan alliance is to spend around US\$300m to construct a new assembly plant in India to build its budget Datsun brand cars, the *Nikkei* business newspaper has reported. This plant will have an annual output capacity of 200,000 units and production is slated to start in 2014, along with lower-priced Renault models under development.

#### SOUTH KOREA: GM to spend \$7.35m on engineering and manufacturing

#### 26 February 2013, by Graeme Roberts, justauto.com

General Motors underlined its commitment to manufacturing in South Korea by confirming plans to spend up to KRW8 trillion (US\$7.35bn) on GM Korea over the next five years. Previous plans announced by GM to take full control of GM Korea, which comprises six manufacturing subsidiaries, had prompted concern the company intended to carry out deep restructuring at its operations in the country.

GM Korea produced close to 786,000 vehicles in South Korea last year, equivalent to around a quarter of GM's Chevrolet production worldwide.

#### THAILAND: Vehicle sales up 63% in January

#### 26 February 2013, by Tony Pugliese, justauto.com

New vehicle sales in Thailand increased by 63.4% to 125,817 units in January, from 76,246 units a year earlier, according to data released by the Federation of Thai Industries. The market benefited from an overspill of orders from December, ahead of the withdrawal of government-sponsored first-time buyer incentives.

#### VIETNAM: Sales jump 75% in January

#### 21 February 2013, by Tony Pugliese, justauto.com

New vehicle sales in Vietnam jumped by close to 75% to 7,363 units in January, from 4,217 units a year earlier, according to data released by the Vietnam Automotive Manufacturers Association.

The sharp improvement reflects more than anything weak year-earlier volume when sales were held back by the introduction of higher vehicle registration taxes and excise duties at the start of 2012. This encouraged many buyers to bring purchases forward into 2011 to avoid paying higher prices.

# **International Market Reviews**

# VDA: Passenger car markets in USA, China and Brazil show double-digit growth

#### 19 Feb 2013 Automotiveworld.com

Western Europe remains weak in January as expected Berlin, 19 February 2013. As the new year started, as expected trends on the world's passenger car markets varied. Sales showed marked double-digit growth in China (+59 per cent), the USA (+14 per cent) and Brazil (+18 per cent). The Russian market also expanded (+5 per cent). New registrations of passenger cars in Western Europe, by contrast, were down by 9 per cent owing to the weak demand in key countries.

January sales of light vehicles (passenger cars and light trucks) in the USA climbed by a good 14 per cent to 1.04 million units. In the light truck segment the German brands grew faster than the market itself. They pushed up their sales by over 15 per cent, to just over 26,000 units, while the overall light truck market increased by more than 14 per cent to around 518,000 units. In the passenger car segment the German brands increased their sales by 4.5 per cent to reach around 60,700 units. The overall passenger car market grew by 14 per cent to about 522,000 new cars. Totalling 86,700 light vehicles, the German makes achieved a year-on-year rise of nearly 8 per cent in their in their US sales in January.

In China the passenger car market proved to be in especially good form last month. The volume of new registrations leapt up almost 60 per cent, to exceed 1.5 million vehicles. This very high growth rate is largely a result of the Chinese New Year: in 2012 the New Year festival was celebrated in January, but in 2013 it came in February. The figures for January 2012 were accordingly weak owing to the holidays.

Last month the Brazilian market for light vehicles expanded once again. New registrations rose by nearly 18 per cent to 297,200 units. Sales of light vehicles were promoted by the Brazilian Government's decision to extend the market incentives once more. However, the industrial products tax (IPI) is to be increased again in several steps over the current year.

Sales of new cars in India came to 242,400 units in January, which was around 5 per cent below last year's level.

The Russian light vehicle market once again proved to be a stable factor: at 162,100 new vehicles sold, the figure for January was nearly 5 per cent above that for the same month last year.

Due to the very strong January 2012, new passenger car registrations in Japan in January this year fell by over 7 per cent to 332,100 units.

Demand for new cars on the Western European market slumped by almost 9 per cent last month to 857,500 units. There were double-digit falls on the difficult markets in France (-15 per cent), Italy (-18 per cent) and Spain (-10 per cent). New registrations in Germany in January totalled about 192,100 units, showing a year-on-year fall of nearly 9 per cent.

By contrast, demand for automobiles in the UK continued its positive trend at the beginning of the year: new registrations on the second most important Western European market climbed by a good 11 per cent to 143,600 cars. In the smaller countries of Western Europe, too, new registrations showed welcome growth: demand showed a double-digit increase in Denmark (+15 per cent) and Belgium (+13 per cent).

The passenger car markets in the new EU Member States contracted slightly in January – by nearly 3 per cent. The only exceptions were Estonia and Poland, where new registrations of passenger cars were 28 and 9 per cent respectively above the previous year's figure.

#### Automotive Sector In Kenya – UKTI Market Report

Kenya's automotive retail and distribution sector is rapidly expanding due to infrastructure development, increasing incomes and access to credit facilities. Market overview

Kenya, the economic, commercial, and logistical hub of the entire East African region and the most developed economy in Eastern Africa, is growing rapidly. The economy grew by 5.3% in the year 2012 and is projected to reach 10% growth by 2017 as the government takes steps to enhance Kenya's economic competitiveness. The Automotive industry in Kenya is primarily involved in the retail and distribution of motor vehicles.

There are a number of motor vehicle dealers operating in the country, with the most established being Toyota (East Africa), Cooper Motor Corporation (CMC), General Motors (GM), Simba Colt and DT Dobie with Honda Motors establishing operations in Kenya in January 2013 as Division of TransAfrica Motors (TAM) which is a Dubai based company representing commercial vehicle franchises in Kenya. There are also four vehicle assembly plants in the country, which concentrate on the assembly of pick-ups and heavy commercial vehicles. 98% of all goods imported into Kenya through the Port of Mombasa and major International Airports in the country are transported by road. The growing middle class is also driving this sector with demand for small cars and major franchises' have been set up to meet the demand, but are facing major competition from imported vehicles from Europe and far East countries by second hand car dealers.

The established dealers face intense competition from imported second-hand vehicles, mainly from Japan and United Arab Emirates. These imports now account for about 70% of the market. The last decade witnessed a significant decline in the number of new vehicles sold in the country. There has been a steady recovery in the last four years, but the numbers achieved still fall far short of the numbers recorded a decade ago. The slump in the volume of new cars sold is attributable to the increased competition from second hand vehicles and the depressed economic environment. The Kenya Motor Industry Association (KMI), the representative body of the corporate participants in the motor industry, has been lobbying hard to reverse this trend. According to data from the KMI, growth in the agriculture, manufacturing and trade sectors is driving demand for pick-up trucks, which accounted for 35% of total vehicle sales in the nine-month period. Sales of heavy commercial vehicles still account for 26.8% of the market, behind pick-ups. We also believe that construction projects in the region will fuel sales in the heavier segments over our forecast period.

Further growth in Kenya's construction sector is forecast over the next two years by BMI's Infrastructure team, supporting the favourable conditions for the commercial vehicle segment. The government has development plans with a total cost of US\$22bn that include significant improvements to roads, railways, seaports, airports, water, sanitation and telecommunications. According to the government, Kenya is focusing on these in the hope of attracting, accelerating and retaining investors who often complain its dilapidated facilities increase the cost of doing business, rendering Kenya's products uncompetitive in the global market.

#### **Key opportunities**

There are investment opportunities in assembling of motor vehicle components. There is a big market for vehicles in the East Africa Community and COMESA regions. Currently there are several multinational vehicle manufacturers who have setup workshops to assemble Knocked Down Units (KDU) reducing the costs involved in importing whole units in to the country. Kenya Railways has plans to develop a concept which is aimed at establishment of a dry dock port and a car bazaar on a 100 acre piece of land at Voi, 100km from the port of Mombasa. The features of the proposed car bazaar will include: storage and clearing facilities for imported vehicles, facilities to store and sell cars to prospective customers and support

facilities/amenities e.g. offices, banks, hotel and restaurants. Kenya Railways is currently inviting potential investors for the development of this vehicle bazaar.

There are various opportunities in the automotive sector in Kenya. The 16th Auto Expo Africa 2013 which is held at Kenyatta International Conference Centre (KICC) Nairobi every year showcases all prospects within the Industry and is scheduled to take place in 29th April – 1st

Type of vehicle	2008	2009	2010	2011*
Saloon Cars	18,686	16,930	16,165	11,026
Station Wagon	24,747	27,599	37,553	31,199
Panel Vans, pick-ups etc	8,983	7,120	6,975	7,442
Lorries/ Trucks	6,691	6,037	4,924	5,247
Buses and Coaches	1,243	1,057	1,264	1,662
Mini buses	5,206	4,483	3,600	451
Trailers	2,100	2,883	2,379	2,556
Wheeled tractors	1,262	1,115	1,161	1,179
Motor and auto cycles	51,412	91,151	117,266	140,215
Three Wheelers Others	704 797	863 2,575	1,521 3,648	2,140 2,724
Total Units Registered	121,831	161,813	196,456	205,841

#### Kenya Facts and Figures 2012 Fig 1: Registration of motor vehicles

Source: Kenya Revenue Authority

#### Getting into the market

Identifying a local distributor or franchise that purchase and sell vehicles from the UK would be the best market entry strategy. Product representation is crucial for effective market coverage. This representation may be achieved through one or a combination of the following methods:

- Establishing a local representative/distributor.
- Selling through an agent or distributor who can cover the entire region, including the neighbouring countries of East Africa.
- Selling through established dealers.
- Establishing a dealership (especially common for big-ticket items).

Technical and regulatory standards are managed by Kenya Bureau of Standards (KEBS). The Pre-export verification of conformity (PVoC) is based on Article 5 of WTO-TBT agreement, managed by KEBS on behalf of the Kenya Government concerning goods exported to Kenya. PVoC's are carried out by verification agents appointed by KEBS. The overall objective is to minimize the risk of unsafe and substandard goods entering Kenyan market, thus ensuring health, safety and environmental protection for Kenyans.

It is advisable to seek legal and economical advice on doing business in Kenya.

#### More about doing business in Kenya

#### Contacts

Market intelligence is critical when doing business overseas, and UKTI can provide bespoke market research and support during overseas visits through our chargeable Overseas Market Introduction Service (OMIS). To commission research or for general advice about the market, get in touch with our specialists in country - or contact your local international trade team.

**Emmanuel Maingi**, British High Commission, Nairobi, Kenya. Tel: +254 (0)20 2844312 or email: <u>Emmanuel.Maingi@fco.gov.uk</u>

#### Automotive Sector In Thailand – UKTI Market Report

Thailand will reach another milestone in its vision to become the Detroit of Asia in 2012 when the total automobile production volume exceeds 2 million vehicles. This should make Thailand a top 10 country in the world, for automotive manufacturing.

#### **Market overview**

There are currently 16 car makers and 7 motorcycle makers in Thailand. Virtually all of the world's major automakers are represented in Thailand. They have a combined production capacity of 2.4 million vehicles. It is estimated that together they will produce over 2.2 million vehicles and over 2.5 million motorcycles in 2012, an increase of 51% and 22% respectively from 2011. Thailand is the leading manufacturer of one-ton pick-up trucks outside the United States. Thailand also exported over £7 billion worth of automotive parts in 2010, an increase of 33% over 2009.

In recent years, the automotive industry accounted for 12% of the overall gross domestic product (GDP). It is one of Thailand's largest industry clusters, employing more than 700,000 people. In addition to the major automakers, Thailand is home to 2,400 auto-parts makers, of which 690 are Tier 1 and around 1,700 are Tier 2 & 3 suppliers. Major players, such as Toyota, Yamaha, Bridgestone, Honda, Maxxis and Michelin, have established testing and R&D facilities in Thailand.

#### **Key opportunities**

There are business opportunities to be won in the automotive sector in Thailand, as the industry continues to grow despite the global financial crisis. Some of the opportunities are in the following areas:

#### **NGV** Initiatives

With energy costs on the rise, the Thai government is looking to alternative fuel as the answer. There is a requirement to replace aging diesel-powered bus fleets in Bangkok with new compressed natural gas powered bus. The Ministry of Transport is planning to acquire 4,000 such buses.

#### New technology vehicles

As part of the Thai government's efforts to attract automakers to shift their production of higher fuel efficient technology, such as hybrid drive and regenerative braking system, traction motors,

to Thailand, the Board of Investment is offering maximum investment incentives, which include exemption of import duty on machinery and corporate income tax holidays of between 5-7 years.

#### **Auto Parts Industry**

Given the market size and the limited number of producers for some of the automotive products such as automatic transmissions, continuously variable transmissions, electronic stability control system and automotive electronics in Thailand, the market appears to be open to new overseas suppliers. There are opportunities for UK automotive parts manufacturers to invest and supply parts to the automakers in Thailand.

#### **Future Trend**

Thailand is looking to develop 3rd product champion, following on from one-ton pickup trucks and eco cars. The focus will be on eco-friendly cars, such as hybrid, plug-in hybrid and/or electric vehicles. Two organisations in Thailand have already initiated pilot charging stations to study and collect data on the use of electric vehicles in Thailand. Although, this is still at the very early stages of development but there should be business opportunities in the future in this area, such as charging station, battery technology etc

#### Getting into the market

Although Thailand offers good business opportunities, this does not mean that Thailand is the right market for every company. Initial research is crucial to assessing your prospects. Thais like to build relationships with potential business partners, so it is not a market where you are likely to send a few brochures and wait for the orders to roll in. But for those ready to do the initial research and develop relationships with Thai companies, the opportunities are clearly there.

It is very important that British companies appear to have a local presence in Thailand, either through local representatives, a representative office, or joint venture companies. Such a presence shows that British companies are serious about the market and are willing to provide local technical support to their partners and customers. The Thai market is still price-oriented. Technical support is the second most important issue after pricing.

#### How to Do Business

When visiting Thailand, research the market and the companies you intend to contact.

- Many Thai companies have websites some in English. Much information is therefore readily available on both government and corporate websites.
- Plan your visit organise appointments before you depart the UK. Follow up with telephone calls on arrival to confirm availability. Meetings can be arranged over breakfast, lunch or dinner.
- Arrange a market discussion with the relevant Commercial Officer at the British Embassy in Bangkok.
- Take plenty of business cards and corporate literature.
- Follow up meetings by letter/e-mail on return to the UK. If possible, keep the Embassy informed of progress.
- Do not expect to do business immediately or necessarily on the first visit to Thailand.
- Think about intellectual property rights issues.

• Get professional legal advice on setting up a local company and research business partners thoroughly. Due diligence investigations are strongly recommended.

This websites also offer useful guidelines to doing business in Thailand: The Board of Investment - www.boi.go.th

### Contacts

#### More about doing business in Thailand

Market intelligence is critical when doing business overseas, and UKTI can provide bespoke market research and support during overseas visits through our chargeable Overseas Market Introduction Service (OMIS).

To commission research or for general advice about the market, get in touch with UKTI specialists in country - or contact your local international trade team.

- Attakorn Saropala, British Embassy Bangkok. Tel: +66 (0)2305 8237 or email: attakorn.saropala@fco.gov.uk
- Wannarat Charoensri, British Embassy Bangkok. Tel: +66 (0)2305 8286 or email: wannarat.charoensri@fco.gov.uk

#### SINGAPORE - Market news:

EU - Singapore Free Trade Agreement (FTA). The EU and Singapore have concluded negotiations on an FTA which will allow UK and Singapore companies to have better access to each other's markets. Full benefits to UK business are being worked through but are expected to include new opportunities to bid for public procurement contracts; additional prospects in the services sector; lowering of technical barriers in key sectors such as cars, pharmaceuticals, electronics and renewable energy equipment; and a higher level of IPR protection. http://ukinsingapore.fco.gov.uk/en/news/?view=News&id=845360182

See also these other recent UKTI auto-sector reports:

Automotive sector in Russia – UKTI Report http://www.ukti.gov.uk/uktihome/sectorbriefing/409360.html

Motorsport in Russia – UKTI Report http://www.ukti.gov.uk/uktihome/sectorbriefing/410380.html

Automotive sector in Mexico – UKTI Report http://www.ukti.gov.uk/uktihome/sectorbriefing/366000.html

Automotive sector in India – UKTI Report http://www.ukti.gov.uk/uktihome/sectorbriefing/365700.html

Automotive sector in Austria – UKTI Report http://www.ukti.gov.uk/uktihome/sectorbriefing/357920.html

# **UKTI International Business Opportunities**

To obtain UKTI Business Opportunities service direct in order to receive immediate update e-msail notifications register on:

#### Latest export opportunities in the automotive sector

Latest update extract below:

# USA - Commercial or Manufacturing Partner Needed for New Lithium Ion-Battery Technology

#### http://www.ukti.gov.uk/export/howwehelp/businessopportunity/454820.html

After conducting research relating to the role of microstructure, defects, and interfaces in materials for energy storage, a Midwest institution has developed a more advanced lithium-ion battery - one with a much higher strength anode. Existing anodes used in lithium-ion batteries have a low energy density and are relatively fragile. Thus, they are used only in energy storage with additional material used for all structural elements. Also, existing anodes have a potential to catch fire.

This technology creates an anode for Lithium-ion batteries that has mechanical strength orders of magnitude higher than existing anodes. The higher mechanical strength allows the anode material to function in both energy storage and structural roles – allowing for lighter battery powered systems and increasing the operational range of electric vehicles.

To learn more, please register your interest.

Response deadline: 30/03/2013

#### Algeria – Cash-In-Transit Company To Acquire 20 Armoured Vehicles http://www.ukti.gov.uk/export/howwehelp/businessopportunity/455860.html

Algerian security company is tendering to acquire 20 armoured vehicles in three separate lots.

- Large delivery trucks
- Small delivery trucks
- 4x4s

In order to response to this opportunity, companies will need to contact the company in order to receive copies of the detailed specifications for each of the three types of vehicle. Response deadline: 27 March 2013

# USA - Research Boards Seeks NOX Reduction Technologies http://www.ukti.gov.uk/export/howwehelp/businessopportunity/453680.html

Technologies, engine tuning practices, and engine management practices that will enable heavy-duty diesel and natural gas vehicles to achieve lower NOX emission rates.

The proposed research aims to optimize and evaluate emissions over three required cycles:

- the cold and hot start heavy-duty Federal Test Procedure (FTP) as required by federal engine certification test procedures,
- a second engine dynamometer test cycle associated with lower operating temperatures than the FTP, and
- an extended idling test as performed for California Clean Idle certification.

Response deadline: 9 April 2013

#### Poland – Parts for Armoured and Combat Vehicles

#### http://www.ukti.gov.uk/export/howwehelp/businessopportunity/453820.html

A military unit in Warsaw, Poland, announced a tender for a supplier of spare parts for military and combat vehicles for the Polish army. Under the tender they seek a broad range of spare parts for a number of military units to be delivered to Poland. The order is divided into parts, and the bidding company can submit the offer for any number of parts it can deliver.

The estimated value of the total order is  $\pounds$  2,2 m.

Specification: CPV 35420000.

The deadline for applications is 29 March 2013.

#### India - UK Manufacturer of Car Parts

# http://www.ukti.gov.uk/export/howwehelp/businessopportunity/454600.html

An Indian manufacturer of seat frame assemblies, engine parts, interior parts, clutch assembly parts for automotive & off-highway vehicles wants to expand their product line and is looking for partners who have capability to manufacture similar/related items.

The Indian company has the requisite infrastructure: land, industrial sheds, and human resources to offer to the partnership. It employs around 500 people directly and has an annual turnover of around £5 million. The partnership can include technology transfer or licensing from a UK company.

# USA - Corporate Firm Seeks Tech Companies Working on "the Connected Car" <a href="http://www.ukti.gov.uk/export/howwehelp/businessopportunity/453660.html">http://www.ukti.gov.uk/export/howwehelp/businessopportunity/453660.html</a>

Firm is looking to connect with UK companies with technologies in the following areas:

- Location Based Technology
- Human Machine Interface
- Cloud Services
- Augmented Reality
- Display Technology

If your company works in the one of the technology fields mentioned above, please register your interest in the project and mention your area of technology in the comments tab.

#### Brazil - São Paulo Announces Brl 1.1 Billion Project For Integral Vehicle Management http://www.ukti.gov.uk/export/howwehelp/businessopportunity/452860.html

Winner will manage logistical operation of the removal and deposit of vehicles. The São Paulo Traffic Department (Detran-SP) plans for a BRL 1.1 billion investment in the construction of an Integrated Vehicle Management Yard. The winner will be responsible for the implementation and logistical operation of the removal, deposit, protection and transportation of vehicles, as well as the modernisation of activities deriving from state vehicle inspections. The project is currently in the modelling phase and should be open for public consultation in April. Bidding process should be open in June 2013, and proposals will be received until November 2013.

#### Bulgaria – Trolleybuses

#### http://www.ukti.gov.uk/export/howwehelp/businessopportunity/447100.html

This is an opportunity for UK companies to supply trolleybuses to Bulgarian municipality Burgas municipality has announced a tender for the delivery of trolleybuses in four lots:

- Lot 1: delivery of 22 trolleybuses, Estimated value (excluding VAT): EUR 9m; duration of contract: 12 months
- Lot 2: delivery of 30 trolleybuses, Estimated value (excluding VAT): EUR 12m
- Lot 3: delivery of 40 trolleybuses; Estimated value (excluding VAT): EUR 16.5m
- Lot 4: delivery 8 trolleybuses; Estimated value (excluding VAT): EUR 3m Deadline for obtaining the tender documents: 26 Feb 2013

Deadline for submitting the tender documents: 8 March 2013

Language in which tenders or requests to participate may be drawn up: Bulgarian

# China – Foundry Equipment and Technology Partnership

#### http://www.ukti.gov.uk/export/howwehelp/businessopportunity/449800.html

A Chinese foundry research institute based in Northern China is looking for suppliers and partners for equipment and casting technologies.

They mainly need or seek cooperation with the following equipments and technologies:

- Precision casting and forging equipment and technologies high-power engine aluminium alloy cylinder block sand moulding low-pressure forging equipment and technology;
- 2. High-power engine aluminium alloy cylinder block gravity casting equipment and technology;
- 3. Technology on manufacturing aluminium alloy impeller gypsum for automotive supercharger;
- 4. Forging processing equipment line and techs for small aluminium alloy metal pieces in auto and air compressor;
- 5. Technology on manufacturing aluminium alloy casting for aviation use;
- 6. Magnesium alloy sand casting technology.

#### India – Automotive – Supply of A Rear Dump Truck With 35 Ton Capacity http://www.ukti.gov.uk/export/howwehelp/businessopportunity/447020.html

The tender is globally invited for the procurement of a rear dump truck with 35 ton capacity during the period of 4 years The tenders are invited globally from the manufacturers directly or from their authorised agents in India.

The tender EMD cost is INR 200000 (or approximately GBP 2394 equivalent) and the tender document cost is INR 5725 (or approximately GBP 68 equivalent).

The scope of tender includes supply of a rear dump truck with 35 ton capacity for a mining project. The company concerned is a large public sector enterprise under the Ministry of Steel, India.

Another similar opportunity with a separate tender number has been provided under "India – supply of high value machinery equipment along with operations & maintenance spares" on UKTI website.

Last date for document sale: 7 March 2013

# India - Undercarriage Assembly for Dozers

http://www.ukti.gov.uk/export/howwehelp/businessopportunity/445240.html

Tender inviting bids for supply of Undercarriage Assembly for D-155 and D-355 Dozers. A Tender Notice was issued by a Coalfields company in India inviting bids for supply of Undercarriage Assembly for D-155 and D-355 Dozers. The last date for submission of Bids is 12/03/2013.

# India – Supply of High Value Machinery Equipment Along with Operations & Maintenance Spares

http://www.ukti.gov.uk/export/howwehelp/businessopportunity/446080.html

The tender is globally invited by the concerned buyer for the procurement of track chain dozer 300-350 hp along with the operations and maintenance spares for 4 years

The tenders are invited globally from the manufacturers directly or from their authorised agents in India

The tender EMD cost is INR 200000; Also the tender document cost is INR 5725 or equivalent approximately GBP 69

The scope of tender includes procurement of a Track Chain Dozer 300-350 HP along with the operation and maintenance spares for 4 years, for the Diamond Mining Work

For further details on the tender documents, you may contact the above concerned person.

Last date for submission of RFQs: 6 March 2013 by 14:30 hours

Last date for document collection: 6 March 2013

# Brazil – Development and implementation of an Intelligent Transportation System for Bus Services.

#### http://www.ukti.gov.uk/export/howwehelp/businessopportunity/445420.html

A state-owned consortium responsible for the public transportation system in the Recife metropolitan area seeks to hire a specialized company to develop and implement a traffic monitoring and information system.

The hired company will assist the Recife metropolitan area to develop and implement its Intelligent Transportation System (commonly known as ITS). The main goal of this project is to put into practice a plan to monitor vehicle movement to provide users with information about services within the network.

Deadline for submission of written proposals is still pending until the release of the official tender, which will happen by the end of February 2013. The official tender also establishes all the requirements from the participating companies and the criteria for evaluation of proposals.

#### India - Wheel Loader

http://www.ukti.gov.uk/export/howwehelp/businessopportunity/445220.html

#### Supply of 10-12 CU.M. Wheel Loader.

A tender notice was issued by a Govt. of India undertaking Coaldfields company inviting bids for supply of 2 Nos. of 10-12 CU.M. Wheel Loader.

The Estimated Tender Value is INR 18,82,00,000.00.

Earnest Money Deposit = INR 10,000.00.

The last date for submission of Bids is 12/03/2013.

#### Hong Kong – Large Motorcycles

#### http://www.ukti.gov.uk/export/howwehelp/businessopportunity/441580.html

Tender: A trading fund in Hong Kong is tendering for the supply of 200 units large motorcycles (police version).

For traffic enforcement and control, and other law enforcement purposes.

For more information about this tender contact our team in Hong Kong by registering via the link below.

# Lithuania - Company Is Looking For Garage Equipment And Car Repair Tools <a href="http://www.ukti.gov.uk/export/howwehelp/businessopportunity/441440.html">http://www.ukti.gov.uk/export/howwehelp/businessopportunity/441440.html</a>

Lithuanian retail / wholesale company is expanding its business and is looking for new supplies of garage equipment and tools for car repairs. The Lithuanian company, a well established importer and distributor of garage equipment and car repair tools, health and safety equipment and clothes, furniture for workshops, electrical tools, pneumatic tools, compressors and other products, is looking for new suppliers. The company has a chain of retail stores around the country. They also operate an E-shop for distribution of products.

# Romania – Fire Engines and Complex Intervention Trucks http://www.ukti.gov.uk/export/howwehelp/businessopportunity/441040.html

Fire engines, complex intervention trucks, extrication and emergency medical care for North Transilvania Intercomunity Development Association.

- 34144210-3 Firefighting vehicles (Rev.2)
- 34144213-4 Fire engines (Rev.2)
- Value (excluding VAT) 1.826.027 €
- Offer to be submitted in RON, not in EUR

# **World Trade Organisation Notifications**

#### ISRAEL

#### G/TBT/N/ISR/655 25 February 2013

Revision of the Mandatory Standard SI 218. This draft standard revision is an implementation of both the International Standard ISO 3996 - Third edition:1995-02-01 and the American Code of Federal Regulations (CFR)Title 49 CFR Ch. V (10-1-11 Edition) Part 571 -§ 571.106 Standard No.106, and allows compliance with either of them, with the following changes that appear in the standard's Hebrew section:

- Changes paragraph 2 dealing with the normative references of both adopted documents to fit Israel's legislation;
- Removes from the adopted American Traffic Regulation FMVSS 106 all devices exceeding this standard's scope to include only tubes for hydraulic braking systems and therefore deletes the following paragraphs: S7; S8; S9; S10; S11 and S12.

#### CANADA

#### G/TBT/N/CAN/359/Add.1 25 February 2013

Regulations Amending the Motor Vehicle Safety Regulations (Interpretation, Section 18 and Standards 203, 204, 208, 212 and 219)

The proposed amendment notified in G/TBT/N/CAN/359 (dated 22 February 2012) was adopted 13 February 2013 as the Regulations Amending the Motor Vehicle Safety Regulations (Interpretation, Section 18 and Standards 203, 204, 208, 212 and 219) These Regulations come into force on 13 February 2013.

Until 1 September 2015, motor vehicle manufacturers are allowed to comply with either the new requirements for Canadian safety standard 208 (pertaining to Occupant Protection in Frontal Impacts) or the previous requirements of that standard.

The full text of the adopted measure can be downloaded from the Internet addresses below: http://canadagazette.gc.ca/rp-pr/p2/2013/2013-02-13/html/sor-dors9-eng.html

#### CANADA G/TBT/N/CAN/350/Add.1 28 February 2013

Regulations Amending the On-Road Vehicle and Engine Emission Regulations (On-Board Diagnostic Systems for Heavy-Duty Engines and Other Amendments) The proposed amendments notified in G/TBT/N/CAN/350 (dated 11 November 2011) were adopted 31 January 2013 as the Regulations Amending the On-Road Vehicle and Engine Emission Regulations (On-Board Diagnostic Systems for Heavy-Duty Engines and Other Amendments). These Regulations come into force on 1 January 2014.

The full text of the adopted measure can be downloaded from the Internet addresses below: http://www.gazette.gc.ca/rp-pr/p2/2013/2013-02-13/html/sor-dors8-eng.html (English)

#### JAPAN

#### G/TBT/N/JPN/413 29 January 2013

In order to take necessary measures to reduce emission gas from diesel motor vehicles under offcycle conditions. Partial amendment of the "Public Notice that Prescribes Details of Safety Regulations for Road Transport Vehicles" (Public Notice of the Ministry of Land, Infrastructure, Transportation and Tourism, No. 619 of 2002) and a relevant regulation in order to prevent increases of emissions from diesel motor vehicles under Off-Cycle conditions.

#### UNITED STATES OF AMERICA

# G/TBT/N/USA/164/Add.5

#### 20 February 2013

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. This final rule responds to petitions for reconsideration of a 27 July 2011 final rule that slightly relaxed the stopping distance requirement for typical loaded tractors tested from an initial speed of 20 mph. NHTSA is granting the request to remove the stopping distance requirements for speeds of 20 mph and 25 mph and denying the request to relax the stopping distance requirements for speeds between 30 mph and 55 mph. DATES: This final rule is effective 11 February 2013. Petitions for reconsideration must be received not later than 28 March 2013.

#### KINGDOM OF SAUDI ARABIA

#### G/TBT/N/SAU/516 31 January 2013

Testing procedures and test report format for pattern examination of fuel dispensers for motor vehicles Test equipment and test conditions, testing procedures, additional testing procedures for electronic dispensers, test report format and check list. The purpose of this recommendation is to facilitate the recognition of test results among countries. In this way, duplication of tests can be avoided, thereby simplifying considerably the work associated with pattern approval. Relevant documents: <a href="http://www.saso.org.sa">http://www.saso.org.sa</a>

# **JCC Customs Information Papers**

#### CUSTOMS INFORMATION PAPER (13) 12 Tariff Classification of Set-top Boxes

The CJEU has published a Judgment in respect of certain types of set-top boxes, which clarifies the scope of subheading 8528 71 13, 0% Customs duty; the subheading ceased to be valid on 30 June 2011. The Judgment has no effect on the classification of Set-top Boxes imported from 1 July 2011. The CJEU stated that the CNEN had to be disregarded so far as the interpretation of CN subheading 8528 71 13 was concerned. Consequently, goods are classified under subheading 8528 71 13 if they are capable of receiving television signals and have a modem allowing access to the internet. The technique used to gain access to the internet is not relevant i.e. the term "modem" includes other technologies such as ISDN, WLAN, Ethernet.

#### **CUSTOMS INFORMATION PAPER (13) 11**

#### Customs and Excise Law Modernisation Project: An update

This CIP provides an update on progress with HMRC's Customs and Excise Law Modernisation Project since April 2012.

#### **CUSTOMS INFORMATION PAPER (13) 09**

#### EU Council Regulation on further restrictive measures against Iran 1264/2012

New Regulation adding to the list of natural and legal persons, entities and bodies subject to restrictive financial measures imposed under the EU sanctions regime against Iran.

#### **CUSTOMS INFORMATION PAPER (13) 08**

#### EU Council Regulation on further restrictive measures against Iran

New Regulation introducing further restrictive measures against Iran. The new measures include specific prohibitions on the provision of, trade in, sale, supply, transfer or export, directly or indirectly to any Iranian person, entity or body, or for use in Iran, of the following:

- Graphite and certain metals, such as aluminium and steel, in raw, waste/scrap, or semi-processed form.
- Certain oil and gas equipment extending the range of products already covered by existing controls.
- Certain naval equipment and technology.
- Natural gas that originates in Iran, or has been exported from Iran.
- Shipping services in respect of oil tankers, cargo vessels and other ships flying the Iranian flag or owned or controlled by an Iranian person, including classification services, design, construction and repair, and the making available vessels designed for the transport of oil or petrochemical products to any Iranian person.
- Enterprise Resource Planning (ERP) software specifically designed for use in nuclear, military, gas, oil, navy, aviation, financial or construction industries.

Note. The Regulation exempts certain pre-existing contracts, subject to specific conditions. Full details are set out in the Regulation.

The new Regulation also implements changes to the existing controls on transfers of funds to and from Iranian persons.

#### **CUSTOMS INFORMATION PAPER (13) 07**

**EU Council Regulation on further restrictive measures against Iran - 1245/2012** New Regulation amending the conditions relating to the provision of equipment - to EU personnel in Iran - that could be used for internal repression. Relevant to Traders with significant Iranian, or Iranian related trade.

#### EXTRACT FROM VAT NOTES 4 – 2012

# Notification of Vehicle Arrivals (NOVA). New HMRC online notification system Tackling VAT evasion on road vehicles brought into the UK

Currently, anyone bringing a vehicle into the country for permanent use on UK roads notifies HMRC using a variety of paper forms and pays any VAT due after registration of the road vehicle by the Driver and Vehicle Licensing Agency (DVLA).

This manual paper-based system is an inefficient way to collect VAT and rule-breakers are exploiting it to understate the amount of VAT due or evade payment altogether.

To combat this fraud, the Government announced at Budget 2011 a joint HMRC-DVLA initiative – a new online notification system called Notification of Vehicle Arrivals (NOVA).

From 15 April 2013, there will be a legal obligation to make a notification to HMRC within 14 days of a vehicle being brought into the UK. When HMRC confirm your notification has been processed you will be able to register (and license) your vehicle with the DVLA.

# Please note that, from 15 April 2013, forms VAT414, VAT415 and C&E389 will be replaced by NOVA and forms C&E386 and C&E388 will no longer be issued by HMRC or required by the DVLA. However, a new paper form will be available for those who can't (or choose not to) use the online service.

Those covered by DVLA's Automated First Registration and Licensing (AFRaL) system will not be affected by this change.

More information about NOVA will be made available on HMRC website www.hmrc.gov.uk/vat/nova and GOV.UK in due course.

For more information about VAT and bringing vehicles into the UK, go to <u>Importing vehicles into</u> the UK on the GOV.UK website.

# SMMT TRADE MISSION MEMORIES

# **Putting Russ into Russia**

A number of you will remember former SMMT International Manager Russ Murty. Russ retired a couple of years ago and is still fondly remembered . Here, as a little light reading, is one of our regular reader's memories of being in Russia with Russ. Incidentally, Ruta Aisthorpe has now replaced Russ as SMMT International Manager with special interests in Russia and will be leading the forthcoming exhibitor group to MIMS Automechanika in August. We await tales of her next mission group! And if any of the other readers would like to send in their memories of other SMMT exhibitor or mission groups please do drop us a line.

Morris dancing in Moscow As recalled by Michael English, Director ,Crozier International Ltd.

It was on an SMMT outward mission to Moscow and St Petersburg that I hosted together with Russell Murty a few years ago. A welcome dinner was arranged on the first night for some twenty five members on the mission at a famous Georgian restaurant on board a boat moored opposite Gorky Park. We had pre-ordered traditional Georgian fare and the table looked great with a vast array of typical local dishes, we added appropriate amounts of vodka to enhance the mood and familiarise the group with local Russian/Georgian traditions.

A "tamadar", Georgian toast master had also been booked – but he turned out to be named Howard (who happened to be Welsh!). Nevertheless, the evening progressed nicely, lots of laughter and with toasts to one and all. Then it was time for the entertainment. Georgian dancers very macho, lots of yelling; leaping in the air and swords flying everywhere it lasted about 30 minutes with a crescendo of colour shouting and girls spinning, followed by cheers, hoots and clapping from all.

The whole restaurant joined in and it was a memorable scene. Then some bright spark from our side, in a spirit of international reciprocity, if not international competition, had an idea that the English should not be outdone and suggested we show them a taste of true English culture......Morris Dancing!

So eight of us stood up and with hankies waving in the air danced amongst the tables much to the delight of everyone in the restaurant thanks mainly perhaps to the vodka-laced atmosphere rather than the quality of performance.

But the evening didn't stop there and this part of the tale will be familiar to regular travellers to Russia. Four of the group then wanted to get back to the Ukraine Hotel, and with them being on their first visit Russ volunteered to arrange a taxi. Those taxis already outside the restaurant, he said, would want an "arm and a leg" in Russia, he explained it's easy, all you have to do is just wave down a passing car - they will stop as an informal taxi (in good Russian entrepreneurial spirit) and take you to the hotel at a fraction of the cost.

So the four chaps ran across the road and started flagging – and indeed, the first car they waved down stopped! Amazing it worked! The chaps in question were not on the thin side to put it mildly and it was an old classic Lada which had seen better days but they all just squeezed in instructing the driver to take them to their hotel. But the driver was terrified – for he had only stopped at the traffic lights! Fortunately the misunderstanding was explained and he did agree to take them to the hotel, making no charge but they said later - he was trembling all the way!

The business sequel to the visit is that a number of contracts were signed and some have turned out to be very successful. The Georgian toast master "Howard" is still in St Petersburg running a very successful scrap metals company working with most of the western car manufacturers and 2nd tier suppliers that are manufacturing in St Petersburg and he would be very happy to share his experience operating in Russia with anyone visiting over a pint, not vodka this time - well maybe.

#### Contacts:

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