U.S.-Central America Free Trade Agreement (CAFTA):

Key Automotive Issues

This paper will be updated regularly as more information becomes available.

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PREFACE

The attached U.S.-Central America Free Trade Agreement (CAFTA) automotive parts overview and individual fact sheets provide automotive industry profiles on the Central American countries involved in the negotiations. These markets are: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

The overview places the individual countries into a broader context and assesses the CAFTA automotive market in each. The overview also attempts to assess the impact of other significant trade agreements for this sector throughout the CAFTA region. Each of the individual markets is organized into "snapshots" looking at trade policy issues and key trading partner data.

We hope these fact sheets will serve as a useful tool as trade negotiations proceed, by providing one-stop access, for both government and industry alike, to the "best" available information.

U.S.-CAFTA Automotive Parts Issues Overview

Introduction

The U.S.-Central America Free Trade Agreement (FTA) offers the potential for improved export and investment opportunities for the U.S. automotive industry. It could also provide a framework under which the industry can better integrate its hemispheric operations.

Although Central America offers a market of 34 million people, no significant automotive production currently occurs within the five economies. Guatemala - with a population of approximately 13 million - is the largest country in Central America and accounts for approximately 33 percent of the region's Gross Domestic Product (GDP). Its GDP was around $22 billion in 2001. On the other side of the equation stands Nicaragua with 2001 GDP of roughly $2.24 billion and an estimated GDP per capita of about $460, the second lowest in the hemisphere.

Market Data

	1999			2000			2000	
Country	**Cars**	**Bus & Trucks**	**Total**	**Cars**	**Bus & Trucks**	**Total**	**Population (in 1,000s)**	**Cars Per Capita**
Costa Rica	99,161	127,050	226,211	103,335	132,520	235,855	3,773	36.5
El Salvador	51,200	75,300	126, 500	54,088	80,652	134,740	6,238	115.3
Guatemala	102,000	97,000	199,000	113,391	127,986	241,377	12,974	114.4
Honduras	22,800	80,560	103,360	23,200	84,300	107,500	6,406	276.1
Nicaragua	40,398	58,079	98,477	40,800	60,500	101,300	4,918	120.5

Source: Auto Strategies International Inc. via the Motor and Equipment Manufacturers Association's "2002-03 World Automotive Market Report." Contact: www.mema.org and www.autostrat.com

The limited size and purchasing power of the Central American economies will limit the potential short-term impact of any agreement for U.S. industry.

Trade Policy

On paper the Central American economies have been involved in regional trade integration programs for some time. The General Treaty of Central American Integration dates from 1961. It envisioned the creation of a Central American Common Market (CACM) with full and free trade between the Central American economies. It wasn't until December of 1991 however when these states signed the Tegucigalpa Protocol creating the Central American Integration System (SICA) as a legal and institutional framework for integration that trade integration really began to take off.

The Nueva Ocotepeque Agreement on Trade and Investment signed in 1992 by the governments of Guatemala, El Salvador and Honduras further spurred the economic integration of the region. Nueva Ocotepeque calls for the organization of free trade, customs standardization, the adoption of the Common External Duty (SAC), the free establishment of bank branches in all three countries, integration of the stock markets, and coordination of financial legislation.

Regional economic integration greatly advanced in 2002. During President Bush's visit to El Salvador in March 2002, the Presidents of Central America reached several agreements, among them the Treaty on Liberalization of Investment and Trade in Services in Central America. This agreement eliminates certain economic and political barriers to the free circulation of investment and services in the region. It establishes a clear legal framework for regional enterprises under the principles of National Treatment and Most Favored Nation Treatment and guarantees transfers related to investment. It also establishes clear rules for financial transfers, the establishment of regional branches and enables Central American business visitors to enter a country without having to complete examination requirements.

In addition, the Central American Uniform Customs Code (CAUCA) has been ratified by all the Central American Common Market member countries and will be fully in force by the end of 2003. CAUCA III entails the process of modernization of regional customs including the use of the same documents for customs declarations and for the transit of persons; electronic transmission of information among customs; and electronic prepayment of taxes. This uniform system is based on the mechanism that is currently in place between the customs of Guatemala and El Salvador.

Although tariffs have not yet been harmonized, the Central American countries have agreed to a tariff reduction intended to lower the cost of imported products. Items are expected to fall into the following four tariff categories:

- Industrial inputs and capital goods not produced in Central America 0%
- Industrial inputs and capital goods produced in the region 5%
- Unfinished goods 5-10%
- Finished goods 15%

In practice tariffs and quotas vary depending on the product. Tariffs currently range anywhere from 0 percent intended for raw materials up to 30 percent in some product categories.

In addition to regional integration, the five countries of Central America are party to a number of trade and investment promotion agreements. In February 1993, the presidents of the Central American countries, Venezuela and Colombia signed a Trade and Investment Agreement that supercedes previous agreements signed bilaterally by Venezuela and Colombia with the Central American countries. Under this agreement the countries began a process of free trade that is to be completed in 2003.

The CACM member nations signed a free trade agreement with the Dominican Republic in 1998 and are currently negotiating an agreement with the Southern Cone nations of South America (MERCOSUR).

A free trade agreement (FTA) between Mexico and El Salvador, Guatemala and Honduras (the Northern Triangle) was signed in December 2000. The Northern Triangle FTA lowers trade barriers in order to promote market efficiency and access to new technologies and modern productive processes.

A free trade agreement between El Salvador, Guatemala, Honduras and Chile was signed in November of 2000 and entered into force on June 1st, 2001. Each country guarantees market access and the gradual elimination of all tariffs on originating goods.

A free trade agreement between El Salvador and the Dominican Republic entered into force on October 4th, 2001. It grants access to their respective markets by the gradual elimination of all tariffs on originating goods.

El Salvador and Panama also recently signed an agreement on preferential exchange that is something less than an FTA in that it does not include all products. Rather, it is limited to specific products that each country is interested in promoting and that are defined in lists negotiated by the contracting countries. The objectives of the treaty are to achieve a progressive integration of both economies, expand markets, increase production and encourage the coordination of tariff policies and fiscal incentives for industrial development.

El Salvador has brought into force free trade agreements with Chile, the Dominican Republic and Mexico, signed an agreement with Panama, and is in the process of completing an agreement with Canada.

Costa Rica has concluded bilateral trade agreements with Mexico, Chile, Trinidad and Tobago and the Dominican Republic. A trade agreement with Canada has not yet been ratified by the Costa Rican legislature, largely due to its agricultural provisions. A similar trade agreement is being negotiated with Panama.

Nicaragua has negotiated Free Trade Agreements with Mexico, the Dominican Republic, Chile and Panama. As of mid 2002, only Nicaragua's FTA with Mexico has entered into force.

Investment and Legal Environment

All five countries have historically had problems with corruption and investment protections. Legal protection for intellectual property has also been lax. Advances have been made in all five countries over the course of the 1990s. Legal regimes have been significantly upgraded along with enforcement and oversight. Funding for enforcement and oversight remains a key regional concern.

Trade

The Central American economies imported $133 million in U.S. auto parts in 2002. This was a 6.1 percent increase over 2001 U.S. exports to the region. Although parts production in the region is limited, the five Central American economies exported $103 million in auto parts to the United States in 2002. This amount represented a 50 percent increase over 2001. Honduras accounted for the lion's share of those parts exports with $75 million, $67 million of which were insulated ignition wiring sets. The United States exported $132 million in road vehicles to the five Central American economies in 2002, a 5 percent decline from 2001. Central American road vehicle exports to the U.S. only totaled $56 thousand in 2002.

U.S. CAFTA Automotive Parts Issues
Bi-Lateral Trade

U.S. Road Vehicle Imports

Country	1998	1999	2000	2001	2002
	In 1,000 Dollars				
El Salvador	0	0	0	8	50
Guatemala	0	0	0	116	6
Costa Rica	0	65	0	0	0
Honduras	0	0	0	0	0
Nicaragua	0	0	0	0	0
Total	0	65	0	125	56

U.S. Road Vehicle Exports

Country	1998	1999	2000	2001	2002
	In 1,000 Dollars				
Costa Rica	73,166	55,782	45,817	58,932	44,428
Guatemala	78,920	52,101	45,491	37,822	43,503
Honduras	38,716	27,117	29,672	20,396	22,779
El Salvador	16,318	11,830	17,774	15,335	17,222
Nicaragua	10,319	7,304	6,812	6,762	4,503
Total	**217,439**	**154,134**	**145,566**	**139,246**	**132,436**

U.S. Auto Parts Imports

Country	1998	1999	2000	2001	2002
	In 1,000 Dollars				
Honduras	17,382	41,055	70,193	51,761	75,014
Costa Rica	9,386	17,776	18,256	15,268	23,346
Nicaragua	52	48	57	18	3,473
El Salvador	296	543	973	1,708	1,494
Guatemala	262	865	718	243	100
Total	**27,378**	**60,287**	**90,196**	**68,998**	**103,427**

U.S. Auto Parts Exports

Country	1998	1999	2000	2001	2002
	In 1,000 Dollars				
Guatemala	52,752	43,906	41,833	38,560	47,262
Honduras	35,193	35,753	36,539	31,664	33,265
Costa Rica	34,923	33,919	31,678	31,850	32,802
El Salvador	19,680	21,947	15,291	14,081	11,799
Nicaragua	12,935	13,702	9,564	8,782	7,461
Total	**155,483**	**149,226**	**134,904**	**124,936**	**132,589**

Source: Census Bureau via U.S. International Trade Commission (ITC) TradeDataWeb, using Office of Automotive Affairs' product groups. Exports are total. Imports are general.

Costa Rica Automotive Fact Sheet
Trade Policy

Import Barriers

- Tariffs: passenger cars – 1-15%
  trucks and buses – 0-15%
  automotive parts – 10-15%

- The Government of Costa Rica prohibits the importation of used tires without rims, because mosquitoes carrying yellow fever or dengue fever breed in water accumulated in rimless tires.

- Costa Rican law requires the exclusive use of the metric system but, in practice, accepts U.S. and European commercial and product standards.

- Reference pricing for automobiles disadvantages U.S. models versus Korean models in the Costa Rican market. U.S. vehicle values are based upon NADA Blue Book values while Korean values are based upon an individual Korean company's publication which understates Korean car prices.

- Used vehicles must arrive with vehicle emissions compliance certificates from exporting countries, authorized by a recognized consular agent under regulations implemented in 2000. (This requirement is under legal challenge.)

- Taxes on imported products are calculated on a cumulative basis and generally include: a) Ad valorem tax or duty --applied against CIF (cost, insurance & freight) value, (also known in Costa Rica as "D.A.I.")--duty rates currently range from 1 to 10 percent for motor vehicle parts; b) Consumption tax --applied against total cumulative sum of CIF value, plus the ad valorem tax --tax rates currently range from 0 to 25 percent for motor vehicle parts; c) Law 6946 tax --applied against CIF value -- currently 1 percent for all products; and, d) Sales tax --applied against total cumulative sum of CIF value, plus any ad valorem tax, plus the consumption tax, plus Law 6946 tax * currently 13 percent for all products.

Trade Policy

Costa Rica has signed a Free Trade Agreements with the Central American Common Market and has reduced most tariff rates for imported goods to 15 percent or lower in unison with its Central American neighbors. Costa Rica has concluded bilateral trade agreements with Mexico, Chile, Trinidad and Tobago and the Dominican Republic. A trade agreement with Canada has not yet been ratified by the Costa Rican legislature, largely due to its agricultural provisions. A similar trade agreement is being negotiated with Panama. Costa Rica is a founding member of the World Trade Organization.

Costa Rica is a signatory of most major international agreements and conventions regarding intellectual property. While the legal framework governing intellectual property is in place, enforcement continues to be problematic.

Investment and Legal Environment

State monopolies, infrastructure weaknesses and continuing deficiencies in the enforcement of intellectual property rights constrain the growth of foreign direct investment in Costa Rica. Investors of all nationalities are subject to procedural and bureaucratic requirements that can be cumbersome. They also face an error-prone land titling system and sluggish judicial system vis-a-vis civil cases. Past government expropriation policies have created problems for some U.S. investors. In addition, land invasions by squatters also remain problematic. Representatives of industries affected by copyright piracy continue to express concern that penalties and enforcement procedures codified by the new legislation are inadequate.

Costa Rica, along with most of the region, uses civil, or statutory, law rather than common law. Litigation can be long and costly. The legal system is significantly backlogged, and civil suits take over five years on average from start to finish.

Costa Rica has sufficient laws, regulations, and penalties to combat corruption, though the resources available to enforce those laws are limited.

Trade

Thirty-six percent of Costa Rica's vehicle imports in 2000 were from Japan (See Key Trading Partners Fact Sheets[1]). Nineteen percent were from Korea and 17 percent were from the United States. Used automobile imports from Korea during 1998-2000 increased sharply because of lower duty rates for vehicles of such origin. This surge also produced an increase in auto parts imports from Korea, which has reduced the U.S. share of market. While the United States provided 44 percent of Costa Rica's parts imports in 2000, a significant portion of the items are not of U.S. origin but instead are transshipments from Japan, Korea, and Europe. Seven percent of Costa Rica's year 2000 auto parts imports were from Korea. Sixteen percent were from Japan.

There is some production of automotive parts in Costa Rica. Local production is limited to small electrical and metal parts, batteries, electrical copper cable, hydraulic seals, filters (air/gasoline), steel leaf springs, aluminum and steel wheels, windshields, carpets, hoses, mufflers, bus bodies, and tires.

Road Infrastructure

Although Costa Rica's infrastructure is better than most in the region, the road system is not well maintained, causing strain to both vehicle and driver. There are more than 7,000 kilometers (4,400 miles) of principal highways and roads and some 16,000 kilometers (9,600 miles) of rural roads. However, some roads are unusable without a 4-wheel drive vehicle.

[1] Due to concerns about the reliability of some UN Harmonized Tariff System (HTS) data at the 6-digit level, we have limited its use in this paper to determining relative market penetration.

Costa Rica Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	175	425	562	292	176
Nicaragua	0	147	340	141	115
Ecuador	0	0	0	0	28
El Salvador	0	193	38	0	17
Panama	0	47	44	0	10
United States	86	14	43	16	4
Guatemala	1	11	4	119	2
Argentina	0	4	47	0	0
Aruba	0	0	0	0	0
Belgium and Luxembourg	0	0	0	0	0
Bolivia	0	0	0	0	0

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	248,891	350,186	518,263	317,334	296,384
Japan	74,868	152,126	246,719	132,474	106,585
Korea	9,713	946	1,072	51,853	56,114
United States	127,521	120,204	139,907	65,453	49,847
Mexico	5,624	11,590	22,633	19,981	27,461
Brazil	7,200	7,590	17,025	12,469	14,403
Germany	9,346	12,980	14,445	11,730	13,624
Canada	692	8,670	16,748	6,912	6,263
United Kingdom	2,685	4,371	6,054	4,800	5,935
France	552	822	722	796	3,487
Spain	1,572	1,180	2,441	736	2,971

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Costa Rica Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	61,715	77,031	95,944	87,760	83,088
United States	35,741	46,704	38,830	54,531	50,542
Guatemala	5,712	7,056	9,892	6,650	7,100
El Salvador	5,572	5,310	5,001	6,653	6,009
Nicaragua	5,666	5,315	8,115	7,130	5,252
Honduras	3,070	3,427	4,426	3,478	4,012
France	151	872	2,854	2,450	1,600
Australia	1	0	0	322	1,514
Mexico	758	798	3,370	834	1,464
Panama	607	644	1,229	1,017	1,298
Brazil	3	117	1,076	99	700

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	111,433	134,508	169,416	156,733	159,169
United States	49,548	64,740	84,020	69,536	69,442
Japan	19,929	21,728	28,784	30,424	25,256
Korea	5,962	112	152	12,854	13,243
Brazil	6,982	7,689	6,272	5,323	9,912
Taiwan	2,685	4,803	6,502	7,029	8,181
Mexico	2,730	2,967	4,510	3,715	5,519
Guatemala	2,770	3,825	3,296	3,474	3,236
Germany	3,351	3,510	4,517	3,755	3,096
Italy	1,605	1,899	2,829	3,205	2,798
Panama	2,116	1,584	2,303	1,981	2,088

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

El Salvador Automotive Fact Sheet
Trade Policy

Import Barriers

- Tariffs: passenger cars – 0-30%
  trucks and buses – 0-1%
  automotive parts – 1%

- Although all automotive parts are treated the same as new parts for tariff purposes, used, remanufactured and rebuilt parts have a cost advantage. Unlike new parts, the importers of used, remanufactured, and rebuilt parts do not have to show an invoice from the manufacturer to calculate the 13% value added tax (vat); vat on these parts are estimated by customs authorities. These estimates often undervalue the goods giving them an import vat tax benefit. Importers of new parts complain about this practice, claiming that many new parts are imported in used part containers.

Trade Policy

The General Treaty of Central American Integration that established the Central American Common Market (CACM) dates from 1961. However, in December of 1991 the states signed the Tegucigalpa Protocol that creates the Central American Integration System (SICA) as a legal and institutional framework for the political integration of Central America in general and economic integration in particular.

The Nueva Ocotepeque Agreement on Trade and Investment was signed in 1992 by the governments of Guatemala, El Salvador and Honduras. Nueva Ocotepeque calls for the organization of free trade within the three countries, customs standardization, the adoption of the Common External Duty (SAC), the free establishment of bank branches in all three countries, integration of the stock markets, and coordination of financial legislation. Implementation is still underway.

As the CACM nears completion, the government of El Salvador has brought into force free trade agreements with Chile, the Dominican Republic and Mexico, signed an agreement with Panama, and is in the process of completing an agreement with Canada.

As part of its compliance with WTO commitments that came into force in September of 2001, El Salvador reduced the import tax on used vehicles. The action contributed to an immediate increase the number of used automobile imports in the first quarter of 2002.

El Salvador completed its CACM Tariff Reduction Program in July 1999. Currently, tariffs for capital goods are 0 percent, raw materials range from 0 to 5 percent, intermediate goods range from 5 to 10 percent, and final goods are charged a maximum of 15 percent. El Salvador has an average tariff rate of 3.84 percent (based on import duties as a percentage of total imports).

El Salvador has approximately 50 commercial and technical cooperation treaties in effect. It is a member of the Central American Common Market, and a beneficiary of the Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI). At present, El Salvador has free trade agreements in force with Mexico, Dominican Republic, and Chile. El Salvador is a member of the World Trade Organization.

A free trade agreement between El Salvador, Guatemala, Honduras and Chile was signed in November of 2000 and entered into force on June 1st, 2001. Each country guarantees market access and the gradual elimination of all tariffs on originating goods.

A free trade agreement between El Salvador and the Dominican Republic entered into force on October 4th, 2001. It grants reciprocal market access through the gradual elimination of all tariffs on originating goods.

A free trade agreement between Mexico and El Salvador, Guatemala and Honduras (the Northern Triangle) was signed in December 2000. The Northern Triangle FTA lowers trade barriers in order to promote market efficiency and access to new technologies and modern productive processes.

El Salvador and Panama recently signed a preferential trade agreement that is something less than an FTA in that it does not include all products. Rather, it is limited to specific products that each country is interested in promoting and that are defined in lists negotiated by the contracting countries. The objective of the treaty is to achieve a progressive integration of both economies, expand markets, increase production and encourage the coordination of tariff policies and fiscal incentives for industrial development.

El Salvador and Guatemala have had an agreement designed to promote free trade and economic integration since 1992. This agreement includes customs standardization, free trade for all products originating in both countries, except raw coffee, wheat flour, refined and unrefined sugar, oil and petroleum by-products.

In February 1993, the presidents of the Central American countries, Venezuela and Colombia signed a Trade and Investment Agreement that supersedes previous agreements signed bilaterally by Venezuela and Colombia with the Central American countries. Under this agreement the countries began a process of free trade that is to be completed in 2003.

Investment and Legal Environment

The laws and policies of El Salvador are relatively transparent and generally foster competition. Bureaucratic procedures have improved in recent years and are relatively streamlined for foreign investors.

In general, the amount set forth in the commercial invoice is used for tax purposes. If there is doubt about the accuracy of the stated price, Customs assesses its own value. For valuation of used cars, Customs uses N.A.D.A., Edmund's and the Truck Blue Book.

Trade

Like much of the rest of the region, Japanese auto brands tend to dominate El Salvador’s private passenger vehicle market while heavy-duty vehicles are sourced primarily from the United States. The United States accounted for roughly 46 percent of El Salvador’s 2000 vehicle imports. Japan accounted for around 30 percent of El Salvador’s year 2000 imports and Korea accounted for 7 percent of the total.

Roughly 40 percent of El Salvador's parts imports in 2000 were from the United States. Japan was the next largest provider of automotive parts to this market with 12 percent of the total imports.

No local production for Harmonized Tariff System heading 8708 (Parts and Accessories of Motor Vehicles of Headings 8701 to 8705) is registered in El Salvador. Press reports have indicated Korean interest in installing a spare parts and accessories production plant in El Salvador but no plans are currently pending. Salvadorans continue to import more used vehicles (less than 7 years old) than new. Approximately 75 percent of El Salvador's total vehicle fleet is over 10 years old.

Road Infrastructure

The Pan-American Highway crosses the country east to west from the Guatemalan to the Honduran border, connecting the main Salvadoran cities. El Salvador has good taxi service from the major hotels. Buses run throughout the country, but are often targets for crime and involved in accidents. Although approximately half the road system is in poor shape, the government has launched an aggressive program to repair earthquake damage and refurbish roads under the Fondo de Conservacion Vial (FOVIAL), a fund created in late 2001 and funded by a gasoline surcharge to maintain the road network.

By the end of March 2002, they had completed 8 projects with a total investment of $23.7 million and currently are providing continuous maintenance to 172.6 kilometers of paved roads, which will increase to 443.53 kilometers in 2003. The country has nearly 12,500 kilometers of roads, of which 2,000 kilometers are paved, and these roads link all major cities to the airport and seaports. For the year 2002 the Ministry of Public Works (MOP) has a total budget of almost $118 million in public investment for the reconstruction of bridges and rehabilitation of main roads. Over the next ten years, the government plans to invest $162 million to construct a beltway around San Salvador in four phases, with the objective of integrating the Metropolitan Area of San Salvador, increasing productivity and lowering transportation costs.

El Salvador Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	195	349	71	45	299
Honduras	0	9	0	41	60
Dominican Republic	0	0	0	0	58
Guatemala	0	14	0	0	52
Panama	0	0	6	0	50
Nicaragua	3	0	0	0	28
Costa Rica	41	43	17	1	18
Belize	0	0	0	0	17
Mexico	0	0	44	0	8
United States	0	0	0	3	6
Venezuela	0	0	4	0	2

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	193,117	195,939	214,350	221,897	195,100
United States	101,768	96,119	97,967	118,217	90,320
Japan	45,341	50,994	65,388	66,173	58,204
Korea	7,256	8,027	10,886	13,289	12,774
Mexico	15,083	16,411	15,204	11,024	10,145
Guatemala	2,336	6,601	3,828	3,181	8,711
Thailand	0	0	0	1,008	3,635
Germany	2,526	2,632	2,131	647	2,366
France	2,592	3,601	2,396	1,873	1,764
Brazil	1,913	2,725	1,012	1,778	1,599
Honduras	972	1,881	865	608	696

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

El Salvador Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	5,528	7,913	9,883	11,081	12,637
Guatemala	2,141	2,837	4,069	3,097	4,304
Nicaragua	840	445	1,783	2,771	2,377
Honduras	1,059	1,626	1,539	1,941	2,162
United States	317	403	745	901	1,794
Costa Rica	653	1,087	1,326	1,609	1,193
Panama	0	0	89	149	343
Dominican Republic	0	0	71	400	201
Mexico	10	13	97	63	80
Colombia	0	0	13	16	37
Italy	0	0	0	0	29

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	98,655	111,713	107,837	120,920	120,965
United States	38,887	44,858	39,866	45,933	47,926
Japan	17,716	16,974	17,403	16,540	14,787
Guatemala	6,622	7,788	7,202	6,255	10,349
Korea	5,308	6,159	5,889	10,011	8,921
Costa Rica	6,047	5,765	5,653	7,615	6,723
Brazil	4,293	4,681	5,570	4,461	5,200
Germany	1,216	4,776	2,276	2,036	4,970
China	134	314	4,278	1,547	4,543
Mexico	3,015	4,766	4,202	5,924	3,991
Panama	1,165	1,537	2,496	2,328	2,584

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Guatemala Automotive Fact Sheet
Trade Policy

Import Barriers

- Tariffs: passenger cars – (5 passengers or less) 20%, (6-9 passengers) 15%
  trucks and buses – 5-10%
  automotive parts – 20%

- Many importers report that Guatemalan customs arbitrarily assigns values to imported products.

- In Guatemala City, model year restrictions exist preventing the operation of buses in the city by denying permits to use them.

Trade Policy

Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica are working toward a customs union under the General Treaty of Central American Economic Integration. The customs union calls for the free movement of goods within the region, regardless of country of origin, once within any member country. Guatemala and El Salvador have harmonized 80 percent of their tariff schedules in preparation for the union, and Honduras and Nicaragua are working to catch up. Costa Rica had not been participating in preparations for the Customs Union but announced its intention to join in June 2002. The countries seek to implement the customs union at the beginning of 2004.

Central America established a common external tariff schedule in 1998. Central American countries signed a revised Protocol for economic integration and macroeconomic coordination in October 1993. The integration protocol allows Central American countries to advance at varying rates toward more open trade, and the Northern Triangle countries (Guatemala, El Salvador and Honduras) have moved most rapidly to eliminate trade barriers among themselves.

In 1991, Guatemala signed a framework agreement on trade and investment with the United States, establishing a bilateral Trade and Investment Council (TIC). During the last three years, Guatemala has signed, bilaterally or together with other Central American countries, free trade agreements with Chile, Mexico and the Dominican Republic.

Investment and Legal Environment

Most hurdles to exporting and investing in Guatemala are bureaucratic in nature. Bureaucratic hurdles are common for both domestic and foreign companies. Regulations often contain few explicit criteria for government administrators, resulting in ambiguous requirements that are applied inconsistently or retroactively by different government agencies.

Resolution of business disputes through Guatemala's judicial system is time consuming and often unreliable. The legal system is accessible to foreigners and does not discriminate on the surface. However, in practice, it favors a "home team" accustomed to maneuvering a case through the process.

Trade

With a population of approximately 11.9 million, it is the largest country in Central America and accounts for 1/3 of the region's GDP. Guatemala has a small auto parts production industry. Most cars on Guatemalan roads are of Japanese or European origin. There are more than 800,000 vehicles registered in Guatemala. Growth in the number of automobiles in Guatemala has led to an increase in the number of retail dealers of spare parts and accessories, as well as automotive repair shops throughout the country. Many Guatemalan importers travel constantly to the United States (mainly Florida, Texas and California) to identify new business opportunities and to maintain their commercial relationships with their suppliers.

In 2000, Guatemalan vehicle imports shipped from the United States totaled 65 percent, 18 were from Japan, and 4 percent came from Germany. Many of the U.S. shipments were Japanese and European models. Guatemala imported about 55 percent of its auto parts in 2000 from the United States, 12 percent from Japan, and 8 percent from Korea. Guatemala had the largest amount of auto parts exports of the five CAFTA countries. In 2000, 60 percent of those exports were bound for other CAFTA economies. Many of those exports were likely transshipments.

Road Infrastructure

In June 2001, the Guatemalan government announced an Economic Action Plan for 2002-2004. The program includes projects and actions for the modernization of basic infrastructure. The government proposed over $2.3 billion worth of improvements in air, seaport, highway and energy infrastructure to support the reinvigoration of the economy. The biggest part of this investment would go towards a new $920 million international airport on the south coast of Guatemala. The Economic Action Plan includes projects to continue the rehabilitation of Guatemala's main highways. There is some skepticism about the likelihood of the plan’s potential for implementation since it would require legislation in Guatemala’s legislature.

Guatemala Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	3,053	2,055	1,785	2,651	3,252
Honduras	699	1,015	694	1,241	911
Mexico	0	0	129	291	584
Nicaragua	973	0	37	579	513
United States	171	51	79	158	399
Belize	25	0	0	41	300
El Salvador	138	428	803	194	278
Germany	0	0	0	0	78
Japan	0	0	10	0	59
Costa Rica	0	28	0	48	45
Bolivia	0	0	0	2	37

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	321,318	344,221	506,004	426,720	429,924
United States	215,811	228,039	277,597	279,608	279,804
Japan	40,590	66,635	129,417	88,390	76,711
Germany	3,608	2,254	12,372	11,827	18,421
Mexico	32,468	32,668	46,919	19,823	17,737
Korea	6,915	5,289	12,680	9,178	10,697
Brazil	8,638	2,655	8,540	5,119	6,937
Sweden	2,258	0	4,329	4,820	4,253
United Kingdom	2,388	1,085	4,491	2,244	2,831
Thailand	0	0	39	550	2,657
El Salvador	455	1,057	1,910	624	1,503

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Guatemala Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	17,324	28,168	29,280	21,781	17,824
El Salvador	5,722	8,330	7,301	4,371	3,525
Costa Rica	2,704	3,347	2,870	3,621	3,212
Mexico	139	5,875	7,228	2,806	3,189
Nicaragua	3,446	3,414	3,376	3,708	3,041
Honduras	2,858	3,572	4,480	3,785	2,367
Peru	98	29	0	310	513
Panama	1	376	412	363	505
United States	794	282	862	877	461
Belize	10	239	361	373	316
Jamaica	20	1,374	1,633	687	233

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	119,297	152,295	185,875	179,419	231,243
United States	52,227	75,887	90,996	88,976	127,861
Japan	24,644	26,559	29,103	27,781	27,125
Korea	7,808	4,798	7,318	7,558	17,357
Costa Rica	2,175	4,169	6,992	6,453	8,268
Mexico	3,780	7,497	9,594	8,590	7,822
Taiwan	295	234	7,256	8,407	6,245
Brazil	5,416	6,523	7,744	5,041	5,846
Germany	3,323	3,631	4,642	4,537	5,136
El Salvador	1,628	2,922	4,878	3,340	3,579
China	226	294	449	820	2,871

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Honduras Automotive Fact Sheet
Trade Policy

Import Barriers

- Tariffs: passenger cars - 15%
  trucks and buses – 5-10%
  automotive parts – 5-10%

- A general 12% sales tax is applied to most products. Trucks are exempted from this tax. A 15% sales tax is assessed on new cars.

- Under the recently enacted Financial Balance and Social Protection Act, imports of ground motor vehicles over seven years old and passenger buses over ten years old are prohibited, except for those considered to be classic collectible cars.

- Imports of refurbished and right-hand drive vehicles are also prohibited.

- The Constitution of Honduras requires that all foreign investment complement, but not substitute for, national investment.

- The Honduran government does not publish regulations before they enter into force and there is no formal mechanism for providing proposed regulations to the public for comment.

Trade Policy

Honduras is a member of the World Trade Organization (WTO) as well as the Central American Common Market (CACM), which includes Costa Rica, El Salvador, Nicaragua, and Guatemala. Panama, although not a full member of the CACM, has participated in CACM activities.

Members of the Northern Triangle CA-3 (Honduras, Guatemala, and El Salvador) signed a free trade agreement (FTA) with Mexico that went into effect in June 2001. In addition, the CA-3 has had an exchange of a limited trade agreement proposal with the Andean Community. Honduras has also signed a limited trade agreement with Colombia. In December 2001, the CA-4 (Honduras, El Salvador, Guatemala and Nicaragua) initiated negotiations of a free trade agreement with Canada. Currently, four negotiation rounds have taken place. At the regional level, a free trade agreement went into effect with the Dominican Republic in December 2001. Regional FTA negotiations are also ongoing with Chile and the Republic of Panama.

Preliminary talks for strengthening commercial relationships through FTAs have also taken place with Taiwan, Mercosur and Caricom countries.

Honduras benefits from several preferential trade arrangements with the United States. Special export arrangements have been established through the Caribbean Basin Economic Recovery Act (CBERA). Honduras also benefits from the Generalized System of Preferences (GSP). Both CBERA and GSP provide unilateral and temporary duty-free trade preferences to designated countries, including Honduras, by the United States.

Honduras belongs to the Central American Uniform Tariff Schedule (NAUCA II) and the General Treaty for Central American Economic Integration, both of which govern imports into Honduras.

Ad valorem duties are applied to most products and, in some cases, selective consumption taxes.

In theory, there are no duties for products traded among CACM members, although exceptions exist. In 1995, the members of the CACM agreed to reduce and harmonize the common external tariff (CET) at zero to 15 percent for most products, but allowed each member to determine the timing of the reductions. In 2002, Honduras lifted tariffs on capital goods and raw materials for those imports produced outside of the CACM. Additionally, tariffs on most non-CACM intermediate goods were reduced to 10 percent and final goods were reduced to 15 percent.

Important domestic and import tax changes were recently made under the Financial Balance and Social Protection Act, Decree No. 194-2002 of June 5, 2002. Among the most significant amendments is the duty assessed on the importation of automotive vehicles under tariff headings included in Chapter 87 of the Central American Tariff System (SAC), which was reduced to 15 percent. The amendment also included an elimination of the tariff based on engine size.

Investment and Legal Environment

The past few years have seen a strengthening of laws dealing with intellectual property rights (IPR), including a 1999 law on copyrights, patents, and trademarks as well as a royalties law that came into force in January 2000. Nevertheless, the IPR Division and Attorney General's office cite procedural problems and a lack of resources as impediments to effective enforcement.

To be protected under Honduran law, patents and trademarks must be registered. Trademarks are valid up to 10 years from the registration date. Illegal registration of well-known trademarks must be contested in court in order for the original holder to exercise his rights. Illegitimate registration of well-known trademarks has been a problem.

The Honduran government is generally open to foreign investment and welcomes it. Restrictions and performance requirements are fairly limited. Since 1999, the Honduran government has taken steps, including additional legislative measures, to create a more favorable investment climate in key sectors. The Constitution of Honduras requires that all foreign investment complement, but not substitute for, national investment.

U.S. claimants frequently complain about the lack of transparency and the slow administration of justice in the courts. There are also complaints that the Honduran judicial system caters to favoritism and external pressure. While some U.S. firms have satisfactorily resolved their cases through the courts, the majority have difficulty navigating the legal system. The quality of Honduran attorneys is another issue negatively impacting U.S. citizens since the Honduran government frequently blames the poor quality of a U.S. citizen's (Honduran) legal representation for unfavorable court outcomes.

The Honduran government does not publish regulations before they enter into force and there is no formal mechanism for providing proposed regulations to the public for comment. Regulations must be published in the official "Gazette" in order to enter into force. Honduras lacks an indexed legal code and lawyers and judges must maintain and index the publication of laws on their own.

Foreign market participants who are represented locally and are members of connected private sector groups essentially have access to the same information as their Honduran counterparts. The lack of a formal notification process excludes most non-governmental groups, including foreign companies, from commenting on regulations.

Trade

Honduras is essentially an agricultural economy with a small manufacturing base. It is dependent on imports for most manufactured, processed, and consumer goods. Although Honduras has no local production of automotive parts & accessories, its automotive sector is very competitive. The United States is one of its major suppliers. Honduras also receives imports from Japan, Taiwan, Brazil, Mexico, Germany and the United Kingdom.

Japanese cars and light trucks dominate the market but parts are often purchased through the United States. American-made pickups, heavy trucks and buses have larger shares of the local market.

Forty five percent of Honduras' year 2000 vehicle imports were shipped from the U.S. while 39 percent came from Japan. Sixty percent of Honduras's parts imports in 2000 were from the United States. Ten percent came from Japan.

Road Infrastructure

The government plans to stimulate the participation of the private sector in the financing of new highways. Honduras has a 13,603 km official road network connecting the ports and airports with the secondary cities and rural areas of the country. The country has good surface connections with the rest of Central America, and the domestic road network has generally satisfied local and foreign companies' distribution and transportation needs. Of Honduras' total roads, 3,199 km is paved primary roads; 2,565 km is (sometimes paved) secondary roads and 7,839 km is (rarely paved) tertiary roads.

Honduras Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	1,406	1,759	587	762	777
United States	400	494	188	530	567
Netherlands	0	0	8	37	39
Spain	0	0	0	0	27
Germany	52	21	0	0	23
Haiti	0	0	0	0	23
Nicaragua	47	50	81	29	20
Chile	0	0	0	0	18
Venezuela	25	0	0	40	18
Belize	0	0	0	2	13
El Salvador	65	13	0	0	10

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	116,452	169,742	223,548	213,513	223,733
United States	57,171	90,863	104,752	95,915	101,580
Japan	35,354	47,856	77,286	78,409	86,276
Brazil	2,603	2,687	5,252	7,899	7,551
Mexico	10,854	17,346	15,666	10,683	6,331
Korea	1,460	2,536	6,819	6,379	4,190
Germany	1,384	1,468	2,024	3,676	3,460
Panama	901	551	1,478	1,977	2,704
Korea, North	1,327	2,363	0	1,333	2,563
Argentina	472	350	735	34	2,547
Spain	25	35	226	660	848

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Honduras Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	8,022	4,502	3,718	7,102	5,146
United States	5,790	2,472	3,173	6,368	4,726
Areas, N.E.S.	0	0	0	8	144
El Salvador	31	46	137	43	99
Guatemala	19	16	53	14	58
Costa Rica	0	0	45	21	53
Panama	135	42	2	104	27
Nicaragua	3	0	30	31	19
Mexico	0	0	3	26	10
France	16	0	0	0	4
Korea, North	0	3	0	0	4

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	69,390	94,222	110,542	105,011	123,896
United States	36,918	64,102	65,178	60,671	73,606
Japan	6,313	7,126	10,820	9,768	12,960
Panama	2,398	2,422	4,737	6,038	6,974
Costa Rica	3,272	4,207	4,643	3,280	4,072
Mexico	2,082	2,167	3,735	3,458	3,287
Taiwan	1,275	161	1,945	2,620	3,101
Guatemala	2,388	2,998	4,145	3,948	2,878
Brazil	2,110	954	1,937	1,902	2,517
El Salvador	980	1,503	1,550	1,752	1,761
China	1,330	765	1,800	1,586	1,667

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Nicaragua Automotive Fact Sheet
Trade Policy

Import Barriers

- Tariffs: passenger cars – 5-10%
  trucks and buses – 0-5%
  automotive parts – 5-10%

- A tariff based on engine size that had a discriminatory effect on large engine U.S. vehicles was ameliorated, though not eliminated, in 1999.

- Although the 1997 tax law eliminated many special tax exemptions, investors still express frustration at the arbitrary and centralized decision making in taxation and customs procedures.

- Tariffs and import taxes for most used goods are not assessed on a CIF/bill of lading basis, but rather on a "reference price" determined by Customs at the time of entry inspection. This reference price can be significantly higher than the actual amount paid by importers. Presentation of a bill of sale (or other evidence of purchase price) certified by a Nicaraguan consular official is often, but not always, accepted by Customs inspectors as proof of the value of used goods.

- A luxury tax is levied through the specific consumption tax (IEC) on 609 items. The tax generally is lower than 15 percent. The IEC for domestically produced goods is based on the manufacturer's price and for imported goods it is based on CIF. Cars with large engines (greater than 4000 cc) face an IEC tax of 25 percent. Vehicles with smaller engines are charged between zero and three percent IEC tax.

- The government has established a mandatory registration for importers (RNI). Importers claim that the RNI creates additional costs, since they must be cleared by several agencies that have nothing to do with many importer's commercial activities (i.e., the tax agency, Nicaraguan customs, the electricity distribution company, and the ENITEL telephone company).

- The Consumer Protection Law enacted in 1995, as well as its regulations promulgated in 1999, introduced product labeling standards and consumer rights to Nicaragua. While most U.S. products will likely meet Nicaraguan regulations by following U.S. guidelines, the following should be noted: the label must list product origin, contents, price, weight, production date, and expiration date.

- Although information is required to be in Spanish, historically Nicaragua has not enforced its language requirements.

Trade Policy

Nicaragua is a member of the WTO and a member of the Central American Common Market (CACM). The CACM member nations signed a free trade agreement with the Dominican Republic in 1998 and are currently negotiating an agreement with the Southern Cone nations of South America (MERCOSUR). Nicaragua has negotiated Free Trade Agreements with Mexico, the Dominican Republic, Chile and

Panama. As of mid 2002, only the FTA with Mexico has entered into force. Nicaragua is a Caribbean Basin Initiative beneficiary, but is not a beneficiary of the U.S. Generalized System of Preferences (GSP).

Investment and Legal Environment

The unpredictable legal system is a major non-tariff barrier facing the auto parts industry. The enforcement of contracts is uneven and cumbersome with the implementation of judicial rulings often uncertain. The rules of the game can be changed by sudden government proclamations or political considerations, significantly disrupting business planning.

Despite significant streamlining in recent years, Nicaragua's legal and regulatory framework remains cumbersome. The rules are not fully transparent, and much business is still conducted on a "who you know" basis. Lack of reliable dispute resolution mechanisms, whether judicial or administrative, complicates even relatively minor disputes with the authorities or local business contacts.

Protection of rights for both tangible and intangible (intellectual) property is inadequate, though improving, in Nicaragua. Although significant legislative advances have been made in intellectual property rights protections, enforcement has lagged. After signing a Bilateral Agreement on Intellectual Property Protection with the U.S. in early 1998, the National Assembly went on to pass a package of six modern intellectual property laws. The final law to pass was the Trademark Law, which came into effect in April 2001. Enforcement of Intellectual Property Rights remains weak, however. The government has initiated steps to fully enforce the laws. In February 1996, the National Assembly ratified the Paris Convention for the Protection of Industrial Property. In June 2000, the National Assembly passed a modern patent law, which provides protection for 20 years from the date of filing.

Customs procedures and valuations are often arbitrary although Nicaragua is implementing a WTO compliant customs valuation system. Nicaragua has received WTO approval to maintain reference prices on used cars and used tires for two more years.

Official standards are not in place for manufactured and processed products. Standards issued by the Central American Institute of Industrial Research and Technology are often used as a guide.

Trade

Nicaragua is essentially an agricultural economy with a small manufacturing base. It is dependent on imports for most manufactured, processed, and consumer goods. GDP per capita is estimated at $460, the second lowest in the hemisphere. In recent years the government has liberalized the foreign trade regime, sharply reduced tariffs, and eliminated most non-tariff trade barriers as well as foreign exchange controls. Nicaragua's industrial sector is small, so local competition for processed and manufactured products is non-existent for a range of products. The free trade zone regime has grown rapidly since 1997. Auto part manufacturers represent 2 percent of the free trade zone industries which are primarily composed of apparel manufacturers (73 percent).

Japanese products accounted for around 44 percent of Nicaragua’s vehicle imports while products coming from the United States accounted for 23 percent. Korea provided roughly 6 percent of 2000 vehicle imports. Forty-four percent of Nicaragua’s auto parts imports came from the United States, 8 percent were from Japan, and 10 percent arrived via Costa Rica. Many of Nicaragua’s imports arriving from Costa Rica are transshipments produced elsewhere.

Road Infrastructure

There are approximately 19,000 kilometers of roads in Nicaragua, with roughly 2,000 kilometers of them paved. Only 18 percent of the roads were scheduled for maintenance in 2001. The Pan American Highway runs north south through Nicaragua on the Pacific side and carries the majority of overland cargo. Most paved roads are located in the western part of the country. There is no all weather road located between the Pacific and the Atlantic coasts. The unpaved portion of the road between Managua and the northern Atlantic Coast town of Puerto Cabezas is accessible during the dry season (December April). After Hurricane Alma struck in May 2002, the road situation deteriorated drastically throughout the country.

Nicaragua Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	455	576	614	581	488
United States	186	206	314	238	80
Guatemala	0	42	35	38	78
Peru	34	0	22	25	63
Finland	0	23	0	9	58
Spain	27	7	10	51	31
Costa Rica	0	3	8	13	27
Germany	22	0	22	60	22
Switzerland	0	0	0	0	22
El Salvador	0	10	0	19	21
Brazil	0	0	2	0	19

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Road Motor Vehicles
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	74,574	112,102	158,513	142,735	141,171
Japan	43,156	49,842	77,759	72,993	61,418
United States	10,665	22,397	35,898	25,939	31,960
Korea	5,999	8,292	14,442	13,325	8,293
Korea, North	1,420	2,423	0	1,527	7,825
Chile	9	59	93	1,176	6,183
Mexico	5,133	4,308	11,293	10,429	6,112
Germany	1,137	1,754	3,252	3,374	3,780
Guatemala	1,406	1,144	2,745	2,465	3,487
Costa Rica	172	636	1,155	1,316	1,908
Honduras	52	562	873	2,386	1,260

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Nicaragua Automotive Fact Sheet
Key Trading Partners

Top 10 Markets for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	1,517	294	690	662	870
Costa Rica	9	28	82	35	518
United States	120	140	356	390	159
Panama	794	1	85	37	50
El Salvador	30	39	0	71	43
Colombia	0	0	2	0	41
Guatemala	25	0	3	98	26
Honduras	7	1	17	29	16
Canada	0	0	0	0	6
Denmark	0	0	0	0	3
Mexico	0	0	82	0	3

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.

Top 10 Suppliers for Automotive Parts
(in thousands of U.S. dollars, ranked by top partners in 2000)

	1996	1997	1998	1999	2000
WORLD	39,590	55,595	65,196	79,072	77,367
United States	14,719	28,662	29,496	34,060	34,188
Costa Rica	5,295	5,608	7,559	8,685	7,771
Japan	5,507	5,028	4,783	6,548	6,698
Panama	1,986	3,174	5,014	7,014	6,417
Guatemala	3,282	4,377	4,159	3,909	4,056
India	294	81	1,360	3,619	3,028
El Salvador	685	1,020	0	2,105	2,182
Germany	460	550	1,023	1,100	1,793
Korea	548	424	1,132	2,195	1,560
Mexico	949	1,786	2,029	2,552	1,523

Source: UN Data via USDOC/TPIS, using Office of Automotive Affairs' Selection of 6-Digit HTS Codes.