

## *Vehicles and Components*

### **1. Introduction**

Vehicles of all kinds, aircraft, vessels and component parts fall under chapters 86-89 of the EC Common Customs Tariff (CCT) code. Passenger vehicles meet tariff rates of 10%, and component parts are brought into the EC at lower rates of 4.9% - 6.9%.

### **2. Motor Vehicles**

#### **Type Approval**

There is a high incidence of technical trade barriers in the EC motor vehicle market. Harmonisation of vehicle standards has been in place since 1970 and Community type approval procedures have replaced existing type approval systems throughout the EC. Type approval means that a type of vehicle, system or component is approved and certified to meet defined technical requirements of performance and safety specified by the EC.

Details on the technical requirements of type approval for motor vehicles are found in OJ L225 of 10 August 1992, ref. 92/53/EEC.

#### **Fuel**

All vehicles registered after 1 October 1990 must be suitable for use with unleaded fuel. Together with this requirement, as of 1 January 1993, all petrol engine vehicles registered must be fitted with a catalytic converter to reduce pollutants of petrol engine vehicles. This is in line with the EC's policy on environmental protection.

### **3. Components**

Depending on the type of vehicle, component and replacement parts are subject to type approval. The following components will require type approval certification regardless of the vehicle in which they will be installed in:

- ◆ fuel tanks
- ◆ rear protective devices
- ◆ door latches and hinges
- ◆ brakes
- ◆ lighting installations
- ◆ reflex reflectors
- ◆ lamps (side, rear, stop, rear fog)
- ◆ safety glass
- ◆ tyres
- ◆ coupling.

Several directives have been issued by the EC to cover the technical requirements of vehicles and components. EC legislation is normally based on standards and regulations of the Transport Committee of the United Nation's Economic Commission for Europe in Geneva.

For more information contact the European Commission (DG III) detailed in Part III and the UN ECE Transport Committee as detailed in Section 5.

EC vehicle manufacturers now require higher quality and better performance from the parts which they buy. Among examples of tougher specifications in the last few years have been: an increase from 70,000 to 150,000 km in the lifespan of shock absorbers; from 10,000 to 30,000 km for spark plugs; and from 50,000 to 80,000 km for stainless steel exhausts.

The EC legislation requires testing of roadworthiness and emissions of commercial and passenger vehicles. With stricter requirements for roadworthiness, component parts from Commonwealth countries must improve to meet rising standards. On the other hand this legislation could also provide an opportunity for exporters through increased demand for replacement parts. It is estimated that vehicles over two years old are likely to require new exhaust systems, tyres and brake pads.

#### **4. Ships and Vessels**

Sea going ships and vessels are imported free of customs duties. Other boats and vessels command the lowest customs duties of this section with the maximum rate at 3.8% for certain categories of sailboats, motor boats and lifeboats.

There is no EC legislation directly related to ships, boats and vessels. Legislation in this area has dealt mainly with agreement on a common shipping policy to ensure a competitive regime for shipping in the EC. Discussions and proposals have been made to legislate standards for marine equipment.

For more information contact the European Commission (DG VII/Marine) as detailed in Part III.

## 5. Further Information and Contact Points

| TRADE ASSOCIATIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | TRADE FAIRS AND EXHIBITIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <p><b>1. European Association of Automobile Manufacturers</b><br/> 211 rue du Noyer<br/> Place Jamblin de Meux<br/> B-1040 Brussels<br/> Belgium<br/> Tel: +32 2 732 5550<br/> Fax: +32 2 732 6001</p> <p><b>2. European Cyclist Federation</b><br/> ECFC c/o Fietserbond enfb<br/> Postbus 2150<br/> NL-3440 DD Woerden<br/> Netherlands<br/> Tel: +31 3480 23119<br/> Fax: +31 3480 14058</p> <p><b>3. Liaison Committee of Construction Equipment and Automobile Parts</b><br/> 95 rue de Stassart<br/> B-1050 Brussels<br/> Belgium<br/> Tel: +32 2 511 2919<br/> Fax: +32 2 513 3802</p> | <p><b>1. International Bicycle and Motorcycle Exhibition</b><br/> Location: Cologne, Germany<br/> Contact: Koln Messe<br/> 1 Messe Platz<br/> PO Box 210760<br/> D-5000 Koln 21, Germany<br/> Tel: +49 221 8210<br/> Fax: +49 221 8212574<br/> Frequency: Every 2 years in October</p> <p><b>2. International Exhibition of Car Components and General Equipment</b><br/> Location: Parc des Expo de Paris<br/> Paris, France<br/> Contact: Commite des Expo de Paris<br/> 55 Quai Alphonse<br/> e Gallo<br/> BP 317, F-92107<br/> Boulogne, Cedex, France<br/> Tel: +33 4 90 96 088<br/> Fax: +33 4 90 96 107<br/> Frequency: Every 2 years in October<br/> Next fair - 1993</p> <p><b>3. International Motor Show</b><br/> Location: Exhibition Centre, Hanover<br/> Germany<br/> Contact: Deutsche Messe AG<br/> Messegelände<br/> D-3000 Hanover 82, Germany<br/> Tel: +49 511 890<br/> Fax: +49 511 8932626<br/> Frequency: Every year in May</p> |

- 1. European Commission**  
200 Rue de la Loi  
1049 Brussels, Belgium  
Tel: +32 2 299 1111
- 2. Transport Committee  
Economic Commission for Europe (ECE)**  
United Nations  
Palais des Nations  
1211 Geneva 10, Switzerland  
Tel: +41 227 310211  
+41 227 349825  
Fax: +41 227 346011

***Brake Pads*****Product Coverage**

| CCT NUMBER | PRODUCT DESCRIPTION                    |
|------------|----------------------------------------|
| 87083191   | Parts for disc brakes                  |
| 87083199   | Parts for other types of brake systems |

**Custom Duties**

| CCT NUMBER | FULL | ACP | GSP | LDDC |
|------------|------|-----|-----|------|
| 87083191   | 6.9  | 0%  | 0%  | 0%   |
| 87083199   | 6.9  | 0%  | 0%  | 0%   |

**Product Standards**

The Transport Committee of the United Nations in Geneva has approved legislative proposals covering replacement brake pads for sale in France, Italy, the United Kingdom and Germany. The requirements of the proposal are expected to eventually be accepted throughout the whole EC. Under these regulations brake pads will have to satisfy the following:

- ◆ meet the friction characteristics laid down by vehicle manufacturers
- ◆ conform to mechanical tolerances relating to the precise use to which they are to be put
- ◆ carry a number indicating approval of the product
- ◆ carry date of manufacture
- ◆ indicate name of manufacturer
- ◆ packaged in hermetically sealed, tamper-proof packs.

Other trends have been the diminishing use of asbestos as a component of friction material. Furthermore, asbestos has been replaced by mixes of synthetic, mineral, organic and metallic fibres. Asbestos free materials are reputed to last longer. According to industry, with normal driving brake pads should be changed every 30,000 km.

**Marketing and Distribution**

Traditional distributors of car components - the franchised network of vehicle manufacturers, independent garages and wholesalers - are faced with new actors in the market. New entrants include: specialised retailers, fast-fit operators (quick replacement centres for commonly required parts and maintenance items as well as normal vehicle servicing), franchised outlets of leading parts producers. For quick selling replacement parts hypermarkets and supermarkets in Germany and France have also become keen competitors.

## Documentation

Aside from normal shipping and import documents, certificate of origin - Form A for GSP and LDDC countries, EUR 1 for ACP countries - must accompany consignments to benefit from reduced tariff or tariff free entry into the EC.

Brake pads must be submitted for type approval and manufacturer given a type approval certificate.

Application for approval can be obtained from designated agencies in the EC such as:

**UNITED KINGDOM:** Vehicle Certification Agency  
1 Eastgate Office Centre  
Bristol. BS5 6XX  
United Kingdom  
Tel: +44 272 515131  
Fax: +44 272 523103

**GERMANY:** Motor Vehicle Office  
Kraftfahrt-Bundesamt (KBA)  
Postfach 2063  
Fordestrasse 16  
2390 Flensburg-Murwik  
Germany

**FRANCE:** Ministere de l'Equipement du  
Logement de l'Amenagement du  
Territoire et des Trasports  
L'Arch de la Defence  
92055 Paris  
Cedex 04, France

Type approval is indicated by a type approval number marked on the product or packaging and requires no further documentation to enter the EC.

## Other Information

**Trade Associations:** Liaison Committee of Construction Equipment and Automobile Parts  
95 rue de Stassart  
B-1050 Brussels  
Belgium  
Tel: +32 2 511 2919  
Fax: +32 2 511 3802

**Trade Fairs:** International Motor Show  
Location: Exhibition Centre  
Hanover, Germany  
Contact: Deutsche, Messe AG  
Messegelände  
D-3000, Hanover 82  
Germany  
Tel: +49 511 890  
Fax: +49 511 8932626  
Frequency: Every year in May

*Bicycles***Product Coverage**

| <b>CCT NUMBER</b> | <b>PRODUCT DESCRIPTION</b>                      |
|-------------------|-------------------------------------------------|
| 87120010          | Bicycles and other cycles without ball bearings |
| 87120090          | All other bicycles and other cycles             |

**Custom Duties**

| <b>CCT NUMBER</b> | <b>FULL</b> | <b>ACP</b> | <b>GSP</b> | <b>LDDC</b> |
|-------------------|-------------|------------|------------|-------------|
| 87120010          | 17%         | 0%         | 0%         | 0%          |
| 87120090          | 17%         | 0%         | 0%         | 0%          |

**Product Standards**

Product standards for bicycles depend on their use. The market varies from the relatively inexpensive to moderately expensive - from small cycles for children to folding bicycles, multi-geared mountain bicycles and racing models. Many of the technical developments in bicycle design and manufacture result from the drive to build ever faster racing bicycles. Improvements in design and components of bicycles show trends for lighter, more comfortable, safer and easier to ride models.

Bicycle frames have traditionally been made of seamed steel tubes but there is now a preference for cold drawn seamless steel tubes. Bicycle weight normally ranges from 10 kg to not more than 14 kg. More recently carbon fibre which is both lighter and stronger, is becoming widely used although it is relatively more expensive.

Although there are no EC wide standards, individual countries have their own legislation. Product and safety standards when applicable will have to be met. For example in the United Kingdom all bicycles must meet standards set by BS 6102. The new EC law on product liability, which makes importers liable for faulty performance and damage to consumers, has meant quality has become of greater importance.

There are a number of developments to increase safety for the ordinary bicyclist. Reflective tyres, which allow bicycles to be seen at night and also ensure it is recognised as a bicycle have become popular and in fact are compulsory for new bicycles in the Netherlands.

**Marketing and Distribution**

Import and export of parts and components are higher than that of complete bicycles. A majority of the complete bicycles entering international trade are sold in the form of completely knocked-down (CKD) or semi-knocked down (SKD) items. Freight costs are lower for the knocked-down form. At the most expensive end of the market, the frame is built to suit the customer and the components are usually imported. Other manufacturers import the frames and components and put their own label on the finished bicycle. This trend indicates that manufacturing is moving abroad with final assembly done in the importing country.

Marketing and distribution also depend on the end use. They will vary depending on whether the bicycle is a mode of transport, a toy, equipment for competitive sport, equipment for leisure and holidays or for health and fitness. Usage varies in different EC countries depending on climate and custom. Bicycles in general can find a good market in the EC, is growing consciousness of their environmental and health advantage. Bicycles have the advantage of no fossil fuel consumption, no pollution, as well as easing traffic congestion and improving health and fitness.

The price of a bicycle depends upon a number of factors - not only quality of construction and finish but also frame size and inclusion of extras (e.g. pump, bell, carrier, tool bag) and source of purchase. Prices are very variable within particular market sectors. Margins are also highly variable. Retail margins net of VAT are around 20-25%.

Bicycle components have a substantial market particularly for individual enthusiasts wishing to modify their bicycle. Retail margins on accessories are on average twice as high as on bicycles.

## Documentation

Aside from normal shipping and import documents, certificate of origin - Form A for GSP and LDDC countries, EUR 1 for ACP countries - must accompany consignments to benefit from reduced tariff or tariff free entry into the EC.

## Other information

Trade Fair: IFMA  
International Bicycle and Motorcycle Exhibition  
Location: Cologne Messe  
Cologne, Germany  
Contact: Messe-und Ausstellungen  
Ges mbH Koln, Messeplatz 1  
Postfach 210760  
5000 Koln 21  
Tel: +49 221 8210  
Fax: +49 221 8212574  
Frequency: Every two years in October

Trade Associations: European Cyclist Federation  
ECFC c/o Fietserbond enfb  
Postbus 2150  
NL-3440 DD Woerden  
Netherlands  
Tel: +31 3480 23119  
Fax: +31 3480 14058

## *ACP Commonwealth Countries*

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### *Entry Conditions:*

Tariff free and quota free entry into the EC.

### *Rules of Origin:*

For vehicles to qualify for tariff free entry the value of all materials (parts, components, etc.) used not originating from an ACP or EC country must not exceed 40% of the price paid to the manufacturer of the end product.

Special rules apply to the following:

- ◆ work trucks
- ◆ motorcycles
- ◆ tanks, fighting vehicles
- ◆ bicycles without ball bearings
- ◆ trailers and semi-trailers
- ◆ baby carriages
- ◆ ships and boats.

### *Documentation:*

Certificate of Origin (EUR 1) must accompany products if the exporter is to benefit from tariff free entry into the EC. These forms can be obtained from the exporting country's national Customs and Excise office or Ministry of Trade.

## *GSP Commonwealth Countries*

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### *Entry Conditions:*

Entry into the EC is free of customs duties. However, entry is restricted by a ceiling for a number of products including:

- ◆ tractors
- ◆ motorcycles for transport of 10 or more persons
- ◆ motor vehicles of cylinder capacity not exceeding 300 cm<sup>3</sup>
- ◆ motor vehicles for the transport of goods

For these products, imports beyond the ceiling may be subject to the normal rate of duty.

### *Rules of Origin:*

For vehicles to qualify for tariff free entry the value of all materials (parts, components, etc.) used not originating from a GSP country must not exceed 40% of the price paid to the manufacturer of the end product.

Special rules apply to the following:

- ◆ work trucks
- ◆ motorcycles
- ◆ tanks, fighting vehicles
- ◆ bicycles without ball bearings
- ◆ trailers and semi-trailers
- ◆ baby carriages
- ◆ ships and boats.

### *Documentation:*

Certificate of Origin (Form A) must accompany products if the exporter is to benefit from tariff free entry into the EC. These forms can be obtained from the exporting country's national Customs and Excise office or Ministry of Trade.

## *LDDC Commonwealth Countries*

## *LDDC Commonwealth Countries*

### *Entry Conditions:*

Tariff free and quota free entry into the EC.

### *Rules of Origin:*

For vehicles to qualify for tariff free entry the value of all materials (parts, components, etc.) used not originating from an LDDC country must not exceed 40% of the price paid to the manufacturer of the end product.

Special rules apply to the following:

- ◆ work trucks
- ◆ motorcycles
- ◆ tanks, fighting vehicles
- ◆ bicycles without ball bearings
- ◆ trailers and semi-trailers
- ◆ baby carriages
- ◆ ships and boats.

### *Documentation:*

Certificate of Origin (Form A) must accompany products if the exporter is to benefit from tariff free entry into the EC. These forms can be obtained from the exporting country's national Customs and Excise office or Ministry of Trade.