The market for

AUTOMOTIVE COMPONENTS

IN THE CZECH REPUBLIC

ITC

INTERNATIONAL TRADE CENTRE UNCTAD/WTO

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ABBREVIATIONS

EU	European Union
HS	Harmonized System
L/C	Letter of Credit
OE	Original Equipment
OEM	Original Equipment Manufacturer
OICA	International Organization of Car Producers
UK	United Kingdom
USA	United States of America
VW	Volkswagen

EXECUTIVE SUMMARY

The Czech Republic is a small country, with 10.3 million people and just over 4 million registered vehicles. As such, it is a relatively small market for both vehicles and replacement parts and components. It has however, a long established and rapidly expanding vehicle manufacturing industry which requires an ever increasing volume of "Original Equipment" i.e. parts and components used in the assembly of vehicles. As a result, its total demand for imported automotive components exceeds by far the limited domestic supply.

After Volkswagen bought a 70% share in SKODA-AUTO in 1992 and started managing the company, VW-SKODA became the dominant force in the Czech vehicle manufacturing industry in terms of vehicle production, domestic sales and exports. It has also had a decisive influence on the size, composition and development of the automotive supply sector. Under its influence, the automotive component sector has grown and diversified through new domestic and foreign investment. To-date, 52 joint ventures and 38 green-field plants have been established, thereby integrating the Czech based component producers into the global supply chain.

In 1999, vehicle production reached 455,000 units of which some 70% were exported mostly to EU countries as well as neighboring countries such as Poland, Hungary, Slovakia and Slovenia. Domestic production of parts and components was valued at US$ 2billion in 1999 of which, US$ 1.09 billion were exported, mainly to neighboring countries. Imports reached a value of US$ 1.85 billion of which 90% came from EU countries and another 5% from Poland. The total market for automotive components reached a value of US$ 2.76 billion in 1999. VW-SKODA and other Czech based vehicle assemblers absorb about US$ 2.1 billion of this total. This leaves some US$ 700 million for the replacement market. Since some 60% of vehicles registered in the Czech Republic are over 10 years old, the market for genuine replacement parts is small and estimated to be valued at some US$ 180 million, leaving components valued at US$ 520 million for non-genuine replacement parts and components.

The Czech market is open to any supplier including those from developing countries. It is also a highly competitive market where new entrants must be able to match the high standards of existing suppliers in terms of product quality, reliable delivery and competitive prices. EU based suppliers and selected neighboring countries Poland, Hungary and Switzerland, do have the advantage of a 0% rate of customs duty, compared with 3.0% to 6.3% for components imported from outside the region. Their main advantage derives however, far more from their proximity to the market, which facilitates deliveries and after sales service, than from a competitive import duty.

The most technically advanced automotive component producers in developing countries, many of whom are already supplying vehicle assemblers in Europe and the USA, have opportunities to sell original equipment to Czech based assembly plants. As this is the dominant sector of the total market and the volumes required are large, it is worthwhile to devote time and effort in getting components approved by Czech based vehicle assemblers. Such approval will not only permit sales to the vehicle manufacturers but also to their official franchise holders who stock and sell original replacement parts. Many among the hundreds of automotive component producers in developing countries who supply non-original replacement parts could also successfully enter this market. Initial correspondence with local contacts should be in Czech, German or English and followed up by a visit to the market and the subsequent appointment of an agent, dealer or distributor. Without a local presence business is unlikely to develop satisfactorily.

Developing country component suppliers face strong competition from European based companies, Particularly in Germany, Italy, France, the UK and the Netherlands. Despite this, ample opportunities exist to sell products from developing countries in this rapidly expanding and changing market. Suppliers of original equipment attempting to sell to the vehicle assemblers and especially those who supply non-original parts for the replacement market, have a realistic chance of success.

A. PRODUCT DESCRIPTION

This Market Brief covers automotive components, with special emphasis on those which are classified under the following codes:

HS	
8708	**Parts and accessories of motor vehicles of headings No. 8701 to 8705**
8708 / 29	**Parts and accessories of motor vehicle bodies n.e.s.**
8708 / 99	**Motor vehicle parts n.e.s.**

Automotive components, parts and accessories are one of the most diverse product groups, consisting of thousands of different items made of metal, plastic, glass, wood, rubber, etc. These products are often open to misinterpretation by customs authorities and are consequently frequently classified under the wrong codes. As a result, the official trade statistics for this product group suffer from inconsistencies in many countries and should therefore be used with caution. In the case of the Czech Republic, such miscoding is also apparent in that for example where fan belts are classified as rubber products.

Apart from the products covered by the above listed HS codes, this report also covers many other essential components which account for the bulk of fast moving replacement parts: e.g. windscreen wipers, blades and motors - fuel, oil, water and hydraulic pumps - air fuel and oil filters - gaskets, pistons, piston rings, valves, valve raisers - front and rear bumpers - fans, fan belts, radiators and hoses - brake shoes, drums and linings - front and rear light assembles - bulbs, fuses and switches - exhaust systems - wheels, tyres and trim - wing mirrors – locks - body, wing, door, boot and hood panels - batteries, leads, clamps, and fixtures - and many others. All these parts and components are required on a daily basis for the repair and maintenance of the existing vehicle fleet.

B. STATISTICAL DATA

The size and structure of the replacement market for automotive components, parts and accessories can be determined by the number of vehicles in use and their average age distribution. In countries which have an established vehicle assembly industry, such as the Czech Republic, there exists an additional market to supply parts and components to this industry. The size of this market sector is linked to and governed by, the numbers and types of vehicles that are being produced. Vehicle production in the Czech Republic for the period 1996 to 2000 is shown below:

Table 1 - Vehicle Production (Units)

	1996	1997	1998	1999	2000
Passenger Cars	240,044	320,594	368,328	348,498	428,223
Light Vans	23,201	37,608	35,764	23,057	22,773
Trucks	8,398	8,500	5,414	3,004	3,076
Buses	1,174	975	1,244	1,269	1,409
TOTAL OUTPUT	**262,817**	**367,677**	**410,750**	**375,819**	**455,505**

Source: **Vereinigte Motor-Verlage, Stuttgart, Germany**

The market for automobile parts, components and accessories can be summarized as follows:

Table 2 - Automotive Components (US$ million)

US$ million	1996	1997	1998	1999
Domestic production	1,300	1,650	1,970	2,000
Imports	790	1,500	1,800	1,850
Exports	570	681	780	1,090
TOTAL MARKET	**1,520**	**2,469**	**2,600**	**2,760**

Source: **Czech Automotive Industry Association (AIA)**

- Production Data

Vehicles, mainly passenger cars, have been produced in the Czech Republic since the beginning of the 20th century. The year 1989 saw the start of a drastic decline in output of vehicles and components. With the privatization of the sector in July 1991, a rapid recovery began in the industry. After 1992 the automotive sector started to develop dynamically, when Volkswagen bought a 70% share in the Czech firm Skoda Auto and took over the management of the company. VW-SKODA now dominates the market in vehicle production, domestic sales and exports. It also has a decisive influence on the size, composition and development of the automotive component supply chain, as it pushes suppliers to improve the quality of their products and the services they offer.

The production of automotive components in the Czech Republic has grown very significantly in the past few years, from US$ 1.3 billion in 1996 to US$ 2.0 billion in 1999. With population of 10.3 million and a total vehicle fleet of just over 4 million, this level of production and imports of automobile parts is well above average. This is because the bulk of these products is absorbed by Czech-based vehicles assemblers such as VW-SKODA, Daewoo Avia a.s., Tatra a.s. or Zetor a.s.

The Czech Republic has been very successful in attracting many of the world's leading automotive component manufacturers. This is due to a number of factors such as low wage levels; a well-educated and flexible workforce which quickly accepts new working practices; highly-trained and well-qualified researchers and designers; a new generation of competent local managers; successful implementation of 24-hour production; the possibility to supply VW-SKODA and the proximity to other important vehicle manufacturers in Germany, Poland and Hungary.

- Leading Czech owned Companies producing Automotive Components in the Czech Republic

ATESO Brakes, shock absorbers, heaters
AUTOMETAL Exhausts
BRISK TABOR Spark plugs and glow plugs
CZ STRAKONICE Transmissions for passenger cars, turbo inter-coolers, gear chains, exhaust manifolds
JH OSTROJ VELESIN Hydraulic power circuits for power steering and tipping
KYDNIUM Precision castings
MAGNETON Electronics
MOEX Hoses
MORAVAN Restraint devices, interior fittings
MOTORPAL Fuel injection systems for diesel engines and accessories
PAL MAGNETON Ignition systems
PRAGA Gearboxes
ZKL Bearings

- Imports

Between 1996 and 1999, the value of imported automobile components, grew from US$790 million to US$1.85 billion. This substantial growth was largely driven by the influx of foreign investment and the success of the VW-Skoda Group in introducing new models and raising vehicle production levels. This created additional demand for original equipment components, which could only be met in the short-term by increased imports. The success of VW-SKODA and other Czech based vehicle assemblers in exporting ever increasing numbers of their cars and trucks has created demand for parts and components that is well in excess of the Czech Republic's domestic supply. In the year 2000, VW –SKODA produced nearly 430,000 passenger cars of which, some 300,000 were exported and there are still waiting lists in the UK, Denmark, Ireland and Norway for the delivery of the Octavia and Felicia range of passenger cars.

- Exports

The exports of Czech automotive components grew from US$570 million in 1996 to nearly US$1.1 billion in 1999. As the Czech automotive component industry is already highly integrated with its Western partners, many independent Czech component suppliers are now exporting components into European supply chains. Some of the most successful companies include:

GUMOTEX: Rubber parts for Mercedes and Audi, seat upholstery, head rests, sun visors, plastic parts for Skoda.
KARSIT: Seat parts for VW and Audi.
MITAS Special rubber forms for auto manufacturers in Germany, Italy, Britain and the USA.
TESLA VRCHLABI LCD dashboard panels for Mercedes, BMW, Opel, Philips, Blaupunkt and Lucas.

Other Czech-owned and locally managed firms supply Skoda or act as sub-suppliers exporting components to first-tier component firms or manufacturers overseas. A key factor in their success is the capability to research, design and tool their own components.

- Apparent Consumption

From 1996, the total market for automotive components grew by 83.6% in value, reaching a total of US$ 2.76 billion in 1999. VW-SKODA and the other Czech based vehicle manufacturers absorb nearly US$ 2.1 billion of this total in their assembly operations. This indicates a value of some US$ 700 million for automotive components, parts and accessories sold in the replacement market. Of this total, around US$ 180 million is accounted for by the supply of genuine replacement parts and components, while the remaining US$520 million represents the size of the non-genuine replacement parts share of the Czech market.

The market for non-genuine replacement parts would in fact be considerably larger then the above figure indicates. This is due to the still widespread, albeits lowly diminishing utilization of used parts and components for the repair and maintenance of older vehicles. Thousands of damaged vehicles have been imported in recent years, with the sole purpose of stripping out serviceable parts and components for resale in the replacement market. Through legislation and administrative orders the government has tried to discourage this practice but has so far not been able to eradicate it completely. Domestic producers and importers claim that this practice has a significant negative impact on their sales, with a shortfall of at least US$250 millon per annum.

- Main Origin of Imports

Vehicle parts imports are dominated by European supplers, who account for some 95% of the total Of these, German and Italan producers have a particularly strong position in this market, as illustrated below:

Table 3 - Estimated 1999 Imports –Market Share

Country	**Market Share**	**Country**	**Market Share**
Germany	22%	Belgium	8%
Italy	20%	Spain	5%
France	10%	Austria	5%
U.K.	10%	Poland	5%
Netherlands	10%	Others	5%

Source: **Czech Automotive Industry Association**

C. MARKET CHARACTERISTICS

The Czech market for automotive parts and components is quite unique in the region. While it is a relatively small market for vehicles, with lmited domestic demand for components it has developed a large production, import and export of these products. This is because of its long establshed vehicle manufacturing and assembly industry which now produces and exports many more vehicles than the local market requires. The market is also dominated by VW-SKODA which, accounts for over 90% of the total output of vehicles and thus has a decisive influence on the size and composition of the Czech-based component sector.

Being the largest buyer of original equipment components, VW-SKODA's buying preferences have a direct impact on its supplers' investment decisions. As a result, the vehicle component sector is now dominated by Czech companies that have joint ventures or lcensing agreements with foreign component producers, or foreign owned subsidiaries located in the Czech Repub lc. Production of non-genuine replacement parts is thus being gradually squeezed. This leaves the bulk of this market to the importers and their foreign supplers.

D. MARKET ACCESS

- Import Climate

The market for automobile components has grown at an average annual rate of 27.5% over the 1996 to 1999 period. It is a free market, open to any potential supplier including those from developing countries, as long as products can compete in terms of high quality, reliable and prompt delivery and price.

- Customs Duty

Import duties on automotive components have been generally low, ranging from 3.2% to 7.3% in 1998, and were lowered again on January 1, 1999 down to 3.0% / 6.3%. Automotive components produced in the EU can be imported into the Czech Republic with 0% duty. Some USA and Japanese auto-parts producers use this advantage and import components into the Czech Republic from their European production facilities to qualify for the 0% rate of customs duty. Additional information on customs duties can be obtained from the Trade Attaches Office at the Embassies of the Czech Republic or directly at the Ministry of Industry and Trade in Prague.

- Import Restrictions

Most imported automotive parts do not need any approval before being sold in the Czech Republic, although some parts must meet EU standards and obtain approval from the Ministry of Transportation and Communications. These parts include active and passive safety equipment, such as safety belts, lighting equipment, mirrors, brake systems, and exhaust systems. Approvals can be only issued to a Czech entity - either a subsidiary of a foreign firm or a Czech business partner.

Applications should be addressed to:

Ministry of Transportation and Communications
Road Traffic Section (Odbor silnicni dopravy)
Technical Section (Oddeleni techniky)
Tel: 00420-2-2303-1203
Fax: 00420-2-2303-1259

If the Ministry decides that homologation is needed, tests are carried out by:

Research Institute for Motor Vehicles (Ustav pro vyzkum motorovych vozidel)
Tel 00420-2-684-2643

E. PRICES

The price level for automotive components in the Czech Republic is generally in line with those prevailing in Western Europe. This reflects the high degree of integration that has been achieved, between the vehicle producers / assemblers based in the Czech Republic, their local component suppliers and the "Global Automotive Industry".

As is the case in all markets, due to the high volumes involved, original equipment parts and components sold to vehicle producers / assemblers (OEMs) obtain the lowest prices. On the other hand, original replacement parts approved by the OEMs obtain the highest unit price. Because the mark-up to the final customer is often very substantial on these products, official franchise holders and distributors can afford to pay a higher price to the supplier. Prices in the non-original parts and component market sector are highly competitive. These parts and components, although not approved by the OEMs, but sold at substantially lower price then original parts, are extremely popular with the final customers.

F. DISTRIBUTION CHANNELS

- Original Equipment

Czech vehicle manufacturers and assemblers source "original equipment parts and components" directly from local and foreign manufacturers. These are then supplied directly to the motor vehicle manufacturers and assemblers who incorporate these parts into their vehicles. These local vehicle producers, their foreign principals and local franchise holders have a considerable and often decisive influence over product specifications, quality standards and the sourcing of OE parts and components. Assembly plants do not normally keep large stocks of OE components, but place planned orders based on their actual needs with approved suppliers on a "just in time" delivery basis.

- Genuine Replacement Parts

Local franchise holders are the major stockists of genuine parts for vehicle maintenance and repair, for the make of vehicle that they represent. Many components manufactured by foreign OE producers find their way into the replacement market through independent importers. Local agents and dealers are the key participants in the distribution network, acting for local OE component producers, franchise holders and independent importers

- Non-Genuine Replacement Parts

There are many independent importers, wholesalers, dealers and agents as well as some local producers, involved in the distribution of Non-Genuine Replacement Parts, components and accessories. At the present time, these products account for the bulk of replacement parts sold in the Czech Republic. In view of the fact that over 50% of the total number of vehicles in the country are more than 10 years old the market for "non-genuine replacement parts" will continue to be substantial at least over the next five years. This is because the owners of older vehicles prefer these to the far higher priced "genuine components" that are approved by the vehicle manufacturers.

- Workshops

Local garages and repair workshops as well as do-it-yourself customers are the main users of Non-Genuine Replacement Parts. In time however, as the vehicle fleet is renewed, demand for non-genuine parts is likely to decline.

- Accessories

Vehicle accessories are largely imported. Manufacturers of the more popular items tend to appoint their local agents to distribute their products to garages, dealers and do- it-yourself outlets.

G. COMMERCIAL PRACTISES

Import financing procedures follow Western business practices. All payments are made through a qualified foreign exchange bank, whose guarantees are reliable. The safest method of receiving payment for exports is through a confirmed irrevocable letter of credit (L/C). Typically L/Cs are opened for a period to cover production and shipping and are normally paid within seven working days after receipt of the goods.

H. PACKAGING AND LABELING

- *Packaging*

Beyond compliance with EU and Czech health and safety regulations, there are no special legal requirements on packaging. Packages should however, indicate the name of the manufacturer, the country of origin and its contents. Individual customers will however, specify the materials and manner in which they require the components to be packed.

In general terms, packing should be sufficiently robust to adequately protect the components from damage during transport, in packages which are compatible with mechanical handling, storage and retrieval. Small parts and components are normally packed in plastic bags, put into cardboard boxes and placed in a master carton. Master cartons and all heavy components are transported on pallets to facilitate handling.

- *Labeling*

It is advisable to print all labels and especially specifications and fitting instructions in Czech. If this proves difficult or impossible, first German and/or English should be used. As a result of the introduction of computerized stock control, most customers now require labels to be *bar-coded*.

I. SALES PROMOTION

Although dominated by European suppliers at the present time, this rapidly expanding market offers ample opportunities for many potential suppliers from developing countries. To take full advantage of these, such potential suppliers must make serious efforts to promote their products in this market and to support their importers, distributors or agents effectively. One of the best and most effective ways to achieve this is to participate in local Trade Fairs and Exhibitions.

This is not a cheap option even in the Czech Republic where costs are not as high as in Western Europe. It should therefore, be only undertaken after thorough preparation. If well prepared, trade fairs can enhance the suppliers' product image and increase his market share.

J. Trade Fairs

The best Czech fairs for automobile components are listed below:

Autotec - International Motor Show

One of the most important and prestigious international fairs in the Automotive Industry. It is listed by O.I.C.A, the International Organization of Car Producers as one of the top vehicle industry exhibitions. In odd years it is an international passenger car show, and in even years it is an international truck show. Parts, components and accessories feature prominently at both shows.

International Engineering Fair

The most important specialized exhibition of engineering in Central and Eastern Europe. It does not focus on automotive industry products, but they are also prominently exhibited there. In 1998, 2,841 companies from 36 countries exhibited at this fair.

Both of these exhibitions are held in Brno and are organized by:

Brno Trade Fairs and Exhibitions (BVV)
Vystaviste 1
647 00 Brno
Tel: 00420-5-4115-2994, 4115-3040, 4115-2934, 4115-3014
Fax: 00420-5-41153042
E-mail info@bvv.cz
http://www.bvv.cz

International Fair of Components, Accessories, Service Technology and Equipment for the Automobile Industry (ASA)

Held in Prague and organized by:
Incheba Praha a.s.
Opletalova 23
110 00 Praha 1
Tel: 00420-2-2421-2673, 2289-4258
Fax: 00420-2-2421-0798

Not yet a permanent event, but aiming to become the key event for this industrial sector. There is no Web site at present.

K. MARKET PROSPECTS

As a free and open market, the Czech Republic offers attractive opportunities to all suppliers of automotive parts and components. According to the Czech Automotive Industry Association (AIA), this market is likely to continue to grow at an average annual rate of 6% over the next five years. Although currently dominated by domestic and European suppliers, any competitive supplier irrespective of the country of origin has an opportunity to sell his products. This includes potential suppliers from developing countries.

The technologically most advanced companies manufacturing automotive components in countries such as ;Argentina, Brazil, Chile, China, Columbia, India, Malaysia, Mexico, Morocco, South Africa and Turkey already export their products to customers in Western Europe and the USA. Some of these companies even sell original equipment components to vehicle manufacturers and assemblers in developed countries. It is therefore very likely that their products would have no difficulty to succeed in the Czech market. To sell directly to OEMs such as VW-SKODA or Ford can be a daunting task and takes time and effort. It is worthwhile however since the volumes required are large. This also opens the market to the sale of genuine replacement parts to official franchise holders in the country.

The opportunities to sell automotive components in the Czech Republic are not confined to the 50 or 60 most advanced companies in developing countries. There are at least 300 to 400 other automotive parts and component producers who could supply some of their products as non-genuine replacement parts. Valued in 1999 at US$520 million it may not be the largest market in the region but is one of the fastest growing. Thus, it is a worthwhile target for all potential automotive component exporters from developing countries. Currently, Czech importers and distributors are seeking additional and/or alternative suppliers for the items listed below. These would have the best sales prospects at the present time. They include:

HS 842123 Filters
HS 851210 Lighting equipment
HS 851290 Car bulbs
HS 870710 Metal parts for body repairs
HS 870810 Bumpers

L. IMPORTERS ADDRESSES

Autobelox, S.R.O.
Na Stare 37
159 00 Praha 5
Tel: 00420-2-9000-1709
Fax: 00420-2-9000-1708

The company currently imports a wide range of automotive parts and accessories from many foreign suppliers, but mainly from France, Spain and Belgium. It knows the Czech market very well and is willing to meet any potential suppliers and provide information. It is actively interested in receiving offers for high quality filters and bumpers.

Autocora OS, S. R. O.
U Vozovny 2B
100 00 Praha 10
Tel: 00420-2-705-003
Fax: 00420-2-705-046

This is an importer and wholesaler of car body repair parts and materials. They currently import metal and plastic car body parts, lighting, radiators, as well as body fillers and sealants from West European suppliers such as: VALEO, HELLA, BOSCH, EMBO, APG, STAMP, RZA, KLOCKERHOLM, KAROSSERIDELE, etc. The company is however willing to consider interesting price-competitive offers from potential suppliers in developing countries.

Auto-Prima, S. R. O.
Seifertova 31
130 00 Praha 3
Tel: 00420-2-6284-554
Fax: 00420-2-6284-553

The company imports brake parts and air, fuel and hydraulic filters from European and U.S. suppliers, e.g. FRAM, KONI, A. B. S, AUTOLITE, BENDIX, TRICO, GREENSEAL, PETROMARK, etc.. They are interested in similar products from other suppliers as long as these comply with Czech technical norms and the supplier can guarantee reliable deliveries.

Auto Stangl
Strakonicka 120
159 00 Praha 5
Tel: 00420-2-581-0854
Fax: 00420-2-5732-0593

This company is one of the most important distributors of Automotive Components in the Czech Republic. It imports shock absorbers, spark plugs, filters, cables, valve lifts, steering parts an chassis, piston sets, chains, valves, brake parts, axles, etc., from its current suppliers e.g. MONROE, CHAMPION, EALKER, LUK, TRW, FEDERAL MOGUL, MAHLE, GOETZE, IWIS, LOCKHEED, NISSENS, GATES, ROULUNDS, DINEX and others. It acts as an importer, wholesale distributor and retailer of auto-parts, through its 180 authorized service points and 13 regional business partners. The company also acts as a distributor of Renault and Volvo cars. As the company plans to widen its product range, it is interested in offers of high quality vehicle parts and components from any new supplier.

Bezo, S.R.O.
Hoblikova 15
613 00 Brno
Tel / Fax. 00420-5-575369

This company imports a large assortment of spare parts for European cars such as, ball joints, wheel kits and bearings from IRB TORRONGTON, drive shafts from GENERAL RICAMBI, boots from GOMET, filters from TECNECO, etc.. It is interested in genuine offers from competitive quality suppliers.

IHR AUTODILY, S.R.O.
Antala Staska 30
146 20 Praha 4
Tel: 00420-2-692-0281
Fax: 00420-2-692-2833

This company imports a complete assortment of parts including ;fuses, switches, spark plugs, filters, shock absorbers, brake pads, etc. for cars imported into the Czech Republic from Western Europe. Its current suppliers are well-known European and U.S. parts manufacturers. Interested in receiving offers from other producers as long as such offers are competitive in quality and price.

IMKOMPLEX, S.R.O.
Nad Kajetankou 7
160 00 Praha 6
Tel / Fax. 00420-2-6771-1772

This company imports body parts for European cars. It is interested in expanding its product range to cover the requirements to repair cars damaged in accidents particularly ;head lights, radiators, steering pivots and mufflers. Any potential supplier of competitively priced parts of this type is welcome to contact the company.

KABE, S.R.O.
Na Kovarane 8
101 00 Praha 10
Tel / Fax. 00420-2-724-683

The company imports engine parts, brakes, suspensions and repair kits as well as electrical components and accessories from West European suppliers. It is interested in finding additional sources of supply providing that these can meet quality, price and delivery terms competitively.

KTH, V.O.S.
Dvorska 129
503 11 Hradec Kralove
Tel ;00420-49-553-2159
Fax: 00420-49-35104

This company specializes in the import and sale of car electronics. It also imports and distributes bulbs, battery clamps, bearings, hoses and hose clamps, exhausts and seals. Interested in offers from potential suppliers, provided they can match specifications, quality and price.

M. OTHER USEFUL ADDRESSES

Ministry of Industry and Trade
Director of Department for Automotive Engineering
Na Frantisku 32
110 15 Prague 1
Tel: 00420-2-285-3539
FAX: 00420-2-285-3370

Ministry of Transportation and Communications
Road Traffic Section
Technical Section
Tel: 00420-2-2303-1203
Fax: 00420-2-2303-1259

Automotive Industry Association (AIA)
Director: Ing. Antonin Sipek
International Relations Deputy Manager: Jaromir Stefl
Opletalova 29
110 00 Prague 1
Tel: 00420-2-266-788
Fax: 00420-2-261-501
e-mail sapdo@bohem-net.cz
http://www.autosap.cz

The AIA is a voluntary association of manufacturing, commercial and other companies which make up the Czech automotive and allied industries. It covers almost the whole of the automotive sector, with 96 members and observers in the Czech Republic.

Car Importers Association
Secretary General Ing. Zdenek Lnenika
Assistant Secretary: Eva Vernerova
Na Str i 63
140 62 Prague 4
Tel: 00420-2-6114-2018, 6114-2011
Fax: 00420-2-420-105

e-mail sda@ms.anet.cz
http://www.sda.rtvdata.cz
Official body for accredited importers of different vehicle makes.

The Automotive Parts and Garage Equipment Importers Association
President: Ing. Ivan Paggio
Secretary General JUDr. Miroslav Brek
Doudlebska 2
140 00 Praha 4
Tel: 00420-2-427-268
Fax: 00420-2-427-268
e-mail sisa@czn.cz
http://www.czn.cz/sisa

This recently formed after-market association, already has the 27 strongest companies among its members, consisting of importers, distributors, wholesalers and retailers, all of which started business after 1989. It is a member of FIGIEFA – Federation Internationale des Grossistes Importateurs et Exportateurs en Fournitures Automobiles, which is based in Brussels.

The Union of Automotive Repair Shops (SALR)
President: Ing. Josef Lhotak
Pepeska 1809
511 01 Turnov
Tel: 00420-436-21272
Fax: 00420-436-21272

This voluntary professional body comprises mainly repair shops and similar businesses (garages, tire repair shops, and car washes), but also vehicle dealers, rental car firms, spare parts and accessories producers, and distributors because many such businesses have combined activities.

N. LIST OF SOURCES

All figures quoted in this report are based on published Government or Industry sources in The Czech Republic, EU member countries and the USA. These have been supplemented through correspondence and telephone interviews with selected informants working in the vehicle components and assembly sectors. The main sources of published information used are the following:

Automotive Industry Association (AIA) – Prague, Czech Republic

Automobile Parts & Garage Equipment Importers Association - Prague, Czech Republic

The Union of Automotive Repair Shops (SALR) – Turnov, Czech Republic

Car Importers Association – Prague, Czech Republic

Society of Motor Manufacturers and Traders (SMMT) – London, UK

The Embassy of the Czech Republic – London

Vereinigte Motor Verlage – Stuttgart, Germany

The US Department of Commerce – Washington DC