

## Market Study on the Automotive and Auto Parts Industry in Argentina

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A major problem that has plagued the Argentine market is the flood of unsafe auto parts which are less expensive than first class parts. These are either rebuilt or used and are sold to uneducated consumers who often do not understand the difference. These unsafe parts have been blamed for many traffic accidents. As can be seen from the table below, the difference in price is sometimes very significant. This is where consumer education should teach consumers of the dangers associated with used/rebuilt parts. The next table shows automobile maintenance costs for recent models.

Replacement Parts	New	Used
Shock absorber (Renault 12)	US\$ 28	US\$ 15
Semi-axle (Renault 12)	120	55
Gear box (Fiat Duna)	65	30

CAR MAINTENANCE COSTS (SELECTED MAKES/MODELS) (per kilometre, in US dollars)			
Fiat Spazio TRD	0.53	Ford Galaxy 2.0i	0.79
Renault 12 TL	0.60	Ford Galaxy Ghia 2.0i	0.90
Volkswagen Gol GL	0.61	VW Quantum GLS 2.0i	1.03
VW Senda D	0.62	Nissan Maxima	1.27
Peugeot 504 XS TF	0.65	Volvo 850 GLT	1.28
Ford Escort LX	0.68	Saab 9000 CD auto.	1.43
Ford Escort SX	0.75	Saab 9000 CDT automatic	1.67

Costs are approximate, based on 15,000 km/yr.; considering 50% depreciation after 5 years for a brand new car, fuel and lubricants, preventive maintenance, tires, parking, insurance, licensing etc.  
Source: La Nación Newspaper

## Imports

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Imports of automotive parts reached a high of US\$ 594 million in 1993. This was basically due to a rapid growth in imports by the local assembly plants of both engines and automobiles. Nevertheless, in the future, imports destined to the local market and in particular to the aftermarket will grow in importance as the domestic content requirement continues to decrease from the current 60%. At present, 40% of automotive parts are imported.