MOTOR COACH INDUSTRIES

(3)

Hounduras

- Local content requirements – none - also no local production or assembly of cars or trucks in country
- Import restrictions – no import licenses or quotas
- Import duty – 10%
- Taxes – applicable on all imported goods (amount not known)
- VAT – 8%
- Surcharge on Duty – 15%
- Foreign exchange availability - limited

Nicaragua

- Local content requirements - none
- Import restrictions - none
- Selective Consumption tax – not applicable
- Import Tariff on buses – 22%
- VAT – 15%
- Stamp tax – 3%

Panama

- Local content requirements – not known at this time
- Import restrictions – not known at this time
- Import Tariff on buses – 10%
- VAT – 5%
- Cabinet Council Decree 56 – allows partial duty exemptions on buses and repair parts. On buses these can range from 80% on 6 to 10 year old buses to 95 % on new buses
- Legalization of commercial invoices and bills of lading required before products enter country.
- Customs Administration fee - $70 for shipments over $2000 in value
- Preferential treatment on motor vehicle imports from other countries - none

Summary

As demonstrated above the playing field is not level when it comes to selling our products to Central American countries. Many of the added costs noted are punitive in nature and only act as deterrents against importers of products that are neither manufactured nor assembled in the countries in question.

Using the free trade agreement between Mexico and Costa Rica as an example, all vehicles from Canada with at least 50% Canadian content should be granted duty free access under any future free trade agreement with the regions countries. The other taxes, special charges and VAT's should be eliminated or harmonized so the playing field is level for all potential members of the future trade pact.

1475 Clarence Avenue
Winnipeg, Manitoba R3T 1T5
204-284-5360