



Initial Checklist for International Vehicle Sales

Selling a vehicle internationally does require special considerations. When evaluating where it makes sense to sell a vehicle, some things to consider include:

What Do Local Customers Want?

It's important to understand the local preferences for vehicles.

- Full – mid-sized – compact?
- Luxury – economy?
- Engine size?
- Preferred manufacturer?
- Do they have country specific brands or do they depend on brands from other countries?
- What is the average selling price of a new car? Used car? How do these prices compare to US prices?
- Will the car need to be retrofitted?
 - Steering wheel location matters on a country by country basis
 - Engines that run on gas or ethanol are preferred in Brazil
 - Rugged vehicles are required where road infrastructure is poor.

What Is the Local Economic Situation?

- What is the per capita income in a country? Income distribution? Is there a solid middle class in place, or is income more polarized between rich and poor?
- Is the exchange rate favorable to exporting from the US? In many cases, this is a resounding "yes".
- Is the demand for vehicles growing? In many emerging countries, the demand for vehicles is growing rapidly, as people purchase vehicles for the first time.
- What is the current rate of vehicle ownership?
- How common is broadband Internet use in the country?

Navigating The Local Political Environment

- What trade practices are common in the country?
- What types of tariffs, value-added tax (VAT) and other fees are in place to import a car? How will these tariffs impact your cost of sale?
- Does the country allow import of used cars? New cars?
- Are there government incentives in place that favor one vehicle manufacturer over another?
- Are there government incentives that encourage manufacturing within the country vs. importing a vehicle?



- What requirements exist for local partnerships? Are there advantages for you in working with someone internal in the company, who can navigate local politics, regulations and local customs?
- Are there restrictions regarding what type of car can be imported? For instance, in the Ukraine, you are not able to import a vehicle older than 8 years old.
- Do you have to be licensed or certified in the country to sell cars?
- Does political uncertainty make it very risky to do business with certain countries?

Managing Logistics

- What will the terms of sale be? Are you able to require full pre-payment or letter of credit terms?
- What intermediaries can help in completing the sales transaction? Freight forwarders can typically manage shipping and customs paperwork.
- What about local infrastructure – is there an established logistics and distribution network?

Certainly, as you refine your research, and weigh the pros and cons of different countries, there will be other factors to consider. This list is not meant to be all inclusive, but is meant to offer initial guidelines as you consider international sales.