

# Relevance of the FTA for German Automotive Industry



**Kay MASORSKY**

Head of Customs and Trade, WTS Global

# Relevance of the FTA for German Automotive Industry

## Positive



Certainty of custom duties for automobiles with EU origin



Minimisation of landed costs



Considerable pricing effect

## Challenge



Other **additional charges** that do not fall under the FTA



**Additional Registration Fee (ARF)** of up to 180% of the Vehicle Open Market Value (OMV-price of the car, freight, insurance, other sales and delivery charges)



**Excise Duty:** 20% of OMV



**Certificate of Entitlement fee** (in the range of S\$30,000 to S\$100,000 depending on demand and supply)

## Relevance of the FTA for German Automotive Industry

### In essence



» High charges for import of cars irrespective of zero rated duties

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» No production opportunities in Singapore

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The FTA will probably **not have an enormous effect** for the automotive sector