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"IF IT SOUNDS TOO GOOD TO BE TRUE ..."

PLANNING TO BUY A GREY IMPORT FORKLIFT OR INDUSTRIAL TRUCK?

THERE IS ONLY ONE SHADE OF GREY

Australia's automotive and construction industry has been dealing with Grey and Parallel imports for several years and now the practice is spreading into the forklift and industrial truck area.

'Grey Import' refers to a vehicle, often second hand, bought privately and cheaply offshore and brought into Australia for resale.

Unlike vehicles imported with the full approval and support of the manufacturer, grey imports receive no support from the official dealer network and because the vehicle might be different to those on general sale, parts supply could be a real problem.


'Parallel Imports' are usually new vehicles, bought in small batches and brought here without the knowledge or involvement of the Original Equipment Manufacturer (OEM) or its Australian representative.

The practice often means buyers can get attractively-priced new or late model machinery - but that is where the good news ends.

OEM SUPPORT IS VITAL

The Australian Forklift and Industrial Truck Association (AFITA), representative body for Australia's major suppliers of OEM fork trucks and associated industrial equipment, wants to ensure the highest possible standards of performance, safety and client satisfaction when it comes to equipment purchases.

The association plays an active role in the development of Australian and international standards for the industrial truck industry and constantly promotes the highest standards of safe equipment use.

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Manufacturers represented by the AFITA work with Federal and State government departments to ensure all forklifts and industrial trucks sold by them in Australia meet full statutory compliance for use here.

In other words, importers and retailers alike guarantee that every industrial truck, forklift, reach truck, turret truck and stock picker sold in Australia meets legal, safety and operational requirements – very important when it is understood that the operating and safety requirements of some equipment is unique to Australia.

It also means that equipment operating instructions, manuals and log books are not only printed in English but equipment-specific, rather than brand-generic.

WARRANTIES

Most importantly, it means that warranties are not only fully supported by reputable companies but enforceable under Australian law, which may not be the case with grey or parallel imports.

Any equipment bought from a non-OEM retailer is most likely not covered by manufacturer warranties and support, may not have local parts availability, might be costly to repair when it breaks down – or may not be repairable at all - and is unlikely to be subject to vital recall notices and warranty support.


Remember, grey or parallel imports are unlikely to meet Australian Standards and because the equipment does not come with full OEM compliance, its resale value is likely to be anything but satisfying.

THINGS YOU NEED TO CHECK

- Australian Standards compliance
- Required Australian market safety equipment/features
- English language operators manual, log book and safety decals
- Valid Australian warranty (either manufacturer or dealer)
- Spare parts availability

AND REMEMBER

If the deal sounds too good to be true then it probably is.

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10 QUESTIONS YOU NEED TO ASK BEFORE BUYING A 'GREY' FORKLIFT OR REACH TRUCK

1: Is the equipment design compliant and does it meet the applicable local Australia Standards, particularly AS2359 series (Design and Manufacture), AS4983 (Gas installations) and AS2359.2 (Safe Use and Maintenance)?

National compliance is a must for safe operations.

2: Does the equipment have Australian-compliant manuals and service books written in English?

If you cannot read the manuals how will you know how to operate the equipment properly?

3: Are safety or recall notifications or factory upgrade/improvement bulletins issued for grey or parallel import equipment sold independently of OEMs and their agents?

Generally no, and insurance may not be valid in an accident or incident if such notices are not received.

4: Is there any kind of warranty with the equipment and will the local manufacturers' agents honour it if they did not import it, pre-deliver it and maintain it?


Be aware that claims made by non-OEM suppliers regarding warranty coverage, particularly on equipment not sold by OEM dealers in Australia, may not be honoured when put to the test and also that OEM warranties rarely apply to grey or parallel imports.

5: Are spare parts readily available from the manufacturer, agent or dealership?

Equipment sold by OEMs for use in Australia may have unique features or technical specifications, meaning agents and/or dealers might not be able to supply parts for grey/parallel imports.

6: Is there any OEM liability if a piece of equipment involved in an accident was not imported by them or maintained by their agent or dealership?

A non-OEM-appointed seller can be viewed as the importer and is required to carry the responsibilities of the manufacturer. Buyers need to ask themselves if the supplier of a grey or parallel import can meet the necessary criteria.

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7: Will the operating history of a grey import industrial truck be traceable?

The short answer is ‘no’. Grey imports have no or limited traceable history so information on operating hours, service schedules, accidents or even natural damage, such as being pulled-out of a collapsed building in the aftermath of an earthquake, will be available to buyers.

8: How good is the resale value of a grey or parallel import industrial truck?

The resale value of a low-volume, privately imported industrial truck with an unknown history and the probability of a poor spare parts supply will be low at best.

9: What responsibilities does a small, non-AFITA-affiliated importer have in the case of equipment failure or incident?

Keeping in mind that equipment must be serviced and maintained plus have a good parts supply, this question should be directed at the importer and vendor before the purchase - and long before they have turned their interest elsewhere.

10: How do I know the equipment is in good condition and what if it does not have the correct paperwork?

Failure to have the proper records and service history could result in heavy fines under Workplace, Health, Safety and Environment regulations.

FINALLY, KEEP IN MIND THAT

Low-volume importers who are not affiliated with an OEM or OEM-approved importer are not AFITA members and do not share the benefits the organisation provides.