



The Eurocouncil of the Fédération Internationale de l'Automobile  
European Bureau

## Press Release

23<sup>rd</sup> July 2009

For Immediate Release

### **“An improved Motor Vehicle Block Exemption Regulation should keep up motoring affordable” says FIA Eurocouncil**

In its impact assessment and policy orientations for the future of the Motor Vehicle Block Exemption Regulation n°1400/2002 (BER), the European Commission acknowledged yesterday that *“Stakeholders are virtually unanimous that the sector should continue to benefit from a block exemption (...)”*.

The Eurocouncil of the Federation Internationale de l'Automobile (FIA) represents more than 34 millions of citizens, who own around 20% of Europe's passengers' cars. Region I President Werner Kraus declared: *“We welcome the consumer angle adopted by the European Commission. We should like to reiterate that, in the context of economic crisis, restoring consumers' right to affordable mobility and their confidence is the starting point to sustaining the fragile automotive market.”*

Cars are increasingly complex products and virtually no repair can be made without the full access to a wide range of complex technical information. This information is exclusively detained by the car manufacturers. The current Motor Specific Block Exemption Regulation is the **only legal instrument which ensures the access to technical information for the entire existing vehicle park**, including heavy duty vehicles. The BER was elaborated in 2001: It needs to be updated, in order to allow for as little margin for interpretation as possible with view to technical details that car manufacturers provide to aftermarket operators. Only an improved sector specific regulation can increase aftermarket competition and continue to lower repair and maintenance prices for motorists.

Consumers should be free to choose where their cars are serviced and repaired. In the past, warranties have often been used by the manufacturers to tie the consumers to their brand. FIA **welcomes the Commission's intention to improve the rules of the current BER concerning restrictive warranty conditions**. A future regulation should make sure that motorists are entitled to get their car repaired and serviced for the best available price on the European market and still benefit from the manufacturers' warranties.

Buying a car is the second most important expense in European households. FIA defends effective competition as a means to ensure real choice and low prices for motorists. We therefore call on the Commission to **make sure that the future piece of legislation regulating distribution of new vehicles will protect consumer's freedom of choice**. The future scheme should not impede on multi branding possibilities and combat the possible re-establishment of the so called “natural link” between vehicle sales and after sales services. Manufacturers should be prevented from re-establishing selective and exclusive distribution<sup>1</sup>.

FIA Region I President Werner Kraus concluded that: *“FIA clubs shall continue to bring consumers' concerns to the fore to make sure that the upcoming rules are robust and future-proof. We invite the European Commission to devote as much time as possible to improving the current competition framework in the automobile aftermarket for the benefit of all motorists.”*

**ENDS**

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<sup>1</sup> In the BER non compete rule are applicable to manufacturers with less than 30% market share whereas it can apply up to 80% market share under the vertical restrains.



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**Note for the editors:**

The European Commission's communication adopted on July 22<sup>nd</sup> foresees:

1. The prolongation of the agreements in force for vehicle distribution until 31<sup>st</sup> May 2013, for legal certainty's sake.
2. The replacement of the current Motor vehicle Block Exemption Regulation n°1400/2002, which will expire on May 31<sup>st</sup> 2010 by:
  - a. (i) the application of general competition rules with sector specific guidelines
  - b. or (ii) a sectoral block exemption regulation.

FIA defends a revised sectoral block exemption regulation, which is the only adapted means to govern the highly specific automobile market. Relying on the application of a general competition framework to regulate this market would be absolutely dissatisfactory for mobile consumers.