



## **Press Release**

### **Call on Legal Affairs Committee of the European Parliament for free competition in vehicle spare parts**

**Freedom of repair for 260 million EU motorist consumers - no monopoly for the car industry.**

**Brussels, 12 December, 2006** – The Commission's proposal not to extend design rights of vehicle makers to visible spare parts (body panels, lighting, automotive glass) and thus to allow free competition in a €13 billion market must yet get over another hurdle in the European Parliament.

Whereas two Committees (ECON and IMCO) have already voted in favour of the "Repairs Clause" proposal, the Rapporteur in the Legal Affairs Committee (JURI), Mr. Alexander Radwan (EPP-ED, Germany), suggests a deviant solution in his imminent report: In principle, vehicle makers are to be given a spare parts monopoly over a period that lasts as long as the car model in question is in production; *alternatively*, Member States may opt for liberalising the market "from day one" a new car model goes for sale by imposing an "equitable remuneration" fee on independent producers of spare parts.

By allowing Member States to establish different regimes, the Radwan approach as a whole misses again the EU's vital and long-pursued objective to create a single market also for vehicle spare parts. Even worse and absolutely fatal is the idea to grant vehicle makers a watertight monopoly period although the demand for "crash" parts starts with the first sale of a new car model. Already by now, vehicle makers control 85% of this submarket and enjoy a 99:1 edge in amortizing the pertinent production tools. If independent parts producers, the majority of which are SMEs, are deprived of a timely and full access to this market segment, they will be driven out of business, and even residual competition will be eliminated.

*Louis Shakinovsky*, Chairman of ECAR, puts it in a nutshell: "A monopoly period for the car industry would destroy an efficient SME structure and criminalise businesses which today operate legally in many Member States, would jeopardise umpteen thousands of jobs in the parts and repair sector and make 260 million EU vehicle owners captive consumers. We therefore ask the Legal Affairs Committee to vote for the Repairs Clause as proposed by the Commission".

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#### **About ECAR**

*Established in 1993, The European Campaign for the Freedom of the Automotive Parts and Repair Market (ECAR) is an alliance of 10 independent EU organisations representing vehicle parts, producers, distributors, independent repairers, the European motor insurance industry, a large cross section of small and medium-sized enterprises as well as the 260 million motorists in the European Union. ECAR's main objective is to promote free competition in the vehicle spare parts market through abuse of design protection.*

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