



INDEPENDENT UNION OF THE EUROPEAN LUBRICANT INDUSTRY  
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### **Commission adopts revised automotive Block Exemption rules**

*The European Commission has adopted a revised Block Exemption Regulation for motor vehicle distribution and repair. With the new rules –in place as of 1 June this year– independent operators will be able to gain better access to alternative spare parts as well as access to technical information from car manufacturers and garages will get better access to matching quality spare parts. In addition, the Commission has established a market share threshold of 30% above which agreements between car manufacturers and authorised repairers will no longer be block exempted.*

A few days before its entry into force, the European Commission adopted a new Block Exemption Regulation (BER) for the aftermarket operators and guidelines on the application of competition rules in the automotive sector which target car manufacturer 'abuses'. Under the new Block Exemption, lubricant manufacturers are duly recognised as 'independent operators', and the maintenance sector is taken into account. The new rules introduce a 30% market share threshold above which agreements between car manufacturers and authorised repairers will no longer be block exempted, aligning the rules with the general framework.

Furthermore, the new BER intends to increase competition in the aftermarket for repair and maintenance by allowing access to the technical information needed for repairs and maintenance to all independent operators and by making it easier to use matching quality spare parts. What is more, car manufacturers will no longer be able to make the warranty conditional on having the oil changed, or other car services carried out, only in authorised garages. Repair bills accounting for around 40% of the total cost of owning a car, Competition Commissioner Almunia recognised the need to tackle the 'abuses' on warranties. The new regulation is applied as of 1 June 2010.

After a few years of relentless work, and numerous meetings with key EU and national decision-makers and other stakeholders such as NGOs, trade and consumers' associations, the UEIL is overall pleased with the new Regulation as it has addressed most of the concerns of the lubricant industry. Compared with previous regulations, this new piece of legislation will further open up competition, and as a consequence will allow independent manufacturers to operate with fairer conditions in the market and reduce prices. Access to technical information and spare parts is vital if consumers are to benefit from enhanced competition, choice and lower repair and maintenance costs. However, UEIL will carry on its work to clarify some of the existing provisions of the Regulation and ensure the lubricant industry can unfold its full potential and competitiveness in the automotive sector through a clear and supportive legislative framework.

You can read more on the New Block Exemption Regulation here:

[http://ec.europa.eu/competition/sectors/motor\\_vehicles/legislation/legislation.html](http://ec.europa.eu/competition/sectors/motor_vehicles/legislation/legislation.html)