



ROMÂNIA
CONSILIUL CONCURENȚEI



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ROMANIAN COMPETITION COUNCIL'S COMMENTS

on the

**„COMMISSION EVALUATION REPORT ON THE OPERATION
OF REGULATION (EC) N° 1400/2002 CONCERNING MOTOR
VEHICLE DISTRIBUTION AND SERVICING”**

Following the consultation process launched by the European Commission regarding the future of the **Motor Vehicles Block Exemption Regulation** no. 1400/2002, the Romanian Competition Council is hereby delivering its

COMMENTS

Given the short period of application of the MVBER in Romania (since January 1st 2007), it is difficult to assess its effects on the market and the actual positive/negative effect of the regulatory changes envisaged by the European Commission.

The players on the market did not show themselves very aware or concerned about the potential regulatory changes. Since the conclusions of the evaluation report are rather in the sense of relaxing the suppliers' obligations vis-à-vis their dealers, the silence of the former is understandable.

Still, there is one producer which, together with its dealers, presented certain arguments contrary to the envisaged changes and in favour of preserving the dealers' more advantageous treatment under Regulation 1400/2002, as compared to the regime under Regulation 2790/1999, generally applicable to dealers in other sectors.

In essence, their position was in the sense that by giving up the level of protection afforded to the dealers by MVBER, their business would lose some of its value on the market, and therefore it would become quite difficult for them to obtain financing from the banking institutions, in order for them to be able to meet the producer's standards, especially as regards those dealers activating in the after sales markets.

They manifested concern especially as regards the dealers' rights in the procedure applicable to the termination of the dealership contracts, their current freedom to sell their business to other members of the authorized network and their rights to multi-brand sales.

The above-mentioned producer and dealers point out that, if the latter encounter increased difficulties in accessing the necessary financing of their dealership businesses, the development of the network will be endangered, especially in the case of authorized repairers situated in poorer/remoter areas of the country. In the context of the relatively low density of the repairers' networks in the (still) developing Romanian motor vehicle market, these negative effects would affect the producers, the dealers and finally the consumers.

Under these circumstances, we suggest that, in case that the current MVBER will not be replaced by another sector-specific regulation, the European Commission might take into consideration the alternative of including certain sector-specific provisions in the future general Verticals BER, in such a way as to appropriately deal with the particularities of the motor vehicles market.

Gheorghe Oprescu

President