

VDA

Verband der
Automobilindustrie

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Competitiveness of the automotive distribution and aftermarket sector

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EU-Aftermarket and Design Protection for Spare Parts

- 1) EU market for automotive spare parts and after sales servicing:
 - totals at about € 80 billion per year
 - fierce competition between industry, importers and dealers
 - parts market is divided roughly into 50% each for vehicle manufacturers and independent parts manufacturers
 - 100,000 authorised service points + independent repairers.

- 2) Protection for visible parts cover bonnets, wings, doors, grilles, bumpers and lights, which make up around 5 % of all parts sold.

- 3) In view of VDA-members (car- and parts-manufacturers) the abolition of parts protection is the wrong move to harmonise EU - Design Law.

No Consumer Benefits by Abolition of Parts Protection

1) No price advantages:

- Eurotax price survey of 2005 shows higher prices (on average by 7,3 %) for parts in countries without parts protection (especially Hungary and UK; Germany 10 % below average)
- Technopolis study concluded that „the final consumer will not necessarily benefit from liberalization in terms of lower prices“

2) Safety risks:

- conflict with EU-Directive on pedestrian protection (FIA-President)
- no possibility to certify safety performance of copy parts
- crash performance may deteriorate because of repair with copy parts (recent test of Peugeot 407)

3) Problematic repair with non-genuine parts:

- Allianz (EP-hearing on 21 April) states, that „repair of accident damage to motor cars using non-genuine parts should be rejected“.

Design Protection for Innovation and Competitiveness

- 1) Abolition of spare parts protection would threaten about 50,000 jobs in the industry and a turnover of 2,5 € billion per year- virtually all body parts are presently produced in the EU.
- 2) No free ride for copied design parts:
 - Design of cars and their parts form an outstanding element of competitive success of EU-car makers
 - design protection is a legitimate encouragement for that kind of innovation.
 - industry has to offer full range of spare parts, of which only few have a high turnover.
- 3) Unfair competition should not be encouraged:
 - copy parts producers of South-East Asia and South-America would benefit from the abolition of protection
 - Chinese producers of body parts seek easy access to the EU-market.

GeschmacksmusterG = German legal system for parts protection

1) GeschmacksmusterG was reformed in June 2004:

- protection of spare parts was maintained („status quo policy“)
- requirements of protection according to EC-Dir., and additionally requirements of protection of old law apply
- result: reduction of protection possibilities because of restriction to visible parts and exclusion of must fit design.

2) German government stated, that the balance of the German aftermarket did not require a change of status quo regarding the protection of spare parts.

3) VDA declared to the German government, that the industry does not intend to use its design rights to shift the balance in the aftermarket, but to fight product piracy.

After sales service and international access to the aftermarket

1) Competition in the service market:

- independent repairers may qualify for the status of authorised repairers under the BER 1400/02.
- ex-dealers thus may stay in business as service providers.
- authorised dealers may be multi-brand and have several locations.

2) Third market access:

- Automotive trade and production are a global issue and the competition is of the same dimension.
- Competitive framework of the EU should enable the industry to face successfully such competition within the EU and in foreign markets.
- If countries like China still lack proper and well enforced IPR-rules, the EU should not start giving up internally such rules.