4 July 2011: Sector inquiry into the car maintenance and repair sector

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Car maintenance and repair
After noting a very significant rise in prices in the car repair and maintenance sector,
the Autorité de la concurrence is launching a sector inquiry

> Version française

Car repair and maintenance prices have increased by 35% since the end of the 1990s, i.e. 2 and 1/2 times the rate of inflation. The price of spare parts alone, which accounts for half the repair cost, climbed by 30% between 2000 and 2009. This price inflation has meant an increase in repair and maintenance costs of over 50% for French people, which they pay directly or through their insurance premiums. Their car budget therefore represents more than 10% of their budget.

This increase can be partly explained by the rise in raw material and labour costs. The electronic components which now equip a majority of vehicles have also contributed to increasing repair costs. However, do these factors alone justify such an increase in prices?

This sudden increase in prices could also be explained by a lack of competition. The Autorité de la concurrence wishes, through the self-referral procedure, to examine how competition works in the sector, detect possible malfunctions and make recommendations to optimize competition for consumers.

Can independent garages effectively compete with repairers who belong to

manufacturers' networks?

In the majority of cases, vehicle owners have their cars repaired and maintained in a garage, which belongs to a network approved by the manufacturer (over 80% market share for cars under two years old). This is a rare situation, as consumers have the right (since 2002) to continue to benefit from the manufacturer's warranty if they have their vehicle repaired at independent garages. In addition, despite the reluctance of certain manufacturers , competition law guarantees equal terms of access for independent and approved garages alike to technical information to repair cars, and spare parts.

What are the reasons at the origin of this situation? Do access conditions to manufacturers' spare parts and technical information permit proper and effective competition between independent and approved repairers? Do all spare parts manufacturers have access to spare parts distribution networks under equivalent conditions? These are questions which the Autorité will be focusing on during its inquiry.

Is the protection which manufactures have for manufacturing and marketing visible parts always justified?

Although any manufacturer and distributor can produce and sell spare parts, there is an exception to this principal. For reasons connected with the intellectual property of designs, the production and marketing of "visible" parts, i.e. windows, lighting or bodywork components can be reserved to the manufacturer alone. Although this market has been liberalized in certain countries like Belgium, Spain, Italy, Ireland or Germany, where the outcome is a significant difference in price between parts marketed by manufacturers and those manufactured by alternative suppliers, this does not apply in France.

A survey by UFC-Que Choisir shows a price differential for this type of part between manufacturers and alternative suppliers of around 27% to 42%, depending on the model or the country in question.

The Autorité will study, in particular, the impact of this clause on the repair market and make the recommendations it considers justified.

> Consult the full text of Decision 11-SOA-01 of 30 June 2011 relative to the self-referral for an opinion concerning competition in the car repair, maintenance, and spare parts sectors in the automobile sector

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