

Opinion of the European Economic and Social Committee on 'The components and downstream markets of the automotive sector'

(Own-initiative opinion)

(2009/C 317/05)

Rapporteur: **Mr ZÖHRER**

Co-rapporteur: **Mr LEIRIÃO**

On 10 July 2008, the European Economic and Social Committee, acting under Article 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

The components and downstream markets of the automotive sector.

The Consultative Commission on Industrial Change, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 4 June 2009. The rapporteur was Mr Zöhrer, the co-rapporteur Mr Leirião.

At its 455th plenary session, held on 15 and 16 July 2009 (meeting of 16 July), the European Economic and Social Committee adopted the following opinion by 104 votes to 4 with 9 abstentions.

1. Summary, conclusions and recommendations

1.1 Automotive production is a key EU industry. It is a driving force for growth, jobs, exports and innovation. The components and services in its downstream markets are equally important. The players in the downstream market include vehicle manufacturers, their suppliers and independent or authorised market operators in services, spare parts and accessories, as well as in manufacturing, distribution and retailing. It involves a network of 834 700 companies (predominantly SMEs) with a total turnover of EUR 1 107 billion and around 4,6 million workers.

1.2 Vehicle manufacturers and vehicle dealers both face stiffer competition, leading to ever-diminishing profit margins. As a result, the downstream markets are becoming ever more important, with vehicle manufacturers playing a dominant role vis-à-vis independent operators.

1.3 The crisis in the financial markets hit the automotive manufacturing and supply industry, one of the first sectors of the real economy to be affected, particularly badly in the second half of 2008 and led to a painful collapse in sales. The associated drop in production is having serious consequences for companies and their staff. Businesses in the downstream market are also hit. For them in particular, more difficult access to funding represents a serious threat to their livelihood. The Committee therefore calls on the Commission and the Member States to take equal account of players in the downstream market when adopting any measures.

1.4 Leaving the current situation aside, medium- and long-term trends area are also in evidence in the automotive industry that will lead to considerable restructuring in the downstream market as well. Within a few years, this sector will be wholly restructured. On the one hand, a shift in market share in favour of independent operators is on the horizon, while, on the other, many companies, especially small and micro enterprises, will only survive if they develop new concepts and invest.

1.4.1 The EESC feels that the ongoing restructuring of the after-market sector will result in the emergence of a range of new partnerships (not least with other civil society players) and new forms of customer relationships. Given the automotive sector's close links with other sectors and the highly diversified nature of the supply industry and vehicle trade, any form of restructuring that involves major adverse impacts for SMEs also impacts on hundreds of thousands of workers in the Member States. The EESC thus feels that the Commission should monitor restructuring developments on the aftermarket sector closely and act if necessary to safeguard competition.

1.4.2 In line with the Lisbon strategy, the Committee therefore recommends setting up a high-level group which, drawing on the CARS 21 findings, would be responsible for outlining future prospects once the crisis is over and determining areas for action. Given developments in the automotive industry as a whole, the following priorities should be set:

- ongoing development of the legal framework/access to free and fair competition,
- implementation of the Lisbon strategy,
- upskilling needs,
- innovation,
- consumer issues,

- trade policy,
- social aspects.

1.5 The EESC feels that, in the light of current economic and social parameters, any revision of the EU legislation should contribute to safeguarding free and fair competition by:

- avoiding any disruptive changes during this grave crisis,
- ensuring proper balance in any provisions that encourage over-concentration in the trade sector,
- putting in place an appropriate framework for safety, environmental protection and simplification of rules,
- bringing forward the aims of anticompetitive behaviour due to a new organisation of the market,
- promoting the 'Think Small First' principle as established under the Small Business Act to foster SME development and innovation, and to safeguard jobs.

1.6 To safeguard both the quantity and quality of jobs, increase worker mobility and generally boost the attractiveness of the sector, it is vital that the sector and the individual companies also address the social challenges involved. Above all, consideration must be given to demographic change, the development of life-long training and further training models, and new workplace health and safety requirements. The Committee therefore calls on the relevant players and the Commission to press ahead with social dialogue at all levels (within the sector, nationally and in companies).

2. Background

2.1 The European automotive industry is one of the most important sectors in the EU. The CCMI produced an information report in November 2007 entitled *The automotive sector in Europe: current situation and prospects*. However, this report focused only on the hard-core segment of the industry, i.e. the manufacturing of vehicles and components (NACE code 29), whereas, as the document indicated, a number of automotive components and services and a whole range of related economic activities are not included in NACE 29.

2.2 The automotive components and downstream markets represent a large mix of activities some of which depend on industry (manufacturing of electrical equipment for engines and vehicles, manufacturing of paints for the automotive sector; tyre production; synthetic and textile products; air conditioning systems; batteries and measuring devices for cars). Some depend on the service sector, such as servicing and repair of motor vehicles.

2.3 Players in the European aftermarket are the vehicle manufacturers, their suppliers, and independent market operators dealing in vehicle servicing, spare parts and accessories, and in manufacturing, distribution and retailing. These economic activities play a key role for the European economy as they cover a large number of sectors (major industries as well as SMEs) and play an important role for employment.

2.3.1 The aftermarket can essentially be divided into three areas:

I. Distribution, customer services, repair and maintenance

This category includes manufacturers' own service structures (sales and after-sales service), contractual partners which are directly dependent on the manufacturer (general importers, authorised repair workshops, etc.), as well as independent workshops. This includes both general workshops as well as those specialising in specific areas. Workshops that specialise in specific components also act as suppliers to the automobile industry in some cases.

II. Spare parts

In the first instance, spare parts are manufactured and delivered by the vehicle manufacturers themselves, or their suppliers, as well as by dealers. A growing proportion of parts, however, are no longer sold in the form of original spare parts, but as replicas. There are also a number of generic spare parts not carrying the brand name of any particular automotive manufacturer (tyres, wheel rims, batteries, spark plugs, filters, lamps, etc.)

III. Accessories and tuning

This includes more or less all parts or components that improve the individual design, comfort or security of the vehicle and covers many disparate items, ranging from complex electronic or hydraulic components (such as GPS navigation systems or chassis) to simple plastic items (for example, cup holders).

2.3.2 Wracking and recycling are of growing importance in this market. On the one hand, parts from wrecked cars are reprocessed and sold. On the other, this is also a source of raw materials such as steel, aluminium and plastics.

2.3.3 There are also a number of other market participants in the service sector, such as petrol stations, emergency breakdown services and technical inspectors/agencies and bodywork repairers

2.4 There is a lack of adequate statistical data. For these areas of industrial production or services, specific data exists only in exceptional cases; generally speaking, these are production and service areas which form part of different industry and service sectors.

2.4.1 The automotive aftermarket consists of approximately 834 700 companies, mostly small and medium size enterprises (SMEs), although structures differ between Member States. In some countries, especially in southern Europe, the dominant players are small and micro businesses (mostly family-owned), while in other countries, such as Germany and France, bigger companies tend to hold a larger sway. The sector has a turnover of EUR 1 107 billion and employs approximately 4,6 million people in the European Union ⁽¹⁾.

3. Economic background, international trends

3.1 The crisis in the financial markets hit the automotive manufacturing and supply industry, one of the first sectors of the real economy to be affected, particularly badly in the second half of 2008. Two impacts of the financial-market problems are hitting the sector especially hard. The first is that cars, along with house building, are probably the largest investment private households make. During periods of economic difficulty, these types of investments are put off. This has led to an unforeseeable collapse in sales on the car market. Secondly, it has become more difficult to obtain credit, and SMEs in particular are having problems financing their activities. This is also having a detrimental impact on company investments resulting in a fall in sales of commercial vehicles too ⁽²⁾ ⁽³⁾.

3.1.1 In 2008, the number of newly registered private cars in Europe dropped by 7,8 % compared to the previous year. In the last quarter of 2008 alone, the margin of change was 19,3 % over the previous year. Sales of light-duty vans dropped by more than 10 %, and of heavy goods vehicles by 4 %. This trend also continued at the beginning of 2009, albeit, in the case of private cars, it has been attenuated somewhat by various measures adopted by the Member State (such as environmental and scrapping bonuses). In the case of commercial vehicles, however, the trend is set to worsen dramatically. The heavy commercial vehicles (HCV) sector in Europe is in a catastrophic condition in 2009, with registrations down by 38,9 % for the first quarter of the year.

3.1.2 The drop in production is having a serious impact not just on businesses, but also on the workforce. The main result is redundancies (mainly affecting temporary workers) and short-time working or similar measures that also involve loss of earnings.

⁽¹⁾ Source: FIGIEFA/WOLK & PARTNER CAR CONSULT GmBH.

⁽²⁾ See EESC opinion of (not yet published in the OJ) 13 May 2009 - CCMI/067.

⁽³⁾ The European Automobile Manufacturers' Association (ACEA) has set up 3 categories for the commercial vehicles sector: Light commercial vehicles up to 3,5 t ('vans'); commercial vehicles over 3,5 – excluding buses & coaches over 3,5 t ('trucks'); and heavy commercial vehicles over 16 t –excluding buses & coaches- ('heavy trucks').

3.2 Independently of this current development, the CCMI made an in-depth analysis of major trends in the automotive industry in its November 2007 report ⁽⁴⁾. The current crisis will speed up many of these trends and lead to comprehensive restructuring in the industry. These trends have a direct impact on developments and changes in the aftermarket. Below, the CCMI highlights those trends that are most important for the suppliers and downstream markets of the automotive sector.

3.2.1 The main findings are:

- All current studies of trends and forecasts in the automotive industry point to the fact that, in the medium term, this will be a growth sector throughout the world but one which, however, will continue to be characterised by large-scale restructuring.
- Growth in added value and employment is concentrated primarily on the component-manufacturing sector and is being achieved by means of continuing outsourcing.
- Further outsourcing is, above all, expected by (US) mass production companies; European (and, in particular German) premium producers are less concerned by this phenomenon.
- Internationally, the main areas of growth in motor vehicle production (passenger car manufacturing) are to be found in the BRIC states (Brazil, Russia, India and China), in particular in China and India, and in Europe.
- Despite the general trend towards growth, it is not just regional shifts in focal points of growth that are on the cards:
 - there is a danger that some individual end-product manufacturers will have to contend with crises which threaten their very existence;
 - the possibility that the USA may witness a similar internal development to that which took place in the UK in the 1990s cannot be ruled out (comprehensive restructuring with regional relocation);
 - relations between vehicle manufacturers and component manufacturers will continue to undergo changes as a result of outsourcing processes;
 - the component-manufacturing industry is likely to undergo further large-scale concentration;
 - as a result of technological developments (in, for example, the automotive and engine technology field), considerable restructuring is likely to take place in the component manufacturing sector.

⁽⁴⁾ CCMI Information Report of 23 November 2007 on 'The automotive sector in Europe: current situation and prospects' (rapporteur Mr Zöhrer; co-rapporteur Mr. Glahe).

- A number of different factors will determine the extent to which individual component manufacturers are affected by these restructuring processes. These factors are:
 - the product portfolio of the companies involved and the extent to which they are the sole manufacturers of the products in question;
 - R&D activities and the distribution of their costs;
 - relations between the respective vehicle manufacturers and component manufacturers;
 - product-organisation efficiency;
 - the degree to which the companies concerned participate in value-added networks and relations between clusters;
 - the structure of the companies concerned and their ownership relations;
 - capital resources and the extent of free cash flow;
 - regional presence.
- The regional structure of the European automotive industry will continue to be characterised by a shift from west to east.
- It is also fair to assume that forced productivity increases in the automotive industry will continue to exceed predicted production increases. This will lead to sustained pressure on employment and working conditions (above all in the components industry).
- In the global – as well as the European – automotive industry, there is considerable overcapacity in passenger vehicle manufacturing. Pressure from surplus capacity will be further increased by the ongoing build-up in capacity.
- The market is being shaped by the ever-more varied and complex needs of consumers. Demographic trends play a major role here, as do trends in incomes and sales prices.
- Climate problems, scarcity of raw materials and security present massive challenges. This increases pressure to step up development in the areas of propulsion technology (and exhaust gas prevention and alternative fuels) and materials technology, and also with regard to integrated, intermodal transport systems. This will have the greatest impact on the sector in the near future, and also requires that we define the future role of road transport and the motor vehicle within the framework of such a system.

3.3 Vehicle manufacturers and vehicle dealers both face stiffer competition, with ever-diminishing profit margins as a result. With profit margins at around 0,3 %, dealers are particularly hard hit. Because of this, players are focusing more and more on the aftermarket (service, maintenance, spare parts). Vehicle manufacturers are in a dominant position here compared with independent market operators.

4. EU regulatory framework

4.1 In contrast to the primary market, competition problems have been identified in the aftermarket. Authorised traders hold a large share of the market (around 50 %) and car manufacturers hold a large share of the spare parts market. Moreover, there are captive parts which are only available through car manufacturers. The European Commission had to force through measures giving independent repair shops access to technical information. The different competitive environment as compared to the primary market is also reflected in the fact that car manufacturers tend to have significantly higher profit margins on spare parts and that authorised traders tend to make a large part of their profits through repair and maintenance rather than the sale of new cars.

4.2 In order to protect competition and consumer choice and to ensure a level playing field in the spare parts and repair sector, the European Commission in 2003 published the current Motor Vehicle Block Exemption Regulation (EC) 1400/2002 that sets out rules for market players and is scheduled to remain in force up to 2010.

The Block Exemption Regulation defines vertical agreements, which are exempted from the ban on uncompetitive agreements under Article 81 of the EU Treaty. They thus provide a safe harbour for market players. If their agreements meet the conditions laid down in the BER, it may definitely be taken that they are in line with EU competition law.

4.3 The sector-specific Motor Vehicle Block Exemption Regulation (MVBER) is much more detailed than the general BER and, because of its complexity, results in problems of interpretation for market players, particularly SMEs. This confusion was identified by Commission following many requests and complaints from market players unrelated to competition issues. On the aftermarket, the MVBER provides *a priori* for a more generous approach, since, under certain conditions, the agreements are covered up to 100 % market share (in the general BER only up to 30 % market share), albeit this generous arrangement is to some extent cancelled out by specific rules.

As a result, the MVBER is still somewhat controversial as the authorised dealers mostly want to keep the status quo, while car manufacturers are calling for simpler, less restrictive rules. For their part, the independent sector (independent repair shops and spare parts producers) are calling for better harmonisation of the current legislation.

4.4 Better harmonisation of the current legislation framework would include:

- the Block Exemption Regulation,
- a provision whereby information on the technology used in new models and new tools would be released and made available to all operators,
- the updating of the inspection directive 96/96/EC,
- intellectual property rights of companies (design and patent protection),
- warranty provisions,
- training.

4.5 All the market players want legal certainty and would like to know what is to happen after 2010. The current uncertainty on the future content of the BER is causing great concern, particularly among SMEs – as is only too understandable given the duration of contracts and the volume of investment needed to keep all operators up to speed on new vehicles technologies and to ensure they have access to spare parts, information technologies, new tools and equipment and training.

4.6 The Commission has consolidated the legal framework thanks to the *Euro 5* Regulation 715/2007/EC, which entered into force in January 2009 and which regulates access to all technical information for newly type-approved vehicles.

4.7 The EESC feels that, in the light of current economic and social parameters, any revision of the EU legislation should contribute to safeguarding free and fair competition by:

- avoiding any disruptive changes during this grave crisis,
- ensuring proper balance in any provisions that encourage over-concentration in the trade sector,
- putting in place an appropriate framework for safety, environmental protection and simplification of rules,
- bringing forward the aims of anticompetitive behaviour due to a new organisation of the market,
- promoting the 'Think Small First' principle as established under Small Business Act to foster SME development and innovation, and to safeguard jobs.

5. Current state of play in the European automotive aftermarket

The European aftermarket is facing major structural change from new and more active regulatory intervention. Also technological and process changes are redrawing the successful business model for participants at all stages of the aftermarket manufacturing, marketing and distribution chain.

5.1 Service and repair

Technological innovations provide better emissions control and more safety and comfort, but these innovations have made it increasingly challenging to service or repair a vehicle. This market is highly competitive and is dominated by SMEs which provide competitive components and quality services and thus play a vital role in employment and growth in the European economy.

5.1.1 The multi-brand tools manufacturers in particular need special information (i.e. specific diagnostic information required for the production of generic diagnostic tools to ensure broad functionality). Without multi-brand or generic tools, small business are forced to buy a set of tools for each make of vehicle with which they might potentially be asked to deal. To this end, investments are necessary that would clearly exceed SMEs' financial capacities. To keep pace with the increasing number of electronic systems constantly being added to motor vehicles, tool manufacturers need reliable and accurate information and data from the vehicle manufacturers. Without that, scan tool manufacturers cannot produce the software needed to support independent repairers.

5.2 Spare parts

Original spare parts which are specific to certain makes of vehicle are primarily produced and sold by the OEM or their contractual suppliers. However, a substantial proportion of spare parts such as tyres, wheels, batteries, spark plugs, various types of filter etc. can be used on all makes of vehicle.

Global competition between tyre, battery and wheel producers in particular is growing. These industries underwent comprehensive structural change in the past. The various subsectors should be examined further.

5.2.1 Replication and copy of spare parts

Alternative, independent operators are becoming increasingly important in the spare parts market. Often the spare parts they supply offer consumers better value for money (for example, in the case of older vehicles, where product life is less important than a lower price). In such cases, finding an exact replacement of the original part matters less than making sure it actually works.

However, there is also a continual supply of illegal, substandard copies and forgeries. Ultimately, this is fraud perpetrated on the customer – a problem that can now be tackled evermore effectively through tools designed to protect patents and intellectual property and through trade policy.

5.2.2 Car tuning industry

Car tuning is a fast growing subsector in the automotive industry.

The tuning industry seeks to modify a car by increasing its performance, general visual appearance and safety. The tuning concept can be applied to all components of a car: wheels, tyres, suspensions, engines, interior, body, exhaust system, etc.

There are a significant number of enterprises dedicated entirely to the tuning business which trade their products in the global markets. In general they use innovative ideas and materials and also develop new engineering trends that in some cases are adopted by the vehicle manufacturers for use in the mass market.

The European Commission should draw up and adopt specific legislation to regulate the car tuning sector.

5.3 Safety and sustainable benefits for the environment

In order to ensure that vehicles conform to EU emission and safety standards not only when they leave the factory brand-new but throughout their lives, regular inspection, proper servicing and repair are required. Independent operators and authorised repairers play an important role in relation to both brand-new and older models to make sure that the vehicles remain safe and comply with the applicable environment rules. This level of service can only be provided, however, if the vehicle manufacturers grant continuous access to information, multi-brand tools and equipment, spare parts and training.

6. Major restructuring of the aftermarket sector

6.1 The whole car industry and the commercial and services sector has been severely hit by the economic and financial crisis. The main problems for businesses (especially SMEs) are the increasing difficulties in borrowing money and the dramatic drop in demand for new cars. On the other hand, the automotive aftermarket has been affected by many other factors, including:

- increased average vehicle age, coupled with lower annual mileage,
- fewer repairs because of the increased longevity of components and longer intervals between services,
- relative increase in the cost of repairs due to increased use of high-tech parts in vehicles,
- pressure on the cost of repairs due to lower household income and consumer price sensitivity,

- increased use of electronics in modern vehicles and the growing complexity of devices,
- increased number of spare parts and the dramatic rise in model and equipment variants,
- increasingly complex repair and maintenance, parts identification and tool design,
- huge investment in IT systems, tools, parts and training,
- the practice of car manufacturers to tie in customers to maintenance contracts.

6.2 As a consequence, fundamental changes are occurring, leading to restructuring at various levels including:

- a growing trend – accelerated because of the crisis – towards market concentration due to mergers and acquisitions,
- a decrease in the number of independent repair shops and parts wholesalers,
- the growing trend for small and medium-sized repair shops and parts wholesalers to join independent full-service groups/chains to cope with the increasing demands on their profession,
- increased price pressure on parts producers and parts distributors,
- a situation whereby low profitability in sales of new vehicles will result in vehicle manufacturers increasing their activities in the aftermarket sector.

6.3 Over and above this, while there is some scope for an increase in spare parts sales on the aftermarket, suppliers are increasingly being required to deliver innovative aftermarket products that upgrade the performance or safety of a vehicle's original components in a bid to drive market demand. As a result, dealers who are authorised by manufacturers must struggle to maintain their market share, not least as a result of declining spare parts usage in cars in the 0-4 year range, which form their key customer base.

6.4 The EESC feels that the ongoing restructuring of the aftermarket sector will result in the emergence of a range of new partnerships and new forms of customer relationships. Given the automotive sector's close links with other sectors and the highly diversified nature of the supply industry and vehicle trade, any form of restructuring that involves major adverse impacts for SMEs also impacts on hundreds of thousands of workers in the Member States. The EESC thus feels that the Commission should monitor restructuring developments on the aftermarket sector closely and act if necessary to safeguard competition.

7. Social aspects

7.1 Training and further training

Generally speaking, the training and further training systems in this sector are well developed. On the one hand, this is because of the efforts made by vehicle manufacturers, and on the other because technological change makes ongoing training a necessity. There is hardly any other sector where the proportion of employees undergoing further training each year is as high. There are differences depending on the type and size of company. Micro enterprises (mostly family-owned businesses) in particular find it very difficult to keep pace. Due to the way it is structured, training often focuses too much on the specific job or on a specific make. This reduces employees' mobility and makes a change of job more difficult. The Committee therefore supports the goal of developing a unified European system of certification.

7.2 Health and safety

The arduousness of jobs in the automotive sector differs between production sites, which are usually automated and have a great deal of technical equipment, and repair sites, where tasks are still usually performed manually. Repeatedly performing such tasks frequently results in workers suffering disabling pain or muscular and skeletal problems. Given the demographic challenges ahead, changes in work organisation will become unavoidable to keep a sufficiently skilled workforce in good health and enable workers to carry on working to retirement age. Otherwise, the sector may in future face a shortage of experienced skilled workers.

Occupational risk prevention plans and measures to adapt jobs must therefore not only take account of contaminants and toxic substances, but also protect workers from the arduous nature of their tasks.

New risks will emerge when new technologies appear on the market: electrical hazards from high-voltage systems and H₂-related explosion risks will have to be tackled soon. We need to be prepared. For the moment, the possible changes to the typical workplace are not yet known. However, the various stakeholders need clear signals to begin developing the appropriate strategies. The occupational risks in the automotive industry are therefore at the centre of a debate being started between the social partners, in which connection provisions should be laid down to encourage preventative measures and support for workers.

The EESC is in favour of strengthening the initiatives and resources that the EU and the Member States devote to policies relating to health and safety and to the regrading of workers.

7.3 Demographic change

The ageing population also has consequences for the automotive sector's downstream market. The average age of the workforce will increase and health-related issues will have a higher impact on work organisation, training needs, and working conditions.

7.4 Remuneration

Remuneration and wages do not fall within the EU's remit. However, this issue does warrant being addressed given the particular situation of the downstream automotive sector. In almost all EU countries, wages are under even more pressure in this sector than for the average worker. Car manufacturers are largely at the source of this pressure. There is enormous dependency between car dealers/car repair shops and the car manufacturers that offer them their concessions. The manufacturers decide on investments and training standards, and they also have an indirect influence on end-user prices, for example through the setting of time limits, but it is the dealer/repairer who has to bear the financing burden and all economic risks. The social partners therefore have only limited room for manoeuvre for collective bargaining, which means that wages are relatively low in the sector. This, coupled with the difficult working conditions, reduces the attractiveness of the sector in the eyes of young workers. Future recruiting difficulties are likely to arise.

8. Challenges and opportunities

8.1 The downstream sectors are facing major changes – both positive and negative – in the years ahead. While its performance is to a large extent contingent on the results of the automobile manufacturing industry, there are also important areas where competition is impacted by other factors, such as distribution and sales rules, environmental impact, security risks (additional products), recycling activities, intellectual property rights (counterfeiting); etc. In such areas, innovation plays a fundamental role in all these downstream activities.

8.2 As an example, there are major drivers in the car components, car dealing and repair sectors to increase competition: new distribution and sale rules for new vehicles (Block Exemption Regulation) and a new European regulation for vehicle spare parts distribution, sales and repair, including, for instance, the new "repairs clause" to be introduced into the designs directive (Directive 98/71/EC).

8.3 As a reaction to the political, legal and technological challenges, a wide range of multi-brand market operators and motor-ing organisations have come together to defend their right to repair and the consumers right to have their vehicles serviced, maintained and repaired at a workshop of their choice. The current rules expire in 2010 and whether they will be renewed or not is the subject of controversial discussions ⁽⁵⁾.

8.4 SMEs are the backbone of the EU economy and employment, representing the largest proportion of automotive aftermarket enterprises. Clear and specific legislation is of crucial importance to guarantee free and fair competition in the after-market automotive sector ⁽⁶⁾.

8.5 In the current crisis, it is crucial, in the short term, to introduce effective support measures, which allow the automotive industry as a whole and the workforce employed there to survive the recession. In the medium and long term, small and micro enterprises in particular will only be able to compete if they develop new concepts and invest. Given that many small businesses are unable to do so on their own, a growing number of mergers and cooperative ventures are to be expected, as well as new partnerships between a wide variety of civil society players together with the emergence of specialist independent networks or networks of specialists in the new technologies (electric and hybrid vehicles).

Brussels, 16 July 2009.

*The President
of the European Economic and Social Committee*
Mario SEPI

⁽⁵⁾ The Right to Repair Campaign original supporters are:
AIRC – Association Internationale des Réparateurs en Carrosserie
CECRA – European Council for Motor Traders and Repairs
EGEA – European Garage Equipment Association
FIA – Fédération Internationale de l'Automobile
FIGIEFA – International Federation of Automotive Aftermarket Distributors.

⁽⁶⁾ EESC opinion on the *Commission Communication – 'Think Small First': A 'Small Business Act for Europe'*. – COM(2008) 394 final, OJ C 182, 4.8.2009, p. 30.