

CLEPA Position Paper

Competitive level-playing field for independent automotive aftermarket in Japan

CLEPA, the European Association of Automotive Suppliers calls for the protection of the interests of all stakeholders in the automotive supply chain when selling to the independent aftermarket in Japan. A level playing field would preserve the freedom of choice for the end-consumer, in the area of repair and maintenance and telematic services.

Following in the spirit of the EU laws and guidelines, which sets out a competition regulatory framework for the EU automotive independent aftermarket business, CLEPA defends and promotes the following principles:

- The possibility for all actors (the OE suppliers, the independent operators and workshops), to be able to obtain full and non-discriminatory access to all spare parts, Repair and Maintenance Information (processed in usable electronic formats), and the relevant access to information to develop and provide diagnostics tools and training, at fair and competitive fees.
- In-vehicle information must be accessible for all independent operators via the OBD port or wirelessly via an interoperable standardised and secure in-vehicle open telematics platform
- The ability of authorised dealers to source OE spare parts and spare parts of equivalent quality or services from the supplier of their choice.
- The OE suppliers should be free to sell spare parts and provide services directly to the independent aftermarket, without any restriction. This would include OE suppliers being able to utilise tools, know-how and IP, which either the OE supplier has created or, if received from the vehicle manufacturer, which the OE supplier would have been able to have created from its own resources, (especially by, but not limited to, re-engineering).
- A car manufacturer should not be entitled to use against an OE supplier the tooling and / or IP rights acquired from the said OE supplier to, directly or indirectly, restrict the ability of this OE supplier from selling to the independent aftermarket.
- The OE suppliers should be able to apply its own Trade Mark or logo and its own Part Number to the parts supplied to the vehicle manufacturer.
- The vehicle manufacturer's warranty terms should not explicitly or implicitly reserve repair and maintenance work only for members of their authorised networks, but instead, this should be extended to the independent aftermarket.

Furthermore, for the benefit of the environment, CLEPA supports the view that remanufactured automotive parts should be considered as quality parts, fulfilling a function which is at least equivalent compared to the original part, having been restored from an existing part (core), using standardized industrial processes in line with specific technical specifications and offering the same warranty as a new part. As such, they should not be subject to any trading restrictions.

CLEPA defends the rights of automotive parts and OE suppliers by clarifying that:

- The IP/ tooling, even if financed partially or through the piece price by the vehicle manufacturers (OEs), can be used by part suppliers to sell to the independent aftermarket (IAM).
- Where the OEs require title to the tooling/IP, such title shall not be abused by the OEs to prevent or restrict sales to the IAM.
- Where the OEs are entitled to compensation for the supplier's use of the tooling/IP for the IAM, such compensation should only be calculated in proportion to the manufacturing cost of the tooling/IP and not be determined as a percentage of the IAM price.
- Regarding the customization of the core product to the specific engine environment, e.g. interfaces, a clarification would be helpful, to prevent the OEs from abusing their contribution to customization, with the intent of hindering the supplier's access to the IAM. Ideally, the legislation should include explicit stipulations that any contribution the supplier would have to pay to the OEM for such usage of OEs financed customization be adequate or – ideally - free of charge.

CLEPA is the European Association of Automotive Suppliers. Over 120 of the world's most prominent suppliers for car parts, systems and modules and more than 20 National trade associations and European sector associations are members of CLEPA, representing more than 3 thousand companies and covering all products and services within the automotive supply chain. Based in Brussels, Belgium, CLEPA is recognised as the natural discussion partner by the European Institutions, United Nations and fellow associations (ACEA, JAMA, MEMA, etc.).

Facts about the European automotive industry

- Some **12 million** people are employed in the European automotive industry
- European automotive suppliers directly employ **5 million** people
- European automotive suppliers invest **€22bn** in RDI per year. They are the biggest private investor in research and innovation
- Per year, **18 million** vehicles are manufactured in Europe, contributing to the stability and growth of the European economy