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25 April 2023

Dear Sir,

Draft CMA Guidance on Motor Vehicle Agreements, CMA Guidance

1. The United Kingdom Lubricants Association (UKLA) is the trade sector body for the petrochemical lubricants sector based in the United Kingdom.
2. Our members represent organisations ranging from large multinationals to small and medium-sized enterprises involved with formulating, blending and marketing lubricants which are used across every sector of society from the automotive, industrial, aviation, marine, rail and construction industries.
3. The United Kingdom is the second largest market for petrochemical lubricants in Europe with a fifteen percent market share, second to Germany and ahead of Italy, France and Spain. The market volume is around 600,000 metric tonnes a year and is equally split between automotive and industrial applications. The market is comprised of large multinationals which make up around 60% of the market volume, and a large number of small and medium-sized enterprises which make up the remaining 40%.
4. UKLA welcomes the recommendation to the Department for Business & Trade to renew the Retained Motor Vehicle Block Exemption Regulation as a Motor Vehicle Block Exemption Order upon expiry on 31st May 2023, for a six year period effective 1st June 2023.
5. UKLA also welcomes the clarification within the Draft CMA Guidance on Motor Vehicle Agreements of the definition of what constitutes aftermarket parts contained in 4.3 Page 11;

4.3 Aftermarket goods means any of the following:

- (a) spare parts; 19
- (b) any software required to repair or replace a part of, or system in, a motor vehicle, together with any code required to activate or configure that software;



(c) liquids used in the breaking system, steering system, engine or elsewhere in a motor vehicle as a coolant, lubricant, cleaner or otherwise, in so far as the liquids are necessary for the use of the motor vehicle, but not fuel.

6. For further clarification, UKLA recommends that the term 'breaking' contained in 4.3(c) on page 12 of the consultation document is amended to the term 'braking' which represents lubricants used in the brakes and braking system of a vehicle rather than any lubricants used in the dismantling or 'breaking' of a vehicle.

7. UKLA also would wish for the inclusion of the term 'greases' within the definition under 4.3 (c) on Page 12 which are not covered through the term 'liquid lubricant'. Greases are a distinct and separate form of lubricant created through a process of saponification whereby the lubricant is held in suspension through thickeners in a semi-solid structure, a bit like a sponge. *UKLA's recommendation* therefore becomes;

(c) liquids and greases used in the braking system, steering system, engine, transmission, or elsewhere in a motor vehicle as a coolant, lubricant, cleaner or otherwise, in so far as the liquids and greases are necessary for the use of the motor vehicle, but not fuel.

Yours faithfully,

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Director General
United Kingdom Lubricants Association Ltd

