

Title of the act: E/CNMC/0001/14 ESTUDIO SOBRE EL MERCADO DEL SERVICIO DE INSPECCIÓN TÉCNICA DE VEHÍCULOS

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Impact Assessment of CNMC Market Studies



1 Intro

1.1 Key features of the assessment

1.1.1 Short description of the market to be assessed

El servicio de inspección técnica de vehículos, en adelante ITV, consiste en una revisión periódica de los vehículos de motor con vistas a verificar que se encuentran en las condiciones mecánicas adecuadas para garantizar la seguridad en las carreteras. Además, la ITV controla que las emisiones contaminantes de los vehículos permanecen dentro de los límites permitidos.

1.1.2 Short description of the regulatory framework

El servicio de inspección técnica de vehículos se presta a partir de un marco legal comunitario y nacional común, pero en condiciones considerablemente distintas en cada CCAA.

*A nivel comunitario, la norma principal que regula la actividad de ITV es la **Directiva 2009/40/CE** del Parlamento Europeo y del Consejo, de 6 de mayo de 2009, relativa a la inspección técnica de los vehículos a motor. El objetivo fundamental de esta Directiva es mantener un nivel controlado de emisiones de gases de escape durante toda la vida del vehículo y garantizar la retirada de la circulación de los vehículos excesivamente contaminantes hasta que se realice su debido mantenimiento. Tras varias modificaciones a esta Directiva, la misma quedó derogada por la **Directiva 2014/45/UE**, de 3 abril, la cual refuerza el papel de los Estados miembros a la hora de establecer nuevos criterios en lo relativo a los servicios de ITV.*

*A nivel nacional, el ámbito de las inspecciones técnicas de vehículos está regulado por el Real Decreto 2042/1994, de 14 de octubre, que regula los elementos concretos del servicio de la inspección técnica de vehículos, y el **Real Decreto 224/2008**, de 15 de febrero, que regula el funcionamiento de las estaciones de inspección técnica de vehículos, el cual dispone que la ejecución material de las inspecciones será realizada de acuerdo con el **modelo de gestión** que establezcan las CCAA en ejercicio de sus competencias. Entre otros aspectos, el Real Decreto señala que las inspecciones podrán ser realizadas por las CCAA directamente, a través de sociedades de economía mixta o empresas privadas en régimen de concesión administrativa o mediante autorización, recayendo en manos de las CCAA la decisión sobre la liberalización del sector. También establece distintos criterios relacionados con el régimen tarifario y el de incompatibilidades.*

La transferencia de competencias a las CCAA se refleja en una disparidad de los sistemas implantados por cada región. En el momento de realización del estudio de mercado, la mayor parte de las CCAA se regían mediante un sistema de concesión. Solamente algunas de ellas, como Madrid o Canarias, funcionaban mediante un régimen de autorización sin limitaciones, así como Castilla La Mancha, la cual establecía, no obstante, ciertas obligaciones con respecto a la ubicación de las nuevas estaciones, siguiendo un criterio de necesidad en función de la distribución del censo zonal del parque de vehículos, la dispersión de la población y la ubicación de las estaciones de ITV ya existentes. Lo mismo ocurre con el régimen de tarifas, el cual difiere entre CCAA y las medidas aplicadas referentes a la incompatibilidad accionarial.

1.1.3 Short description of the rationale behind the act

El objetivo del estudio es realizar una serie de recomendaciones a las autoridades competentes (nacional y autonómicas) para que el sistema de ITV en su conjunto logre mayores cotas de eficiencia económica compatible con los objetivos de seguridad vial. Para ello, este estudio realiza un análisis de las principales variables económicas, que se completa con el examen en términos de regulación económica eficiente de las principales exigencias o restricciones a la competencia que existen en el marco regulador de la ITV, prestando especial atención a la heterogeneidad existente entre CCAA.

1.1.4 Specific objectives of the act

Los objetivos específicos de este Estudio de Mercado, en línea con la definición prevista en la Metodología para la elaboración de estudios de mercado en la CNMC, son:

- *Identificar si en el mercado de las ITV existen fallos de mercado que justifiquen la intervención regulatoria;*
- *Analizar si la regulación existente deriva en restricciones innecesarias que limitan el nivel de competencia efectiva en el mercado (principio de necesidad); y*
- *Determinar si existieran alternativas que generen una menor distorsión competitiva en el mercado que la regulación vigente (principio de proporcionalidad).*

En definitiva, analizar las distintas restricciones a la competencia presentes en cada modelo de funcionamiento bajo la óptica de la regulación económica eficiente, teniendo en cuenta igualmente la experiencia comparada, nacional e internacional, lo que permitirá obtener conclusiones y recomendaciones acerca de cuál es la configuración más favorecedora de la competencia y la eficiencia económica.

2 Evaluation of the act

2.1 Relevance

2.1.1 Relevance of the sector

Table 1: Relevance of the sector

Theme	Indicators	Source	Results / Comments
Economic weight and structure of the market	Total sector turnover	SABI database	Total sector turnover in 2019 is estimated at 924 million euros (0.07% of GDP) .
		No. of technical inspections by region: https://industria.gob.es/Calidad-Industrial/vehiculos/Paginas/inspeccion-tecnica-vehiculos.aspx	Total number of technical inspections in 2019 amounted to 23.6 million .
		No. of vehicle registrations by region: https://www.dgt.es/es/seguridad-vial/estadisticas-e-indicadores/matriculaciones-definitivas/tablas-estadisticas/	Total vehicle registrations in 2019 amounted to 1.8 million .
		Average prices of technical inspections by region: https://itv.com.es/precios-itv FACUA reports on average prices of technical inspections by region (e.g. below): https://www.facua.org/es/tablas/ITV2016.pdf	The average market price of technical inspections in 2019 was 39.23 euros .
	Number of firms	No. of firms by region: https://itv.com.es/empresas-itv https://www.aeca-itv.com/la-itv/listado-por-comunidades-autonomas/	The number of firms in the ITV sector in 2019 amounted to 80 , considering also those managed by regional governments.
		SABI database	
	Average turnover per company	Estimated by KPMG	Considering the data provided above, the average turnover per company is estimated at 11.6 million euros .

	Geographical location/concentration of companies	No. of firms by region: https://itv.com.es/empresas-itv https://www.aeca-itv.com/la-itv/listado-por-comunidades-autonomas/	<i>The regional distribution of the abovementioned companies in 2019 is shown in Annex 3.</i>
Labour market and employment	Total number of employees	SABI database.	<i>Total number of employees in this sector in 2019 is estimated at, approximately, 9,000 employees.</i>
	Average salary	Sector collective agreements by region. For example (La Rioja): https://industria.ccoo.es/48a918ee9c34cbd545838a3be891bc20000060.pdf	<i>Average annual salary in this sector in 2019 is estimated at 23,509 euros.</i>
Perception of consumers and policymakers	Is there the perception that the sector needs reform?	Surveys/Interviews	<i>See Annex 1.</i>

2.1.2 Relevance of the act

Fallos de mercado

Según la clasificación de la OCDE, los problemas de competencia encontrados en el Estudio de Mercado son los siguientes:

• **A. Límites al número o rango de proveedores:**

- o A1. Concesión de derechos exclusivos para ofertar bienes o servicios; y
- o A3. Límite a la capacidad de ofrecer un bien o servicio.

Las **principales conclusiones** del Estudio de Mercado son:

Tanto la normativa nacional, como la autonómica imponen una serie de requisitos que suponen restricciones a la competencia. Dichos requisitos son adicionales a los que cabría imponer a la actividad de inspección técnica de vehículos en su condición de actividad asimilable al sistema de aseguramiento de la calidad y seguridad industrial. El conjunto de requisitos impide que se intensifiquen las dinámicas competitivas y, por tanto, que los usuarios se beneficien de las mismas.

Existen todavía restricciones en los marcos normativos autonómicos que no son proporcionales, a pesar de que el paso dado para eliminar las incompatibilidades accionariales y generalizar la necesidad de acreditación previa va en la dirección apropiada.

El régimen de concesión administrativa, mayoritario en España, limita el número de operadores y su capacidad de competencia, siendo no proporcional ni necesario. Por tanto, estaría impidiendo a los usuarios acceder a importantes beneficios.

Los procedimientos de funcionamiento, supuestamente comunes para todas las Comunidades Autónomas y, dentro de ellas, para todas las estaciones, no están coordinados.

Beneficios para el consumidor

En algunas comunidades, como Madrid o Castilla la Mancha, el paso de un modo de gestión de concesión a otro de autorización ha aumentado las posibilidades de elección del consumidor gracias al aumento del número de estaciones, su aparición en nuevas localizaciones, sus horarios más convenientes, la ampliación de la oferta de servicios complementarios en la estación de ITV y la oferta de descuentos:

- **El aumento del número de estaciones** aumenta la posibilidad de elección del consumidor al tener mayor probabilidad de poder elegir entre más de una estación donde pasar la inspección obligatoria. Además, el hecho de que las nuevas estaciones de ITV se sitúan cerca de centros de ocio, como centros comerciales permite al usuario del servicio de ITVs complementar actividades de ocio, con la realización de la inspección.
- **Horarios de apertura al público.** Los horarios de apertura de las estaciones de ITV de Madrid son más amplios, con diferencia, que los de otras estaciones ubicadas en el resto de las CCAA. En la Comunidad de Madrid el horario de apertura es continuo de lunes a sábado, desde tempranas horas de la mañana, y de media jornada los domingos. Este horario no se repite salvo en alguna estación de Castilla la Mancha. De este modo el usuario se ve beneficiado y, aun debiendo respetar la obligatoriedad de pasar la ITV, aumenta su libertad de elección.
- **Reducción de tiempos de espera.** Una de las consecuencias más perjudiciales de la prestación del servicio de ITV bajo horarios limitados y con un reducido número de estaciones son los costes en tiempos de espera para el usuario. En primer lugar, el mayor número de estaciones es probable que reduzca el tiempo medio de espera para ser atendido. Adicionalmente, se está constatando que la liberalización de horarios en Madrid, una CCAA con un significativo porcentaje de los

vehículos de España, ha inducido que buena parte de las estaciones de ITV, incluso en comunidades con régimen de concesión, hayan implantado el servicio de cita previa.

- **Otros servicios complementarios.** Algunas estaciones de ITV de Madrid y de Castilla la Mancha han ampliado la oferta de servicios a otros accesorios como el servicio puerta a puerta (la estación recoge el vehículo y lo entrega revisado y lavado en la puerta de la casa o del trabajo del cliente) o servicio de lavado (la estación entrega un vale descuento para lavar el vehículo en sus centros asociados). Ambos servicios incrementan el bienestar del consumidor: el primero evita que el consumidor se vea forzado a emplear parte de su tiempo en desplazarse a la estación, en hacer colas y en asistir a la propia inspección; y el segundo permite que el usuario obtenga un ahorro monetario en caso de que desee lavar el vehículo.
- **Descuentos.** Las estaciones de ITV de Madrid y de Castilla la Mancha ofrecen una gran variedad de descuentos, los cuales producen efectos procompetitivos. Cuando una estación ofrece descuentos, sus competidores pueden reaccionar de la misma forma, teniendo incentivos para incrementar su eficiencia y reduciendo así el coste de la inspección obligatoria para los consumidores. Las empresas propietarias de las estaciones de ITV al ofrecer descuentos atraen nuevos consumidores y amplían y/o conservan su base de clientes.

Es probable, además, que dicha mayor facilidad pudiera contribuir a reducir la tasa de absentismo, teniendo presente que el principal motivo que mueve al consumidor es la cercanía y que la competencia también promueve innovaciones que facilitan la realización del servicio.

Table 2: Relevance of the act

OECD Competition Issues	Specific question	Comments from the act / Deliverable 3
Limits the number or range of suppliers.	A1. Grants exclusive rights for a supplier to provide goods or services.	El régimen de concesión administrativa, limitativo del número de operadores y de su capacidad de competencia, no es proporcional ni necesario, y estaría impidiendo a los usuarios acceder a importantes beneficios.
	A3. Limits the ability of some suppliers to provide a good or service.	<p>Tanto la normativa nacional, como la autonómica imponen una serie de requisitos que suponen restricciones a la competencia. Dichos requisitos son adicionales a los que cabría imponer a la actividad de inspección técnica de vehículos en su condición de actividad asimilable al sistema de aseguramiento de la calidad y seguridad industrial. El conjunto de requisitos impide que se intensifiquen las dinámicas competitivas y, por tanto, que los usuarios se beneficien de las mismas.</p> <p>Existen todavía restricciones en los marcos normativos autonómicos que no son proporcionales, a pesar de que el paso dado para eliminar las incompatibilidades accionariales y generalizar la necesidad de acreditación previa va en la dirección apropiada.</p> <p>Los procedimientos de funcionamiento, supuestamente comunes para todas las Comunidades Autónomas y, dentro de ellas, para todas las estaciones, no están coordinados.</p>

2.2 Effectiveness

2.2.1 Outreach: qualitative assessment

Annex 1 provides a set of questions which can be used by the Evaluator in order to conduct surveys/interviews to those policymakers targeted by the Market Study and those experts in the field.

2.2.2 Outreach: quantitative assessment

Theme	Indicators	Source
Outreach to the general public	287 downloads from the CNMC's website	CNMC internal database

2.3 Efficiency

2.3.1 Efficiency for CNMC

This section will be completed by the CNMC depending on the availability of data on the production costs of the act.

2.4 Coherence

Checklist	Yes	No
<i>Does the MS clearly define the regulatory framework?</i>	X	
<i>Do the MS recommendations describe their alignment with the existing measures?</i>	X	
<i>Is it possible to identify other CNMC acts (especially previous MS) which are consistent with the key findings of the MS?</i>		X
<i>Do the MS mention a number of CNMC competition principles which are relevant to the specific market?</i>	X	
<i>Are there any clear inconsistencies with previous CNMC acts, especially Market Unity Report?</i>		X
<i>Are the decision-making bodies clearly identified? Are they the institutional authority to implement possible recommendations?</i>	X	

3 Impact assessment

3.1 Direct impact¹

General considerations:

- In our analysis, we consider **'implemented'** those regulatory changes that are in line with the CNMC's recommendations, regardless of whether these were made before or after the publication of the market study.
- Likewise, legislative changes that are not fully in line with the CNMC's recommendations will be considered **'partially implemented'**. Again, this categorization is carried out without considering whether these were carried out before or after the publication of the market study.
- When compliance with a recommendation is not assessable, either because it is not applicable to the specific case or because said recommendation depends on a previous recommendation already satisfied, we will consider it **'non-evaluable'**.

OCED Competition Issue	Recommendation	Actions	Outputs	Status of implementation
A1. Concesión de derechos exclusivos para ofertas bienes o servicios	1) Pasar a un régimen no limitativo del número de operadores de autorización, sabiendo que éste proporciona importantes beneficios a los consumidores, pero que requiere de la adaptación de los esquemas de supervisión.	Particularities: <ul style="list-style-type: none"> a) There are 3 regions (Castilla La Mancha, Canarias and Madrid) where the authorization regime already existed before the CNMC's recommendations. Therefore, the 'implementation' of this change in the Technical Vehicle Inspections system cannot be attributed to the Market Study, but the current regime is in line with CNMC's recommendation. It is then categorized as 'implemented'. b) There is 1 region (Cataluña) where some modifications were introduced after the CNMC's recommendations. It is then categorized as 'partially implemented'. However, these modifications did not imply a change in the Technical Vehicle Inspections system yet, so the potential impact cannot be evaluated at this stage. That's why for subsequent recommendations it is considered 'non-evaluable'. c) There is 1 region (Balears) where a mixed (concession and authorization) regime entered into force before the CNMC's recommendations. Therefore, the current regime is partially in line with CNMC's recommendation. It is then categorized as 'Partially implemented'. 		

¹ Source: Deliverable 3.

		<p><u>Implemented</u> Castilla La Mancha: Decreto 8/2019, de 5 marzo. Canarias: Ley 2/2018, de 28 de septiembre. Madrid: La Ley 7/2009, de 15 de diciembre, y el Decreto 8/2011, de 17 de febrero.</p>	<p><u>Implemented</u> Castilla La Mancha, Canarias and Madrid already had an authorization regime.</p>	<p><u>Implemented</u> <i>Castilla la Mancha, Canarias and Madrid.</i></p>
		<p><u>Partially implemented</u> Cataluña: Decreto-ley 45/2020, de 17 de noviembre. Baleares: Ley 4/2014, de 20 de junio.</p>	<p><u>Partially implemented</u> Baleares: the system into force provides for both a concession and authorization regime, so we understand that the CNMC's recommendation is not fully followed.</p>	<p><u>Partially implemented</u> <i>Cataluña and Baleares.</i></p>
		<p><u>Non-implemented</u> <i>Remaining regions</i></p>	<p><u>Non-implemented</u> <i>Remaining regions</i></p>	<p><u>Non-implemented</u> <i>Remaining regions</i></p>
<p>A1. Concesión de derechos exclusivos para ofertas bienes o servicios</p>	<p>2) Asumiendo que el paso a un régimen de tales características desde un régimen de concesión puede no ser sencillo desde una perspectiva legal por las obligaciones adquiridas, se recomienda que durante la vigencia de los regímenes de concesión:</p> <p>a. No seguir prorrogando los plazos de las concesiones ni realizar nuevas concesiones. La duración de las concesiones no debería diseñarse con el objeto de obtener una mayor rentabilidad a través de los cánones.</p> <p>b. Analizar la viabilidad de aumentar el número de operadores, reducir los plazos concesionales o de reducir las tarifas a los usuarios, ya que la experiencia ha demostrado que en algunos casos, los esquemas</p>	<p><u>Particularities</u></p> <p>a) For the 3 regions where the authorization regime already existed before the CNMC's recommendations the legal database considers that the implementation is 'Non-Evaluable'.</p> <p>b) For Cataluña, as the modifications did not imply a change in the Technical Vehicle Inspections system yet, the legal database considered that the implementation is also 'Non-Evaluable'.</p> <p>c) For Baleares, it is considered as 'partially implemented'. As the system into force provides for both a concession and authorization regime, we understand that the CNMC's recommendation is not fully followed.</p> <p>As a result, no 'Actions' or 'Output' can be assessed.</p>		

	de concesión estaban generando rentas significativas a los operadores instalados. c. En este sentido, resulta recomendable analizar la adecuación de la duración de las concesiones, puesto que esta debería proporcionar suficientes incentivos a la eficiencia y fomentar una competencia regular por el mercado.		<u>Non-evaluable</u> Castilla la Mancha, Canarias, Madrid and Cataluña
		<u>Partially implemented</u> Baleares: the system into force provides for both a concession and authorization regime, so we understand that the CNMC's recommendation is not fully followed.	<u>Partially implemented</u> Baleares
			<u>Non-implemented</u> Remaining regions
A1. Concesión de derechos exclusivos para ofertas bienes o servicios	3) Reducir la intervención sobre los parámetros del ejercicio de la actividad (tarifas, horarios, plantilla, ...) cuando no sea estrictamente necesario y a través de mecanismos proporcionales.		<u>Non-evaluable</u> Castilla la Mancha, Canarias, Madrid and Cataluña
		<u>Partially implemented</u> Baleares: the system into force provides for both a concession and authorization regime, so we understand that the CNMC's recommendation is not fully followed.	<u>Partially implemented</u> Baleares
			<u>Non-implemented</u> Remaining regions
A1. Concesión de derechos exclusivos para ofertas bienes o servicios	4) Analizar la conveniencia de explotar el margen de flexibilidad que ofrece el marco normativo nacional para eliminar requisitos desproporcionados y lograr un modelo más eficiente en beneficio de consumidores y usuarios, relajando aquellos requisitos que no sean estrictamente necesarios y permitiendo que el modelo en su conjunto continúe evolucionando y favoreciendo esquemas de prestación del servicio más eficientes y menos fragmentados.		<u>Non-evaluable</u> Castilla la Mancha, Canarias, Madrid and Cataluña
		<u>Partially implemented</u> Baleares: the system into force provides for both a concession and authorization regime, so we understand that the CNMC's recommendation is not fully followed.	<u>Partially implemented</u> Baleares
			<u>Non-implemented</u> Remaining regions

3.2 Impact on the specific market²

OECD Competition issues	Relevant recommendation	Impact	Indicator	Parameters proposed for the impact assessment		Potential economic impact under the proposed approach
				Found in the Literature	Recommended Value	
A1. Concesión de derechos exclusivos para ofertar bienes o servicios; and	1) Pasar a un régimen no limitativo del número de operadores de autorización, sabiendo que éste proporciona importantes beneficios a los consumidores, pero que requiere de la adaptación de los esquemas de supervisión.	Market Structure	Number of operators	From its literature review, the CNMC found that the number of operators might increase by 12% in cases of barriers to entry. The specific sources of these parameters are presented in Annex 2.	We recommend applying a potential increase in the number of operators of 12% derived from the reduction of entry barriers. (Referred to by the CNMC in UM/033/15).	The loss of operators in those regions where the CNMC's recommendations were not followed or were partially implemented is estimated at 5.52 companies . ⁽¹⁾ Data source: SABI and AECA, 2019.
		Sales/Turnover	Potential increase in sales	From its literature review, the CNMC found that sales increases in cases of barriers to entry ranged from 4% to 11% .	To be conservative, we recommend applying a potential increase in sales of 5% derived from the reduction of entry barriers. (Referred to by the CNMC in UM/074/14).	The sales/turnover loss in those regions where the CNMC's recommendations were not applied or were partially implemented is estimated at 46.9 million euros . ⁽²⁾ Data source: Ministry of Industry, 2015-2019 (Number of technical inspections per region); FACUA, 2015-2019 (Average price of technical inspections per region) and CNMC ITV market study (Average absenteeism rate for vehicles).

² See Annex 6 for a more detailed presentation of the methodology used for the impact assessment.

		Labour & Employment	Number of employees	<p>From its literature review, the CNMC found that employment might increase after the elimination of barriers to entry from 1% to 12%.</p> <p>The specific sources of these parameters are presented in Annex 2.</p>	<p>To be conservative, we recommend applying a potential increase in employment of 5% derived from the reduction of entry barriers. (Referred to by the CNMC in LA/03/2018).</p>	<p>The loss of employment in those regions where the CNMC's recommendations were not applied or were partially implemented is estimated at 313 employees.⁽³⁾</p> <p>Data source: SABI, 2019.</p>
	3) Reducir la intervención sobre los parámetros del ejercicio de la actividad (tarifas, horarios, plantilla, ...) cuando no sea estrictamente necesario y a través de mecanismos proporcionales.	Consumers' satisfaction	Reduction in waiting times	<p>From its literature review, the CNMC found that the waiting times could decrease between 2% and 7% if entry barriers are reduced.</p> <p>The specific sources of these parameters are presented in Annex 2.</p>	<p>To be conservative, we recommend applying a potential decrease in waiting times of 5% derived from the reduction of entry barriers. (Referred to by the CNMC in UM/085/15).</p>	<p>The loss of consumer's welfare where the CNMC's recommendations were not applied or were partially implemented is estimated at 17.8 million euros.⁽⁴⁾</p> <p>Data source: Ministry of Labour and Social Economy, 2015-2019 (National minimum wage levels) and press news (Average waiting times in Technical Vehicle Inspections)</p>
	3) Reducir la intervención sobre los parámetros del ejercicio de la actividad (tarifas, horarios, plantilla, ...) cuando no sea estrictamente necesario y a través de mecanismos proporcionales.	Price evolution and level	Average price for service	<p>From its literature review, the CNMC found that price increases in cases of barriers to entry ranged from 3% to 35%.</p> <p>The specific sources of these parameters are presented in Annex 2.</p>	<p>To be conservative, we recommend applying a potential decrease in prices of 5% derived from the reduction of entry barriers. (Applied by the CNMC in UM/033/15).</p>	<p>The increase in prices applied in our quantification was 5% in accordance to CNMC's criteria in previous cases.⁽⁵⁾ The welfare loss in those regions where the CNMC's recommendations were not applied or were partially implemented is estimated at 147 million euros.</p>

						<i>Data source: Ministry of Industry, 2015-2019 (Number of technical inspections per region) and FACUA, 2015-2019 (Average price of technical inspections per region).</i>
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Notes: (1) For those regions where the recommendations have not been implemented, a 12% potential loss has been assumed; for those regions with a partial implementation, a 6% potential loss has been assumed. (2) For those regions where the recommendations have not been implemented, a 5% potential decrease in the absenteeism rate has been assumed; for those regions with a partial implementation, a 2.5% potential decrease has been assumed. (3) For those regions where the recommendations have not been implemented, a 5% potential decrease has been assumed; for those regions with a partial implementation, a 2.5% potential decrease has been assumed. (4) For those regions where the recommendations have not been implemented, a 5% potential decrease has been assumed; for those regions with a partial implementation, a 2.5% potential decrease has been assumed. (5) For those regions where the recommendations have not been implemented, a 5% potential decrease has been assumed; for those regions with a partial implementation, a 2.5% potential decrease has been assumed.

3.3 Impact on the wider economy

	YES	NO
<i>Recommendation is fully/partially implemented?</i>		<i>X</i>
<i>Recommendation had an impact on the specific market?</i>		<i>X</i>
<i>The specific market has a relevant weight in the wider economy?</i>		<i>X</i>

In 2019, the Technical Vehicle Inspections sector accounted for only 0.07% of the national GDP³. On a regional level, Castilla La Mancha is the one with the greatest contribution of the sector to the economy, amounting to a 0.16% of the regional GDP. It is followed by Cantabria (0.12%), La Rioja (0.11%), Galicia (0.11%) and Castilla y León (0.11%)^{4,5}.

Therefore, given the limited contribution of this specific sector to the economy, in principle, we do not foresee a significant spillover effect.

³ Calculated as the ratio between estimated turnover and national GDP.

⁴ The regional contribution to national GDP is shown in Annex 7.

⁵ Similar conclusions can be drawn from previous years.

4 Conclusions

The main conclusions obtained in the current assessment are presented below:

- The market for technical vehicles inspection (TVI) services presents a heterogeneous regulation across the different Spanish regions. Whereas the main difference lies in the regimes for granting the licenses to operate in the market, there are also differences regarding the establishment of service rates and shareholding incompatibility. Most of the regions hold a restrictive franchise regime, which limits entry into the market, and regulate tariffs.
- According to information available in sector databases and public sources, there are **80 active operators** in the TVI market, considering also those managed by regional governments.⁶ Total sector **turnover was 924 million euros** in 2019, year in which **23.6 million inspections** were carried out. Additionally, the employment in this sector amounts to approximately **9,000 employees**.
- The CNMC's recommendations are addressed to the different levels of the administration: some of them are addressed to the central government while others are made to regional governments. The latter are more specific in terms of the objective they pursue and focus on the transition from a concession system to an authorization system, thus liberalizing market entry.
- The assessment has focused on analysing the most relevant recommendations that could have had an impact on the main market indicators. The result of the analysis is that **almost none of these recommendations have been applied in almost any of the Spanish regions**. Consequently, **an economic impact could not be expected in the sector, nor in the whole of the Spanish economy**.
- However, the loss of consumers' welfare that would have resulted from the lack of not having implemented the CNMC's recommendations has been quantified⁷. Results show that, in those regions where the recommendations were not implemented, or that were partially implemented:
 - The potential loss in sales is estimated at **46.9 million euros**.
 - The potential loss of operators is estimated at **5.52 companies**.
 - The potential loss of employment is estimated at **313 employees**.
 - Prices might have been potentially reduced by 5%. Therefore, loss of consumer's welfare in terms of overpaid sales or turnover is estimated at **147 million euros**.
 - Finally, had the recommendations been implemented, a potential decrease in waiting time could have been achieved, which would have led to additional gain in consumers' welfare. Since they have not been implemented, the potential loss in consumers' welfare in terms of waiting time is estimated at **17.8 million euros**.
- Given that the CNMC's recommendations cannot be considered as to have been implemented as a result of the market study and the limited contribution of the sector to the national economy (GDP), **a wider impact on the Spanish economy is not foreseen and, therefore, not estimated**.

⁶ Nonetheless, these 80 operators can be present in more than one region. Consequently, when the regional dimension is considered in the table included in Annex 3, the number of operators turns out to be above this figure.

⁷ The methodology applied to quantify the welfare loss is presented in Annex 6.

Annex 1. Questionnaires

Relevance assessment questionnaire

Policy makers

- *Was the market in need of reforms/updates? If yes, which were the main concern from a competition policy point of view?*
- *Were you aware by possible market operators concern over the functioning of the market addressed by the Market Study?*
- *Which were the needs the Market Study aimed to address?*
- *How urgent were the issues to be addressed by the Market Study?*

Stakeholders

- *Have you ever raised concern to policy makers over possible competition issues in the given market?*
- *Were you consulted at any stage of the Market Study? If yes, which one?*
- *Have you (or your organisation) actively stimulated the debate over the regulatory framework?*
- *Have you used the Market Study S to have a better understanding of the regulatory framework?*

Qualitative assessment: effectiveness

Policy makers

- *Please describe your overall knowledge of the Market Study and your familiarity with it*
- *Was the market study used during committees/meeting aimed at updating or changing the regulatory framework?*
- *What was the primary use of the Market Study during the policy-making process?*
- *Do you think that the Market Study was clear enough? Was it consistent with the needs and objectives of the regulatory revisions?*
- *Were the results of the MS a clear factor in your final decision making?*
- *Would have you carried out the same reforms/changes even without the MS?*

Stakeholders

- *Do you consider that the MS capture the key issues affecting the relevant market?*
- *Do you believe that the recommendations in the MS were clear and well designed?*
- *Were you involved in any focus group? If yes, were your considerations considered?*
- *Have you used the MS to have a better understanding of the regulatory framework?*

Experts

- *Do you consider that MS is consistent with overall competition law framework and principle?*
- *Do you think that the recommendations were sufficiently clear to be effectively implemented by relevant policy makers?*
- *Overall, how would you judge the potential usefulness of the MS?*

Questionnaire on efficiency

- *Is it possible to define the time spent by the CNMC employees in delivering the Market Study? If yes, was it in line with the average effort required to elaborate this kind of act?*
- *Did the Market Study require the support/advise by external experts? If so, was the cost of these external experts and the time spent by them working on the Legal appeal?*
- *Compared with other Market Study, do you think that this act had higher/lower outputs for the same costs?*

Annex 2. List of parameters applied by the CNMC in its economic studies

Indicator	Parameter			Source
	Found in the Literature	Average Value	Recommended Value	
Reduction in waiting time	2%-7%	5%	5%	OFT – Office of Fair Trading (2003): The regulation of licensed taxi and PHV services in the UK.
Reduction in prices	3%-35%	19%	5%	CNMC: UM/085/15
				Bekken, J. T. (2006): "Experiences with Regulatory Changes of the Taxi Industry", 9th Conference on Competition and Ownership in Land Transport, 2006.
				Canada Competition Bureau (2015): Modernizing Regulation in the Canadian Taxi Industry, White Paper.
				CEA – Council of Economic Advisers (2015): "Occupational Licensing: A Framework for Policymakers", Department of the Treasury Office of Economic Policy, the Council of Economic Advisers of the President of The United States and the Department of Labor of the Government of the United States.
				Kleiner, M. (2006): "Licensing Occupations: Ensuring Quality or Restriction Competition?" W.E. Upjohn Institute for Employment Research 1-15. Kalamazoo, MI: Upjohn Institute Press.
Increase in employment	1%-12%	7%	5%	Pilat, D. (1997), "Regulation and Performance in the Distribution Sector," OECD Economics Department Working Papers 180, OECD Publishing
				Burda, M. and P. Weil (2005), "Blue Laws", documento de trabajo, octubre.
				Goos, M. (2004), "Sinking the Blues: The Impact of Shop Closing Hours on Labour and Product Markets", Center for Economic Performance Discussion Paper Series.
				Skuterud, M. (2005), "The Impact of Sunday Shopping on Employment and Hours of Work in the Retail Industry: Evidence from Canada", European Economic Review, 49, 8, 1953– 1978.
				Genakos C. y S. Danchev (2015): "Evaluating the Impact of Sunday Trading Deregulation", Center for Economic Performance Discussion Paper N° 1336, marzo.
				FMI - Fondo Monetario Internacional: Spain: 2003 Article IV Consultation, Country Report.
				Bertrand M. y Kramarz F. (2001): "Does entry regulation hinder job creation? Evidence from the French retail industry". Nber working paper series.
				Viviano E. (2006): "Entry regulations and labour market outcomes: Evidence from the Italian retail trade sector". Banca d'Italia (Servizio Studi).
Increase in sales and production	4%-11%	8%	5%	Pilat, D. (1997), "Regulation and Performance in the Distribution Sector," OECD Economics Department Working Papers 180, OECD Publishing
				Goos, M. (2004), "Sinking the Blues: The Impact of Shop Closing Hours on Labour and Product Markets", Center for Economic Performance Discussion Paper Series.
Increase in the number of operators	12%	12%	12%	Kleiner, M. (2006): "Licensing Occupations: Ensuring Quality or Restriction Competition?" W.E. Upjohn Institute for Employment Research 1-15. Kalamazoo, MI: Upjohn Institute Press.

Annex 3. Regional distribution of the market operators in 2019

	No. Operators (2019)
ANDALUCÍA	1
ARAGÓN	5
ASTURIAS	1
BALEARES	3
CANARIAS	7
CANTABRIA	2
CASTILLA LA MANCHA	25
CASTILLA Y LEÓN	4
CATALUÑA	5
CEUTA	1
EXTREMADURA	1
GALICIA	1
MADRID	26
MELILLA	1
MURCIA	10
NAVARRA	2
PAÍS VASCO	4
LA RIOJA	4
C. VALENCIANA	5
TOTAL	108

Source: Data extracted from AECA (<https://www.aeca-itv.com/la-itv/listado-por-comunidades-autonomas/>) and SABI database.

Annex 4. Potential economic impact per region

	Potential loss of sales/turnover (€, 2015-2019)	Potential loss of employment creation (# of employees, 2019)	Potential loss of new operators (# of companies, 2019)	Consumer's welfare loss in terms of waiting time (€, 2015-2019)	Consumers' welfare loss in terms of overcharge (€, 2015-2019)
ANDALUCÍA	10,795,878	81	0.12	4,666,318	33,827,128
ARAGÓN	2,371,260	17	0.60	838,119	7,429,959
ASTURIAS	1,522,976	10	0.12	620,914	4,771,997
BALEARES	939,645	5	0.18	347,508	3,016,036
CANARIAS	0	0	0.00	0	0
CANTABRIA	1,190,917	7	0.24	377,537	3,731,546
CASTILLA LA MANCHA	0	0	0.00	0	0
CASTILLA Y LEÓN	4,942,812	31	0.48	1,731,948	15,487,499
CATALUÑA	4,753,393	30	0.30	1,803,774	15,257,251
CEUTA	129,356	1	0.12	38,167	405,316
EXTREMADURA	1,436,079	13	0.12	674,343	4,499,721
GALICIA	5,465,412	35	0.12	1,997,358	17,124,981
MADRID	0	0	0.00	0	0
MELILLA	123,889	1	0.12	49,179	388,185
MURCIA	2,400,286	17	1.20	905,274	7,520,908
NAVARRA	1,043,972	9	0.24	507,553	3,271,115
PAÍS VASCO	2,550,498	14	0.48	840,748	7,991,569
LA RIOJA	632,820	5	0.48	254,546	1,982,840
C. VALENCIANA	6,608,792	38	0.60	2,144,878	20,707,576
TOTAL	46,907,986	313	5.52	17,798,161	147,413,627

Notes: (1) Potential sales increase is estimated assuming that the absenteeism rate considered by the CNMC in the Technical Vehicle Inspection market study (23.31%) is reduced by 5% in those regions where the CNMC's recommendations were not implemented or by 2.5% in those where they were partially implemented. Both the factual and the reduced absenteeism rates are applied to the hypothetical total number of inspections in the market (that is, the number of inspections had the absenteeism rate been null) and the comparison of the resulting figures is assumed to reflect the potential increase in volume. (2) Waiting time associated consumer's welfare loss is quantified using a commonly known methodology for estimating the value of time under which welfare loss can be approximated by the hourly wage a person could earn hadn't he/she had to be waiting (see, for instance, Harvard Medical School (2015), "It costs you \$43 every time you wait for the doctor". Available: <https://hms.harvard.edu/news/costs-you-43-every-time-you-wait-doctor>). (3) Under the last column, consumer's welfare loss is assumed to be the potential overcharge paid by consumers times the number of inspections in each region.

Annex 5. Vehicle inspections average prices by region, 2014-2019

Factual average prices by region (€), 2014-2019

	2014	2015	2016	2017	2018	2019
ANDALUCÍA	33.17	33.10	33.10	33.07	33.10	33.10
ARAGÓN	40.35	40.35	40.35	40.35	40.87	41.81
ASTURIAS	34.00	34.00	34.00	35.55	35.55	35.55
BALEARES	39.32	39.38	39.38	39.27	39.77	39.77
CANARIAS	38.32	36.30	36.30	36.27	36.93	37.20
CANTABRIA	36.30	45.95	45.65	45.63	45.63	44.72
CASTILLA LA MANCHA	46.01	40.65	40.65	39.55	39.57	39.57
CASTILLA Y LEÓN	40.59	40.90	40.90	40.89	40.90	40.90
CATALUÑA	51.10	36.95	38.90	38.91	38.92	38.92
CEUTA	38.90	48.00	47.75	48.04	48.82	49.94
EXTREMADURA	45.97	29.25	32.00	29.23	31.37	31.37
GALICIA	26.19	38.90	38.65	39.12	39.35	39.63
MADRID	36.17	45.35	45.05	45.58	48.53	48.41
MELILLA	44.31	34.85	38.50	34.60	35.39	36.21
MURCIA	38.50	39.13	39.13	39.11	37.53	36.33
NAVARRA	34.55	29.40	29.40	29.40	29.40	29.40
PAÍS VASCO	42.45	42.82	42.65	42.79	43.48	44.48
LA RIOJA	39.47	35.95	35.95	35.92	35.92	35.92
C. VALENCIANA	48.09	45.95	42.95	45.97	43.02	42.09

Note: Regions which implemented CNMC's recommendations are highlighted in green.

Source: FACUA, Annual reports on vehicle inspections' prices.

Counterfactual average prices by region that would have resulted from reducing the regulatory barriers to entry (€), 2014-2019

	2014	2015	2016	2017	2018	2019
ANDALUCÍA	31.59	31.52	31.52	31.50	31.52	31.52
ARAGÓN	38.42	38.43	38.43	38.42	38.92	39.82
ASTURIAS	32.38	32.38	32.38	33.86	33.86	33.86
BALEARES	38.36	38.41	38.41	38.31	38.80	38.80
CANARIAS	38.32	36.30	36.30	36.27	36.93	37.20
CANTABRIA	34.57	43.76	43.48	43.46	43.46	42.59
CASTILLA LA MANCHA	46.01	40.65	40.65	39.55	39.57	39.57
CASTILLA Y LEÓN	38.66	38.95	38.95	38.94	38.95	38.95
CATALUÑA	49.85	36.05	37.95	37.96	37.97	37.97
CEUTA	37.05	45.71	45.48	45.75	46.49	47.56
EXTREMADURA	43.78	27.86	30.48	27.83	29.88	29.88
GALICIA	24.94	37.05	36.81	37.25	37.47	37.74
MADRID	36.17	45.35	45.05	45.58	48.53	48.41
MELILLA	42.20	33.19	36.67	32.95	33.70	34.48
MURCIA	36.67	37.26	37.26	37.25	35.74	34.60
NAVARRA	32.90	28.00	28.00	28.00	28.00	28.00
PAÍS VASCO	40.43	40.78	40.62	40.75	41.41	42.36
LA RIOJA	37.59	34.24	34.24	34.20	34.20	34.20
C. VALENCIANA	45.80	43.76	40.90	43.78	40.97	40.09

Notes: (1) Regions which implemented CNMC's recommendations are highlighted in green; (2) For those regions which implemented CNMC's recommendations partially, we estimate a potential reduction in prices of 2,5%; (3) For those regions which did not implement any of the CNMC's recommendations, we estimate a potential reduction in prices of 5%.

Source: FACUA, Annual reports on vehicle inspections' prices.

Annex 6. Impact assessment methodology

In order to quantify the potential economic impact of the market study on consumers, several assumptions have been applied based on economic literature commonly referred to by the CNMC to the main indicators in the TVI market. These are: (1) Number of operators; (2) Employment; (3) Sales/Turnover; (4) Waiting time; and (5) Price.

As indicated above, given that the CNMC's recommendations were not implemented, we have estimated the economic impact that would have resulted had these recommendations been followed by the targeted governments. In other words, we have quantified the potential loss in consumers' welfare derived from the lack of implementation of the CNMC's recommendations. For this purpose, we have applied a specific parameter to each of the mentioned indicators to estimate what the magnitude of said variable would have been if these recommendations had been implemented. In general terms:

- When the CNMC recommendation was not implemented, the reference parameter is applied to the analysed indicator, assuming a full (100%) effect.
- When the CNMC recommendation was partially implemented, the reference parameter is applied to the analysed indicator, assuming an effect of 50%.
- Finally, when the recommendation was fully implemented or the applicable regulation was already in line with this recommendation, no effect is estimated, since there would be no loss of consumers' welfare.

In the following lines, we provide the details of the quantification carried out on for each of the analysed economic indicators:

(1) Number of operators

- The number of operators in the TVI market was extracted from SABI database and AECA.
- The economic literature finds that the number of operators potentially increase by 12% after an elimination of barriers to entry.
- Following the premises indicated above, the potential increase in the number of operators that could have arisen in those regions where the recommendations of the CNMC were not implemented or partially implemented was estimated assuming a potential increase of 12% and 6%, respectively. As stated before, no potential increase is estimated for those regions where the regulation was already in line with the CNMC's recommendations.

(2) Employment

- The number of employees was extracted from SABI database.
- The economic literature finds that, after eliminating barriers to entry, the number of employees potentially increase between 1% and 10%. Following a conservative approach, we have assumed an increase of 5% as the reference parameter.
- Following the premises indicated above, the potential increase in the number of employees that could have arisen in those regions where the recommendations of the CNMC were not implemented or partially implemented was estimated assuming a potential increase of 5% and 2.5%, respectively. As stated before, no potential increase is estimated for those regions where the regulation was already in line with the CNMC's recommendations.

(3) Price

In order to estimate the overcharge paid by consumers as a result of not having eliminated entry barriers, the excess turnover obtained by incumbent operators in the market has been quantified, as recommended by the CNMC.

Turnover under the factual scenario has been calculated as the product between the number of annual inspections from 2015 to 2019 and the average price of TVI services during those years.

Turnover under the counterfactual scenario has been estimated applying the hypothesis indicated above on the price of TVI services (assuming that the number of annual inspections would have remained constant, since they are mandatory).

- The number of annual inspections was extracted from the Ministry of Industry.
- The average annual price of TVI services was extracted from FACUA.
- The economic literature finds that eliminating barriers to entry could lead to a decrease in price between 4% and 35%. Following a conservative approach, and in line with previous studies published by the CNMC, a decrease of 5% has been considered as the reference parameter.
- Following the premises indicated above, the potential decrease in price that could have arisen in those regions where the recommendations of the CNMC were not implemented or partially implemented has been estimated assuming a potential increase of 5% and 2.5%, respectively. As stated before, no potential decrease is estimated for those regions where the regulation was already in line with the CNMC's recommendations.

(4) Sales/Turnover derived from the rate of absenteeism

In order to estimate the potential increase in sales derived from a reduction in entry barriers, as recommended by the CNMC, we have first quantified the potential additional turnover that could have been performed from 2015 to 2019. To carry out this estimate, the average absenteeism rate for vehicles indicated by the CNMC in the market study (23.31% in 2013) has been applied to the annual turnover estimated above for the analysed period.

Once the potential turnover that were not performed have been calculated, one can proceed to quantify the potential economic impact that could have arisen had the CNMC's recommendations been fully implemented:

- The number of annual inspections was extracted from the Ministry of Industry.
- The average absenteeism rate for vehicles was extracted from the CNMC market study.
- The economic literature finds that eliminating barriers to entry could lead to a potential increase in sales of 5%.
- Following the premises indicated above, the potential increase in sales that could have arisen in those regions where the recommendations of the CNMC were not implemented or partially implemented is estimated assuming a potential increase of 5% and 2.5%, respectively. As stated before, no potential increase is estimated for those regions where the regulation was already in line with the CNMC's recommendations.

(5) Waiting time

In order to estimate the potential loss in consumers' welfare derived from longer waiting times as a result of not implementing the CNMC's recommendations, we have first

quantified the likely reduction in waiting hours associated to the elimination of barriers to entry. To monetize this magnitude, we used data on Spanish minimum wage per hour.

- The Spanish minimum wage during the analysed period was extracted from the Bank of Spain.
- The average waiting time in TVI services was extracted from several press news.
- The number of annual inspections was extracted from the Ministry of Industry.
- The economic literature finds that eliminating barriers to entry could lead to a potential decrease in waiting time of between 2% and 7%. Following a conservative approach, and in line with previous studies published by the CNMC, we have considered a decrease of 5% as the reference parameter.
- Following the premises indicated above, the potential decrease in waiting time that could have arisen in those regions where the recommendations of the CNMC were not implemented or partially implemented has been estimated assuming a potential decrease of 5% and 2.5%, respectively. As stated before, no potential decrease is estimated for those regions where the regulation was already in line with the CNMC's recommendations.

The loss of consumers' welfare is then computed multiplying the Spanish minimum wage per hour times the potential reduction in the number of waiting hours associated to the implementation of the CNMC's recommendations, times the number of inspections carried out between 2015 and 2019.

Annex 7. Regional contribution of technical vehicles inspection services to national GDP, 2019

	2019
ANDALUCÍA	0.08%
ARAGÓN	0.10%
ASTURIAS	0.08%
BALEARES	0.07%
CANARIAS	0.10%
CANTABRIA	0.12%
CASTILLA LA MANCHA	0.16%
CASTILLA Y LEÓN	0.11%
CATALUÑA	0.05%
CEUTA	0.10%
EXTREMADURA	0.10%
GALICIA	0.11%
MADRID	0.05%
MELILLA	0.09%
MURCIA	0.10%
NAVARRA	0.06%
PAÍS VASCO	0.04%
LA RIOJA	0.11%
C. VALENCIANA	0.07%
Overall contribution to GDP	0.07%

Note: Regional contribution is defined as the ratio between Regional sectoral turnover and Regional GDP.

Source: Elaborated by KPMG using INE (GDP), Ministry of Industry (No. of inspections) and FACUA (average price per inspection) data.