

## PRESS RELEASE

### **The CNMC has adopted a report on the regulation of the market for distribution of road fuels through unmanned petrol stations**

- The report identifies the existence of barriers to entry and exercise for opening unmanned petrol stations. In particular, the obligation to have the physical presence of a person in the petrol station.
- Notes that this petrol station format increases the effective competition in the market and puts pressure on fuel prices, thereby increasing the welfare of final consumers.
- Proposes to adopt a series of regulatory measures to improve competition in the sector for the benefit of final users and the general interest.

**Madrid, 25th August 2016** - The National Commission for Markets and Competition (the CNMC) has published a [report](#) concerning the regulation of the market for retail distribution of road fuels through unmanned petrol stations.

To this end, it has conducted a thorough analysis of the regulation applicable to petrol stations, specifically to unmanned petrol stations. As a result, CNMC has identified several barriers to entry and exercise this activity, which unnecessarily or disproportionately restrict the freedom of enterprises and consumer choice, damaging the public interest.

In particular, recent regulation in various regions imposes an obligation to physically have a person at the facility. This regulation often links the discrimination against the unmanned format of petrol stations with (i) the maintenance of employment, (ii) the facility safety or (iii) the consumer protection. Contrary to the objective, the regulation stands out as a particularly unjustified imposition, which does not correspond with the evidence available in the European Union and Spain.

At the European level, unmanned petrol stations represented, for years, a common format in many markets of the European Union. The competition brought by this format has not led to any increase in users' safety risk, but it has nonetheless brought benefits to consumers in terms of greater variety, innovation and, especially, lower prices. With regard to Spain, it is found that agricultural cooperatives have supplied fuels for many decades without significant incidents and without having the burden to necessarily have a physical person on the ground.

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The CNMC has also identified other barriers to entry and exercise that discriminate between formats, reduce the competitive pressure in the market of retail fuel distribution and are incompatible with an efficient economic regulation. Their existence, and even the mere threat of their introduction, impede the distribution of road fuels at more efficient prices, limit the variety and quality of the available formats and slow down innovation.

Therefore, the CNMC makes the following recommendations to increase competition in the market for retail distribution of road fuels and to promote the general interest:

- To remove any regulatory provision, in process or into force, which prohibits or discriminates, either directly or indirectly, automatic or unmanned petrol stations. These restrictions are particularly harmful to competition as unmanned petrol stations are an emerging market force that increase actual competition in the market, and have the features of a maverick.
- To avoid the current [quantitative restriction](#) limiting the ability of agricultural cooperatives to supply road fuels to non-members. Such regulation unnecessarily restricts their ability to compete in the market for retail distribution of road fuels.
- To ensure that the regulation applicable to cooperatives is applied, without restrictions, in a non-discriminatory basis to all kinds of automatic or unmanned petrol stations.
- To give alternative wordings to the requirements included in the regulation, such as the obligation to have complaint forms, calibrated measuring containers, or single-use gloves and paper at petrol stations. If these requirements are not justified under the principles of necessity and proportionality, they may cause disproportionate administrative costs which could hinder or impede the correct functioning of many petrol stations. In this sense, the CNMC makes drafting proposals in its report.
- To avoid any provision, present or future, that restricts the development of the market for retail distribution of road fuels through petrol stations, or restricts the effective competition in this market. In particular, avoid any provisions that hinder the development of new formats of petrol stations.

The report recommends promoting a regulatory framework that encourages the development of new and effective competitors in the market and increase the welfare of final consumers.

All the above also contributes to the objective of the [Law 11/2013, of 26 July, of measures to support entrepreneurs and stimulate growth and job creation](#), which provisions included changes in the [Law 34/1998 of 7 October, on the hydrocarbons](#) sector, aimed at boosting competition in the market for road fuels.

[Download the report \(Spanish version\)](#)

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