



## EU Climate Policy for Passenger Cars

### Background briefing

August 2006

#### **The EU's climate change policy**

The European Union is committed under the Kyoto Protocol of the United Nations Convention on Climate Change to reduce greenhouse gas emissions by 8 per cent by 2008-2012 compared to the 1990 level. This is a first step towards the EU objective of limiting human-induced global warming to less than 2 degrees Celsius.

CO<sub>2</sub>, carbon dioxide, is the most important greenhouse gas. Emissions of CO<sub>2</sub> are directly linked to consumption of fossil fuel. Burning a kg of petrol, diesel, kerosene and the like in a car, van, lorry, aircraft or ship leads to approximately 3.15 kg of CO<sub>2</sub> emissions.

#### **The role of transport**

Transport is the worst performing sector and seriously jeopardises Europe's chances of achieving the Kyoto targets. Transport CO<sub>2</sub> emissions in the EU grew by 32% between 1990 and 2004. The share of transport in CO<sub>2</sub> emissions was 21% in 1990, by 2004 this had grown to 28%<sup>1</sup>. Emissions from passenger cars and vans account for approximately half of this.

#### **The car makers' commitment: 140 g/km of CO<sub>2</sub> on average for new cars by 2008/9**

In 1996, EU leaders and the European Parliament approved a 'Community Strategy to reduce CO<sub>2</sub> emissions from passenger cars'. This strategy has the objective of reducing the average CO<sub>2</sub> emissions of new passenger cars in the EU to 120 g/km by 2005, or 2010 at the latest.

The 120 g/km target represents a 35% reduction over 1995 levels and corresponds to a fuel consumption figure of 5 litres per 100 km for petrol cars and 4.5 litres per 100 km for diesel cars, as measured on the official European driving cycle. This objective was to be reached through three 'pillars': technical measures, consumer information, and fiscal measures.

In 1998 the European Automobile Manufacturers Association (ACEA<sup>2</sup>) committed to the EU on behalf of its members to reduce the average CO<sub>2</sub> emissions from their new car sales in the EU to 140 g/km by 2008. This is a reduction of 25% over 1995 levels, and equivalent to a fuel consumption of 6.0 litres per 100 km for petrol cars and 5.3 litres for diesel cars.

In 1999, the Japan Automobile Manufacturers Association (JAMA) and the Korean Automobile Manufacturers Association (KAMA<sup>3</sup>) made similar commitments for their EU sales. The only difference is that their target year to achieve an average 140 g/km CO<sub>2</sub> figure is 2009. In other words, all three associations have been given a decade to comply.

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<sup>1</sup> Source: EEA, Annual European Community greenhouse gas emissions inventory and inventory report 2006, [http://reports.eea.europa.eu/technical\\_report\\_2006\\_6/en](http://reports.eea.europa.eu/technical_report_2006_6/en). European Environment Agency, Copenhagen, June 2006

<sup>2</sup> The car manufacturing members of ACEA are BMW AG, Daimler-Benz AG, Fiat Auto S.p.A., Ford of Europe Inc, General Motors Europe AG, F. Porsche AG, PSA Peugeot Citroën, Renault SA, Rover and Volkswagen AG. These firms also include brands such as Audi, Opel, Saab, Seat, Skoda, and Volvo. The commitment covers only passenger cars.

<sup>3</sup> JAMA includes Daihatsu, Fuji Heavy Industries (Subaru), Honda, Isuzu, Mazda, Nissan, Mitsubishi, Suzuki and Toyota, KAMA includes Hyundai Motor Company, and Kia Motor Corporation

### Progress of the commitment

The commitment is not on track. Car makers are not reducing the CO<sub>2</sub> emissions of their vehicles fast enough to meet the 140 g/km target of their commitment by 2008/9.

Official monitoring of the commitment has been regularly delayed. The data for 2004 is only set to be published in late August / early September 2006, some 20 months after the reporting period ended.

In the absence of up-to-date reporting from the Commission, T&E has undertaken its own monitoring of the progress made under the commitment using industry sales data supplied by R.L. Polk Marketing Systems GmbH and analysed by the UK-based Institute for European Environmental Policy (IEEP).

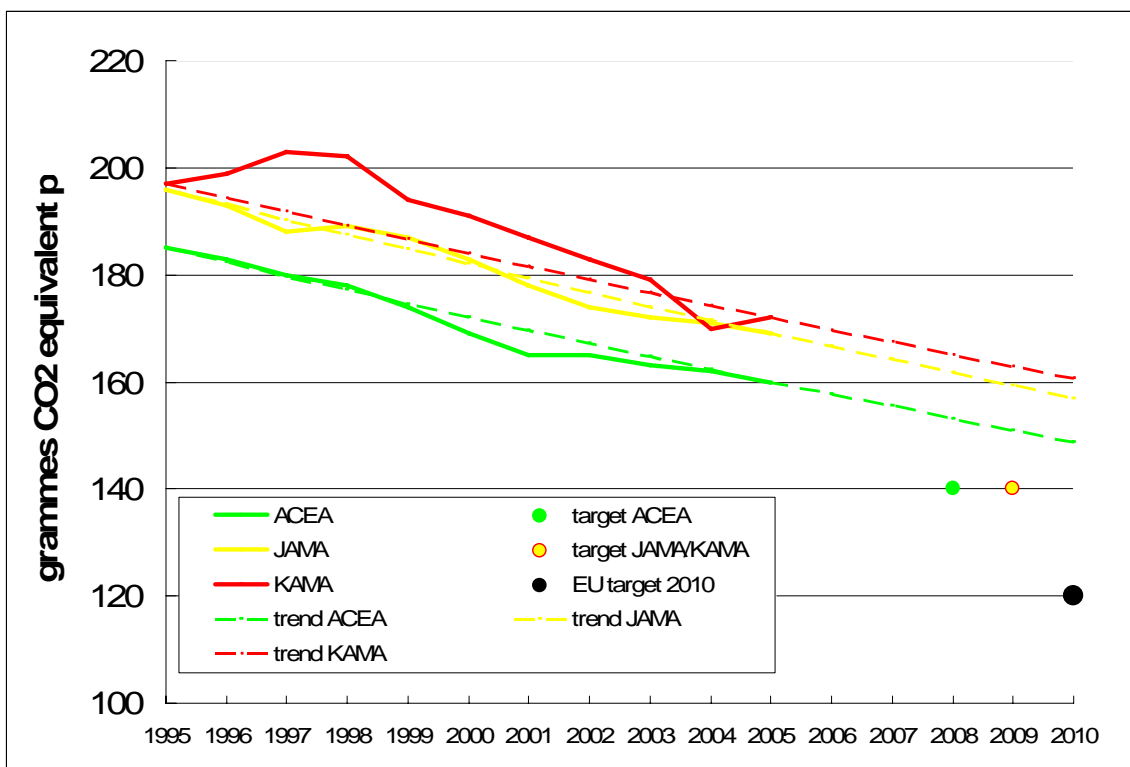
On 19 April 2006, T&E published the progress of the commitment in 2005 (see [www.transportenvironment.org/Article185.html](http://www.transportenvironment.org/Article185.html)). The results are shown below in a table and a graph.

Table 1: progress in 2005 for the CO<sub>2</sub> commitment of the three car manufacturing associations, and annual rate of progress needed to meet 140 g/km objective

	ACEA	JAMA	KAMA	Total
2004 (g CO <sub>2</sub> /km)	162	172	169	164
2005 (g CO <sub>2</sub> /km)	160	169	172	162
% change	-1%	-2%	+2%	-1%
% change per year required as of 2006 to meet 140 g/km	-4%	-5%	-5%	

This table shows that for the remaining 3 or 4 years, carmakers will have to reduce the CO<sub>2</sub> emissions and fuel consumption of their products at an annual rate of 4 to 5 per cent. This is unprecedented and 3 to 4 times the rate of reduction achieved in previous years.

Graph: progress over time in the CO<sub>2</sub> commitment of the three car manufacturing associations, and distance to target if historic rate of improvement is not changed.



ACEA is set to miss the 140 g/km target by approximately 13 grams if present trends continue.  
JAMA/KAMA will miss their 2009 targets by 20 grams or more.

Individual car manufacturers have refused to disclose their performance towards the commitment.

**Further information:**

Cleaner is Cheaper: Why European climate policy for cars is failing, and what can be done about it  
[www.transportenvironment.org/docs/Publications/2005pubs/05-5\\_cars\\_cleaner\\_is\\_cheaper.pdf](http://www.transportenvironment.org/docs/Publications/2005pubs/05-5_cars_cleaner_is_cheaper.pdf)

Reducing CO<sub>2</sub> emissions from new cars

[www.transportenvironment.org/docs/Publications/2005pubs/05-1\\_te\\_co2\\_cars.pdf](http://www.transportenvironment.org/docs/Publications/2005pubs/05-1_te_co2_cars.pdf)

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