ACEA

European
Automobile
Manufacturers
Association

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European auto industry calls on EU to help sustain changeover to low-emission car fleet

The European automobile manufacturers are deeply concerned about the evolving financial crisis and the consequent drop in consumer confidence and economic growth. The economic downturn adds to already extensive pressure on car production in Europe, due to increasingly stringent regulatory requirements, in particular the pending CO2-reduction legislation, and could represent a serious backlash to the transition to low-emission vehicles on Europe's streets.

Manufacturers ask that various measures should be considered by EU policy makers to ensure the future of car manufacturing in Europe and reinforce the momentum in consumer demand for fuel-efficient vehicles.

- A low-interest loans package (40 billion EUR) to help secure a sustainable market for current and newly developed fuel-efficient technologies
- Incentives to scrap vehicles of over 8 years old, during a period of 36 months, to accelerate fleet renewal

The above would provide conditions under which the objectives of the CO2 legislation as currently debated by the European Parliament and the EU member states could become more realistic, enabling manufacturers to achieve the desired results. Details of this conceptual proposal will have to be worked out in the weeks to come.

"Car makers face increasingly hesitant consumers and call on governments to respond, stimulate the economy, relieve the credit crunch and restore consumer confidence. Only then will consumers have the means and the confidence to invest in new vehicles", said Christian Streiff, President of the automobile industry's trade association, ACEA, and CEO of PSA Peugeot Citroën. "The proposed loans-package will give an important and welcome signal to consumers and financial markets."

As evidenced at the Paris auto show, which opened over the weekend, the car industry is delivering increasingly lower CO2 levels in new cars. This is the result of and will further involve huge investments in new technologies and R&D. Over the past decade, new car CO2 emissions have already been cut by 14%, an achievement that has not been equalled by any other industry. "We will continue our work but do believe that the governments can do more to support our already significant investments and growing number of achievements," said Streiff.

A scrapping scheme for older cars is a further important way of accelerating the take-up of fuel-efficient technologies and renew the car fleet on Europe's roads, which has a clear environmental benefit. In the EU15, cars older than 8 years represent 36% of the existing fleet. Their replacement with new cars would result in CO2 savings of 20 megatonnes per year, or 4.5% of total passenger car emissions. There would also be a significant reduction on emissions of nitrogen oxide and particulate matter.

The European automotive industry is key to the strength and competitiveness of Europe. The ACEA members are BMW Group, DAF Trucks, Daimler, FIAT, Ford of Europe, General Motors Europe, Jaguar Land Rover, MAN Nutzfahrzeuge, Porsche, PSA Peugeot Citroën, Renault, Scania, Toyota Motor Europe, Volkswagen and Volvo. They provide direct employment to more than 2.3 million people and support another 10 million jobs in related sectors. Annually, ACEA members invest €20 billion in R&D, or 4% of turnover.

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