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Briefing
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Reducing CO_2 emissions from new cars

Parliament and Council reached a first reading agreement on CO_2 emission targets for new passenger cars in November 2013. The agreed text specifies modalities for reaching a CO_2 emissions target of 95 g/km by the end of 2020. It allows for flexibility in the use of so called super-credits, which encourage production of cars with very low emissions. The agreement aims at maintaining the EU's ambitious climate policies while addressing the car industry's concerns over jobs and competiveness.

Background

The Roadmap to a Single European Transport Area, adopted by the European Commission (EC) in 2011, aims to increase competitiveness of transport while reducing greenhouse-gas emissions from transport by at least 60% by 2050. Passenger cars alone are responsible for around 12% of CO_2 emissions in the EU.

Current legislation

The current CO_2 emissions target for new cars of 130 grams per kilometre (g/km), set out in Regulation No 443/2009, is being gradually phased in by 2015. This target applies to the average emissions of all new cars registered in the EU in a given year. The higher the weight of a car, the more CO_2 it is allowed to emit. In order to promote low-emission vehicles, cars that emit less than 50 g/km are counted more than once in the calculation of a manufacturer's average emissions (super-credits). Reductions of CO_2 emissions through eco-innovation are also taken into account. From 2019, manufacturers that exceed their emissions target will have to pay an excess emissions premium of €95 per g/km per vehicle. With CO_2 emissions of new cars having fallen from 161 g/km in 2006 to 132 g/km in 2012, the EU is on track to reach its 2015 target.

Commission proposal and trilogue negotiations

In July 2012, the EC proposed legislation that specifies the modalities for achieving the target of 95 g/km by 2020 set out in Regulation No 443/2009. The EC's impact assessment concludes that consumers would save money, as the higher price of a low-emission car would be more than compensated by fuel savings over its lifetime. The 95 g/km target corresponds to a fuel consumption of less than 4 litres per 100 km.

In April 2013, the European Parliament (EP) Environment, Public Health and Food Safety (ENVI) Committee (rapporteur Thomas Ulmer, EPP, Germany) adopted a report favouring more flexibility in the use of super-credits and calling for a target for 2025 with an indicative range of 68 to 78 g/km.

In November 2013, following negotiations under the Irish and Lithuanian Presidencies, the EP agreed that the 95 g/km target should come fully into force at the end of 2020, after a phasing-in period during which 95% of new cars must respect the target. The use of super-credits is expanded, compared to the EC proposal. The agreed text refrains from giving indicative targets for 2025, but calls on the Commission to propose post-2020 emissions targets by 2015. Council confirmed the agreement on 29 November 2013.

Positions and Reactions

ACEA, representing European car manufacturers, had supported the 95 g/km target for 2020, but worried about 'political' targets for 2025. BEUC, representing EU consumers, had favoured ambitious targets for 2025 that would help consumers save money.

In reaction to the agreement, Transport&Environment warns that consumers will face higher fuel costs. VDA, representing the German car industry, regrets that the agreed compromise provides little incentive for alternative drive trains, such as electric vehicles.

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