



OPINION

European Economic and Social Committee

CO₂ performance standards / new cars

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/631 as regards strengthening the CO₂ emission performance standards for new passenger cars and new light commercial vehicles in line with the Union's increased climate ambition

[COM(2021)556 final – 2021/0197(COD)]

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Rapporteur: **Dirk BERGRATH**

Co-rapporteur: **Bruno CHOIX**

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Legal basis	Article 192(1) of the Treaty on the Functioning of the European Union
Section responsible	Single Market, Production and Consumption
Adopted in section	13/12/2021
Adopted at plenary	19/01/2022
Plenary session No	566
Outcome of vote (for/against/abstentions)	237/1/6

1. Conclusions and recommendations

- 1.1 The EESC reiterates its support for the European Green Deal objective of making the EU the first climate-neutral continent by 2050. Furthermore, the EESC underlines the importance of the EU Sustainable and Smart Mobility Strategy, which has set a series of milestones for achieving this ambitious objective to make transport fit for a climate-neutral Europe in 2050, promoting an "integrated system approach"¹.
- 1.2 The EESC shares the view that new registrations of cars and in vans in the European Union should make it possible to achieve a 100% reduction in EU fleet-wide emissions by 2035. The EESC supports the proposed EU fleet-wide CO₂ emission reduction targets for new passenger cars by 55% (compared to the 2021 target) and generally also supports the 50% reduction target for light commercial vehicles as from 2030.
- 1.3 The EESC stresses that fleet limits provide a very powerful and efficient impetus for technological change in the industry. In line with its previous opinion², the EESC notes that, despite all of the benefits, the 'tailpipe' approach has to be complemented by other policy instruments. The Fit for 55 Package must ensure a life-cycle approach and avoid road transport electrification leading to a shift of emissions upstream in the value chain.
- 1.4 The EESC strongly reaffirms that individual mobility must remain accessible and affordable for all, especially for commuters without access to quality public transport or other mobility solutions³.
- 1.5 The automotive sector is of strategic importance for the European economy. Car manufacturing (assembly and suppliers) employs 2.6 million workers and generates 900 000 jobs in supplying industries, which together represent 11.6% of EU manufacturing employment.
- 1.6 With the dramatic acceleration of the decarbonisation pace that the Fit for 55 package will entail, mainly in the automotive industry, additional resources – for example, in an extended Just Transition Fund (JTF) – will be needed to cope with the social consequences of emission-reduction measures in regions dependent on automotive supply chains.
- 1.7 The EESC reaffirms its call for an evaluation to include the state of play regarding the qualification and (re)training of staff, as well as an updated analysis of the areas in which (additional) action is required in order to further improve the skills and qualifications of employees in the automotive industry for the structural transition⁴. The EESC reiterates that these aspects should be included in the proposed governance and monitoring provisions.

¹ [OJ C 286, 16.7.2021, p. 158.](#)

² [OJ C 227, 28.6.2018, p. 52.](#)

³ EESC opinion on *The EU mobility strategy and EU industrial value chains: automotive eco-systems approach* (own-initiative opinion), point 1.3, [OJ C 105, 4.3.2022, p. 26.](#)

⁴ [OJ C 227, 28.6.2018, p. 52.](#) points 1.6 and 4.13.

1.8 The EESC is concerned that unless the charging infrastructure needed to support the transition is in place, the reduction targets will be hard to achieve. Charging infrastructure has to be rolled out where people live, work and do their daily activities.

1.9 Renewable and low-carbon fuels, as well as e-fuels, might have a certain role to play in decarbonising road transport, especially for the existing fleet and for hard-to-electrify parts, but robust sustainability standards must be applied.

2. **Context of the proposal**

2.1 The European Green Deal Communication⁵ launched a new growth strategy for the EU that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. It reaffirms the Commission's ambition to increase its climate targets and make Europe the first climate-neutral continent by 2050.

2.2 This objective is set out in the Communication 'A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy'⁶.

2.3 Based on a comprehensive impact assessment, the Commission's Communication on Stepping up Europe's 2030 climate ambition⁷ proposed to raise the EU's ambition and put forward a comprehensive plan to increase the European Union's binding target for 2030 to at least 55% net emission reduction, in a responsible way. The 2030 target is in line with the Paris Agreement objective to keep the global temperature increase to well below 2°C and to pursue efforts to keep it to 1.5°C. The European Council endorsed the new EU binding target for 2030 at its meeting of December 2020⁸. In order to deliver this increased level of ambition for 2030, the Commission has reviewed the climate and energy legislation currently in place, which is expected only to reduce greenhouse gas emissions by 40% by 2030 and by 60% by 2050.

2.4 This 'fit for 55' legislative package, as announced in the Commission's Climate Target Plan⁹, is the most comprehensive building block in the efforts to implement the ambitious new 2030 climate target, and all economic sectors and policies, including road transport, will need to contribute to this.

2.5 The automotive industry is of key importance for the EU economy and accounts for over 7% of the EU's GDP, providing jobs - directly or indirectly, to 12.6 million Europeans. EU automotive investment in R&D amounts to EUR 60.9 billion annually.

⁵ COM(2019) 640 final.

⁶ COM(2018) 773 final.

⁷ COM(2020) 562 final.

⁸ European Council Conclusions 10-11 December 2020 EUCO 22/20 CO EUR 17 CONCL 8.

⁹ COM/2020/562 final.

- 2.6 The Commission's Strategy for Sustainable and Smart Mobility¹⁰ addresses the broader challenges of the transition to zero-emission mobility and sets out a roadmap for putting European transport firmly on the right track for a sustainable and smart future.
- 2.7 The Strategy's accompanying Action Plan includes policies aimed, among other things, at boosting the uptake of zero-emission vehicles and related infrastructure. The shift toward zero-emission vehicles will prevent pollution and improve the health of our citizens; this also supports the Zero Pollution Ambition of the European Green Deal, as articulated in the Zero Pollution Action Plan¹¹.
- 2.8 The CO₂ emission standards for passenger cars and light commercial vehicles are key drivers for reducing CO₂ emissions in the sector, as shown in the Communication on Stepping up Europe's 2030 climate ambition. The general objectives of this proposal are to contribute to achieving climate neutrality by 2050 and to this end, in line with the European Climate Law, to contribute to reaching at least 55% net greenhouse gas emission reductions by 2030 compared to 1990.
- 2.9 The CO₂ emission standards, supplying new zero-emission vehicles to the market, are also a complementary measure to the Renewable Energy Directive (EU) 2018/2001¹², which will decarbonise the production of electricity used in electric vehicles and incentivise the uptake of renewable and low carbon fuels for the combustion engine vehicles currently in use. There are also important synergies between CO₂ emission standards and a strengthened emissions trading system (ETS)¹³ and the Renewable Energy Directive.

3. General comments

- 3.1 The EESC reiterates its support for the European Green Deal objective of making the EU the first climate-neutral continent by 2050, and its support for the revised 2030 emission reduction targets, as set out in the Committee's opinion on the European Climate Law¹⁴.
- 3.2 Reducing the EU's Greenhouse gas emissions by at least 55% by 2030 will require significant additional efforts across all sectors of the economy. This is especially true for transport. The transport sector is among the priorities of the EU Green Deal, with the general objective being to deliver a 90% reduction in transport greenhouse gas emissions by 2050. Emissions related to road transport are responsible for 22% of the EU's total greenhouse gas emissions and for 27% of its CO₂ emissions¹⁵. According to official data, emissions from road transport were 26.8%

¹⁰ COM(2020)789 final.

¹¹ COM/2021/400 final, see also in this context Directive 2008/50/EC on ambient air quality and cleaner air for Europe and Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants.

¹² [OJ L 328 21.12.2018, p. 82.](#)

¹³ [OJ L 275, 25.10.2003, p. 32.](#)

¹⁴ [OJ C 364, 28.10.2020, p. 143.](#)

¹⁵ <https://unfccc.int/documents/275968>

higher in 2018 than they were in 1990¹⁶. More recently, emissions from new passenger cars increased for the third consecutive year in 2019, reaching 122.3 grams of carbon dioxide per kilometre (g CO₂/km)¹⁷.

- 3.3 The EESC underlines the importance of the EU Sustainable and Smart Mobility Strategy, which has set a series of milestones to achieve this ambitious objective to make transport fit for a climate-neutral Europe in 2050. Building on previous policy documents, the Strategy rightly promotes an "integrated system approach", relying on a portfolio of complementary instruments to transform transport. Emission standards have a key role to play but achieving the set targets will require additional efforts to roll out infrastructure, to ramp up decarbonised electricity production and to set up carbon price mechanisms for transport¹⁸.
- 3.4 The Regulation on CO₂ emission standards for cars and light commercial vehicles is the cornerstone of the EU strategy to reduce emissions in the sector. The EESC points out that an in-depth revision of the Regulation on CO₂ emissions from passenger cars and light commercial vehicles was completed in 2018¹⁹. The EESC acknowledges that this recent revision is, however, insufficient to reach the greenhouse gas emission reduction targets as established in the EU Climate Law.
- 3.5 The automotive sector is of strategic importance for the European economy. Car manufacturing (assembly and suppliers) employs 2.6 million workers and generates 900 000 jobs in supplying industries, which together represent 11.6% of EU manufacturing employment. In total, automotive-related activities employ 12.6 million people in Europe, meaning that the automotive sector is responsible for 6.6% of all EU employment. The EU automotive industry generates EUR 76 bn of trade surplus annually and is responsible for 33% of total R&D spending in the EU. Last but not least, the purchase and use of motor vehicles is a major source of taxation revenues for Member States, with Germany alone collecting almost EUR 100 bn annually²⁰.
- 3.6 Reaching the 2030 emission reduction targets for road transport will require massive efforts to transform the automotive industry and replace the existing vehicle fleet. The uptake of electric vehicles in Europe is rapidly increasing in many Member States but is still limited, with electric cars representing only 3.5% of total new car registrations in 2019, BEV and PHEV included, while electric cars only represent 1.2% of the existing car fleet in the EU²¹. Recent figures indicate a rapid extension of BEV and PHEV market shares with 9.8%, and 9.1% market share respectively in Q3 2021²².

16 <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases-7/assessment>

17 <https://www.eea.europa.eu/highlights/average-car-emissions-kept-increasing>

18 [OJ C 286, 16.7.2021, p. 158.](#)

19 [OJ C 227, 28.6.2018, p. 52.](#)

20 ACEA figures 2021 https://www.acea.auto/files/ACEA_Pocket_Guide_2021-2022.pdf.

21 EU+UK, Norway, Iceland: <https://www.eea.europa.eu/data-and-maps/indicators/proportion-of-vehicle-fleet-meeting-5/assessment>; BEV 0.4% and hybrids 0.8%; ACEA 2021 Figures.

22 <https://www.acea.auto/fuel-pc/fuel-types-of-new-cars-battery-electric-9-8-hybrid-20-7-and-petrol-39-5-market-share-in-q3-2021/>

- 3.7 It must be borne in mind that the EU car industry will have to decarbonise in a context where it is struggling with a series of other drivers of structural changes that already significantly impact its workforce: the automation and robotisation of assembly lines entails productivity gains that will have an impact on the number of hours worked in the sector²³, the ongoing shortage of semiconductors has led to production losses, while the pandemic and its consequences have brought sales and production to historical lows.
- 3.8 The EESC strongly reaffirms that individual mobility must remain accessible and affordable for all, especially for commuters without access to quality public transport or other mobility solutions²⁴. A significant barrier to BEV market growth is the high upfront purchase prices, driving greater depreciation costs for first owners, which determine the stock mix. However, various reports show that BEVs are already the most affordable option for consumers in many countries when total cost of ownership is taken into account.²⁵ Keeping proportionate support measures and incentives will be essential in the coming years to bring benefits to second- and third-hand users, who will benefit the most from electrification.
- 3.9 In May 2020, the European Commission proposed to set up an EUR 40 bn 'Just Transition Fund' to support regions depending on coal and CO₂ intensive industries in their efforts to decarbonise. In the context of the EU budget and EU recovery negotiations, Member States agreed to dedicate EUR 17.5 bn to the JTF. With the dramatic acceleration of the decarbonisation pace that the Fit for 55 package will entail, mainly in the automotive industry, additional resources will be needed to cope with the social consequences of emission reduction measures in regions depending on automotive supply chains.

4. **Specific comments**

- 4.1 The EESC stresses that fleet limits provide a very powerful and efficient impetus for technological change in the industry. It is largely due to this regulatory impulse that the European automotive industry has set out on the road to emission-free vehicles. More ambitious fleet limits will help ensure that Europe can become the first climate-neutral continent by 2050.
- 4.2 The EESC shares the view, that new registrations of cars and in vans in the European Union should make it possible to achieve a 100% reduction in EU fleet-wide emissions by 2035. The EESC points out that this reduction target can only be achieved if all framework conditions are optimally interlinked and customers (throughout the European Union) can be convinced to switch to zero-emission vehicles. It is therefore important to roll out the necessary charging infrastructure where people live, work and carry out their daily activities, while making sure that this charging infrastructure is convenient for them.

²³ See Fraunhofer institute, [ELAB 2.0 study](#).

²⁴ [EESC opinion on The EU mobility strategy and EU industrial value chains: automotive eco-systems approach \(own-initiative opinion\)](#), point 1.3., [OJ C 105, 4.3.2022, p. 26](#).

²⁵ https://www.beuc.eu/publications/beuc-x-2021-039_electric_cars_calculating_the_total_cost_of_ownership_for_consumers.pdf

- 4.3 The EESC supports the proposed EU fleet-wide CO₂ emission reduction targets for new passenger cars by 55% (compared to the 2021 target) as from 2030. The EESC points out that, given the specific production and development cycles in the automotive industry, the necessary decisions in the industry to achieve this target must be taken now.
- 4.4 While generally also supporting the 50% reduction target for light commercial vehicles, the EESC draws attention to both the specific production and development cycle and the typical usage of these vehicles. The EESC is concerned that unless the charging infrastructure to support the transition is in place, the reduction targets will be hard to achieve and thus additional criteria might be needed.
- 4.5 The EESC reaffirms its 2018 call for a mid-term review of the current regulation (originally due in 2024) to include the state of play regarding the qualification and (re)training of staff, as well as an updated analysis of the areas in which (additional) action is required in order to further improve the skills and qualifications of employees in the automotive industry for the structural transition²⁶. The EESC reiterates that these aspects should be included in the proposed governance and monitoring provisions, which must be based on Real Driving Emissions tests.
- 4.6 The revision of the CO₂ standards regulation must be based on technology neutrality, while bearing in mind that not all options offer high energy-efficiency performance. Even though electrification is clearly the leading option when it comes to decarbonising road transport, it might not be the most relevant option for heavier or long distance modes of transport. As stressed by the European Commission in its 2018 Communication "A Clean Planet for all", a wide variety of technologies must be considered and the EU approach must be based on technology neutrality. Batteries, hydrogen, advanced biofuels, biomethane and e-liquids will have a role to play in decarbonising the transport system. The EESC supports the 'technology neutrality' principle and stresses the need to keep in the mobility mix all powertrains that meet the CO₂ and emission standards in line with the Green Deal objectives.
- 4.7 In line with its previous opinion²⁷, the EESC notes that, despite all of the benefits, the 'tailpipe' approach opted for in the draft regulation has to be complemented by other policy instruments. The Fit for 55 Package must ensure a life-cycle approach and avoid road transport electrification leading to a shift of emissions upstream in the value chain. The EU Emissions Trading System revision, as well as the Renewable Energy Directive, must ensure that the electrification of road transport and the decarbonisation of electricity production happen at the same pace.
- 4.8 Current market uptake shows that the plug-in hybrid technology can act as an entry-point and transitional technology to help achieve the climate targets in the transport sector. However, it has to be ensured that hybrid vehicles are being used in purely electric mode for most of the time, with frequent charging. To counter the growing discussion of misleading labelling of PHEVs, measures should be taken swiftly to boost the proportion of "electric journeys", including:

²⁶ [OJ C 227, 28.6.2018, p. 52](#), points 1.6 and 4.13.

²⁷ [OJ C 227, 28.6.2018, p. 52](#).

- The electrical range of PHEV should be designed to cover typical user behaviour. For cars, ranges of approximately 80 to 100 km in real operation and a charging capacity of 11 kW should be aimed for across all models.
 - The integration of digital services, information and intelligent operating strategies in the vehicle to support drivers in their electrical use.
 - The availability of On-Board Fuel Consumption Measurement (OBFCM) data via the (uniformly defined) OBD (On-board Diagnostics) II interface in compliance with data protection by the technical services.
 - The implementation of national incentives to use batteries (socially fair carbon-pricing schemes and the phasing-out of indirect fossil fuel subsidies such as untaxed fuel cards for employees using a company car).
- 4.9 Renewable and low-carbon fuels, as well as e-fuels, might have a certain role to play in decarbonising road transport, especially for the existing fleet and for hard-to-electrify parts, bearing in mind that these fuels will be needed as a priority to decarbonise parts of the transport system that are hard to electrify, such as aviation and maritime transport. In addition, EU legislation must ensure that robust sustainability standards will be applied. First, a life-cycle assessment must ensure that the carbon footprint is consistent with the objective of reaching climate neutrality in 2050. Secondly, even if limited, use of these alternative fuels must be in line with the UN SDGs and, as a result, crop biofuels, palm-and soy-based biofuels must be phased out.
- 4.10 The EESC is in favour of removing the derogation for small-volume manufacturers, registering fewer than 10 000 cars or fewer than 22 000 vans yearly, as from 2030. A general niche market for vehicles not tied to emissions targets is not acceptable. However, the proposal lacks provision for hard-to-electrify special purpose cars.

Brussels, 19 January 2022.

Christa SCHWENG

The president of the European Economic and Social Committee
