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Car emission regulation significantly impacts sales of diesel cars and negatively influences CO₂ emission reductions

ACEA, the Association of European Car Manufacturers, has been closely following the current legislative process concerning the improvement of air quality via a reduction of emissions of passenger cars, particularly nitrogen oxide (NO_x) and particulate matter. Whereas improving air quality is an issue of undisputed nature, the European car industry strongly advocates proper and transparent impact assessments to achieve results in a cost-effective way for both environment and industry. This was also recommended by the High-level Group CARS21 which dealt with improving the competitiveness of the industry whilst addressing other important interests of society, such as road safety and the environment.

The impact assessments on which the current Euro 5 and 6 proposals are based underestimate the effects of the recommended legislation, especially in relation to the sales of diesel cars and the impact on the reduction of CO₂ emissions of passenger cars. Amongst other things, the impact assessments questionably foresee a 30% drop in market price of precious metals; do not contain a proper cost-effectiveness analysis; and assume that the effect on costs of mass production applies right from the start of manufacturing. This leads to an underestimation of Euro 5 and 6 related costs by about 33%.

According to the independent panel the Commission consulted for their car emission proposals, including research institutes like TNO, the price of diesel cars will increase by about €900 as an effect of Euro 5 and Euro 6. Independent studies show there will also be a significant impact on sales of particularly small diesel cars and light duty vehicles. A simulation of the respected TREMOVE model by the University of Leuven, requested by the Commission, indicates a decrease in sales of diesel cars of up to 5%. ACEA believes this figure is still too low. Especially the sales of smaller diesel cars will be negatively affected due to the increased price.

Based on best engineering knowledge, ACEA estimates a significant impact on CO₂ emissions of about 6% as a result of the stricter Euro 5 and 6 limit value proposals. This is due to direct, technical reasons, such as the use of particulate filters (to meet Euro 5 limits) and NO_x after-treatment systems (to meet Euro 6 limits), and is a consequence of the expected change in market share from diesel to gasoline cars. The difference in fuel consumption between diesel and gasoline engines amounts to some 20-25%. In 2005, sales of diesel cars reached 49.3% in Europe, compared to 14,6% in 1991.

ACEA, established in 1991, represents the thirteen major European car, truck and bus manufacturers. All ACEA member companies are key players in the global automotive market and have integrated automobile operations (research, design, development, production and sales) in the European Union, where they produce around 18 million vehicles per year, provide direct employment to 2 million people and support the job of another 10 million fellow workers. ACEA Members are: BMW Group, DAF Trucks, DaimlerChrysler, FIAT, Ford of Europe, General Motors Europe, MAN Nutzfahrzeuge, Porsche, PSA Peugeot Citroën, Renault, Scania, Volkswagen, Volvo Trucks.

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