

The Global Fuel Economy Initiative believes that huge gains could be made in fuel economy which could help every country to address the pressing issues of climate change, energy security and sustainable mobility. We will continue to raise awareness, present evidence, and offer support, in a way which enables those countries to adopt effective fuel economy standards and policies which work in their circumstances and with their fleet. This newsletter will be a key way in which we will keep you up to date on our plans and activities.



India engages with 50by50 campaign

The Indian government has welcomed the '50 by 50' global fuel economy campaign with enthusiasm as it takes forward its own agenda for promoting greater fuel efficiency.

Kamal Nath, India's Minister for Transport and Highways opened the Global Fuel Economy Initiative (GFEI) Indian Symposium in Delhi on 25 November and gave his full backing to the '50 by 50' initiative.

In his opening address to the symposium, Minister Nath said that he is fully engaged with the 50 by 50 campaign. "The Indian government is committed to working with all stakeholders for promoting fuel efficient transportation. I'm confident that the 50 by 50 initiative will add new momentum to our efforts," he told delegates.

He said he has high hopes for India's role in the future development of the



Indian Transport Minister Kamal Nath

GFEI. "I believe that India can serve as an important pivot, as the key to a new global energy economy," he said. "This 50 by 50 challenge is a very laudable initiative." The symposium included high level delegates from industry, government, international agencies and NGOs.

The fuel economy issue is becoming critical for the Indian government. Just before the symposium, Minister Nath had announced that by 2011, it will be mandatory for automobile manufacturers to sell vehicles with energy-efficiency labels. The information on the labels will have to be certified by India's Bureau of Energy Efficiency (BEE).

Sheila Watson, Executive Secretary of the GFEI and Director for Environment the FIA Foundation, said:

"India's vehicle fleet is growing rapidly and fuel economy must be addressed both for energy security and climate goals. Our initiative is aiming at a global 50% improvement in fuel economy for cars worldwide – India has a great starting point due to the number of small vehicles in its fleet. We must now look to the future and ensure that as India's vehicle market moves on, fuel consumption does not spiral out of control."



Sheila Watson makes a presentation on behalf of the GFEI to Minister Nath

If we guzzle, we'll choke

by Anumita Roychowdhury

India cannot afford unrestricted gas guzzling that increases the economic burden of oil imports, leads to the staggering pressure of rising prices, and escalates greenhouse gas emissions. India is consuming more oil than ever before, and its growing transport sector is guzzling vast amounts of it.

Already India's transport sector is using up nearly 40 per cent of its total oil and that threatens to worsen the energy crisis. And increased dependence on oil imports has made India's energy security extremely fragile. According to the International Energy Agency (IEA), India spends equivalent to 3 per cent of GDP on oil imports and can lose 1 per cent of its GDP due to the rising prices.

The World Energy Outlook, 2007 predicts that most of the future increase in fuel consumption in the transport sector by 2030 in India will be driven by light-duty vehicles. The Asian Development Bank projects that the total fuel consumption of vehicles in India in 2035 could be six times that of 2005 levels. This is inevitable as more people are expected to shift to cars. On a per passenger basis a car uses up six times more energy than a bus.

This can only spell doom for India's energy security and climate goals. Carbon dioxide emissions from India's transport sector are increasing rapidly – more than 6% each year. India faces a daunting prospect. Even globally, curbing greenhouse gases from the transport sector has proven to be incredibly difficult.

India has the chance to take an alternative path. Given its dominant fleet of small low powered cars and two-wheelers with the smallest carbon footprint for motorized vehicles, currently India has comparatively good fleet fuel economy. But India is at the risk of losing this advantage as the market is steadily shifting towards the mid to large car segments that already represent about 36 per cent of the new car sales. Vehicle numbers are exploding.

We need policies that can nip this trend in the bud, helping India to avoid the kind of energy intensive motorization that has gripped the rest of the world.

Fuel economy regulations can help India to retain its strength in small cars and protect the current advantage. They could also prevent the shift towards heavier vehicles; and enable rapid introduction of advanced technologies to offset future increase in car numbers. India's Integrated Energy Policy has estimated that if we achieved a 50 per cent improvement in the energy efficiency of all motorized vehicles the gains would be



Anumita Roychowdhury

huge. The oil requirement would go down by 86 million tonnes by 2031-32. This translates into saving 65 per cent of India's total current oil consumption and reducing CO2 emissions equal to removing seven million of today's four-wheelers.

There are some encouraging signs such as India's official decision to set mandatory fuel economy standards and a fuel economy labelling programme for cars by 2011. But as global experience has shown there is no common strategy that fits all and widely different regulatory approaches prevail. The nine regions in the world that have already enforced fuel economy regulations – Europe, China, Japan, California, USA, Canada, Australia, Taiwan, and South Korea, – provide the learning curve. The devil is in the detail. There is a real danger that loopholes in the regulations will result in unintended consequences. A quirk in the US regulations led to explosive increase in gas guzzling SUVs. Despite having tight targets Europe's voluntary scheme could not prevent increase in average size and weight of vehicles that slowed down progress. And there are risks to public health if clean diesel technologies are not made available.

This demands better global understanding of the fuel economy policies and design to promote fuel efficient vehicles. There can be huge fuel economy gains from the available and emerging vehicle technologies. The Global Fuel Economy Initiative, a combined effort of the International Energy Agency, International Transport Forum, United Nations Environment Programme and FIA Foundation, estimates that cars worldwide have the potential to be 50 percent more fuel efficient by 2050.

India aims to become a major auto hub, but its competitiveness can be seriously hampered without fuel economy regulations. Our car industry aspires to become a global player, and at the same time there's ever increasing domestic pressure for bigger, more powerful cars. Yet our car industry must be sustainable – and surely it won't prosper if fuel economy is ignored.

Obama's Global Climate Forum backs 50by50

The Major Economies Forum (MEF) has endorsed the Global Fuel Economy Initiative's (GFEI) '50 by 50' campaign in a new technology action plan for 'advanced vehicles' launched in conjunction with UN sponsored climate change summit in Copenhagen.

The MEF highlighted the GFEI 50 by 50 campaign as an example of individual and collective country actions that can help overcome market barriers and realise the potential of advanced vehicles. The MEF is a group of 17 developed and developing economies instigated by the US government earlier in 2009, which subsequently met alongside this year's G8 summit in Italy.

President Barack Obama has made the MEF a priority and following the re-



port launch on 14 December he asked his Energy Secretary Steven Chu to intensify cooperation with his counterparts both in MEF countries and around the world.

In listing support for the GFEI as the 2nd of its key recommendations, the MEF report said: "The 50 by 50 Global Fuel Economy Initiative (GFEI) being promoted by the IEA and its partners is an example of a mechanism with an ambitious long-term target that could focus discussion on advanced vehicles and fuels within the international community. Such basic coordination helps ensure the health of the international automotive industry, which faces a global market and has important implications for individual economies. Thus, MEF countries may

wish to promote or facilitate these exchanges."

MEF is tasked with encouraging the development and deployment of low-carbon and climate-friendly technologies. Alongside the US, the participating governments are Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, South Africa, South Korea, and the UK. The EU Commission, Sweden as EU President, and Denmark as host of the UN climate change summit are also participating.

The 50 by 50 campaign was praised by the MEF in its report which said it could "establish an ambitious overall goal for MEF countries." Key recommendations from the GFEI were endorsed by the MEF. "Achieving ambitious, yet realistic, fuel economy targets is especially important in developing countries, since most new vehicles in the world will be bought and operated in these countries by 2050," said the report. Overall, the MEF said that fuel economy improvements outlined by the 50 by 50 campaign are likely to result in at least a stabilisation of CO2 emissions from the global car fleet.

International agencies launch 50% global fuel economy plan at Geneva Motor Show March 25th 2009

Speaking at the launch:

Nobuo Tanaka, Executive Director IEA said: "We have to find ways to reconcile legitimate aspirations for mobility, an ambitious reduction in CO2 from cars worldwide, and global economic recovery.

Achim Steiner, UN Under-Secretary General and UNEP Executive Director said: "Copenhagen must agree a deep, decisive and comprehensive deal to lift the threat of global warming from the lives of billions of people. Transport is a crucial sector in this



transformation to a low carbon, green economy."

Jack Short, Secretary General ITF said: "The Global Fuel Economy Initiative provides a much needed roadmap for action both now and in the long term."

David Ward, Director General FIA Foundation said: "This initiative can have a huge impact on the motoring public. Through tax incentives and information campaigns it would help encourage consumer demand for more fuel efficient cars. This is not an agenda for some point far off in the future. Our 50% fuel efficiency target requires us to change direction and take important actions right now."

ACTIONS FOR 2010

- Developing regional assessments and organising launches in Central and Eastern Europe, Latin America, Africa and the Middle East – towards political engagement with regional groupings and individual countries.
- Starting four national pilot projects in different regions world wide to support countries with the development of national fuel economy policies. Initiatives will also include an interactive toolkit for fuel economy policy development.
- Developing a fuel economy information database, information materials and our website www.50by50campaign.org
- Hosting our annual Round-table event in May.

Who are the partners?

The Global Fuel Economy Initiative (GFEI) is a partnership of four organizations – IEA, ITF, UNEP and FIA Foundation – which seeks to promote the potential of a substantial but attainable improvement in vehicle fuel economy as a contribution to the debates on how we might address climate change, energy security and more sustainable mobility on a global basis.



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Support our campaign

Global action needed now to promote greater fuel efficiency

We face a massive challenge to address the issue of man-made climate change, and in particular, the role which transport plays within that. With a global car fleet predicted to triple by 2050 - over 80% of that in the developing world - and now, with a global economy facing huge difficulties, we have to find a way to reconcile legitimate aspirations for mobility, an ambitious reduction in CO2 from cars worldwide, and global economic recovery.

We believe that a move across the global fleet towards far better fuel economy at a scale which is already technically achievable, could save over 6 billion barrels of oil per year by 2050, and close to half of CO2 emissions from cars, as well as generate significant local air pollution benefits - and all using existing, cost-effective technologies. This is simply too good to ignore.

We want to:

- promote further research, discussion and action to improve fuel economy worldwide
- work with Governments in developing policies to encourage fuel economy improvement for vehicles produced or sold in their countries
- support regional awareness initiatives that provide consumers and decision makers with the information they need to make informed choices.

Join our campaign at www.50by50campaign.org

Who are the secretariat?



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Upcoming GFEI events

8-9 March 2010, Mexico City
Latin American Symposium

17-18 March 2010, Budapest
Central and Eastern European 50by50 Symposium

25 May 2010, Leipzig
50by50 Roundtable

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