The Global Fuel Economy Initiative (UNEP, IEA, FIA Foundation, and ITF), together with the Regional Environment Centre (REC) and Eastern Alliance for Safe and Sustainable Transport (EASST), recently hosted the first ever major symposium on fuel economy involving the full region in Szentendre, Hungary in May 2010.

The workshop, which was attended by representatives from 23 CEE countries, heard presentations from a wide range of speakers with expertise on fuel economy, energy prospects and mobility trends. Introducing the event, and welcoming people to the REC HQ – the biggest solar-powered building in Europe - Marte Szigeti Bonifert, Executive Director of the REC said ‘It is a pleasure to have you here today to consider this important issue for our region. We must act now - time is already running out’

With presentations from amongst others, the International Energy Agency, The State Oil Corporation of Azerbaijan, the Caucasus Environmental Network, Green Car Club Georgia and the UNEP, to spur their thinking, participants were encouraged to work together to consider the many ways in which the issue of fuel economy impacts upon their country and the wider region, and how it might best be addressed. Links were established between fuel economy, and energy security, individual prosperity and of course, climate protection, and policy options such as fiscal policy, regulation and standard setting were considered.

In a lively and useful discussion several common themes emerged, amongst them the need to address driver behavior; the vital role of secondhand and imported vehicles; and the place of enforcement and monitoring. In particular, attendees agreed that a ‘CEE Fuel Economy Network’ of interested individuals such as themselves, would be a useful and welcome development in promoting further consideration of the issue across the region.

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.
GFEI and ICCT sponsored event hears how Mexico is developing vehicle standards

March 8-9th 2010

The workshop brought experts from eight Latin American countries to the discussions to share their experiences.

The proceedings of the seminar showed that there is broad support for reducing the CO2 emissions from cars in Mexico, with the automobile manufacturing industry underlining its own commitment to the environment at the conference. The process of setting standards for new cars now enters a critical phase as the details are worked out in terms of timeframe and stringency, and possibly linking standards to the size of cars.

Discussions ranged across a series of key issues which need to be considered when setting such a standard.

The point was made that for simplicity a single regulation is to be preferred and an average fleet standard is probably appropriate for Mexico.

It was also suggested that fuel efficiency and CO2 emissions policies need to be compatible with policies to improve air quality. More importantly, it was suggested that fuel taxes need to continue to tax gasoline and diesel at similar rates.

The auto industry constantly maintains that it needs a regulatory environment that provides as much certainty as possible if it is to make the capital investments necessary to maximise the fuel economy of new cars. Standards can provide this certainty, and can be complemented by indicative targets for the longer term. The European Union’s standard of 120 g CO2 / km by 2012 for the new car fleet average is accompanied by a 95 g CO2 / km target for 2020. Several European governments have used this figure as a reference point for tax incentives for low carbon vehicles in anticipation of the target being adopted as a binding standard.

The Global Fuel Economy Initiative views 90 g CO2 / km as a realistic target for the new cars world-wide by 2030, translating roughly into fuel economy of 4 litres per 100km. That is equivalent to 60 mpg or 25 km per litre.

The GFEI is now working with the Centre for Sustainable Transport Mexico (CSTM) on options for Mexico to manage the second hand car market without discriminating between domestic and imported vehicles.

Chile becomes first GFEI case study country

March 15th 2010

Chile has a long history of air quality management, mainly through efforts to address the PM problem in Santiago. One of the most successful policy actions was the environmental control of the new car market - or new cars being imported into Chile. Due to the open economy, most global manufactures are represented on the local market, with more than 250,000 total sales per year. All imported vehicles must be new as second hand cars are prohibited since 1988.

In fact, Chile has one of the few emission standard type approval systems effectively running in a developing country, whereby any new model vehicle must go for lab testing before market entry approval. This system, under the Transport Ministry, is a very valuable base from which to establish automotive fuel efficiency standards and strategies. And in a country where more than 95% of the petroleum demand is supplied through imports - auto fuel efficiency is of particular interest to both consumers and policy makers. The last petroleum crisis in Chile, which cost more than one billion dollars in subsidies to keep the gasoline and diesel price under control plus fiscal losses due to a transitory reduction in gasoline tax, is a stark reminder of the need for energy independence. In addition, continued economic growth is expanding annual vehicle sales by more than 20% per year.

These developments and the capacity already available in Chile makes the country ideal for testing the GFEI approach through a comprehensive pilot project focusing on auto fuel efficiency data, policy and consumer awareness. The GFEI is partnering with the Mario Molina Center Chile (CMMCh) and the newly-created Ministry of Energy to build on a study (one of the few available for developing countries) that looked at CO2 and energy efficiency market average trends for the auto sector. The multi-year assessment used the International Council on Clean Transportation (ICCT) methodology presented in the ICCT publication “Passenger Vehicle Greenhouse Gas and Fuel Economy Standards: A Global Update - 2007” to build a multi-year evaluation of emission and trends.

Preliminary findings show that Chilean 2008 CO2 the corporate average fleet emission was 204 grs/km (NEDC test cycle) - a little over South Korea’s. South Korea is a principal player in Chilean car import market, in addition to Mexico, Brazil and Argentina.
GFEI reviews progress at Leipzig transport forum
May 27th 2010

With upwards of 800 transport experts from across the globe gathering in Leipzig to discuss ‘Innovation in Transport’, the stage was set for an interesting and lively exchange at the Global Fuel Economy Initiative-hosted meeting on May 27th. The audience was treated to the views of a panel of experts and industry representatives, including Steve Plotkin of Argonne National Lab in the US, George Eads, of Charles River Associates, and KG Duleep whilst Henry Li of BYD and Mitsuhiko Yamashita of Nissan represented the industry point of view. The panel was chaired by Lew Fulton of the IEA.

In presenting the early findings of his work for the GFEI Annual Report, George emphasized that though the technology potential to achieve a 50% improvement by 2030 compared to 2005 appears to be there (at least for the US and Europe), it will still be quite challenging to achieve the GFEI goal. This is because of the tendencies to use technologies for purposes other than fuel economy, such as improving performance.

Subsequent presentations highlighted the reason for differences in fuel economy across the globe, with most of the difference between the US and other countries explained by sales differences (shares of different market segments) but most of the difference between France, China and India appearing to be due to technology differences. The balance between the role which EVs and ICEs might play was also discussed at length with opinions split on whether we can expect a large shift to electric drive vehicles by 2020, and whether there is a role for more efficient conventional vehicles, including hybrids and other strategies. In general, the message appeared to be that we must maintain a strong focus on incremental improvements over the next 5-10 years, whilst continuing to encourage the rapid development of alternatives also.

Finally, the meeting heard from Bernhard Labudek, of the ADAC in Germany, as he described how the Ecotest, (www.ecotest.eu) which has long been supported by the Foundation, is an important mechanism to allow consumers to judge the environmental impact of a new car alongside other features such as it’s size and price.

The meeting showed just how much motoring clubs of any size and shape can do to ensure that growing mobility is as sustainable as possible.

FIA Foundation and Motoring Clubs work together on fuel economy
May 17th 2010

Representatives of motoring clubs from across the world gathered for their annual Conference Week in Como, Italy in May to discuss issues of mobility and sustainability and how they might affect their 100 million members.

Jeff Walker from the Canadian Automobile Association described a range of initiatives from a fuel economy Primer and ‘mythbuster’, to a path-breaking new ‘Fuel Economy App’ for smartphones, which the CAA has been developing and piloting with the Canadian Government. The Foundation will be working with Jeff over the coming weeks to ensure that these great ideas can be made available to other clubs and their members.

The event which GFEI hosted in India last November, and the ways in which it has stimulated further work on fuel economy by his club, was the subject of the presentation by TK Malhotra from AAUI in India. He said that the ‘50by50 symposium’ was a ‘wake-up call’ to his club to promote this issue of fuel economy more fully, and to build on the role which his club already has in testing and certifying vehicles, by, for example, offering membership discounts to those with fuel efficient vehicles.

Fleets are a crucial element in improving fuel economy. Clubs often own large fleets of their own, and can save huge sums in fuel costs just by introducing basic clean fuel and fuel efficiency measures. The Partnership for Clean Fuels and Vehicles (www.unep.org/transport/pcf/v) of which the FIA Foundation is a lead member, offers support and training to fleet managers on these very issues. Duane Ellis, Operations Manager at the Jamaican Clun (JAA), described how attending a PCFV training session earlier this year had helped him to secure real improvements for his club.

The meeting also heard how saving fuel can be fun, when Susanna Suokonau-tio-Hynninen, from Autolitto in Finland described the ‘50by50’ eco-rally which they hosted last month in Helsinki. The rally attracted huge media attention, bringing the issue of eco-driving and saving fuel to prominence in a very effective way. Susanna promised to share the template for organising such an event with other clubs – and again, the FIA Foundation will help to make that happen.

PLANS FOR LATE 2010

- Three GFEI events in Bangkok, London and Mozambique
- Launch of our Annual GFEI Report
- Finalisation of our Fuel Economy Toolkit, and start of case study work in Indonesia, Ethiopia, Chile and Hungary.
- Publication of working papers on fuel economy in the ASEAN region, scrappage schemes, and imported vehicles
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

Upcoming GFEI events

24 August 2010, Bangkok
GFEI workshop at the 5th Regional Environmentally Sustainable Transport Forum

11-12 Ocber 2010, Mozambique
Eastern Africa GFEI event

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