

Cost of driving briefing note

May 2012

Greenpeace commissioned an independent expert to calculate the cost savings that drivers in 15 European states can expect if EU fuel efficiency legislation is implemented as-is, and if it is improved. This briefing accompanies the research to highlight the main findings and put them in the context of today's record high fuel prices and this summer's expected lobby battle as EU legislation is revised.

Record fuel prices

Fuel prices are at record levels in Germany, France, the UK, Greece, Italy and Spain, according to European Commission data. In April, the average European driver was paying €1.69 per litre of petrol and €1.84 in Italy and Greece [1, 2]. Several governments are discussing measures to shield drivers from further price hikes.

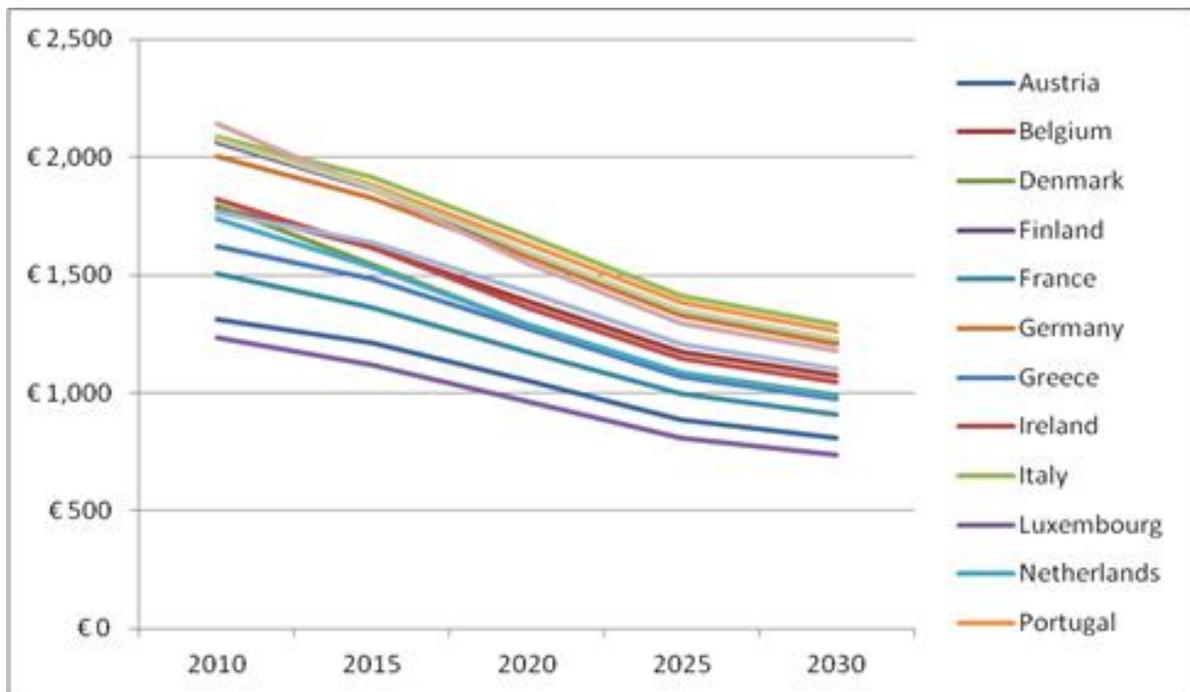
Efficiency saves money

Besides driving less, the best way to shield drivers from rising pump prices is to improve the efficiency of new cars. EU fuel efficiency legislation has been in place since 2009 and is subject to review starting this summer.

Today, drivers in Europe pay between €1,235 (Luxembourgish average – European low) and €2,143 (Swedish average – European high) in annual fuel costs. EU law requires carmakers to reduce average CO₂ emissions from 140 grammes CO₂ per kilometre to 95g CO₂/km by 2020. If this figure remains after this summer's legislative revision, costs will go down to between €962 (Luxembourgish average – European low) and €1,665 (Italian average – European high) by 2020.

	2010	2015	2020	2025	2030
Austria	€ 1,314	€ 1,213	€ 1,051	€ 886	€ 807
Belgium	€ 1,788	€ 1,616	€ 1,391	€ 1,174	€ 1,072
Denmark	€ 1,792	€ 1,547	€ 1,290	€ 1,083	€ 989
Finland	€ 2,062	€ 1,864	€ 1,587	€ 1,332	€ 1,212
France	€ 1,503	€ 1,360	€ 1,176	€ 997	€ 911
Germany	€ 2,003	€ 1,828	€ 1,576	€ 1,327	€ 1,208
Greece	€ 1,620	€ 1,484	€ 1,273	€ 1,069	€ 974
Ireland	€ 1,820	€ 1,619	€ 1,365	€ 1,145	€ 1,045
Italy	€ 2,088	€ 1,913	€ 1,665	€ 1,412	€ 1,288
Luxembourg	€ 1,235	€ 1,119	€ 962	€ 810	€ 738
Netherlands	€ 1,737	€ 1,533	€ 1,291	€ 1,083	€ 988
Portugal	€ 2,075	€ 1,882	€ 1,631	€ 1,384	€ 1,264
Spain	€ 1,765	€ 1,638	€ 1,427	€ 1,208	€ 1,101
Sweden	€ 2,143	€ 1,862	€ 1,551	€ 1,295	€ 1,178
UK	€ 2,076	€ 1,868	€ 1,601	€ 1,349	€ 1,228

Annual fuel costs for the driver of an average car in case existing EU fuel efficiency legislation is confirmed (95 gCO₂/km)

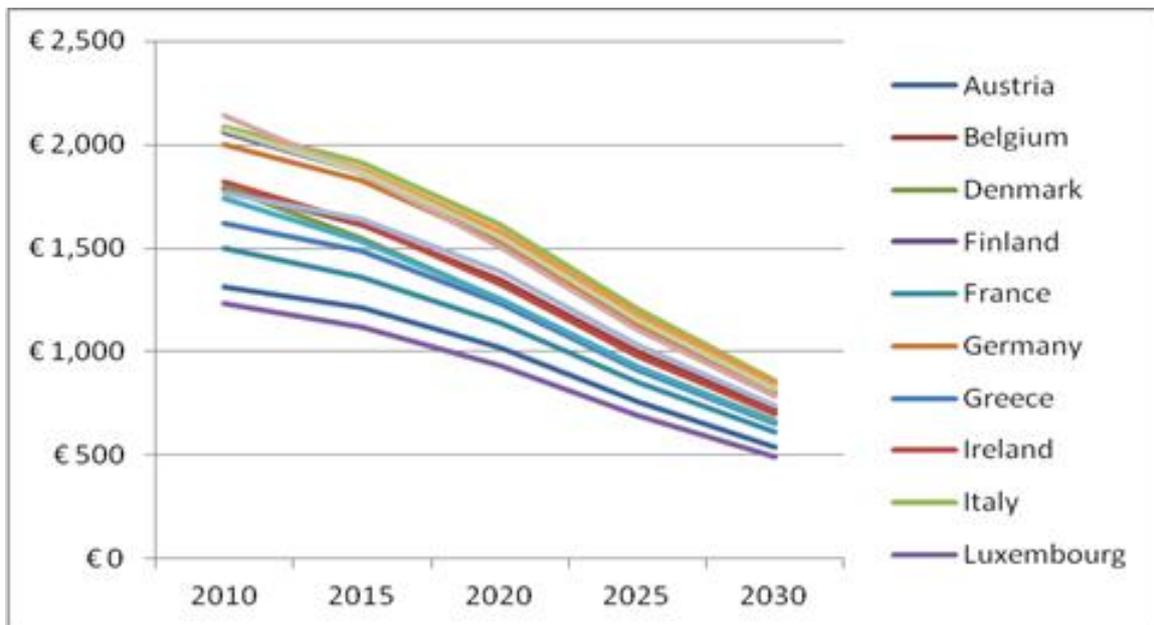


Annual fuel costs for the driver of an average car in case existing EU fuel efficiency legislation is confirmed (95g CO₂/km by 2020)

If EU governments decide to tighten the target to no more than 60g CO₂/km by 2025, fuel costs will drop to between €494 (Luxembourgish average – European low) and €863 (Italian average – European high) by 2030, five years after the target is met and fuel saving improvements have become more common. With fuel prices set to rise further, as predicted by the International Energy Agency [3], motorists are in line for higher annual fuel bills. But they will save substantially more money as a result of the improvements in fuel economy than if these were not in place.

	2010	2015	2020	2025	2030
Austria	€ 1,314	€ 1,213	€ 1,020	€ 757	€ 540
Belgium	€ 1,788	€ 1,616	€ 1,349	€ 1,003	€ 718
Denmark	€ 1,792	€ 1,547	€ 1,251	€ 925	€ 663
Finland	€ 2,062	€ 1,864	€ 1,540	€ 1,138	€ 811
France	€ 1,503	€ 1,360	€ 1,141	€ 852	€ 610
Germany	€ 2,003	€ 1,828	€ 1,529	€ 1,134	€ 807
Greece	€ 1,620	€ 1,484	€ 1,235	€ 913	€ 651
Ireland	€ 1,820	€ 1,619	€ 1,324	€ 978	€ 700
Italy	€ 2,088	€ 1,913	€ 1,614	€ 1,206	€ 863
Luxembourg	€ 1,235	€ 1,119	€ 934	€ 692	€ 494
Netherlands	€ 1,737	€ 1,533	€ 1,252	€ 925	€ 662
Portugal	€ 2,075	€ 1,882	€ 1,582	€ 1,182	€ 847
Spain	€ 1,765	€ 1,638	€ 1,384	€ 1,032	€ 737
Sweden	€ 2,143	€ 1,862	€ 1,505	€ 1,106	€ 788
UK	€ 2,076	€ 1,868	€ 1,553	€ 1,152	€ 822

Annual fuel costs for the driver of an average car where EU fuel efficiency legislation is extended (60g CO₂/km by 2025)



Annual fuel costs for the driver of an average car where EU fuel efficiency legislation is extended (60g CO₂/km by 2025)

Efficiency is achievable

The US government requires carmakers to reduce the fuel consumption in new cars and light trucks by 50 percent between 2011 and 2025. The decision was backed by 13 global carmakers, including Toyota, Ford and BMW but not VW [4].

The European Commission has said it would consider a similar move this year to halve CO₂ emissions, and hence fuel consumption, by 2025 [5]. Recent research shows most of this can be achieved with conventional car technology, while further advances in plug-in hybrid and electric car technology will be needed to reach further reductions beyond these levels [6].

Obstruction from the car industry

European suppliers of automotive parts [7], as well as Sweden's Volvo Car Corporation [8], have spoken in favour of the 95g EU target and said the EU should set a non-binding target for 2025 to provide the car industry with investment security.

But Europe's biggest carmaker, the Volkswagen Group, is opposed to the EU law. VW has described the 2020 target as "not based on sound impact assessment nor on a realistic appreciation of the costs and technical progress necessary to meet the goal within the timescale" [9]. VW and the other German car companies also vehemently oppose a further target for 2025. They claim this would mean "making the second before the first step" and "acting high-handedly, and playing with the competitiveness of the European car industry" [10]. Greenpeace is campaigning to stop VW lobbying against fuel efficiency targets. So far, more than 500,000 people worldwide have pledged their support. Greenpeace is calling on the EU to set an ambitious long term CO₂ saving target for cars of 60 gCO₂/km by 2025.

The research and its author

Greenpeace commissioned independent consultant Malcolm Fergusson to conduct the study highlighted here. Mr Fergusson is a specialist in climate change, energy and transport at national and European levels. He has been a Senior Fellow at the Institute for European Environmental Policy and subsequently Head of Climate Change at the Environment Agency for England and Wales. He is currently working as an independent consultant. Full data and an explanation of the methodology used to reach it is available for each of the 15 European countries studied.

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Notes

- [1] <http://www.bloomberg.com/news/2012-04-29/record-high-gasoline-further-burdens-consumers-in-europe.html>
- [2] http://ec.europa.eu/energy/observatory/oil/doc/prices/map/2012_04_23_oil_prices_es95.pdf
- [3] This assumes that the oil price increases to \$115 (USD 2008) per barrel in 2030, in line with World Energy Outlook 2009.
- [4] <http://www.businessweek.com/news/2011-07-29/automakers-agree-to-54-5-mpg-fuel-economy-rule-obama-says.html>
- [5] <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52010DC0656:EN:NOT>
- [6] <http://www.theicct.org/ghg-reduction-potential-and-costs-ldv-technologies-2>
- [7] <http://www.euractiv.com/climate-environment/tajani-backs-away-2025-fuel-efficiency-fight-news-511735>
- [8] <http://www.reuters.com/article/2012/03/23/uk-eu-car-emissions-idUSLNE82M02420120323>
- [9] Letter to Greenpeace, June 2010
- [10] http://www.welt.de/print/die_welt/wirtschaft/article13920923/Europas-Parlamentarier-wollen-das-Drei-Liter-Auto.html

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