

July 5, 2007

## **INDUSTRY DIVIDES STILL PROMINENT ON COMPLEX CO<sub>2</sub> ISSUE SAYS JATO**

- **Manufacturers struggle to agree CO<sub>2</sub> objectives**
- **JATO data reveals national discrepancies**
- **EU commission may be forced to compromise**
- **Role vehicles play in CO<sub>2</sub> debate must be viewed in broader context**

JATO Dynamics, the world's leading provider of automotive data and intelligence today reports that the European automotive industry is struggling to find a workable solution to the ongoing issue of CO<sub>2</sub> emissions standards.

Since the 130g/km target became a formalised legal objective for 2012, the industry has found it hard to reach an agreement on how to respond to the European Commission proposals, although most manufacturers agree that the objective would be hard to meet prior to 2015 at the earliest, thanks largely to the lead times necessary to develop the required technology.

Part of the issue is that manufacturers feel that too much emphasis is being placed on vehicle engine technology to solve the issue without thorough investigation of other contributing factors.

"We are likely to see manufacturers investing in other areas of technology beyond conventional engine development. As an example, start-stop technology is an effective and more economical way of reducing CO<sub>2</sub> emissions without impacting too heavily on a manufacturer's product portfolio," says Nasir Shah, International Sales & Marketing Director for JATO. "Manufacturers have done huge amounts to reduce carbon emissions, but ultimately they are running vast commercial operations and have to produce vehicles that the public wishes to buy. Start-stop technology can be applied to larger, more powerful engines and still achieve results."

Those most comfortable with the EU objectives are the French and Italian volume manufacturers that specialise in smaller, more efficient vehicles as favoured in their domestic markets. Those most outspoken in opposition to legislation are the German manufacturers whose product portfolios are fundamentally less CO<sub>2</sub> efficient. It is they who may well benefit most from a more lateral approach to gaining efficiency through alternative technologies.

<b>Volume-Weighted Average CO<sub>2</sub> emissions for new cars (g/km)</b>				
<b>Country</b>	<b>2004 CO<sub>2</sub></b>	<b>2005 CO<sub>2</sub></b>	<b>2006 CO<sub>2</sub></b>	<b>2007 YtD CO<sub>2</sub></b>
France	153	152	149	149
Germany	173	171	170	171
Italy	150	149	149	147
Spain	155	155	156	155
<b>Average</b>	<b>160</b>	<b>159</b>	<b>158</b>	<b>156</b>

“Looking at our data, it’s clear to see today’s relative CO<sub>2</sub> performance differentials between different countries,” says Shah. “Of course, various economic market forces will be a contributing factor at any given time, but with Italy currently producing an average CO<sub>2</sub> figure of 147g/km year to date and Germany producing 171g/km, it’s not hard to see why various nations have reacted differently to the EU proposals.”

Europe’s automotive governing body, ACEA, is of the opinion that meeting 130g/km by 2012 will prove to be virtually impossible. Industry sources suggest that ACEA will propose a target of 135g/km by 2015 and that an ultimate goal of 120g/km could be achieved as long as no firm date is placed upon the objective. It is generally accepted that no such target could be achieved before 2020. It also wants the industry to be credited with whatever CO<sub>2</sub> savings it can make from measures such as low rolling resistance tyres, tyre pressure monitoring, gear change indicators and biofuels.

Equally, Shah considers that greater emphasis should now be placed on the work of the energy and petrochemical industries in reducing CO<sub>2</sub>. He continues: “This issue is not just about the hardware in the showrooms, it’s about what all stakeholders in this industry can bring to the table in order share the burden.

“We are also seeing the increased use of lightweight materials such as aluminium and composites in cars as manufacturers seek to reduce weight. However, the industry must look hard at the cost and environmental footprint associated with the manufacturing and recycling of alternative materials,” says Shah. “Some of the most CO<sub>2</sub> efficient cars on the market such as hybrids, rate very poorly when their footprints are viewed in the context of their entire lifecycles, and that’s where the whole issue is more complicated than the green lobby would have you believe.”

Although CO<sub>2</sub> is set to remain at the top of the industry agenda for many years to come, JATO considers that with such a highly complex web of contributing factors to consider, it is currently very hard to see how the industry will unite and agree a definitive means of moving forward in the short term without an EU compromise on the current objectives.

-Ends-

**Editorial note: JATO Dynamics background**

JATO was founded in 1984 and provides the world's most timely, accurate and up-to-date information on vehicle specifications and pricing, sales and registrations, news and incentives. The company has representation in over 40 countries, providing unique local market expertise. The JATO client base includes all of the world's volume vehicle manufacturers, giving them the ability to react to short-term market movements, plan for long-term developments and ultimately to meet consumers' needs. JATO's data has also been adapted for consumer use in motoring web portals where customers can see the advantages and disadvantages of a specified model against any other while major leasing companies use JATO data to drive the vehicle quotation process. Visit JATO at [www.jato.com](http://www.jato.com)

*For further press information, please contact:*

*Peter Haynes at Automotive PR. Tel: +44 (0) 207 494 8056*

*Mob: +44 (0) 7738 883259*

*Email: [phaynes@automotivepr.com](mailto:phaynes@automotivepr.com)*