



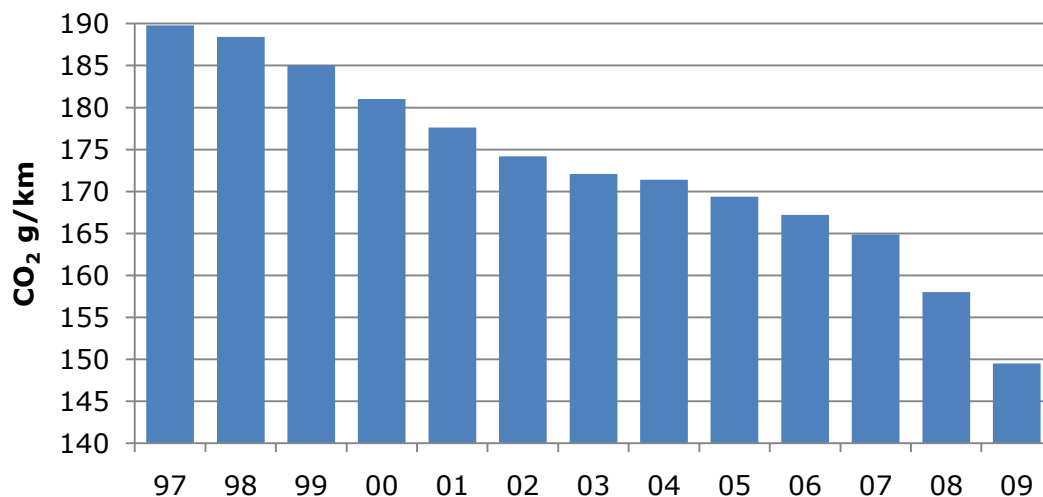
## SMMT New Car CO<sub>2</sub> Report 2010

SMMT's ninth annual New Car CO<sub>2</sub> Report was launched on 9 March 2010 and covers data to the end of 2009. It is available to download free of charge at [www.smmt.co.uk](http://www.smmt.co.uk). The report shows that average new car CO<sub>2</sub> emissions fell by their biggest ever margin – down 5.4% year-on-year to 149.5g/km. Key trends are presented below.

### Average new car CO<sub>2</sub> emissions, and share below key g/km breakpoints

	2009	2008	1997
Average new car CO <sub>2</sub> emissions	149.5g/km	158.0g/km	189.8g/km
% change – year-on-year	-5.4%	-4.2%	
% change versus 1997	-21.2%	-16.8%	
Share of cars under			
120g/km	20.4%	11.0%	0.0%
130g/km	27.6%	16.4%	0.1%
140g/km	47.3%	34.8%	3.9%

### Average new car CO<sub>2</sub> emissions, 1997-2009



2009 saw one of the biggest economic challenges the automotive industry has ever seen with global sales plummeting, plants cutting production and R&D budgets at considerable risk. But it was also the year in which average new car CO<sub>2</sub> emissions fell by their biggest ever margin. Since figures were first recorded in 1997, average new car CO<sub>2</sub> emissions have fallen from nearly 190g/km to less than 150g/km, a 21.2% improvement.

New car CO<sub>2</sub> emissions have fallen across the board with technological advances and the innovative use of lightweight materials making today's large family saloons more efficient than a decade old supermini. There is no doubt that the recession had a considerable impact, with the Scrappage Incentive Scheme a key contributor. The average emissions of a car bought through the scheme were just 133.3g/km, 9.8% below the market average and 26.8% below the average CO<sub>2</sub> emissions of the car being scrapped. The report also shows that average new car emissions from all segments fell in 2009 and since 1997 all have shown double digit gains. In 2009 the mini, sports car and luxury car segments all reduced average emissions by over 6%. Since 1997 the MPV segment has posted the best reduction in average emissions, down 28.6%.

### **Total car CO<sub>2</sub> emissions, fuel used, parc and distance travelled**

	<b>2008</b>	<b>2007</b>	<b>1997</b>
Total CO <sub>2</sub> emissions from cars	72.1MtCO <sub>2</sub>	74.4MtCO <sub>2</sub>	75.4MtCO <sub>2</sub>
<i>% change – year-on-year</i>	<i>-3.1%</i>	<i>-0.8%</i>	
<i>% change versus 1997</i>	<i>-4.4%</i>	<i>-1.4%</i>	
Fuel consumed by cars	23.4Mt	24.4Mt	24.5Mt
Total car parc (GB)	30.3mn	30.2mn	25.6mn
Total distance travelled by cars	401.7bn kms	404.1bn kms	365.8bn kms

Source: CO<sub>2</sub> – DECC, fuel use and distance travelled DfT and parc SMMT

Cars accounted for approximately 12.5% of total UK CO<sub>2</sub> emissions in 2008. That share has fallen as total CO<sub>2</sub> emissions from cars have come down and despite growth in the number of vehicles in use and greater distance travelled. The 2008 performance showed a pick-up in the rate of progress and further improvement is likely in 2009, reflecting the impacts of recession and higher fuel costs on consumer behaviour.

#### **The outlook**

The industry is well on its way to meeting EU regulatory targets of a 130g/km fleet average by 2015, but the current rate of improvement must be maintained. While economic factors may have contributed to 2009's success, in the longer term, slower fleet renewal and a reduced willingness to invest in new technology may undermine this progress. Building consumer awareness and delivering effective mechanisms to influence buying behaviour through a long-term environmental tax regime and government's recently announced ultra-low carbon incentive scheme, will become increasingly important.

To continue the excellent progress shown by industry, the Integrated Approach, combining the efforts of automotive manufacturers, fuel companies, consumers and governments continues to be the most appropriate and cost-effective way to maximise CO<sub>2</sub> reductions from road transport.

Industry needs targeted policy measures to encourage the development of a consistent, long-term approach to environmental vehicle taxation, an improvement in measures to support business demand for new vehicles and better access to affordable finance and credit to enable consumers to buy cleaner and more efficient cars.

Future automotive technology, as highlighted in the NAIGT technology road map, will play a vital role in cutting CO<sub>2</sub> emissions from road transport, forming an integral part of the shift to a low carbon economy.

The UK research and development agenda should develop around the pan-industry NAIGT technology roadmap, building a bold, large scale pilot market to demonstrate, experiment and grow a new low-carbon personal transport system through 'Test-Bed UK'. Government should focus strategic funding and engagement around the industry roadmap.

Schemes such as the recently announced 'Plugged-In Car Grant' will help to attract inward investment by developing a strong market for ultra-low carbon products.

Electric cars, hybrids and hydrogen fuel cells will play an important part in cutting CO<sub>2</sub> emission in the future, but it should not be forgotten that the rate at which current average new car CO<sub>2</sub> emissions are falling is due to the contribution of improved conventional technology and that further improvement is achievable.

### **Light commercial vehicles**

The SMMT CO<sub>2</sub> report focuses on passenger cars however vans also play an important part in the automotive industry and are an important contributor to CO<sub>2</sub> emissions. In October 2009, the European Commission proposed CO<sub>2</sub> targets for Light Commercial Vehicles (up to 3.5 tonnes). The proposal needs to recognise the diversity between the car and van markets, set achievable targets within a realistic timeframe, and ensure industry can achieve the environmental goals set in the regulation, and also remain competitive.

In the UK, SMMT contributed to the VCA CO<sub>2</sub> vans database, the most comprehensive in Europe, and with DfT and VCA published a van buyers' guide "Right Van Man" in February 2009 to inform users on how to maintain a van and how driving style can play an important role in CO<sub>2</sub> emissions, fuel consumption and running costs.

### **Further information and summary**

Alongside the report, SMMT members can also access charts and tables used in the report and power-point slides. SMMT hopes the data and information provided in the report enables all stakeholders to better understand the performance of average new car CO<sub>2</sub> emissions over time, how the new car performance has positively influenced overall CO<sub>2</sub> emissions from cars and how further gains are expected in the future. To achieve those gains, at least cost to society, will best entail action by all stakeholders – vehicle manufacturers, fuel suppliers, consumers, government and other stakeholders - working in a collective manner to best deliver a stable and predictable pathway to a lower carbon transport system.