

# Global Fuel Economy Initiative (2012 – 2015)

*Michael Walsh, Chairman, ICCT Board of Directors*

International Transport Forum  
Congress Centre, Leipzig  
Wednesday May 2<sup>nd</sup> 2012



# Major Points

---

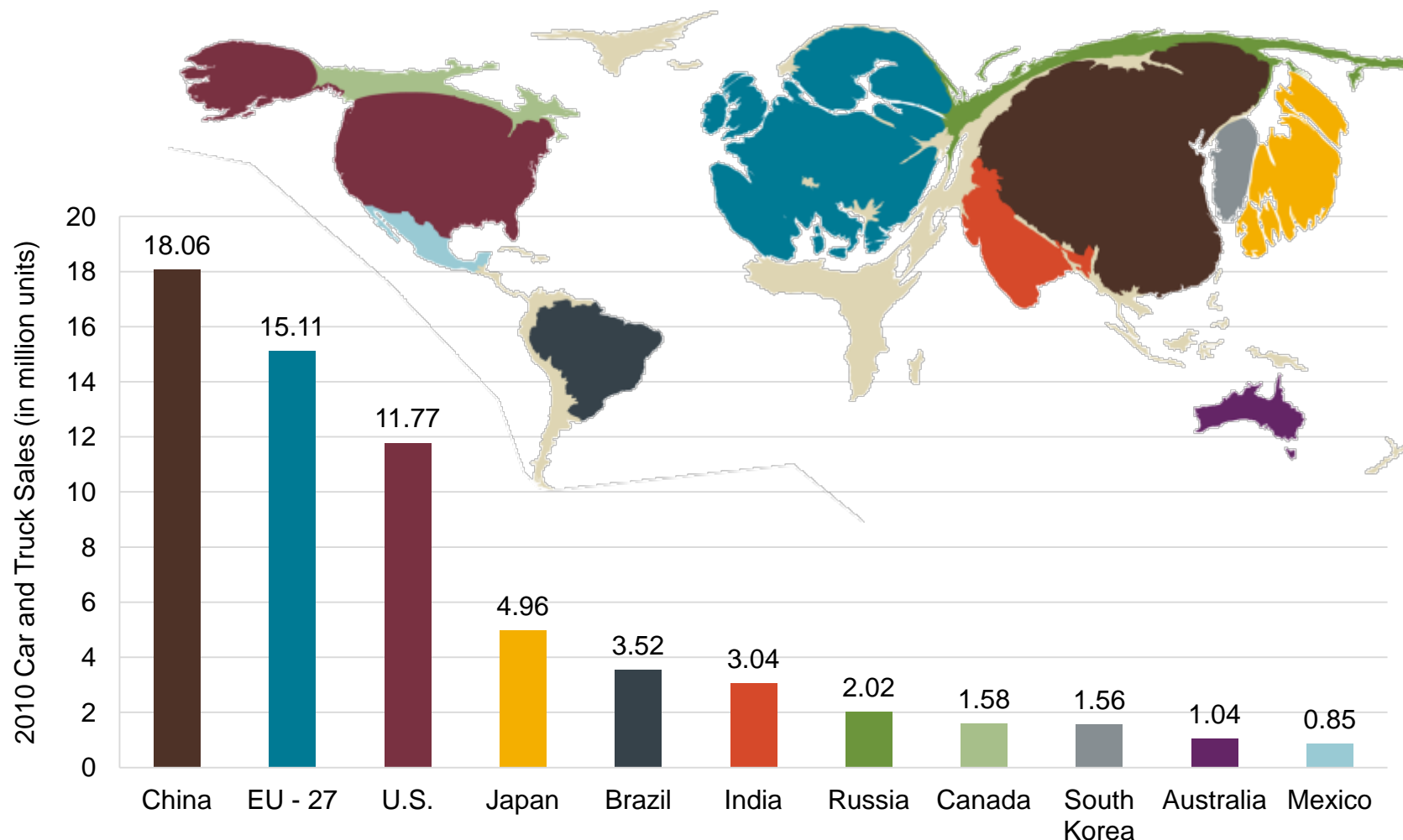
- ICCT is delighted to join the Global Fuel Economy Initiative
  - We strongly support its goal of cutting fuel consumption for new passenger vehicles in half by 2030.
- Tremendous progress has already been achieved.
  - 75% of world's new passenger vehicles subject to energy efficiency standards
  - Global benefits from these policies are substantial – 1.6 GT of CO2 savings in 2030 since 2000 – with another 3.9 GT available with adoption of cost-effective technologies.
- Major challenges ahead
  - Setting long-term performance standards to 2020 or (ideally) 2025.
  - Shifting regulatory designs from weight based to size based to encourage adoption of light weight materials.
  - Adoption of standards for heavy-duty vehicles and trucks.
  - Expansion of energy efficiency standards to developing nations.



# ICCT Council of Government Officials & Policy and Technical Experts (Mexico, 2011)

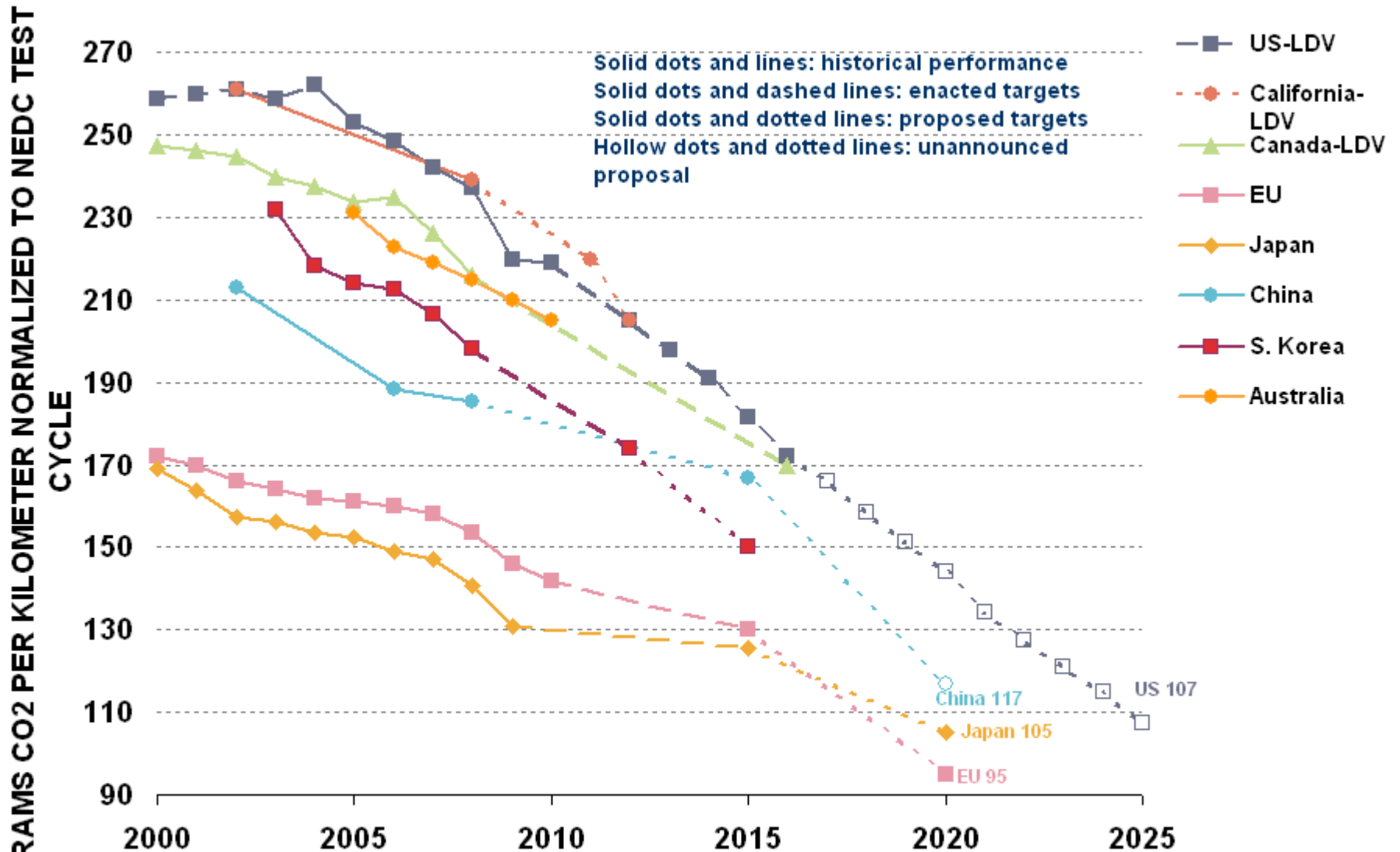


# 75% of passenger vehicles sold globally are under some form of energy efficiency regulation



Standards adopted in China, EU, US, Japan, Canada, Korea.  
Standards under consideration in India, Australia, Mexico will bring regulated vehicles to ~85% of total global sales.

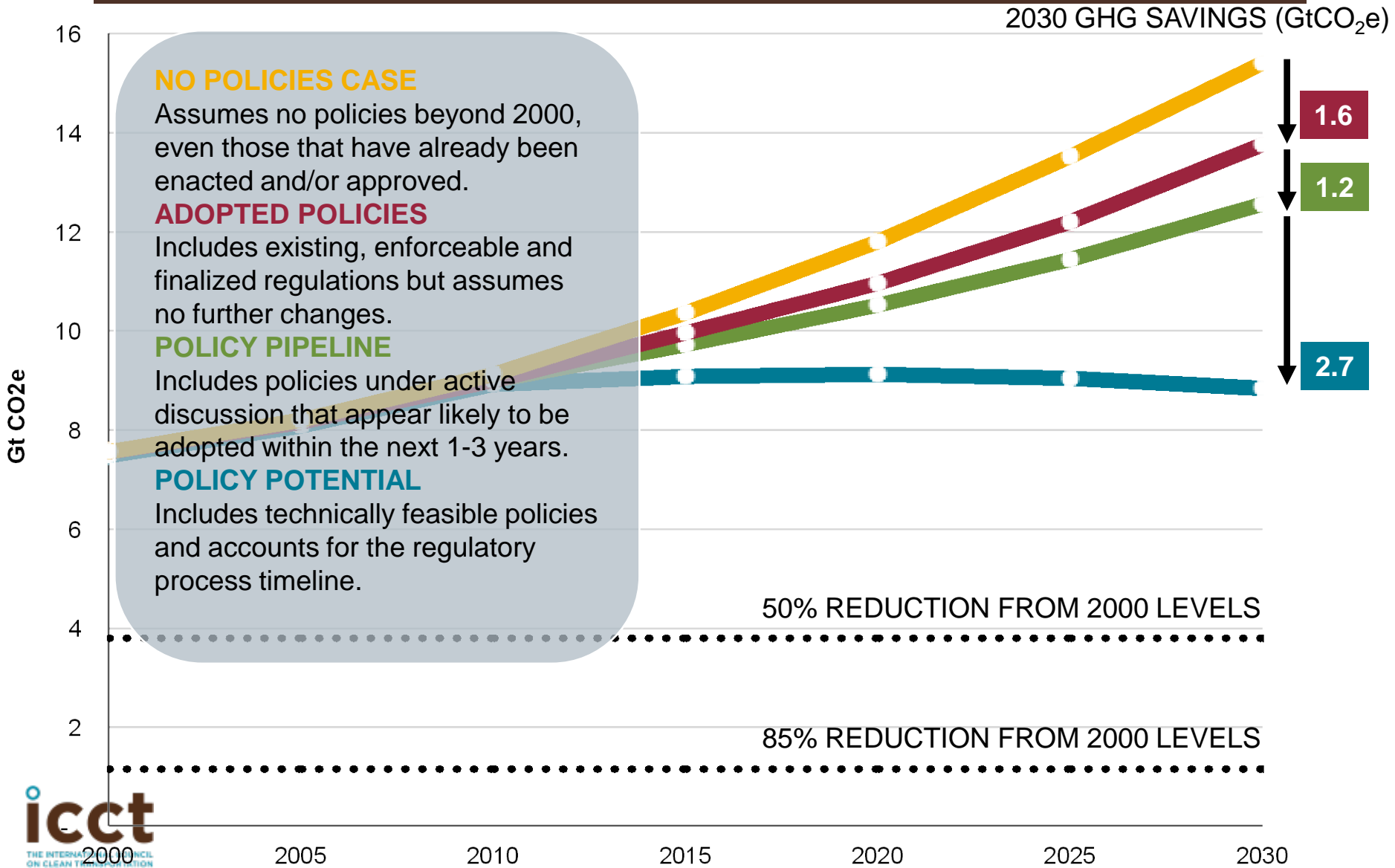
# Tremendous policy progress already achieved.



[1] China's target reflects gasoline fleet scenario. If including other fuel types, the target will be lower.

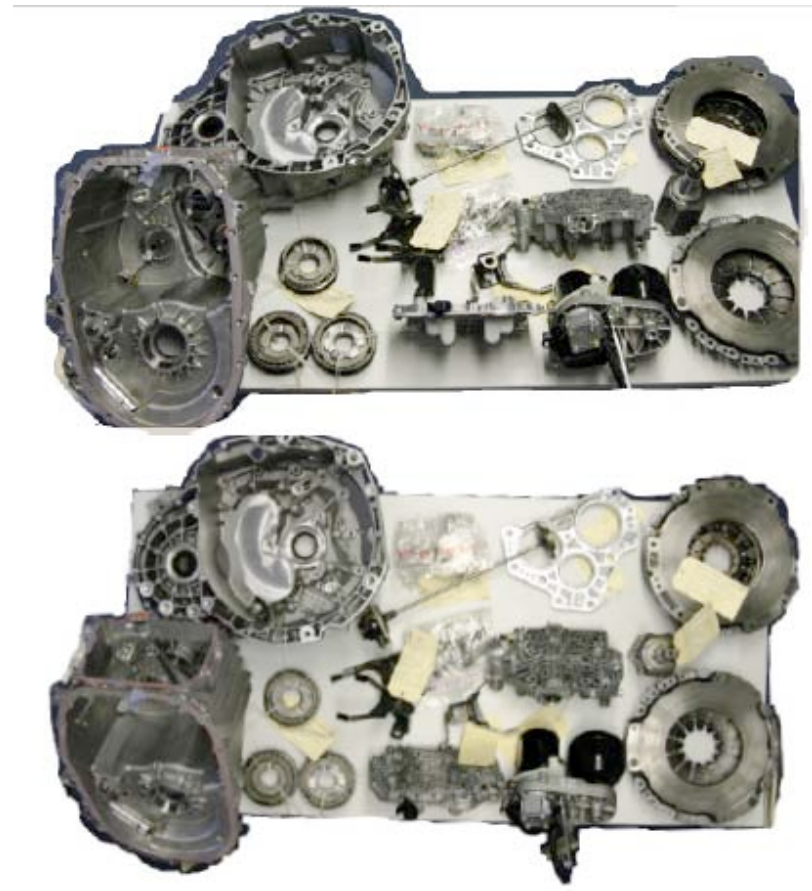
[2] US and Canada light-duty vehicles include light-commercial vehicles.

# GHG Savings from Efficiency Standards are Substantial & Further Cost Effective Reductions Available



# FEV cost analysis

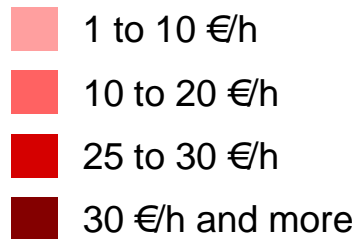
## Tear-down really means “nuts and bolts” ...



# FEV cost analysis

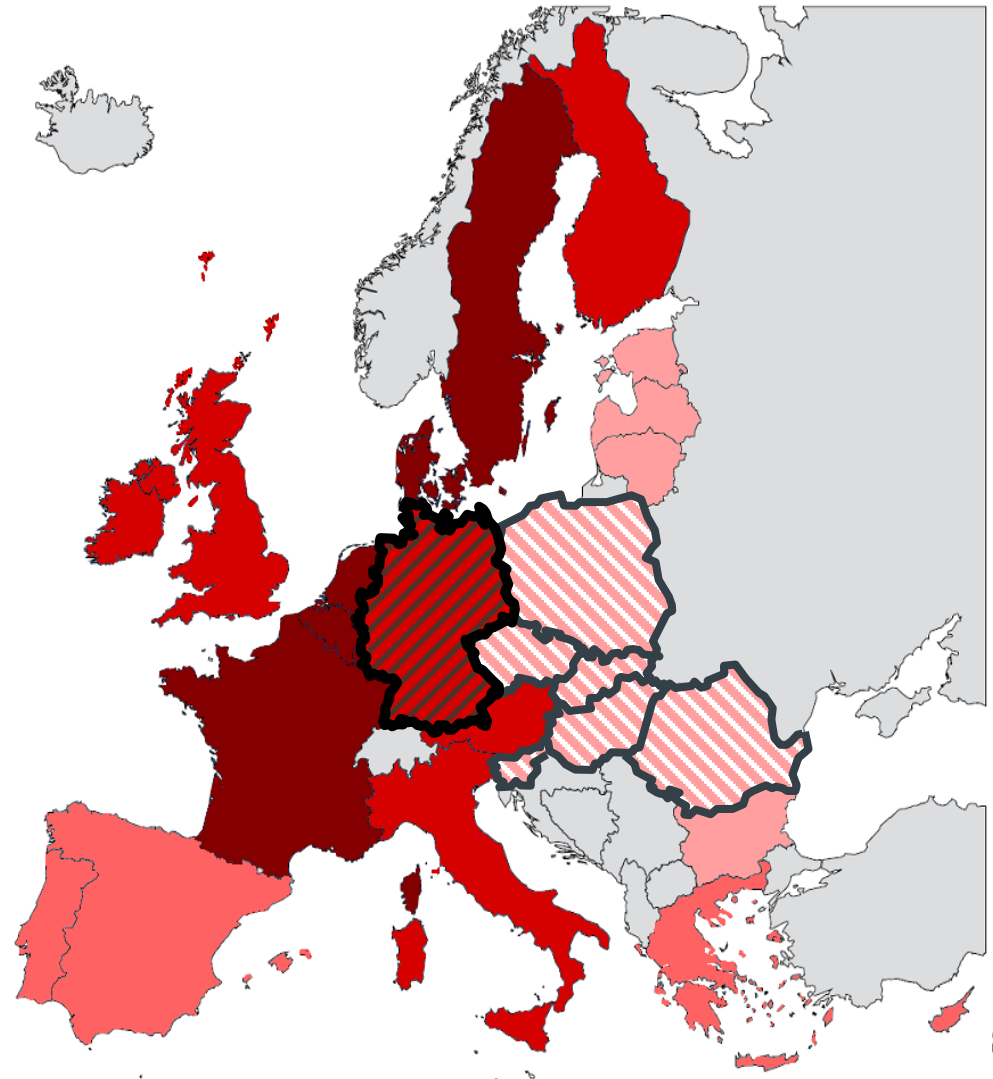
## Germany as manufacturing base for study

### Labor cost in Europe



### Approach to meet European average

- Consideration of German labor costs as representative of Western European conditions
- Definition of one percent relation between German labor costs and an average of Eastern European countries
- **Sensitivity analysis for manufacturing base located in Eastern Europe**

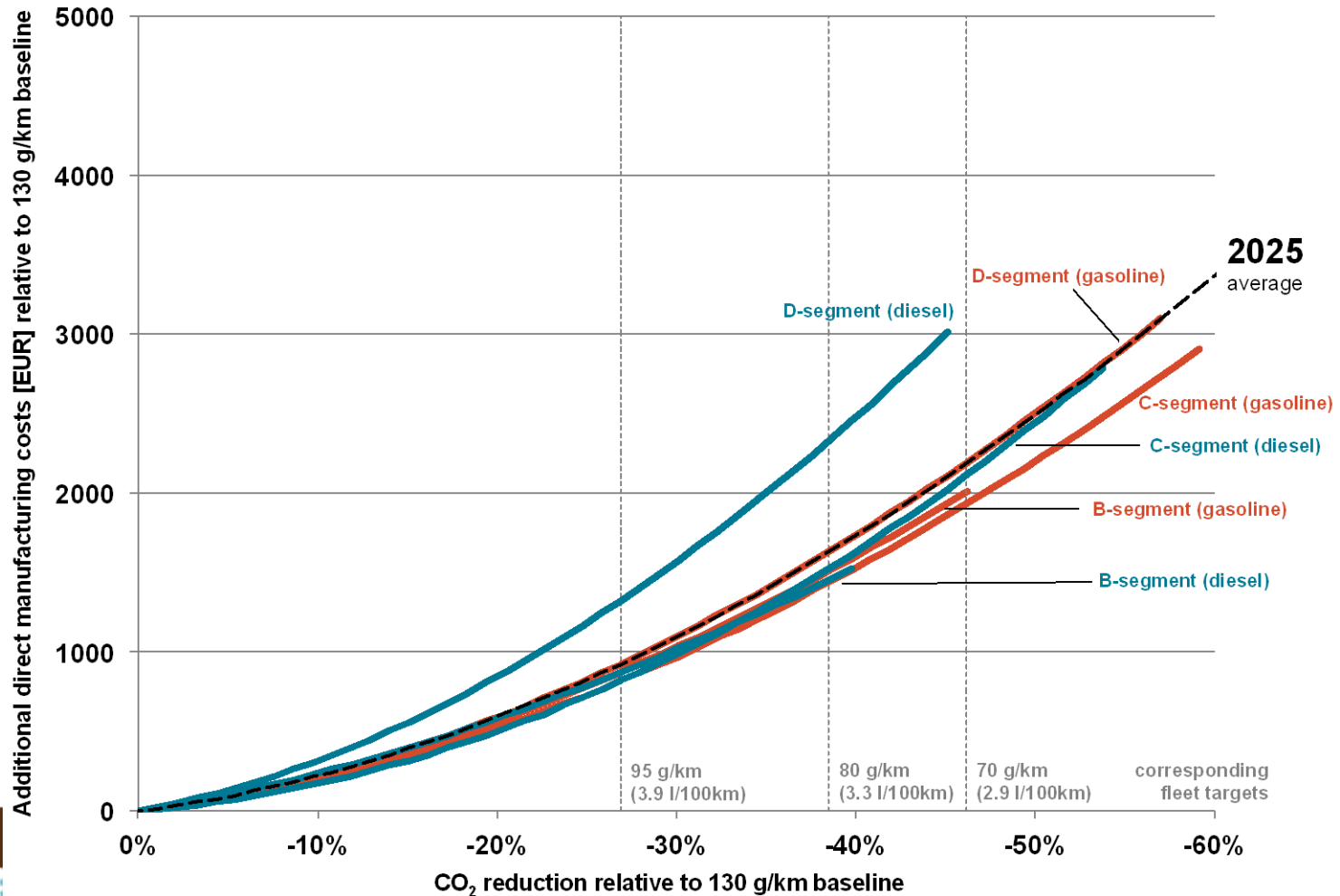




# Preliminary results

## All vehicle segments

- From a 2025 perspective



Thank You

