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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.
Countries/ Regions present: Brazil, Canada, China, Europe, Germany, Japan, India, Mexico, South Korea, United States.
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.

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

NO POLICIES CASE
Assumes no policies beyond 2000, even those that have already been enacted and/or approved.

ADOPTED POLICIES
Includes existing, enforceable and finalized regulations but assumes no further changes.

POLICY PIPELINE
Includes policies under active discussion that appear likely to be adopted within the next 1-3 years.

POLICY POTENTIAL
Includes technically feasible policies and accounts for the regulatory process timeline.

2030 GHG SAVINGS (GtCO₂e)

50% REDUCTION FROM 2000 LEVELS

85% REDUCTION FROM 2000 LEVELS
FEV cost analysis
Tear-down really means “nuts and bolts” ...
FEV cost analysis
Germany as manufacturing base for study

Labor cost in Europe
- 1 to 10 €/h
- 10 to 20 €/h
- 25 to 30 €/h
- 30 €/h and more

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