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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL  
AND THE EUROPEAN PARLIAMENT**

**Implementing the Community Strategy to Reduce CO<sub>2</sub> Emissions from Cars  
Second annual report on the effectiveness of the strategy  
(Reporting year 2000)**

**[SEC(2001) 1722]**

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**I. INTRODUCTION**

The Community's strategy to reduce CO<sub>2</sub> emissions from passenger cars and improve fuel economy<sup>1</sup> was endorsed by the Council in 1996<sup>2</sup>. It aims to achieve an average specific CO<sub>2</sub> emission figure for new passenger cars of 120 gCO<sub>2</sub>/km by 2005, and 2010 at the latest. The starting point for the monitoring of the strategy is 1995.

The strategy is based on three main pillars:

1. Commitments made by the automobile industry on fuel economy improvements, aiming at achieving an average specific CO<sub>2</sub> emission figure for new passenger cars of 140 gCO<sub>2</sub>/km by 2008/9<sup>3</sup>.
2. Fuel-economy labelling of cars<sup>4</sup> which aims to ensure that information relating to the fuel economy and CO<sub>2</sub> emissions of new passenger cars offered for sale or lease in the Community is made available to consumers in order to enable them to make an informed choice.
3. The promotion of car fuel efficiency by fiscal measures. In this respect the Environment Council in October 1999<sup>5</sup> reiterated the need to study the possibility of establishing a reference framework for fiscal incentives.

Research activities supplement these pillars.

The Council invited the Commission to report about the effectiveness of the strategy regularly<sup>6</sup>. In order to establish detailed and fully transparent monitoring the Commission submits reports on an annual basis, meeting at the same time related reporting requests expressed by Council<sup>7</sup>. The European Parliament shall also be informed.

This first report<sup>8</sup> for the reporting period 1995 to 1999 mainly covered the progress made with regard to the commitments of the automobile industry. This second report also addresses the other parts of the strategy in more detail, including the requirements laid down in Directive

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<sup>1</sup> COM (95) 689 final

<sup>2</sup> Council conclusions of 25.6.1996

<sup>3</sup> In addition the associations will evaluate in 2003/4 the potential for additional fuel-efficiency improvements with the view to moving further towards the objective of 120 gCO<sub>2</sub>/km by 2012

<sup>4</sup> Directive 1999/94/EC relating to the availability of consumer information on fuel economy and CO<sub>2</sub> emissions in respect of the marketing of new passenger cars

<sup>5</sup> Council conclusions of 06.10.1999

<sup>6</sup> Council conclusion of 25.06.1996

<sup>7</sup> Council conclusions of 06.10.1998 and 06.10.1999

<sup>8</sup> COM(2000)615 final of 04.10.2000

1999/94/EC and Decision 1753/2000/EC<sup>9</sup>, in particular in response to the reporting requirements laid down in Article 9 of the Decision.

The Commission believes that consolidated reporting will allow all interested parties to follow the implementation of the Community strategy in the most efficient way<sup>10</sup>.

## II. PROGRESS MADE WITH REGARD TO THE COMMITMENTS OF THE AUTOMOBILE INDUSTRY

Commitments have been made by the European (*European Automobile Manufacturers Association – ACEA*<sup>11</sup>)<sup>12</sup>, the Japanese (*Japan Automobile Manufacturers Association - JAMA*<sup>13</sup>) and Korean (*Korea Automobile Manufacturers Association - KAMA*<sup>14</sup>) automobile industries<sup>15</sup>. The Commission acknowledged the undertakings given in the commitments<sup>16</sup>. All three commitments constitute equivalent efforts with the following main features:

1. The CO<sub>2</sub> emission objective: All commitments contain the same quantified CO<sub>2</sub> emission objective for the specific average of new passenger cars sold in the European Union, i.e. 140 gCO<sub>2</sub>/km (to be achieved by 2009 by JAMA and KAMA and by 2008 by ACEA).
2. Means of achievement: ACEA, JAMA and KAMA commit themselves to achieving the CO<sub>2</sub> target mainly by technological developments and related market changes.

In addition “estimated target ranges” for the average new car CO<sub>2</sub> emissions are provided for 2003/2004<sup>17</sup>.

Moreover ACEA and JAMA committed themselves to introduce in the EU market, not later than 2000, models emitting 120 gCO<sub>2</sub>/km or less; KAMA will do so as soon as possible.

The commitments are subject to a thorough, transparent and fair monitoring scheme. For this purpose “Joint Reports” of the Commission and each individual association are drafted yearly. They are agreed between the parties, and attached to the Commission’s Communication to Council and European Parliament (see Annexes). The associations themselves have until now provided the underlying data. The associations’ data sources can be considered as very reliable, and have been used because the official EU CO<sub>2</sub> monitoring

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<sup>9</sup> Decision 1753/2000/EC of the European Parliament and of the Council establishing a scheme to monitor the average specific emissions of CO<sub>2</sub> from new passenger cars

<sup>10</sup> Information concerning the Community strategy can also be found on the web site: [http://europa.eu.int/comm/environment/co2/co2\\_home.htm](http://europa.eu.int/comm/environment/co2/co2_home.htm)

<sup>11</sup> European car manufacturers in ACEA: BMW AG, DaimlerChrysler AG, Fiat S.p.A., Ford of Europe Inc., General Motors Europe AG, Dr. Ing. H.c.F. Porsche AG, PSA Peugeot Citroën, Renault SA, Volkswagen AG, AB Volvo

<sup>12</sup> COM (98) 495 final

<sup>13</sup> Japanese car manufacturers in JAMA: Daihatsu, Fuji Heavy Industries (Subaru), Honda, Isuzu, Mazda, Nissan, Mitsubishi, Suzuki, Toyota

<sup>14</sup> Korean car manufacturers in KAMA: Daewoo Motor Co. Ltd., Hyundai Motor Company, Kia Motors Corporation

<sup>15</sup> COM (99) 446 final

<sup>16</sup> Recommendations 1999/125/EC; 2000/303/EC and 2000/304/EC

<sup>17</sup> For ACEA 165 – 170 gCO<sub>2</sub>/km in 2003; for JAMA 165 – 175 gCO<sub>2</sub>/km in 2003; for KAMA 165 – 170 gCO<sub>2</sub>/km in 2004. The intermediate target ranges are indicative and do not constitute a commitment of any sort.

system will not become operational until 2001/2. Once available this system will allow official emissions data to be used<sup>18</sup>.

The main findings for the reporting period 1995 to 2000 are:

- All associations reduced the average specific CO<sub>2</sub> emissions of their cars sold on the EU market further in the year 2000. ACEA and JAMA achieved in 2000 the highest reduction rates seen so far: ACEA achieved a reduction of 2.9%, JAMA of 2.4%. KAMA achieved a reduction of 1.5 %. The fuel efficiency improvements for diesel passenger cars are significantly larger than for gasoline vehicles (see Table 1). For JAMA and KAMA the average diesel CO<sub>2</sub> emission remain considerably higher than for gasoline because these engines are mainly used in heavier vehicles.

ACEA	1995	1996	1997	1998	1999	2000 (3)	Change: 1995-2000 (%)
	CO2 (g/km)						
Gasoline	188	186	183	182	180	177	-5.9%
Diesel	176	174	172	167	161	157	-10.8%
All fuels (1)	185	183	180	178	174	169	-8.6%

JAMA	1995	1996	1997	1998	1999	2000 (3)	Change: 1995-2000 (%)
	CO2 (g/km)						
Gasoline	191	187	184	184	181	177	-7.3%
Diesel	239	238	222	221	221	213	-10.9%
All fuels (1)	196	193	188	189	187	183	-6.6%

KAMA	1995	1996	1997	1998	1999	2000 (3)	Change: 1995-2000 (%)
	CO2 (g/km)						
Gasoline	195	197	201	198	189	185	-5.1%
Diesel	309	274	246	248	253	245	-20.7%
All fuels (1)	197	199	203	202	194	191	-3.0%

EU-15 (2)	1995	1996	1997	1998	1999	2000 (3)	Change: 1995-2000 (%)
	CO2 (g/km)						
Gasoline	189	186	184	182	180	178	-5.8%
Diesel	179	178	175	171	165	163	-8.9%
All fuels (1)	186	184	182	180	176	172	-7.5%

(1) Gasoline and diesel-fuelled vehicles only, other fuels and statistically not identified vehicles are not expected to affect these averages significantly.

(2) New passenger cars put on the EU market by manufacturers not covered by the Commitment would not influence the EU average significantly.

(3) The figures are not corrected for the change in the change in driving cycle being introduced over the period 2000 to 2002 for M1 vehicles. Based on a study of TNO the Commission service estimates that the test cycle change would lower the average by 0.7%; this would correspond to 1,2 gCO<sub>2</sub>/km for the EU-15, all fuels, if all passenger cars were tested according to the new procedure.

Table 1: Average specific CO<sub>2</sub> emissions of new passenger cars per fuel type, for each association and the European Union

- ACEA had by the year 2000 already achieved the upper limit of the 2003 intermediate target range of 165 to 170 gCO<sub>2</sub>/km. On an EU-wide basis, ACEA reduced the average CO<sub>2</sub> emissions of its new car fleet to 169 gCO<sub>2</sub>/km in 2000, from 174 gCO<sub>2</sub>/km in 1999, and 185 gCO<sub>2</sub>/km in 1995. Over the 1995-2000 period, ACEA has cut its new car average CO<sub>2</sub> emissions by 8.6%, with an increasing downward trend. Since 1995 on average European manufacturers have reduced CO<sub>2</sub> emissions by 1.7% a year<sup>19</sup>.

<sup>18</sup> Article 8 of Decision 1753/2000/EC requires that the Community monitoring systems from the year 2003 onwards shall serve as the basis for the voluntary obligations agreed between the Commission and the automobile industry.

<sup>19</sup> This value is a simple arithmetic average, and throughout the text simple arithmetic averages are used.

- Specific CO<sub>2</sub> emissions (g/km) from JAMA have decreased by an average of 1.3% each year and fell from 196 gCO<sub>2</sub>/km in 1995 to 183 gCO<sub>2</sub>/km in 2000, achieving a 6.6% reduction compared to 1995. Over the full reporting period 1995 to 2000, average specific emissions have shown a continuous downward trend.
- Over the whole reporting period, 1995 to 2000, average specific CO<sub>2</sub> emissions of passenger cars sold by KAMA have decreased only moderately from 197 gCO<sub>2</sub>/km to 191 gCO<sub>2</sub>/km. This represents a drop of about 3.0%<sup>20</sup> over the full reporting period, equivalent to a 0.6% reduction per year.

The trends of the average specific CO<sub>2</sub> emissions of new passenger cars for each association and the European Union are shown in Figure 1.

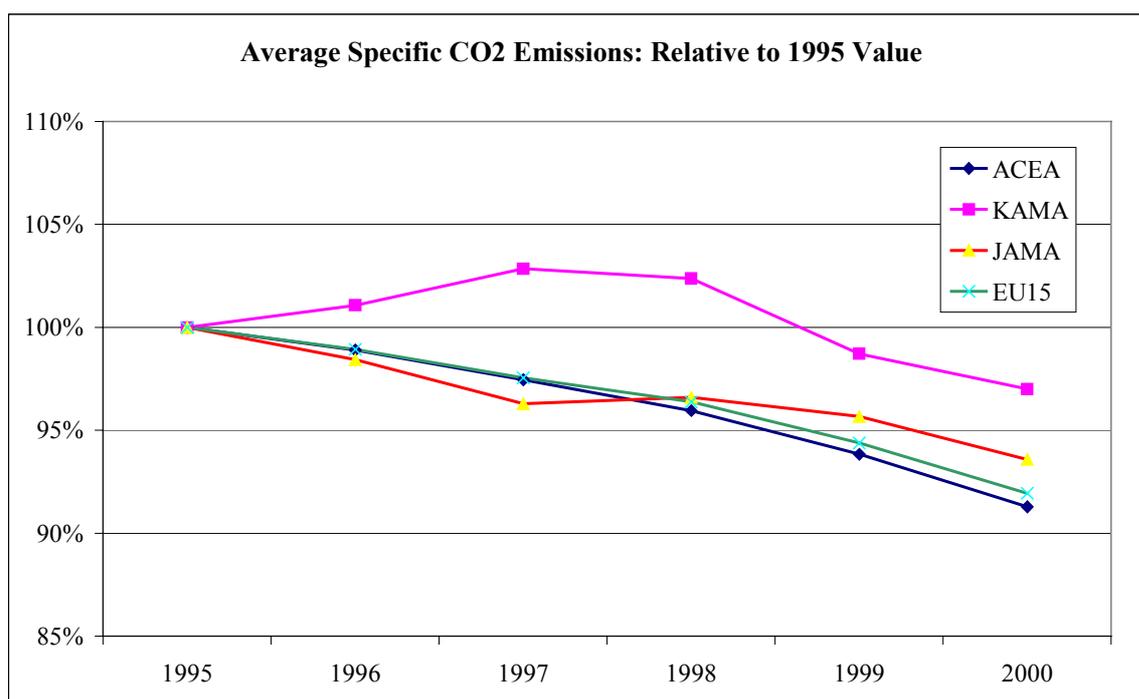


Figure 1: Average specific CO<sub>2</sub> emissions of new passenger cars relative to 1995, for each association and the European Union

On the basis of the assumption that JAMA and KAMA will continue with the average annual reduction rate in the same range as in the year 2000, JAMA would meet the intermediate target rate, however, KAMA would be significantly above. The Commission hopes that KAMA will increase its efforts significantly and catch up in the coming years.

In the year 2000 the average CO<sub>2</sub> emissions of new passenger cars decreased as well in all Member States (see Figure 1). However, it should be noted that in some Member States the specific CO<sub>2</sub> emissions of individual associations increased, e.g., in Portugal (for KAMA and JAMA), in Spain (for JAMA) and in France and Germany (for KAMA). This does not conflict in any way with the commitments, but it does show that the trends for individual associations can differ significantly between Member States.

<sup>20</sup> The drop from 197 gCO<sub>2</sub>/km to 191 gCO<sub>2</sub>/km gives a 3.2% reduction; the difference reflects rounding.

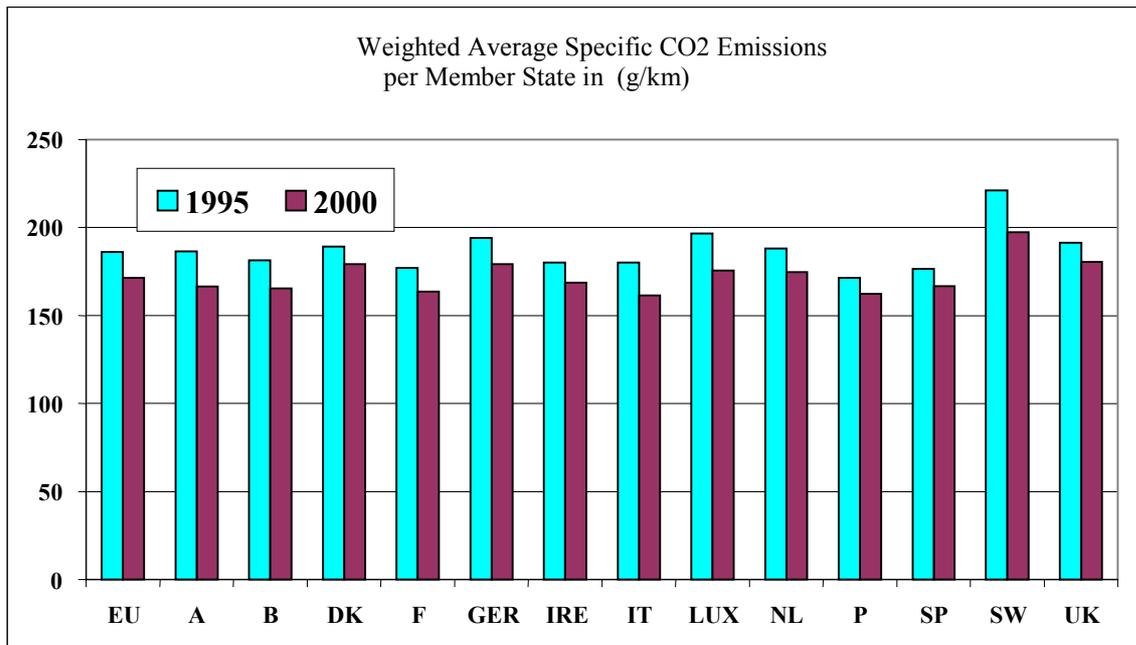


Figure 2: Average Specific CO<sub>2</sub> emissions of new passenger cars in the EU and in Member States in 1995 and 2000 (weighted averages based on the data for diesel and gasoline vehicles forwarded by the three associations)<sup>21</sup>

In order to meet the final target of 140 gCO<sub>2</sub>/km additional efforts are necessary and the annual reduction rate needs to be kept at a higher level (on average the reduction rate must be about 2 % per year throughout the entire monitoring period; over the period 1995 to 2000 ACEA has achieved on average about 1,7 % per year, JAMA 1.3 % per year, and KAMA 0.6 % per year). However, it is predicted in the commitments that the associations would increase their reductions CO<sub>2</sub> rates over time.

All associations declared in their respective commitment that they will meet the final target by mainly technological developments and market changes linked to these developments. Technological developments contributed to the reductions achieved so far (mainly through the introduction of High Speed Direct Injection Diesel (HDI) Engines and to a lesser extent through the introduction of Gasoline Direct Injection (GDI) Engines, Continuously Variable Transmission and “Mini Cars”) as well as other measures and achievements.<sup>22</sup>

Moreover, ACEA and – to a lesser extent - JAMA introduced passenger cars emitting less than 120 gCO<sub>2</sub>/km. In doing so both associations meet an important element of their commitments. KAMA has still not introduced such models on the market, but committed itself to do so as early as possible. The consumer can currently choose between more than 22 such models.

All associations increased the diesel share of their fleets within the reporting period (see Table 2).

<sup>21</sup> EU does not include data for Greece or Finland as insufficient data available.

<sup>22</sup> The three “Joint Reports” do not address the question of measures taken in all details since this issue will be studied in greater detail within the implementation of Decision 1753/2000/EC. This Decision requires the Commission to report to Council and European Parliament by 2003/4 and 2008/9 about the reductions achieved through technical and other measures.

ACEA	1995	1996	1997	1998	1999	2000	Change 1995-2000 (%) (2)
Gasoline share	73.4%	72.9%	73.1%	70.3%	65.8%	60.9%	-12.5%
Diesel share	24.0%	24.3%	24.3%	27.0%	31.0%	35.8%	11.8%
Total number of PC	10,241,651	10,811,011	11,226,009	11,935,533	12,518,260	12,217,744	19.3%

JAMA	1995	1996	1997	1998	1999	2000	Change 1995-2000 (%) (2)
Gasoline share	82.1%	82.1%	83.2%	81.6%	80.4%	80.8%	-1.3%
Diesel share	9.5%	10.4%	11.2%	13.1%	14.9%	16.5%	6.9%
Total number of PC	1,233,975	1,342,144	1,510,818	1,666,816	1,716,048	1,667,987	35.2%

KAMA	1995	1996	1997	1998	1999	2000	Change 1995-2000 (%) (2)
Gasoline share	87.9%	87.6%	89.2%	85.9%	81.9%	80.9%	-7.0%
Diesel share	1.6%	1.8%	2.3%	6.1%	7.4%	8.3%	6.7%
Total number of PC	169,060	236,454	275,453	373,230	463,724	491,244	190.6%

EU-15 (1)	1995	1996	1997	1998	1999	2000	Change 1995-2000 (%) (2)
Gasoline share	74.5%	74.2%	74.6%	72.1%	68.0%	63.9%	-10.6%
Diesel share	22.2%	22.4%	22.3%	24.7%	28.4%	32.6%	10.5%
Total number of PC (3)	11,644,686	12,389,609	13,012,280	13,975,579	14,698,032	14,376,975	23.5%

(1) New passenger cars put on the EU market by manufacturers that are not covered by the commitment do not effect the numbers significantly.

(2) The change over the period 1995 to 2000 for gasoline and diesel driven cars represents the change in the absolute share of each fuel type of total registrations. The change for total cars is the growth or drop in absolute new registrations. The change in total cars represents the growth in the EU-15 new registrations over the period.

(3) Totals include statistically unidentified vehicles and vehicles using 'other fuel' types.

Table 2: Trends in Fleet composition for each association and the EU

The diesel share increase was predicted for the short-term. However it is expected that this trend will be counteracted over the longer term through the introduction of Gasoline Direct Injection technology. Nevertheless the trend of an increasing number of newly registered diesel vehicles might raise concern regarding the emissions of diesel particulates.<sup>23</sup>

With regard to the assumptions underlying the commitments the associations drew attention to issues relating to fiscal and other regulatory measures.

- With regard to fiscal measures one association expressed its concern about tax measures in a number of countries (e.g. Netherlands, Sweden, UK) that - in its view - penalise diesel cars.

<sup>23</sup> In December 2000 the Council invited the Commission “...make continued efforts to significantly reduce nano-particulate emissions, and in particular devise a new measuring procedure for private cars, light duty vehicles and heavy duty vehicles taking into account the results of recent studies into the health effects of nano-particulate emissions...”. Council conclusion of 18/19.12.2000

- The associations stress the issue of the availability of enabling fuels. In this respect it is known that the car industry attributes great importance to the availability of low sulphur fuel<sup>24</sup>. The Commission forwarded a proposal of an amendment to Directive 98/70 in order to reduce the sulphur content in fuels<sup>25</sup>.
- The car industry continues to stress that the End-of-Life Vehicle (ELV) Directive<sup>26</sup> will have adverse implications for the fuel efficiency of cars, as in its opinion, it may limit the use of certain light materials and technologies. The Commission does not expect repercussions from the ELV Directive on the CO<sub>2</sub> commitment nor significant adverse repercussions on the industry's economic situation.
- KAMA continues to draw special attention to the ongoing restructuring process, associated budget cuts and the reduction of technical and scientific staff that has negative repercussions on KAMA's ability to develop the necessary new CO<sub>2</sub> efficient technologies and to introduce new models on the EU market. In particular, KAMA expressed great concern over the long delayed restructuring of some of KAMA's member companies and its possible impact on the overall CO<sub>2</sub> emission reduction. However, the economic prospects of the Korean car industry are now more promising as the Korean economy is recovering rapidly and the restructuring of the industry is likely to facilitate an enhancement of its competitiveness. KAMA also stresses that this is only the first full reporting period following their commitment and therefore significant results will come later, especially as from a technological perspective they were some distance behind ACEA and JAMA to start with.

### III. IMPLEMENTATION OF DECISION 1753/2000/EC

The so-called "Monitoring" Decision came into force on 30 August 2000. The data collected under this Decision will be used by the Commission service in order to monitor the voluntary obligations to reduce emissions of CO<sub>2</sub> from motor vehicles agreed between the Commission and the automobile industry.

According to Article 5 of the Decision, Member States are required to designate a competent authority for the collection and communication of the monitoring information. According to Article 6 of the Decision, Member States have to report to the Commission on how they

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<sup>24</sup> The associations made their commitments on the basis of the fuel quality requirements laid down in Directive 98/70/EEC, although they expect that better fuel qualities might be available in the market in the future. In this respect the associations expected that some gasoline (e.g. Super-Plus 98 octane) and some *diesel plus* with a maximum sulphur content of 30 ppm are provided in 2000 on the whole EU market in a sufficient volume and geographical cover; in 2005 full availability of fuels on the whole EU market which satisfy the following: gasoline with a maximum sulphur content of 30 ppm and of a maximum aromatic content of 30% and diesel with a maximum sulphur content of 30 ppm and a cetane number of minimum 58.

<sup>25</sup> See COM(2001) 241 final of 11.5.2001. With regard to the repercussions of this proposal on the commitments the Commission explained that "...*The impact of these fuels in relation to the attainment of the 140 gCO<sub>2</sub>/km target will, therefore, be taken account of in the joint monitoring mechanism. The availability of zero sulphur fuels resulting from this Directive, will also provide a basis for the Commission to explore with the automobile manufacturers additional commitments aimed at the attainment of the Community's target of 120 gCO<sub>2</sub>/km for the average CO<sub>2</sub> emissions of the new car fleet when the current environmental commitments with the automobile manufacturers are reviewed in 2003...*".

<sup>26</sup> Directive 2000/53/EC

intend to implement the provisions of this Decision. Both steps had to be completed before 2 March 2001. Moreover, according to Article 4 of the Decision, Member States shall transmit data on specific CO<sub>2</sub> emissions of new passenger cars no later than 1 July 2001.

By the end of September 2001 eight Member States had met the requirement of Articles 5 and (in part) Article 6, and seven Member States had met the requirement of Article 4. The following Member States had not delivered data: Austria, Belgium, Greece, Ireland, Luxembourg, Portugal, Spain and Sweden. The Commission considers to open official infringement procedures in October 2001. As a result of the non-availability of data and the fact that some Member States have delivered data for the period after August 2000 and not for the full calendar year, the data could not be used for the year 2000 monitoring. The Commission launched a study in order to improve the data transfer and to identify potential data inconsistency problems.

#### **IV. IMPLEMENTATION OF DIRECTIVE 1999/94/EC**

The so-called “Labelling” Directive was adopted on 13 December 1999 and the implementation by Member States was required by 18 January 2001. As of the end of September 2001, seven Member States have informed the Commission about the transposition of the Directive into national legislation. The following Member States have not transposed the Directive yet: Belgium, France, Germany, Greece, Italy, Portugal, Spain and United Kingdom. The Commission has sent “Reasoned Opinions” to most of these Member States.

In August 2001 the Commission published its Decision concerning the reporting format mentioned in Article 9. The format was jointly worked out with Member States in the Committee established under Article 10 of the Directive<sup>27</sup>.

The Commission service had to give up its intention to establish its own EU Internet site on fuel consumption and CO<sub>2</sub> emissions from passenger cars marketed within the EU. Only car manufacturers can deliver reliable and consistent data for such an Internet site. However, most of them preferred to co-operate at a national level and did not see any added value in a Community Internet site. The Commission now supports the establishment of such sites in a number of countries within the CLASE project<sup>28</sup>. Some Member States have already established such a site. Links to these sites are available through the Commission’s Internet sites on the implementation of the CO<sub>2</sub> and cars strategy<sup>29</sup>.

In response to one of the obligations mentioned in Article 9 of the Directive, in July 2001 the Commission launched a study on the “Establishment of Recommendations to Enable the Application of the Principles of the Provisions on Promotional Literature to other Media and Material”. Based on the results of this study the Commission intends to put forward a proposal to the Committee established under Article 10.

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<sup>27</sup> Commission Decision C2001/1883 of 10.8.2001

<sup>28</sup> The “Car Labelling Saves Energy” project is part of the “Ecodriving, Labelling, Benchmarking” project run by DG Transport and Energy. The CLASE project aims at setting-up informative databases, running promotion campaigns and evaluating the impact of car labelling measures.

<sup>29</sup> See: [http://europa.eu.int/comm/environment/co2/co2\\_home.htm](http://europa.eu.int/comm/environment/co2/co2_home.htm)

## V. WORK ON FISCAL MEASURES

The Commission has started work on fiscal framework measures for new passenger cars, focusing on registration and circulation taxes. For this purpose it established an “Expert Group on Fiscal Framework Measures”. The Expert Group’s overall objective is to assist the Commission in its work on fiscal framework measures to reduce CO<sub>2</sub> emissions from passenger cars within a co-operative effort of all relevant stakeholders such as representatives of the Commission, the Member States, industry and the NGO community. Currently the Commission - in co-operation with Member States - is carrying out the necessary background studies. Preliminary results indicate that additional significant CO<sub>2</sub> reduction might be achieved with differentiated vehicle taxes that favour the purchase and operation of fuel efficient passenger cars. The final results of this work will be incorporated into the Commission’s Communication on vehicle taxation scheduled for February 2002.

It should be noted that a number of Member States modified the national vehicle taxation system between 1995 and the year 2000 with the objective of incorporating specific fuel-efficiency relevant elements (e.g., Austria and the United Kingdom) while some others provide special fiscal incentives for either very fuel efficient or electric/hybrid vehicles (e.g., Denmark, Germany, Netherlands, Sweden, Ireland and Luxembourg). The repercussions of changes of the national taxation systems for passenger cars will be taken into account in the “Major 2003 Review”<sup>30</sup>.

## VI. OTHER RELATED MEASURES

- a) In the field of CO<sub>2</sub> emission values for alternatives fuels (other than LPG and NG, which are already included in the type approval system), the Commission plans to draft an amendment to Directive 80/1268/EEC to include ethanol-fuelled vehicles. Additionally, an ad hoc group concerned with regulatory issues with regard to hybrid vehicles is currently being established at the UN-ECE level.
- b) The Commission service is preparing a proposal on the extension of the scope of Directive 80/1268/EEC to light commercial vehicles (category N1)<sup>31</sup>, which is expected to be adopted by the Commission in September 2001. In August 2001 the Commission has launched a call for tender concerning a study on the “Preparation of measures to reduce CO<sub>2</sub> emissions from N1 vehicles“ in order to study the possibilities of CO<sub>2</sub> emission reduction steps for this vehicle category.

## VII. CONCLUSIONS

The implementation of the Community’s strategy to reduce CO<sub>2</sub> emissions from passenger cars and improve fuel economy shows generally good progress. The commitments of the car industry are in the implementation phase. The attached “Joint Reports” show that the ACEA and JAMA have made significant progress. In fact ACEA had already achieved the upper limit of the 2003 indicative intermediate target range by the year 2000. On the other hand, KAMA must increase its efforts significantly. For its part, KAMA has reported that it will step up its efforts and that it is confident about meeting its commitment.

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<sup>30</sup> 2004 for KAMA

<sup>31</sup> See COM(2001) ...

In order to meet the final target of 140 gCO<sub>2</sub>/km all three associations have to maintain or increase their efforts. Based on the attached reports the Commission has no particular reason to believe that any of the associations would not live up to its commitment, although the situation with KAMA must be tightly monitored.

To achieve the Community strategy target of 120 gCO<sub>2</sub>/km it is important that the Community continues its work on fiscal measures. Commission's Communication on vehicle taxation scheduled for February 2002 will present, inter alia, options for the design of fuel-efficiency related vehicle taxation schemes.

A number of Member States are lagging behind schedule with regard to the implementation of Directive 1999/94 and Decision 1753/2000. It is imperative that Member States accelerate the implementation of these legal provisions in order to avoid negative repercussions on the implementation of the strategy and its monitoring.

**ANNEX (SEC(2001) 1722)**

- 1) Monitoring of ACEA's Commitment on CO<sub>2</sub> Emission Reduction from Passenger Cars (2000), Joint Report of the European Automobile Manufacturers Association and the Commission Services, Final version of 13.07.2001
- 2) Monitoring of JAMA's Commitment on CO<sub>2</sub> Emission Reduction from Passenger Cars (2000), Joint Report of the Japan Automobile Manufacturers Association and the Commission Services, Final version of 13.07.2001
- 3) Monitoring of KAMA's Commitment on CO<sub>2</sub> Emission Reduction from Passenger Cars (2000), Joint Report of the Korea Automobile Manufacturers Association and the Commission Services, Final version of 13.07.2001

The annexes are only available in English.