

LOW CARBON VEHICLE PARTNERSHIP NEWS RELEASE

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Partnership research reveals consumer attitudes to low carbon and fuel efficient cars

Most car buyers are unaware of the lifetime financial benefits of purchasing more fuel efficient, 'climate friendlier' cars according to research carried out on behalf of the Low Carbon Vehicle Partnership (LowCVP). The research findings will be presented today at the Climate Change Solutions Conference in Birmingham.

The average motorist significantly underestimates car running costs and there is only limited awareness that Vehicle Excise Duty (VED - annual 'road tax') rates are less for cars producing lower CO₂ emissions. Consequently motorists are much more likely to be influenced by immediate considerations such as the cost of purchase.

The LowCVP commissioned the research as the first stage of a two-part process, bringing together existing information from a range of sources from both within and outside the Partnership. The second stage will include original research intended to build and elaborate upon the findings of the initial study.

The outputs of both stages will be shared amongst Partnership members to help inform companies marketing strategies and provide some pointers for government policies.

The initial research indicates that financial incentives are necessary but not sufficient in themselves to stimulate pro-environmental consumer behaviour in terms of car choice. Car buyers also need to have a positive 'attitude' about low carbon models.

On their own, the report says, pure environmental considerations currently play little or no part in determining buyers' decisions.

Earlier this year, the Low Carbon Vehicle Partnership announced the introduction of a colour-coded fuel economy label as a result of a voluntary industry-wide agreement with stakeholders. The new label which will appear in all new car showrooms from September this year will provide car buyers with more accessible information about a car's environmental performance and the close link between lower CO₂ and lower costs.

The LowCVP's Chairman, Graham Smith, (who is also MD of Toyota) says: "If we can better understand how consumers can be motivated to buy lower carbon cars, motor companies can more easily produce the right products and market them to consumers in the most effective ways.

"Other incentives are clearly also an important part of the mix and this type of information can also help government to discern which are likely to be the most effective policy levers to encourage the shift to a future low carbon car economy."

Low Carbon Vehicle Partnership website: www.lowcvp.org.uk

Notes to Editors

1. The Low Carbon Vehicle Partnership was set up in January 2003 with funding from the DfT and the DTI and a mandate to accelerate the shift to low carbon vehicles and fuels. The establishment of a stakeholder partnership was one of the central actions arising out of the Government's 'Powering Future Vehicles' strategy that identified greenhouse gas emissions reduction as a priority of future transport policy. The Partnership already comprises around 160 members representing government, the motor and fuels industries, vehicle users, environmental groups, consumer representatives and others. The Partnership is coordinated by a secretariat based in central London.
2. The road transport sector is responsible for nearly a quarter of the UK's emissions of carbon dioxide, the main cause of climate change.
3. The main objective of the LowCVP is to contribute to the achievement of UK targets for carbon reduction from the road transport sector by:
 - Providing a framework of communications to encourage stakeholders to engage proactively in the move to low carbon fuels and vehicles.
 - Facilitating a forum in which stakeholders can work together to overcome market barriers.
 - Enabling partners to initiate new policy ideas or discuss the feasibility of those already on the agenda
 - To provide Government with independent feedback on the opportunities and

obstacles in the move to new vehicles and fuels and on the progress and effectiveness of current Government programmes.

4. A new colour-coded fuel economy label will be introduced across all 42 UK car brands between July and September 2005 in a voluntary agreement brokered by the Low Carbon Vehicle Partnership. The roll-out is scheduled to be completed by the September new registration deadline. The new label enhances the pre-existing statutory label by incorporating clear colour coding as well as tax and running cost information.

Through the partnership approach, UK vehicles, fuels and related industries should be better placed to seize market opportunities in a future in which environmental concerns are set to be a major priority.

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