

LOW CARBON VEHICLE PARTNERSHIP NEWS RELEASE

8 June 2006

Partnership disappointed that grant programmes are not replaced by incentives to promote low carbon vehicles

The Low Carbon Vehicle Partnership is disappointed that yesterday's announcement to scrap low carbon vehicle grant support programmes was not accompanied by news of other financial incentives to encourage the marketing and purchase of low carbon cars, vans and buses. We however welcome the proposed new communication campaign to promote low carbon transport.

The Powering Future Vehicles Strategy - to be reviewed this year - set a target for 10% of all new cars sold to be under 100g/km CO₂ by 2012, and for 600 low carbon buses. In 2005, just 6 cars and 19 buses achieved the targets. There are insufficient incentives available for consumers to buy low carbon vehicles, and for car-makers to supply them. Levels of financial support are lower in the UK than in many other countries including France, Ireland, the Netherlands and USA.

Greg Archer, The LowCVP Director said: "DfT's own research shows 88% of the public believe the Government should do more to persuade people to buy more fuel efficient environmentally friendly vehicles. Stronger incentives are needed to encourage sales of low carbon vehicles."

The DfT announcement also confirmed that proposed grants for low carbon buses would be scrapped. Greg Archer said: "Bus operators (outside London) receive a subsidy towards their fuel costs (via the Bus Service Operators Grant). There is no meaningful incentive to choose fuel efficient options." The removal of the grant is a further setback for bus manufacturers and throws serious doubt on whether the 2012 bus target can be reached." He added: "We will work constructively with the DfT to ensure the proposed Bus Fleet Advice Programme offers effective support."

The LowCVP welcomes the announcement of the new communications campaign to promote low carbon transport and other new programmes for travel planning and eco/safe driving. The LowCVP has been actively encouraging the Government to engage with consumers in this way. New colour-coded energy efficiency labels have been displayed in car showrooms for almost a year.¹ In a recent survey 40% of car buyers recognised the new label.² However, research³ shows clearly that if the market is to accelerate for low carbon vehicles then education and engagement with consumers will not work in isolation.

The Government announced a consultation into the low carbon grant programmes in early 2004 and the agreed programmes were submitted for EU State Aid approval at the end of 2004. Greg Archer noted: "We appear to be little further forward than we were two years ago."

¹ http://www.lowcvp.org.uk/newsandevents/news.cfm?news_id=380

² The results of the survey will be announced next week at the LowCVP Annual Conference – see the LowCVP web-site for details

³ LowCVP Car buyer research report -

http://www.lowcvp.org.uk/uploaded/documents/Consumer_research_-_final_5.05.pdf

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Notes to Editors

1. The Low Carbon Vehicle Partnership was set up in January 2003 with funding from the DfT and the DTI with 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 comprises over 205 members representing the motor and fuels industries, vehicle users, environmental groups, consumer representatives and others including Government officials. 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.

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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Footnotes

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