

**Norman Baker MP – Parliamentary Under Secretary of State
Low Carbon Vehicle Partnership (LowCVP) 10th Conference
11 July 2013 at the Institute of Mechanical Engineers.**

This is the text of the speech as drafted, which may differ slightly from the delivered version.

Thank you Neville for that introduction

Thank you also for asking me to speak at what is now my third LowCVP conference

The theme of this conference is Beyond the Tailpipe and through the day you'll be considering the wider impact on CO₂ emissions from the huge change taking place in the way we power vehicles. I'd like to say a few words with respect to vehicle CO₂ regulations;

The current regulations on car and van are important levers for a range of Government objectives. They support jobs and growth in the UK motor industry, by increasing demand for low emission vehicles, promoting low carbon technology innovation here in the UK and helping to build our supply chain. Supporting the development of those technologies with industry here in the UK ensures we can capitalise on the mass shift to ultra low emission vehicles.

By using regulation to set ambitious tailpipe CO₂ targets, whilst ensuring we give sufficient lead-time for cost-effective solutions to be developed, the automotive industry has yet again demonstrated their capability to rise to the challenges of the day. The regulations have ensured the fuel economy of new vehicles has improved dramatically over recent years, with CO₂ emissions falling rapidly as a result.

We are coming to the end of some complex negotiations in Europe right now that are focussed on getting the best possible outcome from the 2020 targets. Let me reassure you that we remain committed to ensuring the best possible outcome for the UK. We see no reason to revisit the deal reached a couple of weeks ago, which followed difficult negotiations over the last 12 months and we are actively working to secure agreement as quickly as possible.

As part of those wider discussions though, the issue of our ambition beyond 2020 has been raised.

On long-term targets the UK's ambition is clear. Back in 2011 our Carbon Plan anticipated that average new car emissions would need to be 50-70g CO₂/km by 2030 if we were able to reach a near average at the tailpipe for new cars and vans by 2040. We are committed to delivering this vision and believe this level of ambition is both achievable and necessary.

So, when we consider future targets, we need to ensure those targets are both realistic and cost effective based upon the available technology.

We've seen the costs of new technology fall dramatically from the estimates made when the car regulation was first negotiated and we're also seeing consistent annual improvement to the fleet CO₂ average.

That's why decisions on long-term targets must be taken alongside robust evidence and why we look forward to supporting the European Commission in its review of the regulatory framework beyond an assessment of impacts.

We'll look to work closely with you all to ensure that review is well informed.

No-one here needs any reminding of why climate change matters. The coalition Government remains absolutely committed to meeting the legally binding carbon budgets enshrined in the Climate Change Act.

And I'm pleased to say that the Committee on Climate Change's fifth annual progress report, published last month, confirms that we are making progress and highlights some particular successes. David Kennedy was, I know, speaking about this earlier today.

Looking beyond the UK, there are already more than one billion vehicles on the planet's roads [World Vehicle Population report 2011]. And that number is only heading one way – and it isn't down.

We only have to look at China. Ten years ago, Chinese consumers bought just over 600,000 cars. In 2011, that had grown to nearly 14 million.

This rate of growth is simply unsustainable unless we can rapidly decarbonise the vehicles and fuels.

Let me come back to some of the areas where we're making real progress.

First, manufacturers are outperforming expectations by reducing emissions and improving the efficiency of conventional petrol and diesel vehicles.

For example. Average new car CO2 emissions have fallen by 26.5% since reporting began in 2000.

And demand for greener technologies is growing all the time. The global market for low carbon goods and services is currently worth a staggering £3 trillion a year...and that market is forecast to grow to well over £4 trillion during the next decade.

So I'm pleased to say that the UK is taking a lead harnessing many new types of motoring technology. As well as cutting carbon emissions, this opens up opportunities for domestic manufacturers.

In February the Secretary of State announced £37million funding towards creating a national charge point network to facilitate ULEV user journeys.

We are promoting the uptake of ultra-low emission cars through the provision of consumer grants. As of 30 June 2013, 4553 claims have been made through the Plug-in Car Grant and 310 claims have been made through the Plug-in Van Grant.

The last quarter was the best quarter yet – 30% higher than the previous best (quarter).

In addition, later this year, we will publish a new ultra low emission vehicle strategy to set out the government's ongoing commitment to developing the UK as the leading market for ULEVs.

We've got the opportunity to be the global leader in the design, production and use of electric and ultra-low emission cars.

In March, Nissan started production of the Nissan Leaf in its electric vehicles manufacturing plant in the North East with batteries supplied from its new battery plant.

Nissan's announcement shows the confidence it has in the skills base and the business environment in the UK.

Economy and Environment are two sides of the same coin.

Decarbonising road transport is not just about motor vehicles for the private individual or for the fleet. And it is not just about electric vehicles.

It is also about the public transport we travel on, the type of haulage we use and even the sustainability of the fuels we produce.

That's why we're backing a revolution in bus travel with a multi-million pound Green Bus Fund...a scheme that has helped deliver more than 900 low carbon buses on routes across England.

Low Carbon buses use around a third less fuel and emit at least 30 per cent less greenhouse gas emissions than comparable diesel buses.

It's also why we are busy on the biggest electrification programme of the railways at least since the 1930s. The last administration electrified nine miles in 13 years. We are electrifying 865 miles of track. That is the step change we are engaged upon to modernise the rail network.

That is why, last year we launched a low carbon truck demonstration trialover £11 million worth of funding to encourage UK hauliers to buy and use low carbon lorries, as well as to develop the necessary refuelling infrastructure.

I also believe biofuels have a role to play in decarbonising transport and that is why I am pushing hard to resolve sustainability concerns at the European level.

And its why we only reward genuinely sustainable biofuels through our Renewable Transport Fuel Obligation legislation ...those that deliver greenhouse gas savings and which do not cause undesirable environmental impacts.

The challenge - with our European colleagues - is to separate out biofuels which are sustainable and those which aren't. Then we can actually help sustainable biofuels grow and prosper.

So we are making positive progress across a broad range of fronts.

We're determined that transport plays a central role in the reduction of UK carbon emissions. And our strategy will ensure that this delivers economic as well as environmental benefits. But we do not underestimate the challenge ahead.

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