

International Transport Forum Side Event on Vehicle Fuel Efficiency Grand Hyatt ("BIOFUEL" Room)

Speech by Jack Short, ITF Secretary-General
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Well functioning transport systems underpin economic growth and social cohesion. They are a force for openness, for integration and even for peace in the world. They are part of the heritage that will be passed on to future generations.

The enormous benefits of transport however are compromised by its adverse environmental and other impacts. There are over a million road deaths annually. Transport is still far too dirty and emissions of NO_x, CO and particles are serious health hazards in many places. Transport efficiency is not what it should be and this affects Countries and regions economic possibilities.

Moreover, the transport sector accounts for about 23% of global CO₂ emissions from fuel combustion, and this is growing. The figure is 30% in the OECD. Transport is almost entirely dependent on oil and is therefore increasingly vulnerable to price and supply shocks.

Transport is improving its safety record, is reducing the emissions of traditional pollutants and efficiency improvements are continually being made. But a great deal remains to be done. And the situation varies widely across the world. Transport spending and investment are still essential and should increase not decrease in many places.

The challenge for the sector to reduce its CO₂ emissions is immense. Substantial growth is anticipated over the next thirty years in all modes of transport as trade continues to grow, as incomes rise and as developing Countries take to cars. On a global basis, on a business as usual scenario, world transport emissions will more than double by 2030.

For transport to first limit and then reduce its emissions, wide ranging policy packages are needed. These include significant advances in vehicle and equipment technology as well as a range of policy measures aimed at increasing fuel efficiency. Moreover, it is necessary also to act on the demand side, not to restrict mobility, but to manage it. Instruments like land use and urban planning, public transport investment and pricing for the use of congested roads are among the instruments. These are not always accepted and society wide agreement is needed on many of these.

There are high hopes for new energy sources and dramatic technological breakthroughs. Even if these occur, they are some decades distant and it is essential now to make the improvements that are available that are effective and that are affordable. These include off-test cycle components in vehicles like tyres, lubricants, air conditioning, lights as well as driving behaviour.

But at present we are not taking advantage of the cost effective measures that are available in vehicle components, in driving behaviour. We are putting too much hope in expensive options like biofuels that are neither cost effective nor necessarily good environmentally.

While global solutions would be ideal, implementing them would take too long – for example, international convergence of vehicle standards will take decades, and international carbon tax or trading agreements even longer. There are good reasons to progress now in different ways in different regions and Countries. The OECD Countries have a key responsibility but others have opportunities to set incentives in such a way that their performance will be already among the most efficient. It will be necessary for those who take the lead to show the way with the instruments and measures.

Fuel efficiency offers the largest and most cost effective savings, and needs government intervention to stimulate investments that pay for themselves, not least because of the uncertainties around fuel prices and demand for low emissions vehicles from consumers. Regulatory standards and/or tax incentives are needed to promote the development and uptake of much more fuel efficient vehicles and components. And incentives for more fuel efficient driving – training, information and feedback instruments, are needed most urgently of all because the payback is immediate, including cuts in CO₂ emissions.