



19.07.2011

**EC proposal for a Council Directive amending Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity**

(COM/2011/0169 final – CNS 2011/0092)

## **Background**

On 13 April 2011, the European Commission presented a proposal to overhaul the current EU rules on the taxation of energy products. The new rules aim to restructure the way energy products are taxed to take into account both their CO<sub>2</sub> emissions and energy content.

## **CLEPA position**

The current proposal would lead to a significant increase in the taxation of diesel fuel, making it more expensive than gasoline fuel and thus reversing the current situation. This will cause a significant shift from diesel to petrol cars, leading to negative unintended consequences:

- **CO<sub>2</sub> emissions:** The shift away from diesel cars will lead to higher CO<sub>2</sub> emissions.
- **Legislative consistency:** While diesel is clearly not the only CO<sub>2</sub>-saving technology, the attractiveness of the diesel car is without doubt one prerequisite for meeting the EU's ambitious 2020 target of 95g/km.
- **EU competitiveness:** Europe's global leadership in diesel technology would be undermined which in turn would hamper investments in new research creating a vicious circle at a critical time. We must build Europe's strengths to finance the transition to alternative powertrains.
- **Employment:** Thousands of jobs linked to the production of diesel cars and engines could be at risk. The higher technology content of diesel cars means that an increase in petrol cars would not generate the same employment in Europe.

In conclusion, CLEPA believes that the proposal is misguided for environmental and industrial policy reasons and urges Parliament and Council to ensure that the minimum rate on diesel fuel does not exceed the minimum rate of petrol.

CLEPA is the European Association of Automotive Suppliers. 84 of the world's most prominent suppliers for car parts, systems and modules and 26 National trade associations and European sector associations are members of CLEPA, representing more than 3,000 companies, employing more than three million people and covering all products and services within the automotive supply chain. Based in Brussels, Belgium, CLEPA is recognized as the natural discussion partner by the European Institutions, United Nations and fellow associations (ACEA, JAMA, MEMA, etc). [www.clepa.eu](http://www.clepa.eu)