

Brussels, 20.7.2016
SWD(2016) 271 final

COMMISSION STAFF WORKING DOCUMENT

Executive summary of the evaluation of Directive 1999/94/EC

**Evaluation of Directive 1999/94/EC relating to the availability of consumer information
on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars
(‘car labelling Directive’)**

{SWD(2016) 270}

1. INTRODUCTION

Directive 1999/94/EC ('car labelling Directive') aims to raise consumer awareness on fuel use and CO₂ emission of new passenger cars. By doing so consumers should be incentivised to purchase or lease cars which use less fuel and thereby emit less CO₂. An ex-post evaluation of the car labelling Directive was carried out between September 2015 and May 2016 to examine the actual implementation and the achievements compared to what was expected. The evaluation included a wide-ranging stakeholder consultation through interviews, an open public on-line consultation, and a stakeholder workshop. The evaluation followed the standard framework for evaluation of EU legislation and examined the relevance, effectiveness, efficiency, coherence and EU added value.

2. MAIN FINDINGS

All Member States have transposed the Directive into national legislation meeting the minimum requirements of the Directive. However, a number of Member States have gone beyond the Directive by adding further mandatory or voluntary requirements as regards the information tools prescribed in the Directive such as copying the format of the EU energy label or the provision of information on annual fuel costs.

The evaluation shows that the car labelling Directive continues to be relevant given the need to further reduce greenhouse gas emissions from road transport and to continue to raise consumers' awareness on fuel use and CO₂ emission of new passenger cars in order to support them to take an informed car purchase decision.

Evidence shows that awareness of the information on fuel economy and CO₂ emissions has been improving steadily since the Directive was implemented and is now medium-to-high (>75%) in many Member States.

The label is generally the most widely recognised information tool. The evaluation indicates that the use of a label design that is similar to the EU energy efficiency label with a colour coding, as used in 14 Member States, seems to increase the effectiveness of the Directive. This is particularly the case if the labelling is coupled with fiscal measures.

The other tools (poster, printed guide and promotional material) are considered less important. The analysis shows that the interest in the printed guide has significantly decreased. The printed guide and the poster were found to be rather ineffective and considered redundant by most stakeholders while online tools are found to facilitate the direct comparison of different cars and enable regular updates, leading to increased consumer interest.

The increasing discrepancy between test cycle fuel consumption values, as used for car labelling purposes, and those experienced by consumers may have undermined consumers' trust in the label.

Implementation costs appear to be rather minor in particular if compared to the potential benefits of the Directive, although the available data do not allow for a comprehensive quantification of the benefits, which are primarily in the form of fuel and CO₂ savings.

3. CONCLUSIONS

The evaluation concludes that the specific objectives of the car labelling Directive have been met to a certain extent. The evaluation found that the Directive is coherent with the EU long-term climate and energy strategic framework and EU policies such as the CO₂ standards for new passenger cars. Issues of incoherence were identified with specific policies adopted after the car labelling Directive entered into force, such as on the promotion of the use of alternative fuels and energy sources for transport.

As the benefits of the car labelling Directive could not be quantified, no firm conclusions on its efficiency can be drawn. Evidence indicates that the implementation costs are minor, so an effective car labelling scheme may result in lower fuel expenditure and reduced carbon emissions over a vehicle's lifetime and thus in net benefits to consumers and society.

The EU added value of the car labelling Directive is confirmed by the available evidence and was supported by the majority of stakeholders. The evaluation suggests that in the absence of the car labelling Directive only a few Member States would have introduced car labelling schemes.

However, the evaluation has identified the following issues where the relevance, effectiveness, efficiency, and coherence could be improved:

- As the design and format of the label is not fully set in the Directive, several approaches are used by Member States. The well-known design of the EU Energy Label is used in half of the Member States and seems to increase the Directive's effectiveness. This is also true for the inclusion of some economic information including running costs and relevant taxes, as shown in experiences from some Member States. The absence of a common methodology also resulted in a variety of classification approaches (absolute, relative, no classification), which in some cases undermined consumer understanding.
- There are no specific requirements for alternatively-fuelled vehicles which could provide consumers relevant and comparable information on such vehicles.
- The printed guide and the poster are generally considered as redundant as these have been overtaken by the internet as the main information sources for buyers of new cars.
- The requirements on the inclusion of information on fuel efficiency and CO₂ emissions in promotional material are generally considered insufficiently clear to ensure effective compliance enforcement.
- The scope of the Directive is limited to new cars, while used cars represent a much larger share of the car market.

- The absence of information on air pollutant emissions may have limited the Directive's effectiveness in view of the increasing attention to air pollution in urban areas. Robust information on air pollutant emissions for labelling purposes will become available in 2017.
- Finally, the discrepancy between real world and test cycle data has adversely affected the relevance and the effectiveness of the Directive. The introduction of the World-wide harmonized Light vehicles Test Procedure (WLTP) test cycle – to replace the current NEDC test procedure ('New European Driving Cycle') – will provide for more realistic test results and more robust information to consumers.