



The ERCST project:
The paths to decarbonized and sustainable transport

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Roundtable on
Climate Change and
Sustainable Transition

Content

1. Main features of HDV transport

2. Assumptions

3. Reality check - issues

4. Re-focus

Main features of HDV transport

Backbone of economy: moving goods and people

Cost- and price sensitive – key for competitiveness

Limited alternative for HDV: railway and waterborne transport

HDV connect dispersed points, also in the urban areas

Involved in consumer goods, door-to-door and “just in time” delivery

Most energy-consuming and responsible for most of emissions in road transport

Cross-border, long-haul, moving people and goods: challenge for adapting the infrastructure

Simple reproduction of policies for passenger cars is not the way forward

Assumptions behind decarbonisation of road transport

Climate &
environmental

EU climate agenda implementation

Phasing out of fossil fuels

Energy efficiency

Reducing air and noise pollution in urban areas

Hence: push for RES and electrification

Assumptions behind decarbonisation of road transport

Economic

Economic and political situation perceived as stable

Assumed gradual increase of energy costs at least until 2030

Trust in globalisation, trade and long value-chains

Wanted EU leadership in green-tech

Technology development is possible: availability of raw materials

Technological preference for electric mobility

Assumptions behind decarbonisation of road transport

Societal

Soft assumption of changing habits in mobility

“Curbing mobility is not an option”

Cost, availability and speed are not less favourable - main conditions for switching to sustainable transport

“User pays” principle: those who use transport will bear the full external costs

Impact on less skilled part of society, not using IT tools, etc. → Just Transition Mechanism Decline in jobs will be absorbed by retirements

Acknowledgment of increased energy costs (at least until 2030) and risk of energy poverty

Promise of economic welfare resulting from a shift to new technologies and reduction of energy consumption

Assumptions behind decarbonisation of road transport

Other
factors

“Diesel-gate”: impact on credibility of car industry

Room for deep market intervention

Outcomes: broad policy directions

Ambitious decarbonisation targets

Deep market intervention

Electrification and zero-emission technologies

Reality check - issues

External
competition

The EU challenged by alternative economic, decarbonisation and political models

USA:

Market in the lead of decarbonisation solutions driven by efficient financial incentives (IRA)

China:

Centrally planned economy; massive subsidies

Biggest internal market ensuring economy of scale

Adaptability of short- and mid-term targets

State support in foreign expansion

Leader in the key clean-tech industries: batteries, solar, wind

Reality check - issues



Impact on
competitiveness

Attracting investments outside the EU

Potentially slower decarbonisation in the EU

Losing own and export markets

China's EV expansion on the EU market

Risks to the EU leadership?

Reality check - issues

War and geopolitics

Geopolitical instability – increased risk for markets and investments

High energy prices fuelling inflation – impact on businesses and society

Exposed over-dependence on external energy supply and risks of limited options

Global leader in batteries labelled as systemic rival of EU: China

New impetus for development of RES and energy saving

Reality check - issues

Pandemic

Behavioural changes in transport: less-commuting, more e-commerce

Exposed over-dependence on external supply chains

New focus of governments and corporates: controlling value chain

Reality check - issues

New economic situation – impact on business and society

Economic prosperity and industrial development determines the job market and welfare of society

Vulnerability of economy: impact on profitability and ability to invest

High inflation: growing costs, declining purchasing power

Diminished capacity of businesses and consumers to bear the increased cost of transport of goods and people

Reality check - issues

Fit for 55: impact of
policy-making
approach

Choice of regulation as a driving force of change

Regulatory pressure and ever-changing legal environment

Political acceptance of risks from different speeds in different areas

Rushed and burdensome legislative process; public feedback affected by lock-down

DG MOVE under political supervision of EVP responsible for climate

Most important dossiers on decarbonisation of transport are handled outside DG MOVE

Conclusions: re-focus needed

Resilience:
resistance to
external shocks

Acceptance of exposure to external shocks

Thorough impact-assessment is essential - risks to instability need to be taken seriously

Demand for alternative pathways, adaptability, and more technological options

More space for market-led innovation

Conclusions: re-focus needed

Security of
supply

Full autonomy is not possible

More EU self-reliance is needed

Diversification is crucial to reduce risks

More options must be available

Conclusions: re-focus needed

Economic
efficiency and
competitiveness

Cost of transformation and impact on
competitiveness must be taken into equation

More technological options should be available

Let the market and innovation lead and be
ahead of regulation

Conclusions: re-focus needed

Sensitivity to
societal
impacts

Access to affordable transport - recognize
societal importance of HDV

Impact of technology shift on jobs and economic
welfare

Jobs and economic welfare impact the ability of
consumers to finance the transition

Conclusions: re-focus needed

Effective
approach to
decarbonisation

Effective approach to measurement of
emissions reduction and energy efficiency

Due account must be taken of remaining
carbon budget

Space is needed for many decarbonisation
options

Support for market led innovations

Conclusions: re-focus needed

Policy-making

Stable regulatory environment is necessary to invest in transformation

Regulate minimum with maximum clarity

More consistency and coordination of EU policies and institutions to ensure enabling conditions

Ensure effective reviews of legislation taking into account lessons learned

Less dogmatism, more pragmatism

Thank you
