



Better Air Quality Conference: Breakout session on “Institutionalizing Fuel Economy in Asia”

Wednesday, 31 August, 2016

Busan, South Korea

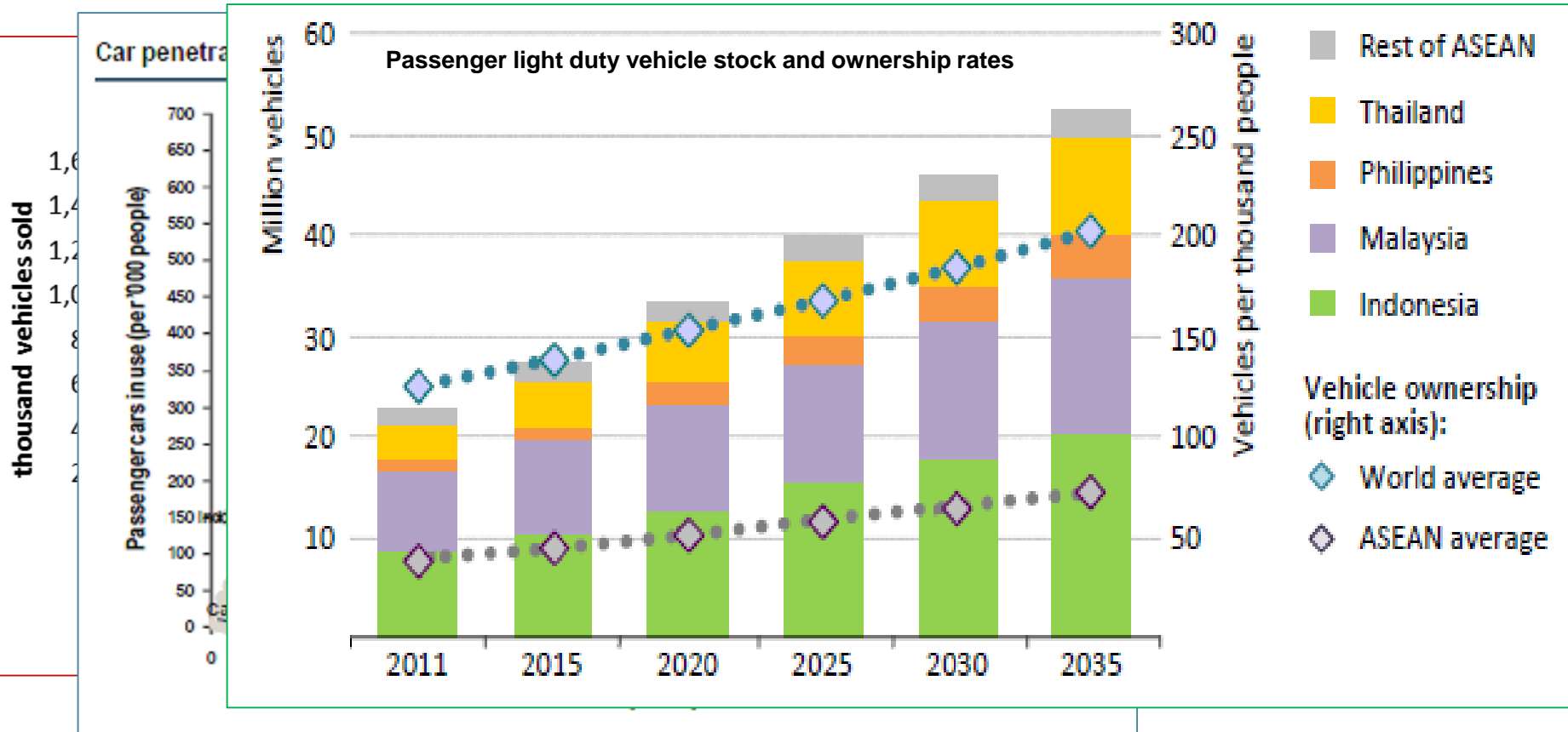
Introduction to Fuel Efficiency Policies & Measures

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GIZ

ASEAN-German Technical Cooperation Project
“Energy Efficiency and Climate Change Mitigation in the Land Transport
Sector”

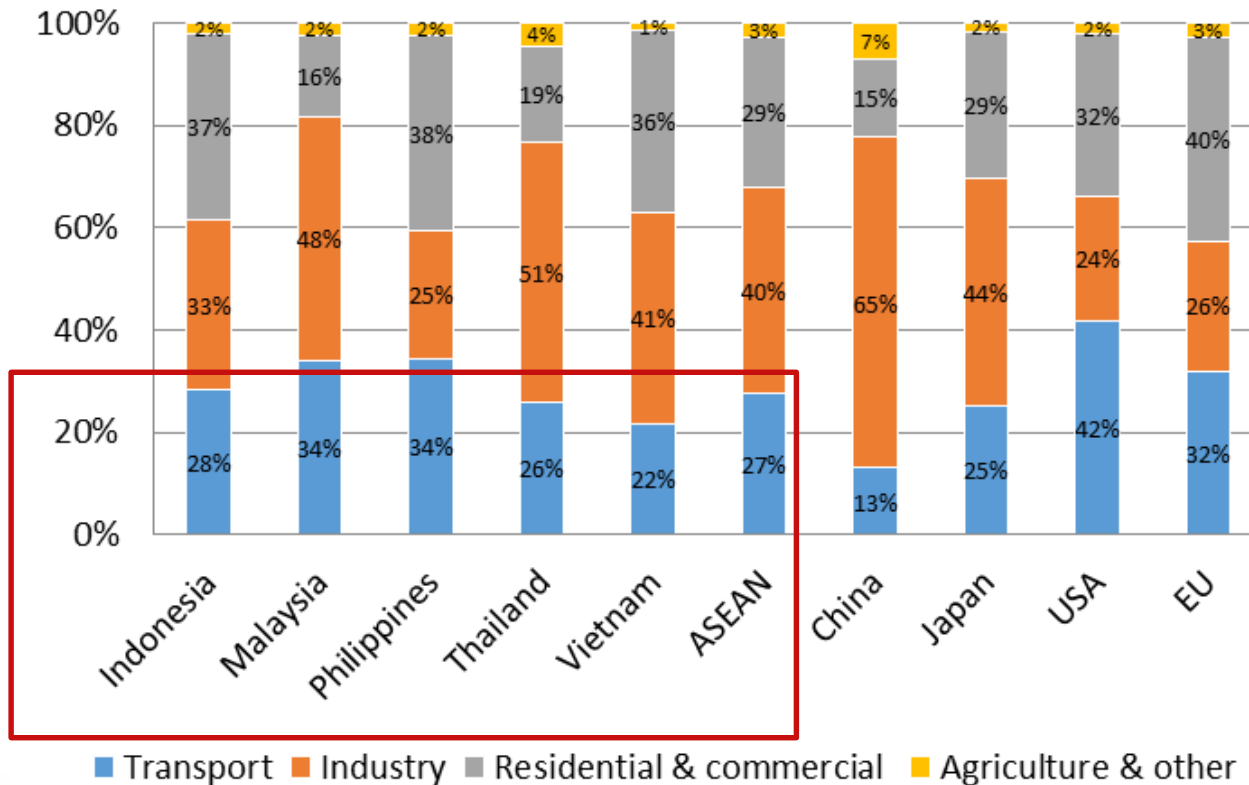


Motorisation is increasing rapidly



Transport is at least ¼ of energy consumption in ASEAN countries and other parts of the world

Energy consumption by sector (2012)



- Transport is no 1 oil consumer
- Road transport accounts for 80% of consumption
- Freight transport 40% of consumption

New Paradigm: Avoid – Shift - Improve:

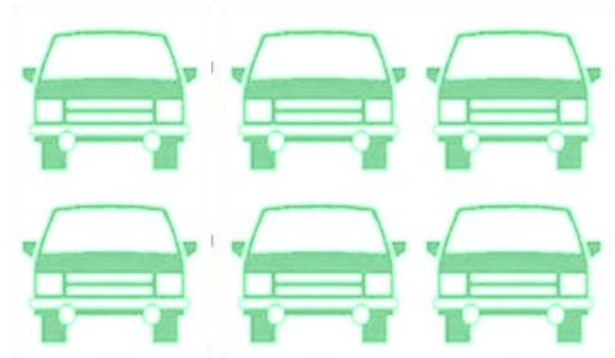
Holistic approach to transport energy efficiency

AVOID
unnecessary trips

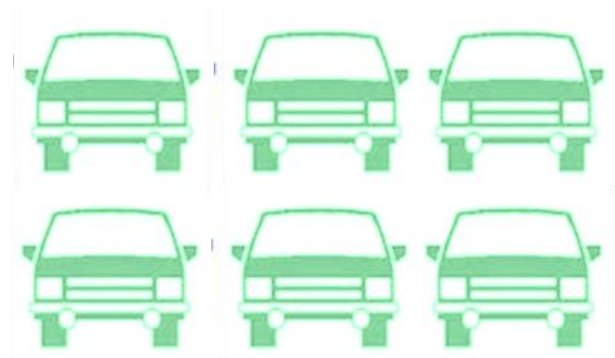
REDUCE km



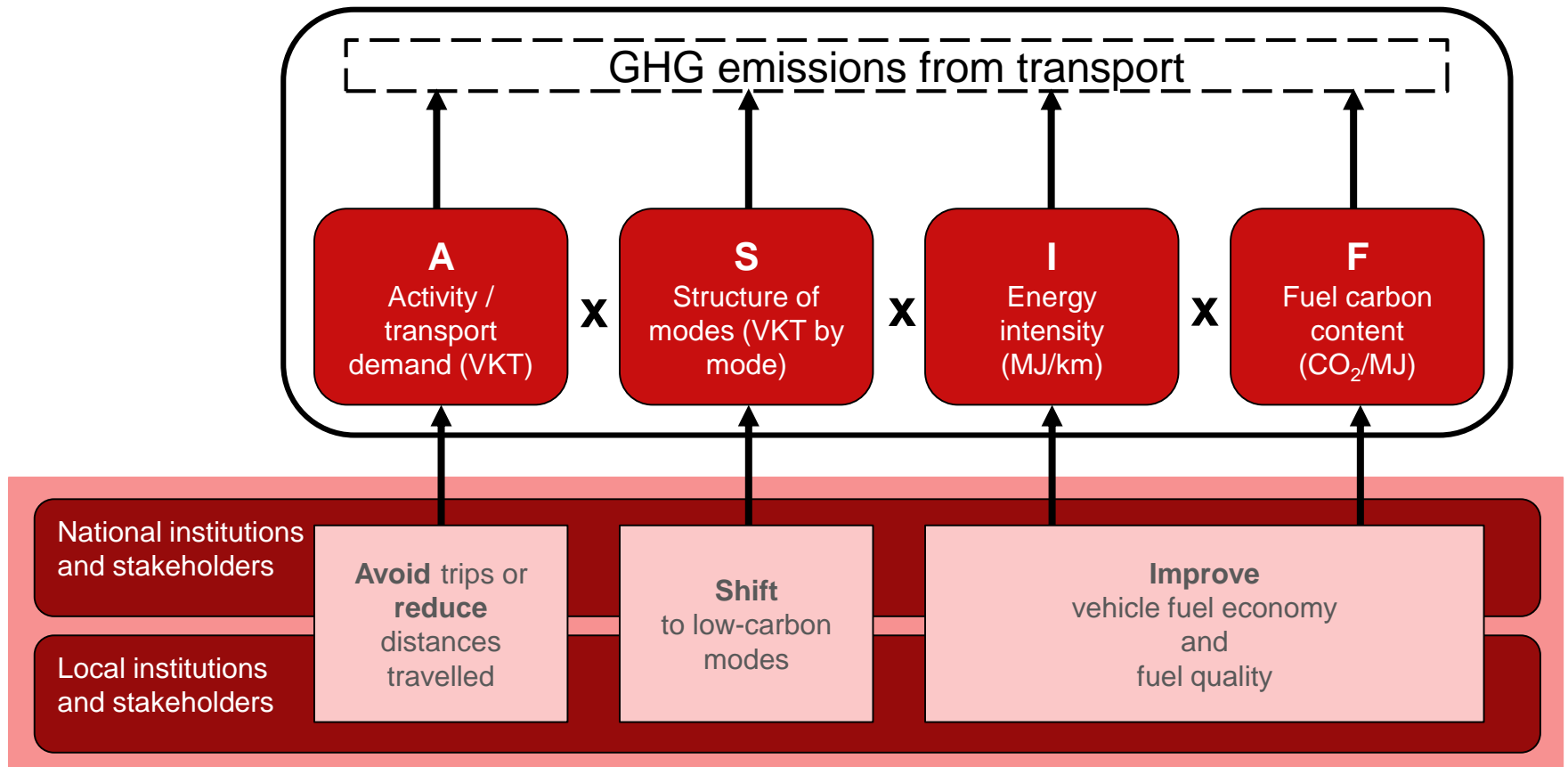
SHIFT modes



IMPROVE vehicles
low carbon fuels



ASI(F) approach



Source: Bongardt et al. (2015): Low-carbon Land Transport – Policy Handbook



Fuel efficiency policies & instruments

- **Consumer information – Labelling and information**
- **Monetary – Fiscal instruments and road pricing**
- **Regulatory – Fuel economy/CO₂ emission standards**

Energy efficiency and climate change mitigation in the land transport sector in the ASEAN region

In Short: Transport and Climate Change (TCC)

Objective: The region has strategies and action plans with which it can enhance energy efficiency in the transport sector and reduce the emission of greenhouse gases (GHG).

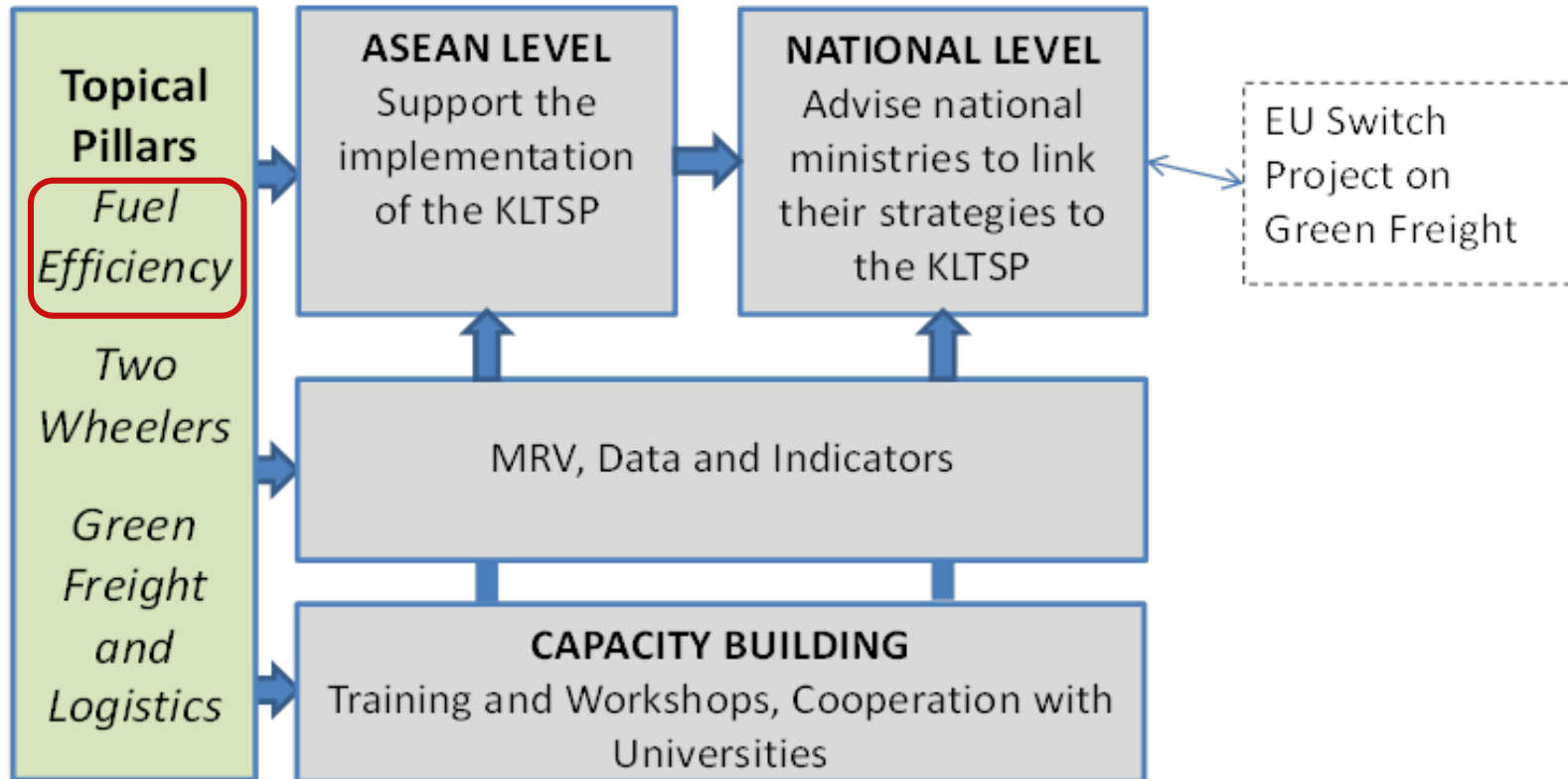
Overall term: 2013 – 2015 (phase I); 2016 – 2018 (phase II)

Budget: € 2.5 million for phase I; € 3.5 million for phase II

Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ)

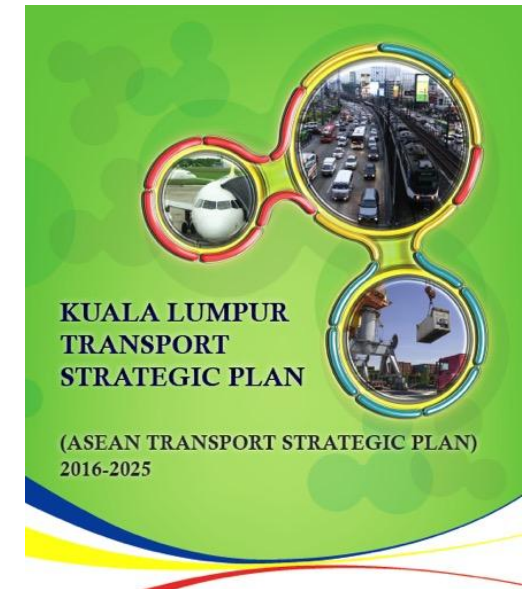
Partner countries: Indonesia, Malaysia, Thailand, the Philippines, Vietnam

Transport and Climate Change II – Workpackages and Key Topics



KLTSP

- ASEAN's Regional Transport Strategy (2016-2025)
- Successor of the Brunei Action Plan
- Has a chapter on sustainable transport
 - Includes objectives and milestones on a **fuel economy roadmap**, green freight and sustainable transport indicators
- Key reference for TCC Phase II activities
- Supports alignment of national policies with regional guidance





Fuel Efficiency Policies & Measures

- Fuel economy standards, labelling and fiscal instruments
- A **lack of clear ownership** within the governments and at ASEAN level
- A topic for both energy and transport policy community as well as ministries of trade, industry and finance → promote **inter-ministerial coordination**.
- Increasing **momentum** in countries, yet **fragmented** approach
- **TCC Activities**: Regional FE expert group, regional roadmap development, national studies, training and support for policy development, training courses, regional research network

TCC Fuel Efficiency (FE) activities in Thailand

1. Study on "Fuel Efficiency Policies in the Land Transport Sector in Thailand"
 - studying current situation of FE policies/measures by stocktaking of data and existing policies/measures in Thailand
2. Workshops on fuel efficiency policy
 - create a common understanding of fuel efficiency (FE) policies among stakeholders,
 - share international experiences of implementing fuel efficiency policies,
 - set up a sector network for fuel efficiency policy in Thailand.





TCC Fuel Efficiency Activities in Vietnam

- Viet Nam stocktaking report
 - Bottom-up data review (e.g. emissions factors)
 - Existing policies on energy efficiency
- FE study
 - Data for fuel consumption (FE) of new passenger cars and motorcycles
 - Inventory of existing policies, strategies, and plans related to vehicle fuel efficiency
 - Gap analysis of the existing and planned fuel efficiency policies -> recommendations
- FE workshops
 - Common understanding of fuel efficiency policy among stakeholders
 - International experience sharing on FE
 - Recommendations/suggestions from the participants on how to move forward fuel efficiency in Vietnam

Effective policy package for the ASEAN region

Harmonised fuel economy standard in the ASEAN region

- Fuel economy standards especially suitable in big car markets
- Bundling forces throughout the standard setting process
- Saving resources through uniform test procedures
- Coordinated enforcement increases pressure on car manufacturers

Differentiated vehicle taxation

- Based on CO₂ emissions (gCO₂/km) or fuel consumption (L/100km)
- Feebate schemes, registration tax, circulation tax – uniform application across vehicle segments, use of continuous functions

Balanced fuel taxation

- Removal of subsidies

Thank you for your attention!

For information/ inquiries, please contact:

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As a federal enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices, Bonn and Eschborn, Germany

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Layout

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