[Press release – Committee on Employment and Social Affairs – meeting 25/04/2017 (PM) – Committee on Employment and Social Affairs]

Committee on Employment and Social Affairs – meeting 25/04/2017 (PM)

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[Press release – Antonio TAJANI – EP President with Theresa MAY – British Prime Minister]

Antonio TAJANI – EP President – following meeting with Theresa MAY – British Prime Minister – meeting 20/04/2017

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Valdis Dombrovskis, Vice-President of the European Commission Keynote speech at the American Enterprise Institute Conference "Transatlantic cooperation – key for jobs and economic growth" 20 April 2017 – Washington D.C.

Ladies and gentlemen,

First of all, let me thank you for this opportunity to speak here, at the American Enterprise Institute.

Our conversation takes place at a time of change.

I believe that we can withstand any change as the partnership between the European Union and the United States is strong.

It is strong because our partnership is built on shared principles and values: freedom, human dignity, democracy, rule of law, and open economies.

We are natural as well as traditional allies.

Our transatlantic ties connect the largest and wealthiest markets in the world. Together, we account for 40% of the world's GDP, over half of global Foreign Direct Investment, and almost one third of international trade flows. We have company plants on both sides of the Atlantic often integrated *together* into wider networks of global supply chains.

Despite the emergence of other partners, European companies in the US employ millions of American workers and are the largest foreign source of on-shored jobs in America. Similarly, US companies in Europe employ millions of European workers. The US and European foreign affiliates directly employed about 8.7 million workers in 2015 – and the figure keeps rising.

Make no mistake: together, Europe and the United States are still the backbone of the world economy.

This political and economic weight has been achieved because the European Union and the United States have shaped it together. We are a coalition of the like-minded. What would happen if one decides to depart from the current order? We do not know.

A Japanese haiku says 'A butterfly flaps its wings – and a tornado starts'.

Ladies and gentlemen,

Now that we face new challenges to global stability and economic prosperity, our tried and tested partnership is once again the most effective way to overcome them.

The first challenge is getting the politics of globalisation right. Today many people feel as if globalisation has benefited only a lucky few. Many feel left behind. It is the case both in Europe and in the US. We need to make sure that economic benefits are shared among all, including the most vulnerable members of our societies. This is why, in the EU, we focus on making growth more inclusive. I will come back to this later.

Globally, we have to work to ensure tax fairness. This has become a political imperative. The European Union is at the forefront of the international effort to fight tax evasion and tax avoidance. We want to enforce the OECD Action Plan to fight Base Erosion and Profit Shifting. We want to make sure that international companies pay their taxes where their real economic activities take place.

Second is the security challenge. We need joint actions to fight terrorism and terrorist financing. In Europe, we have to tackle security and defence risks caused by tensions and military conflicts in our neighbourhood – be it in North Africa, the Middle East or Russian aggression against Ukraine. Changing borders by military force is not acceptable in the 21st century. This is why the EU and the US should continue to support Ukraine's security and economic reform efforts.

Third, Europe is going through turbulent times. I am convinced that we can handle our challenges head-on. As in the past, Europe will prove remarkably resilient. But it is true that we have a lot to stomach: the consequences of the refugee crisis, a rise of populism in some Member States, and Brexit.

On Brexit, the European Union will act as one to preserve its interest. Our first priority will be to minimise the uncertainty caused by the United Kingdom's decision for our citizens, businesses and Member States. The EU stands ready to launch the negotiations quickly and make sure that the withdrawal process is orderly. Through negotiations, we need to build a new partnership, based on fair terms. In any case, the UK will remain the neighbour of the European Union. We have a strong mutual interest in close and fruitful cooperation.

The remaining 27 Member States are determined to stand together. By acting jointly we can address our challenges more effectively, be it in the fight against terrorism, strengthening security, dealing with the consequences of the migration crisis or strengthening the economic recovery of the bloc.

Where matters of the EU’s economic and financial stability are concerned, these fall directly within my areas of responsibility.

Over the last decade, we have profoundly reformed economic governance in the European Union. Thanks to these reforms, we can now focus on growth along three clear priorities:

- investment;
- pursuing structural reforms; and
- responsible fiscal policies.

We came out of crisis slower than the US, but the growth momentum in the EU is picking up. We are in the fifth year of our recovery. For the first time since the crisis, all EU Member States are expected to grow. On average, we expect the EU growth to be 1.8% of GDP both this year and next.

Growth is broadening gradually across sectors. Private consumption is acting as the main driver of growth. Our recovery is being supported by the accommodative monetary policy and a broadly neutral fiscal stance.

Certain external factors, such as the low oil price, have been helping as well, although the oil price is forecast to increase in the near future.

Unemployment is at its lowest level since the crisis. Public finances are improving as well.

Of course, it is difficult to discuss EU economy without touching upon Greece. So, let me say a couple of words on Greece. While still under the financial assistance programme, Greece is also set to grow this year. Now it is important to conclude the second review of the programme as soon as possible to ensure that the Greek economic recovery continues and that Greece can return to markets in 2018. In this regard, we wish to count on decisive support from the US government when it comes to the IMF’s participation in the programme.

Investment growth continues to improve. The historical level of investment in the EU has been between 21 and 22% of GDP. After a drop to 19.4% in 2013, it is now gradually recovering. However, there is a remaining ‘investment weakness’. It is particularly important to attract and facilitate private investment, as it represents 90% of total investment.

The Investment Plan, which the Commission launched two and a half years ago, is already showing tangible results. The European Fund for Strategic Investments (EFSI) currently has unlocked more than 180 billion euros in both public and private investment to support projects across all 28 EU Member States. Given its success, the Commission has decided to extend EFSI from 350 billion euros targeted initially to 500 billion by end 2020. Besides, more should be done to attract investment by improving the business environment in the Member States. For example, in several Member States reforms in insolvency laws or justice systems could help to reduce the natural risk-aversion that often characterises European entrepreneurs.

This brings us to the need to foster structural reforms in Member States. Our experience shows that countries that have implemented ambitious structural reforms are now bearing fruit and growing stronger. Most progress is made in the areas of the financial sector and labour market policies. Further reforms need to focus on opening product and services markets, boosting active labour market policies to help people find jobs and modernising public administrations. In several countries, low productivity growth and divergence in productivity performance across firms and sectors are holding back competitiveness.

I note that, earlier this month, the American Enterprise Institute hosted a presentation by Christine Lagarde with a similar message: *productivity* is the key to higher incomes and rising living standards, to create “a larger piece of pie for everyone”. And there are no shortcuts to harnessing the power of productivity.

On fiscal policies, the EU countries are gradually reducing public debt and deficit levels. The average budget deficit in the euro area is expected to go down from 1.7% of GDP last year to 1.4% this year. Public debt is also on a downwards trajectory, though still remaining high – at around 90% of GDP in the euro area.

This decrease in deficits reflects lower interest spending due to exceptionally low interest rates. It also reflects further improvements in the labour market: more people are paying taxes and contributions, and fewer depend on social transfers.

However, public and private debt levels remain very high in several Member States. This makes them vulnerable to external shocks. This is why we emphasise the need of using this time wisely to keep their debt trajectories on downward paths and reinforce their resilience. It would send a strong signal to markets and investors alike.

While pursuing these policies, we are committed to making our growth more inclusive. This is vital both for economic and political reasons. We should, for instance, reform tax systems and better target social benefits. We advise countries to shift the tax burden away from low-paid labour to other tax bases, which are less detrimental to growth. We also propose a better use of active labour market policies. There is also a need for more support to education and training to avoid a mismatch between skills and labour market needs.

Going back to the overall picture in the EU, we see that our policy strategy of boosting investment, implementing structural reforms and conducting responsible fiscal policies is working. Now we need to stay the course.

Of course, in the context of Brexit, we need a deeper reflection on the next steps for the European Union. That’s why, in March, the European Commission presented a White Paper on the Future of Europe, outlining five possible scenarios of the EU going forward with 27 Member States. And at the end of May, we will publish a reflection paper on completing Europe’s Economic and Monetary Union.

Moving to the financial sector, we need a strong and diverse financial sector to finance the real economy.

In recent years, the EU has acted jointly and decisively to establish and apply common standards for Europe’s banks. Hence today, our banks are stronger and better capitalised than before. And we are acting to address the remaining pockets of weakness.

One example is high levels of non-performing loans in some of the European countries and banks. We are taking action. Member States are following EU recommendations to reform insolvency proceedings and to accelerate the work of non-performing loans. The EU’s single supervisor – the European Central Bank – is requiring banks to manage and address high levels of non-performing loans. NPLs are also increasingly being sold on secondary markets. The EU finance ministers have just made addressing non-performing loans their priority, and agreed to develop a common EU strategy.

To further reduce risks in the financial sector, the European Commission proposed banking legislation to transpose internationally agreed standards into EU law. Similarly, to complete the Banking Union we have proposed the last major building block, a European Deposit Insurance Scheme.

Meanwhile, work continues at full speed to build a deeper and more integrated market for capital in the EU – the Capital Markets Union. The project was born as a response to what we saw during the crisis: bank financing became scarce, while alternative sources of financing were hardly available. Many firms were left with no funding at all, worsening the overall contraction of the EU economy.

This project is, thus, about developing European capital markets to make them fit the needs of our firms – of our “real economy”. However, new challenges – not foreseen from the onset – make our task more complex. The prospect of Europe’s largest financial centre leaving the Single Market makes this project more challenging, yet more important and more urgent.

A lot has already been achieved. I am talking about simplified prospectus requirements for firms tapping public markets and revised rules to support venture capital and social enterprises. We also proposed new rules on securitisation, which are currently under scrutiny by the European Parliament and Member States.

Now, in light of new political and economic reality, we need to re-calibrate our project and raise the level of its ambition. For example, we want to be more ambitious in the areas such as Fintech and sustainable or green finance.

We will also propose new rules on pan-European private pensions and will streamline our rules on EU passporting of investment funds.

Overall, this means that the European Union is holding up its end of the bargain: promoting stability and regaining trust for the long term, while reforming its economic fundamentals and strengthening growth in the shorter term. This is important because, just like US, Europe’s economy contributes greatly to global growth.

Now moving to international financial cooperation.

The global financial crisis shook our economies to the core. It also showed that our financial systems are inherently linked and that financial stability requires a joint effort.

Within the G20, the US and the EU have worked together to develop a common international financial governance to build global resilience. Without working jointly, we would run the risk of regulatory arbitrage and renewed instability.

There is no doubt that financial rules need to be fine-tuned to make them more growth-friendly. In Europe, we have done an assessment of the overall impact of our rules on the economy – the so-called Call for Evidence. Where necessary, we also adjusted our rules. But we are not willing to lower prudential standards. And we count on the US to stand by the same principle.

This is key to our equivalence process. Our rules on equivalence – or as it is known in the US: deference – require us to monitor continuously the adequacy of a third country’s rulebook and supervision to the EU standards.

Now, why do we consider international cooperation on financial services vital? I would like to give three examples.

The recent experience showed that it is impossible to properly manage a financial crisis without an effective regulatory framework for derivatives markets. As derivatives markets are global, they also require a global framework that no country – in isolation – can deliver. Since markets move to exploit the slightest arbitrage possibility – and do so extremely quickly – no single country on its own can put in place effective individual margining requirements or requirements for central clearing. That’s why Europe stands by the new framework for derivatives markets agreed by the Financial Stability Board.

Another example I would like to mention today is bank capital charges. Today, US banks have probably as many operations in the EU as the EU banks over here. The Basel framework guarantees that all these banks can operate internationally, but are still regulated and supervised to the appropriate – jointly agreed – standard. The EU stands strongly by the agreed standards. Recently, we – as a first jurisdiction around the globe – proposed legislation to mitigate market risk and to review the trading book. And while we want to get the new standards right, we stand ready to negotiate with our international partners on how to finalise the Basel III framework.

A third example is bank crisis management. For banks to operate internationally, we need the tools to deal with international banks in case of a crisis. In the Financial Stability Board, we have put together a crisis management cooperation framework that can be used when a cross-border group gets in trouble. We have had a trilateral resolution exercise with the US and the UK authorities in DC last autumn. We want to maintain and improve this cooperation. To do so, both EU and US laws need crisis management tools, which are compatible with each other. So, we are following very closely discussions on a possible modification to the Title II of Dodd Frank on the orderly liquidation authority. We hope the need for effective cooperation will be taken into account in these discussions.

Ladies and gentlemen,

The US – EU political and economical partnership is tried and tested. It is based on shared values and principles – this is the main reason why it works so well.

In troubled times, this partnership can give us an advantage in seeking common solutions for geopolitical conflicts, reinforcing economic growth and ensuring financial stability. It is difficult to imagine a global governance system without the EU and the US as pillars of the multilateral cooperation.

Laws change, governments change, the context changes… but it is important that the principles and trust binding us remain the same.

Thank you very much.

Daily News 20 / 04 / 2017

EU Maritime Ministers to sign declaration to boost sustainable blue economy

EU Maritime Ministers will sign today a Declaration on Blue Growth, reaffirming their political commitment to further grow EU's sustainable blue economy. The Declaration will be adopted at the Informal Ministerial Conference on Blue growth, Ocean Governance in the EU and the Mediterranean, Innovation and Nautical Tourism, co-chaired by Commissioner for Environment, Maritime Affairs and Fisheries Karmenu **Vella** todayin Malta. It will give an additional boost to the sustainable development of key sectors including tourism, aquaculture, ocean energy and biotechnology. Blue growth has the potential to become a real European success story contributing more than €500 billion a year to EU's economy and representing 5.4 million jobs. The Informal Ministerial Conference will also discuss the Commission's recently launched Western Mediterranean Blue Growth Initiative and comes one month after the successful MEDFISH4EVER declaration. The sustainable development of the Blue Economy will also be a major theme at the Our Ocean conference on 5-6 October 2017, co-hosted by High Representative/Vice-President Federica

Mogherini and Commissioner **Vella**. The Commissioner's opening speech at the Informal Ministerial Conference on Blue Growth available [here](). *(For more information: Daniel Rosario – Tel.: +32 229 56185; Iris Petsa – Tel.: + 32 229 93321)*

Agriculture: la Commission approuve deux nouvelles indications géographiques d'Italie

La Commission a approuvé aujourd'hui l'addition de deux nouveaux produits d'Italie au registre de qualité des indications géographiques protégées (IGP). Le premier produit est la 'Marche', une huile d'olive vierge extra identifiable par sa couleur jaune-vert et une intensité moyenne de fruité, d'amertume et de piquant. L'aire de production comprend la région adriatique 'Marche' située dans le nord-est de l'Italie où l'olivier représente la principale culture arboricole. L'huile «Marche» jouit depuis très longtemps d'une grande renommée. Les références historiques les plus anciennes datent du XIIe siècle. L'huile était vendue aux commerçants florentins en 1347 et l'exportation vers les autres régions s'est poursuivie jusqu'à la moitié du XVIIème siècle. Le deuxième produit est le 'Vitelloni Piemontesi della Coscia', une viande bovine. Les bœufs sont élevés dans les régions du Piémont et de Ligurie dans le nord-ouest du pays. L'abondance d'eau et la fertilité des terrains constituent des conditions très favorables qui s'accordent particulièrement bien avec l'élevage traditionnel des 'Vitelloni Piemontesi della coscia'. Grâce à leurs caractéristiques anatomiques particulières, les animaux se différencient des autres bovins par une teneur très faible en lipides et une teneur élevée en protéines. Les nouvelles dénominations viendront rejoindre plus de 1390 produits déjà protégés. Plus d'informations sont disponibles sur le site web des produits de qualité et la base de données DOOR des produits protégés. *(Pour plus d'informations: Daniel Rosario – Tel: +32 229 56 185; Clémence Robin – Tel: +32 229)*

Mergers: Commission clears acquisition of a business unit of Energhe by Duferco

The European Commission has approved under the EU Merger Regulation the proposed acquisition of sole control by Duferco over a business unit of Energhe S.p.A., both of Italy. The target is a business unit of Energhe, mainly active in the supply of gas and electricity. Duferco controls companies active in different sectors, including steel, energy and shipping. Duferco's activities in the energy sector include trading, renewable energy generation, wholesale and retail supply. The Commission concluded that the proposed transaction would raise no competition concerns as there are very minor overlaps between the companies' activities. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's competition website, in the public case register under the case number M.8445. *(For more information: Lucía Caudet – Tel. +32 229 56182; Yizhou Ren – Tel.: +32 229 94889)*

Mergers: Commission clears acquisition of sole control of ITP by Rolls-Royce, subject to conditions

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of aircraft engine components maker ITP (Spain) by aircraft engine maker Rolls-Royce (UK). Rolls-Royce, together with ITP, MTU of Germany and Safran of France, is a member of the military engine consortium EPI (*Europrop International GmbH*). EPI designs and manufactures the engine powering the Airbus A400M, which competes with the Lockheed Martin C-130J aircraft, powered by a Rolls-Royce engine. The Commission had concerns that the transaction, as originally notified, would have enabled Rolls-Royce, by acquiring ITP, to obtain additional influence on the decision-making process of the EPI consortium, on matters that affect its competitiveness against the Lockheed Martin C-130J. In order to remove these concerns, Rolls-Royce offered commitments in relation to the EPI governance rules that will eliminate the conflict of interest created by the merger and ensure that the EPI consortium remains competitive. The Commission also examined whether the merged entity would have the ability and incentive to shut out the supply of ITP's engine components to other manufacturers of aircraft engines competing with Rolls-Royce, however this was not the case. The Commission concluded that the transaction, as modified by the commitments, would no longer raise competition concerns. The decision is conditional upon full compliance by Rolls-Royce with its commitments. A full press release is available online in EN, FR, DE and ES. *(For more information: Lucía Caudet – Tel. +32 229 56182; Yizhou Ren – Tel.: +32 229 94889)*

Concentrations: la Commission autorise, sous conditions, le rachat du fabricant de cartes intelligentes Morpho par Advent International

La Commission européenne a autorisé, en vertu du règlement de l'UE sur les concentrations, le projet d'acquisition de Morpho, fournisseur de solutions en matière d'identité et de sécurité établi en France, par l'entreprise américaine Advent International. Morpho, qui appartient au groupe Safran, fournit des solutions en matière d'identité et de sécurité. Advent International est une société de capital-investissement. Elle contrôle Oberthur, qui fabrique des cartes intelligentes et fournit des prestations de sécurité numérique. Tant Oberthur que Morpho conçoivent et fournissent des solutions en matière d'identification et de sécurité, dont des cartes intelligentes destinées aux secteurs des banques, des télécommunications et des documents d'identité. La Commission a considéré que l'opération, telle que notifiée, soulevait des doutes sérieux quant à sa compatibilité avec le marché unique en ce qui concerne le marché des cartes de paiement intelligentes en France. Afin de lever ces craintes, les parties ont proposé de céder CPS, la filiale française de Morpho qui fournit et personnalise des cartes intelligentes de paiement certifiées CB pour la clientèle bancaire en France. Compte tenu des mesures correctives proposées, la Commission est parvenue à la conclusion que l'opération envisagée, telle que modifiée, n'entraverait pas de manière significative la concurrence dans l'Espace économique européen ou une partie substantielle de celui-ci, y compris en France. Un communiqué de presse est disponible en ligne en FR, EN et DE. (*Pour plus d'informations: Lucía Caudet – Tel. +32 229 56182; Yizhou Ren – Tel.: +32 229 94889)*

Eurostat: Février 2017 comparé à janvier 2017 – La production dans le secteur

de la construction en hausse de 6,9% dans la zone euro – En hausse de 4,4% dans l'UE28

En février 2017 par rapport à janvier 2017, la production dans le secteur de la construction, corrigée des variations saisonnières, a progressé de 6,9% dans la zone euro (ZE19) et de 4,4% dans l'UE28, selon les premières estimations d'Eurostat, l'office statistique de l'Union européenne. En janvier 2017, la production dans le secteur de la construction avait reculé de 2,4% dans la zone euro et de 1,5% dans l'UE28. Un communiqué de presse est disponible ici. *(Pour plus d'informations: Lucía* Caudet – Tel.: +32 229 56182; Mirna Talko – Tel.: +32 229 87278)

ANNOUNCEMENTS

Commissioner Jourová on official visit to Estonia

Today, Commissioner **Jourová** will visit Tallinn to prepare the upcoming Estonian presidency in the field of Justice. She will also discuss the European Public Prosecutor's Office and justice in the cyberspace. She will meet the Prime Minister, Jüri Ratas, the Minister of Social Protection, Kaia Iva, and Lavly Perling, Prosecutor General of Estonia. Tomorrow, she will exchange views with the European Affairs Committee of the Riigikogu (the Parliament of Estonia). She will also meet the Minister of Justice, Urmas Reinsalu and Merike Saks, Secretary General of the Ministry of Economic Affairs and Communication of Estonia. Finally, she will visit eu-LISA, the European Agency for the operational management of Large-Scale IT Systems in the area of freedom, security and justice, as well as the e-Estonia Showroom. *(For more information: Christian Wigand – Tel: +32 229 62253; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)*

Upcoming events of the European Commission (ex-Top News)

Fuel efficiency improvements of new cars in Europe slowed in 2016

Average CO_2 emissions of a new car sold in 2016 were 118.1 g CO_2/km. This represents a decrease of 1.4 g CO_2/km (1.2%), compared to the previous year, according to provisional data. This reduction is the smallest annual improvement recorded since 2006 for new cars sold in the EU.

Official emissions have, however, decreased by more than 22 g CO_2/km or 16% since 2010, when an updated monitoring system started under the current EU legislation. The EU remains well below its target of 130 g CO_2/km set for 2015, but it is clear that, compared to 2016, annual improvements in vehicle efficiency need to significantly increase in each of the coming five years in order to achieve the second average emissions target of 95 g CO_2/km by 2021.

Key facts

- With an average of 118.1 g CO_2/km, new cars sold in 2016 emitted more than 23 g CO_2/km above the 2021 target, according to the provisional emissions reported by Member States.
- A total of 14.7 million new passenger cars were registered, an increase of almost 7% compared to 2015. Registrations increased in all EU Member States except in the Czech Republic, the Netherlands and Slovenia.
- For the second successive year, the share of diesel vehicle sales declined and in 2016 fell below 50% of new sales – the lowest share of new sales since 2009 according to the official statistics. While the overall share of diesel vehicle sales fell, absolute sales still increased by more than 192 300 vehicles compared to 2016, according to provisional data. However, diesel cars still remain the most sold vehicle type in the EU representing 49.4% of new sales, followed by petrol vehicles (47%), and alternatively fuelled vehicles (3.3%, including electric vehicles).
- Sales of battery electric vehicles continue to increase, but at a significantly slower rate than in earlier years. Around 64 000 pure battery-electric vehicles were registered in 2016, a 13% increase compared to sales of 57 000 in 2015. The largest number of registrations were recorded in France (22 689 vehicles), Germany (11 472 vehicles) and the UK (10 268 vehicles).
- Electric and plug-in hybrid vehicles together still remain a small fraction of total sales, accounting for 1.1% of all new cars sold in the EU. Combined sales of these vehicle types fell by around 3 200 vehicles compared to 2015 when they comprised 1.2% of registrations.
- The two countries that in 2015 had the highest share of plug-in hybrid and battery-electric vehicle sales, the Netherlands and Denmark, both saw significant sales decreases in 2016 of these vehicle types. For example, in the Netherlands, sales fell from 10% of national car sales in 2015 to 6%. Changes to the level of subsidies and tax incentives available for new vehicle owners changed in 2016 in both countries, directly contributing to lower shares.
- The mass of a vehicle is a key factor affecting emissions, as heavier vehicles tend to emit more CO_2/km. In comparison with 2015, the average mass of new cars sold in 2016 in the EU increased slightly to reach 1 388 kg. The increase affected the average mass of petrol vehicles (by 1.5%) in particular, which in turn resulted in smaller decrease of average emissions of these vehicles and, consequently, of new passenger car fleet in 2016. On average, the heaviest cars were sold in Sweden (1 516 kg), Austria and Luxembourg (1 497 kg), whereas Maltese, Greek and Danish buyers typically purchased lighter cars (1 210, 1 253 and 1 265 kg respectively). Nevertheless, the average diesel vehicle sold was 302 kg heavier than the average petrol vehicle.
- Overall, average CO_2/km emissions decreased in all countries in 2016, except in the Netherlands, where emissions increased by almost 5% to 106 g CO_2/km. However, the Netherlands, together with Portugal (105 g

CO_2/km), Denmark and Greece (both 106 g CO_2/km) remains among the countries having the most fuel-efficient new cars sold. The least fuel-efficient cars continue to be bought in Estonia (134 g CO_2/km).

- The largest improvements in vehicle fuel efficiencies, compared to the previous year, occurred in Latvia (-8.2 g CO_2/km) and in the Czech Republic (-5.2 g CO_2/km). In both countries, a trend towards buying lighter, smaller vehicles was directly reflected in the improved average vehicle fuel efficiencies.

EEA activities

The EEA collects and makes available data on new passenger vehicles registered in Europe, in accordance with EU Regulation (EC) No 443/2009. The data reported by all Member States is designed to allow an evaluation of the average fuel efficiency of the new vehicle fleet, and includes information on a range of parameters including registration statistics, CO_2 emissions, and vehicle weight.

It has not yet been confirmed whether different manufacturers have met their own specific annual target for 2016, based on the average weight of the cars they sold. The EEA will publish the final data and the European Commission will confirm manufacturers’ individual performances in the autumn.

Testing vehicle emissions

Member States report new vehicles’ CO_2 emission levels, measured under standardised laboratory conditions, following the requirements of the New European Driving Cycle (NEDC) test procedure. This procedure is designed to allow a comparison of emissions for different manufacturers. However, in recent years it has been widely recognised that the NEDC test procedure, dating from the 1970s, is out-dated and does not necessarily represent real-world driving conditions and emissions due inter alia to a number of flexibilities that have allowed vehicle manufacturers to optimise the conditions under which their vehicles are tested. The EEA has recently published a non-technical guide explaining the key reasons for the differences observed between official and real world driving emissions.

Recognising these shortcomings, over the coming two years the European Union will shift to a new measurement procedure known as the ‘Worldwide harmonized Light vehicles Test Procedure’ (WLTP). The WLTP is designed to help ensure that the laboratory results better represent actual vehicle performance on the road.