

Energy Efficiency in SEA Transport Sector

We have decided to focus our discussion on energy efficiency of vehicles and mobility. Due to multidimensional facets of transport sector (safety, modes etc), it is challenging to converge all ideas

Opportunities:

We agreed to separate passenger and freight transport issues as policies and barriers may differ

1. On broader scale, since Car ownership linked to urbanization patterns, therefore take advantage of new master-planning techniques. Transport friendly cities.
2. Robust R&D: Government research programs for national vehicle manufacturers to improve energy efficiency.
3. Pricing: Pricing of oil products to promote signals for consumers and manufacturers.
4. Aging of car standards OR energy efficiency standards, therefore government to support/subsidize energy efficiency in car manufacturing industry.
5. There is no Car scrapage incentives or program, and hence the opportunity
6. No prominent Recycling policy
7. Structure of trucking industry – negotiations with one big company is easier compared to fragmented industry.
8. Alternative to road – rail or water, but only if alternative is adequately established.
9. Bio fuels – if country has potential (palm oil an algae). However discussion on food vs fuel production
10. Share of motorbikes higher in SEA due to income levels. No robust policy in region
11. Improve road infrastructure – but downside is that more cars would come on road
12. Less subsidies on petrol and more taxation
13. If road pricing/tax is differentiated according to the fuel efficiency or CO₂ emission of vehicles, it may also serve as a tool to promote the use of more efficient vehicles.
14. AEC could be an opportunity new regional instruments

Barriers:

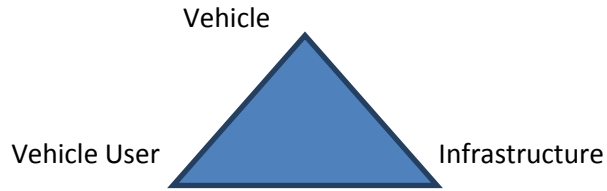
1. Lack of information on EE for cars -- Public awareness campaign – eco driving, labels
2. effective energy efficiency policies require international coordination or even harmonization and international agreements.

IEA 25 Recommendations

16. Mandatory Vehicle Fuel Efficiency Standards

- Needed. Already some practice. Regional standards required – high quality gas or highly efficient vehicles, go hand in hand.

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- Localization of vehicle production could be a good opportunity to produce energy efficient vehicles at low cost.
- Regular updating of standards

17. Measures to Improve Vehicle Fuel Efficiency

- Tax breaks for energy efficient vehicles and tax on fuel in efficiency vehicles (cross subsidization)
- Compliance of technical controls monitoring – maintenance/annual inspection/ compliance. It should incorporate control of ignition and introducing vehicle survey/periodic inspections for energy efficiency
- Labelling of new cars – Vietnam under discussion
- Labelling of used cars ?
- Taxation based on fuel efficiency
- Subsidy of car scrap linked to purchase of new fuel efficient cars

18. Fuel efficient non-engine components

- Low friction tyres only on commercial basis – no Govt policy yet

19. Eco Driving

- Enhancements of eco driving programs including awareness campaign for cars and trucks
- Energy efficient education during licence obtaining

20. Transport System Efficiency

- Car pooling – at local and personal level only
- AEC – transit truck traffic will increase and opportunity to create tax transit scheme. VICS Vehicle information and communication system; ETC electric toll collection system.

Develop Additional Regional Potential Policies

- Promote substitution of CNG instead of LPG
- Promotion of palm oil – mixing/blend with diesel (25%)
- Algae for production of second generation bio diesel
- Each country has its own biofuel resource – regional standard of ethanol standard blend – harmonize ethanol content

- AEC – question of regional labelling of vehicles an opportunity, coherence of national labelling towards POSSIBLE REGIONAL Labelling/standards. As an interim step, for light vehicles, go for the ISO or UNECE standards. Already 2 countries embarked on discussion on convergence to world standard (Malaysia and Thailand already) Indonesia and Philippines may join.
- Promotion of non-motorized modes
- Promotion of motor bikes vs small urban cars – Govt should have a strategy

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For Car manufacturers and users, we need long term price signal and long-term policies

Due to different participants in group, discussion on ranking is not conclusive for Standards, Labels, Subsidies and Fiscal Policies

General Strategy is firstly needed to define what type of vehicles (trucks, fuel efficient cars) and what type of policies (subsidy, tax)

1. Introduction of Standards combined with subsidies.
 - a. Standards for Cars
 - b. Standards for light duty vehicles
2. Labels: National/Regional Levels
3. Subsidies for specific niche – eg hybrid, electric cars or fuel efficient vehicles
4. Fiscal Policies – may be due to confusion bw subsidies and fiscal policies