

EU PUBLIC AFFAIRS

Automotive sector CARS 2020

The European Commission CARS 2020 Action Plan is currently being discussed in the European Parliament. MEP Frank PROUST (EPP, France) who is the rapporteur on this dossier published his draft report. First discussion on this report in the Industry, Research and Energy Committee (ITRE), took place in September with the final adoption of the Parliament position on it expected in November.

In line with the CARS 2020 Action Plan, the Commission has launched in February this year a new Expert Group CARS 2020. This group already discussed several interesting topics including the impact of EU legislation on the automotive sector and vertical agreements in the automotive sector. Contact UEIL for further details.

CO₂ emissions

The European Parliament, Council and European Commission reached agreement on a further reduction in CO₂ emissions from cars. The agreement will reduce average CO₂ emissions from new cars to 95g per kilometre from 2020, as proposed by the Commission. This represents a 40% reduction from the mandatory 2015 target of 130g/km. The target is an average for each manufacturer's new car fleet; some

models will emit less than the average and some will emit more. In addition, the European Commission is required to propose by end-2015 a further emissions reduction target to take effect in 2025.

Following this agreement, the European Parliament and Council also reached an agreement on a reduction in CO₂ emissions from vans. This agreement confirms the target set in 2011, which is to reduce light utility vehicles' CO₂ emissions to 147gr CO₂/km by 2020 compared with the average of 180.3 gr CO₂/km in 2012.

FISCAL ISSUES

Energy Taxation Directive

The European Commission's proposal on the revision of the Energy Taxation Directive was discussed at a technical meeting under the Lithuanian Presidency the 23rd of July 2013. During this meeting Poland, Slovakia and Hungary asked the Presidency to include Lubes under EMCS within the revised Energy Taxation Directive and no EU Member State objected to this proposal during this meeting.

In October 2013 the Lithuanian Presidency will present a compromise text on the Energy Taxation Directive. UEIL will continue its outreach activities to underline its position and concerns. Up till now EU Member States have only found an agreement on the separation

rate structure and the proportionality principle. Among EU Member States there is still a large disagreement on mainly aspects of the Directive including on levels of minimum tax rates, tax treatment of biofuels, bio liquids, commercial gasoil and energy products used for agriculture, transitional periods and tax reliefs below the minimum levels.

It is to be expected that negotiations on the review of the Energy Taxation Directive will continue for minimum 9 to 12 months (decision taken by unanimity).

UEIL TECHNICAL AND COMPETITION COMMITTEES

Since the last issue of Lube Magazine, 3 OEM Bulletins have been jointly released by the Technical and Competition Committees:

- Terex Powerscreen Equipment
- Husqvarna
- Manitowoc Crane Group

The Chairman of the Technical Committee also met with Legal Counsel from AGCO Limited to try and resolve an issue regarding the lubrication of their equipment

Previous bulletins may be studied on the UEIL website.

LINK

www.ueil.org/en/news/technical-committee

Local Report



The European lubricants market is going through difficult times and we believe that today UEIL's consolidating role is even more important than in prosperous times. Shamrock is an international petrochemical distributor and 75% of our sales go to overseas markets, while 40% of our sourcing is in Europe. Our main storage and logistics hubs are also located in the region.

Europe remains a huge base oils and lubricants supplier with highly developed refining industry, high quality control, performance and environmental protection standards. At the same time, the high standards and strict European regulations put local suppliers under

tremendous pressure, making it hard for them to compete with producers in the other regions.

As an exporter of European products we have our instruments to support the European products expansion in the other parts of the world. We offer trade financing services and deferred payment conditions, flexitank deliveries, which is a cost- and time-efficient method of transporting non-hazardous liquids to destinations which cannot be reached by tankers or larger volumes carriers, customised blending services.

It is very important for us to be a part of organisation that represents and stands

for the interests of the industry. UEIL is a network booster and provides numerous opportunities for networking and partnership building with other companies in the industry, opportunities to share good practices and to promote our own activities. UEIL membership gives us a valuable access to industry's best practices, procedures, fifty-years experience, knowledge and expertise which no single company can build on its own. In our international business it has a cascade effect benefiting our whole supply chain both in Europe and beyond.

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