November 2025

Statement on the Review of the Regulation on CO_2 Emission Standards for Cars and Vans

Eurelectric strongly supports the existing provisions under the Regulation on CO_2 Emission Standards for light-duty vehicles. It is more than clear that the decarbonisation ambitions set under this Regulation have proven to be one of the most effective tools in reducing emissions. In fact, since their introduction in 2009, official type-approval emissions of new passenger cars have decreased by about 42%.[1]

The current regulation has steered technological development and created a framework for the entire e-mobility ecosystem. Thanks to clear goals for when combustion engines will be phased out, customers, grid operators, and charging point operators have been able to plan for the long term. This has made it possible to forecast how quickly the vehicle fleet will electrify and how demand for charging will increase towards target years which in turn has been crucial for the rapid expansion of charging infrastructure in recent years.

Creating uncertainty now around the 2035 target would undermine that progress. If car buyers or investors begin to doubt that electrification will continue at the same pace, both electric vehicle sales and investments in charging and the power grid is likely to slow down. In other words, Europe risks entering a vicious cycle that makes it much harder to reach its climate goals.

The future is electric

As rightfully stated by President von der Leyen in her State of the Union address, "the future is electric". Global trends for road transport only emphasise this even further, as electric car sales exceeded 17 million in 2024 and are projected to reach more than 20 million by the end of 2025.[2] This translates to more than 1 in 4 cars sold this year being electric.

E-fuels, though often promoted as a future solution, remain commercially unproven, costly, and inefficient. Unlike battery electric vehicles (BEVs) – a technology that is mature, scalable, and already delivering zero-emission mobility today – e-fuels continue to face major barriers, including high production costs, persistent tailpipe emissions, and poor energy efficiency.[3]

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[1] ICCT, EV Transition Check Report 2025. Link here.
[1] IEA, Global EV Outlook, 2025. Link here.
[1] Platform for Electromobility, Prioritising energy efficiency in EU's transport ecosystem. Link here.

EU Regulation underpins the BEV market

Notably, due to the stepwise nature of the targets, progress has not been steady: instead, manufacturers have tended to accelerate CO_2 reductions in target years, while slowing down their efforts in intermediate years.

With the new CO_2 emission target taking effect this year, BEV shares of new vehicle registrations have increased across virtually all markets. The first half of 2025 marked a significant milestone, with new registrations up by 34% compared to the same period in 2024.[4] Major European OEMs have also consolidated their leadership as some of the leading manufacturers during this period, with several models ranking among the best-selling electric cars.[5]

Stay the course & strengthen enabling conditions

With the rest of the world—especially China—fully shifting to electrification, Europe cannot risk lagging behind with weak or back-tracking policies. By the end of 2025, the market share of EVs as new registrations in China is expected to already surpass 50%.[6]

Therefore, the review of the CO_2 Regulation must consolidate the "zero-emission" target by 2035, while integrating mechanisms to keep on supporting investment in electrification.

The EU must focus on complementing supply-side regulation with demand-side measures, such as EU corporate fleet targets and social leasing, enabling the rollout of EV infrastructure through technical and funding resources, as well as making anticipatory investments in the grid.[7]

In addition, national fiscal incentives must align better with Europe's decarbonisation agenda by phasing out any subsidies for fossil fuels, removing unrelated taxes and levies in the electricity bill, and fully implementing ETS II.

Lastly, the commitment to this industrial transition should be reflected in the way penalty revenues are used – with funds earmarked to support these enabling conditions for transport electrification rather than absorbed into the general EU budget. Such an approach ensures that enforcement mechanisms move beyond simple penalties, becoming tools that directly reinforce progress.

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[1] European Alternative Fuels Observatory, 2025. Link here.
[1] European Alternative Fuels Observatory, 2025. Link here.
[1] EY Press Release, 2025. Link here.
[1] Eurelectric's Position on Corporate Fleets, 2025. Link here.