

Data confirms changes in car buying patterns since new motor tax rates

~ SEI's Energy in Transport Report 2009 reveals key trends ~

Car buying choices have moved significantly towards more energy efficient cars since the introduction of the new Vehicle Registration Tax (VRT) and motor tax rates for private cars, according to Sustainable Energy Ireland (SEI). SEI's *Energy in Transport 2009* report, launched today (5 November 2009), provides comprehensive analysis of trends in transport patterns and energy use since 1990.

Energy use in transport grew by an average of 6.3% per annum between 1990 and 2007. However, a number of significant changes occurred during 2008 altering this trend:

- The economic recession has affected all transport patterns and energy use
- The downturn in construction activity has particularly affected freight transport, with 2008 showing a decrease in road freight activity after many years of growth
- The changes in private car taxation that took effect in July 2008 have significantly changed buying patterns

The report reveals that private cars in the most efficient emission bands (A, B and C) made up 73% of new cars purchased after the introduction of the new rates, compared with just 43% for the first six months of 2008. Notably, this has not entailed a move towards smaller engine sizes. Instead, there has been a marked shift towards diesel-fuelled cars, with diesel cars doubling their share of sales between the first and second halves of 2008.

Even with lower vehicle sales in the first half of 2009, the shift towards more efficient cars has held firm, with energy efficient cars comprising 78% of new cars purchased and diesel cars comprising 56% of new cars purchased. Average CO₂ emissions of new cars purchased in the twelve months between July 2008 and 2009 have fallen by 12%.

The report also confirms a 6.7% reduction in road freight energy use in 2008, reflecting the downturn in construction activity and the economy in general. This compares with strong average growth of 8.2% per annum between 1990 and 2007.

Ireland's total vehicle fleet continues to grow with almost 2.5 million vehicles in the state in 2008, a 2.3% increase on 2007. The majority of vehicles were private cars, accounting for 77% in 2008, while goods vehicles comprised 14% of the total vehicle fleet.

Commenting on the findings of the *Energy in Transport 2009* report, Dr Brian Motherway, Head of Strategy, SEI, said; *"Transport is a huge fuel user, accounting for more than one third of Ireland's total primary energy demand. The 2009 Energy in Transport report allows us to see both the longer term trends since 1990 and the newer trends which are now emerging. Obviously, we can see how the economic recession is changing things, particularly with a notable decline in road freight activity."*

Dr Motherway continued; *"The car tax changes have altered our car buying patterns, and we expect to see this holding firm when the sector recovers and purchasing grows. It is positive to see that this policy intervention is succeeding in encouraging consumers towards more energy efficient cars. However, transport remains a significant sector for energy use and carbon emissions, and needs a continuing focus."*

A full copy of the report can be found at www.sei.ie

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About SEI:

Sustainable Energy Ireland (SEI) is the statutory authority charged with promoting and assisting the development of sustainable energy. SEI is funded by the Irish Government under the National Development Plan, with programmes part-financed by the European Union.