EUROPEAN TYRE & RUBBER manufacturers' association

# ETRMA[1] Position Towards sustainable mobility for cars and light duty vehicles

*Brussels, September 2017*

## Executive Summary

**The EU tyre market is today the most technologically advanced in the world and tyres are the most stringently regulated parts on the vehicle in the EU.**

Tyres are an important enabler of sustainable mobility as they are the only point of contact between the vehicle and the road and this is no larger than the surface of a postcard for a passenger car. Mainly because of their rolling resistance (RR). **Tyres account for up to 30% [HDVs], 20% [Cars] and 10% [LDVs] respectively** of **the fuel consumption of vehicles (w**hen tyres are properly inflated and maintained).

The **European tyre industry has been supporting the EU institutions** in setting minimum requirements for specific tyres performances, which have an impact on vehicles' overall $CO_2$ emissions, noise and safety. Such performances have also been the object of the tyre labelling regulation, which provides useful information to the consumer. These performances rated in the tyre label are the results of complex engineering developments that consider background antagonistic factors. When efforts are taken to improve tyre RR the effects on other parameters have to be considered in order not to compromise on safety continuous enhancement.

Actions needed to further progress towards sustainable mobility for cars and light duty vehicles:

- **Empower and encourage both consumers and professionals to choose tyres with better performances**: after almost five years from the introduction of tyre labelling, the market uptake of low rolling resistance tyres is still low, as customers still choose their tyres largely on the basis of price considerations (94%).[2] As the Commission underlined in its Communication "Europe on the Move", there is the need to accelerate the shift to clean and sustainable mobility by further improving consumer information and by allowing Member States to better tailor their fiscal measures to promote clean mobility.
- **Adopt a comprehensive and integrated approach to low emission mobility, by involving all mobility actors:** this means also investing in the current road infrastructure to ensure that the interaction between tyre and road is optimal both in terms of rolling resistance, noise emissions and safety performance.
- **TPMS stage 1 should be better implemented and mandatory TPMS on light duty and commercial vehicles should complete stage 1 and allow for better policy assessment across all vehicle categories.** Awareness of the vehicle owner/user in maintaining tyres should also be emphasised as only tyres properly maintained can deliver their best performances.
- **Support the change in skills:** the decarbonisation of transport is one of the drivers of change identified by GEAR 2030[3]. It is expected that this will lead to the need for new skills for the entire value chain of the automotive sector, including for the tyre industry. New products, services and advanced materials will need specific expertise and capabilities to further contribute to the decarbonisation of transport. As a

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[1] **ETRMA** represents 11 tyre manufacturers ((Bridgestone Europe, Michelin, Goodyear Dunlop Europe, Continental, Pirelli, Hankook, Cooper Tires, Nokian Tyres, Apollo Vredestein, Marangoni, Trellborg Wheel Systems) active in Europe with 91 production facilities in 21 member states and 18 research centres.

[2] Viegand Maagoe Final report -review study on the 1222/2009 on the labelling of tyres, March 2016

[3] This confirmed what had previously been identified by the Automotive Skills Council. You can find the report of the Skills Council at this link: http://www.etrma.org/library-2

result, it will be essential for the industry to both invest in the upskilling of its existing employees and to attract young talents with the needed capabilities. This will need to be supported across the automotive value chain by creating an industry standard job framework, establishing upskilling paths recognised across the EU and the value chain, increase the transferability of skills by – amongst others – creating a stamp of quality for non-formal education (e.g. online training), and developing an EU-wide apprenticeship market.

- **Implement proper market surveillance, enforcement and incentives for good performing tyres:** the first joint enforcement action for tyres (MStyr15) was implemented with the support of Prosafe in April 2016 and is still ongoing. This should not remain an isolated initiative, but should become a regular practice. In this context, the market surveillance measures listed in the new type approval framework –- still undergoing co-decision procedure – will be key to improve the current situation.

## What has been the contribution of the tyre sector to reduce light duty vehicle road transport $CO_2$ emissions so far?

### A technologically ambitious industry enabling new regulations on sustainable mobility.

Since the 1990s, European tyre manufacturers have developed technologies lowering fuel consumption and $CO_2$ emissions by **introducing Low Rolling Resistance Tyres (LRRT)[4]**. On this basis, and carefully balancing these developments with parallel ones regarding rolling noise and wet grip, the industry started a dialogue with the EU institutions to see how to regulate these performances, along with achieving a better level of information for consumers.

This work resulted in the following regulations:

- Tyre environmental and safety performances thresholds have been included in the General Safety Regulation (regulation (EC) 661/2009): this imposes rolling resistance (which impacts $CO_2$ emissions) limits, along with wet grip and rolling noise thresholds to type-approve tyres for the EU market. This regulation covers tyres for passenger, light and heavy duty vehicles
- Tyre labelling has also been made mandatory through regulation (EC) 1222/2009: since 2012, labels show consumers the level of rolling resistance, wet grip and rolling noise.

## Towards sustainable mobility

The tyre industry is willing to continue playing an active role in $CO_2$ emissions reduction, but this needs to go hand in hand with a full deployment of existing solutions whose application would allow to benefit fully from the best tyre technologies.

- **Mandatory fitment of Tyre Pressure Monitoring System (TMPS)is necessary to ensure that tyre pressure is optimal in order to fully benefit from the contribution of low rolling resistance tyres to the vehicle's CO2 emissions reduction and lower fuel consumption.**

Regulation 661/2009 requests that all new passenger cars sold after November 2014 are equipped with TPMS, with a Stage II still pending implementation. This further step, needs to be completed in order to fully benefit from improved fuel efficiency – as well as safety – performances.

- **Empowering the consumer to make informed choices**

The market uptake for LRRTs still shows ample margins of improvements, on the replacement market. This can be attributed to:

[4] **LRRT** minimize wasted energy as a tyre rolls, thereby decreasing required rolling effort — and in the case of automotive applications, improving vehicle fuel efficiency. Rolling resistance on the vehicle depends amongst others on tyre design, manufacturing process, road surface, optimal tyre pressure maintenance, load to carry, tread depth.

- economic factors (on average the price of LRRTs is higher and there is lack of economic incentives to buy them),
- poor consumers' awareness about the benefits of using LRRTs,
- This tendency and behaviour is also reflected in the poor tyre service life conditions (e.g.: more than 52% of vehicles with underinflated tyres, according to VacanzeSicure5),

**For this reason, awareness campaign(s)** should be conducted to increase drivers' knowledge of the labelling scheme. The campaigns could be run at national level by Member State Authorities, at EU level by the Commission or both. Awareness campaigns should also provide incentives for industry to innovate even better performing tyres and for dealers to promote the label more efficiently.

In addition, Member States should be encouraged to ensure that their Central Governments as well as local authorities are aware of the requirement to purchase tyres in the highest fuel efficiency and safety class and to include these aspects in their tenders for service contracts in accordance with the requirements in tyre label regulation as well as in Annex III of the Energy Efficiency Directive[6].

These principles are ingrained in the EU Communication *Europe on the Move*, which suggests that there should be "*tools for measures such as improved consumer information in the areas covered by car labelling and allow Member States to better tailor their fiscal measures, and local authorities to use them in schemes to promote clean mobility".* These measures should not be limited to the new framework for emissions standards, but should also promote same -or better - label grades on replacement tyres as on new vehicles. Furthermore, the Communication underlines the role of public procurement to incentivise the creation of markets for innovative tyres, in the highest fuel efficiency and safety classes.

Finally, EU and national authorities should support tyre education campaigns, and ensure that knowledge on fundamental tyre aspects is part of the driving license curricula.

- **Market surveillance and enforcement:**

With regards to enforcement and market surveillance, the industry has long identified the need to carry out such activities in a more regular fashion and in a harmonized manner across the EU. With rogue players entering the European market without respecting its rules, only effective enforcement and market surveillance can ensure the respect of EU tyre legislations. And only the respect of such laws can bring about the attainment of their objectives and the eventual reduction of transport emissions.

This need was recognised by the European Commission, which, in 2015 agreed to fund the Market Surveillance Action on Tyres 2015 (MStyr15). This campaign was launched in April 2016 by PROSAFE and it will last until 2018. It coordinates the activities of 13 EU market surveillance authorities and Turkey and will look at ensuring that the tyres regulatory measures, with regard to safety and energy labelling requirements, are effectively enforced. This is the first action of this kind and ETRMA believes it key to establishing a level playing field in Europe. PROSAFE estimates that the campaign will deliver energy savings of at least 105 GWh/year through removing incorrectly labelled passenger car tyres from the market.

- **Support change in skills**

Based on the recommendations of the European Automotive Skills Council and supported by the strategic assessment of GEAR2030, the decarbonisation of transport was identified as one of the drivers of change leading to future skills needs. The success of the industry to meet present and future challenges is linked to the ability to attract and acquire the right skilled workforce.

The digitalisation and electrification of transport, the constant development and use of new advanced materials, the servitisation of the transport sector and other ongoing and upcoming transformations are changing the nature of the tyre and automotive workforce. Therefore, going forward, there is the need to

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[5] http://www.pneumaticisottocontrollo.it/comunicato.php?id=26
[6] Viegand Maagoe Final report -review study on the 1222/2009 on the labelling of tyres, March 2016

assess the impact of these transformations on the industry and support the deployment of the actions that will be made necessary by these changes.

With 15% of employees between the age of 55 and 64 and with some European countries relying on employees older than 50 years of age, the generational change is the present reality for the tyre and rubber industry. This is both a challenge – as there is the need for a massive transfer of existing skills acquired on the job through years of experience – and an opportunity – as the industry has the chance to acquire workers with these new needed skills.

ETRMA hopes that industry will be supported in this transition through instruments that could enhance the attractiveness of the industry towards young talents that will facilitate the transferability of skills and their mobility across the EU and the value chain and the constant upskilling of existing workforce.

In particular, the following tools are needed:

- A framework of standard job roles
- A sectoral Skills Pass
- Up-skilling paths recognised across the EU and the value chain
- An industry-wide database of eLearning as well as a European standard for their validation
- The identification, documentation, assessment and certification of informal learning.
- Ad-hoc cross-national programmes to attract young talented people to the automotive sector
- An Apprenticeships Marketplace supported by an apprenticeship matching service

The Blueprint for sectoral cooperation on skills for Automotive launched by the European Commission in the beginning of the year is the right step in this direction and ETRMA will contribute to the successful outcome of its work.

## ABOUT ETRMA

- **ETRMA** represents the 13 Europe-based tyre manufacturers: Apollo Vredestein, Bridgestone Europe, Brisa, Cooper Tires, Continental, Goodyear Dunlop Tires Europe, Hankook, Marangoni, Michelin, Nokian Tyres, Pirelli, Prometeon and Trelleborg Wheel Systems.

- More information can be found on *www.etrma.org*

## ABOUT THE EU TYRE INDUSTRY

- **200,000 JOBS** directly linked to the tyre manufacturing industry; about 800.000 jobs depending from the sector
- The tyre industry accounts for **~50 b€**
- **89 tyre plants** in Europe ; **16 R&D Centres**

### *Innovation-Driven market*

- the EU tyre market is the most technologically advanced in the world;
- Each year there are **about 3,5% of its annual turnover invested in innovation**;
- Each company holds around **5000 patents**
- The **tyre** is also the **most strictly regulated** vehicle part in the EU