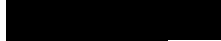
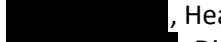
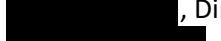
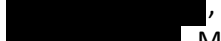




Participants: Henrik Hololei (HH), DG MOVE

 Deputy Director General BDI
 Head of Department Mobility & Transport BDI
 Director BDI Brussels
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Summary: BDI had asked for the meeting with HH to exchange about the European Green Deal.

HH introduced the European Green Deal as key narrative of this Commission, mainstreaming all activities in view of a carbon-neutral EU by 2050. Not all transport sectors will achieve the 90% reduction target of CO₂ emissions though. The planned Strategy for Sustainable and Smart Mobility aims at reducing the environmental footprint of transport in general and at encouraging the use of alternative fuels.

Concerning the reduction of emissions in road transport, HH stressed that we have to maintain technological neutrality. The time pressure to achieve CO₂-reductions pushed for electric mobility, which is a good solution for the air quality in urban areas. But hybrids and hydrogen need to be part of the solution as well. For long-haul road transport, gas could provide an alternative as a transition fuel (as it does in places such as the U.S.). In maritime, LNG is the immediate solution as there is no fossil-free option available for long-range maritime transport at this stage. For aviation, HH announced a framework for SAF with mandatory blending targets and measures to support the uptake of production. The rail sector could accommodate some more traffic with more efficient organization of existing capacity. But beyond that, new infrastructure would be needed which is expensive and difficult to build. The future needs to be a combination of regulatory measures, new business models and behavioral change.

 agreed that we need all available technologies to decarbonise (electric, hybrids, fuel cells, CO₂ neutral fuels). He deplored that first DE was late moving into electric mobility and hybrids; then it is entirely concentrating on electric mobility only. The energy mix in DE is today 20% of electricity and 80% (fossil based) molecule fuels. Although electricity will grow, we will not be able to invert this ratio. That is why we need non-CO₂ molecules for fuel on a massive scale. This is an area where EU still has global technological leadership. BDI deplored that their Climate Path Analysis demonstrates that modal shift has much less potential for CO₂ savings than carbon-neutral fuels, but most investment is going to it. He hoped that the revision of the Energy Taxation Directive will incentivize the development of the latter. He also deplored that car manufacturers are hesitating to invest in non-CO₂ fuel technologies now in order not to jeopardise their electric vehicles (reportedly DE automotive industry says that 'e-mobility must succeed, otherwise they are dead').

The development of carbon-neutral fuels would need massive investments. The main financial burden of decarbonisation in general will probably not be for consumers and businesses but for the public sector (investments in infrastructure, public transport, in public buildings). BDI also pointed to the fact that a 90% emission reduction needs to include Carbon Capture and Storage solutions (CCS) and energy imports from outside the EU.

BDI argued that the planned carbon border tax is not the most suitable instrument to maintain EU products competitive on the world market. BDI has doubts about how to control it and HH would prefer to use traditional trade policy instruments.

BDI promised HH an info package about Australia's green hydrogen project for his visit to Australia in March (Transport Dialogue).