Company cars – policy & trends

PROLIBIC workshop

18/09/2012

Intro

- Promoco

  Within the PROMOCO project, the aim was to gather information on the impact of company cars on daily mobility.

- Prolibic

  In the PROLIBIC project, company cars will be further explored from a more sustainable transport use perspective. The aim is to analyse the impact of recent fiscal policy measures on the environmental-friendliness of company cars.

Research setup

- Approach
  - PLANET model does not include company cars
  - Alternative study to analyse the evolution of company cars with respect to environmental-friendliness
- Key questions
  - Which policy measures have been taken to improve the environmental-friendliness of company cars?
    - Measures 2010
    - New measures 2012
  - What is the impact of these measures?

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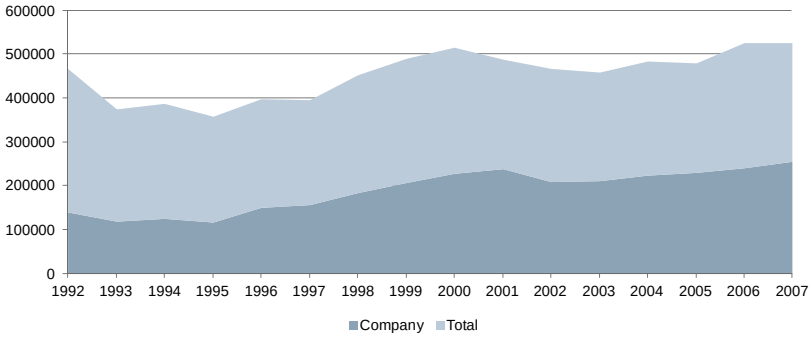
Trends pre-2010

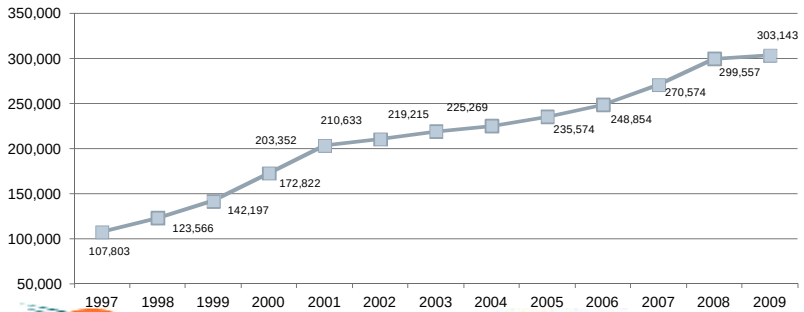


Evolution share of cars registered in name of a company in total amount of newly registered cars

Source: FGOV Mobility and Transport – Febiac, 2008.

Evolution car fleet LT rental contracts

Source: Renta, 2009 & Renta, 2010.



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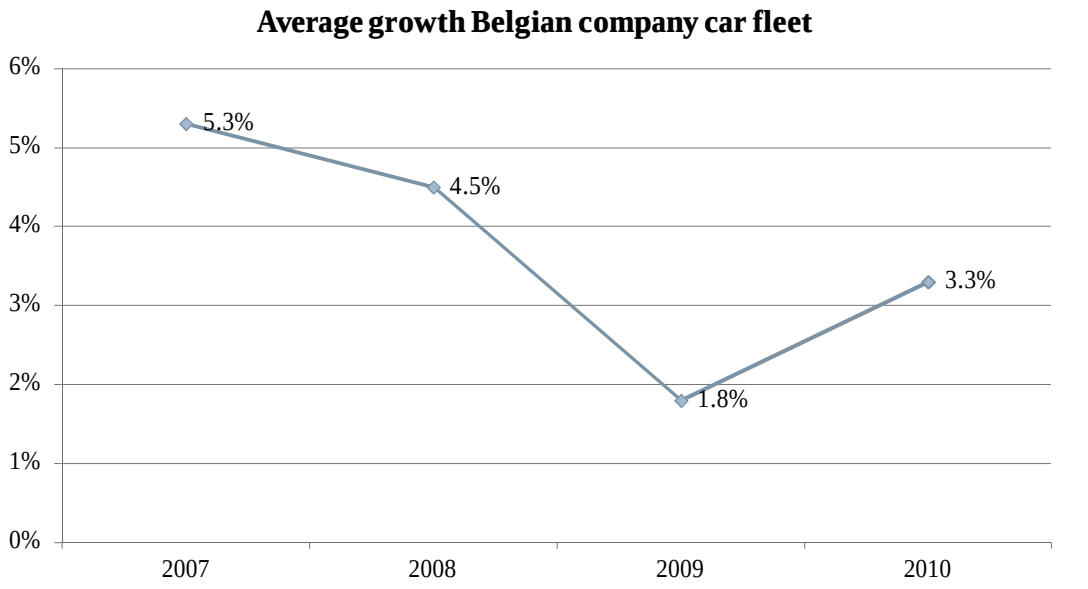
New measures in 2010

As from 01/01/2010:

- Adjustment of solidarity contribution on CC in function of the CO2 emission level of the vehicle
- Adjustment of the fiscal deductibility of company cars in function of the CO2 emission level of the vehicle
- Calculating the 'benefit in kind' based on CO2 emission level instead of on fiscal horsepower

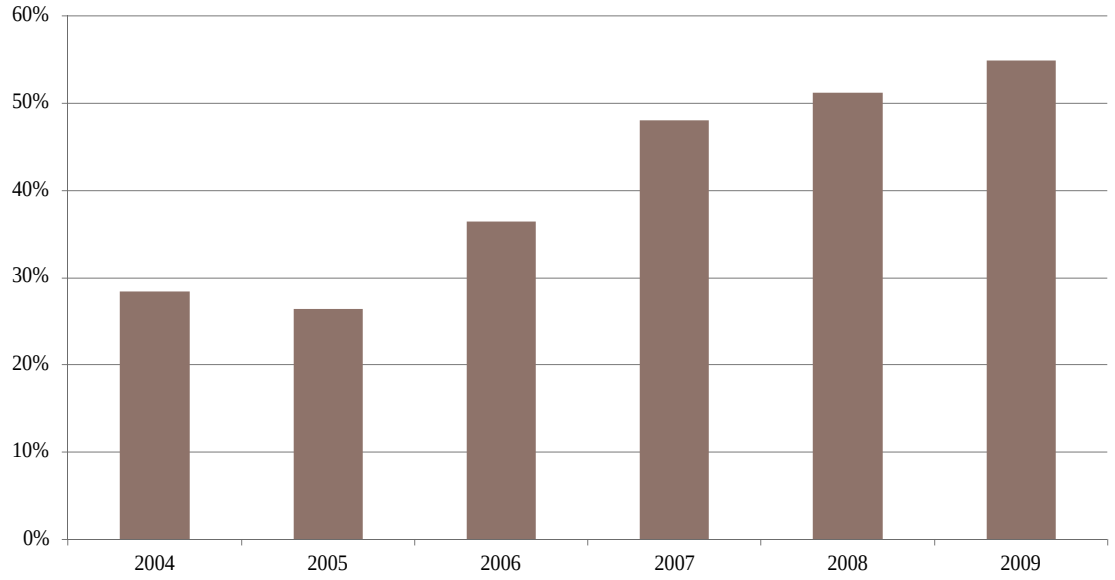
- Economic crisis 2009!!

Effects: fleet size



Source: CVO Barometer 2011, based on Febiac (2010).

Evolution CO_2 gasoline <160g/km



Source: Renta, 2010

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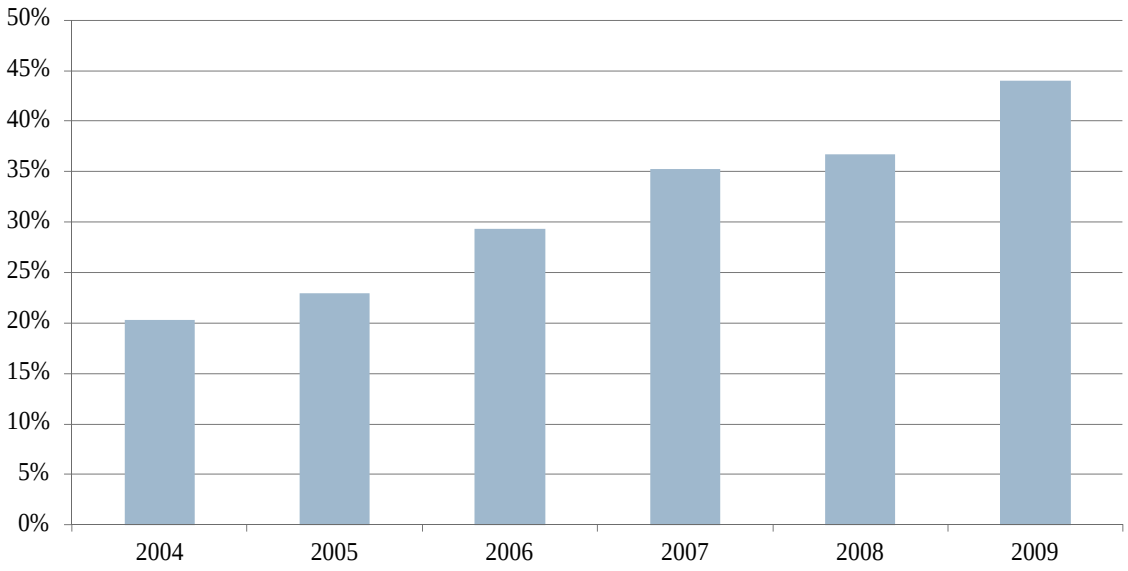
Evolution CO_2 diesel <145g/km



Source: Renta, 2010

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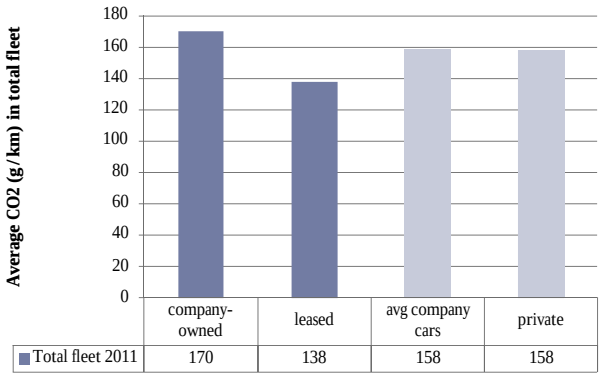
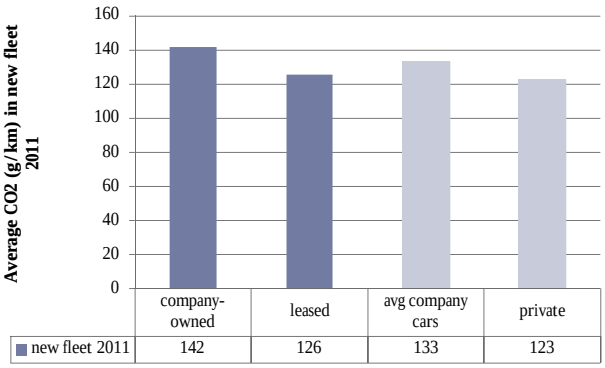
Average CO_2 in 2011





Trends 2010-2011

- Growing attention for the environment triggered by:
  - Fiscal pressure on CO_2 emissions
  - Corporate social responsability
  - Financial crisis
- Trends related to company cars
  - Increase company car fleet growth
  - Decrease average company car CO_2 emission levels
    - Leased CO_2 < company-owned CO_2

New measures in 2012

As from 01/01/2012:

- Benefit in kind: combination of fuel type, CO_2 and list price:

$$BIK(diesel) = \frac{[price \times [[(CO_2 - 95) \times 0.1] + 5.5]/100] \times \frac{6}{7}}{12}$$

$$BIK(gasoline, LPG, CNG) = \frac{[price \times [[(CO_2 - 115) \times 0.1] + 5.5]/100] \times \frac{6}{7}}{12}$$

$$BIK(electricity) = \frac{(price \times 4/100) \times \frac{6}{7}}{12}$$

- Disallowed expenses: 17% of BIK

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New in 2012

- New index solidarity contribution:

$$SC(diesel) = 1.1641 \times \left[\frac{[(CO_2 \times 9\ EUR) - 600]}{12}\right]$$

$$SC(gasoline) = 1.1641 \times \left[\frac{[(CO_2 \times 9\ EUR) - 760]}{12}\right]$$

$$SC(LPG, CNG) = 1.1641 \times \left[\frac{[(CO_2 \times 9\ EUR) - 900]}{12}\right]$$

$$SC(electricity) = 24.25\ EUR$$

- New registration tax (01/03/2012): FL, private and company-owned only

$$RW = \left[\left(\frac{CO_2 \times f + x}{250}\right)^5 \times 4500 + c\right] \times LC$$

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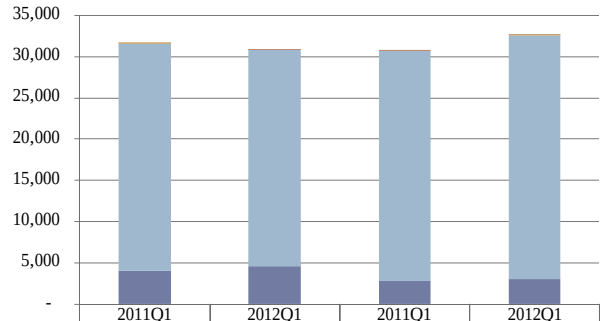
- ! Unchanged since 2010: corporate tax deductibility

CO_2 emission diesel (g/km)	CO_2 emission gasoline/LPG/CNG (g/km)	CO_2 emission 100% electric (g/km)	Fiscal deductibility (%)
		0	120
0-60	0-60		100
61-105	61-105		90
106-115	106-125		80
116-145	126-155		75
146-170	156-180		70
171-195	181-205		60
>195	>205		50

Effects: new registrations Q1

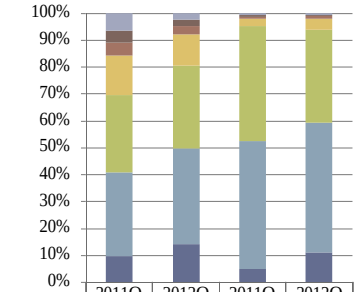
- 2011 vs 2012



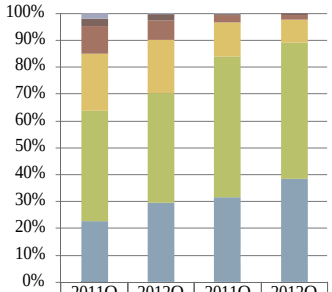
	company-owned		leased	
	2011Q1	2012Q1	2011Q1	2012Q1
electricity	14	77	15	59
CNG	3	5	1	4
LPG	12	15	4	4
diesel	27,544	26,293	27,898	29,509
gasoline	4,019	4,557	2,843	3,057

New registrations per CO_2 class

gasoline vs diesel



	2011Q1 company-owned	2012Q1 company-owned	2011Q1 leased	2012Q1 leased
>250	7%	2%	1%	1%
221-250	4%	2%	0%	0%
191-220	5%	3%	1%	1%
161-190	15%	12%	3%	4%
131-160	29%	31%	43%	35%
101-130	31%	35%	47%	48%
<=100	10%	14%	5%	11%



	2011Q1 company-owned	2012Q1 company-owned	2011Q1 leased	2012Q1 leased
>235	2%	0%	0%	0%
206-235	3%	2%	1%	0%
176-205	10%	7%	3%	2%
146-175	21%	20%	13%	9%
116-145	41%	41%	52%	51%
86-115	23%	30%	32%	39%
<=85	0%	0%	0%	0%

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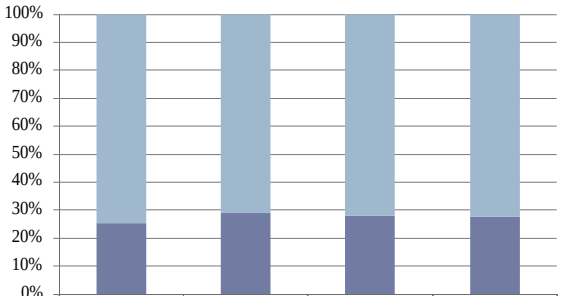
% of premium



	2011Q1 company-owned	2012Q1 company-owned	2011Q1 leased	2012Q1 leased
non-premium	74.5%	70.8%	72.0%	72.1%
premium	25.5%	29.2%	28.0%	27.9%

- Assumption: "premium" = Aston Martin, Audi, Bentley, BMW, Ferrari, Fisker, Infiniti, Jaguar, Lamborghini, Land Rover, Lexus, Lotus, Maserati, Maybach, McLaren, Mercedes, Porsche, Rolls-Royce and Tesla

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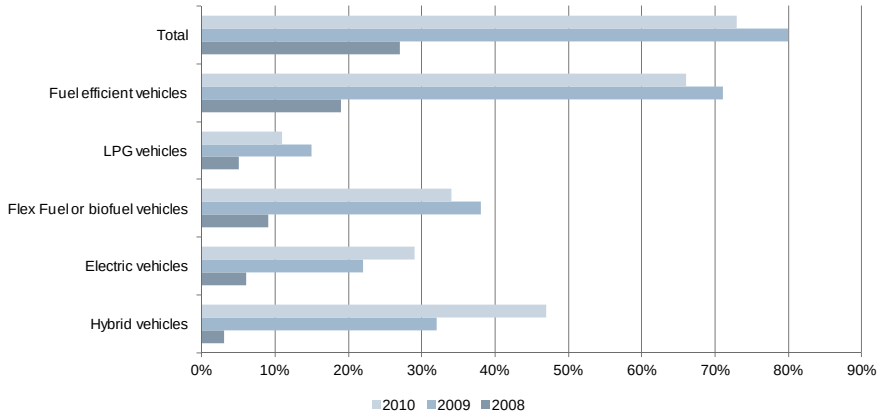
Remarks

- Recent analysis, but recent developments as well
  - High % of cars delivered in 2012Q1 are ordered in 2011
- Effects attributable to
  - Behavioral change?
  - Technological progress (e.g. CO_2)

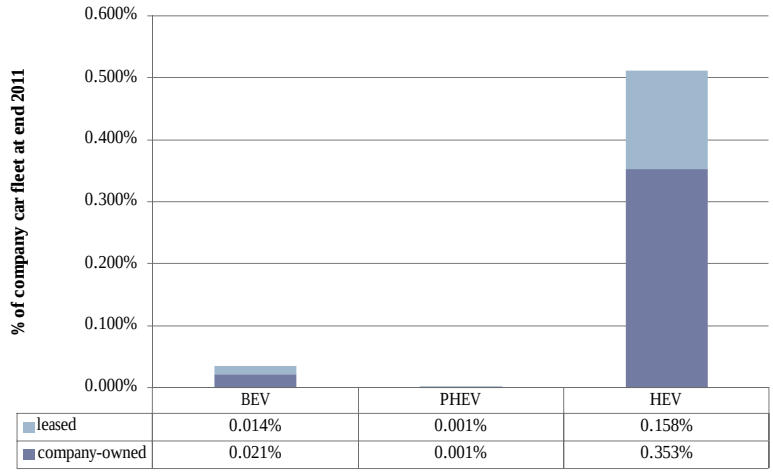
  → combination of measures & external factors

Future prospects

- What fleet managers thought in 2008/9/10
  - Will you use these vehicles in coming 3 years?:



- vs reality end 2011:



	BEV	PHEV	HEV
leased	0.014%	0.001%	0.158%
company-owned	0.021%	0.001%	0.353%

Conclusions

- Company car fleet seems to become cleaner
  - Encouraged by 2 waves of fiscal stimuli
  - Although result of combination of factors
- Adoption of alternative fuels in CC fleet is marginal
- Challenges:
  - High % diesel
  - Induced kms