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Pragmatic and successful decarbonization of road transport The Strategic Role of Sustainable Fuels including Biofuels and Technological Diversity

The global challenge of climate change demands urgent and coordinated action. Achieving carbon neutrality by 2050 is not only an imperative, but also a strategic goal that requires inclusive, science-based solutions across all sectors. For automakers worldwide, the decarbonization of road transport is a common goal, and we continue to advance our efforts towards its achievement.

In November 2022, the International Organization of Motor Vehicle Manufacturers (OICA) released a position paper titled Carbon Neutrality by 2050, a comprehensive framework of specific policy recommendations to support the decarbonization of road transport.

As the OICA framework emphasizes, there is a need for flexibility through multiple technology-open approaches in order to provide practical and sustainable pathways to carbon neutrality by 2050 for all nations. Restricting the transition to a single solution risk overlooking regional realities, infrastructure constraints, and the diverse needs of mobility systems worldwide. To achieve carbon neutrality, measures to reduce CO2 emissions from new vehicles, and also from in-use vehicles, must be pursued. To that end, it is important that technologies be affordably advanced and deployed across a spectrum: for zero-emission vehicles (i.e., battery and fuel cell electric vehicles) which emit no direct CO2, and for internal combustion engine-equipped vehicles that use sustainable, CO2- reducing fuels such as carbon-neutral fuels.

Ahead of the international ministerial meeting on sustainable fuels in September this year, the first to be held in Japan, and COP30 in Brazil this November, the undersigned automobile associations reaffirm the importance of utilizing sustainable fuels to promote decarbonization in the road transport sector. We also look forward to an expansion of the affordable and stable global supply of these fuels.

Sustainable liquid fuels have high energy density, are well-suited for energy transport and storage, and offer an effective, immediate solution for in-use vehicles. In Brazil, large volumes of affordable biofuels, which are beneficial for both the environment and the

economy, are supplied and have achieved significant CO2 emission reductions with high cost-effectiveness. In the Global South, expanding the use of sustainable biofuels in conjunction with agricultural policy not only provides an affordable CO2 reduction option but also contributes to local employment, economies, and energy security. We believe it is crucial for the road transport sector, with its high consumption volume, to support demand for carbon-neutral fuels, which will encourage the energy industry to expand its supply for society as a whole, including the aviation and maritime transport sectors.

When combined with advanced propulsion technologies, such as hybrid systems and fuel cells, sustainable fuels including biofuels can accelerate the shift toward cleaner mobility in both light and heavy-duty applications. This multi-pathway strategy is essential to address the unique challenges of different countries and to ensure that no promising technology is left behind.

For these reasons, the automotive industry will continue to advance a multiplicity of efforts, including electrification and the active introduction of vehicles compatible with these fuels. Governments are therefore expected to provide appropriate policy measures and economic support to relevant stakeholders including energy industry, tailored to the specific circumstances of individual countries and regions.

OICA's Carbon Neutrality by 2050 can be accessed here.

Endorsing organizations:

Brazilian Association of Automotive Vehicle Manufacturers (ANFAVEA)

Japan Automobile Manufacturers Association (JAMA)

Note: We welcome an expanded partnership with like-minded industry associations. If interested, please link to either/any of the associations underlined above.