



FEDERATION INTERNATIONALE DE L'AUTOMOBILE

## **PRESS RELEASE**

### **STATEMENT BY MAX MOSLEY, PRESIDENT OF THE FIA**

**Speaking at the European Union High Level Meeting of the 'eSafety' Forum in Brussels on Thursday 3 February 2005.**

#### **If consumers can have tax breaks for cleaner cars, why not safer cars too?**

"In recent years across the European Union governments have offered a variety of tax breaks to promote cleaner cars and fuels. Reduced VAT rates for catalyst systems, lower fuel duties for sulphur free fuels, and discounted registration taxes for Euro IV models, are all examples of fiscal incentives for green technologies. They have been a good deal for the consumer, offering environmental improvement at a lower price.

"Today there are safety technologies that offer similar improvements to public welfare and yet there have been no fiscal incentives for safety related products. This is a serious omission that is unnecessarily delaying the introduction of systems that can save lives on our roads today. If consumers can have tax breaks for cleaner cars, why not safer cars too? After all, safety should really be considered as another aspect of a healthy and sustainable environment.

"The greatest road safety effort made in the EU over the last decade has been to improve occupant protection during car crashes. Industry has made much progress encouraged by initiatives like the EuroNCAP crash test programme. As a result cars are much safer in a crash than ever before. But it is so much better to avoid the crash in the first place. That is why it is very important now to encourage 'eSafety' technologies that can help to reduce the number of crashes on Europe's roads.

"An impressive 'eSafety' technology available today is Electronic Stability Control, also known as ESP. These systems can compensate driver error by automatically moderating a vehicle's lateral stability through use of ABS and traction control technologies. In this way ESP helps to prevent lateral slides and, in particular, tends to reduce the likelihood of side impact crashes into oncoming vehicles. Today we know that these systems are effective.

“Research carried out by the Swedish National Road Administration based on real accident data in 2000 to 2002 showed that on dry roads the best estimate of ESP effectiveness was 22.1% and 31.8% for wet. Last September the US National Highway Safety Administration published a study which shows that ESP reduced single vehicle crashes in passenger cars by 35% compared to the same models sold in prior years without the technology. For SUVs, with their inherent stability problems, the effectiveness was even greater at 67%.

“At present ESP is being introduced at the upper end of the car market and its penetration into the vehicle fleet is quite slow. In 2003, for example, in the US just 7.4% of their passenger vehicles were ESP equipped. In the same year 15,621 people died in single vehicle crashes in the US. Just imagine if all the cars involved had been ESP equipped, that horrific death toll could have been cut by at least 30%. Similar life saving potential exists here in the EU. And that is why we need urgent action to promote the use of ESP in all new cars in Europe.

“As a result of the Swedish research, their National Roads Authority now recommends that all consumers should buy cars with ESP installed. Market penetration in Sweden is now rising, but we should take immediate action across the EU. Last month the Commission published a proposal for a fiscal incentive scheme for cars that will meet the Euro V emission control standards. Using exactly the same legal and reporting requirements I would propose that the Commission develop a similar scheme for eSafety technologies such as ESP. Clearly such incentives should only be offered to technologies with proven effectiveness, that meet minimum performance requirements, and at a level that is equal to the real product cost. Estimates for this vary but I believe could be as little as 200 to 300€ per unit.

“By offering a fiscal incentive EU Member States would dramatically increase public awareness of ESP and the safety benefits it offers. Inevitably this would accelerate demand for the system’s use, and encourage industry to make it a standard feature across all model ranges (including light transporters, trucks and buses) as soon as possible.

“It would surely be both illogical and morally indefensible to restrict fiscal incentives to environmental technologies alone? What is right for the environment should be right for safety too. So I urge the European Commission to take up the idea for a fiscal stimulus for proven eSafety technologies.”

Paris, February 3, 2005

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