

Industry Leaders Warn: 2040 Climate Ambition and CO₂ Standards for cars and vans must align with Europe's economic and industrial reality

Brussels, 21 October 2025: Ahead of the European Council meeting on 23 October, the European Fuel Manufacturing Industry calls on EU leaders to ensure that Europe's climate and energy policies remain grounded in economic and industrial realities.

In a letter addressed to the EU Member States' Ambassadors, FuelsEurope and its 40 Member Companies set out two urgent priorities: the upcoming 2040 climate target and the CO₂ regulation for cars and vans.

A balanced and achievable 2040 target

The industry warns that the 2040 target must be based on realism, measurable progress, and enabling conditions such as competitiveness, affordable energy, secure supply chains, and investor confidence. It also calls for a transparent review mechanism grounded in clear indicators like industrial output, job balance, trade flows, and EU investment levels.

Liana Gouta, Director General of FuelsEurope, stressed: "To ensure Europe's ambition remains achievable, the 2040 climate target must not be detached from reality,". She added, "We need a framework that safeguards competitiveness, attracts investment, and keeps jobs in Europe. A technology-neutral and predictable regulatory environment is essential to secure both climate progress and Europe's economic strength."

FuelsEurope also highlights the need to strengthen the EU's carbon market through greater flexibility and integration of international credits beyond the current 3% cap, starting from the post-2030 framework. These

credits, together with carbon removals, should be accessible to all ETS sectors and can play a valuable role in achieving net zero. At the same time, enhanced transparency on residual emissions will help identify where further efforts and new policy instruments are needed.

Technology neutrality for clean mobility

On the 2035 ICE ban, FuelsEurope argues for restoring technology neutrality within EU CO₂ standards for cars and vans. Renewable and low-carbon fuels, alongside electrification, should be recognised as valid compliance options to ensure a resilient and inclusive transition.

Liana Gouta stated "the EU's transport decarbonisation will succeed only if it harnesses every technology available, including electrification, renewable and low-carbon fuels, and more, not by closing doors to viable solutions." "By recognising renewable and low-carbon fuels, the EU can decarbonise faster, protect industrial competitiveness, and offer affordable choices to citizens, leaving no one behind."

FuelsEurope urges the European Council to steer the EU towards a climate policy that combines ambition with realism, ensuring that Europe's decarbonisation remains achievable, competitive, and socially fair.

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FuelsEurope, the voice of the European fuel manufacturing industry. FuelsEurope represents, within the EU institutions, the interest of 40 companies manufacturing and distributing conventional and renewable fuels and products for mobility, energy & feedstocks for industrial value chains in the EU.

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