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**Article**

## "Alternative fuels have failed to meet expectations": Six questions to Uwe Kunert

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## SIX QUESTIONS TO UWE KUNERT

# »Alternative fuels have failed to meet expectations«

1. Mr. Kunert, what share of global oil consumption is made up of fuel consumption? Currently, over half of the world's oil is used for transportation purposes, of which roughly four-fifths are used for road transport – which is the focus of our report. Roughly one-tenth (and increasing) is used for air transport; the rest is used for rail transport and maritime traffic.
2. Which countries consume the most fuel? As of now, the most significant fuel consumers are the large and developed industrial countries of the OECD; leading the way is the United States, which alone accounts for one-third of road transport fuel consumption. The largest growth can be observed in the developing countries – especially in the BRIC countries, with China as the biggest consumer. Contributing to this, first and foremost, is the higher number and increased usage of motor vehicles, as well as the expansion of freight, which is transported mainly by road in these countries.
3. What accounts for the regional differences in fuel consumption? It is interesting, for example, that mobility is stagnating, or even declining, among the population of numerous OECD countries. This is especially true for countries that already have high levels of mobility, such as the U.S., Great Britain, and Germany. Along with more efficient vehicles, this lack of growth is leading to a declining demand for fuel. Unlike passenger transport, freight traffic will continue its growth in almost all regions over the long term. This is primarily due to the fact that the international division of labor is increasing, and that rail transport is losing out to road transport when it comes to freight. In addition, the efficiency gains of engines in the case of heavy vehicles are much lower than those in the case of normal passenger cars, which are more strongly regulated in this regard.
4. What are the roles of alternative fuels such as liquefied petroleum gas (LPG), natural gas (CNG), and biofuels? These alternative fuels and drive systems have unfortunately not fulfilled the expectations that we have been placing upon them for decades. Although some European countries consume significant shares of LPG and CNG, the development overall is relatively weak. In Germany, as well, the use of alternative fuels has been increasing only very slowly. In regard to this, it must be said that of course LPG and natural gas are just fossil-derived alternatives to conventional fuels. They also offer few environmental benefits – though they do offer some.
5. Does the promotion of alternative fuels need to be re-regulated? In the Netherlands and Norway, for example, taxes on conventional vehicles are extremely high. However, that makes it possible to tax other drive systems at a lower rate. In Germany, one must consider that the available alternatives – that is, natural gas and LPG – are already being heavily promoted. And although the tax on these fuels is only one-fifth as high as the tax on gasoline, it is having relatively little influence on demand. Thus other measures need to be taken: These include a denser network of filling stations for LPG and CNG; a public that is better-informed about the environmental advantages of these alternative drive systems; and a more attractive product range from the manufacturers of such vehicles.
6. Oil prices are continuing to fall. What are the consequences of this? Persistently high oil prices are not expected for the foreseeable future. As a result, the price of oil will not bring about the end of motor vehicles with combustion engines so quickly. Policy should consider harmonizing the energy taxes with this development as much as possible at the European level, and raising the diesel tax in particular. Germany's energy taxes, for example, have not changed in twelve years. Given the overall price development, this essentially is equivalent a real depreciation of one-fifth.

Interview by Erich Wittenberg



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