



Northern Ireland
Assembly

Windsor Framework Democratic Scrutiny Committee

OFFICIAL REPORT (Hansard)

Regulation (EU) 2024/1257 of the European Parliament and of the Council of 24 April 2024 on Type Approval of Motor Vehicles and Engines and of Systems, Components and Separate Technical Units Intended for Such Vehicles, With Respect to their Emissions and Battery Durability (Euro 7)

16 May 2024

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Members present for all or part of the proceedings:

Mr Philip McGuigan (Chairperson)
Mr David Brooks (Deputy Chairperson)
Dr Steve Aiken
Mr Jonathan Buckley
Ms Joanne Bunting
Mr Declan Kearney
Ms Emma Sheerin
Mr Eóin Tennyson

Witnesses:

Mrs Dorcas Cutrona	Department for Infrastructure
Mr David Gibson	Department for Infrastructure
Dr Chris Hughes	Department for Infrastructure

The Chairperson (Mr McGuigan): I welcome Dr Chris Hughes, director of the Department of Infrastructure's safe; and accessible travel division; Mrs Dorcas Cutrona, head of vehicle policy branch; and Mr David Gibson, from the vehicle policy branch, to brief the Committee on the replacement act. Thank you for your attendance, and —.

Dr Aiken: May I just come in quickly, Chair? You made a statement about the explanatory memorandum (EM) being updated. Do we have any idea when that is likely to happen?

The Chairperson (Mr McGuigan): I presume that we are going to ask that question.

The Committee Clerk: Yes. We are hoping that it will be by 23 May.

The Chairperson (Mr McGuigan): OK. I invite the officials to speak, so it is over to you.

Dr Chris Hughes (Department for Infrastructure): Thank you, Chair and members, for the opportunity to brief the Committee on the regulation. If you are content, I will set out some background and give you an update on the information that we have managed to gather since we previously provided information to the Committee. I will give you a brief explanation of what type approval is and then an assessment of the impact of the regulation on manufacturers and consumers. I will also provide an update that we received yesterday on the timing of the regulation.

Regulation (EU) 2024/1257 is about type approval of motor vehicles and engines and systems — it is basically called "Euro 7" — and that is set out for you in the documentation. We have been in contact with the Department for Transport (DfT) over the last week, and the information that I am providing reflects the position as of the last update that we had, which we got yesterday afternoon. It is the most recent information that we have available for you.

By way of background information, type approval is applied to new vehicles. It is a confirmation that a product that comes off the production line meets the relevant standard required at the time. It is a reserved matter, so DfT oversees type approval for Northern Ireland. Specifically, type approval assesses the Euro emissions standard that is required for a vehicle at that time: currently, it is Euro 6. The proposal is to move to Euro 7. Euro 6 has been around since 2015.

Euro standards for vehicle emissions have been going since 1992, starting, as you would expect, with Euro 1. They tend to be updated regularly as the technology and the requirement for what we expect of vehicles to emit into the atmosphere change. That is an ongoing process. Euro 7, when it is brought in, is expected to be applicable for between five and 10 years, after which, it is expected, it will be replaced by Euro 8. You can have different kinds of type approval now. You can have single-vehicle type approval, which applies to GB, or it can apply to the EU; or a vehicle can have both types of vehicle approval, covering GB and the EU. DfT encourages manufacturers to apply for both. That is the brief background to type approval.

Turning to the impact of the regulation, EU type approval applies to Northern Ireland but not to GB. There is a possibility that GB will set less stringent limits than the EU, so the standards in GB could be lower than they are in the EU through Euro 7. We have been engaging with DfT, as I said, and we were updated yesterday. The latest information that we have from DfT is that it proposes to mitigate the potential divergence by allowing Euro 7 to be accepted for GB approvals, meaning that, if you are approved to the Euro 7 standard, it will be accepted in GB.

GB wishes to move towards zero emissions at the tailpipe by 2035, so the direction of travel is exactly the same here. It is all moving towards minimising emissions from vehicles. However, GB's thinking is that, rather than do one large set of regulations, which Euro 7 proposes, it will move forward on the different aspects individually but towards the same standards. That is the information that we have currently.

I will turn to the impact on manufacturers. As members will be aware, vehicle manufacturing is a global activity. Manufacturers tend to have a customer for the vehicles that they manufacture, and they manufacture towards the standards of the target market that the customer has identified. Manufacturers sell in the Far East, the US and Canada and in Europe, so they are adept at and well used to adjusting and adapting to the relevant standards. Importantly, DfT aims to accept Euro 7 with no additional testing burden, so GB is aiming for there being no additional testing burden on manufacturers so that they are able to sell into GB. While GB standards may lag behind EU standards, there is no expectation that they will exceed them. The Euro 7 will potentially be higher than GB standards. GB may well match the Euro 7 standards, but it has no intention at this point to exceed them.

I will turn to the impact on consumers. I should have made it clear that Euro 7 applies to new cars. Existing cars on the market will not be impacted by it; it is specifically about newly manufactured cars. As manufacturers move towards producing to Euro 7 standards, they will not need to undergo additional testing for the Northern Ireland market, because that standard is what will apply. Generally, what is done Europe-wide can be available in Northern Ireland without additional testing. That will protect choice for the Northern Ireland consumer. Therefore, DfT assesses that the application of the EU regulation will not have a significant negative impact on the everyday life of communities in Northern Ireland.

For the Northern Ireland consumer, not applying Euro 7 would mean that new vehicles for Northern Ireland would need to be retested, because Euro 6 would continue to apply. The market in Northern Ireland for that would be tiny. GB says that it is moving towards accepting the Euro 7 standards, which would potentially leave Northern Ireland as a market working towards Euro 6 with the potential for additional costs and testing for that. Members may be aware from the briefing information that we provided that Euro 7 reduces tailpipe emissions and particulate emissions from braking systems and from the way that tyres impact wheels, particularly for heavier vehicles, such as electric vehicles, which produce more of those emissions. Specific health benefits accrue as a result of moving towards the higher standards, so not applying Euro 7 would mean that Northern Ireland would miss out on accruing those health benefits.

Finally, I will give a brief update on timing. As I said, we received information on the matter yesterday. When the proposal was published, manufacturers fed back that they would have difficulty meeting the original timescale, which required them to meet the standards by 1 July 2025. That proposal has now been put back, and the standard is now expected to be met by 29 November 2026.

Dr Aiken: Is that across all Europe?

Dr Hughes: That is across Europe.

The Chairperson (Mr McGuigan): I ask everybody to ask their questions through the Chair, please.

Dr Aiken: Sorry.

Dr Hughes: That was all that I had to say. We will take questions now or help, if we can.

The Chairperson (Mr McGuigan): That was useful. I will ask you to repeat some of it, given our role. Correct me if I am wrong, but are you saying that the regulation will have no negative impact on consumers and the community at large here?

Dr Hughes: Yes, DfT has given that assessment.

The Chairperson (Mr McGuigan): By not applying the regulation, would there be a small impact when it comes to Euro 7 and Euro 6?

Dr Hughes: There would be an impact, and it may not be small.

The Chairperson (Mr McGuigan): Right.

Dr Hughes: It would mean that, potentially, cars that are manufactured would need to be shown to meet the Euro 6 standard. We had a discussion about that. David might be able to explain the difference between Euro 6 and Euro 7 standards. One would expect them to be backwards-compatible, in that you would think that, if a car met the Euro 7 standard, it would automatically meet the Euro 6 standard, but that is not the case. David, will you give an update on that?

Mr David Gibson (Department for Infrastructure): Euro 6 was launched on 1 September 2015. It affected petrol and diesel cars, with a bigger focus on the nitrogen oxide that diesel vehicles produce. It introduced a liquid agent that was injected into the vehicle's exhaust system to make it cleaner. Euro 7 will mean that the lowest limits from the previous Euro 6 will be implemented across all new petrol and diesel vehicles. There will be stricter limits on emissions of all relevant air pollutants that are already regulated, and there will be new limits for pollutants that are currently unregulated. There will also be a minimum performance requirement on battery durability for electric and plug-in vehicles. That is really to ensure that substandard electric vehicle batteries do not enter the market as well as to improve consumer awareness and confidence. There will also be new limits for whole-vehicle emissions for brake wear and tear. That will mean that there will be low-emission tyres, brake pads, discs and particulate collectors on new vehicles. That is really what Euro 7 will introduce.

Mrs Dorcas Cutrona (Department for Infrastructure): Also, new vehicles that come into Northern Ireland will have to have a minimum of EU type approval, if not dual approval. For new vehicles coming in, the EU type approval will automatically apply. Manufacturers will focus on Euro 7, so, if we were to stay with Euro 6, manufacturers would have a small market in Northern Ireland because they would have to have EU type approval, but the emissions would have to stay at Euro 6 level. That could limit the types of vehicles that come into Northern Ireland and make Northern Ireland's market small and unattractive.

Dr Hughes: And more costly.

Mrs Cutrona: Yes.

The Chairperson (Mr McGuigan): Let me confirm this: not applying the new standards would have a significant rather than a minimum impact. OK. Thank you.

Ms Bunting: Thank you very much, everybody. That was really helpful for us. I have a couple of issues to ask about, if I may.

Obviously, it is welcome that the UK as a whole will accept Euro 7 and that we will not be any different, but there are a couple of issues. Obviously, the explanatory memorandum is still being done up, but I noted that the papers said that there was significant opposition from carmakers on the grounds of cost and impact. There have been issues with the automotive industries in some countries in particular pushing back on the measure; in fact, Italy was mentioned. Where is the EU with where we are as the final picture? Are things likely to change because of pushback from manufacturers and because some countries where manufacturers are based are not happy either? Are things likely to change from what we have now?

Dr Hughes: Our understanding is that the cost issue was raised. That is currently expected to be approximately £250 per car for moving to those standards and £2,000 for a lorry, HGV or larger vehicle. That will be borne by the manufacturer and can, therefore, be expected to be passed on to the consumer.

It is a more rigorous testing standard. We understand that the EU assessment looked at the wider health benefits of the move, so, while the cost of implementing it will be approximately £40 billion, the health benefits that it expects to accrue will be £160 billion, so there is seen to be a net benefit for health but a cost to the industry. When the industry raised its concerns about the implementation of the regulation, those concerns were to do with its ability to manufacture to the standards, rather than their cost. That is the reason, as we understand it, why the delay was brought in.

Ms Bunting: That much I am clear about. The issue is more about the opposition from certain countries and car manufacturers. Is what we have now likely to be the end result, or is it likely to change? That is what I am asking.

Mrs Cutrona: No. It has been adopted by the European Commission.

Ms Bunting: OK, so we are good now: what we have got is what we have got.

Mrs Cutrona: Yes. A lot of the manufacturers' concerns were about their technology and ability to meet the 1 July 2025 deadline. That has now been extended to November 2026.

Ms Bunting: I heard that too. Are they content with that?

Mrs Cutrona: Yes. It was adopted — sorry, I have the actual date — and will come into force on 28 May, so it is this month.

Ms Bunting: Right. I appreciate that it is fine — the UK is accepting it anyway — but, if GB accepts it in piecemeal fashion as opposed to en bloc, what will be the impact in Northern Ireland?

Dr Hughes: GB intends to accept Euro 7 en bloc. It will accept it en bloc but will create its own regulations on a piecemeal basis in order to get to that standard. The impact will be that, if a car meets the Euro 7 standard, it will be good to go on the GB market and on the Northern Ireland market. It is just that the GB standard will move towards that standard more slowly.

Ms Bunting: Is there no concern about that, then?

Mrs Cutrona: As of yesterday, the wording from DfT was:

"we aim to introduce a number of individual measures rather than a whole package (as the EU has chosen to do with Euro 7)".

Dr Hughes: The Euro 7 will be accepted.

Ms Bunting: The likelihood is that manufacturers will manufacture to that standard and that it will then be adopted in GB at some stage.

I will ask a final question, Chair, if I may. What will be the impact on MOTs?

Mrs Cutrona: In advance of the meeting, I contacted the Driver and Vehicle Agency (DVA), and, for it, it will really just be business as usual. Potentially, there will be higher standards for emissions testing, but, from a work perspective, it is business as usual. It will take it in its stride. It will have the equipment to test at that level.

Dr Hughes: The delayed date for the implementation — the Northern Ireland MOT regime kicks in at four years — means that it will be 2030 before the first cars to be tested to this standard roll into MOT test centres. That is business as usual. The DVA will be aware that the regulation is coming in, so, as it does its equipment refreshes, it will be able to take account of that.

Ms Bunting: OK. Ultimately, the primary impact will be an increase in cost, because that will be passed on to the consumer from the manufacturers, but will that essentially be continent-wide?

Dr Hughes: Yes.

Ms Bunting: Thank you.

Mr Brooks: In your presentation and your response to Joanne, you spoke about the fact that the UK will accept Euro 7 en bloc. You also commented on the fact that GB may decide to introduce lower standards but would not go higher. How does it line up if it is going to accept Euro 7 while leaving itself wiggle room to go lower?

Mrs Cutrona: Going by the feedback that we got from GB, it is unlikely to go lower, but it will introduce the standards through a staggered approach. It is at Euro 6 at the moment and has informed us that it is working towards the Euro 7 standards. It will be a staggered approach rather than a case of just buying into Euro 7 en bloc.

Mr Brooks: You said that a lot of the major manufacturers will adopt Euro 7 and the dual regulation and so on by choice but that DfT is encouraging people to go for the dual standard. Are there known manufacturers who will not do that? Are we aware of their significance?

Mrs Cutrona: I have asked similar questions of DfT. It said that there had been limited feedback from manufacturers. DfT is encouraging manufacturers to go for dual type approval. Some manufacturers may opt not to do that. However, most vehicles will have a customer base, and the manufacturer will know where its customers are based, so it will type approve to wherever that is.

Mr Brooks: I understand the idea that, if you are trying to sell to as big a market as possible, you will go for the highest level of regulation. I am just trying to understand how it works when there are manufacturers that serve only the UK. If those manufacturers exist, I guess that the impact on Northern Ireland would be that what they produce would not be available to consumers in Northern Ireland: is that right? If we bring this in and manufacturers in the UK — GB — do not manufacture to those standards, their product could not enter Northern Ireland: is that right?

Mrs Cutrona: Yes.

Mr Brooks: Yes.

Mrs Cutrona: There is a limited number of manufacturers in Northern Ireland, but Northern Ireland manufacturers — I am thinking of the likes of Wrightbus and whatever — decide what market they will sell to. They will have the choice of type approval to manufacture to, whether that be GB approval, EU approval or dual approval.

Dr Aiken: I congratulate you on your evidence. We have not necessarily had the same approach from other Departments, so you are to be commended for that. Thank you very much.

My question builds on the other two questions. Am I correct that, on 29 November 2026, if a vehicle does not meet Euro 7 standards, it cannot be imported into Northern Ireland?

Mrs Cutrona: Yes.

Dr Hughes: If it is a new car, yes.

Dr Aiken: There will be a ban on non-Euro 7 vehicles.

Dr Hughes: Yes.

Dr Aiken: Have we had any discussions with the car dealerships about the implications of that or other issues?

Mrs Cutrona: DfI has not, because type approval is a reserved matter and is covered by DfT. We have not had any direct engagement with local vehicle dealerships. DfT may have had some, but, again, I am not sure how much. I have asked DfT to let us know what kind of feedback, if any, there has been from manufacturers on the type approval registration process. To date, DfT has not come back to me.

Dr Aiken: Has DfT indicated that any UK manufacturers will not manufacture to Euro 7 standards?

Mrs Cutrona: I do not know the answer to that question. I am aware of one manufacturer based in Sunderland that will focus only on GB type approval. That suggests that, at this point, it will not necessarily manufacture to the Euro 7 standard.

Dr Aiken: Are you telling me not to buy a Nissan? *[Laughter.]*

Mrs Cutrona: Well, you could buy a Nissan from Europe. *[Laughter.]*

Dr Aiken: Thank you. That is fine.

Mr Tennyson: For clarity, this applies to new rather than used vehicles, so there will be no issue with, for example, importing used vehicles from GB.

Mrs Cutrona: Yes.

Mr Tennyson: OK. I will build on Joanne's questions. We have talked a bit about the impact on the automobile industry more broadly across Europe, but our primary concern for our purposes is the impact on the community in Northern Ireland.

Let us think about the community's interaction with vehicles. You have the point of purchase. I think that you said that there may be a cost implication but manufacturers are likely to comply with Euro 7 irrespective of whether Northern Ireland adopts the regulation, so we will be inconsequential in that. Joanne dealt with MOT tests. The other area of daily life in which people may have interaction with this is vehicle repairs. Article 4 deals with after-market replacement parts. Is it fair to say that that is likely to have a small but positive impact on consumers here?

Dr Hughes: The improvement in standards and in the longevity of the batteries is likely to improve consumer confidence, particularly in the market for used electric vehicles. I am not sure about maintenance. Dorcas, do you have any information on that?

Mrs Cutrona: No, I have not. Sorry.

Mr Tennyson: That is no problem. I think that there are some provisions for encouraging competition and preventing situations in which people have to go to the manufacturer for certain parts. My understanding is that that would, generally, be positive for competition.

Dr Hughes: Certainly, more competition would be positive for consumers. I do not know how that applies to this, to be honest.

Mr Tennyson: That is no problem at all. The final part of the life cycle is when someone goes to sell their car. The only potential issue may be around divergence from GB, but you say that we do not expect any issues in that regard either.

Mrs Cutrona: This is purely for new vehicles.

Dr Hughes: Cars.

Mr Tennyson: So there would be no impact on selling a car.

Dr Hughes: No.

Mr Tennyson: That is me. Thank you very much.

The Chairperson (Mr McGuigan): OK. Thank you very much.

Dr Hughes: Thank you for the opportunity.