Policy Brief

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Fleet Power: How Corporate Vehicles Can Drive Europe's Clean Industrial Deal

THE CORE PROBLEM

- **Corporate fleets dominate new vehicle registrations** and offer the fastest route to large-scale emissions reductions.
- **Zero-emission uptake in fleets remains constrained** by costs, residual-value uncertainty, and infrastructure gaps rather than vehicle supply.
- **Fragmented national fiscal regimes** weaken market signals and undermine the EU-wide second-hand zero-emission vehicle (ZEV) market.
- Without targeted EU action **during ongoing fleet-renewal cycles,** combustion vehicles will remain in circulation well into the 2030s, **undermining climate targets and European industrial competitiveness.**

WHERE THE EU STANDS

- The European Commission is preparing a **Regulation on Clean Corporate Vehicles** under the Clean Industrial Deal to complement supply-side CO_2 standards with more coherent demand-side measures.
- The 2024 consultation revealed **divergent stakeholder positions**: cities and several major companies support EU-level action, while many firms warn that targets could outpace infrastructure and impose disproportionate burdens on SMEs.
- To improve feasibility, the Commission plans **parallel enabling measures**: the European Clean Corridor to expand depot, logistics and corridor charging; streamlined permitting; and strengthened grid planning.
- The Regulation's impact will depend on these support measures progressing quickly; imposing stringent obligations without credible enabling conditions risks **slow adoption and political backlash driven by concerns over fairness, cost concentration, and feasibility.**

WHAT WE RECOMMEND

- **Focus obligations on actors with the greatest leverage**:
  - ⇒ Require large fleet operators and major leasing/rental companies to take the lead.
  - ⇒ **Exclude SMEs**, whose financial constraints and slower turnover make mandatory requirements disproportionate.
- **Adopt one clear, predictable obligation** to create market certainty:
  - ⇒ A minimum share of ZEVs in new registrations, starting in 2027 and rising gradually toward existing CO_2 milestones.
- **Differentiate by vehicle segment**, ensuring obligations never outpace technological readiness:
  - ⇒ Cars and light vans follow the full trajectory from 2027.
  - ⇒ Heavy-duty vehicles enter later, with binding steps activated only once sufficient depot and corridor charging is confirmed.
- **Mobilize leasing and rental companies as transition multipliers**:
  - ⇒ Apply the same ZEV-share obligation to these operators, with temporary flexibility where infrastructure is demonstrably lacking.
- **Keep compliance simple, credible and fair**:
  - ⇒ Use a standardized, minimal reporting template and verification via national registration systems.
  - ⇒ Support industrial resilience through a **flexible Eco-Score** rather than rigid local-content requirements.
  - ⇒ Require Member States to align fiscal regimes so that ZEVs become the **financially advantageous choice**.