

Sustainable and Smart Mobility Strategy **European Commission open public consultation**

Leasing and automotive rental as shared mobility player

Cars, vans and taxis remain the primary mode of transportation. Shared and flexible models of vehicle usage are key to shifting consumer behaviour towards a more sustainable and smart mobility. Automotive rental and leasing accounts for 47% of newly registered vehicles purchased in Europe, with a running fleet that is substantially cleaner compared to all vehicles registered in the EU, with vehicles meeting the last environmental and safety standards. Approximately one third of all vehicles entering the second-hand market are supplied by our members, which has an overall positive effect on emission levels.

The sector is currently in a transition period as vehicles are still considered part of the air quality problem and some cities do not see vehicles as part of the solution at all (e.g. bans, access restrictions). Vehicle sharing is at present facing issues such as low utilisation rate (low demand during the week vs high demand during weekends) and operational issues (maintenance, insurance liability...), taxation (e.g. corporate car sharing for private use might be taxed, fully-electric vehicles might also be taxed in the future).

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Furthermore, EU regulations and especially national taxation and municipal levels initiatives (UVARs etc.) are setting targets for the industry to adapt. In order to meet them, a gradual shift of the current leasing and rental business is the most viable possibility.

When providing vehicles for shared use, our industry faces competition from other players in the market, be them commercial integrators for municipal transport, or transit operators themselves entering vehicle hire and car share space, peer to peer models. We believe that standards should be set in order to level the playing field regarding, inter alia, taxation, safety/emissions standards and preferential access e.g. airports.

Despite these issues, rental and leasing have already become a viable alternative to traditional ownership (in line with a circular economy consumption model); growing multi-modal collaboration between operators with efficient integration of public and shared transport modes; new technologies will be embraced and supported that enhance sector growth; helping reducing congestion, CO2 impact and improve air quality (public health and environment key drivers).

Public policies should be supportive in facilitating rental, leasing and sharing models as part of the solution at EU, national and municipal levels. The operational implementation of local initiatives that limit vehicle traffic in certain areas (vehicle access restrictions) in cities still requires careful consideration in order to ensure an optimal balance between air quality objectives and accessibility for business and consumers.

Enabling shared mobility and multimodality

The leasing sector is an important part of a “green” shift of the European economy in line with the European Green Deal and the new Circular Economy Action Plan.

But nowadays, operational problems are faced by sharing mobility operators. Cross-border sharing mobility is not fully possible at the moment, e.g. leaving a car rental/car share beyond the border is very costly and this is due to national policies preventing foreign plates to access the country for long-term periods to avoid the risk of bypassing national registration taxation. Other operational problems might be linked to having access to all sort of data (APIs, timetable, position of the vehicles...). In order to enable shared mobility services and multimodality (reducing private ownership of the car and moving towards sharing economy behaviour) all these operational costs should be lowered down as much as possible, which means decreasing entry barriers for new market players. The standardisation issue is being tackled by the European Commission through the Delegated Act implementing the Multimodal Information Services and we support the idea of sharing static and dynamic data such as transit timetable in order to enhance seamless multimodality. In similar vein, issues related to access to in-vehicle data for third parties (such as leasing and rental operators) should be properly regulated.

With regards to the handling of private data, we reiterate our concerns regarding an excessive burden for fleet operators deriving from Guidelines 1/2020 on processing personal data in the context of connected vehicles and mobility related applications. Shared mobility providers may not be able to erase personal data that remains stored in the vehicles’ dashboard and therefore should not be responsible for it.

While being leasing and renting already the main drivers of electrical car adoption in many countries with our Members acquiring on average over 80 % of the overall electric vehicles in the European market, it is also relevant to acknowledge that transitioning to more sustainable and green options of mobility such as electric vehicles will require public incentives (to be assigned not only for the outright purchase of a vehicle but also covering leasing products). This is true also for the reinforcement of electrical charging facilities across Europe, such as superchargers, which can also facilitate market uptake.

Finally, bringing more clarity on liability issues in multimodal trips would incentivise adoption by both providers and users of multimodal transport options and help Mobility as a Service to thrive.

About Leaseurope

Leaseurope brings together 46 member associations representing the leasing, long term and/or short term automotive rental industries in the 32 European countries in which they are present. The scope of products covered by Leaseurope members' ranges from hire purchase and finance leases to operating leases of all asset categories (automotive, equipment, machinery, ICT and real estate). It also includes the short term rental of cars, vans and trucks. It is estimated that Leaseurope represents over 90% of the European leasing market.

Asset finance and leasing markets have developed to respond to business investment and consumption needs as well as to accompany the development of local industrial production and distribution. The types of institutions represented by the Federation include specialised banks, bank-owned subsidiaries, the financing arms of manufacturers as well as other, independently-owned institutions.

In 2019, the leasing firms represented through Leaseurope's membership helped European businesses and other customers invest in assets that is estimated worth more than 407 billion EUR, reaching about 919 billion EUR of outstandings at the end of the year^[1]. Leasing is used by more European SMEs than any individual category of traditional bank lending taken altogether (around 43% of all European SMEs make use of leasing which is more than any other individual form of lending)^[2] and is also popular amongst larger corporates^[3]. Leasing is also useful to support the public sector (e.g. leasing to schools, hospitals, etc.).

Leaseurope is entered into the European Transparency Register of Interest Representatives with ID n° 430010622057-05.

More information at www.leaseurope.org

^[1] Leaseurope 2017 Annual Statistical Enquiry

^[2] Oxford Economics, *The Use of Leasing Amongst European SMEs*, 2015; European Investment Fund, *The importance of leasing for SME finance*, 2012; European Central Bank, Survey on the Access to Finance of Enterprises in the euro area, June 2018

^[3] European Central Bank, Survey on the Access to Finance of Enterprises in the euro area, June 2018