

# Win for carmakers: EU drops ban on combustion engines

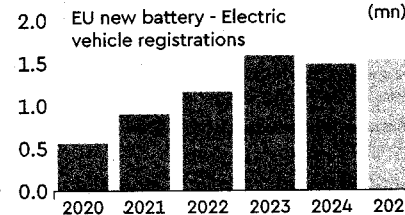
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**THE EUROPEAN UNION** is set to propose softening emissions rules for new cars, scrapping an effective ban on combustion engines following months of pressure from the automotive industry. The proposal will allow carmakers to slow the rollout of electric vehicles in Europe and aligns the region more closely with the US, where President Donald Trump is tearing up efficiency standards for cars put in place by the previous administration. Globally, automakers are struggling to make the shift profitable, with Ford Motor announcing it will take \$19.5 billion in charges tied to a sweeping overhaul of its EV business.

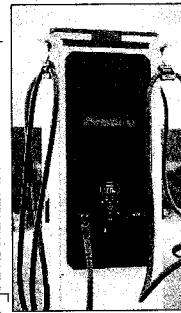
The European stepback — to be unveiled on Tuesday — follows a global pullback from green policies as economic realities of major transformations set in. Mounting trade tensions with the US and China are pushing Europe to further prioritise shoring up its own industry. Although the bloc is legally bound to reach climate neutrality by 2050, governments and companies are intensifying calls for more

## A STEP BACK

Sales slow as government roll back incentives EV's registered



Source: European automobile manufacturers' association; bloomberg



flexibility, warning that rigid targets could jeopardise economic stability.

Under the new proposal, the European Commission will lower the requirements that would have halted sales of new gasoline and diesel-fueled cars starting in 2035, instead allowing a number of plug-in hybrids and electric vehicles with fuel-powered range extenders, according to people with knowledge of the matter.

Tailpipe emissions will have to be reduced by 90% by the middle of the next decade compared with the current goal of a 100% reduction, said the people, who asked not to be identified because talks on the proposal are private. The commission will set a condition that carmakers need to compensate for the additional pol-

lution by using low-carbon or renewable fuels. The European Commission declined to comment.

The proposal is set to be adopted by EU commissioners on Tuesday and will then be discussed by the European Parliament and by member states in the EU Council. Each institution has the right to propose their own amendments and the final shape of the measure will be negotiated in the so-called trilogue talks, which will involve the parliament, the council and the commission.

**BLOOMBERG**

## Ford retreats from EVs, takes \$19.5-bn charge

**FORD MOTOR HAS** said that it will take a \$19.5 billion write-down and is killing several EV models, in the most dramatic example yet of the auto industry's retreat from battery-powered models in response to the Trump administration's policies and weakening EV demand. The Dearborn, Michigan-based company said it will replace the fully electric F-150 Lightning with a new extended-range electric model that uses a gas-powered engine to recharge the battery. The company is also scrapping a next-generation electric truck, codenamed the T3, as well as planned electric commercial vans.

**REUTERS**

