



Dual-Benefit Stimulus for Germany: Transport

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The 130 bn € German recovery and relief programme comes in two parts

A: Stimulus and crisis response package

- VAT lowered from 19% to 16% until end 2020
- Public transport plus 2,5 bn € via Länder
- Enhanced possibility for the Länder to support public transport

B: Future package

- Worth 50 bn €

Commented in the following:

1. Supporting the **demand** for electric and efficient vehicles
2. Supporting the **supply** of e-mobility and mobility services
3. Support for **public transport and infrastructure**

1. Supporting the demand for electric and efficient vehicles (1/2)

Agora Verkehrswende proposal

- **Boost purchase premiums for battery electric vehicles**
- **Conditional purchase premiums for plug-in hybrids:**
only if more than 50% electric usage
- **Extend purchase premiums for light commercial vehicles up to 7.5 tonnes** – targeting small enterprises
- **Boost support for charging infrastructure at homes and work places**

What's in the stimulus package

- **Doubling the federal part of the purchase premium for EVs from 3,000 € to 6,000 €** Total: 2.2 bn €
- **Favourable EV company car taxation (0.25%):** price cut-off increased from 40k € to 60k €
- **Usage of plug-ins to be discussed** by the National Platform on the future of Mobility (NPM)
- **Fleet renewal programme** for craftspeople and SMEs, for electric commercial vehicles up to 7.5t
- **Fleet renewal programme** for social services to boost electric mobility Total: 200 m €
- **Extra 500 M € for charging infrastructure**

Not in the stimulus package

- **Unconditional car purchase premiums or scrappage schemes**

1. Supporting the demand for electric and efficient vehicles (2/2)

Agora Verkehrswende proposal

- **Vehicle tax reform towards a bonus-malus system, bonus element advanced in time**
 - combines speed and effectiveness with social fairness
- **Innovation competition for rural mobility**

Up to 100 demonstration projects for new mobility and technology concepts in a rural environment

What's in the stimulus package

- **Reorienting the vehicle tax** towards CO2 emission levels, rising step-wise above 95g/km
 - proposal now out though modest in ambition
 - works on the annual circulation tax, no upfront registration tax

2. Supporting the supply of e-mobility and mobility services

Agora Verkehrswende proposal

- Enhanced support for battery and battery cell manufacture
- State investment fund for start-ups
- Qualification programmes in the car industry
- Innovation corridors for new heavy duty vehicle drive technologies

What's in the stimulus package

- Enhanced R&D budget for electric mobility 500 m €
- Support for battery cell manufacture 1.5 bn €

3. Support for public transport and infrastructure

Agora Verkehrswende proposal

- **Support modern bus systems in cities:** “Trams on wheels” could create public transport capacity fast
- **Digitization initiative in public transport for mobility services and demand management:** mobility alliances help making public transport more attractive while supporting the sharing market
- **Build up personnel capacity for transport planning and permitting**

What’s in the stimulus package

- **Federal investment in a Bus and truck fleet modernisation programme** to boost alternative drive systems
- **Increased support for electric buses and their charging infrastructure until end 2021**

1.2bn €

Thank you for your attention!

<https://www.agora-verkehrswende.de/en/publications/dual-benefit-stimulus-for-germany-50-measures-for-a-green-recovery/>

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