Dual-Benefit Stimulus for Germany: Transport

Günter Hörmandinger
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

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<tr>
<th>Agora Verkehrswende proposal</th>
<th>What’s in the stimulus package</th>
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<tr>
<td>• <strong>Support modern bus systems in cities:</strong> “Trams on wheels” could create public transport capacity fast</td>
<td>• Federal investment in a Bus and truck fleet modernisation programme to boost alternative drive systems</td>
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<td>• <strong>Digitization initiative in public transport for mobility services and demand management:</strong> mobility alliances help making public transport more attractive while supporting the sharing market</td>
<td>1.2bn €</td>
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<tr>
<td>• <strong>Build up personnel capacity for transport planning and permitting</strong></td>
<td>• Increased support for electric buses and their charging infrastructure until end 2021</td>
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Thank you for your attention!


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