

Germany unveils new EV-focused mobility plan

Angela Merkel's government has approved a €130 billion package that includes €6,000 subsidies for EV purchases.

Germany will double its current subsidies to €6,000 (\$6,720) on electric vehicles that cost up to €40,000 in what is a major show of support from Angela Merkel's government to the EV industry, reports Reuters.

As part of a €130 billion package approved by the German government to boost the country's economy and reach climate targets, €2.2 billion will be handed to users to acquire battery-powered cars while suppliers will receive another €2 billion for research and development.

Despite electric cars only making up 1.8% of new passenger car registrations last year in Germany, with diesel and petrol cars accounting for 32% and 59.2%, respectively, the new mobility plan could require all petrol stations to install EV chargers.

Higher taxes will be placed vehicles with a heavy consumption of petrol and diesel such as SUVs and sports cars.

A measure that will benefit combustion engines is the reduction of value-added tax from 19 to 16% from July 1 to December 31, 2020. With a calculated sum of €20 billion, this is the largest single item in the economic stimulus package, according to [electrive.com](https://www.electrivedrive.com).

Private and municipal operators will receive a total of €1.2 billion through a bus and truck fleet modernisation program to switch to alternative drive systems.