

Capacity building workshop on Effort Sharing Regulation

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The French Bonus-Malus system : lessons, successes, challenges



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Overview of the financial incentives for cars and light duty vehicles

■ Bonus

- Premium for the purchase of a new vehicle that emits no more than 20 gCO₂/km
 - 6000€ for private persons purchasing vehicles under 45 000€
 - 3000€ for private persons purchasing vehicles between 45 and 60 000 € and for legal entities
 - No premium for vehicles above 60 000€, except for light duty vehicles and hydrogen cars

■ Malus

- Based on CO₂ emissions (only for cars and pick up trucks)
- Starting at 50€ for 110g CO₂/km up to 20 000€ above 184g CO₂/km

Overview of the financial incentives for cars and light duty vehicles

- **Scrappage scheme to replace an old vehicle by a cleaner one**

- The amount of the premium is between 1500 and 5000 € and depends on:
 - Emissions of the purchased vehicle
 - Household income
 - Distance travelled per year
 - New or second hand vehicle
 - Autonomy of PHEV

➔ These incentives (bonus, malus, scrappage scheme) act on both supply and demand:

- They steer consumer choice towards cleaner vehicles
- They encourage manufacturers to design vehicles that meet this demand and to innovate



Objectives

- European objective: average emissions of new cars will be 95g CO2/km in 2020
- 2022:
 - Sales of electric vehicles x5 (compared to 2017)
 - Fleet of 1 million BEV + PHEV
 - Ratio of 1 charging point for 10 vehicles = 100 000 public charging points
 - Scrappage scheme: 1 million premiums granted within the period 2017-2022
- France committed to end sales of cars emitting greenhouse gases by 2040 and to reach carbon neutrality by 2050

Results

■ Effectiveness:

- Since 2018, more than 612 000 premiums granted for people replacing an old vehicle
 - 1,2 billion €
- More than 50 000 premiums granted for low emission vehicles (<20g CO2/km) in 2019
 - 305 M€ in 2019

■ Social impacts of the scrappage scheme:

- Nearly 30% of the beneficiaries are people in the first two income deciles
- 90% of the beneficiaries are low-income people (in the first 5 income deciles)

Results

- **Environmental impacts:**

- Scrappage scheme:

- 11% of the purchased vehicles are electric
 - 1% are PHEV
 - 81% are gasoline cars registered from 2011 onwards
 - 82% of the discarded vehicles are diesel ones with an average age of 19 years
 - In 2018, the scrappage of more than 250 000 old vehicles saved:
 - 440 000 tons of CO₂
 - 240 tons of fine particles
 - 2700 tons of NO_x

Key learning points

- The scrappage scheme aims for several different objectives, that may be hard to combine:
 - Social impact
 - Reduction of CO2 emissions
 - Air pollution control
- Malus efficiency
 - Despite the steady increases in the malus scale and the high rate of vehicles affected by the measure (29,9% in 2018, 33,7% in 2019), CO2 emissions are stable since 2017 (110,9 g/km in 2017, 111,8 g/km in 2018, 111,5 g/km in 2019)



Thank you for your attention

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