

## German carmakers welcome electric car support, see challenges

By Reuters Staff



HAMBURG/FRANKFURT (Reuters) - Leading German carmakers welcomed on Wednesday the government's 3-billion-euro (2.6 billion pounds) scheme to help shift to low-emission cars, but BMW said more charging stations were needed to keep pace with the country's ambitions.

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FILE PHOTO: The logo of German carmaker Volkswagen is seen on a rim cap in a showroom of a Volkswagen car dealer in Brussels, Belgium July 9, 2020. REUTERS/Francois Lenoir

Germany on Tuesday earmarked the cash to help the country's key export industry tackle the coronavirus and climate crises.

German carmakers already face tough competition from Chinese and U.S. rivals in electric mobility, while demand the industry has also been hit by a collapse in demand caused by the COVID-19 pandemic.

Ola Kaellenius, chief executive of Daimler [DAIGn.DE](#), welcomed the government announcement, saying the decisions were "exactly right."

Volkswagen's [VOWG\\_p.DE](#) CEO Herbert Diess also said he was confident Germany could bolster its role as a leading e-mobility market by focusing consumer rebates on electric cars only.

"The measures are working," he said, referring to earlier support that was extended in Tuesday's package.

A central element of the scheme is the allocation of one billion euros to extend to 2025 a consumer rebate for buying electric cars that had been due to end next year.

A further one billion euros will be used for a scrappage scheme for older trucks while another one billion euro fund will finance innovation.

However the new measures come amid a chicken-and-egg dispute about charging infrastructure, as well as over who should pay for it.

Oliver Zipse, CEO of BMW [BMWG.DE](#), said a lack of charging infrastructure was curbing carmakers' ambitions.

Germany needs to build one million charging stations each year if it wants to get 10 million electric cars onto the roads within several years, he said during a discussion organised by Sueddeutsche Zeitung.

"That is now the very big challenge," he said.

Energy industry group BDEW said on Monday, though, that stations had been rolled out quickly this year to reach 33,107, but that many were underused as only 240,000 fully electric cars were on the road.

It calculated that there would have to be 550,000 electric cars to make the existing infrastructure profitable.

BDEW said the financial burden fell too heavily on utilities which built 80% of the total.

Diess said on Monday that Volkswagen would meet emissions goals for 2021 thanks to a mass-production push of electric vehicles, with German factories in Emden and Hanover converted to build electric cars as part of a 73 billion euros investment plan.

BMW has said it plans to offer 25 electrified models by 2023, with more than half being fully electric, and expects their sales to rise on average by 30% a year until 2025.

Zipse said that as long as charging facilities were being rolled out, combustion engines would still be needed. To play off them off against batteries resembled a “bipolar world”, he added.

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