

France unveils 8 bn-euro plan to revive auto sector through electric cars

May 26 2020



France is sinking 8 billion euros into its car industry

President Emmanuel Macron on Tuesday announced an 8-billion euro (\$8.8 billion) plan to revive France's auto industry by making it the European leader in electric cars, in a boost for a sector brought to its

knees by the coronavirus.

Macron said the package would include one billion euros in subsidies for electric and [hybrid cars](#), adding France should be producing a million [green cars](#) annually by 2025.

The "historic" intervention will aim to turn France's rechargeable car industry into Europe's biggest, the president said.

Visiting a car factory in Etaples in northern France, Macron said his government would seek to boost flagging customer demand with a subsidy of 7,000 euros for each individual buying an electric car, 5,000 for each company purchase, and 2,000 per hybrid rechargeable car.

Starting June 1, there would also be an aid of 3,000 euros for converting from a petrol-fuelled car to a less-polluting one—and as much as 5,000 euros to upgrade to an electric vehicle, the president said.

"In total, the state will provide a bit more than 8 billion euros in aid to the sector," said Macron.

France, the home of Renault, Citroen and Peugeot, has seen car sales and revenue slashed by some 80 percent as a result of a two-month nationwide lockdown to curb the spread of the coronavirus, said Macron.

By the end of June, some half a million cars will have gone unsold, compared to the previous season.

"This has never been seen by this sector which represents close to 16 percent of the revenue of our industrial sector," said the president.

The car industry in France comprises some 4,000 businesses and 400,000 employees.

Macron also announced that embattled Renault has agreed to join a Franco-German project to produce electric batteries for the rechargeable [auto industry](#).

Finance Minister Bruno Le Maire has said Renault would need to join the project, which already includes competitor PSA, in order to receive a five billion-[euro](#) government rescue loan.

© 2020 AFP

Citation: France unveils 8 bn-euro plan to revive auto sector through electric cars (2020, May 26) retrieved 2 May 2024 from

<https://techxplore.com/news/2020-05-france-unveils-bn-euro-revive-auto.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--