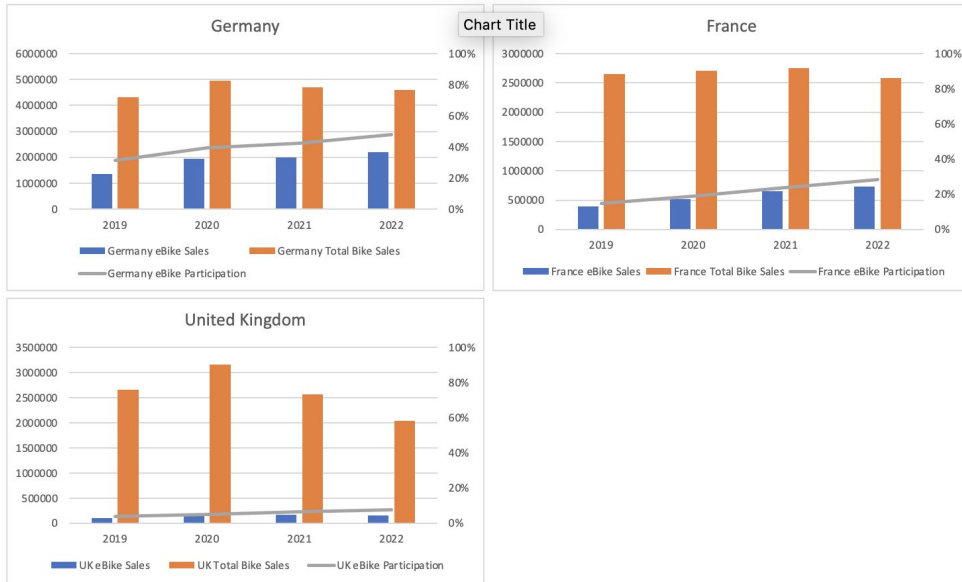




Electric Bike Subsidies - European Focus

APPG Meeting - 22nd January 2024
Lee Kidger

Summary of Market Sizes



- The adoption of eBikes in the UK, against countries in the EU is extremely low (Grey Line)
- Subsidised/purchase schemes are available in plenty of EU countries
- The UK curve is c.10 years behind Germany, with France outperforming all countries in recent years



Electric Bike Subsidies – Overview

- The French government has recently followed through on an earlier commitment to offer any resident a state-funded bike or e-bike subsidy of up to €2,000.
- Germany have a state/locational specific subsidy scheme, mainly around electric cargo bikes – ranging from €500 to up to 25% of the value
- In a study conducted by Sporting Insights for CIE, they found that 24% of interviewed French citizens who had purchased an Electric Bike in the last 12 months had received a government subsidy. Compared to UK (6%), Italy (16%) & Germany (5%). Appendix Slide 9
- According to the ECF there are almost 300 tax incentive and purchase-premium schemes for cycling across Europe, within 33 countries who have National Cycling Strategies



European Best Practice - France

- Last week, the French government's announcement included all modes of bicycle. From tradition bike, to eBike all the way through to eCargo bikes
- Essentially this follows on from the previous car scrappage schemes for eBike purchases (Started in 2021, further enhanced in 2022)
- Caps on the specific bicycle categories are imposed, plus the inability to purchase outdated technology and stipulated is the use of a unique identifier
- Other Adoption pathways are supported by tax free kilometer reimbursements for people that cycle to work
- The French government intend to use these incentives, plus infrastructure and cultural improvements to get more people using alternative transportation to cars



European Best Practice - Germany

- Bike leasing is seen in Germany as a much more important tool to adoption than subsidies. This fiscal policy reform was introduced in 2012 under the 1% tax rule - in its inception was never to promote cycle to work, but more fiscal benefits for all German citizens
- Various comparisons to the UK Cycle to Work scheme can be made - However in reality it is different. Specific research suggests the visibility of the savings to the employee is very important (Source - Synek 2021)
- The major player in the market is Jobrad, who claim to work with 70,000 companies and have over 1 million people riding bikes using their scheme
- Personal leasing also plays a major part in German culture, which lends itself to a higher adoption level



Summary

- Adoption of electric bicycles in the UK is clearly behind EU countries by a considerable amount
- Subsidy schemes seen to have yielded the most positive adoption, mainly from France - Heavily linked to their Cycling & Walking Plan scheme which the government have committed to
- Germany has the largest eBike adoption, both in volume and % participation of all bicycle purchasing - mainly achieved through a strong leasing model alongside a smaller government backed purchase scheme
- Terminology on Cycle2Work/Leasing is an important adoption tactic
- The UK can learn from these countries in how to obtain electric bike adoption, mainly through fiscal stimulation alongside cultural adjustments.
- My opinion - A strong plan in a specific country has lead to adoption of eBikes being heightened



Appendix

France, Germany, Italy & UK

- Incentives

E-BIKE	FRANCE	GERMANY	ITALY	UK
I received no discounts or subsidies	28%	31%	34%	26%
I received a retailer discount	18%	26%	17%	20%
I received a manufacturer discount	10%	11%	11%	16%
I received a subsidy or incentive from my employer	7%	11%	11%	9%
I received a government subsidy	24%	5%	16%	6%
I received a subsidy or discount from another source	7%	1%	3%	3%
I used a payment plan scheme from the retailer	2%	2%	3%	6%
I bought the bike through a leasing scheme	2%	4%	1%	5%

Les aides à l'achat d'un vélo

Les aides à l'achat nationales pour acheter un vélo sont étendues en 2023.

VÉLO CLASSIQUE



Je suis un particulier avec un revenu fiscal de référence par part inférieur ou égal à 6 356 € ou une personne en situation de handicap et j'achète ...

AIDE DE **150 €** MAXIMUM/VÉLO

VÉLO À ASSISTANCE ÉLECTRIQUE



Je suis un particulier avec un revenu fiscal de référence par part inférieur ou égal à 14 059 € et j'achète ...

AIDE DE **300 €** MAXIMUM/VÉLO

VÉLO CARGO, VÉLO RALLONGÉ (LONGTAIL), VÉLO ADAPTÉ À UNE SITUATION DE HANDICAP, VÉLO PLIANT (ÉLECTRIQUE)



AIDE DE **2 000 €** MAXIMUM/VÉLO

VÉLO CARGO, VÉLO RALLONGÉ (LONGTAIL), VÉLO ADAPTÉ À UNE SITUATION DE HANDICAP, VÉLO PLIANT (NON ÉLECTRIQUE)



AIDE DE **2 000 €** MAXIMUM/VÉLO

REMORQUE ÉLECTRIQUE POUR VÉLO



AIDE DE **1 000 €** MAXIMUM/VÉLO

AIDE DE **1 000 €** MAXIMUM/REMORQUE

Je suis une personne morale (entreprise, association, collectivité, ...) et j'achète ...

AIDE DE **1 000 €** MAXIMUM/VÉLO

AIDE DE **1 000 €** MAXIMUM/VÉLO

AIDE DE **1 000 €** MAXIMUM/REMORQUE

Je suis un particulier avec un revenu fiscal de référence par part inférieur ou égal à 22 963 € ou une personne morale (entreprise, association, collectivité, ...) et je me débarrasse d'un véhicule ancien ou polluant (camionnette ou voiture)

AIDE DE **1 500 €** MAXIMUM/VÉLO DANS LA LIMITE DU VÉLO NEUF QUI DOIT ÊTRE ACQUIS PAR UNE PERSONNE OU FORTE DE HANDICAP

AIDE DE **3 000 €** MAXIMUM/VÉLO DANS LA LIMITE DU VÉLO NEUF QUI DOIT ÊTRE ACQUIS PAR UNE PERSONNE OU FORTE DE HANDICAP

1 000 €

AIDE DE **1 500 €** MAXIMUM/VÉLO DANS LA LIMITE DU VÉLO NEUF QUI DOIT ÊTRE ACQUIS PAR UNE PERSONNE OU FORTE DE HANDICAP

AIDE DE **3 000 €** MAXIMUM/VÉLO DANS LA LIMITE DU VÉLO NEUF QUI DOIT ÊTRE ACQUIS PAR UNE PERSONNE OU FORTE DE HANDICAP

1 000 €

1. TOUTES LES AIDES SONT PLAFONNÉES À 40 % DU CÔT D'ACHAT.

2. SEULES LES VÉLOS NEUFS SONT CONCERNÉS PAR LE BONUS.

3. UNE PERSONNE NE PEUT BÉNÉFICIER DU BONUS VÉLO ET DE LA PRIME À LA CONVERSION QU'UNE SEULE FOIS. LES DEUX AIDES SONT CUMULABLES POUR UN MÊME CYCLE.

4. POUR DEMANDER UNE AIDE : WWW.PRIMEALACONVERSION.GOUV.FR





Who am I?

Lee Kidger (35 Years Old)

Previous Experience includes Managing Director of Raleigh UK Ltd. Current experience includes The Electric Bike Shop (TEBS), Sporting Insights, Push Retail and Velolife

Educated to Masters (MBA) level, specialising in data analytics. Dissertation topic was on sustainability practices in business in general, including their supply chains, with a focus on the sporting industry

Key core competencies include commercial and marketing activities, brand building and operational excellence. A real passion for sustainable practices as well as modern human resource management

LinkedIn - <https://www.linkedin.com/in/lee-kidger-75b6629a/>

Attendance

Philip Darnton - Bicycle Association

Chris Last - Chairman C2W Alliance

Jonathan Harrison - ACT

Mark James, Mike Rice

Nick Hellen - Times





Attendance

Yesterday I was invited by Adam Coffman to speak at the All Party Parliamentary Group meeting for Walking & Cycling in (Thanks Adam Tranter for the intro).

The brief was clear - highlight where our European counterparts have benefited from fiscal stimulation within the electric bike subsidy space to highlight the potential for the United Kingdom.

What did I find that was valuable;

- There are over 300 financial schemes in the EU that assist people buying electric bicycles and cargo bikes

- There is no one size fits all approach. France is different to Germany, to Netherlands and other countries. What fits for one will not fit for everyone

- Terminological plays an extremely important part in consumer understanding. The UK lacks clarity on how we communicate our purchase scheme, which leads to varying knowledge levels

This graph clearly shows the potential where a clear fiscal stimulation, whatever form that can be, can work. The adoption levels of electric bicycles in Germany & France is growing rapidly, which can be pinpointed to the governments tactical approach to greener, more sustainable travel.

To summarise - A clear strategic plan in a country has led to adoption of electric bikes being heightened. We must do more to follow through on our promises