

France : The “bonus-malus” scheme for the purchase of cars and the emissions of cars

**Cyrille Schott, conseiller maître (en SE) –
Cour des comptes - France**



Audits by the Cour des Comptes on the « bonus-malus » scheme

- In 2010 and 2011, a “note d'évaluation budgétaire” (NEB)= the yearly note of budgetary evaluation, to examine if the bonus-malus system was accomplished within budget and in the most efficient manner. The NEB was about the “aide à l'acquisition de véhicules propres ” (the financial help to the purchase of clean vehicles)
- In 2011, an audit of the “Grenelle de l'environnement”, i.e. the global environmental policy decided by the French government for the period 2007-2011. In this audit, a chapter about “le bonus-malus automobile”

The « bonus-malus » system

- Creation in December 2007 – in a Finance Act
- The French state pays to owners an ecological bonus for the purchase of clean vehicles (emission of less than 110 g/km of CO₂). The bonus ranges from 100 € to 5000 €, depending on the level of the emission
- A « super-bonus » of 300 € is paid if the destruction of an older than 15 years vehicle is linked to the purchase. In 2009-2010, the "prime à la casse", the scraping subsidy, with the main target to help the car industry and with lesser ecological requirements, took the place of the super-bonus

The « bonus-malus » system

- The malus is paid by the owner at the first registration of a “non clean” vehicle. It ranges from 200 € to 2600 €, depending on the importance of the emission, from a bottom, which has been lowered since 2008: 151 g/km CO₂ in 2011, 141 g/km in 2012
- the « yearly malus » of 160 € is paid for the vehicles whose emission of CO₂ exceeds 245 g/km (240 g/km in 2012)

The cost of the system

- At the beginning, the government asserted that the system would be balanced : the bonus would not cost more to the state than the malus would bring money to it.
- But, within three years -2008 to 2010- the cost of the system has been of more than 1.25 billions €. And the scraping subsidy has cost 1.2 billions €. Total cost = approximately 2.5 billions €.
- This expense is difficult to support in a time, where the State faces serious financial difficulties.

The positive results of the system

- The average emissions of the new vehicles diminished from 149 g in 2007 to 130 g/km in 2010, while before the average mitigation was of 1 to 2g/km in a year
- In the EU (of 25), the reduction between 2006 and 2009 was of 9,7 % and in France of 10,9 % (5th position – Sweden : - 12,8 %)
- In the EU, the private vehicles have the lowest emissions of CO₂ in France (as in Portugal and Denmark): in 2009, average emissions of 133,5 g/km versus 145,6 g/km in the EU

But

- **The system has notably increased sales of cars, leading to a global increase in manufacturing and travelling emissions**
- **The success of the system had a positive effect on the sale of small vehicles, so that the increase in the use of public transport slowed down – at least temporarily**
- **The system disregards the emissions of air pollutants other than CO₂, like : fine particles; nitrogen oxides (NO_x), and among them nitrogen dioxide (NO₂),...
The bonus, for example, can be paid for vehicles with important emissions of NO₂**



The recommendations of the Cour des comptes for the bonus-malus system

- Take the emissions of other air pollutants into account
- Link the bonus-malus system with the « plan national santé environnement » (national health and environment plan) and its targets for the emissions of particles and of NOx (NO₂)
- Continue to harden the conditions for the payment of bonus and to increase the receipts of malus