

THE PROPOSAL

ENVIRONMENTAL TAX ON VEHICLE REGISTRATION

Change the methodology for calculating the existing environmental tax on vehicle registration to depend directly on the declared price of vehicles in terms of CO₂ emissions, taking social aspects into consideration.

The environmental tax on registration would cost vehicle-owners the following:

- Battery Electric Vehicle (BEV): **0 MKD**
- Plug-in hybrid electric vehicles : a maximum of **81 MKD**
- Hybrid vehicles: a maximum of **250 MKD**
- An average diesel or petrol vehicle: **700 MKD**

ENVIRONMENTAL TAX ON FUELS

Gradual increase of the current tax, reaching MKD 2/l by 2035, including for liquid petroleum gas.

A person driving 10,000km a year in a car that consumes 10 liters/100km annually spends MKD 80 for environmental purposes according to the current methodology. With the proposed change, these expenditures would rise from MKD 300 in 2019 to MKD 2,000 by 2035.

ENVIRONMENTAL TAX ON IMPORT

Payment of an environmental tax on import, not only for used but also for new vehicles, depending on the vehicle's declared CO₂ emissions.

When importing a vehicle using petrol and consuming 10l/100km, the environmental tax will amount to approximately 19,300 MKD. By contrast, when importing a hybrid vehicle the tax amounts to a maximum of 2,000 MKD: a maximum of 650 MKD for PHEV, and 0 MKD for BEV.

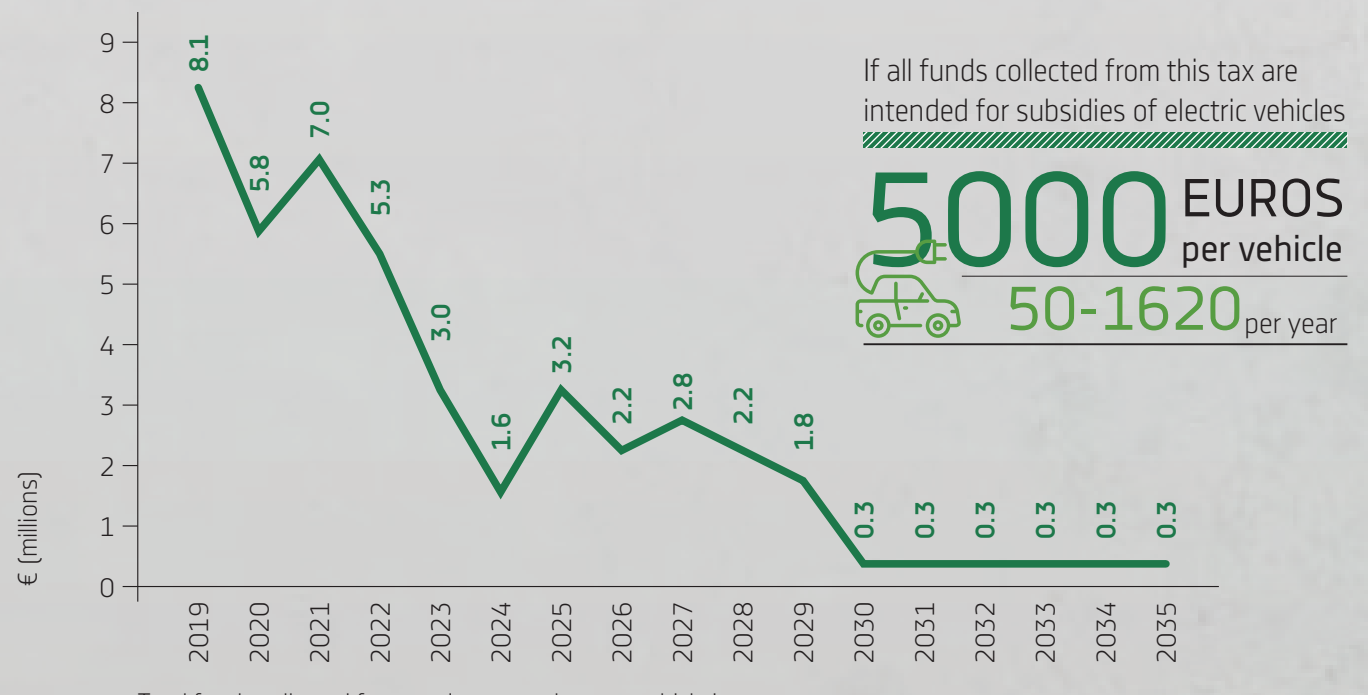
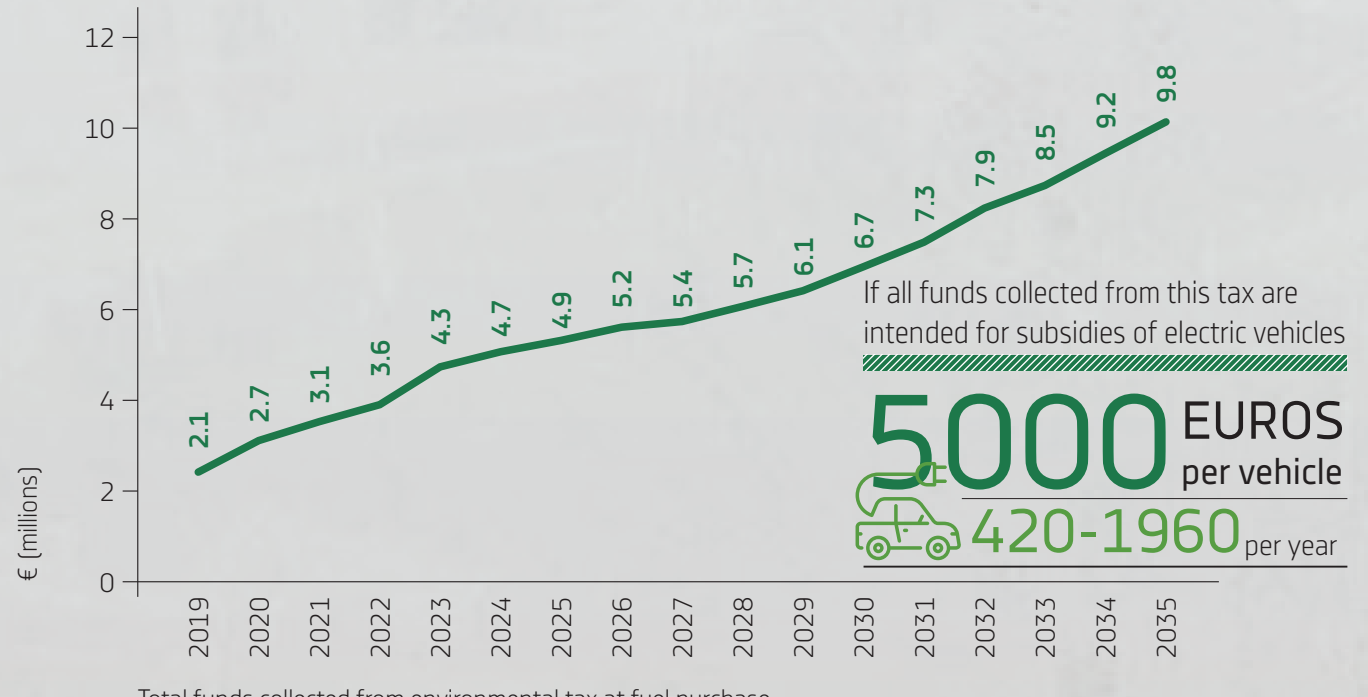
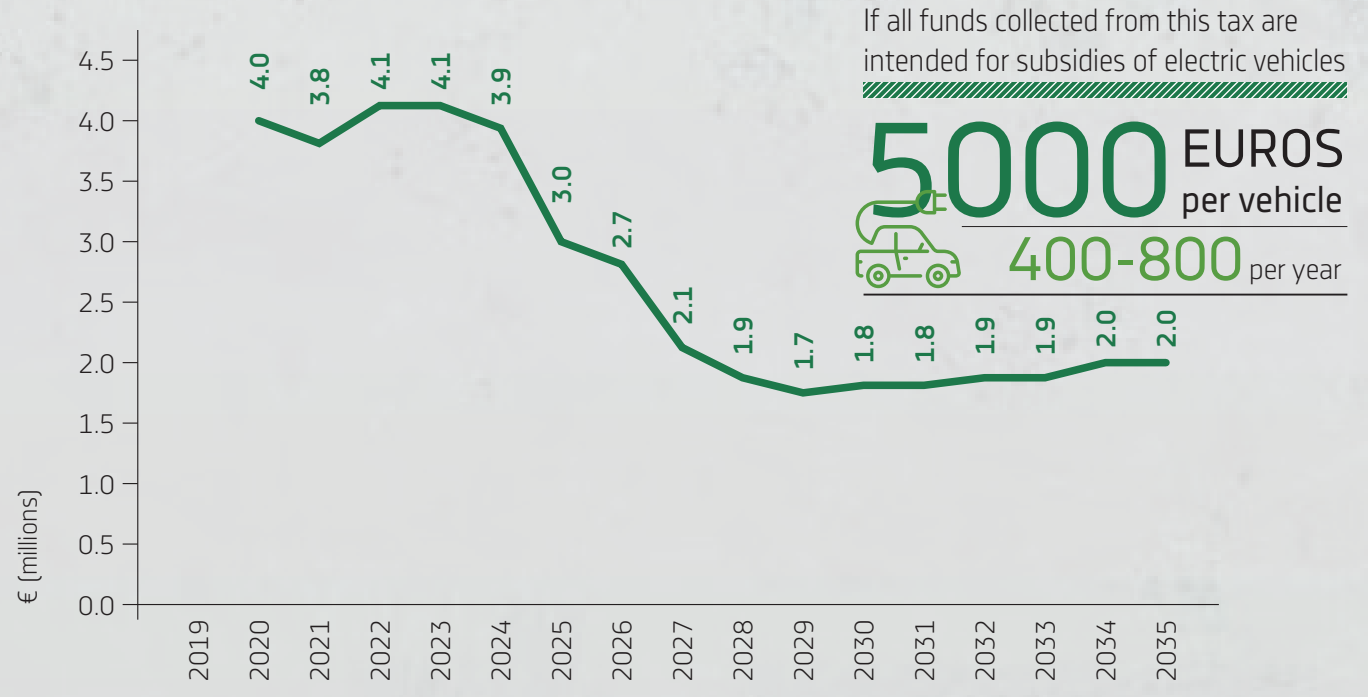
EQUALLING EXCISE DUTY ON DIESEL AND PETROL

Equalling the excise duties on diesel and petrol gradually up to the year 2025, when it should be equal for all oil products.

REDUCING EXCISE DUTY AND VAT ON VEHICLE IMPORT

Reducing VAT from 18% to 5% for hybrid and electric vehicles.

THE ECONOMICS



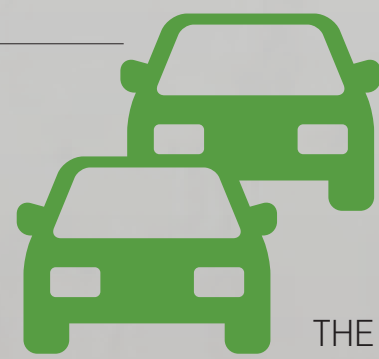
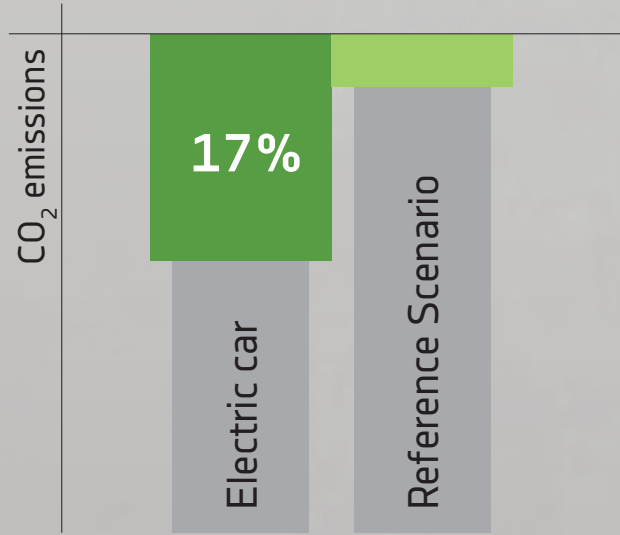
The purchase of used diesel vehicles will no longer be profitable. New diesel vehicles and petrol vehicles will be purchased.

Not sufficient for electric cars to be competitive in the market.

SUBSIDIES FOR ELECTRIC CARS

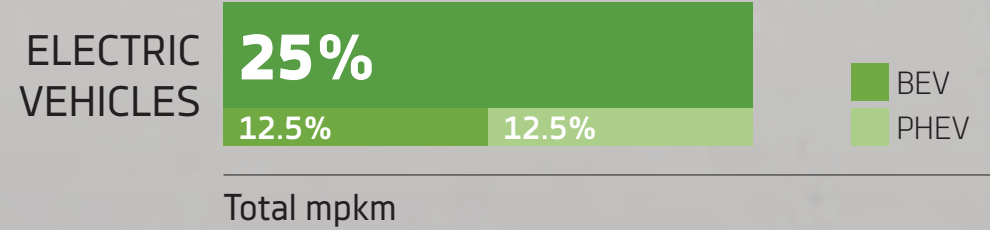
Direct subsidizing, combined with a reduction in excise duty and VAT from 18% to 5% on import and additional direct subsidizing.

CO₂ EMISSIONS IN THE YEAR 2035



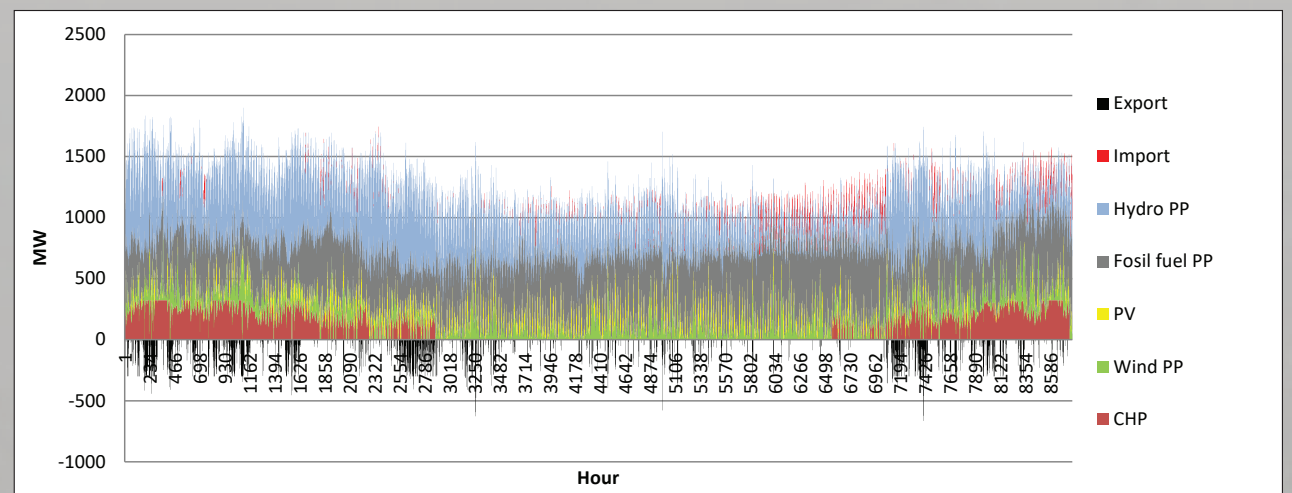
3000 mpkm served by new diesel vehicles in the Reference Scenario will be replaced by electric vehicles in 2035.

THE SHARE OF ELECTRIC VEHICLES IN THE YEAR 2035

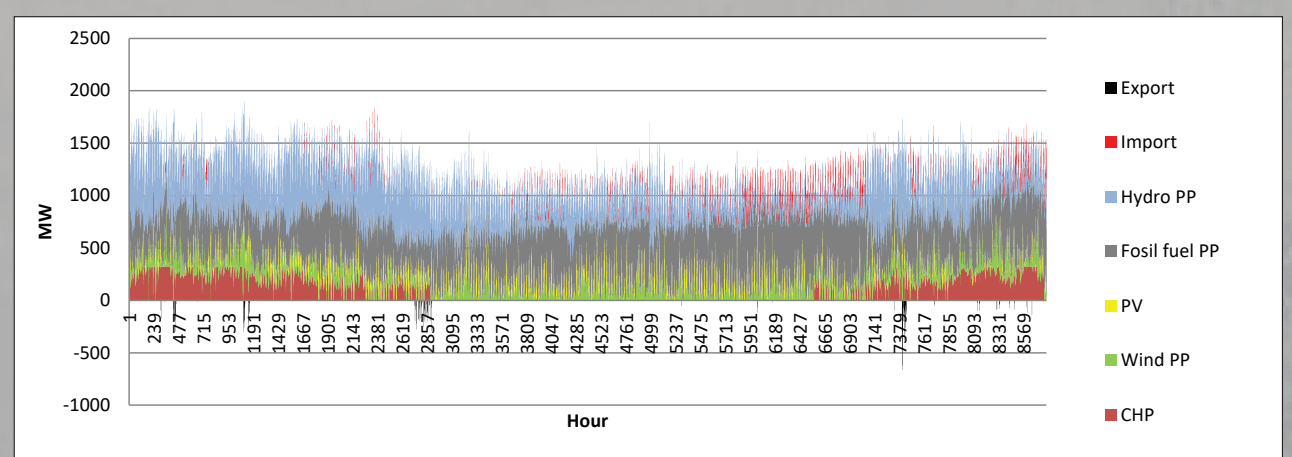


ADDITIONAL BENEFITS

Electric vehicles can increase the penetration of renewable energy sources. Vehicles are parked **80-95** percent of the time, and if continually plugged in the grid, they can be used for smart charging.



Production, import and export of electricity without electric cars (critical export 24% hours per year)



Production, import and export of electricity with electric cars (critical export 2% hours per year)