

# Social leasing

- The 2024 FR scheme
- Questions for the next steps

# The social leasing : a key measure of FR policy to combine ecology and economy



- The promise of a Republican presidential candidate for an EV at €100/month (March 2022).
- Objective : supporting the vulnerable households to make the transition.
- Against a backdrop of rising fuel prices and uncertainty; fear of social protest (Yellow Vests).
- Difficult to implement: given the low availability of entry-level EVs and the industry's reluctance/opposition. Nobody believed in it.
- Launch in December 2023.



## Social leasing in France, 2024

- Agreements between FR gov and leasing companies and OEM.
  - 17 vehicles, from the A segment to small vans.
  - **Income criteria** : a reference tax income per unit of less than 15,400 euros (deciles 1 to 5).
  - **Car dependency criteria** : living more than 15 km from their place of work and drive more than 8,000 km/year.
  - **Rental price** : from 49 to 150 euros per month.
  - Insurance not included.
  - 3-year contract, with or without purchase option.
- The subsidy is made up of the bonus + the social leasing subsidy, up to a maximum of 13,000 euros.
  - The bonus itself is conditional on achieving an environmental score.
  - + 90,000 applications made in 1 and a half months, 50K applications accepted.
  - Social leasing is closed for 2024 and will be reopened in 2025.
  - Cost for 2024: 650 million euros.
  - The total budget for EV subsidies is 1.5 billion



# First results

1. **Success** : the high level of demand show that French households are ready to switch to EV.
2. **Small BEV demand is high** : This success must be heard by OEMs, who need to focus more on small, affordable vehicles.
3. **100 000 beneficiaries in 2025** : social leasing needs to be scaled up further.
4. **Planification** :To achieve this, we need to better anticipate demand.



## Policy discussions

1. **Leasing companies** are at the heart of the system...2 main concerns : transparency and compliance with social objective of the subsidy.
2. **Trade-off in government spendings:**
  - As the number of EV sold increases, EV subsidies should gradually shift towards supporting the lower income households. What's the right pace? What is the right amount of the subsidy?
3. **What the next version of social leasing... ?**
  - It will concern a maximum of 1 million people by 2030 in France.
  - It may evolve in terms of financing, rules and governance.