Electric car policy in the Nordic countries – what instruments can Finland apply?

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Abstract [Full text available in Finnish, see: https://el-tran.fi/analyysit/]

Traffic together with energy production is one of the most significant greenhouse gas emission contributors to climate change in Finland. One way to reduce the emissions from traffic is to promote electric traffic. Finland’s energy and climate strategy sets a target for 250,000 electric vehicles (battery electric vehicles, full hybrids and hydrogen cars) by the year 2030. To reach this goal or an even great number requires a wide palette of different instruments.

In this analysis, we compare Nordic electric vehicle policy instruments and on this basis make recommendations on how to promote Finland’s electric car policy.

The obstacles to the more efficient introduction of electric cars can be effectively removed by various policy instruments, such as regulatory measures, financial incentives, the construction of charging infrastructure and innovation policy. For example, the Climate Panel mentions as important policy instruments, fuel taxation, car taxation, subsidies for the purchase price, subsidies for charging infrastructure, different benefits for electric cars and information control. Policy instruments can be national, but regional guidance, for example, as regards charging points and incentives for the use of electric vehicles can work effectively.

The sources used in the analysis range from national climate and energy strategies to policy documents and international reports, previous EL-TRAN policy briefs and citizen surveys, as well as other existing research reports.

Norway has the most comprehensive policy instruments, while Finland has the most limited. Norway also provides the largest financial subsidies. Sweden and Denmark also offer strong economic incentives. In Finland, current electric car policy actions are more market-driven than in Norway, Sweden and Denmark. In Finland, market prices of electric cars are expected to fall. In the other Nordic countries, there are more incentives for consumers, while in Finland the focus is on supporting public and commercial actors in building a charging infrastructure.

Based on the analysis, we recommend incentives targeted directly at the consumers, crystallizing objectives regarding electric cars and clarification of these goals, especially between battery electric vehicles and full hybrids, more precise targeting of incentives directed at different motive powers and time scheduling and support for development of new business models.