

A masterplan for electro-mobility - who can lead it?

On March 16 Herbert Diess, Chairman of the Board of Management of Volkswagen AG published an article on LinkedIn where he called for a 'Masterplan' to drive electric vehicle purchase and use. While he and his Board colleague Thomas Ulbrich (in an earlier speech) seemed to be calling on Germany to create and lead that Masterplan, couldn't the EU do the job better?

### **Diess wants a 'Masterplan'**

Diess's article on LinkedIn, entitled "Leittechnologie Elektromobilität: Warum wir uns entscheiden müssen" discussed the urgency of changing vehicle use from internal combustion engines to electric and hydrogen vehicles to meet the demands of the Paris Climate Accord. He wrote (translated from German), "All German manufacturers are investing massively in the expansion and ramp-up of electric mobility, especially Volkswagen. Politicians and associations must no longer pretend that there are alternatives of equal value."

He cited the issue of hydrogen fuel cell vehicles, and argued that for that to be a feasible competition to battery electric vehicles, it would require an investment of €60 billion in Germany alone. However 'electromobility' - battery-electric - is far more advanced with an infrastructure growing quickly and sustainably.

Diess continued, "we need a "Master Plan for Electric Mobility". This is the only way to quickly create the critical mass of affordable electric cars. This is the only way to create the charging infrastructure combined with the necessary energy turnaround. Only in this way will consumers gain confidence."

### **Other calls from VW for the 'Masterplan'**

It seems that the Board of VW are singing a collective tune that that company in competition with others such as BMW, Daimler Benz and other non-German majors like GM and Renault cannot do it alone.

In a news release VW announced that Thomas Ulbrich, Board Member responsible for e-mobility, called on the German Association of the Automotive Industry (VDA) for the Masterplan to be introduced. He said in the conference, "We are serious about our e-offensive. But we can't do it all by ourselves, we have to work together."

### **Co-opetition vs competition**

Market regulators around the world look very dimly at too much cooperation between major players in a market. The EU can hurt even the biggest players with the fines it can impose, that have run into the billions of Euros even recently - just look at how VW got stung for €880 million for its truck maker Scania entering into a price fixing cartel in 2017.

Co-operative competition or 'co-opetition' is a concept where players can still compete vigorously while working together towards a shared goal. The classic example here has to be the drive to move over from internal combustion engines to battery electric. That could however dice with the law should co-opetition become so cosy it is misinterpreted as cartels. This may well be why Diess and Ulbrich called on the VDA for support.

Oliver Wittke, Parliamentary State Secretary for the German minister of economics and energy said at the VDA conference, "Lawmakers can create the regulatory framework, but the innovations have to come from the industry itself." For the Masterplan to take place then the regulatory space must be made for co-opetition to take place - the manufacturers would write the Masterplan under the eyes of legislators and regulators.

### **National and supranational bodies**

Germany has a national culture where the environment is highly valued by its citizens. You just need to head north of the German border to Poland and you will see that the economy is perceived as a priority over the environment and that with coal mining and heavy industry such important figures in the economy, Germany's savings on CO2 are almost displaced by its neighbour.

Diess said in his article, "It is about politics, companies and society focusing their strength and resources on a lead technology for the future." The politics of one country can be one thing and in another another. You just need to look across the North Sea to my own errant island to see just how different politics can be from Poland and Germany, even with our supposedly world beating climate change legislation!

Could this mean that that for electromobility to really take off we need a supranational organisation? Germany can lead that too, so no worries for Diess and Ulbrich there - the country's influence in the EU was once part of a tripartite relationship that has shrunk to just Germany and France together thanks to a certain errant island disappearing...

The EU already has good, international emissions regulations. This doesn't amount to a 'Masterplan' though. The [EU website states](#), "EU legislation sets mandatory emission reduction targets for new cars. This legislation is the cornerstone of the EU's strategy to improve the fuel economy of cars sold on the European market. Similar targets have been set for new [vans](#)."

Diess and Ulbrich's calls would need to translate to the supranational regulatory space, allowing all major players in the automotive industry to come together without being accused of too much cooperation. That way, no one country can lead the way but the biggest economic bloc of middle weight consumers in the world. Wouldn't that make the difference that we all need to save the planet from our CO2 emitting excesses?