

**SO, YOU ARE THINKING OF PURCHASING  
A PURELY ELECTRIC MOTOR CAR, ARE YOU ?**

If the situation that exists, today, in Germany in respect of purely electric motor vehicles, it may be considered a lesson to be learned for the governments of other countries and territories.

According to statistics, compiled by Germany's Federal Motor Transport Authority, a total of 11,410 purely electric vehicles were registered in the country in 2016.

That number represented a fall of about 7.80 percent, compared with the number of registrations for purely electric vehicles in 2015.

The fall in the number of purely electric vehicles, registered in 2016, was despite the incentives, offered to prospective buyers of these vehicles, amounting to €4,000 (about \$HK33,200) per vehicle.

The Federal Motor Transport Authority produced the following statistics with regard to motor cars, plying German roads, today:

- Two-thirds (65 percent) of the cars are from German brands, followed by 10.40 percent from Japan and 8.50 percent from France;
- More than a quarter of all cars (26.40 percent) are compact cars (Kompaktklasse, better known in Germany as the Golf Class);
- The number of electric cars, registered in Germany, was a very modest 25,502 cars, or 0.10 percent market share. Petrol-engine cars have a market share of 66 percent and diesel, 32 percent;
- The average car in Germany is 9.20 years old;
- 90 percent of all cars are registered by private owners; and,
- Owners aged 60 years or older own 29.30 percent of all registered cars while drivers younger than 30 years own only 6.60 percent.

There are nearly 81 million people, living in Germany, today, and it is quite obvious that the purchase of a purely electric motor car does not, in the main, enter into the thinking of most people, living in the country, in spite of the fact that Germany enjoys the most-vibrant economy of the European Union.

Cash subsidies aside, many Germans view electric motor cars as being akin to 'toys', the resale value of which, being highly questionable.

In fact, many German owners of electric motor cars want to dump them, for one reason or another, but the problem is that they cannot find buyers for them.

In short, Germans are staying clear of purely electric motor cars, at least, those on the market, today.

The biggest complaints from would-be purchasers of new motor cars in Europe with regard of these ‘toys’ include:

Limited range;	Limited number of charging stations; and,
Battery life;	Lengthy charging time.
Relatively high purchase cost;	

In addition, it is fully appreciated that the battery life of an electric motor car is, at best, three years, and replacement batteries cost €21,000 (about \$HK175,000) ... with price, continuing to rise.

In terms of the cost of a Tesla, purchased in Hongkong, today, the price of a replacement battery is equal to about 33 percent of the purchase price of the motor vehicle.

Thus, the high recurrent expenditure, required with regard to battery replacements, as far as drivers of electric motor cars are concerned, negates any savings on petrol that one is told in the blurb from salesmen of Tesla motor cars.

Another consideration is how expired batteries will be processed when their useful life is over.

The concept of ‘*going green*’ may seem reasonable (and, perhaps, highly desirable) for most governments of the Western World, but for the serious manufacturers of motor vehicles, the high cost of electric-car technology is a gamble that requires a great deal of thought before taking the serious plunge because, inter alia, the returns on investing in this relatively new technology in the foreseeable future does not suggest a reasonable payback on such an investment.

‘*Going Green*’ is defined as pursuing knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyles, which can help protect the environment and sustain its natural resources for current and future generations. In Europe, carbon-dioxide limits with regard to motor-vehicle emissions of new motor cars is monitored, vigorously, by the Authorities.

In Hongkong, while everybody and his cat thinks, for the most part, of a Tesla as being the electric motor car of the future, in Germany, Tesla is not well known: In fact, it could be said to be something of a non-starter, for the most part.

It is not viewed as a motor car, at all, but as a fat vehicle, containing four wheels and a device that converts electrical energy into mechanical energy, the driver, encased in a thin shell – and little else. It may be said to have a reasonable appearance, but that is, just about, as far as it goes.

The Government of Hongkong, since March 1994, has been heavily subsidising the sales of new Tesla motor cars, but this subsidisation has been to the detriment of other motor-car marques, imported into the territory.

The Hongkong Government determined that the First Registration Tax for electric vehicles would be waived until end of March, this year.

Furthermore, the Government determined that enterprises that procured electric vehicles would be allowed a 100-percent, Profits-Tax deduction with regard to the capital expenditure of electric vehicles in the first year of procurement.

In Germany, the Government has learned that the cash subsidies, afforded to buyers of purely electric motor cars, have not produced the desired effects: Germans continue to love their internal combustion engines, with Mercedes-Benz and BMW, being among the ‘*darlings*’ of the road.

Of all the motor cars on German roads, today, only about 1.80 percent are purely electric.

Oddly, both of these giants of the international, motor-vehicle world have invested in electric-car technology – although possibly grudgingly – and, before the end of this year, it is widely expected that Mercedes-Benz and BMW will attack the Hongkong market with a view to knocking Tesla off its present perch.

Volkswagen is another giant, motor-vehicle producer of Germany. It appears to be intent to meet the challenge of producing a commercially viable, purely electric motor vehicle.

Thus far, however, it is far behind the competition, its e-Golf vehicle, only having a range of 83 miles per charge.

However, its retail price is only about \$HK226,200 (about \$US29,000), a price that is about 10 percent the retail price of a Tesla, purchased in Hongkong, if one adds back the First Registration Tax that the Hongkong Government has, so far, waived.

Aside from Mercedes-Benz and BMW, quite a number of other, well-respected, manufacturers of motor cars, including those produced in Detroit, Michigan, has manufactured purely electric cars, but, to large extent, many of their models continue to gather dust and rust on parking lots: The Americans continue to shun them, to a great extent, in favour of the traditional, internal-combustion, motor cars that can just pull up to a petrol station for about five minutes and say: ‘*Fill it up, Joe, will ya?*’

Time will bring about change, no doubt, but the speed of the change will be dependent on how long it takes motor-car manufacturers to overcome the many and varied current problems with regard to electric-car technology as well as the capital costs, incurred therein.

Hot on manufacturers’ list of considerations to be tackled must be battery life, the replacement cost of these storage boxes of electricity, the distance that an electric car can travel on a single charge, and installation of numerous, conveniently placing charging stations.

It, probably, would not be unfair to state that the relatively few, purely electric motor cars, plying the roads, today, could well become the ‘*dinosaurs*’ of transportation needs, tomorrow.

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