conseil d'analyse économique

Franco-German Council of Economic Experts

PRESS RELEASE

Accelerate decarbonisation of freight transport by prioritising battery-electric trucks and aligned strategies between France and Germany

- Freight transport is a major emitter of greenhouse gases. Its decarbonisation is essential for achieving the EU's climate targets. The most effective and scalable approach is to focus on reducing emissions from road transport itself.
- To rapidly and efficiently decarbonise road freight transport, battery-electric trucks are emerging as the leading technology, with rapidly improving battery performance and falling costs.
- An alignment of Franco-German strategies would strengthen domestic policies and could accelerate further EU-wide initiatives to decarbonise the sector.

Paris/Wiesbaden, 20.03.2025 – To decarbonise the road freight transport most effectively, the focus should be on reducing emissions from road transport itself. A coordinated Franco-German approach with aligned strategies to accelerate the decarbonisation of the freight transport sector would strengthen the impact of each of their policies and could also provide momentum at the EU-level for further initiatives to decarbonisation of this sector. Policies should focus on battery-electric trucks (BET) as these represent the most mature and market-ready technology for road freight transport. Hence, to ramp-up usage of BET public funding should be used to accelerate the roll-out of fast-charging networks along major corridors and in private depots.

The strong economic ties between France and Germany create significant cross-border transport flows, leading to shared externalities and common policy challenges. Aligning their strategies would strengthen domestic policies and improve infrastructure interoperability. "A common approach with the focus on battery-electric freight transport by the two largest economies in Europe would encourage further EU-wide regulatory alignment to accelerate the freight transport decarbonisation. We see a special responsibility for France and Germany to cooperate and consider this another move in their long-lasting alliance," says Monika Schnitzer, co-chair of the FGCEE.

BET represent the most effective pathway for climate protection in the short and medium term. A focus on BET is advantageous considering current market developments, energy efficiency, energy system integration as well as the medium-term emission reduction potential. "We suggest prioritising BET strategically as the central technology for decarbonising road freight transport. This is a no-regret approach. A government strategy focussing on BET as a central technology could provide truck manufacturers and operators with the planning security needed for future investments," explains Monika Schnitzer.

The widespread use of other low-emission drive technologies such as fuel-cell electric trucks (FCET) and overhead-line hybrid trucks is technically possible, but is not expected in the near future due to technical hurdles and a lack of market readiness. To maintain flexibility, policymakers should adopt an adaptive approach that continues to develop, test and demonstrate alternative technologies alongside BET. This would ensure that complementary options remain available if needed. However, the publicly funded development of an infrastructure for these alternatives makes little sense at the present time due to the existing uncertainties. Still, the AFIR mandates the parallel development of charging and refueling infrastructure for both BET and FCET by 2030. Since the rollout of infrastructure for low-emission transport must be coordinated at the European level, it would be advisable to reassess the AFIR's infrastructure requirements for alternative fuels , and to allow flexibility if the relevance of the hydrogen solution is not demonstrated.

BET rely heavily on a robust charging network both for short- and long-distance operations. The availability of charging infrastructure is the key barrier for the transition to BET. Public funding will be necessary in particular to accelerate the roll-out of fast-charging networks along major highways for long-distance transport and charging stations in private depots. However, this funding should be limited to the market ramp-up phase. The aim is to rapidly establish a dense, reliable and interoperable recharging network that gives fleet operators the confidence to invest. Furthermore, it is essential to reinforce European research and development in battery performance, fast-charging technologies and substitution of critical raw materials.

Shifting freight transport from road to rail is limited due to the fragmentation and lack of interoperability of the European rail network. Rail transport is competitive for heavy, homogeneous goods over long distances. The majority of freight in Europe does not meet this criteria. Most freight is transported over distances of less than 200 kilometers and involves consignments weights of up to 30 tonnes. The efficiency of cross-border freight transport can be increased by supporting the coordinated deployment of the European Rail Traffic Management System (ERTMS) on designated corridors and strengthen interoperability with a common operation language.

Decarbonising road freight transport is essential for achieving the EU's climate targets, as the sector heavily relies on diesel-powered trucks and hence remains a major emitter of greenhouse gases. The transport sector is accounting for 29 percent of greenhouse gas (GHG) emissions in 2022 in the EU with freight transport accounting for over 30 percent of the sector's GHG emissions. Emission reductions in transport have lagged behind other sectors and transport emissions are projected to continue increasing, if no decisive actions are taken.

This statement is jointly published by the French Conseil d'analyse économique (CAE) and the Franco-German Council of Economic Experts (FGCEE). Authors of the joint statement are Sylvain Chassang, Aurélien Saussay, Katheline Schubert, members of the CAE and Antoine Lopes, Research Analyst of the CAE, as well as Monika Schnitzer, Ulrike Malmendier, Achim Truger and Martin Werding, members of the GCEE, and Milena Schwarz, Deputy Secretary General of the GCEE. Monika Schnitzer and Camille Landais are co-chairs of the FGCEE.

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The co-chairs can each appoint up to four additional scientists to the FGCEE for the German and French sides, respectively. The activity for the advisory board is a personal honorary office.

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