

# Volkswagen boss urges end to diesel tax breaks

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VW's boss says diesel cars should no longer be helped with taxpayers' money

The head of the world's biggest automaker Volkswagen has issued an unprecedented call to end tax breaks for diesel fuel in Germany, saying the technology must make way for cleaner ways of getting around.

"I'm convinced that we need to question the sense and purpose of these diesel subsidies," Mueller told business daily Handelsblatt Sunday.

"We could more usefully invest the money in environmentally friendly propulsion."

German carmakers like BMW, Mercedes Benz and Volkswagen—with its 12 brands ranging from Audi and Porsche to Skoda and Seat—bet big on [diesel](#) in the 1990s, hoping to lower [carbon dioxide output](#) compared with petrol and meet greenhouse emissions targets.

They were supported by European governments offering [tax breaks](#) on the fuel, which last year amounted to some 7.8 billion euros (\$9.2 billion) in Germany according to the country's federal environment agency (UBA).

But politics and industry have gradually changed their tune over the past two years, owing in part to VW's 2015 admission that it cheated regulatory tests on 11 million cars worldwide to make them appear to emit fewer harmful nitrogen oxides.

Faced with the prospect of their vehicles being banned from parts of some cities, carmakers have vowed to upgrade older vehicles and offer more battery-electric and hybrid options to consumers.

In recent months, firms like VW, Ford and BMW have offered drivers discounts to trade in older diesels for cars with the latest, less-polluting motors.

Meanwhile, September's biennial International Auto Show (IAA) in Frankfurt brought promises of flotillas of new electric and hybrid models by the mid-2020s from all Germany's biggest names.

Volkswagen alone plans to splash out 34 billion euros by 2022 on developing electric vehicles, saying its entire range will be electric or hybrid by 2030.

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