

Portugal's electric car deal leads way

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By Peter Wise in Lisbon

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Portugal is to become the first European country to be supplied with electric cars by Renault and Nissan after signing an agreement to create a national network for zero-emission vehicles within three years.

The plan highlights Portugal's commitment to invest in clean energy, despite concern that the global financial crisis is deterring governments from implementing ambitious European Union plans to fight global warming.

Under the agreement, finalised with the Franco-Japanese carmaking alliance over the weekend, 320 vehicle charging locations will be operational across Portugal by 2010, growing to 1,300 by the end of 2011.

Companies and motorists who buy electric cars will be exempt from road and other automobile taxes and individuals will qualify for income tax benefits of up to €800 (\$1001, £673), said José Sócrates, prime minister.

The government will also require 20 per cent of public sector vehicle purchases to be zero-emission.

Despite slow economic growth and public spending restraints, Portugal is engaged in a large-scale programme to produce up to 60 per cent of its electricity from wind, sun, wave and other clean energy sources by 2020.

The EU has proposed reducing carbon dioxide emissions by 20 per cent by 2020, but efforts to adopt a reform package by January have been undermined by the global downturn.

Under the Portuguese plan, Renault-Nissan will supply Portugal with electric cars, with a range of 160km from early 2011, about a year before the alliance is scheduled to begin marketing the vehicles globally.

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