Delayed reforms to transport sector threaten German competitiveness

Press Release

Press statement by Wiebke Zimmer, Deputy Director of Agora Verkehrswende, on the publication of the German government's Climate Action Programme

25 March 2026. "The lack of resolution on the part of the German government to undertake climate action in the transport sector poses an increasing risk to the country's attractiveness as a location for business and investment. While the new Climate Action Programme contains a series of individual measures for transport, their combined additional mitigation effect is low and uncertain. The lack of effective climate protection in the transport sector means Germany will remain dependent on oil imports and thus mired in a deepening cost trap. Indeed, reliance on foreign oil jeopardises national security, the competitiveness of the German automotive industry, and ultimately to the country's economic competitiveness. In addition, there are clear risks to social cohesion, the quality of life in urban and rural areas, and confidence in the state's ability to act, given a failure to expand transport infrastructure in a manner that ensures universal access to clean and affordable mobility. Even if climate protection were not an issue, the electrification of transport and transition to sustainable mobility would be the order of the day.

However, far from consistently and resolutely promoting electrification and a modal shift, the federal government's Climate Action Programme suggests that not much needs to change in the transport sector. According to the government's plans, combustion engine vehicles are to rely more than previously assumed on liquid fuels from biomass or renewable hydrogen (i.e. e-fuels). This is a risky gamble given forecasts of available production quantities and associated costs. In the domain of road transport, electric mobility offers an energy-saving solution that is also more cost-effective.

The transport transition should be tackled by the German government as a society-wide project that transcends political parties and is of critical importance to the future of the country. The current reform and modernisation initiative provides a perfect opportunity to accelerate this transition. Effective climate action in transport demands a strategic vision that rises above the short-termism of four-year electoral cycles. This is essential for fostering trust and establishing reliable conditions for planning and investment. Decisive policy levers include: encouraging the rapid expansion of electric mobility; ensuring the reliable long-term financing of climate-friendly transport infrastructure; and a guaranteed minimum level of affordable and clean mobility for all."

Background

In accordance with the Climate Protection Act, a new federal government must present a Climate Protection Programme no later than one year after the first session of the new Bundestag. This Climate Protection Programme is required to set out how Germany can achieve its 2030 climate target and become climate neutral by 2045.

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According to emissions data from the Federal Environment Agency, the transport sector has failed to meet its sectoral emissions targets since 2021. In 2025, CO_2 emissions stood at 146 million tonnes, significantly exceeding the indicative sectoral target of 117 million tonnes. Excess emissions are growing year on year, and are expected to total 187 million tonnes by 2030. This is more than the total emissions from all transport in Germany in any single year to date (2025: 146 million tonnes). Other sectors, including the energy and industrial sectors, have offset the shortfall in transport in past years. However, moving forward, other sectors will be less able to compensate for missed targets in the transport sector, for all sectors must eventually reach net zero.

Further information from Agora Verkehrswende

Recommendations for a comprehensive climate protection package for transport: https://www.agora-verkehrswende.org/publications/joint-venture-for-the-cabinet

Discussion paper on the potential of e-fuels in transport: https://www.agora-verkehrswende.org/publications/e-fuels-separating-the-substance-from-the-hype

Fact sheet on the potential offered by HVO fuels (from hydrogenated biomass) in transport (German language): https://www.agora-verkehrswende.de/veroeffentlichungen/hvo100-kurz-erklaert

Commentary on the concept of technology neutrality in relation to e-fuels and electromobility (German language): https://www.agora-verkehrswende.de/veroeffentlichungen/e-fuels-echte-technologieoffenheit-wagen

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