



**mouvement
écologique**

The government is planning problematic setbacks in climate protection! No to giving ‘plug-in’ hybrids even greater preferential treatment for company cars

From 2026, 70 per cent of new cars purchased in Luxembourg would have to be electric vehicles, in line with the National Climate and Energy Plan, if we are to meet our climate protection targets.

However, we are a long way from that! Up until May, electric vehicles accounted for only around 30 per cent of new cars. In other words: far below what is necessary.

Yet the current heatwave, with its consequences for people and nature, demonstrates just how important consistent climate action is. We must therefore do everything in our power to achieve the targets we have set.

Yet right now, the government is planning yet another step backwards, which must be prevented at all costs.

From 2027, the government intends to offer greater tax incentives for so-called ‘plug-in’ hybrid vehicles used as company cars (so-called ‘avantages en nature’) than has been the case in recent years and than was planned for the coming years ¹. Admittedly, it must be acknowledged that the government wishes to make the regulations for electric cars more favourable than originally planned. But the fact remains: the tax advantage between electric cars and ‘plug-in’ vehicles is to be reduced.

There is absolutely no way to understand why this change is to be made. After all, the range of electric cars on offer, as well as their qualities (e.g. range), have developed very positively; there were, at least as far as could be seen from the outside, no major problems with the long-standing regulations that placed plug-in hybrids at a greater disadvantage; charging points have been expanded ...

Studies do indeed clearly show that ‘plug-in’ hybrids – particularly when used as company cars – produce three to five times higher CO₂ emissions in real-world driving conditions than stated in the manufacturers’ specifications. In other words: as electric vehicles do not emit CO₂, ‘plug-in’ hybrids with high CO₂ emissions do not represent an alternative worthy of support. According to studies, their emissions are in some cases comparable to those of conventional internal combustion engine cars. The main reason for this lies in a significantly lower proportion of electric driving than originally assumed.

According to a recent study by Transport & Environment ², the gap between the theoretical emissions of these vehicles and the emissions actually measured has widened significantly over the last years – for example, the actual emissions of a ‘plug-in’ hybrid registered in 2023 were almost five times higher than the manufacturer’s ‘official’ figures ³.

The government plans to implement the amendment by means of a Grand Ducal regulation. In theory, such a regulation can be adopted without the Chamber of Deputies having a say.

In view of the urgent need for action on climate change – every further rise in temperature must be combated – the urgent need for an energy transition, the need to become less dependent on authoritarian states, and the need to protect people from rising energy prices, the Mouvement Ecologique calls on the government to withdraw the proposed amendment. Furthermore, the Chamber of Deputies should examine the draft rules of procedure and take a clear stand against the proposed amendment.

Otherwise, the government and MPs will lose all credibility on the issue of climate protection.

In fact, the opposite decision would have been necessary: plug-in hybrid vehicles should simply no longer be eligible for the tax benefits associated with a company car.

Mouvement Ecologique asbl.

31 July 2026

¹ *According to the new regulations, these are to benefit from a tax rate of 1% from 2027 onwards, rather than the 2% previously announced. This makes a significant financial difference*

² *Transport & Environment (2025). Smoke screen: the growing PHEV emissions scandal*

³ *Government subsidy schemes generally refer to reference values from the Worldwide Harmonised Light-Duty Vehicles Test Procedure (WLTP) measurements.*

Translated by deepl.com