

TOPIC-DEFENCE SEMINAR ON

"Progressive or Regressive? An Assessment of the Effectiveness of the Subsidies on the Electric Vehicles in China"

By Ms. LIANG Jing (PhD student, Department of Economics)

Abstract:

This paper assesses the effectiveness of subsidies on the electric vehicles (EVs) on stimulating the EV diffusion. In 2013, China launched a range-dependent subsidy strategy to encourage technology adoption. However, EVs with higher range are mostly acquired by high-income individuals for whom subsidies provide less incentive, raising worries about subsidy progressivity and effectiveness. Moreover, manufacturers exploit the progressive subsidies and the low price sensitivity of the high-income buyers and then raise prices covertly to withhold a portion of the subsidy, which further dampening the effectiveness of the subsidies. Our empirical findings suggest that these subsidies are progressive in consumer incomes so as less effective. The paper also intended to develop an alternative subsidy based on both vehicle quality and buyer incomes to solve this problem, making the policy more effective in promoting the social welfare.

Date: 14 April, 2022 (Thursday)

Time: 11:00am-11:30am

Venue: Online via Zoom

Zoom link: <https://lingnan.zoom.us/j/96716747121?pwd=RHJXdld1NFNxN2VLaVRpRlMrRndtZz09>

Meeting ID: 967 1674 7121

Passcode: 36053689

All are welcome!

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