Abstract

The present paper is concerned with the determination of the appropriate subsidy level for environmental friendly technology vehicles. For this purpose, the economic calculation of the corresponding environmental benefit is necessary, which is realized through the calculation of the negative environmental externality that could be avoided, if the examined subsidies have been established. For the calculation of the latter, the EcoSenseLE tool has been applied here, using life-cycle airborne emissions data. The evaluated vehicle technologies are internal combustion engine vehicles, hybrid electric vehicles and fuel-cell vehicles, in a future scenario concerning Greece. The findings show that the maximum subsidies that would be offered seem very attractive to motivate the potential car buyers to select environmental friendly technology vehicles.

Key words: environmental policy development, passenger transport, subsidy, vehicle technology

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