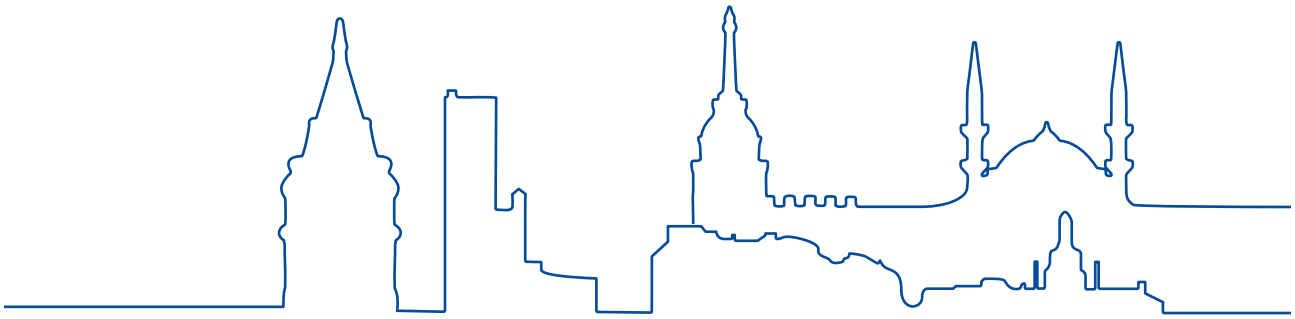


IPC–MERCATOR POLICY BRIEF May 2025

THE TRANSPORT TRANSFORMATION IN GERMANY IN TIMES OF GREEN BACKLASH

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Executive Summary

Friedrich Merz (CDU) has been elected Chancellor of Germany by the Bundestag, and the 21st legislative period is set to begin with a coalition government formed by the Christian Democratic Union/Christian Social Union (CDU/CSU) and the Social Democratic Party (SPD). As Europe's largest economy, the country plays a crucial role in emissions reduction, with the transportation sector requiring significant emissions cuts to meet climate targets. However, progress in the last legislative period fell short of federal and EU goals. The new government faces significant challenges in addressing voter concerns while being committed to the transport transformation. This analysis examines the old and new government through the lens of transportation policy, offering a comprehensive perspective of Germany's future in this area.

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Introduction

In Germany's historic snap elections in February 2025, the Christian Democratic Union/Christian Social Union (CDU/CSU) won 28.5% of the vote, emerging as the clear winner. The parties of the former ruling *Ampel* coalition, the Social Democratic Party (SPD), the Greens, and the Free Democratic Party (FDP), lost nearly 20% of their voter share. The far-right Alternative für Deutschland (AfD) received 20.8% of the vote, but a *Brandmauer*—an informal agreement among mainstream parties—excludes the AfD from joining coalition governments. As a result, the SPD, which came third with 16.4%, is now the coalition partner forming a grand coalition with the CDU.

Compared to 2021, the German electorate is more fragmented and polarized. Voters' discontent with climate policies influenced the election outcome, driven by concerns over the economic and social costs, particularly amid weak performance in traditionally strong sectors like the automotive industry. This has boosted support for anti-green parties, especially the far-right AfD and the left-wing Bündnis Sahra Wagenknecht (BSW). Their gains are now pushing mainstream parties to reevaluate how to balance climate efforts with economic competitiveness, aiming to address voters' disaffection with climate policies.

One key sector to reach the federal and EU climate targets is the transportation sector. Since 2021, emissions in the transportation sector have increasingly diverged from the required reduction path. To meet the target of a 65% reduction by 2030, the sector must cut its emissions. However, the transport transformation—the transition to a zero-emission transportation system—is more than a climate issue: it is crucial for competitiveness, jobs, quality of life, and social cohesion. Therefore, Germany's transport transformation is at a critical juncture as rising costs and political opposition risk slowing progress.

Evaluating the *Ampel* Coalition's Transportation Policy

Emissions reduction in the transportation sector has been insufficient over the last few years. The transportation sector exceeded its allowable annual emissions limit in the years 2022 and 2023 according to the Federal Climate Action Act.[1] Road transportation in Germany accounts for about 98% of the sector's greenhouse gas emissions, with personal transportation contributing roughly two-thirds of sector emissions and freight transportation about one-third. A lasting and comprehensive shift toward more sustainable transportation modes is not yet evident.[2]

Since 2021, the SPD-led coalition with the Greens and FDP has made isolated progress in the transport transformation. Reforms such as the road traffic law make it easier to consider environmental and climate goals in traffic planning. The *Deutschlandticket*—a nationwide public transportation pass (EUR 49, now EUR 59)—has improved access to and the visibility of public transportation. Freight transportation has advanced with the introduction of a CO_2-based truck toll, allocating half the revenue to railway infrastructure and expanding charging networks for electric trucks.[3]

However, these individual measures remain fragmented steps rather than forming a cohesive transport transformation, according to the German think tank Agora Verkehrswende.[4] The coalition lacked a shared, overarching vision and a coordinated set of policies. Key policy instruments were either insufficiently applied or neglected altogether, leaving the transportation sector off track not only in terms of climate goals but also regarding industrial and social policy. The government's achievements fell short of both the coalition agreement and the ambitious climate targets for the transportation sector set in the Federal Climate Action Act.[5]

How the New Parliament Is Positioned on Key Topics

The parties in the new parliament—listed in the table below—offer diverse and sometimes contrasting visions for the future of transportation. In the coalition agreement, the two new governing parties, CDU/CSU and SPD, outline a strategic direction. This strategy reflects the CDU/CSU's stance on a technology-neutral, market-based approach to climate policy, alongside the SPD's support for a mix of regulatory measures and market incentives, with an emphasis on socially balanced and affordable climate action.

In the coalition agreement, the CDU/CSU and SPD aligned on key climate goals, including a commitment to the Paris Agreement and the 2045 net-zero target.[6] The agreements on the transportation sector reveal several approaches with the potential to advance a climate-neutral transportation system in Germany. These include reducing electricity costs to accelerate the electrification of road and rail transport and to enhance Germany's industrial competitiveness, expanding the use of renewable energy, and promoting the uptake of electric vehicles through targeted subsidies and supportive policy measures.

The CDU/CSU and SPD have expressed support for maintaining Germany's role as a global leader in the car industry. Although the coalition agreement signals clear support for electric mobility, it leaves room for a range of climate-neutral vehicle technologies, including e-fuels, hydrogen, and sustainable biofuels. Whether and how this neutrality will be applied in practice remains to be seen. While science and research have long established that no driving system is more climate friendly than battery electric vehicles, the political landscape appears divided on this and contributes to uncertainty within the automotive market.

The new government supports the EU fleet emissions standards for vehicles. From 2035 onward, the EU fleet-wide CO_2 emissions target for both cars and vans is set at 0 g CO_2/km. If manufacturers or pool managers exceed their specific emissions target, an excess emissions premium ("penalty") will be applied (EU Regulation 2019/631). The CDU/CSU and SPD support the standards but plan to advocate for removing this penalty, arguing that it would help shield German industry from excessive costs.[7]

The EU plans to ban new combustion engine cars by 2035. The CDU/CSU opposed this ban in its election program and supports the continued use of e-fuels in combustion vehicles. The role of e-fuels in the automotive sector remains a controversial issue, as they are often viewed as expensive, inefficient, and primarily suited for sectors such as aviation and shipping.[8] While Friedrich Merz has announced his intention to advocate for reversing the EU's planned phase-out of internal combustion engine cars by 2035 (EU Regulation 2019/631), this position is not clearly reflected in the coalition agreement.

Germany is one of the few countries without a general speed limit on its highways. While some sections have posted limits, areas without a specific restriction have a recommended speed of 130 km/h, though drivers are legally allowed to exceed it. In its election platform, the SPD advocated for introducing a 130 km/h speed limit on federal highways. They argue that a speed limit would reduce stress, traffic congestion, and accidents while benefiting the environment, climate, and nearby residential areas. The coalition agreement, however, does not contain any indication that a general speed limit will be introduced.

While a general goal of establishing a reliable, safe, clean, and digitalized public transport system with attractive pricing and structures for both urban and rural areas is outlined in the coalition, it lacks concrete targets or measurable benchmarks. Although the parties have committed to keeping the popular *Deutschlandticket*, the future role of public transportation remains uncertain. From 2029 onward, the share of user financing will gradually increase in a socially equitable manner. The concrete pricing model, however, has yet to be determined.

Political Parties' Positions on Transport Transformation Issues

	Christian Democratic Union/Christian Social Unit (CDU/CSU)	Social Democratic Party of Germany (SPD)	Greens	Alternative for Germany (AfD)	Left	Free Democratic Party (FDP)	Alliance Sahra Wagenknecht (BSW)
Reduction of electricity costs	✓	✓	✓	✓	✓	✓	✓
Focus on electric vehicles	✗ *promoting technology neutrality	✓	✓	✗	✓	✗ *promoting technology neutrality	✗
Supporting the adoption of electric vehicles	✓	✓ *support for subsidy programs	✓ *support for social subsidy programs	✗	✓ *in addition to reducing motorized individual transportation	?	? *social subsidy programs for all eco-friendly vehicles, including combustion engine vehicles
Maintain EU fleet emissions standards for vehicles	✓ *with adjustments and no penalty fees	✓ *no penalty fees	✓	✗	?	✗	?
Phase-out of diesel and gasoline vehicles (ICE car ban)	✗	?	✓	✗	✓	✗	✗
Speed limits on highways	✗	✓	✓	✗	✓	✗	?
Building hydrogen infrastructure	✓	✓	✓	✗	✓ *only where absolutely essential, especially in industrial production	? *no real strategy, focus on technology neutrality	✓ *reluctantly supporting
Support for public transportation systems	✓ *not specified	✓ *enhance funding	✓ *rail network expansion	✓	✓	✓	✓
Germany-wide public transportation ticket (Deutschlandticket)	?	✓	✓ *maintain the price of EUR 49 and include subsidies based on income	✓	✓ *return to EUR 9 price	✓	?
Restricting air traffic	✗	? *support for EU climate levy instead of air traffic tax	✓ *views the establishment of domestic flights unnecessary through improvements to the rail system	✗ *complete abolition of air traffic tax	✓	✗ *complete abolition of air traffic tax	?

Source: Data collection and analysis by the author based on the election programs of the parties as of February 2025.

✓ affirmative ? unclear position ✗ rejection

A Roadmap for the Transport Transformation: Priorities for the Next Legislative Period

To achieve the 2030 and 2045 greenhouse gas emissions targets, a substantial increase in reduction efforts in the German transportation sector is necessary. The coalition agreement contains a strategic direction and several approaches with the potential to advance a climate-neutral transport system in Germany. The implementation details and the choice of specific policy instruments remain open. How the agreement will be translated into concrete actions—and their economic and social impact—will become clearer over the course of the next legislative period.

For a sustainable and socially just transport transformation, Agora Verkehrswende highlights key priorities for the coming parliamentary term. These include securing long-term public investment in infrastructure and public transportation, accelerating electromobility to strengthen industry and jobs, integrating electric vehicles into power grids, promoting climate-neutral fuels for sectors where batteries are not viable, and ensuring affordable mobility through accessible transportation options and well-connected networks.[9]

The transport transformation faces a decisive moment with anti-green opposition growing, delaying progress and results. Ensuring a coherent strategy by swiftly setting a clear transport transformation program for the coming legislature to navigate is key. By integrating climate policy into industrial and social policy targets, the next government can address people's concerns without sacrificing climate ambitions. A well-coordinated strategy and bold action at the federal level will determine whether the transport transformation succeeds—or stalls.

Notes

1 | Federal Climate Action Act (Bundes-Klimaschutzgesetz), §3 (2024).

2 | Expertenrat für Klimafragen, "Zweijahresgutachten 2024," February 5, 2025, https://expertenrat-klima.de/content/uploads/2025/03/ERK2025_Zweijahresgutachten-2024.pdf.

3 | Agora Verkehrswende, "From progress in fragments to a joint venture as a whole," February 2025, https://www.agora-verkehrswende.org/fileadmin/Projekte/2025/Vom_Fortschritt_in_Fragmenten_zum_Gemeinschaftswerk_im_Ganzen_EN/120_From_progress_in_fragments_to_a_joint_venture_as_a_whole_01.pdf.

4 | Agora Verkehrswende is a Berlin-based think tank that seeks to promote climate-friendly mobility. Non-partisan and non-profit, it works together with key stakeholders in the fields of politics, business, academia, and civil society to decarbonize the transport system. To this end, the think tank team develops evidence-based policy strategies and recommendations. Agora Verkehrswende was initiated in 2016 by Stiftung Mercator and the European Climate Foundation.

5 | Agora Verkehrswende, "Kabinettstück Verkehrswende. Empfehlungen für ressortübergreifenden Klimaschutz im Verkehr als Wegbereiter für Wettbewerbsfähigkeit und soziale Gerechtigkeit," February 10, 2025, https://www.agora-verkehrswende.de/fileadmin/Projekte/2025/Kabinettst%C3%BCck_Verkehrswende/121_Kabinettstueck-Verkehrswende.pdf.

6 | Christlich-Demokratische Union (CDU), Christlich-Soziale Union (CSU) und Sozialdemokratische Partei Deutschlands (SPD), "Verantwortung für Deutschland. 21. Legislaturperiode," April 2025, https://www.cdu.de/app/uploads/2025/04/Koalitionsvertrag-2025-1.pdf.

7 | Sozialdemokratische Partei Deutschlands (SPD), "Ergebnisse der Sondierungen von CDU, CSU und SPD," March 8, 2025, https://www.spd.de/fileadmin/Dokumente/Sonstiges/20250308_Sondierungspapier_CDU_CSU_SPD.pdf.

8 | Agora Verkehrswende, "E-fuels: Separating the substance from the hype. How electricity-based synthetic fuels can contribute to the energy transition in transport," May 2024, https://www.agora-verkehrswende.org/fileadmin/Projekte/2024/E-Fuels-EN/109_E-fuels_Separating_the_substance_from_the_hype.pdf.

9 | Agora Verkehrswende, "From progress in fragments to a joint venture as a whole."

About the Istanbul Policy Center-Sabancı University-Stiftung Mercator Initiative

The Istanbul Policy Center–Sabancı University–Stiftung Mercator Initiative aims to strengthen the academic, political, and social ties between Turkey and Germany as well as Turkey and Europe. The Initiative is based on the premise that the acquisition of knowledge and the exchange of people and ideas are preconditions for meeting the challenges of an increasingly globalized world in the 21st century. The Initiative focuses on two areas of cooperation, EU/German-Turkish relations and climate change, which are of essential importance for the future of Turkey and Germany within a larger European and global context.

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The interpretations and conclusions made in this paper belong solely to the author and do not reflect IPC's or Agora Verkehrswende's official position.

The Transport Transformation in Germany in Times of Green Backlash
7 p.; 25 cm. - (Istanbul Policy Center-Sabancı University-Stiftung Mercator Initiative)

Cover Design and Page Layout: MYRA

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