

보도시점

2025. 1. 2.(목) 14:00

배포 2025. 1. 1.(수)

2025 Electric Vehicle Purchase Subsidy Reform... Enhancing Performance and Safety, and Reducing Purchase Burden

- Announcement of the 2025 Electric Vehicle Purchase Subsidy Reform Plan,
with an administrative notice from January 2 for 10 days

The Ministry of Environment (Minister Kim Wansup) announced that from January 2, it will provide an administrative notice for ‘2025 Electric Vehicle Purchase Subsidy Reform Plan’ (hereinafter referred to as the “Subsidy Reform Plan)” for 10 days.

The Ministry of Environment has reformed the electric vehicle purchase subsidy guidelines each year, considering the budgetary situation, consulting with relevant ministries, and gathering opinions from stakeholders.

* 2025 budget: KRW 780 billion for electric passenger vehicles, KRW 153.05 billion for electric vans, and KRW 572.72 billion for electric trucks

Recently, despite difficult conditions such as a temporary demand stagnation (chasm phenomenon) in the electric vehicle market, consumer expectations regarding electric vehicle performance have significantly increased, and demands for enhanced safety and reasonable pricing for electric vehicles have been continuously raised.

The Ministry of Environment, taking into account these market trends and consumer demands, has prepared the following direction for the 2025 electric vehicle subsidy reform that favors electric vehicles with high performance and safety while reducing the price burden on consumers.

The reform direction is to provide more subsidies for electric vehicles with

excellent performance, which have a long driving range on a single charge and fast charging speeds, in order to encourage technological innovation from manufacturers and to prevent consumer inconvenience due to performance issues.

It will encourage the introduction of features that facilitate safety management and strengthen the responsibilities of electric vehicle manufacturers and importers, including ensuring product liability.

Lastly, it aims to encourage a decrease in electric vehicle prices and expand support so that genuine consumers, such as first-time car buyers among young people, multi-child families, and farmers, can consider purchasing electric vehicles.

The main contents of the Subsidy Reform Plan by vehicle type (electric passenger vehicles, electric vans, electric trucks) are as follows.

< Electric passenger vehicles >

Subsidy differentiation based on the driving range on a single charge will be strengthened. For vehicles with a driving range of less than 440 km, the subsidy reduction will be expanded*, and the additional subsidy (incentive) payment thresholds based on charging speed will also be increased to favor electric vehicles that cause less inconvenience due to driving range and charging speed.

- * (Differential standard for medium and large) raised from 400 to 440 km, with the differential rate for distances under 440 km increasing from 68,000 won to 81,000 won for every 10 km
(Differential standard for small and compact) raised from 250 to 280 km, with the differential rate for distances under 280 km increasing from 45,000 won to 50,000 won for every 10 km.

To enhance battery safety, in addition to the existing On-Board Diagnostic II (OBD II) device, vehicles that provide battery charging information and offer abnormal detection and notification functions while parked will receive a safety subsidy of 500,000 won in total.

In addition, if the automobile manufacturer is not enrolled in product liability insurance or does not provide state of charge information (SOC) for fast and slow chargers, the subsidy will not be paid (safety coefficient = 0). For vehicles that cannot receive battery management system updates, extra subsidies (incentives) will be supported when they are scrapped and replaced with electric vehicles.

Next, various measures will be introduced to reduce the financial burden of purchasing electric vehicles. The vehicle price criteria for full subsidy support will be tightened from the existing KRW 55 million to KRW 53 million, while additional subsidies proportional to the manufacturer's vehicle discount will be designed to increase as the discount range rises, encouraging greater discounts.

- * For vehicles priced below KRW 53 million, if a corporate discount is applied, an additional subsidy will be provided at 20% for discounts up to 5 million won and 40% for any portion exceeding KRW 5 million. For vehicles priced below KRW 45 million, an additional subsidy will be provided at 20% for discounts up to KRW 2 million and 40% for discounts ranging from KRW 2 to 4 million (for a limited time of 6 months).

In addition, instead of providing extra support only for low-income households, subsidies for first-time purchases by young people will now be increased by 20% without requiring low-income eligibility, and support for multi-child families based on the number of children will also continue.

- * For families with two children under 18, an additional KRW 1 million will be provided; for three children, KRW 2 million; and for four or more children, KRW 3 million will be provided.

< Electric vans (electric buses) >

The subsidy system for electric vans (electric buses) will be reformed in line with the policy direction for electric passenger vehicles. First, if the

driving range on a single charge is less than 500 km for large vehicles, the subsidy will be reduced to strengthen the performance criteria based on driving distance. In addition, the battery safety subsidy (KRW 10 million) payment category will include support for abnormal detection and notification functions while parked using the Battery Management System (BMS).

- * (The differential point for large vehicles) will be raised to 500 km, with a differential amount of KRW 500,000 for the range between 400 to 500 km, and KRW 840,000 for distances under 400 km for every 10 km.

- (The differential point for medium vehicles) will be raised to 400 km, with a differential amount of KRW 300,000 for the range between 300 to 400 km, and KRW 660,000 for distances under 300 km for every 10 km.

To enhance safety management, similar to electric passenger vehicles, a safety coefficient will be established for product liability insurance enrollment and the provision of state of charge information (SOC). In addition, a notice regarding the strengthening of after-sales service (A/S) requirements will also be made starting in 2026.

In addition, if efforts are made to diversify the types and fuels of zero-emission vans, additional support will be provided. Manufacturers and importers with a record of supplying school buses for children and hydrogen buses, as well as meeting facility and personnel standards, will receive support of up to KRW 7 million.

Furthermore, given that the subsidy amounts provided are higher compared to other vehicle types, a policy will be implemented to apply a re-support restriction period of 2 years if the manufacturer or importer and the buyer are considered to have a special relationship, in order to enhance* the transparency of subsidy execution.

- * For large electric buses, measures will be strengthened to prevent excessive receipt of subsidies (such as electric vehicle subsidies and low-floor bus subsidies) by establishing a minimum self-payment requirement of KRW 100 million.

Finally, for electric vans used for transporting children, a separate budget allocation will be made, and support will be strengthened* to provide up to

KRW 115 million for large vehicles and KRW 100 million for medium vehicles.

- * Measures for the implementation of restrictions on diesel buses used for transporting children in accordance with the enforcement of the “Special Act on the Improvement of Air Quality in Air Control Zones.”

< Electric trucks >

To improve the performance-to-price ratio of electric trucks, additional subsidies (incentives) for innovative technologies will be introduced.

Additional subsidies (incentives) will be provided for vehicles with a driving range exceeding 280 km on a single charge and those equipped with fast charging (150 kW or more) capabilities. The charging speed differentiation standard, which results in a subsidy reduction, will also be strengthened from 90 kW to 100 kW to encourage the development of high-performance new vehicles.

To enhance safety management, a new battery safety subsidy will be established to provide additional support (totaling KRW 500,000) for vehicles that offer battery status information during charging and have abnormal detection and notification functions while parked through the Battery Management System (BMS).

Similar to other vehicle types, a safety coefficient will be established for enrollment in product liability insurance and the provision of state of charge information (SOC), and a notice regarding the strengthening of after-sales service (A/S) requirements will also be made starting in 2026.

In addition, if farmers with a demand for trucks make a purchase, a 10% increase in national subsidies will be provided, and the additional subsidies* proportional to the manufacturer's vehicle discounts will be expanded to ease the financial burden.

- * For vehicles priced below KRW 45 million, if a corporate discount is applied, additional subsidies will be provided at 20% for discounts up to KRW 2 million and at 40% for discounts up to KRW 4 million.

The Ministry of Environment plans to publish the “2025 Guidelines for Processing Subsidies for Electric Vehicle Supply Projects,” which contains the above information, on the Ministry of Environment’s website (me.go.kr) and the Zero-Emission Vehicle Integrated website (ev.or.kr) to gather opinions on the subsidy reform plan and collect the necessary documentation for subsidy calculations.

Afterwards, there are plans to finalize and implement the electric vehicle subsidy processing guidelines and the amounts of national subsidies by vehicle type.

Oh Il-young, the Director General of Air Quality Policy Bureau at the Ministry of Environment, stated, “This subsidy reform plan was able to be announced more than a month earlier than the 2024 guidelines by initiating discussions early to minimize the period of no subsidy provision, which was the biggest demand of participants in the project.” He added, “The government will facilitate the rapid provision of purchase subsidies to ensure that electric vehicles are deployed from the beginning of the year, encourage the release of high-performance and safe electric vehicles, and strengthen support for genuine consumers to mature the electric vehicle market and ultimately contribute to improving air quality and achieving carbon neutrality.”