

ELON MUSK CAN'T SURVIVE WITHOUT GOVERNMENT HANDOUTS

In Norway, a Tesla Model S electric sedan costs 636,000 crowns pre-tax, almost double the 320,000 crowns pre-tax cost of an Audi A7 gasoline car, the Norwegian Electric Vehicle Association says.

But the Audi ends up costing more when sold - 697,000 crowns - after an array of taxes led by sales tax (140,000 crowns), carbon dioxide tax (125,000 crowns) and a special tax on the weight of the vehicle (110,000 crowns).

By contrast, a Tesla buyer is charged only a small fee for end-of-life scrapping and pays 638,000 crowns in total.

It's little wonder that Tesla CEO Elon Musk tweeted in June: "I love Norway, which is the world leader in EV (electric vehicle) adoption!" His company has invested heavily in Norway, for instance with fast charger networks.

The Norwegian finance ministry says basic tax breaks totalled about a cumulative 12 billion crowns by the end of 2016. There are now about 140,000 fully electric cars on the road.

Britain and France, the only two countries to announce deadlines for phasing out combustion engines, also offer generous subsidies to electric car buyers.

Buyers in Britain get a grant of up to 35 percent of the purchase price, while in France someone selling a diesel car and buying electric receives thousands of euros in benefits.

Norway's Environment Minister Vidar Helgesen, part of a minority right-wing government that won re-election on Sept. 11, acknowledged that the country's subsidies model was expensive.

But he predicted advances in the technology would mean electric cars would be competitive in price with combustion engine cars in the early 2020s.

His sentiments are echoed in Finnøy by Mayor Henrik Halleland who thinks battery-powered car sales could ultimately survive without large financial incentives.

The island's tunnel toll charges for combustion engines go towards paying the 550 million crown cost of building the tunnel. Once the debt is paid, the tunnel will be free for all.

"Electric cars are getting so good that people will buy them anyway," said Halleland.

Still, he now wants electric car owners to pay 50 percent of the rate paid by diesel and gasoline cars. And he's not planning to buy electric himself, saying he has to keep his combustion engine Mazda to pay the tolls and do his bit to pay off the tunnel.

Electric car owners are unapologetic though.

“It's all about political choices,” said Arne Nordboe, a teacher and part-time stand-up comedian who drives a Nissan Leaf. “I think it would be reasonable when electric cars get cheaper and cheaper and more useful, then I can pay more.”

(\$1 = 7.8673 Norwegian crowns)

Additional reporting by Laurence Frost, Joseph White and Edward Taylor; Editing by Pravin Char