This paper analyses the Brazilian incentive program for the automobile industry, introduced by Law n. 13.755, on December 10, 2018, the so-called “Rota 2030” (Route 2030). This program aims to support technological development, competitiveness, innovation, vehicle safety, protection of the environment, energy efficiency, and the quality of vehicles, trucks, bus, chassis with engine and auto parts, through the granting of tax benefits, such as rate reductions and deductions of research and development (R&D) expenses, for the next fifteen years. Participating companies are required to comply with standards established by the authorities regarding vehicular labelling, energy efficiency, technological performance of autonomous vehicles, and expenditures with R&D. The aim of this paper is twofold: firstly, to compare Rota 2030 with its predecessor “Inovar Auto”, a program that was condemned by the World Trade Organization (WTO) in 2017; and secondly, to provide a contextual analysis of the Brazilian public policy in the energy sector. The paper concludes that: (i) in contrast with Inovar Auto, Rota 2030 is not a protectionist program, and, in principle, it complies with the international trade rules, and (ii) although Rota 2030 encourages the development of disruptive technologies linked to electric and hybrid vehicles, such as Electric Vehicle (EV) and Full Hybrid Electric Vehicle (FHEV), the technological development fostered by the tax incentives will lead to incremental technologies still connected to vehicles with the internal combustion engine (ICE), such as Micro Hybrid Electric Vehicle (micro-HEV) and Mild Hybrid Electric Vehicle (mild-HEV).

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