



# Used Vehicle Imports in Sri Lanka – The Impacts

Centre for Science and Environment (CSE) session

Strategies to Combat Used Vehicle Import in Vehicle Importing Countries of South Asia Country Experiences

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14<sup>th</sup> November 2018

# Overview

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I. The Background

II. The Issue

III. The Tradeoff

IV. Impacts

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# The Background

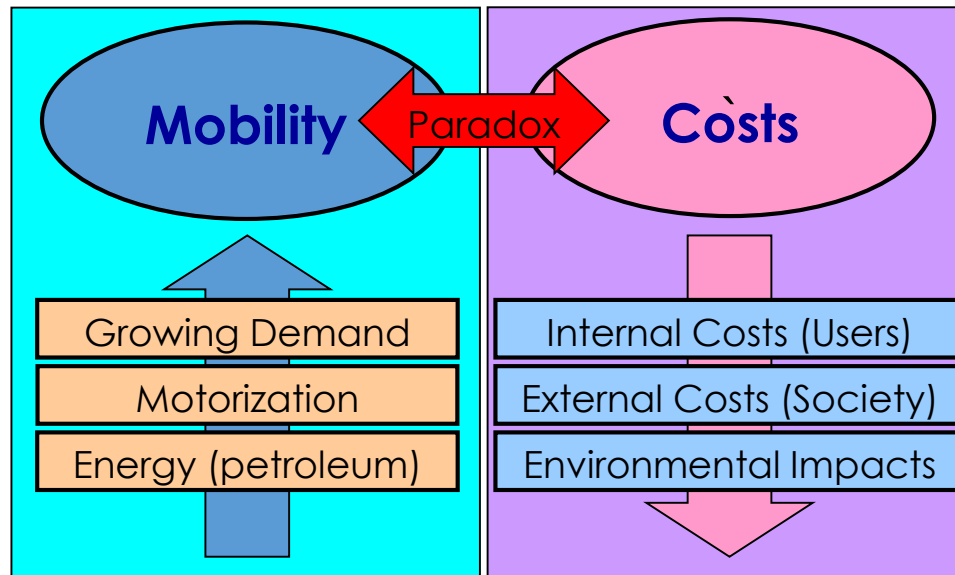
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- Transport Sector in Sri Lanka:
  - ✓ Mobility is dominated by road transport
    - 94.0% passenger-km and 97.5% ton-km.
  - ✓ Has become a key employer
    - A sociopolitical aspect.
  - ✓ Some other indicators:
    - Dominated by private vehicles (2W, 3W & Cars) – 83%.
    - 6% growth rate during 10 yrs – Mobility vs Congestion.
    - Consumes 2/3<sup>rd</sup> of petroleum - Draining of forex reserves.
    - Contributes to about 60% of the urban air pollution.

Thus, performance of road transport sector, which is affected by importation of used vehicles, has profound effects on scio-economic and environment dimensions of development.

# The Issue

- The Paradox of Mobility and its Costs:



- Apart from the benefits; the mobility comes at a cost, which is partially assumed by the users.
- However, external/indirect cost is mostly taken by the society.

Thus, impacts of importation of used vehicles is multi-dimensional

# The Tradeoff

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- Potential Benefits:
  - ✓ Access to more cost-effective technology options
    - To low/middle income segment/rural enterprises.
  - ✓ Advanced technology than local alternatives
    - And, could create opportunities for supporting businesses
- Potential Issues:
  - ✓ Distorted demand/market:
    - Traffic congestions; Increased fuel consumption
  - ✓ Older fleet
    - Fuel economy, Emissions, Final disposal of waste.
    - Quality and safety; Maintenance & Repair
  - ✓ Impacts on local automobile industries.

# The Tradeoff

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- Challenges:
  - ✓ It is a business; but how to make it fair?
  - ✓ Deal between unequal parties
    - Developed vs developing economies
    - High vs low regulatory standards/management capacity.
  - ✓ Unsustainability
    - The model is linear; not circular.
  - ✓ Against the concepts followed in climate actions:
    - Not really a transfer of “Environmentally Sound Technologies (ESTs)”
    - Keep developing economies a few steps behind technology advancements.

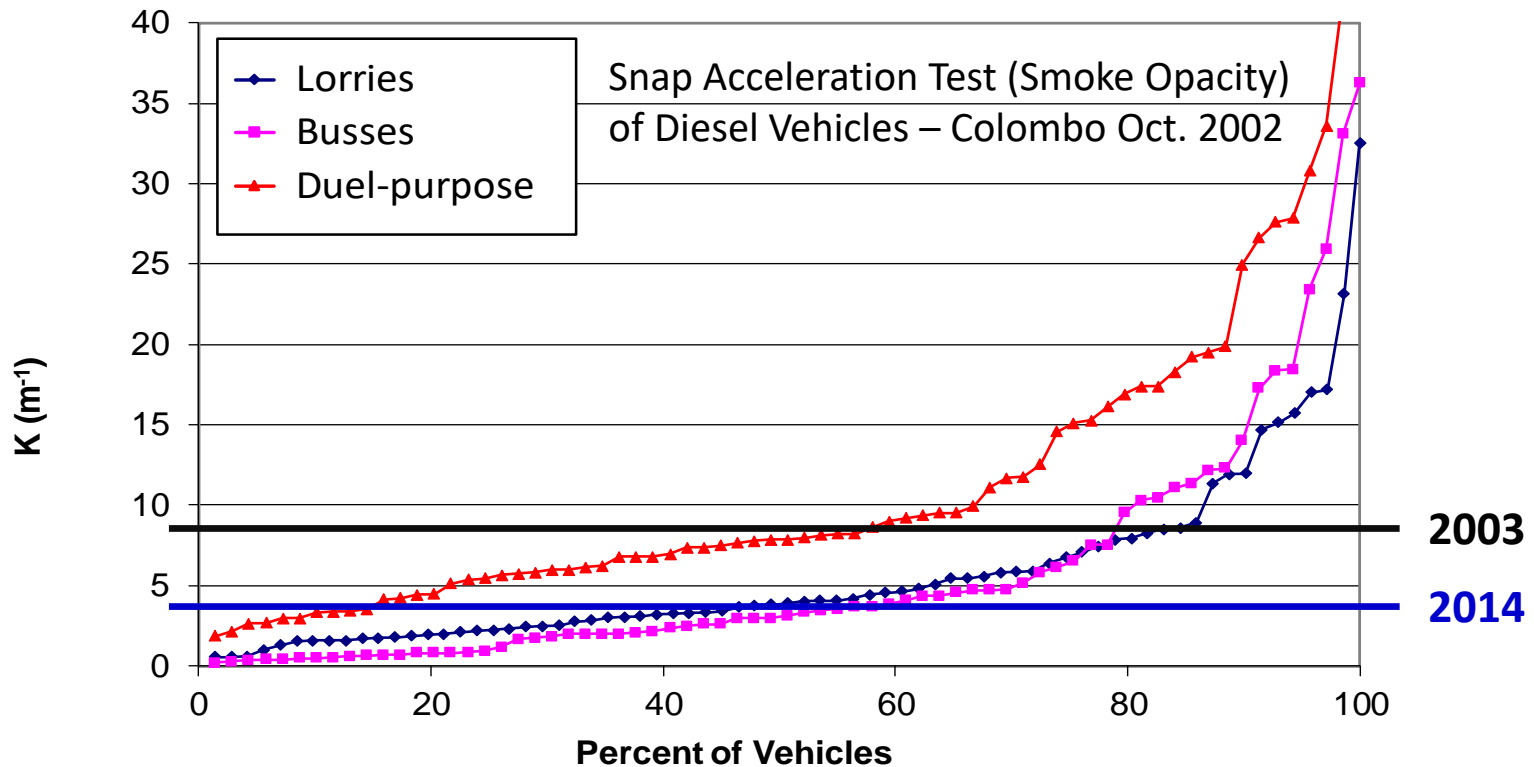
# Impacts

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- Clean Air Action Plan Implementation Issues:
  - ✓ Clean & efficient vehicle technologies;
    - Progress could be adversely affected
    - Used EVs, HEVs – Battery replacements & recycle issues.
  - ✓ Clean fuels
    - Consideration on older vehicles in the fleet in regulatory.
  - ✓ Efficient operation - inspection & maintenance
    - Overall reduction in energy and environmental performances
    - Consideration of older vehicles in the fleet in regulatory interventions (VET Programme).
  - ✓ Traffic & demand management
    - Increased vehicle population and traffic congestion.

# Impacts

- Clean Air Action Plan Implementation Issues:
  - ✓ VET Programme – Impact on standards setting:





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# Thank You

## Acknowledgements

- ✓ Centre for Science and Environment (CSE)
- ✓ Clean Air Asia
- ✓ Clean Air Sri Lanka
- ✓ Organizers of the BAQ2018 Conference