Air Quality and Cleaner Used Vehicles
Case of Nepal

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Presentation Content

• Road Transport Sector in Nepal
• Vehicles Emission Control and its Legal Framework
• Used Vehicles Import Policy
• Challenges on Importing Used/Second-hand Vehicles
Some Facts about Nepal

- Registered Vehicles: 2.3 Million
- Two wheelers/Motorcycles: 1.8 Million (78%)
- Total Road Network: about 85,000 KM including Local Roads

Nepal is entirely dependent on imported vehicles
Vehicle Import Policy

• Only Brand New Vehicles are imported in Nepal (Used/Second-hand are banned/restricted).
• Each vehicle imported should comply with Euro III Emissions Standard.
• Import of Electric Vehicles are encouraged through the exemption in Customs Duty.
Vehicle Mass Emissions Control

• Vehicles are subjected to get “green sticker”:
  • Certificate of compliances of emissions standard.
  • This standards are subjected to all vehicles imported to Nepal except Tractor, Dozer, Crane, Roller & Excavator.
  • These standards are set for various types of vehicles and fuels.
Nepal Vehicle Mass Emissions Standard

- These standards are set for exhaust emissions for Carbon Monoxide (CO), Hydro-Carbon (HC), Nitrogen Oxides (Nox), Limit values for a light vehicle (petrol engine) are given as: (Euro III)

<table>
<thead>
<tr>
<th>Type of vehicle</th>
<th>Mass of Carbon monoxide (CO)</th>
<th>Mass of Hydrocarbon (HC)</th>
<th>Mass of Nitrogen Oxide (NOx)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Cars</td>
<td>2.3</td>
<td>0.2</td>
<td>0.15</td>
</tr>
</tbody>
</table>
Nepal Vehicle Mass Emissions Standard

- Diesel engine light vehicles; (Euro III)
- Type Approval & Conformity of Production
- Exhaust Emission Values

<table>
<thead>
<tr>
<th>Type of vehicle</th>
<th>Carbon monoxide (CO)</th>
<th>Hydrocarbon (HC) and Nitrogen Oxide (HC+NOx)</th>
<th>Nitrogen Oxide NOx</th>
<th>PM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Car</td>
<td>0.64</td>
<td>0.56</td>
<td>0.50</td>
<td>0.05</td>
</tr>
</tbody>
</table>
Used Vehicles Import: Legal Context in Nepal

• **Motor Vehicle and Transport Management Act, 1993:**
  • Provision of Type approval (TA) and Conformity of Production (CoP) before importing any vehicles to the country
  • All vehicles must comply with Euro III emission standard
• Road Worthiness Test for assembled vehicles in Nepal
• **Import of used vehicles is banned by the Financial Act.**
Import of Used Vehicles: Challenges for Nepal

• Nepal lies in between China and India (two giant economies).
• It is less potential to have own automobile industry with mass production.
• Vehicles import is easy-way for Nepal.
• High duty on vehicle Import: it is one of the major sources of national revenue.
• Import of vehicles, spare parts and fuel is major items of foreign trade which takes out significant amount of foreign currency reserve.
Import of Used Vehicles

• Import of used vehicles:
  • May reduce revenue,
  • Difficult to maintain emission standard,
  • Difficult to control the entry of old and sub-standard vehicles from neighboring countries, &
  • Lack of strong mechanism to monitor and check the emission standard.
Import of Used Vehicles

- Government of Nepal has decided to ban public vehicles (in Kathmandu Valley) of age more than 20 yrs. old, from 1st March, 2017. The reasons are:
  - It will increase air pollution,
  - It may increase road traffic accident, &
  - It will increase overall transport cost due to high maintenance cost and less fuel efficiency.
Global Perspective of Used Vehicles

- Lower cost of mobility which will be attractive for policy makers,
- Stringent emission standards induces to export used vehicles to the developing countries,
- Recycling of vehicles is costly. Therefore, it is more rational to export from manufacturing countries.
Used Vehicles are banned

- Egypt,
- South Africa,
- Sudan,
- Morocco, and
- Nepal.
Opportunities for Nepal

- Establish stringent criteria on standard for importing used vehicles (considering open border conditions with India),
- Allow importing used vehicles from developed countries like Japan, Germany, United Kingdom, USA etc.,
- Monitor strictly to the cross border vehicles movement,
- Cost of the used vehicles is reasonably low, &
- Overall transport cost will be reduced.
THANK YOU