Update on Fuel Economy Development in Sri Lanka

Regional Policy Dialogue on Fuel Economy in Asia & 2nd APEC Workshop on Policy Dialogue on Fuel Economy Platform

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Overview

I. Background
II. The Management Strategy
III. Action Plan
IV. Fuel Economy Initiatives
V. Concluding Remarks

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Background

- Dominance of Ground vehicles

→ 1% buses contribute to 50% of the mobility.
### Background

- **Dominance of Ground vehicles**

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<td>2017</td>
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#### Background

- Accelerated growth of private vehicles (2W, 3W & Cars) – 83%.
- Heavy dependence of imported petroleum.
The trend: If continues …

→ About 2.5% annual growth is expected during next 15 years
→ Average travel speed expected to drop from 17 km/hr to 12 km/hr
→ Contribution from public transport is predicted to decrease further.
The Impact ...

- Steady increase in fuel demand, thus importation, is affecting country’s economy (among others) adversely.
The Management Strategy

- **Main Elements:**
  - Clean & efficient vehicle technologies;
  - Clean fuels;
  - Efficient operation - inspection & maintenance;
  - Traffic & demand management;
  - Awareness, education & capacity building.

- **Planning & Implementation:**
  - Implemented primarily under national AQM programme referred to as “Clean Air Action Plan”
  - Further reinforcement with the commitment through “Nationally Determined Contribution”.
Action Plan – The Progress

- Clean Air Action Plan:
  - Vehicle Inspection & Maintenance;
  - Fuel reformulation, pricing and fleet mix;
  - Emission Inventory, monitoring and mitigation;
  - Standards;
  - Institutional framework;
  - Economic Instruments;
  - Transport Planning and Traffic Management.

Programmes of Actions

- VET Program
- AAQ; Source Emission; Fuel Quality; FE
- Tax concessions for Hybrid/EV; Carbon Tax for ICE

AirMAC

Urban Transport Master Plan

MRV – NAMA/NDC

Fuel Quality Road Map
Fuel Economy Initiatives

- **Background:**
  - Conventionally FE aspects in vehicles has been considered within broader context of resource/energy efficiency and conservation;
  - Specific attention on FE was notably emerged with VET programme as a co-benefit;
  - More formal and structured consideration on FE is initiated with the GFEI programme;
    → Activity on development & implementation of FE Standards / Labelling has been incorporated into national energy/environment related programmes.
Fuel Economy Initiatives

- Progress: Key Activities
  - The baseline of FE of LDVs – 2015
  - The update of status of FE of LDVs is in progress
  - Development of FE standards / labelling programmes is initiated
    → Joint effort of SLSEA and SLSI, in collaboration with Ministry of Transport and Ministry of Environment.
    → As an activity under NDC in transport sector.
  - Other policy interventions:
    → Differential import tax systems
    → Carbon tax (to be enforced)
    → Euro 4 equivalent emission standards for importation.
Fuel Economy Initiatives

- Progress: Some Outcomes
  - ✓ Emergence of hybrid/electric vehicles

![Graph showing the number of first registrations for different types of vehicles from 2008 to 2017. The graph indicates a significant increase in the number of hybrid/electric vehicles from 2015 onwards.](image-url)
Fuel Economy Initiatives

Progress: Some Outcomes

✓ FE of LDVs

→ 15% Reduction with hybrid
Concluding Remarks

- Challenges
  - Data gaps
    → Vehicle registration database is not fully computerized
    → No single source for FE data
    → FE values are from different test (driving) cycles
    → Some FE data does not refer to the test cycle
  - Differences of FE values specified by the manufacturers and real-life performances
    → Concerns on the FE values to be specified in FE labels.
  - Lack of resources to check performance compliance:
    → Particularly in case manufacturers themselves do type approval tests.
Thank You

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✓ Organizers of the FE Session and BAQ2018 Conference