

End-of-life vehicles Regulation proposal

Delegation of the European Union for the Pacific





Lack of circularity in design and production

Existing laws have not led to better eco-design of cars nor to an increase in use of recycled materials



High dependency on imported raw materials

Automotive industry consumes vast amounts of raw materials, many of which (such as rare elements for electric motors) must be imported



Poor quality of vehicle waste treatment

Low-quality scrap steel, insufficient separation of materials, low plastics recycling rates



1/3 of vehicles go “missing”

Around 3.5 million vehicles disappear without a trace from EU roads each year - and are exported, or disposed of illegally



Weak governance and lack of cooperation

Lack of financial accountability and not enough cooperation between manufacturers and recyclers



1/3 of vehicles by mass are not regulated

Lorries, motorcycles, buses are not covered by the current end-of-life vehicles rules

Improving Road Transport in Partner Countries

Delegation of the European Union for the Pacific



Export of used vehicles outside the EU

FACTS:

- The export of ELVs from the EU to non-OECD countries is prohibited
- The EU is the biggest exporter of used vehicles worldwide.
- In 2020, the EU exported > 870,000 vehicles at a value of € 3.85 billion.
- Key destinations: Africa, Eastern Europe, Central Asia and the Middle East

TYPICAL EXPORTED USED VEHICLE

- No valid roadworthiness certificate
- Older than 15 years
- Does not meet Euro 4/IV standards



Demand for the used vehicle in third countries

Higher revenues from exporting used vehicles than recycling in the EU



Export of used vehicles outside the EU

PRACTICAL CHALLENGES:

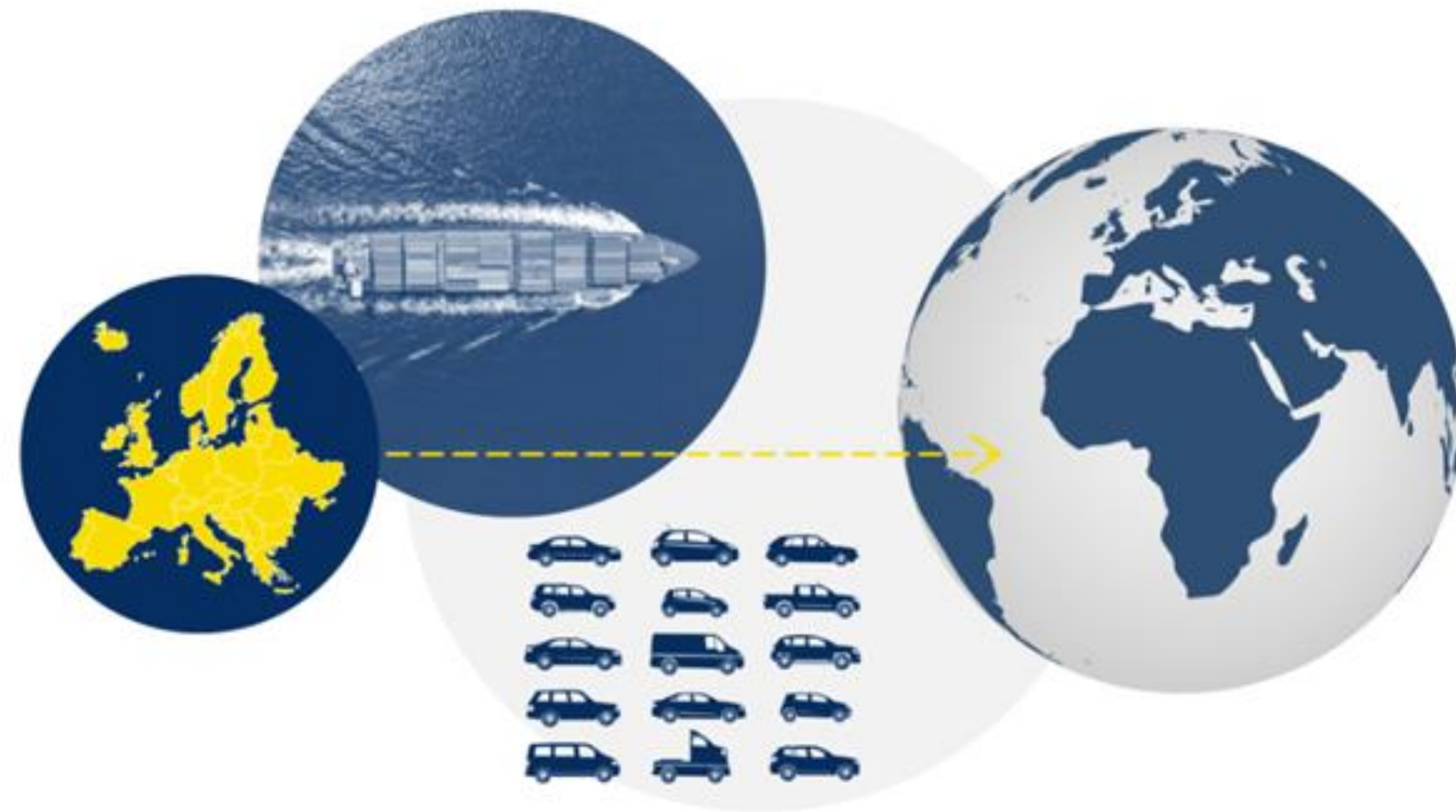
- Absence of clear and legally binding criteria on the distinction between used vehicles and ELVs
- No clear quality requirements for the export of used vehicles
- Insufficient monitoring and enforcement at national level

CONSEQUENCES:

- Increased fatality rates
- High pollution levels
- EU's external environmental footprint linked to the export of used vehicles
- Loss of secondary material sources

ELV Proposal addressing the key issues

- Specific export controls:
 - No ELVs allowed to be exported
 - Vehicles need to be roadworthy in order to be clear for export
 - Exporter to declare VIN and country of last registration
- Interoperable vehicle registration systems
- Automated verification and custom controls



ELV will pose challenges to partner countries

- Access to affordable vehicles in ACP is important, ELV regulation could have an important impact
- EU cannot act alone, ELV will also have implications on EU private sector in terms of market share in ACP (manufacturers, exporters, 2nd hand businesses etc.)



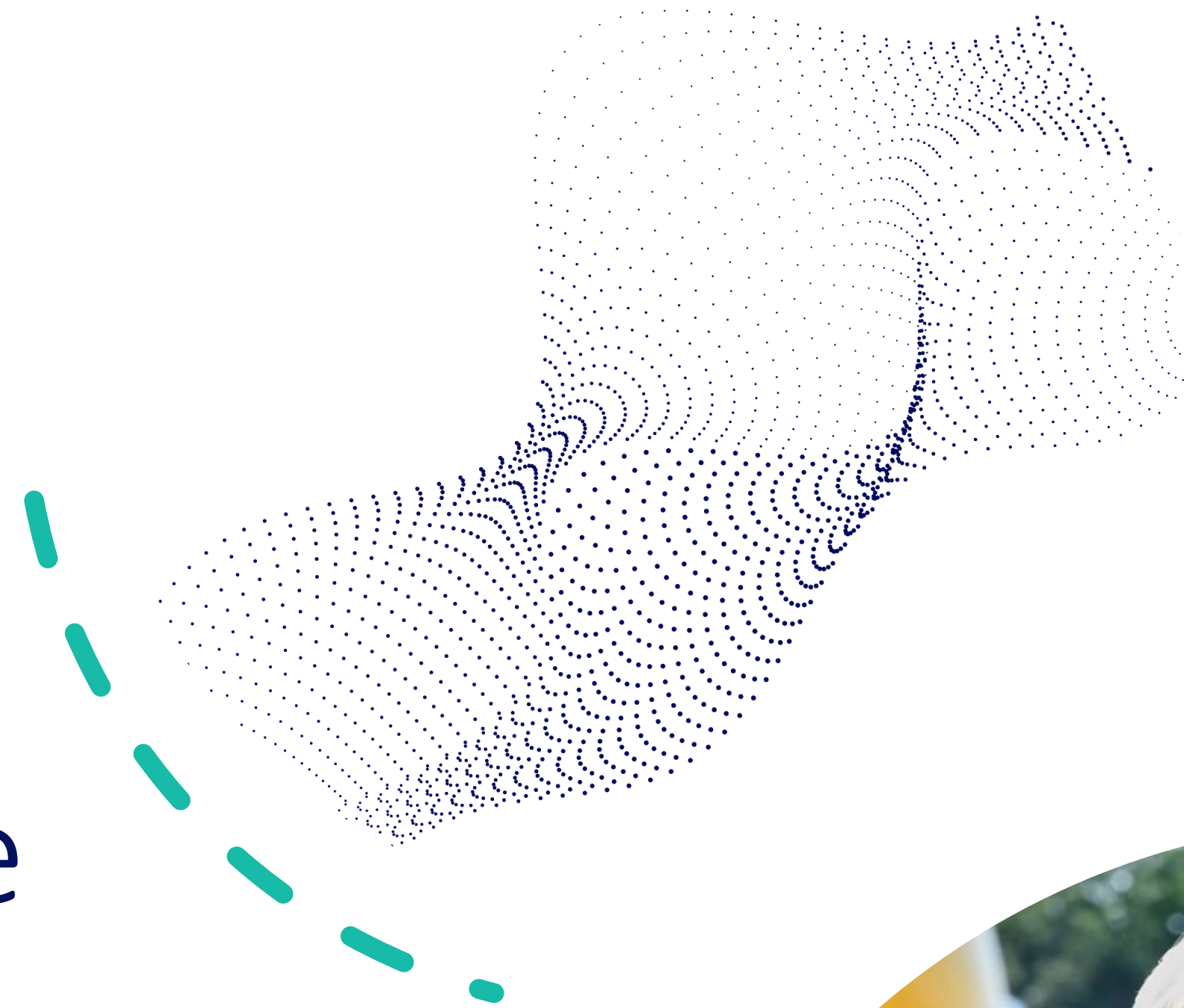
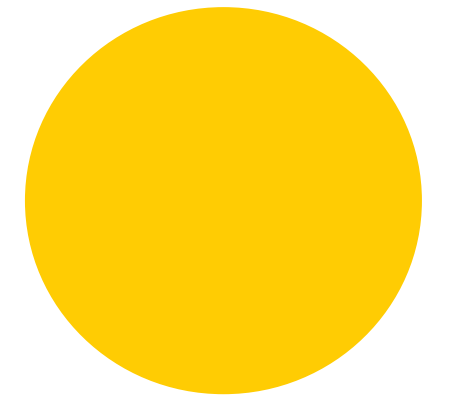
When fully implemented, this regulation is expected to reduce exports by **65% per year from 2035**

BACK UP SLIDES



“The **Global Gateway Strategy** is a template for how Europe can build more resilient connections with the world.”

Ursula von der Leyen,
President of the European Commission



Transport as an investment priority

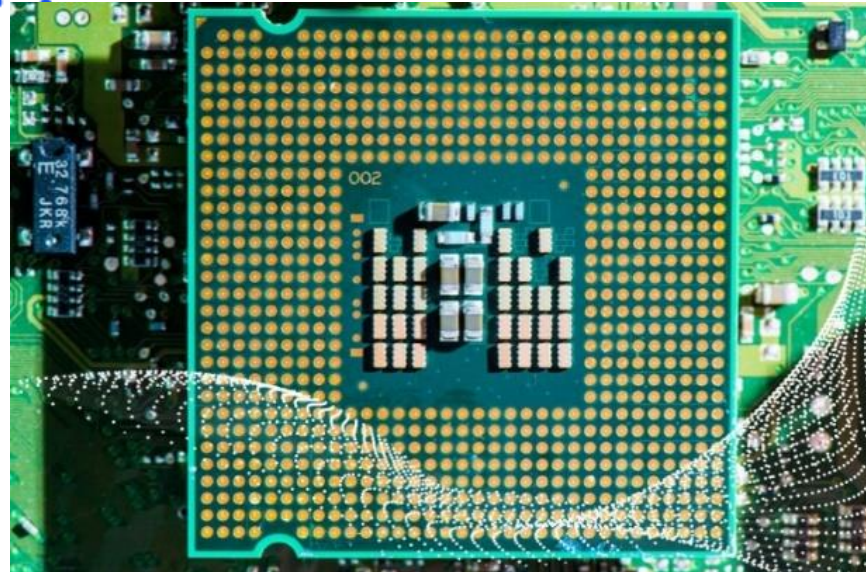
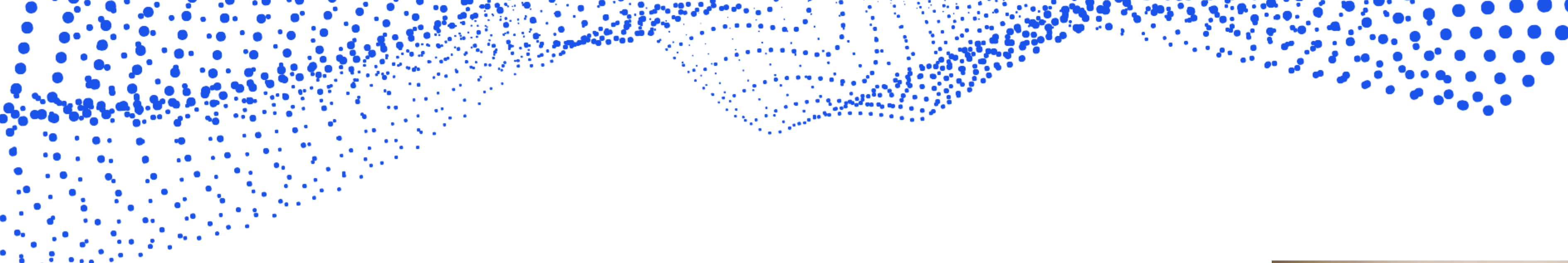
- Focus on physical infrastructure to strengthen digital, transport and energy networks
- Provide an enabling environment to make sure projects deliver, by offering attractive investment and business-friendly trading conditions



Global Gateway – what is it ?

- Our **principles** and **value-based offer** to partner countries: to tackle the infrastructure investment deficit and support the green & digital transition globally
- Reflects a change in the way the EU approaches its external action: combining the **needs of partner countries (SDGs, Paris Agreement ,...)** with a stronger assessment of the **EU's strategic interests** to position the EU more prominently in a competitive world
- **Team Europe:** Whole-of-government approach: EC, EIB, EBRD; all relevant ministries, development agencies, development finance institutions, export credit agencies, private sector





Digital

The EU will support open and secure internet



Health

The EU will help strengthen supply chains and local vaccines production



Climate and energy

The EU will support investments and rules paving the way to the clean energy transition



Education and research

The EU will invest in high quality education, with a focus on girls and women and vulnerable groups



Transport

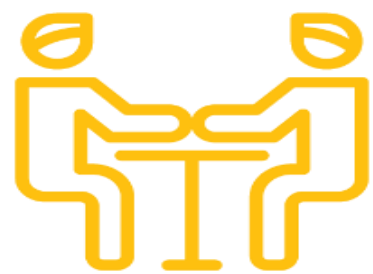
The EU will support all modes of green, smart and safe transport



Democratic values and high standards



Good governance and transparency



Equal partnerships



Green and clean



Security focused



Catalysing private sector investment