

from Automobiles for Low-Carbon Green Growth in Korea

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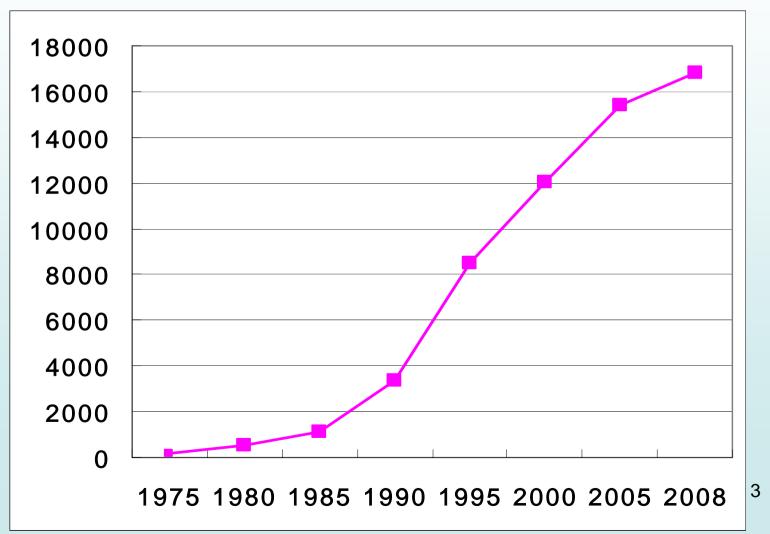
Policy Backgrounds and Circumstances

Policy measures to promote environmentfriendly transportation

Policy Backgrounds and Circumstances

Number of Vehicle Registration

Unit : thousand vehicles



Air Pollutants by Source

(National Statistics, 2005)

Unit : ton/year

Emission Source	Total	%	СО	NOx	SO ₂	PM ₁₀	VOC
Total	3,327,809	100	67,343	1,306,724	408,462	67,343	756,421
Energy Industry	579,343	17.4	35,889	390,895	139,064	8,229	5,326
Non-industry	238,142	7.2	79,759	93,658	58,706	2,978	3,041
Manufacturers	209,135	6.3	14,342	108,186	68,181	16,000	2,426
Manufactur Process	301,961	9.1	22,882	55,327	82,371	6,888	134,493
Energy storage	25,933	0.7	-	-	-	-	25,933
Organic solvent use	432,828	13.0	-	-	-	-	432,827
Mobile source	1,172,403	35.2	25,313	455,217	5,190	25,313	102,198
Non-mobile source	318,081	9.6	7,870	188,631	53,506	7,870	18.461
Waste treatment	49,983	1.5	64	14,811	1,444	64	31,716

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Air Pollutants by Source

(Seoul City Statistics, 2005)

Unit : ton/year

Emission Source	Total	%	СО	NOx	SO ₂	PM ₁₀	VOC
Total	337,061	100	161,873	107,257	8,050	4,311	75,970
Energy Industry	2,008	0.6	580	1,062	265	14	87
Non-industry	41,827	12.4	13,228	20,744	6,614	367	874
Manufacturers	1,907	0.6	458	1,346	35	3	65
Manufactur Process	1		0.01	1	0.3	0.01	0.08
Energy storage	3,364	1.0	-	-	-	-	3,364
Organic solvent use	45,877	13.6	-	-	-	-	45,877
Mobile source	205,484	61.0	140,202	59,333	717	3,009	22,623
Non-mobile source	35,107	10.4	7,193	23,937	249	913	2,815
Waste treatment	1,486	0.4	212	835	169	4	266

OECD Comparison

(Vehicle per length of road)

Country	Number of Vehicles	Total length of road	Vehicle per 1km of road	
Germany	45,793,000	230,735	199	
Korea('07)	16,428,245	103,019	159	
UK	30,970,000	371,913	84	
Japan	71,727,000	1,152,207	63	
Italy	35,363,000	654,676	54	
France	33,090,000	893,500	37	
US	216,309,000	6,348,227	34	
Spain	20,636,000	663,795	31	

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Proportion by Transportation type

	number of users(2007)			
Туре	Total users (thousand people)	%		
Total	12,627,826	100.0		
Railroad	989,294	7.8		
Subway	2,090,290	16.6		
Road	9,518,760	75.4		
Ship	12,634	0.1		
Air	16,848	0.1		

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Vehicles by Fuel Type

Unit : thousand vehicles

	2002	2003	2004	2005	2006	2008
Total	13,949	14,586	14,882	15,397	15,895	16,794
Gasoline	7,672	7,760	7,703	7,800	7,916	8,256
	(55.0%)	(53.2)	(51.7)	(50.7)	(49.8)	(49.2)
Diesel	4,607	5,054	5,385	5,650	5,869	6,136
	(33.0%)	(34.6)	(36.3)	(36.7)	(36.9)	(36.5)
LPG	1,625	1,723	1,794	1,890	2,047	2,321
	(11.7%)	(11.8)	(12.1)	(12.3)	(12.)	(13.8)

OECD Comparison

(Relative Diesel Prices, 2002)

	Korea	France	Germany	UK	Japan	US	OECD avg.
Diesel (commercial use)	0.910	0.645	0.715	0.901	0.624	0.997	0.706
Diesel (non- commercial use)	0.910	0.771	0.829	1.058	0.813	0.997	0.865
Unleaded Gasoline	1.000	1.000	1.000	1.000	1.000	1.000	1.000

* Korea : Jan. 2009

Policy measures to promote environment-friendly transportation

1. Low- & Zero-Emission Vehicles

- Natural Gas Vehicles (NGVs) have been introduced since 2000.
- Hybrid Vehicles have been distributed to public
 bodies with supports from the government since
 2005
- Other LEV, ZEVs (electric, fuel-cell etc.) are still in development stage.

Compressed Natural Gas (CNG) Buses

- 1992 started to develop CNG bus engines
- 1999 Revised Air Quality Management Act (AQMA)
- 2000 commercialized CNG buses as a replacement for old diesel-powered buses

Number of CNG Vehicles

Unit : Vehicles

	Total	2000 - 2004	2005	2006	2007	2008
Bus	19,078	6,121	2,544	3,323	3,109	3,981
Garbage Truck	429	41	23	71	154	140
Mother Station	261	172	40	14	21	14

Financial Support for CNG Buses

- Subsidy for CNG bus purchase
 - US\$18,750/bus, US\$ 50,000/garbage truck
- Loan for CNG refueling station
 - US\$ 0.6mil/station (4~5% interest rate)

Tax Benefits

 Deduction on VAT & acquisition tax, environment improvement charge, etc.

2. Enhancement of Emission Standards

- Emission standards for vehicles have been enhanced to the level of advanced countries by 2006. < Passenger vehicles>
 - Gasoline : LEV ULEV* (starting 2004)
 - Diesel : EURO-3 EURO-4 (starting 2006)
 - 1~2 years behind compared with other advanced countries
- The next enhancement on emission(EURO-5, 2009.9) will take place simultaneously with EU

* Gasoline : California ULEV

3. ATTs for Diesel Vehicle

- After-treatment technologies (ATT) such as DPF, DOC considered for reducing emission from diesel commercial vehicles
 - Special Act for Seoul Metropolitan Air Quality Improvement Measures goes into effect 2005.
 - DPF : Diesel Particulate Filter
 - DOC : Diesel Oxidation Catalyst
- The ATTs project in seeking the appropriate technology for the Korea's environment began in 2004 and duty-bounded from 2006.

4. Development of Auto/Oil Program

- Integrated consideration of vehicle emission and oil quality standards are needed to find appropriate mobile source control policies
- Mandatory Ultra-Low Sulfur content Diesels (under 30 ppm) by 2006
 - With efforts to bring early supply of ULSD by 2nd half of 2004 thru tax breaks
 - $-1998(500 \text{ ppm}) \rightarrow 2002(430 \text{ ppm}) \rightarrow 2006(30 \text{ ppm})$ → 2009(10 ppm) 17

5. Measures for Construction Machinery

- Starting July 2004, US Tier-1 level emission standard have been applied to 6 types of construction vehicles (excavators, bulldozers, forklift, loader, roller, crane)
- From 2005~2007, gradually increased to Tier-2 level emission standard
- From 2009 Tire-3 level emission standard

6. Smog-Check for Existing On-Road Vehicles

In order to improve the accuracy of regular emission check-up, loaded smogcheck program introduced

2002 : Seoul

2003 : Incheon, Gyeonggi-do

2004 : Daegu

2005 : Busan

2006 : Daejeon, Gwangju, Ulsan, Youngin

2008 : Cheonan, Cheongju, Jeonju, Changwon, Pohang, Gimhea

- 15% failure rate on smog-check (2005)

7. Enhancement of quality standards for automotive fuel

- Establish quality standards for each kinds of automotive fuel
- Gasoline : Regulations on lead, phosphorus, smokeless, benzene, etc.
- Diesel : Regulations on sulfur content, cetane number

8. Control of Idle

- Idle: Economic loss and generation of automobile emission gas
 - Fuel consumption expenses of 79.4 billion won and social cost of 55.8 billion won caused by automobile emission gas
- Legislated regulations on unnecessary idle in terminal, garages, etc in 2002
- Enacted and enforced measures banning idle in 14 municipalities and provinces

9. Strengthening the Recall System

Emission System Recall introduced in 1992

- 1st Recall in 1995
- 2nd Recall in 2005
- 3th Recall in 2006
- Promoting to introduce a reporting system on defects in components which control and reduce automobile emission gas

10. On-Board Diagnostics (OBD)

- Introduced in US (1996) and EU (2000)
 - Gasoline vehicle(OBD II)
 - Diesel vehicle(EOBD)
- Will be gradually introduced in Korea starting in 2005
 - Gasoline passenger cars :
 - Large vol. '05(10%), '06(30%), '07(100%)
 - Small vol. '05(10%), '06(30%), '07(50%), '08(75%), '09(100%)
 - Diesel passenger cars :
 - '06(new cars), '07(all cars)

11. Establishment of Environmental Zone

Performing establishment of environmental zone already in Stockholm and London

Restriction old- aged vehicles and encouraging low emission vehicles



- TDM(Travel Demand Management)
- FAS(Fleet Average System)
- EST (Environmentally Sustainable Transport)

Thank You for Attention

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