

## New but Used

The electric vehicle transition and the global second-hand car trade

What are the current global flows of used vehicles?

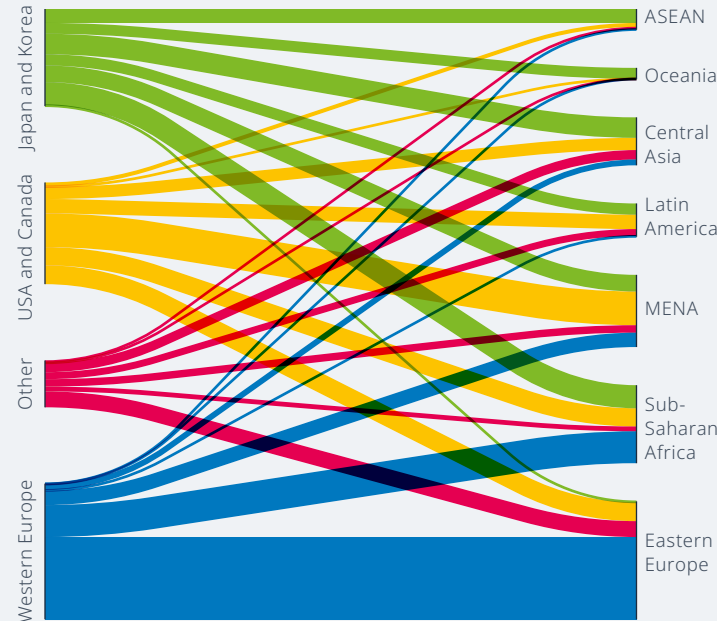
How could the global trade in used vehicles change in the future?

How will emerging economies electrify their fleets?

Figure 1

### The current global flows of used vehicles

Historically, the major exporters of used vehicles to emerging economies have been Europe, Japan, Korea and North America.



Trade data from international statistics or national statistics offices compiled by the ITF.

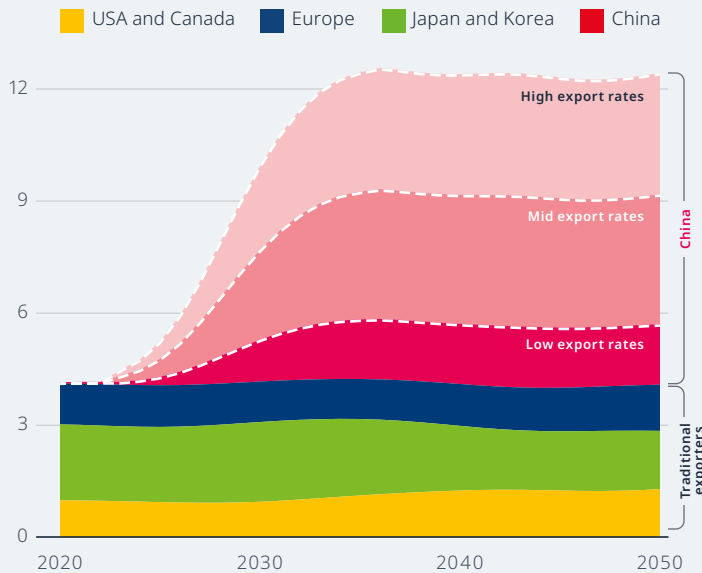
### The global vehicle fleet must decarbonise to meet Paris Agreement goals

Adopting new electric vehicles (EVs) will help decarbonise vehicle fleets in developed economies. However, approximately one-quarter of the world's population lives in countries where at least half of the cars are imported used cars. Emerging economies import second-hand vehicles from developed economies because they are cheap and provide upgrades to vehicle fleets in importer markets.

However, many imported vehicles are old, in poor condition and endanger human health. Promoting the export of used EVs and avoiding dumping large numbers of poor-quality vehicles in emerging economies is necessary to meet climate goals for the global vehicle fleet and support achieving broader environmental goals.

Figure 2

### Forecast of used car exports by region of origin



### Prepare for China’s likely domination of the used-vehicle export market in the near future

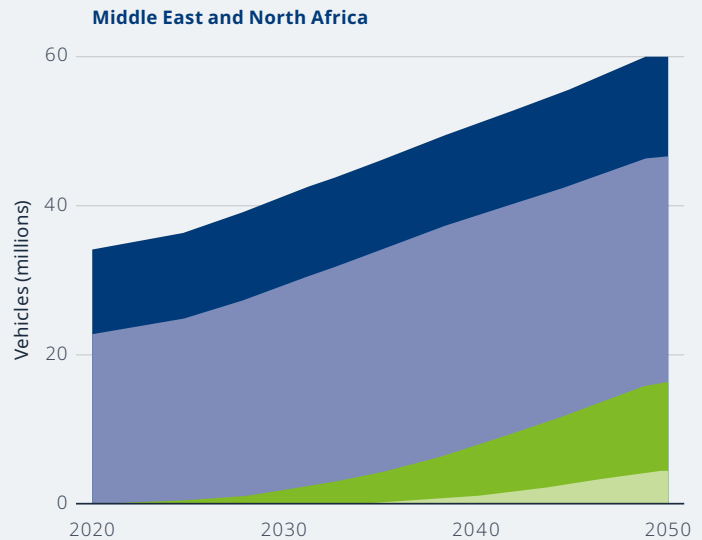
Used-vehicle exports from China have been growing rapidly since the government lifted an export ban in 2019. China is the largest global market for new car sales. Used vehicle exports from China to emerging economies may overtake those of all OECD countries combined in the next decade (see Figure 2).

### Ensure used cars for export meet clear roadworthiness criteria, including emissions performance

The transition to EVs will dramatically affect the international trade in used vehicles. As developed economies switch to EVs, unwanted combustion engine vehicles are being exported in ever-greater numbers to emerging economies, which could undercut their own shift to EVs. Governments can achieve significant environmental benefits at minimal cost by restricting the import and export of highly polluting conventional vehicles and fuels.

Figure 3

### Modelled car fleet by region and powertrain

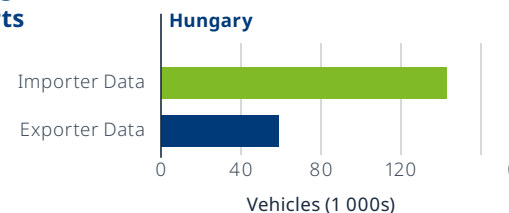


### Avoid hampering exports of used electric vehicles to emerging economies

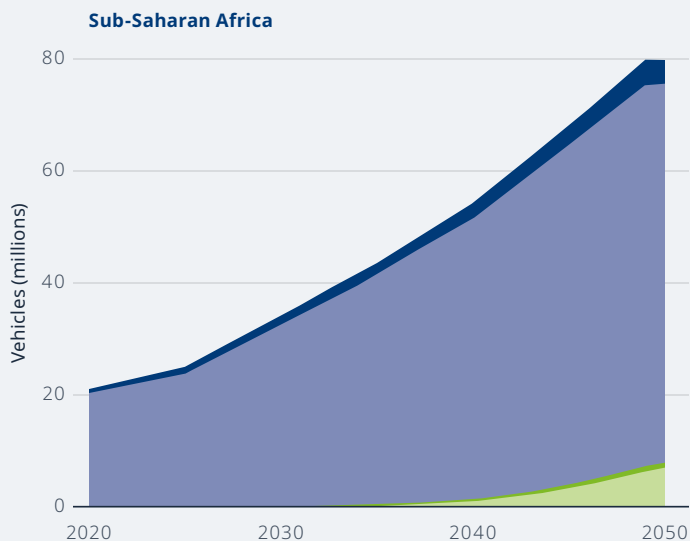
Developed countries should not be overly restrictive on the export of used EVs. They may be tempted to do so to develop a domestic second-hand market, or to control the supply of critical materials used in batteries. But with few EVs on their roads, emerging economies will struggle to develop charging infrastructure and decarbonise their own fleets. This will result in an electrification gap between developed and emerging countries. Developed economies should help to ensure EVs are properly disposed of at their end-of-life in emerging economies.

Figure 4

### Underreporting of used car exports

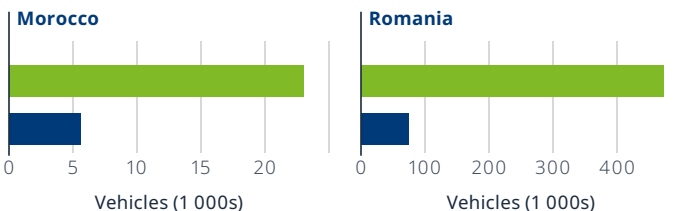


**Internal combustion engine vehicle (ICEV)** ■ Local ■ Imported  
**Electric vehicle (EV)** ■ Local ■ Imported



### Track the trade: Improve the traceability of used vehicles

Used-vehicle exports are systematically under-reported, particularly from exporting countries (see Figure 4). Better databases are needed to track where vehicles are registered during their lifetime. This would help to ensure safe disposal and enforcement of environmental regulations. Proper data collection is also important to track critical mineral supplies and better locate end-of-life industries, such as recycling plants. Stringent enforcement measures should be put in place to track vehicles traded across borders and where they are registered.



### New but Used The Electric Vehicle Transition's Impact on Emerging Economies' Second-hand Car Markets

This report analyses how the global transition to electric vehicles could be constrained by the trade in used cars. It looks at global trends in the used-vehicle trade and maps flows of cars from developed economies to emerging markets. It also explores how export markets could shift in the future and the likelihood of used electric vehicles being exported to emerging economies.



**Available for download:**

[www.itf-oecd.org/new-used-global-trade-second-hand-electric-vehicles](http://www.itf-oecd.org/new-used-global-trade-second-hand-electric-vehicles)

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