Singapore and the issuance of a quota of licences to fund mobility

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The scarcity of available public space drives Singapore's mobility policy. The City-State occupies a territory restricted to the south by the ocean and to the north by the Johor Strait which marks the border with Malaysia. Public space is a fixed and extremely limited resource given Singapore's urban development.

→ DRASTIC MEASURES FOR A RESTRICTED TERRITORY

Currently, around 12% of the territory is devoted to road infrastructure, while car parks account for roughly 4% of the City-State's total surface area. This means that cars occupy 16% of Singapore's surface area... compared to only 14% for housing. By 2030, the percentage of territory allocated to cars is estimated to rise to 19%, while population growth is set to rise from 5.6 to 7 million. Furthermore, Singapore's isolated status tends to make the car an exclusively urban mode of transportation, as regional journeys do not exist and international journeys are made by air or sea. This specific status of cars and the situation in Singapore has led it to take drastic measures to reduce the modal share of cars.

In 1990, to mitigate vehicle traffic and contain the growth of road infrastructure, Singapore rolled out several measures: a city toll (Electronic Road Pricing) and the Certificate of Entitlement (COE). The latter measure aims to control and limit growth in the number of vehicles in circulation.

→ REDUCING THE IMPORTANCE OF CARS AND PROMOTING OTHER MODES OF TRANSPORTATION

In Singapore, to own, register and use a vehicle, a COE is required. This certificate is valid for a ten-year period. It is obtained through an auction system managed by the Singapore Land Transport Authority (LTA). The number of COEs on sale is set by a quota updated by the government every six months.

The price can vary significantly depending on the vehicle category. It can even exceed the price of the car itself. In 2019, the price of the COE for a vehicle with less than 1,600cc ranged from 25,500 to 36,000 Singapore dollars (between €17,000 and €23,500). In 2018, the COE provided the LTA with revenues of $3.1 billion (roughly €2.2 billion).

Like other taxes applicable to vehicles in circulation, revenues from the COE are fully allocated to funding mobility. Following on from its car quota policy, Singapore is leveraging the development and competitiveness of public transportation. By 2040, the City-State plans to extend its MRT network and improve bus circulation by creating 211 km of priority lanes.

→ AN EFFECTIVE SYSTEM WITH FAR-REACHING IMPLICATIONS

The COE offers Singapore two main advantages. Firstly, it enables the City-State to control the number of vehicles in circulation to a very precise degree. In October 2017, the LTA decided to reduce the growth rate of new vehicles in circulation, which had been 0.25% additional vehicles per quarter[168], In 2017, less than 400 vehicles were granted a COE each quarter. This policy had a very clear effect on the population's car ownership rate: 11% in Singapore, compared to 36% in Paris[169] and 45% in New York[170], cities with the lowest car ownership rates in their respective countries. Moreover, the COE contributes to limiting congestion. The second advantage of the COE is that it enables the LTA to enjoy tax revenue[171] which contributes to funding alternatives to cars and in particular the development of the public transportation network[172].

However, the cost and the scarcity of COEs may penalise low-income households. In addition, COE renewal fees once the ten-year validity period has expired may lead some inhabitants to give up their car, which reduces vehicles' shelf life in Singapore. According to the saying, "even cats and dogs live longer than cars in Singapore"[173].

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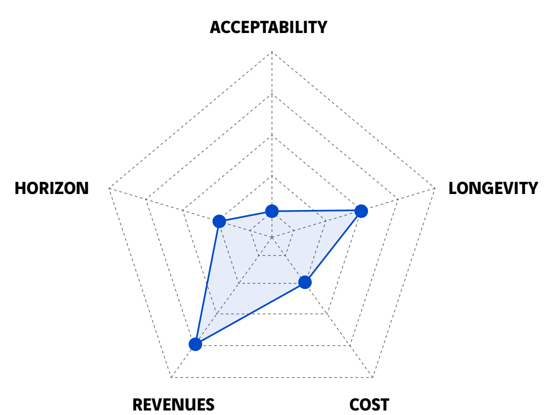

Who pays?

STATE COMPANIES **TAXPAYER**

What scale of implementation?

LOCAL NATIONAL