



# SINGAPORE – October 2019

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**SLICK MOVEMENTS IN SINGAPORE..... 1**

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## **SLICK MOVEMENTS IN SINGAPORE**

*Singapore is one of the most efficient countries in the world when it comes to moving people and freight, with possible lessons for Australia. It's also the source of a lot of our fuel, which is cause for concern...*

Singapore is one of the hottest countries on the planet, in more ways than one.

The heat and humidity can be exhausting, but that doesn't stop this tiny island nation of less than 6 million people just 80 kilometres north of the equator from pulling off some amazing achievements in commerce and transport.

At the eastern end of the island – which measures just 50km by 30km – is Changi International Airport, a stopover point for countless Australian travellers. Changi is one of the busiest airports in the world and has been voted the best several times in recent years. It handles a massive amount of air freight.

Singapore also has one of the busiest harbours, and again thanks in large part to its prime location as a hub between Asia, Europe and the Americas, it's the world's largest container trans-shipment port.

Singapore is also huge when it comes to oil refining, and oil and fuel storage and trans-shipment.

So you'd think with all this major economic activity going on, the roads would be a car-clogged nightmare for the local trucking industry, just like many parts of Australia's biggest cities in peak hours.

Not so. There are freeways everywhere but more interestingly, it was this writer's experience during a week-long visit in July that the public transport is unbelievably frequent and cheap.

The Mass Rapid Transit (MRT) rail system runs below ground or above ground, but not at street level competing with road space. The goal is for 90 percent of the population to be within 10 minutes' walk of a station.

The MRT is expanding all the time and is funded largely from "land value capture", in which the Asian Development Bank regards Singapore as a world leader. The Singapore Government owns most of the land used for development, and auctions it to the private sector on long-term leases. The Government also taxes increases in land values created by redevelopment approvals at a whopping rate of 70 per cent.

That's in stark contrast to Singapore being widely regarded as a tax haven for multinational corporations. The country is a fascinating mix of free market capitalism and socialism.

Meanwhile as well as a terrific rail system, there seems to be almost as many buses as cars on the roads, many of them double-deckers.

Helping to make public transport so efficient is the fact that there are so many apartment towers –

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you would think the island might start sinking. Singapore's density is nearly 8,000 people per square kilometre, compared with Sydney's 400.

Helping further to keep cars off the road is the fact it costs a bomb to own one, thanks to the "Certificate of Entitlement" (COE) system. A humble Toyota Corolla costs more than A\$100,000, for example. And the congestion tolling on various major roads – called electronic road pricing (ERP) – is steep in peak hours.

As you can imagine, there are container trucks everywhere in Singapore, but also rigid construction trucks serving the giant road and rail infrastructure projects and constant commercial and residential building that's going on everywhere. No truck and dogs though, and only single trailers for the rest.

All the European and Japanese truck brands are well represented, but interestingly I saw only one Chinese truck in a week, and no Americans. Perhaps this has something to do with driving being on the left side of the road, as in Australia, and length restrictions making things harder for bonneted trucks.

Most limits are much smaller than in Australia. The maximum GVM is 40 tonnes; height is 4 metres; length is 18 metres; and get this: the speed limit for trucks, even on freeways, is only 60 km/h. (Top speed for cars and freeways is only 90km an hour.)

However the width limit is 2.6 metres, which no doubt helps with compulsory side and rear under-run protection (except for dump trucks and some other categories).

Most of the prime movers seem to be single drive, whether that be 4x2 or 6x2 with a lazy axle, some of them lift-able.

Since January 2018 all new diesel vehicles have to meet Euro 6 emission standards which puts Singapore ahead of Australia.

As in Australia, there is a big shortage of experienced drivers. The maximum working day is supposed to be 12 hours, but there has been local media reporting of exploitation of overseas drivers.

Something that might reduce the demand for drivers one day is a trial of semi-autonomous platooning between the two huge container ports which is being planned by Scania, the Singapore Government and the ports operator.

I thought the global truck brand was as good as any for some observations about trucking in Singapore.

"Because the island country is mostly flat land, not a lot of horsepower is required," says Ian Tan, Business Development Director for Scania Southeast Asia. "Extra engine cooling is also not required as the ambient temperature is OK."

Tan agreed with my observation that traffic flow is remarkably good: "In the island city overall, the traffic jams are not as bad as other South-East Asian cities," he says. "ERP and COE mechanisms amongst many other things are used to periodically plan the vehicle population and movement.

"Singapore is an efficient country. They need to be due to limited resources. They are a success story in the region and in the world."

One of those natural resources that Singapore lacks is crude oil, but that doesn't stop it being one of the biggest diesel producers in the world. Australia sets its diesel price according to the Singapore benchmark. Singapore also stores huge amounts of crude and diesel manufactured from some of Australia's other biggest suppliers including Japan, Korea and Malaysia.

In July the diesel price in Singapore was about \$1.90 a litre in Australian currency, which means they pay a lot more fuel tax than us.

Australia now imports 60 per cent of its fuel and Singapore supplies more than a quarter of those fuel imports. Nearly all the crude oil used by Singapore's refineries comes from the Middle East.

"Over 40 per cent of liquid fuel sold in Australia is derived from crude oil produced in the Middle East," says the interim report of the Liquid Fuel Security Review by Australia's Department of Environment and Energy, released in April this year.

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So that's potentially a big problem for Australia, considering the volatility in the Gulf.

But regardless of where our fuel comes from, as this magazine reported in 2012 we are hopelessly in breach of our International Energy Agency obligations on fuel stockholdings. Back then we had an average of only 23 days' worth of diesel in the country.

More than seven years later and with a Senate inquiry into the fuel security issue under our belt, how many days' worth of diesel under normal demand is Australia holding now? The answer is about 22 days, according to the interim report above.

So our diesel stocks have actually gone backwards! Let's hope nothing goes really pear-shaped between the United States and Iran in the Strait of Hormuz any time soon.

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