

# Singapore's economy dependence on transport

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Under urban economics, the concentration of economic activities in the central business district (CBD) results from scale economies (SE) and agglomeration economies (AE). However, there are inherent costs and externalities, such as congestion and worker's travel costs, in centralization that drives decentralization. That said, regional cities can face congestion issues as well. Jurong Lake District, for example, has 5 shopping malls (around 700 retail shops), an estimated daily visitor footfall of 150, 000 and daily deliveries of 690 - a strain on infrastructure. This presents opportunities for urban logistic to solve problems of unconsolidated ordering, unbalanced traffic density and inefficient in-mall distribution. In addition, sustainable commuter traffic management should complement existing urban transport regulation (COE & ERP). In 2015, it is estimated that 44% of households own cars, growth rate of private vehicles was 0. 25% p. a. and public transport usage at 65% stands lower than Hong Kong's 85%. To rid auto-dependency, Singapore should rapidly increase transportation infrastructure in regional cities especially when most are concentrated in CBD. Although land constraints cast doubt on the addition of rail infrastructure, but with complementation from the bus system and the growing sharing economy in providing last mile solutions, extensive connectivity is possible. In the future, autonomous vehicles technology can even value add to the sharing economy, replacing private ownership. More importantly, with existing high-density urban planning and decentralised urban facilities, pedestrianisation of streets promote people to people interaction via activities programming and cultural and artistic amenities. Another weakness in decentralisation is the lack of decentralised quality

office space, in fact, the ratio of decentralised to CBD office space has tightened from 1: 5 in 2007 to 1: 10 in 2016. Insufficient supply thus causes decreasing rental gap reducing motivation for corporations to move even though they are receptive.

Moving on, in external connectivity, Singapore's heavy investment in air and sea transport has propelled it economically. More than 59, 780, 000 passengers arrived in Changi Airport in 2016 while Singapore has the busiest transshipment hub contributing 7% of GDP. Such should only continue as we capitalise on trade growth around the world. But to increase external connectivity, domestic investments do not suffice; Singapore should seize opportunities and invest in infrastructure developments regionally and globally. By 2040, the urban population will grow by 46% requiring for more infrastructural capacity. Investment will have to reach \$94 trillion to keep pace. Singapore should chip in expertise and financing, especially for airport and sea ports that will promote trade and benefit Singapore.

Despite all these, there are concerns on fiscal spending. Singapore's budget more than doubled as compared to the year. And the transformation project carried out in Jurong will only be realised in 2040 which given the rapid development of technology, is incredibly long a frame. Moreover, with political changes globally, these plans might be derailed.