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Relieving Traffic Congestion - The Singapore
Area Licensing Scheme, 1975

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These exhibits, authored by World Bank archivists, highlight key events, personalities, and publications in the history of the World Bank. They also bring attention to some of the more fascinating archival records contained in the Archives' holdings.

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Relieving Traffic Congestion - The Singapore Area Licensing Scheme, 1975

The adverse effects of the increasing use of motor vehicles in many countries have resulted in development of various programs to decrease traffic congestion. In the 1970s Singapore was one of the cities where environmental pollution, deteriorating quality of life in the city center, and congestion on limited urban roads encouraged the government to search for the means to improve the situation.



Traffic congestion in Singapore, 1975

The experience of other cities demonstrated that attempts to encourage people to ride public transport or organize car pools had limited success. In addition, the economic, social and environmental costs of urban road construction programs proved to be too high for cities with scarce resources. In this regard, greater consideration was given to such methods of traffic limitation and control as preferential treatment for high occupancy vehicles, streets reserved for pedestrians and/or buses, and road pricing.



Buying a daily area license at the license sale booth, 1975

The government of Singapore decided to implement the Area License Scheme - road pricing - to address the issue of traffic congestion in the city. The scheme was introduced in June, 1975. At that time Singapore was the only city in the world to implement this plan.

The Area License Scheme required a driver to purchase a special supplementary license, and display it on a car that was driven in designated Restricted Zones during the rush hours. A year-long public information campaign that was organized by the government contributed to the successful implementation of the program.



Given a one-year notice by the Government of Singapore about this transport policy change, the World Bank research staff had an opportunity to conduct before-and-after studies to identify and measure the effects of Singapore's Area License Scheme on the transport system in particular and the urban system in general.

The specific areas dealt with were: traffic performance, travel behavior, the business community, conditions for pedestrians, air pollution, and public opinion and attitudes. In addition, the potential for developing similar license schemes for other cities was investigated and available options and variations were suggested.

As a result of this research program, the “Relieving traffic congestion: the Singapore area license scheme” report was published in June, 1978. The purpose of this report was to provide the policy makers in other countries with information on the effects of the license scheme and help them to draw



A Singapore street during the rush hour, 1975

conclusions on its usefulness and adaptation to local conditions. In 1998, Singapore switched to the current Electronic Road Pricing system in the central business districts and on outer ring roads. This is an electronic means of charging fees for driving in restricted zones in Singapore at certain times of the day.

Singapore is currently well known for its economic and infrastructure successes. In September 2006 Singapore will host the Annual Meetings of the Boards of Governors of the International Monetary Fund (IMF) and World Bank Group.

The Annual Meetings Program of Seminars theme is “Asia in the World, the World in Asia” and focuses on the following topics: Infrastructure for the 21st



Bus posters were used to inform the public on how to improve traffic, 1975



Century; Asia Rising: Myths & Realities; Capital Markets and the Financial Sector in the Emerging Markets; and Corruption, Governance and Growth.