

Public Transport Council expected to decide on new fares soon

SINGAPORE: The Public Transport Council is expected to decide on new fares this week and commuters are hoping for some cuts in bus and train fares, especially with the gloomy economic situation.

However, transport analysts are not expecting dramatic drops and they said fare reductions will probably be in favour of concession groups.

Transport operators SBS Transit and SMRT responded to the Budget announcement last month by saying they would pass on savings from government rebates to commuters.

"If they cut it by 20 cents or 30 cents a day, I think I can save around S\$100 a month," one commuter said.

"At the moment, normal fare from one end to the other is about S\$2. So 30 per cent is around 60 cents, so that will be good," another added.

"I basically think they should reduce public transport fee by another 20 per cent – back to '04-'05 levels, before inflation kicks in."

Terence Fan, assistant professor, Management, Singapore Management University (SMU), said: "As the economy is in early stages of slowdown, it's likely that prices may fall even more later on. So it's also possible that in the middle of the year or even next year, we'll see a further reduction."

Transport economists said cuts serve two purposes. One, they help those currently taking public transport, and two, if well-crafted, they could stimulate demand for more trips which could help to stimulate economic activity.

"For example, retirees who would normally be home would now say, 'Hey, hang on a second. I could perhaps use this opportunity to go to that restaurant or kopi tiam to have lunch', so that might stimulate economic activity," said Professor Fan.

A formal announcement on the new fares is expected soon.



An SBS Transit bus