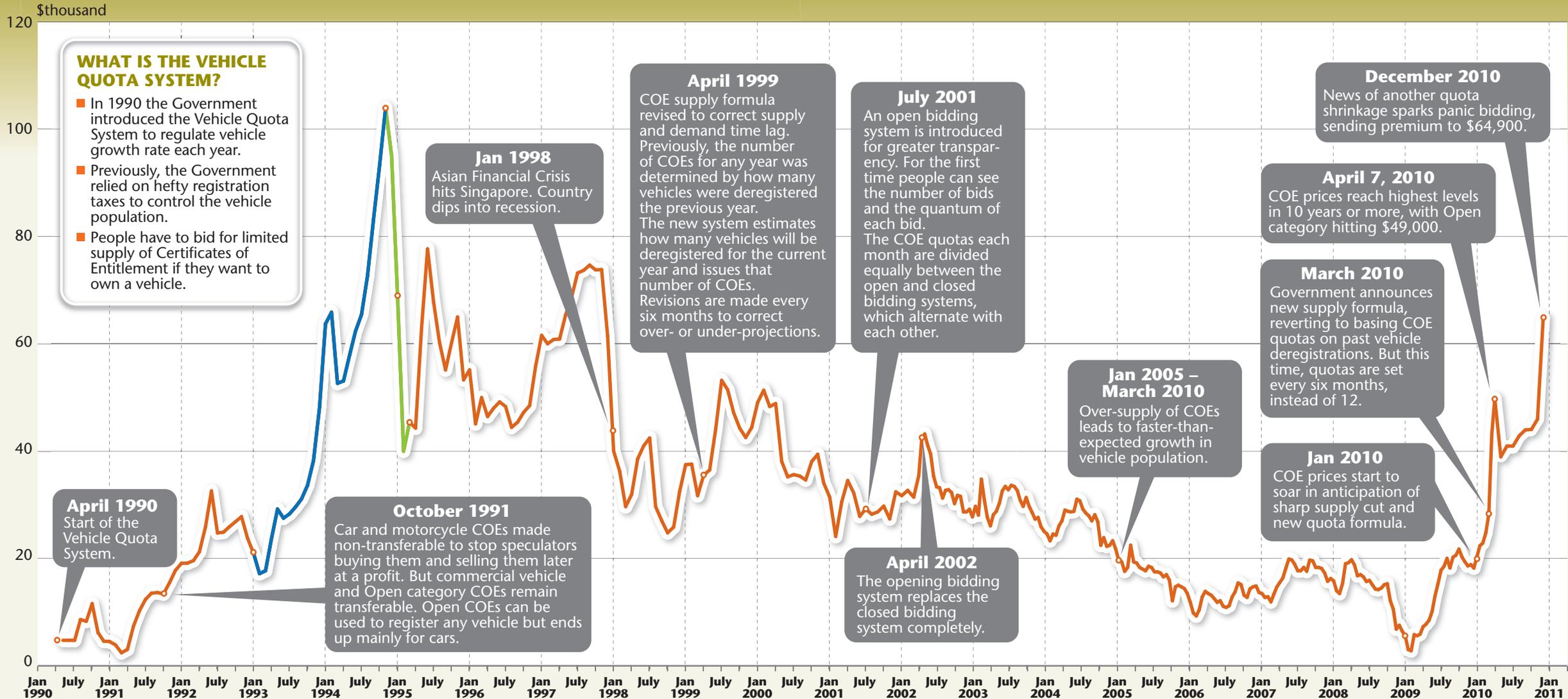


THE COE STORY

The Sunday Times looks at the history of the Vehicle Quota System and traces the ups and downs of Open category premiums.



PEAK, RISES AND DIPS

Jan 1993 – Nov 1994
Most experts believe the rise in COE prices across all categories is fuelled largely by speculation. Some speculators use the non-transferable COEs to register vehicles and then resell the vehicles.

Dec 1994 – March 1995
COE prices fall in anticipation of new government measures. Between January and March, the Government rolls out a slew of measures to stop speculation. These include disallowing reselling of new vehicles within 3 months of purchase, and imposing an additional fee for resale in the next 3 months.

Feb 1995 – Jan 2009
After anti-speculation measures are rolled out, and after limits to car loans are introduced in February 1995, COE prices start to head south. Besides blips in 1997, the downtrend lasted more than a decade.