



COMMENTS ON
THE WEB OF TRANSPORT
CORRIDORS IN SOUTH
ASIA

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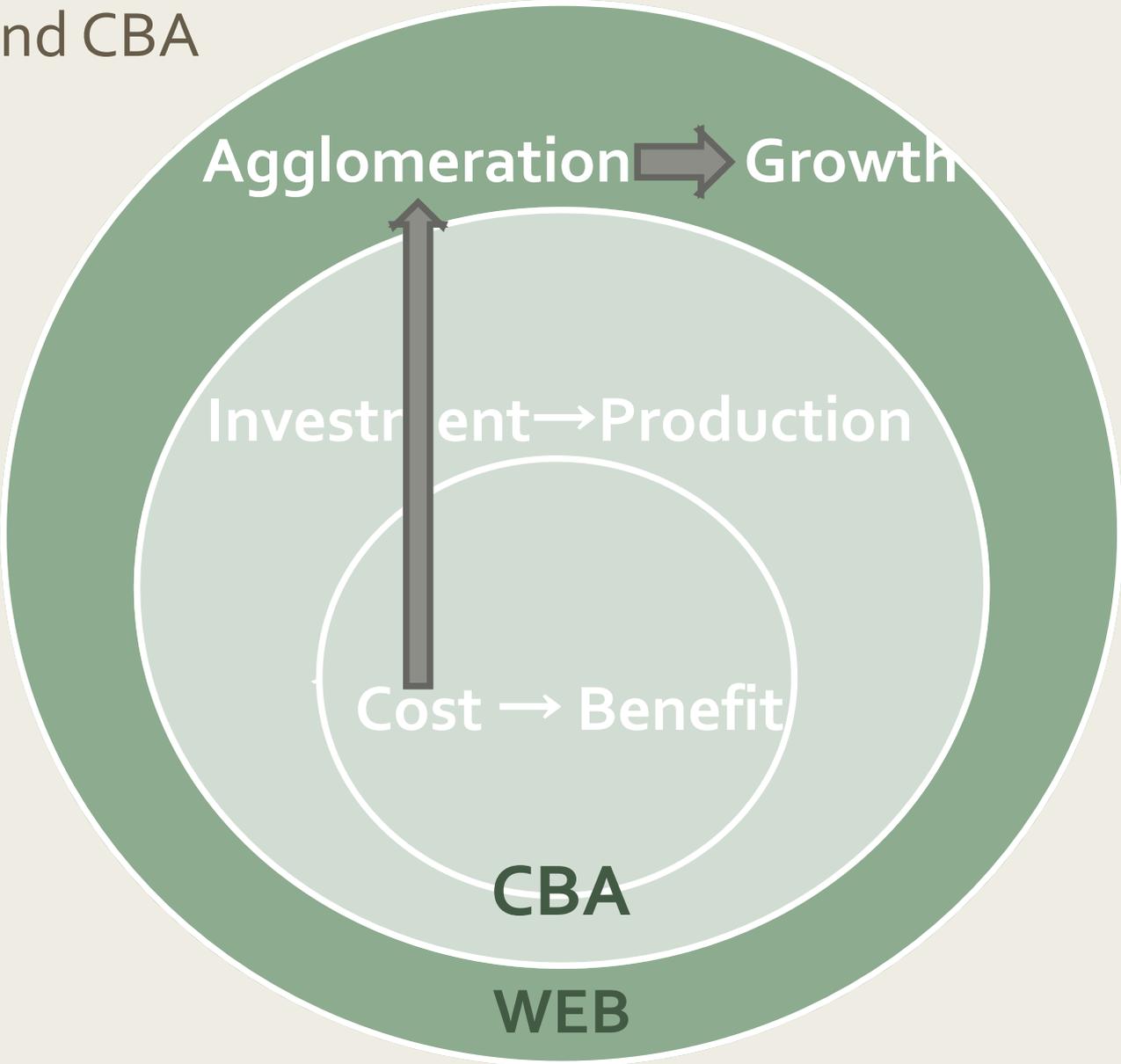
Questions ?

1. What is WEB?
2. What is Economic Corridor ?
3. What is WEB of Economic Corridor? Why is it good for development?
4. How can WEB be measured?
5. Is Economic Corridor approach still effective in this changing world?

1. What is WEB?

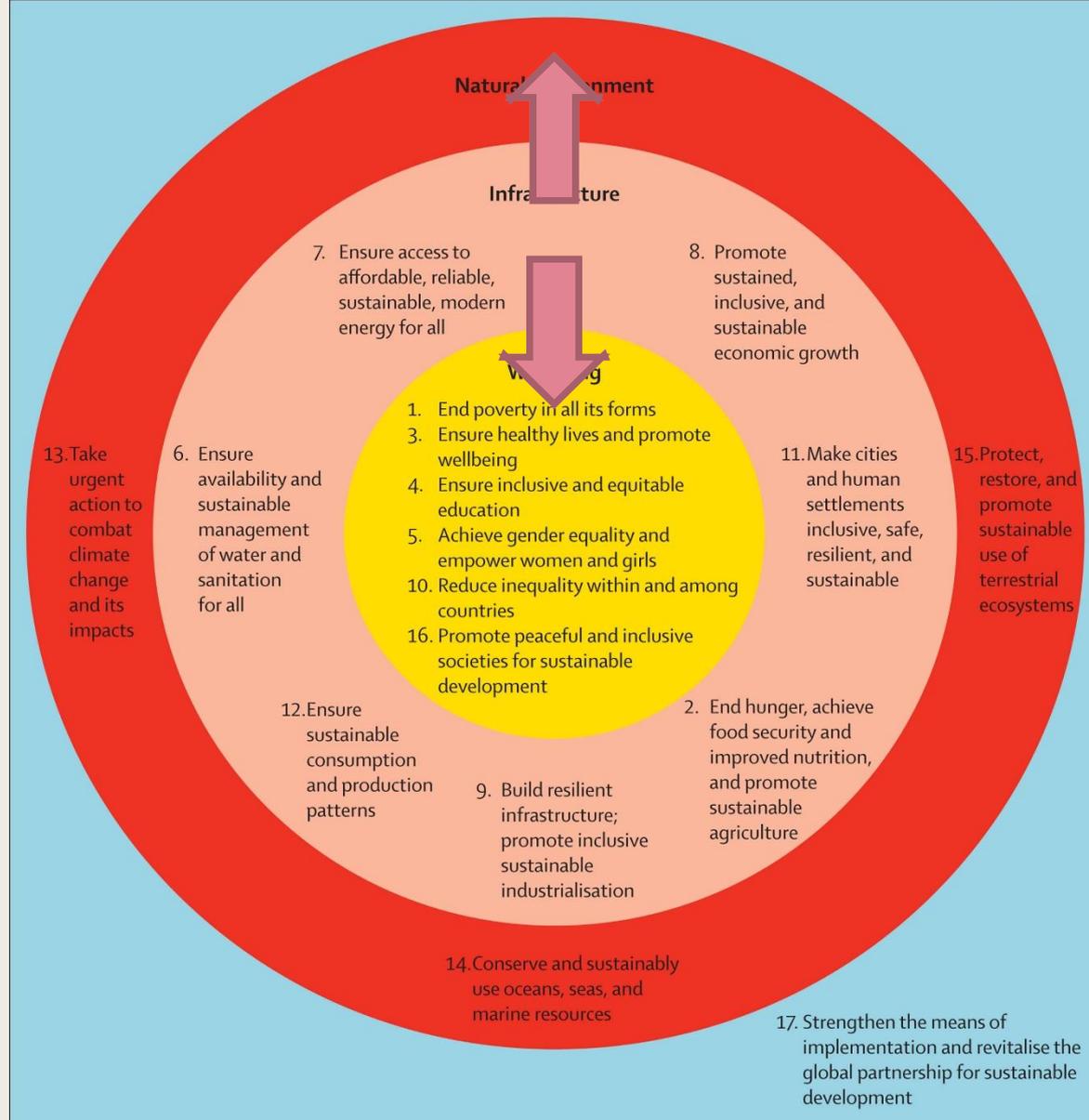
- Wider economic benefit beyond those measured by traditional cost benefit analysis(CBA).
 - *Agglomeration effects as a core of such benefits*
- Social and environmental implications.
 - *Defining the role of infrastructure on SDGs*
 - *Commonality with Quality Infrastructure Investment approach*

WEB and CBA



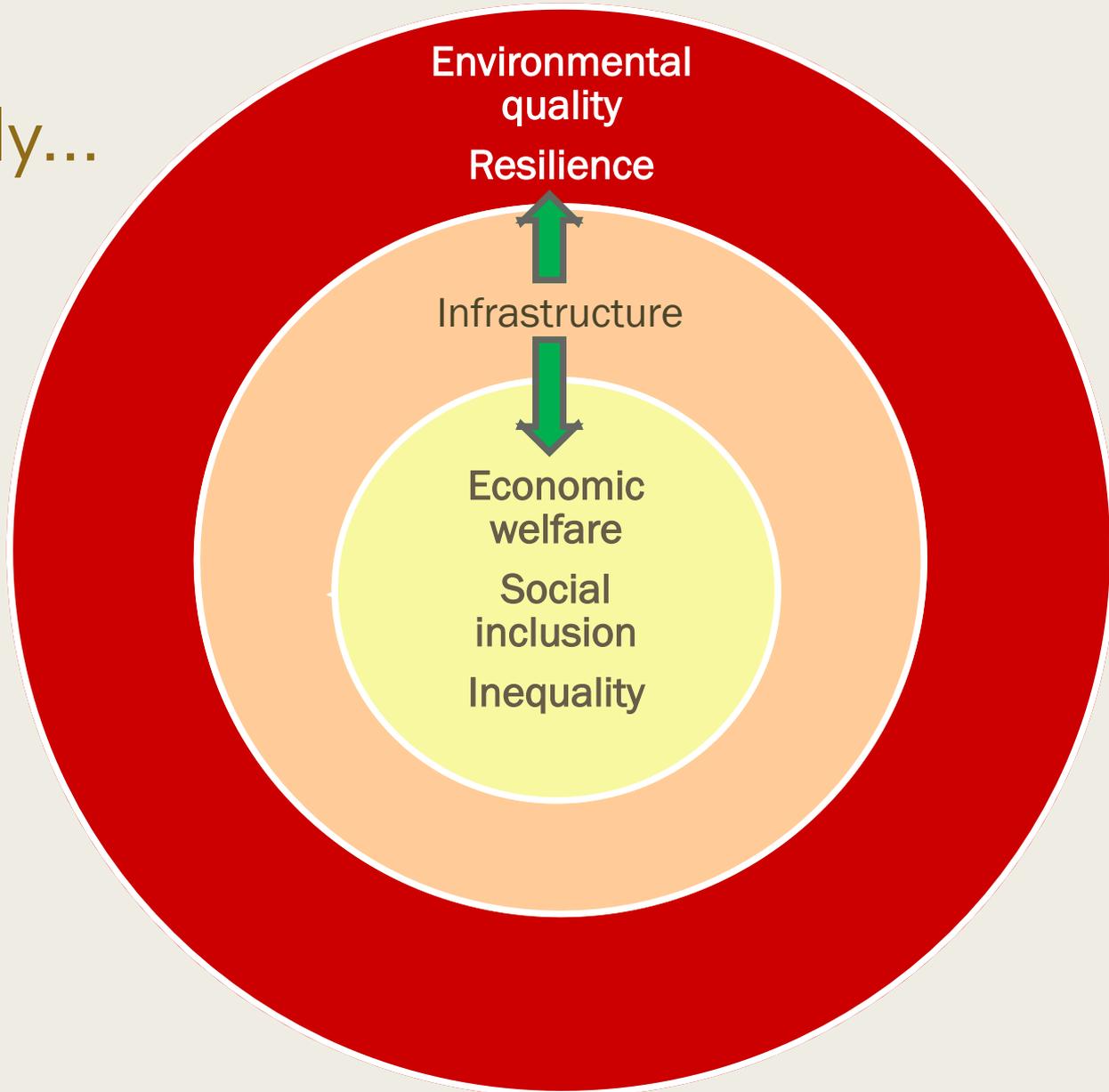
Source: Author

Infrastructure and SDGs

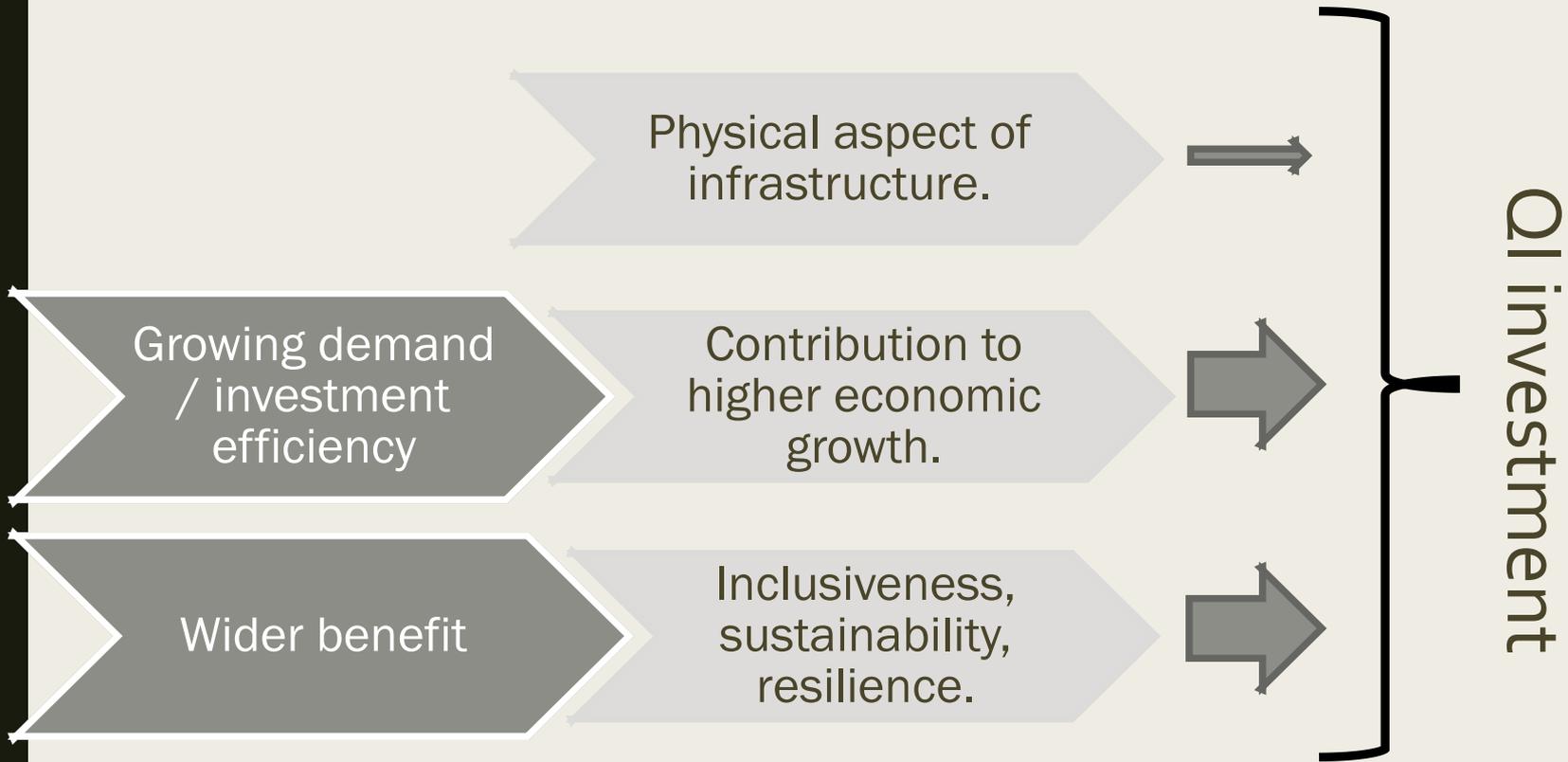


Source: Waage J, Banerji R, Campbell O, et al. (2010) "The Millennium Development Goals: a cross-sectoral analysis and principles for goal setting after 2015", *Lancet*. 2010; 376: 991-1023

namely...



Quality Infrastructure(QI) Investment



Source: Author

G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment

- Principle 1: Ensuring effective governance, reliable operation and economic efficiency in view of life-cycle cost as well as safety and resilience against natural disaster, terrorism and cyber-attack risks.
- Principle 2: Ensuring job creation, capacity building and transfer of expertise and know-how for local communities
- Principle 3: Addressing social and environmental impacts
- Principle 4: Ensuring alignment with economic and development strategies including aspect of climate change and environment at the national and regional levels.
- Principle 5: Enhancing effective resource mobilization including through PPP.

2. What is Economic Corridor ?

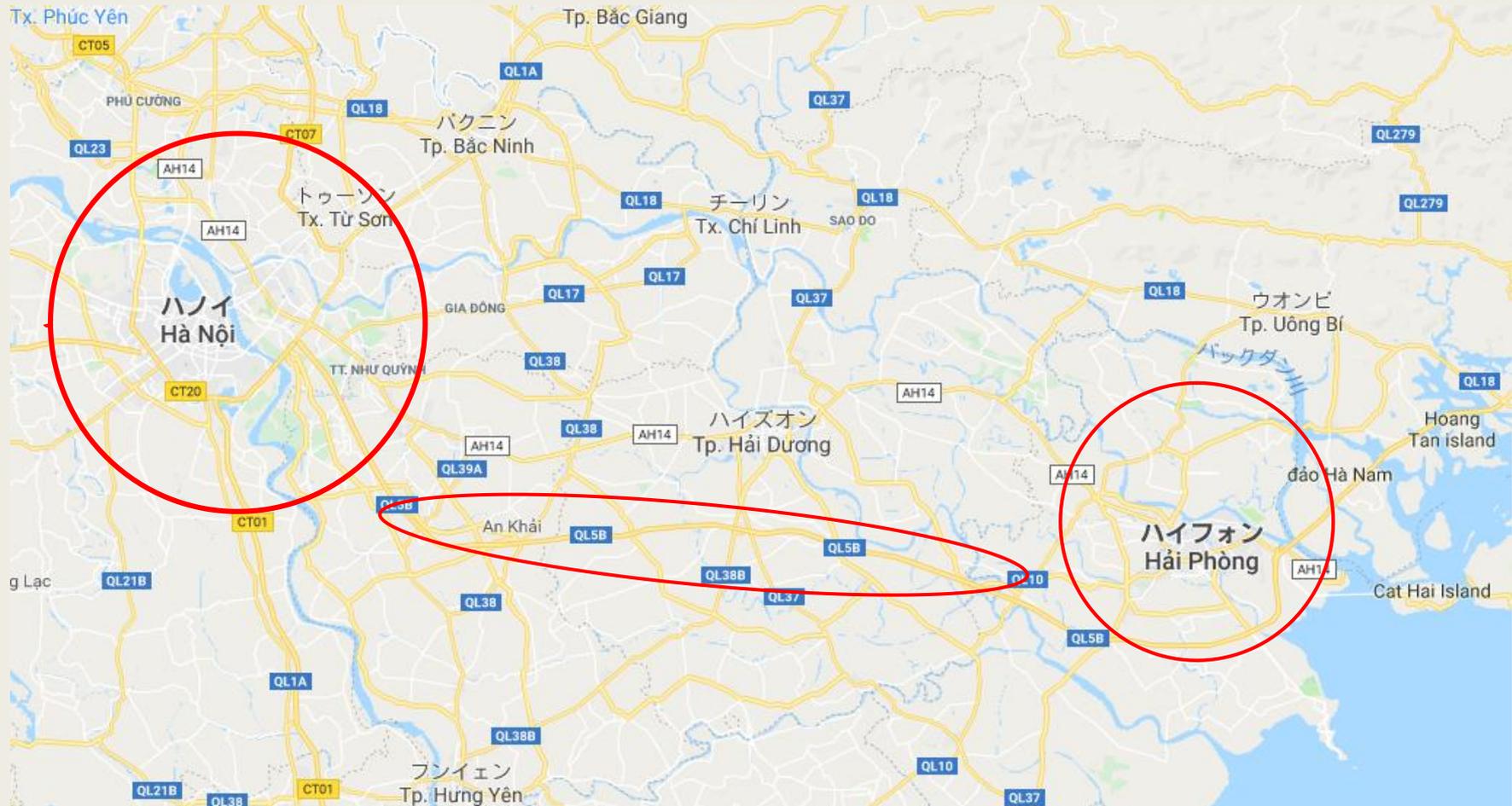
- Regional spatial planning within medium distance
 - *Avoiding disordered expansion of city, Transit oriented development*
 - *Maintaining livable environment of city by mitigating traffic congestion and pollution within city*
- Better connectivity with international gateway
- Improving connectivity between large economic hubs
 - *Reducing transportation cost*
 - *More business opportunity, face to face business, search cost saving, complementarity, facilitating dynamic changes etc.*

Distance of corridors matters?

Country	City to City	Distance
Japan	Chiba-Yokohama	70km
Japan	Kobe-Sennan	70km
Japan	Toyota- Yokkaichi	65km
China	Hong Kong- Guanzhou	125km
Thailand	Bangkok-Laem Chabang	120Km
Viet Nam	Hanoi-Hai Phong	120Km
India	Chennai-Bengaluru	350km
India-Bangladesh	Kolkata-Dhaka	320km
Thai-Cambodia-Viet Nam	Bangkok-Ho Chi Minh	860km
Japan	Tokyo-Kita Kyushu	1,000km
India	Delhi-Mumbai	1,420km

?

Northern Vietnam



Source: Google map

East Java, Indonesia



Source: JICA, Ex ante evaluation, New port development project in eastern metropolitan area

3. What is WEB of Economic Corridor? Why is it good for development?

- Imagine “With/Without” economic corridor...
 - *Better investment environment, inviting more FDI*
 - *Agglomeration effects*
 - *Spillover effects alongside corridor*
 - *Efficient land use/ reducing congestion/ efficient transportation etc., mitigating environmental degradation within city*

Complementary interventions

- Importance of education, health, access to finance, governance etc.
- Institutional connectivity, particularly for international corridor.
 - *Larger benefits generated from differences of the factor price such as labor cost.*
- Balanced regional development, concentration and dispersion.
- Development sequence of infrastructure.

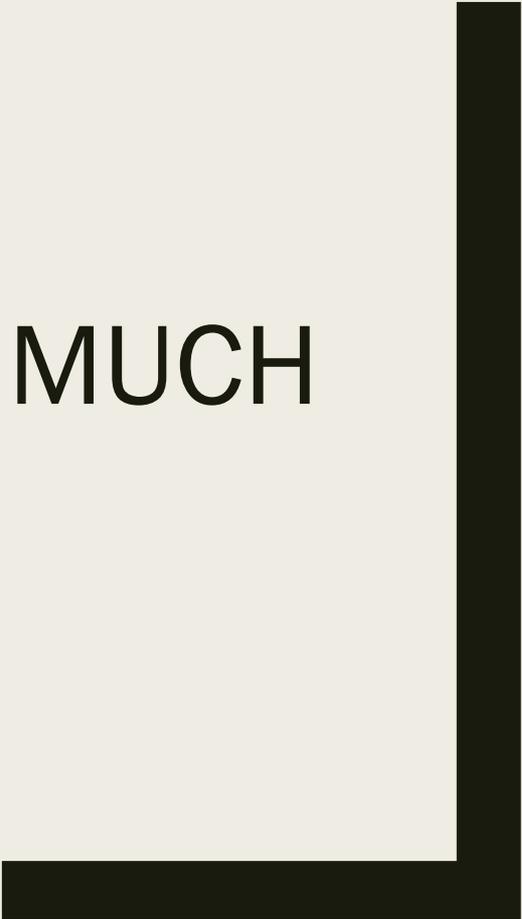
4. How can WEB be measured?

- The report proposes 3 suggestions to capture WEB.
 - *Spatial economics, Econometrics, CGE*
 - *Conducting Impact analysis supports evidences of WEB*
- Need further studies to capture wider impact of infrastructure, while CBA is still important
- Combining with environmental model and social impact analysis.

5. Is Economic Corridor approach still effective in this changing world?

■ The answer is YES.

- *Capturing globalization benefit through GVC .*
- *Location of High-tech industries is often concentrated.*
- *Innovation can be generated through agglomeration.*
- *Better transportation network is essential for service sector development, such as E-commerce.*
- *Saving value of travel time becomes larger, as the wage level increases.*



THANK YOU VERY MUCH