

# COMMENTS ON THE WEB OF TRANSPORT CORRIDORS IN SOUTH ASIA

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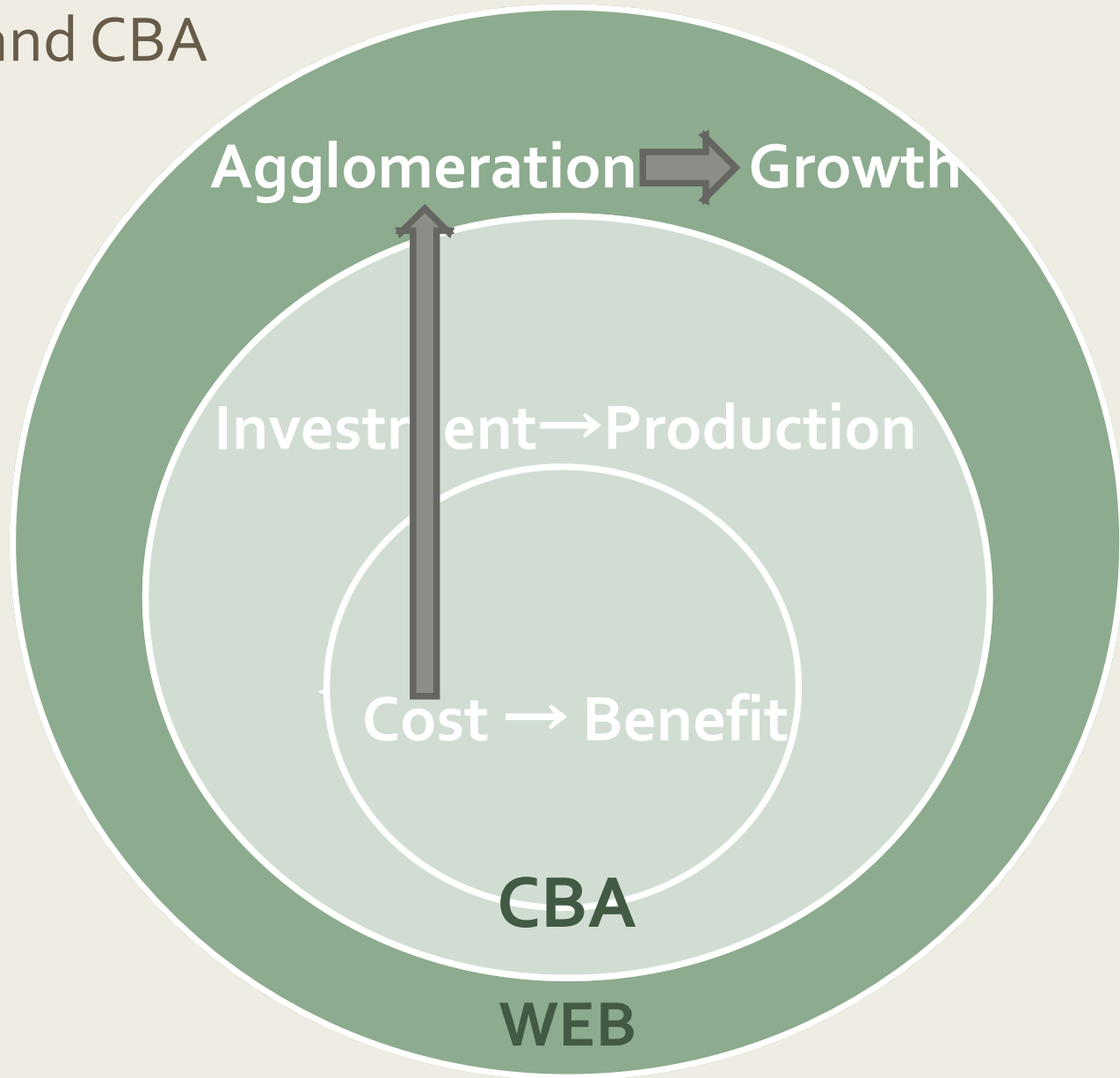
# Questions ?

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?

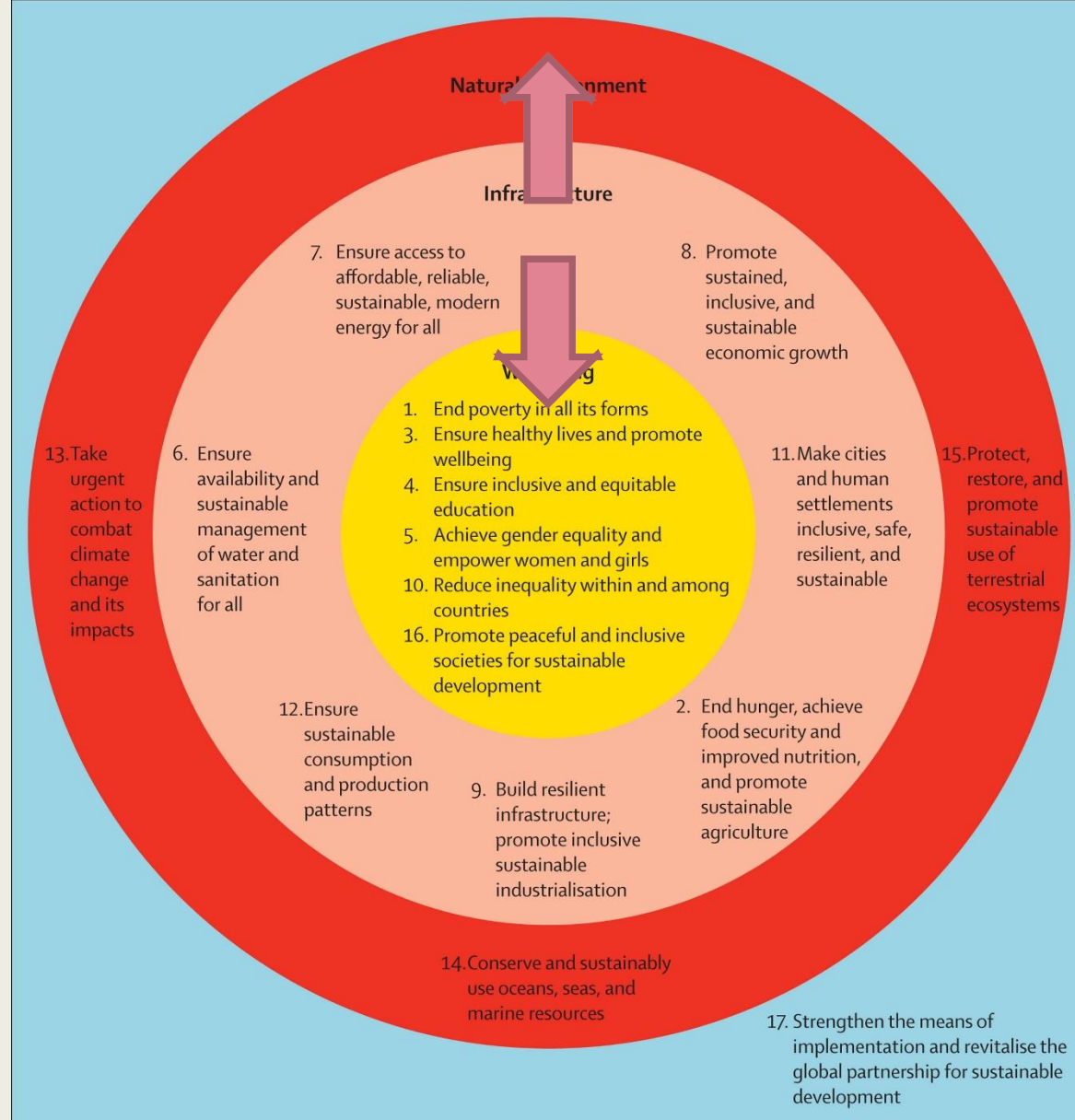
- Wider economic benefit beyond those measured by traditional cost benefit analysis(CBA).
  - *Agglomeration effects as a core of such benefits*
- Social and environmental implications.
  - *Defining the role of infrastructure on SDGs*
  - *Commonality with Quality Infrastructure Investment approach*

# WEB and CBA



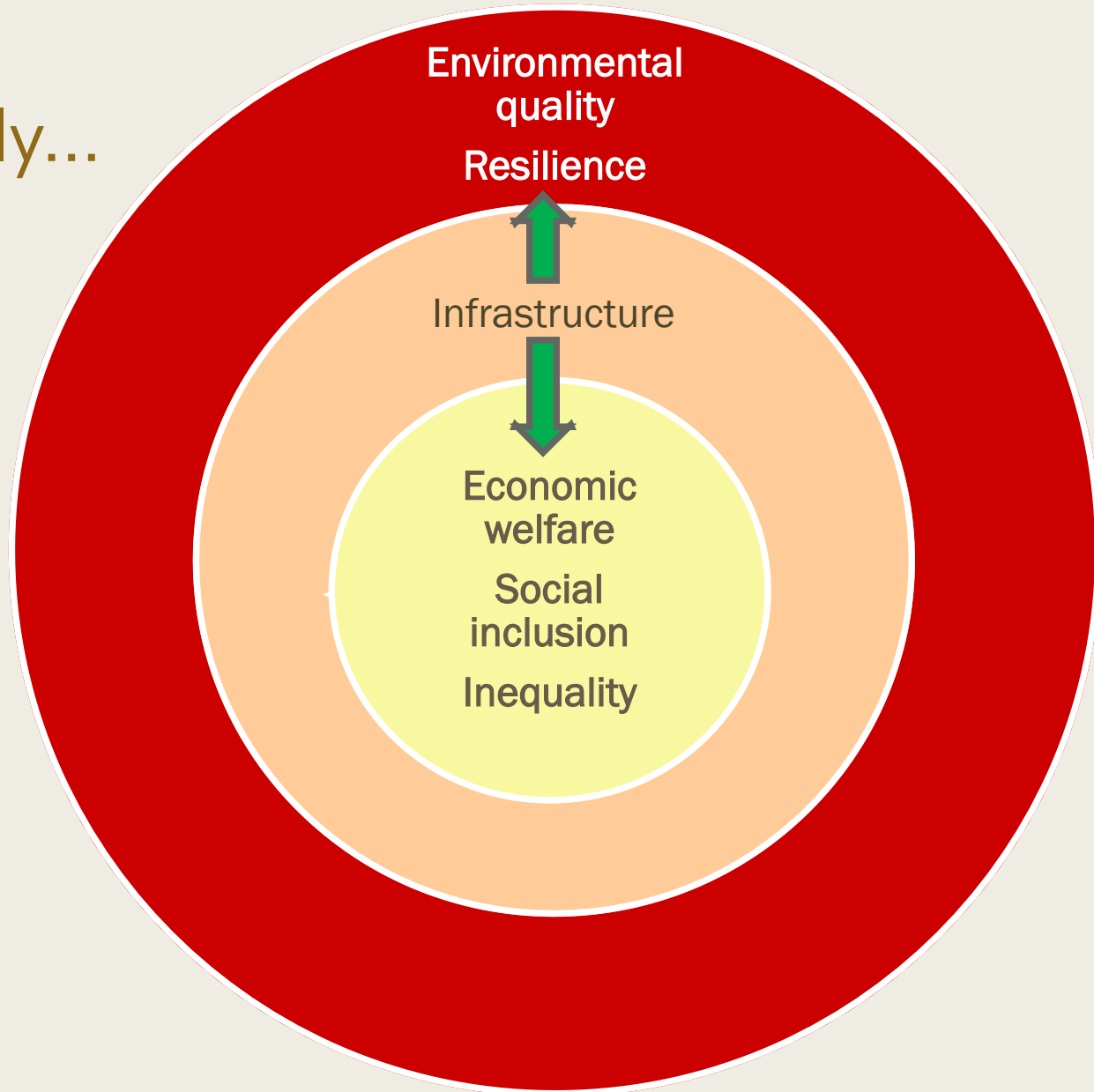
Source: Author

# Infrastructure and SDGs

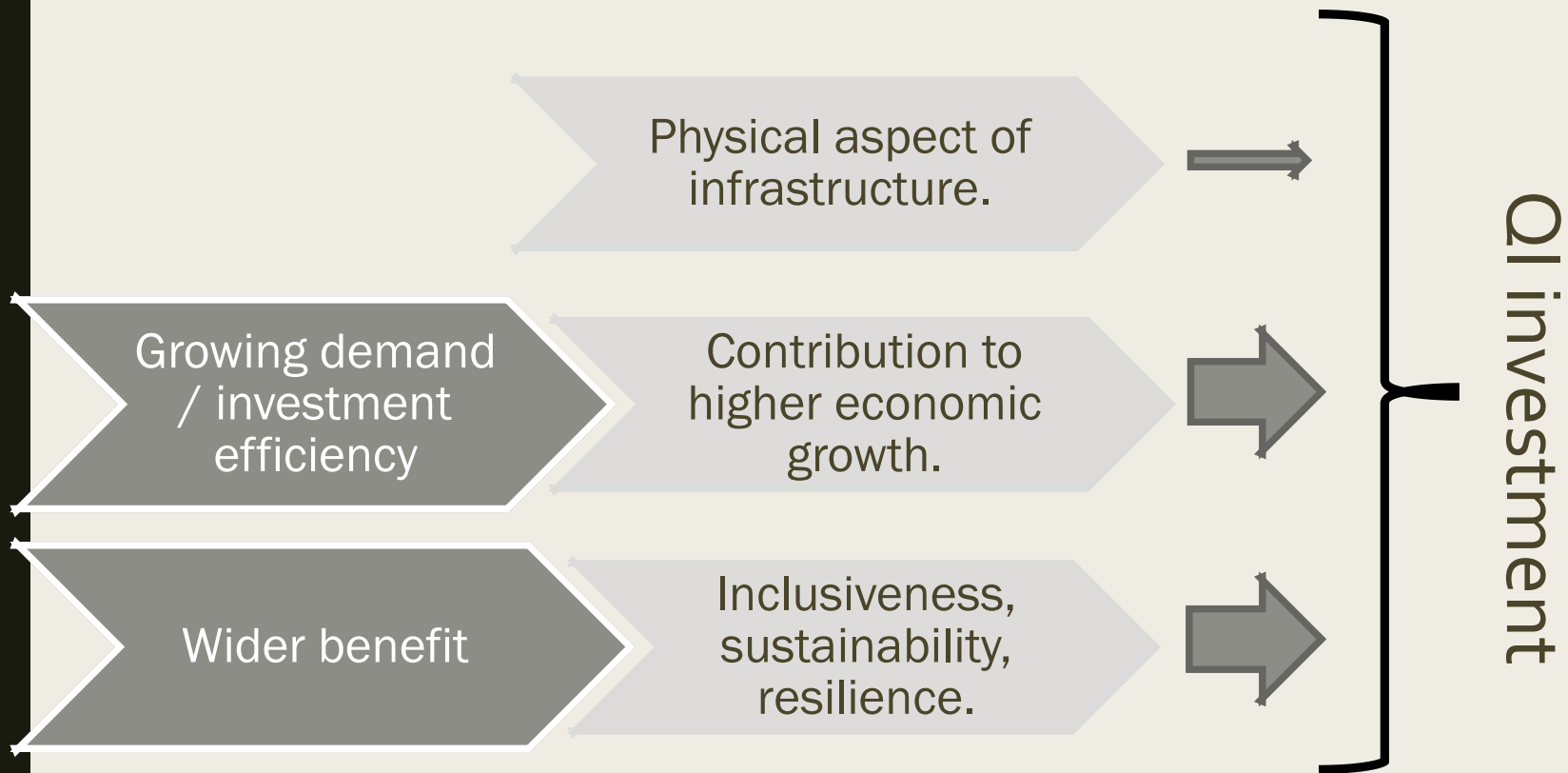


Source: Waage J, Banerji R, Campbell O, et al. (2010) "The Millennium Development Goals: a cross-sectoral analysis and principles for goal setting after 2015", Lancet. 2010; 376: 991-1023

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



# 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.*



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THANK YOU VERY MUCH