



URBAN TRANSPORTATION

**EE562
SELECTED TOPICS IN
DEVELOPMENT
ECONOMICS 2**

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Significance of Transportation

- Enhance accessibility
- Reduce logistic costs
- Creates externalities
 - External costs: congestions and accidents
- Influence urban form and economic development
- Linkages across international boundaries
 - Silk road

Supply of Transportation

- Infrastructure
- Vehicles, which involve the following costs
 - Vehicle fleet overheads
 - Vehicle capital-related costs
 - Drivers
 - Operation
 - Repair & maintenance

Demand for Transportation

- Derived demand
- Explicit cost of travel
- Implicit cost of travel
 - Collection time cost
 - Line-haul time cost
 - Distribution time cost

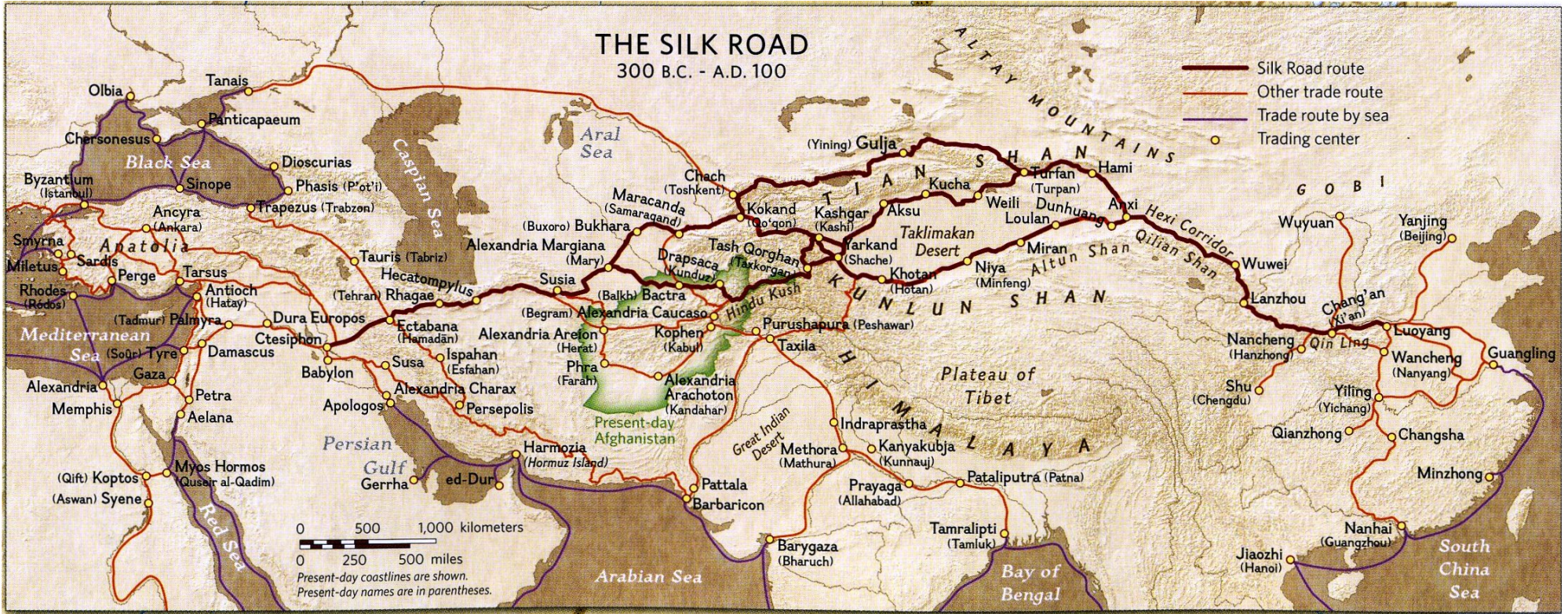


- East-West Economic Corridor
- North-South Economic Corridor
- Southern Economic Corridor

THE SILK ROAD

300 B.C. - A.D. 100

- Silk Road route
- Other trade route
- Trade route by sea
- Trading center



The Spice Route in Greco-Roman Times

The Spice Route in Greco-Roman Times



Externalities:

Rationales to Collect Tax & Fee

- Congestion tax
- Carbon Emission Tax

Essay

- Given income elasticity of demand for land = 0.75
- Transport cost = 30 Baht/km.
- Wage = 480 Baht/hr
- Daily travel time = 30 min/ 10 km (residence-workplace distance)
- How do you apply trade-off theory to explain residential location choices of different workers whose level of income are different?