

TRANSPORT AND ECONOMIC ACTIVITIES

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THE RELATIONSHIP BETWEEN TRANSPORT INFRASTRUCTURE AND ECONOMIC GROWTH

A very controversial relationship for the expansion of transport infrastructure advances a country's economic growth, however it has many negative externalities.

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HOW EXPANDING TRANSPORT INFRASTRUCTURE ACCELERATES ECONOMIC GROWTH

An efficient transport infrastructure leads to:

- Lower prices of products through decreasing the cost of production.
- Access to global markets giving consumers a wider set of choices.
- Reduced congestion rates due to shorter travel time.
- shifting towards just-in-time strategies, which lowers inventory costs.

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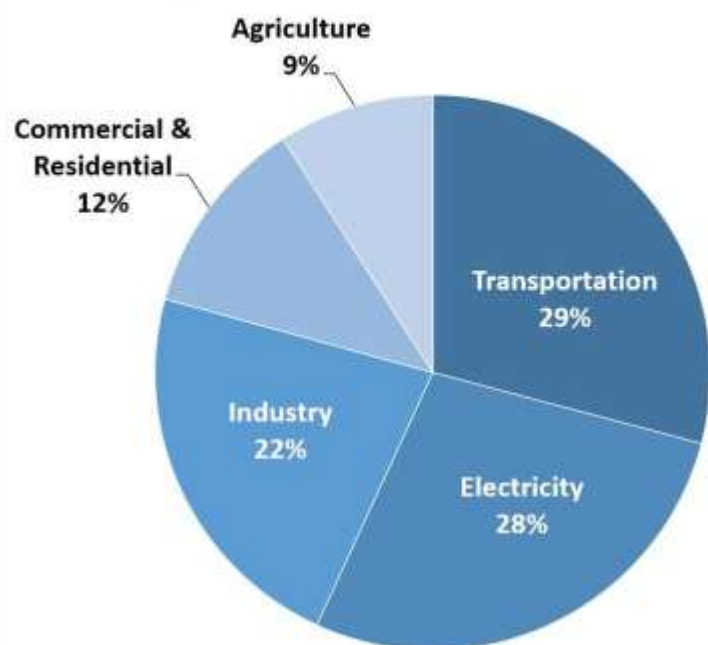
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NEGATIVE EXTERNALITIES OF AN EXPANDING ECONOMIC INFRASTRUCTURE

The major negative externality has to do with the environment, where burning of fossil fuels for transportation purposes is the biggest contributor to greenhouse gases emissions.

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Total U.S. Greenhouse Gas Emissions by Economic Sector in 2017



04

The transportation sector generates the largest share of greenhouse gas emissions.

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY

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SETTLING THE CONTROVERSY AROUND TRANSPORT INFRASTRUCTURE AND ECONOMIC GROWTH

To overcome the negative externalities and increase the benefits of an expanded transport infrastructure "Sustainable Transport" concept started to follow on from the United Nations Sustainable Development Agenda. But what is Sustainable Transport?

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AVOID

Unnecessary travel or transport and resort to less complex supply chains.



SHIFT

Transportation to more environmental friendly modes that are capable of meeting the demand.



IMPROVE

Environmental performance of the transport systems by making them more energy efficient and less carbon intensive