



Cairo University
Faculty of Economics and Political Science
Department of Economics

Third Year

Course code (EE310): Transport Economics

Academic Year 2019/2020, Fall

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Office Hours: 3:00 pm-4.30 pm (Sundays & Tuesdays), Office 81

❖ **Pre-requisites:**

Introductory microeconomics and macroeconomics. A refreshment of basic tools will be provided at the beginning of the course.

❖ **Course Objectives:**

Since it is difficult to consider any product or person that does not require transport at some stage, this course is designed to help students understand the different aspects of transportation economics. The transport sector has to confront various issues such as congestion on the roads and in cities, environmental pollution and a shortage of infrastructure. Transport Economics relates to the optimal allocation of scarce resources within the transport sector and between the transport sector and other sectors in the economy. In this course, the principles of domestic and international transport are studied in order to gain the biggest advantage from transport provision while minimizing resource consumption. The course will focus on three main themes: main concepts and theory of transportation economics, transportation and economic development, and evolving of the transport sector in Egypt.

❖ **Intended Learning Outcomes**

By the end of the course, the students will be able to:

- Understand the theoretical arguments regarding the nature of transportation economics.
- Evaluate the impact of promotion of the transport sector on the economic growth and broader development goals.
- Work on areas related to various tools of economic regulation in the transport sector requires a solid knowledge of the topics studied in this course.
- acquiring critical reading, sound reasoning, academic writing, and improving students' presentation and speaking skills.

❖ **Course Design and Content:**

The course covers the main economic aspects of transportation economics, namely: ownership, regulation, productivity, revenue & financing, and pricing of transportation



networks. Regarding the previously mentioned subjects, the course aims at providing full understanding of the following issues: the nature of transportation as a good and its ownership; public role in private provision of infrastructure; objectives and instruments of government intervention; effects of economic regulation of the transport sector; productivity in transportation; evaluating revenue sources; and rationales for pricing in the transport sector. In addition to the main economic aspects of transportation economics, the course provides students with analytical and practical tools regarding the following issues: the impact of the transport sector in the development of a nation; the role of public private partnership (PPP) investment in the transport sector; and the role of transport sector in promoting growth in Egypt.

The course structure and readings are described below.

❖ **Course Structure and Readings:**

Week & Date	Topic	Readings
Section 1: Main Concepts and Theory of Transportation Economics		
<u>Week 1</u>	- Introduction - What is Transportation Economics	Required Readings* - (Cole, 2005, Ch1, pp. 5-43)
<u>Week 2</u>	- The Ownership of Transportation Networks	Required Readings* - (Levinson, Gillen, & Iacono, 2013, pp. 13-29)
<u>Week 3</u>	- Regulation of Transportation Networks	Required Readings* - (Levinson, Gillen, & Iacono, 2013, pp. 30-40)
<u>Week 4</u>	- Productivity of Transportation Networks	Required Readings* - (Levinson, Gillen, & Iacono, 2013, pp. 40-46)
<u>Week 5</u>	- Revenue and Financing of Transportation Networks	Required Readings* - (Levinson, Gillen, & Iacono, 2013, pp. 47-56)
<u>Week 6</u>	- Pricing of Transportation Services	- (Levinson, Gillen, & Iacono, 2013, pp. 57-68)
Section 2: Transportation and Economic Development		
<u>Week 7</u>	- Public Private Partnership Investment in the Transport Sector	Required Readings* - (Cole, 2005, Ch16, pp. 416-431)
<u>Week 8</u>	- Transport and Economic Activity	Required Readings* - (Cole, 2005, Ch. 11, pp. 416-431)
<u>Week 9</u>	- The Economic Role of the Shipping Industry	Required Readings* - (Stopford, 2003, pp. 2-32)
<u>Week 10</u>	- The Role of Ports in the Development of a Nation	Required Readings* - (Dwarakish & Salim, 2015, pp. 295-301) - (Notteboom, 2005, pp. 297-313)



Section 3: The Transport Sector in Egypt		
<u>Week 11</u>	-The Current Situation in the Roads and Highways Sector in Egypt -Characteristics and Performance Indicators of the Roads and Highways Sector.	Required Readings* - (Ragab & Fouad, 2009, pp. 1-37)
<u>Week 12</u>	-Legal, Institutional and Regulatory Frameworks of the transport sector in Egypt. -Problems and Constraints. -Alternative Policies to Enhance Sectoral Efficiency.	Required Readings* - (Ragab & Fouad, 2009, pp. 1-37)
<u>Week 13</u>	-Air Transportation in Egypt.	Required Readings* - (Ragab, 2007, pp. 1-66)
<u>Week 14</u>	-Deregulating of the Air Industry in Egypt	Required Readings* - (Ragab, 2005, pp. 1-37)
<u>Week 15</u>	- Final Discussion	

***Readings:**

➤ **Required Readings**

- Cole, S. (2005). *Applied Transport Economics: Policy, Management & Decision Making* (Third edition ed.). London: Kogan Page Limited.
- Dwarakish, G., & Salim, A. M. (2015). Review on the Role of Ports in the Development of a Nation. *Aquatic Procedia*, 4, 295 – 301.
- Levinson, D., Gillen, D., & Iacono, M. (2013). *Transportation Economics*.
- Notteboom, T. E. (2005). Port Regionalization: Towards a New Phase in Port Development. *Maritime Policy and Management*, 297-313.
- Ragab, A. (2005, December (Arabic)). Deregulation Of the Airline Industry: Opportunities and Challenges. *ECES Working Paper Series, no. 109*, pp. 1-37.
- Ragab, A. (2007, October). Assessment of Trade in Tourism and Travel Related Services in Egypt in Relation to the Gats.
- Ragab, A., & Fouad, H. (2009, December). Roads and Highways in Egypt: Reform for Enhancing Efficiency. *Working Paper No. 152* (pp. 1-37). Cairo: ECES.
- Stopford, M. (2003). *Maritime Economics* (Vol. Second edition). London: Taylor & Francis E-Library.

➤ **Optional Readings**

- Banister, D., & Button, K. (1991). *Transport in a Free Market Economy*. London: Macmillan Academic and Professional Ltd.
- Oxford Economics. (2011). *Economic Benefits from Air Transport in Egypt*. Oxford Economics.
- World Bank. (2005, August). *Restructuring Egypt's Railways*. *Egypt Public Expenditure Review*, pp. 1-20.



- Xie, F., & Levinson, D. M. (2011). *Evolving Transportation Networks*. New York: Springer.

Useful links for data about the transport sector:

- CAPMAS. (n.d.). Retrieved from <http://www.capmas.gov.eg>
- The World Bank Group. (n.d.). Retrieved from <http://data.worldbank.org/topic/infrastructure>
- United States Department of Transportation. (n.d.). Retrieved from https://www.rita.dot.gov/bts/data_and_statistics/index.html
- World Data Atlas. (n.d.). Retrieved from <https://knoema.com/atlas/topics/transportation>

❖ Evaluation:

Item	Marks
Research Project -Due Date: December 1 st 2019.	10
Class Participation	4
Presentation	4
Quiz 1 (8 th October 2019)	6
Quiz 2 (26 th November 2018)	6
Mid-term Exam	20
Final Exam	50

Note on Cheating and Plagiarism: Neither will be tolerated. All assignments, exams, and papers for this class are individual work. No notes of any sort may be used on assignments and exams. By handing in a paper, each student is affirming that this paper is her/his own personal work and that it was written by her/him.