

Accessibility, Transportation Cost and Regional Growth: A Case Study for Egypt

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The potential ability of transport infrastructure investments to produce transport benefits depends on the travel time reductions and accessibility. In this paper, we use an interregional computable general equilibrium (CGE) model to estimate the economic impacts of transportation cost change due specifically to changes in accessibility induced by new transportation projects. The model is integrated with a stylized geo-coded transportation network model to help quantify the spatial effects of transportation cost change. The analysis is focus on a proposed development corridor in Egypt. A main component of the project is a desert-based expansion of the current highway network. The paper focuses on the likely structural economic impacts that such a large investment in transportation could enable through a series of simulations. It is clear that an integrated spatial CGE model can be useful in estimating the potential economic impacts of transportation projects in Egypt. In this vein, this or similar models should support government decisions on such projects.