Evaluating Impacts of Economic Corridors in GMS: Three Approaches

The paper presents three approaches to the evaluation of cross-border transport infrastructure in the Greater Mekong Sub-region (GMS). First, it estimates benefit-cost ratios for selected segments of economic corridors. The result indicates differing degrees of economic viability among different corridors. Second, it presents a panel data analysis on how economic corridor developments have impacted on living standards at subnational level. The result indicates that economic corridors in GMS as a whole shows a positive net economic impact. Third, it presents a gravity model analysis on how economic corridors have affected intra-GMS trade for electric and transport machinery. The result indicates positive effects of the development of economic corridors on intra-GMS trade in intermediate goods, especially for electric machinery. This implies that cross-border transport infrastructure in GMS has contributed to lower service-link cost and facilitated vertical integration across borders in this industry.