

*Regional Integration and Infrastructure:
The cases of Asia and South America*

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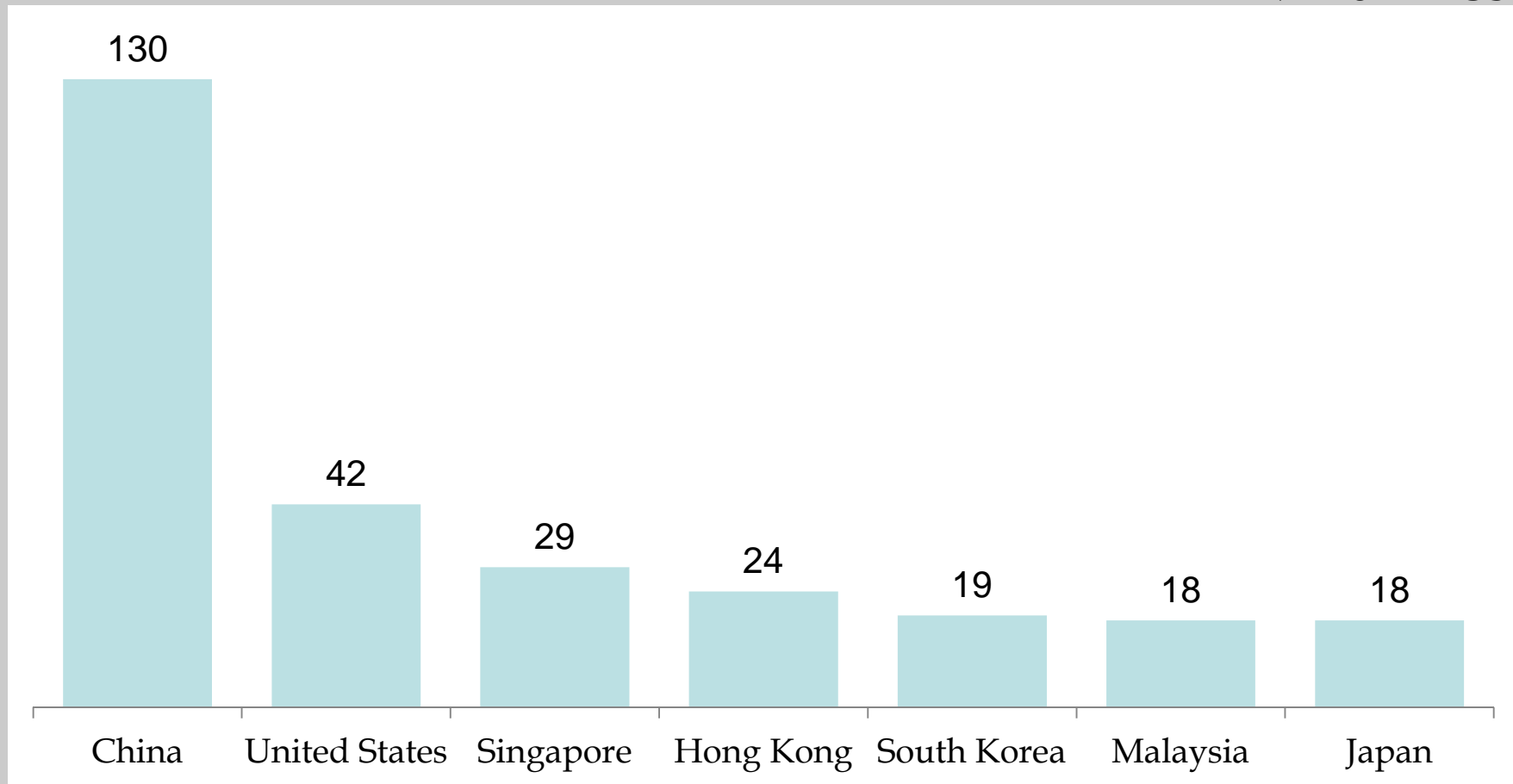
Santiago, December 13, 2012

- The decline of transaction costs has been the engine of regional integration among Asian economies: investments in infrastructure and removal of trade barriers.
- The role of the Asian Development Bank: finding solutions for the resource constraints of the smaller economies and promoting Public Private Partnerships.
- The concept of regional corridor: an instrument for engendering economies of agglomeration (Marshall, 1920; Perroux, 1955; Krugman, 1991.)

- The performance of Asian ports: an outcome of four decades of continuous investments in capacity building and modernization of managerial practices.
- The role of trade agreements: simple rules and prompt implementation.
- The Ronald Coase theory of the firm: lower transaction costs stimulate the fragmentation of the production process.

Container Port Traffic in 2010: Leading Countries

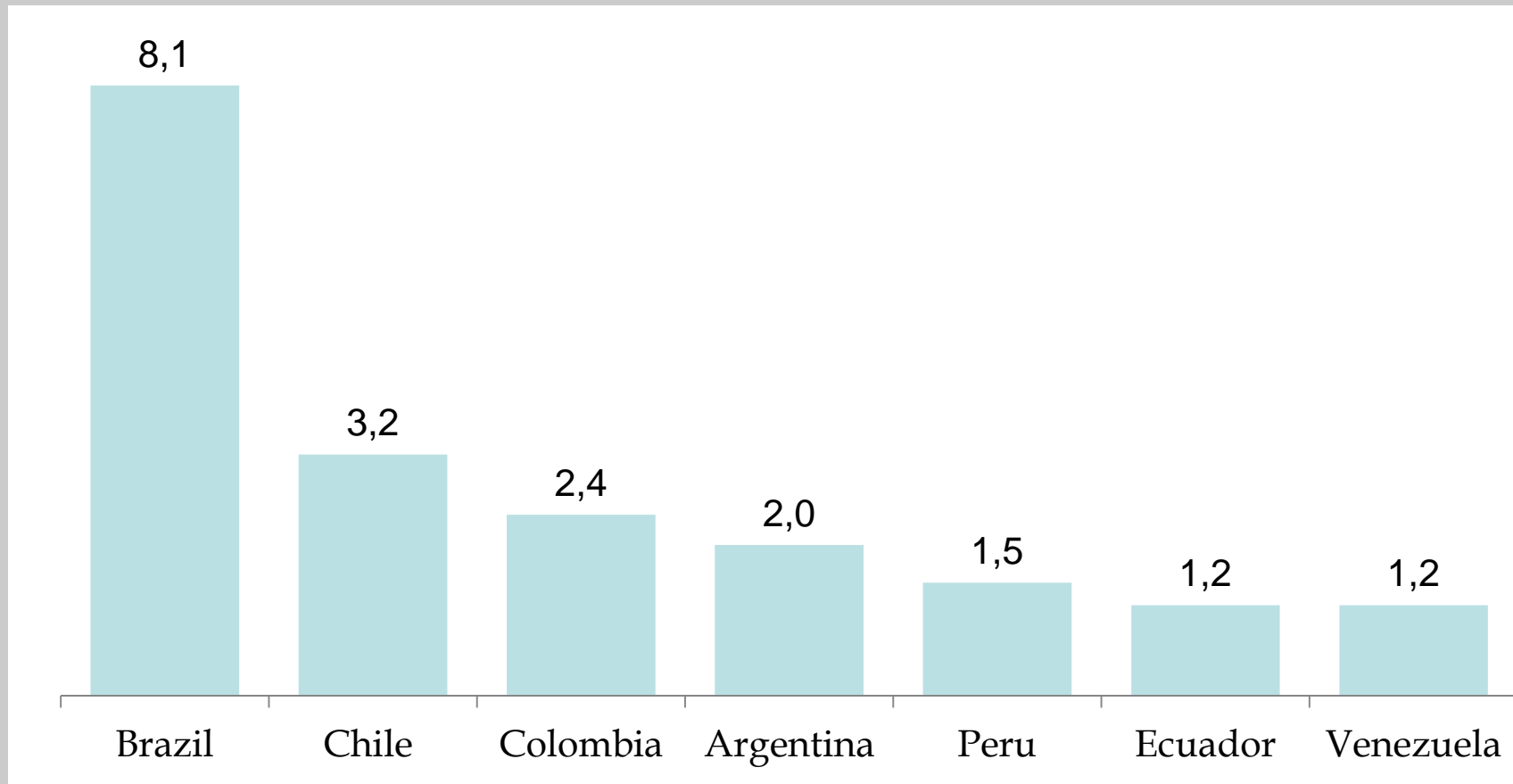
Million TEUs



Source: <http://data.worldbank.org>.

Container Port Traffic in 2010: South America

Million TEUs



Source: <http://data.worldbank.org>.

- August 2000: Ten integration hubs, over 500 projects, total investments around U\$ 100 billion (*Integration hub and regional corridor are similar concepts.*)
- December 2004: *Agenda de Implementación Consensuada 2005–2010* (AIC), with 31 priority projects involving a total expenditure of U\$ 14 billion.
- State of AIC by 2010: [a] two projects were concluded, corresponding to an investment of U\$ 22 million; [b] 19 projects were under way, amounting to U\$ 7.7 billion; [c] 10 projects were not started, amounting to U\$ 6.3 billion.