Some comments on

“Road transport: the effects on firms”

by Gibbons, Lyytikäinen, Overman and Sanchis-Guarner, version June 2012

Kurt Van Dender

Paris, 13 June 2012
**Goal:** to estimate the impact of road transport improvements on firms (wards), specifically on employment, productivity, and number of firms

**Approach:** “micro-data + endogeneity treatment”; measure accessibility through travel time using a macroscopic road network model, given 1997 employment levels, in the vicinity of road network improvements

**Main findings:** at the firm level there is a productivity effect; at the ward level there appears to be an employment effect through entry of new firms.
Comments, questions, etc.:

Employment accessibility and travel time?
- Road network improvements can (and do) increase connectivity without reducing travel time.
- Travel time is not travel time cost. (Changing VOT; VOR)
- Congestion – does the measure capture congestion relief?

Constant elasticities?
- Dependence on level of infrastructure, level of employment or productivity (declining returns)?
- Dependence on employment or productivity trends? (“Stop decline” vs. “Remove bottleneck”.)
Comments, questions, etc.:

- Higher productivity on firm level: consequence of entry? competition or agglomeration?
- Network captures 65% of vkm (freight, pax.?) but what share in the 20km radius?
- Using 1997 employment levels can underestimate travel *times* if flows increased over time.
- Larger effect where transport is an input, not where transport is mostly commuting (?)
- Displacement, “additionality”.
- Appraisal practice: CBA + WEB or spatial models of hh and firm effects?