

Implementing the Strategies and Action Plans for Economic Corridor Development

Presentation to the
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Scope of Presentation

- Role of the Private Sector
- Role of the Public Sector
- Role of Provincial/Local Authorities
- Areas and Mechanisms for Cross-Border Cooperation



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Role of the Private Sector /1

General Principle:

Economic corridor development is essentially *private sector-led*

The private sector drives:

- Trade
- Investment
- Production/employment creation



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Role of the Private Sector /2

Trade :

Economic motivations for cross border trade:

- Factor endowment differentials
- Economies of scale
- Intra-firm/intra-industry trade due to globalized production

Investment :

- Investment to fill infrastructure gaps and services
- Investment in cross-border and corridor area production activities

However, there are remaining impediments to increased private sector participation – need for an enabling environment



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Role of the Public Sector

Serves as catalyst and facilitator -- provides the enabling environment in terms of hardware and software

It provides:

- the conducive policy and regulatory environment;
- basic infrastructure and utilities;
- the institutions for:
 - assisting/promoting investments
 - facilitating cooperation among the countries and areas along the corridors



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Role of Provincial/Local Authorities

Must have active involvement in development of their respective areas, as their constituents are most directly affected; ensure effectiveness and sustainability of initiatives on the ground.

Some specific tasks:

- Identify key issues impacting on local communities; ways to address them
- Help to facilitate transport, trade, and investment in their respective areas
- Network and exchange information and experiences
- Adapting region-wide/corridor-wide programs to local situation



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Areas for Cross-Border Cooperation

- multi-country production and processing links in agriculture and agro-industry
- manufacturing - multi-country production networks based on differences in skills, wages, resource endowments and access to capital and technology
- facilitating cross-border trade and investment
- joint tourism development
- development of cross-border economic zones/ industrial estates
- coordination in transport, power and telecommunications development
- HRD and migration issues



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Mechanisms for Cross-Border Cooperation

- GMS Economic Corridors' Forum (ECF) – main advocate of economic corridor development; brings together all stakeholders
- Governors' Forum – raise awareness, increase participation and secure commitment of governors/local authorities
- GMS Business Forum (GMS-BF) –main advocate of private sector participation in the GMS; made up of national CCIs, but also increasingly involved in local CCI strengthening and development of economic corridors



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