Index

*ad valorem* trade, China 196, 197–9

*ad valorem* transportation costs 93–5, 103, 243, 246–9

China 196–7

impact on trade 100, 104

aggregate trade 17–21

aggregated freight rates 86–93, 196–7, 242–3, 244–6

air transportation 25–30, 38

China 189–92, 195–6

Malaysia 171–3

airport development

China 191–2

Malaysia 153–4

Amiti, B. 12

Anderson, J.E. 73, 75, 193

auxiliary shipping charges 82–5, 90, 103

balance of trade 4

barriers to trade 97–102; see also tariffs; transport costs

Bernard, A.B. 78

berth occupancy ratio (BOR), Indonesia 121, 134

Besedes, T. 33

Blankfeld, R. 120

Blonigen, B.A. 41–3

Bojonegoro Port 142

border delays, South Asia 239–41

Bougeas, S. 79, 106

Brooks, D.H. 200

Build–Operate–Transfer (BOT) system 152

cargo owners, choice of Indonesian ports 139–41

cargo throughput, Shanghai Port 205–6

Charlier, J. 115

China

economic growth 184

infrastructure development 182–92

ocean freight rates 82

seaports 189, 202–13

share of Asian trade 19–21

trade costs 193–202

as trade destination 19–21

trade growth 18

weight–value ratio of trade 95–7

c.i.f. charges 42

c.i.f./f.o.b. ratio 241

commercial ports, Indonesia 119

communications infrastructure 10–11

comparative advantage effects of infrastructure 11–12

competitiveness

and transportation costs 231

see also port competitiveness

congestion 12–13

containerization 37–8

cost of trade, see trade costs

cross-border infrastructure, China 215

customs clearance problems, Indonesia 125

De, P. 80

De Langen, P.W. 115

delivery time, effect on trade 79; see also time of trading

demand-side analysis, port competitiveness, Indonesia 138–41

direct transport costs 76

distance, effect on trade profitability 79

domestic infrastructure 14

economic growth, China 184

electrical and electronics industry, Malaysia

exports 164, 165–6

and modes of transport 169–71

FDI 160–62, 165

exchange rate, effect on exports 166–7

exports

China 193–202
Index

destinations 19–21

effects of trade costs 78–9

Malaysia 162–7

extensive margins of trade expansion 30

factor abundance model 77

FDI, see foreign direct investment

Feenstra, R.C. 75

finance for infrastructure projects 2

financial services 3

Fink, C. 11

firms, effect of transport costs on exports 78–9

foreign direct investment (FDI)

Malaysia 148, 157–62

and Shenzhen Port construction 213

Fourgeaud, P. 116

fragmentation 27–8, 33–4

Francois, J. 1, 2, 78, 79

freight costs, see ocean freight rates;
transport costs

freight and insurance costs, Malaysia

168

freight rate aggregation 86–93, 242–3

freight services productivity, Indonesian ports 134

Golub, S.S. 80

Greater Mekong Subregion 14

growth, economic, China 184

hard trade barriers 75

Hasan, Z. 159

Heckscher, Ohlin and Samuelson (HOS) model 77

highways, see road development
hindertlands, see port hinterlands

HOS model 77

Hoyle, B. 115

Hummels, D. 22, 25, 29, 33, 79, 86, 97,

199, 200, 242

iceberg model 77, 78

import sources 19–21

income rises and demand for air
transport 27

India

ocean freight rates 80–82

port investments 51–6

trade flows in South Asia 233–5

trade growth 18

indirect transport costs 76

Indonesia

logistics costs 116

port competitiveness 131–44

port profile 116–31

Indonesia Port Company (IPC)

119–21, 142–3

infrastructure

as determinant of FDI, Malaysia

158–62

development, see infrastructure
development

financing projects 2

investments, see infrastructure
investments

networks 10–11

ports

China 46, 49–51, 209–13

Indonesia 136–7

Malaysia 46, 49–51

and trade 11–14, 79–80

and trade costs, Malaysia 167–73

infrastructure development

China 182–93

ports 209–13

and export of electronic goods,
Malaysia 171–3

infrastructure investments

ports 44–5, 46, 49–58

transport, Malaysia 149–52

inland freight rates 87–90

inland provinces and trade, China

214–15

transportation costs 207–8

inland waterways, China 186, 189

institutional infrastructure, see soft infrastructure

institutions, effect on trade 79–80

intensive margins of trade expansion 30

inter-port competition 113, 131–44

intragregional trade, South Asia

231–41

investment

port infrastructure 44–5, 46, 49–58,

114–15

transport infrastructure, Malaysia

149–52
IPC (Indonesia Port Company) 119–21, 141–2

Javorcik, B.S. 12

Krugman, P. 78

Levinson, M. 37

Limao, N. 14, 80

Malaysia 12, 148–74
  FDI 157–62
  infrastructure and trade costs 167–73
  trade patterns 162–7
  transport infrastructure 149–57
  Manchin, M. 1, 2, 79
  manufacturing sector
    share of FDI, Malaysia 160–62
    trade patterns, Malaysia 162–7
  margins of trade expansion 30
  Mumbai, port costs 46–8

neoclassical trade theory 76–7
  networks 10–11
  new market testing, use of air transport 28
  new trade flows 30–33
  new trade theory 77
  non-commercial ports, Indonesia 119
  Nordás, H.K. 5, 79

Obstfeld, M. 78
  ocean freight rates 8–9, 80–85, 102–3

Pearl River Delta 208–9
  Penang, port costs 46
  People's Republic of China, see China
  Piermartini, R. 5, 79
  port activity, Indonesian ports 135–6
  port competitiveness 9–10, 113–44
    indicators 115–16
    Indonesia 131–44
  port costs 41–4
    effect of infrastructure investments 7–8, 44–5, 46, 49–58
  port hinterlands 115
    Indonesia 135–6
  port infrastructure
    Indonesia 136–7

investment 44–5, 46, 49–58, 114–15
  effect on trade costs 40–58
  India 51–6
  Port Klang 156
  Port of Tanjung Pelepas (PTP) 155
  port users, Indonesian ports 138–41
  ports, Asia 39–41
  China 189
    congestion 13
    Indonesia 116–31
    Malaysia 154–7
  privatization, Indonesian ports 122, 142–3, 144
  profitability, effect of trading distance 79
  Prusa, T. 33
  public ports, Indonesia 119
  public service obligation (PSO), Indonesia 143

rail transport
  China 185, 215
  Malaysia 152–3
  Ray, D. 120
  regional distribution of FDI, Malaysia 161–2
  regional infrastructure coordination 14–15
  regional trade transportation costs, South Asia 244–52
  regulations, Indonesian ports 140–41
  river transport, China 186, 189
  road development
    China 186
    and E&E exports, Malaysia 171–2
    Malaysia 151–2
  Rogoff, K. 78

SAARC (South Asian Association for Regional Cooperation) 230
  Samuelson, P.A. 77, 78
  Schaur, G. 29
  seaports, see ports
  Shanghai Port 202–8
    congestion problems 13
    port costs 46
  Sharma, K. 159
  Shenzhen Port 202, 208–13
  shipping costs, see transport costs
Index

shipping lines and Indonesian ports 138–9
‘ships follow the trade’ principle 115
Skiba, A. 22, 97, 199
soft infrastructure 3
Indonesia 122–6
soft trade barriers 75
South Asian Association for Regional Cooperation (SAARC) 230
special economic zones, China 184–5
special ports, Indonesia 119
strategic ports, Indonesia 119
supply-side analysis, port competitiveness 132–7
Tanjung Emas Port 114, 129–31
competitiveness 132–49
Tanjung Perak Port 114, 126, 129
competitiveness 132–44
Tanjung Priok Port 126
tariffs 75
Indonesia Port Company 121
telecommunications infrastructure 10–11
terminal handling charge (THC) 90, 103
Indonesia 125
time of trading
and air shipping 25–30
effect of delivery delays on trade 79
South Asia 239–41
time sensitivity of trade 29–30
Tokyo, port costs 43, 46
trade costs 74–80
China 183, 193–202
definition 74–5, 193–4
as determinant of volume of trade 75
effect on exports 78–9
and infrastructure, Malaysia 167–73
and trade flows 30–33, 97–102
trade flow, impact of trade costs 30–33, 97–102
‘trade follows the ship’ principle 115
trade patterns in manufactured goods,
Malaysia 162–7
trade share by mode of transportation, China 195–6
trade transaction costs and infrastructure 5–6
trade trends, Asia 17–21
trading distance, effect on profitability 79
transport costs 37–8
and competitiveness 37–8, 75–6, 231
composition 85–97
effect on firm’s exports 78–9
gains from reduction 76–80
inland, to Shanghai Port 207–8
measurement 21–5, 85–97, 197–9, 241–4
modelling 77–8
ocean freight rates 80–85, 102–3
and trade flows 97–102
South Asia 231–41
South Asia 241–52
transport infrastructure
China 185–92, 210, 211–12
Malaysia 149–57
transport modes
electronic exports, Malaysia 169–71
and share of trade, China 195–6
turn-round time, ports, Indonesia 132
Uchida, Y. 33
uncertainty of transportation 38
van Wincoop, E. 73, 75, 193
Venables, A.J. 14, 78, 80, 84
vertical specialization 27–8, 33–4
water transport, China 186, 189
Waterborne Trade Databanks 42, 65
weight–value ratio of trade 21–5, 103–4, 199–202, 243–4
China 199–202
South Asia 249–52
and transport cost 95–7, 104
welfare implications of trade costs 78
Wilson, W. 41–3
Winkelmans, W. 115
Yangtze River Delta 203–5
Yantian Port 210–11
Yeaple, S. 80