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TRANSPORT INFRASTRUCTURE AND REGIONAL DEVELOPMENT

Abstract
The paper deals with transport infrastructure, seen as a key factor in sustaining high levels of regional competitiveness. After reviewing some theoretical issues and providing some empirical evidence on the impact of infrastructure on regional growth, I focus on the impact of advanced transportation system as a fundamental attribute to link up with the growing internationalisation of markets by analysing the case of Duisburg port and the Transrapid railway.

1. Introduction
A competitive region is conceived as able to succeed in trade, through productivity and high-technology, guaranteeing to its inhabitants good standards of life, accompanied by high incomes and wages.

There are several ways of measuring competitiveness. A simple and effective one is represented by total factor productivity: regions have high productivity when both capital and labour earn large returns, while the costs of production tends to remain low.

For European industry, the completion of the internal market under the 1992 Maastrict Treaty provided a remarkable impetus to shift competitiveness issues and policy-making in the European level. As border obstacles to trade, finance and direct investments within EU have fallen, many industries felt a major pressure towards consolidation, most of all for what concerns
high-technology sectors. These have been the setting of several experiments in collective community policy-making for industrial competitiveness.

As noted by Wayne Sandholtz (1995), it looks paradoxical that the monopoly of national governments on competitiveness policy "has been most compromised in Europe, where industrial policies have been the most nationalist and assertive". Competitiveness, in a concrete way, is probably more a firm or sector's concern, but when it becomes a broad concept is definitely going to be a regionalist or nationalist issue. A region involved in a competitive policy should, in fact, only care about its own competitiveness, expanding its advantages, probably at the expense of others.

The cooperation launched by the EU, among the main high-tech industries, overcoming nationalistic issues, has been so far acceptable, since national governments considered it as a technological collaboration in pursuit of domestic goals and welfare.

A substantial growth of territorial competition is a direct consequence of two other specific European factors such as:

1. the crises affecting many urban areas, due to job losses;
2. the impact of a growing trade liberalisation on high order service activities.

It appears even clearer that every region will try to follow a competitive strategy, boosting its economic performance, improving its accessibility, creating a positive climate for business and entrepreneurship and trying to exploit its own resources and advantages in the best way, to be more competitive on the international stage.

However, competitiveness cannot be considered as a proper attribute of nations or regions. Since policies represent either sectarian strategic interest and political and historical compromises, it is very difficult to think of a state pursuing coherent and consistent strategies of competition. These strategies will probably result inconsistent and sometimes contradictory. As firmly suggested by Porter (1990), "firms and not nations compete in interna-
tional markets", but nations, regions and local authorities play all together a fundamental role in supporting competition. The whole enables economic actors to perform at their best exploiting their location advantages and contributes to create an innovative environment.

The aim of this paper is to investigate the impact of public capital on economic performance of regions by considering its role in determining absolute and relative advantage. The article is organized as follows. In section 2 I present some theoretical issues and some empirical evidence on the impact of infrastructure, in section 3 policy implications are shown. The case studies are in section 4, whilst some further remarks are in the concluding section.

2. Infrastructure and geographical advantage

During the past decades, a number of alternative definitions of infrastructure has been given in the economic literature. In all these definitions two elements seem to be relevant (Rietveld and Bruinsma, 1996):

- the property of capitalness enable us to distinguish transport infrastructure (expressed in terms of stock) from the public goods (defined in terms of a flow per unit of time);
- the notion of publicness implying the non-rivalness and the non excludability.

The creation of transport infrastructure promises positive advantages for the whole local economy, through direct and indirect benefits. However, it is true that different kinds of business will have particular needs, related to different kind of infrastructure. For manufacturing companies, for example, production is increasingly based on tight-linked logistical movements of raw materials to the point of production and manufactured goods into stockholding and distribution of purchasers. It is clear that they would have a direct benefit by the creation of a high speed transport network, enjoying in particular its connection among
different modes, in an advanced mechanism of intermodality. Transport for those kinds of companies has become a fundamental part of the production processes as the assembly line a car plant. All the movements need to be perfectly synchronised and savings in time always mean more efficiency.

The flexible, reliable and predictable transport in the essence of “just in time” manufacturing: current levels of congestion on certain routes forces companies to look for solutions which increase their costs and raise transport share of final price of their products. Among manufacturers, the transport equipment industry will have a new boost by the development of a new transport network, through consequent large amount of orders over next decade. This will surely create new economies of scale and a boost to the R&D efforts. Developers and manufacturers of telematic system will experience the same situation, through a wide introduction of IT instruments for communication, navigation, air traffic control and intermodal operations.

Concerning with multinational enterprises, and in general, firms and people working on an international stage, a quick and comfortable connection to the main business place is something essential. Within the EU, as sown by several surveys, it means that this kind of business people desire direct access to international cores, like the headquarters of the EC in Brussels, or financial and commercial centres like London, Paris, Frankfurt or Milan. The importance of such close connections to the core (and among cores) is given by the necessity of face-to-face contacts and the maintenance of good customer relations. Thus, efficient air transport and developed railways network are today indispensable to guarantee an acceptable level of connections to international business. In particular the High-Speed Trains network could be very useful in linking up some of the main European cities (which sometimes are not far enough to justify air travels) with fast and direct connections. That is exactly what European businesses want nowadays.
The “New Industrial Space”, characterised by spatial division of labour, decentralisation functions and a growing flexibility (both in production and labour market), presents the necessity of an efficient and advanced trasportation system, able to keep up with modern information technologies. This idea is strengthened if we contemplate that the globalisation of the economy, supported by information technologies, is naturally leading to quick expansions on international connections, not just in terms of knowledge communication, but even in terms of freights and, most of all, people. Some social trends, like new lifestyles, flexibility in labour market, higher education levels and intensification in business relationships, support the idea of a serious structural increase in mobility at all levels, which has necessarily to be matched by an equal improvement in transport infrastructure. Such improvement must nowadays, more than in any other period, be a result of a leap in the quality of infrastructure for several reasons. Firstly, in many situations (especially in densely populated metropolitan areas) it could be almost impossible to face the lack of capacity terms of a quantitative increase in infrastructure, both for spatial reasons, connected to the use of a so scarce factor as land and for ecological sustainability.

Accessibility is a key to the potential attractiveness of a region and infrastructure is the prominent exogenous component of accessibility. It is now useful to split the set of infrastructure in two parts in order to reach a better comprehension of the way in which they influence patterns of location (Rietveld and Bruinsma, 1996).

The first group regards information and communication networks, that, being in a tight connection with knowledge-based inputs, are what wipe out geographical limits, relegating physical location of an activity in a secondary position, comparing to the importance of the information system applied. This is the same case about the transfers of financial industry far from the old core of business: what matters is the possibility of reaching all
sources of information easily, without distinction about the place from which the connection starts. The existence in itself of the connection to this communication network, lets everyone has the same degree of information, through the same technology, in the same moment, though from different places. Obviously, given the global achievable technology, we are supposing the existence of this communication network, which is still missing in too many countries.

The second group of infrastructure is probably more evident, regarding transportation, or rather the physical component of accessibility. Contrary to what happens for communication, transport infrastructure is still strongly influencing the location even in the micro-sale of urban patterns. For many enterprises, not just if dealing with transport, is preferable, for example, to place their headquarters in the Eastern or in the Western part of London, historically served by better infrastructure. Many others, instead, like parcel deliveries activities, or storehouse of big commercial chains, have the strict necessity of being placed close to ways of traffic routes like airports, stations, ports or highways.

Obviously, an important matter is efficiency. One of the most useful dimensions for measuring the efficiency of a transportation system is time. If the innovative communication and IT have dramatically restricted the size of our planet, the challenge of transportation continues to be the effort to stand the pace with technological changes. The higher and higher value placed on time is of course leading to speed increases, following the technological development, since any improvement of transport quality is essentially valued in terms of time.

In a context like the European one, characterised by a pressing technological competition, what really matters nowadays for a region is not just having transport infrastructure, but their degree of innovation, which is closely related to a better efficiency in terms of time.
The improvement of efficiency through innovation is the main reason guiding many projects of urban and regional development, during these years in every part of the Continent. The role of these great projects of development, which are a concrete manifestation of territorial planning, goes anyway beyond the pure raising of the external competitiveness, though the interdependence created with other two important factors (Percoco, 2003a and 2003b):

- the start up of a strong process of internal dynamization, for a continuous and innovative development;
- the attempt of giving a clear message of confidence in the governance, with a strategic vision and the assumption of precise responsibilities by rulers of the city or region.

The global economic effect of such regional planning is then clearly something stepping over the simple creation of an infrastructure: the accessibility for people and freights is just the mean for new openness to potential markets and to a quick development for the localisation of new activities.

We can try to define innovation in transport as all the charges that can affect the efficiency and the quality in terms of methods, so a better organisation and utilisation of available resources and ways of working or in terms of technological improvements. Technical challenges in transportation infrastructure are really significant: to perceive and to follow innovation is sometimes very hard, requiring great strains for regions and people, both from an economic point of view and from a human one, often consisting in changing attitudes and way of thinking traditionally rooted. So, developing innovation is not just a matter of technology but even skills, resources and perspectives.

### 2.1 Some empirical evidence on Italy

By using the database presented in Picci (1995) for the time period 1970-1994, we can compute a linearized Cobb-Douglas production function by means of simple econometric regression.
Results in Table 1 show that public capital for transportation services plays an important role in economic dynamics in terms of production level. In particular, it is shown that transport infrastructure elasticity is about 15%, whilst the ones of labor and private capital are 14% and 75% respectively.

Table 1 Production Function Estimates

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>St. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public capital</td>
<td>0.149**</td>
<td>0.049</td>
</tr>
<tr>
<td>Private capital</td>
<td>0.139**</td>
<td>0.042</td>
</tr>
<tr>
<td>Labor</td>
<td>0.753**</td>
<td>0.057</td>
</tr>
<tr>
<td>Constant</td>
<td>2.263**</td>
<td>0.686</td>
</tr>
</tbody>
</table>

\[ \text{R}^2 \] 0.96

** indicates significance at 5%

3. Political Issues in Infrastructure Planning

The need for an efficient and adequate stock of infrastructure is more than ever a necessity to earn a territorial predominance. Globalisation of economic activities, pressures towards European integration and requirements for improved international competitiveness rise the demand for better infrastructure on information, communication, education, transport, health services and utilities (like water, energy and waste disposal).

Every single region has its particular location advantages, due to physical, cultural, socio-economic and political factors. The planning system has an extraordinary potential to shape and enhance the competitiveness of a region, by translating abstract principles into operational policies and decisions and by valuing the regional potentiality.

Every policy should be able to find the right mixture of prediction and provision to be concretely efficient:
• to predict means that political support for competitiveness might be proactive, by thinking and creating opportunities of development for all the regional economic actors;

• to provide means that it is important to take great account of demand-side considerations, while generating planning solutions. This is especially true for infrastructure provision, an issue conditioned by several considerations of public interest, institutional dynamics, political assessment, ideology and knowledge or perception of economic processes.

Historically, infrastructure investment has been seen as an acceptable point for public policy intervention, being often a pivotal point of partnership between private and public sectors in pursuit of economic development. Three main reasons, at least, make infrastructure investment very sensitive to the costs of capital and inherently risky:

1. the long time horizon in the productive life infrastructure;
2. the large scale;
3. the “all or nothing” nature of investments.

This requires a public sector role for such kind of investments. This has to be played with an appropriate responsibility for production, allocation and distribution. Acting in a proactive way, policy gives a string message of confidence to the whole economy. The project of a new international airport, a high-speed station as well as new hospitals, universities, research centres can be seen by local actors, as well as the external world, as critical steps towards innovation, towards a new stage of development and so as an unmissable occasion to exploit for the region welfare.

Global costs reduction and output expansion effects, given by the supply of an infrastructure, can be captured through formulation and estimation of regional cost and production functions, by the planning institution.
4. Two Case Studies

As shown in previous sections, the economic impact of infrastructure seems to be relevant both in terms of elasticity and regional advantage.

By considering infrastructure investments as facilitating economic activity and rationalising regional production distribution, it can be stated that public supply of infrastructure supports private sector in two ways:

- *indirectly*: enhancing the productivity of private capital, thereby raising the rate of return and encouraging more private investment;
- *directly*: serving a substitute for private capital.

In this section we will present two case studies in order to find out the factors determining the economic success of an infrastructure investment.

4.1 Duisburg and intermodal logistics along Rhine

As Rotterdam and Antwerp dominate the maritime scene, Duisburg is without any doubts the leading location as inland port. The twenty docks of Rhine-Ruhr port can be considered as the world’s largest inland waterway infrastructure.

Located in the hearth of the Ruhr region, Duisburg has been called for long time “the city of coal”, before hard times hit the mining industry. After the deep crisis affecting coal and steel transshipping Duisburg lost its prestige as industrial centre and started the hard fight to become a commercial hub. The port authority started a successful redevelopment process, directing many efforts in the extension and modernisation of its transport infrastructure, with particular stress on quality and interconnectivity. Rhine-Ruhr port has opened to all methods of transport and transshipment technology, consolidating its fame of international hub. Until this industrial devolution occurred, the port of Duisburg had concentrated almost exclusively bulk goods traffic.
In the last ten years, the new orientation has been towards more future oriented services, setting new goals of development.

Technology and organisational change made the difference between Duisburg and other locations. This port has been able to win the competition on other important Rhine ports, offering its cutomers modern patterns of organisation and the concrete application of effective data processing services. These make the work easier and guarantee functional reliability, which is the main requirement by every port customer.

CombiPort Duisburg is a new reality in modern logistic, linking different modes in a single infrastructure. Container terminals and the railway station offer a 24hr full service, allowing a spread of the traffic through the day and offering opportunity to get every kind of containers, swap bodies and trailers on the way to their destinations.

Organisation represented the trigger of qualitative changes, which kept the German hub in a prominent position. The restructuring of the port, started in the '80s, led to deep organisational changes. Port activities were split in different sectors, allowing the relocation of different activities in four defined areas inside the huge port:

1. Intermodal Centre Sudhafen: connected with the railway station;
2. Free Port Duisburg: the main block, dealing with storage and processing of high-quality export goods;
3. Logistic Centre Duisburg-Kasslerfeld: handling the combination and distribution of general cargo of all kinds;
4. PCD Packing Centre Duisburg: handling facilities for the seaworthy packing of high-quality goods.

The subdivision of duties has led in brief to a major degree of specialisation within every single dock, enhancing the speed and the quality among all the operations processed within the port.

Rhine-Ruhr port increased its attractiveness not just as an advanced transport infrastructure, but even as a multi-faced cen-
tre, in which freights are carried and handled in the meantime. This generates a wide range on activities “on port” and “off port”, adding value to the whole economic chain.

The attractiveness of Duisburg Port is then in continuous growth. Its throughout is between 45 and 50 million of tonnes of cargo per years, but it is expected to rise substantially in the next years. Future projects will more than double its actual size, passing from 100.000 to 200.000 sqm. Some of the 260 operators have understood the importance of their location and they are now putting lots of fresh investments to strengthen the common infrastructure. In the same way of a hub airport, the cooperation between the city, the port authority and the main operating companies leads to a virtuous circle of growth. The lively institutional milieu has created a positive relational space within the port, improving fluxes of information, cooperation and environmental quality.

4.2 Transrapid Berlin-Hamburg: the challenge of magnetic levitation

The first studies on magnetic levitation system were commissioned by the German Federal Ministry of transport in the Seventies. Thyssen-Henschel has been in charge of its development and presented it in public for the first time at the International Traffic Fair in Hamburg in 1979. The magnetic High-Speed Railway can definitely be considered as one of the most important technical innovation of this century. It is in fact the first ever ground transport system able to move without any physical contacts with the ground.

A wide test facility was commissioned by German government in mid ‘80s in the region of Emsland, close to the Dutch border. The Transrapid is now planned to start from central Berlin, and precisely from the forthcoming ultramodern Lerther Stadtbahnhof, and will cover the necessary 292 km to arrive in Hamburg Hauptbahnhof, the main German point of interconnection between sea and land, the main port of freight distribution in North Germany.
The MPV company was founded in order to create an expertise able to govern the global planning of this operation: developing the technology, collecting experience, assessing the results objectively and formulating the requirements of future operators on the magnetic levitation system.

MPV is then the owner and operator of the test facility in Emsland, which attracted in the last few years some 500,000 visitors, to see and have a demonstration ride on the prototype of the Transrapid. MPV has been structured as subsidiary company of Deutsche Bahn AG and of Lufthansa, and has worked in strict cooperation with some of the giants of German Technology such as Thyssen and Siemens, deeply involved in the project. The private sector owns the 50% of the company, the rest being owned by the Federal Government.

The Transrapid has been considered as complementary to the structure of German transportation. After 2005 air connection between Hamburg and Berlin will probably be dismissed, but in few years this technology could all along Germany and Europe.

In the last decade the Federal Government invested about 80 billion DM in transport infrastructure. 40 of them were directed to railways and a major part of the projects are concerning the physical reunification of the country. Two new lines are planned to reach Berlin, from Nuremberg and Hanover. The rehabilitation of the railway junction in Berlin and the rapid transit system (S-Bahn) through the city has been carrying on quickly, like the upgrading of the waterway link from Hanover via Magdeburg, which is also based on the construction of a new ship lock in Charlottenburg within 2002.

While the Transrapid development is moving forward, some independent studies forecast a huge annual figure of passengers using the Transrapid in the year 2010. In 1995, MPV forecasted that the expected number of passengers could be between 15 and 17 million per year. This represents an incredible figure, especially if we consider that the actual railway traffic between the
two cities counts less than 2 million railways passenger per year. It is also likely that the 1.5 million people per year using flights to Hamburg will switch to the faster and comfortable train, leading to the dismissal of air services between the two cities. These figures could seem exaggerated, but we have to consider that the traffic in the East-West (and especially between Hamburg and Berlin) direction is going to grow in a disportioned way in the next few years and the overall passenger and goods traffic is expected by the Federal Government to be increased by seven times within 2010, year of the completion of the TEN.

Even if it looks very early for an economic judgement on the whole operation, its basic principles appear quite clear and reasonable. The regions involved will definitely have some image benefits and have very good possibilities of a real gain in competitiveness. This is obtained without adding much more investments to those required by the necessary upgrading of the old line between Hamburg and Berlin.

To secure future sustainable development, cities have more than ever to conduct pro-active and pro-cyclical policies, becoming a sort of enterpreneurial locations. The growing parallelism with the private sector clear: seizing the initiative, just looking ahead and getting out on the cutting edge are paradigms now applicable to regions and cities.

5. Conclusion
As demonstrated by the empirical econometric evidence and by the theoretical arguments, transport infrastructure play a key role in the process of economic development both in terms of growth and accessibility. But, as shown in the case studies, political issues and institutions can strongly affect their net effect.

The changing role of local political institutions and the transformations of metropolitan areas and regions have a strong impact on the organisation of space. From a political point of view, decisions are taken at various levels, from the micro-local
to the international one, often without a clear hierarchy (as shown in many cases by the debate inside the EU), while state governments seem to be reducing their influence and regional problems tend to be dealt with locally. The traditional distinctions between various competencies, between public and private sectors are beginning to melt, so the production of urban and regional services is based on complex partnership systems. In the middle of these developments a fundamental role is played by the extensive infrastructure networks, such as for example, utilities, communication and transportation. In this sense, the experience of the Transrapid (with the State-planner, giving the total management of the infrastructure to private investors), could soon be followed by many other public authorities, in order to exploit in the more fruitful way the expertise of each actor.

Paradoxical as it may seem, in a world always more dominated by global flows of international wealth and power, local governments could experience a new renaissance. In fact, even if local governments are as limited in their representative power as national ones are, they can be much more flexible, adaptive and representative of their constituencies. Having the opportunity of direct contact and local entrepreneurship, these authorities, under the right social and political conditions, are able to assume a key role in organising, directing and supporting economic activities.

To behave in such an active way, local agents have anyway a strong need of any kind of advanced infrastructure, from information and competition to transportation. This set of infrastructure acts as flexible instrument, able to guarantee concrete strategic planning and real-time management activities, compensating, in a certain way, the scarce relevance of local political powers and of their financial resources.

The case of Duisburg shows two important policy issues (Dematteis and Governa, 2002):
1. the utility of cooperation among the different levels of actors, sharing the same objectives, while making strategic planning;

2. the forecasting ability of local actors as a key factor to grasp the opportunities of “jumping on the right train”.

Successful milieus are also able to interact among themselves, creating a sort of network, exploiting the advanced set of information and transport infrastructure.

In 2010, within the EU, it is likely to see the completion of the TEN. This highly advanced network should then be interconnected to and most of all made interoperable with those, which are in a much earlier stage of development in Eastern Europe.

Actually, many potential investors still prefer to look for a more central location in Europe, in order to cut their transport costs. The poor quality of transport infrastructure is probably the greatest obstacle to rapid economic development. A great part of the railways are incredibly slow and still single-tracked. Motorways just represent a small fraction in the discouraging panorama of road network.

The European cases previously analysed deal with a wide range of issues, each giving an idea of how transport infrastructure will facilitate economic activity by:

- symbolising the city’s commitment to effective participation in territorial competition;
- forming (in connection with other infrastructure) an intermodal gateway for the city to the global economy;
- constituting a growth centre attracting inward investment based upon the last technologies;
- being a major opportunity for cooperation between economic actors, by encouraging movement.

In future years, pressures towards internationalisation will probably continue to increase competition, forcing regions and cities to look for further steps towards innovation. The world of investment and trade looks smaller, more transparent and inte-
grated, intensifying the rhythm of competition and putting a stress on the attributes of quality and time. It is no longer the big competitor surviving on the small, but the quicker on the slower. The dynamics of this process will cover both the technological aspect of infrastructure and the organisational one.

The main economic, social and political task for every planner at the start of a new millennium is then to bridge, as much as possible, the growing gaps between two different faces of world. The challenge is very important: trying to improve the quality of life, guaranteeing the spread of benefits to the major number of world inhabitants.

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"Foreign Trade Zone (USA) is an area within the United States that the Government considers outside the country, or at least, outside of the U.S. Customs territory. Certain types of merchandise can be imported into a Zone without going through formal Customs entry procedures or paying import duties. Some of the benefits of operating within an FTZ are obvious. At the very least FTZ can help defer paying duties. More often, the company pays lower costs, not only to U.S. Customs, but to its bank, insurance company, and other vendors." (NATIONAL ASSOCIATION OF FOREIGN TRADE ZONES)

Traditional Free Zones are 'enclaves', fenced areas whose entry and exit points are supervised by the customs authorities. However, a new concept of Free Zone is now developing: that of Customs Free Zones where the control is based on the formalities carried out in accordance with the requirements of the customs warehousing procedure, rather than on the existence of a fence.

'Enterprise Zones', 'Special Economic Zones', 'Science Parks & Technological Free Zones' are all new policy instruments used to develop free trade and to attract FDI, job creation, foreign exchange, technology transfer, industrial production and economic growth and well-being.

B) THERE ARE MANY DIFFERENT TYPES OF 'FREE ZONES'

**TABLE 3 – TYPES OF FREE ZONES**

<table>
<thead>
<tr>
<th>TYPES OF ZONES</th>
<th>EXAMPLES</th>
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<tbody>
<tr>
<td>Free Ports</td>
<td>Hong-Kong (China), Singapore, Trieste (Italy), Hamburg (Germany); Bahamas Freeport, Batam, Labuan, Macao (China)</td>
</tr>
<tr>
<td>Special Economic Zones</td>
<td>Hainan, Shantou, Zhuhai, Shenzhen, Tianjin (China)</td>
</tr>
</tbody>
</table>
Industrial Free Zones/Export Processing Zones
  Ireland, Taiwan (China), Malaysia, Dominican Republic, Mauritius, Kenya, Hungary, Mexico, Namibia, Zimbabwe, Bangladesh, India, Sri Lanka, Pakistan

Information Processing Zones
  India, Philippines

Financial Services Zones (Offshore)
  Bahrein, Hungary, Cyprus

Commercial Free Zones
  Dubai-Jebel Ali, Colon Free Zone (Panama), Miami (USA), Sudan, Poland

Enterprise Zones
  Indonesia, Senegal

Science and Technology Parks
  Sophia Antipolis (France), Taiwan, Colombia

Main Source: ILO (2003).

**TABLE 4 - COMMON FREE ZONES INCENTIVES**
- Non-discriminatory access to the Zone, freedom of transit, no barriers to the use of loading and unloading port facilities
- Simplified business start-up and licences requirements
- Customs procedures simplification
- Relief from Customs duties (import duties and taxes, etc.)
- Fiscal incentives (relief from VAT, Corporate tax, income tax, property tax, local taxes etc.)
- Financial incentives e.g. free flow of capitals, free repatriation of capitals, profits and dividends, preferential interest rates
- Subsidised infrastructure (low rents, cheap services, etc.)
- Liberalisation of transports to/from the Zone
- Labour law deregulation
- Other additional incentives and streamlined procedures

As anyone can see, the Free Zone concept is not univocal, therefore the extension and maximisation of incentives differ substantially from country to country in relation to the type of Zone’s regime chosen.