Mobilizing Investment in the Transport Sector

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Andreas Schäfer
(a.schafer@ucl.ac.uk)
A brief look at the Demand Side

Time dedicated to major activities, h/cap/d

- Sleep (●)
- Leisure & Study (●)
- Household & Family Care (●)
- Personal Care & Meals (●)
- Travel (●)

Work time, h/cap/d

PKT/cap

Estimate system of 3 equations (ADL + Logit model) =>
U.S.: Share of PKT and infrastructure investments

Increase in public transport infrastructure investments, but mode share continues to decline ⇒ need for additional, coordinated policies that modify human behavior
Need for Technological Change

U.S. Freight Railroads

Cost Comparison, \$/GTM
Steam vs. Diesel (1946)

- Depr.
- Oth. OC
- Wages
- Fuel
- Repairs
Supporting Green Transportation Technology

• Challenge: vehicle industry highly capital intensive (=> risk and time scales)

• Government action
  – R&D
    • **U.S.**: PNGV (1993-2001): 200-250 mln US$/yr (≈3% of GM R&D expenditures alone)
    • **Japan, Europe**: larger number of smaller programs
      • Limits: “breakthrough ideas and talented people“
  – Subsidies ([hybrid-] electric vehicles, biofuels, etc.)
  – Need for coordinated, predictable, long-term policies to assure adoption (market-based, regulatory, etc.)