

[DOI: 10.20472/IAC.2020.056.011](https://doi.org/10.20472/IAC.2020.056.011)

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IMPACT OF RAILWAY NET INVESTMENT ON ECONOMIC PROSPERITY IN SELECTED REGIONS

Abstract:

In post-communist countries, generally, the railway used to be neglected way of transportation, despite the railway network is very dense. This paper compares the value of investment into railway infrastructure in selected regions of post communist countries. Using data 1995-2016 the analysis confirms the impact of continuous value of investment in the railway infrastructure and maintenance on the region's economic prosperity.

The article points out the consequences that have arisen due to underestimated investments into the railway infrastructure in recent years deriving from the economic development of these economies. It highlights the necessity to consider the investment into the railway infrastructure from a long-term perspective and analyses the consequences of infrastructure destruction or sudden investment failures that have an immediate negative impact on the economy of the whole country.

Keywords:

railway network, investment, economic prosperity

JEL Classification: L92, H54