

TRANSPORT

Liberalised Trade and Vehicle Imports

A substantial increase in the imports of motor vehicles and all forms of transport equipment has occurred since the liberalisation of imports was permitted in this country after the budget in November 1977. According to Central Bank estimates the total private consumption expenditure on transport more than doubled between 1974 and 1979. From Rs. 19,068 million in 1974 private consumption expenditure on transport went up to Rs. 26,342 million in 1979; Rs. 31,445 million in 1978 and Rs. 40,461 million in 1979. As revealing is the data on imports of vehicles and motor vehicle parts; the marked increase in the registration of vehicles; and the mounting import bill on petroleum products.

Prior to 1977 the import of motor vehicles and spare parts, as in the case of most other imports,

Fertilizer.....
would be possible for the agriculturists to procure their fertiliser requirements without difficulty. These institutions could be motivated by paying them a better sales commission than at present.

Lack of a proper understanding among agriculturists about the increase in productivity which could result from the systematic application of fertiliser leads to a reduction in fertiliser consumption. While agriculturists incur money and labour on soil preparation, sowing or transplanting and harvesting as they are considered essential items, they display less interest and incur less expenditure on fertiliser as they do not consider it to be an essential item. Through the medium of agricultural extension services it should be possible to encourage agriculturists further by teaching them the value of fertiliser application, the different fertilisers to be used in different climates, soils and ranging stages of plant-life as well as how they should be applied.

was subject to stringent controls. Thus, the total expenditure incurred on the import of motor vehicles and spare parts was only Rs. 183 million in 1976 and Rs. 187 million in 1977, whereas by 1979 it had reached Rs. 2,586

Table 1

		Import of Motor Spare Parts for Transport Services				In Million Rupees	
		1976	1977	1978	1979	1977/79	
							Percentage differences
Railway	...	29.2	42.2	100.3	417.7	1,017.3	
Motor Vehicles	...	150.4	232.9	1,510.3	2,075.4	701.2	
Aeroplanes	...	2.9	3.9	54.2	33.2	751.3	
Ships & Boats6	8.1	16.7	5.3	34.6	
Total	...	183.1	187.3	1,681.6	1,585.9	800.7	

Source: Sri Lanka Customs Returns.

million. (See table 1 above). In 1976, this expenditure was only 3.9 percent of the total import bill while in 1979 it had gone up to 11.5 percent of the country's value of imports.

The number of vehicles registered in 1979 has also shown an unprecedented increase, which is all the more significant when compared with the heavy increase in 1978. Thus motor vehicle registrations which stood at 191,962 in 1974 reached 199,660 in 1976; by 1977 registrations went up to 208,026 (a 4% increase) in 1978 to 231,993 (a 10% increase) and in 1979 to 274,080 (a 15.4% increase). It is no wonder then that around 30,000 vehicles pass through the Fort and Pettah daily. The Department of Highways recording the average daily traffic on a sample of roads in central Colombo in 1979 found that as many as 32,360 vehicles passed a

point that day on Galle Face Road (near Parliament) — of these 23,874 were cars, 2,501 buses, 2,110 lorries and 2,700 motor cycles; while in the Pettah on Olcott Mawatha 29,296 vehicles passed a point near the Fort Railyway Station that day — of these 15,219 were cars, 5,745 buses, 3,942 lorries, 2,188 motor cycles and 2655 bicycles. The number of road accidents also increased considerably during this period and according to Police De-

partment records went up from a total of 14,650 in 1978 to 18,287 in 1979; and in the first six months of 1979 had totalled 9,395.

As seen in table 2 the largest increase in vehicle imports was for bicycles which registered a 700 percent increase in 1979 over that of 1978. Among the motor vehicles, however, the highest increase was in motor cycles which went up by 128 percent.

This table is a clear indication of the fact that motor vehicles and motor cycles have become the most popular items of import. These motor vehicles and spare parts are purchased in the order of priorities from Japan, United Kingdom, India and Germany (Federal Republic).

According to the information available from the Department of Registration of Motor Vehicles 204, 489 motor vehicles were imported in

Table 2

		Import of Vehicles Spare-parts Rs. Million			
		1978	1979		Rs. Million Difference
Tractors	...	330.9	366.2		10.7%
Motor Vehicles	...	943.7	1300.8		37.8%
Motor spare parts	...	120.3	163.4		35.8%
Motor Cycles	...	37.8	132.0		128.4%
Cycles	...	2.5	20.0		700.0%
Others	...	54.8	92.9		69.5%

Source: Sri Lanka Customs Returns.

Table 3

Registered Motor Vehicles

	Stocks as at end of			
	1976	1977	1978	1979
1. Passenger Transport:				
Central Transport Buses	12,315	959	607	747
Private Buses	1,255	80	266	1,575
Taxis	3,990	26	176	906
Private Motor Vehicles	91,601	3,248	6,709	9,942
Motor Cycles	23,932	1,106	2,255	15,409
2. Goods Transport				
Lorries	36,704	1,006	4,874	6,245
Others	4,247	63	120	78
3. Tractors	16,380	450	2,532	2,786
Trailors	9,179	680	1,259	3,423
Others	5,068	1,094	2,273	2,032
4. Others	450	14	143	29
Total	24,489	1,826	24,814	42,393

Source: Central Bank of Sri Lanka.

to Sri Lanka in 1976. This figure has increased to 274,080 in 1979. The percentage of increase is 34%. The fact that out of the motor vehicles registered at the Department, motor cycles and private motor vehicles constitute a very large percentage, should draw special attention. In 1979 the percentage of private motor vehicles registered at the department was 23.5, and 36.5% constituted the motor cycles.

REGISTERED MOTOR VEHICLES

Out of these imported motor vehicles a large number of them were second hand and reconditioned vehicles. The lifting of government import controls and low price levels were main reasons for the sudden increase of these imports. These reasons could be adduced for rise in motor cycle imports as well.

Passenger transport by private bus owners was allowed, with effect from April 1979. This broke the state

monopoly in the field of passenger transport and private sector participation was allowed. As at 1976, the number of private buses registered at the R.M.V. office was 1,255. It had increased to 3,176 by the year 1979. The increase was 153.1%. In 1976, the total number of buses owned by the Central Transport Board was 12,315. It increased to 14,828. The percentage of increase was only 18.8%. So far, the private bus owners have obtained licenses to operate 590 buses only.

Although the number of motor vehicles has increased, the owners are confronted with an acute problem viz. the rising price of petroleum products. Owing to this price escalation the operational costs are increasing at a higher rate. As a result, even the private bus owners, seek the assistance of the public transport system, in the field of long distance passenger transport. Table No. 4 clearly shows that the increases in petroleum consumption rate is lower than the rate of increase of motor vehicles. Petrol

consumption has decreased, but the cost has increased. Two reasons can be adduced for this situation. Firstly the private owners of motor vehicles refrain from using their vehicles and secondly the "Sunday ban" on private vehicles upto early 1980.

As mentioned above, a considerable amount of money is invested in the transport services and also a good number of motor vehicles have been dumped into the island. The country would benefit by those investments only if they can contribute some service to national development.

Transport economists have shown that buses and trains move people far more thriftily than private motor cars. The energy intensity ratio has been worked out at — buses 1.0; trains 1.1; and cars 14.0. Public transport can certainly benefit the economy a great deal, but from the commuters point of view it has also to be efficiently run. Despite the new additions of buses to the passenger transport system the services have diminished for various reasons.

The total operated mileage by the fleet of the Ceylon Transport Board has kept increasing, however, over the last three years. From a total of 400 million kms operated in 1977 it went up to 455 million kms. in 1978 and 482 million kms. in 1979; and is expected to exceed 500 million kms. this year. The monthly operated total mileage of CTB buses have also shown a steady rise from 39 million kms. in January 1979 to 42 million kms. in January 1980 and 46 million kms. by August 1980.

Table 4

Sale of Petroleum Products in the Island

	Qty. In Mn. Gallons			Difference % 1978/79	1978	1978	1979	1979	78/79 Diff. %	1980*	Average	
	1978	1979	1980*		Total Value	Av. Price	Total Value	Av. Value		Total Value		
Petrol (super) ...	32.642	31.452	12.692	—	3.7	427.433	13.09	777.227	24.71	+ 81.8	448.939	35.37
Petrol (ordinary) ...	5.162	2,625	—	—	49.2	65.022	12.60	54.708	20.84	+ 15.9	—	—
Diesel (vehicels) ...	80.638	86.479	41.283	+	7.24	423.694	5.25	755.76	8.73	+ 78.2	537.423	13.02
Diesel (Industrial) ...	15.948	16.524	6.546	+	3.61	82.633	5.18	132.610	8.03	+ 86.05	85.723	13.10
Lubricant oil ...	37.071	42.391	19.230	+	14.4	162.273	4.38	329.994	7.78	+ 103.4	229.171	11.92
Kerosene oil ...	68.557	64.144	22.558	—	6.44	231.208	3.37	335.615	5.23	+ 45.2	292.475	12.97

Source: Sri Lanka Petroleum Corporation.

*January-May