

**POSSIBLE IMPROVEMENTS TO EXISISTING BUS
FARE STRUCTURE TO ACHIEVE BETTER
SERVICE**

MASTER OF SCIENCE IN TRANSPORTATION



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ABSTRACT

The bus transport industry in Sri Lanka has an important role to play as public transport. Its performance affects the economic activity in various ways. Therefore an efficient public transport system is considered a highly required condition for faster economic growth and social progress in the country. However, the public transport sector in Sri Lanka especially the bus transport suffers many deficiencies due to the lack of effective and consistent policy to guide the sector.

Basically bus fare is one of the most important factors regarding profit maximization in the industry as well as providing a quality service to the passengers. If not people are not interested to invest their money and they don't stay in the industry for long. Therefore it needed a policy regarding bus fare which comes to affect a policy for the fare revisions since 2002. This policy has guided the industry to make fare revisions in scientific way. Anyhow there is a question arises that the rate which decided to revise the bus fare earlier and after introducing the policy is comparatively reasonable with other economic indicators. On the other hand it is important to examine that the rate which decided to revise the fare is reasonably applied to the individual fare stages which consist different segment of distance.

Generally the accepted idea is that the short distance fare was overpriced and long distance services were under priced. This situation badly affected to the industry where the quality of the services are not improved comparatively with the increase of bus fare. Before nationalization bus fare was revised few times and available data of that are insufficient to analyze. Therefore this study mainly focused to analyze the existing fare structure which comes from nationalization of the bus transport. The bus fare was revised 25 times since 1958 under the different institutional structure and the analysis further useful to identify the period which mostly affected the collapse the uniformity of the fare structure.

Basically qualities of the services depend on its price level. However the fare level in bus transport also needs to examine how fare structure affects the quality of the services. It is evident that the passenger's views and level of satisfaction on bus transport to be identified by a survey.

This study also emphasizes to recognize certain improvements to the existing fare structure which possible to achieve a better service from the bus industry.

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LIST OF ABBRIVATION

NTC	National Transport Commission
CTB	Central Transport Board
PBOA	Private Bus Owners Association
BCR	Benefit Cost Ratio
MFL	Minimum Fare Level
CCPI	Colombo Consumer Price Index



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