

## 7. Infrastructure and Services

Development of infrastructure facilities continued with increased investment by both public and private sectors, to meet the fast growing demand.

### Energy

- ▲ Along with improvements in economic activity, the demand for energy continued to grow. Commercial energy supply was under severe pressure during 2000 mainly due to a shortfall in hydropower generation and the sharp rise in oil prices.

### Electricity

- ▲ Power generation capacity expanded by 5 per cent to 1,775 MW with the commissioning of the 60 MW barge mounted power plant and installation of the 21 MW Lakdhanavi II power plant in 2000.
- ▲ Dependency on hydro power dropped to 65 per cent by end 2000, further reducing the vulnerability of power generation to vagaries of the weather.
- ▲ Power generation, including power from hired power plants and self-generation grew by 10 per cent in 2000 to 6,682 GWh.
- ▲ The share of hydropower generation dropped from 69 per cent in 1999 to 48 per cent in 2000 due to unusually low rainfall in catchment areas.
- ▲ Electricity demand expanded by 9 per cent to 5,245 GWh.
- ▲ A larger part of the demand was met by thermal power, increasing the cost of power generation considerably.
- ▲ The average cost of a unit of power rose by 54 per cent to Rs.6.31 in 2000.
- ▲ The average tariff increased by about 4 per cent to Rs.4.70 per unit.
- ▲ As a result, the financial position of the Ceylon Electricity Board (CEB) deteriorated significantly during 2000, recording an operating loss of Rs.6,728 million for the year.
- ▲ The proportion of households with electricity increased to 58 per cent from 53 per cent in 1999.

**Installed Capacity & Hydro Dependency**

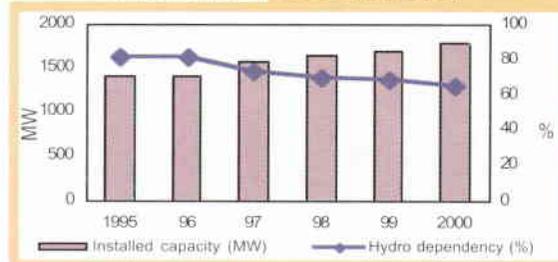


Chart 7.1

**Percentage of Households with Electricity**

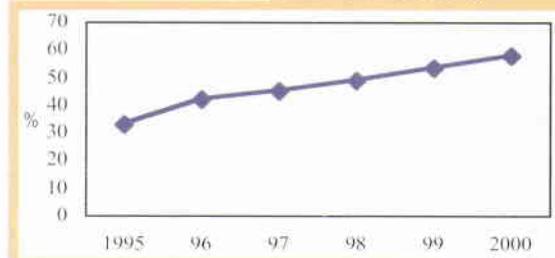


Chart 7.2

- ▲ Since the hydropower generation was adversely affected in 2000 and the thermal power capacity of the CEB was not sufficient to meet the additional demand, CEB had to hire several power plants on a temporary basis.
- ▲ The construction of three major power projects were in progress during the year. They were, the 80 MW Kukule Ganga hydro power project, the 165 MW combined cycle power project at Kelanitissa by the private sector on a Built, Own, Operate and Transfer (BOOT) basis and the 165 MW combined cycle power project by the CEB.

### **Petroleum**

- ▲ Local demand for petroleum products rose by 21 per cent to 3.1 million MT. Crude oil imports increased by 28 per cent to 2.3 million MT, while refined product imports by the Ceylon Petroleum Corporation (CPC) increased by 9 per cent to 1.3 million MT during the year.
- ▲ The average import price of crude oil increased sharply by 49 per cent to US\$ 28.39 per barrel in 2000 as international oil prices remained high throughout the year.
- ▲ Expenditure on petroleum imports as a proportion of total import expenditure rose to 12.8 per cent in 2000 from 8.8 per cent in 1999.
- ▲ Rising oil prices in world markets had an adverse impact on the CPC's financial position, as local

selling prices were administratively decided and were not flexibly adjusted to market conditions.

- ▲ The CPC's estimated operating loss during 2000 amounted to Rs. 15 billion, raising its bank borrowings sharply.
- ▲ The government raised local prices on four occasions during 2000, in order to make necessary corrections.
- ▲ The auto diesel price was increased by 86 per cent to Rs.24.50 per litre, kerosene price by 77 per cent to Rs.18.40 per litre and the furnace oil (3500-sec.) price by 100 per cent to Rs.12.40 per litre.
- ▲ These price increases will prevent further losses in the CPC. The expected oil price reduction in international markets would also ease the pressure on domestic petroleum prices in 2001.
- ▲ In spite of substantial increases in local prices, demand for petroleum products increased significantly during 2000.
- ▲ Auto diesel and furnace oil sales rose by 23 per cent and 41 per cent respectively, mainly due to high demand for thermal power generation.
- ▲ Petrol sales increased by 5 per cent, while kerosene sales declined by 6 per cent.

## **Transportation**

### **Road Passenger Transport**

- ▲ Road passenger transportation operated by state owned Regional Transport Companies (RTCs) and by the private sector reflected a modest increase in 2000.
- ▲ 2,298 buses were newly registered at the Department of Motor Traffic during 2000.
- ▲ The performance of the RTCs further improved in terms of a larger bus fleet, more passenger kilometers and higher revenue collection.
- ▲ 424 new buses were added to the fleet of RTCs. The average number of buses operated per day increased from 4,715 in 1999 to 5,540 in 2000.
- ▲ The passenger kilometers increased by 4 per cent to 18,675 million kilometers in 2000. The load factor improved significantly from 105 in 1999 to 97 in 2000.
- ▲ Total operating expenditure of RTCs increased by 10 per cent while revenue increased by 29 per cent. As a result, total losses of RTCs declined.
- ▲ The performance of private bus operators was also improved.
- ▲ The number of buses operated by the private sector increased by 1,010.
- ▲ Passenger kilometers increased by 11 per cent to 29,000 million kilometers.
- ▲ Bus fares were increased twice in 2000, by 15 per cent each time, following increases in the price of Diesel.

### **Rail Transport**

- ▲ Sri Lanka Railways (SLR) improved its scale of operations although it continued to report large losses.
- ▲ 15 new diesel multiple units were added to the fleet during 2000 to improve suburban services.
- ▲ 25 new train services were introduced during the year.
- ▲ Train cancellations decreased by 32 per cent.
- ▲ Passenger kilometers increased by 3 per cent to 3,208 million kilometers.
- ▲ Goods transportation dropped by 34 per cent.
- ▲ Three new substations namely, Ranamukgama on the Trincomalee line, Thiladiya on the Puttalam line and Udaththewela on the Matale line, were opened.
- ▲ Construction of a second rail line from Panadura to Wadduwa was completed during the year.
- ▲ Total revenue of the SLR decreased by 2 per cent due to a sharp drop in goods transportation.
- ▲ Operating expenditure rose by 4 per cent to Rs.2,686 million.
- ▲ Operating loss increased by 8 per cent to Rs.1,671 million.
- ▲ Total employment of the SLR stood at 22,832 at end 2000.

### **Port Services**

- ▲ Port operations did not reflect a significant growth during 2000.
- ▲ The total number of vessels that arrived at Colombo, Galle and Trincomalee ports declined by 2 per cent to 4,232 in 2000.
- ▲ Transshipment handling dropped by 2 per cent.
- ▲ The total amount of cargo handled at these ports increased marginally to 28 million MT mainly due to an increase in domestic cargo.

- ▲ Container handling at the Port of Colombo increased slightly due to expansion in domestic container handling.
- ▲ Total revenue of the Sri Lanka Ports Authority (SLPA) increased marginally to Rs.15,258 million, of which about 73 per cent was received in foreign currency.
- ▲ Operating expenditure rose by 5 per cent to Rs.10,230 million.
- ▲ Operating profit of the SLPA declined marginally to Rs.5,028 million in 2000.
- ▲ Several port development projects were in progress during 2000.
- ▲ An additional feeder berth is being constructed at the Port of Colombo at a cost of Rs.726 million, expanding the capacity for container handling.
- ▲ Construction work on a new jetty at the Port of Galle at a cost of Rs.600 million, was in progress.
- ▲ A new pier at Trincomalee harbour is being constructed at a cost of Rs.6,250 million.
- ▲ The North Pier Development Project at the Port of Colombo was in progress.
- ▲ Meanwhile, a feasibility study was commenced in respect of the proposed Colombo South Port Development Project with ADB assistance.
- ▲ Rehabilitation of Queen Elizabeth Quay (QE) by South Asia Gateway Terminals (Pvt) Ltd. was in progress in 2000. Two berths will be completed by April 2001.

#### **Registration of New Motor Vehicles**

- ▲ New registration of motor vehicles at the Department of Motor Traffic (DMT) dropped by 10 per cent to 91,929 in 2000.
- ▲ Registration of cars increased by 31 per cent while registration of lorries, three wheelers and motor cycles dropped by 36 per cent, 21 per cent and 6 per cent respectively.
- ▲ A new vehicle numbering system was introduced with effect from August 2000. A total of 37,976 vehicles were registered under this system during 2000.
- ▲ A draft Road Traffic Act was prepared to replace the Motor Traffic Act of 1951.

#### **Container Handling at Colombo Port**

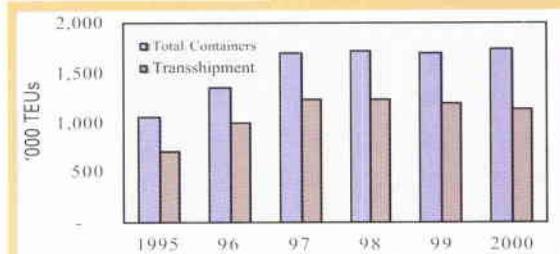


Chart 7.3

#### **Registration of New Motor Vehicles**

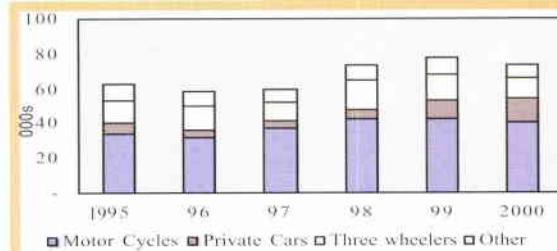


Chart 7.4

## Water Supply

- ▲ The supply of pipe borne water by the National Water Supply and Drainage Board (NWSDB) further expanded during 2000.
- ▲ The NWSDB commissioned 17 new water supply schemes during the year.
- ▲ It provided 77,574 new water connections in 2000 compared to 60,214 new connections in 1999.
- ▲ The number of total water connections provided by the NWSDB increased by 15 per cent to 582,600 at end 2000.
- ▲ Total water supplied by the NWSDB amounted to 331 million cubic meters (MCM) in 2000.
- ▲ Of the total water supplied, the proportion of water unaccounted for (non-revenue water) amounted to 35 per cent, a slight decline from 36 per cent in 1999.
- ▲ The NWSDB constructed 466 deep wells during 2000 in comparison with 546 in 1999.
- ▲ Total capital investment by the NWSDB in 2000 amounted to Rs.3,474 million.
- ▲ To improve the operating efficiency, the feasibility of private sector participation in the Greater Negombo, and Kalutara to Galle water supply schemes was under consideration.

**Number of Water Connections**

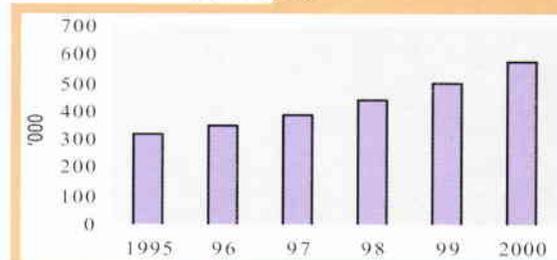


Chart 7.5

**Growth in Telecommunication Services**

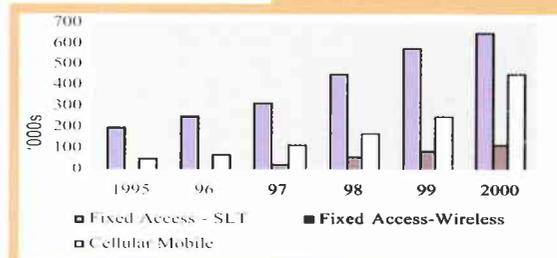


Chart 7.6

## Telecommunications

- ▲ The telecommunications network expanded further in 2000.
- ▲ Sri Lanka Telecom Ltd. (SLT) provided 90,647 new telephone lines in 2000, increasing the total number of fixed line telephones to 653,144.
- ▲ The two wireless telephone companies, Suntel and Lanka Bell, provided 21,579 new telephones. By the end 2000, the total number of wireless telephones was 113,296.

- ▲ The telephone density (telephones per 100 persons) increased to 3.96 in 2000 from 3.05 in 1999.
- ▲ Subscribers to cellular telephones increased by 76 per cent to 451,269 in 2000.
- ▲ The number of installed public pay phones increased by 41 per cent to 8,186 by end 2000.
- ▲ Subscribers to Internet and e-mail services increased by 59 per cent to 40,497 during the year.
- ▲ Subscribers to radio paging services, however, declined by 32 per cent to 7,009, mainly due to shifting to cellular phones.

**Public Pay Phone Booths**

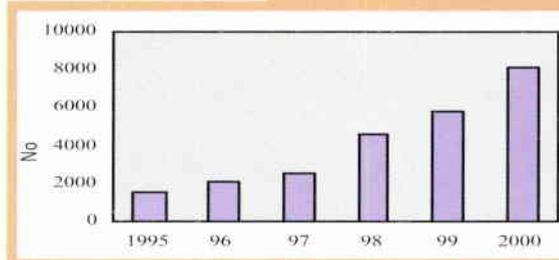


Chart 7.7

**Health Services**

- ▲ Implementation of health sector reforms continued during 2000.
- ▲ Two hospitals at Hambantota and Polonnaruwa were upgraded as pilot projects under the programme to develop at least one hospital in each district. Upgrading of 12 more hospitals were also completed in 2000.
- ▲ The number of government hospitals increased by 13 to 569, mainly after the acquisition of estate hospitals during the year.
- ▲ The number of qualified doctors (MBBS and above) in government medical institutions increased by 894 to 6,851 at end 2000. Accordingly, the population per doctor declined to 2,819 from 3,197 a year ago.
- ▲ The nursing staff increased by 79 to 14,750 during the year. There were 4,700 trainees, who were undergoing training in nursing training colleges.

**Doctors per 10000 Persons**

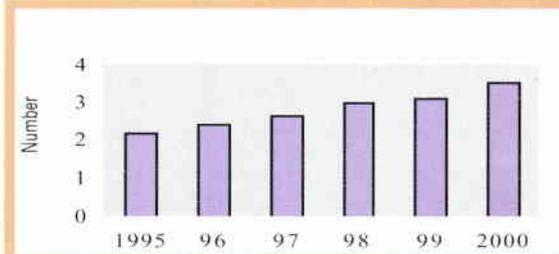


Chart 7.8

- ▲ The incidence of Dengue Haemorrhagic Fever (DHF) increased sharply in 2000. A total of 581 DHF positive cases were reported during the year, while 36 deaths occurred due to DHF during the year.
- ▲ Health care services provided by major private hospitals were further expanded during 2000. The bed strength of 35 major hospitals surveyed by the Central Bank, increased by 4 per cent to 1,295 during 2000.

### Education

- ▲ Educational reforms implemented islandwide in 1999 progressed satisfactorily in 2000.
- ▲ The G.C.E.(A/L) examination under the new system was held in 2000 and the performance of students was reported to be satisfactory.

**Hospital Beds per 10000 Persons**

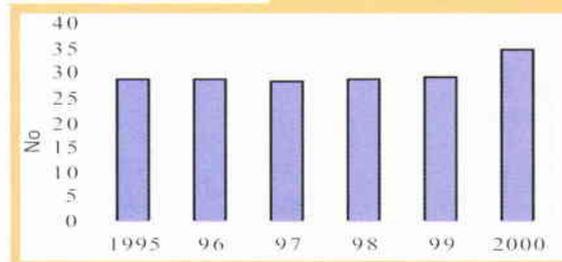


Chart 7.9

- ▲ A programme to develop at least two schools in each of the divisional secretariat was in progress.
- ▲ New admissions to schools increased marginally to 345,000 in 2000.

**New Admissions to Universities**

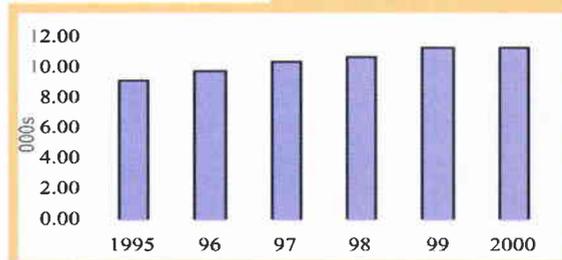


Chart 7.10

- ▲ New admissions to universities further increased by about 500 to 11,805 increasing the total number of students enrolled to 48,296 by end 2000.