Abstract

Port of Colombo is at the heart of Sri Lankan economy as well as the logistics and transport network. Container throughput at Port of Colombo is a key indicator of the direction of the Sri Lankan economic development and performance of the port itself. The domestic container volume handled at Port of Colombo reflects the production and consumption capability of the country. Hence, this paper investigates the factors that affect export and import container throughput at Port of Colombo and attempts to identify the most significant contributors to domestic container throughput. The relationship between export and import container throughput and a series of specified macroeconomic factors are analyzed using descriptive and inferential statistical techniques and three multiple linear regression models are fitted to determine the nature of their relationship with domestic container throughput. Research findings indicate that population, GDP, per capita GDP, agricultural GDP, industrial GDP, service GDP, government expenditure, total exports, total imports, unemployment rate, FDI, average exchange rate, tax revenue and fixed asset investment are highly correlated with export and import container throughput at Port of Colombo. Moreover, industrial GDP, government expenditure, total exports, FDI, average exchange rate and interest rate have a significant impact upon total export-import, export and import container throughputs at Port of Colombo. Since container throughput plays a major role in the development of operational and long term investment strategies for container terminals findings of this research are potentially helpful in government policy making and investment decisions as well as for the Sri Lanka Ports Authority to identify areas requiring further improvement to maximize its revenue. In addition, research findings pave way for further research and extensions to the study giving light to the area of port economics related studies in Sri Lanka.

Keywords: Container Throughput, Macroeconomic Factors, Regression Analysis.