

## **Importance of emphasis on fuel efficiency of SLTB: An avenue to support organisational profitability**

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Sri Lanka Transport Board (SLTB), the foremost public bus transport provider in Sri Lanka, recorded “financial surplus” in 2017, a rare occurrence for the persistently loss-making organisation. Fathoming the roots of this apparent performance turn-around, one of the most important cost components, namely fuel expenditure, its constituents and their trends over the period from 2009-2017, was subjected to detailed examination. The study used depot-based and region-based data published by the SLTB and deployed analytical techniques such as graphical method and trend analysis. The study outcomes revealed that the surplus recorded in 2017 could in no way be attributable to any gain in fuel efficiency (number of bus kilometers operated per litre of fuel consumed) in that year over the preceding years. The regression results, obtained by normalising the external factors such as traffic conditions (congestion) and road conditions (hilly and curvy roads), yielded that over 59% of depots recorded below average fuel efficiency in 2017. The study results also reflected that the SLTB’s surpluses in 2017 could have been 22% higher than what was actually recorded had the fuel usage efficacy in 2017 been at the same level that prevailed in 2010. Hence, the study concludes that the SLTB management had not adequately focused on this vital aspect of cost management, an avenue to enhance the organisation’s overall profitability.

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