

DISSERTATION



LIBERALIZATION OF TELECOMMUNICATION MARKET IN SRI LANKA

Submitted by

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Abstract

This study examines liberalization of telecommunication market in Sri Lanka. Liberalization means relaxation of government restrictions or regulations in the areas or boundaries in a country or an economy. The main purpose of liberalization is to promote the private sector participation (local or foreign) in the economy as it is believed that private sector is more efficient than government sector. Telecommunication market liberalization focuses under industry impact and social (consumer and employment) impact. The study is mainly based on secondary data. In identifying the impacts of liberalization on telecommunication industry, the historical data were collected in relation to telecommunication industry. The data were analyzed under two sub periods i.e. before liberalization and after liberalization. Since the study was based on secondary data, basically it uses data publish and recorded in Telecommunications Regulatory Commission of Sri Lanka, Census, Statistics Department and Central Bank of Sri Lanka and Annual Financial Statements of Telecom Service Providers in Sri Lanka. The variables that were identified in the in the main objective of the study were tested hypothetically and descriptive statistics analytical methods were applied to make accurate and reliable conclusions. Therefore, graphical presentation, tabular presentation and two population mean test were used to identify the impact of liberalization of telecommunication industry.

The trend of the subscriber base and revenue of the telecommunication industry mainly apply to identify the industry impact. The study reveals that the liberalization was positively affected to telecommunication industry. The industry has shown a significant price reduction after liberalization. The regulator has been imposed a floor price to govern unhealthy completion which is unfair for the customers in long term. There is no significant direct employment opportunities growth after liberalization. Further the study provides an idea about the regulatory involvement, applied strategies and future trends in Sri Lankan telecommunication industry after liberalization.

Key Words: Telecommunication industry, Liberalization, Economy, Industry impact, Private Sector.