



Abstract

This research focuses on “**An Empirical Study on the demand and customer satisfaction of the rail freight transportation system in Sri Lanka**” Rail has been identified as a cost-effective mode of transport for both passenger and freight transportation. Transporting freight by rail is very efficient with economy of scale and high energy efficiency among all forms of freight transportation modes in the country. Shifting more road freight traffic to railway will reduce the congestion, road accidents, emission and will enhance the durability of roads. In the past, freight transportation by rail comprised higher proportion of whole freight transportation in Sri Lanka. Considering about the study area prime aim is to construct a national forecasting system. And secondly objectives are derived demand variables to investigate. In this research, solutions will be identified by analysing freight demand behaviour with the rail freight transportation. (Rail freight demand drawn from the statistics department (tons carried by rail)). The model is established with the help of quarterly time series data for the period of 1994 to 2013 (76 quarters). Currently there is a limited number of freight transported by rail; such as cement and petroleum products. Therefore, other goods transported by rail are very less. The study focuses about the variety of industries such as manufacturing companies, construction companies, food and beverage industry and trading companies. Five points **Lickert scale method** was distributed among top level people of management in various industries. These top officials are considered as experts among 60 companies. This makes the sample size 60 covering 20 companies. They are trading companies, construction companies, manufacturing companies, distribution companies and merchandising companies. The results show the improvement of freight industry in Sri Lanka which means that there is 100% response rate among the rail freight transportation system.

According to the studies, current freight transportation by rail, customer satisfaction is very poor. According to my research study there has to be value added to the system and should improve the facilities to gain more and more customer intention. Through this empirical study, current policy makers of government sector can enhance the freight industry productivity and provides future direction. Identifying the current challenges and implementing a proper plan for the industry can provide a better future