

## ABSTRACT

Sea ports are gateways to economic growth. Most of the commodities we import from and export to the rest of the world pass through them. At present Sri Lanka is struggling to keep pace with the rapid expansion of world trade. As such ports will become economic bottlenecks if they fail to keep pace with their cargo handling capacity over the next decade.

Improvement on that scale is possible with intelligent management backed by a well established strategy, which is the prime focus of this research. The best way to handle our growing maritime trade is to continue relying on the decentralized, flexible, and highly competitive network of ports that has helped sustain our economy.

Another aspect is that, on average, the ships the ports serve have doubled in size during the last 20 years. Although larger ships can carry goods at significantly reduced cost, they require deeper harbors. Earliest generations of ships could navigate channels up to 10 meters deep. But today's ships need channels that are more than 10 meters deep. This demands an array of secondary ports around the island for the ships with lesser draft, in view of providing access for other ships at major ports.

Although Sri Lanka Ports Authority is making investments to deal with the rising volume of cargo. They have little room left for expansion in the case of Colombo Harbour. Only a few of the island's harbours have sites available for port expansion such as Trincomalee and Galle and hence major ports in the most densely populated urban areas have no scope of expansion unless otherwise a radical decision of major shifting of infrastructure is made. Greater use of secondary ports could relieve congestion at the largest. At this aspect the ancient sea ports could be utilized at a greater extent. The number of rivers starting from middle part forms the waterways over which people and cargo could be traveled across the new web of shipping links. The new channels of Colonial commerce. Colonialism did produce wealth in our region, though it was not wealth for our people but plunder for the imperial system.

South Asian countries could also provide to each other, reciprocally, transit facilities to third countries, not only connecting one another, but also connecting to the larger Asian neighborhood, in the Gulf, Central Asia and in the South-East Asia., India, which borders each of the members of the South Asia, is willing to do so. Responsibility for financing port infrastructure is widely dispersed. They also generate revenues from port users (primarily shipping companies and terminal operators). But with pressure mounting for expansion and improved efficiency, SLPA should seeking out partners in the private sector to share the potential risks and rewards inherent in port development.

The proportion of the local share could be determined on the respective project's scope. The Army Corps of Engineers may be a vital asset in such projects, backed by the Hydrographic officers of Sri Lanka Navy.

Infrastructural development in the aspects of Power, Telecommunication, highways, Security, Banking is imperative, in parallel with the proposed improvement of ancient ports. The concept of the economic corridor, with its focus on combining economic activities with geographic space, in the Greater Mekong Sub region, Thailand is a classic example of infrastructural development. The benefits expected from Greater Mekong project which is funded by ADB are, regional development of remote border areas, and growth of secondary towns. Poverty reduction, greater cross-border trade, and more efficient use of economic space, including improved access to sea ports for people living in country interiors. The Corridor will also expect help spark investments in agro-industry, industrial zones, and tourism.

It is a well-known fact that the defense expenditure, which consumed the lion's share of Sri Lanka's budget, over the last two decades, has caused serious retardation in country's development. The statistics shows that the revenue generated by Colombo port is approximately half of the defense expenditure. Hence it is vital for the country to study and properly manage this enormous national treasure to develop a sound economic strategy to Sri Lanka.