



## Abstract

Rail transportation is the spread throughout the world because it can be carried more passengers and freight than the other modes although the most favoured mode is road transportation. Due to the heavy road congestion, high time consuming and high fuel usage there exists the potential to significantly improve Sri Lanka Railway's contribution to both passengers as well as goods transportation within the country. Comparing to the other modes rail is the cheapest and the easiest mode to carry large number of passenger and freight at once. The Sri Lanka Railway is carried 0.2 million passengers daily. Effective transportation systems helps to the passengers to travel without congestion and safe their time. There are important factors that affected to the attractiveness of passengers for the railway. This study is trying to find out the factors that affect to the railway passenger demand. It also tries to identify the passenger satisfaction for the rail service of Sri Lanka. The relation between the passenger demand and income, fare, time and service quality will be analyzed using the econometrics methodology