

Abstract

The imperative need for further investment in public utilities together with constrained government financial resources have led governments all over the world to involve the private sector in building, operating and expanding such utilities. The formal concept of Public Private Partnerships emerged for further investment. The Public private partnership between the Government of Sri Lanka (GOSL) and the Nippon Telegraph and Telephone Corporation (NTT) of Japan in relation to Sri Lanka Telecom Limited (SLT) has demonstrated the significance of such partnerships to developing countries. Nevertheless, this partnership had been unique when compared to the different standard types of public- private partnerships adopted in the world.

This partnership had been initiated with the expectation of ensuring SLT's long term corporate viability, improving technological and managerial aspects of the company, improving service quality and customer service and rolling out the SLT network.

The study included extensive amount of primary data and secondary data. Financial performance of the SLTL was analysed for past ten years. However, it was revealed in this study that all major objectives of establishing the partnership were either partially achieved or not achieved during the partnership period. Some of the efforts taken by the private partner to achieve objectives such as introducing new management and marketing strategies, introducing new technologies and expanding the network have resulted in a considerable level of benefits to SLT.

The study exposed that the risk and return –sharing aspect had not been balanced between the two parties. It is also evident that during partnership period the profit margin has not been increased as expected. SLT was able to dramatically change its technology to take on a global perspective.

It was also revealed that the future of this public –private partnership between GOSL and NTT is not clear. Recently NTT sold its percentage of its share to the Global telecommunications Holdings(GTH).