

COST OF ROAD ACCIDENTS IN SRI LANKA

W. B. Selvanayagam

(Ministry of Plan Implementation, Colombo 1)

In the paper an attempt is made to evaluate the cost of road accidents in Sri Lanka. The calculations are based on estimates currently prevailing in Sri Lanka. The total measurable costs have been estimated on the basis of, (1) Costs of medical treatment; (2) Damage to property; (3) Loss of future output; (4) Administrative costs.

The costs of medical treatment are estimated on the basis of cost per day of an in-door patient and an out-door patient. Damage to property has been estimated on payments made by the Insurance Corporation. Loss of future output has been based on a number of averages, (average wage, average consumption, average duration of working life) and the values of consumption and production in the future have been discounted to give present day values. Other costs that arise as a result of road accidents include those associated with the administration of insurance, costs imposed by accidents on the police and the coroners.

In addition to the above, an input value is given for personal bereavement and suffering to arrive at the total costs of an accident.

Then the existing method of estimating the cost of road accidents in Sri Lanka is analysed and the shortcomings pointed out in the light of the true costs estimated earlier.

Finally an attempt is made to evaluate the cost of road accidents as against the cost of preventive measures which the State may adopt to save lives.