THE MINERAL INDUSTRY OF

SRI LANKA

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The prolonged civil war and spiraling inflation have hurt attempts by the Government of Sri Lanka to strengthen the economy. Gross domestic product growth was expected to be 5.8% despite high oil prices and the fact that nearly 30% of annual revenue was spent to finance the war. Sri Lanka's location at a crossroads of major shipping routes and the implementation of a free-trade agreement with India paved the way for the island to become a gateway to South Asia for international trade and manufacturing. Total direct exports of chemicals, food, horticultural products, rubber, and textiles jumped by 25.6%. Foreign direct investment from the Republic of Korea, Singapore, and other countries reached $210 million. Rising military expenditures, however, caused the stock market to plummet (Far Eastern Economic Review, 2001).

The major mineral commodities produced in the country were gemstones, graphite, ilmenite, and rutile. Production of the titanium minerals has ceased in the past 2 years. Sri Lanka was one of the world's top producers of gemstones and lump and chip graphite (Kalyoncu, 2001). Phosphate rock mining produced an amount sufficient for domestic consumption in the fertilizer industry. The country, which is poor in mineral fuels, imported all the crude oil need for domestic consumption.

Samudra Cement awarded BMH Claudius Peters the contract for a new cement terminal located in Colombo harbor. The contract included ship unloading conveying pipes and an inspection chamber silo with a diameter of 22 meters (m) and a capacity of 20,000 metric tons. An eight-spout packing plant with two rear loaders for open/closed trucks, bulk cement loading facilities, and electrical equipment was to be located under the silo. Commissioning was expected in mid-2001 (International Bulk Journal, 2000).

A demonstration was staged in the capital of Colombo to protest plans by a consortium of transnational corporations that was headed by IMC-Agrico of the United States and Tomen Corp. of Japan to mine the Eppawela phosphate rock deposit in Anuradhapura in North Central Province. The protesters were concerned about possible environmental damage. The planned mine would produce diammonium phosphate for export. The project also involved the construction of phosphoric and sulfuric acid plants on 0.18 hectares of land beside Trincomalee Bay in eastern Sri Lanka (Financial Times, 2000).

Sri Lanka planned to increase the draft of the port of Colombo to 15.8 m from the current 14 m. Engineers recommended construction of a new harbor basin with a 17-m depth for the short term and a 21-m depth later. Colombo, which is a large transshipment port, handled 1.7-million-metric-ton equivalent units in 1999 (Journal of Commerce Week, 2000).

References Cited

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Kalyoncu, R.S., 2001, Graphite: U.S. Geological Survey Mineral Commodity Summaries 2001, p. 72-73.

Major Sources of Information

Ceylon Petroleum Corp.
P.O. Box 634,
113 Galle Rd.
Colombo 3, Sri Lanka

Geological Survey and Mines Bureau
4 Galle Rd.
Colombo, Sri Lanka

Lanka Ceramic Ltd.
Colombo, Sri Lanka

State Gem Corp.
Colombo, Sri Lanka

State Mining and Mineral Development Corp.
Colombo, Sri Lanka

TABLE 1
SRI LANKA: PRODUCTION OF MINERAL COMMODITIES 1/ 2/

(Metric tons unless otherwise specified)

Commodity 3/		1996	1997	1998	1999	2000
Cement, hydraulic	thousand tons	928	965	874	976	1,008
Clays:						
Ball clay		14,100	20,100 r/	24,478 r/	26,678 r/	27,525
Kaolin		7,700	15,800 r/	11,110 r/	12,573 r/	12,230
Brick and tile clay e/		8,000	7,900	8,000	8,100	8,100
Clays for cement manufacture e/		600	650	700	750	800
Feldspar, crude and ground		11,200	25,700	25,274	26,012	28,638
Gemstones, precious and semiprecious, other than diamond	value, thousands	$62,000 e/	$62,500 e/	$20,130	$270,442 r/	$71,774
Graphite, all grades		5,618	5,400	5,910	4,592	5,902
Iron and steel, metal, semimanufactures e/		53,000	52,000	55,000	54,000	54,000
Mica, scrap		2,400	3,700	2,800	1,425	1,491
Petroleum refinery products: e/						
Gasoline	thousand 42-gallon barrels	1,825 4/	1,850	1,900	1,950	2,000
Jet fuel	do.	365 4/	400	450	500	550
Kerosene	do.	1,460 4/	1,500	1,550	1,500	1,550
Distillate fuel oil	do.	4,380 4/	4,400	4,500	4,600	4,700
Residual fuel oil	do.	5,475 4/	5,500	5,400	5,300	5,300
Other	do.	1,825 4/	1,800	1,850	1,900	1,950
Refinery fuel and losses	do.	730 4/	750	700	720	700
Total	do.	16,060 4/	16,200	16,400	16,500	16,750
Phosphate rock		34,000	29,635	37,600	31,990	35,805
Rare-earth metals, monazite concentrate, gross weight e/		200	200	200	200	200
Salt		65,000 e/	65,000 e/	82,483	107,245 r/	81,424
Stone:						
Limestone	thousand tons	813	901	738	683	682
Quartz, massive		7,300	11,500	10,884	14,553	13,236
Titanium concentrate, gross weight:						
Ilmenite		62,810	17,970	34,118	--	--
Rutile		3,532	2,970	1,930	--	--
Zirconium, zircon concentrate, gross weight		15,863	12,450	8,814	--	--

e/ Estimated. r/ Revised. -- Zero.

1/ Table includes data available through September 6, 2001.

2/ Estimated data are rounded to no more than three significant digits; may not add to totals shown.

3/ In addition to the commodities listed, crude construction materials, such as sand and gravel, and varieties of stone presumably are produced, but available information is inadequate to make reliable estimates of output levels.

4/ Reported figure.