

# THE MINERAL INDUSTRY OF SRI LANKA

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A widespread drought hurt Sri Lanka's agricultural production and affected its power supply. However, the country's economy enjoyed a moderate growth of 5.2% in the gross domestic product (GDP) in 2004. Its per capita GDP based on purchasing power parity increased to \$3,882 from \$3,646 in 2003. Inflation rose to 7.6% from 6.3%. International donors (chiefly the Asian Development Bank, Japan, and the World Bank) pledged \$4.5 billion in aid within a 4-year period to rehabilitate and develop the economy provided the Government reached a peace accord with the rebels. The Government announced a fertilizer subsidy of \$10.5 million<sup>1</sup> to aid the farmers (International Monetary Fund, 2005§<sup>2</sup>).

Sri Lanka is endowed mostly with industrial minerals. These minerals were mined in quarries and surficial pits except graphite, which was mined underground. Graphite and mineral sands operations were export-oriented and state-owned. The Government also owned an apatite mine. Lanka Phosphate Ltd. mined the apatite deposit at Eppawala in the District of Anuradhapura in North Central Province. Graphite with a high carbon content of 99% was produced from two mechanized mines at Bogala and Kahatagaha.

Lanka Mineral Sands Ltd. exploited the Pulmoddai beach mineral sand deposit, which was rich in heavy minerals (mainly ilmenite) and contained 5 million metric tons (Mt) of ore, until 1997. The processing plant near Dambulla was scheduled to resume operations in the last quarter of 2004 after a 16-year closure. Trial production began on September 1. Production capacities at the re-commissioning were 50,000 metric tons per year (t/yr) of ilmenite and 3,000 t/yr of rutile. About 70,000 t/yr of crude zircon was planned for export. The Port of Pulmoddai could be used between April and October. The main customers for ilmenite were ACI of the United States, Currumbin Minerals Ltd. of Australia, Derby & Co. of the United Kingdom, India Rare Earth's Ltd. of India, and Ishihara Sangyo Kaisha Ltd. of Japan (Industrial Minerals, 2004).

A 50% owned subsidiary of WGI Heavy Minerals, Incorporated of the United States in Sri Lanka received a 10-year mining lease on a mineral deposit at Hambantona. The company's drilling program showed strong evidence of a commercial deposit of garnet, ilmenite, and rutile that contained significant quantities of titanium dioxide. An independent

technical report was planned for the first quarter of 2005. The company was a fully integrated miner, producer, and marketer of industrial-grade minerals (WGI Heavy Minerals, Incorporated, 2004).

Lanka Ceramic Ltd. produced significant amounts of ball clay, feldspar, and kaolin. The best ball clay occurs at Dediyaawala in the Kalutara District and was used intensively in the ceramic industry. Several economic deposits of kaolin are located at Boraesgamuwa and Meetiyaagoda where Lanka Ceramic had refineries. Refined high-grade kaolin was used for the manufacture of porcelain ware that was intended for export. Any raw or processed materials of ball clay and kaolin were not allowed to be exported. Feldspar occurs mainly at Elehera, Haputale, Kaikawaa, Koslanda, Namal Oya, and Timbolketiya. Feldspar was primarily used in the ceramic and glass industries (Geological Survey and Mines Bureau, 2002).

## References Cited

- Geological Survey and Mines Bureau, 2002, Sri Lanka minerals yearbook: Dehiwala, Sri Lanka, Geological Survey and Mines Bureau, August, p. 6-7.  
Industrial Minerals, 2004, Lanka Mineral Sands expected back on stream: London, United Kingdom, Industrial Minerals, October, p. 10.  
WGI Heavy Minerals, Incorporated, 2004, WGI Heavy Minerals receives mining lease in Sri Lanka: Coeur d'Alene, Idaho, WGI Heavy Minerals, Incorporated news release, September 22, 1 p.

## Internet Reference Cited

- International Monetary Fund, 2005 (April), Sri Lanka, World Economic Outlook Database, accessed June 2, 2005, via <http://www.imf.org/external/pubs/ft/weo/2005/01/data/dbcoutm.cfm>.

## 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.  
Dehiwala, Sri Lanka  
Lanka Ceramic Ltd.  
Colombo, Sri Lanka  
State Gem Corp.  
Colombo, Sri Lanka  
State Mining and Mineral Development Corp.  
Colombo, Sri Lanka

<sup>1</sup>Where necessary, values have converted from Sri Lankan rupees (Rs) to U.S. dollars (US\$) at the rate of Rs95=US\$1.00 for 2004.

<sup>2</sup>A reference that includes a section mark (§) is found in the Internet Reference Cited section.

TABLE 1  
SRI LANKA: PRODUCTION OF MINERAL COMMODITIES<sup>1</sup>

(Metric tons unless otherwise specified)

Commodity <sup>2</sup>	2000	2001	2002	2003	2004 <sup>c</sup>
Cement, hydraulic thousand metric tons	1,008	1,108	1,018	1,164	1,400
Clays:					
Ball clay	27,525	24,846	28,431	33,405	34,000
Kaolin	12,230	9,403	8,613	9,073	9,200
Brick and tile clay <sup>c</sup>	8,100	8,000	8,000	8,000	8,000
Clays for cement manufacture <sup>c</sup>	800	850	850	900	900
Feldspar, crude and ground	28,638	27,438	28,866	32,586	33,000
Gemstones, precious and semiprecious, other than diamond, value thousands	\$71,774	\$57,530	\$54,604	\$96,797	\$99,000
Cats eye carats	48,000	NA	36,891	45,228	46,000
Ruby do.	15,800	NA	23,000	12,934	15,000
Star ruby do.	5,400	NA	NA	NA	NA
Sapphire do.	173,700	NA	344,900	773,547	780,000
Star sapphire do.	280,500	NA	NA	NA	NA
Other do.	6,426,300	NA	4,110,400	1,828,400	1,900,000
Graphite, all grades	5,902	6,585	3,619	3,387	3,400
Iron and steel, metal, semimanufactures <sup>c</sup>	54,000	51,000	50,000	50,000	50,000
Mica, scrap	1,491	1,161	1,161	1,674 <sup>r</sup>	1,700
Petroleum refinery products: <sup>c</sup>					
Gasoline thousand 42-gallon barrels	2,000	2,000	2,100	2,100	2,100
Jet fuel do.	550	600	600	650	650
Kerosene do.	1,550	1,500	1,500	1,500	1,500
Distillate fuel oil do.	4,700	4,800	4,900	5,000	5,100
Residual fuel oil do.	5,300	5,200	5,200	5,200	5,100
Refinery fuel and losses do.	700	680	700	710	720
Other do.	1,950	2,000	2,000	2,050	2,100
Total do.	16,800	16,800	17,000	17,200	17,300
Phosphate rock, gross weight	34,443	35,440	38,775	41,357	42,000
Salt	70,107	130,272	73,274	78,713	79,000
Stone:					
Limestone thousand metric tons	682	819	848	991	1,000
Quartz, massive	13,236	15,731	7,857	18,139	20,000

<sup>c</sup>Estimated; estimated data are rounded to no more than three significant digits; may not add to totals shown. <sup>r</sup>Revised. NA Not available.

<sup>1</sup>Table includes data available through October 6, 2005.

<sup>2</sup>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.