



# 2016 Minerals Yearbook

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## SRI LANKA

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# THE MINERAL INDUSTRY OF SRI LANKA

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Minerals mined in Sri Lanka included clays, feldspar, gemstones, graphite, mica, phosphate rock, salt, silica sand, stone (limestone and quartzite), titanium minerals, and zircon. The mineral-processing industry produced cement, lead (secondary), iron and steel semimanufactures, and petroleum products.

## Minerals in the National Economy

In 2016, the real gross domestic product (GDP) increased by 4.4% compared with a 4.8% increase in 2015. The nominal GDP was \$81.32 billion. The value of the industrial sector's output increased by 6.7% in 2016 compared with an increase of 2.1% (revised) in 2015, and it accounted for 26.8% of the GDP compared with 26.2% (revised) in 2015; the output of the mining and quarrying sector increased by 14.4% and accounted for 2.4% of the GDP; that of the construction sector increased by 14.9% and accounted for 7.6% of the GDP; and that of the manufacturing sector increased by 1.7% and accounted for 15.4% of the GDP (Central Bank of Sri Lanka, 2016, p. 1, 7; World Bank, The, 2017).

## Production

In 2016, production of semimanufactured iron and steel products decreased by 62%; ilmenite and leucosene, by 56%; phosphate rock (gross weight and  $P_2O_5$  content), by 23% each; secondary refined lead, by 16%; and residual fuel oil, by 13%. The production of zircon concentrates increased by 571%; salt, by 263%; kerosene, by 38%; rutile, by 24%; hydraulic cement, by 18%; distillate fuel oil, by 13%; and gasoline, by 8%. Data on mineral production are in table 1.

## Structure of the Mineral Industry

Table 2 is a list of major mineral industry facilities.

## Commodity Review

### Industrial Minerals

**Graphite.**—In 2016, Kahatagaha Graphite Lanka Ltd., which was a 100% state-owned company, operated the Kahatagaha graphite mine. In 2016, Bogala Graphite Lanka plc had flooding at its Bogala Mine that resulted in a 7-day closure of the mine. First Graphite Ltd. of Australia was awarded industrial

licenses from the Geological Survey and Mines Bureau for the Pandeniya area within the Warakapola exploration license. First Graphite continued to develop a graphite deposit in the area of Aluketiya (Bogala Graphite Lanka plc., 2016, p. 5; First Graphite Ltd., 2016, p. 5–6; Salwan, 2016).

**Titanium and Zirconium (Heavy Mineral Sands).**—In 2013, Iluka Resources Ltd. of Australia reached an agreement to acquire PKD Resources (Ptv.) Ltd. and four associated mineral sand tenements (with a combined area of 224 square kilometers) and to explore mineral sand deposits in Puttalam District in Sri Lanka's Northwestern Province. As of 2016, the total resources were estimated to be 690 million metric tons (Mt) (214 Mt of measured, 39 Mt of indicated, and 437 Mt of inferred) at an average grade of 8.2% heavy minerals. Ilmenite is the major mineral (in terms of content), with a grade of up to 67%, and rutile and zircon graded up to 4% (Iluka Resources Ltd., 2016, p. 112).

## Outlook

Sri Lanka's graphite production and mineral sands production are expected to increase in the next few years owing to foreign investments and company expansions.

## References Cited

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(Metric tons, gross weight, unless otherwise specified)

<sup>2</sup> In addition to the commodities listed, crude construction materials such as calcite, clay for brick and tile, dolomite, secondary aluminum, sulfur, and other varieties of stone presumably were produced, but available information was inadequate to make reliable estimates of output.

TABLE 2  
SRI LANKA: STRUCTURE OF THE MINERAL INDUSTRY IN 2016

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity <sup>e</sup>
Aluminum, secondary	Castalloy	Colombo	1
Do.	Lanka Aluminium Industries	do.	NA
Do.	Zenith Aluminium Co.	do.	NA
Do.	Alumex Ltd.	Gonawala, Central Province	1
Do.	Alumex (Pvt.) Ltd.	Makola, Western Region	NA
Do.	Lanka Refractories Ltd.	Meepe, Padukka, Colombo District	8
Cement	Lafarge Holcim (Lanka) Ltd. (part of Holcim Ltd.)	Cement plant at Puttalam and grinding unit in Galle	1,400
Do.	Sri Lanka Cement Corp. (Ministry of Industry and Commerce)	Kankesanthurai, Jaffna District	200
Do.	do.	Puttalam, Puttalam District	400
Do.	Tokyo Cement Co. (Lanka) Plc.	Trincomalee grinding unit and 2 mills	1,800
Clay, ball	Lanka Ceramic Ltd.	Dediyawala, Western Province	NA
Gemstones	National Gem and Jewellery Authority	Ratnapura, Elahera, Moneragala, Balagoda Kamburupitiya, Okkampitiya	NA
Graphite	Kahatagaha Graphite Lanka Ltd. (Ministry of Industry and Commerce, 100%)	Kahatagaha Mine, Kurunegala District	6
Do.	Bogala Graphite Lanka Plc. (AMG Graphit Kropfmuhl GmbH, 90%, and Alterna Capital Partners LLC, 10%)	Bogala Mine, Kegalle District	7
Do.	Sakura Pvt. Ltd.	Ragedara Mine, North Western Province	NA
Lead, secondary	Navam Lanka Ltd. (Gravita India Ltd., 52%)	Marigama Export Processing Zone, Marigama, Gampaha District	7
Limestone	Lafarge Holcim (Lanka) Ltd. (part of Holcim Ltd.)	Arawakalu quarry	750
Petroleum, refined	42-gallon barrels per day Ceylon Petroleum Corp. (Ministry of Petroleum and Petroleum Resources Development)	Sapugaskanda	50,000
Do.	Lanka Indian Oil Co. (Indian Oil Corp. Ltd., 75%)	Colombo	NA
Phosphate rock	Lanka Phosphate Co. Ltd. (Ministry of State Resources and Enterprise Development)	Eppawala, North Central Province	36
Salt	Puttalam Salt Ltd. (Raigam Wayamba Saltern Plc.)	Puttalam, Puttalam saltern	30
Do.	Southern Salt (Pvt.) Ltd. (Raigam Wayamba Saltern Plc.)	Ranna, Bata-Atha salterns	NA
Steel, semimanufactures	Ceylon Steel Corp. Ltd.	Oruwala, Athurugiriya	250
Do.	Melwire Rolling (Pvt.) Ltd.	Colombo	NA
Do.	GTB Colombo Corp. (Pvt.) Ltd.	do.	NA
Do.	Elsteel Pvt. Ltd.	Katunayake, Western Province	NA
Do.	Melbourne Metal Industries Ltd.	Colombo	NA
Do.	Bhuwalka Steel Industries Ltd.	do.	25
Titanium, mineral sands	Lanka Mineral Sands Co. Ltd. (Ministry of State Resources and Enterprise Development)	Pulmoddai, Eastern Province	150
Do.	Mirama Minerals	Dambulla, Matale District	NA

<sup>e</sup>Estimated. Do., do. Ditto. NA Not available.