



2016 Minerals Yearbook

SRI LANKA [ADVANCE RELEASE]

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 leucoxene, by 56%; phosphate rock (gross weight and P₂O₅ 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.

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TABLE 1
SRI LANKA: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons, gross weight, unless otherwise specified)

Commodity ²	2012	2013	2014	2015	2016	
METALS						
Iron and steel, products, semimanufactured ^c	75,000	76,000	77,000	78,000	30,000	
Lead, refinery production, secondary ^c	3,800	4,800	4,500	2,500	2,100	
Titanium mineral concentrates:						
Ilmenite and leucoxene	40,118	44,129	32,972	39,439	17,457	
Rutile	1,590	1,749	2,111	1,808	2,237	
Zirconium mineral concentrates, zircon	293	323	1,335	614	4,117	
INDUSTRIAL MINERALS						
Cement, hydraulic	thousand metric tons	2,066	1,929	1,885	2,287	2,695
Clay and shale:						
Ball clay	50,291	55,320	55,000 ^e	55,500 ^e	55,500 ^e	
Common clay, for cement ^c	1,200	1,200	1,100	1,500	1,500	
Kaolin	11,805	13,000 ^e	13,000 ^e	13,500 ^e	13,500 ^e	
Feldspar, mine production, crude and ground	87,300 ^r	96,000 ^{r,e}	96,000 ^{r,e}	96,000 ^{r,e}	95,000 ^e	
Gemstones: ^c						
Alexandrite	carats	3,000	3,000	7,000	7,500	7,800
Cat's eye	do.	56,000	66,000	95,000	100,000	105,000
Pathmaraga	do.	3,300	4,300	4,400	4,400	4,600
Ruby	do.	38,000	41,000	40,000	40,000	42,000
Sapphire	do.	2,000,000	2,500,000	3,800,000	3,800,000	3,900,000
Other, unspecified	do.	2,500,000	2,500,000	3,000,000	3,000,000	3,100,000
Graphite, all grades	4,173	3,143	4,000	4,212	4,210 ^e	
Mica, schist	1,260	1,493	1,500	2,000 ^e	2,000 ^e	
Phosphate rock:						
Gross weight	47,559	49,106	62,595 ^r	52,518 ^r	40,329	
P ₂ O ₅ content ^c	12,000	12,000	16,000	13,000	10,000	
Salt	63,861	36,920	102,023	29,243	106,063	
Stone, sand, and gravel:						
Silica, mine production, unspecified	74,325	81,250	81,500	82,000 ^e	82,000 ^e	
Stone, crushed:						
Limestone	thousand metric tons	1,290	1,418	1,500 ^e	1,600 ^e	1,600 ^e
Quartzite	32,320	36,478	39,000 ^e	40,000 ^e	40,000 ^e	
MINERAL FUELS AND RELATED MATERIALS						
Petroleum, refinery production: ^c						
Distillate fuel oil	thousand 42-gallon barrels	3,100	2,900	3,700	3,800	4,300
Gasoline	do.	1,300	1,200	1,300	1,300	1,400
Jet fuel	do.	830	1,100	1,500	1,400	1,300
Kerosene	do.	580	440	502	580	800
Residual fuel oil	do.	4,300	4,800	4,300	3,700	3,200
Naptha	do.	590	720	970	1,100	1,200
Total	do.	10,700	11,160	12,270	11,880	12,200

^eEstimated. ^rRevised. do. Ditto.

¹Table includes data available through December 12, 2017. All data are reported unless otherwise noted. Totals and Estimated data are rounded to no more than three significant digits; may not add to totals shown.

²In 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 ^e
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

^eEstimated. Do., do. Ditto. NA Not available.