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Japanese firm out of Eppawela?

Tomen Corp. is reconsidering its planned investment in a huge phosphate mine in Eppawela, an ancient village in central Sri Lanka, according to members of a Japanese nongovernmental organization supporting residents who oppose the project.

The NGO, Japanese Citizens for Eppawela, has received replies from Tomen after sending letters in May and June urging the company to halt investment in the project because it will destroy the environment and threaten residents' lives.

As part of a project with U.S. fertilizer firm IMC Agrico Co., Tomen and the Sri Lankan government-owned body Lanka Phosphate Ltd. are to explore and mine for phosphate around 56 sq. km of ancestral lands, destroying 26 villages and 23 major irrigation tanks, the NGO said.

Tomen planned to put up 25 percent of the estimated $500 million needed for the project, while IMC Agrico intends to put up 65 percent.

Tomen replied in a letter dated June 21 that the firm was currently reviewing the plan in compliance with Sri Lankan law and a Supreme Court decision on a suit filed by seven Eppawela residents demanding that the project be halted.

On June 2, the Sri Lankan Supreme Court decided that the defendants could not take any further action until the geology and mineral department concluded a comprehensive investigation into phosphate in Eppawela.

The investigation should include the amount of phosphate and the mines' effect on the environment, and its results should be made public, the court said.

Tomen told a member of the NGO in an October letter that it was conducting a feasibility study of the area.

The project could destroy the area, which includes the ancient 54-km Jaya Ganga canal, listed by the U.N. Educational, Scientific and Cultural Organization as a World Heritage site, and will threaten more than 12,000 residents with forced relocation. Tomen currently holds 25 percent of the shares in Sarabhoomi Resources Ltd., which was set up to mine for phosphate in Eppawela.

Courtesy The Japan Times