

Disparity in import statistics

ERP sold as imported phosphate?

by SUREKHA GALAGODA

The rock phosphate deposits at Eppawala, considered to be one of the richest and most unique phosphate deposits in the world, produces 39,000 metric tonnes per annum, but Sri Lanka continues to import 10,000-12,000 metric tonnes of phosphate at a cost of about Rs 100 million every year.

H.R.U.D. Bandara, Marketing Manager Lanka Phosphate Limited (LPL), which owns Eppawala, said that according to Customs statistics, there is a visual disparity in rock phosphate imports since the Customs statistics are lower than the import statistics given to the National Fertiliser Secretariat.

Therefore, a question arises as to whether Eppawala Rock Phosphate (ERP) is sold as imported rock phosphate or whether it is mixed and sold as imported rock phosphate since ERP is cheaper than the imported variety.

Lanka Phosphate presently markets two types of phosphates - ERP and High Grade Eppawala Rock Phosphate (HERP). The main characteristic of HERP is higher solubility compared to the imported rock phosphate sold in the market. It can be used as fertiliser for tea, rubber, coconut, pineapple, banana, betel, spices and other export cash crops. At present research is being carried out to test the suitability of HERP for the 50 per cent substitution of triple super phosphate for paddy and vegetables.

"If the research succeeds, we will be able to save about Rs 300 million per annum," Bandara said. At present the country imports 50,000 metric tonnes of triple super phosphate, thereby draining Rs 600 million of foreign exchange annually. ERP, the only fertiliser extracted locally

except for dolomite, is currently sold in the domestic market. Tea plantations use 55 per cent of this production, rubber and coconut plantations buy 30 per cent each while the rest is shared by export cash crops and fruits.

Sri Lanka imports more than 91 per cent (500,000-550,000 metric tonnes) of its total annual fertiliser consumption, which amounts to about 550,000-600,000 metric tonnes. The cost of imports is around Rs 6,500 million and an increase in world fertiliser market prices will cause a heavy drain on the foreign exchange reserves.

The present reserve position of the deposit is estimated at 60 million metric tonnes, containing about 33-40 per cent of phosphate pentoxide.

Bandara said that the establishment of a plant to manufacture phosphate fertiliser using Eppawala apatite has been proposed which will mainly be export oriented. The project will be undertaken as a joint venture where a collaborator possessing the necessary technical capability will go into a partnership with the company.

At present the apatite rock is mined in open cast mines by drilling and blasting and where appropriate, by mechanical excavation using a tractor trailer combination. These rocks are crushed in primary and secondary crushers before being ground to 100 mesh BSS using roller mills and ball mills.

LPL achieved a pre-tax profit of Rs 30 million and a post-tax profit of Rs 18.979 million during the period 1999/2000. This is its second highest profit since the project started in 1974. The turnover recorded for the above period was Rs 113 million.



Eppawala produces 39,000 metric tonnes of phosphate per annum