

Eppawala sell-out and state opinion

I thank Mr. Asiff Hussein for expressing various views including the opinion of the Director GSMB in his article on Public Outcry Stalls Eppawala Project appeared on Sunday Observer on 19th September 1999. However I disagree with the view of Dr. Wijayananda on several facts. Therefore I hope you will give us a chance to explain our opinion on the same.

According to Dr. Wijayananda the main drawback of the National Science Foundation Report is that the Single Super Phosphate (SSP) which is the NSF recommends is a low productivity fertilizer requiring a wider application.

Opinion

He also thinks that farmers would prefer a fertilizer such as Di Ammonium Phosphate (DAP). However Dr. Wijayananda is not an expert on this subject and we have doubts on this opinion.

According to recent market values, Sri Lankan farmers use Triple Super Phosphate (TSP) for our agriculture. We import only 1000 tonnes of DAP for a year which is only used for the plant nurseries. DAP is more soluble, but we

cannot afford it due to the high price. Current market price of DAP is 463 US Dollar/tonne while TSP is only 270 US Dollar/tonne.

Some decision makers have recently commented that the price of the phosphate fertilizer will go down as a result of this privatisation. This statement is purely incorrect. According to the agreement we will receive only 5% reduction in the price from the FOB price. Even if we do not pay the shipping cost, the price will not be reduced to 50%. Therefore it is obvious that even if we get the reduction in the price it will be higher than the price of TSP. Ultimately the farmer would have to pay extra money to buy the DAP fertiliser.

Furthermore this company would have the sole monopoly of selling DAP to Sri Lanka and they would increase the price at any time according to their wish. Also they will have the control of selling Eppawala Rock Phosphate (ERP) to Sri Lanka and ERP price will also increase.

If we start using DAP, after 30 years we will have to depend on the same fertiliser to get the same yield since soil is adapted for this fertiliser.

Also Dr. Wijayananda disagrees with the view that our phosphate reserves should only supply domestic needs. He is also very positive about the development of technology and thinks that one must not see beyond 10 years. However we strongly believe that no plant can survive without Nitrogen, Potassium and Phosphate and no one can underestimate the importance

totally at the mercy of the world phosphate companies because of the increased cost. Hence we will be faced with the new world colonialism of the Multinationals. Dr. Wijayananda also states that this US proposal would require large funds from the company, to carry out exploration and feasibility studies to evaluate "high risk" operation.

problem as a result of political interference.

However according to the proposed agreement environmental impacts will be investigated after the exploration. Although this is the practice, this is not suitable when getting into an agreement with a foreign investor, especially when you know that they are well-known for violation of environmental rights. Dr.

Trincomalee as a result of the proposed factories.

Degradation

This project plans to establish a Di Ammonium Phosphate fertilizer factory, a phosphoric acid factory, a sulphuric acid factory in a 450 acre site at Trincomalee. The waste tail arising from a factory will produce 5 times of waste i.e. 3 million tonnes of

request for another mining licence to mine sand in the Trincomalee area.

Initiate

However one cannot believe why the government is in agreement with such a bad deal for our country. The project company brings only 425 Million US \$ as investment and Sri Lanka provides 650 Million US \$ worth rock phosphate as raw material. Therefore Sri Lanka should be entitled for at least 60% shares of this deal. But it is rather unfortunate that Lanka phosphate Ltd., receives 10% of the shares free. We cannot understand why they should called this free.

Can the project company initiate this project without rock phosphate as the raw material. If they cannot why shouldn't they take into consideration, the cost of the raw material.

According to the Phosphorous Potassium bulletin, No. 211, September-October 1997" given the present trends in the raw materials cost, the rock costs will become the most important competitive advantage among phosphate producers." Public protest against the sell-out of Eppawala is now completing

the sixth year. During this period, to exhibit our protest to the decision makers several activities and, discussion were held. Unfortunately no public consultation or information was given to the public on the agreement which is now ready to be signed.

Social

We would like to question Dr. Wijayananda why he is reluctant to give this information if he thinks that this is a good deal for Sri Lanka and this does not create any environmental and social problems.

In a recent meeting Dr. Wijayananda stated that now the mining area is only confined to 2.5 Sq kilometres and not 56 sq. kilometres. If this is true Dr. Wijayananda could clarify the principles of this change and the conditions of the new proposal etc.

However it is clear that one cannot underestimate the social and environmental impact and the economical loss of this project. We hope Dr. Wijayananda will clarify our doubts in this regard.

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of the Eppawala Phosphate Mine for Sri Lankan Agriculture. It is estimated that most of the proven phosphate resources will be depleted within 50 years and the base reserves will be exhausted in 150 years.

Requirements

Under the agreement 100% of the proven phosphate resource at Eppawala will be exploited within 30 years. What will the future be for our agriculture after 30 years? Once we destroyed Eppawala Phosphate Mine, we will be

Hence he points out that it would not be smooth sailing venture for this investor. We cannot comprehend, why he is so sympathetic of these multinationals while he is not concerned about the public who will be faced with tremendous economic and environmental loss.

Enforcement

Director GSMB believes that the environmental laws are very good and very strict in Sri Lanka. Even though this is true, lack of enforcement of this law is a immense

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Five kilometres of Jaya Ganga travels through the proposed exploration and mining site. When this mine is excavated more than 100 metres in depth, who can believe that Jaya Ganga will remain unchanged. Further more he seems to be quite indifferent to the impact in

phosphogypsum per annum from a DAP fertilizer factory. We strongly believe that when there is no land in the Trincomalee as a dumping yard, this waste will end up in the Trincomalee bay and inevitably lead to degradation of this sensitive and unique marine ecosystem.

However according to some reliable sources the Company is interested in the site in Trincomalee because they have found radio active minerals in the coast and the sea, which are scarce and valuable. One should not be alarmed if they