

EPPAWALA PHOSPHATE PROJECT

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The management of Eppawala Phosphate Project was taken over by State Mining & Mineral Development Corporation in 1979 from the Ministry of Plan Implementation. After the Corporation took over the production capacity of the plant, was increased with the installation of a 5 Roller Raymond Mill purchased from India. Before this the Rock Phosphate was ground using locally made Ball Mills. Although these Ball Mills continue to serve a useful function, they are comparatively energy insufficient.

During the first seven years of the operation of Raymond Mill the production could not exceed 15,000 M/tons per year. In 1986 we undertook a detailed and systematic study with a view to increase the capacity of the mill. Thus the Corporation was able to produce 22,000 M/tons in 1987, 23,000 in 1988 and 25,000 in 1989. Corporation was also able to cut down the costs by reducing the staff from 315 to 250 in 1989. It also reduced the cost of explosives by almost 60% by changing over to ANFO from dynamite. Cost of electricity was reduced by 12% by changing over to time of day tariff. The transport cost of ground rock phosphate was reduced by using railway instead of lorry transport.

A dynamic computer model has been set up using Lotus 123 to analyse the costs and profitability of the Eppawala Project in the context of rapidly changing prices of goods and services required by this project.