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# BUSINESS

55% saving on thermal costs

## \$ 4.6 million 'Coal grinding plant' in Puttalam

FROM SIRAJIV SIRIMANE  
IN PUTTALAM

A sum of US \$ 4.6 million was invested by Holcim Lanka Limited to commission Sri Lanka's first ever state-of-the-art 'Coal grinding plant' at their cement manufacturing complex in Puttalam.

The introduction of coal instead of oil will save the company 55% of thermal costs which is around 40% of the total production costs. According to Managing Director Holcim Lanka Limited, Tim Mackay funds within the company were invested to build this plant. "We are confident that in one year we can earn this investment."

The Managing Director said that the company still has overheads by way of loans and by 2004 that burden will be over and they will be free of loans. "I am sure by then we could give some thing back to the customer by way of a reduction of price on our products."

He said the company is also exploring the possibility of introducing alternative fuel to further reduce the costs of production. "We hope to use used tyres,

used motor oil and husks to generate alternative power."

Mackay said that from the last budget a 2% tax has been introduced for coal and other raw material.

"I think we are the only company exporting coal and we see this as a direct tax on us. Since Sri Lanka is hoping to build a coal plant we hope that this tax would be taken off in the future. This tax is not fair", he said.

He said that Australian and Swiss experts were in Sri Lanka a few months ago and had introduced an intensive and efficient safety plan for the plant.

The coal for the factory is imported from Indonesia via the Colombo Port or Trincomalee Port and transported to the factory in a totally friendly manner. "The introduction of the coal firing practice to the local cement manufacturing industry will increase efficiency in our manufacturing facilities. This will also set standards and bring our product range to world accepted levels," the President of Holcim Lanka Manilal Fernando said.

The excavation to build this plant began in May 2002 and the mill was commissioned in October. Selected staff members from the company were also given advanced training in their plants in Vietnam and Thailand on coal firing.

The factory complex on 110 acres of land was built by the government of Sri Lanka in 1968 and was privatised in 1994 to the Pakistan firm Thavakkal. The Holder Bank which later became Holcim bought the complex in 1996 and now it has a workforce of 650.

The company also holds the rights of the chief raw material substance and lime stone site in the Puttalam district for 50 years.

The main ingredients to produce cement, lime stone is first fired at a high temperature in the 'Coal grinding plant' to produce a substance called Clinker. Subsequently 95% of clinker is grounded with a substance mainly imported from India, gypsum to manufacture cement.

According to the Administrative Assistant, Holcim Punyaratne De Silva all manufacturers import clinker and grind it in Sri Lanka while some import cement powder and pack it in Sri Lanka. "There are around 18 popular bands of cement available in Sri Lanka."

The government owned cement factory complex at Kankasanturai is Sri Lanka's only other plant which has the capacity to manufacture Clinker. However, the plant has not been functional for the past 15 years and from this year it has commenced re-operating its packing plant.

The Swiss multinational group 'Holcim' is one of the world's largest cement manufacturers. It has a total production capacity of more than 150 million tonnes per year, with manufacturing facilities in over 70 countries.

'Sanstha' cement is the market leader in Sri Lanka with a market share of 34%. 'Sanstha' along with 'Masonry cement' is the only cement which is manufactured locally using 90% materials from Sri Lanka.

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The new 'coal grinding plant'



The coal being taken to the new 'coal grinding plant'



The official opening of the New Coal Grinding Plant at Puttalam-V. Manilal Fernando (Chairman, Holcim (Lanka) Ltd.), Tim Mackay (Managing Director), Aidan Lynam (Vice President - Manufacturing), Preethi Seneviratne (Senior Project Engineer), Somboon Phuvoravan (Senior Vice President (Siam City Cement Co.)), Thailand and Wolfgang Nahser (Director, Claudius Peters Technologies).

PIX. BY ROLAND PERERA