

## Industry

### Paper Production

The country's second paper mill being set up at Embilipitiya will be further expanded following the gesture on behalf of his government by the West German Deputy Minister, Mr. Alwin Brueck who visited Sri Lanka recently. Mr. Brueck visited the site at Embilipitiya where this mill is being set up with West German assistance. During his visit he announced that the West German Government had agreed to provide an additional DM 12 million for the expansion of this project.

The Embilipitiya mill will be the country's second pulp and paper project and has a rated annual capacity of 15,000 tons of low basis weight writing and printing paper. It is based on 80% usage of indigenous raw materials such as paddy straw, kenaf and other woody materials. The estimated cost of the project is Rs. 300 million with a foreign exchange component of Rs. 136 million. An Agreement between Kreditanstalt fur Wiederaufbau (KfW) of the Federal Republic of Germany and the Government of Sri Lanka for a loan of DM 37.5 million to finance the foreign exchange component of the project was concluded in March, 1973. The DM 12 million now offered will help to further finance the foreign exchange component of this project.

The Eastern Paper Mills Corporation has plans also to set up a third paper mill. Rajangana has been selected tentatively as a suitable site for this mill which would produce "Industrial" types of paper such as newsprint and kraft paper. In view of the widespread inflation and consequent escalation in plant costs, this project is being re-evaluated with a view to deciding on the scale of the project.

#### Small-scale projects

Meanwhile, nearly 20 small-scale projects for the manufacture of paper-board, with paddy straw as the basic raw material, are being set up in various paddy growing areas of the country.

Two projects have been set up by the Industrial Development Board at Kotmale and Piliyandala; two

others by the Sri Lanka Industrial Company (a subsidiary of the IDB) at Mahiyangana and Gampaha and others are to be sited at Divulapitiya, Tissamaharama, Beliatta, Kamburupitiya, Devinuwara, Kekirawa, Polonnaruwa, Attanagalla, Kurunegala, Laggala, Katugampola and Kottawa, most of them to be operated by District Development Councils. A small-scale factory of the type envisaged for each of these areas could produce upto half a ton of straw-board a day on an eight-hour shift.

#### Another crisis on the way

Plans for the rapid development of the local paper industry become all the more relevant when FAO and UNDP specialists see another major commodity crisis, as overwhelming as food and fuel crises, in the pulp and paper crisis that lies ahead. A recent FAO/UNDP study has

called for a concerted drive to promote paper and pulp industries in the developing countries, if current shortages are not to assume crisis proportions by the end of the 1970's. The Study reports that by 1978 the world will be faced with a paper and paperboard deficit of some 16.1 million metric tons, more than ten times 1974's deficit.

The hardest to be hit in the supply and demand squeeze will be the developing countries which are already finding it difficult to obtain newsprint even at two or three times the prices prevalent two years ago. Already, in many developing countries, newsprint shortages have led to thinner newspapers and shorter school terms.

Dr. R. L. Bhargava, an Indian paper industrialist who conducted the study for UNDP, sees no immediate improvement in the situation for either the industrialized or the developing world.

### STRAW BOARD

*Demonstrating the semi-mechanised process of paper board manufacture at the most recently opened straw board factory at Bemmulla, Attanagalla.*



### Reconstitution of National Science Council

A new bill to set up a re-constituted National Science Council has been gazetted. It aims to set up a more viable Council with emphasis on specific functions. This bill will help to enlarge the scope of the Council and is intended to involve more scientists and technologists in its functioning and to make it the central forum in developing Government policy in this field. The size of

the main Council will be reduced from 21 members to 12. The Minister of Industries & Scientific Affairs, however, will be empowered to appoint 7 to 8 "expert" working groups comprising specialists in the various fields of science. They will advise on policy and promotion and development of science and technology. These groups will cover fields such as Physical Sciences, Agriculture and Forestry, Medicine and Veterinary Science, Natural Sciences and Social Sciences.