

News Release

Hayleys JV becomes first private investor at the Hambantota Port

-- Landmark investment to result in the development of an international fertilizer transshipment and distribution hub --

Hayleys PLC and Dragon Asia Fertiliser Limited of Hong Kong have become the first private-sector entities to invest in the Magam Ruhunupura Mahinda Rajapakse Port at Hambantota by committing US \$ 7 million for an international fertilizer storage, processing, bagging and distribution hub.

This landmark investment will result in the development of a local and international fertilizer transshipment and distribution hub of over 200,000 square feet in extent, in an area of 2.5 hectares.

Construction work on the facility, which received cabinet approval in August this year, began with the laying of the foundation stone on 5th December 2011, amidst a gathering of senior government officials and senior representatives from Hayleys and Dragon Asia Fertiliser.

“This facility, which has the potential to generate significant employment opportunities for Sri Lankans and to attract vessels to the Hambantota Port, represents an important development in the post-war infrastructure expansion in the country,” Hayleys Group Chairman Mohan Pandithage said.

“As a Group that has consistently supported development initiatives in Sri Lanka, Hayleys is proud to take the initiative in investing in the Magam Ruhunupura Port industrial zone, setting a precedent for other private-sector entities to follow,” he said.

Once operational, the state-of-the-art Hambantota International Fertilizer Distribution Hub hopes to attract major fertilizer shipments from the Baltic Sea region to the Port of Hambantota, by employing its strategic location to deliver freight advantages to buyers in terms of cost and time savings. Such cost advantages will in turn benefit the local agriculture industry, enabling the local farmers to thrive.

It is envisaged that these bulk fertilizer shipments which arrive at the Hambantota port on larger mother vessels will also be distributed to the Indian sub continent and South East Asia on feeder vessels, the company said.

In addition to attracting fertilizer shipments, the facility developed by Hayleys and Dragon Asia Fertiliser is also expected to open up new markets such as Africa, which has the potential to be catered to, via the Hambantota port.

Established in 1878 and adjudged Sri Lanka's Best Corporate Citizen four times, the Hayleys Group employs over 30,000 people, and accounts for 2.78 per cent of the country's export income. Their JV partner Dragon Asia Fertiliser comprises an active group of companies, covering some large fertilizer consuming markets, such as Bangladesh, Indonesia, Sri Lanka and Vietnam, and has been in operation since 1993.

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