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THE MINERAL INDUSTRY OF LEBANON

By Thomas R. Yager

The Lebanese mineral industry continued its historically small contribution to the country's economy. In recent years, Lebanon has been known to produce cement, gypsum, lime, phosphatic fertilizers, phosphoric acid, salt, steel, and sulfuric acid for domestic consumption. Modest deposits of asphalt, coal, and iron ore occur in Lebanon.

Lebanon's cement factories were owned by Ciment de Sibline S.A.L., Cimenterie Nationale S.A.L., Holcim (Liban) S.A.L., and Seament S.A.L. Cement consumption increased to 2.8 million metric tons (Mt) in 2004 from 2.7 Mt in 2003. Holcim (Liban) had a market share of 41.4%; Cimenterie Nationale, 35.3%; Ciment de Sibline, 19.4%; and Seament, 3.9%. In 2005, estimated cement consumption was between 2.6 Mt and 2.65 Mt. Lebanon's cement exports to Iraq and Syria amounted to about 1 Mt and 500,000 metric tons, respectively. Exports increased in 2005 because Iraq's cement plants were operating at 25% of capacity at most, and Syria was experiencing stagnation in cement production as demand rose sharply (Ohrstrom, 2006; Investment Development Authority of Lebanon, undated§[1]).

High electricity and fuel costs inhibited the competitiveness of Lebanon's cement manufacturers. Domestic producers were expected to invest about $150 million in more-energy-efficient equipment by 2008 or 2009. Cimenterie Nationale was likely to spend $80 million; Holcim (Liban) planned to spend $10 million in 2006 on more-efficient generators (Ohrstrom, 2006).

Forest cover declined from 20% of the country's land area in 1975 to less than 7% in 2004 because of civil war, firewood consumption, quarry operations, and urban expansion. In July 2003, the Government decided to shut down all Lebanon's quarries and import sand and gravel from Syria because of the environmental damage reportedly caused by the quarries. Many quarries illegally restarted production in March 2005, particularly in southern Lebanon (Saab, 2004; Daily Star, 2005b).

Lebanon has no petroleum reserves; the country relies on imports for its energy requirements. In the first 11 months of 2005, imports of mineral fuels amounted to nearly $2.1 billion, or more than 22% of total imports. In March, a natural gas pipeline that connected Lebanon to Syria was completed as part of the Arab Gasline project. In the first year of the project, the Deir Ammar power station would produce electricity from natural gas; imports of natural gas were expected to be about 550 million cubic meters per year. Electricité du Liban (EdL) was expected to save $100 million per year as a result of using natural gas instead of fuel oil. By mid-2006, the Zahrani power station was expected to start production of electricity. Imports of natural gas were expected to rise to nearly 1.1 billion cubic meters per year and to result in costs savings for EdL of $200 million per year. In a subsequent phase of the project, imports could rise to 2.2 billion cubic meters per year. The conversion of all Lebanese powerplants from fuel oil to natural gas would save $300 million per year (Iran Daily, 2003; Arab Petroleum Research Center, 2004; Daily Star, 2005a; International Monetary Fund, 2006, p. 18).

Delivery of natural gas to Lebanon was expected to begin in early May 2005. In June, the Government of Syria announced that shipments of natural gas were suspended indefinitely because of technical problems (Rasmussen, 2005).

Lebanon's installed generating capacity was 2,275 megawatts (MW) in 2005; an additional 2,100 MW of capacity was expected to be installed by 2010 to meet increases in demand for electricity. The estimated cost of the new capacity was about $1 billion (Middle East Economic Digest, 2005).

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[1]A reference that includes a section mark (§) is found in the Internet Reference Cited section.

TABLE 1
LEBANON: PRODUCTION OF MINERAL COMMODITIES[1]

(Metric tons unless otherwise specified)

Commodity[2]		2001	2002	2003	2004	2005[e]
Cement, hydraulic	thousand metric tons	2,890	2,852	3,500 [r, e]	4,000 [r, e]	4,500
Gypsum[e]		1,600	1,700	1,700	1,700	1,700
Iron and steel, metal, semimanufactures		80,000 [e]	40,000 [e]	--	--	--
Lime[e]		14,000	14,000	14,000	14,000	14,000
Phosphate:[3]						
Phosphatic fertilizers		20,000	30,000	53,000	85,000	85,000
Phosphoric acid		135,000	150,000	166,000	175,000	180,000
Salt[e]		3,500	3,500	3,500	3,500	3,500
Sulfuric acid:						
Gross weight		400,000	480,000	485,000	495,000	500,000
S content		131,000	157,000	159,000	162,000	164,000

[e]Estimated; estimated data are rounded to no more than three significant digits. [r]Revised. -- Zero.

[1]Table includes data available through November 30, 2006.

[2]In addition to the commodities listed, sand and gravel and other construction materials were also produced, but quantities are not reported, and available information is inadequate to make estimates of output.

[3]P_2O_5 equivalent.

TABLE 2
LEBANON: STRUCTURE OF THE MINERAL INDUSTRY IN 2005

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies	Location of main facilities	Annual capacity
Cement	Holcim (Liban) S.A.L. (Holcim Ltd., 55.8%)	Chekka	1,800
Do.	Cimenterie Nationale S.A.L.	do.	1,650
Do.	Ciment de Sibline S.A.L.	Sibline	1,200
Do.	Seament S.A.L.	Chekka	500
Phosphate fertilizers	Lebanon Chemicals Company S.A.L.	Selaata	NA
Phosphoric acid	do.	do.	NA
Steel	Consolidated Steel Lebanon S.A.L.[1]	Amchit	300
Sulfuric acid	Lebanon Chemicals Company S.A.L.	Selaata	NA

NA Not available.

[1]Shut down in 2002.