



2010 Minerals Yearbook

LEBANON [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF LEBANON

By Mowafa Taib

Lebanon was not a significant supplier of minerals to the world in 2010. Although the country did not produce any metals or fuel minerals, it did produce such industrial mineral commodities as aluminum sulfate, cement, gypsum, lime, limestone, phosphate fertilizer, phosphoric acid, salt, and sulfuric acid (table 1).

Minerals in the National Economy

In 2010, the Lebanese economy continued to expand at a faster rate than did most of the other economies in the Middle East. The gross domestic product (GDP) of Lebanon increased, in real terms, by 8.0% compared with a growth rate of 7.0% in 2009. Lebanon's construction activity surged because of increased demand for residential real estate. The real estate boom continued in 2010 and was demonstrated by a 34% increase in property taxes collected, a 23% increase in construction permits, and about a 13% increase in property sales compared with those of 2009, respectively (Bank Audi S.A.L., 2011, p. 2, 4).

In 2010, Lebanon's total exports increased to \$5 billion from \$4.2 billion in 2009. Industrial exports were valued at about \$4.1 billion, which was about 24% more than their respective value of \$3.3 billion in 2009. Exports of pearl and precious and semiprecious gemstones accounted for 26% of the country's total exports. Base metals exports (mainly to China and Turkey) accounted for about 11% of the total export value, and chemical products accounted for 7% of the total export value. The value of Lebanon's total imports increased by 11% to \$18.5 billion from \$16.6 billion in 2009. Mineral products, including mineral fuels, accounted for 21.1% of the country's total imports compared with 20.5% in 2009, and chemical products accounted for 8.6% compared with 8.4% in 2009. The share of metals and metal products imports (mainly from Belarus, China, Turkey, and Ukraine) increased to 7.1% of total imports, by value, from 6.4% in 2009. The volume of petroleum products imports increased by about 8% to 5.5 million metric tons (Mt) from about 5.1 Mt in 2009. The import value of pearl and precious and semiprecious gemstones increased by about 45% to \$1,159 million in 2010 from \$802 million in 2009. Lebanon exported goods worth \$502 million, or 12% of total exports, to Switzerland (99% of which was pearl and precious and semiprecious gemstones); other recipients included the United Arab Emirates, which received \$418 million, or 10% of total Lebanese exports (27% of which was pearl and precious and semiprecious gemstones); France, \$348 million (8%); South Africa, \$344 million; Iraq, \$267 million (6%); Saudi Arabia, \$246 million (6%); Syria, \$221 million (6%); and Belgium, \$102 million (2%). The United States, which exported \$1.9 billion worth of goods to Lebanon, was Lebanon's leading source of imports, accounting for 11% of total imports, followed by China, 9%; Italy, 8%; France and Germany, 7% each; and

Turkey, 4% (Bank Audi S.A.L., 2011, p. 6; Ministry of Finance, 2011, p. 4–7, 12–14).

Production

Limestone for cement was the leading mineral commodity (by volume of production) in Lebanon. Cement production increased by 6.7% in 2010 compared with that of 2009. Data on mineral production are in table 1.

Structure of the Mineral Industry

Lebanon's cement production was carried out by five companies—Ciment de Siblinc S.A.L. (majority owned by Secil-Companhia Geral de Cale e Cimento S.A. of Portugal), Cimenterie du Moyen-Orient S.A.L., Cimenterie National S.A.L., Holcim (Liban) S.A.L. (a subsidiary of Holcim Ltd. of Switzerland), and Société Libanaise des Ciments Blancs S.A.L. (a subsidiary of Holcim Ltd.). Lebanon Chemicals Company S.A.L. produced fertilizer and other chemicals, including aluminum sulfate, phosphoric acid, single superphosphate, sulfuric acid, and triple superphosphate fertilizer. Production of rolled steel and steel pipes was carried out by such companies as Attar Steel Co. and Demco Steel Industries S.A.L. Salt was produced by Lebanese Salt Palace Co. S.A.R.L. and Nepton Salt Co. S.A.L. at Enfeh in northern Lebanon (table 2; Arab Fertilizer Association, 2011b).

Commodity Review

Metals

Iron and Steel.—The size of Lebanon's steel market had been increasing since 2006 because of the expansion in the construction sector. The volume of steel products imports increased to 1.19 Mt in 2010 from 1.16 Mt in 2009. Steel-reinforcing bar (rebar) made up 61% of total steel products imports; steel sheets, 28%; and steel tubes and pipes, 11%. Steel products imports from Belarus, Turkey, and Ukraine made up about 75% of the country's total steel imports, by volume; the remaining 25% was imported from such countries as Bulgaria, Egypt, Italy, and Russia. Despite the increased demand for steel, Lebanon had not produced any steel since the closing in 2003 of the country's only rolling mill, which was located at Amchit and had been operated by Consolidated Steel Lebanon S.A.L. Higher energy prices in Lebanon relative to those in neighboring countries, such as Egypt, Jordan, and Syria, had contributed to high input costs for steel production and resulted in the rolling mill's closure (Arab Steel, 2010; Blominvest Bank S.A.L., 2011).

Industrial Minerals

Cement.—Lebanon's cement production increased to 5.2 Mt from 4.9 Mt in 2009 to meet increased local demand caused by the high level of construction activity. Industry reports projected that Lebanon's cement production would increase to 6 Mt in 2011, of which 5 Mt would be consumed locally and 1 Mt would be exported to Iraq and Syria. Cimenterie Nationale, which was the country's leading cement producer and exporter, had the capacity to produce 2.8 million metric tons per year of cement. Holcim (Liban), which had the capacity to produce 2.9 Mt of cement, sold its entire cement output from the Chekka plant to the domestic market and a portion of the clinker produced at the Chekka cement plant to its subsidiary Bogaz Endustrie & Madencilik Ltd., which was a grinding facility located in northern Cyprus. Société Libanaise des Ciments Blancs produced about 100,000 metric tons of white cement; more than one-half of this output (57%) was consumed locally and the remainder (41%) was exported to Syria [Holcim (Liban) S.A.L., 2010, p. 6, 12]. Lebanon's cement market was divided among Holcim (Liban), which supplied 43% to 45% of the domestic market; Cimenterie Nationale, 39% to 41%, and Cement de Sibline, 16% to 18% (Blominvest Bank S.A.L., 2010, p. 7).

Diamond and Gemstones.—Lebanon was not a producer of diamond but it had substantial diamond trade activity with such countries as the Democratic Republic of the Congo [Congo (Kinshasa)], the European Union, Guinea, Sierra Leone, Tanzania, and the United Arab Emirates. Lebanon reported exporting about 849,000 carats of rough diamond worth \$117.2 million in 2010 compared with 929,000 carats worth about \$58.7 million in 2009. The total volume of carats exported in 2010 decreased by about 9% compared with that of 2009 whereas the total value of diamond exports in 2010 was nearly double that of 2009. In 2010, Lebanon reported importing 775,000 carats worth \$120 million compared with 542,000 carats worth \$57.9 million in 2009. This was an increase of 43% in volume and 107% in value (Kimberley Process Certification Scheme, 2011).

Phosphate Fertilizer.—Lebanon Chemicals Co. produced phosphoric acid, single superphosphate, and triple superphosphate from phosphate rock imported by truck from Syria to its Selaata plant, which was located 60 kilometers north of Beirut. The production capacity of the privately owned

company in 2010 was reported to be 200,000 metric tons per year (t/yr) of phosphoric acid, 220,000 t/yr of granulated triple superphosphate, and 120,000 t/yr of granulated single superphosphate. Additionally, the company had the capacity to produce 600,000 t/yr of sulfuric acid for use in fertilizer manufacturing and 30,000 t/yr of aluminum sulfate for use by water treatment plants (Arab Fertilizer Association, 2011a, p. 31).

Outlook

The Lebanese economy is expected to grow in the next few years but at a slower rate than those of the past 2 years. The construction boom, which has defied the global real estate bubble, is expected to remain the driving force behind the country's economic growth. The expansion of the industrial sector in Lebanon, which includes fertilizer production and steel products, depends mainly on the political stability of the country (and the region) and on the availability of a permanent supply of electric energy and natural gas.

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TABLE 1
LEBANON: ESTIMATED PRODUCTION OF MINERAL COMMODITIES^{1,2}

(Metric tons unless otherwise specified)

Commodity ³	2006	2007	2008	2009	2010
Cement, hydraulic thousand metric tons	3,348	3,945	4,250	4,900	5,227 ⁴
Gypsum do.	70 ^r	80 ^r	85 ^r	100 ^r	105
Lime do.	250 ^r	250 ^r	250 ^r	250 ^r	250
Limestone, for cement do.	4,400	5,100	5,500	6,400	7,000
Phosphate: ⁵					
Phosphatic fertilizers	85,000	85,000	85,000	73,000	85,000
Phosphoric acid	51,000	51,000	51,000	51,000	51,000
Salt	20,000 ^r	20,000 ^r	20,000 ^r	20,000 ^r	20,000
Sulfuric acid:					
Gross weight	500,000	500,000	500,000	500,000	600,000
S content	164,000	164,000	164,000	164,000	197,000

^rRevised. do. Ditto.

¹Estimated data are rounded to no more than three significant digits.

²Table includes data available through July 31, 2011.

³In addition to the commodities listed, granite, gravel, marble, sand, and other construction materials are also produced, but quantities are not reported, and available information is inadequate to make reliable estimates of output.

⁴Reported.

⁵P₂O₅ equivalent.

TABLE 2
LEBANON: STRUCTURE OF THE MINERAL INDUSTRY IN 2010

(Thousand metric tons)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Aluminum sulfate	Lebanon Chemicals Company S.A.L.	Selaata	30
Cement	Holcim (Liban) S.A.L. (Holcim Ltd., 52.00%; Mershed Baaklini, 14.98%; Seament Holding S.A.L., 7.50%; individual investors, 21.39%)	Chekka	2,900
Do.	Cimenterie Nationale S.A.L.	do.	2,800
Do.	Ciment de Sibline S.A.L. (Secil-Companhia Geral de Cale e Cimento S.A., 50.5%; Bank Med, 20%; Walid Jumblatt, 20%)	Sibline	1,277
Do.	Cimenterie du Moyen-Orient S.A.L. (Seament Holding S.A.L.)	Chekka	500
Do.	Société Libanaise des Ciments Blancs S.A.L. (Holcim Ltd., 52%)	do.	100
Granite and marble	Arabian Mining Habre & Co. S.A.L.	Kahaleh, Baabda	NA
Do.	Wadih Tadros & Fils Co.	Kafarchima	NA
Do.	Société Nationale de Marbre	Mar Elias, Btina	NA
Do.	Marble & Cement Products S.A.L.	Bekaa	NA
Do.	Boustani, Mallah & Co. SARL	Kesrouan	NA
Gypsum	Sodap Liban S.A.L.	Hosrayel, Jebeil	30
Iron and steel, steel:			
Rolled	Attar Steel Co.	Beirut	200
Do.	Société Industrielle Libanaise S.A.L.	Southern Metn	NA
Pipes	Demco Steel Industries S.A.L.	do.	30
Scrap	Diametal S.A.L.	Mkalles	100
Lime	Société des Chaux et Plâtres du Liban S.A.L.	Chekka	250
Phosphate fertilizer:	Lebanon Chemicals Company S.A.L.	Selaata	340
Single superphosphate	do.	do.	120
Triple superphosphate	do.	do.	121
Phosphoric acid	do.	do.	200
Salt	Nepton Salt Co. S.A.L.	Enfeh	2,000
Do.	Lebanese Salt Palace Co. S.A.R.L.	do.	2,000
Sulfuric acid	Lebanon Chemicals Company S.A.L.	Selaata	600

Do., do. Ditto. NA Not available.