



2008 Minerals Yearbook

LEBANON

THE MINERAL INDUSTRY OF LEBANON

By Mowafa Taib

The rehabilitation of the Lebanon's infrastructure and commercial and residential buildings that were damaged during the war with Israel in the summer of 2006 continued in 2008 amid an 18-month political standoff and sporadic sectarian and political violence. The estimated \$3.6 billion in infrastructure damage had prompted international donors to pledge nearly \$1 billion for recovery and reconstruction and more than \$7.6 billion for development projects and budget support. Political stability following the Doha Accord of May 2008 and the subsequent election of a new President boosted economic activity and, together with the country's strong banking sector, enabled Lebanon's real gross domestic product (GDP) to grow by 7.5% in 2007 and 8.5% in 2008 compared with 0.6% in 2006, despite the global and regional economic downturn (U.S. Department of State, 2009; U.S. Central Intelligence Agency, 2010).

Production

The mineral commodities that were produced in Lebanon in 2008 included cement, gypsum, lime, limestone, phosphoric acid, phosphate fertilizer, salt, steel, and sulfuric acid (table 1).

Structure of the Mineral Industry

Producers of mineral commodities in Lebanon were entirely private companies. With the exception of the cement industry, which attracted international investors, primary and secondary mineral production of such mineral commodities as construction sand, granite, and marble were produced by small- to medium-size local companies. Phosphatic fertilizers, phosphoric acid, and sulfuric acid were produced by Lebanon Chemicals Co. Cement producers included Holcim (Liban) S.A.L., which was majority owned by Holcim Ltd. of Switzerland; Cimenterie Nationale S.A.L., which was owned by private individuals; and Secil-Companhia Geral de Cal e Cimento S.A. (Secil) of Portugal, which had majority interest (50.5%) in Lebanon's third ranked cement company, Ciment de Sibline S.A.L.; and Cimenterie du Moyen-Orient, which was owned by Seament S.A.L. The Ministry of Environment had been using a geographic information system to survey about 1,000 rock, sand, and stone quarries throughout the country (up to 400 of which were unlicensed) and developing prioritization criteria for rehabilitating quarries and identifying the best rehabilitation practices for each quarry (Bathish and Zeineddine 2007; Farah, 2007).

Mineral Trade

The value of Lebanese exports increased by 24% in 2008 to \$3.48 billion compared with \$2.82 billion in 2007. Industrial exports, which were valued at \$3.31 billion, represented 95% of total exports. Pearls and precious and semiprecious stones

accounted for 16.5% of total exports; iron and steel, 6.2%; and fertilizer, 6.2%. In 2008, the United Arab Emirates was the leading recipient of Lebanese exports and accounted for 10.0% of total exports, by value, followed by Switzerland, Iraq, Syria, and Saudi Arabia.

The value of goods imported by Lebanon in 2008 increased to \$16.14 billion from \$11.82 billion in 2007, or by 37%. Mineral fuel imports accounted for 25.3%; pearls and precious and semiprecious stones, 5.3%; and iron and steel, 4.9%. The United States, which was the leading exporting country to Lebanon, accounted for \$1.85 billion, or 11.5% of the value of total imports, followed by China and France, which accounted for 8.6% and 8.3%, respectively. The value of imports of petroleum products was estimated to be \$3.88 billion in 2008 compared with \$2.55 billion in 2007. The increase was largely because of higher crude oil prices in 2008. In 2007, the top exported products by Lebanon were gold, gold plated with platinum, ferrous waste and scrap, remelted scrap ingots of iron and steel, and cement (Ministry of Finance, 2009, p. 34).

Commodity Review

Metals

Iron and Steel.—Updated information on the status of the plan by Al Tuwairqi Group of Saudi Arabia to build a new rolling mill in Lebanon was not available at the time of this writing. In 2007, the company had announced a plan to produce rebar from imported billet by building a new 500,000-metric-ton-per-year-capacity rolling mill at a cost of \$300 million (Metal Bulletin, 2007).

Industrial Minerals

Cement.—In 2008, Lebanon's cement production was reported to be 4.20 million metric tons (Mt), which was 6% more than the 3.9 Mt that was produced in 2007. Holcim produced 2.2 Mt of cement in 2008 compared with 2.3 Mt in 2007 and 2.1 Mt in 2006. Holcim transferred a fraction of the clinker it produced at its Chekka plant near Beirut to its plant in Cyprus where the clinker was ground and sold to European markets. Holcim had been increasing the use of phosphogypsum and other mineral components to meet its environmental and social responsibilities towards achieving sustainable development in the Beirut Metropolitan Area. The company reported using 31,184 metric tons (t) of phosphogypsum in 2008 compared with 18,734 t in 2007. Holcim also reported using 359,724 t of mineral components as a substitute for clinker in 2008 compared with 305,095 t in 2007.

Société Libanaise des Ciments Blancs, which was majority owned by Holcim Ltd., was the sole producer of white cement in Lebanon. The company produced 102,000 t of white cement in 2008 compared with 92,000 t in 2007.

Secil, which owned 98.72% of Société Ciments de Gabès in Tunisia, increased its stake in Lebanon's third ranked cement company (Ciment de Sibline) to 50.5% from 28.64% in 2007. In 2008, Secil produced about 1 Mt of cement at its plant in Sibline; 93% of the cement produced there was sold locally and 7% was exported (Secil-Companhia Geral de Cal e Cimento S.A., 2009). Cimenterie Nationale completed the upgrade of the fourth kiln at its Chekka plant, which increased the plant's clinker production capacity to 2.1 million metric tons per year (Mt/yr) from 1.6 Mt/yr (Cimenterie Nationale S.A.L., 2009).

Mineral Fuels

Natural Gas and Petroleum.—Lebanon's reserves of natural gas and petroleum as of yearend 2008 were zero, and the Zahrani and the Tripoli refineries remained closed. These refineries were the first refineries to have been built in the region, and they had been shut down since 1989 and 1992, respectively. Lebanon's rate of petroleum consumption in 2008 increased to 93,000 barrels per day, which caused an increase in the volume of refined petroleum products imports to more than 4 Mt. Lebanon was scheduled to begin receiving natural gas from Egypt through the Arab Gas Pipeline in 2010 to power its electricity plants and those industries that use natural gas as a source of fuel (Bank Audi S.A.L., 2010; U.S. Energy Information Administration, 2010).

Outlook

The Lebanese economy is proving to be resilient following the 2006 war with Israel as it had proven to be in the aftermath of the civil war of 1975 to 1990. The mineral industry in Lebanon is expected to grow significantly as long as internal and regional stability initiatives are implemented in the next 5 years.

Stability would make it possible for foreign and local investors to rehabilitate the Tripoli and the Zharani oil refineries; establish an up-to-date steel plant; expand fertilizer production, which uses the nearby Syrian phosphate rock; increase production of cement, gypsum and lime; and secure an adequate supply of electrical energy needed by the industrial sector in particular and the public in general.

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

(Metric tons unless otherwise specified)

Commodity ³	2004	2005	2006	2007	2008
Cement, hydraulic thousand metric tons	4,400	4,600	3,348 ^{r,4}	3,945 ^{r,4}	4,200
Gypsum	30,000	30,000	30,000	30,000	30,000
Lime	14,000	14,000	14,000	14,000	14,000
Limestone, for cement thousand metric tons	5,900	5,900	5,900	6,500	6,500
Phosphate: ⁵					
Phosphatic fertilizers	85,000 ⁵	85,000	85,000	85,000	85,000
Phosphoric acid	175,000 ⁵	180,000	180,000	180,000	180,000
Salt	3,500	3,500	3,500	3,500	3,500
Sulfuric acid:					
Gross weight	495,000 ⁵	500,000	500,000	500,000	500,000
S content	162,000 ⁵	164,000	164,000	164,000	164,000

^rRevised.

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

²Table includes data available through December 31, 2009.

³In addition to the commodities listed, sand and gravel 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 2008

(Thousand metric tons unless otherwise specified)

Commodity	Major operating companies and major equity owners	Location of main facilities	Annual capacity
Cement	Holcim (Liban) S.A.L. (Holcim Ltd., 52%)	Chekka	2,600
Do.	Cimenterie Nationale S.A.L.	do.	2,100
Do.	Ciment de Sibline S.A.L. (Secil-Companhia Geral de Cale e Cimento S.A., 50.5%; Bank Med, 20%; Walid Jumblat, 20%)	Sibline	1,277
Do.	Cimenterie du Moyen-Orient (Seament S.A.L.)	Chekka	500
Do.	Société Libanaise des Ciments Blancs (Holcim Ltd., 52%)	do.	100
Gypsum	Sodap Liban S.A.L.	Hosrayel, Jebeil	30
Lime	Societe des Chaux et Plâtres du Liban S.A.L.	Chekka	NA
Petroleum, refined thousand 42-gallon barrels	Ministry of Industry and Petroleum ¹ (Government, 100%)	Tripoli	12,800
Do.	Ministry of Industry and Petroleum ²	Zahrani	6,400
Phosphate fertilizers	Lebanon Chemicals Company S.A.L.	Selaata	165
Phosphoric acid	do.	do.	NA
Steel	Consolidated Steel Lebanon S.A.L. ³	Amchit	300
Sulfuric acid	Lebanon Chemicals Company S.A.L.	Selaata	580

Do., do. Ditto. NA Not available.

¹Shut down in 1992.

²Shut down in 1989.

³Shut down in 2002.

