



2011 Minerals Yearbook

LEBANON

THE MINERAL INDUSTRY OF LEBANON

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Lebanon was not a significant contributor to the world supply of minerals in 2011; however, although the country did not produce any metals or fuel minerals, it had substantial trade in diamond, gold, and other precious gemstones that had been increasing in both value and volumetric terms in recent years. Lebanon produced modest amounts of such industrial mineral commodities as cement, fertilizer, gypsum, lime, limestone, and salt. Most of the output of industrial minerals was used by the local market, and the remainder was used for export.

Minerals in the National Economy

The Lebanese economy was estimated to have grown by only 1.5% in real terms in 2011 compared with a growth rate of 7.0% in 2010 and 8.5% in 2009. The slow growth of Lebanon's economy in 2011 was attributed to the effect of the political turmoil and social unrest that engulfed the Middle East and North Africa region in 2011. In 2011, the country saw a 24% decrease in tourism revenue; about a 20% decrease in foreign direct investment; and a reduction in the number of construction permits, the number of property sales, and the value of property sales compared with those of 2010 (Bank Audi S.A.L., 2011, p. 2; Blominvest Bank S.A.L., 2012; International Monetary Fund, 2012, p. 10).

In 2011, the value of Lebanon's total exports increased slightly to about \$4.27 billion in 2011 from \$4.25 billion in 2010. The value of exports of pearls and precious and semiprecious metals in 2011 increased to \$1,492 million (35% of total exports) from \$1,109 million (26% of total exports) in 2010. Metallic products exports increased by 14% to \$525 million from \$460 million and accounted for 12% of total exports; chemical products exports, which included fertilizer, increased by 24% to \$384 from \$310 million and accounted for 9% of total exports. Total imports increased by 18% to \$21.2 billion from about \$18.0 billion in 2010. Mineral products, mainly mineral fuels, accounted for 23%, by value, of the country's total imports compared with 21% in 2010. Chemical products accounted for 9% of total imports, by value, in 2011 compared with 7% in 2010. The share of metals and metal products imports increased slightly to about 8% of total imports, by value, from 7% in 2010. The import value of pearls and precious and semiprecious gemstones increased by about 85% to \$2.14 billion from \$1.16 billion in 2010 (Bank Audi S.A.L., 2011, p. 3; Ministry of Finance, 2012).

Lebanon exported goods worth \$515 million, or 12% of total exports, to Switzerland, which was Lebanon's leading export partner; other recipients included the United Arab Emirates, which received \$322 million, or 8% of total Lebanese exports; Saudi Arabia, \$308 million (7%); and Turkey, 276 million (6%). The United States, which exported about \$2 billion worth of goods to Lebanon, was Lebanon's leading source of imports, accounting for 10% of total imports, followed by Italy

(9%), China (8%), France (7%), Germany (6%), Egypt and Switzerland (5% each), and Turkey (4%) (Bank Audi S.A.L., 2011, p. 3; Ministry of Finance, 2012).

In 2011, gold trade was a significant component of Lebanon's trade. The country exported 29.41 metric tons (t) of gold worth about \$1.2 billion compared with 26.8 t of gold worth about \$930 million in 2010. Lebanon imported 38.7 t of gold worth about \$1.7 billion in 2011 compared with 34.1 t worth \$802 million in 2010. The increase in the value and volume of exports and imports was attributable mainly to higher world prices of gold in 2011 as well as to an increase in the volume of trade (Ministry of Finance, 2012).

Production

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 Sibline 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. was the sole producer of fertilizer and other chemicals, including aluminum sulfate, phosphoric acid, single superphosphate, sulfuric acid, and triple superphosphate fertilizer. Attar Steel Co. and Demco Steel Industries S.A.L carried out production of rolled steel and steel pipes. Diametal S.A.L. was among the first companies in the Middle East to produce shredded and heavy melting scrap. Lebanese Salt Palace Co. S.A.R.L. and Nepton Salt Co. S.A.L. at Enfeh in northern Lebanon produced salt (table 2).

Commodity Review

Metals

Iron and Steel.—Lebanon imported 1.2 million metric tons (Mt) of iron and steel products, which was a slight increase compared with that of 2010. Steel-reinforcing bar (rebar) made up most of the steel products imports; other products included pipes and sheets. Most of the steel products imports were from Belarus, Turkey, and Ukraine. Despite the increased demand for steel, Lebanon had not produced any steel since 2003 owing to higher energy prices relative to those in neighboring countries. The high price of energy in Lebanon had contributed to high input costs for steel production and resulted in the closure of the country's only rolling mill in 2003 (Ministry of Finance, 2012).

Industrial Minerals

Cement.—In 2011, Lebanon's cement production was estimated to be 5.5 Mt compared with 5.2 Mt in 2010. Cimenterie National was the leading cement producer in the country; it produced 2.8 million metric tons per year (Mt/yr) of cement, one-third of which was destined for export. Holcim (Liban) sold its entire cement production (2.2 Mt) from the Chekka plant to the domestic market. Société Libanaise des Ciments Blancs produced about 100,000 t of white cement in 2011; of this amount, 66,000 t was consumed locally and the remainder (34,000 t) was exported to Syria. Ciment de Sibleine was the third ranked producer of cement in the country and had the capacity to produce about 1.3 Mt/yr of cement [Cimenterie National S.A.L., 2012; Holcim (Liban) S.A.L., 2012, p. 6].

Diamond and Gemstones.—Lebanon was not a producer of diamond in 2011 but it was a participant in the Kimberley Process Certification Scheme and had substantial diamond trade activity with such countries as the Democratic Republic of the Congo [Congo (Kinshasa)], the European Union, Guinea, Tanzania, and the United Arab Emirates. Lebanon reported exporting 1.1 million carats worth \$296 million in 2011 compared with about 849,000 carats worth \$117.2 million in 2010. Diamond exports were 30% greater in volume and 153% higher in value than those of 2010. In 2011, Lebanon reported importing about 1.2 million carats worth about \$205 million compared with 775,000 carats worth \$120 million in 2010 and 542,000 carats worth \$57.9 million in 2009. The imports in 2011 increased by 52% in volume and 71% in value compared with those of 2010 (Kimberley Process Certification Scheme, 2012).

Phosphate Fertilizer.—In 2011, the volume of fertilizer exports was about 238,000 t, which was worth about \$127 million, and the volume of fertilizer imports was 103,000 t worth \$49 million. Lebanon Chemicals Co. was the sole producer of phosphoric acid, mono superphosphate, and triple superphosphate in Lebanon from phosphate rock imported by truck from Syria to its Selaata plant, which is located 60 kilometers north of Beirut. The company had the capacity to produce 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 mono superphosphate, as well as 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, 2012, p. 36).

Outlook

The Lebanese economy is expected to grow in the next few years but at a slower rate than in the past few 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 geopolitical stability in Lebanon and neighboring countries (particularly Syria) 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	2007	2008	2009	2010	2011
Cement, hydraulic thousand metric tons	3,945 ⁴	4,250 ⁴	4,900 ^r	5,227 ⁴	5,500
Gypsum do.	80	85	100	105	105
Lime do.	250	250	250	250	250
Limestone, for cement do.	5,100	5,500	6,400	7,000	7,000
Phosphate: ⁵					
Phosphatic fertilizers	85,000	85,000	73,000 ⁴	85,000	85,000
Phosphoric acid	51,000	51,000	51,000	51,000	51,000
Salt	20,000	20,000	20,000	20,000	20,000
Sulfuric acid:					
Gross weight	500,000	500,000	500,000	600,000	600,000
S content	164,000	164,000	164,000	196,000 ^r	196,000

^rRevised. do. Ditto.

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

²Table includes data available through June 30, 2012.

³In addition to the commodities listed, ammonium sulfate, 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 2011

(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 (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: ¹			
Rolled	Attar Steel Co.	Beirut	200
Do.	Société Industrielle Libanaise S.A.L.	Southern Metn	NA
Pipes	Demco Steel Industries S.A.L.	do.	300
Scrap:			
Shredded	Diametal S. A.L.	Mkalles	100
Heavily melted	do.	do.	200
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.

¹Lebanon's only steel mill, which was owned and operated by Consolidate Steel Lebanon S.A.L., was shut down in 2003.