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CVRD signs memorandum of understanding with Dongkuk

Companhia Vale do Rio Doce (CVRD), the world's largest iron ore and pellet producer, and Dongkuk Steel, South Korea's third biggest steelmaker, sign Tuesday, May 24th, memorandum of understanding aiming at confirming their intention to build the Usina Siderúrgica do Ceará (USC) steel plant in Brazil's northeastern state of Ceara.

Following other steel projects under study, CVRD will participate in the project as a minority shareholder in USC, whose production capacity is estimated at 1.5 million tonnes of steel slabs per year. Other project partners are the Italian equipment maker Danieli, Brazil's National Development Bank (BNDES), Ceara state government and Banco do Nordeste do Brasil (BNB).

CVRD will supply the pellets to be used as raw material by USC, meeting 100% of the steel plant's needs of 2.5 million tonnes per year.

With that initiative, CVRD aims to establish a partnership with Dongkuk Steel, reinforcing its presence in the Asian market.

The measure is part of the company's strategy of promoting iron ore consumption through minority shareholdings in steel projects in Brazil, generating jobs and resources for the country.

More information



Mônica Ferreira

monica.ferreira@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3485-3621