



Type what you want to search

Search

05/24/2005



CVRD signs memorandum of understanding with POSCO

Companhia Vale do Rio Doce (CVRD), the world's largest iron ore and pellet producer, and POSCO, South Korea's biggest steelmaker, sign Tuesday, May 24th, memorandum of understanding to develop new studies for the construction of an integrated steel plant in São Luís in Brazil's northeastern state of Maranhão.

The two companies, which are concluding pre-feasibility studies for the project under an agreement signed in September 2004, have agreed to continue to evaluate and undertake negotiations for the eventual creation of a joint venture to develop the project.

If implemented, the steel mill will have a production capacity of up to 7.5 million tonnes per year of steel slabs.

CVRD and POSCO have also agreed to begin feasibility studies for the expansion of the production capacity at Kobrasco, a joint venture pelletizing plant located at Ponta de Tubarao, in Brazil's southeastern state of Espírito Santo. The expansion would allow production capacity to increase to approximately 6 million tonnes per year from 4.5 million tonnes per year.

Aiming at further expanding the scope of their cooperation, CVRD and POSCO consider new investments in pelletizing in Brazil.

The initiative reiterates CVRD's strategy of promoting iron ore consumption, generating jobs and resources through minority shareholdings in steel projects in Brazil, and the company's commitment to meet growing demand for pellets.

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