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CVRD comments on SDE-Caemi report

Brazil's Economic Law Secretariat (SDE) of the Ministry of Justice has issued a report recommending the approval, with restrictions, by the Administrative Council of Economic Defense (CADE) of CVRD's acquisitions of Socoimex, Samitri, Ferteco and Caemi, as well as the agreement to end cross-ownership with CSN, which took place in 2002 and 2001. The SDE report does not have any impact on CVRD's operations, given that a decision on that matter should be taken by CADE.

CVRD is confident that it will show to CADE the consistency of its arguments presented to SDE and to the Secretariat for Economic Monitoring (SEAE) of the Finance Ministry which will prove that any restrictions are unjustified.

The acquisitions do not hurt the conditions for iron ore supply, guaranteed in full by long-term contracts. They also ensure and have ensured substantial benefits to the Brazilian steel industry, which certainly contribute to its robust economic performance.

In fact, after those acquisitions - which have strengthened CVRD as a major global mining company - Brazil has become an attractive place for new steel investments, like those recently announced in the states of Rio de Janeiro, Maranhão and Ceará, based on the confidence in CVRD's capacity to supply quality ore at competitive prices.

In addition, such operations have been fundamental to make CVRD the company which contributed most to Brazil's trade surplus.

CVRD reaffirms its historic support to the development of the Brazilian steel industry and, as the biggest private investor in the local economy, reiterates its commitment to Brazil's development, managing efficiently the country's largest logistics system and investing heavily in energy and infrastructure. Therefore, CVRD only intends to take a position after the conclusion of the CADE process.

More information



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