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Vale announces the signing of the Project Finance for Nacala Logistic Corridor

NLC will raise US\$ 2,730 billion through a Project Finance

Vale S.A. informs that the Nacala Logistic Corridor (NLC) companies signed today the binding financing contracts in the form of a project finance, through which NLC will raise US\$ 2.730 billion, broken down as follows:

- US\$ 1.030 billion from Japan Bank for International Cooperation (JBIC)
- US\$ 1.000 billion loan insured by Nippon Export and Investment Insurance (NEXI) from the following institutions: Sumitomo Mitsui Banking Corporation; The Bank of Tokyo Mitsubishi UFJ Ltd; Mizuho Bank Limited; Sumitomo Mitsui Trust Bank Limited; Nippon Life Insurance Company and Standard Chartered Bank

- US\$ 400 million loan insured by Export Credit Insurance of South Africa Limited (ECIC) from the following institutions: ABSA Bank Limited; Investec Bank Limited; Rand Merchant Bank and The Standard Bank of South Africa Limited
- US\$ 300 million from the African Development Bank (AfDB)

The project finance facility will be repaid in 14 years with the proceeds generated from the tariff related to the coal transportation services and from general cargo services provided by NLC. The tariff was introduced in April 2017 upon the completion of the equity transaction with Mitsui and the subsequent deconsolidation of NLC.

The Nacala project finance completes the investment structure devised to support the ramp-up of the logistic corridor until full capacity utilization.

The completion of the transaction and the drawdown of the proceeds are subject to usual conditions precedent for a project finance and are expected to happen shortly. The funds received will be mostly paid to Vale to take out part of Vale's shareholders loans conceded for construction of NLC, but will also be used to support the ramp up of the corridor.

The project finance also demonstrates the institutional maturity and the government support in both Mozambique and Malawi. The authorities at all government levels fully cooperated and enabled all the regulatory, financial and legal frameworks that support the Project Finance, for which Vale and Mitsui are deeply thankful. Vale wishes that the Nacala Project Finance becomes a postcard and a benchmark for the attraction of other large scale investments in both countries.

More information



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