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Vale and Usiminas in groundbreaking rail and port logistics partnership

Vale and steelmaker Usiminas today signed a series of contracts to transport 10.1 million tons of raw materials and finished products per year using Vale's logistics infrastructure. The R\$900 million contracts, signed at Usiminas' headquarters in Belo Horizonte, provide for the use of a port terminal, Centro-Atlântica Railway (FCA) and Vitória-Minas Railway (EFVM) for the next three years.

Vale's Praia Mole Port Terminal, at Tubarão Complex, Espírito Santo state, will receive all the coal Usiminas imports, storing and transporting the product to the steelmaker's mill in Ipatinga, Minas Gerais state, along the EFVM. Around 3 million tons of coal will be transported along the route per year.

Of the 10.1 million tons a year provided for in the contract, 6.8 million will be transported by rail - 2 million tons per year via FCA and 4.8 million tons per year via EFVM. The remainder, 3.3 million tons, will be handled at Praia Mole Port.

The partnership between the two companies will also enable an increase of 360,000 tons per year in the amount of limestone transported by Centro-Atlântica Railway for Usiminas. The product is picked up in the Arcos region of Minas Gerais, and is transported by FCA and EFVM to Usiminas' mill in Ipatinga, also in Minas Gerais.

Other essential inputs for Usiminas' steelmaking will be transported by Vale's railways. The contracts provide for hauling iron ore from Usiminas' mines in Itatiaiuçu, Minas Gerais, as well as pig iron produced in central Minas Gerais, via EFVM.

The two railways will be responsible for transporting finished steel products such as coils and plates, from the mill in Ipatinga to the coast of Espírito Santo state, distribution centers and direct clients in Belo Horizonte and São Paulo. The total volume will be around 3 million tons a year. "We look for strategic partners that make our business more sustainable," said Usiminas' logistics director, Paulo Fraga, adding: "With Vale's logistics know how, the quality of this essential part of our production chain is guaranteed."

The planning and management of logistics operations between Usiminas and Vale will be computerized. By means of Electronic Data Interchange (EDI), it will be possible to monitor the supply of wagons, loading schedule and train movements. This will be the biggest EDI project between a logistics operator and a major client in Brazil.

"We believe the logistics services we are supplying will boost the competitiveness of Usiminas' products. For Vale, the deal is very important. These are some of the company's largest logistics contracts," said Marcello Spinelli, Vale's logistics director.

Branch line

Usiminas and Vale also signed a memorandum of understanding to build a branch line of around 14 km from Vitória-Minas Railway to Santana do Paraíso, Minas Gerais, where Usiminas plans to build a new industrial plant. Although the project to build the mill is temporarily on hold due to depressed demand for steel, the memorandum guarantees continuity of the environmental permit for a rail connection that will be needed when the plant is built in future.

More information



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