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## Vale to develop a dedicated Brazil-China shuttle service

Companhia Vale do Rio Doce (Vale) announces that it has entered into a 25-year freight contract with Bergesen Worldwide (B.W. Bulk), the world's leading owner of large ore carriers and an important shipping service provider to the iron ore and steel industries.

The contract involves the construction of four very large ore carriers, each with a capacity of 388,000 deadweight tons (dwt), which will make them the largest ore carriers in the world. The first of these very large ore carriers will be ready in 2011, delivering economies of scale and contributing significantly towards the reduction in the volatility of landed costs of Vale's iron ore shipments to China.

Consistent with its history of pioneering the deepest and biggest iron ore loading facilities, Vale is once again set to lead the market with the introduction of the largest ore carriers in the world. In 1986 Vale, along with B.W. Bulk, introduced the Berge Stahl vessel. At 364,000 dwt, it was (and still is) the largest ore carrier in the world.

Vale has also entered into a 20-year contract for the production of a new generation 300,000 dwt ore carrier with Nippon Yusen Kaisha (NYK) Japan, to also be delivered in 2011.

Vale has also entered into a separate contract wherein BW Bulk will convert a very large crude carrier (VLCC) into a very large ore carrier (VLOC). The converted VLOC will begin operations in 2008 on the Brazil - China transportation line.

Additionally, the Company cancelled its plan to sell its own fleet of three capesize vessels.

These initiatives will focus on the development of a dedicated shuttle service to carry iron ore from Brazil to China. This is consistent with Vale's long-term commitment to its clients and continuous efforts to enhance the company's global competitiveness.

### 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