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CVRD settles 2005 iron ore and pellet prices with Arcelor

Companhia Vale do Rio Doce (CVRD), the world's largest iron ore producer, concluded the iron ore and pellets price negotiations for 2005 with Arcelor, the largest European steel maker. As an outcome of these negotiations, CVRD and Arcelor agreed on the following prices:

- Carajás (SFCJ), FOB Ponta da Madeira, and Southern System iron ore fines (SSF), FOB Tubarão, had their prices increased by 71.5%
- Tubarão blast furnace pellets, FOB Tubarão: US\$ 1.1551 per metric ton Fe unit, corresponding to a 86.67% increase
- São Luis blast furnace pellets, FOB Ponta da Madeira: US\$ 1.1857 per metric ton Fe unit, corresponding to a 86.43% price increase

CVRD reinforces the long-term commitment with its clients - Arcelor is a very large and traditional one - investing a significant amount of resources, despite of rising investment costs, in the production and logistics of iron ore in order to continue to contribute for their development. For 2005, CVRD capex budget allocated US\$ 1.7 billion for investments in ferrous minerals. Currently, CVRD is developing six projects for iron ore production capacity expansion, which will come on stream between 2005 and 2007.

A time series of annual iron ore and pellet prices is available in the CVRD website, www.cvr.com.br, investor relations section, other information.

More information



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