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CVRD settles 2005 iron ore and pellet prices with Italian steelmakers

Companhia Vale do Rio Doce (CVRD), the world's largest iron ore producer, concluded the iron ore and pellets price negotiations for 2005 with two Italian steelmakers: Ilva S.P.A. and Lucchini Siderurgica S.P.A. As an outcome of these negotiations, the following price increases were agreed:

- Carajás iron ore fines (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, had a price increase of 86.67%,
- São Luis blast furnace pellets, FOB Ponta da Madeira, had a price increase of 86.43%.

The current agreements involve an amount of iron ore and pellets of approximately six million tons for 2005.

CVRD reinforces the long-term commitment with its clients 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.

More information



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