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CVRD settles 2006 DR pellet prices with Middle East, Asia and Africa

Rio de Janeiro, June 14, 2006 - Companhia Vale do Rio Doce (CVRD), the world's largest iron ore and pellets producer, concluded the negotiations for the 2006 direct reduction (DR) pellets price with Hadeed Saudi Iron & Steel Company, a steel maker located in Saudi Arabia, with Amsteel Mills SDN BHD, situated in Malaysia, and with Al Ezz Dekheila Steel, former Alexandria National Iron & Steel Company, located in Egypt.

After several rounds of negotiation, CVRD and the companies mentioned above agreed on a 3% price reduction for Tubarão and São Luís DR pellets relatively to the 2005 price.

CVRD reinforces its 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 and pellets. CVRD capex budget for 2006 allocated US\$ 2.1 billion to investments in the ferrous minerals division. Currently, CVRD is developing seven projects for iron ore and pellet production capacity expansion, which will come on stream between 2006 and 2008.

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