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## Vale Mines for A Better Future

Shanghai, China, June 1, 2010 - Vale, the official sponsor of the Brazil Pavilion for World Expo 2010 Shanghai China (Expo 2010), today celebrated "Vale at Expo Day" inside the pavilion.

Echoing the "Better City, Better Life" theme of Expo 2010, Vale will take the opportunity during the six-month world expo - the world's third largest event - to present its initiatives in adopting innovative technologies in its mining process and sustainable development.

"Expo 2010 provides Vale with a perfect platform to share our know-how with our partners in China, a market we have been committed to throughout the past 36 years since our entry in 1974," said José Carlos Martins, Executive director for Ferrous Minerals at Vale. "As China's long-term partner, Vale would like to further develop our relationships with our Chinese clients, suppliers and local communities. We would like to emphasize that what is shipped from Vale to China is not only minerals, but also our expertise in innovative mining and sustainable development. And China, in turn, enables us and our economy to grow further, contributing significantly to Brazil's development."

### Vale, China's Long-term Partner

As two emerging economies, China and Brazil have been developing tight bilateral relations in the past decades. Vale has played a major role in boosting the partnership between the countries since 1974, when it made its first iron ore shipment to China.

Thanks to the increasing demand generated by the fast development of China's economy and infrastructure construction, Vale has been supplying a growing number of iron ore to this market. Vale's iron ore sales to China represented 44.6 per cent of Brazil's total exports in 2009. A record-high 140.396 million tons of iron ore were shipped to China - 56.8 per cent of the company's total sales last year.

To meet China's growing needs and support its steel industry expansion, Vale has invested heavily to increase its iron ore production capacity. Between 2005 and 2009, investments (including acquisitions) surpassed US\$ 55 billion. Vale's current project pipeline has the potential to boost production capacity to 450 million tons of iron ore per year in 2014.

Vale's sales to China have also become diversified in the past three decades, with iron ore, nickel and manganese being key products. The tightening trade with China has been a key factor for Vale to grow to become the world's second largest diversified mining company.

In return, Vale is committed to giving back to China.

The company is increasing purchases from the China market. Over the last few years, Vale imported mining machinery, equipment and input from China, totaling US\$2.8 billion. And these numbers continue to grow.

Vale is expanding its partnership with local companies, to share its know-how and expertise in varied areas of mining. It has established coal, nickel and pellet joint ventures with Chinese companies and has helped create over 11,000 jobs

locally.

Always searching for solutions to better serve its customers' needs through innovative and efficient ways, Vale has been working to generate benefits for both itself and China. Vale has ordered the construction of 12 very large ore carriers (VLOCs) in China and is developing distribution centers in Asia. The first of the world's largest iron ore carriers, with 400,000-DWT capacity, is expected to be ready in early 2011, with completion of the order expected for 2012. The corresponding distribution centers will then improve Vale's ability to serve local clients in terms of timing and customization.

### **Vale, Mining for a Better Future**

As a global leading mining company, Vale has been a pioneer in sustainable mining, with its sustainability strategy falling on three pillars: operating sustainably, catalyzing local development and acting as a global sustainability agent.

Over the last five years, Vale's investment in the social and environmental field has grown by almost 400 per cent. Between 2005 and 2009, Vale invested US\$ 2.9 billion in this area.

Environmental impact management and ecosystem conservation are areas of priority in Vale's operations. The company is continuously searching for innovative solutions and technologies to increase energy efficiency and productivity, while minimizing environmental impact.

Most recently, Vale announced in April that it will invest in innovative technologies in its heavy haul railroads and ports this year. These investments include new Brazil-first equipment to operate locomotives using remote control and "dynamic helpers", which are extra engines designed to couple with moving trains to aid in ascending steep hills.

In March, Vale disclosed it had developed a new technology that involves sifting using moisture from the mine itself, to cut water use in the Carajás mines, where approximately one third of Vale's iron ore is produced. This revolutionary technology has never been used before in ore beneficiation processes. Besides cutting annual water consumption by the equivalent of that used by a city of 430,000 inhabitants (19.7 million m<sup>3</sup> per year), the technology also reduces energy use by more than 18,000 megawatts per year and ensures that environmentally unfriendly tailings dams do not have to be built. In the iron ore beneficiation process at Carajás, 70 per cent of the water Vale uses is recycled and just 30 per cent is new. The new technology has cut water use and to a large extent, reduced the amount of waste sent to the tailing ponds.

Fighting global warming is another main focus of Vale under its sustainable development policy, which was launched in 2008 and constitutes a set of globally coordinated initiatives.

Vale has been implementing measures to cut off CO<sub>2</sub> emissions. It replaced fuel oil with natural gas in pelletizing plants in Brazil, which reduced CO<sub>2</sub>-equivalent emissions by 139,000 tons in 2008 compared to the previous year. In 2009, Vale launched the Green Train Project, aiming to replace diesel and fuel oil with natural gas and biodiesel. The tests started at the Estrada de Ferro Vitoria a Minas railroad, one of the world's most productive and efficient railroads. The initial emission reduction on two railroads is estimated to reach 73,000 tons per year.

In May, the company officially announced the Vale Fund, a pioneering initiative initially focused on combating deforestation and forest degradation and promoting socioeconomic development in the Amazon biome. The fund, launched in partnership with seven environmental and social civil society organizations, is open to new private and public investors from Brazil and abroad.

The Vale Fund is designed to spread best practice and sustainable development far beyond the limits of Vale's operations. In the future, the idea is to operate in other regions and countries, always through projects related to the central issues of macro-sustainability - biodiversity, climate change, forest conservation and so on.

Another major measure is the Vale Florestar project - one of the biggest forest and degraded area restoration programs in the Amazon. It promotes reforestation in degraded areas using native and exotic species, with additional benefits in terms of local socioeconomic development. Over the past three years, more than 24.5 million trees have been planted on 41 leased farms, covering an area of approximately 70,000 hectares.

Vale's transparency in disclosing its emissions through its annual carbon inventory disclosure and its actions to fight global warming have been recognized by the market. In Goldman Sachs' July 2009 report on climate change, Vale was selected as a world leader for its management of emissions.

## About Vale

Vale is the world's second largest diversified mining company based on market capitalization. Present in more than 30 countries, Vale is the world's largest producer of iron ore and pellets, key raw materials for the steel industry, and one of the largest producers of nickel, which is used to produce stainless steel, batteries, special alloys, chemicals and other products. The company also produces copper, manganese, ferroalloys, potash, bauxite, alumina, aluminum and coal, among other raw materials important to the global industrial sector and present in people's daily lives. For more information, please access [www.vale.com/newsroom](http://www.vale.com/newsroom).

## More information



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