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Vale breaks ground on the Moatize coal project

Vale holds today the cornerstone laying ceremony of the Moatize Coal project in the province of Tete. The mine will have a nominal production capacity of 11 million tons per year of coal products (metallurgical and thermal). The start of production is expected for December 2010.

Present in Mozambique since November 2004, Vale holds a concession to explore one of the biggest coal reserves in the world located in Moatize, in the Tete province, in the northwest region of the country. The project is Vale's biggest investment in the coal business. Moatize's production will be transported by railway with approximately 600 km, called the Sena Line, up to a new coal terminal to be built by a Port da Beira [Beira Port] concessionaire in the Sofala province. The coal will be exported to markets in Brazil, Asia, Middle East and Europe, traditional consumers of such resource.

Moatize project's total investment is estimated at over US\$ 1.3 billion and is expected to boost the Mozambican economy, generating jobs and income. More than 2,000 people are already working in the project and its implementation, among them 90% are from Mozambique. The number of workers at the highest point of implementation works will exceed 3,000, most of them from Mozambique. A workforce of 1,500 direct employees is forecasted for the operation phase.

In addition to its job generation commitment, Vale seeks to encourage and develop suppliers of products and services in the regions where it operates. Therefore, the company is already carrying out a survey on small and medium-sized companies in Tete and the Moatize region in order to identify and qualify potential suppliers. Vale's aim is to qualify local suppliers for the project's implementation and operation phases by creating sustainable business and jobs opportunities in the region.

Since the start of the feasibility study until now, Vale has invested about US\$ 7 million in social projects in health, agriculture, infrastructure and education. Some projects included the construction and rehabilitation of units in the Tete Provincial Hospital and the Moatize Health Center, the renovation of the Moatize Geology and Mines Intermediate Institute (and internship at Vale for IMG students), projects to develop local agriculture, etc.

Vale's mission is to transform mineral resources into prosperity and sustainable development. Therefore, it is engaged in leveraging the development of the communities in its growth path. In this respect, synergies have been created with the Mozambican government and the civil society in order to fill the main gaps in health, education, culture and leisure, in addition to activities associated with job and income generation.

In respect to the operational phase, the main purpose of the social programs and projects is to ensure the social and economic sustainability of the 1,100 families to be resettled due to the implementation of the Moatize Coal Project, and of the neighboring communities. An intense study and research program was developed always in partnership with government, communities and specialized companies representatives.

Moatize in the global market

Present in more than 30 countries, Vale has researched and developed several opportunities to become a major global company in the coal segment. Moatize fits perfectly in the company's strategy, together with other Vale assets in coal

operations in Australia and in two partnerships in China. Moreover, Mozambique has a huge growth potential thanks to its mineral reserves, energy and water potential.

More information



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