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07/23/2007



## Vale signs agreement to develop a new alumina refinery

Companhia Vale do Rio Doce (Vale) has signed a memorandum of understanding to develop a new alumina refinery in northern Brazil with Hydro, a leading Norwegian producer of aluminum.

The new refinery will be located in Barcarena, in the Brazilian State of Pará. The plant is to be developed in four stages, each one with an expected output of 1.85 million metric tons per year (Mtpy) of alumina production, with a final total output of 7.4 Mtpy.

Construction is expected to begin mid 2008, following approval by Vale's Board of Directors. Hydro will hold a 20% stake in the project and will have the right to participate in further expansions.

Vale will supply the bauxite for the new refinery from its Paragominas mine. Currently, Paragominas supplies a section of Alunorte's bauxite needs through a 244-kilometer pipeline linking the mine to the refinery. Vale (57%) and Hydro (34%) are shareholders of Alunorte, the world's largest alumina refinery.

This initiative is consistent with Vale's strategic focus on bauxite and alumina. A focus on the upstream aluminum production chain is strongly supported by Vale's competitive advantages derived from the development of large reserves of high quality bauxite, world-class alumina operations and a highly efficient logistics network.

### More information



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