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## Vale, Dongkuk and CSP sign Memorandum of Understanding with Ceará Government

Vale, Dongkuk and CSP - Companhia Siderúrgica do Pecém signed on Wednesday, June 17th, a Memorandum of Understanding with Ceará state government and the municipality of São Gonçalo do Amarante for an integrated steel mill project in the state, with an annual production capacity of 3 (first phase) to 6 million tons of steel slabs. Total investments are estimated at US\$ 4 billion in the first phase. The project is expected to generate more than 15,000 direct jobs during the construction phase and over 4,000 direct jobs in the first operational phase.

According to the MOU, the steel mill should be built in the Complexo Industrial e Portuário do Pecém (CIPP) in an area of about 1,000 hectares. In addition to steel products, CSP will also produce electric energy, part of which will be available to the Brazilian market.

Vale's participation in Brazil's steel sector is aimed at the implementation of new projects to add value to the supply chain, generating wealth and development.

Other projects under development by Vale to increase Brazil's steel production capacity are:

-- ThyssenKrupp CSA - Currently under construction in Santa Cruz, in the municipality of Rio de Janeiro, this new steel mill will have a production capacity of 5 million metric tons of steel slab per year. Start-up is scheduled for the end of 2009/early 2010. Vale has a minority stake in the joint venture.

-- Aços Laminados do Pará - In August 2008, Vale announced plans to invest in the construction of a steel plant in Marabá, in the state of Pará, with a production capacity of 2.5 million metric tons per year of semi-finished steel. The project is estimated to create 16,000 new jobs in the project's implementation phase, and 3,500 direct jobs in the operational phase.

Vale is conducting feasibility and environmental studies for a steel mill project in Espírito Santo state. Partnerships will be defined after the findings of the study are published.

Vale also holds a 50% stake in California Steel Industries (CSI), a flat-rolled steel producer with headquarters in California, United States. The other 50% stake belongs to JFE Steel.

### 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

