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## Vale negotiates with Dongkuk to build a steel plant in the State of Ceará

Companhia Vale do Rio Doce - (Vale) is currently negotiating with Dongkuk Steel, one of the largest steel producers in South Korea, the construction of an integrated steel slab plant in the Industrial District of Pecém, in the Brazilian State of Ceará. The memorandum of understanding (MOU) is to be signed on November 20, 2007.

The viability study is to be completed in the coming months. The project includes the construction of an integrated coal-based steel slab plant with an initial production capacity of 2.5 million tons per year, with the possibility of expansion to 5 million tons per year. The investment for the first phase of this project is expected to be US\$2 billion.

This initiative is consistent with Vale's strategy of attracting new investments in the steel industry in Brazil, through minority stakes, thereby increasing iron ore consumption in the country. This is Vale's third largest steel project in the past three years, including ThyssenKrupp CSA in the State of Rio de Janeiro, and Baosteel CSV, in the State of Espírito Santo, Brazil. The projects increase the country's steel production capacity by 12.5 million tons through investments of around US\$10 billion.

### More information



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