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Vale launches cornerstone for railway in Malawi

Vale officially launches today the cornerstone for the construction of approximately 139-km rail spur and rehabilitation of 99 km of an existing railway, as well as the construction of 45 rail bridges and 3 road bridges, in Malawi, as part of the Nacala Corridor project.

The Nacala Corridor project will bring a new railway and port infrastructure connecting the Moatize site to the Nacala-à-Velha maritime terminal, located in Nacala, Mozambique, with total capex of US\$ 4.4 billion.

The construction of the rail spur between the border of Mozambique and Malawi and the Nkaya junction, as well as the social compensation of cultivated and developed private land to the communities results from detailed engineering studies developed by Vale for more than nine months.

More specifically, the 139-km new rail spur begins in Moatize, crossing Malawi's border, in the Chikwawa region and, subsequently, proceeding Northeast until the Nkaya junction area, where it connects with the existing railway. The 99-km stretch will be rehabilitated until Nayuchi/Entrelagos, under the concession of the Central East Africa Railways - CEAR. The works for this part of the Nacala Corridor in Malawi are expected to be completed in 2014.

The routes have been thoroughly studied to ensure conciliation between the best design from a technical stance and the minimization of environmental and social impacts.

The project currently employs more than 1,800 people, of which 82% are locals, among Vale employees, contractors, subcontractors. It is also expected to create more than 3,500 new positions to be filled by local workmanship at the peak of activities.

Vale has contracted more than 150 local suppliers and the positive impact for the local economy is even greater taking into account these suppliers subcontract more than 100 other local suppliers in order to provide general services, hotels, and more specialized engineering and technology services, which translates into a number of opportunities.

Development of the Nacala Corridor

In the first quarter of 2012, Vale signed with the Government of Malawi the railroad Concession Contract for the construction and operation of part of the Nacala Corridor, covering the railway between the border of Mozambique and Malawi until the existing railroad in Malawi. In July, the Integrated Logistical Corridor of Nacala - CLIN consortium established by Vale and the Mozambican railway company Caminhos de Ferro de Mozambique (CFM), signed the railways and port concession contracts with the Government of Mozambique, which allow for the construction of the required railways and rail spurs connecting Moatize to Nampula, and the construction of a new maritime terminal in Nacala-à-Velha.

The concession contracts with the Governments of Malawi and Mozambique, apart from the concession contracts with the Corredor de Desenvolvimento de Nacala - CDN (Nacala Development Corridor), and the Central East Africa Railways - CEAR, guarantee the right to build all the rail spurs and rail terminal for transporting the coal from Moatize to the

Nacala-à-Velha Port, and it will contribute towards the improvement of the rail infrastructure in Malawi, allowing also general cargo and passengers transportation.

More information



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