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Vale opens distribution center and pelletizing plant in Oman

Vale will today officially open its new US\$1.36-billion distribution center and pelletizing plant at the Port of Sohar Industrial Complex in the Sultanate of Oman. The plant is ready to operate, with a maximum production capacity of 9 million metric tons of direct-reduction pellets per year. The pelletizing plant and distribution center – which enables large amounts of raw iron ore to be stored on a just-in-time basis – will serve as a hub for meeting growing demand for iron ore products in the Middle East, North Africa and Asia, including India.

The company's operations in Oman employ 1,200 people of which 450 are Vale direct employees and 750 are contractors working on site, with another 3,120 jobs generated indirectly. The company has achieved an Omanization rate of more than 60% amongst its direct employees.

The company's industrial complex is made up of two pelletizing units, each with a nominal production capacity of 4.5 million metric tons of direct-reduction pellets per year, and a distribution center able to handle 40 million metric tons per year.

Vale has invested US\$40 million in technologies to reduce the project's environmental impact, such as electrostatic precipitators and a wind fence to control particulate matter emissions. The site also has a continuous emissions monitoring system, and 100% of the water used there is recycled.

"We have a solid commitment to Oman," said Vale CEO Murilo Ferreira. "We join forces with the government, the private sector and each community wherever we operate to catalyze sustainable development. At each stage, we ensure that our relations with our partners are based on transparency, respect and trust."

The first pelletizing unit began operating in April 2011. To maximize the distribution center's capacity, Vale entered into a partnership with Sohar Industrial Port Company to build a 1.4-km deepwater terminal. This terminal is one of the first ports in the world to receive Very Large Ore Carriers (VLOCs), ships able to carry up to 400,000 metric tons of goods, used to transport iron ore from Brazil to the coast of the Sultanate of Oman.

The distribution center and pelletizing plant in Oman, together with a floating transfer station in Subic Bay in the Philippines, a distribution center and port being built in Malaysia and the VLOCs, are part of Vale's strategy to increase its flexibility and competitiveness in serving the world's fastest growing markets, on an equal footing with its closest competitors.

Vale has signed an agreement with Oman Shipping Company to build four chartered ships, to operate exclusively for the company. Two will be delivered in the first half of 2012, and the other two in the second half of the year, raising the efficiency of its logistics system.

"Over the last 41 years, Oman has established a development model that is unique among its neighbors," said Marcos Beluco, Vale Country Manager. "The company has created a 'virtual mine' in the Sultanate that will support steel-based economic development, as well as meeting growing demand from the region's industries."

Since it began operating in Oman, Vale has played a major role in the construction of solid industrial infrastructure, promoting local economic development through investment focused on preserving the environment, generating jobs and building up the local supply chain.

More information



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