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CVRD announces capacity expansions in bauxite and alumina

Rio de Janeiro, November 04, 2005 - Companhia Vale do Rio Doce (CVRD) informs that its Board of Directors has approved the investment for the development of phase II of the Paragominas bauxite mine and stages 6 and 7 of its alumina refinery (Alunorte), both located in the state of Pará, Brazil.

The construction of stages 6 and 7 of CVRD refinery, each one of them with annual production capacity of 935,000 tons of alumina, will result in an increase of the Alunorte production capacity to 6.26 million tons per year (Mtpy). Alunorte will then consolidate its position as the largest and most modern alumina refinery in the world.

The total estimated investment in the project is US\$ 846 million, implying a very competitive capex per additional ton of capacity, despite the surge in equipment prices and the strong appreciation of the Brazilian Real against the US Dollar. The start up of stages 6 and 7 is expected for the second quarter of 2008.

Currently, the alumina refinery is developing stages 4 and 5, which will increase of its production capacity to 4.4 Mtpy from 2.5 Mtpy. The start up of stages 4 and 5 is scheduled for the first quarter of 2006, and the ramp-up conclusion is expected for the third quarter of 2006.

The total estimated investment in the development of phase II of the Paragominas bauxite mine, is US\$ 196.1 million. The project will allow Paragominas to achieve a capacity to produce 9.9 Mtpy. Phase II is scheduled to come on stream on the second quarter of 2008.

Paragominas phase I - production capacity of 5.4 Mtpy - is being developed simultaneously with the construction of a 244 km pipeline to transport the bauxite from the mine to the alumina refinery in Barcarena, in the state of Pará. This pipeline, the first in the world to transport bauxite, is designed for a nominal capacity of 14.4 Mtpy, which will be achieved at Paragominas phase III. Paragominas phase I is scheduled to start up in the first quarter of 2007.

Both projects are in line with CVRD strategic focus on the upstream of the aluminum production chain, due to its significant competitive advantages supported by its high quality bauxite reserves and a modern and low cost alumina refinery.

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

