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CVRD develops Pelletizing Project in Middle East

Companhia Vale do Rio Doce (CVRD) announces that it has signed a Memorandum of Understanding with SIPC - Sohar Industrial Port Company, a joint venture between the Sultanate of Oman and the Port of Rotterdam, to evaluate the implementation of a new pelletizing plant to be located in the Port of Sohar.

The nominal capacity of the pelletizing plant is currently planned to reach 7.5 million tons per year of direct reduction pellets. The project is expected to commence operations in 2010 and CVRD will supply 100% of the iron ore used to feed the pelletizing plant. This initiative illustrates CVRD's strategy to support the Middle East steel industry, a traditional center in the development of Direct Reduction projects in the world, by expanding its regional pelletizing operations - a field where CVRD has a significant market and operational experience. This pelletizing plant will focus its supply on several recently announced Direct Reduction and steel projects in the Middle East, providing a reliable source of iron ore feed to these projects.

CVRD is the market leader for pellets. CVRD's pellet production is being expanded from 36 million to 50 million tons of pellet capacity and CVRD also owns 50% of Samarco, whose production capacity is currently undergoing expansion from 14 million to 21 million tons per year. CVRD has also recently concluded a pelletizing project in China.

More information



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