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CVRD settles 2006 iron ore and pellet prices with Posco

Rio de Janeiro, May 18, 2006 - Companhia Vale do Rio Doce (CVRD), the world's largest iron ore producer, concluded the iron ore price negotiations for 2006 with Pohang Steel Corporation (Posco), the largest Korean steel maker. As an outcome of these negotiations, iron ore prices for Carajás (SFCJ) and Southern System (SSF) fines increased by 19.0% relatively to 2005. Blast furnace pellet price from Tubarão will be reduced by 3.0%

CVRD and Posco developed a long and mutually beneficial relationship that completes its 30th anniversary this year and the current agreement involves an amount of iron ore fines and pellets of approximately 12 million tons for 2006.

CVRD reinforces its long-term commitment with clients, investing a significant amount of resources, despite of rising investment costs, in the production and logistics of iron ore. For 2006, CVRD capex budget allocated US\$ 2.1 billion for investments in ferrous minerals. Currently, CVRD is developing seven projects for iron ore and pellet production capacity expansion, which will come on stream between 2006 and 2008.

More information



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