
Vale announces USD 12.9 billion CAPEX plan for 2010

Thursday, 22 Oct, 2009

Vale SA announces that its board of directors has approved the investment budget for 2010, involving capital expenditures of USD 12.9 billion dedicated to sustaining existing operations and to fostering growth through research and development and project execution.

The CAPEX budget for 2010 represents an increase of 29.3% over the USD 10 billion invested in the last twelve month period ended at June 30th 2009. The investment plan continues to reflect the focus on organic growth as the priority of our growth strategy, 76.6% of the budget is allocated to finance R&D and Greenfield and brownfield project execution against an average of 71.1% over the last five years.

Given the existing assets and those which will come on stream in the near future we expect to maintain production growing at a brisk pace. Our output index, which encompasses the operational performance of all minerals and metals produced by Vale, is estimated to increase at an annual average rate of 12.6% in 2010-2014, a higher rate of expansion than the already high 11.2% per annum for 2003-2008.

Although iron ore and nickel will continue to be our main businesses, we plan to boost the production capacity of copper, coal and fertilizers, creating a more diversified portfolio of world class assets. Given the current project pipeline, we expect to reach the following production flows in 2014: 450 million metric tons of iron ore, 380,000 tonnes of nickel, 650,000 tonnes of copper, 30 million tonnes of coal, 3.1 million tonnes of potash and 6.6 million tonnes of phosphate rock.

For more news visit at www.steelguru.com