
Bovespa postpones railroad auction to October 4th

Thursday, 14 Sep, 2006

The Brazilian Stock Exchange announced that the auction to sell a 720 kilometer railroad concession, scheduled for Wednesday, is postponed until October 4th without giving reasons. It is the third time the auction has been delayed.

The state wants to sell a concession to develop a 720 kilometer tract in northern Brazil between Acailandia in Maranhao state and Palmas in neighboring Tocantins state. The minimum bid for the concession has been set at 1.478 billion Brazilian reais (\$680 million). The stretch of railroad is part of the ambitious North-South railroad project to connect the states of Maranhao, Tocantins and Goias to other, more developed rail lines in the north and south of the country. The project will cover a total of 1,550 kilometers.

So far, three companies are pre qualified for the auction, including Alvorada Servicos de Engenharia, ARG LTDA and Companhia Vale do Rio Doce.

CVRD is Brazil's largest logistics operator and runs the Estrada de Ferro railroad, which links the company's Carajas iron ore mine complex to the port city of Sao Luis in Maranhao state.

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