
Brazilian iron ore miners to invest USD 14 billion by 2011

Monday, 25 Feb, 2008

According to Brazilian Institute for Mining, Brazilian iron ore producers are set to invest USD 14.130 by 2011 although demand for the product will remain high.

According to Brazilian Institute for Mining, Brazilian investments in mining ventures between 2007 and 2011 are forecast to reach USD 32 billion. Some USD 14.130 billion of this will be targeted at iron ore projects. In addition to direct investments related to mining the figures include expenditure on infrastructures for exports like the Carajas railroad being financed by Brazil's CVRD. Other investments in the Brazilian iron ore are expected to be made by firms including EBX, MHAX and London Mining.

The report quoted Mr Paulo Camilo chairman of the Brazilian Institute for Mining as saying that the impact of investments on production would not be sufficient to ease the trend for rising iron ore costs on international markets as even with investment in mining high demand will remain.

Mr Camilo said that these fresh resources will have a strong impact on increased mineral production in Brazil, but China's growth will continue to absorb the raw material, as currently is the case. He added that "Today there is no iron ore stock availability in any part of the world, not just due to Chinese demand but also because of firms' inability to invest more in production" to respond to this demand."

According to figures from the National Department of Mineral Production, if the predicted investments for between 2007 and 2011 are correct, they will represent a 314% increase over those made between 2002 and 2006, worth USD 3.410 billion.

For more news visit at www.steelguru.com