

Iron Ore Makes Espírito Santo Brazil's Second Largest Exporter to Arabs

Contributed by Isaura Daniel
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Brazil's southeastern state of Espírito Santo has risen from fifth to the second place among the largest Brazilian exporters to the Arab countries.

Between January and November, the state had revenues of US\$ 506.2 million with sales to the League of Arab states. Only the state of São Paulo had greater revenues with exports to the region, US\$ 1.9 billion.

In the first eleven months of 2004, Espírito Santo exported just US\$ 273.4 million to the region, less than Rio Grande do Sul, which was the second largest exporter that year, and Paraná and Minas Gerais, the third and fourth respectively. Sales from the state to the Arabs rose 85% up to November this year as against those in the same months last year.

"Our sales almost doubled," stated the president of the Espírito Santo Union of Export and Import, Severiano Imperial. A large part of the increase took place due to the sales of iron ore, which grew 98.8%.

Industries from the state had revenues of US\$ 454.6 million with iron ore exports to the Arab world between January and November this year, against US\$ 228.7 million in the same period in 2004.

Mining companies Vale do Rio Doce and Samarco, that produce the ore, have operations in the state. Samarco is in the city of Anchieta and Vale is located in Vitória, the state capital.

At the beginning of this year, Vale signed a contract with Qatar Steel Company (Qasco) for the supply of 2.66 million tons of iron pellets up to 2010. The Middle East and Africa answer to 25% of Samarco exports. "The companies work with long term contracts," stated Imperial.

Espírito Santo, incidentally, exceeded the state of São Paulo in terms of volume exported to the Arab countries, despite having had lower revenues. The state shipped a total of 6.1 million tons to the region, whereas exports from the state of São Paulo totaled 5.1 million tons. Apart from iron ore, Espírito Santo shipped products like coffee, milk, sugar, granite, furniture, meats, footwear, juices, garments and sweets to the Arabs.

"Espírito Santo is increasing exports of ornamental stones," recalls Imperial, referring to granite. According to him, the businessmen from the sector are more aggressive. They participated, for example, in a trade mission organized by the Ministry of Foreign Relations to the United Arab Emirates and to Saudi Arabia at the end of the year. The coffee producers, according to the president of the Union, are also working hard on the quality of the product.

Currently the largest exports from the state of Espírito Santo are iron ore, followed by cellulose, semi manufactured iron products, steel and other alloys, marbles and granites and coffee. The state also exports products like fruit, furniture and garments, but at lower levels.

Exports from Espírito Santo reached US\$ 5.06 billion between January and November, with growth of 35% over the same period in 2004. This percentage should remain up to the end of the month, according to Imperial.

The president of the Union is optimistic regarding the performance of the local economy next year. According to him, the companies in the state are investing and expanding their operation.

Vale and Samarco, as well as Aracruz Celulose and Companhia Siderúrgica de Tubarão (CST), which are based in state, are investing or are going to invest in Espírito Santo.

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