

Vale Group plans to increase coal production in Mozambique in 2020

28 November 2019
[| Brazil | Mozambique](#)

The Vale mining group intends to produce 15 million tons per year at the Moatize coal mine, Tete province, Mozambique, in the second half of 2020, the Brazilian group said in a statement announcing US\$3.2 million in impairments.

The statement on impairments in the base metals and coal segments said that Moatize mine operations will undergo maintenance in 2020 for a period of three months, while a new operating model will be applied to increase productivity and yield. .

The group, which mines coal through its own operations or partnerships in Australia, China and Mozambique, has announced impairments in this segment of US\$1.6 billion, which will be recorded in the accounts for the fourth quarter of 2019.

“Vale has identified that its expectation of metallurgical and thermal coal income has changed since the project’s conception, mainly due to technical problems,” the statement said, adding that the production plan has been revised, as well as the price scenarios for metallurgical and thermal coal used in the valuations.

The group also identified impairments of US\$1.6 billion in the base metals segment, more than half of about US\$3.0 billion in assets, due to problems related to the production and processing of ore from operations in New Caledonia.

Impairments occur when the actual value of an enterprise’s asset is less than the amount recorded in its accounts and impairment losses should then be recorded. (Macauhub)