

**Main news**

**Arab countries became the third largest destination for Brazilian exports last year, according to data from the Arab Brazilian Chamber of Commerce. In 2018, the region occupied fifth place in the ranking for Brazilian export destinations, with US\$11.4 billion in exports.** This rose in 2019 to US\$12.1 billion, representing a 6.3% increase during this period. In first place was China, followed by the USA.

According to the Arab Brazilian Chamber, the Arab markets sustained demand and maintained loyalty to Brazilian partners, in a year in which important buyers reduced purchases. This was the case with China, which was affected by swine fever and thus had lower demand for Brazil's soybeans, as well as Argentina, due to its economic crisis.

"While the whole world bought 7.5% less from Brazil, representing about US\$224 billion, and the surplus fell 19.46%, to US\$46.674 billion, Arab countries once again increased orders, reinforcing the importance of the commercial partnership for our economy," said the president at the Arab Brazilian Chamber, Rubens Hannun.

Brazil's exports to the Arab bloc consisted mainly of chicken, sugar, iron ore, beef and grains. Chicken exports grew 6.4% to US\$2.3 billion, sugar sales dropped 23.6%, to US\$2.1 billion, and iron ore grew 7.2%, to US\$1.8 billion. Beef exports increased 2.6% to US\$1.1 billion and grain exports rose 46.4% to US\$1.1 billion.

"Saudi Arabia has determined that by 2030 only 40% of the demand for chicken, for example, will be met via exports. Today this percentage is close to 60%. In this scenario, Brazilian companies that are leaders in food supplements, vaccines and genetics for agricultural production have a great opportunity for internationalization. In April, we will hold an economic forum to discuss these opportunities," says Hannun, about the Brazil-Arab Countries Economic Forum, which will take place on April 14 in the city of São Paulo.

**Ports, terminals and infrastructure**

**A commercial agreement between the Government of Paraná and Rumo Logística will allow Ferroeste (Estrada de Ferro Paraná Oeste S.A.) to expand capacity to transport grains, benefiting the State's productive sector.** The announcement was made on 01/30 by Governor Carlos Massa Ratinho Junior, during a meeting at the Iguazu Palace with the mayor of Cascavel, Leonaldo Paranhos, and business leaders from the West Region.

According to the Secretary of State for Infrastructure and Logistics, Sandro Alex, it is expected that the volume of products transported via the rail link between Cascavel and Guarapuava will almost double to 2 million per year.

The new operating document, which is expected to be signed in the next few days to ensure legal certainty for the parties, will allow the two companies to share cargo that leaves the Western Region towards Paranaguá. The negotiation allows Rumo to use the Ferroeste section.

Currently, the multinational is responsible for the operation between Guarapuava and the Port of Paranaguá. Ferroeste manages the railway section between Cascavel and Guarapuava. "This commercial agreement will allow a considerable expansion

in the flow of the harvest, starting in March. It guarantees logistical capacity and a reduction in costs for producers", explained Sandro Alex.

**Interalli Grãos, the Interalli Group's bulk terminal at the Port of Paranaguá, grew 20% in 2019 compared to 2018. The highlight of the year was corn exports, which rose sharply, from 350,000 tons in 2018 to 1.35 million in 2019.**

"To give you an idea, 25% of all corn handled at the port passed through the Interalli Grãos terminal", informs the director of the Interalli Group, Fabrício Slaviero Fumagalli. The Port of Paranaguá is the second main exporter of corn in Brazil, after the Port of Santos.

According to Interalli Grãos Terminal manager, Helder Catarino, in 2019 growth was boosted by the vision they had to seize an opportunity. "We saw that there was a large stock of fresh corn from 2018 to 2019, and consistent demand for Brazilian corn, especially from Iran, and so we anticipated and stimulated this market", he explains. "Providing logistical conditions for one or two trading companies, others ended up coming together, taking advantage of the good margins of this business opportunity. We were the stimulus for the strong corn exports in the first half, which is not common in the Export Corridor of the Port of Paranaguá". Growth in corn exports reached 450% in relation to the previous year.

**Expectations for 2020** – In 2020, the prospects are also positive, but, according to Catarino, a more "traditional" year is expected. "I see a more traditional year in exports. First semester focused on soybean exports and a second semester exporting the latest soybean contracts and the volumes of the off-season corn, which promise, even if smaller than 2019, to present very important and representative numbers for the total movement of the Port of Paranaguá", he stated.

"Our growth forecast is 10%, above 2019. We expect to handle 2.3 million tons of soy and corn combined, with a higher volume of soy". At Interalli Grãos, the volume of soybeans should represent 70% of the total this year, according to forecasts.

**Record handling** – The Export Corridor of the Port of Paranaguá closed 2019 with a record in the handling of solid bulk. More than 20.23 million tons of soy and corn were exported, in grain and bran. The volume achieved exceeds 2018 levels by almost 2.4% at 19.76 million tons.

**Açu Port has been elected vice president of Central and South America by the IAPH (International Ports Association), via its director of International Business & Innovation, Tessa Major, The mandate came into effect on January 29, and lasts for about a year and a half. IAPH is a globally recognized association and represents around 200 of the largest ports in 90 countries in the world, accounting for over 60% of international maritime trade.**

Through this election, Açu joins the IAPH board alongside senior executives who represent the largest and most influential ports in their specific regions. During the next IAPH annual conference, Tessa Major will already represent Açu and the other member ports in South and Central America.

By being part of the IAPH board, Açu Port will participate in the decision-making processes within the scope of the association,

getting involved in the main discussions of trends and strategies in the international maritime sector. This role signifies a seal of quality for Açú, since IAPH serves as an important forum for international cooperation with remarkable success and leadership in the field of sustainability and innovation.

The current IAPH council comprises Açú Port, the Port Authorities of Vancouver (Canada), Hamburg (Germany), Nigeria (Africa) and Klang (Malaysia), in addition to the International Ports Corporation Kobe-Osaka (Japan), under the presidency of the Port Authority of Barcelona (Spain).

**The new warehouses in the retro area of the Capuaba pier in Vila Velha came onstream on 01/28, with the first operation handling malt cargo. They are both removable structures – the second is in the final stages of being installed – each with a capacity of 15,000 static tons, and each covering an area of 2,400 m<sup>2</sup>.** They started with malt but after this, will only house fertilizers.

According to CODESA's Planning and Development Director (DIRPAD), Bruno Fardin, "this is an important step to resolve the issue of idleness in the Capuaba retro area, increasing the supply of services offered to bring in more revenue".

**Eldorado Brasil launched a new pulp transport route from its factory to the port of Santos in partnership with CMA-CGM. With the use of containers, the cargo that was previously taken by truck to the port docks is now transported by train from Jundiaí, in the interior of São Paulo. This measure will eliminate around 25,000 truck trips each year from highways and streets.**

With the new railway operation, the pulp that leaves the Eldorado Brasil plant in Três Lagoas (MS) is taken by truck to the city of Jundiaí. There it is transferred to containers on railway cars. The cargo then proceeds along the tracks to the terminals at the edge of the pier, from where it is shipped.

As well as alleviating traffic, another advantage is to avoid empty and full containers being transported through the coastal city of Santos, since the distances between the storage terminal and the terminal at the pier require the use of trucks on the streets. With the train, the containers are taken directly to the terminal where the ship docks. However, the amount of pulp exported by Eldorado Brasil is too great to be transported only by rail, therefore truck deliveries also continue at the Eldorado/Rishis terminal, in the Outeirinhos region, in Santos.

**On January 28, during a meeting of the Consultative Council of the Port and Industrial Complex of Itaqui, service orders were signed for two infrastructure projects at Itaqui Port – berth recovery and asphalt pavement – which together total R\$ 59.1 million in EMAP's own resources ( Empresa Maranhense de Administração Portuária).**

The structural recovery work to berths 103 and 106 and cathodic recovery of berths 101 and 102, will be carried out by Edro Engenharia and will cost R\$32.2 million. Asphalt paving at areas of the port, external terminals and São José de Ribamar pier, will cost R\$26.8 million and will be done by Edeconsil Construções e Leases.

With the signing of these service orders, EMAP authorizes the companies that won the bidding processes to start the respective

works. "The recovery of the berths and the paving are necessary services for maintenance and preparation of the Port of Itaqui for a new growth phase to come as a result of projects to expand Tegram, the fuel and the fertilizer terminals, in addition to the resumption of the regular container route", said Ted Lago, president of Itaqui.

In its second phase, Tegram should double its export capacity to 14 million tons / year and, with the new structure, Ultracargo is increasing its current storage capacity by 48 thousand cubic meters in the first phase, reaching 100 thousand cubic meters in the medium term.

**The terminal of COPI** – Companhia Operadora Portuária do Itaqui, which should start operating by December this year, estimates it will handle 3.5 million tons of fertilizer / year, with logistics integrated into the North-South rail network. This year, work will also begin on the Suzano pulp terminal, which foresees the generation of 450 direct jobs.

**On 01/29 infrastructure minister, Tarcísio Gomes de Freitas, participated in a ceremony to sign a concession contract for the STS20 terminal in Santos, with consortium Hidrovias do Brasil S/A.** The auction for the contract took place in August last year and is worth R\$112.5 million.

During the 25-year contract, Hidrovias do Brasil S/A will operate an area of over 29,000 square meters and three warehouses, focused on handling fertilizers and salt. The company already handles grains and fertilizers in northern Brazil and a waterway on the Uruguay, Paraguay and Paraná rivers.

The terminal's annual storage capacity is 1 million tons of salt and 2.6 million tons of fertilizers. In the case of fertilizers, inputs are important, as they supply the agricultural chain in the center of the country. In the case of salt, which arrives at the port via cabotage in the Northeast, the input supplies several national industry chains, especially in the state of São Paulo. Currently, the terminal handles about 50% of the salt arriving and leaving the Port of Santos.

**Expected investments** - Amongst the investments to be made in the terminal are the demolition and construction of warehouses, reinforcement of the public pier, dredging for deepening, overturning of the berth, acquisition of equipment for unloading ships and for transportation of fertilizers, in addition to the installation of weighing scales for vehicles.

"Hidrovias do Brasil S/A will add an important and different entrepreneur profile. The company adds the expertise of investment funds to the business. Auctions are generally won by industry operators. In addition, it is the first time that the company will operate in a public port. We are optimistic", commented the national secretary of Ports and Water Transport, Diogo Piloni.

**On January 25th, dock workers at the Port of Santos, raised suspicions that the crew of a moored vessel was not healthy.** According to the Santos Dockers Union (Sidestiva), the workers were concerned that crew members were ill with the recent coronavirus that gripped China over recent weeks. Allegedly the ship's crew were coughing and operators at the Guarujá Export Terminal (TEG) boarded the vessel wearing gloves and masks.

The Liberian flag KM Singapore vessel arrived from China and its most recent calls were at ports in South Africa, India and Singapore. The ship is waiting to load soybeans in bulk.

Anvisa, Brazil's Health Watchdog, said there were no elements to justify concerns regarding possible coronavirus activity adding that the use of masks and gloves by Chinese crew members was due to working conditions related to loading bulk cargoes.

**Port of Paranaguá** - A further suspicion was raised on social networks regarding activity at the Port of Paranaguá. The public company Portos do Paraná released an official note in which it clarifies that there is no truth to a report on social media that a crew member was suspected of infection at the Port of Paranaguá.

According to the organization, the port guard and the medical team of the Port of Paranaguá Unions Management (OGMO) boarded the Great Praise ship, which is moored at berth 208, after rumors spread on social media. The agency reinforced that it is in contact with Anvisa and other health agencies. It added that all necessary measures have already been taken, and urged the media to exercise caution to avoid misinformation.

**Porto do Itaqui has epidemic control protocol** - The Port of Itaqui, apparently has a different strategy, and has made an announcement stating it acts in accordance with international health and safety protocols, keeping its Contingency Plan for Subjects of International Interest in Public Health updated and a permanent post of Anvisa - National Health Surveillance Agency in the port area.

According to the company, the plan is tested annually through simulated face-to-face exercises and has the participation of Anvisa, state and municipal health departments, the Brazilian Navy and the Federal Police. All ships arriving at the port are monitored by Anvisa and only dock if the Maritime Health Declaration is in accordance with the current protocol.

**Anvisa** - According to Anvisa, the National Health Surveillance Agency, the Health Ministry set up a committee on January 22nd, aimed at preparing the public health network for treatment of possible cases in Brazil, in order to respond to eventual occurrences in a unified and immediate way. Anvisa is part of this Emergency Operations Center (COE) - Coronavirus.

**Note from the Ministry of Infrastructure** - With the appearance of cases of respiratory disease caused by coronavirus in China, the Ministry of Infrastructure - as coordinator of the National Commission of Port Authorities (Conaportos) and of the National Commission of Airport Authorities (Conaero) -, informed that it is acting in line with the Ministry of Health and the National Health Surveillance Agency (Anvisa) in order to keep Brazilian ports and airports on alert about preventive measures and procedures related to the movement of passengers from that country. In a possible report of a suspected case on board, Anvisa will adopt the protocol for this situation, with the support of the other authorities and port and airport operators.

**How the coronavirus is and how it behaves** - Identified in the Chinese city of Wuhan in December, the coronavirus has the following characteristics:

- Coronaviruses are a family of viruses that get their name from their appearance under the microscope - they are spherical and their surfaces are covered with "crown" -like stakes.

- Coronavirus infections have a wide range of symptoms, including fever, cough, shortness of breath and breathing difficulties. Mild cases can cause symptoms similar to the cold, while severe cases can cause pneumonia, severe acute respiratory syndrome (SARS), kidney failure and death.

- Like other coronaviruses, China's newly identified coronavirus is being transmitted from person to person via droplets when an infected person breathes, coughs or sneezes. It can also spread to contaminated surfaces, such as door handles or handrails.

- Infection with the newly identified virus has an incubation period of between 1 and 14 days and there are limited reports that it may also be spreading before symptoms appear.

- Experts in infectious diseases and viruses say the scale of the current outbreak now points to "self-sustaining" human-to-human transmission. They estimate that each infected person is infecting an average of two to three more people.

- Testing for the new virus from China involves using a real-time polymerase chain reaction (PCR) that identifies the viral RNA in a sample. These samples can be from swabs (material collection procedure) in the throat, cough samples or blood samples from very sick patients.

**After a season of tests and adjustments, which began in August 2019, the regular container line that services the Port of Itaqui will resume its weekly calls from February.**

"The aim of restarting the service is to attract more business and to reduce the logistical cost that companies face in Maranhão, strengthening a crucial part of the state's economic growth. The market has organized itself around the consolidation of cargoes at the Port of Itaqui, which today has all the necessary infrastructure to conduct this operation", said the president of EMAP (the port administration) Ted Lago.

According to the national sales / cabotage manager at Aliança Navegação e Logística, Jaime Batista, as of the second week of February, the ship Aliança Leblon will start weekly calls at Itaqui. "We spent a few months testing, monitoring productivity, as well as understanding the cargoes that could be moved in the service and the results motivated us to set a weekly call," he said.

"Now Maranhão is on the domestic market's cabotage route and the expectation is to grow a lot starting this year", said Batista. As this weekly option is disseminated in the market, we expect to see a rise in volumes handled. Cargoes are varied: including food, construction material, raw material for industries, rice, refrigerated chicken, among others. The initial expectation is that the service will move 1,800 containers per month.

Two years ago negotiations began between the Government of Maranhão, the Secretariat of Industry, Commerce and Energy (Seinc), EMAP, the port community and the private sector. EMAP has invested in infrastructure and feasibility studies since 2015. Those investments culminated in the delivery of a new container yard in 2017, equipped with reefer plugs.

The joint effort is supported by the Itaqui port workers' unions, pilotage, operators, freight forwarders, shipping agencies and Aliança Navegação e Logística.

The container storage area at the Port of Itaquí covers about 20,250 square meters with static capacity for 1,341 TEU. A total of R\$ 10 million was invested in the engineering work and a further R\$ 9 million in electrical works.

**Peru's Transport and Communications Minister (MTC), Edmer Trujillo, informed that the project for the construction of a bioceanic train that would connect the port of Ilo, in Peru, to the port of Santos, in Brazil – also passing through Bolivia and Paraguay – remains paused due to Brazil's lack of interest.**

That's because President Jair Bolsonaro is focussing more on another bioceanic corridor project that connects Brazil to Chile's ports. "Bolsonaro is no longer betting on the Bolivian and Peruvian side, he is betting on the Chilean side. So the project is currently on hold," says Trujillo.

In June 2019, the governments of Peru and Bolivia prepared a feasibility study to build a train corridor that would link the coast of the Pacific Ocean (in Peru) to the Atlantic Ocean (in Brazil), thus boosting trade with the world.

The Peruvian government had previously said that the rail plan could cost around US\$7.5 billion in Peruvian territory and that the financing could come from China, South America's main export market.

**According to the Private Port Terminals Association (ATP), in 2019 the Northern region was the one that presented the greatest expansion in the number of private terminals.** This is because of the 20 projects authorized nationally, with a total investment estimated at R\$1.5 billion, 11 are from this region, mainly focused on liquid bulk handling.

According to the president of ATP, Admiral Murillo Barbosa, movement in the region is due to be boosted by the increase in bauxite production and the completion of the paving of the BR-163 highway to Miritituba (PA), which strengthens the export logistics infrastructure in the region, with growth in soy and corn exports. This trend is expected to be strengthened further in the coming years, with the construction of Ferrogrão and new investments from trading companies.

ATP is also investing in a measure to reduce freight costs for cargo exported via the ports of the Amazon River. Currently, ships traveling in the area cannot be fully loaded because of the depth at the river's outlet to the sea. The current draft is 11.7 meters, whilst the ideal draft should be 12.5 meters.

"The ship enters the Amazon with 80% of the cargo, but full freight is paid," explained the admiral. An increase in the draft by one meter would provide savings of US\$57 million per year in freight, estimates ATP.

**After renovations and extensive pest control procedures, the public silos of the Paranaguá Port Export Corridor are once again receiving cargo.** Located on the pier, in front of berths 212 and 213, the warehouses are used for soybean meal. Operators expect to shift 120,000 tons of the product through the system in these first three months of the year.

As explained by the Silos Division of the port's Operations Directorate, the structures underwent mechanical, electrical and civil works. "After carrying out the work in the warehouses, what

we have is better hygiene and storage conditions, which maintain the quality of the products. In addition, we guarantee a better environment for workers", says Luis Douglas Henrique, from the Silos Division.

There are four warehouses, each with a capacity of 15,000 tons, totaling 60,000 tons of static capacity. Currently, these public structures in the complex are used by the companies Céu Azul, Grano, Gransol, Marcon, Sulmare, Tibagi and Transgolf, for handling soybean meal. Warehouses 13F and 13A are already set to receive this commodity. The other two are expected to be ready by February 10.

### Shipping

**The Infrastructure Minister, Tarcísio de Freitas, the federal government's BR do Mar program, designed to encourage the cabotage sector, is scheduled to be officially presented by the beginning of March. "The program is at an advanced stage. We defined the last points with the Economy Minister Paulo Guedes. We should be ready to launch it at the end of February, or at the latest by the beginning of March", he affirmed.** On January 29, the minister participated in the signing ceremony for the STS20 terminal concession contract, in the Port of Santos, with the Hidrovias do Brasil S / A consortium.

When asked about the privatization of Santos Port, the minister stated that the process is going well. "We are studying the best model for generating value," he said. "We must conclude all negotiations for contracting with the BNDES. By March or April we must have the consultancy in place to start the studies", he explained.

"The biggest tender this year is going to be the Transpetro terminal. We want to operate with larger vessels. With BR do Mar, Santos will be the main hub in Latin America for containers", he said.

**Wilson Sons Tugs, a port support company of the Wilson Sons Group, has developed an artificial intelligence technology for tugboat operation that guarantees optimal maneuver, with greater safety, more efficiency and lower operating costs. The system is already running at ports in Rio de Janeiro (RJ), Vitória (ES) and Santos (SP) and assists in the company's allocation of tugboats for maneuvers.**

With the initiative, the company expects to reduce operating costs by maximizing the use of its tugs and reducing fuel consumption. "We perform about 60,000 maneuvers per year and, with the use of artificial intelligence, it is possible to make the decision in a more agile way, and to move the appropriate tugboat at the ideal moment", highlights Elisio Dourado, the company's regional manager.

To carry out the planning of the maneuver, the artificial intelligence developed by Wilson Sons Tugs analyzes 14 different parameters, such as geolocation of the different variables involved (tugs, customer's vessel, terminal), characteristics of the vessel, fuel consumption efficiency of the tugs, regulation of each port, among other items.

The system is fed back with information on the operations carried out. Hence, via machine learning, it is able to optimize its own operation. The software records the pre-decision and decision

scenarios. And the algorithm learns from the solutions. The more information, the better the system.

According to the regional manager Yuri Fedoruk, the goal is to implement artificial intelligence in all 25 locations where the company operates within a year. According to him, artificial intelligence can be used in several applications in the company, with the potential to be extended to other users, generating new revenues.

**Future** - The project began to be developed in September 2018 at Tuglab, the company's innovation laboratory. The site brings together a multidisciplinary team of specialists who participated in the entire design of the algorithm capable of meeting the needs of the tugboat operation.

The system was fed with more than 350,000 maneuvers that had their history stored in the database used by the company's Tug Operations Center (COR). Inaugurated in 2012, COR is responsible for monitoring the fleet of 75 tugs, distributed from north to south of the country. From these inputs, artificial intelligence was enabled to make decisions guided by the data, without the need for previously programmed instructions.

"Artificial intelligence is here to improve and support the work carried out by COR. Operators will be freed up from repetitive and procedural actions to dedicate themselves to the most complex activities of our operation, which will bring more value to our company", says Wilson Sons Rebocadores director of operations, Marcio Castro.

**Drewry published the 'Container Equipment Insight' report, which lists prices for virtually all types of containers. According to the document, at the end of 2019 container prices reached their lowest level in three years.**

Drewry's new dry container price index indicates that the values of the new 40-foot containers dropped 5% during the quarter, representing an annual drop of 13%.

This drop is due to an excess of supply, which exerted the greatest pressure on container manufacturers. Despite this, production of new containers for dry products increased during the 4th quarter of 2019, but remained significantly lower than in 2018. The production of refrigerated containers, on the other hand, presented gains year on year.

### Grain

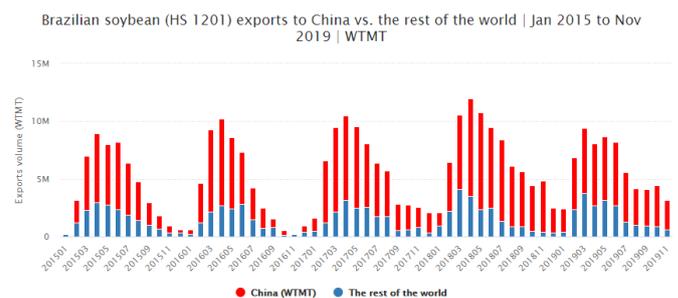
**According to Reuters, Chinese soy imports from the U.S. increased in December 2019 over the previous year. That's because China increased purchases of American soybeans during a break in the trade war between the two countries.** China bought 3.09 million tonnes of soy from the United States in December, 44 times the volume of the same period last year, according to data from the General Administration of Customs.

The number also rose in comparison with the 2.56 million tons traded in November. Even so, imports were relatively low compared to the levels of more than 6 million tonnes of U.S. product recorded in 2017 and previous years. The data showed that a total of 88.51 million tons of soybeans were bought in 2019, and 88.03 million tons in 2018. It is worth remembering that Beijing promised to buy billions of dollars more in agricultural

products from the United States, as part of Phase 1 of the trade agreement between the two countries.

Throughout 2019, China brought 16.94 million tons of soy in the U.S., exceeding the 16.6 million tons reached in 2018, when shipments were almost halved compared to the previous year due to the trade dispute. In addition, Chinese imports of soy from Brazil, the largest supplier of oilseeds, reached 4.83 million tons in December, 10% more than in the previous year and 25.1% above November.

Throughout the year, China brought 57.67 million tons of soy from Brazil, down 12.8% from the volume of 66.1 million tons in 2018. The following chart, uses DataLiner data to show Brazilian soy exports to China and the rest of the world between January 2015 and November 2019:



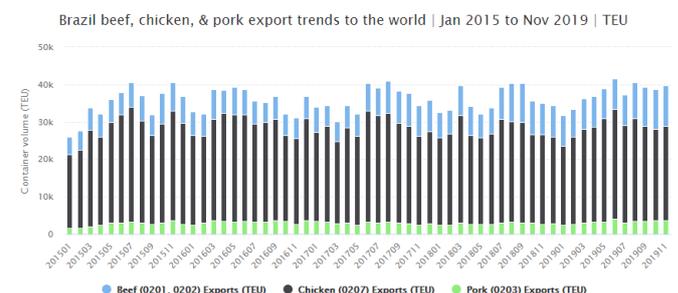
Fonte do gráfico: DataLiner/Datamar

### Meat

JBS has signed a memorandum of understanding with the WH Group, a Chinese meat and food processing company, to supply fresh beef, poultry and pork to the Chinese market.

In a statement, JBS said that under the agreement the supply products would be supplied using the Friboi and Seara brands. The agreement is worth up to R\$3 billion reais per year. The first shipments resulting from the partnership will take place in the first quarter. According to JBS, in addition to expanding its market share in China, especially beef, the partnership aims to provide the consumer with direct access via more than 60,000 exclusive WH Group points of sale in the country.

**Beef price falls** - A recent survey done by the Ministry of Agriculture, Livestock and Supply (Mapa) found a drop in the price of beef since the beginning of the year, motivated by a reduction in consumer demand and in the volume of beef exports to China. The following graph uses DataLiner data to show Brazilian meat exports from January 2015 to November 2019:



Fonte do gráfico: DataLiner/Datamar

The prices of live cattle last Friday (24) was quoted at between R\$170 and R\$180. In Mato Grosso do Sul for example, this represents a 10.5% drop between December 30, 2019 when it was quoted at R\$190, and last week's quote of R\$170.

### Oil and gas

**On the 24th of January, the Port of Rio de Janeiro received the FPSO (Floating Production Stock and Oil transfer unit) P-70, which will operate in the Pre-Salt complex of the Campos Basin. The platform was delivered by the semi-submersible vessel Boka Vanguard, which anchored in Guanabara Bay for unloading.** The complex mooring operation involved professionals from Companhia Docas do Rio de Janeiro, the Brazilian Navy and Rio de Janeiro Pilotage.

The Port of Rio de Janeiro Water Access Manager, Roque Pizarroso, stressed that "a maneuver of this size is very technical and requires a lot of expertise from the professionals involved". This is because the ship is extremely heavy, carrying a platform weighing 78,000 tons, millimetrically accommodated on the vessel.

According to Pizarroso, "the mooring operation was a success, but the most important and delicate maneuver will still occur, when the Boka Vanguard vessel will submerge to unload the platform P-70 (Float-Off), which when unloaded will proceed to another anchorage area, where it will remain for approximately 30 days". According to him, during this period, commissioning, nationalization of the structure and preparations for the continuation of the trip to the Atapu 1 Project (Pre-Salt) of the Santos Basin will be carried out, among other actions.

Regarding the choice of the platform unloading location, the manager explained that "Guanabara Bay has sheltered waters, which perfectly meet all the technical requirements for depth, winds and currents necessary for the operation".

**What is the P-70?** The P-70 is part of the series of replicating platforms, which currently account for part of the production in the pre-salt area, with the operations already underway at units P-66, P-67, P-68 and P-69. Built in China, the platform has the capacity to produce 150,000 barrels of oil and 6 million cubic meters of natural gas per day.

The transport of the P-70 was carried out by the modality called dry tow, which means that instead of being driven by ocean tugs, the unit is loaded on a semi-submersible heavy lift vessel.

### Trade

**According to a report by the Chilean Maritime and Port Chamber (Camport), in 2019 foreign trade via Chile's ports reached 115.1 million tons, 8.2% less than the previous year. There was a 7.2% in value terms, to US\$ 112,587 million.**

Looking at the last five years, exports decreased 4.4% in relation to 2015, whilst imports grew 10.5%. In value terms, imports in US dollars rose 12.6%, whilst exports grew 14.4% over the same period comparison.

**Exports** - Between 2018 and 2019, total exported cargo fell 7.5 million tons. The greatest drop was seen in iron ores and concentrates, which fell 5.5 million tons. On the other hand, copper ores and concentrates increased by 1 million tons.

The value of exported products in 2019 fell by US\$4.495 million compared to 2018. The products with the greatest variations between the two periods were refined copper, which fell by US\$2.6 million; chemical wood pulp, which fell by US\$852 million and unrefined copper, which fell by US\$827 million. Apricots, cherries, peaches and plums grew by US\$722 million, while corn increased by US\$688 million.

**Imports** - Last year, total imported cargo fell 4.7% to 2.78 million tons compared to 2018. The value of imported products fell by 7.8% to US\$4.2 million over the same period comparison.

**On Wednesday January 29, Donald Trump signed a law that promulgates the USMCA trade agreement between the USA, Mexico and Canada. The new agreement replaces NAFTA, the North American Free Trade Agreement.**

The treaty will run for 16 years and update trade rules to encompass 21st century technology, safeguard environmental and labor standards in Mexico and reinforce requirements for trade in the automotive industry between the three countries. In summary, the agreement has stricter rules in the labor and automotive sectors, but leaves US\$1.2 trillion in US-Mexico-Canada annual trade flows largely unchanged.

**According to data released by Secex (Secretariat of Foreign Trade), in the fourth week of January 2020 the trade balance registered a US\$561 million deficit, with the total amount traded at US\$5.693 billion, resulting from exports of US\$2.566 billion and imports of US\$3.127 billion.** The cumulative total for the month saw total exports at US\$11.397 billion and imports at US\$11.041 billion, with a positive trade balance of US\$356 million and a total trade flow of US\$22.437 billion.

**Weekly analysis** - According to the data released, average exports for the 4th week reached US\$513.2 million, 30.3% below the average of US\$735.9 million registered up to the 3rd week, due to the reduction in exports of basic goods (crude oil, iron ore, raw cotton, beef, pork, chicken and soy in grains); manufactured goods (airplanes, acyclic alcohols and their halogenated derivatives, fuel oils, earthmoving machinery and equipment, gasoline) and semi-manufactured goods (iron/steel semi-manufactured goods, raw sugar, cast iron, cellulose, leather and hides).

On the import side, there was a 5.2% drop over the same period comparison (average of the 4th week at US\$625.4 million compared with US \$ 659.5 million up to the third week), mainly explained by the decrease in amount spent on mechanical equipment, organic and inorganic chemicals, copper and its works, motor vehicles and parts, and electronic equipment.

**Monthly analysis** - There was an 18.4% drop in exports seen in the 4th week of January 2020 (US\$ 670.4 million) compared with the same period last year (US\$ 822.0 million). This was due to the decrease in sales of the three product categories: manufactured goods (-26.5%, from US\$320.1 million to US\$235.1 million); semi-manufactured (-20.3%, from US\$131.4 million to US\$104.7 million) and basic goods (-10.8%, from US\$370.5 million to US\$330.5 million).

In relation to December 2019, there was a 22.5% drop in exports due to a reduction in sales of basic products (-30.9%, from US\$478.6 million to US\$330.5 million) and manufactured products (-18.2%, from US\$287.5 million to US\$235.1 million). On

the other hand, exports of semi-manufactured products grew (+ 6.3%, from US\$ 98.5 million to US\$104.7 million). On the import side, the daily average until the 4th week of January 2020 reached US\$649.5 million, 12.8% below the average in January 2019 (US\$744.9 million).

- 12) Scientific and Technological Cooperation Program (2020-2023)
- 13) Mutual Legal Cooperation Agreement in Criminal Matters
- 14) Memorandum of Understanding on Cooperation to establish Center of Excellence in India to Conduct Bioenergy Research
- 15) Collaboration in the area of Livestock and Dairy Production

MINISTÉRIO DA ECONOMIA  
SECRETARIA ESPECIAL DE COMÉRCIO EXTERNO E ASSUNTOS INTERNACIONAIS  
SECRETARIA DE COMÉRCIO EXTERNO

EXPORTAÇÃO ACUMULADA - ANEXO 2020 - PRODUTOS SELECIONADOS  
(LÍNEA 4 - SEMANA 17 (04/01/2020))

	JAN/2020 (A)				DEZ/2019 (B)				Var. MO S (A/B)				JAN/2019 (C)				Var. MO S (A/C)				
	Valor	MO	Valor	MO	Valor	MO	Valor	MO	Valor	MO	Valor	MO	Valor	MO	Valor	MO	Valor	MO			
CAFE EM GRÃO	285.2	9.8	2,955.9	107.6	319.1	9.9	3,951.9	150.8	155.9	-19.5	-0.2	4.4	408.3	18.6	3,033.2	107.6	194.8	-8.6	-17.4	-24.1	
SOJA EM GRÃO	287.1	9.2	1,055.9	76.7	384.1	1,271.9	12.9	1,420.6	92.8	367.7	-47.9	-0.8	-9.3	786.7	34.9	2,239.1	52.5	277.1	-45.8	-43.8	-3.4
FARFEL DE SOJA	283.5	9.7	831.8	45.9	341.3	551.8	28.8	1,877.7	79.4	338.8	-37.6	-0.4	1.3	471.7	21.4	1,236.4	56.2	391.5	-22.1	-42.9	-30.5
ÓLEO DE SOJA EM BRUTO	2.4	0.2	4.1	0.2	832.5	20.7	1.9	29.1	1.4	72.1	-78.9	-0.2	0.1	24.0	1.1	3.1	1.7	621.6	-61.6	-66.2	-31.8
SUCO DE LARANJA NÃO CONSERVADO	28.3	1.6	9.6	1.0	1,000.3	51.1	2.4	3.2	1.5	1,598.8	-34.9	-0.4	0.8	31.7	1.4	9.2	0.7	1,951.8	9.9	34.1	-16.1
SUCO DE LARANJA NÃO CONSERVADO	54.4	3.2	27.5	5.7	557.4	188.7	6.5	203.0	5.7	673.7	-58.9	-0.7	-17.2	73.2	3.4	121.4	5.5	610.5	-46.3	-3.9	-3.9
ADICIONAR EM BRUTO	105.5	5.2	1,095.1	64.4	382.8	350.9	9.7	1,286.9	81.3	272.7	-8.8	-0.1	3.6	200.4	10.7	1,071.9	46.3	275.5	-42.8	-39.2	-2.6
ADICIONAR REFINADO	65.0	3.8	1,015	10.1	379.1	70.7	3.4	182.2	6.9	379.5	-13.8	-0.8	-0.1	25.6	1.2	63.9	3.0	388.1	229.0	236.8	-2.3
CELULOSE	496.9	27.0	1,055.1	79.9	389.8	470.2	22.4	1,255.8	27.4	389.8	-20.6	-0.5	-2.4	359.3	45.5	1,872.3	78.0	557.9	-48.6	-6.8	-26.3
ALUMÍNIO	23.1	1.4	13.7	0.8	1,609.1	37.4	1.9	22.3	1.1	1,676.7	-23.6	-24.2	0.8	35.0	1.6	9.2	0.3	1,623.2	-16.7	-7.8	-7.4
CARNE SUINA "IN NATURAL"	70.8	2.1	46.0	2.3	1,000.0	174.2	8.2	85.8	3.1	2,888.0	-19.5	-0.8	0.5	94.1	3.8	491.9	1.8	1,000.0	86.8	45.1	29.8
CARNE SUINA "IN NATURAL"	493.2	27.0	32.5	5.4	4,566.5	763.2	35.0	48.8	7.1	5,043.7	-24.6	-23.2	-1.8	304.0	17.5	120.4	4.7	3,748.0	54.5	16.8	32.2
CARNE DE FRANGO "IN NATURAL"	38.3	2.1	223.5	13.1	1,849.1	585.1	27.1	369.8	17.8	1,842.0	-24.7	-23.8	-2.8	408.3	18.6	208.6	18.8	1,849.1	80.8	118.0	52.8
SEMIAMARRA F. FERVIDO	28.2	0.5	680.6	40.0	386.3	318.0	15.1	784.5	37.4	408.3	2.1	7.2	-4.7	521.2	23.7	1,040.1	47.3	501.2	-34.7	-15.3	-22.9
LARANJAS PLANTAS	75.6	4.4	154.4	6.7	1,682.7	83.0	3.0	30.2	4.3	696.5	-48.2	-33.8	-3.5	322.7	10.1	227.8	15.5	746.2	-58.1	-50.7	-11.0
COQUE	88.2	4.0	32.6	1.9	2,071.2	61.4	3.9	36.3	1.7	2,250.4	2.4	-0.9	-0.1	97.4	4.4	4.3	1.9	2,250.4	-9.3	-2.8	-11.1
FUMO EM FOLHAS	53.5	3.5	95.5	0.8	3,829.5	97.9	5.1	30.8	1.5	3,528.7	-31.9	-37.4	0.8	94.9	7.5	36.9	1.6	4,593.9	-53.4	-44.2	-36.4
MINÉRIO DE FERRO	1,286.9	36.3	20,971.1	1,921	1,646.1	1,409.9	72.9	24,919.0	1,150.6	65.6	7.6	4.5	1.0	1,710.0	17.9	23,158.0	1,592.2	217	-2.8	-21.6	24.9
GRANILHA	103.8	6.1	176.0	9.4	598.5	77.9	3.7	152.7	8.3	582.7	85.5	83.8	1.1	81.1	3.8	80.8	7.4	512.1	61.4	40.1	16.2
ÓLEO COMESTÍVEL	234.9	7.3	782.3	42.3	493.1	1,409.9	72.9	24,919.0	1,150.6	65.6	7.6	4.5	1.0	1,710.0	17.9	23,158.0	1,592.2	217	-2.8	-21.6	24.9
PETROLIO EM BRUTO	1,282.2	71.7	3,613.3	214.4	3,373.2	2,787.9	125.5	6,721.1	486.3	319.1	-44.7	-48.8	-8.2	2,623.0	32.2	4,960.8	228.4	4,027.3	-222.3	-6.2	-17.2
ALUMÍNIO	280.0	23.3	282.2	14.8	1,903.7	444.2	21.2	278.2	13.2	1,598.8	36.1	0.8	-1.7	322.9	9.2	167.7	5.3	1,720.1	192.3	119.8	-8.7
BEIJO	206.1	9.7	1,969.7	185.0	171.8	292.2	36.7	3,366.8	208.0	191.8	-44.8	-44.2	-0.6	893.3	30.0	3,866.8	197.7	1,952	-24.1	-36.6	0.5
ETANOL**	42.9	2.5	77.6	4.5	351.2	76.7	3.7	165.6	7.0	521.4	-31.2	-34.7	5.3	54.5	2.5	10.7	4.8	521.1	1.4	-4.2	-5.3

**On a visit to India, President Jair Bolsonaro hinted at a possible turnaround in Brazil's dispute with India logged with the WTO (World Trade Organization). The issue is regarding subsidies given by the Indian government to its farmers which has encouraged the international price of sugar to drop.**

After a meeting with the Indian Prime Minister, Narendra Modi, and asked about the issue, Bolsonaro replied: "He [Modi] told me that only 2% of Indian sugar is exported. This is a small amount. I have asked Ernesto Araújo [Foreign Minister] for a possible review of our position on this," said the president, who added that the country will not demand anything in return.

**WTO dispute** - Brazil had filed a petition with the WTO against India, which offers government aid for the production and export of sugar. India, for its part, has plans to export 5 million tons of sugar from the 2018/19 harvest, offering subsidies that are linked to export performance.

**Bilateral agreements** - On a visit to India, last Saturday Bolsonaro participated in a ceremony of exchange between Brazil and India at Hyderabad town in New Delhi, where fifteen documents were signed between the two countries which included cooperation agreements and memoranda of understanding in several areas. These are listed below:

- 1) Action Plan to Strengthen the Strategic Partnership between Brazil and India
- 2) Investment Cooperation and Facilitation Agreement (ACFI)
- 3) Memorandum of Understanding on Cooperation in the Area of Cybersecurity
- 4) Social Security Agreement
- 5) Memorandum of Understanding on Cooperation in Bioenergy
- 6) Memorandum of Understanding on Geology and Mineral Resources
- 7) Memorandum of Understanding on Cooperation in Areas of Health and Medical Sciences
- 8) Memorandum of Understanding for Cooperation in the Area of Traditional Medicine and Homeopathy
- 9) Memorandum of Understanding between Ministries of Citizenship for Early Childhood
- 10) Memorandum of Understanding for Cooperation in the Oil and Natural Gas sector
- 11) Executive Cultural Exchange Program (2020-2024)

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