

## Main news

**On 06/02, Morocco accepted the International Health Certificate (CSI) presented by Brazil which allows it to import its fish.** “We have great news in the fisheries sector: Brazil received the news from Morocco about the opening of its market for fish imports from Brazil,” said the Minister of Agriculture, Livestock and Supply, Tereza Cristina.

According to the secretary of Aquaculture and Fisheries at the Ministry, Jorge Seif Júnior, last year Morocco imported the equivalent of US\$240 million in fish from all over the world. “Brazil can now be part of this market,” said the secretary. Seif pointed out that the Ministry of Agriculture is working to seek new markets, as Brazilian fish production is growing. Morocco is especially interested in beautiful striped, squid and shrimp.

The following table, derived from DataLiner data, shows that Morocco was the main source of fish imported by Brazil in 2019. From now on, this trade can be bilateral:

### *Volume of fish (NCM 0303) imported by Brazil in 2019 (TEU and KG)*

IMPORTAÇÃO		
Pais	TEU	Tonelada
MOROCCO	4.526	65.582
PORTUGAL	690	7.060
OMAN	610	8.625
TAIWAN	544	7.024
SPAIN	194	2.597
EQUADOR	136	1.917
UNITED STATES	132	1.486
PERU	123	1.683
CHILE	82	1.107
MEXICO	76	1.021
CHINA	68	904
NORWAY	56	771
URUGUAY	49	671
ARGENTINA	40	551
SINGAPORE	32	388
VIETNAM	28	356
PANAMA	28	371
CANADA	21	241
HONG KONG	8	106
INDIA	6	67
GERMANY FEDERAL REPUBLIC	4	47
NETHERLANDS	2	26
SOUTH AFRICA	2	23
NEW ZEALAND	1	18

The following table, also derived from DataLiner data, shows the main Brazilian fish exporters in 2019:

### *Volume of fish (NCM 0303) exported by Brazil in 2019 (TEU and KG)*

EXPORTAÇÃO		
Pais	TEU	Tonelada
UNITED STATES	691	7.659
CHINA	548	7.068
EQUADOR	286	3.873
KOREA, REPUBLIC OF	158	1.873
MOROCCO	120	1.728
COLOMBIA	88	1.086
GUYANA	84	1.053
GUATEMALA	82	1.025
TAIWAN	61	660
GABON	57	796
CAMEROON	48	660
CONGO	42	571
PUERTO RICO	32	356
CANADA	30	314
THAILAND	22	280
CHILE	16	187
VIETNAM	16	205
INDONESIA	15	179
CONGO, DEM. REP. OF	14	200
DOMINICAN REPUBLIC	12	140
PERU	12	157
HONG KONG	12	149
COTE D'IVOIRE	10	145
SURINAME	8	93
ANGOLA	8	114
TOGO	6	84
EL SALVADOR	6	76
EQUATORIAL GUINEA	6	87
SENEGAL	6	52
MALAYSIA	5	58
OMAN	4	57
SINGAPORE	4	54
COSTA RICA	4	54
JAPAN	4	48
SINT MAARTEN	2	23
NIGERIA	2	29
SÃO TOME AND PRINCE	2	28
BENIN	2	29
LIBYAN ARAB JAMAHIRIYA	2	28
PORTUGAL	2	11
LIBERIA	2	26

## Ports, terminals and infrastructure

**The Infrastructure Ministry expects R\$30 billion to be invested in expanding the country's rail network. The funds would be obtained through concessions.** The information was given by Minister Tarcísio Gomes de Freitas, who participated on 07/02 in the 1st Sustainable Development Forum of Costa Verde, held at the Federal Rural University of Rio de Janeiro (UFRRJ), in the city of Seropédica (RJ).

“We will invest R\$30 billion in railroads over the next 5 or 6 years,” he said. The first concession contract was signed last year and involves the North-South Railway, between Porto Nacional (TO) and Estrela D'Oeste (SP). Concessions of the West-East Integration Railway are planned for this year, which will connect Ilhéus (BA) to Figueirópolis (TO), and Ferrogrão, a project originating in Cuiabá (MT) and ending in Santarém (PA).

The government also plans to work for a legislative change that would allow an authorization scheme. It is a model in which the investor has more freedom than in the concession regime. “Currently we are not allowed to operate using the authorization scheme for railways although it is used for the port sector. The scheme opens new doors for the investor to take the engineering risk, so that he can own the undertaking of the works and own the railway as well as having the benefit of perpetuity and the freedom to set its tariff. This is important for those who take long-term risk and provide new rail investments in Brazil”, said Tarcísio.

According to a 2018 study by Fundação Dom Cabral, the road network is used to transport 75% of production in the country, whilst rail accounts for only 5.4%. The impact caused by the 2018 truck drivers strike exposed the country's dependence on road transport and generated a public debate about the need to expand the railway network.

**Maranhão is on Brazil's cabotage route and is expected to show strong growth this year, according to the national Cabotage Sales Manager of Aliança Navegação e Logística, Jaime Batista, after a meeting with the leaders of the Maranhense Port Administration Company (EMAP).** Starting this month, Aliança Navegação e Logística, a leader in cabotage in Brazil, will restart the regular container line at Porto do Itaqui, in São Luís, with more frequent stopovers.

“We spent a few months testing and monitoring productivity, a period also with a lot of cargo prospecting that had positive results, which motivated us to invest in the continuity of services in the region,” said the executive. According to him, the trend is to increase such service as the private sector gains increasing confidence in cabotage, as is happening in other regions of the country. Currently, the sectors that use cabotage most frequently are retail and construction. The loads vary from raw material for industries to food, including refrigerated food.

According to the president of EMAP, Ted Lago, the objective of resuming regular cabotage services is to attract more business and reduce logistical costs for companies in Maranhão, strengthening a fundamental chain for the state's economic development. “The market was organized to consolidate the cargo and the Port of Itaqui has all the necessary infrastructure for the weekly operation”, says Lago.

The negotiations between the Government of Maranhão, through the Department of Industry, Commerce and Energy (Seinc), EMAP, the port community and the private sector began two years ago. Since August 2019, Aliança has been carrying out the necessary tests and adjustments to increase the frequency. “The joint work made it possible to identify the main needs of the local business community and solidify the need to offer a regular service, which guarantees periodicity, efficiency, safety and the best cost-benefit ratio,” says Jaime Batista.

The port infrastructure for the storage of containers at the Port of Itaqui covers an area of 20,250 m2 with static capacity for 1,341 TEUs. “We are excited about the weekly service and confident about the increase in demand across the region,” he concludes.

**Expenditure on demurrage for fertilizer imports via the ports of Paraná was 43% lower in 2019. The data were released this Wednesday (02/02) by Sindiadubos (the Fertilizer and Agricultural Representative Body for Paraná State. This meant a saving last year of US\$20.39 million.**

Among the factors encouraging this were continuous improvements in the effectiveness of ship scheduling and in the logistics of unloading, transport and storage operations, in general. According to the CEO of Portos do Paraná, Luiz Fernando Garcia, the public company has dedicated itself to optimize the operation times and reduce the costs of port operators, in all segments. “We are constantly working to ensure that the rules that help in scheduling of moorings and operations of the ships are clear, transparent and guarantee better occupation of the commercial public wharf, as well as a reduction in operational time. With that, not only does everyone win, they also stop losing with extra expenses”, he says.

Details released by Sindiadubos showed the most significant reduction in vessel mooring costs was at the commercial public wharf. The amount paid in demurrage was 51% lower in operations for berths 208, 209 and 211, in 2019. Last year, the sector paid about US\$20.4 million in vessel lay-overs, compared with US\$42.07 million in 2018.

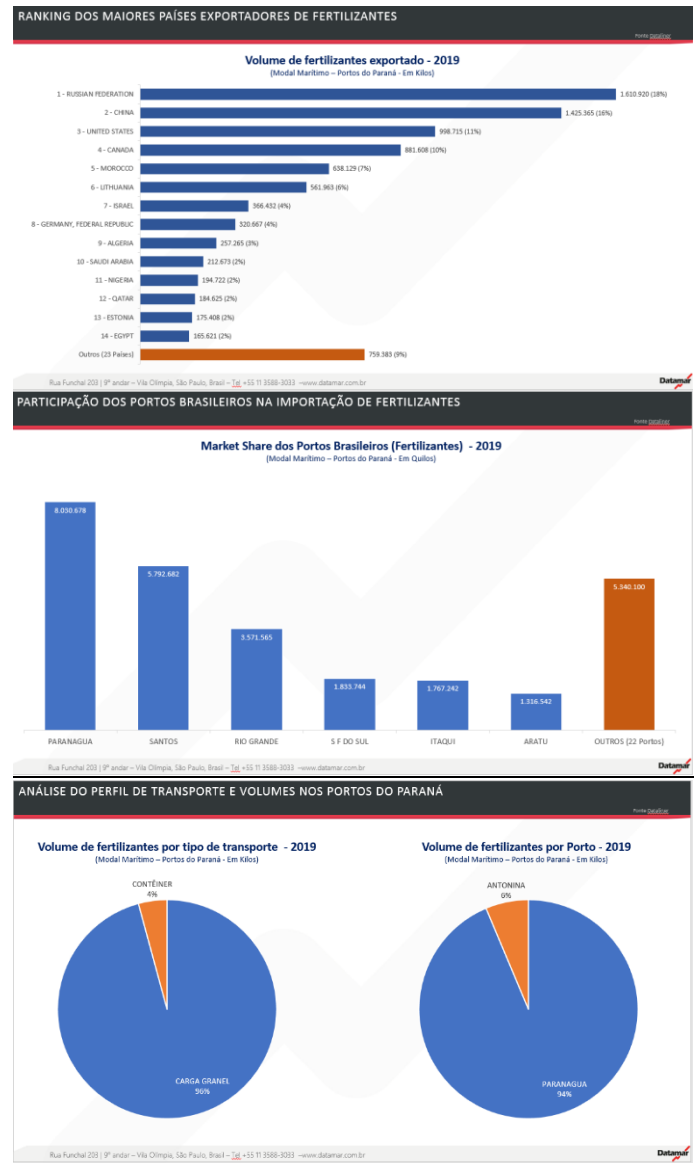
“The 43% reduction in demurrage payments means that ships have waited less time to unload. This is because the operations have been increasingly effective, both at the port and at the rear – in transport and storage”, reaffirms the manager of Sindiadubos, Décio Gomes. The fertilizer sector expects, for 2020, a year similar to the previous year, in terms of import volume. However, as Gomes says, some external factors may influence this year’s scenario, such as the commercial relationship between the United States and China; the performance of North American crops; exchange rate changes and the value of the Real.

**Fertilizers** – The import of fertilizers through the ports of Paraná (commercial pier of the Port of Paranaguá, Fospar Terminal and Ponta do Félix Terminal in Antonina) in 2019 reached almost 9.15 million tons. Despite the volume representing a decrease of 5% in relation to the movements of the previous year, the ports of Paraná continue to be the main portal for fertilizers in the country. The Antonina and Paranaguá terminals receive about 28% of the fertilizers imported by Brazil.

The main products imported in the year were potassium chloride – MOP (31% of the total), NPK complexes (14%), monoammonium phosphate – MAP (13%), ammonium sulfate

(12%) and urea (11%). The main origins of the products are Russia, China, the United States and Canada.

The following graphs, based on DataLiner data, from Datamar, provide an overview of Brazilian fertilizer imports:



**The Port of Antonina, on the coast of Paraná, recorded the fifth highest growth among 19 Brazilian ports in 2019. According to the Infrastructure Ministry, the volume of cargo handled was 17.3% higher than in 2018. The national average growth rate among the country’s public ports was 10.3%.**

According to Gilberto Birkhan, CEO of TPPF – Terminals Portuários Ponta do Félix, the company responsible for operations at the port, the goal for 2020 is to maintain high rates of expansion. “The key is to recognize this new stage within the TPPF, with more consistency in the provision of services, especially in the services of product storage and specialized work with differentiated loads”, he points out. He said the growth forecast for TPPF is 70% this year, with around 1.5 million tons of products expected to be handled this year, mainly involving non-GM soybean meal and fertilizers, the flagships of the Port of Antonina.

One of the main advantages of the TPPF for those who sell these products, according to Birkhan, is the customs terminal with a customs warehouse – which allowed a 47% growth of fertilizers deposited. “When the product arrives at our warehouses, it remains the property of the exporter abroad,” he explains. “The product can stay in Paraná or be nationalized to the state of Goiás, for example, without the payment of interstate ICMS”.

When the product arrives with a specific destination in Brazil, and the customer has the need to change the destination, state of consumption or use, it will be taxed with ICMS. This charge can be avoided by using the customs warehouse. “Obviously we also do direct unloading, the product goes straight to its final destination. But the great opportunity is the customs warehouse, which the TPPF offers”, he adds.

In addition to the advantage of the warehouse, Birkhan says that the TPPF also has plans for improvements to the maritime structure to maintain growth. “We are looking forward to increasing the depth of our draft, which will allow us to further leverage these numbers,” he says.

**Antonina in numbers** – In 2019, 908,377 tons passed through the Port of Antonina. Of the total, 559,400 tons refer to the import of fertilizers, which grew 18% in relation to 2018. The export of bagged sugar grew 7% compared with 2018. In the case of soybean meal, the growth in handling exceeded 18% for the same period comparison.

TPPF currently has 60,000 square meters of storage infrastructure, with an estimated capacity of 200,000 static tons. This number will increase as the expansion works progress.

**At the end of last month the Infrastructure Ministry published the final version of the Master Plans for the port complexes in Pelotas, Porto Alegre and Rio Grande. The document refers to the 3rd Port Planning Cycle (2015-2019).** These plans are part of the effort by the Ministry of Infrastructure (MInfra) to improve the national port sector. The first cycle started in 2010 and ended in 2012 with the development of the National Port Logistics Plan (PNLP) and Master Plans for 15 Brazilian ports.

The second phase occurred between 2012 and 2015, where the PNL and the 15 Master Plans developed in the first cycle were updated, as well as the development of Master Plans for the 22 ports that were not included in the scope of the first cycle. The third cycle is developed within a structured and articulated planning framework, so that integration is guaranteed between all plans and are carried out smoothly throughout the process.

The importance of Master Plans is due to the guidance it provides for investment decisions, both public and private, in the infrastructure of port complexes and also in relation to strategic actions to be defined on topics involving port dynamics, with emphasis on port management, environment, operational improvements and port-city interaction.

You can check such documents at the addresses:

[www.infraestrutura.gov.br/planejamento-portuario/113-politica-e-planejamento-de-transportes/5426-planos-mestres.html](http://www.infraestrutura.gov.br/planejamento-portuario/113-politica-e-planejamento-de-transportes/5426-planos-mestres.html)

[www.portosrs.com.br/site/estrutura\\_plano\\_mestre.php](http://www.portosrs.com.br/site/estrutura_plano_mestre.php)

**Hidroviás do Brasil, a logistics company controlled by the management company Pátria Investimentos, wants to build a new logistics operation in the North of the country, focussed on natural gas distribution in the region.**

The company plans to build a Liquefied Natural Gas (LNG) terminal in Barcarena, Pará where the group already has a private use terminal (TUP) for other activities, such as grains and fertilizers. The new structure would be able to receive vessels, as well as have storage and regasification facilities. According to Hidroviás do Brasil, the group already has the necessary licenses to implement the project.

**Three giant transformers were delivered at APM Terminal in Ceará last weekend to be taken to Rio Grande do Norte. It took 10 days for the vessel to make the 4,000km trip from the Port of Imbituba in Santa Catarina, to Pecém Port on the west coast of Ceará. The three transformers were offloaded at berth 8 at the port's Multiple Utilities Terminal (TMUT).**

The electric power transformers (supplied by WEG S.A) were manufactured in Porto Alegre. Each of the three giants weighs 106 tons, the equivalent of almost four fully loaded containers. The total weight of a 40-foot container (cargo + tare) is 32.5 tons.

“Pecém is a port with multiple uses, serving several cargo segments. This cargo, which is outside the usual dimensions, required a special operation from our entire team. We tested our capacity for safety and productivity, in addition we concluded that cabotage was the ideal way to transport this type of cargo”, says Raul Viana, Port Business Manager at the Pecém complex.

The transformers came through one of the six cabotage lines that regularly serve the Port of Pecém, the ALCT 2 line from Aliança Navegação e Logística. Today, the Ceará port terminal has the second largest number of cabotage lines (movement between Brazilian ports) in Brazil, with the Port of Santos in first place.

Two more transformer discharges are scheduled for February 13th and 20th. Altogether, seven transformers will be unloaded at the Port of Pecém. From the Ceará terminal, the equipment travels by road to the municipality of Assu, in Rio Grande do Norte.

### Shipping

**Roberto Rodrigues has been appointed as the first Brazilian to lead up Maersk's global integrated container logistics service along the East Coast of South America.** With 24 years of experience, Rodrigues returned to São Paulo to manage Maersk's operations in Brazil, Argentina, Uruguay and Paraguay, providing customers with end-to-end land and sea logistics services. Before returning to Brazil, Rodrigues was in Panama, where he led Maersk's operations in the Caribbean.

For 2020, Rodrigues is focused on building Maersk's intermodal services business on the East Coast of South America – one of the most important refrigerated cargo routes in the world, connecting commodity producers to more than 130 markets. “Customers want, above all, simple and integrated container logistics services. They want predictability and ease of moving goods to and from Brazil,” says the general director. “In the digital age, booking online at a fixed price is extremely important. Customers want price guarantees and reliability. We are doing all this and more,” says Rodrigues.

Before going to Panama in 2016, Rodrigues was former general director of Mercosul Line, a coastal shipping service that was sold to CMA CGM in 2017, to pave the way for Maersk's acquisition of Hamburg Süd. At Mercosul Line, Rodrigues looked after over investments worth over R\$200 million in vessels and equipment.

**The Foreign Trade Secretariat of the Ministry of the Economy (Secex / ME) opened a 60-day public consultation on new customs regulations on a drawback scheme which aims to exempt tax on imports, linked to a commitment to export. According to Secex Ordinance 12/2020, which authorized the consultation, suggestions from bodies, entities and other interested parties should be presented in an editable spreadsheet format containing device identification, draft text, proposed wording, technical and legal justification and data of the applicant.**

The measure is part of the effort to review regulations determined by the federal government going back as far as Decree No. 10,139, of November 28, 2019, and is in line with the best existing regulatory practices. The purpose of the new regulation is to increase transparency and application of this rule, whilst simplifying procedures and providing greater legal certainty for companies using the drawback scheme.

The proposal for the regulation can be accessed via the website [www.siscomex.gov.br](http://www.siscomex.gov.br). Suggestions and comments should be sent by March 30 to the address [decoe@mdic.gov.br](mailto:decoe@mdic.gov.br).

After the end of the public consultation period, the contributions received will be analyzed and then published on the Single Siscomex Portal. The expectation is that by the end of the first half of this year, the new rule regarding the drawback regime will be issued.

**What is drawback** - The drawback, instituted by Decree-Law No. 37, of 1966, and perfected by several subsequent rules, is a special customs regime that allows the suspension, exemption or reduction of taxes to zero depending on how inputs used to manufacture a good for export are sourced. The mechanism works as an important incentive for Brazilian exports, as it reduces the production costs of exportable goods, making them more competitive in the international market.

Currently, the drawback scheme encourages exports worth approximately US\$50 billion per year, benefiting a wide range of sectors, which includes everything from basic products, such as iron ore and frozen chickens, to goods with higher added value such as automobiles.

**Hapag-Lloyd is adding an almost real-time monitoring tool for its refrigerated containers to its product portfolio. "Hapag-Lloyd LIVE" increases the transparency of the cold chain, offering customers several sets of data on the condition and location of their refrigerated containers.** The product will initially be launched to a selected group of customers and will be made available gradually as the refrigeration fleet of around 100,000 containers is equipped with monitoring devices.

According to the company's director of global business development, Juan Carlos Duk, "Hapag-Lloyd LIVE" significantly increases the reliability of the global supply chain and the responsibility of all parties involved. We are committed to the highest level of transparency, making data available without filtering and without alteration."

The new solution is a step towards further digitizing the refrigerated cargo supply chain. Customers who use "Hapag-Lloyd LIVE" in the future will benefit from customizable graphic temperature limits. The data will be conveniently accessible via the "Hapag-Lloyd Navigator" customer experience panel, which was launched in December 2019. With Hapag-Lloyd LIVE as a new resource, customers can now see all relevant information related to their loads at once. The following data will be made available:

- Current temperature setpoint
- Air temperature during transport
- GPS location information
- Container tracking and event tracking

### Grain

**China's National Grain Trade Center said the country would start selling 2.96 million tons of maize from state reserves on February 7 to alleviate a shortage of feed supplies faced by some companies in the south of the country.** According to a statement on the state agency's website, feed manufacturers located outside the provinces of Heilongjiang, Jilin, Liaoning and the Inner Mongolia region – a corn strip in northeastern China – will be able to bid for the product.

In an effort to stem the spread of the coronavirus, some provincial governments have set restrictions that have disrupted the transport of feed and live animals. The Chinese government has asked the provinces to minimize the impacts of these disruptions and guarantee operation under normal conditions in the animal feed sector.

**Chinese commodities group Cofco International has announced the appointment of new members to its executive body, including a new managing director for Brazil.** The company said that Tony Tian will assume the position of Head of Risk and Regional Managing Director for Brazil and North America.

The managing director for Brazil, Valmor Schaffer, will leave the post and will be replaced by Philip Xu, who previously held the position of deputy director. The company also appointed Alfonso Romero as managing director for Argentina, Paraguay and Uruguay and Helen Song as strategy director.

**Brazilian coffee is popular all around the world, and last year, exports of it reached a historic record. In 2019, it was exported to 128 countries, with 40.6 million 60-kg bags sold, generating US\$5.1 billion.**

The president of the Brazilian Coffee Exporters Council (Cecafé), Nelson Carvalhaes, says that the sector has similar high expectations for this year. "Brazil is a leading player in global coffee exports. Over the years, the country has invested a lot in productivity, quality and sustainability, so our coffee is very well accepted abroad. We have a 38% to 40% share of global trade, and expectations remain very good. Everything indicates that the next harvest will be great."

Official projections for production are also good. According to the National Supply Company (Conab), the country will be able to harvest up to 62 million bags of coffee (up to 45.98 million arabica

and up to 16.04 million conilon). Last year, there were 49.31 million bags. Also according to Conab, Brazil's total gross revenue from coffee production should reach R\$25.5 billion, compared to R\$22 billion last year.

In addition to production, world demand for coffee beans has also been growing by between 1.5%-2% per year and, according to Carvalhaes. By the end of 2020, global coffee consumption may reach 173 million 60-kg bags. Last year it was at 167.9 million. "Brazil is working hard to keep up with this demand and take the opportunity to increase its market share," he explained.

**Revenues** - In 2019, Brazilian coffee exports (40.6 million 60-kg bags) were 13.9% higher than in 2018 (35.6 million). However, the foreign exchange revenue generated in the two years was similar at around US\$5.1 billion. This was because the average price of a bag last year was US\$125.49, whilst in 2018 it was at US\$144.53. This year, however, prices have been improving.

"We had low prices on the international market until October 2019. In November and December 2019, as well as in January 2020, there was already a recovery. I believe that this year the revenue will be higher", said the president of Cecafé.

**Brazilian soy exports in February are predicted to pick up substantially after a weak month in January, as the oilseed harvest is reported to have gained strength.** On January 31, the shipping agency Cargonave reported that shipments planned for February are close to 7 million tons, with more than 110 vessels scheduled. In February 2019, according to revised government data, around 5 million tons of soy were exported.

Data released by the Foreign Trade Secretariat (Secex) on Monday indicate that only 1.49 million tons of soybeans were exported in January, against 2.04 million in the same month of the previous year and 3.44 million in December. It is worth noting that the month of January is traditionally weaker for foreign sales from Brazil, as it is a month that the country is still at the beginning of the oilseed harvest.

Most of the soy shipments scheduled for February are destined for China as is expected. However, industry experts say that most of these exports were scheduled before the coronavirus outbreak in the region. According to the director-general of the National Association of Cereal Exporters (ANEC), Sérgio Mendes, for now it is not possible to say whether the coronavirus may influence exports. "It is very early and the harvest is late," he said.

**No impact on port operations due to Coronavirus so far** - The undersecretary of Foreign Trade Intelligence and Statistics, Herlon Brandão, affirmed on Monday 3rd February that until now there is no report of impact on port operations in Brazil because of the coronavirus. "We are monitoring the situation. Given that it has affected the Chinese economy, as well as many other countries in the world, Brazil could very well be affected," he said at a news conference. Brandão also stated that, in this context, food exports would be less affected, while sales of industrial inputs could be more affected.

## Meat

**Brazilian chicken meat exports (considering both fresh and processed meats) totaled 323,800 tons in January, according to the Brazilian Animal Protein Association (ABPA). The number is 14.9% higher than that registered in the same**

**period of 2019, when 281,700 tons were shipped.** In the same comparative period, the balance of dollar exports grew 16.5%, reaching US\$529.1 million – against US\$454 million in January 2019.

"The international market remains under pressure, which is reflected in higher prices compared to that recorded in 2019. The product mix sent to markets with higher added value such as Japan, China and the European Union also favored the monthly performance", analyzes Francisco Turra, president of ABPA.

China was the main destination for Brazilian exports (with 19.8% of the total), and 62,700 tons sent in the first month of the year alone, a volume 87% higher than that reached in January 2019, when 33,600 tons were exported.

Among the main destinations for Brazilian exports, Japan (with a 10.1% share in exports) imported 31,900 tons, a volume 17% higher compared to January 2019. Another market with good performance in the month was the European Union, whose imports grew 22% according to the same comparison, totaling 18,100 thousand tons.

**Pork exports grow 41%** - Also according to ABPA, pork exports from Brazil (considering all products, between fresh and processed) totaled 68,500 tons in January. The number is 41% higher than that recorded in the first month of 2019, when 48,500 tons were shipped. Sales revenues were US\$164.1 million, a result 78.9% higher than the balance recorded in January 2019, at US\$ 91.7 million.

China also remained the main market for Brazilian pork exports, with 30,600 tons shipped (45% of the total). This was a 252% increase compared with the same period last year, which was 8,700 tons. "Chinese demand remained high throughout January. It is an important factor in boosting Brazilian exports", analyzes Turra.

Other markets also kept pace with sales. This is the case of Hong Kong, whose imports increased by 93% in the same comparative period. Vietnam also increased imports by 330%. "Despite the notable Chinese influence, other destinations in Asia and South America helped to maintain the strong increase in the monthly result, which is the largest historical balance ever recorded during the month of January and points to a positive result in 2020", concludes Santin, executive director of ABPA.

## Ores

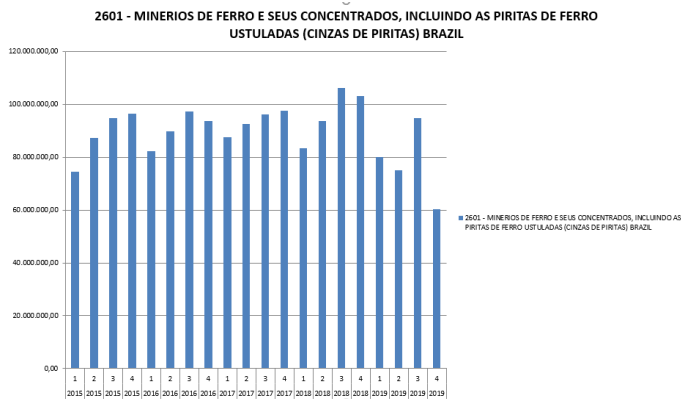
**On 05/02, UBS released a report explaining that iron ore shipments from Brazil have been affected by rains at the beginning of the year. The company's analysts estimate a 43% drop in Vale's exports in January, year-on-year.**

Vale's shipments totaled around 18 million tons in January, down 29% from December, projected UBS, which attributed the performance to "seasonal rains that arrived earlier than usual". Total exports from Brazil also fell by 19% in January according to government data, while UBS also saw lower shipments from CSN and Porto Sudeste.

According to UBS, Vale's shipments totaled around 303 million tons in 2019, including 29 million tons in domestic sales, which would be slightly below the company's sales forecast of between 307 million and 312 million tons. The data, however, does not

take into account possible use of the company's inventories in Asia and the Middle East, which could allow Vale to achieve its sales target for the year, analysts added.

The following graph, uses data derived from the DataLiner database to show Brazilian iron ore exports by quarter from 2015:



Measures: WTMT			
Commodity_HS/HS4 Portugues, Place_and_Ports/POMO_Country			
2601 - MINERIOS DE FERRO E			
Period/	Period	BRAZIL	Total
2015	1	74.375.534,28	74.375.534,28
2015	2	87.337.281,57	87.337.281,57
2015	3	94.758.140,89	94.758.140,89
2015	4	96.519.047,26	96.519.047,26
2016	1	82.295.554,07	82.295.554,07
2016	2	89.658.627,85	89.658.627,85
2016	3	97.272.696,58	97.272.696,58
2016	4	93.659.806,70	93.659.806,70
2017	1	87.685.469,45	87.685.469,45
2017	2	92.478.009,39	92.478.009,39
2017	3	96.148.719,95	96.148.719,95
2017	4	97.528.102,01	97.528.102,01
2018	1	83.508.571,21	83.508.571,21
2018	2	93.632.348,90	93.632.348,90
2018	3	106.211.772,06	106.211.772,06
2018	4	103.006.988,29	103.006.988,29
2019	1	79.979.782,70	79.979.782,70
2019	2	74.990.092,91	74.990.092,91
2019	3	94.851.241,46	94.851.241,46
2019	4	60.185.888,43	60.185.888,43
Total		1.786.083.675,95	1.786.083.675,95

## Trade

**On February 6, China affirmed it would cut the additional tariffs applied to 1,717 US products last year by half, after the signing of Phase 1 of the agreement that guaranteed a truce in the trade war between the two largest economies in the world.**

According to Reuters, although the announcement echoes the US commitment under the agreement, it is also seen by analysts as a move by Beijing to boost confidence amid the virus outbreak that has affected companies and investor sentiment. However, the prospect raised in the local media is that Beijing may invoke a disaster-related clause in the trade agreement, which may allow it to avoid repercussions even if it fails to fully meet the goal of purchasing U.S. products and services for 2020.

The Chinese Ministry of Finance said in a statement that, as of 2:01 am (Brasília time) on February 14, additional tariffs applied to some products will be cut from 10% to 5% and others from 5%

to 2.5%. The ministry did not say the value of the products affected by the decision, but the products that benefit from the new rule are part of the US\$75 billion in products to which last year China applied a tariff hikes from 5% to 10%.

In a separate statement, the Ministry of Finance said the tariff cuts correspond to those announced by the United States on Chinese products, which are also scheduled for February 14. Further adjustments will depend on developments in the bilateral economic and trade situation, the ministry said.

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