DatamarWeek

East Coast South America trade, shipping and infrastructure

Week 202017 22 April 2020

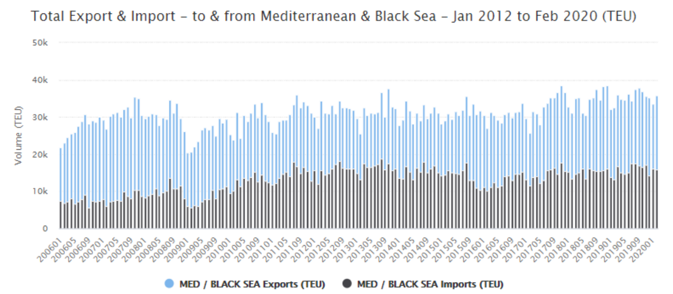
Main news

Has the pandemic caused by the coronavirus already had an impact on Brazilian imports and exports according to the main ranges of trade?

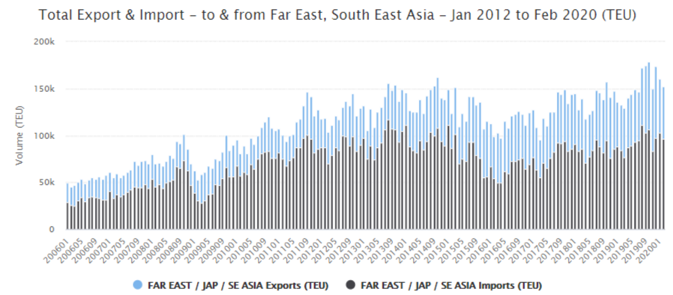
Analysis carried out using DataLiner data until February (the last full month of data available in the system) still does not show this impact. If we compare the first two months of 2020 with the first two months of 2019 (by TEU) it is possible to notice that most trade lanes showed growth up to February, although the trend is expected to show another reality going forward.

Trade lanes

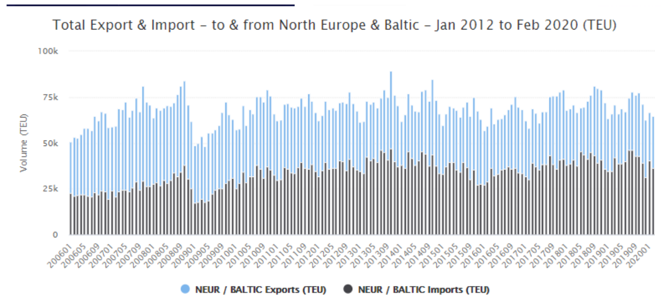
In the Mediterranean and Black Sea belt, imports grew 18% in the first two months of 2020 compared to 2019 (Jan and Feb 2019: 26,912 TEU and Jan and Feb 2020: 31,825 TEU). In exports, the growth was 0.15% (Jan and Feb 2019: 37,627 TEU and Jan and Feb 2020: 37,684 TEU).



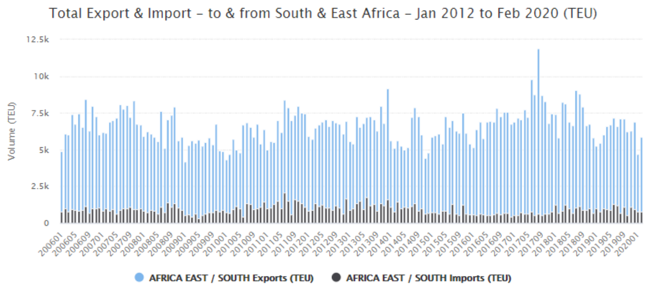
In the Far East, Southeast Asia and Oceania trade lane, the growth in imports in the first two months of 2020 was 15% over the same period in 2019 (Jan and Feb 2019: 172,261 TEU and Jan and Feb 2020: 199,556 TEU). In exports, the increase was 18% (Jan and Feb 2019: 95,613 TEU and Jan and Feb 2020: 113,259 TEU).



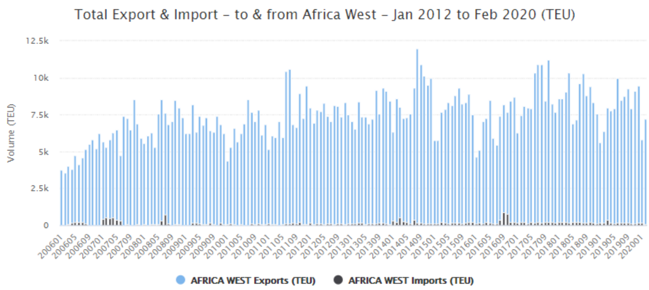
In Northern Europe and the Baltic region, imports increased 11% in the first two months of 2020 compared to the same period in 2019 (Jan and Feb 2019: 69,184 TEU and Jan and Feb 2020: 76,848 TEU). Exports had a fall of 9.17% in the same period (Jan and Feb 2019: 59,949 TEU and Jan and Feb 2020: 54,452 TEU).



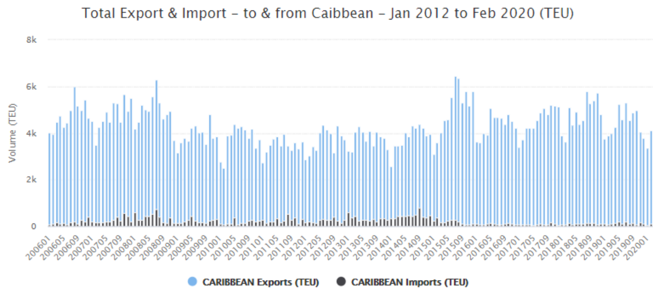
In the Southeast Africa, the Middle East and Indian subcontinent trade lane imports dropped 11% in the first two months of 2020 compared to the same period in 2019 (Jan and Feb 2019: 1,764 TEU and Jan and Feb 2020: 1,570 TEU). Exports grew by 0.5% (Jan and Feb 2019: 8,925 TEU and Jan and Feb 2020: 8,972 TEU).



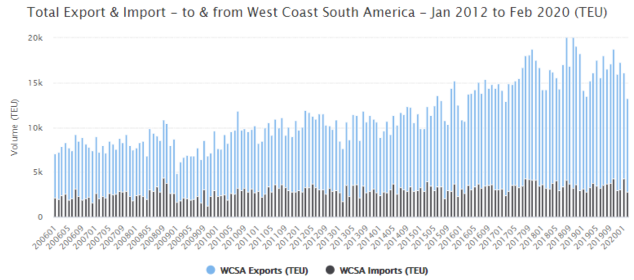
In the West Africa commercial strip, in the first two months of 2020, imports grew 19% (Jan and Feb 2019: 296 TEU and Jan and Feb 2020: 353 TEU). Exports grew 9.7% (Jan and Feb 2019: 11,679 TEU and Jan and Feb 2020: 12,823 TEU).



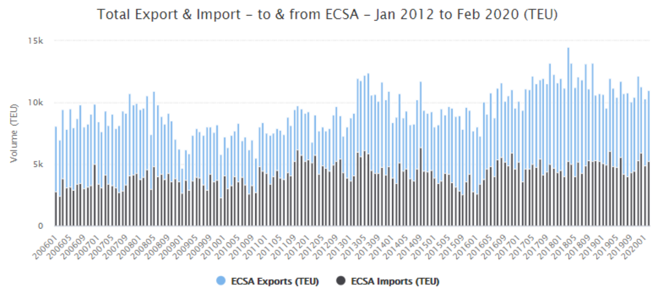
In the first two months of 2020, in the Caribbean, NCSA and USA / Gulf of Mexico trade lane there was a 20.7% drop in imports (Jan and Feb 2019: 179 TEU and Jan and Feb 2020: 142 TEU and a decrease of 1.5 % in exports in relation to the same period in 2019 (Jan and Feb 2019: 7,444 TEU and Jan and Feb 2020: 7,327 TEU).



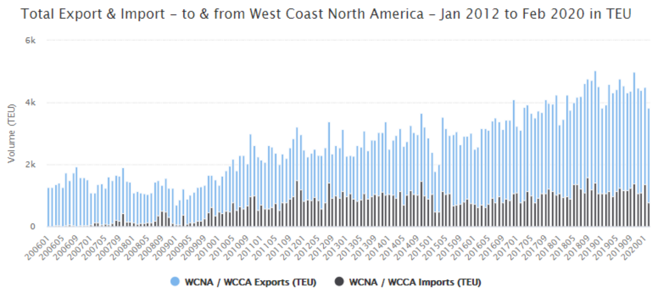
In the South America West Coast trade strip, imports fell 0.18% in the first two months of 2020 compared to the same period in 2019 (Jan and Feb 2019: 5,884 TEU and Jan and Feb 2020: 7,055 TEU). Exports increased 9.88% in the same period (Jan and Feb 2019: 21,762 TEU and Jan and Feb 2020: 22,351 TEU).



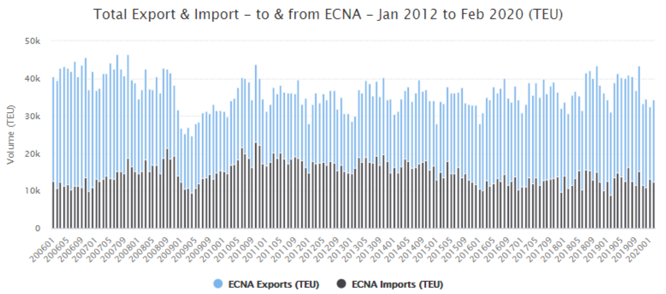
In ECSA, imports grew 0.96% in the first two months of 2020 compared to the same period in 2019 (Jan and Feb 2019: 9,985 TEU and Jan and Feb 2020: 10,081 TEU). Exports grew 9.97% in the same period (Jan and Feb 2019: 10,214 TEU and Jan and Feb 2020: 11,233 TEU).



In the WCNA / WCCA tradelane, imports fell 0.18% in the first two months of 2020 compared to the same period in 2019 (Jan and Feb 2019: 2,141 TEU and Jan and Feb 2020: 2,137 TEU). Exports grew 9.88% (Jan and Feb 2019: 5,613 TEU and Jan and Feb 2020: 6,168 TEU).



Finally, in the ECNA range, Imports grew 19.6% in the first two months of 2020 compared to the same months of 2019 (Jan and Feb 2019: 21,360 TEU and Jan and Feb 2020: 25,562 TEU). Exports, in the same period, decreased by 6.09% (Jan and Feb 2019: 44,121 TEU and Jan and Feb 2020: 41,432 TEU).



Ports, terminals and infrastructure

The Port of Itaqui is consolidating itself as the portal for exports of grain produced in the Northern Arc region of Brazil and is also gaining strength as a gateway for fertilizers produced in this region. In the first quarter of 2020, the handling of grains (corn, soybeans and soybean meal) by Itaqui grew 30% in relation to the same period in 2019. Shipments of soybeans alone reached 1.6 million tons. According to ANEC (National Association of Grain Exporters), this represents 7.4% of the total amount of soybeans (21.5 million tons) shipped in Brazil in the first quarter of this year.
According to the president of Itaqui Port, Ted Lago, the forecast is to close 2020 with 15 million tons of grain handled. This expectation is likely to be fulfilled despite the global crisis caused by the coronavirus pandemic, because of the lower freight cost due to the shorter distances between Itaqui and the production zones compared to ports in the Southeast region, and demand that remains firm.

Along with the increase in grain exports, imports of fertilizers are also growing, closing the logistic equation of this production chain. In the first quarter alone, the movement of fertilizers by Itaqui grew 102%, and the trend is also to keep growing. This is because Itaqui is well placed to handle imports for the same reasons as exports. Moreover, the inauguration of a new fertilizer terminal, at an investment of R$130 million by Companhia Operadora do Porto do Itaqui (Copi), will increase capacity to receive such imports to 3.5 million tons per year by 2024.

The Port of Pecém registered an 11% increase in cargo handling for the first quarter of 2020 (4.46 million tons), compared to the same period last year. This was driven by a 19% increase in exports to 1.39 million tons. Imports also increased by 7% during the same period comparison to 3.06 million tons. Solid bulk was the most significant cargo type handled (51%), followed by containerized cargo (25%), general cargo loose (19%), and liquid bulk (5%).

In March 2020 alone, Pecém handled 1.57 million tons, a 9% year-on-year increase. "It is important to note that this movement in March was only minimally affected by the new coronavirus. This is because more than 90% of the entire cargo loading and unloading schedule had already been completed well before the emergence of this pandemic.

According to projections and analyzes that we are doing, based on information from our customers and partners, we will possibly feel some kind of impact starting this April. Precisely because it was last month that the global production of goods and merchandise began to be affected more severely, including forcing the industry to reduce or even suspend its activities, decreeing collective vacations and taking other actions that will certainly directly affect movement port in the coming months. We need to be cautious at this point," says Raul Viana, Port Business Manager at the Pecém Complex.

The International Air Transport Association (IATA), the International Navigation Chamber (ICS) and the International Federation of Transport Workers (ITF) have demanded new and more stringent measures to facilitate the changing of crews on ships in order to guarantee that the supply chains keep functioning during the coronavirus pandemic.

Every month it is necessary to exchange around 100,000 ship crew to ensure compliance with international maritime standards that protect their safety, health and well-being. However, due to the restrictions imposed by the spread of Coivd-19, there are no flights available to repatriate or deploy maritime personnel, so they must extend their service on board after many months at sea.

ICS Secretary General Guy Platten said he is working with airlines to find solutions. "Now we need governments to support our seafarers and facilitate safe passage so they can return home and be replaced by crew members willing to keep supply chains running."

IATA CEO Alexandre de Juniac says that "airlines have been forced to cut passenger services in the fight to stop COVID-19. But if governments identify airports that seafarers can use to replace crews and make appropriate adjustments to current health and immigration protocols, airlines can help keep global logistics moving."

ITF Secretary-General Stephen Cotton warns that the current stalemate not only threatens the health and personal well-being of seafarers, but also increases the risk of transport accidents and harms global supply chains, which are an integral part of the response in overcoming this pandemic. "We call for immediate, globally coordinated action to be taken to safely change crews and the repatriation of seafarers in a way that protects their health and safety and ultimately their lives," he concluded.

According to a report published by the Port of Itajaí in March 2020 it recorded growth in its main handling indicators: tonnage, number of berths and TEUs. The public berths (3 and 4) and APM Terminals (1 and 2) at the port handled 46,552 TEUs, representing 21% growth compared to March 2019, when 38,582 TEUs were handled. A total of 44 vessels called at the port, 19% more than in the same period last year. Growth by volume was 17%, with 524,960 tons handled compared with 449,345 tons in the same period last year. First-quarter figures for the port show 19% growth by volume and 22% by movement of TEUs, reaching 1.45 million tons and 130,042 TEUs. Vessel moorings were up 16% year-on-year during this period.

The report also points to positive movement in relation to the Itajaí Port Complex. In March 2020, 1.23 million tons (104,869 TEU) were handled at the complex, with 88 vessel calls registered. This represents year-on-year growth of 18% by volume, 11% by TEU and 11% by vessel calls.

During this period, the PORTONAVE Private Use Terminal (TUP) handled 685,871 tons, 40 vessel calls and 58,317 TEU. Compared to the first quarter of the previous year, the terminal recorded growth of 5% by TEU, 5% for vessel calls and 9% by volume.

At the port, exports accounted for 59% of all cargo handled and imports for 41% in March. The main products exported were chicken, meat and wood, whilst the main imported products were mechanical and electronic, chemical products and various textiles. Itajaí has a 3.6% share in the Brazilian trade chain and 57.4% in the Santa Catarina trade chain.

The Ministry of Infrastructure gave its approval to the Planning and Logistics Company (EPL) to carry out a feasibility study to privatize the Port of Itajaí, located in Santa Catarina. The project's objective is to allow the port to develop its capacity to compete in the container market on a continuous basis and at high levels of efficiency and freedom to exploit opportunities.

The plan developed by EPL in conjunction with the National Secretariat for Ports and Waterway Transport stipulates 28 months for the completion of studies. Currently, the Port of Itajaí is administered by the city of Santa Catarina. According to the schedule, the auction is expected to take place in 2022.

Logistics Hub – The Itajaí Port Complex is located on one of the main road junctions in the South of Brazil, close to BR-101 and BR-470. It is at a maximum distance of 600 kilometers from the capitals of Santa Catarina, Rio Grande do Sul, Paraná and São Paulo, and hence is well placed as a hub for cargo distribution. The port handles containerized general cargo. In 2019, the port handled 432,000 TEU.

China has imposed a 14-day quarantine for crews on vessels from 13 countries, including the United States, France, Japan and Germany. The measure aims to prevent the entry of people infected with the new coronavirus into the country. According to information from the China Maritime Safety Administration, the restriction will affect around 7,000 crew members on board almost 500 ships that arrive at Chinese ports every day. Local private consultants fear this may negatively impact world trade.

The Secretary of Commerce and International Relations of the Agriculture Ministry, Orlando Ribeiro, stated that the measure will not influence Brazilian agribusiness exports to China. "There is no shortage of containers and Brazil is not on the list of countries subject to the 14-day quarantine", he pointed out. According to him, so far the Brazilian government has not been subject to any measure that could harm Brazilian exports to China or any other destination. He stated that the logistical costs of the new restrictions may have a smaller effect on Brazilian exporters than its main competitors.

But Brazilian agricultural attachés in China issued a statement that highlights the possibility that the measure implemented by the government of Xi Jinping could generate new negative impacts on world maritime logistics. The text states that a new wave of voyage cancellations is expected and this could result in a "temporary decrease in cargo shipping capacity, with increased freight prices, even when China and the rest of the world begin to recover from the economic impact of the pandemic ".

In the statement by Brazilian attachés there was a comment from a Chinese consultancy recommending logistical planning in advance "as there may be a lack of space on ships as soon as economic activity resumes".

The foreign vessel quarantine affects crews from the United States, Austria, Belgium, Denmark, France, Germany, Japan, South Korea, the Netherlands, Norway, Spain, Sweden and Switzerland. The measure is in force at major Chinese ports, including Shanghai and Ningbo-Zhoushan.

The Santos Port Authority (SPA) will transfer mooring, unmooring and tugboat services at port terminals to leasing companies that make preferential use of a public berth, opening up a new market niche for service provision at Santos Port.

This change seeks to adapt to Law 12,815 / 2013, which in its list of port activities, does not include the above-mentioned services amongst the legal attributions of the port authority. Resolutions No. 1,766 / 2010 and No. 2,586 / 2012 of the National Waterway Transport Agency (Antaq) classify these activities as the responsibility of the shipowner and are regulated as a port support navigation activity. "With the transfer of this activity, the perspective opens up for other companies interested in performing this service", highlights SPA president, Casemiro Tércio Carvalho.

The measure is provided for in Resolution No. 43 of March 31, 2020, which came into force on April 10. Initially, these tasks may be performed at the shipowner's discretion, directly by the port/tenant terminal or by a port support company, duly authorized by Antaq, and must observe the technique, work safety, and related regulatory standards, port security (regarding the accreditation related to the ISPS-Code and the rules of the Federal Revenue of Brazil), the regularity of the activity, the efficiency of port operations and respect for the environment.

"It is good for everyone. Those working do not lose their job, whilst those looking for a job can have an opportunity and the port operator and users gain in agility ", says Tércio.

The berths in question that will be affected by the change are:

. Alemoa 01 and Alemoa 02 – Transpetro – with regards to the vessels it operates;
. Barnabé Island – Bocaina Pier – São Paulo – Adonai and Ageo;
. Warehouses 16/17 and 19 – Rumo;
. Warehouses 20/21 – Copersucar;
. Outeirinhos 03 – T-grain;
. Warehouse 29 – Citrosuco;
. Warehouse 38 – TES and Caramuru;
. Warehouse 39 – ADM;
. TEV – Tecon Santos.

On Tuesday (14/4), Maersk informed that due to the reduction in market demand in the Far East and Latin America caused by the COVID-19 pandemic, it would reduce its vessel calls. This ties in with the analysis released by Datamar on April 9th showing that although vessel calls had remained strong up until March, this would reduce as of April.

The statement released by Maersk said "Maersk is working to ensure that all challenges are managed in the best possible way, including balancing our network to meet reduced demand. Maersk will continue to review demand and will continually adjust operational capacity to match it. Our goal is to minimize the impact on our customers' supply chains, providing predictability and protecting a service plan with alternative routes in advance ".

With this, the blank sailing schedule will be as follows:

Imports

Service	Vessel	Voyage	First Load Port	First Load Date	Last Load Port	Last Load Date
ASAS	MAERSK LEON	017W	Busan, KR	22 Apr 20	Singapore, SG	05 May 20
IPANEMA	MSC ALBANY	017A	Busan, KR	26 Apr 20	Singapore, SG	11 May 20

The alternative coverage for MAERSK LEON 017W will be the IPANEMA service; MOL BEAUTY 016W. Alternative coverage for MSC ALBANY will be the ASAS service; MAERSK LAGUNA 018W.

Exports

Service	Vessel	Voyage	First Load Port	First Load Date	Last Load Port	Last Load Date
ASAS	MAERSK LEON	024E	Buenos Aires, AR	09 Junio 20	Santos, BR	17 Junio 20
IPANEMA	MSC ALBANY	024E	Montevideo, UY	08 Junio 20	Santos, BR	20 Junio 20

Grain

The forecast for Brazil's corn supply after the second harvest has fallen due to climatic issues. According to experts this may hinder the supply of cattle in Brazil, which is already affected by the impacts of the coronavirus on the meat sector. The cereal is used as feed for confined animals and will be one of the main expenses for farmers who choose the feed this year, according to INTL FCStone.

The development of Brazil's second 2019/20 corn crop harvest has been closely monitored by meat producers, especially by ranchers who work on an animal confinement basis, who in this case also have the option of leaving the cattle in the pasture – even though with this method the animal takes longer to be ready for slaughter.

Forecasts for the winter harvest of corn in Brazil still point to large volumes of above 70 million tons, but below the potential of a cycle that had record planting levels. In addition, the next few weeks will be crucial for the definition of the harvest, and the rains are not very regular in parts of southern Brazil.

It is worth remembering that although confinement is increasingly sought by those producers who seek to increase productivity in Brazil, this system represents a smaller part of Brazilian total livestock production, whilst animals raised on pasture account for about 85% of the total.

According to a report published by Reuters, Chinese buyers imported Brazilian soybeans for crushing and transformation into feed for the agricultural sector and cooking oil, but rains in late February in Brazil delayed the harvest and thus exports. This caused stocks of soy and soy meal in China to fall to record lows, forcing some processors to stop operations. With weather conditions improving, however, shipments from Brazil are expected to arrive in Chinese ports in large volumes in the coming weeks.

"Most of the (soy crushing) plants in Guandong and Guangxi have resumed operations in the past few days," says the manager of a unit in the south of the country. "Now the processors here are mainly fulfilling contracts signed previously and base contracts. The physical supply of bran is still tight, which should ease in the next week ", he adds.

National soy stocks in China, however, are still quite low although they recovered from the record low reached in late March, reaching 3.67 million tons on April 13. Weekly soy stocks at Guandong, a crushing pole in southern China, increased to 488,000 tons – almost double the level on March 23. "The grains are arriving gradually. But there is a lot of soy meal (orders) that have yet to be delivered. Supply will be tight for some time," said Shanghai JC Intelligence analyst Monica Tu.

Brazil shipped 12.6 million tons of soybeans in March, an increase of 35% compared to March last year. At least 61% of these exports went to China, according to data from Refinitiv.

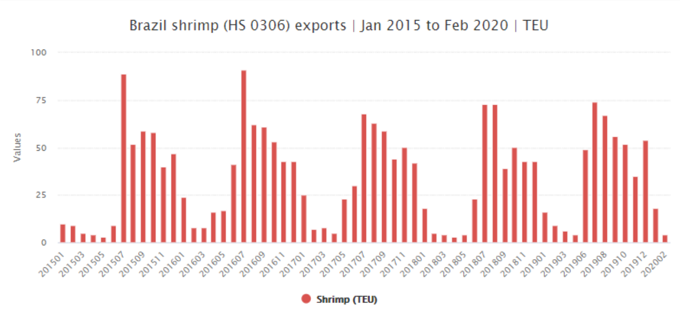
Meat

Brazil is to start exporting shrimp to South Korea, with the Minister of Agriculture, Livestock and Supply, Tereza Cristina, informing that three plants have been qualified to export the crustacean to the Asian country. The opening of the market was facilitated by Brazil's Agriculture and Livestock Confederation (CNA), which worked together with the Ministry of Agriculture.

In 2018, Brazilian shrimp exports amounted to US$2.8 million. In 2019, these exports grew 21.7%, reaching US$3.4 million. South Korea is an important market for the sector. Last year alone, it imported US$457 million from all over the world. According to the CNA's animal production coordinator, Lilian Figueiredo, although national shrimp production currently only supplies the domestic market, the sector already had plans to start exporting even before the pandemic started.

"With the coronavirus crisis, the need to export was intensified because between 80% and 90% of domestic consumption is via food services, bars and restaurants that are currently closed," said Figueiredo. In 2019, Brazil produced 90,000 tons of shrimp and the expectation is to reach the same level of production this year, he said. "We are helping two more plants to be licensed for export and our intention is to continue to work so that more markets can be opened to shrimp farmers."

The following chart shows Brazilian shrimp exports since January 2015:



Fonte: DataLiner

Procedures have finally been defined so that the Kuwaiti market can effectively receive Brazilian exports of beef, mutton and goat meat. Although the market has been officially open since February, negotiations have been underway with the Arab country to make shipments viable for Brazilian establishments that have already received authorization from Brazil`s Federal Inspection Service.

In addition to this understanding, the Ministry of Agriculture and Livestock (Mapa) also was waiting for a definition of requirements by the International Health Certificate (CSI) that companies need to comply with in order to export. These requirements were made official on March 25. Among them, there is the requirement that the animals be slaughtered in an approved slaughterhouse and under the supervision of the competent exporting country authority, approved by the Gulf Cooperation Council (GCC).

Kuwait does not have its own list of authorized slaughterhouses but will follow the list of establishments authorized by the Brazilian government for export. Kuwait gives Brazilian companies access to a market that imports beef worth US$200 million per annum, or 40,000 tons by volume.

Brazil had been shipping around 4,000 to 5,000 tons of beef to Kuwait until 2013 when it was banned to an atypical case of bovine spongiform encephalopathy (mad cow disease) found in Paraná. The embargo was lifted in 2015, but exports were not released as the process of certification and documents needed to be completed. The opening of the market was one of the topics that Agriculture Minister, Tereza Cristina, discussed with officials from Kuwait during her visit to the country in the second half of last year.

According to Leandro Bovo of Radar Investimentos, Brazil is gaining a bigger share of the Middle East beef market due to the lower supply of buffalo meat from India. Bovo divulged this during a webinar held on April 14 by the consultancy Datagro and Grupo Pecuária Brasil (GPB).

India exports buffalo meat to the Middle East, but due to the COVID-19 pandemic, it faces difficulty in slaughtering animals and producing. Only after the end of the pandemic are Indians expected to return to exporting buffalo meat to Arab countries. "India was a significant supplier of cheap protein to the Middle East, but when this stopped, the Middle East turned to Brazil almost immediately," said Bovo.

According to Bovo, China also has a strong appetite for Brazilian beef. The coronavirus devalued currencies worldwide and the real was one of those that lost the most value against the dollar. At the same time that it negatively affects other areas of the economy, the appreciated dollar favors Brazilian exports as it makes the country's products more competitive in the international market. "It has made our meat very cheap," said the managing partner of Radar Investimentos.

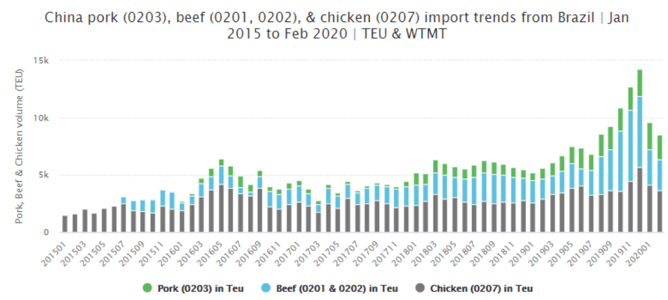
According to information released during the webinar, the price of a beef arroba produced in Brazil was at US$37.5 on Tuesday, while in Australia it was US$58 and the United States US$58.5. Argentina had a cheaper price at US$37, but has production limitations.

"No country in the world is in a position to produce today with the quality that we produce, the volume that we produce, and with the ability to distribute meat to all markets in the world, at the price that we offer," said Bovo.

Chinese customs data shows that imports of pork from the country in March almost tripled compared to the same month last year. China is the largest global consumer of pork, and imported 391,000 tons of the product in March, up from 127,200 tons in March 2019. According to figures from the General Customs Administration, meat shipments in the first quarter were 951,000 tons, almost twice as much as in the same period last year.

The increase is attributed to buyers looking to fill the domestic supply shortage after African swine flu wiped out the country's livestock. The disease reduced China's pig herd by at least 40% and reduced the number of pigs by up to 60% in 2019, which cut pork production and brought meat prices to record highs.

China had imported 560,000 tonnes of pork in the first two months of 2020, up 158% year-on-year. The following chart shows imports of beef, pork and chicken from Brazil to China since 2015:



Fonte do gráfico: DataLiner

Other cargo

Foreign Trade Chamber (Camex) of the economy ministry, zeroed import taxes on 141 new products aimed at fighting the COVID-19 pandemic. This covers medicines (such as dipyrone and paracetamol); medication supplies; hospital equipment (such as diagnostic ultrasound, kits for tracheostomy and laryngeal masks); in addition to hygiene products (such as medicinal soaps and liquid soaps).

Resolution No. 32/2020 of the Executive Management Committee of Camex (Gecex), published this Friday (17/4) in the Federal Official Gazette, covers products classified in 92 NCM codes. With the new resolution, the number of products that have had their import tariff zeroed to fight the pandemic reaches 313. The first four tariff reductions were implemented by Gecex resolutions Nº 17/2020, Nº 22/2020, Nº 28/2020 and Nº 31/2020.

The chemical industry trade balance broke a record in March due to imports of products related to coping with the pandemic. They are raw materials for the manufacture of medicines and fertilizers and chlorine, which are essential products in times of health crisis. According to a foreign trade report by the Brazilian Chemical Industry Association (Abiquim), sector imports hit a record for the month in volume and were the highest for the same period in value since 2014. It recorded imports of 4.2 million tons in March – an increase of 36.1% compared to February. By value, the growth was 10.8%, to US$3.2 billion.

Imports of pharmaceutical active ingredients increased by 27.3% in value to US$234 million, and 10,500 tons by volume. Chlorine and alkali saw growth of 53.9% to US $ 63.9 million by value, and 56.5% by volume to 423,700 tons.

There was also a rise in imports of inputs considered indispensable for guaranteeing food security, according to Abiquim. This includes 48.9% growth in the value of imported fertilizers to US$564 million, and 46% by volume to 2.4 million tons.

Imports for the first quarter as a whole rose in volume by 3.2% compared to year-ago levels, reaching more than 10.7 million tons. “Significant increases were seen in practically all the groups monitored, especially in organic chemicals (23.1 %) and in resins and elastomers (9.6%),” according to Abiquim. The quantities exported during the quarter, of 3.7 million tons, corresponds to a 20.7% increase, mainly composed of calcined alumina.

Trade

The IRS has extended the deadline for submitting the Certificate of Origin to 60 days after the registration of the Import Declaration. The Certificate of Origin is a document that certifies the origin of the merchandise traded between countries that have trade agreements, which results in tariff benefits for the importer.

The extension to the deadline was granted due to difficulties faced by Brazilian importers in obtaining the document from the official agencies of countries that are in quarantine due to the coronavirus pandemic. In order to obtain the tariff benefit, the transaction must be supported by a declaration from the exporter himself, as well as a term of responsibility from the importer stating the tax benefits received.

In the midst of the coronavirus pandemic, the Ministry of Agriculture, Livestock and Supply (Mapa) introduced an electronic signature system for phytosanitary certificates that accompany the export of plant products. The measure aims to reduce physical contact between foreign trade agents and federal inspection.

“Only federal agricultural tax auditors previously registered and with a valid security token are able to issue the certificate using the new function”, emphasizes the general coordinator of Inspection and International Phytosanitary Certification, Edilene Cambraia. In addition to the electronic signature, the certificates are also issued with a QR Code, which allows checking the authenticity of the document and other data through a reader installed on cell phones.

Another measure adopted to reduce COVID-19’s impacts on international trade in plant products is the electronic sending and receiving of a copy of phytosanitary certificates as an emergency measure. Thus, Brazilian phytosanitary authorities will be able to exchange certificates on vegetable products exported and imported electronically with other countries.

The Brazilian trade balance registered a US$1.715 billion surplus and a trade flow of US$5.944 billion in the second week of April 2020 – with only four working days -, as a result of exports worth US$3.829 billion and imports worth US$2.115 billion. This data was released on Monday (13/4) by the Foreign Trade Secretariat (Secex) of the Ministry of Economy.

For the year-to-date, exports totaled US$56.076 billion and imports US$48.004 billion, with a positive balance of US$8.072 billion and a trade flow of US 104.079 billion.

Analysis of the month- On the export side, the daily average up to the second week of April 2020 was 2% higher year-on-year at US$936.41 million, due to increased agriculture exports (+ 71.1%). On the other hand, sales fell in the mining industry (- 12.5%) and in manufacturing (-17.2%).

On the import side, the daily average up to the second week of April 2020 was 11% lower than year-ago levels at US$577.9 million. This was due to lower imports of agriculture and livestock (-23.0%) and manufacturing (-11.9%). There was an increase in imports from the mining industry (12.3%).

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