

Main news

The Port of Pecém has joined the Green Award network as a Supplier of Incentives. This means that it will start to reward ships that are certified by the Green Award, based in Rotterdam, with up to 10% discounts on mooring facility fees for ships that have the Green Award certificate.

The Green Award is a platform that promotes safety, quality, and environmental performance in transportation, facilitating a network of incentive suppliers with a range of benefits for certificate holders. Marine and chemical tankers, bulk carriers, LNG and LPG vessels, container ships, offshore vessels, RoRo, inland barges, and river vessels can all be certified. The evaluation criteria cover environmental, quality, and safety aspects, and the performance of management and crew.

In the first quarter of 2020, the Port of Pecém was the 11th port with most container exports and 12th in most imports according to a ranking elaborated from DataLiner data. During this period, 7 million TEU were exported, marking an increase of 78.1% when compared to the first quarter of 2019. In terms of container imports, the growth when compared to 2019 was of 38.73%, with a throughput of 8.8 million TEU.

Exportações (TEU por porto)

Porto	2019	2020	Diferença %
Santos	230.255,00	249.405,90	+ 8,31%
Paranaguá	82.185,00	88.252,74	+ 7,31%
Navegantes	62.497,00	70.804,17	+ 13,29%
Rio Grande	57.778,00	52.977,00	-8,30%
Itapoá	43.767,00	39.825,58	-9,00%
Itajaí	30.060,00	34.043,33	+13,25%
Salvador	22.725,00	24.214,00	+6,55%
Rio de Janeiro	23.171,00	22.517,50	-2,82%
Vitória	14.750,00	14.932,50	+1,23%
Vila do Conde	13.718,00	11.029,00	-19,6%
Pecém	3.937,00	7.012,00	+78,1%
Porto de Itaguaí	8.690,00	6.211,00	-28,52%
Fortaleza	6.903,00	5.833,00	-15,50%
Suaape	4.533,00	5.511,00	+ 21,57%
Natal	4.544,00	5.158,00	+13,51%
Manaus	3.836,00	3.569,00	-6,96%
Imbituba	540,00	152,00	-71,85%

Importações (TEU por porto)

Porto	2019	2020	Diferença %
Santos	223.138,00	226.897,06	+ 1,68%
Paranaguá	55.285,00	61.128,00	+10,56%
Navegantes	57.950,00	55.178,00	-4,78%
Itapoá	40.887,00	50.415,17	+23,30%
Manaus	37.201,00	42.093,00	+ 13,15%
Itajaí	22.123,00	39.869,50	+80,21%
Rio de Janeiro	30.900,00	31.656,50	+2,44%
Suaape	18.608,00	22.433,56	+20,55%
Rio Grande	18.617,00	19.404,00	+4,22%
Salvador	15.470,00	17.725,50	+14,57%
Vitória	14.039,00	14.253,50	+1,52%
Pecém	6.356,00	8.818,00	+38,73%
Itaguaí	8.280,00	7.098,00	-14,27%
Vila do Conde	1.724,00	2.073,00	+20,24%
Fortaleza	497,00	474,00	-4,62%
Natal	128,00	184,00	+43,75%
Imbituba	650,00	174,00	-73,23%
Porto Alegre	116,00	107,00	-7,75%
Recife	39,00	96,00	-146%

Ports, terminals and infrastructure

The National Waterway Transport Agency (Antaq) will carry out virtual public consultations to obtain suggestions and contributions for the announcement and lease of the solid vegetable bulk Terminal of the Port of Mucuripe (MUC01), also known as Porto de Fortaleza, in Ceará starting next Monday (June 8th). The terminal handles, stores, and distributes mainly wheat cargo. The investments planned for the contract will be around R\$56.7 million. The contractual term is 25 years. All information on how to contribute and subsidize the lease notice will be published on the agency's website, as of June 8: (portal.antaq.gov.br). The consultation will remain open until July 22.

The Solid Vegetable Bulk Terminal (MUC01) has an area of 6,000 square meters and the capacity to transport up to 769,000 tons of cargo until the contract ends. In Brownfield format, the terminal has a complete structure for storing cargo and equipment for logistics. The fixed/variable grant will cost R\$63,000 per month. The future lessee must make the minimal investments in infrastructure and equipment necessary for operation, which include the demolition of berth 103 and the acquisition of ship unloader equipment.

DataLiner data shows that in the first quarter of 2020, the Port of Fortaleza exported 5,833 TEU, a decrease of 15.5% compared to the same period last year. Regarding imports, 474 TEU were imported marking a decrease of 4.62% compared to the first quarter of 2019..

The Maranhão Grain Terminal, also called Tegram, located in the Port of Itaquí, will put into operation in August a new ship-loader, which will more than double the capacity for loading soy and corn to a maximum of around 15 million tonnes/year. The increase in Tegram's capacity will occur almost simultaneously with the time of year when corn shipments are increasing. The new ship-loader will have the capacity to load 3,000 tons per hour, compared to 2,500 tons with equipment already at one of the terminal's berths.

In March, April, and May of this year alone, months of greater soybean movement, Tegram has already exported around 2.5 million tons, an increase of almost 40% compared to the same period last year. In 2019, with only one ship-loader, Tegram shipped more than 7 million tons, the majority of which was soy.

According to the national secretary of Ports and Water Transport, Diogo Piloni, from a universe of 50,000 port workers, only 1% (about 500 professionals) were diagnosed with Covid-19. The information was broadcast on June 4 at Live Chat in Motion, organized by Intermodal South America. "We consider that the number is under control when we consider that this universe is made up of people that end up being more exposed to risk," he said.

Piloni spoke, among other topics, about the modification of the Port Workers' Provisional Measure, which guarantees financial coverage for workers on leave because they are at risk. In total, between 15% and 20% of the workers were told to stay away but were given a salary guarantee by the Labor-Management Bodies (OGMOs). In addition, he stressed the fact that the measure ensures that agglomerations at ports are avoided. "I saw large numbers of workers gathered and was concerned. We brought in digital methods of managing the rota system which have been a success. The workers themselves recognize the importance of this," he said.

The secretary also affirmed that, even during the pandemic, the sector's concession schedules are still in progress, with the recent publication of notices for auctions of pulp terminals in the Port of Santos (SP) for example, in addition to the privatization schedule and contracts signed for the implementation of new Private Use Terminals (TUPs).

Ferroeste (Estrada de Ferro Paraná Oeste S.A.) transported 1,001 reefer containers to the Port of Paranaguá in May.

Approximately 30,000 tons of frozen meat was loaded at the intermodal terminal in Cascavel, a volume 23% higher than that transported in May of last year. This amount also surpassed Ferroeste's last container throughput record, which had been set in January of this year, which was 946 TEU. Ferroeste operates the rail network between Cascavel and Guarapuava.

As well as the expansion of grain outflow capacity, the increase in container's leaving Cascavel bound for the Port of Paranaguá is the result of an agreement signed by Ferroeste with Rumo Logística, which reduced the transport time for trains. Container transportation also includes Brado Logística, which is responsible for managing contracts with producer cooperatives.

In February of this year, Ferroeste and Rumo formalized the Specific Operations Contract (COE), an agreement that allows the two companies to share cargo that leaves the Western Region towards Paranaguá. The negotiation allows Rumo, which operates the network from Guarapuava to Paranaguá, to enter the section of Ferroeste (Cascavel-Guarapuava), along with machinery reinforcements. The agreement brought more efficiency in logistics since it is no longer necessary to transfer cargo from one company to another.

Most of the cargo transported in containers is chicken, produced by the main agro-industrial cooperatives in Western Paraná which go to the Port of Paranaguá for export. About 2,500 TEU of meat is sent to Paranaguá per month, either by train or truck.

On June 3rd, the Infrastructure Minister, Tarcísio Freitas, participated in the webinar "Infrastructure in Espírito Santo: challenges and opportunities". On the occasion, the minister spoke about the privatization process of Companhia Docas do Espírito Santo – Codesa.

According to him, The Infrastructure Ministry is depending on several international models so that the best arrangement for the

company and public interests can be decided. Among the alternatives is a mixed model, with the concession of activities and sale of the company. The plan is for a study on these alternatives to be delivered in this second semester so that it can be considered in public consultations. The first auction is forecast to be held in 2021. "It is important to clarify that the lease agreements already made will be preserved", explained the minister.

According to the National Secretary for Ports and Water Transport, Diogo Piloni, "today Codesa is composed of areas in Vitória, Vila Velha and Barra do Riacho. The idea is to have only one contract so that the concessionaire can explore the three areas. But the spaces have different characteristics, so we can make the concession for the areas of Vitória and Vila Velha and create an authorization for Barra do Riacho, improving the expansion potential of that region ", he explained.

DataLiner data shows that in the first quarter of 2020, the Port of Vitória in Espírito Santo, exported 14,932 TEU, a volume 1.23% higher than the same period last year. Imports in the first quarter had similar growth at 1.52%, with 14,253 TEU imported.

Argentina's General Port Administration will extend their period of free cargo storage for those who operate at Buenos Aires Port terminals until June 12th. This measure was signed by the manager of Buenos Aires Port, José Beni, on June 2nd, and aims to reduce the impact of the Covid-19 pandemic on the national economy by continuing to guarantee Argentine foreign trade.

In addition to this measure, the port has adopted hygiene protocols, which include disinfecting common areas, use of facial masks, maintaining social distancing, and training requirements about coronavirus for all essential workers at the port.

On June 3rd, the Supreme Federal Court (STF) decided that additional payment for risks to port workers who provide services on an individual basis, even without an employment relationship with companies operating at the terminals, is legal. Most STF ministers understood that the benefit, initially only available to permanent employees of ports, also applies to other port workers who perform the same functions. A 40% surcharge on the hourly wage is stipulated in Article 14 of Law 4,860 / 1965, a rule that deals with the work regime at ports.

The case ended up at the Supreme Court after an appeal by the Labor-Management Body of the Outsourced Port Service of the Organized Port of Paranaguá and Antonina (OGMO-PR) to annul the decision made by the Superior Labor Court (TST), which also guaranteed the surcharge to independent port workers.

The National Waterway Transport Agency (Antaq) will hold a public consultation and hearing to collect suggestions and contributions for the General Cargo Terminal lease agreement in the Port of Maceió (MAC13) between the 9th of June and the 23rd of July. The terminal will be able to store and distribute cargo and will specialize in sugar bulk. The investment

need for this contract is anticipated to be around R\$55.7 million. The contractual term is 25 years. Public hearings will be held virtually. All information on how to contribute to the lease notice will be published on their website (portal.antaq.gov.br), beginning on June 9th.

The General Cargo Terminal of Maceió (MAC13) has an area of 71,262 m² and a throughput capacity of up to 1.74 million tons. In brownfield format, the terminal has a complete infrastructure to store cargo and equipment for logistics.

The future tenant must make minimal investments in the infrastructure and equipment necessary for the operation. Also necessary, will be paving and drainage works on Intra port access roads to Terminal MAC13 as well as the acquisition of equipment for the defense system at berth 06.

Last weekend, the Port of Itajaí received a mega-ship for the first time. The vessel EVER LAUREL, which was 334.98 meters long and 48.80 meters wide, bears the Singapore flag and has the capacity to transport up to 8452 TEU. It came from Paranaguá Port and docked at Portonave' berth 2 on May 31st. On June 1, the vessel's exit maneuver was performed, which is the first turn maneuver in the new evolution basin area.

The maneuver began at 10 am, with the ship towed from the stern (aft) to the Afonso Wippel Bay (Saco da Fazenda), where the new basin is located. After being positioned, it completed a 180 ° turn and followed on towards the Port of Montevideo. To ensure safety, access to the Itajaí Port Complex was prohibited during the ship's entry and exit. As a result, the ferry boat service, Marina Itajaí, and fishing vessel activity all had to be paused. The maneuver was coordinated and monitored by the Superintendency of the Port of Itajaí, by the Brazilian Navy (Police Station of the Captaincy of the Ports of Itajaí), by Pilotage, by the Port Terminals (APMT and Portonave) and by the tugboat company.

Technical studies and engineering projects for the new Evolution Basin of the Itajaí Port Complex began in 2012. As it was located between the berths of the Port of Itajaí (APM Terminals) and Portonave, the old basin area was limited and did not allow larger ships to maneuver. The Afonso Wippel bay was suggested by one of the oldest pilots in Itajaí, and among all the locations presented, it was, according to technical studies, the most suitable for the new maneuvering area.

The work will be carried out in two stages. In the first stage, already completed, the basin is 500 meters in diameter and 14 meters deep and enables the complex to receive ships of up to 350 meters in length. This stage of works was completed in September 2019, after the completion of several phases such as technical studies, dredging, alteration of the jetties, new nautical signaling, approval by the Maritime Authority, and pilotage training, amongst other things.

An amount of R\$174.6 million was invested in the work, of which R\$129 million came from the Government of the State of Santa

Catarina through the State Secretariat of Infrastructure, R\$40.1 million from the Port of Itajaí and R\$5.5 million from Portonave (Navegantes).

The first maneuver in the area of the new evolution basin was carried out on January 16, 2020, with a reverse navigation (stern) maneuver, previously unheard of in South America. The ship, 300 meters long, was the first of 12 vessels of up to 306 meters maneuvered in the basin area in a special procedure. With the authorization of the maritime authority to carry out these maneuvers on a normal basis, it was authorized to carry out another phase of special maneuvers, now with ships that are up to 350 meters in length.

The second stage of readjusting the waterway accesses at the Itajaí Port Complex will allow it to receive ships that are between 366 and 400 meters in length.

Shipping

According to the executive secretary of the Infrastructure Ministry, Marcelo Sampaio, this month the federal government is due to present a project to the National Congress that encourages cabotage in Brazil.

"BR do Mar will be the largest cabotage incentive program in our history," said the secretary on Monday (June 1) during a virtual seminar promoted by FGV Transportes. Through the project, the federal government intends to adjust the legislation in order to increase supply, encourage competition, create more routes and reduce costs of this type of navigation, in order to make it a logistical alternative to the highway.

"We believe that, in June, this project will go to Congress and, therefore, allow a significant advance in the cabotage sector", said Sampaio, divulging some of the points that will be in the proposal.



The amount of container ships calling at Brazilian ports continues to drop. A survey carried out by Datamar shows that in the last four weeks, the number of moorings was 5.41% lower than in the same period of 2019. The Port of Santos had a more pronounced drop at 7.69%.

The full range of vessel data in Brazilian ports over the past year can be viewed at www.datamar.com.br

CMA CGM informed its customers that for operational reasons it will maintain the surcharge (Peak Season)

Surcharge – PSS) that was applied on April 1, 2020 (shipment date) for reefer cargo from Eastern Coast South America to India, the Middle East, the Red Sea, and the Far East until September 30, 2020.

The PSS is U\$500 for 20-foot reefer containers and U\$1,000 for 40-foot reefer containers on ECSA services: SIRIUS, SAMWAF, SAFRAN, and NEFGUI.

The postal service informed that “the Brazilian and Chinese post offices signed an agreement to make it possible to transport parcels and documents from China by sea. The decision meets the request of the Universal Postal Union (UPU) – a specialized UN agency that coordinates the international postal system – to make the routing modalities more flexible and to reduce bureaucracy for postal cargo to go through world customs”. The demand for this first batch came from shipowner Cosco Shipping, requested by the Chinese postal service, China Post.

The state superintendent of the postal service in Paraná, Paulo Cezar Kremer dos Santos, stated that “this first operation was initiated due to the whole situation created by the pandemic. However, it is a possibility that this method may continue. I see it as a good opportunity, mainly due to cost considerations due to its proximity to the International Triage Center, in Pinhais”.

According to him the center, located in the Metropolitan Region of Curitiba, has 20,000 square meters and is responsible for receiving and clearing most international orders that arrive in Brazil. “It is the largest international distribution center for the postal service in Brazil”, he says.

Oil & gas

Four new vessels were hired by Petrobras to meet the long-term demand in transporting oil from the platforms. The new tankers will be a part of the company’s existing 20 vessel fleet, which carries out about 1,800 shipments per year.

The first of the hired vessels, Eagle Petrolina, left South Korea on Thursday, June 4th, after conducting some tests at sea, and will be received by Petrobras on June 14th in Singapore.

“Due to the productivity in the pre-salt fields, we are investing and preparing our logistics infrastructure for an increase in oil production in the coming years. It is essential to be competitive and logistics play an essential role in efficiently linking the production chain”, highlights André Chiarini, director of Logistics at Petrobras.

The current flow capacity of the platforms is 2,067 thousand bbl/day and it will increase to 2,262 thousand bbl/day in 2022.

Eagle Petrolina - The Eagle Petrolina can store 1 million barrels and was designed for Petrobras by AET and built in South Korea. The vessel is of the Suezmax Dynamic Positioning (DP2) type, with high-powered propellers and positioning system dynamics. This mechanism allows the ship to be stabilized automatically so

that it remains stationary while receiving the oil drained from the tanks of the platforms, ensuring safety and increasing the efficiency of the operation. The vessel is also equipped with electrically driven cargo pumps to increase the use of fuel and, therefore, reduce operating costs.

The ship is expected to arrive in Brazil in early July to operate in the Santos Basin. The remaining vessels will be delivered in July, August, and October respectively. At the beginning of the year, Petrobras hired three more tankers, with delivery scheduled for 2022.

Meat

According to the Agriculture Ministry, on June 2nd, Vietnam authorized four Brazilian poultry and pork slaughterhouses for exports to the country.

Brazilian chicken exports to Vietnam have been growing. DataLiner data shows that in 2019, Brazil exported 29,109 tons of chicken to Vietnam. In the first four months of 2020, Brazilian chicken exports to Vietnam totaled 13,384 tonnes, 71.81% higher than the same period of 2019.

Brazilian chicken exports to Vietnam (in tons)

Jan 2019 2.365 Jan 2020 3.073

Feb 2019 1.334 Feb 2020 3.389

Mar 2019 1.947 Mar 2020 3.319

Apr 2019 2135 Apr 2020 3.603

Total 7.790 Total 13.384

Table source: DataLiner

According to the Brazilian Animal Protein Association (ABPA), last year exports to Vietnam had already grown by 42% year-on-year for chicken and 86.2% for pork.

Other cargo

The National Motor Vehicle Manufacturers Association (Anfavea), predicts a 40% drop for the sale of the set of new vehicles, composed of cars, light commercial vehicles, trucks and buses in 2020. According to the entity’s president, Luiz Carlos Moraes, the total number of licenses will be 1.675 million vehicles. Last year, 2,788 million vehicles were licensed. “The fall is impressive, and it is even more serious in comparison with the forecast made at the start of the year which was 3.5 million, representing a fall of 45%”, he stressed.

According to Anfavea, the economic crisis caused by the pandemic of the new coronavirus is the main reason for the drop in sales. The organization believes, however, that the sale of trucks should

fall less, mainly due to the fact that some sectors, such as agribusiness, which are demanding a higher level of transport. According to Moraes, it is still not possible to project the fall in production with greater precision, as it also depends on the export scenario, which remains cloudy. The same holds true for the agricultural machinery sector, which has so far been least impacted by the crisis.

May results better than April - The results for May were better than those for April, the month in which there was an almost complete stoppage of factories and concessionaires across the country. But in comparison with the month of May 2019, there was a decrease of 84.4% in the production of vehicles (43,100 units produced), 63.9% in the production of trucks (4,100 units), and 29.5% for agricultural and road machinery (3,600 units).

The exports of motor vehicles fell by 90.8%, and agricultural machinery by 39.4%. The only positive data for May was the sales growth of 23.3% of agricultural vehicles year-on-year. Meanwhile, sales of vehicles dropped 74.7%, and trucks dropped 47.2% over the same comparison period. The accumulated result for the year so far shows vehicle sales approaching a 40% drop, while production and exports have already shrunk by almost 50%.

Production and exports of machinery dropped around 30% but sales within the domestic market remained stable. "Although June signals some more effective return to activities, we will undoubtedly have the worst quarter in the history of the automotive sector. We must wait and see what will happen in the second half of the year and if there will be no further damage to the automotive chain", concludes the President of Anfavea.

Although Brazil decreased olive imports in the first four months of 2020, the country bought significantly more from Egypt during this period than before. According to information compiled by the Arab Brazilian Chamber of Commerce based on data from the Economy Ministry, olive oil shipments from Egypt to Brazil resulted in revenues of US\$ 6.7 million from January to April, which meant a 210% year-on-year increase.

According to the president of the Brazilian Association of Olive Oil Producers, Importers and Traders (Oliva), Rita Bassi, one of the reasons for the increase in sales from Egypt to Brazil in the period is the economic crisis that Argentina, Brazil's main olive supplier, is facing. The drop in sales of Argentine olives to Brazil, in the same period in which those from Egypt rose, was 27%, with sales revenues at US\$12.5 million.

Another factor that contributed to the increase in Brazil's imports of Egyptian olives was the increase in competitiveness since the country's free trade agreement with Mercosur came into force in September 2017. Before this date, the rate for Brazil to import Egyptian olives was 14%. The tax fell by 25% when the deal came into effect, by 50% after a year and by 75% at the end of last year. This is currently the discount on the import tax, but it will be zeroed in September this year.

In the first four months of this year, Egypt was the third-largest supplier of olives to Brazil. The first was Argentina, the second was Peru, Spain was fourth and Portugal was fifth. The Peruvians sold US\$7.2 million in olives to Brazil, the Spanish US\$3.6 million, and the Portuguese US\$551,000. Peru's sales dropped 6.8%, Spain's 6.98% and Portugal's rose 43.8%.

Brazil purchased US\$30 million in olives from January to April, 3.3% less than in the same period in 2019. Brazilian consumption of olives is mainly supplied by imports.

In May, Brazil exported 21.5 million tonnes of iron ore, a 28% drop when compared to the same month last year, according to government data. Brazilian iron ore shipments fell more than 10% when compared to April of this year, making it almost the lowest amount of this year. The lowest amount was shipped in March at 21.2 million tons. During the first five months of 2020, iron ore shipments from Brazil reached 115.3 million tons, marking a 13.3% drop when compared to the same period of 2019.

It is worth noting that the mining company Vale is still working to recover part of their production which was paralyzed after the Brumadinho (MG) disaster in 2019. It is also worth noting that, in mid-April, Vale announced that it had reduced this year's iron ore production target to between 310-330 million tons, from the initial goal of 340-355 million tons, due to a lower than expected result during the first quarter. Another reason for this change was the delays in resuming production at mines and other impacts caused by the new coronavirus.

According to Vale, the pandemic delayed inspections, evaluations, and authorizations for the resumption of operations in some mines. Recently, however, the company stated that the pandemic had no material impact on production and that it has followed all safety procedures.

*DatamarWeek is our weekly newsletter. Previous editions can be downloaded at www.datamarnews.com. Your contributions, criticisms, suggestions and, if you do them, press releases, will be welcome. Contact: datamarweek@datamar.com.br
Tel + 5511-3588-3033*

*Datamar Consultores Associados Ltda.
Rua Fuchal 203, 4th floor
Vila Olímpia, São Paulo - 04551-904 - SP*