

Main news

How have the container terminals operating in Brazilian ports been doing in the face of economic jolts, mainly due to the crisis caused by the Covid-19 pandemic? To answer this question, the DatamarNews team researched DataLiner data to rank port terminals based on container handling, comparing the period from January to July 2020 with the same months of 2019.

In exports, the biggest highlight is BTP, which grew 38.2% in the first seven months of 2020 compared to the same period in 2019. On the opposite end of the scale is Santos Brasil, which despite occupying the third position in the ranking, fell 25.05 % in 2020 compared to 2019.

Port Terminal Rankings - Exports | Jan to July 2019-2020

Rank	Terminal	2019 (TEU)	2020 (TEU)	% Change
1	BTP	250.662	346.721	38.32%
2	TCP	205.027	222.598	8.57%
3	SANTOS BRASIL	239.684	179.631	-25.06%
4	PORTONAVE	157.568	175.251	11.22%
5	TECON RIO GRANDE	130.086	126.083	-3.08%
6	DP WORLD SANTOS	92.649	119.194	28.65%
7	ITAPOA	108.720	98.333	-9.55%
8	APM TERMINALS	78.211	93.441	19.47%
9	TECON SALVADOR	44.075	45.727	3.75%
10	MULTI-RIO	38.177	38.531	0.93%
11	TEC P1	30.827	27.122	-12.02%
12	LIBRA TERMINAL	20.575	18.601	-9.59%
13	SEPETIBA TECON	15.394	13.843	-10.08%
14	CAIS PUBLICO FORTALEZA	11.154	10.135	-9.14%
15	CAIS PUBLICO PECEM	6.326	9.294	46.92%
	TOTAL	1.429.136	1.524.505	6.67%
	OTHERS	69.282	35.313	-49.03%
	GRAND TOTAL	1.498.418	1.559.818	4.10%

Source: DataLiner

On the import side, most terminals decreased import volume, with the exception of DP World Santos, which grew 35.73% in the comparison between the periods January to July 2019 and January to July 2020; APM Terminals, which grew 13.30%; Terminal Chibatão, which grew 8.16%; and public wharves, which grew 106.14% for the period.

Port Terminal Rankings - Imports | Jan to July 2019-2020

Rank	Terminal	2019 (TEU)	2020 (TEU)	% Change
1	BTP	264.241	227.718	-13.82%
2	SANTOS BRASIL	244.846	222.887	-8.97%
3	TCP	138.214	126.089	-8.77%
4	PORTONAVE	125.513	107.073	-14.69%
5	DP WORLD SANTOS	70.830	96.136	35.73%
6	ITAPOA	101.308	92.598	-8.60%
7	APM TERMINALS	58.602	66.397	13.30%
8	TERMINAL CHIBATAO	42.259	45.706	8.16%
9	TECON RIO GRANDE	43.225	35.909	-16.93%
10	MULTI-RIO	44.174	35.073	-20.60%
11	TECON SUAPE	41.010	33.188	-19.07%
12	LIBRA TERMINAL	36.484	30.815	-15.54%
13	SUPER TERMINAIS	30.263	27.109	-10.42%
14	TECON SALVADOR	31.246	26.184	-16.20%
15	SEPETIBA TECON	35.881	23.572	-34.31%
	TOTAL	1.308.096	1.196.455	-8.53%
	OTHERS	48.324	20.596	-57.38%
	GRAND TOTAL	1.356.420	1.217.051	-10.27%

Source: DataLiner

Ports, terminals and infrastructure

On October 1st, the ship MV Lady Cansen will dock at the Port of Santos to carry out a break-bulk sugar operation before proceeding to West Africa with 25,000 tons of the exported product.

A common sight until the 1990s, a sugar break-bulk load has not left the Port of Santos for a decade, ever since the popularization of containers. However, the recent demand for the last Brazilian sugar harvest and, consequently, the congestion at the Port of Santos, led Évolus Logística to invest in the solution. The cargo will depart from a port terminal that is specialized in the operation of break-bulk cargo.

With the terminals operating at full capacity with containers, the company saw the possibility of investing in exports through break-bulk. The practice is not uncommon at the ports of São Sebastião and Rio de Janeiro, but is unusual in Santos. A second such operation is scheduled for early October.

See the graph below for Brazilian sugar exports via the Port of Santos since 2017:



Graph source: DataLiner (To request a DataLiner demo click here)

On September 25, a pear-shaped railway track was inaugurated at the Port of Imbituba which will facilitate trains transporting containers to the port. The work is part of the first stage of expanding the Imbituba train network. With the pear-shaped path, vehicles are able to enter and exit without the need for additional maneuvers. About 50 containers arrive daily at the port by railway, bringing mainly rice and ceramics produced in the south of Santa Catarina.

The improved port infrastructure investment valued at R\$ 700,000 was carried out by Ferrovia Tereza Cristina (FTC), a concessionaire of the network that connects the south of Santa Catarina to Porto Público, and integrates the first phase of the Network Expansion Plan in the Port of Imbituba.

The pear-shaped railway project was developed by the engineering sectors of FTC and SCPAR Porto de Imbituba Port Authority. Improvements include a rail extension, a return stretch, the duplication of a stretch to accommodate railcars, the construction of level crossings, installation of equipment for changing direction, and horizontal and vertical and traffic signaling.

Over the past few days, operational tests have been carried out and the construction of the drainage structure, scheduled for 2021, will be moved up. This will provide greater durability and safety. After more than a decade of planning, the project to expand

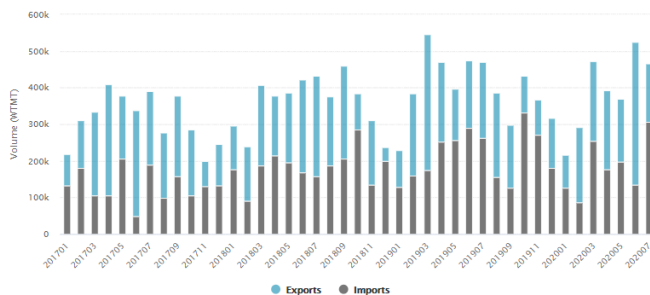
the railway network inside the port was re-presented in 2019 by the FTC. The works began in January this year.

Port Expansion Plan - The next phase of the Expansion Plan consists of connecting the track extension to the Container Terminal, located near Pier 3. The proposal has been under study since early April and was initiated with a technical visit by the FTC concessionaire.

See the following graph showing the Port of Imbituba cargo movement since January 2017:

Cargo movement at Port of Imbituba | Jan 2017 – July 2020 | WTMT

Movimentação de cargas no Porto de Imbituba | Jan 2017 a Jul 2020 | WTMT



Fonte do Gráfico: DataLiner (Para solicitar um demo do DataLiner clique aqui)

On September 28, a strike paralyzed grain exports from Argentina. The union that represents port workers in the country has not been able to reach a collective labor agreement with the business chamber that represents the owners of private terminals.

“We will not renounce our demand for improvements in purchasing power and we will insist on reducing the workday, something we have been requesting for a long time, and in a sector that is experiencing a record year of exports”, stated the Union of Grain Receivers and Annexes of the Argentine Republic (URGARA). In turn, the Chamber of Private Commercial Ports (CPPC), which represents port companies, called the strike “illegitimate and unfounded”.

According to the Argentine newspaper “La Nacion”, the negotiation between the parties should have taken place on August 27, but it has already been extended twice and has not yet been resolved. Martín Brindici, general manager of CPPC, added: “The union announced a 24-hour strike because it intends to reduce the eight-hour workday to six hours for no reason. When Argentines are all looking for jobs, here we have leaders who go on strike looking to work less”.

Argentina leads the world in soybean meal exports and ranks third in shipments of corn and soybeans.

In the month of August, the Port of Santos set a record, handling 13.7 million tons of cargo, up 13.6% over the same month of 2019 and 1.8% above the previous record set in July, when it handled 13.5 million tons. It is the seventh time this year that the Port of Santos breaks a record for a specific month, after setting records for 7 consecutive months in 2020, in February, March, April, May, June, and July.

Exports increased by 20.8% to 10.6 million tons, and imports dropped 5.2%, to 3.2 million tons. Three types of cargo made the largest difference when compared to the same period last year.

Solid bulk grew 32.4% (to 8.1 million tons); liquid bulk grew 0.9% (to 1.5 million tons); and general cargo grew 4.5% (to 380,800 tons). General containerized cargo TEU decreased by 12.7%, to 323,300 thousand.

Year to date results - Cargo movement in August at the Port of Santos increased the year-to-date result to 97.8 million tons, which was 10.2% above the previous record for the period set in 2018 (88.8 million tons) and 10.7% above 2019 (88.4 million tons).

Solid bulk products grew by 19.5%, with a record year-to-date amount of 52.7 million tons, with emphasis on soybeans, increasing by 25.8%; sugar, increasing by 58.9%; fertilizer, increasing by 24.2%, and pelletized soy, increasing by 15.2%.

In the accumulated result for the year, liquid bulk passing through the port increased by 9.6%, also a record for the period, reaching 12.1 million tons.

Year-to-date general cargo movement decreased by 3.1%, to 3.5 million tons. The general containerized cargo fell by 0.3% in this period, totaling 2.7 million TEU.

The flow of ships grew 2.9% in the month and 2.7% in the year, to 424 and 3,300 vessels, respectively.

The Paraná Weights and Measures Institute (IPEM-PR) calibrated the 44 flowscales at the Port of Paranaguá in order to provide greater credibility and security to the volumes exported. The test is carried out every six months.

The Ports of Paranaguá and Antonina have already handled 38.67 million tons so far this year. Exports comprised 65.8%, or 25.4 million tons, and imports have reached 13.2 million tons. Almost 67% of the cargo handled at the ports of Paranaguá and Antonina for the same period was comprised of solid bulk. The volume of import and export products in the segment exceeds 25.78 million tons.

“The exporter must be able to count on the metrological reliability of its measuring instruments to ensure that the correct quantity of the product is shipped, preserving the buyer’s confidence in our products, whether they are agricultural or not”, says Carlos Alexandre Brero de Campos, Calibration and Testing Manager at IPEM-PR.

He added that the equipment inspection occurs every six months. The scales must also undergo a new evaluation after equipment is repaired or undergoes maintenance. “This is efficiently performed by IPEM-PR technicians to improve agility in the export and import of products through the Ports of Paraná”, concluded the Calibration and Testing Manager.

In a lawsuit filed by a port worker in Manaus (AM), the Sixth Division of the Superior Labor Court (TST) recognized the compatibility between the production remuneration regime and the payment of overtime when the daily or weekly shift is extended. The collegiate was based on the TST’s understanding that port workers have the same constitutionally guaranteed rights as people with permanent employment.

Pay according to productivity - According to the Regional Labor Court of the 11th Region (PA / AP), the collective rule provided that the wage consideration for stevedoring services would be

previously fixed by term and for each unit of unloaded or loaded container. It also provided that, in the total amount of remuneration, the amounts referring to the 13th salary, vacations, and weekly rest would be included, less tax, social security, and other charges. In relation to work on Saturdays, Sundays, and holidays, the percentage was adjusted as overtime for containers loaded or unloaded and for night work.

According to the TST, payment receipts showed that Super Terminais Comércio e Indústria Ltda. and Chibatão Navegação, for which the port had provided services, had correctly paid the adjusted remuneration in collective bargaining.

Constitutional guarantee - In the review appeal, the port worker claimed that Article 7, items XIII and XVI, of the Constitution of the Republic guarantees the remuneration of extraordinary service at a minimum of 50% higher than normal, and that this constitutional guarantee does not entail waiver or flexibility due to collective bargaining.

Compatibility - The rapporteur, Minister Kátia Arruda, stressed that the TST has established an understanding that port workers are guaranteed the same constitutionally guaranteed rights as workers with permanent employment. Therefore, once the work extends over the legal period, overtime must be granted.

She cited several judges with similar situations and concluded by recognizing the compatibility between the remuneration regime for the production of the port worker and the payment of overtime when there is an extension of the daily or weekly shift. With that, the process will return to the TRT, to examine the facts and evidence regarding overtime.

The decision was unanimous.

The Collegiate Board of Directors of the National Waterway Transport Agency (ANTAQ), approved the analysis of the contributions of Public Hearing No. 12 / 2020- ANTAQ, related to the bidding for the lease of a port terminal for the handling and storage of general cargo, especially wooden logs, called PEL01, located in the Port of Pelotas / RS. Resolution 8,034 was published in Section 1 of the Federal Register this Friday, September 25.

The analysis will now be forwarded to the Ministry of Infrastructure (MINFRA), which will make the adjustments to the studies and other documents of the process, filling out the minutes of the public notice and the lease with the results obtained from the economic-financial equation, and from there, it heads to the Federal Audit Court (TCU) for validation.

To encourage cabotage navigation, Paraná ports are offering discounts of up to 50% for such shipping activity, to the detriment of long-distance navigation. This year, approximately 1.18 million tons of cargo were handled through the Port of Paranaguá, bound for other Brazilian states. The volume represents 3% of the total volume handled in Paraná ports between January and August (38.6 million tons). The goal is to increase this percentage.

The advantages offered by the publicly held company in Paraná are the Inframare fees (paid by the shipowner for the use of access and shelter infrastructure), Infraport (paid by the port operator for the use of land or port infrastructure), and Infracais (paid by

the shipowner for use of the berth). The values are based on the merchandise and the type of vessel, among other variables.

The most transported goods between the Paraná ports and the other Brazilian ports are liquid bulk and containerized cargo. At the Paranaguá Container Terminal (TCP), long-distance shipping to international ports represents 97%. Although the cabotage share is small, transport has increased.

Cabotage figures from January to August show that 193,500 tons of products were handled in containers. The volume is 1% higher than that recorded in 2019 (191.806 tons).

Among the main products transported by cabotage are chemicals, appliances, and refrigerated products. The coastal line that passes through the Port of Paranaguá terminal is the "BRACO", which runs from the North to the South of the country. With a weekly stopover, the service serves the ports of Manaus, Pecém, Suape, Santos, and Paranaguá.

On September 20, Terminals Portuarios de Navegantes (Portonave) received the first Gripen fighter for the Brazilian Air Force (FAB). The prototype, about 15 meters long and 8 meters wide, was transported in one piece, in the hold of the ship, from Sweden to Brazil. After the customs clearance, the fighter was taken by the Portonave team, FAB, and the Swedish manufacturer - Saab - to Navegantes Airport. The fighter made the journey between the port and the airport at dawn passing through the streets of Navegantes pulled by a special tractor. The fighter must now undergo tests in the country, according to project requirements and FAB specifications.

The negotiations for Portonave to receive the fighter took about a year, and the choice of the terminal took into account the infrastructure of the port and the proximity to the Navegantes Airport - which is about two kilometers from Portonave.

The prototype sent to Brazil was manufactured by Saab, a Swedish company that develops technologies for military defense and civil security. Company technicians came to Brazil to deliver the fighter, participating in the entire unloading operation, aircraft adjustments, and its delivery to FAB. This is the first one made for the Brazilian Air Force.

On September 24th, port-sector companies launched a movement called "Vou de Túnel (I'm taking the tunnel)", with the purpose of defending the construction of a tunnel linking Santos with Guarujá. It's a controversial subject because the federal government and the Port of Santos are pushing for a tunnel whereas the state of São Paulo and the concessionaire EcoRodavias are defending the construction of a bridge.

Among the companies that created the "Vou de túnel!" campaign, Brasil Terminal Portuário (BTP), a container terminal, is one of the companies that would be most negatively affected by the bridge. Also pushing for a tunnel between Santos and Guarujá are Boskalis, Van Oord, the Brazilian Association of Container Terminals (ABRATEC), and others.

Casemiro Tércio Carvalho, ex-president of Santos Port Authority (SPA) and defender of the tunnel, explained that the group proposes either to build the R\$ 3.5 billion tunnel through a Public-Private Partnership (PPP), or that it be included in the privatization of the Port of Santos, as an obligation for the new port operator to fulfill. The construction of the project itself would

cost R\$ 2.5 billion, but an additional R\$ 1 billion is budgeted to work on the avenues surrounding Santos and Guarujá.

State vs. Federal government - The dispute began last year when the São Paulo government proposed the construction of a bridge between the cities, which would be built by EcoRodovias. The idea would be to include the work within the company's road concession, which, in return, would gain an extension on the contract for the operation of the Anchieta-Imigrantes system.

However, the project did not find favor with port operators or the federal government, responsible for the administration of the Santos pier. Their assessment is that the work would hinder the transit of ships and create restrictions on future pier expansions.

The São Paulo government even held public hearings on the subject, but, faced with the controversy, the project was stopped. In recent weeks, EcoRodovias delivered a new version of the project to the São Paulo government, with adaptations to try to resolve complaints made by port terminals. For example, the space between the bridge's columns was increased. However, there have been no conversations between the São Paulo and federal governments on the subject.

Triunfo Logística announced plans to invest R\$ 120.7 million to modernize its port facilities located in the Port of Rio de Janeiro. The company has a concession and customs area of approximately 50,000 m² in the port complex. The investment is the result of a loan approved by the National Bank for Economic and Social Development (BNDES), which foresees investments until 2026. It is a counterpart to the renewal of the company's early lease agreement with Companhia Docas do Rio de Janeiro (CDRJ), which is effective until 2037.

The modernization project includes recovery of an underground area to the pier in the old Warehouse 30 on the port wharf, environmental remediation works to repair the natural wear and tear in three pluvial galleries, construction of four dolphins to receive vessels at the port's steel terminal, acquisition of cranes for fast loading and unloading, modernizing the terminal infrastructure, and renovating equipment.

Triunfo works with storage, handling, cargo loading and unloading, providing engineering and logistics solutions for the oil and gas segment, and providing services to offshore oil exploration and production activities. In 2019 alone, the company handled 2.4 million tons, representing 32% of the total cargo registered at the Port of Rio de Janeiro.

On September 23, ANTAQ authorized the company Consórcio Dome Serviços Integrados to begin operations at a private-use terminal, Terminal DOME, located in São João da Barra (RJ). The Operations Release Term (TLO) was published in the Federal Register (DOU), section 1, page 58.

The company will begin full operation of activities that include the handling and storage of general cargo, containerized cargo, and bulk liquid and gases, in compliance with ANTAQ rules and regulations, and specifically in compliance with Adhesion Contract No. 19/2019-MINFRA, of December 3, 2019.

Companhia Docas do Estado da Bahia (CODEBA) signed a contract with Porto Forte, a port operator at the Port of Aratu-Candeias, to restore the port's conveyor belt and its metallic structures in the import corridor of the solid bulk terminal. Equipment to be

restored includes a conveyor belt (TC-B1A and TC B1B), transfer tower, and ship unloader. The deadline for the execution of the service is 90 days.

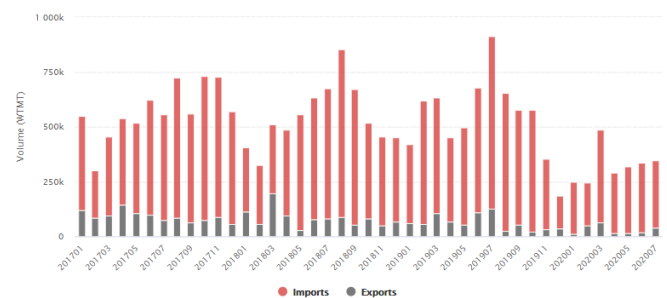
The investments will be paid for by Porto Forte using the port administration's revenues, provided for in the Aratu-Candeias port tariff after the negotiation of pre-paid revenue, approved by ANTAQ.

According to CODEBA, this direct action by the port operator will permit the return of solid bulk cargo on the import line which has been paralyzed since April 2019 because of equipment deterioration.

See the graph below for cargo movement at the Port of Aratu since January 2017:

Cargo Handling at the Port of Aratu | Jan 2017 to July 2020 | WTMT

Cargo Handling at the Port of Aratu | Jan 2017 to July 2020 | WTMT



Source: DataLiner (To request a DataLiner demo click here)

The expansion of the pier at the Port of Paranaguá was inaugurated on September 22. Berth 201 was modernized and the mooring pier was extended by 100 meters. The investments of the public company Portos do Paraná totaled R\$ 201.7 million and will increase the current cargo-handling capacity in that berth by 140%. At the opening ceremony, Governor Carlos Massa Ratinho Junior also signed the contract for rock removal works to increase the draft, and authorized private investments of R\$ 117.7 million to expand sugar exports from Paraná. He also authorized the initial loading of grain into a Liberian ship using the two new ship loaders installed in berth 201.

"Rock removal will allow ships arriving at the port to leave with heavier loads. Along with other modernization projects, such as the expansion of the grain export corridor, we will expand the capacity for the next 30 years to meet the growth in demand for Brazilian agribusiness", he said.

In the eight months, between January and August of this year, 11.15 million tons of soybeans were shipped through the export corridor of the Port of Paranaguá, a volume 5.1% higher than the soybeans exported during all of 2019. Until the month of July, 21.8 million tons of products were exported through the terminal, an increase of 14% over the same period last year.

Expansion of the mooring pier - The mooring pier expansion will allow the Port of Paranaguá to receive larger ships holding up to 80 thousand tons of gross cargo in the Post Panamax category. In addition to Paraná, the project benefits agricultural exports from the states of Mato Grosso do Sul, São Paulo, Santa Catarina, and Paraguay.

Berth 201 also received a new electromechanical structure, including two new ship loaders handling 2,000 tons/hour. As a result, the annual handling capacity will rise from the current 2 million tons of grain to 6 million tons of grain.

Rock Removal - The governor signed the contract and the service order for the submarine demolition works of the rock mass known as Pedra da Palangana. The removal of the material will allow the deepening of the access channel to 14.60 meters. With this, the port of Paraná guarantees greater navigation safety and will avoid accidents and become more competitive.

The works will start in four months and will be fully funded by Portos do Paraná, which is investing R\$ 23.2 million in services. The estimated gain is 1 meter, the equivalent of over 7,000 tons of bulk or 120 extra containers per ship.

Private investments - Ratinho Junior also signed the authorization for the company Paraná Operações Portuárias (PASA) to invest R\$ 117.7 million in its complex in the port. The service order is based on the renewal of the lease that was signed at the end of August.

The contract is valid until 2049 and foresees an increase in the capacity of the terminal, which will increase from 3.6 million tons/year to 6.7 million tons/year. For this, new equipment will be installed and a new warehouse will be built.

During the first phase, which should be completed by February 2022, PASA will build a new shipping line and install a new ship loader able to handle up to 2,500 tons/hour. The second phase, until February 2023, foresees the construction of a new warehouse to store 60,000 tons of sugar or 45,000 tons of other solid bulk.

“This will expand our sugar export capacity to 7 million tons per year, making the Port of Paranaguá a major exporter of sugar and other products,” said Miguel Rubens Tranin, president of the Association of Bioenergy Producers in the state of Paraná (ALCOPAR), whose member companies use the terminal.

According to him, there was a 20% increase in sugar production during this harvest compared to the previous one, with about 2 million tons of sugar, 80% of which was exported through the Port of Paranaguá. “Brazil is the world’s largest sugar producer and accounts for 50% of what is sold worldwide, supplying markets such as the Middle East, Russia, and China,” he said.

Log-In announced that on September 22 its subsidiary, Terminal de Vila Velha (TVV), located in the Port of Vitória, signed an Addendum to Lease Agreement No. 016/98 with the federal government through the Ministry of Infrastructure.

Among other things, the Addendum extends the term of the TVV port lease agreement for another 25 years until September 2048, and establishes the initial investment commitment of R\$ 83 million for the acquisition of new equipment and systems to improve the productivity of the berth and yard, and for the acquisition of new cranes (MHCs) and forklifts (reach stackers). In addition, R\$ 434 million will be invested over the contractual term up to 2048, to ensure the maintenance, updating, and/or replacement of the assets necessary to carry out the port activities.

Prepared by the National Secretariat of Ports and Waterway Transportation, the addendum mentions the National Waterway Transportation Agency (ANTAQ) and Companhia Docas do Estado do Espírito Santo (CODESA).

Record movement - On September 17, TVV set a record of 86 containers unloaded per hour – or 515 handled in 6 hours – from the ship MV MSC Nikolas, which was moored in berth 204. This number represents a 91% increase over the average, which is 45 containers handled per hour and breaks a record set in 2010. To aid the maneuver, three terminal portainers and two cranes from the ship itself were used.

Santos Port Authority (SPA) contracted a company to prepare the basic construction plan for a new access road at the Port of Santos which will connect Via Anchieta to the perimeter avenue and will be part of the new entrance to the city of Santos. The contract signed with Empresa Brasileira de Engenharia de Infraestrutura (Ebei) was published last Monday, September 21, in the Federal Register. Since part of the land was outside the former area of the organized port, the approval of the new polygonal, on June 30, allowed the conclusion of the process.

“The tender was opened approximately two years ago, but the signing of the contract was only possible once the land where the new viaduct will pass was included in the area of the organized port”, stated Bruno Stupello, Director of Business Development and Regulation and interim Director of SPA Infrastructure.

Valued at approximately R\$ 3.5 million, the service has a contractual term of 18 months for its completion. The project foresees a port entrance via a viaduct passing over the Anchieta highway and other viaducts for transposing railway tracks. The road system will also consist of roundabouts, a central construction site, and other access devices necessary to connect the routes. All planned interventions must contain the respective urbanism, geometric, geotechnical, drainage, paving, energy, lighting, telephone, logic and monitoring projects, road and traffic light signs, special works of art, traffic diversion, and re-management of interferences.

The second entrance to the port, in addition to providing more security, will provide more agile road access to the complex’s terminals by segregating truck traffic from urban traffic and eliminating road-railway intersections, thus improving the port/city relationship.

Shipping

CMA CGM has just christened the newest ship in its fleet, the CMA CGM Jacques Saade, the largest container ship in the world powered by LNG. The ship, with a capacity of 23,000 TEU, was named in honor of the late founder of the French shipping company, Jacques Saadé.

According to the company, LNG is the most advanced solution in terms of preserving air quality. This gas allows a 99% reduction in emissions of sulfur dioxide and fine particles and an 85% reduction in the emission of nitrogen dioxide. In addition, LNG emits up to 20% less CO2 compared to fuel engines. This technology is one of the first steps to achieve the CMA CGM Group’s ambitious 2050 carbon neutral target.

There will be nine ships with this technology. In addition to LNG motorization, the ships offer a cabin that has the most modern

integrated digital technologies to assist the commander and the crew, especially in maneuvers in the port.

The ships also feature a redesigned straight bow with an integrated bulb and a re-designed rudder and propeller which serve to improve hydrodynamics, reducing energy consumption. The vessels carry a specific "LNG Powered" label that will be recognized in all seas around the world.

CMA CGM Jacques Saade will carry the French flag and its sister ships will be named after iconic Parisian monuments and renowned institutions in the French capital, such as Champs Elysees, Palais Royal, Louvre, Rivoli, Montmartre, Concorde, Trocadéro, and Sorbonne.

CMA CGM Jacques Saade will begin its inaugural trip on September 23 on the French Asia Line (FAL), between Asia and Northern Europe.

Its rotation will take it to the ports of Pusaná in South Korea; Tianjin, Ningbo, Shanghai and Yantian, China; Singapore; Southampton, Dunkerque, Hamburg, Rotterdam, Algeciras in Europe; and Port Kelang in Malaysia. This line offers a weekly service of 13 calls for 84 days.

"CMA CGM Jacques Saade materializes our commitment to the planet. This boat has been enhanced with the latest technologies and is the result of 7 years of research and development. While ensuring the safety of our crew, we preserve air quality and this will be part of our fight against global warming. We took a big step forward. We have to go further to build transport that respects the environment even more," said Rodolphe Saadé, president and CEO of the shipping company.

Grain

According to the United States Department of Agriculture (USDA), Brazil bought more North American rice and wheat in the last week. However, as the volumes were relatively small - 7,200 tons - it was possible for Brazilians to keep imports within the fee-free quotas.

Last week, Brazil had already purchased 30,000 tons of North American rice after the government zeroed the Common External Tariff (TEC) for countries outside Mercosur for up to 400,000 tons, valid until the end of 2020.

With the latest imports, the total sales of rice from the USA to Brazil in 2020 already exceed the 35,500 tons imported by the country during the whole of 2010, which was the last of the major cereal negotiations between the two countries. The tariff-free quota is the government's way of easing rice prices for Brazilian consumers. Despite this, the price of a bag of rice is still at record prices.

In terms of wheat, the Brazilian government exempted a quota of 1.2 million tons tax-free until November, which has also favored the United States. As a result, this week the USDA recorded sales of 3,100 tons of HRW wheat, bringing the total purchases of the product from the US to more than 600,000 tons this year.

Beginning October 1st, companies wishing to gain approval by the Ministry of Agriculture and Food Supplies (MAPA) for import operations involving products classified in the Common Mercosur Nomenclatures (NCMs) may use the

License, Permission, Certification, and Others (LPCO) model for importing products of agricultural interest (I00004) on the Sole Foreign Trade Portal. The list of products subject to LPCO registration on the portal is available in the Appendix of Normative Instruction No. 91, published in the Federal Register on Tuesday, September 22.

The change in import processing, through an Import License (LI) and an LPCO, is an intermediate step to the future implementation of the new import process (NPI) in the Sole Portal and will not yet use the Sole Import Declaration (DUIMP). The change in the process will allow MAPA to grant users some of the benefits already evidenced by the integration between the SIGVIG 3 and Sole Portal platforms, such as the end of user registrations at Vigiagro, application of risk management, and reduced time in the release of operations considered low risk.

The information that was previously processed redundantly in multiple federal government systems is now presented in one single environment, also contributing to the work of the Federal Agricultural Auditors, who will work with one single database. Thus, importers have reduced their workload and lowered the risk of errors in filling out forms, which ensures increased efficiency and speed in releasing cargo.

The use of the new system will also allow for better risk management. Imports considered to be of lower risk may be released automatically. Imports considered to be of intermediate risk may be exempted from physical inspections, and the inspection will be carried out based on the documentation. The focus of sanitary inspection can then be concentrated on cargoes that represent a high risk to consumers and Brazilian agriculture. Thus, there is greater agility for the operations of the vast majority that work with low-risk cargo and have a good record of compliance with animal or plant health standards.

This e-government initiative will centralize the entire exchange of information between the government and the private sector in a single tool available electronically. Procedures and systems will gradually be replaced by a new import process managed by an electronic tool in compliance with the World Trade Organization (WTO) Agreement on Trade Facilitation and adhering to the best international standards in the area.

For the other NCM codes that require intervention by MAPA for the purposes of import consent, there will be a progressive expansion so that the same system is adopted.

A guide was made available by the Ministry of Agriculture to assist importers. To view, click here <https://www.gov.br/agricultura/pt-br/assuntos/vigilancia-agropecuaria/informativos/manual-de-lpco-importacao>

Fruit

For the second year in a row, Port of Pecém is receiving the shipping line that connects it with ports on the Mediterranean Sea in order to export fruit. The line is part of the WMED service, operated since last year by MSC, with the following route:

Spain
 - Valencia (9 days);
 - Barcelona (11 days);

Italy

- Genova (13 days);
- Livorno (14 days);
- Gioia Tauro (16 days).

According to MSC, this is also the only service with a direct stopover between a port in northeastern Brazil and Italy. The route meets the growing demand of fruit growers who export part of their production to European countries, especially for melon, produced in Ceará and Rio Grande do Norte; and mango and grapes, produced in the São Francisco River Valley.

The ship MSC Domitille opened the route at dawn on September 21st. "This new MSC stop is designed to expand visibility and promote the export of our wealth by offering a service dedicated to the main Mediterranean ports with the best transit time on the market, being the only service with a stopover in Italy. We inaugurated this new line last year and, given the positive acceptance, we are maintaining investments in serving yet another crop through the port of Pecém", says Daniel Soares, MSC manager.

The ship MSC Domitille, responsible for restarting service for the Mediterranean, is 299.18 meters long and has the capacity to store up to 9,411 TEU. Each refrigerated container can hold up to 25 tons of fruit.

MSC DOMITILLE facts:

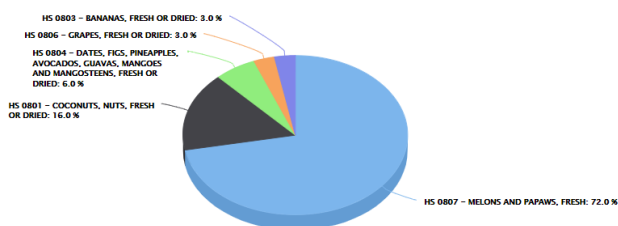
Flag: Panama
 Year of Construction: 2015
 Total length (LOA): 299.93 meters
 Width (BOC): 48.20 meters
 Capacity: 9,411 TEU
 Gross Tonnage: 95514 t

"The continuity of this route in the midst of the current scenario is a great satisfaction for us who do the Pecém route. We started this service last year and exactly one year later we are starting to operate this second connection line with Europe. Thus, we remain firm with the goal of transforming Pecém into the cargo entrance and exit gate from the northeast region", points out Danilo Serpa, president of the Pecém complex.

Last year alone, approximately 11,578 TEU were transported, equivalent to 151,737 tons of fresh fruit from the Port of Pecém. In addition to the Mediterranean line, two lines of navigation for northern Europe and the United States continue to operate regularly.

Check the chart below for the main fruits exported by the Port of Pecém from January to July 2020:

Main Fruits Exported via Port of Pecém HS 04 | Jan to July 2020



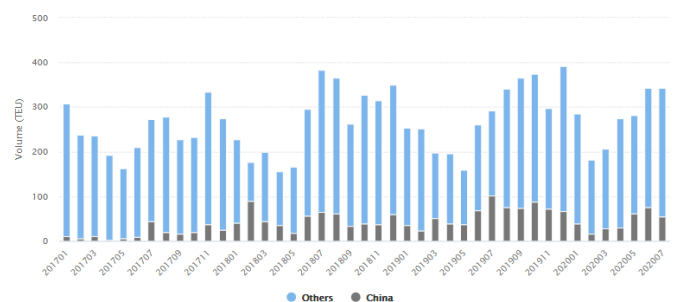
Source: DataLiner

Meat

Beginning on September 26, China will stop accepting import orders for one week on products from the Brazilian company Monteiro Indústria de Pescados Ltda., due to a package of frozen fish from the company that tested positive for coronavirus. The Ministry of Agriculture confirmed the temporary embargo of the seafood imports. Chinese customs had already warned that it would adopt this type of measure – suspension for one week of purchases – in case of positive results for Covid-19 in cargo from a company for the first or second time. Last week China had already suspended imports from a seafood producer in Indonesia for the same reason.

See the graph below for Brazilian fish exports to China and the rest of the world since 2017:

Brazilian Fish Exports to China and other Countries Jan. 2017 – July 2020 | TEU



Source: DataLiner (to request a DataLiner demo, click here)

The Brazilian government has already been notified of the decision taken by China. According to Jorge Seif Júnior, the Ministry of Agriculture's Secretary of Aquaculture and Fisheries, the Ministry is already adopting the necessary measures, coordinated by the Department of Agricultural Defense. The Ministry was informed by the Ministry's agricultural attachés in China of the decision.

Examinations were carried out on 19 samples of fish exported from Brazil. The virus was found in the packaging of only one of them. The contaminated lot was destroyed and the others released normally. According to Pasta, it is the retention of cargo in customs and not a suspension. No test reports were available.

Data released by Chinese customs authorities on September 23, indicates that pork imports by the Asian country in August doubled to 350,000 tons year-on-year, with the country seeking to replenish its stocks. Despite this, imports decreased in comparison with July, when 430,000 tons of protein were imported. The decline is a result of the coronavirus outbreak in exporting and importing countries, reducing the number of units that are able to send the product to China.

Although China's level of frozen pork reserves is a state secret, experts believe that China has practically depleted its reserves, which highlights the scarcity of supply in the world's largest protein market two years after the arrival of the African swine fever virus in the country.

China is the global leader in pork production, consumption, and imports. But London-based consulting firm Enodo Economics estimates that the volume has decreased by about 452,000 tons between September 2019 and August this year.

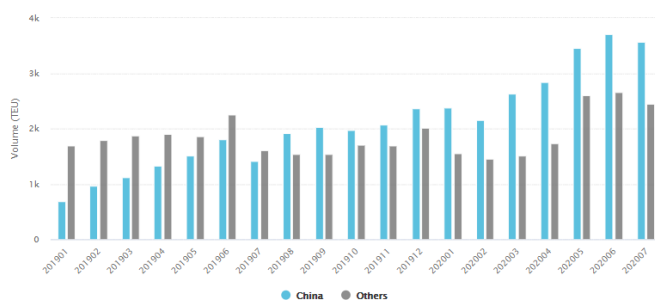
According to Diana Choyleva, chief economist at Enodo Economics, the country currently has less than 100,000 tons of pork reserves. "At this rate, in two to three months they won't have any left," she added.

The figures corroborate a statement by an American agricultural representative in Beijing in a recent report on China's pork segment, which stated "most of the pork reserves appear to have been consumed in the third quarter of 2020".

The country registered its first case of African swine fever in 2018. Since then, it has lost more than 100 million pigs, raising domestic prices to new historical levels. The Chinese government responded by selling frozen meat from its reserves on the domestic market to try to control prices.

See the chart below for the history of Brazilian pork exports to China and the rest of the world:

Brazilian pork exports (HS 0203) to China vs. the World | Jan 2019 to July 2020 | TEU



Graph source: DataLiner (To request a demo of DaraLiner click here)

African swine flu in Germany - In addition to China, Germany is also suffering from African swine flu. There have already been 29 cases of the disease in wild boars since the first case was registered in the country on September 10. With the discovery of these cases, China and other importers vetoed pork from Germany. Last year, China was the main destination for German pork exports outside the European Union.

Economy

On September 24, Brazil's President Jair Bolsonaro sanctioned Law No. 14.060, which allows an exceptional, 1-year extension on the deadlines for complying with suspension and exemption drawback regimes. These regimes give tax exemptions on local imports and purchases of inputs used in the production of goods for the foreign market. The new legislation originated from Provisional Measure 960, issued on May 4 this year, and is part of an effort to reduce the impacts of the COVID-19 pandemic on the Brazilian economy.

In addition to confirmation of the original PM 960 text, which allowed for an exceptional extension of compliance periods only for the suspension drawback, the law published on the 24th extends this benefit to the exemption drawback regime as well. This modification to the measure seeks to avoid a scenario whereby Brazilian companies that hold concessional acts of exemption drawback with non-extendable maturity in 2020 are unable to replace the stock of inputs to similar levels as previously needed to produce goods for export, within the originally established term, due to the reduction in economic activity in Brazil and abroad caused by the coronavirus. This is because

carrying out these operations at this time could compromise the companies' working capital without providing them with the corresponding inflow of revenues in the short term.

Data from the Secretariat of Foreign Trade of the Ministry of Economy (SECEX/ME) noted 325 concessionary drawback exemption acts expiring this year and authorized replacement of inputs in the order of US \$ 942.3 million. Of this authorized amount, the amount of US\$ 424.9 million (about 45% of the total) refers to operations that, with the new law, may now be carried out in 2021.

On September 22, the Chamber of Deputies approved Provisional Measure 973/20, which exempts companies located in export processing zones (EPZs) from having to gain 80% of their gross revenues from exported goods this year. The text is now going to the Senate.

EPZs are industrial districts whose companies benefit from the suspension of export taxes among other benefits. On the other hand, at least 80% of the total gross revenue must come from exports, a rule created by Law 11.508/07.

Through an agreement between party leaders, Deputy Júlio Cesar (PSD-PI), spokesperson for the provisional measure, recommended the approval of the text as presented by the government. The idea is to preserve companies that are struggling to meet their target due to the Covid-19 pandemic.

The provisional measure will expire on Thursday (24) if it is not approved by the Senate by then. According to the Ministry of Economy, Brazil currently has 25 authorized SPZs, 19 of which are currently being implemented, located in 17 states.

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