

Main news

Brazil and Plate port rankings according to DataLiner data for January-September 2020 show that the Port of Santos remains the largest Brazilian port in terms of container handling, both for exports and imports.

In exports, Santos moved 4.69% more TEU in the first nine months of 2020 compared to the same period in 2019. Paranaguá, the runner-up, grew 8.02%, and Navegantes grew 13.75%. A highlight in exports is Porto do Pecém, which grew 40.12% in the period. See the table below:

Ranking of Brazilian Ports | Exports | Jan to Sept 2019-2020 | TEU

Classificação	PORTO	2019	2020	% Mudança
1	SANTOS	755.794	791.252	4.69%
2	PARANAGUA	269.747	291.389	8.02%
3	NAVEGANTES	202.367	230.184	13.75%
4	RIO GRANDE	176.067	169.922	-3.49%
5	ITAPOA	138.926	127.233	-8.42%
6	ITAJAI	101.048	122.727	21.45%
7	SALVADOR	69.598	70.730	1.63%
8	RIO DE JANEIRO	72.214	68.690	-4.88%
9	VITORIA	52.773	54.068	2.45%
10	VILA DO CONDE	40.711	37.717	-7.35%
11	PECEM	15.153	21.233	40.12%
12	PORTO DE ITAGUAI	25.012	19.781	-20.91%
13	SUAPE	16.630	18.440	10.88%
14	NATAL	12.285	14.584	18.71%
15	FORTALEZA	15.075	12.424	-17.59%
16	MANAUS	12.681	10.770	-15.07%
	OTHERS	1.678	747	-55.48%

Source: DataLiner

In imports, the three main Brazilian ports registered a decrease in the period in relation to 2019: Santos fell 15.88%, Paranaguá fell 6.79%, and Navegantes fell 12.61%. The Ports of Itajaí, Pecém, and Vila do Conde were the only three that registered an increase in imports. See the table below:

Ranking of Brazilian Ports | Imports | Jan to Sept 2019-2020 | TEU

Classificação	PORTOS	2019	2020	% Mudança
1	SANTOS	728.684	612.988	-15.88%
2	PARANAGUA	186.309	173.660	-6.79%
3	NAVEGANTES	167.298	146.207	-12.61%
4	ITAPOA	135.934	118.722	-12.66%
5	MANAUS	120.569	116.411	-3.45%
6	ITAJAI	80.732	93.379	15.66%
7	RIO DE JANEIRO	99.687	79.779	-19.97%
8	SUAPE	60.721	53.237	-12.33%
9	SALVADOR	52.812	48.276	-8.59%
10	RIO GRANDE	57.985	47.861	-17.46%
11	VITORIA	46.374	38.829	-16.27%
12	PECEM	22.705	26.393	16.25%
13	PORTO DE ITAGUAI	30.815	17.284	-43.91%
14	VILA DO CONDE	5.813	6.202	6.69%
15	FORTALEZA	1.398	1.044	-25.32%
16	NATAL	529	349	-33.93%
	OUTROS	1.371	854	-37.73%

Source: DataLiner

In Plate exports, the Port of Buenos Aires ranks first in exports, with an increase of 8.78% in relation to January to September 2019, followed by Montevideo, which grew 8.59%. See the table below:

Ranking of Plate Ports | Exports | Jan to Sept 2019-2020 | TEU Ports, terminals and infrastructure

Classificação	PORTOS	2019	2020	% Mudança
1	BUENOS AIRES	289.097	314.465	8.78%
2	MONTEVIDEO	145.768	158.285	8.59%
3	ZARATE	23.912	25.051	4.76%
4	ROSARIO	17.500	13.749	-21.44%
5	SAN ANTONIO ESTE	10.756	13.334	23.97%
6	BAHIA BLANCA	8.964	7.372	-17.76%
7	PUERTO MADRYN	7.592	5.602	-26.22%
8	MAR DEL PLATA	42	716	1604.76%
9	PUERTO DESEADO	252	708	180.95%
10	LA PLATA	946	662	-30.02%

Source: DataLiner

In Plate imports, the Port of Buenos Aires fell 13.63% and Montevideo 5.51%, which shows that the pandemic caused by the new coronavirus has affected imports from the entire region, not just Brazil. See the table below:

Ranking of Plate Ports | Imports | Jan to Sept 2019-2020 | TEU

Classificação	PORTOS	2019	2020	% Mudança
1	BUENOS AIRES	399.134	344.736	-13.63%
2	MONTEVIDEO	116.343	109.930	-5.51%
3	ZARATE	40.227	33.726	-16.16%
4	ROSARIO	15.343	14.108	-8.05%
5	USHUAIA	9.109	11.568	27.00%
6	PUERTO MADRYN	2.000	1.667	-16.65%
7	PUERTO DESEADO	730	388	-46.85%
8	BAHIA BLANCA	841	171	-79.67%
9	MAR DEL PLATA	226	104	-53.98%
10	SANTA FE	18	32	77.78%
11	LAS PALMAS +AR	1.980	17	-99.14%
12	CALETA OLIVIA	0	7	100.00%
13	LA PLATA	0	4	100.00%
14	RIO GRANDE(AR)	0	4	100.00%
15	SAN MARTIN	1	2	100.00%
16	COLONIA	20	0	-100.00%

Source: DataLiner

Ports and Terminals

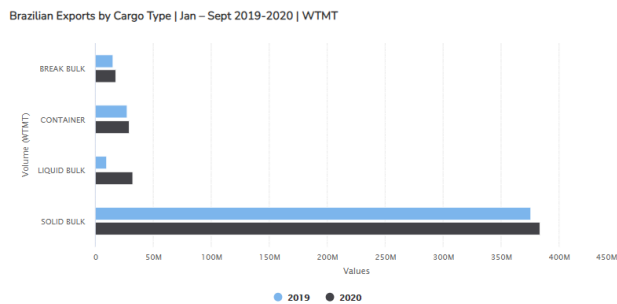
According to the Logistics Bulletin recently released by CONAB, the national food-supply company, the share of agricultural products in cargo handling in Brazilian ports went from 16% in 2019 to 21% in 2020, despite measures to combat the Covid-19 pandemic.

By October, the circulation of agricultural products had reached 175 million tons. During this period, the total cargo movement in Brazilian ports was 850 million tons. This amount is 3.7% higher than that registered in the same period last year. The study was based on data up to the third quarter of 2020 obtained from ANTAQ, the national waterway transport agency.

Brazil has 34 public ports and 147 private-use terminals (TUPs) that are responsible for the maritime and fluvial handling of 80% of the daily consumed goods. Of all the movement, 65.5% is handled in TUPs and 34.5% is handled in organized ports.

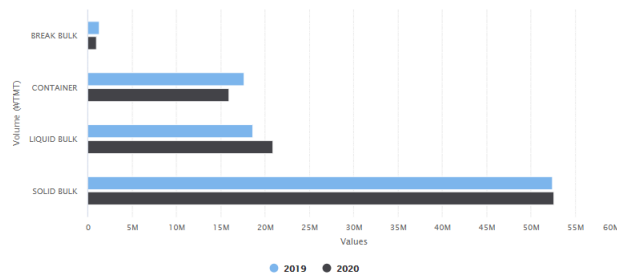
See the following graphs for a comparison between Brazilian exports and imports by type of cargo for the period Jan – Sept. 2019/2010:

Brazilian Exports by Cargo Type | Jan – Sept 2019-2020 | WTMT



Source: DataLiner

Brazilian Imports by Cargo Type | Jan – Sept 2019-2020 | WTMT



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

Data in the Logistics Bulletin reveal the impact of agricultural products on Brazilian exports. Until last month, the sector registered a trade surplus of US\$ 75.5 billion: US\$ 85.8 billion in exports and US 10.4 billion in imports. According to the Ministry of the Economy, in October, Brazilian exports totaled US\$ 210.7 billion, with agribusiness making up half of this total.

In the agricultural sector, the soy complex has the highest accumulated value of all chains – 39.2% of the total -, followed by meat with 16.4%. Check out the full Logistics Bulletin here.

According to the government of the Argentine province of Santa Fé, since the start of the process of reactivating the capital's port in June, 50,000 tons of broken corn have already been exported by the site.

“In the past five years, only one boat had left the port. Now, in less than a year, we’ve had about 20 shipments so far and we have many more planned. This is great news for producers in Santa Fé,” said the president of Porto’s Administrator, Carlos Arese.

According to him, “we have found the right scale for ships that can enter our port, which is 100 meters long, adapted to the current situation of the river level.” Shipments of broken corn take place at the local agro-grain terminal plant. “We are excited about the near future. We are already receiving grains from the 2020-21 harvest and working so that they can be exported by water,” he said. The reactivation process at the Port of Santa Fé began last

April with the use of a deepening dredge in the access channel. Due to the extraordinarily low level recorded for the Paraná River, about 50,000 cubic meters of sediment were removed. After this stage, the first shipment left on June 16 to the port of the city of Montevideo, Uruguay.

Exporters and importers are going to court against the tariff charged by port operators for scanning containers – the non-invasive inspection determined by the Brazilian federal revenue service. In Bahia, the proceedings have been favorable, while in the states of São Paulo and Espírito Santo, the few appeals decisions have gone against the companies.

The value is established by each port operator. It ranges from R\$ 80 to R\$ 1,000 per unit, according to CNI, the national industry confederation, which tried unsuccessfully to challenge the charge by administrative means. And it is now considering going to the Judiciary, as the tariff weighs on the pockets of exporters and importers, who handled more than four million containers in 2019.

The request was denied by ANTAQ, the national waterway transport agency. The entity considered the tariff to be legal but understood that it should not be included in the package of services paid for cargo handling – the so-called box rate.

According to ABRATEC, the Brazilian association of container terminals, the tariff began to be charged in the country in 2012, after an ordinance was issued by the federal revenue service to oblige port operators to provide non-invasive inspection equipment (scanners) at no charge to the agency, in addition to qualified personnel at the agency’s command.

The forecast is in Ordinance No. 3,158, of 2011, which revoked a rule from the previous year, with a subsequent wording change in 2014. The ordinance regulates Law 12,350, of 2010, which attributes competence to the federal revenue service to define the technical and operational criteria for customs.

In the lawsuits, the companies claim that the tariff started to be demanded without editing a specific law and that it should be included in the package of services offered by port operators.

The argument was accepted in an injunction that benefits the Association of Users of the Ports of Bahia (Usuport). In the decision (case nº 1040602-44.2020.4.01.3300), Judge Ávio Mozar José Ferraz de Novaes, of the 12th Federal Civil Court of the State, understood that the tariff should be included in the basket of services offered by the port terminal, in this case, the Tecon Salvador. He cites ANTAQ’s own rule (Resolution No. 2,389, 2012) to this effect. According to Article 11, according to the magistrate, the amounts spent on services made to meet the determinations of the customs authority must be included in the box rate, “which, in itself – at least in this summary assessment – appears to disallow the collection of these amounts.”

Another decision benefits a company that operates in copper smelting and refining. The sentence was handed down by Judge Carlos D’ávila Teixeira, of the 13th Civil Court of Bahia. He considered the tariff to be illegal and ordered reimbursement for the past five years. For the magistrate, it is a security measure, resulting from the police power of the federal revenue service, and that, therefore, the collection should have been established by law. He adds in the decision that, even though container scanning is not considered an exercise of police power that implies the

creation of a tax, “any expense to make customs clearance possible should be supported by the company, since it is part of the business”.

For the lawyer accompanying the two cases, Fernando Antonio da Silva Neves, from the office of Fernando Neves Advogados e Consultores, there is a lack of legal support for the collection. “The companies that use the ports unduly spend exorbitant amounts across the country and ANTAQ places itself in a position of regulatory omission”, he says. He also highlights the importance of the injunction obtained by Usuport, which can also be used by exporters and importers who associate with the entity, as determined by the judge.

In a note signed by its executive director, Demir Lourenço, Tecon Salvador informs that it is appealing both decisions “and is quite convinced that they will be reversed since its entire procedure is supported by law, duly regulated by ANTAQ, which it is the competent authority, and is practiced by terminals all over Brazil and the world”. And he adds: “There is no irregularity or even injustice in charging for services”.

The flow of trucks at the Port of Itajaí has been causing disturbances in the region. About 800 trucks per day access the port, and recently these vehicles have been honking in protest due to long waiting lines. To try to solve this problem, the municipality of Itajaí is making improvements on an emergency basis together with the port superintendent. The negotiations advanced on November 25 when the mayor of Itajaí, Volnei Morastoni, met with representatives from various port sectors. The meeting was held on November 25th with representatives of the Superintendency of the Port of Itajaí, APM, the Itajaí Attorney General’s office, Labor (TPAs), Customs Brokers union, Codetran, autonomous transporters, and others

An action plan was defined that is already being put into practice, with the aim of immediately containing the problems that interfere with public disturbances, such as the “honking” on the main roads and the port access roads. The action plan includes:

- The immediate hiring of 35 drivers by APM Terminals (Port of Itajaí leasing company), external to the OGMO (labor-management agency), with the endorsement and agreement of the Labor representatives and unions, thus giving more flexibility in port internal traffic;
- The Port of Itajaí, through APM, is importing a part from Germany to repair a crane that will improve ship operations. This equipment will become operational in the first half of December;
- Review of password emissions to adapt the operational capacity currently installed by APM, thus minimizing the number of trucks on public roads;
- Improvements in winch services to service trucks in the terminal’s internal area;
- Implementation of the Carousel System, an innovation in the internal logistics of the Municipality of Itajaí, in which all trucks will only enter through one gate (Gate 1) and leave through another gate (Gate 2), reducing conflicts. Note: This action depends on the completion of bidding scheduled for December 9 and the final release for implementation by the Brazilian Federal Revenue Service
- Concerned about the population, rounds by municipal police and CODETRAN agents will be intensified with the objective of advising drivers not to honk; they will be educational and non-punitive actions;

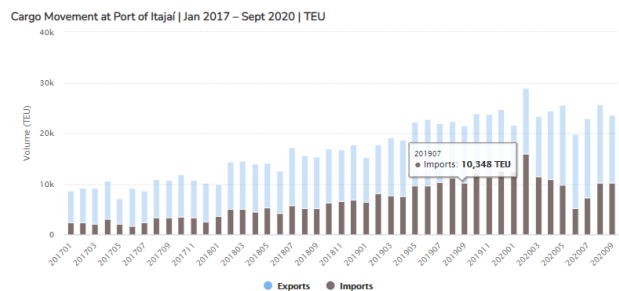
- Improvements in the internal operational flow will be made to reduce the driver’s stay in the primary area of the port;
- New meetings will be held to debate, align, and improve the proposed actions.

The Port of Itajaí can clarify some points that have caused delays in port logistics. For example, there is a significant weekly increase in the volume of import containers and a lack of more than 80 independent direct laborers who have tested positive for Covid-19. There is also a broken APM crane and many drivers arrive ahead of schedule, further increasing queues on public roads, among other factors.

The Municipality of Itajaí and the Port of Itajaí Superintendence emphasize that despite the difficulties resulting from the pandemic, the Port of Itajaí is experiencing record movement.

See the graph below for cargo movement growth at Port of Itajaí since 2017:

Cargo Movement at Port of Itajaí | Jan 2017 – Sept 2020 | TEU

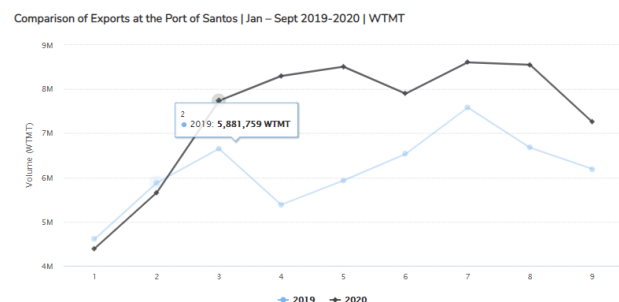


Source: DataLiner (To request a DataLiner demo, click here)

A survey carried out by the Santos Port Authority (SPA) pointed out that the Port of Santos is currently experiencing a billion-dollar investment cycle before privatization. Altogether, works are underway that total R\$ 2.6 billion in public and private terminals. The figure is expected to soon grow by another R\$ 1.4 billion, considering the two new cellulose terminals recently purchased by Eldorado and Bracell – which will jointly invest R\$ 380 million – and the auction of two areas for fuels, scheduled for 2021, and with a construction budget of R\$ 1 billion.

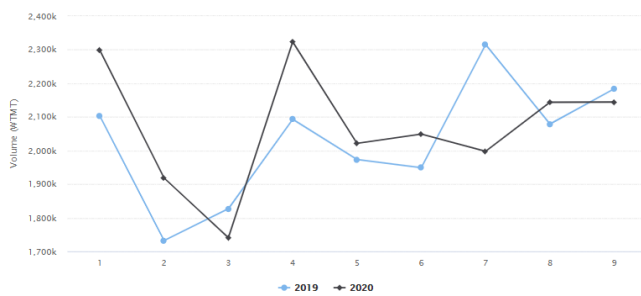
The investments are being made during studies to privatize management and are the result of bids and contract renewals carried out in the last five years. In addition, a relevant share – R\$ 700 million – refers to a pulp project with Suzano at the private terminal of DP World.

See the following charts to compare the imports and exports at Port of Santos during the period from January-September 2019/20:



Source: DataLiner

Comparison of Imports at the Port of Santos | Jan – Sept 2019-2020 | WTMT



Source: DataLiner (To receive a DataLiner demo, click here)

For SPA president Fernando Biral, one of the explanations for the current investment cycle is the long-term planning of the port, launched in 2019 and consolidated this year with the Development and Zoning Plan (PDZ) – which had not been reviewed for the last 14 years.

“Space has been opened up for new investments. Today we have areas that are correctly assigned. Before, there were a series of ‘pulls’, or terminals that operated with transition contracts that did not require any investment,” says the executive.

An example of this is the area occupied by Transpetro, a Petrobras subsidiary, which for years occupied a large and privileged space on the right bank of the port through transition contracts. Now, the site will give rise to two liquid bulk terminals which will result in more than R\$ 1 billion in investments. The projects are being analyzed by the Federal Court of Accounts (TCU), and the auction should be held in the first half of 2021.

SPA has also just entered into three other leases that are due to be tendered next year, according to Bruno Stupello, Director of Business Development and Regulation at Companhia Docas.

The first of these will be a fertilizer terminal in the Outeirinhos region. The second, a retro-port container terminal in the Saboó area, and the third, a solid vegetable bulk terminal in the Paquetá region. The studies were delivered in the last few days to EPL, the planning and logistics company that will carry out the structuring.

Also in 2021, discussions should begin for a new container terminal in Santos, in the Saboó region, in an area close to that of Brasil Terminal Portuário (BTP). Currently, there are three major container operators in the port: BTP, Santos Brasil, and DP World. With the new terminal, space would be opened for a fourth large group. “This will be Santos’ next big auction,” says Stupello.

The preliminary projection is that the four contracts together add up to R\$ 3.4 billion in investments. In addition to the terminals, a new management model is being designed for the railway network within the port to enable approximately R\$ 2 billion in investments in road access.

Today, the port’s railroads are the responsibility of Portofer, a concessionaire of Rumo, but they do not generate revenue for the group – these are routes that only make a “last mile” in cargo transportation. SPA’s idea is to create a new company in a cooperative format, in which other companies can participate in the management – in this case, MRS and VLI – which also have railways that terminate at the Port of Santos.

Portofer’s concession expires only in June 2025, but SPA intends to change the model before that. In the coming months, the public

consultation with the proposal will already be launched, says Stupello.

“The next major road and railroad access works, in the order of R\$ 2 billion, will probably already be under the new contract. It will be a cooperative format, allowing new players to enter,” he says.

From the 24th to the 26th of November, the Nuclear Physical Security Exercise in Port (ESFPORTO – 2020) took place in the Port of Rio de Janeiro. The activity is coordinated by the Institutional Security Office of the Presidency of the Republic (GSI / PR), Central Body of the Brazilian Nuclear Program Protection System (SIPRON). The objective is to assess the ability of the agencies and entities involved to respond promptly to a nuclear emergency in port areas, test the effectiveness of the protocols, and promote interaction between the participants.

For the superintendent of the Port Guard, José Tadeu Diniz, the Nuclear Physical Security Exercise in Port is also an opportunity to improve risk management: “Through this activity, we can identify vulnerabilities, learn about threats and adopt good practices prevention. We know that the risk of accidents of this nature is very low, but we must always be prepared because the consequences would be disastrous for the population, the environment, and the economy”.

The action, carried out in coordination with the National Public Security Commission on Ports, Terminals, and Waterways (CONPORTOS), with the support of CDRJ and the Brazilian Navy (MB), involves dozens of professionals from 30 organizations, including the Army, the police, and companies such as the leaseholders of the container terminals of the Port of Rio de Janeiro – MultiRio and ICTSI Rio.

The exercise is based on requirements to safeguard the transport of nuclear or radioactive material by land and sea modes, established by the International Maritime Organization (IMO) and the International Atomic Energy Agency (IAEA), of which Brazil is a member. For the exercise, a scenario will be created simulating incidents in the transport of nuclear/radiological material in the Port of Rio de Janeiro, including stages such as the approach of the ship, preparations for disembarkation, land transport, and departure from the port. Emergency control simulations are also carried out.

Santos Brasil informed has stated that it has completed the last civil works for the modernization project of Tecon Vila do Conde, a container terminal located in Barcarena (PA). The site has a direct line to Caribbean cargo hub ports.

In total, there were 25 months of works that included the concrete paving of 36,000 m² of patio for storage of containers and the construction of two new gates and spaces for changing rooms and cafeterias for employees. Between 2018 and 2019, Santos Brasil invested approximately R\$ 60 million in the unit, in civil works and yard and pier equipment.

Recently, Santos Brasil announced that it plans to diversify its operations. Therefore, it wishes to participate in bids for fuel, soy, and fertilizers. In addition, the company has also expressed its interest in participating in a privatization auction in the Port of Santos; this is currently under study by the federal government.

Portos do Paraná published a Relevant Notice on Auction 01/2020 to lease the new vehicle area at the Port of

Paranaguá. Some changes were made in view of the exceptional situation of the COVID-19 pandemic. As a result, the time for receipt of proposal envelopes has been extended and will be held from 10 am to 2 pm, on December 15, at B3 (Rua XV de Novembro, nº 275, Centro – São Paulo / SP).

For the delivery of the documents, only one bidder will be allowed access at a time, and the bidder must leave the area after the delivery of the documents and signature of the envelope-receipt quittance. Access to the envelope-delivery area must be done with the minimum number of people required to deliver the documents, considering that only the presence of the representatives of the accredited participant is required to deliver the envelopes and sign the Envelope Receipt quittance to be issued by B3.

Public Session of the Portos do Paraná Auction - The public auction session will take place on December 18, starting at 3 pm. Access to the auction site will be ensured to a maximum of three people per bidder, be it individual or consortium, a quantity that represents the totality of those present on behalf of the bidder and their accredited participant, with the presence of both being mandatory so that it is possible to practice all the acts foreseen in the public notice by the bidder. In addition, the entry of the general public, the press, and other interested parties will only be allowed after the entry of the people already mentioned, subject to space limitations.

To guarantee full and unrestricted publicity for the public auction session, all acts will be broadcast live, via streaming, from the time determined for their start (3 pm), on the site <http://www.tvb3.com.br>, as well as on the B3 channel on YouTube.

Autoridad Portuária recommends the non-attendance at the session of any people who are part of the groups at risk for Covid-19 and reminds that the use of a mask is mandatory during the entire period of stay in the B3 facilities. B3 will make masks and gel alcohol available to all present. To practice social distancing, those present should remain seated in the previously designated seats spaced 1.50 m apart and should avoid moving the seats during the session.

Last week, the government of São Paulo presented the new project to the Infrastructure Ministry (MINFRA) for the billion-dollar bridge between Santos and Guarujá. There are significant changes in relation to the engineering studies released in 2019. The central span of the bridge, which was 400 meters, has now been extended to 750 meters between its pillars.

According to the State Secretary for Logistics and Transport, João Octaviano Machado Neto, the changes meet requirements made by the Ministry for the approval of the project. The bridge requires federal authorization because it affects the Port of Santos and its structures, and its access ramps use federal land.

The architectural differences are clear. Instead of the cable-stayed structure, as in the previous version, the new project is for a suspension bridge such as the Hercílio Luz bridge (Florianópolis) or the American Golden Gate bridge (São Francisco). Increasing the design to 750 meters wide and 85 meters high in the main span removes any physical risk for the passage of ships and port activity expansions, says the Secretary.

The work, which would take 36 months, had its budget revalued from R\$ 3 billion to R\$ 3.9 billion. The investment would be totally private and be through an amendment to the concession contract of Ecovias, a company that manages the Anchieta-Imigrantes highway system. The contract originally was to expire in 2026.

Minister Tarcísio Freitas has adopted a skeptical discourse on the bridge's feasibility and has put the design of a submerged tunnel as the preferred alternative for the dry Santos-Guarujá link. Tarcísio's concern is with possible damage due to the maneuvers of large ships. In his words, "bridges and ports don't go together".

The tunnel project, with a different location from the bridge (between the Macuco and Itapema neighborhoods), received the support of port terminal operators. They joined in a movement to defend the submerged connection of 1.7 kilometers and budgeted at R\$ 3.5 billion, the "Vou de Túnel".

On November 16, on a visit to the port, the minister said that "there is a total possibility" of including the tunnel work among the requirements assumed by the winner of the Santos Port Authority (SPA) privatization process. "We are studying this very carefully and verify that it fits within the concession. We are now carrying out studies [...] to offer a good logistics solution, for mobility, that does not hinder the expansion and development of the Port of Santos," he said.

For Secretary Octaviano, the two projects are not exclusive, but complementary. He just emphasizes that the tunnel, due to its characteristics and location, would focus more on urban mobility. The bridge, he argues, has a more logistical purpose and should receive up to 5,000 trucks per day. It is expected to cut cargo travel time by two thirds.

Octaviano states that simulations of maneuvers were carried out in the USP Evidence Tank, including critical scenarios (winds up to 40 knots, loss of rudder control, rupture of the tug line), and the conclusion is that the bridge does not hinder movement.

MINFRA's adviser said that "there will be a careful analysis of the material made available and briefly presented [during a meeting with the São Paulo government and Ecovias], as well as a verification if the project proponents of the notes previously indicated at the meeting." "Everything will be evaluated together with the tunnel alternative to determine the most suitable solution, and also the best address to make the project feasible – both in terms of its cost and its term, whether in the scope of the port privatization project or another design."

Despite the coronavirus pandemic, APM Terminals Pecém broke two consecutive records this year, with its best performance in September, with 41,000 TEUs, followed by a record result in October, of 46,705 TEUs. In the first 10 months, the Pecém Terminal handled 309,051 TEUs, an increase of 7.9% over the same period in 2019.

In addition, in the south of Brazil, the volume handled by APM Terminals Itajaí grew by double digits in 2020, maintaining the pattern of the last three years. Up to October, the terminal handled more than 457 thousand TEUs, up 13.4% from 403 thousand in the same period of the previous year. The Terminal is expected to surpass the million TEU mark by December. Like Pecém's "brother" terminal, Itajaí had its busiest month on record

in October, with 53,000 TEUs. Growth exceeded 200% on a cumulative basis between 2017 and 2020.

Consolidation in the Northeast - According to the company, the strategic location of Port of Pecém is among the main drivers of the company's growth in the northeast. Other factors include larger ships with greater cargo capacity, the weaker Brazilian real, and economic recovery ahead of special dates, including Black Friday, Christmas, and New Year's Eve, in addition to the efficient operations offered by the terminal.

These volumes have been supported by important advances in the APM Terminals in Pecém that have allowed the arrival of larger ships such as the MSC Shuba B, 330 m long and 48.2 m beam, that arrived in August, the largest ship ever moored in the state. This giant also marked the beginning of the fruit harvest in Ceará.

The Port of Pecém also opened berth 10, which increased the terminal's operational capacity. "Seeing the cranes running along the tracks was a milestone for the APM Terminals in Pecém. With a length of 300 m, the new berth positions Pecém among a small select group of ports in Latin America that can receive new Panamax vessels with drafts up to 15.3 m. The new cradle also optimizes our docking window system, reducing waiting times," says Daniel Rose, Managing Director of APM Terminals Pecém.

The 2020 recovery was greater than expected, according to André Magalhães, Commercial Director of APM Terminals Pecém. "We did not expect such a strong and rapid recovery early in the third quarter. Cabotage, with its six regular lines to Pecém, has strongly resisted the impact of COVID-19, consolidating itself as a logistical solution for the region", he says.

Magalhães adds that the numbers were also driven by the large fruit harvest, with melons, watermelons, grapes, and mangoes from the São Francisco valley destined for the American and European markets. "We started this year with a 17% growth in exports of mango to the United States and APM Terminals handled practically 70% of the entire volume of the São Francisco Valley. Regarding melons, we moved 100% of the volumes this year thanks to larger ships and a greater commitment of the shipping companies to local customers, avoiding all port call cancellations."

Reefer exports also jumped 70% in volume compared to the same period last year, with 16,800 TEU handled against 9,900 the previous year.

Increase in imports - In Itajaí, frozen exports and the resumption of imports in the second half drove the rapid growth of the terminals. Of the 10 largest in Brazil, APM Terminals was the only one to register growth in imports until August this year, according to data from DataLiner. Regarding exports, APM Terminals Itajaí was among four of the 10 largest terminals that experienced an increase, with the greatest growth, 21%, until August, also according to data from DataLiner.

According to the Managing Director of APM Terminals Itajaí, Aristides Russi Júnior, several factors explain this growth "We can cite several reasons, including the weaker Brazilian real and strong industry, mainly in exports. Our terminal also saw a significant increase in its market share among the ports in Santa Catarina".

In addition to new services in Itajaí, the port itself inaugurated its largest maneuvering basin in 2020. With the new basin, the

terminal now receives vessels up to 350m with a 48m beam. In addition, APM Terminals Itajaí invested more than 2 million euros in reach stackers in the second half of last year, improving operational capacity.

For the first time, Brazilian public ports that achieved the highest performance indices were recognized by the Federal Government with the "Portos + Brasil Award", created by the Ministry of Infrastructure. This first edition evaluated the best ports in the country based on IGAP (the management index for port authorities). "The government's intention is to stimulate the permanent search for excellence in the management of public ports in Brazil", stated Diogo Piloni, head of SNPTA (the national secretariat of ports and water transport), a division of the Ministry of Infrastructure.

The Portos + Brasil Award initiative is part of the guidelines provided for in Administrative Ruling MTPA No. 574/18, which guarantees more autonomy for port authorities in bidding procedures, in addition to maximizing the decentralization of organized port administration. The ordinance also allows the ministry to identify which port authorities have been adopting the best market, management, governance, and transparency practices and that have a good organizational, physical, and functional framework suitable for port exploration.

At the awards ceremony held last Tuesday, November 24, ports were recognized for having the best scores in the execution of planned investments, movement growth, variation of the EBTIDA margin, and IGAP ranking. The indicator assesses the level of operational efficiency, administrative efficiency, maintenance of waterway access, investment budget execution, and other factors. See the winners below:

Awarded Categories:

IGAP Ranking (Port Authority Management Index)

1st place: Ports of Paraná (Paranaguá – PR)

Score 9.00

2nd place: Santos Port Authority (Santos – SP Maranhense Port Administration Company – EMAP (São Luís – MA)

SCPAP Port of Imbituba (Imbituba – SC)

Score 8.5

Variation in EBTIDA Margin

1st. Place: Companhia Docas do Pará (Belém – PA)

1161%

2nd. Place: Companhia Docas do Rio de Janeiro (Rio de Janeiro – RJ)

424%

3rd Place: Companhia Docas da Paraíba (Cabedelo – PB)

205%

Movement Growth

1st. Place: Santarém Organized Port / Companhia Docas do Pará (Belém – PA)

36.2% increase compared to 2018

2nd. Place: Itajaí Organized Port / Itajaí Port Superintendence (Itajaí – SC)

33.9% increase compared to 2018

3rd. Place: Vila do Conde Organized Port / Companhia Docas do Pará (Belém – PA)

22.3% increase compared to 2018

Investment Budget Execution

1st Place: Ports of Paraná (Paranaguá – PR)

Execution of 81.8% of the Investment Budget
 2nd Place: Superintendence of the Port of Itajaí (Itajaí – SC)
 Execution of 59.9% of the Investment Budget
 3rd Place: Maranhense Port Administration Company – EMAP (São Luís – MA)
 Execution of 37.1% of the Investment Budget

The Itaquí port management (EMAP – Empresa Maranhense de Administração Portuária) has just received a triple ISO certification – the ISO 27.001 standard for Information Security. This comes in addition to the 9001: 2015 and 14001: 2015, which attest to excellence in quality and environment management respectively.

The certification recommendation was announced in October and confirmed this week. It was presented at a ceremony held in the company’s auditorium, attended by the president of Porto do Itaquí, Ted Lago, and other members of the management team, although the meeting had a restricted number of participants, in compliance with the covid-19 prevention protocol.

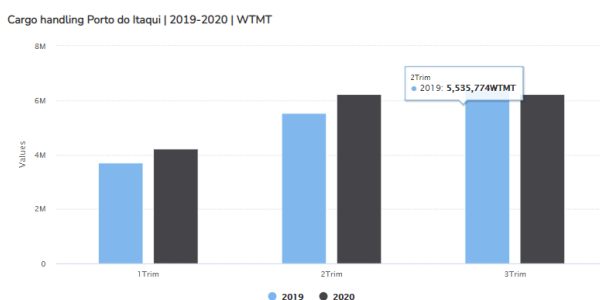
“Certification is an important indicator, but what matters most is what is behind it, the degree of competence and commitment of the team, the focus on continuous improvement, and the lessons learned from the process. I have a lot of confidence in this group, in everything we do together, and we want to share these practices with other companies and agencies”, said Ted Lago.

The audit report highlighted the commitment, transparency, the level of qualification of employees and the awareness of all employees audited in relation to the policy. In the more technical field of the assessment, according to the document presented, the pro-activity in the resolution of non-conformities, the Business Continuity Plan, the management of the service processes, the monitoring of the EMAP digital belt, and the infrastructure were relevant. data center.

To obtain certification, EMAP was audited against the following requirements of the standard: Organization Context, Risk Assessment, Operational Controls, Effectiveness Analysis, and Improvement. “It was hard work that achieved a brilliant result, with the elaboration of robust documents by a team that shows a willingness to do it. The Management System, for sure, is on the path of continuous improvement”, said auditor Henrique Garcia Perez.

The audit was carried out by the Vanzolini Foundation, accredited by Inmetro for ISO 27.001 certification and the only one in Brazil integrated with the International Certification Network (IQNet), a network that gathers the 38 most important certifiers present in 150 countries.

The following chart shows cargo handling at the Port of Itaquí:

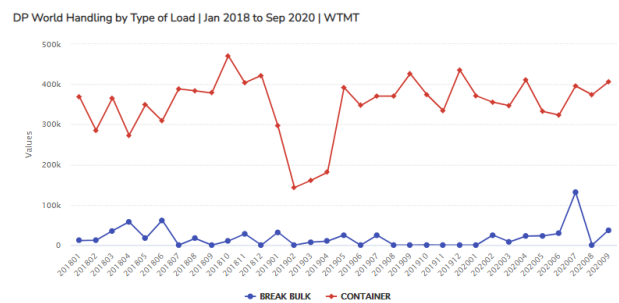


Source: DataLiner

Rumo, the Cosan group logistics operator, and DP World signed a memorandum of understanding for the construction of a new terminal for the export of grains and the import of fertilizers at the Port of Santos. The project will still be the subject of studies and will have to be analyzed by regulatory and environmental agencies, but the projection is that the works may begin in 2022 so that they can be delivered between 2023 and 2024.

The idea is to build the new structure inside the DP World private terminal, on the left bank of the port. In addition to containers, the company has been moving pulp since 2019 in a long-term partnership with manufacturer Suzano. To build the two new berthing berths, a pier will be built perpendicular to the quay.

The following chart shows DP World’s cargo movement by cargo type since 2018:



Source: DataLiner – To request a DataLiner demo click here

For Rumo, the new terminals at DP World are part of a major expansion plan for its logistics operation, with the objective of transporting agricultural products from the country’s Midwest to Santos. With billion-dollar investments in its rail network, the group wishes to ensure that there are no bottlenecks at the port. Today, the company already has a stake in other terminals in the port of Santos: Terminal XXXIX (partnership with Caramuru Alimentos), the Guarujá Bulk Terminal (TGG, in partnership with Amaggi and Bunge), and the Guarujá Maritime Terminal (Termag, with Bunge).

However, the assessment is that an expanded structure will be needed to support the projected growth. By 2026, Rumo will have to expand the capacity of Malha Paulista, a railway that ends at the port of Santos, from the current 35 million tons per year to 75 million tons. The commitment was signed during the early renewal of the concession in exchange for R\$ 6 billion in investments.

The company is also nearing completion of the North-South railroad works, which was finalized in March 2019 at an auction promoted by the federal government. The operation is expected to start in the first half of 2021 and will connect the producing regions of Goiás, Tocantins, and Minas Gerais to the Santos pier.

With the new terminals in partnership with DP World, the port is expected to expand its grain-export capacity by 8 million tons per year. In the case of fertilizer imports, the increase will be 3 million tons per year, according to preliminary studies. The value of the investment has not been revealed. For comparison purposes, a market source estimates that the resources invested in the new port complex should be approximately half of the R\$2.3 billion investment made in the VLI terminal in Santos – or that is, it would be in the range of R\$ 1 billion.

It is not yet defined how Rumo will enter into the partnership – whether with a portion of the resources or just as a guarantor of the cargo that will arrive at the terminal, through take-or-pay contracts, in which the user undertakes to pay a minimum remuneration for the provision of the service, regardless of the movement. The project also foresees the construction of a new railway access, regardless of the branch used today by the terminal.

Grain

The Brazilian Chamber of Foreign Trade (Camex) renewed the quota for importing 750,000 tons of wheat from outside Mercosur that is exempt from the Common External Tariff (TEC) – which, in this case, is 10%. Purchases can be made from November 18 this year to November 17, 2021.

The quota was established in a commitment made by the country to the World Trade Organization (WTO) in 2019. This July, due to the shortage of wheat in the national market and the high prices, CAMEX allowed the importation of an extra quota of 450,000 tons, TEC-free, from outside Mercosur until November 17 of this year.

Brazil is one of the main wheat importers in the world. About 60% of domestic consumption comes from abroad, mainly from Argentina. See below the main origins of wheat imported by Brazil:

Originating Country	Volume (WTMT)
Argentina	2.068.906
The United States	28.078
Martinique	4.011
Suriname	3.508

Table source: ANTAQ

ABIA (the Brazilian food industry association) asked the Foreign Trade Chamber, CAMEX, to suspend the 10% import tax (TEC) on palm oil from countries outside Mercosur.

According to the entity, the low growth of national production and competition with other sectors has caused shortages in the product which is the main ingredient in trans fat substitutes, and this can inflate food prices. “The lack of palm oil is worrying in view of the urgency of adapting to the regulatory determination, RDC 332/19 by ANVISA, which determines the reduction of trans fats in food from 2021 and its ban by 2023. This determination will double the demand by the food industry over the next two years, and in the current scenario there is strong difficulty in accessing the ingredient”, wrote João Dornellas, executive president of ABIA.

The temporary withdrawal of TEC for palm oil should not harm the national producer, according to him, since the internal demand is greater than the supply. The order was placed in October, but no judgment date has been set. The next meeting of CAMEX’s Executive Management Committee (GECEX) is scheduled for December 16.

Official data show that palm plantations in Brazil have increased between 2% and 3% per year, which, according to Dornellas, is “insufficient to meet the expansion in the consumption of food and other products internally”. According to the organization, palm oil, is essential for industrialized foods, for the pharmaceutical industry, for biofuels, and for the personal hygiene and cosmetics segment.

Ores

On November 27, Vale announced that it has received the installation license to return to and expand its operations in Serra Leste, in Curionópolis (PA), paralyzed since January 2019, after having reached the limit of its iron ore extraction license. In the coming weeks, maintenance will be carried out for the safe resumption of operations in December.

Serra Leste, with a capacity of 6 million tons a year of iron ore, is expected to produce around 4-5 million tons in 2021, reaching its full capacity in 2022, following the programmed “ramp-up” of resumed mining activities.

“The expansion project, which consists of the adaptation and reworking of the existing plant, will allow for a capacity expansion to 10 Mpta (million tons/year), with a ‘start-up’ scheduled for the first half of 2023”, said Vale. “The return of Serra Leste is another step in the stabilization of iron ore production on the way to the return to a 400-million-ton production capacity, said the note.

In October, Vale’s CEO, Eduardo Bartolomeo, pointed out that the goal of producing at a rate of 400 million tons per year could be achieved by the end of 2022 or the beginning of 2023.

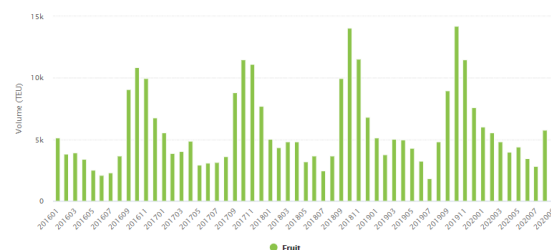
Fruit

According to Eduardo Brandão, Executive Director of ABRAFRUTAS, the Brazilian association of fruit and derivative export producers, Brazilian fruit exports to Arab countries are expected to grow in the coming year. The main fruits shipped to the Middle East and Asia are usually melons, grapes, mangoes, and Tahiti lemons, according to the association’s data. “There is a great expectation of growth in fruit exports to the Middle East bloc (Saudi Arabia, Bahrain and the United Arab Emirates). And for the Asian continent, especially China and South Korea. We have quality fruits that are highly appreciated by these countries”, said Brandão, in a note.

From January to October 2020, 725,000 tons of the product were exported. The association points out that there was an increase of 2.8% compared to the same period in 2019. “The trend is that the peak in exports will always be in the last quarter of the year when there is a greater demand from countries. The intention is to end the year with US\$ 1 billion in revenue. If we do not reach the total value, we will be very close. Everything will depend on the exchange rate,” said Brandão. See the chart below for the month-to-month history of Brazilian fruit exports from January 2016:

Brazilian Fruit Exports (HS 08) | Jan 2016 to Sept 2020 | YOUR

Brazilian Fruit Exports (HS 08) | Jan 2016 to Sept 2020 | YOUR

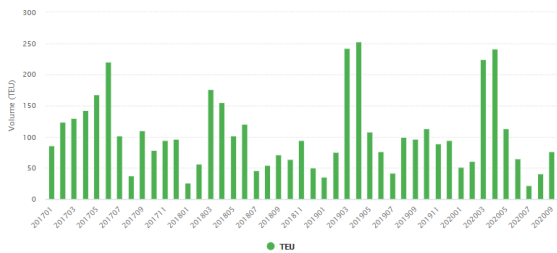


Source: DataLiner

According to the Director, the market potential is great in the Middle Eastern countries, which imported about 15,000 tons of fruit in 2019. Among the Arabs, the Emirates were the biggest

buyers in 2019, reaching 13th place in the general ranking of Brazilian fruit importers. The chart below shows monthly Brazilian fruit exports to the Middle East from 2017:

Brazilian Fruit Exports (HS 08) to the Middle East | Jan 2017 to Sept 2020 | TEU



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

One initiative that should help Brazilians stand out in this market is the obtention of the Halal certificate. The seal proves that a product was produced following Muslim precepts and can therefore be consumed by them. In material released, Omar Chahine, Commercial Manager of Brazilian certifier Cdial Halal, stressed that certification has been increasingly required in Arab countries and beyond. "In addition to being recognized for attesting to good manufacturing, safety, and quality practices, Halal certification has been requested, even by countries that are neither Arab nor Muslim, such as Japan, China, and Canada. Before, it was enough to have the product certified to be exported, but today most importers are demanding the Halal quality seal in the entire production chain," said Chahine.

Other cargo

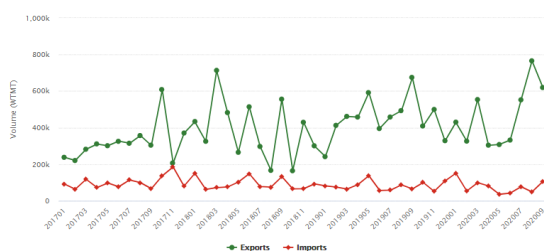
A joint note released by the Ministries of Foreign Affairs and Agriculture and Food Supplies reports that the Mexican authorities approved the proposed International Animal Health Certificate for the export of poultry eggs, by-products, and parts; this opens the doors of the Mexican market to Brazilian exports of these products.

In addition, Mexico opened a multi-year tariff quota for the import of paddy rice. The volume of the product authorized to enter at zero tariff is 30,000 tons up to 12/31/2020, and 75,000 tons in the period from 1/1/2021 to 12/31/2021.

In 2019, Brazil exported fresh poultry eggs valued at almost US\$4.8 million and US \$ 5.1 million worth of egg by-products and parts. It also exported US\$ 59 million infertile eggs to an incubator, including US\$ 7.9 million to Mexico. The chart below shows a month-by-month history of trade between Brazil and Mexico since 2017:

Imports and Exports from Brazil to Mexico | Jan 2017 to Sep 2020 | WTMT

Imports and Exports from Brazil to Mexico | Jan 2017 to Sep 2020 | WTMT



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

The greater penetration of Brazilian exports of eggs and by-products and paddy rice into the Mexican market represents more

opportunities for national agribusiness. These products occupy an increasing space in the trade agenda between Brazil and Mexico.

Economy

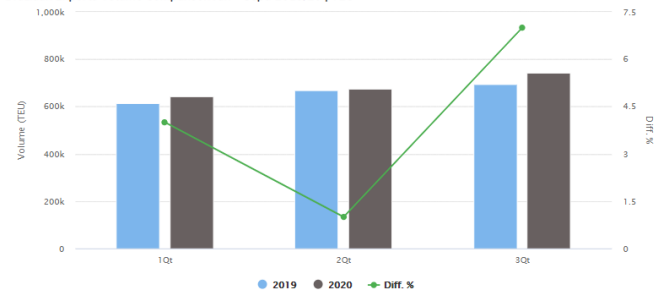
Data from the Organization for Economic Cooperation and Development (OECD) indicate that Brazil's foreign trade contracted by US\$ 14 billion in the third quarter of 2020, compared to pre-pandemic levels in the fourth quarter of 2019. While Brazilian exports declined US\$ 3.8 billion between July and September compared to pre-pandemic levels, imports contracted much more, by US\$ 10.2 billion.

In the third quarter, exports of Brazilian goods had a modest growth of 1.6% in value and imports, a contraction of 8.9%, in relation to the second quarter. Globally, trade in goods from the largest G-20 economies increased in the third quarter, with exports increasing by 21.6% and imports increasing by 18.1%, compared to the second quarter when lockdown measures were in force.

Despite this, the OECD says that preliminary data already point to the return of restrictive measures in several economies, and, with this, negative impacts were seen on the export and import flows in October. Other indicators confirm that a modest economic recovery slowed in the fourth quarter of 2020, with the pandemic continuing to wreak havoc.

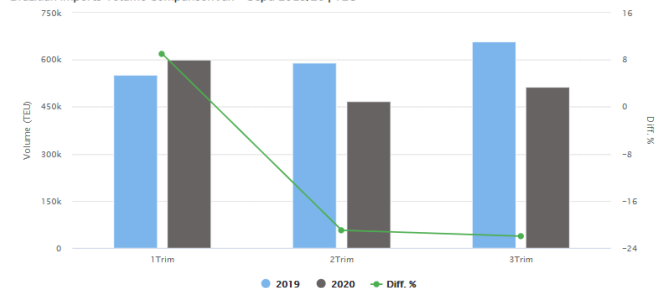
The following graphs give a comparison of Brazilian container imports and exports during the first three quarters of 2019 and 2020:

Brazilian Exports Volume Comparison Jan – Sept. 2019/20 | TEU



Graph source: DataLiner

Brazilian Imports Volume Comparison Jan – Sept. 2019/20 | TEU



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

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