

Main news

Santos Port Authority (SPA) received the first offers to enter into transitional contracts in areas with recently expired contracts – two in the Saboó region and one in Paquetá. Interested companies are Reliance, MSC, Master, and Conport.

The offers were published on December 21st on the SPA website and beginning on the 22nd, interested parties may submit proposals for the next 10 working days, until 8 January. On January 11, SPA will publish the list of offers received and those who are competing will have 1 day to present final bids.

The winning bid will be that which offers the highest value resulting from the sum of the fixed (per square meter) and variable (per movement) values. There is no restriction on the type of cargo to be handled. The contracts will have a term of 180 days or until the respective bidding processes are concluded for the execution of a long-term contract, whichever comes first.

See the proposals below:

Simplified Selection Process	Area in Square Meters	Company	Value Offered Per Month – Fixed Lease	Value Offered – Variable Lease	Cargo to be Handled
Saboó No. 01/2020	20.896	Reliance Agenciamento e Serviços Portuários Ltda.	150.000,00	R\$ 2.00 per ton	General cargo (project cargo and pulp) and bulk cargo
Saboó No. 02/2020	64.412	MSC Mediterranean Logística Ltda.	79.870,88	R\$ 1.00 per container	Containers, general cargo, project cargo, and vehicles
Paquetá No. 03/2020 (Proposal 1)	16.020	Master Operador Portuário Ltda.	16.020,00	R\$ 1.00 per ton	Solid mineral bulk (fertilizers and other mineral bulk)
Paquetá No. 03/2020 (Proposal 2)	16.020	Conport Afretamentos Marítimos Ok Ltda.	75.000,00	R\$ 1.00 per ton	Solid bulk (mineral)

Ports and Terminals

In November 2020, the Itajaí and Navegantes Port Complex recorded the largest handling figures in its history. 139,451 TEU and 1,665,893 tons were handled. Compared to November 2019, when 100,207 TEU and 1,134,189 tons were handled, these numbers represent a 39% increase in container handling and 47% in tonnage. Previous handling records were set in October 2020 with 129,331 TEU and 1,431,200 tons, and October 2013 with 114,792 TEU and 1,364,007 tons.

During this period, 96 vessels moored at the Complex, highlighting a 26% increase over November 2019, when 76 moored vessels were registered.

In the Port of Itajaí (public berths and APM Terminals) there was a 12% increase in tonnage and 3% increase in TEU. In November 2020, 47,814 TEU and 570,700 tons were handled, compared with 46,352 TEU and 509,727 tons in the same period of 2019.

“This month was difficult for the public port, we had an exponential number of workers and temporary port workers who were laid off due to COVID and due to equipment breakdowns; this impacted our handling figures and generated negative impacts on society. However, despite this, we have remained faithful to the purpose of keeping this activity running and generating wealth for our city”, says Marcelo Werner Salles, Superintendent of the Port of Itajaí.

Among the private-use terminals, Heder Cassiano Moritz, General Director of Logistics Operations at the Port of Itajaí Superintendency, highlights the movement carried out by

Portonave that recorded the best month in its history: “Portonave (Porto de Navegantes) handled 91,637 TEU and 1,087,789 tons, this movement is 70% higher than the TEU movement recorded in November 2019, which was 53,855 TEUs”.

For Heder, the indices achieved by the Complex are a direct reflection of the investments made in the waterway access channel. Changes in infrastructure, access to the channel, dredging, and the new Evolution Basin were fundamental to the operation.

The first maneuver in the new Evolution Basin was carried out on January 16 and on June 1 it received the first vessel longer than 300 meters. So far, more than 270 maneuvers have been carried out in the Evolution Basin 2 area, as it is called. “Looking at the monthly movement, especially after the second semester, it is possible to see how much the operation of ships larger than 350 meters represented for the Complex. It was a very important step, which made the difference in 2020”, emphasizes Heder.

Private-use terminal Teporti carried out two vessel calls, handling 7,404 tons; the other private-use terminals did not register any movement in November.

62% of the container cargo passing through the complex was for exports. Chicken, meat, wood, and derivatives were the main products exported.

The main imported products were: mechanics, electronics, chemicals, textiles, and miscellaneous. 38% of the trade flow was for imports.

In November, the complex already surpassed the movement registered throughout the entire year in 2019 and I believe that by the end of December, we can reach the goal of 1.4 million TEU. This is a source of pride for all the people involved in this activity, and it is their daily work which has guaranteed such strong results”, concludes Marcelo.

Beginning in the first quarter of 2021, Wilson Sons will begin building tugboats in the shipyards of Grupo no Guarujá (SP). The new vessels will be added to the company’s fleet which already consists of 80 tugboats spread across the Brazilian coast.

“The new series will contribute towards fleet renewal and facilitate support for large-scale vessels that will pass through Brazilian ports over the next few years. We will also be ready for business opportunities in the oil and gas industry, such as dedicated LNG operations”, stated Rodrigo Bastos, director of the Wilson Sons Tug business unit.

The tugboats will be built by Damen Shipyards, a Wilson Sons partner for over 25 years, and some new changes will be made. The 25-meter-long and 13-meter-wide tugboats will have 80 tons of static traction (BP) and will be classified as Escort Tugboats.

Another innovation is IMO Tier III certification, which attests to the elimination of emissions of nitrogen oxides (NOx) by vessels. With this, the new units will comply with the requirements of some regions of the North American and European markets.

The first tugboat is expected to be delivered in the first quarter of 2022, and it is expected that a new vessel will be completed every four months until 2024. For this new venture, Wilson Sons plans

to hire 50 professionals. “We are very optimistic about this project, which represents an impetus for shipbuilding”, states the CEO of Wilson Sons shipyards, Adalberto Souza.

The Port of Santos experienced its best cargo-handling month ever in November. The accumulated result for the year registered 134.6 million tons, an increase of 0.45% over the entire year of 2019 – which was already a record – and 8.7% higher when compared to the first 11 months of the previous year.

The record number was mainly driven by shipments, which grew 12.9% in the period, to 98.7 million tons.

“The Port of Santos sets a new record and the month of November showed a recovery in the movement of containers, which was the sector that was most affected by the pandemic. By the end of the year, we expect a small growth of container handling in 2020 compared to 2019”, stated the CEO of Santos Port Authority (SPA), Fernando Biral.

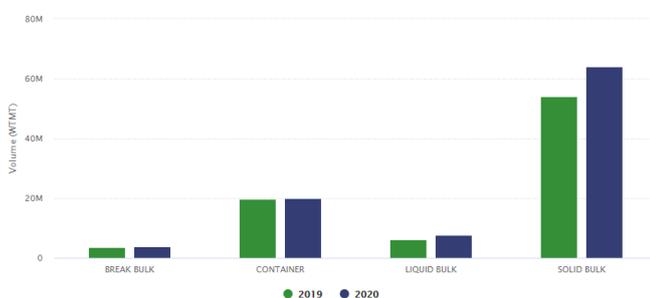
In addition to the record in total loads, the first 11 months of 2020 also set records for certain loads for the period. Solid bulk goods increased 14.9% on an annual basis, to 70.5 million tons and liquid bulk also grew by double digits (10.7%), to 17.2 million tons. Containers transporting loads with a greater added value decreased slightly by 0.3%, to 3.8 million TEU.

Considering only the month of November, containers had the highest monthly movement ever, registering 395,500 TEU, up 2.0% from the previous record obtained in August 2018, and 10.6% over November 2019.

In general cargo handling, there were 12.0 million tons, an increase of 9.5% over the annual basis. Both shipments and landings grew: 9.3% and 9.8%, respectively, to 8.4 million and 3.7 million tons.

The graph below shows the comparison of handling by type of cargo in the Port of Santos from January to October 2019 and 2020:

Port of Santos Handling by Cargo Type | Jan to Oct 2019-2020 | WTM



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

In the foreign trade chain, there was stability in the participation of the Port of Santos, which accounted for 28.4% of Brazil's total. The number of moorings in the year already reaches almost 4,500 ships, a slight increase of 1.4% over the same period in 2019.

On December 18th, in São Paulo, the amendment to the concession contracts for the Vitória-Minas Railway and the Carajás Railway, both managed by Vale S / A, were signed between ANTT, the national land transport agency, and the concessionaire. The Minister of Infrastructure, Tarcísio

Gomes de Freitas, attended the event. The conditions of the contract foresee investments of more than R\$ 17 billion over the next 30 years in addition to R\$ 4.6 billion in grants.

As a result of the negotiations between the government and Vale, part of the EFVM grant will enable the construction of the Central-West Integration Railway (FICO), between Mara Rosa, GO and Água Boa, MT. The new stretch will allow the flow of grain production from the Araguaia Valley to the North-South Railway.

The contractual amendments provide for the possibility of cross-investment in a project of interest to the public administration, the elimination of urban conflicts, mechanisms to discourage contractual non-performance, a guarantee of sharing the railway network, and the definition of new performance parameters. It is estimated that 283,000 jobs – between direct, indirect, and income effect – should be generated over the next 30 years from investments in railroads.

“Cross-investment, based on the use of grant resources, will double the participation of this modal in the country's transport matrix”, said Tarcísio de Freitas, on the construction of FICO. “In retrospect, we thought of everything. It took several stages – three years of concentrated efforts – to reach today. We are taking the biggest step in our railway's history, a giant step towards the development of this mode of transport in Brazil”, said the Minister of Infrastructure.

The implementation of the works for the Central-West Integration Railway will take place through cross-investment as a counterpart for the early extension of the Vitória-Minas Railway. Approximately R\$ 2.73 billion of the grant amount to be paid to the federal government by Vale will be invested by the company in the construction of FICO. The 383-km stretch, to be granted to the private sector when completed, will connect the municipalities of Maria Rosa, GO (connection with the North-South Railway) and Água Boa, MT and will be a fast, safe, and economical alternative for the flow of grain production, especially soybeans and beans.

EFVM is located between the states of Minas Gerais and Espírito Santo, totaling 895 km of mixed-gauge railway. In addition to being used to transport iron ore, the railroad is also used to transport coal, steel, limestone, granite, containers, pig iron, agricultural products, wood, cellulose, fuels, and various cargo from Minas Gerais to the Tubarão Port Complex, the Vila Velha Terminal, the Paul Pier, Codesa, and the Barra do Riacho Port, in Aracruz, Espírito Santo. In addition to the construction of FICO, the new contract provides R\$ 8.8 billion in investments in Vitória-Minas.

The EFC is located between the states of Pará and Maranhão, connecting the largest open-pit iron mine in the world, in Carajás, PA, to the Port of Ponta Madeira, in São Luís, MA, totaling 892 km of wide-gauge railway line. The main goods handled are iron ore, mineral bulk, and fuels. With the new contract, Vale will be investing R\$ 8.2 billion.

As a result of the strike by grain inspectors and oil sector workers in Argentina, already in its second week, the country's exports are frozen and more than 100 cargo ships are facing delays to load agricultural products in Argentina. Argentina is the largest exporter of soybean meal. Negotiations between workers and export companies on wage issues have been halted, with both sides accusing the other of intransigence.

“The strike continues without any expectation that negotiations will resume in the short term. We have more than 100 ships waiting to be loaded,” says Gustavo Idigoras, head of the CIARA-CEC export chamber in Argentina.

The strike began on December 9 with a call from the Argentinean federation of oil industry workers and with participation from the URGARA union, which represents the port’s grain inspectors, and SOEA, representing workers in soybean crushers, based in the main Argentine grain hub, Rosario, from where around 80% of the agricultural exports from Argentina are shipped.

“There is a large participation of our members in the strike and, every time the companies speak out, this generates more anger and much more support from the population,” said URGARA spokesman Juan Carlos Peralta.

URGARA negotiates with the Chamber of Private Commercial Ports, or CPPC, while the federation and SOEA negotiate with CIARA. Peralta said that Urgara has closed individual agreements with some exporting companies, but that there are big differences in negotiating positions and that a comprehensive agreement is a long way off.

With soybeans and corn, Argentina’s two main commercial crops, currently being planted, December is not the peak of exports.

Farmers have held back all the inventory they can this year, expecting a further devaluation of the peso against the dollar before selling. The currency has weakened 27.9% this year to 83.15 pesos per dollar.

The Port of Navegantes, Portonave, recorded its best month in container handling in its 13 years of operation, with 93,897 TEU handled in November. The total amount handled so far this year is 798,504 TEU which represents an increase of 16.7% when compared to the same period in 2019.

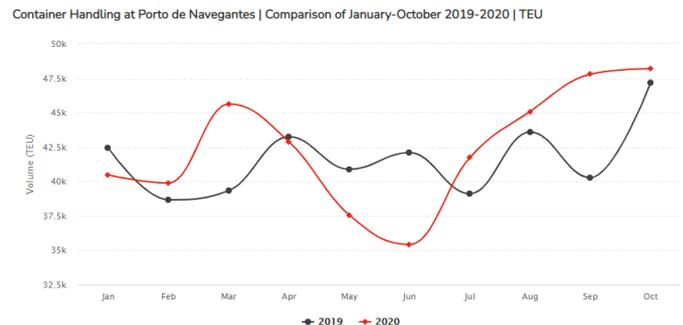
Portonave received 39,707 trucks in November, an average of 1,588 per day. Last month, the Terminal registered more than 2000 trucks for four days in a row, even registering 2,211 vehicles on the 19th. Despite so many movements, the average length of stay – considering entry, loading, unloading, and exit of the container – was only 23 minutes in November.

Port of Navegantes’s results are due to several factors driven by the resumption of economic growth; Brazil’s GDP in the third quarter closed at + 7.7%. Even with the world pandemic scenario, the port sector did not stop and proved to be essential, both for supplying industries and inputs for domestic consumption and for sending products and raw materials to other countries. Imports, which fell at the beginning of the pandemic until the middle of the year, have recovered in recent months. Exports, highlighted by the favorable exchange rate, represented 35% of the port’s November turnover. The receipt of six extra ship calls in the last month also contributed to the increase in movement.

The completion of the first phase of the New Evolution Basin, which makes it possible for the ports of Itajaí and Navegantes to receive ships up to 350 meters in length, was one of the factors that also contributed to the growth. Since May, more than 40 ships over 306m long have entered the new maneuvering space, a construction project that united efforts of the port authority, navy, pilot stations, and state government.

Consult the following graph for a comparison of container handling at the Port of Navegantes for the period from January – October 2019-2020

Container Handling at Porto de Navegantes | Comparison of January-October 2019-2020 | TEU



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

On December 18, the Ministry of Infrastructure (MINFRA) raised a total of R\$ 87.5 million in grants with the auction of the 4 port terminals located in Alagoas, Bahia, and Paraná, which will attract more than R\$ 400 million in investments. The auction winners were Timac Agro Indústria (MAC10), CS Brasil Transportes (ATU12 and ATU18), and Ascensus Gestão e Participações (PAR12).

The ATU12 and ATU18 terminals, which are located at the Port of Aratu-Candeias (BA), were auctioned by CS Brasil Transportes for 62.5 million in total grants (ATU12 for R \$ 10 million and ATU18 for R\$ 52.5 million). Both handle and store solid bulk – mainly fertilizers – copper concentrate, vegetables, and various ores. The port where the terminals are located serves as a route for the production and import of the Camaçari Industrial Pole, which is the largest integrated industrial complex in the southern hemisphere, housing more than ninety chemical and petrochemical industries, in addition to other sectors such as automotive, cellulose, copper metallurgy, etc. Investments in the terminals are estimated at R\$ 365 million.

The MAC10 terminal, located in the Port of Maceió (AL), was awarded R\$ 50,000 in grants by the company Timac Agro Indústria. With a total area of 7,932 m², it is intended for the handling and storage of liquid bulk, especially sulfuric acid. The demand for chemical products in this port is highly influenced by the presence of the Alagoas Chlorochemical Complex which currently has 23 companies operating in PVC, caustic soda, tubes and fittings, and plastics in general segments. It also produces inputs for the chemical industry. The planned investments will be R\$ 12.7 million.

The PAR12 terminal, located in the Paranaguá Port (PR), was awarded \$ 25 million in grants by Ascensus Gestão e Participação. It was leased for handling and storage of Ro-Ro cargo. Brazil plays an important role in the Ro-Ro cargo sector, with several international headquarters in the automobile industry recently investing in plants producing in Brazil. Investments of R\$ 22.2 million are planned for this terminal.

Shipping

Hapag-Lloyd announced that it has signed an order for six ultra-large container ships with a capacity of 23,500 TEU,

which will be built by the Korean shipyard Daewoo Shipbuilding & Marine Engineering. Deliveries are expected to take place between April and December 2023.

According to the shipping company, the ships will be deployed on the Europe-Far East routes as part of THE Alliance, and will significantly increase Hapag-Lloyd’s competitiveness on this commercial route.

As part of Hapag-Lloyd’s sustainability strategy, the vessels will be equipped with a state-of-the-art, highly efficient, high-pressure dual-fuel engine. The engine will run on LNG, but, alternatively, it has sufficient tank capacity to run on conventional fuel.

According to Rolf Habben Jansen, CEO of Hapag-Lloyd, “by investing in six ultra-large container ships, we will not only be able to reduce slot costs and improve our competitiveness in trade between Europe and the Far East, but we will also take a step important in the modernization of our fleet. In addition, we will further reduce our environmental impact”.

The investment will be in the order of 1 billion dollars. According to the company, the respective financing is already guaranteed.

Grain

The prolongation of a workers’ strike in Argentine ports has raised concerns for wheat mills in Brazil, especially if the shutdown is not ended by the end of the year.

Brazil, which imports most of its wheat from Argentina, registered a slowdown in cereal shipments in December, according to data from the Ministry of Economy released on December 21st.

The situation is not that serious for Brazil because at the end of the year many industries reduce the demand for wheat due to companies closing for year-end breaks and there is also still a good supply of domestic wheat since the harvest was just ended.

“At this time of year, there are few wheat buyers. If the strike ends, there is no problem. If it does not end, then there will be some problems for some buyers”, said the President of ABITRIGO (the Brazilian wheat industry association), Rubens Barbosa, who is in contact with the Brazilian embassy in Buenos Aires to monitor the situation.

An industry source, on the other hand, indicated a more “dramatic” situation. Several ships waiting to load. Some mills may run out of wheat,” said the source who works for a company in São Paulo, on condition of anonymity, as he is not authorized to speak to the press.

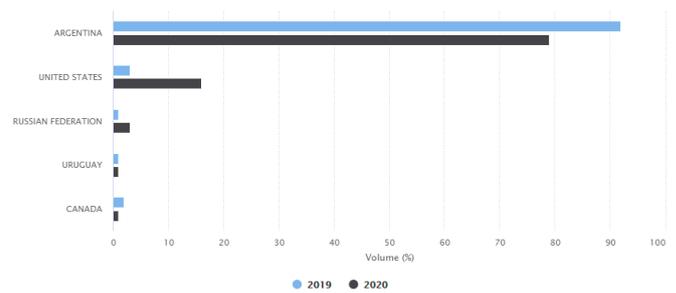
Brazilian wheat and rye imports fell by 50% until the third week of December, to just over 14,000 tons/day, compared to the average of the same month last year, according to data from the Brazilian government.

In December of last year, Brazil imported 650,000 tons of wheat from all origins, and in this month accumulated landings totaled only about 200,000 tons.

According to data from the Ministry of Agriculture, of the 5.87 million tons of wheat imported by Brazil from January to November, Argentina supplied 4.33 million tons, while the United

States supplied 733,800 tons, followed by Russia (237,600 tons), Uruguay (235,000 tons) and Paraguay (218,500 tons).

Principais origens da Importação Brasileira de Trigo (HS 1001) | Comparação Jan a Out 2019-2020 | Porcentagem



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

Meat

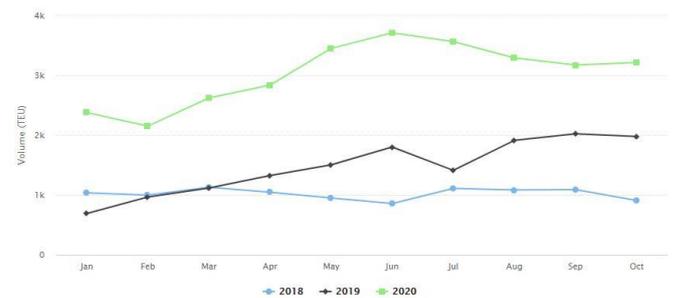
Chinese customs data shows that imports of pork from the country totaled 330,000 tons in November, 43.7% higher than in November last year. 3.95 million tons have been purchased since January.

It is worth remembering that in 2018 and 2019, an outbreak of African swine fever drastically reduced the pig herd in China, the largest consumer of animal protein in the world; this favored Brazilian exports to the Asian country.

In November of this year, however, production grew by 30%. Last week, the Chinese Ministry of Agriculture said the country’s pig supply is expected to fully recover in the first half of 2021.

The chart below shows a comparison of Brazilian pork exports to China in the period from January to October 2018 to 2020:

Brazilian pork exports (HS 0203) to China | Jan to Oct 2018-2020 | TEU



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

Beef imports, in turn, fell 9.1% to 170,000 tons in November compared to the same month of 2019. 1.91 million tons have been purchased so far in 2020.

Fruit

Although 2020 was a positive year for the export of most Brazilian fruits, some species registered sharp declines. This is the case with papaya, strawberries, and avocado.

For example, data from SECEX (the foreign trade secretariat) compiled by ABAFRUTAS (the Brazilian association of fruit and derivative exporters) show that between January and November, avocado shipments totaled 7,400 tons which is 27% lower than in 2019. In revenue, the drop was 33%, to US\$ 13 million.

Papaya exports, totaling 39,200 tons, generated US\$ 37.2 million, or 12% less than the period from January to November 2019. Strawberry sales abroad, totaling 84.5 tons, declined 58% in volume and 53% in sales revenue, which fell to US\$ 218,000.

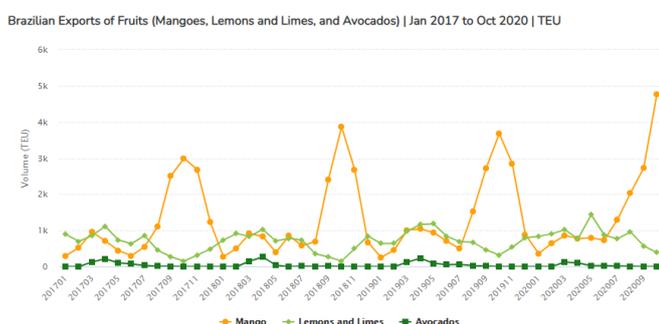
In the case of avocados, the drop in shipments occurred partly due to the increase in domestic consumption, which has grown between 30% and 35% since the beginning of the year, according to Jonas Octávio, commercial manager at LA Ferretti Frutas, a large avocado producer in Brazil. In addition, the drought also affected the avocado culture, which is perennial; this reduced the availability of the product. São Paulo, Minas Gerais, and Paraná make up the main fruit-producing regions in the country.

The effects of these factors on shipments may have been occasional. However, by limiting avocado shipments to buyers abroad, the restriction measures during the pandemic made the difficulties of air transport even more evident. "We are investing to start shipping, but the bulk still travels on commercial planes," said Octávio. If shipping a kilo of fruit (which includes the weight of the package) costs US\$ 1.25 for airplanes, shipping it by sea brings the value down to US\$ 0.25.

Mango and lemon, sold mainly to the European Union, continue to lead Brazilian fruit exports. Between January and November, the segment's total shipments in the country totaled 903,800 tons, 6% more than in the first 11 months of 2019. From January to October, the advance had been 2.8% in comparison with the first ten months of 2019. The consolidated revenue from these sales grew 3% in the accumulated figure from January to November, to US\$ 769.1 million.

In data for November alone, shipments of all fruit varieties reached the level of 138,200 tons, representing a 16% increase compared to the same month of 2019. Revenue advanced 23% in the same comparison, to US\$ 133.4 million.

Consult the chart below for monthly Brazilian fruit exports since January 2017:



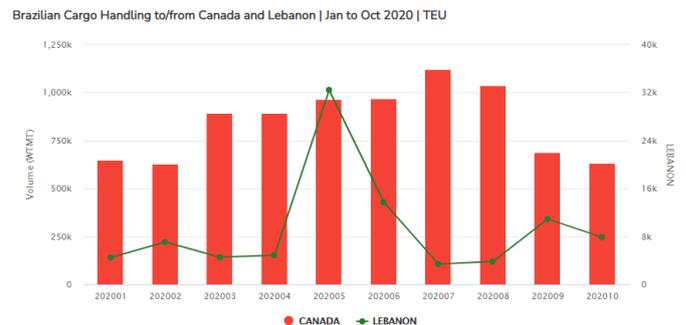
Graph source: DataLiner (To request a DataLiner demo, click here)

Economy

Negotiations for free trade agreements – between Mercosur and Canada, and between Mercosur and Lebanon – must be successfully concluded in 2021. The information is provided by the Foreign Trade Secretary, Lucas Ferraz. According to him, both agreements were moving along with prospects of entering the final stretch of the negotiations, but then everything slowed down during the pandemic. Canadians have not held negotiating meetings in an online environment. The Lebanese

authorities, in addition to suffering from the restrictions imposed by Covid-19, needed to turn their attention to the impacts of the explosion that devastated the port of Beirut.

The graph below shows the volumes of trade between Brazil and Canada and Brazil and Lebanon:



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

Mercosur also discusses trade treaties with Singapore and Korea. These would only be possible to close in 2022, according to Ferraz.

He also acknowledges that the negotiations with Mexico have stalled and are without immediate prospects for progress. Brazil already has a non-comprehensive agreement with the country, which includes about 800 products, and there is support from Brazilian businessmen to seek expansion. Mexicans have always faced this hypothesis with reservations due to competition in agribusiness.

The Brazil-Mexico negotiations, which have already resulted in the modest Economic Complementation Agreement (ACE-53) signed by the two countries in 2002, were held before the decision made by Mercosur partners to only discuss trade agreements together. This decision (No. 32 of 2000) was called into question by Uruguay, which formalized a proposal a few days ago to allow "flexible" agreements in the bloc. For the Uruguayan idea, the countries would continue to sit together to negotiate, but make offers of trade openings at "differentiated speeds".

According to Ferraz, the Brazilian government agrees with the proposal and will defend this easing of the current rules at the bloc's meetings in 2021. He recalled that the board of the Foreign Trade Chamber (CAMEX) authorized Brazil to request the opening of trade negotiations with Indonesia and Vietnam also. Mercosur has also already sent a negotiating proposal for the Central American Integration System (a group of countries that includes the Dominican Republic, Guatemala, and Costa Rica), but has not received an answer on whether or not to move forward.

The Foreign Trade Secretariat of the Ministry of Economy (SECEX / ME) unified regulations on allocating and controlling the use of export quotas granted by other countries to Brazil. These instruments make it possible for certain quantities or amounts established for the sale of Brazilian products abroad to receive tariff benefits when

entering the export destination markets. The measure is expressed in Ordinance No. 72 published on December 21st in the Federal Register.

SECEX's ordinance includes the regulation of eight export quotas: beef (Hilton Quota), chicken meat, and sugar to the European Union; vehicles for Colombia, Argentina, and Paraguay; and quotas administered under the Mercosur-Israel and Mercosur-Colombia agreements. "The initiative thus allowed the revocation of provisions contained in six other ordinances that dealt with this subject sporadically", explains the Foreign Trade Secretary, Lucas Ferraz.

According to him, Brazilian exporters now have rules that are more accessible, transparent, and capable of transmitting greater legal security in their operations. SECEX data shows that export quotas enabled Brazilian foreign sales of over US\$ 753 million in 2020.

Regulatory environment review - Also aiming at rationalizing the regulatory environment for foreign trade, SECEX published Ordinance No. 71 on December 21st, revoking 206 normative acts on import tariff quotas that no longer applied. Ferraz points out that this measure "reduces compliance costs for foreign trade operators by simplifying the regulatory framework that supports operations and is part of the broad process of red tape carried out by the federal government".

The two new ordinances issued by Secex are part of the government's measures that aim to review and consolidate standards, as determined by Decree No. 10,139, of November 28, 2019.

After the United Kingdom announced the discovery of a new, highly contagious coronavirus strain, France announced the closure of its border with the country for 48 hours and blocked road, rail, air, and sea traffic between the two countries. As a result, the UK is practically isolated from Europe.

The move resulted in hundreds of trucks stuck in huge traffic jams at the port of Dover, on the south coast of England. The sudden restrictions affected one of Europe's most important trade routes.

UK Secretary of State for Internal Affairs Priti Patel told BBC radio that about 650 trucks were lined up on the main road to Dover, while another 873 trucks were redirected to a nearby airport. However, the number of trucks stuck in the traffic seemed to be even greater.

One of the proposals to unblock the traffic jam is to conduct mass tests of covid-19 on drivers. But this solution will likely mean delays for truck drivers.

The government of British Prime Minister Boris Johnson has been struggling to agree on measures to allow the return of cargo flow - while Britons fear a shortage of food, such as fruit and cabbage.

The UK government is in negotiations with France to reach an agreement that allows freight trains to resume operations. Both London and Paris expressed the expectation that an agreement is reached as soon as possible.

English Channel - Another expected disturbance is related to the French and British sides of the English Channel. France has halted passenger traffic and is monitoring cargo traffic, imposing a far more comprehensive ban than the border closure that was introduced during the first wave of the virus in the spring (northern hemisphere spring).

The passage from the United Kingdom to France is one of the most important transport corridors in Europe, which means that food and other time-sensitive cargo may end up rotting alongside British roads in the coming days.

Even though the restrictions do not prohibit trucks from entering the UK, industry representatives warned that few companies would be willing to risk being trapped there, meaning that traffic is likely to be severely affected in both directions.

Brexit - It is worth remembering that the border disruptions occur less than two weeks before the United Kingdom severs its last member ties with the European Union, although both sides have failed to reach a trade agreement.

One of the most feared impacts of a "no-deal" Brexit is widespread disruptions along Britain's borders - a scenario that on the 21st seemed to have materialized and that could put additional pressure on Boris Johnson, who is being criticized for his treatment of the Brexit negotiations and the coronavirus pandemic.

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