

Main news

In January, exports via reefer container fell 2.59% compared to the same month in 2020. Imports, on the other hand, grew 23.08% in the same period.

The food category leads reefer container exports, with 58,309 TEU shipped, a decrease of 2.11% compared to January 2020. Other leading categories include cosmetics, which grew 257.14%, and tobacco, which grew 175%. See below:

Ranking of Goods Exported via Reefer Container | Jan 2020-2021 | TEU

Rank	Commodity	2019	2020	% change
1	Foods	59.563	58.309	-2.11%
2	Derived from animals	1.478	1.241	-16.04%
3	Animal food	707	449	-36.49%
4	Pharmaceutical products	272	348	27.94%
5	Edible fats and oils	176	206	17.05%
6	Without classification	120	110	-8.33%
7	Sugar and derivatives	76	105	38.16%
8	Cocoa and derivatives	50	72	44.00%
9	Drinks	53	60	13.21%
10	Chemicals	40	29	-27.50%
11	Smoke	12	33	175.00%
12	Seeds and straws	35	10	-71.43%
13	Cosmetics	7	25	257.14%
14	Plastic and derivatives	28	12	-57.14%
15	Rubber and derivatives	12	10	-16.67%
	Total	62.629	61.019	-2.57%
	Others	82	67	-18.29%
	Grand total	62.711	61.086	-2.59%

Source: DataLiner

In terms of imports, the food category is also in the lead, but falling 8.63% in January compared to the same month in 2020. Plastics and derivatives, the second category in the ranking, registered a growth of 412.72%. Fuel and fertilizer shipments also increased. Consult the table below for more information:

Ranking of Reefer Container Imports | Jan 2020-2021 | TEU

Rank	Commodity	2019	2020	% change
1	Foods	7.233	6.609	-8.63%
2	Plastic and derivatives	349	1.790	412.72%
3	Chemicals	702	1.019	45.16%
4	Pharmaceutical products	639	775	21.28%
5	Without classification	269	626	132.51%
6	Cocoa and derivatives	383	289	-24.53%
7	Fuel	0	716	100.00%
8	Edible fats and oils	248	91	-63.45%
9	Optical and photography instruments	161	133	-17.14%
10	Metals and derivatives	220	120	-45.35%
11	Drinks	178	189	5.95%
12	Fertilizer	4	332	8200.00%
13	Sugar and derivatives	98	46	-52.84%
14	Derived from animals	60	78	30.00%
15	Cosmetics	86	65	-24.84%
	Total	10.630	12.878	21.15%
	Others	404	703	74.02%
	Grand total	11.034	13.581	23.08%

Source: DataLiner

Ports and Terminals

After hitting the 95,000-TEU mark in December last year, Portonave exceeded this to handle more than 100,000 TEU in a single month. The terminal's new handling record was achieved on February 26 during the operations of the ship E.R Canada, closing the month of February with 102,524 TEU handled. In addition, January 2021 represented the best January ever recorded in the history of the Terminal – with 80,594 TEU handled – an increase of 33% compared to the same month of 2020.

Imports, which fell at the beginning of the pandemic until the middle of last year, have recovered in recent months and maintain a positive trend. Exports, which accounted for 35% of Portonave's total turnover in 2020, are also growing, driven by wood and frozen chicken. 2020 closed on a high note, with an increase of

18.8% in comparison with 2019. In all, 893,627 TEU were handled in the 12 months of 2020.

T'Trans, held by Itapemirim Group, has resumed its activities at the Três Rios (RJ) plant to produce a prototype HNT wagon model which was ordered by MRS. The forecast is that the wagon (for gravel transportation) will be delivered in August this year for testing at the dealership.

“The wagon will be tested for up to two months. After the approval of this first unit, we can continue to manufacture the others. The wagons will be equipped with an automatic unloading system. We are optimistic to contribute to the rail freight market again, and, especially for such an important company in Brazil”, says Jean Carlos Pejo, CEO of Industrial Ferroviário and Board Member of the Itapemirim Group.

The company has not disclosed the number of wagons ordered. Work on the rolling stock factory in Três Rios has been halted since T'Trans entered the process of court-approved financial restructuring in 2018.

In the same year, businessman Sidnei Piva, owner of the Itapemirim Group, bought T'Trans and other companies in the railway sector (Cruzaço, Hewitt, and Bom Sinal).

Fortescue Future Industries Pty Ltd (FFI), a subsidiary of Fortescue Metals Group Ltd (Fortescue), and Porto do Açú Operations SA, signed a Memorandum of Understanding (MOU) to develop hydrogen-based green industrial projects in Rio de Janeiro.

Signed at the end of February, the MOU will allow companies to conduct feasibility studies for the installation of a green hydrogen plant in Porto do Açú. Subject to the completion of feasibility studies and approvals, the project includes the construction of a green hydrogen plant with a capacity of 300 megawatts and the potential to produce 250,000 tons of green ammonia per year.

The MOU also establishes the basis for the development of solar energy projects on-site, as well as offshore wind energy off the coast of the states of Rio de Janeiro and Espírito Santo.

Individual projects will be developed by FFI with the property and funding sources to be guaranteed separately, independent of Fortescue.

On March 16, the Superintendence of the Ports of Rio Grande do Sul (Portos RS) released the January and February results of the three public ports for the states under its administration (Porto Alegre, Pelotas, and Rio Grande). Adding to this the 4,925,800 tons handled at the Rio Grande Superport complex in January and February, there was an increase of 10.82% over the same period last year.

The port complex of the Rio Grande Superport, which involves the public port, the five leased private terminals, the two shipyards, and the four private-use terminals (TUPs) was responsible for most of this amount: 4,591,852 tons in the first two months, an increase of 11.37% compared to the first two months of 2020. In absolute numbers, there were 468,000 more tons handled than last year.

Exports at the Superport were driven by shipments of wheat, which increased by 138.93%, and by soybean meal, which

increased by 82.64%. The sum of all exports from the complex increased by 9.97% compared to the same period in 2020.

Pelotas and Porto Alegre - Handling at the Port of Pelotas registered a growth of 11.19% over the first two months of 2020. However, the highlight is the comparison of performance with the same period of 2019, a jump of 39.08%. In absolute numbers, the site handled 51,000 more tons of goods than in 2019 and a little over 18 thousand more tons than the same period in 2020.

Handling at the Port of Porto Alegre increased by 22.26% compared to 2019, with 27,000 more tons handled in the period. Loads such as wheat, fertilizers, and barley have been showing solid growth in the number of loads compared to 2019 and 2020.

Regarding the main destinations and origins of exports and imports, few percentage differences were registered compared to countries' participation in 2020. China continues to hold first place in exports, buying 18.64% of the cargo exported. In terms of import origins, Argentina jumped to first place in the ranking. The largest import partner jumped from 6.09% to 19.77% in the participation of importing countries.

“The data reflect a solid trend of recovery in the state's waterway logistics for the year 2021. The results also show that the regional public ports of Porto Alegre and Pelotas have been showing solid handling with a steady increase in the capillarity of the logistics system and the government's tendency to use inland waterway logistics”, says the superintendent of the ports of RS, Fernando Estima.

The data referring to the state's other TUPs in the municipalities outside the Superport of Rio Grande is released together with the data from ANTAQ (the national waterway transport agency). The forecast is that they will be released in the middle of April.

Rumo has designed a new operation model for the main agribusiness rail corridor running between Rondonópolis (MT) and the Port of Santos (SP). With a capacity to transport around 11,500 tons of grain, the 120-wagon train increases capacity by 50% compared to the compositions used before using a maximum of 80 wagons (7,600 tons). On average, seven 120-wagon trains should leave towards Santos. This February, around 80,000 tons of soybeans have been shipped daily to the main grain terminal in Latin America.

According to the last grain survey for the 2020/21 harvest released by Companhia Nacional de Abastecimento (CONAB), the Brazilian harvest was estimated at 133.70 million tons, on the consumption side, exports are expected to reach a number above 85.7 million tons, motivated by the high Chinese demand and the high percentage already sold which already reaches more than 60% of the harvest.

“We are prepared to meet the soybean volumes this February with maximum efficiency”, says Darlan Fábio De David, Vice President of Rumo's northern operations. “We have an average of 1,600 trucks per day unloading at the terminal. It is an operation to support agribusiness in Mato Grosso, we work to shorten distances and put the producer at the port's door”, emphasizes Darlan.

In tests since June last year, the initiative to increase capacity is part of the commitments assumed by Rumo during the early renewal of the concession contract for Malha Paulista until 2058.

In 2020, 505 tests were carried out, equivalent to more than 830,000 kilometers. "The increase in the capacity of the trains will provide a 30% reduction in flow when the entire fleet is made up of this new operational model", projects Darlan.

Studies and investments - For the new agribusiness operating model to be made feasible, Rumo initiated a plan in 2018 that involved a series of technical challenges for the design of the train that included the use of simulators, field tests, and sensors to assess issues related to track conditions, capacity, and other factors. Altogether, more than R\$ 700 million will be invested in the project. The works involve adjustments in yards, filling stations, and signage.

All adjustments for the circulation of 100% of the 120-wagon trains in the export flow (Rondonópolis-Porto de Santos) were completed earlier this year. In the import flow, it is expected that the works will be completed by 2022.

In addition to the adjustments in the Paulista and North network, the entire operation of the Central network (North-South railroad) between Porto Nacional (TO) and Estrela D'Oeste (SP) is being structured to serve the operations with the 120-wagon trains. The projection is to have at least 1 train per day departing from the São Simão (GO) terminal when operations start in this first semester.

The Wilson Sons Tugboat business unit has achieved world-class status in safety, a standard of excellence defined by DuPont, a world reference consulting firm in the sector.

With a fleet of 80 tugs and more than 800 employees – 567 of whom are seafarers – the business unit managed to reduce the accident rate with lost time by 97% in the last nine years. Last year, the rate of accidents with lost time was 0.29 and, in the three-year period, 0.41, both below the index of 0.50, a benchmark for the performance of a world-class company. In 2019, this index was also below 0.50, at 0.33.

"JAM, the corporate network that connects the Group's eight business units, was one of the instruments we used. The platform gave us the freedom to develop and provide multimedia products, which are more attractive and explanatory. It also permitted us to streamline various processes and allowed those at sea to access materials online", explains Marcio Castro, executive director of the Tugboats division.

"Wilson Sons has been making major investments in security for ten years with the "WS+" program. The advances have been significant and we are now celebrating this new milestone in the Tugboats division. It is a significant achievement that demonstrates efficiency in risk management and, above all, our dedication to preserving the health and integrity of our employees and the environment", explains Castro.

In 2019, the Group reached the level of Interdependence, the maximum stage in the degree of perception of safety culture, according to research carried out in partnership with DuPont. Of the more than 1,000 companies in the world that are assessed, only 50 have achieved this classification.

Companhia Docas do Estado do Rio de Janeiro (CDRJ) initiated procedures for leasing terminals in the Ports of Rio and Itaguaí.

Last week, technicians from SNPTA (the national secretariat of ports and water transport) and the Planning and Logistics Company (EPL) of the Ministry of Infrastructure made a technical visit to the company and met with the commercial team and managers of the port authority to determine the strategic vision of the three terminals to be leased. By videoconference, meetings were held with companies interested in the terminals.

On the second day, the technicians visited the areas to be leased in the Port of Itaguaí and met with the technical team of the Port Management Superintendence of Itaguaí and Angra dos Reis to discuss waterway infrastructure.

On the third and last day of the visit, the technicians visited the area to be rented in the Port of Rio de Janeiro.

Santos Brasil has begun operating the Saboó logistics terminal which is located on the right bank of the Port of Santos. With approximately 42,000 square meters dedicated to receiving, storing, and loading general cargo and project cargo, the terminal marks the beginning of a new phase of diversification of the company's activities for sectors that share synergies with its current operations.

The transitional contract was signed in 2020 and authorization to begin operations was released by the federal tax authority on February 2nd. The first load was received on February 20: a 217-ton transformer that measures 12.4m width by 3.82m length and 4.7m height. The cargo is the first delivery of a two-unit lot and will be stored in Saboó for about 30 days until it is shipped from the Santos public dock to Florida, in the United States.

In January of this year, Santos Brasil won a tender to develop yet another temporary area in Saboó comprised of a 64,000-square-meter area for the handling of empty containers, general cargo, and project cargo.

The investment in these two terminals is part of Santos Brasil's new direction, which foresees the diversification and expansion of the company's operations to unassisted sectors sharing synergies with its current operations.

In Santos, in addition to the Saboó terminals, Santos Brasil operates Tecon Santos (container terminal) and TEV (Vehicle Terminal) and has two bonded terminals (Clas) strategically positioned on each side of the port.

According to Antônio Carlos Sepúlveda, President of Santos Brasil, Saboó's location at the entrance to the city is strategic for the port and ideal for handling project loads, large and custom-size loads, heavy loads, and general cargo. It is also very important for fertilizer exports as it is the only area still available in the public port for this type of cargo. "With these leases, we reinforced our presence in the port of Santos for non-container activities, seeking synergies with our current customers," he says.

In November 2020, Santos Brasil raised R\$ 790 million with a primary offering of shares on the B3 stock exchange. The funds will be allocated to enable the growth of the company through participation in new leases of port assets; verticalization, and integration of the port logistics chain using the Santos Brasil Logística platform; and expanding participation in Brazilian container handling.

According to Sepúlveda, the company plans to participate in the next auctions scheduled by the federal government for liquid and solid bulk and is looking closely at opportunities in the Port of Santos.

On March 15th, a new hopper dredger arrived at the Itajaí and Navegantes Port Complex to reinforce dredging activities in the region. The vessel was operating at the Port of São Francisco do Sul (SC).

The Lelystad hopper dredger, a trailing suction hopper dredger (TSHD), operates by sucking sediments at the bottom of the river through two tubes, one on each side. It was built in 1986 in the Netherlands and is 136.97 meters long and 26.07 meters wide. - With a gross weight of 13,200 tons, it has two 9-cylinder Wartsila diesel engines. Its dredging capacity is 10,000 cubic meters per trip.

The dredging services are part of a contract between the port authority and Van Oord (the company responsible for maintaining the operational draft of the Port Complex of Itajaí and Navegantes, through an active 5-year contract (2019-2024), to maintain the operational draft at 14 meters in depth.

In January, the dredger was already operating in the port complex of Itajaí and Navegantes to reinforce dredging after the large volume of rain in the Itajaí valley that caused sediment to collect in the bed of the access channel and near the entrance to the jetties.

The Lelystad hopper dredge has the capacity to dredge 10,000 cubic meters per trip and will be making an average of 10 to 12 trips per day, dumping the sediment about 5 nautical miles away (about 10 kilometers).

In addition to the Lelystad hopper dredge that arrived on the 15th, the Itajaí and Navegantes port complex is also using the German dredger "NJörd". Arriving from Germany on February 21st, it began operating on March 3rd. It is a water-injection dredge and has three times more power than the Odin dredge, which was operating in the complex and has been replaced by NJörd. It is working daily to maintain the channel and there is currently no defined departure date.

The Lelystad hopper dredger will do all the dredging services along the access channel of the port complex up until the exit of the jetties, in front of the evolution basin 01 (in the areas of APMT, public pier, and Portonave), and also in the northern region of the new evolution basin (basin 02).

TecPlata, an Argentine subsidiary of International Container Terminal Services, Inc., recently received a new service that connects the ports of Paraguay to the port of La Plata and, from there, to the main ports in Brazil.

The service is jointly operated by Independencia Shipping Lines (ISL) and Log-In Logística Intermodal through regular shipping routes that currently operate in the region.

"Thanks to this connection, TecPlata takes on a more relevant role in the region's logistics. The operational efficiency of our terminal allows barges to operate without the delays they usually experience in other ports, generating significant benefits for customers", explains Bruno Porchietto, CEO of TecPlata.

ISL, a fluvial cargo transportation company that connects the ports of Uruguay, Argentina, and Paraguay, operates the Asunción - La Plata - Asunción section using three of its own vessels which have a combined capacity of 510 TEU.

Log-In, on the other hand, covers Brazil - La Plata - Brazil and makes bi-weekly stopovers at TecPlata since April 2019.

Through the service, TecPlata aims to capture a significant volume of trade destined for Paraguay, which, in many cases, moves by land transport.

Shipping

On March 18, Hapag-Lloyd published its annual report with audited business results for the financial year 2020. According to the report, Hapag-Lloyd's earnings before interest, taxes, depreciation, and amortization (EBITDA) increased to more than US\$ 3 billion (approximately EUR 2.7 billion). Earnings before interest and taxes (EBIT) increased to around US\$ 1.5 billion (approximately EUR 1.3 billion). The Group's net profit improved to around US\$ 1.1 billion (EUR 935 million). The main drivers were cost savings of more than US\$ 500 million (approximately EUR 450 million), as well as a slight improvement in freight rates and lower bunker prices.

"In 2020, our business was heavily influenced by the coronavirus pandemic. But we took the initial countermeasures on the cost side and successfully implemented our Performance Protection Program. After shipping volumes plummeted in the second quarter, we were able to benefit from an unexpectedly strong demand for container shipping in the second half of the year. Therefore, we ended the year with a much better result than in 2019 and, after the significant improvements achieved in previous years, we were able to realize our cost of capital for the first time in a decade," said Rolf Habben Jansen, CEO of Hapag-Lloyd AG.

Revenues increased in the financial year 2020 by about 3%, to roughly US \$ 14.6 billion (approximately EUR 12.8 billion). This is mainly due to an increase of about 4% in the average freight rate, to US\$ 1,115 / TEU (2019: US\$ 1,072 / TEU). Transport volumes at the end of the year were slightly below the level of the previous year, at 11.8 million TEU (2019: 12.0 million TEU) or 1.6% less, but clearly above the level anticipated at the beginning of the pandemic.

As a result, the Executive Board and the Fiscal Council of Hapag-Lloyd AG decided to make a proposal at the Annual General Meeting that a dividend of 3.50 euros per share be paid for the 2020 financial year.

Looking ahead, Hapag-Lloyd expects EBITDA and EBIT for the 2021 financial year to clearly exceed the level of the previous year. This is based on the assumption that the volume of transport can be slightly increased and the average freight rate significantly increased compared to 2020. In addition, a significant increase in the average bunker consumption price is expected. This forecast remains subject to considerable uncertainty due to a number of factors, including the above-average volatility of freight rates at the moment and operational challenges, such as those caused by infrastructure bottlenecks. In addition, the future course and corresponding economic impacts of the coronavirus pandemic cannot be predicted at this time. Consequently, a detailed profit outlook is currently not possible.

"2021 will also be dominated by the global coronavirus pandemic, and supply chain bottlenecks will presumably only decrease significantly in the second half of the year. Thanks to the continued strong demand for consumer goods, we started the current financial year on a very good note. However, the risks related to the pandemic will remain for the time being, even though vaccination campaigns around the world indicate the first steps towards normalization. Overall, we are following our current course: offering our customers the best possible quality of service and continuing to grow profitably," said Rolf Habben Jansen.

An inaugural shipment of calcined coke was completed last week at the Port of Imbituba using containers to transport the mineral bulk. The handling of around 14,000 tons took place on the ship Nord Montreal with support from the portainer and was serviced at Pier 2. The new logistical project aims at a cleaner and more efficient operation since the cargo reaches the dock already in the container and is moved directly onto the ship. Two new shipments using this modality are already scheduled to take place in Imbituba: one more in March and the other with a date yet to be defined.

According to ILP and Sanry, responsible for the pilot operation of calcined coke in containers, the proposal is to gradually implement this transport system due to the benefits it provides. One benefit is the greater storage capacity in the trucks and the use of an automated shipping system that increases operational safety and avoids negative impacts on the environment.

The calcined coke exported through the Port of Imbituba originates in Cubatão (SP) and is shipped to Canadian ports. Simonsen scheduled the ship, which also received the load of 20,300 tons of non-calcined coke using the traditional MHC (on wheels) crane shipping model.

CMA CGM has said that in order to maintain the quality of its services and protect exports from the East Coast of South America, it will have to pass on to customers a freight adjustment on a specific service.

From April 15, 2021, until April 31, 2021, the company will therefore apply a general rate increase (GRI) of US\$500 per container for dry cargo trade from the East Coast of South America (BRAZEX service) to the north and west coasts of South America, Mexico, the USA, Canada, Central America, and the Caribbean.

Grain

The president of Uruguay, Luis Lacalle Pou, raised the possibility of exporting rice through Brazil instead of through the ports of his country, as he had highlighted when he participated in the inauguration of the harvest. According to the Uruguayan president, "sovereignty is not weakened" if producers need to use foreign ports because they are cheaper; on the contrary, he believes that Uruguay would benefit.

"If we have to take port cargo through Brazil because it is cheaper for the eastern region, it will be better for our country," he said, according to a note from the Uruguayan Presidency.

The Uruguayan president also stressed that the government must work to stimulate the private sector and be functional. "We thank those who promote this because that is how the country grows.

The state has to make it easier for those who work and make the country grow, that is our role," he added.

The Minister of Livestock, Agriculture, and Fisheries of Uruguay, Carlos María Uriarte, said that on the president's last visit to Brazil "he renewed his hopes" and that he looks forward to the completion of the Merín lagoon waterway. The official said that this work will represent extra benefits for soybeans and forestry, as well as for the rice sector.

As for the Merin Lagoon waterway, the President of Uruguay considered it a fundamental initiative and, likewise, indicated that the Brazilian authorities agreed that it is a good initiative.

Other cargo

According to ABEMEL (the Brazilian association of honey exporters), Brazil exported 45,600 tons of honey in 2020, a growth of 51.9% compared to the previous year. Shipments generated revenue of US\$ 98 million.

About 60% of Brazilian honey production is exported, according to the organization. The biggest buyer last year was the United States, responsible for 75% of the total exported, followed by Germany, importing 12%, and Canada, importing 4%.

According to the administrative manager of ABEMEL, Suelen Tomazella, the pandemic generated changes in consumer behavior and eating habits throughout the world. Honey, being a healthy product and recommended for improving respiratory conditions, ended up attracting more consumers.

"We had an increase in demand during the pandemic, but it is difficult to know whether this scenario will continue in the post-Covid period. We are optimistic, mainly, due to the increase in consumption in the American and European markets. We hope to expand our operations in other countries", she said, in a note.

Another market that ABEMEL believes is important to explore is the Muslim market, made up of 1.8 billion people. However, to export to Islamic Arab countries, it is necessary to obtain halal certification. "It is an avid market for quality products. Honey certainly has great commercial opportunities not only in the Arab countries but also on the Asian and African continents, mainly because it stands out for its high quality and added value", comments the commercial manager of the entity at Cdial Halal, Omar Chahine, also in a note.

To enable expansion of this market, Brazilian industries and producers need to adapt to the requirements of the buying countries. Most Islamic importers have been demanding halal certification. "In addition to being recognized worldwide as a seal that attests to good manufacturing, safety, and quality practices, the halal certification has been requested, even by countries that are neither Arab nor Muslim, such as Japan, China, and Canada," says Chahine.

Brazilian honey is produced mainly in the South, which produces 39.8% of the total. The Northeast is ranked second in terms of production (31.3%), then the Southeast (22.5%), and finally, the Midwest (6.4%).

The world demand for Brazilian cotton is increasing rapidly and the technology used in the field has intensified exports. In February 2021, exports were 39% higher than the same

month last year, totaling 235,500 tons exported and corresponding to revenue of US\$ 377.6 million, according to data from ABRAPA (the Brazilian association of cotton producers). Mato Grosso do Sul is one of the states with technological and sustainable capacity, high in demand.

In 2020, 2.12 million tons were exported according to data from SECEX (the Foreign Trade Secretariat of the Ministry of Economy (MINFRA)). In the first two months of 2021 alone, 509,000 tons of Brazilian cotton were exported, about 25% of the total exported in the previous year. ABRAPA's initial forecast is that 1.66 million tons should be exported by the end of 2021, however, the search for the raw material should intensify sales

The Brazilian cotton trade balance remains positive for the 2020/2021 harvest. "For the period August 2020 to July 2021, Brazil exported 1.7 million tons, 14% more than in the same period of the previous harvest, generating revenue of US\$ 2.6 billion in just 7 months. These values are linked to the cotton market in New York, which has been showing steady increases in recent months", points out Adão Hoffmann, the Executive Director of AMPASUL (The southern Mato Grosso association of cotton producers).

The main purchasers of cotton in February were Bangladesh, receiving 52,000 tons, followed by China, according to data from SECEX/MINFRA.

Cotton production in Brazil in the 2020/2021 harvest is expected to be 16% lower than in the 2019/2020 harvest; for Mato Grosso do Sul this reduction is 23.5% despite the growing and record sales in the calendar year 2020. The total volume produced last year by Brazil was 2.52 million tons, according to ABRAPA; while Mato Grosso do Sul produced 58,000 tons, according to AMPASUL.

Meat

BRF informed that its units located in Nova Mutum and Lucas do Rio Verde, in Mato Grosso, have been authorized by the Canadian government to export chicken wings to Canada. According to the company, after government auditors inspected all stages of protein production, the Canadian Food Inspection Agency, the country's health agency, completed the process.

"With these qualifications, today we have 15 plants certified to export to Canada, an important destination for the future of BRF", said Luiz Tavares, Global Manager of BRF International Institutional Relations. According to the executive, BRF is also waiting for the opening of the pork market to explore commercial opportunities with the Canadian market.

In addition to the BRF plants in Nova Mutum and Lucas do Rio Verde, other units also authorized to export poultry meat to Canada include Concórdia (SC), Rio Verde (GO), Mineiros (GO), Serafina Corrêa (RS), Chapecó (SC), Uberlândia (MG), Dourados (MS), Marau (RS), Francisco Beltrão (PR), Carambeí (PR), Capinzal (SC), Toledo (PR), and Videira (SC).

Francisco Beltrão unit is qualified to export turkey meat to Mexico - In addition to the qualification of the units for Canada, the Francisco Beltrão (PR) unit of BRF was recently qualified to export turkey meat to Mexico, with authorization from the National Service for Health, Safety, and Agrifood Quality (SENASICA).

The qualification process included an eight-hour audit of the factory via videoconference, by which Mexican government auditors inspected, in real-time, all stages of production. It was the first video audit for turkey exports made in Brazil. "Returning to exporting the product to the second-largest economy in Latin America is part of the long-term growth strategy of our Vision 2030", concludes Tavares.

Economy

On March 17th, the Executive Management Committee (GECEX) of the Ministry of Economy's Chamber of Foreign Trade (CAMEX) approved a 10% reduction in import taxes on capital goods, computer equipment, and telecommunications.

In a note, the Ministry of Economy stated that the measure will reduce costs, increase competitiveness, and ultimately benefit consumers, who will pay less to buy items such as computers and cell phones. Because of the devaluation of the Brazilian currency over the last year, these products had seen a considerable increase in prices in Brazil. According to the Ministry of Economy, prices should be 2% to 5% cheaper for consumers. The measure will cause a loss of revenue of R\$ 1.4 billion this year.

Altogether 1,495 products, including subtypes, had their import tariffs reduced. As it involves capital goods and IT and telecommunications goods, the measure did not depend on negotiation with the other Mercosur partners. And since the change occurred on a regulatory tax (used to regulate the economy), the government does not need to raise other taxes or cut expenses to compensate for the loss of revenue, as determined by the Fiscal Responsibility Law for other types of taxes.

Currently, import tariffs for these products range from zero to 16% for goods that pay Mercosur's common external tariff (TEC). With the reduction, a machine that would normally incur a 10% tax to enter the country will now incur a 9% tax. An electronic device incurring a tax of 16% will now incur a tax of 14.4%. Items charged at 2% will see a greater reduction and the rate will be zeroed. According to the Ministry of Economy, the measure reduces bureaucracy and simplifies the import/export process.

The Ministry of Economy detailed some of the reductions: cell phones and laptop computers will have their import tax reduced from 16% to 14.4%. In the case of medical X-ray equipment and optical microscopes, the rate will decrease from 14% to 12.6%. Other products benefited by the measure are machines for baking and brewing beer and capital goods related to civil construction, such as cranes, excavators, forklifts, locomotives, and containers, among other items.

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