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### **BRAZIL AND USA CONCLUDE NEGOTIATIONS ON 3 FRONTS TO ENCOURAGE BILATERAL TRADE**

On Monday, October 19, President Jair Bolsonaro announced that representatives of Brazil and the United States concluded the negotiations of three agreements requested by businessmen from both countries: trade facilitation, good regulatory practices, and anti-corruption. "This triple package will be able to reduce bureaucracy and bring even more growth to our bilateral trade, with beneficial effects also for the flow of investments," he said. For the president, "there is enormous potential" for cooperation between the two countries and several areas of common interest. "For the future, we envision a bold tax agreement, a comprehensive trade agreement, and a bold partnership between our countries to redesign global production chains," he said. According to CNI (the national confederation of industry), the agreements address current issues and enable cost savings and increased competitiveness in the relationship between the two countries. Brazil and the United States are important and long-standing partners in the areas of trade and investment. The exchange of goods and services was over US\$ 100 billion in 2019. In turn, direct investments by American companies in Brazil exceed US\$ 70 billion, and investments by Brazilian companies in the United States exceed US\$ 39 billion. Despite the numbers, there are enormous opportunities to expand these flows even more. For CNI, trade facilitation measures that will reduce bureaucracy, transaction costs, and unnecessary delays related to the commercial flow of goods will provide increased competitiveness and increase efficiency for the commercial operations carried out between the two countries.

Sources: *Agência Brasil and Comex do Brasil / Datamar News*

### **CORN ETHANOL PRODUCTION IN BRAZIL TO REACH 2.5 BILLION LITERS IN 2020/21**

Plentiful and cheap corn supplies in the west-central region of Brazil have usually attracted investment in the corn ethanol sector over the past few years, according to a report released by the Foreign Agricultural Service (FAS) of the United States Department of Agriculture (USDA). According to the Brazilian Corn Ethanol Union (UNEM), Brazil is expected to produce around 2.5 billion liters of corn ethanol in 2020/21. There are currently 16 corn ethanol plants in Brazil, located in the states of Mato Grosso, Goiás and Mato Grosso do Sul. At least four of those facilities are corn-only plants, whereas the remaining facilities are flex plants, that can produce ethanol from both corn and sugarcane. In 2019, Brazil produced 1.33 billion liters of corn ethanol, but that volume is projected to expand to 8 billion liters by 2028, according to the National Union of Corn Ethanol Producers (UNEM). Brazilian ethanol consumption is expected to grow to 43 billion liters by 2029, according to the Ministry of Mines and Energy and the Energy Research Company (MME / EPE), supported by the government's new carbon credit program, *RenovaBio*.

Source: *Agência Safras*

### **BRAZIL TO EXPORT 2.34 MILLION TONS OF SOYBEANS AND 5.32 MILLION TONS OF CORN IN OCTOBER**

Brazil is expected to export 2.341 million tons of soybeans and 5.327 million tons of corn in October, says the National Association of Cereal Exporters (Anec). Both forecasts rose this week in relation to the previous one, when shipments were expected to reach 1.911 million tons of soybeans and 4.568 million tons of corn. Anec's projection of bran exports has also increased from 1.425 million to 1.490 million tons. Shipments of 1.632 million tons of corn, 474.734 tons of

soybeans and 422,236 tons of bran are expected for the week of 11th to 17th October. If the predictions are confirmed, the country's foreign sales, from January to October, will total 81.594 million tons of soybeans (+ 23.89% compared to the same period in 2019), 25.409 million tons of corn (-24.70% ) and 14.546 million tons of bran (+ 9.37%).

Source: *Revista Dinheiro Rural*

### **BRAZIL ZEROES IMPORT TARIFF FOR CORN AND SOYBEANS**

The Brazilian government has decided to zero the import tariff for soybeans and corn to cut off the rise in food prices. The measure aims to increase the supply of products and reduce the price of the products in the country. The decision was made on Friday (10/16), during an extraordinary meeting of the Executive Management Committee (Gecex), at the request of the Ministry of Agriculture, Livestock and Supply and Economy. The tariff concession for soybeans is valid until January 15 (2021), and it is valid until March 31 for corn. The Ministry of Agriculture explained that "the goal is to promote supply and demand adjustments before the harvest of the 2020/2021 harvest". The Ministry of Economy added that "both measures are motivated to contain the rise in prices in the food sector".

Source: *Correio Braziliense*

### **PETROBRAS REDUCES REFINERY PRICES OF GASOLINE BY 4%**

Petrobras announced to distributors on Thursday (15) that it will reduce the price of gasoline at refineries at the domestic market by 4%. The new price will be available on Friday (16). Diesel prices were not changed. "Since January 2020, the average price of diesel has dropped by 24.3% and the price of gasoline has decreased by 9.1%. To get a better view, the average price of Petrobras' gasoline for distributors will be R\$ 1.74 per liter after the readjustment", said the company. For drivers, the prices depend on several factors, such as taxes, fees, labor costs and profit margin. Also, the free market competition in Brazil makes each company set its own price. Petrobras also says that the gasoline and the diesel sold to distributors are not the same products that are at the gas station. They are type "A" fuels, that is, gasoline before combining it with ethanol and diesel also without the addition of biodiesel. The products sold at the pumps to the final consumer are made from type "A" mixed with biofuels.

Source: *DATAGRO*

### **OCTOBER MAY END WITH HALF OF THE WHEAT HARVEST SOLD**

The harvesting of wheat is stepping up in Paraná and Rio Grande do Sul, the major wheat-producing states in Brazil. Prices are at one of the highest levels in history. Data from the Rural Economy Department (Deral) indicate that the harvesting activity reached 79% in Paraná. Activities are speeding up in comparison to last year, when 76% of the harvest was completed. The harvesting of wheat crops is forecast at 3,3 million tons and may come to be one of the five largest ever recorded in the state, also the prices keep rising. The price of wheat has reached R\$ 1,255 thousand per ton, the highest price since the beginning of the harvest on Sept. 01. According to Conab, in Rio Grande do Sul, wheat production should reach 2.5 million tons, 12% above the previous one. Besides, the product reached its highest price in the state since the beginning of the harvest, R\$ 1,669 thousand per ton. The government has already announced that it intends to promote the import of wheat mainly on account of high prices.

Source: *Canal Rural*



**PORT OF ITAQUI TO RECEIVE MORE FERTILIZERS**

The port of Maranhão is expanding capacity for incoming fertilizers shipments and power outlets for refrigerated containers. This will enable a greater flow of cargo with the Arab market. The improvement of the Port of Itaqui will also boost trade with the Arab countries. Investments are under way in fertilizers shipping and refrigerated containers, and facilities are available for livestock export. Currently, most of the fertilizer imported to Brazil is via the ports of Paranaguá-PR, and Santos-SP. The expansion of the Port of Itaqui will increase its capacity to 3.5 million tons. The port's location makes it a competitive supplier to fertilizer crops in states across the West-central and North of Brazil. Railroads investments are also in progress, this means that next year the fertilizer will also get shuttled on trains to producing areas, which will ease the flow.

Sources: ANBA / Global Fert

**NEW TERMINAL TO COME ON STREAM AT PARANA PORT**

Paranaguá Port will expand movements through the Western Export Corridor. Next month, a new terminal will join the West Export Corridor, in the new berth 201. Conveyors for bulk transportation will link the warehouse of the company Cavalca Administração Portuária (CAP) to ship loaders. The private investment is valued at R\$ 100 million. "The modernization carried out by Portos do Paraná, with its new shiploaders and pier extension has made it possible for more export terminals to enter. They will connect to the public common axis, along the lines of the Eastern Export Corridor", explains the port authority's Director of Operations, Luiz Teixeira da Silva Júnior. According to him, the Western Corridor will bring greater shipping productivity potential. "The pooled system used in Paraná gives us the highest shipping efficiency, reinforcing the position of Paraná's ports as major exporters of solid bulk," he explains. The installation of the new conveyor belts has already been completed, with tests carried out without the product. The company is waiting for the customs process to start the operation. CAP's warehouse has a static capacity of 55 thousand tons and the shipping capacity using the conveyor belt is 2 thousand tons/hour. The dala from the terminal to the zero point, or connection point with berth 201, measures 1275 meters. The straps that run this route are completely closed, up to the port. Two tippers are available for the trucks, with a discharge capacity of up to 350 tons per hour. Both have a dust suction system, guaranteeing 100% use of the goods when the truck is tipped. All lifting and transfer towers also have a dedusting system.

Source: Datamar News

**RIO EXPORTS TO CHINA, FRANCE AND URUGUAY INCREASE FROM JANUARY TO AUGUST**

The foreign trade bulletin of Rio de Janeiro, Rio Exporta, by Firjan, registered an increase of 45% in exports to China, in the accumulated result for the year, from January to August, except for crude oil and petrol. According to the latest publication of the bulletin, shipments have also been expanded to Uruguay (up 49.2%) and to France (up 1%), excluding also oil trade. With an international flow of US\$ 39.4 billion, Rio maintained its position as the second player in the country, second only to São Paulo. From January to August, the state of Rio de Janeiro increased by 23% in the chain of global trade (sum of imports and exports), when compared to the same period last year. This is due mainly to the higher volume of imports, US\$ 23.8 billion, while exports reached the figure of US\$ 15.6 billion. This represents Rio's 16% share in the country's foreign trade, resulting in a negative trade balance of US\$ 8.2 billion.

Source: Portos e Navios

**PORT OF IMBITUBA INITIATES BIDDING PROCESS FOR LIQUID BULK TERMINAL**

In Brasilia (DF) on October 13, SCPAR Port of Imbituba filed the Technical, Economic and Environmental Feasibility Study (EVTEA) of the liquid bulk terminal (TGL) of the Port of Imbituba. According to Brazilian port management standards, EVTEA is the initial stage of bidding processes for the lease of areas within organized (public) ports. The study presents a series of information on movement forecast, investments, cost estimates, and other factors to leverage the port enterprise. The Imbituba TGL is between Pier 1 and 3. Currently, it is composed of three storage tanks, two of which are out of operation. The operating tank has a capacity of 4,826 m³. The terminal also has 806 meters of supply ducts that connect the Pier to the TGL, and equipment for loading road-transport vehicles. The transitional lease – for a period of up to 180 days or until the bidding process for a 25-year long-term lease is completed – is in the bidding phase. "The next step after the delivery of EVTEA is to wait for a statement from the National Ports Secretariat about the study. We are confident that the signed document will make it possible for us to take an important step in the qualification process and better manage the port's infrastructure, taking advantage of its full potential," says the director of the Port Authority, Fábio Riera. The last long-term lease signed by the Port of Imbituba was in 2008, for the Container Terminal (TECON). The TGL study was produced by NCA Engenharia, Arquitetura e Meio Ambiente and given by the company Fertilisanta.

Source: Datamar News

**EQUIPMENT IN THE CONTACT WITH SEABED SHOULD BE AT LEAST 0.9 KM OR 1/2 NAUTICAL MILE AWAY FROM THE SUBMARINE CABLES**

Telxius Company and Sea Risk Solutions shared on Friday 16 safety information about submarine cables SAM-1 and BRUSA which can be damaged by anchors, fishing nets and other activities on the seabed in Salvador and Fortaleza. The SAM-1 and BRUSA submarine cables carry very important traffic from Brazil's Telecommunications, including internet, telephony and others. They carry more than 95% of international communications, providing more capacity, speed and security compared to satellite transmission, but can be damaged by anchors, fishing nets and other activities on the seabed. Due to the uncertainty of the correct location of shipping and fishing operations, the Captains of transport vessels are asked to maintain anchors or other equipment that have contact with the seabed, at least 0.9 km or 1/2 nautical mile away from submarine cables.

Sources: Telxius Company / Sea Risk Solutions

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