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COMMODITY EXPORTS REACH 70% IN BRAZIL

The rise in prices due to the pandemic has been contributing to commodity exports in Brazil like never. From January to September this year, exports reached a historic mark of 69.7% of the total exported amount. In the same period of 2020, the percentage was 67.5%. Also comparing to 2019, there was an increase of almost 10%. Lia Valls, an associate researcher at Getúlio Vargas Foundation (FGV), says that new structural adjustments from the post-pandemic period can change this scenario, however the share is unlikely to fall below 60%. Data from the Foreign Trade Indicator (ICOMEX) show that, despite the recent increase in speed, the advance of commodity exports has been steady. In 2001, commodity exports corresponded to 7.4% of shipments from January to September. In 2009, they reached 54.5% of the agenda. The prices set the pace for the rise. From January to September, average export prices rose 30.6%, and the amount exported increased by 4.1%.

Sources: *Valor/Portos e Navios* (*Translated by la Niani)

BRAZIL SET TO WIN SUGAR ANTI-DUMPING CASE AGAINST INDIA

Brazil achieved an end-to-end victory against India in the sugar dispute at the World Trade Organization (WTO), as Valor found out. This litigation has an impact on the international market for the commodity and on the positioning of the two largest producers in this market. The final decision is expected to be announced by the global entity by the end of this month. The confrontation involves export subsidies and domestic support in the form of floor prices to Indian producers. When Brazil took the case to the WTO, Itamaraty calculated that Indian subsidies caused a drop in international prices and losses of at least US\$ 1.3 billion per year to Brazilian producers. Brazil is the world's largest producer and exporter of sugar. India is the second largest producer and, with the help of subsidies, has become the third largest exporter. With excess production, it manages to throw a lot of cheap sugar on the market. The WTO ruling in this dispute is likely to signal that India will need to change its legislation on export subsidies and domestic support for sugar.

Sources: *Valor Econômico/Datamar News*

MINISTER OF AGRICULTURE ANALYSES BRAZIL'S FERTILIZER SCENARIO FOR 2022

The Minister of Agriculture, Tereza Cristina, warned that Brazil could suffer from shortages in 2022. The reason would be the lack of fertilizers that impact the global economy. Cristina said that there was a "great storm" with the rise of the dollar, the problems in production in China, and the economic sanctions to the most important suppliers of fertilizers, Belarus. "The pandemic has messed up global economy. We have many concerns and we have been monitoring them very carefully. Fertilizers for this year and for the "off-season", which starts at the end of January 2022, are basically guaranteed since producers have already anticipated their purchases", she said. Cristina, however, said that the government will do its best to avoid the lack of fertilizers. The most affected crop, which began to be planted in September this year, should not be reduced as inputs have been already guaranteed for 2022/23.

Sources: *IG Economia/Global Fert* (*Translated by la Niani)

BRAZIL: CONGRESS APPROVES FIXED RATE ON FUELS

Brazil's lower house of congress on Wednesday (13) approved a proposal that establishes a fixed rate for charging the Tax on Circulation of Goods and Services (ICMS) on fuels. The proposal will still be analyzed by the Senate. Deputy Jaziel (PL-CE) compels Brazilian states and the Federal District to specify the ICMS rate charged for each product by the measurement unit (liter, kilo or volume) and no longer by the value of the product. The proposal makes the ICMS invariable against fluctuations in fuel prices and exchange rate changes. The changes established by the proposal can lead to a reduction in the final price charged to the consumer of 8% for regular gasoline, 7% for hydrated ethanol, and 3.7% for diesel B. Currently, the ICMS calculation basis is

estimated from the average prices to the final consumer, calculated every two weeks by the state governments.

Source: *Canal Rural* (*Translated by la Niani)

FUEL DISTRIBUTORS INVEST ABOUT BRL 115 MILLION IN NEW BASE

The distributors Raízen, Ipiranga and Vibra (former BR Distribuidora) will start operating in a new fuel distribution base in Miritituba, Pará. The objective is to meet the demand of the agricultural sector for diesel in the North and in the Central-West regions of Brazil. The investment was approximately BRL 115 million, divided equally among the participants. The base, managed and built by Raízen, can handle 300 million liters of fuel per year and has a total storage capacity of 21,250 m³ of fuel. Agricultural production and transport costs are expected to be reduced. "The new hub of the Santarém and Belém Port Terminals will interconnect, via the basin of the Amazon and Tapajós Rivers, the distribution poles with the markets in the south of Pará and northern Mato Grosso, interconnecting with the existing logistics chain of the Northern Arch", said the entities on a note.

Sources: *Agência Estado/Nova Cana* (*Translated by la Niani)

SHELL AND PETRORECONCAVO LEAD GAS MARKET PUBLIC CALL IN BRAZIL'S NORTHEAST

Shell and Petroreconcavo won the public call opened by the Paraíba natural gas distributor, PBGás, for fuel supply between 2022 and 2023. The two producers have become the most active participants in the process of the gas market open in Brazil's Northeast. Under the terms of the agreement, Shell will supply 100 thousand cubic meters per day (m³/day) to PBGás in 2022. Petroreconcavo will supply 50 thousand m³/day in 2022 and 150 thousand m³/day in 2023. The current supplier Petrobras will continue to supply 80,000 m³/day until December 2023. The current contract between the parties has already provided for a gradual reduction in the volumes delivered by the state oil company. The CEO of PBGás, Jailson Galvão, said that Shell and Petroreconcavo give potential for more competitive prices. Shell will supply gas from the pre-salt, while Petroreconcavo will deliver the gas produced by the company in the Potiguar Basin, in Rio Grande do Norte.

Sources: *Valor/Portos e Navios* (*Translated by la Niani)

SALE OF BRAZIL'S SOYBEAN 2020/21 CROP REACH 90.8%, DATAGRO SAYS

Despite the slight advance in sales of Brazilian soybeans in September, the 2020/21 crop has already reached 90.8% of the expected production by October 8. "The limited movement confirmed our expectation, despite the partial rise in prices. It reflects the fact that the harvest has already been greatly sold, due to prices still below the maximum for the year, and the lack of greater need from producers", said Flávio Roberto de França Junior, DATAGRO's Grain coordinator. The current production forecast for the 2021 crop is 136.97 million tons, and Brazilian soybean growers have a total committed of 124.39 million tons. According to the preliminary projection, the Brazilian crop has the potential to reach 144.07million tons next year, counting on regular weather and normal productivity. Corn sales from the 2020/21 summer crop in the Center-South region of Brazil reached 90.7% of expected production, over 86.3% in the previous survey and 95.3% at the same period last year. The total 2020/21 crop forecast continues at 85.92 million tons.

Source: *DATAGRO* (*Translated by la Niani)

SUGAR-ENERGY SECTOR REPRESENTS 66% OF BIOGAS PRODUCTION

The participation of the sugar-energy sector in the production of biogas could reach 66%, according to studies by the Energy Program for Brazil. The total biogas potential in Brazil is 10.9 billion Nm³/year, equivalent to the production of 22.9 TWh/year or almost 5% of power consumption in Brazil. The sugar-energy sector alone would be responsible for 7.2 billion Nm³/year of this potential (66%), considering only the use of vinasse and filter cake to produce biogas. Leidiane Mariani, representative of the Energy Program for Brazil, said that this is only a short-term potential



since the production of biogas in the sugar-energy sector does not have technological barriers to become viable and the fuel is already available for use. For Zilmar Souza, bioelectricity manager at UNICA, biogas is a sustainable alternative for energy production in Brazil, as it is made from by-products from sugarcane, such as bagasse, filter cake, straw and vinasse. In addition, biogas can become an alternative to diesel in the transport matrix.

Source: *Jornal Cana* (*Translated by *la Niani*)

PORT MOVEMENT GROWS 7.5% FROM JANUARY TO AUGUST

The port sector handled 809.8 million tons YTD up until August. This represents a growth of 7.5% compared to the same period in 2020 (753.6 million tons). The data are from ANTAQ's Statistics and Performance Evaluation Management. In relation to load profiles, solid bulk (58.4% of the total) grew 3.5% compared to the same period last year, reaching 472.8 million tons. The liquid bulk had a total of 209.3 million tons (25.9% of the total) and grew 12.2% until August 2021 compared to Jan-Aug 2020. Loose General Cargo (4.9% of the total) grew 15.4%, reaching 39.7 million tons. The cargoes besides containers that deserve to be highlighted in 2021 (January-Aug) are Oil and Derivatives, which accounted for 23.1% of all handling (187.1 million tons), growing 11% compared to the same period in 2020. Other highlights were: Fertilizers, with 23.9 million tons, a growth of 14.3%; Mineral Coal had a movement of 16.8 million tons, an increase of 37.7%; and Iron and Steel recorded 16.3 million tons, an increase of 29.8%.

Fonte: *Datamar News*

SANTOS: A PORT WITHOUT CRISIS

The largest port complex in Latin America is at the limit of its cargo handling capacity. Responsible for 30% of the transport of the Brazilian trade balance, the port of Santos has a total capacity of 162 million tons a year, and by the end of 2021, handling should already reach 150 million tons. But today this is not seen as a problem, thanks to the ongoing private investment package of around R\$ 10 billion until 2025 to expand terminals. Of the 11 auctions scheduled for the concession of terminals, four have already taken place and two of them are planned for November. The other five will take place in 2022. The package also includes R\$1.8 billion in the road-rail system and another R\$2.5 billion from current lease contracts. "With this, our plan is to reach a capacity of 240 million tons by 2040." Last year, SPA closed with net revenue of R\$ 1.1 billion (11.5% above that registered in 2019). Invoicing continued on the rise in the first half of this year, when the company obtained revenue of R\$ 549 million. And 2021 is heading to be the most profitable year in history. In the first half of this year, SPA earned R\$ 170 million, close to the R\$ 202 million registered throughout the year 2020.

Sources: *Isto é Dinheiro/Datamar News*

PORT OF ITAQUI REACHES NEW HISTORIC MILESTONE

On October 11, the Port of Itaquí surpassed the historic mark of cargo handling reached in 2020. With 25.4 million tons already handled so far and two months left to go until year-end, the projections by Empresa Maranhense de Administração Portuária (EMAP) indicate a volume exceeding 28 million tons by the end of December, 12% more than the previous year. This new historic milestone was reached with the ship Elandra Willow which received diesel from the Anavatos II during a warehouse operation – when cargo imported from the international market is transshipped to smaller vessels and distributed to other ports within the country. Consolidated as the highlight of the year so far, liquid bulk grew by almost 80% compared to the same period in 2020. Soy also reached the mark of 9.6 million tons, surpassing last year by 14%, and influenced the rise in fertilizers, which total more than 2.3 million tons.

Fonte: *Datamar News*

PORT OF VITÓRIA ENJOYS BEST MONTH IN 56 YEARS

September was another record-breaking month for the Port of Vitória. 839,976 tons of cargo were handled in the month, surpassing the last record of 830,209 tons reached in July this year. The September level was the largest handling in the Espírito Santo port in the last 56 years. The highlights were solid and liquid bulk operations, and general and

containerized cargo. From January to September this year, 2,564,841 tons of solid bulk were handled, an increase of 30.49% compared to the same period in 2020. In September, fertilizer was among the loads that registered the highest volume of movement, totaling 183,733 tons. Liquid bulk also increased YTD. From January to September, 707,293 tons of liquid bulk were handled, an increase of 14.26% YoY. In 2020, 619,042 tons were handled. Caustic soda and petroleum derivatives are among the main products handled. In the month, 47.5% of the ships that docked at the Port of Vitória were on a cabotage route, while 52.5% were long-haul. The port received ships from France, Italy, Uruguay, and Russia, at the same time as it shipped cargo to the United States, Spain, and China.

Source: *Datamar News*

CARGO HANDLING AT IMBITUBA PORT GREW 9.6% IN SEPTEMBER

The Port of Imbituba continues to grow significantly, with cargo handling in September reaching 660,900 tons. The result, in addition to representing an increase of 9.6% compared to the same period last year, is the best record for the month of September in the history of the port. Looking at the 3rd quarter, Imbituba experienced 19.4% growth compared to year-ago levels. Between January-September, approximately 5 million tons passed through the port – movement that was 14.6% higher than in the same period in 2020. In all, the Port of Imbituba received 25 berths in September. The main cargoes handled were coke (291,500 tons), soy meal (61,400 tons), corn (60,200 tons) and containers (59,500 tons). Volumes of iron ore, sodium sulphate, salt, bituminous coal, potassium chloride, ash, fertilizers and generators were also operated. In the period, imports accounted for the majority of operations (61%), followed by exports (30.1%) and cabotage (8.9%).

Source: *Datamar News*

SUAPE AND CESAR BEGIN DEVELOPING A SYSTEM TO INCREASE PORT OPERATIONS EFFICIENCY

The Suape Complex and CESAR (@inovacaocesar) have started studies on the development of a new technological system after signing a partnership last July. The platform built will be the basis for a Port Community System (PCS), a tool used in various docks around the world to improve the flow of data and the exchange of information between the various actors involved in port operations. In a later phase of the studies, products and solutions will be developed to automate critical processes to streamline port movements. These solutions cover topics that range from scheduling the arrival and departure of ships (line up) to operations, indicators, reports, and even billing. After developing the solutions, Suape hopes to gain a simplified system, reducing rework and increasing reliability in operations. "With the elimination of bottlenecks, the efficiency gains will be enormous. We should start with the basics- with appointments. From there, we will evolve to the issue of operations, the interface with pilotage, the Navy, etc., all through automation", explains Jaime Alheiros, CESAR's innovation consultant.

Source: *Datamar News*

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