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## **BOLSONARO SANCTIONS 'BR DO MAR' BUT VETOES TAX BENEFITS**

The bill that gives incentives to coastal navigation in Brazil, the 'BR do Mar', has been sanctioned by president Jair Bolsonaro on Friday, January 7th. Notwithstanding, the text had passages partially vetoed. The sections vetoed by President include the number of seafarers who must work on the vessels. The text approved by Congress established that the crew should be at least 2/3 Brazilian. With the veto, only those working as captains, cabotage masters, chief engineers, and engine drivers will have to be natives. The rule, according to Bolsonaro, "would result in an increase in vessel expenses, reducing the appeal of the program keeping a higher number of low-cost foreign vessels to operate in the country." Another section vetoed by the President has to do with the reduction of the Additional Freight rates for the Renewal of the Merchant Marine (AFRMM). Long-distance navigation rates had been reduced from 25% to 8% in the Congress text, while cabotage had been reduced from 10% to 8%. The rates applied to the transportation of bulk materials and other commodities were also reduced to 8%. Bolsonaro claimed that "such reduction would go against public interest as it would lead to reduced earnings without providing an estimate of how much it would leave an impact on budget and finances and providing no compensatory measures".

Sources: Congresso em Foco/Datamar News

## **SOYBEAN EXPORTS INCREASED 5.2% IN 2021, ANEC SAYS**

According to the National Association of Cereal Exporters (Anec), Brazil exported 86.628 million tons of soybeans in 2021, up 5.2% from the previous year (82.298 million tons). In December 2021, the volume exported was 2.524 million tons, whereas in the last month of 2020 the volume totaled only 161 thousand tons. Brazilian soybean meal exports totaled 16.817 million tons last year, up 0.37% from December 2020. Soybean meal shipments in December 2021 were 3% higher when compared to the same month in 2020. In turn, corn exports decreased last year. The total volume from January to December was 20.547 million tons, down 38.5% from the 33.396 million tons in 2020. In December 2021, 3.320 million tons of corn were shipped abroad, a drop of 13% when compared to the volume shipped in December 2020.

Sources: Agência Brasil/Dinheiro Rural (\*Translated by la Niani)

## **BRAZIL: DIRECT BIODIESEL SALES UNDER NEW MODEL REPORTS CONTRACTING ABOVE THE GOAL**

Biodiesel producers signed sales to deliver 957 million liters of this biofuel for supplying in January-February, to meet the percentage of mandatory diesel oil blending, an increase of 36% above the estimated demand the period. This took place after Brazil moves to a new direct-sales model, in which distributors contract and buy the product directly from the producers, replacing biodiesel auctions. The new direct-sales model, implemented as of January 1 was regulated by ANP Resolution No. 857/2021. Biodiesel supply contracts were successfully informed and validated by fuel distributors and producers through a system developed by the ANP, called SRD-Biodiesel. The contracts for higher-than-estimated demand demonstrate the success of the new sales model already in the first bimonthly period of its implementation, with the broad adhesion of fuel distributors and producers, guaranteeing supplies to end consumers across the national territory.

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

## **BRAZIL: ANP SAYS THAT RESOLUTION 855/2021 ALLOWS DIRECT SALE OF ETHANOL IN ALL MUNICIPALITIES**

The National Agency of Petroleum, Natural Gas and Biofuels (ANP) reported that Resolution 855/2021 "allows the sale of hydrous ethanol between suppliers (producers and importers) and resellers in any municipalities", and not only from a plant to a service station from the same municipality, as sources had beforehand informed. The follow that is limited to the same municipality, says the agency, is the "delivery" of

fuels, regulated by ANP Resolution No. 858/2021. "In this case, the refueling of vehicles exterior the institution is barely allowed as much as the boundaries of the municipality where the retailer approved by the ANP that will perform the service is positioned." By vetoing, in the Official Gazette (DOU) on Tuesday (4), articles of a Provisional Measure that dealt with the direct sale of ethanol, the General Secretariat of the Presidency of the Republic granted that the vetoes do not prevent this type of sale. "since this matter could be regulated by the ANP (National Agency for Petroleum, Natural Gas and Biofuels (ANP), which has already regulated this matter".

Source: Dinheiro Rural (\*Translated by la Niani)

## **GENERATION OF CBIOS SURPASSES TARGET SET FOR 2021, ÚNICA SAYS**

According to the Sugarcane Industry Association (Unica), the generation of CBios (Decarbonization Credits) could reach more than 30 million bonds - together with the existing stock, this amount surpasses the target set by the federal government for 2021, of about 25 million credits. Over 30 million tons of CO2 were avoided this year (90% of the ethanol sold). The outcome reinforces the sugar-energy sector's commitment for sustainable mobility, and reduction of greenhouse gas (GHG) emissions. According to Unica, the harvest that ends in March 2022 will close with 525 million tons of processed sugarcane, a reduction of 13.3% when compared to the 605 million tons in the 20/21 cycle. Anhydrous ethanol production is expected to increase by 13.7% at the end of the cycle, reaching by 11 billion liters. The volume produced of hydrous ethanol, in turn, is likely to reach 16.7 billion liters, a drop of 19.3% when compared to the previous cycle.

Source: Universo Agro/DATAGRO (\*Translated by la Niani)

## **RIO GRANDE DO SUL: RICE-SOYBEAN ROTATION GROWS 205% IN TEN YEARS**

Crop rotation is one of the most important management strategies. As proof, in the 2011/12 cycle, the planted area of rice in the state of Rio Grande do Sul in rotation with soybeans occupied 121,166 thousand hectares, whereas in the 2021/22 cycle this number jumped to 370,594 thousand hectares, a growth of 205% in ten years, according to a survey by the Rio Grandense do Arroz Institute (Irga). The productivity has been even higher: from 31.8 bags per hectare in 2019/20 to 52.3 in 2020/21, an increase of 64.4%. According to a coordinator of Irga, André Matos, this growth was due to the evolution of the macro and micro drainage, with more investments, as well as the upsurge of new technologies: "Soybean is the main alternative used by producers in Rio Grande do Sul who seek weed management strategies due to the number of cases of herbicide-resistant weeds", he says.

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

## **PIG IRON SECTOR EXPECTS A 7% INCREASE IN OUTPUT VOLUME**

The pig iron sector in Brazil, especially in Minas Gerais, is expected to keep the growth rate of 2021 this year. The pig iron sector in Brazil, especially in Minas Gerais, is expected to keep the growth rate of 2021 this year. According to the president of the Iron Industry Union of Minas Gerais (Sindfer-MG), Fausto Varela Caçado, the forecast wrought at the close of 202 indicates a 7% increase in production, reaching 4.15 million tons of pig iron in the year. According to Caçado, the share of exports in pig iron production returned to normal last year, with 54% going to international markets and 46% staying domestically. "By 2020, this ratio would be 70% for international clients and 30% for domestic plants." We hope to retain this normally in 2022," Caçado stated. According to him, the United States has regained its position as the leading destination for goods exports in 2021. China was the principal consignee for the product last year, accounting for 63% of pig iron shipments.

Source: Datamar News

## **WEAK DEMAND MAY HOLD STEEL PRICE ADJUSTMENTS**

Price adjustments in 2021 must not happen again due to the weak demand for Brazilian steel forecast this year. For Carlos Loureiro,



executive president of the National Institute of Steel Distributors (Inda), there is no room for rising prices of steel products. "With the premium between zero and 5% in comparison with imported material, it would be possible to think about an adjustment if the offer was low. But today there is no such problem. The market is stocked," he said. Last year, the adjustments were around 70%, according to Loureiro. Loureiro pointed out that sales of flat steel products by distributors this year are expected to increase 3%. The increase will be driven mostly by the agricultural and infrastructure sectors. Loreiro said that the estimated volume is 3.67 million tons. According to Aço Brasil, domestic sales are expected to increase by 2.5% when compared to last year, reaching 23.3 million tons. Crude steel production is expected to reach 36.8 million tons, up 2.2%.

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

### NEW PORT FERTILIZERS TERMINAL IN SANTOS

The new port terminal in Santos will transport fertilizers, including Ammonium Nitrate. After the announcement of the new terminal, there were some controversies and concerns. The main issues are related to the transport of Ammonium Nitrate for fertilizers, a product similar to the one that caused the accident in Lebanon in August 2020. Bruno Stupello, director of development and regulation of the terminal, said that the transport of Ammonium Nitrate has already taken place on the left bank of the Port of Santos, with safety precautions, and no records of accidents so far. The investments of R\$ 660 million will bring 5 million tons of fertilizer capacity and will help to better serve the national fertilizer segment. The Ministry of Infrastructure says that the change will bring more security and efficiency to the Port. This new terminal will allow the internal transport of cargo by rail, decreasing the number of trucks at the nearby of the port of Santos. Currently, the auction for the area is under public consultation and investments should start in 2023.

Source: Globalfert (\*Translated by la Niani)

### PORT OF PARANAGUÁ PREPARES EXPORT CORRIDOR TO MEET DEMAND ABROAD

The Port of Paranaguá East Export Corridor (Corex) is undergoing maintenance. While the new soybean crop is still being harvested, the other end of the logistics chain is using the time to improve its structure and operating systems to meet the demand flow, which is expected to increase in March. "We started in November 2021, at berth 212, and we're going to finish it now at the end of January. In December we made the adjustments to 213. We are currently at berth 214, the last in the Corridor", says the Engineering Director of Portos do Paraná, André Cassanti Neto. In addition to the services provided in the hoppers, dumpers, and public silos, approximately BRL 15 million were invested in automation, as well as electrical and mechanical maintenance of all six lines, ship loaders, and substations. André Maragliano, director of the Association of Export Corridor Operators at the Port of Paranaguá (Atexp), stated that the corridor operators expect a very productive year.

Source: Datamar News

### THE PORTS OF PARANÁ HANDLED 57.5 MILLION TONS OF CARGO IN 2021

The ports of Paranaguá and Antonina finished the year with a total cargo volume of 57,520,122 tons, the highest volume of imported and exported goods ever recorded by Paraná terminals. The rise was 3% comparing to 2020. Considering only the export of solid bulks such as soy, corn, soy bran, and sugar, in 2021, were registered 23,027,094 tons of cargo; 13% less than in 2020. Among those, only sugar shipments registered a high last year. Up to 4,080,802 tons of the product were exported, an increase of 4% comparing to 2021. Imported solid bulks such as fertilizers, malt/barley, wheat, salt, and, particularly, corn, increased by 18%. In 2021, 12,881,261 tons were imported, up from 10,911,752 tons the previous year. The overall amount of general cargo handled in 2021 was 13,765,178 tons, up 11% than in 2020. Liquid products handled 7,948,839 tons of cargo, 4% more than in 2020. The movement of soy oil stands out among liquids, with both import and export volumes increasing.

Source: Datamar News

### CODESA ENHANCES PERFORMANCE IN 2021

The contribution of specific products, which reached substantial percentages in comparison to 2020, to the Port of Vitória's record-breaking cargo handling last year was significant. These products are: steel products, from 2,502/t to 371,825/t (+14,762.64 %); mineral coal, from 123,160/t to 357,342/t (+193.39%); vehicles, from 23,325 units to 49,334 (+111.51%); fertilizers, from 917,576/t to 1,074,765 (+17.13%). In 2021, 818 ships docked in the Port of Vitória, up 19.24 percent from the previous year's total of 686 ships. The majority (53.89%) were long-haul, with cabotage navigation coming in second (46.11 percent). Cargo landing accounted for 53.59%, while loading accounted for 46.41%. CODESA's Planning and Development Coordination provides the data (Coplad). CODESA began the year by confirming that cargo handling in 2021 set a new century high of 8.223 million/t, beating the previous high of 8.113 million/t set in 2011.

Source: Datamar News

### PORT OF SÃO FRANCISCO DO SUL SETS HISTORICAL RECORD IN 2021

Products handled at the Port of So Francisco do Sul reached 13.6 million tons in 2021, making it the port's best performance ever. In comparison to 2020, there was a 14 percent increase. Last year, total product exports and imports totaled 11.9 million tons. The data consolidate the port located at the north of Santa Catarina as the 7th largest in terms of cargo handling in a pool of 34 public ports in Brazil, and the first in Santa Catarina. Imports accounted for 52% of cargo, or 7.1 million tonnes, according to data released this week by the port administration. Steelmaking material, such as steel bars and coils, accounted for 3.9 million tons, while fertilizers and urea accounted for 2.5 million tons. Exports, on the other hand, totaled 6.5 million tons (48 percent of the load). Soybeans were the most common product handled at the port, accounting for 5.2 million tons, followed by wood and cellulose, which accounted for 700 thousand tons. The data includes handling at the public port and at the Tesc leased terminal.

Source: Datamar News

### PORT OF PECÉM BREAKS RECORD AND CLOSES 2021 WITH 22 MILLION TONS HANDLED

In 2021, for the first time, the Port of Pecém handled more than 20 million tons of cargo in a single year. In total, 22,417,077 tons flowed through Pecém in the year, setting a new standard for the state's port sector. The handling achieved by the Port of Pecém last year represents a growth of 40.7% compared to 2020 when 15.9 million tons were handled. Throughout 2021, the landing of goods at Pecém grew 43% compared to 2020, reaching the 15,157,188 ton figure. In addition, shipments increased by 36% and reached the level of 7,259,889 tons, meaning that more cargoes were exported from Ceará through ships that docked at the state's port terminal. It is no surprise that the number of vessels that passed through Pecém increased from 648, in 2020, to 811, in 2021. This was the largest annual movement of ships in the history of the Pecém port terminal.

Source: Datamar News

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