

## STJ EXCLUDES PORT TAXES FROM THE CALCULATION BASIS OF THE IMPORT TAX

In a unanimous decision published recently, the Ministers of the 2nd Panel of the Superior Court of Justice (STJ) excluded the costs of foremen tax - handling of goods at ports or airports - of the customs value, which serves as a basis for calculating taxes on imports (Import Tax, IPI, PIS-Cofins and ICMS). The ruling, reported by the minister Assusete Magalhães, benefits an importer from Florianópolis. Without divergence in the 2<sup>nd</sup> Class (Resp 1626971), the STJ consolidated its understanding on the subject - the 1st Class already decided in this sense. The decision confirms the judgment of the Regional Federal Court (TRF) of the 4<sup>th</sup> Region for not including this expense in the customs value. "After this decision, the understanding of all the judges became unison", says lawyer Eduardo Aguiar, Nahas law firm. According to the National Treasury Attorney General's Office (PGFN), maintaining favorable taxpayers' understanding can cost R \$ 2 billion a year to the government, with only IPI and Import Tax. And if importers seek the Judiciary to recover the values of the last five years, the bill would be \$ 12 billion. The incorporation of foremen tax costs in the customs value is made based on Article 4 of Normative Instruction 327 of 2003 and Article 8, paragraph 2, of the Customs Valuation Agreement. The provision states that it is possible to include or exclude from the customs value the costs of loading or unloading and handling goods to the port or place of importation. The inclusion of such expenditure represents a high cost for companies, especially large importers. In the Brazilian ports, the average value charged for foremen tax services ranges from R \$ 700 to R \$ 900 per container, according to Antonio Costa Ferreira, from Interbras Despachos Aduaneiros.

Src.: *Portos e Navios*

## BRAZIL: CORN HARVEST REACHES 47% OF THE AREA

2017/18 corn harvest in the Center-South region of Brazil reached 47% of the area estimated for the crop, according to DATAGRO Consulting survey. In the same period last year, the percentage was 53% and the average of the last five years is around 51%.

Src.: *Universo Agro*

## BRAZIL: SOYABEAN HARVEST REACHES 58% OF AREA

2017/18 soyabean harvest in Brazil reached 58% of the area estimated for the crop, according to a survey by DATAGRO Consulting. In the same period last year, the percentage was 62% and the average of the last five years is around 58%.

Src.: *Universo Agro*

## SHIPMENTS OF SOYA COMPLEX TO GROW BY 2.9% IN 2018

Brazilian exports of the Soya Complex (grains, oil and bran) are expected to reach 86.1 million tons this year, an amount that is confirmed to be a record, 2.9% higher than in 2017, according to a new DATAGRO Consulting report. It is indicated that the total revenue to be obtained with shipments of the Soyabean Complex in 2018 will also be a record, reaching US \$ 33.827 billion, a 6.7% increase over the 2017 result. In addition to the greater volume exported, revenue should grow by the expectation of better average prices, with the value of soyabeans being estimated at US \$ 390 a ton

(up 3.4%). The price of soyabean meal is forecast at US \$ 380 per ton, an increase of 8.3%; and that of the projected oil at US \$ 770 a ton, appreciation of 0.3%. Given the expected expansion of exports of the Soja Complex, the category is expected to reach a 14.7% share in the country's overall exports in 2018. Significant losses in Argentina's production and solidity in the advance of global consumption are the high marketing factors for the products of the Soyabean Complex. Src.: *Universo Agro*

## BRAZIL: WEEKLY SHIPMENTS OF SOYABEANS REACH 1.7 MILLION TONS

Brazil shipped 1.7 million tons of soyabeans in the week ended March 16<sup>th</sup>, according to figures from the Ministry of Industry, Foreign Trade and Services (MDIC), compiled by DATAGRO Consulting. Since February 1<sup>st</sup>, exports of oilseed total eight million tons, 12% of the total expected for the 2018/19 crop. In corn, weekly shipments reached 262K tons. Regarding exports since February 1<sup>st</sup>, the volume reached 1.8 million tons, 6% of the total expected for the 2018/19 season.

Src.: *Universo Agro*

## CARGO HANDLING AT THE PORT OF CABEDELÓ IS EXPECTED TO EXCEED 115K TONS IN MARCH

The port of Cabedelo already registered in the first 19 days of this month, a move greater than the whole month of March last year, which should lead the terminal paraibano to beat a record of operation. In March 2017, Porto handled 87,056 tons, while in the first 19 days of the same month of this year, 104,400 tons were already handled. According to the Operations Management of Companhia Docas do Paraíba, the forecast for total handling for this month is 115,900 tons. The highlight is for petcoke operation, which was imported from the United States and, in just four days, moved more than 60K tons. The increase in the importation of petcoke is due to the fact that a new importing company started to operate by the Port of Cabedelo, as of this month. In addition to the petcoke, the Paraíba terminal also received tankers from Antwerp, Belgium, Fortaleza-CE and Suape-PE, with 30,706 tons of petroleum products (diesel and petrol). This week the CS Jaden bulk carrier came from Argentina with 13K tons of wheat. It is expected that at least one more vessel will dock at the Port of Cabedelo until the end of the month, coming from Uruguay with 11,500 tons of malt. In February, Cabedelo already registered a 60% increase in handling compared to the same period of the previous year, operating 113,543 tons. For the president of Docas-PB, Gilmara Temóteo, the attraction of new businesses to the Port of Cabedelo, such as the expansion of the petcoke operation, is a result of the investments made in Port of Cabedelo and of political, fiscal and economic stability by which passes the State. "We have a balanced state, with works in all regions, with payment to servers and suppliers on time and with investments in strategic areas such as Porto. This creates confidence in investors", said Gilmara.

Src.: *Portos e Navios*

## RECORD GRAIN HARVEST BOOSTS RAILROAD GRID IN 2017

The grain harvest of the past year has done well for the railway industry, which may also occur this year, as the country will once again get more good production in the crops. In 2017,



railways moved 30 million tons of soyabeans to ports, 32% more than in 2016. The movement with corn had an even greater acceleration, with evolution of 75% in the year. 18 million tons of cereal went through the train wagons. The movement in the railway industry follows the good evolution of Brazilian grain production, which reached a record level of 240 million tons in 2017. Soya production totaled 114 million tons and corn production reached 100 million. According to Fernando Paes, executive secretary of ANTF (National Association of Railroad Carriers), there is a coincidence between the good agricultural harvest and an increase in the capacity of transporting the railway network in recent years. The gain in the capacity of transport of the railway companies in the country occurs due to duplications, contour works and investments in technology, according to the executive director of the association. The volume of grain transported by railroads over the last decade shows that agriculture has moved into new regions and created specific demand for rail transport. In 2007, the port of Paranaguá (PR) shipped 22% of the soyabean leaving Brazil, a volume close to that of the port of Santos (SP).

Src.: *Portos e Navios*

#### **VTMIS OF THE PORT OF VITÓRIA IS INTEGRATED WITH SISTRAM**

Codesa's navigation control radar system, the VTMIS (Maritime Traffic Management System), is now part of the Brazilian Maritime Traffic Information System, SISTRAM. The integration was carried out between the VTS Management Coordination (COGVTS) of the Port of Vitória and the Naval Control Command of the Brazilian Navy. The coordinator of the VTS and controller responsible for the system, Agostinho Sobral, highlights the importance of this integration: "It makes our port even more aligned with national and international laws and regulations, regarding safety of navigation, safeguard of human life and prevention of pollution of the sea. The traffic of vessels in the area of the Port of Vitória becomes more reliable, safe and dynamic." The Port of Vitória was the first Brazilian public port to implement VTMIS. SISTRAM is used by the Navy to monitor, graphically and in real time, the national and foreign vessels that navigate the Brazilian coast and interior, including maritime support. The system also allows to know the origin and the destination of the ships and to verify distances between vessels and ports. The network is powered by satellite-connected equipment and by questionnaires. There are also a number of other data that are provided by the captaincies of the ports and units of the Navy, bringing greater reliability to the information. The implementation of VTMIS cost R \$ 21.9 million and its implementation began in December 2015. With two radars installed in the Moreno and Atalaia hills, in Vila Velha, the system monitors the vessels by means of tide sensors, cameras, buoys and weather station. The technology improves traffic safety, reduces inactive crib time and helps prevent environmental accidents.

Src.: *Portos e Navios*

#### **RAW AND ALVEAN TRADED ALMOST 40% OF THE SUGAR EXPORTED BY BRAZIL IN 2017**

RAW and Alvean, two sugar export and export joint ventures formed in recent years, dominated Brazil's sweetener shipments in 2017, accounting for nearly 40% of all domestic

sales abroad, amid a present consolidation in other agribusiness segments given the quest for cost savings and margin gains. Brazil, the world's largest exporter, shipped 24.89 million tons of sugar last year. RAW, a joint venture between Wilmar International and Raízen, a joint venture between Cosan and Shell, accounted for 21.1% of sales, or 5.26 million tons, according to data released by Williams and compiled by Reuters - the number in addition to other businesses carried out by such companies. Soon after, Alvean appears, a joint venture between the giants Copersucar and Cargill, which sold 4.43 million tons, or 17.8% of the total exported by Brazil in 2017. Among the big sugar exporters in the country are Sucden, ED & F Man, Copa Shipping, Bunge and Louis Dreyfus Company (LDC), according to Williams figures to which Reuters had access. In the current season, the plants in the center-south of Brazil, the largest producing region in the world, manufactured about 35 million tons of sugar, according to the Unica industry group. RAW emerged in 2016 and began operating last year. The joint venture, which combines the production of the world's largest sugarcane company, Raízen, with Wilmar's trading activities, is based in Singapore. Alvean, which is based in Geneva, Switzerland, has been in the market for some time. The joint venture was announced in 2014 and joins the work of Copersucar, the world's largest sugar merchant, with Cargill's trading practices.

Src.: *Nova Cana*

#### **PETROBRAS INCREASES GASOLINE PRICE BY 0.9% AND DIESEL BY 2.1% FROM FRIDAY**

Petrobras said it will increase gasoline prices by 0.93% and diesel prices by 2.11% from that week. With this, the average price of fuels in the refineries will be of R\$ 1.6404 and R\$ 1.8565, respectively. This is the 17th change in the values to take effect in March and the ninth rise in gasoline. In comparison with the position on February 28<sup>th</sup>, the price of gasoline rose by R \$ 0.0618 (3.91%) and diesel by R \$ 0.0360 (1.98%). In the accumulated of 2018, the variation is of -3,03% for the gasoline and -2,62% for the diesel. The almost daily readjustments are part of the company's new pricing policy, announced by the state company on June 30<sup>th</sup>, 2017. According to Petrobras, the percentage disclosed refers to the average change in refinery prices, without taxes. The purpose of Petrobras is to follow the market conditions and face competition from importers, trying to avoid a possible loss of participation. Therefore, elements such as foreign exchange and international prices are also part of the calculations.

Src.: *Nova Cana*

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