

*Dredging Concessions – Access Channels of Brazilian Ports*

The Special Secretariat for Ports (SEP) has recently announced a new model for the operation of dredging services in the access channels of Brazilian Ports. The revamped model will enable the Government to enter into medium or long-term concession contracts for the entire service operation, which should include not only the dredging of the access channels but also the maintenance services.

Our ports have been facing various difficulties with channels that silted up, which limit the access of vessels with deep draft. The Government was used to carry out bidding processes to retain only the dredging services through short-term service contracts. These contracts, though, have been proved inefficient due the high costs related to mobilization and demobilization of the works, which could not be amortized within the contracts effectiveness. The delay in the payments from the Government were also a bottleneck.

The new model would imply medium and long-term contracts to be entered into with private concessionaires. The payments will no longer come from the Government, but from tariffs paid by the users of channels. Concessionaires will be responsible for the entire service operation to keep the channels ready to receive vessels with deep draft.

SEP has recently promoted a public consultation procedure to collect contributions from the market on how to structure the bidding process and the concession contracts. Based on these market contributions, the Government will soon start a procedure named “Expression of Interest”. Through the Expression of Interest, companies intending to participate in the venture will be able to submit projects and feasibility studies to the Government. These projects and studies may be used in the upcoming bidding processes.

The Government is intending to rely on the expertise of foreign operators, since domestic companies will not be able to meet the service demand.

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