

Brazilian Port Terminals: Auctions to Grant Lease Contracts

The Brazilian Government has just started the public procurement proceedings to grant long-term lease contracts for the operation of port terminals. The Government scheduled the first auction for **December 9, 2015**, at the floor of the São Paulo Stock Exchange (BM&F BOVESPA). The auctions are an important step aiming at the implementation of the Logistics Investment Program (PIL) announced in June. The PIL forecasts new lease contracts for 113 areas located inside Brazilian public ports.

The winning bidders in the first auction will be entitled to operate terminals located in the Santos Port – the most important port of Brazil – as well as in the Vila do Conde Port, located in State of Pará, North of Brazil. The terminals in the Vila do Conde Port will be entirely used to handle grains, whereas terminals of the Santos Port will move grains and cellulose. The National Agency for Waterway Transportation – ANTAQ expects a movement of 6.5 million tons in the Santos grain terminals.

The Minister of Ports, Helder Barbalho, has stated that all investments in the first auction amount approximately US\$ 300 million, US\$ 170 million in the Santos Port and US\$ 130 million in the Vila do Conde Port Pará. The Minister is confident that the investment will increase the handling capacity of these ports. He has recently participated in an event held at the Federation of Industries of the State of São Paulo – FIESP, which was attended by important local players. The Minister announced that the Government expects, up to 2042, a 100% increase in the demand for port services in Brazil.

Since Brazilian players will not be able to meet the demand, foreign companies and operators are more than welcome to participate in the upcoming bidding processes.

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