

Digital Advertising Options with Port Finance International

Web banners – Email Newsletter banners – Targeted Emails

For more information contact diana@portfinanceinternational.com



- [Home](#) | [All News](#) | [World News](#) | [Features / Interviews](#) | [PFI Events](#) | [PFI Training](#) | [Advertise](#) | [Media](#) | [Contacts](#) | [About Us](#)

PORT FINANCE INTERNATIONAL EVENTS - COVERING GLOBAL PORT DEVELOPMENTS Search

Port Management Training <small>3-4 Sept, Rio de Janeiro</small>	PFI Casablanca <small>16 & 17 September 2015 Morocco</small>	Port Concessioning Course <small>7 - 8 October 2015 Dubai</small>	PFI Amsterdam <small>8 & 9 October 2015 The Netherlands</small>	PPP Training <small>17 - 19 November 2015 Singapore</small>	More Events
--	--	---	---	---	-----------------------------

WEDNESDAY, 11 MARCH 2015 16:44

Brazilian terminals prepare for next generation vessels – PFI Brazil 2015

The challenges facing Brazil's port and marine sector environment were the focus of discussion at the *PFI Brazil 2015 Forum* held in the Centro de Convenções Bolsa de Valores in Rio de Janeiro last week.

Leia o artigo em Português

Speakers gave almost unanimous criticism over delays in dredging at the country's ports and its impact on the sector. The federal Government is mandated to complete work at key ports but at many locations dredging still has not started.

Delays come at the same time as the country faces increased traffic from Ultra Large Container Vessels (ULCV) that are starting to operate on routes serving Brazil.

Michel Donner, senior advisor at Drewry Consultants, reinforced the issue outlining the pressure on terminals due to the increasing size of ships calling at Brazil and the East Coast of South America.

"In the 1990s, the largest port-containers in the world were 7,400 TEU and, now, MSC and shipping lines such as CSCL already schedule ships of 19,000 TEUs," Donner said.

"Happag Lloyd designs ships of more than 20,000 TEU, while MOL wants to receive vessels with 20,150 TEU by 2017."

The largest vessel that has already passed through the country was the 10,622 TEU "CMA CGM Tigris", which disembarked in the main port, Santos, and some other ports, but as yet not fully loaded vessels have arrived.

Delegates heard from a range of industry experts over the course of the two day event with calls for the federal government to assign more budget as a matter of priority.

More investment needed to expand capacity

In 2012, Brazil received an average of 105 vessels per port per week and, in 2014, this number dropped to 85. According to Donner, the terminals will be pressured to buy more modern equipment, to move large vessels, such as cranes with longer booms.

"Some terminals may become obsolete in a short period of time, if investment is not forthcoming," Donner stressed. "The CEO of Maersk, has admitted that the doubling in size of vessels has not meant a doubling in the productivity of all terminals".

The growth in size of vessels in the South Atlantic Ocean is likely to lead to consolidation to two or three "hubs", fed by many more ports feeders, according to Gustavo Anschutz from PricewaterhouseCoopers.

He pointed that countries like Argentina are succeeding, using dredging by results, while Brazil insists on a model of letting the work to governments, as happens in Europe and USA. Dredging by results should be stimulated in Brazil, according to him, because government does not deliver what is promised.

"Dredging is a service, not public work," Anschutz said, adding that in the river harbours of Argentina, the granting of dredging gave good results, even though ports of rivers had more siltation.

With the expansion of the Panama Canal, ever larger ships are set to arrive in Brazil, which will require more dredging, adaptation of the terminals for containers and measures to access transport links, to allow efficient distribution of loads brought by vessels of larger.

17 largest ship owners control 79.2% of the world fleet

Marcelo Procopio, commercial director of terminal containers Sepetiba Tecon outlined some of the effects for Brazil, as investments in terminals and the need for better road access - for disposal of containers - grows.

"The 17 largest owners in the world operate in a joint fashion - in consortia 2M, Ocean Three, G6 and CKYH - and control 79.2% of the world fleet of ships port-containers. Yet the 20 largest owners of containers represent 83% of the world fleet," Procopio told delegates.

This strengthening of international shipping consortia generated discussion and concern over the effect this would have on Brazil. The country has foreign trade of about US\$ 500 billion per year but does not operate its own national shipping container line. Instead the Brazilian sector only provides cabotage and instead relies on foreign players and consortia.

Elias Gédéon, consultant at Notre Dame, admitted that the ship owners are strengthening, but that in some cases Brazilian exporters were able to take advantage of consolidation.

"Every year, Brazilian chicken exporters join, to negotiate with ship owner's lower freight charges and, therefore, instead of being pressed, they press the international ship owners to give them better conditions," Gedéon said.

Shortcomings of new ports law raises debate

"The new Ports Law, 12.815, entered into force on June 2013, but since then, the mechanism to allow the entry of new terminals and even the system of renewal of concessions for already existing terminals - essential for generating new investment - has been locked," Fernando Fonseca, director of National Transport Water (Antaq) told delegates at the opening of the conference.

Fonseca added that it had had exactly the opposite of what he wanted the government and the president of the country, Dilma Rousseff. Instead, for the sake of prudence, the Government decided to have processes sent the Court of Auditors of Brazil (Tribunal de Contas da União-TCU) - with a view to avoid any error or impropriety.

"A year ago, at the PFI Brazil forum, inflation was low and there was more enthusiasm. Now, the 12-month inflation reaches 7.3% and pessimism is spreading among entrepreneurs," Robert Grantham from Datamar Consulting commented.

Fonseca said that changes need to be fast-tracked to TCU, not only to generate investment in terminals, but to activate the economy. For 2015, most estimates suggest that Brazil's economy will not expand, while even optimistic forecasts show the country growing no more than 1%.

NEWSLETTER

Our free weekly newsletter covers the key news of the week. Sign up now.

- #### PFI NEWS ARCHIVE
- August 2015 (42)
 - July 2015 (55)
 - June 2015 (38)
 - May 2015 (28)
 - April 2015 (44)
 - March 2015 (50)
 - February 2015 (40)
 - January 2015 (41)
 - December 2014 (35)
 - November 2014 (48)
 - October 2014 (54)
 - September 2014 (53)

Space available for advertising

diana@portfinanceinternational.com

Organized by



Port Planning and Management Training Workshop



3 - 4 September 2015 - Rio de Janeiro

PORT FINANCE INTERNATIONAL

16 & 17

SEPTEMBER 2015

CASABLANCA, MOROCCO

Port & Terminal Concessioning Course



DUBAI



7-8 October 2015

PORT FINANCE INTERNATIONAL

8 & 9 OCTOBER

AMSTERDAM 2015

Claudio Loureiro, from Centronave, disagreed with Fonseca, saying that the joint operation of the leading shipowners would reduce competition. Loureiro said that larger vessels, with less shipowners would imply cost reduction for the owners and lower freight rates for exporters and importers. He added that efficient transshipment would also be favourable to reduce costs in Brazil.

Luis Fernando Resano, executive vice president of the National Union of Marine Navigation Companies (Syndarma), reinforced this point stating that the success of cabotage will come with the increased use of multi-modal transport and that the owners should be able to offer any benefit to attract customers of road sector for navigation.

The new law, in spite of everything, has already brought a benefit to the country, by allowing a terminal to operate any load, which before was prohibited. Thus, since 2013, terminal containers can operate with soybean or with steel, without problems.

In 2014, (5,917 in the country) Brazil operated 969 million tons of cargo, of which 621 million in Terminals for Private Use (TUPs) and the smaller portion - 349 million - in public ports.

"For the maritime industry and ports, however, there are still growths forecast in the country,"

Grantham added, noting that for many other investors the delay in the release of new terminals has caused serious discouragement.

Nelson Carlini, president of Logz Logistics Brazil, found that, the new ports regulation, despite offering some advances, had created a setback in the system of work, because it extended the obligation to use syndicated personnel not only in stowage (operation on board) but also capatazia (handling in pier) at public ports - whereas for terminals located outside the public area recruitment is free.

"In terms of work, there are standards that would be correct only in the decade of 1940," he said, adding that the highways system presented a good template for granting of contracts not only for dredging, but also for operation of waterways in the private sector.

"As the government has no money, it could do with more boldness and quicker approval of concessions," he added.

Harshly critical of the centralization imposed by the new law and, especially the limits imposed to the potential profits of terminal operators, Carlini pointed out that competition should limit the profits of investors, not an act of Government. As Carlini had criticised pilots for the tariffs they charge, the president of the National Council of Pilotage (Conapra), Gustavo Martins, countered, stating that in most countries, including the German port of Hamburg, there is monopoly of pilotage, and there a similar system to that used in Brazil, operates satisfactorily.

Although many participants had come out in favour of the privatisation of the dredging, the president of the Association of Port Terminals Private (ATP), Murillo Barbosa, argued that "In smaller ports, no entrepreneur would be responsible for costly dredging", adding that privatisation would succeed only in Santos or "one other big port".

Barbosa criticized the centralization, bureaucracy and the restrictions on the free entrepreneurial action, which have been created by the new port law and which "generate uncertainty and inhibit investment".

Petrobras scandal could reduce investments 30%

Joao Augusto Castro Neves, from the Eurasia Group, made a political-strategic analysis. He said that the corruption scandal in the largest company in Brazil, Petrobras, could mean a reduction of 30% in general investments of the government.

From an optimistic point of view, he said that the Petrobras crisis could open space for concessions to become private - in all areas, from ports to roads and everywhere else. If this occurs, he said, the crisis would have had an important positive effect on the country, to reduce the concentration and give rise to private growth.

Thomas Fávaro, an analyst at English Control Risks, said that, with given the current crisis, there is not the slightest chance that Brazilian president Dilma Rousseff will make important reforms to reduce the cost in Brazil.

"The delays in approval of new terminals and removal of the Port Authority Council (PAC), has placed Brazil against the tide of the world, because it diminishes the strength of port users in Brazil," Gedeon added.

Joao Emilio Freire Filho, director of Commission Ports - an organization that brings together various business entities - said that the staff of the Government - Special Secretariat of Ports (SEP) and Antaq - is well-intentioned, but their staff "don't know ports".

"The Government has issued 26 standards - ordinances and resolutions - and many points have been imposed not by the will of the high government or parliament, but by technicians of the second step. I think this has also complicated the future of port operation," Filho lamented.

Robert Grantham from Datamar Consulting, showed that, in 2005, Brazil landed 10,013 container vessels per port but by 2014, this volume has dropped to 8,587. At the same time, average size, which was 180 meters per ship, jumped to 219 meters.

In some cases, such as the Port of Itapoá, harbour depth has been extended to 17 meters, but access channel depth remains at only 14 metres, meaning large vessels can still not use the site.

"The responsibility for approving the new depth for ports, after dredging, should pass to SEP, instead of Brazilian Navy, because this entity would be more agile than the military unit," Marcio Guiot, coordinator of Operations of the Port of Itapoá suggested, adding that despite important advances, Brazil was still in the "kindergarten" of logistics.

"It is absurd that, when designing a private terminal, in their own land, a businessman has to initiate a public selection," Wagner Moreira, director of the Brazilian Association of Port Terminals (ABTP) said. "It is also unacceptable that the government wants to fix the maximum rate of profit for private individuals."

To accelerate investment, he suggested that priority be given to ports where there is no improvement, the so-called "green fields". He said that today there were six categories of port workers, when there should be only one.

Leandro Barreto from Datamar Consulting, stated that world soy consumption is also driving exports as Brazil has the potential to expand production, to replace stagnation in U.S. soy production from 2015.

"Brazil's national soybean production is currently, 86 million tonnes, but could reach 116 million by 2023 and this surplus will not be handled by Port of Santos or Paranagua, but by the Northern ports of Brazil - next to the Amazon - such as Vila do Conde and Belem." Barreto said, adding that the "internal costs of logistics may fall 34 %."

Technology a driver for change

IT initiatives such as the Single Port Window deployed at the ports of Rio de Janeiro, Santos and Paranagua and better integration with Port without Paper and the tax system Siscomex were already driving efficiency improvements, according to Matheus Miller, executive secretary of the Brazilian Association of Terminals and Enclosures (ADT) (Abtra)

Kaushik Jadhao, senior project manager at TBA, defended technology investments in terminals, arguing that the Brazilian terminals will have to invest in the transshipment of cargo, because, with larger ships, few ports will receive these giants.

"Brazil is one of the ten largest economies in the world, but recent statistics put it in 56th place for economic efficiency and, in terms of logistics, you can clearly see the need to evolve," said Christian Meyer, Lufthansa Consulting.

Lufthansa intends to sell technology to the port area and Meyer concluded that ports should monitor what happens in airports. He recalled that, in airports, there is always the union effort, and prioritisation for urgent needs. Although airports are more efficient, they carry only 2% of global seaborne loads of Brazilian export, whilst 98% is carried by ports and ships opening the way for potentially huge savings if more efficient methods are employed.

Published in [Features / Interviews](#) | [Read more](#)



WEDNESDAY, 11 MARCH 2015 08:40

Terminais brasileiros se preparam para receber navios maiores - PFI Brasil 2015

Durante dois dias, no início de março, o meio marítimo e portuário brasileiro discutiu os problemas do Brasil e do mundo, no seminário de Port Finance International (PFI) realizado no Centro do Rio de Janeiro.

Published in [Features / Interviews](#) | [Read more](#)

THURSDAY, 25 SEPTEMBER 2014 15:42

Port Finance International Brazil 2015

Date: 4-5 March 2015

Location: Centro de Convenções Bolsa do Rio, Rio de Janeiro

Brazilian ports are the gateways to more than 80% of the goods imported and exported by the country. Investing in the port sector is an on-going priority in Brazil, which is export-dependent for much of its economic growth. But the country's ports are underdeveloped by global standards. "The port sector is critical to our country's development, and so we must consolidate ideas that can remove obstacles to the growth, as well as create conditions for increased port capacity and competitiveness of Brazilian goods and services in the global market", said Wilen Manteli, the President of the Brazilian Association of Port Terminals (ABTP).

Published in [Port Finance International Brazil 2015](#) | [Read more](#)

ABOUT US

Port Finance International provides online news and conferences worldwide. It is a platform and a community for senior industry experts and players to review and discuss the market. Our online news team provides daily coverage of international port finance, investment and operations news. A weekly e-newsletter- sent to readers free of charge - covers the key news and views of the week.

Port Finance International's conferences and training programmes are held across the globe. These events feature key industry figures and they address market challenges and trends as well as providing industry players with essential networking opportunities.

CATEGORIES

- Emerging Economies
- Finance Deals
- Energy Ports
- Regulation and Policy
- Technology / Design Solutions
- Security / Environment

WORLD NEWS

- Africa
- Asia
- Europe
- Middle East
- North America
- South America

FOLLOW US



NEWSLETTER

Sign up for our free newsletter