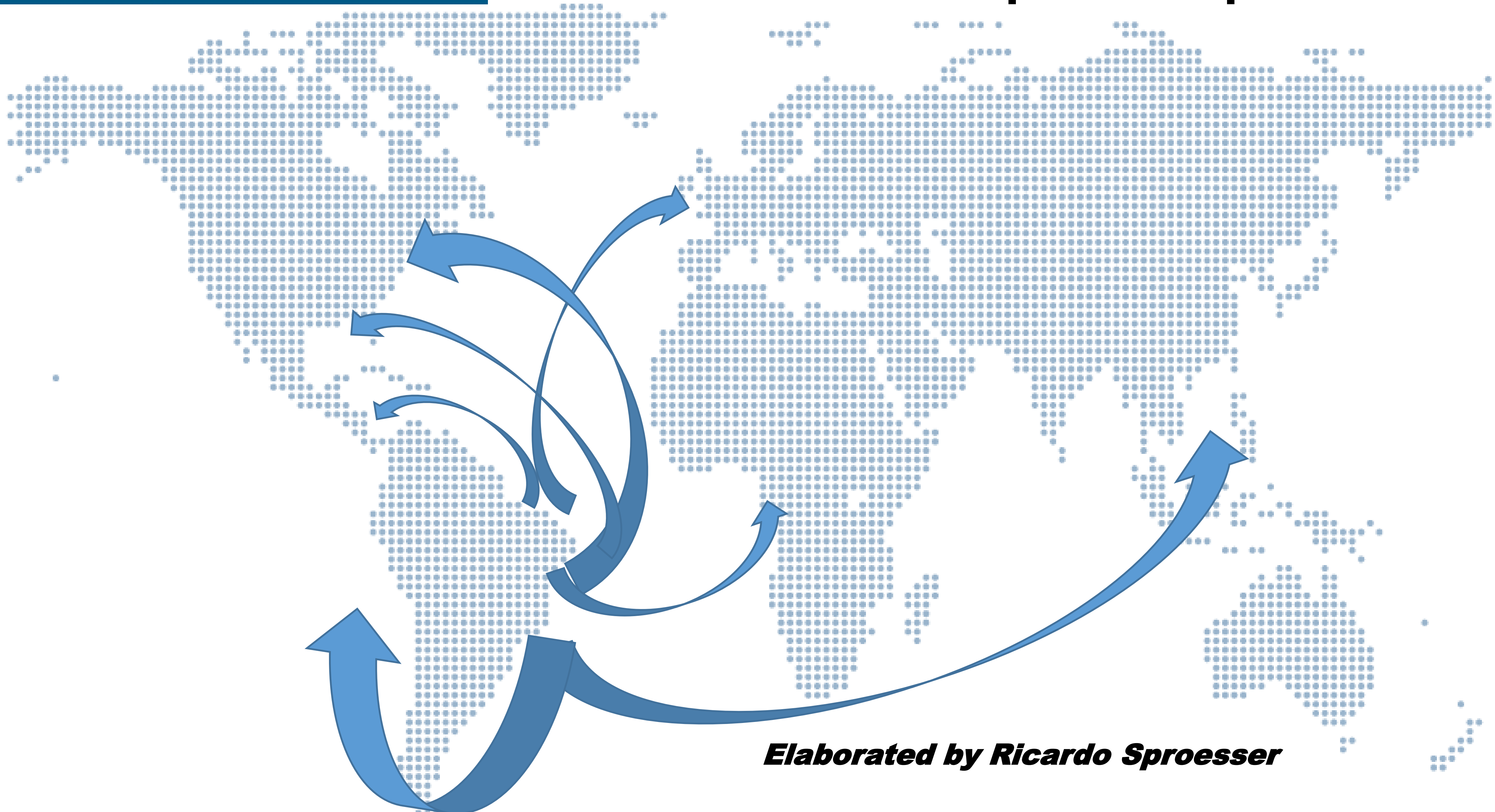
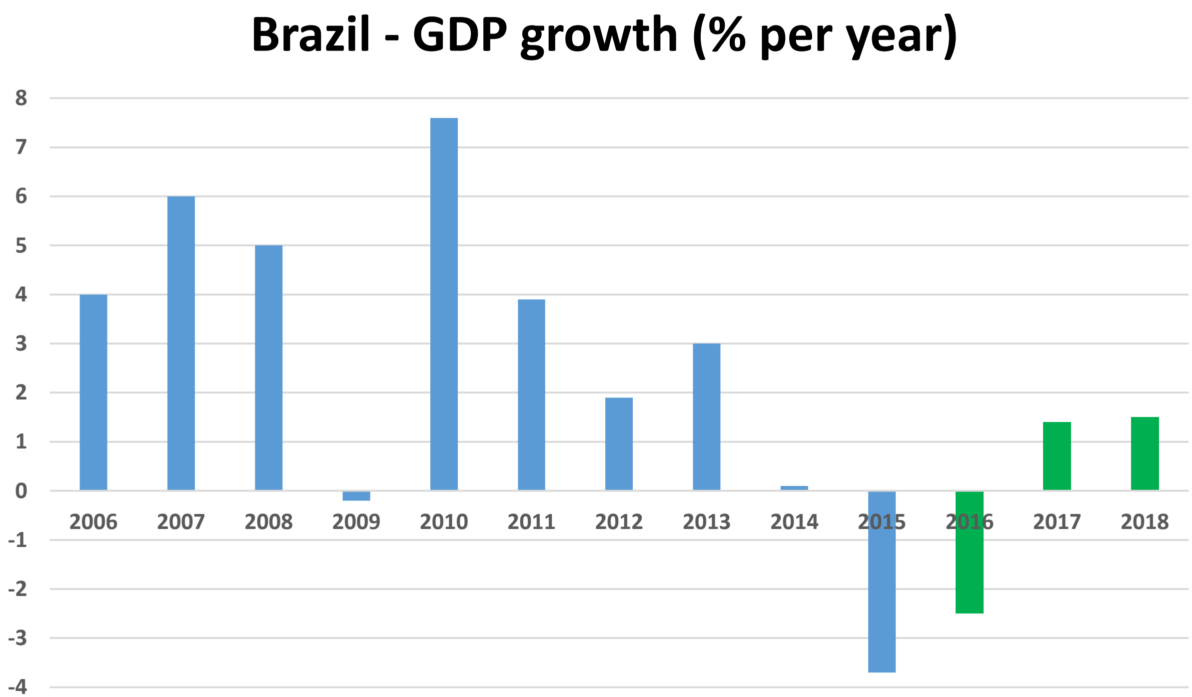
AAPA American Association of Port Authorities
Alliance of the Ports of Canada, the Caribbean, Latin America and the United States

2016 Shifting International Trade Routes
Tampa, Fla. Jan.21-22´2016
“Marine Terminal Operator Perspectives”



Elaborated by Ricardo Sproesser

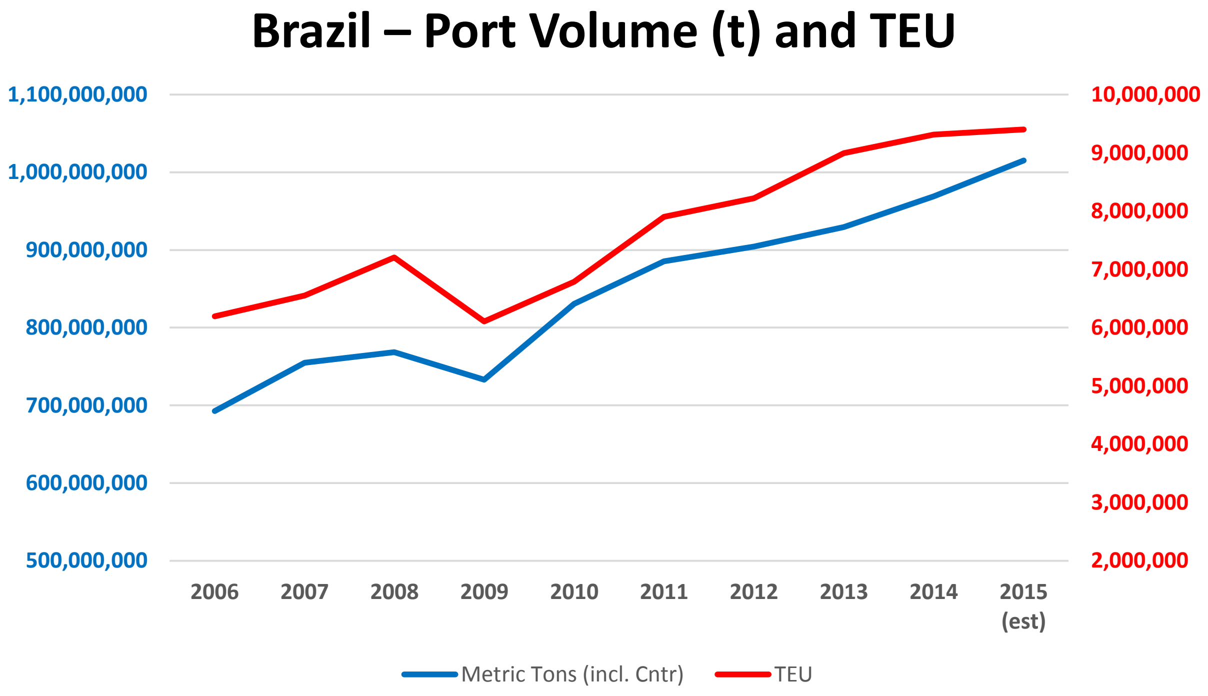
Brazil – Economics & Ports Stats



Source: IBGE (historical), World Bank (estimates 2016-18)

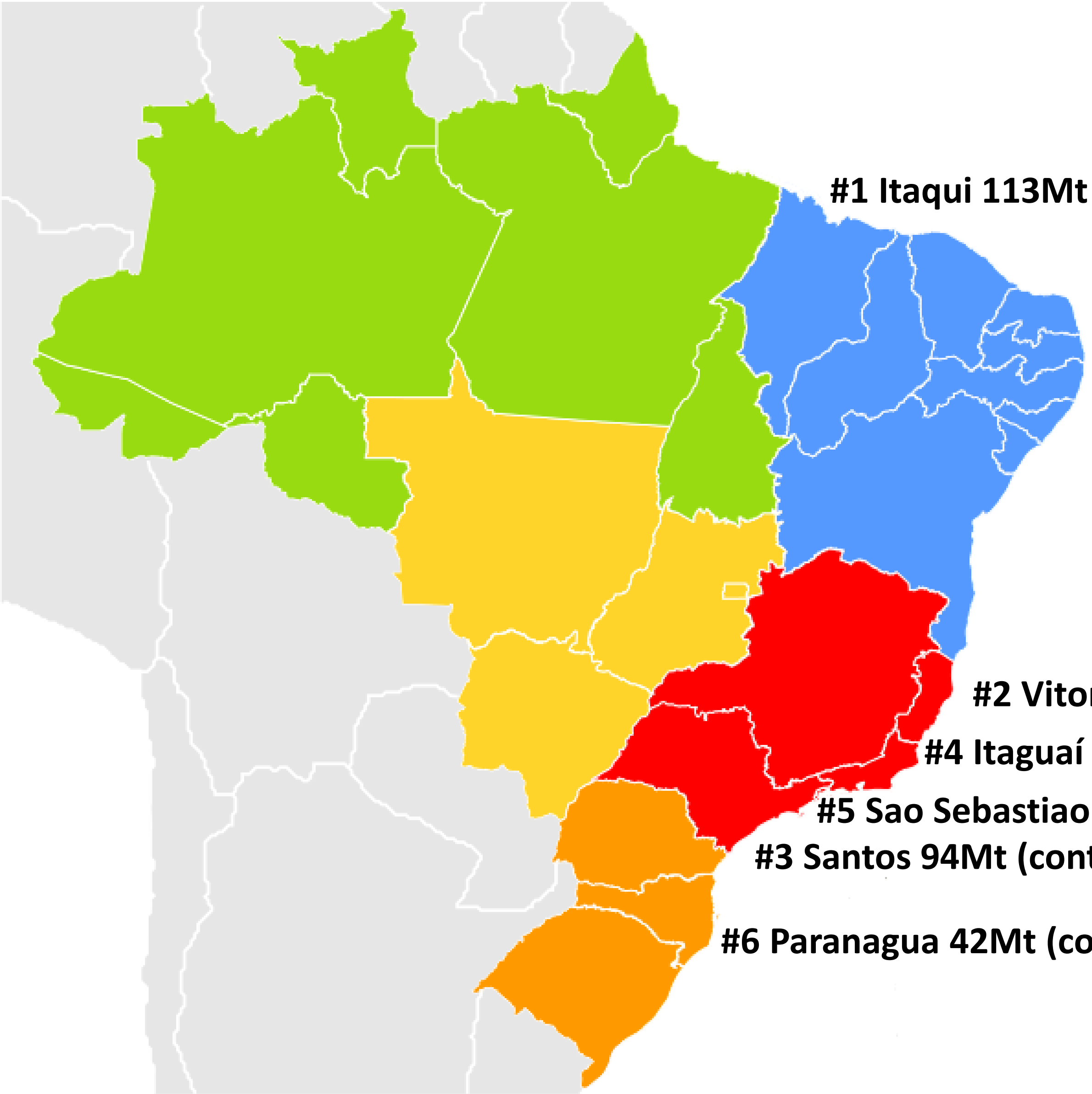
Tonnage → CAGR 4,3%

Containers → CAGR 4,7%

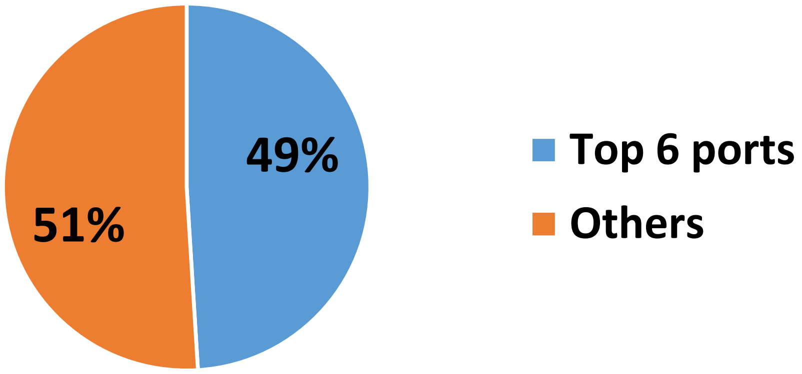


Source: Antaq, Datamar (Compcont)

Top 6 out of 34 Ports (2014, t) – all cargoes



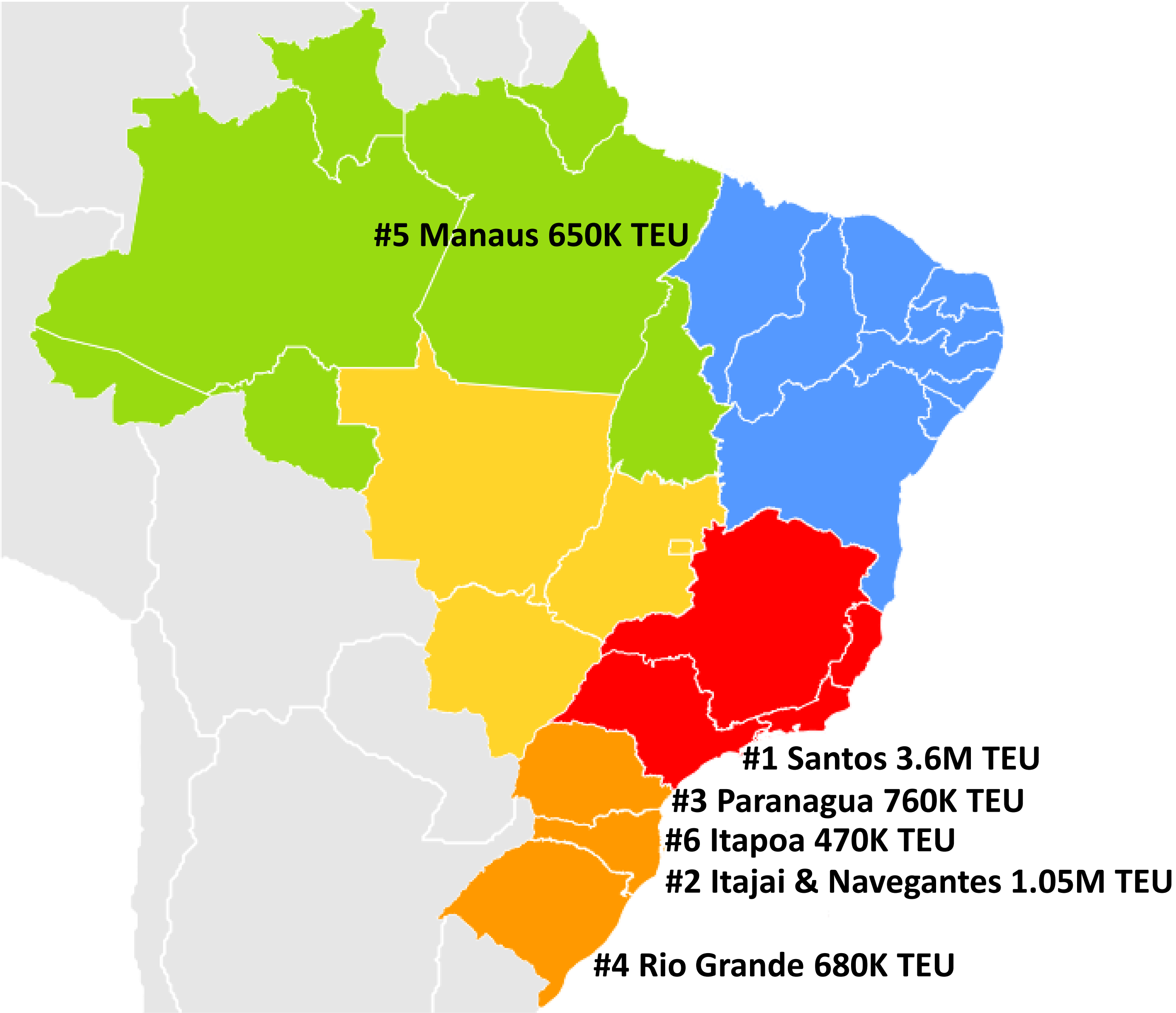
Port Volume (2014, % tons)

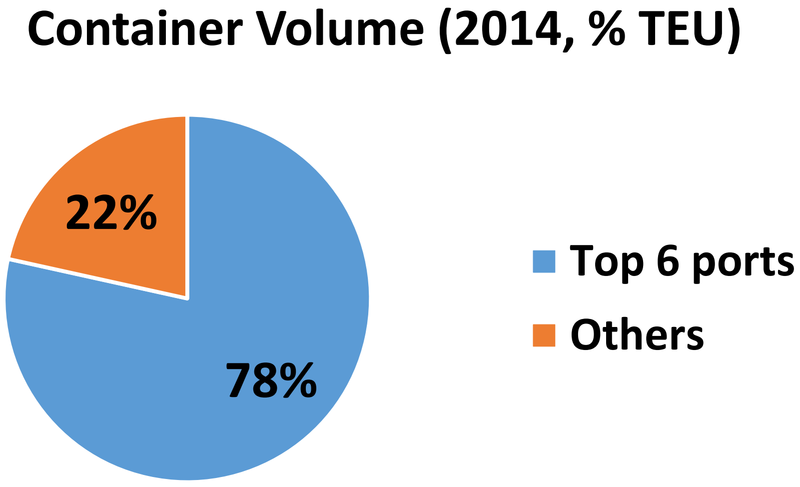


Source: Antaq

Total volume = 970Mt (2014)
= 1.015Mt (2015 est)

Top 6 out of 23 Container Ports (2014)



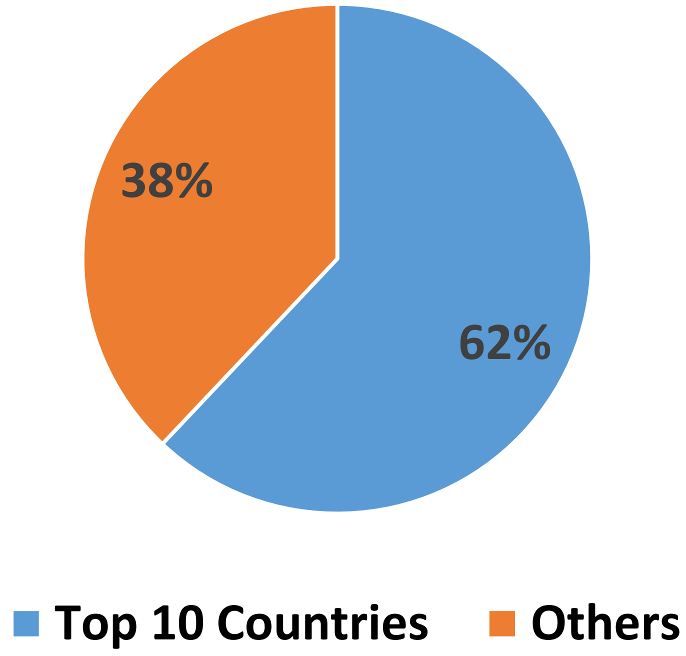


Source: Antaq

Total volume = 9.3M TEU (2014)
= 9.7M TEU (2015 est)

Brazil – Foreign Trade Partners

Foreign Trade (2015, % tonnage)



Source: Foreign Trade Ministry (MDIC)

Country	Market Share (%)	Market Share (% accum)
China	35,1%	35,1%
U.S.A.	6,5%	41,6%
Japan	4,8%	46,5%
The Netherlands	4,6%	51,1%
South Korea	2,7%	53,8%
Spain	1,8%	55,6%
India	1,7%	57,3%
Nigeria	1,6%	58,9%
Germany	1,6%	60,5%
Argentina	1,6%	62,0%
Others	38,0%	100,0%

Drivers impacting Marine Terminal Operators in the near future

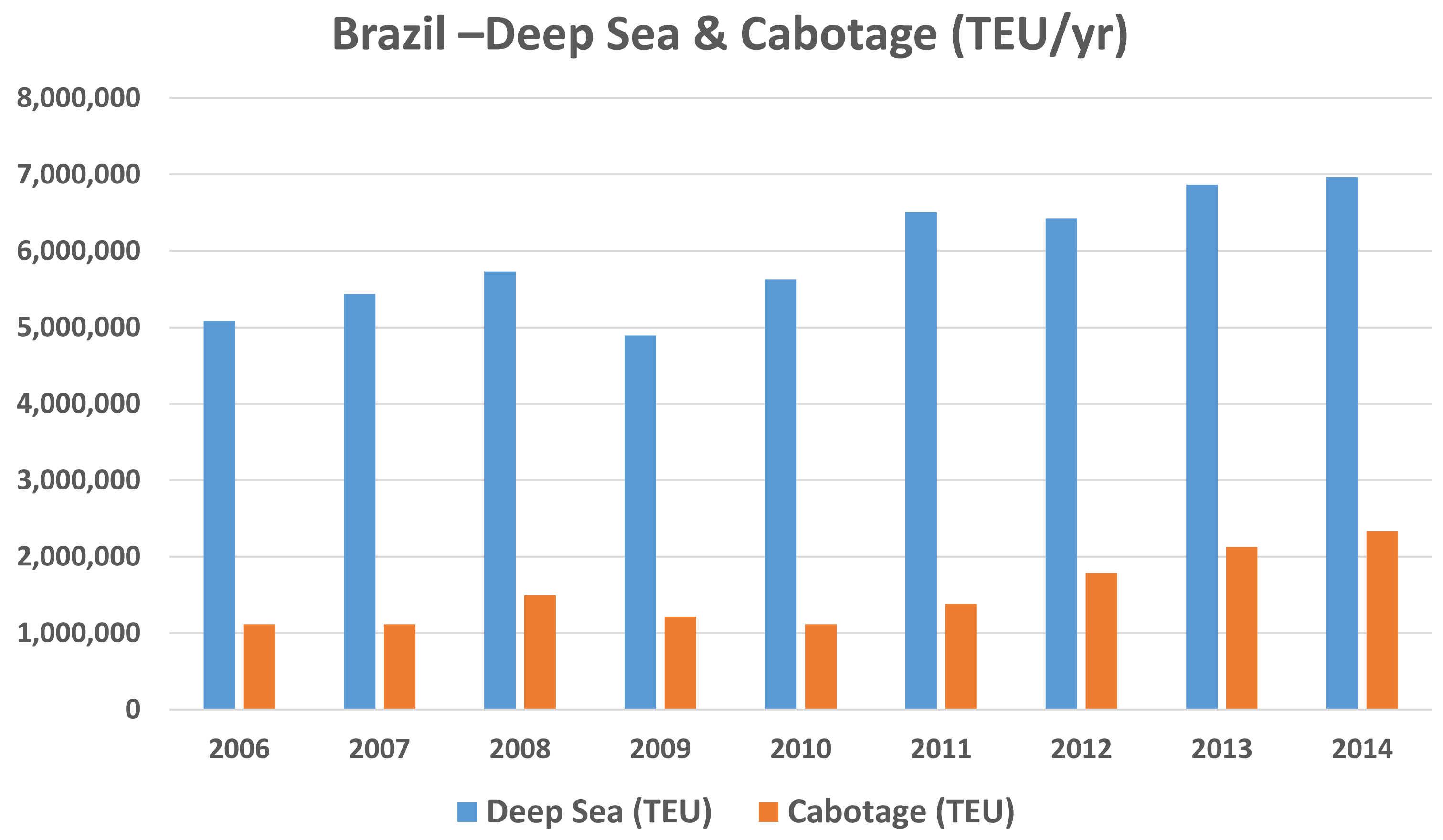
Devaluation of local currency (Real R$) reaching 2/3 of its value in the last 12 mos.

⬆ **exports**

⬇ **imports**

Possible reorganization of services considering trends for busier and not so busy traffics.

Drivers impacting Marine Terminal Operators in the near future (containers)



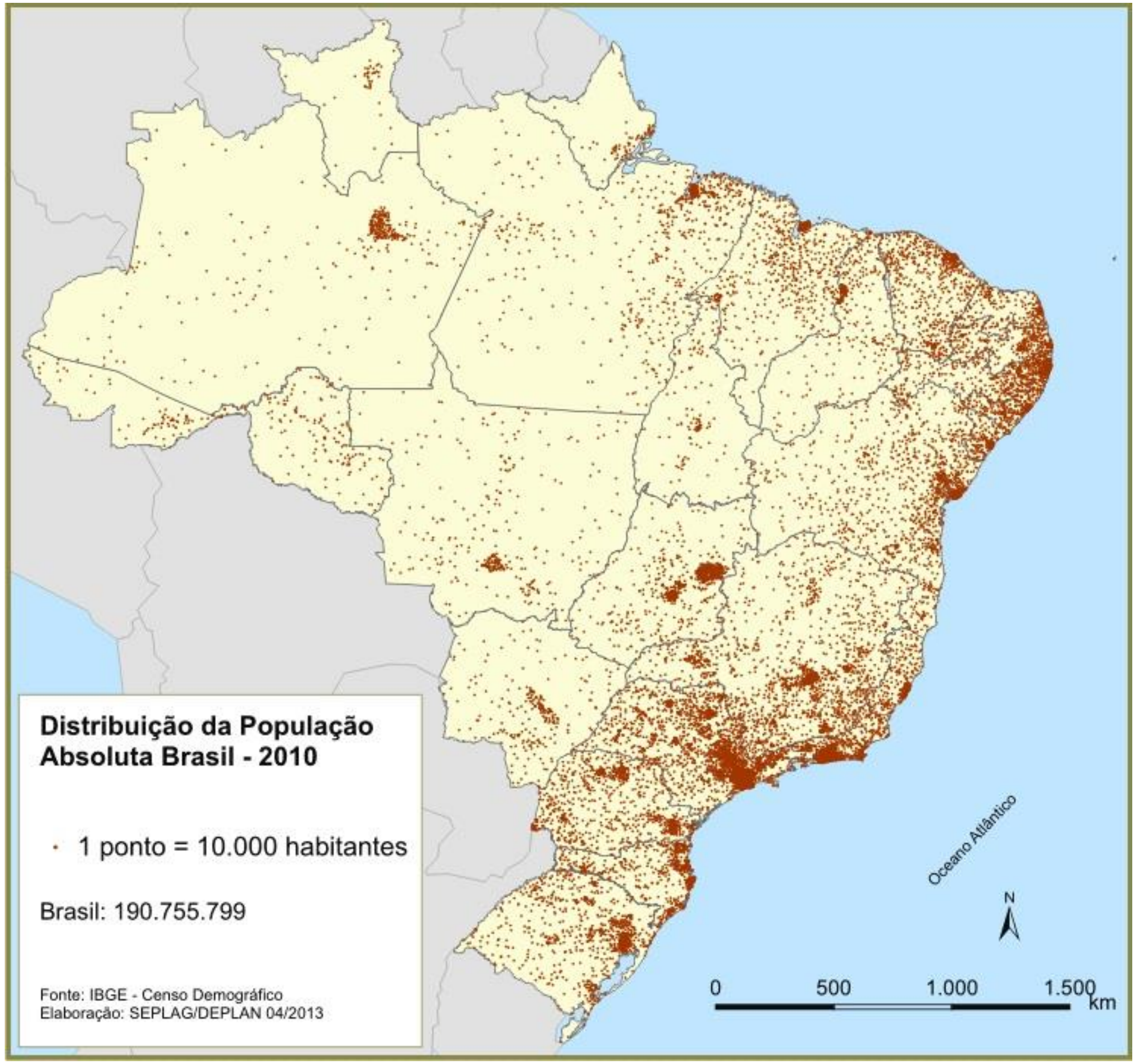
Source: Antaq

Deep Sea CAGR = 4%

Cabotage CAGR = 9,7%

⬆ **hub & spoke effect**

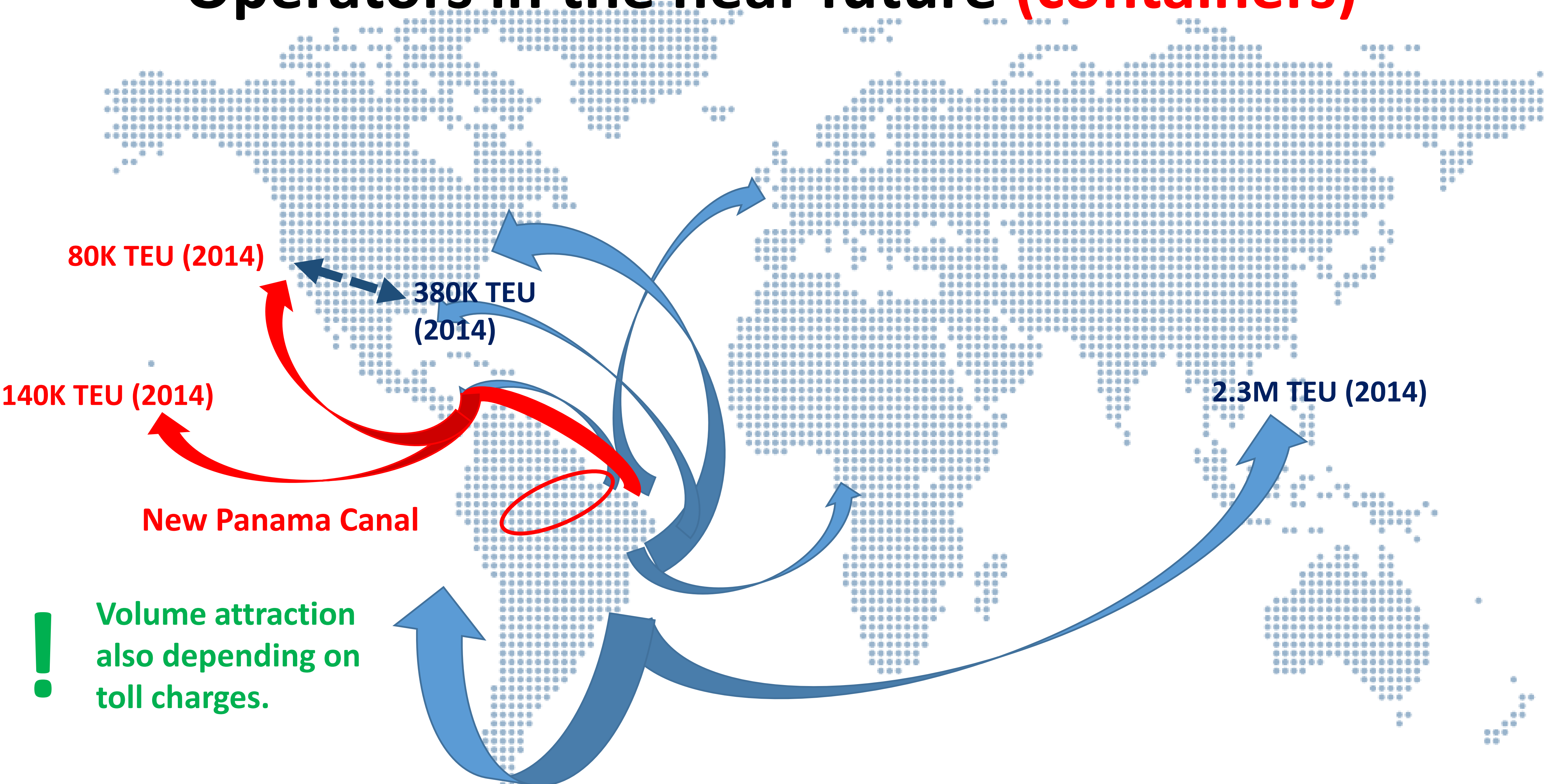
Drivers impacting Marine Terminal Operators in the near future (containers)



Cabotage is favored due to:

- **Population concentrated within 300Km from the coast.**
- **Restrictive law applicable to truck drivers on long distance routes reduces the competition from road services.**
- **Privatization of roads with new toll charges.**
- **Long distance routes are not secure for high value goods.**
- **Port capacity had been boosted, enabling the terminals to attend additional volume.**
- **Cost reduction of 20-30% compared to trucking.**

Drivers impacting Marine Terminal Operators in the near future (containers)



Drivers impacting Marine Terminal Operators in the near future (agribusiness)

Source: Confederação da Agricultura e Pecuária (CNA)
2014 - 2015

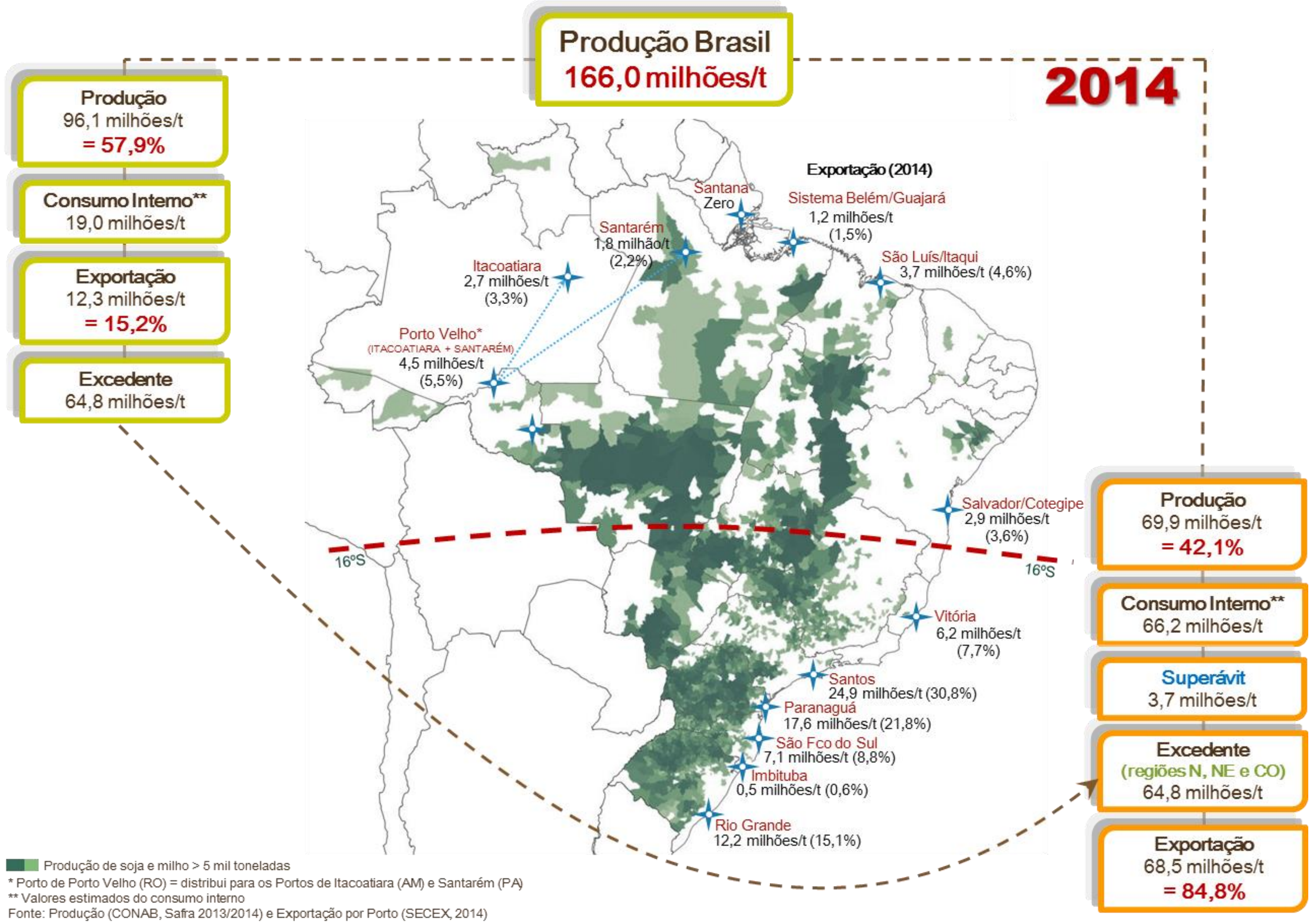
Brazil Agribusiness - World Ranking			
Produce	Production	Export	World Market Share
Sugar	1st	1st	45%
Coffee	1st	1st	28%
Orange Juice	1st	1st	77%
Beef	2nd	1st	22%
Poultry	2nd	1st	35%
Soy beans	2nd	2nd	39%
Corn	3rd	2nd	17%
Soy oil	4th	2nd	12%
Soy bran	4th	2nd	22%
Pork meat	4th	4th	10%
Cotton	5th	3rd	10%

Rapid growth of production of soy and corn products:

- 2011 → 131Mt
- 2016 → 183Mt (est)

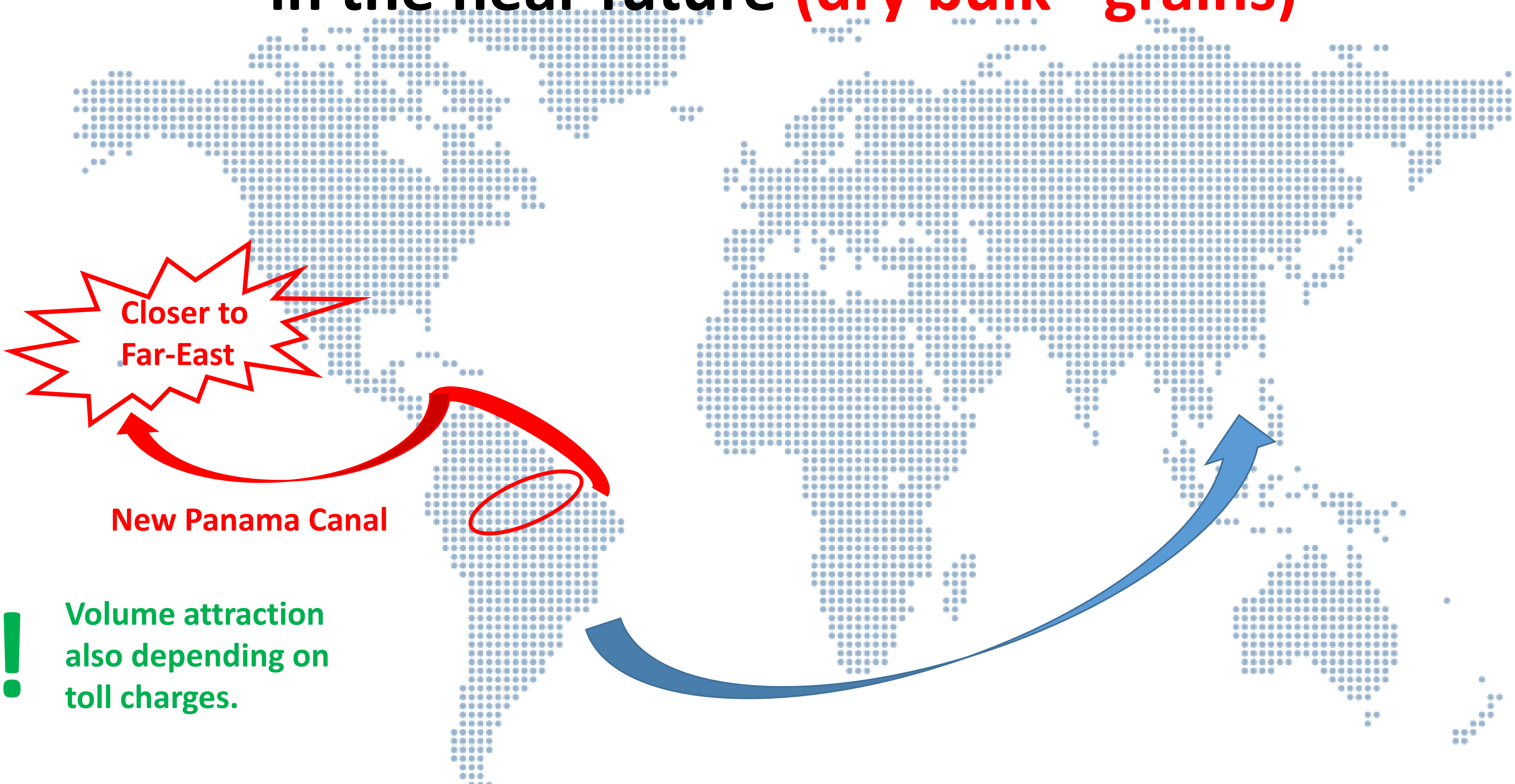
Drivers impacting Marine Terminal Operators in the near future (dry bulk – soy & corn)

Source: Confederação da Agricultura e Pecuária (CNA)



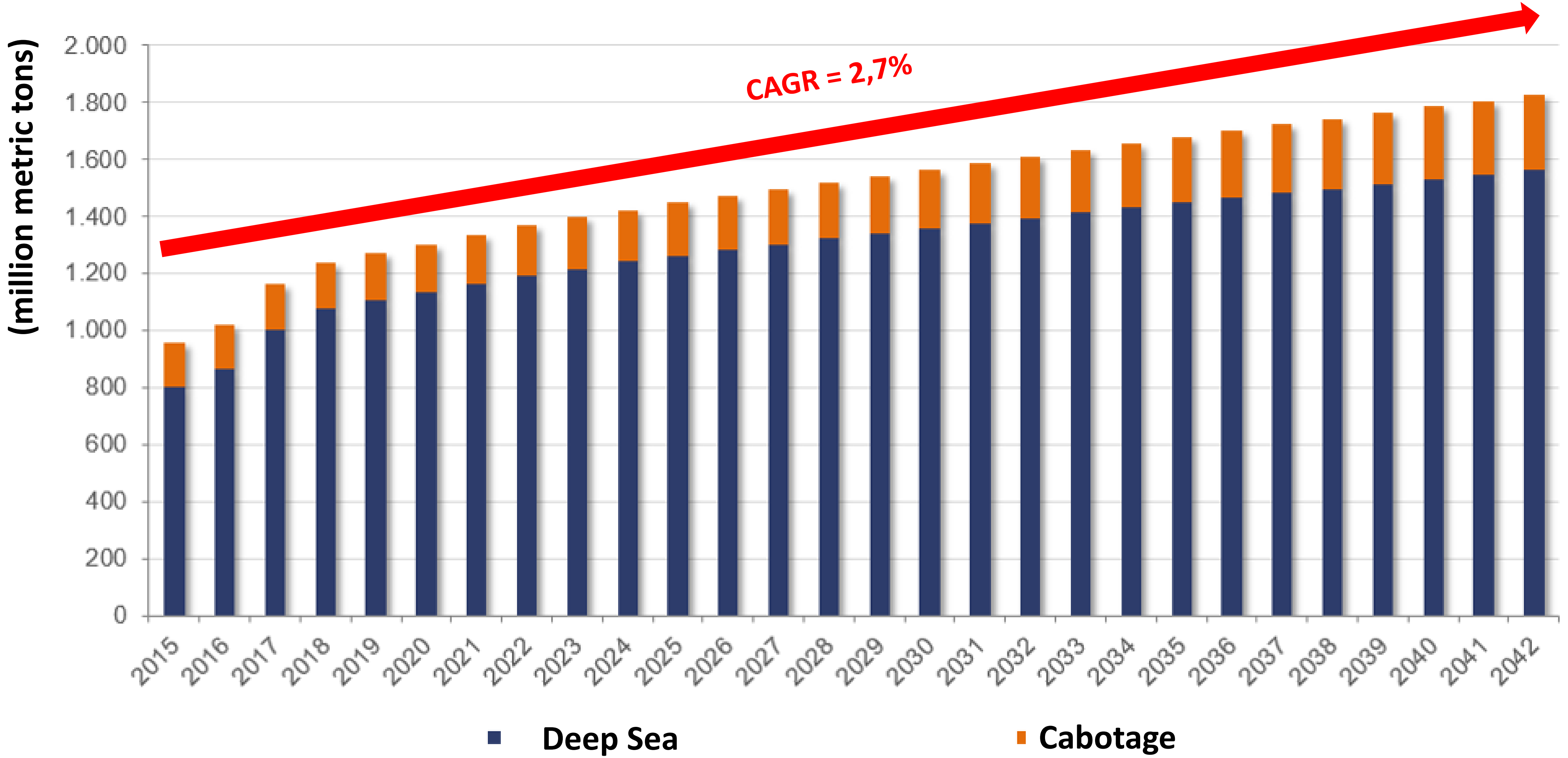
- New farming areas very distant from traditional ports.
- New port capacity being introduced in the "North Arch".
- A-B-C-D players already operating or to operate own terminals (river and sea), in order to cope with future volumes.
- New transport infrastructure being introduced (rail and road).

Drivers impacting Marine Terminal Operators in the near future (dry bulk - grains)



! Volume attraction also depending on toll charges.

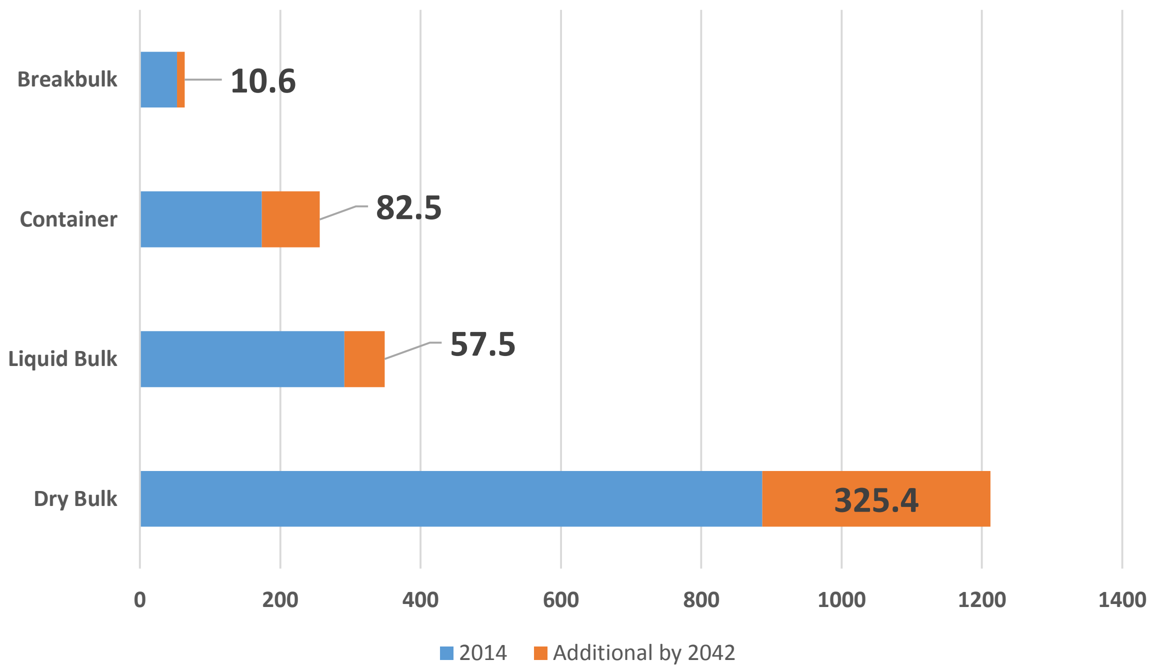
Future Trends & Investment Opportunities



Source: Brazilian Port Ministry (SEP/PR), Brazilian Port Plan 2042 (PNLP)

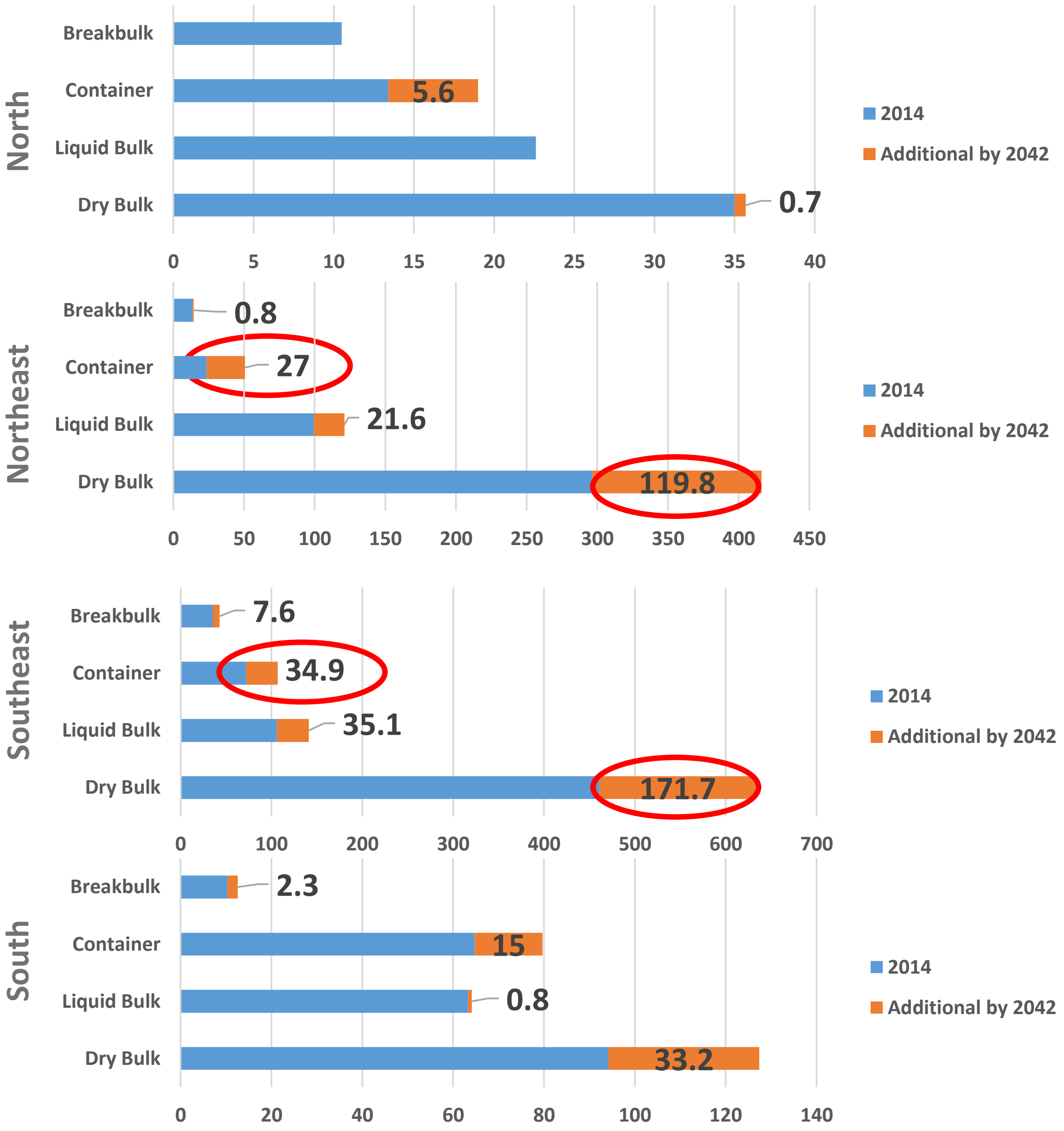
Brazil – port capacity gap in 2042

Nationwide



Source: Brazilian Port Ministry (SEP/PR), Brazilian Port Plan 2042 (PNLP)

Per region



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Thank you!

Elaborated by Ricardo Sproesser (Jan.21st´2016)
+5511 9 92932848
ricardo.sproesser@terra.com.br