



PORT INFRASTRUCTURE CHALLENGES FOR THE BRAZILIAN ECONOMY AND HOW AMERICAN COMPANIES CAN BENEFIT

Presented by Rodrigo Paiva



Global Experience

Over 35 years, enabling a wide range of services and professionals with a vast portfolio in marine and port projects



Experienced Professionals

Experienced professionals in Industry, Ports, Oil & Gas and Infrastructure sectors



Due Diligence

Commercial, financial and technical expertise in due diligence projects



Consulting

Expertise in Port Consulting: Master Plan; Operating Systems Analysis; Feasibility Study



Highly Qualified Professionals

Professionals with technical and operational knowledge in ports (dry and wet) and cargoes in container / bulk / vehicles / general



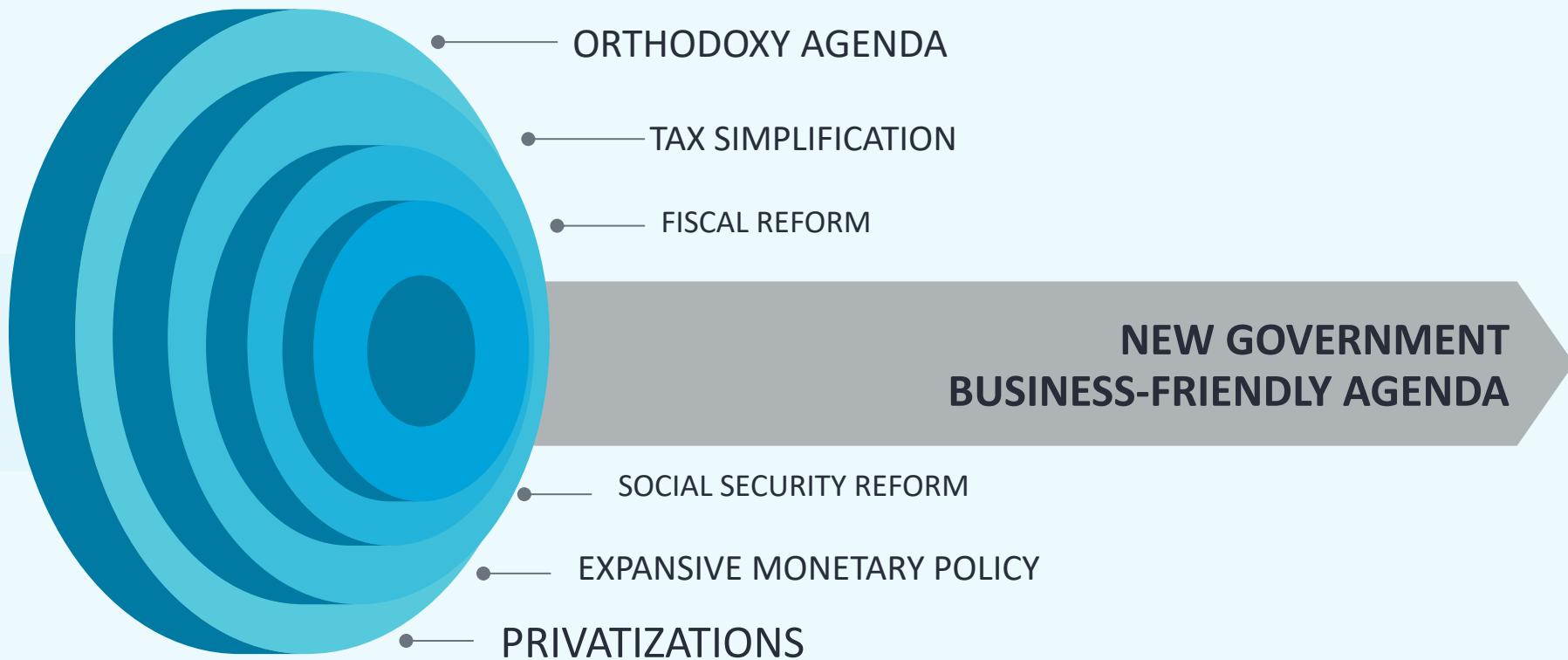
PMO

Expertise in Infrastructure Projects, Business Structuring and PMO coordination projects



BRAZILIAN ECONOMY OUTLOOK





POSITIVE MARKET RESPONSE



+ 20%

São Paulo Stock
Exchange Index*

+ 10%

Exchange Rate

2,5%

GDP Expected
Growth for 2019

* Since September



REBUILDING CONFIDENCE



+ 42%

ECONOMIC IMPROVEMENT

+ 20%

CONSUMER

+ 6%

BUSINESS



SOCIAL SECURITY REFORM APPROVAL

Congress

52

308

513

PSL
Min

Senate

4

49

81

REFORMS APPROVAL SCENARIOS



Partially Approved

GDP growth ~ 2%



Fully Approved

GDP growth ~ 3%



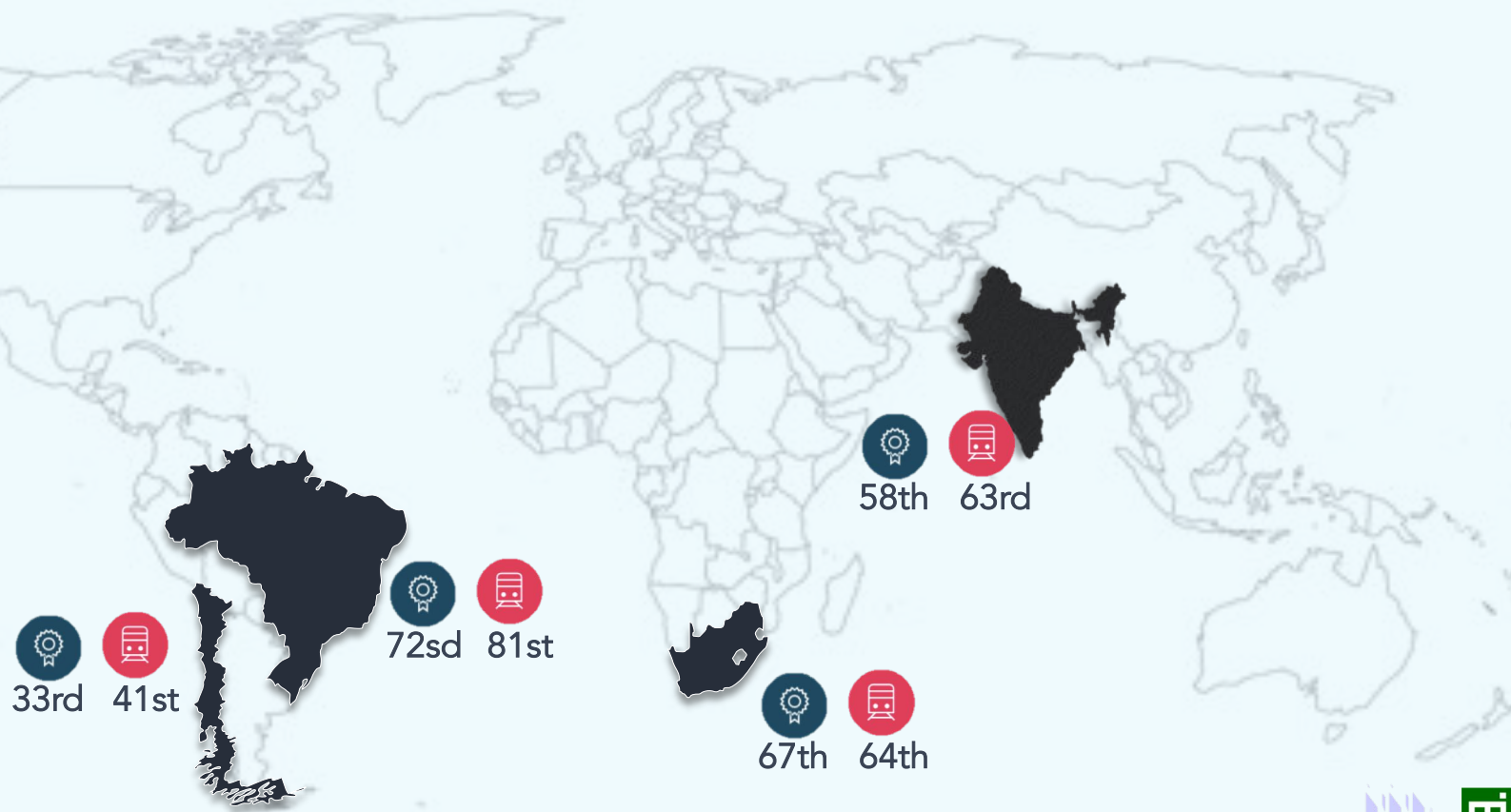
Not Approved

GDP stagnation or recession

BRAZILIAN INFRASTRUCTURE OUTLOOK



DEVELOPPING COUNTRIES BENCHMARKING



MAIN INFRASTRUCTURE GAPS



56,5%



83,5%



43,0%

Service Access
% of households, 2015



	SANITATION	TELECOM
Annual Investment <i>% of GDP ; Average of 2011-2016</i>	0,2%	0,5%
Annual Investment <i>% of GDP ; Required for Universalization</i>	0,4%	0,7%



MAIN INFRASTRUCTURE GAPS

**LARGEST DEFICIT:
TRANSPORT SECTOR**



 72^{sd}  81st

0,9

Annual Investment (% GDP)

Average of 2011-2016

+132%

2,0

Annual Investment (% GDP)

Required for Universalization

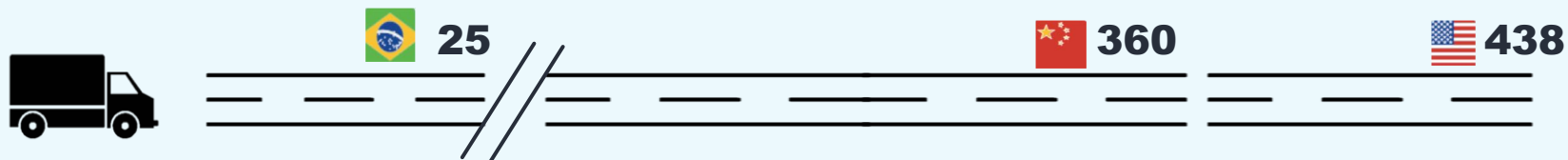


MIND
ESTUDOS E PROJETOS

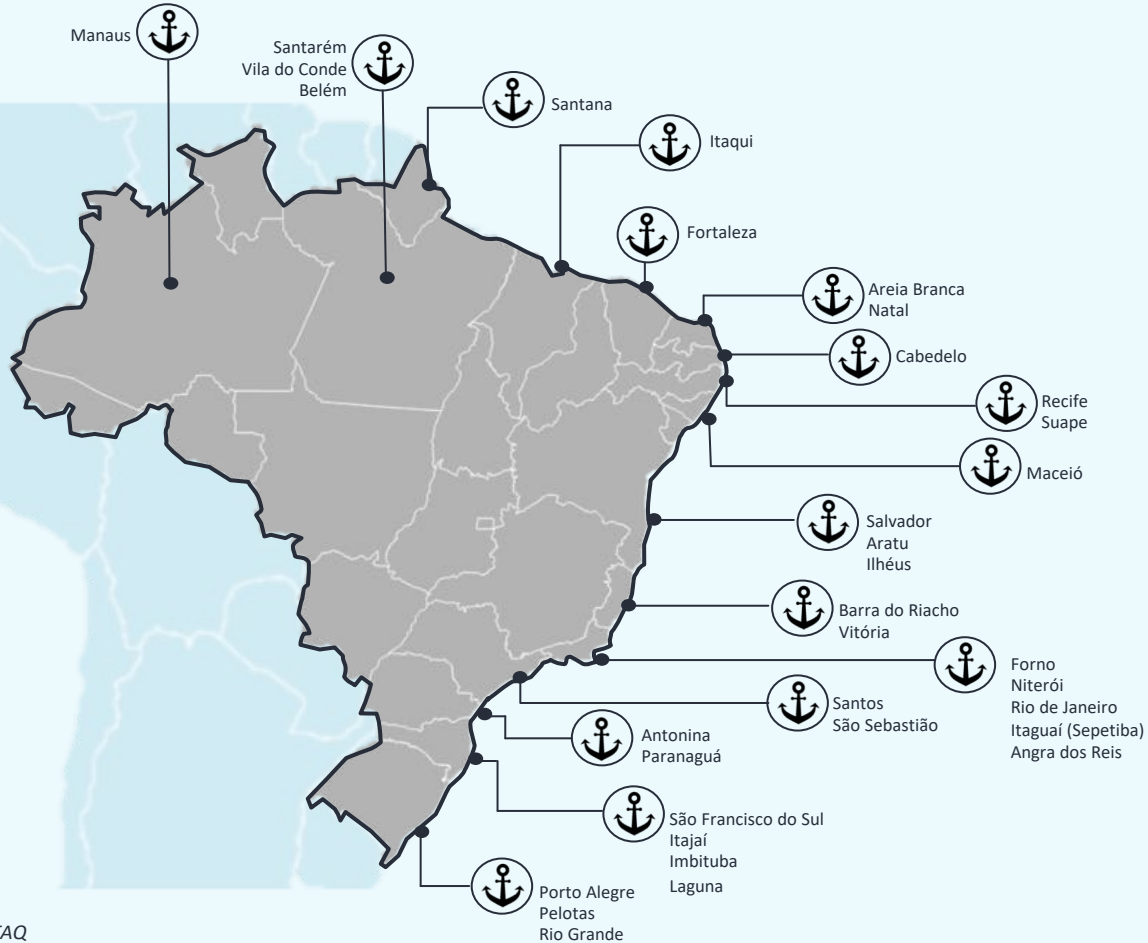
TRANSPORTATION BENCHMARKING

Network Density

KM network/1,000 km2 Area, 2014



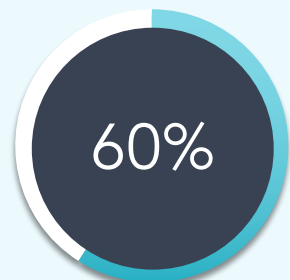
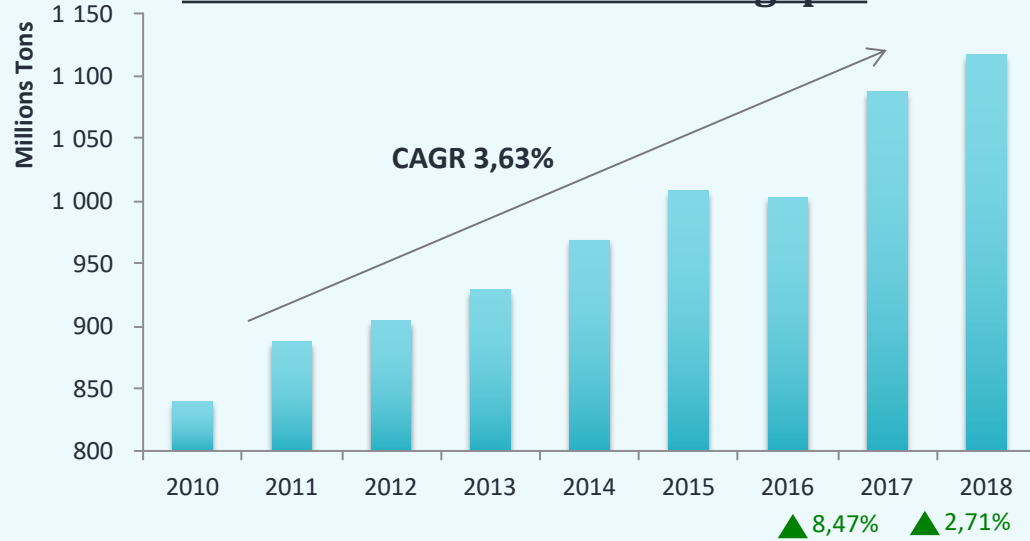
PORT INFRASTRUCTURE



34
Public Ports

130
Private Terminals

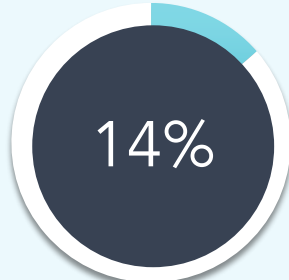
Annual Brazilian Ports Throughput



Exports

Average 2015-2018

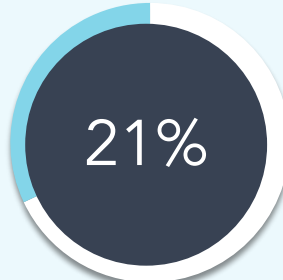
CAGR 3,34%



Imports

Average 2015-2018

CAGR 1,27%



Cabotage

Average 2015-2018

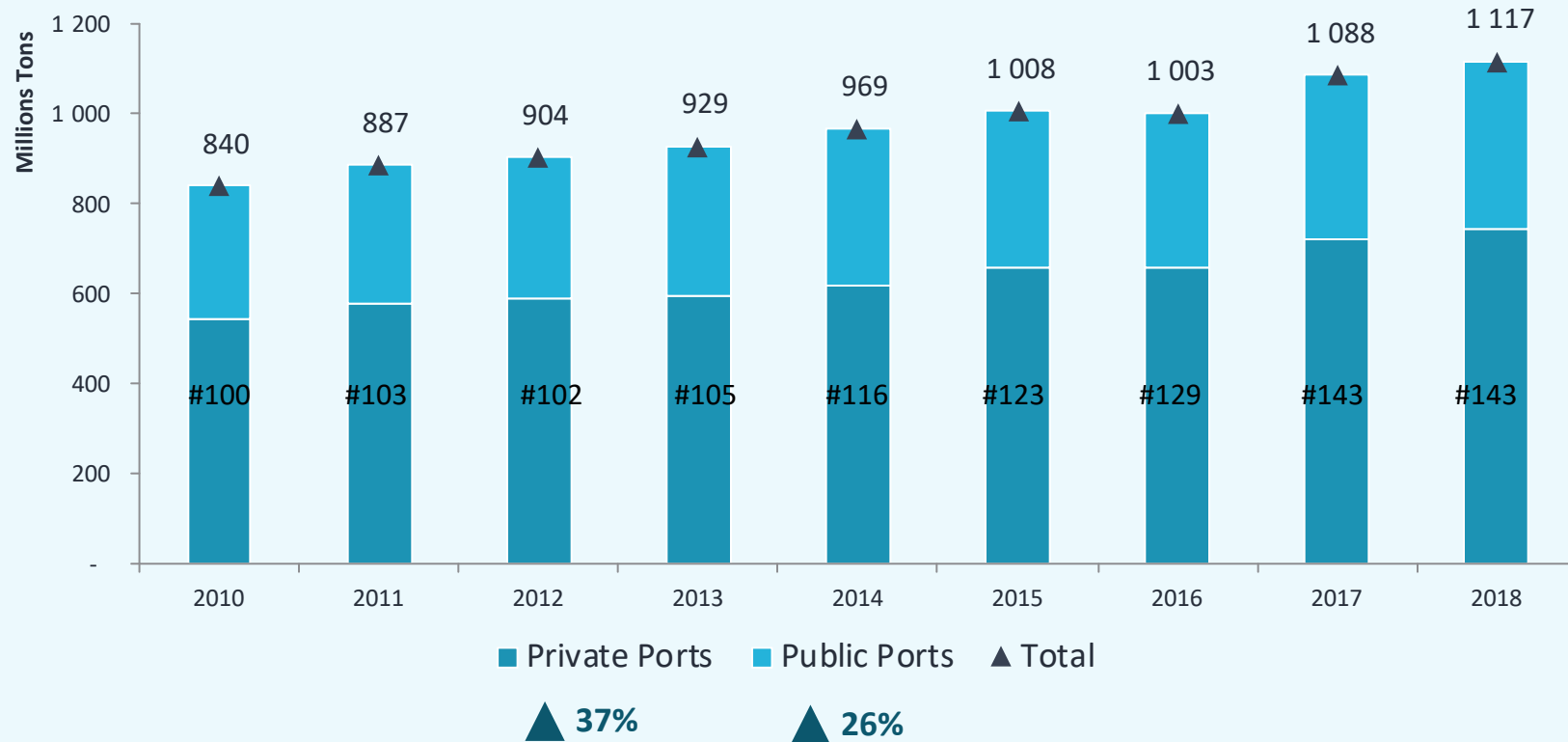
CAGR 2,82%

Source: ANTAQ



BRAZILIAN PORTS THROUGHPUT

Private vs. Public





Solid Bulk – 64%

1° Iron Ore
2° Soy
3° Bauxite

▲ 2,4%



Container – 10%

10.041.485 TEUs

▲ 7,2%

1,117

Billion Tons Moved in 2018



Liquid Bulk – 21%

1° Crude Oil
2° Oil by-Products

▲ 1,9%



General Bulk – 5%

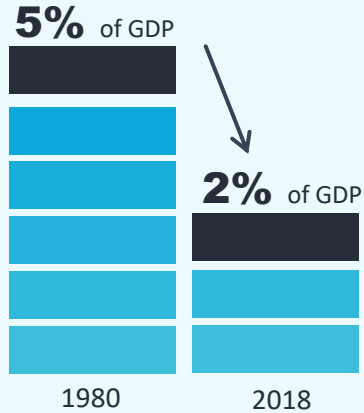
In 2018: 90% main export products: Iron & Steel; Fluff Pulp

▲ 6,1%

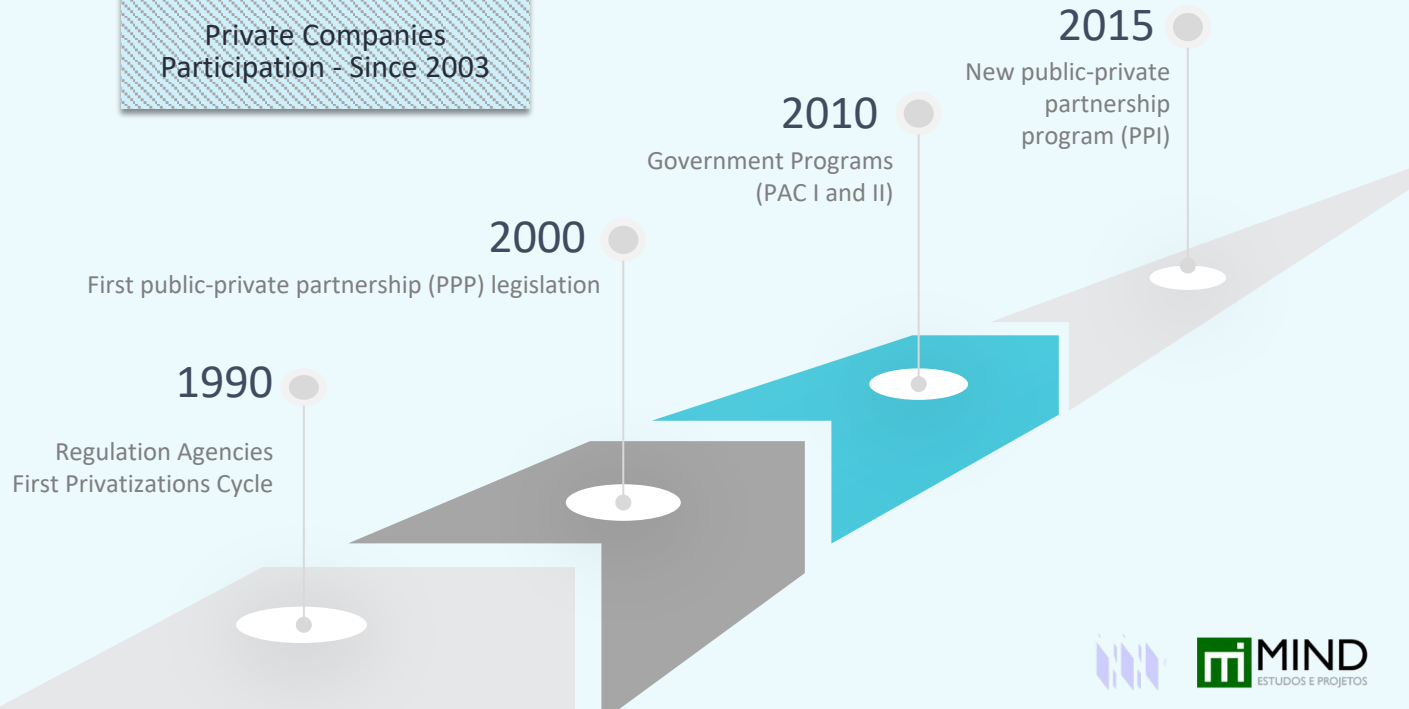
INFRASTRUCTURE INVESTMENTS



INFRASTRUCTURE INVESTMENTS OUTLOOK



~ 285%
Private Companies
Participation - Since 2003



BRAZILIAN INVESTMENT PARTNERSHIPS PROGRAM



193

Projects Qualified



124

Projects Concluded



7

Oil & Gas



94

Energy Projects



1

Highway



4

Airports



17

Ports



1

Privatization



BRAZILIAN INVESTMENTS PARTNERSHIP PROGRAMS

42

Projects won by Foreign Companies
or in Consortium with Brazilian
Companies

US\$ 48,8 bi

Invested by foreign companies
(72,6 % of Total)



INVESTMENTS OPPORTUNITIES



BRAZILIAN INVESTMENTS PARTNERSHIP PROGRAMS



69

On Going Projects



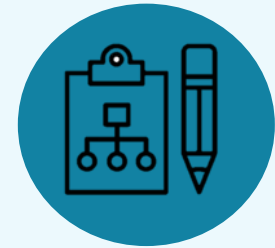
US\$ 30,2 bi

Expected Investment



48

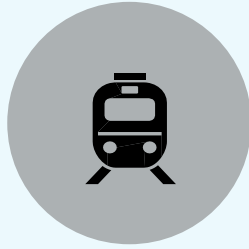
Projects to be
Concluded in 2019



21

Projects to be
Concluded by 2020

INVESTMENTS PARTNERSHIP PROGRAMS FOR 2019



11

Railways



17

Ports



12

Airports



1

Defense



1

Oil & Gas



2

Energy Projects



2

Highway



2

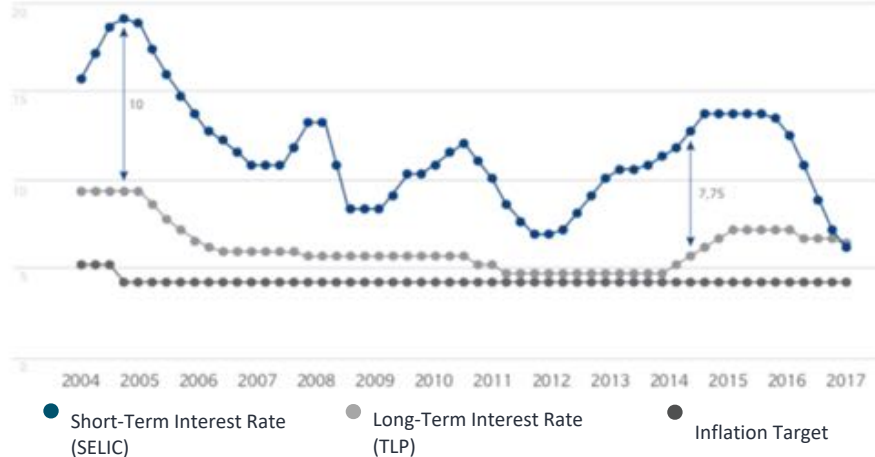
Mining



ATTRACTING INVESTORS

Short-Term Interest Rate x Long-Term Rate x Inflation Goal

% Annual



Interest Rate Gap // Crowding Out Effect
National Development Bank (BNDES)
& Private Investors

1 Most Attractive Country in LATAM

Considering the balance between the risk-return profile vs the pipeline size, with returns around 10-15% (premium for construction risk)

HOW AMERICANS CAN BENEFIT

Closing an investment with the Brazilian Government

The Bidding Process



It is recommended to use the services of local law firms that are familiar with Brazilian legislation. As in other countries, the selection of an agent requires careful consideration. The U.S. Commercial Service in Brazil can assist with making those connections. Companies trading with the GoB are legally required to use a local representative. Commercial distribution contracts are regulated by general Brazilian commercial laws - not by specific legislation. Technical literature must be translated into Portuguese.

THANK YOU!

