

WATERWAY PROSPECT

Volume 1 - Jan/2007

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Agência Nacional de Transportes Aquaviários – ANTAQ

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WATERWAY PROSPECT

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INTRODUCTION

“Contributing to accelerate the Country’s economic growth”

Fernando Antonio Brito Fialho
Executive Director

Agência Nacional de Transportes Aquaviários (ANTAQ) releases the first edition of the publication *Panorama Aquaviário*, aiming to meet the demand for statistic data and information referring to the port, sea navigation and inland navigation sectors. The release marks the opening of the celebrations period for the five years of the Agency, installed in February 2002.

Since then, the first Board of Directors became in charge of the important task of structuring the autarchy’s administrative organization and of editing the rules all the actors of the waterway transports should submit to, always intending to comply with the public concern.

The challenge of the current board of directors is to consolidate ANTAQ’S presence in the market and in the population. Such challenge is based on five main pillars: regulation/adjustment, grant, inspection, a set of technical studies and interface with the final users.

To reach such an ambitious goal, we count on the invaluable support of a specialized attendants’ team, our partners in our daily effort to assure the adequacy of the port and navigation activities to the spirit of the laws and to the needs of sustainable economic development in Brazil.

However, it is impossible to achieve without the support of the port and navigation community in particular, and of the Brazilian population.

This publication was prepared to provide all with more and better instruments, so that they can participate in this relevant task of contributing with us to accelerate the Country’s economic growth.

All along the next pages, the population shall become aware of the main purposes of the board of directors, among which we point out strengthening of the coastal navigation, stimulating the inland navigation development and enriching the Port Authority Councils, by means of the qualification of all its members.

The population shall also know the modern Permanent System for Following-Up the Port Services Prices and Operating Performance or, simply, Port Performance System, which allows forwarding, on a real time basis, the data on the movement of cargo and port prices by the Port Administration. The data provide valuable indexes of the traffic of containers, general cargo and solid bulk materials, such as amount of carried cargo, average load/unload rate, amount of dockings and average occupation rate.

Panorama Aquaviário also shows general information on the sea and support navigation, the data on the distribution of the Brazilian Navigation Companies (EBNs) per region and navigation type and the percentage share in the market, of each freighting mode, besides presenting the Brazilian fleet profile.

We also introduce the new Inland Navigation Superintendence (SNI), created to meet the specific demands of the Brazilian waterway transport, with the construction of a milestone suitable to the sector, which shall positively contribute to the solution of the transport logistics bottlenecks in Brazil.

No matter how big the effort to accomplish the best possible job is, the first edition is always subject to do wrong from omission or excess. Therefore, we expect to receive suggestions and criticisms helping us to constantly improve this instrument which, we believe shall become a reference for the port and navigation community and specialists in waterways transports.

**PROJECTS
FORESEE
THE INLAND AND
COSTAL NAVIGATION
INCREMENT
AND VALORIZATION
OF THE
PORT AUTHORITY COUNCILS
(CAPS)**

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PROJECTS FORESEE THE INLAND AND COSTAL NAVIGATION INCREMENT AND VALORIZATION OF THE PORT AUTHORITY COUNCILS (CAPS)

ANTAQ is implementing three final projects aiming to develop the inland navigation with the full use of the waterways potential – project commanded by director Murillo Barbosa, the coastal navigation increment, the main challenge of which is to remove the obstacles hindering the sector growth coordinated by director Decio Cunha and the increase of the Brazilian ports efficiency, by valorizing the Port Authority Councils (CAPs) having as their leader the Agency's executive director, Fernando Fialho.

Adding to such efforts to leverage the waterway transport in the country, ANTAQ's management approved in only six months (period from July/December 2006), 56 new permits for Brazilian Navigation Companies (EBNs) and 26 projects aiming the construction and operation of Private Use Terminals (TUPs), with a forecast of R\$ 2,6 billion in investments and approximately 37 thousand new direct and indirect jobs.

CAP PROJECT

Early in August, the Agency's general director launched a work team to develop the CAP Project, which is intended to standardize procedures and valorize the actuation of the Port Authority Councils' presidents.

Our main goal is to contribute to the efficient directing of the port issues and to the harmonization of the natural conflicts existing among users, service providers, workers and public managers interacting in the port environment.

The Agency's purpose is to have a standard profile and performance procedure which can be adopted by all those representing the Federal Government in the Presidency of the CAPs and future leaders who are nominated by ANTAQ. Such profile is contained in a special section which was produced based on the results of the project work team meetings.

Besides setting the basic profile of the CAP's president, the Project has also selected the courses and the material and financial resources required to the leveling and recycling of their representatives. The Councils' presidents shall be qualified by means of training coursed on public speaking, basic legislation, environmental legislation, bidding and meeting techniques, among many others.

WATERWAYS

Acting as a catalyzer of the efforts to lever the Brazilian inland navigation, ANTAQ is holding several meetings to debate the inland navigation problems and the intermodality challenges. As a part of the final project on the Brazilian waterways, a regional approach was initially sought by holding two big seminars: the first one emphasized the experiences of the South/Southeast Brazilian waterways, and the second seminar presented the main difficulties of the Amazon, Mid-West and Northeast Brazilian regions.

Next, the approach became punctual, aiming to survey the needs of each waterway in particular. Thus, ANTAQ has already promoted seminars about the Tocantins and Araguaia waterways and Teles Pires-Tapajós Waterway. The next events shall locate the Paraná-Paraguay and São Francisco Rivers waterways.

Besides the Agency's experts, the meetings gather representatives of the waterways managements, Federal Government and private initiative, aiming to survey the bottleneck and propose solutions to the waterway transport.

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The creation of *Superintendência de Navegação Interior* (SNI) from the implantation of the new Agency's organizational structure on October 19, 2006 shows clearly ANTAQ's great expectations with the growth of the transport by rivers in the Country. The issues regarding the inland waterway transports, which were handled before by a General Management of the Navigation Superintendence then, are now being solely dealt with by SNI.

In the command of the new superintendence, Engineer José Alex Botelho de Oliva has, among his challenges, to review the rules and the legislation of the sector's regulating milestone to distinguish it from the one in force for the sea navigation.

In order to reach its goals, SNI earned three managements: *Outorga e Afretamento* [Grant and Freightage] (GOI), *Fiscalização* [Inspection] (GFI) and *Desenvolvimento e Regulação* [Development and Regulation] (GDI). Among other activities they are in charge of reviewing the permit requests to provide services of cargo and passengers waterway transport, inspecting the compliance with the legal grants conditions, reviewing the Brazilian companies performance and following up the utilization and the performance of the Country's fleet in the different traffics, the freights practiced in the national and international markets and the financial transfers resulting from the foreign vessels' freights.

The Brazilian waterway system is formed by 42 thousand kilometers of navigable rivers. Approximately 30 thousand of those may be deemed natural navigable waterways but only 10 thousand kilometers are used in commercial scale, carrying 45 million tons of cargo/year. The remaining 20 thousand kilometers need infrastructure investment. If the waterways were fully implanted, the carried cargo potential is estimated at 160 million tons/year.

COASTAL NAVIGATION

The consolidation and development of the coastal navigation shall bring significant benefits for the market, reducing transport costs, accidents and losses risks, which consequently shall promote a higher competitiveness of the conveyed product in the consumer market.

Experts show that the coastal navigation becomes advantageous from 1000km on. In the case of Brazil this is such a differential both to the navigation companies, which are provided with a coast of approximately 8.5 thousand km to operate, besides Mercosul, and to the cargo owners, by the availability of an efficient and safe transportation. However, for the sector to occupy definitively such market, it is essential to modernize and develop the Brazilian coastal navigation.

An important step taken in that aspect was the installation in September 2005 of a work team formed by representatives from ANTAQ, Syndarma and the ministries of Agriculture and Transports, aiming to map the sector's bottlenecks.

One of the first targets of the group was the high diesel oil cost, which decreases the competitiveness of the sector. Therefore, besides the measures stimulating the naval construction aiming to boost the Brazilian fleet, the groups is willing to follow article 12 of Law 9.432/1997, setting for the coastal navigation a treatment that is equal to the one given to the long cruise navigation in the aspect of the fuel oil (bunker) price.

Another priority demonstration that has been given to the sector is the accomplishment of the Coastal Navigation Diagnosis. Ordered by the Agency and by the Merchant Marine Department of Transports Ministry (DMM/MT) and financed with resources from *Fundo Setorial Aquaviário*, by means of FINEP, the survey is being made by researchers of the Naval and Oceanics Energy Department of *Escola Politécnica da Universidade de São Paulo (USP)*.

The first part of the Diagnostic, which is already completed, brings the identification of the coastal navigation situation in the current scenario of transports, as well as of the blocking and fostering points for the sector's operation.

The practiced policies and the promotion and protection instruments have already been surveyed, and a merchant data base has been built regarding the period of 2000- 2006, containing information such as cargo source and type, volume, port of destination and number of companies operating in the sector. In the second stage, a review of the market projection in the short and medium terms, a critical study of the legislation shall be made, and actions proposals shall be prepared for the sector.

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PORT PERFORMANCE SYSTEM (SDP)

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PORT PERFORMANCE SYSTEM (SDP)

The Port Management and Performance Administration (GDP) entailed to the Superintendence of Ports (SPO) develop three basic activities: Operating Performance Indexes, Port Services Prices and Port Movement Statistics. The making up of the data base for accomplishing such tasks is mostly accomplished by the Port Performance System (SDP).

SDP is intended to provide a data base and information which may serve as reference for the computation of operating and prices indexes. Such information is required to check the services quality, to provide support to the accomplishment of ANTAQ's legal attributions and help the operators and users of the Brazilian ports in planning their jobs.

ANTAQ's board of directors, by means of SPO and the Social Communication Advisory Board, has prepared a set of information from that System. The next pages show data gathered in the ports/ terminals that are already integrated to SDP. The indexes were set to enable each port/ terminal performance assessment, relating the services quality to the users' needs and wants satisfaction.

The data from the port administration also made possible to access the characterization indexes of containers, general cargo and solid bulk materials traffic, such as the amount of **average load/unload rate**, amount of dockings and average occupation rate. Besides the ports and cargos made available in the Port Performance System, the next pages also show what moves each port, whether it is a container, general cargo or solid bulk material.

The information from SDP is also available for consultation in the Managerial Information System (SIG) which may be accessed through the internet site www.antaq.gov.br. After opening the site, click on the link "Ports/Desempenho Portuário". Then, go to "Consulta de Indicadores".

PRICE RANKING FOR CONTAINERS

In 2005, the Port of Natal presented the lowest price for moving containers in the comparison among the public piers of ten ports: R\$ 184,37 per unit. Secondly, we find the pier of the Port of São Francisco do Sul, in Santa Catarina State, with R\$ 230,44. The public pier of the Port of Salvador presented the third lower price: R\$ 235,93 per container.

As to the Santos pier, it ranked eight by charging R\$ 298,25 per unit. The pier of the Port of Vila do Conde in Pará State ranked ten, where the price per container was almost R\$ 500, approximately 170% more comparing to the amount paid in the pier of the Port of Natal.

Regarding the leased or privately used terminals, Port of Salvador's Tecon charged the lowest price, R\$ 195,57 per container. In the Port of Santos, the price paid to Tecon for moving a container was R\$ 218,51. In Itajaí, Santa Catarina, the price charged by Teconvi for moving a container was R\$ 227,15. In Paranaguá (PR), where one of the main ports in the country is located, the price paid to TCP was R\$ 381,64. Super Terminais, in the Port of Manaus, ranked last: R\$ 407,54 per container.

Natal has led in 2005 the general prices ranking, involving public piers and leased or privately used terminals of the 22 surveyed points. The public pier of the port of Rio Grande do Norte charged R\$ 184,37 to move a container. That price is 6% lower than the price paid to Tecon of Salvador, which ranked two in the general list. Tecon of the Port of Santos ranked three with R\$ 218,51 per unit. TCP of Paranaguá ranked twenty and the public pier of the Port of Vila do Conde charged the highest price to move a container, R\$ 499,99, an amount 171% higher than that seen in Natal.

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PUBLIC PIER – CONTAINER – PRICES

Port	Terminal	2005	Ranking
		R\$	
Natal	Public Pier	184,37	1
São Francisco do Sul	Public Pier	230,44	2
Salvador	Public Pier	235,93	3
Manaus	SNPH (Public Pier)	248,79	4
Itajaí	Public Pier	270,76	5
Imbituba	Public Pier	284,55	6
Fortaleza	Public Pier	293,47	7
Santos	Public Pier	298,25	8
Belém	Public Pier	377,03	9
Vila do Conde	Public Pier	499,99	10

*Amounts updated by IGP-DI (Dec/05 – Aug/06)

LEASED/ PRIVATELY USED TERMINALS - CONTAINER - PRICES

Port	Terminal	2005	Ranking
		R\$	
Salvador	Tecon	195,57	1
Santos	Tecon	218,51	2
Itajaí	Teconvi	227,15	3
Suape	Tecon	249,21	4
Santos	Libra (T35)	280,02	5
Santos	Libra (T37)	292,29	6
Rio de Janeiro	MultiRio	310,65	7
Rio de Janeiro	Libra	319,16	8
Rio Grande	Tecon	324,65	9
Manaus	Chibatão	335,52	10
Paranaguá	TCP	381,64	11
Manaus	Super Terminais	407,54	12

* Amounts updated by IGP-DI (Dec/05 – Aug/06)

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GENERAL – CONTAINER - PRICES

Port	Terminal	2005	Ranking
		R\$	
Natal	Public Pier	184,37	1
Salvador	Tecon	195,57	2
Santos	Tecon	218,51	3
Itajaí	Teconvi	227,15	4
São Francisco do Sul	Public Pier	230,44	5
Salvador	Public Pier	235,93	6
Manaus	SNPH (Public Pier)	248,79	7
Suape	Tecon	249,21	8
Itajaí	Public Pier	270,76	9
Santos	Libra (T35)	280,02	10
Imbituba	Public Pier	284,55	11
Santos	Libra (T37)	292,29	12
Fortaleza	Public Pier	293,47	13
Santos	Public Pier	298,25	14
Rio de Janeiro	MultiRio	310,65	15
Rio de Janeiro	Libra	319,16	16
Rio Grande	Tecon	324,65	17
Manaus	Chibatão	335,52	18
Belém	Public Pier	377,03	19
Paranaguá	TCP	381,64	20
Manaus	Super Terminais	407,54	21
Vila do Conde	Public Pier	499,99	22

* Amounts updated by IGP-DI (Dec/05 – Aug/06)

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SOY-BEAN PRICE RANKING

Corex, which is a public pier specialized in solid bulk materials of the Port of Paranaguá, charged the lowest price for moving soy-bean in 2005: only R\$ 4,49 per ton.

In a list of five ports, comprising public piers and leased or privately used terminals, the Port of Santos was represented by two terminals: Cargill and Teaçú 2. Cargill charged R\$ 6,45 per ton of soy-bean, approximately 40% more than the amount paid to Corex in the Port of Paranaguá. In Teaçú 2, the amount was higher: R\$ 10,27 per ton, almost 130% more than the price paid to Corex of Paranaguá.

With such prices, the terminal Cargill in the Port of Santos ranked two. The public pier of São Francisco do Sul ranked three: R\$ 8,64 per ton of moved soy-bean. The terminal Bianchini, in Rio Grande ranked four, charging R\$ 9,83. Teaçú 2 ranked five.

GENERAL – SOY-BEAN AND BRAN - PRICES

Port	Terminal	2005	Ranking
		R\$	
Paranaguá	Corex	4,49	1
Santos	Cargill	6,45	2
São Francisco do Sul	Public Pier	8,64	3
Rio Grande	Bianchini	9,83	4
Santos	Teaçú 2	10,27	5

* Amounts updated by IGP-DI (Dec/05 – Aug/06)

WHEAT PRICE RANKING

In 2005 Corex, a public pier specialized in solid bulk materials in the Port of Paranaguá charged the lowest price per ton of moved wheat regarding the other public piers: only R\$ 3,44. Next in line was the Port of Fortaleza, with R\$ 6,36. Natal ranked three with R\$ 6,72. The public pier in the Port of Itaqui (MA) ranked last with R\$ 14,91 per ton, an amount 333% more expensive than the one paid to Corex of Paranaguá.

In the comparison among the private or privately used terminals, the Port of Rio Grande ranked first. The terminal Tergrasa charged R\$ 4,88 for moving a ton of wheat, followed by Termasa, with R\$ 6,10. Corex in the Port of Santos ranked four with R\$ 6,19 to move a ton of wheat. As to Terban in the Port of São Francisco do Sul ranked last: R\$ 12,11 per ton.

In the general ranking, comprised of leased or privately used terminals and the public piers, The Corex terminal of Paranaguá (a public pier specializing in solid bulk materials) also ranked first, followed by the two terminals (Tergrasa and Termasa) in the Port of Rio Grande. In the general list, Santos' Corex (leased) ranked four.

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PUBLIC PIER – WHEAT - PRICES

Port	Terminal	2005	Ranking
		R\$	
Paranaguá	Corex	3,44	1
Fortaleza	Public Pier	6,36	2
Natal	Public Pier	6,72	3
Salvador	Moinho Salvador	7,98	4
Rio de Janeiro	Moinho Cruzeiro do Sul	8,91	5
Recife	Public Pier	8,97	6
Belém	Public Pier	9,16	7
Imbituba	Public Pier	9,55	8
Santos	Public Pier	9,79	9
Rio de Janeiro	Moinho Santista	11,1	10
São Francisco do Sul	Public Pier	13,14	11
Santos	Moinho Santista	14,7	12
Itaqui	Public Pier	14,91	13

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

LEASED/PRIVATELY USED TERMINALS - WHEAT - PRICES

Port	Terminal	2005	Ranking
		R\$	
Rio Grande	Tergrasa	4,88	1
Rio Grande	Termasa	6,10	2
Santos	Corex (ADM)	6,19	3
Rio Grande	Bianchini	6,42	4
São Francisco do Sul	Terban	12,11	5

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

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GENERAL – WHEAT - PRICES

Port	Terminal	2005	Ranking
		R\$	
Paranaguá	Corex	3,44	1
Rio Grande	Tergrasa	4,88	2
Rio Grande	Termasa	6,10	3
Santos	Corex (ADM)	6,19	4
Fortaleza	Public Pier	6,36	5
Rio Grande	Bianchini	6,42	6
Natal	Public Pier	6,72	7
Salvador	Moinho Salvador	7,98	8
Rio de Janeiro	Moinho Cruzeiro do Sul	8,91	9
Recife	Public Pier	8,97	10
Belém	Public Pier	9,16	11
Imbituba	Public Pier	9,55	12
Santos	Public Pier	9,79	13
Rio de Janeiro	Moinho Santista	11,10	14
São Francisco do Sul	Terban	12,11	15
São Francisco do Sul	Public Pier	13,14	16
Santos	Moinho Santista	14,70	17
Itaqui	Public Pier	14,91	18

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

PERFORMANCE INDEX RANKING – CONTAINER

Average load/unload rate and average waiting time – public pier

The public pier in the Port of São Francisco do Sul, in Santa Catarina, had the highest performance in average load/unload rate in the year 2005, upon reaching the milestone of 18 containers moved every hour. The public piers of Salvador and Santos moved 13 per hour and the Ports of Manaus and Itajaí, moved both 12 units.

Regarding the average mooring waiting time of the vessel, the public piers of Manaus, Belém and Salvador presented the highest performance, and the vessels moored immediately in them. In the public pier of Santos, the waiting time was seven hours.

Vitória (commercial) public pier also presented a performance way below the average in that issue. Each vessel waited in average, 62 hours to moor in Espírito Santo's port pier. In the Port of Itajaí, last but one in that issue, 37 hours was spent in average.

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PUBLIC PIER - CONTAINER – AVERAGE LOAD/UNLOAD RATE

Port	Terminal	Average Load/Unload Rate (u/h)	Average Load/Unload Rate Rank
São Francisco do Sul	Public Pier	18	1
Salvador	Public Pier	13	2
Santos	Public Pier	13	3
Manaus	Public Pier	12	4
Itajaí	Public Pier	12	5
Paranaguá	Corex	12	6
Imbituba	Public Pier	11	7
Fortaleza	Public Pier	9	8
Suape	Public Pier	6	9
Vila do Conde	Public Pier	5	10
Belém	Public Pier	4	11
Rio Grande	Public Pier	3	12
Vitória	Public Pier (Capuaba)	3	13
Vitória	Public Pier (Commercial)	1	14
Natal	Public Pier	1	15

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

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PUBLIC PIER - CONTAINER – WAITING TIME

Port	Terminal	Average Waiting time (h/n)	Average Waiting time Ranking
Manaus	Public Pier	0	1
Belém	Public Pier	0	2
Salvador	Public Pier	0	3
Vila do Conde	Public Pier	3	4
Suape	Public Pier	4	5
Fortaleza	Public Pier	5	6
Imbituba	Public Pier	5	7
Santos	Public Pier	7	8
Rio Grande	Public Pier	7	9
Paranaguá	Corex	10	10
Natal	Public Pier	19	11
São Francisco do Sul	Public Pier	19	12
Vitória	Public Pier (Capuaba)	33	13
Itajaí	Public Pier	37	14
Vitória	Public Pier(Comercial)	62	15

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

Average load/unload rate and average waiting time in leased or privately used terminals

Regarding the average load/unload rate, Santos' terminals presented the best performance. Santos' Tecon was the quickest one upon moving 33 containers per hour. Terminal Libra (T37) operated 32 units per hour. In terminal Libra (T35) 27 containers were moved per hour, the same number moved in Rio Grande's Tecon, ranking four in the list of 19 reviewed points.

Another Santos' terminal ranked last. Teaçú 2 took one hour to move a container. The TCP of Paranaguá with 23 containers per hour, ranked six on the list.

Regarding the average waiting time for mooring a vessel, the Tecon of Salvador and two terminals in Manaus, namely *Chibatão* and *Super Terminais* were distinguished. In all three terminals, the vessels moored immediately. In terminals Libra and MultiRio, in Rio de Janeiro, the vessels waited only one hour, in average.

Tecondi is the best Santos' terminal in that item, ranked six with three hours of average waiting time. As to the TVV in Port of Vitória, it ranked last. In 2005, in average, each vessel waited 34 hours to come alongside that terminal.

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LEASED/PRIVATELY USED TERMINALS - CONTAINER – AVERAGE LOAD/UNLOAD RATE

Port	Terminal	Average Load/Unload Rate (u/h)	Average Load/Unload Rate Ranking
Santos	Tecon	33	1
Santos	Libra (T37)	32	2
Santos	Libra (T35)	27	3
Rio Grande	Tecon	27	4
Santos	Tecondi	24	5
Paranaguá	TCP	23	6
Itajaí	Teconvi	20	7
Salvador	Tecon	18	8
Rio de Janeiro	Libra	18	9
Santos	Cosipa	18	10
Manaus	Super Terminais	17	11
Rio de Janeiro	MultiRio	17	12
Vitória	TVV	15	13
Suape	Tecon	14	14
Manaus	Chibatão	10	15
São Francisco do Sul	Terban	10	16

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

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LEASED/PRIVATELY USED TERMINALS - CONTAINER – WAITING TIME

Port	Terminal	Average Waiting Time (h/n)	Average Waiting Time Ranking
Salvador	Tecon	0	1
Manaus	Super Terminais	0	2
Manaus	Chibatão	0	3
Rio de Janeiro	Libra	1	4
Rio de Janeiro	MultiRio	1	5
Santos	Tecondi	3	6
Suape	Tecon	5	7
Santos	Teaçu 2	5	8
Santos	Libra (T37)	10	9
Santos	Libra (T35)	10	10
Paranaguá	TCP	11	11
Santos	Tecon	13	12
Rio Grande	Tecon	14	13
Santos	Cosipa	20	14
Vitória	Peiú	20	15
São Francisco do Sul	Terban	24	16
Itajaí	Teconvi	25	17
Vitória	TVV	34	18

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

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PERFORMANCE INDEX RANKING – SOY-BEAN AND BRAN

Average load/unload rate e average waiting time – public pier

During the moving of soy-bean and bran the public pier in the Port of São Francisco do Sul was the most distinguished in 2005, by moving 15,475 tons a day.

The Corex in the Port of Paranaguá (a public pier specialized in solid bulk materials) moved 14,754 tons and the (non-specialized) public pier of the same port moved 9,910 tons approximately 35% less than the pier in the Port of São Francisco do Sul. Therefore, the Port of Paranaguá presents the higher daily movement of soy-bean and bran in Brazil, with 24,664 tons a day in full.

The public pier of Porto Velho, ranking four, moved 6,576 tons of soy-bean and bran per day and the Port of Santos, 1,462 tons.

The docking of vessels carrying soy-bean and bran takes much more time. In Santos' public pier, a vessel took in average 37 hours to dock. In Porto Velho, the mooring took even more time with 68 hours per vessel.

In Paranaguá the average waiting time was 82 hours in the (non-specialized) public pier and 66 hours in Corex. In São Francisco do Sul, a vessel waited in average 90 hours to moor.

PUBLIC PIER – SOY-BEAN AND BRAN - AVERAGE LOAD/UNLOAD RATE

Port	Terminal	Average Load/Unload Rate (u/h)	Average Load/Unload Rate Ranking
São Francisco do Sul	Public Pier	15.475	1
Paranaguá	Corex	14.754	2
Paranaguá	Public Pier	9.910	3
Porto Velho	Public Pier	6.576	4
Santos	Public Pier	1.462	5

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

PUBLIC PIER - SOY-BEAN AND BRAN - WAITING TIME

Port	Terminal	Average Waiting Time (h/n)	Average Waiting Time Ranking
Santos	Public Pier	37	1
Paranaguá	Corex	66	2
Porto Velho	Public Pier	68	3
Paranaguá	Public Pier	82	4
São Francisco do Sul	Public Pier	90	5

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

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Average load/unload rate and average waiting time – leased or privately used terminals

Terminal Corex of Santos, which is a leased terminal, leads the list of the fastest among the leased or privately used terminals, with 12,890 tons of soy-bean moved per day. Another terminal in the Port of Santos ranked two, Cargill's terminal, with 9,932 tons/day. Among the 8 reviewed terminals, four are located in the Port of Rio Grande: Bunge (9.802 tons/day), Tergrasa (5,716), Bianchini (5,161) and Termasa (5,153).

Terminal Bianchini of Rio Grande ranked first when the considered subject was the average waiting time. In 2005 a vessel had to wait 8 hours to moor in that terminal. Ranking two and three were the other two terminals of Grande: Bunge (27 hours) and Tergrasa (38 hours).

In the listing of the reviewed terminals, the Port of Santos appeared three times: Teaçu 2, with 67 hours, in average, to moor a vessel, Cargill, with 82 hours and Corex, with 103 hours, which is equivalent to a little more than four days.

LEASED/PRIVATELY USED TERMINALS – SOY-BEAN AND BRAN - AVERAGE LOAD/UNLOAD RATE

Port	Terminal	Average Load/Unload Rate (u/h)	Average Load/Unload Rate Ranking
Santos	Corex (ADM)	12.890	1
Santos	Cargill	9.932	2
Rio Grande	Bunge	9.802	3
Rio Grande	Tergrasa	5.716	4
Santos	Teaçu 2	5.340	5
Rio Grande	Bianchini	5.161	6
Rio Grande	Termasa	5.153	7

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

LEASED/PRIVATELY USED TERMINALS - SOY-BEAN AND BRAN - WAITING TIME

Port	Terminal	Average Waiting Time (h/n)	Average Waiting Time Ranking
Rio Grande	Bianchini	8	1
Rio Grande	Bunge	27	2
Rio Grande	Tergrasa	38	3
Santos	Teaçu 2	67	4
Santos	Cargill	82	5
Rio Grande	Termasa	90	6
Santos	Corex (ADM)	103	7

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

WATERWAY PROSPECT

PERFORMANCE INDEX RANKING – WHEAT

Average load/unload rate and average waiting time – public pier and leased or privately used terminals

In 2005, the terminal Corex in the Port of Paranaguá was the quickest in moving wheat, with 13,362 tons a day. The Port of Fortaleza ranked two with 7,485 tons. Santos presented 3,551 daily tons of average load/unload rate, approximately 73% less than the Terminal Corex of Paranaguá and 43% less than the port of Ceará state capital. Natal ranked four, with 3,329 tons of wheat moved per day.

In 2005, the ports of Cabedelo, Belém and Porto Velho presented the highest performance regarding the average waiting time for mooring: in them, the vessels moored immediately. The Port of São Francisco do Sul ranked four: there, the vessels took three hours to moor. The Port of Santos ranked eight with 22 hours per vessel.

Regarding the leased or privately used terminals, Tergrasa of Rio Grande, moved 16,912 tons of wheat a day and ranked first in the list of average load/unload rate with eleven ports reviewed. Next, the terminal Corex of Santos moved 5,610 tons of wheat a day.

Regarding the average waiting time, the terminal Moinho de Salvador, in the port of Bahia State Capital city, and Serra Morena, in Porto Alegre, made immediate moorings. The terminal Bunge of Rio Grande ranked three, and it took two hours, in average, to moor each vessel. The Terminal Corex in the Port of Santos ranked last in a list of 11 ports. In that terminal, each vessel took 80 hours to moor, which is equivalent to more than three days.

PUBLIC PIER – WHEAT - AVERAGE LOAD/UNLOAD RATE

Port	Terminal	Average Load/Unload Rate (u/h)	Average Load/Unload Rate Ranking
Paranaguá	Corex	13.362	1
Fortaleza	Public Pier	7.485	2
Santos	Public Pier	3.551	3
Natal	Public Pier	3.329	4
São Francisco do Sul	Public Pier	3.110	5
Imbituba	Public Pier	3.070	6
Recife	Public Pier	2.163	7
Salvador	Moinho Salvador	2.077	8
Santos	Moinho Santista	2.001	9
Itaqui	Public Pier	1.285	10
Port Alegre	Serra Morena	1.283	11
Port Alegre	CESA	1.171	12
Cabedelo	Public Pier	1.157	13
Belém	Public Pier	993	14
Porto Velho	Public Pier	351	15

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

WATERWAY PROSPECT

PUBLIC PIER – WHEAT – WAITING TIME

Port	Terminal	Average Waiting Time (h/n)	Average Waiting Time Ranking
Cabedelo	Public Pier	0	1
Belém	Public Pier	0	2
Porto Velho	Public Pier	0	3
Salvador	Moinho Salvador	0	4
Port Alegre	Serra Morena	0	5
São Francisco do Sul	Public Pier	3	6
Port Alegre	CESA	8	7
Fortaleza	Public Pier	9	8
Natal	Public Pier	11	9
Recife	Public Pier	12	10
Santos	Moinho Santista	14	11
Santos	Public Pier	22	12
Imbituba	Public Pier	27	13
Paranaguá	Corex	29	14
Itaqui	Public Pier	36	15

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

LEASED/PRIVATELY USED TERMINALS – WHEAT - AVERAGE LOAD/UNLOAD RATE

Port	Terminal	Average Load/Unload Rate (u/h)	Average Load/Unload Rate Ranking
Rio Grande	Tergrasa	16.912	1
Santos	Corex (ADM)	5.610	2
São Francisco do Sul	Terban	5.080	3
Rio Grande	Termasa	4.507	4
Rio Grande	Bianchini	4.094	5
Rio Grande	Bunge	2.400	6

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

WATERWAY PROSPECT

LEASED/PRIVATELY USED TERMINALS – WHEAT - WAITING TIME

Port	Terminal	Average Waiting Time (h/n)	Average Waiting Time Ranking
Rio Grande	Bunge	2	1
Rio Grande	Tergrasa	26	2
Rio Grande	Termasa	33	3
Rio Grande	Bianchini	36	4
São Francisco do Sul	Terban	59	5
Santos	Corex (ADM)	80	6

*Amounts updated by IGP-DI (Dec./05 - Aug./06)

TOTAL AVERAGE PRICE RANGE FOR CONTAINERS

The average prices of the port services dropped in all container terminals in the Country in the period from 2001 to 2005. The Container Terminal (Tecon) of Salvador has shown a 63.31% drop the highest among all those surveyed: there, the average price dropped from R\$ 533,09 per container unit in 2001, to R\$ 195,57 in 2005.

The smallest drop was on account of Super Terminais of Manaus: from R\$ 464,89, in 2001, to R\$ 407,54, in 2005, a 12.34% decrease. But the highest amount was charged in the public pier in the Port of Vila do Conde (PA), where the average price in 2005 was R\$ 499,99 per unit, a 144.8% increase regarding 2007, when the average was R\$ 232,77.

The four highest price drops in the period from 2001 to 2005, except the price drop in Salvador Tecon were evidenced in Tecon of Santos (57.74%), in the Public Pier at the Port of São Francisco do Sul, in SC (55.60%), in the Public Pier of Santos (50.74%) and in Tecon of Suape (46.44%).

The four lowest price drops in the period from 2001 to 2005, except Manaus' Super Terminais price drop, were reported in TCP – Paranaguá Containers Terminal (21.84%), in the Public Pier of Belém (22.60%), in Terminal of Libra, in RJ (28.34%) and in the terminal MultiRio (35.39%).

The five lowest prices in Brazil, in 2005 were reported in the Public Pier of Natal (R\$ 184,37), in Tecon of Salvador (R\$ 195,57), in Tecon of Santos (R\$ 218,51), in Teconvi of Itajaí, in SC (R\$ 227,15) and in the Public Pier of São Francisco do Sul in SC (R\$ 230,44). The five highest prices were those reported in the Public Pier of Vila do Conde (R\$ 499,99), Super Terminais in Manaus (R\$ 407,54), TCP of Paranaguá (R\$ 381,64), the Public Pier of Belém (R\$ 377,03) and Terminal Chibatão, in Manaus (R\$ 335,52).

WATERWAY PROSPECT

TOTAL AVERAGE PRICES – CONTAINERS MOVEMENT

	Terminal	2001		2002		2003		2004		2005		Range in 2001-2005
		R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$	
MANAUS	Chibatão	-	-	-	-	-	-	348,00	161,48	335,52	155,69	-
MANAUS	SNPH (Public Pier)	451,55	29,53	450,32	208,96	296,29	137,49	272,04	126,23	248,79	115,44	44,90
MANAUS	Super Terminais	464,89	215,72	414,09	192,15	296,61	137,63	322,27	149,54	407,54	189,11	12,34
SALVADOR	Public Pier	427,78	198,49	304,57	141,33	221,56	102,81	236,85	109,90	235,93	109,48	44,85
SALVADOR	Tecon	533,09	247,36	403,96	187,44	-	-	221,30	102,69	195,57	90,75	63,31
FORTALEZA	Public Pier	467,92	217,12	406,61	188,67	262,29	121,71	279,64	129,76	293,47	136,17	37,28
VITÓRIA	TVV	523,98	243,13	378,17	175,48	340,42	157,96	314,91	146,12	-	-	-
BELÉM	Public Pier	487,10	226,02	399,67	185,45	-	-	371,25	172,27	377,03	174,95	22,60
VILA DO CONDE	Public Pier	-	-	-	-	-	-	232,77	108,01	499,99	232,00	-
RECIFE	Public Pier	475,41	220,60	-	-	205,50	95,36	500,64	232,31	-	-	-
SUAPE	Tecon	465,27	215,89	458,09	212,56	364,42	169,09	287,13	133,23	249,21	115,64	46,44
PARANAGUÁ	TCP	488,27	226,57	354,26	164,38	325,98	151,26	368,06	170,79	381,64	177,09	21,84
ITAGUAÍ	Tecon	-	-	406,61	188,67	374,77	173,90	23,72	107,06	-	-	-
RIO DE JANEIRO	Libra	445,41	206,68	312,24	144,88	335,07	155,48	319,85	148,42	319,16	148,10	28,34
RIO DE JANEIRO	MultiRio	480,80	223,10	360,51	167,28	360,40	167,23	292,89	135,90	310,65	144,14	35,39
NATAL	Public Pier	-	-	-	-	-	-	-	-	184,37	85,55	-
RIO GRANDE	Tecon	546,98	253,81	408,80	189,69	415,74	192,91	283,84	131,71	324,65	150,64	40,65
IMBITUBA	Public Pier	-	-	-	-	-	-	250,69	116,33	284,55	132,04	-
ITAJAÍ	Public Pier	-	-	-	-	-	-	-	-	270,76	125,64	-
ITAJAÍ	Teconvi	511,59	237,39	375,23	174,11	285,03	132,26	280,72	130,26	227,15	105,40	55,60
S. FCO DO SUL	Public Pier	424,38	196,92	405,32	188,07	276,74	128,41	236,69	109,83	230,44	106,93	45,70
SANTOS	Public Pier	605,50	280,96	401,89	186,48	302,93	140,57	369,41	171,41	298,25	138,39	50,74
SANTOS	Cosipa	433,46	201,13	402,39	186,72	310,10	143,89	401,62	186,36	-	-	-
SANTOS	Libra (T35)	-	-	-	-	265,08	123,00	224,64	104,23	280,02	129,93	-
SANTOS	Libra (T37)	-	-	-	-	329,13	152,72	264,60	122,78	292,29	135,63	-
SANTOS	Tecon	517,10	239,94	433,91	201,34	386,98	179,57	262,87	121,98	218,51	101,39	57,74
SANTOS	Tecondi	441,45	204,84	411,55	190,96	312,53	145,02	363,24	168,55	-	-	-

Basic data sources: ANTAQ field research
 Amounts updated by IGP-DI (December of each year to August 2006)
 Average US Dollar rate in August 2006: US\$ 1.00 = R\$ 2,1551
 The Port of Vitória (TVV) is in the course of receiving the data

WATERWAY PROSPECT

TOTAL SOY-BEAN AND BRAN PRICE RANGE

In the terminals moving soy-bean and bran the average prices of the port services also dropped from 2001 to 2005. The sharpest drop in the period was 52.97% reported in Corex, which a pier specialized in solid bulk materials in the Port of Paranaguá, where the prices dropped from R\$ 10,50 per ton of soy-bean and bran to R\$ 4,94. It is the lowest price in Brazil. The Terminal of Cargill, located in the Port of Santos, presented the second highest decrease in the period (50.95%), when the average price of the services dropped from R\$ 13,14 to R\$ 6,45.

The lowest drop in the period was 2.95%, seen in the public pier of São Francisco do Sul (SC), where from 2001 to 2006 the average price dropped from R\$ 8,90 to R\$ 8,64. The second lowest drop was 7.82% in the Terminal Bianchini, in the Port of Rio Grande (RS), when in the period from 2001 to 2005 the average price dropped from R\$ 10,66 to R\$ 9,83.

In the ranking of the terminals per average price in 2005, in ascending order (from the cheapest to the most expensive), Corex of Paranaguá ranked first (R\$ 4,94), Cargill Terminal in Santos, ranked second (R\$ 6,45), the Public Pier of São Francisco do Sul ranked third (R\$ 8,64), Terminal Bianchini in the Port of Rio Grande, ranked fourth (R\$ 9,83) and Teaçú 2 in the Port of Santos ranked last (R\$ 10,27).

TOTAL AVERAGE PRICES - SOY-BEAN AND BRAN MOVEMENT

Port	Terminal	2001		2002		2003		2004		2005		Range in 2001-2005
		R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$	R\$	US\$	
PARANAGUÁ	Public Pier	-	-	-	-	-	-	10,98	5,10	-	-	-
PARANAGUÁ	Corex	10,50	4,87	8,05	3,73	13,36	6,20	11,65	5,40	4,94	2,29	-52,97
RIO GRANDE	Bianchini	10,66	4,95	7,49	3,47	4,18	1,94	4,06	1,88	9,83	4,56	-7,82
RIO GRANDE	Bunge	-	-	-	-	-	-	10,19	4,73	-	-	-
RIO GRANDE	Tergrasa	-	-	-	-	7,03	3,26	5,85	2,72	-	-	-
RIO GRANDE	Termasa	-	-	4,63	2,15	12,93	6,00	7,42	3,44	-	-	-
S. FCO DO SUL	Public Pier	8,90	4,13	6,25	2,90	-	-	4,74	2,20	8,64	4,01	-2,95
SANTOS	Cargill	13,14	6,10	8,98	4,17	7,54	3,50	5,78	2,68	6,45	2,99	-50,95
SANTOS	Corex	12,95	6,01	9,36	4,34	6,36	2,95	4,69	2,17	-	-	-
SANTOS	Teaçú 2	-	-	-	-	6,92	3,21	7,87	3,65	10,27	4,77	-
SUAPE	Tecon	465,27	215,89	458,09	212,56	364,42	169,09	287,13	133,23	249,21	115,64	-46,44
PARANAGUÁ	TCP	488,27	226,57	354,26	164,38	325,98	151,26	368,06	170,79	381,64	177,09	-21,85

Basic data sources: ANTAQ field research
 Amounts updated by IGP-DI (December of each year to August 2006)
 Average US Dollar rate in August 2006: US\$ 1.00 = R\$ 2,1551

WATERWAY PROSPECT

ATTRACTIVENESS INDEXES

This index comprises three variables, namely: port services prices, average load/unload rate and average waiting time for mooring vessels. It was computed attributing to each one of these grades of five to ten points and extracting at the end, the arithmetic mean of the tree grades.

The index measures the attractiveness that each port/ terminal exerts on the users. The ranking for the surveyed ports/ terminals referring the movement of containers, soy-bean, bran and wheat is presented in the tables below.

CONTAINERES MOVEMENT - PUBLIC PIERS

PRICES X AVERAGE LOAD/UNLOAD RATE X AVERAGE WAITING TIME - 2005

Port	Terminal	Price	Average P.	Average T.	Index	Ranking
		R\$	u/h	h/n	(5-10)	
Salvador	Public Pier	235,93	13	0	9,4	1
Manaus	SNPH	248,79	12	0	9,2	2
São Fco do Sul	Public Pier	230,44	18	19	9,1	3
Santos	Right Bank	298,25	13	7	8,7	4
Imbituba	Public Pier	284,55	11	5	8,6	5
Fortaleza	Public Pier	293,74	9	5	8,3	6
Belém	Public Pier	377,03	4	0	7,4	7
Itajaí	Public Pier	270,76	12	37	7,4	8
Vila do Conde	Public Pier	499,99	5	3	6,7	9

WATERWAY PROSPECT

CONTAINERES MOVEMENT – LEASED TERMINALS

PRICES X AVERAGE LOAD/UNLOAD RATE X AVERAGE WAITING TIME – 2005

Port	Terminal	Price	Average P.	Average T.	Index	Ranking
		R\$	u/h	h/n	(5-10)	
Santos	Tecon	218,51	33	13	9,0	1
Salvador	Tecon	195,57	18	0	8,9	2
Santos	Libra (T37)	292,29	32	10	8,5	3
Santos	Libra (T35)	280,02	27	10	8,2	4
Rio de Janeiro	Libra	319,16	18	1	7,9	5
Rio de Janeiro	MultRio	310,65	17	1	7,9	6
Suape	Tecon	249,21	14	5	7,9	7
Rio Grande	Tecon	324,65	27	14	7,6	8
Manaus	Chibatão	335,52	10	0	7,2	9
Manaus	Super Terminais	407,54	17	0	7,2	10
Itajaí	Teconvi	227,15	20	25	7,1	11
Paranaguá	TCP	381,64	23	11	7,1	12

CONTAINERES MOVEMENT - BEAN AND BRAN

PRICES X AVERAGE LOAD/UNLOAD RATE X AVERAGE WAITING TIME – 2005

Port	Terminal	Price	Average P.	Average T.	Index	Ranking
		R\$	u/h	h/n	(5-10)	
Paranaguá	Corex	4,94	14.754	66	8,7	1
São Fco do Sul	Public Pier	8,64	15.475	90	7,2	2
Santos	Cargill	6,45	9.932	82	7,1	3
Rio Grande	Bianchini	9,83	5.161	8	6,8	4
Santos	Teaçu 2	10,27	5.340	67	5,5	5

WATERWAY PROSPECT

WHEAT MOVEMENT - PUBLIC PIER

PRICES X AVERAGE LOAD/UNLOAD RATE X AVERAGE WAITING TIME – 2005

Port	Terminal	Price	Average P.	Average T.	Index	Ranking
		R\$	u/h	h/n	(5-10)	
Paranaguá	Corex	3,44	13.362	29	8,7	1
Fortaleza	Public Pier	6,36	7.485	9	8,4	2
Salvador	Moinho Salvador	7,98	2.077	0	7,8	3
Natal	Public Pier	6,72	3.329	11	7,7	4
Belém	Public Pier	9,16	993	0	7,5	5
Recife	Public Pier	8,97	2.163	12	7,1	6
São Fco do Sul	Public Pier	13,14	3.110	3	7,1	7
Santos	Public Pier	9,79	3.551	22	6,7	8
Imbituba	Public Pier	9,55	3.070	27	6,5	9
Santos	Moinho Salvador	14,70	2.001	14	6,2	10
Itaqui	Public Pier	14,91	1.285	36	5,0	11

WHEAT MOVEMENT - LEASED TERMINALS

PRICES X AVERAGE LOAD/UNLOAD RATE X AVERAGE WAITING TIME – 2005

Port	Terminal	Price	Average P.	Average T.	Index	Ranking
		R\$	u/h	h/n	(5-10)	
Rio Grande	Tergrasa	4,88	16.912	26	10,0	1
Rio Grande	Termasa	6,10	4.507	33	7,9	2
Rio Grande	Bianchini	6,42	4.094	36	7,7	3
Santos	Corex	6,19	5.610	80	6,6	4
São Fco do Sul	Terban	12,11	5.080	59	5,8	5

WATERWAY PROSPECT

TOTAL WHEAT AVERAGE PRICES RANGE

In the terminals moving wheat there was also a drop in the average prices of the port services from 2001 to 2005. The highest drop was 63.15% reported in Terminal Moinho Santista, in the Port of Rio de Janeiro, where the price dropped from R\$ 30,12 per ton of wheat to R\$ 11,10. But the lowest price in Brazil is of the public pier specialized in solid bulk materials in the Port of Paranaguá, the Corex terminal, where the price per ton of moved soy-bean is only R\$ 3,44. The terminal Corex (leased) located in the Port of Santos presented the second highest decrease in the period (55.98%) when the average price of the services dropped from R\$ 14,07 to R\$ 6,19.

The smallest drop in the period was 8.66% reported in the public pier of São Francisco do Sul (SC), where from 2001 to 2005 the average price dropped from R\$ 14,38 to R\$ 13,14. The second lowest drop was R\$ 13,64 in Termasa terminal, in the Port of Rio Grande (RS), when in the period from 2001 to 2005 the average price dropped from R\$ 7,07 to R\$ 6,10.

In the ranking of the terminals per average price in 2005, in ascending order (from the cheapest to the most expensive), Corex of Paranaguá ranked first (R\$ 3,44), Tergrasa terminal, in the Port of Rio Grande (RS), ranked second (R\$ 4,88), Termasa terminal, also in the Port of Rio Grande ranked third (R\$ 6,10); Corex terminal (leased) in the Port of Santos ranked four (R\$ 6,19) and the public pier in the Port of Fortaleza ranked fifth (R\$ 6,36).

GENERAL CARGO DISTRIBUTION PER PORT IN 2005

The Port of Santos (SP) reported the highest general cargo movement in the country, by reaching 29,205,293 tons in 2005 or 31.48% of the 92,778,249 moved tons in the Brazilian port system. Paranaguá (PR) was responsible for 8.06% after moving 7,476,998 tons in the period. All the other highlights in that sector were the ports of Itajaí (SC) and Rio Grande (RS) and the privately used terminals located in Praia Mole, all above the 6 million tons moved in 2005, above 6% of the national total amount. Rio de Janeiro and the privately used terminals of Barra do Riacho (ES) exceeded 5 million tons a year.

Adding the quantities carried in liquid bulk material and solid bulk material, the ports of the Country reached 645,900,490 tons moved in 2005.

WATERWAY PROSPECT

GENERAL CARGO DISTANCE DISTRIBUTION PER PORT IN 2005
Quantity Moved and Share Percentage upon the Total National Amount



LIQUID BULK MATERIAL

The Brazilian ports have moved in 2005 a total of 160,318,309 tons of liquid bulk materials (fuels, solvents, vegetal oils, etc.). The Port of São Sebastião (SP)* was the one that moved the most, 47,248,708 tons or 29.49% of the total. The port of Aratu in the state of Bahia was responsible for 15.89% of the national total amount, 25,454,768 tons. The ports of Angra dos Reis (RJ)* and Santos (SP) were listed in the range of 13 million tons, representing each one of them, more than 8% of the total liquid bulk materials movement.

* The bulk material moved in the ports of São Sebastião and Angra dos Reis is, in fact, a movement of the privately used terminals of TRANSPETRO (TEBAR and TEBIG), since the mentioned ports do not yield such products in significant amounts.

WATERWAY PROSPECT

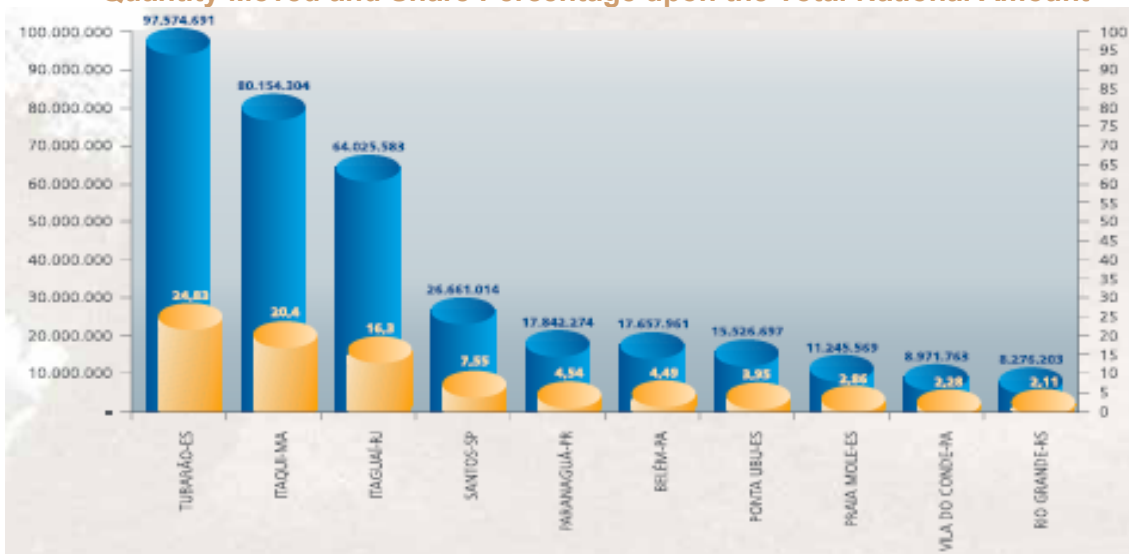
LIQUID BULK MATERIAL DISTANCE DISTRIBUTION PER PORT- 2005
Quantity Moved and Share Percentage upon the Total National Amount



SOLID BULK MATERIAL

The solid bulk materials (iron ore, soy-bean, wheat, etc.) which have passed through the Brazilian ports in 2005, totaled 392,903,932 tons. 24.83% of that total or 97,574,691 tons were moved in the privately used terminal of Tubarão (ES). The port complex of Maranhão was the next, with 80,154,304 tons or 20.41% of the total. The port complex of Itaguaí (RJ) moved more than 16% of the national total, reaching 64,025,583 tons. The port of Santos achieved 7.55% of the total, having moved 26.6 million tons in 2005.

SOLID BULK MATERIAL DISTANCE DISTRIBUTION PER PORT - 2005
Quantity Moved and Share Percentage upon the Total National Amount

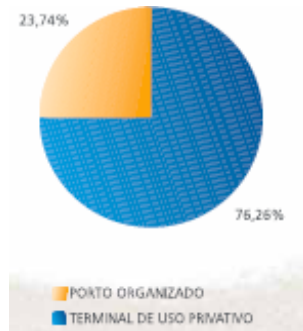


WATERWAY PROSPECT

SHARE PERCENTAGES

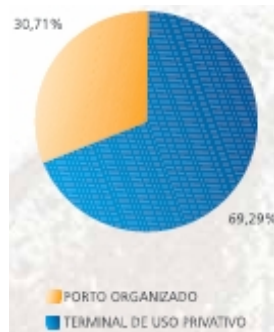
The privately used terminals available in Brazil are accountable for approximately two thirds of the cargo movement in the Country. They account for 69.29% of the solid bulk materials movement, while the organized ports move 30.71%. Regarding liquid bulk materials and general cargo, the terminals share rises to 76.26% leaving 23.74% to the organized ports.

MOVEMENT SHARE PER TYPE – LIQUID BULK MATERIAL



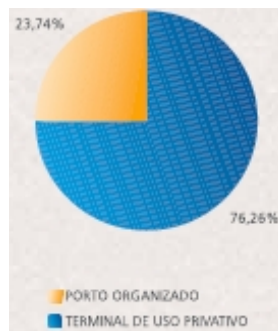
Captions: Organized Port / Privately Used Terminal

MOVEMENT SHARE PER TYPE – SOLID BULK MATERIAL



Captions: Organized Port / Privately Used Terminal

MOVEMENT SHARE PER TYPE – GENERAL CARGO

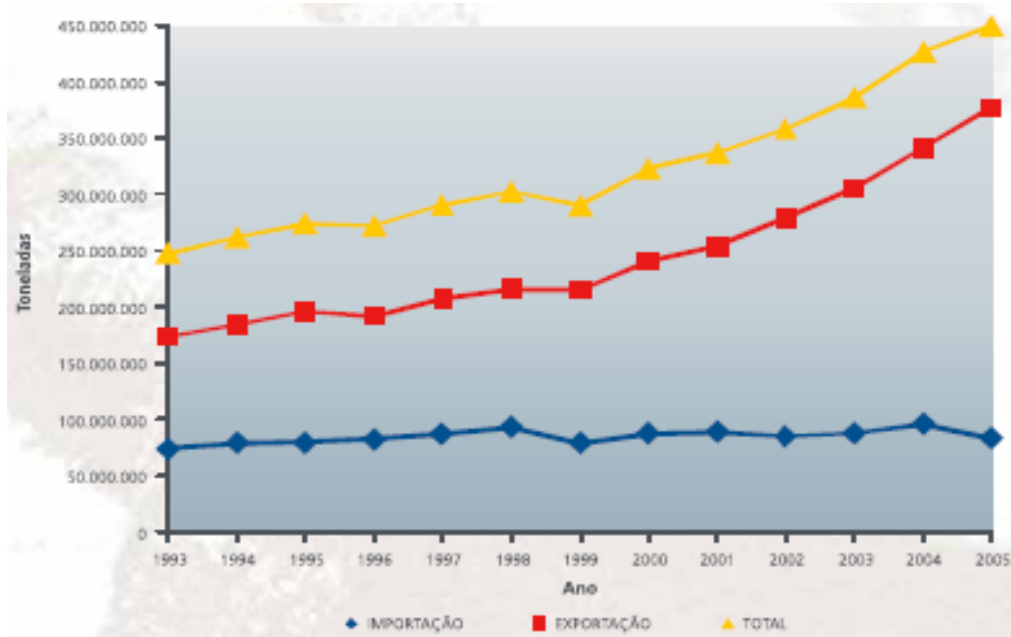


Captions: Organized Port / Privately Used Terminal

WATERWAY PROSPECT

EXPORTS ALMOST DOUBLED IN TEN YEARS

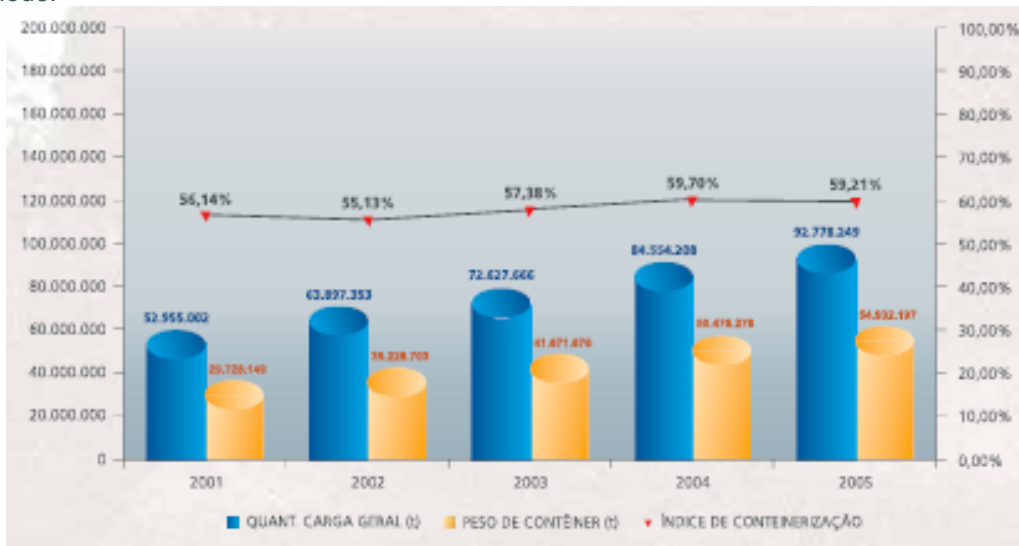
The movement of goods in the Brazilian ports shows that while the imports remained almost stable, having also decreased in 2005, the exports practically doubled in the last ten years. The country exported 79 million tons in 1995 and exceeded the mark of 390 million tons in 2005, considering only the movement in the ports. The growth in that period was 97%.



Captions: Tons / Imports / Exports / Total

THE GROWING CONTAINER USE

The option of carrying cargo conditioned in containers has been increasing since 2002 and in 2005 it has reached 54,932,197 tons, which is equivalent to 59.21% of what is carried as general cargo. Four years ago, the containerizing rate was 55.13% when 35,228,703 tons were carried in that mode.



Captions: General cargo quant. / Container weight / containerizing rate

**REGIONAL
DISTRIBUTION OF THE
BRAZILIAN
AUTHORIZED
SEA AND SUPPORT
NAVIGATION
COMPANIES
(EBNs)**

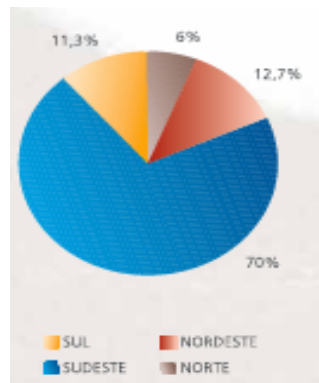
WATERWAY PROSPECT

REGIONAL DISTRIBUTION OF THE BRAZILIAN AUTHORIZED SEA AND SUPPORT NAVIGATION COMPANIES (EBNs)

Since ANTAQ's installation in February 2002 until August 2006 the Agency has licensed 150 EBNs acting in the long cruise navigation, coastal navigation, port support, dredging port support and sea support, an annual average of 38 new licensed EBNs. The list of companies is available at the www.antaq.gov.br Internet site.

The Brazilian region having the highest number of new EBNs was the Southeastern region, with 105 or 70% of the total number. The Northeastern region obtained 19 grants (12.7%) and the Southern States were granted 17 or 11.3%. 9 new EBNs were licensed in the Northern region, or 6% of the total number.

EBNs - REGIONAL DISTRIBUTION



Captions: South / Northeast / Southeast / North

PER TYPE

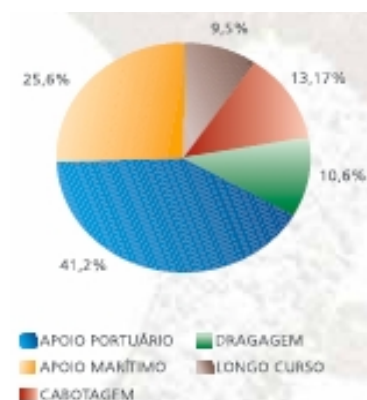
As to the distribution per navigation type, there were cases of companies which in the same grant document received permits to act in more than one mode. In that case, the count goes up to 199 permits, of which 41.2% of the total or 82 were directed to the port support – a navigation solely performed in the ports and terminals to serve vessels and port facilities.

Other 51 permits or 25.6% of the total number were granted to companies working with sea support – a navigation mode performed in national territorial waters and in the Economic Zone for the logistic support to vessels and facilities involved in the research and mining of minerals and hydrocarbons. Therefore, the support navigation activities participated with 66.8% of the total 199 permits granted to the new 150 EBNs approved by ANTAQ in the last five years.

Of the total number of permits, 13.1% (26) were granted for actuation in coastal navigation – navigation performed among ports or points in the Brazilian territory. 21 permits (10.6%) were also granted to companies interested in performing the dredging – a procedure to remove waste (sand, mud, debris, etc.) accumulated on the bottom of the rivers and seas. The 19 remaining permits (9.5%) were granted to companies who intended to act in long cruise navigation - a navigation performed among Brazilian and foreign ports.

WATERWAY PROSPECT

EBNs PER NAVIGATION TYPE



Captions: Port Support / Dragging / Sea Support / Long Cruise / Coastal Navigation

TYPE X REGION

The distribution per navigation type of the 199 permits granted to the 150 new EBNs was most balanced in the Southeast Region: the port support contributed with 35.5%, the sea support with 28.9%, followed by the coastal navigation, dredging and long cruise navigation, respectively with 13.7%, 12.4% and 9.5% of the total number. In all the other regions, the port support navigation reached more than one half of the permits: 53.8% in the Northeastern region, 69.5% in the Southern region and 58.3% in the Northern Region.

The sea support navigation reported 19.2% of the permits for new EBNs in the Northeastern States, 8.9% in the South and 25% in the North Region. The coastal navigation reached 11.6% of the permits in the Northeastern region, 8.8% in the South and 8.4% in the Northern states. In its turn, dredging represented 11.5% of the permits in the Northeast and 4.4% in the South. There is no report of dredging permits in the North Region. Finally, the long cruise navigation participated with 3.9% of the permits granted in the Northeast region, 8.4% in the South and 8.3% in the Brazilian Northern region.

PROCESSED CHARTERS (PERMITS/RECORDS)

From January 1st to August 31, 2006 ANTAQ processed a total number of 10,925 charters in the Long Cruise, Coastal Navigation, Sea Support and Port Support Navigation. Of that total the coastal navigation was accountable for more than one half: it reached 58% with 6,343 charters. 3,784 (34.7%) charters were processed for the long cruise navigation, 714 charters for the sea support navigation (6.5%) and 84 charters were processed for the port support navigation (0.8%).

In the same period, the charter per distance – a mode in which a certain distance in a vessel is chartered – was the mode with the highest number of processed charters, 6,757 or 61.8 % of the total. The charter per time – it is a mode by which a vessel already commissioned and manned is chartered for a certain time, reached 2,477 charters or 22.8% of the total number. Per trip – a charter of a vessel already manned for cargo carriage in a travel reached 1,613 charters or 14.7% of the total number. And the bareboat freightage – a mode by which a vessel is chartered for a certain period, with the right to designate the master and the crew, reached 78 charters or 0.7% of the total number.

WATERWAY PROSPECT

PROCESSED CHARTER – PER MODE

Year	Per Time					Bareboat					Per Trip					Per Distance				
	LC	C	AM	AP	Total	LC	C	AM	AP	Total	LC	C	AM	AP	Total	LC	C	AM	AP	Total
2003	277	112	134	16	539	2	0	0	0	2	242	91	0	0	333	298	1348	0	0	1646
2004	297	163	169	15	644	7	6	1	1	15	288	90	0	0	378	422	1672	0	0	2094
2005	269	205	195	20	689	7	6	9	6	28	392	139	0	0	531	510	1276	0	0	1786
2006	238	155	190	22	605	7	6	16	4	33	276	95	0	0	371	252	979	0	0	1231
Total	1081	635	688	73	2477	23	18	26	11	78	1198	415	0	0	1613	1482	5275	0	0	6757

LC – Long Cruise Navigation; C – Coastal Navigation; AM – Sea Support Navigation; AP – Port Support Navigation

PER MODE

Most of the time charters, 436.7% of the total number (1,081) was processed by the long cruise navigation. The sea support navigation was accountable for 27.8% (688) of the charters, the coastal navigation was accountable for 25.5% (635) of the charters, and the port support navigation was accountable for 3.0% (73) of the time charters performed from January 1st 2003 to August 31, 2006.

The highest number of bareboat charters was on account of the sea support navigation with 33.4% of the total (26) processed. The long cruise navigation accounted for 29.4% (23), the coastal navigation with 23% (18) and the port support navigation with 14.2% (11).

The long Cruise navigation prevailed in the charter mode per travel, with 74.3% (1,198) of the charters. The coastal navigation amounted to 25.7% (415) of the total charters processed. There were no charters per travel in the sea and port support navigations in the period.

The coastal navigation was the type of navigation that used most the charters per distance, with 78% (2,275) of the total number processed. As to the long cruise navigation, it participated with 22% (1,482) of the total number of processed charters. There was no charter per distance in the sea and port support navigations in the period.

Within the period at issue the charters average was 2,731 per year. The annual average of mode charters was 1,689 per distance, 619 per time, 403 per travel and 19 bareboat charters. As to the annual average per navigation type, it was 1,585 charters in the coastal navigation, 946 in the long cruise navigation, 178 in the sea support navigation and 21 in the port support navigation.

PROCESSED CHARTER – MODE/YEAR

Mode	2003					2004					2005					2006					Total				
	LC	C	AM	AP	Total	LC	C	AM	AP	Total	LC	C	AM	AP	Total	LC	C	AM	AP	Total	LC	C	AM	AP	Total
Per time	277	112	134	16	539	297	163	169	15	644	269	205	195	20	689	238	155	190	22	605	1081	635	688	73	2477
Bareboat	2	0	0	0	2	7	6	1	1	15	7	6	9	6	28	7	6	16	4	33	23	18	26	11	78
Per travel	242	91	0	0	333	288	90	0	0	378	392	139	0	0	531	276	95	0	0	371	1198	415	0	0	1613
Per distance	298	1348	0	0	1646	422	1672	0	0	2094	510	1276	0	0	1786	252	979	0	0	1231	1482	5275	0	0	6757
Total	819	1551	134	16	2520	1014	1931	170	16	3131	1178	1626	204	26	3034	773	1235	206	26	2240	3784	6343	714	84	10925

LC – Long Cruise Navigation; C – Coastal Navigation; AM – Sea Support Navigation; AP – Port Support Navigation

WATERWAY PROSPECT

SELF-OWNED FLEET

The Brazilian sea and support navigation fleet comprises 799 vessels, in average 19 years old and total carriage capacity of 3,906,090 gross freight ton (TPBs). The oil tankers and the bulk carriers represent only 9% (72) of the vessels number, but they account for 68.37% of the full capacity (2,671,264 TPBs). On the other hand, the boats and the towboats/ pusher tugs totalize 53.56% (428) of the total vessels, but they only account for 1.15% of the full carriage capacity (45,161 TPBs).

Other vessel types worth being pointed out for the cargo worth are the container-holder vessels, six of which (0.76%) are in Brazil, accounting for 3.65% (142,816 TPBs) of the added capacity; and the roll-on/roll-off vessels, used in the automobile carriage, which are five (0.62%), with 2.87% (112,280 TPBs) of the national fleet carriage capacity.

The five vessels with the highest TPB – the oil tankers, the bulk carriers, the barges, the container-holders and the cargo vessels – represent when added 16.88% or 135 units comprising 83.14% of the Brazilian fleet carriage potential.

BRAZILIAN FLEET - SEA AND SUPPORT NAVIGATION

VESSEL	QTY.	%	TOTAL TPB	%	AVERAGE AGE
RAFT	42	5,25	104.177	2,66	7
BARGE	50	6,25	320.710	8,21	26
HOIST/CRANE	6	0,76	1.683	0,04	16
CARGO VESSEL	7	0,87	113.329	2,91	34
SCOW	47	5,88	15.243	0,39	38
DRAG BOAT	47	5,88	111.262	2,84	30
FREEZER BOAT	2	0,26	3.838	0,09	21
LPG	12	1,51	81.261	2,08	19
BULK CARRIER	25	3,12	1.163.957	29,79	17
MOTOR-BOAT	139	17,39	1.501	0,04	15
TOW-ROPE HANDLING	4	0,51	1.099	0,03	4
OTHER VESSELS	12	1,51	42.844	1,09	17
PASSENGER/GENERAL CARGO	7	0,87	342	0,08	16
OIL TANKER	47	5,88	1.507.307	38,58	27
CONTAINER-HOLDER	6	0,76	142.816	3,65	16
TOWBOAT/PUSHER TUG	289	36,17	43.660	1,11	13
TOWBOAT/SUPPLY BOAT	3	0,37	2.561	0,06	15
ROLL-ON/ROLL-OFF	5	0,62	112.280	2,87	16
(SUPPLY BOAT	45	5,63	96.163	2,46	10
CHEMICAL TANK	4	0,51	40.057	1,02	24
TOTAL	799	100	3.906.090	100	19

WATERWAY PROSPECT

INSPECTION PROCEEDINGS

From January 1st to September 30, 2006 ANTAQ made inspections in the sea and support navigation area, in average 22.5 proceedings a year. Most of them (53.3% or 48 inspections, in average 12 a year) were motivated by the operation of navigation companies without the Agency license grant.

The four reasons which mostly led to inspection actions, except for the operation of navigation companies without ANTAQ's permit, were as follows: operating regularity for keeping the permit granting; inadequacy of the permit granting to Resolution no. 52; operating situation of the permit granting guarantor vessel and the prescribed cargo carriage performed by a foreign vessel without the due Agency permit. All in all, such reasons represented 25.5% (23) of the total inspection actions.

INSPECTION PROCEEDINGS INITIATED

REASON	NO. OF COMPANIES			
	2003	2004	2005	Oct/2006
Non-adequacy of the permit granting to Resolution no. 52/02-ANTAQ.	-	6	1	-
Operation of navigation companies without permit granting by ANTAQ.	2	25	14	7
Operating situation of ANTAQ's permit granting guarantor vessel.	-	-	4	-
Denunciation by the Federal Income about fiscal and exchange frauds in the sea cargo carriage.	1	-	-	-
Carriage of prescribed cargo performed by foreign vessel without the due permit by ANTAQ.	1	-	2	1
Operation of third flag companies in traffic covered by bilateral agreement.	1	-	1	1
Denunciation of flag coverage to benefit the cargo carriage performed by a foreign navigation company.	1	-	-	-
Irregular operation of a foreign vessel in the coastal navigation.	1	1	-	-
Irregular operation of a foreign company in the coastal navigation.	-	-	1	1
Irregularity in the circularization of the foreign vessel charter order.	-	-	-	1
Foreign vessel operation without the due compliance with <i>Registro Especial Brasileiro – REB</i> in the Sea Court or without any other type of authorized charter.	-	-	3	-
Poor commercial practice of port towing service providers.	1	-	1	-
Inspection in shipyards to check the compliance of the legal conditions required for foreign vessel charter permit replacing the vessel under construction.	1	-	1	-
Regularity in the forwarding of the annual compulsory information for keeping permit granting by ANTAQ.	-	-	2	-
Operating regularity for keeping the permit granting by ANTAQ.	-	-	-	8
Total Inspection Proceedings Initiated	9	32	30	19

Source: ANTAQ -SNA -GGOP -GFM

WATERWAY PROSPECT

CONTENTIOUS ADMINISTRATIVE PROCEEDINGS

From January 1st to September 30, 2006 ANTAQ initiated 45 contentious administrative proceedings, in average 11.3 a year, two thirds of which (30) were proceeded against seaworthy and support navigation companies whose permit grants were already unsuitable regarding Resolution no. 52 of 2002.

The second main reason for the operation of navigation companies without permit granting by ANTAQ, which represented 13.4% of the total contentious administrative proceedings, resulting from violations evidenced during inspection actions.

CONTENTIOUS ADMINISTRATIVE PROCEEDINGS

REASON	NO. OF COMPANIES			
	2003		2003	
Non-adequacy of the permit granting to Resolution no. 52/02-ANTAQ.	-	20	7	3
Operation of navigation companies without permit granting by ANTAQ.	-	1	3	2
Operating situation of ANTAQ's permit granting guarantor vessel.	-	-	1	1
Carriage of prescribed cargo performed by foreign vessel without the due permit by ANTAQ.	-	-	1	-
Operation of third flag companies in traffic covered by bilateral agreement.	-	1	-	-
Irregular operation of a bareboat chartered vessel with flag suspension, in the coastal navigation.	-	-	2	-
Improper operating conditions of the Brazilian vessel operating in international waters.	1	-	-	-
Incident regarding a Brazilian vessel abroad.	-	1	-	-
Poor commercial practice and monopoly in the cargo carriage in the Amazon Basin.	1	-	-	-
Total Contentious Administrative Proceedings Initiated	2	23	14	6

WATERWAY PROSPECT

INLAND NAVIGATION

WATERWAY PROSPECT

COMPANIES NEED AUTHORIZATION BY ANTAQ

The companies operating in the inland navigation also need authorization by ANTAQ. Today, it is estimated that there are approximately 600 companies acting in the sector, most of them not registered in the Agency. In 2007 ANTAQ's goal is to double the number of licenses, 58 currently, and take a long step towards regularization.

According to Alex Oliva, the Inland Navigation Superintendent, the expectation is that next year, the number of licensed companies reaches 100. The superintendent has also informed that *Federação das Empresas de Navegação Marítima, Fluvial, Lacustre e de Tráfego Portuário (Fenavega)* and *Confederação Nacional dos Trabalhadores em Transportes Aquaviário e Aéreo, na Pesca e nos Portos (CONTTMAF)* are ANTAQ partners to reach such goal.

In order to increase the number of Brazilian inland navigation companies (EBNs) ANTAQ shall make the required information available in its internet site so that the entrepreneurs may regularize their situation and start to operate in the longitudinal cargo carriage, in the longitudinal passenger and cargo (mixed) carriage and in crossings.

The Agency makes available in its internet site, ANTAQ's Resolution no. 356/04, approving the rule for granting licenses to explore cargo carriage services in the longitudinal course inland navigation. Besides, the concerned party shall find the standard application to request the license and also the Decree no. 214/98 of the Ministry of Transports, which regulates the passengers and crossing longitudinal transport.

From 2002 to December 2006 ANTAQ has issued 58 grants, being 39 for companies operating in the cargo longitudinal carriage; one for the longitudinal passenger and cargo transport (mixed) and 15 for crossings. Besides, three adequacies to Resolution no. 356 were authorized.

ANTAQ also revealed the number of charters. From 2002 to December 2006 71 were granted, being 14 in the year 2006, 16 in 2005, 15 in 2004, 18 in 2003 and eight in 2002.

Two administrative proceedings were also initiated in the inland navigation. One of them dealt with the denouncement against J.F. Oliveira Ltda for poor commercial practice and monopoly in the cargo carriage in the Amazon fluvial navigation. This proceeding is already withdrawn. A warning penalty was applied to the company.

The second proceeding is checking service rendering practice in an irregular form by a foreign company in Guajará-Mirim/RO. The proceeding is in process.

WATERWAY PROSPECT

LICENSE GRANTS - ANTAQ Inland Navigation

LICENSED COMPANIES	TOTAL	2006*	2005	2004	2003	2002
Cargo Longitudinal	38	15	12**	6	3	2
Passengers and Cargo Longitudinal (Mixed)	1	-	1	-	-	-
Crossings	14	1	7	3	-	3
TOTAL	53	16	20	9	3	5

* Updated until November/2006

** Transportes Bertolini Ltda. gets a new license - Res. 521/05 (it already had Res. 109/03)

** Chibatão Navegação e Comércio Ltda. gets a new license - Res. 522/05 (it already had Res. 253/04)

CHARTERS	TOTAL	2006*	2005	2004	2003	2002
Issued CAAls	71	14**	16	15	18	8

* Updated until November /2006

** 13 charters granted + 1 in review

MORE THAN 650 VESSELS COMPRISE THE FLEET OF COMPANIES LICENSED BY ANTAQ

From 2002 to 2006 ANTAQ licensed 58 operation grants in the inland navigation. According to data updated until December 2006 those companies' fleet is comprised by 667 self-owned vessels. All in all, those vessels weigh 561,341.75 per gross weight (TPB). They are 18 years old in average.

The prevailing vessel in the fleet is the raft: 315 with 394,237.78 TPBs. This type of vessel is 14 years old in average. Secondly, the tugboat/pusher tug appears, with 179 vessels, totalizing 5,706.58 TPBs and 24 years old in average. Way below, we see the barge with 60 vessels, approximately 106,000 TPBs and eight years old in average.

Besides the tugboat/pusher tug, the information on the towboat was also reviewed. Regarding the first type of vessel, 16 towboats were counted with a weight of 419.64 TPBs and 27 years old, in average.

WATERWAY PROSPECT

LICENSED COMPANIES - ANTAQ Inland Navigation

FLEET – Self-owned Vessels

TYPE	QTY.*	TPB	AVERAGE AGE
Raft	315	394.237,78	14,0
Barge	60	106.744,87	8,0
Cargo Vessel	1	133,30	11,0
Flatboat	40	51.397,92	33,0
Pusher tug	45	2.287,76	18,0
Towboat	16	419,64	27,0
Towboat / Pusher tug	179	5.706,58	24,0
Ferry-Boat	2	413,90	11,0
Motor Boat	7	210,80	16,0
Mixed motor boat	1	162,00	2,0
Other vessels	2	270,00	56,0
TOTAL	667	561.341,75	18,6

625 VESSELS IN THE LONGITUDINAL CARGO CARRIAGE

ANTAQ made accounts of 625 self-owned vessels that comprise the fleet of the 53 companies licensed by the Agency to operate in the longitudinal cargo transportation. Only two types of vessel were listed in this type of inland navigation: raft and towboat/pusher tug.

From the 625 vessels, a little over 400 were rafts, totalizing 523,419.08 per gross weight, 13 years old in average. In 2002, there were 54 rafts; in 2003, two more. As to 2004, 23 more were accounted for. In 2005 174 rafts were reported and in 2006, 157 more rafts.

Regarding the towboats/pusher tugs, 215 vessels had been reported until 2006, with approximately 8,000 thousand TPBs and almost 14 years old in average. Four years ago, 8 towboats/pusher tugs were reported. In 2003, two more; in the next year, 30 more vessels of that type; as to 2005, 92 more were accounted for and in 2006 the number reached 83 towboats/pusher tugs.

WATERWAY PROSPECT

ENVIRONMENT

WATERWAY PROSPECT

DEVELOPING AND PRESERVING

In 2007, ANTAQ intends to expand the debate about the environmental issues in the Brazilian ports. The purpose is to develop a port activity, preserving the environment. Therefore, the Agency's idea is to act jointly with the environmental regulating institutions and outline the management and planning instruments so that the port sector grows and the environment is preserved.

This year, ANTAQ's management shall make new covenants with environmental institutions and promote events to help the port community to grow without forgetting the environment. Besides, with the new Agency structure, implanted as of October 19, 2006 it became clear that ANTAQ shall strive even more for the environmental preservation in the Brazilian ports, since the *Gerência de Meio Ambiente* (GMA) [Environment Management] has already been created. The new agency is subordinated to the Ports Superintendence and has Marcos Maia Porto as its leader.

GMA understands that the imposed rules, the actuation of the agents and the environment itself interfere in the upgrading of the port/environment relationship. Besides, that relationship must go through three stages: qualification (environmental licensing), environmental management and environmental planning.

Marcos Maia Porto states that today, there is a significant number of ports licensed by the competent environmental agency and that, therefore, this stage is in its final stage. Very differently from the situation found in the year 1998, which is taken as the initial milestone of the compliance with the environmental conformities by the organized ports and all the other port facilities. Nine years ago, it was seen that the regulation of the port activities involving environmental issues was not consolidated. Such fact led to the proclamation of the Port Environmental Agenda to conduct Federal actions with the ports.

Therewith, the regulation process has been perfected due to a set of rules, arranged in the form of laws, decrees and resolutions of *Conselho Nacional do Meio Ambiente (Conama)*, all of them proclaimed after the Agenda. Examples in that aspect are the conformities regarding the management plan of solid wastes, the Individual Emergency Plan (PEI), the environmental audit, the dredged material management, among others. Before the Agenda, the licensing basis consisted only in accomplishing the Environmental Control Plan (PCA).

Besides the licensing process, the environmental nuclei were also developed and are present in most ports. From them there is a qualification project in course of all port agents so that the ports work and at the same time, preserve the environment. ANTAQ and the Ministry of Environment have participated in a special form, of such courses' organization. In 2006, the qualification was already made in Paranaguá/PR, Vitória/ES, Salvador/BA, Aratu/BA, Fortaleza/CE and Pecém/CE. This year, the courses shall continue.

The second improvement stage of the port/environment relationship deals with the environmental management, which is under way. This stage consists of the implantation of institutional, organizational and technical nature instruments, directed to the environmental compliance. According to the GMA, the big ports are already completing the implantation of that management system and that is being closely followed up by ANTAQ.

According to Maia Porto, it is important now that the third stage – environmental planning - is sought. This new task demands, for example, the establishment of formal commitments of the public port institutions, by means of internal and external environmental agendas. According to the Environment Manager, tasks and terms to be complied with must be set. Upon receiving by decree a set of natural resources to be used for the cargo transit, the port administrations should have those resources record (inventory), know their condition (the evaluation) and from there, prepare a handling map (use) according to a Development and Zoning Plan – PDZ of the activity. The integration of that handling with the PDZ is indispensable. This is the big challenge after the environmental qualification.

WATERWAY PROSPECT

ARTICLE

WATERWAY PROSPECT

THE LOSS OF FOREIGN CURRENCY BY THE USE OF FOREIGN MERCHANT SHIPS

Antonio Carlos Firmino
Technical Advisor/ANTAQ

In 1991 the freights conference ended, which assured a market reserve. The primacy of foreign companies in the generation of freights is ancient. It started in 1982 with a 52.8% share growing since then. Law No. 9.432/1997 devoted the Brazilian long course market for the foreign companies, allowing the free access to the transportation of the Brazilian foreign trade goods.

The entry of foreign companies in the Brazilian international navigation commerce was a predominant factor for the almost annihilation of the national merchant fleet, in spite of the strong performance of the Brazilian foreign trade which since 2004 has generated high freight amounts in the order of US\$ 8 million.

However, this situation has not been favorable in terms of foreign currency generation. The sea carriage has been presenting a negative balance in the Brazilian Balance of Payments (Banco Central). In the last four years, the average deficits reached US\$7 million.

This situation is the consequence of international principles ruling the Balance of Payments. The freights generated by foreign companies' vessels, most of them deriving from exports, are not recorded as foreign currency entry, since they are coped with by non-residents. The foreign currencies derived from freights of goods exported by Brazilian companies are in small amounts. The imports of foreign companies are deemed expenses, while the imports of Brazilian companies are not computed (as for example is the case of Petrobras' imports).

In the Brazilian case, from a certain point of historic balance on, a virtual loss of foreign currency started to exist. This market space started to be occupied in a real form by the foreign companies.

The historic point of balance was checked from 1970 to 1984: the average share of the foreign company in the total freight generation was 52.5%. Potential losses of US\$ 3.7 billion are estimated in 2005. Such freight amounts, given as virtual losses, may be considered as high. The main cause of that are the exports, performed by foreign navigation companies.

It should be noted that the estimated virtual losses are higher than the effective accountancy of the Brazilian Balance of Payment, that is, US\$3.9 billion, against only US\$7 million. Some specialists claim losses in the order of US\$8 billion, corresponding to the total of generated freights. There are mistakes there: the total of freights has nothing to do with the balance of foreign currency – the foreign competition is an inevitable market condition; the international criteria are neither mentioned. In any event, the virtual losses estimated for 2005 are expressive ones: they represent 8.8% of the Balance of Trade.

In US\$ million in average prices, in 2004.

Discrimination	Balance of Trade in 2005	Virtual Loss in 2005	Loss / Balance of Trade in 2005
Balance	44,798	3,925	8.8%

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