

LOGISTICS INVESTMENT PROGRAM 2015-2018



Why Increase Infrastructure Investment?

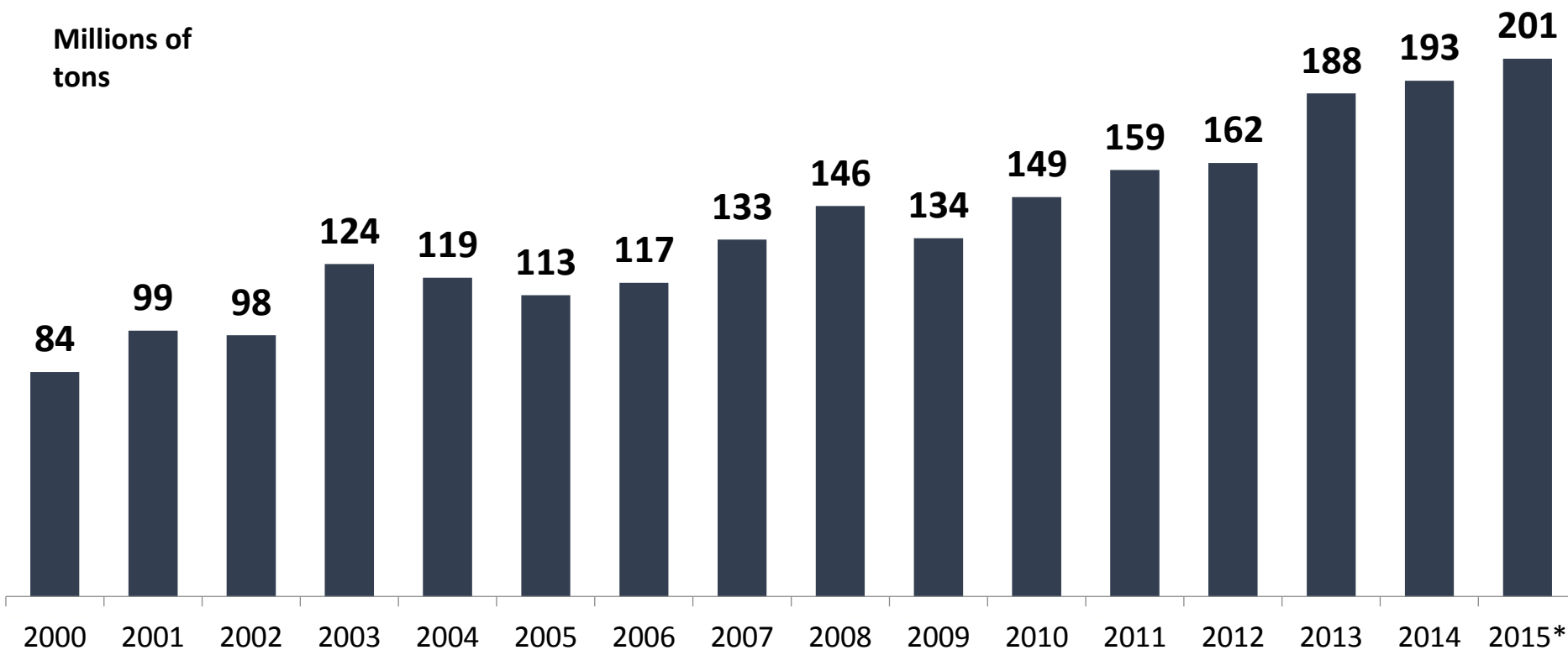
INVESTMENT IN INFRASTRUCTURE

- **Foster regional integration**
- **Increase economy competitiveness and expand exports**
- **Efficiently transport increasing agriculture production**
- **Reduce logistics cost for industry**
- **Meet growth of national and international travel**

GRAIN PRODUCTION GROWTH

Growth 2000-2014: 129,8%
Average Annual Growth 2000 - 2014: 6,2%

Millions of
tons

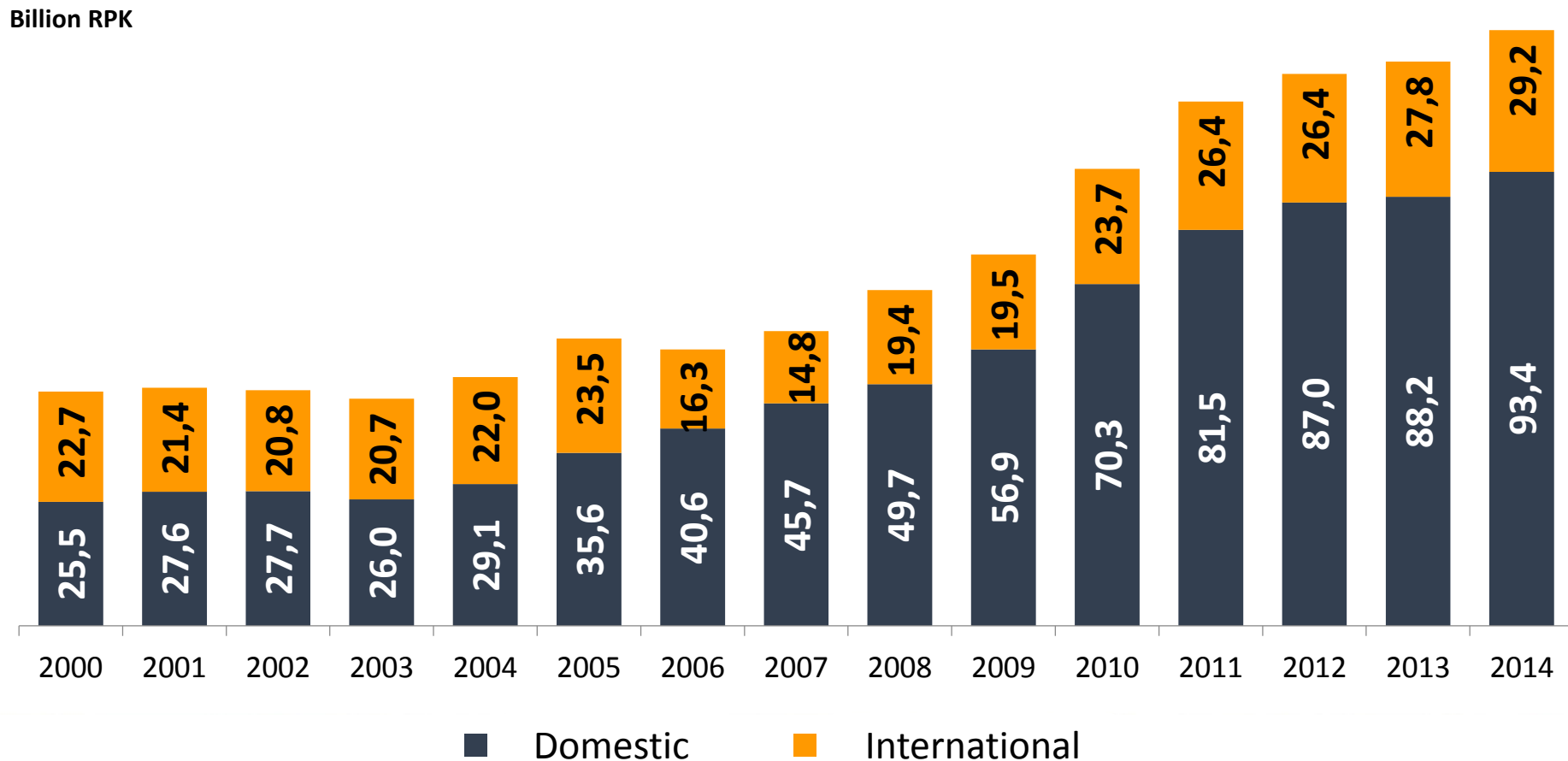


Source: IBGE.

*/ Projected from estimates from April/2015.

AIR TRAVEL PASSENGERS

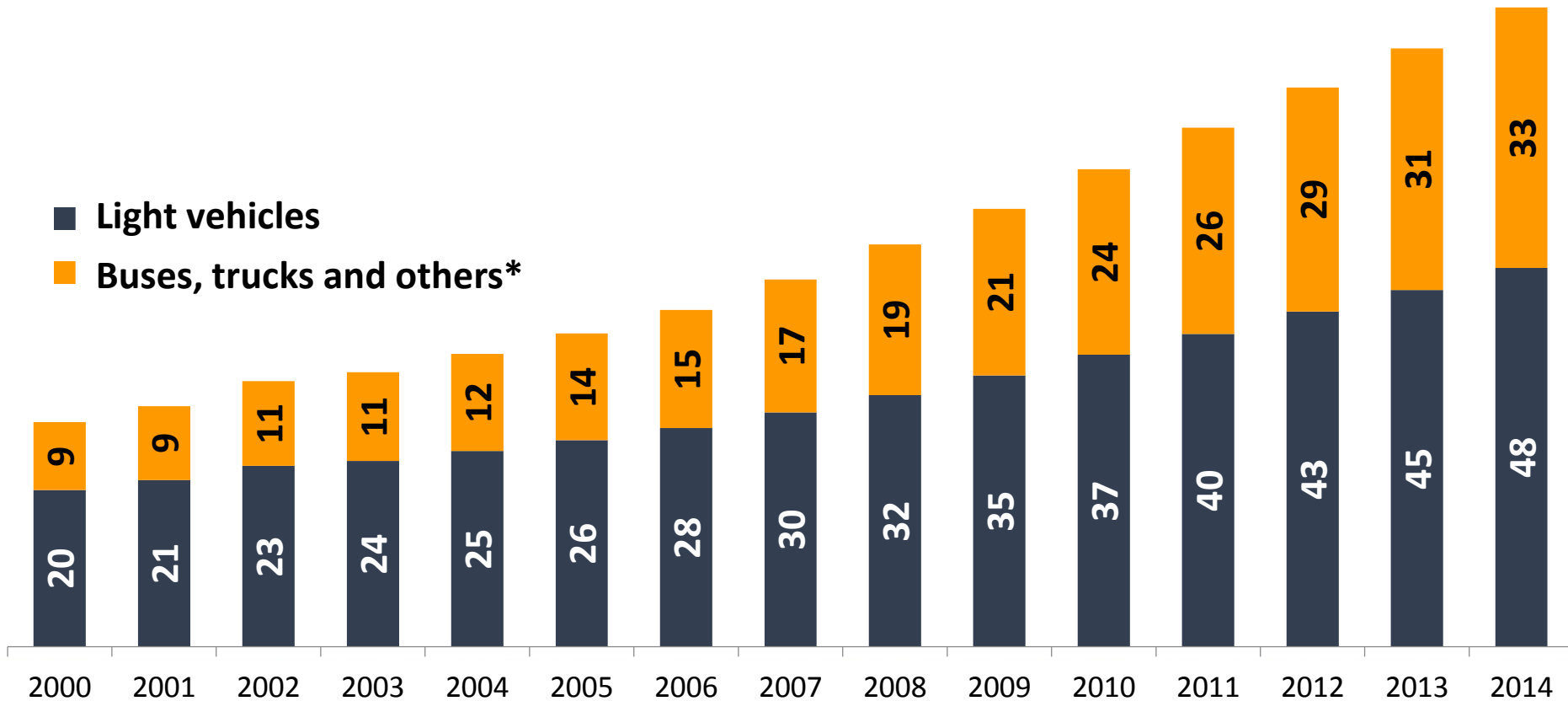
Growth 2000-2014: 154,3%
Average Annual Growth 2000 - 2014: 7,2%



VEHICLE FLEET

Growth 2000-2014: 184,6%
Average Annual Growth 2000-2014: 7,8%

Millions of Vehicles



Source : Denatran.

* Bus, truck, tractor, minibus, motorcycle, utility vehicles,.

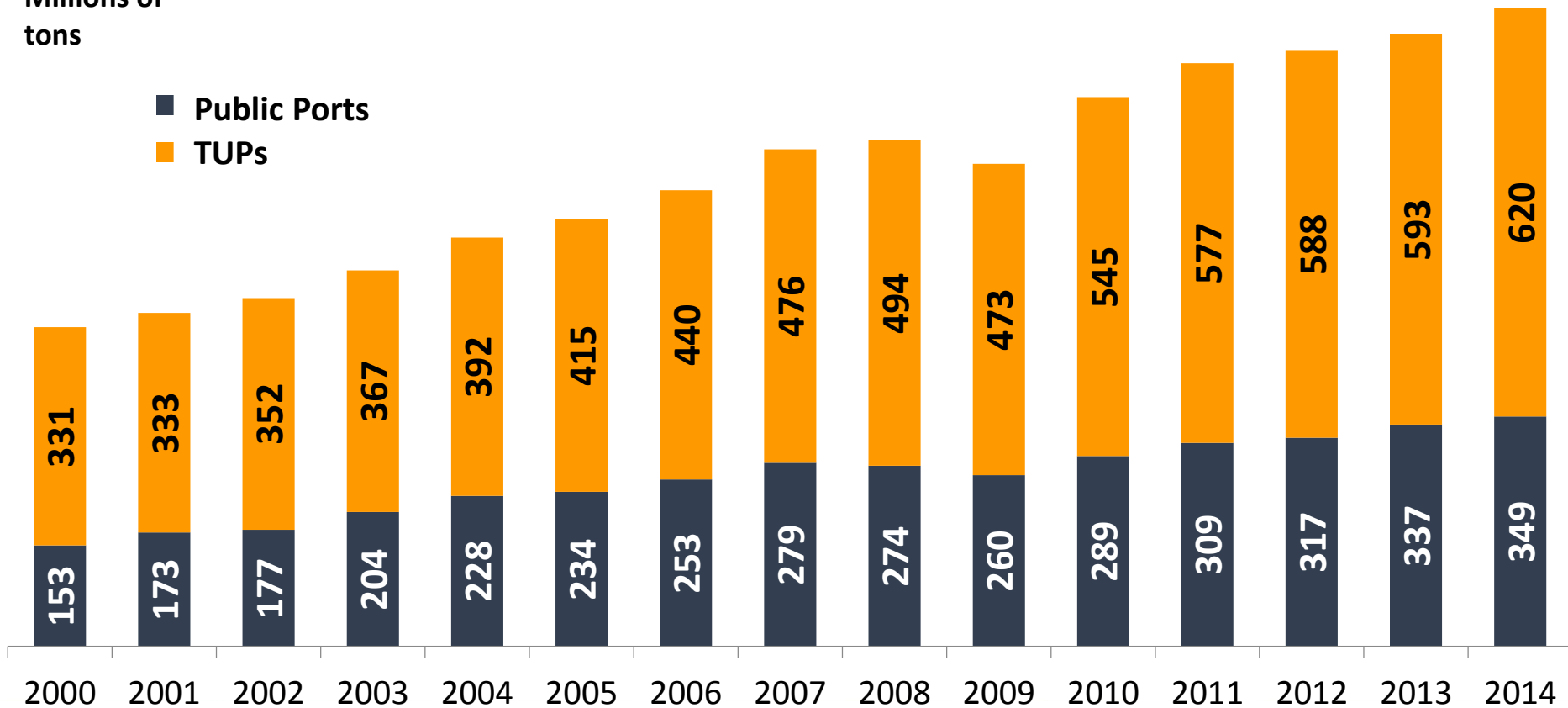
CARGO HANDLING IN PORTS

Growth (2000-2014): 99,9%

Average Annual Growth (2000-2014): 5,56%

Millions of
tons

■ Public Ports
■ TUPs



INFRASTRUCTURE CONCESSIONS IN THE PAST

Last 5 years:

- **7 highway concessions**
 - ✓ 5350 km
 - ✓ R\$ 36 billion in investments
- **6 airport concessions**
 - ✓ R\$ 26 billion in investments
 - ✓ 5 new international operators
- **44 new Private Port Terminals**
 - ✓ R\$ 11.4 billion in investmens

Concession Process In Brazil

GENERAL PROCESS OF CONCESSIONS IN BRAZIL

**Project
development**

**Public
consultation**

**Court of
Auditors
analysis**

Auction

**Concession
Assumption**



GENERAL PROCESS OF CONCESSIONS IN BRAZIL



- **REQUEST FOR PROPOSALS (RFP):** Government opens a RFP and authorize interested companies to prepare economic studies and projects.
- **Choice of best project for each concession by quality criteria**
- **Projects are subject to public consultation and analysis by the Court of Auditors**

GENERAL PROCESS OF CONCESSIONS IN BRAZIL



- **Highways: 11 RFPs launched on june, average of 27 companies authorized for each***
- **Airports: 11 companies authorized for studies on 4 airports**
- **Railways: 3 projects under development**

GENERAL PROCESS OF CONCESSIONS IN BRAZIL



- **Studies and projects are made public**
- **Society contributions**
- **Doubts are clarified**
- **Regulatory agencies adjust studies if necessary**

GENERAL PROCESS OF CONCESSIONS IN BRAZIL



- **Tribunal de Contas da União (TCU, Brazilian Court of Auditors) analyses the studies.**
- **Economic studies and modelling and papers**
- **Covers aspects of efficiency, legality and accountability**

GENERAL PROCESS OF CONCESSIONS IN BRAZIL



- **Regulatory agencies officially publicize the concession documents for inscriptions and the auction date is fixed.**
- **Agencies conduct auction procedures and eligibility check of winning company**

GENERAL PROCESS OF CONCESSIONS IN BRAZIL



- **After the pre-requisites are filled, the contract is signed and the winning company assumes the concession.**
- **Concessionary further develops project and define schedule for investments execution**
- **Beginning of the operation**
- **Regulatory agencies supervision**

Logistics Investment Program

LOGISTICS INVESTMENT PROGRAM

- **Announced on 9th june**
- **Focused on private investment**
- **New concessions in 4 modals:**
 - **Highways:**
 - ✓ **4 projects already developed – auctions in next months**
 - ✓ **11 projects under development with RFP mechanism**
 - **Railways:**
 - ✓ **4 projects under development**
 - **Airports**
 - ✓ **4 projects under development with RFP mechanism**
 - **Ports**
 - ✓ **50 terminals in 12 public ports**

GUIDELINES FOR INFRASTRUCTURE CONCESSIONS

- **Combine new investments, high quality standards in operation and economic attractiveness**
- **Improvement of regulatory frameworks**
- **Taylor made concessions**
- **Improvement of external investor participation**
- **Long-term financing availability with greater participation of private institutions and capital markets**

NEW STAGE OF CONCESSIONS

Estimated Investment
R\$ 198,4 billion

Roads

R\$ 66,1 bi

Railways

R\$ 86,4 bi

Ports

R\$ 37,4 bi

Airports

R\$ 8,5 bi

NEW STAGE OF CONCESSIONS

Estimated Investment
R\$ 198,4 billion

2015-2018

R\$ 69,2 bi

From 2019

R\$ 129,2 bi

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