



Date December 04th, 2024

Subject **Customer Advisory: Port Situation Brazil**

Dear Customer,

Why are we writing

We would like to bring to your attention current challenges of the port situation in Brazil. The Brazilian market is impacted by both geopolitical and country related factors, that are disrupting the movement of goods and complicate the logistics chain within the country. While we enter the peak season leading up to the year-end holidays in Brazil and the Chinese New Year in 2025, we would like to provide you with the latest insights to help you manage and mitigate potential disruptions.

What is the issue

Given the challenges have built up over time, and to understand their root cause, here is an overview of major port events in the past months:

Santos:

- All terminals are operating above capacity due to renovations, operational delays, and increased demand. Current utilization rates are as follows: Santos Brasil at 71%, DPW at 89%, and BTP at 90%

Navegantes:

- Under modernization, the Portonave terminal operates at 50% capacity and will remain so until mid-2025. There is a 10-day delay for berthing. Carriers are diverting to Paranaguá or Itapoá.

Itapoa, Itajai, Imbituba and Paranagua:

- Operating above capacity and facing delays in port operations and the return of empty containers due to low availability of space in depots, leading to potential extra costs and interruptions.

Rio Grande:

- There is 85% schedule compliance in long-haul routes until November. The main reasons for port omissions are schedule delays caused by other Brazilian ports, schedule adjustments, and adverse weather conditions in Rio Grande.

Rio de Janeiro:

- Started to suffer some delays and port congestion due to the volume from Santos being loaded at this port as an alternative.

Vitoria, Salvador, Suape and Pecem:



- Increase in imports of solar panels and electric vehicles. From January to April 2024, Brazil imported 88,320 electric vehicles from China. No severe congestion reported at the moment.

Vila do Conde and Fortaleza:

- Due to the dry season in Manaus, some shipments have been diverted to Vila do Conde and Fortaleza, causing increased transit time and congestion in Vila do Conde and Fortaleza.

Manaus:

- Droughts/Dry season, longer operation time than expected (10 days of operations), ships using barges for connection with BRMAO. Land transport operations are ongoing.

What are the implications

Based on the above events we see the following impacts for Customers in Brazilian ports:

- **Increased Demand and Pressure on Brazilian Ports:** Seasonal higher volumes of coffee, sugar, cotton, lumber, tobacco, and fruits are straining port capacities.
- **Terminal Congestion:** Gates are opening very close to the deadline, making it difficult for exporters to deposit cargoes, leading to a backlog of transfers.
- **Omissions and Delays:** There is a rise in the number of omissions and delays in ship berthing due to reduced service capacity.
- **Depot Congestion:** Importers are struggling to return empty containers, resulting in increased storage costs.
- **Alternative Operations:** Itajaí will begin operating some services as an alternative to Navegantes in Q4, but its operational capacity is 70% lower.
- **Capacity Reduction:** Carriers are reducing capacity by deploying smaller vessels to more profitable markets.
- **Weather Disruptions:** Bad weather and fog are affecting port operations in Navegantes, Itapoa, Paranagua, Rio Grande, and Santos.
- **Reduction in free time:** In order to return containers to the main origins, we increasingly observe a reduction in free times as an attempt to expedite the turnaround of containers, given the longer dwelling on import routes.

For more details on each port and the latest update, please check out our [monthly port situation update](#) on our website.

How DHL can help you

DHL is equipped with integrated services and alternatives to support you in various market challenges, and to manage the current challenges. This includes:

- Redex (pre-stacking) and warehousing services.
- Preferential relationships with carriers.
- Alternative routes, ports, and transportation modes to meet the needs of our customers.
- Container reutilization.
- We recommend a robust forecasting to align with current and future demand.



- To avoid extra demurrage charges, DGF is intensifying document verification to reduce documentary delays for containers.

We are also working with regulatory bodies and vendors to evaluate alternate solutions that can help manage your demand. Together, we can adapt strategies to leverage the opportunities that arise in times of high complexity.

To ensure full visibility of your shipments during this period, we encourage you to utilize **myDHLi**, our digital platform, that offers real-time cargo tracking and efficient booking management.

Despite the current challenges, DHL remains prepared and equipped with market intelligence to ensure your shipments reach their destinations safely and with high quality.

If you have any questions, please contact your local DHL Global Forwarding Sales or Customer Service representative. We appreciate your continued partnership and understanding during this time.

Kind regards
DHL Global Forwarding