



## Brazil liberalized Dredging Services in December 2007. A recent call for public tender has been scheduled for 31<sup>st</sup> July, reflecting *de facto* the opening of the market.

*Brazil has kept this sector closed to international competition for a long period of time. Recent discussions between the EU, jointly with Member States and the relevant authorities in Brazil, aimed at promoting the liberalization of these strategic services and have resulted in Brazil accelerating this process. Brazil approved Law 11.610 on 13<sup>th</sup> December 2007, meaning that foreign dredging companies will be allowed to operate in the domestic Brazilian market through a call for public tender.*

A resolution from 31<sup>st</sup> May 2005 relating to dredging services broke the existing Brazilian monopoly. European dredging companies were effectively excluded from operating in the Brazilian market as they had to be established in Brazil and use Brazilian flagged vessels. Indeed, following this resolution, the state agency ANTAQ (ASOCIACAO NACIONAL DE TRANSPORTE AQUAVIARIO) authorized the execution of dredging services by foreign companies in specific cases of emergency and public interest. This fact represented a theoretical starting point for the liberalization of dredging services in Brazil, even though in practice it was almost impossible for foreign companies to operate in the market.

The European Union formally raised this issue with the relevant authorities in Brazil within the framework of the 1<sup>st</sup> EU-Brazil Maritime Transport Dialogue meeting and in the EC-Brazil Joint Committee, both held in March 2007.

In September 2007, a temporary legislative measure was approved by the Brazilian Congress (Medida Provisoria 393) and in December 2007 the aforementioned Measure became Law 11.610, stipulating in article 3 the free access to the domestic dredging market for foreign companies.

A call for public tender has just been scheduled for 31<sup>st</sup> July for two ports out of the eleven foreseen in the National Dredging Programme (PND). The two ports concerned are Itaguaí in Rio de Janeiro and Ríó Grande do Sul States, representing 114 million € out of a total budget foreseen of roughly 384,5 million €.

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