

**PROJECT ABSTRACT**  
**TECON SANTA CATARINA PORT PROJECT**  
**BRAZIL**

**Nature of the project**

The states of Santa Catarina and Paraná in the southern region of Brazil have attracted substantial domestic and foreign direct investment in manufacturing exports and agribusiness during the past decade. Unfortunately, the regional infrastructure in ports and logistics is not adequate to handle the demand for port services. Regional facilities have reached their limit capacity in terms of traffic, so producers and shipping companies currently pay the costs of waiting time and port fees that constrain their ability to compete in export markets.

In response, the sponsors of the Project are analyzing financing for a fully-private, public-use container port in Brazil to be located in the State of Santa Catarina, named *TECON SANTA CATARINA* (the “Project” or the “Port”). The Bank is working with the sponsors, regarding the construction and operation of full-service container facility complete with the infrastructure and superstructure for container berths, warehousing and logistics facilities and an access road that traverses the Project area performed by *Itapoá Terminais Portuários S.A.* (“ITP,” or the “Company”).

**Project Location**

The Project will be implemented in the Babitonga Bay, the municipality of Itapoá, State of Santa Catarina, Brazil. The Port will primarily serve the following cities (distances from the Port to the cities): Curitiba (156km), Paranaguá (150 km) in the state of Paraná and Florianopolis (265 km), Joinville (88 km), Blumenau (193 km), Itajaí (180 km) in the state of Santa Catarina.

The Port will be located on the outskirts of the Municipality of Itapoá away from the city center. Inland transportation to and from the Port will not traverse the town center, but rather will be routed to a major federal highway (BR-101) by way of state roads SC-415 and SC-412. Sea-side transportation will benefit from the pre-existing deep water access canal of the Babitonga Bay which is already used to connect ships at the Port of São Francisco to the primary oceanic shipping routes.

The decision to locate the Port at the municipality of Itapoá was based on a number of positive physical and logistical attributes of this particular site. A primary factor in the selection is Itapoá’s natural water depth of 16.0 meters. Other factors included i) its proximity to the inland market and ocean shipping lanes; ii) the project sponsor’s ownership of the parcel of land; and iii) the ease of constructing access to the Port itself without traversing the municipal center.

## Investment Program

The main works to be financed by the Bank include the following:

- ***Two Container Terminals:*** The Project includes the construction of two container handling terminals which will include one bridge (230 meters long by 14 meters wide) which extend into the water connecting the road to container storage area, a 630 meter berth equipped with three large gantries to load and unload containers from the ships, and the container yard and equipment necessary to perform all stacking of the containers for proper storage.
- ***Administration Buildings:*** The facilities planned for the administration and operation of the Port will be located in the rear of the port facility with a total of approximately 6,000 square meters and will include administration and operational support buildings, container inspection station for customs and other support facilities necessary to the proper functioning (maintenance and repair) of the Port.
- ***General Installations:*** Other facilities to be constructed include a power generation station, water tower, illumination systems, smaller boat connections, fire-fighting station and the communications system for the port complex itself. There will also be a small access road that will cross the port complex leading container trucks to the loading and storage zones.
- ***ISPS Code:*** The Port will operate according to the International Ship and Port Facilities Security Code (ISPS Code). The objectives of this Code are to establish an international framework involving co-operation between Contracting Governments, Government agencies, local administrations and the shipping and port industries to detect/assess security threats and take preventive measures against security incidents affecting ships or port facilities used in international trade.

## Transaction Parties

- **Borrower:** *Itapoá Terminais Portuários S.A.* is a special purpose vehicle created under the laws of Brazil for the sole purpose of the construction and operation of the TECON Santa Catarina project.
- **Sponsors:** *Portinvest Participações S.A.*, a company of Conglomerado Battistella S.A. of Brazil and the Hamburg Süd Group of Germany through its sister company *Aliança Navegação e Logística Ltda*<sup>1</sup>, of Brazil.
- **EPC Contractor:** The construction works for the Project will be undertaken pursuant to a fixed-price, turn-key EPC Contract that will be performed by the Brazilian company *Construtora Andrade Gutierrez S.A.*
- **Operator:** The management and operation of the Project will be performed by the Company coordinating highly qualified personnel, based on the expertise of the Sponsors in logistics, distribution, and handling operations, including Hamburg Süd group experience in other ports in Europe and South America.

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<sup>1</sup> Both entities are controlled by Gruppe Oetker KG of Germany.