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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

1818 H STREET, N.W., WASHINGTON D. C. 20433 TELEPHONE: EXECUTIVE 3-6360

File

Bank Press Release No. 71/35
May 27, 1971

Subject: $45.0 million loan to Brazil for Port of Santos modernization

The Port of Santos, which serves central-south Brazil including heavily populated Sao Paulo, will be improved and expanded with the assistance of a $45.0 million loan approved by the World Bank. Santos is Brazil's largest port for general cargo, handling about 4 million tons of general cargo and 9 million tons of bulk cargo per year.

Transport plays an important part in Brazil's development because of the country's size and the fact that its economy is dependent on both export crops and development of new areas for productive use. Previous Bank financing in the transport sector includes two railway projects, a highway maintenance project, and two highway construction projects.

The Santos port project consists of construction of a 62,000-ton corn silo and berth as well as container terminals on the newly developed left bank of the estuary; rail and road access to these facilities; provision of dredging equipment; and related consulting services.

It is the Bank's first port project in Brazil and is part of the Government's Five-Year (1971-75) Program for the Port of Santos involving an investment of $143 million in the port and $16 million for a rail access.

Total project cost is estimated at $78.5 million. The Bank loan will finance equipment submitted to international competitive bidding and the estimated foreign exchange component of civil works and consulting services.

The loan is being made to the Government of the Federative Republic of Brazil with the National Ports Department (Departamento Nacional de Portos e Vias Navegaveis - Praca Mana 10, Rio de Janeiro, Brazil) as the executing agency for port works. The Federal Railways and Sorocabana, a railway owned by the State of Sao Paulo, will carry out related railway works. The loan is for 25 years, including a five-year grace period, at 7¼% interest. Security Pacific National Bank, Los Angeles, is participating in the loan in the amount of $250,000.

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