



Amazon river: drought and reduced navigability

The Amazon region is currently suffering from one of the worst droughts in years. Smoke from fires around the city Manaus is further hampering navigability in the rivers. Members and clients operating in the region should contact local correspondents for the latest information.

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Since May, parts of the Amazonas and Pará states have recorded lower-than-expected levels of rain. The ongoing drought is expected to last until at least December 2023, according to the National Center for Natural Disaster Monitoring and Alerts (Cemaden). This means that some rivers may not reach their normal levels this year.

The situation has been further aggravated by the fact that Manaus is amid an environmental crisis, with fires in the region producing a thick cloud of smoke, further hampering navigability in the rivers.

Due to the low river levels, several restrictions now apply to inland navigation. Below is an update related to some of the key ports and rivers:

- **Manaus:** Cabotage services to and from Manaus have temporarily been suspended. Local operators are directing vessels bound for Manaus to alternative ports, such as Vila do Conde and Pecém. One of the many options adopted by shipowners is to unload cargo in Vila do Conde, and then, barges are used to transport cargo to Manaus. Projections indicate that operations at the port of Manaus will resume with restricted capacity from mid-November (week 46).
- **Madeira River:** Night navigation has been suspended and daytime navigation is compromised. Leading barge and ferry companies are reducing the load transport by more than 50%.
- **Tapajós River:** Significant restrictions apply. Barge convoys are assembled with smaller loads than normal, with some reductions reaching around 50% of total capacity.
- **Itacoatiara, Porto Novo:** a portion of the port has collapsed and fallen into the Amazon River. According to the City of Itacoatiara, this port was already suffering from erosion caused by "fallen lands," a typical phenomenon during the dry period in the Amazon region.

In an effort to speed up authorization for the use of smaller vessels that can navigate the region's waters, the National Waterway Transport Agency has approved an order that authorizes cabotage chartering for all types of cargo in the area. This release is of an exceptional nature and will be valid for a period of 90 days.

Higher costs and disrupted trade

The drought has had a significant impact on the costs of pilotage services in the region. During the dry period, the companies responsible for the pilots introduced an additional fee known as the "Drought Tax", that can reach up to BRL 800,000 (approx. USD 160,000), according to the Federation of Industries of the State of Amazonas (Fieam). It is also worth noting that low river levels risk disrupting grain exports from neighbouring agricultural states. On the Madeira River, where grain companies use barge routes, loads are being reduced as a precaution, although routes remain open. The situation in Amazonas may cause changes in the operational status of the ports at any time, in addition to further navigation restrictions. We recommend that Members and clients contact our local [Brazilian correspondents](#) or own agents for the latest information.

We would like to thank our local correspondent Proinde in Brazil for assisting with the above information.

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