

VIRACOPOS AND NATAL AIRPORT CONCESSION RETENDERS POSTPONED

28 June 2022 | 07:35 CDT

LatAm

Operational assets: Concessions, Operational assets: Project procurement and development

Sector: Transport

Location:  Brazil

Published: 28 June 2022

Author: [Gabriela Valente](#)

Inframation

Brazil's Investment Partnership Program (PPI) council has decided to postpone the retender of two airport concessions, raising uncertainties about other future retenders.

The PPI council postponed the retender of the [Viracopos](#) airport concession in São Paulo for two years and the [São Gonçalo do Amarante \(Natal\)](#) airport concession in Rio Grande do Norte for 12 months on 14 June, according to official documents.

The decision came amid an arbitration process over the value of compensation to be paid by Brazilian authorities to the existing Viracopos concessionaire, Aeroportos Brasil Viracopos (ABV), after it [requested](#) to return the contract in 2019.

The São Gonçalo do Amarante airport's concessionaire, Inframérica, [announced](#) it too would return the contract in March 2020.

Brazil's Ministry of Infrastructure had originally [planned](#) to retender both the Viracopos and São Gonçalo do Amarante concessions in 2022.

Besides the setback for the ministry's plans, the latest delays have also raised uncertainties regarding the prospects of retendering the Galeão airport concession in Rio de Janeiro before the end of the current administration's term this year. The Civil Aviation Agency (Anac) [approved](#) Galeão's retender on 25 May after Changi Airport Group also decided to return the concession.

Massami Uyeda Junior, a partner at law firm Arap Nishi & Uyeda, observes that the postponement represents a frustration for investors whose concessionaires are in the rebidding process as they adhere to a legally defined procedure that has been hard to effectively apply so far.

"The retender process launched as an attempt to accelerate the transition to a new concessionaire in a non-litigious way, but in practice it doesn't work, it's already been proven," he said.

"The delays in the re-bidding processes for Viracopos, São Gonçalo do Amarante and other infrastructure concessions are not surprising, as there are many interests involved, from investors, creditors and suppliers to the users, and deadlines have had to be extended to accommodate them all. Changing legislation to publish rebidding tenders before the calculation of compensation should be a last resort, and would be questionable in an amicable concession settlement process," Uyeda Junior added.

However, Uyeda Junior believes that the delays in rebidding processes shouldn't represent a concern for potential new investors yet.

With the PPI council's postponements, the retender of the three airport concessions will now likely be handled after Brazil's presidential elections in October.

Former president Luiz Inácio Lula da Silva is currently leading in the polls, with 47% of voting intentions, according to local newspaper polling company, [DataFolha Institute](#). Incumbent President Jair Bolsonaro is currently on 28% in the polls. Although Lula has criticized recent privatization process, like that of Eletrobras, his campaign platform mentions an intention to maintain PPP and concession models with private investors.

Deal Profile

 Infra logic data

28 Jul 2017 Live Pre-Launch

Viracopos International Airport Retender

Latin America and Caribbean, Brazil (São Paulo) | Transport, Airports, Privatisation

Deal Profile

 Infra logic data

5 Mar 2020 Live Pre-Launch

Natal International Airport (São Gonçalo do Amarante–Governador Aluizio Alves) Retender (2021)

Latin America and Caribbean, Brazil (Rio Grande Do Norte) | Transport, Airports, Greenfield

Deal Profile

 Infra logic data

20 Dec 2017 Closed Financial Close

Galeao International Airport Rio

Latin America and Caribbean, Brazil (Rio De Janeiro) | Transport, Airports, Greenfield

Grantor Financial Advisor

Estruturadora Brasileira de Projetos (EBP)

Grantor Technical Advisor

Jacobs Engineering Group (formerly LeighFisher)

SPV Financial Advisor

Santander

SPV Legal Advisor

Baker McKenzie, Machado Meyer Sendacz e Opice (Machado Meyer)

SPV Technical Advisor

Arup

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