

Brazil's federal government gives priority to auction of gypsum, limestone and diamond mining rights in Pará and Bahia

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Decree 10.675, which was published on April 15th, includes three new mining projects in the federal government's Investment Partnership Program (PPI – Programa de Parcerias de Investimentos): the Rio Cupari gypsum mine and the Aveiro limestone mine, both in the state of Pará, and the Santo Inácio diamond mine in the state of Bahia. All three mines are owned by the Mineral Resources and Research Company (CPRM – Companhia de Pesquisa e Recursos Minerais), a state-owned enterprise under the jurisdiction of the Ministry of Mines and Energy.

Inclusion of these projects in the PPI was recommended by the Program's Council by CPPI Resolution 155 (December 2, 2020). With the approval of the President of the Republic and the issuing of Decree 10.675/2021, the projects are now formally part of the list of the federal government's priority projects in various infrastructure sectors.

The PPI was created in 2016 to strengthen interaction between the government and the private sector by means of "partnership contracts" – which covers concessions, public-private partnerships, public service permissions, leases of state-owned property, grants of real rights and other public-private transactions – aimed at carrying out public infrastructure enterprises and other privatization measures.

The three mining projects contemplated under Decree 10.675/2021 are part of the some 30 CPRM mining assets that are currently being offered to the private sector, in a process that began in October 2019 with the auction of the Palmeirópolis Multimetal Complex in Tocantins. The auctions will be for mining rights in the three mines.

According to the information available on the PPI's and the CPRM's websites, there are (i) approximately 534 million tons of highly pure gypsum in the Rio Cupari/Pará project, an area that includes nine mining rights; (ii) 590 million tons of limestone usable for agricultural purposes and for production of cement in the Aveiro/Pará project; and (iii) 244 million tons of mineral gravel in the Santo Inácio diamond mine in the north of Bahia.

Given the high economic potential of these mineral resources, CPRM intends to sell rights to the mines in the short term, by auction some time in 2021.

Sources:

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