

Taking off at last

Some serious private money for airports and roads

Although not a fan of privatisation, since she became Brazil's president Dilma Rousseff has accepted that the state alone cannot fix Brazil's long-neglected infrastructure. Hitherto her government has talked much of bringing in private capital to do the job, but fluffed this in practice.

At last that is changing. On November 22nd Singapore's Changi Airport Group and Odebrecht, a Brazilian construction firm, offered 19 billion reais (\$8.2 billion)—four times the minimum allowable bid—to upgrade and run Galeão airport in Rio de Janeiro. The hub airport at Belo Horizonte, Brazil's third city, went to Swiss and German operators in partnership with CCR, a toll-road operator. And on November 27th Odebrecht beat six other bidders to win the right to upgrade and levy tolls on an 851km (530 miles) stretch of potholed road from the soya producing state of Mato Grosso.

Rapid growth in air travel and mismanagement by Infraero, the state operator, have overwhelmed Brazil's airports. Lax rules saw inexperienced firms win three airports auctioned last year, including São Paulo's international hub. That disappointed the government, which tightened requirements for the latest round. But work on all three has since gone well, with clean toilets, new signage and extra parking already in place. At São Paulo a new terminal will open before next June's football World Cup. Quick fixes are all Rio and Belo Horizonte will be able to manage before the tournament. In the long term, though, the airports' classy new operators should mean a leap in quality.

Last year Ms Rousseff promised to hand ports, roads and railways to private operators in deals officials hoped would be worth 187 billion reais. But over-optimistic forecasts of future traffic and an unwillingness to offer attractive rates of return meant the programme stalled. Port and railway auctions still look dicey: in both cases regulatory muddle means a high chance of lengthy court battles and construction hold-ups. But some relief is finally in sight for long-suffering users of Brazil's airports and roads.

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