



## Reefer Exports: Records Re-Written

The global pandemic has affected the EXIM traffic quite badly which resulted in lockdown across the Nation. The imbalance of the trade is yet to revive completely. Despite the lockdown, the trade at Visakhapatnam continued to perform consistently with few crests and troughs in a few months. While the high and lows continued, the reefer market has been the backbone for the growth of VCT where the terminal has clocked the highest reefer volumes in the month of August '21 with 3575 TEUs surpassing the previous highest volume of 3424 TEUs handled during June '20.

The major commodity which contributed to increase in reefer export volumes is Frozen Sea Food. In the month of August '21 around 3300 TEUs of frozen sea food was exported from VCT. Visakhapatnam is the hub for Frozen Sea Food exports. Central & Southern part of Andhra Pradesh especially the East & West Godavari belt has been the aquaculture hub where 90% of exports in reefer were generated is Frozen Shrimp of Vannamei variety.



Among the overall Shrimp production of about 13 lakh MT in India, A.P contributes to 45%-50% and 9% from Odisha that also uses Visakha Container Terminal for their exports. Frozen Sea Food is mainly exported to the US East Coast followed by the US West Coast, South East Asia, China, Europe etc. Visakhapatnam stood first in FY 21 in terms of quantity and share, followed by Kolkata & Kochi. The year-on-year growth of sea food exports from Visakhapatnam is 23%.

The cold chain centers too have identified potential in the growth of the commodities and have taken utmost care and special measures to ensure the quality of the product is retained. To meet the continuous growth demand of the frozen sea food segment that is traditionally routed through Visakhapatnam, VCT always rose to the task and proactively scaled up its reefer infrastructure. Terminal has already set a perfect platform to this commodity export with its best in world class infrastructure with adequate reefer plug points for uninterrupted power supply. With the expansion of the terminal in full swing more reefer plug points are planned to meet the growing export volumes.

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## Export Credit: To be Extended

Government is taking steps to provide some relief to the exporters through new schemes or providing subsidies in the existing schemes. Exporters get the subsidy under the 'Interest Equalisation Scheme for pre and post-shipment Rupee Export Credit'. Earlier in April 2021 the scheme was extended till June 30 and subsequently further extended till September 2021. In November 2018, the interest subsidy was increased to 5 per cent from 3 per cent to boost MSME sector exports. Later, the government included other merchant exporters too under the scheme and allowed them interest equalisation at the rate of 3 per cent on credit for the export of certain products.

Steps like this would be helpful to the struggling exporters who were very badly hit during the COVID pandemic. Under the scheme, large manufacturing and merchant exporters get an interest subsidy of 3% on pre and post-shipment rupee credit for the outbound shipment of 416 products. However, manufacturing MSMEs get a 5% subsidy on such credit to export such products. In FY 21 government had budgeted Rs.1600 crores which is now increased to Rs.1900 crores in the FY 22.



The scheme has been an effective tool to exporters, especially the small ones who are struggling to cope with a cash crunch in the aftermath of the Covid-19 outbreak. Exports in the first four months of FY 22 rose to \$130.8 billion, recording a jump of 75% year on year and 22% from the pre-pandemic level during the same period in 2019. This happened due to ready orders from the western markets and global commodity prices continued to increase. Continued credit push will help exporters benefit from a rise in external demand. Growing demand is one of the leading factors for the latest hike in exports.

New policies and procedures will be laid down in order to attract the upcoming opportunities. Whilst the MSMEs plays the critical part for the FDIs into the country with Visakhapatnam being in the radar for investment, Visakha Container Terminal has geared up to handle this incremental business by enhancing its infrastructure and inducting additional container handling equipment.

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## Sugar Exports Push Up

Sugar exports are increasing on a very rapid pace in India. During this year, by September 30th it is expected to cross seven million tonnes. With the global prices pushing up there is a possibility that next season also at least six million tonnes will be exported from India.

There are several factors which together contributed for the increase in export volumes.

**Forward Contracts:** Some sugar mills have entered into forward contracts to sell sugar for the next season since the global price is lucrative. Sugar prices in India are quoting at Rs.31,500 a tonne in North India and Rs.33,500 in Maharashtra. Mill prices have gone up by Rs.200 a quintal.

**Brazil Factor:** Brazil is world's number one producer of sugar. Brazil has reported to have gone through an extraordinary dry weather which is not seen in the last 90 years and frost has also affected production. This created huge demand of Indian sugar in the internal markets.



**Export Assistance:** During 2019-20 the Centre provided assistance of Rs.6,300 crore which helped export of 5.8 million tonnes with each tonne of sugar export fetching an average Rs.9,500 a tonne concession. This season the Centre reserved Rs.3,500 crore with each tonne of sugar shipped getting Rs.6,000 as export incentive.

**White Sugar Shipments:** White sugar exports to Sri Lanka and Afghanistan are not piling up as of now due to local issues there. Sri Lanka has curbed imports

to manage its forex problems whereas Afghanistan is in turmoil with the Taliban taking over after US forces have left Kabul. Usually Bangladesh imports around 2.5 million tonnes of sugar and if Brazil is unable to meet its demand, India can step in which will increase the exports from India.

**Cutting Inventory:** Sugar exports in the last season and this season have helped to cut down the inventory. This season's exports have helped cut down the carryover stocks from last season to 8.7 mt from 10.7 mt.

Visakha Container Terminal has been the ideal gateway of sugar export to countries like Jakarta, Indonesia, Vietnam, Sri Lanka etc. With the increase in international demand, the sugar factories within the hinterland of Visakhapatnam have increased their production as well. The envisaged growth in overall sugar exports is on the cards where VCT is all ready to support the trade with hassle free operations working 24x7 during this pandemic time too.

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## RoDTEP Scheme To Boost Exports

Yet another initiative taken by Government to boost exports. Remission of Duties and Taxes on Exported Products (RoDTEP) will help in easing the liquidity and enhance the competitiveness of domestic exporters. Government announced rates of tax refunds under the export promotion scheme RoDTEP for 8,555 products such as marine goods, yarn, dairy items. An amount of Rs. 12,454 crore is set aside for RoDTEP scheme for the current financial year. It is also proposed to include pharma, chemicals, iron and steel under the RoDTEP scheme.

Being a successor to the MEIS (merchandise export from India scheme), it is expected that the RoDTEP Scheme would help in boosting India's exports significantly. This scheme will make the Indian exporters more cost-competitive and give the opportunity to compete in international markets. The announcement of the rates, which are in the range of 0.5-4.3 percent come two years after the scheme was first announced. RoDTEP had been live since January 1, 2021 but had remained inactive due to the unavailability of rates.



“The scheme’s objective is to refund, currently un-refunded duties/ taxes/ levies, at the Central, State & local level, borne on the exported product, including prior stage cumulative indirect taxes on goods & services used in production of the exported product and such indirect Duties/ taxes/ levies in respect of distribution of exported products”, the Commerce Department said. Scheme is to be implemented by Customs through a simplified IT System. Rebate will be issued in the form of a transferable duty credit/ electronic scrip (e-scrip) which will be maintained in an electronic ledger by the Central Board of Indirect Taxes & Customs (CBIC).

The RoDTEP scheme will be India's biggest, and realistically, only export promotion scheme. According to the government's own estimates, it is expected to significantly impact India's competitiveness, trade flows and export numbers over the next 5-10 years. Visakha Container Terminal is well positioned for providing hassle free operations to the companies involved in export.

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## Cruise Terminal @ Vizag

Visakhapatnam is emerging as major industrial and commercial hub in the state of Andhra Pradesh. The city of destiny is developing at a good pace where connectivity on rail, road, ocean and air are well established. Moreover, Visakhapatnam is a tourist place wherein several tourists from India as well as outside India come to enjoy the seamless beauty of the City.

A world-class cruise terminal was proposed nearly two years ago is expected to begin soon with the Navy issuing the NOC recently and the clearance by the AP State Environmental Impact Assessment Authority (AP SEIAA) expected by the end of this month. The original plan was to construct the berth at an estimated cost of Rs.55 crore and the cruise terminal building at Rs.22 crore. The revised cost estimate is Rs.96.05 crore with the berth cost estimated at Rs.64.24 crore and terminal building cost estimated at Rs.31.81 crore. The amount will be shared equally by the Central Tourism Department and the Visakhapatnam Port Trust (VPT).



The berth will be 330 metre long and 15 metre wide wherein Panamax vessels can easily be parked which can accommodate 2000 to 2500 passengers. The cruise liners who are now catering from different countries are using Chennai and Goa will now have accessibility to Visakhapatnam once the terminal is ready.

The terminal building, which will come up in an area of about 2,000 square metres, will have facilities like passenger gangways, lounge restaurant, entertainment and shopping and customs and immigration. Visakhapatnam being a tourist place which attracts large number of footfalls every day, opening up of cruise terminal will definitely make the city's name well known to the rest of the world.

## Equipment Incident Awareness Training Initiative

At any workplace multiple equipment's for operation and activities. We operate and maintain equipment with different levels of employees like new Joiners, trainees and experienced persons. While doing any activity there are multiple chances for an accident to happen depending upon the likelihood of risk involved. New joiners and trainees are much more enthusiastic to explore and acquire knowledge. In the interest of exploring, they mostly tend to violate safety measures and move ahead with curiosity which eventually leads to an accident.



At VCTPL, Team QHSE has introduced a new training programme known as EQUIPMENT INCIDENT/HAZARDS AWARENESS where every new trainee is being trained with respect to their department activities and their role & responsibility making them aware of the hazards and previous incident investigations. This gives them a scope of knowledge in terms of identifying the hazards related to their jobs which will make them more cautious while they are deployed in real time activity. With this we enhance the safety standards of the organisation and committed to the safety of the working personnel.