



A Visakha Container Terminal Newsletter

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# e-vaartha

"VCT has natural depth of 16m alongside - The deepest amongst India Container Terminals"

## The Year 2021 So Far...@ VCT

Visakha Container Terminal has completed 18 years of existence with many challenges and successes. However, the year 2021 has been a quite challenging due to the global pandemic and its variants effect that occurred in the year which resulted in lockdown continuation, restrictions etc. The economic and social disruption caused by the pandemic is devastating where millions of people are at risk of falling into extreme poverty as per the experts while the number of undernourished people, currently estimated at nearly 690 million could increase up to 132 million globally by the end of the year.



During the COVID 19 second wave, Visakha Container Terminal swiftly reacted and got into action to set on seal customers' requirement. Direct Customers meet were curtailed however the communication was done through phone calls and digital platforms. The meeting with customers and trade were conducted through virtual platforms that has been pivotal in social distancing which was the need of the hour. Likewise, the terminal staff were asked to come in rotational shift following the Covid-19 safety protocols to eliminate man-man interface while many others worked from home. VCT has arranged the safety measure for the staff by arranging masks and sanitizers at every location for the protection of employees and workers and for their wellbeing. VCT also ensured to be available 24x7 for the customers to give them the best service. Furthermore, constant communication with local, port and other government authorities continued to broadcast the information on the latest advisories.

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Few initiatives taken at the terminal during the pandemic are as below.

- Posters / Signage placed in the terminal to spread awareness
- Innovation - In house hands-free Sanitizers made
- Innovation – Steam facility made inhouse for sanitizing personnel in the terminal.
- The support of IT platform was taken exclusively to eliminate delays in service
- Online visitor management System – Visits only on approval basis
- Entertainment programs for the employees have been started conducting online.

While the terminal ensured the safety and health of the staff consistently by following the global guidelines, the operations performance was equally handled efficiently. Thus, VCT continues to prove its mettle and the flag flies high like always in terms of record volumes being clocked, new services added, improved vessel turnaround time, value added services to customers etc.

The year 2021 has also been remarkable to VCT with terminal handling 0.5 million TEUs annually. Highest throughput of 48199 TEUs was handled in a month complemented with record reefer volumes handled. The terminal witnessed a positive growth rate over last year where this would not have been possible without the support of our patrons. Not to forget rail bound traffic at VCT has witnessed all-time high in the year 2021 with highest rakes handled in a month of about 75 rakes. We would like to take this opportunity and thank every customer of VCT who played vital role in the overall growth. Add-on VCT laden exports have been increased by 6% comparative to last financial year despite the containers shortage which has been a major challenge during the year.

The operational performance has been consistent at the terminal with improved Vessel Turn Around time at an average of 21 hours per vessel. The truck turnaround time has dropped below 40 minutes thus showing greater efficiency in performance. The ship and crane productivity has also showcased growth too. Highest parcel size was handled on Vessel m.v. MSC Aldi III: 3921 TEUs under CVK service during the month of December 2021.

With the trade is slowly returning to normalcy, the laden volumes are also increasing thus parcel size is moving up too. To handle the envisaged container traffic, VCT is moving at a greater pace for the expansion project completion of the terminal. The extended terminal will be ready soon with additional capacities where VCT is poised to become the 1.3 million TEUs capacity in the year 2022 with the longest quay of 845 m on the East Coast of India.

Many more such successes are on the way to VCT where this would have always been a dream without the support of our customers. We would like to take this opportunity to “Thank You” for the continued patronage and best support. From VCT we also like to greet our customers:

**“Happy, Prosperous, Healthy & Safe New Year 2022.”**

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## VCT – The Preferred Gateway For Hyderabad

“**Visakhapatnam Port Authority**” along with FTCCI – Federation of Telangana Chamber of Commerce has arranged the trade meet that was conducted in Hyderabad dated 16 December 2021 at Radisson Hotel where there was a huge participation from the trade. The representatives from Shipping Lines, Forwarders, CHAs, CONCOR, etc. attended the meet.

During the trade meet, Visakha Container Terminal presented the proximity & facility advantages of the terminal along with market opportunities available for the shipping fraternity of Hyderabad. The well-established rail connectivity, expertise of the terminal in handling rail bound movement has also been discussed during the meeting. CONCOR officials mentioned that the support will be provided to the Hyderabad fraternity for cargo movement via Vizag.



Vizag has surplus 40’ equipment that can be used for Hyderabad trade where the East Bound Trade comprises of about 3500 TEUs per month – VCT can be the ideal gateway for Hyderabad Trade. Moreover, with direct service to Europe, Latin America based cargo can be routed through VCT as well.

Shipping Fraternity of Hyderabad mentioned that they are keen to move their shipment through Visakha Container Terminal with well- established infrastructure and connectivity available on the rail and road front. With the support of trade and CONCOR, the movement of Hyderabad traffic via VCT is in pipeline making the terminal as the Preferred Gateway for Hyderabad.

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## India – Top Exporter Of Steel

India has become one of the top exporters of steel to China as manufacturers explore global opportunities with the slowdown in domestic demand. Steel exports have accounted for Rs.19,267 crore so far in this financial year, while imports are at Rs.16,369 crore. The United States and China are the top destinations for steel exports from India, while China and Germany stood as the top sources of imports for India.

Overall exports for the current financial year are expected to exceed that of last year and have already reached 70% of FY21. India has a cost advantage over China with the restrictions levied to contain pollution and achieve greenhouse emission targets. Moreover, India has established itself as a reliable exporter and managed to capture some of the market vacated by China.



India is the third-largest manufacturing hub of steel pipes in the world. Steel pipes constitute 8-10% of the steel consumption. The production linked incentive scheme announced for specialty steel to be implemented over FY24 to FY30 with a budgetary outlay of Rs.6,322 crore. This will further increase the steel industry production.

Despite continued production steel companies face challenges over coal shortage. Further, global inflationary trends also pose a threat of rising prices, including those relating to essential inputs. However, the shortage might get compensated with incremental coal imports into India from Australia. As the steel exports across the country increased, furthermore, the steel exports from the city of destiny have witnessed an increase too in the recent times specifically post relaxation of lockdown. With the trade slowly returning to normalcy, the laden volumes are also increasing thus parcel size is moving up as well. To handle the increasing container traffic, VCT is moving at a greater pace for the completion of expansion project and handle the incremental traffic efficiently.

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## Government To Set Up Export Promotion Wing

The central government would soon create a dedicated body to promote exports from India. The government of India is working on “future ready commerce” which will work on multiple things. First and foremost, there will be a separate export promotion wing with a footprint in all Indian missions abroad and in every state of India. Bilateral and multilateral engage departments will be constituted under the trade negotiation Wing.

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The need of today is bilateral trade, and the government is negotiating Free Trade Agreements with multiple countries such as UAE, Australia, United States, EU. Market intelligence will also be set up across the states which will be a great benefit for the industry in improving their export. In addition, the ministry is working on a Brand India strategy under a primary objective of trade promotion across the globe.

This will increase the export volumes to a big extent. Visakha Container Terminal with its extended berth and latest equipment is all settled to handle these incremental volumes in the coming days. With more such support from Government the export volumes will trigger in the coming days.

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## India – Top Food Supplier To Arab League Countries

Proud moment for India as it replaces Brazil as top food supplier to Arab League Countries. India has become the top food exporter to the 22-nation Arab League Countries for the first time in 15 years, replacing Brazil. Arab League Countries are - Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates, and Yemen.

As per the trade experts India accounted for 8.25% of the total agribusiness products imported by the 22 Arab League members last year and this is higher than Brazil's 8.15%, ending a 15-year advantage for Brazil.

The Arab world is Brazil's most important export destinations since several years. Brazil's distance to those markets and COVID pandemic hampered the export volumes to a great extent. Whereas India's nearness to these countries has a sharp edge over Brazil's. India was able to quickly export food products to the Arab countries beating pandemic-related disruptions to global supply chains.

Export items from India to Arab Nations mainly consist of fruits, vegetables, sugar, grains and meat. It takes around one week time from India to Arab Nations as compared to 60 days from Brazil to Saudi Arabia. As per the Ministry of Commerce, agriculture exports from India registered a sharp increase of nearly 25% in 2020-21 over the previous year. The increase came even as India's total exports had dropped by over 7%.

Agricultural exports increased to \$32.5 billion in 2020-21 which is almost close to the record level of \$32.7 billion seen in 2012-13. The share of agriculture in the total exports exceeded 11%, the highest on record. From Vizag also lot of commodities are exported to these Arab Nations.

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## India Exports 939,000 Tonnes Of Sugar

Sugar export from India is increasing on a rapid pace. In the ongoing marketing year of 2021-22 which started from 1st of October, India has exported around 939000 tonnes of sugar till first week of December. About 4.68 lakh tonnes of sugar is in transit.

So far mills in India have exported around 33 lakh tonnes of sugar without subsidy, provided by Government in the financial year 2021-22. The sugar marketing year runs from October to September. Sugar exports this year are being undertaken without the government subsidy.

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As of now mills in India are not rushing to sell sugar as previous sales are yet to be executed. Moreover, the current global prices are not attractive, therefore the millers and traders are waiting for the right time. The highest export deals have been undertaken by mills in Maharashtra. Mills in this state are facing huge logistics problems. As such, there are acute transportation problems both by railways and road.

During the marketing year 2020-21, the country had exported a record 7.23 million tonnes of sugar. The maximum shipments were undertaken with the help of government subsidy. 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.

## Visitors @ VCT



(From Right) Mr. Mohan Sravanam, Mr. Parinay Diwan & Mr. Dipak Chand Das from Maersk Visited on 01.12.21



Traders From Shipping Faternity Visited on 02.12.21



(From Right) Mr. Doddi Rajesh, Mr. Santosh Prakash Gavandi & Mr. Sandheep E from CMA CGM Visited on 23.12.21



Team from RCL Chennai Visited on 27.12.21