

Vaarthha

A Visakha Container Terminal Newsletter

Issue No. 7 / Vol 14/ January 2017

'VCT has natural Depth of 16.5 m alongside - The deepest amongst Indian Container Terminals'

CII Partnership Summit 2017



AP - CII partnership summit 2017 brought together a wide spectrum of stakeholders to facilitate policy dialogue. Sunrise state Andhra Pradesh with Vision 2029 which is ranked 1st in the country by World Bank for Ease of Doing Business is an example of how the state and government of A.P. are proactively attracting the investors.

The 2 day event was inaugurated in the presence of Shri Arun Jaitley, Union Minister of Finance and Corporate Affairs, Shri Ashok Gajapati Raju, Union Minister of Civil Aviation, Shri Nirmala Sitharaman, Union Minister of Commerce and Industry, Shri M. Venkaiah Naidu, Union Minister of Urban Development, Mr. Kumar Mangalam Birla, Chairman - Aditya Birla Group, Mr. Baba Kalyani, Managing Director - Bharat Forge, Mr. Chandrajit Banerjee, Director General of CII and many more dignitaries, Leading Industrialists, Entrepreneurs and Business Partners.

Summit witnessed participation of 51 countries and 665 MoUs were signed with an investment worth Rs. 10.5 Lakh Crore, with a potential to generate 22 Lakh Jobs. 8 Union Ministers addressed the gathering to support the investments and announced AP as the ideal place to invest under the leadership of the dynamic Chief Minister, Shri N. Chandrababu Naidu. Over 2,000 delegates attended the conference and of this 400 were from international delegations. The below mentioned criteria uplifted the state to be the best to establish new businesses.

- Availability of abundant industrial land and transparent allotment
- Online application and payment for infrastructure related utilities like - electricity, water, drainage, sewage, etc.,
- e-Registration and Online payment of state taxes

continued on page 3

Spike In Marine Exports



Visakhapatnam continues to be the top exporter of Frozen Seafood in terms of dollar value over the last 3 consecutive financial years. Marine products exports from India touched 4.6 billion US dollars last year and Andhra Pradesh alone contributed 43 per cent of the export turnover. Visakha Container Terminal (VCT), *"The Ideal Gateway on the East Coast of India"* has witnessed almost 25% growth in terms of reefer volumes over the last calendar year.

Frozen Shrimp with nearly 70% of the total export value followed by Frozen Fishare the major exports with increasing demand in American, European and Asian markets has contributed to the growth of exports. The port city's capability to handle the refrigerated food has also been pivotal for the trade in enhancing their volumes.

The Marine Products Exports Development Authority (MPEDA), a statutory body under the Ministry of Commerce & Industry, Govt. of India is also calling for Value-Added services such as quality tests, packaging and labelling of these cargoes in order to have a sustained growth in this sector. MPEDA envisages export of marine products worth USD 5.6 Billion during the year 2016-17. Though very ambitious, the Marine Products export is expected to reach USD 10 Billion by 2020.

Fisheries and Aquaculture production has also increased comparatively and is poised to compliment the growth trajectory of marine foods. More than 50 new sea food exporters have registered at Visakhapatnam and many more are eyeing the hinterland of Vizag due to the conducive environment it provides for this business. VCT, with world class reefer container handling facility witnessing year on year growth is all set and geared up to handle the estimated reefer EXIM cargo traffic.

VISITORS AT VISAKHA CONTAINER TERMINAL



(From right) Mr. Lovenash Sachdeva, Asst. Manager-Finance, Mr. Pavan Kumar Sunkara, Asst. Manager-Finance, ITC Agri Business Division and Mr. Naveen, Sravan Shipping Services Pvt. Ltd., visited on 09.01.2017



(Middle) Mr. S. Ramakrishna, Dy. General Manager, (right) Mr. A. Ramanjaneyulu, Sr. Manager, International Paper APPM Ltd., and Mr. Jyothi, Srivalli Shipping, visited on 10.01.2017



(From right) Mr. S. Sankaran, Sr. Vice President, Mr. S. Stephen Christopher, Dy. General Manager and Mr. Govind Babji, Dy. Manager, K Steamship Agencies (P) Ltd., visited on 17.01.2017



(2nd from left) Mr. Subrat Kumar Banerjee, Vice President, (Middle) Mr. Parthasarathi Basu, Manager, TRL Krosaki Refractories Ltd., (right) Mr. Sourav Ghosh, East India Shipping, (left) Mr. Sravan Kumar, Director, Sravan Shipping Services Pvt. Ltd., visited on 17.01.2017



(Right) Mr. Shivkumar Rao, Director, and Mr. M. Nageswara Rao, Manager, R & Y Logistics Pvt. Ltd., visited on 18.01.2017



(Right) Mr. Babit Nanda, General Manager, (left) Mr. N.V.S.N Kumar, Manager, Indian Metals & Ferro Alloys Ltd., and Mr. Rohit Kancharla, Director, K.Ramabrahmam & Sons Pvt. Ltd., visited on 20.01.2017



(From left) Mr. Martin Hartmann-Hergott, Trade Manager, Mr. Sebastien LACROIX, Area Commercial & Marketing Manager, Mr. Rajesh Reddy, Commercial Representative, CMA CGM India, visited on 18.01.2017, to explore the opportunities of West Africa traffic through Visakhapatnam.



(2nd from right) Shri Romi Gauchan Thakali, Commerce Minister of Nepal, (2nd from left) Mr. Krishna Hari Pushkar, Minister (Economic), Embassy of Nepal, (left) Mr. Rabi Shankar Sainju, Jt. Secretary in the presence of Mr. P. L. Haranadh, Dy. Chairman-Visakhapatnam Port Trust visited VCTPL on 28.01.2017 to understand the progress of Nepal bound cargo movement through Visakhapatnam.

International Customs Day



Every year International Customs Day is celebrated by the customs community all over the world on 26th January, which coincides with Republic Day in India, hence was observed on 27th January here at Visakhapatnam Customs House. The staff and officers of the department, importers, exporters, Custom House Agents, Custodians of cargo and representatives of several Public Sector Enterprises attended the function. The event has a specific theme which for this year is **“Data Analysis for effective border management”**.

Shri P. Ravindra Babu, Hon'ble Member of Parliament who was the Chief Guest spoke of GST and how the new reform would benefit the trade. Mr. B. Hareram, Commissioner of Customs, Visakhapatnam presided over the function and spoke on the importance of data analysis in managing border activities and emphasised on the modernisation of Ports/CFSs & ICDs.

Visakhapatnam Customs has jurisdiction over the ports at Visakhapatnam and Gangavaram and plays a significant role in nation building through revenue collection, trade facilitation and safeguarding the economic integrity of the country. The Customs House here has been encouraging the trade by actively promoting the significance of AEO & ACP Programme that facilitates Direct Port Delivery & Direct Port Entry in line with the vision of the Central Government in promoting this initiative.

The last year's theme of the event was “Digital Customs: Progressive Engagement “ which saw the Port Community System evolving basis which paperless transactions with all the stakeholders was facilitated and thereby having reduced turnaround time of the container trailers. Vizag Customs is now emphasizing on use of digitalized system for effective border management.

Other dignitaries who attended the function were Mr. M. Rama Rao, OSD, AP Bhawan, New Delhi, Mr. Sambasiva Rao, MD-Sravan Shipping echoed the valuable contribution of Vizag Customs in promoting EXIM trade through Visakhapatnam Port. They also mentioned how significant is the role of Customs in the International Trade and the benefits it offers by means of digitalization.

Mr. Sushil Mulchandani, COO-VCTPL raised the below two points at the event for the benefit of trade.

Re-export of containers within six months-As per the prevalent norms shipping lines are supposed to re-export the containers within 6 months of their imports and therefore execute a bond to customs undertaking to do so. The reason being that the customs duty is not levied on the

continued on page 4

CII Partnership Summit 2017

- Green category environment clearances by Pollution Control Board
- Labour reforms
- Certifications & Inspections based on computerised risk-assessment

Therefore immense opportunities are available to invest in Visakhapatnam which is the first Coastal Economic Zone of the country, other sectors include organized SEZs, EOUs, MSMEs ably backed up by bank reforms & taxation reforms that act as catalysts for the state to register enhanced GDP through export driven growth. **Andhra Pradesh registered a GDP growth of 12.23% in the first half of this fiscal year compared to the national average of 7.2% and is believed to be the growth engine of the country.**

The central government doled out lakhs of crores in investments across road, port and rail infrastructure. Other public sector investments included almost Rs. 1.43 trillion into oil & gas from the petroleum ministry. Energy and industry sectors received over Rs. 2 trillion investments each with roads and buildings raking in Rs. 73,970 crore investments. The food processing industry saw as many as 177 MoUs being signed. Investments include 14 MoUs by AP Infrastructure and Township Development Corporation amounting to Rs. 40,660 crore, 62 MoUs by AP Capital Region & Development Authority valued at Rs. 1,24,532 crore, 66 MoUs by Economic Development Board worth Rs. 3,62,662 crore. ONGC, Aditya Birla, ICICI, Axis Bank & HDFC are the others investing in the state.

AP blessed with almost 1000 km coastline calls for port led development. With a major port in Visakhapatnam, developmental work towards it is already completed worth Rs. 1,665 crore the second highest in the country and Rs. 2,700 crore worth of works are ongoing. Within the next three months port sector would be awarded additional projects of Rs. 1,200 crore, taking the total investments to Rs. 6,000 crore. For the first time in the country, 2 major rivers – Godavari & Krishna were linked and so the launch of Polavaram Project is expected to generate 1000MW power, the water from it would be used for agriculture. Despite rainfall deficit, AP registered growth rate of 25% in agriculture which goes to show the rich fertile soils the state is blessed with. Availability of other natural resources like Bauxite, Beach Sand, Limestone, Granite and many more minerals supported by skilled human resource is giving a competitive edge over the other competing states.

With the implementation of the proposed project like Coastal Economic Zone, Power Projects, Oil, Gas, Petroleum industry projects driven by ease of doing business, the city of destiny Visakhapatnam also the financial hub of Sunrise State is on the verge of huge growth.

International Customs Day

containers per se. The shipping lines also submit a list of containers when they are imported and the bond gets debited to a value equivalent to that of number of containers imported. Once the containers are exported, the details of such export are submitted to the customs and the bond is accordingly credited. With the data available to Customs from IGM (data for containers when imported) and from EGM (data for containers when exported), the formality of shipping lines submitting the details can be done away with. This will avoid resources being deployed by Customs to control the activity. From the data available, the reports of defaulters can be generated and they can be penalized.

Execution of Carrier Bond by Custodians of ICDs / CFs – As per the customs norms, a custodian has to execute the 'continuity bond' for moving containers from one customs notified area to another. When the custodian seeks permission from customs for the movement of the containers i.e. processing of the transshipment application, the amount towards the number of containers to be moved is debited to the continuity bond and once the containers reach the destination and evidence of the same is produced, the bond is credited. With data available to customs from IGM (origin and the destination), gate entry and exit data made available to customs by the custodian the need for presenting the details for debiting and crediting the bond can be done away with. This will facilitate the trade and also avoid resources being deployed by the customs to control the activity.

The programme was concluded by awarding certificates to the winners who participated in sports & cultural activities on the occasion of the annual event.

AP Digitalizing



The Govt. of Andhra Pradesh in line with its new Innovation & Start-up Policy Agenda for 2014-2020, under the Designated Technology Park scheme aims to make AP a world-class technology start-up ecosystem and the port city of Visakhapatnam is the destination for these initiatives.

Chief Minister of AP, Shri Chandrababu Naidu inaugurated the FINTECH TOWER at IT Hill, Rushikonda, Visakhapatnam on 17 December, 2016 that saw numerous MoUs being inked. Fintech Valley is an ecosystem that focuses on converging finance and technology to create large avenues of growth through industry-enablers, world-class infrastructure, entrepreneurship and innovation. Fintech transforms the way money is managed. It

transforms almost every financial activity, from banking to payments to wealth management. Tasks once handled with paper money, bulky computers and human interaction are now being completed entirely on digital interfaces.

The facility is likely to house companies like Paytm, Digisecure, Valuelabs, Genesys Lab etc. The facility also aims to serve as a working space for resident Fintech start-ups, accelerators, incubators and innovation hubs, growth space in the future for them as they grow, and a collaboration and events/conference space for all stakeholders.

AP government would also be signing MoUs with 20 industry and academic organisations, some from outside India for the purpose of establishing the Labs and the centres of excellence in various financial & technological courses to produce skilled manpower. The Sunrise Start-up which is powered by the AP Government believes that Visakhapatnam which is already a hub for major industries and being the Eastern gateway for trade would witness many more transformations in the days to come.

VCT Walkathon

Visakha Container Terminal organized couple of walkathons in the month of January observing awareness programmes in the neighbourhood.

As part of observance of road safety week, volunteers from VCT gathered at the beach road and conducted an awareness programme for 2 hours on 17 January, 2017. They walked with placards displaying traffic rules and also acknowledged by distributing chocolates to the motorists who followed the rules of using crash helmets & wearing seat belts.

Another walk was organised at the beach road on 31 January, 2017 with respect to the wellness programme – “Walk for Health”. In order to observe “World Leprosy Day”, the walkathon was scheduled in the morning hours to attract the morning walkers. 35 employees participated in the walk and showcased the health initiative which was appreciated by the bystanders and walkers.

After a successful year in 2016, VCT had begun the year on a good note by volunteering and inculcating the road safety and health awareness in the society.

