



# e-vaartha

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

## VCT: 17 Years of Excellence



On the 26<sup>th</sup> day of June 2020, Visakha Container Terminal successfully completed 17 glorious years of service to the container shipping industry. Growth of the terminal has been steady and consistent, clocking a CAGR of 22%

since its inception. The journey was indeed quite challenging and VCT had to face many hurdles in the process. However, we have overcome them as one team. This would not have been possible without the support and patronage from the shipping fraternity. Thanks to one and all for travelling with us in these 17 wonderful years.

This year the celebrations of the success was done differently over virtual platform as we all know that social distancing is the main criteria for one's safety and VCT always gives top priority to safety. The event was therefore conducted through Video Conference at various locations of the terminal wherein our Chairman, Managing Director and senior management of VCT addressed the gathering from their respective locations.

On the next day, our Managing Director with his family connected with the VCT employees and their families virtually at their homes through Video Conference. The talent of each family was showcased in the form of Art, Singing, Music, Dance etc. Whatever may be the situation, VCT yet again displayed high morality and oneness

We look forward to many more successful years ahead with support of shipping fraternity.



## Records Re-Written



EXIM traffic movement is eventually returning to normalcy at the port city, Visakhapatnam post lockdown. However, the imbalance of the trade is still yet to revive completely. New horizons were reached during the month of June specifically in terms of monthly throughput and exports. Even the lock down could not stop the growth of the terminal at the city of destiny. VCT has clocked highest throughput ever in a month with **46307 TEUs** and not to forget, the growth was complemented by Exports Laden volumes that crossed over **21000 TEUs** which is another record itself. Last but not least Reefer volumes too reached the horizon in the month at **3424 TEUs**.

Thanks to commodities like Ferro Alloys, Frozen Sea Food & Rice that have been the prime contributors for the high volumes. Granite & Stones, Chemicals / Pharma have also played their part too in the growth. While the Frozen Sea Food moves into US region, the Rice gets exported to African region, both the commodities have found their way into South East Asia region additionally that translated into the volume increase. At the same time, West African region too have ordered a greater number of Parboiled Rice in containers with the increased demand of the cargo and the trend is more likely to continue for the next few months as well. Visakhapatnam is the hub of chemicals/pharma and with the requirement of API products into US and Europe the commodity has also witnessed growth. To maintain the balance of equipment between exports & imports and also to meet the heavy exports demand, empty containers needed to be repositioned. For catering this, VCT has earmarked 6 acres of area exclusively for handling and stacking empty containers.

Many more such horizons, footprints are yet to be witnessed by VCT that has the capacity to handle efficiently.

## Environment Initiative: Diesel RTG to e-RTG

Doing things differently with the right approach knocks the door of success. This is one of the success mantras for VCT. Being innovative and doing right things at the right time at the right place is what the organization believes in. Considering this fact, VCT has yet again came up with an initiative which not only improves the efficiency but would also keep the environment clean too.

The 28 years old RTG – Rubber Tyred Gantry Crane that runs on diesel has been converted into Electric RTG (e-RTG). A great initiative by Team Engineering thinking out of box that not only improves the quality of work, but would also be a step towards an eco-friendly "Green Initiative". The core team focused on refurbished RTG2 with low utility rate. Initially, the RTG was trialed with a shore power supply to carry out maintenance activities and functional testing. Not basking on the success, the team pursued the idea of in-house modification to convert to eRTG. VCT has thus taken a noble edge to convert it to electric driven. While the carbon emissions were omitted, per container handling cost was reduced too by 80% complemented with operating cost reduction, engine maintenance and component replacement. The path for conversion was not easy but the core team negated all the challenges to achieve the milestone and taste the success of modification which was done within the terminal.



## Rebate on VRCs Extension

In continuation to the Vessel Related Charges extension news published in April's Vaartha edition, Visakhapatnam Port Trust like always, understanding the need of the shipping trade extended the VRC rebates till 31.03.2021. It is indeed a great sigh of relief for the container vessel operators during these challenging times. The rebate in VRC is as under:-

### GRT Based Concession:

1. 50% rebate on Port Dues and Pilotage for vessels having less than 50,000 GRT.
2. 70% rebate on Port Dues and Pilotage for vessels having more than 50,000 GRT.

### Concession on Transshipment Containers:

1. Concession of 70% in Port Duties and Pilotage for container vessels with GRT less than 50,000 MT carrying minimum inward of 250 TEUs for Transshipment.
2. Concession of 80% in Port Duties and Pilotage for container vessels with GRT more than 50,000 MT
3. carrying minimum inward of 250 TEUs for Transshipment.

VISAKHAPATNAM PORT TRUST  
TRAFFIC DEPARTMENT

No. ITRA/SBS/CONT Dt. 25.06.2020

**TRADE CIRCULAR No. 1274**

Sub: Extension of promotional measures pertaining to Rebate in Vessel Related Charges (VRC) for container vessels.  
Ref: Trade Circular No. 1250 dated 11.04.2020

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Shipping & Container Lines, Customs House Agents and other Stakeholders associated with container operation at VPT might be aware that the VPT Board had earlier approved the following container promotional measures, which were valid upto 31.03.2020 after which the same was to be reviewed.

**GRT Based Concession:**

(a) 50% rebate on Port Dues and Pilotage for vessels having less than 50,000 GRT  
(b) 70% rebate on Port Dues and Pilotage for vessels having more than 50,000 GRT

**Concession on Transshipment Containers:**

(a) Concession of 70% in Port Dues and Pilotage for container vessels with GRT less than 50,000 MT carrying minimum inward 250 TEUs for Transshipment.  
(b) Concession of 80% in Port Dues and Pilotage for container vessels with GRT more than 50,000 MT carrying minimum inward 250 TEUs for Transshipment.

The GRT based discounts will however NOT be applicable for the vessels where the above (a) & (b) concessions are extended.

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In this regard, Trade may also be aware that the concessions were extended for an interim period of three months from 01.04.2020 to 30.06.2020 pending approval of VPT Board. Now in terms of Board Resolution quoted below, and with a view to secure the container traffic as well as a marketing measure, the VPT Board has approved extension of the above promotional measure for a period of one year from 01.04.2020 to 31.03.2021 after which the same will be reviewed.

  
TRAFFIC MANAGER

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## Lentil Imports Poised to Grow Post Tariff Slash

India, the largest importer of pulses in the world has opened doors to lentil imports for the first time in three years by announcing big cuts in tariffs. To encourage more imports, the current 33% import tariff on lentils would be slashed to 11% until the end of August. It was introduced in the year 2017 which affected the trade to a great extent. The reduction applies to all countries except the United States. India then imposed a 30% tariff, with an additional 10% tax, making the effective rate 33%.



During the lockdown when the government had announced free pulses provision to families in need, the demand of the cargo further rose where the local supply could not meet the requirement. Imported lentils from Canada & Australian region is the need of the hour, therefore the government took a call to slash down on the tariff that would help the importers to bring more volumes. Demand for extra small seeded varieties produced by Australia is more in our country. There has been a rush of containers arriving to the ports of Kolkata, Mumbai & Chennai in the recent past and Visakhapatnam is also expected to witness this in the coming days. Currently majority of the lentils reach Visakhapatnam, Vizianagaram and Srikakulam regions from Mumbai by road. The tariff slash will allow importers to get lentils into VCT and then distribute to its hinterland which would be more cost effective. About 800-900 TEUs of lentils a month and many more such pulses get imported into Nepal via VCT. The slashed down tariff would eventually help both Visakhapatnam and its hinterland to bring in more pulses catering to the demand while the number of such imports into Nepal is increasing simultaneously.

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## Scrap Imports Resume

Recently, the import market of steel scrap became dim in India due to the high price and the sluggish steel market. Scrap is one of the commodities which is imported in huge quantities and is used by several steelmakers and automobile industry. Scrap is mainly imported from Europe, South East Asia, Australia & New Zealand and United States. Due to outbreak of COVID 19 there has been a halt in the import of scrap by various companies.

Understand from Metal industries, that steelmakers from India have booked large quantities of scrap from United States in the last few days. Post some relaxation in lockdown, steel companies in India as well in US are gradually coming to normalcy. The path is expected to become easy with more and more ports turning operational day by day. There is a huge demand of scrap to be imported in coming months as Steelmakers from India have increased the purchase of containerized scrap imports.



As per the trade, the fresh bookings of US scrap come against a backdrop of low freight rates and expectations of further price increases for scrap imports in South Asia over the next few weeks. In the coming days after the installation of container scanner more and more scrap volumes are expected through the ideal gateway on east coast of India i.e. VCT.

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## Rice Export on a Rise

While majority of the commodity movement got affected due to COVID 19, there was one cargo which is Rice that has defied the trend and showed an outperformance from the past couple of months. In fact, the Rice exports have broken all-time records and is poised to grow further as well. In the changed global market conditions the rice exporters are enjoying overwhelming international demand. Many nations especially Malaysia, West African countries are buying huge quantities of parboiled rice that has triggered the export volumes reach the horizons along with increased revenue to the traders & shippers.



The traders considered that the demand for rice would go down post Ramadan season, however, to their surprise the trend continued wherein the requirement of the cargo increased. Parboiled rice is grown in places like Gondia, Bhandara, Chindwara at Nagpur region and parts of Chhattisgarh & Madhya Pradesh. The increased demand will continue till end of September and there is sufficient stock in hand to meet the demand.

Rice from parts of Chhattisgarh, Odisha, Madhya Pradesh and Andhra Pradesh are routed through VCT. Erstwhile the cargo from Nagpur / Raipur regions found its way into western corridor ports of India, however, with VCT being cost effective the commodity is routed through Visakhapatnam region since then. Moreover, the dedicated panel set up for non-basmati rice that was mentioned in the earlier edition of Vaartha is also expected to play a pivotal role in the faster supply of commodity to both Africa & South East Asian regions. Visakha Container Terminal continues to be the ideal gateway for the exports of non-basmati rice and is ready with further preparedness to handle the cargo hassle-free.

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## World Environment Day

World Environment Day is the most renowned day for environmental action. Since 1974, it has been celebrated every year on 5<sup>th</sup> day of June with activities like engaging Governments, businesses, celebrities and citizens to focus their efforts on a pressing environmental issue. During this year 2020, the theme is **“Biodiversity - a concern that is both urgent and existential.”** Recent events, from bushfires in Brazil, the United States, and Australia to locust infestations across East Africa to India and now a global pandemic have demonstrated the interdependence of human and the webs of life, in which they exist. It is quite evident that the negligent behavior of mankind has put the entire world at threat and the human species in danger. Major steps are to be taken to save the environment and in line to the theme, VCT has done its part too.



Many activities were observed as a part of World Environment Day such as:

1. An awareness video on Biodiversity showcasing a moto “It is the time to act now”.
2. Virtual Group discussion through Video Conference (using Smart Phone).
3. Virtual Quiz on Biodiversity.
4. Poster/Painting (at home) on the theme “BIODIVERSITY”.

Both VCT & Contract Employees were asked to encourage the children to make a poster/painting.

VCTians have come forward for this noble cause to bring change on how we treat our nature with respect and the future is in our hands.