



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

## Maiden ICT Rake to ICD Jajpur from VCT



International Cargo Terminal (ICT) under the aegis of J M Baxi group is deploying its own rakes on the East Coast of India connecting Visakha Container Terminal to the hinterland in order to support the trade and catering to the prevailing demand.

As a first step towards this, ICT has deployed its rakes for Jindal Stainless Limited (ICD Jajpur) from VCT partnering with Maersk Line. The rakes will be carrying import containers of steel scrap and other ancillary products from VCT to JSL's facility at Jajpur – Odisha and exports of steel as finished products in return. This Rake movement will ease the process of EXIM flow and would lead to cost & time saving for the stakeholders involved in the process.

The first rake from VCT was flagged off on the 24th of July with 90x20' containers to ICD Jajpur. 4 such rakes are planned to be deployed on a dedicated basis in this circuit. This is just the beginning of a new era at VCT wherein many more such new ventures shall be explored and replicated for all potential rail head businesses in the hinterland of Visakhapatnam and beyond.



## MSC introduces own tonnage

MSC initiated its own tonnage from VCT to Colombo that would further cater to trade needs into the Africa, Mediterranean & Europe regions. MSC Janis 3 under the Liberian flag is the vessel that has been deployed with a capacity of 2100 TEUs, Length Overall of about 205 meters and width 27.4 meters has made its maiden voyage on 16 July 2020 at VCT. The Terminal Head - Dy. COO, Mr. Anil Narayanan along with the Senior Management met the vessel Captain where a VCT memento was presented and as a traditional gesture few sweets were distributed to the crew. The presence of many major lines' vessels has reached the port city and now it is the turn of MSC in Visakhapatnam with their own tonnage.



## Port's Land to Develop New Industries

61 percent of India's cargo traffic is handled by the 12 major ports that carry the EXIM activities under the aegis of Central government. Visakhapatnam Port Trust being one of the major ports has the natural advantage of being strategically located on the center of East Coast of India. Moreover, the port is blessed with best marine parameters with a natural depth of 16.5 meters, dedicated road corridors and best rail connectivity to facilitate seamless movement of EXIM traffic.

Collectively about 1.10 lakh hectares of land is available with the 12 major ports where the utilization is only at 50% and hence there is room for more usage. In the latest development from the Ministry of Shipping it has been declared that a part of this available land will be used for developing and setting up of new industries. Till now the port land was used for earning rent but taking.

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## Time to be Self Dependent: Pharma Industries



While India is called the “Pharmacy of the World”, Visakhapatnam is called the Pharma hub of the state Andhra Pradesh with the presence of over 60 pharmaceutical companies striving towards major production of Active Pharmaceutical Ingredients (APIs) exclusively that gets exported into US & European countries.

Self-Reliance has become the need of the hour says the government of India that was well acknowledged by Indian Pharmaceutical Alliance (IPA) and Indian Drug Manufacturers Association (IDMA). The pharmaceutical companies are now focusing on make in India to reduce the dependency on China for raw materials. The Government steps forward to push local manufacturing of pharmaceutical ingredients, making India an alternative supplier to global drug makers. Active Pharmaceutical Ingredient (API) is the raw material that gives any medicine its therapeutic effect.

Currently, India imports chemicals from China, the largest manufacturer of APIs. The sudden disruption in the industry caused by COVID 19 pandemic has led to raw material shortage to the tune of 70% because of the shutdown of many units in China. In order to tackle the situation and to avoid such recurrence in future India has taken the bold step of producing these raw materials locally.

The ongoing tension at border and the COVID 19 impact may potentially lead to price instability and therefore impact exports for most of the pharma companies ultimately resulting in essential medicines becoming unaffordable. To combat the situation on a long run, Indian Government has already announced INR 13,760/- crores to set up three drug manufacturing hubs, while identifying 53 key APIs, including paracetamol and antibiotics, penicillin and ciprofloxacin.

Visakhapatnam is blessed with pharma cities in its vicinity i.e. Parwada, Duvvada and Pydi-Bhimavaram with over 70 pharma and chemical industries presence. These regions are poised to initiate the process of Make in India that would in turn increase the exports opportunity from the port city Visakhapatnam. Be it dry or reefer containers, Visakha Container Terminal has the potential to handle the envisaged growth with its world class infrastructure. At the same time, few imports of raw materials are also planned from Europe region for production of Pharma products that would also be routed through VCT. This enables both EXIM traffic to increase making VCT their ideal gateway.

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## Exports: New Avenues Ventured Except for China

The increased stringent steps being taken by both India & China in terms of mandatory examination of goods has slowed down the bilateral trade. While few buyers on either side have stopped procurement temporarily, others are showing lack of interest thus delaying the entire process of cargo traffic between the nations. India’s total exports stand at 9% into China and 18% from China as imports. The trade deficit between India & China has come down from USD 57.3 billion to USD 51.25 billion because of increased exports from India to China and declined imports from China to India during the year 2019. India’s dependency on China’s imports is high especially the commodity, Chemicals to prepare APIs that eventually gets exported into US. However, as an alternate the Pharma industries are opting chemicals from Germany, France etc., which are currently expensive and come with long transits. Therefore, in the near future, pharma companies are planning to set up their own production of raw materials as also opting to procure domestically basis the availability



To compensate the trade deficit, Federation of Indian Export Organisation has requested exporters to venture into other avenues like South East Asia, Far East, United States, Europe, New Zealand, Canada etc., for business opportunities. A good portion of India’s current exports to the USA consist of apparels, pharma, chemicals, vehicles, and furniture. Likewise, . other country opportunities could therefore be explored

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## Exports: New Avenues Ventured Except for China

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Due to the COVID 19, Indian exporters lost their orders owing to prolonged lockdown and hence incurred substantial financial losses. Their working capital understandably has suffered. In such a situation, it is indeed difficult to come back to normalcy and hence is the appropriate time for Indian EXIM players to venture into new markets other than China. Exports have been strong and looking up since last two months and this phenomenon is expected to continue. Visakha Container Terminal handling the burgeoning EXIM traffic has already expanded its horizon having global connectivity now and more service to add in future with expansion in place. The terminal is poised to witness huge growth with this development in the years to come

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## Port's Land to Develop New Industries

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a step forward now it will be used for generating employment, increasing EXIM movement and development of local production. Visakhapatnam Port Trust has plans in place to set up logistics park that would attract 3PL, 4PL movements which is the game changer in today's scenario. This will enable companies like Amazon, Flipkart, Vodafone, Airtel etc., who are stalwarts in e-commerce business to make Visakhapatnam their distribution centers to meet the customers requirement. With the impact of COVID 19, direct buying and selling has taken a backseat thus increasing the sales of e-commerce. The presence of Logistics Park will enhance the EXIM traffic through the city of destiny Visakhapatnam.



Visakha Container Terminal under the support of Visakhapatnam Port Trust is an ideal gateway on the east coast of India to carry EXIM activities with a consistent growth at a CAGR of 22%. With many more new companies coming up in the vicinity of Visakhapatnam there is a wide scope of increased volumes through VCT. To support the expected increased volumes, VCT is all set with its expansion plan of Terminal adding a quay length of around 400 meters, post completion of which, VCT will have the longest berth in a linear form with 850 meters thus allowing Super Post Panamax vessels to find their way into the terminal

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## Sanitisation: Blessing for Mankind

Erstwhile, the Ancient Indian Culture has always been a step further to cleanliness which has slowly fizzled away since last couple of decades. In our day-to-day life with the process of daily tasks, we are prone to get into physical contact with many touch points where those points have become a major worry to mankind. The pandemic that broke across the globe has created a havoc in human daily life. The importance of cleanliness and hygiene living is getting realized and the lost culture is reviving eventually. Washing hands and feet before entering the house, social distancing when in public, greetings in the form of namaste (joining one's hand together), taking a bath at regular intervals, cleaning the house on timely basis etc., were few practices that were followed earlier and now it has come back to existence again. To combat the novel corona virus, "Sanitisation" has become the key in today's scenario.



In order to maintain hygiene environment and for the safety of employees, VCT has taken few innovative steps towards better Sanitisation. The methods were not only followed at the terminal but at home too. The workplace is sanitized completely with a diluted solution of Sodium Hypo Chloride (NaOCl) before the employees reach their respective workstations. At various work locations i.e. Main Gate, Wharf, entry points of every department a hand sanitizer is ensured to be strictly placed for appropriate use. Awareness is created among every employee regarding the Importance of hygiene and healthy work practices. Today, we are not confined to the old techniques of sanitation but have moved a step further where one of the VCTians has developed a "Hands Free Sanitization" model. The model has further been enhanced and made it on a real time working where the concept of touching with bear hands is ruled out. The user will have to place the hand under the pipe and the sanitizer will pump down which is absolutely safe as it being touch free. Every VCTian is working towards a healthy and safe living with best practices being followed. Like always, VCT's utmost priority is safety.