



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

## Rice Exports Continues To Be On A Rise



India is the world's largest rice exporter and Andhra Pradesh is the hub of agricultural products, hence also called as "Rice Bowl of India". In the year 2020 India's rice export is expected to grow by almost 42% as compared to the same period of previous year. As per experts, India's rice export could jump to 14 million tonnes in FY 21 from 9.9 million tonnes over FY 20.

The two main reasons for increase in demand of Indian parboiled rice are because of reduced shipments from other countries and higher dollar realization. While Thailand being the world's 2nd largest rice exporter has suffered a drought in the beginning of the year that affected the rice crop, Vietnam which is the 3rd largest global rice exporter has suffered with low water levels in the Mekong River Delta which is the country's main rice growing region, thus hampered overall rice exports. India has always been a major participator in rice exports, managed to get the additional orders from the consignees thereby having the excess share coming to its bag. Yet another reason why the rice importers from other countries prefer Indian product is because of the taste complemented with competitive price.

India mainly exports non-basmati rice to Bangladesh, Nepal, West Africa and premium basmati rice to Iran, Saudi Arabia and Iraq. There is a huge rush in demand of non-basmati rice because of attractive prices too. As per the dealers, India is offering USD 100 per quintal lower than the competition for 5% broken parboiled rice FOB (free-on-board) basis. In addition to this, China has also cut its exports to Africa due to heavy floods that hit their local crop. On the other hand, India has surplus inventory that can be sustained for both domestic and international market.

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## Srikakulam Emerging As An Aquaculture Hub



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 from the 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.

The good news is that Srikakulam located in the Northern Part of Andhra Pradesh is joining the fray in terms of Aquaculture production and exports. Erstwhile the contribution from this region was very low, however, considering the huge potential of Shrimp market in other countries and the freight realization, more new players from this region are keen on larger investments in Aquaculture. Currently the district has about 10 aquaculture units in various locations. The producers have identified around 250 villages in 11 mandals which is adjacent to the coastline of 193 km approximately. The region is rich in natural resources along the coastline which is favorable for establishment of aquaculture units.

Recently, the district collector has directed fisheries department to do a detailed study on the possibilities to start new aquaculture units in Srikakulam with the existing resources. The huge demand of Shrimp into the Western trade lane complemented with the Eastern Sea lane is continuously on a rise and the demand of the product can only be met with many more units coming up. Especially during the time of pandemic, the import demand of the product has been increasing at a great pace where this is the right time for new regions to pitch in to capture the additional market share. Srikakulam region which is in the process of expansion is poised to become the additional aquaculture hub in Andhra Pradesh and VCT with excellent infrastructure for handling refrigerated shipments would be the preferred Gateway for the export of this commodity.

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## Breather To Exporters – Govt. Extends Tax Waiver On Freight

Yet another helping hand is extended by the Government of India towards exporters to support the trade. The government of India has recently extended the waiver of Goods & Service Tax (GST) on export freight until Sept 2021. This move will be a great relief to the exporters in the tough time of COVID 19 pandemic. The waiver announced is 5% GST on export freight which was announced in Jan 2018 on a yearly extension basis.



The Central Board of Indirect Taxes and Customs (CBIC)

extended exemptions on 2 types of transportation services. One by air and the other by ocean through vessels under the CGST Act. The government amended the notification No. 12/2017 – Central Tax (Rate) dated 28 June 2017. In the serial number 19B deals with services by way of transportation of goods by vessel from customs station of clearance in India to a place outside of India. The notification on the extension of waiver shall come into force from 01 October 2020. The first extension was announced till September 2018 that got extended later, however as the announcement was made well in advance, the exporters had a speculation on the government might not get extended this year.

In context to this, major shipping lines have issued circulars regarding increase in freight. In the present scenario when there is shortage of equipment due to which the ocean freights are also increasing significantly, a relief like this (waiver) will be a great help for the exporters to sail smoothly in the rough seas of prevailing uncertainties.

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## India Bhutan Advances Bilateral Trade

India and Bhutan have had a long-standing cordial relationship based on goodwill and friendship in terms of better understanding and co-operation where India is Bhutan's largest trading partner. In 2018 the total bilateral trade between the two countries stood at Rs.9228 crores. Major exports from India to Bhutan are mineral products, machinery & mechanical appliances, electrical equipment, plastic etc. Similarly, major imports to India from Bhutan are electrical equipment, ferrosilicon, cement, dolomite etc.



In a recent development India has allowed five Agricultural products from Bhutan to have larger market access. More than 80% of Bhutan's EXIM is dependent on its Best Neighbor – India. Another significant development is that India and Bhutan have agreed upon to boost bilateral trade with the import and export of essential commodities. Areca nut, Mandarin, Apple, Potato, and Ginger are the products which were given Indian market access. Earlier Bhutan could export only asparagus & cardamom to India. In both the economies, agriculture is the main sector and by allowing market access to agricultural commodities will open up new dimensions of business opportunities in the future. Bhutan has allowed import of tomato, onions & okra from India.

Visakha Container Terminal has already proved to be Ideal Gateway for EXIM traffic movement to landlocked ports like Nepal and is poised to become a gateway for Bhutan as well. While the EXIM can be continued from/to India - Bhutan and vice versa , the 3rd country EXIM can be routed through Visakhapatnam using the strength of Direct Vessel Service calls from both Eastern and Western Sea lanes complemented with strong Rail / Road infrastructure. In support to the above-mentioned treaties, VCT stand as an ideal gateway for EXIM activities of Bhutan. The success story of Nepal based imports through VCT which started in the year 2017 is the best testament and would set the foundation for movement of Bhutan based EXIM traffic as well.

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During the FY 21 (Apr - Sep), Visakha Container Terminal (VCT) has witnessed about 58% growth in rice exports when compared to same period in FY 20. VCT has been the most economical and ideal gateway for the rice exporters of Chhattisgarh, Andhra Pradesh, some parts of Madhya Pradesh, Odisha etc. Records were re-written at VCT where the volumes have almost reached 5000 TEUs in a month and continues to be more than the average of 3500 TEUs (Apr – Sep) this year when compared to an average of 2200 TEUs last year same period. Furthermore, VCT is about to witness incremental exports of rice for the rest of the financial year as well.

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## India – Philippines for PTA

Relations between India and Philippines have been friendly and hassle free. India intensified partnership with ASEAN countries, thus resulting in maintenance of good relations with countries in the region including the Philippines.



Quite recently India and Philippines have agreed to work on Preferential Trade Agreement (PTA) which would give preferential access to certain products from the participating countries. This preference is done by reducing tariffs without abolishing them completely. The agreement will definitely bring down the tariffs on many products where both the countries will be benefited by PTA. The PTA is an outcome of the 13th meeting of the India – Philippines Joint Working Group on Trade &

Investment (JWGTI). The focus will be on Pharmaceuticals, IT and Financial Technology. In 2018-19, India-Philippines trade was around \$ 2.32 billion, with exports from India to the Philippines being at \$ 1743 million and imports from the Philippines by India - US \$ 581 million. Visakhapatnam is the hub of Pharma EXIM movement already and is also chosen to be the IT hub especially for electronics clusters in the state of Andhra Pradesh. The container terminal in Visakhapatnam with excellent facilities and having vessels calling with global connections will be the key for the bilateral movement between the countries.

Visakha Container Terminal is the closest container terminal to Far East countries hence is also closer to Philippines than any other port on the East coast of India with fastest transit. The terminal has 3 direct calls from/to the Eastern Sea Lanes with a weekly direct service to Manila, Philippines supported with excellent rail / road facilities. With the new PTA in the pipeline there are possibilities of many more EXIM activities to take place between these two countries. These developments will showcase new horizons for the development of trade where VCT would be ideal gateway to handle the envisaged container growth.

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## Office Ergonomics For Overall Well Being At VCT & VCT CFS

Protection of the employee's overall well-being is the right ethical move. To make this happen the first and foremost basic step towards better health is ergonomics at the workplace. Ergonomic evaluation was done in the workplace by identifying and measuring risks through employee data and to use analytics to continually drive improvement. It is a process of designing or arranging workplace, products and systems that would fit to the people who use them. The aim is to improve workspaces and environment to minimize or eliminate risk of injury or harm while at work to the staff.



As we all know that VCTPL believes in safety where the top priority is being given without compromising on quality, the ergonomics at the workplace is taken very seriously by the terminal. Beyond a company's moral responsibility, the terminal also provides a safe office environment which comes with a strong business case that has a direct effect on an organization's productivity. We strongly believe that the most important asset for an organisation is its employees. High functioning of employees drives organizational success, but if its employees have to work through discomfort, their output is bound to suffer. This could also lead to more unplanned absences, which could affect the organization's ability to meet important goals and deadlines as per the timelines.

The employees were trained on workplace relaxing techniques to improve ergonomics process that removes risk factors leading to musculoskeletal injuries that in turn enhances both productivity and performance. Attention to ergonomics can make employees feel valued because they know their employer is making their workplace safer. VCT gives top priority to its valued employees and their family members through safety measures at its best.