



New Cranes Arrived @ VCT

The expansion of Visakha Container Terminal is going on in full swing. The existing berth length of 450 meters is being extended by another 395 meters. Post extension, with 845 metres quay wall VCT would have the longest berth in a leaner form on the East Coast of India. The additional quay length will create room for more window berths at VCT where new services are poised to make their way into the terminal.



VCT received the shipment carrying 3 Quay Cranes from ZPMC on 9th Sept 2021. These Super Post Panamax Quay Cranes are equipped with the latest technology for efficient handling of containers. These cranes have an outreach to handle 22 containers across vessels and can perform twin lift container handling up to 65 tonnes under spreader.

In addition to the Quay Cranes the terminal has already received the shipment of 3 electrically operated Rubber Tyred Gantry Cranes (eRTGC) on 4th of Sept '21. Another shipment of 6 eRTGC is expected to arrive by the end of Oct '21. These electrically operated Rubber Tyred Gantry Cranes are more efficient with minimal maintenance required and thus help our thrust in being more environment friendly and constantly reducing our carbon footprint.

VPT Handling Target: 75 MT Cargo

Visakhapatnam Port Trust is scaling new heights when it comes to handling cargos. The impact of COVID 19 has affected the throughput and performance of the ports as well. Despite the tough times, Visakhapatnam Port Trust did not lose its mettle and continued to perform ensuring to meet the customers' requirement. During these testing time, VPT ensured to be in the top 5 position and is all set to retain its 3rd position in handling cargo following Kandla and Paradip in this Financial Year 2021. In FY 19-20 VPT had set up a new record by handling 72.72 million tonnes overtaking Jawaharlal Port Trust (JNPT) and registered 3rd position.



Union minister of state for ports, shipping, and waterways Shri. Shantanu Thakur said that Visakhapatnam Port Trust (VPT) has set a target of handling nearly 75 million tonnes of cargo for the FY 22. Addressing a press conference at the VPT recently, Shri. Shantanu Thakur said the port has achieved a throughput of nearly 73 million tonnes of cargo and is now setting a higher target in order to maintain its standard of being among the three major ports in the country.

Visakha Container Terminal is a PPP operator at Visakhapatnam Port Trust. Volumes at VCT has been increasing year on year adding to the growth in the traffic of VPT. To support the future estimated incremental volumes VCT will be all-ready with its expansion plan of Terminal along with extended Quay length of around 400 meters. Post extension VCT would have the longest berth in a linear form with 850 meters. The expanded terminal will also have the upgraded equipment in the form of 3 new super post panama cranes along with 9 eRTGCs.

SEZs Growth: Drugs & Pharma Sector Main Contributors

Special Economic Zones (SEZs) play a crucial role in developing the economy of a country. SEZs are necessary to enhance foreign investment, especially to attract foreign direct investment (FDI) thereby increasing GDP and increase shares in Global Export. India's exports from SEZs is grown by 41.5 per cent on a year-on-year (YoY) basis to Rs 2.15 lakh crore in first quarter of FY 21-22.

The main sectors which contributed for this substantial growth in exports from SEZs are from Drugs and Pharma sector followed by engineering goods. These sectors met the global needs of medicines. Amidst the pandemic, Exports from these zones had taken a hit during the fiscal year 2020-21 due to COVID 19 disruptions and lockdown. In FY 20-21 exports from SEZs fell to Rs. 7.6 lakh crore from 7.97 lakh crore in the FY 19-20 due to COVID 19 pandemic.



Out of the 427 SEZs approved by Government of India, 267 are fully operational by end of June 2021. An amount of Rs.6.25 lakh crore has been invested in developing these SEZs which is source of employment for around 2.5 million people in India.

With tremendous success, the role of the special economic zones has expanded from trade to investment technology, Research and Development, service and training. Free zones have become the center of activity in modern economy. SEZs have played a significant role in economic enrichment of developing countries by improving international business. Visakhapatnam, rightly called the 'City of Destiny' is a major industrial center in the state of Andhra Pradesh. Several industrial units in the public and private sectors are located in Visakhapatnam. These include Oil Refinery, Steel, Fertilizer and Heavy Engineering to name a few.

Visakhapatnam Special Economic Zone offers state of the art infrastructure coupled with liberal package of incentives, concessions and support services. VCT is an ideal hub to carry export and import activities of VSEZ. VCT will be ready with expansion of its berth to meet the requirements of the upcoming activities at VSEZ.

Coffee Exports On A Rise

Coffee is one of the major commodities which is exported from India. India exported nearly \$720 million worth of coffee in 2020-21, out of which 42 per cent mainly constituted the Robusta coffee beans. Karnataka dominates the coffee industry, accounting for highest exports, followed by Andhra Pradesh that exports more than 50 per cent of instant coffee, which contributes around 31 per cent share in the country's export basket. Italy is India's largest market accounting for over 20 per cent of bean coffee exports. While exports to the Middle East comprise Arabica coffee, Europeans prefer the stronger and bitter flavors of the Indian Robusta blend.



Coffee exports increased by 14 percent in the first 8 months of calendar year 2021, owing to higher demand for Indian instant coffee, arabica parchment, and robusta cherry types. The amount of exports increased to 2.56 lakh tonnes from January to August as compared to 2.25 lakh tonnes during the same period in the previous year. In currency terms, exports were Rs.4,467 crore, up 17% from Rs.3,801 crore in the same period the

previous year. The amount of Indian instant coffee increased by 78 % to 16,029 tonnes over the period, while the premium variety Robusta parchment suffered a setback. Coffee imports for re-export as value-added products increased by 12% to 62,895 tonnes.

Amidst growth figures there are some challenges also which is faced by exporters of coffee from India. Ocean freight prices to Europe, India's primary market, have increased by more than 300 %. Covid pandemic and European lockdowns had a negative impact on Indian coffee imports last year. Next year first quarter will bring some hopes to the commodity's export volumes.

Andhra Pradesh, the country's second-largest exporter of coffee, exported coffee worth \$142 million in the financial year 2020-21. The State government is encouraging the coffee production in Araku valley and other locations during the past few years. The coffee exports from this region have been growing at a 3 percent over the past five years. The largest and the most famous coffee-growing region in Andhra Pradesh is Araku valley plantations. According to the Coffee Board of India, on average, 3100 MT of (mainly) Arabica coffee is harvested from this region. Exports of instant coffee are rising from Andhra Pradesh due to increased export value realisation for the commodity.

Container Re-Import Timelines Extended

In the present situation, shortage of equipment / container is the main concern throughout the Globe which is badly affecting the EXIM activities. To address the problem of shortage of containers for exports, the tax department has decided to give three more months for the re-export of imported containers lying at domestic ports.

At present duty-free imports of containers are allowed with the condition of re-export in the next six months. However, keeping containers beyond six months is considered as deemed import and thus import duty is levied. This is a policy which aimed at ensuring faster turnaround of containers. To avoid such import duties, shipping lines export empty containers to evade duty payment on containers which are lying empty. However, such practices are aggravating the problem of shortage of containers for exports.



The Central Board of Indirect Taxes and Customs (CBIC) has issued a guidance to its field offices to extend this period by three months where the container is being taken out of the country in laden condition provided the six month period falls before end of this financial year. Disruptions due to the COVID 19 pandemic have resulted in high shipping freight rates and container shortage globally.

“As a temporary measure to ease containers available presently for export of containerised cargo and with an aim of promoting export of laden marine containers, it is guided that, where the initial period of six months is till on or before March 31, 2022...(a) provision of (a) circular may also be applied on receiving intimation before expiry of initial period of 6 months from the concerned importer that the container shall be re-exported in laden condition within the next three months,” the CBIC said in a circular.

With more encouraging set of policies like this will definitely ease the problem of prevailing shortage of containers to a great extent. This will encourage the EXIM activities to come to the previous normal and ease out the movement of shipments.

DRM Visits The Terminal

It's a great privilege that Mr. Anup Kumar Satpathy – IRTS, DRM – Waltair Division, East Coast Railways visited Visakha Container Terminal on the 8th day of September 2021. The visit was focused to understand the operations at terminal as well as rail connectivity to various hinterland in the region. A warm welcome was accorded to the DRM and other officials accompanying him by the VCT team. He was briefed about the infrastructure available at VCT, the expansion progress of the container terminal and the potential of Visakhapatnam emerging as a container hub port on the East coast of India.



VCT has 2 full length on dock rail sidings that caters service to Jharsuguda, Jajpur, and other locations in the hinterland. With good rail infrastructure and operational efficiency, VCT has been catering to the volumes especially of the large metal customers that has been pivotal in the growth of rail volumes at VCT. With the growing EXIM traffic from the hinterland extending up to Nepal, Raipur, Hyderabad, Nagpur, Delhi etc., VCT will be well connected to all the major rail hubs in the Country. These developments will showcase new horizons for the development of trade where VCT would be ideal gateway with global connectivity which has already been established.

Happy Dussehra