

# Vaarthha

A Visakha Container Terminal Newsletter

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

## The Commercial Capital - VIZAG



*Visakhapatnam* hosted yet another major event - *the 3<sup>rd</sup> Urbanization Forum - BRICS* with about 80 International delegates from various countries in a total of 450 delegates. The conference deliberated upon separate urban finance system, creation of employment opportunities, inclusive housing and informal economies, climate change, resilient water & sanitation management, new towns and regional planning & urban renaissance: new reform agenda in the plenary sessions over the three days.

*The Commercial Hub* of the Sunrise State is getting prominent with major events like CII Partnership Summit 2016, India International Seafood Show & 2<sup>nd</sup> International Fleet Review organized. The events showcased the potential of the *Port City* in terms of global connectivity and single window clearances of processes etc., setting the platform for more events to be organized. "Building Responsive, Inclusive and Collective Solutions" was the theme of India's Chairmanship for the 8<sup>th</sup> Annual BRICS summit with special focus on Urban Transition. The levels of urbanization in BRICS countries are 90.6% (Brazil), 73.8% (Russia), 62% (South Africa), 56% (China) and 31.3% in India. The summit was a unique platform that brought 5 emerging countries comprising 17% share of world trade.

India's GDP Annual growth rate is predicted to be about 7.6% where AP plays a vital role aiming at GDP 14% and Visakhapatnam being its focal point to meet the expectations. *The city of destiny, Visakhapatnam* is the City of broad shoulders carrying Country's oldest Ship-building Yard and the headquarters of Eastern Naval Command along with one of the largest ports in the country has become the gateway contributing to the development of the Petroleum, Steel, Ferro, Agriculture, Chemical and fertilizer & Seafood industries.

Ministry of Urban Development & External Affairs - Government of India (GOI) Government of Andhra Pradesh (GoAP), Greater Visakhapatnam Municipal Corporation (GVMC) & National Institute of Urban Affairs came together to host the event at Visakhapatnam, the city of destiny. *The Jewel of East-Coast, Visakhapatnam* is leaping ahead into the new era of Indian Economy.

## IISS @ Visakhapatnam – Numero Uno Gateway for Seafood Exports



Post bifurcation of state, the Sunrise State – Andhra Pradesh has been attracting business in various industries. *Visakhapatnam the port city* was chosen to host the 20<sup>th</sup> India International Seafood Show (IISS) – one of the oldest and largest seafood shows in Asia.

Indian marine products have become one of the major markets of the world exporting quality seafood worth \$4.7 billion in 2015-16. IISS – 2016 emphasized on "Safe & Sustainable Indian Aquaculture" as the theme, constructing a unique platform for all Seafood processors, exporters, importers, aqua-culturists, processing machinery manufacturers and allied industries to meet under one roof and forge new partnerships and reinforce existing business relationships.

In the presence of Shri N. Chandrababu Naidu, Chief Minister of Sunrise State – Andhra Pradesh, the 3-day event was inaugurated by Union Minister of state for Commerce – Smt. Nirmala Seetharaman who quoted – *"I think the stature of the industry today is largely because of the entrepreneurship being shown by businesses and aqua producers. So, I do give them due credit, otherwise India would not be the seventh largest sea food exporter"*.

Union Urban Development Minister – Shri M. Venkaiah Naidu stated *"The Indian Seafood Industry is almost 50 year old in its organized form and today we are exporting seafood to over 100 countries, including USA, Japan, Europe, China, South East Asia and West Asian countries. The major items are frozen shrimp, frozen fish, cuttlefish, squid and so on. There are dried, live and chilled items as well"* during the inauguration.

In the same occasion, Mr. V. Padmanabham, National President of SEAI believed that Andhra Pradesh, the principal international aquaculture shrimp hub, with a

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## VISITORS AT VISAKHA CONTAINER TERMINAL





(Middle) Mr. Kyung Soo Kim, Consul General, Republic of Korea, (right) Mr. G. Jai Dev Vandanam, Traffic Manager and Mr. T. Venugopal, Secretary, Visakhapatnam Port Trust

### Korean Consul General @ Vizag

Mr. Kyung Soo Kim, Consul General, Republic of Korea visited Visakha Container Terminal on 16 September, 2016 to understand the facilities and support extended to Korean trade. The Port City has been the gateway for the Indo - Korean bilateral trade. The Korean Consul General said that VCT is an "Ultra-modern container terminal" and there is huge potential of cargo that can be exchanged between the countries. The exports from India to Korea have increased to INR 19.75 billion in June from INR 13.73 billion than April 2016. South Korea's bilateral trade with India has been firm since FDI where both the nations are looking ahead for a better economic development.

## New Export Opportunities - VISAKHA DAIRY

A new industry on rise in the East - Coast of India. Countries like Singapore & Sri Lanka are importing dairy products from Visakha Dairy and the market seems to be enlarging.

India being the largest milk producing country in the world, the dairy industry has been acknowledged as modern India's developing industry. The country produces 50% more milk than the United States and 3 times more than China. Visakha Dairy in Visakhapatnam, the port city is one of the largest and fastest growing milk & milk products manufacturing company. It was established in 1973 manufacturing various products like Fresh, Flavoured and Extended life Milk, Dhood Pedda, Badam, Burfi, Milk Cake and many others.



The state-of-the-art company is well equipped with technology plants in Visakhapatnam and East Godavari district. The total handling capacity is at 9 lakh litres of milk per day where the procuring and processing is at 7 lakh litres per day. The procurement is done majorly from Northern Andhra Pradesh, East & West Godavari regions and the products are sold primarily in Andhra Pradesh, Telangana, Odisha & Chhattisgarh.

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## CHINA - A Growing Appetite

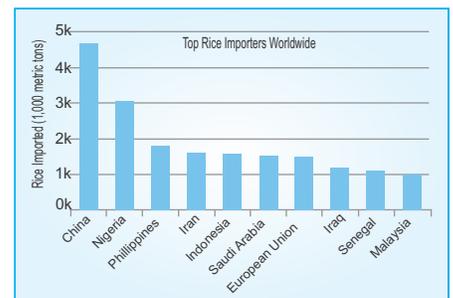


China is looking to import Rice from India to meet their consumption pattern. A team would be inspecting a few Rice Mills associated with National Plant Protection Organization (NPPO). The NPPO would assist the Chinese counterpart AQSIQ (Administration for Quality Supervision, Inspection and Quarantine) which would check for quality according to Chinese norms.

Rapid economic growth and urbanization in China have led to substantial change in consumption patterns and diet structures of Chinese consumers over the past few decades. As per forecast, China would require 21% of cropland to support the increasing food demand, driven by population growth, urbanization and income growth. It's worth noting that China most recently accounted for 12% of total global rice imports, the highest share in 45 years. Chinese media has put up how

the local brands have downgraded the quality which led to adverse effects.

India exported the highest dollar value worth of rice during 2015 with 30.1% of total rice exports. Visakha Container Terminal is being used as the preferred gateway for this movement that has a well spread hinterland connected by both rail & road. Visakhapatnam trade partners have been supporting the global trade actively due to which the traders in A.P & Chhattisgarh have been increasingly exporting a wide variety of rice from the Port City. Weekly direct services to China and the advantages in marine parameters that warrants more main line services, VCT is best placed to attract these volumes in addition to the burgeoning rice trade to West Africa and South East Asia.



## IISS @ Visakhapatnam – Numero Uno Gateway for Seafood Exports

shrimp export of nearly Rs. 13,000 Cr., and a quantity of 275,000 tons will soon become the Aquaculture Capital of the world.

The show was organized in the *city of destiny* after 15 years that attracted participation of nearly 200 international delegates and 140 stalls. Various sops are being announced by the central government at the behest of MPEDA – Marine Products Export Development Authority and SEAI – Seafood Exporters Association of India that would boost the seafood industry and its exports.

Frozen Shrimp continued to be the major item of export in quantity and value, accounting for a share of 39.53% in quantity and 66% of the total USD earnings. USA is the largest market followed by European Union, SE Asia, Japan, China and other nations. The export of Vannamei shrimp has shown a growth rate of 16% in 2015-16. Frozen Fish, Cuttle Fish, Crab Meat and Frozen Squid are the other seafood being exported.

*Visakhapatnam* crowns the table by exporting seafood worth about \$1.1 billion with a growth rate of 14.7% in FY 16. The trend which has been continuing shows the expansion of business in the industry. *Visakha Container Terminal*, the state of the art facility has been the major gateway for seafood exports since its inception and the growth in this sector year on year has been phenomenal. MPEDA is envisaging seafood exports of \$10 billion by 2020 and Visakhapatnam is going to be a major hub for its contribution that is likely to be about 60% of total Indian Exports.

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## New Export Opportunities - VISAKHA DAIRY

The company's current turnover is at Rs. 1100 Cr. with a CAGR of 14% and is aiming at a procurement of 10 lakh litres per day to reach Rs. 2000 Cr. turnover by end of 2020.

The new opportunities created by the government and the latest developments in the Sunrise State, Andhra Pradesh have opened various avenues that will help Visakha Dairy to expand its horizon. The company may be urged to use the coastal services for the products movement within the east coast and Southern India where it could find newer markets.

There are quite a few milk producing companies in the Northern parts of India however the only large producer in South India is Visakha Dairy, whose products can find large markets in the ASEAN countries. European nations too are large producers of milk but are limited by GATT agreements. Similarly Australia & New Zealand do not have adequate production capacity. Therefore Visakha Dairy stands a better chance to export their products to both East and West Bound sectors through the east coast gateway, Visakhapatnam.

Visakha Container Terminal has been handling refrigerated cargo successfully over the years and is capable to handle many more in the future too with its enhanced infrastructure. There is huge potential of milk and its product exports envisaged where VCT would play a pivotal role in facilitating these refrigerated movements.

## Mock Drill @ VCT

As part of the Onsite Emergency Plans (OEP) considering the safety of the employees and unstinted customers support, a mock drill was conducted on 09 September, 2016 at 1230 hrs on Scenario - "*Fire in 2x22 KL Diesel Storage Tanks*".



OEP Preparation

The main idea of the drill was to find the reaction time by the emergency teams and employees during an emergency. In addition to that the drill was aimed to train the Emergency teams on immediate actions to be taken in the event of a major fire. The drill was initiated upon the information received from fire technician who was on terminal rounds and observed fire engulfing from the diesel tanks. Immediately after the information was transmitted, an emergency siren was alarmed to alert VCT team. Terminal operations and other activities were stopped immediately. All the emergency teams who were at various locations assembled in their respective areas as per the onsite emergency plan. The other personnel who are not a part of the OEP

were rushed to respective safe assembly points. The Fire and Rescue Squad (FRS) members rushed to the incident site with the emergency equipment. The fire hoses were rigged up and the FB(5X) foam connection was used to generate foam for fighting the fire. Water spray was generated at the other end to ease in containment of heat generated due to the fire and cooling down the adjacent equipment in the near vicinity. One personnel from the FRS fell unconscious due to heavy heat exposure and exhaustion. He was immediately assisted by the Medical Team and sent to First Aid Centre for further medical assistance. The fire was brought under control at 1249 hrs. Immediately a team donning Fire suits and SCBA set were deployed to check the situation and assess the damage due to the fire incident. The drill was called off at 1259 hrs and the emergency teams were de-briefed.



Team @ action

### VISAKHA CONTAINER TERMINAL

ISO 9001 : 2008, ISO 14001 : 2004, OHSAS 18001 : 2007, ISO 28000 : 2007 compliant company  
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