

Monthly Port Community Charter Report

January 2018

A step to revolutionize the transportation of cargo





TABLE OF CONTENTS

LIST OF FIGURES.....	3
1. INTRODUCTION.....	5
2. PERFORMANCE ANALYSIS.....	7
2.1 TRANSFORM MOMBASA PORT INTO A HIGH PERFORMING LANDLORDS PORT BY 2026.....	7
2.2 RAILWAY TRANSPORT.....	9
2.3 MARITIME INDICATORS.....	12
2.3.1 Ship Turnaround Time.....	12
2.3.2 Vessel Waiting Time (hours).....	13
2.4 PORT INDICATORS.....	15
2.4.1 Containerised Cargo Dwell time.....	15
2.4.2 One Stop Centre Clearance Time.....	16
2.4.3 Time Taken at the Document Processing Centre (DPC).....	18
2.4.4 Delay after customs release.....	19
2.5 CORRIDOR INDICATORS.....	20
2.5.1 Weighbridge Traffic.....	20
2.5.2 Weight Compliance at the Weighbridge.....	22
2.5.3 Transit Time in Kenya.....	23
2.5.4 Containers Uptake from the Port to the CFS.....	25



TABLE OF FIGURES

Figure 1: Cargo throughput from Mombasa Port in '000' Deadweight tons.....	7
Figure 2: imports, exports and transhipment from Mombasa Port in '000' Deadweight tons.....	8
Figure 3: Number of Passengers using SGR.....	11
Figure 4: Ship Turnaround Time (Hrs).....	12
Figure 5: Vessel waiting time (hours).....	14
Figure 6: Containerised Cargo dwell time (Hours).....	15
Figure 7: One Stop Centre Clearance Time.....	17
Figure 8: Time Taken at the Document Processing Centre.....	18
Figure 9: Delay after Custom Release.....	19
Figure 10: Monthly average daily traffic 2018.....	21
Figure 11: Weighbridge Compliance.....	22
Figure 12: Average Transit Time from Mombasa to Malaba.....	23
Figure 13: Average Transit Time from Mombasa to Busia.....	24
Figure 14: Monthly Container Deliveries to CFS.....	25



H.E. President Uhuru Kenyatta flagging off a cargo train at the Mombasa port second container terminal ahead of launch of the freight services in May 2017.



1. INTRODUCTION

This monthly report presents the status of progress on various indicators that are used to track the flow of cargo and movement of traffic along the northern transport corridor. The indicators tracked provide a set of tools for the diagnosis of problems affecting implementation of the Mombasa Port Community Charter and therefore contributing to the identification of areas requiring improvement.

The report also provides an evaluation of the effectiveness of programs designed to improve the competitiveness of the Corridor. The report covers the Month of January 2018 and presents a comparative analysis over similar period for the previous years since inception of the charter.

The charter envisaged to achieve some of the following goals:

- Transform the Port of Mombasa into a high performing landlord port by 2016
- Achieve 70% cargo throughput through the green channel
- Have paperless cargo clearance by integrating community systems into the Kenya National Single Window System (KNSWS) by December 2014
- Increase liquid bulk holding capacity to 11,000,000 MT by December 2015
- Achieve an average of 120,000 km per truck per annum by December 2016
- Grow cargo off take by rail to above 35% of throughput by December 2018



Currently, the activities implemented towards attaining the aforementioned goals include: construction of Phase I of 2nd container terminal, expansion of Nairobi Inland Container Depot, maintenance and repair of KPA-owned floating craft; private sector licensing arrangements for handling of grains, soda ash, titanium and gas. Over 30 government agencies are linked to KNSWS; over 7,500 registered users (exporters, importers, clearing and forwarding agents, government agencies etc.), and over 80,000 beneficiaries (end of June 2017). Annual average of 96,240 km per truck per annum was attained (as at March 2017).

In addition, other initiatives have been implemented towards upgrading and expansion of road, rail and port infrastructure to support trade along the routes. A notable achievement is completion of the first phase of standard gauge railway from Mombasa to Nairobi which presents an opportunity for increase and uptake of cargo by the railway. The section below gives the current implementation status on some indicators of the Charter in the month of January 2018.

The analysis presented in this report complements what is provided weekly on the online portal dashboard of the Northern Corridor Transport Observatory. The content of this report is also available online at [http: top.ttcanc.org](http://top.ttcanc.org).



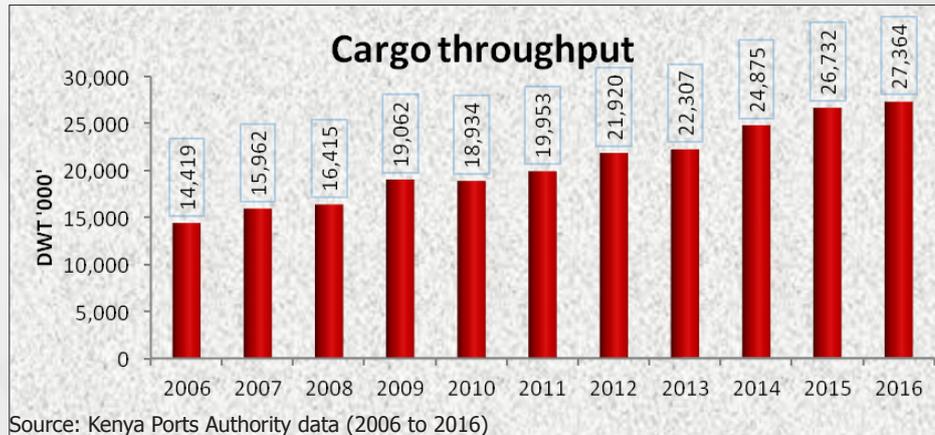
2. PERFORMANCE ANALYSIS

2.1 TRANSFORM MOMBASA PORT INTO A HIGH PERFORMING LANDLORDS PORT BY 2026

The port of Mombasa is the gateway to East and Central Africa. The northern corridor connects the port of Mombasa to the markets in Burundi, Rwanda, Kenya, South Sudan, Democratic Republic Congo and Uganda. It is crucial to ensure the competitiveness of this corridor through identification and removal of impediments such as non tariff barriers in order to lower transport related costs and improve transit time and overall efficiency and performance of the corridor.

Over a decade, Mombasa Port has seen exponential increase in cargo volumes and growth expectations are still projected to increase to 44.03 million tons by 2025 and 56.04 million tons by 2030. Figure 1 below shows trend of cargo throughput over the years.

Figure 1: Cargo throughput from Mombasa Port in '000' Deadweight tons

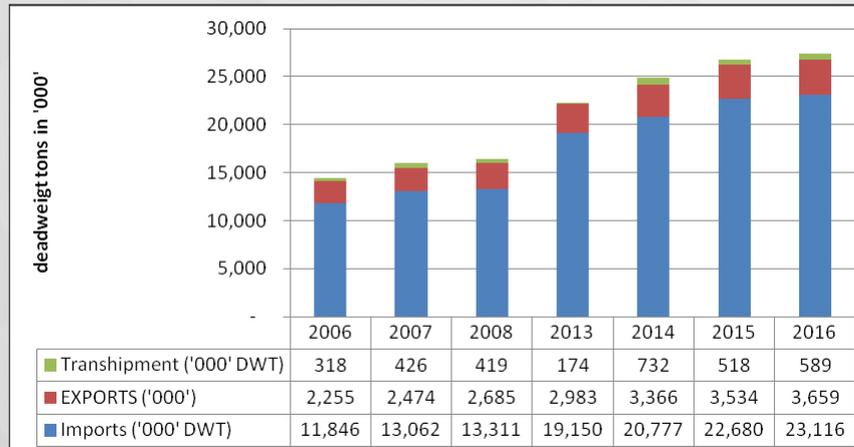




Since 2006, cargo throughput at the port of Mombasa has been increasing significantly from 14.4 million tonnes to over 27 million tonnes (This represents a percentage increase change of approximately 89.8%). The growth could be attributed to the market availability and corresponding growth of its captive hinterland economies. Furthermore, measures have been undertaken to increase the current capacity of the port through various development of projects; Construction of the 2nd container terminal and development of berth 19 among others conversion of berths 11-14 into container berths. However, more needs to be done so as the port can handle projected capacity of 44 million tons by 2025.

Figure 2 gives a breakdown of cargo in imports, exports and transshipment during the same period. The port of Mombasa handles more import cargo than the export cargo.

Figure 2: Imports, Exports and Transshipment from Mombasa Port in '000' Deadweight tons



Source: Kenya Ports Authority data (2006 to 2016)



Furthermore, for the port of Mombasa to serve as a landlord port, a number of commitments were to be implemented as per the Charter. They include strategic infrastructure developments; construction of 2nd container terminal, conversion of berth 11-14 and relocate Kipevu Oil Terminal among others. Presently Kenya Ports Authority (KPA) is implementing the 2nd container terminal which has additional capacity of 500,000 TEUs, KPA-owned floating craft were maintained and repaired, and Nairobi Inland Container Depot was expanded to hold a capacity of 450,000 TEUs from 180,000. However, conversions of berth 11-14, relocating Kipevu Oil Terminal, revitalize Kisumu ICD and corporatize Mombasa Container Terminal are yet to be implemented

2.2 RAILWAY TRANSPORT

Effective intermodal connectivity ensures fluidity in cargo flow and provides connections along corridors to major inland and international freight gateways. The Mombasa port relies on road and rail as the main modes of transport that run along the Northern Transport Corridor which is the main link to the landlocked countries. Therefore, improvement in efficiency of these transport modes is critically important for competitiveness of trade in the region and cost and delay reduction. The Mombasa Port Community Charter was developed to provide the framework that aims to enhance an efficient, effective, competitive port and supply chain system that would drive the regional economies towards becoming an attractive investment destination.

The Mombasa Port Community Charter was signed in June, 2014 and provided various commitments that have guided the threshold for gauging port performance for the last four years. Among the targets stipulated in the charter was to grow cargo off take by rail to above 35% of throughput by December 2018 from the port of Mombasa. This led to construction of Standard Gauge Rail (SGR). Construction of the first phase of SGR from Mombasa to Nairobi was completed in 2017 ahead of the planned completion date of 2018.



Commercial operations of the Standard Gauge Railway (SGR) freight train service began in January 2018. Currently it costs Ksh 50,000 to ferry a 20 foot container from Mombasa port to the Nairobi Inland Container Depot (ICD). There are concerns by stakeholders about the cost of the last mile transport from the Nairobi ICD.

Although cargo off take by rail is still very low, it is expected to pick up with time. Table below shows data for January 2018 on cargo off take by SGR. Comparing to the meter gauge train which used to carry 20 to 30 containers, the standard gauge train will carry 216 containers. Current performance of the Meter Gauge railway is below target at around 6% of the port cargo throughput.

Cargo off take by SGR, January 2018

	Loaded Containers (TEUs)	Empty Containers (TEUs)	Weight (T)
Imports	964	-	16581
Exports	316	442	5764

Source: Kenya Railways Corporation (KRC)

The new railway was expected to haul a huge chunk of containers and take pressure off the congested roads. Road transporters also hope the development will see a drop in road accidents and congestion along highways. On the same breadth, a total of 41,723 TEUS was nominated to sixteen container freight stations at the port. The report recommends a policy to enhance railway uptake by eliminating port nomination and fast tracking the extension of the SGR to the conversional cargo section. Currently the SGR does not carry any other form of cargo apart



from containerised which forms about 37.7% of the throughput. Another recommendation is development and streamlining service operations procedures.

On the other hand, figure 3 shows that number of passengers using the SGR has been increasing steadily since its inception. It can be noted that the month of December 2017 registered the highest number of passengers due to people travelling for festive seasons whereas the month of August 2017 witnessed a drop compared to July and this can be attributed to the general elections in Kenya.

Figure 3: Number of Passengers using SGR



Source: Kenya Railways Cooperation data (2017/18)

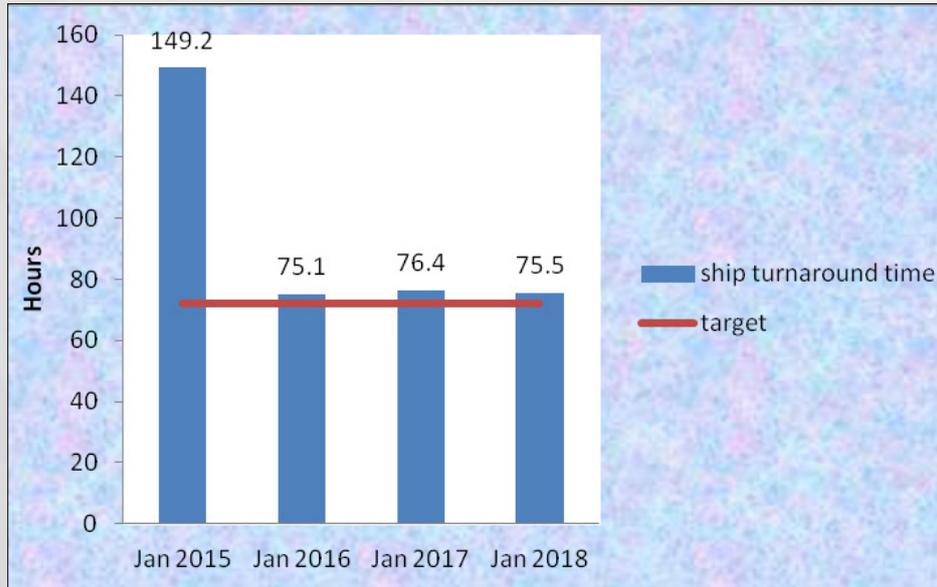
2.3 MARITIME INDICATORS

This section focuses on performance of container vessel movements (waiting time before berth and the average monthly turnaround time) at the port of Mombasa

2.3.1 Ship Turnaround Time

Ship turnaround time is the time from ship entry in port to exit from the port area.

Figure 4: Ship Turnaround Time (Hrs)



Source: KPA data 2015-2018



This indicator is one of the most common measurements of port performance. Ideally the shortest ship turn-around time is the most desirable because the less time spent in port indicates higher efficiency.

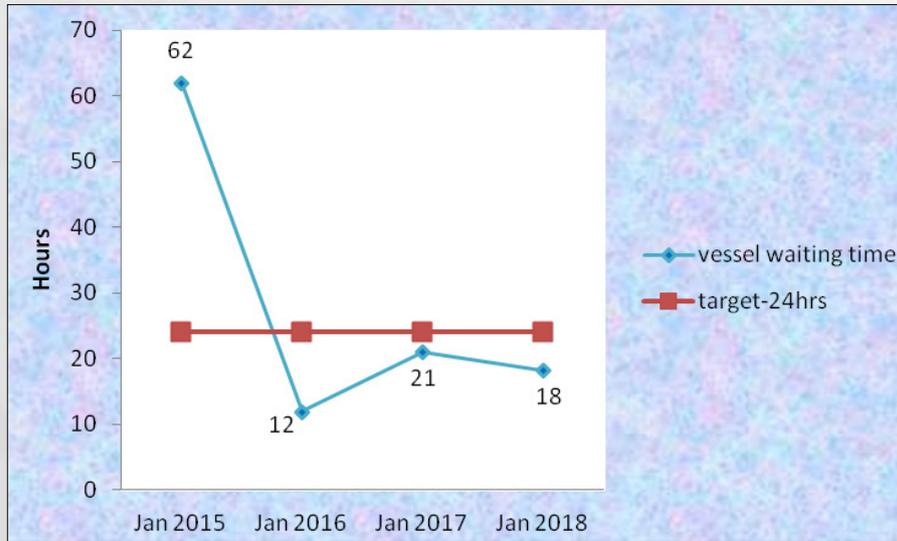
Figure 4 shows significant improvement and steady performance for ship turnaround time from 149 hours to 75.5 hours in January 2015 and 2018 respectively against the set target of 72 hours. The three main factors that affect ship turnaround time include delays relating to berths, cargo transferring delays and cargo availability. KPA has tried to address some of the barriers for instance by construction of the second container terminal which was launched in September 2016, acquisition of more equipment and introduction of fixed berthing window scheme among others. Ongoing initiatives such as expansion of terminals, construction of an offshore Single Buoy Mooring and establishment of up to date dry bulk facilities (which are yet to be implemented) are expected to improve performance to attain the 72 hours target.

2.3.2 Vessel Waiting Time (hours)

This time is measured from the time the vessel arrives at the fairway buoy to the time at its first berth, including waiting at their own convenience.

Figure 5 presents performance and comparison in vessel waiting time before berth in the month of January for the years 2015, 2016, 2017 and 2018.

Figure 5: Vessel waiting time (hours)



Source: KPA data 2015-2018

KPA data at a glance indicates tremendous performance trends in vessel waiting time which decreased from 62 hours in 2015 to 18 hours in 2018 implying vessel waiting time before berth target has been met since January 2016 as committed in the port charter. This performance outperforms the set target of 24 hours. Some of the factors attributable for this positive performance include implementation of Fixed Window Berthing, improved crane productivity and sufficient terminal capacity. The report recommends a review of this target and initiatives to reduce the waiting time further in comparison with best practices.



2.4 PORT INDICATORS

2.4.1 Containerised Cargo Dwell time

Refers to the total time spent by cargo at the port from when the cargo is discharged from the vessel until it exits the port (average number of days the container stays in the yard).

Long stay of containers in the port significantly reduce space at the yards for handling containers and manoeuvrability of equipment resulting to operational bottleneck leading to congestion and low productivity at the port. Furthermore, it is a pointer of inefficiency at the port and implies importers will incur high additional costs that arise due to delays caused by congestion. This indicator is affected by actions of various stakeholders including; port operators, customs, importers of goods and other border agencies.

Figure 6: Containerised Cargo dwell time (Hours)



Source: KPA data 2015-2018



It is observed that dwell time decreased significantly by 24 hours from 124 hours in January 2015 to 100 hours same month in 2018. Kenya Ports Authority reported that the improvement was attributed to manual interventions to resolve lack of full integration of single custom territory, 24/7 clearance and evacuation of cargo from the port, armouring of electronic cargo tracking system, automation of systems and expansion of exit lanes at the gates. Gate 18/20 was expanded with two additional lanes having been introduced to improve truck turn around. There is also need to develop a parking yard outside the port with a proper truck calling in system to the port. Currently majority of truck owners do not have parking yard prompting them to park alongside the roads causing congestion or accessing the port to park and shop for cargo

Although there is positive performance, it is still higher than the 72 hours target for this indicator. There is need to evaluate in detail the processes in cargo clearance and identify and address sources of delays including delay areas and parties responsible to each delay.

2.4.2 One Stop Centre Clearance Time

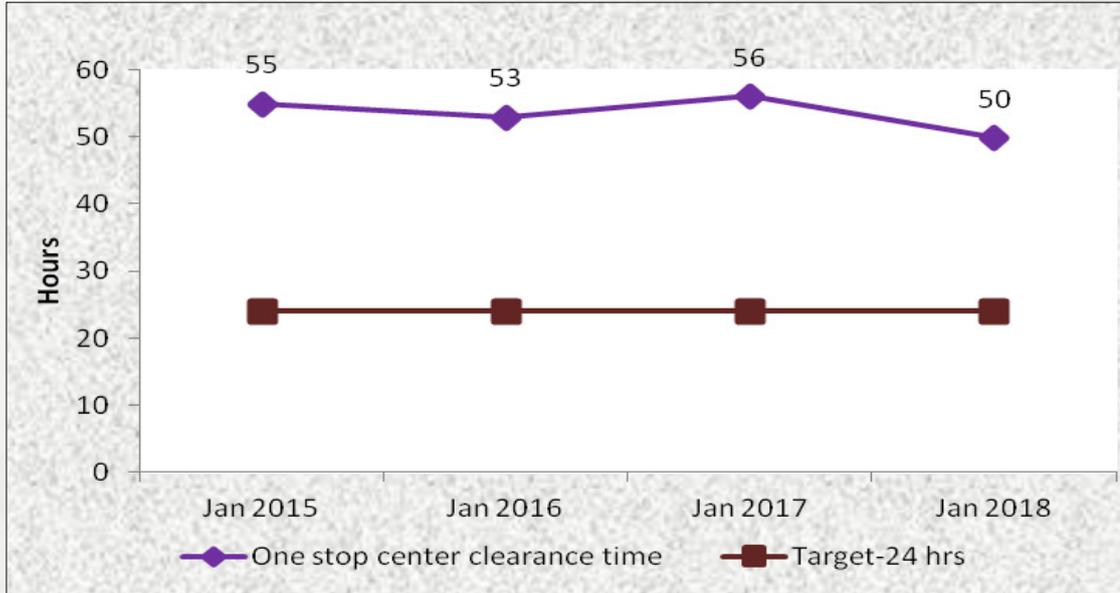
One Stop Centre Clearance Time measures the average time between passing of customs entry after its registration and issuance of a release order.

Figure 7 shows that performance in time taken at the one stop centre clearance decreased marginally from 55 hours 2015 to 50 hours in 2018 against a target of 24 hours. This suggests that there is still poor performance which has made the 24 hours target remain elusive and points to prevailing inefficiencies. Some of the port Charter commitments aimed at improving this indicator include conducting joint verification and verification of transit cargo to be made



at the countries of destination. Implementing mechanisms for speeding-up clearance of cargo processes by all the stakeholders involved to realize the required results of one day is important.

Figure 7: One Stop Centre Clearance Time



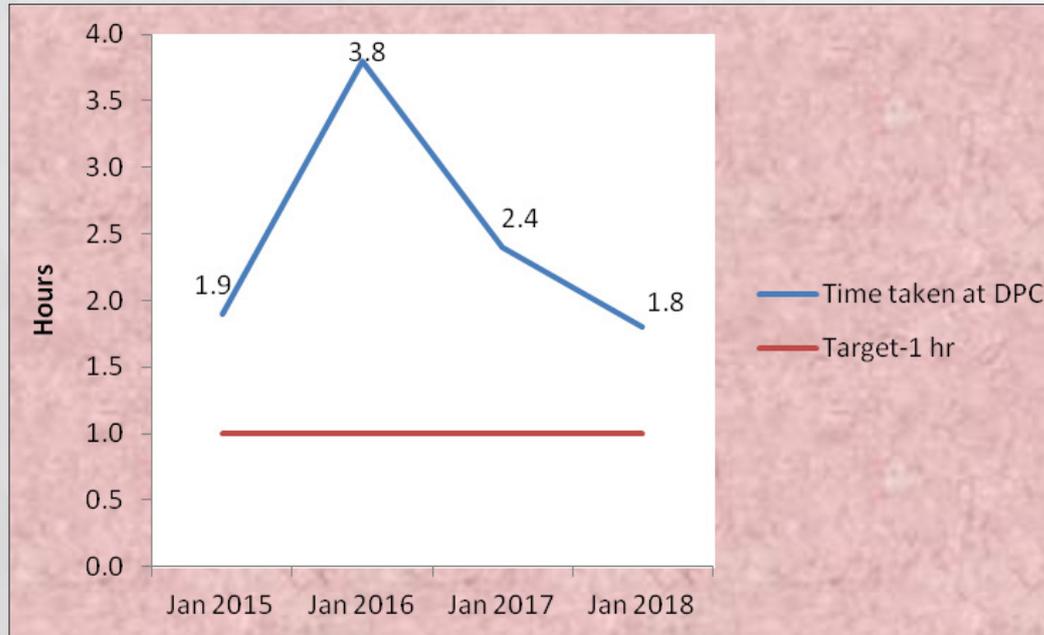
Source: KRA data January 2015/2016/2017/2018



2.4.3 Time Taken at the Document Processing Centre (DPC)

This is the time it takes to have an entry lodged by a clearing agent passed by Customs. The time at DPC has an effect on port dwell time though minimal.

Figure 8: Time Taken at the Document Processing Centre



Source: KRA data January 2015/2016/2017/2018

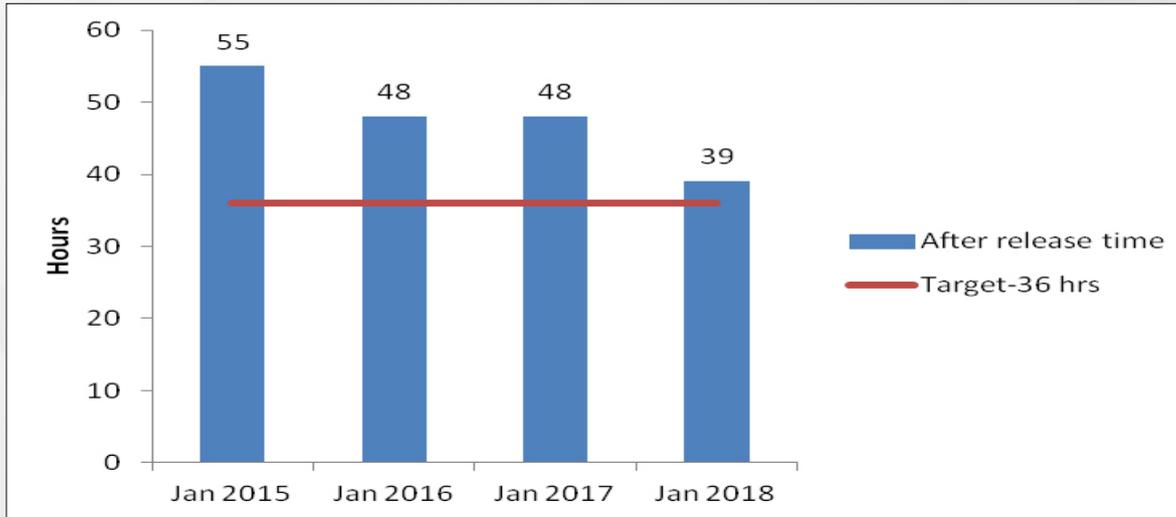


Figure 8 shows that DPC time has not been steady under the review period and it is still further away from the target of 1 hour. Initiatives to improve DPC time include on the spot approval of manifest, allow partial manifest and simultaneous online submission of manifest.

2.4.4 Delay after customs release

Delay after customs release refers to the period it takes to evacuate the cargo from the port after it is officially released by Customs.

Figure 9: Delay after Custom Release



Source: KRA data January 2015/2016/2017/2018



Figure 9 above show that after release time target has been decreasing over the last five years. Delay after customs release time decreased from 55 hours in the month of January 2015 to 39 hours in 2018. This performance shows a great improvement and it is only 3 hours shy away from the set 36 hours target suggesting that activities aimed at improving this indicator are yielding desired results. Some of the activities aimed at improving performance of this indicator include: automating gate clearance procedures, dedicating special gates to Container Freight Stations (CFSs) and ensuring 24 hour operations.

2.5 CORRIDOR INDICATORS

Corridor Indicators cover the period from the time goods are released up to exit at the border.

The indicators of interest for this report are compliance levels at weighbridges, volume of traffic and transit time from the port to the borders.

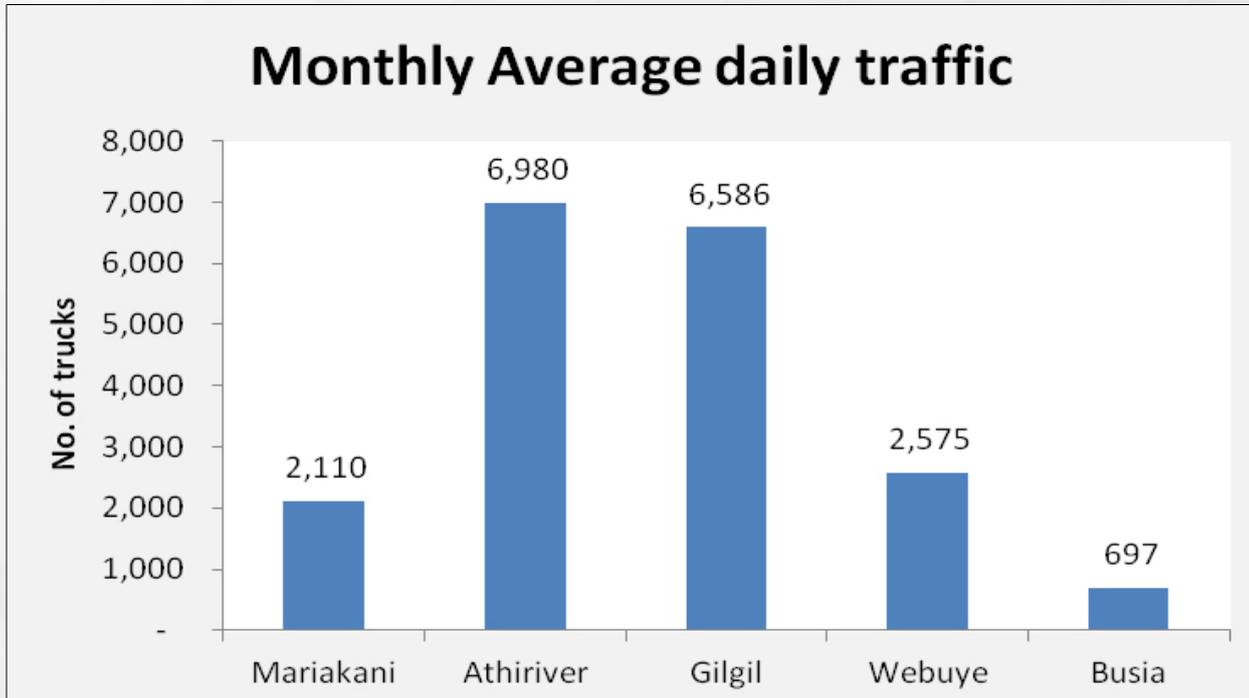
2.5.1 Weighbridge Traffic

This refers to the number of trucks crossing the weighbridges.

The indicator measures the average number of trucks weighed daily at the various weighbridges in Kenya. From figure 10, Busia and Athi River registered the least and highest monthly average daily traffic weighed respectively in the month of January 2018. The Athi River weighbridge recorded the highest traffic in the quarter and it's attributable to cargo that are originating from Namanga route, Nairobi City and its environs.



Figure 10: Monthly average daily traffic 2018



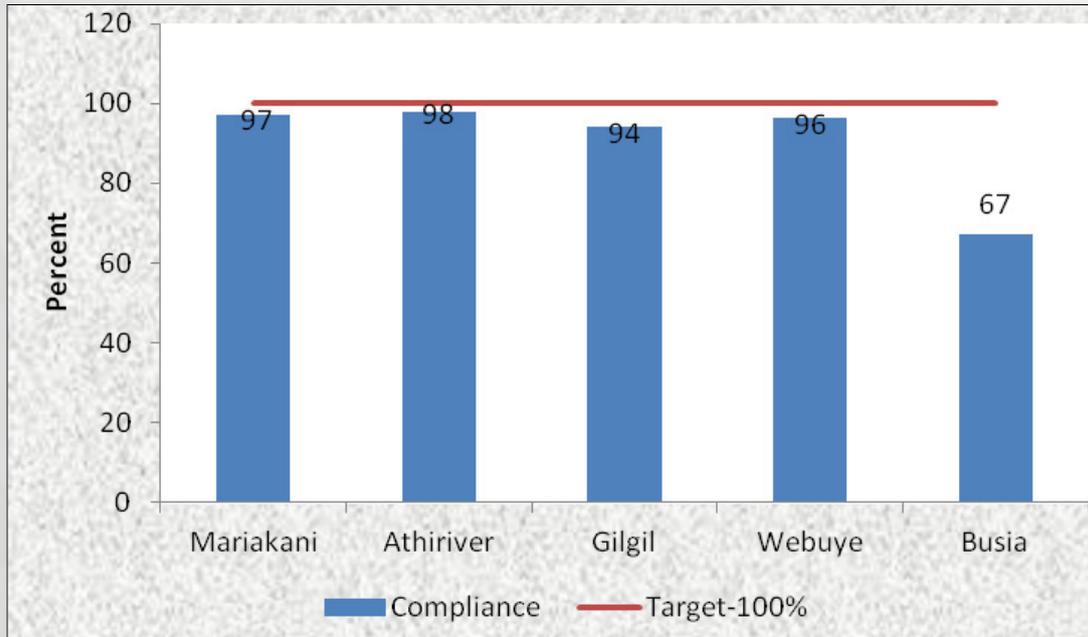
Source KeNHA January data 2018



2.5.2 Weight Compliance at the Weighbridge

Weight compliance measures the percentage of trucks that comply with the vehicle load limits before and after re-distribution of the weights.

Figure 11: Weighbridge Compliance



Source KeNHA January data 2018



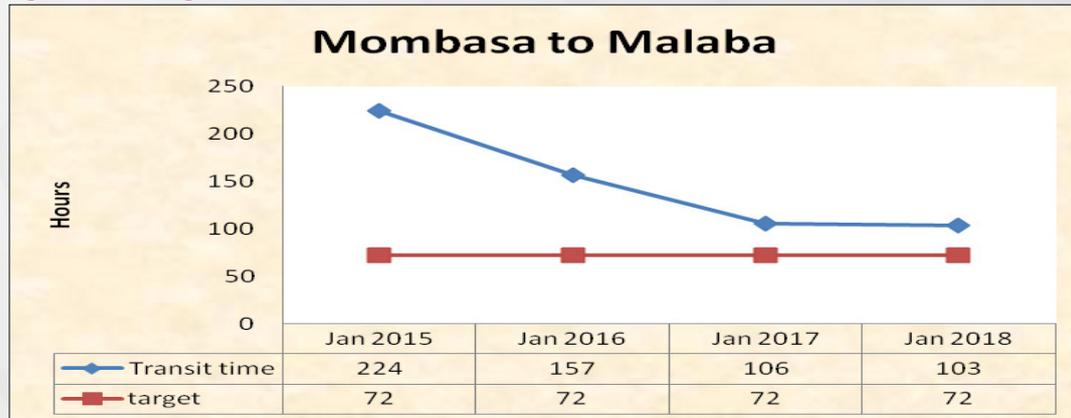
All the weighbridges recorded a steady performance in terms of compliance levels of over 90 percent performance except for Busia weighbridge whose level of compliance was 68%. Low compliance at the Busia weighbridge could be due to the fact that cargo is originating from within the region and it is the first point of weighing. In addition the weighbridge is not implementing the high speed weigh –in- motion.

2.5.3 Transit Time in Kenya

Transit time in Kenya can be defined as to the average time for transit trucks to move from Mombasa port to Malaba or Busia exit points.

The distance between Mombasa to Malaba is 933 km. Figure 12 below gives trends of transit time from 2015 to 2018 from Mombasa port to Malaba border for the month of January.

Figure 12: Average Transit Time from Mombasa to Malaba

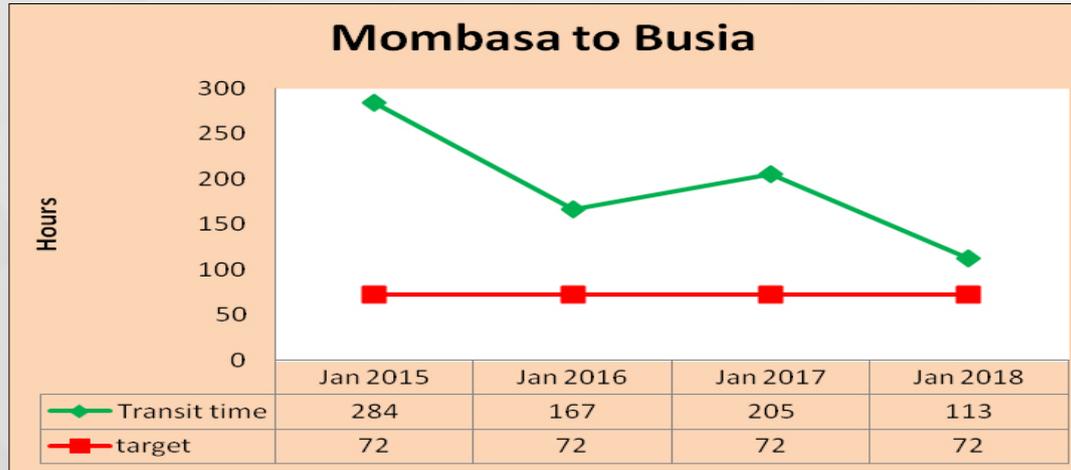


Source: KRA data January 2015/2016/2017/2018



Transit time reduced steadily across the four year period under review. In 2018, transit time recorded 103 hours a significant drop by 121 hours when compared with 2015. Although the performance is still 31 hours above the set target of 72 hours. Activities geared towards attaining this key performance indicator should be implemented to the latter. On the other hand, transit time Mombasa to Busia (947 Km) is as shown in figure 13 below.

Figure 13: Average Transit Time from Mombasa to Busia



Source: KRA data January 2015/2016/2017/2018

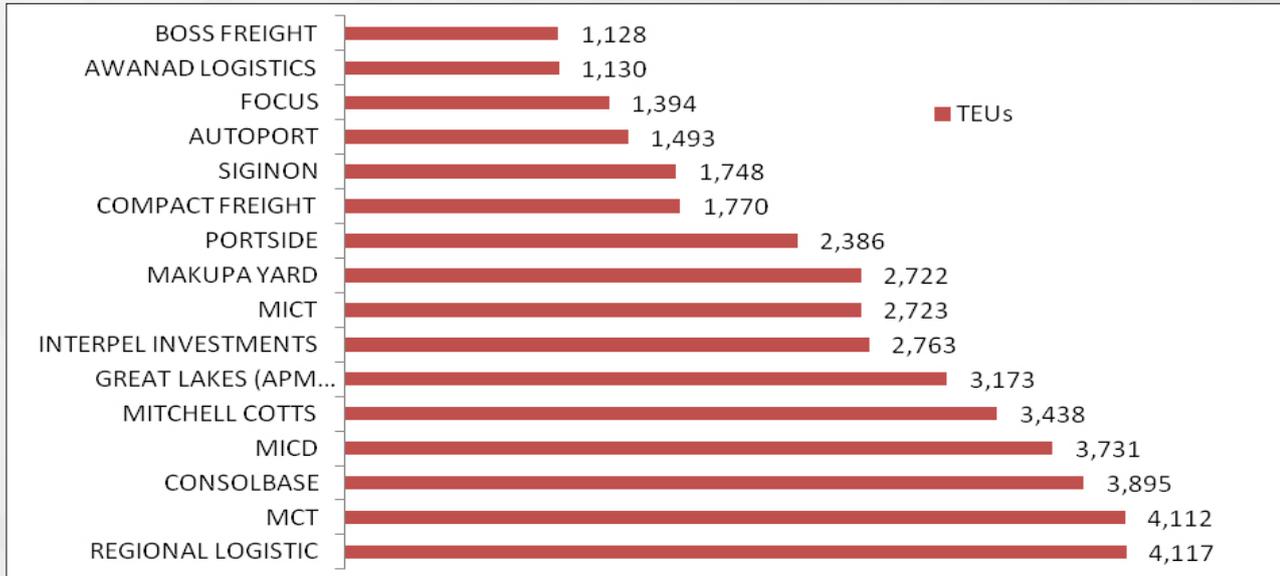
There was a significant decrease in transit time from Mombasa to Busia from 284 hours to 113 hours in January 2015 and 2018 respectively. There is still need for implementing initiatives that were agreed upon in the port charter in order to attain the 72 hour target.



2.5.4 Containers Uptake from the Port to the CFS

Container Freight Stations (CFSs) are an extension of the port and are privately managed. Decongestion of the port of Mombasa enormously depends on the efficient cargo pick up from the Port by CFS's and efficient cargo clearance process at the CFS's. Cargo to the CFSs is either client nominated or KPA nominated. For the month of January 2018, 85 percent of the cargo uptake by CFSs was nominated by clients while 15 percent was nominated by the port. Figure 14 below shows the total monthly deliveries to 16 out of 24 Container Freight Stations (CFS).

Figure 14: Monthly Container Deliveries to CFS





**Northern Corridor
Transit and Transport
Co-ordination Authority**

1196 Links Road, Nyali, Mombasa-Kenya



**P.o.Box 34068-80118
Mombasa, Kenya**



**Email
ttca@ttcanc.org**



**Telefax
+ 254 41 4470735**



**Phone
+ 254 41 4470734
+254 729 923574**



**Web
www.ttcanc.org**



@NorthernCorridor



NorthernCorridor