

Monthly Port Community Charter Report

September 2016



TABLE OF CONTENTS

Table of figures.....	3
1. SUMMARY.....	4
2. INTRODUCTION.....	6
3. PERFORMANCE OF INDICATORS IN SEPTEMBER 2016.....	7
3.1 Maritime Indicators.....	7
3.1.1 Vessel Turnaround Time.....	7
3.1.2 Vessel Waiting Time before Berth (hours).....	10
3.2 Port Indicators.....	11
3.2.1 Cargo Dwell Time at the Port of Mombasa.....	11
3.2.2 One Stop Centre Clearance Time.....	12
3.2.3 Delay after Customs Release.....	13
3.2.4 Time Taken at the Document Processing Centre (DPC).....	14
3.3 Corridor Indicators.....	15
3.3.1 Weighbridge Traffic.....	15
3.3.2 Weight Compliance at weighbridge.....	17
3.3.3 Transit Time in Kenya.....	18
3.4 Delivery of Cargo by Road and Rail.....	20
3.5 Container Uptake at Mombasa Port.....	22

TABLE OF FIGURES

Figure 1: Ship Turnaround Time (Hrs).....	8
Figure 2: Volume of cargo loaded and discharged.....	9
Figure 3: Vessel waiting before Berth (hours).....	10
Figure 4: Containerised Port Dwell time at Mombasa Port (Hours).....	11
Figure 5: One Stop Centre Clearance time (Hrs).....	12
Figure 6: Delay after Customs Release.....	13
Figure 7: Time Taken at the Document Processing Centre (DPC).....	14
Figure 8: Weighbridge monthly average Daily traffic.....	16
Figure 9: Weighbridge Compliance (%).....	17
Figure 10: Comparing transit time between 2015 and 2016.....	19
Figure 11: Comparison on delivery of cargo in TEUs.....	20
Figure 12: Breakdown of number of trucks by category.....	21
Figure 13: CFS nomination August 2016.....	22
Figure 14: Container Uptake by CFSs (TEUs).....	23

1. SUMMARY

The Northern Corridor which links the land locked countries of Uganda, Rwanda, Burundi, Democratic Republic of Congo (DRC) and South Sudan with Kenya's maritime port of Mombasa aims to facilitate the flow of trade and services along the corridor by eliminating all obstacles to free movement of goods. Port efficiency, customs environment, regulatory environment, and service sector infrastructure are the main indicators to consider for trade facilitation and flow along the corridor.

The Northern corridor handles over 30 million tons of cargo through the Port of Mombasa and interstate trade per annum with an annual growth of cargo throughput of around 10%. In this regard, the report tracks performance of the Corridor by identifying impediments and consequently propose mitigation measures to be implemented that will minimize the transportation cost and transit time to enhance trade.

The key indicators are broadly categorized into maritime, port and corridor indicators to enable tracking of movement of cargo from the time of arrival at the port, clearance at the port and delivery to inland destinations. Table 1 gives an overview of performance of key indicators for the month of September 2016 especially on transit time, dwell time and time taken for processes within the port against the set targets.

The targets set are as per the commitments set in 2014 Mombasa Port Community Charter. It is important to note that there is significant improvement in performance on most of the indicators when compared with the previous month.

Table 1: Monthly Status Summary August 2016

Category	Indicator	Unit of measure	Target	September Status/ Progress
Maritime Indicators	Vessel turnaround time	Hrs	72	56.2
	Ship waiting time before berth	Hrs	24	6.45

Port Indicators	Containerised Cargo Dwell time	Hrs	72	88.7
	One Stop Centre Time	Hrs	24	33.18
	After customs release	Hrs	36	55.29
	Document Processing Centre Time	Hrs	2	2.45
Corridor Indicators	Weighbridge traffic	No of trucks weighed		Athi-River : 5400 Mariakani : 2620 Gilgil : 2769 Webuye : 977 Busia : 436
	Weight compliance at weighbridge	%	100	Busia : 76%, Other weighbridges had over 90%
	Transit time (Mombasa to Malaba)	Hrs	72	115.79
	Transit time (Mombasa to Busia)	Hrs	72	205.40

In the trade sector, the region continues to import more goods than it exports. In the month of September 2016, a total of 8,096 TEUs local imports and 16,366 transit imports were reported of which approximately 76 % were destined to Uganda followed by DRC and South Sudan at 6% each 3% to Rwanda and Burundi at 1%.



2. INTRODUCTION

The Monthly Mombasa Port Community Charter Report provides an overview of key performance trends within the Port, as well as the Northern Corridor Transport System. It is of great interest to track the performance of the Northern Corridor so as to gauge whether measures to improve efficiency are yielding the desired outcomes.

The report gives an in-depth analysis for the month of September 2016, on performance of the following indicators; cargo dwell time at the port, time taken by customs to clear cargo at the port. And transit time from Mombasa to Malaba and Busia. The Mombasa port community charter envisioned various targets to be achieved. Key among them which affect the nine indicators being monitored by the dashboard are:

- Achieve a dwell time below 3 days (72 hours) within 120 days after signing the Port Community Charter;
- Achieve 70% cargo throughput through the green channel;
- An improvement of 900 moves per day in 90 days after the charter was signed.

These key indicators which are tracked by the Northern corridor performance dashboard as stipulated in the Mombasa Port Community Charter may be accessed via http://ttcanc.org/documents/Port_Comm_Charter_Final.pdf.

The monitoring of the implementation of the Mombasa Port Community Charter is done through the Northern corridor performance dashboard which can be accessed via www.kandalakaskazi.or.ke or <http://top.ttcanc.org>

3. PERFORMANCE OF INDICATORS IN SEPTEMBER 2016



3.1 MARITIME INDICATORS

Maritime operations include container vessel movement from the arrival of the ship at the outer Port waiting area, the beginning of its entrance into the Port, the arrival at berth, the departure from berth, and the release of the ship.

The report discusses performance of the container vessel movements (waiting time before berth and the average monthly turnaround time) at the Port of Mombasa in the month of September 2016.

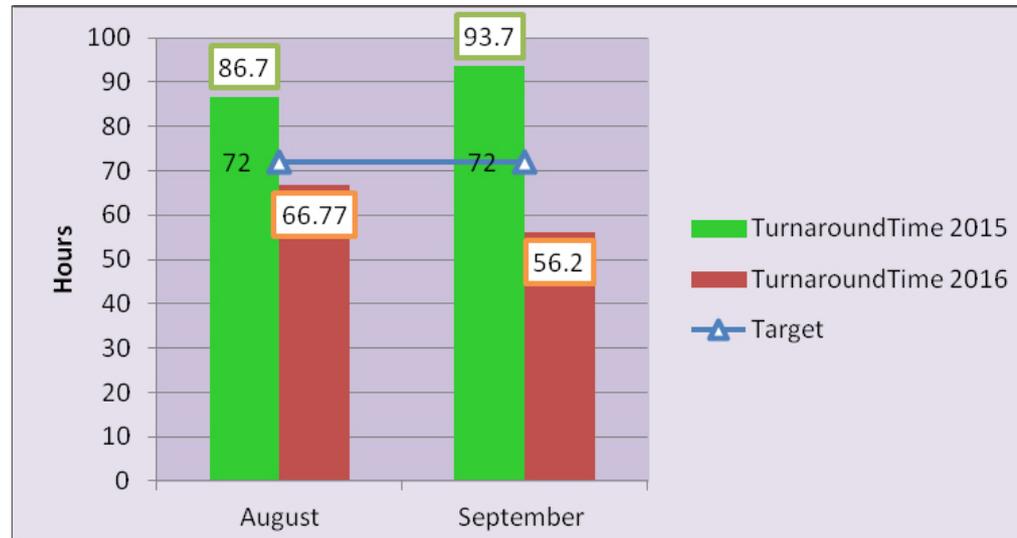
3.1.1 VESSEL TURNAROUND TIME

It refers to the total time spent by a ship in the Port. This is the time from ship entry in Port to exit from the Port area and is measured from the time the vessel arrives at the fairway buoy to the time it leaves the Port area.

Normally, it comprises of the ship waiting time and the ship working time (time when the vessel is being offloaded or loaded with cargo). The target for ship turnaround time is 3 days (72 hours) as stipulated in the Mombasa Community Port Charter.



Figure 1: Ship Turnaround Time (Hrs)

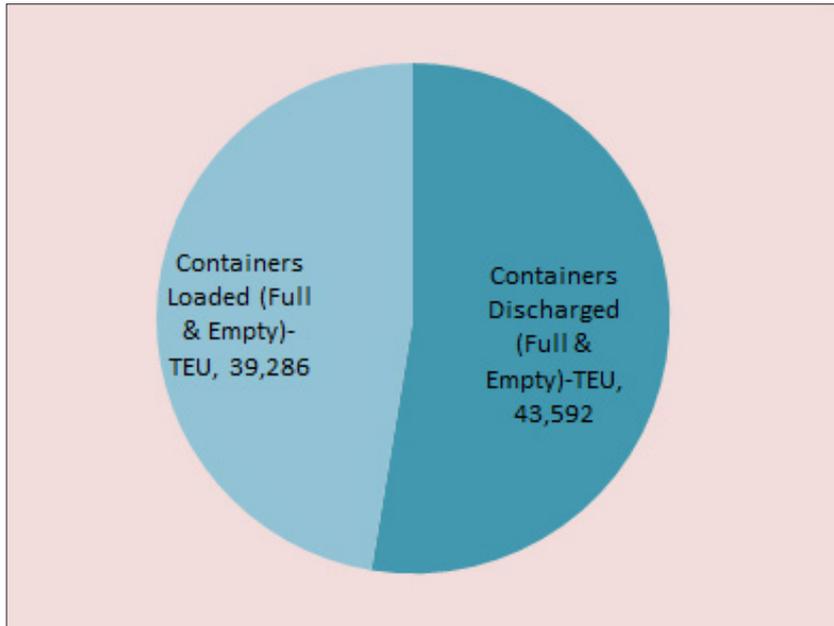


Source: KPA, September 2016

In the month of September 2016, vessel turnaround time was recorded at 56.2 hours, a significant improvement from 66.7 hours registered in the month of August 2016. Analysis also show a remarkable streak of improvement when compared with 93.7 hours in September 2015, the same period in the previous year suggesting great improvements in Port operations as shown in figure 1 above.

Data indicates a total of 35 ships with 82,878 TEUs containers (full and empty) called at the Port. The chart below shows the containerised cargo loaded and discharged in September 2016.

Figure 2: Volume of cargo loaded and discharged



Source: KPA, September 2016

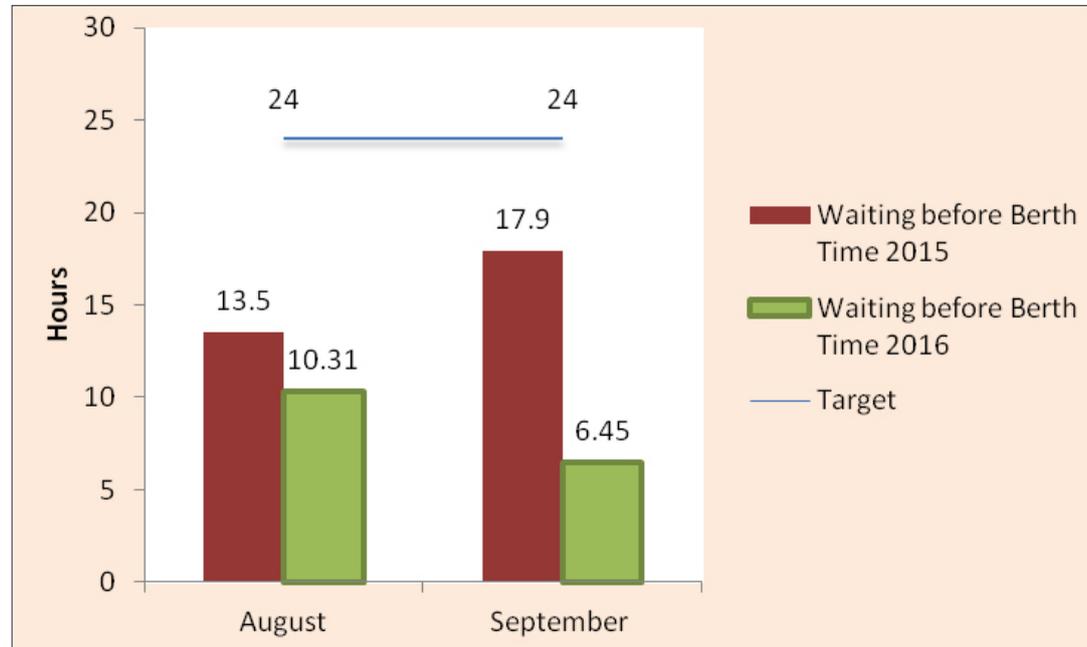




3.1.2 VESSEL WAITING TIME BEFORE BERTH (HOURS)

This time is measured from the time the vessel arrives at the fairway buoy to the time at its first berth. This is normally a small proportion of the ship turnaround time.

Figure 3: Vessel waiting before Berth (hours)



Source: KPA, September 2016



Waiting time before berth significantly improved by 3.9 hours from 10.31 hours in the month of August 2016 to 6.45 hours in September 2016 against the set target of 24 hours. This is a better performance compared to 17.9 hours registered in September 2015.

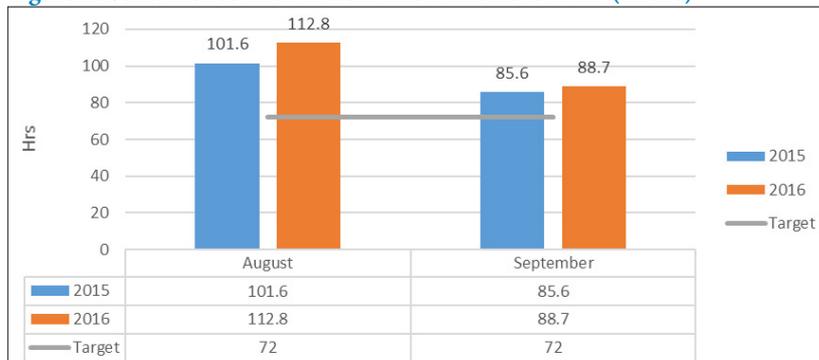
Sustaining or further improvement of this performance will go a long way in reducing port congestion and attendant costs. The reduction in ship waiting time has saved the Shippers the imposition of Vessel Delay Surcharge, and port congestions which raises the costs of doing business. Ultimately, there should be no waiting time with the implementation of the fixed berthing window unless if it's for the shipper's own convenience.

3.2 PORT INDICATORS

Port indicators measure efficiency of the port by gauging how effective port operations are in minimizing the time cargo spends at the port from the time of offloading.

3.2.1 CARGO DWELL TIME AT THE PORT OF MOMBASA

Figure 4: Containerised Port Dwell time at Mombasa Port (Hours)



Source: KPA, September 2016

Cargo dwell time refers to the period from the time cargo is offloaded at the port to the time goods leave the port after all clearances have been obtained.

Lower Port dwell time is a major indicator in attracting more cargo to the ports. Figure 4 clearly indicates that average cargo dwell time at Mombasa Port decreased from 112.8 hours in August to 88.7 hours in September 2016.



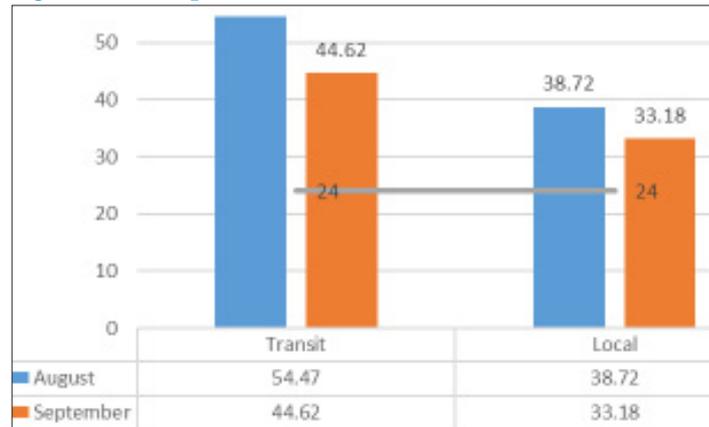
However, the performance was slightly below what was registered in 2015 for the same period. The performance is still far from the envisaged target of 72 hours.

The port dwell time depends on other factors such as the time taken at one stop Centre, time taken at Document Processing Centre and time taken within the port after customs release. Improved performance on these indicators is expected to reduce the port dwell time. This means there is still need to pursue strategies aimed at improving port efficiency to achieve the set target of 72 hours. For instance, all service providers in the port should fully embrace the 24/7 port working system and all port stakeholders to comply.

3.2.2 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 5: One Stop Centre Clearance time (Hrs)



Source: KRA, September 2016

Data on this indicator shows that time spent at One Stop Centre for local cargo decreased from 38.72 hours in August to 33.18 hours in September 2016 indicating that performance improved by 5 hours. This however, is still 8 hours short of the 24 hours' target. Similarly, the time taken by transit cargo decreased from 54.47 hours in August to 44.62 hours in September 2016. Implementing mechanisms for speeding-up clearance of cargo

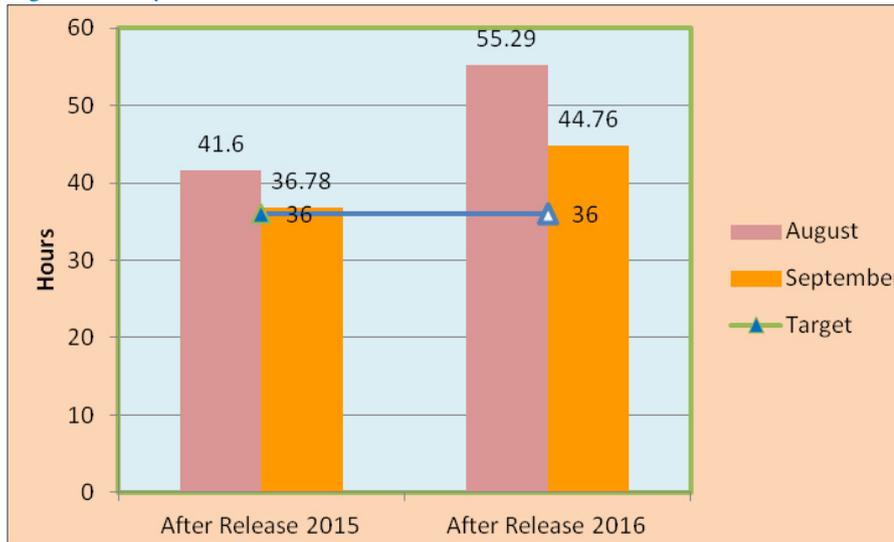


processes by all the stakeholders involved is paramount for the one-day target to be realized. With the planned Pre-arrival clearance by KRA will further reduce the time taken at one stop centre and will address the problem of delays attributed to inspection at the Port of Mombasa.

3.2.3 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 6: Delay after Customs Release



Source: KRA, September 2016

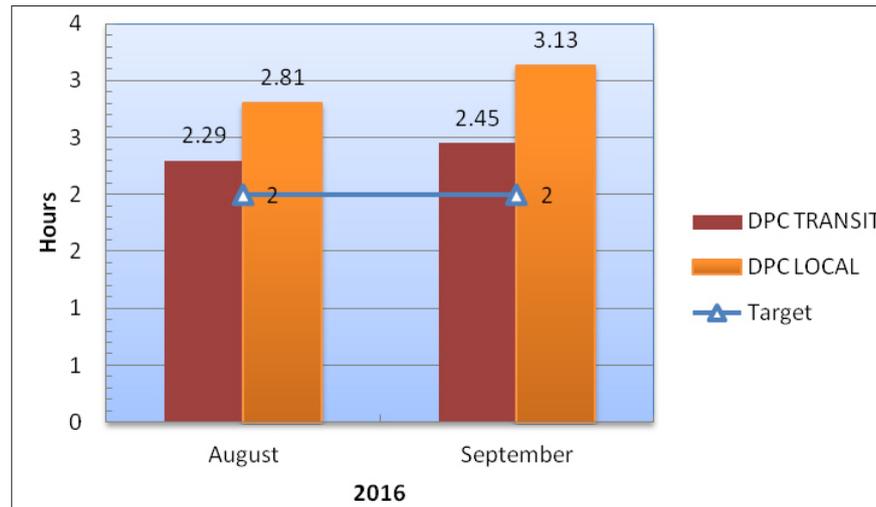


The time taken after customs release decreased from 55.29 hours in August to 44.76 hours in September 2016 as shown in figure 6. The performance reflects a reduction by around 10.5 hours. Though there has been an improvement in service delivery at the port, this performance is still 8.76 hours' shy from the set 36 hours' target. This performance points to the need for improvement in cargo evacuation process and infrastructure to minimize these delays after Customs Release.

3.2.4 TIME TAKEN AT THE DOCUMENT PROCESSING CENTRE (DPC)

This is the time taken by customs to pass an entry lodged by a clearing agent. The document processing centre involves clearance by Customs.

Figure 7: Time Taken at the Document Processing Centre (DPC)



Source: KRA, September 2016



As shown in figure 7, Document Processing Centre (DPC) time for transit cargo increased marginally moving from 2.29 hours in August to 2.45 hours in September 2016. Equally, average time spent for clearance at the Document Processing Centre for local Cargo increased from 2.81 hours in August to 3.13 hours in September 2016. The DPC time is still higher than the of 2hours target. Initiatives towards automation of processes and digitization of documentation will go a long way in reducing the DPC time.

3. 3 CORRIDOR INDICATORS

These are indicators that assess the performance along the corridor by measuring weight compliance at weighbridges, volume of traffic and transit time from the port to the borders.

3.3.1 WEIGHBRIDGE TRAFFIC

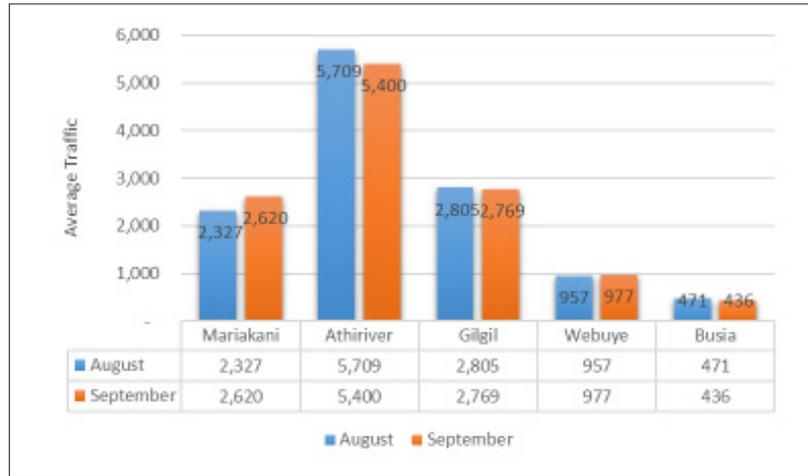
This refers to the number of trucks crossing the weighbridges.

This report tracks performance of the five weighbridges on the corridor section from Mombasa to Malaba and Busia. These are, Mariakani, Athi- river, Gilgil, Webuye and Busia. All the weighbridges (except Busia) are implementing High Speed Weigh-In Motion (HSWIM) and only trucks that fail HWIM are diverted to the static scale.

It may be noted that, for weighbridges that have both High Speed Weigh in Motion (HSWIM) and Static, the average number of trucks weighed per day is given by the total number of vehicles weighed using HSWIM and are either flagged to proceed or diverted to the fixed static scale.



Figure 8 Weighbridge monthly average Daily traffic



Source: KeNHA, September 2016

Figure 8 above gives the average monthly daily traffic at different weighbridges as recorded for the period of September 2016.

From the analysis, it is observed that Busia and Athi River registered the least and highest average number of traffic weighed recording 436 and 5400 respectively in the month of September 2016. The high traffic at Athi River can be attributed to additional cargo originating from Namanga route to Nairobi, and Nairobi

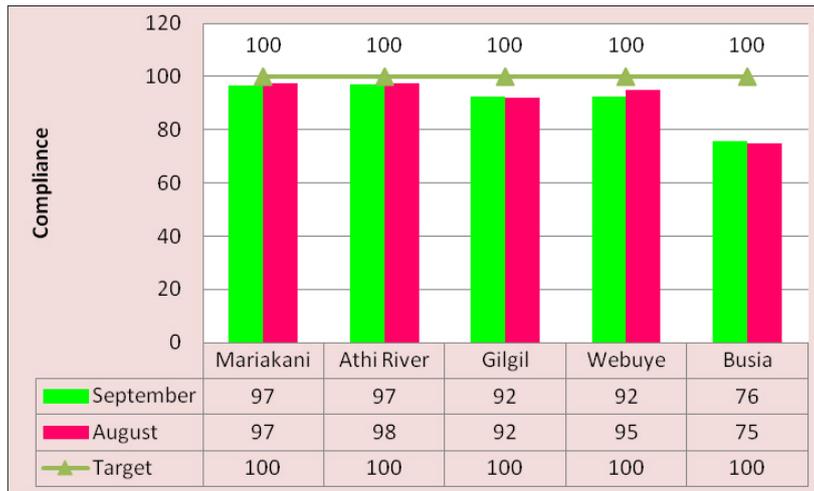


and its environs. When comparing the same trend with the month (August 2016), there was a decrease in traffic at weighbridge except for Mariakani and Webuye

3.3.2 WEIGHT COMPLIANCE AT WEIGHBRIDGE

The management of vehicle loads for heavy trucks is a very important aspect in protection of road infrastructure. Overloading on axle leads to faster deterioration of the road pavement while exceeding vehicle load gross limits destroys bridges. Therefore, trucks are expected to comply with the set vehicle load limits to protect the road infrastructure.

Figure 9 : Weighbridge Compliance (%)



It is noted that in September most weighbridges recorded over 90 percent performance in terms of compliance level except for Busia weighbridge which registered 76% an increase by one percent from 75% compliance recorded in August 2016. The lower compliance in Busia weighbridge can be explained by the fact that most of the trucks through Busia transport exports from Kenya and the Busia weighbridge is the first weighbridge they encounter.

Source: KeNHA, September 2016



Except Busia, all the other weighbridges had static or a decline in performance for the month of September when compared to August 2016.

3.3.3 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 scope of the transit time in this report is on road mode of transport. It is measured in hours from the time release order is issued at the port of Mombasa to the time the export certificate is issued after crossing the border at Malaba or Busia. Table 2 gives summary of transit time in August and September 2016 from Mombasa port to Malaba and Busia.

Table 2: Average Transit Time in Kenya

Month	Mombasa-Malaba/Kenya (hrs)	Mombasa-Busia/Kenya (hrs)
August 2016	119.88	234.43
September 2016	115.79	205.40
Target	72	72

Source: KRA, September 2016

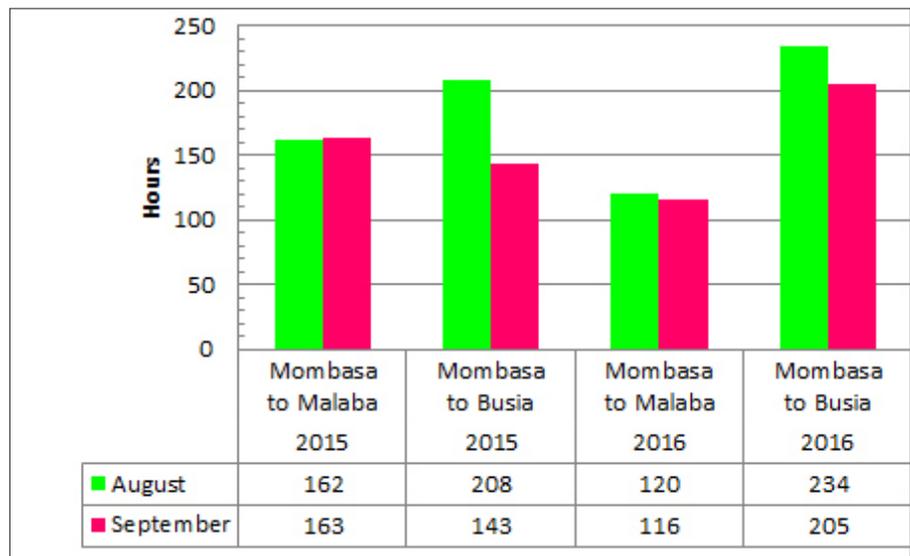
From the table above, it can be observed that the average transit time from Mombasa port to Malaba border (933km) for September 2016 was 4.8 days (115.79 hours) on average, a slight improvement from 5 days (119.88) in August 2016. Similarly, transit time from Mombasa to Busia (947 Km) decreased by a day from 9.8 days (234.43 hrs) in August to 8.6 days (205.4 hours) in September 2016. However, the performance is still a long shot from the targeted 72 hours. The poor performance could be attributed



to delay of cargo at the port after release, border clearance procedures and stoppages along the way due to personal reasons, police checks among others.

Comparing trends with 2015 as shown in figure below, transit time from Mombasa port to Malaba significantly decreased from 163 hours in September 2015 to 116 hours in September 2016. On the other hand, transit time from Mombasa port to Busia increased from 143 hours in September 2015 to 205 hours in September 2016. This can be attributed mainly to congestion along the corridor, numerous speed humps, long personal stops along the route and road condition along the route.

Figure10: Comparing transit time between 2015 and 2016



Source: KRA, September 2016

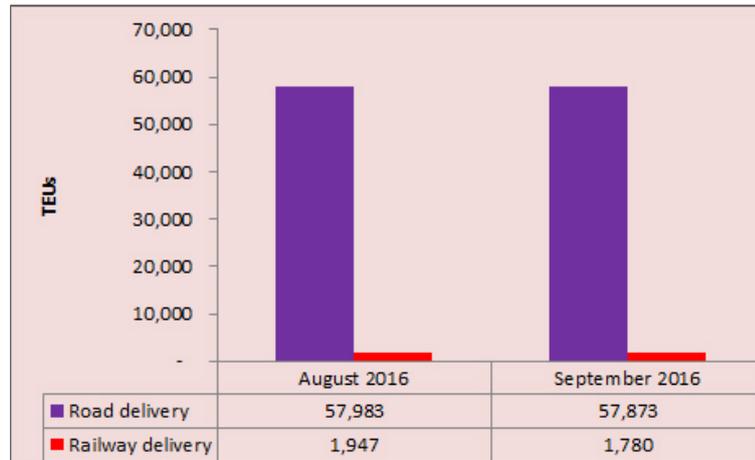


3. 4 CARGO OFF TAKE BY ROAD AND RAIL

After all port procedures are complete, cargo is evacuated and delivered to respective destinations. Cargo delivery by modal combination is a critical parameter for transport costs. Among the delivery modals along the corridor is road and railway. As observed in figure 12, road transport remains the preferred mode of shipment partly due to the currently unreliable rail services.

The ongoing construction of the standard gauge rail (SGR) is expected to shift a bigger proportion of transit delivery of cargo from road to rail along the corridor

Figure 11: Comparison on delivery of cargo in TEUs

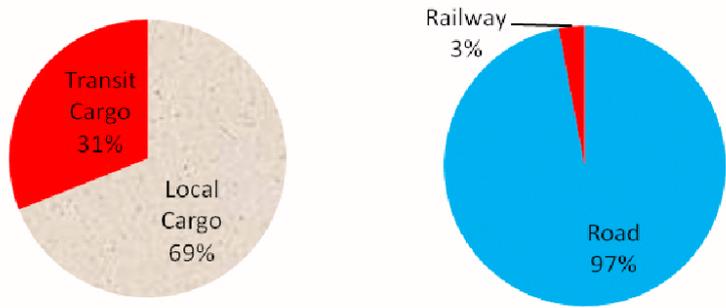


Source: KPA, September 2016

Data shows a slight decrease cargo that were delivered by railway from 1,947 TEUs in August to 1,780 TEUs in September 2016, whereas the road deliveries there dropped by 110 TEUs to register 57,873 TEUs in September, 2016. The analysis also indicates railway delivery represented an equivalent of 3 percent of the total cargo. Further breakdown of the cargo delivered by road indicates that around 69% represented local cargo and 31% represented transit cargo delivered in the month of September 2016.

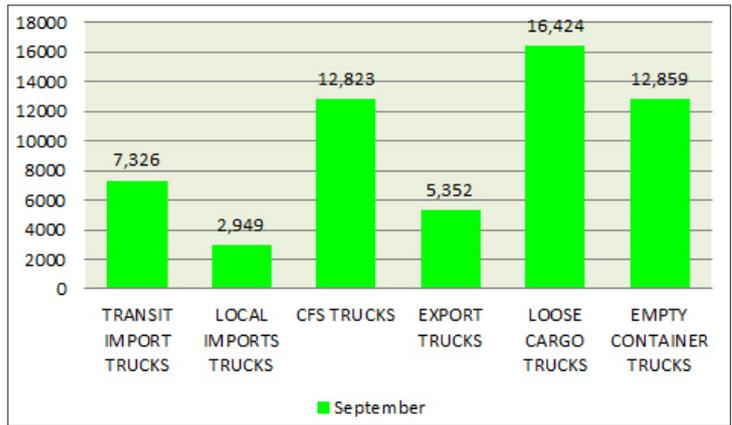


Figure 12: Cargo off take intermodal transport, September 2016



Road delivery depends on trucks availability. In the month of September 2016, there were 57,733 trucks in total as indicated in figure 13 below.

Figure 13: Trucks offtake by category



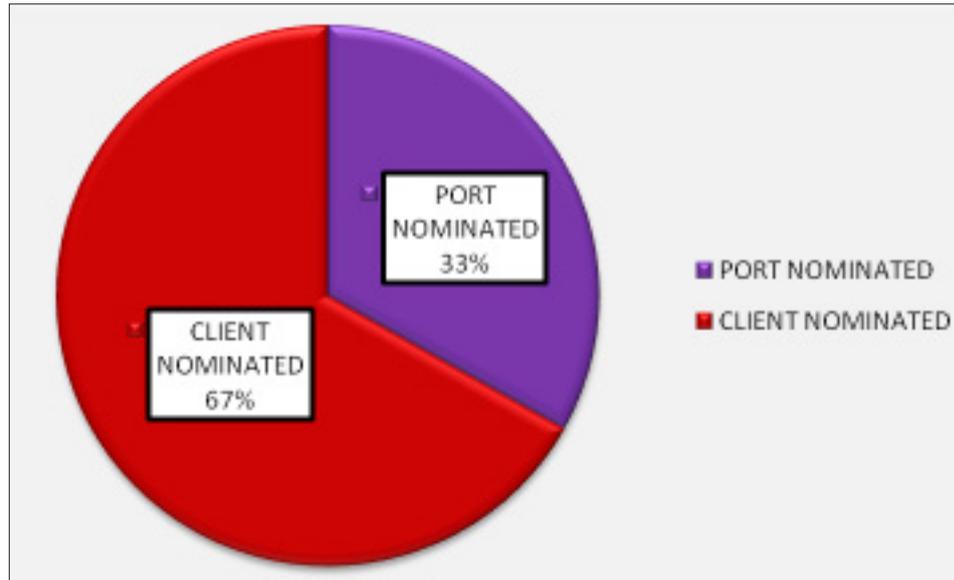
Source: KPA, September 2016



3. 5 CONTAINER UPTAKE AT MOMBASA PORT

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 performance of the CFS cargo clearance process. Cargo to the CFSs is either client nominated or KPA nominated.

Figure 13: CFS nomination August 2016

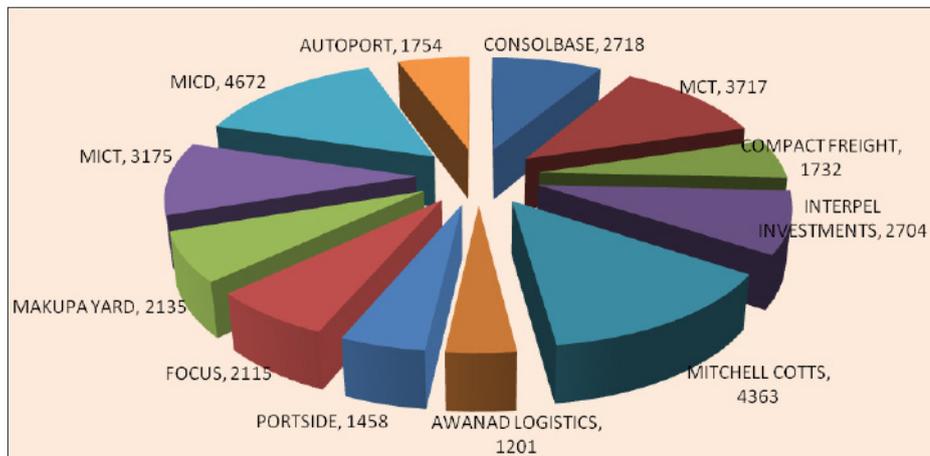


Source: KPA, September 2016



As shown in Figure 13, 67% of the cargo to CFSs was nominated by clients compared to 33% that was nominated by the port. The actual volume of client nominated were 25,804 TEUs while 12,820 TEUs were port nominated. MICD and MICT ranked highest in port and client nomination registering 2,718 TEUs and 4,488 TEUs respectively. In August 2016, it can be noted that client nomination was slightly higher at 70% indicating that the CFS nomination patterns have remained relatively stable.

Figure 14: Container Uptake by CFSs (TEUs)



Source: KPA, September 2016

Figure 14 shows that MICD had the highest uptake with 4672 TEUs followed by Mitchel Cotts with 4363 TEUs and MCT with 3717 TEUs in the month of September 2016. The three CFS remain the dominant ones and have recorded the highest container uptake.



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