

Quarterly Port Community Charter Report;

April - June 2015

Introduction

The Northern Corridor Performance Dashboard is a monitoring tool with an online platform that can be accessed via <http://top.ttcanc.org> or www.kandalakaskazini.go.ke. The dashboard tracks ten key performance indicators on weekly, monthly and quarterly basis.

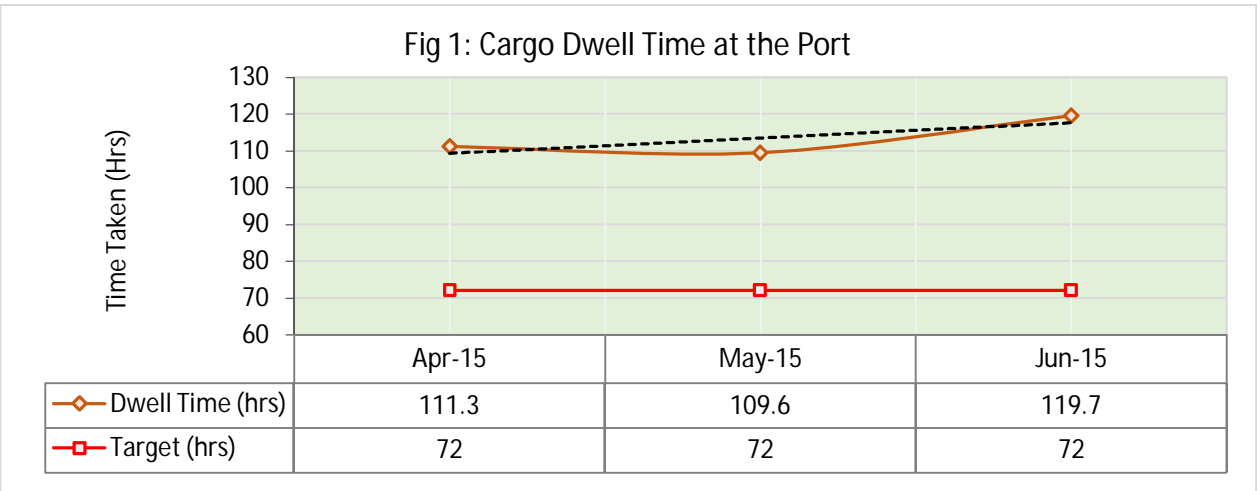
These indicators, which are part of over 31 indicators on the Transports Observatory Portal, are grouped into three categories which include; port indicators, corridor indicators and maritime indicators. The Northern Corridor Secretariat receives data submitted by stakeholders and analyses to generate reports for the dashboard.

One of the main purposes of the Dashboard is to monitor the implementation of the Mombasa Port Community Charter. The charter commits both public and private sector to undertake measures that will increase efficiency of the Port and the Northern Corridor.

a) Port Indicators

1. Cargo Dwell Time at the Port of Mombasa:

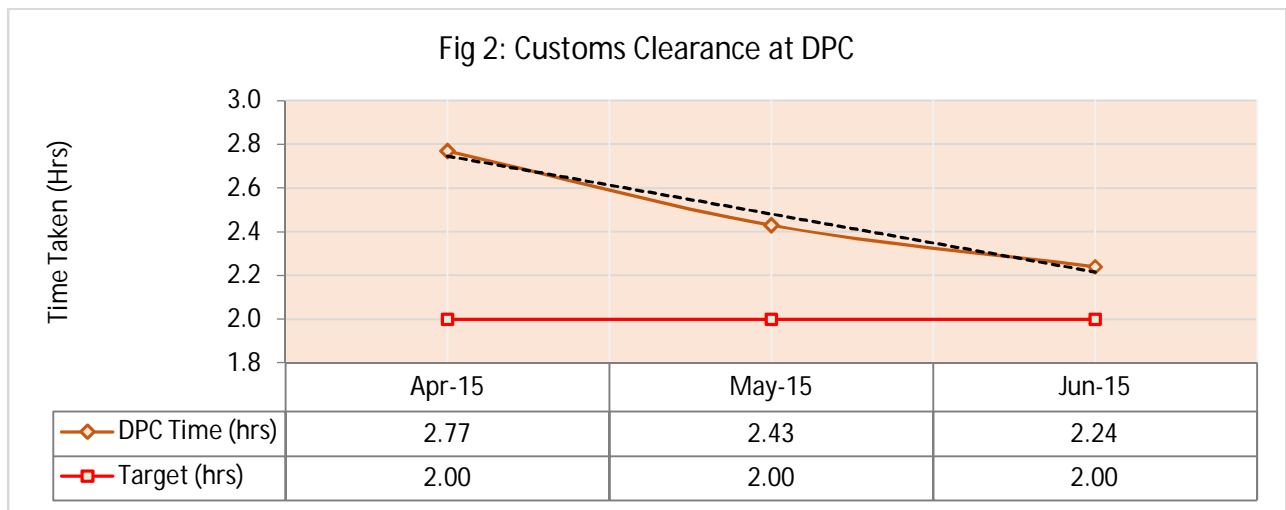
Dwell time is measured by the time that elapse from the time cargo is discharged at the port to the time goods leave the port premises after all permits and clearances have been obtained.



- Fig 1 shows that containerized cargo took on average 4.63 days, 4.56 days and 4.99 days (111, 110 and 120 hours) to be evacuated from the port of Mombasa in the month of April, May and June 2015 respectively.
- The performance is considered worse off compared to the last quarter covering the period January to March 2015. However, it still lies above the set target of 3 days (72 hours).
- This trend can only be improved on if policy measures and interventions in place as enshrined under the port charter are fully implemented and consistently put into practice. All the Port Charter Stakeholders are required to stick on their commitments and expedite the implementation of subsequent actions plan.
- KPA, in collaboration with other stakeholders, was to achieve a dwell time below 3 days (72 hours) within 120 days after signing the Port Community Charter in June 2014.

2. Time Taken at the Document Processing Centre(DPC):

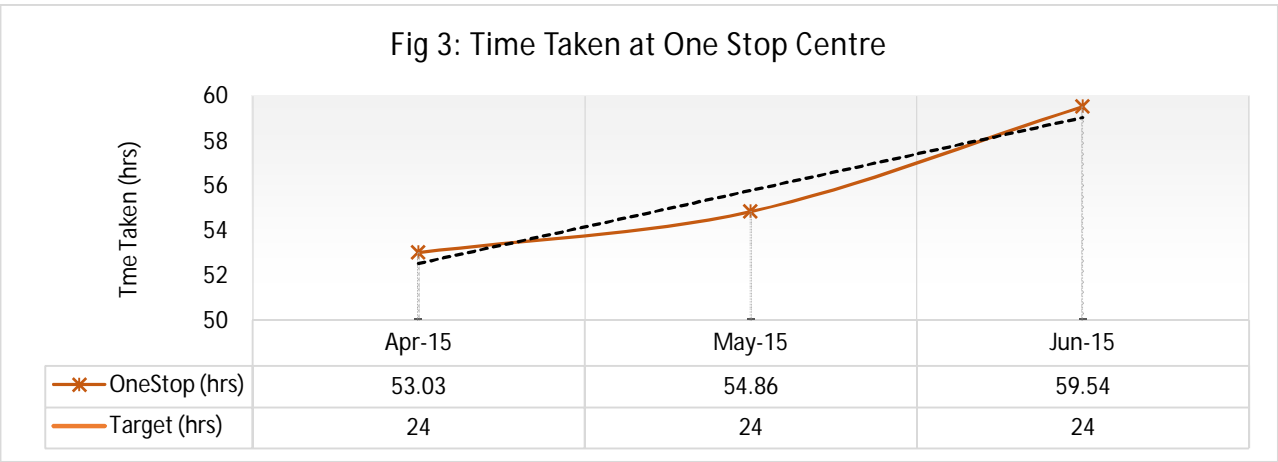
This is the time it takes to have an entry lodged by a clearing agent passed by customs. Time at DPC affects port dwell time for cargo on transit.



- From fig 2 above, DPC time for transit Cargo significantly improved from 2.8 hours to 2.4 hours in May and further dropped to 2.2 hours in June 2015. However, the registered improvements on DPC time still lies above the set target of 2 hours.
- Any further delays above the 2 hours benchmark in documentation implies a rise in logistical cost hence a rise in commodity prices.
- The registered DPC time above the two hour target might be due to the following factors:
 - The SIMBA system stability during the period
 - Document volumes awaiting processing in between the shifts
 - The quality of declaration by the relevant agents
 - Other stakeholders systems, e.g. the bank systems' in updating daily transactions.
- KRA's commitment was to establish a system of pre-arrival clearance to clear 70% of the cargo within a span of 48 hours before docking of vessels, within 3 months after the charter signing.

3. One Stop Centre Clearance Time:

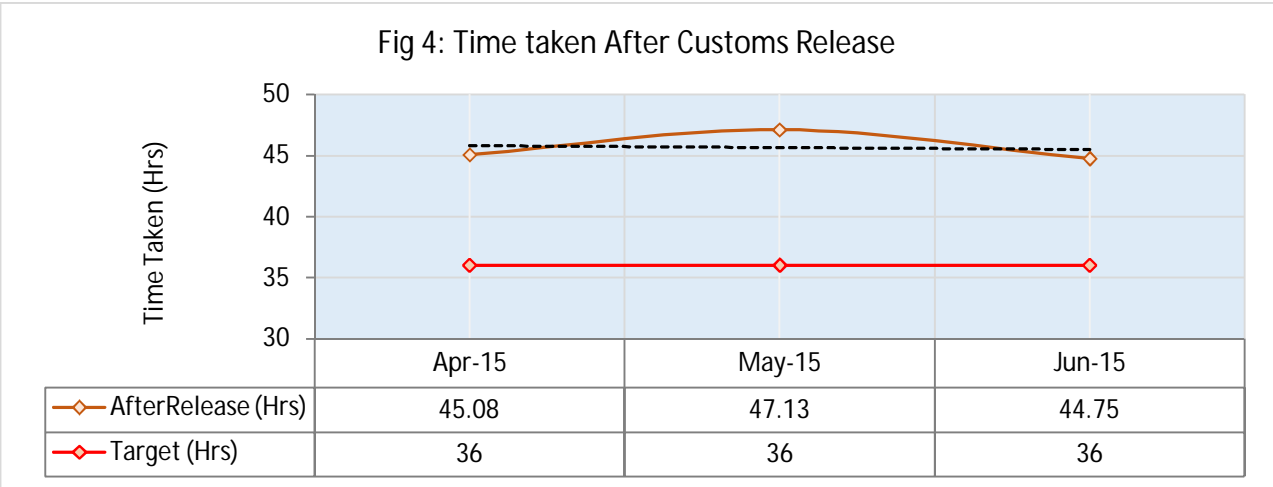
The indicator is measured by subtracting the time when an entry is passed from Release Time.



- From the graph, time at One Stop Centre has significantly worsened off increasing from 53 hours to 60 hours since April 2015.
- The trend indicates that One Stop Clearance time will continue to rise over time. Therefore, all agencies involved are expected to take the lead role in their respective clearance stages to achieve a target of 24 hours.
- The process is undertaken under one roof but still some challenges always emerges that delays the clearance process. This may include:
 - i. last minute changes to import documents by importers
 - ii. Cases of some cargo interveners not being present at their duty stations
 - iii. Delays in physical verification and inspection of the cargo.
- The Port Charter requires that the agencies involved in the clearance processes achieve a joint, effective and efficient physical verification of cargo to boost the clearance processes. This was to be done within the first 3 months of signing the Port Community Charter.

4. Delay after Customs Release:

Refers to the period it takes to evacuate the cargo from the port after it is officially released by customs.



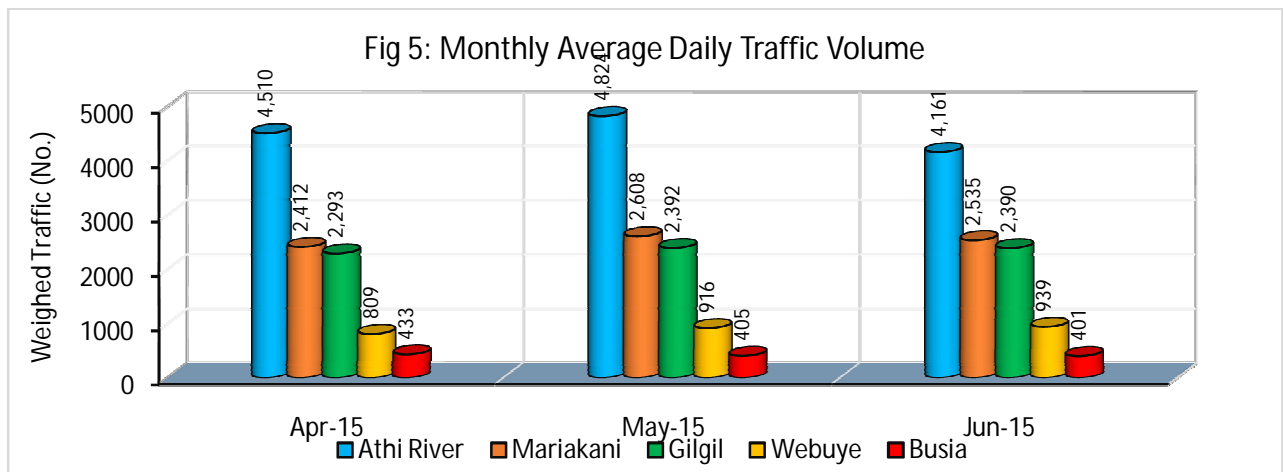
- Time taken after Customs have issued the transporter with a release order form authorizing their exit, fairly ranges between 44.8 hours and 47.1 hours during this period as shown in figure 4 above.
- The result shows improvement in the rate of cargo pick up by transporters. However, the response time is still high compared to the 36 hour target. Failing to reach this target will continue to affect the port dwell time for transit cargo.
- The Clearing Agents should closely collaborate with the cargo owners and the transporters to expedite cargo offtake from the Port. Furthermore, the owners of cargo should be sensitized about their responsibility towards minimizing delays and demurrage/storage charges at the Port.

b) Corridor Indicators

Weighbridge data are transmitted on a weekly and monthly basis through KeNHA's weighbridge administrators.

5. Weighbridge Traffic:

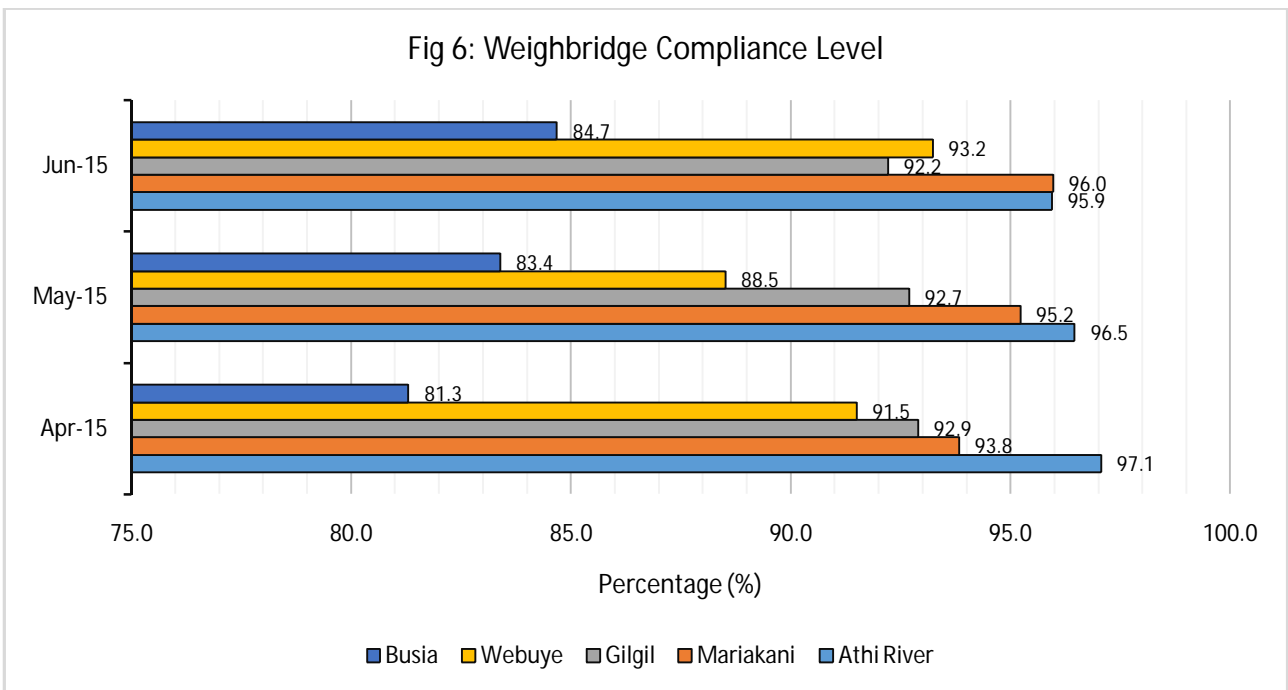
This indicator measures the average number of trucks weighed per day at the various weighbridges in Kenya.



- Fig 5 above shows that on average Athi River registers the highest number of traffic weighed followed by Mariakani and Gilgil. During this quarter, both weighbridges showed a mixed reaction on the traffic volumes weighed as well as in the respective months.
- Some of the reasons for the consistent weighed traffic volumes include the high speed weigh in motion installed at the respective weighbridges by KeNHA and the Vehicle Load Control Charter that was signed by key stakeholders to allow for self-regulation against overloading.
- The high traffic weighed at Athi River might be due to cargo that are originating from Nairobi and its environs being the capital City and the main business hub in the Country.
- All the weighbridges (except Busia) along the Northern Corridor are implementing high speed Weigh-In-Motion(HSWIM) and only trucks that fail WIM are diverted to the static scale.

6. Weighbridge Compliance:

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

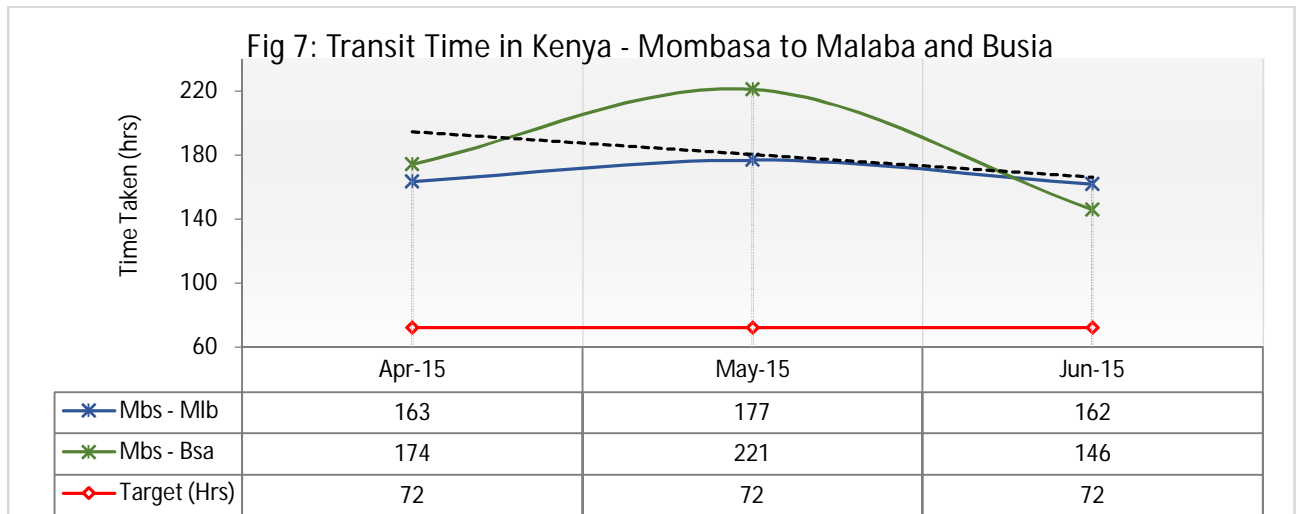


- Fig 6 shows that only Busia weighbridge registered a compliance level of below the 90% level for the entire quarter.
- All the weighbridges have showed improvements in compliance level though fluctuating within the months from April to June 2015. Only Mariakani and Busia have showed a consistent improvement in compliance level for the entire period.
- In general, all the trucks weighed should achieve a target of 100% compliance with very few exceptional cases.

7. Transit Time in Kenya:

Transit time in Kenya is an estimate of the period from the time release order entry is generated at the port of Mombasa to the time the export certificate is issued after crossing the border at Malaba or Busia.

Therefore, it includes delays after customs release before the cargo is evacuated from the port and also delays in at the border where sometimes manual entries for export certificate are done and the system updated at later time when cargo has already crossed the border.

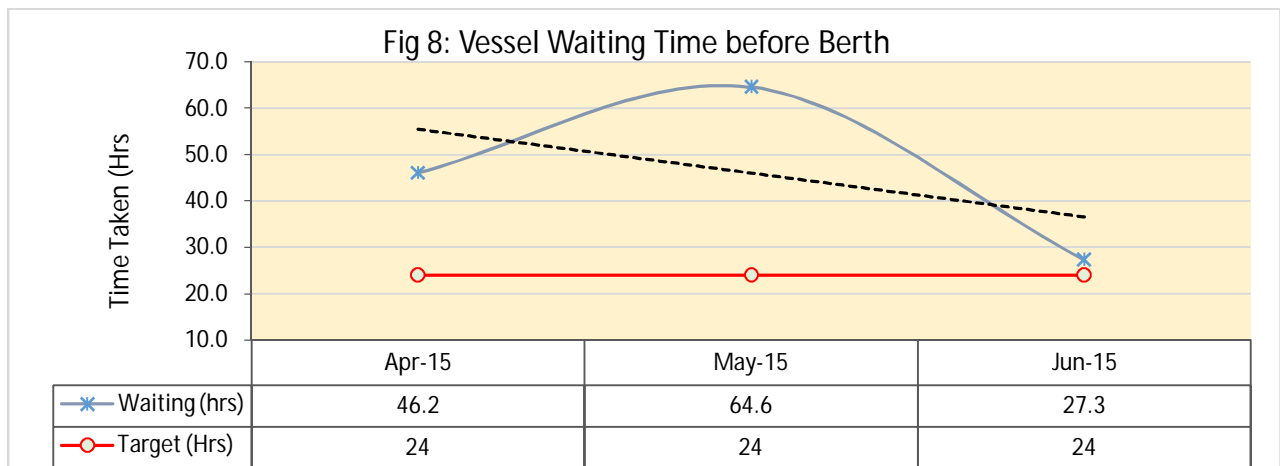


- Fig 7 above shows that transit time varies with route and by month. Transit time from Mombasa to Malaba averaged worsened off by approximately one day from 6.8 days to 7.4 days in the months of April to May and later on improved to 6.8 days in June 2015.
- Time taken to Busia also worsened off by about two days from 7.3 days in April to 9.2 days in March 2015. However, this later on significantly improved by approximately three days to its lowest of 6.1 days in June 2015.
- In general, it's indicative that it takes longer to transport cargo through Busia route than to Malaba due to some sections of route that are under construction.

C) Maritime Indicators

8. Waiting before Berth

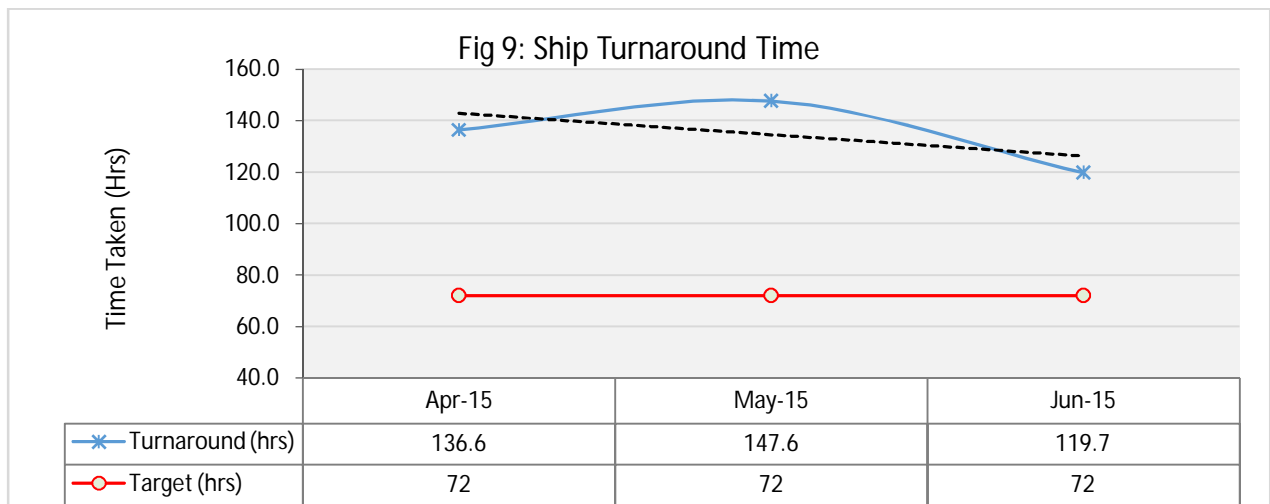
This is the average of the time difference in hours from the entry in port area to the berthing time. It is measured from the time the vessel arrives at the fairway buoy to the time at its first berth.



- Fig 8 above shows that the time taken by ship from entry to berthing improved by averagely one and a half day from 2.7 days in May to 1.1 days in June 2015. The trend shows a continuous decrease in waiting time that further leads to an improvement in the ships turnaround time.
- The Port Authority and regulatory agencies should take necessary measures to ensure that the trend in containerized vessels waiting time is further improved in order to achieve the 24 hours target.
- One of the commitments was to implement measures to ensure that ships waiting time is reduced to 0.20 days by 31st December 2014.

9. Ships Turnaround Time:

The indicator is measured from the time the vessel arrives at the fairway buoy to the time it is piloted off when departing the port.



- Fig 9 above shows that ship turnaround time has improved from 5.7 days to 4.9 days, from April to June 2015. The turnaround time is still above the 3 days set target. However, the trend indicates a further improvement in the future if port operation policies in place are adequately implemented.
- KPA's commitment was to foresee an improvement of 900 moves per day in 90 days after the charter was signed. Furthermore, the management committed was to achieve a month-on-month set target by 31st December 2014.

10. Containers Uptake at the Container Freight Stations (CFS):

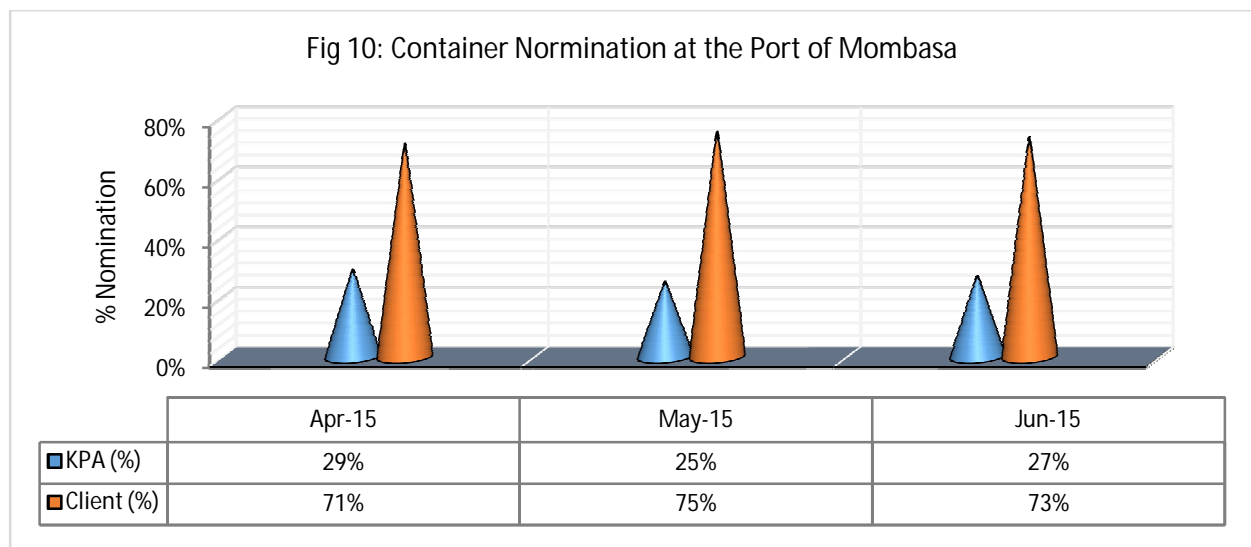
CFSs are an extension of the port and are privately managed. Decongestion of the port of Mombasa enormously depends on the efficient performance of the CFS cargo clearance process. Cargo to the CFSs is either client nominated or KPA nominated. All the local cargo and a fraction of transit cargo are mostly cleared from the CFSs. It is important that the Policy establishing the CFS is followed to the latter to ensure that the services and charges at CFS are the same as the Port. Given the requirement for 70% preclearance, goods should not overstay at CFSs unless they are specialized to be used as Warehouse for Shippers. The time taken for import pick up and customs release should be comparable with port.

The Table1 and Fig 10 below provide a summary of container uptake at the port of Mombasa.

Table 1: Monthly Container Deliveries and Nomination at the Port of Mombasa

Month	Container Type		Total TEUs	Container Nomination		% Nomination	
	20'	40'		KPA (No.)	Client (No.)	KPA (%)	Client (%)
Apr-15	14,258	8,951	23,209	12,668	31,852	29%	71%
May-15	12,962	9,084	31,130	11,973	36,868	25%	75%
Jun-15	15,349	10,133	35,615	13,829	37,388	27%	73%

- Table 1 shows that most of the Containers offloaded at the port are the 20' containers type. Container uptake at the port has been increasing since April with June recording 35,615 TEUs. However, nominations have been fluctuating month by month based on parties' interests.
- It is worth noting that Shippers behaviors and attitudes have a big influence on Port productivity and Corridor performance especially on Cargo pick up and removal from CFSs.
- Fig 10 provides a summary of container nomination at the port. It is clearly evidenced that most of the containers received at the port are client nominated. This has been on the rise since January to March 2015. This confirms that little preference is given to KPA compared to CFSs.



Note: The summary presented above reflects only 12 out of 24 CFSs registered under the CFSAs and KPA policies. The data is transmitted by KPA to various stakeholders, and only accounts for approximately 20% of the total cargo handled by the CFSs. The remaining 80% are not submitted to the KPA system as they are private and individual businesses. Therefore, there is need to bring all the 24 CFSs on board to transmit their data to KPA in order to give the overall picture of Port operation and efficiency.
