



NORTHERN CORRIDOR MONTHLY REPORT

APRIL 2017

THEMATIC FOCUS THIS MONTH: STANDARD GAUGE RAIL

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1 SUMMARY

This report presents the status of progress achieved on various indicators that are used to track the smooth flow of cargo and movement of traffic along the northern transport corridor for the month of April 2017. Measuring these indicators gauges the performance of the corridor and contributes to the identification of areas requiring improvement and evaluation of the effectiveness of programs designed to improve competitiveness of the corridor.

The objective of the Mombasa Port Community Charter is to establish a permanent framework of collaboration that binds the port community to specific actions, collective obligations, targets and timelines. In this regard, Northern Corridor Transit and Transport Coordination Authority established the dashboard that tracks implementation status of the charter with the aim of informing policy formulation and enhancing efficiency of the maritime, port and corridor operations.

The Mombasa Port Community Charter commits both public and private sector to undertake measures that will increase efficiency of the Port and the Northern Corridor. Since the inception of the charter, there has been continuous implementation of initiatives that were committed. Some of the commitments include:

- Achieve 70% pre-entry of cargo handled by the Mombasa Port.
- Achieve an average of 120,000 km per truck per annum by **December 2016**.
- Transform Mombasa Port into a high performing landlord port by **2016**
- Grow cargo off take by rail to above 35% of throughput by **December 2018**.

The table below presents a snapshot on achievement for the month of April 2017. The content of this report is also available online at <http://top.ttcanc.org>.

Table 1: Monthly status summary, April 2017

Category	Indicator	Target	April 2017 Status/Progress
Maritime Indicators	Vessel turnaround time (Hrs)	72	68.45
	Gross waiting time before berth (Hrs)	24	11.61
	Net waiting time before berth (Hrs)	24	10.83
Port Indicators	Containerised Cargo Dwell time (Hrs)	72	86
	One Stop Centre Time (Hrs)	24	39.8
	After customs release (Hrs)	36	44
	Document Processing Centre Time (Hrs)	2	2.45
Corridor	Transit time Kenya in Hrs (from Mombasa to Malaba (Hrs)	72	107

Indicators	Transit time Kenya in Hrs (from Mombasa to Busia (Hrs)	72	92	
	Weighbridge traffic (Average No of trucks weighed monthly)	All	Mariakani	2374
			Athi River	5355
			Gilgil	4462
Webuye			1432	
Busia	535			
Weight compliance at weighbridge (%)	100	All weighbridges compliance levels are over 90 percent except Busia whose compliance is 77%		

2 STANDARD GAUGE RAILWAY (SGR)

The Port of Mombasa is the busiest port in East Africa. It is a key transport hub for the entire region, and is connected by road and rail to bordering hinterland countries. The port handled more than 27 million dead weight tonnes of traffic in 2016. Cargo leaves the port through the following transport modal channels: road, rail, inland waterways and pipeline.

As at 2016, road transport mode is the dominant mode for the transport of both passenger and freight traffic in Kenya, handling more than 90 percent of all freight traffic (with rail handling less than 10 percent and the balance moved by petroleum product pipeline). This represents a major shift from the 1970s, when rail handled the majority of imported freight shipments. However, Standard Gauge Railway is expected to attract increase in the share of cargo transported by rail.

According to the Northern Corridor Infrastructure Projects protocol, the SGR is expected to link at least four countries of Uganda, Kenya, Rwanda and South Sudan. SGR Project, with a total length of 471.65 km, is designed as a single track railway of diesel traction with maximum speed of 120km/h for passenger service and 80km/h for freight service. The completion from Mombasa to Nairobi of a route length of 472kms means that the railway still has to turn through rift-valley all the way to Malaba before it can link to Kampala. Delivering the first phase – Mombasa to Nairobi – of the SGR represents a step to connect the entire Northern Corridor and ease movement of cargo.



Standard Gauge Railway for passenger and freight transportation from Mombasa to Nairobi launched by His Excellency Hon. Uhuru Kenyatta on May 31st 2017.

In August 2017, the SGR will be used for freight services between Mombasa and Nairobi. This service will operate alongside the existing metre gauge railway, which has

provided service between Mombasa, Nairobi and into Uganda, for decades. With the operationalization of the SGR, the target of the port charter for growing cargo off take by rail to above 35% of throughput by December 2018 may be realised. Kenya Ports Authority (KPA) is expected to deliver 6,000,000 tons by Rail. Freight trains will complete the journey in less than eight hours.

This will have an impact on the transport and logistics industry and calls for the industry to re-adjust their business models to align themselves to industry trends. In Particular, Shipping lines, the CFS operators, transporters, and cargo owners and all other transport stakeholders will need to be alive to the dynamism of the industry.

In general, a lot can be achieved through political commitment and goodwill in leadership as well as partnership and creation of synergies between public and private sector to facilitate trade and foster economic growth.

3 PERFORMANCE OF INDICATORS FOR APRIL 2017

The discussion below gives status of the port charter indicators as at April 2017 comparing with the performance in previous years same month. The indicators vary from maritime, port and corridor indicators. These indicators are part of over 31 indicators on the transports observatory portal. Measuring the performance of the port is relevant for interaction with policy makers and other stakeholders. It also can assist port development initiatives and contribute to the competitiveness of the port.

3.1 MARITIME INDICATORS

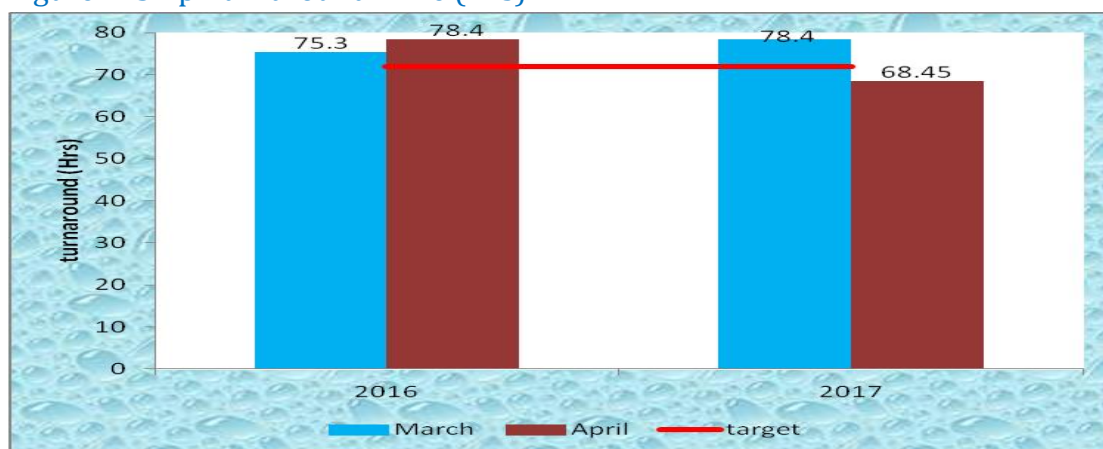
These indicators include container vessel movement from the arrival of the ship at the port area, until exit of the vessel from the Port area. The report focuses on performance of the container vessel movements (waiting time before berth and the average monthly turnaround time) at the port of Mombasa in the month of April 2017.

3.1.1 Vessel Turnaround Time

This indicator is measured from the time the vessel arrives at the Port area (Fairway Buoy) to the time it leaves the port area demarcated by the fairway buoy.

The average ship turnaround time in the port of Mombasa has significantly decreased from 78.4 hours to 68.5 hours in March and April 2017 respectively shaving off 10 hours from its turnaround times. From figure 1 below it can be noted that the 3 days set target has been attained. However, Mombasa port operators should consider a much lower turnaround time for vessel in order to benchmark good productivity and performance for its terminals. KPA has tried to address some of the barriers for instance by construction of the second container terminal which was launched in September 2016, and has been seen to increase the port capacity by 550,000 Twenty Feet Equivalent Units (TEUs) and its projected to further drive port efficiency.

Figure 1: Ship Turnaround Time (Hrs)

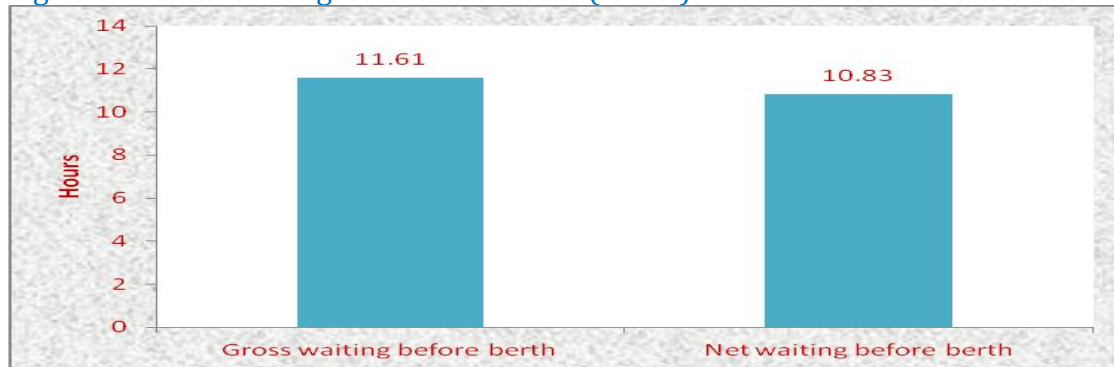


Source: KPA, data

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.

Figure 2: Vessel waiting time before Berth (hours)



Source: KPA, data

Figure 2 above shows that gross waiting time before berth was recorded as 11.61 hours in April 2017 whereas the net waiting time before berth was 10.83 hours. Under the port charter the main initiative for reducing waiting time was the conversion of berth nos. 11–14 into container handling terminal that was expected to play a great role in reducing the vessel waiting time. Currently designs have been done but to be fully completed when Ground Investigation (GI) is finalized. GI is expected to be completed by February 2017. In addition, a study on financial and Economic Viability is ongoing and almost complete.

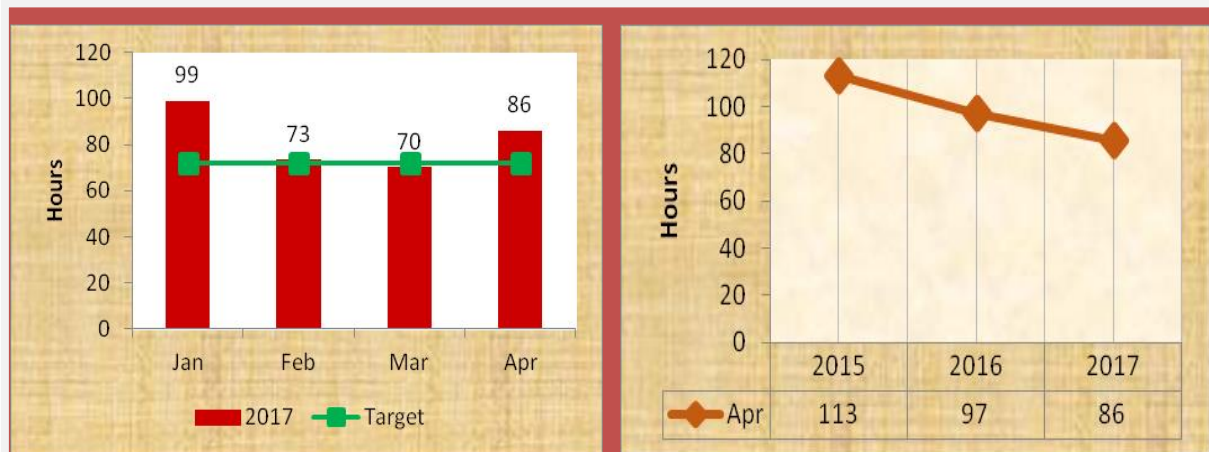
3.2 PORT INDICATORS

These 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 Containerized 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).

Figure 3: Containerised Cargo dwell time (Hours)



Source: KPA data

Data obtained from Kenya Ports Authority (KPA) shows a fairly high level of performance from 70 hours to 86 hours in March and April 2017 respectively. The performance is considered worse off compared to March 2017 and it still lies above the set target of 3 days (72 hours). 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. This performance was attributable to the challenges associated with the introduction of Single Customs Territory for the transit containers caused by lack of full integration between ASYCUDA++, SIMBA and KWATOS which resulted in a large proportion of transit containers being cleared manually.

However, when compared with the previous year’s same month it is discernible that performance has improved greatly decreasing from 113 hours in 2015 to 86 hours in 2017 same month.

This trend can only be improved if policy measures and interventions in place as enshrined under the port charter are fully implemented. In addition, harmonizing the free period time with the cargo dwell time target will also see an improvement in this target.

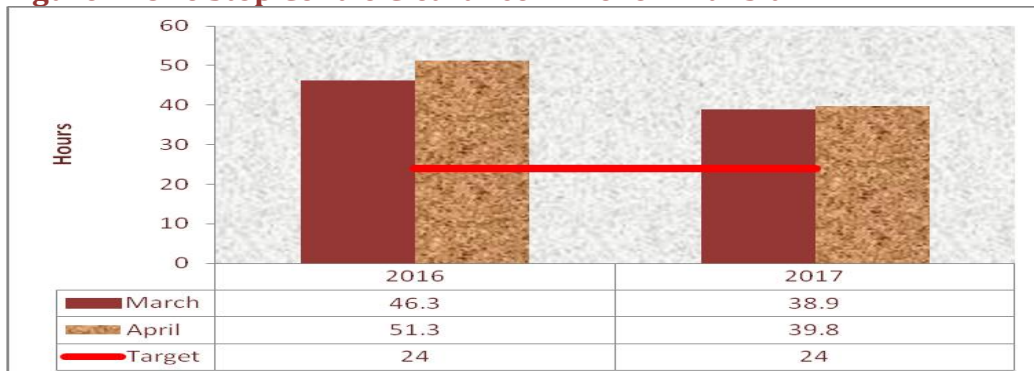
3.2.2 One Stop Centre Clearance Time

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

Figure 4 shows that performance in time taken at the one stop centre. Clearance time and one stop centre deteriorated from 38.9 hours in March to 39.8 hours in April 2017. The target of 24 hour has still not been met which can be attributed to the challenges such as last minute changes to import documents by importers, cases of some cargo interveners not being present at their duty stations and delays in physical verification and inspection of the cargo. Therefore, all agencies involved are expected to take the lead role in their respective clearance stages to achieve a target of 24 hours. Conducting

joint verification and verification of transit cargo to be made at the countries of destination will also go a long way in attaining the target.

Figure 4: One Stop Centre Clearance Time for Transit

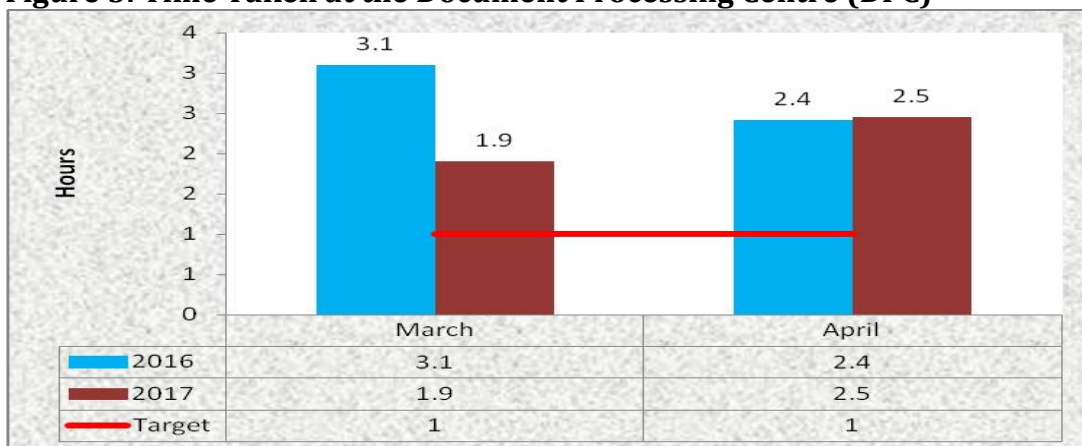


Source: KRA data

3.2.3 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 5: Time Taken at the Document Processing Centre (DPC)



Source: KRA data

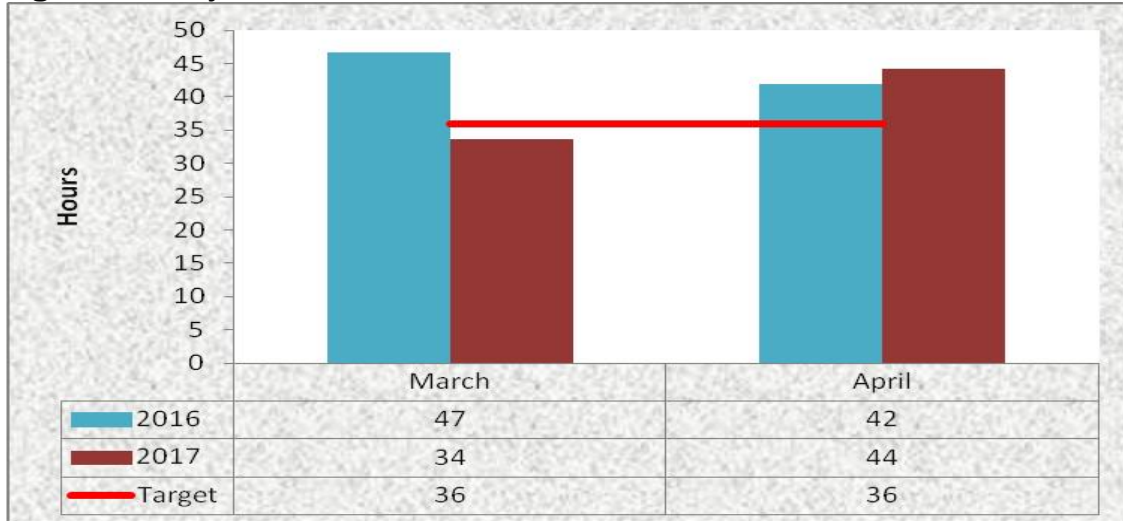
From figure 5 above, DPC time for transit cargo significantly increased from 1.9 hours in March to 2.5 hours in April 2017. However, this performance is beyond the set target of one hour. Any further delays above the 1 hours benchmark in documentation implies a rise in logistical cost hence a rise in commodity prices.

The low performance can be attributable to the SIMBA system stability during the period, document volumes awaiting processing in between the shifts among others. Initiatives to improve DPC time include on the spot approval of manifest, allowing partial manifest and simultaneous online submission of manifest. Furthermore, 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.

3.2.4 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 6: Delay after Custom Release



Source: KRA, data

Time taken after customs have issued the transporter with a release order form authorizing their exit, was recorded as 44 hours in April a significant increase from 34 hours in March 2017 as shown in figure 6 above. 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.

3.3 CORRIDOR INDICATORS

Corridor Indicators cover the period from the time goods are released up to exit at the border. The indicators of interest are compliance levels at weighbridges, volume of traffic and transit time from the port to the borders.

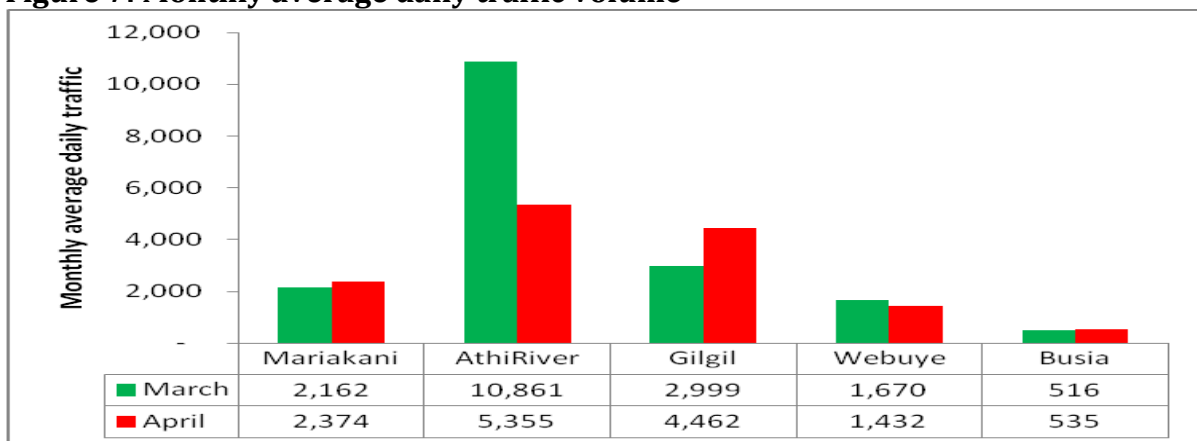
3.3.1 Weighbridge Traffic

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

Weighbridges protect the roads and bridges along the corridor from overloaded vehicles. Kenya National Highways Authority (KeNHA) installed High Speed Weigh in Motion (HSWIM) systems at Mariakani, Athi River, Gilgil and Webuye on one side of the road. Currently progress in construction of a second weighing point at Mariakani and Athi River HSWIM is at 86% and 85% respectively.

Figure 7 below shows that on average Athi River registered the highest number of traffic weighed followed by Gilgil and Mariakani. Comparing with the previous month, all weighbridges showed a mixed reaction on the traffic volumes weighed. 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. Busia weighbridge on the other hand registered the least average daily traffic.

Figure 7: Monthly average daily traffic volume



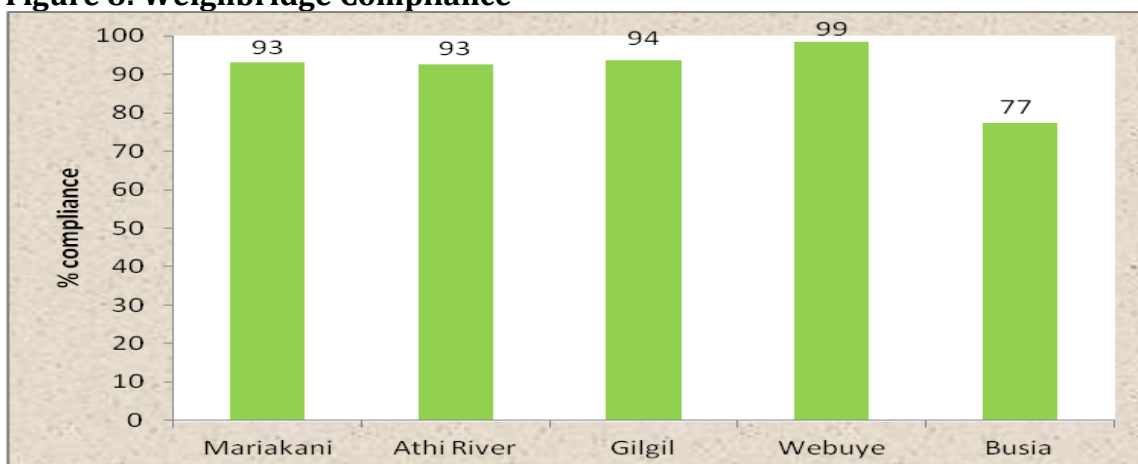
Source: KeNHA, data

3.3.2 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 8 shows that only Busia weighbridge registered a compliance level of below the 90% level for the month under review. Low compliance at the Busia weighbridge could be attributed to the weighbridge not implementing the high speed weigh -in- motion and being the first weighbridge for most good originating from some Kenya other than the port. In general, all the trucks weighed should achieve a target of 100% compliance.

Figure 8: Weighbridge Compliance



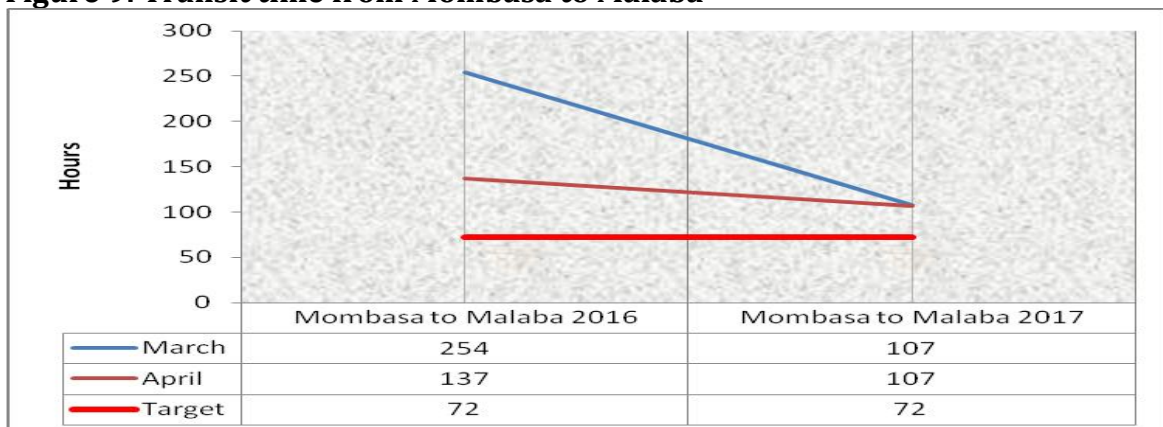
Source: KeNHA, data

3.3.3 Transit Time

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

Transit time from Mombasa to Malaba has averagedly decreased from 137 hours in 2016 to 107 hours in 2017 in the months of April. In general, it's indicative that it still takes longer to transport cargo through Malaba since the target of 3 days has not been achieved.

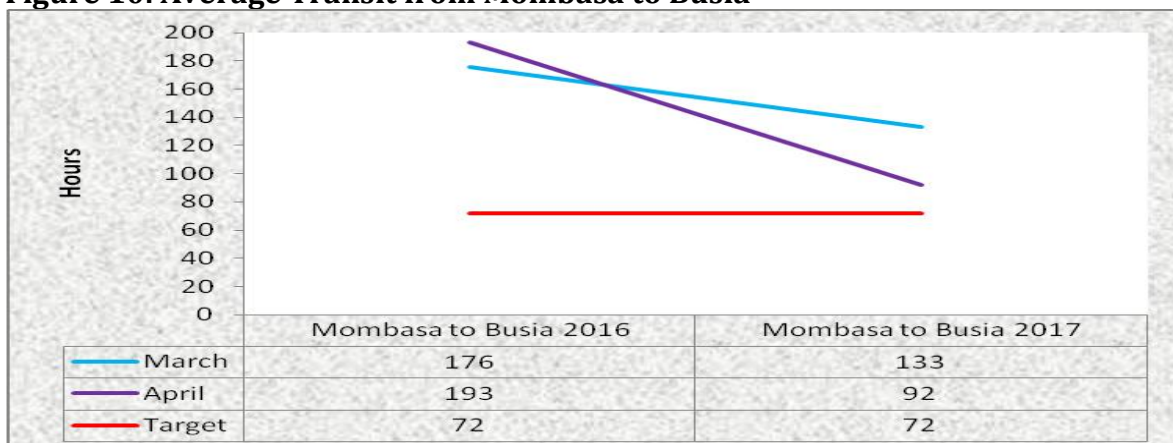
Figure 9: Transit time from Mombasa to Malaba



Source: KRA data

As shown in figure 10 below transit time from Mombasa to Busia (947 Km) indicates a similar trend over the same period showing a significant decrease from 193 hours to 92 hours respectively. In general, transit time is still beyond the expected 72 hours. Therefore, activities geared towards attaining this key performance indicator should be implemented to the latter.

Figure 10: Average Transit from Mombasa to Busia



Source: KRA data

3.4 CONTAINERS UPTAKE FROM THE PORT TO THE CFS

Container Freight Stations (CFSs) are an extension of the port and are privately managed. CFSs have continued to play a key role in facilitation of storage of cargo prior to clearance through customs. 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. According to the Port Charter policy commitment, where 70% pre-clearance of goods prior to arrival of vessels is targeted, goods should not overstay at CFSs unless CFS's are also specialized to be used as Warehouses for Shippers. The time taken for import pickup and customs release at CFS's should be comparable with that of the Port.

Figure 11 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 representing 85 percent.

Figure 11: Container Nomination at the Port of Mombasa

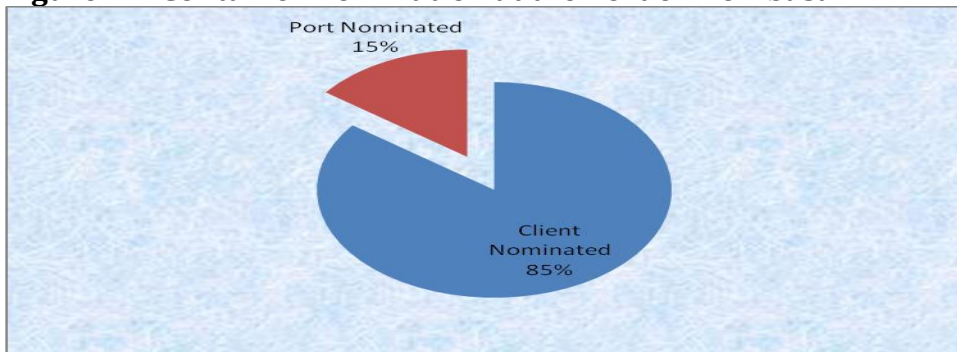
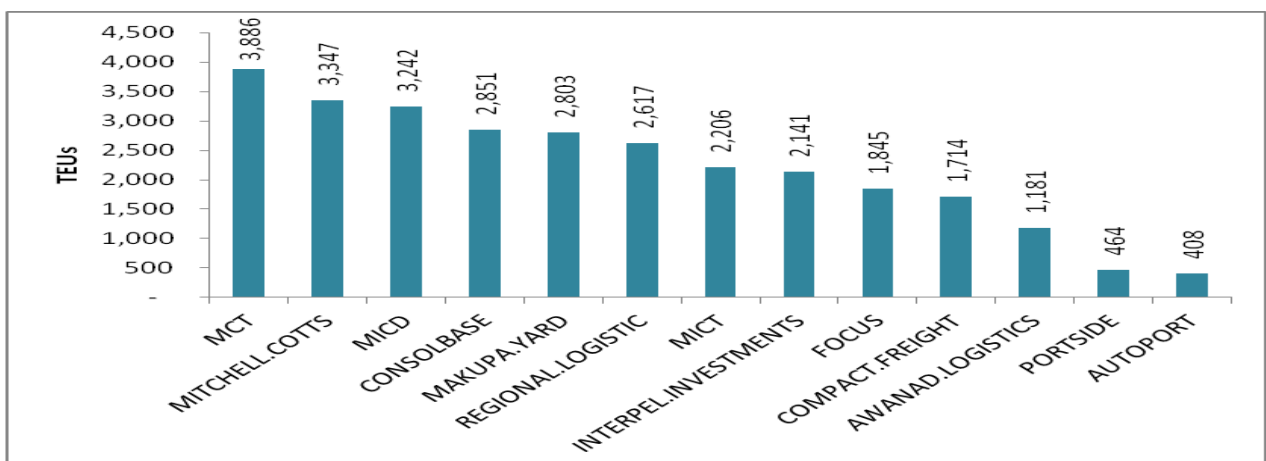


Figure 12: Monthly Container Deliveries to CFS



Source: KPA, data

The summary presented above reflects only 13 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. 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.