

Monthly Port Community Charter Report



July 2017



Northern Corridor
Transit and Transport
Co-ordination Authority



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1. SUMMARY

This report summarizes the status of implementation in the Month July 2017 of 9 key indicators which are tracked by the Northern Transit Transport Corridor performance dashboard as guided by the Mombasa Port Community Charter. The charter has set indicators and targets track maritime, port and corridor performance. The port community stakeholders have specific responsibilities on their respective targets and collective responsibility of improving the efficiency and competitiveness of the Port of Mombasa and the Northern Transit Transport Corridor.

The Mombasa Port Community Charter Report indicators report provides an overview of key trends within the port, as well as northern corridor transport system. This report includes those indicators for which updated data from the month of July are available. The indicators reviewed in this report are categorized into maritime, port and corridor indicators. The performance shows improvements in performance on some of the indicators when compared with the month of June. The summary performance is as follows:

- Performance for vessel turnaround indicator deteriorated from 71 hours in June to 80 hours in July 2017 failed to meet the set target of 72 hours. However, improvement was recorded for vessel waiting before berth from 38 hours to 17 hours against the target of 24 hours in June and July 2017 respectively. In addition, port dwell time improved from 91 hours in June to 89 hours in July 2017. The average containerized cargo dwell time performance is still beyond the 72 hours set target.
- The report shows that time taken in customs clearance at document processing centre decreased from 2.35 hours in June 2017 to 1.87 hours in July 2017 while time taken at Mombasa one stop centre increased from 45 hours to 48 hours during the same period.
- Trade facilitation measures have led to the simplification of trade clearance procedures, transit and border formalities resulting in a reduction in transit time on the Northern Corridor from 114 hours in June 2017 to 99 hours in July 2017 from Mombasa port to Busia border.



- Weighbridge compliance is an important indicator of efficiency along the corridor. Comparing June and July 2017, weighbridge compliance average compliance levels was steady between the two months with an average of 91%. Busia weighbridge whose compliance level was still low could be attributed to the weighbridge not implementing the high speed weigh -in-motion.

Table 1: Monthly status summary, May 2017

Category	Indicator	Target	May 2017 Status/Progress
Maritime Indicators	Vessel turnaround time (Hrs)	72	101.6
	Vessel waiting time before berth (Hrs)	24	34
Port Indicators	Containerised Cargo Dwell time (Hrs)	72	108.1
	One Stop Centre Time (Hrs)	24	56.4
	Delay after customs release (Hrs)	36	49.5
	Document Processing Centre Time (Hrs)	1	2.2



Corridor Indicators	Transit time in Kenya in Hrs (from Mombasa to Malaba (Hrs)	72	99		
	Transit time in Kenya in Hrs (from Mombasa to Busia (Hrs)	72	137		
	Weighbridge traffic (Average No. of trucks weighed daily)	All	Mariakani	2,434	
			Athi River	5,471	
			Gilgil	4,479	
			Webuye	1,304	
			Busia	592	
	Weight compliance at weighbridge (%)	100	Mariakani	93.83	
			Athi River	92.03	
			Gilgil	93.59	
Webuye			99.79		
Busia			77.74		



2. PERFORMANCE OF INDICATORS FOR MAY 2017

Maritime operations involve vessel movement from the arrival of the ship at the outer port waiting area, the beginning with entrance into the port, the arrival at berth, the departure from berth, and the release of the ship. The specific indicators discussed here are ship turnaround time and waiting time before berth at the port of Mombasa in the month of July 2017. A comparison is made with performance for the months of June and May 2017 and with a similar period for 2016 and 2015.

2.1 MARITIME INDICATORS

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.

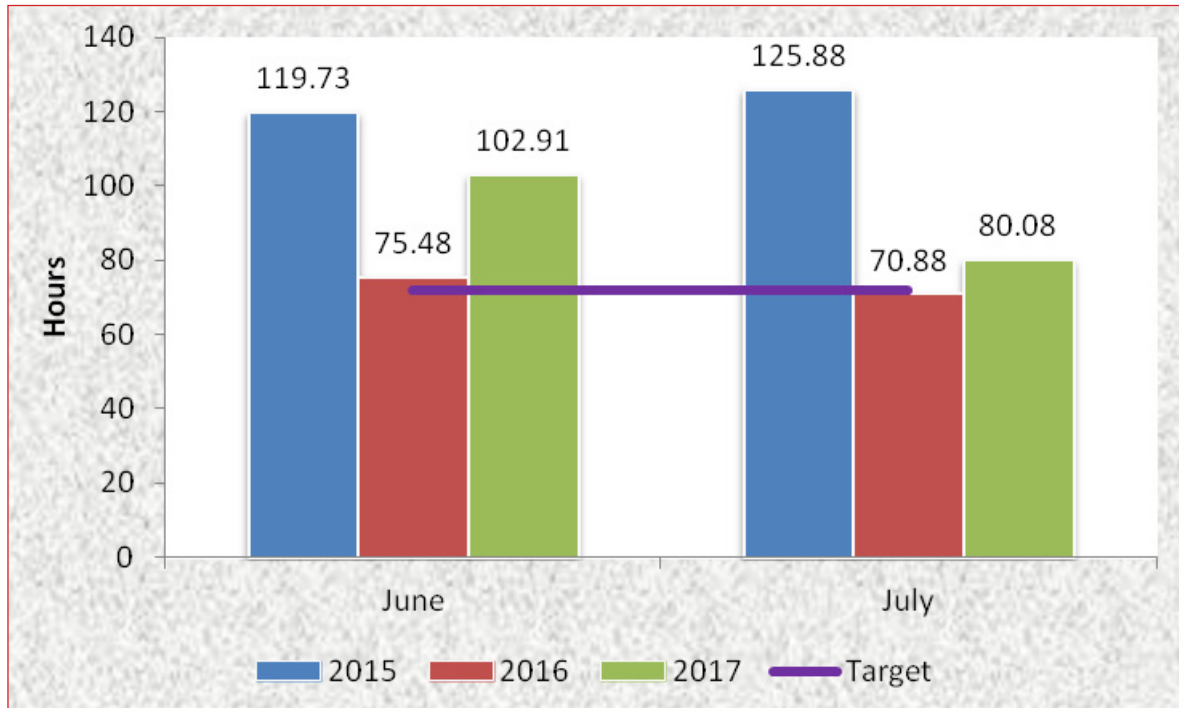
2.1.1 Ship Turnaround Time

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 Mombasa Community port charter has set an average time target of 72 hours for ship turnaround time. Figure 1 shows ship turnaround time of 80.08 hours in July 2017 having decreased from 102.91 in June 2017. Over the last three years performance on this target improved from a high of 126 hours in July 2015 to a low of 70.88 hours in July 2016. Performance in ship turnaround time is affected by berth delays, delays in cargo transfer and cargo clearance. Some of the initiatives aimed at improving ship turnaround time include: establishment of dry bulk facilities, construction of offshore single buoy mooring and investment in additional oil storage tanks. Currently, there are initiatives to expand the inland container depot in Nairobi and to set up a dry port in Naivasha to decongest the port. The dry port is expected to reduce the overall cost of handling goods at the seaport.



Figure 1: Vessel Turnaround Time (Hrs)



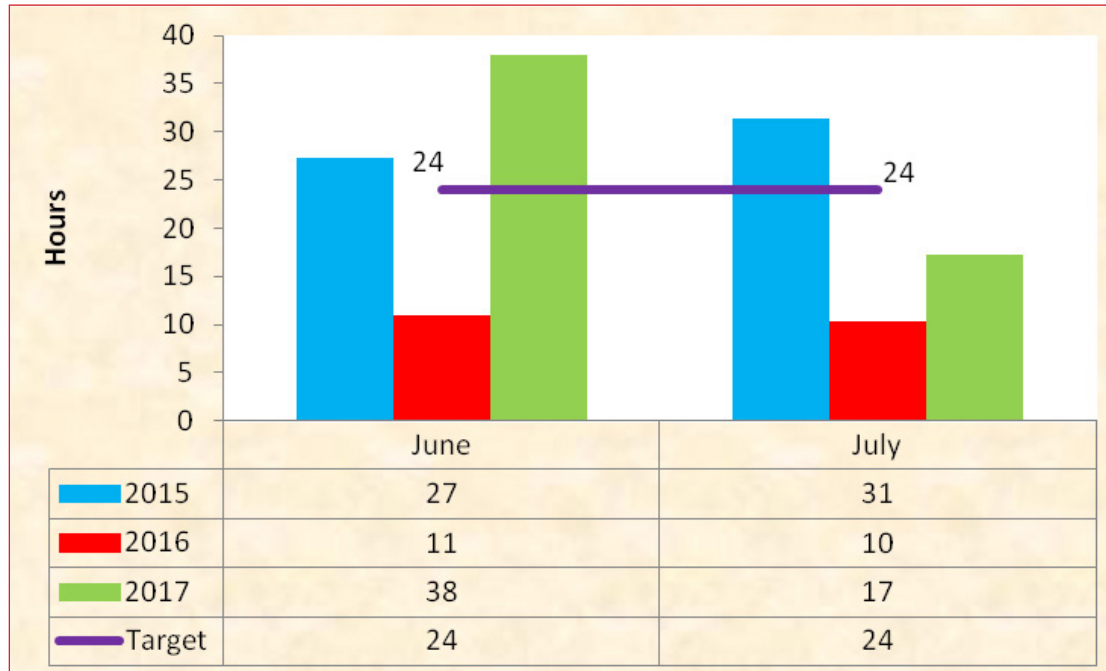
Source: KPA data



2.1.2 Ship 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 2: ship waiting time before Berth (hours)



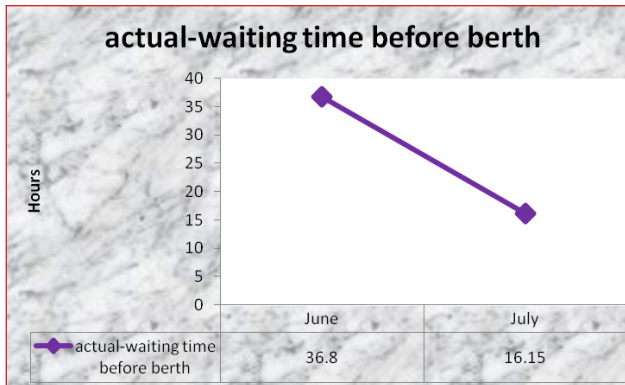
Source: KPA data



The target for ship waiting time is 24 hours. Ship waiting time is a component of the ship turnaround time and therefore has a bearing on port efficiency and confers productivity gains to shipping lines. Figure 2 shows the performance for ship waiting time. In the month of July 2017 average ship waiting time was 17 hours having improved from 38 hours in June. Generally, data shows that ship waiting time has improved and was below the target time of 24 hours in the months of July and June. Conversion of berth nos. 11-14 into container handling terminal was one of the initiatives in the port charter that were aimed at reducing ship waiting time.

The Kenya Ports Authority also tracks the ship actual waiting hours which tracks the time ship arrives at the fairway buoy to the time pilot boards the ship for clearance. The actual waiting time excludes the ships waiting at their own convenience. From the figure below, the actual time declined from 36.8 hours in June 2017 to 16.15 hours in July 2017. The data shows very thin margins between ship waiting time and actual ship waiting time (1.2 hours in June and 45 minutes in July 2017), this shows that delays have been minimized at the port.

Figure 3: Actual ship waiting time (hours)



Source: KPA data



2.2 PORT INDICATORS

Port indicators discussed here are: port dwell time, one stop centre clearance time, time taken at the document processing centre and delay after custom release for the month of July 2017. It is important to minimize congestion at the port by ensuring that less time is taken for cargo clearance so as to reduce costs and improve port efficiency.

Various initiatives stipulated in the Mombasa port community charter have been implemented to address capacity and efficiency constraints at the port towards transforming the Port into a high performing port. Efforts have been witnessed such as automation of port and customs operations to transform the port into an e-port; implementation of the National Single Window Clearance System to facilitate the cargo clearance system through the Port, thereby reducing delays in cargo clearance. The construction of a second container terminal at the port of Mombasa has increased the container throughput and enabled the port to handle the next generation of larger vessels among others.

2.2.1 Containerized Cargo Dwell Time

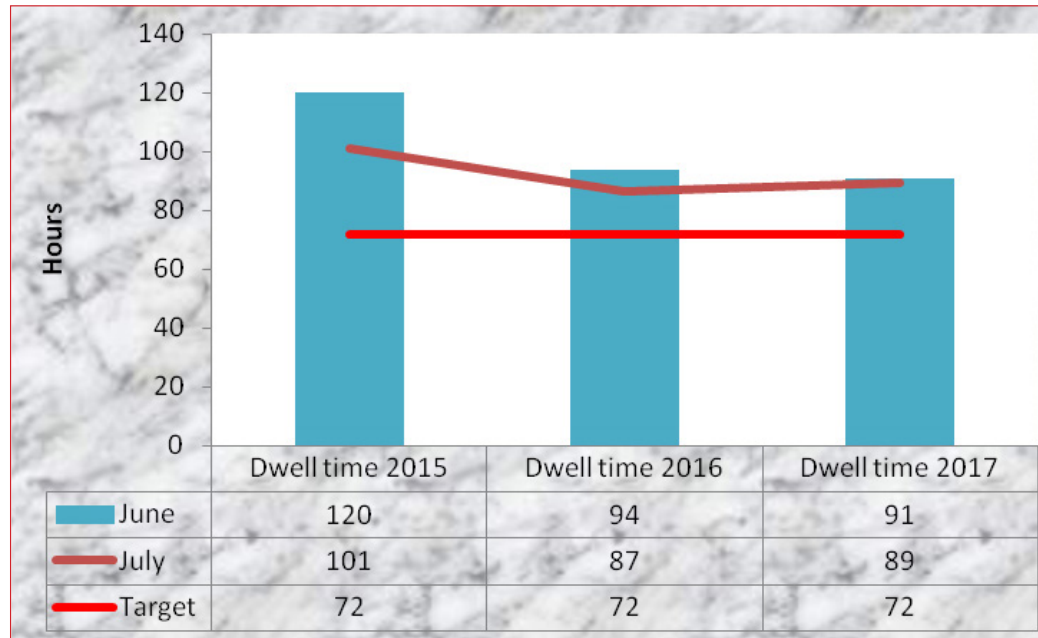
Refers to the total time spent by cargo at the port from when the cargo is discharged from the vessel until it exits the port (average number of days the container stays in the yard).

From figure 4, dwell time decreased from 91 hours in June to 89 hours in July 2017. When comparing the same trend over the last three years, it can be noted that performance on this target improved from a high of 120 hours in June 2015 to a low of 94 hours in June 2016. A similar trend is witnessed for the month of July from 101 hours to 87 hours same period. Kenya Ports Authority(KPA) noted 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.



However, the performance is still beyond the 3 days target. This is partly due to implementation of the nine (9) days free period which is not harmonized with the target. In order to achieve the set target, stakeholders will have to fully adopt Pre-arrival cargo clearance concept, streamlining container nomination and evacuation to Container Freight Station (CFS) among others to ensure the target of 72 hours that was to be attained within 120 days of signing the charter is met.

Figure 4: Containerised Cargo dwell time (Hours)



Source: KPA data

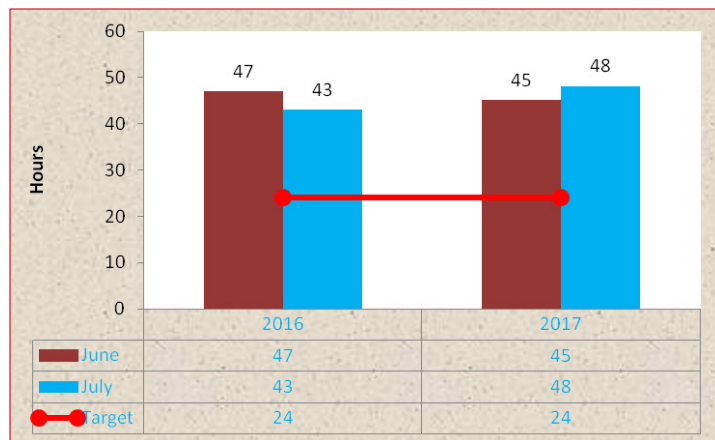


2.2.2 One Stop Centre Clearance Time

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

The Mombasa Community port charter has set an average time target of 24 hours for one stop centre clearance time. Figure 5 shows one stop centre clearance time of 48 hours in July 2017 having increased from 45 hours in June 2017. The target 24 hours target for this indicator has not yet been achieved. The Port Charter required that the agencies involved in the clearance processes achieve a joint, effective and efficient physical verification of cargo within the first 3 months of signing the Port Community Charter to boost the clearance processes. However this has not yet been achieved partly due to delays in physical verification and joint inspection of cargo. Implementing mechanisms for speeding-up clearance of cargo processes by all the stakeholders involved to realize the required results of one day is crucial.

Figure 5: One Stop Centre (hrs)



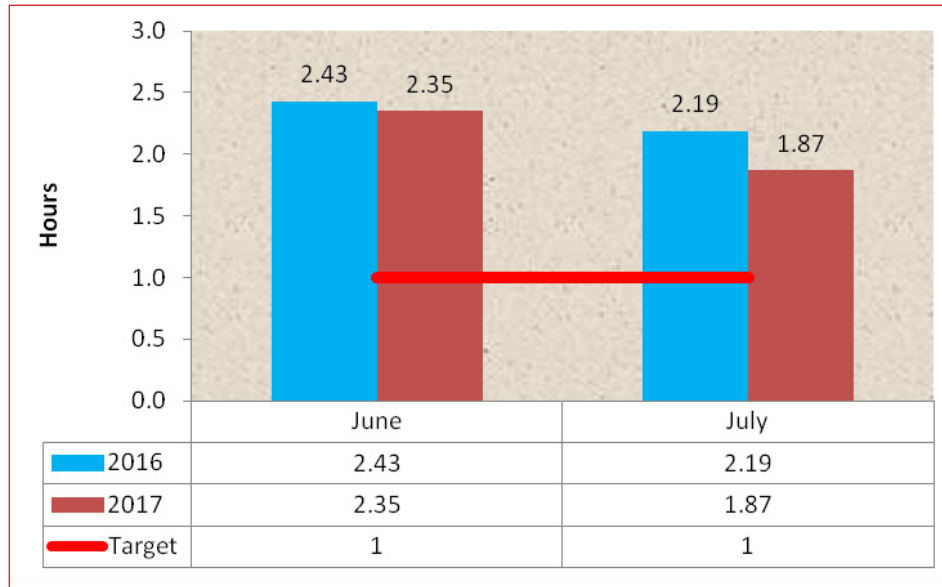
Source: KRA data



2.2.3 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 6: Time Taken at the Document Processing Centre Hrs



Source: KRA data

From the figure 6 above average DPC time in July 2017 stood at 1.9 hours, a decrease from 2.4 hours in the month of June, 2017. Performance shows a marginal improvement when compared to 2016. This could be attributed to digitization of documentation, online payments, implementation of one stop centres and



integration with transit countries and reliability of network. Despite this improvement the performance of this indicator is still higher than the target for DPC time of 1 hour as stipulated in the charter.

DPC time heavily relies on the stability of SIMBA system, integrity of clearing agents, quality of declaration by the relevant agents and Document volumes waiting processing. It is also important to note that the Integrated Customs Management System (which is meant to replace SIMBA system) which is being rolled out in phases will address some of the impediments.

2.2.4 Delay after customs release

Delay after Customs Release refers to the time lapse between release and evacuation of cargo from the Port.

Figure 7: Delay after Customs Release



Source: KPA data



The time delay after customs release remained steady at 41 hours in the month of June and July 2017 as shown in figure 7. Delay after customs release time component forms a proportion of the port dwell time. The performance is still high by 5 hours from the set 36 hours target. This calls for concerted efforts from respective stakeholders to reduce this time as envisaged in the port charter. The ongoing improvements of road infrastructure around the port and implementation of the standard gauge rail are expected to improve this indicator. Transporters should also speed up cargo pick up from the Port.

2.3 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 Mombasa port to the Kenyan borders (Busia and Malaba).

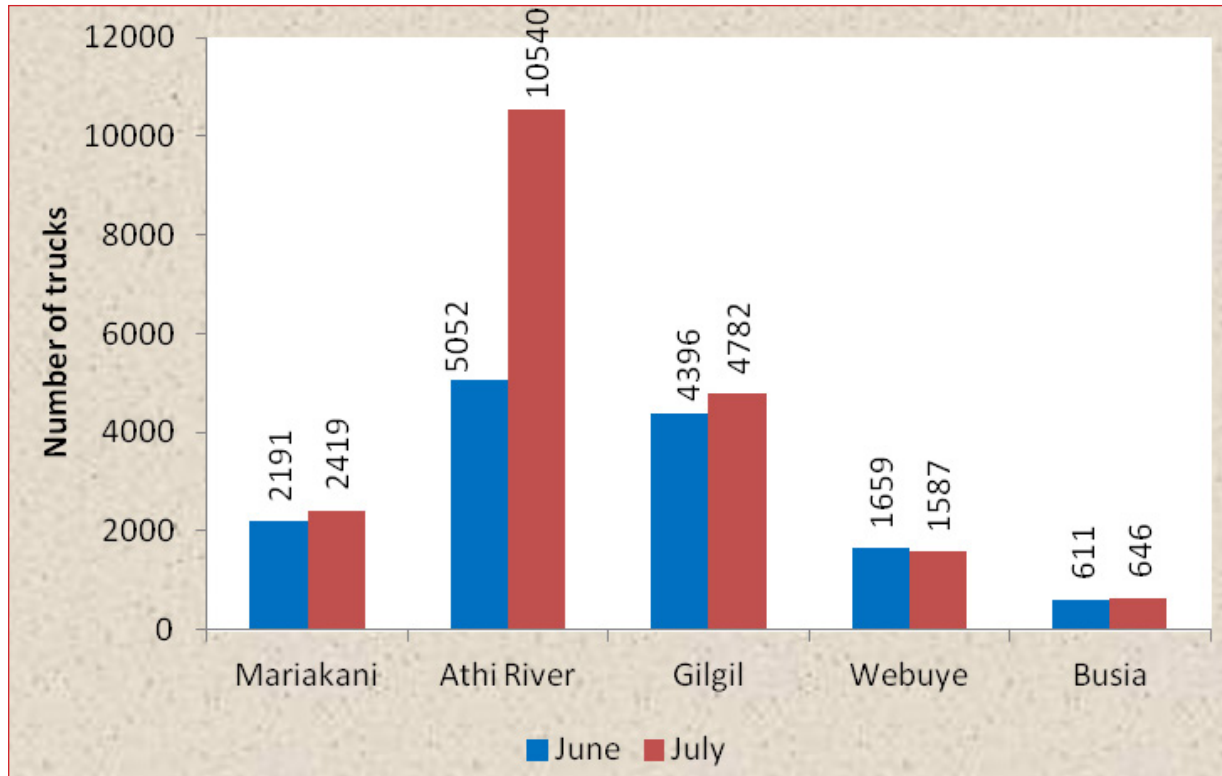
2.3.1 Weighbridge Traffic

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

From figure 8, findings show a steady monthly average daily traffic weighed from June to July 2017 at all the weighbridges except the one at Webuye which recorded a slight decrease in traffic. The Athi River weighbridge recorded the highest traffic in July 2017 and it's attributable to cargo that are originating from Namanga route, Nairobi City and its environs.



Figure 8: Monthly average daily traffic volume



Source: KeNHA, June-July 2017

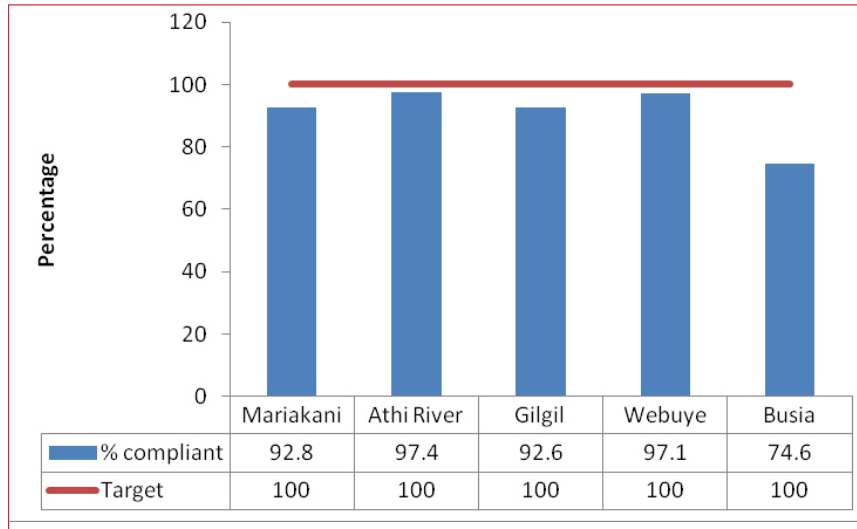


2.3.2 Weight Compliance at the Weighbridge

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

Data for July 2017 indicates that the weighbridges recorded a steady performance in terms of compliance levels of over 90 percent performance except Busia weighbridge which registered compliance level of 75%. Low compliance at the Busia weighbridge could be attributed to the weighbridge not implementing the high speed weigh-in-motion.

Figure 9: Weighbridge Compliance



Source: KeNHA, June-July 2017

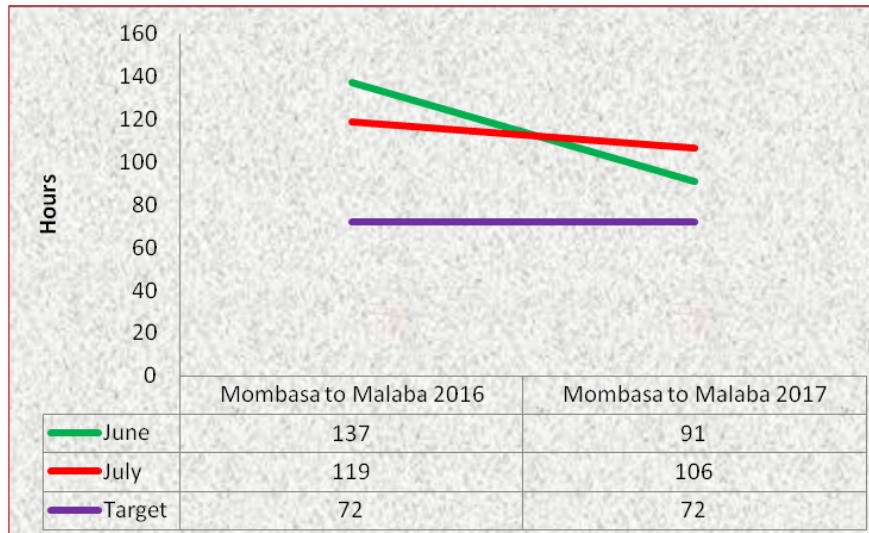


2.3.3 Transit Time

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 northern corridor is served by a combination of surface transport modes; road, railway, oil pipeline and inland waterways. The scope of the transit time in this report is on road mode of transport. It can be estimated 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.

Figure 10: Average Transit Time in Kenya from Mombasa to Malaba



Source: KRA data



Figure 10 shows the transit time between Mombasa and Malaba. The Mombasa Malaba section of the Northern Corridor covers a total of 933 Kilometres. It passes the main cities of Nairobi, Nakuru and Eldoret and has a total of four weighbridges (Mariakani, Mlolongo, Gilgil and Webuye. The target average transit time is 72 hours. The data shows that transit time has been declining from the year 2016. The average transit time in July 2017 was 106 hours compared to 119 hours in the same month in 2016. In June 2017, average transit time was recorded at 91 hours compared to 137 hours in June 2016.

Figure 11: Average Transit Time in Kenya from Mombasa to Busia

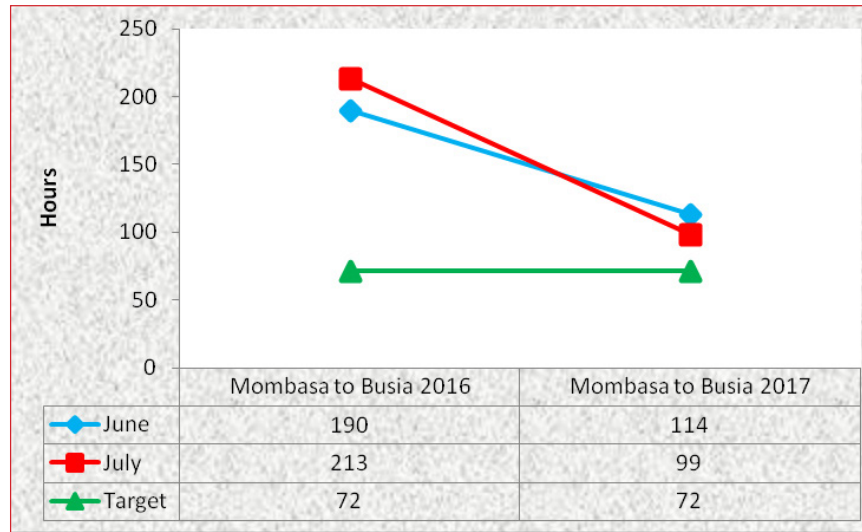


Figure 11 shows the transit time between Mombasa and Busia. Similarly, traffic on this section goes through four weighbridges (Mariakani, Mlolongo, Gilgil and Busia). This section covers a total of 947 Kilometres. Average transit time also decreased from 213 hours in July 2016 to 99 hours in July 2017. It is evident the target of 72 hours has not been achieved yet.



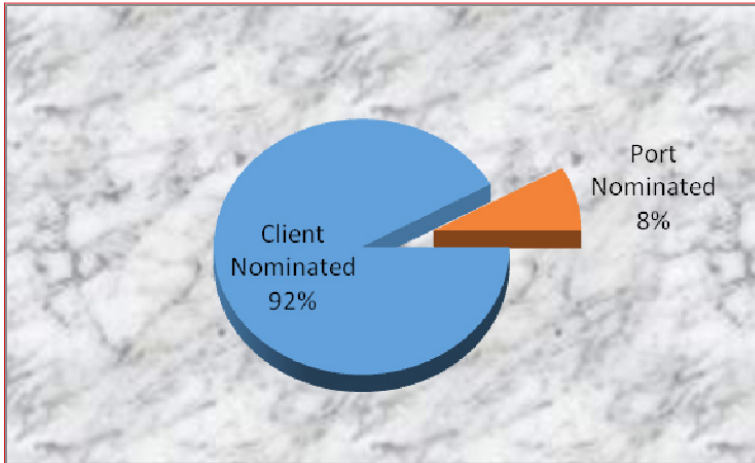
According to the recent road survey (10th issue transport observatory report) these weighbridges still account for (13%) some of the reasons for stoppages. Transit time is a key indicator of efficiency of transport corridors. Faster transit times reduce cost of cargo haulage and make trade regions attractive and competitive. Some of the initiatives put in place to improve transit time include: Interfacing of Customs Systems and joint verification of multiple Customs documents, reduction of roads, police, and customs roadblocks, Introduction of High Speed- Weigh-In-Motion Systems to reduce multiple weighbridges along the Corridor

2.4 CONTAINERS UPTAKE AT THE CONTAINER FREIGHT STATIONS (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 performance of the CFS cargo clearance process. Cargo to the CFSs is either client nominated or KPA nominated.

According to the port charter requirement, 70% preclearance, goods should not overstay at CFSs unless CFS's are also specialized to be used as Warehouses for Shippers. Therefore, time taken for import pickup and customs release should be comparable with that of the port. The figure 10 provides a summary of CFS nominations in the month of July 2017 at the port of Mombasa.

Figure 12: CFS Nomination in July 2017



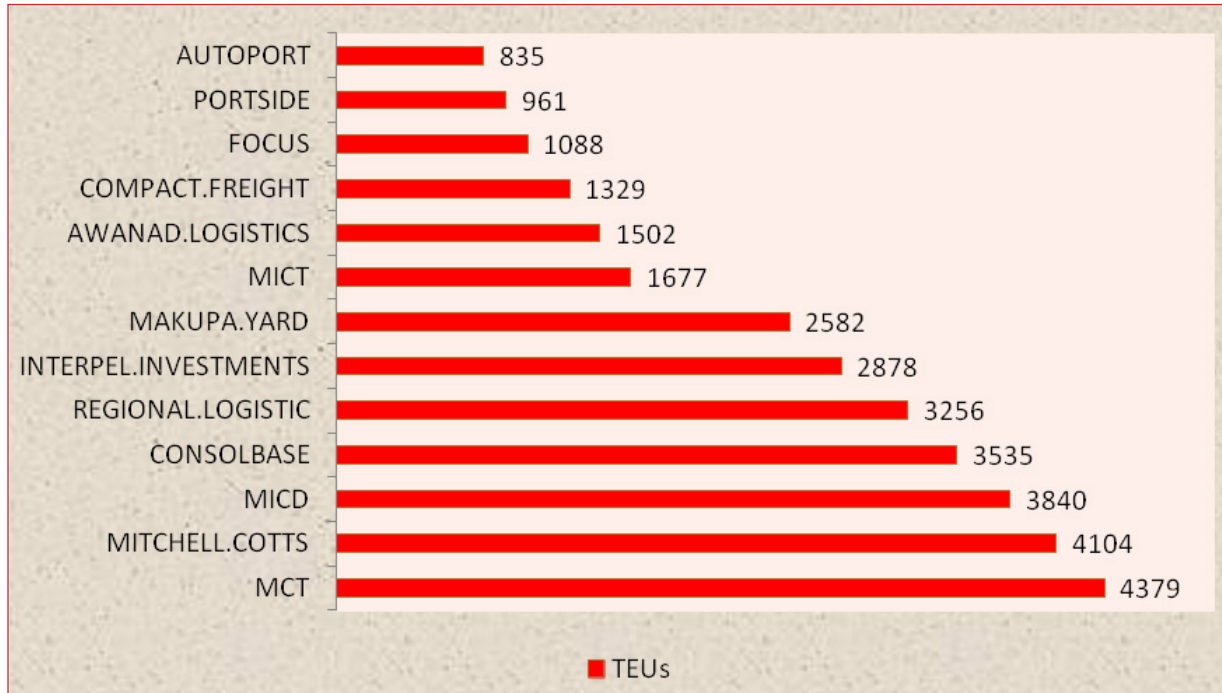
Results in figure 12 indicate that about 92 percent of the containers received at the port are client nominated and 8 percent represents port nominated for the month of July 2017.

When compared to June 2017, client nominated containers registered 86 percent and 14 percent as port nominated containers showing that the CFS nomination patterns have remained relatively stable over the period.

Source: KPA, data



Figure 13: Container Uptake by CFSs (TEUs) on monthly basis



Source: KPA, data

Figure 13 shows that MCT had the highest uptake of 4349 TEUs followed by Mitchel Cotts with 4104 TEUs and with MICD with 3840 TEUs.



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