

Monthly Port Community Charter Report

December 2016



“You cannot improve it if you have not measured it”



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1. EXECUTIVE SUMMARY

The Northern Corridor Observatory assesses and measures performance of the Northern transport Corridor and has an online platform that track and disseminate information on various key performance indicators. These indicators measures the implementation of the Mombasa Port Community Charter which commits both Private and Public sector stakeholders involved in handling of and clearing of goods transported through the Port of Mombasa to undertake measures that will enhance efficiency of the port. The key indicators are categorized under maritime port and corridor indicators. Progress information is presented in monthly, quarterly and semi- annual reports.

This report presents the monthly report for the month of December 2016 and provides a comparison with the month of November 2016 and where data is available juxtaposes with the performance of the month of December in the years 2014 and 2015. The tracking of performance on the selected indicators helps to track the trends in port and corridor efficiency and the effectiveness of the initiatives that have been implemented under the Mombasa Port Community charter.

A review of the performance of maritime indicators for the month of December 2016 show that performance has stabilized after having improved dramatically in the same period in 2014 and 2015. Vessel turnaround time average 74 hours just 2 hours short of the 72 hours target while ship waiting time before berth exceeded the 24 hour target to stand at 15.4 hours. Similar patterns were noted for the port and corridor indicators as shown in table 1.

This data suggests that the operations on the corridor has derived positive efficiency gains from the implementation of the port charter initiatives. However, the some of the targets have been affected by delay in implementing some of the commitments in the charter. Going forward, the port community is expected to pull towards full implementation of the commitments in the port charter. In addition, there is need to take cognizance of emerging issues that may have impact in operation on the corridor. For instance the expected completion of the standard gauge railway and growing port traffic and business volumes portend new circumstance that will call for attention of the port community.



Table 1: Monthly Status Summary December 2016

Category	Indicator	Unit of measure	Target	December Status/ Progress
Maritime Indicators	Vessel turnaround time	Hrs	72	74.1
	Ship waiting time before berth	Hrs	24	15.4
Port Indicators	Containerized Cargo Dwell time	Hrs	72	89.7
	One Stop Centre Time	Hrs	24	43.1
	After customs release	Hrs	36	48
	Document Processing Centre Time	Hrs	2	3
Corridor Indicators	Weighbridge traffic	No of trucks weighed		Mariakani - 2,259 Athi-River – 5,100 Webuye - 706 Busia - 440
	Weight compliance at weighbridge	%	100	Busia-74%, Other weighbridges had over 90%
	Transit time (Mombasa to Malaba)	Hrs	72	112
	Transit time (Mombasa to Busia)	Hrs	72	182



2. INTRODUCTION

The Transport Observatory was set up to enable Northern Corridor Transit and Transport Coordination Authority (NCTTCA) achieve its objective of making the Northern Corridor the most competitive Corridor among the five Corridors in the region and address the specific challenges faced by landlocked developing Countries. As a result, performance indicators must be assessed in order to determine if they are indications of deeper dysfunctions or are measures for increasing Corridor efficiency.

The December 2016 Monthly Mombasa Port Community Charter Report provides an overview of key performance trends within the port, as well as the Northern Corridor Transport Observatory. 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 indicators range from port indicators, maritime indicators, corridor indicators, CFSs, rail market share and average number days of container stay inland by country of destination. It is equally important to highlight the uncertainties in delays which may increase the cost of transportation.

The Mombasa Port Community Charter envisions 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;
- Paperless cargo clearance by integrating community systems into the KNESWS by December 2014;
- An improvement of 900 moves per day in 90 days after the Charter was signed.

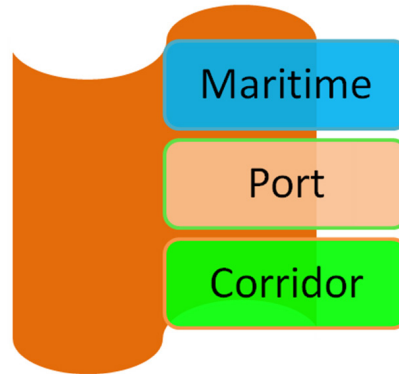
These key indicators which are tracked by the Northern corridor performance dashboard as stipulated in the Mombasa Port Community Charter may be accessed via http://ttcanc.org/documents/Port_Comm_Charter_Final.pdf.

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 DECEMBER 2016

This section gives the status of the Port Charter indicators as at December 2016 comparing with the previous performance same month in year 2014 and 2015. The year 2014 gives the baseline status upon the Port Charter coming into effect.



3.1 MARITIME INDICATORS

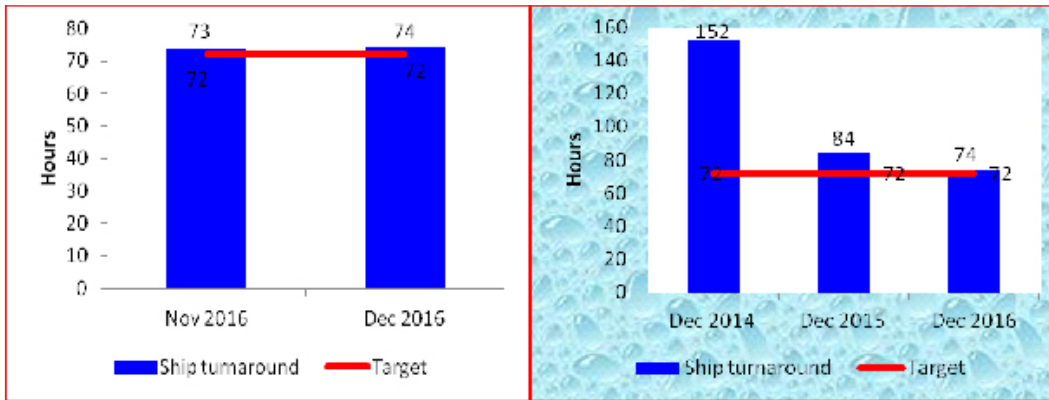
These indicators look at container vessel movement from the arrival of the ship at the port area, until exit of the vessel from the Port area. The report focuses on performance of the container vessel movements (waiting time before berth and the average monthly turnaround time) at the port of Mombasa in the month of December 2016.

3.1.1 VESSEL TURNAROUND TIME

Vessel turnaround time is the time from ship entry in port to exit from the port area. It is measured from the time the vessel arrives at the fairway buoy to the time it leaves the port area demarcated by the fairway buoy.



Figure 1: Vessel Turnaround in Hours



Source: KPA data

Figure 1 shows the average vessel turnaround time in hours for the months November and December 2016 and comparison for the month of December for the two preceding years. The vessel turnaround time was averaged at 74 hours in the month of December 2016 having increased from 74 in November 2016. When compared to the previous years this performance has improved tremendously having registered an average of 152 hours in 2014 and 84 hours in 2015.

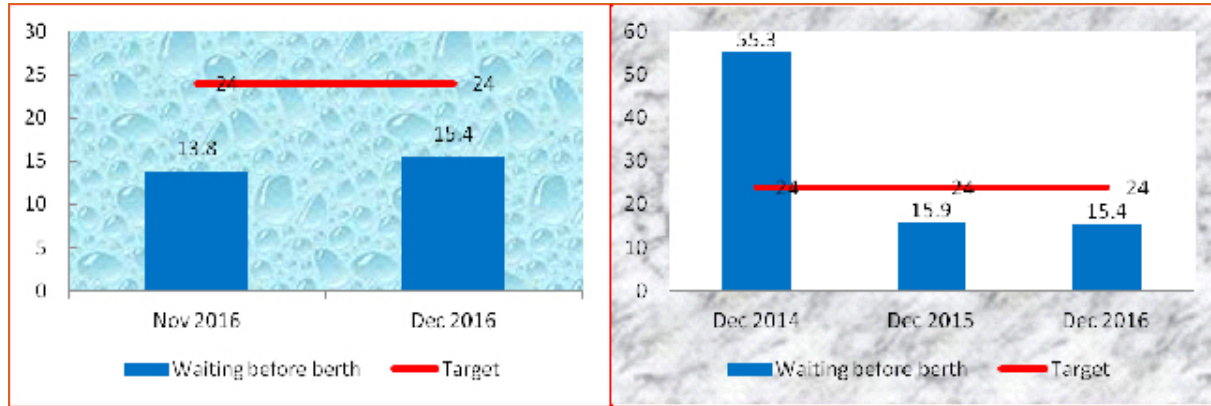
Overall analysis points to increase in efficiency in turnaround time. The improvement in Vessel Productivity (Gross Moves per Hour) and Ship Waiting Time for containerized ships has to a large extent driven the positive performance in vessel turnaround time. Some of the initiatives implemented to improve this performance include the introduction of Single Customs Territory and the Fixed Berthing window. Full implementation of the Single Customs Territory and review of the fixed berthing window to accommodate new shipping lines are some of the immediate measures that could see improvement in vessel turnaround time.



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: Waiting before berth Time in Hours



Source: KPA data

The performance of the Vessel waiting time before berth is critical to attaining port efficiency. Figure 2 shows that vessel waiting time increased from 13.8 in November 2016 to 15.4 hours in December 2016. This performance is excellent when compared to the target of 24 hours and performance for similar period in 2014 and 2015. This reduction in the ship waiting time has apposite effect on the cost incurred by shipping lines and will play a big role in making the port of Mombasa attractive.

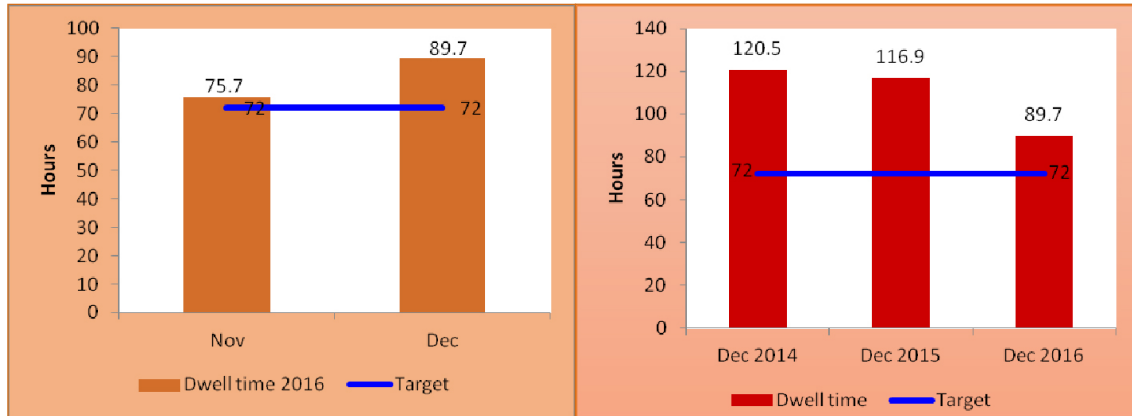
3.2 PORT INDICATORS

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 AT THE PORT OF MOMBASA

Average Dwell Time is the measure of time that elapses from the time cargo is offloaded at the port to the time it leaves the Port premises after all clearances have been obtained.

Figure 3: Containerized cargo dwell time in Hours



Source: KPA data

Figure 3 shows the performance in cargo dwell time for the November and December 2016 and gives a comparison for the same period in the years 2014 and 2015. Cargo dwell time was recorded at an average of 89.7 in December 2016 having increases from 75.7 in October the same year. The recorded dwell time is higher than the 72 hours target for this indicator.



However, when compared with 2014 and 2015 it is evident that performance has improved greatly moving from 120.5 hours in December 2014 and 116.9 hours in the same month in 2015 to 89.7 in December 2016

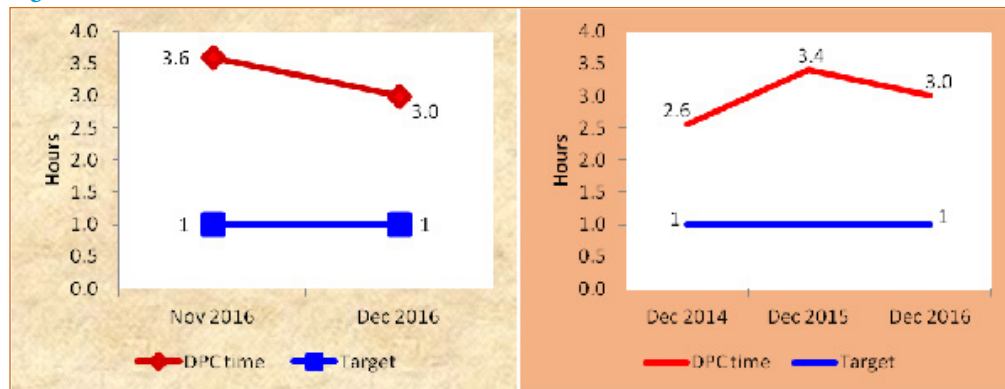
3.2.2 TIME TAKEN AT THE DOCUMENT PROCESSING CENTRE (DPC)

This is the time taken by customs to pass an entry lodged by a clearing agent.

Figure 4 shows that there was a marginal decrease in DPC time from 3.6 hours in November 2016 to 3.0 hours in December 2016. This performance is slightly better than the 3.4 hours recorded in the same month of but falls short of the 2.6 hours averaged in 2014. It is clear that performance in DPC time moved further away from the target of 1 hour over the last 3 years.

Initiatives to improve DPC time include on the spot approval of manifest, allowing partial manifest and simultaneous online submission of manifest. The implementation of these initiatives also calls for expansion of capacity to accommodate the growing volume of cargo that is handled at the DPCs.

Figure 4: DPC time in hours



Source: KRA data

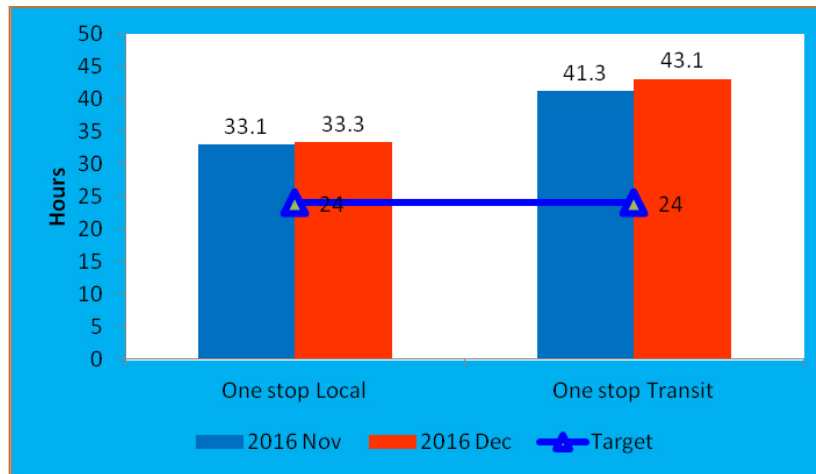


3.2.3 ONE STOP CENTRE CLEARANCE TIME

One Stop Centre Clearance Time measures the average time between passing of Customs entry registration and issuance of release order.

One stop center clearance was adopted to reduce time taken by multiple agencies that are involved in the process of clearing cargo. Figure 5 shows that performance in time taken at the one stop centre clearance time for locally destined cargo deteriorated marginally from 33.1 hours in November 2016 to 33.3 hours in December 2016 against a target of 24 hours. In the same breadth, one stop centre clearance for transit cargo moved further away from the target by increasing from 41.3 hours to 43.1 hours in the month of December 2016.

Figure 5: One stop centre clearance time in hours



Source: KRA data

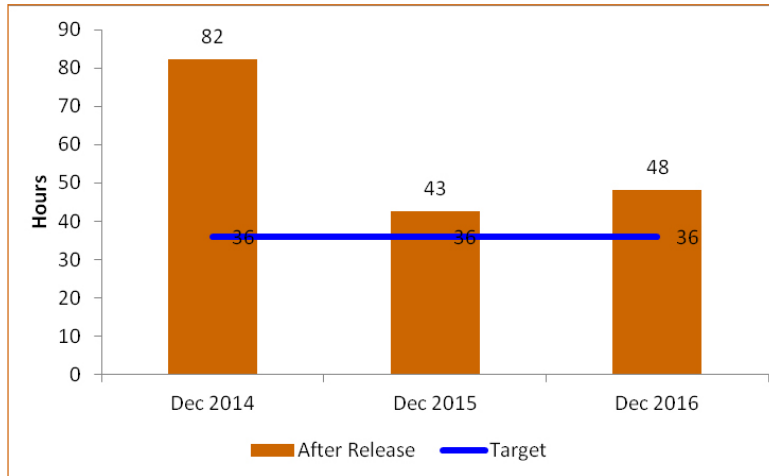


3.2.4 DELAY AFTER CUSTOMS RELEASE

Refers to the period traders/transporters takes to evacuate the cargo from the port after it's officially released.

Fig 6 shows the Time taken after Customs Release for the month December 2016 and a comparison for the years 2014 and 2015. The custom release time was recorded at an average 48 hours in December 2016 compared to 43 hours in 2015 and 82 hours in the same month in 2014. The data that there has been significant improvement over the last three years in this target. However, more effort is required to move to the 36 hours target. Some of the activities aimed at improving performance of this indicator include: Automating gate clearance procedures, dedicating special gates to CFSs and ensuring 24hr operations.

Figure 6: Delay after Custom Release



Source: KRA data



3.3 CORRIDOR INDICATORS

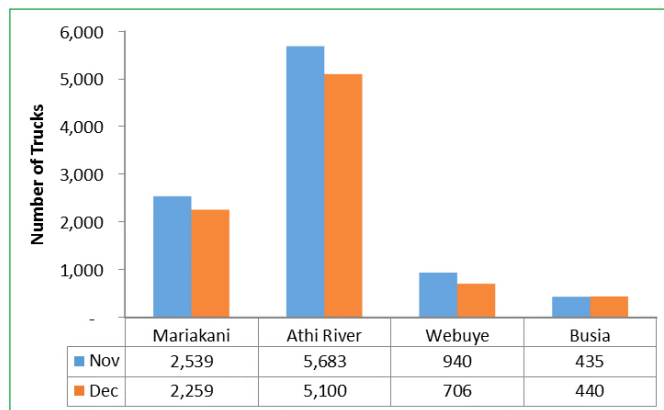
Corridor Indicators cover the period from the time goods are released from the Port up to exit at the border. The indicators of interest are compliance levels at weighbridges, volume of traffic and transit time from the Port to the borders.

3.3.1 WEIGHBRIDGE TRAFFIC

The indicator measures the average number of trucks weighed per day at the various weighbridges in Kenya. This report focuses in the month of December 2016.

The indicator measures the average number of trucks weighed per day at the various weighbridges in Kenya. From figure 7, the monthly average daily traffic weighed decreased from November to December 2016 in all the weighbridges except Busia which recorded an increase from 435 to 427. Athi River recorded the highest traffic in December and it's attributable to cargo that are originating from Namanga route, Nairobi City and its environs. This traffic further reduces almost by half at the Gilgil weighbridge partly due to cargo being offloaded in the City which is one of the main destination centres. Busia registered the least traffic.

Figure 7: Monthly average daily traffic volume



Source: KeNHA, data

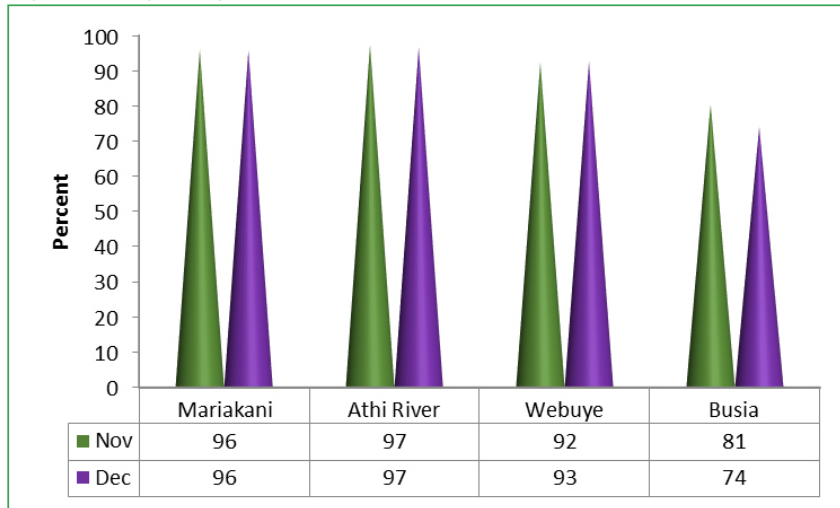


3.3.2 WEIGHBRIDGE COMPLIANCE

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

In the month of December 2016 the weighbridges recorded compliance levels of over 90 percent performance except for Busia weighbridge recorded 74% compliance which decreased from to 81% in November 2016. Athi River weighbridge recorded the highest level of compliance followed by Mariakani and Webuye. Low compliance at the Busia weighbridge could be attributed to the weighbridge not implementing the High Speed Weigh –in- Motion technology.

Figure 8: Weighbridge Compliance



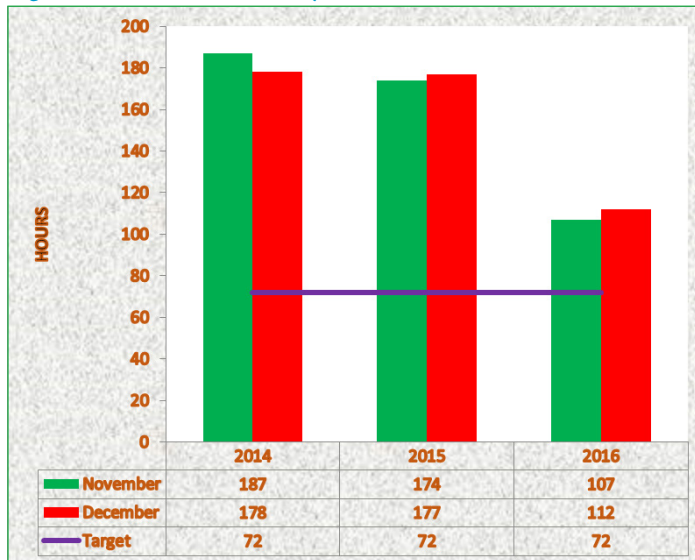
Source: KeNHA, data

3.3.3 TRANSIT TIME IN KENYA

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

This indicator includes delays after Customs release before the cargo is evacuated from the port. Figure 9 below presents the transit time in Kenya from Mombasa to Malaba and Busia for the month of December October 2016.

Figure 9: Transit Time in Kenya



Source: KRA data

The Mombasa to Malaba and Mombasa to Busia are the key arterial roads Figure 8 shows the average transit time from Mombasa to of the northern corridor road network in Kenya which covers a distance of 933 KMs. Transit time recorded on this route in the month of December was 112 hours having increased from 107 in November. The time shows remarkable improvement when compared with December 2015 which recorded a time of 177 hours. The average transit time Mombasa to Busia (947 Km) is as shown over the same period was 182 hours in December 2016 and 107 hours in October 2016. This was significant improvement from the 182 hours registered in December 2015. Nevertheless, the performance is still below the 72 hours target.



3.4 CONTAINERS UPTAKE AT THE CONTAINER FREIGHT STATIONS (CFS)

Container Freight Stations (CFSs) are privately managed and 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.

As per 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.

Figure 10: Container Uptake by CFSs (TEUs)

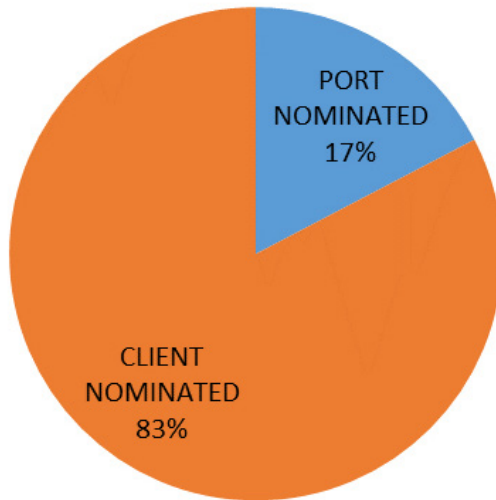
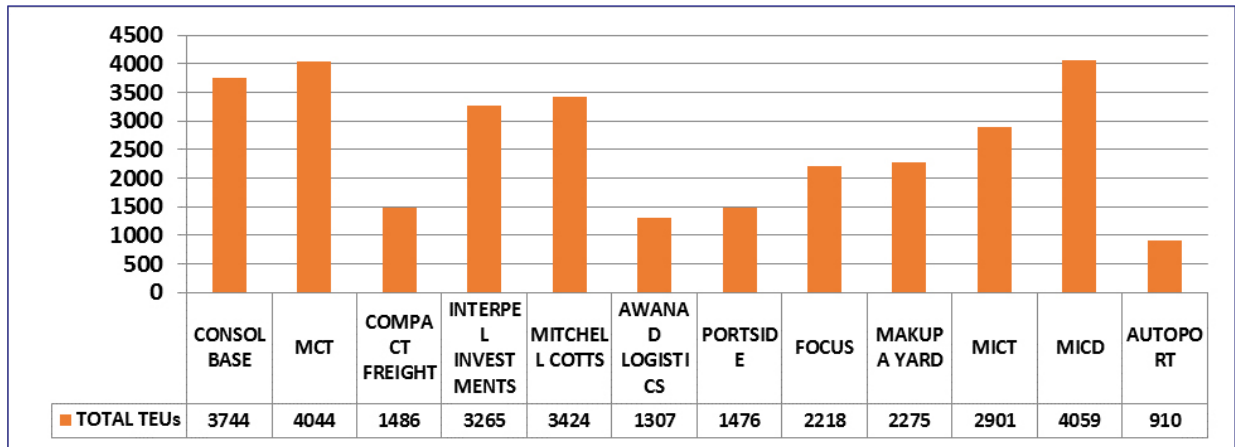


Figure 10 shows the total deliveries to 12 out of 22 CFSs registered under the CFSAs and KPA policy for both client and port nominated cargo. In the month December 2016, client nominated cargo stood at 83% while port nominated cargo was 17%.



Source: KPA data, December 2016

On container uptake, MICD, MCT and MITCHEL COTTS had the highest container uptake with 4059, 4044 and 3424 TEUs respectively. The average container uptake by the CFSs was 2592 TEUs.

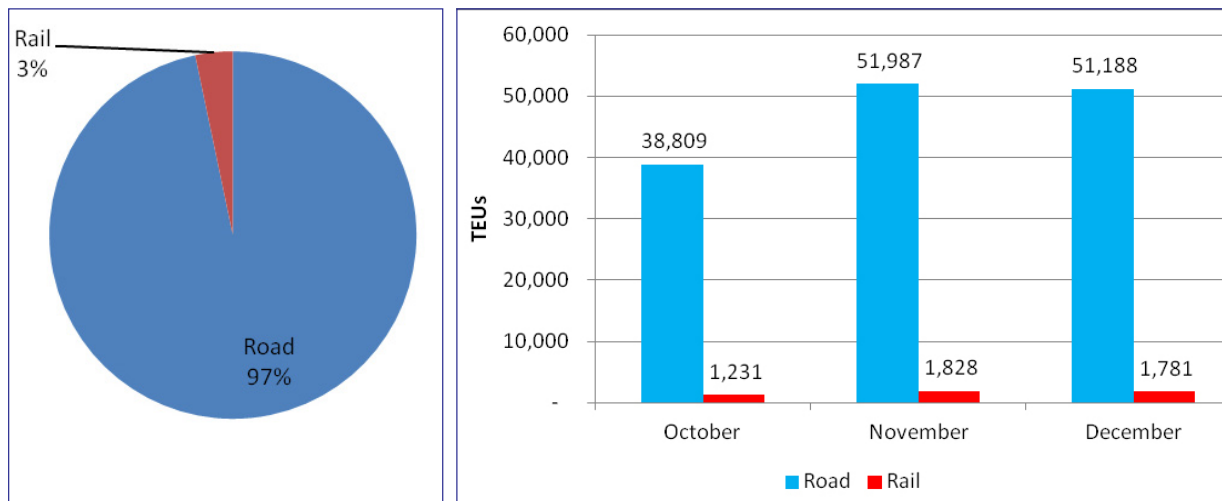
4 PERFORMANCE OF OTHER PORT CHARTER INDICATORS

4. CARGO OFF TAKE BY ROAD AND RAIL

After all port procedures are complete, cargo is evacuated and delivered to respective destinations using various intermodal means such as rail, road or pipeline. Cargo delivery by modal combination is a critical parameter for transport costs. Incorporating road and rail will offer substantial opportunities to reduce logistics costs, improve efficiencies and enhance trade for northern corridor member states.



Figure 11: Cargo off take intermodal transport, December 2016



Source: KPA, December, 2016

From figure 11, road transport is the main mode of cargo off accounting for 97 percent compared to 3 percent for rail transport in October to December 2016. Mombasa Port Charter set target for cargo off take by road at 60 percent and that for railway at 40 percent. Clearly the performance for rail transport is way below the set target. However, initiatives towards realization of this target are in place. Among the ongoing initiatives include; the construction of a Standard Gauge Railway from Mombasa to Malaba.



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