

Monthly Port Community Charter Report



January 2017

Thematic focus : Railway Transport



“Grow cargo off take by rail to above 35% of throughput by December 2018”



TABLE OF CONTENTS

TABLE OF FIGURES.....	3
1 SUMMARY.....	4
2 PROGRESS ON STANDARD GAUGE RAILWAY (SGR).....	6
3 PROGRESS OF MONTHLY PERFORMANCE ANALYSIS.....	8
3.1 MARITIME INDICATORS.....	8
3.1.1 <i>Ship Turnaround Time</i>	9
3.1.2 <i>Vessel Waiting Time before Berth (hours)</i>	10
3.2 PORT INDICATORS.....	11
3.2.1 Containerised Cargo Dwell time.....	11
3.2.2 One Stop Centre Clearance Time.....	12
3.2.3 Time Taken at the Document Processing Centre (DPC).....	13
3.2.4 Delay after customs release.....	14
3.3 CORRIDOR INDICATORS.....	16
3.3.1 Weighbridge Traffic.....	16
3.3.2 Weight Compliance at the Weighbridge.....	17
3.3.3 Transit Time.....	18
3.4 CONTAINERS UPTAKE FROM THE PORT TO THE CFS.....	19



TABLE OF FIGURES

Figure 1: Cargo Offtake.....	7
Figure 2: Ship Turnaround Time (Hrs).....	9
Figure 3: Vessel waiting time before Berth (hours).....	10
Figure 4: Containerised Cargo dwell time (Hours).....	12
Figure 5: One Stop Centre Clearance Time for Transit.....	13
Figure 6: Time Taken at the Document Processing Centre (DPC).....	14
Figure 7: Delay after Custom Release.....	15
Figure 8: Monthly average daily traffic volume.....	16
Figure 9: Weighbridge Compliance.....	17
Figure 10: Average Transit Time in Kenya.....	18
Figure 11: Monthly Container Deliveries to CFS.....	19



1. SUMMARY

The objective of the Northern Corridor Transit and Transport Coordination Authority (NCTTCA) is to promote the use of the Northern Corridor as the most efficient way for transport between respective Countries and the sea; and to offer the right of transit to the signatory Countries in order to facilitate the movement of goods through respective territories and to provide all the necessary transit traffic facilities between them, in accordance with the provisions of the Northern Corridor Transit and Transport Agreement (NCTTA).

The Mombasa Port Community Charter which was signed in June, 2013 provides various commitments among them to:

- Achieve 70% pre-arrival clearance of cargo handled by the Mombasa Port.
- Paperless cargo clearance by integrating community systems into the KNESWS by December 2014
- Increase liquid bulk holding capacity to 11,000,000 MT by December 2015.
- 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.

Implementation of these aforementioned targets is expected to ensure efficiency is attained along the Corridor. Some of the commitments have hit the deadline. Therefore, evaluating performance progress is paramount. This report gives a snapshot on achievement for the month of January 2017 based on indicators that are used to track the smooth flow of cargo and movement of traffic along the northern transport corridor.

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 analysis presented in this report complements what is provided in the online portal of the Northern Corridor Transport Observatory.

Waiting time before berth targets has been surpassed and a review is recommended. The table below summarizes performance of key monthly indicators for January 2017. Comparing analysis with the month of December 2016, performance has deteriorated slightly for most indicators. The content of this report is also available online at <http://top.ttcanc.org>.

Table 1: Monthly Status Summary December 2016

Category	Indicator	Target	January 2017 Status/Progress		
Maritime Indicators	Vessel turnaround time	72	76.4		
	Ship waiting time before berth	24	21.5		
Port Indicators	Containerized Cargo Dwell time	72	104.3		
	One Stop Centre Time	24	57.79		
	After customs release	36	50.56		
	Document Processing Centre Time	2	2.35		
Corridor Indicators	Transit time Kenya in Hrs (from Mombasa to Malaba)	72	105.6		
	Transit time Kenya in Hrs (from Mombasa to Busia)	72	205.3		
	Weighbridge traffic (Average No of trucks weighed monthly)	All	Mariakani	4043	
			Athi River	9619	
			Gilgil	4641	
			Webuye	1671	
Busia			446		
Weight compliance at weighbridge	100	All weighbridges compliance levels are over 90 percent except Busia whose compliance is 76%			



2. PROGRESS ON STANDARD GAUGE RAILWAY (SGR)

The Governments of Kenya, Uganda, Rwanda and South Sudan committed to the development of a new seamless railway transport system in order to reduce the cost of doing business, increase regional connectivity and enhance regional integration. The protocol between Member States agreed to development of the SGR with the same design standards from Mombasa to Nairobi, Kampala, Kigali and Juba. In Uganda the SGR will connect to the DR Congo through Kasese District and Arua District, to Rwanda through Mirama Hills in Ntungamo District and to South Sudan through Nimule in Amuru District. Total route length of the SGR network in Uganda is estimated 1,614 Km.

Cargo leaves the port through the following transport modal channels: road, rail and pipeline. All the relevant stakeholders need to expand the capacity of these channels to remove the bottlenecks that are currently causing delays. These delays directly influence costs. Among the targets stipulated in the 2013 Mombasa Port Community Charter was to ensure efficient cargo off take from the Port of Mombasa. With regard to this, initiative on construction of Standard Gauge Railway (SGR) from Mombasa-Nairobi-Kigali via Kampala was proposed for implementation. The Mombasa-Nairobi SGR is the biggest infrastructure project in Kenya since independence. It will shorten the passenger travel time from Mombasa to Nairobi from more than ten hours to a little more than four hours. Freight trains will complete the journey in less than eight hours. Construction of the 609 km-long line began in October 2013 and is scheduled to be completed by June, 2016.

SGR Project, with a total length of 471.65 km, is designed as a single track railway of diesel traction with maximum speed of 120 km/h for passenger service and 80 km/h for freight service. At least 60 new jobs a kilometre of track or approximately 30,000 jobs are expected to be created during the construction and thousands of employment opportunities during operation stage. It is expected that 50 % of cargo will be transported by rail and Carbon emission on road to be reduced to 40 %. In addition, lower cost of business and less transit time. More container loading capacity – 4,000 tones/train. The freight terminals will be located at the Mombasa port and the Inland Container Depots at Embakasi in Nairobi. The railway line is designed to carry 22 million tons a year of cargo or a projected 40% of Mombasa Port throughput by 2035.

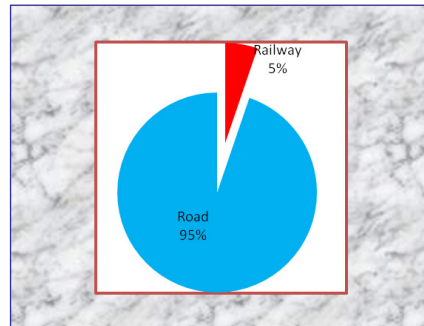


As at December 2016; 99.4 percent of earthworks were complete, concrete works 100% complete, station building works 85.25% complete and track laying 90.49% complete. State-of-the-art passenger stations are being constructed at Mombasa and Nairobi as well as five other intermediate stations at Mariakani, Voi, Mtito-Andei, Sultan Hamud and Athi-River. A total of 40 stations are planned to be built along the line, 33 out of which will be ready when the railway becomes operational. Kenya Railway Corporation procured 20 locomotives commissioned, 240 wagons delivered, no mainline or wagons overhauled, RVR has been performing routine maintenance regularly.

From figure 1 below, road transport is the main mode of cargo off take accounting for 95 percent compared to 5 percent for rail transport in January 2017. Clearly the performance for rail transport is way below the set target. However, Standard Gauge Railway is expected to attract increase in the share of cargo transported by rail.

Railway	Road	Total
3,333	60,346	63,679
5%	95%	100%

Figure 1: Cargo Off taken





3. PROGRESS OF MONTHLY PERFORMANCE ANALYSIS

Implementation of the Mombasa Port Community Charter will translate the Port of Mombasa into a world class seaport of choice. The overall vision of the Charter seeks to commit the parties towards significantly improved efficiency and competitiveness of the Northern Corridor.

Public and Private Stakeholders are responsible for developing and improving all the transport modes by making infrastructural improvements and collaborating with other parties that play a role in the freight flows to the hinterland. Lower trade costs, improved infrastructure and communication technology will go a long way in fostering economic development. This report mainly covers the period of the month of January 2017 and where possible a comparison is made with the previous month. Information on key performance indicators was extracted from the stakeholder's electronic business systems as well data from the Road Transport surveys.

The scope is limited to the indicators where data was provided on a monthly basis and is part of over 31 performance indicators being measured by the Northern Corridor Transport Observatory. The indicators tracked provide a set of tools for the diagnosis of problems affecting the Northern Corridor; thus, contributing to the identification of areas requiring improvement with regard to the reduction of transport costs and to the evaluation of the effectiveness of programs/projects designed to improve the competitiveness of the Corridor. The data can provide an appropriate basis for planning in terms of operations and future Port development.

3.1 MARITIME INDICATORS

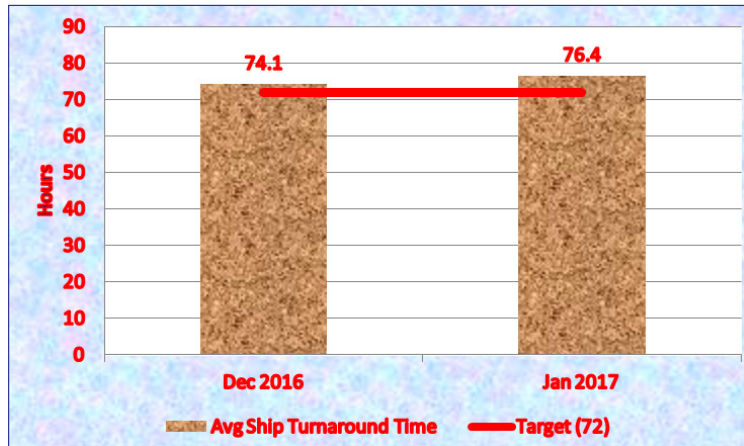
The Port of Mombasa is the key entry and exit point for cargo to and from a vast hinterland that include Kenya, Uganda, Rwanda, Burundi, Democratic Republic of Congo, Tanzania, South Sudan, Somalia and Ethiopia. It is paramount to ensuring efficiency of the port which aims at improving turnaround time and time taken for cargo offtake. Time is a critical element in determining efficiency of the port. This section focuses on performance of container vessel movements (waiting time before berth and the average monthly turnaround time) at the port of Mombasa from January 2017.



3.1.1 SHIP TURNAROUND TIME

Ship turnaround time is the time from ship entry in port to exit from the port area. 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.

Figure 2: Ship Turnaround Time (Hrs)



Source: KPA

Data obtained from Kenya Ports Authority (KPA) shows a fairly high level of performance from 74.1 hours to 76.4 hours in December 2016 and January 2017 respectively. The monthly performance is still shy from the set target of 72 hours. This confirms significant drop in performance especially given that the target had been achieved by 2016.

The three main factors that affect ship turnaround time include delays relating to berthing, cargo transferring delays and cargo availability. 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

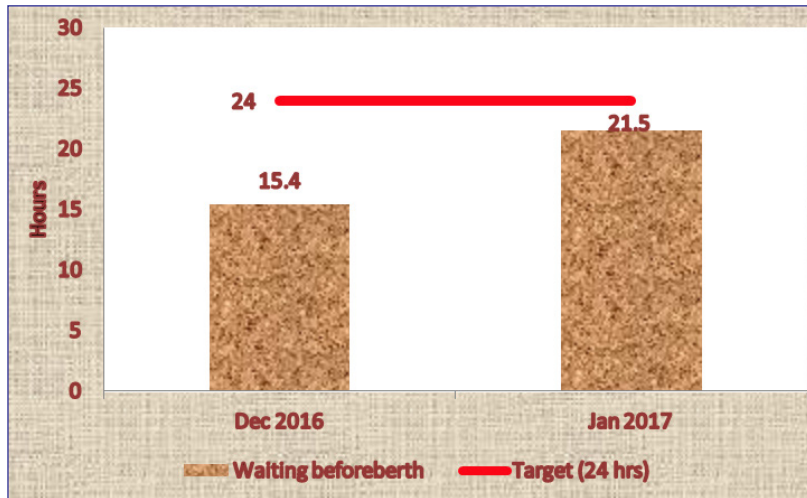
its projected to further drive port efficiency. Kenya Ports Authority also plans to increase the capacity by additional 500,000 TEUs by June 2017 by expanding the container berth. However reasons that led to poor performance should be addressed to this gap in future.

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.

Vessel waiting time has a key bearing on ship turnaround time and is therefore critical in achieving port efficiency. A relatively small reduction of the waiting time period a vessel spends before docking at the first berth may have a considerable effect on the expected waiting time and hence on the productivity of the port. KPA data reveals interesting trends in vessel waiting time which increased from 15.4 hours in December 2016 to 21.5 hours in January 2017. This performance outperforms performance of 24 hours set target. It is attributed to the expansion of available facilities at the port and implementation of fixed Berthing Window that allows shipping lines plan their time. The report recommends a review of this target and initiatives to reduce the waiting further in comparison with best practices.

Figure 3: Vessel waiting time before Berth (hours)



Source: KPA data



3. 2 PORT INDICATORS

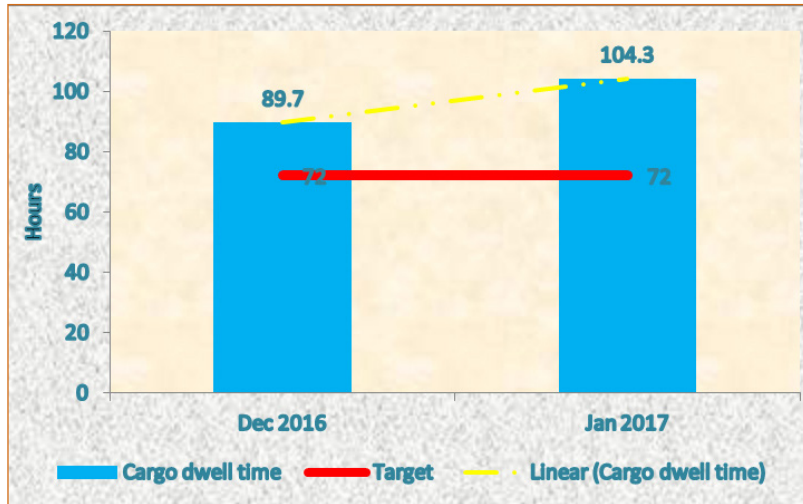
3.2.1 CONTAINERIZED CARGO DWELL TIME

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).

Among the commitments in the charter is to attain 3 days containerised cargo dwell time, 70% pre-clearance 48 hrs before docking of any vessel which has been achieved however there are system challenges hampering the full integration of Ken-trade system under the Simba transformation platform; conducting joint verification has also been achieved 100 percent at all cargo freight stations in Mombasa; expand the scope of services rendered by the CFSs, outsourcing of conventional cargo operators and Move Customs warehouse cargo to the G section.

From figure 4, average containerised cargo dwell time for January 2017 was 104.3 hours, a significant increase from 89.7 in December 2016. KPA reported that the increase in cargo dwell time hours was attributable to congestion at the port that arose from several rehabilitation in the port hence poor state of roads affecting cargo evacuation. In addition, 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 also led to poor performance. More efforts are required to reach the target of 72 hours that was to be attained within 120 days of signing the charter.

Figure 4: Containerised Cargo dwell time (Hours)



Source: KPA data

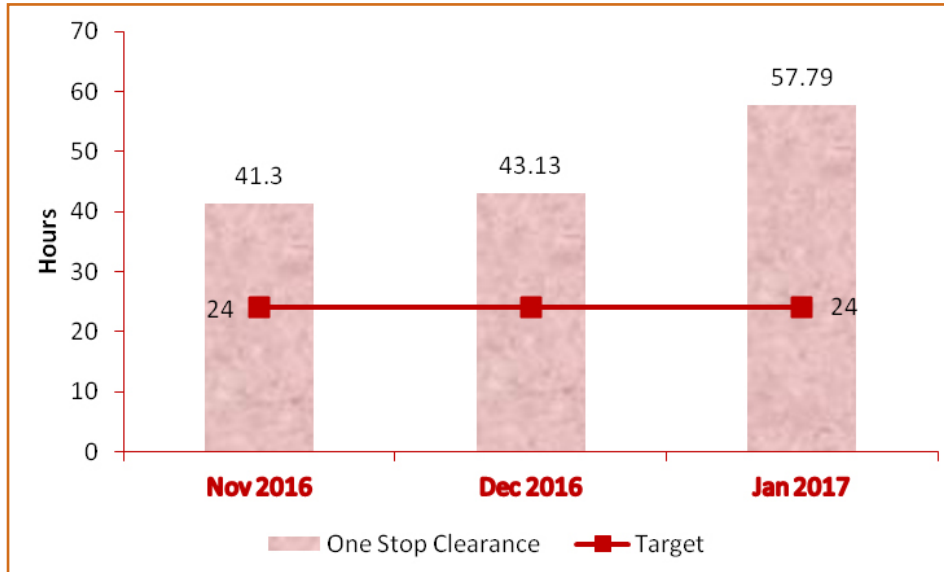
3.2.2 ONE STOP CENTRE CLEARANCE TIME

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 shows that performance in time taken at the one stop centre. Clearance time and one stop centre deteriorated marginally from 43.13 hours in December 2016 to 57.79 hours in January 2017. Conducting joint verification and verification of transit cargo to be made at the countries of destination will go a long way in attaining the target.



Figure 5: One Stop Centre Clearance Time for Transit

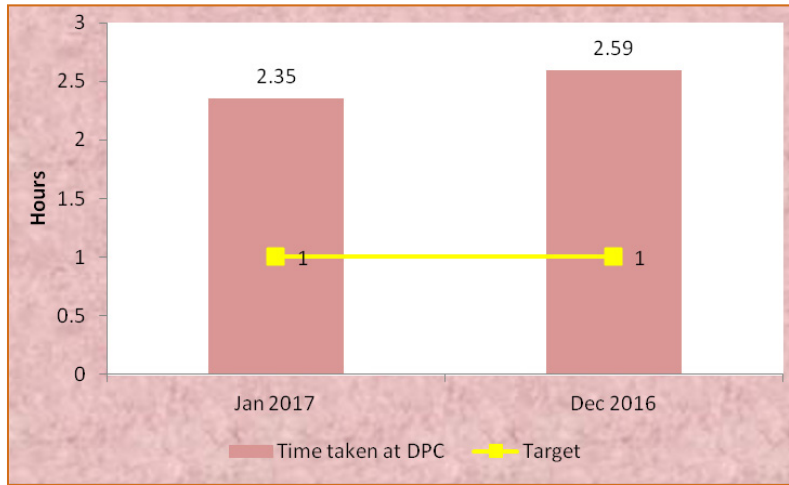


Source: KRA data

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 6: Time Taken at the Document Processing Centre (DPC)



Source: KRA data

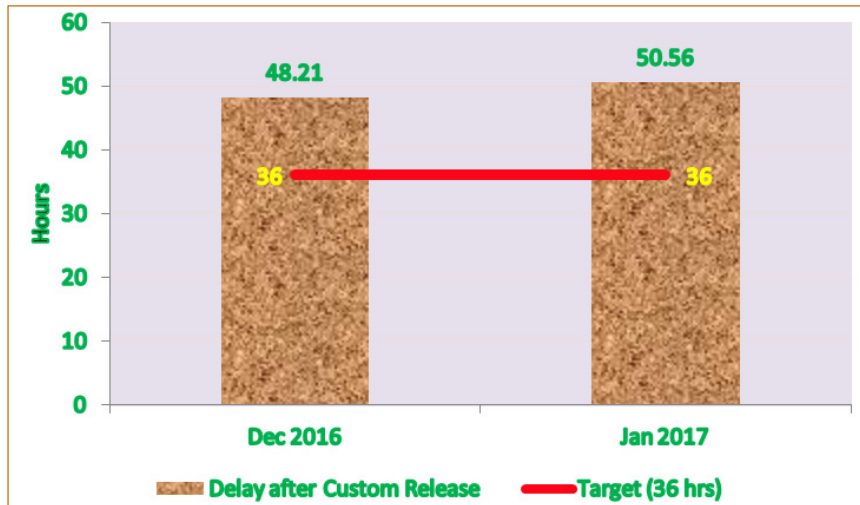
Data shows time taken at DPC for transit cargo marginally decreased from 2.59 hours in December 2016 to 2.35 hours in January 2017. However, this performance is beyond the set target of one hour. Initiatives to improve DPC time include on the spot approval of manifest, allowing partial manifest and simultaneous online submission of manifest.

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 7: Delay after Custom Release



Source: KRA data

The time after Customs release has a significant bearing on the Port dwell time. Data from figure 7 above time taken after Customs Release increased by 2 hours from 48.21 hours in December 2016 to 50.56 hours in January 2017. This performance is still 14.5 hours shy away from the 36 hour set target. Some of the commitments aimed at improving performance for this target as stipulated in the charter include: Automating gate clearance procedures, dedicating special gates to CFSs and ensuring 24 hour operations.



3.3 CORRIDOR INDICATORS

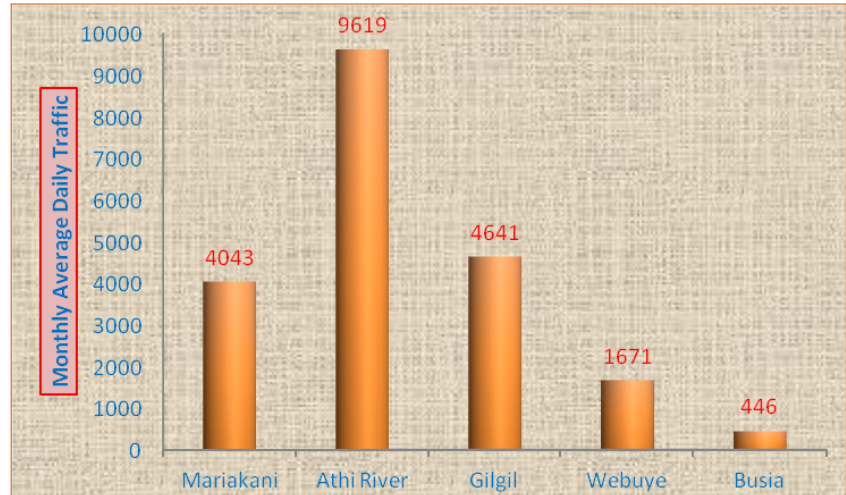
Corridor Indicators cover the period from the time goods are released up to exit at the border. The indicators of interest are compliance levels at weighbridges, volume of traffic and transit time from the port to the borders.

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 8: Monthly average daily traffic volume



Source: KeNHA, data

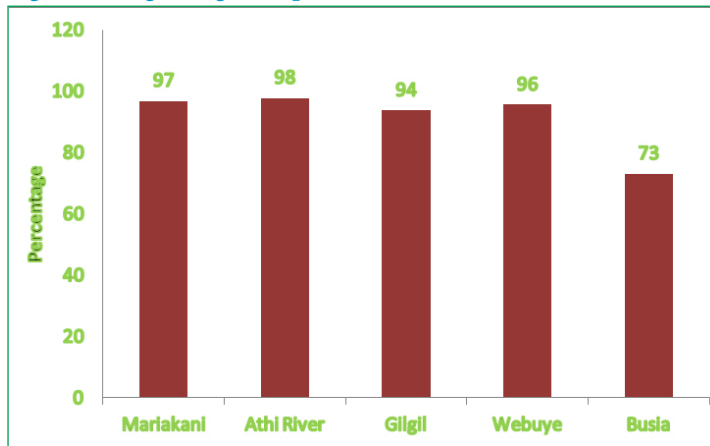
From figure 8, data shows monthly average daily traffic weighed for January 2017. The Athi River weighbridge recorded the highest traffic in the month and it's attributable to cargo that are originating from Namanga route, Nairobi City



and its environs. This traffic further reduces almost by half as registered at Gilgil weighbridge partly due to cargo being offloaded in the Nairobi City which is one of the main destination centres. Busia weighbridge on the other hand registered the least average daily traffic.

3.3.2 WEIGHT COMPLIANCE AT THE WEIGHBRIDGE

Figure 9: Weighbridge Compliance



Source: KeNHA, data

Analysis in terms of compliance levels to vehicle load limits showed over 90 percent performance except for Busia weighbridge which recorded compliance level of 73%. 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.

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

The analysis gives compliance at the weighbridges in Kenya recorded for the month of January 2017. The figure below measures the percentage of trucks that comply with the gross vehicle weight and vehicle axle load limits before and after re-distribution of cargo as stipulated in the EAC Vehicle Load Control Act. The target for vehicle load compliance is 100 percent.

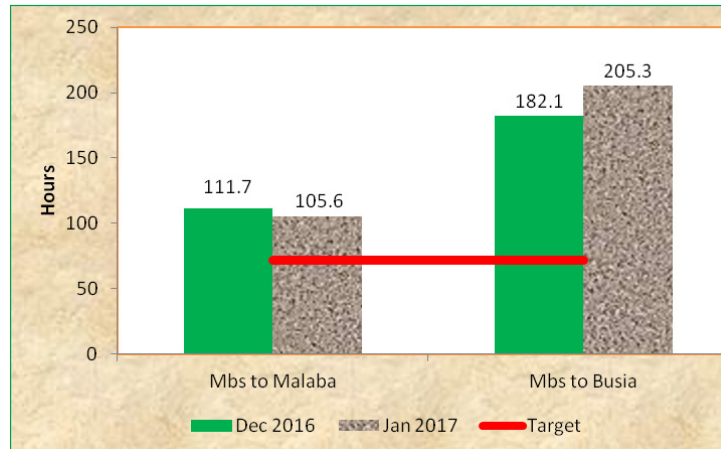


3.3.3 TRANSIT TIME IN KENYA

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.

Currently the Northern Corridor Road network transports 95% of goods from the Port of Mombasa and the remaining 5% is transported through the railway mode. All this multimodal transport need to be easily accessible to support efficient and flow of goods and cargo. Therefore private and public stakeholders should partner to remove barriers along the corridor, keep everyone involved and update with all relevant developments

Figure 10: Average Transit Time in Kenya



Source: KRA data

From the analysis, average transit time from Mombasa to Malaba which is 933 km reduced from 111.7 hours in December to 105.6 hours in January 2017. However, transit time from Mombasa to Busia (947 Km) indicates a different trend over the same period showing a significant increase from 182 hours to 205 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.

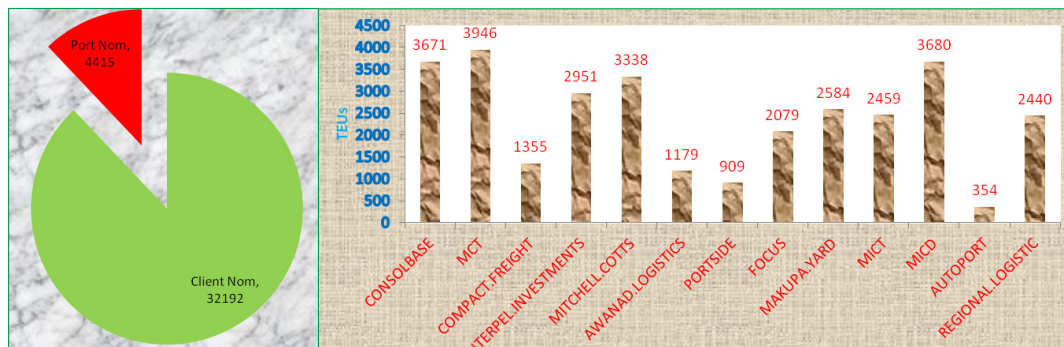


3.4 CONTAINERS UPTAKE FROM THE PORT TO THE CFS

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: Monthly Container Deliveries to CFS



Source: KPA data,

Figure 11 above shows the total deliveries to 13 out of 24 Container Freight Stations (CFS) registered under the CFSAs and KPA policy for both client and port nominated cargo. During the month of January 2017, 88 percent of the cargo uptake by CFSs was nominated by clients while 12 percent was nominated by KPA. When compared to December 2016, client nominated containers registered 81.2% and 18.8% as port nominated containers.



Northern Corridor
Transit and Transport
Co-ordination Authority

1196 Links Road, Nyali, Mombasa-Kenya



P.o.Box 34068-80118
Mombasa, Kenya



Email
tta@ttcanc.org



Telefax
+ 254 41 4470735



Phone
+ 254 41 4470734
+254 729 923574



Web
www.ttcanc.org



@NorthernCorridor



NorthernCorridor