Monthly Port Community Charter Report

November 2016

MOMBASA PORT COMMUNITY CHARTER

NORTHERN CORRIDOR TRANSPORT OBSERVATORY
RELIABLE PERFORMANCE DATA

Northern Corridor Transit and Transport Co-ordination Authority

"You cannot improve it if you have not measured it"

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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. 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.

Therefore the 9 identified key indicators that will be reported on are categorized into Maritime, Port and Corridor indicators. From the analysis for the month of November 2016, it is evident that there is an improvement in performance on most of the indicators when compared with the month of October, 2016. Table 1 below gives a picture summary of performance for the month of November as follows

Table 1: Monthly Status Summary November 2016

Category	Indicator	Unit of measure	Target	November Status/ Progress	
Maritime Indicators	Vessel turnaround time	Hrs	72	73.4	
	Ship waiting time before berth	Hrs	24	13.8	
Port Indicators	Containerized Cargo Dwell time	Hrs	72	75.7	
	One Stop Centre Time	Hrs	24	Local	Transit
				33.1	41.3
	After customs release	Hrs	36	37	

	Document Processing Centre Time	Hrs	2	3.6
Corridor Indicators	Weighbridge traffic	No of trucks weighed		Athi-River – 5,683 Mariakani- 2,539 Gilgil – 3,372 Webuye - 940 Busia- 435
	Weight compliance at weighbridge	%	100	Busia- 81%, Other weighbridges had over 90%
	Transit time (Mombasa to Malaba)	Hrs	72	107
	Transit time (Mombasa to Busia)	Hrs	72	107

2. INTRODUCTION

The Northern Corridor connects the Port of Mombasa to market economies in Burundi, Democratic Republic of Congo (DRC), Rwanda, South Sudan and Uganda. The competitiveness of this corridor is paramount and would depend on the identification and removal of impediments such as NTBs and lower transport related costs and improve on transit time and overall efficiency and performance of the Corridor.

It is against this background that this transport observatory report provides a set of tools for the diagnosis of problems relating to high transport costs along the Northern Corridor thus, contributing to the identification of areas requiring improvement for the effectiveness of programs/projects designed to improve the competitiveness of the Corridor.

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***

The Mombasa port community charter envisioned 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;
- An improvement of 900 moves per day in 90 days after the charter was signed.

The Mombasa Port Community Charter may be accessed via ***http://ttcanc.org/documents/Port_Comm_Charter_Final.pdf.***

3. PROGRESS OF QUARTERLY PERFORMANCE ANALYSIS

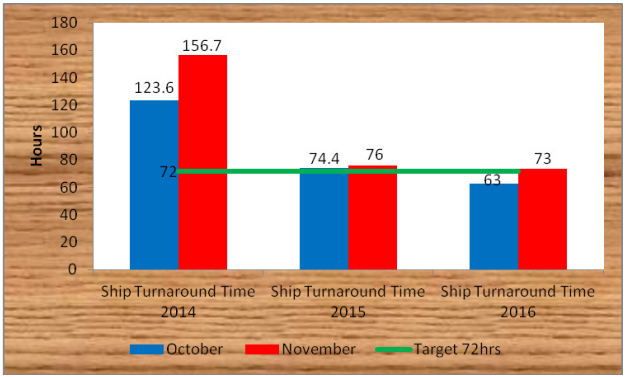
This section gives the performance status for the month of November 2016. Where possible a comparison is made with the same month previous years. The scope is limited to the indicators specified by the Mombasa Port Community charter and is part of the 31 performance indicators being measured by the Northern Corridor Transport Observatory.

3. 1 MARITIME INDICATORS

The section focuses on performance of container vessel movements (waiting time before berth and the average monthly turnaround time) at the port of Mombasa from November 2016.

3.1.1 VESSEL TURNAROUND TIME

Figure 1: Vessel Turnaround in Hours



Source: KPA data

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

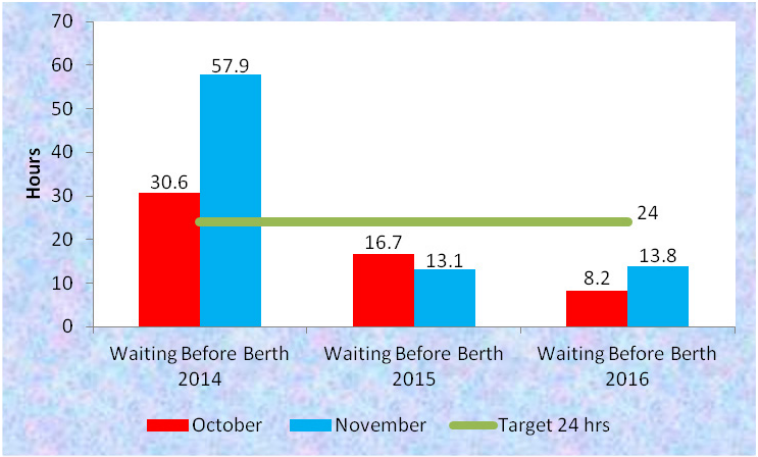
Figure 1 shows Ship Turnaround time registered performance of 73 hours in November 2016 a slight increase of 10 hours compared to October 2016. In November 2014 ship turnaround was 156.7 hours and decreased significantly to 76 hours in 2015 and further to 73 hours in 2016. Although the performance is one hour above the target, the trend indicates significant improvements when analyzed over previous years. This could be attributed to improvements in port operations and adequate policy implementation including launch of second container terminal which has increased the capacity by 550,000 twenty feet equivalent units (TEUs) and implementation of fixed Berthing Window to allow shipping lines plan their 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. This is normally a small proportion of the turnaround time

Figure 2 shows that vessel waiting before berth time has tremendously improved, decreasing from 57.9 hours in November 2014 to 13.1 hours in 2015 and to 13.8 hours in 2016. When compared to the month of October 2016 there was a slight increase by 5.6 hours. Analysis show that vessel waiting time before berth target has been met as committed in the port charter. Some of the factors for this positive performance include; introduction of Fixed Window Berthing, improved crane productivity and adequate terminal capacity. There is need to review this target further to improve efficiency.

Figure 2: Vessel waiting time before Berth (hours)



Source: KPA data

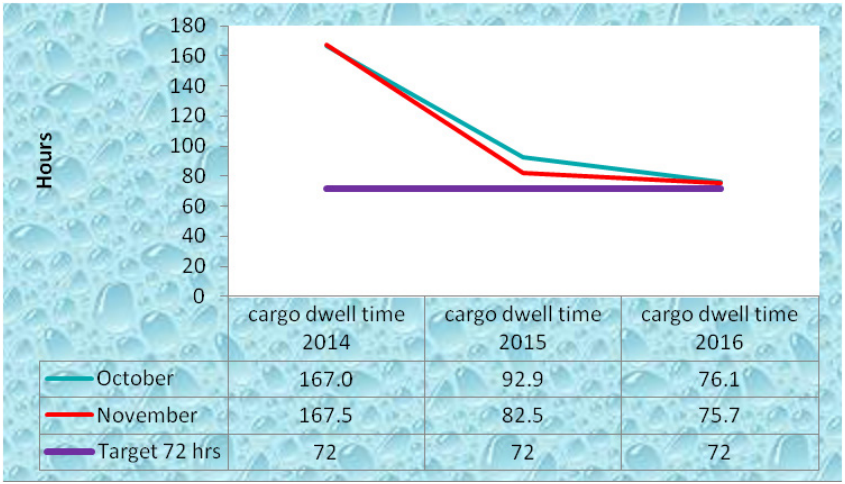
3. 2 PORT INDICATORS

3.2.1 CONTAINERISED 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).

The data shows that containerised cargo dwell time decreased to 75.7 hours in November from 76.1 hours recorded in the month of October 2016. Furthermore, the performance of 2016 shows great improvement when compared to 2014 and 2015 as shown in figure 3. Despite remarked improvement the target not yet been met. It is approximately 3.7 days far from the expected 72 hrs (3 days) threshold agreed in the Port Charter through a commitment by KPA in collaboration with other stakeholders. This is partly due 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 resulting in a large proportion of transit containers being cleared manually. This means there is still need to pursue strategies aimed at improving port efficiency.

Figure 3 Containerized Cargo Dwell Time in Hours



	cargo dwell time 2014	cargo dwell time 2015	cargo dwell time 2016
October	167.0	92.9	76.1
November	167.5	82.5	75.7
Target 72 hrs	72	72	72

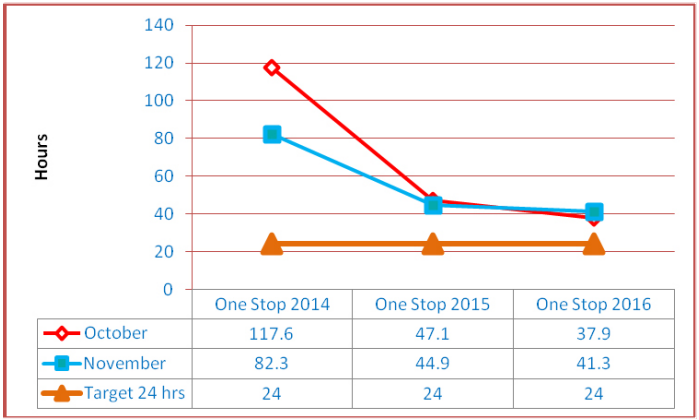
Source: KRA data

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.

Time spent at One Stop Center significantly decreased from 117.6 hours in 2014 to 47.1 hours in 2015 and further to 37.9 hours in 2016 for the month of October. The same trend was witnessed for the month of November which decreased from 82.3 hours in 2014 to 44.9 hours in 2015 and further to 41.3 hours in 2016. It is evident that in November 2016 performance at the One Stop centre did not meet the 24 hrs target and has aggravated when compared to October. This could be partly attributed to late submission ad revision of documents by clearance agents and uncoordinated joint verification of cargo that results in delays. Implementing mechanisms for speeding-up clearance of cargo processes by all the stakeholders involved to realize the required results of one day is paramount.

Figure 4: One Stop Centre Clearance Time



	One Stop 2014	One Stop 2015	One Stop 2016
October	117.6	47.1	37.9
November	82.3	44.9	41.3
Target 24 hrs	24	24	24

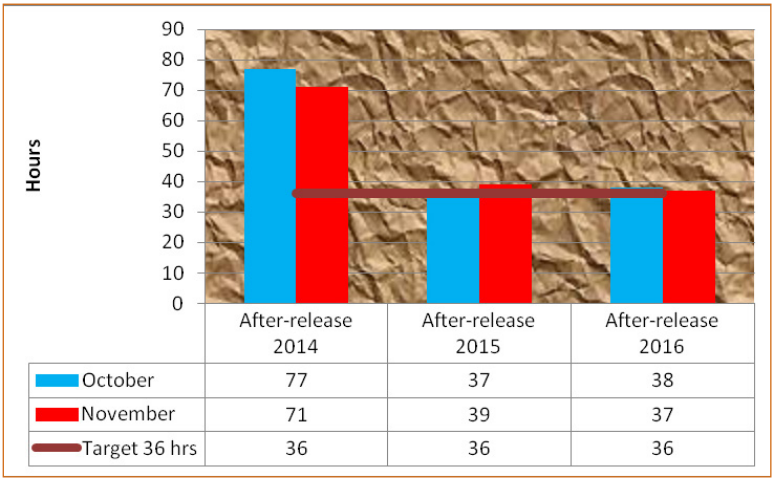
Source: KRA data

3.2.3 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 shows time taken after custom release for the years 2014, 2015 and 2015. Data on delay after customs release indicate one hour shy from the set target of 36 hours.. Time taken after Customs Release has significantly improved from 71 hours in 2014 to 39 hours in 2015 and a further decrease to 37 hours in 2016. This indicates that activities aimed at improving this indicator are yielding desired results.

Figure 5: Delay after Custom Release



	After-release 2014	After-release 2015	After-release 2016
October	77	37	38
November	71	39	37
Target 36 hrs	36	36	36

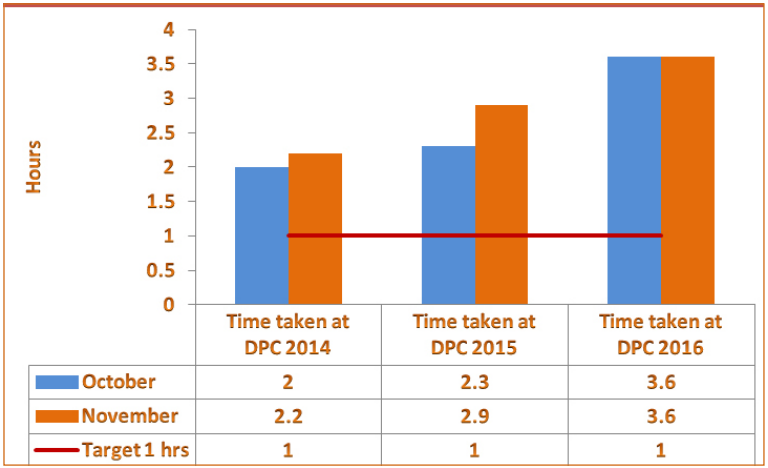
Source: KRA data

3.2.4 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.

Some of the initiatives committed in attaining this indicator include on the spot approval of manifest, allow partial manifest and simultaneous online submission of manifest. Figure 7 shows that there was a significant increase in DPC time from 2.2 hours in November 2014 to 3.6 hours in 2016 against 1 hour set target. Delays in Customs clearance at DPC is partly due to the SIMBA system instability during the period; document volumes awaiting processing in between the shifts; the quality of declaration by the relevant agents and other stakeholders' systems.

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



	Time taken at DPC 2014	Time taken at DPC 2015	Time taken at DPC 2016
October	2	2.3	3.6
November	2.2	2.9	3.6
Target 1 hrs	1	1	1

Source: KRA data

3. 3 CORRIDOR INDICATORS

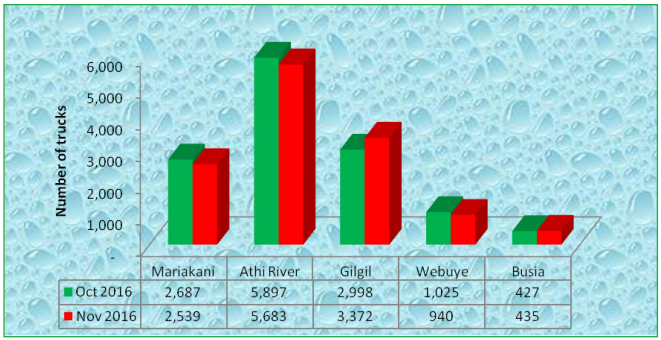
Corridor Indicators cover the period from the time goods are released up to exit at the border. The indicators of interest are compliance levels at weighbridges, volume of traffic and transit time from the port to the borders. Weighbridge data for these indicators are transmitted on a weekly and monthly basis by KeNHA through the weighbridge administrators while transit time is obtained from the Kenya Revenue Authority data.

3.3.1 WEIGHBRIDGE TRAFFIC

This refers to the number of trucks crossing the weighbridges.

Figure 8 shows that on average Athi River registered the highest number of tracks weighed followed by Gilgil and Mariakani. Analysis also show that both weighbridges showed a decrease on the traffic volumes weighed in number of daily monthly mixed reaction for the month of November when compared to October 2016. The higher traffic weighed at Athi River as compared to Mariakani is due to cargo that are originating from Nairobi and its environs being the capital City and the main business hub in the country.

Figure 7: Monthly average daily traffic 2016



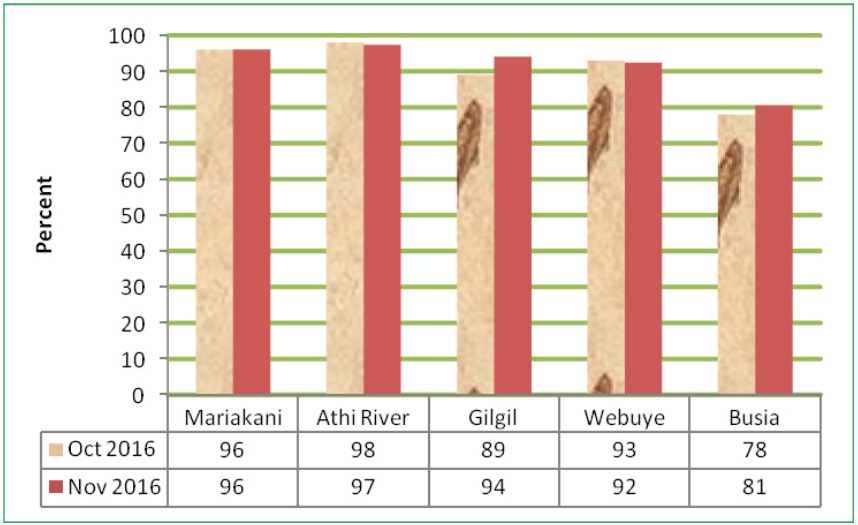
Source: KeNHA, Oct-Dec 2016

3.3.2 WEIGHT COMPLIANCE AT WEIGHBRIDGE

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

All the weighbridges on Kenya (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. The weighbridges recorded a steady performance in terms of compliance levels of over 90 percent performance except for Busia weighbridge which recorded compliance level of 81% in November 2016.

Figure 8: Weighbridge Compliance



	Mariakani	Athi River	Gilgil	Webuye	Busia
Oct 2016	96	98	89	93	78
Nov 2016	96	97	94	92	81

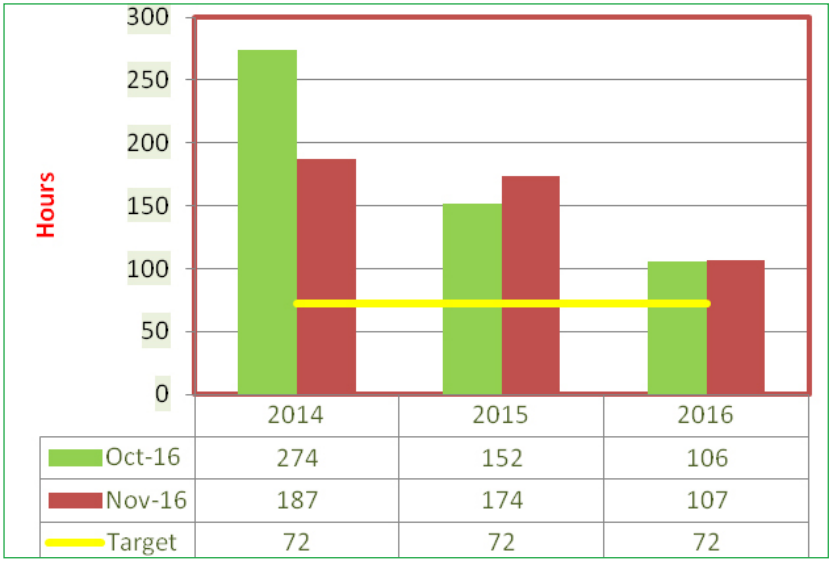
Source: KeNHA, Oct-Dec 2016

3.3.3 TRANSIT TIME IN KENYA

Transit time in Kenya can be defined as to the average time for transit trucks to move from Mombasa port to Malaba and Busia exit points.. 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 which is 933 km for the month of November 2016.

Figure 9:: Transit Time from Mombasa to Malaba

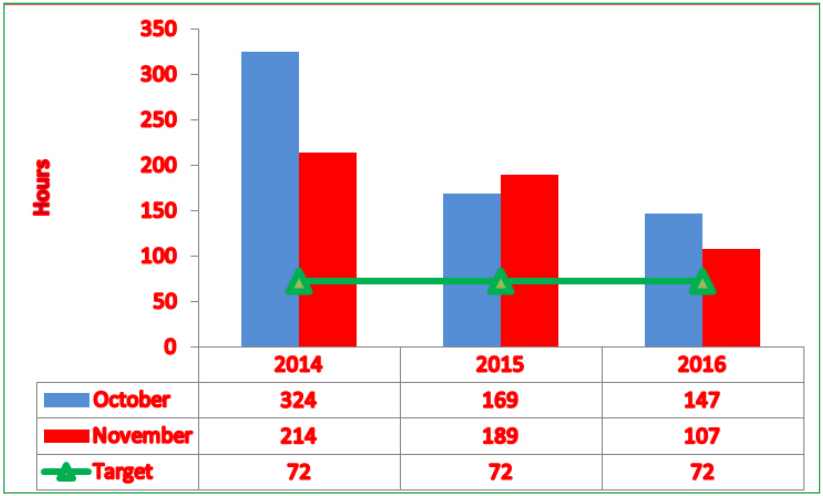


	2014	2015	2016
Oct-16	274	152	106
Nov-16	187	174	107
Target	72	72	72

Source: KRA, 2014/2015/2016

The transit time is relatively constant at around 4.4 days from October to November 2016. Comparing this performance same period in 2014, there has been significant improvement from 11 days and 7 days for October and November respectively. However this performance is still beyond the expected 72 hours which could be attributed to; ongoing road construction, delays by transporters to pick cargo after port release, high frequency of stoppages by drivers for personal reasons among others. Therefore, stakeholders need to put concerted efforts in place aiming to reduce the delays during cargo transit. This may include: reducing number of police roadblocks, enhancing security for transporters along the Corridor and improved physical infrastructure.

Figure 10:: Transit Time from Mombasa to Busia



	2014	2015	2016
October	324	169	147
November	214	189	107
Target	72	72	72

Source: KRA, 2014/2015/2016

Figure 10 above shows a significant decrease in transit time from Mombasa to Busia from 147 hours in October to 107 hours in November 2016. A Similar pattern was observed in 2014 for transit time decreased from 324 hours in October to 214 hours in November. There is still need for implementing initiatives that were agreed upon in order to attain the 72 hour target.

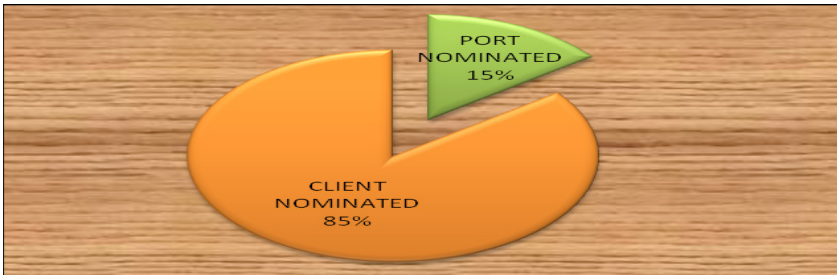
3.4 CONTAINERS UPTAKE FROM THE PORT TO THE CFS

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 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, 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 indicates that 85 percent of the containers received at the Port were client nominated and 15 percent represents port nominated representing 30,618 and 5,286 containers respectively.

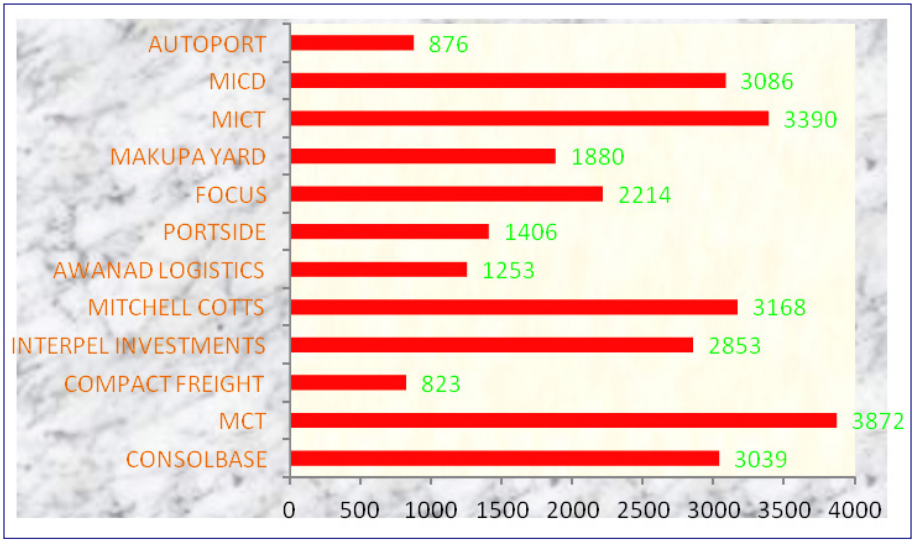
Figure 11: CFS nomination August 2016



Source: KPA data, November, 2016

The total deliveries to 12 out of 22 CFSs registered under the CFSAs and KPA policy for both client and port nominated cargo. The figure below provides a summary of CFS nominations in the month of November 2016 at the port of Mombasa. MCT had the highest uptake of 3,872 TEUs followed by MICT with 3,390 TEUs and Mitchell Cotts with 3,168 TEUs.

Figure 12:: Container Uptake by CFSs (TEUs)

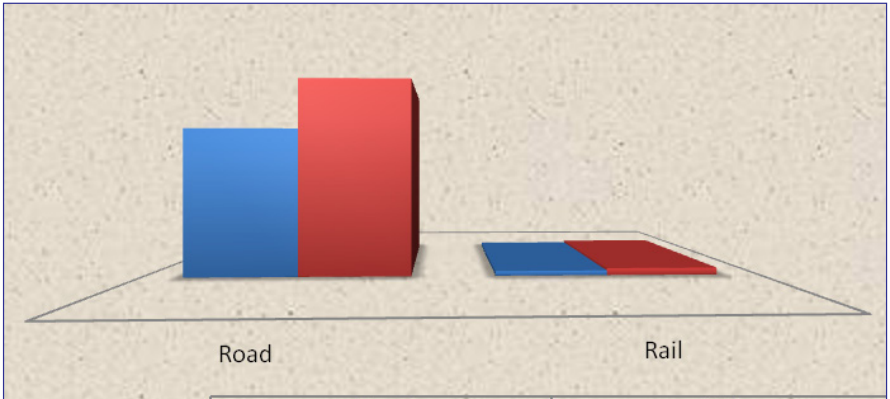


Source: KPA data, November, 2016

3.5 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 12: Cargo off take by road and rail 2016



	Road	Rail
October 2016	38,809	1,231
November 2016	51,987	1,828

Source: KPA data, November, 2016

From figure 12 above 3 percent of cargo offtake is by rail compared to 97 percent by road. The performance for rail transport is way below the set target of 40 percent as per the Charter. There are initiatives of towards attainment this target. Currently construction of standard gauge railway (SGR) is ongoing.

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