



# Kenya Shippers Council Newsletter

Issue No. 2

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## **KWATOS: KSC Seeks Remedy**

**T**he Council met with Kenya Ports Authority Officials on 6th August 2008 to discuss the problems arising out of the implementation of KWATOS. Problems occasioned by the system include increased cargo dwell time leading to congestion, high number of ship waiters leading to threats of VDS introduction by shipping lines among others. The system went live on 1st July this year and compounded the already existing problems.

KSC made the following submissions to the Minister of Transport on the way forward:

- Parallel runs for the old and KWATOS systems to allow more users get acclimatized to new system with clear and explicit timelines for phasing out of the manual system .
- Integrate Simba 2005 and KWATOS systems as a matter of priority to address double handling.
- Continual training of internal and external users on benefits of the system to address concerns by both KPA staff and C&F clerks that the system will deal a blow to their jobs thereby reducing system sabotage
- 7 day emergency program to clear backlog through expedited clearance with the support of customs and other regulatory agencies. This will require green channel treatment granted by customs on most of

the cargo clearly identified at the port as belonging to known importers.

- Prioritize export cargo handling in order to maintain the market share.
- Convert the one stop centre into a single window centre with well trained officers.
- Incentives to KPA staff who perform higher moves per hour to motivate them to perform at optimum
- KPA to take up issue of demurrage charges arising from the delays at the port with the shipping lines The same to apply to port storage and customs warehouse rent.
- KPA to give weekly updates on the implementation and the port position. This will avoid the current situation where the public rely on the press for information.

## **Prime Minister Meets Private Sector**

**T**he roundtable meeting between the Prime Minister, Ministers and the private sector was held on 5th August 2008 to discuss summary issues detailed in the National Business Agenda. KSC was represented at the Ministry of Transport table. The NBA is a statement of the most important policy issues affecting Kenya's business community and used to guide private sector interactions with government and other appointed/ elected leaders. It was jointly developed by various Business Membership Organizations in March 2008. The issues raised by cargo

owners and commitments from government with specific timeframes are as follows:

### Ports

- The Port Stakeholders Committee to be immediately converted to a standing committee with involvement of cargo owners
- KPA to take charge of all system and procedures at the port using the single window clearance under the Port Community Based System (PCBS) by end of 2008. This will harmonize KPA and KRA automated systems
- Develop CFSs beyond the 10KM radius with complimentary rail and road network between 2010–2012
- Develop new container terminal with complimentary infrastructure between 2010–2012
- Develop Lamu port with complimentary infrastructure by 2020

### Railways

- Have a consultative forum on standard gauge rail to drive the railway development vision. This committee to be driven by the private sector with support from the Ministry of Transport. Meeting with Amb.Hon. Mwakwere to be scheduled within a week.
- The Kenya Railways Corporation management to ensure that the terms of the RVR concession are adhered to without failure. This is on going.

### National Integrated Transport Policy

The policy's aim is to address the national

transport network as regards to poor roads, traffic congestion among others. Completion of the policy document is expected by October 2008 and is to be operationalized in Mid 2009.

### Airport & Airline Issues

The PS Transport committed to host a meeting to comprehensively discuss airport and airline issues within a week.

### Transport Ministerial Stakeholders Forum

**T**ransport stakeholders held a meeting with the Transport Minister, the P.S. and ministry officials at Transcom House on 29th July 2008. The Council raised various concerns with the Minister:-

**National Integrated Transport Policy** –KSC noted that the proposed NITP should be amended to address issues of cargo movement.

**Unfair trade practices by international shipping lines**– KSC and KIFWA sought the ministry's intervention in dealing with shipping lines who set up clearing and forwarding arms. Shippers are not charged clearance fees if they use these firms but are charged for using another C&F agent. The minister asked KSC to submit a formal brief on the matter for immediate action.

**Port Operations**– The Council asked that the 24/7 port operations be implemented. Currently, KPA does not process trucks after 5.00 P.M. and this has been cited as one of the causes of congestion at the port.

**Road Safety Council**– KSC felt that this should be formed as a Transport Safety

Council to address all aspects of the transport sector. However, the P.S. opined that it would be more effective if each sub-sector had its own safety council.

### **KSC Appointed to Standard Gauge Forum**

**K**enya Shippers Council is part of the private sector driven railways consultative forum whose aim is to spearhead the Railways Standard Gauge Master Plan. The Council was asked to join the forum comprising of 13 eminent business leaders, under the chairmanship of Dr. Manu Chandaria, as a major stakeholder of the Kenya Railways Corporation. The master plan, officially launched on 30th July 2008, aims to upgrade and improve the railways infrastructure in the East African region.

The standard gauge (1,435mm compared to 1000mm of the metre gauge) improves locomotive and rolling stability allowing for higher speeds and rolling stock carrying capacity. It also allows for continuous upgrading, and its maximum annual tonnage on the Mombasa-Nairobi section would be 29 million compared to 5 million currently. The SG will ensure lower tariffs through higher volumes and faster clearance of freight and passengers, higher axle loading, and uses easily accessible, easy to operate and maintain equipment.

### **Incoterms 2000: Regional Workshops**

**E**fforts to enlighten shippers on appropriate use of International

Commercial Terms (INCOTERMS) are now headed to Uganda. The Council together with Kenya Maritime Authority (KMA), Inter-governmental Standing Committee on Shipping (ISCOS) and Northern Corridor Transport Transit Authority (NTTCA) have scheduled awareness seminars in Uganda for 20th August, Zambia in September and Tanzania in October 2008. KSC will also spearhead meetings to discuss establishment of shippers councils in Uganda and Tanzania. The four organizations have from May 2008 held three awareness workshops in Nairobi, Mombasa, and Kisumu.

### **Information to KWATOS Users**

Kenya Ports Authority is urging all users accessing the waterfront system to submit the following information to the undersigned:

- Name of the Company
- Account Number at KPA
- User ID for accessing KWATOS
- Name & Title of Official contact person (for system communications)
- Official e-mail contact
- Company Postal Address, Fax, and Telephone contacts

Charles Osiro, Senior Accountant, Credit Control I Kenya Ports Authority, Mombasa

To contact us:

Kenya Shippers Council

P.O. Box 30225-00100 Nairobi

Tel: 3746005/7, 3741634/4886 Fax: 3746028

email: [christine.munywe@kam.co.ke](mailto:christine.munywe@kam.co.ke)

Website: [www.kenyashippers.org](http://www.kenyashippers.org)