



Kenya Shippers Council Newsletter

Issue No. 3

30th January 2009

Happy new year to you all! KSC welcomes you to 2009. Below are the issues that the secretariat has been dealing with in January.

Cargo off-take causes congestion at Port

Cargo owners are not moving out their containers from the port fast enough and this is causing a pile up of containers at Kilindini port. The slow off-take of cargo which worsened late last year was caused by the ban of the fourth axle on Kenyan trucks which reduced trucks on the road by 15%. The situation was compounded by the slow off take due to the festive season and the maize crisis with transporters choosing to move loose cargo and liquid bulk rather than containerized cargo. A list of documented containers awaiting to be cleared from the port as at 0700hrs on January 16th 2009 can be found at <http://www.kenyashippers.org/downloads.html>.

Cargo owners are asked to visit the website to check the status of their cargo and advise their agents to arrange transport to move it out.

Tackling high transport costs

The Kenya Shippers Council led the Transport Network Working Group of the East and Southern Africa Business Membership Organizations network (ESA-BMO) which aimed to address the high cost of transport in the region. Chief Executives of the leading BMOs of Botswana, Burundi, Kenya, Mozambique, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe met in Nairobi last week to endorse the policy position paper developed by the group.

The policy recommendations made were :

- Reduction of rail transport costs through more private sector participation and standardization of railway gauge through the various trading blocs.

- Reduction of rail turn around time through improvement of quality of rail lines and locomotives.
- Increasing of rolling stock and network capacity by having a clear policy on development, maintenance, and replacement of existing rolling stock and identifying missing links.
- Reduction of current road transport costs by eliminating discriminative levies and adopting common licensing regimes across the region.

The ESA-BMO network is a forum for the leading BMO's of East & Southern Africa to jointly identify issues that affect business and bring forward common policy positions to the relevant decision makers in the region. Other working groups in the network addressed, Trade Facilitation, Access to Finance and Youth Unemployment.

The Merchant Shipping Bill 2008

Stakeholders in the shipping industry last week attended a meeting with the Parliamentary Committee on Energy, Communication and Public Works, and the Kenya Maritime Authority to deliberate on the Merchant Shipping Bill 2008 and make proposals for amendments for incorporation before it goes for the third and final reading. The Council asked to have port facility operators, clearing and forwarding agents, shipping lines, ship agents, terminal operators, CFS operators, quay side service providers and ship contractors included in the definition of service providers.

Government keen on building Free Port

KSC was last year co-opted into a committee, chaired by the Ministry of Transport, constituted to spearhead a feasibility study on the development of a free port at the Dongo Kundu area in Lamu. The committee is also represented by other

stakeholders in the logistics chain. A free port is a special customs area with favorable customs regulations or no customs duties and controls for trans-shipment. The establishment of a Free Port in Dongo Kundu is traced to a study done in 1984 on expansion of Mombasa port, which discovered that its development would encourage export oriented industries to be located there especially those that would depend on imported raw materials or materials available in the region. Industries that do fruit processing, fishing and fish processing, fertilizer mixing and bagging, flour milling, steel and thermal production are the likely candidates to flourish in the free port. The port is also one of the projects identified in the Kenya Vision 2030.

Among the most successful free ports in the world are Dubai Free Port, Port Klang in Malaysia, Hong Kong and Singapore.

Upcoming workshops

KSC plans to hold various awareness workshops this year to sensitize members on commercial maritime practices. Members are asked to submit topics of interest that they would like addressed in the workshops to assist us in planning. The secretariat will circulate a calendar of scheduled workshops and events.

Feedback

The Council sits in the Inter-Ministerial Committee on 24/7 operations. Please send us the current issues and challenges you are facing so that we may take it up in this meeting.

For any other comments, suggestions or questions contact us on email: info@kenyashippers.org OR
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