



Kenya Shippers Council

The Voice of the Cargo Owners

RE: KENYA SHIPPERS COUNCIL

The Kenya Shippers Council is to be a representative body for all shippers in Kenya and the Neighboring countries that use Kenya's Sea Ports and Airports and Trade with Kenya. Its main objective is to promote and Advocate policies and decisions for the benefit of shippers and international trade in Kenya.

The Shippers Council was officially launched on 25th October 2006 by the Minister of Transport Hon. Amb. Chirau Ali Makwere. It has been mandated by its members to assume responsibilities and commence operations immediately.

The Shippers Council will be the main body for Advocacy and Representation of interests of cargo owners together with Transport services providers and Public Agencies that have a regulatory role in movement of goods. It will represent interests of Shippers with regard to Transport infrastructure, freight rates and surcharges, local ancillary charges, local transport and cargo handling charges, documentation process and other services.

The Shippers who include owners of Import and Export cargo and their service providers i.e. Clearing & Forwarding Agents, Transporters, Shipping lines and Agents, consultants, Regional Organizations, Government Regulatory Agencies and Parastatals (e.g. KPA, KMA, KRA, KEBS etc) are welcomed to join as Ordinary and Associate Members respectively.

The Council welcomes you to join now and be a member of this important initiative that will forcefully address your Shipping and Logistics concerns.

Attached find an application form and a brief, highlighting the challenges that the Shippers Council seeks to address as well as the benefits derived from becoming a member. In case of any further clarification kindly get in touch with the Kenya Shippers Council Executive officer on Gilbert.Langat@kam.co.ke.

Yours Sincerely

David Mureithi
Chairman

MEMBERSHIP APPLICATION FORM

IMPORTANT

- *This application form is applicable to both Ordinary and Associate membership categories as per the interim constitution;*
- *The application to be filled in duplicate, one copy to be retained by company and other submitted to the address above;*
- *Please attach a copy of the Company's Certificate of Incorporation;*
- *Please note that the information you provide in this form will be treated as confidential.*

SECTION I

Company Name:

P.O. Box:

City/Town:

Postal Code:

Physical Address:

Web Site:

Principal Contact Name:

Position:

Telephone:

Fax No.:

Direct Line:

Mobile:

E-mail Address:

Alternate Contact Name:

Position:

Telephone:

Fax No.:

Direct Line:

Mobile:

E-mail Address:

INTERIM SECRETARIAT

KENYA ASSOCIATION OF MANUFACTURERS

Mwanzi Road, Off Peponi Rd, Westlands
P.O.Box 30225 – 00100 GPO, Nairobi
Email: kenyashippers@kam.co.ke
Website: www.kam.co.ke

Tel: 3746005/7, 3746021/22
Cell: 0722-201368, 0734-646005
Fax: 3746028/30

SECTION II

In order for us to know our Members better, please complete the following as appropriate.

- Nature of Business:
- a) Manufacturing
 - b) Trade (other)
 - c) Agriculture
 - d) Petroleum Products
 - e) Services

Categories a) to d) only complete the following table:

Please provide details of your average annual shipments (tick more than 1 if appropriate):

Commodity	I	E	A	S	L	U	Average volume per annum			
							<100	<1000	<10000	>10000
Agricultural other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clothing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Edible Oils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical/Electronics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Detergents etc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fertilizers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Flowers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FMCG other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Food & Beverage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Horticultural Products noe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Machinery Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Machinery Agricultural	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Machinery Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicles CBU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicles CKD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicles Parts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Newsprint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Paper Products Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Petroleum Products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raw Materials Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Textiles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toiletries & Personal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Key: I = Import; E = Export; A = Airfreight; S = Seafreight; L = Land;

U = Unit of measure (i.e. T = teus, W = weight tons, L = liquid tons or I = item)

NOE: Not Otherwise Enumerated

Category e) only complete this section (more than one box can be checked if appropriate)

Nature of Business:

- | | | | |
|--------------------------------|--------------------------|------------------------------------|--------------------------|
| a) C&F Agent | <input type="checkbox"/> | b) Cargo Handling Agent | <input type="checkbox"/> |
| c) Cargo Inspection | <input type="checkbox"/> | d) Container Depot | <input type="checkbox"/> |
| e) Container Storage | <input type="checkbox"/> | f) Finance | <input type="checkbox"/> |
| g) Insurance | <input type="checkbox"/> | h) Legal | <input type="checkbox"/> |
| i) Other | <input type="checkbox"/> | j) Port/Airport Authority/Operator | <input type="checkbox"/> |
| k) Railway Operator | <input type="checkbox"/> | l) Regulatory Authority (other) | <input type="checkbox"/> |
| m) Revenue Authority | <input type="checkbox"/> | n) Road Transporter | <input type="checkbox"/> |
| o) Sector/Trade Association | <input type="checkbox"/> | p) Shipbroker | <input type="checkbox"/> |
| q) Shipping Agent | <input type="checkbox"/> | r) Shipping/Air Line | <input type="checkbox"/> |
| s) Transport/Trade Consultancy | <input type="checkbox"/> | t) Warehousing/Storage | <input type="checkbox"/> |

SECTION III

Structure of Annual Membership Fee

Annual membership fee is based on the category of membership as follows:

Category	Annual Subscription Fee (Kshs.)	Entrance Fee (Kshs.)	Total (Kshs.)
1	2	3	4
Ordinary (For Cargo owners)	35,000	30,000	65,000
Associate (For service providers, associations and other interested parties)	25,000	30,000	55,000

Notes:

New members are required to pay an Annual Fee as indicated in column (2) and an Entrance Fee as indicated in column (3).

- The Entrance Fee indicated in column (3) is a one-off payment i.e. at the time of joining the Council. In the second and subsequent years after joining, members will only be required to pay the annual subscription fee indicated in column (2) of Table 1 or as may be determined by the general meeting as per the interim constitution.
- Categorization is dependent on the nature of the applicants business, and is therefore automatic. Cargo owners cannot join as associate members, and conversely, service providers cannot join as ordinary members

CHECKLIST:

Please ensure the following is done before submitting the form:

	Item	Please Tick (✓)
1	Sections I & II of form completed	<input type="checkbox"/>
2	Understanding of membership category as indicated in section III	<input type="checkbox"/>
3	Copy of certificate of incorporation attached	<input type="checkbox"/>

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DECLARATION

I hereby declare that the information given above is complete and correct.

For and on behalf of our company I am applying for membership of the Kenya Shippers Council (KSC) and agree to be bound by its interim constitution and any rules thereunder which are now or may at any time be in force; to notify the Kenya Shippers Council of any significant changes in operations of our company/firm during the period of our membership of the Council and also to notify the Council of any other changes on any information given in the application form.

Full name:

Designation:

CHALLENGES FACING KENYAN INDUSTRY IN IMPORTING AND EXPORTING

Challenges facing Kenyan Shippers are multi-faceted and differ from sector to sector; manufacturers for example facing different challenges to the agricultural sector, importers facing different challenges to exporters, and those involved in maritime trade facing different challenges to those involved in surface transport or airfreight.

Challenges and concerns common to importers and exporters cover ports of entry/exit, infrastructure and service providers (governmental and private sector) and include:

1. Port of Mombasa	Congestion ,State of infrastructure, Customs procedures and delays, Operational inefficiency ,Tariffs, Insecurity, Corruption and extortion, Management
2. Airports	Customs procedures and delays, Insecurity, Tariffs
3. Shipping Lines, Airlines & Agents	Freight Rates and Surcharges, Ancillary Charges raised by Shipping Lines or their Agents
4. Clearing & Forwarding Agents	Charges, Quality of service, Integrity
5. Inland Transport	Tariffs , State of Infrastructure, Operational inefficiency, Insecurity, Customs procedures and delays at border posts, Corruption/extortion associated with Police, Customs and Security checks en route

Challenges

Kenya Shippers Council has been established to represent the collective interests of all Kenyan Shippers in addressing these obstacles and challenges.

- Kenyan Shippers are affected by the multiplicity of Government enforcement agencies at Ports, Airports and Border posts e.g. KEPHIS, KEBS, POLICE, etc. that slow documentation and lengthen clearance procedures. Should these not be rationalized?
- The cost of Transport is an important component of the cost of doing business in Kenya and a key contributor to the competitiveness of Kenyan firms and especially those that export to external markets.
- Kenyan firms are also affected by slow documentation procedures by the Revenue Authority at the Port and borders, cargo handling by the Ports, performance of Kenya Railways and the condition of the Roads. Complaints of slow cargo clearing, frequent delays by customs procedures, payment for expenses not controlled by shippers and frequent losses, breakages and damages all add to the cost of transport.

- Kenyan shippers face a myriad of problems in confronting this. They have poor bargaining power as they are many and not as organised as the suppliers of transport services who are few and organised in a manner that tends towards cartels as is exemplified by shipping lines and road hauliers.
- Kenya Ports, Railways and Customs set rates for their services with little consultation with shippers.

Tariff and non-tariff barriers to trade, foreign exchange rates, multiplicity of trading licenses and regulations, an often hostile or indifferent bureaucracy and the general business environment have also been identified as being of serious concern to shippers and representing a different set of challenges to the above.

BENEFITS TO MEMBERS

- There is need to raise awareness of the necessity for continuous improvement in the Transport Sector through best practice techniques - largely through promotion and dissemination of the Kenya Shippers' Council.
- The Kenya Shippers' Council provides a platform to articulate shippers' concerns and demands to the service providers as well as Government institutions.
- Creating a strong lobby group for negotiation with:
 - Service providers like KPA, KRC, KAA, KTA, KIFWA, Airlines, etc.
 - Regulators like the KRA, KEPHIS, KEBS, Kenya Roads Board, CCK, etc.
 - Infrastructure providers like KPLC, Telkom, Celtel, Safaricom, Ministry of Roads & Public Works, etc.
 - Policy makers like Ministries of Transport, Roads & Public Works, Trade, Energy, Local Government, etc.

KENYA SHIPPERS' COUNCIL PRIORITIES

- Setting up an effective and efficient Secretariat to research, collect, collate, correlate and disseminate information on logistics and supply chain management to the Members for their decision making processes.
- To promote efficient and competitive freight transport services in order to enhance the competitiveness of companies conducting business in Kenya.
- To encourage and persuade transport policy makers to develop open and competitive markets which enhance industrial competitiveness and efficiency.
- To promote industry best practice and key performance indicators to improve efficiency of industry's transport and logistics supply chains.

To address the power of liner conferences, air/shipping lines to impose cartel/monopoly prices on shippers and unfair contracts/contract terms

The Kenya Shippers' Council is to be the representative body of all Shippers in Kenya, and neighbouring countries that use Kenya's ports and airports, and who trade with Kenya, and to promote, support and advocate policies and decisions that will benefit Shippers and international trade with Kenya.

The Shipper's council is to be the main body for advocacy and representation of the interests of cargo owners with transport service providers and public agencies that have a regulatory role on movement of goods.

Initiatives of the Council

Among the key initiatives the KSC has participated in since inception include:

- Removal of the threats to impose VDS at the port of Mombasa, development of shipping manual to handle issues of VDS and surcharges
- Implementation of one weighing system at the first weighbridge
- Implementation of 24/7 operations by the Port and Customs The opening of 24/7 transit operations has been agreed upon and implementation is expected to start soon.
- Provision of Military escorts during the post election crisis in Kenya,
- Operationalization of Eldoret Airport for air cargo movement
- Key stakeholder in Port Community Based System (PCBS)
- Opening transit hubs in Nairobi, Eldoret and Kisumu ICD are among its current activities.

The KSC is also carrying out studies to establish benchmark reports and best practice to influence its strategic direction in order to make our logistics chain and costs globally competitive.