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MEMBERS' NEWSLETTER

Issue No. 4

Update on Port Community Based System (PCBS)

The KPA/KRA driven single-window system otherwise known as the Port Community Based System (PCBS) is an electronic platform that is intended to be accessible nation-wide to facilitate the flow of goods in and out of Kenya's borders. It will integrate all stakeholders' systems involved in the sea and air cargo clearance process, including KPA, KRA, KEBS, KEPHIS, PORT HEATH, KAA, RVR, Banks, Insurance Companies, Clearing Agents, Ship Agents and Transporters. Once fully implemented, the system will benefit businesses, the government and to the economy. Some of the benefits to users will be cutting costs due to faster clearance and release of cargo, access to "real time" information of the clearance process, transparent processing of declarations. PCBS will operate a risk management system that records importers' and exporters' history and flags out past/common offenders and offers automatic release for common compliers. Currently, the improvements that can be implemented without the PCBS are advance submission of manifests, the 24/7 port and border post working schedule, setting up of an interim risk management center and creation of additional verification sheds.

The project is funded under the East Africa Trade and Transport Facilitation Project by the World Bank. It will offer various benefits to business

Key milestones for the Project

Creation of PCBS Operation Entity	-	March 2009
Stakeholders' sensitization	-	Feb-Nov 2009
Review of Business Process redesign by stakeholders	-	Feb-May 2009
Procurement of PCBS software	-	April 2009

Government seeks to improve customs and cargo logistics

KSC has been co-opted into the Private Sector Development Strategy (PSDS) Goal 3 implementation taskforce that deals with trade facilitation with special attention on customs clearance and cargo logistics. It is charged with fast tracking of trade facilitation processes at port and border points by reviewing the constraints and opportunities along the Northern Corridor as identified by previous studies. It will prioritize on-going projects according to need and ease of implementation. Other members of the taskforce include representatives from KRA, KPA, Roads Ministry, KEBS, Transport Ministry, KIFWA, KNCCI, PSDS Secretariat, Department of Internal Trade, Department of External Trade, Kenya Police, and Port Community Based System.

The Public Sector Development Strategy (PSDS) is a five year programme (2007-2012) spearheaded by the Ministry of Trade and organized around 5 goals. It sets a road map to help Kenya build a strong thriving private sector and is linked to the government's Vision 2030 Economic Plan. The five goals are:

- Goal 1- Improving Kenya's Business Environment aimed at increasing investment by private sector
- Goal 2 - Accelerating Institutional transformation aimed at improving the efficiency and effectiveness of public institutions
- Goal 3 - Economic growth through trade expansion to ensure 20% cumulative growth in export trade
- Goal 4 - improving productivity and competitiveness in the private sector
- Goal 5 – Supporting entrepreneurship and SME development to create dynamic indigenous enterprises

KPA's new storage charges causes ripples

The Kenya Shippers Council has sent intervention letters to the Kenya Ports Authority and Ministry of Transport about the introduction of storage charges by KPA for rail-bound cargo upon expiry of the 7-day free period. The Council is seeking a review of the directive as it will increase the cost of doing business for cargo owners. The move was necessitated by inability of railways to move cargo on time and the need for KPA to decongest the port. KSC has appealed to the KPA management to convene a meeting to discuss the way forward. "This is quite unfair considering that the importers will only access their shipments on arrival at the final port of discharge and not before unless the cargo manifest is changed to allow the offloading in Mombasa for such containers to come by road. KPA is out to penalize importers for Rift Valley Railways inefficiency", said Lazurus Gitonga, Purchasing Manager of Farmer's Choice Ltd. Members have continued to lament about the effect this will have on business as demurrage costs will be high and this will have a ripple effect on cost of consumer goods. We will keep members updated on any developments on the issue.

Regional Conference on Northern Corridor

East African Business Council (EABC) and the Northern Corridor Transit Transport Coordinating Authority (NCTTCA) in conjunction with Kenya Ports Authority (KPA) will be holding the 'Regional Conference on Northern Corridor Trade Logistics Conference, whose theme is **Reforming Trade Facilitation Policies**. The conference is scheduled to be held in Mombasa from **4th-5th June 2009** with the Chief Guest as Rwandan President H.E. Paul Kagame who is also the Chairman of the EAC Summit.

The aim of the conference is to present a common position paper on specific policy-based impediments (and) to trade on the Northern Corridor, and the proposed way forward and solutions to the policy makers who are government ministries and agencies. The committee is made up of KPA who are the coordinator of activities, EABC, NCTTCA, KSC and FEAFFA and hopes to influence the key decision makers to reform existing policies that are impeding trade.

KSC, NCTTCA and FEAFFA were tasked with collating the issues for presentation to the committee which will then come up with **four** pertinent issues for discussion at the

conference. The issues collated will be presented to various stakeholders of the logistics chain for their adoption. The EABC will chair the sub-committee as it is a representative of private sector in the region.

For questions, comments and suggestions send us your feedback on:

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