



Presentation on Initiatives to Improve Cargo Handling at the Port of Mombasa.

Muhamad A. Jezan
Resident Representative



Outline

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2. Role of Ports in Economic Development
3. Mombasa Port Performance & Demand Forecast
4. Trade Facilitation Through Competitive Port Services
5. Conclusion

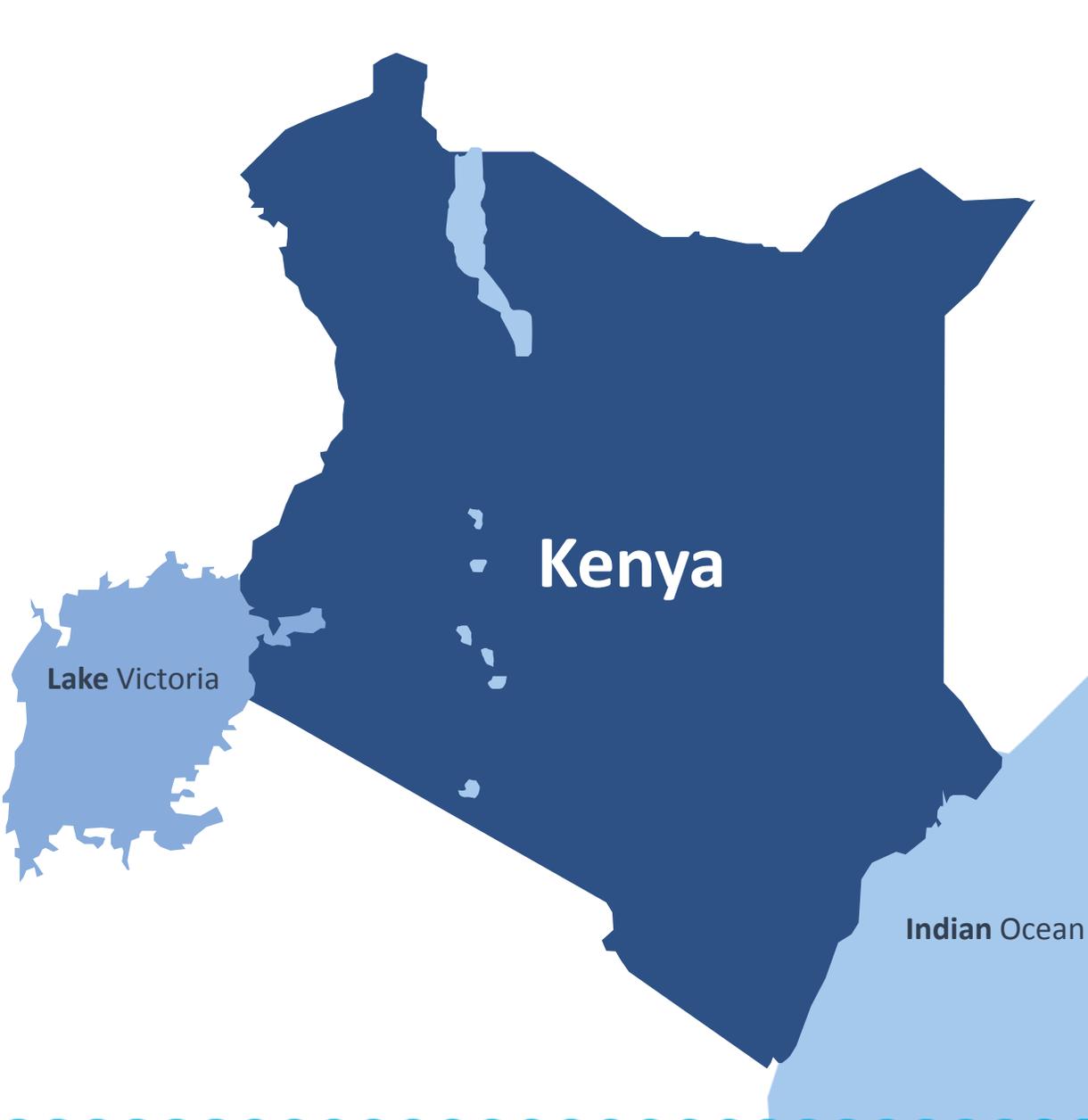


Introduction

- The transportation sector is a strong factor in economic and regional balanced development, as well as a great influence on national integration to the world economic market.
- Greater transport costs lead to lower levels of foreign investment, a lower savings ratio, reduced exports of services, reduced access to technology and knowledge, and a decline in employment and general economic development.

The Role of Ports

- Ports can be considered as "funnels" to economic development since they act as a catalyst and incite development to take place in specific economic sectors and locations nearby ports or along corridors. They have a direct effect on certain economic variables such as export competitiveness and final import prices.



Kenya's Coastal line

Kenya is blessed with a wide coastal line with ocean waters estimated to stretch about 128,015 square kilometres, and a distance of 200 nautical miles offshore, with inland waterways estimated at 10,700 square kilometres



Establishment of KPA

Established as a Statutory Body in 1978 by an Act of Parliament (KPA Act Cap 391 of the laws of Kenya). Identified as a Commercial State Corporation with Strategic Functions.

Main Role of the Authority:~

- Develop;
- Maintain;
- Operate;
- Improve; and
- Regulate all scheduled seaports along Kenya's coastline and Inland Waterways.

Main Laws regulating the Industry:~

- Kenya Maritime Act;
- Merchant Shipping Act;
- National Transport Policy;
- Harbour Regulations; and
- East African Customs Management Act.



The Role of KPA

The powers/functions of KPA are as provided in Sec. 12 of the KPA Act;

- Port Infrastructure development;
- Port operations;
- Maintaining port facilities;
- Aids to navigation;
- Pilotage and other port services; and
- Regulation of port business;
- Among others.



MISSION, VISION & CORE VALUES

Mission:

To facilitate and promote global maritime trade through provision of competitive port services.

Vision:

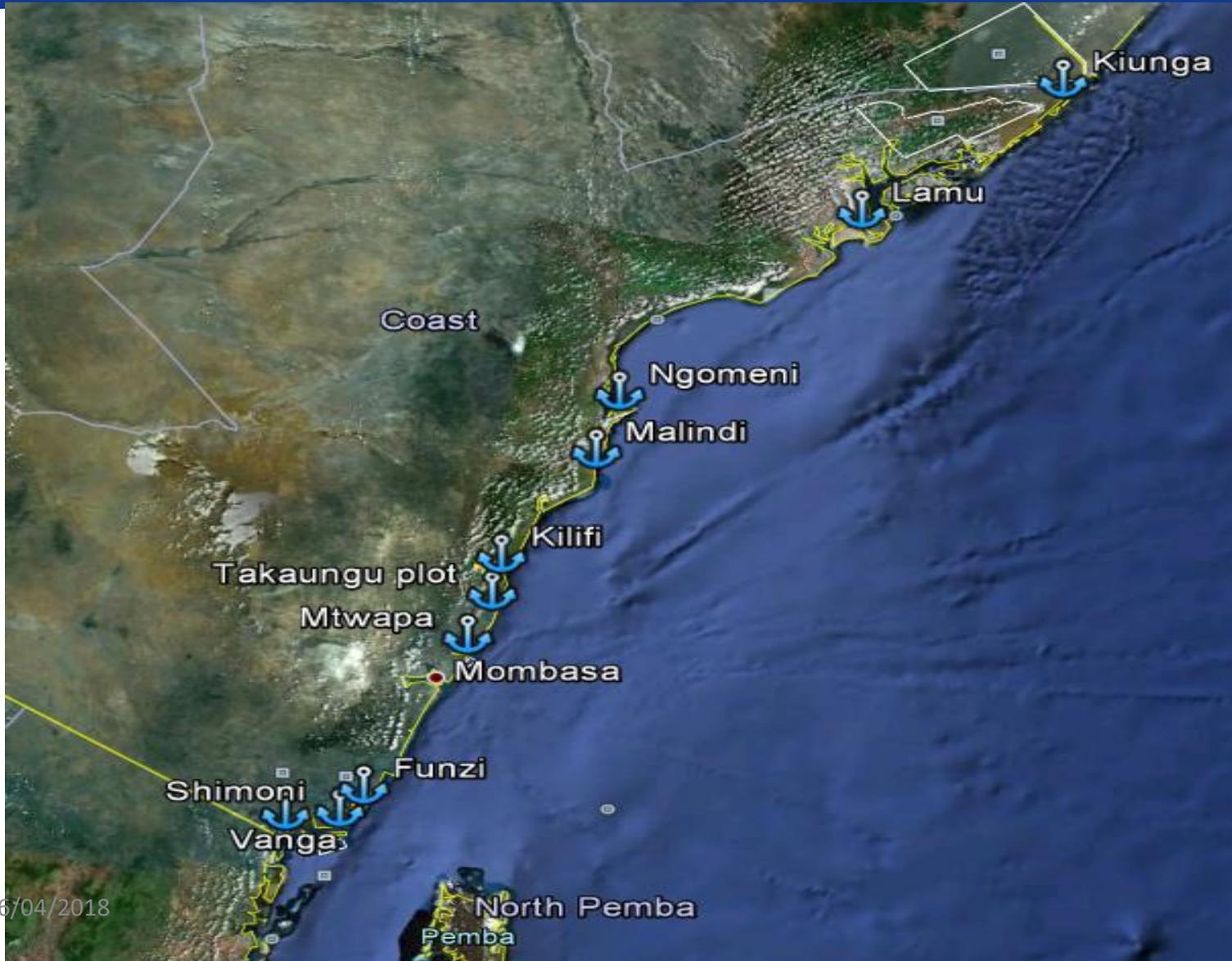
“World class seaports of choice”.

Core Values:

- Excellence
- Integrity
- Teamwork
- Caring



Scheduled/Gazetted Ports under KPA



**Mombasa and
Other Small
ports:**

1. Kiunga
2. Lamu
3. Ngomeni
4. Malindi
5. Kilifi
6. Takaungu
7. Mtwapa
8. Funzi
9. Shimoni
10. Vanga



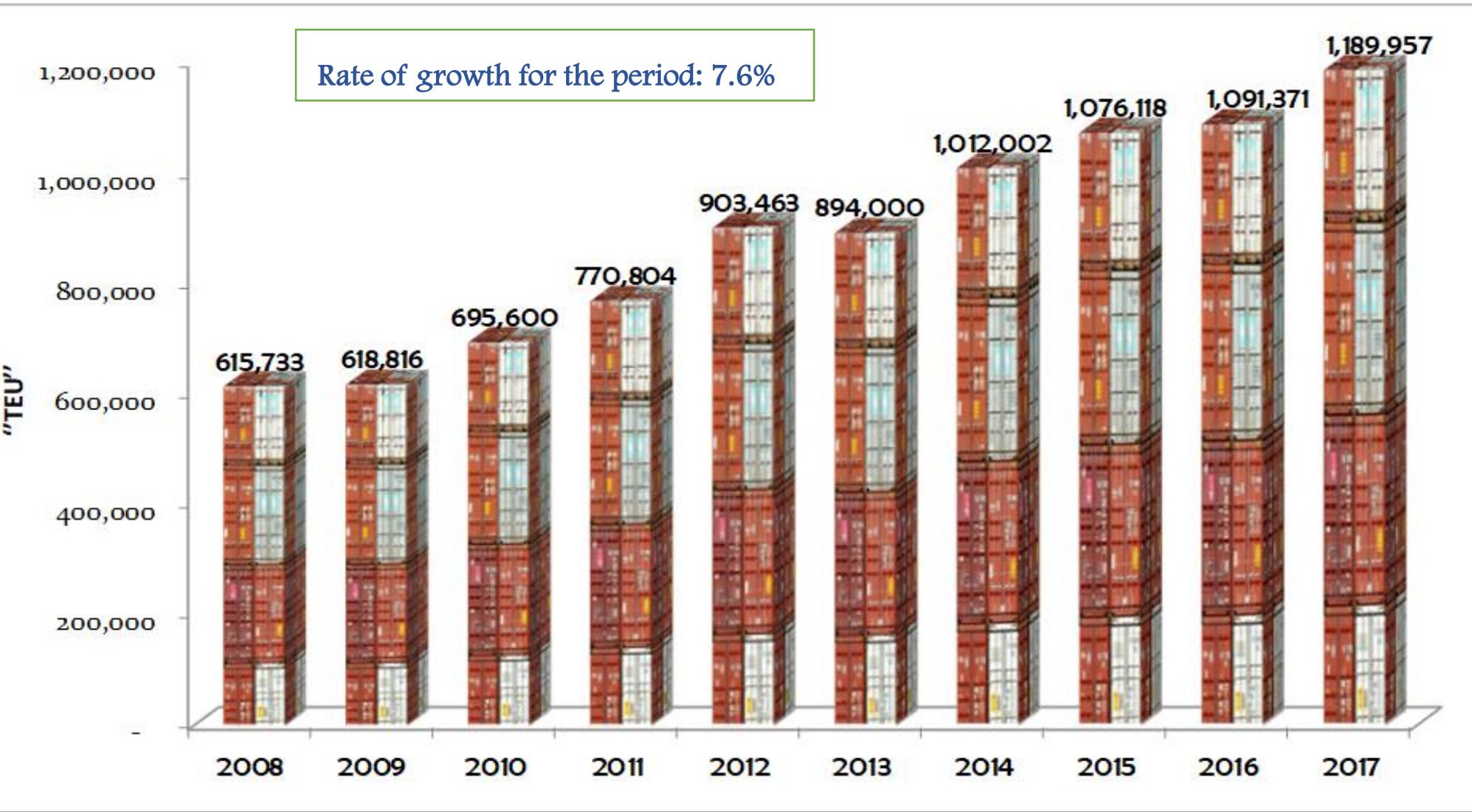
Mombasa is The Gateway To Kenya, Uganda, Rwanda, Burundi, South Sudan, Northern Tanzania, Eastern DRC, Ethiopia and Somalia

The Port Serves Over 33 Shipping Lines That Call Regularly and Provides Connectivity to Over 80 Sea Ports Worldwide

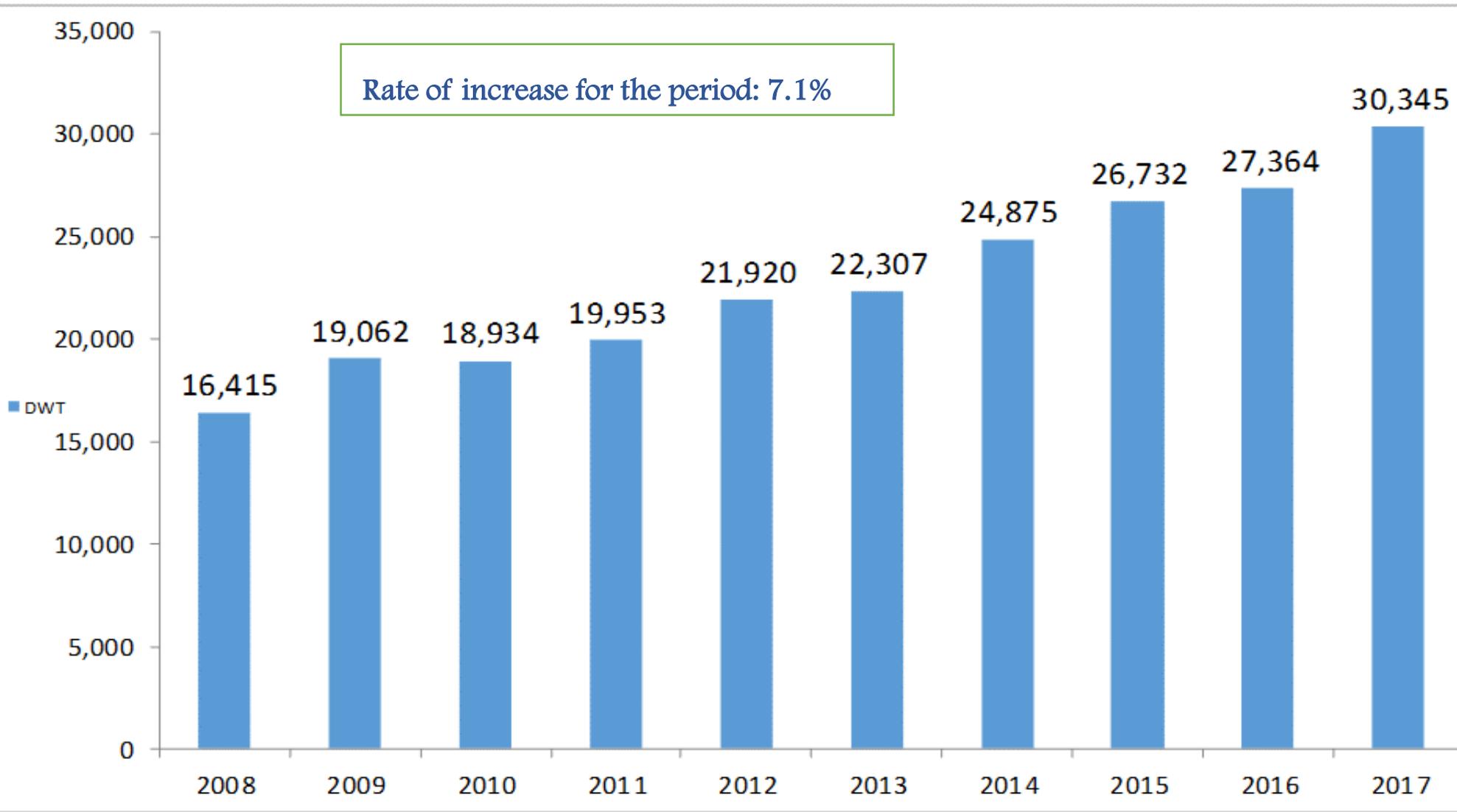


Mombasa Port Performance

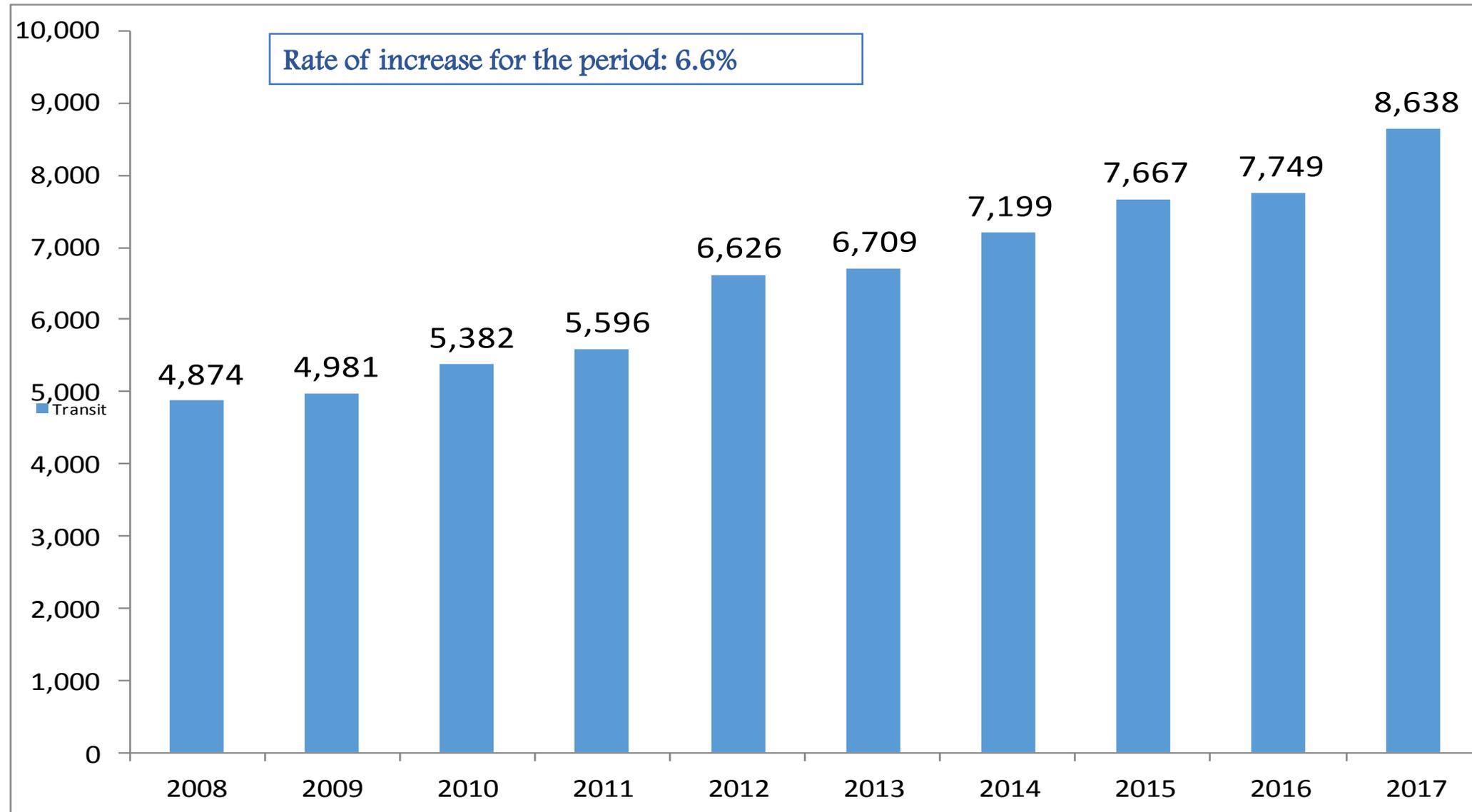
Container Traffic (TEUs): 2008 ~ 2017



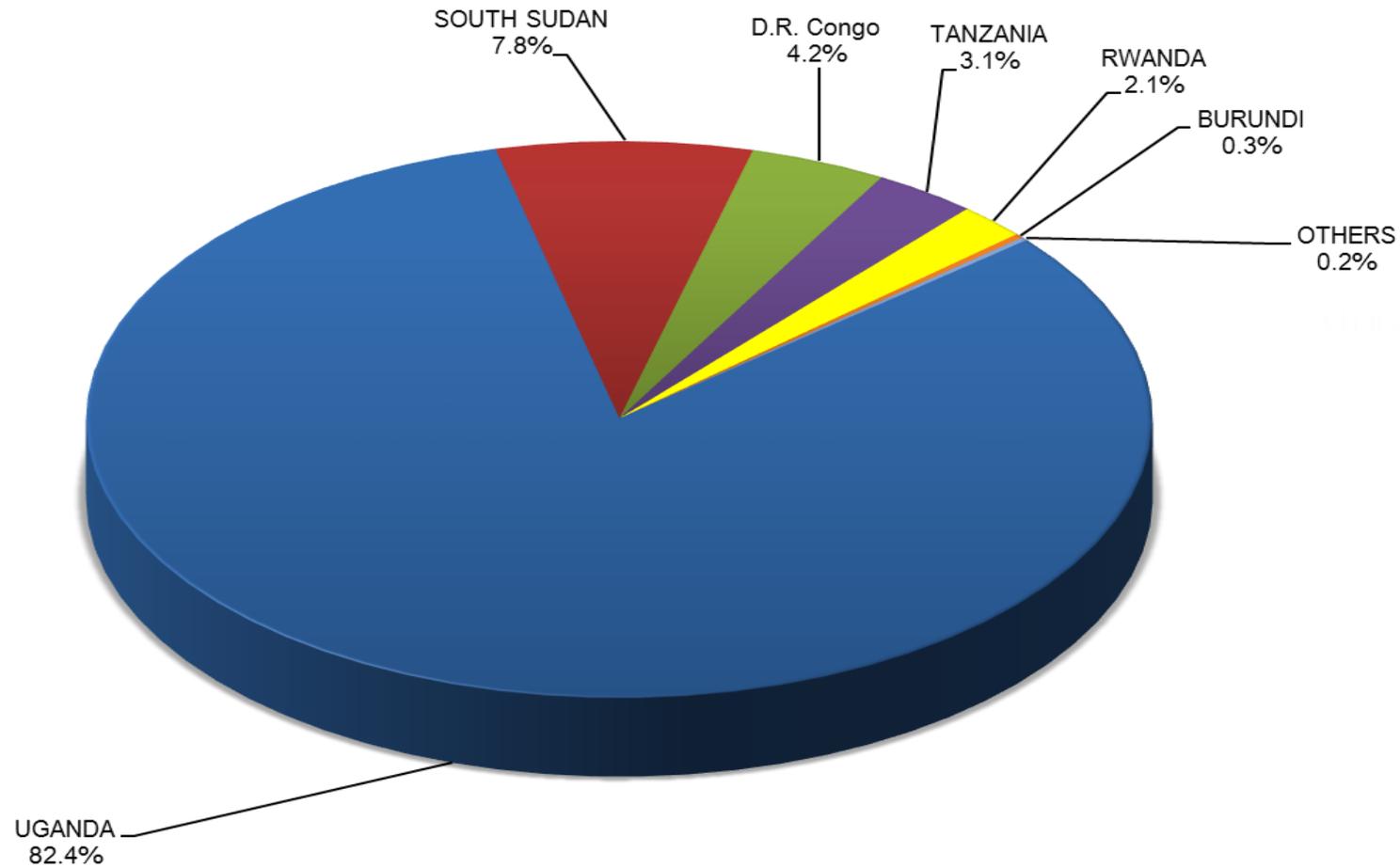
Port Throughput (DWT “000”): 2008 – 2017



Transit Traffic (DWT "000"): 2008 ~ 2017



Transit Markets by Country Share: 2017



Demand Forecast

- Latest traffic forecast indicates **Total Cargo Throughput** will rise from **30.345**million tons in 2017, to **32.658**million in 2018
- **Container Traffic** forecast – projected to move from **1.190**million TEUs in 2017, to **1.252**million in 2018
- Targeting to be a regional **Transit and Transshipment Hub** by 2022.



Mombasa Port Facilities

- The Port of Mombasa is a natural deep harbor with good shelter and a maximum dredged depth of ~15 meters. Port facilities include;
 - 19 deep water berths with an average of 15meter draft and total quay length of 3,284 meters. Of the 19 berths, six are container berths with a quay length of 1,190meters (840meters CT1 and 350meters CT2).
 - 2 bulk oil berths; Kipevu Oil Terminal (KOT) for crude and refined oil and Shimanzi Oil Terminal (SOT) for refined oil and chemicals. KOT and SOT have drafts of ~13.4 meters and ~9.8 meters respectively.
 - 2 dry bulk wharves with a total length of 315 meters and 2 dhow jetties at the Old Port.
 - The other facilities include a modern training institution – the Bandari College, ultra-modern bulk grain handling facility at Berths 3 and 4 that is operated by Grain Bulk Handling Company Limited (GBHL) and specialized facilities for handling bulk cement and fluorspar at Mbaraki as well as soda ash through conveyors at Berth No. 9.

Trade Facilitation through Competitive Port Services

Initiatives & Efforts Towards Facilitating Trade

- Port capacity has been expanded to enable handling of increased cargo for the region;
- KPA fully automated thus shortened import and export processes;
- Documentation processes have been simplified;
- Gates have been modernized to ease cargo flow, enhance security and reduce delays;
- Equipment has been modernized; and
- Conventional cargo Berths have been used for multiple purposes.

Initiatives & Efforts Towards Facilitating Trade

- Inter-Agency Co-ordination to support growth of the sector with other partner agencies such Uganda Revenue Authority, Kenya Revenue Authority, Kenya Railways , Kenha etc.
- Stakeholder and Customer Engagement through Sensitization workshops & Forums;
- Streamlining Internal Processes and Cost Reduction Strategies.

Systems Integration

- In order to facilitate trade, the following system improvements have been developed and implemented;
 - East African Single Customs Territory (EAC SCT)
 - National Single Window System (NSWS)
 - Kilindini Water Front Terminal Operating System (KWATOS)
 - Enterprise Resource Planning (ERP)
- These have improved port operations and documentation; increased competitiveness and reduced the cost of doing business.

Improvements in KPI Targets

Ship Waiting Time – the average was 4.5 hours in December 2017, against 1 day in 2012.

Ship Turnaround Time – the average was 2.6 days in 2017 against 4.4days in 2012.

Ship Productivity (moves per hour) – 30.6 moves per hour were achieved in December 2017, against 17.4 moves in 2012.

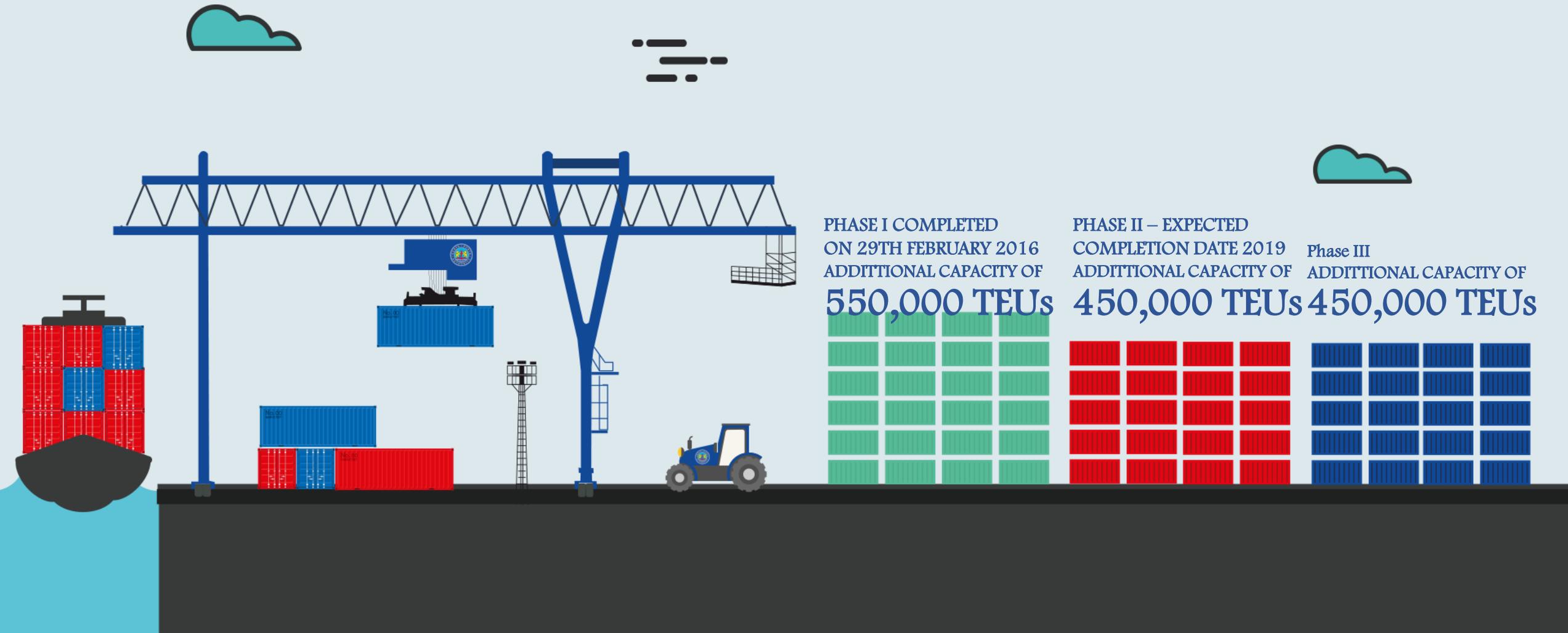
Cargo Dwell Time – 3.8 days was achieved in December 2017, against 7.1 days in 2012.

Truck Turn Around Time – this was at 4.50 hours in December 2017 against a recorded high of 18hours (before KWATOS).



Second Container Terminal – MPDP Phase I

– achieved ahead of schedule



Second Container Terminal:

- This project entails the construction of the 2nd Container Terminal at the Port of Mombasa
- Total project area covers 100 acres of reclaimed land
- On completion of the project, this would increase the container handling capacity to 2.6m TEUs
- The first phase of the project covering berth number 20 & 21 is complete and operational since April 2016
- Phase II construction is expected to commence in the first quarter of 2018 and will bring additional capacity of 450, 000 TEUs at Berth No. 22 (250meters long)

CT2 Phase 1 Performance

- Over the period April 2016 to date, CT2 has performed as indicated below:

Period	No. of Vessels	TEUs
April ~ December 2016	81	144,368
January ~ December 2017	174	280,828
Total	255	425,196

- This combined performance (April 2016 – December 2017) accounts for about 35.7% of total container traffic handled in 2017.

Lamu Port

- KPA is developing the First 3 Berths of Lamu Port, which is envisaged to have 23 berths, under the LAPSSET Corridor Programme.
- The project is 42% complete with the 1st Berth expected to be ready before end of 2018, whereas the other 2 will be completed by December 2020.
- The remaining berths are to be developed through Public Private Partnership (PPP).
- Considering its location and the natural deep water harbor, Lamu Port will be able to handle larger ships and therefore making it attractive for transshipment business.
- Operations are considered under the PPP framework with a proposal under negotiation with the Lamu Port Consortium.



Administration Block complete

Construction of Lamu Port at about 42%

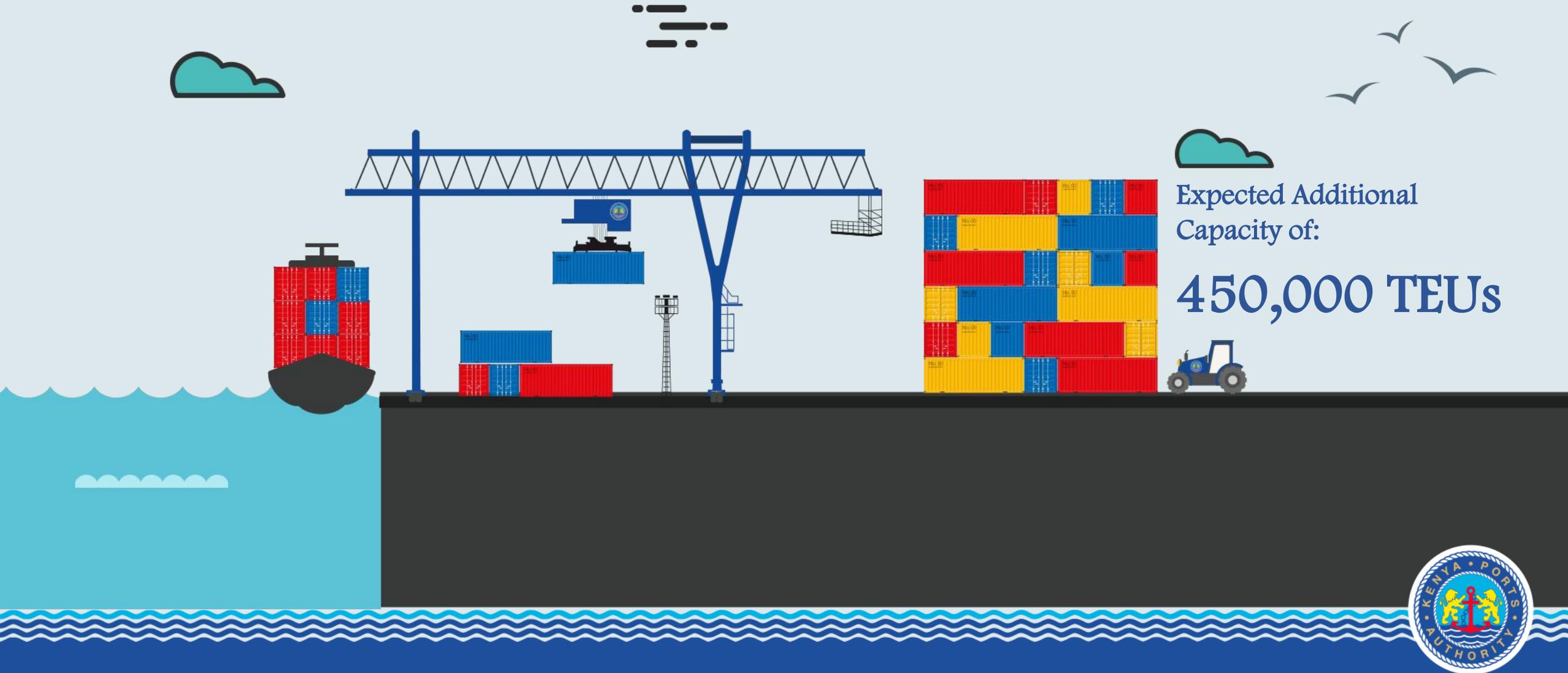


Ongoing Dredging Works



Police Station complete

Conversion of Berth 11 ~ 14 into Container Berths –
detailed designs completed, negotiating for funding.



Expected Additional
Capacity of:

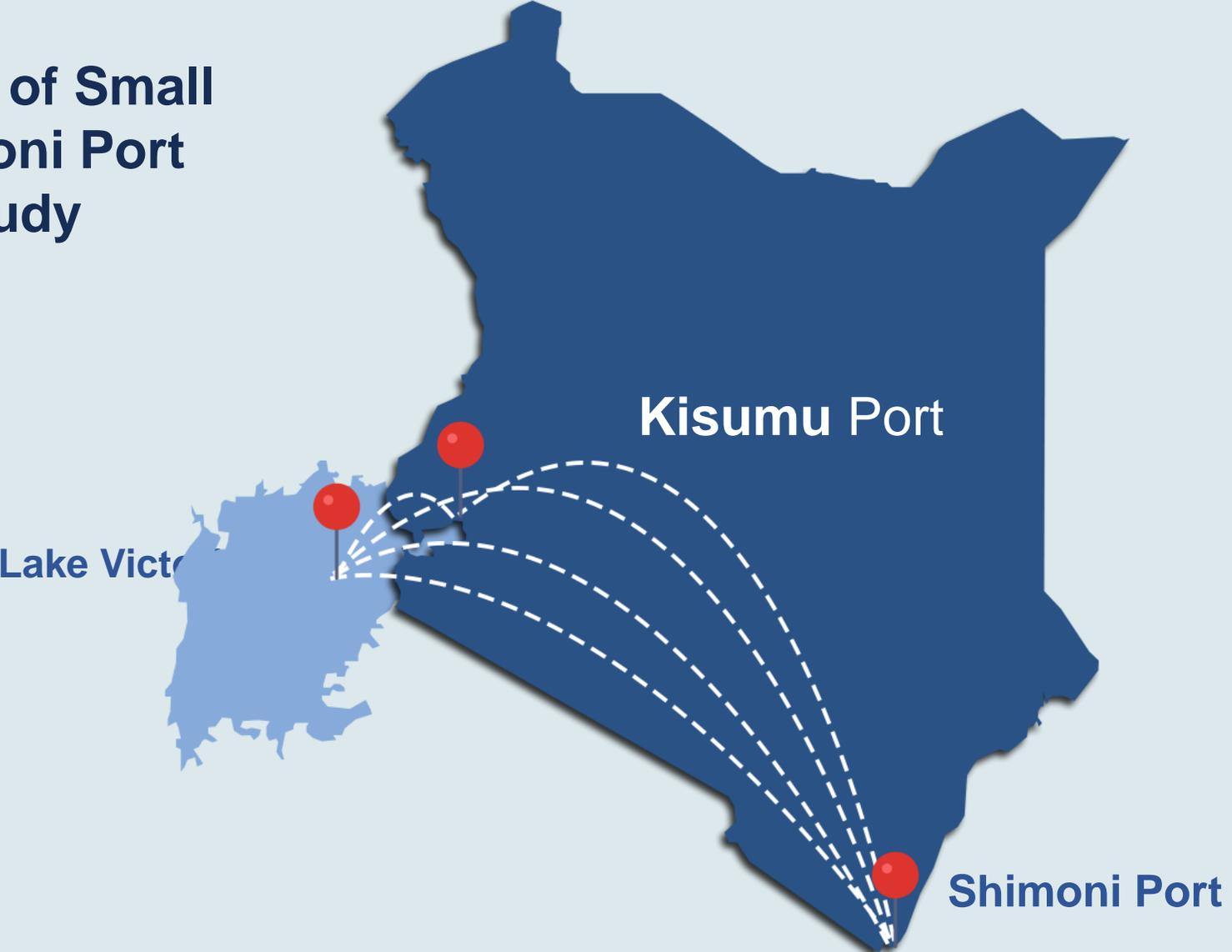
450,000 TEUs



Berth 11 – 14 Development

- The project is expected to receive funding through a commercial loan from the European Investment Bank and French Development Agency, and a grant from the European Union;
- It is expected to take about 3 years from early 2018;
- It will provide an additional 450,000 TEUs; and
- Increase port capacity.

**Development of Small
Ports – Shimoni Port
Feasibility Study
underway**



Kisumu and Other Lake Victoria Ports

- A master plan for Kisumu and other Lake Victoria ports is under consideration and should be ready within the next 6 months;
- KPA will undertake infrastructure development and enable successful operations of the ports;
- This is expected to revive the economies of the lake region and increase demand for port services across lake Victoria; and
- This will in turn create employment and uplift the living standards of the populace around the area.

The SGR



SGR:

Key Project Features

- 490 Kms of SGR Rail from Mombasa to Nairobi
- Cargo Trains at speed of 80 Kms/Hr.
- To handle 1,100 TEUs per day
- Nairobi ICD capacity increased from 180,000 to 450,000 TEUs
- Passenger Speed is 120 Kms/Hr.
- Phase II & III to connect MBA to the Uganda and other Transit Markets.

Impact of the SGR

- Increased cargo off take – 40% of Throughput by Rail;
- Timely export deliveries;
- Reduced Freight Cost & Time;
- Reduced dwell time thus enhanced yard capacity in Mombasa;
- Increased capacity and operational efficiency at Nairobi ICD;
- and
- Reduced cost to shipping lines on empty container returns due to direct delivery to the Port.

New Nairobi ICD



- The project is complete and operations have commenced;
- Capacity has increased to 450,000 TEUs up from 180,000 TEUs; and
- 40% of Throughput expected to be by Rail.

Capital Dredging – Phase I completed, Phase II scheduled



Dredging



Panamax Vessel – to access MPDP Phase II, III and SEZ





Kipevu Oil Terminal – Relocation



Transformation of Bandari College



Dongo Kundu SEZ



1. This is a Vision 2030 project.
2. Involves development of an SEZ and Free Port facilities on 3,200 acres of land owned by KPA at Dongo Kundu.
3. KPA will develop and operate the first two (2) berths to facilitate operations of the Zone.

Conclusion

1. KPA continues to consistently improve its operational performance and efficiency;
2. There is close interconnection between roles played by other agencies, such as roads; rail; power; customs; security; and special economic zones;
3. This requires coordination and collaboration of all agencies under the Ministry of Transport and Infrastructure to ensure effective cargo handling, evacuation and delivery to domestic and regional markets; and
4. KPA will continue to strive for excellence towards fulfilling the promise of delivering world class port operations.

Thank You



26/04/2018

