



INTERGOVERNMENTAL STANDING COMMITTEE ON SHIPPING

Logistics Challenges of Land-Linked Countries

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Presentation Outline



🚢 About ISCOS

🚢 What is Logistics?

🚢 Unique Problems of Land-linked Countries

🚢 Modernization & Improvements in Logistics

🚢 Challenges facing Land-Linked Countries

🚢 Conclusion

ABOUT ISCOS



Established in 1967

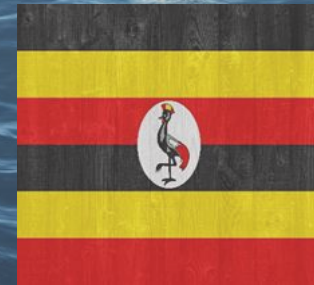
**Head Office/Secretariat in
Mombasa, Kenya.**

**Mandate: To Promote & Advocate
for Competitive Shipping &
Maritime Interests of Member
States.**

Kenya



Tanzania



Uganda



Zambia

Why ISCOS was Formed?



Similar Overseas
Trading Partners

Similar challenges
in key transport
corridors – North.
Corridor, Centr.
& Dar

Similar
Challenges for
Sea-borne Trade
through MSA &
DAR Ports

Serviced by same
Foreign Shipping
Lines

Region is
considered as a
single-tariff zone

Similar Import &
Export
Commodities/
Items

ABOUT ISCOS cont'd

Advise on matters of
Policy/Practice in
the Industry

Undertake Industry
Research/Inform.
Dissemination

Promote efficiency
in Logistics &
Economic

Competitiveness in
Shipping/Global
Trade

Capacity building
for Shippers

Complement
Regional Initiatives
for Seamless flow of
Global Trade

Objective

To Serve the
Region & the
International
Community a One
Stop Centre of
Excellence for
Regional
Maritime Matters
& Total Logistics.

Past and Current Achievements

Negotiated for
Favorable Freight
Rates with Liner
Operators
Intervened for the
Removal of
Unjustifiable
Charges (VDS, Congestion
Surcharges, BAFs, CAFs,
Container Demurrage,
Destination Charges, GRIs etc)

Formation of
Shippers Councils in
the Region
Capacity building
for Shippers through
Training &
Workshops
Monitoring Port
Performance

Policy Advisory to
Governments on the
Localization of
Marine Cargo
Insurance
Policy Advisory to
Governments on
intermodal
complementarity
M-SHIP Project

What is Logistics?



'The **Supply**
and
Movement
of
Resources
from point
of **Origin** to
End User'

We are
looking at
Logistics in
the context
of **Land-
Linked**
Developing
Countries in
Africa

Objective
What is
needed
arrives
where it is
needed,
when it is
needed

Unique Problems of Land-Linked Countries



Lack of Own
Territorial
Access to
Maritime
Transport
Services

Dependence on
Decisions taken
by Coastal
Neighbors

Obligation to
Transit through
One or More
Countries,
Implying
Additional Risk
& Delays at
Border
Crossings

Land Transport
Costs are Significant
and Dependent on
the Performance of
Services Provided by
Transit Countries

Limitations on
Improving or
Planning of Ports
& Connecting
Transport
Infrastructure

2003
Kazakhstan

- Almaty Program of Action (APoA)
- Awareness that LLDCs faced Special Challenges

2013
Austria

- Vienna – Progress in APoA
- Growth in GDP & FDIs
- Increase in Global Trade Participation & Exports, though Uneven Distribution

Progress
Implementing
Priority Areas
APoA

- Fundamental Transit Policy Issues
- Infrastructure Development
- International Trade
- International Support Measures

17 LAND-LINKED + DRC
COUNTRIES IN AFRICA

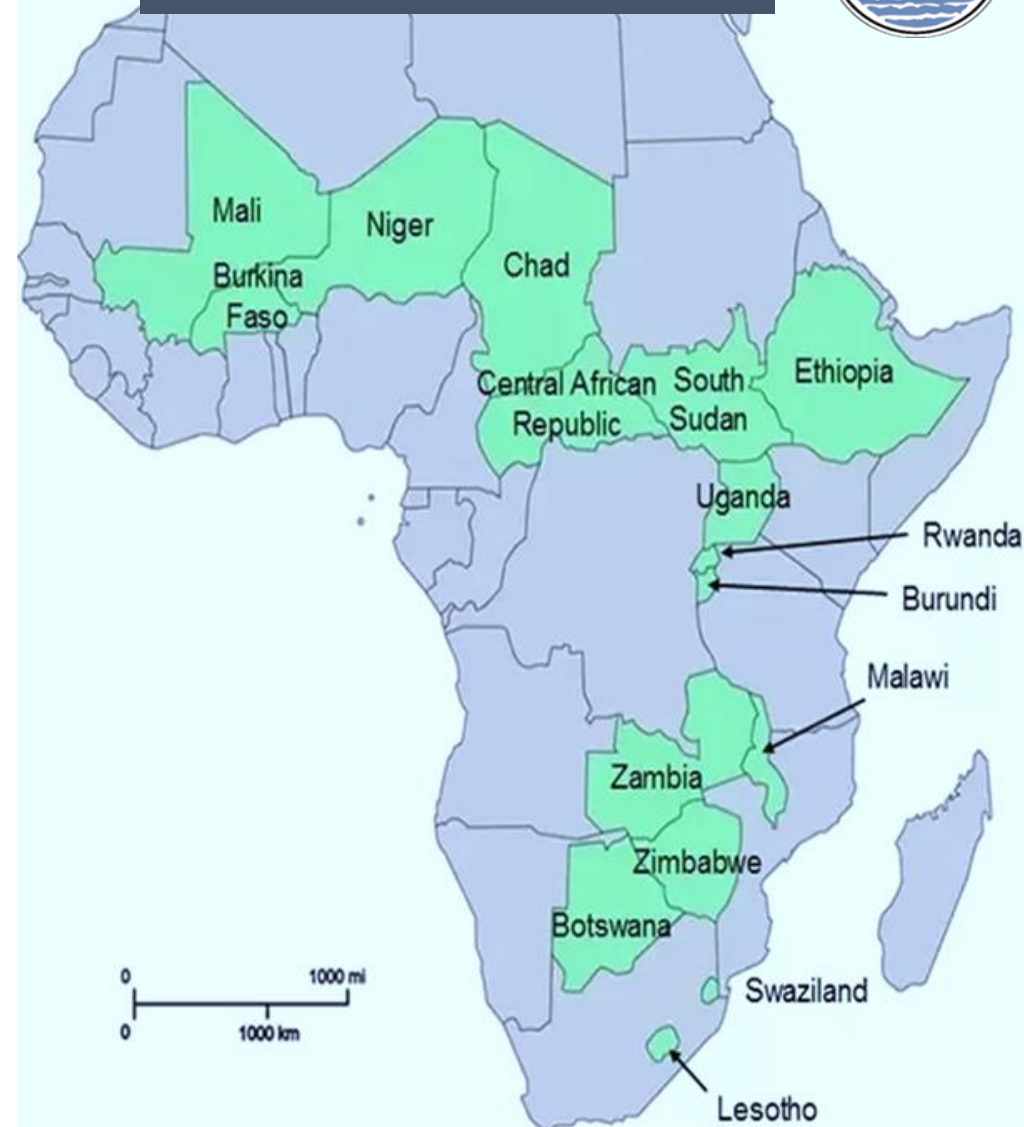
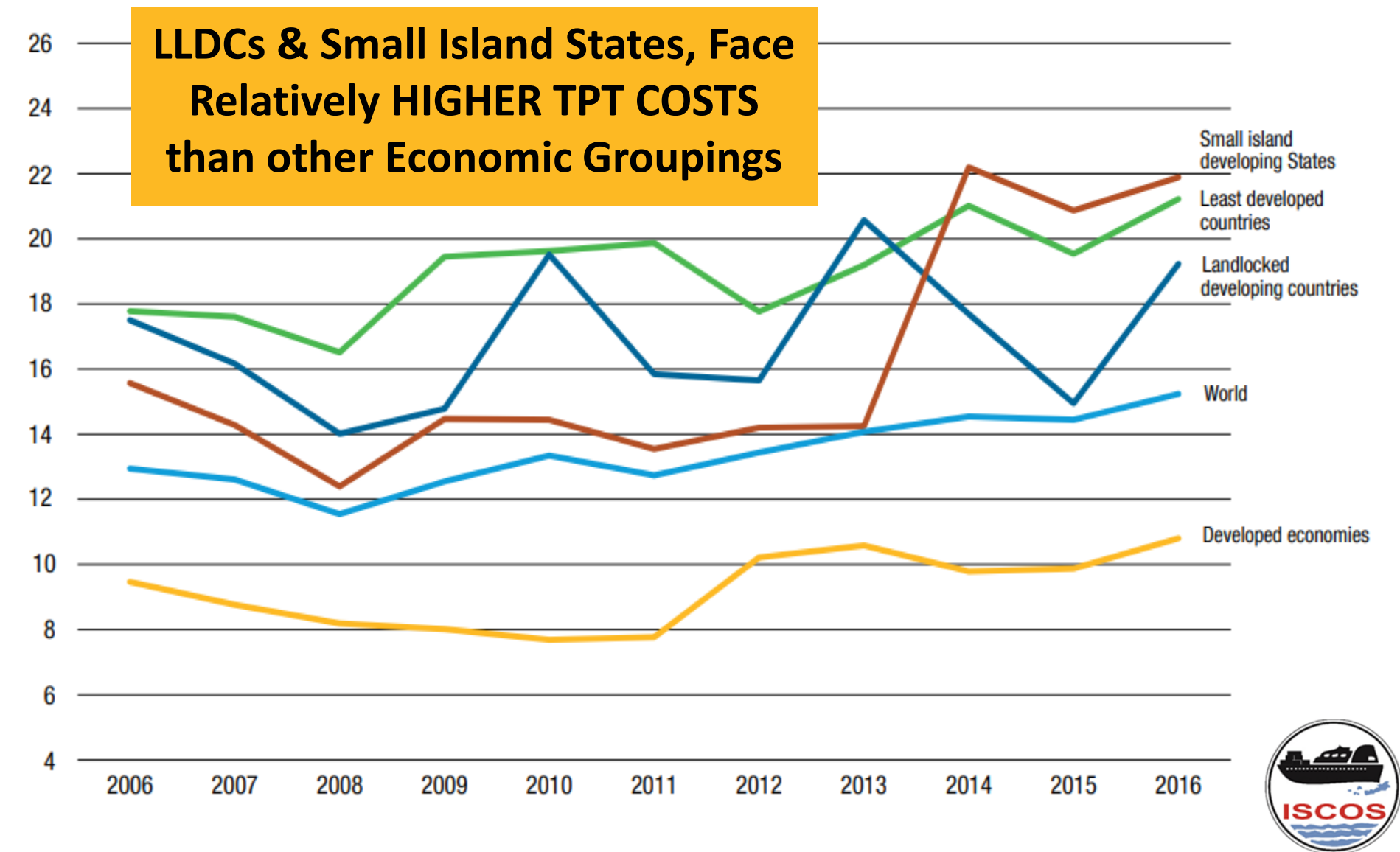


Figure 3.5. Transport and insurance costs of international trade, 2006–2016
(Percentage share of value of imports)



Source: UNCTAD secretariat calculations.

Note: All modes of transport; the least developed countries grouping includes 48 countries for all periods up to 2016.

Avg. TPT Costs
Represent **22%** of
value of Imports for
Small Island
Developing States

Avg. TPT Costs
Represent **21%** for
Least Development
Countries

19% for LLDCs

15% World's
Average

8% Developed
Economies

MODERNIZATION & IMPROVEMENTS

 Single Customs Territory (SCT)

 OSBPs

 Single Window Systems

 Weigh in Motion

 Reduction in # of Police Roadblocks

 Regional Electronic Cargo Trucking (ECTS)

 The EAC Elimination of Non Tariff Barriers Act, 2017

 Self Regulation Charter on Axle Load Limits by Transporters NC



 Improvement in infrastructure
(Ports, Roads, Railways)

 WTO Trade Facilitation
Agreement 2017 (National Trade
Facilitation Committees)

 Facilitation of Maritime Traffic
(FAL Convention)

 Electronic Payment Systems

MODERNIZATION & IMPROVEMENTS

🚚 Authorized Economic Operators
(AEO)



🚚 One Stop Centres

🚚 Active Port Community (MPCC &
BRN)

🚚 Tripartite TFA (COMESA-EAC-
SADC) (2015)

🚚 AfCFTA (2018)

🚚 24/7 Operation of Ports

🚚 Curriculum for Heavy Duty
Drivers (Passenger & Freight)

🚚 Berthing Window System for
Ships (MSA port)

🚚 Non Intrusive Inspections

🚚 Capacity Building for C&F Agents

Impact of Trade Facilitation Efforts



Reduced Paper Usage

Improved Maritime Indicators

Congestion at Ports, Weighbridges & Border Crossing Reduced compared to past Years

Improved C&F Skills through Training

Reduced Transit Times (Dar & MSA Corridors)

Increased **Port Capacity**

Reduced Time Spent at Border Crossing

Reduced Transport Rates

Quicker & **Easier to Make Payments for Services**





PORT DWELL TIME

MOMBASA PORT

11.2 DAYS IN
2010

51.6%
IMPORT
TIME
REDUCTION

5.42 DAYS IN
2016

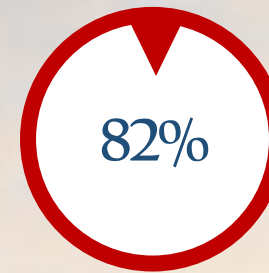
DAR ES SALAAM PORT

14 DAYS IN
2010

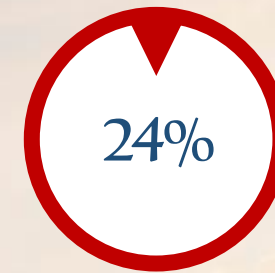
62%
IMPORT
TIME
REDUCTION

5.3 DAYS IN
2016

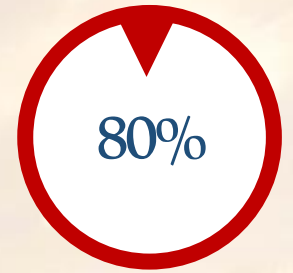
REDUCED IN TIMES TO CROSS SELECTED OSBPs



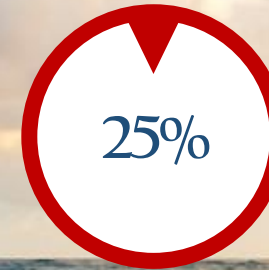
TAVETA 2015



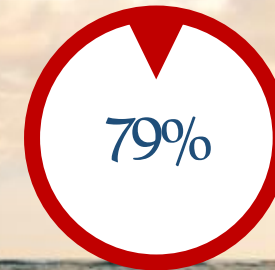
HOLILI 2015



BUSIA 2016
UGANDA



KAGITUMBA
RWANDA



BUSIA 2016
KENYA



CHIRUNDU
2008 to 2012

Source: TMEA, 2017

Mikese Weighbridge - Tanzania



Kapiri Mposhi Weighbridge - Zambia



Effect of Overloading on Roads - Axle



Tunduma/Nakonde OSBP
under Construction
TANZANIA





CHALLENGES FACING LAND-LINKED COUNTRIES



Inland waterways largely neglected & operating below capacity

Existence of challenging Non Tariff Barriers & other hindrances

Limited Access to Credit, Market Access and Information

Inadequate intermodal facilities
Trade imbalance
Inefficient railway services

Higher fuel prices

Inadequate Coordination among Government Agencies

Overloading by Transporters

Low intra-Africa Trade

Inadequate border access roads & parking for trucks

Global Warming & Impact on Logistics

Limited Pre Arrival Clearance of Goods

Biggest problems in emerging markets*



* From survey of 1,118 logistics and supply chain executives



Rwanda



Ports



Nakalama-Tirinyi to
Kumi Rd. Uganda



DESRUPTIONS IN CARGO CLEARANCE DUE TO ADVERSE WEATHER MOMBASA PORT



17th October 2011

Backlog in the Clearance of Cargo.
20 Vessels Waiting at Berth.
Trucks Taking up to 6 Hrs to Reach Port.
Total Deliveries 1,271 as Opposed to 3000 TEUs per Week
Sugar, Wheat, Sorghum

15th April, 2016

Total Deliveries 262 MT as Opposed to 1000MT Under Normal Circumstances.
Lower Number of Trucks Turned Up. Fertilizer

June, July, August, 2014

Extreme Weather Conditions in the High Seas.
Ship Working Days Increased on Account of Prolonged Rains that were Accompanied by Strong Winds and Poor Visibility.

10th May, 2017

Two Ferries, MV Nyayo and MV Kilindini, were withdrawn as could not Stand the Changes of Current after the Over Flooding
One Stop Centre offices flooded. Officers Relocated to a different Location causing delays in the clearance of Cargo as it took time to restore ICT infrastructure.
Increased Vessel Waiting Time and backlog in the evacuation of cargo from port.

Kisumu Port



Port Bell



Mpulungu Port – Lake Tanganyika/ Zambia



LOGISTICS CHALLENGES FACING LAND-LINKED COUNTRIES



Slow growth in the
AEO facility

Inadequate Training
for C&F Agents
resulting in many
Errors and Fines
Causing Delays

Road Accidents

Counterfeit goods &
Illegal Trade

Low Uptake of Local
Marine Cargo
Insurance

Unnecessary Stops
by Truck Drivers

War and political
instability

Lack of
Understanding of
Shipping
Terminologies and
Shipping Contracts

Piracy & Terrorism

Safety & Security of
Cargo along the
Inland routes
(accidents, theft)

Check Points from
Sea to Destination

Cross border
formalities (coastal
countries not
affected)





Busesa - Uganda



Mabila - Uganda



LOGISTICS CHALLENGES FACING LAND-LINKED COUNTRIES



Accrual of Container
Demurrage due to
long distances and
other hiccups

Frequent System
Downtimes

Different points for
making payments for
services to different
Service Providers

Double Handling of
Cargo in Intermodal
operations

Language Barrier as
one moves Cargo
from one State to the
other

Exchange Rate Loses

Challenges of
locating containers
for loading at ports

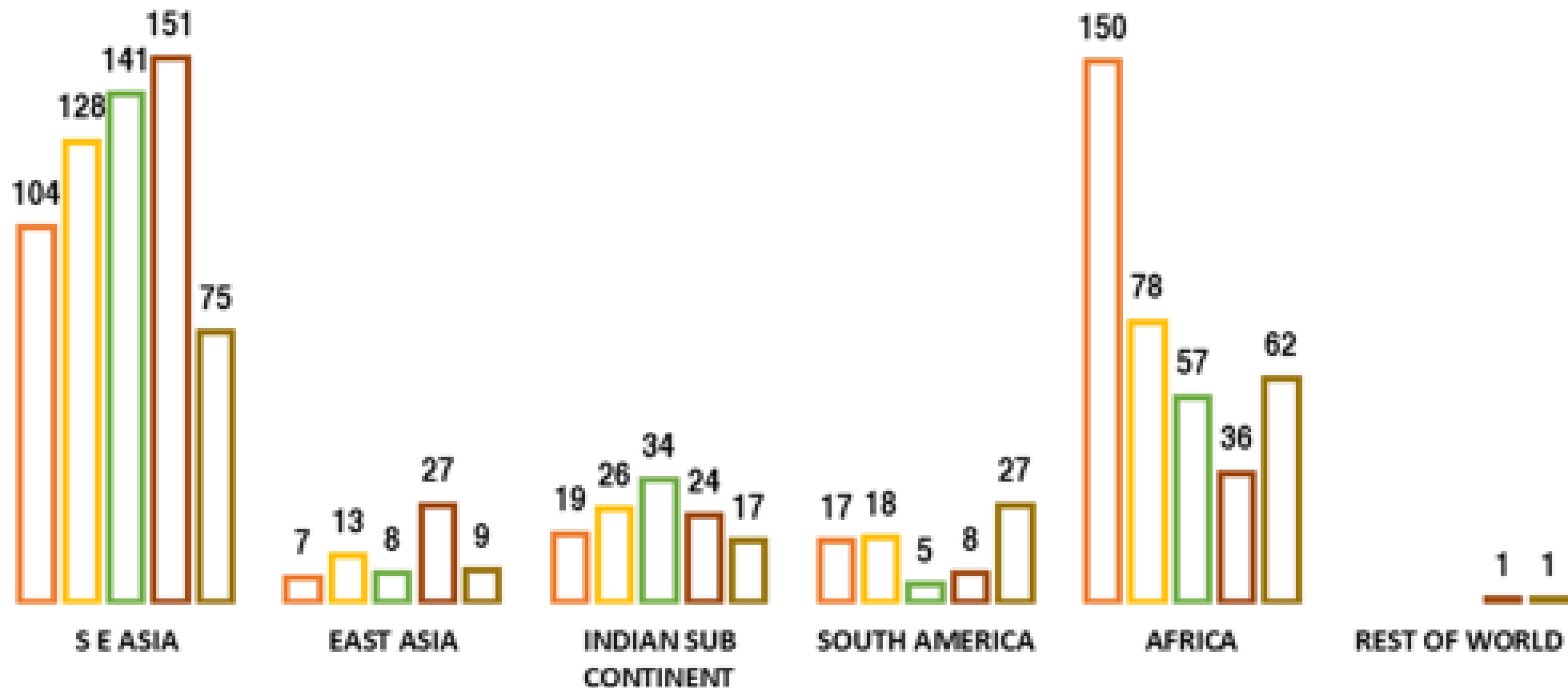
Costs associated
with making follow
ups (air time
international calls

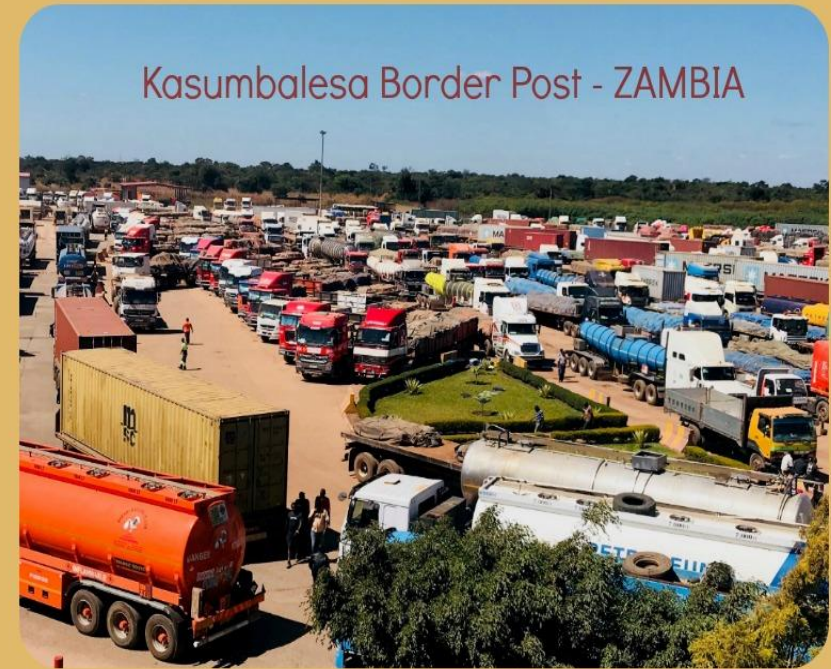
Congestion

Regional Actual/Attempted Piracy Armed Robbery Against Ships



2012 2013 2014 2015 2016





Concluding Remarks

The Right to the Sea does not give the Right to Efficient Access to the Sea. It means States Must Work Together to Attain the much needed Efficiency

Are the Concerns below Still **Challenges**?

- ☐ Accumulation of trucks at weighbridges and border crossings causing congestion and delays
- ☐ Delays in the processing of fines
- ☐ Difficulties in coordination among Government Agencies as well as the private sector
- ☐ Frequent systems downtimes
- ☐ Political uncertainty
- ☐ Illegal Trade & Contrabands
- ☐ Processing of Exit formalities at Port Gates
- ☐ Regular uncoordinated staff transfers
- ☐ Government Regulation (Duplication of services) and private sector parties
- ☐ Inadequate pre clearance regimes
- ☐ Corruption
- ☐ Poor infrastructure e.g railways
- ☐ Customs procedures
- ☐ High ship turnaround time for bulk cargo (Dar Port)
- ☐ Delays after Customs Release (MSA Port)
- ☐ Trade Imbalance
- ☐ Shortage of Staff



YOU



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