ISCOS
SHIPPING & LOGISTICS

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African States Urged to Form Economic Blocks

Member States:

Kenya Tanzania Uganda Zambia

KENYA PORTS AUTHORITY

MILESTONES

2015 - 2017

1

2015 - 2016

CARGO HANDLED

27.36mn

tons of cargo handled in 2016

CARGO HANDLED

26.73mn

tons of cargo handled in 2015

2

2015 - 2016

CONTAINER TRAFFIC

1.091mn

TEUs IN 2016

1.076mn

TEUs IN 2015

3

2nd CONTAINER TERMINAL

has increased the Port's annual container handling capacity by

550,000

TEUs

4

Construction of the second phase of the

2nd CONTAINER TERMINAL

will provide an additional capacity of

450,000

TEUs

5

LAMU PORT

The construction of the first three berths at Lamu Port is ongoing and has recorded 30% overall completion progress since inception.

Kenya Ports Authority projects that the first berth will be operational by June 2018 while the other two will be ready by December 2020.

6

ICD NAIROBI

The Authority has expanded the Nairobi Inland Container Depot (ICD) capacity from

180,000 TEUS

450,000 TEUS to

to drastically improve cargo off-take by rail.

7

CRUISE TERMINAL

The construction of the first ever cruise terminal in the Eastern Africa region is ongoing at the Port of Mombasa. This is a partnership between KPA and TradeMark East Africa (TMEA).

8

Plans are in place to modernize

KIPEVU OIL TERMINAL

The new oil terminal will incorporate an LPG pipeline and have the capacity to handle four vessels at a time.

9

We are modernizing and enhancing the

PORT OF KISUMU

to better connect with the great lakes region for cargo and passenger traffic

10

SHIMONI PORT

The development of Shimoni Port is a national priority in line with the National Transport Sector Policy and KPA's Strategic Plan on the development of Small Ports along the Kenya Coastline.

GROWING BUSINESS, ENRICHING LIVES

KENYA PORTS AUTHORITY

Ag. Secretary General's Message

Kassim Mpaata
Ag. Secretary General

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ISCOS
SHIPPING & LOGISTICS

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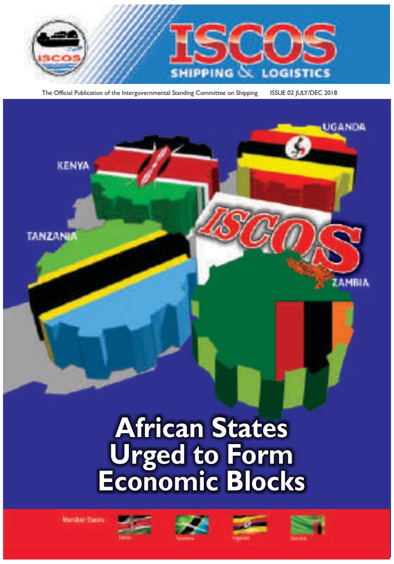

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African States Urged to Form Economic Blocks

The dynamics of shipping have become more complicated in the last five years hence the need for African countries to develop economies by working together through economic blocks continue to become more compelling.

This was said Mr. Bageya Waiswa, Uganda's Permanent Secretary for Ministry of Works and Transport during the 5th ISCOS Assembly of Ministers held in Mombasa.

The PS who represented Uganda's Minister of Works and Transport (MWT) pointed out that there was no doubt that trade facilitation institutions like ISCOS should continue to be supported for the member states' dream of ending economic emancipation through trade was to bear fruit.

Mr. Waiswa told the meeting that over 80% of world trade is moved by sea and acknowledged ISCOS' immense contribution over the years, saying that the maritime sector should be prioritized for the success of African economies.

> **"The formation of ISCOS by our fore fathers way back in 1967 was out of a realization that shipping by nature indeed required specialized expertise. This understanding gave rise to the need to have in place a specialized institution in the region, for coordination, promotion and protection of the shipping and maritime interests of the member states - Mr. Waiswa**

"The formation of ISCOS by our fore fathers way back in 1967 was out of a realization that shipping by nature indeed required specialized expertise. This understanding gave rise to the need to have in place a specialized institution in the region, for coordination, promotion and protection of the shipping and maritime interests of the member states," he explained.

Being a land linked member state of ISCOS, Uganda relies on her neighbours, Kenya and Tanzania, to access the sea.It also carries out business with trading partners from overseas.

Mr. Waiswa complained of the high cost of doing business in Uganda coupled with the fact that their businesses passthrough many hands and entities.

"We need institutions like ISCOS to continue helping us in interfacing with international trading partners, to sensitise our people about this area of shipping, advise us on technical matters and mitigate unfavourable terms imposed by members of the Assembly during this session."

He commended the Acting Secretary General mr. Kassim Mpaata and his team for having excelled at keeping focus to the objectives of ISCOS.

He also supported ISCOS' activities on mitigation of unjustified pricing mechanisms by shipping lines, saying that, they have saved Uganda more than US$ 80 million in removal and suspension of unjustifiable pricing mechanics by liner operators.

Waiswa emphasized the need to secure adequate funding for ISCOS to enable it carry out its objectives. He said ISCOS's activities were saving the governments huge economic benefits which were far much higher and incomparable to the member states efforts in financing the institution.

Uganda was at one time in huge arrears to ISCOS. However, she moved to put in place the service charge which has proved very reliable in addressing the funding needs of ISCOS.

Mr. Bageya Waiswa,
Uganda's Permanent Secretary for Ministry of Works and Transport

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ISCOS Requires Continued Support: Dr Pindi Chana

Members states have been urged to continue supporting ISCOS so as to adhere to its objectives as a platform for confronting and articulating issues affecting them in shipping and maritime affairs.

Dr Pindi Chana, Tanzania's High Commissioner to Kenya noted that ISCOS, being the regional maritime body, was mandated to promote and protect the shipping and maritime interest of its member states. She was addressing the recent 5th meeting of the Assembly of Ministers of ISCOS held in Mombasa, Kenya.

"ISCOS brings us together for a cause which is both crucial and cardinal to our economies as challenges in shipping and logistics continue to manifest in different ways. Many of the challenges in this regard require regional rather than national solutions or at least sharing experience in order for a member state to forge a properly informed way forward," she said.

Dr Pindi commended the Secretariat for a job well done in implementing various directives following the previous Assembly of Ministers meeting which was held in June 2017 in Livingstone Zambia. The meeting discussed matters related to making shipping and maritime services more competitive in the region, in order to reduce cost of doing business.

"The UNCTAD Maritime Review 2018 Report reveals that marine transport is the main mode of transport for international trade, as an estimated 60% and 63% of exports and imports respectively of the global merchandise traded internationally by sea is attributed to developing countries.

The same report highlights that global seaborne trade grew by 4% in 2017 from 10.2 billion tons in 2016 to 10.7 billion tons. This underlines the importance of maritime transport for the economic development of our countries," said Pindi.

She also quoted the 2018 Economic Outlook Report by AfDB which indicated that the region of East Africa remains to be the fastest growing sub region in Africa, with an estimated growth of 5.6% in 2017 up from 4.9% in 2016

The statistics, she said, signified growth and positive economic trends in the region and implied the need for continuous improvements in infrastructure by governments of member states.

Dr. Chana also mentioned technological changes in the shipping industry which have led to the introduction of bigger ships which can carry over 20, 000 TEUs, improving economies of scale.

"Technology of the maritime world is changing fast in response to speedy inventions and innovations in the ICT sphere; our region should cope with these changes if our countries have to optimize economic benefits through shipping trade."

Dr Chana projected the shipping trade's usage of ICT oriented developments in the near future such as the use of smart containers, block chain shipping documents, bill of loading and delivery orders inclusive and payments through blockchain based systems like the digital currencies.

She urged ISCOS to lead member countries to identify and prepare for such changes in order that member states realize the noble aspiration of coping and optimizing technological changes in the maritime industry.

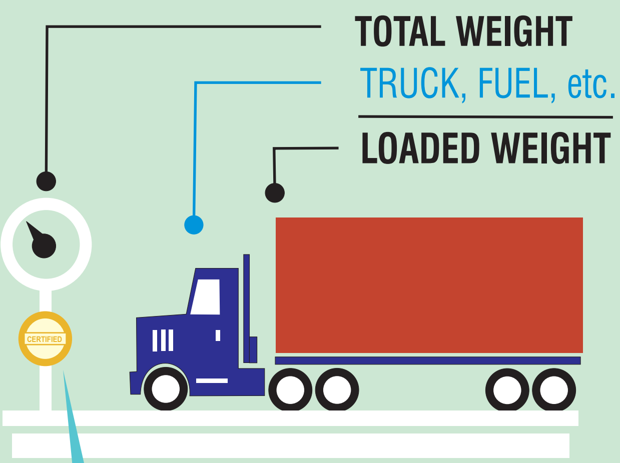
The Ambassador also called upon ISCOS to embrace technology in its activities and keep member states updated on various emerging issues, trends and practices in the industry.

How to obtain the container VGM Mandate

As a shipper, what are your options?

METHOD 1

Take a loaded container over a **weighbridge**, subtract the weight of the truck, chassis and fuel to get the weight of the packed container.



METHOD 2

Weigh each item **- including its packaging, palleting, dunnage and other packing and securing materials -** going into the box.

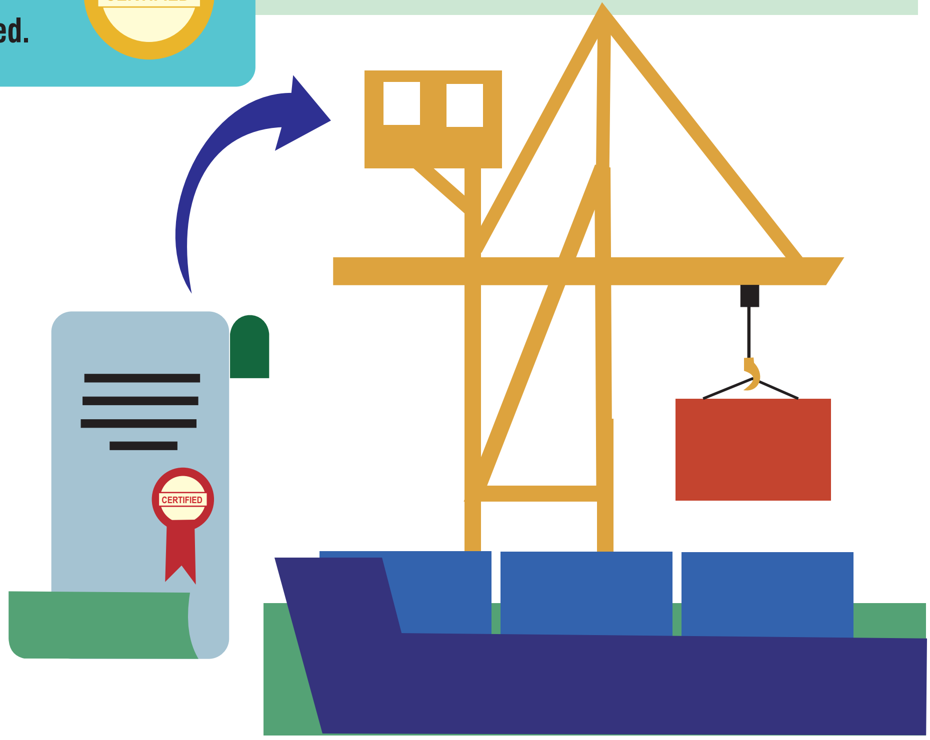
Add that sum to the weight of the container to find the weight of the packed container.

Scales must be certified and calibrated in line with the national standards of the country where the weighing occurred.

CERTIFIED

What are you required to do?

Provide a document signed by the shipper to the shipping line and terminal declaring that the **shipper verified** the weight and that it was weighed properly.



ISCOS Hailed for Leading Domestication of Marine Cargo Insurance

ISCOS' initiative to domesticate Marine Cargo Insurance making substantial savings in foreign currencies has won accolades from the member states attending the recent 5th ISCOS Assembly of Ministers meeting in Mombasa, Kenya.

Lead representatives in the Ministerial Council meeting enumerated how their respective countries had saved foreign currencies by choosing to pay local insurance firms instead of foreign companies for imported cargo.

"I am pleased to learn that the marine cargo insurance domestication campaigns initiated by ISCOS are not only in full gear, but also bearing fruits," said Dr Pindi Chana, Tanzanian's High Commissioner to Kenya. Ambassador Chana who represented the Tanzanian Minister for *Minister* for *Transport, Works* and Communications at the Assembly meeting.

Ambassador Chana observed that while Kenya is in the second year of implementation, Tanzania started enforcing the revised marine insurance law on 1st January 2018.

Dr Pindi Chana said member states have identified with ISCOS' aspirations and existence while emphasizing on the importance of the maritime industry and have vowed to exploit the potential that lies in the Blue Economy clusters for sustained development.

She lauded ISCOS' Secretariat for closely guiding Tanzania in making local marine cargo insurance a reality as well as assisting her put in place the Tanzania Imports Insurance Portal (TIIP) platform.

Mr. Bageya Waiswa, Uganda's Permanent Secretary, Ministry of Works and Transport on the other hand told the meeting that the records computed from the volumes of Uganda imports, the land linked state seeks to retain more than US$ 100 million per annum in Marine Cargo Insurance which is being secured abroad.

He lauded Kenya and Tanzania for leading the initiative and stated that Uganda was in the final stages of implementing the same.

Mr. Kassim Mpaata, Acting Secretary General ISCOS's, the recent drive on having Marine Cargo Insurance (MCI) secured locally rather than being obtained from overseas insurance companies, is projected to retain more than US$ 900,000 per annum in the economies of the member states.

Dr Pindi said member states have

ISCOS PRAISED

identified with ISCOS' aspirations and existence while emphasizing on the importance of the maritime industry and have vowed to exploit the potential that lies in the Blue Economy clusters for sustained development.

The meeting was also attended by Mrs Nancy Karigithu, Principal Secretary, State Department for Shipping and Maritime representing the Cabinet Secretary Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works (MTIHUDPW) from the Republic of Kenya.

The meeting's opening ceremony was also attended by regional stakeholders such as the Port Management Association for Eastern and Southern Africa (PMAESA); the Transit Transport Coordinating Authority of the Northern Corridor; Kenya Maritime Authority, Kenya Ports Authority, Zambia Cargo and Logistics Limited among other stakeholders from the region.

During the meeting, it was noted that the international nature of shipping and logistics continues to dictate the need to have ISCOS (as a body with regional mandate) capable of coordinating, promoting and protecting the shipping and maritime interests of the member states and the region at large.

The member states also expressed appreciation that ISCOS has continued to make immense contribution to the development of the shipping and maritime business and is serving the region and the international community as a centre of excellence for shipping, maritime and trade facilitation matters since 1967.

They also lauded the fact that ISCOS has played a major role in cementing regional relations, facilitating economic progress and living to the vision of its founding fathers.

The delegates recognized the importance and relevance of ISCOS' activities and noted with satisfaction that the organization had performed reasonably well as an advisory and advocacy body, in promoting, protecting and coordinating the maritime and shipping interests of the Member States in line with the organisation's Strategic Plan 2015-2020.

The meeting congratulated the Member States for their continued support to ISCOS as a body spearheading various regional initiatives that cut across maritime transport and logistics in public and private sectors, sea and inland ports and other inland water bodies.

It commended and reaffirmed ISCOS' continued role in mitigation of unfavourable pricing mechanisms, charges and surcharges in shipping, generation of expert advisories to the member states on practice and policy on shipping and maritime matters, conducting of national and regional shippers' sensitization programmes.

It also backed the organisation's efforts in assisting member states to enforce and monitor implementation of local MCI so as to retain foreign currency being externalized through procuring MCI offshore.

Other notable contributions were the formation and building of capacity of Shippers Associations and councils throughout the region, enactment of ICT enabled as well as conventional trade facilitation platforms, as well as initiatives to improve the efficiency and competitiveness of ISCOS ports.

ISCOS Secretariat was also applauded for its commendable performance and the satisfactory implementation of organizational, administrative and trade facilitation programmes over the period of July 2017 to October 2018.

Despite the absence of a substantive Secretary General of ISCOS, it was pointed out that no vacuum had been felt in ISCOS' leadership as the Acting Secretary General had adequately stepped up to the task.

The status of member government's contributions was also taken into consideration and Kenya, Tanzania and Uganda were commended for being up to date with their contributions. All member states were urged to fulfill their obligations to the institution in a timely manner for the smooth running of the organization's programmes.

The Secretariat was urged to continue advising member governments on developments in the shipping industry and augmenting gains from intermodal transport infrastructure linking coastal areas to land linked member states.

The meeting underscored the continued need for ISCOS forum as an avenue for collaboration among member states, sharing of information, enhancing mutual cooperation and generating regionally coordinated strategies for reducing the cost of doing business.

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ISCOS Pledges to Remain True to its Founding Values

ISCOS' acting Secretary General Mr. Kassim Mpaata has pledged the Secretariat's continued support in providing technical assistance to member states to enable them retain millions of foreign currency being as a result of inadequate trading practices.

Speaking during the 5th meeting of ISCOS' Assembly of Ministers, Mr Mpaata said the organisation will continue to champion many other regional initiatives to mitigate matters affecting trade and shipping.

Some of the initiatives undertaken by ISCOS, he said, include taking a leading role in search of solutions to some of the contentious matters in the shipping industry, developing platforms for reporting and resolving of Non-tariff barriers to trade (NTBs) and supporting the shippers on a continuous basis and to continue to have a regional eye of the status and plight of shipping for the region as a whole.

'We have facilitated a record nine organ meetings since April 2018. We have also endeavored to evenly spread out several administrative directives of the assembly and to have activities in all member states, where a number of trade facilitation programmes have been carried out," Mr. Mpaata told the meeting in Mombasa.

He emphasized on the need for regional, economic and political integration for economic emancipation to be achieved in Africa and the world at large. For this to be realized, he said promotion and coordination of shipping interests would have to be prioritized.

Since its formation, ISCOS has championed for the removal of the unjustifiable shipping tariffs imposed by shipping lines, advocating favorable freight rates, facilitation of the flow of trade through ports and corridors, building capacity for importers and exporters in the region and generating timely and expert advice on technical areas of shipping.

The Acting SG also noted ISCOS' participation in some of the adverse international developments in shipping such as piracy, together with providing shippers with knowledge of enacted international conventions insisting that they ought to be adhered to.

ISCOS, he said, took initiative to help form Shippers Councils not only in the member states of Kenya, Tanzania, Uganda and Zambia, but also in other regional states of Rwanda, Burundi, South Sudan and Malawi whose shippers use ISCOS ports.

He told the delegates that, in view of the fact that shipping cuts across the sea and surface segments, ISCOS mandate continues to provide

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Mr. Mpaata also upheld the single customs territory and one stop border posts initiatives saying that they would facilitate the transportation of goods and people through the Shippers Councils.

ISCOS is also a member of the Mombasa Community Port Charter and the Dar es Salaam Port Improvement Committee and continues to provide valuable avenues for sharing information, continuous improvement and adoption of best practices.

In the meantime Members states have been urged to continue supporting ISCOS so as to adhere to its objectives as a platform for confronting and articulating issues affecting them in shipping and maritime affairs.

Dr. Chana, noted that ISCOS, being the regional maritime body, was mandated to promote and protect the shipping and maritime interest of its member states.

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Dr Chana commended the Secretariat for a job well done in implementing various directives following the previous Assembly of Ministers meeting which was held in June 2017 in Livingstone Zambia. The meeting discussed matters related to making shipping and maritime services more competitive in the region, in order to reduce cost of doing business.

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She also quoted the 2018 Economic Outlook Report by AfDB which indicated that the region of East Africa remains to be the fastest growing sub region in Africa, with an estimated growth of 5.6% in 2017 up from 4.9% in 2016

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TICTS Set for Transformation

Port of Dar es Salaam

The Gate Way to the Central Corridor

Tanzania International Container Terminal Services (TICTS)

Dar es Salaam Port
P. O. Box 71442, Dar es Salaam - Tanzania
Tel: (+255) 22 2134056 (office hours)
Fax: (+255) 22 2134019
Email: ticts@ticts.com

ISCOS Conducts a Survey on the International Trade

ISCOS Secretariat recently conducted a survey from Mombasa-Kenya through Tanzania to Kasumbalesa Border post in Zambia to ascertain the fluidity in the movement of goods and services for international trade within the route section.

The survey was done from May 21st to June 2nd 2018 and took the surveyors from the Lungalunga-Horohor border post between Kenya and Tanzania through Chalinze- Tunduma and Nakonde-Kasumbalesa transit route on the Tanzania and Zambia border to Mpulungu Port on the Lake Tanganyika.

The Secretariat staff undertaking the survey cognizant of the fact that imports were not consumed just at the port of origination or within the port cities alone, but have to be moved to the hinterland including the land-linked countries.

"In a similar fashion exports have to be moved from the hinterland to the sea ports for their transportation to overseas markets," said the subsequent survey report.

During the survey, three border posts were visited namely: Lungalunga/Horohoro between Kenya and Tanzania; Tunduma/Nakonde between Tanzania and Zambia and Kasumbalesa a border post between Zambia and the Democratic Republic of Congo (DRC).

The report further stated that it was important that a well coordinated and efficient transport route or system that facilitates seamless flow of traffic and associated information is in place for growth in intra-regional and global trade and a catalyst for attraction of local and Foreign Direct Investment (FDI).

During the survey, three border posts were visited namely: Lungalunga/Horohoro between Kenya and Tanzania; Tunduma/Nakonde between Tanzania and Zambia and Kasumbalesa a border post between Zambia and the Democratic Republic of Congo (DRC).

At Lungalunga-Horohoro it was found that the One Stop Border Post (OSBP's) hard infrastructure was in place both in Kenya and Tanzania, but still cross border formalities were being undertaken in traditional border setting in which entry and exit were done at each adjoining state. This means that there are two stops as opposed to one stop and therefore negates the benefits accrued by a fully-fledged OSBP operation.

The reasons given, according to the report, were that ICT networks between Tanzania and Kenya were not yet inter-connected and that trained staffing levels were inadequate to carry out the OSBP operations.

The report recommended that for the border to operate as an OSBP

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It also urged ISCOS to enhance its programmes and efforts in member states in order to mitigate the high cost of doing business in the shipping and logistics industry and to continue educating and sensitizing shippers on the appropriate use of INCOTERMS, International Trade Best Practices, among other shipping and trading skills.

The meeting appealed to the Secretariat to expedite the process of reviewing ISCOS Protocol as this was central to the operations of the organization and highlighted that membership to ISCOS was open to countries in the region and beyond and encouraged other states to join the regional maritime organization.

Meanwhile ISCOS' acting Secretary General Mr. Kassim Mpaata has pledged the Secretariat's continued support in providing technical assistance to member states to enable them retain millions of foreign currency being as a result of inadequate trading practices.

Speaking during the 5th meeting of ISCOS' Assembly ofMinisters, Mr Mpaata said the organisation will continue to champion many other regional initiatives to mitigate matters affecting trade and shipping.

Some of the initiatives undertaken by ISCOS, he said, include taking a leading role in search of solutions to some of the contentious matters in the shipping industry, developing platforms for reporting and resolving of *Non-tariff barriers* to trade (NTBs) and supporting the shippers on a continuous basis and to continue to have a regional eye of the status and plight of shipping for the region as a whole.

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ICT network interconnection is paramount and therefore the East African Community, Kenya and Tanzania and their Customs Divisions expedite the interconnection of their systems.

The report further recommended that there was a need for additional trained staff for all border agencies in order to make the OSBP effective.

Tunduma-Nakonde serves the Dar es Salaam and the North South Corridors including Zambia Congo DR and other countries in Southern Africa region for imports, exports and transit of goods as well as passengers.

The border was found to be operating normally as an OSBP, Passengers and cargo into Zambia were going direct to Zambian side for Tanzania exit formalities and Zambian entry formalities and vice versa for passengers and cargo into Tanzania.

The survey established that the border was busy with many cross border traders crisscrossing between the two borders.

The survey however observed that there was lack of parking space on the Zambian side causing trucks which were supposed to be driven directly into Zambia waiting on the Tanzania side causing congestion and delays.

There were delays caused by system outages on the collection of Toll Fees by the Road Transport and Safety Agency in Zambia. Transporters and private car owners have to wait longer periods in order to get service.

Another observation was on the instability of the Customs Management System (ASYCUDA World) with frequent system down times.

Finally, the border had only one access road for both entry and exit hense causing traffic jam at the border.

The report thus recommended that the urgency for Zambia to expedite the securing of land near the border for holding import trucks besides creating a second exit and entry crossing road for smooth flow of traffic.

It was also observed that the Zambia Revenue Authority needs to fully implement the National Electronic Single Window System (NESWS) for the purposes of having a single point of processing and payments of trade requirements of border agencies.

The survey team also visited the Mpulungu Customs based at the Port of Mpulungu where it was established that the imports were negligible.

They observed that some exporters were finding difficulties in getting stamped documents from the country of export for purposes of VAT and Duty drawback reimbursement.

"In order to encourage growth in the export business, stakeholders including ZRA should find ways of resolving the issue and making the process more bearable."

Kasumbalesa Border Post on the other hand is the busiest border in Zambia as it serves DRC traffic to and from Zambia, Tanzania, Malawi, South Africa, Zimbabwe, Botswana, Mozambique and Namibia.

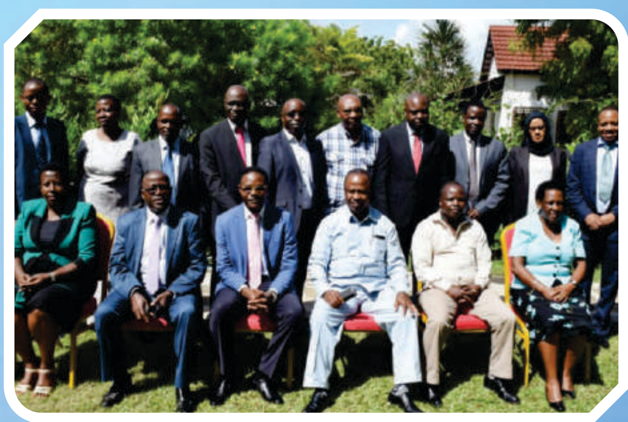
During the survey, the border was found to have all the facilities to operate as a one stop border post but was never the case as passengers and cargo have to stop twice for cross border formalities.

This was due to the fact that a legal framework or a bilateral agreement between Zambia and DRC was none existent.

The team observed several challenges and recommended that training and retraining of Clearing and Forwarding agents and updating them on how to navigate new systems and avoid errors, delays and payments of fines among others.

That the Zambian government continues engaging the DRC on the security issues an expeditious implementation of the OSBP operation; instill orderly on cross border traders by having specific crossing points.

They observed that the border was porous and needed enforcement strategies to make controls more effective by border agencies and government departments among others.



The 10th Meeting of the ISCOS Technical Committee on Finance Administration and Resource Mobilization Held at Mount Meru Hotel in Arusha United Republic

1st Extra-ordinary meeting of the Technical Committee on Finance, Administration and Resource Mobilization, held at Nyali Sun Africa Beach Hotel and Spa

ISCOS / USC Trade Facilitation Workshop on International Freight Logistics Best Practices held at Africana-Kampala Uganda.

Booming Business for Tea Farmers

Tea revenue for smallholder tea farmers affiliated to Kenya Tea Development Agency-Management Services (KTDA-MS) hit a record Ksh 85.74 billion in the year ended June 2018 from sale of tea compared to Ksh 78.31 billion recorded in 2016/17 financial year.

The earnings, realized between July 2017 and June 2018, were largely driven by high volumes of tea that were sold at the Mombasa Tea Auction, the second largest black tea auction centre in the world after Colombo, Sri-Lanka. KTDA-managed tea factories received a cumulative 1.18 billion kilogrammes of green leaf up from 976.78 million received during the same period in 2017.

During the year, tea farmers earned a total of Ksh 62.35 billion, 8.6 percent higher than the Ksh 57.44 billion paid out in the year to June 2017, translating to better average returns for the over 600,000 farmers.

"The increased earnings this year were due to high volumes of green leaf produced by farmers as a result of improved rainfall and stable tea prices," KTDA Group CEO, Mr. Lerionka Tiampati said.

Tea in Kenya is mainly grown on the highlands that have high altitudes of between 1500 to 2700 meters above sea level.The highland soils are volcanic and alluvial in nature, providing sufficient nutrients for tea bushes.

Tea farming sustains thousands of smallholder tea farmers in Kenya, and

generated the country's second highest foreign income earnings last year.

"This year's earnings rose by 9.4 percent from Sh78.31 billion (USD783 million) revenue recorded in 2016/17 financial year. The shift in the price per kilo of made tea, however, rose marginally as it averaged USD 3.14 at the Mombasa Tea Auction compared to USD3.13 realized last year," Mr. Tiampati said.

Despite the marginal growth in average prices, KTDA tea prices remained afloat and above other competing teas at the auction due to its high quality.

Mr. Gabriel Kinyanjui, a smallholder tea farmer from Muranga County said that he will use earnings from tea to educate his children and expand into other enterprises to supplement his income from tea.

"I was educated by proceeds from tea. At the time, my father had a big farm, but he subdivided it into small pieces so that each of us got something. I will use this year tea earnings to pay school fees for my children and buy an extra cow for milk production," Mr. Kinyanjui said.

Formed in 1964 as a state agency and transformed in 2000 into a private limited company, the smallholder tea sub-sector under KTDA has grown in leaps and bounds, becoming one of the largest private tea agencies in the country. In 1964, the smallholder tea farmers had one factory at the foothills of Mt. Kenya in Nyeri; in 2000, the farmers had 45 tea factories; and today, the farmers own 69 tea factories, spread across tea growing areas. On average, each tea factory serves about 9,000 smallholder tea farmers.

Apart from managing the factories, KTDA owns seven subsidiary companies that add value along the tea chain. The Agency's main focus, however, remains to support tea farmers in crop husbandry, tea processing and marketing of manufactured teas.

Mr. Kinyanjui said that his farm is a blessing in disguise. "I take great care of my tea. I apply the right amounts of NPK fertilizer to the bushes once a year and prune them once in three years. And as you can see, the bushes are lush, green and well-levelled like a table. I thank KTDA for providing us with extension services personnel who guide us in farm operations."

The smallholder tea farmers under KTDA hand-pick two leaves and a bud, a quality standard maintained by KTDA over the years. Once the green leaf is collected at the tea buying centres, it is transported to the factories by specially designed trucks for processing of black CTC teas. The Agency has also ventured into the processing of black orthodox teas to diversify its product line for different tea markets. The processing of black orthodox and green teas is pioneered by four factories, with two of them processing specialty teas: white and purple teas. The factories have a number of certifications.

"We are happy that all our 69 tea factories are ISO 9001:2015, ISO 22000:2005 and Rainforest Alliance certified. In addition, 24 of the tea factories are Fairtrade certified. As global leader in black CTC teas, we are constantly working to improve our processes to ensure we maintain the lead in the production and manufacture of quality teas," Mr. Tiampati added.

Some of the key markets that KTDA sells tea to include Pakistan, Egypt, UK, Afghanistan, Sudan, Russia, Yemen and UAE.

KTDA supports the smallholder tea farmers in many fronts. The Agency guides farmers how to mitigate the effects of climate change by adapting sustainability programmes such Farmer Field Schools, where farmers are taught modern agronomic practices to boost production for both agriculture and livestock farming.

The agency also teams up with partners to initiate programs such as indigenous tree planting on riparian zones and water catchment areas to conserve the environment.

Whereas KTDA main focus is to help tea farmers earn better returns from their crop, the agency continues to reach out for the less disadvantaged in the farming communities. The Agency together with partners offers scholarships to bright pupils from less privileged families. So far, the Agency has sponsored over 500 students to advance studies in high school. The agency also conducts financial literacy programs to enable farmers to make informed monetary choices, besides organizing regular medical camps to boost their health.

Despite the successes of smallholder tea farmers in Kenya, there are a few challenges that they face. Some of them include decreasing farm sizes, tea hawking, climate change and fluctuating tea prices at the global markets.

Kenya is the leading exporter of black CTC teas in the world accounting for about 23 percent of the global exports. Out of this, KTDA accounts for about 13 percent of the global tea exports. The Agency exports the bulk of its teas to Pakistan, UK, Egypt, Afghanistan, Iran, Sudan, Yemen and U.A.E, among other countries. Currently, the Agency is developing new markets such as Russia, Kazakhstan, USA and Poland.

Tanzania Set for an Electric Railway Line

The Tanzanian government has awarded a $1.92 billion contract to Turkish firm, Yapi Merkezi, to design and construct a 422-km (262-mile) high-speed electric railway line.

The modern rail line will be part of a major 2,561 km network project that will connect the East of the country to the north.

However, the government has involved the military in the construction of the railway line in order to help complete the project in time and also learn about the modern technology so that they can undertake such projects in the future.

The Tanzania People's Defence Force (TPDF) has about 57 civil engineers and mechanics involved in the project which includes 5,000 workers. "It is a big opportunity for us to be part of the ongoing SGR project. We are ready to send more of our experts to participate in the project anytime in case we were told to do so," adds General Mabeyo.

The line from Morogoro to Makutupora in central Tanzania will have the capacity to transport 17 million tonnes of cargo each year. This is the second contract awarded to Yapi Merkezi which beat 15 competitors in a tender including Chinese firms.

The East African region is revamping its railway networks. Rwanda and Tanzania have decided to use electric trains for their 1,320km standard gauge railway (SGR) line which will link to the East African regional line which passes through Kenya and Uganda.

Launched in January, the Isaka-Kigali railway line will give the two countries a competitive advantage over Kenya where their SGR was launched last year and is currently operating between Nairobi and Mombasa on diesel.

Kenya and Uganda's SGR were built by the Chinese government, however, Rwanda and Tanzania have agreed to open tenders for the most suitable financing option.

The previous SGR project without the electric element cost the two countries $2.5 billion. They are expected to pay more for the electric option.

Passengers wait to board an electric train at the St George underground station in the Ethiopian capital Addis Ababa

Ethiopia is the only country in the region with an electric rail line built by the Chinese government. The 756 km rail line between Addis Ababa and Djibouti costs $4 billion and travels a maximum of 13 hours for its cargo line.

Rwanda and Tanzania also want a lower time frame of a maximum of 13 hours between Dar-es-Salaam and Kigali, and 10 hours for the passenger line.

...Continued from Page12

The same report highlights that global seaborne trade grew by 4% in 2017 from 10.2 billion tons in 2016 to 10.7 billion tons.This underlines the importance of maritime transport for the economic development of our countries," said Pindi.

She also quoted the 2018 Economic Outlook Report by AfDB which indicated that the region of East Africa remains to be the fastest growing sub region in Africa, with an estimated growth of 5.6% in 2017 up from 4.9% in 2016.

The statistics, she said, signified growth and positive economic trends in the region and implied the need for continuous improvements in infrastructure by governments of member states.

Dr. Chana also mentioned technological changes in the shipping industry which have led to the introduction of bigger ships which can carry over 20, 000 TEUs, improving economies of scale.

"Technology of the maritime world is changing fast in response to speedy inventions and innovations in the ICT sphere; our region should cope with these changes if our countries have to optimize economic benefits through shipping trade."

Dr Chana projected the shipping trade's usage of ICT oriented developments in the near future such as the use of smart containers, block chain shipping documents, bill of loading and delivery orders inclusive and payments through blockchain based systems like the digital currencies.

She urged ISCOS to lead member countries to identify and prepare for such changes in order that member states realize the noble aspiration of coping and optimizing technological changes in the maritime industry.

The Ambassador also called upon ISCOS to embrace technology in its activities and keep member states updated on various emerging issues, trends and practices in the industry.

Kenya Introduces Double-Stack Freight Trains

Kenya Railways has introduced double-stack wagons on the Standard Gauge Railways which has revolutionized cargo off take from the Port of Mombasa into the hinterland.

Key government officials and Port stakeholders witnessed the witnessed the launch of the double-stack wagon freight train leave Mombasa for the Nairobi's Inland Container Depot (ICD).

"KPA is proud to announce the commencement of double-stacked trains from the Port of Mombasa to the ICD Nairobi," said Kenya Ports Authority Acting Managing Director Daniel Manduku on the occasion to mark the inaugural train off take recently.

Kenya Railways currently operates eight SGR freight trains transports 108 containers from Mombasa to Nairobi. Reports by KPA indicate that container off-take from the port to the ICD has registered tremendous growth, recording 5,121 Twenty-foot Equivalent Units (TEUs) in the week ending September 19.

Standard measurement The TEU is the standard measurement of the containers.

Mr. Julius Siele, Kenya Railways Corporation's Commercial Manager said:"This will double the capacity of cargo evacuated from Mombasa to the ICD."If the off take of containers at the ICD improves, we will launch more," he told the local press.

The launch of the double-stack wagons came as the Nairobi ICD struggles with congestion acquired more land as it seeks to expand its capacity.

The Kenya International Freight and Warehousing Association (Kifwa) had stated that the depot was stretched, holding more than 8,000 twenty-foot equivalent units (TEUs) against its capacity of 3,000TEUs.

"We are seeing more cargo being hauled to the Nairobi ICD, and coupled with the slow clearing process, it is becoming congested," said Kifwa national chairman William Ojonyo.

Mr Manduku said KPA had leased four storage facilities in Nairobi "to address cargo pile-up at the ICD, which we expect to help clear our yard capacity."

He said that a joint monitoring centre has been set up for realtime tracking of containers from Mombasa and throughout the value chain, which has drastically minimised delays.

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Going Rail

...as Zambia Directs its Miners to Transport 30 Percent of their freight by Railway

The back to rail push across the Eastern African region has hit the Zambian Copper Belt as the government directs mining firms operating in the country to transport at least 30 percent of their freight by railway.

The Zambian government, reportedly, imposed a law to revive the ailing sector.

Transport Minister Brian Mushimba was quoted by the Zambian press as saying there was evidence of a huge imbalance between use of the road and rail sector leading to the underperformance of railways.

Mushimba said Zambia's rail lines currently had a market share of about 5 percent and the remainder was handled by road transport.

“Some consequences of this imbalance include our bad road safety profile. We have had many accidents that we could have avoided,” Mushimba said.

The Minister is of the opinion that the excessive use of road transport for exports like copper, sugar and cement was damaging roads and increasing maintenance costs.

THE introduction of a government Statutory Instrument (SI) to compel 30 percent of heavy cargo to be transported by rail within the country has, however been received with varied reactions by bulky goods consumers, manufacturers and transporters.

Government sources claim that the quota system was expected to reduce the cost of doing business because railway transport was cheaper than road haulage.

The government had agreed the new policy with the Zambia Chamber of Mines and individual mining firms and was confident that it would be implemented smoothly.

The business community on the other hand asked the Government to consider formulating a policy that will compel all mining companies and transporters of heavy goods to use railway transportation to boost Zambia Railways Limited (ZRL) revenue base.

Zambia Chamber of Commerce and Industry (ZACCI) president Geoffrey Sakulanda said the practice is also good for prolonging the life span of the roads.

In 2013, Government disbursed US$ 120 million to ZRL for the rehabilitation of locomotives and rolling stock.

Mr Sakulanda said railway transport has the capacity to facilitate for efficient movement of heavy cargo once it is recapitalised.

He said railway transport is a cheaper mode of movement of passengers and goods which enables low-income groups in the country to have access to markets and other amenities.

Railway transport is a viable business which can bring about an efficient movement of goods around the country, it can also ease up the auto congestion being experienced in the country and can save users from costly fixed and incremental driving costs Mr Sakulanda said.

Mr Sakulanda said the railway infrastructure in the country, which is dilapidated, needs to be upgraded.

He further indicated that Government should consider electrifying the country railway system and invest into modern couches to make both the passenger and the goods trains faster.

It is important to upgrade the Zambian railways and introduce local routes in the railway system. To make it more efficient, the railway should be electrified so that it can become more faster, he said.

In addition, there is need for proper link between the railway and the road infrastructure in the country.

Zambia is one of Africa's leading copper producers.

The country produced 755,000 tons in 2017, ranking it seventh globally and second in Africa, behind the Democratic Republic of Congo (DRC), which produced 850,000 metric tons.

The DRC ranked sixth in the world with global leader Chile producing 5.33 million tons.

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ISCOS Builds Shippers' Capacity

With due recognition that Shippers' sensitization is important in creating awareness on matters of International Trade and Shipping, ISCOS runs a coherent sensitization Program, both at regional and national levels, including company specific and customized based trainings.

With over 200 regional and national sensitization workshops conducted in the region so far, ISCOS believes in the Shipper (importer and exporter) as the central entity in the Logistical Chains. Sensitization programs take cognizance of emerging issues in International Trade, and cover a wide range of important areas including International Commercial Terms, best practices in International freight logistics, import and export dynamics, Risks associated with Surface and Maritime movement of freight as well as innovations and developments which generally affect the movement of cargo from overseas through ports to hinterland countries and vice versa.

Increased shipper awareness contributes to the appropriate use of International Commercial Terms, mitigates delays and penalties due to ignorance, promotes port fluidity and better use of port facilities, reduces incidences of loss of cargo, enhances seamless flow of goods and generally reduces the cost of doing business.

ISCOS Provides Interface with the Shipping Limes

ISCOS provides the region's interface with the Shipping Lines calling in the ISCOS Ports of Mombasa and Dar es Salaam. In particular, and in regard the Shipping Lines, Freight rates and Surcharges applied on Trade, ISCOS:

- Conduct consultations with shipping lines, ship owners, operators of shipping lines and other related bodies concerning freight rates, destination charges and other related costs and conditions in Maritime transport;
- Monitors adverse changes within the shipping industry which may result in the imposition of surcharges and levies, and holds dialogues with the Shipping Lines and Ports with a view of mitigating the same, and may advise Member Governments and other stake holders on required interventions as may be appropriate.
- Acts as an early warning centre on shipping matters, by providing statistical and economic analysis of maritime transport and inland waterways sectors;
- Compiles statistical data with a view to advising the Governments and other stakeholders on the level and structure of freight rates, port operating costs, conditions of marine carriage and other factors

ISCOS Promotes Trade & Investment

All sectors grow through investment and proper management. ISCOS advocates for shipping industry growth through:

- Promoting and coordinating the development and growth of a viable and efficient regional and coastal shipping industry
- Promoting effective partnerships between governments and private sector in investment and management of deep-sea shipping, coastal shipping, multimodal transport, river and lake shipping services
- Promoting Public- Private Partnerships (PPP) in shipping and shipping investments in the region

ISCOS Offers Real Time Support

Despite the various regional initiatives to enhance seamless flow of trade, such as the Single window systems, One stop border posts, simplified customs and clearance procedures, Road and Railway infrastructure upgrades, Cargo tracking technology etc, shippers still encounter several unstructured challenges in the Logistical chains. The inevitability of these challenges demands that shippers need continuous support and monitoring, in order to ensure that hindrances to the flow of trade, whether in terms of NTB's or inadequate policies are resolved. ISCOS being the Organization with a regional mandate in shipping logistics, is in the best position to serve shippers both within the Coastal states and across the transit markets in mitigating issues both at policy and incidental level. In addition to physical accessibility to ISCOS Service points along the Dar, Northern and Central corridors, ISCOS is reachable through other technology enabled platforms and Applications. ISCOS has a trade facilitation tool live along the Northern corridor, the m-SHIP which is accessible through Kenya's Safaricom net work (*290#) continues to be a major tool for reporting and resolving NTBs/NTMs along the Northern Corridor from the port of Mombasa.

Seller's & Buyer's Responsibilities Under Different INCOTERMS

INCOTERMS

This is a set of rules which govern the distinct forms of transportation around the world. It contains 11 terms of shipment and delivery created by the International Chamber of Commerce for use in sales contract. These terms are the accepted types of freight transaction which can be used between a seller and buyer. It explains an internationally accepted definition on the responsibility of the buyer and seller, allocation of delivery cost and assumption of delivery risks.

EXW-Ex Workers

The buyer incurs all costs and risks that pertain to getting the goods from the seller's location to his/her destination of choice. The seller is tasked with availing the goods at his premises for example warehouse, factory or place of work. This term can be used across all modes of transport but mostly applies to domestic transactions.

FAS-Free Alongside a Ship

The seller is solely responsible for clearing the goods for export and placing them alongside the ship at the specified port. The term is typically used for bulky cargo but is only applicable for maritime and inland waterway transport with an exemption of multimodal sea transport in containers.

FCA-Free Carrier

The seller must hand over the goods already cleared for export to the carrier named by the buyer at the specified location. In case the carrier needs assistance in making the contract, the seller acts at the buyer's risk and expense. Delivery and transfer of risk occurs when the vehicle arrives at its destination and is ready for unloading. This term is applicable to all forms of transportation.

FOB-Free On Board

The seller must load the goods cleared for export on a vessel specified by the buyer at the named port. Upon loading the goods on board, risk is transferred to the buyer who will bear all costs thereafter. The term is limited to water transport only.

CPT-Carriage Paid To

The seller is required to clear the goods for export by paying the freight for the carriage of goods to the named destination. The risk of loss or damage of goods after delivery to the carrier is then transferred to the buyer. It is suitable across all modes of transport.

CFR-Cost and Freight

The seller is obliged to pay the costs and freight required in transporting the goods to the named destination. In addition the seller must clear goods for export. The risk of damage of goods is transferred to the buyer when goods pass over the ships rail in the port of shipment. It should only be used for sea or inland waterway transport.

CIP-Carriage and Insurance Paid

The seller has similar obligations as under CPT plus obtaining at least a minimum insurance cover against the buyer's risk of loss or damage of goods during carriage. It can be used across all modes of transport.

CIF-Cost Insurance and Freight

The seller bears similar obligations as under CIP and must clear the goods for export. The term should only be used for water transport.

DAT-Delivered At Terminal

The seller's task is accomplished once the transported goods have been unloaded and are placed at the disposal of the buyer at a named terminal at the place of destination. A terminal in this case refer to a quay, warehouse, container yard or road, rail or air station. It is used in all forms of transport.

DAP- Delivered At Place

The seller is advised to obtain contracts of carriage which match the contract of sale.

The seller is not entitled to recover unloading costs at the place of destination unless previously agreed.

Both parties, if possible, should identify a point at the terminus upon which risks will be transferred from the seller to the buyer, who will then be responsible for clearing the goods for import and arranging import custom formalities.

DDP-Delivery Duty Paid

Here the seller is responsible for delivery of goods to a named location in the country of importation including all costs and risks involved in transporting them to the import destination. These are duties, taxes and custom formalities. However, this does not imply that the buyer is exempted from all custom regulations and responsibilities. It is not recommended if the buyer wants control of import documents and declaration to customs.

It should not be used if the seller cannot clear the goods in the importing country. The term is applicable to any form of transport.

m-SHiP

1

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2

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3

Choose Organisation

1. Mombasa Port (KPA)
2. Kenya Revenue Authority (KRA)
3. Kenya Police
4. CFS
5. Shipping Line
6. Clearing Agency
7. Other
0. Main Menu

4

Where are you?

1. Mombasa Port
2. WeighBridge
3. Mombasa-Nairobi Road
4. Nairobi-Border Road
5. Border Post
6. Other
0. Main Menu

5

Comments: Problem or Solution
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0. Main Menu

6

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0. Main Menu

m-SHIP is a mobile phone-based trade facilitation tool developed by ISCOS for monitoring, reporting and resolving Non-Tariff Barriers (NTB's) that are experienced by users of ports and trade corridors in Eastern, Central and Southern Africa.

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