#### Newsletter, October Edition

#### 7<sup>th</sup> November , 2023



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#### **ORDINARY MEMBERSHIP**

<u>Fees Payable</u> Entrance Fee: KES. 1,000 Membership Fee: KES. 10,000 Subscription Fee: KES. 2,000 Per Truck Per Year Truck Stickers: KES. 200 Per Truck Membership Certificate: KES. 500

# **KTA NEWSLETTER** DELEGATION FROM KTA TOURS THE PORT OF LAMU



**The Kenya Transporters Association (KTA)** Management is pleased to share an update regarding its recent visit to the **Port of Lamu** on October 31 and November 1. The visit, facilitated by the **Kenya Ports Authority (KPA)**, provided KTA with an invaluable opportunity to familiarize itself with the facility and its road network.

The **Port of Lamu** boasts three impressive **berths**, each spanning **400** meters, collectively covering a distance of 1.2 kilometers. Notably, the port is equipped with state-of-the-art infrastructure, including specialized units for reefer containers and harbor cranes, attesting to its modern capabilities.

In a bid to further strengthen collaboration, KTA is currently in discussions with the KPA management regarding the establishment of a KTA office within the facility. This endeavor aims to secure a permanent representative from the Secretariat, who will play a pivotal role in promoting the port and aiding in the resolution of operational challenges to expedite cargo evacuation.

Additionally, the delegation conducted a survey of the road network from the **Port of** *Lamu to Witu*, affirming the quality and certification of the road as Class A. The assessment reaffirms KTA commitment to optimizing transportation routes for efficient cargo movement.

In light of Lamu Port's strategic importance, the **Ethiopian** market is being targeted specifically, the export of livestock and import of fertilizer are focal points of interest, and the relief foodstuff destined to the Northern part of Kenya. To this end, a dedicated committee was established to address pertinent issues. Recognizing KTA significant role as a major stakeholder in the logistics industry, is being considered to be part of that committee.

The Kenya Ports Authority Management is confident that transporters involvement will further bolster the port's prospects for success and solidify ports position as a key player in regional trade. Together, they look forward to a prosperous future in the logistics industry.

# NOTIFICATION FROM THE KENYA MARITIME AUTHORITY TO SHIP AGENTS, SHIPPING LINES, AND CARGO CONSOLIDA<u>TORS</u>



In response to the significant cost associated with destination charges at the **Mombasa Port** and the need to enhance the business environment, an intergovernmental steering committee was established to identify key issues and propose appropriate measures for resolution. Subsequently, a **Presidential Directive** was issued to implement the committee's recommendations.

**The Kenya Maritime Authority** was entrusted with spearheading efforts to address high destination charges, local container repair, and instances of dominance by specific operators. To facilitate this, four stakeholder meetings were conducted, resulting in the formulation of initial guidelines. These guidelines, which are outlined in a notice dated **November 1, 2023**, represent the initial steps taken to address the aforementioned challenges concerning ship agents and shipping lines' services

- **1.** *Terminal Handling Charge (THC) raised as a destination charge to be stopped with immediate effect. Any recovery of all KPA services to shipping lines to be factored in the ocean freight;*
- **2.** *International Ship and Port Facilities Security (ISPS)* Code as a destination charge to be stopped with immediate effect and if necessary, be incorporated in the ocean freight.
- 3. Manifest Amendment Fee to be capped at a maximum of \$30 inclusive of KRA penalty;
- 4. The following destination charges raised at the port of Mombasa to be stopped with immediate effect:

1.	X-Border Fee	6.	Logistics Fee
2.	Equipment Management/Monitoring Fee	7.	Import Documentation Fee
3.	Late Documentation Fee	8.	Transit Corridor Fee
4.	Container Protection Essentials	9.	Administration Charge
5.	Depot Charges at Drop-Off Points	10.	Regional Cost Recovery Charge & Other Charges

- **5.** Free period for discharged containers to be pegged at a minimum of 12 days for local, 30 days for Uganda and 45 days for DRC/South Sudan traffic;
- **6.** *Guarantee forms will not be validated* prior to drop off of an empty container where a clearing agent or importer has a revolving deposit arrangement with a ship's agent;
- **7.** *Delivery Order Fees* to be capped at \$40 and measures to be put in put in place by Kentrade, Ships Agents, Kenya Ports Authority and Container Freight Stations to enable online receipt of Delivery Orders by Clearing Agents;

# NOTIFICATION FROM THE KENYA MARITIME AUTHORITY TO SHIP AGENTS, SHIPPING LINES, AND CARGO CONSOLIDATORS (CONT'D)

- 8. Ships agents to raise invoices within 2 hours upon receipt of a complete set of documents and issue Delivery Orders within 4 hours after payment. Delays in excess of 24 hours to be recouped by extending the free period by the same duration;
- 9. Demurrage rates to be pegged as tabulated below:

PERIOD	20 FT CONTAINERS (USD)	40 FT CONTAINERS (USD)
First Seven (7) Days	10	20
Eight (8) to Fourteen (14) Days	15	30
After Fourteen (14) Days	30	60

- **10.** *Demurrage charges to cease* upon failure to return an empty container after 90 days and the replacement value of the container demanded thereafter;
- **11.** *Container deposits to be capped* as tabulated below and refunded within a maximum period of five (5) days upon return of an empty container in good condition:

PERIOD	20 FT CONTAINERS (USD)	40 FT CONTAINERS (USD)
Dry Local	500	700
Transit Dry	1000	1500
OOG & Reefer	2500	5000

- **12.** *Revolving deposits for containers* to be capped at US\$ 7000. Where a clearing agent has a revolving facility with a Shipping Line, no extra deposit (top ups) will be required, volume notwithstanding;
- **13.** Any instruction to drop an empty container in port or a different location from the one indicated on the container guarantee form to be compensated for the associated extra transfer cost and the loss of business opportunity;
- **14.** *Shipping Lines/Agents to adopt insurance/bank guarantees* and Serenity Options instead of the current cash/revolving deposits;
- **15.** Returned empty containers be fully certified as clean by the receiving depot and cleaning charges, raised by the deport to apply only to dirty containers as jointly inspected and verified by the clearing agent and the receiving depot;
- **16.** Ships agents to indicate *validity of free period and existence of a revolving deposit* on the container guarantee form to enable depots receive empty containers on a 24/7-hour basis without confirmation delays especially during non–working office hours;
- **17.** Ships Agents **to extend working hours** at the administration offices to 1600hrs on Saturdays to minimize delay penalties during the weekends;
- **18.** *Minor container damages* to be repaired locally and certificate issued to the parties, while major container damage to be subjected to joint verification and repaired by those meeting the respective ISO standards;

Source: Kenya Maritime Authority

# ENSURING SAFETY FOR HEAVY COMMERCIAL VEHICLES DURING RAINY SEASON



The rainy season is here and it brings with it a unique set of challenges for heavy commercial vehicle drivers. Navigating through wet and slippery roads demands extra caution and preparation. By following these guidelines and prioritizing maintenance, we can ensure that our drivers and cargo arrive safely at their destinations.

#### PREPARING DRIVERS FOR RAINY SEASON CHALLENGES

- *Mandatory Vehicle Inspections:* Before embarking on any journey, drivers must conduct a thorough pre-trip inspection. Pay special attention to tire tread depth, windshield wipers, lights, brakes, and suspension systems. Address any issues promptly to avoid potential hazards on the road.
- **Proper Training and Awareness:** Ensure drivers are well-trained on defensive driving techniques tailored for wet conditions. This includes maintaining a safe following distance, avoiding sudden movements, and utilizing headlights even during daylight hours to enhance visibility.
- *Load Distribution and Securement:* During the rainy season, the risk of cargo shifting or becoming unstable increases. Properly secure all loads to prevent any movement that could affect vehicle stability.

# FOCUSING ON CRITICAL VEHICLE COMPONENTS

- **Tires:** Well-maintained tires with adequate tread depth are crucial for traction on wet surfaces. Ensure tire pressure is correct and inspect for signs of wear and tear. Consider investing in quality all-weather or rain tires.
- **Brakes:** Functional brakes are paramount for safety, especially in adverse weather conditions. Regularly check brake pads, discs, and fluid levels. Address any issues immediately.
- *Lights and Indicators: Visibility is significantly reduced during rainy weather. Ensure all lights, including headlights, brake lights, and turn signals, are in working order. Keep them clean and free from dirt or debris.*
- Windshield Wipers: Effective wipers are essential for maintaining clear visibility. Replace worn-out wiper blades promptly. Additionally, ensure windshield washer fluid is topped up.

#### GENERAL SAFETY GUIDELINES FOR RAINY SEASON

- **Reduce Speed:** Slow down to account for reduced traction on wet roads. Avoid sudden acceleration, deceleration, and sharp turns.
- *Maintain a Safe Following Distance:* Increase the distance between your vehicle and the one in front to allow for ample reaction time.
- *Avoid Water Puddles and Flooded Areas: Puddles and flooded roads can hide hazards and damage your vehicle. When in doubt, find an alternative route.*
- **Use Hazard Lights Wisely:** While driving, only use hazard lights when your vehicle is stationary and causing an obstruction.
- **Stay Informed and Communicate:** Keep lines of communication open with your base and fellow drivers. Share information about road conditions and potential hazards.

Safety is paramount, especially during adverse weather conditions.

Source: KTA

## ENHANCING TRADE EFFICIENCY: NEW ONLINE REPORTING SYSTEM FOR NON-TARIFF BARRIERS

Complain and feedback mechanism





MINISTRY OF EAST AFRICAN COMMUNITY AND REGIONAL DEVELOPMENT

Send us a complaint via this platforms

**Non-Tariff Barriers (NTBs)** are restrictions that impede the smooth flow of goods and services across borders. These barriers encompass a range of obstacles, from regulatory complexities to discriminatory practices. The Kenya Transporters Association was proud to participate in the upgraded online reporting system, designed to swiftly address and resolve NTBs, ensuring a seamless trade environment.

<u>Online Reporting System Overview</u>: The online NTBs reporting system is a dynamic platform tailored for prompt action on reported issues. This system empowers businesses and individuals encountering trade hindrances, offering a safe and user-friendly reporting avenue. The platform, accessible through <u>http://96.126.122.21/ntbs/</u>, will be instrumental in alleviating challenges faced by individuals engaging in cross-border trade.

**Impact of NTBs:** NTBs have a tangible impact on businesses and individuals involved in international trade. These barriers range from roadblocks encountered by foreign drivers to importers facing customs challenges in foreign jurisdictions. The online reporting system serves as a conduit for reporting such incidents, ultimately bolstering trade relations.

**Types of Non-Tariff Barriers:** NTBs can manifest in various forms, including immigration procedures, complex rules of origin, police roadblocks, import bans, and product-specific quotas. The online reporting system addresses a wide spectrum of barriers, from quality conditions to unjustified packaging requirements, ensuring a comprehensive approach to trade facilitation.

Key Components of the Online Reporting System:

- Web-Based Reporting System: A user-friendly web portal offers a seamless reporting experience for individuals and businesses alike.
- *Short SMS Code (23308): This accessible channel provides an additional means for reporting NTBs efficiently.*
- **USSD Code:** The system includes a USSD code for ease of reporting via mobile devices.
- Free Toll Call Number (To be provided by Ministry of EAC): A toll-free hotline will be established to further facilitate reporting.

#### Advantages of the Online Reporting System:

- **Expedited Resolution:** The system significantly reduces the time required to address NTBs, ensuring swift solutions.
- **Cost Efficiency:** By streamlining reporting processes, businesses can cut down on the costs associated with trade barriers.
- Accessibility: The platform caters to a diverse user base, accommodating multiple languages for inclusivity.
- Enhanced Accountability: Government officers are held to a higher standard of professionalism and accountability.
- **Issue Tracking:** The system allows for precise monitoring of reported issues, offering transparency and timely responses.
- Anonymity: Confidential reporting safeguards individuals and businesses from potential targeting or repercussions.

The introduction of this upgraded online reporting system marks a significant stride towards a more efficient and transparent trade environment. By addressing NTBs promptly, the aim is to foster a thriving international trade community, benefiting businesses, individuals, and economies at large. Source: KTA

# UNDERSTANDING THE ROLE OF SMALL CLAIMS COURT IN FINANCIAL DISPUTE RESOLUTIONS AND ITS IMPACT TO BUSINESSES



**The Kenya Transporters Association Secretariat** actively participated in a comprehensive two-day **Mombasa Small Claims Court Users Sensitization Workshop**, which took place from October 25 to 27, 2023, in Mombasa. Small claims courts were instituted to facilitate a streamlined and cost-effective legal framework for the resolution of disputes involving relatively modest sums of money, capped at KES 1,000,000. The fundamental purpose of these courts is to furnish an accessible and less formal platform for individuals and small enterprises to settle disagreements, thereby obviating the necessity for protracted and expensive litigation. Transporters are strongly encouraged to leverage this avenue for resolving financial disputes not exceeding **KES. 1,000,000**, with a guaranteed judgment within 60 days following the filing of the claims.

During the enlightening two-day retreat, members received in-depth insights into the following critical areas:

- 1. **Opening a CTS Account and Filing a Claim at the Small Claims Court**: This section focused on the procedural steps involved in initiating a claim, including the requisite documentation and the process of setting up a CTS account, ensuring attendees are well-versed in the crucial initial stages of utilizing the small claims court system.
- 2. Small Claims Forms and Procedures for Filing a Case, Mention, and Hearing of an SCC Claim: Attendees were guided through the specific forms and documents needed for filing a case in a small claims court. Furthermore, the workshop elucidated the procedures associated with the mention and subsequent hearing of an SCC claim, ensuring a comprehensive understanding of the various stages involved.
- 3. *History and Objectives of the Small Claims Court in Kenya*: This segment delved into the historical context and overarching goals that underpin the establishment of small claims courts within the Kenyan legal framework. It provided attendees with valuable insights into the evolution and purpose of these specialized courts.
- 4. **The Legal Framework Governing Small Claims Courts (Establishment and Jurisdiction)**: Attendees gained a comprehensive understanding of the legal foundations upon which small claims courts in Kenya are established, including the delineation of their jurisdictional boundaries. This section clarified the legal parameters within which these courts operate.
- 5. *Execution of Judgments (Procedure for Obtaining a Decree and Warrants)*: The workshop elucidated the procedures entailed in executing judgments obtained through the small claims court, including the process for obtaining a decree and associated warrants. This area provided critical guidance on the practical steps following a successful claim.
- 6. **Practice Before the Small Claims Court:** Members were provided with practical insights and best practices for navigating the small claims court system effectively. This portion of the workshop focused on the day-to-day procedures and considerations that are pertinent to practicing before these courts.
- 7. *Appeals from Small Claims Courts: Practice and Procedure:* This section offered a comprehensive overview of the appeals process from small claims courts, encompassing the requisite practices and procedures for pursuing an appeal effectively. *Source: KTA*

# **PROPOSED AEO BENEFITS TO TRANSPORTERS BY KTA**

On October 25th, 2023, the Kenya Revenue Authority (KRA) conducted a sensitization and engagement session at the Muthu Nyali Beach Hotel & Spa in Mombasa, on the national Authorized Economic Operators (AEO) program for transporters. Mr. Newton Wang'oo, Chairman of the Kenya Transporters Association (KTA), emphasized during his introductory remarks that transporters with AEO certification currently derives no benefits holding such status. He put forth a set of quick, attainable short-term benefits that could be implemented without necessitating regulatory adjustments, a proposal that garnered consensus from KRA officers present.

#### PROPOSED IMMEDIATE ACHIEAVABLE BENEFITS

- 1. Waiver on Local Goods/Open Letter: This means that a transporter with AEO status would not need to go through the usual process of obtaining a local goods letter and an open body letter, which are typically required for transporting goods within the country. This streamlines the administrative process for AEO transporters. Alternatively, instead of the usual one-year renewal cycle, AEO transporters would have their status renewed for a period of three years.
- 2. **Removal of Restrictions on Goods in Local Goods Letters:** Normally, local goods letters specify the types of goods a transporter is allowed to carry. This benefit proposes to eliminate these restrictions for AEO transporters, allowing them to transport a wider range of goods without the need for additional approvals.
- 3. **Priority in Government Transport Tenders/Services:** Among the requirements to acquire a tender, AEO Transporters should be given priority in transport tenders and services offered by the County, National Government, Agencies, and Cooperatives.
- 4. *Waiver on Transit License Fees:* AEO transporters should not be required to pay transit fees for their trucks and trailers when transporting goods. This reduces the financial burden on AEO transporters, potentially increasing their profitability.
- 5. *Waiver on C40 License Fees:* AEO *Transporters should be exempted from C40 transport fees. Alternatively, extend the validity period to 3 years on the annual fee.*
- 6. **Recommendation to Agents/Importers:** The AEO department should serve as a marketing tool for AEO transporters. The department would provide a list of AEO transporters to agents and importers on a monthly basis, encouraging them to consider AEO transporters for their transportation needs.
- 7. Seal Shortage Provision: In the event of a shortage of seals (which are typically used to secure cargo), AEO registered transporters should be permitted to operate without RECTS seals. This ensures that AEO transporters can continue their operations even in situations where there might be a temporary shortage of necessary equipment.

Source: KTA



# NOTICE OF POSTPONEMENT OF THE KTA ANNUAL GENERAL MEETING



## Dear Esteemed Members,

It has come to the notice of the **Board of Directors** that the targeted date of the KTA Annual General Meeting on **11/11/2023** coincides with the **Diwal**i period. We were not aware of this when we proposed that date. We wish to respect our brothers and sisters celebrating Diwali, who form a significant group of our membership and wish not to interfere with their plans and celebrations.

We also felt that generally, the month of **December** may not be appropriate due to the travelling and holiday plans of most of our members. We are in discussions to propose another appropriate date in the very beginning of **2024** and will inform the members in advance so that we can have a full house AGM to elect a board to take our beloved Association to the next level.

Members interested in joining the board kindly express your interest in writing to the Secretariat.

Thank you for your understanding.

On Behalf of the Board - KTA Chairman

# ASSOCIATE MEMBERHIP

The membership is open to organizations or firms with strategic business interest in the transport sector

#### **DOCUMENTATIONS**

Copy of **PIN certificate/Tax** Compliance Certificate

Copy of **Certificate of Registration**/Incorporation

Letter of *application* seeking membership with KTA

A signed copy of the **Code of Conduct.** 

*Joining fee* KES. 100,500 *which is payable annually.* 

#### **BENEFITS**

- Strategic Branding
- Events & Networking
- Research & Insights
- Free Adverts
- Access to Members Data

BECOME A MEMBER



# Bigger capacity to serve you better

In our pursuit of modernization, we have expanded port and inland facilities to facilitate international trade. From construction of Second Container Terminal, the New Kipevu Oil Terminal (KOT), The Naivasha ICD, the Port of Lamu, Kisumu Port to the expansion of ICD Embakasi, we are focused on improving operations and reducing the cost of doing business for our customers.



# VISION

A united association of global excellence in advancing sustainable road freight services

## MISSION

To strengthen and improve transportation by serving and leading its diverse membership through advocacy, innovation and information sharing

#### **FIND US**



#### **GET IN TOUCH WITH US**

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CARGO STATISTICS COLUMN					
CONTAINER TERMINAL	(TEUS)	19 <sup>тн</sup> – 25 <sup>тн</sup>	26 <sup>TH</sup> – 1 <sup>ST</sup> Nov	Change	
Total Delivered Containers by Road (TEUS)		9660	8232	-1428	
Delivered C'ners by Road	LOCAL	4407	3146	<b>-1261</b>	
Delivered C'ners by Road	TRANSIT	5253	5086	-167	
Delivered C'ners by SGR		4682	3248	-1434	
Imports Population	LOCAL	1647	1746	99	
Breakdown	TRANSIT	4934	3791	-1143	
	Burundi	27	10	-17	
	D.R. C	384	90	-294	
	Ethiopia	0	0	0	
Transit in Yard	Rwanda	301	75	-226	
Breakdown	Somalia	8	0	-8	
	S. Sudan	272	92	-180	
	Tanzania	249	46	-203	
	Uganda	3,693	1,046	-2,647	

# **RELIEF AS STORAGE SCALES ADJUSTED BY KPA**

The Kenya Ports Authority (KPA) extended the period during which domestic importers can store their cargo for free from two days to four days. This now provides relief to importers struggling with financial constraints to clear their shipments. Additionally, the demurrage fees, which were previously applied on the seventh day, will now be charged on the 21st day. This change benefits importers and exporters whose cargo experiences delays at various port facilities in the country. The KPA has also simplified the storage charges, reducing the scales from four to two.

Domestic Import Containers				
First 4 consecutive days	Free			
Therefore, containers destined to the Domestic Market remaining in KPA's				
premises in excess of the 4-day period shall accrue storage charges in USD				
per day or part thereof as follows;				
1 <sup>st</sup> Scale (5 to 21 days)	20 ft USD 30	40 ft USD 60		
2 <sup>nd</sup> Scale (Over 21 days)	40 ft USD 90			
These adjustments took effect on September 15, 2023.Source: KPA				
European Veh	Call Office +44 (0)1427 875306 Sales call Chris on 07703 193515			

WORLDWIDE TRUCK AND TRAILER SALES



call Richard on 07921 780300

ALL TRUCKS ROAD TESTED AND CHECKED BEFORE SALE SHIPPING, CIF, INSPECTIONS AND AD-BLUE REMOVAL ARRANGED IF REQUIRED

The Kenya Transporters Association Limited (KTA) is a business association of road transporters whose broad objective is to provide a common voice to articulate business constraints facing its members, while being a united association of global excellence in advancing sustainable and competitive road freight services in Kenya, East Africa Region and beyond.