

KTA NEWSLETTER

SUSTAINABLE FUTURE FOR COMMERCIAL TRANSPORT



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Vivo Energy Kenya, organized a significant Commercial Road Transport conference in Mombasa on June 6, 2024. The theme of the conference was **“Driving the Future.”** This significant event brought together key stakeholders from the National Transport and Safety Authority (NTSA), the National Environment Management Authority (NEMA), the Kenya Transporters Association (KTA), and other critical players in the transport industry. The conference centered around discussions related to industry trends, including sustainability, emissions regulations, and road safety enhancement.

1. **Cost of Ownership:** Participants explored ways to reduce the cost of ownership in the commercial transport sector.
2. **Sustainability:** Vivo Energy Group emphasized its commitment to sustainable practices, offering a comprehensive product range that includes automotive fuels, lubricants, aviation fuels, liquefied petroleum gas (LPG), and black fuels.
3. **Road Safety:** NTSA and NEMA highlighted the importance of modernizing mobility through environmental sustainability and enhanced road safety measures.
4. **Industry Insight:** The Kenya Transporters Association Chairman **Mr. Newton Wang’oo** who graced the event, reiterated that the industry should anticipate a significant driver shortage in the near future as transporters no longer hire turnboys. This requires a need to establish a driver recruitment bureau where transporters can source for competent professional and ethical drivers. He also talked about the issue of driver fatigue on our roads due to demanding nature of their work. He also underscored the need of mandatory medical test for drivers to manage the issues of eyesight, hearing and other non-communicable diseases.

Importance of Commercial Transport: The forum served as a pivotal platform for envisioning a brighter future for the region’s commercial transport sector. This sector plays a crucial role in supporting economies and communities.

STAKEHOLDERS ENGAGEMENT ON SEALS MANAGEMENT

On June 20, 2024, the **Kenya Ports Authority (KPA)** held consultative session with key stakeholders, including the Kenya Transporters Association (KTA), at the KPA main conference room. The focus of the meeting was to address the management of **Security Electronic Cargo Tracking Seals (SEALS)** and to streamline the process for all parties involved. The Kenya Revenue Authority (KRA), informed the stakeholders that a total of **16,000** seals are available, with **1,000** seals being allocated daily for arming at the port. Additionally, the **South Sudan Revenue Authority** has procured an extra **2,000** seals, further supporting the ongoing efforts to enhance cargo security and tracking.

Challenges Highlighted

Several challenges in the management of SEALS were brought to light during the session, including:

- Adverse Weather Conditions:** Bad weather has been a significant hindrance, affecting the arming and disarming processes.
- Incomplete Documentation:** Trucks often arrive without complete documentation, causing delays.
- Lack of Sensitization:** Foreign transporters and forwarders lack sufficient knowledge about the SEALS and the export booking module.
- Seal Shortages at the Container Freight Stations (CFS):** There have been consistent shortages of seals at the CFS, impacting operations.
- System Downtime:** Delays occur whenever there is a system downtime, affecting the smooth processing of cargo.
- Staff Shortages:** There is a shortage of arming staff at the CFS, further delaying operations.
- Integrity Issues:** Concerns about integrity among transporters and customs officers were raised.
- Documentation and Booking Issues:** Trucks often lack proper documentation and bookings on the export booking module.
- Exit Note Delays:** The **Uganda Revenue Authority (URA)** has been slow in generating exit notes.
- Active Seal Cases:** Numerous active seals have been reported, complicating the tracking process.

Recommendations

To address these challenges, the following recommendations were proposed and agreed upon:

- System Notification for Arming/Disarming:** Revenue authorities should develop a system to notify transporters whenever arming or disarming of SEALS is completed.
- Coordination Among Revenue Authorities:** Enhanced coordination among the revenue authorities is essential for better management of SEALS.
- Weather Protection for Arming Officers:** KPA should provide a shed for arming officers to facilitate their work during rainy seasons.
- Sensitization Programs:** KRA should conduct sensitization programs for foreign truckers and forwarders regarding the export booking module.
- Truck Marshalling Yard:** KPA is to establish a truck marshalling yard for trucks awaiting documentation to reduce congestion and delays.
- Addressing Disarming Delays:** KRA should address the delays occurring at the disarming area at gate 23A to expedite the process.

Conclusion

The consultative session underscored the commitment of KPA and other stakeholders to enhance the management of SEALS, ensuring efficient and secure cargo handling. The implementation of these recommendations is expected to resolve existing challenges, improve coordination, and facilitate smoother operations at the port. **The Kenya Transporters Association** urges its members to stay informed and cooperate fully with the new measures to ensure their success.

HEALTH & WELLNESS



From June 25–29, 2024, **Northstar Alliance** organized a significant workshop in Machakos County, supported by **Amref Health Africa**. The objective of the workshop was to develop a comprehensive health and wellness policy focused on tuberculosis and other ailments affecting the transport sector. **The Kenya Transporters Association (KTA)** Secretariat, along with some of its members, actively participated in the workshop and contributed to the formulation of the policy guidelines.

During the workshop, KTA emphasized the substantial health risks faced by drivers due to prolonged periods on the road, leading to fatigue. Fatigue is a critical health concern as it can contribute to high blood pressure, elevated blood sugar levels, and diabetes. Over time, these conditions can escalate into severe health problems, such as organ failure and mental health issues. The transport sector's work environment is inherently challenging, characterized by long hours, irregular sleep patterns, and the constant stress of meeting tight deadlines. These factors collectively create a conducive environment for health issues to develop and persist among drivers.

Tuberculosis (TB) is a particularly significant concern within the transport sector. Some drivers often work in confined spaces, share accommodations, and have limited access to healthcare, which increases the risk of TB transmission. The primary goal of the workshop was to develop an Integrated Health and Wellness Policy that addresses prevention and care, ensuring that drivers receive the necessary support and medical attention.

Thematic Areas Covered by the Policy Guidelines

- ❖ **Tuberculosis:** Implementing measures to prevent and manage TB among drivers.
- ❖ **Eyesight Screening:** Ensuring drivers' visual health through regular screenings.
- ❖ **Lifestyle Diseases:** Promoting healthy habits and awareness.
- ❖ **HIV:** Addressing HIV prevention, testing, and support.
- ❖ **Drug and Alcohol Abuse:** Encouraging responsible behavior.
- ❖ **Mental Disorders:** Providing resources for mental well-being.

The **partnership** between the Kenya Transporters Association and Northstar Alliance dates back to 2013 under **Project Balozi**, which aimed at raising awareness about HIV prevention. **The Star Driver Program** highlighted the usage and importance of **Northstar Alliance Blue Box Clinics/Roadside Wellness Centres** along the Northern Corridor. The collaboration has been instrumental in addressing health concerns in the transport sector, and the recent workshop represents another step forward in promoting the well-being of drivers. Through these efforts, we aim to create a safer and healthier work environment for all members of the transport community.

PROCEDURE FOR LOADING A BARCODE (IMPORT)

1. **Queue at Entrance:** Clearing agent prints a barcode (container number, validity date, trucker code) and gives it to the driver. Driver joins the entrance queue at gate A or B.
2. **Compliance Checks:** KPA Security officer confirms driver details and truck roadworthiness before entering the ramp.
3. **Scan Barcode:** Driver reaches the ramp gate, scans the barcode using a reader accessible from the truck, and obtains a loading slip/position slip.
4. **Loading Slip Details:** The loading slip show truck number, container number, visiting time and yard location of the container to be loaded.
5. **Temporary Location:** If the slip indicates a temporary (TEMP) location, the driver informs the clearing agent (C/A) clerk to enquire about the container location from B-Smart.
6. **Container Location Confirmation:** If the container has a tracking gadget, B-Smart staff advises its location (90% of containers have tracking gadgets).
7. **Manual Check:** If no tracking gadget is present, the C/A or transporter clerk checks the yard manually. If the container is not found, the issue is escalated to the KPA shift manager/supervisor. Note: Drivers should avoid entering if status is TEMP, as the container may still be on a wagon.
8. **Proceed to Loading Zone:** Once the container's location is confirmed, the driver proceeds to the loading zone.
9. **Present Loading Slip:** At the loading zone, the driver presents the slip to the loading clerk. The trucker confirms container details, seals, and physical state. Discrepancies are resolved with the C/A. After verification, the truck is loaded.
10. **Scan Truck:** The truck proceeds to the scanning area, passes through the scanner slowly, and the driver submits the loading clip for KPA security recording and clearance.
11. **Exit Queue:** After recording and KRA clearance, the truck joins the exit queue. At the exit ramp, the i-Gate validates details and prints a serialized Exit Slip. KRA officer and KPA security verify the slips, and the truck is allowed to exit.

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TRANSPORT SECTOR REACTS TO PROPOSED FUEL LEVY INCREASE



The Ministry of Roads invited public feedback on its proposal to revise the existing levy, set at Ksh18 per litre of petrol and diesel since 2016, in favor of a higher rate. The public participation exercise is scheduled to commence on July 8, 2024. The Road Maintenance Levy, imposed on all petroleum fuels imported for domestic use, is allocated to the Road Maintenance Levy Fund, which supports the repair and maintenance of roads under the Kenya Roads Board.

Below are some key concerns raised by members of the Kenya Transporters Association regarding the proposed increase in the road maintenance levy:

- Higher Operating Costs:** Transporters will face increased fuel costs due to the higher levy, directly raising operating expenses and potentially reducing profit margins. This could create an unsustainable business environment, as these increased costs may not be transferable to clients due to existing contractual agreements. Smaller transport operators, particularly those with limited financial reserves, may struggle to absorb the sudden cost increase. This could strain their cash flow and financial stability, leading to higher financing costs.
- Impact on Profitability:** Given that fuel is a significant cost component for transport businesses, the increased levy will lead to reduced profitability unless the additional costs can be passed on to customers, which is not guaranteed. Reduced profitability could result in lower income tax revenues for the government.
- Competitiveness:** Kenyan transporters may become less competitive compared to their counterparts in neighboring countries if fuel costs rise significantly. This could negatively impact cross-border trade and logistics services.
- Cross-border fueling:** Kenyan and regional transporters may opt to refuel in neighboring countries where fuel is cheaper. This would reduce the demand for Kenyan fuel, negatively affecting local oil companies and undermining the revenue projections from the increased levy.
- Commodity Prices:** Increased transportation costs could ripple through the economy, raising commodity prices. Consumers may face higher prices for goods, suppressing demand and affecting the manufacturing sector. Additionally, the cost of other inputs such as spare parts, lubricants, and tires will rise due to higher transportation costs, further driving up operational expenses.
- Electricity Costs:** Transporters relying on diesel generators for electricity generation (e.g., cold storage facilities, warehouses) will also experience higher operational costs.
- Investment Decision:** The proposed levy may discourage investment in the transport sector, hindering the growth and modernization of transport businesses in Kenya.

The Kenya Transporters Association encourages all stakeholders to participate in the upcoming public participation exercise to ensure that their concerns and suggestions are considered in the decision-making process.

PROCEDURE OF GATING WITH EMPTY CONTAINER AND LOADING IMPORTS

1. **Queue at Entrance:** After driver has been notified that the empty container is ready for drop off and import container barcode is ready as well, he goes to join entrance queue either gate A OR B for loading import and empty drop off.
2. **At the gate:** When he reaches the gate at the ramp there is a barcode reader which he can reach while seated on his truck.
3. **Scan Barcode:** The i-Gate will validate empty container details and prints position slip. iGATE will display instruction if truck has any import loading process. Driver will confirm 'Yes' and scan barcode.
4. **Notify Control Room:** The barcode reader Gate Kiosk has also a telecom facility, which the driver can use to notify the control room that he's getting in with the both empty container and going to load a barcode as well.
5. The control room will give the driver go a head to scan barcode this is after checking the empty containers is ok for drop off.
6. **Slip Details:** The position/loading slip will show empty container number, import container number to be loaded, its location, truck number and visiting time.
7. **Offload Empty Container:** The truck proceeds to offloading empty container at the railside.
8. **Proceed to Loading Zone:** After offloading empty container, the truck proceeds to the loading zone where import container is stacked.
9. **Loading:** The truck is loaded with the designated container.
10. **Scan Truck:** After loading, the truck proceeds to scanning. Driver is to pass through the scanner with caution and slow speed
11. **Exit Queue:** After scanning, the truck proceeds to exit queue. At the exit ramp (Kiosk) the I-Gate validates truck number, container details and prints out a serialized Exit Slips both import loaded and empty that was dropped off - truck driver takes slips and the barrier opens. After the agent agent has recorded with KPA Security and clear with KRA , the truck proceeds to exit ramp

ASSOCIATE MEMBERSHIP

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.

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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

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KTA_Kenya



Kenya Transporters Association Ltd



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CARGO STATISTICS COLUMN

| CONTAINER TERMINAL (JUN 2024) | | 20 th – 26 th | 13 th – 19 th | Change |
|--|----------------|-------------------------------------|-------------------------------------|--------|
| Total Number of Ships | | 17 | 17 | 0 |
| Total Delivered Containers by Road (TEU'S) | | 9478 | 8910 | 568 |
| Delivered C'ners by Road | LOCAL | 4064 | 3418 | 646 |
| Delivered C'ners by Road | TRANSIT | 5594 | 5488 | 106 |
| Delivered C'ners by SGR | | 3580 | 3218 | 362 |
| Imports Population Breakdown | LOCAL | 1691 | 1699 | -8 |
| | TRANSIT | 5578 | 5559 | 19 |
| Transit in Yard Breakdown | Burundi | 71 | 89 | -18 |
| | D.R. Congo | 431 | 326 | 105 |
| | Ethiopia | 14 | 24 | -10 |
| | Rwanda | 875 | 820 | 55 |
| | Somalia | 0 | 82 | -82 |
| | S. Sudan | 192 | 241 | -49 |
| | Tanzania | 388 | 377 | 11 |
| Uganda | | 3607 | 3600 | 7 |
| Deliveries to CFSS | Consolbase | 326 | 284 | 42 |
| | Msa C.T | 116 | 121 | -5 |
| | Compact | 367 | 345 | 22 |
| | Interpel | 157 | 246 | -89 |
| | Mitchell Cotts | 156 | 144 | 12 |
| | Awanad | 147 | 175 | -28 |
| | Portside | 129 | 167 | -38 |
| | Focus | 191 | 214 | -23 |
| | MICT | 162 | 147 | 15 |
| | Makupa Yard | 51 | 65 | -14 |
| | MICD | 161 | 151 | 10 |
| | Autoport | 352 | 237 | 115 |
| | Regional | 197 | 278 | -81 |
| | Greatlakes | 0 | 0 | 0 |
| Siginon | 48 | 113 | -65 | |
| Boss Freight | | 112 | 67 | 45 |

Source: KPA



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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.