

Shippers Council of Eastern Africa



COVID-19 AND MARITIME TRANSPORT: DISRUPTION AND RESILIENCE IN AFRICA

Presentation by: Mr. Gilbert Langat
CEO, Shippers Council of Eastern Africa



The Voice of Cargo Owners for all Modes of Cargo Movement



- **IMPACT OF COVID 19 ON
NORTHERN CORRIDOR
AND EAC MARITIME
TRADE LOGISTICS**

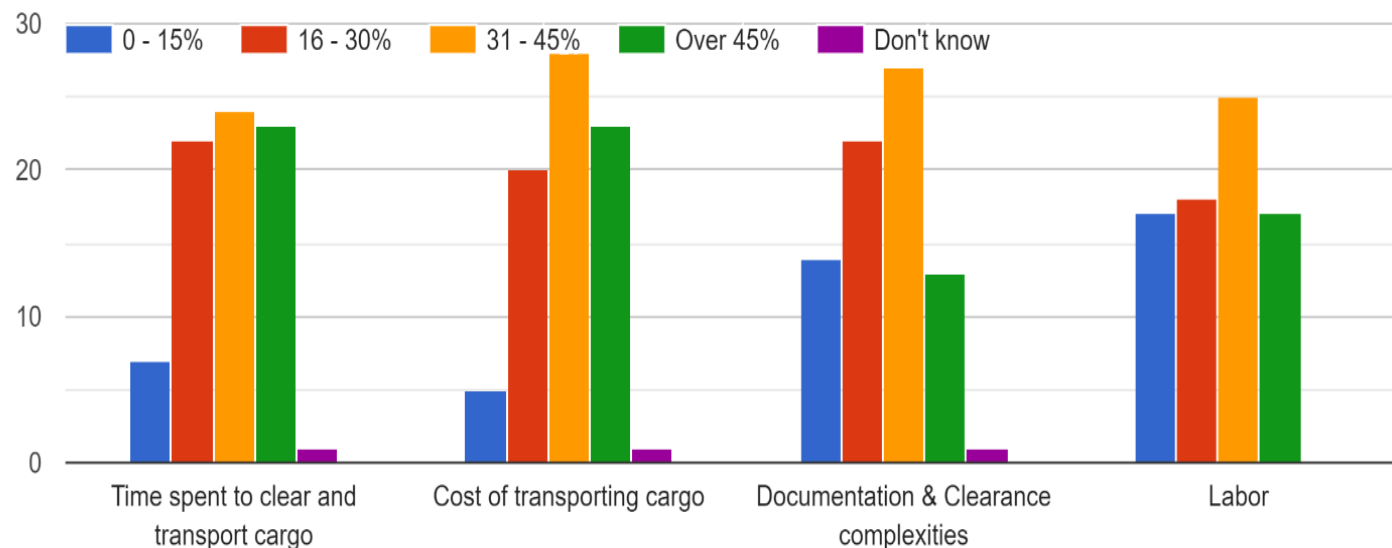
Ship turnaround and
Cargo Throughput

Port and Cargo dwell
time

Truck and Train
turnaround time

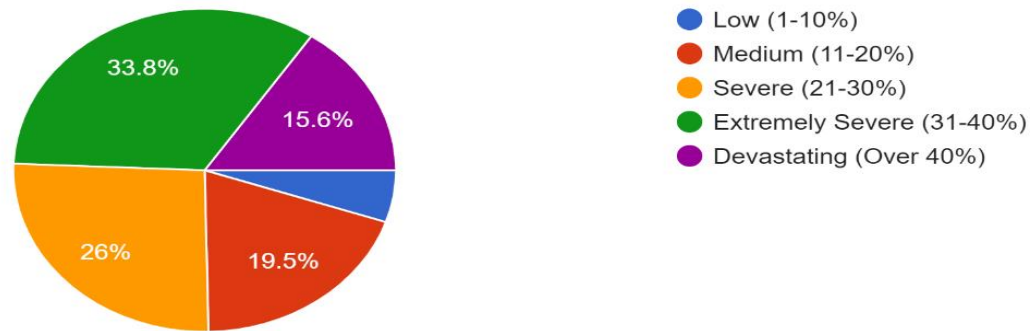
Corridor and Boarder
crossing

IMPACT OF CONTAINMENT MEASURES



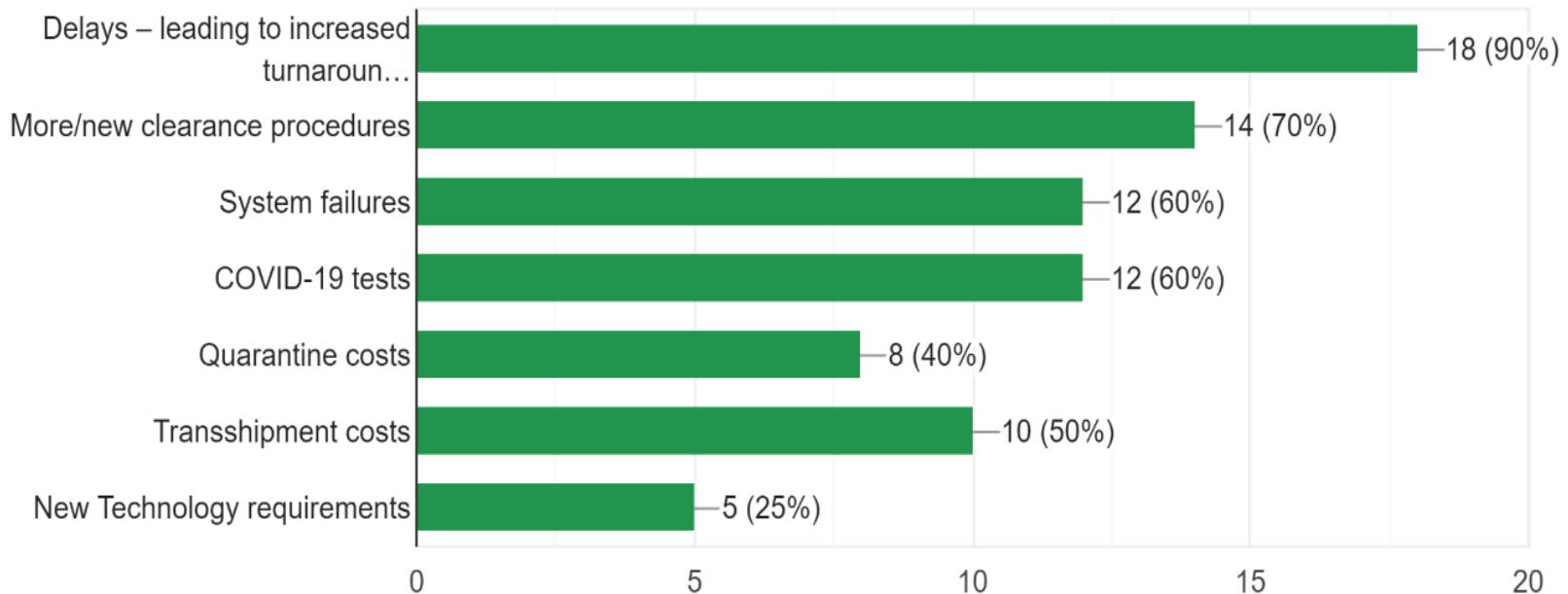
The COVID-19 containment measures had increased the time, cost, documentation and labor costs. 62% of transport and logistics players estimated that clearance time had increased by more than 30% and more while 67% estimated that the cost of transport had increased by more than 30%.

IMPACT OF COVID 19 ON TRANSPORT AND LOGISTICS BUSINESS IN EAC



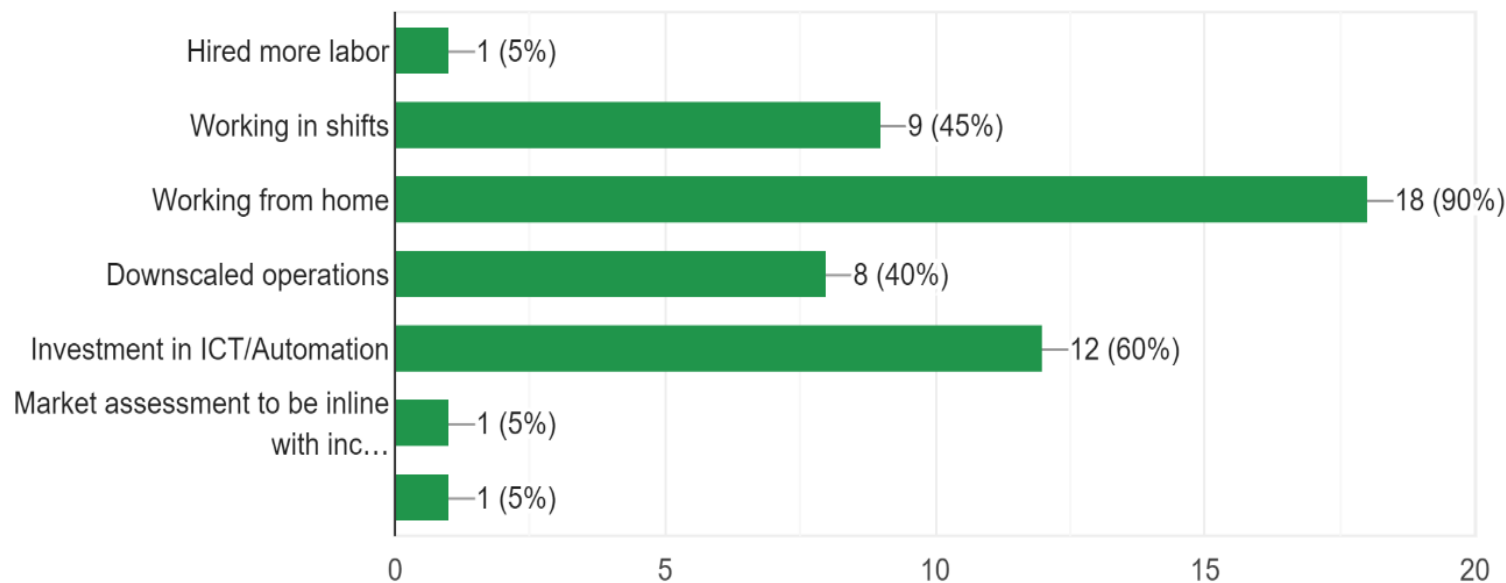
More than 75% of the transport and logistics businesses in East Africa were significantly affected by the COVID-19 pandemic.

SECTOR PERFORMANCE



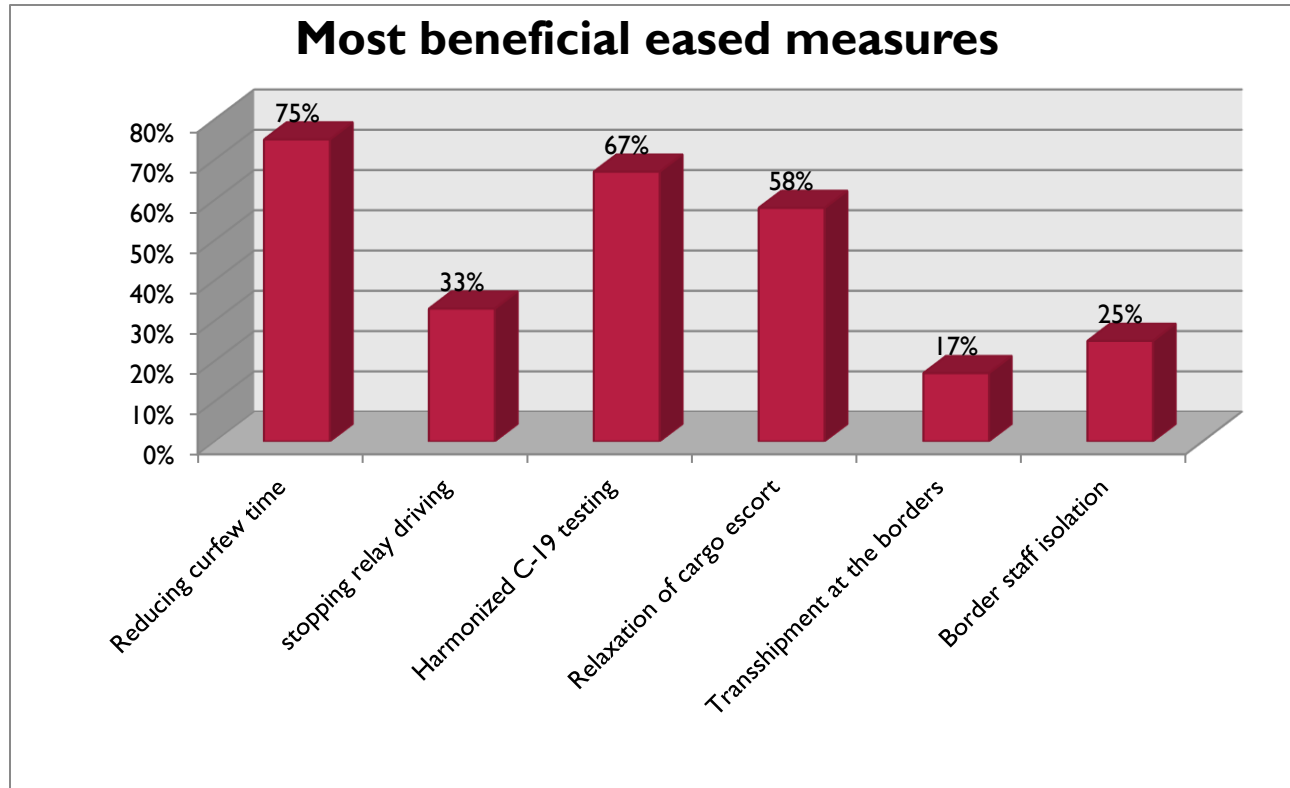
The sector experienced 90% delays leading to increasing turnaround time, 70% more and new clearance procedures, 60% issues on system failures and 60% covid-19 test related challenges.

OPERATIONAL CHALLENGES ON LOGISTICS



Nearly all transport and logistics business (98.7%) made changes to their operations to mitigate the impact of covid-19. About 45% started working in shifts, 90% starting working from home, 40% downscaled operations while 60% increased investment in technology.

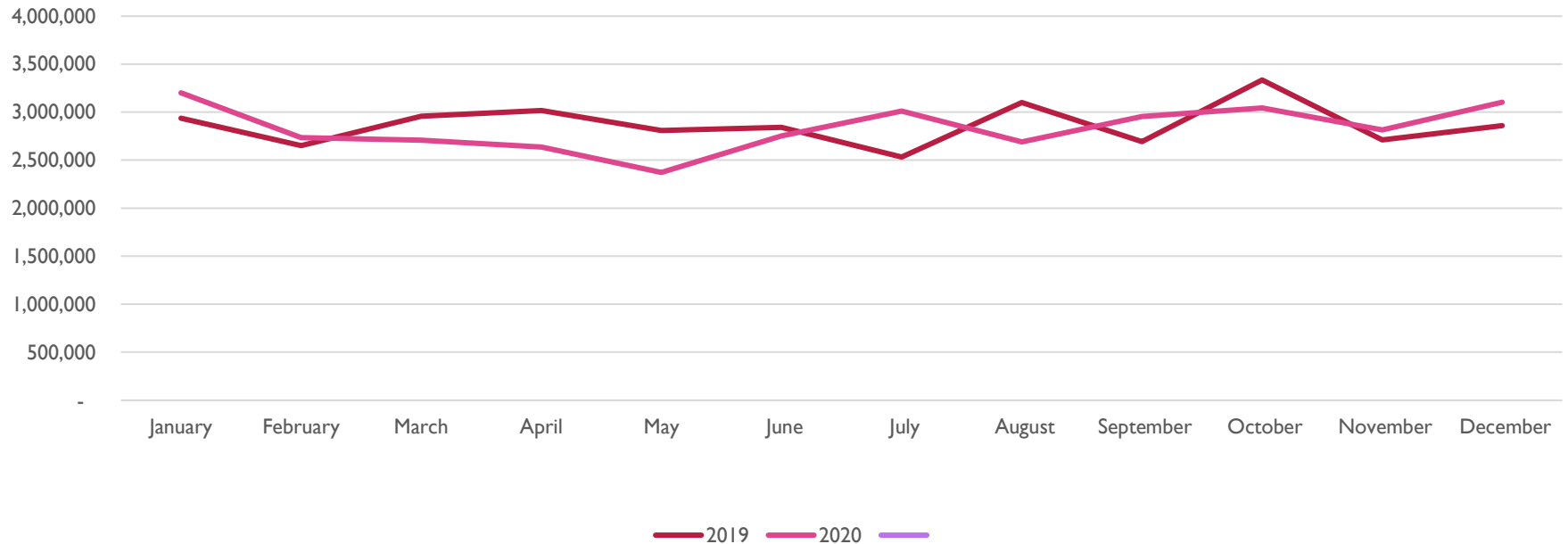
CONTAINMENT MEASURES



Reducing curfew time was considered to be the most beneficial of the eased containment measures rated at 75%, followed by harmonized testing (67%) and relaxation of cargo escort (58%)

IMPACT ON PORT THROUGHPUT

Trend (2019, 2020): Cargo Throughput (MT)



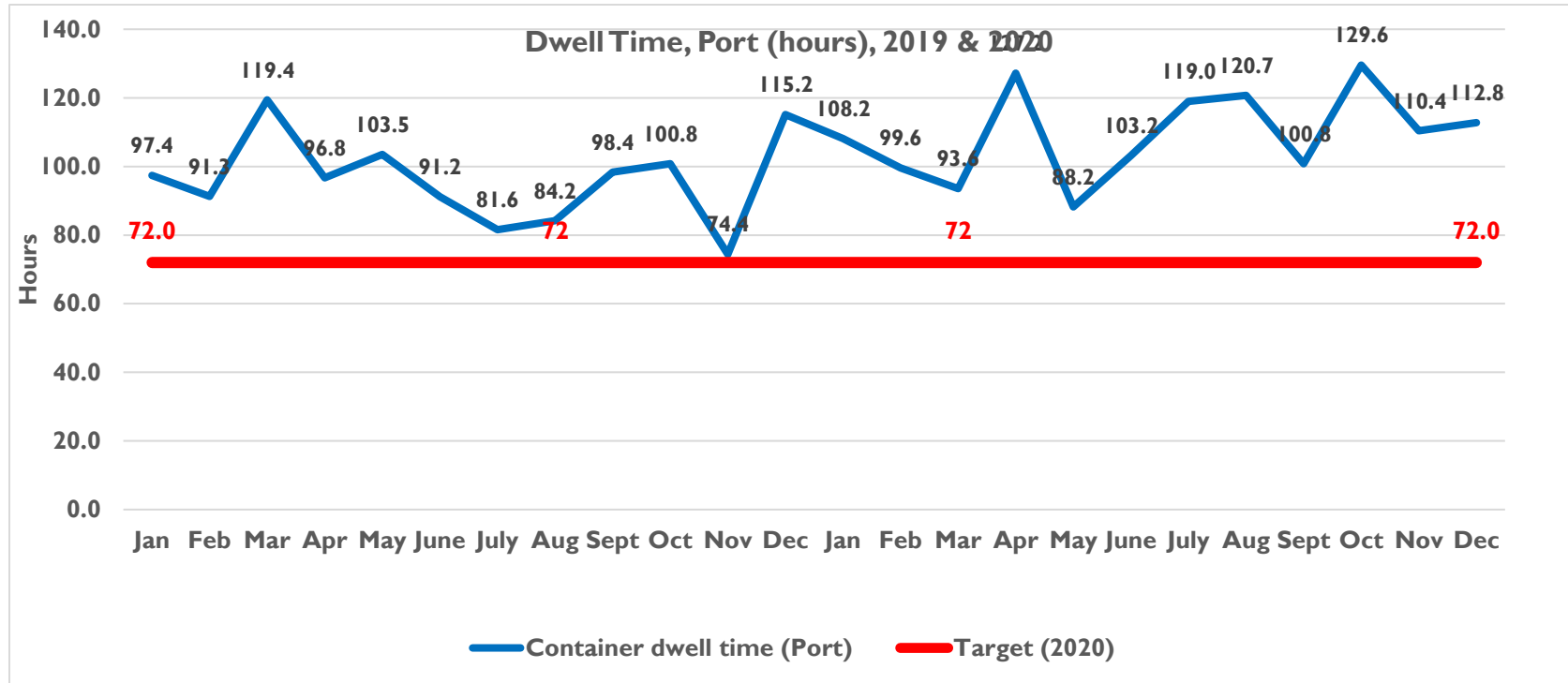
Due to the COVID-19 pandemic challenges, the port throughput handled through the port of Mombasa for 2020 was slightly below the performance achieved in 2019. The effects were most felt in March to June 2020, due to disruption in logistic supply chain caused by lock downs, withdraw of labour, restrictions of vessels movements, new and revised cargo clearing process and other measures adopted to protect against the Coronal Virus pandemic.

PORT THROUGHPUT

The Port of Mombasa was projected to handle 35.9 million tons in total throughput and 1.49 million TEUs in container traffic in 2020. The Port registered a through put of 34million tons and 1.358 million TeUs which was 4.3% lower than the previous year.

China was seen as the epicenter of the COVID-19 and it being among the top trading partners contributing a 29.2% of the full import containers or 9.9% of the total cargo throughput handled in the port as per 2019 Port Statistics, the impact on the traffic and revenue was immediately felt. The big container liners from China like Evergreen and COSCO line and several bulk carriers cancelled their normal calls in the first quarter due to the virus.

CARGO DWELL TIME



The pandemic worsened the dwell time. Due to compounded factor of cargo owners' documentation and delivery delays as a result of the COVID-19 pandemic challenges.

IMPACT ON COSTS THROUGH THE MARITIME CORRIDOR

	Pre COVID rates	Current rates (March-June)	Pre COVID average transit time	Current average transit time (March-June)	Extra costs @ USD 200 per day
Mombasa – Kampala	2100	2500	2-4	7-9	\$1000
Mombasa – Kigali	3400	3800	7-8	14-16	\$1400
Mombasa – South Sudan	3600	4500	9-10	21- 26	\$2800
Mombasa – Bujumbura			9 - 10	19-20	\$2000
Mombasa – DRC	5000	6000	20-21	30-45	\$3400
Nairobi- Zambia	6000	7000	10-12	30-32	\$4000

There was a general increase in truck turnaround time for Mombasa-Kampala from 2-4 days to arrange of 7-9 days which resulted to an increase in transport rates from \$ 2,100 to \$ 2,500 and a varied extra driver and or delay cost of either \$100-\$200 per day.

OPERATIONAL & POLICY MEASURES TO MAKE COVID-19 AND FUTURE PANDEMIC RESPONSIVENESS

- Development of IT infrastructure in the EAC region through integration and automation and upgrading systems from receiving on-line submissions to complete digitization.
- Infrastructure expansion and creating of holding bays at the OSBPs for truck drivers without a valid COVID-19 to proceed for their tests while those drivers with valid negative COVID-19 certificates are exempted and excused of the long queues.
- Integrated border management also includes a platform to articulate their needs for better coordination of the border
- Trade policy harmonization both regionally, at county level and at the national government level to help keep cross border traders in business
- Support regional and national efforts to ensure a fully professional logistics industry including setting regional standards and putting in places structures and mechanisms to ensure they are adopted by all industry players.
- Development of a joint approach in dealing Pandemics in all EAC countries through harmonization of testing processes and procedures as well joint and covid-19 certificate recognition & validation among partner states.
- Enhance partnership and cooperation amongst the Ministries of Health in the EAC, port heaths at the OSBPs to work together. Increase inter-connectedness of the different modes of transport both railway and roads which strongly depend on the efficiency of each other

POLICY MEASURES CONT.

- Regional set up of testing facilities providing enough reagents to accommodate the number of drivers going for testing and ease the delays occasioned by testing
- Need for harmonization of the intervention (free period extension for imports and containers) by the various government agencies at the ports
- Promote Public Private Partnerships.
- Policy framework for Pandemic management in the EAC with common containment measures
- Rail and road freight rates need to be competitive
- Need to develop inter-agencies policies to take cognizance of emergencies and inter-government relations during a pandemic
- establish a National Disaster/Pandemic Framework. Need to Establish a region disaster or Pandemic framework including setting up a regional Fund to facilitate a region response whenever such pandemics emerge.

Shippers
Council of
Eastern
Africa



*Shippers Council of Eastern Africa
Inland Container Depot Nairobi (ICDN), off Mombasa
Road, (KPA)*

Telephone: +254 708 299 175

*info@shipperscouncilea.org
communication@shipperscouncilea.org*