

16TH INTERMODAL AFRICA 2016 EXHIBITION AND CONFERENCE

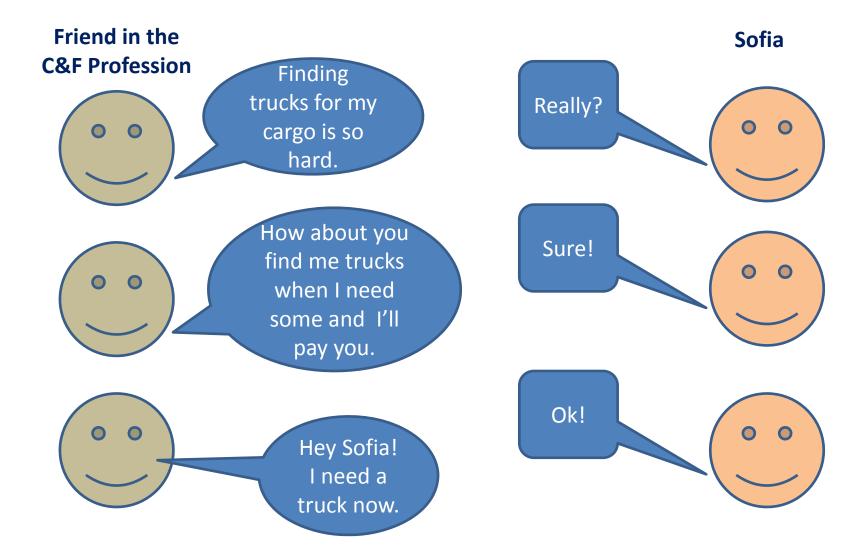
AN INCLUSIVE AND INNOVATIVE APPROACH TO EFFICIENCY AND COST REDUCTION IN ROAD TRANSPORT

A ROLE FOR GOVERNMENT AND PRIVATE SECTOR

18TH NOVEMBER 2016 MOMBASA, KENYA

PRESENTATION BY: WANJA GETAMBU-KIRAGU DIRECTOR - OPERATIONS

THE BEGINNING....



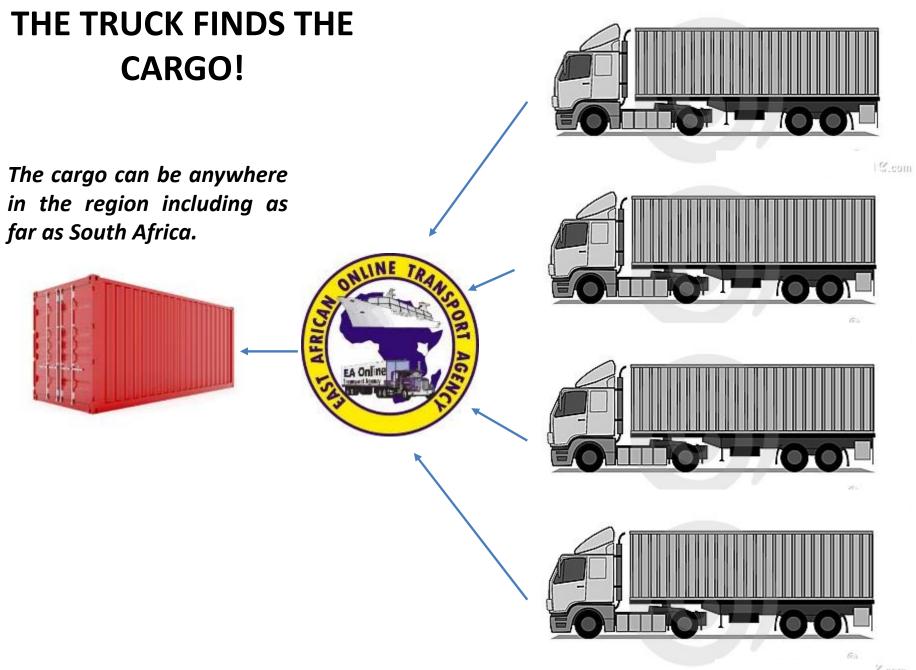


THERE MUST BE AN EASIER WAY !!

www.eaotransport.com

 East African Online Transport Agency Ltd facilitates movement of cargo in the region by providing cargo owners/agents access to AVAILABLE transport
 where they need it
 when they need it.





ACHIEVEMENTS TO DATE....

- ✓ 580 trucks on the platform including Kenyan, Rwandese, Ugandan, Tanzanian and Burundian trucks.
- ✓ Linkage of empty return trucks to back haul.
- ✓ Achieved rate reduction for a client from USD 3950 in 2014 to USD 3150 in November, 2016.
- ✓ Increased turnover by over 500% between 2015 and November 2016.

COST OF TRANSPORT

- World bank reports transportation in East Africa as a significant portion of the cost of goods.
- In Kenya, as high as 40% of the cost of goods.
- In the hinterland countries, as high as 70% of the cost of goods.

 40%

 TRANSPORT COST
 OTHER COSTS (RAW MATERIALS, LABOUR, FIXED COSTS)

COST OF GOODS IN KENYA

CURRENT CHALLENGES

CARGO ARRIVES

Pre-clearance on course but not fully actualized.

Slow communication on systems affecting speed of clearance and cargo evacuation.

Transit goods clearance inefficient (time consuming and costly i.e. transit bonds).

LOAD THE TRUCK

Truck turnaround time at the Port is significantly long at an average of 6 hours.

TRANSPORT CARGO

Truck release from Port is slow with multiple agencies involved. Customs clearance at border points very time consuming taking as long as 5 days.

OFFLOAD THE TRUCK

Shipper is ill equipped on offloading equipment slowing the offloading process.

Shipper has no space to offload truck as order was made anticipating delays in delivery.

ACHIEVING REGIONAL COMPETITIVENESS REDUCED COSTS, INCREASED REVENUE!

Port Authorities

 Minimize need for space by the Port by immediately transiting transit goods.
 (less congestion, less need for expensive space).

Revenue Authorities

- Minimize loss of revenue by reducing risk of transit cargo diverting to local market.
- Support for an AEO accredited transport chain.

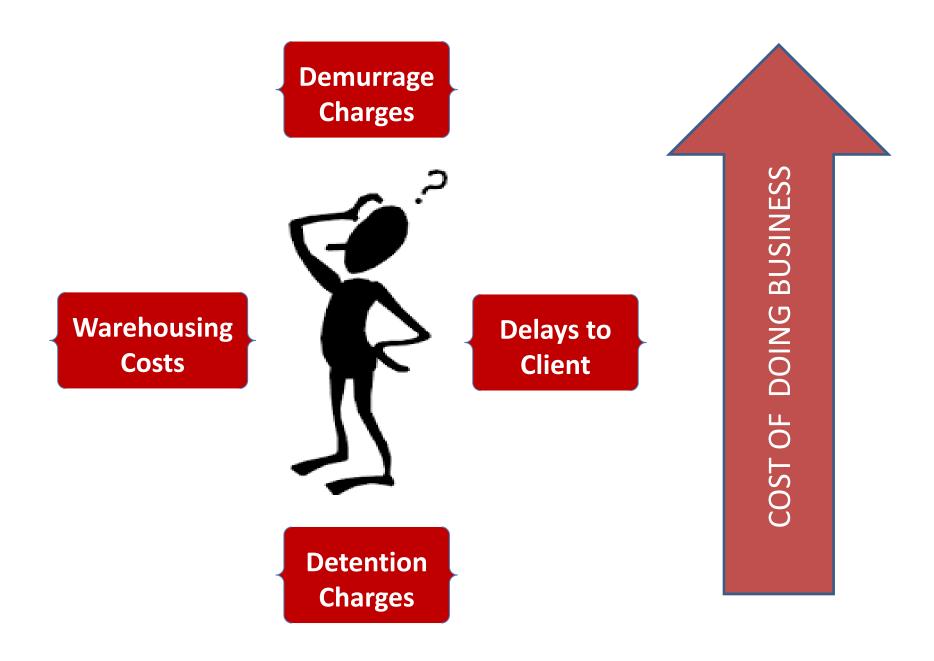
Importers & Exporters

 Eliminate unnecessary costs e.g. demurrage, warehousing costs etc. (due to goods being ordered before they are required).

Transporters

 Reduce transport costs by eliminating NTBs (loading delays -border delays and offloading delays).

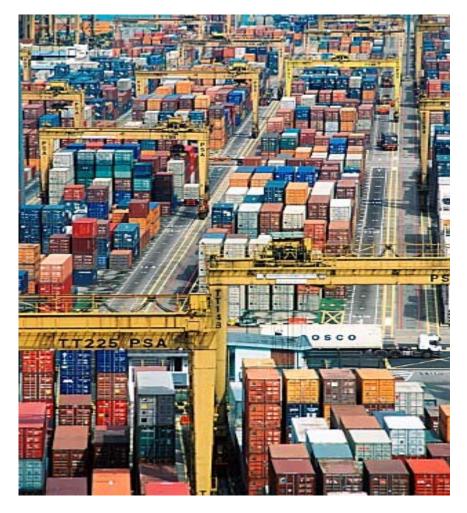
EFFICIENCY AND PREDICTABILITY ARE IMPORTANT!



PORT

- Larger ships, lower unit cost
- Efficient layout and infrastructure for <u>faster evacuation</u>

(truck holding areas), loading efficiency.



Synergy is key!

REVENUE AUTHORITY

- Pre-Clearance.
- Effective utilization of carnets e.g. TIR carnet.
- Minimal essential checks at border points.

RAIL

 Proper coordination and partnership with road transport for timeliness and cost savings on the last mile.

SHIPPING LINES

- Provide manifests in good time for preclearance to succeed.
- Encourage efficiency in nominated container return depots.

C&F AGENTS

- Engage professional staff esp. port clerks.
- Procure trucks innovatively.

Synergy is key !



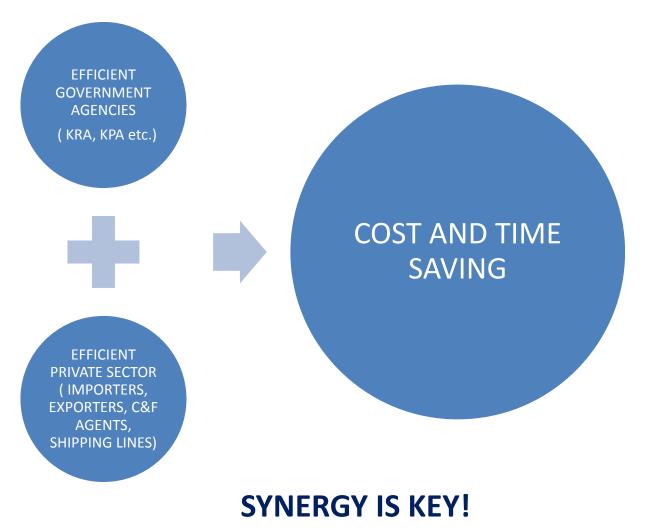
SHIPPERS

- Provide documentation and customs duty in good time.
- Adopt efficient offloading methods.





THE WHOLE IS GREATER THAN THE SUM OF ITS PARTS.





OUR COMMITMENT

- <u>Timely evacuation of cargo</u> from Ports, CFS, ICDs (including thereby reducing delays to clients, exposure to detention charges and need for warehousing.
- Support transporters in reducing truck idle time and increasing revenue by providing access to onward loads and <u>increasing</u> <u>access to return loads</u>.
- Support Ports in <u>reducing truck turnaround time</u> by identifying and resolving areas of inefficiency within the port.
- Partner with KRA and other revenue authorities to <u>promote</u> <u>revenue protection</u> while ensuring fast and efficient evacuation of transit goods through tools such as the TIR carnet.



Register as a Port, Shipping line, CFS, C&F Agent or Transporter on:

www.eaotransport.com



Sofia Getambu CEO <u>sofia.getambu@eaotransport.com</u> Wanja Kiragu Operations Director <u>wanja.kiragu@eaotransport.com</u>