

NEW FACILITY

Motor vehicles, livestock targeted for Lamu Port

The facility received its first ship on Thursday

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In Summary

- Government keen to have all car imports, exports handled at the new facility with plans of making Lamu a motor vehicle hub.
- KPA also targeting livestock and transhipment cargo.

Motor vehicle imports into the country and the region could soon be diverted to the Lamu Port, which became operational yesterday.

This will be backed with a major car bazar near the port, a move that will shift motor vehicle handling and some local purchases from Mombasa to Lamu.

Kenya Ports Authority (KPA) is also targeting livestock exports and transshipment cargo at the new facility

The port received its maiden call (first vessel) yesterday, where two ships docked at the three-berth facility.

Transshipment is the movement of goods or containers to an intermediate destination, then to another destination, with among reasons being to change the means of transport during the journey, known as transloading.

This mainly involves offloading of cargo from larger vessels, which cannot call at small ports, which are then loaded to feeder vessels for shipment to final destinations.

Handling of transshipment cargo also sets the stage for competition with the Port of Durban, the largest and busiest shipping terminal in sub-Saharan Africa which has been enjoying huge transshipment business.

Lamu Port has a bigger vessel handling capacity than Mombasa, according to acting managing director Rashid Salim.

Its berths are 400 metres long compared to Mombasa's 300 meters average while the depth at Lamu is up to minus 17.5 meters against 15 meters at the Port of Mombasa.

The port has the capacity to handle ships with a carrying capacity of up to 12,000 TEUs, compared to the 8,000 to 10,000 TEUs carrying capacity vessels that are calling at the Port of Mombasa.

“With that, we can take post-panamax ships or bigger ships which means bigger volumes of cargo coming in and out,” Salim noted.

According to KPA's Captain Geoffrey Namadoa, Lamu has the capacity to handle the likes of giant cargo vessel– Ever Given that got stuck and blocked the Suez Canal in March.

The facility will also be ideal for the handling of car-carrying vessels, also known as 'RoRo', according to KPA, with insiders hinting the country could turn Lamu Port into the import and export point for all vehicles, with a yard for the trading of units.

Kenya imports between 7,000 and 12,000 used cars a month mainly from Japan (80 per cent), with other markets being United Kingdom, United Arab Emirates, Singapore and South Africa.

Neighbouring Uganda and other landlocked countries in the region also import units through Mombasa.

The government has constructed the first three berths of the planned 23-berth Lamu Port at a cost of about Sh40 billion.

The facility is part of the wider Sh2.5 trillion Lamu Port-Southern Sudan-Ethiopia Transport Corridor (Lapsset) project launched in 2012 during former President Mwai Kibaki's regime.

It is expected to create a new trading corridor, mainly connecting Kenya to Ethiopia and South Sudan.

“We want to be able to trade with the south of Ethiopia, northern Kenya and the hinterland. We expect a trade boom as the port becomes operational,” Salim said.

The Kenya Transport and Logistics Network (KTLN), which oversees interconnection of the country's rail, pipeline, and ports operations, is expected to lead a delegation to Ethiopia to woo traders the country into using Lamu Port.

About 80 per cent of Ethiopia's trade is currently through the Djibouti and Eritrea ports, with Kenya eyeing mainly the Southern part of the 114.9 million populated country.

Meanwhile, KPA and KRA yesterday announced promotional tariffs and reduced taxation of up to 30 days free storage period for cargo and motor vehicles.

There are discounts of up to 50 per cent on port charges for shipping lines calling at the new port, where loading or discharging of motor vehicles shall be offered a 40 per cent discount on the KPA tariffs.

204-metre long Mv CAP Carmel with general cargo from the Port of Dar es Salaam was the first vessel to dock at the new port, on its way to Salalah in Oman.

Mv Seago Bremen Haven loaded with avocado from Mombasa was the second vessel though it never offloaded any cargo, but was used as part of testing vessel navigation at the channel.