BUSINESS DAILY

New imports tool to cut clearance time by 60pc

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SUMMARY

- The iCMS sea module which will replace the Simba system — that the Kenya Revenue Authority has been using for over a decade now to clear goods — is projected to reduce cargo clearance time by more than 60 percent at the Port of Mombasa.
- Importers will be required to use the new system to clear cargo before arrival at the port to increase efficiency and boost revenue collection.
- The user technicalities which had been flagged, have already been addressed and most players trained on how to deal with issues that may emerge with KRA providing hotlines to support those in difficulties.

Key government agencies are rushing to finalise their systems to meet the November 30 deadline for full implementation of the Integrated Custom Management System (iCMS).

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The project is meant to decongest the ports as well as speed up delivery of goods to various destinations.

The system further enables tracking of cargo in real-time from the port to their final destination.

Cases of cargo diversion, which cause massive losses to traders and the Kenya Revenue Authority (KRA) are expected to be a thing of the past after December 2020 once the system is fully operational.

Customs revenues are also expected to go higher as instances of under-declaration and mis-declaration of cargo will reduce significantly.

KenTrade chief executive officer Amos Wangora told Shipping and Logistics that all systems will shift fully by the end of this month after successful piloting of the new system, where a number of vessels have been cleared prior to their arrival at the Port of Mombasa.

"Integration between the Kenya TradeNet and KRAs iCMS is almost complete and we hope to go fully by December 1 and all necessary measures have been put in place for a complete rollout," Mr Wangora said in a recent interview.

The system which has been in piloting stage since August 3, 2019 will be fully rolled out in the next few days in line with the World Trade Organization's (WTO) requirement for the simplification and harmonisation of international trade procedures.

The adoption of iCMS is being implemented in phases where the clearance module for air cargo went live on May 10, 2019 and it has already proved a success.

41 VESSELS

Express Shipping Logistics (ESL) which handles over 2.5 million metric tonnes of dry bulk cargo in East Africa and which was considered for piloting by its virtue of it being a market leader in provision of integrated shipping and logistics services, noted significant increase in revenue collection in vessels cleared using the system.

Since piloting of the system began for land and sea cargo module system, more than 41 vessels have been cleared before arrival at the Port of Mombasa giving confidence to players in the logistics sector who have termed it a game changer.

"At first we had challenges but KRA came in to address user difficulties. I think we are ready to go now," said Abdi Awale, one of the importers.

"I have benefitted since I have cleared a number of consignment using the system and it is good, but the implementers should be cautious not to jam it once everyone move to the system."

Once successfully rolled out, the iCMS will have 43 modules which are used in the management of cargo and people such as clearance, manifests, risk management, bond management, exemptions and warehousing.