



KENYA TRANSPORTERS ASSOCIATION

A united association of global excellence in advancing sustainable and competitive road freight services

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Ref: 321/FEB/22

KPA AND KRA SYSTEMS/POLICY MISALIGNMENTS ARE FLEEING TRANSPORTERS AND COMPELLING THEM TO BRIBE.

KPA Managing Director.

KRA Commissioner General.

President of Kenya.

The Kenya government has on various forums and policy papers stated its core objective to facilitate trade, remove trade barriers and eradicate unnecessary costs.

KRA has also been clear on its stated objective of trade facilitation among its other objectives.

KPA has a duty to operate efficiently and sustainably to assist in achieving above stated government objectives.

What is currently happening is contrary to the above.

Importers, transporters and agents are being fleeced by these two institutions by simply having unworkable, inefficient rules, inefficient staff, regulations and miscommunication the result of which the business community is the victim.

KRA has insisted that all cargo under customs control must be tagged with Regional Electronic Cargo Tracking Seals (RECTS) that are exclusively owned and operated by KRA.

These seals are not enough. As a result there are daily crippling shortages of seals at all loading and border points, loaded trucks have to wait for these seals for a period ranging from 6 hours to 24 hours to be available before tagging to exit. KTA and the business community have raised this issue officially in writing and in various stakeholders meetings. A truck loaded with goods under customs control cannot exit KPA without being tagged with the seal.

KPA imposes overnight charges if trucks do not exit before midnight irrespective of the reasons for not exiting.

The process of applying for waivers on overnight charges is long, tedious and in fact causes more delay. The agent/transporter is judged as the offender and we are at the mercy of KPA/KRA officers and procedures for which we have to keep begging them to work faster. In cases where waiver is granted, it is almost made to seem like a favour while the delay is not the fault of the transporter.

The result is a compounded shortage of seals, threats of being imposed with overnight charges and endless delays. As a consequence, this situation breeds corruption where

transporters are extorted, forced to bribe to get the few available seals. Obviously the cycle is designed so that there will never be enough seals as long as money is to be made. KRA top management expects the bribe giver (who has been helped to avoid overnight charges) to report the bribe receiver.

We are cognizant that corruption takes two sides. Clearly, this corrupt environment is created and sustained by KRA and KPA policies that are not aligned.

When one refuses to bribe, then they have to be delayed and forced to incur overnight charges. It is even worse when the consignment is already on KPA overstay storage charges. **This is pure fleecing by government institutions that are meant to facilitate trade.**

Suggested solutions.

1. Quantity of Rects seals should be at least doubled in the immediate short term.
2. Waivers should be automatic without any human intervention once shortage of seals has been confirmed. It is not a favour by KPA to give an importer or transporter waiver for overnight charges caused by unavailability of KRA seals.
3. KRA to allow transporters to use vendors seals and/or KRA to sell KRA approved seals to individual transporters at **competitive market prices.**

The logistics of managing and operating Electronic Cargo tracking seals should not be done by KRA. Whenever there is a system that depends on human intervention and a shortage due to demand exceeding supply, there will always be potential for corrupt practices emerging especially if government institutions/corporations are involved. KRA should control the platform and let vendors operate seals.

Delivering essential goods on time is an important component of the economy. Time is money. How much time, energy, fuel etc is lost at the port and the borders waiting for seals to arrive?

It is actually fraudulent for KPA to then impose and demand overnight charges and storage from a transporter who was ready to exit but couldn't due to reasons beyond their control. **Making transporters wait and beg for waivers and consequently waste more time is really an insult that is only made worse by compelling them to bribe to save time and costs.**

Come. Let us reason together.

On Behalf of the Board

Newton Wang'oo
Chairman
Kenya Transporters Association

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.