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KTA- COMPETE CAPACITY ENHANCING TO SUSTAINABILITY

2013 QUARTERLY TECHNICAL ACTIVITIES REPORT

(JANUARY - MARCH 2013)

KTA – COMPETE GRANT – BASIC INFORMATION

Name of Organization:	Kenya Transporters Association Limited
Mailing Address:	P.O. Box 88502- 80100, Mombasa
Physical Location:	Sea View Plaza, Mama Ngina Drive, Mombasa
Phone:	254-041-2311958
Fax:	254-041-2312015
Email:	jane@kta.co.ke
Organization's Contact Person:	Jane Njeru
P F Tracking Number:	KTA-STA-012-024
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1. OBJECTIVE

The core objective of this report is to highlight on the key activities undertaken and the extents to which targets set for the months of January, February and March 2013 have been met.

The analysis has been based on the three (3) pillars outlined in the KTA Strategic Plan namely;

- Advocacy.
- Institutional Development and Sustainability.
- Member Services.

NARRATIVE REPORTS

2 ADVOCACY

2.1 KTA/KRA Meeting on Advance Tax

Subsequent to a members' meeting held 14th January 2013, a team from KTA met with the KRA Assistant Commissioner- Customs Services in Mombasa to seek clarification on the following pertinent issues?

1. Commencement of year of income given the disparity in financial years for different member companies.
2. Possibility of refund for money paid in December, 2012
3. Possibility of an extension on deadline for submitting tax.

The outcome of the meeting was as follows;

1. The year of income begins from 1st January to 31st December of each year as it is defined in the Income Tax Act (CAP 470)
2. Members are expected to pay their advance tax by 20th January 2013 failure to which it will attract penalties and interest. Those who paid for advance tax during the last months of the year such as November 2012 and December 2012 will have that money treated as credit for the same year, 2012 when they file returns.
3. The option of appealing for an extension was ruled out. This matter has already gone through the process of legislation.
4. We agreed as per the members request that we shall invite a KRA official to address members in the next meeting.

Subsequently these clarifications were circulated to all members to comply.

2.2 Launch of Kenya Maritime Authority Strategic Plan

KTA participated in the launch of the KMA Strategic Plan (2012 – 2017) on 30th January, 2013 in Mombasa. The KMA Strategic Plan maps out the Authority's strategic direction towards making Kenya a globally competitive maritime state. As a key stakeholder and a consumer of maritime services, KTA was duly represented and the launch by the Chief executive Officer.

2.3 TMEA Stakeholders Forum

KTA attended the third TradeMark East Africa (TMEA) Stakeholders Forum at the Boma-Red Court Hotel in Nairobi on 6th February, 2013. The forum sought to discuss the Single Customs Territory, share experiences with key players in regional integration in East Africa and to take stock of progress made by the EAC in implementing the Customs Union and Common Market Protocol.

2.4 Mombasa County Economic Debate

KTA participated in the Mombasa County Economic debate organized by the business community in the county on 11th February 2013. The debate provided a forum to interrogate the election process and various political aspirants in the context of their possible impacts on Mombasa. KTA was presented by the CEO and a number of questions and concerns from our members were sampled at the debate.

2.5 Standards for Maritime Transport Services

The Kenya Maritime Authority (KMA) in consultation with industry stakeholders and individual service providers has developed standards for maritime transport service. The standards set out mechanism for evaluating performance. KTA held a series of meetings with KMA officers during which possible standards for road transporters were discussed. Some of the proposals by KTA were included in the final standards. The Standards were adopted at a stakeholders meeting held on 20th February, 2013.

2.6 KPA Stakeholders "Think Tank" Forum

KTA attended a stakeholders "Think Tank" forum organized by Kenya Ports Authority (KPA) in Mombasa on the 14th March, 2013 to discuss modalities of improving the flow cargo along the Northern Corridor. The discussions centered on the following key aspects;

- i) Port Operations**
- ii) Corridor and Infrastructure**
- iii) Customs**
- iv) Container Freight Stations**
- v) Clearing and Forwarding/Shipping Lines**

2.7 Regional Private Sector Consultative Meeting on Services Integration in the EAC

KTA attended the Regional Private Sector Consultative Meeting organized by East African Business Council (EABC) in collaboration with the Africa Capacity Building Foundation, the International Trade Centre, TradeMark East African (TMEA) and International Lawyers and Economists Against Poverty. The private sector players meeting sought to identify private sector priorities in the context of services integration in the EAC. The meeting took place on 20th – 22st March, 2013 bringing together 80 participants from private sector firms and associations active in the area of trade in services, EAC Partner State experts and officials, EAC Secretary General, select researchers and practitioners on trade in services, representatives from development partners and other relevant stakeholders.

Under the Common Markets Protocol (CMP), EAC Partner States have committed to progressively liberalize trade in services in accordance with the negotiated commitments made in the CMP. To date, Partner States have made liberalization commitments in 7 services sectors, namely: business services; distribution services; educational services; financial services; communication services; tourism and travel related services; and transport services. Additional commitments are to be undertaken in successive rounds of negotiations. Services liberalization presents many opportunities for the economic development in the EAC, since the services sector, for instance transport, is the cornerstone of all other economic activities.

In the EAC, services contribute a significant and growing portion of the gross domestic product, averaging around 50%. The main objective of the meeting therefore was to help private sector participants understand the issues concerning services under the Common Market Protocol and form a view on whether the regime is sufficient to remove impediments to trade in services.

The meeting sought to;

1. To sensitize the private sector on the movement of services under the CMP;
2. To equip participants with information and ideas to help the private sector as a whole make its case for liberalization in a way that will help ease trade between EAC Partner states and improve the competitiveness of private sector service suppliers;
3. To enhance the capacity of the participants to lobby Policy makers to undertake and implement commitments that will be commercially meaningful for the EAC Private Sector;
4. To discuss and build consensus on the issues of concern and agree on the way forward.

The meeting developed a Position Paper outlining Private sector recommendations to EAC Secretariat and national governments for further liberalization and implementation of free movement of services reforms within the EAC.

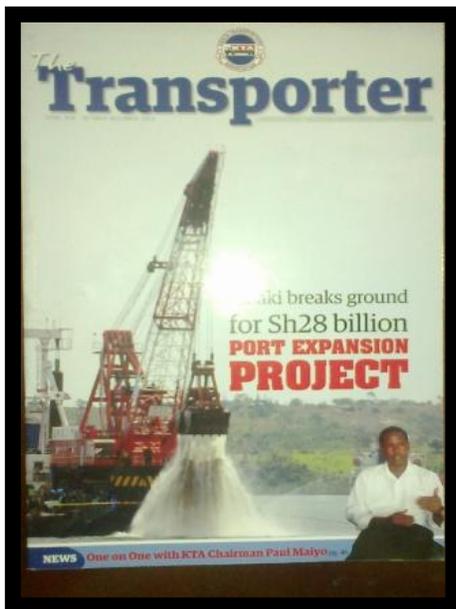
2.8 FEARTA Meeting

KTA attended the stakeholders' validation workshop for the Draft Stakeholder Agreement/Code of Conduct for Federation of East African Road Transport Associations (FEARTA) on 27th-28th March 2013. At a meeting of the Interim Committee in Bujumbura on 24th-25th September 2012, it was resolved that the body be registered in the Republic of Tanzania as a company limited by guarantee and its secretariat be located in Arusha. Subsequently, a consultant was engaged to undertake the Registration and Institutionalization. The objective of the consultancy was to legally incorporate FEARTA and develop institutional governance and management frameworks and provide guidance to FEARTA stakeholders on institutionalization and operationalization of FEARTA.

3 INSTITUTIONAL DEVELOPMENT AND SUSTAINABILITY.

3.1 The Transporter

The KTA Secretariat received 2 000 copies of the 18th edition of *The Transporter* from the printer on 7th January, 2013. Subsequently, a total of 1900 copies were distributed to members and stakeholders between 8th – 15th January, 2013. Production of *The Transporter* 19th Edition is underway.



3.2 EA HCV Drivers Development Institute

The EA HCV Drivers Development Institute undertook the training of 25 drivers between 25th - 28th February, 2013. The training covered the following aspects;

1. Defensive Driving Techniques
2. Occupational Health and Safety for Drivers
3. Practical sessions on the truck simulator

The training was charged at Kshs. 10 500 (VAT excl.) per driver.



A trainee is taken through the practical session on a simulator. Behind him is the Training Levy Inspector -National Industrial Training Authority (NITA), Mrs. Loise Ngugi.



A class in session



Group photo with KTA CEO on the far right.

During the month of March, USAID-COMPETE procured a generator for the Institute. The generator will ensure adequate and regular supply of power even in the event of power blackout or fluctuation. The KTA Accountant was at hand to monitor installation of the generator.



4 MEMBER SERVICES

4.1 Members Meeting

KTA held a members meeting on Monday 14th January 2013 at Kilindini Hall, Castle Royal Hotel, Mombasa to among other things, discuss;

1. Update on Axle Load Court Case
2. Transit Goods Licenses (TGL)
3. Payment of Advance Tax



A total of 72 members attended the meeting.

4.2 Members Visits

A total of two members were visited in the month of February namely;

- 1. Mackenzie Maritime (EA) Limited**
- 2. Multiple Hauliers (EA) Limited**