

TRANSPORT AND LOGISTICS INDUSTRY

The transport industry was introduced in 1934, during the colonial period. People in Kenya only travelled on foot for long distances. The infrastructure was not well established. People walked for long distances to trade and also meet friends and family.

The logistics industry has not taken root in Kenya as in other middle-income earner countries.

Logistics is an aid to transport and trade industries in Kenya.

Regulatory environment

It is a legal requirement for every government to provide road infrastructure for its people.

Government has been the sole provider of and their traditional role to provide public infrastructure and services. But recently, Kenya has made provisions for private investment.

The Public Private Partnership enacted in 2013, opened door for private investors who greatly contributed to high-profile project such as the LAPSET, the standard-gauge railway (SGR) and the Lamu Port.

The Ministry of Transport and Infrastructure has defined mandated role in managing policies in the roads, maritime and rail segments, enforcing road safety standards, managing civil aviation and overseeing vehicle registration and insurance. Other institutions that fall under this ministry are Kenya Roads Board (KRB), Kenya Railways Corporation (KRC), Kenya Ports Authority, Kenya Airports Authority (KAA), Kenya National Shipping Line, Kenya Maritime Authority, Kenya Civil Aviation Authority and the National Transport Safety Authority.

Transport in Kenya

Transport in Kenya takes the forms of:

- i. Road Transport
- ii. Rail transport
- iii. Air transport
- iv. Water transport
- v. Pipeline

Road transport

About 93% of all freight and passenger use road transport. The roads network has gone through major changes since independence. In 1963, Kenya has a network stretched over 45 000kms , with only 2000 paved but reports by Kenya Roads Board, the road network now totals to 160 866kms with over 11 000 paved in 2001. With the recent modifications of major roads such as the Thika Super Highway, the Southern and Eastern by-pass, the road networks have increased significantly. Besides Special Roads, roads in Kenya are classified from A to E; International Trunk Roads, National Trunk Roads, Primary Roads, Secondary Roads and Minor Roads. Others are unclassified roads.

Some of the busiest road transport companies in Kenya are Kenya Bus Service Limited, Citi Hoppa, Double M & Star Bus, which operate most Nairobi routes, Chania Sacco and Kenya Mpya for Thika-Nairobi, Transline for Rift Valley and Western regions, and Coast bus for the Coast-Nairobi Trips.

GROWTH OF THE ROADS INFRASTRUCTURE

In 2012, the Thika Nairobi Superhighway was completed after its inception in 2009. The project consumed \$360m and achieved reduced congestion, improved infrastructure, conditioned air and reduced the number of accidents on the roads. The one of a kind Super Highway was funded by the African Development Bank and the government of China.

For the Kenya-Uganda border, the Northern Corridor Transport System was put under rehabilitation. World Bank has financed half the amount since 2004, \$360m, since 2004. This project has also been bolstered by the East African Trade and Transport Facilitation Project, which has seen reduced congestion and custom clearance from Mombasa, Kenya to the border of Uganda. This road is the most important link for trade for Kenya.

The Nairobi Outlying Road is also a project that began in January 2015. This road is a link of the northern and eastern districts to Nairobi. It aims to reduce congestion, connect Eastlands to Thika Road and the Jomo Kenyatta International Airport. 88.5% is funded by the African Development Bank whereas 11.5% by the Kenyan Government.

The Southern Bypass has also been completed which connects Mombasa Road to Limuru Road in Kikuyu. This project was tendered to China Roads and Bridge Corporation (CRBC) which began in 2012 and 85% funded BY China's EXIM bank and the rest by Kenyan Government.

LAPSSET: The Lamu Port Southern Sudan-Ethiopia Transport Corridor Project is also one of the biggest Kenya's projects, aimed to reduce dependence of the Port of Mombasa and Northern Corridor Road. This road connects Sudan and Ethiopia to Kenya.

Rail transport

Freight services are the most common in Kenya. The Railway Industry is run by a monopoly, the Rift Valley Railway Consortium, which is from South Africa. It took over the railway business in 2006 after Kenya Railway Corporation which was unpopular for derailed trains due to ageing infrastructure and lack of frequency in service provision. The railway lines in Kenya extend to the East African region of Kenya, Uganda and Tanzania. RVR was issued a 25 year contract subject to renewal.

The Jubilee Government has two projects for the railway transport; the upgrading of the already existing railway built 100 years by the British colony and the Standard Gauge Railway (SGR) project, which will link Mombasa to Nairobi and the East African Region. The latter project is started in October 2013 and scheduled to be complete by November 2017.

Air transport

There are 16 paved airports and 181 unpaved ones in Kenya. Jomo Kenyatta International Airport (JKIA) serves most destinations hence it's the largest. Other international airports are Moi International Airport and Kisumu Airport which was upgraded in 2011. Unpaved airports are mainly for private purposes like game parks and safari lodges, but are still under airlines.

Water transport

Kenya has two major ports in Mombasa and Kisumu. Mombasa port meets international standard whereas Lake Victoria Port links Kenya and Uganda. There are plans to build a port in Lamu, North East of the Coast. A \$42 billion deal has been struck with China on the same. The

port of Mombasa consists of Kilindini Harbour and Port Reitz on Eastern Mombasa & Old Port and Port Tudor on the Northern side of Mombasa. There are other small ports along Kiunga, Malindi, Lamu, Mtwapa, Kilifi, Funzi, Shimoni and Vanga. The coastline in Kenya stretches 1400km, representing an essential part of the landlocked countries around the region.

Pipeline

Kenya Pipeline Corporation, a 100% state owned company, was incorporated in 1973 but began its commercial operations in 1978. It is responsible for transporting, selling and distributing petroleum products to consumers in Kenya. the busiest pipeline lines run from Mombasa to Nairobi. Others go to other towns in the rift valley such as Nakuru.

Logistics

There are companies that specialize in transporting freight and cargo; could be air, water, rail or road transport. The main operating function of logistics companies is ensuring geographical repositioning of raw materials, work in progress and finished products in time and at low costs

DHL Kenya- A logistics partner big enough to deliver freight of any kind, to any place via air, ocean, road or rail, but capable of giving its customers the personal attention they need. It is the global leader in air freight, carrying 12% of the total worldwide market, more than twice as much as the second biggest organization. Their operations are managed from over 150 countries, providing a personalized service to and from all key market. The company's head office is located at Corner Lusaka Road and Witu Road, Nairobi Kenya.

Nairobi Cargo Centre- The facility is situated at the JKIA's Specialized Freight Area on a six-acre site. The facility is jointly sponsored by the Commonwealth Development Corporation, The German Investment and Development Company, the Commonwealth Africa Investment Fund Ltd, The Acacia Fund Limited, BOC Cargo Services, Flughafen Frankfurt Main, and African Cargo Limited.

Postal Corporation of Kenya- EMS is a worldwide courier service offered under the brand name EMS Kenya with service levels that meets international standards in speed, reliability, security and accessibility. EMS is a fast way to send documents and merchandise as top priority mail. It provides reliable and fast door-to-door deliveries for both domestic and international items. Items can be sent to over 3,000 destinations worldwide from over 232 acceptance centers countrywide. A track and trace system providing prompt information on delivery is available for most of the destinations in over 75 countries. EMS Kenya also offers customs clearance services for incoming items that are dutiable.

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