

# BUSINESS



# 131m

**Taxation** Alcohol manufacturers decry advance excise duty proposal in Finance Bill **P.30**

**Loss** in shillings Unga has reported for six months to December 22

**Nakuru residents gain from peas glut on bumper harvest**



Trader Lucy Wangjiru Karanja sells peas at Elburgon Open Air Market in Nakuru last Wednesday. The price of the commodity has dropped. A two-kilogramme container of peas is now retailing at Sh100, down from Sh150 following a bumper harvest. JOHN NJOROGE / NATION

**Operations** Halting six-day reprieve for customers aimed at boosting efficiency

## Blow to traders as KPA seeks upfront service fee

Ports agency to suspend offering credit to businesses exporting products from July

BY ANTHONY KITIMO

The Kenya Ports Authority (KPA) will cease to render port services on a credit basis as it implements new directives to streamline cargo exports at the Mombasa port.

The KPA said it would suspend payments through ledger guarantee accounts, which would strain traders, beginning in July. Managing director William Ruto said, during a stakeholder meeting, the authority would start rendering services only through bank cheques and other payment systems, including real-time gross settlement.

"To streamline and improve operational efficiency, KPA will cease to render port services on a credit basis from July 1, 2023, essentially halting the six-day credit period arrangement that has traditionally been extended to customers," said Mr Ruto.

He spoke on Thursday at the stakeholder engagement session with the Kenya Ships Agents As-

sociation to enhance customer experience by identifying pain points in the cargo clearance at the port.

According to KPA sources, some of the customer accounts have had unpaid debts and were operating above the bank guarantee limit, while some had their invoices pending more than 30 days, which is against the authority's credit policy, which stipulates that invoices should settle within six days.

A ledger account with the KPA has several benefits, such as reducing the need to carry cash every time you process a document, allowing traders up to a six-day credit period and enabling port users to reconcile transactions effectively.

At the same time, all export cargo that will not be logged into the Integrated Customs Management System and Kilindini Waterfront Automated Terminal Operations Systems at the time of acceptance will not be approved for export by the govern-

### THE NUMBER

## 24 hours

Deadline for the port accept export cargo before the berthing of booked vessel

ment beginning July this year.

In a public notice, exporters will first have to be logged into the systems at the time of acceptance and their approval declared as KPA, Kenya Revenue Authority (KRA) and other State agencies work towards a zero long stay containers policy at the port.

"To enhance service delivery and improve the customer experience at the port of Mombasa with effect July 3, 2023, all export cargo brought to the port for shipment must have relevant online approved permits on Kenya Trade Network Agency portal. Non-compliant cargo will not be accepted into the port," read a joint notice by KPA and KRA.

### BRIEFLY

#### Eveready kicks off hunt for new CEO

Eveready East Africa has kicked off a search for a new CEO a month after making changes to its board of directors. The firm last month appointed three new directors to replace those who had exited following the entry of a new unnamed investor in the loss-making entity. The Nairobi Securities Exchange-listed firm appointed Maurice Ndurumu, Wilfred ole Saroni and Faith Mwarura to its board effective May 10. They replaced Lucy Warthaka, Fariza Shah and Afif Hamid Butt who resigned on the same day.

Bonface Otieno

#### Unga issues profit warning on high operational costs

Listed food processor Unga Group expects its full year profits to decline by more than 25 percent, hurt by a tough economy, costly imported raw material and depreciation of the local currency. The miller already reported a loss of Sh131.3 million for the six months to December 2022, reversing a profit of Sh8.4 million in the previous year, on increased operating expenses, high inflation and the weakening shilling.

Elizabeth Kivuva

#### Posta seeks 5.555 letter box locks

The Postal Corporation of Kenya is set to fit 5,555 new locks at its main general post office in Nairobi as part of strategy to bolster its revenue. Sources told *Nation* that some of the existing locks are damaged or past letter box owners had failed to surrender the keys handed to them. The corporation is facing a cash crunch with expectations of bail outs by the Treasury. Elizabeth Kivuva

## Talks on as foreign airlines eye direct Mombasa flights

BY BONFACE OTIENO

The State is reviewing proposals by three foreign airlines to start direct flights to Mombasa, which is a key international tourism hub.

Transport Cabinet secretary Kipchumba Murkomen said Turkish Airlines, Qatar Airways and AirFrance-KLM are seeking rights to fly to Mombasa.

"The discussion we have with carriers such as Turkish Airlines, Qatar Airways and AirFrance-KLM, and the rest who wants to fly to Mombasa is to study the cost-benefit analysis of allowing them to fly to Mombasa bearing in mind we also have our own local carriers flying into this destination," he said during the opening of AirFrance-KLM African headquarters in Nairobi yesterday.

Air France-KLM, in 2011, deferred its direct flights to Moi International Airport in Mombasa, delaying its highly anticipated trips to the coastal city.

The delay had been occasioned by bureaucracy in getting the necessary flight permits from the Kenyan authorities.

The airline initially had planned to start its direct flights from Amsterdam to the Kenyan coast in 2021, but it has now pushed it to an unknown date.

The airline was to operate two flights a week from Schiphol Airport in Amsterdam to Mombasa using Boeing 787-9 Dreamliner, with a loop to Nairobi from Mombasa.

Turkish Airlines was denied rights to land in Mombasa earlier this year.

The move forced the carrier to cancel its Mombasa flights from October 28, 2023, until the end of March 2024.

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