



NAIROBI

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## PRESS STATEMENT

### For Immediate Release

#### **VIASERVICE SIGNS MOU WITH SHIPPERS COUNCIL OF EASTERN AFRICA (SCEA) TO ADDRESS CONTAINER DEPOSIT CHALLENGE AT THE PORT OF MOMBASA**

Shippers Council of Eastern Africa (SCEA) has signed a Memorandum of Understanding (MOU) with Viaservice Kenya limited, a subsidiary of Swiss-based Viatrans SA, which provides trade and transport logistics facilitation solutions in the East African region. The collaboration will facilitate deployment of Viaservice Container Solution (VCS), a business-friendly alternative to Container deposit, a major non-tariff barrier that continues to undermine efficiency and competitiveness of the Mombasa port and the adjacent transport corridors thereby increasing the cost of doing business for shippers, members of SCEA. Under the MoU, SCEA Members will be given a discounted rate.

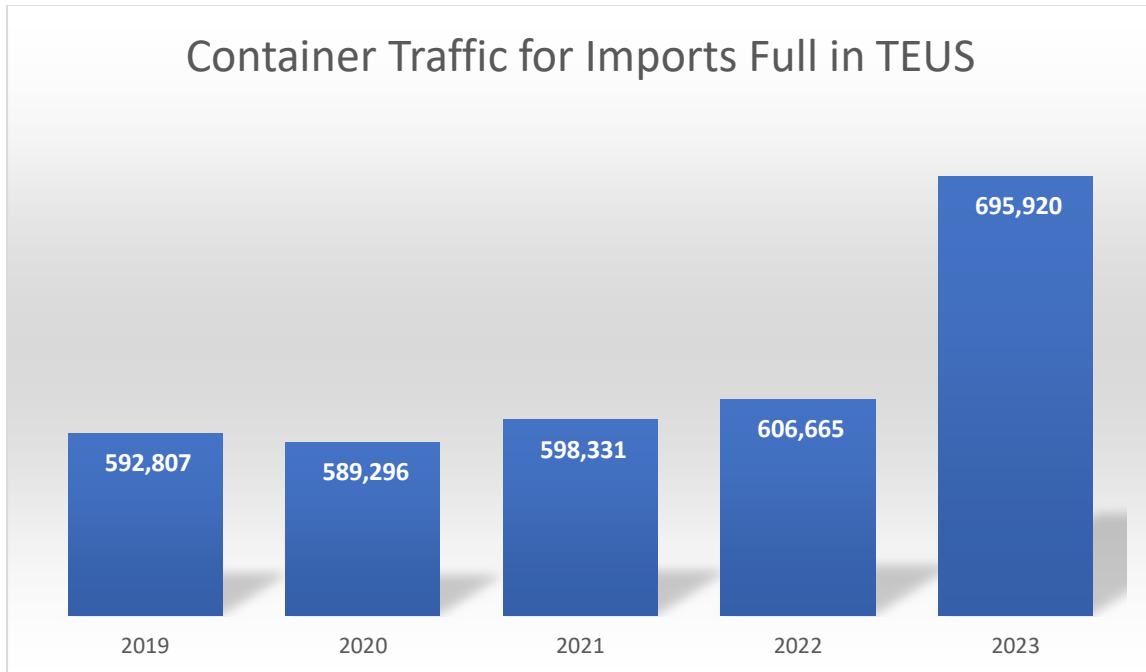
Speaking during the signing ceremony, the SCEA Ag. CEO, Mr. Agayo Ogambi exuded confidence that VCS will not only help in addressing the business and financial constraints associated with Container deposit but also improve cargo logistics efficiency thus lowering the cost of doing business. Mr. Ogambi said 'Container deposit is one of the perennial problems identified in the SCEA'S Logistics Performance Index (LPI) affecting shippers and which ties enormous financial resource, in addition to adding to high logistics costs in the region. The implementation of VCS will provide a big relieve'.

On his part, Mr. Morgan Lépinoy, Director of Viaservice and the Managing director and Global head of Trade facilitation at Viatrans SA, welcomed the partnership with SCEA, which underscored the Company's global strategy of leveraging stakeholders' partnership to innovate and implement shipping and transport logistics solutions that aligns to business needs. He said VCS was designed to address commercial interest of both container owners and users.

Morgan added, 'VCS offers a sustainable alternative to container deposit systems, freeing up valuable business working capital that would otherwise remain tied up in deposits. The business model, already deployed in Tanzania since 2020 has proven not only to improve cash flow for shippers, clearing and forwarding agents, and shipping lines but also enhance container turnaround efficiency, thus boosting the competitiveness of businesses, particularly SMEs, ports, and transport corridors. Through VCS, the East Africa region could unlock over \$1.5 billion in working capital currently held in container deposits, catalyzing

investment for business growth and expansion. The VCS operates seamlessly through an online platform, ensuring ease of use and flexibility for all users

#### CONTAINERIZED CARGO THROUGHPUT – THROUGH THE PORT OF MOMBASA



The figure above shows the container traffic for imports full from 2019 to 2023 through the Port of Mombasa.

Considering that the deposit varies between USD 500 to USD 2,000 per TEU and depending on the cargo's destination, the percentage of cargo subjected to deposit is around 45-50%. Our analysis shows that the amount idled in container deposit in 2023 was between USD 645M to USD 700M in Kenya alone.

The solution present a value proposition to shippers and clearing agents. Tangible benefits include

1. Removal of cash deposit requirement by shipping lines
2. Advanced settlement of container demurrage, damage and total loss charges
3. Enhanced business cash flows
4. Improved container turnaround efficiency
5. VCS is on a user friendly online management system
6. Reduced administrative burden on managing container deposits
7. Reduced cost of doing business

By Shippers Council of Eastern Africa Communication.