ROLE OF CUSTOMS BROKERAGE ON PERFORMANCE OF PORT OPERATIONS IN KENYA: A CASE OF BOLLORE TRANSPORT AND LOGISTICS LIMITED

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Purpose: *The General Objective of the study was to determine the role of Customs Brokerage on performance of Port Operations in Kenya: a case of Bollore Transport and Logistics Limited*

Materials and methods*: The study adopted the descriptive research design. Research design is defined as a plan, structure and strategy of investigation conceived to obtain answers to research questions and control variance. This involved 102 staff working in the clearing and forwarding departments in Bollore Transport & Logistics head office in Nairobi and Mombasa office as the target population from customs clearance, warehousing, stores & logistics and Operations where the respondents are considered to be the once benefiting from the study. Questionnaires were used as instruments to collect data. Data was compiled, sorted, classified and entered into the computer analysis using the Statistical Package for Social Scientists (SPSS) version 24. The study adopted one way analysis of variance (ANOVA) as a technique for data analysis as well as correlation analysis to test the relationships between the variables. The studies targeted a sample of 82 staff working in the clearing and forwarding department in Bollore head office in Nairobi and Mombasa.*

Results: *The study concludes that in Customs Brokerage streamline the entire customs process and eliminates any additional costs or delays caused by miscommunication or multiple service providers and being accurate and thorough with your paperwork is important.*

Recommendations: *The study recommends that clearing and forwarding agents should identify and adopt current transportation policies that enhance the use of different modes of transport for the movement of goods from one end to another.*

Keywords*: Customs Brokerage, Customs Documentation, Duty Payments, Custom Release*

1.0 INTRODUCTION

1.1 Background to the Study

The study analyzed the role of clearing and forwarding agents on Performance of Port Operations in Kenya. Specifically, this chapter provides information on the global perspective of supplier relationship management on procurement performance and then narrows down to regional and then local perspectives. It highlights on the background information, statement of the problem, general and specific objectives, and research questions, justification of the study, the scope of the study and the limitations of the study.

According to Kari, (2011) defines that the clearing and forwarding agents are essentially the transportation experts who hold immense information associated to the actual rank of the import and export industry. They

are well knowledgeable of the rules and regulations that manage it (Große-Brockhoff & Krome 2011). The clearing and forwarding agents are also well familiar and fully understand all the vital rules and regulations suitable for international movement of cargoes across various boundaries.

Atos, (2012) provides that the efficient flow of international trade relies on a range of skilled service providers working together effectively, including shipping lines, port terminal operators, customs officials, operators of off-dock container yards, land transport agents, and Clearing & Forwarding (C& F) agents. An international Clearing and Forwarding agent act on behalf of exporters/importers in moving the cargo to an overseas destination. (Fugate, Mentzer, & Stank 2010). These agents are familiar with the import rules and regulations of the foreign countries, the export regulations and methods of shipping, and the documents related to foreign trade. Clearing and Forwarding agents are members of the International Air Transport Association (IATA) and Federal Maritime Commission (Rana & Sheik 2012).

Clearing and Forwarding agents by undertaking international transport run the most dynamic and fastest changing industries in the world. (Tilokavichai & Chandrachai 2012). They play a significant role in facilitating international trade by fulfilling a number of distinct functions. In basic terms they act on behalf of the exporters to buy and manage transportation services. These usually include air and sea freight as well as the land transportation required to move the goods from the shipper to the port (Mccrea, 2012).

Saban & Mawhinney (2012) States that concerns are currently stressing on the need for efficient clearing and forwarding agents to manage their warehousing and distribution to the consumers. Though the warehouse in-charge usually the manufacturer's representative, is entrusted to look after the compliance and smooth operations, it is the duty of the Clearing and Forwarding agent to ensure unloading of the material at the warehouse, proper storage and re-dispatching to final consumers (Faber, 2015)

Atos, (2012) explains that Clearing and forwarding agents act as intermediaries in transactions between shippers and suppliers of logistics services (Mccrea, 2012). The international trade logistics industry in East Africa is characterized by vertical segmentation, in which large firms that supply logistics services take the largest clients, and the small logistics firms are limited to dealing with small clients. McKinnon (2012) states that due to this segmentation, different sized logistics firms offer different sets of services to their clients. Small logistics firms oftentimes limit their participation to arranging transport, and individual agents, called suitcase forwarders, sometimes only handle a few shipments per year on an informal basis.

Christopher (2016) discussed that, the larger logistics firms offer a variety of logistics services which can include warehousing, consolidation, packaging, goods inspection, and import/export advisory services. They can also offer multimodal services in which they consolidate loans and act as the shipper of record with a house bill of lading, in the process forming partnerships with overseas service providers (Faber, 2015). The number of C& F professionals and the number of C& F firms operating in the EAC in 2008, respectively. Logistics firms in the EAC can be divided into three general types based on size, and each category tends to have its own set of services offers, clients, and requirements.

(Raue and Wieland 2015), in addition, this policy note considers the wider problem of the fragmented and fractured nature of the logistics chain itself, a structure that can to fundamental inefficiencies throughout the system. after examining the role and characteristics of C& F agents in the EAC and the effects of their performance on international trade, discussed policies, particularly with regards to training and education, that can be enacted in order to strengthen the participation of C& F agents in the international trade logistics chain, and can help to facilitate greater flows of international trade throughout the EAC (Berry & Wadsley 2012).

1.1.1 Global Perspective on Clearing and Forwarding Agents

The Forwarding division carries goods by rail, road, air and sea under the DHL brand and includes the DHL Freight operation which runs a ground based freight network covering Europe, Russia and traffic into the Middle East (Chan and Zhang 2011). DHL is the world's number one contract logistics provider. This has major contract logistics presence in over 60 countries across all regions of the world. With this footprint it leverage DHL Global Forwarding, formerly known as DHL Danzas Air and Ocean is a division of Deutsche Post DHL providing air and ocean freight forwarding services. It also plans and undertakes major logistics projects under the brand name DHL Industrial Projects. Together with DHL Freight, it forms Deutsche Post's Freight/Forwarding department (Christopher, 2016). DHL Freight, in many cases, production and sourcing are migrating to low-cost regions of the world, making supply chains longer and more complex. These usually contain more stock, which imposes additional costs and risk. With unique combination of global reach and local expertise, DHL has the technology, infrastructure and people in place to manage end-to-end distribution, worldwide (Mentzer *et al.,* 2014).

Mentzer et al., (2014) states that By combining DHL's contract logistics capabilities with DHL's capabilities in global forwarding, freight, express and global mail, are able to provide end-to-end supply chain solutions across more than 220 countries and territories worldwide .DHL Freight operation of both Intermodal and Multimodal Transport is given by the most efficient combination of multiple transport modes, optimizing lead times, reducing inventory costs and keeping the level of freight costs under control. This combination results in increased environmental sustainability, reducing the transportation carbon footprint (Mentzer et *al.,* 2014)

Moving products from manufacturing plants to warehouses, between international, national, and regional facilities and to distributors, represent more than half of the total logistics operations. (Christopher, 2016). Add international sourcing and final distribution to store or end customer, and those costs can rocket even higher. Transportation management solutions give the resources and visibility needed, at a cost effective.

1.1.2 Regional Perspective on Clearing and Forwarding Agents

Siginon limited, provide source to doorstep logistics solutions to the customers. The logistics services comprise customs clearance, freight forwarding, warehousing, transportation, port services and air cargo handling. (Mongare & Nasidai 2014). At Siginon, they serve regional and international markets focusing on satisfying needs in East Africa and the Great Lakes region. Some of the key markets include Kenya, Uganda, Tanzania, Rwanda, Burundi, Somali, Northern DR Congo, Southern Sudan and Zambia. Siginon limited provide customized Port-to-Port and door-to-door logistics solutions for general cargo, bulk cargo, special consignments, full container loads, loose cargo, and vehicles. Siginon limited provide world-class freight and logistics services which includes third party logistics (3PL) and End-to-End logistics models (Prajogo & Olhager, 2012).

The import process includes collecting goods from countries of origin, ensuring that goods are loaded onto the most suitable carrier, carrying out Customs and Port clearance processes and ensuring safe delivery to a designated warehouse or the clients' premises in a cost effective manner. (Mongare & Nasidai, 2014). The export process involves collecting goods from the manufacturer / supplier, carrying out Customs and Port clearance formalities and ensuring that goods are loaded onto the most suitable carrier for export (air and sea freight) or transported to the next boarder point (road transport).

Siginon limited provide warehouse operations which involve provision of secure facilities that meet client's standards in terms of equipment, security, and health/safety. They carry out continuous stock administration

which includes receipt, tagging, pillarization, put-away, data update and issuing out to users and customers. Where necessary, they carry out assembly (kitting), bundling, packaging and labeling of stocks (Mongare & Nasidai, 2014).

1.1.3 Local Perspective on Clearing and Forwarding Agents

Clearing and Forwarding in Kenya, as in many other countries, Customs is in the forefront of the various agencies that intervene in international trade in goods. Customs is, for instance deeply involved in controlling goods which cross borders, determining goods nomenclature and origin, and collecting revenue as well as administering trade policies. (Bhatnagar, 2012). The manner in which Customs operates highly affects international trade either negatively or positively. In other words, the manner in which Customs operates can either complicate or simplify international trade in goods. And this introduces us to the concept of trade facilitation (McKinnon, 2012)

Freight in time limited is among top providers of custom clearance services in Kenya. They help owners of cargo to move goods efficiently, safely and in a timely manner. Huang (2010) Freight in time is responsible for conducting crucial procedures such as documentation. Receives cargo from countless destinations in Kisumu, Nairobi, and Thika Nakuru and Mombasa transfers to the port transshipment to different destinations Freight in time offers information on various relevant legislation, tariff schedules and customs facilities, as well as port supervision and wharf inspection services. Huang (2010) In addition, also offer shipment status reports, immediate investigation and resolution of discrepant, damaged or short-landed cargo claims as well as assist with the availability of port super vision and wharf inspection staff (Bhatnagar,2012).

Freight in time limited forward receipt of cargo in the docks the Customs House Agents contact the customs officer designated for the purpose and presents the checklist with the endorsement of port authority and other declarations as aforesaid along with all original documents such as Invoice, Packing list etc. Customs officer verifies the quantity of goods actually received and enter into the system and thereafter mark the electronic shipping bill and also hands over all the original documents to the dock appraiser who assigns a customs officer for the examination and intimates the officer's name and the packages to be examined, if any, on the check list and return it to the exporter or to his/her agent (Kolarovszki & Vaculík, 2013)

1.1.4 Performance of Port operations in Kenya

Kenya Ports Authority is the only mandated government agency authorized to operate all sea ports in Kenya. The port of Mombasa is presently the largest port in East Africa and is the gateway to East and Central Africa and plays a very important role in facilitating trade and development of the region. The port has strategic importance far beyond the borders of Kenya. As the largest port in East Africa, it is the main gateway for the import and export of goods not only for Kenya but also to countries of the East African Community, the Democratic Republic of Congo, southern Sudan and southern Ethiopia (KPA Container Freight Station Policy, 2014). The Port handles approximately 90% of Kenya external trade in terms of tonnage. Mombasa port has 17 deep water berths. Cargo traffic through Mombasa port is about 24 million tons in year 2017 including over a 1.5 million TEUs of container traffic.

According to (Gerald, 2010) the Mombasa Port's facilities are overstretched and under intense pressure leading to complaints from the local clearing and forwarding firms and customers, about container clearance. Shang & Lu, (2012) state that for an organization to operate efficiently, its supply chain activities should flow smoothly to create value to the customers hence it should minimize delays by avoiding poor equipment. Containerized cargo represents about 70% of the Port of Mombasa's total cargo volume, and that volume is

growing at around 12% per year. The Port of Mombasa Container Terminal began operating in 1979, Master Plan Study of the Port of Mombasa, 2009.

Measuring the performance of the port industry is relevant for interaction with policy makers and other stakeholders. It also assists port development initiatives and contributes to the competitiveness of Kenya ports operations. To improve operations and port operation performance drastically, Kenya Ports Authority should focus on the implementation of the KPIs which are the most efficient tools to measure and improve terminal wide performance (World Bank, 2013). Measuring Voyage productivity will describes how quickly Kenya port loads and unloads containers off a vessel. Measuring voyage productivity is crucial because this will enable shipping companies' vessels to stay on schedule and expect terminal operators to complete their loading/unloading quickly so that the vessels can move to the next port of call.

This means that port time has a significant impact on the efficient ship operation. A reduction in port time leads to a reduction of waiting time through just-in-time arrival and departure, to improvements of berth productivity and to simplification of the administration process, leading not only to a reduction in operating costs but also to an improvement in the level of customer service in the global logistics performance in the shipping industry (Mangan & Lalwani, 2016).

1.1.5   Bollore Transport and Logistics Limited Kenya

Bolloré Transport and Logistics is a global leader in international transport and logistics. Constantly adapting to its customers' changing needs, the company has enriched its expertise to become a tier-one supply chain partner and one of the top 10 transport and logistics companies in the world with the largest integrated logistics network in Africa. Bolloré Logistics' range of services extends across five core categories: Multimodal Transport, Customs and Regulatory Compliance, Logistics, Global Supply Chain and Industrial Projects. Its performance stems from a worldwide network of experts and from value-added integrated information systems which afford complete visibility on all operations throughout the entire supply chain (Bhatnagar, 2012).

Bolloré Logistics provides efficient customs brokerage and full compliance with freight safety and security requirements are the keys to fluid supply chain management and logistics at Bolloré Logistics as well keep duties and taxes to a minimum. One of the main strengths of Bolloré Logistics in Africa is that, it is held up as a benchmark by various customs administrations. (Saban, 2012). Through analysis of customs flows and expert assistance in a range of fields like regulatory frame works and custom procedures. Handling of customs operations from A to Z. Bolloré Logistics is a licensed customs clearance agent in most countries, includes Cargo safety and security guarantees of a certified operator: Authorized Economic Operator (AEO) in Europe and C-TPAT in the United States, etc. Agreements and conventions with various customs administrations (simplified and/or pre-paid clearance procedure and dedicated customer IT solutions that are more conducive to EDI Electronic Data Interchange (Saban, 2012)

Bolloré Logistics is strategically located warehouses are tailored to product constraints for greater flexibility and faster access to local markets., logistics planning is adapted to each country and able to draw upon a strategic network of pan-African hubs for storage and distribution. (Mongare & Nasidai 2014). Multi-site, multi-channel and multi-sector solutions, Inventory management and order preparation Distribution centers (consolidated import flows, delivery to end customers. Value-added services (qualitative and quantitative controls, labeling, kitting, Pick and Pack, inward processing, delayed differentiation and Reverse logistics management.

1.2 Statement of the Problem

There are several ramifications that arise from the fragmentation observed in the East African logistics system, the problems stemming from the myriad of actors taking part in the logistics chain, poor infrastructure, physical constraints in Kenyan ports, and inefficient customs processing systems causing delays and confusion, creating an environment where errors easily occur. These problems increase the cost of conducting international trade in East Africa largest port Mombasa, and in this way they act as a constraint on trade and limit the economic gains from trade. (Refas & Thomas 2011).

In the year 2016, there were one hundred and fifty complains, in 2017 the number of complains rose to three hundred showing an increase of hundred percent (100%) and at the end of the year 2017 the number of complains had risen to four hundred reflecting 166.7% increase in the three year period (KRA Publication, 2017). Mombasa port through the clearing and forwarding activities contribute 10% of GDP while it is 13% in South Africa and 12% in Ghana, it is also lower than most of the port operating nations. (Kay, 2012).The main reason for this is the relatively higher level of inefficiencies in the system, with lower average trucking speeds, higher turnaround time at ports and high cost of administrative delays (Sabin, 2012).

The port operational ineffectiveness on clearing the containers at the port are costing importers huge storage charges with containers taking long to be cleared from the port. The containerized cargo clearance has resulted in artificial shortages, causing prices of various products in the market to rise (KRA Publication, 2017). This untenable and costly situation has disrupted businesses as they had no access to supplies over the last four months due to systems failure, infrastructure constraints and cumbersome procedures by port operators. Several manufacturing and retailing companies have had to shut down factory operations for lack of raw materials. Hence the study will fill this gap by establishing the effects of clearing and forwarding agents on performance of port operations in Kenya.

1.3 Research Objectives

1.3.1 General Objective

The General Objective of the study was to determine the role of Customs brokerage on performance of Port Operations in Kenya: a case of Bollore Transport and Logistics Limited

1.3.2 Specific Objectives

   i.   To determine the role of Customs Documentation on performance of Port Operations in Kenya:

  ii.   To find out if Duty Payments affect performance of Port Operations in Kenya

 iii.   To find out effects of Custom Release on performance of Port Operations in Kenya

Literature Review

2.1 Introduction

This chapter presents previous studies that have been done, and theories advanced towards clearing and forwarding. Therefore, it has theoretical review focusing on theories that explain clearing and forwarding, secondly it has the empirical review of the studies that have been done on clearing and forwarding a conceptual framework included to summarize the literature reviewed

2.2 Theoretical Review

The theoretical framework of a research relates to the philosophical basis on which the research takes place, and forms the link between the theoretical aspects and practical components of the investigation undertaken

2.2.2 Cooperative Game Theory

The Principal agency theory assisted the study to find out the influence of Customs brokerage on Performance of Port Operations in Kenya. According to Ronald Fisher, (2013) a cooperative game consists of two elements: a set of players and a characteristic function specifying the value created by different subsets of the players in the game. The cooperative theory starts with a formalization of games that abstracts away altogether from procedures and concentrates, instead, on the possibilities for agreement. There are several reasons that explain why cooperative games came to be treated separately. One is that when one does build negotiation and enforcement procedures explicitly into the model. Cooperative games consider the set of joint actions that any group of players can take. The outcome of a cooperative game specified by which group of player's forms and the joint action that the group takes. These groups of players are usually referred to as coalitions. This theory supports the variable supplier collaboration.

2.2.3 Customs Brokerage

According to Xu Jing-gang (2012), Customs brokers work with importers/exporters to ensure that the necessary government declarations and security requirements are completed accurately and on time for air, ocean or land import and export freight shipments by declaration and lodging of entries (Reza *et al.,* 2015). Customs brokers serve in effect as translators, communicating with agencies and government throughout the shipping process, to ensure that all the proper procedures have been followed. Customs brokers ensure they have the most current technology, and that they stay on top of the various developments in this dynamic industry to provide the best quality service for their clients at all times (Lockridge & Debora 2017).

2.2.4   Performance of Port Operations in Kenya

According to the United Nations Conference on Trade and Development (UNCTAD) the assessment of a port's performance from the point of view of the exporter/importer is quite basic in that there is only one indicator of interest, the dwell time of cargo in port measured in terms of the number of days that a ton of cargo remains in port. (Goetschalckx & McGinnis 2010). Voyage productivity describes how quickly port loads and unloads containers off a vessel. Measuring voyage productivity is crucial because shipping companies want their vessels to stay on schedule and expect terminal operators to complete their loading/unloading quickly so that the vessel can move to the next port of call (Lockridge 2017).

2.2.5 Customs Brokerage

According to Goetschalckx *et al.,* (2010) States that with a highly refined system in place, documents tracking can be done at any point in time. The position of documents can be easily traced and the expected time of cargo loading known in advance. The importer is always informed of when to expect the consignment (Fugate & Stank 2010). The smooth coordination between the shipping lines, air lines, road and rail transport enables delivery of services efficiently giving a competitive edge in terms of both performance and cost. (Fugate & Stank 2010).
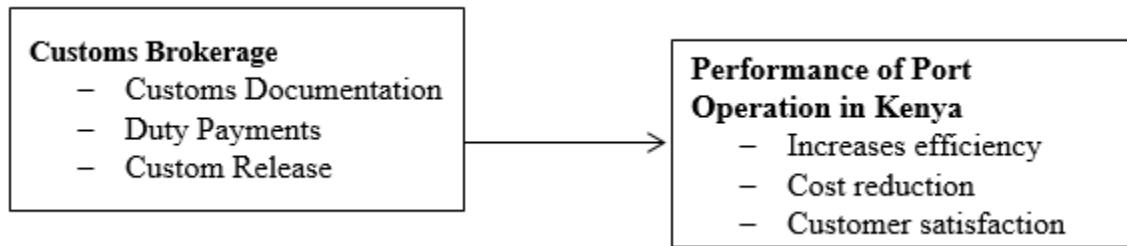
2.3 Conceptual Framework


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┌──────────────────────────────┐          ┌──────────────────────────────┐
│ Customs Brokerage            │          │ Performance of Port          │
│   − Customs Documentation    │  ──────▶ │ Operation in Kenya           │
│   − Duty Payments            │          │   − Increases efficiency     │
│   − Custom Release           │          │   − Cost reduction           │
│                              │          │   − Customer satisfaction    │
└──────────────────────────────┘          └──────────────────────────────┘
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Figure 1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology which offers an explanation into what type of research this study is all about. It also defines the population of the study and the specific sampling techniques to be used, methods of data collection and data analysis

The study adopted the descriptive research design. Research design is defined as a plan, structure and strategy of investigation conceived to obtain answers to research questions and control variance. This involved 102 staff working in the clearing and forwarding departments in Bollore Transport & Logistics head office in Nairobi and Mombasa office as the target population from customs clearance, warehousing, stores & logistics and Operations where the respondents are considered to be the once benefiting from the study. Questionnaires were used as instruments to collect data. Data was compiled, sorted, classified and entered into the computer analysis using the Statistical Package for Social Scientists (SPSS) version 24. The study adopted one way analysis of variance (ANOVA) as a technique for data analysis as well as correlation analysis to test the relationships between the variables. The studies targeted a sample of 82 staff working in the clearing and forwarding department in Bollore head office in Nairobi and Mombasa

4.0 RESEARCH FINDINGS ANALYSIS AND DISCUSSION

4.1 Response Rate

The study targeted a sample of 82 staff working in the clearing and forwarding department in Bollore head office in Nairobi and Mombasa from purchasing department, customs clearance, warehousing department, stores and shipping units.Out of the 82 distributed questionnaires, 76 were fully filled and returned. This translated to a response rate of 93%.This response was good enough and representative of the population and conforms with Mugenda & Mugenda (2011) for generalization purposes a response rate of 50% is adequate, while that of 60% is good but a response rate of 70% as excellent.

Table 1: Response Rate

Category	N	Percentage
Responded	76	93
Did not respond and Incomplete questionnaires	6	7
TOTAL	**82**	**100**

4.2 Demographic information

To obtain a better understanding of the population structure from which the sample was taken, a preliminary analysis of demographic data was carried. In this case, the study sought the respondents': gender, age, level of education and the duration of work in the clearing and forwarding department in Bollore head office in Nairobi and Mombasa

4.2.1 Gender Distribution

The respondents were asked to indicate their gender. The finding is shown in Figure 2. The finding shows that 61% of the respondents were males while 39% were female. This shows that all genders were included thus provided a good representation for the study. Therefore, information sought by the study was diverse.
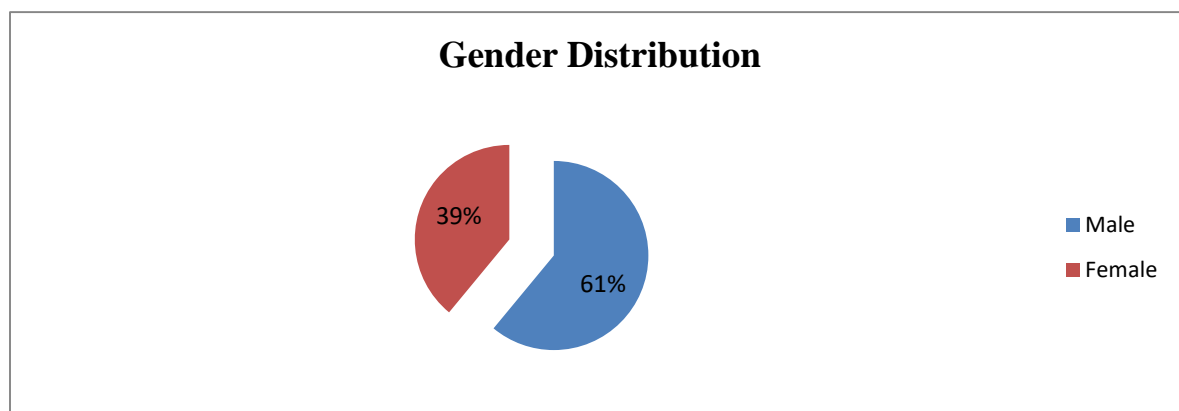

Figure 1: Gender Distribution

4.2.2 Respondents Level of education

As tabulated in table 2. As shown majority of the respondent had attained graduate level education with 54%, followed by college level education at 23% while 16% had attained post graduate level of education. Low level of education is associated with low literacy skills which may significantly limit the ability to understand and respond to research questions.

Table 2: Level of education

Education level	Frequency	Percent
College	23	30%
Graduate	41	54%
Post Graduate	12	16%
Total	76	100.0

4.2.3 Respondent's Years of Service

Respondents were requested to indicate the number of years they have been in service at the Bollore head office in Nairobi and Mombasa. From the findings as indicated in Table 4.4, majority of the respondents indicated that they had been in service at the clearing and forwarding company for over 9 years, 6-8 years, 3-5 years and 0-2 years as indicated by as indicated by 26.31%, 44.73%, 15.80% and 13.16% of the respondents respectively. This clearly indicated that the information on Clearing and Forwarding Agents on performance of Port Operations.

Table 3: Respondent's years of service

Years of Service	Frequency	Percentages
9-Above	20	26.31
6-8 Years	34	44.73
3-5years	12	15.80
0-2years	10	13.16
Total	**76**	**100**

4.2.4 Departments

As summed up in the table 4 below, the study further obtained the department they worked for in the clearing and forwarding firm .the respondents picked from a sample of staff members involved in management of operations. The respondents were requested to indicate the years they worked in both Nairobi and Mombasa in from the findings in Table 4 which showed that the percentage of staff working in all the departments was relatively equal, with a percentage of 19.74% representing Customs Clearance, 17.11%, Warehousing Department 21.02%, Stores and Logistics 14.47%, Removal and distribution 22.37% and Operations Department 26.31 %.this implied that data was collected from clearing and forwarding department which are involved in daily port operations.

Table 4: Departments

Designation	Frequency	Percent
Customs Clearance	15	19.74
Warehousing Department	13	17.11
Stores and Logistics	11	14.47
Removal and distribution	17	22.37
Operations Department	20	26.31
Total	76	100.0

4.3 Descriptive Analysis

4.3.1 Customs Brokerage

Duty payments

Respondents were required to rate how Customs Brokerage elements are practiced in their organizations. As shown in the table below the mean scores obtained on Duty payments activities was relatively high. The study shows that for the effective operations in cargo clearance to determine how fast tax payments are processed by your organization with a mean score of 4.22 and standard deviation of 0.68. the study further provided that the valuation disputes normally lead to disputes between importers and exporters leading to wastage of clearance time of shipments at entry and exit points which requires accurate importers invoices for customs declaration with mean score of 3.95 and standard deviation of 0.83 . The respondents provide that the importers codes applied on various goods should be accurate since they play great role on taxes collected by the Government hence faster cargo clearance by the customs at the boarder point this was in accordance to Preparation of customs requisite documents for imports and exports. The respondents to a great extent agreed that clearing agents helps in Customs documentation. Preparation of customs requisite documents for imports and exports for operational effectiveness. With a mean score of 4.21 and standard deviation of 0.72 the respondents to a great extent agreed that Customs clearance work involves preparation and submission of documentations

required to facilitate export or imports into the country. The clearing & Forwarding Agents represent their clients during customs examination, assessment, payment of duty and co taking delivery of cargo from customs after clearance process is complete. This finding is in agreement to that of Prajogo (2012) that the management of customs duties is essential for controlling the flow of goods in and out of a country. Therefore, the customs process begins in the country of origin and ends in the country of destination.

Table 5: Duty payments

Statements	Min.	Max.	Mean	Std. Deviation
How fast are tax payments processed by your organization	2.00	4.00	4.22	0.68
The imports codes applied on various goods, how accurate are they since they play great role on taxes collected by the Government.	1.00	3.00	3.95	0.78
The valuation disputes normally lead to disputes between importers and customs leading to wastage of clearance time of shipments at entry and exit points.	1.00	4.00	3.95	0.83

4.3.2 Performance of Port Operation

Increases efficiency

From the findings Figure 3 with a rate of 55.26% of the respondents agreed that Management of integrated and affordable tracking solution for the fleet enables expert services in Supply Chain Analysis with 34.21% of the respondents strongly agreeing, 3.95% of the respondents were neutral and only 1.32% of the respondents disagreed. The finding of the study further provided that when the port provides a gateway for trade and attract commercial infrastructure such as banks, shipping agencies, freight forwarders, stevedores and this enables faster duty payment and other clearance fees for the different authorities hence quick and transparent port operations. Majority of the respondents strongly agreeing at a rate of 3.95% with 80.26% of the respondents agreeing and 5.26% of the respondents were neutral. The study provided that the ports administration operations ensure that the clearance of goods is effective and within the stipulated time for reshipment or for transshipment for intermodality of the cargo with 63.16% of the respondents strongly agreeing and 23.68% of the respondents agreeing while 3.95% of the respondents disagreed with the statement. The study further found out that   the Organizations Optimize Ports main transport link with their international trading partners. This acts as a focal point for national and regional motorways and railways which allows port to generate income while reducing the operating cost. The finding agreed with that of Fugate (2010) stating that   inefficiency at the port, including long wait times to unload cargo, has long been seen as a major stumbling block to increasing growth and cargo clearance with customer delayed deliveries for the international imports.
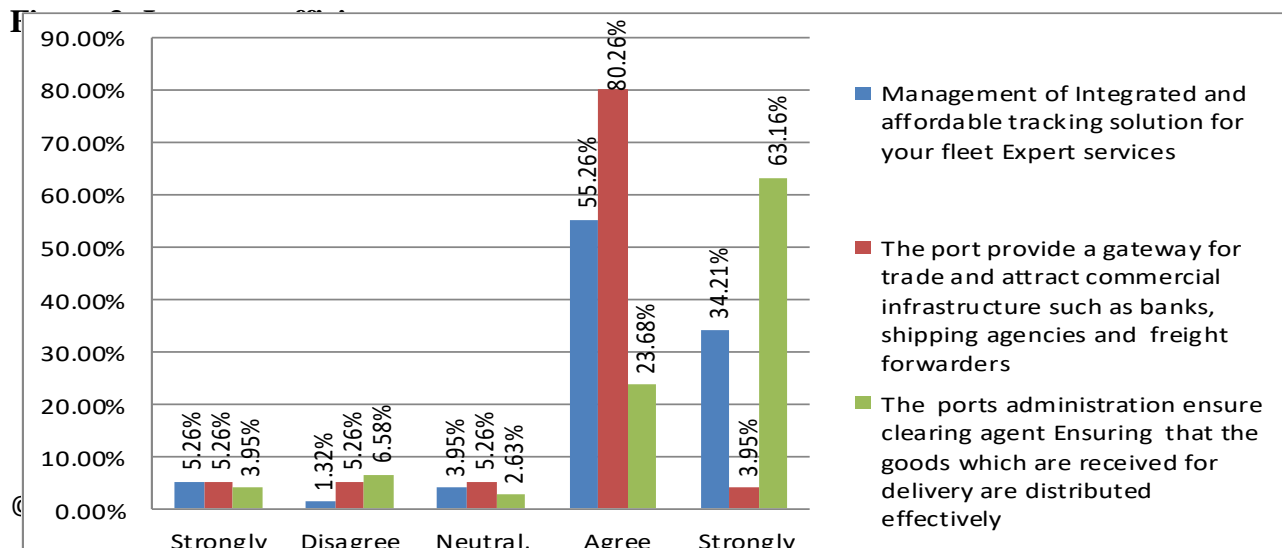
4.3.3 Customer satisfaction

The respondents were requested to indicate the kind of port process management that was in use to enhance performance of Port Operations in Kenya and Customer satisfaction. From the findings in Table 6 below, it can be observed that the port provides a range of activities that include cargo loading and discharging which increases operational efficiency while serving customers. The respondents strongly agreed with a mean score of 4.43 and standard deviation of 0.96. The study also established that maintaining up to date information on inventory and cargo movements, and stuffing/de-stuffing of containers enabled faster cargo clearance while reducing the cargo handling costs with a mean score of 4.33 and standard deviation of 1.01 the respondents strongly agreed that when the port services provided covering all customers' needs. When operators reduce errors of operation this increases the port effectiveness with mean score of 4.08 and standard deviation of 0.94. The finding concurred with that of Fugate & Stank (2010), stating that Communication between buyers and sellers are central to the supply chain philosophy. Further, the trend towards more detailed customer demands has made it even more important for firms to solicit input and feedback from their customers in order to better tailor their offerings to customer needs.

Table 6: Customer satisfaction

Statements	Min.	Max.	Mean	Std. Deviation
Ensuring that port provides Value-added range of activities on cargo loading and discharging	1.00	4.00	4.43	0.96
Maintaining records on inventory, cargo movements, and stuffing/de-stuffing of containers	1.00	4.00	4.33	1.01
Does the port services provided cover all customers' needs	1.00	4.00	4.08	0.94

4.4 Inferential Analysis

Inferential statistics infer from the sample to the population. They determine probability of characteristics of population based on the characteristics of the sample. Inferential statistics helps in assessing strength of the relationship between the independent variables and the dependent variables.

Customs Brokerage and performance of Port Operations

Table 7 shows that the coefficient of determination R^2 is 0.818. This means that the influence of the predictor variables (Customs Brokerage) explains 81.8% of the performance of Port Operations in Kenya.

Table 7: Customs Brokerage and performance of Port Operations

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	Sig. F Change
1	.906a	.820	.818	.459	.820	.000

a. Predictors: (Constant), Customs Documentation, Duty Payments, Custom Release
b. Dependent Variable: Performance of Port Operations

4.5 Coefficient Analysis

The established regression equation was; $Y = 1.769 + 0.493X1 + 0.193 X2 + 0.261X3 + \varepsilon$

From the regression results in Table 8, 1.769 represents the constant which predicted the value of performance of Port Operations in Kenya, of Bollore Transport and Logistics Limited. This implies that when everything

else is held constant, an indication that when customs brokerage effects remain constant at zero (0) Port Operations in Kenya of Bollore Transport and Logistics will remain at 1.769.

Regression results revealed that Customs Documentation, has significant influence on Performance of Port Operations in Kenya of Bollore Transport and Logistics by $\beta_1=0.493.$, $p=0.002<0.05$, t= .0883 the implication is that a unit increase Customs Documentation, leads to an increase on Performance of Port Operations in Kenya of Bollore Transport and Logistics as indicated by $\beta_1=0.493$

Regression results revealed that Duty Payments has significant influence on Performance of Port Operations in Kenya of Bollore Transport and Logistics by $\beta2=0.193$, $p=0.015<0.15$, t= 293 the implication is that a unit increase in Duty Payments leads to an increase in Performance of Port Operations in Kenya of Bollore Transport and Logistics as indicated by $\beta2=0.634$

Regression results revealed that Custom Release has significant influence on Performance of Port Operations in Kenya of Bollore Transport and Logistics by $\beta_3=0.261$, $p=0.003<0.05$, t= .363 the implication is that a unit increase in Custom Release leads to an increase in Performance of Port Operations in Kenya of Bollore Transport and Logistics as indicated by $\beta_3=0.261$

$Y= 1.769 + 0.493X_1 + 0.193 X_2 + 0.261X_3 + \varepsilon$

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.769	.126		1.869	.001
	Customs Documentation	.493	.183	.407	.883	.002
	Duty Payments	.193	.094	.427	.293	.015
	Custom Release	.261	.077	.378	.363	.003

    a. **Predictors: (Constant),** Customs Documentation, Duty Payments , Custom Release
    b. **Dependent Variable:** Performance of Port Operations

Where:-

Y- Performance of Port Operations

B0-constant

X_1- Customs Documentation

X_2- Duty Payments

X_3- Custom Release

E-Error Term

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Customs Brokerage

The study evaluated the influence of Customs Brokerage on performance of Port Operations in Kenya a case of Bollore Transport and Logistics Limited. The findings proved that the Customs Agents act on behalf of importers and exporters to facilitate the export and import clearance procedures and formalities. The study

established that in an export, a customs broker delivers documents to exporter after completing necessary export formalities with customs. In an import trade, goods are delivered to importer by customs broker after completing necessary import customs clearance procedures and formalities with custom department.

5.2 Conclusion

5.3.2 Custom Brokerage and Performance of Port

The study concludes that in Customs Brokerage streamline the entire customs process and eliminates any additional costs or delays caused by miscommunication or multiple service providers and being accurate and thorough with your paperwork is important. This includes business information, inventories or itemized lists of shipments, and value of cargo. This information affects the duties and custom fees at the ports; helps assess the risk of your cargo shipment, and more.

5.3 Recommendations

Customs Brokerage and Performance of Port

The role of Customs Brokerage in port operations process should not be undermined therefore, the study recommends clearing of goods from customs in a timely and efficient manner is the main concerns for exporters and importers. Generating an electronic entry for the consignment of goods if required, as per the customs body by ensuring the customs authorities release the goods after verifying all the necessary documents pertaining to the shipment.

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