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STRATEGY COMMITTEE (SC)
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Egypt Proposed Paper Rationale on UPU Strategy for Dubai Cycle

Since 150 years ago, a universal postal union has been established to allow the world's citizens to use the postal system, which was created in ancient Egypt around 2000 B.C. The postal service was exclusive to the pharaohs, who used couriers to send out directives throughout the state's territory.

After World War II, the Universal Postal Union adopted more noble causes to secure the right of all citizens to communicate as a human right and developed inclusive financial services to assure financial inclusion long before the word was heard.

Universal services obligations have emerged as a commitment by the government towards its citizens.

With the emergence of the United Nations Sustainable Development Goals, postal services have been recognized as efficient tools and enablers for specific goals: # 1, no poverty; #8, Decent work; and # 13, Climate action.

For 150 years, the postal service's first mile started from the Post office to provide shipping to Citizen 2 Citizen or Customer 2 Customer.

For 26 years, Electronic mail has taken the place of physical mail. With the decline of the letter mail business, new business models have emerged using the exact root cause of mail decline it is electronic commerce. Still, the business model of this new business doesn't start from the post office, and neither the central part of the e-commerce is within the C2C model; the big market share of e-commerce lies within the B2C and B2B2C. The e-commerce supply chain and logistics don't start from the Post office; they start from the warehouse, whether a giant seller, SME, or global or local marketplace.

Today, UPU needs to change its business model, mainly the first mile (postal regulations, operations, solutions), to address the needs and the requirements of the only revenue stream that can grant the international postal network financial sustainability.

An e-commerce parcel or package may contain a luxurious commodity, medication for a sick person, or an educational tool needed by a student.

UPU's strategy must recognize that need and Develop a strategic plan for postal services, which involves several key steps.

Mission: Connecting Business and Communities

The Postal Service is essentially provided to the people by the member states governments, with a mission to Provide Reliable, Efficient, and Affordable Postal Services in all areas and all communities of all UPU member state territories to :

- A) Empower SMEs with universal access to international markets, enabling them to benefit from the economic fruits of E-Commerce and secure themselves against poverty with decent work.
- B) Enable all the world's citizens to have universal access to e-commerce.
- C) Digitally Empower all the citizens in the member states with fintech

All the previously stated tasks are to be done through high-quality and cost-efficient delivery offerings.

Vision: Invest in the future

Invest Strategically in Logistics, infrastructure, and technology.

1) E-commerce Market

Universal, Affordable, good-quality postal packets and Parcel delivery are essential requirements for E-Commerce customers. However, they are not all. The operating model supports bulk shipment deposits to the postal facility (Bulk data upload, CN23 creation, timely ITMATT transmission, scanning verification of physical arrival of shipments, etc.), Speed, Predictability, and Excellent Customer experience.

Conducting periodical benchmarks with Competitors is crucial and indispensable—regular Market Analysis to identify emerging trends, customer preferences, and competitive forces.

2) Fintech

Financially sustainable postal service that enables all citizens and businesses to connect and grow financially includes all citizens in rural or urban communities on an equal basis and empowers them with digital access to financial services.

There is no need to reinvent the wheel public – a private partnership between DOs and Fintech can be a quick win by building the bridge between the postal network and their digital network.

3) Customer Experience Enhancement:

- A. Improve delivery speed, reliability, and communication.
- B. Implement real-time tracking and convenient services.
- C. Streamline returns and customer support.

Finally

Member states of UPU need :

- A well-crafted strategy ensures that our postal service remains relevant, efficient, and customer-centric in an ever-evolving landscape.
- Advocate for legislative and regulatory changes that enable UPU's strategy, vision, and mission.
- Focus on the outcome of the UPU strategy and its work plan, which shall result in the growth and prosperity of the UPU and the international postal network, the maintenance of the USO, and the maintenance of the DO capacity to achieve their national and international obligations and serve their community.