About the Universal Postal Union

Created in 1874, the Universal Postal Union (UPU), based in Berne (Switzerland), is an intergovernmental organization and the primary forum for international cooperation for stakeholders from the public postal network. With 192 member countries, the UPU is also a specialized agency of the United Nations.

To maintain the global postal territory, the UPU establishes the rules for international mail exchange among its member states. It also provides technical assistance, advising on improving the quality of postal services and stimulating mail-volume growth to aid the socio-economic development of nations.

The public postal network is the world’s largest physical distribution network with more than 640,000 postal outlets. It also one of the largest employers with some 5.5 million employees. All in all, they processed and delivered 350 billion domestic and international letter-post items and over 6 billion parcels internationally in 2012. Many Posts also provide customers with express mail, postal financial services and a range of e-services.
The UPU’s 192 member countries

1 Western Hemisphere

- Antigua and Barbuda
- Argentina
- Aruba, Curaçao and Sint Maarten
- Bahamas
- Barbados
- Belize
- Bolivia
- Brazil
- Canada
- Chile
- Colombia
- Costa Rica
- Cuba
- Dominica
- Dominican Republic
- Ecuador
- El Salvador
- Grenada
- Guatemala
- Guyana
- Haiti
- Honduras (Rep.)
- Jamaica
- Mexico
- Nicaragua
- Panama (Rep.)
- Paraguay
- Peru
- Saint Christopher (St Kitts) and Nevis
- Saint Lucia
- Saint Vincent and the Grenadines

Suriname
Trinidad and Tobago
United States of America
Uruguay
Venezuela (Bolivarian Rep.)

2 Eastern Europe and Northern Asia

- Armenia
- Azerbaijan
- Belarus
- Bosnia and Herzegovina
- Bulgaria (Rep.)
- Czech Republic
- Estonia
- Georgia
- Hungary
- Kazakhstan
- Kyrgyzstan
- Latvia
- Lithuania
- Moldova
- Montenegro
- Poland
- Romania
- Russian Federation
- Serbia
- Slovakia
- Tajikistan
- The former Yugoslav Republic of Macedonia
- Turkmenistan
- Ukraine
- Uzbekistan

- Postal Operations Council member
- Council of Administration member

36 member countries

25 member countries
<table>
<thead>
<tr>
<th>3 Western Europe</th>
<th>4 Southern Asia and Oceania</th>
<th>5 Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Afghanistan</td>
<td>Algeria</td>
</tr>
<tr>
<td>Austria</td>
<td>Australia</td>
<td>Angola</td>
</tr>
<tr>
<td>Belgium</td>
<td>Bahrain (Kingdom)</td>
<td>Benin</td>
</tr>
<tr>
<td>Croatia</td>
<td>Bangladesh</td>
<td>Botswana</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Bhutan</td>
<td>Burkina Faso</td>
</tr>
<tr>
<td>Denmark</td>
<td>Brunei Darussalam</td>
<td>Burundi</td>
</tr>
<tr>
<td>Finland</td>
<td>Cambodia</td>
<td>Cameroon</td>
</tr>
<tr>
<td>France</td>
<td>China (People’s Rep.)</td>
<td>Central African Republic</td>
</tr>
<tr>
<td>Germany</td>
<td>Democratic People’s Republic of Korea</td>
<td>Chad</td>
</tr>
<tr>
<td>Great Britain</td>
<td>Fiji</td>
<td>Comoros</td>
</tr>
<tr>
<td>Greece</td>
<td>Fiji</td>
<td>Congo (Rep.)</td>
</tr>
<tr>
<td>Iceland</td>
<td>Fiji</td>
<td>Côte d’Ivoire (Rep.)</td>
</tr>
<tr>
<td>Ireland</td>
<td>Fiji</td>
<td>Democratic Republic of the Congo</td>
</tr>
<tr>
<td>Italy</td>
<td>Fiji</td>
<td>Djibouti</td>
</tr>
<tr>
<td>Liechtenstein</td>
<td>Fiji</td>
<td>Egypt</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Fiji</td>
<td>Eritrea</td>
</tr>
<tr>
<td>Malta</td>
<td>Fiji</td>
<td>Equatorial Guinea</td>
</tr>
<tr>
<td>Monaco</td>
<td>Fiji</td>
<td>Ethiopia</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Fiji</td>
<td>Gabon</td>
</tr>
<tr>
<td>Norway</td>
<td>Fiji</td>
<td>Gambia</td>
</tr>
<tr>
<td>Portugal</td>
<td>Fiji</td>
<td>Ghana</td>
</tr>
<tr>
<td>San Marino</td>
<td>Fiji</td>
<td>Guinea</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Fiji</td>
<td>Guinea-Bissau</td>
</tr>
<tr>
<td>Spain</td>
<td>Fiji</td>
<td>Kenya</td>
</tr>
<tr>
<td>Sweden</td>
<td>Fiji</td>
<td>Lesotho</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Fiji</td>
<td>Liberia</td>
</tr>
<tr>
<td>Turkey</td>
<td>Fiji</td>
<td>Libya</td>
</tr>
<tr>
<td>Vatican</td>
<td>Fiji</td>
<td>Madagascar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Malawi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mali</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mauritania</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mauritius</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>28 member countries</th>
<th>49 member countries</th>
<th>54 member countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pakistan</td>
<td>Morocco</td>
</tr>
<tr>
<td></td>
<td>Papua New Guinea</td>
<td>Mozambique</td>
</tr>
<tr>
<td></td>
<td>Philippines</td>
<td>Namibia</td>
</tr>
<tr>
<td></td>
<td>Qatar</td>
<td>Niger</td>
</tr>
<tr>
<td></td>
<td>Samoa</td>
<td>Nigeria</td>
</tr>
<tr>
<td></td>
<td>Saudi Arabia</td>
<td>Nigeria</td>
</tr>
<tr>
<td></td>
<td>Singapore</td>
<td>Rwanda</td>
</tr>
<tr>
<td></td>
<td>Solomon Islands</td>
<td>Sao Tomé and Principe</td>
</tr>
<tr>
<td></td>
<td>Syria</td>
<td>Senegal</td>
</tr>
<tr>
<td></td>
<td>Syrian Arab Republic</td>
<td>Seychelles</td>
</tr>
<tr>
<td></td>
<td>Thailand</td>
<td>Sierra Leone</td>
</tr>
<tr>
<td></td>
<td>Timor-Leste (Dem. Rep.)</td>
<td>Somalia</td>
</tr>
<tr>
<td></td>
<td>Tonga</td>
<td>South Africa</td>
</tr>
<tr>
<td></td>
<td>Tuvalu</td>
<td>South Sudan</td>
</tr>
<tr>
<td></td>
<td>United Arab Emirates</td>
<td>Sudan</td>
</tr>
<tr>
<td></td>
<td>Vanuatu</td>
<td>Swaziland</td>
</tr>
<tr>
<td></td>
<td>Viet Nam</td>
<td>Tanzania (United Rep.)</td>
</tr>
<tr>
<td></td>
<td>Yemen</td>
<td>Togo</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tunisia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Uganda</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zambia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zimbabwe</td>
</tr>
</tbody>
</table>
Contents

Contents 6
Foreword 8
1 Doha Postal Strategy 11
2 Regional spotlight 13
3 Quality of service 18
  Customers better track and trace mail worldwide 19
  Quality of Service Fund hits high note 21
  RAQUEL fosters e-commerce 23
  Yielding insights 25
  10 years of simplifying postal accounting 27
  Postal Technology Centre fosters innovation 29
  On the road to modernization with .post 31
4 Postal economics help to develop sector 33
5 Partners 35
6 Figures 39
7 Chronology 43
2013 was the first year of implementing the world postal strategy, a four-year roadmap for the postal sector. The groundwork was laid and the work proper began as regional activities to meet the Doha Postal Strategy’s ambitious objectives by 2016 were launched. These activities strive to improve the interoperability of the international postal networks; disseminate technical knowledge and expertise related to the postal sector; promote innovative products and services; and foster sustainable business development of the postal sector.

To achieve these goals, the world’s regions have identified their own set of priorities to ensure that the global postal network delivers results. These were then integrated by the UPU into regional development plans. As this report shows, much work was done in 2013 to further the global strategy’s regional implementation. I am pleased to report that projects to modernize the postal network are progressing well. And the essence of the achievements is permeated by innovation in the face of changing customer demands and market challenges.
The UPU is doing much more than its level best to help member countries deliver on the goals set by the current world postal strategy. Our experts share their technical knowledge with members on a regular basis, not only from Berne but more importantly on the ground, advising stakeholders in their own countries. The range of expertise the UPU carries to the regions is diverse: from improving quality of service in operations to extending the reach of postal financial services.

I too had the opportunity to witness how the postal sector is faring. My travels in 2013 enabled me to take a personal snapshot of today’s Post. These insights will prove invaluable as the UPU considers its future course.

On this note, against the world postal strategy’s lofty goals, the global economic climate has led to the organization’s own budget being frozen as member countries face financial difficulties. Yet, despite this constraint, the UPU is continuing with projects deemed crucial to the maintenance and modernization of the international postal network. They include helping countries to optimize their postal operations using the latest technology to respond better to new customer needs. More details can be found in the pages that follow.

Efforts are also continuing to bring maximum efficiency to decision-making and working practices within the Union. 2013 was a landmark year for the UPU’s Postal Operations Council (POC) and the Council of Administration (CA). The POC met twice for the first time instead of just once. The CA’s autumn session also wrapped up in two weeks instead of the usual three. Furthermore, in line with the Doha Postal Strategy’s objectives, the UPU International Bureau underwent a restructure to enable it to better respond to the Union’s needs. All these measures have meant that certain decisions crucial to the evolution of the postal sector can be taken quickly.
As we move steadily onwards, the UPU is counting on its member countries to increase their support for Union activities. To achieve the world postal strategy’s goals in time, such support is crucial from now until the end of the current work cycle when the course for the organization’s future will be set in 2016 at the Istanbul Congress.

Bishar A. Hussein, UPU Director General
Doha Postal Strategy
Global goals

The Doha Postal Strategy underlines the postal network’s three dimensions – physical, electronic and financial – as well as interconnection, governance and development as key axes to strengthen postal services worldwide. The strategy’s goals will be achieved through programmes aimed at strengthening the postal sector through better connected networks and quality of service, innovation and responding more effectively to market changes.
Regional spotlight
Regional priorities

For the work cycle 2013–16, the world’s regions have identified their own priorities under the Doha Postal Strategy. These form the basis of the regional development plans.

Africa
1. Improve international and domestic mail quality of service and promote use of the Quality of Service Fund.
2. Stimulate Posts’ growth by developing e-commerce and parcel and small-packet services.

Latin America
1. Improve operational processes and implement quality of service plans.
2. Expand offerings and improve management of universal postal service and other postal services by ensuring continuity in postal reform processes.

Asia-Pacific
1. Enhance quality of service, reliability and efficiency of postal networks.
2. Improve remuneration systems between Posts.

Caribbean
1. Improve quality of service and efficiency of postal network.
2. Provide more training for human resources development.

Arab countries and observer
1. Develop and modernize money-transfer services.
2. Modernize and diversify postal parcels service.

RCC members*
1. Improve quality of service and postal network efficiency.
2. Develop e-commerce.

PostEurop members**
1. Enhance quality of service and postal network reliability and efficiency.
2. Improve remuneration systems between Posts.

* Europe and Community of Independent States
** Europe and Community of Independent States
During the second half of 2013, a number of activities were launched to begin the regional implementation of the Doha Postal Strategy. Here are some highlights.

### Arab region

**Priority 1**

» Enhancing quality of service and efficiency of the postal network

Between September 23 – 27, 2013, the UPU’s Directorate of Development Cooperation organized a symposium and workshop on quality of service improvement, the supply chain and EMS development in cooperation with the EMS Cooperative, La Poste France, EMS Chronopost International and Poste Maroc in Casablanca, Morocco.

The UPU-organized event brought together postal experts and stakeholders, such as customs authorities and e-commerce businesses, to exchange know-how. Areas covered included boosting parcel volumes, implementing efficiencies to facilitate business, decreasing operating expenses and improving customer service. Some 40 participants from 13 designated operators attended, including Morocco, Algeria, Egypt, Djibouti, Kuwait, Libya, Mauritania, Oman, Palestine, Qatar, Sudan, Tunisia and Yemen. The symposium concluded with the formulation of the “EMS Casablanca Declaration”, which was officially adopted by the Arab Permanent Postal Commission in December 2013. This provides recommendations for improving the quality of service of the region’s EMS services. They include boosting cooperation between Posts and customs authorities and increasing the use of electronic data interchange or EDI messages at various points of delivery.

### Asia-Pacific region

**Priority 2**

» Value-added products and services

The region jumpstarted its development projects by hosting a workshop on innovations in philatelic technology in August 2013. Philatelic operators and suppliers gathered to share best practices and information on the latest technologies and innovations for use in the production and marketing of philately.
The workshop brought together 35 participants from 19 Posts, including from Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Laos, Macao, Maldives, Myanmar, Nepal, Russia, Samoa, Solomon Islands, Singapore, Thailand, Timor Leste, Vanuatu, and Viet Nam. Several Posts have since developed stamps using technology presented by the experts. For instance, Macao Post printed a new stamp using silk and Thailand Post produced a special Valentine’s Day stamp using micro-perforations.

Europe & the Commonwealth of Independent States

Priority 1

» Improve quality of service and efficiency of the postal network

Europe and the CIS countries entered 2013 full-speed ahead, launching two activities related to the region’s two first-level priorities. A process-review mission to Georgia kicked off the region’s efforts on improvement of quality of service, while a seminar on postal security and customs clearance helped promote discussion on the facilitation of international
As part of an agreement between the UPU, PostEurop and Georgia, PostEurop sent seven consultants on a 10-day mission to the Georgian Post in June 2013. The mission included a diagnosis of the country’s existing level of quality of service, recommendations and the formulation of projects aimed at improving quality of service and support for the implementation of UPU technical solutions. The experts formulated three projects and made five recommendations for quality of service improvement.

The UPU and PostEurop also signed a multi-year regional project agreement at the end of 2013 to continue similar work in other countries. Further missions are planned to Armenia, Azerbaijan, Kazakhstan, Russian Federation and Uzbekistan.

Europe & the Regional Commonwealth in the Field of Communication

Priority 1
» Facilitate and promote the development of international e-commerce

With co-funding from La Poste (France), the UPU and the Regional Commonwealth in the Field of Communication (RCC) held a seminar in Kiev, Ukraine, in December 2013 to discuss the facilitation of international e-commerce.

Postal operations managers learned how the use of modern technologies in postal security and customs operations, such as electronic pre-advice messages and the development of partnerships, could enable the efficient flow of parcels generated by e-commerce. Over 50 people participated, including representatives from 12 member countries. The UPU and La Poste financed the participation of 22 representatives from 11 countries, including Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Moldova, Russian Federation, Turkmenistan, Uzbekistan, Kyrgyzstan and Tajikistan.
Quality of Service
Customers better track and trace mail worldwide

Ever increasing numbers of customers are availing themselves of a UPU tool to follow the course of their mail online as it crosses borders. Global Track and Trace (GTT) has been praised by customers and Posts alike. “GTT widened the range of tracking capabilities for our customers, thereby providing them with a better quality of service,” a Barbados Post spokesperson said.

Items tracked by GTT include parcels, registered mail and express mail service (EMS) items. Financed by the UPU, the service is free for designated operators and customers. It can either be accessed directly or a designated postal operator can embed the tool onto its public website.

For GTT to work, participating Posts have to agree to share data on mail items in the network to feed the tool’s database. By the end of 2013, 153 Posts had signed up to do precisely that. This high level of participation means customers can track their items as it passes through most countries worldwide. In 2013, the tool was integrated into the websites of 12 Posts.

Streamlining operations

In a world of changing customer needs, the global postal network must be fit for purpose. For its part, the UPU offers member countries a number of products and services to help international mail flow freely throughout the world. What follows is a brief look at some of these aids.

Quality of service
The UPU’s Postal Technology Centre, which created and hosts the system, recorded more than 500,000 queries to the GTT database in 2013, showing the popularity of the service. Database activity is on the rise and, in recent months, customers have been querying the system most frequently in Lithuania, South Africa, the United States and the United Kingdom. The tracking of an item begins when a postal worker scans its barcode at the point of sale and provides a copy to the customer. Data from this barcode scan is stored in the GTT database. As postal staff dispatch the item towards its final destination, the barcode is scanned several times and each ‘event’ recorded. Throughout the process, the customer can learn about the status of their item by entering that code into a GTT application on their Post’s website.

Feedback from operators has prompted the UPU to plan several improvements to the system, some of which have already been implemented. Those changes include a multi-item search option for bulk mailers, extension of data-storage from five days to three months and the ability for web services to access GTT data. The latter includes a smartphone application for the Android platform. The UPU-designed app is slated for worldwide release soon.
The UPU Quality of Service Fund (QSF) is a development fund that has financed projects to improve the quality of the letter-post network to the tune of 111 million USD since its launch in 2001. In 2013, its board of trustees gave the green light to 38 projects worldwide worth more than 8.5 million USD in total.

The Fund is fed by a percentage of terminal dues – the system of remuneration between Posts for delivering mail items to their destination. This enables countries to build up so-called credits in the fund. The credits held by a country can then be used to ‘finance’ a project to modernize letter-post operations once the board has given its go-ahead. At the end of 2013, the amount available for new projects stood at almost 60 million USD.

Projects run the gamut of beefing up security in mail facilities or transport, optimising mail processing through acquisition of new software, accelerating delivery times through procuring new vehicles or purchasing equipment like x-ray machines to scan international mail.
QSF projects approved in 2013 by region

Europe and Northern Asia
247,426 USD

Caribbean
275,478 USD

Latin America
2,567,777 USD

Asia-Pacific
905,166 USD

Africa
3,926,235 USD

Arab countries
613,700 USD
RAQUEL fosters e-commerce

With e-commerce booming, customers in the Asia-Pacific region are experiencing better quality of service when it comes to sending registered items through the letter-post stream thanks to the Registered Article Quality Enhancement Lead (RAQUEL) project. At the end of 2013, 29 Posts from the region were participating in this comprehensive tracking system. The use of the registered service for letter post – which includes small packets weighing up to 2kg – has been growing alongside the rise in e-commerce. Such packets are often the medium of choice for cross-border exchanges of goods sold online in Asia-Pacific. RAQUEL aims to foster that market throughout the region by improving the overall customer experience.

The UPU project was initiated and funded by Posts from Hongkong (China), Malaysia, Korea, and Singapore. It starts with the basic elements of track and trace technology: solid barcode printing and scanning practices. While scan rates for outgoing and incoming items were as low as 20 per cent in some countries at the beginning of the
project in 2011, the majority of RAQUEL Posts had achieved 100 percent scanning by the end of 2013. Information from these barcodes, in the form of Electronic Data Interchange (EDI) messages, is transmitted via the UPU's Post*Net system. This allows Posts to field customer inquiries about the status of their delivery through the Registered Article Inquiry System (RAIS), hosted by the UPU's Postal Technology Centre (PTC).

The project also provides Posts with the ability to assess end-to-end service quality. The Registered Articles Measurement Systems (RAMS) – another tool hosted by the PTC – produces monthly reports based on EDI messages, with data including the number of days elapsed before delivery and the proportion of items scanned.

RAQUEL now counts the majority of Posts in Asia-Pacific among its members in a region that has emerged as the global epicentre for e-commerce. As the registered service continues to improve along with e-commerce growth, this model for development will serve as a template for improving quality of service in other regions around the world.

Asia-Pacific member countries participating in RAQUEL

| Afghanistan | Japan | Papua New Guinea |
| Bangladesh | Korea (Rep.) | Samoa |
| Brunei Darussalam | Macao | Singapore |
| Bhutan | Malaysia | Sri Lanka |
| Cambodia | Maldives | Thailand |
| China | Mongolia | Tonga |
| Cook Islands | Myanmar | Tuvalu |
| Fiji | Nepal | Vanuatu |
| Hong Kong (China) | Pakistan | Viet Nam |
| Iran | Philippines | |
The UPU’s Global Monitoring System (GMS) is enabling a growing number of Posts to measure the efficiency of their mail-delivery services in the international letter-post market. Since its inception in 2009, 70 per cent of participating countries say they have achieved quality-of-service improvements.

By the end of 2013, GMS membership encompassed 50 designated operators, compared to 21 when the project began. Members include countries from every world region and varied levels of economic development. In 2013, Australia, Bahrain, Brazil, Canada, Cayman Islands, Croatia and Ukraine were among new members.

GMS works through the participation of individual panellists, who send and receive test letters through the Post. The letters contain an ultra-thin electronic chip or ‘tag’ that uses radio frequency identification (RFID) technology to communicate with scanning antennas installed in postal facilities. Whenever a test letter containing the RFID tag passes through a scanning device, the letter is registered and data is sent to a central database, the GMS Statistical System for Analysis and Reports (GMS STAR). Multiple scanning points, installed in airmail units and exchange offices of receiving Posts,
capture the time elapsed in the transport, processing and distribution of a given test letter, until it reaches its destination panellist. GMS STAR generates statistical reports in real time, allowing participating Posts to check their performance.

By the end of 2013, GMS had 500 RFID installations worldwide, which recorded more than 500,000 tag registrations annually. More than 1,500 panellists located around the world injected more than 250,000 test letters annually into mail circulation. Over 400 users had downloaded quality of service reports from the GMS STAR online interface. And to support participating member countries, more than 300 conference calls had been conducted to assist members with their quality-of-service performance results.

Costs have also gone down thanks to an increase in members. The costs of RFID installation and monitoring were reduced by 70 per cent last year. This was due to decreasing equipment costs and a review of the processes related to installing and maintaining equipment. Panel management costs were also reduced by three per cent, helping make GMS accessible to more UPU member countries.

GMS members

<table>
<thead>
<tr>
<th>Aruba</th>
<th>Macao (China)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Malawi</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Bahrain</td>
<td>Mauritius</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Moldova</td>
</tr>
<tr>
<td>Belarus</td>
<td>Morocco</td>
</tr>
<tr>
<td>Benin</td>
<td>Namibia</td>
</tr>
<tr>
<td>Botswana</td>
<td>Peru</td>
</tr>
<tr>
<td>Brazil</td>
<td>Poland</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>Qatar</td>
</tr>
<tr>
<td>Canada</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Cayman Islands</td>
<td>Senegal</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Singapore</td>
</tr>
<tr>
<td>Croatia</td>
<td>Slovakia</td>
</tr>
<tr>
<td>El Salvador</td>
<td>South Africa</td>
</tr>
<tr>
<td>Eritrea</td>
<td>Spain</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Sri Lanka</td>
</tr>
<tr>
<td>Ghana</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Gibraltar</td>
<td>Togo</td>
</tr>
<tr>
<td>Hongkong (China)</td>
<td>Tunisia</td>
</tr>
<tr>
<td>India</td>
<td>Uganda</td>
</tr>
<tr>
<td>Italy</td>
<td>Ukraine</td>
</tr>
<tr>
<td>Japan</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>Kenya</td>
<td>Viet Nam</td>
</tr>
<tr>
<td>Korea (Rep.)</td>
<td>Zambia</td>
</tr>
</tbody>
</table>
10 years of simplifying postal accounting

In 2013 postal operators from 36 member countries celebrated a decade of using a UPU clearing system designed to take the pain out of international account-settling. During that year, UPU*Clearing handled more than 14,100 invoices, with transactions totalling more than 110 million SDR. This can be broken down into 51.7 million EUR and 98.6 million USD.

Designed as a one-stop shop, this clearing system helps members settle debts among each other with just two monthly transactions, one in US dollars and the other in euros. This avoids having to deal with numerous accounts and various currencies. Posts mainly use the system to settle accounts in terminal dues, which is the remuneration postal operators receive from one another for delivering international mail to its final destination.

Simplicity is key: members submit their invoices through a centralized, internet-based platform known as Net. Web, which calculates the total debt or credit accrued by each member. Since 2003, UPU*Clearing has handled over 110,000 invoices worth in excess of 828 million SDR. As payments are made in US dollars and euros, this amounts to 543 million USD and 542 million EUR over 10 years.

Members of the UPU*Clearing User Group

<table>
<thead>
<tr>
<th>Algeria</th>
<th>Argentina</th>
<th>Australia</th>
<th>Belgium</th>
<th>Brazil</th>
<th>Canada</th>
<th>Chile</th>
<th>Colombia</th>
<th>Costa Rica</th>
<th>Cyprus</th>
<th>Denmark</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>Spain</td>
<td>Sweden</td>
<td>Switzerland</td>
<td>Syria</td>
<td>Tanzania</td>
<td>Tunisia</td>
<td>Turkey</td>
<td>Uganda</td>
<td>United Arab Emirates</td>
<td>United States</td>
<td>Zambia</td>
</tr>
</tbody>
</table>

bpost (Belgium):

“Back-office processes for accounting and treasury activities are reduced to a minimum with UPU*Clearing.”
UPU*Clearing in 2013

14,100 invoices handled

110 million SDR*

51.7 million EUR

98.6 million USD

For more information

Email: clearing@upu.int

* Special Drawing Rights
Postal Technology Centre fosters innovation

The UPU’s Postal Technology Centre (PTC) provides innovative, efficient and cost-effective mail management solutions for designated operators. The PTC experienced another year of vigorous activity in 2013 as demand grew for its core technologies and as innovation continued apace. The International Financial System (IFS) – an application that allows Posts to provide international money transfer services – saw membership rise. By the end of 2013, there were 69 countries using IFS, compared to 61 in 2012.

IFS enables Posts to offer a variety of money transfer services protected by sophisticated encryption techniques. A web-based application, it can function through a computer browser, existing counter operations or other systems. Its interface can also be localized in any language. The service is also expected to go mobile. Over the past year, the PTC began work on an IFS application for tablets and smartphones that would allow postal customers to use their mobile devices to send money transfers. It’s just one example of the innovative services being developed by the UPU’s technical arm.

2013 also saw growth in the number of countries using International Postal System (IPS), a suite of software enabling Posts to manage international processes for the transmission of all categories of mail. Functions include the tracking and tracing of mail items and the exchange of data about the flow of mail between Posts. By the end of 2013, there were 171 countries using IPS mail solutions, compared to 164 in 2012. The PTC’s Internet-based network for exchanging Electronic Data Interchange (EDI) messages has also seen impressive growth. Total traffic on this network was more than 122 million kilocharacters in 2013, compared to 91 million kilocharacters the previous year and new value-
added services provide important information for real-time monitoring and alerting of anomalies.

Other main areas of activity for the PTC in 2013 included the further development of the Customs Declaration System (CDS), which is designed to streamline customs processes, making cross-border mail flows more efficient and fostering international e-commerce and covering security-related issues. Features include generation and routing of electronic customs declarations, interfaces to other (such as e-commerce) systems, web interface for online data entry and for Customs. There is a full risk management and tax/duty calculation function.

The establishment of a comprehensive e-commerce IT framework was nearly completed in 2013. Technical expertise of the PTC is also being applied to a number of ongoing projects, including .post – the UPU’s sponsored top-level domain – and the Global Monitoring System.
On the road to modernization with .post

The past year was marked by significant progress in the development of .post, the sponsored top-level internet domain managed by the UPU and reserved exclusively for the postal sector. Milestones in 2013 included the forming of the .post group (DPG), which held its inaugural general assembly in April, electing its chair, vice-chair and board of directors and approving the work plan. DPG membership grew during 2013 to include stakeholders from every region. This includes 31 member countries and three organizations from the private sector.

Regarding the latter, the DPG approved a set of guidelines for such entities wishing to become associate members, requiring them to adhere to the highest ethical standards. By the end of 2013, three associate members came onboard: Cisco Systems, the high-tech giant, along with the International Hybrid Mail Coalition and ALACOPP, the Latin American Association of Private Post and Parcel Operators.
The number of countries that had registered their own .post domain increased steadily following the general assembly, reaching 19 domains under management by the end of 2013. These registered domains represented 12 European, four Asian-Pacific, and three African countries.

The .post platform is expected to host an array of applications, including e-commerce and government services, functions that require impeccable security and a high degree of customer trust. One example of an application that saw progress in 2013 is postal registered electronic mail or PReM, a system allowing the exchange of secure electronic messages across borders. This project reached an important milestone in April 2013, when the UPU Standards Board assigned a ‘Status 1’ rating to PReM’s S52 standard, meaning that it had achieved stability through extensive testing.

.post developers continue their efforts to build digital postal services of the future, regarding the platform as a secure way to foster interoperable, innovative services among Posts and to promote the modernization of postal services.

For more information:
http://www.info.post
Research
At a time of radical transformation of the postal sector, it is important to understand how the sector has evolved historically, how it is connected with the economic system and where it is heading. In 2013, the UPU published new research that examined the economics of the postal sector through four lenses: snapshots, trends, models and opportunities.

*Development strategies for the postal sector: an economic perspective* presents a long-run view, focusing on public postal operators during the past 30 years. It also offers a real-time picture based on daily big postal data, revealing one of the greatest opportunities for the sector in terms of forecasting and product design.

The chapters seek to explain why some sector policies cannot easily be transposed from one place to another or “what not, when not, why not, where not”. If the sector is to survive, let alone develop, it is paramount to understand the structural differences between industrialized and developing countries. No less critical is the need to provide decision and policy-makers with economic intelligence tools and applications built on a modern data-analytical framework so that they can seize tomorrow’s opportunities.

The publication’s view is truly global. In the new connectivity era, with more than seven billion inhabitants in the world, it would be a strategic mistake not to build and develop “click and mortar” postal networks that potentially allow every citizen and enterprise to be connected to an integrated worldwide logistics and communication network.

The research outcomes reveal the immense potential value of further leveraging big postal data for business and sector development. Furthermore, big postal data can be merged with other macro-economic data for a deeper understanding of the intricacies of domestic and international exchanges and supply chains and their impacts on citizen welfare. Socio-economic globalization is evolving with the explosion of e-commerce. For Posts and governments, data analytics of the 21st century not only offers a real-time picture of the sector but also paves the way for new services and new policies and strategies in our high-velocity world.

Research into these areas is currently ongoing, so that concrete global postal economic tools and applications relying on big postal data can be developed for the benefit of all UPU member countries and the international postal community at large.

For more information

Email: jose.anson@upu.int
Working with key partners

As a United Nations specialized agency, the UPU works closely with key partners, such as other UN agencies or international organizations. These relations are critical in areas like the global supply chain, postal security, technical standards, Customs and mail transportation, to name a few.

Customs

The UPU-World Customs Organization (WCO) contact committee ensures a strong ongoing collaboration between the two organizations to address issues of common interest. The two organizations develop and maintain standards for electronic data interchange (EDI) messaging and promote the exchange of such data among designated operators and Customs authorities. The UPU and the WCO also cooperate on developing capacity-building initiatives for their members by organizing joint workshops at a regional level. A joint WCO-UPU customs guide has been developed, containing topical information. Guidelines for developing memoranda of understanding between Customs and Post at the national level have been jointly developed to educate designated operators and customs authorities on how to formalize contact at the national level.

Aviation

The airline industry has long been an important partner in moving the mail. The collaboration with the International Civil Aviation Organization (ICAO) is focused on finding opportunities in the processing
and transportation of airmail to benefit carriers and Posts, with a view to improving the service to customers. The two organizations have jointly developed dangerous-goods training for use by UPU member countries and continue to explore new methods of ensuring that effective safety and security arrangements have been made for the conveyance of postal items. The UPU and ICAO are also carrying out in-depth studies of the two organizations’ regulations and procedures with a view to simplifying and streamlining them to avoid any unnecessary duplication.

The International Air Transport Association (IATA) and the UPU work together to improve performance and efficiency through a contact committee. A framework agreement between an airline and a designated postal operator has been developed to guide both parties on how to formalize bilateral relationships on a contractual basis. The contact committee is also examining ways to promote the use of EDI between airlines and postal operators for the purposes of pre-advice, operations, tracking and tracing and accounting. There are also ongoing discussions on ensuring greater security for the conveyance of postal items, taking into account new and anticipated security issues.

Standards

The UPU and the International Organization for Standardization exchange information for finalizing standards of mutual interest to the two organizations. Working closely on standardization issues is more important than ever in an increasingly specialized technological environment, meeting the sector’s and customers’ needs for enhanced quality of service. Given the increasing digitization of postal products, future work is likely to focus on electronic certification, identity and trust marks. Work in the financial services area is also likely to expand worldwide.

Financial inclusion

Posts already play an important role in bringing basic financial services, such as a deposit account, to parts of the world’s population that are normally excluded from banking services. To extend their reach, the UPU is working with the International Fund for Agricultural Development to bring better and more efficient money-transfer services to rural areas. The partnership began in 2008 and has encompassed parts of Africa and Asia. In Asia-Pacific, more than 20,000 post offices were connected to the UPU’s IFS network for fast and affordable
The UPU’s long-standing relationship with the United Nations Development Programme (UNDP) is instrumental to providing member countries with numerous benefits. Working through the UNDP, member countries can be exempted from paying customs duties and value-added tax on goods purchased for development cooperation projects. For example, the UPU International Bureau uses the UNDP’s services for customs clearance and delivery of equipment bought for member countries to improve letter-post operations. The UPU-UNDP cooperation guarantees a high level of transparency in contracting procedures.

Mail sorting centre, Istanbul, Turkey (Photo: Emre Oktay/EPA/keystone)
“Postal services across the world are adapting and redefining themselves for a 21st century communication landscape. They are engines of trade, development and growth. They make an important contribution to our shared efforts to build a peaceful, sustainable and equitable future for all.

I urge governments to use the tremendous potential of their postal networks to reach out to their citizens and bridge the gaps in today’s information society.”

United Nations Secretary General
Ban Ki-moon, October 2013

Watch the video
http://news.upu.int/multimedia/videos/UN-secretary-general
Figures
Parcels were sent (international and domestic): 6.4 billion

Events of international mail movements were captured by UPU’s Post*Net system: 2 billion

Children took part in the UPU’s International Letter-writing Competition: 1.5 million

Letters were sent (international and domestic): 350.9 billion

Countries used UPU’s IPS solutions: 171

Postal outlets exist worldwide: 640,000

Generated by Electronic Data Interchange or EDI messages on UPU’s POST*Net system: 122 million kilocharacters

Handled by UPU*Clearing during 10 years: 828 million SDR

Makes up the UPU’s annual budget: 35 million CHF
Chronology 2013
31 January

The UPU and Brazil renew their cooperation on trade facilitation, thus enabling UPU member countries to benefit from the experience of Exporta Fácil, the Brazilian initiative that makes it easy for micro-, small and medium-sized enterprises to export goods.

15 April

The .post group, whose members will develop common or interoperable electronic applications on the .post platform, holds its first general assembly to build the future of digital postal services.

17 April

The UPU’s Postal Operations Council adopts more than 300 proposals to amend the international regulations on letter post, parcel post and postal payment services.

19 April

Japan and the UPU sign a cooperation agreement on disaster risk management and resilience within the postal sector. This is accompanied by a voluntary contribution of 350,000 CHF from Tokyo.

17 May

The UPU signs an agreement committing to provide 100,000 CHF to the Palestinian Post for equipment and training.

27 May

The UPU and the International Fund for Agricultural Development hold a workshop in Jakarta, Indonesia, on developing electronic postal payment services in Cambodia, India, Indonesia, Laos, Malaysia and Viet Nam as part of their joint efforts to improve postal financial services in rural areas.
25 June

The UPU, PostEurop and the Regional Commonwealth in the Field of Communications meet in Saint Petersburg, Russian Federation, and commit to developing e-commerce.

28 June

During the World Customs Organization annual council meeting in Brussels, Belgium, the UPU director general calls on customs authorities across the globe to work more closely with Posts, which are delivering a growing number of parcels due to the rise in e-commerce.

8 July

The UPU’s 2013–16 regional development plan for Africa is launched at a meeting of the Pan African Postal Union (a UPU restricted union) in Arusha, Tanzania.

5 September

The President of India (left in blue), and the UPU Director General encourage Posts in Asia-Pacific to drastically improve levels of quality of service at the Asian-Pacific Postal Union Congress in New Delhi, India.

9 September

The UPU and the Postal Union of the Americas, Spain and Portugal launch the regional development plan for Latin America in Havana, Cuba. Regional priorities include reforming the sector, improving quality of service and developing electronic money transfers.
23 September

The EMS Cooperative holds a symposium in Casablanca, Morocco, for operators in Arab countries, with a view to increasing service speed and efficiency and better meeting customer needs.

2 October

The UPU launches a European Union–funded project to increase financial inclusion through the postal network in Burkina Faso, Cameroon, Côte d’Ivoire and Mali.

9 October

Posts in over 100 countries, including Yemen (see photo), celebrate World Post Day. UN and UPU leaders ask governments to support postal development.

24 October

A forum on financial inclusion, organized by the UPU in Geneva, Switzerland, highlights the role Posts could play in facilitating access to postal financial services for 2.7 billion unbanked people.

1 November

Somalia is set to receive international mail via Dubai thanks to an agreement with the Emirates Post.

14 November

The UPU Council of Administration accepts an invitation from the Côte d’Ivoire government to host the next UPU Strategy Conference.

15 November

The Czech Republic’s Daniel Korcák, winner of the UPU International Letter-Writing Competition for Young People, receives his gold medal at the Council of Administration’s plenary session in Berne.