

## **ELECTION OF THE DIRECTOR OF APPU BUREAU**

### *Memorandum by the Secretary General*

1. Article 107.4 of the General Regulations of the Asian-Pacific Postal Union stipulates that “the Director of the Bureau is chosen from among qualified postal officials by the Executive Council or in the Congress year by Congress. The tenure of office is fixed by the body which selects the Director”
  
2. The 9<sup>th</sup> APPU Congress in Seoul agreed that the elected Director would serve for a four-year period until the next Congress and the following process for the election:
  - (a) each candidate should be offered ten minutes to make a presentation about themselves and their policies (the order of presentations is to be determined by lot);
  - (b) three scrutineers should be appointed, comprising countries which have not submitted candidates for the post;
  - (c) ballot papers should list the names of the candidates in alphabetical order by family name and indicate the administration which has nominated them;
  - (d) ballot papers should be distributed and filled in, with countries placing a tick or a cross in the box next to the name of the candidate they wish to support;
  - (e) the scrutineers should count the vote;
  - (f) the results of the ballot including the number of votes for each candidate should be announced;
  - (g) to be successful, a candidate for Director must receive an absolute majority (more than 50 per cent) of the votes cast;
  - (h) in the event that no candidate receives more than 50 per cent of the votes cast, a second ballot should be held to decide between the top two candidates;
  - (i) in the event, during the first round of voting, of a tie for second place, then a ballot shall be held to determine which of the second ranked candidates shall compete in the second ballot;
  - (j) in the event of a tie in the second ballot, the election shall be decided by lot drawn by the Chairman.
  
3. For the 12<sup>th</sup> APPU Congress, it is proposed to follow the same process as detailed in paragraph 2 for the election of the Director of APPU Bureau.
  
4. As of the deadline, the Bureau received only one application from Mr. LIN Hongliang from China. Mr. LIN’s application form appears as Annex 1.

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## **INTERNATIONAL POSTAL COOPERATION IN THE NEW ECONOMY** *(A Discussion Paper by India)*

### **1. Introduction and Background**

The turbulence, change, opportunities and challenges faced world over by the postal business have been documented and discussed many a times. This is an ongoing discussion which has taken a certain course with the adoption of the Istanbul World Postal Strategy, the business plan to implement this strategy adopted by the UPU and its bodies and the move towards far reaching changes in the Integrated Product Plan, the Reforms of the UPU, the future of the Quality of Service Fund and other issues related to international cooperation and development of the postal sector in sync with the current expectations and realities. That this is not a business as usual kind of situation is evident from the need to have an Extraordinary Congress in the year 2018 to arrive at clear positions on some of the core issues that remain unresolved for lack of consensus and conflicting views and interests of member countries. This paper has been prepared for discussion within the APPU whether the member countries feel confident and comfortable with the direction of the impending change and whether there are some questions and concerns that need to be brought forward for consideration as we decide on the road map for the future. To encourage other questions and as a food for thought some questions are brought forward in this paper for consideration and discussion. The objective is to have a better informed participation in the forthcoming rounds of consultations and discussions for all member countries with an eye on the long term sustainability, relevance and growth of the postal business while meeting its unifying objectives of a single postal territory, quality universal postal service and contributing to the growth of the global economy.

### **2. The main concerns and drivers in International Postal Cooperation**

The single postal territory, the provision of universal service reaching letters to everyone-everywhere across the world, improvements of service quality along defined parameters to create a seamless global network of posts, technical cooperation for development of the postal network have been the binding glues for international postal cooperation from the very inception of the UPU. The situation for the postal services has undergone rapid and continuous changes, specially over the last twenty years or so, making it difficult for the member countries and, now, their designated operators to hold on to the traditional values and strengths which brought them together to begin with. The changes in the market realities and the external environment of the posts across the postal, economic, social, technological, legal and environmental factors and the rapid change in customer habits, lifestyles, preferences and choices leading to a radically different mail profile with an increasing proportion of three dimensional packets and parcels have brought posts to a stage which is very different from where they have come from. There has been an increasing pressure on the postal operators to run on commercial principles and this has, in many countries, caught up with the universal service obligations as well. With a concern around the costs incurred for delivery of incoming international letters, the terminal dues system was introduced. Ever since the terminal dues system for letters was introduced, it has occupied a centrestage in UPU discussions and work programme. The time, resources and energy spent around discussions on the terminal dues system has been such that the postal fraternity has not been able to pay equal attention to emerging opportunities in the parcel, express and financial services business. The remuneration and accounting systems around letters, and also for parcels

and EMS services has kept the interest and involvement of all member countries and their stakeholders alive. It has become quite complicated as well with different structures and principles being followed across these services with terminal dues, inward land rates and imbalance charges. There has always been a talk of moving towards an Integrated Remuneration System as well but the progress has been painstaking and slow. Somewhere, the patience of many member countries and designated operators gave way and in the last UPU Congress some decisions have been put forth that have created a perceptible confusion and strain.

### **3. Are we getting future ready with the big decisions? Are universal service and market oriented services to be seen through the same lens?**

With the adoption of the Integrated Product Plan, the operational readiness exercise in partnership with other players in the value chain to develop an Integrated Postal Supply Chain on the lines of the New Global Postal Model, the reforms in the organisation and working of the UPU, the postal fraternity is at the cusp of exciting possibilities ahead. Add the importance of digitisation and e-Services, the postal financial services and innovations across the three dimensional postal network to this mix and it appears that the future could belong to the postal operators if they can manage the multi-prong change efforts well from here. Most of the changes that have been adopted by the UPU and the postal fraternity are in response to external business environment and are highly commendable. Without these changes and developments, the postal business would have been in an even more vulnerable position. However, the question to ask here is: Are we getting future ready with the big decisions? Is the answer uniformly affirmative for all member countries? Are all the responses in line with the postal values? Are the responses chosen or the choices on the table the only options available? Is there something else or more that the global postal fraternity could consider and do? Are we turning blind to some basic things in our quest for market realities and pragmatic responses to forces of supply and demand thereby endangering the very spirit of multilateral international cooperation that brought the countries of the world together many years back, even before the new world order or the new economy came into existence?

While there can be different views on each of these questions, one thing to consider is to look at the postal business in two broad compartments- the universal service and the market oriented service. It is not sufficient to look at the postal services into the category of documents and goods as is suggested under the Integrated Product Plan but to also look at a fundamental differentiation based on the objectives of the services offered as well. This brings in an interesting layer in the thought process and direction of the global postal community as it would enable apportionment of time and resources where they matter most. The original unifying postal values of the single postal territory and the universal postal service should not be put under strain or question. The commitment to provide affordable, quality, universal letter mail service is fundamental to the continued cooperation and working together of the countries of the world and their designated postal operators. To fulfil this obligation in a self-sustaining, balanced way it is crucial that the postal business get ready for the evolving e-Commerce market in a well-rounded and comprehensive way and that too in the shortest possible time.

The experience of the UPU and the global postal fraternity in the past two decades suggests that the greatest threat for the UPU has been the threat to the continued provision of the universal postal service itself. Terminal dues discussions for letters have taken maximum time and attention, often at the cost of the more important and high impact decisions in the operational and market domain for parcels, EMS and e-Commerce items. It would help to relieve the postal fraternity of this concern and commit to the continuance of affordable universal service in line

with the age old values of the UPU. There could be a freeze in the terminal dues rates and these services could even be provided to each other on a quid pro quo basis as was the case earlier. Many options could be explored and considered to simplify the system and free up resources and time for other priority areas. With a simplified and assured approach to universal service, the member countries can choose to develop the Integrated Product Plan for market oriented document and goods services. We can presume there will be more goods than documents in this category and a whole hog focus on facilitating global exchange of these items could be the main priority for the postal community in the coming days as is being envisaged under the ORE, eCOMPRO and other such initiatives. The Global Postal Model, in partnership with other stakeholder agencies could be developed in the common interest of the postal operators around the world for common market objectives.

In the wake of the discussions around the Integrated Product Plan and the approach taken so far, is it an option that the member countries in the Asia-Pacific Region would be willing to consider and take forward? Arguably, distinguishing between the universal and market oriented services will enable the whole community to work in an environment of greater trust and will help bind them together towards purposeful action for achievement of common objectives. We need a more united and stronger community of countries today to realise the postal dream of creating a seamless and single world. Have we considered all options while exercising our choices? What more can we think? What more can we do? Can we do it before it is too late? Can the post distinguish itself in today's world by sticking to its good old values? Can we ride on the speed of trust?