

Report of the Asia Pacific Post Cooperative

Introduction

1. The 19th Asia Pacific Post Cooperative (APP) General Assembly was held on the 27th June 2018. It was attended by representatives from 22 APP member posts namely from, Australia, Bhutan, Cambodia, China, Hong Kong, India, Indonesia, Iran, Japan, Korea, Lao, Macau, Malaysia, Nepal, Maldives, New Zealand, Philippines, Singapore, Sri Lanka, Thailand Post, Vanuatu and Vietnam.

Election of APP CMB Members

2. Under the current rules of the APP, 3-member post have stepped down from the APP cooperative Management Board. There were 3 nominations for these positions on the Board, which were received by the applicable deadline. Nominations were received from, Japan Post, Korea Post and SingPost. Under Article 5, clause 7.3.1 of the APP governing statutes, the General Assembly approved the appointment of the nominations to the APP Cooperative Management Board.

APP Business Plan 2017 report of Activities and Budget.

3. The General Assembly were updated on the 2017 activities of the APP office against the approved actions and budget. The focus of activity for 2017 was related to:
 - a) Improved quality
 - b) Information services
 - c) Business development activity.
4. In relation to activities for service quality improvement, the APP office informed the General Assembly, it had carried out operational audits, in Fiji (two visits) and the Philippines which lead to the development of action plans. Post Fiji had significant improvements on customs clearance process with the Ratio of F over E scans increased from 65% (April 2017) to 92% (April 2018). Post Fiji also increased its revenue for EMS from 85% - 94% by capturing more delivery information.

PHL Post has made good progress for ePacket items to improve On-Time delivery performance from 7% in July 2017 to 53% in Feb 2018.
5. The APP office continues to publish Desktop Research performance reports for EMS and Parcels services. In 2017, 254 EMS reports and 258 Parcel reports were sent to members.
6. The General Assembly were also informed of the work of the APP office, supporting members to achieve "Pay for Performance" targets for EMS and Parcel ILR bonuses.
7. The General Assembly were informed that a project looking at GPS was started by the APP office. The office looked at various products in the market place but ceased the project due to not being able to identify a product which would meet all the standards set by civil aviation and the UPU for the carriage of lithium batteries using

passenger aircraft.

8. The General assembly were given an update on the projects to migrate APP ePacket reporting to HQCS and the project to automate the APP performance reports. Both projects have had some delays but the migration to HQCS will be completed in 2018.
9. In relation to the work on activities for information services, the General Assembly were informed that the APP Office had circulated 49 APP News Flash in 2017 containing over 500 pieces of Industry and member's news. As well as publishing 2 APP Industry Reports, covering the subjects, delivery drones and Ecommerce fulfillment.
10. The APP Office were unsuccessful in organizing a Benchmarking study in 2018 with only 2 members able to host members visits and only 5 members able to take part in the benchmarking visits.
11. The APP office informed the General Assembly of work to review and redesign the APP newflash reports, which was deemed to be a significant improvement by a number of members.
12. A great emphasis has been placed in business development activities in 2017 and the General Assembly were updated on the projects for the APP consolidation service and Hybrid Mail Projects, which will continue into 2018. The CEO event and APP ePacket return service, activities were stopped in 2017 but to be reviewed again in 2018.
13. In relation to business development, the General Assembly, were updated on the success of the APP ePacket service, which now has 19 member signatories, with 8 post exporting items to 13 countries in 2017. Over 780,000 items were exchanged in 2017, a significant growth rate compared to just 300,000 in 2016.

Members were also updated on the APP office work to expand APP ePacket destinations with non-regional postal operators in Europe.

Work was also completed in 2017, looking at the "Pay for Performance" system, the standard agreement terms and conditions, validating members standards and assisting new members in joining the ePacket network.

Two ePacket workshops were conducted in 2017 with the operations and finance workshop in Bangkok and the marketing workshop in Cambodia.

14. The APP office updated members on additional projects carried out by the APP office to improve document storage on a cloud based system, project management and time allocation development using project management tools as well as renovation work to the APP office.

15. The 2017 Budget was presented to the General Assembly, detailing income and expenditure, cash flow and a Balance sheet.
16. The APP office reported expenditure in 2017 of \$512,162 and income from membership fees of \$441,944.

The 2017 budget report was approved by the General Assembly.

Business Plan and Budget for 2018

17. The General Assembly reviewed the business plan and budget forecast for 2018, which continues to be in line with the 3 key strategic aims of the Cooperative, set out for years 2015 – 2020.
18. Amongst strategy 1 activities, the APP office has continued to conduct operational audits with one audit completed in Indonesia in 2018 and 2 audits planned for the second half of 2018.

Pos Indonesia made significant progress to increase the number of trackable ePacket items from initial 40% (Jan 2018) to at least 75% (May 2018) for meeting both On-Time Delivery and On-Time Transmission, thus greatly increasing the confidence level of customers using Pos Indonesia for eCommerce last mile delivery.

19. 103 EMS reports were sent to members (Jan – May 2018) and 115 Parcel reports.
20. The APP office reported on activities relating to strategy 2 started and planned for 2018 which include the production of the APP newsflash, which also now includes news for members on the activities of the APP office.

The APP office also reported on its work in 2018 to work with IPC to involve APP countries in the “Cross Border shopper survey”. The APP have been able to agree with IPC, a 50% contribution towards the cost for conducting the survey.

21. The APP office updated the membership on the progress of projects relating to strategy 3, and informed members that the APP Consolidation service would be launched in July this year during the APP workshop in Bangkok.

The Hybrid mail project was stopped through a lack of interest from the membership.

The delivery software project was well underway with technical requirements gathering from Thailand, Philippines and Indonesia. A working group meeting will be held in Bangkok in July to update all members and present options for agreed generic modules in the system for adoption.

22. A report was made by the APP office showing the growth of APP ePackets in 2018 with monthly volumes over 600,000 items. Strategy 3 activities, include the continued focus on growing the volume and number of participating members in APP ePacket. It will continue to seek to include non-regional posts to improve the coverage and grow volume.
23. The 2018 Budget forecast was presented to the General Assembly updating members on the expenditure to date and planned expenses for the rest of the year.

The office highlighted savings against the budgeted expense and plans put in place to utilize the available money. The Membership were informed about 3 projects, looking at addressing issues across the region, the provision of electronic customs data and an audit of the APP accounts.

2019 provisional Business Plan and Budget.

24. The Provisional 2019 Business plan and Budget was approved by the General Assembly, noting that the budget for 2019 would be balanced. Final sign off following detailed submission of plans, including KPI's and deliverables will be made at the CMB meeting in November 2018.
25. The activities in 2019 for strategy 1 include the continuation to provide performance reporting for APP ePackets, EMS and Parcels. Operational audits will continue in 2019 and will look at improving ePacket standards as well as delivery performance.
26. Strategy 2. Activities will concentrate on the production of the APP newsflash. A workshop targeting CEO's from the membership and the main ecommerce players in the region (Amazon, Alibaba, Paypal, Ebay and AliPay). Depending on the success of the 2018 cross border shopping survey, the APP office will look to continue the survey into 2019.
27. Strategy 3 activities include the continued support for members to provide customer interface with the delivery management software. Support on address management across the region, a review of conveyance looking at how the region might work together to reduce air conveyance cost and improve the performance of our conveyance operators and options. APP will also work to ensure the Asia Pacific Region is compliant with customs demands for the provision of electronic customs data.
28. APP ePacket service will remain a key focus for the APP team in 2019 with stretching targets aimed at reaching 7 million items in 2019, as well as identify opportunities for product development, improving performance reporting and marketing support for our members.

29. The Chairman and Managing Director paid special thanks to Singapore Post for their continued support of the APP Office and thanked them for their decision to absorb some internal costs totaling \$12,000 USD each year for 2017 and 2018.

Pos Indonesia was thanked for their support by supporting the secondment of Said Haryadi, to the APP team. Thai Post, Cambodia post, Pos Indonesia and Fiji Post were also thanked for their support in hosting APP events.

Cindy Varalla and Bhavana Chhagan from Australia Post were also thanked for their continued support especially assisting the APP office with legal support, on NDA's and the APP ePacket service agreements.

The Chair thanked the Board members for their continued support, hard work and commitment to the success of the APP Cooperative.

The Chair commended all staff at the APP office for their devoted efforts made for conducting a wide range of work assigned to them.

Bhavana Chhagan
Chairman of Cooperative Management Board
Asia Pacific Post Cooperative
28th June 2018