

Meeting of the Physical Service Development Group

Presentation by Australia

Siem Reap, Cambodia 12 – 16 August 2024

Topics covered



- 1 Changes to postal services approved by the Riyadh Congress
 - Recent priority product changes approved by the POC in 2024
- 3 IPP for the 2026-2029 Congress cycle



Changes to postal services approved by the Riyadh Congress in 2023

Pivoting towards customers and their needs Convention changes to postal services approved by the Fourth Extraordinary Congress held in Riyadh, Saudi Arabia, in 2023





M bags an optional service from 2025



Tracked delivery service mandatory for small packets from 2025







M bags (MA-MZ)

What is changing in the Regulations: The M bags service is being transferred from basic services defined in article 17-107 of the Regulations to the supplementary services category defined in article 18 (provisional numbering 18-103bis) and made an optional service

Affected customers: Customers seeking inexpensive distribution of identical printed matter, although a second customer base of those ordering various audio-visual and other materials has been developing in recent years.

Implications of the change to DOs: UPU member countries shall no longer be required to ensure that their designated operators accept, handle, convey and deliver M bags, as the service will be an optional supplementary service. Members will be advised through the Letter-post Compendium about those opting to provide the M bags service



Registration service(RA-RZ)

What is changing in the Regulations?

Article 17-131.2 of the Regulations is being amended to include the tracking feature, which does not currently exist, as a mandatory service feature of the registration service, and also of the **insurance service (VA-VZ)**, for product alignment purposes.

Affected customers:

Customers who need proof of sending and signature on delivery when sending items such as legal, valuable and/or important documents will now be able to track their registered items. Customers wishing to have a signature on delivery for goods should use the parcel or if a scan is enough they can use the tracked delivery service.

Implications of the change to DOs:

The registration service will no longer apply to postal items containing goods, including those containing admissible dangerous goods.



Tracked delivery (LA-LZ)

What is changing in the Regulations?

Article 18.102 of the Regulations is amended. In addition, outdated procedures related to the former "Exprès" service are to be deleted while the missing EMSEVT "EDH" event is to be added as one of the delivery events.

Affected customers:

Customers looking for confirmation that their item was delivered. The service is being used mainly for low value, low weight e-commerce goods.

Implications of the change to DOs:

UPU member countries shall be obliged to provide inbound tracked delivery service for items containing goods.



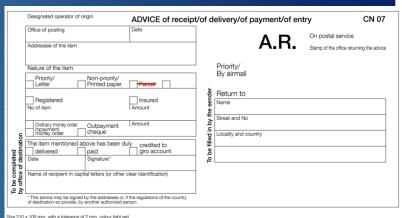
Advice of delivery

What is changing in the Regulations: Regulations article 18-003 is deleted

and a new one that omits all references to parcels created...

Implication for DOs: DO will no longer be required to provide the optional advice of delivery for outbound parcels.

Affected customers? Customers who would like to have proof that the item arrived at destination, mainly those containing legal or high value items, and to receive an advice of delivery signed by the recipient.





Recent priority product changes approved by the POC in 2024

Streamlining and enhancing services for customers - Priority product development areas



Introduce "Postal Document Regulations" and "Postal Goods Regulations" within the Convention Regulations



Remove the signature requirement from parcel - adopt a menu-based approach to features

Registered and insured - tracking mandatory



Modernize the merchandise return service (MRS)

Separating the Convention Regulations to establish two distinct sections for physical services: "Goods" and "Documents"





Proposed change

i. Introduce "Postal Document Regulations" (for items containing documents only) and "Postal Goods Regulations" (for items containing goods only) within the Convention Regulations.

ii. <u>Goal:</u> to more accurately reflect the different handling of documents and goods, and to ensure that the Convention Regulations are clear, coherent, consistent, upto-date and aligned with the changes brought about by the Integrated Product Plan (IPP), the fourth Extraordinary Congress.

iii. <u>Way forward:</u> a new PSDEIG expert team (was established to conduct a preliminary review of the Convention Regulations and propose at POC S7 how the Convention Regulations could be split in terms of "Goods" and "Documents".

Redefining the basic parcel service by unbundling its features and adopting a menu-based approach





Current basic parcels	Proposed redefined basic parcels	
Basic mandatory features	Basic mandatory features	Supplementary services (menu)
Tracking Liability Signature	Tracking Liability Signature	Proof of Delivery (P.O.D.) or Evidence of Receipt (E.O.R) • Signature • Photograph • Locker code • Data captured from recipient's identity card • Other legally binding form of POD/EOR, etc

Redefinition of G format items (documents)



Article 17-105.2 and Article 17-111.4



Large letters (G format)

Current dimensions & weight

Minimum dimensions: 90 x 140 mm

Maximum dimensions: 305 x 381 mm

Maximum weight: 500 g

Maximum thickness: 20 mm

Proposed dimensions & weight

Minimum dimensions: 90 x 140 mm (no change)

Maximum dimensions: 305 x 381 mm (no change)

Maximum weight: 1 kg (change, increase by 500 g)

Maximum thickness: 30 mm (change, increase by 10

mm)

Aim: to address the confusion between bulky letter items (E format) and small packets (E format) by integrating them in the G format

Comprehensive review of the merchandise returns service (MRS)

Current MRS

Accepting party
Country B

Post B

Post B

Post A

Authorizing party
Country A

Post A

Post A

And pre-advice

Central system

And pre-advice

And pre-advice

Central system

And pre-advice

And pre-advice

Central system

And pre-advice

Central system

And pre-advice

And pre-advice

Central system

And pre-advice

New MRS Simple, robust, efficient, affordable, and reliable

- ➤ **Drivers and opportunities:** growing ecommerce and surge in cross-border returns. Young adults aged 18 to 24 exhibit higher return rates than the other age sets.
- Regulatory provisions: MRS is a bilaterally agreed supplementary service,
- Emerging trends: (a) providing a VAT reimbursement option for re-exporting; (b) making returns within the destination country; (c) increasing awareness of the environmental impact of returns.
- Proposed way forward: (i) create an expert team within the PSDEIG to conduct a comprehensive review of the MRS (ii) approve the distribution of the MRS survey questionnaire to gather MRS review data.



IPP for the 2026-2029 Congress cycle

Drafting of the IPP for 2026–2029







Guided by market dynamics and customer needs



Based on a guiding theme and a solid basic structure



Led by the PSDEIG IPP Drafting Expert Team

INTEGRATED PRODUCT PLAN (IPP) 2026-2029

Drafting of the IPP for 2026–2029





- a. Introduction and background
- Executive summary
- Objectives and principles of the IPP
- C. Key factors driving product development
- Market trends and customer requirements
- Industry competition
- Supply chain requirements
- Technological developments impacting postal services
- Regional regulatory changes for consideration
- **C.** Proposals and recommendations
- Recommendations carried over from the previous cycle
- Priority product development recommendations
- Product improvement areas
- Proposed product changes or new product development by the EMS Cooperative
- Proposals to amend the Convention
- Proposals of a general nature

- d. Strategies for implementing the IPP
 - Realizing a fully integrated and menu-driven product portfolio
- Progressive implementation of the IPP
- Market research and impact studies to be undertaken (broad themes, not specific titles)
- Training and capacity building
- e. Proposed development activities and timelines (should be broad and generic, not prescriptive)
- Activities to be undertaken, dates and responsibility
- Indication of the resources required to undertake the activities and their origin

