

REPORT OF THE ASIA PACIFIC POST COOPERATIVE

The 14th Asia Pacific Post Cooperative (APP) General Assembly was held on 3 September 2013. It was attended by representatives from 22 member Posts namely Australia, China, Hong Kong, India, Indonesia, Iran, Japan, Korea, Lao, Macau, Malaysia, Maldives, Mongolia, New Zealand, Pakistan, Philippines, Samoa, Singapore, Sri Lanka, Thailand, Vanuatu and Vietnam. There was one proxy from Fiji to Australia.

Election of APP CMB members

On this General Assembly, the terms of service for 4 of our Cooperative Management Board members namely Australia Post, China Post, Hongkong Post and Malaysia Post had expired. APP had called for nominations and upon the close of nomination period, we had received candidacy from the four outgoing CMB members. According to the Statutes of the APP, the APP Cooperative members approved the designation of those candidates as CMB members by a show of hands.

Financial Status of the APP Cooperative

The financial reports of the APP Cooperative have been presented to its members at the General Assembly. The financial position of APP remains healthy with sufficient income to cover anticipated expenditure. APP has also accumulated surplus funds to meet with contingencies and for taking up special projects.

Project updates of APP Business Plan 2012/13

The meeting took note of the project progress of APP Business Plan since the last General Assembly. The main focus was on assisting members to improve their quality on EMS and Parcels and looking for new opportunities in business development.

On improving quality, our consultants had conducted operation audits to 4 members plus an APP sponsored RTCAP visit to one member. Members who benefited from APP Operations Audit / training have implemented their agreed EMS and Parcel action plans for service improvement. APP will also keep in touch with these

members to ensure that the agreed action plans have been properly followed. APP has provided members with EMS Desktop Research Reports to help them in monitoring their EMS performance with detailed analysis on EMS Monthly Performance Summary and EMS Daily Import Performance.

As regards business development, APP continued to provide members with APP Newsflash and APP Report to keep them updated with market activities. E-commerce is still considered a focus of attention within Asia Pacific. The APP has conducted specific analysis on this booming industry so as to assist members in developing businesses that meet this specific market needs. Progress update of customs development from POC 2013 was also presented to help members in understanding the impact of emerging customs-related issue. Besides information service, APP conducted business advisory service to 3 members which are undertaking major transformation and targeting to expand their share in the e-commerce fulfillment sector. The recommendations from our consultants would hopefully help these members in formulating their strategies for future activities in the e-commerce area.

On product development, progress has been made to the IBRS/Return service. APP's Business Proposal for Return service among APP members has been circulated to APP members for reference. It was nonetheless noted that the demand for the return service is quite modest that would limit the opportunity for postal operators to test out this service model in actual practice.

Business Plan for 2014

For the coming year, APP will continue to focus on the four laid down strategies.

With the changes to the 2013 EMS Standard by the EMS Cooperative, the APP will work with members on implementing the changes. It is important for members to adapt to these changes that would lead to a consistent and reliable performance hence enhancing the competitiveness of our EMS product.

The APP Information Service run by the APP Office will continue to provide well researched and analysed information on the postal/courier market with a regional focus and that is relevant to members. APP will keep members informed of the latest development on Parcel Post Remuneration Group and Customs Working Group meetings that will have specific impact on their business. The APP will keep abreast of the developments on Parcel ILR Bonus for 2014/2015 and where necessary, reflect members' concerns at the meetings.

For business development, there are many e-commerce opportunities across the region where letter post product such as small packet can tie in with e-commerce logistics fulfillment. The APP will facilitate the enhancement of the small packet service for APP members with a view to better serve the development of e-commerce. One of the focuses is the development of a regional ePacket solution for all members riding on existing letter post services and available platforms for data exchange. Another focus is the introduction of the consolidation service to APP members that was recognized as a business opportunity that can help generating additional volume and revenue. New Zealand Post is among those postal operators who had been successful in offering borderless shopping solution for the New Zealand market. A case study presentation on YouShop was presented by New Zealand Post to members at the General Assembly.

Proposed Budget 2014

Upon the approval of action plan, the budget for 2014 was also presented and approved by the General Assembly. It is worth mentioning that the General Assembly has approved the carrying out of a consultancy study to look into the future direction of APP. The purpose of the study is to analyze the APP's current work plan, goals and objectives and to recommend any changes required to ensure that the work of the APP is focused on delivering beneficial commercial and operational opportunities to the APP members in light of market developments and challenges faced by members.

Any Other Business

Hongkong Post has taken up the role of APP Chairman for more than 5 years since November 2007. APP is now financially stable and had focused its attention in helping members to improve quality and to look for more business opportunities for the past few years. Hongkong Post considers it an appropriate time to hand over the role of Chairmanship to other Posts so as to inject new ideas in leadership. After deliberation among the CMB members, Australia Post has been elected as the new Chairman of APP.

6 September 2013

Chairman of Asia Pacific Post Cooperative
Mr. Patrick A. Lin