ASIAN-PACIFIC
POSTAL
UNION

EXECUTIVE COUNCIL 2024

Topic:

1. Subject	**References/ Paragraphs**
Report of the Supply Chain Working Group held on 14th August 2024 to the Executive Council.	1-7
2. Decision expected The EC is asked to take note of: - Update of outcomes of POC Committee 1 (S4 and S5) to SCI WG - Presentation by UPU Regional Office, India - Presentation by PRIME - Presentation by IPC on Shopper's Survey - Presentation by UPU - Presentation by APPU Bureau on Supply Chain Survey	§

1. Opening of the meeting and adoption of agenda:

Mr. Pang Yu from China, Co-Chair of the Supply Chain Working Group with Mr. Ram Naresh Sikaria from India, opened the meeting and welcomed all participants. The meeting was attended physically by delegates from 10 member countries and other observers. China presented the agenda and order of discussion, on which there was no objection and was adopted. India presented the Scope & Methodology and highlighted the expanding horizon of Supply Chain Working Group

2. Update on POC Committee 1 (S4 and S5)

A report on the work of Committee 1, which held its meetings in October 2023 (session S4) and in April 2024 (session S5), was presented by the Co-Chairs.

a) Activities related to Standards Board:

- Status 2 to M51, e55 electronic terminal dues statement:
    - Electronic version of the CN 55 (Statement of mails),
    - Can be exchanged via e-mail or uploaded to a central solution.

- Granted status 2 (approved) to M48 CARDIT V2.1 and M49 RESDIT V1:
    - Status 1 in 2017 (Tested Draft Stage)

b) Activities related to Addressing Group:

- Working on UPU Geo Code:
    - Updated ToR for ET to include references to addressing & GIS in the Convention Regulations

- Encourage countries to regularly update the information in the new data sharing tools developed by IB to ensure electronic advance data (EAD) quality.

- The IB presented a range of tools that it has designed to help member countries control data quality, in particular for EAD quality and compliance.
    - Automated ways of checking captured address information and format addresses according to national standards using S42 address templates

- Implementation of the Universal POST*CODE Data Base within UPU solutions
    - Development of a statistical measure called the "deliverability rate" for addresses.
    - Aims assessing the likelihood of the successful delivery of postal items to an address.
    - The project will leverage resources such as the Universal POST*CODE Database, POST*CODE API, and historical data from the UPU big data repository for its development.

c) Outcomes related to Customs Group

- Development of interactive capacity-building materials on EAD data capture and compliance:
    - An online course on how to meet EAD requirements (training.ptc.post platform)
    - EAD training clips focused on i) data capture interfaces; ii) ITMREF exchanges; and iii) CARDIT AR compliance (training.ptc.post platform)
    - YouTube channel to guide DOs in using CDS and sending ITMATT messages (www.youtube.com/c/CDS-UPU/videos)

- Continuous development of customs publications through regular reminders to DOs
    - to complete the Customs Compendium
    - country-specific list of prohibited and restricted articles

- ICS2 Release 2: operational since 1 October 2023
    - applied to postal transit: 1 April 2024

- Challenges specific to ICS2:
    - data quality, timeliness, error codes, missing messages and transit
    - UPU HS tariff codes for commercial items: September 2025
    - ICS2 Release 2 require HS tariff codes for commercial items: October 2023

- For items without an HS tariff code,
    - European DOs try to identify the appropriate HS code and, where this cannot be identified, an error message is sent to the origin DO.
    - Consumer-to-consumer (C2C) items are not subject to HS codes in ICS2.
    - difficult to distinguish C2C from non-C2C items.

- Approved Amendments to the CN22, CN23, CP72 postal customs declaration forms / instructions.
- These amendments aim to address the issue of misdeclarations and the modernization of the category block.
- Approved 2024 edition of the WCO-UPU Postal Customs Guide.

d) Outcomes related to Transport Group:

- Approved 11 proposals to amend the Convention Regulations (articles 17-009, 17-010, 17-014, 17-132 and 17-224; and articles 25-004, 27-002, 35-210, 27-103, 34-103 and 34-106) focused on paper free processes
- Adopted the Basic Airmail Conveyance Rate (BACR) for 2025: 0.590 thousandths of an SDR per kilogramme and per kilometre;
    - and approved the creation of a BACR expert team.
- Noted the progress of GPM implementation in the area of transport and the EAD transit mail piloting, and the next steps including the creation of a surface PLACI expert team.
- Expansion of transport-related mobile application.
    - EAD check functionality
    - will be extended to include ENS filing in ICS2.

- Approved the updated edition of the Postal Transport Guide.
- Reflects new standards for electronic data interchange (EDI) and electronic advance data (EAD)
- New EAD dashboards, compliance reports and EDI tools have been included to reflect recent leg 2 capacity-building activities undertaken by the UPU and DOs
- Introduces more best practices
    - to help DOs enhance leg 2 international mail flows and transport performance, the updated guide provides additional best practices
- Promotes the UPU paper-free transport initiative.
- Incorporates transport-related training resources and essential UPU publications for the convenience of DOs
- PoC for transit & transshipment EAD

- Copying of the data from the network (by reusing EDI message files already exchanged)
- Voluntary, Feasible & Simple solution
- Origin and transit DOs need to agree on data copying authorization for such network providers
- No IT development requirement on DOs
  - ➢ assist in the identification of scenarios before final solutions from a legal, regulatory, operational and IT perspective

- Not applicable for following cases:
  - destined to members not requiring EAD.
  - cases aimed at testing the ability of the transit member country to respond to a referral message from destination; or
  - cases of divergent risk assessment results from transit and destination and how to coordinate member countries to ensure a consistent and coherent risk assessment process

- DOs are required to capture and exchange EAD:

  - S10 – all items containing goods must bear a barcode identifier.
  - ITMATT – must be transmitted from origin DO to destination DO (for customs/security reasons);
  - S9–S10 – item identifiers for all items containing goods must be included in the PREDES message (standard M41) sent to the destination DO and linked to the S9 receptacle ID
  - CARDIT AR (article 08-002.6) – from 1 January 2023, DOs must assist their air carriers in complying with pre-landing security requirements by ensuring that, where applicable, the relevant CARDIT message is transmitted to the airline, including the applicable regulations (AR) flag
  - ITMREF–REFRSP (January 2025) – DOs must take reasonable measures to ensure that no Request for Information (RFI), Request for Screening (RFS) or Do Not Load (DNL) message goes without a response (08-002.7 and 8)
  - HS codes – should be provided for commercial items containing goods (September 2025, 20-001.2.8);
  - Transit ITMATT, S9–S10 (September 2025) – must be transmitted, in line with 20-001.2.2 (ITMATT to transit DO), 08-002.5 (S9–S10 to transit DO) and 08-002.6 (CARDIT AR if required by transit country)

- Dashboard of EAD Compliance is presented, which showed good progress in the beginning, but further progress seems difficult.

e) Outcomes related to Postal Security Group:
- Illicit Drugs and Contraband in the Post guidance document
  - aims to provide information and best practices on mitigating illicit drugs and contraband in the post for DOs

- engagement of 37 certified regional security auditors:
    - to facilitate regional security certifications and
    - further increase the security knowledge base worldwide
- working to build a relevant, up-to-date, digital reference library.
    - requested to volunteer for a Reference Material Expert Team (RMET)
    - to facilitate the necessary work on document revision and creation.
    - SMEs interested in participating in the RMET: may reach via security@upu.int.

- Encouraged DOs to get Equipment Containing Lithium Batteries (ECLB) certification:
    - Survey circulated to identify the challenge
- Approved the updated Guidelines for Postal Crime Prevention as a living document.
- Approved the revised S58-S59 certification process updates.
    - A standardized point system was instituted for all levels of certification to further remove ambiguity among certification reviewers and reviewees

- During the update on the ICS2 for transit & transshipment, Co-Chair handed over the floor to Ms. Yan from La Poste to further update on the ongoing pilot. Ms Yan further detailed regarding the status of the pilot that around 20 non-EU and 4 EU Countries have agreed to participate in the pilot as on date. She also further encouraged more members to join the pilot to have an update on technical and operational challenges being faced.

- She also updated the house on the ICS Version 2 Release 3, which is going to be implemented soon, and this will have similar impact for the maritime postal flows. So, she requested countries relying on maritime flows to take necessary measures to prevent any difficulties in the smooth flow of mail.

- At the end of the update, floor was open for any comment or clarification, and following countries took the floor:

A) Malaysia took clarification on the clause of personal/DO liability incorporated in the authorization document of live testing/copying of ITMATT data and requested Bureau to take this up with the concerned UPU team.

B) Tonga requested support for implementation of Zip code and SCWG requested bureau to look into this request with the support of UPU

C) Indonesia took the floor to request for support in of supply chain with the wider sector postal players in the region.

Bureau has taken note of the of the requests and will take steps in consultation with the working group.

3. **Presentation by UPU Regional Office, India**

Dr. Gaurav Kumar Saini, Regional Field Expert, UPU presented the ongoing implementation of RFID based receptacle tracking in India Post. Dr. Gaurav gave details regarding the functioning of the RFID, its features and implementation plan in the India Post in the domestic as well as for international legs. He also highlighted how through RFID, India Post is able to find the choked lanes in the supply chain and is helping India Post in doing away with the manual scanning of bags in the hubs.

4. Presentation by PRIME

Cinzia, head of PRIME presented the prime products, its memberships, its monitoring, reporting and accounting. She also highlighted the performance of the region and the wide membership of PRIME globally. She requested PRIME members to vote on the ongoing remuneration and weight limit proposal.

Australia took the floor and requested clarification on the extension of weight to 5 kg on the PRIME Tracked product, on which Cinzia clarified that the ongoing voting is based on the opt out clause, if applicable.

5. Presentation by IPC on Shopper's Survey

Mr. Luke from IPC presented the IPC shoppers survey online. He briefed regarding the recent survey and the changing customer shopping trend post Covid. He also outlined the methodology undertaken for the detail survey and what benefit it can accrue to the countries opting in for the survey. Mr. Luke requested countries to be a part of the survey and highlighted that the cost will be half for member countries opting in the same through APPU Bureau.

Vietnam took the floor and sought clarification whether DOs or regulator can opt in for the survey and whether non-DOs can also become part of the survey. Mr Luke clarified that DO or Regulator can approach IPC to be a part of the Survey. Responding to next question, Mr. Luke clarified that non-DOs cannot be included in the survey, but they may access the survey report by paying the fees, and the survey concentrates on the postal sector exclusively.

India took the floor and requested some brief on the changing trend of the customer in past few years (pre covid and post Covid), also seek some more detail on the methodology of the survey and engagement of respondents. Mr Luke clarified the methodology and gave insight on the quality of monitoring the responses. He also informed that the cross-border commerce through posts showed decline in a post covid scenario, but a spike is again seen mainly due to increase cross border sales from china, led by companies like TEMU and Shien. He also highlighted the way these companies are changing the dynamics with their B2B2BC model (Warehousing approach), wherein the delivery time has reduced to 5 days from the previous 20 days.

6. Presentation by UPU

Mr. Zoran from IB, UPU presented detail update from the transport group along with the details on the ongoing issues of ICS2 release 2 and ICS2 release 3. He requested member countries to implement the new tools for the EAD compliance and improve the EAD Data quality.

The presentation and information given by Mr. Zoran was very meaningful in giving a detail understanding of the matters in the transport group to the members.

7. Presentation by APPU Bureau on Supply Chain Survey

Mr. Sandeep from APP Bureau presented the results of short survey shared by the working group for the response of member countries. The survey provided a snapshot of the present status of the pain points and best practices undertaken by member countries.

WG has noted the results of the survey and will take further consultation with the member countries, Bureau and IB, UPU in exploring the probable solutions and support that can be given by the WG to the member countries.

8. Any other business

China (People's Rep.) raised the hand to share the action which is promoting now is to spearhead an initiative to establish a Technical Committee (TC) on express delivery (non-postal) under the auspices of the International Organization for Standardization (ISO) to form standardized rules for express delivery. This effort has received the active support of the ISO. This TC could hold significant positive implications for promoting global exchange of standards between the postal and express delivery industries, as well as for the overall development of the postal sector. Based on above, China was seeking the views of member countries on supporting the ISO's establishment of this TC on express delivery to conduct a study with a view to developing international standards for the industry.

Malaysia, Cambodia, Sri Lanka and Mongolia expressed the support.

Japan, India and Korea (Rep.) asked questions for more details, including (1) what does "express" refer to? (2) What could be brought for Posts if doing such standardization. China made the clarification and listed the benefits.

Both the Co-chairs thanked the bureau and the member countries for their interaction and extensive

support to the working group. Co-Chairs also requested much active participation and ideas from the member countries to make the working group more productive and enriching.

Co-Chairs APPU-EC Supply Chain Working Group:
India and China

Represented by:
Pang Yu- China (People's Rep.)
Ram Sikaria- India