

Report of the Postal Financial Services Working Group *(Paper prepared by India)*

India has chaired the Postal Financial Services Working Group from 2014-2016. Following the 11th APPU Congress, held in New Delhi, India in 2013, there have been three APPU EC meetings in which the meetings of the Postal Financial Services Working Group were held: 2014 (Colombo), 2015 (Islamabad) and 2016 (Langkawi). The thrust areas of the Postal Financial Services Group were sharing of insights and best practices for Postal Financial Services in the overall context of the UPU's strategy in this area and the goal of financial inclusion that posts in the region are expected to help achieve in their respective societies. Apart from the experiences of the member countries, the best practices and insights from the industry players in this area and the opportunities for collaboration for the posts were also highlighted and discussed. There was also a focus on the emerging scenarios for the future with increasing digitisation in financial services and the emergence of disruptive technologies like blockchains etc.

The Postal Financial Services Working Group meeting during the EC in Colombo, Sri Lanka was held in September 2014. Apart from the member countries, industry players from Eurogiro, Citibank, and other private sector players interested in the Postal Financial Services attended as observers. The UPU IB presented the UPU's vision and strategy to develop Postal Financial Services. Further, UPU IB presented on the creation of UPU Postal Payment Services Suppliers group, its group structure and business plan. In order to facilitate cross border remittances postal operators have been working out partnerships with leading platforms. Eurogiro announced its partnership with China Union Pay during the meeting which allows Eurogiro members to send payment to China with no threshold or ceiling limits on the transactions volumes. Introductions and presentations were also made by CDT (Connect the Dots) and Instant Cash. The member countries, including India presented on the range of services and solutions being offered by them in the financial services space.

The Postal Financial Services Working Group during the EC in Islamabad, Pakistan in March 2015 again focused on the challenges and opportunities in the International Financial Services and the possible road ahead for member countries. India also shared its experience of implementing a new technological solution for its financial services in the form of the Core Banking Solution (CBS): transferring the Post Office into a centralized banking system known as Core Banking Solution which will pave the way for internet, ATM and mobile banking. Pakistan also shared its new initiative Pakistan Remittance Initiative (PRI) and its collaboration with Western Union.

During the EC in Langkawi, Malaysia in May 2016, the Postal Financial Services Group focused its discussion on the outreach of the postal network and the range of applications possible for the common people for better access to financial services. India Post's foray into banking with the India Post Payments Bank and technology driven financial services in the rural areas riding on tailor-made ICT based solutions was presented and discussed as a pointer for other countries in the region with similar challenges. CTD (Connecting the Dots), Singapore pointed that postal network across the world have a role to play with a 'digital first' strategy, as a stake holder in their country's financial inclusion agenda. The disruptions in business models and conventions all around with the onslaught of digitization across sectors and its implications for postal

financial services were brought forth for discussion. According to Accenture, serving the unbanked represents a \$110 billion opportunities by 2020. Technology and physical reach combined together can be a game changer for financial inclusion and the opportunity was well appreciated by the member countries.

It remains to be explored whether the journey over the previous cycle can lead to a concerted strategy for the financial services dimension of the postal network. The complementarities with the mailing solutions in the emerging e-Commerce value chain would also be an interesting aspect to explore for the postal operators and any concrete suggestions and good practices in this area would be highly useful for the member countries. The Postal Financial Services Group was able to lay the foundations for further work and explorations in this area thanks to all the active members of the group and also the industry players who showed continued interest in opportunities for collaboration and innovative postal financial services. A lot of work remains to be done for the next cycle which needs to be decided and pursued by the members based on the priority areas chosen by them.