



Minutes of the APPU-Executive Council Meeting

held at the Westin Resort Nusa Dua, Bali, Indonesia,
21- 25 June 2010

Opening Ceremony

The 2010 Asian Pacific Postal Union Executive Council (APPU-EC) meeting was started at 9.00 am. on 21 June 2010. At the outset, Mr. Mark Lawley, Chairman of the Executive Council gave remarks. In his remark, he spoke about challenges and opportunities faced by Posts in the region and the need to be moderate and considered in any initiatives and policies that might affect the lifeblood of our business i.e., customers.

This was followed by the speech of Mr. Somchai Reopanichkul, Director of APPU Bureau who thanked Indonesia for hosting the 2010 APPU EC meeting and expressed gratitude for the generous support and trust given by member countries, UPU and other partners to the APPU Bureau.

Mr. Guozhong Huang, Deputy Director General of the International Bureau of the Universal Postal Union (UPU) gave speech. He talked about the close relationship between the Posts of the Asia Pacific region and UPU.

Finally Mr. Muhammad Budi Setiawan, Director General of Posts and Telecommunication of the Republic of Indonesia officially opened the APPU EC meeting. He welcomed all delegates and observers to attend APPU EC meeting and explore Bali as well.

The official opening of the APPU EC meeting was marked by the signing of commemorative covers by the Director General of Posts and Telecommunication of the Republic of Indonesia and the Director of APPU Bureau. Then UPU Quality Management Award was given to designated operators participating in the regional projects. UPU Certification was awarded to Indonesia, Lao, Malaysia, Maldives, Mongolia, and Sri Lanka. (Bhutan and Thailand had received the certification award during 2010 POC meeting in Berne, Switzerland).

Agenda Item 1

Opening of the Meeting

Mr. Mark Lawley, Chairman of the APPU-EC welcomed Mr. Ikhsan Baidirus, Vice Chairman and Mr. Somchai Reopanichkul, Secretary General to the rostrum and expressed his warm welcome to all delegates and observers.

Roll Call:

Upon invitation from the Chairman, the Secretary General conducted the roll call and reported that the following 28 out of the 31 APPU members were present.

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|----------------------|-----------------|---------------------|
| 1. Afghanistan | 11. Iran | 21. Pakistan |
| 2. Australia | 12. Japan | 22. Singapore |
| 3. Bangladesh | 13. Korea | 23. Solomon Islands |
| 4. Bhutan | 14. Lao | 24. Sri Lanka |
| 5. Brunei Darussalam | 15. Malaysia | 25. Thailand |
| 6. Cambodia | 16. Mongolia | 26. Tonga |
| 7. China | 17. Maldives | 27. Vanuatu |
| 8. Fiji | 18. Myanmar | 28. Vietnam |
| 9. India | 19. Nepal | |
| 10. Indonesia | 20. New Zealand | |

Three member countries were not present. They were Nauru, Papua New Guinea and Philippines.

Status of the Union (EC 2010 Doc 1)

The EC took note of the memorandum by the Secretary General on the status of the Union.

Agenda Item 2

Approval of the Agenda and Timetable (EC 2010 Doc 2)

The EC unanimously accepted the proposal of the Chairman to adopt the tentative agenda as listed in EC 2010 Doc 2 and timetable of the meetings as in EC 2010 Doc 2 Annex 1 Rev 2.

The Chairman then led the EC to set up Committee and Working Groups to look at certain matters for the smooth work of the Council. Chairs and members of the Committee and Working Groups agreed to accept the responsibility and participated in Committee and Working Groups as in EC 2010 Doc 2 Annex 2 Rev 1. Moreover some countries showed interest to join the following working groups:

- Iran and Bangladesh to join Postal Financial Services Working Group
- Afghanistan, India and Thailand to join Letter Post Working Group
- Fiji, India, Korea and Sri Lanka to join Parcels Working Group.

Regarding the Sequence of Discussion as per EC 2010 Doc 2 Annex 3 Rev 1, Australia proposed to move the Agenda item 6 “Confirmation of RTCAP activities and funding” to Thursday 24 June after the report of APP Cooperative.

The EC accepted the proposals.

Agenda Item 3

Approval of the Rules of Procedure (EC 2010 Doc 3)

The current Rules of Procedure of EC were adopted on the basis of no amendment having been proposed.

Agenda Item 4

Report on the Activities of the Union (EC 2010 Doc 4 Rev 1)

Upon invitation from the Chairman, the Director of APPU Bureau presented a report on the activities of the Union (EC 2010 Doc 4 Rev 1).

The Director of APPU Bureau in his presentation talked about activities of the Union during the year 2009 and until the current EC meeting in 2010. The report gave details of the activities of the Asian-Pacific Postal College and some important planned activities.

The main points of the presentation included:

- Details of the courses and workshops held at APPC during the period;
- Advisory missions undertaken by APPC;
- External Training Programmes (ETPs) held at training venue of the member countries.

The Director also talked about the completion of the regional project under the UPU's New Approach to Field Support to improve the quality of international postal service in ten participating DOs namely Bangladesh, Bhutan, India, Indonesia, Malaysia, Maldives, Mongolia, Lao, Sri Lanka and Thailand. Under the project, six workshops were conducted as follows:

- 1st workshop held in Kuala Lumpur, Malaysia from 25-29 August 2008;
- 2nd workshop held in Mumbai, India from 8-12 December 2008;
- 3rd workshop held in Thimpu, Bhutan from 23-27 February 2009;
- 4th workshop held in Jakarta, Indonesia from 25-29 May 2009;
- 5th workshop held in Ulaanbaatar, Mongolia from 24-28 August 2009;
- 6th workshop held in Male, Maldives from 7-11 December 2009.

During the project implementation, participating DOs have set up Milestones and KPIs to improve their services. They scored the quality parameters in line with the certification questionnaires. UPU quality management certification was awarded to the eligible DOs based on the results of the certification audit missions carried out by the appointed consultants.

The Director of the Bureau ended his report by calling upon the member countries to make best use of the excellent training provided at APPC by sending as many paid participants as possible. Member countries were also urged to make liberal grants for fellowships so that a larger number of participants from the LDCs can be trained.

The EC took note of the report on the activities of the Union by the Director of APPU Bureau.

Agenda Item 5

Finances of the Union (EC 2010 Doc 5)

The Memorandum by the Secretary General gave details of the finances of the Union.

In his memorandum, the Secretary General informed EC of the following issues:

- The annual expenditure of the Union shall be separate for the Administrative Section and for the Training Section. The maximum amount for the annual expenditure for the Administrative Section as stipulated in Article 117.1 of the General Regulations is US\$ 80,000.

However, Article 117.5 stated that the limit laid down in Article 117.1 may be exceeded to enable the recruitment of personnel or otherwise to provide for the efficient operation of the Administrative Section if a majority of the member countries agrees. The 2008 APPU EC and the 2009 APPU Congress thus approved the 2009 and 2010 budgets at the amount of US\$ 95,639 and US\$ 92,218 respectively.

- The expenditure for the Administrative Section is shared by all the member countries on the basis of that member-country's UPU contribution class as prescribed in Article 116 of the General Regulations. The 2008 APPU EC in Hanoi approved the recommendations of the Finance Committee to raise the contribution share per unit to US\$ 1,350 for year 2009 and the 2009 APPU Congress in Auckland maintained the same amount for year 2010.

He also submitted the 2011 budget for the Administrative Section at the amount of US\$ 111,427 and the amount of the contribution share per unit at US\$ 1,500 for consideration and approval.

The EC took note of the report and agreed to refer it to the Finance Committee.

Agenda Item 6

Confirmation of RTCAP Activities and Funding (EC 2010 Doc 6)

New Zealand presented an information paper regarding the Regional Technical Center for Asia Pacific (RTCAP) activities and funding. The delegate spoke about the historical background of the Regional Support Center for Asia Pacific (RSCAP) and establishment of Global Support Centre (GSC) in Montevideo which took over some functions of RSCAP. As a result, RSCAP became RTCAP as agreed during 2008 APPU EC meeting in Hanoi, Vietnam.

The change between RSCAP and RTCAP was only regarding the change of focus from hotline support service to technical support. Any other aspect including funding of activities remained the same.

Notwithstanding the move of some functions of the former RSCAP to the Global Service Centre in Montevideo, the RTCAP in Singapore is still involved in activity for the UPU PTC and the RTCAP continued to receive funding from the APPU Special Activities Fund.

The EC took note of this report.

Agenda Item 7

Report of the Regional Technical Centre for Asia Pacific (EC 2010 Doc 7)

The report of the Regional Technical Centre for Asia Pacific (RTCAP) was presented by Mr. Tan Yong Chee, Manager of RTCAP.

In his report he informed the EC about the achievement and details of activities carried out by RTCAP during the year 2009 and the planned activities for the year 2010 which would be focusing on the following three areas:

- Provide technical assistance to PTC mails applications
- Participate in APPU / APPC regional project and course
- Improve quality of service for EMS

The report also informed the EC about the budget and the expenditure for the year 2009 to 2012. The budget expense for 2010 to 2012 was expected between US\$ 81,420 to US\$ 84,520 while the budget contribution was expected to be US\$ 66,000 annually. The difference between the budget expense and budget contribution for 2010 to 2012 would be drawn from the balance of RTCAP Special Activity Fund.

The EC took note of the report.

Agenda Item 8

Report of UPU Regional Project Coordinator (EC 2010 Doc 8)

The report of the UPU Regional Project Coordinator was presented by Mr. Zhonglin Liu, UPU Regional Project Coordinator for Asia and Pacific.

In his report, he gave details of issues regarding:

- Development cooperation policy of the UPU for the period 2009 to 2012
- Implementation of the cooperation policy for 2009 to 2012
- Current status of the UPU activities which covered four main activities namely regional multi-year integrated projects, national multi-year integrated projects, UPU emergency assistance and Easy export.
- Work plan for 2010 which covered Multi-year Integrated Projects (MIP) for Afghanistan, Myanmar, Bangladesh, Timor L'este, Solomon Islands and Vanuatu, Easy export (phase 3 and 4) and regional development projects.

The EC took note of the report.

Agenda Item 9

Report of the Finance Committee (EC 2010 Doc 9)

Mr. Sam Curro (Australia), Chairman of the Finance Committee reported from the Finance Committee meeting held on 21 June 2010 to review the APPU Bureau administrative budget.

In his report, he informed the EC about the reappointment of Australia as Chairman of the Finance Committee. He also reported that the Committee noted and considered the auditor's report prepared by IAC Audit Ltd for the period ending 31 December 2009.

In reviewing the draft 2011 Budget, the Committee noted that the budget estimate for 2011 (US\$ 111,427) exceeded the 2010 budget estimate by approximately US\$ 19,200. The 2011 budget had been based on the receipt of a higher member contribution unit (US\$ 1,500) and that this increased, coupled with the small fee for the management of the APP accounts (US\$ 5,000) would more than cover the proposed budget. It was intended that any surplus funds would be directed to the APPU Reserve Fund.

Furthermore, a number of member countries supported the approach of increasing the current expenditure limit imposed on the APPU Bureau within the current General Regulations (US\$ 80,000). This issue would need to be addressed and discussed at the next Congress.

The Finance Committee then recommended the following:

- to approve the budget estimate of US\$ 111,427
- to raise the contribution unit rate of US\$ 1,350 to US\$ 1,500 for 2011 and maintained until next APPU Congress at which time any further review could be considered
- to encourage member countries to fulfil their APPU membership financial obligation in the payment of prescribed contribution shares.

The EC noted the report of the Finance Committee and accepted its recommendations.

Agenda Item 10

Report of the Asian-Pacific Postal College Governing Board (EC 2010 Doc 10 Rev 1)

The report of the APPC Governing Board was presented by Ms. Areewan Haorangsi (Thailand), Acting Chairperson of the APPC GB.

The 40th APPC Governing Board Meeting was held on 21 June 2010 attended by representatives of 12 member countries, APPU Bureau and observers from UPU, La Poste and some APPU member countries.

The Meeting took note of the report on APPC activities for the period of 1 January 2009 to 30 April 2010 and the concern of India about the quality of the training courses with the use of part time lecturer thus requesting the Director to consider employing a full-time one. The EC was also informed about the outcomes of meeting which covered the following:

- Auditor's report prepared by IAC Audit Limited for the year 2009 was presented and approved.
- Appointment of N2S Solutions as the Bureau's auditor for 2010 at the auditing fee of Baht 40,000 for APPC and Baht 27,000 for APPU.
- The statement of income and expenditure for the period of 1 January to 30 April 2010 and the estimated income and expenditure for the period of 1 May to 31 December 2010 was also noted and approved.
- The Meeting endorsed, in principle, the Business Plan of APPC (2010-2013).
- The Meeting approved 15 training courses to be conducted in 2011. The External Training Programs would be confirmed later on.
- The Meeting approved the seat allocation for 2011 comprising 103 seats for 417 weeks on fellowship grants and 84 seats on self-funded basis as amended by Korea.
- Thailand Post announced that it would waive the rental fee of Baht 1,500,000 for the year 2011.
- China indicated that its contribution in 2010 and 2011 would be US\$ 25,000.
- The Meeting approved the 2011 budget as proposed.

The EC took note and approved the report.

Agenda Item 11

Report of the Asia Pacific Post Cooperative (EC 2010 Doc 11)

Mr. YF Chan (Hong Kong, China), Chairman of the APP Cooperative presented a report on the APP Cooperative to the EC.

The main points of the report were as follows:

- The terms of service for three APP Cooperative Management Board members namely Japan Post, Korea Post, Singapore Post had expired. APP had called for nominations and candidacies from India Post, Japan Post, Korea Post, Pakistan Post and Singapore Post had been received. An election was held at the General Assembly with Japan Post, Korea Post and Singapore Post being re-elected to the Cooperative Management Board.
- On the financial side, member contributions for 2009/2010 had remained at the level anticipated after the revised contribution level from 2010. There was sufficient funding for the APP to operate beyond 2012.
- On APP Business Plan 2009/2010, the meeting took note of the following project progress:
 - For EMS Service Quality Improvement, the APP continued to make progress working with the EMS Cooperative to assist APP members to achieve various targets set out within EMS Pay for Performance.
 - Desktop research launched in April 2009 had assisted targeted members in monitoring the performance of the inbound EMS deliveries.
 - On e-Commerce, the APP worked with Korea Post and Hongkong Post to conduct a study and trial to set up an e-Shopping mall pilot project for 50 products from each side.
 - For Parcel Quality Improvement, several APP members had improved and increased their level of bonus achieved under UPU parcel bonus scheme.
- Approval of an amendment on vision and objectives to the Statutes of the APP Cooperative. The revised vision could help demonstrate leadership and influence the postal sector to improve its commercial outlook and relevance to the needs of the region. The revised objectives could help provide market analysis of customer needs and market trend, to support the region to enhance the quality of service, to work collaboratively with UPU, APPU/APPC and other stakeholders and strengthen the postal network in the region. With the revised vision and objectives, the structure of the APP office would be changed from July 2010 for a 12-month trial period and its effectiveness would be reported at the next General Assembly.
- On APP Business Plan 2010/2011, four Strategies were approved by the General Assembly for the period from July 2010 to December 2011 as follows
 - Strategy 1 was to support and assist members to enhance EMS and Parcels service quality to increase the revenue of the receiving post. This project was led by Japan Post and Pos Malaysia.
 - Strategy 2 was to improve the function of the APP Office to serve as a communications hub and to provide market analysis for members on current and new developments in the postal sector. This project was led by Australia Post and Korea Post.
 - Strategy 3 was to support and assist members in understanding the impact of emerging customs related issues within the framework of the UPU customs development group. This project was led by Singapore Post.
 - Strategy 4 was to update members on the information emanating from POC Committee 1 (Letter Post) and analyze the impact of current developments and the 2012 Congress proposals on APP members. This project was led by China Post and Hongkong Post.

The EC took note of the report of the APP Cooperative.

Agenda Item 12

Report of the Letter-Post Working Group (EC 2010 Doc 12)

A report on the APPU Letter Post Working Group meeting, held on 23 June 2010, was presented by Ms. Alison Watson (New Zealand), Chair of the Working Group. The main issues mentioned in the report were as follows:

Ms Chum Choy Han (Malaysia) started the session with an overview of the POC Committee 1 decisions made in April 2010. It was clear from her presentation that the POC Committee 1 had a heavy work programme leading up to 2012 Congress. She also mentioned the introduction of new voluntary regulations on additional service features as well as a new regulation on an International Business Reply Service.

The second session led by Mr. Mark Lawley (New Zealand) focused on how we do business in region and the importance of building relationships and understanding partners' business. Member countries broke out into a productive group session to brainstorm 11 key questions.

Mr Mark Paingt, the POC Chair of the Terminal Dues Group discussed the terminal dues work programme. He provided a report of the April 2010 terminal dues meeting, an update of activities and the work plan for the next 18 months. Afterwards a fruitful discussion amongst countries in small groups demonstrated the commitment amongst APPU member countries to work proactively together to help progress an APPU position on terminal dues.

Ms. Kathleen Treanor from the PRIME group presented on the opportunity to improve customer service and profit through better use of technology. There was no time to explore new regulations on additional service features for express, register and insured and the new IBRS. However, the full presentation with notes would be published on the APPU website along with all presentations.

A number of issues of interest were emphasized by members as potential areas for future focus by the Letter Post Working Group-these include the growth potential of packets in the region, the importance of quality of service work, the terminal dues work programme, the Global Monitoring System and its implications for member countries, and the importance of customs activities in the UPU and the potential for opportunities to develop customs clearance and prepaid services.

The EC took note of the report by New Zealand, Chairperson of the APPU Letter Post Working Group.

Agenda Item 13

Report of the Postal Financial Services Working Group (EC 2010 Doc 13)

Mr. Park Tae Hee (Korea), Chairman of the Postal Financial Services Working Group (PFS WG) reported the 6th APPU Postal Financial Services Working Group held on 22 June 2010. The meeting was attended by 40 participants including observers such as Eurogiro, Chungho Comnet, Samsung SDS, Citibank, UPU and APPU Bureau.

The 6th APPU PFS WG adopted the following meeting agenda items.

1. Activation of international remittance business
2. Electronic financial infrastructure and services
3. Efficient F/X risk management
4. Remittance trends and update
5. Progress with the UPU's worldwide electronic postal service network

In the first agenda item, the Group heard presentations regarding electronic money transfer from Bangladesh Post and the success story of Pos Indonesia in developing financial services. It was followed by presentations from Vietnam Post and Japan Post Bank. Vietnam Post explained cross-border payment including its workflow and Japan Post Bank presented business experience focused on Eurogiro service and informed about the current market situation in Japan.

In the second agenda item, Korea Post announced the new project for Asia-Pacific financial development and suggested to send official proposals to all APPU members. In this session, Korea Post also shared its experiences in developing financial infrastructure with Korean companies and some case studies. Mr. Surendera Kumar Paul from India Post as Chairman of UPU POC Committee 3(Financial Committee) invited Korea Post to speak about this issue in the forthcoming POC C3 meeting. Korea Post would consider and answer as soon as possible.

In the third agenda item, Citibank showed global cash management solutions which could be accessed by Posts.

In the fourth agenda item, Eurogiro explained remittance trends and updates regarding the Asia market. The Group was also informed about new Eurogiro members from APPU – India Post and Vietnam Post.

In the fifth agenda item, Mr. Akio Miyaji from UPU made a presentation about UPU's worldwide electronic network. In his presentation, he updated the Group about the global facts and figures of the worldwide remittance flows, implementation of the current postal payment services strategy 2009-2012, and new proposal being negotiated in favor of the Asia-Pacific region.

Regarding the agenda for the next meeting, the Group agreed to set this up through exchanges of information between member countries before the meeting. It was also agreed to hold next meeting in parallel with the 2011 APPU EC meeting in Ulanbaatar, Mongolia.

The EC took note of the report by Korea, Chairman of the Postal Financial Services Working Group.

Agenda Item 14

Report of the Parcels Working Group (EC 2010 Doc 14)

A report on the APPU Parcels Working Group meeting held on 23 June 2010 was presented by Ms. Alison Watson (New Zealand), Chair of the Working Group. The main issues mentioned in the report were as follows:

The session started with a report of the work of the POC C 2 in April 2010. A number of regulations were passed at POC. The importance for APPU countries to ensure that they had submitted an entry in the Parcel Post Compendium on-line was emphasized. It was noted that 23 DOs out of 40 had yet to have done so and that entry of this information was one of the prerequisites to be eligible to access the bonus system when the 2011 inward land rates were assessed by the International Bureau. The adoption of amended parcel minimum specifications 2011 – 2012 as well as agreement to making IBIS mandatory in 2012 was also outlined.

The Chair of the EMS Cooperative, Ms Wendy Eitan, then gave a detailed and instructive presentation on the status of the EMS Cooperative.

Ms Eitan then joined with the Chair of the Parcel Working Group and made a presentation on the high-level strategic work being progressed across the CA and POC with report backs due at the Nairobi Strategy Conference, CA meeting and recommendations to be presented to POC 2011. This work aimed to look at the opportunity to examine ways to re-align the services and associated remuneration of EMS, Letters and Parcels, taking into account the results and recommendations of the market research carried out last year across packets, parcels and EMS.

Korea Post then provided a summary of their proposed Resolution to plenary on EMS competitiveness as per EC 2010 Doc 14.7 Rev 1 which was adopted. In the course of the discussion of the proposal Australia clarified that the Resolution was only a recommendation to apply a reduced charge for EMS items. The delegate from Australia indicated that not all members would be able to comply with the proposal and, as such, pricing higher than that recommended by Korea could still continue to be legitimately applied.

The session before afternoon tea finished with Mr. Akio Miyaji presenting on the UPU programmes to help facilitate Post-Customs electronic data exchange. This work was very encouraging and also complex but the aim to have a process that helps Posts to better control information across the value chain should be encouraged.

After tea, two very interesting case studies were presented to the working group. Mr. Philippe Hlavacek from La Poste showed the innovative Box E-Commerce solution that La Poste had developed. Mr. David Chng Kim Yong from Singapore Post then explained some of the trends in Singapore's Courier and Express market. One message from this presentation was that postal competitors were becoming increasing savvy and competitive across services including services where traditionally postal operators felt they had an advantage.

The session ended with a presentation by the Chair on the parcel ILR base rates project and the importance of ensuring that we look closely at the strengths, weaknesses, opportunities and threats within the parcel service. A small group work session challenged members to think about the potential for new services within the region and what customers needs might be. The last intervention from the floor "encouraged members to seize the opportunity for APPU countries to work together to offer competitive, quality, and customer focused solutions in the packet, parcel, EMS markets".

After leading discussions, the Chair of both Letter Post Working Group and Parcels Working Group proposed the following recommendations

1. **Note** that key topics of interest for future discussion at APPU-EC Letter and Parcel Post meetings include:
 - Terminal dues;
 - GMS;
 - Opportunities in small packet services;
 - Inward Land Rates; and
 - Customs facilitation work
2. **Invite** the Chair of the APPU Letter Post and Parcel Working Groups to facilitate a process to better understand APPU member country involvement and expertise in letter and parcel policy and urge countries to forward their contact details to the Chair for their key officials working on:
 - Terminal dues;
 - Parcel/EMS policy; and
 - Any UPU committee, working or sub-group
3. **Invite** the Chair to facilitate a questionnaire to be circulated amongst APPU countries to better understand the needs and interests of member countries to help enhance the future work of the Letter Post and Parcels Working Groups;
4. **Note** the growth potential of parcel and small packet services in the APPU region;
5. **Invite** Hongkong Post to prepare a template for circulation that summarises current service offerings and opportunities attractive to customers across the APPU region in the under 5kg packet market;
6. **Invite** Hongkong Post, with the support of interested countries, to develop a paper on opportunities for a regional under 5kg packet service and present this with recommendations to the APPU-EC in 2011;
7. **Invite** the Chair of the POC Committee 2 to consider ways to better inform countries of obligations for parcels reporting and changes in regulations;
8. **Urge** APPU member countries to submit parcel information on the online compendium as soon as possible and before 31 August 2010 to ensure they are eligible for parcel bonus payments;
9. **Invite** the APPU Letter Post Working Group to convene at APPU-EC 2011 to consider hosting an interim meeting in cooperation with the Parcels Working Group, before POC 2011 to help develop APPU positions on Terminal Dues, Packets, and ILRs;
10. **Encourage** communication by members between APPU-EC meetings on Terminal Dues and review of ILR base rates work via email and conference call and invite the Chair of Letter Post and Parcels Working Group to help facilitate this;
11. **Note** the support for development of an APPU position on the future UPU Terminal Dues model;
12. **Note** the potential for a Pacific Island-focused meeting prior to POC 2011 to discuss proposed recommendations and potential positions on proposals considered at the POC;
13. **Note** the opportunity to develop customs clearance and prepaid services;
14. **Invite** Australia to circulate a paper for comment on ways to develop enhanced customs clearance and prepaid services and to present conclusions to the next APPU-EC Parcels or Letter Post Working Group meeting.

The EC noted with satisfaction the work done by the Parcels Working Group of the APPU.

Agenda Item 15

Regional Approach to Field Support for Designated Operators (EC 2010 Doc 15 Rev 1 and EC 2010 Doc 15.1)

This report was divided into two parts. The first part was presented by Mr. Akio Miyaji, UPU Quality of Service Coordinator. In his report, he spoke about the background of the Regional Approach to Field Support for Designated Operators, the objectives of the regional project implementation for letter post, parcels, EMS, UPU Quality of Service Certification and IPS/IPS Light. He also highlighted the successes and challenges of Asian and Pacific Islands projects to implement project management methodology, for example, the success of the project to improve the quality of services as indicated in the Milestones and Report Cards of the participating DOs, the successful achievement of eight out of ten participating DOs to be awarded UPU Quality of Service Certification, and the significant improvement of the management of IPS/IPS Light and EDI messages transmission within countries in Asian projects etc.

The second part of the report was presented by Mr. Hasnul Haniff, Head of Mail Operation and Planning, Pos Malaysia. In his presentation, he spoke about UPU Quality Management Certification in Malaysia. He also gave details about the certification results of Pos Malaysia which qualify to an “A” level of certification, quality deployment status, best practices and quality performances achieved by Pos Malaysia.

The EC took note of the report.

Agenda Item 16

Direct Mail Seminar (EC 2010 Doc 16)

The Direct Mail Seminar was held on 22 June 2010. Mr. Alastair Floyd (New Zealand) was the moderator of this seminar with the support of Ms. Raquel Ferrari (Programme Manager, Direct Mail and Stakeholder Relations, Universal Postal Union) and financial assistance of the Direct Mail Advisory Board.

Speakers presented and shared views regarding the issues discussed.

- Ms Lisa Watson - Direct Marketing Association Singapore: an overview of direct mail trends in the Asian-Pacific region including case studies and the support that postal organisations gave to the direct marketing community by providing cost effective accurate data, supported by clear delivery standards and tracking of results.
- Mr Steve Lau - Hongkong Post: an outline of the direct mail market in Hong Kong and marketing strategies currently employed to develop cross-border DM, particularly to Guandong province in mainland China. The presentation provided a summary of recent initiatives with a focus on DM Tracker: a reporting system for customers to review their DM campaigns. Suggestions were provided on where DM fits in multi-channel marketing and what major challenges are faced and suggestions to tackle them.
- Ms Ariya Thongbai - Thailand Post: a review of service offerings from Thailand Post with a particular focus on the low cost of DM on offer when appropriate volume thresholds were met. Additionally information was provided on the opportunity that existed to partner with major marketers and agencies to maximise penetration in the market.

- Mr Phillippe Martin - Media Post Vietnam: a review of how direct mail capability was established from the ground up in the challenging Vietnam market, in particular in relation to gaining the trust of large commercial customers to develop their marketing strategy to include DM.
- Ms Raquel Ferrari – International Bureau, UPU: an overview of resources available from the IB, in particular an outline of the information provided in the Direct Mail Guide for Developing and Least Developed Countries – In the Digital Age; an effective resource available from the IB to assist the development of direct mail capability.
- Ms Dong Hongmei - China Post: an outline of the complete supply chain on offer by China Post with a particular focus on originality, inducement and data. Also highlighted was the very high response rate (4-6%) to a number of direct marketing campaigns completed by China Post particularly in the larger cities and also the high level of loyalty from customers who had been using the direct mail service provided by China Post for 5 years or more.
- Mr Anil Sachdev - Australia Post: a focus on ROI for customers and capability of the postal operators to provide accurate and current data. Additional focus on the Australia Post database which had a high saturation in the market (5 million files in a population of 20 million) and ensuring complete supply chain process which was simple enough for customers; from targeted data, to multiple marketing channels and product/service fulfilment.
- Ms Rie Simuzu – JP Media Direct (Japan Post): an outline of the requirement to ensure that customer data had appropriate level of protection, with reference to local legislation. Additional focus was on the Japan Post direct mail business unit JP Media Direct and the need to consider brand trust when establishing new business units.
- Dr Sohail Choudhry - New Zealand Post: an overview of recent activities including cross-border DM campaign with Hong Kong and sharing of capability opportunities with Hong Kong Post and China Post. The presentation also outlined the next steps in the regional database concept through the proposal to establish a ‘Regional Datahub’.

The Regional Database-Datahub was referred from the seminar for consideration in plenary session. Dr Sohail Choudhry of New Zealand Post provided an explanation that the regional datahub was an effective platform to enable customers (direct marketers) to have a one-stop shop to communicate and understand the opportunity within the postal organisations who are part of the hub. It was explained that postal organisations were not expected to provide detailed customer data, merely to provide aggregated data so marketers (importers/exporters) could understand the potential customer base in hub partner countries. The Data hub as a starting point would enable a link to respective postal organisations to coordinate customer queries on data and direct mail. Thereby the proposed Regional Datahub would act as a first step towards building understanding of hub partner markets and if successful could then lead to further development of the Regional Database concept.

The seminar concluded with a recommendation for the EC that New Zealand Post would develop and host a working prototype in partnership with Asian Postal Administrations for a ‘Regional Datahub’ as an initial step towards the creation of a Regional Database.

The seminar proposed following steps to be coordinated by New Zealand Post for interested postal partners:

1. Allocate internal resource to this project
2. Obtain suitable URL for the local execution of the Regional Datahub
3. All involvement by postal administrations is to be on a strictly voluntary basis

4. Ensure that in becoming involved, that each home market legislative obligations are met
5. Consolidate / aggregate data sets and provide it to New Zealand Post for inclusion in the Regional Datahub
6. Share market learning to promote business development.

The EC took note of the report and approved the actions proposed by New Zealand for the Regional Datahub.

Agenda Item 17

Strategy Roundtable

Mr. Guozhong Huang, UPU Deputy Director General, informed the EC about the Nairobi Strategy Conference which would be held in Nairobi, Kenya from 22-24 September 2010. He invited international organizations, governments and designated operators to take part as speakers and panelists in the conference. The Strategy Conference would address challenges faced by the postal sector and discuss the development of more dynamic, competitive and customer- focused postal networks.

Mr. Huang also informed the EC that a regional strategy roundtable would be arranged after the Strategy Conference. The APPU strategy regional roundtable was scheduled to be held during the 2011 APPU-EC meeting in Ulanbaataar, Mongolia.

The EC took note of the information.

Agenda Item 18

Recent Developments in the Council of Administration (EC 2010 Doc 18)

The presentation on the UPU-CA was made by Mr. Guozhong Huang, UPU Deputy Director General. Mr. Huang explained at the beginning that he was making the presentation as the Chairman of UPU-CA was not able to attend the APPU EC meeting.

In the presentation, Mr. Huang talked about UPU forum on postal regulation held in Hangzhou, China from 26-28 May 2010, the structure of the CA and functions of various committees and project groups. He also informed the EC about UPU Strategy Conference which would be held in Kenya from 22-24 September 2010.

The EC took note of the presentation.

Agenda Item 19

Presentation by UPU-POC (EC 2010 Doc 19)

The presentation of the UPU-POC was made by Mr. Akio Miyaji, Quality of Service Coordinator. He informed the EC that he was making the presentation as a representative of IB

as the Chairman of UPU-POC was unable to attend the APPU EC meeting.

The presentation talked about the structure of the UPU-POC and roles that the various committees of the POC play. The presentation also touched upon major achievements, challenges and activities of the committees.

The EC took note of the presentation.

Agenda Item 20

Presentation by Japan (EC 2010 Doc 20)

Japan made a three-part presentation to the EC. The first presentation was on establishing a permanent Universal Postal Convention. The second part was on POC proposal to amend UPU Convention and the third presentation was concerning Japan World Stamp Exhibition 2011.

Mr. Masanori Kondo made the first presentation. In his presentation, he gave details of three benefits of establishing of permanent Convention – a worldwide trend of establishing permanent documents, ensuring legal stability, and decreasing workload. He also updated the EC regarding deliberations within UPU that could be used as steps toward establishing permanent Convention.

The second presentation was made by Mr. Masahiko Metoki who talked about the proposal and approaches to amend the UPU Convention Article 15 and 16 to enable Posts to accept and transport lithium-cells and lithium batteries.

The third part was presented by Mr. Kazunori Uchida. In his presentation, he informed the EC about Japan World Stamp Exhibition 2011, PHILANIPPON 2011, which would be held in Pacifico Yokohama, Kanagawa Prefecture from 28 July - 2 August 2011.

The EC took note of the presentations.

Agenda Item 21

Presentation by Indonesia (EC 2010 Doc 21)

The presentation by Indonesia was made by Mr. Analis Widodo Adi, Head of Postal Cooperation Section, Directorate General of Posts and Telecommunication.

In his presentation, he spoke about Indonesian Postal Law Number 38 of 14 October 2009. The presentation gave details of the business entities eligible to provide postal services, licensing, cooperation, interconnection and universal postal service.

The EC took note of the presentation.

Agenda Item 22

Presentation by La Poste (EC 2010 Doc 22)

La Poste of France made a two-part presentation to the EC. The first part was presented by Mr. Philippe

Hlavacek who spoke about highlights in La Poste Group and cooperation between APPU and La Poste.

In his presentation, he explained the change of legal status, 2009 key figures and 2015 Ambition Plan of La Poste Group. He also gave details about the support given to APPU in terms of human resources, ASEAN IEMO project and various workshops and seminars.

The second part was presented by Ms. Stephanie Scoupe. The presentation informed the EC regarding the APPU seminar on sustainable development: lever of performance held in Bangkok in December 2009. The seminar has achieved 3 main results namely definition of common vision and ambition, formalization of regional action plans and prioritisation of actions and sharing and implementing best practices.

In the discussion of sustainability there was a proposal by Samoa for the APPU to set up a Working Group to focus on this topic. There was support for the concept from Afghanistan and Pakistan. The Chair invited the meeting to consider whether the terms of reference for such an activity should be drawn up in the current session or following the meeting. The decision was to prepare details after the meeting by correspondence.

The EC took note of the presentations by La Poste and approved the setting up of a Working Group to focus on sustainability.

Agenda Item 23

Presentation by Deutsche Post (EC 2010 Doc 23)

The presentation of Deutsche Post was made by Mr. Carl Schelfhaut, Head of International Relations, Corporate Compliance and Postal policy.

The presentation talked about the issue on how designated postal operators could respond to the customer needs in 2020 and beyond. It also touched upon the Delphi study, new products and services and how Deutsche Post DHL Strategy 2015 aims to respond to long-term challenges.

The presentation highlighted roadmap of Deutsche Post DHL for long term success by focusing on two strong pillars (remaining "preferred Post for Germany and becoming "logistics company for the world"), commitment to a common guiding principle and delivering on a clear customer promise.

The EC took note of the presentation.

Agenda Item 24

Presentation by UNI-Apro (EC 2010 Doc 24 Rev 1)

The presentation by UNI-Apro was made by Mr. Eiichi Ito, the Director of Post and Logistics of UNI-Apro.

In his presentation, he explained about UNI Global Union, the establishment of MOU between UPU and UNI Global Union, benefits of MOU between APPU and UNI-Apro and possible areas of joint cooperation between APPU and UNI-Apro.

He also proposed a draft MOU between APPU and UNI-Apro which will be signed by the Director of APPU Bureau and the President of UNI-Apro Post and Logistics.

The EC took note of the presentation and authorized the Director of APPU Bureau to sign the MOU.

Agenda Item 25

2011 APPU EC (EC 2010 Doc 25)

Mongolia made the presentation informing the EC of their offer to host the 2011 APPU EC meeting in Ulaanbaatar, Mongolia in August/September 2011.

The EC accepted the proposal of Mongolia to host the 2011 APPU EC meeting.

Agenda Item 26

2012 APPU EC (EC 2010 Doc 26)

Hong Kong, China also made the presentation informing the EC of their offer to host the 2012 APPU EC meeting in Hong Kong in Mid of May 2012.

The EC also accepted the proposal of Hong Kong, China to host the 2012 APPU EC meeting.

Agenda Item 27

Any Other Business

The Chairman reminded the meeting of the Philatelic Exhibition to be hosted in India-INDIPEX 2011. The event is scheduled for February 2011 in New Delhi. Further details would be conveyed to members by India.

Mr. Masanori Kondo from Japan on behalf of the delegates and observers thanked the host, Indonesia and all the staff for hosting a wonderful EC meeting. Special thanks were also conveyed to the Director General of Posts and Telecommunication of the Republic of Indonesia, the President Director of Pos Indonesia, the Chairman and Vice Chairman of the APPU EC and the Secretary General.

Agenda Item 28

Closing of the Meeting

Mr. Mark Lawley, Chairman of the APPU EC thanked all participants including the APPU secretariat and the Indonesian secretariat for the respective contributions to make the 2010 meeting the success it was.

Mr. Ikhsan Baidirus, Vice Chairman of 2010 APPU EC meeting, on behalf of the Director General of Posts and Telecommunication of the Republic of Indonesia delivered closing remarks. He thanked all delegates and participants for having come to Bali for APPU EC meeting. He also thanked the Chairman of EC and the Director of APPU Bureau for the leadership, support and cooperation given to enable successful convening of the APPU EC meeting in Bali.

Special thanks were also addressed to all officials of Indonesia who worked tirelessly to make the 2010 APPU EC meeting a big success.



(Somchai Reopanichkul)
Secretary General
APPU Executive Council



(Mark Lawley)
Chairman
APPU Executive Council