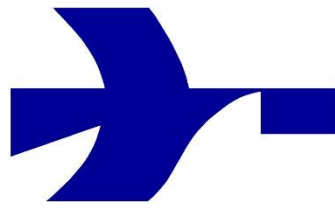


Postal Transport

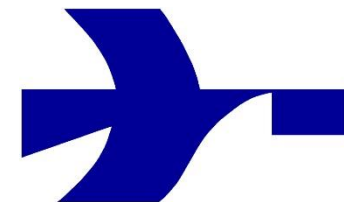
Presented by Mr. Alipate Tavo
Chief Executive Officer
Tonga Post Ltd.

ASIAN-PACIFIC POSTAL UNION EXECUTIVE COUNCIL MEETING
2-6 September 2019 , Tokyo, Japan



Presentation Outline

1. Brief History of Postal Services in Tonga
2. Introduction
3. Modes of Transportation
4. Challenges and Issues
5. Opportunities
6. Conclusion



- Tonga in the World

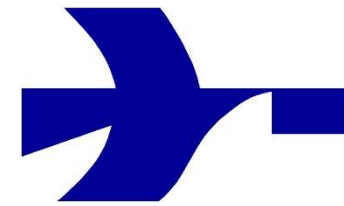


A brief history

1. The history of Tonga's postal service dates from 1886 with the first Tonga stamp featuring the image of King George Tupou 1 issued that year and the following year saw the establishment of the Tonga Post Office.
2. The Tonga Postal Services was a monopoly Government provider of postal services but had suffered from under-investment. However, Tonga is popular for its Tin Can Mail system and being the world's first to issue self adhesive stamps.
3. In 2006, Tonga Post Limited was created under the Companies Act & Public Enterprises Act to be governed by a Board of Directors.
4. On 1st July 2008, Tonga Post Ltd. opened for business.
5. In October 2013, Tonga Post acquired Tonga Print Ltd under Government direction. Tonga Print was rebranded to Tonga Fast Print.
6. The Government is a member of the Universal Postal Union (UPU) & Asian Pacific Postal Union (APPU). Tonga Post continues as the designated postal operator subject to the UPU & APPU Acts and Regulations.



Asian-Pacific Postal Union



Introduction:

Linked to National Plan (NSDF II 2015-2025 “A more progressive Tonga: Enhancing our inheritance”

- **Outcome 1:** More reliable, safe and affordable transport services on each island, connecting islands and connecting the Kingdom with the rest of the world by sea and air, to improve the movement of people and goods.
- **Outcome 2:** More reliable, safe and affordable information and communications technology (ICT) used in more innovative and inclusive ways, linking people across the Kingdom and with the rest of the world, delivering key services by government and business and drawing communities more closely together.

Our business

Vision

To be the leading service provider for postal, courier, printing solutions and money transfer for the Kingdom of Tonga.

Mission

To exceed the customer's expectations in every sense by providing quality services in a caring and inspiring environment with the objectives of being profitable and efficient.

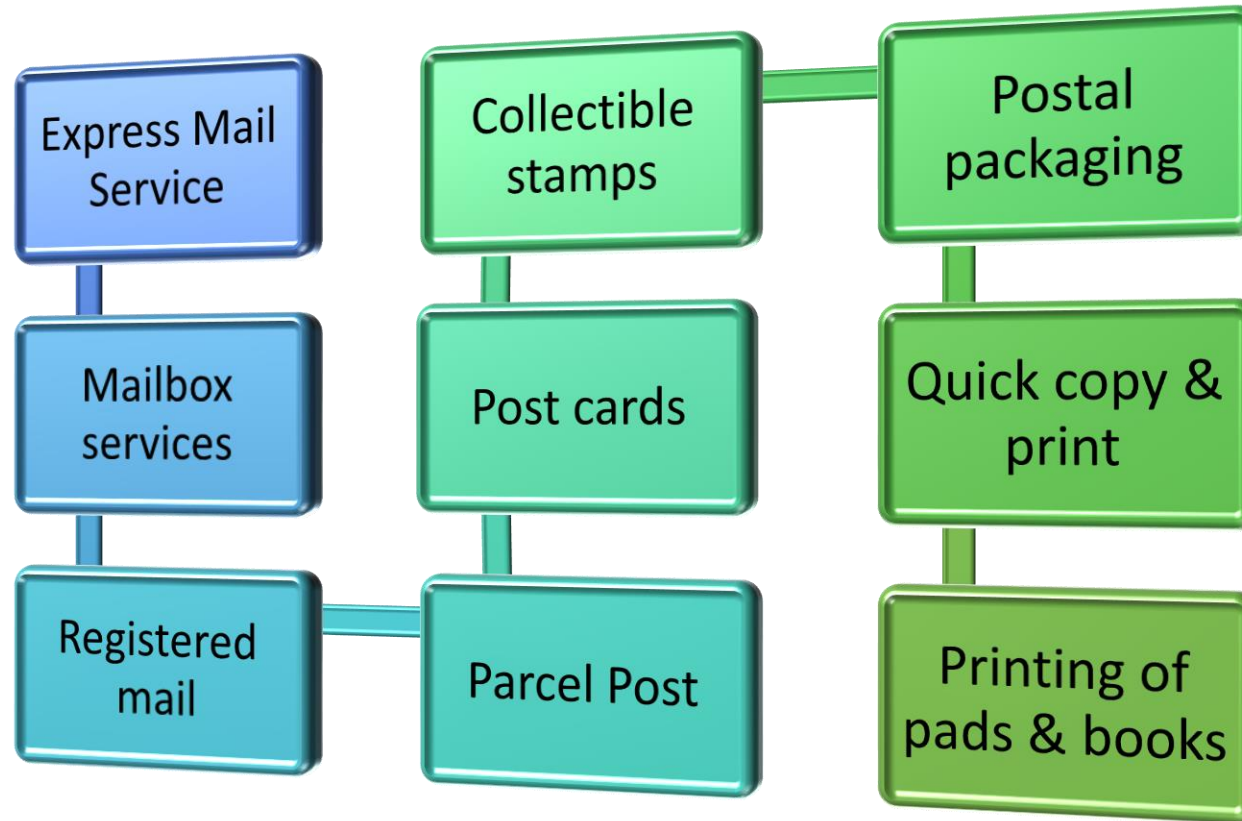
Values

- **Honour.** Everyone and every part of the business is valued
- **Excel.** Excellent product & service delivery
- **Advance.** Innovate and sustain profitable growth
- **Reach out.** Satisfy current customers while seeking out for new ones
- **Together.** Together, everyone adds value to the business. together



Where are we now?

➤ Growth areas where we can increase revenue



Where are we now –the challenges?

1. Decline in letter post volumes

The challenge:

A decline in letter post volumes through substitution of digital media

Our plan:

*Diversify into courier, ecommerce, door-to-door delivery service.
National Home Addressing Project
Service Level Agreements with Airlines (Air NZ and Fiji Airways)
and Ground Handlers*

2. Information Sharing with Airlines

The challenge:

*Lack of information sharing, e.g. cubic volume, routing
Transit points*

Our plan:

Negotiate with airlines on Service Level Agreement

Note: Effective communication is critical

3. Efforts to increase visibility of leg 2 performance

The challenge:

Lack of commitment from airlines to cooperate

Our plan:

Government to Government Negotiations

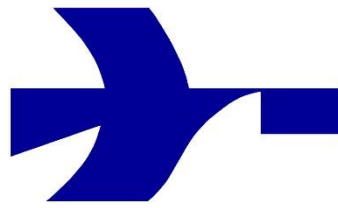
4. Track and trace capability

The challenge:

Inconsistency in the track and trace system

Our plan:

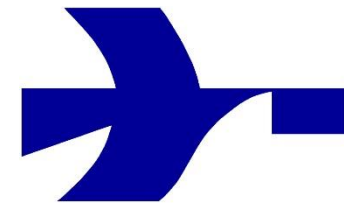
Stronger partnership with airlines, airports and Post Offices



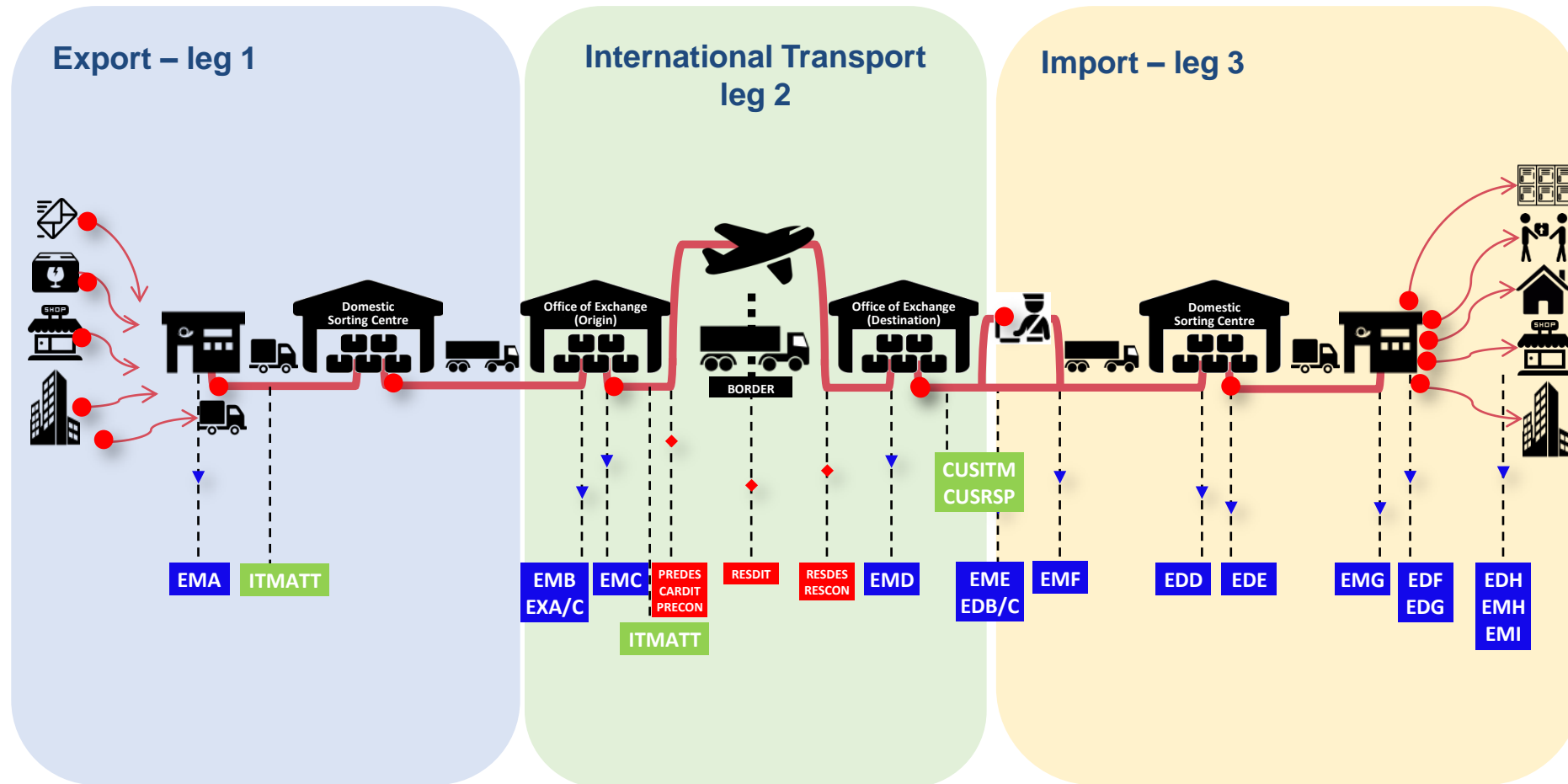
• Modes of Transportation

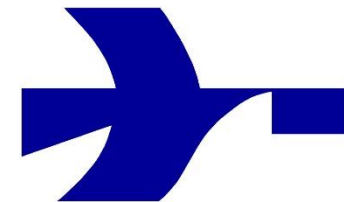
- Airlines
- S.A.L. – Surface Air Lifted
- Surface





- Leg 2 Process Mapping

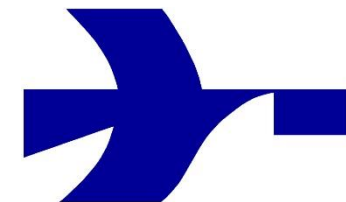




TOA – Tonga - E2E Service Reliability Inbound - Leg2 Performance

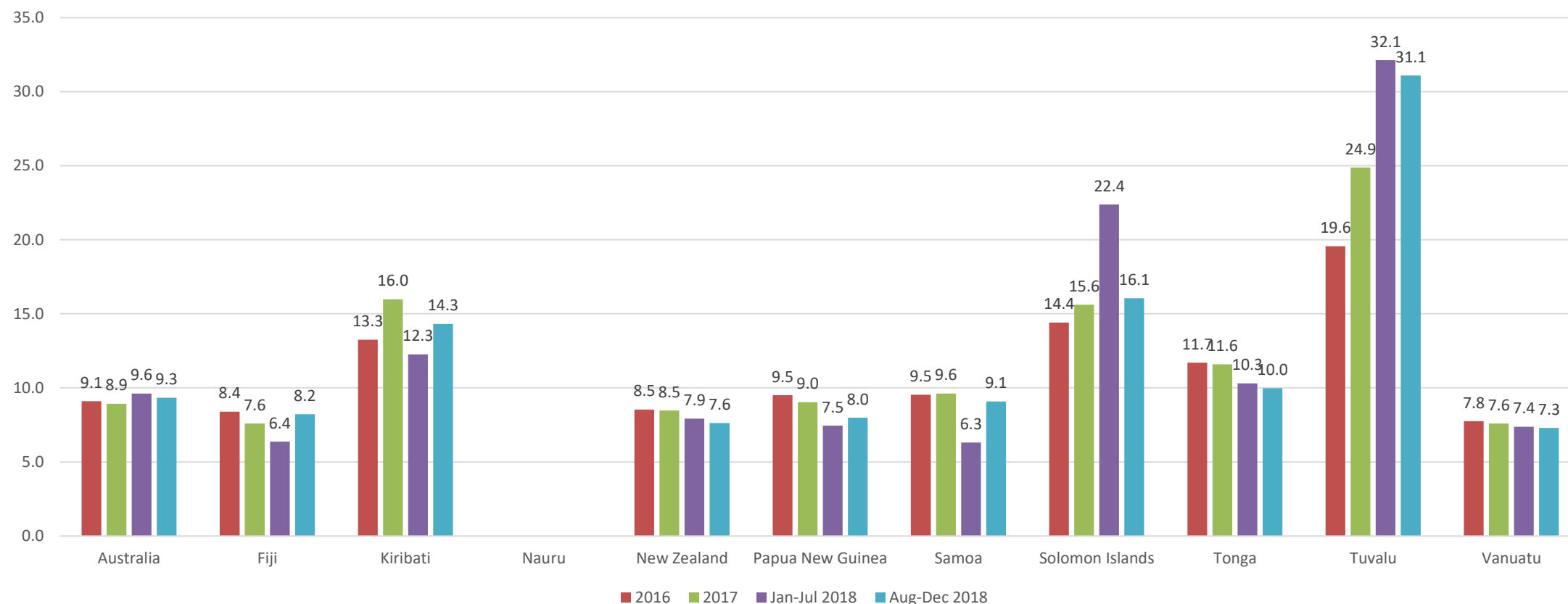
	Outbound average days	Inbound average days
2018	6.0	9.5
2019 YTD	3.1	12.6

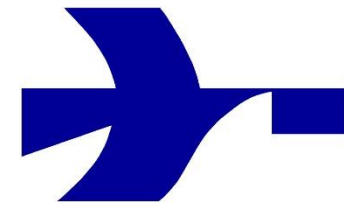
Destination	Outw.OE	Inw.OE	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	AvDays
TVA	TOTBUA	TVFUNA							63							63.0
KRA	TOTBUA	KRSELB		20												20.0
SBA	TOTBUA	SBHIRA	9			11									9	9.7
GBA	TOTBUA	GBCVTA				9	9									9.0
NOA	TOTBUA	NOOSLB				9										9.0
CHA	TOTBUA	CHZRHU							7.7							7.7
DEA	TOTBUA	DEFRAA				4										4.0
KIA	TOTBUA	KITRWA		4												4.0
FJA	TOTBUA	FJNANA	1			5.5	9						2		1	3.7
VUA	TOTBUA	VUVLIA	2			5	2	8				2	2		2	3.3
AUA	TOTBUA	AUSYDA		4		2.3	3.7		3	3		3				3.2
USA	TOTBUA	USLAXA	2	2	1.5	2		1	2	4	3.3	3.7	4		2	2.5
USA	TOTBUA	USHNLA												2.3		2.3
NZA	TOTBUA	NZAKLA	1	1	2.5	5			2.7		2		2		1	2.2



Leg 2: Performance in the Pacific Region

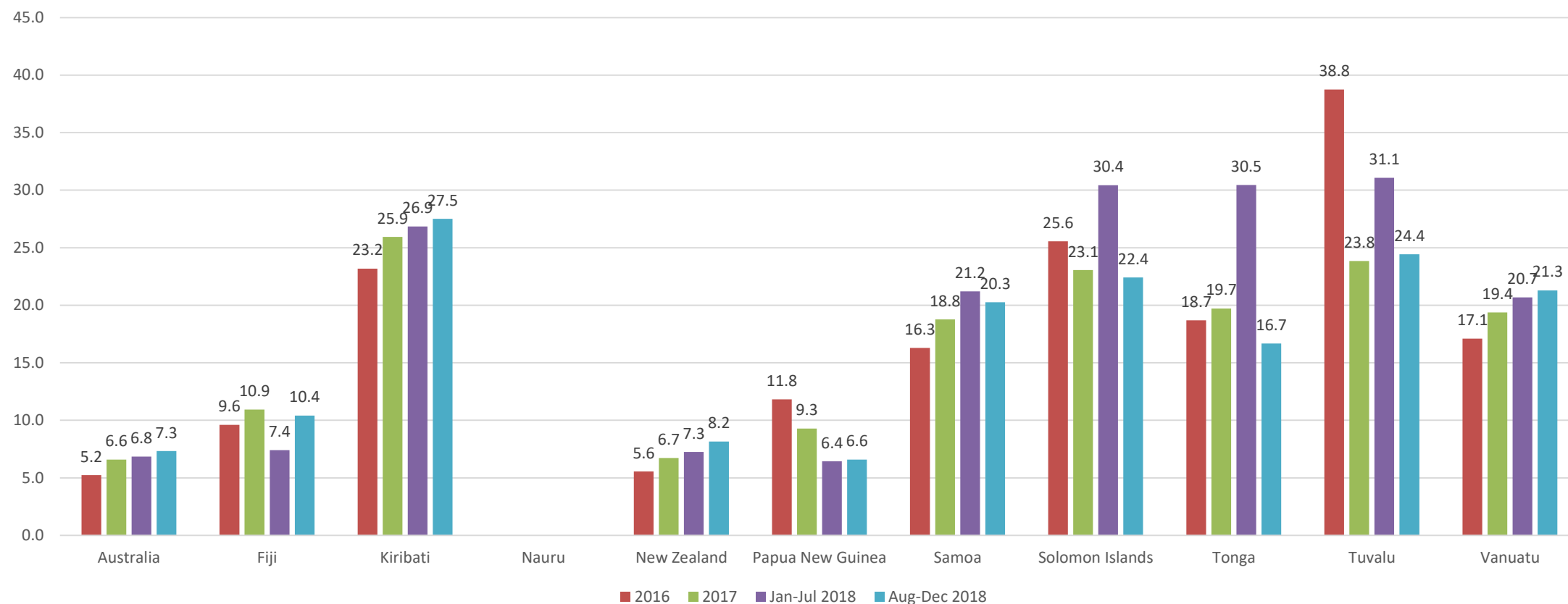
Leg 2 - average days from departure from outward office of exchange to arrival at inward office of exchange
(EMC - EMD) - Parcels (Target: 2 days)

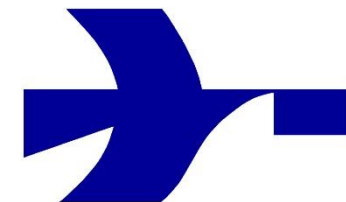




Leg 2: Performance in the Pacific Region

Leg 2 - average days from departure from outward office of exchange to arrival at inward office of exchange
(EMC - EMD) - Tracked items/Small Packets (Target: 2 days)

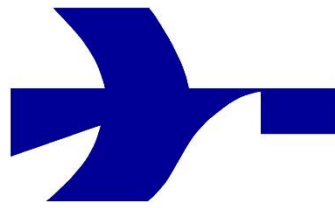




- Electronic Data Interchange Status

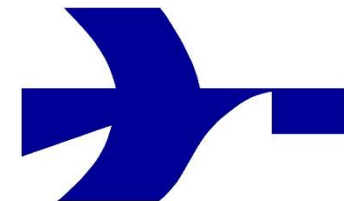
EDl & Mail visibility

Operator	Country	Product	IPS Version	EMSEVT 3	PREDES 2.1	CARDIT 2.1	ITMATT
AUA	Australia	IPS	2015	M40-6	M41-6	M48-4	XML
FJA	Fiji	IPS.POST		M40-7	M41-7	M48-5	No
KIA	Kiribati	IPS.POST		M40-7	M41-7	M48-5	XML
NZA	New Zealand	IPS	2017	M40-7	M41-7	M48-5	XML
PGA	Papua New Guinea	IPS.POST		M40-7	M41-7	M48-5	No
SBA	Solomon Islands	IPS.POST		M40-7	M41-7	M48-5	XML
TOA	Tonga	IPS.POST		M40-7	M41-7	M48-5	No
TVA	Tuvalu	IPS.POST		M40-7	M41-7	M48-5	No
VUA	Vanuatu	IPS.POST		M40-7	M41-7	M48-5	XML
WSA	Samoa	IPS.POST		M40-7	M41-7	M48-5	No

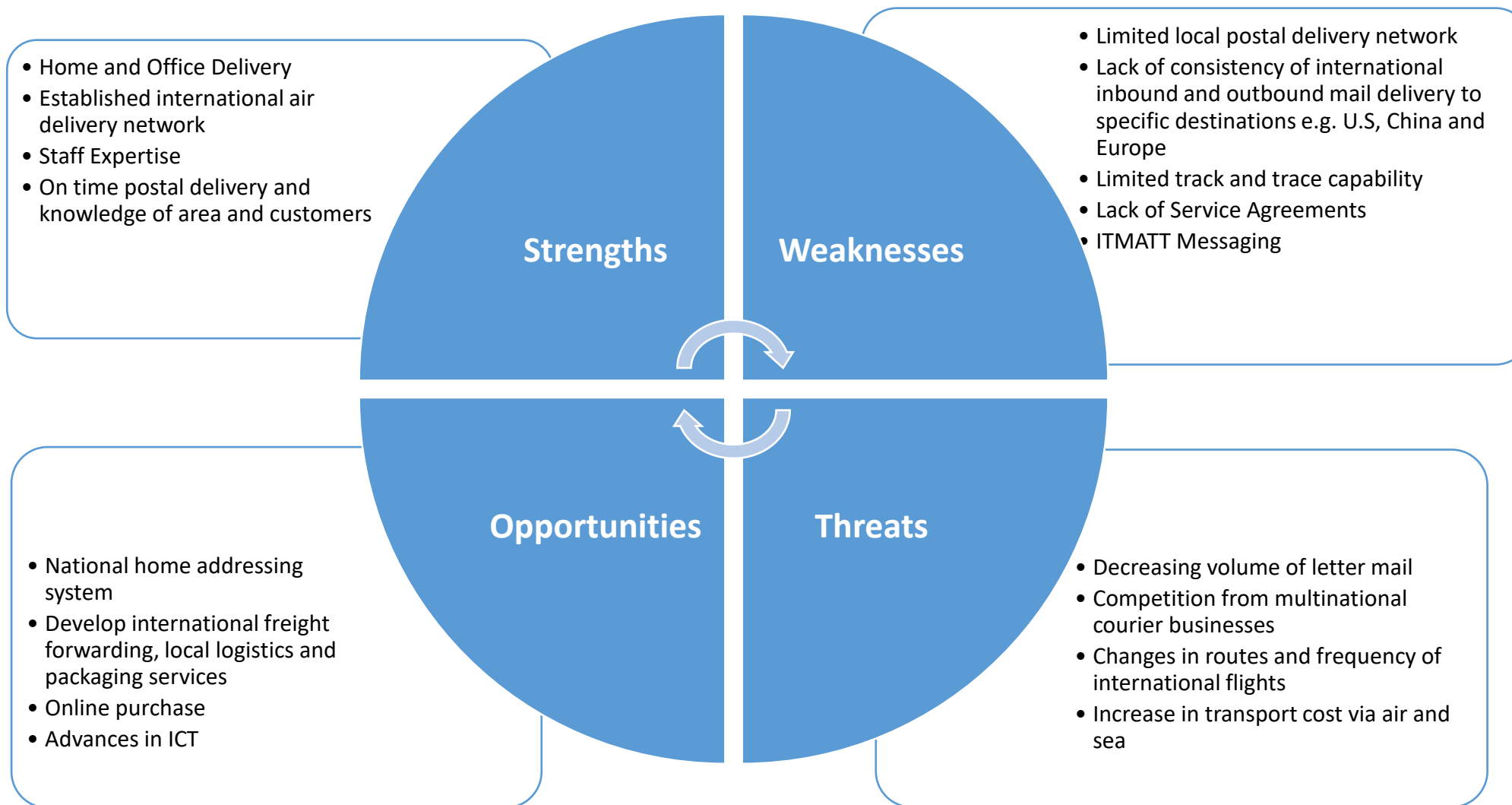


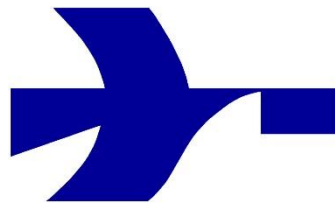
- **Why we need the improvements?**

- To improve the service quality on an E2E basis to meet customer demands
- Speed is the key that defines the winner
- To be able to maintain market share by prioritizing express service
 - To reach the revenue target
- To add values to international post items



• SWOT Analysis





Conclusion

- To reduce customer complaints by establishing an integrated customer care centres (in every DOs) and provide improve quality of service
- To apply compulsory tracking services in every country (Resdes data) or coordinate with GCSS (Global Customer Service System)
- Improvement of **service quality** for international post items through **cooperation and coordination**
- Dos to perform **customer centric strategies**, improvement of service qualities to provide a **business win-win results** for both operators and their customers
- Establish **Service Level Agreements** with Airlines
- The end result is to provide speed, efficiency, and accurate service to all customers