

Executive Council Meeting
Plenary Online Session
20 July 2021

2021 Executive Council

Report of the Post Financial Services Working Group

Report by the Chair (Bangladesh)

1. Subject	References/Paragraphs
Report of the meeting of the Postal Financial Services Working Group held on 06 July, 2021	§ § 1-2
2. Decision Expected	
The APPU-EC plenary is invited to take note of this report and approve the actions contained in it.	§ § 3

1. Meeting Opening and Adoption of the agenda

1.1 The meeting of the Postal Financial Services Working Group held on 06 July, 2021.

1.2 This meeting was presided by the Chair (Bangladesh) with the agreed agenda as follows.

- Financial Products and Services offered by Posts
- Best Practices by APPU member countries
- Opportunities and Challenges
- Postal Financial services offered by Bangladesh Post
- Future plan and any other Business

1.3 The meeting was attended by APPU members including Afghanistan, Australia, Bangladesh, Bhutan, **Cambodia, Fiji**, India, Indonesia, Iran, Japan, Maldives, Nauru, **Pakistan, Philippines**, Thailand and Vietnam.

1.4 The meeting was started following by an opening remark by Mr Md. Siraz Uddin, Director General of Bangladesh Post also the Chairman of Postal Financial Services Working Group. In his speech he cordially thanks APPU Bureau to arrange the APPU-EC meeting so successfully during pandemic COVID-19. He then briefly introduced the Bangladesh Post's effort on financial inclusion and future plan of Postal Financial Services. He also expressed his gratitude to the international organizations and member countries for their support. After his welcome speech the presentation on Postal Financial Working Group was presented.

2. Presentation

2.1 At the worldwide level, 183 Posts provided at least one type of Payment, Savings, Insurance and Credit financial services, and payments service includes both domestic and Cross border payments. The Global Findex database shows that 1.2 billion adults had obtained an account since 2011. Financial inclusion contributes to socio-economic development, and Posts were well-positioned to address the challenges of access, eligibility, affordability and technology changes. It was easier for the Postal Operators to reach maximum number of customers through mobile service and contribute to financial inclusion in the country.

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2.2 The APPU was instructed by UPU Istanbul Congress to follow the resolution C23/2016 to integrate the relevant elements of the Istanbul World Postal Strategy (IWPS) into their respective priorities and action programs.

2.2 Again UPU Congress resolution C6/2016 stated E-commerce services as a key to a vibrant and effective postal service. Besides invited member countries to contribute their activities aimed at introducing new and innovative e-services based on customer expectation and fostering a culture of making use of e-commerce solution in all aspects of their postal operation.

2.3 Next keeping pace with UPU congress, 2016 directives through resolution C8/2016 APPU had taken decision regarding development of postal payment services and financial inclusion to encourage member countries and designated operators to develop effective, reliable, secure and affordable electronic postal payment services to continue developing the multilateral framework for postal payment.

2.4 The Congress had also put forward the responsibility to promote the provision of financial services directly by designated operators or in partnership with banks, micro finance institutions or mobile operators with a view to promoting the financial inclusion for mass population. The financial inclusion is the outcome of Sustainable Development Goals (SDG) goals 1 and 8. It is also the result of Big data Big impact. Big data analysis is crucial for monitoring the indicators associated with the postal product quality assurance.

2.5 After the ORE (Operational Readiness for e-commerce) UPU focused on DRE (Digital Readiness for e-commerce). Now Payment Readiness for e-commerce (PRE), in progress, through a partnership with Mastercard. It's a developing tool for payments of e-commerce for both consumers and SMEs. The ultimate goal is to ensure that online shoppers have suitable e-commerce payment infrastructure to develop their business through Posts. It would be the common payment gateway for e-commerce.

2.6 Among member countries, Payment service, Savings, Insurance, Credit, Money transfer service are found as basic financial service. Money transfer and payment service are predominant followed by Insurance and Credit service. In case of mode of Operation of the basic financial services, completely automation are found in few member countries followed by partially automation and manual operation, respectively.

2.7 In addition, less use of mobile apps in rendering financial services is well noted while the essentiality of mobile apps is well recognized. The demand for mobile apps development is very high. APPU member countries should have a common payment gateway for cross border e-commerce, financial inclusion along with to boost up of new and innovative financial services.

2.8 Bangladesh Post introduced that the postal channel was carrying out a multitude of duties, including transporting farmer's perishable, delivering medicine and relief to remote areas, as well as performing financial transactions through NAGAD, the mobile banking application. However, the big challenge was to keep safe and work together.

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2.9 Any Other Business

In any other business, Vietnam shared their financial services – Change for Success. Vietnam Post described:

- **Vietnam Post with a mission to serve the community**
- **Achievement in 2020**
- **How we change**
- **Before and after changes of Vietnam's Post Offices.**
- **How they beneficiary of UPU's Financial Inclusion Technical Assistance Facility (FITAF) PROJECT.**
- **Better future for all Vietnamese with Post Offices.**

3. Next Step

3.1 To achieve the IWPS goal and to keep pace with the instructions given by UPU and APPU congress, this working group shall have to step forward with the future plan including to find out the smart technology for creation of cashless society and financial inclusion among APPU member countries; to establish a common payment gateway to boost up ecommerce & logistic mail service and exchange of financial service to ensure financial inclusion. Finally, establishment of a CEO forum in order to take pragmatic decision regarding the common interest.

4. Closing Remarks

5.1 Mr. LIN, Secretary of APPU was invited by the Chair to say a few words. In his closing remarks he thanks the Chair for its chairmanship of the Postal Financial Service Working Group, the comprehensive presentation by Bangladesh and Vietnam.

The Chair closing the meeting with thanks to Bangladesh Post and Vietnam Post for their presentation, the delegates who were attending the meeting and the support of the APPU Bureau. The meeting closed at 2:30 PM Bangkok time.

20 July, 2021

Mr. Md. Siraz Uddin
Chair
Postal Financial Services Working Group