VIRTUAL MEETING OF THE 27TH EACO POSTAL ASSEMBLY

7TH JULY 2021 TIME: 10:00 AM – 1:00 PM EAT

KEY NOTE ADDRESS

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Outgoing Chairman of Postal Assembly,
Moderator of the workshop on Promoting e-commerce in Posta Sector,
Distinguished participants, all protocols observed,

It is an honor for me to share with you my thoughts about how we can together promote E-commerce in Postal Sector.

E-Commerce or Electronic Commerce, as we all know, means buying and selling of goods, products, or services over the internet. Ecommerce business transactions, again as we all know, can be done in four ways: Business to Business (B2B), Business to Customer (B2C), Customer to Customer (C2C), Customer to Business (C2B) and also G2C.

E-commerce is revolutionizing the way the world does business. It has created greater convenience for consumers, enabling them to purchase what they want, whenever they want, wherever they are. It has also created new opportunities for Posts, encouraging them to evolve services and business models to adapt to new possibilities. The postal network is well placed to support government policies for e-commerce inclusion.-

E-commerce is on the cusp of a new digital era. With dramatically reduced costs of collecting, storing and processing data, digitalization is transforming economic activities and boosting growth around the world. Digital technologies have a bearing on the prospects for micro, small and medium enterprises (MSMEs), especially those in developing countries, to participate in global trade through e-commerce and the success in e-commerce in developing countries and in other countries requires the Development of agile logistics infrastructures with direct access to the arterial network of postal networks and their infrastructure (Logistics hubs).

E-commerce relies on logistics hubs to provide shared warehousing and aggregated value-added services to SMEs in preparing their goods for sale and act as a consolidation point prior to domestic market distribution. Not only does this solution position order fulfillment closer to the final customer, but it also supports front-end integration, offering the customer a true Omni-channel shopping experience. Thus, the range of activities and the number of movements in a warehouse providing e-commerce services is significantly greater than the range of activities in a traditional warehouse.

Electronic commerce, is an increasingly important procurement and sales channel in emerging African economies. However, the prerequisites that would enable East African companies to participate in cross-border e-commerce are not yet in place. These include the availability of electronic payment systems, consumers' and companies' trust in e-commerce, and supportive regulatory frameworks. The coronavirus pandemic has strengthened the global significance of digital trade and, at the same time, increased the pressure on governments to improve the conditions for this. As we all know, an effective and competitive national and international trade environment is vital for achieving effective e-commerce. Effective trade logistics and cross-border facilitation measures are key to the fulfilment of goods-related e-commerce, and with the global network coverage of Posts, our Posts have a chance to win an e-commerce market and satisfy the demand of customers through their fleet, experience, reliability and professional's staff who are experienced in package handling and logistics service. For the chance to win e-commerce market, all our Posts should create tactics that will be used for this new business

model like " ***Earn the right to innovate, Build the right capacity, Create an innovation engine* ".**

With the future of logistics and related processes, the future of our Posts operators in ecommerce hinges on the adoption and development of innovative technologies. It was not long ago that ideas like 3D printing, the Internet of Things (IoT), drone delivery, digital addressing, crowd logistics and augmented reality were the things of science fiction.

According to the UPU, efficient postal services are at the heart of e-commerce. In order to succeed in the competitive field of e-commerce, Posts need to rapidly establish an integrated cross-border e-commerce ecosystem, which is to be provided by postal operators through physical e-commerce hubs interfaced with online e-commerce platforms via a suite of innovative standards and IT tools

Today, the Postal industry is cautiously adopting these new ways to provide faster, cheaper, more reliable and sustainable delivery. In modern ecommerce age, logistics process for different ecommerce stores also differ, hence the need to enlighten online store operators on the ideal logistics solutions for them, among which we can cite:

- Drop shipping
- Fulfilment (e-fulfilment)
- Using your own logistics system
- Entering into a contract with a carrier
- Using an automated logistics platform

When one looks back at the start of eCommerce, Postal operators were in the right place at the right time when e-commerce started to take off earlier this century. Posts dominated the B2C parcel market in many countries, so it was natural that postal operators would benefit from e-commerce growth.

In recent times, however, growth in e-commerce has outstripped growth in posts' parcel volumes, indicating that their market share is slipping. Is it THEN wise for Posts to heavily rely

on parcel delivery for future revenues, or they should rather whole heartedly embrace the eCommece as their cash cow for the future?

Delivery is only one part of the e-commerce chain, and in the face of growing competition in the delivery sector, Posts must find other ways to profit from e-commerce.

A relevant question now at this time is : How will Post entities engage eCommerce operators in a kind of win-win arrangement ?

Post Operators' mandate, in general business sense, is to serve commerce everywhere in their Country. With the erosion of traditional Post Services to Technology Channels, our Posts need to adopt and bring new services, leveraging network presence and restore community trust. E-commerce provides the opportunity for our Posts to create an ecosystem of the commerce which still carries the ethos of a Universal Service, by providing:

- ❑ Facilitation of Local trade

- ❑ Enabling the growth of SMMEs

- ❑ Facilitation of Importation of goods

- ❑ Encourage community of entrepreneurship

- ❑ Cross border: Regional, Local and International Trade

- ❑ Create Inclusion for Communities

With e-commerce growth set to continue over the coming years, Posts should continue to play a vital role in the e-commerce market by leveraging their core competencies. To take their place, our Posts need to further optimize their current operations, boosting operational competence in sorting, transport, pickup, delivery and – often neglected – business support functions.

IN CONCLUDING, our Posts in the East Africa Region, should renovate their operations because we have seen that without efficient and effective logistics, for example, the ecommerce wouldn't be successful. Nevertheless, our Posts can continue to play a vital role in many areas of e-commerce market, like: providing digitally-based delivery systems,

state of the art logistics and payment solutions. They can also enter into win-win partnerships to provide wider e-commerce solutions in line with the demands of their individual markets.

Those are the points I wanted to share with you.

Thank you for your attention and I wish this meeting of Postal Assembly fruitful deliberations..

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