



KINGDOM OF CAMBODIA
NATION - RELIGION - KING



CAMBODIA POST

No.....424..... C.P

19 September 2023

Mr. Masahiko Metoki
Director General
Universal Postal Union
International Bureau
Weltpoststrasse 4
3015 Bern
SWITZERLAND

Dear Mr. Metoki,

Re: CAMBODIA POST INTEREST TO JOIN THE PILOT PROJECT ON POSTAL PROSPERITY ZONE (PPZ) WITH MOROCCO POST

Digital disruption has had an enormous impact on the postal sector. While traditional mail has decreased significantly and volumes continue to decline in most markets in particular in least developed and developing countries (LDCs and DCs), digitization has opened up a booming new market for e-commerce delivery. As online shopping takes up a bigger part of total retail year after year, postal operators are faced with both the opportunities and challenges offered by this trend. However, globally it seems that e-commerce volumes passing through the postal network is less or even reducing which in turn has negative impact on the financial performance of postal operators in particular in LDCs and DCs

The globalization of trade has created new markets and arenas for businesses, leading to exponential growth for e-commerce and post. Consumer's buying habits have changed, as a result of trade globalization, and these trends have accelerated throughout the COVID-19 crisis. We see parcellation of trade growing rapidly, creating tremendous pressure on existing trade models, international supply chains, and global value chains. This demands innovation and the creation of new solutions for international trade, as well as an agile revision of relevant international standards and conventions.

Cambodia Post is the designated postal operator of the Kingdom of Cambodia. We believe that the UPU should explore these synergies further in accordance with the newly developed PPZ concept model spearheaded by Morocco Post in collaboration with the UPU Consultative Committee (CC) and the wider postal stakeholder players (WPSPs). We have also determined the viability of using the unique value proposition of postal operators in free zones and how this may be utilized to solve challenges in global trade, while employing the skills, experience, and existing postal systems in innovative ways to create added value and a new business model in particular for DOs in LDCs and DCs. We explored and identified the conditions that free zones should fulfil in order for postal operators to conduct sustainable postal operations within the instrument. We believe that thanks to the pilot project in Morocco, the blueprint will be able to define the minimum regulatory operational and Information Technology (IT) requirements for postal operators to support parcellation of trade in free zones, facilitating compliance with international regulations.

Cambodia Post sees itself, through its unique geographical position, being able to offer its capabilities as a regional hub for e-commerce deliveries for the ASEAN region in particular within the framework of the Postal Prosperity Zone as we would be delighted to participate in the PPZ pilot project led by Morocco Post. Cambodia

Post would hereby like to inform you of our interest to connect with Morocco Post and express our intention to join the pilot as well.

We genuinely believe that this project will drive new e-commerce volumes into Cambodia Post allowing also other postal operators in the region at large to re-gain their position in the supply chain of e-commerce products. We do realize that the volumes which have left the UPU network will not come back; because we also believe that the seamless flow of cross-border B2C supplies based on harmonized data and its interconnectivity between all WPSPs involved (all transport modes, including rail and maritime) is at the core of this initiative.

We commend the UPU and its Consultative Committee for this initiative and are looking forward to your positive feedback on our interest to join the PPZ pilot project lead by Morocco Post as we believe this innovative solution would benefit a large number of designated operators in LDCs and in DCs.

With best regards,



Samvisoth Then
Director General