



# Views on UPU Strategy 2026 - 2029 (Dubai Cycle)

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Postal Union for The Mediterranean (PUMed)

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## 1. Context

The recent global trends have strongly impacted the international postal sector, bringing new challenges.

In this context, the PUMed vision is aimed at strengthening the Mediterranean postal industry's position in the global postal sector while contributing to the overall sustainable development and economic growth of the region. It is therefore essential to highlight what the needs, interests, and priorities of the PUMed DOs are considering their different geopolitical and socio-economic factors.

PUMed owing to its diversified context which brings together Designated Operators around the Mediterranean at the cross-road of African, Arab, and European countries, seems to fully reflect the general context of the UPU, representing an excellent opportunity to identify the interests of the Postal Operators, who find themselves in very diversified context with regards to their economic, social and political environment. Environment made by different market sizes, demanding financial resources and regulatory constraints. Given the crucial decisions that will be taken at the Dubai Congress in 2025 on the future UPU strategy, PUMed would like to bring its point of view in this Position Paper.

PUMed believes that the work carried out so far by the UPU is very comprehensive but it still needs to be refined and integrated by giving greater emphasis on the following key principles that are essential to increase the relevance of the future UPU strategy.

## 2. Key Principles

### ➤ **Global postal network and service reliability**

Considering the current global crisis of the postal network, and the huge opportunities of the growing e-commerce market, PUMed would like to reiterate the fundamental importance of UPU defining a clear and effective strategy to deal with the decline of the Postal network share of the e-commerce market, the growing competition, and the customer preference for “reliable and easy”. In recent years, the volume of letters has fallen dramatically, while the volume of e-commerce parcels has undergone a shift towards private logistics operators, putting at risk the continuity of the postal sector as it is known today. It appears that private-sector logistics companies are attracting customers’ interests better than DOs and also online marketplaces are developing some strategies for exporting/importing goods as logistics companies use to do. All strategic objectives (regulation, standards, innovation, parcels, and cooperation) need to better address this situation. The UPU's strategic objectives must include a more business-focused approach to address the shift in volumes from DOs to other players. This approach should include competitiveness, new business models, and long-term sustainable development opportunities. Prioritizing customer-centric approaches to enhance service quality and satisfaction, implementing best practices from other sectors, and adopting a more commercial approach is also essential for the future UPU strategy.

All of these things need to happen taking into consideration the different features of the DOs to understand different needs and situations and provide value also at a local level. In this context, PUMed believes that a greater presence of the UPU is needed at the regional level, to further promote training in all postal services, especially in developing countries. However, there is room for improvement to ensure that postal workers receive regular training to keep up with new technologies and developments.

### ➤ **Cooperation with WPSPs and other stakeholders and building bridges of interoperability to postal and financial networks of private sectors**

New technology and thinking are becoming critical to maintaining a competitive position in the dynamic postal environment. Thus, it is important to look at the possibilities for new cooperation from a new angle and mutually beneficial relationships with complementary players. This cooperation and partnerships can help postal operators gain financial, human or technological resources that wouldn't be available within their quite strictly controlled and usually government-related areas. Good partnerships can strengthen the network and the post because a good partner can supply not only new business via footfall but also technology, money and an ability to move more quickly than most state-controlled Posts can do and to open new horizons for business development.

Promote a balanced cooperation with WPSP stakeholders for funding, innovation, and modernization represents one of the key elements for the development of the future postal strategy at global level. This entails fostering increased cooperation to regain volumes, establish synergies in transports, distribution, customer service and technical solutions, and address financial needs.

Technology and green initiatives can also offer good opportunities for partnership. Financial services and complementary retail partnerships can also be major opportunities to actively seek beneficial cooperation and partnerships and become part of the new sharing economy. This is particularly true for posts that are struggling, perhaps due to falling mail volumes, the USO obligations, and other structural changes in the market.

PUMed emphasizes the importance of intensifying proactive collaboration between the entire global postal sector where all operators work and cooperate with key players including organizations such as WCO, WTO, and IATA to address complex issues and maintain the global authority of the UPU.

#### ➤ **Logistics transformation**

Logistics today is at the centre of company strategies. Companies are increasingly adopting outsourcing choices to obtain a variety of advantages: concentrating on their core business; increasing flexibility in responding to market demand, gaining efficiency in terms of reducing warehouse management and goods distribution costs, increase competitiveness.

Despite growing regulatory requirements (customs, transport, safety/security) worldwide, logistics transformation as well as new commercial models constitute the central fulcrum on which to develop the future global postal strategy to ensure long-term financial sustainability for the Mail, Parcels, and Distribution business. It is necessary to promote new commercial service models maximizing the value of the customer relationship and build a future-oriented technological and innovative network.

The future postal sector development requires also the definition of concrete operational objectives at a logistical level that can guarantee long-term sustainability for DOs business, such as enhancing delivery services - Pick-Up & Drop-Off (PUDO) network expansion; warehouse capacity expansion; new business development such as e-commerce B2B2C model, free zone warehouse supported by technology enablers, sustainability initiatives, and real estate development. This entire transformation process certainly requires a digital supply chain in which all logistics processes are increasingly integrated and efficient.

The PUMed postal operator's community believes it is essential to adopt an innovative technological paradigm that simplifies and facilitates access to logistics services, uses more disruptive technologies creating real competitive advantages and is able to quickly adapt to different business and consumer

needs. In this context, establish synergies between DOs and other stakeholders could favour new business opportunities creating a more efficient and dynamic logistic network.

#### ➤ **Diversification and new business activities**

With declining mail volumes and a highly competitive parcel market, postal operators are seizing opportunities by diversifying their service offerings. The objective of diversification is to adapt to changing market conditions and to stay relevant in a market where letters are replaced by digital communication and parcel revenues are constantly under pressure due to high competition. The trend of diversification plays an important role for postal and parcel companies. Concrete initiatives should be promoted to support those countries and postal operators that do not yet have the necessary tools and knowledge to continue this path of innovation and transformation.

The DO's long experience has provided them with the opportunity to build their capabilities in terms of capillarity, proximity, inclusion, and citizen trust. This is the asset that determines the key characteristic of the designated operator. Exploring opportunities to offer services beyond the main ones could lead to new sources of revenue and establish greater dialogue in cooperation with the Public Administration and Businesses. This is the right time to investigate this strategy together with governments. With the advent of digital transformation, many governments are looking with interest at digital service providers to optimize their administrative activities and guarantee greater efficiency for citizens. And who, if not Postal Operators, can be the preferred interlocutor of their Governments? The presence in rural areas and the capillarity in urbanized areas constitute the key element for the provision of public services, becoming the liaison with the Public Administration, Businesses, and Civil Society.

The use of technology is essential to maintain competitiveness and improve the customer experience. In many countries, postal operators are embarking on a digital transformation journey, albeit at a different pace. The use of APIs is now the prerogative of many and AI is increasingly gaining its place in the transformation process. Cyber Security has become the new frontier in safeguarding our daily transactions and providing security in the supply chain. In this framework, we cannot ignore the urgency of simplifying customs processes through the sharing of best practices and lessons learned, the use of technology, standardization, and cooperation with central and local authorities. Therefore, the greater centrality of the International Bureau in supporting concrete standardization processes can make a difference.

#### ➤ **Financial inclusion**

PUMed recognizes the fundamental role of the UPU as a facilitator of financial inclusion and financial services provision by DOs in its capacity as an intergovernmental organization and specialized agency

of the United Nations, to help DOs to explore new ways to innovate and differentiate themselves in the marketplace.

As the principle of financial inclusion is one of the cornerstones of the development of the postal sector worldwide, PUMed believes that it is very urgent to take concrete measures to strengthen financial inclusion worldwide, create new business opportunities for DOs, and promote services that fully meet customer needs.

To this point, the new UPU strategy could encourage targeted actions for making postal financial services accessible to disadvantaged communities, that do not have yet the necessary infrastructure, to build a stronger global network, as well as strengthen financial inclusion worldwide. Collaborating with WPSPs, with relevant expertise in this field, would be in the interest of all UPU members, creating new business opportunities for all.

PUMed firmly believes that taking practical steps towards building bridges of interoperability between UPU and other international important financial networks and international schema that proved reliable, high level of compliance, and governance in the majority of UPU member states is a quick win for all. Furthermore, the implementation of postal financial services reforms, the activation of strategic partnerships, and the creation of new competitive digital products and solutions, including through the implementation of new platforms for the management of cross-border transactions, are necessary to facilitate knowledge transfer and sharing of best practices regarding the role of postal financial services. The Union's Member Countries, their DOs, and other eligible entities promoting the priorities of digital postal financial services, maintaining the crucial role of the International Bureau, as guarantors of monitoring and regulatory oversight.

### ➤ **Gender Equality**

PUMed recognizes the progress made by the UPU to promote the postal sector's contribution to SDG 5 by creating an international gender policy for the Post. However, much needs to be done to ensure that women are adequately represented in leadership roles across the postal sector. PUMed believes that the UPU's future strategy must send a strong signal of change on this issue to ensure that the global postal industry continues to provide services that meet the needs of all without distinction.

As part of supporting gender equality, it is essential to enhance the participation of women in the field of skills. These initiatives constitute a significant part of the Diversity & Inclusion strategy, which also includes the strengthening of management systems for career progression in covering middle management positions, the strengthening of work life adjustment mechanisms in terms of sharing family responsibilities and the removal of potential obstacles to gender equality, including those related to sexual orientation and gender violence.

The conscious management of diversity in an inclusive manner, in addition to creating shared social value, provides a competitive advantage for the entire sector and is functional in promoting people's engagement with common objectives.

The recognition obtained by many postal operators for policies that pay attention to gender diversity testifies to the rooting of these values in culture and the sharing of the path at every level of responsibility, further raising the reputation of the postal sector in the markets.

### ➤ **Climate change**

We all are aware that climate change is a great challenge faced by our generation and of fundamental importance for generations to come. Climate change will shape the future of the global postal sector, and we now have to respond by working together towards achieving a shared vision.

PUMed would like to underline the need to enhance the UPU's work on sustainability topics by promoting activities and tasks for DOs to reduce greenhouse gas emissions in line with respective Governments' commitments. Integrating sustainability into the strategy to align with Sustainable Development Goals (SDGs) and address climate change is key. Ignoring climate change could reduce UPU's relevance and access to international green funds. Green practices such as transitioning fleets to alternative fuels, enhancing the energy performance of buildings, and developing on-foot and low-emission delivery, along with other tools like optimized routes would further reduce emissions.

However, PUMed considers it paramount that the various postal sector initiatives underway to address these issues and any action to be carried out must take into consideration policy, operational, and financial requirements, and acknowledge the heterogeneity of Union member countries and their respective postal markets.

Finally, these crucial steps could ensure that the postal sector is equipped with the tools, knowledge, and funding needed to embark on its journey toward a low-emission future and will keep the postal sector relevant, resilient, and commercially viable.



### ➤ **Universal Postal Service**

Ensuring the financial sustainability of universal service represents one of the crucial elements for the future of the postal sector. Postal services play a critical role in social inclusion, business development, and long-term sustainability, surpassing the contributions of private companies. DOs must highlight this and increase the postal sector's importance through people-centred services. In turn, the government must recognize this with financial support. DOs are subject to different requirements than private postal and logistics operators considering the universal postal service they must provide. Therefore, regulation in the postal market should carefully balance the different nature of DOs and other service providers, ensuring a level playing field among all postal players.

We recognize the findings of recent surveys, in which many countries report difficulties in sustaining the burden of the Universal Service, however, DOs need to defend the assets that they have consolidated over time, and which have allowed them to be at the centre of the connective tissue of the Country. The financial sustainability of the universal service is particularly at risk if adequate measures are not promptly implemented. Digitalization has the enormous potential to transform lives and opportunities in rural and remote areas. Recent experiences have shown that digitalization can overcome physical distances to offer opportunities and services to all citizens, regardless of where they live, as long as they have good digital connectivity.

PUMed believes that in this context the UPU has a central role thanks to its ability to dialogue with other intergovernmental Organizations, such as the ITU and WTO. The UPU has all the tools to develop a strategy that promotes greater cooperation and guarantees the use of cutting-edge technological innovations, with a view to ensuring resilience to the execution of the Universal Service, increasing citizen satisfaction. Actions which, among other things, are already incorporated into the Connect.post project, enhancing socio-economic development through meaningfully connecting all post offices in the world to the Internet by 2030. Emerging countries first and foremost, still victims of the disasters of the Pandemic, urgently need to restructure their network in a functional way by accelerating the digital transformation process in order to adopt smart technology that allows them to recover quickly. It is necessary to create that virtuous circle that has the objective of guaranteeing sustainability such that DOs can put in place development plans and invest in new services also with a view to diversification.

### ➤ **UPU vision, mission, and goals**

Within an intergovernmental Organization such as the UPU, entrusted with missions to foster the postal sector, all stakeholders must play their part. On the one hand, it is important to highlight the specific role of the UPU in the postal ecosystem and establish clear priorities, at the same time it is necessary to differentiate the challenges of the entire global postal sector from those of the Union.

From this perspective, it seems relevant to pay attention to what the vision and mission of the UPU is today and for decades as indicated in the draft strategic document. Given this, PUMed believes that these founding aspects should be reviewed taking into consideration all those key factors set out above, which represent an integral part of the DO business and must be integrated into all aspects of the Union's activities and goals.

### **3. Conclusions**

In light of the comments expressed above and the various challenges that the postal sector is already facing, PUMed believes it is important that the next strategic program of the UPU shall focus on the postal core business, and take focused practices actions towards the restoration of business, and postal volume that have been lost for the benefit of the competitors, due to the delays of UPU adoption of business models, and technology that fulfil the market needs.

All those initiatives aimed at the sustainability of the entire postal sector will be strengthened through a necessary transformation program, adopting the measures necessary for the protection of the environment, the improvement of gender equality and greater cooperation between active stakeholders

The members of the UPU, who have always been a pillar of the country's social and economic inclusion, must guarantee the achievement of objectives which, on the one hand, benefit everyone, and in particular the citizens, by providing them with better services and, on the other, protect the designated operator's position in the ever-changing market.

We need to react promptly, while we are thinking about our strategy, others are already applying it.

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