DELIVERING EXCELLENCE

EMS COOPERATIVE

20 YEARS OF EXCELLENCE




20
EMS
DELIVERING EXCELLENCE

Message from the UPU Director General

On the 20th anniversary of the EMS Cooperative, I feel a special bond and deep appreciation for this outstanding UPU member group, as the year the EMS Cooperative was born was the same year I became the first Postmaster General of the Postal Corporation of Kenya. I rose through the ranks and along the way, one of my most important roles was leading EMS for Kenya Post, which contributed to transforming the loss-making postal entity into a profitable and self-sustaining postal enterprise.

Now in my role leading the UPU, I take special pride in the tremendous value the Cooperative has created for its members and their customers through continuous improvement of the premier EMS postal network with a brand that stands for service excellence. EMS Cooperative members generated EMS export growth of over 20 percent during the Doha business cycle and during the first two years of the Istanbul business cycle, EMS export volume is already trending 30 percent higher compared with the first two years of the previous cycle.

From the beginning, the EMS Cooperative has been dedicated to helping its members improve, particularly the less developed posts that might not have the same opportunity without the support the Cooperative offers them. Small and medium enterprises are able to expand globally by using the EMS global network, contributing to economic growth driven by cross-border e-commerce.

While we pause to celebrate the progress made by the EMS Cooperative members, supported by its Board and the professional UPU EMS Unit team, over the next 20 years I envision an even stronger Cooperative, which will continue to collaboratively innovate and grow to meet the needs of an exciting, dynamic international market.

Bishar A. Hussein

THE EMS GLOBAL NETWORK

The EMS Cooperative was created at the 22nd Congress of the Universal Postal Union (UPU), a specialized United Nations agency, in Beijing, China, on 10 September 1999. Today, more than 180 member countries work together to provide their customers with the express mail service known as EMS – the fastest cross-border postal product. The EMS Cooperative promotes cooperation among its member Posts to provide a high-quality, reliable and visible express mail service worldwide.

EMS is an international postal express mail service, for documents and merchandise, offered by postal operators of the UPU, connecting every business and citizen in more than 180 countries and territories worldwide.

- A priority express service – EMS takes priority over other postal services.
- Convenient – the EMS global network has the highest number of customer access points in the world.
- Largest delivery network worldwide – EMS postal operators have the largest last mile coverage worldwide.



ESTABLISHED IN
1999

181
MEMBERS

OVER
70 MILLION
EMS ITEMS DELIVERED
IN 2018

LIFETIME
GROWTH OVER
150
PERCENT

SERVING OVER
5 BILLION
CITIZENS OF
MEMBER
POSTS



CONNECTING THE WORLD

The overall market size for cross-border e-commerce has grown to over 9 billion items per year, with expected growth to 13 billion items by 2024. With the touch of a smartphone, customers can shop 24 hours a day, seven days a week and have goods from anywhere in the world delivered to their home or business with EMS speed and reliability.

1999
Alibaba founded

2002
PayPal's IPO

2007
Apple introduces the iPhone

2008
Google introduces Android

2010
Rakuten goes global


2018
55% of the world's inhabitants have access to the Internet
2015
Amazon reaches 75 billion USD in global sales
2019
2016
3.2 billion people in the global middle class
2012
Jumia marketplace launches in Nigeria
EMS volume growth



EMS COOPERATIVE'S EXPERT TEAM: A PERSONAL APPROACH

EMS regional coordinators and the expert EMS Unit team focus on continuous service performance improvement and strategic growth within the EMS global network by providing personalized support to all EMS Cooperative members, both one-on-one and through regional and global events.

EMS Cooperative General Assembly and global workshops

EMS Cooperative members are invited to take part in the EMS Cooperative's annual General Assembly and global workshops held in Berne, Switzerland. These events provide an opportunity for members to exchange views, collaborate and determine the future of EMS.

EMS symposia

EMS symposia are organized at the regional level to provide an opportunity for senior managers from Cooperative members and key stakeholders to engage in a high-level forum on the future direction of EMS in line with the needs of each region.

EMS regional training workshops

Regular training is a priority for the EMS Cooperative, which provides support to EMS operators in order to strengthen their EMS service. EMS regional workshops aim to:

- Improve knowledge and mastery of operational, customer care and marketing aspects of EMS
- Develop understanding of the EMS Cooperative's goals and programmes
- Facilitate communications and exchange of expertise among participants
- Identify potential solutions for operational and management issues of each region

EMS performance reviews

EMS Cooperative performance reviews are conducted on-site by EMS regional coordinators to help members improve their EMS service performance by reaching key performance indicator targets to meet customer needs for reliability and visibility.



ADVANCING **GLOBAL TRADE** AND ENABLING **ECONOMIC GROWTH**

Small and medium enterprises (SMEs) play a major role in most economies, particularly in developing countries. SMEs account for over 60% of total employment and 40% of national income (GDP) in emerging economies. EMS is making it easier for SMEs to market their goods to a worldwide audience.

A small shop, Nim Things (Native Island Made Things) in Spot Bay, Cayman Brac, was inspiration for a simple, cost-effective international shipping solution for small cottage industries on the Cayman Islands.

Nim Things, a small shop in Spot Bay, Cayman Brac, was inspiration for a simple, cost-effective international shipping solution for cottage industries in the Cayman Islands.

Nim Things' handcrafted gifts traditionally reached a small market owing to its remote location and the difficulty for international visitors to ship home their rare items. Nim Things was the starting point for a partnership between the Cayman Islands Postal Service and the Department of Tourism, which worked together to develop a tailor-made solution for SMEs to export their gifts and showcase the beauty of the islands. The resulting new product, Caymankind Global Express, uses the EMS global network and offers cottage industries in the Cayman Islands certainty of shipping costs and reliable service, making it easier to sell online to an international market.



EMS Pay-for-Performance

Pay-for-Performance links payment for delivery of EMS items to the quality of service provided. Participants do not have to reconcile paper EMS statements and perform manual checks, as every quarter they receive electronic accounting documents, based on tracking data.

EMS Operational Guide and end-to-end service standard calculator

The online EMS Operational Guide publishes information provided by each designated EMS operator on the scope and operational aspects of its EMS delivery service. The EMS Operational Guide is a working tool used by members to access detailed information on the EMS services offered by designated operators and features an end-to-end service standard calculator, which operators can use to determine the service standard and date of delivery by destination for their customers.

INNOVATION

The EMS Cooperative has introduced a number of programmes which allow its members to maintain a competitive advantage in the dynamic and demanding express market.

EMS reports

Regular EMS measurement reports help EMS Cooperative members address operational areas that require attention and monitor the impact of improvement activities. EMS delivers reports on a monthly, quarterly and annual basis.

EMS market intelligence

The EMS Cooperative provides global and regional reports with market insights to help EMS Cooperative members increase their share of the cross-border package market and implement development strategies to achieve profitable growth.

EMS communications

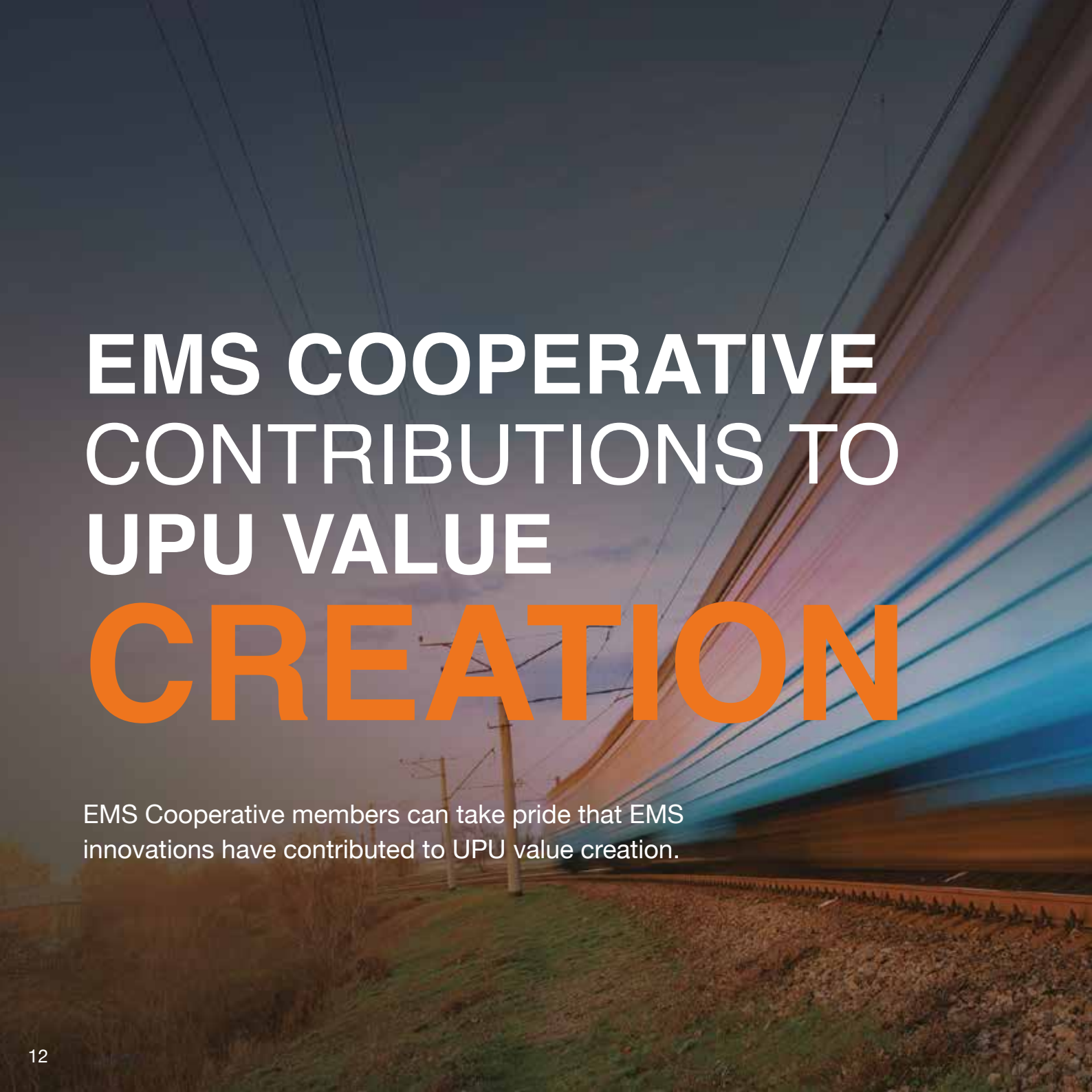
Through the EMS website (www.ems.post), EMS Link newsletter and EMS broadcast messages, members are able to access the latest news and up-to-date information needed to provide EMS service excellence.

EMS Performance Awards

The EMS Cooperative presents gold, silver and bronze EMS Performance Awards to operators that provide excellent EMS service to partners in the EMS global network over a full year.

EMS Customer Care Awards

The EMS Cooperative presents annual EMS Customer Care Awards to member postal operators with high customer service performance.



EMS COOPERATIVE CONTRIBUTIONS TO UPU VALUE CREATION

EMS Cooperative members can take pride that EMS innovations have contributed to UPU value creation.

EMS innovations adopted for other UPU products

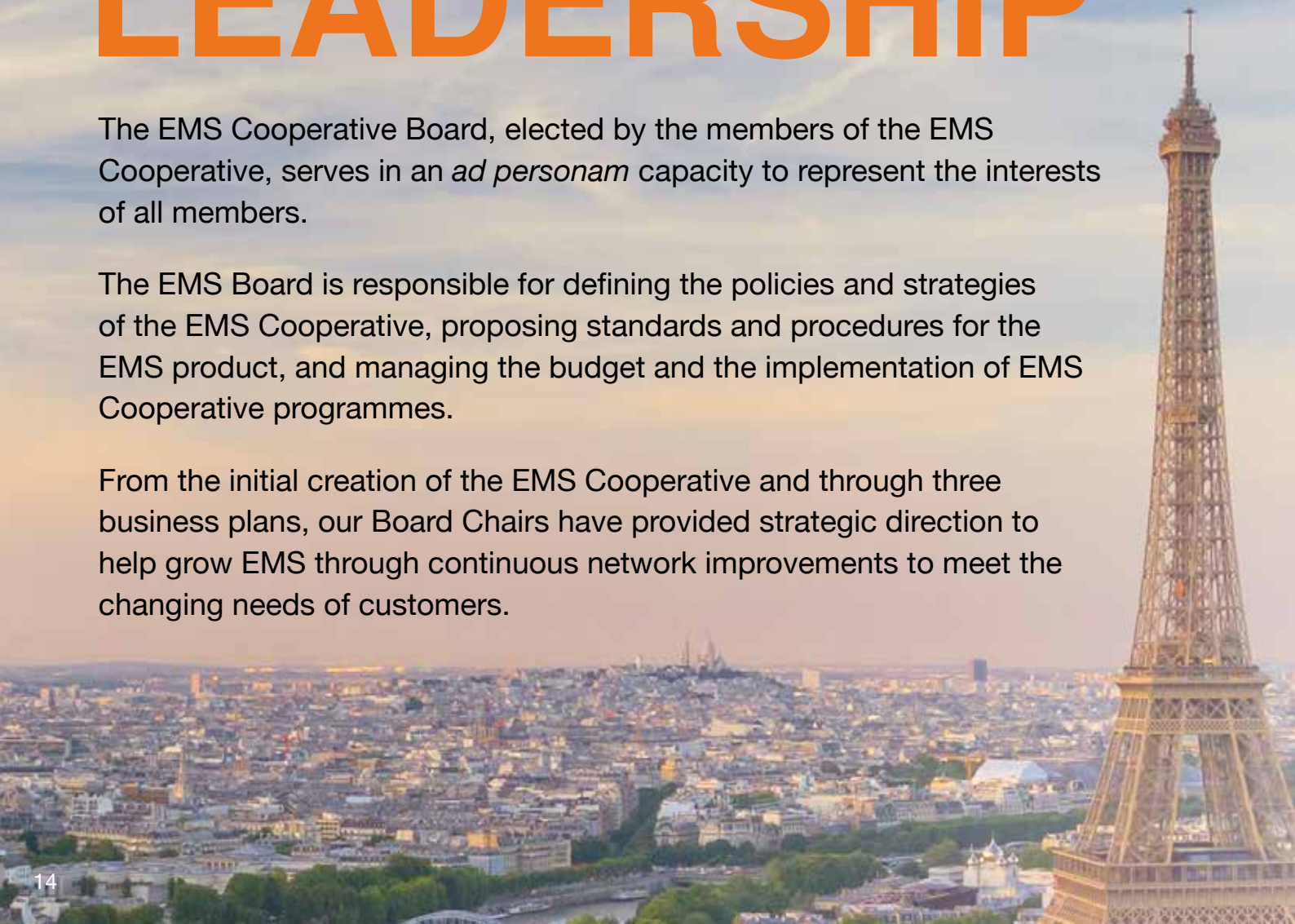
- EMS Pay-for-Performance:
  - UPU bonus system for letters (terminal dues)
  - UPU bonus system for parcels
- EMS customer service system:
  - UPU Internet-Based Inquiry System (IBIS) for parcels
  - UPU Registered Articles Inquiry System (RAIS) for letters
- EMS Operational Guide: UPU compendia for letters and parcels
- EMS tracking: UPU Registered Articles Measurement System (RAMS)
- Customs Declaration System: all UPU products
- EMS validation of delivery standards: UPU validation of parcel delivery standards
- EMSEVT V3: newest international postal tracking events now used for all UPU products

CREATING VALUE THROUGH **STRATEGIC LEADERSHIP**

The EMS Cooperative Board, elected by the members of the EMS Cooperative, serves in an *ad personam* capacity to represent the interests of all members.

The EMS Board is responsible for defining the policies and strategies of the EMS Cooperative, proposing standards and procedures for the EMS product, and managing the budget and the implementation of EMS Cooperative programmes.

From the initial creation of the EMS Cooperative and through three business plans, our Board Chairs have provided strategic direction to help grow EMS through continuous network improvements to meet the changing needs of customers.



"I would like to warmly congratulate all members on this important anniversary and I wish you continuing success in the 20 years to come. The EMS Cooperative is very special within the United Nations system: it applies a corporate style in its organizational structure enabling it to make faster and better decisions, which has helped tremendously to improve the quality of service of EMS worldwide."

Mr Dennis Delehanty (USA), Chair of the EMS Cooperative Board, 1999–2003

"I was lucky to have been involved in our Cooperative since its creation. I have always thought of EMS as the UPU's youngest child and now 20 years later I am proud of how EMS has grown and developed. Despite being in a competitive environment, each business plan cycle has enabled members to improve and meet the needs of EMS customers."

Mr Akio Miyaji (Japan), Chair of the EMS Cooperative Board, 2004–2005

"I would like to congratulate the sustained efforts of the members, the Board, and the staff of the EMS Unit. The founding of the Cooperative brought to the development of the EMS product a focus and discipline that would not have been possible otherwise. I am proud to have led or been part of the multiple initiatives that have positioned EMS very successfully in a highly competitive marketplace. I wish the EMS Cooperative continued success."

Ms Wendy Eitan (Israel), Chair of the EMS Cooperative Board, 2005–2012

"I am delighted to be part of the celebration of 20 years of the EMS Cooperative. As Chair for over six years, I have seen first-hand the commitment from members to meet our shared vision for the service and look forward to seeing what we can achieve by working together in the years ahead."

Mr Patrick Richon (France), Chair of the EMS Cooperative Board, 2013–present

EMS COOPERATIVE : **THE NEXT 20 YEARS**

The cross-border e-commerce market is expected to grow to 8.5 billion items by 2039 representing 43% of total global retail up from 10% today. Key factors influencing continued market growth include rising income levels of a growing global internet-connected middle class, particularly in emerging economies, the growth of local and regional ecommerce marketplaces and SMEs, and technology advancements providing a catalyst for new solutions.



While the developments of the previous 20 years have been substantial in terms of impact on the cross-border shipping market, there will be even greater growth over the next 20 years.

Much of the coming cross-border e-commerce purchases will be intra-regional, creating favourable conditions for the EMS Cooperative:

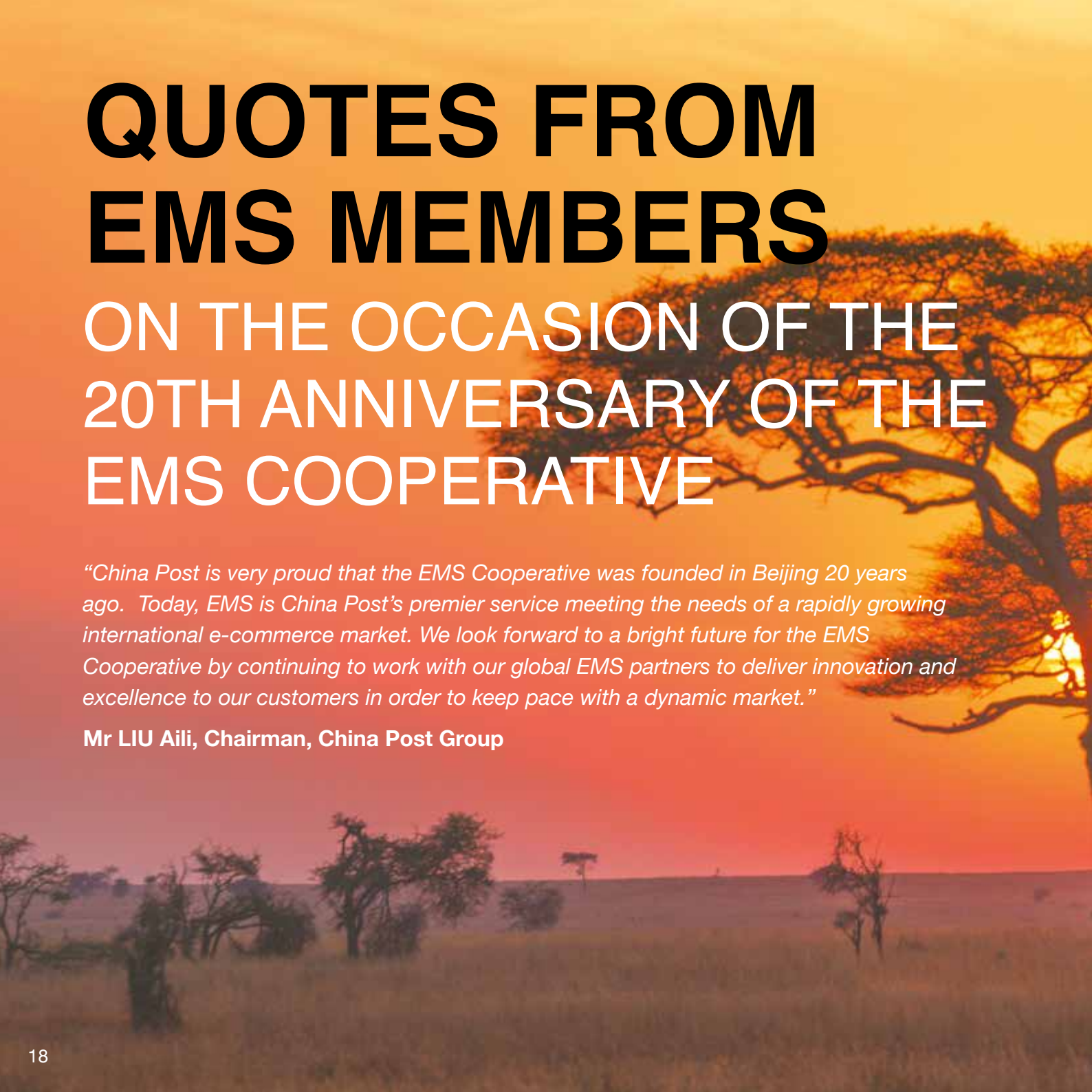
- Posts have the largest operational footprint in their respective countries
- Posts have the most expertise of local markets
- Posts provide a competitive value proposition
- Posts are often regarded as highly trustworthy by shippers

There is, however, no room for complacency. The lesson of the past 20 years, along with the outline of the future we envision, dictates a need to embrace the technological changes and commitment to excellence that e-commerce embodies. The changes we expect will make it even easier for EMS Cooperative members to integrate their operations into a seamless customer experience, but only by remaining focused and dedicated to that goal.

Over the next 20 years, EMS Cooperative members will continue to work together to harness evolving technology and meet the changing needs of their customers by continuing to provide EMS global service excellence, new innovative features, and value for money.

100% commitment

To ensure the continued success of the EMS Cooperative, commitment to achieving the EMS Cooperative Business Plan goals and objectives by every EMS Cooperative member will be essential.

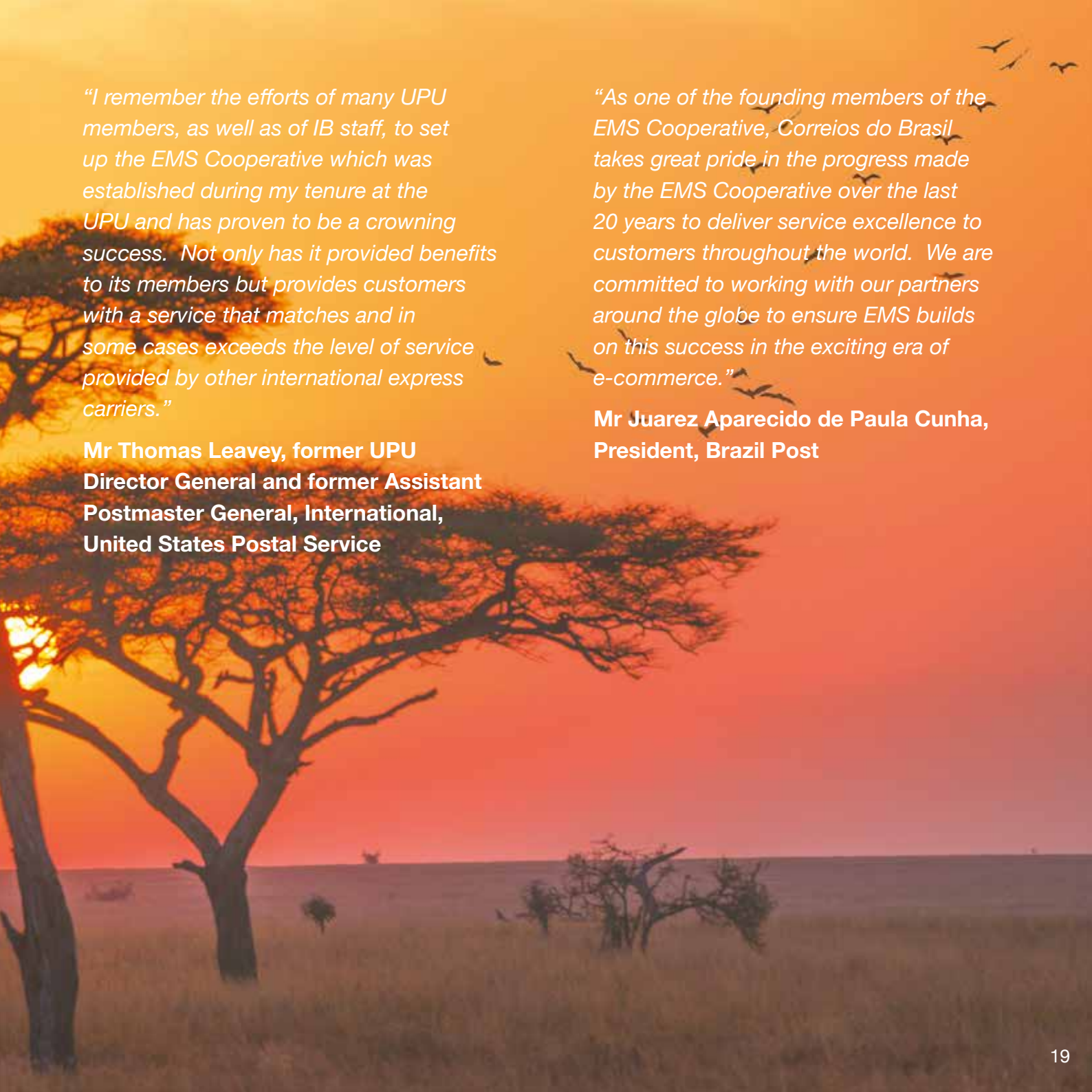


QUOTES FROM EMS MEMBERS

ON THE OCCASION OF THE 20TH ANNIVERSARY OF THE EMS COOPERATIVE

"China Post is very proud that the EMS Cooperative was founded in Beijing 20 years ago. Today, EMS is China Post's premier service meeting the needs of a rapidly growing international e-commerce market. We look forward to a bright future for the EMS Cooperative by continuing to work with our global EMS partners to deliver innovation and excellence to our customers in order to keep pace with a dynamic market."

Mr LIU Aili, Chairman, China Post Group



"I remember the efforts of many UPU members, as well as of IB staff, to set up the EMS Cooperative which was established during my tenure at the UPU and has proven to be a crowning success. Not only has it provided benefits to its members but provides customers with a service that matches and in some cases exceeds the level of service provided by other international express carriers."

Mr Thomas Leavey, former UPU Director General and former Assistant Postmaster General, International, United States Postal Service

"As one of the founding members of the EMS Cooperative, Correios do Brasil takes great pride in the progress made by the EMS Cooperative over the last 20 years to deliver service excellence to customers throughout the world. We are committed to working with our partners around the globe to ensure EMS builds on this success in the exciting era of e-commerce."

Mr Juarez Aparecido de Paula Cunha, President, Brazil Post

“With outstanding support from the EMS Cooperative, the Russian Post has attained challenging service performance targets contributing to its success in growing EMS export volume by nearly 700 percent over the lifetime of the EMS Cooperative. We look forward to achieving even greater success during the next 20 years in collaboration with all EMS Cooperative members.”

Mr Nikolay Podguzov, Director General, Russian Post

“Nigeria’s population is young, tech-savvy and more and more are entering the middle class, which is why EMS is at the centre of our growth strategy to ensure NiPost is the delivery partner of choice for our customers, particularly for the growing e-commerce market. We look forward to continuing the journey with our fellow members of the EMS Cooperative to deliver excellence.”

Mr Bisi Adegbuyi, Postmaster General and Chief Executive Officer, NiPost



"The Cayman Islands Post has earned the trust of our EMS customers and volume growth through the commitment by our partners in the EMS Cooperative global network to deliver excellence."

Ms Sheena Glasgow, Postmaster General, Cayman Islands Post

"At Emirates Post, we strive to deliver excellent EMS services to our customers, businesses, and communities. This is evident in our continuous achievements and recognitions in both our EMS performance and customer care. We endeavour to actively support the EMS Cooperative, enhance operations, and surpass customer expectations."

Mr Abdulla Mohammed Alashram, Acting Group Chief Executive Officer, Emirates Post



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EMS Cooperative, March 2019


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