

**ADDRESS BY THE DEPUTY MINISTER OF COMMUNICATIONS AND DIGITAL  
TECHNOLOGIES, HON MP MAPULANE, MP, AT THE OFFICIAL OPENING OF  
SOUTHERN AFRICAN POSTAL OPERATORS ASSOCIATION (SAPOA), DURBANVILLE  
CONFERENCE CENTRE, 25<sup>TH</sup> JULY 2022**

Programme Director, Mr Twiggs Xiphu

Chairman SAPOA Management Board, Mr. Festus. Hangula,

A representative of UPU

Representative of PAPU, Mr. Nathan Mkhandawira

The Board Members of SAPOA

Executive Director of SAPOA and other SAPOA CEOs and PMGs

Speakers & Facilitators

Generous Sponsors who made various contributions to enable this gathering

Distinguished delegates

Ladies and gentlemen

It gives me great pleasure to address this august forum where Designated Operators from our sub-region have gathered here under the theme “Digital Transformation, e-Commerce and Financial Inclusion” to engage and to address the future of the post in southern Africa. I would like to thank the Executive of SAPOA for inviting me to this important occasion in the calendar of postal operators in the SADC region. I also wish to welcome the SADC postal fraternity, and our distinguished guests, to Cape Town, in the Republic of South Africa for the SAPOA AGM.

South Africa is honoured to be hosting this 9<sup>th</sup> Annual General Forum of SAPOA, where designated postal operators from our region gather annually to deliberate, share experiences, and forge solutions for the development of our postal sector.

The challenging environment of the digital era, and the impact of the Covid-19 pandemic on our economies, has underscored the need to ensure viability and sustainability of our postal business. At the same time, we have to learn to seize the opportunities to develop our business models to respond to the ever-changing global environment.

Indeed, the proliferation of technology has posed fundamental challenges to the sector over the past decades. As a result of the rapid technological developments and the changed market conditions, the traditional postal business as we know it has significantly diminished. However, there are opportunities presented for the Post to transform and to reimagine itself in order to leverage on the widespread infrastructure capacity to transform, diversify and provide services that are relevant and responsive to the needs of customers, both individuals and businesses. This task has to be urgently executed with the necessary speed and agility, lest the Post miss out.

There are still huge opportunities for postal operators in the e-commerce space. In this space, there has been double digit growth in the e-commerce parcels. While the UPU has invested in technology, the postal operators in our region have not succeeded in cashing in on this growth. Postal operators need to meet the expectations of on-line retailers (e-tailers) in order to build partnerships. Courier companies are also struggling, because many e-commerce companies are opting to build their own logistics operations. This requires some reflection from The

operators as to how to fulfil their role in facilitating trade in the region. We need to build capacity and develop business models that will enable us to partner effectively with e-commerce players, manufacturers and SMMEs, to deliver on the ever-growing small parcel market.

However, this will need serious transformation and digitization in the way operators do business. The adoption of UPU standards and products, which are effective and form the international benchmark, are critical in ensuring the speed, reliability and track and track capabilities that customers expect. We should not be seeking to re-invent the wheel.

As we share knowledge and experience here in Cape Town, we should prioritise our effective collaboration as postal operators to grow the regional postal business and the regional economy. Interoperability of postal networks and technologies in this regard remains critical.

Unfortunately, International Money Transfers undertaken through the Post in the region remain well below their potential. Previously this was the result of the low utilisation of the UPU International Financial System. To address this, Our own postal operator here in South Africa is now using the same IFS system for both international and domestic remittances. We hope in future that our postal operators will effectively market these capabilities and boost the International Money Transfers revenues.

Our policies and legislative frameworks will also need to be adapted to enable designated operators to transform as they should to meet customer expectations. Governments will continue to expect and take recommendations emanating from these forums to create an enabling environment for the sector.

## **BUILDING THE POST OFFICE OF TOMORROW**

Ladies and gentleman, let me take this opportunity and brief you about some of the interventions we are making to transform and turn around our own designated postal operator, the South African Post Office, in order to expand and diversify on its current mandate and business model.

The South African Post Office (SAPO), which has a long and rich history since its establishment on the 02 March 1792 in a small room next to the pantry of a Cape Town Castle by the colonial settlers, has evolved and grown over the years to being the vehicle for service delivery and connecting the unconnected through its wide footprint of over 2 400 points of presence in the country and international network reaching over 187 countries.

Over the years this important national asset has experienced significant revenue decline as a result mainly of the changing market conditions exacerbated by the rapid technological advancements, leading to the declining volumes of letter post which was the core of the business of the Post Office. Since then, SAPO has been struggling to reposition itself in line with the changed market conditions.

Since assuming office in August last year, myself and the Minister have been preoccupied with helping SAPO to reposition itself, which efforts culminated in the adoption of the “Building the Post Office of Tomorrow” strategy. Through this strategy, we are committed to repositioning SAPO to provide a diversified and expanded services, to positioning it as a logistics platform for e-commerce.

We intend to digitise the Post Office to be a dedicated and designated authentication authority that fulfils its role as a national trust centre in the age of digital identity and services.

Through its expansive infrastructure and postal network, we are working on transforming the Post Offices especially those in the rural areas to become digital hubs so as to serve communities as well as to serve as a platform for unemployed youth and potential entrepreneurs.

As we reposition SAPO to be the leading logistic service provider for South Africa and the region, we will forge strategic partnerships that are crucial enablers for SAPO's e-commerce and logistics strategy.

In order to achieve the complete turnaround and transformation of the Post Office to achieve the above strategic imperatives as outlined in the "Post Office of Tomorrow strategy" we have identified an urgent need to review the legislative framework governing postal services in the Republic and in this regard we have finalized the South African Post Office Amendment Bill, the Bill is out for public comment after being approved by Cabinet recently. We we hope to submit this Bill to Parliament before the end of this year.

Of course, to implement the "Post Office of Tomorrow strategy" as articulated above, it will require financial resources which we are currently engaging with National Treasury to make it available, otherwise it will remain a pipe dream.

## **INTERNATIONAL PHILATELY EXHIBITION**

Ladies and gentlemen, we are pleased to inform you of the upcoming event of International Philately Exhibition on the 8<sup>th</sup> - 12<sup>th</sup> November 2022 that South Africa will be hosting in collaboration with the International Philately Federation (FIP) under the theme “South Africa’s Road to Democracy”. We would greatly appreciate the participation of the SADC region, as this is a journey that we made together with you. At the exhibition stamps designed, issued, and collected throughout the world depicting the events, heroes and heroines that led the way to democracy in South Africa’s will be showcased by collectors and dealers.

Our former President, HE. Kgalema Motlanthe has been designated as the Chief patron for the event by the International Philately Federation and will be ready to welcome you all to the exhibition.

Through my office, invitations have been sent to key stakeholders in the industry including the Director-General of the UPU, the Secretary-General of PAPU and to Mr Janras Kotsi of SAPOA and I am informed that these organisations with some of their member countries will be participating at the event. The UPU DG will be attending, together with Associate Members of the UPU involved in Philately, and PAPU Members. However, for us as South Africa it is most important that SADC operators and the Southern African philatelic community are well represented. I am here to personally invite you to the International Philately Exhibition, ‘South Africa’s road of democracy’. I will request, the kind assistance of your Executive Director, Mr Janras Kotsi to follow with the SAPOA Membership, to ensure that the entire Southern African Postal Community is well represented.

I am also informed that the UPU and PAFU will be holding an Africa Philatelic Workshop to highlight the importance of philately in marking key moments in the history of our countries, our continent and the world, through the postage stamp. The workshop will highlight the role of stamp collectors and will focus on teaching the younger generation about the design and development of stamps and their historical importance. It may even look at digitising of the stamp for future generations.

It is my great hope that the deliberations of this AGM, and the determination of the SAPOA membership, will ensure that our postal operators will deliver postal services effectively to all SADC Communities in disadvantaged areas. We rely on our Executive Director to lead the organisation decisively to ensure that we are able to deliver on our postal mandates and commitments that we have adopted at the global, regional and national levels.

I look forward to hearing of your progress in this regard through the SADC Postal Ministerial meeting. We want to hear progress on how you have utilised the vast infrastructure and Telecoms infrastructure and technology that you have at your disposal.

I hope your deliberations will be very fruitful and will provide strategic outcomes that will help us to overcome the challenges we face in the postal community.

While you are here, please take time after or in between your sessions and explore Cape Town and its many significant attractions, which are diverse and can satisfy many tastes. Some famous options include Table Mountain, which has been declared as one of the seven wonders of the world, alongside Amazon in South America, Halong Bay in Vietnam, Jeju Island in South Korea and others, Robben

Island which has a prison where a world-renowned struggle icon, Nelson Mandela was incarcerated for 18 of the 27 years he spent in jail, the District 6 museum, the vineyards, our famous Stellenbosch and Franschoek among others, the world-famous Kirstenbosch Botanical Garden, the Boulders Penguin colony, the Waterfront Aquarium, the Houses of Parliament, and much more. Please also make sure you enjoy local delicacies, including Snoek fish and South African wine. You will also find arts and crafts from across the African continent here, sold by street vendors and up-market shops and galleries. I am told that the SAPOA AGM has been to Durban and Johannesburg previously, so now it is time to enjoy Cape Town. I would like to thank you once again and wish you all a successful, and productive AGM.

In my capacity as Deputy Minister of Communications and Digital Technology in the Republic of South Africa, I have the honour to now declare this Forum opened.

Please enjoy the great hospitality of the South African people

I thank you