



**REPUBLIC OF KENYA  
MINISTRY OF INFORMATION, COMMUNICATIONS AND  
TECHNOLOGY**

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**ADDRESS BY MR. JOE MUCHERU, CABINET SECRETARY,  
MINISTRY OF INFORMATION, COMMUNICATIONS AND  
TECHNOLOGY DURING THE OFFICIAL OPENING CEREMONY OF  
THE 36TH ORDINARY SESSION OF ADMINISTRATIVE COUNCIL OF  
THE PAN AFRICAN POSTAL UNION ON 8TH MAY 2017 AT THE  
SAFARI PARK HOTEL, NAIROBI.**

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**The Director General of the Universal Postal Union Amb. Amb. Bishar Hussein,  
Chairman of the Communications Authority of Kenya, Mr. Ngene Gituku,  
Representative of the African Union Commission, Mr. Christian Minoungou  
Chairman of the PAPU Administrative Council, Mr. Francis Wangusi  
The Secretary General of the Pan African Postal Union, Mr. Younous Djibrine,  
Heads of Delegation,  
Distinguished delegates,  
Ladies and Gentlemen,**

The 36<sup>th</sup> Ordinary Session of the Administrative Council of the Pan African Postal Union (PAPU) comes at a time when the Postal service is under immense pressure from new technology-driven communication innovations. Time is long gone when the Post enjoyed unrivalled monopoly as the medium of choice for delivery of information via mail and other communication products. The advent of social media applications such as Facebook, Twitter, Instagram, Messenger, Telegram and Whatsapp as well as SMS and the increasing use of smart phones have enabled instant and efficient information delivery thus disrupting the traditional role played by the post.

On behalf of the people and the Government of Kenya, I wish to express our appreciation to the leadership of PAPU for according our country the honour of hosting these very important deliberations that will inform the repositioning of the Postal service in Africa.

To all our visiting delegates, welcome to Kenya and feel at home. It is my hope that you will find some time during your stay here to sample the warm hospitality of the Kenyan people, and our rich cultural and natural heritage.

**Ladies and Gentlemen,**

The Postal service in Africa plays an important role in the socio-economic development of our countries. It facilitates human interactions, trade and commerce despite the ever-evolving global environment. The post in Africa remains a critical tool for the attainment of the African Union Agenda 2063 as well as the United Nation's Sustainable Development Goals. It serves as an important medium of communications and as a driver of financial inclusion.

The regional postal network presents enormous opportunities to small and medium enterprises, which are key drivers of the global economy, through provision of affordable and integrated export solutions. These solutions hold the key to unlocking barriers to intra-African and global trade, fostering growth in our economies and creating new jobs for our youth. Indeed, the post has capacity to enhance significant economic and social impact, and thus contribute to the realization of the African Union's vision of 'An integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena'.

However, in order to remain relevant amidst changing global trends and shifting customer tastes and preferences, Africa must modernize and align its postal infrastructure and services accordingly. There is no argument that the quality of infrastructure affects the economic growth potential of countries and the ability of businesses to thrive. Since the postal network constitutes a part of a region's critical infrastructure, we need to pay more attention to it in order for the sub-sector to regain its lost glory.

I am confident that the deliberations of the 36<sup>th</sup> Ordinary Session of the PAPU Administrative Council will go a long way in ensuring that the region continues to modernize its postal infrastructure and services across the physical, electronic and financial realms in accordance with the changing global trends. As an intergovernmental agency coordinating the development of postal services in Africa, the General Secretariat of PAPU has an important role to play in ensuring that the African post remains dynamic and relevant in the current technology driven environment.

I am aware that the Technical Committees of the PAPU Administrative Council have been discussing various issues that are central to the advancement of the Post in Africa. It is without doubt that the postal landscape is in a state of flux. The Universal Postal Union (UPU) in its 2014 study entitled: *Development strategies for the postal sector: an economic perspective* acknowledges that Posts are facing turbulent times. The report notes that the 21st century is, for Posts, one of uncertainty, volatility and rapid evolutions spurred by increased connectivity. These predictions are already a reality in our region.

Many operators and governments have been forced to rethink the role of the postal infrastructure, following the rapid transformation of communication tools and postal traffic towards the delivery of goods in response to the surge of e-commerce. However, there is an appreciation that while the new communications technologies have disrupted the traditional role of the Post, new opportunities have also been created for the post to thrive. Besides e-commerce, opportunities exist in the provision of financial and payment services to sections of the population that have all along been sidelined from the formal financial ecosystem. According to the Global Panorama on Postal Financial Inclusion released by the UPU in 2016, two billion people worldwide are financially excluded, meaning they have no access to financial services. This presents new opportunities for the post to foster digital financial inclusion.

A GSMA report of February 2016 shows that at the end of 2015, there were almost five times more postal accounts than mobile money accounts, which at the time stood at 411 million worldwide. However, mobile money accounts are growing exponentially when compared with postal accounts.

Evidently, Posts are better positioned in banking segments of the population such as women, the poor, the less educated and those in the informal economy that tend to be disadvantaged by other financial institutions. Postal networks should be an integral part of discussions in which governments, policy makers and international organizations design strategies for fostering financial inclusion. It is my hope that this matter will receive sufficient attention during this meeting.

### **Ladies and Gentlemen,**

E-commerce offers small and medium-sized enterprises (SMEs) a unique opportunity to access international markets. According to the International Trade Centre, e-commerce was estimated at over US\$15 trillion for annual business-to-business transactions and well over US\$1 trillion for annual business-to-consumer trade in 2015. It is worrying that in 2015, African enterprises contributed just below 2% of the global consumer e-commerce.

For Africa to become a key player in e-commerce, PAFU member states gathered here must address the four key barriers to the growth of e-commerce on the continent namely; financial, infrastructural, socio-political and the digital divide.

I am happy to report that Kenya is already making progress in the implementation of a National Addressing System that will be a launch pad for robust growth of e-commerce. We have also initiated the process of reforming the Postal Corporation of Kenya (PCK) with a view to transform its business model to one that can enable it to thrive in the current competitive market environment. The 88% mobile penetration in the market has already inspired the PCK to launch the **M-Post** service, which transforms mobile phone accounts into virtual postal accounts. This service can further revolutionize e-commerce and strengthen the countrywide postal network. We are also in discussions with the Universal Postal Union on the Ecom@Africa initiative, which is expected to reaffirm Kenya's position as a regional ICT and business hub. I wish to thank UPU for selecting Kenya as one of the beneficiaries of this project.

Further, we have leveraged on the existing postal footprint to bring public services closer to the citizens. For example, the Huduma Kenya concept is a one-stop shop, which offers a multiplicity of services to Kenyans. It has now become a reference point for improvement of service delivery and has won a number of global awards.

As I conclude, **Ladies and Gentlemen**, I wish to reiterate that Posts will only realize the benefits we envisage, if they tap into the opportunities presented by emerging technologies, to remain relevant as providers of sustainable and inclusive financial products. Postal operators that have not fully digitized their operations have to do so urgently or risk becoming irrelevant.

We must therefore take the necessary interventions, which I hope all of us here will seriously look into, as we deliberate on the future of the Post. I challenge the region to consider the following solutions in order to give a new lease of life to the post.

**First**, we have to complement post offices with new distribution channels to maintain a competitive edge in terms of network size and density.

**Second**, the Post must digitize both operations and products to improve the quality of customer experience and costs.

**Third**, Governments and financial regulators must demonstrate the willingness to use the postal network as a tool for advancing financial inclusions.

**Finally**, the postal operators must improve their marketing and communications to attract and retain customers, improve on their quality of service and diversify their operations.

If we do so, we shall not only breathe a new life into the Post, but also reinforce a new chapter that will position Africa strategically as a central player in the global postal and e-commerce businesses.

It is now my honour and privilege to declare the 36<sup>th</sup> Ordinary Session of the Administrative Council of the Pan African Postal Union officially opened. I wish you fruitful deliberations. **Thank you and May God bless you all!**