Postal Prosperity Zone (PPZ) Newsletter #1
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Foreword by Walter Trezek, Chair UPU CC

Postal Prosperity Zone (PPZ) – a UPU CC initiative and lighthouse project launched for the benefit of both Designated Operators and the private sector

Global ecommerce is no longer a future trend — it is the present. But while private sector logistics has raced ahead, much of the public postal infrastructure has remained locked in legacy systems, siloed data, and fragmented delivery flows.

The Postal Prosperity Zone (PPZ) was created as a joint response to this disconnect, based on the requirements of Designated Operators and Wider Postal Sector Players from the private sector (members of the UPU Consultative Committee).

It is not a theoretical initiative. The focus is not on producing paper and creating new working groups and structures. Instead, it is a collaborative, operational framework that brings together Designated Operators (DOs), commercial suppliers such as marketplaces and logistics providers, and technology providers, supported by the initiative of the UPU Consultative Committee. Together, we are building a postal cross-border ecommerce model that is inclusive, interoperable, and implementation-ready. Building onto the UPU as the integrator of networks and services in the sector.

For DOs, PPZ offers a direct pathway back into the heart of cross-border ecommerce — not by competing with platforms, but by allowing platforms to integrate into UPU systems. With modules like the IT Connector, DOs can once again become the preferred partners for global delivery, offering customs-compliant, digitally visible, last-mile access to every address in their territory.

For platforms and commercial actors, the PPZ provides what has long been missing: a standardized, scalable interface with DOs using a single ID, label format and IT integration. Instead of many different complex and cost-intensive IT integrations for DOs and their commercial customers and partners, PPZ enables "one connection with global reach, based on harmonised technical and messaging standards."

Just as importantly, the PPZ is redefining the role of the UPU IT ecosystem. Once perceived as a closed, post-to-post environment, the UPZ IT ecosystem is strengthened and repositioned — with the support of UPU PTC and UPU CC — as core components of global ecommerce interoperability, allowing public and private flows to converge.

This is not a vision for the distant future. It is happening now. From Casablanca to Oradea, from Gaborone to Muscat, DOs are stepping forward. Commercial suppliers are connecting. Ministries and customs authorities are engaging. And the benefits are obvious: direct IT connectivity, more efficient and cost-effective solutions, rapid digital transformation to regain strategic relevance and competitiveness for DOs, and new opportunities for commercial suppliers.

The Postal Prosperity Zone (PPZ) is a new model — but one built on what we already share: universal service, global standards, and mutual trust. Let's work to make the UPU great again.

Walter Trezek | Chair UPU Consultative Committee (UPU CC)

From vision to PPZ implementation projects

Over the past months, the Postal Prosperity Zone (PPZ) has evolved from an idea into a concrete and collaborative implementation platform. What started as a vision — to better integrate DOs into global ecommerce flows — is now a growing network of pilots, partnerships, and real-world infrastructure.

At the PPZ Project Management Office (PMO), we have the privilege of supporting this journey from within — working closely with national postal operators, customs authorities, ministries, and UPU CC members including platforms, tech providers, and supply chain experts. Our consulting & project management pool consolidates experts, know-how and expertise of the members of the German/Swiss/Austrian Ecommerce Association logistic-natives e.V. (UPU CC member). We have already set up project offices in Morocco, Romania, Oman and Botswana. Thanks to the preparatory work carried out and the lessons learnt over the past year, we can now offer tried-and-tested templates and models, adapt project plans to local conditions and priorities, and provide DOs with the necessary support to ensure the rapid and successful implementation of their projects. The successful cooperation with the DO teams has paid off.

None of this would be possible without the engagement of each stakeholder. The open exchange, the readiness to test and co-create, is what makes this project not only feasible — but meaningful.

On behalf of the PPZ PMO, I want to express my gratitude to all our partners for their trust, time and commitment. Whether you're building infrastructure, refining customs processes, onboarding suppliers or aligning regulations, your work is what turns the PPZ from blueprint to benefit.

In this newsletter, we provide an update on the implementation of the PPZ model in partner countries, with a particular focus on the PPZ IT model: The PPZ IT Connector is now ready and fully compliant with UPU standards and regulations, connecting commercial suppliers with DOs via the existing global digital UPU Ecosystem (IPS/CDS).

We are very proud to inform you about the latest milestone reached in the PPZ Romania project: the finalisation of the PPZ Customs Model and the first pilot operation of a PPZ eHub based on the PPZ IT & customs model at Oradea Airport, which involves the proof-of-concept of a PPZ ecommerce Gateway operated by Poșta Română , in close collaboration with the customs authority of Romania, and fully compliant with WCO, UPU and EU regulations.

Let's keep building — step by step, country by country, partner by partner. The momentum is real, and together we are shaping a future-ready, fairer and smarter postal ecosystem.

Martin Füll
Head of PPZ Project Management Office (PMO)

Florian Seikel
Managing Director, Logistic Natives

Global Trade Needs New Engines – Why Maersk Supports the PPZ

By Lars Karlsson | Global Head of Trading and Customs at Maersk
Address Muscat | Oman, Launch of PPZ Oman, 23 April 2025

At Maersk, we are responsible for moving nearly 30% of the world's trade through our services. In such a position, we understand better than most how rapidly global commerce is changing — and how urgently it needs new frameworks to remain efficient, inclusive, and resilient.

That is why we are proud members of the UPU Consultative Committee, and why we have supported the Postal Prosperity Zone (PPZ) initiative from day one.

We are entering a new era of global trade, one marked by uncertainty, evolving tariff regimes, and increasing complexity. The next five years will bring more structural change to supply chains than in the last fifty. In this environment, we cannot rely on legacy models alone. We must build trusted value chains and digitally enabled trade corridors that are future-proof and adaptive.

But corridors alone are not enough. Trade needs nodes — dependable hubs that connect regions, simplify customs, and offer transparent, compliant, and affordable last-mile delivery.

The PPZ is exactly such a node. It represents one of the most innovative, implementation-ready models available today. By connecting public postal networks with commercial platforms and customs authorities, the PPZ offers a blueprint for how global trade can work better — for businesses, for governments, and for people.

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We believe in the countries and designated operators who are leading this transformation. And we at Maersk will continue to support the PPZ model — not just as observers, but as active participants. We want to connect with countries that adopt this approach and explore how we can jointly create trusted, seamless trade flows.

The Postal Prosperity Zone is more than a technical project — it is an engine for equitable, digital, connected trade. And we are proud to be part of it.

The Challenge: The evolution in Global Ecommerce and in the Postal Sector

Global ecommerce has revolutionized international trade and logistics. DOs, which previously dominated cross-border parcel deliveries, are now facing significant challenges. The rise of global marketplaces, private logistics providers, express carriers and courier services has shifted control over cross-border volumes away from traditional postal systems and DOs. Most volumes are no longer sent by DOs at origin.

DOs must adapt to this changing landscape. Postal systems are being sidelined by agile, digitalized private players. The existing international UPU postal IT system & network has been designed as a closed model for post-to-post exchange and was not suited for the new digital requirements of suppliers and authorities. Postal infrastructure has become less competitive than the competing

commercial systems operated by marketplaces, their commercial logistics service providers or courier services, in terms of digitalization, automation and efficiency/costs.

— The result: DOs risk being reduced to interchangeable last-mile carriers, losing market relevance and growth potential in both their import and export business. The commercial suppliers, who control the majority of volumes, urgently need competent infrastructure and delivery partners to increase their capacity, and are very interested in working with competitive DOs.

The Opportunity: The UPU Postal Prosperity Zone (PPZ) Initiative

The UPU Consultative Committee (CC) launched its PPZ initiative to address these challenges. A PPZ project is launched by a UPU member state and its DO, in close collaboration with competent (customs) authorities and private companies (members of the UPU). It is supported by the UPU Consultative Committee and the UPU Postal Technology Center (UPU PTC). UPU CC member logistic-natives e.V. has set up a comprehensive Project Management Office (PMO) to ensure structured project planning and management (based on the PPZ Morocco blueprint), clear scheduling and execution, and to facilitate collaboration with various external stakeholders and between the PPZ projects in different countries.

Rather than producing concepts or recommendations, PPZ is a modular implementation programme aligned with the UPU Abidjan Strategy. It delivers real operational and digital capabilities that allow DOs to collaborate with commercial volume suppliers (WPSP) under a fully UPU-compliant framework, using existing UPU IT infrastructure, UPU IDs, labels and UPU standards. In essence, the existing post-to-post channel is supplemented by a competitive commercial-to-post as well as a post-to-commercial channel, fully compatible with the existing UPU models and systems.

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Key PPZ components (adapted and implemented locally as part of a PPZ project) include:
— <u>PPZ IT Connector</u>: IT Integration of a commercial volume supplier with the Designated Operator at destination (via the PPZ IT Connector based on existing UPU IPS/CDS infrastructure, no additional development required).
— <u>PPZ Customs Model</u>: Upgrade of postal customs clearance (automatization, digitalization, process efficiency), the post-to-post channel is supplemented by commercial channels.
— <u>PPZ eHub Blueprint</u>: Postal Customs & Logistics infrastructure, the traditional Office of Exchange (IMPC) is transformed into an efficient, competitive ecommerce hub for both traditional post-to-post items and new commercial volumes.
— <u>Export and Transit/Transshipment</u> Capabilities.
— <u>Upgrade of domestic solutions</u> (digitalization, automatization) on demand.

PPZ projects in Morocco, Oman, Botswana and Romania have been already launched. Commercial partners to the PPZ initiative (WPSP / UPU CC members) include Cainiao / AliGroup, SF Express, YTO, MAERSK and a variety of technology solution providers such as ShopRunBack, MyDutyCollect and Toshiba.

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The Status: Milestones achieved in Morocco and now in Romania (June 2025)

Morocco and its designated operator Poste Maroc / BAM took the initiative and launched the first operational PPZ project in 2024. As part of the project, the first two milestones were achieved in 2024:

1. The creation of a **PPZ blueprint/project plan** that serves as a template for all subsequent PPZ projects. This model is adapted to local capabilities, needs, priorities and regulatory frameworks.

2. The design and creation of the **PPZ IT Connector,** a project to develop a globally standardised, convenient and cost-effective IT Integration of Designated Operators at destination with commercial suppliers based on existing UPU technology:
   — Direct, seamless connectivity with foreign commercial suppliers is achieved by upgrading the UPU IT system. The PPZ has developed a PPZ interface connecting commercial suppliers with UPU IPS/CDS.
   — No new system or development by DOs is required as IPS/CDS is already used by all Dos. The new solution creates a level playing field with players such as DHL, etc. The PPZ IT connector provides all the data needed for customs, delivery and tracking and is based on UPU ID S26.
   — For DOs, direct IT integration is not just a technological upgrade, it's a survival strategy. By joining the PPZ, DOs no longer need to rely on intermediaries or to develop costly new IT systems. Instead, they can use proven, upgraded UPU technologies.
   — Suppliers get standardized access to the postal world using "one interface, one label, one ID" without the need to make many different local integrations with the various postal IT systems of DOs in sometimes small markets.
   — v2 of the PPZ IT Connector/interface is currently under development and will be tested with commercial suppliers in pilots this summer, e.g. in Romania.

Romania's PPZ project and its DO Poșta Română has focused on the second pillar of the PPZ model: the creation of a competitive, digital and automated postal customs clearance system based on IT integration (PPZ customs model) and the related infrastructure for inbound processing (customs & logistics), called the PPZ eHub. In June 2025, in close coordination with the government, customs authorities and local infrastructure providers (especially Oradea Airport), the PPZ Romania has achieved the next key milestones, namely:

3. The finalisation of the **PPZ customs model** (fully compliant with WCO and UPU regulation and guidelines, and, in the case of Romania, additionally with the EU customs model). This model defines and implements fully digital, automated and high-quality customs processes, based on IT integration, automated flows based on WCO/UPU guidelines and automated high-capacity pre-arrival customs inspection supported by the DO.

4. The design and blueprint of an **operational PPZ eHub** (a dual infrastructure for processing large ecommerce volumes, customs clearance and logistical processing) with corresponding specifications for operational processes, IT and infrastructure based on automatization, digitalization and efficient processes, all based on competitive benchmarks.

The PPZ customs model and the model of a PPZ eHub were confirmed during a stakeholder workshop in Bucharest at the end of June.

The Pilot: Proof-of-Concept of PPZ customs model and PPZ eHub in Romania

At the beginning of September, a pilot operation (proof-of-concept) with test volumes will take place at Oradea Airport. This will test fully automated customs clearance (PPZ "Blue Lane" model based on the EU benchmarks from Belgium/Liege or Hungary/Budapest) in Romania for the first time. The proof-of-concept is based on close cooperation between Poșta Română and Romania customs authorities, together with the Oradea Airport authority. It will also present the principles/model of an operational PPZ eHub envisaged by Poșta Română based on the PPZ model (to be scaled accordingly, exploring the potential for collaboration though private-public partnerships).

At the recent PPZ Romania stakeholder workshop it was confirmed that the PPZ customs model is fully compliant with both Romanian and EU customs regulations. The Romanian customs authority has established the necessary legal framework to enable implementation of the Blue Lane model, which draws on best practices from Budapest and Liège, and is currently finalizing the related technical basis and integrations.

Building on this progress, a pilot project and proof-of-concept is planned for the first week of September at Oradea Airport, within the Poșta Română PPZ eHub.
— The objective is to test the new PPZ customs model (Blue Lane concept), based on pre-arrival Electronic Advance Data (EAD) risk classification, which is a key part of the PPZ customs model, and under the supervision of the Romanian customs authority.
— The pilot will also use controlled test volumes to validate automated processes and infrastructure.

Key components of the PPZ customs model will be tested – pre-arrival risk classification and automated scanning & sortation based on pre-arrival customs decisions

Of particular importance here is the proof-of-concept for the second key component of the PPZ Blue Lane concept:

— Firstly, customs carries out a pre-arrival risk classification of all parcels on the basis of Electronic Advance Data (EAD = postal ITMATT data). This applies to both traditional post-to-post parcels and parcels from commercial suppliers, which are converted into UPU-compliant ITMATT messages by the PPZ IT connector. This means that, even before the aircraft lands, it is known which consignments are to be inspected by customs (Inspection

Lane) and which parcels will be automatically released based on a positive pre-arrival risk analysis based on complete EAD. The relevant customs status is stored in the UPU IT system, CDS.

— Secondly, the initial parcel-level scan (S10 for post-to-post parcels and S26 for commercial-to-post parcels) is used to determine whether parcels should be sent to the inspection lane or released automatically. Random inspection samples are also taken here. In the Oradea pilot, this initial scan is performed directly via the sorting machine's reading tunnel, with inspection parcels automatically diverted and fed into the customs zone of the hub. The parcels in the Blue Lane are processed and sorted directly, eliminating the need for further time-consuming and costly processing steps.

A key aspect of the pilot is that, while its design and processes are grounded in the known and successful model of existing EU best-in-class benchmarks (airports such as Budapest or Liège) the PPZ customs model used in the proof-of-concept will significantly <u>exceed</u> the current benchmarks in the EU / Budapest and Liège. It incorporates the proven principles of pre-arrival data exchange, integrated risk assessment, and customs collaboration, but also takes a decisive step forward in the evolution of inbound customs processing.

Poșta Română, in close coordination with the Romanian customs authority, is already proactively addressing the limitations of existing EU gateway models and aligning with anticipated regulatory developments – particularly the upcoming VAT in the Digital Age (ViDA) framework and EU customs reform. From the outset, the PPZ model is positioned not only to meet current compliance requirements, but to deliver future-proof solutions that add measurable value to the ecosystem.

The added-value design of the pilot builds on three strategic pillars, which will be demonstrated during the proof-of-concept:

1. <u>Enhanced data quality through enriched / enhanced datasets and pre-arrival optimization</u>: The PPZ model leverages bilateral agreements between Poșta Română and commercial suppliers to obtain supplementary data elements and electronic documents – such as digital invoices, or GTINs, to support the customs authority's risk profiles based on the customs requirements. Technology supported by UPU PTC and UPU CC members will be used to get complete and valid data pre-arrival, to enable high-quality digital risk assessment and customs inspections
2. <u>Higher quality via comprehensive X-ray coverage</u>: Automated, high-capacity X-ray systems – with real-time image processing and risk classification to be achieved in the target model – significantly improves detection capability, reduces risk of fraud and contributes to security and revenue assurance. The target is to achieve a 100% inspection rate, in line with existing global benchmarks (e.g. China, Russia). In the PPZ customs model, Poșta Română is ready to support customs with the appropriate infrastructure within the framework of the partnership as required, or until its own resources have been built up.
3. <u>Increased inspection capacity</u> through close, trust-based collaboration between Poșta Română and the customs authority, by deploying a Customs Support Team to assist in operational and administrative inspection tasks. This enables customs officers to dedicate more time and focus on their core responsibilities – sovereign duties and decision-making – while benefiting from additional automation and infrastructure, especially where such capabilities are not yet fully integrated into customs operations. Within the PPZ customs model, the customs officer takes on a managerial role in a streamlined, digitized inspection environment, thereby significantly multiplying inspection throughput per officer without increasing headcount.

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Key PPZ project stakeholders – including SF Express and Cainiao/AliGroup – have expressed their willingness to actively support this pilot phase and further scaling.

In accordance with the fundamental principle of the PPZ initiative, the implementation of these models is to be extended to other PPZ projects. This means that the complete blueprint for efficient postal customs clearance (PPZ customs model, to be adapted to local regulations, but fully compliant with WCO and UPU guidelines and based on the now complete, standardised PPZ customs target model) and for the development and operation of infrastructure (PPZ eHubs) for airports, and subsequently also for sea and rail transport, is now available for Morocco, Oman, Botswana and for additional PPZ countries and Designated Operators to follow.
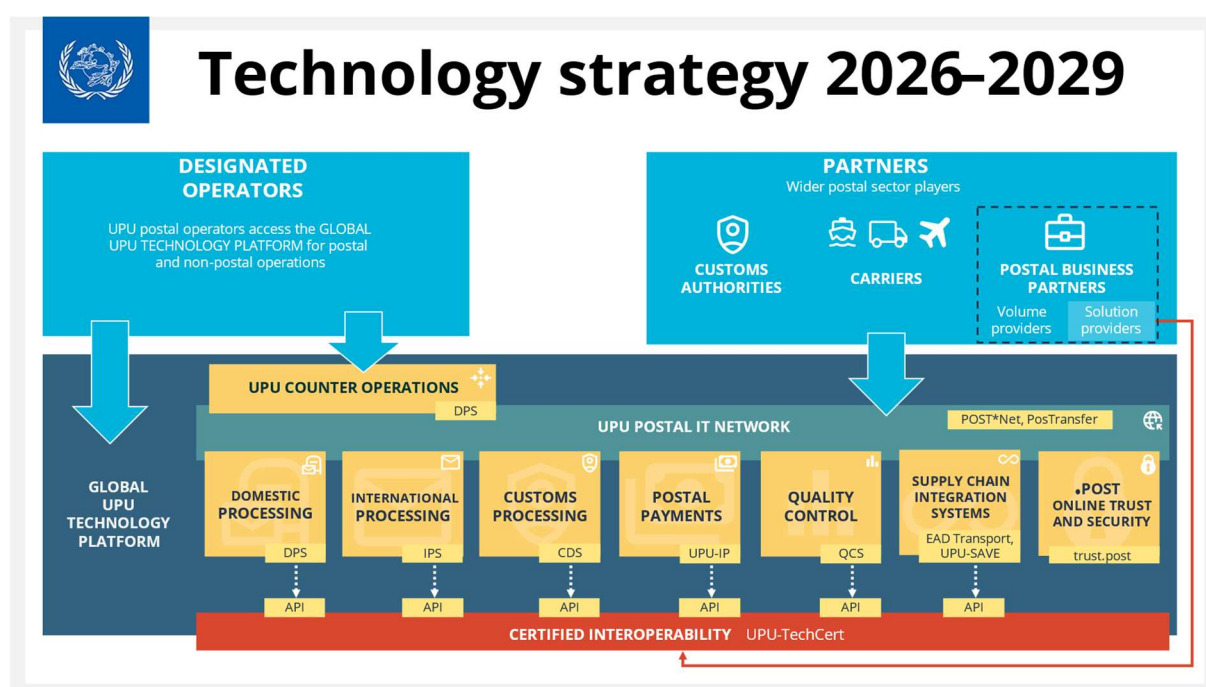
The PPZ IT Connector

At the heart of the PPZ initiative lies the PPZ IT Connector – a digital interface module enabling direct, secure, and standards-compliant integration between DOs and global commercial ecommerce suppliers.

How the PPZ IT Connector Works:
— Built around a standardized API framework;
— Compatible with UPU CDS/IPS systems used by all DOs globally;
— Managed and tested by the UPU Postal Technology Centre (PTC);
— Using the UPU unique ID standard S26 for parcels using the commercial-to-post channel (PPZ), already fully compatible with UPU IPS/CDS;
— Based on a PPZ Interface (developed by UPU CC tech partners) and connected with IT System of UPU PTC via POST*NET to connect IT systems of commercial suppliers with UPU IPS/CDS operated by local Designated Operators at Destination.

The PPZ IT Connector is based on the UPU Technology Strategy 2026-2029, the conceptual model was achieved through close collaboration between PPZ Morocco / PPZ PMO and the UPU PTC.

What the PPZ IT connector achieves:

— Establishes real-time, end-to-end digital connectivity using existing UPU systems (IPS/CDS);

— Facilitates the exchange of logistics, customs, and tracking data for both post-to-post (S10) and commercial-to-post (S26) shipments;

— Enables DOs to receive pre-labelled parcels and Electronic Advance Data (EAD) from commercial partners – without building new IT infrastructure, as the existing UPU IPS/CDS is upgraded and can be used for delivery for parcels from both DOs and commercial suppliers, all based on the same postal data standards (e.g. ITMATT), mapped to regional and local data definitions, such as the EU Customs Data Model.

Strategic Benefits for Designated Operators

Area	Impact
Digital Readiness	Immediate access to digital commercial flows without costly IT development
Volume Recovery	Enables new inbound flows from ecommerce suppliers (e.g. global marketplaces)
Operational Simplicity	One interface, one label, one integration and process – regardless of origin
UPU Compliance	Fully aligned with UPU standards and regulation
Speed to Market	The Connector can be live within 4 months, using standard blueprints and resources and support of the DO provided
Cost-effective	Instead of cost-intensive in-house IT development or the use of (even more expensive) commercial software, the existing UPU IT system can be used after an upgrade - as part of the existing, cost-based use model
Data Sovereignty	All data remain under the control of the DO → Data is the most important raw material in modern ecommerce This avoids DOs becoming dependent on commercial shippers or software suppliers

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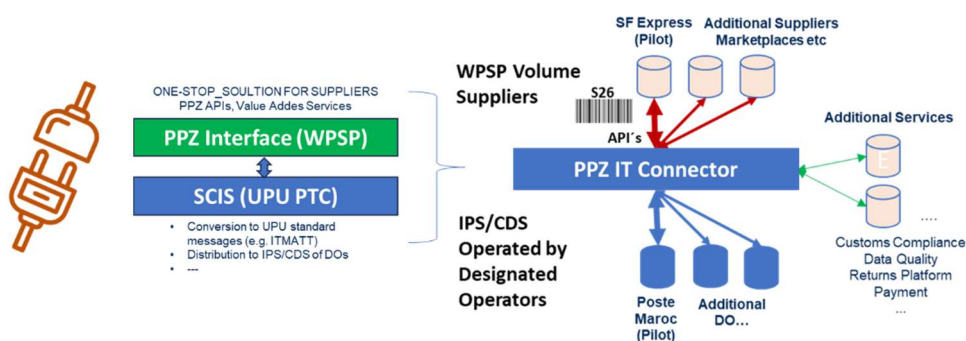
Strategic Benefits for Commercial Suppliers

For commercial ecommerce suppliers (e.g. marketplaces), the PPZ IT Connector provides a single standardized interface to reach multiple DOs.

— Currently, doing business with 50 DOs requires IT integration with 50 separate (domestic) IT systems, each with different interfaces, different labels and processes. This is a time-consuming, complex and costly process for commercial suppliers.
— PPZ reduces IT complexity, improves delivery speed and customs compliance, and ensures seamless access to the global last mile postal networks, even in smaller or regulated markets.
— PPZ offers a convenient and attractive model: One IT integration, one label, one integration to the entire postal world.

From Concept to Implementation

The PPZ IT Connector is a core component of a PPZ project. It establishes the fundamental prerequisite for competitive ecommerce: seamless data exchange that aligns with the requirements of modern ecommerce and the dominant players in the industry.
This module of a PPZ project can be implemented within a few months. The PPZ Project Management Office (PMO) supports local implementation by organizing the necessary workshops, onboarding partners, and coordinating with the UPU PTC and the commercial TechSuppliers involved. The process concludes with a test run and the acceptance of the IT and Operations Manual.

The PPZ IT Connector is more than a system – it's a gateway into the heart of the ecommerce market worldwide.

Thank you

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