

**Strengthen cooperation in the supply chain
to ensure the safe and efficient
transportation of cross-border mail**

China Post Group
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01

Challenges affecting the safe and efficient transportation of cross-border mail



1



Epidemic poses challenges to cross-border air capacity and network organization.

2



Enhancement of compliance brings challenges to efficient clearance of mail.

3



Diversification and complexity of mail contents pose challenges to safe transportation.

02

Measures taken by China Post to respond to the challenges

2.1 *“How to address the challenges of mail capacity and international network organization since the pandemic?”*



- Explore multi-modal transportation service, expand new transportation channels, and offer diversified products.
- Increase the proportion of self-controlled capacity (postal airlines and charter flight).
- Efforts have been made to ensure uninterrupted mail service by utilizing regional or overseas postal transportation capacity.

Consolidate multiple transportation resources



First Pilot of inbound rail transportation

Inbound CR Express block train conveyed international surface mail from the EU into China (first pilot)

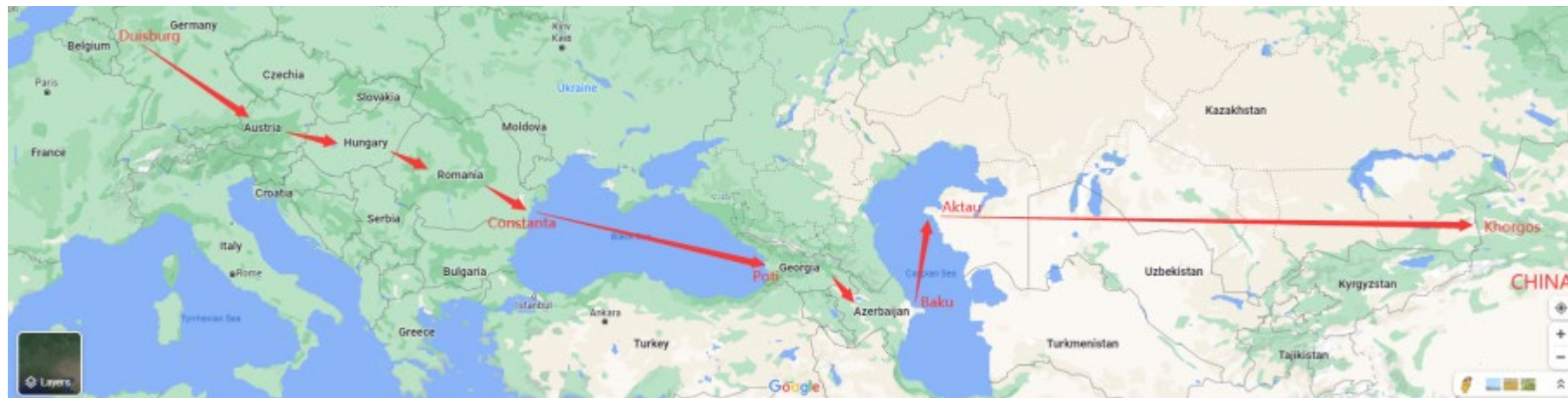
- Successful pilot with Deutsche Post in March 2022.
- Origin OE: FRA, destination OE: CKG.
- CKG approved by the Chinese General Administration of Customs for regular run in May 2022.



Second pilot of inbound rail transportation

Inbound CR Express block train conveyed international surface mail from the EU into China (second pilot)

- Second pilot: on the way, starting from July 26th, 2022 – multimodal transportation by rail and sea (via Black Sea and Caspian Sea)
- 210 pieces of test mails, with total weight 1.67 tons – increased weights and diversified types of contents of testing mails compared to the first pilot



2.2 *“How to address the challenges of increased compliance requirements?”*



- Enhance the convenience of mail clearance.
- Improve the standardization of mail declaration.
- Develop a tightly coupled system for mail sorting and customs inspection.
- Expand S10 barcode to cover almost all packages, collect declaration information.

2.3 *“How to address the challenges of safe transportation?”*



- Strengthen internal training and maintain communication with security inspection and airlines.
- Deploy security inspection equipment and strengthen pre-inspection of mails.

03

Difficulties faced by China Post



- The multi-modal (including surface) transportation service has a longer transportation time and an untraceable problem during transit.
- The quantity and quality of ITMATT for inbound mails are not high.
- The transparency of customs clearance information needs to be improved.
- Difficult to provide DDP and return/exchange services for mail.

04

Recommendations for strengthening cooperation



- Standardize information interface and improve traceability for multi-mode/surface transportation.
- Postal operators share international transportation resources and provide competitive transshipment services.
- Postal operator compile a guide to deliver mail at their international import ports to facilitate delivery by carriers.
- Further improve the quantity and quality of ITMATT and optimize the tracking events for customs clearance.
- UPU and WCO jointly study the DDP solutions as well as mail return services to enhance customer experience

Thanks!