

PERSPECTIVES AND
DEVELOPMENTS OF THE

POSTAL

SECTOR IN THE
REPUBLIC OF THE CONGO



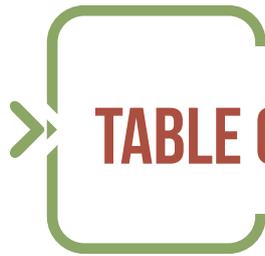


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ACRONYMS

ARPCE	Agence de Régulation des Postes et des Communications Électroniques (State Market Regulator for the Post and Electronic Communications Sectors)
ATM	Automatic Teller Machine
BC	Bank Card
BPC	Banque Postale du Congo
CEMAC	Economic Community of Central African States
DGACPT	Direction Générale de l'Administration Centrale des Postes et Télécommunications (Directorate General of the Central Administration of Posts and Telecommunications)
DGPT	Direction Générale des Postes et Télécommunications (Directorate General of Posts and Telecommunications)
EPA	Etablissement Public à Caractère Administratif (Public Administrative Body)
EPT	Electronic Payment Terminal
FEA	French Equatorial Africa
FSPU	Fonds du Service Postal Universel (Universal Postal Service Fund)
GIMAC	Groupement Interbancaire Monétique de l'Afrique Centrale (Interbank Electronic Banking Group of the West African Economic and Monetary Union)
GIS	Geographical Information System
GUOT	Guichet Unique des Opérations Transfrontalières (One-Stop Counter for Cross-Border Operations)
INS	National Institute of Statistics
ISP	Internet Service Provider
ITC	Information and Communication Technologies
MFE	Microfinance Establishment
MNO	Mobile Network Operator
MPTEN	Ministère des Postes, des Télécommunications et de l'Economie Numérique (Ministry of Posts, Telecommunications and the Digital Economy)
NDP	National Development Plan
OEPT	Office National des Postes et Télécommunications (Equatorial Post and Telecommunications Office)
ONPT	Office National des Postes et Télécommunications (National Post and Telecommunications Office)
PCC	Postal Cheque Centres
SOPECO	Société des Postes et de l'Épargne du Congo (Congo Postal and Savings Company)
SOTELCO	Société des Télécommunications du Congo (Congo Telecommunications Company)
UPS	Universal Postal Service



A MESSAGE FROM THE DIRECTOR GENERAL



The efforts made by the Government of the Republic of the Congo within the framework of the 2022-2026 National Development Plan should, in the medium and long term, directly and indirectly contribute to revitalising the country's postal network and universal postal service (UPS) in order to provide a service that is fit for purpose for all the country's citizens.

The Ministry of Posts, Telecommunications and the Digital Economy (MPTEN) is responsible for drafting the postal sector's development policy. However, it is not responsible for land-use planning or developing the basic infrastructure that operators require to build a sufficiently dense and high-quality postal network.

The regulation of this sector, especially in the digital age, remains a challenge for ARPCE, the State Market Regulator for the Post and Electronic Communications Sectors, which is responsible for overseeing the activities of postal operators through an evolving regulatory framework that reflects advances in information & communication technologies (ICTs).

Through this analysis entitled *Perspectives and Developments of the Postal Sector in the Republic of the Congo*, ARPCE wishes to share its findings, while also highlighting examples of opportunities and challenges that the current ecosystem could face in the future in terms of regulatory and infrastructural aspects. The aim is to contribute, as far as possible, to a global reflection on some of the factors essential for building resilience into Congo's postal sector.

Louis - Marc SAKALA
Director General of ARPCE Congo



INTRODUCTION

The history of the post office in the Republic of the Congo (hereinafter “Congo”) is closely linked to the advent of the colonial era in French Equatorial Africa (FEA). The Congolese postal sector, which was essential for the smooth running of the colonies (in particular its telegraph and postal services), underwent many changes over the years. This analysis briefly describes how Congo moved from a state monopoly in the postal sector to a liberalised sector requiring regulatory changes. But are these regulations still fit for purpose at a time when most countries in the world, including Congo, are undergoing a process of digital transformation?

The question of whether or not to redefine the postal service in the digital age is also addressed. This makes it possible to analyse and understand the challenges of the possible transformation of the postal sector ecosystem, as well as e-commerce. It also raises the question of whether the prerequisites for the development of e-commerce are sufficiently in place to allow the postal sector to fully contribute to its development in Congo.

Connectivity, thanks to the deployment of electronic communications infrastructures, is already a reality in Congo, although there is still room for improvement. However, has the public postal operator transformed itself sufficiently to take full advantage of this technological evolution? Similarly, are postal operators able to meet the minimum requirements imposed by these technological developments?

Electronic payment solutions are among the tools that contribute to digital inclusion by facilitating commercial transactions. Is postal inclusion inextricably linked to digital inclusion? In other words, can the universal postal service (UPS) — which is the responsibility of the public postal operator — become a reality in Congo within a reasonable time frame thanks to digital infrastructures and services? And if not, what are the barriers that prevent communities from benefiting from postal services (including digital postal services), especially in the most remote villages and hamlets?

Private postal operators have not yet succeeded in developing a network that is as far-reaching as the public operator's (e.g. ONPT, the National Post and Telecommunications Office). This raises the question of why there is only a limited deployment of private operators in the country's more remote areas. What is hampering this deployment? Or is it the current state of the public postal operator's network (SOPECO) that should be put under the spotlight? In other words, does the public operator have the necessary resources and wherewithal to extend its services to as many people as possible?

The issue of adequate funding for postal operators seems to be an unequivocal concern for most of them. But this is also true for actors related to the postal sector. For

example, does the public postal operator have sufficient financial credibility to borrow the funds necessary for its modernisation from local and/or African banks?

As a public institution, shouldn't SOPECO be entitled to financial backing from the Government (i.e. as an alternative to a private loan) in order to meet the challenges and missions it has been entrusted with, including the provision and operation of a UPS?

Finally, the various aforementioned issues must be placed within a legal framework that takes into account the complex nature of local realities. However, with political vision and will these challenges are far from insurmountable.



1

A BRIEF HISTORY OF THE DEVELOPMENT OF THE POSTAL SECTOR IN CONGO

1.1. The postal sector in French Equatorial Africa (FEA)

In 1956, during the French colonial era, mainland France decided to reorganise and decentralise the management of its posts and telecommunications services in its overseas territories. To do this, it adopted Decree N° 56-1229 of 3 December 1956 on the reorganisation and decentralisation of overseas posts and telecommunications services¹. This is how the decentralised offices were created in 1957, including the one instituted by decree N°10-57 of 28 June 1957 setting the date on which the Office des Postes et Télécommunications de l'AEF² (FEA Post and Telecommunications Office) came into being.

The colonies began demanding their independence and Article 86³ of the French Constitution of October 1958 provided for the right to independence of overseas territories. In 1959, after gaining their independence from France, Congo, Gabon, the Central African Republic and Chad signed a convention of 23 June 1959 on the organisation of the Office Equatorial des Postes et Télécommunications - OEPT (Equatorial Post and Telecommunications Office) whose headquarters were in Brazzaville.

1.2. The postal sector after 1960, a state monopoly

In 1960, Congo gained its independence. Four years later, the National Assembly of the Republic of the Congo adopted law N° 9-64 of 25 June 1964 establishing the Office National des Postes et Télécommunications (ONPT), the National Post and Telecommunications Office. All OEPT's activities were thus transferred to ONPT. However, it was not until 1 January 1965 that ONPT officially took over. As a public establishment of an industrial and commercial nature, the ONPT had a civil status and financial autonomy. As a state monopoly, it applied the legislation in force, and regulated the postal and telecommunications sectors.

In 1998, Decree N° 98-87 of 25 February 1998 on the powers and organisation of the Ministry of Posts and Telecommunications encouraged the liberalisation of the sectors under its authority. This decree was preceded by Decree N° 98-86 of 25 February 1997 on the roles and organisation of the DGACPT (Directorate General of the Central Administration of Posts and Telecommunications). One of the tasks of the Ministry of Posts and Telecommunications was to guide, control and coordinate the activities of private companies and organisations whose activities fell within its remit.

1 Journal Officiel de l'Afrique Equatoriale Française of 31 December 1957.

2 Journal Officiel de l'Afrique Equatoriale Française du 1 August 1957.

3 This article was repealed following the independence of the countries under the control of France.

In 1982, DHL Congo — a company specialising in the transport of parcels and letters — was set up. DHL's introduction in Congo constituted a *de facto liberalisation* of the postal sector.

In 2001, order N° 8-2001 of 1 July 2001 dissolved the ONPT. This resulted in the creation of two separate entities, the Société des Postes et de l'Épargne du Congo - SOPECO⁴ (Congo Postal and Savings Company) and the Société des Télécommunications du Congo - SOTELCO⁵ (Congo Telecommunications Company). The postal activities and financial services operated by ONPT were thus transferred to SOPECO.

In accordance with the order that created it, as well as its articles of association⁶, SOPECO has a number of missions including the provision of a domestic and international postal service, as well as the provision of postal financial services (postal cheques, money orders, savings and foreign exchange services).

1.3. Effective market liberalisation of the postal sector

Law No 10-2009 of 25 November 2009 on the regulation of the postal sector effectively contributed to its liberalisation. It determines and defines the services open to competition, the reserved services and the universal postal service (USP). The postal service is regulated by ARPCE, the State Market Regulator for the Post and Electronic Communications Sectors.

Having put an end to the state monopoly in the postal sector, the aforementioned law makes it possible for any company (with authorisation) to provide *non-reserved postal services*. In accordance with Article 29 of this law, this includes :

- services and transactions relating to money transfers, cheques and savings accounts;
- services and operations related to the collection, sorting, routing and distribution of postal items exceeding the weight limits of the *reserved services*, such as books, catalogues, newspapers, periodicals and postal parcels.

Operators that meet the regulatory conditions in force are authorised to provide competitive postal services, including any postal financial services that are not the sole responsibility of the public operator. This market liberalisation has also made it possible to regulate many companies, including DHL, which only obtained its operating licence in 2012, even though it had been operating in Congo since 1982!

The law defines *reserved services* as special privileges granted by the State to an operator in order to ensure the continuity of the UPS. This is how SOPECO came to be placed in charge of UPS in February 2022⁷.

4 Order N°10-2001 of 1 July 2001 on the creation of SOPECO, the Congo Postal and Savings Company.

5 Order No 11-2001 of 1 July 2001 on the creation of SOTELCO, the Congo Telecommunications Company.

6 Articles of association approved in May 2003 by decree N° 2003-67 of 22 May 2003 approving the articles of association of SOPECO.

7 Decree Order No 2022-77 of 28 February 2022 on the designation of the postal operator in charge of the universal postal service^e.

The regulation on the weight of postal items in the context of the reserved services is an important aspect of the UPS. The following decree⁸ sets out these weights :

- ordinary letter: 50 grams;
- express delivery letter: 100 grams.

Therefore, all operators (i.e. other than SOPECO) are only authorised to deliver postal items whose weight category is greater than those allocated for the reserved services within the framework of *competitive postal services*.

1.4. The public operator's postal cheque centres (PCCs)

The *postal cheque centres* (PCC) are basically *postal financial services* provided by the public operator in accordance with the provisions of previous regulations. Law No 10-2009 of 25 November 2009 regulating the postal sector also included this provision. In order to contribute to the modernisation of the public operator, plans were made to transform the PCCs into a postal bank in order to take advantage of its territorial coverage, which unlike traditional banks are basically confined to major urban areas.

In April 2010, a ministerial memorandum⁹ was issued recommending the transformation of the PCCs into postal banks. In December 2011, the Congolese State¹⁰ and SOPECO¹¹ drew up the articles of association¹² of the Banque Postale du Congo (BPC). A public limited company with an *initial* capital of 10 billion FCFA with SOPECO holding 20% of the shares¹³. This capital has since risen to 25 billion FCFA¹⁴.

Following the creation of the BPC, the general perception on the development of the SOPECO can be summarised by the following lines taken directly from the 2018-2022 National Development Plan:

*"At the institutional level, the creation of the Banque Postale du Congo (BPC) effectively halted the development of the public postal operator (SOPECO) by depriving it of a major income-generating service, i.e. the postal cheque centres (PCCs)."*¹⁵

However, law No 10-2009 of 25 November 2009 defines the *postal cheque service* as the service responsible for managing *postal current accounts* through the PCCs and *post offices*. The law also defines the *postal savings service* as the service responsible for mobilising, collecting and growing the *savings* collected in the postal network. This service should be created and operated with State-backed guarantees.

8 Decree n° 2022-79 of 28 February 2022 setting out the maximum weight limit for shipments in the reserved services.

9 Memorandum N° 034/MFBPP/MPTNTC/CAB of 12 April 2010 on the bill to transform the PCCs into a postal bank. This was a joint memorandum prepared by the Ministry of Finance, Budget and Public Portfolio, and the Ministry of Posts, Telecommunications and New Communication Technologies.

10 Represented by the Minister of Finance, Budget and Public Portfolio.

11 Represented by the Minister of Posts, Telecommunications and New Communication Technologies.

12 See the articles of association of the Banque Postale du Congo of 9 December 2011.

13 The "State's" contribution to the initial capital was 8 billion FCFA in cash, and SOPECO's was 2 billion FCFA in kind.

14 <https://ecofin.senat.cg/medias/actualite/C3%A9s/audition-du-directeur-general-de-la-banque-postale-du-congo>, website consulted on 07/02/2022.

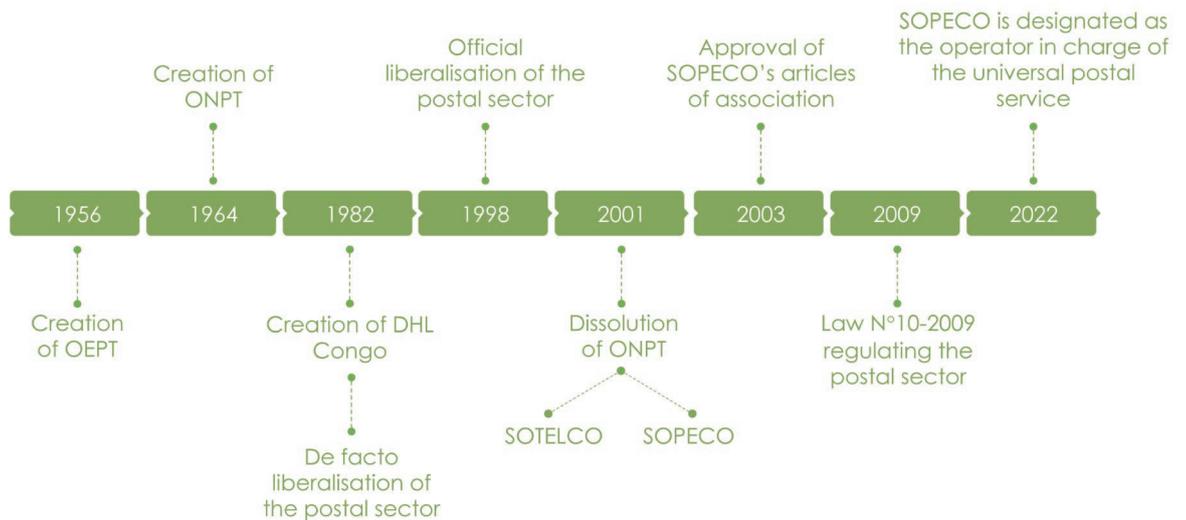
15 National Development Plan (NDP) - Operational Appendix N°1, PPAP 2018-2022, p.153.

The creation of a public limited company such as the BPC and in which SOPECO is a shareholder, does not invalidate the *legal* provisions granting the public postal operator the right to provide postal financial services in accordance with the provisions of Article 5 of law No 10-2009 of 25 November 2009 regulating the postal sector. Otherwise, the current name of the public operator — Société des Postes et de l'Épargne du Congo (Congo Postal and Savings Company) — would lose its meaning since it would no longer be managing the savings of the Congolese people, which it is still entitled to do.

1.5. Summary of developments in the postal sector in the Republic of the Congo

The figure below shows some of the major milestones in the development of the postal sector in Congo since 1956. It summarises the different phases of the transition from a state monopoly to a competitive sector.

Figure 1: Major milestones in the development of the postal sector



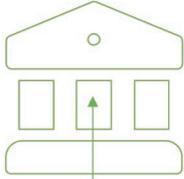
2 INSTITUTIONAL AND LEGAL FRAMEWORKS

Congo has institutional and legal frameworks that should contribute to the development of the postal sector. Yet despite these frameworks, the postal sector is struggling to develop sufficiently. Therefore, it would be expedient to attempt to understand and then resolve the root causes behind the low impact of this sector with regard to the production of national wealth.

2.1. The institutional framework

MPTEN, the Ministry of Posts, Telecommunications and Digital Economy is responsible for implementing the Government’s general policy in the postal sector. DGPT, the Directorate General of Posts and Telecommunications under the supervision of MPTEN, is tasked with contributing to the promotion and regulation of the postal sector among other missions. ARPCE, the State Market Regulator for the Post and Electronic Communications Sectors, enjoys financial autonomy, has its own legal status and is responsible for regulating the postal sector in Congo albeit under MPTEN’s supervision.

Figure 2: Principal institutions in Congo’s postal sector

<p>The Ministry of Posts (MPTEN)</p>  <p>DGPT*</p> <p>* Directorate General of Posts and Telecommunications)</p>	<p>Role</p> <p>Implementing the posts policy in the Republic of the Congo</p>
<p>Postal Régulation (ARPCE)</p> 	<p>Role</p> <p>Regulating, monitoring and evaluating the post and telecoms sectors</p>

2.2. The legal framework

The law governing the postal sector dates from 2009, as does the law establishing ARPCE, the postal sector's regulatory body. These laws have been reinforced through implementing decrees (see the table below).

Table 1: Postal sector laws and decrees

Year	Laws
2009	1. Law N° 10-2009 of 25 November 2009 on the regulation of the postal sector.
	2. Law N° 11-2009 of 25 November 2009 on the creation of the of the Agence de Régulation des Postes et des Communications Électroniques (ARPCE), the state market regulator for the post and electronic communications sectors.
Year	Decrees
2009	1. Decree N° 2009-476 of 24 December 2009 on the roles and organisation of the Directorate General of Posts and Telecommunications (DGPT).
2017	2. Decree N° 2017-411 of 10 October 2017 on of the powers of the Minister of Posts, Telecommunications and Digital Economy (MPTEN).
2018	3. Decree N° 2018-111 of 21 March 2018 on the organisation of the Ministry of Posts, Telecommunications and Digital Economy (MPTEN).
2022	4. Decree N° 2022-76 of 28 February 2022 setting out the terms and conditions for approving the tariffs of the universal postal service's services and the reserved services.
	5. Decree N° 2022-77 of 28 February 2022 on the designation of the postal operator in charge of the universal postal service.
	6. Decree N° 2022-78 of 28 February 2022 setting out the list of substances/items that are prohibited to be sent by post.
	7. Decree N° 2022-79 of 28 February 2022 setting out the maximum weight limit for shipments for the reserved services.

Two (2) laws and seven (7) fundamental decrees currently govern Congo's postal sector. For example, the law regulating the postal sector has not been amended since 2009, i.e. fourteen (14) years ago. The challenges related to the regulatory framework are now even more acute as the postal sector undergoes its digital transformation. E-commerce is just one of these challenges and it must be regulated in order to meet the expectations of customers (natural and legal persons). Unless the Government and the legislator — with the help of their technical bodies — devote special attention to this area, they risk being left on the sidelines of this movement.

3

TRANSFORMATION OF THE TELECOMS ECOSYSTEM

The existence of legal and institutional frameworks does not prevent the Congo from suffering from the lack of an adequate development strategy for the postal sector. In fact, Congo Digital 2025 (the national strategy for the development of the digital economy) does not even include aspects related to the development of the postal sector. The delay in this matter justifies the development of such a strategy for this sector within a reasonable time frame. However, the development of the aspects related to the formulation of this strategy in the digital age means reformulating the very definition of the postal service. For, in the absence of a definition that goes beyond its traditional form, the political and strategic orientation of this sector would no doubt struggle to be coherent.

The future regulation of the postal sector must include digital inclusion as one of its main objectives; this would involve modernising the sector, as well as taking advantage of technological innovations such as those in the electronic communications sector.

3.1. Is it time to redefine the postal service for the digital age?

The definition of the classic or traditional postal service was relatively simple during the time of the State monopoly. The same definition was used in the recent law regulating the liberalised postal sector in Congo, and can be summarised as the collection, routing and distribution of postal items, including the provision of affordable postal financial services. This definition of the postal service is valid in a monopoly or competitive situation.

However, law No. 10-2009 of 25 November 2009 regulating the postal sector was drafted over a decade ago at the same time as the law on the regulation of electronic communications; these two laws are no longer valid. In the postal sector, new approaches and avenues of reflection must help strengthen the regulatory framework at a time when Congolese society is gradually being digitalised.

What exactly is the core business of the postal sector in the digital age? This is one of the fundamental questions for which a response must be found, as the current definition of the postal service — and indeed the *postal sector* as a whole — must address a range of economic and social development issues. The changes taking place in the postal sector could promote:

- the provision of services on behalf of the public authorities;
- the expansion of the national postal network (including SOPECO's) in order to develop the logistical capacities necessary for e-commerce to flourish.

The postal sector needs to shift toward new growth models that must be successfully exploited. Therefore, the Government, through MPTEN and assisted by the bodies under its supervision and other ministries, must define a policy and strategy that will make this shift an asset for the development of Congo.

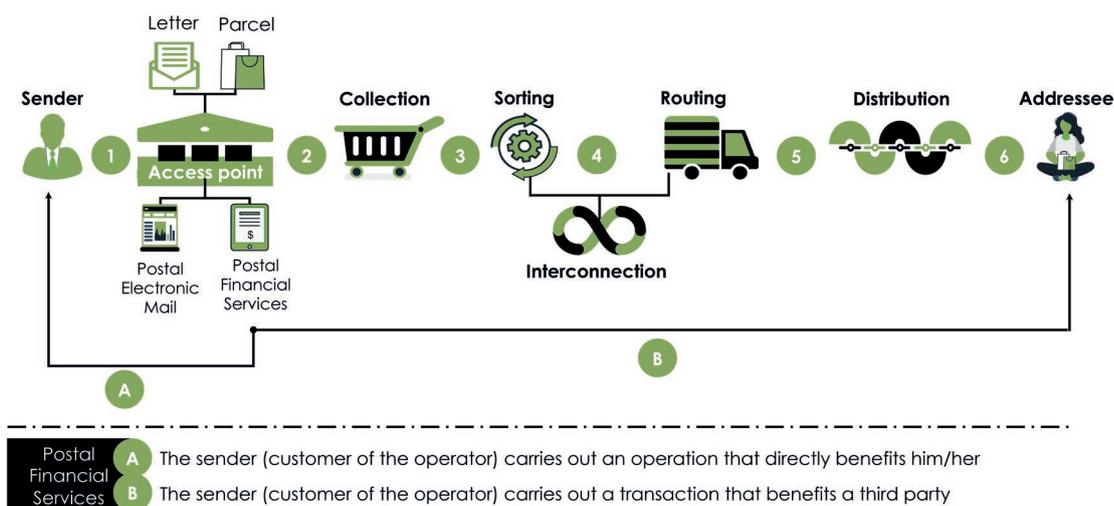
3.2. General configuration of the postal network

In its traditional form, the postal network is made up of all the means (movable and immovable) that enable the collection, sorting, routing and distribution of postal items (parcels, letters, etc.). However, the transformation of the postal sector, thanks to information and communication technologies (ICTs), has made it possible to extend the postal network to infrastructures that provide postal financial services.

Congo's postal network comprises the following :

- **Sender:** a natural or moral person who sends an item through the post;
- **Access point:** a physical facility (post office counter, post-box, etc.) where postal operations can be conducted, including access to financial services. An access point provides for and handles the following:
 - **Letter:** a handwritten, printed or signed item, or a mechanically, electrically or electronically produced item sent uncovered or in a sealed/unsealed envelope;
 - **Postal parcel:** goods or documents whose maximum weight is defined in the regulatory framework;
 - **Postal electronic mail:** the use of electronic communications to send and receive messages (true to the original) within seconds in a physical or electronic form;
 - **Postal financial services:** operations that include money transfers, the provision of a savings bank, foreign exchange services, etc.
- **Collection:** a process that groups postal items for dispatch;
- **Sorting:** an operation that consists of separating postal items according to their destination prior to routing;
- **Routing (transport):** the journey a postal item takes, i.e. from the access point to the final destination;
- **Interconnection:** all the links in the chain based on agreements between different operators in the postal network in order to guarantee the speed and quality of postal services;
- **Distribution:** operation that consists of delivering postal items at the final destination;
- **Recipient:** natural or legal person receiving a postal item.

Figure 3: General configuration of the postal network



3.3. The postal sector in Congo in the digital age

● Prerequisites for the digital transformation of the postal sector

A proactive investment policy in the postal sector would unleash its full potential and ensure that both urban and rural populations benefit from postal products and services that meet their expectations, including digital products. Significant efforts have been made by the State and electronic communications operators to ensure that the infrastructures that contribute to the provision of these services and products are operational. The many projects aimed at strengthening these infrastructures are undeniably necessary for accelerating the digitisation of Congo's postal sector.

Training employees in digital technologies is also a prerequisite for the successful acceleration of the digitalisation of the postal sector. Employees trained in new skills could contribute to strengthening the competitiveness of the postal sector, as well as modernising the whole architecture of their working environment. In brief an extensive and well-connected network, operated by qualified employees are indispensable for the provision of high-quality digital services. Yet the operation and maintenance of such a network can be difficult in some rural areas where the power supply and internet connectivity are not always guaranteed or even available.

● Digital postal products and services in Congo

In Congo, the postal sector has not been relegated to the sidelines when it comes to the digital developments. SOPECO, still known as "La Poste" (www.laposte.cg), offers a range of services including domestic and international money transfers. Sending and receiving money electronically requires the use of electronic communication networks without which the digital economy cannot develop. SOPECO also developed PosteMobile, an app which makes it possible to transfer, deposit and withdraw money. Salaries and pension payments can also be paid into this app. Transactions made on this platform are fully interoperable, i.e. they can be carried out regardless of the user's mobile network operator (MNO).

The ability to track parcels and letters should be encouraged in the postal sector so that users can locate them, i.e. from the sending point to the arrival point using their mobile telephones or other devices. This tracking service could also be performed via an app. However, a tracking app of this nature would incur internet access costs paid by the end user. Perhaps, like mobile money, it would be simpler to first develop a system on the GSM network with SMS/text alerts (digital notifications) so that postal service users do not have to purchase an internet data plan. In this way, all sections of the population could be contactable thus contributing to postal digital inclusion.



4

POSTAL SERVICES OPERATORS AND USERS

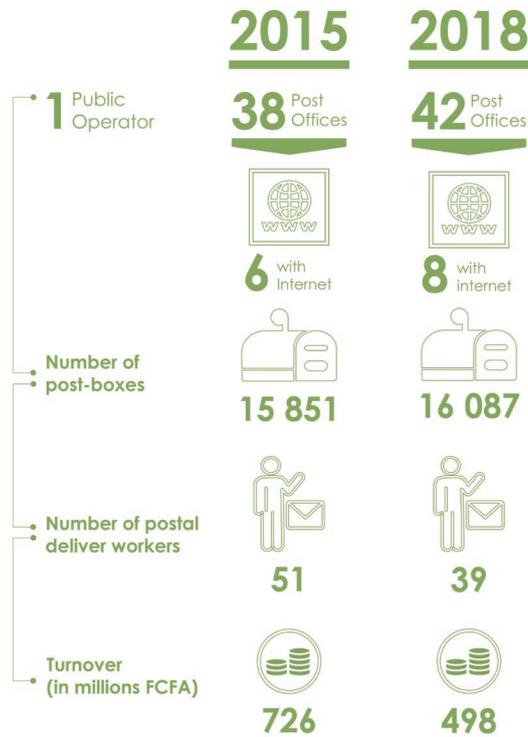
The postal sector comprises a national operator and several private operators that collect and deliver letters and parcels. The postal network needs to be overhauled and modernised. The incumbent operator still has the best coverage of any postal network in terms of the number of branches. However, its turnover is very low. In fact, it does not even turnover one billion FCFA a year. In the private sector, a single operator can push the market up or down depending on its turnover.

4.1. Public operator

In accordance with legal provisions that govern the postal sector, SOPECO is the only postal operator with a public service mission. It is not as effective as it once was due to diverse reasons (socio-political, managerial, financial, strategic, etc.). In terms of the managerial and strategic factors, SOPECO has not been able to adapt to the liberalisation of the postal sector, which tends to favour the emergence of new private operators.

Following its transition from a state postal administration to a company obliged to balance its accounts and the social climate, SOPECO has not been able to truly reinvent itself. However, it has undergone many significant transformations and restructuring operations to make it more efficient in a competitive environment. But is the sector receiving sufficient backing from the Government, not only to fend off the competition but to cope with future changes in which information and communication technologies (ICTs) will continue to have strong structural, infrastructural and managerial impacts?

Figure 4: Key figures related to the public operator



Sources: INS - MPTEN

4.2. Private operators

These are operators governed by private law and authorised to provide a postal service open to the general public. Fifteen (15) private postal operators are licensed to operate in Congo. The leading private operator and by far the best organised is DHL.

Figure 5: Key figures related to private-sector operators



Source: ARPCE

4.3. Consolidated turnover of the postal sector

Two postal operators, DHL and SOPECO, dominate the postal landscape in Congo with DHL having a clear lead over its competitors. Its consolidated turnover figures from 2016 to 2018 confirm this. However, these figures are modest and could be higher if SOPECO were to be overhauled. As a public company, its mission is to extend its network as far as possible throughout the country, thereby increasing its turnover.

Figure 6: Consolidated turnover of the postal sector



Sources: ARPCE - INS

A survey¹⁶ carried out in 2019 showed that DHL was perceived by 65% of companies¹⁷ to be the best operator; a perception that is backed up by its turnover, which it achieves mainly with companies, and government departments and offices. However only 28% of private customers considered it to be the best operator, which shows that DHL faces fairly strong competition in the private customer segment.

¹⁶ Etude sur le marché Congolais des Postes et Communications Electroniques (Survey on the Congolese Postal and Electronic Communications Market) conducted by Rush Management for ARPCE in 2019.

¹⁷ More than half of the organisations interviewed for this survey were small- and medium-sized enterprises (SMEs).

4.4. Average budget earmarked for postal services

The aforementioned survey identified three (3) categories of budget that private individuals allocate to postal services (see figure below).

Figure 7: Average monthly budget in the postal sector



Source: Rush Management

Eighteen per cent (18%) of the people interviewed declared that their average budget for postal services was less than 60,000 FCFA per year (i.e. less than 5,000 FCFA a month). On the other hand, 27.2% of respondents stated that they had a budget for postal services varying between 240,000 FCFA and 600,000 FCFA a year (i.e. between 20,000 FCFA and 50,000 FCFA a month). This category devotes the most financial resources to postal services. Finally, 54.8% of respondents stated that they spent an average annual budget of between 60,000 FCFA and 239,000 FCFA (5,000 FCFA and 19,999 FCFA a month) on postal services.

These data (which would benefit from being refined) do, however, give an idea of spending in the postal sector by individuals. These data are all the more important as they could help potential investors (local or international) carry out prospective studies on the value of the postal market, including the possible evolution of the value of the e-commerce market in Congo. The development of e-commerce is closely linked to the revitalisation and improvement of the postal network with regard to the delivery of parcels and packages.

5

UNIVERSAL POSTAL SERVICE: CHALLENGING TRANSPORT AND ENERGY NETWORKS

Congo is a developing country that still has many challenges to overcome, some of which negatively impact the effective implementation of the universal postal service (UPS). The UPS is the minimum permanent provision of basic postal services *throughout the country*. However, many areas are very isolated, which limits access. In addition to access (or transport) difficulties, many areas are not connected to the electricity grid.

5.1. Transport network

A high-quality road network is key in order for the postal sector to be as inclusive as possible in its traditional form, i.e. in addition to any digital innovations. If roads cannot be tarmacked, then drivable roads in good conditions are required. For example, rural areas need to be accessible to postal operators by road, but also by river, air and rail. If not, many areas will remain cut off and their residents will not be able to receive postal items within reasonable time frames. Naturally, any economic actor looking to make a profit would be reluctant to deliver postal items to these hard-to-access communities.

◆ Road network

Congo's road network measures 23,234 km, yet only 3,111 km of the network was tarmacked in 2017 (i.e. 13% in total)¹⁸. This figure highlights the magnitude of the work to be undertaken so that all residents and businesses can travel around the country with the least possible constraints.

◆ Air network

Congo's air network comprises the following facilities¹⁹ :

- three (3) international airports (Brazzaville, Pointe-Noire and Ollombo);
- twelve (12) aerodromes (Dolisie, Ouesso, Impfondo, Nkayi, Sibiti, Ewo, Djambala, Owando, Makoua, Boundji, Enyellé and Pokola);
- fourteen (14) privately operated aerodromes (Kabo, Makao, Odzala, Mayoko, Mokabi, Moutéla, Léfoutou, Ngombé, Talatala, Yangadou, Konkouati, Bomassa, Boyélé and Bétou); and
- one (1) heliport (Kinkala).

¹⁸ See the National Development Plan - Operational Appendix N°1 PPAP 2018-2022, p.158

¹⁹ <https://plan.gouv.cg/investissement-dans-le-sous-secteur-aerien-au-congo/> (website consulted on 25/07/2022)

These public/private airports and aerodromes are logistical assets that could be of great benefit to the postal sector by being used to carry letters, parcels, etc. Land and river relays could then transport postal items to locations away from the airfields so that the postal service reaches as many people as possible.

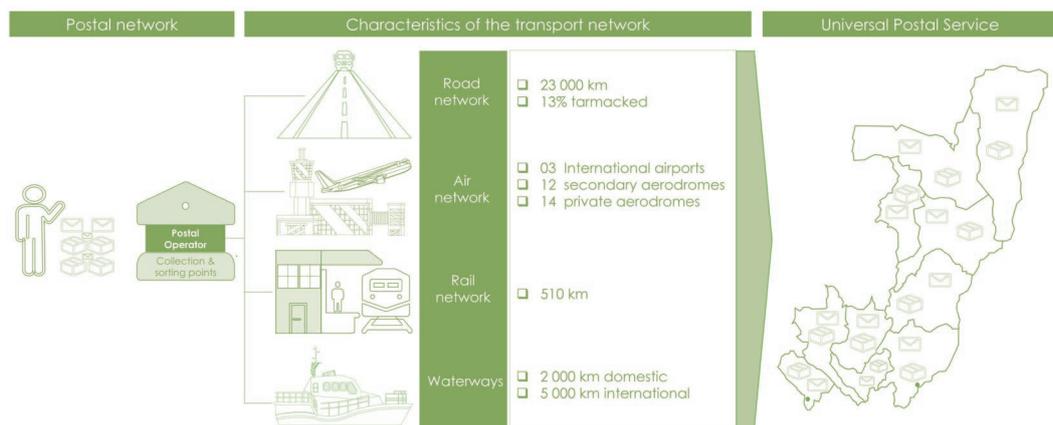
◆ Rail network

The rail network mainly links Pointe-Noire with Brazzaville over a distance of 510 km. Some of the largest cities and towns served by this network are: Dolisie, Mont-Bélo, Loudima, Nkayi, Madingou, Bouansa, Loutété, Loulombo, Mindouli, Missafou, Matoumbou, etc. The postal sector could benefit from using this route if it were modernised and faster. However, the road and air routes between Brazzaville and Pointe-Noire are in serious competition with the *Brazzaville - Pointe-Noire railway line* due to its poor state of repair. Moreover, only the southern part of the country is served by the rail network. The northern part, from Brazzaville, would also benefit from access to the network. The postal sector would undoubtedly be one of the largest beneficiaries of a modernised and extended rail network in Congo, especially as the railway stations would provide access to the more remote areas of the hinterland.

◆ River network

The navigable river network is over 7,000 km long, including 2,000 km for the domestic network and 5,200 km for the international network²⁰. The inland river network includes the following navigable waterways: the Alima, Léfini, Ibenga, Likouala Mosaka, Likouala aux Herbes, Kouyou and the Motaba. This network is sufficiently dense and could be used as a chain in a multi-modal transport system. If hydroplanes could also be developed in the Congo, it would be possible for postal items to be transported to hydro-ports sited on the various tributaries of the Congo.

Figure 8: Reliance of the universal postal service on transport networks



The achievement of the UPS depends, in part, on the overhauling, modernisation and extension of the country's transport infrastructures. This can only be done gradually given the current state of the postal and transport networks. Even if the incumbent operator were to restructure, and equip itself with modern transport solutions for example, it would not take the risk of using impassable roads that would eventually accelerate the ageing (and risk of damage) to its assets. This necessary caution —

20 <https://plan.gouv.cg/investissement-dans-le-sous-secteur-fluvial/> (website consulted on 25/07/2022)

founded on hard facts — constitutes an additional obstacle to postal inclusion in Congo. Optimal coverage of the country in terms of the provision of postal services, regardless of the region, will be associated with its accessibility by air, river, rail or road.

5.2. Energy network

The rate of access to electricity in Congo is about 44%²¹, which is low given the economic challenges in many economic sectors, including the postal sector. In addition to the low rate of access to electricity, load-shedding practices force businesses to invest in autonomous electricity generation solutions, which increase their operating costs. The situation is even more concerning in rural areas, which are rarely connected to the national grid. If the UPS is to be truly inclusive, it will have to be digitised. However, digital postal services depend on good electricity and an excellent internet connection. MNOs²² and ISPs²³ would also benefit from an uninterrupted supply of electricity; this would reduce their operating costs, and should encourage them to lower the cost of internet access.

Undoubtedly, postal infrastructures are possible relays for both postal and digital inclusion, especially if they can be connected to telecommunications infrastructures. They could also contribute to the digital transformation of rural and semi-urban areas. However, postal operators cannot always provide services everywhere or where they would like to due to poor basic infrastructure (roads, energy, etc.). Aware that postal operators cannot be expected to provide services in unprofitable areas, the legislator established the Fonds du Service Postal Universel (FSPU)²⁴, the Universal Postal Service Fund. However, the FSPU is not sufficient to address the fundamental problems associated with building basic infrastructures. For example, if e-commerce is to develop in Congo, a major effort will have to be made to build the basic infrastructure that will enable the greatest number of people to be reached and covered.

21 See the National Development Plan - Operational Appendix N°1 PPAP 2018-2022, p.161

22 Mobile Network Operators

23 Internet Service Provider

24 Law N° 10-2009 of 25 November 2009 on the regulation of the postal sector. The FSPU is separate from the electronic communications fund that consists of connecting so-called 'black spots' to telecoms networks.



6 > E-COMMERCE

E-commerce (electronic or digital commerce) refers to the buying and selling of goods, services and information via electronic communication networks. Websites are still the most effective way of doing business online. Buyers transfer funds to vendors using bank cards, crypto-currencies, etc.

Addressing and post coding systems, transport & logistics services, and payment solutions are all part of the e-commerce value chain. Are the conditions in place in Congo so that e-commerce can really take off?

6.1. Addressing and postal coding systems

Should the addressee (i.e. the recipient of a postal item) have to go to the nearest post office to pick up a parcel, or should the postal worker deliver the item to the recipient's home or business? This question may seem a little incongruous at first, yet local realities must be taken into account. It would be unwise to simply mimic the analysis of other situations and solutions to the identified problems. Congo has its own unique context and state of development, as well as the ensuing habits that arise out of these realities; these cannot be ignored²⁵.

To a certain extent, mobile telephone numbers have replaced physical addresses in Congo. Postal operators (with the notable exception of companies that are well established and easy to find) generally contact their customers by telephone to let them know that they can collect letters, parcels or other goods they have received at their branches. What better proof — if indeed any were needed — of the value of using mobile telephones in the local context. Hence the importance of the permanent availability of mobile network operators' network in all the business sectors of the economy.

However, a modern addressing and postal coding system in all towns in the country is necessary. It would improve the delivery of parcels and letters because, without precise addresses and postcodes, it is difficult for postal workers to locate addresses and deliver the items. The public authorities must continue with their addressing and postal coding efforts, particularly in major Congolese cities, in order to ensure that the postal sector is as efficient as possible and fit for purpose in the digital age. At the same time, consideration must be given to building more post offices and private postal agencies to bring postal services as close as possible to the residents. They could then register their details in a digital database at the post office or branch

²⁵ It was by observing local habits that M-Pesa came about, giving rise to mobile money solutions that support financial inclusion in Africa. Traditional banks, which rely on models that are not tailored to the local context, are now facing increased competition from mobile phone operators in the financial and banking sectors.

closest to their home or workplace. From this database, users could be contacted by text message (SMS) when they receive a package or letter, for example. They could then decide to collect their postal item in person or to have it delivered to a specific address, which would incur additional costs. However, this would require having an accurate, precise address, hence the need for a modern addressing and postal coding system.

In the overall approach to developing e-commerce, the provision of post-boxes and/or postal lockers (for those who express the need) should not be overlooked. Many more post offices and postal agencies need to be built in order to reach residents wherever they live, while also taking into account the space needed for post-boxes, depots, etc.

6.2. Transport and logistics

E-commerce has both a domestic and national component. Moreover, the development of e-commerce could be consolidated in a regulation that would streamline interactions between SOPECO, private postal operators and the customs authorities (land, sea and airport) to facilitate international purchases by natural and legal persons in Congo. However, as e-commerce is not only about imports, exporting goods from Congo should also be streamlined through an efficient logistics and regulatory ecosystem.

Tracking (electronic tracking of parcels and mail) is an essential component in the transport and logistics link in the e-commerce value chain. In fact, e-commerce relies on the addressee being able (at any moment) to track his/her order, plan a delivery time or be informed of any delays.

Setting up a geographic information system (GIS) in the postal sector would help to manage and optimise the efficiency of traditional delivery routes.

6.3. Electronic payment solutions

Most e-commerce financial transactions are dematerialised. These payments are made online by bank cards, and on platforms such as PayPal, by crypto-currencies, etc. Secure electronic payments are, therefore, an essential link in the e-commerce value chain. Without financial inclusion for a large proportion of the Congolese population, there is little chance for e-commerce to develop fully.

In Congo, the banking inclusion rate, including account holders in microfinance establishments (MFEs), is around 33% and 20% if only traditional bank account holders are counted²⁶. The estimated number of bank cards in circulation for withdrawals, as well as for payments made to merchants, still needs to be fine-tuned. However, it is estimated that 174,071 bank cards were issued in 2020 compared to 167,123 in 2019²⁷. MFEs have not managed to increase access to digital payments by bank cards. MUCODEC claims to have issued more than 250,000 electronic cards, which are mainly withdrawal cards (i.e. not Mastercard or Visa cards).

²⁶ ARPCE, *White Paper on the Post, Telecommunications and Digital Economy*, 2021, p.56.

²⁷ World Bank Group, *République du Congo : Ecosystème des Paiements Numériques*, June 2022, p.13.

The digital solutions offered by banks and MFEs are still lacking. Banking solutions are mainly centred around bank cards, which allow certain transactions to be carried out at automatic teller machines (ATMs), and payments to be made with the few merchants who have electronic payment terminals (EPTs).

For e-commerce to really take off in Congo, an accessible and user-friendly electronic payment method is needed. Mobile network operators (MTN and Airtel), thanks to *mobile money*, have already succeeded in significantly reducing the financial exclusion experienced by a large part of the population unable to comply with the restrictive access criteria of the traditional banking system. Traditional banks (not including MFEs) recorded a little over 500,000 accounts compared to 2.8 million active *mobile money* accounts in October 2022²⁸. This shows that the rate of digital financial inclusion is relatively high.

Out of the total volume of mobile money transactions, those related to *payments for services* was 7% in 2020 and 2% in 2021. From January to October 2022, payments for services were about 4% of the total volume of mobile money transactions. The upward trend observed between 2018 and 2019 was halted by the COVID-19 pandemic. In fact, during this period, the volume of transactions related to *payments for mobile money services* was 29% on average.

Mobile money is probably the payment method with the most impact when it comes to contributing to the development of e-commerce in Congo. However, this assumes that interoperable platforms are in place to facilitate payments from mobile telephones to merchants' digital platforms (including online). Therefore, an entire digital ecosystem needs to be put in place²⁹, as well as a culture of online payments. Currently, more than 51% of mobile money transactions concern the purchase of mobile telephone top-ups. It would appear that the question is not whether users are willing to use online payment services with mobile money, but rather whether there are sufficient attractive and reliable payment service offers on the market. For example, the GIMACPAY solution³⁰ is already contributing to structuring the digital economy in Central Africa, including in Congo. However, is it sufficiently far-reaching?

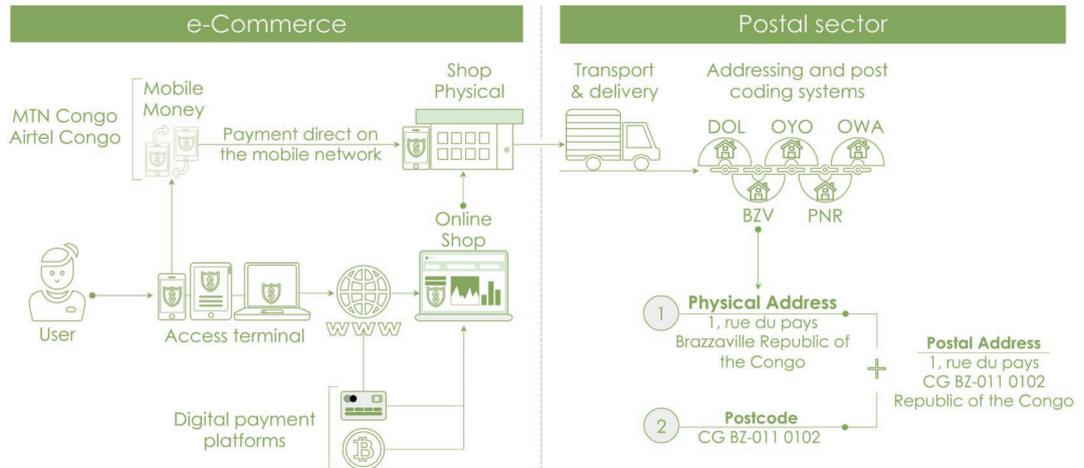
E-payment solutions are an essential link in the e-commerce value chain. Congo's nascent digital economy cannot flourish if the population is denied inclusive, non-discriminatory payment methods. However, the inflexibility of the traditional banking sector stands in stark contrast to the massive adoption of mobile money by the population. Public and private-sector offers and services that support and facilitate electronic payments should be made more widespread. Operators of communication networks open to the public, as well as the operators of electronic communication infrastructures, have an important role to play in the ecosystem of the digital economy, and the development of e-commerce in the postal sector.

28 2,000,000 active accounts on MTN Congo SA and 800,000 on Airtel Congo SA.

29 The ecosystem does not have to be developed — it already exists — but it must be properly structured in order to make it efficient in all areas.

30 The aim of the Groupement Interbancaire Monétaire de l'Afrique Centrale -GIMAC (Interbank Electronic Banking Group of the West African Economic and Monetary Union) is to popularise electronic banking, improve the banking inclusion rate, and promote financial inclusion through prepaid/mobile products.

Figure 9: Complementarity of e-commerce and the postal sector



6.4. The postal and customs sectors in the digital age

The *Revised Kyoto Convention*, which entered into force in 2006, aims to simplify and streamline customs procedures. This convention provides for specific customs procedures to be applied to *postal items* so that the customs authorities and postal sector can work together intelligently. This collaboration includes the use of electronic communication infrastructures and services that allow dematerialised data to be exchanged in order to facilitate the customs clearance of postal items. Electronic data exchanges should contribute to the gradual move towards dematerialisation of transport documents and, more broadly, to the dematerialisation of customs clearance documents by encouraging the digitisation of customs and postal procedures.

Congo's customs code has not kept pace with the provisions set out in the Kyoto Convention. Congo is a member of CEMAC whose regulations had not changed since 2001. CEMAC Member States decided to update this code by Regulation No. 05/19-UEAC-010 A-CM-33 of 8 April 2019.

In general, this regulation enshrines the use of *information and communication technologies*, which customs authorities should adopt in consultation with all stakeholders wherever possible. In particular, customs authorities must provide for *e-commerce* methods and paper documents³¹. Therefore, declarations, requests and decisions, as well as the storage of this data, should be carried out with the greatest possible use of *computerised processing procedures*³². For example, cargo manifests will also have to be sent by carriers to the customs authorities *electronically*³³.

The successful development of international e-commerce (sending/receiving parcels) will also depend on the postal sector's ability to computerise its processes so that it can link up to existing (and future) platforms belonging to the customs authorities to streamline the clearance of postal items.

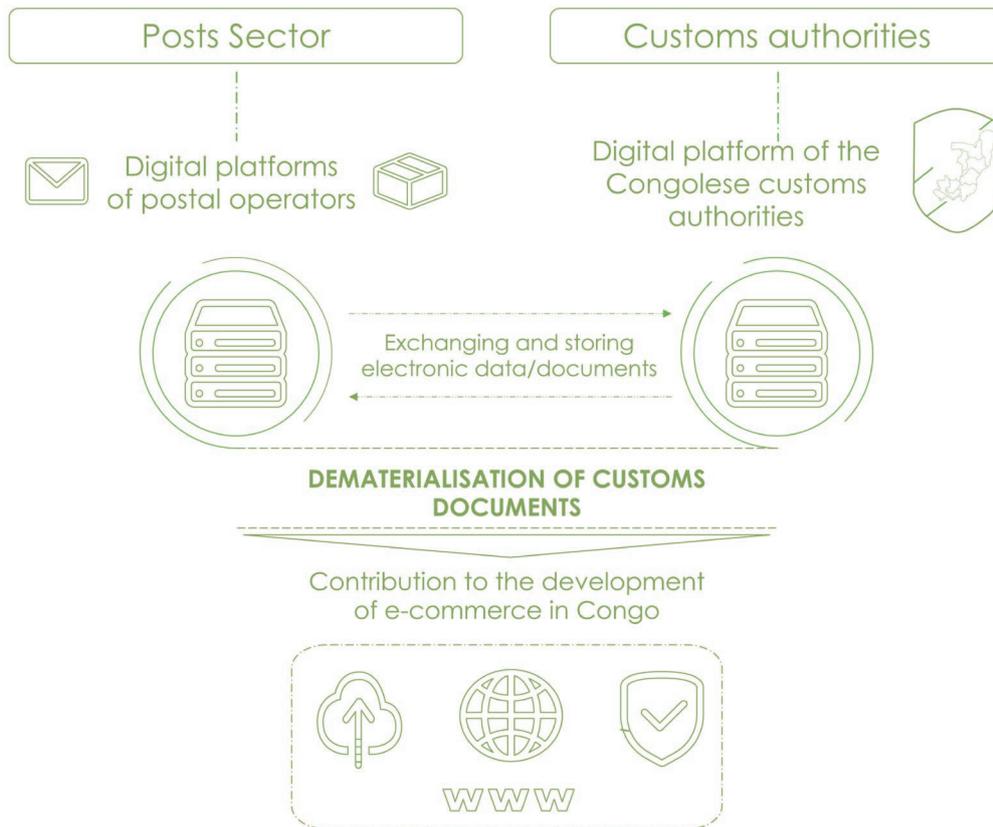
31 Article 66 of the Regulation N° 05/19-UEAC-010 A-CM-33 of 8 April 2019

32 Article 67-1 of the Regulation N° 05/19-UEAC-010 A-CM-33 of 8 April 2019

33 Article 117-125 of the Regulation N° 05/19-UEAC-010 A-CM-33 of 8 April 2019

The use of ICTs requires first setting up electronic data exchange systems to facilitate the digitalisation of postal and customs procedures. In this way, the speed, security and quality of postal clearance procedures will be guaranteed, especially as the roles and responsibilities of each party will be clearly defined.

Figure 10 : Digital collaboration between the post office and the customs authorities



Although the aforementioned Kyoto Convention took time to be transcribed into a community statutory law, Congo did not wait for CEMAC to start digitising and dematerialising certain administrative import & export procedures. Thus, law N°16-2013 of 19 July 2013 created the Guichet Unique des Opérations Transfrontalières - GUOT (One-Stop Counter for Cross-Border Operations). GUOT is a public-sector administrative body with a legal status and financial autonomy. GUOT is placed under the authority of the Ministry of Transport, Civil Aviation and the Merchant Navy.

Thanks to its virtual user interface, GUOT enables natural and legal persons (prior to making any exports or imports) to meet the legal requirements that contribute to the dematerialisation of the related administrative acts. It therefore has a number of tasks, including :

contributing to the development of e-commerce;

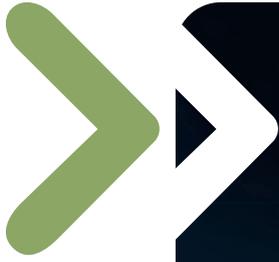
- facilitating and promoting external trade;
- ensuring the exchange of data relating to dematerialised foreign trade procedures and forms; and
- guaranteeing the interconnection and interoperability of IT systems belonging to external trade stakeholders.

Figure 11: The importance of GUOT in the development of e-commerce



Although the development of the digital economy in Congo is still in its infancy, progress is being made in this vast digital ecosystem. In the absence of a fundamental structural reorganisation that takes into account the need for a robust IT and information system supported by electronic communications, it is feared that the public postal operator will end up excluding itself from e-commerce opportunities, despite the fact that it has a vital role to play, especially with regard to parcel delivery.





7



FUNDING THE POSTAL SECTOR

Apart from the aforementioned basic infrastructure (the construction of which is the responsibility of the State), postal operators will not be able to avoid investing — some more so than others — in the overhauling, modernisation and construction of postal infrastructure and facilities. In the digital age, postal operators will have to invest in new software, complex information systems, new task automation systems, interactive websites, postal applications (iOS and Android), efficient call centres, etc. This will inevitably have consequences for the overall organisation of postal operators.

Postal operators will have to be profitable — or offer prospects of profitability — to convince local and/or international financial institutions to support their development. Without investment, the sector cannot be modernised to offer state-of-the-art services in line with people's expectations. If an operator is profitable, it will have the necessary resources to invest in upgrading its network in terms of coverage and connectivity.

The revitalisation of the postal sector will also require innovations or even inventions designed by local start-ups capable of contributing effectively to the digitalisation of companies in the sector. These Congolese start-ups, which have plenty of ingenious ideas, often face difficulties when it comes to securing financing. It is almost impossible for them to flourish and offer digital postal solutions suited to the local context without adequate funding.

There are at least two (2) layers in the financing of the postal sector. The first layer directly concerns postal operators legally operating in Congo. The second concerns companies that are not competitors, but that provide innovative services, i.e. start-ups.

Another important advantage of banking and financial institutions funding the postal sector is the creation of jobs. Modernising the working environment thanks to digital technology will enable postal operators to attract and retain skilled employees. These skills will contribute to the revitalisation and smooth running of the postal sector, while encouraging the emergence of advanced logistics services in line with the development of e-commerce.

Financing the modernisation of the postal network in Congo, including that of the public postal operator, is therefore necessary if the sector is to play a meaningful role in the development of the Congolese economy in general and e-commerce in particular.



8

CHALLENGES ASSOCIATED WITH THE EFFECTIVE REGULATION OF THE POSTAL SECTOR

The legal framework that governs the postal sector in Congo promotes competition between operators. The incumbent and private operators and the regulator all have clearly defined roles, which ensures compliance with legal provisions. The progressive digitalisation of the Congolese economy is leading to paradigm changes in many sectors. The postal sector is not immune and will require particular attention with regard to the necessary evolution of the legal framework.

The rapid evolution of information and communication technologies (ICTs) is changing the starting point, to the extent that competing operators in the same sector may have to consider strategic partnerships or alliances instead of being fierce competitors. Such an evolution of the basic principles of market liberalisation inevitably calls into question the players in the postal sector, including institutional players, on the need to change the legal framework or not.

8.1. From competition to strategic partnerships in the postal sector

SOPECO has a platform called PosteMobile³⁴ that allows users to conduct various transactions on a mobile phone, such as :

- transferring money;
- withdrawing and depositing money;
- opening an account; and
- paying in salaries and pensions.

These transactions can be carried out regardless of the user's mobile telephone operator in order to contribute, as far as possible, to digital inclusion, i.e. access to digital financial services by a large proportion of the general public. SOPECO has demonstrated that there is no shortage of initiatives in the postal sector with regard to meeting people's expectations in the digital economy. However, the question that arises is the strategic positioning and competitiveness of SOPECO. Indeed, PosteMobile appears to position itself as an alternative to the mobile money services offered by mobile network operators (MNOs) such as MTN and Airtel. Does SOPECO have the means to compete with the MNOs, which are already so well established throughout the Congo? SOPECO could have considered moving from a competitive strategy — which it would not win — to a *collaborative strategy* (or partnerships) with the MNOs.

³⁴ The platform exists The application could still be downloaded from Google PlayStore on 30/11/2022. But is it still working? In the absence of data on transactions on the platform, its current usefulness must be subject to some doubt.

In the area of remittances for example, former major players that failed to foresee this type of *collaborative strategy* were not able to survive the massive rollout of mobile money, and MNOs took away their monopoly on money transfers.

From a *conceptual* point of view, postal financial inclusion in Congo could have been the process by which people excluded from the formal financial system gained access to it through the postal network. Alas, the reality was quite different, and shows that financial inclusion is already happening, but mainly thanks to the MNOs. For various reasons, the postal sector was not sufficiently prepared to support the emergence of digital financial services in Congo.

Postal sector players, including SOPECO, should be cautious about making the same strategic mistakes if they want to continue to prosper in the digital economy. Indeed, forming partnerships makes it possible to share risk, reduce costs and gain in agility.

8.2. A changing legal and regulatory framework for the digital age

In the context of the recent development of Congo's postal sector, the *initial phase* of regulation that favoured its liberalisation can clearly be seen. It effectively put an end to the State monopoly. The aim of this was to promote and guarantee competition within the sector by regulating (within the limits of the law) tariffs, the universal postal service, postal financial services and so forth, and by granting the necessary administrative permits to postal operators.

Is the current legal framework still fit for purpose with regard to the technological changes that are disrupting the postal sector? This question requires comprehensive reflection on the development of the current regulatory framework, which must adapt to the development of the digital economy through emerging technologies, as well as the applications associated with them. The aim is to modernise the postal sector, i.e. beyond its traditional mission, while taking into account the regulatory constraints that other sectors and institutions may impose.

The challenges associated with the *second phase* of regulation are such that it seems unlikely that only one regulatory framework covering all the aspects of the postal sector in the digital age would be sufficient. For example, in the context of developments related to electronic communications, mobile financial services are co-regulated by both the banking and telecommunications sectors. The Government and legislator need to address this complexity in order to contribute to the modernisation of the postal sector. Indeed, a new regulatory framework would be necessary to ensure digital inclusion in the postal sector. Traditional forms of regulation will not necessarily apply in the future, and this implies a paradigm shift in the legislation and regulation of the postal sector.

Figure 12: Regulatory changes for the digital age

Postal Regulation	
Since 1998	The future !
Principles	Principles
<ul style="list-style-type: none"> • Liberalisation • Privatisation <i>Classic economy</i>	<ul style="list-style-type: none"> • Adaptation • Innovation <i>Digital economy</i>
Aim	Aim
To promote competition	Digital inclusion
Tools	Tools
<ul style="list-style-type: none"> • Concession • Declaration • Authorisation 	<ul style="list-style-type: none"> • Mutualisation • Interdependance • Strategic partnerships

E-commerce could gradually replace traditional trade in Congo, but still has a long way to go before it reaches maturity. As a reminder, e-commerce, like traditional trade, cannot be extended throughout the Congo as long as the transport sector remains underdeveloped. It will also be necessary to integrate the regulatory constraints emanating from the customs authorities; regulations which should also incorporate a certain degree of flexibility necessary for the modernisation and development of the postal sector as an important pillar of the fledgling digital economy in Congo.

Figure 13: Challenges of the postal sector in the digital era

Already done		Remains to be done	
Laws / decrees	Regulation	e-Commerce	<ul style="list-style-type: none"> • Regulating e-commerce • Accelerating postal addressing & coding systems  <ul style="list-style-type: none"> • Structuring multi-sectoral co-regulations • Defining precisely the role of each regulator in the oversight of digital solutions • Improving & extending the transport networks
Existence of laws and decrees regulating the sector	Existence of a postal sector regulator (ARPCE)	Promoting and implementing e-commerce	
Liberalisation	Universal service	Innovation	
Official since 1998, but in reality 1982 (DHL)	Designation of the universal service provider (SOPECO)	Encouraging local innovation in digital solutions	Financing
Incumbent operator	Private operators	Funding operators, SPU and innovative start-ups	
Reserved services (certain services reserved for SOPECO)	All postal services (except reserved ones)		



9

KEY STRATEGIC RECOMMENDATIONS FOR THE POSTAL SECTOR

Overall observations of Congo's postal sector show that it needs to be modernised along its entire value chain to ensure its viability; this also depends, to a large extent, on an efficient transport system coupled with state-of-the-art logistics. It is partly thanks to such efforts, especially in basic infrastructure, that a universal postal service could become a reality. The sector must offer postal financial services to as many people as possible for e-commerce to flourish. These are just some of the key milestones that will contribute to the transformation of the postal sector ecosystem in Congo.

Innovation should be at the heart of this transformation, thus encouraging players in the postal sector ecosystem to change their model. This implies adopting collaborative strategies and sharing responsibilities and/or infrastructures that promote economies of scale. This will involve overhauling the legal framework so that it takes into account the challenges that systematically affect digitalisation of the Congolese economy.

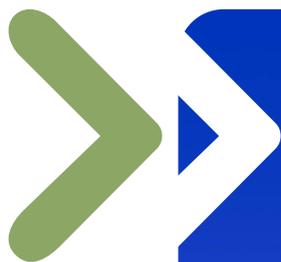
The table below summarises, as far as possible, some of the ways in which Congo could achieve the digital transformation in the postal sector.

Table 2: Recommendations for the postal sector (non-exhaustive)

Postal Sector Infrastructures (1)	Postal Coding System (2)
Upgrading, building and modernising postal network infrastructure and facilities.	Implementing an addressing and postal coding system to enable postal workers to deliver parcels/letters to a precise address.
Implementing a modern and efficient logistic services for the delivery and tracking of letters and parcels.	Implementing a geographic information system (GIS) to manage and optimise the efficiency of traditional delivery routes.

Universal Postal Service (3)	Postal Financial Services (4)
<p>Using existing networks (road, air, rail and waterway) to create channels for routing postal items throughout the country.</p> <p>Building more post offices and private postal agencies to bring postal services as close as possible to residents.</p> <p>Revitalising, improving and extending the postal network as far as possible across the country.</p> <p>Upgrading, modernising and expanding basic infrastructure (transport/energy) throughout the country.</p>	<p>Reintroducing:</p> <ul style="list-style-type: none"> - the postal cheque service to manage current postal accounts through the postal cheque centres and post offices; - the postal savings service to mobilise, collect and grow savings in the postal network.
E-commerce (5)	Transforming the ecosystem (6)
<p>Drafting a memorandum of understanding between the public operator (SOPECO), private operators and customs authorities (land, sea and airport) to facilitate international purchases in order to promote e-commerce.</p> <p>Implementing interoperable platforms to facilitate payments from mobile telephones to merchants' digital platforms (including the internet).</p>	<p>Redefining the postal service for the digital age.</p> <p>Identifying the core business of the postal sector in the digital age.</p> <p>Drafting a development strategy for the postal sector in the digital era.</p>
Innovation (7)	Partnerships (8)
<p>Encouraging and supporting local creative talent to develop innovative solutions in the postal sector in particular.</p> <p>Promoting and taking advantage of such innovations and inventions created by Congolese talent.</p>	<p>Encouraging cooperation and competition opportunities between postal sector players.</p> <p>Envisaging co-regulation between state institutions in related sectors.</p>
Legal reforms (9)	
<p>Revising/adjusting/strengthening the laws that currently govern the postal sector to make them compatible with the transformation of the postal sector ecosystem in the digital age</p>	





CONCLUSION

Following the Republic of the Congo's independence in 1960, the Office Equatorial des Postes et Télécommunications - OETP (Equatorial Post and Telecommunications Office) changed its name to the Office National des Postes et des Télécommunications - ONPT (National Post and Telecommunications Office) in 1964. It was not until 1998, thirty-four (34) years ago, that the postal sector was *officially* liberalised. This three-decade-long state monopoly exposed the many *limitations* (including structural ones) of the management of the public postal operator. In 2001, the State dissolved the ONPT into two separate entities.

Although liberalised in 1998, it was not until 2009, eleven (11) years later, that the postal sector had a law that reflected the reality. The new legal framework made it possible to guarantee fair competition between the various sector players, as well as leading to the creation of the Agence de Régulation des Postes et des Communications Électroniques - ARPCE, the State Market Regulator for the Post and Electronic Communications Sectors. Through ARPCE, DHL was finally granted a licence in 2012, thirty (30) years after the start of its operations in Congo.

Despite the regulator's involvement in the performance of its missions, the postal sector remains a weak link in Congo's economy due to the many challenges that still need to be overcome. In this respect, it is *absolutely necessary* to modernise SOPECO by providing it with the financial and managerial backing required to fulfil its obligations, particularly in the context of the universal postal service (UPS). Indeed, SOPECO is still suffering from the consequences of the socio-political unrest of 1997, and some of its branches have not been rebuilt. It was also deprived of a significant source of income from the postal cheque centres (PCCs), which should have been immediately transformed into a *bank*, either wholly or mainly owned by SOPECO. However, there is nothing to prevent SOPECO from offering financial services and receiving *savings* that could be used in its network under the law regulating the postal sector. In this way, it might regain the trust of the population.

More generally, SOPECO must undergo a metamorphosis that takes into account the challenges linked to the gradual and inevitable emergence of the digital economy in Congo so that it can prepare for it. There is still time to catch up in this area!

The development of ICTs, as well as the restructuring and extension of the postal network will require a *revision of the sector's legal framework*, which is gradually becoming obsolete. It is now necessary to think beyond the regulation of markets and competition and include "cooperation" between postal sector players, "co-regulation" with other stakeholders, as well as the "digital impact" on postal services.

It will be difficult to make significant progress in the postal sector as long as failings in the transport network continue to pose serious problems for postal actors. Unlike telephone services, which require the installation of aerials and such to operate autonomously even in hard-to-reach areas, the postal sector must offer local services on a daily basis. Therefore, the *postal sector is highly dependent on the transport sector* (air, river, road and rail). It will be difficult to build a resilient digital economy as long as this basic infrastructure is not in place. Therefore, the fundamental approaches of *traditional development* must be brought together to help support the *development of the digital economy*.

The postal sector should be able to benefit from innovations, even inventions, conceived by Congolese men and women who wish to put their creative talent at the service of the postal sector in particular, and the wider community in general. It is by succeeding in *de-inhibiting* the collective mindset with regard to local talent that some of our concerns could find contextualised solutions — provided that there is as little *reluctance* as possible with regard to funding.

Finally, the postal sector in Congo also suffers from the absence of a *postal coding system* that is necessary to facilitate the routing of parcels to specific physical addresses. The authorities need to introduce a postal coding system in urban/semi-urban areas and villages. How can *e-commerce* develop if citizens are unable to receive the items they ordered online at their homes? Moreover, postal items must arrive in good condition within a reasonable time frame, thanks to a well-functioning logistics sector supported by an efficient transport system. This is why ARPCE has taken the initiative of bringing together stakeholders at State level so that a digital postal addressing system in Congo can become a reality, and makes an impact that goes far beyond the simple framework of the current postal sector.

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