POSTAL REGULATOR

2023

Annual Report



VICTORIA: SECOND FLOOR, MAISON D'ESPLANADE TEL: 4382148

This document is the Annual Report of the Postal Regulator for the year 2023. It has been designed, compiled and published by the Postal Regulator to record, report and showcase their achievements for the year. The report contains written text, numerical statistics, and photographs for the purpose of this report only.

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POSTAL REGULATOR

Vision & Mission

VISION

To be a Regulator which engages postal stakeholders to promote a strong postal system through objectives, accuracy, timely regulatory analysis and decisions.

MISSION

Transform the Postal Sector into a modern, dynamic and performing postal system.

A WORD FROM THE CEO

This year, the Postal Regulator publishes its first Edition of the Annual Report. With a great sense of pride and responsibility, I took up the position of Chief Executive Officer in October 2023, as the postal sector prepares to embark on a significant evolution.
This document sets out our performance objectives on the regulation of postal sector for the year 2023. Our main aims are to improve services for consumers, efficiency of the universal postal service and promote competition in the postal market.

Postal services play a key role in our society today and are used by almost 90% of the population. The postal market has undergone significant change in recent years, as consumer demand shifts from letters to parcels.

The Covid-19 pandemic accelerated these trends and highlighted the importance of postal services for residential customers and businesses across Seychelles. Postal operators are continuing to evolve.

For parcels services, competition has increased, especially for fulfilling online shopping orders. This is spurring innovation in response to consumers' changing needs. Our regulatory framework underpins the postal market, and so it is important that our approach to regulation remains appropriate, effective, and fit for purpose.

We want to ensure that postal users continue to have access to affordable and reliable postal services that meet their evolving needs. The Postal Regulator, like other operators, need to evolve in the postal sector business, while maintaining the provision of the universal postal service.



At a glance

Key figures (at year end)

Number of letters delivered in 2023

136,844 thousand



Number of Parcels received in 2023

384,914 thousand



Number of employees in the Postal Sector

148 employees



Number of door to door deliveries done in 2023

121,700 hundred

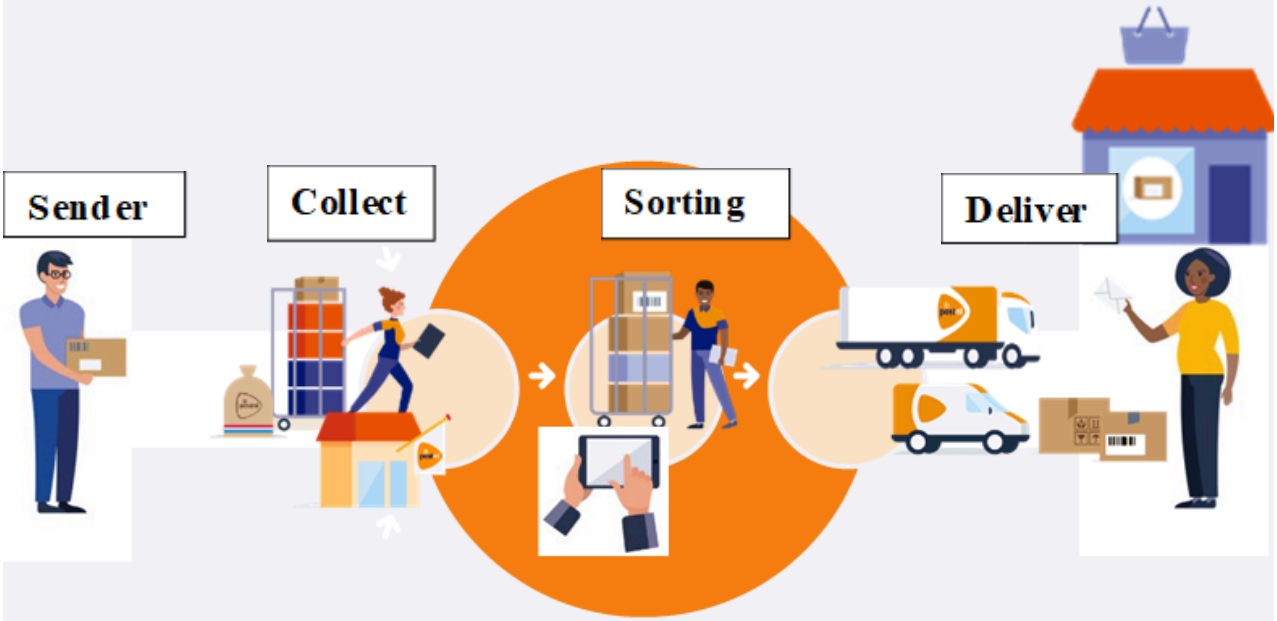


Number of complaints received

42 complaints



The Postal Sector Value Chain

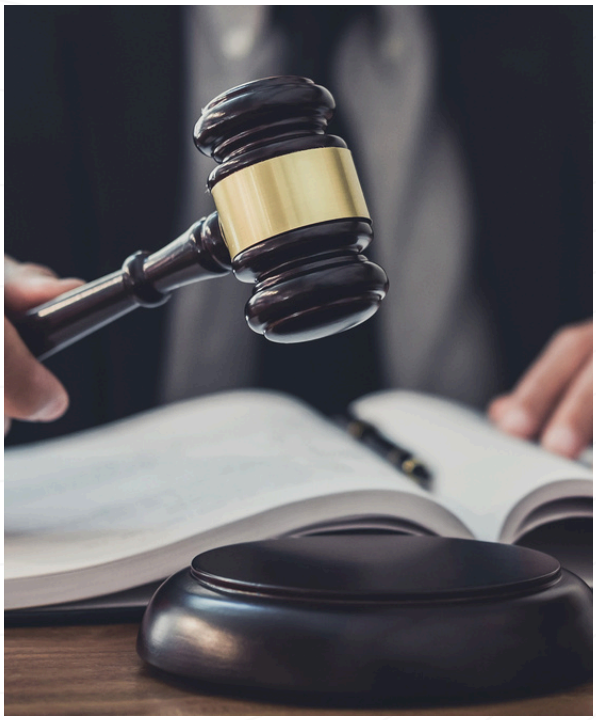


1. Legislation

The Postal Sector Act, 2010 was enacted to establish a Postal Regulator as a body corporate to regulate the postal sector. As part of a review process to bring more efficiency within the postal sector, the National Assembly has approved the Postal Sector (Amendment) Bill, 2023. A new regulation for Postal Sector (Clearance of Courier Goods and Door-to-Door Delivery) also became in force in 2023. The aims were to strengthen and provide the necessary cadre for the Postal Regulator, mainly related to its structure and additional enforcement powers.

The amendments proposed in the bill include;

- giving power to the Postal Regulator to issue license.
- to set conditions for the duration, renewal and removal of license.
- for the Postal Regulator to be responsible for the licensees.
- strengthening the function and power of the Postal Regulator.
- set out a clear administrative cadre for the appointment of a chief executive officer, staff and account for the post and establish clear mechanisms to address appeal cases



It also proposes that the section dealing with offences and other actions should be strengthened. This was necessary to reflect the changing postal landscape. The bill was presented by the Minister for Finance, National Planning & Trade, Naadir Hassan

2. Our Objectives for 2023

- **Work on a Licensing Framework for Postal Sector**
- **Engagement of stakeholders in development of an efficient Postal Sector**
- **Enforcement of the Postal Sector Act and Regulations**
- **Enhance visibility of the Postal Sector**
- **Promote and implement effective performance management in the Postal Regulator**

2.1. Create a Licensing Framework for Postal Sector

The Postal Regulator gained regulatory powers of the postal sector in Seychelles through key pieces of legislation since 2010 namely; the Postal Act, 2010. Therefore, there is a need for Postal Regulator to work on a licensing framework that facilitates market entry and supports innovation for the provision of varied service offerings that meet the changing customer needs and expectations. In view thereof, the Postal Regulator in consultation with its stakeholders, has developed a licensing framework for the postal sector that will facilitate all these.



This licensing framework for the Postal Sector will be a regulatory tool to guide the licensing of postal operators and the provision of postal services across the country. The preceding Act, gave the power of issuance of the licenses to the Seychelles licensing Authority (SLA) on the advice of the Postal Regulator. The new Postal Act makes provisions for the Postal Regulator to issue licenses, set conditions for the duration, renew, remove licenses, monitor and guide the activities of the operators. This licensing framework will be the first Postal Licensing Framework to be developed and implemented in Seychelles since the Postal Regulator assumed the duty to oversee the postal sector. A document will be presented to the cabinet of ministers as a cabinet memorandum in 2024 to approve the licensing conditions.

2.2. Promote and implement effective performance management in the Postal Regulator

This year, the Postal Regulator has conducted an analysis of key performance in the Postal Sector. This has been instrumental to focus on regulatory reforms and actions that do not adversely affect service quality and maintain high standards. A 3 year strategic plan has been developed with the mission of strengthening the transformation of the Postal Sector.



2.3. Engagement of stakeholders

Engaging stakeholders in the development of an efficient postal sector is crucial for its modernization and sustainability. Our main stakeholders this year were identified as Trade Department, Customs, Seychelles Postal Services, Courier companies, Air Seychelles, Seychelles Civil Aviation Authority, Universal Postal Union and the Seychelles Police. Most of these stakeholders were involved in the planning of projects and decision-making processes through weekly and monthly consultations.

This year, we also began the preparation for signing Memorandum of Understanding (MoU) in the postal sector (between Seychelles Postal Services and Customs), (between Seychelles Postal Services and Seychelles Financial Authority) and (between Courier companies and Customs). This serves as a formal agreement between the parties. It outlines a framework for cooperation, detailing the roles, responsibilities, and objectives of each party in pursuit of mutual goals in the Postal Sector.

The Postal Regulator worked closely with the Seychelles Post office to bring changes in their services, the collaboration aims to enhance efficiency, improve customer satisfaction, and adapt to the evolving market demands. An assessment of the current services was done where we conducted a comprehensive review of current postal services, including delivery times, service coverage, customer satisfaction levels, and technology use. After collaborative planning, we implemented pilot projects for selected service changes to test their feasibility, customer acceptance, and impact on operations.

Those projects include increasing the opening hours of the post office, flexible working hours, temporary staff for the festive season, door- to-door delivery of ordinary parcels and introducing a fast-track tilt for customers collecting more than 3 parcels.

2.4. Enforcement of the Postal Sector Act and Regulations

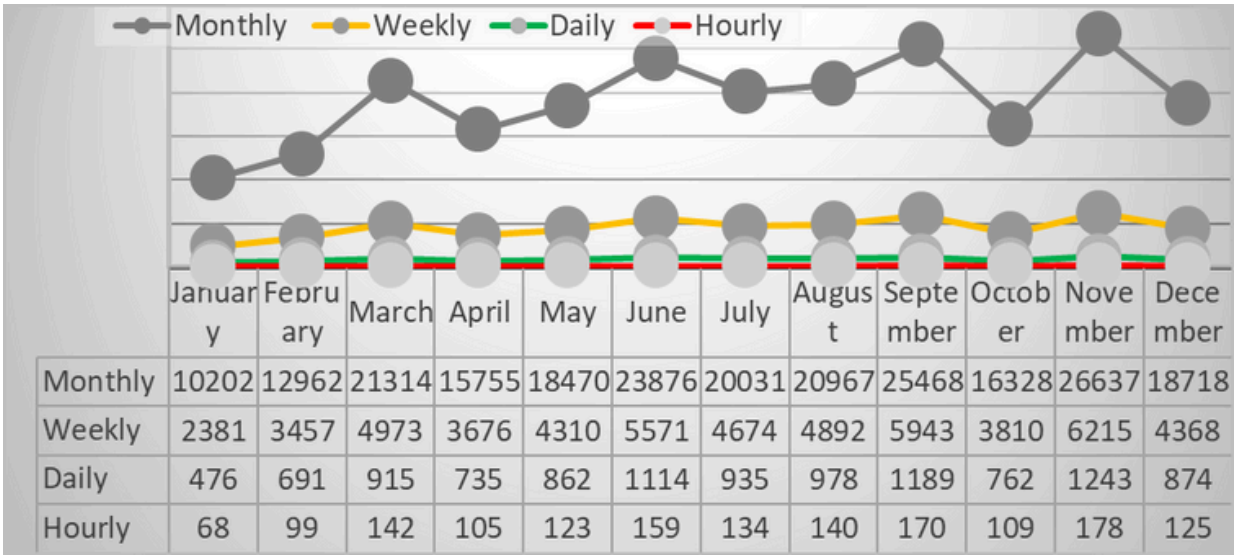
The Postal Sector Act 2023 makes provisions for the Postal Regulator to regulate the postal sector whilst developing a competitive communications and logistics market nationally and regionally. The Postal Sector in Seychelles consists of 1 designated postal service which is the Seychelles Postal Services and 3 main courier companies which are the DHL, FedEx and Mahe Shipping companies. Since this is the first annual report compiled by the Postal Regulator, there will be no statistical comparison to the previous year of 2022.



3. The Seychelles Postal Services

The Seychelles Postal Services (SPS) consist of 102 employees and 5 Post Offices. It is the designated post office in Seychelles. The statistics are inclusive of the post office and the Express Mail Service (EMS) courier service provided by the SPS. The graph below represents the number of postal articles received for the year 2023. This year, the SPS received a total of 233,043 postal articles via the post office, postal articles consist of parcels, small packets and EMS merchandise.

Postal Articles –Received



	January	February	March	April	May	June	July	August	September	October	November	December
Monthly	10202	12962	21314	15755	18470	23876	20031	20967	25468	16328	26637	18718
Weekly	2381	3457	4973	3676	4310	5571	4674	4892	5943	3810	6215	4368
Daily	476	691	915	735	862	1114	935	978	1189	762	1243	874
Hourly	68	99	142	105	123	159	134	140	170	109	178	125

Figure 1: Postal Articles received in Seychelles 2023

The peak in postal articles received in November can be attributed to two main factors:

Early Festive Season Orders: Customers ordering their festive season parcels early contribute significantly to the increase in postal traffic. This behaviour is likely driven by the desire to ensure timely delivery of gifts and goods for the holiday season.

Black Friday Sales: The effect of Black Friday sales in November also plays a crucial role. The substantial discounts and deals offered during this period encourage a higher volume of online shopping, leading to an increase in postal articles as consumers take advantage of the sales.

These factors combined result in November being the month with the highest number of postal articles received, highlighting the impact of seasonal sales and shopping behaviours on postal traffic.

The graph below shows the Top 10 contributing country for Postal articles received in 2023 with Mauritius being the country where most articles was received.

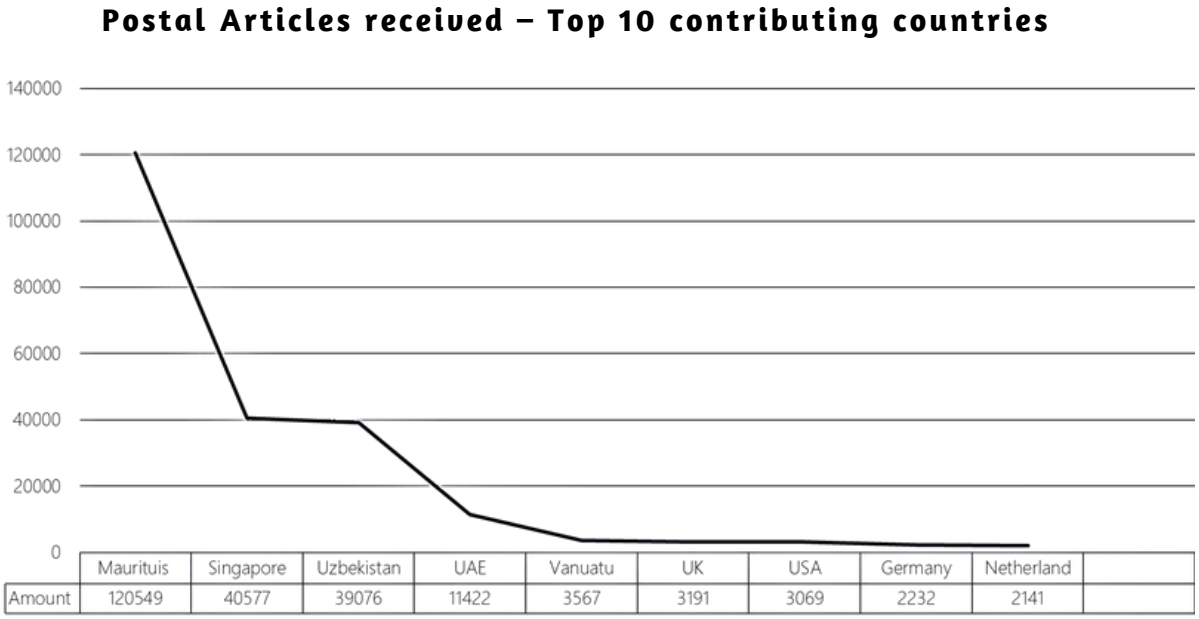


Figure 2: Top 10 contributing countries

The graph below depicts a total of 13,183 Postal articles sent outbound via the Post Office. Most articles were sent in the month of November and January.

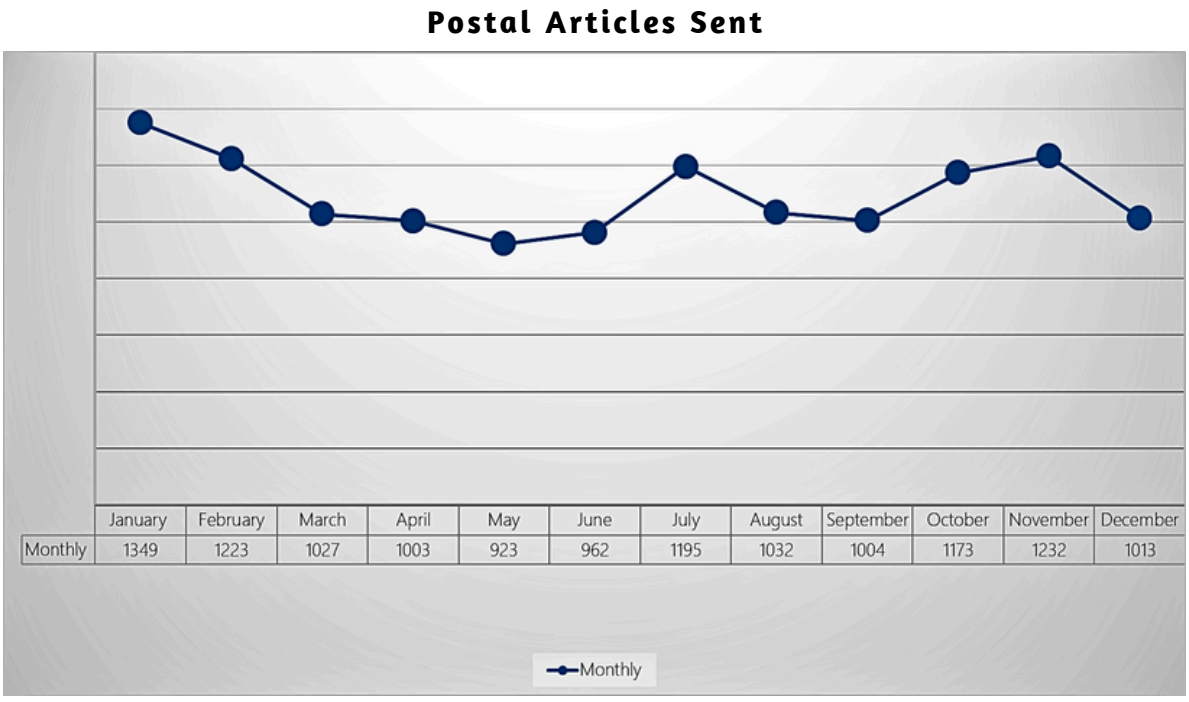


Figure 3: Postal articles sent

There are 2 post offices on the inner islands, that is 1 on Praslin and 1 on La Digue. 46,351 parcels were processed via Praslin and La Digue Post office in 2023.

Praslin and La Digue Sub Post – Parcel Processed

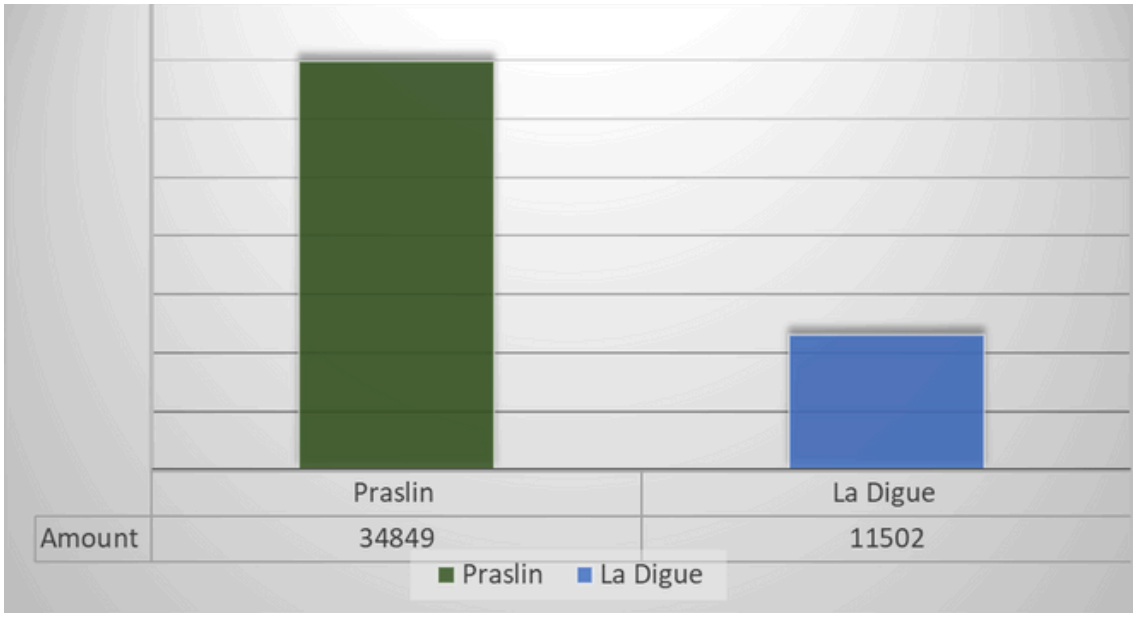


Figure 4: Parcel processed on Inner Island

On the 14th November, the post office started the door to door delivery service similarly to a courier service. A total of 1,327 packets were delivered from the door to door service. It was noticed that mostly repeated clients were using the service.

Door to Door Deliveries

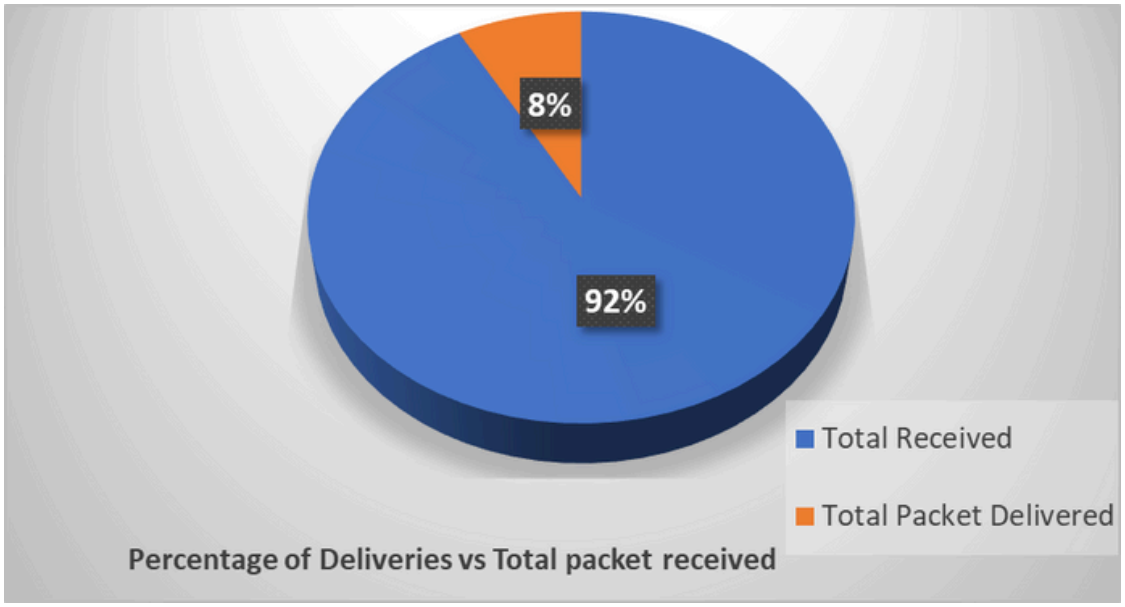


Figure 5: Door to door deliveries done

Number of queries recorded

The SPS recorded a total of 13,000 queries in 2023 which consist of 18 formal complaints in different areas. Queries also represents, information regarding personal parcels, business advice in regards to parcel handling, damage reports for parcels, guidance on bills of entries, job opportunities and other related matters. The number of queries received shows that there is a need to strengthen the advocacy program for the Postal Sector.

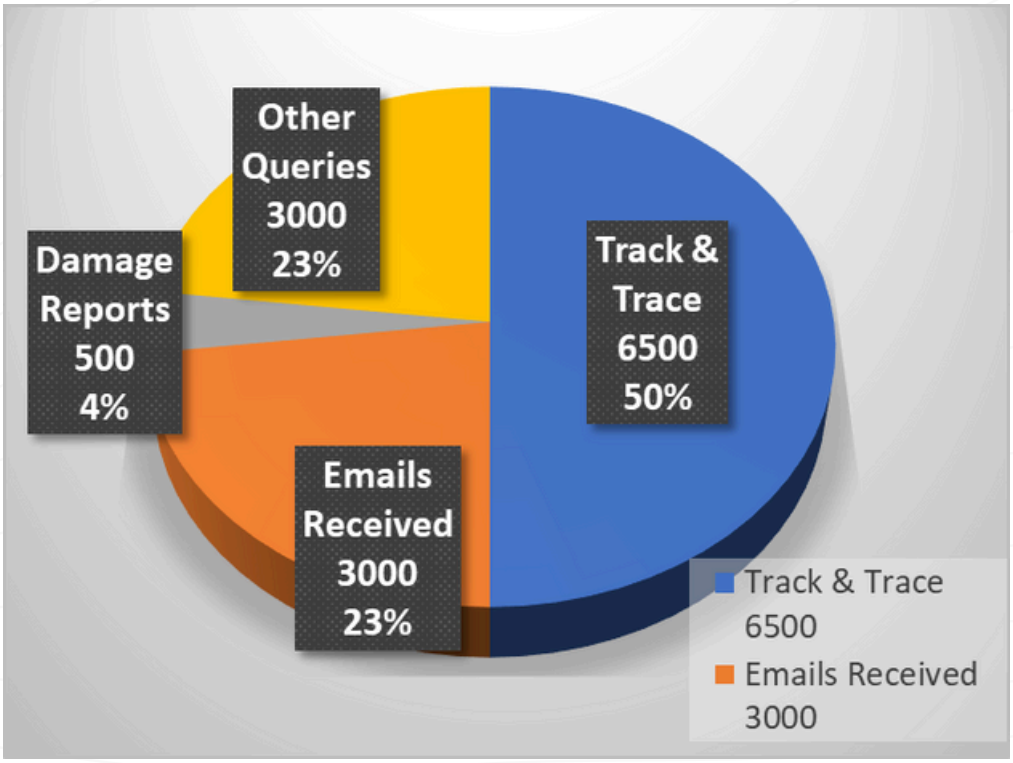
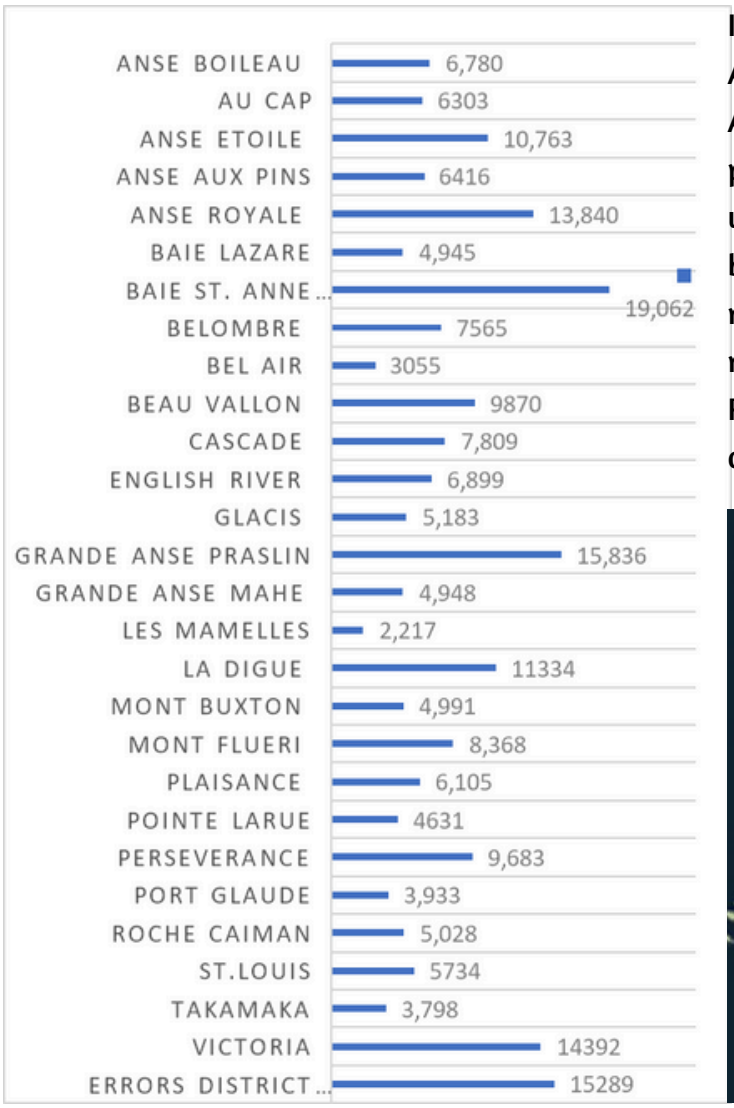


Figure 6: Number of quiries recorded





Parcel dispersal count per district



In 2023, the district of Baie Ste Anne Praslin followed by Grand Anse Praslin, received more parcels than any other districts via the Post Office. That might be because others districts use mostly the courier service rather than the Post office. The Post Office is also the cheaper option for the islands.

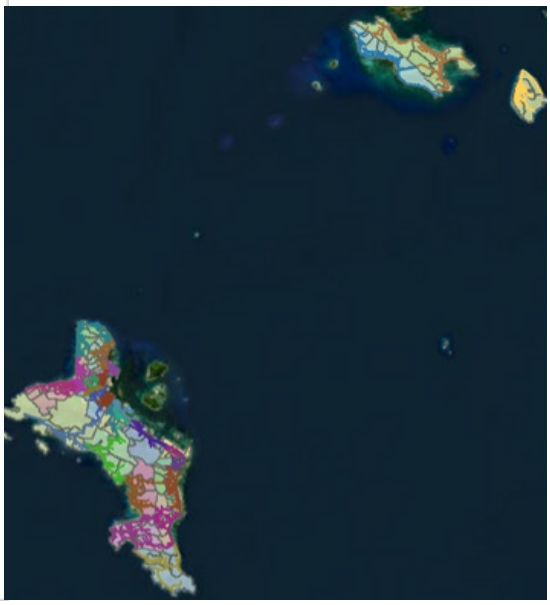


Figure 6: Parcel dispersal count per district

3.1. Challenges: Seychelles Postal Service

• **Employee capacity building** – skills capacity of employees do not match level of technical work required and use of systems. Modern postal services are data-driven and use analytics.

• **Employee turnover** – Some employees have left due to poor performance in technical work.

• **Cost of technology** – Regardless of the size of a postal operator, they all would need the same technology; thus, the size of the Postal Operator does not impact the cost. For instance, a small postal operator would still be a significant investment.

• **Lack of an addressing system** – As there is no address system in place nationally, teams have to call clients for their locations, leading to many inefficiencies.

• **Slow inbound delivery services** - There are different systems to update and many steps to follow.

• **Tailored customer service** - Customers do not want to follow procedures when collecting parcels and expect to bypass steps, this causes disruptions to process flow.

• **Space** – The Post office has outgrown its space; it was built for letter, not e-commerce.

• **Cost of airlines** - The bigger the volume, the cheaper the rate, we have a small outbound volume and pay high prices.

• **International Unrest** – E.g. There is a postal embargo on Russia. Thus, Seychelles is unable to send postal articles to Russia.

• **Drop in tourism** - If tourism drops, a large client base for sales and key items such as postcards, at the post office would drop.

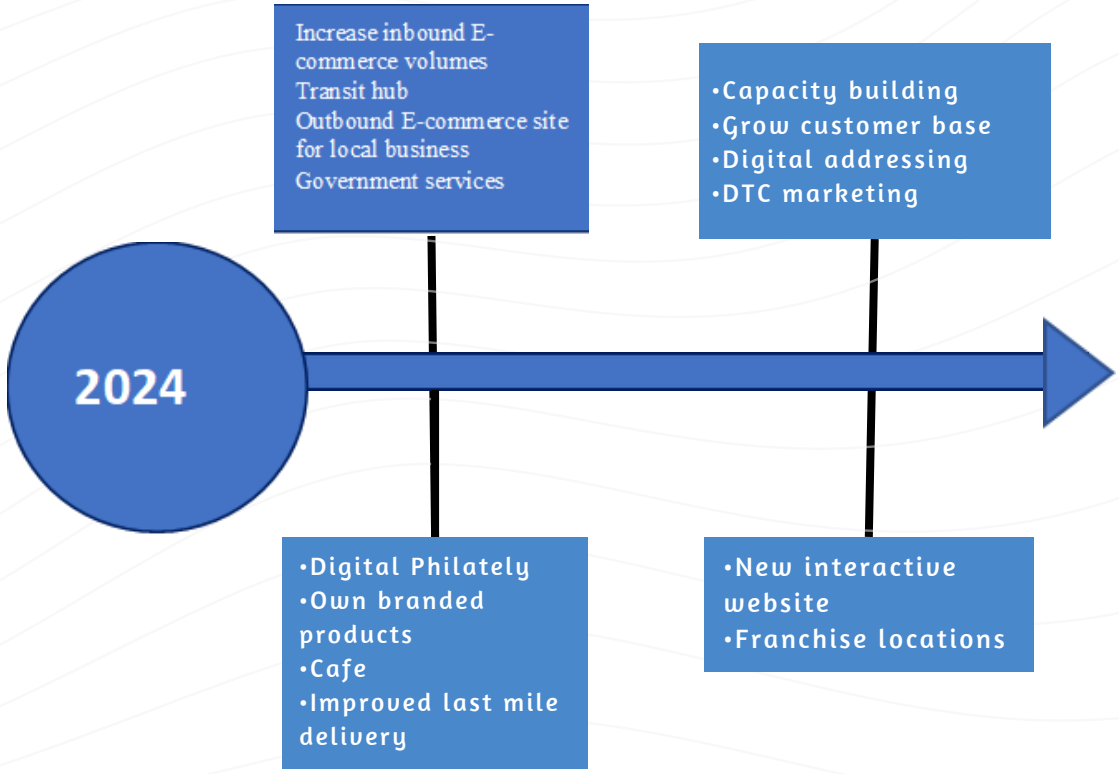
• **Courier competition** – As the number of players in the market are increasing, the post has to elevate its standards, whilst keeping costs down as it is a public service.

• **Network connectivity** - The Postal Sector relies on internet-based systems. Limitations in internet connectivity disrupts operations thus posing a key challenge.

• **Integration of technologies** – It is difficult to find local talent in IT to complete the IT task at a reasonable price.



SPS Plan for Jan 2024-Dec 2024



3.2. Mahé Shipping

Mahé Shipping Company, based in Seychelles, is a long-established and leading shipping agent. The Company was formed 50 years ago by shipping companies with roots going back to the 19th century. Today Mahé Shipping comprises of 15 staff. The company offers postal services including customs brokerage & logistics services, packing & relocation and courier services. They are part of the Corvina Investment Group, one of the largest companies in Seychelles with a portfolio that includes insurance, tourism, transport services, hotel ownership and gas manufacture and supply.

Amongst several services offered by the company, courier is one premium, all-inclusive service which includes clearing, collecting and delivering shipments in the shortest possible timeframe.

MAHE SHIPPING est. 1969

The major functions of Mahé Shipping Company in the Postal Sector are as follows:

- Ensuring manifests are ready and corresponds with that received by Customs;
- Verification of shipments/pending slips against manifests;
- Report on any discrepancies;
- Indicate on manifest copy if shipment is released/ held/ MR/ missing / un-manifested;
- Report of any damage/torn or wet shipments found
- Ensure retrieval of damage report from ground handling agent;
- Inform overseas partners of receipt confirmation;
- Labelling of shipments against manifests;
- Inform consignees of arrival of shipments to confirm delivery address and if shipment is held, what is required by Customs;
- Process pending slips received from Customs in order to conduct clearing procedures;
- Preparing Proof of Delivery (POD) documents for deliveries;
- Ensure receipt of PODs daily from the delivery officers/drivers to forward to overseas partners accordingly;
- Invoicing to be completed weekly;
- Ensure filling is completed; and Updating of statistics courier statistics

3.2.1. Statistics of parcels received and exported per month

The table below provides a comprehensive overview of Mahé Shipping's parcel data for the year 2023. Key findings indicate that Mahé Shipping received a total of 62,871 parcels throughout the year, with November experiencing the highest volume of parcels received. This peak is attributed to a customer awareness program that advised clients to order parcels early for the festive season, highlighting the impact of proactive customer communication on shipping volumes. Trends suggest an increase in parcel volumes in the months leading up to the festive season, particularly in November.



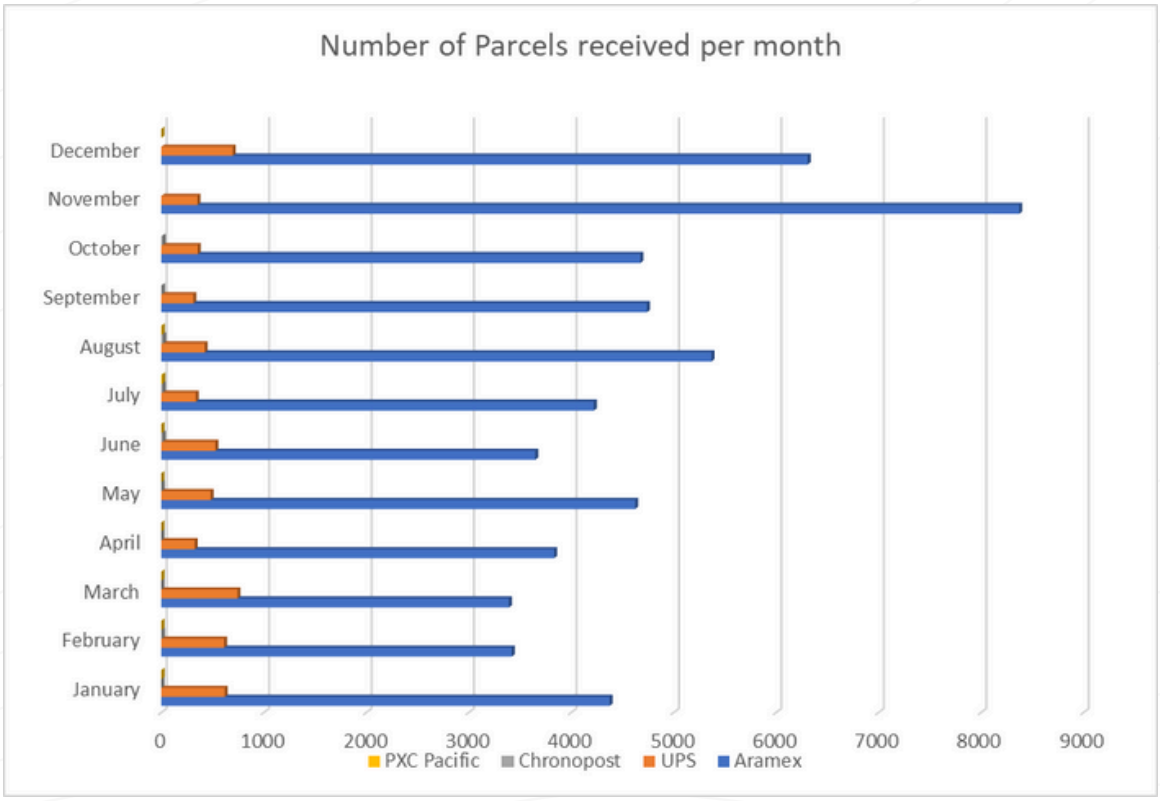


Figure 7: No of Parcels received per month

Statistics of parcels sent (outbound) per month

Month	Total parcels exported
January	3
February	8
March	6
April	3
May	10
June	6
July	6
August	7
September	4
October	4
November	5
December	7
Total	**69**

3.2.2. Statistics for Praslin and La Digue

The graph below illustrates total shipments for Praslin & La Digue. A total of 4,444 shipments were delivered to Praslin and a total of 1,496 to La Digue.

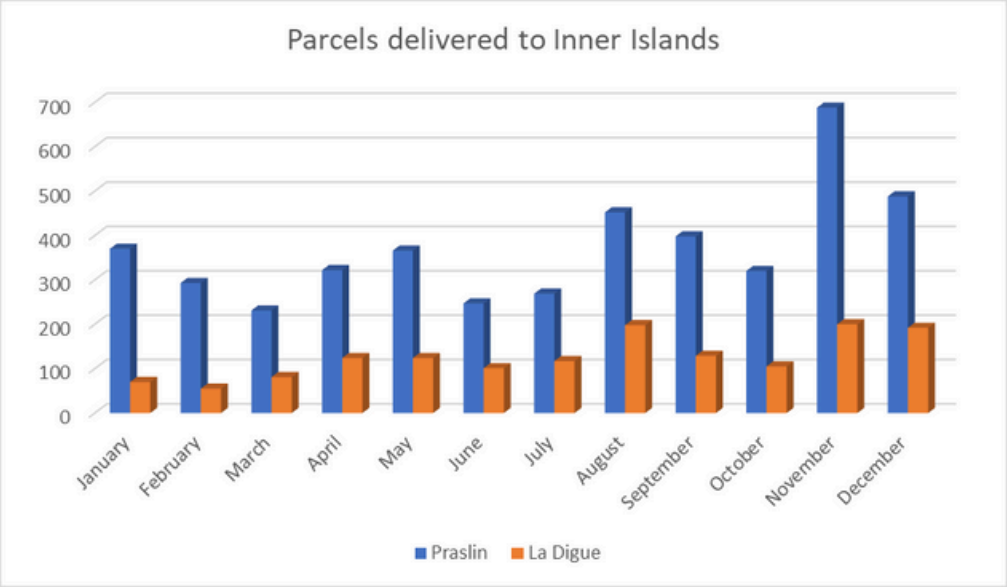


Figure 8: No of Parcels delivered to Inner Islands

3.2.3. Statistics on Door-to-door delivery

Mahé Shipping prepares only one Proof of Delivery (POD) document per Air Waybill (AWB). Hence, there are no statistics as the door-to-door delivery and office collection are not separated on PODs. However, it is estimated that around 50,000 parcels were delivered via door-to- door services.



Effective in 2024, the company has been advised to cater for the exact statistics.

3.2.4. Statistics of complaints received in 2023

Complaint type	Quantity	Solution
Delays in receiving parcel	7	• Delays in clearing due to volume were improved through additional workforce • Some clients required more education on the procedures
Lost parcel	2	• One client was refunded • One parcel was found at Customs/Airport office after 1 week
Poor customer service	5	The issue was addressed through training and certain staff not meeting expectations were replaced

3.2.5. Challenges

For MaheMahé Shipping, space was a major challenge encountered in 2023, as the company saw a sudden boom in the volume of parcels compared to 2022. Operating within the current small-scale sorting area impeded on the speed of clearing and sorting out parcels. Hence, racks were installed replacing the existing carton boxes which occupies the limited space available. The racks looked more presentable and professional. However, workstation specifically for ARAMEX shipments (Shein) (sorting/collecting) is not conducive for its daily operations, especially during the peak season.

To fully meet clients' expectations, a courier company depends on other parties as well, such as Customs, flight operators and also clients to be educated thus understand the procedures that are required to be undertaken in order to clear parcels.



For 2024, with the continuous increase in volumes, in order to improve service delivery, Mahé Shipping is planning:

• In depth customer service training;

• Adequate communication devices to be acquired;

• Additional delivery vehicles be purchased;

• Increase in workforce;

• To create a more conducive work environment through acquisition of new space for courier operations.

3.3. DHL

DHL Express Seychelles is a company owned by Hunt Deltel which employs 25 staff. It consists of 3 physical offices on Mahé of which 1 office was unfortunately destroyed by the Providence explosion on the 7th December, 2023. As a courier company, it outsources to Express Logistics companies to deliver its bills for customs transactions.

3.3.1. Statistics of Postal articles

For the year 2023, the below chart highlights DHL's 2023 import and export volumes for postal articles. Imports heavily outweighed exports, with 49,000 imported articles versus 11,000 exported.



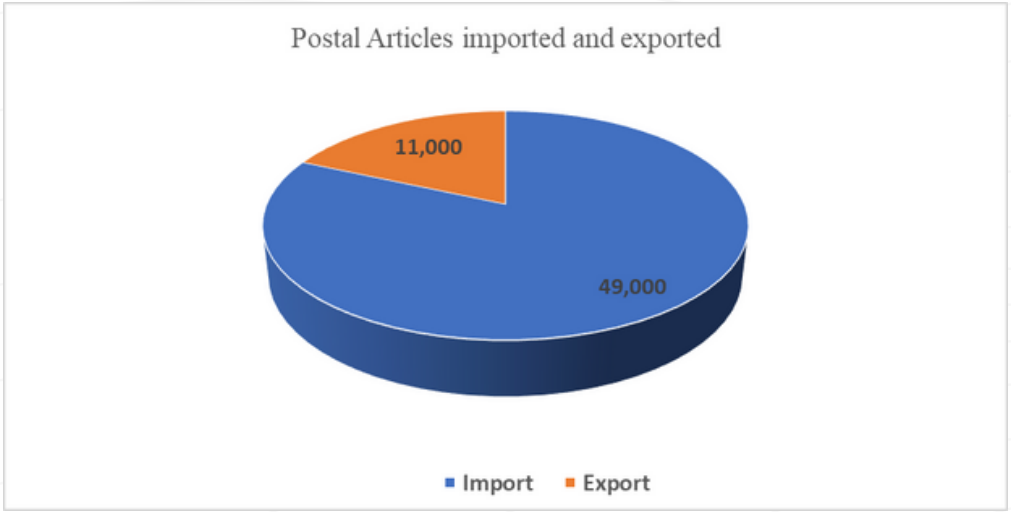


Figure 9: No of Postal articles imported and exported

3.3.2. Statistics of postal articles for Praslin and La Digue

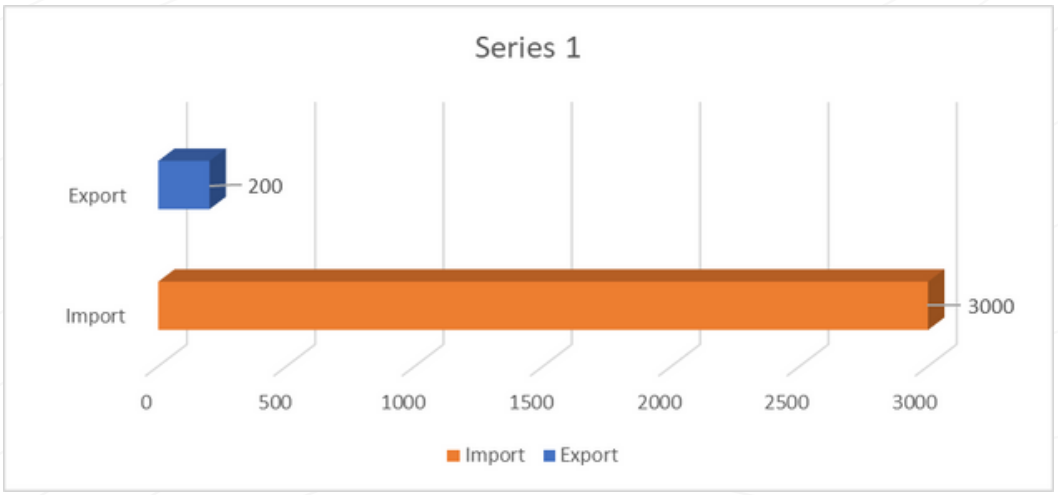


Figure 10: No of Postal articles import and export to Praslin and La Digue

A total of 3,000 postal articles were delivered to Praslin and La Digue compared to only 200 postal articles exported.

3.3.3. Statistics on Door- to- door delivery

Out of the 49,000 postal articles received by DHL, 30,000 were delivered to their client's address. This practice should increase dramatically considering the new Courier door to door regulation which came out in 2023.

3.3.4. Complaints

In 2023, DHL received few complaints. Some of the complaints received by DHL were:



- Lost shipments
- Damage shipments
- New Customs regulations
- Identifying of Sole Traders
- Length of time to process dutiable shipments
- Recovery of released dutiable shipments from Customs Cage from Monday to Friday only

3.3.5. Challenges

- The Providence explosion of 2023 which resulted in complete closure of Providence Office
- New Postal Regulations whereby the company needed to adjust to the law
- Continuous technical issues affecting recovery of Inbound shipments
- Customer awareness of processes

3.4. FedEx

Founded in 1973, FedEx has grown its operations into six independent service networks. FedEx started operation in Seychelles in the year 2003 and its operation is managed by Air Seychelles staff. FedEx statistics for Inbound and outbound Postal articles is measured by KG compared to other courier services.

3.4.1. Statistics of Postal articles sent and received

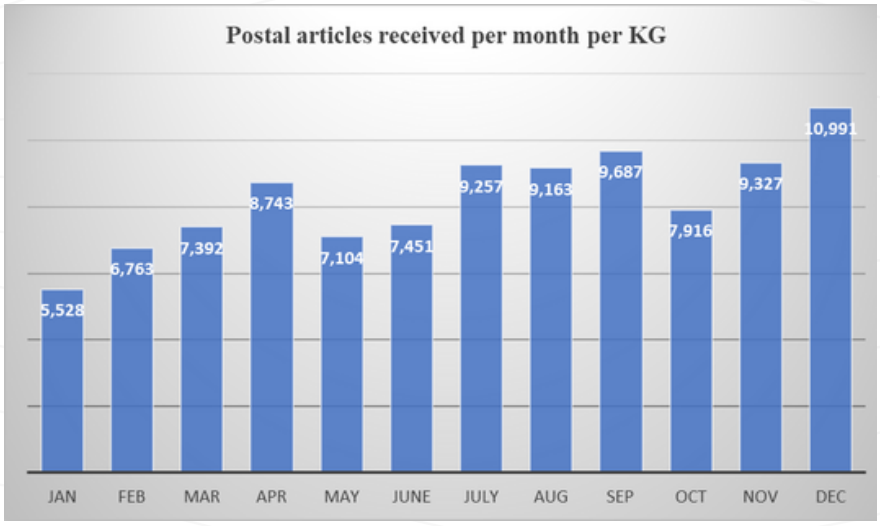


Figure 11: Total of Postal articles received

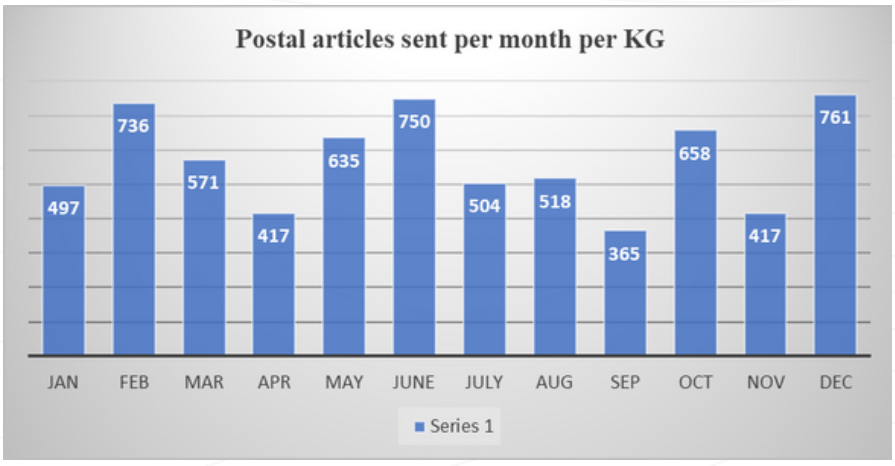


Figure 12: Total of Postal articles sent

3.4.2. Statistics of Postal articles sent to Praslin and La Digue

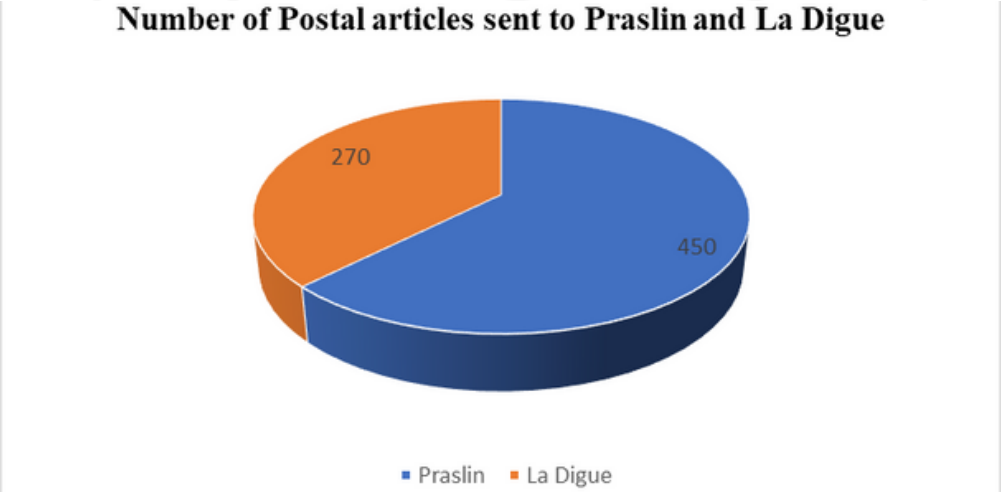


Figure 13: Total of Postal articles sent to Praslin and La Digue

The number of Postal articles sent to inner islands represents around 60 parcels sent per month.



3.4.3. Door to door delivery

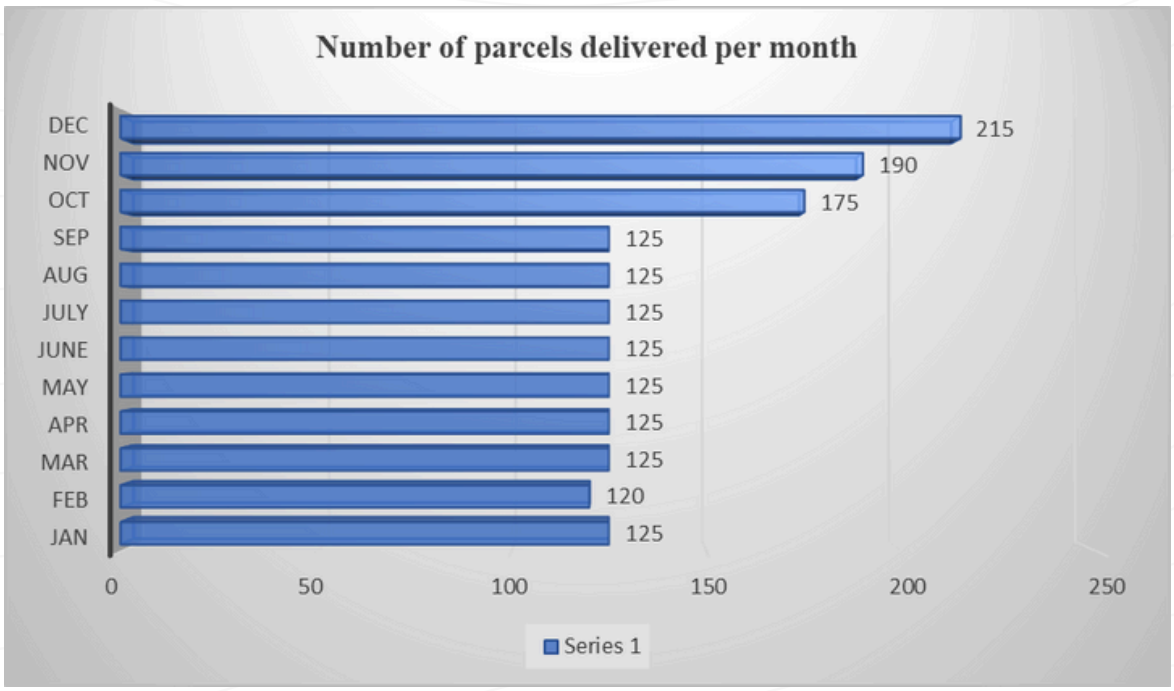


Figure 14: Number of door to door deliveries done

FedEx delivered around 30 parcels per day to the address of their clients.

3.4.4. Complaints

FedEx receives around 2 complaints per semester in regards to damaged shipment or parcels delayed in custom's custody.

3.4.5. Challenges

- Parking space in Victoria.
- Oversized and heavy loads shipment to climb the staircase or to use the elevator.
- Manifest was not being captured in customs system.

4. Enhance visibility of the Postal Sector

Enhancing visibility of the postal sector through an educational campaign involves a strategic approach to inform and engage the public about the value, services, and innovations within the postal sector.



This year, we started with the General Public as the targeted audience to increase behavioural change. Service Diversity is to highlight the range of services beyond mail delivery, such as financial services, e-commerce logistics and digital solutions, was the only key message that was used as the campaign started very late in the year.



For 2024, with an additional staff member, our targeted audience will be specific to;

- **Business;** To highlight logistics, e-commerce, and bulk mailing solutions.
- **Educational Institutions;** To foster a relationship with schools and universities for educational purposes and future employment opportunities.
- **Government Entities;** To ensure awareness of the postal sector's capabilities in public service delivery.

This year, we used specific educational campaign tools and channels such as Radio interviews with SBC and Pure FM; Television interviews with SBC and TeleSesel, Nation interviews, SBC television adverts and social media platforms.

The upcoming educational tools and channels for 2024 are;

- **Social Media Campaigns;** Use platforms like Instagram, Twitter, and Facebook to share information, stories, and updates about the postal sector.
- **Educational Workshops and seminars;** Partner with schools, universities, and work organisations to provide informative sessions about the postal sector.
- **Public Relations and Media outreach;** Collaborate with media outlets to feature stories, interviews, and documentaries about the postal sector.

5. Plan for Next year, 2024

The key future initiatives planned by the postal regulator are designed to address the evolving needs of the postal sector, enhance service delivery, and ensure sustainability. These initiatives typically focus on innovation, regulatory adjustments, stakeholder engagement, and environmental sustainability.

Digital Transformation: Accelerating the adoption of digital technologies to improve service efficiency, customer experience, and introduce new digital services such as e-payment, enhanced online tracking capabilities, new software in the proposed International mail centre.

Infrastructure Development: Investing in the modernization of postal infrastructure by airside, including sorting centres, logistics networks, and IT systems, to improve operational efficiency and accommodate growing volumes of parcels and e-commerce shipments.

Enhance stakeholder's engagement: Strengthening collaboration with postal service providers, customers, government agencies, and other stakeholders through regular consultations, partnerships, and feedback mechanisms to ensure the regulatory environment supports innovation and service improvement.

6. Conclusion

As we conclude this year's annual report, it is evident that the postal sector has navigated a complex landscape, marked by rapid technological advancements, evolving customer expectations, and the imperative for sustainable operations. In recent months, the regulatory body has been instrumental in steering the sector towards overcoming these challenges, ensuring that the postal services remain reliable, accessible, and relevant to all users. Our collaborative efforts with postal service providers have led to improved operational efficiencies and the introduction of digital services in 2024 to cater for the modern consumer.

Despite improvements thus far, the journey is far from over. The sector continues to face challenges, including the need for further technological adoption, competition from alternative delivery services, and the ongoing requirement to balance financial sustainability with public service obligations. These challenges underscore the importance of our regulatory role in fostering a conducive environment for growth, innovation, and fair competition.

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