

POSTA UGANDA

New Vision

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The General Post Office building on Kampala Road. Posta Uganda is one of the government institutions with the biggest asset base in the country, valued at sh82b

Postal giant's profits double

By Geoffrey Mutegeki

Posta Uganda doubled its profits for the last financial year, following an increase in the international mail, rental fees collections, embracing new technology and improvement on postal services.

Last financial year, Posta Uganda generated sh20.5b, in revenues up from sh18.9b in the 2014/15 financial year.

Their profits increased from sh528 million in the financial year 2014/15 to sh1.1b in financial year 2015/16.

Commitment

According to James Arinaitwe, the Managing Director of Posta Uganda, such an achievement did not come easily, but needed innovative, creative and committed people.

"We were largely helped by the growth of the international mail. The mail that comes from abroad for distribution here," Arinaitwe says.

Although, the number of mails locally is declining, in the developed world the numbers are raising. The rise is due to improved communication, advertising, a lot of personal selling which needs to be replicated here in Uganda.

The company also registered clean audit report for the last financial year.

"We utilised the funds very well, used them for the right purpose, and kept properly our books of accounts.

"We pledge to continue like this for us to continue growing," Arinaitwe says.

To build on this achievement, Posta Uganda looks ahead to embracing ICT a lot more in all its services in order to compete favourably internationally.

"We cannot fight ICT, but need to take it on aggressively; it is the way to go, because whatever was being done manually in the past is now being done electronically," Arinaitwe says.

Some of the ICT services at Post Office include automated counter processes, emailing services and the postak giant will soon introduce IT-based services like use of mobile phone numbers as a post office box.

"If you have a telephone number we will use it as a post office box and it will be your address. Kenya is already doing it and we hope it will work well here too," Arinaitwe reveals.

Mobile numbers

The use of mobile numbers will be launched in July. When this system is put in place, it will lower the post box rental charges from sh80,000 to sh10,000.

Arinaitwe says the rate will be flat countrywide. With a mobile number one will be able to register their business and get a visa with ease.

This, however requires one to register it with the post office and pay a renewable annual fee of sh10,000.

"For example, if you register a company with your phone number as the physical address, Uganda Revenue Authority will have to check with us if it is registered as a post office box,



Posta Uganda MD Arinaitwe

so that we approve. All these will be done electronically," Arinaitwe says.

In collaboration with other ministries, Posta Uganda will soon introduce (Zone Improvement Plan) ZIP codes to enable fast movement of mails and improvement on communication.

Zip codes will enable easy access of people. To remain relevant business wise, the company is going to cut its entire staff costs by 25%, with an aim of making more revenue and beating the competition.

"We want to remove all the redundancies and keep only the required number of staff. Even other spending on staff like medical, will be reduced," Arinaitwe says.

However, some services, which are inevitable to do away with but

too costly for the company, will soon be out-sourced. "You cannot do everything; we shall out-source what is not our core business. We want to run our business at the lowest cost possible as a way of standing out against the competition," he says.

Some of the services that will be out-sourced are bus and cleaning services among others.

He says Ugandans should be rest assured that cost-cutting will not compromise Posta Uganda's services.

Andrew Kaweesa, the corporate affairs manager, says the post office was set up as a centre of communication and not to deliver letters only.

"Now that technology has changed, post office has also had to transform itself to handle a lot more financial transfers and e-commerce among others," Kaweesa says.

He says in future, post office will become a one-stop centre for all essential government services, like passport application and national ID replacement among others.

This will be done in collaboration with other government agencies. He says this will most likely kick-off next year.

Securing assets

Posta Uganda is one of the government institutions with the biggest asset base in the country. It has a fixed asset base valued at sh82b. These assets include land and buildings.

However, the majority of assets like

buildings which are located almost in every town in the country are in a sorry state. "Our assets are strategically located, but still under-utilised. We are looking forward to either renovate them or partner with private individuals to work on them so they we get value out of them," Arinaitwe says.

From the assets, the company collects between sh6b and sh7b annually. But Arinaitwe says this should increase to at least sh10b.

He says when their buildings are renovated they will have a reason to charge a higher fee than now.

Buildings near Post Office, Kampala charge between \$15 and \$20 per square metre but post bank charges \$10 per square metre because the building is not well furnished.

Innovations

With experience in delivery of goods, as an innovation, Posta Uganda will be starting a clearing firm to handle exports and imports for Ugandans.

"We have experience in delivery and stores all over the country; we are a trusted government entity which is ready to serve Ugandans. This logistics firm will be the best in Uganda," Arinaitwe says.

He urged Ugandans to embrace, Posta Uganda's EMS couriers which are all over the country.

Arinaitwe says Ugandans have a reason to believe that the future is bright, but there are a lot of challenges and a lot of work to be done to keep Postal services going.