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# UNION POSTALE



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a specialized agency  
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Thai quality of service  
gets UPU boost

Barriers break  
down in Bali

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## March 2014

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The magazine regularly publishes well researched articles on topical issues facing the industry, as well as interviews with the sector's leading individuals. It is distributed widely to the UPU's 192 member countries, including thousands of decision-makers from governments and Posts, as well as other postal stakeholders. All regard it as an important source of information about the UPU and the postal sector at large.

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### DOHA POSTAL STRATEGY

Four goals for Posts to reach by 2016

- 1  Improve networks
- 2  Provide knowledge and expertise
- 3  Promote innovation
- 4  Foster sustainability

For more information:

<http://news.upu.int/insight/world-postal-strategy/doha-postal-strategy>

EMS

## Customer service is key

With the rise in e-commerce, EMS providers are trying to garner market share as the courier of choice by trying to improve customer service. With this in mind, the EMS Cooperative has rolled out a new tool, called the Rugby Global Customer Service System (RGCSS). Specifically customized for the needs of the Cooperative's 176 members, the RGCSS enables call centres in some 180 Posts to connect to better deal with customer queries.

And, as more online purchases are being made, the time is right to focus more on the customer. "As buyers and sellers get more power in deciding... tracking, speed and affordability are prominent in their decision-making and obviously EMS features because of the services we provide," said Michael Cope, head of global business development, Australia Post, and EMS Cooperative Board member.

### Pole position

Other EMS providers would agree that customer service has to move into pole position if EMS is to go from strength to strength. "Due to the boom in e-commerce, smartphones and internet devices, we are facing an age of small packets and EMS, instead of ordinary letter mail," explained Yu Yeong-Chul, Korea Post's Bureau of Posts' deputy director, international business division. "That is why customer service is much more important than before, also because there are now more high value EMS items than before," said Yu.

Yu welcomed the recent shift in the EMS Cooperative's philosophy to encourage quality of service rather

than speed when it comes to customer service. This was echoed by Bernard Yaw Atta-Sonno, general manager EMS, mails and parcels at Ghana Post. He recently attended a customer-service workshop organized by the EMS Unit. "I learnt so much. These valuable insights will help us deal with customer service issues more proactively than reactively and enable us to get things right each and every time to enhance customer delight," he added. His words were echoed by another colleague. "I believe the focus on customer service... is very important for further improvement of our EMS service," said Osamu Goto, senior manager, international business department, Japan Post.

### Top priority

Describing the situation in Korea, Yu said that focusing on the customer was a top priority. While the Post was happy with EMS volumes, it was less so with customer service and delivery charges. These two factors define how well EMS competes with private couriers, according to Yu. Indeed the competition never sleeps, as Cope also stated. "A challenge for EMS is how it competes in a modern world where barriers for competitors are lowering to offer tracked services at lower rates and integrators continue to build their networks," Cope said.

### Way ahead

To gain an edge over the competition, Yu said that it was important to better analyze the quality of customer service provided. "If we lose one EMS item, we cannot measure customer service performance any more as we do not meet the customer's expectations," Yu said. "Also, some customers may lose a pencil but others lose high-value smartphones. How is it possible to compare these two situations when it comes to customer-service performance?"

According to Yu, Korea Post cannot send expensive electronic products to certain parts of the world as the items are sometimes damaged or stolen along the way. The Korean representative called on all EMS providers to discuss the issue of stolen and damaged items openly, especially when considering the customer. "We have to improve our security and customer service now more than ever before," Yu said.

Cope too underlined the importance of collaboration among EMS Cooperative members. "The challenge is to bring together 176 members to build a quality network that delivers on our customer expectations," he said. Crucial to carrying this off is "our ability to build a reliable network based on quality providers at both origin and destination for our customers", he added. **FM**

THE FIGURE

1,020

That's the number of tonnes of CO<sub>2</sub> the UPU International Bureau emitted in 2012, down 33 per cent since 2008.



**VIDEOS: EMS IN THE REGIONS**

<http://news.upu.int/multimedia/videos/ems/>

## Common ground

In a diverse world, it may appear that little unites our 192 member countries. That's what makes the postbus service so intriguing, the subject of our cover story. Across the globe, this service is still moving the mail, as well as people in developing and developed countries alike. Of course, the scale differs from country to country but it seems irrelevant whether the service is taking the post and groceries to villages in the Bernese Alps or carrying mail and passengers between Ethiopian cities. Its purpose remains the same.

In a new rubric, we lift the lid on a project in Thailand funded by the UPU's Quality of Service Fund. Read the case study to find out more about how the vehicles procured raised customer satisfaction to new heights.

In other news, a UPU publication reveals how the organization is sitting on a gold mine of data, which, when properly analyzed, could help governments and postal operators take strategic decisions on the future of postal services. The article provides a tantalising glimpse of the important insights the publication contains, so I encourage you all to either download an electronic copy or order the print version.

### Chalk and cheese

The magazine also brings to you two sides of paper-free postage. These innovative approaches require using a mobile phone in one case, while the other is based on silk. As different as chalk and cheese, both provide interesting snapshots of what's hot in revenue generation.

Of course, that's far from all. You can read about the devastation wreaked by Typhoon Haiyan on Tacloban and what the UPU is doing to help boost postal services there. And an interview with the World Trade Organization clarifies the importance of the recent Bali accords on trade facilitation. **FARYAL MIRZA, EDITOR-IN-CHIEF**

### REGIONAL DEVELOPMENT PLAN

## Quality of service priorities launched for Africa

More than 80 representatives from 30 African countries have participated in the start-up workshop on quality of service, one of the two priorities under the continent's regional development plan. "The workshop was organized to ensure a good understanding of quality of service issues and to find appropriate solutions," said El Hadji Mansour Gueye, UPU programme manager for Africa.

### Looking back

The March meeting in Bujumbura, Burundi, first took stock of achievements and lessons learned in the arena during the 2009–2012 cycle. While many milestones were achieved during that work cycle, per-

formance in quality of service actually deteriorated. The goal is now to reverse this trend by 2016.

To help achieve this, Africa has been divided into five sub-regions: Southern Africa, Eastern Africa, English-speaking West African countries; French-speaking West African countries; and French-speaking Central African countries. Each sub-region has a project lead.

Additionally, all participating countries have also assigned a national project manager. "These measures should ensure information-sharing, the best coordination and that all stakeholders are fully aware of what needs to be done," said Gueye.

### New approach

Efforts will focus on diagnosing problems in a particular region and country before action plans are created to provide concrete solutions for concrete problems. To help this endeavour, an external consultant has been recruited as an additional resource. Training for participants will play a crucial role in raising awareness of the importance of good quality of service. Areas to be covered will include diagnostic tools, operations management and the global supply chain. **FM**

REGIONAL DEVELOPMENT PLAN

## Asia-Pacific moves ahead



*Jersey Post's 'Man of Steel' series uses innovative techniques, like adding crushed pebbles from actor Henry Cavill's favourite beach, to give a stamp a unique texture. This was discussed at the philately workshop (Photo: Jersey Post).*

Less than a year since the UPU Regional Development Plans were sealed, the Asia-Pacific region has shown it is on track in starting its development projects.

The region has already experienced two activities, including a philately workshop and granted a series of fellowships to postal employees to benefit from professional training in management.

The UPU granted eight fellowships to six countries – Kiribati, Maldives, Samoa, Solomon Islands, Timor-Leste and Tuvalu – to attend a four-week training programme in human-resources management at the Asian-Pacific Postal College (APPC), a specialized training centre managed by the Asian-Pacific Postal Union (APPU).

The course, held earlier this year, trained human-resource professionals and senior line managers in the

implementation of best practices for the recruitment and management of employees. Participants also learned how to develop leadership and people skills at the individual level.

### Foundations

While the APPC has offered the same course in the past, the UPU decided to fund the fellowships this cycle because some designated operators could not afford to send representatives themselves. Experts agree progress in human resources is essential in improving the quality of postal services. "Human development is the basis of quality of service," says Teruo Kobayashi, UPU regional expert for Asia-Pacific.

As 13 of the APPU's 32 members are classified as least developed countries, the development of human resources is still very relevant

to modernizing Posts. "Capacity-building from an operational and human-resources perspective is very important for creating a seamless and efficient postal network," says Araya Prasittiboon, APPU manager. "Human resources are the most important enabler of high performance in the Posts."

Kobayashi adds that the UPU will continue to award fellowships to new countries each year.

### Innovative philately

The UPU also started work on one of the region's second-level priorities – philately – by hosting a training workshop in Bangkok, Thailand, last August. The event coincided with the 2013 World Stamp Exhibition and brought together 31 participants from 19 countries. "The idea was to share the latest information on philatelic technology and exchange ideas," says Kobayashi. "The presentations from different postal operators and stamp printers updated us with trends in the philately market, such as new printing technologies and new security features for stamps," says Derby Lau, CEO, Macao Post. "It enabled us to share valuable experiences in the stamp business and helped us to brainstorm on how to grasp new opportunities in developing our new stamp products and in expanding our market," she adds.

### Looking ahead

Kobayashi says the UPU is now preparing activities in the areas of quality of service and improving remuneration systems — the region's top two priorities. Projects in these areas are set to begin this year, as well as activities in direct marketing and electronic postal services. **KR**

RESTRICTED UNIONS

## PUASP targets postal reform and quality of service



*Time for Posts to get into shape (Photo: Correos, Costa Rica)*

Sustained economic growth in Latin America and the governmental obligation to get closer to their citizens are creating ideal conditions for strengthening the region's postal sector, whose potential for stimulating socio-economic growth must be optimized, says UPU Director General Bishar A. Hussein.

Attending the annual meeting of the Postal Union of the Americas, Spain and Portugal's (PUASP) executive council in Montevideo, Uruguay, in March, Hussein reminded Latin American governments to pay attention to the postal sector, which has suffered considerably over the past 30 years as a result of being excluded from national development policies and a lack of regulation. "Postal reform must bring together the sector's various stakeholders under a framework that guarantees a level-playing field and enables this market to grow," he said.

### Reform

According to UPU analyses, many partial or one-off reform efforts over the past few decades have severely hampered the postal sector's development in Latin America, the modernization of the national Posts, and, ultimately, countries' capacity to comply with their universal postal service obligations.

To tackle this challenge, the UPU provides its member countries with a structured approach to postal reform that enables governments to reorganize the postal sector under an integrated and coherent framework and strengthen the universal postal service for the benefit of all citizens.

### Investments

Over the next three years, the UPU and the PUASP will invest more than 1 million USD in projects on reforming and developing the postal sector, as well as improving the quality of service in the region.

### Roadmap

These priorities and others are part of the regional development plan developed by the UPU and the PUASP to help the region achieve the goals of the Doha Postal Strategy, the UPU's global roadmap for 2013 – 2016.

As physical mail volumes decline, Posts are positioning themselves for growth in small packets generated by the e-commerce boom. An efficient parcel service would constitute a useful platform on which to create other innovative services that contribute to national growth, similar to e-commerce and postal exports. **RL**



*Delivery of mail by postbus to Asebe Teferi Post Office, eastern Ethiopia*

# Postbus drives universal service

The postbus goes from strength to strength as a service offered by a growing number of Posts, meeting the need for public transport in far-flung regions, while using passenger fees to help fund the universal service. And the UPU's Quality of Service Fund (QSF) recognizes the potential benefits of postbuses on raising service levels, providing crucial infrastructure funds for several projects in recent years.





**TEXT:  
DAVID  
KOCH**

**PHOTOS:  
MICHAEL  
TEWELDE/  
EPA/  
KEYSTONE**

Since Posts are required to reach even the most remote settlements, it can make sense to offset the expenses of transporting mail by providing a passenger service. It's a model that's been tested by Posts in Africa and Europe. Buses carrying both passengers and mail items have been operating in Zambia for more than 25 years and for more than 20 in Uganda. Postbuses have also plied the Swiss Alps and Scottish Western Isles for decades. Meanwhile, Deutsche Post DHL has recently launched an exclusively passenger-oriented service to diversify their business activities.

For Sierra Leone's designated operator, Salpost, a planned passenger service is part of a plan to renew the postal infrastructure in a country still recovering from civil war. And in the Southern Africa region, a postbus initiative being rolled out this year with QSF funding is expected to link six countries.

#### **Quality of service**

The QSF offers financing to countries to help their Posts speed up the delivery of inbound mail so that 85 per cent of cross-border letter mail reaches anywhere on Earth within five working days to meet UPU quality-of-service goals. The remoteness of certain locations can make these goals elusive, especially in developing or least developed countries, or LDCs, since low letter-mail volumes can mean that postal revenues don't cover fuel, vehicle maintenance and other costs.

The problem of postal infrastructure disparity between urban and rural area is a problem in many African countries, says Kainet Moyo, executive director, the Southern Africa Postal Operators Association (SAPOA). "Human settlements are not necessarily in the active economic areas and, therefore, reaching them is very difficult," says Moyo. The lack of capital earmarked for postal infrastructure coupled with rough terrain in the countryside makes the universal service hard to achieve in these remote areas, he adds.

Buses serve a dual purpose by contributing to postal revenues through the passenger service, while also bolstering the African mail logistics chain, says Nigeria's Loveridge Debegbudu, member of the QSF board of trustees. "Postbuses can help poor landlocked countries connect their mail to neighbouring countries at less cost," says Debegbudu.

#### **On the road**

When the Zambian service was launched in 1986, it was limited to the central region surrounding the capital, Lusaka, and Copperbelt Province, an economic hub on the southern border of the Democratic Republic of Congo. Today, the service stretches across more than

3,300 km of road, spanning much of the landlocked country. Postbus Limited aims to "cover all provincial centres if the fleet improves in the future," says George Chipasha, manager-in-charge of the company, which operates as a subsidiary of Zambia Postal Services.

That fleet currently includes 14 buses, each seating from 55 to 69 passengers, says Chipasha. The service was designed to improve mail delivery while cutting expenses, because the Post was incurring high fuel and maintenance costs by running mail vans daily. The buses are more efficient and generate revenue through the passenger service, he says.

#### **Timeliness**

Despite considerable competition from 17 major operators, some with newer vehicles, Chipasha says the postal bus system ranks third overall nationwide because of the timely service it provides. After a difficult year for the company, traffic and finances have rebounded. Revenues in the last three months of last year were 5–10 per cent higher than the same period in 2012, says Chipasha.

However, the company reported losses of 33,500 ZMW (6,500 USD) in the year ending in August, mainly due to a major accident. Road conditions can have deadly implications. This occurred when a vehicle reportedly attempted to pass a postbus collided with an oncoming truck, leading to a pile-up that left dozens of people dead. The accident dampened demand for Postbus services, Chipasha says, although neither the driver nor the bus were at fault.

It was a tragedy that underscored some of the challenges of passenger operations, Chipasha adds. "Safety of passengers and equipment is very important," he says. "It is our company policy for all drivers to undergo preventive training and driving tests twice a year as refresher courses."

#### **Tough times**

But the company still faces challenges. Labour costs are higher than among private competitors, Chipasha says, as Postbus drivers and operations officers are permanent, pensionable staff. He says a more economical model would be to employ staff with performance-linked contracts lasting one to three years.

He adds that road conditions are a major challenge, since rough terrain can shorten the lifespan of a bus, while also lengthening each journey, all of which leads to higher costs. Bus operators must also reckon with insurance costs, the upkeep of a well-stocked maintenance workshop and fuel, among other expenses.

Zimbabwe's postal operator started a passenger bus a few years ago and there are already plans afoot to

# "The bus has proved popular because of its reliability, competitive fares and strict timetable-keeping."

James Kuiparima, SAPOA regional project manager

expand the domestic service, says SAPOA Regional Project Manager James Kuiparima, who previously worked as area manager for the designated operator in Zimbabwe. The Zimpost service currently includes two buses that run on separate lines from the two largest cities and the southern African country is set to receive four more buses this year. The buses include a line stretching from the capital, Harare, to the northern community of Magunje. This line was launched last September and targets "ordinary urban passengers, farmers and rural travellers", Kuiparima says.

The second line plies the route from Bulawayo (Zimbabwe's second biggest city) to Victoria Falls and has been operating since May 2012. "The bus has proved popular because of its reliability, competitive fares and strict timetable keeping," says Kuiparima, adding that the line also connects to a cross-border network for surface mail, but not passengers, carrying mail from Malawi and Zambia for dispatch in Botswana and South Africa. A third bus is currently awaiting deployment, he says. The domestic postbuses, which carry courier items, ordinary letters and parcels, cover distances totalling more than 15,000 km combined each month, while yielding over 14,000 USD.

## Across the continent

Interest in the postbus model has also emerged on the other side of the continent. The Ethiopian Postal Service started operating its service in 2008. Successful deployment of eight buses – investments funded by the QSF – led the Post to buy another four independently, says Habtamu Beyene of the Post. Ethiopia is currently aiming to expand its 12-bus fleet by applying for another two buses through the QSF.

In Uganda, its postal bus fleet – with ten buses – covers about 4,300 km daily, says David Mulobole, who manages the service. Operating from Monday to Saturday, the buses carry passengers including students coming and going from boarding schools, along with tour-

ists, traders, and folks from the city visiting relatives. Passengers can board at the central station in Kampala or at one of the destination terminals at five post offices outside of the capital. If space is available, passengers can also climb aboard en route, mainly at transit post offices, Mulobole adds.

The 66-seat buses tend to be about 70 percent full, and carry about 5,000 postal items per month, including ordinary letters, parcels, packets and EMS items. Altogether, the service yields about 100,000 USD per month, says Mulobole. But revenues vary by season, peaking at the beginning and end of school years or during the festive end-of-year season.

Posts must also bear in mind how depreciation of the equipment affects profits, Mulobole adds. "The profits per bus decline as the buses get older with repairs and maintenance costs eating into the revenues," he says, noting that the vehicles yield the best profits during their first two years of operation.

## New direction

The scars of war are still healing in Sierra Leone, a country devastated by a decade-long civil conflict that ended in 2002. Postal infrastructure, including rural post offices, remains badly damaged, while poverty has led to reduced mail volumes. These hurdles make universal service hard to provide for Salpost, the country's designated operator.

But plans are in the works to implement a QSF-funded postbus service this year to build capacity in this western African country. "Governments have to prioritize where to invest money, and they care more about health, education, sanitation and energy," says Sammy Koroma, managing director of the postal operator. "The Post is just one entity without a lot of funding."

But, as the economy of Sierra Leone grows, the development of physical infrastructure for the Post is crucial for commercial activity. "Internet access in developing countries is about 16 per cent, so we still need physical distribution of mail," says Koroma. He expects the Post



*Making a stop in Adama, central Ethiopia*

to expand further into rural areas due to major state investment in the national road network in recent years. "As the country grows and develops, more access points would be created," he says. "The potential for expansion is great."

Despite recent improvements to the road network, very little currently exists for passenger transport to rural communities in Sierra Leone, apart from the private taxis operated by small entrepreneurs. This provides a good opportunity for Salpost to offer a regularly scheduled service, says Koroma. Receipts from the public transport venture are expected to offset the cost of wages and fuel, or perhaps even to boost the Post's income. "We do expect to break even at a minimum, to cover the margin of cost within a month of operations," he says.

Salpost is slated to receive funds from the QSF for the purchase of two 25-seat buses. About 1.5 cubic metres of secured storage space would be reserved for mail items on each bus. The project aims to improve the speed of dispatch to 32 delivery points across the country. Incoming mail items to points outside of Freetown, the capital, would reach their destination within three business days.

The UPU has begun sourcing the buses through the UN Development Programme, says Koroma, and he expects the vehicles to begin operations in March 2014. Although Salpost already has drivers on staff, the special demands of passenger service means they'll need training in safety procedures, customer service and ticketing, says Koroma.

### **Southern Africa**

At the time of going to press, the QSF has approved a project with a budget of 2 million USD that will convey mail items and passengers between South Africa and neighbouring countries. The QSF is funding the purchase of seven buses, with one each allocated to Lesotho, Mozambique and Swaziland, along with two others, each bound for Botswana and Zimbabwe. The latter country is providing an additional two buses itself for the cross-border network.

### **Plying the Swiss Alps**

The postbus model has endured in European countries for decades, although it has faded from its earlier prominence. In Switzerland, the Post has provided passenger transport since 1848, when the Swiss Confederation and the national postal service were formed, a time when horse-drawn carriages still provided the means of transportation into remote Alpine regions.

As the Swiss railway network expanded in the late 1800s, horse-drawn carriages began to coordinate with train companies. In 1906, the first motorized postbus began serving the region of Bern, home of the Swiss capital and the UPU's headquarters. Horse-drawn postbuggies started to disappear after 1919, as the Swiss Post converted military vehicles into postbuses that operated in mountainous regions. These routes became highly popular with tourists.

The service remains an important method of transport for visitors and locals, but the company has gone through major changes. In 2006, Swiss Post spun off the bus



Taking a break, Addis Ababa, Ethiopia , as fruit-sellers ply their trade

company into a subsidiary almost exclusively concerned with passenger transport, not mail delivery, according to Valérie Gerl, a spokesperson for PostBus Switzerland.

The company operates a network covering more than 11,000 km of road, with a fleet of about 2,150 vehicles known by their bright yellow colour and three-tone horn. While the main passenger routes are covered by the Swiss train system, postbuses remain an important link to suburbs and remote villages. The network provided transport for more than 100 million people for the first time in 2003, and also provides passenger services in Liechtenstein and France.

But there are still regions where the company provides services beyond passenger transport. One example is Isenfluh, a village of 60 inhabitants in the Bernese Oberland. Since 2012, following an agreement with the Post-Mail business unit, drivers have handled home delivery of mail here. Drivers also accept bank deposits from customers directly from their homes.

Postbus drivers also deliver mail and collect items from mailboxes in parts of Graubünden in the easternmost region of Switzerland. And that's not all, says Gerl, noting that drivers "also transport fresh bread, fruit, vegetables, organic meat and other foods for the local store in the area".

### Scotland

Further afield, the United Kingdom first started running postbuses in 1967, after a government commission found that Royal Mail vehicles were reaching some of the most remote corners of Scotland. This was an opportunity for the Post to provide reliable and affordable passenger service, says Felicity MacFarlane, an external relations manager for the Post. Some 50,000 passengers use the service annually.

The Post now operates a fleet of seven minibuses, keeping another four vehicles on reserve. Royal Mail drivers ply far-flung routes like the Timsgarry to Stornoway on the Outer Hebrides, an island chain west of the Scottish mainland. This route alone accounted for more than 3,600 passengers in 2012, covering more than 64,000 miles.

The buses carry local people and 'many school children' all year, along with visitors during the tourist season, says MacFarlane. Drivers also deliver all postal items apart from very large parcels, including special delivery items.

The number of Scottish postbuses has, however, declined over the years – several lines that formerly operated in the Highlands were cut in 2009, with Royal Mail saying the connections were no longer financially viable. "Royal Mail's first duty under the universal service is to deliver mail, not provide bus services, which remain the remit of local authorities across the UK," says MacFarlane.

### Riding high

A new arrival in the passenger transport business, the German designated operator launched its partnership with ADAC, a major European car association, in 2013. Unlike the services offered by Royal Mail or the African Posts, the German network is exclusively geared towards carrying passengers. The launch of the ADAC Postbus in November followed the liberalization of the long-distance bus market in Germany earlier that year.

At the time of writing, the company's fleet of 60 buses have covered 1.1 million km, according to Deutsche Post spokesman Alexander Edenhofer. In a media release, the Post indicated that the new passenger service is aimed at helping compensate for the ongoing structural decline in mail volumes, calling it an "an important step in the drive to further diversify the division's business operations".

Postbus operations from Switzerland to Sierra Leone and beyond are, in some ways remarkable for their similarities. In most cases, there is a need in remote areas for public transport and the physical delivery of mail items, and the two functions have become fused in the name of efficiency. **DK**



**SLIDESHOW:  
POSTBUSES IN ETHIOPIA AND SWITZERLAND**

<http://news.upu.int/multimedia/slideshows/postbuses>



# UPU pledges funds to typhoon-ravaged Post

In the aftermath of a storm that killed over 6,000 Filipinos, the UPU has committed to help rebuild the Philippine postal service in a major city devastated by Typhoon Haiyan last November.

**TEXT:  
DAVID  
KOCH**

The UPU will focus on renovating PHLPOST facilities in Tacloban, the main urban centre in Eastern Visayas, the region hit hardest by the storm, known locally as Typhoon Yolanda. The Tacloban building doubles as a distribution centre for the three largest provinces in the storm-battered region – Leyte, Samar and Eastern Samar – serving post offices in about 40 towns in the region.

The storm caused significant damage. Photos of the Tacloban building show smashed windows, inner walls tilting sideways and the tangled rafters of a torn-apart roof. Damaged equipment include computers, weighing scales, and typewriters, among others.

Any funds left after the renovation of the Tacloban post office will be spent on replacing postal vehicles. The Post has already deployed mini-vans to replace trucks destroyed in the storm, but these vans have limited storage and are expected to deteriorate quickly on the rough terrain.

## **Struggle for survival**

This news follows a mission to the Philippines in February by officials from the United States Postal Service (USPS) and the UPU, which toured regional post offices and witnessed the struggles of Filipinos, who survived the worst storm in their nation's history.

Although no postal workers were killed, many remain deeply scarred by the catastrophe, said Josefina de la Cruz, PHLPOST postmaster general. "The Philippines have gone through many natural disasters," she said, "but this was the worst ever."

Like other Filipinos, postal workers have faced intense hardship, including the death of loved ones, said Frank

Silva, a Miami-based postal inspector who led the UPU-USPS task force to the Philippines.

One postal worker in Tacloban, known as Jerry, lost his house to the typhoon yet saved his family from death by sheltering them in the rafters of a postal-vehicle garage. He had asked permission from the postmaster to place them inside as he thought his family would be safe inside the concrete structure. However, when the waters kept rising, he had to improvise.

He stacked up some heavy wooden tables, ripped a hole in the ceiling with his bare hands and then lifted his wife and three children – including a nine-month-old baby – into the trusses. Meanwhile, postal trucks were floating in the flood and the water level almost reached the ceiling.

In a last-ditch effort to bring his family onto the roof and escape drowning, Jerry kicked a hole in a gable. But the waters finally receded and his family survived. Silva, who learned about Jerry's experience during an inspection when he noticed the damaged ceiling of the garage, described the postal worker as a hero. "It's a story of struggle and hope," said Silva, adding that the local postmaster clutched a mango tree with her nephew for over five hours to keep the waters from sweeping them away.

## **Waves of destruction**

The storm brought waves reaching between two and six meters high, which surged against coastal cities and villages. Meanwhile, hurricane-force winds ripped apart buildings and sent debris flying. "The wake washed in, taking out walls and everything," said Silva.



*Jerry (left) shows Frank Silva where he hid his family in the Tacloban facility*

Describing a post office in Guiuan, a town on the Pacific Rim, he said: “The whole roof was blown off.” He added: “You see other facilities that have suffered likewise: There were some places that were completely gone.”

Postal services were resuming in remote areas when the task force visited in February, but operations remained far from normal because of wider problems. “It’s going to be difficult because you don’t have houses to deliver to,” Silva said.

### **Lessons learned**

“I don’t think that people knew that the water was going to go up like this,” said Silva when asked about lessons learned from the typhoon. “Equipment could have been taken to the second storey,” he said. “They were not and I think that was because nobody understood that there was soon going to be ten feet of water inside the post office.”

With climate scientists predicting more storms, a UPU group is studying the Filipino experience and putting together a policy on disaster risk-management. The goal is to help Posts plan for emergency situations, assess risk when building infrastructure and collaborate with other international groups involved in mitigating natural hazards.

The disaster risk-management group came into being at the Doha Congress in 2012 after a Japanese proposal.

Their move was prompted by the 2011 earthquake and tsunami, which triggered the Fukushima nuclear disaster. “The better prepared you are, the more likely you’re able to quickly return to providing services,” said Pat Mendonca, who is group chair and director of the USPS postmaster general’s office.

### **Standing resource**

The quick recovery of the postal service is crucial in disaster zones, said Mendonca, partly as a symbol that the nation is recovering and life is returning to normal. “If that’s what citizens see, they often think that ‘the government is working because at least I’m getting mail,’” he said.

And the Post’s wide-reaching network can serve as a vital supply chain and channel of communication, especially in remote areas. “The Posts have people, facilities and vehicles pretty much everywhere as a standing resource,” he said.

Meanwhile, in the Philippines, PHLPOST has helped collect and distribute donated goods. Thanks to its presence on the ground, PHLPOST was the only entity that could deliver them, she said. **DK**



# Thai customers benefit from quality boost

## QSF PROJECT NOTES

### Subject

Procurement of 20 delivery vans and 10 one-tonne diesel trucks for mail delivery

### Location

Thailand

### Rationale

- To improve by 2–3 per cent the number of postal items originating from and delivered within Bangkok within J+1
- To improve by 2–3 per cent the number of postal items originating from and delivered up-country within J+3
- To increase the level of customer satisfaction on mail delivery by 20 per cent

### Winner

QSF Award 2013

### QSF coordinator

Ariya Thongbai,  
Head of international relations, Thailand Post

### TEXT: FARYAL MIRZA

*Union Postale: Why was it necessary to improve the delivery of postal items by 2–3 per cent?*

Ariya Thongbai: Actually 2–3 per cent is a modest figure given that the use of new vehicles for mail delivery is restricted to 19 post offices. Prior to the project implementation, it was found that the existing level of meeting the J+1 quality standard of postal items originated from and delivered within Bangkok metropolis was 90 per cent or so. The J+3 standard of those delivered up-country was 80 per cent.

We also had no inclination to set a very high quality-of-service standard and were somewhat worried about delivery performance. Having said that, the technical assessment of the project unveiled a positive result and we were satisfied with the outcome.

*What was the status quo before the QSF-funded mail delivery vans and trucks were delivered?*

In most cases, we use motorcycles to deliver postal items. This fits in with traffic congestion in the Bangkok metropolis in particular. However, there comes a time when many items are to be delivered and the motorcycles are at full capacity. Then, the use of other vehicles may be an alternative for delivering mail. Masses of items cannot be delivered in one round by a postman riding a motorcycle and items are likely to get lost in the course of transport.





The new vehicles in action (Photos: Thailand Post)

How did the 20 mail delivery vans and 10 one-ton diesel trucks help the Post reach the project's objectives?

Any format of mail items (small or large letters, small packets, heavy or bulky items) can be put side by side in one delivery van. No postal items are left aside for next-day delivery. At the same time, mail items are safe and intact since the vehicles are suitably equipped with a lock system, which can protect against loss and damage.

The new vehicles also enhance the corporate image of Thailand Post with respect to quality of service and being a trusted brand.

How much mail can a van hold?

It can hold 30 – 50 mail bags containing sorted items in readiness for last-mile delivery.

Where are the new vehicles being used?

Twenty delivery vans are being used in 10 delivery post offices of Bangkok Metropolitan and suburbs, namely Pak Kret, Min Buri, Dusit, Ram Inthra, Rong Muang, Samre, Bangkok Noi, Bang Rak, Lak Si and Khlong Luang.

The diesel trucks are in use in post offices in nine provinces, that is to say Samut Prakarn, Chon Buri, Bang Lamung, Chiang Rai, Nakhon Sawan, Hua Hin, Phuket, Thalang and Phitsanulok.

What was the level of customer satisfaction before the new vans and trucks were put into action and how did this improve?

Customer satisfaction on mail delivery before project implementation was 60 per cent. The level has risen to more than 95 per cent after the new vehicles were put into action. Regarding the monitoring methods used, questionnaires were sent to customers living in the areas where new delivery vehicles are being used. The survey was conducted after a three-month trial period of using the new vehicles.

Looking ahead, what else is on the agenda for improving service quality?

We are making plans for procuring 41 diesel trucks, which is scheduled to be completed in 2014.

My expectation is that the new vehicles will be used in parallel to motorcycles in Bangkok Metropolitan and regional provinces. **FM**

#### THE QUALITY OF SERVICE FOUND (QSF)

finances projects aimed at improving the quality of inbound letter-mail flows. In 2013, the QSF board of trustees approved project proposals from 31 countries worth 7.48 million CHF. The Fund still has nearly 90 million CHF at its disposal.





# Breaking down barriers at Bali

Following the nail-biting conclusion of the World Trade Organization (WTO) ministerial conference last December, the work of implementing the ‘Bali Package’ of measures is underway. One such measure was the Trade Facilitation Agreement aimed at easing the flow of goods across borders. Dolores Halloran, economic affairs officer with the WTO’s trade facilitation section, explains more.

**TEXT:**  
**MORVEN**  
**MCLEAN**

**PHOTO:**  
**IFAD/**  
**SUSAN**  
**BECCIO**

*Union Postale:* Many obstacles stood in the way of a global agreement among WTO members in Bali. But presumably everyone accepted the need for a specific agreement on trade facilitation?

Dolores Halloran: Bali was successful because all members wanted a positive outcome to the conference. While positions on individual aspects were not always identical, nobody wanted the ministerial conference to fail since everybody was aware of what the implications of such a scenario would have been. As far as trade facilitation is concerned, its importance has long been recognized by all countries, developed and developing alike.

What sticking points were there in the discussions on trade facilitation?

The level of ambition of the agreement was much discussed and negotiated as were the flexibilities required to ensure its implementation by all members. The provision of special and differential treatment for developing and least developed countries was a crucial element. For many members, their ability to agree on the trade facilitation measures was contingent upon them being comfortable with the implementation mechanism proposed. As negotiations progressed there was a better understanding of

respective positions and an improved sense of what the other side really needed. This development, coupled with strong political will demonstrated towards the end of the negotiations, resulted in the conclusion of the agreement.

The perspective and needs of developing countries would have been different from those of developed members. Can you outline the different positions represented?

The Trade Facilitation Agreement (TFA) was not about developed versus developing countries – the overwhelming majority of developing countries urged the conclusion of the Bali package and the TFA. Perceptions frequently differed on the various issues, but all parties perceived gains when the package was viewed as a whole.

During negotiations, developing and least developed countries wanted to ensure that their capacity constraints would be recognized and accommodated. Section II of the TFA ensures the provision of assistance and support for capacity-building to help developing and least developed economies implement the provisions in the agreement. It also provides far-reaching flexibilities, such as allowing developing and least developed countries to self-designate

*Image on the left: Free-trade cocoa collecting station in Monte Bello, Sao Tome. Cocoa beans are weighed and stored before being sent to the United Kingdom for processing into cocoa drinks.*

# "Governments, traders and consumers will further benefit from a more transparent and predictable trading environment."

the speed at which they will implement the individual provisions.

What clauses in the agreement would you highlight as being of greatest significance?

Different countries have different opinions on what is most significant. It depends on problems faced by their exporters. A critical element of the agreement is the inclusion of flexibilities for developing and least developed countries that assured them that they would receive the technical assistance and capacity-building support necessary to implement the provisions of the agreement, together with whatever additional time they might need.

The agreement allows these countries to determine their timeline for implementation. These flexibilities and guarantees are a significant part of securing the implementation of the TFA, which would deliver jobs and opportunities in times of unemployment and slow growth. The implementation of the TFA would also deliver technical assistance and capacity-building for the better integration of developing and least developed countries into global trade flows.

Which measures are likeliest to have the biggest impact in terms of reducing costs for members?

This would depend on the situation of each country. If it is landlocked, then the transit provisions are likely to be of special significance. Much will also depend on how many trade facilitation reforms have already been implemented. For developing and least developed countries, the timelines they choose to implement will also impact on the rate at which costs are reduced.

What in practical terms does the agreement change?

The TFA will bring increased opportunities for expanding trade. Trade facilitation has important effects on all countries, especially developing and least developed ones, as it will ensure that they are able to deliver

goods and services in a timely manner, thus giving them greater access to global value chains, making developed countries more attractive blocs to do business with.

The agreement also offers potential to facilitate the internationalization of small and medium-sized enterprises, which are important drivers of job creation and income distribution in many countries, as small businesses will have better access to global supply chains. By reducing costs, encouraging investment and increasing trade, revenue is likely to go up as well. Governments, traders and consumers will further benefit from a more transparent and predictable trading environment.

When are we likely to see the agreement implemented?

The agreement will enter into force once two-thirds of all WTO members have ratified it. Work has already started in Geneva to support this process. The newly established Preparatory Committee on Trade Facilitation started to meet in January. This committee has as its function to ensure the expeditious entry into force of the agreement and to prepare for its efficient operation. The aim is for the agreement to enter into force by July 2015.

What role do you see for postal services in implementing the agreement?

The UPU could play a useful advocacy and awareness-raising role. It could further provide technical assistance and capacity-building to its members. **MM**



**WTO GUIDE TO TRADE FACILITATION FOR BUSINESSES**

<http://www.intracen.org/wto-trade-facilitation-agreement-business-guide-for-developing-countries>

**NINTH WTO MINISTERIAL CONFERENCE**

<https://mc9.wto.org>



# Souvenir sheet gets silk treatment

Macao Post has recently unveiled a new stamp that uses innovative materials and printing techniques.

**TEXT:**  
**KAYLA**  
**REDSTONE**

In March, the designated operator released its first-ever silk product: a souvenir sheet celebrating the Post's 130th anniversary. The genuine Italian silk product depicts the Post's headquarters with historical photos of the designated operator's postal services.

The Post has employed other unique printing techniques in past stamp issues, such as using different inks, foils and embossing, but this marks the first time it has printed on silk. The material is symbolic of the enduring role of the Post, says Macao Post director Derby Lau. "We will determine when to use a particular technique according to the right theme and suitable design," says Lau. "Silk gives people the idea of preservation and keeping things long-lasting," she adds.

Lau says the company printing the stamps transfers the images to silk using the offset lithographic printing, but the process requires more attention than traditional paper printing due to the inconsistent texture of the material's surface. "The production time is almost the same as the normal offset printing process, but getting the silk affixed to the stamp paper usually requires around one month," she explains.

Using silk is not without other challenges. Scissors are needed to separate the stamp from the sheet and there is the risk that ink from postmarks could bleed when stamped on the fabric, Lau explains. Therefore, she says producing a collectible silk souvenir sheet was more feasible than an entire sheet of silk stamps. "I believe that proper testing on new materials is essential and critical," Lau says. "It is important to consider its appropriateness for postage stamps."

She recommends Posts consider stamp design, adhesiveness, durability, printing quantity with regards to pricing and whether special ink will be required to cancel the stamp before deciding on a new printing material. **KR**



**VIDEO: NEW PHILATELY TECHNIQUES**  
<http://news.upu.int/multimedia/videos/philately>



# Postal economics helps develop sector

A new publication from the UPU examines the economics of the postal sector through four lenses: snapshots, trends, models and opportunities.

TEXT:  
JOSÉ  
ANSÓN

At this time of radical transformation of the postal sector, it is important to understand how the sector has evolved historically, how it is connected with the economic system and where it is heading. *Development strategies for the postal sector: an economic perspective*, the latest publication from the UPU, presents a long-run view, focusing on public postal operators during the past 30 years. It also offers a real-time picture based on daily big postal data, revealing one of the greatest opportunities for the sector in terms of forecasting and product design.

The chapters seek to explain why some sector policies cannot easily be transposed from one place to another or “what not, when not, why not, where not”. If the sector is to survive, let alone develop, it is paramount to understand the structural differences between industrialized and developing countries. No less critical is the need to provide decision and policy-makers with economic intelligence tools and applications built on a modern data-analytical framework so that they can seize tomorrow’s opportunities.

## Worldwide

The publication’s view is truly global. In the new connectivity era, with more than seven billion inhabitants in the world, it would be a strategic mistake not to build and develop “click and mortar” postal networks that potentially allow every citizen and enterprise to be connected to an integrated worldwide logistics and communication network.

The “club effect” is a well-known property in network economics: the greater the participation in a network, the higher its utility for each of its participants and the higher the overall value of the network. The most successful historical developments of the postal sector

have been rooted in the inclusion of all inhabitants in the postal system, especially since Sir Rowland Hill’s invention of the postage stamp in Great Britain in the 19th century, followed by British Prime Minister William Gladstone’s encouraging the post-office retail network to collect small savings. These developments helped turn the utopian vision of universal access to postal services into a reality in industrialized countries.

## Big data

The research reveals the immense potential value of further leveraging big postal data for business and sector development. Furthermore, big postal data can be merged with other macro-economic data for a deeper understanding of the intricacies of domestic and international exchanges and supply chains, as well as their impacts on citizen welfare. Social and economic globalization is evolving with the explosion of e-commerce and can now be pictured in real time. For Posts and governments, data analytics of the 21st century not only offers a real-time picture of the sector but also paves the way for new services and new policies and strategies in our high-velocity world.

The long-term perspective explored demonstrates the fundamental economic trends of the sector, by focusing on the incumbent operators. These trends point to the decoupling of letter-post traffic from gross domestic product; the (re)diversification of business and increasing share of some activities in postal consumption (e.g. parcels versus letters); the critical role of the labour force as a major factor of production; and the evolution of the retail network’s contractual architecture, to transform fixed costs into variable costs through business alliances, or to share fixed costs with partners.

"If the sector is to survive, let alone develop, it is paramount to understand the structural differences between industrialized and developing countries."

#### Untapped potential

Such a perspective highlights the lack of long-term convergence between industrialized and developing countries in postal sector development, in contrast to the greatest economic convergence ever between industrialized and developing regions over the past 30 years. This disparity suggests a postal-economic development failure in most less advanced economies.

The solution could be different strategies for operators in those economies, better postal-market organization, and postal economic models that encourage the participation of most citizens in the postal system. An exception to this lack of sector convergence – indicative of the overall untapped potential – can be found in the development of postal financial services.

#### African postal market

This weak postal convergence raises many structural questions, which is considered by the publication. It acknowledges different drivers of postal economic development in advanced and less developed economies, and shows how a lack of market organization and regulation has hindered postal exchanges in a number of developing countries and regions around the world.

For the first time, an in-depth survey is published on postal-market organization and regulation in Sub-Saharan Africa, contrasting heavily with the development of postal markets in the European Union presented in another chapter. The lesson to be learnt is: artificially converging postal economic models does not ensure

sector convergence in terms of production of postal services. The untapped potential for the postal sector is finally considered, most notably in terms of financial inclusion as well as the development of international postal exchanges in the era of e-commerce. For example, with more than two billion unbanked people in the world, postal networks are well positioned to serve customers without proper access to banks and other financial institutions and to facilitate government-to-person payments, such as social-benefit payments.

As for the future, research is an ongoing process and must continue, so that concrete global postal economic tools and applications relying on big postal data can be developed for the benefit of all UPU member countries and the international postal community at large. **JA**

*José Ansón is a postal economist working for the UPU.*

### ORDER NOW!

**Development strategies for the postal sector: an economic perspective**

#### AUTHORS:

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# Mobile postage for people on the go

Postal operators are harnessing the power of mobile devices, using 21st century technology to sell postage to wired clients. Instead of buying a physical stamp, the user can buy an alphanumeric code via SMS that can then be jotted onto the corner of an addressed envelope. While Posts say SMS stamps won't replace conventional ones, they are already providing on-demand convenience.

TEXT:  
DAVID  
KOCH

Swiss Post is currently offering a mobile postage service as part of a one-year pilot project. For domestic use only, it can be used to post a first-class letter, weighing up to 200g and no larger than 25 cm x 17.6 cm x 2 cm. The service is designed with busy consumers in mind, a market that cuts across all age groups and income levels, says Swiss Post spokesman, Bernhard Bürki. The Post has already sold tens of thousands of the SMS stamps since the launch of the service last year, says Bürki. "It's simple and fast," he adds.

For market-watchers, offering such a service is viewed positively. "There are many levels or layers a business must incorporate to be customer-focused and being more convenient is one of them," says Ajay Sirsi, marketing professor at Canada's York University. "This innovation would resonate most with a demographic that is savvy with using mobile technology, such as the 'Prosumer' or a tech-sophisticated consumer," he adds.

## Text as postage

To offer the new service, Swiss Post entered into partnerships with two major national telecommunication firms – Swisscom and Sunrise. Their smartphone clients can use their text message service to type the word "STAMP" and send it to 414. Alternatively, a Swiss Post phone app can also be used to access the service. Within seconds, the client receives an SMS containing a 12-character code with instructions to write the code on the top right-hand corner of their envelope.

The cost of the SMS stamp – 1.20 CHF (1.30 USD) – is charged automatically to the user's phone bill or prepaid

mobile account and covers postage for one letter if used within 10 days. Included is the ordinary 1 CHF cost of priority postage, along with the cost of the outgoing and incoming texts, technical services provided by third parties and applicable taxes, says Bürki.

'Prosumers' appear to be on Post Danmark's mind as it targets young customers born into the world of mobile technology with its Mobilporto. "The general idea behind this stamp was to create a product that could make it more convenient for our customers to send letters," says Morton Nielsen, head of communications at Post Danmark. The service may also help renew the public image of the Post as innovator, he adds. The Danish service was launched for limited types of letter mail in April 2011 and the service expanded in August 2012 to include all letters. Small packages weighing up to 2 kg can also be franked this way, making it attractive for e-commerce transactions. As the service is currently limited to sales of one SMS stamp at a time, it is intended to serve the private customer.

## Going global

During its first year in business, Mobilporto was used to generate some 400,000 stamps, according to media reports. In February 2013, Post Danmark extended the service to international mail. Around this time, the operator asked the UPU to issue a circular to member countries on its behalf, asking Posts to "immediately inform their mail units and post offices" about this service to avoid processing problems. No problems have emerged so far, according to Post Danmark. Popular destinations





Post Danmark has it licked (Photo: Morten Bengtsson)

for internationally-bound items include the Faroe Islands, Greenland and other countries within Europe.

### Smooth operations

Should postal operators offering such a service be concerned that letters franked with their SMS stamps will encounter obstacles on their way to their final destination? According to the UPU's Letter Post Regulations, the onus for checking that letters have the correct postage attached falls upon the designated operator of origin. For SMS stamps, this means that non-recognition abroad is unlikely to be a problem, since checks would be carried out by the sender-post. "Postage is generally checked at the retail counter when the customer deposits their item or when the item is being date-stamped," says Seydou Konaté, the UPU's quality improvement programme manager. Still, Posts abroad must be informed about this new mode of postage, he adds.

### Customer convenience

In Denmark, the vast majority of Mobilporto customers – about 82 per cent – access the service using the Post's smartphone app, which runs on platforms including iOS (iPhone and iPad), Android and Windows, says Nielsen. The SMS stamp – also a 12-character code – is valid for seven days. Letters marked with these codes are handled by the same sorting machines as conventional mail, Nielsen says, combined with mobile technology that checks whether the code is valid. When a code is poorly written, the sorting machine automatically photographs the letter and sends the image to staff, who verify and

correct the code, using the same process that is used to process badly-written addresses.

### Philately lives on

The codes are not expected to replace stamps, which remain popular with collectors as miniature works of art. "We believe that there will always be a market for traditional stamps," says Nielsen. "We see SMS stamps as a supplement, not a replacement."

Demand for physical stamps remains strong among philatelists, who consider stamps to be valuable collectors' items. "Conventional stamps are still popular among philatelists, even as Posts begin to offer innovative services, such as SMS postage," says Louis Virgile, manager of the UPU's philately programme.

Stamp sales to collectors are very lucrative to operators since the cost of letter delivery – the main source of expense in the stamp business – is non-existent. And strictly speaking, those computer-generated codes are not stamps at all, says Virgile. The design of a stamp must be closely linked to a member country's cultural identity or contribute to spreading the culture of maintaining peace, according to the Universal Postal Convention, and generally comprises the name of the member country or territory, along with the face value of the postage. That's all good news for Posts as they revamp services to keep up with the times. **DK**



# Meet the new faces

Though the regions they represent are diverse, the new heads of two UPU restricted unions face similar challenges.

**TEXT:**  
**CATHERINE**  
**MCLEAN**

The beginning of this year saw Hongliang Lin assume the role of director of the Asian-Pacific Postal Union (APPU), which covers a wide geographic area from Afghanistan and India to Thailand and Australia. Lin has worked for 28 years in the postal sector and brings in-depth knowledge of the Chinese market along with international experience to his role. At the same time, Roberto Cavanna entered office as secretary general of the Postal Union of the Americas, Spain and Portugal (PUASP) after heading up Correos del Ecuador.

The new leaders will focus on supporting their members' needs at both the regional and international levels. This in itself is a demanding task: the leaders will need to identify common goals even though the interests of each country and postal operator can vary dramatically. Member countries will look to them to forge compromise and provide inspiration in an industry where there are significant challenges and opportunities ahead.

SECRETARY GENERAL, PUASP

## Roberto Cavanna



### **Union Postale: How did leading Correos del Ecuador prepare you for this new role?**

Roberto Cavanna: I learned that today's society evolves at speeds never seen until now. As a result, we need to make structural reforms everywhere. We are trying to adapt to new social needs by changing services and providing new value-added ones. The postal sector is live proof of this fast evolution. And PUASP must adapt to actual needs.

### **What are your main responsibilities?**

The PUASP region is an economic area with great potential. The organization has an important role in reducing barriers to efficiency, logistics and postal security and to support productive activities at the regional level with global reach.

We are key partners in the development and deployment of the UPU world postal strategy, acting as an important element of regional implementation and empowerment. Working together and coordinating with

DIRECTOR, APPU

## Hongliang Lin



### **Union Postale: How are you facing your new role?**

Hongliang Lin: It's a big challenge, not only for me personally but for the postal sector because the world is changing very fast. I am working hard, considering what we should do in the future, what we did well in the past and what we should do now.

### **What are the goals for the next few years?**

We have a lot of things to do. Of course, we need resources and help, as well as support, both internally and exter-

nally. We are currently thinking about how we can support the Posts of our member countries to create new services and to improve the quality of existing ones to meet the needs of the population and the development of their economies.

During the past 20–30 years, the situation for Posts across the world has changed very rapidly. For example, in our region, some Posts are a part of the government, while others are public companies. Almost every member country has the need to improve services and to develop their postal sector.

Asia-Pacific is a very special region. It is very large with very different national and regional backgrounds. Of course, it's challenging for us to meet the needs of such different members.

### **How will you find a common voice and focus for all members?**

Nobody can meet the needs of everybody but we try to meet the needs of the majority of members. We have done very well in the area of training in the past, for example.

### **Which specific projects or initiatives should be pursued at the APPU?**

E-commerce provides a very good opportunity for the postal sector all over the world. In our region, there are several countries where e-commerce is growing very fast. If we do not use the chance to develop e-commerce, how will the postal sector fare in the future? **CM**

the UPU, we can better share experiences and know-how in different areas, such as reform, regulation, governance, terminal dues and so on.

This year, we expect to invest more than 820,000 USD in the development and deployment of our projects. We will focus this year on the implementation of new services and business diversification, better quality of service, regulation projects and other important issues for the regional sector.

### **PUASP members cover a wide geographic area.**

#### **What do they have in common?**

During my election campaign, I visited 25 out of 28 member countries. I learned that we are working in a complex environment with new trends and challenges affecting our sector. The situation is the same in all regions. We have the same problems: decreasing mail volumes, more competitors, new trends, the need to find more resources and improve the quality of services but we also need to evolve. The PUASP is a very hetero-

geneous region and we have to work together to achieve our goals.

I wish to work steadfastly to bridge the existing gap in the postal development of PUASP member countries because we need to ensure higher levels of quality of service and greater uniformity in the quality across regions.

### **Most postal operators in Latin America have less than 20 per cent of market share. How can this improve?**

We have to work with governments to make change happen. The state has the final responsibility of guaranteeing the existence of an organized postal service in accordance with the country's needs. It is important that each member country clearly defines the responsibility of the regulatory entity, the scope and exclusivity of the designated operator, rules for competition, conditions for providing the universal postal service and mechanisms for establishing tariffs, as well as interconnecting all operators. **CM**



# Ireland to launch ultra-precise postcode

Ireland, the only country in the European Union without a public postcode, is poised to adopt a finely detailed system, with a unique identifier for every mailbox.

**TEXT:**  
**DAVID**  
**KOCH**

In January, the Irish state signed a ten-year contract with Capita Ireland to lead a private consortium to “develop, roll-out and operate” the national postcode, due for release early next year. Capita declined to release details of the contract, but the deal is reportedly worth 25.6 million EUR (35.1 million USD).

Ireland’s designated operator, An Post, already uses advanced technology for sorting mail without a postcode. But proponents of an Irish postcode have long maintained that it would improve the delivery of goods, while generating data that would be useful for everyone from ambulance services to direct marketers.

## **Non-unique addresses**

In 2006, a government-commissioned report called for a six-character postcode scheme that would place every address in one of about 200 “post towns” and further separate those towns into clusters of about 40 or 50 properties. But the proposed system goes further, pinpointing every mailbox.

The ultra-precise endeavour is meant to solve Ireland’s problem with “non-unique addresses”, said Liam Duggan of Capita Ireland. More than 600,000 Irish domestic addresses lack a number or house name, he said. In some cases, even the streets are without names. “With the advances in technology and improvements in mapping and GPS systems, the government decided that a unique identifier for every address made more sense,” said Duggan, Capita’s lead on the project. “In many cases, just the names of villages or townlands are used in people’s addresses,” he said. “It is also possible that members of the same family live in the same area, and so, there could also be several people called D. Murphy or Mr. Murphy at the same exact address.”

This can have a negative impact on the delivery of goods and services, especially in rural areas, and that’s a problem touching more than a third of Irish households, according to the country’s communications ministry.

## **Bolstering businesses**

Businesses should welcome the change but they may experience growing pains as they adapt their databases to the new system, said Mark Fielding, chief executive of the Irish Small and Medium Enterprises Association. “It may actually kick-start some of these businesses and bring them into the 21st century,” said Fielding, noting that the new postcode system could prompt businesses that don’t already collect data to launch their own databases.

Postcodes combined with demographic information could help SMEs to advertise more efficiently, targeting their direct mail by slicing and dicing the data, he said. “You can actually carry out much more focused sales campaigns.”

The postcode system would also foster e-commerce in Ireland by making home deliveries more reliable, Fielding added. He also expects the public postcode to spur increased competition between An Post and private couriers, leading to lower shipping prices.

## **Socio-economic benefits**

As part of a country’s infrastructure, postcodes are important, says Patricia Vivas, addressing and postcode expert at the UPU. “Addresses are a public good comparable to traffic lights and other parts of a country’s infrastructure,” she said.

Investment in addresses can constitute a fundamental step in connecting people to public and private services.



Dublin will also benefit (Photo: Hans-Peter Bock)

The Irish government has heralded a number of advantages. Quick identification of precise addresses is expected to result in better delivery standards for emergency services. “The implementation of postcodes for every premises in Ireland represents an unprecedented opportunity for the service to ensure fast and accurate location of incidents,” said Martin Dunne, director of the National Ambulance Service, in a statement.

Benefits could also include improved data collection related to epidemiology and health service management, according to James Reilly, Irish health minister.

#### **Alphanumeric code**

The final postcode design has not yet been approved by the Irish government but the proposed system would be alphanumeric, consisting of seven numbers and letters. The first three characters would mark the postal delivery area – there will likely be about 100 to 200 of these zones – while the remaining four-character combination would be unique.

Asked whether place names would influence the letters in postcodes – a potentially hot topic in the officially bilingual nation, where the traditional Irish language is frequently at odds with English place names – Duggan said the postcodes would be “unrelated to place names in either English or Irish”. The exception would be in

Dublin – in Irish, the capital city is called Baile Átha Cliath – where postal codes starting with the letter ‘D’ have existed for years. These older postcodes would be integrated into the proposed system.

#### **Big hurdles**

Implementing a new postcode system is a major infrastructure project, often taking a decade to roll out completely, said Vivas. The Post often must operate two systems – the old and the new – as the general public and major postal clients adapt.

The consortium managing this transition is tasked with ensuring that 2.2 million addresses each receive a unique code by the launch date in spring 2015 – notably the non-unique ones. Other challenges include awareness raising among the general public and making sure databases across Ireland are updated.

That includes “almost 100 million records across various public service databases”, said Duggan, ranging from local government to foreign affairs. Other key players working with Capita to prepare for the postcode launch in spring 2015 include banks, utilities, retailers and other large private-sector database holders. **DK**

## BELGIUM

**BPOST** saw a strong end to 2013 with a 20 per cent increase in net profits, reaching 273.3 million EUR (375.1 million USD). Net profits in the final quarter alone increased 78 per cent year-on-year. The Post cited growth in parcel volumes, a rise in e-commerce and a boost in productivity for the strong fiscal results. Parcel volumes grew 12.9 per cent year-on-year in the fourth quarter.

## BRAZIL

Brazil's Superior Labour Court has granted **CORREIOS** a partial injunction against postal worker strikes in 13 states. The court ruled the federation of postal workers, Fentect, would be fined 50,000 BRL (20,900 USD) per day unless 40 per cent of employees show up for work. Workers walked off the job January 29 after the Post announced management of its healthcare programme would be transferred to a new agency.

## CANADA

**CANADA POST** has upgraded its online postcode finder in partnership with address management experts, Postcode Anywhere. Canadians can now fully confirm their shipping address online by fully or partially typing their address in English or French into the Address Complete search bar. The tool validates property-level addresses via the Post's Postal Code Address Database.

The Post also released guiding principles for transitioning its remaining five million customers, who use door-to-door delivery, to community mailboxes. Customers, who receive their mail from building lobbies, and the majority of businesses will not be affected by the change. The Post said that special considerations would be given to delivery to elderly and disabled customers, as well as to dense urban areas where mailbox placement could be challenging.

## FRANCE

Change is underway at **LA POSTE GROUPE**, which has devised a new plan to modernize,

develop and expand its services. The Post says the first steps of the strategy will be to reorganize the group itself and begin negotiations with the union to establish a new collective bargaining agreement. The Post also plans to expand its logistics services to better compete in the ever-growing parcels delivery market.

## GERMANY

**DEUTSCHE POST DHL** boosted its GoGreen products by adopting the internationally recognized 'GHG Protocol Product Lifecycle Accounting and Reporting Standard'. As of 2014, products are 100 per cent climate neutral. The new standards will also apply to the 'Carbon Report' category of products and the Post will begin collecting data on other relevant greenhouse gases, such as methane and nitrous oxide, adding greater transparency to its reporting measures.

## KENYA

**POSTA KENYA** has begun applying Value Added Tax (VAT) on its services in compliance with government legislation implemented last year. The 16 per cent VAT applies to all postal services. The change increases the cost of sending a standard 20g domestic letter from 30 KES (0.34 USD) to 35 KES.

## NEW ZEALAND

The Bank of New Zealand has signed up for **NEW ZEALAND POST**'s online identity service, 'RealMe', allowing customers to sign up for new accounts online. The service enables customers to access online services without having to complete a personal identity check each time. Customers can sign up by completing biometric identity verification at their local PostShop.

## SCANDINAVIA

**POSTNORD** says it will focus development on e-commerce in the future as traditional mail volumes continue to decline. The Post is looking to streamline its business, starting with the restructure of the PostNord Group this year. Mail and logistics operations will be combined

and innovative physical mail and integrated solutions will be developed to match the growing e-commerce market.

## SINGAPORE

**SINGPOST** saw revenues from non-mail services rise 10 per cent year-on-year, thanks to new acquisitions and growth in e-commerce. Non-mail services accounted for 45.7 per cent of earnings in the first three-quarters of the fiscal year. Though domestic mail volumes declined for the eighth consecutive quarter, revenues reached 222.6 million SGD (176.5 million USD), a 30.2 per cent increase compared to the same period last year.

## UNITED STATES

**UNITED STATES POSTAL SERVICE** reported that over 22,000 early retirements last year helped offset losses in the first quarter of this year. The Post took a net loss of 354 million USD, compared to last year's loss of 1.3 billion USD in the same quarter. Revenues grew 1.9 per cent during the quarter, reaching 18 billion USD, due in part to a rise in e-commerce during the Christmas season.

## OTHER

**UPS** suffered a loss of 1.83 USD per share in its fourth quarter after the company was faced with a pension scheme charge worth 3 billion USD and strain on its parcels delivery service. The company deployed extra staff and equipment to match December's 20 per cent increase in global deliveries and to overcome weather conditions. E-commerce contributed to a 6 per cent year-on-year increase in worldwide parcel volumes.

*All items by Kayla Redstone*



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