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UNION POSTALE



Universal Postal Union,
a specialized agency
of the United Nations

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Eastern Europe
How to facilitate trade
by UNECE

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Posts & Customs

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October 2014

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Union Postale is the Universal Postal Union's flagship magazine, founded in 1875. It is published quarterly in seven languages and takes a closer look at UPU activities, featuring international news and developments from the postal sector.

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.

Union Postale is also published in French, Arabic, Chinese, German, Russian and Spanish.

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96%

 of our readers

say coverage of the UPU's strategy and activities in this magazine is 'very good to excellent'.

INTERNATIONAL LETTER-WRITING COMPETITION

Letter from violin wins first prize

Nataša Milošević, a 13-year-old girl from Bosnia and Herzegovina, has won the gold medal in the Universal Postal Union's 43rd International Letter-Writing Competition for Young People.

Milošević's letter told a riveting tale about an abandoned violin that finds its way to a talented young boy and inspires him to become an accomplished musician.

Milošević's composition grabs the reader's attention from the start. "Even though my strings are ragged and out of tune, my hearing still serves me, just my voice has betrayed me, and how would it not when I have been laying here motionless for years in this abandoned and dusty shack by the river?"

Inspiration

The gold-winner was very motivated to participate in the competition. "I was inspired by the very idea that young people are encouraged to write because we are living in a world of technology," says the writer, who sings in a choir and paints in her spare time. "It would be nice to return to values, like writing letters," she adds. The jury had this to say about the young writer's composition: "Beautifully-written, this letter full of colour and very moving images shows great sensitivity. The story easily captivates



Nataša Milošević lives in Mostar

both the reader's mind and heart, and the theme is illustrated in a creative and personal way."

This marks the first time in the competition's history that a young person from Bosnia and Herzegovina has won.

Warmly congratulating this year's winners, UPU Director General Bishar A. Hussein said: "The art of expressing oneself clearly through writing remains an important skill today. Only a letter evokes vivid images and elicits emotions that can never be conveyed by electronic messages."

The 2014 annual contest asked budding writers to explain how music can influence lives. The silver medal

was awarded to 10-year-old Zou Canyon from Bai Shan (Ji Lin Province), China, while 11-year-old Ashley Nicole Abalos, from Manila, Philippines, took bronze.

An estimated 1.5 million young people up to 15 years of age participated in this letter-writing contest.

The annual competition aims to raise awareness of the role postal services play in our societies, helping young people develop their skills in composition and the ability to express their thoughts. **RL**



READ THE WINNING LETTERS:
<http://www.upu.int>

Smart minds and able hands

At this crossroads where the public postal sector finds itself, phrases like 'e-commerce boom', 'leveraging the network' and 'diversifying postal services' roll off the tongue easily. But sometimes, talking the talk is not enough, especially when it remains just that: talk.

Walking the talk requires both a strong strategy and a good implementation from smart minds and able hands. Never before has it been easier to be innovative thanks to the perfect coming together of technology and the obviousness of customer needs. Never before has the public postal sector needed so sorely to rise to the occasion and take its place on the dais of service providers.

So, what can the Posts do? How about facing the challenges honestly and strategically, while ensuring a truly universal service? There it is in a nutshell. Of course, that is more easily said than done. However, the collaboration between the UPU and the World Customs Organization contains the essence of the kind of cooperation necessary to find practical solutions to practical problems. See the cover story for more.

As a United Nations specialized agency, the UPU is committed to helping Posts contribute to the economic growth of nations and, through this, improving the lot of the most disadvantaged of populations, while enabling global communication. Within the pages of this issue, you will find out more about how the UPU is doing exactly that.

FARYAL MIRZA, EDITOR-IN-CHIEF

REGIONAL DEVELOPMENT

New Caribbean postal training centre opens



Barbados Minister of Home Affairs Brathwaite cuts the ribbon with (l. to r.) Postmaster General Joel Brathwaite, Caribbean Postal Union Secretary General Sandra Davoren and Abdelilah Bousseta

A new postal training centre in Bridgetown, Barbados, established with the UPU's assistance, has held its first workshop on how to effectively integrate customs, transport, security and domestic operations.

The Universal Postal Union, the Caribbean Postal Union (CPU) and the Government of Barbados worked

together to set up the facility, designed to help strengthen postal human resources. Using the train-the-trainer approach, 1,280 people are expected to be trained by 2016 on topics ranging from operations, quality of service and e-commerce to product management and more.

The idea is to train a certain number of people at the Bridgetown facility, so they can then train their own colleagues back home.

New era

Opening the centre on 15 September, Adriel Brathwaite, Barbadian attorney general and minister of home affairs, said the centre opens at a critical time, when postal operators in the region are grappling with greater demands and expectations from their stakeholders. "It will signal a new era for the ongoing training of postal man-

agers and assist significantly in the advancement of the sector generally," he said.

At the CPU's recent annual meeting, UPU Director General Bishar A. Hussein encouraged the region's governments and Posts to support the centre and make good use of it.

The centre responds to the main goals of the UPU's Caribbean development plan, which includes developing human resources to increase their technical knowledge and expertise in the postal sector. "The new training centre will make the delivery of training programmes in the region more cost-effective and efficient," added the UPU's director for development cooperation, Abdelilah Bousseta, who attended the inauguration.

The next workshop, on sustainable development, is scheduled for November. **RL**

RESTRICTED UNIONS

Human resources are key to Caribbean postal future



R. to L.: Bishar Hussein, UPU Director General; Michael Dunkley, Premier Bermuda (Photo: Bermuda Post)

Staff-training and governmental support for postal services were under the spotlight at the 17th Caribbean Postal Union Conference, opened by Bermuda's Premier Michael Dunkley and UPU Director General Bishar A. Hussein on September 8.

Dunkley, as head of Bermuda's government, underlined the importance of self-reflection for the region's Posts as they considered their future. "It is prudent for all of us to examine our business models, develop ways to increase efficiencies and to realize new opportunities to increase revenue," he said. "We live in a very competitive world with demanding customers, who will use their purchasing power wherever they please," he added.

UPU Director General Hussein told delegates that governmental support

for postal services were crucial to the future of public postal services. And ensuring that staff have access to relevant and good-quality training was an integral part of the recipe for business success.

New era

For Hussein's part, attending the Bermuda meet provided a good opportunity to connect with constituents in the Caribbean. "It is only through such interactions that we at the UPU can assess your progress, understand your challenges and develop meaningful programmes to support your needs," he told delegates.

Such exchanges have enabled the UPU to tailor its assistance to the region's requirements. Recent discussions with Caribbean counterparts had revealed that the region faced a

pressing need to enhance human resources both in terms of capacity and competences.

On that front, Hussein underlined that the UPU was already providing solutions to Caribbean countries in need. "I am happy to report that the UPU has, in response, to this concern conducted two training programmes this year: one on logistics and quality improvement and the other on customs issues," he said. A further workshop on mail transportation is also planned for the near future.

Furthermore, Hussein announced that a Caribbean postal training centre in Barbados was due to be shortly opened. "I encourage all governments and postal organizations in the region to support the centre and make good use of it," he said.

Eighteen countries attended the event from 8 – 11 September, including postal representatives from the Caribbean, Great Britain, Netherlands and United States. The Caribbean Postal Union is a restricted union of the UPU. **FM**

INTERCONNECTIVITY

Call to boost ICTs in post offices

Despite the tremendous potential post offices offer for extending Internet access to the public and offering other valuable social, financial and government services, the world has fallen short on connecting all postal outlets with information and communication technologies (ICTs).

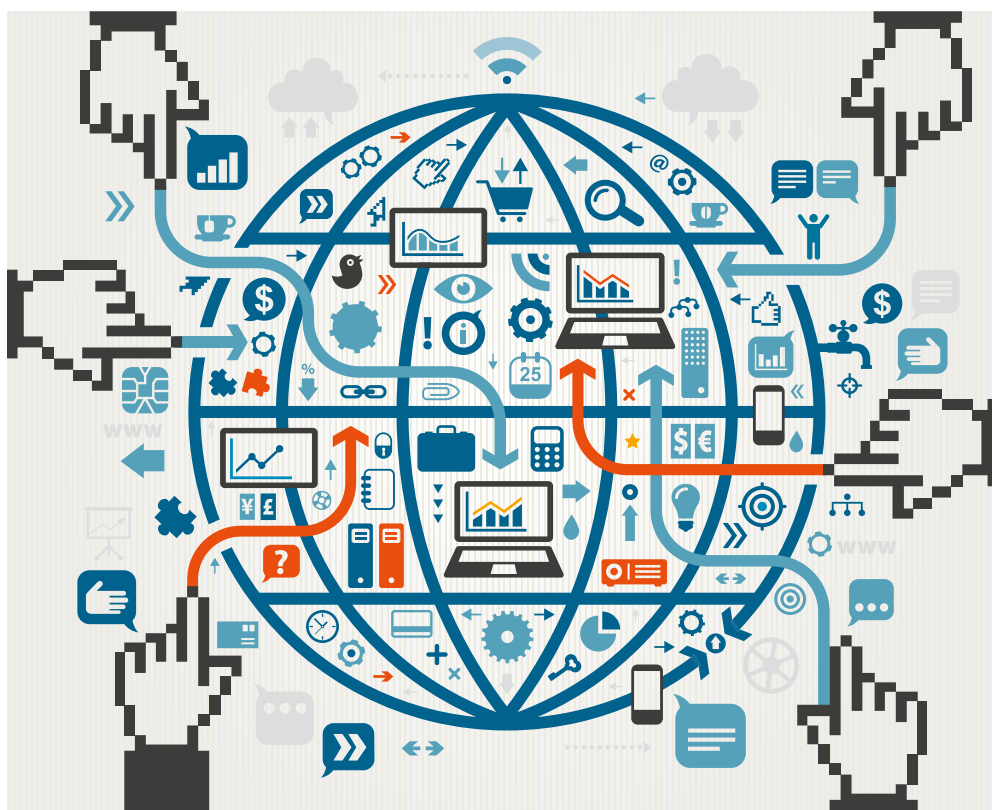
This was stated in a report submitted at a recent high-level meeting in Switzerland to review progress being made on the outcomes of the World Summit on the Information Society, held in Geneva in 2003 and Tunis in 2005. The goal to connect all post offices with ICTs, alongside public libraries, museums and national archives, is one of ten targets.

According to 2012 data collected by the UPU from 81 responding countries, covering 174,493 post offices out of a global 640,000, 31 per cent of post offices have broadband internet access, yet only 10 per cent provide public internet access. "The actual achievements in expanding broadband access to post offices do not always match the postal network's potential for providing Internet access to the public," notes the report, which signals an "untapped potential".

It further recognizes the importance of expanding broadband Internet in post offices to support financial and digital inclusion in many communities, especially underserved ones, as well as helping governments to provide e-services and small and medium business enterprises to sell their goods more easily.

"Posts are important national infrastructures for social, economic and digital inclusion," said UPU Director General Bishar A. Hussein at the Geneva event in June, where he reminded policy-makers of the global postal network's reach and capacity to bridge important gaps in the information society.

He added that the UPU was prioritizing its activities linked to e-commerce, financial inclusion and trade facilitation, which are reliant on an



(Illustration: Getty Images)

efficient information society, he said. "We are at the forefront of providing services to billions of customers around the world, and technology is playing a fundamental role."

E-business action line

The UPU is also taking note of the challenges still hampering e-business development, as identified in the outcome report for the WSIS's C7 Action line (ICT applications) covering e-business. The UPU co-facilitated this portion of the action line, alongside the United Nations Conference on Trade and Commerce and the International Trade Centre.

Making transportation and logistics more cost-effective in moving goods across borders remains "a major hurdle for international e-commerce, especially for consumer purchases," according to the publication. It adds that appropriate road and transport infrastructure, customs processes and relevant postal reform must be part of the solution.

The UPU is working earnestly on several of these issues. It recently convened a meeting at its Berne headquarters to foster a multi-stakeholder approach to facilitating global e-commerce.

The UPU's Postal Operations Council also adopted a resolution in April, urging its working groups to more quickly integrate their actions around e-commerce facilitation. Work is continuing with Customs and transportation authorities to ensure Posts move goods across borders more easily and securely.

Hussein also said the UPU's post top-level domain, which provides an additional layer of security to online postal services, could be fundamental in helping Posts combine secure online and mobile payments for merchants and consumers with transportation and logistics services. These were also identified in the action line report as a major challenge hampering the growth of e-business. **RL**

COUNCIL OF ADMINISTRATION

UPU Strategy Conference on hold

The government of Côte d'Ivoire and the Universal Postal Union's Council of Administration (CA) have decided to cancel the holding of the UPU's Strategy Conference in Abidjan on 14-15 October 2014.

Recalling the prevailing health challenges in neighbouring countries and the low levels of registration due to this, the authorities decided it would be judicious to cancel the meeting. The CA will discuss the matter further at its November session at UPU headquarters in Berne.

The decision followed a meeting between Ivorian Prime Minister Daniel Kablan Duncan and UPU Director General Bishar A. Hussein in Abidjan. The Ivorian minister for posts and telecommunications, Bruno Koné, said: "We have exchanged on the consequences of the difficulties

the region is experiencing. For us, it is a matter of being reasonable and realistic, and making sure that this conference can be a success. The context and the environment must be appropriate for the organization of this event," he emphasized.

For his part, Hussein recognized the efforts made by Côte d'Ivoire so far to prepare for the Strategy Conference. "We have had to take a difficult but necessary decision due to circumstances beyond our control," he said. "The UPU thanks the government of Côte d'Ivoire for the remarkable efforts invested in the preparations for this important conference. To ensure the event's success, however, the right conditions must be met to ensure the greatest participation possible by representatives of our 192 member countries, international

and United Nations organizations and other postal-sector stakeholders."

The strategy conference invites member countries and other postal stakeholders to take stock of progress in achieving the current world postal strategy. The meeting also aims to identify the trends and developments to take into account during the drafting of the next roadmap for the postal sector, to be presented for adoption by UPU member countries at the 2016 Universal Postal Congress in Istanbul. **RL**

DEVELOPMENT COOPERATION, RESTRICTED UNIONS

Training staff takes centre court

The UPU has partnered with the Postal Union of the Americas, Spain and Portugal (PUASP) to open up a regional training hub in Montevideo, Uruguay on June 17.

UPU Director General Bishar A. Hussein cut the ribbon at the centre with help from Roberto Kreimerman, the Uruguayan minister for industry, energy and mining.

The initiative is set to better help PUASP member countries better attain the priorities under its regional development plan (RDP). Such plans were created for all world regions to fulfil the main objectives of the UPU

Doha Postal Strategy for 2013-16.

"For the current world postal strategy to be achieved, postal employees must be trained to the highest standards possible," said Hussein.

Using existing infrastructure at PUASP headquarters in Montevideo, Uruguay, courses are being offered to the region's Posts from June 2014. "Enabling training to take place in the region where great facilities exist already makes practical sense – it brings the courses closer to beneficiaries, as well as bringing participation costs down," added the UPU director general.

For its part, the UPU has pledged some 100,000 CHF to the initiative, with further costs being borne by the other party.

PUASP is an intergovernmental regional organization. This type of body is also known as a UPU restricted union. **RL**



World Post Day

9 October



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<http://news.upu.int/outreach/world-post-day/videos/>



UPU technology ushers in new era of Customs cooperation

A newly-built Canada Post plant at the Vancouver International Airport has become the world's first postal facility implementing UPU software designed to streamline the Customs process by the power of electronic data and automation technology.

10

TEXT:
DAVID
KOCH

PHOTOS:
GETTY
IMAGES

Thanks to the UPU's Customs Declaration System (CDS), a higher level of cooperation between Posts and Customs is taking shape at the international level, as they confront the challenges of a rapidly changing world. This comes as border services are faced with pressure on resources and a tougher set of security challenges – that means Customs and Posts both need faster ways to deal with the rising tide of items generated by international e-commerce.

In Vancouver, Canada, when inbound mail with a UPU product barcode reaches Canada Post's new 700,000-square-foot Pacific Processing Centre, data about its contents has already arrived and Customs has made a decision about how these mail items will be treated as they travel through the plant.

As inbound mail is emptied onto the belt of the new facility – which can handle 6,000 incoming items hourly at full capacity – the barcodes affixed to individual items are scanned while they pass through a six-sided scanning device.

Thanks to CDS, this barcode is linked to data that Canada Post received prior to the item's dispatch from the Post of origin, including Customs declarations, in the form of electronic messages. Today, a handful of Posts are exchanging 1.5 million of those electronic messages a week with many destined for Canada. Other Posts are preparing to implement the same kind of data exchange in 2015.

This pre-advice gives the Customs authority time to issue a decision for those incoming postal items, which are automatically diverted along the belt: low-risk items that have received advance clearance are carried directly into the domestic sorting area of the plant, with invoices for pre-assessed duties and taxes attached.

Meanwhile, certain items considered higher-risk – or perhaps those selected randomly as samples for physical inspection – are automatically diverted by a 'smart conveyor' system and examined by Customs officials in areas of the plant reserved for Canada Border Services Agency (CBSA) officials. (Postal workers are not authorized to act as Customs officials in Canada.) It's a far cry from conventional methods. "It takes away the requirement to physically look at every declaration on each package or parcel," says Stephanie Glover, director of customs and trade facilitation at Canada Post.

The use of this technology reflects the shared interests of Posts and Customs. "We have a common goal of improving the efficiency of the postal supply chain for Canadians, while maintaining a robust border security and public safety mandate," says Stefanie Wudel, CBSA spokesperson for the Canada Border Services Agency, the federal agency in charge of Customs. "Customers expect fast delivery," says Glover, "so, we are looking at how we can improve our end-to-end delivery of postal items that are entering Canada."





CDS also responds to an emerging set of rules for Posts worldwide, with governments starting to subject mail volumes to the same rules as cargo. Freight-forwarders and private players are already required to send advance data about shipments to Customs before loading an aircraft, but postal items have traditionally been exempt from this rule.

“What we’re finding is that, around the world, there is a movement towards having the same provisions for transporting mail as there are for other modes of transport,” says Glover. “And the UPU is taking an active role in building the tools to help facilitate these emerging legislation and requirements.”

Challenges

Incomplete data from shippers is one challenge that has emerged with the new system: if an item’s description simply says ‘merchandise’, Customs must examine that

parcel or package individually. This underlines the importance of coordination with key partners for quality data. “With a few changes from some large-volume mailers, we’re getting where we need to be,” Glover says. Other challenges have included training employees on the new equipment and a higher-than-expected number of small packets that are too small for the conveyor belt, thus requiring manual processing.

However, these issues are regarded as part of the learning curve for the implementation of a world-first system, says Glover. And the UPU’s work developing CDS has been critical to a successful project with a promising future, she says. “We look forward to implementation at our two other offices of exchange,” adds Glover.

International exchange

The number of Posts conducting pilot exchanges of CDS data reached 16 by May 2014, with the United States

“The UPU is taking an active role in building the tools to help facilitate these emerging legislation and requirements.”

Stephanie Glover, Canada Post

Postal Service and Canada Post both in production and ready to exchange with any other CDS user. Deutsche Post DHL is currently operating in a “test environment”, according to Alexander Edenhofer, company spokesperson. But stringent data protection standards in Germany prevent the Post from transmitting an entered dataset for outbound items: the names of shipper and receiver are restricted. And implementing the system for inbound items would require the national Customs authority to adapt their IT system, which is connected to Deutsche Post DHL’s, a change that isn’t currently planned, says Edenhofer. This is just one example of how varied situations can be at the national level, including divergent regulations and technologies.

Another country that is also exploring these uncharted waters is Australia Post, which is currently piloting the CDS system for inbound shipments in collaboration with national border authorities. It is also sending data with outbound shipments to selected partner countries. This ‘proof of concept’ period is geared towards assessment and improvement of incoming data, as Australia Post liaises with data-sending operators to identify problems and improve data quality. This trial period is also meant to determine “the best way for operations to change the inbound processing” to get the most out of the data exchange”, says its spokesperson, Jenni Bolton. Anticipated benefits include cost reduction and better detection by border agencies.

This Post is also testing the ‘watchdog’ function of CDS, which allows for high-risk items to be identified early and prevented from ever being dispatched. Asked about the significance of CDS, Bolton underlined the

potential for better customer service. “Australia Post is keen to pursue initiatives that will achieve greater end-to-end efficiencies between designated postal operators and Customs authorities and subsequently provide greater levels of services to our customers,” she says.

Legal change

The discussions that eventually led to the launch of the fully-fledged CDS began as the UPU and the World Customs Organization (WCO) began facing a rapidly changing legal environment. The shift began as United States’ lawmakers adopted postal reforms that included requiring advance data for items entering the country. Soon, China also began requiring pre-advance as did the Russian Federation, which adopted this requirement in September. And the European Union is preparing to require Customs data in advance for anything entering Europe in the coming years.

Increased cooperation

Today, close cooperation is key as Customs work to keep up with security risks and the rising tide of goods flowing through the Post. Both parties are under pressure to maintain tight security, especially after two bombs originating in Yemen were discovered on cargo planes belonging to private couriers bound for the US in 2010.

Customs, like Posts, also face human-resource issues – their manpower isn’t increasing in step with the rise in e-commerce traffic, says Pashupati Nath Pandey, technical officer for the WCO’s customs and facilitation directorate. Using technological solutions, such as the CDS, however, would allow Customs to focus their scarce

How it works

Two sets of electronic messages (defined in a UPU standard known as M43) are involved in the CDS process. The first message replaces the paperwork normally used for Customs declarations.

A second message, sent in response by Customs, contains information about whether or not an item should be presented to Customs. This message may also contain additional data, including the value of any duties or taxes the sender may need to pay. The presence of this data could vary depending on the specific agreement between a national Post and Customs agency.

resources on higher-risk traffic emanating from smuggling, dangerous cargo, environmental hazards and other security threats, says Pandey.

That CDS got off the ground was in no small part due to the joint efforts of the UPU and WCO under the WCO-UPU Contact Committee. UPU representatives also regularly attend the WCO's meetings and vice versa. This close collaboration enabled them to develop the joint messaging system that underlies the CDS.

Pandey notes that CDS is just one way of integrating postal items into a larger system that requires pre-advice for all goods. For example, the WCO has been developing their own platform called 'Globally Networked Customs', which is currently being piloted by several countries. The methods used will vary from country to country, says Pandey. But he stressed the need for the systems to function together. "What we need is a good technological framework with the basic premise of interoperability," says Pandey. "You should be able to have a seamless interface to talk to one another."

New ways

The development of CDS is just one of the ways that the UPU is working with the WCO to encourage cooperation at the national level. The two groups recently published a set of guidelines for the development of memoranda to help foster cooperation between Posts and Customs. These agreements will help clarify terms and conditions governing their functions, as they work towards implementing new technologies like CDS.

The committee has recently published the Postal Customs Guide, a sort of textbook for the processing by Customs of postal items. The 49-page guide is meant to foster mutual understanding between Posts and

Customs about their respective operations. Described as a living document to be updated regularly, it covers everything from the difference between packets and parcels to the fight against weapons trafficking across borders.

These joint efforts display ongoing actions at the international level aimed at ensuring security, while also fostering economic growth, as e-commerce emerges as a vector of growth for micro-, small- and medium-sized businesses, says Akhilesh Mathur, UPU supply chain coordinator. "For e-commerce to function, Posts to prosper and quality of service to be good, the Post-Customs interface must be efficient."

The writing is on the wall, and the UPU and WCO have been busy developing tools to help designated postal operators and Customs adapt to the new rules. This is where the CDS fits in, says Harald Weyerich, director of the UPU's Postal Technology Centre (PTC). The CDS is currently the only system of its kind on the market, he adds.

And, as an increasing number of Posts adopt the system, they too will benefit from the economies of scale offered by the UPU-developed technology. The costs of developing the required standards and software have already been met. This means that new users avoid the cost of developing their own bespoke system and benefit from software updates produced by the PTC, which is governed by the Telematics Cooperative. The first stage of CDS's development was paid for by the UPU's Express Mail Service or EMS Cooperative, a group with more than 170 members. The second stage was financed by Canada Post.

All products developed by the PTC – including the CDS – are available for a sliding-scale annual fee, which is based on a country's gross national income. All designated operators have access to the PTC's products, Weyerich adds, whether or not they belong to the Telematics Cooperative. But the benefits of membership include discounted prices, voting rights and access to meetings where these technical solutions are developed. Since the PTC is not for profit, it can also offer products at a competitive price, adds Weyerich.

Meanwhile, ensuring smooth operations in the global supply chain is crucial, especially in the light of the growth of e-commerce, says Pandey. "This is something none of us can afford to ignore." **DK**



Postal regulation on southern agenda

Postal experts from Europe, North and South America recently gathered at the invitation of their Moroccan counterparts in Casablanca to share experiences in the area of regulation.

**TEXT:
CATHERINE
MCLEAN**

They included representatives from governments, regulators and incumbents from Brazil, Argentina, Belgium, Portugal, the United States, Morocco and Canada. The discussions covered which types of postal services (payments, parcels, courier, electronic and government services) should or should not be regulated and which kind of regulatory system would be suitable. In addition, how markets should be organized was also considered.

Such conferences provide valuable insight in the light of the fast-changing postal landscape, participants said. With opportunities galore for a sector at the interface between physical and electronic delivery, postal policies could serve inclusive development as a long-term vision. In this new context, great care, however, should be taken to define the scope of universal-service obligations. Making matters more complex is the fact that there is no one-size-fits-all solution. Each country has their own unique approach to postal services that are intimately linked to the fabric of nations.

The Casablanca conference provided an opportunity to explore both the challenges and opportunities linked to the different approaches adopted. "It's not a one-way street," explained Francklin Andrade Mattar Furtado, Brazil's deputy sub-secretary of postal services at the ministry of communications, who was a speaker at the conference. "We share our experiences but we hear about others' experiences as well. Everyone leaves the meeting with some food for thought."

For its part, roundtable host Poste Maroc said it was searching for a regulatory model that combines economic viability with a high-quality public service. This is a balance that many of its counterparts around the world are also seeking as they struggle with falling letter-mail volumes and increasing competition from private couriers, while trying to seize the huge potential offered by supply chain integration, trade facilitation and inclusion

policies. "I am convinced that postal regulation is the subject of universal debate," said Amin Benjelloun Touimi, director-general of Barid Al Maghrib, Morocco's postal bank.

Among the lessons stemming from the roundtable was that regulatory reform should be a gradual process set firmly within an evolving mission, according to Marie-Odile Pilley, a recently retired expert at the Universal Postal Union, who was another speaker. "Regulation is an area well explored in the industrialized world but up until now was relatively little researched in the developing world," she said.

Another key takeaway was that postal service should be technologically neutral, and capable of evolving to reflect changes in technology and societal needs, Pilley added.

While developing countries, such as Morocco, in the past might have exclusively turned to Europe or North America for inspiration, they are now increasingly consulting with their counterparts in Asia, South America and Africa in a South-South exchange, as demonstrated at the Casablanca roundtable. This makes sense as postal operators in developing countries share both challenges, such as infrastructure issues, as well as opportunities, such as helping more citizens access electronic, financial and insurance services, according to Pilley. Indeed, Furtado said that there was a lot of interest at the roundtable in Brazil's own postal banking service, which brings financial services to people, who would not have access otherwise. **CM**



140 years of innovation



MESSAGE:
BISHAR
A. HUSSEIN,
UPU
DIRECTOR
GENERAL

PHOTO:
MANU
FRIEDRICH

The communication landscape has changed considerably since 22 founding countries met in Berne, Switzerland, in 1874 to establish the UPU that now boasts 192 members.

2014 is a milestone year for the Universal Postal Union, which celebrated its 140th anniversary on 9 October. Over the years, the UPU has strived to keep pace with a changing world, harness-

ing new information and communication technologies to further the development of efficient and accessible universal postal services facilitating communication worldwide.

The capacity to innovate has been a constant thread in our history. At the end of the 19th century, the UPU's very creation was innovative. Its establishment paved the way to the very first multilateral framework that standardized and simplified postal communication across borders, promoting trade and communication.

As such, postal services have played an incredible role in shaping globalization, and this makes the UPU more relevant than ever. As borders disappear, migratory movements swell, and global trade flourishes, physical, financial and electronic postal services remain an essential part of a country's social and economic fabric. They foster people's inclusion in all facets of society, and fuel trade and growth at all levels.

We can be proud of lasting accomplishments, including the single postal territory and the freedom of transit for postal items that came with the UPU's creation. Today, the world's intertwined postal networks make up the largest distribution network on the planet, enabling billions of people and businesses to communicate and exchange documents and goods. Now, that's a social network.

Through the global forum that is the UPU, customers and the sector have benefited from many other innovations. This pioneering spirit continues, as Posts face the digital world head on and show an extraordinary capacity to innovate in areas of secure e-identification, e-commerce, trade facilitation and more.

Since becoming the first United Nations specialized agency to get its own top-level sponsored domain and secure space on the Internet, ".post", the UPU is looking to the future and working to extend the universal service in the digital sphere. Enabling trusted cross-border communication is a critical issue for the development of e-commerce, and postal services play an important role in this area.

These are exciting times. As we look towards a bright future for postal services in a new world, let us celebrate their value as a common good and their contribution to many issues our world grapples with – from promoting literacy and reducing poverty to fostering economic growth and making society more inclusive for everyone. **BH**



Money matters in Eastern Europe

Representatives from postal operators across Eastern Europe and the Commonwealth of Independent States gathered in Latvia for a workshop in August to prepare for moving to the target system for terminal dues in coming years. At the two-day workshop, participants learnt more about how transitioning to the target system would improve their accounting and remuneration.

**TEXT:
CATHERINE
MCLEAN**

While industrialized countries such as France, Great Britain and Switzerland have long been part of the target system, other countries in Eastern Europe and beyond are preparing to make the switch in 2016 or later. While such a move will require a lot of work, it's a necessary step, according to the Universal Postal Union, as postal operators need precise calculations of the terminal dues owed to them. "It's necessary for them to improve, evolve and receive more accurate revenues from terminal dues," explained Altamir Linhares, manager, UPU Remuneration Systems Programme. "Countries recognize there's a huge challenge ahead of them, added Linhares. "They should start preparing right now."

Participants from 17 countries attended the conference, organized by the UPU, PostEurop, a restricted union, France's La Poste and the Latvian postal operator. "Latvia is the only country that decided to join the terminal dues target system voluntarily and was able to share its experiences to demonstrate how the processes work in operational facilities," said Gunars Kirins, international relations manager at Latvijas Pasts. Latvia moved to the target system in 2014, two years ahead of schedule.

The switch will likely be more challenging for other countries. The transition system for terminal dues is simpler: postal operators charge a flat rate per kilo for letters and packages sent by a postal operator from outside their borders that they deliver to the destination within their country. In the target system, postal operators are remunerated by kilo and by item based on domestic tariffs. "As things evolve, the idea is to know how many items have been sent in each and every dispatch so that the resulting remuneration can be more accurate," Linhares explained. The payoff, according to Kirins of Latvijas Pasts, is the "financial gains in moving from the transition system to the target system".

One key procedure within the target system is so-called sampling, a focus at the Latvian workshop. With sam-

pling, postal operators determine how many items are in each kilo. Countries can choose to introduce continuous sampling procedures or statistical counts for 48-day periods, according to Linhares. Postal operators may also choose to instead use a flat rate based on the worldwide average for the number of items per kilo, but that system is less accurate. Participants also learnt about format separation, which involves separating letters and packages into small, big and bulky formats.

Participants at the conference had a chance to see both of these methods in action when they visited the Latvian postal operator's office of exchange. Anahit Muradyan, international settlements and routes coordinator at Armenia's Haypost, found the visit to the postal office particularly useful. "We could see in the sorting centre how things should be organized - all the procedures and its impact on remuneration and accounting after joining the target system of terminal dues," Muradyan said. Thanks to the workshop, Muradyan said she returned to her job with ideas about how to make improvements to Haypost's remuneration and accounting procedures.

There are already plans to hold a conference next March in Georgia as countries prepare and work through issues and turn to the UPU for advice. A third workshop could even follow, focusing more on certain topics, according to Linhares. "Some countries are a bit concerned about this change, which is normal," Linhares said. "But, in general, it was quite positive, and people were happy to have been given this opportunity."

Belarus, Bosnia and Herzegovina, Bulgaria, Kazakhstan, Lithuania, Montenegro, Romania, Russia, Serbia, the Former Yugoslav Republic of Macedonia and Turkey will join the target system in 2016. Further out, Albania, Armenia, Azerbaijan, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan, will follow, though a deadline for their move has not yet been set. **CM**



There to here and on

Before the UPU existed, what was the postal world like? Francis Lyall, author of a book about the UPU and the International Telecommunication Union, sheds a light on how innovation was the answer to detangling the sorry mess of bilaterals from that time.

TEXT:
FRANCIS
LYALL

The solution was to harmonise as far as possible. In 1863, on the initiative of the United States Postmaster-General Montgomery Blair, a postal conference was held in Paris, France. Much was debated but nothing settled. However, the idea was in the wind. Heinrich von Stephan of Germany drew up plans. Delayed by the Franco-Prussian War, these were discussed at Berne in 1874 by 22 countries – mainly European but including Russia, Egypt and the United States – mostly represented by technical people, not professional diplomats. With their knowledge of postal services they worked swiftly, and a treaty was adopted in three weeks.

New treaty

By the Berne Treaty, member states created a General Postal Union and constituted their territories as a Single Postal Territory for items of letter-post, printed matter, books and documents and samples of merchandise. Four years later at Paris, the treaty was re-titled. Using the more majestic word 'Convention' and substituting 'Universal' for 'General' demonstrated an intention that the Union would grow, an expectation justified by the admission of the overseas territories and colonies of the major powers. Today, the 192 members of the UPU include almost all the members of the United Nations. This is very much a global organisation.

Under the 1874 treaty and accompanying regulations, definitions, procedures and rates and delivery and transit were guaranteed within the single postal territory. An

International Office, soon renamed the International Bureau, was set up to disseminate operational information.

The UPU was not created to be a super-post office. It does not operate mail services: it facilitates. It is the 'coordinator of the international mails', as the title of one major study puts it. How the postal service is organized within each member country is for that country to determine. That said, what is done tends to reflect the practices of the international mail as agreed through the UPU. There is little sense in being nationalistically idiosyncratic. So, we all stick our stamps front top right on an envelope.

Rules

The pattern has continued. The scope of the arrangements was extended to letters of declared value and money orders in 1878 and to parcels in 1880. All members are bound by the UPU rules but remain free to form other unions to deal with local or regional conditions, but the rules of a 'restricted union' must not be less favourable to the public than the UPU ones. A high degree of cooperation and uniformity round the world has been achieved.

Prior to the Second World War, the UPU existed as a succession of agreements, not as an international agency. Its regular Congresses revised arrangements within the Union, but the UPU had no permanent organ. Supervised by the Swiss government, the International



Illustration: Getty Images

Bureau played only a ministerial role, gathering and disseminating information. That changed in 1947 when, to join the United Nations family of 'Specialised Agencies', an Executive and Liaison Committee was created to provide a central continuing authority like the others under the UN umbrella. The UPU was welcomed into the fold in 1948.

Thereafter, the UPU expanded. Following the break-up of the old colonial empires, new countries joined. These needed advice and sometimes help. The UPU had to become more active. In 1957, the Ottawa Congress set up a permanent Consultative Committee on Postal Studies (CCPS) to deal with technical and operational matters, to scrutinize how national postal systems worked, identify best practices and draw UPU members' attention to them.

The old structure was proving inadequate. In 1964, a new Constitution and Convention were adopted to better serve UPU needs. These, with the associated regulations, usefully compiled by the International Bureau in the Manuals on Letter Post, Parcel Post and Postal Payments,

remain basic. Later congresses have amended them in detail but not in principle in response to changing situations. The Council of Administration serves as the central body between congresses seeing that the UPU functions properly. The Postal Operations Council took over from the CCPS. The International Bureau lives on. Non-governmental entities can join a special Consultative Committee and feed their ideas into the UPU machineries. All these are welcome developments and (to an outside observer) are proving their worth.

What of the future? Electronic mail has reduced letter traffic. Private carriers deliver all over the world. Some national post offices have been dismembered and privatised. But postal services should serve the global public interest, not aim at the maximisation of profit for commercial enterprises. A balance will need to be found and the non-official carriers brought into the world system.

That said, the single postal territory still works well, so well it is taken for granted. The UPU should blow its own post-horn more. My six-year-old grand-daughter is about to send a letter to Santa Claus. If she gets a reply, it will be thanks to the UPU. **FL**

Francis Lyall is an emeritus professor in law of the University of Aberdeen. The views in this article are his own.

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WORLDWIDE
SCIENCE



How to give traders an easy ride

Never before has it been easier for small businesses to have a global presence, thanks to the internet and recent developments in trade facilitation.

The United Nations Economic Commission for Europe regularly brings together stakeholders from government and trade to simplify the trade landscape.

Tom Butterly, its deputy director of trade facilitation, offers crucial insights.

TEXT:
FARYAL
MIRZA

PICTURE:
DIE
GESTALTER

Union Postale: What is trade facilitation and why is it so important?

Tom Butterly: Trade facilitation (TF) is the simplification, harmonization and standardization of regulatory procedures and information flows for trade. It is all about making trade across borders as easy as possible for traders – in essence: cutting the red tape of trade.

Often when a trader wants to export a product, they face numerous obstacles in terms of procedures, regulations, documentation, tests and inspections. While these regulations are often necessary to protect public health, safety and so on, when it comes to TF, we ask how can this regulatory objective be achieved to facilitate the most trade.

Indeed, some regulations that were brought in at a time of crisis to address a specific issue at a specific point in time may no longer be necessary. TF looks at what these regulations and procedures are and whether they are still legitimate, if they can be simplified or be integrated with other measures.

How substantial would the cost-savings be if matters were streamlined?

If trade systems and procedures can be simplified and reorganized so that the trader only needs to submit the necessary documents once, the cost reduction would be enormous. Submitting the same information in many different documents to many different regulators and the often broad range of regulatory procedures can account for an estimated 10 – 20 per cent of the total costs of trade transactions.

Reducing global trade costs by only one per cent would increase worldwide income by more than 40 billion USD, most of which would accrue in developing countries, according to the Organisation for

Economic Co-operation and Development or OECD.

Unnecessary or inefficient procedures place an additional cost on importers or exporters that add no value whatsoever. Countries actually need to reduce the cost of doing business.

One of the fundamental concepts in TF is that you cannot reduce the physical distance to market but you can reduce the economic distance of getting products to market by reducing costs.

Of course, it's not just about cost but also predictability and reliability. If I am an operator in the supply chain, I need to know that a certain component will be delivered on a certain day (and often at a certain time). If it arrives a day or two later, this may not work at all for me. I will pay more for a component that I'm sure will arrive on time.

What else is TF is about?

Another concept in TF is that goods cannot move faster than the information that controls them. So, countries really have to ensure that their systems provide and obtain information as early as possible in the trade process. In fact, if this information is provided in advance, the regulatory processing can take place before the goods arrive.

It is extremely important that countries coordinate this exchange of information, using the same data standards. Developing such global standards is the key work of UNECE's intergovernmental body, the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT). UN/CEFACT consists of over 200 government and business experts from every region of the world, who meet virtually throughout the year and physically every six months in different locations to develop the standards.

What kind of global standards have been developed?

We develop recommendations and standards for TF. The most well-known one is the Single Window Recommendation, UNECE Recommendation Number 33. Within a Single Window facility, a trader can submit all the information required for all regulatory procedures for import, export or transit at one central point, using international standards for data.

A Single Window is also usually associated with a single coordinated inspection of goods, if required, by Customs and other government agencies. Already established in more than 70 countries, Single Window implementation is a step-by-step process that involves analysing simplifying and automating the regulatory processes of international trade at the border both for and between Customs and other government agencies, such as those responsible for agriculture, health, transport and so on. Single Window has been very successful in reducing regulatory requirements, as well as bringing all agencies to work together.

How does TF become a reality?

By far the biggest challenge in implementing TF is changing the mindset of stakeholders. In many countries in the past, and particularly in developing countries, there was a high level of suspicion and distrust between government and trade, where government sometimes viewed business as potential fraudsters and business saw government as an obstacle to trade. This was very detrimental to the economy as, ideally, government and trade should be partners in this project to create national wealth.

In implementing a Single Window, for example, this change in mindset can be difficult to achieve because many ministries have to change their existing way of doing business for the sake of the common good. For that to happen, you often need a champion, sometimes at the very highest level, such as the prime minister's office. That's difficult as prime ministers are very busy, and everyone wants the prime minister to be the champion of their project. However, many countries have made that choice, such as Australia and Korea in the case of Single Window.

As the agencies work together, procedures can be simplified and streamlined, as do ways of doing business, and this frees up the process. It is a win-win situation for everyone. This is why we as the UN are involved in TF as we see it as a way of helping countries to create wealth, therefore create more employment and alleviate poverty – and we know from the research that this actually works.

What is the role of business in TF?

TF has to be seen as an integral part of a trade and economic policy. Business has a fundamentally important role in trade facilitation. Sometimes, governments make changes with good intent and then ask business for input. But this is too late, even if they have done things properly, as they won't have the buy-in from businesses. The process has to be inclusive right from the start. Many countries have set up consultative mechanisms between government and trade, such as Customs-consultation mechanisms or national trade facilitation committees. These can play a key role in spearheading positive change in trade processes, both for the public good and security and enhanced competitiveness.

Where can the Post be slotted into the process?

I have seen the post offices in Africa work miracles 20 years ago when the internet first came out, offering companies a simple website and email address for pen-nies. Companies could then advertise with an email address and come to the post office to pick up their emails. They didn't even need to have a computer. This was highly effective because you could be a small company in a rural remote area, even without secure electricity, and you would still be present on the web, have an email address and could trade internationally.

All the buyer needed to know was the identity of the company and the product and then establish initial contact via email. The company could then come to the post office to check their email every day, and a 24-hour response was possible. And this was really innovative at the time.

Today – and I'm thinking of small and medium-sized enterprises (SMEs) in particular - if a business-owner can bring their product to the post office and clear all of the regulatory procedures at once, this would be phenomenal. To what extent this could be done would really depend on the country, how far they were prepared to go, how they would change the legislation and who would be authorized to do what.

The potential for SMEs is enormous because large companies have more or less their own facilities for handling regulatory procedures. They can have an export department with an export officer, who specializes in this and s/he will know all the procedures and exactly what to do. For small companies, there is no possibility that they would be able to do this. If the Post can provide this service and facilitate the clearance of goods for export in a simple "Single Window" type of approach this would be a tremendous boost to SMEs and would open up huge opportunities for exporting and inclusion in global supply chains.



How can the post office be involved?

The idea of using the Post as a gateway for international trade for SMEs is very interesting and has huge potential if implemented properly. An awful lot will be internal work in the countries themselves, changing procedures and the regulatory framework to allow this to happen. Small businesses would also still have to ensure consistency in quality, packaging, safety standards and so on but the government could have programmes to help them with all of this in an integrated way with Posts as a partner because the latter has a presence in every small village.

It is early days yet for this idea and there is a lot to think about. To what level would you go down? To the micro village, the nearest town? You would have to think about what kind of product you could deal with, what kind of volumes would it take to make this work, what kind of training would you have to give to your staff, what kind of physical facility and procedures would you have to have in place to track and ensure that the product actually arrives at its destination, on time, and with no pilferage, theft or damage.

What about the competition for Posts?

Express carriers have been enormously successful and seen strong growth in this market because they developed a good business model and built a strong reputation for reliability and delivery. They are now a very important and valuable part of the global supply chain and they're doing a good job under special facilities for expedited shipments.

If the couriers are already doing well in this market, how can Posts play catch-up?

This would have to be well analyzed and thought through. The Post would have to develop its own niche market. A strong advantage of the Post would be the extensive network and presence on the ground in many rural areas. Partnership possibilities with the established express carriers could be considered. A big factor would be how far governments were prepared to go in supporting the service, perhaps as part of a rural development policy. Clearly, the service would have to make sense and be cost effective and sustainable. The volumes would have to be sufficient to justify the expense and the quality of the service would have to be ensured.

From a trade-development perspective, the service at the Post would have to be complemented by and be in line with a host of trade support services normally required by SMEs. TF in a local post office on its own would not work. You would need an entrepreneur

with a product, who wants to export it. They would need to have a good understanding of how the international market works, as well as a concept of quality consistency, timeliness in delivery and more. From my experience in developing countries, we often underestimate the requirements in these areas.

Notwithstanding the above, I believe that there is enormous potential for the export of quality products from rural areas if the support conditions can be met. In most countries, we are not short of ingenuity, creativity or passion to succeed. Rather, the regulatory and procedural barriers to trade are often insurmountable and business never gets off the ground. I think this is a great tragedy and an enormous waste of human potential.

You have five minutes in a lift with the prime minister of Country X to pitch TF through the postal network to him/her. What would you say?

I would say that we now have a huge opportunity to open up global trade to SMEs, an enormous moment to enhance participation of SMEs like never before. This is a coming together of technology, and a changing mindset regarding the potential of trade and the simplifications offered by TF measures for economic growth and development. Because of the technology, I can now advertize globally as an SME, have a global presence for little or nothing and, if I can respond to that global presence with cost-effective global delivery, I'm in business. If the Post can give me that global delivery and global access – great!

Discussions on TF at the World Trade Organization and other fora have also been hugely positive as this has greatly enhanced the political will to implement TF measures and adopt it as part of a country's trade and economic development agenda. So, the potential is clearly there – we now have to realize it. Let us not hesitate! **FM**



Tom Butterly



Deutsche Post launches WhatsApp rival

Hoping to capitalize on its long history as a trusted postal operator, Deutsche Post DHL has launched SIMSme, a new messenger service for mobile phones that will put it in direct competition with established services like WhatsApp. In August, German postal operator unveiled its free global messenger app for cellphones available in eight languages, including English, French, Russian and Turkish.

As mail volumes decline, postal operators are looking to expand into new markets to lift revenues. While postal operators may not be thought of as cutting-edge technology companies, they do have strong historical links to the telecommunications sector. In many countries in the past, postal and telecommunications services were unified in a single government-run company. "Deutsche Post has stood for secure and confidential communication for 500 years," said Edenhofer. "We now want to transfer this to instant messaging."

Standing for security

SIMSme is available via a free download for iPhones and Android cellphones. "For now, the goal is to ensure that SIMSme is viewed as a secure Instant Messaging app and to attract clients," Edenhofer said.

Deutsche Post is stressing the importance of data protection as it seeks to convince users to try SIMSme. Security features include automatic, end-to-end encryption of messages that Deutsche Post says will make eavesdrop-

ping "impossible". The data for the app is stored on servers located in Germany, which is known for its strict data protection laws. For 0.89 EUR, users can even pay for a so-called "self-destruction" feature that permits users to set a deadline for the message to be read before it's wiped clear from the server. Deutsche Post adds it will not use the service for advertising purposes.

The launch comes at a time when the security of user data is under intense scrutiny. Germans were recently rattled by a whistleblower's revelations about how the United States' National Security Agency spied on internet and phone communications around the world, including even the mobile phone of their own Chancellor Angela Merkel.

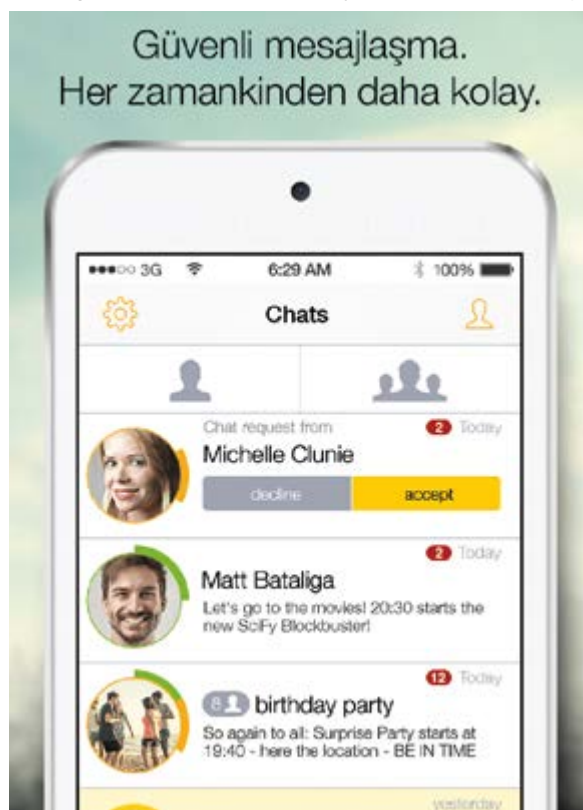
While security may indeed help Deutsche Post win some customers for its SIMSme app, it will be difficult to compete with market leaders such as WhatsApp, Facebook Messenger, Google Hangouts or Viber, according to Dario Talmesio, a principal analyst at telecom research firm, Ovum. "Deutsche Post has a good proposition, but they are late in this market," says Talmesio. "The security and privacy approach is a valid point, perhaps the only real differentiator for them."

New propositions

The service may create some interesting opportunities for Deutsche Post. Customers can use such mobile apps on a daily basis, and postal operators can add other existing services to apps, such as online payments and the tracking of parcel deliveries, according to Talmesio. Indeed, Deutsche Post says the lucrative business market is a target for this service, and it can imagine developing a paid app for this segment. "Mobile applications... can enhance a postal operator's current propositions and allow a deeper customer relationship," Cartesian, a consulting firm, confirmed in a 2013 report.

Other mobile apps that Deutsche Post has developed include the FUNCARD service that allows users to create and send postcards via their iPhone, which Deutsche Post then prints, stamps and sends. Its PAYSMART service let users pay with their mobile phones. **CM**

Available in eight languages (Photo: Deutsche Post)





Mauritius gets new postcode system

The 1.29-million residents of Mauritius are now proud owners of a postcode after Mauritius Post completed a countrywide rollout in August 2014. The ambitious project, launched in mid-2012, introduced postcodes in different stages across the islands of Mauritius, Rodrigues and Agalega, located in the Indian Ocean.

Mauritius Post introduced the five-digit postcode to modernize the country's addressing system, improving the quality of service for both residential customers and businesses, according to Giandev Moteea, Mauritius Post CEO. The new postcodes will have a positive impact on many different areas, from customers ordering from online shops, to making mail delivery more efficient and even helping emergency services respond more quickly. "The penetration rate is very satisfactory as we see mail – both outbound and inbound – and parcels bearing more and more postcodes, meaning that the message and instructions to 'use and make your correspondent use it' slogan in our adverts is getting through," said Moteea.

Internet and mobile-friendly youngsters are expected to be among the first to embrace the new system. Others, however, may find it trickier to adopt the new codes, especially in areas outside villages where there aren't always street names and numbers, according to Moteea.

The project required a significant investment in terms of both financial and human resources, says Moteea. The Post, for example, printed some 350,000 'Postcode Information Cards' and delivered them to every household on the three islands. A public-relations campaign followed, with information about the new postcodes publicized across TV, radio, billboards and newspapers. Even after the postcode's launch, Mauritius Post plans to run reminder campaigns so that people don't forget about the new postal codes when they are sending letters and parcels. **CM**

AUSTRALIA

AUSTRALIA POST is rolling out a series of measures to strengthen its regional and rural postal network. The operator plans to open more superstores and will invest another 40 million AUD (37.5 million USD) in various initiatives that it believes will improve the "viability" of its licensed post office network.

AUSTRALIA POST has launched a new digital mailbox trial with the government. Australians can now receive correspondence from the Australian Government Department of Human Services via the postal operator's MyPost Digital Mailbox. Australian Post customers can already access letters and bills from more than 30 firms via the digital mailbox.

BRAZIL

BRAZIL POST has introduced new parcel terminals, giving customers greater flexibility when it comes to picking up their packages. Consumers can ask for parcels to be delivered to the new terminals and receive a password via email or text message to open the lockers and take out their packages.

CANADA

CANADA POST reported a pre-tax profit of 53 million CAD (48.3 million USD) in the second quarter compared with a loss of 104 million CAD a year earlier. Lower employee benefit costs, a 10.9 per cent jump in domestic parcels revenue and letter price adjustments all contributed to the better result.

DENMARK

Online supermarket Irma.dk has joined forces with **POST DANMARK** to deliver orders across Denmark, including the island of Funen. The partnership allows Irma.dk to expand its territory and reach more customers, while the Post, responsible for the deliveries, can expand in the fast-growth e-commerce logistics market.

ESTONIA

The national postal operator has unveiled a new name for its international logistics business. While the traditional postal operations continue to operate under the **EESTI POST** brand, the global logistics business has been rechristened Omniva.

FINLAND

ITELLA GROUP has posted a loss of 3.8 million EUR (4.9 million USD) in the second quarter, weighed down by one-time items and lower revenue. Group revenue slipped 6.7 per cent to 461.9 million EUR amid lower mail delivery volumes and greater competition in its logistics segment.

The **POSTAL OPERATOR** entered into talks with employees in August as it embarks on a reorganization of its mail sorting operations. The restructuring comes as Itella seeks to adjust to declining volumes of letters, magazines and advertising mail. The company said it didn't expect many job losses.

In the New Year, Itella will change its name to **POSTI GROUP CORP**. The company will use one brand for both its consumer and business customers in a move aimed at reducing costs and simplifying the customer experience.

FRANCE

LA POSTE will debut a new range of courier services at the beginning of 2015 to better respond to the needs of consumers and businesses. Packages that are less than 3 centimetres thick,

such as CDs or small books, will be charged at the same rate as documents.

LA POSTE will invest 100 million EUR (129.5 million USD) over the next three years in multimodal transport to improve service and reduce carbon dioxide emissions. The company will build a new multimodal transport facility in France and expects that rail-freight links will double from 2016.

First-half profit at France's national postal operator slipped 10.4 per cent to 355 million EUR (457 million USD), dragged down by lower mail volumes and investments in various parts of the business. **LA POSTE** eked out a 1.6 per cent revenue increase, fuelled by growth at its GeoPost express parcel business.

FRANCE/SWITZERLAND

ASENDIA, the international shipping joint venture between **LA POSTE** and **SWISS POST**, has reduced the number of core services it offers to 10 from 50. The services are now grouped into goods distribution, business mail, direct mail and press/publishing. The reorganization aims to provide business clients with a simplified choice.

GREAT BRITAIN

PARCELFORCE WORLDWIDE launched Sunday deliveries at the end of June, and long-time client, Fortnum & Mason, was the first retailer to offer online shoppers this delivery choice. The introduction of this option should provide online retailers and their customers with greater flexibility and choice, according to Parcelforce.

POST OFFICE LTD. announced plans to enter the cellphone market in Autumn 2014, using EE's network. The postal operator is already present in the telecom sector, with half a million home phone and internet customers. Customers can sign up at post offices, online and on the phone.

ROYAL MAIL PLC reported a 2 per-cent increase in fiscal first-quarter revenue as a better-than-expected performance at its letter business offset a decline at its United Kingdom parcels unit due to tougher competition. The company plans to keep costs in check this year to shore up profit.

Some 20,000 small and medium-sized online businesses in the U.K. can now offer

shoppers the option of using **ROYAL MAIL's** "click and collect" service for their purchases. Consumers can pick up their online goods at one of the Post Office's 10,500 branches thanks to IT system upgrades at Royal Mail.

ICELAND

ICELAND POST has entered into an agreement with airline Icelandair to deliver passengers' luggage across the country. Passengers staying in hotels will receive their luggage by 9 am, while residents of the metropolitan area will receive their luggage by evening and the rest of the country the following day.

INDIA

DEUTSCHE POST DHL is stepping up investment in Blue Dart Express, a courier service, as it expands in Asia's fast-growing e-commerce market. The Post, which holds a majority stake in the service, said 100 million EUR (129 million USD) would be invested in 15 new fulfilment centres and other infrastructure in India.

IRELAND

AN POST raised the rates for letters on July 21 to safeguard the sustainability of its universal service obligation. The rates for international letters increased to 1 EUR (1.29 USD) from 90 cents previously, while the rates for standard domestic letters up to 100g rose to 68 cents from 60 cents.

ITALY

POSTE ITALIANE has called for a review of its universal service funding after receiving half of what it had requested from the regulator. Italy's national postal operator had asked for 1.4 billion EUR (1.8 billion USD) in 2011 and 2012 to cover the shortfall for its universal service, but received just 707.9 million EUR.

LITHUANIA

LITHUANIA POST returned to profit in the first half as results were buoyed by a 2.3 per cent increase in revenue and lower operating costs. The national postal operator reported a profit of 2.6 million LTL (973,910 USD). Both its postal and financial services reported higher results.

LITHUANIA POST is revamping its logistics chain with a new facility in Kaunas. The Post is

investing 173,772 EUR (224,343 USD) in equipment for the new, centrally-located facility, which is set to boost its capacity for handling letters and packages ten times. The mail sorting operations will move to Kaunas in spring 2015.

NETHERLANDS

POSTNL launched a trial in August to deliver parcels on Sundays. The trial was developed with Coolblue, an online retailer, as the Dutch postal operator expands the range of delivery options for online shoppers. In a related move, PostNL expanded its network of parcel pick-up locations in Belgium by 300.

POSTNL saw its second-quarter revenue rise 3 per cent to 1.02 billion EUR, buoyed by gains at its parcel and international businesses that offset declining mail volumes. Profit climbed to 44 million EUR (56.7 million USD), lifted by cost savings from a restructuring programme and tighter cost controls, along with fewer one-time expenses.

NEW ZEALAND

NEW ZEALAND POST has agreed to be a foundation sponsor with the new industry group Ecommerce New Zealand as it seeks to spur growth of the online retailing market at home. New Zealand companies have trailed their counterparts in other countries in embracing e-commerce, the postal operator said.

POLAND

POLISH POST unveiled plans to launch a new e-commerce platform that will bring banking, insurance and delivery services together into one solution. The new solution will lower the costs for e-commerce retailers, according to the Post, which is seeking a greater share of the market for e-commerce shipments.

SINGAPORE

Mail carriers now deliver packages on Saturdays in Singapore, one of several measures that **SINGPOST** has introduced in response to the booming e-commerce market. SingPost also launched a new generation of three-wheelers used for mail delivery that have 25 per cent more storage capacity than earlier models.

SINGPOST issued and transferred 220 million new ordinary and existing treasury shares on July 31 to China's Alibaba Investment Limited

after receiving regulatory approval. Alibaba holds a 10.3 per cent stake in SingPost following the transaction. The two firms are in talks to develop an international logistics platform for e-commerce.

Fiscal first-quarter underlying net profit at **SINGPOST** was little changed at 36.2 million SGD (29 million USD) as growth in expenses outpaced revenue gains. Expenses rose by 8.4 per cent in the quarter as SingPost invested in service improvements. Revenue rose 4.8 per cent, fuelled by e-commerce related areas including shipments.

SPAIN

CORREOS is removing one travel headache with a new service that takes care of railway passengers' luggage during their voyage. The "Puerta a Puerta" service is available for passengers travelling on the Renfe railway. Travellers can drop off their luggage at post offices before departure.

SWITZERLAND

SWISS POST has launched E-Post Office, a hybrid solution that reflects technological changes and shifting consumer needs. With the new platform, Swiss residents can decide online whether they want correspondence delivered to their home or sent electronically via the online platform or emails. PostFinance was the first firm to sign up.

First-half profit at **SWISS POST** fell 1.9 per cent to 370 million Swiss francs (395 million USD), weighed down by write-downs on financial assets and falling revenue. Swiss Post said it is developing digital products to strengthen its core postal business, while expanding into new business areas.

UNITED STATES

UPS is increasing investments in capacity-related projects this year to 175 million USD to improve its performance in the booming e-commerce market during the peak season. The company lowered its full-year earnings

outlook due to the higher expenditures. Its global package shipments rose 7.2 per cent in the second quarter.

UNITED STATES POSTAL SERVICE posted a loss of 2 billion USD in the fiscal third quarter, racking up its 21st loss in the last 23 quarters. While revenue rose 2 per cent in the quarter thanks to rate increases, a 1.5 billion USD jump in operating expenses wiped out that gain.

Quality information from innovation



GMS

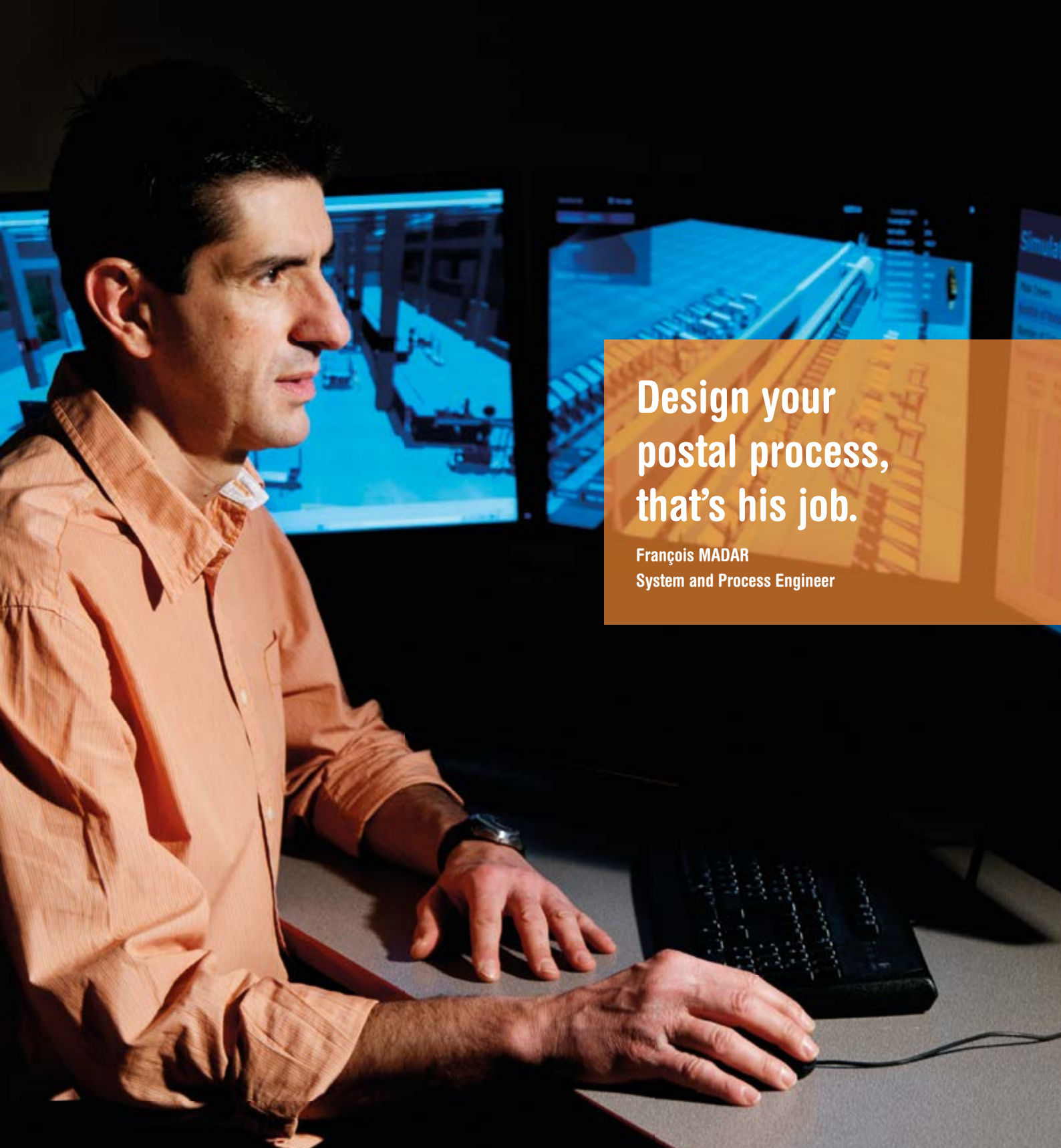
Global Monitoring System

Measuring mail performance with RFID technology was just a dream for many UPU member countries. Not anymore. Thanks to GMS, Posts can now benefit from a state-of-the-art solution that uses passive RFID at a very affordable price.

For more information, watch the animation film
<http://www.tinyurl.com/gmsfilm>
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