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DECEMBER 2015 JANUARY 2016 / N°4

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# December 2015 -January 2016

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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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QUALITY OF SERVICE

# UPU workshop empowers Posts



Participants welcomed the opportunity to learn from each other in Manila (Photo: iStock)

Postal representatives from some 20 countries in the Asia-Pacific region met recently in Manila, the Philippines, for a UPU workshop on improving operations. The event, which took place from 30 November to 4 December, was part of a series of UPU-sponsored workshops taking place in all world regions. More than 100 designated operators are taking part in the global programme.

"Quality of service is central in every type of organization, regardless of the nature of the product or service they provide," said Mansour Gueye, quality of service coordinator at the UPU's International Bureau.

"The challenge for postal operators is to implement plans of action to meet the requirements for good quality of service," he said.

The UPU Congress in Doha, Qatar, recognized the importance of this theme in 2012 and adopted a resolution in favour of a quality-of-service programme for 2013–2016. This is being implemented through plans developed by and for each world region and implemented on the ground by the respective countries.

The Manila event was designed to familiarize participants with UPU solutions, such as the Quality Control System (QCS). Using data from barcodes, this tool allows Posts to identify troublesome bottlenecks in international transport, known as Leg 2 of the supply chain (see "Getting into the quality zone," Union Postale 1/2015). Participants also had the chance to visit Manila's general post office and office of exchange (OE) in action.

## Cambodia

Among the participants was Roda Tep, quality of service manager for Cambodia Post. Asked about the benefits of quality-of-service workshops, she said speakers and participants shared useful knowledge and experiences.

She added that the workshop "encouraged and inspired us on how to maintain appropriate standards in mail operations". In particular, she noted that key performance indicators "help realize the country's strength and weakness points, as well as assist us in attaining maximum productivity". Improved quality-of-service results have recently been reported from Cambodia, but challenges remain.

"Cambodia has been experiencing rapid growth and this causes changes in addresses in the outskirts," said Tep. "These shifts cause a delay in deliveries of letter mail to customers."

A partner airline lacking a system for exchanging standard electronic data messages is another significant hurdle, she said. Other issues include lack of expertise among personnel. "Very few staff seem to know how to understand and analyze various performance reports," she said.

Cambodia was awarded Level-C quality-of-service certification in 2014 by the UPU, a designation marking progress in general quality management by the postal operator.

### Iran

Participating in UPU quality of service improvement projects is "like learning to drive", said Saber Keramati, a postal expert from Iran Post. "The workshops of the projects act as the driving school," he said, adding that the process has helped the Post to

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# Improving the supply chain

As the sun starts to set on the Doha Postal Strategy, work at the UPU has quickened in pace and heightened in intensity. Efforts to modernize the global postal network have seen a focus on regional workshops targeted at improving quality of service. One such example is the Manila event described in this issue. The testimonials from countries bear witness to the importance of such training sessions.

In other news, the campaign to raise public awareness on dangerous goods and prohibited items is gaining momentum, as the cover story reveals. More than 40 countries are on board, using a communication toolkit to make customers think twice before sending these items through the Post. The intention is to make the postal network a safer place for all partners in the supply chain, while ensuring that mail items go on their way as efficiently as possible.

A feature on World Post Day 2015 reveals the fervour with which this international day is marked across the globe. There were many examples of post offices opening their doors to the public, launching new products and services, reaching out to elderly and sick citizens, as well as celebrating winners of their national letter-writing competitions. It would have been wonderful to have mentioned them all... Thanks to all of you that continue to use this day to show your strong belief in the relevance of the Post.

FARYAL MIRZA, EDITOR-IN-CHIEF

develop expertise and improve operations, especially in terms of customer service.

In 2014, Iran Post was awarded Level-B quality-of-service certification, which focuses on OE and sortingcentre operations and relations with key partners including airlines, Customs, security authorities and other postal operators.

# Philippines

For the Philippine designated operator, the international transport leg is the primary quality-of-service challenge, as the Post "lacks a feedback mechanism to know exactly when the dispatches have been loaded", said Olivia Valderama of PHLPost.

Other challenges include problems with mail security, namely the "receipt of violated items/ tampered dispatches". The Philippines also require better computer processes interconnecting the country, she said, noting that the country is made up of some 7,000 islands.

"We are being coached on how to improve quality of service on par with international standards. Strategies and tools to achieve the project milestones are laid down," Valderama said.

# **Regional approach**

Reports from the QCS provide excellent background for action plans to improve quality, said Ján Bojnanský, who leads and organizes the workshop series in his role as UPU consultant. Online tools like the QCS are available for free to designated operators in UPU member countries. But many are either unaware of the technologies or have not yet implemented them.

"Quality, from my point of view, is not about money," said Bojnanský, citing the experience of Slovak Post, where he is in charge of e-commerce. He noted that, while the Slovakian designated operator does not possess the most state-of-the-art equipment, it has shown excellent quality-of-service results.

"It's about using the tools available," he said.

Aside from the online tools, the Manila workshop concentrated on parcels operations and the process for obtaining quality-of-service certifications from the UPU. It was hosted by PHLPost in coordination with the UPU and the Asian-Pacific Postal Union.  $\mathbf{D}\mathbf{K}$ 

# ART @ UPU

# Tunisian 'joie de vivre' at UPU headquarters



Jessica Schultz in front of Gorgi's UPU mural

A modernist mural on display at the headquarters of the Universal Postal Union (UPU) in Berne attracted special interest recently when an art historian travelled from the United States to document the ceramic work of art.

Jessica Gerschultz, assistant professor of African and African American Studies at the University of Kansas, is researching a book on modernism in Tunisia. She came to see first-hand the mural entitled 'La Joie de Vivre', produced by renowned Tunisian artist Abdelaziz Gorgi in 1963.

"I'm really excited to see a new work by Gorgi," Gerschultz said, "especially one in such pristine condition."

# Surrealism

The UPU mural is one of only three Gorgi works to be found in Europe. The surrealist work, depicting two musicians in a boat under a red sun, was a presented as a gift to the UPU from the administration of Tunisia's postal service in 1965. It was originally displayed at the old Berne headquarters before being moved to its current location in 1970.

# **Ceramic specialist**

Gorgi's most significant ceramic tiles from this period wrap around the façade of the presidential palace in Monastir and depict lyrical scenes of horses, trees, and marine life. The mural housed at the UPU is of the same genre, portraying fantastical underwater and garden scenes together with symbols of Tunisian cultural patrimony, Gerschultz explained.

Gorgi studied at the École des Beaux-Arts de Tunis from 1944 to 1949 and pursued further training in ceramics in Paris between 1949 and 1953. He was a founding member of the École de Tunis, a group of Tunisian, French, and Italian artists, who spearheaded the Tunisian modernist movement. Fittingly for an artist honoured at the UPU, Gorgi also designed several stamps. Apart from holding the world's leading stamp collection, the UPU houses a significant art collection, mostly gifts received from member countries over its long history. **co** 

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# African Postal Forum´s focus on inclusive development

Postal ministers and leaders met in Côte d'Ivoire in December to discuss the role of African Posts in national development, postal financial inclusion and more generally "connecting, informing and involving each citizen" through the postal network.

TEXT: DAVID KOCH Bruno Koné, Côte d'Ivoire's minister of the Post and information and communication technologies, emphasized the opportunities available for Posts to participate fully in social and economic development. "Everything is being put in place so that the long-neglected postal sector can fully carry out its work in the service of economic activity and of the people," he told delegates.

UPU Deputy Director General Pascal Clivaz also attended, noting in his speech that that the forum's themes were highly pertinent and fitting with the goals of the UPU. The presence of Koné, Clivaz and other senior officials at the two-day event underscored the growing recognition of the Post as a vehicle for national development in Africa.

For his part, Koné stressed that Posts should transform their activities, positioning themselves as central players in national development strategies.

"More than ever, the Post of today must go beyond its traditional missions, to present itself as a genuine actor for development."

# **Efficient operations**

Among the other dignitaries speaking at the forum was Younouss Djibrine, secretary general of the Pan African Postal Union (PAPU). He remarked that major challenges being faced by African Posts include "ruthless competition" resulting from rapid liberalization, a dizzying number of technical innovations, and the demands of increasingly sophisticated consumers.

He also criticized postal partners from other countries, saying they are eroding "the most sacrosanct founding principles" of the UPU, including universality and the single postal territory. In face of these difficulties, he called for Posts to embrace a continent-wide vision of postal innovation and inclusion, particularly for those lacking formal bank accounts or access to other financial services, a group, he said, representing more than 76 per cent of the adult population.

Djibrine also urged Posts to maximize resources dedicated to financing development, while reducing high



400 participants gathered in Abidjan (Photo: iStock)

remittance fees, closing the digital divide, improving access to government services, and creating economic opportunities for target populations – all while improving and maintaining quality of service.

"All actors from postal services of Africa must join forces, with a view to working for inclusive, innovative and complete integration of the continent," he said.

Some 400 participants from 31 countries attended the forum in Abidjan, the seat of government in Côte d'Ivoire, from December 10-11. **DK** 



# "Keep me safe to get me there faster!"

To the average consumer, it may seem perfectly harmless to send lithium batteries or nail-polish remover by international post, but a UPU campaign is raising public awareness of the dangers of doing so.

DAVID KOCH

TEXT:

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As the Post increasingly handles deliveries of consumer goods, the stakes get higher. Battery fires and other such incidents can have deadly consequences. They may also result in costly delays and damaged property. Customers that do not know what the rules are for what may be sent internationally by Post may become frustrated when their items are not delivered on time. They may not be aware that posting some items may threaten the health and safety of postal workers, global supply chain partners, and the general public.

The UPU's campaign not only raises awareness but is also supposed to help reduce delivery delays, while showing that designated postal operators care about the well-being of all players in the supply chain.

# International rules

The UPU has provisions regarding dangerous and other prohibited goods in Article 18 of its Parcel Post Manual. Dangerous goods banned from the mailstream include not only explosive materials but also replica or inert explosives, such as novelty grenades, and flammable or radioactive items.

However, members of the UPU Postal Operations Council's (POC) Postal Security Group agreed that a communications campaign targeted at raising public awareness would bring Posts welcome support. In what would prove to be a model collaboration in this field between UPU member countries and the International Bureau, the latter's Communication Programme worked

closely with the Postal Security Group to ensure a campaign that was fit for purpose was created.

The UPU campaign uses the message "Keep me safe to get me there faster". Parcels are the protagonists in the communication toolkit, which includes animated videos. These outline the hazards associated with mailing explosive materials, flammable substances and counterfeit or pirated merchandise. While ordinary "safe" parcels make their way happily along the supply chain, villainous parcels representing dangerous and prohibited goods are discovered and detained.

Designated operators wishing to participate can use and adapt the campaign materials as they see fit. The toolkit can be easily customized to different markets and languages. The materials are already available in English, French, Arabic, Russian, Chinese, Portuguese and Spanish. Organizations supporting the campaign include the International Air Transport Association, the International Civil Aviation Organization (ICAO) and the World Customs Organization.

# Lithium batteries

Lithium batteries have emerged as a major concern for postal services as they are commonly found in ubiquitous consumer electronics such as smart phones, laptop computers and e-cigarettes. Often these items are being shipped across borders to hobbyists who seek out high-powered batteries for products like remotecontrolled cars and drones. The designated operator



Postal operators, such as Hongkong Post, have embedded the campaign materials into their websites for ease of use

for Kazakhstan noted that increasing volumes of e-cigarettes are also being sent through the Post due to e-commerce.

In the United Arab Emirates, Dubai is a well-known trade hub, importing and exporting electronics, especially to North and East Africa. The Emirates Post Group has noticed that many customers do not know the difference between lithium and other batteries. "You cannot stop technology but there is a need to simplify for the customer what can and what cannot be sent through Post," said Jassim Rabia Al Awadhi, the Post's senior director of health, safety and inspection.

Emirates Post is using the campaign materials in three languages (Arabic, English and Urdu) to raise awareness primarily in its multinational staff of more than 240 nationalities.

"The campaign has effectively added to our own activities to raise awareness, for which we thank the UPU," said Al Awadhi.

Furthermore, a close partnership with Customs is vital, he underlined.

"This is an important step as we do not do the inspection of items ourselves. The public does not know that it is Customs, and not the Post, which inspects packages," he explained.

The Post is about to sign a memorandum of understanding with the national custom authority to enable a transparent and close collaboration. Actors in the international supply chain have been implementing new measures to ensure safety. The UPU's sister agency, ICAO, updated its rules in 2013 requiring Posts to meet specific conditions before they can ship equipment containing lithium batteries. The batteries must always be inside the equipment, to prevent them from being crushed.

At the time of writing, 26 Posts have been approved by their national civil aviation authority to transport equipment containing lithium batteries. High-quality batteries are usually safe but cheap replacements tend to be riskier.



### PROVISIONS ON DANGEROUS GOODS AND PROHIBITED ITEMS IN THE UPU PARCEL POST MANUAL

http://www.upu.int/uploads/tx\_sbdownloader/ actInFourVolumesParcelPostManualEn.pdf

## TRANSPORT OF EQUIPMENT CONTAINING LITHIUM BATTERIES

http://www.upu.int/en/activities/postalsecurity/dangerous-goods.html



Aftermath of a fire aboard a cargo plane belonging to UPS, the private courier (Photo: USPS)

Among the 26 Posts allowed to transport equipment with lithium batteries is the Royal Gibraltar Post Office, which has been authorized to do so since October 2015. Serving as a British overseas territory famous for its history as a strategic military base, it is also an early adopter of policies designed to curb dangerous and prohibited goods in the mail.

The designated operator serves a population of some 32,000 on a territory of less than 6 km<sup>2</sup>. The small area allows it implement policies quickly, making it a kind of testing ground, said David Ledger, CEO of the Royal Gibraltar Post. When perfume was banned from international mail, for example, postal workers were immediately dispatched to advise all perfume stores about the new rules, so they could inform tourist shoppers about the new restrictions.

More recently, staff underwent a comprehensive training programme allowing them to ship items containing lithium batteries, which is particularly important for

# Lithium batteries

Designated operators wishing to transport equipment containing lithium batteries (ECLB) need to fulfil two conditions:

- Have procedures and training for controlling the acceptance of mail items containing dangerous goods destined for air transport; and
- Obtain specific approval from their national civil aviation authority prior to accepting and transporting ECLB.

customers who want to return electronics, such as iPads, through the Post. The designated operator hired an outside expert to instruct staff and management in procedures for controlling dangerous goods in the mail, culminating in an exam taken individually by all employees.

The consultant also verified that border agencies and trained officials from contract mailers, including fulfillment houses and bulk mailers, were up-to-speed with the regulations, said Ledger. Finally, the programme involved a "train the trainer" section so that all new employees would receive instruction in-house.

"You have to go through this training before you are allowed to work on the counter," said Ledger.

# **Raising awareness**

Gibraltar Post has also engaged in raising public awareness, using the UPU's campaign toolkit. For example, the UPU animated videos play continuously on screens for customers queuing at the post office and are featured on its website.

Adorning the wall of the post office is a large-format poster detailing 'dos and don'ts'.

"We took all other notices off the wall, so people wouldn't get distracted," said Ledger.

And all letterboxes now feature an information plate stressing the sender's responsibility for sending safe goods. Similarly, MaltaPost has participated in the dangerous goods campaign by distributing UPU campaign materials in all of its 36 post offices on Malta and Gozo, the two main islands of the Mediterranean archipelago nation.

This awareness-raising helps to streamline services, since it familiarizes customers with items that may damage other goods or even harm personnel or the public, said Yolande Spiteri, head of customer experience at MaltaPost.

"This helps in the efficiency of the company and consequently the service offered to our customers," she said.

This complements steps already being taken to reduce dangerous goods in the Post. According to standard operating procedures, MaltaPost staff is dutybound to be familiar with lists of prohibited goods, so they can be spotted on declarations forms for items sent by airmail. Mail is also x-rayed at the airport, said Spiteri.

"We put these measures in place to ensure the efficiency of the movement of mail and also the safety of the public as well as our personnel," she added.

Belposhta, the designated operator for Belarus, is also among those that have joined the "Keep me safe to get me there faster" campaign. The designated operator reported that materials from the UPU campaign have been distributed at post offices and on the company website.

The Barbados Postal Service has released the UPU's animated videos through social media and is planning to place billboards in post offices, along with televisions screening the UPU videos.

Adam Christian from the Austrian Post revealed that 520 post offices in Austria were stocked with the UPU campaign leaflets, designed to help staff explain to customers the importance of keeping mail safe.

"It was actually our employees that had informed us that a graphic support would help them give information to customers," Christian said, adding that awareness of dangerous goods needs to be higher among private senders.

"The UPU flyer was a good source of information and meant that we did not have to produce our own flyer," he added.

# **Tightened controls**

In Hongkong (China), an upsurge in outgoing mail over the past few years was accompanied by increased volumes of items containing prohibited goods, such as lithium batteries. Beginning in September 2013, the designated operator strictly enforced the non-acceptance of airmail items containing perfume, lighters and lithium batteries, according to the Post.

Items accepted are sent for x-ray screening; any that fail the screening are ultimately opened at the airmail centre by Aviation Security Company Ltd, the designated security agency of the Hongkong International Airport, in the presence of postal staff.

However, many items have been found to resemble lithium batteries when viewed through an x-ray, including certain computer hard drives. The result is that many items are pulled for opening, which requires time and manpower.

To foster cooperation with the public, the Post is working to educate customers. Posters have been displayed at post offices, at housing estates and on the



Posters are prominently displayed at Belposhta counters (Photo: Belposhta)

streets of Hongkong. UPU dangerous goods videos – with Chinese subtitles – have been screened in post offices equipped with televisions and streamed on the company website. And radio announcements remind people to keep dangerous goods out of the Post.

The designated operator reports that its efforts have been fruitful, as it has become well-known for strict control of dangerous goods, and as internet traders avoid sending these items for fear that their items will be returned without postage refund.

In Uganda, meanwhile, mail security has emerged as "a national security priority, especially in light of increased global terror and related threats," said Uganda Communications Commission spokesman James Mpango.

"The security challenges potentially increase in proportion with the number of industrial players, the rate of embracing new telecommunications innovations and the widening range of products, which come with new security dimensions like cyber security," said Mpango.



# COVER STORY ON SECURITY NORMS, UNION POSTALE MAGAZINE 2/2012

http://news.upu.int/uploads/media/ union\_postale\_2\_2012\_en.pdf

# CAMPAIGN VIDEOS

http://news.upu.int/outreach/keep-mesafe-to-get-me-there-faster/learn-more/ The biggest concerns for outbound items from Uganda include narcotics and illegal merchandise such as ivory, he said, all examples of the multifaceted nature of the risks of prohibited goods for Posts.

## Safety standards

With e-commerce leading to increased volumes of electronic devices travelling through the Post, and many containing lithium batteries, the problem of hazardous goods has evolved, said Javier Pumares Puertas, chief of security for Correos, the Spanish designated operator. "And forecasts predict even more growth," he said.

The Post has taken a number of steps to control the flow of dangerous goods through the postal system, said Pumares. "Correos always implements control measures of the content of items through customer declarations and a number of questions about the origin of the products," he said. Safety procedures, such as x-ray scans, are also carried out throughout the length of the supply chain.

"All of these measures are being reinforced through an information campaign for our customers," he said, adding that staff also receive special training. Correos is using materials from the UPU's dangerous goods campaign.

"The performance of the UPU in this matter has been essential," he said, noting that the UPU has worked to establish relationships with other stakeholders in the postal and transport supply chain, prioritizing security "without relinquishing the exchange of items between postal organizations".



A leaky parcel (Photo: USPS)



All letterboxes in Gibraltar have these signs (Photo: Gibraltar Post)



Damage caused by lithium batteries (Photo: USPS)

### Serious risks

While the communications campaign seeks to connect with the audience by striking a cheerful tone, the threats posed by dangerous goods are highly serious, especially when it comes to aviation security and safety. These threats are familiar subject matter for Tripp Brinkley, postal security programme manager at the UPU. Brinkley has served for 25 years with the United States Postal Inspection Service.

The interception of dangerous goods is a "more than a daily" occurrence, he said. The issue has become more pressing with the rising number of individuals selling goods through e-commerce platforms. Unlike major shippers, these individuals are often unfamiliar with the rules governing dangerous goods and prohibited items, he said.

He cited one case from the US where someone sold a motorcycle carburetor that still contained fuel and attempted to ship it through the Post.

"Those fumes really caused a panic," he said, noting that workers alerted postal inspectors after noticing the smell. "Employees are trained to look for dangerous or suspicious items, and they are actually very good at recognizing them and taking action."

In another case, a woodworker attempted to ship a gallon of furniture varnish that broke open during transport. "He probably didn't think that there was any danger at all," Brinkley added.

**UNION POSTALE** 04/2015

# Hoverboards

There have been numerous reports of fires and explosions caused by faulty batteries in the twowheeled motorized boards, known as hoverboards. A number of international airlines have banned passengers from taking hoverboards on their flights. In a recent example, Hollywood actor, Russell Crowe's sons were not allowed to take theirs on a Virgin Australia flight shortly before boarding the plane. After expressing his dismay on Twitter, Crowe received a response from the airline, which tweeted: "Hi Russell, due to safety concerns over the lithium ion batteries in hoverboards, these have been banned on all major Australian airlines and many around the world".

The potential ignition of such flammable materials could lead to a fire on an aircraft. Disaster struck in 2010, when a Boeing 747 carrying a shipment of cargo for an express courier (and not a designated operator) crashed near Dubai, killing both crew members aboard, after a fire erupted among pallets of cargo on the main deck.

The final accident report stopped short of determining the fire's exact cause – much evidence was destroyed in the wreckage – but noted a "significant number of lithium type batteries" among the cargo. For reasons that remain obscure, the batteries may have gone into "thermal runaway", a phenomenon that occurs when heat causes battery ingredients to spontaneously combine and catch fire. This fire then spread to other combustible material, according to the 2010 report.

## Safety standards

Security standards were made mandatory for UPU member countries by the 2012 Congress. The standards themselves were the result of work carried out by the UPU's inter-committee on security group. This included representatives from UPU member countries and major international organizations, such as the International Air Transport Association, ICAO, the World Customs Organization and the United States Transport Security Agency (TSA), among others.

The UPU set up the group to tighten security standards for the global postal supply chain after rigorous screening measures were applied unilaterally by the TSA to international mail travelling to the US in late 2010. This was a response to the discovery of two packages containing bombs on private courier flights destined for the US. The packages, sent from Yemen, were intercepted in Dubai and Great Britain. The UPU then launched a concerted effort among all relevant parties to come up with standardized security standards for the global postal supply chain to increase the security of mail travelling by air. The UPU responded to security concerns by introducing two new draft security standards. They reached a milestone in October 2015 when the Standards Board approved the latest changes and forwarded the norms to the UPU POC for approval. This final step would raise them to the status of "approved standards".

S58 defines general security measures for critical postal facilities, such as offices of exchange or security screening facilities. The standard requires, for example, a detailed written security plan and an annual risk fassessment taking into account the crime rate of the area, among other factors.

The standard also outlines the need for design features, such as lighting, that allows for the identification of people and vehicles along perimeter walls. Other elements outlined in the document include controlling access to critical postal facilities and training personnel.

S59 defines the requirements for mail screening at facilities such as airmail units. It outlines the necessary screening methods for items considered high-risk, and technologies that should be used for items already in receptacles or bags. For items that cannot be cleared, notification procedures are defined. For those accepted, the standard defines the proper documentation required. The POC's Postal Security Group, which developed the standards, described them as being "in line with other security regimes" following a systematic comparison with ICAO rules on air cargo and mail, and called the standards "quite stable" in an October 2015 document.

# Making the Post safer

Designated operators are working closely with airlines and Customs to streamline the movement of postal items around the world while ensuring safety and security. But customer cooperation is necessary to prevent dangerous items from entering the supply chain. Deploying a consistent message, designated operators can help cultivate safer habits among the public and ensure the efficient flow of goods. **DK** 

For more information on postal security, contact: Tripp Brinkley, tripp.brinkley@upu.int

To join the public awareness campaign, contact: Faryal Mirza, faryal.mirza@upu.int

Additional reporting by Faryal Mirza

Q&A

# Correos Paraguay's postal security advisor, Ricardo Sorazábal, on supply chain issues

Union Postale: What risks do dangerous goods and prohibited items pose to your Post? Ricardo Sorazábal: Such mail contents have a huge impact on the quality of our services. When they are detected automatically or are improperly packaged, they are removed from the postal system, which leads to dissatisfied customers because we are unable to meet our commitment of delivering the item to the recipient.

Dangerous goods also have an impact on the physical and mental well-being of our staff and all the people in the postal supply chain.

How has this issue evolved in recent years, in particular with the growth in e-commerce?

With the e-commerce boom, we are putting even more effort into ensuring that dangerous and/or prohibited goods do not enter the postal system via that market. Our country is seeing significant growth in online shopping. Everyday, more and more people are taking an interest in how these deliveries are made as the products people wish to buy often contain dangerous goods. Staff inform them of how these items are transported to ensure that they pose no risk to any part of the postal supply chain, assuming that they are not dangerous if dealt with properly.

Which items sent through the Post pose the most danger?

Explosives, such as fireworks, ammunition, gunpowder, flares, firecrackers.

Compressed gas in propane tanks, scuba tanks or any other items that contain gas.

Flammable liquids, including lighters, lighter fluid, oil paints, wood varnishes, solvent-based enamels, adhesives, perfumes and aftershave lotions, nail polish and nail gel.

Flammable solids, such as matches and coal. Oxidizing substances, including pool chemicals, hydrogen peroxide and bleach.

There are also toxic and infectious substances, such as pesticides, agricultural chemicals, mercury compounds, bacteria and viruses.

Radioactive materials too - radioactive waste, radioactive sources, smoke detectors, and not forgetting corrosives, such as wet-cell batteries, mercury, hydrochloric acid. And then there are miscellaneous dangerous goods, such as magnetized material, dry ice and lithium batteries.

What steps is your Post taking to reduce the entry of dangerous goods into the postal system? We train frontline staff that accept packages so that they are able to explain to customers the problems caused by these goods when they pass through the postal network and the risks to the people handling these shipments.

If the customer decides to send the package anyway, we train staff members on how such goods should be packaged. It is essential for frontline staff to verify the contents being shipped and to ensure that no prohibited items are included.

We have also put in place strict controls in cooperation with Customs, the National Directorate of Civil Aviation or DINAC and the National Anti-Drug Secretariat or SENAD, taking into account all instructions from the International Civil Aviation Organization. It should also be noted that, as the postal security adviser, I take part in workshops both in and outside the country... I am able to pass on what I learn.

# How does the UPU's dangerous goods campaign contribute to your efforts?

The campaign is always helpful to us because it offers answers to the questions most commonly asked by customers and staff. The terminology used and the information to be conveyed are clear, which in turn helps us to communicate the recommendations set out in the documentation.

We use it as a guide to educate customers about what can and cannot be shipped via the Post and to remind them that their packages will arrive more quickly if they do not contain dangerous goods, since they will be less likely to be seized by Customs or by other competent authorities within or outside the country.  $\mathbf{D}\mathbf{K}$ 

# Keen me safe to get me there faster

Did you know that dangerous and prohibited goods cannot be sent in packages travelling through the international mail network?

These include explosives such as fireworks and gunpowder, aerosol spray cans and other compressed gasses, lighter fuels, perfumes, matches and other flammable products, and corrosives such as mercury. Counterfeit and pirated items are also forbidden. Check before sending.

or contact your Post or Customs.





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# Revenues and letter tonnage rise

The latest UPU statistics show increasing postal revenues for designated operators and mail increasing in weight.

TEXT: ANDREAS BRITT

INFOGRAPHICS: DIE GESTALTER Postal revenues are on the rise for designated operators, reaching 239 billion SDR (330 billion USD) in 2014, an increase of two per cent in nominal terms on the previous year, fuelled in part by e-commerce.

While global letter-mail volumes fell by 2.6 per cent to 327.4 billion items, the weight of the same increased by 31 per cent in both international letter-post and parcel-post. This increase hints at the popularity of sending items, often bought online, weighing up to 2 kg by letter post, a cheaper option than sending through parcel post.

Meanwhile, the number of domestic letters slid by 2.5 per cent to 323.9 billion items, while international letters dropped by 7.3 per cent to 3.46 billion.

## Parcels

The number of international parcels sent also increased to 101 million items, a rise of 5.7 per cent. This was due to gains in three regions: the industrialized countries, the Latin American-Caribbean region and Europe-CIS. Items sent were also heavier, seen in the rise in the tonnage figure for international parcel post, a growth of about 12 per cent on 2013.

"The fundamental reason for the increase of parcel shipments is the double-digit growth of e-commerce, both at the domestic and international level," said UPU economist, José Ansón.

The growth registered in these figures reflects customers' willingness to pay for postal services today, he said, adding that tomorrow's customers may not necessarily be as willing, with big e-commerce players, such as Amazon, introducing new delivery models.

The number of domestic parcels shipped in 2014 increased by 3.1 per cent to nearly 7.3 billion items. The increase resulted from growth in two regions – the industrialized countries, and Latin America and the Caribbean – with 3.7 per cent and 18 per cent growth rates respectively. The other regions all saw volumes decline, with Africa posting a drop of 30 per cent. Ansón, however, cautioned that parcel volumes have proved to be volatile over the years, and that gaps in the data affect the reliability of the statistics.

Ansón also noted that designated operators may not be reaching their full potential and that annual growth rates above 10 per cent should be expected under prevailing conditions.

"The current situation suggests Posts are not fully seizing the opportunities of e-commerce yet," Ansón said.

### Postal income

In financial terms, letters still accounted for 41.8 per cent of global postal income in 2014 – some 138 billion USD. Meanwhile, parcels and logistics services generated 19.1 per cent of revenues (about 63 billion USD), compared to 18.6 per cent in 2013.

Financial services generated 17.1 per cent of the average postal income (56.4 billion USD) for designated operators in 2014, up from 14.5 per cent in 2013. The sale of other goods at post offices, ranging from mobile phones to sweets and toys, contributed an almost unchanged share of the revenue at 22 per cent in 2014 (72.6 billion USD), compared to 23.5 per cent in 2013.

# Network

Overall, the postal network appeared to grow in size in 2014 as the number of postal outlets reached 679,504, an increase of 0.5 per cent. Some two-thirds were staffed by employees of designated operators.

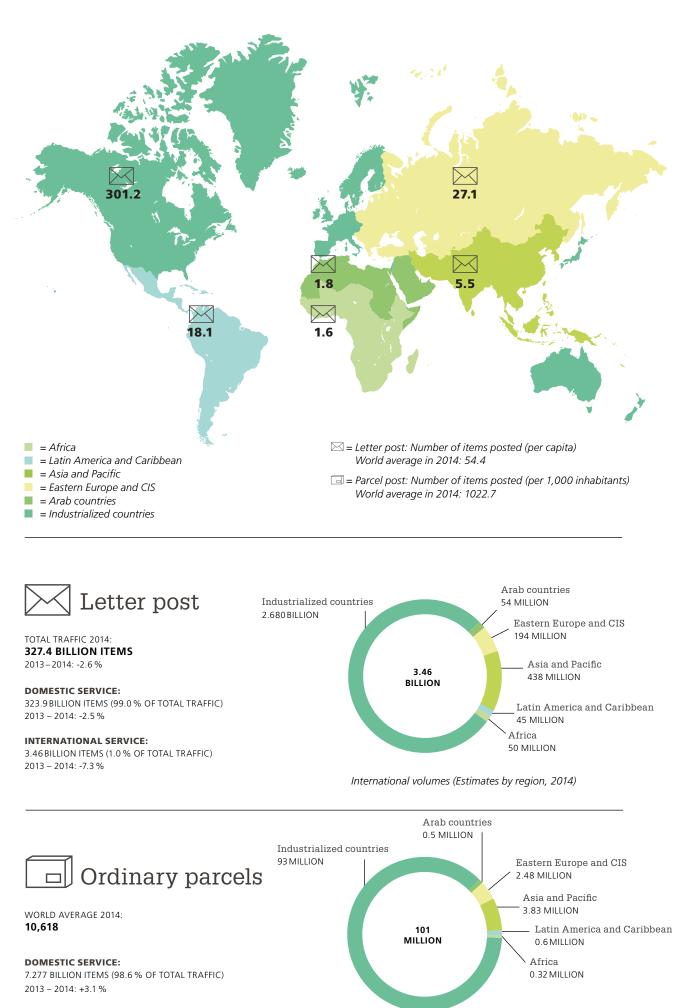
The number of outlets operated directly by Post declined slightly by 1.5 per cent, indicating a shift to franchising the business to external partners. While 5.24 million staff were employed by Posts in 2014, this represented a decline of 2.4 per cent on the previous year.

# Home deliveries

According to UPU estimates, 85.6 per cent of the global population has home delivery, 11.3 per cent has to collect mail at post offices, and 3.1 per cent is still without postal services. These figures closely mirror the situation in Latin American and the Caribbean.

Meanwhile, rates of home delivery remain low in Africa, where more than half its citizens have to collect mail at their post office. Access was also an issue among the Arab countries, with 63.3 per cent of the population having mail delivered at home. Just under 5 per cent of people in the Arab region are without postal services.

By contrast, almost all customers in Asia-Pacific - 98.5 per cent - receive their mail at home. The statistics also indicate a high rate of home delivery in the Europe-CIS region, at 97.1 per cent. And among industrialized countries, 96.6 per cent of the population enjoyed home delivery, according to the estimates. **AB** 



**INTERNATIONAL SERVICE:** 101 MILLION ITEMS (1.4 % OF TOTAL TRAFFIC)

2013 – 2014: +5.7 %

International volumes (Estimates by region, 2014)

2

# Inhabitants per post office

WORLD AVERAGE 2014: 10,618

Eastern Europe and CIS: 4,555 people

Industrialized countries: 5,305 people

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Latin America and Caribbean: 12,831 people

\*

Arab countries: 25,950 people

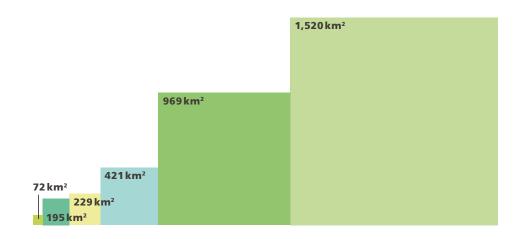


Africa: 67,900 people

1 = 250 people

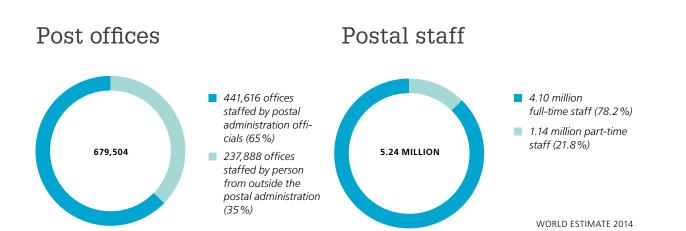
# Average area covered by a permanent office

WORLD AVERAGE 2014: 201 km<sup>2</sup>



= Africa = Latin America and Caribbean = Asia and Pacific = Eastern Europe and CIS = Arab countries

Industrialized countries



# Postal income by business line

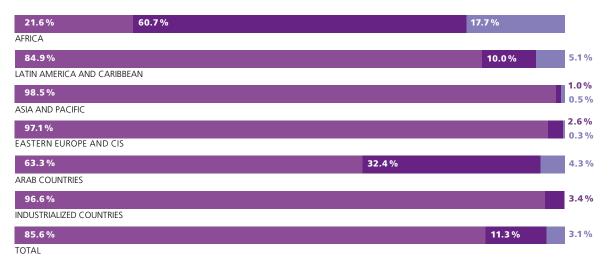
INCOME SHARE BY REGION, 2004 & 2014, SIMPLE AVERAGE OF DESIGNATED OPERATORS IN EVERY REGION

<b>49.6 %</b>			8	8.5%	17.9 %	2	4.0%	
14 <b>29.4%</b>	<b>19.8</b> %		1	8.0%	32	.8%		
AFRICA								
04 <b>62.5</b> %					8.0%	8.3%	21.2%	
14 <b>58.1 %</b>				2	22.7%		5.2%	14.1%
LATIN AMERICA AND CARIBBEAN								
04 <b>50.4</b> %				12.8%	20.0%		16.	8%
14 <b>26.5%</b>	25.4%			20.2%		27.9%	6	
ASIA AND PACIFIC								
<b>36.7</b> %		8.0%	20.0%	•	35.4 %	/o		
14 <b>43.8</b> %			9.8%	23.4%	6	Ż	23.1%	
EASTERN EUROPE AND CIS								
04 <b>39.9</b> %		6.3	% 23.8	3 %		29.9%		
14 <b>29.8%</b>	20.6%	D		28.8%			20.8%	
ARAB COUNTRIES								
04 <b>63.7%</b>					14.1%		10.4%	11.7 %
14 <b>52.0</b> %				23.4%		14	1.0%	10.5%
INDUSTRIALIZED COUNTRIES								
04 <b>50.7%</b>				9.7%	16.3%		23.3%	
14 <b>41.8</b> %			19.1 %		17.1 %		22.0%	
WORLD								

Letter post Postal parcels and logistics Postal financial services Other services

# Mail delivery modes by region

ESTIMATE BY REGION, 2014, WEIGHTED AVERAGE BY POPULATION



Population with home mail delivery Population having to collect mail Population without postal services



# Getting down to business

Khalid Daoud, LibanPost's CEO, is overseeing radical changes at Lebanon's designated operator. He was recently at UPU headquarters for his first visit to shed a light on how technology plays an important role in this transformation.

TEXT: FARYAL MIRZA

Union Postale: What is the rationale for change at LibanPost?

PHOTO: LIBAN POST

The company has had to rapidly diversify from the postal business model that had been in place for 200 years to take into account developments in the environment, infrastructure and technology.

Are you working on any technological innovations? There is a new phenomenon in taxis, where an automated system identifies the nearest taxi to a customer's location and sends it to them. We are intending to do something similar in our operations. It is extremely complicated. In Lebanon, there are 400 people on the streets every day working for LibanPost. It is very complex to know exactly where they are and to reproduce this on a digital map to be able to send the postman to the client at a set time. The project studies are almost complete but the solution will not be rolled out before the third quarter of 2016.

Do any characteristics of the Lebanese market justify such a service?

It is not specific to Lebanon but to the change you want to have in your organisation. Today, if your role is

to offer a service, it has to be outstanding and excellent. It is impossible to receive the answer "I can come tomorrow" from someone that can deliver, pick up or render a service to you. Tomorrow is not good enough as [customers] have obligations and cannot stay at home all day long waiting.

LibanPost is moving into becoming a service company. You cannot claim to be a service company and not be able to accommodate trends and technology. As an organisation, I have an obligation to give clients appointments and to be there within 10 minutes of the agreed time. To be able to give such appointments, it is imperative that LibanPost knows the whereabouts of its people and to guide them. This will require many dispatchers, each in charge of a team, sending postal staff to different places and moving them on to others.

Are there other key projects in the pipeline? One project is addressing. In Lebanon, addresses are descriptive as there are no street names or house numbers, so it is not scientific. We realised that geo-referencing could be a solution... you know exactly where you are anywhere in the world by aligning 36 numbers, 18 vertically and 18 horizontally.

For me, this is the most sophisticated form of addressing we know. The question is how to shrink those 36 numbers into something more coherent. We worked on this and today we have a solution: An algorithm that translates them into an alphanumeric combination. With this, you can have an address that is scientific, easy to produce and identify... we are now working on the last details and hopefully will launch in the first quarter of 2016.

Is LibanPost interested in becoming a player in the e-commerce market?

We are in the process of developing our own e-commerce platform. The idea is to offer access to small and medium-sized enterprises, which normally do not have their own IT solutions, and to persuade them to sell their items through it. The Post will make revenues from whenever a sale is made by taking a percentage and shipping costs. The intention is to link to the e-commerce platforms of other Posts, such as Italy, within the Euromed group of countries in 2016.

LibanPost is a private company with a government mandate to provide universal postal services. How does this work?

We are the only private company with this status in the Middle East for sure. We are regulated by the Ministry of Communications and Directorate of Post. We hold a monopoly in letter mail up to 2kg. We are obliged to provide universal access but are not subsidized by the government. This is profitable in some parts of the country but not others. The company is owned by the Mikiti and Saradar families.

# As a postal outsider when you joined the Post, what attracted you to this position?

I have been in management in multinationals, such as Gillette and Swatch, for a long time. I was attracted by the complexity of the Post. I was living abroad and wanted to return to Lebanon. I wanted something mind-twisting and I thought this position was difficult enough to accept the challenge.

# Are there any similarities between the postal and other sectors?

Yes, and I tend to approach things that way. I am not a postman and never will be. My reaction is that of a customer. What I see when I look at the organisation is what the customer wants to see and this drives me to make changes. Otherwise, if I had been in the organisation for ages, I would have adopted some habits and wouldn't see what was wrong. I try to keep a certain distance on purpose. I have colleagues that are more fit technically than myself but I do ask questions to understand certain contexts.

# When a customer looks at LibanPost, what do they see?

A modern organisation that can be trusted. Today, we have managed to build a brand over a decade that is reliable and respectable. We still have a very long way to go. I will never be satisfied with our quality of service performance because every time you set yourself an objective and you reach it, it is time to move on to the next one, to make it better, harder, and more complex. You can never have a service that is at 100 per cent all the time but you can keep on striving. As long as I am here, we will be pursuing that impossible dream. **FM** 

# World Post Day hits new high

Posts might be universal but countries around the world display a lot of diversity in how they choose to honour them. From public holidays to parades, exciting innovations, new stamps, products and contests, countries went all out in 2015 to observe World Post Day.



Correios of Macau (China) fêtes its letter-writing competition winners

TEXT: SAADIA IQBAL Celebrated worldwide on October 9 each year - the anniversary of the founding of the UPU in 1874 – World Post Day (WPD) highlights the importance of the postal service. It's also a way for postal services around the world to both learn from and inspire one another.

In UPU Director General Bishar A. Hussein's annual WPD message, he acknowledged that technology has challenged the Post in many ways. However, he said, "successful Posts have taken these challenges as opportunities to innovate".

This becomes clear when one takes a look at WPD celebrations in 2015. Postal services around the world

have been hard at work incorporating the three drivers of innovation, integration and inclusion, and many of them took the opportunity on WPD 2015 to showcase these initiatives.

The ultimate accolade of the international day came from Liberia. President Ellen Johnson Sirleaf declared October 9, 2015, a working holiday in recognition of postal services.

"In keeping with the global mission of the Universal Postal Union, postal customers in every country are to be treated with equal courtesy [and] respect," announced the country's Ministry of Foreign Affairs.



Malawi's regulator supported a maternal health centre

Government ministers responsible for communications and related fields also released statements marking WPD in countries including Côte d'Ivoire, Bulgaria and Tanzania.

Designated operators reported celebrations the world over, from Brunei to Cuba. To cite a few examples, an exhibition and concert took place on the island of Tahiti in French Polynesia; thousands of postcards that could be sent for free from urban centres to anywhere in the country were issued in Colombia; and in India, the day was part of National Postal Week, including visits by schoolchildren to postal facilities and other public outreach events.

# Innovation

Postal services across the globe are continually re-inventing themselves to stay abreast of the digital age, and WPD 2015 demonstrated how they are doing so.

In Croatia, for example, WPD 2015 saw the launch of a fleet of 180 electric bikes that postal delivery staff will use instead of petrol-driven mopeds. Calculations indicate that the switch to e-bikes will result in an annual savings of around 86 per cent, as well as a decrease in carbon-dioxide emissions by some 100 tonnes per year.

In Malta, WPD 2015 saw the launch of a new service that meets a long-standing challenge: the fact that many online sellers do not ship products to Malta. SendOn from MaltaPost provides consumers with an address in the European Union (in particular in Germany, the United Kingdom and Italy) or in the United States. Once the item arrives at that address, MaltaPost will collect and deliver it straight to the Maltese customer's door.

### Integration

According to the UPU Director General Hussein, for successful integration, "the Post will need to build a seamless network that is connected both virtually and physically, and that has a local and international presence".

In Jamaica, WPD 2015 was a chance to roll out a rebranded local next-business-day delivery service – Zip Mail. Customers can now pick up items or have them delivered door-to-door in select areas, and, at all stages, track the items' progress online, according to the Post.



Hrvatska pošta, Croatia, unveiled a new bike fleet

### Malawi – Supporting maternal health

World Post Day 2015 took a philanthropic approach in Malawi. The country's Communications Regulatory Authority teamed up with postal and courier operators to help the Euthini Health Centre. Efforts included providing power to the centre's maternity, antenatal and postnatal wings, renovating bathrooms and toilets, and replacing broken windows. The centre also received many useful items, including an electricity generator, 20 hospital beds, 22 mattresses, 44 cellular blankets, 31 window curtains and 44 mosquito nets. Secretary for Information Justin Saidi summed up the day's efforts: "This reinforces the fact that the country's communications sector can come together and make a difference in ordinary people's lives."

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Guyana Post offered health checks to the elderly

With its rollout, Jamaica Post hopes to send a message to staff, the public and its competitors that the Post can innovate and is ready to compete and make its mark on the courier business. In other words, according to the company's website: "Jamaica Post is here to stay."

The St.Kitts and Nevis Postal Service also launched a new "United States mailbox service, " which is meant to make online shopping easier for locals by allowing them to have items delivered to a US address and then shipped to the Caribbean country.

But networks ultimately depend on people, and interpersonal communication goes a long way towards building networks. One way for the Post to work on integration is by connecting with local communities and raising awareness of the integral role the Post plays in their lives. WPD provides a platform for this.

# Love Post Day

In Hongkong (China), activities for WPD 2015 aimed at integration in a number of ways. It issued four new stamps bearing a design of flying pigeons formed by crossed hands and the globe, to symbolise the global reach of the postal service. Hongkong Post also designates October 9 as Love Post Day to spread the pleasure of letter-writing. On this day, everyone in Hong Kong can send a letter to a local recipient free of charge.

Armenia and Portugal also marked WPD by awarding letter-writing prizes to youngsters, while the Philippine designated operator held its third national Letter-Writing Day. The upcoming letter-writing competition was also launched in Gibraltar.

In Iran, the Ministry of Communication and Information Technology unveiled two new stamps, bringing the face of a Persian mystic poet Hafez to the everyday business of sending letters. He once cautioned: "The words you speak become the house you live in."

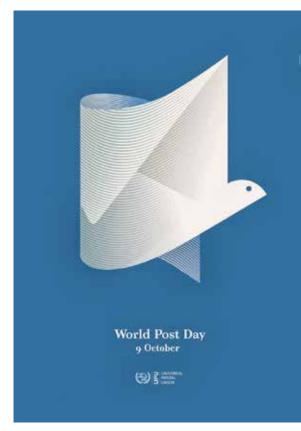
Meanwhile, launches of commemorative stamps for WPD 2015 were planned in countries including Japan, Malaysia, Portugal, Thailand and Ukraine. Commemorative cancellation marks were reportedly offered by designated operators in the Åland Islands (Finland), Germany, Italy, Macao and Moldova.

Guyana used the opportunity to offer health checks to the elderly on this august day. In Botswana, the post office held a celebration in Molepolole - the site of a historic "Post Tree," a point from which to dispatch and receive mail during the Second World War and beyond, before the arrival of the modern post office. The tree was known as Molepolole. BotswanaPost celebrated with poems, traditional music and a play by the company's own drama group. A mini-exhibition showcased artifacts from the old post office.

In Mali, the association of women postal workers of Mali Post organized a folklore show, while their retired counterparts staged a concert. In Serbia, WPD 2015 was marked by a "postal parade" in the city of Banja Luka, as a chance for citizens to socialize and get acquainted with postal workers.

Looking back at what transpired on WPD 2015, it's clear that the Post still has the power to draw a crowd. Around the world, people joined in the celebrations, learned more about their countries' postal systems and realized all over again how relevant the Post is in their everyday lives. WPD also brings out people's creativity, through letter-writing contests, drama, art, and other performances. In many ways, therefore, innovation, integration, and inclusion are already central to how the Post operates in the world. **s**I

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Armenia's HayPost honoured its national winner of the UPU letter-writing competition

Some 50,000 WPD posters, donated by the UPU, were displayed in Posts around the globe

# Philanthropy, philately and festivity in Mauritius

In Mauritius, activities are planned weeks in advance. To start, Mauritius Post holds its own in-house celebration, with music, songs and performances. The idea, says company CEO Giandev Moteea, is to build team spirit and also to go through the UPU's WPD message with all staff members. Mauritius Post organizes plenty of activities around the island, too. This year, the big event was the opening of a new post office branch in the city of L'Escalier. Minister of Technology, Communication and Innovation Roshi Bhadain was present at the opening, as well as members of the board, management and local villagers, who, according to Moteea, were "very happy to have a more spacious post office".

In addition, Mauritius Post held sporting activities, and open days at post offices and the Postal Museum. One goal was to encourage people to learn more about philately, to which end the company also has a junior club, where philatelists explain stamp collecting to youth.

The Post also holds various philanthropic events every year on WPD. In 2015, this included visits to homes for the elderly, disabled and orphans to donate food and other necessities and also holding a blood drive in collaboration with the Blood Donors Association. This year turned out to be special in that Mauritius Post employee Robert Francoise reportedly donated his blood for the 62<sup>nd</sup> time.

So, why all this effort every year on WPD?

"We want to create more awareness about the Post's role and responsibility," Moteea said. "We want people to understand the Post, its reinvention, and how relevant it is. It's really a one-stop shop. We have diversified a lot and we want people to be aware of that and to come to the Post and do business. We have something for all segments of society: government, private sector, SMEs, tourists, and even our diaspora, because we provide a lot of online services."

"The Post is a business entity," Moteea added. "It plays an important role in the economic buoyancy of the country and of the region." **s**I

# Japan Post watches over the elderly

For a company whose operations were rooted in the delivery of mail way back in 1871, Japan Post has evolved to provide an array of additional services, including banking, transportation and insurance, and is now looking out for older citizens with the help of IBM and Apple.

### TEXT: JULIAN RYALL IN TOKYO

One of the latest additions to its services is Watch Over, under which employees of Japan Post stop by the homes of elderly people to make sure they are in good health and then pass that information on to their relatives. Initially launched in 2013, the fee-based system is being expanded with the introduction of iPads that will directly connect the elderly with their families, their community, their healthcare providers and service-providers.

The aim, Japan Post says, is to become a "total life-support company".

"The post office can be an important provider of life support for the people of Japan and a key part of our social infrastructure," said Hideo Murata, senior manager for public relations for Japan Post Holdings Co., Ltd.

"We believe that expanding our services throughout the post office network, the group can become a total life-support company," he added.

# Ageing nation

One of the most serious and pressing problems that faces Japan at present is the rapid ageing of the nation. People here are living longer than ever before, largely because of dramatic advances in medicine and healthcare.

In 2014, people over 65 years old accounted for slightly over 25 per cent of the population, meaning that there were more than 32.68 million Japanese over the age of 65. Even more worryingly, the number of retirees was for the first time more than double the 16.31 million Japanese under the age of 15, underlining the speed at which society here is ageing.

Given the nation's declining birth rate, the elderly are expected to account for more than 30 per cent of the entire population by 2025. Those figures are replicated on a global scale, with the World Health Organization predicting that, by 2050, 22 per cent of the planet's population will be over the age of 60.

## Meeting needs

The downside of improved longevity is the added strain on health services due to falling tax revenues to pay for the care. The Japanese government is understandably keen for elderly people to retain their independence and stay in their own homes for as long as possible to limit the strain on its health system and the Watch Over initiative is designed to in part facilitate this.

"We want to provide new services that promote connections between people, improve the quality of the life for elderly people and their families and to contribute to the public's health and social well-being," Murata said.

"We are adopting the latest technologies for this updated version of Watch Over and it has been designed so that it can be easily mastered, even for the elderly," he added.

"By using this 'smart device,' we hope our service will be accepted by the elderly as a fusion with the human services that the Japan Post Group provides."

# **IBM and Apple**

Japan Post began working with IBM and Apple in late 2014 to develop the service, with the companies setting a target of between 4 million and 5 million subscribers by 2020. The applications that the service uses have been developed by IBM Global Business Services and the firm's digital arm, IBM Interactive Experience, and are delivered with exclusive MobileFirst cloud services for iOS, including provisioning and management of millions of devices, said Kyohei Suzuki of IBM Japan.



Almost 33 million Japanese are over the age of 65 (Photo: iStock)

The apps include FaceTime, Messages, Mail, Photos and iCloud Photo Sharing, along with access to the App Store, iTunes Store and iBooks Store. iOS 8 has features designed with the elderly in mind, such as settings for low vision and hearing-impaired users.

Other features for the elderly devised by IBM include reminders and alerts about medications, exercise and diet, as well as direct access to details on community activities and support services, such as grocery shopping.

IBM is also training Japan Post employees in how to use the system and so that they can then pass that knowledge on to the end users.

"The apps will make everyday functions easier for senior citizens - things like connecting with their loved ones on iPad via FaceTime, scheduling a taxi service, setting medication reminders, signing up for volunteer or short-term employment and communicating with Japan Post postal, insurance and banking employees," said Suzuki.

"We expect the ecosystem of service providers to expand dramatically with time," he said.

"The apps will come pre-loaded on the machine and then the user can customize to his or her preferences, as we all do with our personal devices."

# Trial run

The pilot scheme is scheduled to target 1,000 elderly people but the companies anticipate full deployment in 2016. And while Japan is acting as the proving ground for the technology, the developers anticipate that it will appeal to other markets that are experiencing a similar surge in the number of elderly citizens.

"This partnership is the first of its magnitude to aim mobile technologies at the economic and societal issues associated with ageing populations," said Suzuki.

"We believe this project will provide a template that can be replicated in other countries facing similar challenges, he added. JR

# Amazon plans to expand

Amazon's drive to ramp up its shipping and delivery operations does not appear to be slowing down. The online retail giant is aggressively expanding its extensive networks in a bid to provide convenient and speedy delivery.

TEXT: EMMANUEL DUH Plans include building a more robust parcel delivery network in Germany, the leasing of planes for unhindered cargo shipments, and restaurant delivery services. The company is also partnering with an Australian parcelcollection service to extend its pick-up locations.

### **German operations**

Amazon is reportedly using a distribution centre in Olching, near Munich, as a starting point for expanding its German parcel network. The company is looking to set up distribution centres close to urban centres to become less dependent on distribution partners and more flexible in parcel delivery, according to a company official quoted in the German press. However, local distribution partners appear to remain important for Amazon's delivery operations, with six local or regional delivery companies working with the Olching facility, according to the company.

# Air cargo

As it focuses on achieving an efficient and competitive delivery operation, Amazon is working to avoid delays in air cargo delivery at the hands of logistics partners in the United States. The online retailer, which has its headquarters in Seattle, Washington, is reportedly in negotiations to lease 20 Boeing 767 jets for its air cargo delivery service.

"Amazon is pretty fed up with the third-party carriers being a bottleneck to their growth," said Colin Sebastian, a financial analyst, quoted in the Seattle Times. As a prelude to the operation, Amazon has reportedly been testing the air cargo project out of the Wilmington, Ohio.

### Food delivery

Other recent moves by Amazon include its restaurant delivery service. In September, the company launched the meal delivery option in Seattle through its one-hour delivery app, Prime Now, and has since introduced the service to other US locations. Prime Now customers use a mobile app to place food orders from local restaurants, which can be tracked as Prime Now drivers pick up and deliver the meals.

### Parcel pick-up

Another development is providing convenience in parcel pick-ups in Australia. For people who work full-time, parcel delivery and pickup may be an uncomfortable experience. In an effort to make parcel pick-ups more convenient and suited to busy lifestyles, Amazon has partnered with ParcelPoint, an Australian parcel collection enterprise, allowing for more than 1,000 of its locations to be allocated to Amazon as "Pickup Points."

This enables customers to ship their Amazon orders to stores in the ParcelPoint network, such as pharmacies and convenience stores, instead of shipping to their homes. These locations are open late and on weekends, according to ParcelPoint. **ED** 

DIGEST

# AUSTRIA

**AUSTRIAN POST** has opened its 300th post office self-service zone, offering 24/7 access to parcel lockers, franking machines and selected mail services.

# CANADA

**CANADA POST'S** board has rejected the Liberal government's call for CEO Deepak Chopra to resign voluntarily. The rejection came in response to a letter asking cabinet appointees to decline early reappointments to new five-year terms received from the former Conservative government.

# CHINA/AUSTRALIA

**THE ALIBABA GROUP** has signed a deal with Australia Post. The agreement centres on the Chinese e-commerce giant's wholesale website, 1688.com, and allows the Alipay purchase cards to be distributed throughout Australia Post stores. The deal is aimed at linking Australian consumers with Chinese manufacturers while boosting Chinese consumption of Australian products.

# CHINA/TURKEY

**DHL GLOBAL FORWARDING** has announced a new southern rail corridor between China and Turkey. The rail link forms part of China's "One Belt, One Road" initiative, which is expected to generate more than 2.5 trillion USD in annual trade within the next ten years.

Meanwhile, the Postal Savings Bank of China has raised 7 billion USD from ten domestic and foreign investors ahead of its planned initial public offering. The sale of a 17 per cent stake to major investors including UBS and JP Morgan is reportedly the single largest instance of private fundraising in the Chinese financial industry.

# FRANCE

LA POSTE has introduced a new "Domino" service designed to allow users to send parcels with the push of a button. Customers place items they wish to send in their button-equipped mailbox, and the postal operator then collects, packages and delivers the item.

The French designated operator has also partnered with two technology start-ups, Cults and 3DSlash, to develop a new "Innovate and Create in 3-D" website aimed at showcasing what can be achieved with 3-D printing, displaying a wide range of 3-D items from designers around the world.

# FINLAND

**POSTI** has signed an agreement with the Finnish company **ANTTILA OY** to provide supply chain services in Finland for its department stores and online retailing. **POSTI** plans to undertake services including warehousing, transportation of products to stores and customers, and online store product returns.

# GERMANY

**DEUTSCHE POST DHL GROUP** has begun testing same-day parcel delivery through its long-distance bus network, Postbus. The service is now being tested in Berlin and Hamburg and is expected to be expanded to other cities.

The Post is also offering a new service for German e-commerce vendors called Ländernachweis that is meant to make cross-border tracking and tracing of merchandise items more transparent. The company uses RFID tags placed on or inside items to give senders and customers a clearer picture of the status of their items.

# GERMANY/FRANCE

Meanwhile, **DEUTSCHE POST** is set to buy a minority stake in the French e-commerce logistics specialist **RELAIS COLIS**. The Post is acquiring a 27.5 per cent stake in the company in a deal meant to provide **DHL** with greater access to the e-commerce market in France.

# IRELAND

**AN POST** is aiming to make online shopping easier with delivery boxes that have been supplied to more than 1,500 homes and businesses in southeast Ireland. The designated operator plans to extend the water-resistant parcel and letter delivery boxes to customers nationwide.

# LITHUANIA

LITHUANIAN POST has introduced an electronic self-service system that allows customers to send and track registered items. The system requires customers to enter data online and affix a specially printed sticker on the outgoing item, which is then handed to a local postal worker.

The Post has also launched a trial period for individual parcel lockers, inviting 100 volunteers to try out the new service for free. The personal parcel lockers were installed near the volunteers' homes.

# NETHERLANDS

**POSTNL** processed and delivered more than 1.4 million parcels on one day, 22 December 2015, a 30 per cent increase compared to the previous year. This was 100,000 more than on 1 December, the previous record day, according to the Post.

# ROMANIA

Poşta Română is set to invest approximately 17 million EUR (18.4 million USD) this year in modernising its ITC network. The investment will increase the number of post offices equipped with a VPN connection from 1,000 up to 2,000, according to the Post.

# ITALY

The Italian government has launched the initial public offering of **POSTE ITALIANE**. An investor roadshow took place in October along with a share sale for Poste employees.

The Italian treasury said that a stake of about 38% would be offered. The company's initial value is estimated at EUR 8.8 billion.

# SWITZERLAND

**SWISS POST** processed more than 18 million parcels in December up to Christmas Day, according to the designated operator. This is the fourth consecutive year of record volumes, with the company reporting about 17 million parcels in 2013 and nearly 18 million in 2014.

# UNITED KINGDOM

A survey of online business prospects by **EBAY** and **YOUGOV** has indicated that UK small businesses are optimistic about 2016, with many expecting to increase employment, exports and product offerings. Nearly half of the businesses said they were bullish about the prospects, while 22 per cent were pessimistic about the UK economy.

**ROYAL MAIL** has acquired **NETDESPATCH**, a shipping and parcel data management and labelling platform for postal and parcel carriers. According to the Post, the acquisition will help in providing customers with integrated e-commerce solutions for managing the shipping and tracking of parcels.

The **POST OFFICE** reached the milestone of 5,000 modernized branches with the opening of a new outlet at Caterways, England. The investment programme has led to longer opening hours for customers, thereby increasing average retail sales in those branches by 10 per cent, according to the company.

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# UNITED STATES

**USPS** has started deploying its 9,000 newly acquired Ram ProMaster 2500 delivery vans, supplied by Fiat Chrysler. The vans are used for mail collection, package delivery and "relay" drop-offs.

The Post is also expanding its "Informed Delivery" service, which involves e-mailing images of the exterior of letters to customers prior to delivery. The free service exists in some parts of northern Virginia and is being extended to New York City metro areas.

**FEDEX** has stated that a substantial increase in last minute e-commerce shipments is to blame for delays in Christmas parcel deliveries, with volumes far exceeding previous records. The company had earlier warned that severe weather conditions would result in delays.

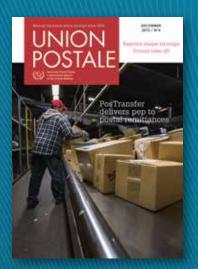
**UPS** reports that it will be supplying its fleet in Memphis, Tennessee, and Jackson, Missouri, with renewable natural gas from landfills. The decision is part of a multi-year agreement with Memphis Light, Gas and Water and Atmos Energy Marketing. The natural gas will fuel more than 140 trucks, according to the courier.

# UNITED STATES/ EUROPEAN UNION

The European Commission has "unconditionally approved" **FEDEX**'s acquisition of **TNT**  **EXPRESS.** The Commission concluded that the couriers "are not particularly close competitors" and that the transaction would not adversely affect European consumers. The companies are now working with regulatory authorities to obtain approvals from other remaining countries, most notably Brazil and China, according to a statement jointly released by the two firms.

All items by Emmanuel Duh

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